GALA CORAL
GROUP

Condensed Consolidated Interim Financial Information (unaudited)

Gala Coral Group Limited
Forty week period ended 4 July 2015

Registered Number: 07254686

Gala Coral Group Limited
Forward Looking Statements

This report may include forward looking statements. All statements other than statements of historical facts included in this report, 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 report 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 report 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 report.

These forward looking statements are made as of the date of this report 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 report 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 report.

Gala Coral Group Limited
Use of Non-GAAP Financial Measures

The Group uses the EBITDA based financial measure of EBITDA before exceptional items in this report. The Group defines EBITDA before exceptional items as financial result for the period before income tax expense, net finance costs depreciation and amortisation and exceptional items (including profit/(loss) on disposal of fixed assets). For a discussion of exceptional items, see "Note 4: Exceptional Items" herein. The Group utilises EBITDA before exceptional items for the Group and for all of its divisions.

This EBITDA based measure is a non-U.K. GAAP measure. The Group uses EBITDA based measures as internal measures of performance to benchmark and compare performance, both between its own operations and as against other companies. EBITDA based measures are measures used by the Group, together with measures of performance under U.K. GAAP, to compare the relative performance of operations in planning, budgeting and reviewing the performances of various businesses. The Group believes EBITDA based measures are useful and commonly used measures of financial performance in addition to operating profit and other profitability measures under U.K. GAAP because they facilitate operating performance comparisons from period to period and company to company. By eliminating potential differences in results of operations between periods or companies caused by factors such as depreciation and amortisation methods, financing and capital structures, taxation positions or regimes and exceptional items, the Group believes EBITDA based measures can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. For these reasons, the Group believes EBITDA based measures and similar measures are regularly used by the investment community as a means of comparison of companies in the Group's industry. Different companies and analysts may calculate EBITDA based measures differently, so making comparisons among companies on this basis should be done very carefully. EBITDA based measures are not measures of performance under U.K. GAAP and should not be considered in isolation or construed as substitutes for operating profit or net profit as an indicator of the Group's operations in accordance with U.K. GAAP.

In addition to this EBITDA based measure, the Group has included other non-U.K. GAAP financial measures in this report, some of which the Group refers to as "key performance indicators". The Group believes that it is useful to include these non-U.K. GAAP measures as they are used by the Group for internal performance analysis and the presentation by its business divisions of these measures facilitates comparability with other companies in the Group's industry, although the Group's measures may not be comparable with similar measurements presented by other companies. These other non-U.K. GAAP measures should not be considered in isolation or construed as a substitute for U.K. GAAP measures in accordance with U.K. GAAP.

NOTICE

These interim accounts have been prepared at the level of Gala Coral Group Limited.

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.

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 GCGL loan notes) and there are some classification differences in capital and reserves.

FINANCIAL HIGHLIGHTS - QUARTER

- Total Continuing Group EBITDA{1/2} of £65.7 million was £5.1 million or 8% higher than last year
- Adjusting for regulatory impacts and the World Cup in quarter 3 last year, underlying EBITDA{3} was £22.6 million or 52% ahead
- Online EBITDA{1/2} of £17.1 million was £3.7 million or 28% ahead of last year, and was 202% ahead on an underlying basis{3}
- Coral Connect sign-ups now total over 260 thousand and are contributing over 40% of Coral.co.uk net revenue
- Gala Retail continued to benefit from lower bingo duty and rent reductions on the properties previously owned by PropCo, resulting in EBITDA{1} 45% ahead
- Announced the proposed merger of the Coral Group (consisting of Coral Retail, Eurobet Retail and Online, but excluding Gala Retail) with Ladbrokes PLC, subject to Ladbrokes' shareholder approval and approval from the Competition and Markets Authority

{1} EBITDA is stated pre-exceptional items
{2} Results include all revenue and expenses for the continuing Opco Group and exclude the Casinos disposed of in FY14 (Q3 FY15: £0.0 million and Q3 FY14: £0.0 million, Q3 YTD FY15: £0.0 million and Q3 YTD FY14: £0.2 million), Propco rental income (Q3 FY15: £0.0 million and Q3 FY14: £6.6 million, Q3 YTD FY15: £5.8 million and Q3 YTD FY14: £21.7 million) and High Roller activity (Q3 FY15: -£8.5 million and Q3 FY14: £0.0 million, Q3 YTD FY15: -£7.6 million and Q3 YTD FY14: £0.0 million)
{3} FY14 Q3 Continuing Group EBITDA (pre-exceptionals) rebased for i) the estimated impact of Point of Consumption Tax (-£6.2 million), the increase in rate of MGD to 25% and DCMS FOBT higher staking restrictions (-£7.2 million) and the reduction in Bingo Duty (+£3.2 million), calculated as if all changes had been in existence for the corresponding periods in FY14; ii) The World Cup (£7.3 million)

