GALA CORAL GROUP

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Third quarter results for the twelve weeks ended 30 June 2012

KEY FINANCIALS

	Quarter 3					Year to date	
	Total results[1]			Like-for-like		Total results	
	FY12 £m	FY11 £m	**Change %**	**FY12 £m**	FY11 £m	**FY12 £m**	FY11 £m
Turnover[2]	**275.2**	251.8	**9%**	**266.3**	248.4	**912.4**	868.0
Statutory gross profit[3]	**215.4**	194.6	**11%**	**208.3**	192.0	**707.5**	663.5
EBITDA[4]	**64.2**	56.3	**14%**	**61.6**	56.1	**214.4**	206.0

{1} Total results include all revenue and expenses for the group for the 12 weeks ended 30 June 2012
{2} Definitions of turnover differ by business. For definitions see individual business sections
{3} Differs to divisional gross profit due to adjustments for free bets, certain machines costs and vending machines income. See reconciliation on page 9
{4} Pre-exceptional items

HIGHLIGHTS

The key trading highlights in the 12 weeks ended 30 June 2012 were:

- EBITDA £7.9 million (14%) ahead of the prior year. Adjusting for the Grand National and the Euro 2012 football tournament (Euro 2012) year on year growth was 3%.
- Coral over the counter (OTC) gross win 17% ahead and machines gross win 9% ahead of the prior year, resulting in EBITDA 23% ahead. Adjusting for the Grand National and Euro 2012 EBITDA was 7% ahead.
- Bingo EBITDA 21% ahead of the prior year driven by growth in spend per head and strong margins.
- Casino EBITDA decline of 11% following the negative impact on trading as a result of a weak market in London and the continued uncertainty surrounding the potential sale to Rank.
- Growth in active customers of 61% for Gala Interactive and 34% for Coral Interactive, resulting in gross profit growth of 28%, and EBITDA growth of 13%. galacasino.com launched during the period and galabingo.com shortly after.
- Italy gross profit 36% ahead of the prior year driven by growth in all products resulting in EBITDA 43% ahead.

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

"This quarter represents solid progress for Gala Coral in our turnaround plans, with the businesses delivering the first real year on year growth for the Group in several years. These results reflect the reinvestment we have made within the Group in 2012 and the hard work of management and colleagues across all businesses in delivering growth initiatives. Despite this progress we are still cautious about the economic environment and have seen some weakening in recent trading. This quarter also saw the re-launch of galacasino.com, the first of the new websites delivered by our strategic re-platforming project. Early results have been positive, and this was followed by the re-launch of galabingo.com just after the end of the quarter. We believe these sites will be market leading offerings, and will represent a springboard to growth for the Group over the next few years."

CURRENT TRADING

KPIs [1]	Q3 YTD	4 weeks to 28 July 2012[2]	Cumulative
CORAL			
OTC amounts staked	5%	(11%)	4%
OTC gross win margin	17.1%	18.6%	17.2%
Gross win/machine/week	3%	4%	3%
BINGO			
Admissions/week	0%	(8%)	0%
Spend per head	4%	7%	4%
CASINO			
Admissions/week	(10%)	(10%)	(10%)
Drop per head	13%	5%	12%
Cash Drop	1%	(6%)	0%
INTERACTIVE			
Actives/day – Gala Interactive	44%	33%	44%
Actives/day – Coral Interactive	36%	22%	36%
Sports gross win margin - Coral	6.2%	9.7%	6.5%
ITALY			
Sports betting amounts staked	14%	11%	14%
Online gaming amounts staked	634%	105%	531%
Total sports betting gross win margin	20.3%	21.7%	20.3%

{1} All figures quoted are calculated on a **total** 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 4 week period from 1 July 2012 to 28 July 2012

Commentary on the 4 weeks to 28 July

Coral has had a reasonable start to the final quarter, with a strong OTC margin of 18.6% offsetting a significant softening in volumes. The year on year OTC stakes shortfall is partly due to an increased number of race cancellations as a result of the unpredictable weather and a planned reduction in fixtures. Stakes were also impacted by the timing of the Glorious Goodwood horseracing festival, which did not commence until 31 July in 2012, but falls within the comparative for the prior year. Adjusting for these, amounts staked were level year on year. At 18.6% the OTC gross win margin was 380bps ahead of that of the prior year, resulting in reduced recycling of winnings. Machine revenue has continued to show year on year growth in the opening four weeks of quarter four as a result of strong margins which have left gross win per terminal 4% ahead.

