



VI Banesto Spanish Small Caps Seminar

September 25, 2008



Codere's strategy and business model

Codere at a glance



- Manages 53,575 AWP and EBT machines, 133 bingo halls and 68 off-track betting facilities, 5 casinos and 3 racetracks
- #2 AWP operator in Spain (c6.3% market share)
- #1 bingo operator in Mexico, through agreements with local partners
- #1 gaming operator in the province of Buenos Aires
- Leading gaming operator in other growth markets (Italy, Panama, Colombia, Brazil and Uruguay)
- €1,002 million revenues and €213.2 million EBITDA LTM (€236 million adjusted)

Key Operating Metrics / Codere's Footprint

	Spain	Argentina	Mexico	Italy	Panama	Colombia	Uruguay	Brazil	Total
Machines	15,863	4,497	19,266	2,380	1,424	8,616	1,529		53,575
Bingo Halls	1	14	100	12		6			133
Casinos					4	1			5
Race Tracks			1		1		1		3
OTBs	9		46		4		6	3	68

Note: As of 30 June 2008.



(1) Excludes Corporate Overhead.

Codere's business model

- “European” model of gaming
- Growth focused on profitability rather than scale
- Horizontal versus vertical integration
- Institutionalisation / professionalization

“European” vs. “Las Vegas” model

	“European” model	“Las Vegas” model
Regulation	High	Low
Target market	Local clientele	Tourist
Stakes / prizes	Low	High
Capital intensity	Low	High
Marketing	Restricted	Permitted
Taxes	High	Low
Number of players	Low	High

Growth drivers are not directly linked to economic cycles

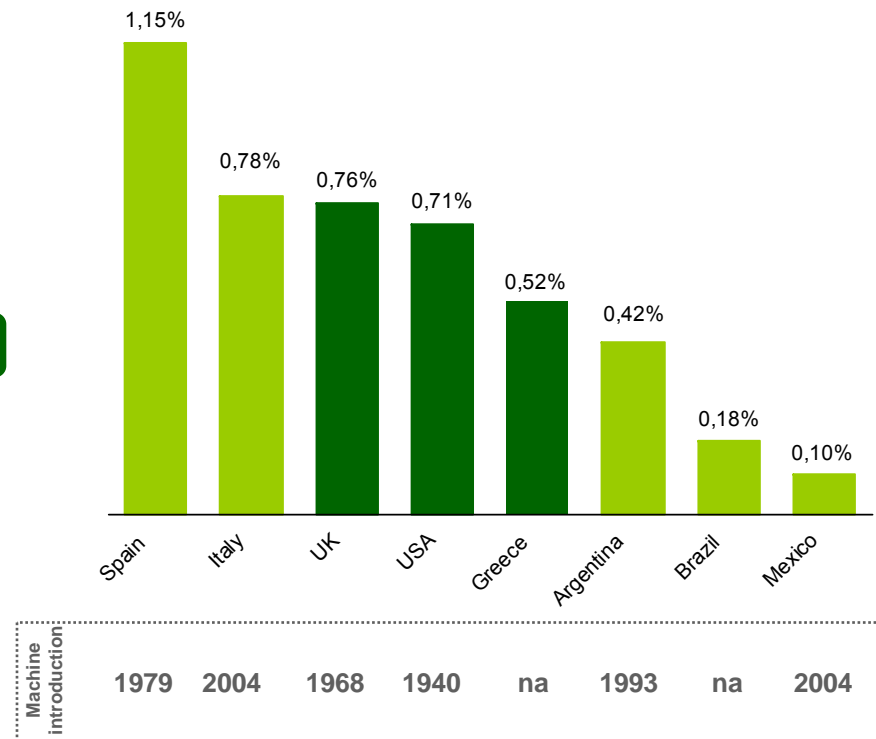
Increasing Gaming as % of GDP

- Regulatory dialogue
 - Tax authorities outsourcing, large employer, responsible gaming
- Technological & game innovation
 - Video, server-based gaming, TITO, jackpots, multigame
- Market knowledge
 - Customer preferences, distribution footprint

