



2007 Results and 2008 Outlook

March 2008

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2007 results

(€ millions)	2006 Audited	2007 Reported	% change	2007 At constant currency	% change
Revenues	760.7	915.3	20.3%	964.2	26.8%
EBITDA					
Spain AWP	56.6	72.9	28.8%	72.9	28.8%
Argentina	85.9	98.5	14.7%	108.5	26.3%
Mexico	43.4	57.9	33.4%	63.5	46.4%
Others	12.9	(7.6)	<i>n.a.</i>	(6.3)	<i>n.a.</i>
Corp. overhead	(23.2)	(25.0)	(7.8)%	(25.0)	(7.8)%
Reported EBITDA	175.6	196.7	12.0%	213.6	21.6%
Non-recurring provisions ⁽¹⁾		22.9		22.7	
Adj. EBITDA	175.6	219.6	25.1%	236.3	34.6%
Adj. Net Income ⁽²⁾	8.9	32.3	<i>n.a.</i>	42.7	<i>n.a.</i>

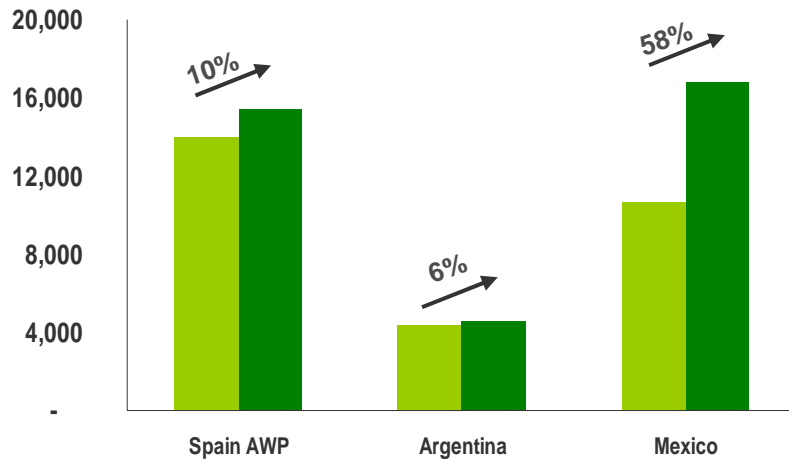
(1) Includes non-recurring provisions of €16.0 million and €6.7 million recorded in the Italy AWP business and Colombia business, respectively.

(2) includes non-recurring provisions of €35.3 million and €6.7 million recorded in the Italy AWP business and Colombia business, respectively.

Business evolution in key markets 2006 - 2007

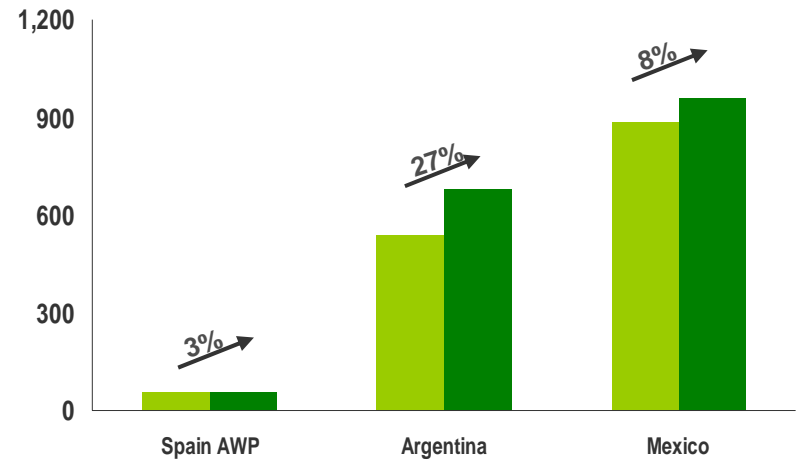
Number of machines

(# of machines)