OVERVIEW OF THE QUARTER BY DIVISION

Coral Retail

Coral Retail EBITDA{1} of £34.9 million was £0.6 million or 2% behind last year. Adjusting FY14 for the adverse impact of MGD/high stakes restrictions (-£7.2 million) and the World Cup (-£4.3 million), underlying EBITDA{2/3} was £10.9 million or 46% ahead.

OTC net revenue was £0.6 million or 1% behind last year, and £4.5 million or 7% ahead after adjusting for the World Cup. The strong underlying result (i.e. excluding the World Cup) was driven by football margins 8.7pp ahead of last year and football stakes 18% ahead driven in part by the later finish to the domestic football season compared to last year.

Machines net revenue was £1.7 million or 2% ahead of last year and gross win per-machine-per-week of £963 was £7 or 1% ahead, despite the adverse impact of the restriction on high-stakes (>£50) play which is estimated at around 5% of gross win, in line with expectations.

Operating costs were £2.0 million or 2% lower than last year as a result of annualised payroll savings and lower media content costs.

{1} EBITDA is stated pre-exceptional items
{2} FY14 Continuing Group EBITDA (pre-exceptionals) rebased for the estimated impact of Point of Consumption Tax (-£6.2 million), the increase in rate of MGD to 25% and DCMS FOBT high staking restrictions (-£7.2 million) and the reduction in Bingo Duty (+£3.2 million), calculated as if all changes had been in existence for the corresponding periods in FY14
{3} World Cup EBITDA impact (previously reported as £8.4 million) is now stated net of "cannibalisation" of other OTC products in Coral Retail, which is estimated at £1.1 million, resulting in an restated World Cup impact of £7.3 million of which £4.3 million was in Coral Retail

Eurobet Retail

Eurobet Retail EBITDA{1} of £3.7 million was £1.6 million or 30% behind last year, primarily due to last year's World Cup.

Adjusting FY14 for the World Cup, underlying EBITDA{1/2} was £0.2 million or 5% behind, with sports stakes 56% ahead, supported by a 94% increase in Bet-in-Play stakes. Eurobet's share of the retail sports-betting market reached 14.9% in the quarter, up 3.3pp versus last year.

Retail virtual betting volumes were 12% lower than last year, in-line with the market which saw a softening of demand following the introduction of the product last year. Virtual market share in the quarter increased to 17.8%, 2.9pp ahead of our share of the sports market.

OVERVIEW OF THE QUARTER BY DIVISION (continued)

Eurobet Retail (continued)

The shop optimisation programme, whereby we are relocating 140 of our poorer performing shops is well under way, and is expected to be complete by the end of the financial year. Early results from the newly located shops are encouraging.

Operating costs were £0.8 million or 44% higher than the previous year, reflecting the higher costs of supporting the larger estate and the increase in Bet-in-Play live feed costs.

{1} EBITDA is stated pre-exceptional items
{2} World Cup EBITDA impact (previously reported as £8.4 million) is now stated net of "cannibalisation" of other OTC products in Coral Retail, which is estimated at £1.1 million, resulting in a restated World Cup impact of £7.3 million of which £4.3 million was in Coral Retail

Online

Online EBITDA[1/2] of £17.1 million was £3.7 million or 28% ahead of last year. Adjusting FY14 for the impact of Point of Consumption tax (-£6.2 million) and the World Cup (-£1.6 million), EBITDA[3/4] was £11.5 million or 202% ahead.

Coral.co.uk net revenue was 69% ahead of last year or 81% ahead excluding the World Cup. New customer acquisition rates remain very strong with competitive offers and multi-channel driving acquisition rates 19% ahead of last year.

Coral.co.uk sports net revenue was 102% ahead of last year (149% ahead excluding the World Cup) with spend-per-head 54% up, driven by an improved product offering. Sports margin was 1.7pp ahead of last year with UK horse racing results ahead of expectations. Bet-in-Play now represents 53% of sports stakes (excluding horseracing), an increase of 5.2pp over the previous year. Mobile now accounts for 68% of Coral.co.uk sports stakes with mobile stakes 80% ahead of the prior year (62% excluding the World Cup).