In Gala Bingo the planned reduction in the level of free bingo combined with some warmer weather towards the end of July has resulted in lower admissions year on year. Spend per head continues to benefit from product improvements and the favourable change in customer mix as a result of the removal of free bingo, with strong margins also contributing to top line growth.

In Gala Casino the lower cash drop in the first four weeks of quarter four has been heavily impacted by the timing of Ramadan, which is two weeks earlier than in the prior year, and the impact of the Olympics on our London Casinos where cash drop has been particularly soft. Cash drop in the first week of Ramadan is in line with that experienced in August 2011.

Gala Interactive continues to drive active customer levels following the launch of the new sites, with an increase in actives over the four week period of 33% compared to the prior year despite the inevitable loss on migration. In Coral Interactive customer levels have increased by 22% which has driven a 56% increase in sports stakes. The sports margin in the four weeks ended 28 July was strong at 9.7%.

In Italy, Eurobet's amounts staked have continued to show good growth across all product verticals with an 11% increase in sports and a 105% increase in online gaming. Despite a limited football fixture list across Europe in the last four weeks, the sports margin has been reasonable resulting in gross profit in line with expectations for the period.

Group performance

Key financials

Twelve weeks ended 30 June 2012

	Quarter 3					Year to date	
	Total results{1}			Like-for-like		Total results	
	FY12 £m	FY11 £m	**Change %**	**FY12 £m**	FY11 £m	**FY12 £m**	FY11 £m
Turnover{2}	**275.2**	251.8	**9%**	**266.3**	248.4	**912.4**	868.0
Statutory gross profit{3}	**215.4**	194.6	**11%**	**208.3**	192.0	**707.5**	663.5
EBITDA{4}	**64.2**	56.3	**14%**	**61.6**	56.1	**214.4**	206.0

{1} Total results include all revenue and expenses for the group for the 12 weeks ended 30 June 2012
{2} Definitions of turnover differ by business. For definitions see individual business sections
{3} Differs to divisional gross profit due to adjustments for free bets, certain machines costs and vending machines income. See reconciliation on page 9
{4} Pre-exceptional items

Group turnover increased by 9% to £275.2 million, with gross profit growth of 11% to £216.9 million. All businesses delivered divisional gross profit growth in the quarter.

Group EBITDA of £64.2 million was £7.9 million ahead of the prior year, resulting in year to date EBITDA of £214.4 million, £8.4 million ahead of FY11. The main factors impacting reported EBITDA were as follows:

	Quarter 3 £m	Year to date £m
FY11 EBITDA	**56.3**	**206.0**
Estate development	2.5	6.6
VAT	-	(3.0)
Weather	(1.3)	4.0
Grand National timing	4.1	-
Euro 2012	2.3	2.3
Underlying gross profit	13.5	34.8
Costs	(8.5)	(27.8)
Sub total	**68.9**	**222.9**
Bonus provision	(4.7)	(8.5)
FY12 EBITDA	**64.2**	**214.4**

Estate development represents the net growth in the number of properties year on year, notably the acquisition and establishment of new LBO's by Coral, the purchase of 2 Bingo clubs at the end of FY11 plus an additional club in Bradford in Q2 FY12, and the closure of two casinos at the end of the last financial year.

The change in the rate of VAT introduced in January 2011 adversely impacted Q1 EBITDA by £3.0 million. The impact of this change annualised in Q2.The year to date impact of weather is estimated to be a £5.3 million upside year on year, primarily as a result of a mild Q1.

