

First quarter results for the sixteen weeks ended 14 January 2012

KEY FINANCIALS

	Total results ^{1}			Like-for-like results ^{2}	
	Q1 FY12 £'m	Q1 FY11 £'m	Change %	Q1 FY12 £'m	Q1 FY11 £'m
Turnover ^{3}	352.8	339.0	4%	344.3	335.9
Gross profit ^{4}	271.5	256.7	6%	261.2	250.8
EBITDA ^{5}	78.4	78.2	-	75.7	78.0

{1} Total results include all revenue and expenses for the group for the 16 weeks ended 14 January 2012

{2} Like-for-like results represent the performance of those LBOs and clubs that existed in the group for the whole of Q1 FY11 and Q1 FY12

{3} Definitions of turnover differ by business. For definitions see individual business sections

{4} Differs to divisional gross profit due to adjustments for free bets, certain machines costs and vending machines income. See reconciliation on page 10

{5} Pre-exceptional items

HIGHLIGHTS

- Top line performance has improved across all businesses except Remote
- Anticipated cost increases have offset growth in gross profit to result in EBITDA level with prior year
- Coral OTC amounts staked were 16% ahead of prior year, with machines gross win up 8%. On a like-for-like basis OTC amounts staked increased by 13% and gross win per machine per week achieved was £936
- Coral OTC gross win margin of 15.6% (FY11, 18.1%) driven by poor football results
- Bingo admissions increased by 6% on the prior year, with spend per head up 4%. On a like-for-like basis admissions increased by 4%, with spend per head up 4%
- The Casino strategy of focusing on higher value players has resulted in admissions being 10% lower year on year, but drop per head increased by 15% to result in cash drop ahead by 4% year on year. On a like-for-like basis admissions were 6% lower but drop per head increased by 13% to result in cash drop 6% ahead
- Active customers on galabingo.com increased by 39% on the prior year, with actives on coral.co.uk up by 19%. Gross win on the Gala websites was 13% below the prior year as a result of a significant reduction in gross win per head. Gross win in Remote – Coral Interactive was 2% ahead of the prior year
- Sports betting amounts staked in Italy were up 5% on the prior year with overall sports betting gross win margin of 22.0% (FY11, 13.9%)
- Project Springboard continues to progress well. The new Gala Interactive sites remain on track to launch in the spring, with the new sports betting site due to launch this summer, ahead of the new football season
- The adverse weather in late January/early February has had a significant impact on results at the start of Q2
- Discussions on the possible disposal of UK casinos to Rank are ongoing

Carl Leaver, Chief Executive of Gala Coral Group, commented:

“We are pleased with the progress in trading since our last update, with continued positive momentum across all of our businesses, helped by a much milder winter. We are particularly pleased with the strong growth in OTC staking levels in Coral and the excellent growth shown by the Bingo business year to date. The recent weeks have been more challenging, however, due to the adverse weather, and we continue to be cautious about the impact of the economic outlook on our businesses. Accordingly, whilst these first quarter results put us on track to meet our growth targets across all of our businesses in 2012, we have put robust profit protection plans in place.”

CURRENT TRADING

The adverse weather in late January/early February has had a significant impact on results at the start of Q2, particularly on OTC amounts staked in Coral and admissions in Bingo, and profitability has inevitably been impacted.

KPIs ^{1}	Q1	6 weeks to 25 February 2012^{2}	Cumulative
CORAL			
OTC amounts staked	13%	(4%)	8%
OTC gross win margin	15.7%	18.1%	16.2%
Gross win/machine/week	5%	2%	5%
BINGO			
Admissions/week	4%	(5%)	1%
Spend per head	4%	3%	4%
CASINO			
Admissions/week	(6%)	(11%)	(7%)
Drop per head	13%	16%	14%
REMOTE			
Actives/day – Gala Interactive	39%	33%	39%
Actives/day – Coral Interactive	19%	18%	19%
Sports gross win margin - Coral	7.0%	5.1%	6.3%
ITALY			
Sports betting amounts staked	5%	7%	5%
Online gaming amounts staked	687%	673%	683%
Total sports betting gross win margin	22.0%	20.2%	21.4%

{1} All figures quoted are calculated on a **like-for-like** basis and represent year on year growth percentages, with the exception of sports betting gross win margins which are quoted as absolute percentages

{2} These statistics are for the 6 week period from 15 January 2012 to 25 February 2012

Commentary on the 6 weeks to 25 February

Coral OTC staking levels were 4% below prior year levels due to the impact of adverse weather on sports fixtures. OTC gross win margin, however, has been stronger at 18.1% (FY11, 17.3%) driven by positive football results over the period, resulting in gross win 1% ahead of prior year. Machines performance has been steady during this period, with gross win per machine per week up 2% year on year.