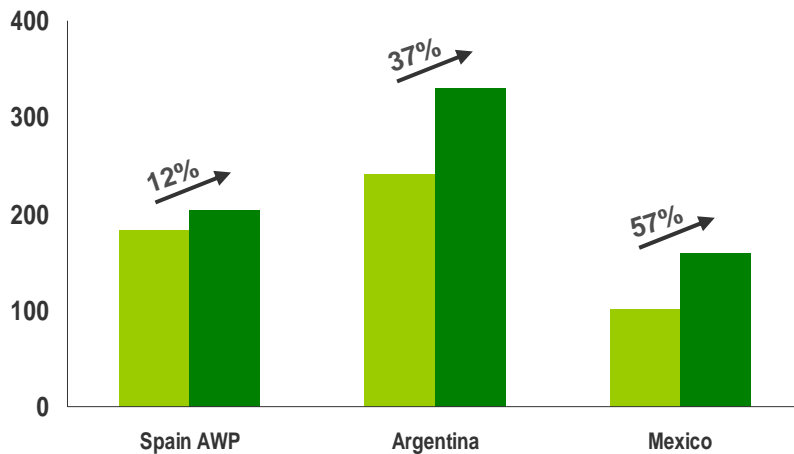
Net win evolution (local currency)

(€; AR\$; MXP)



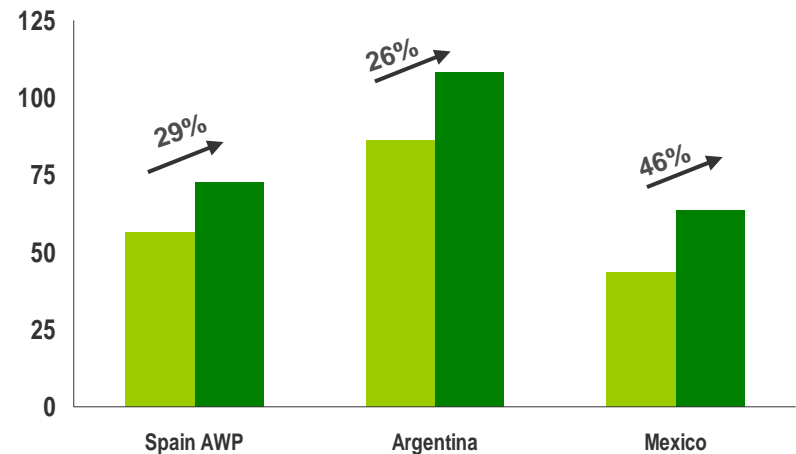
Revenue (constant currency)

(€ millions)



EBITDA (constant currency)

(€ millions)



Results of Other Operations

(€ millions)		EBITDA		
		2006	2007 constant currency	Change %
Profitable	Panama	7.5	12.8	70.0%
	Italy Bingo	6.6	8.4	27.3%
	Uruguay	2.7	3.0	13.7%
	Spain Bingo	3.3	0.9	(72.7)%
Restructuring	Italy AWP	(9.3)	(21.3)	<i>n.a.</i>
	Colombia	5.5	(0.3)	<i>n.a.</i>
Future opportunities	Sports Betting	-	(3.8)	<i>n.a.</i>
	Brazil	(3.9)	(6.0)	<i>n.a.</i>

Non-recurrent charges and provisions reflect strategic review of businesses — Italy AWP

- Continued losses in the business coupled with uncertainty with respect to the political and regulatory environment
- Decision to provision full amount of €18.3 million performance bond in light of potential new claims arising from 2007 Financial Law and pre-existing claims (€14.1 million provision in Q4 2007, plus existing provisions from 2006 and accumulated through Q3 07 sum to €18.3 million)
- €11.3 million impairment charge against carrying value of business

(€millions)	Q1	Q2	Q3	Q4	FY 2007
Restructuring Provisions		(0.2)		(0.5)	(0.7)
Machine write-offs		(0.9)	(0.1)	(0.1)	(1.1)
Provisions for AAMS fines, penalties and others	(0.1)			(14.1)	(14.2)
Impact on EBITDA	(0.1)	(1.1)	(0.1)	(14.7)	(16.0)
Provisions for bad debt	0.5	(4.3)	0.1	(3.7)	(7.4)
Change in AWP amortization period	(0.6)				(0.6)
Impairment charge				(11.3)	(11.3)
Impact on EBIT	(0.2)	(5.4)	-	(29.7)	(35.3)

Non-recurrent charges and provisions reflect strategic review of businesses — Colombia

- Identification of additional potential fiscal contingencies
- Repositioning of business towards more profitable growth. Includes optimization of machine portfolio and conversion of branded halls into entertainment centers, broadening product offer and improving hall image.

