



## Company overview

March 2010

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# Codere at a glance



- Manages 53,711 machines, 141 bingo halls and 238 betting shops, 7 casinos and 3 race tracks
- #1 gaming operator in the Province of Buenos Aires
- #1 bingo operator in Mexico, through agreements with local partners
- #2 AWP operator in Spain (c.6.2% market share)
- Leading gaming operator in other growth markets (Italy, Panama, Colombia, Brazil and Uruguay)
- €967.9 million revenues and €231.1 million EBITDA (€223.8 million adjusted)

## Key Operating Metrics / Codere's Footprint

	Argentina	Mexico	Spain	Italy	Panama	Colombia	Uruguay	Brazil	Total
Machines <sup>(1)</sup>	4,679	21,402	15,669	2,181	1,620	6,556	1,604		53,711
Bingo Halls	14	108	1	12		6			141
Casinos					5	2			7
Racetracks		1			1		1		3
Betting locations		46	175		6		6	5	238

Note: As of December, 31 2009.



(1) Includes machines from different businesses in each country  
 (2) Excludes Corporate Overhead.

# Growth drivers are not directly linked to economic cycles

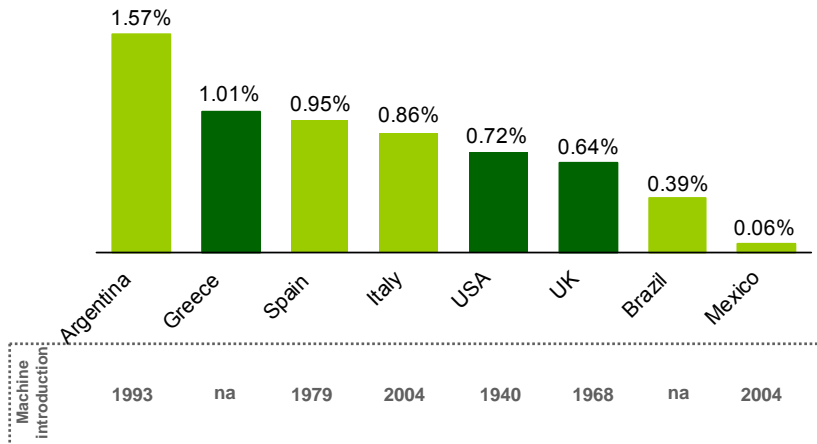
## Increasing Gaming as % of GDP

- 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

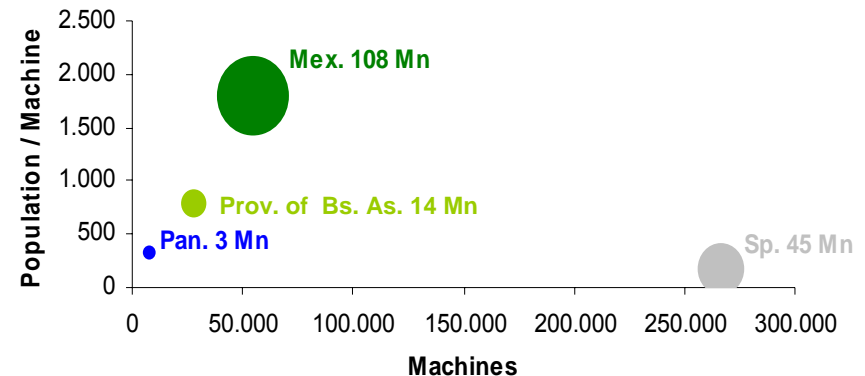
- Operating efficiency
  - Enhancing customer experience, economies of scale, control of data gathering systems
- Strategic alliances
  - Attracting best partners, successful partnership dialogue
- Driving consolidation
  - Leadership in core markets, successful integration of acquisitions, cross-fertilization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

## Gaming turnover (% GDP)



Source: 2008 GBGC Report (data 2006)

## Population per machine



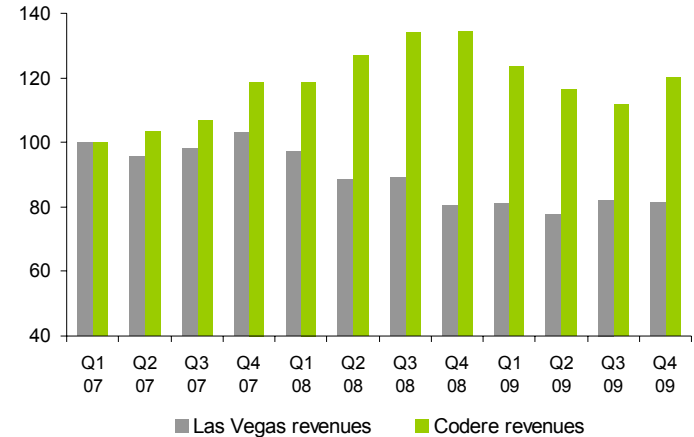
**Integrate market knowledge, regulatory expertise and technology, to develop successful, legal, gaming experiences**

# Codere's business model

## Characteristics

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

## Codere vs. Las Vegas revenues



## “European” model

vs.

## “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

## Market

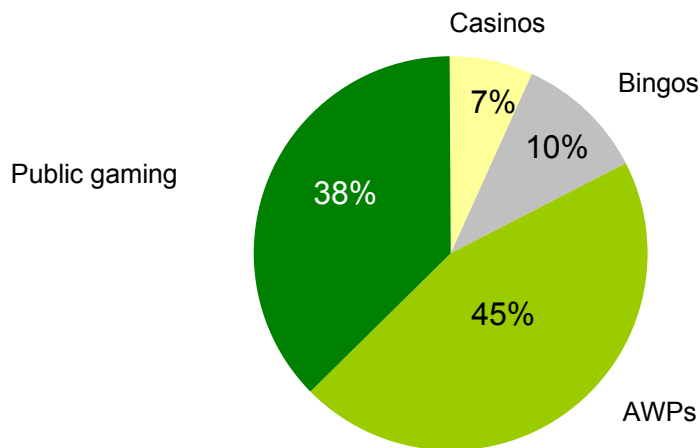
### Key value drivers

- Growth through consolidation of highly fragmented, mature market
- 2<sup>nd</sup> largest operator with 6% market share
- Net win impacted by regulation, technological changes and economy
- Superior net win per day through focus on product selection, service and location

### Outlook

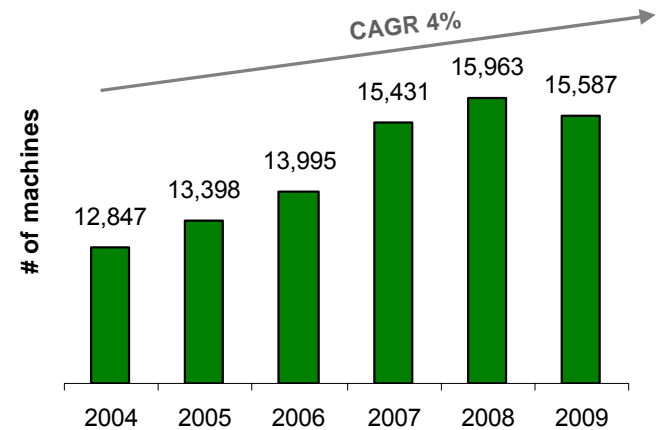
- Recovery of net win
  - Madrid regulation (Aug. '09) affects c.22% of portfolio
  - Net wins appear to have reach lows in Q3'09

## 2008 Spanish gaming market (€32bn) <sup>(1)</sup>

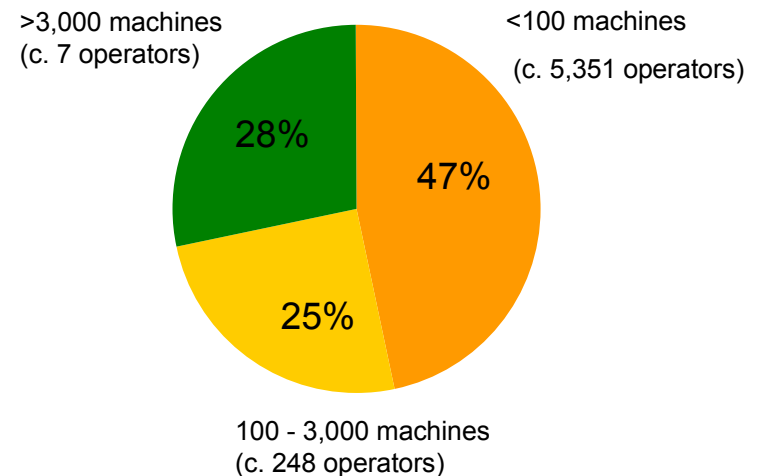


(1) Spanish Gaming Commission, data is amount wagered.

## Codere AWP Machine Portfolio



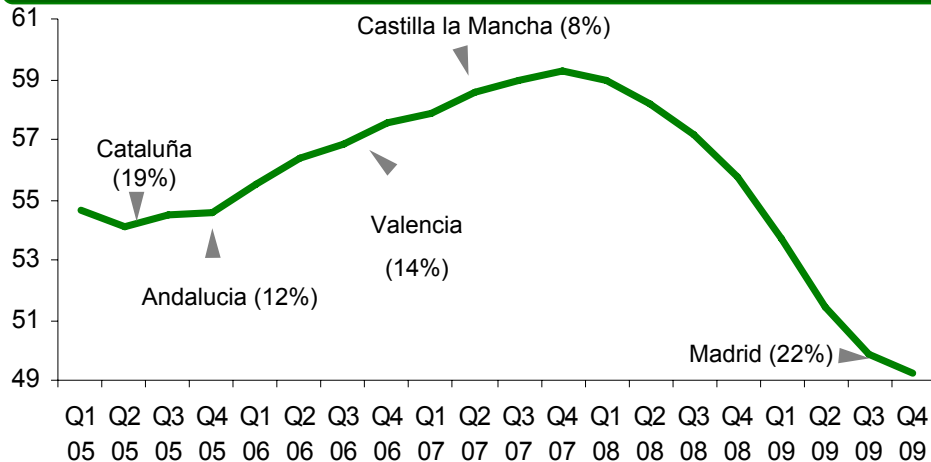
## AWP Market fragmentation <sup>(1)</sup>



(1) Codere estimates

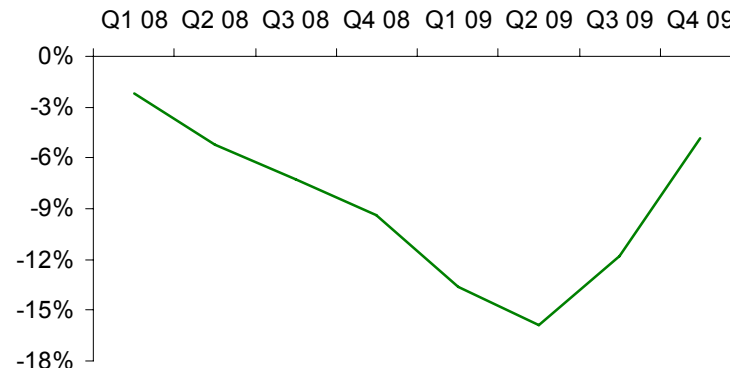
# Spain (II)