The £4.1 million favourable impact of the Grand National in Q3 is a reflection of the timing of this year's festival which was run during Q2 in FY11, but in the first week of Q3 in FY12. Returns delivered by Euro 2012 were disappointing, with amounts staked and gross win margin falling some way below expectations.

All businesses have experienced growth in divisional gross profit in the quarter. Cost increases include a £4.7 million bonus provision in the quarter, versus zero last year.

Segmental reporting

	Coral	Bingo	Casino	Interactive	Italy	Central/ Divisional	Bonus	Total
Divisional gross profit (£m)								
Q3 FY12	**118.4**	**52.7**	**27.4**	**17.9**	**4.9**	**-**	**-**	**221.3**
Q3 FY11	106.2	47.3	27.2	14.0	3.6	-	-	198.3
Change (%)	11%	11%	1%	28%	36%	-	-	12%
EBITDA (£m)								
Q3 FY12	**44.6**	**18.7**	**6.5**	**7.8**	**2.0**	**(10.7)**	**(4.7)**	**64.2**
Q3 FY11	36.2	15.4	7.3	6.9	1.4	(10.9)	-	56.3
Change (%)	23%	21%	(11%)	13%	43%	2%	-	14%

CORAL

	12 weeks ended 30 June 2012	12 weeks ended 2 July 2011	Year on Year variance	12 weeks ended 24 September 2011
KPI's {1}				
OTC				
Gross win margin (%)	17.0%	14.8%	2.2pp	14.8%
Average number of LBO's	1,725	1,644	5%	1,658
Machines				
Average number of machines	6,872	6,557	5%	6,615
Gross win/machine/week (£)	938	903	4%	877
P&L				
OTC amount staked	446.7	437.8	2%	427.2
Machines amount staked	2,196.8	2,153.9	2%	2,060.9
Total stakes	**2,643.5**	**2,591.7**	2%	**2,488.1**
OTC gross win	75.8	65.0	17%	63.4
Machines gross win	77.3	71.0	9%	69.6
Total gross win	**153.1**	**136.0**	13%	**133.0**
Turnover {2}	*142.9*	*126.8*	*13%*	*123.7*
Gross profit	**118.4**	**106.2**	11%	**103.4**
Operating costs	(73.7)	(70.0)	(5%)	(69.0)
EBITDA {3}	**44.7**	**36.2**	23%	**34.4**

{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 £0.4m which for statutory purposes is classed as 'Other Operating Income' in the accounts

Turnover in the quarter increased by 13% with strong underlying growth in both OTC and machines. Adjusting for the timing impact of the Grand National this year and the Euro 2012 tournament, turnover increased by 11%.

OTC amounts staked were 2% above the prior year. This was adversely impacted by the cancellation of a number of horse race meetings during the period due to adverse weather and reduced fixtures, which is estimated to have reduced OTC staking levels by 3%. The strong margin of 17%, which was 220bps ahead of FY11, allied to the stakes growth resulted in OTC gross win 17% up year on year. Excluding the impact of Euro 2012 and the Grand National OTC gross win was 5% ahead of FY11.

Machines amounts staked were 2% ahead year on year, with gross win 9% ahead due to an improved gross win margin. Gross win per machine per week grew by 4% to £938.

Operating costs, before depreciation and amortisation, were £3.8 million (5%) higher in 2012 as a result of estate growth, increased opening hours and inflationary cost increases.

The average number of LBOs increased by 8 shops over the quarter. At 1,725 units the estate has grown by 5% over the prior year.

EBITDA of £44.7 million was £8.4 million ahead of the prior year. Adjusting for the Grand National and Euro tournament EBITDA was 7% ahead year on year. EBITDA for the year to date is £144.9 million, £6.6 million ahead of last year.