Bingo admissions have also been adversely impacted by the poor weather and are 5% below prior year levels. Spend per head remains robust, however, and was 3% ahead of the prior year. Margins have remained strong despite the impact of the weather.

Casino admissions are 11% below prior year levels, offset by a 16% improvement in drop per head to result in cash drop up 3%. Gaming win margin has been satisfactory at 16.4%, which is 150bps above a high roller impacted prior year.

Remote - Gala Interactive has performed well, with a significant increase in actives as a result of a TV campaign run during the period and more intensive marketing around retention and reactivations. Staking levels in gaming have been strong. Remote - Coral Interactive has also traded well recently, supported by a decent sports betting margin and strong staking levels. Actives have increased as a result of an improved marketing focus as with Remote - Gala Interactive.

Italy has had mixed sports results over the period which have depressed margins, with LBOs achieving a 23.0% sports gross win margin (FY11, 27.8%) and online achieving 14.5% (FY11, 16.5%) to deliver a combined margin that is below FY11 at 20.2% (FY11, 24.4%). Online gaming continues to perform reasonably since the launch of Abruzzo gaming in Q4 FY11.

FIRST QUARTER BUSINESS AND FINANCIAL REVIEW

Group performance

Key financials

Sixteen weeks ended 14 January 2012

	Total results ^{1}			Like-for-like results ^{2}	
	Q1 FY12	Q1 FY11	Change	Q1 FY12	Q1 FY11
	£'m	£'m	%	£'m	£'m
Turnover ^{3}	352.8	339.0	4%	344.3	335.9
Gross profit ^{4}	271.5	256.7	6%	261.2	250.8
EBITDA ^{5}	78.4	78.2	-	75.7	78.0

{1} Total results include all revenue and expenses for the group for the 16 weeks ended 14 January 2012

{2} Like-for-like results represent the performance of those LBOs and clubs that existed in the group for the whole of Q1 FY11 and Q1 FY12

{3} Definitions of turnover differ by business. For definitions see individual business sections

{4} Differs to divisional gross profit due to adjustments for free bets, certain machines costs and vending machines income. See reconciliation on page 10

{5} EBITDA is stated pre-exceptional items

Group turnover increased by 4% to £352.8m, with gross profit growth of 6%, reflecting gross profit improvements in all businesses with the exception of the Remote Gambling business.

The Group's EBITDA increased by £0.2m against the prior year to £78.4m (FY11, £78.2m). The main factors affecting the year on year increase in EBITDA were:

	£m
Q1 FY11 EBITDA	78.2
Estate development	2.5
VAT	(3.0)
Weather	7.5
Underlying gross profit	6.5
Costs	(11.1)
Bonus provision	(2.2)
Q1 FY12 EBITDA	78.4

Estate development represents the growth in the number of properties year on year, notably the acquisition of a chain of 30 LBOs by Coral and the purchase of 2 bingo clubs at the end of FY11. The year on year EBITDA benefit of milder weather has been estimated at £7.5m; being a £4.1m improvement in Coral, £2.6m in Bingo and £0.8m in Casinos. The £3.0m VAT impact is a reflection of the increase in the rate of VAT to 20% in January 2011; this year on year impact will have annualised from Q2. As noted above, all businesses are in top line growth in FY12 with the exception of Remote Gambling, although the businesses are being impacted by increased costs, most notably in payroll, property and content costs. These cost increases include a £2.2m bonus provision for the trading divisions and the Group hitting their respective annual EBITDA targets.