Coral.co.uk gaming net revenue was 52% ahead of last year, with mobile representing 65% of gaming stakes (mobile gaming stakes up 83%).

Galabingo.com net revenue was £3.5 million or 23% ahead helped by the launch of additional exclusive content and higher actives, which increased by 13% due to effective retention and reactivation programmes. During the quarter, the Galabingo.com mobile site and app was voted the 'Best Bingo Mobile Experience' at the Which Bingo awards. Mobile now accounts for 51% of stakes with mobile stakes 71% ahead of the prior year.

Galacasino.com actives were 94% ahead of last year following a high level of promotional activity. However, a number of large winners left margin 0.4pp lower than last year and net gaming revenue £0.9 million or 25% behind. Mobile now accounts for 57% of stakes with mobile stakes 20% ahead of the prior year.

Eurobet.it actives were 10% ahead of last year's World Cup quarter, with over half of new depositors in the quarter recruited through the shop estate. Sports stakes were 60% ahead, but gross win margin was 3.9pp behind last year's particularly strong level. Gaming net revenue was in-line with last year with an increase in casino games net revenue (+32%) offset by market-led declines in poker and virtual racing. Eurobet.it maintained its position as number 2 in the Italian online sports-betting market throughout the quarter.

{1} EBITDA is stated pre-exceptional items
{2} Results include all revenue and expenses for the continuing Opco Group and exclude Propco rental income (Q3 FY15: £0.0 million and Q3 FY14: £6.6 million) and High Roller activity (Q3 FY15: -£8.5 million and Q3 FY14: £0.0 million)
{3} FY14 Continuing Group EBITDA (pre-exceptionals) rebased for the estimated impact of Point of Consumption Tax (-£6.2 million), the increase in rate of MGD to 25% and DCMS FOBT high staking restrictions (-£7.2 million) and the reduction in Bingo Duty (+£3.2 million), calculated as if all changes had been in existence for the corresponding periods in FY14
{4} World Cup EBITDA impact (previously reported as £8.4 million) is now stated net of "cannibalisation" of other OTC products in Coral Retail, which is estimated at £1.1 million, resulting in an restated World Cup impact of £7.3 million of which £4.3 million was in Coral Retail

Gala Retail

Gala Retail EBITDA[1] was £3.7 million or 45% ahead of the prior year with the reduction in bingo duty (£3.2 million) a major contributor. A 2% decline in admissions following the annualisation of 'Price Smash' was offset by higher spend-per-head levels in Mainstage Bingo (+3%) and Machines (+8%). We continue to explore a potential sale of Gala Retail.

{1} EBITDA is stated pre-exceptional items

FINANCIAL HIGHLIGHTS – PERIOD

- Total Continuing Group EBITDA{1/2} of £200.2 million was £16.4m or 9% ahead with strong growth in Online and Gala Retail. On an underlying basis{3} EBITDA was £44.4 million or 27% ahead

{1} EBITDA is stated pre-exceptional items
{2} Results include all revenue and expenses for the continuing Opco Group and exclude the Casinos disposed of in FY14 (Q3 FY15: £0.0 million and Q3 FY14: £0.0 million, Q3 YTD FY15: £0.0 million and Q3 YTD FY14: £0.2 million), Propco rental income (Q3 FY15: £0.0 million and Q3 FY14: £6.6 million, Q3 YTD FY15: £5.8 million and Q3 YTD FY14: £21.7 million) and High Roller activity (Q3 FY15: -£8.5 million and Q3 FY14: £0.0 million, Q3 YTD FY15: -£7.6 million and Q3 YTD FY14: £0.0 million)
{3} FY14 YTD Continuing Group EBITDA (pre-exceptionals)EBITDA rebased for i) the estimated impact of Point of Consumption Tax (-£14.0 million), the increase in rate of MGD to 25% and DCMS FOBT higher staking restrictions (-£9.3 million) and the reduction in Bingo Duty (+£10.9 million), calculated as if all changes had been in existence for the corresponding periods in FY14; ii) The World Cup (£7.3 million)

OVERVIEW OF THE PERIOD BY DIVISION

Coral Retail

Coral Retail EBITDA{1} of £113.4 million was £0.2 million behind last year. Underlying EBITDA{1} was £13.4 million or 13% ahead after adjusting for the impact of regulation{2} and the World Cup{3}. Excluding the World Cup, OTC net revenue was £4.8 million or 2% behind last year, and Machines net revenue was £12.2 million or 4% ahead, primarily driven by increased slots content.