GALA BINGO

	12 weeks ended 30 June 2012	12 weeks ended 2 July 2011	Year on Year variance	12 weeks ended 24 September 2011
KPI's {1}				
Admissions ('000)	4,344	4,479	(3%)	4,511
Spend per head (£)	33.26	31.62	5%	31.61
EBITDA/club/week (£'000)	12.7	10.7	19%	10.6
P&L				
Net income {2}	**71.5**	**69.2**	3%	**69.4**
Turnover	*71.5*	*69.2*	*3%*	*69.4*
Total gross profit	**52.7**	**47.3**	11%	**48.9**
Operating costs	(34.0)	(31.9)	(7%)	(33.3)
EBITDA {3}	**18.7**	**15.4**	21%	**15.6**

{1} All KPI and P&L balances reflect total division figures i.e. non like-for-like
{2} Turnover is defined as net income
{3} EBITDA is stated pre-exceptional items and excludes rental income of £0.2 million which for statutory purposes is classed as 'Other Operating Income' in the accounts

Turnover for the quarter was 3% above that of the prior year at £71.5 million, driven by strong spend per head and margin. Note: The year on year impact on turnover of the change in prize mix in interval bingo annualised in Q3 so turnover figures are now directly comparable.

Admissions were 3% lower year on year, mainly as a result of the reduction in free bingo. Spend per head improved by 5% as a result of the improvement in the customer mix and increased spend on interval bingo (Party Xtra) and machines, both of which have benefited from investment in the year. Continued strong margins further assisted gross profit to an 11% year on year increase in the quarter.

The new concept Gala Bingo club, 'Genesis', the first of which launched in Gateshead during the quarter, is performing positively following a detailed value engineering exercise a further 5 'Genesis' upgrades will be completed before the end of FY13 at a lower average investment of circa £1 million (the cost of the Gateshead upgrade was £1.5 million).

Operating costs, before depreciation and amortisation, were £2.1 million (7%) higher than the prior year as a result of investment in customer service and increases in property and utility costs.

EBITDA of £18.7 million was £3.3 million (21%) higher than the prior year. Year to date EBITDA of £56.9 million is £7.7 million (16%) ahead of FY11.

GALA CASINO

	12 weeks ended 30 June 2012	12 weeks ended 2 July 2011	Year on Year variance	12 weeks ended 24 September 2011
KPI's {1}				
Admissions ('000)	734	810	(9%)	761
Drop per head (£)	186.86	168.38	11%	171.14
Cash Drop (£m)	137.2	136.4	1%	130.2
Gaming gross win margin (%)	17.3%	17.1%	0.2pp	17.1%
P&L				
Net income	**33.8**	**33.4**	1%	**32.4**
Turnover {2}	*32.0*	*32.2*	(1%)	*30.9*
Total gross profit	**27.4**	**27.2**	1%	**26.2**
Operating costs	(20.9)	(19.9)	(5%)	(19.9)
EBITDA {3}	**6.5**	**7.3**	(11%)	**6.3**

{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

Turnover for the quarter decreased by 1% to £32.0 million, despite a 1% increase in net income, following an increase in complimentary sales as the division continues to drive its high value players strategy. On a like for like basis, net income was 4% ahead of the prior year. The performance of the division has also been adversely impacted by the ongoing disposal of the business to Rank, with considerable uncertainty for some clubs as a result of the extended OFT process, as well as a weak London market, particularly in Q3.

The high value player strategy, implemented in the second half of FY11, has led to an improvement in Q3 gaming drop per head of 11% alongside an expected reduction in admissions of 9%. This has resulted in cash drop 1% up year on year. There is, however, a marked difference between performance in the provinces and in London, with cash drop 7% ahead in the provinces and 9% down in London. The increase in cash drop, allied to a robust gaming gross win margin of 17.3% (FY11, 17.1%), has been the primary driver behind the like-for-like gross profit growth of 9% (1% ahead including the prior year results of clubs closed in FY11).

The roll-out of our new 'Sabre' electronic roulette terminal was completed in the quarter with like-for-like gross win per terminal 26% up on the prior year.