## Net win (seasonally adjusted) vs. regulatory changes

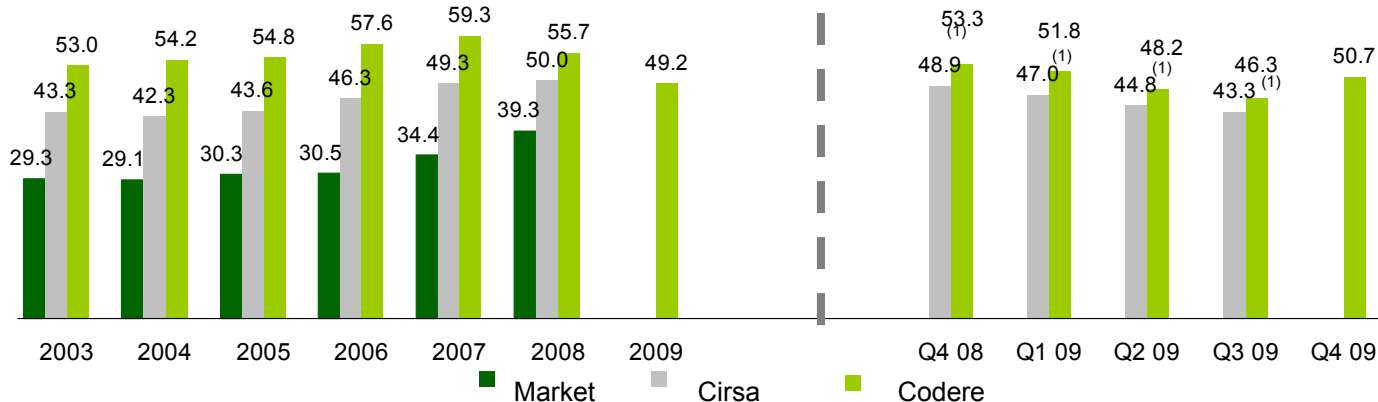


Note: Figures in parenthesis represent percentage of Codere's portfolio in that region when regulation was introduced.

## Net win trend YoY



## Codere Net win vs. rest of market



(1) Codere estimates

# Argentina

## Market

### Key value drivers

- Leadership position (c. 50% market share with 14 out of 46 halls) in fast growing market.
- Significant unmet demand resulting from limitation on number of licenses (regional monopolies)

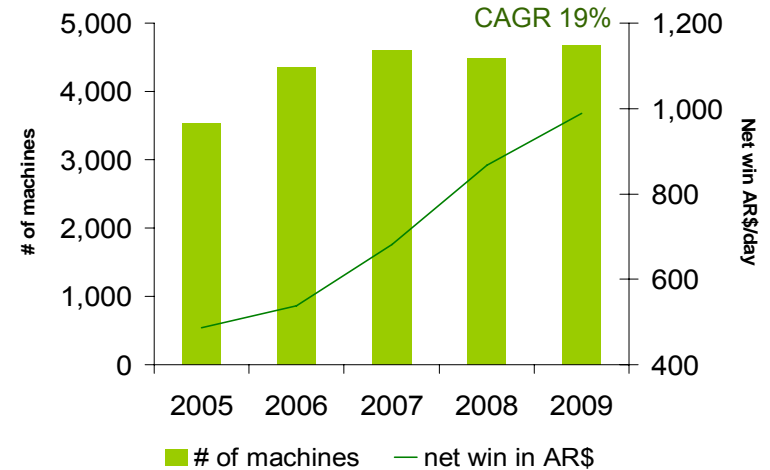
### Outlook

- Continued optimization of park via installation of coinless systems (i.e. TITO) in remaining 26% of park
- Optimization of hall locations and capacity increase

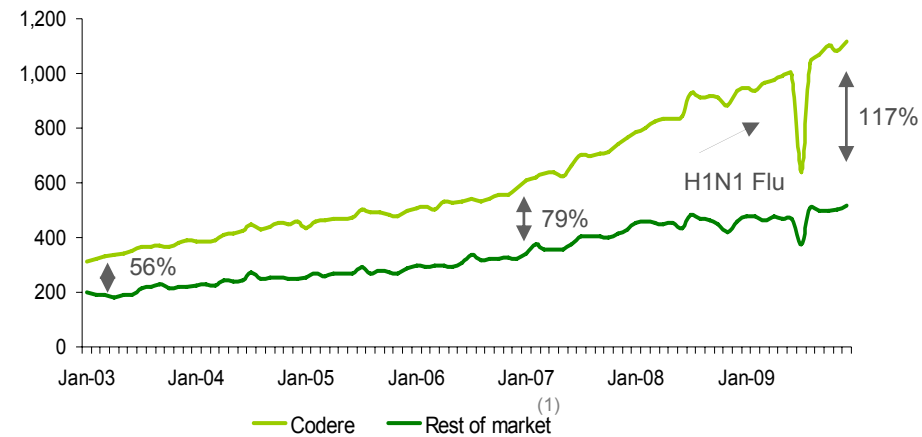
## Evolution of machines per hall

Hall	2005	2009	Var. %
SAN MARTIN	485	583	20%
LOMAS DEL MIRADOR	115	617	437%
LA PLATA	366	533	46%
LANUS	388	509	31%
SAN JUSTO	351	415	18%
MORON	348	409	18%
SAN MIGUEL	312	346	11%
LOMAS DE ZAMORA	256	271	6%
MAR	224	211	(6%)
SOL	179	294	64%
TEMPERLEY	115	127	10%
RAMOS MEJIA	186	140	(25%)
PEATONAL	121	121	0%
CENTRO	99	103	4%
<b>TOTAL</b>	<b>3,545</b>	<b>4,679</b>	<b>32%</b>

## Net win vs. machines



## Net win CDR vs. competitors (Prov. Bs As)



(1) Codere estimates



## Market

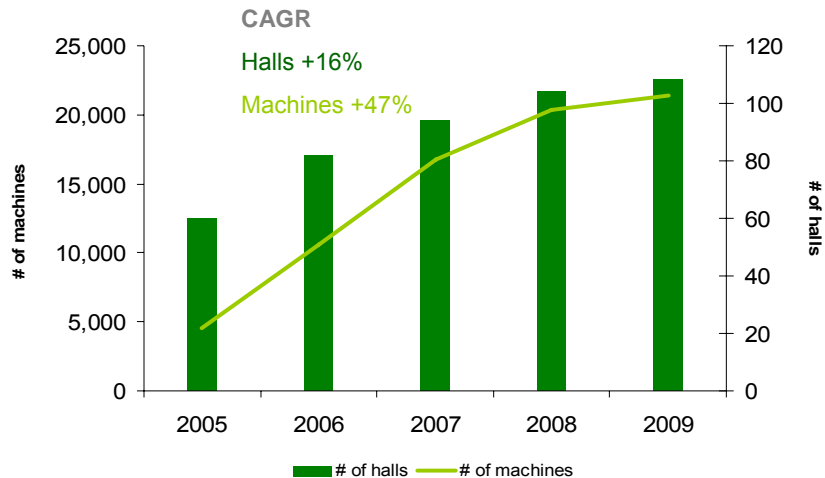
### Key value drivers

- Dominant position (c.50%) in newly regulated market through agreements with two partners and own licenses
- Growth through machine deployment (+368% in 5 yrs)

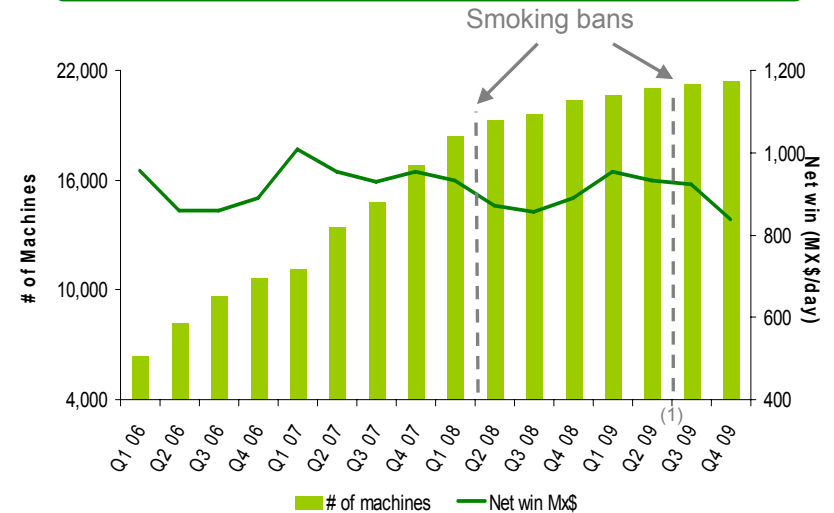
### Outlook

- Net win to be affected by countervailing factors:
  - (+) Continued roll out of Class III machines (vs. Class II) projected to result in c.20% increase
  - (-) Smoking ban at national level (ex D.F.) projected to result in 15-20% decrease and recover 9-12 months
- Continued machine deployment

## Machine and hall evolution

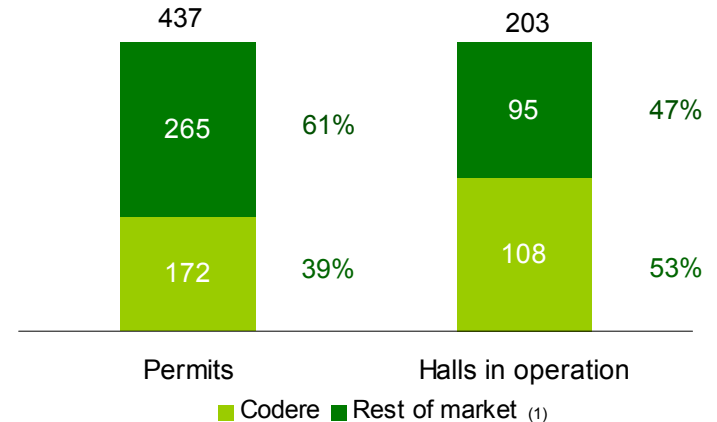


## Net win vs. machines



(1) Net wins in Q2 2009 were negatively impacted by H1N1 virus

## Hall permits



(1) Codere estimates

## Market

### Key value drivers

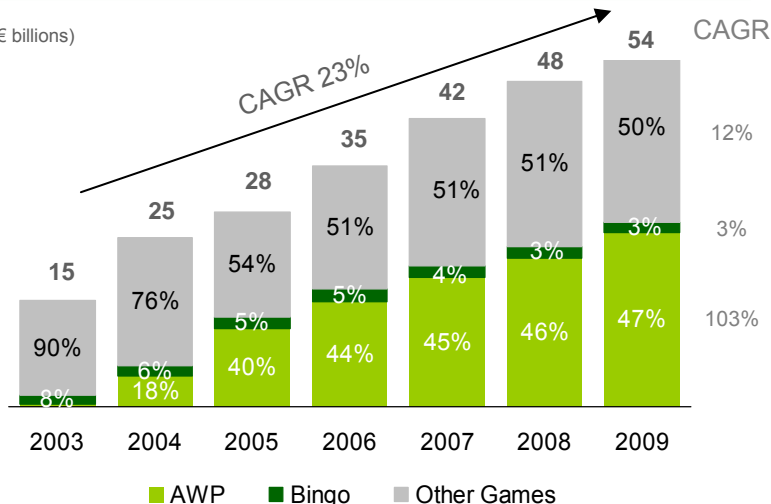
- Relevant presence in fast growing market via 3 businesses:
  - 12 Bingo halls (11% market share) and 586 AWP
  - 1 of 10 AWP network concessionaries
  - Machine operation with 1,745 AWP
- Growth driven by machine deployment