Increase market share

- Operating efficiency
 - Enhancing customer experience, economies of scale, control of data gathering systems
- Strategic alliances
 - Attracting best partners, successful partnership dialogue
- Driving consolidation
 - Leadership in core markets, successful integration of acquisitions, cross-fertilization of best practices

Gaming turnover (% GDP)

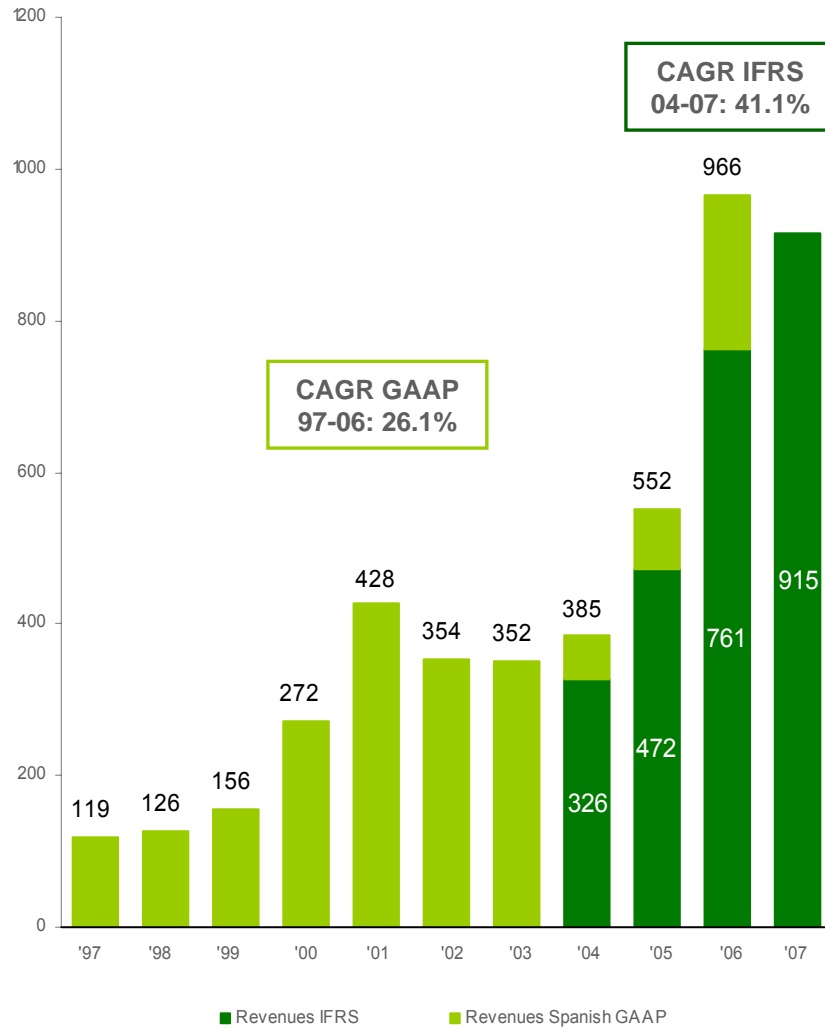