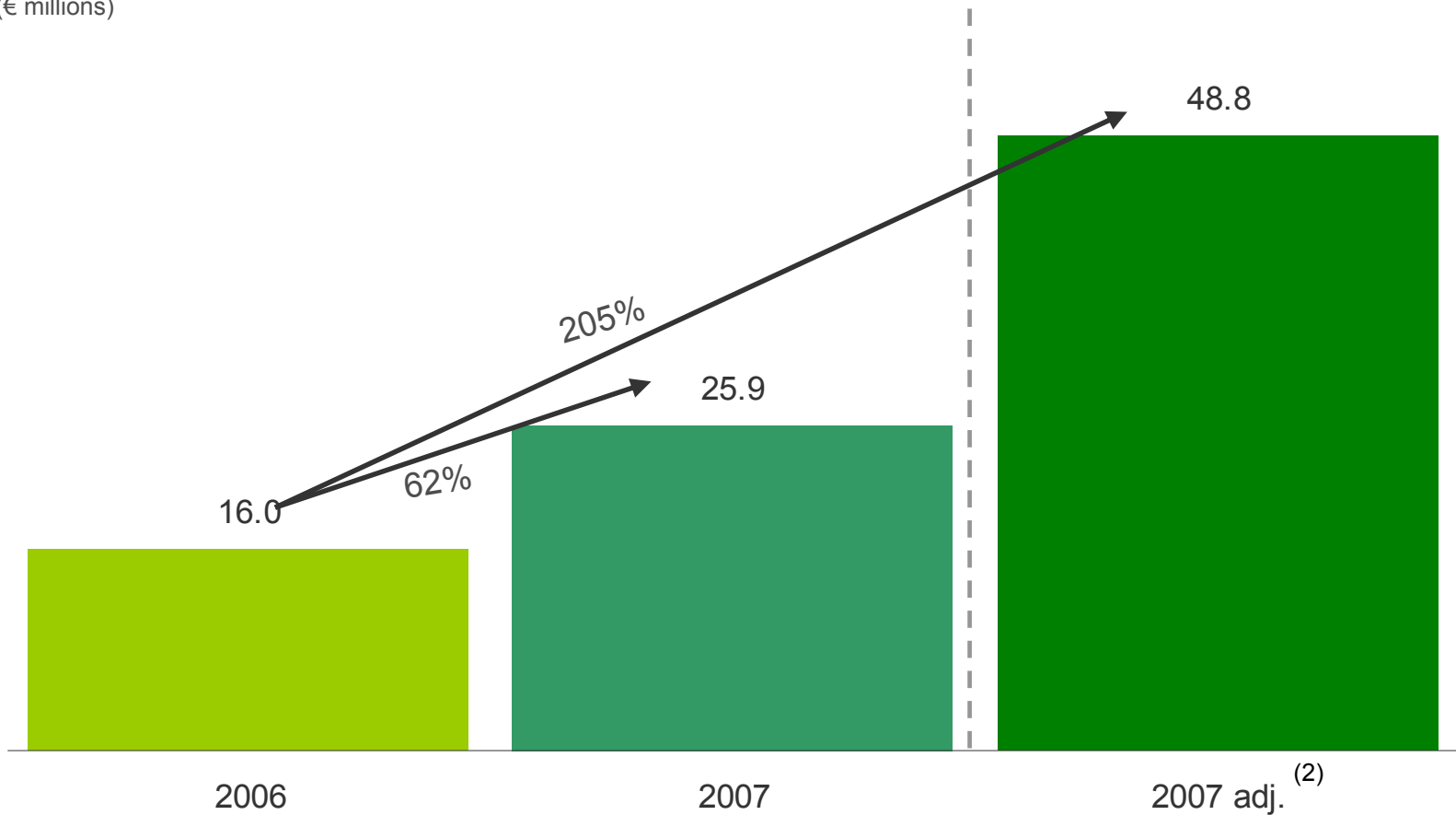
(€millions)