Operating costs, before depreciation and amortisation, have increased by £1.0 million (5%) as a result of higher payroll, promotions, property and utility costs. Accordingly, EBITDA of £6.5 million was 11% behind the prior year, with year to date EBITDA £0.4 million ahead of FY11 at £20.8 million.

INTERACTIVE

	12 weeks ended 30 June 2012	12 weeks ended 2 July 2011	Year on Year variance	12 weeks ended 24 September 2011
KPI's				
Actives – Gala ('000){1}	140.5	87.5	61%	83.7
Gross win/day – Gala (£'000)	151.0	137.5	10%	133.0
Actives – Coral ('000){1}	149.0	111.3	34%	78.6
Gross win/day – Coral (£'000)	95.1	55.9	70%	74.8
Sportsbook gross win margin (%)	7.5%	2.7%	4.8pp	6.6%
P&L				
Amounts staked – Gala	230.9	200.0	15%	196.6
Amounts staked – Coral	160.4	149.1	8%	140.2
Total amounts staked	**391.2**	**349.1**	12%	**336.9**
Gross win – Gala	12.7	11.5	10%	11.2
Gross win – Coral	8.0	4.7	70%	6.3
Total gross win	**20.7**	**16.2**	27%	**17.5**
Turnover – Gala {2}	*10.5*	*9.8*	*7%*	*9.6*
Turnover – Coral{2}	*6.4*	*3.8*	*68%*	*5.3*
	16.9	*13.6*	*24%*	*14.9*
Gross profit – Gala	11.6	10.7	8%	10.4
Gross profit – Coral	6.3	3.3	91%	4.6
Total gross profit	**17.9**	**14.0**	28%	**15.0**
Operating costs	(10.1)	(7.1)	(42%)	(7.7)
EBITDA{3}	**7.8**	**6.9**	13%	**7.3**

{1} Gala Interactive consists of the galabingo.com and galacasino.com websites. Coral Interactive consists of the coral.co.uk website and the telephone betting operation (Telebet) and in FY11 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 was 24% above that of the prior year at £16.9 million. Total amounts staked were 12% ahead year on year, with gross win 27% ahead.

Gala Interactive continues to show strong growth in active customer levels, up 61% over the prior year. In its first full period of trading, gross win delivered by the new galacasino.com site was 158% ahead of the prior year, albeit off a low base. Total amounts staked on Gala Interactive sites in the quarter were 15% ahead of FY11 which resulted in gross win 10% up year on year.

Coral Interactive has performed strongly in the quarter, with active customer levels 34% ahead. Total stakes were 8% ahead year on year with sports staking levels 5% ahead. The combined sports gross win margin of 7.5% was 480bps ahead of the prior year resulting in gross win £3.3 million (70%) ahead year on year. Excluding the impact of the Grand National and Euro 2012 Coral Interactive gross win was 52% ahead of FY11.

The results for FY11 include the performance of eurobet.com which was closed in the fourth quarter of the last financial year. During the third quarter of the prior year, eurobet.com delivered stakes of £20.5 million, gross win of £0.7 million, and an EBITDA loss of £0.1 million.

Operating costs for the Interactive businesses (before depreciation and amortisation) were £3.0 million higher than the prior year due to increased marketing spend. EBITDA was £0.9 million (13%) ahead of the prior year.

EBITDA for the year to date of £25.1 million is now ahead of FY11.