Source: GBGC (August 2005) and national statistics

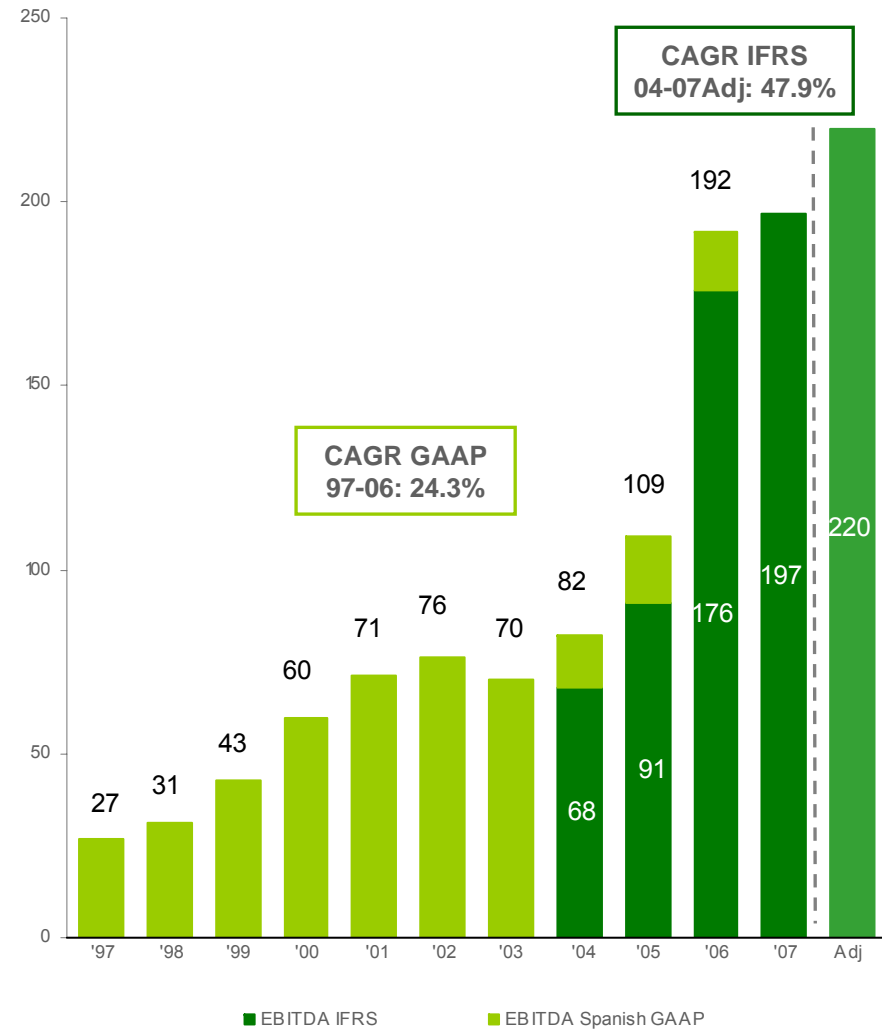
Integrate market knowledge, regulatory expertise and technology, to develop successful, legal, gaming experiences

Successful implementation of business model has resulted in a solid track record

Revenues development (€m)



EBITDA development (€m)



Note: 96-98 figures are pro forma audited figures as per 1999 Folleto registered with CNMV



