PRESS RELEASE

GALA CORAL GROUP LIMITED

Financial highlights for the Group for the twelve weeks to 2 July 2011:

- Turnover of £251.8 million, a reduction of £20.9 million (8%) from the prior year. Excluding the impact of the 2010 World Cup and the removal of prize bingo, turnover was level year on year
- Group EBITDA (pre-exceptionals) of £56.3 million was £12.3 million (18%) lower than the prior year. Excluding the impact of the 2010 World Cup and the January VAT increase, underlying EBITDA (pre-exceptionals) was £4.3 million (7%) lower than the prior year
- The cash outflow for the period was £144.6 million, following the net repayment of £119.4 million of senior debt and the payment of £35.1 million in refinancing costs (total expected refinancing costs of approximately £40.6 million)
- Overall results in line with expectations

Underlying trading was decent in the third quarter, with continued improvements in key metrics across most businesses.

The third quarter comparatives are impacted by the 2010 FIFA World Cup predominantly taking place during the equivalent quarter in the prior year. Comparatives are also impacted by Gala Bingo withdrawing prize bingo from interval games which for accounting purposes reduces turnover*, but is gross profit neutral.

Excluding the World Cup, Coral over the counter (OTC) amounts staked were 3% ahead of the prior year, with turnover from machines level against a strong Q3 in 2010. At a gross, or trading, profit level Coral was level with the prior year, after adjusting for the 2010 World Cup and changes in VAT. Gala Bingo continues to show growth in spend per head with strong margins against what was a broadly level admissions performance year on year. Gala Casinos had an excellent quarter, with all key metrics out-performing those of the prior year, delivering 30% EBITDA growth year on year. Remote turnover continues to fall behind prior year levels, with profitability 5% lower than Q3 2010. Eurobet Italia showed continued growth (up 19%) in sports betting amounts staked (excluding 2010 World Cup), although gross win margins remained variable in the quarter and below those achieved in the prior year.

The key financial highlights for the Group for the forty weeks ending 2 July 2011 are as follows:

- Turnover of £868.0 million, a reduction of £41.9 million (5%) over the prior year

- Group EBITDA (pre-exceptionals) of £206.0 million, a reduction of £31.4 million (13%) on the prior year. On an underlying basis Group EBITDA (pre-exceptionals) was £13.9 million (6%) below the prior year.
- A year-to-date cash outflow of £124.0 million, including the net repayment of £180.4 million of senior debt associated with the refinancing, early loan repayments and required repayments following the disposal of certain fixed assets, and £35.1 million in refinancing costs
- Unlevered cashflow** of £197.0 million, a 96% cash conversion***
- £1,328.0 million of net debt for covenant purposes****
- Cash at bank and in hand at 2 July of £136.4 million, including unrestricted cash balances for covenant purposes of £88.1 million

Of the £31.4 million reduction in EBITDA (pre-exceptionals), approximately £17.5 million is attributable to the impact of the abnormally poor winter weather (c.£2.5 million), the VAT increase to 20% in January 2011 (c.£6.0 million), the 2010 World Cup (£5.0 million) and prior year non-recurring income (£4.0 million). Adjusting for the impact of these factors, underlying EBITDA (pre-exceptionals) the forty weeks to 2 July reduced by £13.9 million (6%).

Since the end of the third quarter the business continues to trade in line with its internal forecasts.

Notes

* Stakes for prize bingo were accounted for gross in turnover, with the cost of prizes reflected in cost of sales. The cash prize in ongoing interval bingo is netted off against the stake, resulting in turnover reducing - although there is no impact at a gross, or trading, profit level

** Unlevered cashflow represents cash available to service net cash interest costs and debt repayments

*** Unlevered cashflow as a percentage of EBITDA (pre-exceptionals)

**** The total net debt amounts to £2,140.7 million, including £812.7 million of non-recourse property debt and subordinated loans from the ultimate holding company which has issued preferred equity certificates.

Notice

These interim accounts have been prepared at the level of Gala Coral Group Limited. This differs to the first set of interim accounts prepared following the refinancing which completed on 27 May 2011, which were prepared for Gala Electric Casinos plc (its direct subsidiary).

As permitted by the bond indentures, the Group is allowed to prepare interim accounts at the level of either Gala Coral Group Limited or Gala Electric Casinos plc. In order to harmonise external reporting where possible for the Group, Gala Coral Group Limited is the preferred reporting entity.

As part of the capital restructure of the Gala Coral Group which took place in June 2010, Gala Coral Group Limited was incorporated and became a Group holding company. For the quarter ended 2 July 2011 and subsequent periods comparatives are available, and the Group has therefore elected to prepare these and subsequent interim statements at the Gala Coral Group Limited level.

From a profit and loss account perspective, the difference between accounts consolidated at Gala Coral Group Limited and those at Gala Electric Casinos plc is an immaterial amount of group interest payable. From a balance sheet perspective there is a small difference in net assets relating to the amount due in respect of subordinated group debt (the Holdco loan notes) and there are some classification differences in capital and reserves.