### Outlook

- Introduction of VLTs operated by network concessionaries in 2010
  - Codere committed to acquire rights for 1,359 VLTs
  - Machines to be placed primarily in bingo halls
- New bingo regulation (Nov '09) decreases taxes and increases prizes payout, resulting in increased wagers

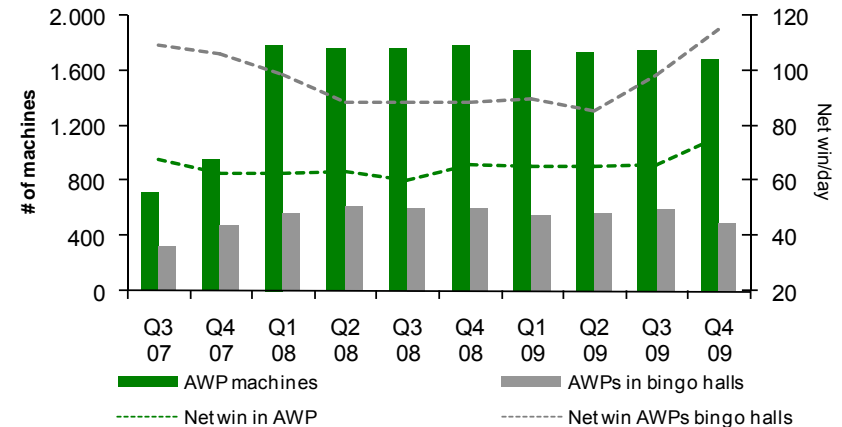
## Italian gaming market

(in € billions)



Source: AAMS, GBGC

## Net win vs. machines



## Machine Comparison

	VLT	AWP
Payout	85%	75%
Max. prize	€5,000 - €500K	€100
Taxes (amount wagered/net win)	2.8%/18.6%	13.4%/53.6%
Location	Bingo halls LBOs Gaming halls	Bars, cafes Bingo halls
Net win	€160 <sup>(1)</sup>	€97 <sup>(2)</sup>

(1) Estimated based on other countries where VLTs are operated

(2) Year ended December 31 '09 in machine bingo halls

# Consolidated results

(in € millions)

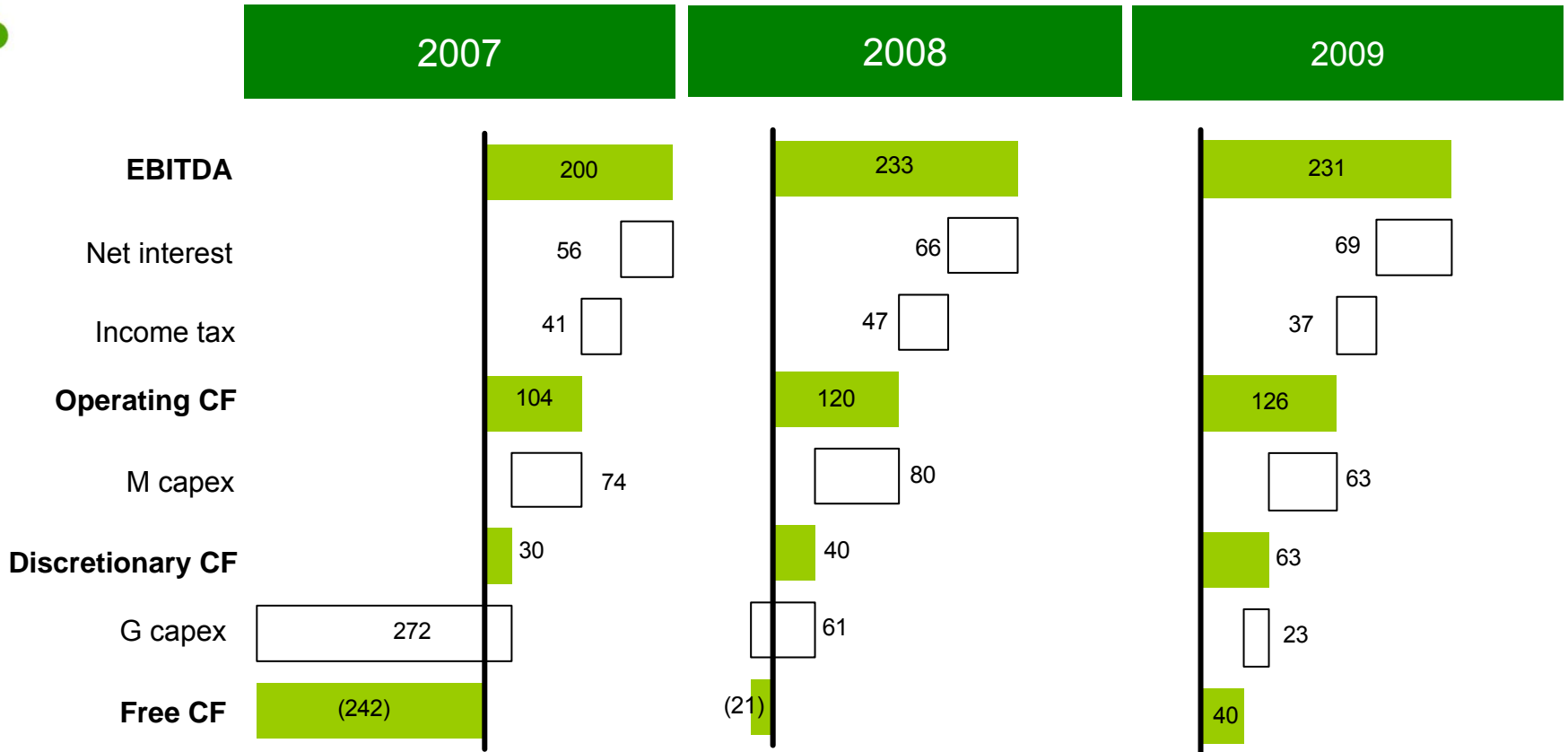
	Reported			At constant exchange <sup>(1)</sup>		
	2008	2009	% change	2008	2009	% change
<b>Revenues</b>	1,050.0	967.9	(7.8%)	1,046.3	1,038.7	(0.7%)
<b>EBITDA</b>						
Argentina <sup>(2)</sup>	110.0	110.1	0.1%	110.0	124.8	13.5%
Mexico <sup>(2)</sup>	68.9	60.5	(12.2%)	66.7	66.6	(0.1%)
Spain AWP	65.1	44.5	(31.6%)	65.1	44.5	(31.6%)
Others	24.7	31.0	25.5%	24.7	30.6	23.9%
Corp. overhead	(35.7)	(15.0)	<i>n.a.</i>	(35.7)	(15.0)	<i>n.a.</i>
<b>Total EBITDA</b>	<b>233.0</b>	<b>231.1</b>	<b>(0.8%)</b>	<b>230.8</b>	<b>251.5</b>	<b>9.0%</b>
<b>Net Income</b>	<b>(10.6)</b>	<b>19.1</b>	<b><i>n.a.</i></b>	<b>(12.8)</b>	<b>26.9</b>	<b><i>n.a.</i></b>

(1) Adjusted to eliminate the gain or loss in the foreign exchange contracts

(2) Include EBITDA losses related to the impact of the H1N1 virus in Mexico and Argentina, €3.5MM in Q2 2009 and €6.0MM in Q3 2009, respectively.

**Strong evolution of the business in a challenging environment**

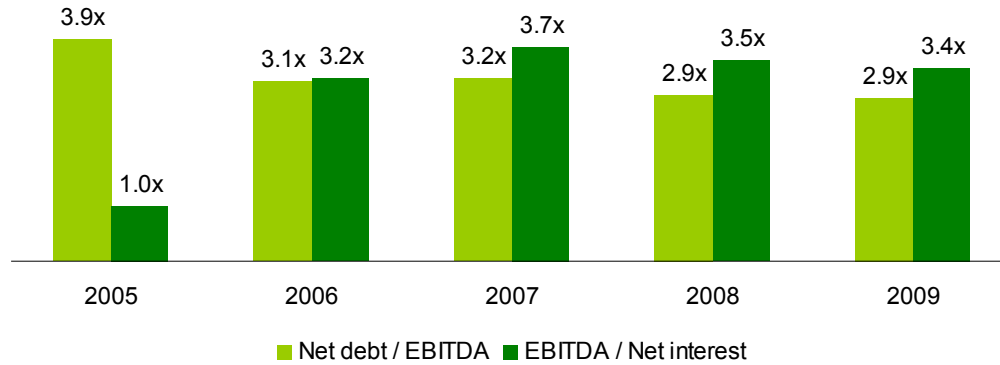
# Focus on cash flow generation



**Strong cash flow growth driven by tight discipline on capital expenditure**

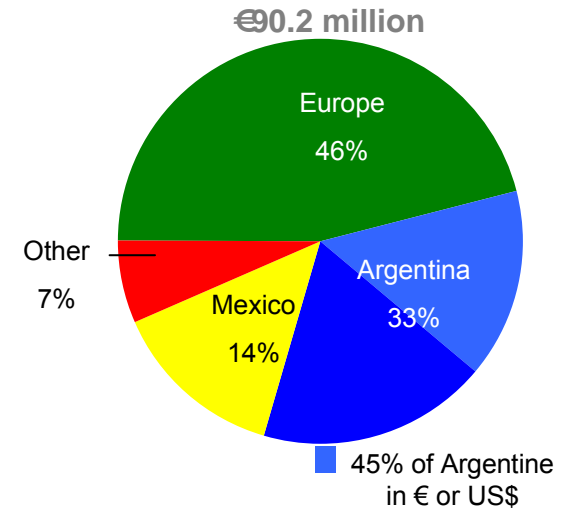
# Financial Results: Debt profile and cash