Business and financial overview

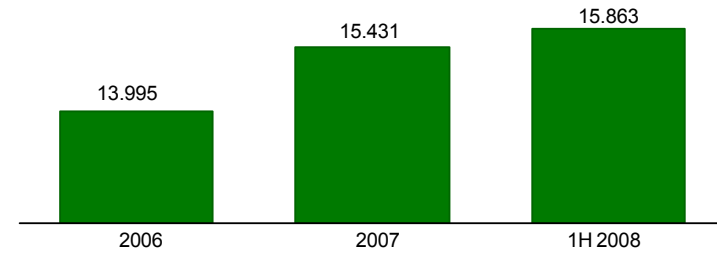


Spain

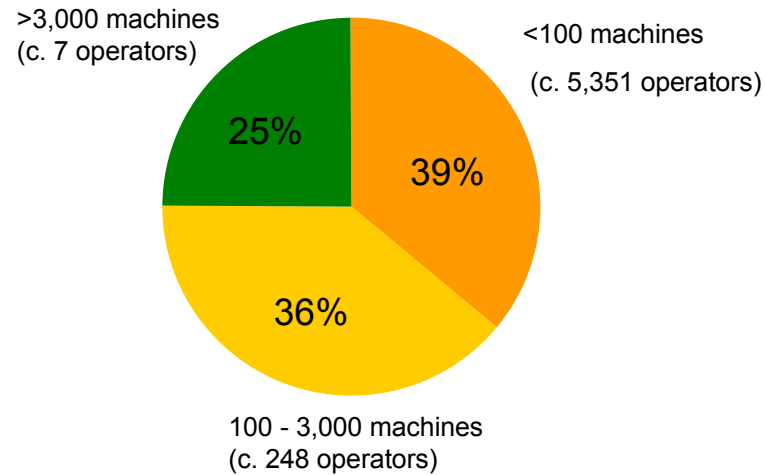
Key Value Drivers

- 2nd largest operator with 15,863 machines
- Superior net win per day through unique focus on machine management
- Growth through consolidation of highly fragmented market

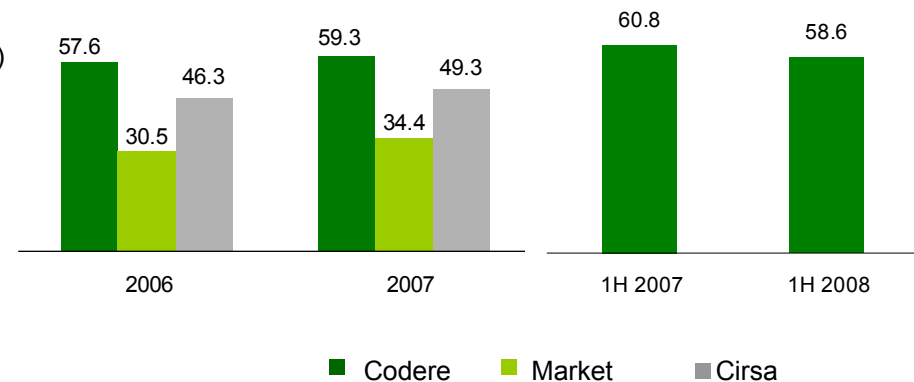
AWP Machines



Market fragmentation



Average Net Win per Day (€)



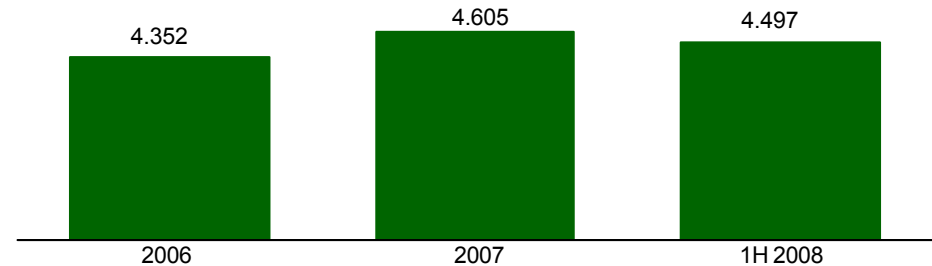
Growth driven by portfolio increases and net win growth

Argentina

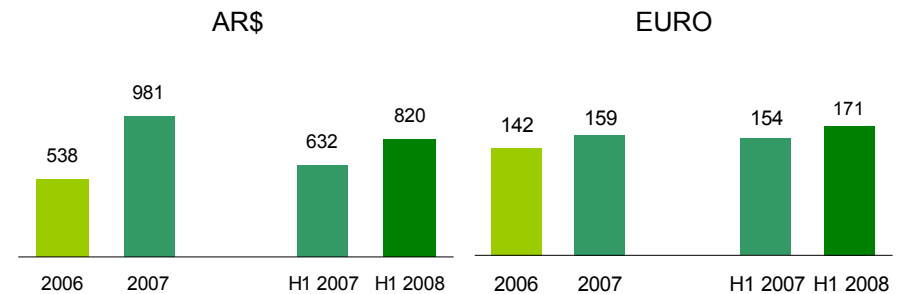
Key Value Drivers

- Prime position in a fast growing market
 - Growth has primarily been driven by slot machine roll-out
 - Renewal of licenses practically completed
- Unmet demand
 - Continued growth in net win per machine despite substantial increase in the number of slot seats
 - Optimization of hall locations and capacity increase
 - Continued optimization of machine park including the introduction of new technologies (ie. TITO)