{1} EBITDA is stated pre-exceptional items
{2} FY14 EBITDA rebased for the estimated impact of Point of Consumption Tax (-£14.0 million), the increase in rate of MGD to 25% and DCMS FOBT higher staking restrictions (-£9.3 million) and the reduction in Bingo Duty (+£10.9 million) calculated as if all changes had been in existence for the corresponding periods in FY14
{3} World Cup EBITDA impact (previously reported as £8.4 million) is now stated net of "cannibalisation" of other OTC products in Coral Retail, which is estimated at £1.1 million , resulting in an restated World Cup impact of £7.3 million of which £4.4 million was in Coral Retail

Eurobet Retail

Eurobet Retail EBITDA{1} was £4.0 million or 27% behind last year following the adverse football results during H1{2} with sports gross win margin 5.9pp behind last year. The increased estate size (2015: 826, 2014: 714) helped to drive a 19% increase in sports stakes (29% excluding the World Cup). Other net revenue was £3.6 million or 18% ahead as a result of higher virtual betting volumes this year following the launch at the end of the first quarter in FY14.

{1} EBITDA is stated pre-exceptional items
{2} Football results in Italy returned to a more normal level during Q3 compared to H1, but did not improve the year to date adverse EBITDA impact of £10.8 million (Retail: £7.7 million, Online £3.1 million) versus long-term trends as reported at H1, compared to an adverse EBITDA impact of £2.5 million in FY14 (all Retail), resulting in a £8.3 million year-on-year adverse movement (Retail: £5.2 million, Online £3.1 million).

Online

Online EBITDA{1/2} of £41.0 million was £6.2 million or 18% ahead of last year. After adjusting FY14 for the impact of regulation{3} and the World Cup{4} and FY15 for the adverse football results in Eurobet.it during the first half of the year{5} underlying EBITDA{1/2} grew by £24.6 million or 126%.

Coral.co.uk net revenue was 67% ahead of last year, with actives 16% ahead and spend-per-head 40% ahead. Over 260 thousand customers have now signed up to Coral Connect, since launch, with over 40% of online net revenue now being generated by customers with a Connect card.

Galabingo.com net revenue was 28% ahead of last year with improved CRM reducing churn and increasing active play-time. Galacasino.com actives were 25% ahead of last year and new depositors were 41% ahead, but spend-per-head was 27% lower due to a reduced level of VIP activity, leaving net revenue £0.3 million or 3% behind.

Eurobet.it actives were 24% ahead of the prior year and sports stakes were 59% ahead (70% excluding the World Cup). Despite poor football results driving a 4.0pp decline in margin, sports net revenue was £0.9 million or 8% ahead.

OVERVIEW OF THE PERIOD BY DIVISION (continued)

Online (continued)

{1} EBITDA is stated pre-exceptional items
{2} Results include all revenue and expenses for the continuing Opco Group and exclude the Casinos disposed of in FY14 (Q3 YTD FY15 £0.0 million and Q3 YTD FY14 £0.2 million), Propco rental income (Q3 FY15 YTD: £5.8 million and Q3 FY14: £21.7 million,) and High Roller activity (Q3 FY15 YTD: -£7.6 million and Q3 FY14 YTD: £0.0 million)
{3} FY14 Continuing Group EBITDA (pre-exceptionals) rebased for the estimated impact of Point of Consumption Tax (-£14.0 million), the increase in rate of MGD to 25% and DCMS FOBT higher staking restrictions (-£9.3 million) and the reduction in Bingo Duty (+£10.9 million) calculated as if all changes had been in existence for the corresponding periods in FY14
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{5} Football results in Italy returned to a more normal level during Q3 compared to H1, but did not improve the year to date adverse EBITDA impact of £10.8 million (Retail: £7.7 million, Online £3.1 million) versus long-term trends as reported at H1, compared to an adverse EBITDA impact of £2.5 million in FY14 (all Retail), resulting in a £8.3 million year-on-year adverse movement (Retail: £5.2 million, Online £3.1 million).

Gala Retail

Gala Retail EBITDA{1} was £13.9 million or 57% ahead of last year supported by the reduction in bingo duty (£10.9 million). A reduction in the frequency of visits of low value paper players contributed to a 5% fall in admissions. However, continued investment in everyday low pricing and fixed prize boards, has helped drive Mainstage spend-per-head 8% ahead of last year. The improved machines estate has also delivered an 8% increase in spend-per-head and a 7% increase in gross profit.