Segmental reporting

	Coral	Bingo	Casino	Remote	Italy	Central/ Divisional	Total
Gross profit (£m)							
Q1 FY12	146.8	64.8	35.9	21.2	8.8		277.5
Q1 FY11	143.0	57.4	33.6	22.7	4.5		261.2
Change (%)	3%	13%	7%	(7%)	96%		6%
EBITDA (£m)							
Q1 FY12	52.1	20.1	8.2	10.2	4.9	(17.1)	78.4
Q1 FY11	54.7	15.4	7.7	11.3	1.2	(12.1)	78.2
Change (%)	(5%)	31%	6%	(10%)	308%	(41%)	- %

CORAL

	16 weeks ended 14 January 2012	16 weeks ended 15 January 2011	Year on Year variance
KPI's ^{1}			
<i>OTC</i>			
Amounts staked (£m)	568.6	488.3	16%
Gross win margin (%)	15.6%	18.1%	(250bps)
Average number of LBO's	1,715	1,642	4%
<i>Machines</i>			
Average number of machines	6,837	6,531	5%
Gross win/machine/week (£)	918	890	5%
P&L	(£m)	(£m)	(%)
OTC amount staked	568.6	488.3	16%
Machines amount staked	<u>2,856.8</u>	<u>2,767.5</u>	<u>3%</u>
Total stakes	3,425.4	3,255.8	5%
OTC gross win	88.8	88.4	-
Machines gross win	<u>100.4</u>	<u>93.1</u>	<u>8%</u>
Total gross win	189.2	181.5	4%
<i>Turnover</i> ^{2}	176.0	170.4	3%
Gross profit	146.8	143.0	3%
Operating costs	<u>(94.7)</u>	<u>(88.3)</u>	<u>(7%)</u>
EBITDA ^{3}	52.1	54.7	(5%)

{1} All KPI and P&L balances reflect total division figures i.e. non like-for-like

{2} Turnover is defined as gross win minus free bets and VAT

{3} EBITDA is stated pre-exceptional items and excludes rental income of £0.7m which for statutory purposes is classed as 'Other Operating Income' in the accounts

Turnover in Q1 increased by 3% to £176.0m, with strong underlying growth in both OTC and machines.

Amounts staked over the counter were 16% ahead of the prior year, driven by a combination of increased slip volumes and improved average stake per slip. This growth was seen across all key products, and was supported by the introduction of new product and coupon offers. The OTC gross win margin achieved of 15.6% was below the long term average, and was 250bps below the strong margin achieved over the same period in FY11. This was primarily driven by football results in the first two periods of the quarter. This lower margin offset the improved revenue from growth in stakes and resulted in gross win being flat year on year at £88.8m.

Machines amounts staked were up 3% driven by new content, and gross win was up by 8% over Q1 FY11. Gross win per machine per week grew to £918, a 5% increase over the prior year (£936 on a like for like basis, also a 5% increase over the prior year).

The milder winter weather experienced this year is estimated to have benefited gross profit by approximately £4.1m as a result of fewer cancelled fixtures compared to the prior year. This more than offset the impact on machine revenue of c.£2m arising as a result of the increase in VAT in January 2011.

Operating costs, before depreciation and amortisation, were £6.4m (7%) higher this year as a result of increased payroll, property and content costs due to estate growth, increased opening hours and contractual cost increases, plus the final quarter impact of the 2011 increase in VAT. As a result of the increased costs EBITDA (pre-exceptionals) of £52.1m was £2.6m behind the prior year.

GALA BINGO

	16 weeks ended 14 January 2012	16 weeks ended 15 January 2011	Year on Year variance
<u>KPI's</u> ^{1}			
Admissions ('000)	5,702	5,384	6%
Spend per head (£)	33.04	31.88	4%
EBITDA/club/week (£'000)	9.0	6.8	32%
<u>P&L</u>	(£m)	(£m)	(%)
Net income ^{2}	91.8	90.1	2%
Total gross profit	64.8	57.4	13%
Operating costs	<u>(44.7)</u>	<u>(42.0)</u>	<u>(6%)</u>
EBITDA ^{3}	20.1	15.4	31%

{1} All KPI and P&L balances reflect total division figures i.e. non like-for-like

{2} Turnover is defined as net income

{3} EBITDA is stated pre-exceptional items and excludes rental income of £0.4m which for statutory purposes is classed as 'Other Operating Income' in the accounts

Turnover for the quarter increased by £1.7m to £91.8m. This increase is despite the change in the prize mix in interval Bingo which has reduced Q1 turnover (on a comparable basis) by approximately £9.0m. This change in prize mix results in lower income but also results in a corresponding reduction in cost of sales, and does not therefore adversely impact gross profit. This change in prize mix took place from Q2 FY11 and the impact of the above will therefore annualise out in Q3 FY12.

Admissions grew by 6% year on year (4% on a like-for-like basis), despite a reduction in free bingo across some of the estate during this period. This has had the impact of reducing weekly admissions by approximately 10,000 per week on average, but has also resulted in improvements in spend per head and higher customer satisfaction scores.