ITALY

	12 weeks ended 30 June 2012	12 weeks ended 2 July 2011	Year on Year variance	12 weeks ended 24 September 2011
KPI's				
LBO sports gross win margin (%)	17.3%	20.7%	(3.4pp)	21.7%
Online sports gross win margin (%)	9.6%	11.9%	(2.3pp)	14.4%
Total sports gross win margin (%)	14.7%	17.9%	(3.2pp)	19.6%
P&L				
LBO sports stakes	32.2	24.0	34%	22.7
Online sports stakes	16.4	11.3	45%	9.1
Other stakes	113.7	31.8	258%	89.9
Total amounts staked	**162.2**	**67.1**	142%	**121.7**
LBO sports gross win	5.6	5.0	12%	4.9
Online sports gross win	1.6	1.3	23%	1.3
Other gross win	4.7	3.7	27%	3.8
Total gross win{1}	**11.9**	**10.0**	19%	**10.0**
Turnover	*11.9*	*10.0*	*19%*	*10.1*
Total gross profit	**4.9**	**3.6**	36%	**3.9**
Operating costs	*(2.9)*	(2.2)	*(32%)*	(1.5)
EBITDA{2}	**2.0**	**1.4**	*43%*	**2.4**

{1} Turnover is defined as gross win
{2} EBITDA is stated pre-exceptional items

Turnover has increased by 19% to £11.9 million as a result of the legalisation of online gaming and the impact of Euro 2012. Excluding the benefit of Euro 2012 turnover increased by 8% over the prior year.

Sports betting amounts staked in LBOs increased by 34% (8% excluding Euro 2012). The sports betting gross win margin of 17.3% was below that achieved in the prior year due to a lower than expected margin in Euro 2012. Despite this, LBO gross win was 12% ahead. Online sports betting continues to show strong stakes growth, with amounts staked 45% ahead of the prior year (24% excluding Euro 2012). As with retail, the online margin of 9.6% was lower than that achieved in the prior year for the same reason. This resulted in online sports gross win 23% ahead year on year.

Other gross win grew by £1.0 million (27%) due to additional online gaming legalised by the Abruzzo Decree. Online slots content has now been approved and will launch early in FY13. It is believed that this will significantly grow the size of the online gaming market.

Operating costs, before depreciation and amortisation, were £0.7 million higher than the prior year as a result of additional payroll and marketing costs associated with the Abruzzo games.

EBITDA was £2.0 million for the quarter, £0.6 million (43%) ahead of the prior year. Year to date EBITDA of £11.5 million is £4.7 million (69%) ahead of the prior year.

GROUP ADMINISTRATIVE COSTS

Central and divisionalised overhead costs (before depreciation and amortisation) were £4.5 million higher than in FY11 at £16.1 million. This increase includes a £4.7 million central bonus provision (FY11: £nil) with underlying costs £0.2 million lower than FY11.

EXCEPTIONAL ITEMS

Exceptional items in the quarter amounted to a charge of £3.1 million (FY11: £7.3 million). The primary drivers of these costs were the expenses associated with the re-platforming of our online websites, costs associated with the disposal of our Casino business and a non-cash adjustment to onerous leases on vacant properties. Year to date exceptional charges amount to £14.7 million (FY11: £11.1 million).

	Q1 FY12 (£m)	Q2 FY12 (£m)	Q3 FY12 (£m)	YTD FY12 (£m)
Exceptional profit and loss charge				
Onerous leases	2.4	0.2	0.7	3.3
Remote re-platforming	4.2	1.2	1.2	6.6
Casino disposal	0.1	1.8	0.8	2.7
Other restructuring and impairment	1.5	0.2	0.4	2.1
	8.2	**3.4**	**3.1**	**14.7**
Exceptional cash flows				
Onerous leases	(6.2)	(0.9)	(1.8)	(8.9)
Remote re-platforming	(1.1)	(1.0)	(1.6)	(3.7)
Casino disposal	(0.1)	(0.5)	(1.3)	(1.9)
Other restructuring and impairment	(6.4)	(0.3)	(4.6)	(11.3)
	(13.8)	**(2.7)**	**(9.3)**	**(25.8)**
Movement in working capital relating to exceptional items*	**(5.6)**	**0.7**	**(6.2)**	**(11.1)**

*Negative figure denotes cash outflow

FINANCING

The Group's funding and liquidity position is currently ahead of internal forecasts. Net debt for covenant purposes was £1,349.7 million (net of issue costs) versus £1,324.3 million as at 24 September 2011.