## Prudent leverage

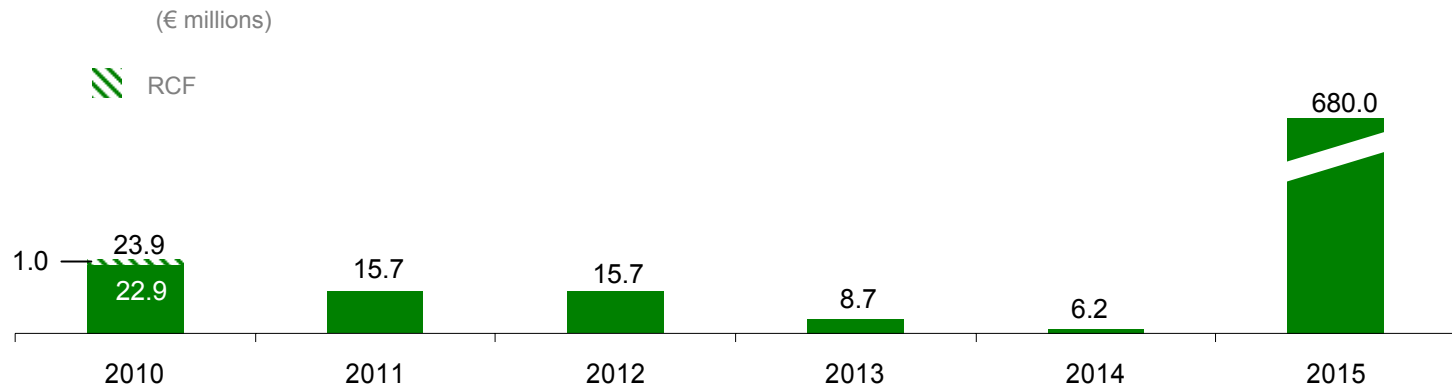


(1) 2005-2006 EBITDA not adjusted for gains or losses on asset disposals

## Cash at FYE 2009



## Maturity profile



## Prudent leverage and long-dated debt maturity profile

# Outlook 2010: Growth drivers in key markets

Country	Growth drivers		Comment
	# machines	Net win	
Argentina	+	+	<ul style="list-style-type: none"> <li>• Increase in net win driven by continued implementation of coinless systems (i.e. TITO) in 14% of park</li> <li>• Resumption of growth in machine park</li> <li>• Increase in gaming tax in renewed halls</li> </ul>
Mexico	+	+	<ul style="list-style-type: none"> <li>• Increase in net win driven by roll-out of Class III machines offsetting negative impact of national (ex DF) anti-tobacco regulation implemented Aug. '09</li> <li>• Small increase in machine park</li> <li>• Increase in gaming tax, VAT and CIT</li> </ul>
Spain	=	+	<ul style="list-style-type: none"> <li>• Recovery of net win driven by:               <ul style="list-style-type: none"> <li>◦ Madrid regulation (Aug. '09) affects 22% of park</li> <li>◦ Wins touched bottom in Q3 '09</li> </ul> </li> <li>• Margin increase driven by operating leverage of business and restructurings in 2009</li> </ul>
Italy	+	+	<ul style="list-style-type: none"> <li>• Increases driven by deployment of VLTs, primarily in bingo halls</li> </ul>

**Positive outlook for principal KPIs**

# Outlook 2010: Underlying assumptions and expectations

- Assumptions

- Foreign exchange rates based on forward rates on November 26, 2009
- Considers Mexican operations prior to giving effect to transaction contemplated in MOU with Caliente
- Refinancing of RCF and relative stability of financial debt
- Roll-out of VLTs expected in 2H 2010

	Avg. FY 09	Averages based on FX forwards as of Nov 26, 2009					% change 09 vs. 10	Avg. YTD
		1Q 10	2Q 10	3Q 10	4Q 10	Avg. FY 10		
AR\$/€	5.22	5.80	5.94	6.11	6.29	<b>6.03</b>	+15.51%	5.35
MXP/€	18.83	19.66	19.89	20.13	20.38	<b>20.02</b>	+6.32%	18.00
US\$/€	1.39	1.50	1.50	1.50	1.50	<b>1.50</b>	+7.91%	1.40

- Expectations

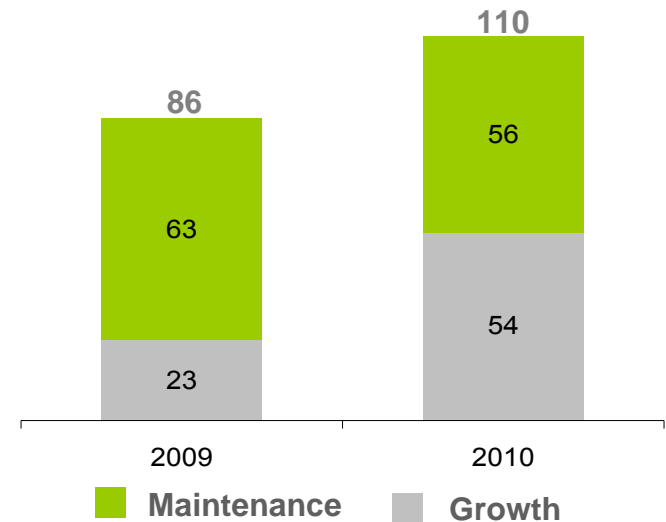
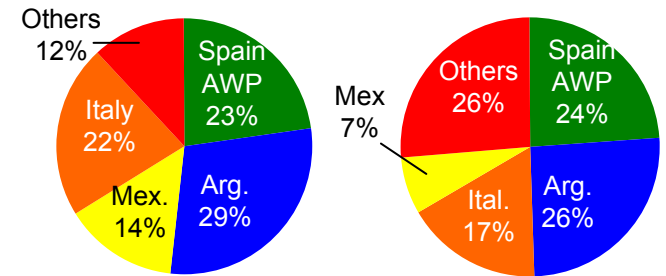
- Reported EBITDA expected in range of €230-€240 million
- EBITDA projected to improve throughout the year as increases in machines and improvements in net wins progressively outweigh negative effects impacting 2010.
  - Selected items impacting in 2010, compared to 2009:
    - Increased gaming taxes resulting from regulatory changes in Mexico, Colombia and Panama beginning in Q1 2010
    - Increased gaming tax associated with canon tax surcharge related to license renewals in Argentina (La Plata since Nov. 2009 and San Martin and Puerto expected in Q2 2010)
    - Implementation in Q3 2009 of anti-tobacco legislation at national level (ex D.F.) in Mexico expected to affect wins through Q2-Q3 2010
    - Investments in new ventures (Carrasco in Uruguay, on-line gaming)
    - 100% consolidation of Sports Betting following purchase of William Hill's stake in January 2010
    - Latent losses (as of February 25, 2010) on existing foreign exchange contracts
  - First quarter reported EBITDA expected in range of €48-€50 million, compared to €58 million (€56.8 million adjusted and excluding €1.2 million hedge loss) in Q4 2009 and €55.7 million (€57.1 million adjusted and excluding €1.4 million hedge gain) in Q1 2009

# Outlook 2010: Capex

Country	Principal investments
Argentina	<ul style="list-style-type: none"> <li>● Increase in machine park (8%-10%)</li> <li>● Continued TITO installation</li> <li>● Hall refurbishments</li> <li>● Build-out for hall relocation in 2011</li> </ul>
Mexico	<ul style="list-style-type: none"> <li>● Increase in machine park (10%-12%)</li> <li>● Hall refurbishments, including adaptation to anti tobacco regulation</li> <li>● Hall expansions</li> </ul>
Spain	<ul style="list-style-type: none"> <li>● Machine renewals</li> <li>● Renewals of exclusivity contracts</li> </ul>
Italy	<ul style="list-style-type: none"> <li>● Remaining 50% of VLT rights</li> <li>● Bingo hall refurbishments, including adaptation for VLTs</li> </ul>
Other	<ul style="list-style-type: none"> <li>● Uruguay- investment in Carrasco project</li> <li>● Panama- Casino refurbishments and expansion</li> <li>● Sports Betting- increase in self-service terminals</li> </ul>

## Capital Expenditure

2009	2010
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**Stable investment plan focused in key markets**



# Outlook: 2010 management agenda

## Argentina

- Continue implementation of TITO and other cashless systems
- Finalize license renewals
- Optimization of hall location and capacity increases

## Mexico

- Finalize agreement with Caliente
- Continued build-out of permits and installation of machines
- Rollout of Class III machines
- Manage effect of anti-tobacco regulation

## Spain

- Achieve increase in net win resulting from Madrid regulation
- Continue active test and deployment of market leading machines
- Continue to adapt exclusivity payments to bar owners to current market conditions

## Other Operations

- Italy- Deployment of VLTs
- Colombia-Conduct strategic review
- Other- Analyze opportunities in existing or adjacent markets and products
- Sports Betting- Continue deployment in Madrid and Basque Region, and monitor regulatory developments in other regions

## Corporate

- Consolidation of savings in corporate overhead expenses
- Focus on liquidity
- Consolidation of improvements of intercompany charges
- Consolidation of reduced effective tax rate

## 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 investment program
  - Cash generative business
  - 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
  - Four years reporting as a public company

**Unique international gaming footprint with exceptional growth potential**



# Supporting materials

## Q4 2009 results

(in € millions)	Q4 2008	Q4 2009	% change	Q4 2009 At constant currency <sup>(1)</sup>	% change <sup>(1)</sup>
<b>Revenues</b>	274.9	246.7	(10.3%)	282.0	3.2%
<b>EBITDA</b>					
Argentina	29.7	34.0	14.5%	46.0	53.3%
Mexico	16.9	13.5	(20.1%)	14.9	(2.6%)
Spain AWP	12.9	12.0	(7.0%)	12.0	(7.0%)
Others	5.9	8.1	37.3%	8.4	42.4%
Corp. overhead	(9.6)	6.2	<i>n.a.</i>	6.2	<i>n.a.</i>
<b>Total EBITDA</b>	<b>55.8</b>	<b>73.8</b>	<b>32.3%</b>	<b>87.5</b>	<b>60.6%</b>
<b>Net Income</b>	<b>(16.2)</b>	<b>16.0</b>	<b><i>n.a.</i></b>	<b>24.0</b>	<b><i>n.a.</i></b>

(1) Revenues and EBITDA of Q4 2009 and the comparables of Q4 2008 at constant currency are adjusted in both periods to eliminate the gain or loss on the foreign exchange contracts. Gains and losses on the Argentine hedge contracts were (€0.3) million and (€1.8) million on the three months ended December 31, 2008 and 2009 respectively. Gains and losses on the Mexican hedge contracts were €1.6 million and €0.6 million on the three months ended December 31, 2008 and 2009 respectively

# Foreign exchange risk coverage

## Foreign Exchange Risk

### Risk Source

- Foreign exchange risk is principally related to the potential negative impact in the consolidated financial statements (denominated in euros) of non Euro currencies devaluations against the Euro
- The Argentine Peso (Ar\$) and the Mexican Peso (Mx\$) are the most relevant sources of foreign exchange risk as operations in those countries generated the 45% and 25% of the EBITDA<sup>(1)</sup> for 2009, respectively

### Risk Mitigation By Natural Coverage

- In addition to forward contracts, natural coverage plays a relevant role in foreign exchange risk mitigation as most significant operating cost (typically gaming taxes and personnel expenses) are denominated in local currency

## Coverage

### Policy

- Contract foreign exchange forwards on a rolling forward four-quarter basis for approximately 50% of projected Argentina and Mexico EBITDA
- Make financial projections based on forwards rates available on the market

### Forwards contracted as of February 26, 2010

(€in millions)

Quarter	€/Ar\$	US\$/Ar\$	€/US\$	€/Mx\$
1Q10	-	15.8	11.2	7.9
2Q10	-	21.0	-	8.0
<u>3Q10</u>	-	<u>25.0</u>	-	-
<b>Total</b>	-	<b>61.8</b>	<b>11.2</b>	<b>15.9</b>