	Q1	Q2	Q3	Q4	FY 2007
Fiscal contingencies	(1.8)		0.4	(2.8)	(4.2)
Machine write-offs and hall closures		(0.8)	0.3	(2.2)	(2.7)
Impact on EBITDA/EBIT	(1.8)	(0.8)	0.7	(5.0)	(6.9)

Cash flow generation continues strong growth

Discretionary Free Cash Flow (1)

(€ millions)



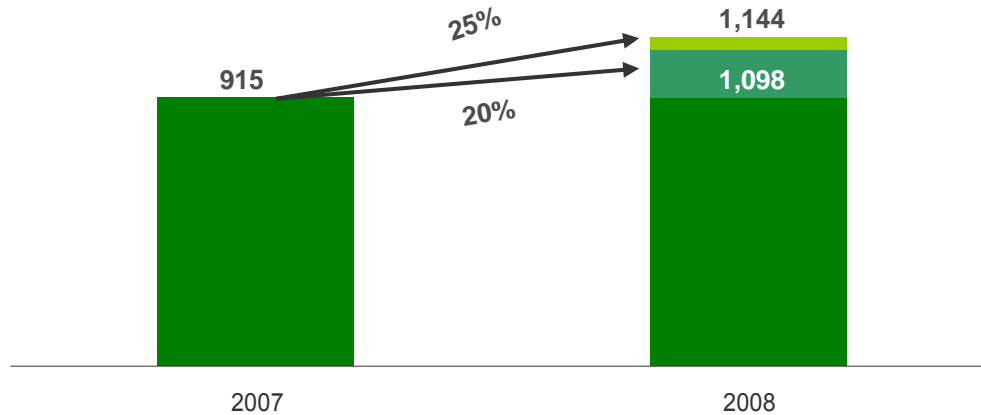
(1) EBITDA less reported net interest, corporate income taxes and maintenance capex.

(2) The adjustment in 2007 includes €22.9 million non-recurring provisions in Italy AWP and Colombia.

2008 consolidated guidance

Revenue growth of 20% – 25%

(€ millions)



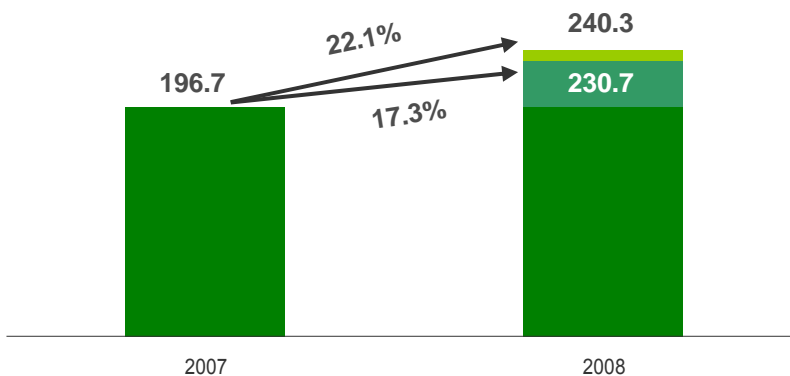
2008 average forex rates

MXP/€	16.31
ARP/€	4.79
US\$/€	1.49

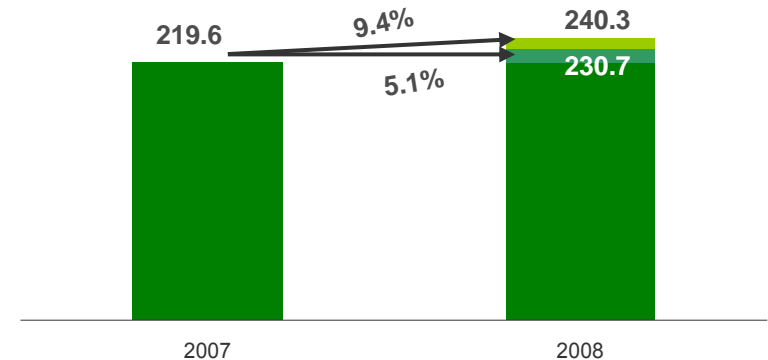
EBITDA margin in range of 21%

(€ millions)