Spend per head improved by 4% (4% on a like-for-like basis), driven primarily by increased spend on interval bingo (Party Xtra) and machines. This is as a result of investment in automated game and caller technology in interval bingo, the roll out of server based gaming machines and the introduction of new machines formats in some clubs.

The growth in admissions and spend per head, along with continued strong margins, resulted in year on year gross profit growth of £7.4m (13%) to £64.8m (FY11, £57.4m). The key drivers of this growth were machines and interval bingo (Party Xtra), which delivered growth of 15% and 12% respectively. Of the £7.4m increase in gross profit, approximately £2.6m is estimated to be the benefit of milder winter weather this year compared to last.

Operating costs, before depreciation and amortisation, were £2.7m higher than the prior year as a result of investments in customer service and increases in property and utility costs.

EBITDA (pre-exceptionals) of £20.1m was £4.7m ahead of the prior year, representing growth of 31%.

GALA CASINO

	16 weeks ended 14 January 2012	16 weeks ended 15 January 2011	Year on Year variance
<u>KPI's</u> ^{1}			
Admissions ('000)	1,020	1,128	(10%)
Drop per head (£)	176.68	153.88	15%
Gaming gross win margin (%)	16.7%	16.3%	40bps
<u>P&L</u>	(£m)	(£m)	(%)
Net income	44.1	42.1	5%
<i>Turnover</i> ^{2}	42.1	40.6	4%
Total gross profit	35.9	33.6	7%
Operating costs	<u>(27.7)</u>	<u>(25.9)</u>	<u>(7%)</u>
EBITDA ^{3}	8.2	7.7	6%

{1} All KPI and P&L balances reflect total division figures i.e. non like-for-like

{2} Turnover is defined as net income less costs of complimentary offerings to customers and the cost of loyalty scheme points issued

{3} EBITDA is stated pre-exceptional items and excludes rental and royalty income of £0.1m which for statutory purposes is classed as 'Other Operating Income' in the accounts

Turnover for the quarter improved by 4% to £42.1m, driven primarily by improvements in gaming income.

The division continues to drive its strategy, implemented in the second half of FY11, to focus on higher value players. This has led to a reduction in admissions of 10%, but an improvement in gaming drop per head of 15%, resulting in overall cash drop growth of 4%. On a like-for-like basis admissions were down by 6%, drop per head up by 13%, with overall cash drop growth of 6% over the prior year.

The business continues to focus on its programme of refurbishments, with six refurbishments either completed or started within the quarter. Early returns from these refurbishments have been strong. Five hundred new 'Sabre' electronic roulette terminals were acquired during the quarter, to be installed during Q2, and are expected to support gaming growth over the balance of the year.

Gross profit has increased across all products in the quarter, with an overall increase of 7% year on year. Gaming delivered gross profit growth of 6%, with machines gross profit growth of 8%. Machines gross profit benefited from a renegotiation of contracts in FY12 and improved customer service. Food and beverage and other gross profit grew by 9% year on year.

Operating costs, before depreciation and amortisation, have increased by 7% as a result of higher payroll, customer service, property and utility costs.

EBITDA (pre-exceptionals) of £8.2m was 6% ahead of the prior year.

REMOTE

	16 weeks ended 14 January 2012	16 weeks ended 15 January 2011	Year on Year variance
KPI's			
Actives – Gala ('000) ^{1}	125.4	90.4	39%
Gross win/day – Gala (£'000)	136.2	155.8	(13%)
Actives – Coral ('000) ^{1}	110.5	92.9	19%
Gross win/day – Coral (£'000)	81.5	79.0	3%
Sportsbook gross win margin (%)	7.0%	6.6%	40bps
P&L			
	(£m)	(£m)	(%)
Amounts staked – Gala	275.6	291.2	(5%)
Amounts staked – Coral	<u>206.4</u>	<u>205.2</u>	<u>1%</u>
Total amounts staked	482.0	470.6	2%
Gross win – Gala	15.3	17.5	(13%)
Gross win – Coral	<u>9.1</u>	<u>8.9</u>	<u>2%</u>
Total gross win	24.4	26.4	(8%)
Turnover – Gala ^{2}	13.1	15.9	(18%)
Turnover – Coral ^{2}	7.7	7.9	(3%)
Gross profit – Gala	14.0	16.1	(13%)
Gross profit – Coral	<u>7.2</u>	<u>6.6</u>	<u>9%</u>
Total gross profit	21.2	22.7	(7%)
Operating costs	<u>(11.0)</u>	<u>(11.4)</u>	<u>4%</u>
EBITDA^{3}	10.2	11.3	(10%)

{1} Remote - Gala Interactive consists of the galabingo.com and galacasino.co.uk websites. Remote - Coral Interactive consists of the coral.co.uk website and the telephone betting operation (Telebet). In FY11 this also included eurobet.com, which was closed in Q4 FY11

{2} Turnover is defined as gross win minus free bets

{3} EBITDA is stated pre-exceptional items

Turnover for the quarter reduced by 13% to £20.8m, driven primarily by lower staking levels on galabingo.com and the closure of the eurobet.com site in Q4 FY11.