{1} EBITDA is stated pre-exceptional items

High Roller Activity

High roller activity resulted in an EBITDA loss of £7.6 million year to date. This operation is not core to the Coral business and the Board have now discontinued this activity.

OVERVIEW OF THE PERIOD

Group turnover from continuing operations for the period increased by £54.4 million to £1,005.4 million (2014: £951.0 million). In addition, the Group lost £9.3 million to High Rollers in the period, these operations have been discontinued (2014: the Group generated £4.1 million of turnover from the discontinued casino operations).

Continuing Opco Group EBITDA (pre-exceptional items) for the period was £16.4 million ahead of the prior year at £200.2 million, this was partially offset by an EBITDA loss of £7.6 million from High rollers which have been discontinued. In the prior year the Group also generated £0.2 million of EBITDA (pre-exceptional items) from its disposed casino business. The Group also generated £5.8 million (2014: £21.7 million) of EBITDA from Propco rental income.

A depreciation charge (excluding trading potential write downs on closed bingo clubs) of £52.4 million (2014: £52.7 million) and an amortisation charge of £16.2 million (2014: £15.1 million) were incurred in the period.

There was a profit on disposal of fixed assets in the period of £91.7 million (2014: £1.2 million) following the sale of all the properties owned by 2005 Propco Three Limited.

Profit before interest and tax was £86.6 million (2014: loss of £32.9 million).

Interest payable has increased from £185.7 million (excluding exceptional interest) in 2014 to £186.9 million in 2015 as a result of the roll-up of interest on the GCGL loan notes offset by savings on external loans following a series of repayments in 2014 and 2015. Key elements of the interest charge include loan and bond interest of £86.5 million (2014: £96.7 million), of which £8.0 million (2014: £15.3 million) relates to the 2005 Propco Three Limited loan. Interest payable also includes non-cash interest on GCGL loan notes of £94.7 million (2014: £82.3 million) and £5.7 million of costs (2014: £6.7 million) associated with the amortisation of debt issue costs and amortisation costs of interest rate cap premia.

In the prior year, within 'Interest payable and similar charges' was exceptional interest payable to the senior lenders of £6.3 million following certain amendments to the Senior Facilities Agreement which was agreed on 7 April 2014 and a further £0.6 million of issue costs written off following a repayment on the senior secured notes.

During the period the Group received exceptional interest of £4.0 million (2014: £25.7 million) on VAT refunds from HMRC on 'Conde Nast' claims. In the prior year the Group received other interest of £0.6 million.

Other finance costs in the period were £0.9 million (2014: £3.1 million) associated with the unwinding of discount on provisions and finance costs in relation to the pension scheme.

The overall result after taxation for the period is a profit of £85.3 million, compared to a loss of £36.9 million in 2014.

OVERVIEW OF THE PERIOD (continued)

Exceptional items

Exceptional items in the year to date amounted to a £20.4 million charge (2014: £11.3 million). Included within exceptionals are restructuring costs net of VAT rebates of £6.1 million (2014: £8.0 million) which primarily relate to costs associated with a number of possible corporate transactions including a possible IPO and the proposed merger with Ladbrokes PLC as well as the ongoing process to sell the Gala Retail business. Exceptional items also contain a £2.1 million charge (2014: £nil), primarily resulting from a write down of assets due to the changes in regulation affecting our LBO estate, other non-cash charges relating to FRS 20 "Share based payments", onerous lease provisions and the write off of assets following the closure of 4 bingo clubs.

Profit on sale of subsidiaries

In December 2013 the Group sold its remaining 4 UK casinos and Gala Casino (Gibraltar) Limited for a combined consideration of £24.7 million (before costs). These disposals resulted in a profit on disposal of £8.2 million.

Cash Generated from Operations

During the period net cash inflow from operations was £157.6 million (2014: £118.3 million). This included exceptional cash payments of £13.0 million (2014: £74.0 million of which £54.5 million related to the payment of the slots VAT claim to HMRC).

Of the cash inflows, £43.8 million (2014: £54.1 million) was reinvested in the Group to fund capital expenditure. In the prior year, the Group also acquired a number of LBOs for £3.9 million.

The Group received £206.7 million (2014: £0.4 million) in net receipts from the sale of properties in 2005 Propco Three Limited. Subsequently the Group used these proceeds and the 2005 Propco Three Limited cash to repay £236.5 million of the 2005 Propco Three Limited loan.