Slot Machines



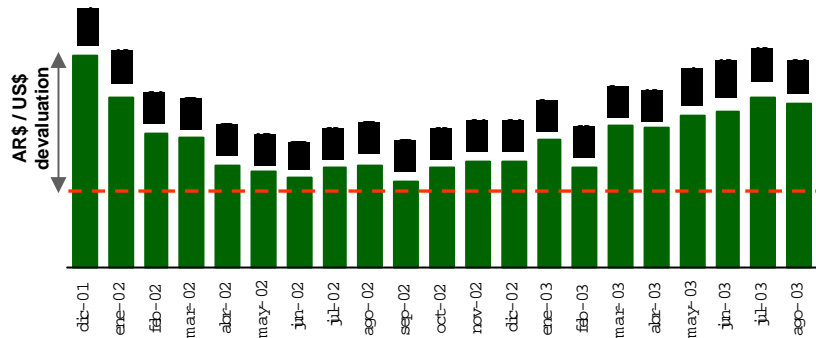
Net Win per day per machine



EBITDA growth driven by double-digit growth in net win (+28% 1H 2007 vs. 1H 2008 in local currency) as well as increase in slot seats

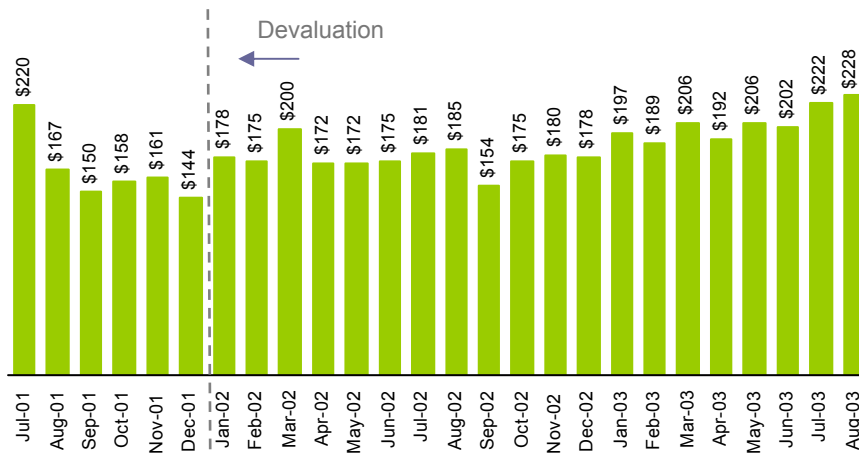
Codere has demonstrated remarkable resilience

Net Win per Day in US\$



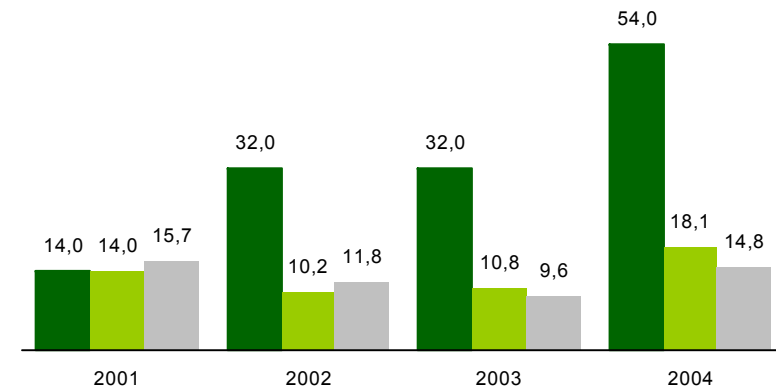
- December 31, 2001 argentine government eliminated peso peg to US\$
- Peso devalued 67% versus US\$ in 2001-2002
- By August 2003 net win per machine was back to July 2001 levels in real terms
- 2002 EBITDA decreased 34% in euro terms following the devaluation of the peso
- Strong profitability maintained throughout economic crisis