Remote - Gala Interactive saw strong growth in active customer levels; galabingo.com active customer levels increased by 39% over the prior year due to an improved marketing focus around retention and reactivation of customers, a strong new games pipeline, attractive jackpots on key new games and the impact of a regional TV campaign. Amounts staked on the site were 8% below prior year levels, however, due to lower stakes per customer. Amounts staked on galacasino.co.uk grew by 21% over the period. Overall win margin across both sites was 0.5% below the prior year, primarily the reflection of a change in the product mix between bingo and gaming, which resulted in total Remote - Gala Interactive gross win 13% lower than the prior year.

Remote - Coral Interactive has performed well over the quarter, with active customer levels 19% ahead on coral.co.uk. Sports staking levels on coral.co.uk were 25% ahead of the prior year, with gaming amounts staked up by 13%. Telephone betting (Telebet) stakes increased by 14% to result in total stakes growth of 15% across all the Coral online and telephone betting operations. Note: the results for Q1 FY11 also include the performance of eurobet.com which was closed in Q4 FY11. Eurobet.com delivered amounts staked of £25.8m, gross win of £1.1m, gross profit of £0.2m and an EBITDA loss of £0.6m during Q1 FY11, and reduced the overall sportsbook margin by 80bps.

Operating costs, before depreciation and amortisation, are below the prior year as a result of various cost savings, resulting in EBITDA (pre-exceptionals) £1.1m behind the prior year at £10.2m.

ITALY

	16 weeks ended 14 January 2012	16 weeks ended 15 January 2011	Year on Year variance
KPI's			
LBO sports stakes	47.6	46.7	2%
Online sports stakes	20.5	18.2	13%
LBO sports gross win margin (%)	24.3%	15.3%	900bps
Online sports gross win margin (%)	16.5%	10.0%	650bps
Total sports gross win margin (%)	22.0%	13.9%	810bps
P&L			
	(£m)	(£m)	(%)
LBO sports stakes	47.6	46.7	2%
Online sports stakes	20.5	18.2	13%
Other stakes	173.2	46.3	274%
Total amounts staked	241.3	111.2	117%
LBO sports gross win	11.6	7.2	61%
Online sports gross win	3.4	1.8	89%
Other gross win	7.1	5.1	39%
Total gross win^{1}	22.1	14.1	57%
Total gross profit	8.8	4.5	96%
Operating costs	(3.9)	(3.3)	(18%)
EBITDA^{2}	4.9	1.2	308%

{1} Turnover is defined as gross win

{2} EBITDA is stated pre-exceptional items

Q1 turnover increased by 57% to £22.1m. The growth in turnover has been driven by a combination of increased sports betting amounts staked, improved sports betting gross win margins across both the retail and online sites, and the year on year benefit of enhanced online gaming which was introduced in Q4 of FY11.

Sports betting amounts staked in Licensed Betting Offices (LBOs) increased by 2%, with gross win margin for sports increasing by 900bps to 24.3%. We consider this is a more 'normal' margin level than the margin achieved in Q1 FY11, which followed particularly adverse results in a number of periods during that quarter. This resulted in gross win being 61% higher in Q1 FY12 compared to the prior year.

Online sports betting continues to show strong market share and stakes growth, with amounts staked 13% ahead of the prior year, on a margin that was 650bps higher than the prior year, to deliver an 89% growth in gross win.

Other gross win grew by £2.0m (39%), primarily due to £1.8m of gross win from new online gaming content permitted since Q4 FY11 ('Abruzzo' games). We continue to increase our market share in these new games but the overall growth in the market has been disappointing as a result of the registration process required by law and a delay in the approval of certain types of gaming by the regulatory authority.

Operating costs, before depreciation and amortisation, have increased by £0.6m year on year primarily as a result of increased marketing costs following the launch of the enhanced online gaming product.