Reported



Adjusted



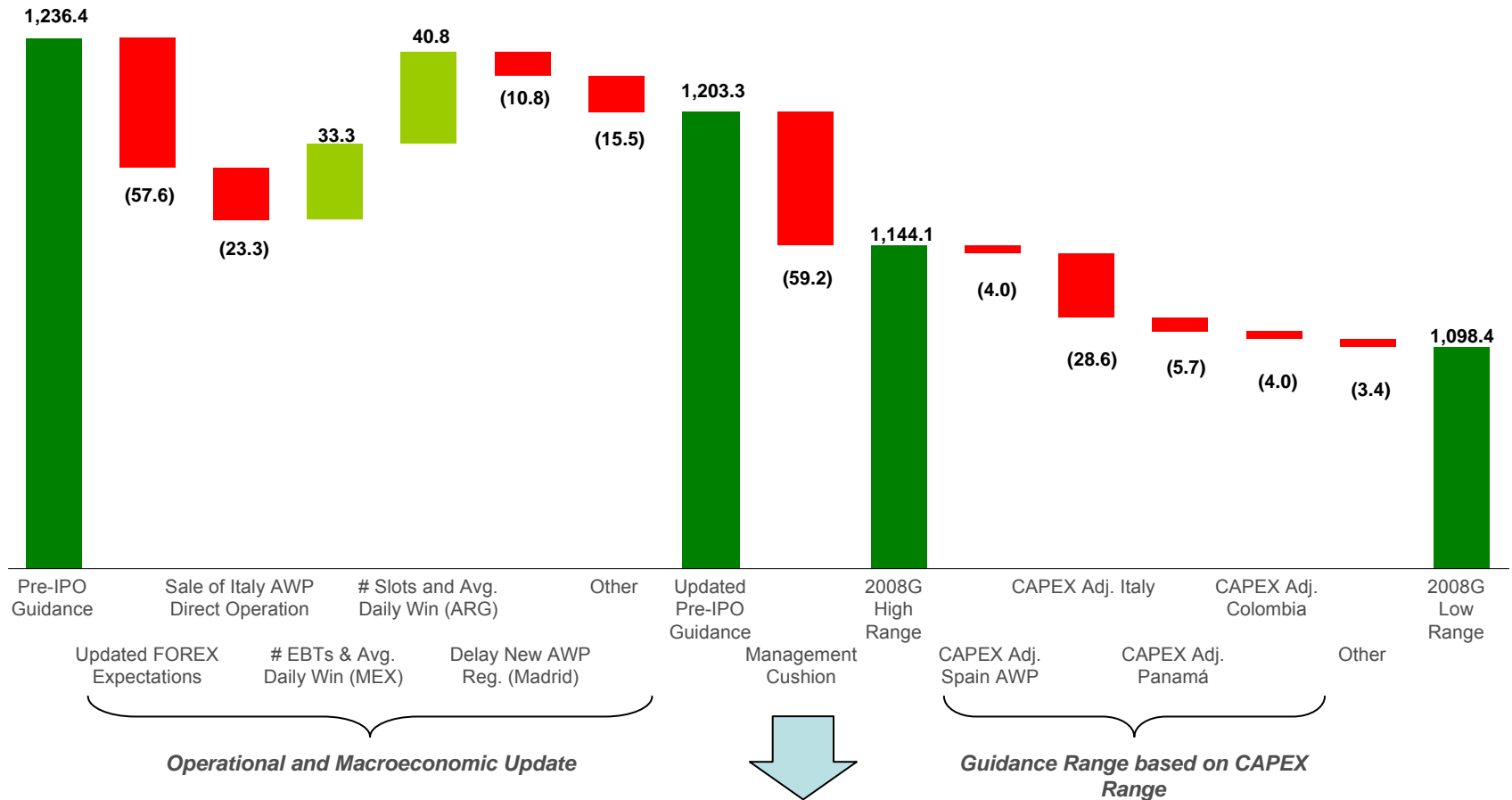
Key markets — financials and KPIs

	2006	2007	% change	2008	% change
Revenues (€millions)					
Spain AWP	183.2	204.2	11.5%	216.7 - 220.7	6.1% - 8.1%
Argentina	241.5	299.0	23.8%	333.4	11.5%
<i>In constant currency</i>				375.9	25.7%
Mexico	101.4	145.0	43.0%	268.4	85.1%
<i>In constant currency</i>				293.0	102.1%
Margins					
Spain AWP	30.9%	35.7%		35.6%	
Argentina	35.6%	32.9%		31.4%	
Mexico	42.8%	39.9%		26.6%	
KPIs (machines)					
Spain AWP	13,995	15,431	10.3%	15,930 - 16,580	3.2% - 7.4%
Argentina	4,352	4,605	5.8%	4,740	2.9%
Mexico	10,630	16,788	57.9%	22,390 ⁽¹⁾	33.3%

(1)Comprises 11,660 in Caliente, CIE c. 9,600 and new licences 1,130.

2008 guidance bridge

2008 Revenue guidance vs. pre-IPO guidance (adjusted for ICELA)



Reflects uncertainties over FOREX trends; the ability to deploy projected CAPEX in Italy AWP in the expected timeframe; final materialization and timing of implementation of smoking bans in Argentina, Panama and México D.F.

Margin analysis: 2007 on 2008 basis

Margin Analysis 2008	Revenues (€m)	EBITDA (€m)	EBITDA Margin	Impact on Group Margin
FY08 Guidance	1,098.4 - 1,144.1	230.7 - 240.3	21.0%	
<i>Impact of IEPS as of 2008 (ICELA)</i>	①	17.5	n.a.	1.5%
<i>Impact of IEPS as of 2008 (CALIENTE)</i>	② 15.1	15.1	100.0%	1.0%
<i>10 months CIE Results accounted as PRE-ICELA acq.</i>	③ (90.4)	(14.4)	16.0%	0.4%
<i>Impact of FOREX Evolution 07-08</i>	④ 68.5	19.4	28.3%	0.4%
<i>Incremental Sports Betting Contribution</i>	⑤ (16.3)	5.5	(33.7%)	0.8%