Net Win per Day (constant July 2001 pesos)



EBITDA

(AR\$m / US\$m / EURm)



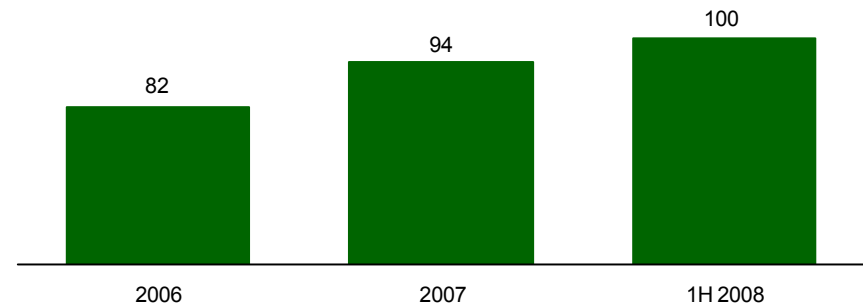


Mexico

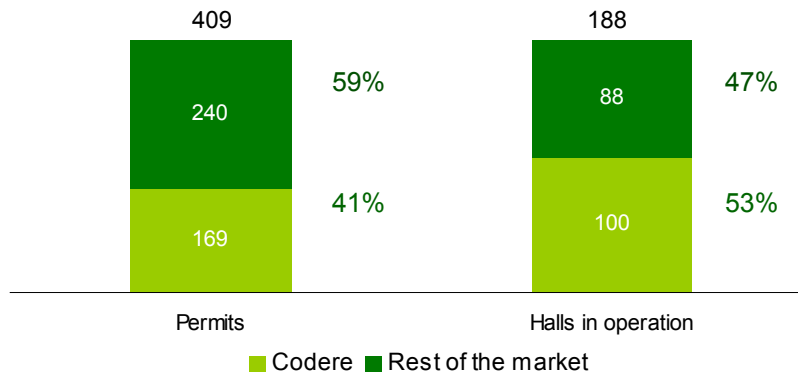
Key Value Drivers

- Dominant position through agreements with two partners and own licenses
- Growth primarily driven by EBT deployment since 2006
 - 2006: 10,630 EBTs → 1 2008: 19,266 (+81%)
- Further growth from continued EBT rollout

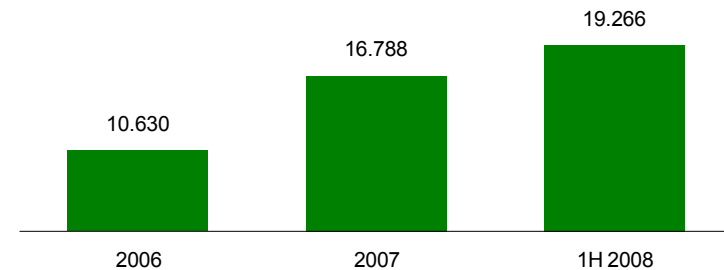
Bingo Halls



Bingo Hall Permits ⁽¹⁾



of Electronic Bingo terminals



Note: Rest of the market figures estimated as per SEGOB

(1) At 30 June 2008

Continuing to benefit from first mover advantage through rapid deployment of halls and EBTs



- Regulation
 - Regulated by autonomous region
 - Madrid and Basque regions have passed legislation enabling sports betting
 - Madrid granted 5 year administrative authorizations to companies that meet certain requirements (financial and technical). Codere & William Hill JV was granted with the first authorization awarded (April 2008)
 - Basque region awarded three licenses (25 locations and 500 machines each), one of which was obtained by Codere & William Hill JV
- Channels:
 - Betting shops, existing gaming establishments (bingos, arcades and casinos), sports premises and remote channels (incl. Internet). In the Basque region they are also allowed in bars
- Estimated capex per region €20MM (to be shared equally among partners)
- Victoria started operations in April 2008 in Madrid and expects to start in the Basque Region in Q4 2008.
- 3 or 4 operators expected to have joint market share of 70%