EBITDA (pre-exceptionals) was £4.9m for the quarter, £3.7m (308%) ahead of the prior year.

GROUP ADMINISTRATIVE COSTS

Central and divisionalised overhead costs (before depreciation and amortisation) were £5.3m higher than in FY11 at £18.4m. This includes a £2.2m central bonus provision (FY11, nil) and a £1.6m impact from supplier rebates that were recognised centrally in FY11 but have been passed through to the divisions in FY12. The remainder of the increase is primarily a reflection of increased costs associated with divisionalising certain key functions in order to align resources more effectively to deliver the growth plans of the businesses.

EXCEPTIONAL ITEMS

Exceptional items in the quarter amounted to a charge of £8.2m (FY11, £3.9m). The primary driver of these costs was £4.2m of spend on Project Springboard and a £2.4m (non-cash) adjustment to vacant lease provisions, primarily on Coral properties. £5.8m (71%) of the exceptional cost charges have a cash impact.

FINANCING

The Group's funding and liquidity position is currently ahead of internal forecasts.

OPERATING PROFIT

A reconciliation of underlying operating profit to statutory operating profit is as follows:

	Q1 FY12 (£m)	Q1 FY11 (£m)
Divisional gross profit	277.5	261.2
Less free bets	(6.3)	(4.6)
Less machine costs	(0.4)	(0.5)
Plus vending machine gross profit	<u>0.7</u>	<u>0.6</u>
Statutory gross profit	271.5	256.7
Divisional EBITDA	95.5	90.3
Group administrative costs (excl. depreciation and amortisation)	(18.4)	(13.1)
Other operating income	1.3	1.0
Depreciation and amortisation (excluding impairment charges)	(26.1)	(30.8)
Exceptional items	<u>(8.2)</u>	<u>(3.9)</u>
Statutory operating profit	44.1	43.5

Gala Coral Group Limited

Group Profit and Loss Account

	Notes	Unaudited sixteen weeks to 14 January 2012 £m	Unaudited sixteen weeks to 15 January 2011 £m	Audited year ended 24 September 2011 £m
Turnover	2	352.8	339.0	1,117.0
Cost of sales		(81.3)	(82.3)	(262.3)
Gross profit		271.5	256.7	854.7
Administrative expenses		(228.7)	(214.2)	(1,277.7)
Operating profit/(loss) before other operating income		42.8	42.5	(423.0)
Operating profit before other operating income, analysed as:				
Before exceptional items		51.0	46.4	156.9
Exceptional items	3	(8.2)	(3.9)	(579.9)
Operating profit/(loss) before other operating income		42.8	42.5	(423.0)
Other operating income		1.3	1.0	3.2
Operating profit/(loss)	2	44.1	43.5	(419.8)
(Loss)/profit on disposal of fixed assets	3	(0.2)	(0.2)	21.9
Profit/(loss) before interest and tax		43.9	43.3	(397.9)
Interest receivable and similar income	4	0.2	0.5	4.3
Interest payable and similar charges	4	(68.3)	(60.9)	(226.2)
Other finance costs		(1.8)	(1.4)	(5.9)
Loss on ordinary activities before tax		(26.0)	(18.5)	(625.7)
Tax charge on loss on ordinary activities	5	(1.1)	(19.9)	(17.7)
Loss for the financial period		(27.1)	(38.4)	(643.4)

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Forward Looking Statements

This press release may include forward looking statements. All statements other than statements of historical facts included in this presentation, including those regarding Gala Coral's financial position, business and acquisition strategy, plans and objectives of management for future operations are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Gala Coral, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Such forward looking statements are based on numerous assumptions regarding Gala Coral's present and future business strategies and the environment in which Gala Coral will operate in the future. Many factors could cause Gala Coral's actual results, performance or achievements to differ materially from those in the forward looking statements. Forward looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward looking statements. These forward-looking statements speak only as of the date of this press release. Gala Coral expressly disclaims any obligations or undertaking, except as required by applicable law and applicable regulations to release publicly any updates or revisions to any forward looking statement contained herein to reflect any change in Gala Coral's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Notice

The accounts for the 16 weeks ended 14 January 2012 have been prepared at the level of Gala Coral Group Limited. 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. The differences between balance sheets consolidated at Gala Coral Group Limited and Gala Electric Casinos plc are an immaterial difference in net assets relating to the amount due in respect of subordinated group debt and immaterial classification differences in capital and reserves.