FY08 Guidance (comparable basis to 2007)	1,075.4 - 1,121.1	273.7 - 283.3	25.3 - 25.5%	Margin enhancement vs. Adjusted FY2007 24%, reflects margin gains in Mexico Caliente, Spain Bingo and Italy AWP and reduction of losses in Brazil
Reported 2007	915.3	196.7	21.5%	
Adjusted FY 2007	915.3	219.6	24.0%	

- ① ICELA proportional consolidation reflects additional IEPS gaming tax in 2008. On a comparable basis with 2007 (i.e. excluding IEPS) Operating Revenue for 2008 would be the same but EBITDA would be increased by €17.5 million
- ② IEPS has no direct impact in the P&L of Codere's Caliente operation (Codere reports approximately 50% of Caliente PBT as operating revenue). Payment of IEPS results in a reduction of revenue for Codere due to reduced PBT in Caliente halls. Operating Revenue and EBITDA for 2008 reflect a reduction of €15.1 million due to IEPS
- ③ Following the acquisition of 49% of ICELA (November 2007) Codere changed the consolidation methodology for the CIE business from 49% of net income to proportional consolidation. In addition, Codere now is also reporting revenue from other business at ICELA (i.e. racetrack, convention center). Consequently, P&L structure of the business has significantly changed: Operating Revenue now reflects gross win of slot machines, bingo halls and other businesses, instead of net profits from the bingo halls
- ④ Impact of FOREX evolution applying 2007 average exchange rates to 2008 guidance
- ⑤ 2008 guidance reflects greater losses from Sports Betting start-up business. Analysis shows impact of removing these greater losses on the consolidated results