Total net debt of £2,250.1 million (24 September 2011: £2,149.0 million) has increased since the year end due to the rolling up of non-cash interest on subordinated loans from the ultimate parent company.

Cash at bank and in hand of £105.6 million includes cash for covenant purposes of £76.6 million.

OPERATING PROFIT

£m	Q3 FY12 (£m)	Q3 FY11 (£m)
Q3 divisional gross profit	**221.3**	**198.3**
Less free bets	(5.5)	(3.8)
Less machine costs/loyalty points	(1.0)	(0.4)
Plus vending machine gross profit	0.6	0.5
Q3 statutory gross profit	**215.4**	**194.6**
Q1 statutory gross profit	220.6	256.7
Q2 statutory gross profit	271.5	212.2
Q3 year to date gross profit	**707.5**	**663.5**
Q3 divisional EBITDA	**79.6**	**67.2**
Group administrative costs (excl. depreciation and amortisation)	(16.1)	(11.6)
Other operating income	0.7	0.7
Depreciation and amortisation (excluding impairment charges)	(20.3)	(23.0)
Exceptional items	(3.1)	(7.3)
Q3 statutory operating profit	**40.8**	**26.0**
Q1 statutory operating profit	47.5	48.5
Q2 statutory operating profit	44.1	43.5
Q3 year to date operating profit	**132.4**	**118.0**

Group Profit and Loss Account

	Note	Unaudited forty weeks to 30 June 2012 £m	Unaudited forty weeks to 2 July 2011 £m	Audited year ended 24 September 2011 £m
Turnover		912.4	868.0	1,117.0
Cost of sales		(204.9)	(204.5)	(262.3)
Gross profit		707.5	663.5	854.7
Administrative expenses		(577.8)	(547.9)	(1,277.7)
Operating profit/(loss) before other operating income		129.7	115.6	(423.0)
Operating profit before other operating income, analysed as:				
Before exceptional items		144.4	126.7	156.9
Exceptional items	3	(14.7)	(11.1)	(579.9)
Operating profit/(loss) before other operating income		129.7	115.6	(423.0)
Other operating income		2.7	2.4	3.2
Operating profit/(loss)	2	132.4	118.0	(419.8)
(Loss)/profit on disposal of fixed assets	3	(5.5)	16.2	21.9
Profit/(loss) before interest and tax		126.9	134.2	(397.9)
Interest receivable and similar income	4	0.4	4.1	4.3
Interest payable and similar charges	4	(173.5)	(174.7)	(226.2)
Other finance costs		(4.3)	(3.3)	(5.9)
Loss on ordinary activities before tax		(50.5)	(39.7)	(625.7)
Tax charge on loss on ordinary activities	5	(4.7)	(22.2)	(17.7)
Loss for the financial period		(55.2)	(61.9)	(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 release, 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.

The words "believe," "anticipate," "expect," "predict," "intend," "estimate," "plan," "aim," "assume," "forecast," "project," "will," "may," "should," "risk," "probable" and similar expressions, which are predictions or indications of future events and future trends, which do not relate to historical matters, identify forward-looking statements. All statements other than statements of historical facts included in this release including, without limitation, in relation to the Group's investment performance, results of operations, financial position, liquidity, prospects, growth potential, strategies and information about the macro-economic, industry and regulatory environment in which the Group operates are forward-looking. Readers of this release should not rely on forward-looking statements because, by their nature, such forward-looking statements involve known and unknown risks and uncertainties that could cause the Group's actual results, performance or achievements and the development of the industry in which it operates to be materially different from those expressed in, or suggested by, the forward-looking statements contained in this release.

These forward-looking statements are made as of the date of this release and are not intended to give any assurance as to future results. Neither the Group nor any of the Group's Directors or other officers undertake any obligation, except as required by law or by any appropriate regulatory authority, to release publicly any revisions or updates to these forward-looking statements to reflect events that occur, circumstances that arise or new information of which they become aware after the date of this release.

Notice

The accounts for the 40 weeks ended 30 June 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.