During the period £110.0 million of cash was utilised to meet interest and other financing costs (2014: £115.7 million).

Unlevered free cash flow from operations{1} for the period was £109.7 million (2014: £57.6 million).

Total cash outflow for the period was £25.4 million (2014: £52.3 million).

{1} Excludes receipts from the sale of tangible fixed assets and net proceeds on the sale of subsidiaries.

Net Debt and Liquidity

Total net debt of £1,999.2 million (27 September 2014: £2,179.2 million) has decreased since the year end following the sale of all the properties in 2005 Propco Three Limited, the subsequent repayment of £236.5 million and the de-recognition of £68.6 million of the remaining loan. Whilst total net debt has decreased, 'Opco' net debt has increased by £114.5 million due to the roll up of interest on the GCGL loan notes, the amortisation of debt issue costs and the Opco cash outflow of £14.8 million in the period.

Cash at bank and in hand of £199.2 million includes cash for covenant purposes of £170.9 million.

OVERVIEW OF THE PERIOD (continued)

Net Debt and Liquidity (continued)

	Opco[1] 4 July 2015 £m	Opco 27 Sept 2014 £m	Propco 27 Sept 2014 £m	Total 27 Sept 2014 £m
Senior secured credit facilities	(711.9)	(711.9)	(305.1)	(1,017.0)
Senior secured notes	(315.0)	(315.0)	-	(315.0)
Senior notes	(275.0)	(275.0)	-	(275.0)
Cash at bank and in hand	199.2	214.0	10.6	224.6
Gross cash net debt	(1,102.7)	(1,087.9)	(294.5)	(1,382.4)
Issue costs and discount	19.9	24.5	-	24.5
Net debt pre GCGL loan notes	(1,082.8)	(1,063.4)	(294.5)	(1,357.9)
GCGL loan notes (net of issue costs)	(916.4)	(821.3)	-	(821.3)
Group net debt	**(1,999.2)**	**(1,884.7)**	**(294.5)**	**(2,179.2)**

{1} During the period the Propco net debt was derecognised and as a result the total net debt now equals the Opco net debt

PENSIONS

The Group operates the Gala Coral Pension Plan, a fully funded defined benefit pension scheme. On 28 September 2013 the scheme was closed to future accrual. Following the closure of the scheme the Group derecognised the defined benefit pension asset as the surplus can no longer be recovered through the reduction of future contributions.

GOING CONCERN

The directors have continued to review the Group's cash flow forecasts and trading budgets and after making appropriate enquiries, have formed the view that the Group is operationally and financially robust and will generate sufficient cash to meet its ongoing requirements for at least the next 12 months from the date of approval of these financial statements.

CURRENT TRADING

Trading in the 6 week period to 15th August has been positive:

Coral Retail gross win is ahead of last year, with a strong start to the football season contributing to a positive OTC performance, and machines gross win consistently ahead of last year. Sports stakes in Eurobet Retail are significantly ahead of last year while growth in the Online division has continued at the same run-rates evidenced in Q3. Admissions in Gala Retail are now tracking ahead of the same period last year.

Gala Coral Group Limited
Group Profit and Loss Account

	Notes	Unaudited forty weeks to 4 July 2015 £m	Unaudited forty weeks to 5 July 2014 £m
Turnover	2,3		
Continuing operations	2	1,005.4	951.0
Discontinued operations	2	(9.3)	4.1
		996.1	955.1
Cost of sales		(295.6)	(273.2)
Gross profit			
Continuing operations	2	707.9	678.4
Discontinued operations	2	(7.4)	3.5
		700.5	681.9
Administrative expenses		(593.9)	(560.7)
Operating profit before other operating income		106.6	121.2
Operating profit before other operating income, analysed as:			
Before exceptional items		127.0	132.5
Costs and impairments associated with change in regulation	4	(2.1)	-
Impairments of bingo assets	4	(9.3)	(6.6)
FRS 20 'Share Based Payment' charge and related costs	4	(1.8)	(2.6)
Other restructuring costs and VAT	4	(6.1)	(8.0)
Net (creation)/release of onerous lease provisions	4	(1.1)	5.9
Operating profit before other operating income		106.6	121.2
Other operating income		2.8	5.4
Operating profit/(loss)	3		
Continuing operations	2	117.0	127.4
Discontinued operations	2	(7.6)	(0.8)
		109.4	126.6
Profit on disposal of tangible fixed assets	4	91.7	1.2
Profit on disposal of subsidiary	4	-	8.2
Profit before interest and tax		201.1	136.0
Interest receivable and similar income	5	4.7	26.8
Interest payable and similar charges	5	(186.9)	(192.6)
Other finance costs		(0.9)	(3.1)
Liquidation of 2005 Gala Propco Three Limited	4,7	68.6	-
Profit/(loss) on ordinary activities before tax		86.6	(32.9)
Tax on profit/(loss) on ordinary activities	6	(1.3)	(4.0)
Profit/(loss) for the financial period		**85.3**	**(36.9)**

