

Madrid, 18 of August 2015

In accordance with article 82 of the 24/1998 Spanish Stock Market Act and its dispositions, Codere, S.A. hereby informs of the following:

## SIGNIFICANT EVENT

### FIRST: AMENDMENT TO LOCK-UP AGREEMENT

On 23 September 2014, CODERE, S.A. ("**Codere**") entered into an agreement (the "**Lock-up Agreement**") on the key terms of a restructuring of the Codere group's balance sheet (the "**Restructuring**") (as further described in an announcement made by Codere on 23 September 2014 (the "**September Announcement**") as supplemented by an announcement made by Codere on 24 September 2014) with certain stakeholder parties, including:

- (a) Codere Finance Luxembourg, S.A. (the issuer of the Codere group's €760,000,000 8.250% senior secured notes due 2015 (the "**EUR Notes**") and USD300,000,000 9.250% senior notes due 2019 ("**USD Notes**" and together with the EUR Notes, the "**Existing Notes**")) and certain companies of the Codere group (together with Codere, the "**Company Parties**");
- (b) holders of c. 99.3% of the EUR Notes and c. 97.8% of the USD Notes, being the original parties to the Lock-Up Agreement and holders that subsequently acceded to it (the "**Consenting Noteholders**");
- (c) certain Consenting Noteholders that have agreed to backstop the entire amount of new finance to be provided as part of the Restructuring (the "**Backstop Parties**"); and
- (d) José Antonio Martínez Sampedro, Javier Martínez Sampedro, Encarnación Martínez Sampedro, M<sup>a</sup> Carmen Martínez Sampedro and Masampe Holding, B.V. (the "**Original Shareholder Parties**").

On today's date, Codere announces that it has entered into an amendment and restatement agreement in respect of the Lock-Up Agreement with each of the other Company Parties, Backstop Parties and Original Shareholder Parties and in excess of 91% of holders of both the EUR Notes and the USD Notes (the "**Amendment Agreement**"). The terms of the Amendment Agreement are further described at point 3 below and are effective as of today. The September Announcement and the announcement of 24 September 2014 are attached to this announcement for reference.

### SECOND: CONTINUANCE OF SFA STANDSTILL

Codere confirms that the terms of the separate standstill and cooperation agreement with the lenders under its senior facilities agreement dated 19 October 2007 (as amended from time to time) referred to in the September Announcement remains effective in accordance with its terms.

### THIRD: AGREED AMENDMENTS TO THE LOCK-UP AGREEMENT

The key amendments to the terms of the Lock-Up Agreement (including the schedules thereto) made pursuant to the Amendment Agreement are as follows:

- (a) the "Completion Long-Stop Date", being the latest date by which the Restructuring must be implemented in a manner consistent with the agreed commercial terms, is now the later of (i) 31 December 2015, (ii) with the consent of Codere, 75% of the Consenting Noteholders and each Backstop Party, 31 March 2016 and (iii) with the consent of Codere and each Consenting Noteholder and each Backstop Party, any later date (the Completion Long-Stop Date was previously 23 August 2015);
- (b) in order to facilitate voting on the Scheme and the implementation of the Restructuring, trading of the Existing Notes by the Consenting Noteholders will be restricted from the "Record Time" relating to the scheme of arrangement under the UK Companies Act 2006 (the "**Scheme**") to be implemented in connection with the Restructuring, until completion of the Restructuring. The Record Time shall be a time to be specified on a date shortly before the creditors' meeting to be held in connection with the Scheme;
- (c) the financing described at point 4(a) of the September Announcement as the "New SFA" shall take the form of private notes (the "**New Senior Private Notes**") rather than a term loan facility. The amount of the New Senior Private Notes shall be €200,000,000 rather than €253,000,000 (which reduction is a result of the Company obtaining an additional operating company liquidity facility). The terms of the New Senior Private Notes are otherwise as described in respect of the New SFA at point 5 of the September Announcement;
- (d) holders of the Existing Notes (the "**Existing Noteholders**") may participate in the New Senior Private Notes only if they also participate in the €200,000,000 new notes to be issued for cash ("**New Cash Notes**"), which shall be part of the issuance of the €675,000,000 new notes ("**New Notes**") (in exchange for €200,000,000 of cash and €475,000,000 of Existing Notes as described at point 4(b) of the September Announcement). Existing Noteholders may participate in the New Cash Notes only if they also participate in the New Senior Private Notes;
- (e) each of the New Senior Private Notes and the New Cash Notes shall be denominated in USD. The USD equivalent of the Euro amount applicable in each case shall be determined using an exchange rate on or around the "Record Time" in connection with the Scheme (or such other date as is proposed by Codere and consented to by two or more Consenting Noteholders holding in aggregate more than 50% of the Existing Notes by nominal value held by the Consenting Noteholders and a majority of the Backstop Parties);
- (f) the purchase by José Antonio Martínez Sampedro and Javier Martínez Sampedro (the "**Key Executives**") of 19.58% of the ordinary issued share capital of Codere from the Noteholders, as further described at point 4(c) of the September Announcement, shall be funded in cash rather than by way of a purchase note issued to the Existing Noteholders;

- (g) whereas point 7 of the September Announcement referred to a "Core Equity Group" (comprising Existing Noteholders who, upon completion of the Restructuring, would hold in excess of 10% of the total ordinary issued share capital of Codere and who met certain additional eligibility conditions) having enhanced board appointment rights, such rights shall now be available instead to the "Key Investor Shareholders" (comprising the three Existing Noteholders that will be entitled to and will receive the largest number of post-Restructuring shares in Codere Restructuring subject to certain additional eligibility criteria). The appointment rights in respect of the new board shall otherwise be as described at point 7 of the September Announcement;
- (h) enhanced information rights shall be granted to a "Monitoring Committee" (comprising the three Existing Noteholders that will be entitled to hold the largest number of New Notes immediately post-Restructuring subject to certain additional eligibility criteria); and
- (i) as further explained at point 7 of the September Announcement, the Key Executives shall have the option to launch a sale process in respect of their shares in Codere or a buy process in respect of the shares held by the "Investor Shareholders" (being the Existing Noteholders and Backstop Parties that receive shares in Codere as Part of the Restructuring) in certain circumstances, each referred to as a "Trigger Event". The Trigger Events have been amended such that they now (i) include the termination of the service contracts of either of the Key Executives for cause (this had previously been excluded) and (ii) exclude a termination by either of the Key Executives without good reason subject to certain additional criteria (this had not previously been excluded).

#### **FOURTH: IMPLEMENTATION OF THE RESTRUCTURING**

Codere continues to work with the Consenting Noteholders and the Original Shareholder Parties to agree final documentation for the Restructuring and to satisfy all conditions to completion as soon as possible and in any event by the revised Completion Long-Stop Date. Codere expects to issue a further update in respect of the Scheme in the coming days.