(1) EBITDA pre Headquarters' costs

## Selected economic indicators

	Real GDP%		
	2008	2009	2010E
Argentina	6.8	0.1 <sup>(1)</sup>	4.0
Mexico	1.5	(6.5)	3.6
Spain	0.9	(3.6)	(0.5)
Italy	(1.0)	(4.8) <sup>(1)</sup>	1.2
Latam	4.2	(2.0) <sup>(1)</sup>	4.7

Source: Bloomberg composite and Goldman Sachs

(1) Estimates

	Average exchange rates				
	2007	2008	2009	07/08	08/09
EUR/Ar\$	4.28	4.63	5.22	8.2%	12.8%
EUR/Mx\$	14.99	16.32	18.83	8.9%	15.3%
EUR/US\$	1.37	1.47	1.39	7.3%	(5.2%)

Source: Central Banks

# Argentine Licenses

Hall	Expiration date	Renovation date	Renewal through	Up-front fee (MM)		Canon tax surcharge (MM) <sup>(3)</sup>		% consol. sales 963.9 <sup>(2)</sup>	% Argentine sales 351.4	% consol. EBITDA 227.3 <sup>(2)</sup>	% Argentine EBITDA 109.6
				Ar\$	EURO <sup>(1)</sup>	AR\$	EURO <sup>(1)</sup>				
Mar	Sep-06	Mar-07	Jun-21	14.3	2.7	33.4	6.3	1.1%	3.0%	1.0%	2.1%
Lomas de Zamora	Jul-06	Jun-07	Jun-21	16.6	3.1	38.6	7.3	2.2%	6.1%	2.5%	5.3%
Sol	Jun-06	Mar-07	Jun-21	15.6	2.9	36.9	7.0	1.6%	4.3%	1.9%	4.0%
Peatonal	Jun-06	May-07	Jun-21	5.7	1.1	13.4	2.5	0.6%	1.6%	0.8%	1.6%
Lanus	Apr-07	Apr-07	Jun-21	38.2	7.2	89	16.8	4.5%	12.4%	5.8%	12.0%
Platense	Jun-07	Oct-09	Jun-21	28.4	5.4	137.7	26.0	4.2%	11.4%	8.7%	18.0%
Puerto	N.D. (4)							0.4%	1.1%	0.7%	1.4%
San Martín	N.D. (4)							5.0%	13.6%	8.5%	17.5%
Morón	Jun-13							3.9%	10.7%	6.6%	13.7%
Ramos Mejía	Apr-14							1.5%	4.0%	1.7%	3.6%
San Miguel	May-14							2.9%	8.1%	4.7%	9.7%
Lomas del Mirador	Sep-14							4.6%	12.6%	8.2%	17.0%
San Justo	Oct-14							3.6%	9.8%	6.1%	12.6%
Temperley	Aug-16							0.4%	1.2%	0.6%	1.2%
Central										-9.4%	-19.6%
<b>TOTAL</b>								<b>36.5%</b>	<b>100.0%</b>	<b>48.3%</b>	<b>100.0%</b>

	Renewal fee	Canon Surcharge <sup>(3)</sup>	Total	EBITDA 09	Charges / EBITDA			Yearly	
	Ar\$	Ar\$		Ar\$	Renewal fee	Canon surcharge	Total	Surcharge canon	%
<b>Platense</b>	28.4	137.7	166.1	85.8 (5)	0.3x	1.6x	1.9x	27.54	32.1%
<b>Puerto</b>	5.4	N.A.	N.A.	8.0	0.7x	N.A.	N.A.	N.A.	N.A.
<b>San Martín</b>	55.4	N.A.	N.A.	100.3	0.6x	N.A.	N.A.	N.A.	N.A.

(1) Based on the Eur/Ar\$ exchange at March 3, 2010

(2) Exclude the gains or losses on the foreign exchange contracts.

(3) Payable monthly over 5 years

(4) Upon finalization of renewal process currently in progress. We expect the license renewal resolutions that renew them through June 2021, to be issued prior to June 2010.

(5) Excludes AR\$24.2 million of the reversal of the accruals of Platense in December 2009 and AR\$4.6 million of the canon surcharge accrued in November and December 2009

# Smoking bans overview

	Scope	Effective Date	Regulation for gaming venues	General regulation	
<b>Italy</b>	National	Jan. 2005	50%* of total surface	Total ban	No clear effects identified
<b>Spain</b>	National	Jan. 2006	30%* of total surface (max. of 300 m <sup>2</sup> )	Same as gaming	
<b>Uruguay</b>	National	March 2006	Total ban	Same as gaming	Daily win reduction of up to 15%. Recovery in 9 to 12 months
<b>Mexico</b>	D.F.	April 3, 2008	Total ban	Same as gaming	Heterogeneous impact among halls. Recovery in 9 months
	National	July 1, 2009 <sup>(1)</sup>	Maximum of 33%* of total surface (TBD by state)		
<b>Panama</b>	National	April 25, 2008	Total ban	Same as gaming	Daily win reduction of up to 15%. Recovery in 6 months
<b>Argentina</b> (Prov Bs.As.)	Distrito Mar del Plata	April 1, 2007	40%* of total surface	Same as gaming	Revenue decrease limited to bingo business and only in certain halls
	Bs. As. province	April 20, 2009	Not affected if surface is bigger than 400 m <sup>2</sup> <sup>(2)</sup>	Total ban	
<b>Colombia</b>	National	Dec. 4, 2008	Total ban	Same as gaming	Daily win reduction around 10%. Recovery in 9 months

**There is a world trend to regulate smoking in public places. Codere's experience suggests a moderate negative impact in revenues but with a recovery in the medium term**

\* Percentage of space allowed for smokers

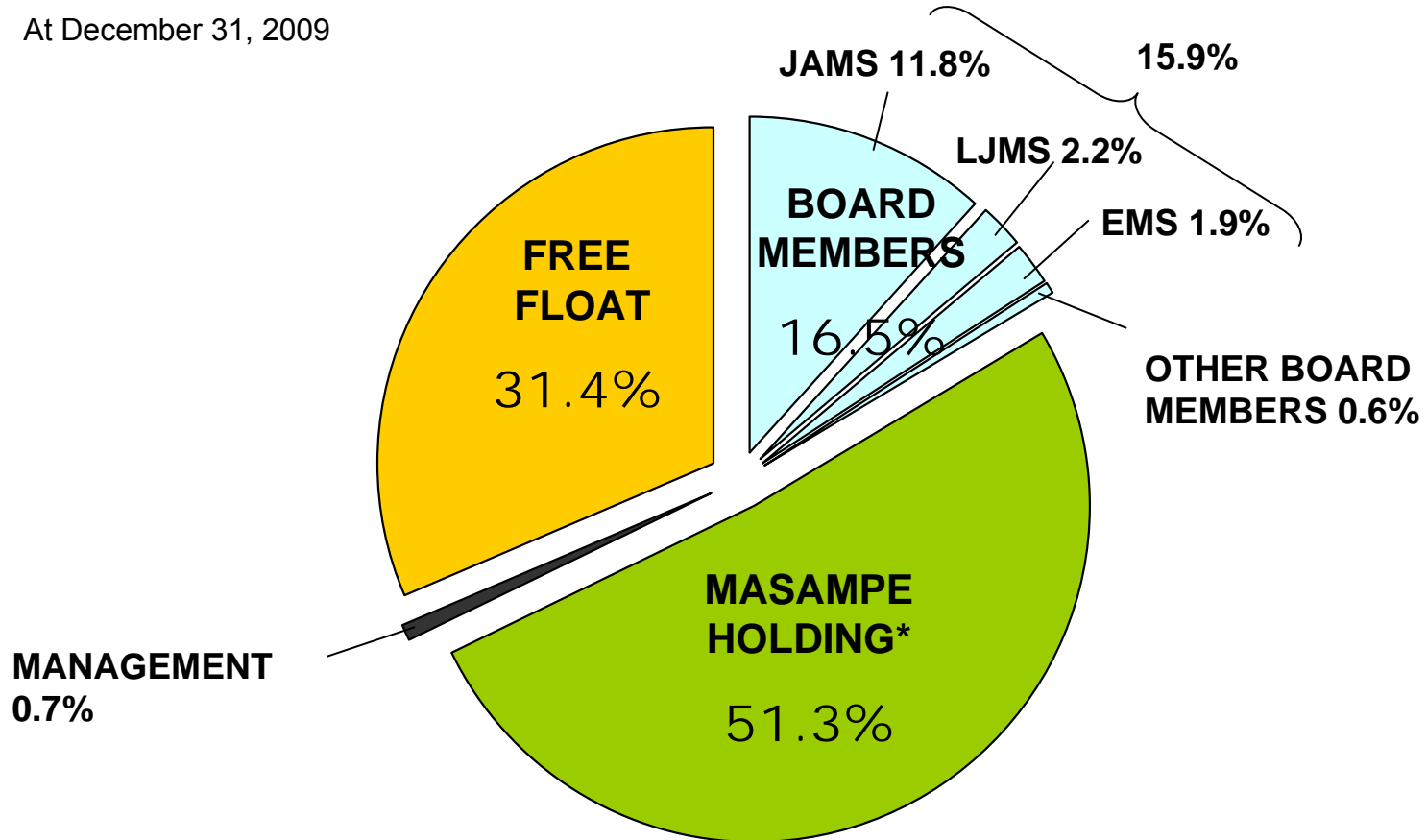
(1) Effective date of the Federal regulation that develops the Federal Act

(2) All Codere halls meet this requirement



# Shareholder structure

At December 31, 2009



\* Masampe Holding Partners: JAMS, LJMS y EMS

**Total Shares Outstanding: 55,036,470**

# Shareholder obligations

## Payment to Franco brothers and ICIL

- In March 2006 the Martinez Sampedros (“MS”) purchased 17.9 MM shares from the Francos. The shares were transferred to Masampe B.V.
- The total consideration for the Franco shares was payable in three installments.