Gala Coral Group Limited
Group Statement of Total Recognised Gains and Losses, Reconciliation of Movement in Total Group Shareholders' Deficit and Note on Historical Cost Profit and Losses

Group Statement of Total Recognised Gains and Losses

	Unaudited forty weeks to 4 July 2015 £m	Unaudited forty weeks to 5 July 2014 £m
Profit/(loss) for the financial year	85.3	(36.9)
Surplus on revaluation of investment properties	-	1.4
Net foreign exchange adjustments offset in reserves	(3.0)	(1.6)
Actuarial loss and restriction on recognition of pension assets	(2.8)	(1.2)
Deferred tax credit relating to pension scheme	0.6	0.2
Current tax credit relating to pension scheme	0.6	0.5
Total recognised gains/(losses) for the year	**80.7**	**(37.6)**

Reconciliation of Movement in Total Group Shareholders' Deficit

	Unaudited forty weeks to 4 July 2015 £m	Unaudited forty weeks to 5 July 2014 £m
Total recognised gains/(losses) for the year	80.7	(37.6)
FRS 20 'Share Based Payment' charge	1.1	2.6
Opening shareholders' deficit	(203.2)	(51.6)
Closing shareholders' deficit	**(121.4)**	**(86.6)**

Note on Historical Cost Profit and Losses

	Unaudited forty weeks to 4 July 2015 £m	Unaudited forty weeks to 5 July 2014 £m
Reported profit/(loss) on ordinary activities before tax	86.6	(32.9)
Revaluation surplus realised on sale of investment property	8.0	-
Historical cost profit/(loss) for the year before taxation	**94.6**	**(32.9)**
Historical cost profit/(loss) for the year after taxation	**93.3**	**(36.9)**

Gala Coral Group Limited
Group Balance Sheet

	Notes	Unaudited 4 July 2015 £m	Unaudited 5 July 2014 £m	Audited 27 September 2014 £m
Fixed assets				
Intangible assets		327.6	382.9	345.8
Tangible assets		1,696.9	1,876.2	1,807.0
Investment properties		-	45.5	29.0
		2,024.5	2,304.6	2,181.8
Current assets				
Stocks		1.6	2.1	2.0
Debtors		67.0	66.0	43.5
Cash at bank and in hand		199.2	164.0	224.6
		267.8	232.1	270.1
Creditors: amounts falling due within one year	7	(178.1)	(512.1)	(514.6)
Net current assets/(liabilities)		89.7	(280.0)	(244.5)
Total assets less current assets/(liabilities)		2,114.2	2,024.6	1,937.3
Creditors: amounts falling due after more than one year	8	(2,200.6)	(2,074.5)	(2,101.1)
Provisions for liabilities		(35.0)	(36.7)	(39.4)
Net liabilities excluding net pension asset		(121.4)	(86.6)	(203.2)
Net pension asset		-	-	-
Net liabilities including net pension asset		**(121.4)**	**(86.6)**	**(203.2)**
Capital and reserves				
Called up share capital		213.3	213.3	213.3
Merger reserve		1.6	1.6	1.6
Capital contribution reserve		1,723.5	1,723.5	1,723.5
Revaluation reserve		-	18.8	8.0
Profit and loss account		(2,059.8)	(2,043.8)	(2,149.6)
Total shareholders' deficit		**(121.4)**	**(86.6)**	**(203.2)**