Detail of EBITDA margin decrease in Mexico

Impacts on Mexico P&L in 2008

Underlying business drivers

- Strong growth in existing and new halls
- Gaming tax increase to 20% of net Win

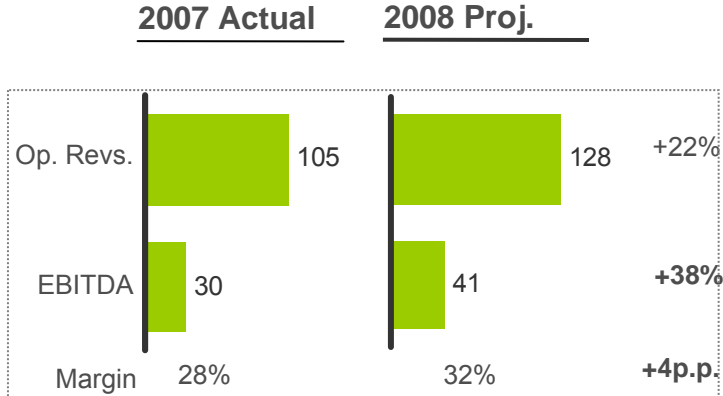
Negative EBITDA impact of gaming tax offset by strong growth of the business, resulting in increases in revenues, EBITDA and margins.

Impact of ICELA acquisition

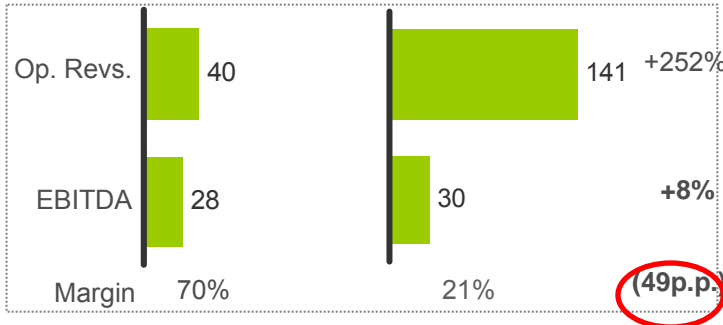
- Change in consolidation method
- Incorporation of new businesses

Negative impact in EBITDA margin results from the change to proportional consolidation by significantly increasing operating revenues whereas positive EBITDA impact of new businesses is marginal.

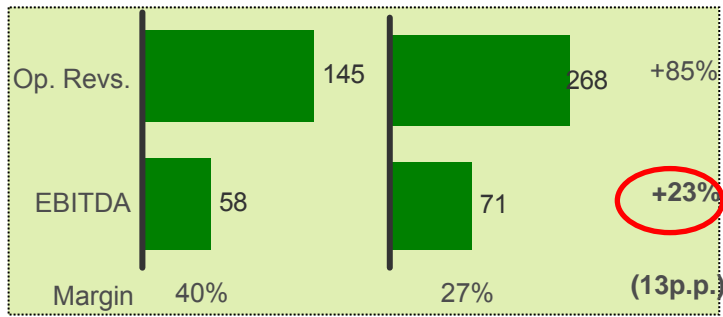
Cal. + other



CIE



Mexico Conso



Capex and KPIs guidance for 2008

Country	KPIs Number of machines	Capex €in million	
		Maintenance	Growth
Spain AWP	15,930 – 16,580	39	20-35
Argentina	4,740	13	9-14
Mexico	22,390	11	35
Italy ¹	5,110 – 8,160	4	20-30
Other ²	11,350 – 11,710	<u>18-23</u>	<u>12-17</u>
Subtotal		85-90	96-131
Repayments from Caliente		=	<u>23</u>
Total	59,520 – 63,580	85-90	73-108