	Total consideration (€MM)	Paid
March '06	39.0	✓
April '07	<u>152.6</u>	✓
	191.6	
April '08*	N/A	Settled via delivery of 2MM shares

\* Settled July 2009

- July 28, 2009 MS reached an agreement with the Francos to terminate the Sale Process and novate the March 2006 agreements.
- The novation agreement involved the delivery of 1MM shares to each of the Francos, representing 3.63% of the share capital
- Considering the total of €191 million paid by the MS to the Francos, the price per share for the 15,9 shares purchased (17,9 minus the 2 MM delivered) was €12.06
- There are no remaining claims in relation to the March 2006 Sale and Purchase Agreements

- 
- 1.1 MM shares were purchased from ICIL for total consideration of €22.7 MM, which was fully paid in April, 2008

## PIK loan

- In June 2007, Masampe B.V. borrowed €340.0 million, used to repay the amount outstanding under the initial PIK loan and to make the second installment payment to the Francos and ICIL
- In December 2008, MS repurchased (but did not cancel) €73.5 million nominal amount via a tender offer

## Summary terms

Term	Description
<b>Issue</b>	€340.0 million
<b>Maturity</b>	15 December 2015 (6 month outside existing HY)
<b>Interest</b>	3 months EURIBOR + 750 bps.
<b>Par call window</b>	From June 2008 to December 2009
<b>Covenant</b>	Net debt to EBITDA < 6.5x
<b>Mandatory Prepayment</b>	If Masampe fails to own at least 50.1% of the issued and outstanding shares of Codere S.A.
<b>Principal amount outstanding as of Dec. 31, 2009</b>	€447.8 million

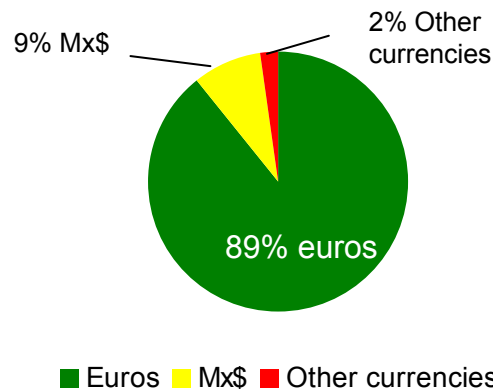
# Debt breakdown

As of December 31, 2009

	Effective interest rate	Final Maturity	€ million	Currency
HQ (Bond) <sup>(1)</sup>	8.25%	2015	655.8	EUR
HQ (RCF)	Euribor + 1.75%	2010	1.0	EUR
Spain AWP	4.58%	2009 - 2014	2.4	EUR
Mexico	TIIE + 3.75%	2011	33.6	MXN
Icela	TIIE + 2.27%	2015	26.0	MXN
Icela	TIIE + 5.00%	2010	5.2	MXN
Italy	Euribor 1M+ 2.50%	2012	9.2	EUR
Panama	Libor + 4.0%	2009 - 2014	2.7	USD
Colombia	DTF + 5.20%	2012	8.6	COP
<b>Sub - Total</b>			<b>744.6</b>	
Uruguay (ON)	Local Index + 6%	2014	5.5	UYU / UI
<b>Total</b>			<b>750.1</b>	

(1) Includes €2.3 MM of interest

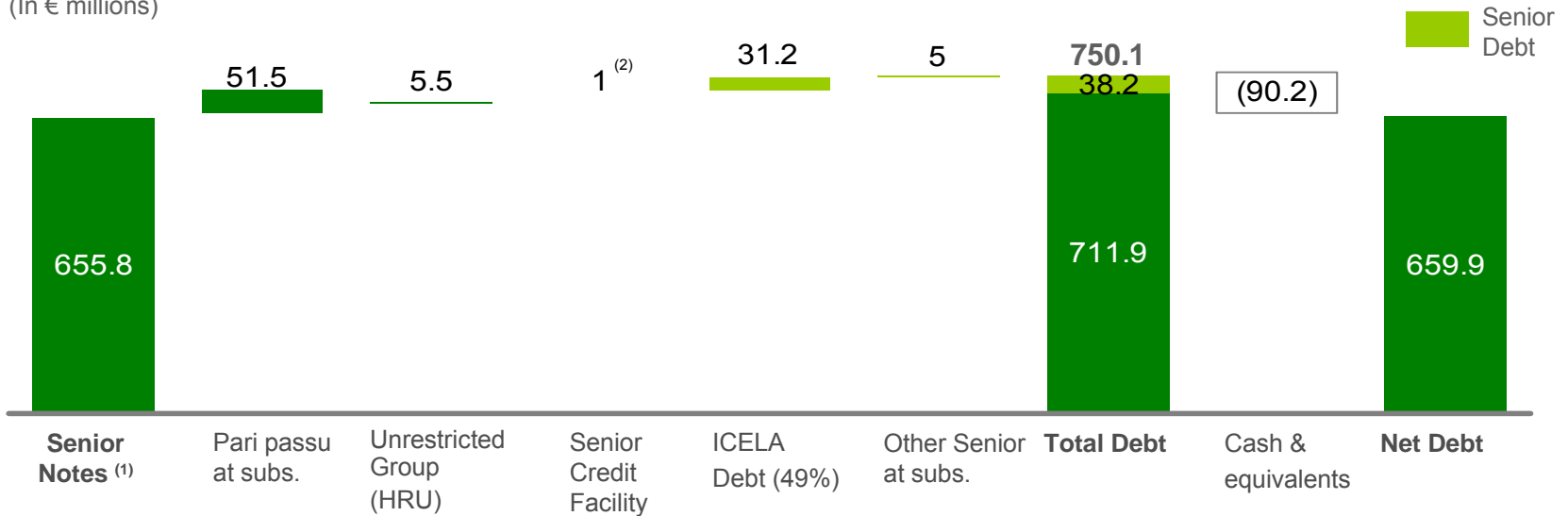
## Distribution of debt by currency



# Debt structure and headroom (as of December 31, 2009)

## Debt Breakdown

(In € millions)



## Headroom under Senior

### Headroom determination:

- Senior Debt Limit: €200MM
  - (-) Capacity used:
    - Senior Credit Facility (€2MM) <sup>(3)</sup>
    - ICELA Debt (100%) (€64MM)
    - Senior Debt @ subs. (€5MM)
- (€1MM)**
- **Headroom under Senior: €129MM**

(1) Includes €2.3 million of interest  
 (2) Net of €1.2 million expenses  
 (3) Gross amount

## Debt Terms

### 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 / EBITDA <4.25x
    - Net senior debt / EBITDA <1.5x
    - EBITDA / Net interest >2.5x
    - Qualifying country EBITDA – Qualifying country maintenance capex / Consolidated net interest >1.0x
  - Arranged by CS, Barclays and BBVA

### Key bond covenants

- 3.0x FCCR incurrence test
- €200m senior debt limit

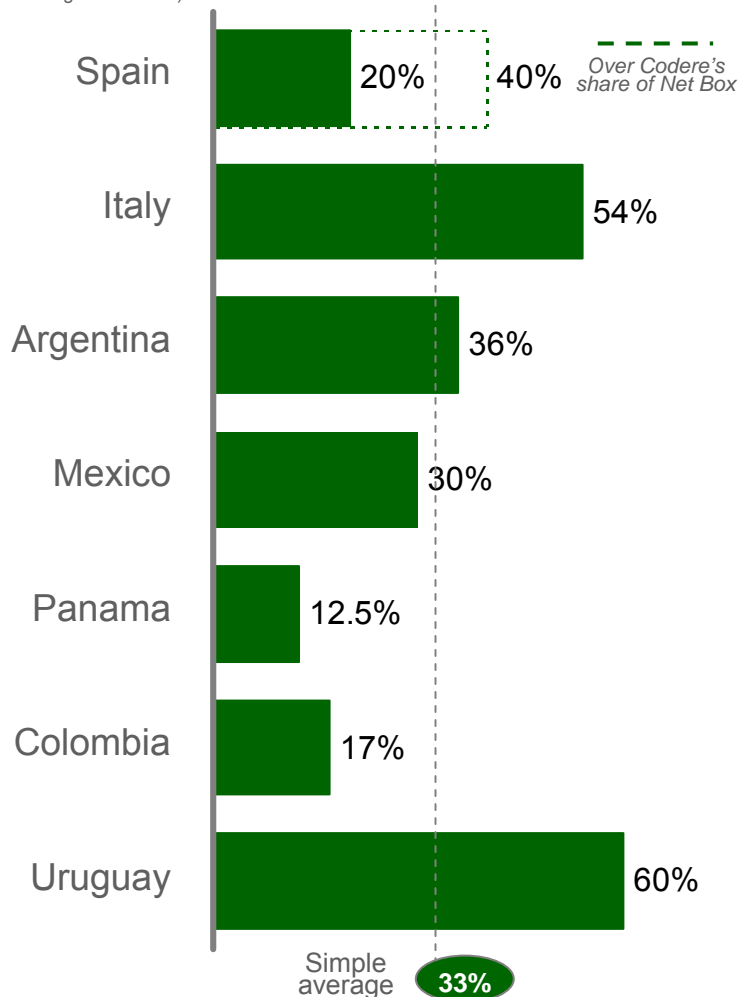
# Fiscal situation

Situation in 2008	Measures to improve fiscal efficiency	2009 Efforts	Outlook
<p><b>Profitable business units which pay corporate taxes</b></p> <ul style="list-style-type: none"> <li>● Argentina</li> <li>● Mexico</li> <li>● Panama</li> <li>● Italy indirect machines</li> </ul>	<ol style="list-style-type: none"> <li>Increase intercompany charges and reduce PBT               <ul style="list-style-type: none"> <li>- as permitted by local regulation and transfer pricing guidelines</li> </ul> </li> <li>Increase debt (interco –HQ to subs, or third party)               <ul style="list-style-type: none"> <li>- In Argentina debt can only be deducted if used to fund investment</li> </ul> </li> <li>Tax consolidation of profitable and unprofitable businesses</li> </ol>	<ul style="list-style-type: none"> <li>● Maintained at €54.7MM (vs. €56.7MM in '08)</li> <li>● Cancelled €53MM loan from Argentina To HQ</li> <li>● Contracted local debt in Mexico (used to pay HQ debt)</li> <li>● HQ loaned c€5.0 MM to Argentina for La Plata renewal payment</li> <li>● Consolidation of Italy Network and indirect machine operations</li> </ul>	<ul style="list-style-type: none"> <li>● Expect to continue to consolidate interco charges</li> <li>● Expect to continue to contract local debt, including RCF refinancing</li> <li>● Expect to make loans for San Martin and Puerto renewals</li> </ul>
<p><b>Loss making business units which pay corporate tax (due to AMT, or other)</b></p> <ul style="list-style-type: none"> <li>● Italy bingo and Italy Network</li> <li>● Brazil</li> <li>● Spain Sports betting</li> <li>● Colombia</li> <li>● Spanish consolidated tax group               <ul style="list-style-type: none"> <li>Spain AWP &gt; 75%</li> <li>-Spain AWP subsidiaries &lt;75%</li> <li>+ Spain bingo</li> </ul> <hr/>               = Total EBT of Spain             </li> <li>- Corporate overhead</li> <li>Net financial expenses</li> <li>Corporate overhead expenses</li> <hr/>               = Deficit              <li>-Intercompany charges</li> <hr/>               = GAP              </ul>	<ol style="list-style-type: none"> <li>Improve PBT               <ul style="list-style-type: none"> <li>- Ability to use/activate NOLs</li> </ul> </li> <li>Purchase minorities</li> <li>Decrease net financial expenses</li> <li>Reduce corporate overhead</li> <li>Increase intercompany charges</li> </ol>	<ul style="list-style-type: none"> <li>● Reduction of losses in Sports betting</li> <li>● Maintained at €68.5MM (vs. €66.4MM in '08)</li> <li>● Reduced by €10MM</li> </ul>	<ul style="list-style-type: none"> <li>● Expect improvement in:               <ul style="list-style-type: none"> <li>- Italy Bingo</li> <li>- Spain AWP</li> <li>- Spain Bingo</li> </ul> </li> <li>● Expect will improve as local debt used to pay down HQ debt</li> <li>● Expect will remain relatively constant</li> </ul>

# Comparative gaming taxes

## Machine Gaming Taxes

(As percentage of Net Win)



