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Madrid, 2 November 2016

In accordance with article 228 of the consolidated text of the Spanish Stock Market Act approved by the Legislative Royal Decree 4/2015 of 23 October, CODERE, S.A. hereby informs of the following:

SIGNIFICANT EVENT

On the date hereof Codere, S.A. (the “**Company**”), announces that it has priced its previously announced offering of €500,000,000 aggregate principal amount of senior secured notes due 1 November 2021 (the “**Euro Notes**”) and \$300,000,000 aggregate principal amount of senior secured notes due 1 November 2021 (the “**USD Notes**”, and together with the Euro Notes, the “**Notes**”).

The Euro Notes will bear interest at a rate of 6.750% per annum and the USD Notes will bear interest at a rate of 7.625% per annum. The issuance of the Notes is subject to customary closing conditions and is expected to be completed on 8 November 2016.

The aggregate principal amount of the Notes (along with existing cash on balance sheet) will be used to (i) refinance €865.2 million of existing bonds, including principal and interest, (ii) fund call premiums payable in connection with this repayment of the Second Lien Notes and the Third Lien Notes and (iii) to pay commissions, fees and other expenses.

The Notes are being offered to certain non-United States persons in transactions outside the United States pursuant to Regulation S under the Securities Act of 1933, as amended (the “**Securities Act**”) and in the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act. These Notes will be guaranteed on a senior basis by the Company and certain subsidiaries of the Company. The Notes will rank *pari passu* with all other existing and future senior indebtedness of the Issuer.

Bank of America Merrill Lynch has acted as Global Coordinator for the issuance of the Notes, with Barclays, Jefferies and Morgan Stanley acting as joint bookrunners.

The Notes and related guarantees have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons absent registration under, or an applicable exemption from, the registration requirements of the Securities Act.

Prior to this offering, there has been no market for the Notes. Application is expected to be made to the Irish Stock Exchange for the approval of listing particulars and for the Notes to be admitted to the Official List and trading on the Global Exchange Market, which is the exchange regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC.



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In addition, and as announced on 21 October 2016, the Company, as parent guarantor, and Codere Newco, S.A.U., as borrower, amongst others, have entered into a €95,000,000 multi-currency Super Senior Revolving Credit Facility Agreement (the “**Revolving Credit Facility**”) governed by English law (save for certain provisions consistent with the Notes which are governed by New York law) on 24 October 2016. Availability under the Revolving Credit Facility is subject to, among other things, the effective issuance of the Notes.

In addition, on 25 October 2016, subsidiaries of the Company called for redemption, subject to the issuance of the Notes and certain extensions at the election of the Company, the entire aggregate principal amount of the existing New Senior Private Notes due 2021 on the redemption date of 8 November 2016 and the entire aggregate principal amounts of the 5.50% Cash Interest/3.50% PIK Interest Second Lien Notes due 2021 and 9.00% PIK Interest Third Lien Notes due 2021 on the redemption date of 24 November 2016. Such redemptions will be financed by the proceeds of the issuance of the Notes along with existing cash on the balance sheet.

Luis Argüello Álvarez
Secretary of the Board of Directors

This does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein. The securities mentioned herein have not been, and will not be, registered under the Securities Act, and may not be offered or sold in the United States absent registration under the Securities Act or pursuant to an exemption from the registration requirements under the Securities Act. There will be no public offering of the securities in the United States.

The offering of Notes will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area, from the requirement to produce a prospectus for offers of securities. This announcement does not constitute an advertisement for the purposes of the Prospectus Directive.

This communication is being distributed to and is directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") and (iii) high net worth entities, and other persons to whom it may be lawfully communicated, falling within Article 49(2) (a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any investment activity to which this communication relates will only be available to and will only be engaged with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

This announcement contains forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the U.S. federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as “may,” “should,” “could,” “anticipate,” “estimate,” “expect,” “plan,” “believe,” “predict,” “potential,” “intend” or other similar words. These forward-looking statements reflect our current expectations and projections about future events based on our knowledge of present facts and circumstances and assumptions about future events. These statements necessarily involve risks and uncertainties that could cause actual results to differ materially from our



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expectations. Some of the risks, uncertainties and other important factors that could cause results to differ, or that otherwise could have an impact on us or our subsidiaries, include: our ability to comply with the current Gaming and other regulatory frameworks (including applicable anti-corruption, economic sanctions laws, licensing requirements, and regulations regarding the use of personal customer data) in countries where we operate or have material investments and to adapt to any regulatory changes, including online Gaming rules and regulations; changes in current Gaming and other regulatory frameworks or the interpretation or application of such laws; changes in taxation or the interpretation or application of tax laws; termination of licenses on which we rely to conduct our operations; failure to detect money laundering or fraudulent activities of our customers or third parties; economic and market conditions in the markets in which we operate and in the locations in which our customers reside; changes in general political, economic and currency conditions in Mexico, Argentina, Spain, Italy and other Latin American countries in which we operate or have material investments; economic, currency and political instability in Argentina, as well as measures taken by its government in response to such instability or the imposition of currency controls; competition from other companies in our industry and our ability to maintain market share, to introduce new popular games or products and to modify existing games or products to retain or attract customers; continuation or worsening of security issues in Mexico; volatility in the exchange rates, a portion of our financial debt being floating rate and subject to market shifts in interest rates; certain challenges relating to public perception, allegations of misconduct and illegal activity, and negative publicity surrounding the Gaming industry; our relationships with our joint venture and business partners, our shareholders, our customers and other third parties; our ability to maintain and enhance our brand; the outcome of our pending legal, administrative and arbitration proceedings and the impact of any new proceedings to which we may become party; work stoppages or other labor disputes; loss of our key management, technical and other personnel and our ability to attract such personnel; vulnerability to player fraud; infringement by third parties of our intellectual property and claims of infringement, by us, of rights of third parties; changes in consumer preferences, popularity and social acceptance of Gaming; our ability to provide secure Gaming products and services and to maintain the integrity of internal customer information; damage and interruption of our information technology system and network and vulnerability to hacker intrusion and cybercrime attacks; and dependence on credit and debit card payment service providers and other financial institutions to process payments and handle cash generated by our business.