1H 2008 results

(in € millions)

	1H 2007 ⁽¹⁾	1H 2008 Reported	% change	1H 2008 At constant currency	% change
Revenues	417.4	503.9	20.7%	545.6	30.7%
EBITDA					
Spain AWP	36.8	35.6	(3.3%)	35.6	(3.3%)
Argentina	46.6	51.7	10.9%	59.6	27.9%
Mexico	24.1	35.9	49%	39.4	63.5%
Others	9.6	14.3	49%	14.9	55.2%
Corp. overhead	(13.6)	(17.5)	(28.7%)	(17.5)	(28.7%)
Reported EBITDA	103.5	120.0	15.9%	132.0	27.5%
Net Income	11.9	0.7	(94.1%)	4.9	(58.8%)

(1) The Italian direct AWP and Italy Sports Betting businesses are not reflected because they were classified as discontinued operation in 1H 2008 and prior periods for comparative purposes.

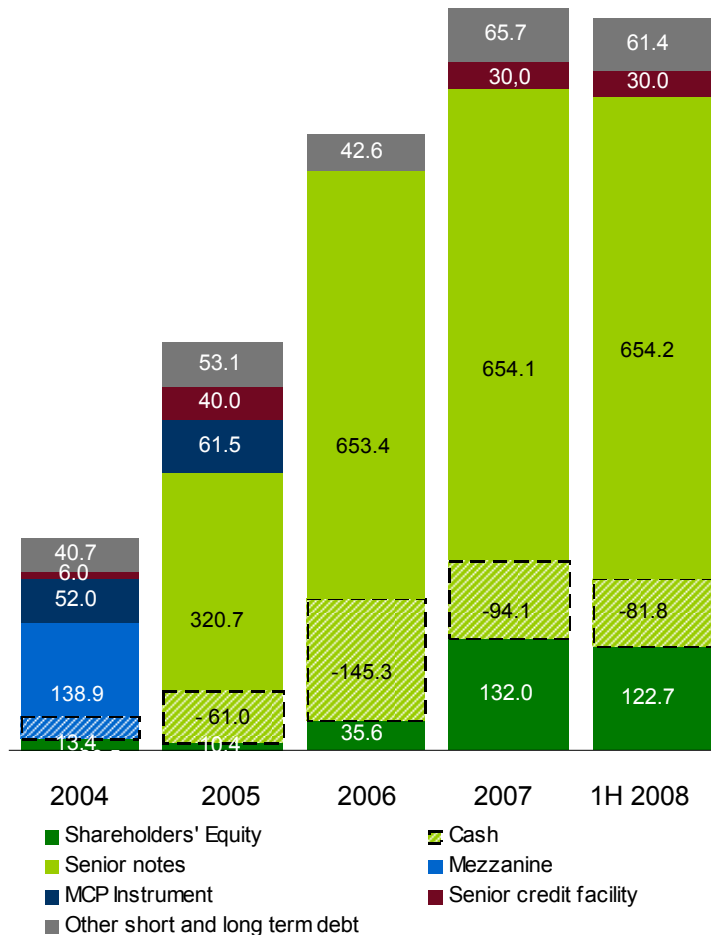
Discretionary Free Cash Flow

(€ millions)	1H 2007	1H 2008	% Change
EBITDA	103.5	120.0	15.9%
- Net interest	26.6	31.6	18.8%
- Taxes	<u>18.7</u>	<u>24.8</u>	32.6%
Operating Cash Flow	58.2	63.6	9.3%
- Maintenance Capex	<u>29.1</u>	<u>36.7</u>	26.1%
Discretionary Free Cash Flow	29.1	26.9	(7.6%)
- Growth Capex	<u>60.4</u>	<u>21.4</u>	(64.6%)
Free Cash Flow	(31.3)	5.5	n.a