## Comments

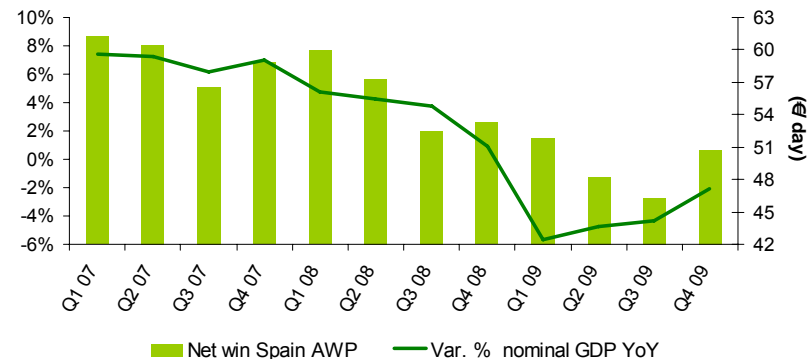
- Fixed gaming tax per machine, “tasa”, that differs by Comunidad Autónoma. In 2008, the average annual tax per machine was circa €3,600. The stated percentage was determined considering Codere’s actual average net win levels
- Max. of 12.6% + 0.8% (including PREU + Canon) over amounts wagered (“coin-in”). The stated percentage was determined based on the current pay out ratio (75%)
- Includes payments to Non Profit Organizations (2% of net win, on average, in 2008). Canon tax surcharge of renewed halls suppose, on average, an extra 7% to 12% of total net win for these halls
- Federal tax of 30% over net win from January 2010. Reimbursement of SEGOB and state taxes at 100%.
- Fixed percentage over slot machines net win. Increased January 2010. Slots in racetrack remain 10% of net win.
- Depending on the installed portfolio. After the tax reform (Feb. 2010) gaming taxes are calculated as a % of the net win.
- Percentage of net win that the “Dirección General de Casinos” (DGC) withholds to Codere for the operation of the halls. No further gaming taxes exist

# Spain: 2008 / 2009 crisis

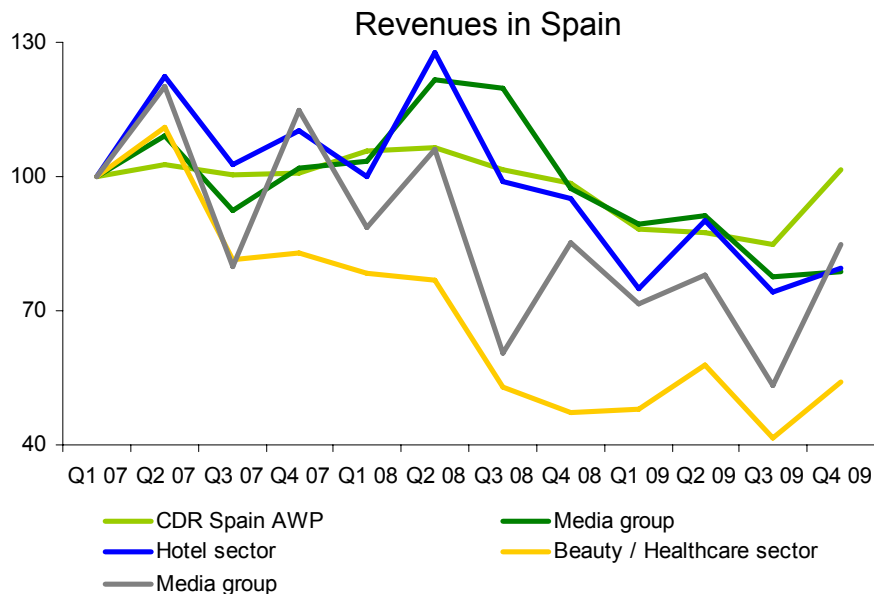
## Market

- Mature, highly fragmented
- Factors affecting business
  - Significant macroeconomic downturn
  - Absence of regulatory changes
  - Lack of technological innovation

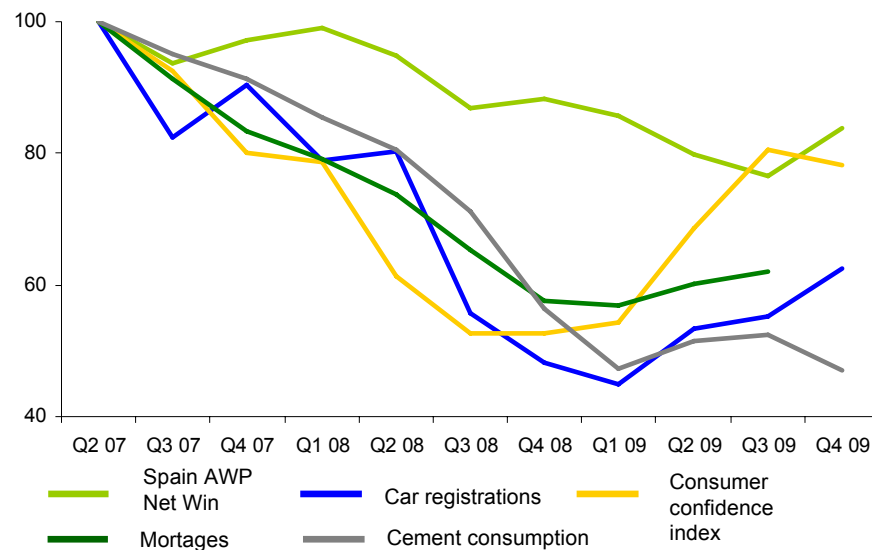
## Net win vs. GDP



## Spain AWP vs Spanish Small - Mid Caps



## Spain AWP net win vs. Spanish indicators

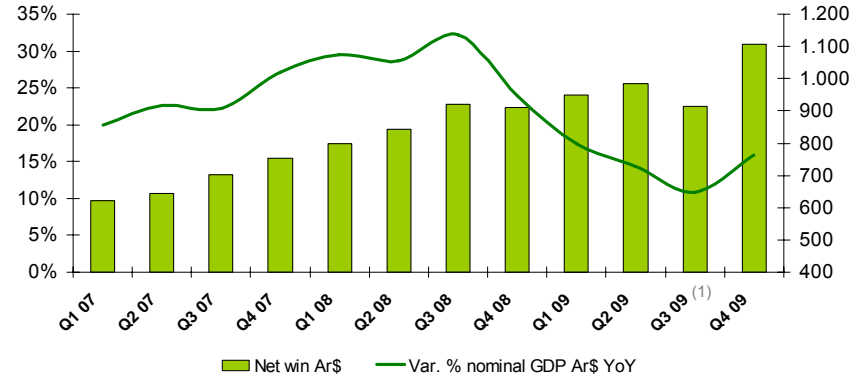


# Argentina: 2008 / 2009 crisis

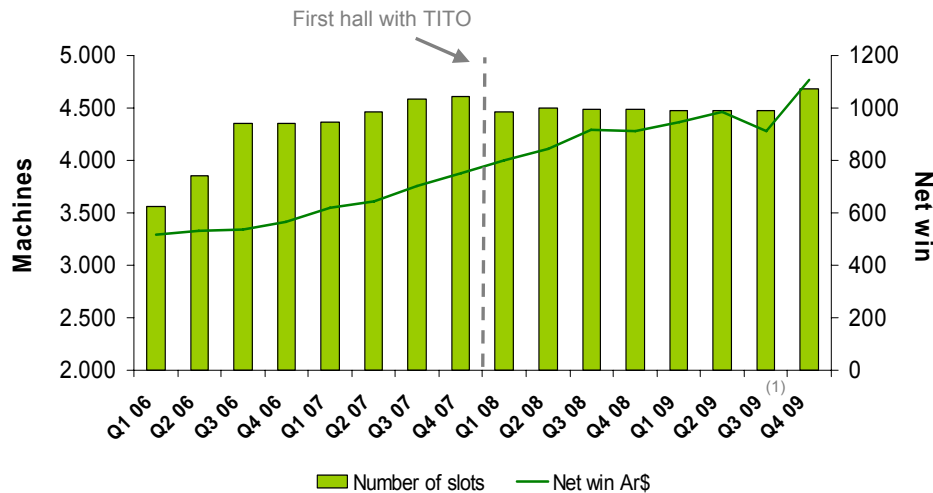
## Market

- Relatively new market, limitation on number of licenses (regional monopolies)
- Factors affecting business
  - Implementation of coinless systems (TITO)
  - Depreciation of Ar\$ vs. euro
  - H1N1 virus in Q3 2009

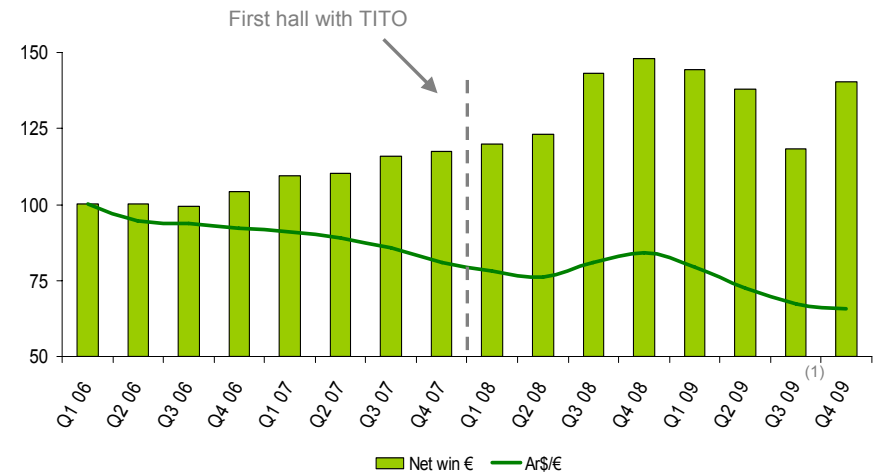
## Net win in Ar\$ vs. GDP



## Net win Ar\$ vs. machines installed



## Net win € vs. Ar\$/€

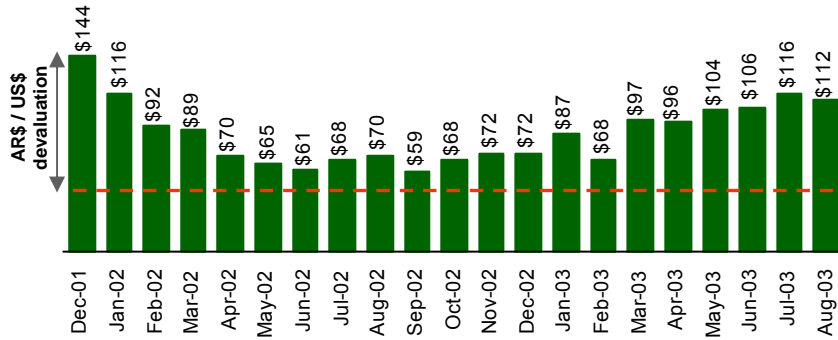


(1) Net wins in Q3 2009 were negatively impacted by H1N1 virus



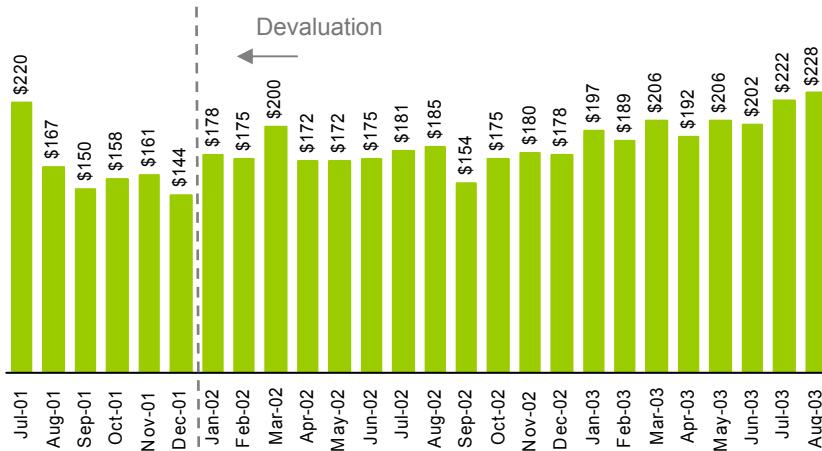
# Codere has demonstrated remarkable resilience