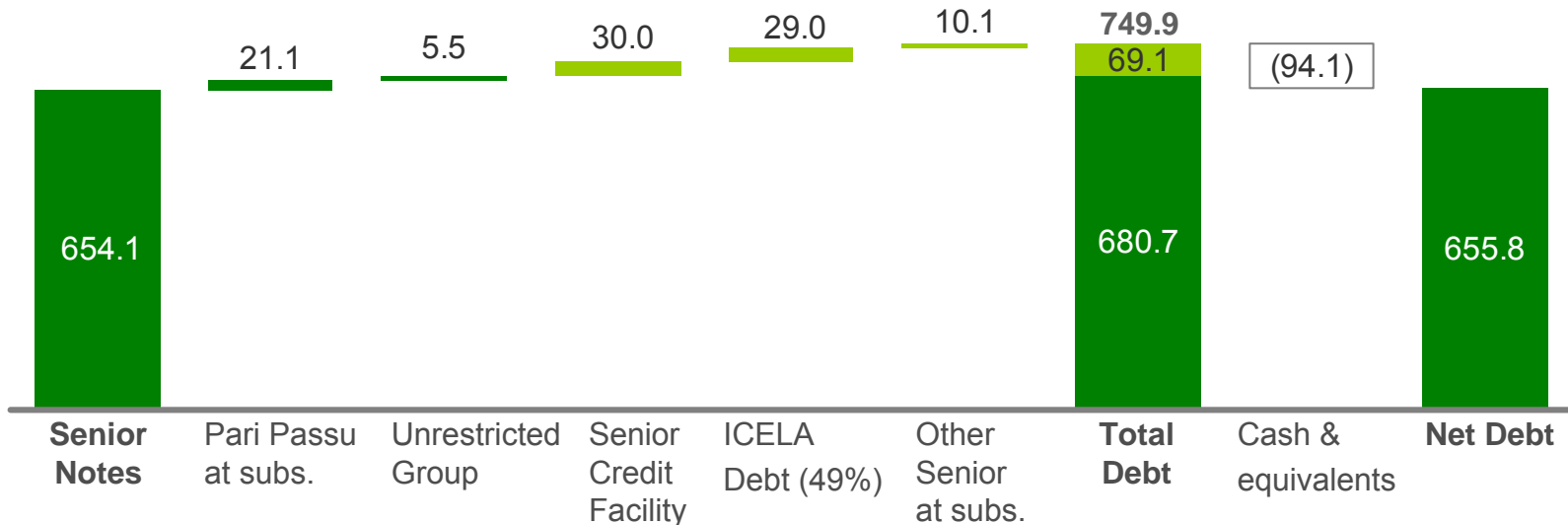
1. Capex (and KPIs includes Italy AWP and Bingo)
2. Capex and KPIs Include Brazil, Panama, Sports Betting, Uruguay, Colombia, Spain Bingo and Corporate Overhead, as applicable

Debt structure and headroom

Debt Breakdown

(In € million)

Senior Debt



Senior Credit Facility

Terms:

- €100MM multicurrency revolving credit
- €60MM cash and LC at Euribor + 1.75%
- €40MM LC at 2.75%

Usage:

Facility Limit (cash)	€60MM
(-) Drawn @ Dec. 2007	(€30MM)
Available to draw down	€30MM

Key Covenants

Senior Debt:

- Net financial debt of Codere Group/EBITDA <4.25x
- Bank debt/EBITDA <1.5x
- Minimum interest coverage >2.5x

Bond:

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

Headroom under Senior

Headroom determination:

- Senior Debt Limit: €200MM
- (-) Capacity used:
 - Senior Credit Facility (€30MM)
 - ICELA Debt (100%) (€59MM)
 - Senior Debt @ subs. (€10MM)

- **Headroom under Senior: €101MM**

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 and increase capacity
- Finalise license renewal process

Mexico

- Continue EBT deployment
- Develop new licenses including those acquired through CIE Las Americas

Italy

- Achieve profitability in the AWP business by disposing of unprofitable direct operations, and growth via acquisitions supported by Codere Network
- Consolidation of bingo business and introduction of AWP's in bingos

Corporate

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



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