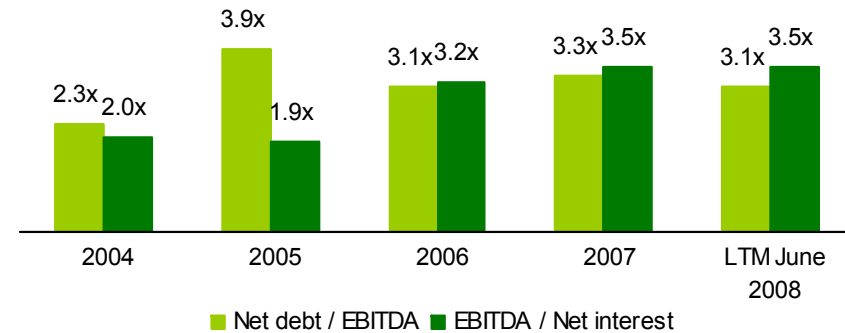
Simple and conservative capital structure

Capital Structure

(In € millions)



Conservative capital structure



Debt financing

Bank financing:

- New Senior Credit Facility signed October 19, 2007
 - €100MM multicurrency revolving credit facility
 - €60MM cash and LC at Euribor (or Libor) + 1.75%
 - €40MM LC at 2.75%
 - Key covenants:
 - Net financial debt of Codere Group/EBITDA <4.25x
 - Bank debt/EBITDA <1.5x
 - Minimum interest coverage >2.5x
 - Arranged by CS, Barclays and BBVA

Key bond covenants

- 3,0x FCCR incurrence test
- €200m senior debt limit

2008 guidance

	Original comments	2008E	Update 1H 2008	Forex rates			
EBITDA	Margin in range of 21%	€231 – €240 mm	Absolute amount reiterated	Currency	Budget 2008	30th June	19th Sept.
Capex	Range depending on financial availability	€158 – €198 mm	Low range reiterated	MXP/€	16.31	16.24	15.26
# Machines				ARP/€	4.79	4.76	4.43
Mexico	+ 33%	22,390	Below range	US\$/€	1.49	1.57	1.42
Spain	+ 3 – 7%	15,930 – 16,580	Low range reiterated				
Argentina	+ 3%	4,740	Reiterated				

2008 outlook reflects continuation of successful growth strategy in our principal markets

Spain

- Increase AWP portfolio through new sign ups and selective acquisitions
- Commercialise sports betting with William Hill

Argentina

- Continue optimization of hall locations, increase capacity and introduction of TITO
- Finalise license renewal process

Mexico

- Continue deployment of EBTs
- Develop the remaining permits

Others

- Maximize our leading position in mature markets (i.e. Uruguay, Panama and Colombia)
- Consolidate positions in new gaming markets (i.e. Brazil, Sports Betting)

Corporate

- Continue to refine fiscal structure
- Assure capital base for continued growth

Strengths

- **Unique strategic model**
 - Proven ability to develop profitable gaming activities working with regulators
 - Proven track record in identifying and integrating high-return investment opportunities
 - “Adjacent expansion” strategy, applicable to new markets and business lines
- **Resilient business and capital structure**
 - Leadership positions in attractive markets create significant barriers to entry
 - Demonstrated resilience throughout economic cycles
 - Flexible and cash generative financial structure
 - Long term debt (2015)
- **Highly experienced management team and Board of Directors**
 - Leadership with 25 years experience in gaming across product lines and regulatory environments
 - Well integrated management team across diverse disciplines
 - Board includes independent directors with significant experience in gaming sector
- **Proven track record in financial markets**
 - Three years reporting as public company
 - Three successful bond issues and two PIK deals at holding level
 - IPO October 19, 2007

Unique international gaming footprint with exceptional growth potential



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