## Net Win per Day in US\$



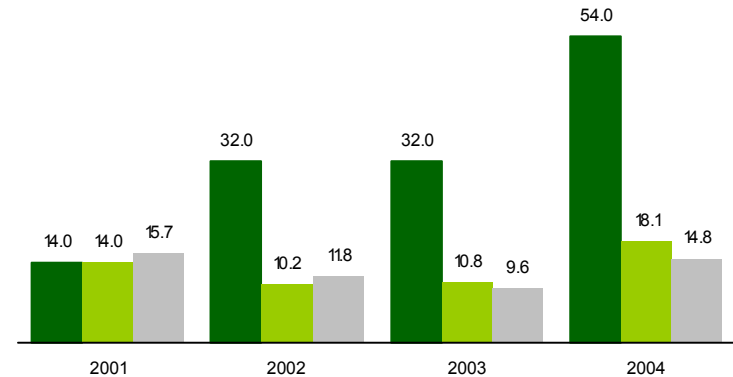
- December 31, 2001 Argentine government eliminated Peso peg to US\$
- Peso devalued 67% versus US\$ in 2001-2002
- By August 2003 net win per machine was back to July 2001 levels in real terms
- 2002 EBITDA decreased 25% in euro terms following the devaluation of the Peso
- Strong profitability maintained throughout economic crisis

## Net Win per Day (constant July 2001 pesos)



## EBITDA

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



## GDP

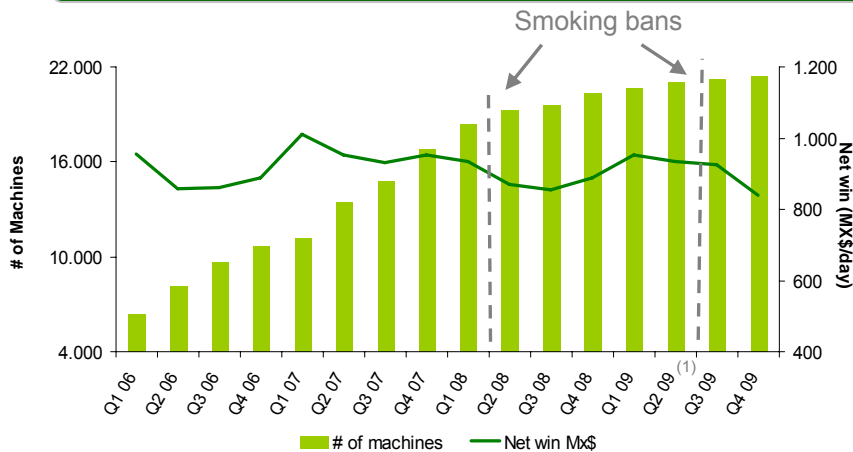
-4.5%      -10.9%      +8.7%      +9.0%

# Mexico: 2008 / 2009 downturn

## Market

- Newly regulated market
- Factors affecting business
  - Aggressive machine deployment (EBTs and Class III)
  - Smoking ban (April 2008 in D.F., Aug. 2009 rest of states)
  - Depreciation of Mx\$ vs. euro
  - Gap in net win CIE vs. Caliente
  - H1N1 virus Q2 2009

## Net win Mx\$ vs. machines installed

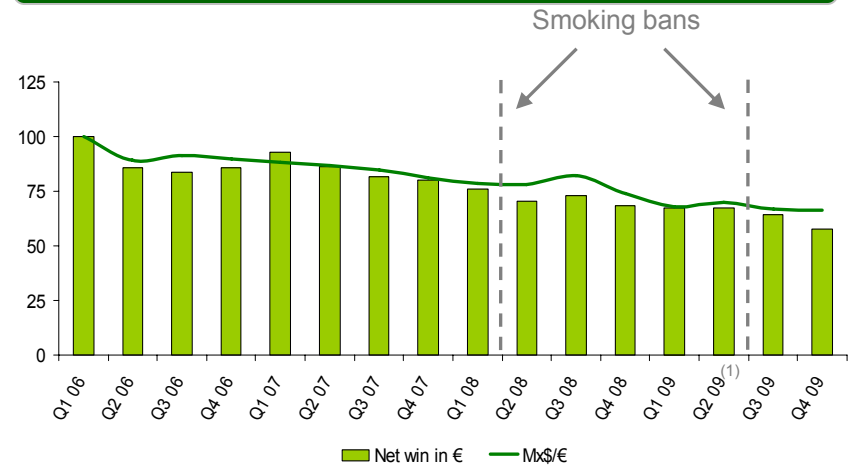


(1) Net wins in Q2 2009 were negatively impacted by H1N1 virus

## Net win in Mx\$ vs. GDP



## Net win € vs. Mx\$/€



# Growth and maintenance capex

(in € million)	2004	2005	2006	2007	2008	2009
<b>Spain AWP</b>	<b>26.5</b>	<b>30.7</b>	<b>86.7</b>	<b>59.4</b>	<b>42.9</b>	<b>19.6</b>
Maintenance	13.3	18.8	45.0 <sup>(6)</sup>	39.7	35.6	19.1
Growth	13.2	11.9	41.7 <sup>(7)</sup>	19.7	7.3	0.5
<b>Argentina</b>	<b>2.9</b>	<b>16.8</b>	<b>57.1</b>	<b>21.3</b>	<b>51.7</b>	<b>25.1</b>
Maintenance	1.8	-	7.8 <sup>(8)</sup>	9.2	17.5 <sup>(13)</sup>	21.3 <sup>(14)</sup>
Growth	1.1	16.8	49.3 <sup>(8)</sup>	12.1	34.2	3.8
<b>Mexico</b> <sup>(1)</sup>	<b>18.7</b>	<b>33.8</b>	<b>60.5</b>	<b>203.1</b>	<b>12.6</b>	<b>12.4</b>
Maintenance	0.2	- <sup>(4)</sup>	0.5 <sup>(4)</sup>	0.5 <sup>(11)</sup>	7.1	13.4
Growth	18.5	33.8	60.0	202.6	5.5	(1.1)
<b>Italy</b> <sup>(2)</sup>	<b>5.4</b>	<b>6.2</b>	<b>22.5</b>	<b>26.6</b>	<b>3.9</b>	<b>19.0</b>
Maintenance	-	0.4	1.7 <sup>(9)</sup>	3.5	7.2 <sup>(12)</sup>	6.2 <sup>(15)</sup>
Growth	5.4	5.8	20.8	23.1	(3.3)	12.8
<b>Other</b> <sup>(3)</sup>	<b>12.5</b>	<b>114.6</b>	<b>53.6</b>	<b>35.3</b>	<b>30.2</b>	<b>10.4</b>
Maintenance	8.4	9.0 <sup>(5)</sup>	8.6 <sup>(10)</sup>	21.1	12.7	3.4
Growth	4.1	105.6	45.0	14.2	17.5	7.0
<b>Total</b>	<b>66.0</b>	<b>202.1</b>	<b>280.4</b>	<b>345.7</b>	<b>141.3</b>	<b>86.4</b>
Maintenance	23.7 36%	28.2 14%	63.6 23%	74.0 21%	80.1 57%	63.4 73%
Growth	42.3 64%	173.9 86%	216.8 77%	271.7 79%	61.2 43%	23.0 27%

- (1) Net of repayments from Caliente  
 (2) Numbers for 2007 and 2008 exclude discontinued operations  
 (3) Includes holding company, Spain Bingo, Panama/Chile, Brazil, Colombia, Uruguay, and Sports Betting  
 (4) Related to the opening of 42 bingo halls  
 (5) Mainly includes Royal €60.6m, and Operbingo €33.3m  
 (6) One-off RF portfolio purchase  
 (7) Includes mainly MAE acquisition

- (8) Includes 6 license renewals (€30m)  
 (9) Bingo Palace (€12m)  
 (10) Rete Franco (€6m)  
 (11) Includes acquisition of 49% stake in ICELA and 10% of minorities  
 (12) Includes €2.8 million in proceeds for the sale in WHCI  
 (13) Includes €25.1 million related to the minority purchase  
 (14) Includes €11.2 million related to licenses renewals  
 (15) Includes €10 million related to the purchase of the VLT rights

# Operating data (I)

## # of Machines and Bingos

	As of December 31,			As of December 31,		
	2008	2009	% change	2008	2009	% change
	<b>AWP/Slots/EBTs</b>			<b>Bingo Halls</b>		
Spain <sup>(1)</sup>	15,963	15,669	(2.4%)	1	1	0.0%
Argentina	4,485	4,679	4.3%	14	14	0.0%
Mexico	20,351	21,402	5.2%	104	108	3.8%
Italy <sup>(2)</sup>	2,383	2,181	(8.5%)	12	12	0.0%
Colombia	8,502	6,556	(22.9%)	6	6	0.0%
Panama	1,606	1,620	0.9%	-	-	n.a
Uruguay	<u>1,528</u>	<u>1,604</u>	5.0%	-	-	n.a
<b>Total</b>	<b>54,818</b>	<b>53,711</b>	<b>(2.0%)</b>	<b>137</b>	<b>141</b>	<b>2.9%</b>

1- Includes 82 machines in 2009 deployed in Canoe Bingo

2.- Includes 601 machines in 2008 and 493 machines in 2009 deployed in Italian bingo halls.

## Operating data (II)

### Net Win per Machine per day

	Year ended December 31,			Three months ended December 31,		
	2008	2009	% change	2008	2009	% change
<b>Euros</b>						
Spain (AWPs)	55.7	49.2	(11.6%)	53.3	50.7	(4.9%)
Italy (AWPs)	63.1	67.8	7.4%	65.7	75.7	15.2%
Italy Bingo	90.8	97.0	6.8%	88.8	114.9	29.4%
Mexico <sup>(1)</sup>	54.5	48.9	(10.3%)	51.6	43.5	(15.6%)
Argentina <sup>(2)</sup>	187.5	189.8	1.3%	207.5	197.2	(4.9%)
<b>Local Currency</b>						
Mexico <sup>(1)</sup>	889	919	3.4%	890	839	(5.7%)
Argentina <sup>(2)</sup>	868	989	14.0%	912	1,108	21.4%

1. Net win for 2009 is negatively affected by halls closures related to the H1N1 virus in Q2.

2. Net wins for 2009 are negatively affected by hall closures related to the H1N1 virus in Q3.



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