Company Registered Number: 07254686

Gala Coral Group Limited
Group Cash Flow Statement

	Notes	Unaudited forty weeks to 4 July 2015 £m	Unaudited forty weeks to 5 July 2014 £m	Audited year ended 27 September 2014 £m
Net cash inflow from operating activities	9(a)	157.6	118.3	205.1
Returns on investments and servicing of finance				
Interest received		4.7	26.8	33.6
Interest paid and similar charges		(110.0)	(115.7)	(128.6)
Net cash outflow from returns on investments and servicing of finance		(105.3)	(88.9)	(95.0)
Taxation				
Overseas corporation tax paid		(4.1)	(2.7)	(3.8)
Capital expenditure and financial investment				
Payments to acquire intangible and tangible assets		(43.8)	(54.1)	(69.1)
Receipts from sales of tangible assets		206.7	1.4	24.5
Net cash inflow/(outflow) for capital expenditure and financial investment		162.9	(52.7)	(44.6)
Acquisitions and disposals				
Purchase of subsidiary undertakings/trade and assets		-	(3.9)	(6.5)
Net proceeds on sale of subsidiary undertakings		-	23.1	23.0
Cash disposed with subsidiary undertakings		-	(2.0)	(2.0)
Net cash inflow from acquisitions and disposals		-	17.2	14.5
Net cash inflow/(outflow) before financing		211.1	(8.8)	76.2
Financing				
Repayment of Senior secured notes		-	(35.0)	(35.0)
Repayment of the 2005 Propco Three Limited loan		(236.5)	(8.5)	(32.9)
Net cash outflow from financing		(236.5)	(43.5)	(67.9)
(Decrease)/increase in cash	9(b)	**(25.4)**	**(52.3)**	**8.3**

Gala Coral Group Limited
Reconciliation of Group Net Cash Flow to Movement in Group Net Debt

	Notes	Unaudited forty weeks to 4 July 2015 £m	Unaudited forty weeks to 5 July 2014 £m	Audited Year ended 27 September 2014 £m
(Decrease)/increase in cash		(25.4)	(52.3)	8.3
Net repayment of long-term loans		236.5	43.5	67.9
Change in net debt resulting from cash flows		211.1	(8.8)	76.2
Other non-cash movements	9(b)	(31.1)	(88.8)	(115.5)
Movement in net debt		180.0	(97.6)	(39.3)
Opening net debt	9(b)	(2,179.2)	(2,139.9)	(2,139.9)
Closing net debt	9(b)	**(1,999.2)**	**(2,237.5)**	**(2,179.2)**

1. Basis of Preparation

The condensed consolidated interim financial information, which is unaudited, is prepared in accordance with the recognition and measurement requirements of United Kingdom Generally Accepted Accounting Practice ("UK GAAP") and, with the exception of tax (see note 6), in accordance with the accounting policies applied in the financial statements for the year ended 27 September 2014 and therefore should be read in conjunction with those annual financial statements, which can be obtained from Gala Coral Group Limited, New Castle House, Castle Boulevard, Nottingham, NG7 1FT. The condensed consolidated interim financial statements do not include all the information or disclosures required in the annual financial statements as they have been prepared for the provision of interim information.

Accounting Estimates

The preparation of the condensed consolidated interim financial information in accordance with UK GAAP requires the Group to make estimates, judgements and assumptions that may affect the reported amounts of assets, liabilities, turnover and expenses and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Going Concern

The directors have continued to review the Group's cash flow forecasts and trading budgets and after making appropriate enquiries, have formed the view that the Group is operationally and financially robust and will generate sufficient cash to meet its ongoing requirements for at least the next 12 months from the date of approval of these financial statements.

General Information

The condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Audited statutory accounts for the year ended 27 September 2014 were approved by the Board of Directors on 19 November 2014, have been filed with the Registrar of Companies and are available on the Group website: www.galacoral.co.uk. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under either Section 498(2) or 498(3) of the Companies Act 2006.

2. Discontinued Operations

In December 2013 the Group sold its remaining 4 UK casinos and Gala Casino (Gibraltar) Limited, a wholly owned subsidiary, for a combined consideration of £24.7 million (£23.1 million net of fees).

These disposals have been treated as discontinued operations in the profit and loss account.

	2015			2014		
	Continuing operations £m	Discontinued operations £m	Total Group £m	Continuing operations £m	Discontinued operations £m	Total Group £m
Turnover	1,005.4	(9.3)	996.1	951.0	4.1	955.1
Cost of sales	(297.5)	1.9	(295.6)	(272.6)	(0.6)	(273.2)
Gross profit	707.9	(7.4)	700.5	678.4	3.5	681.9
Administrative expenses	(593.7)	(0.2)	(593.9)	(556.4)	(4.3)	(560.7)
Operating profit/(loss) before other operating income	114.2	(7.6)	106.6	122.0	(0.8)	121.2
Other operating income	2.8	-	2.8	5.4	-	5.4
Operating profit/(loss)	**117.0**	**(7.6)**	**109.4**	**127.4**	**(0.8)**	**126.6**

3. Segmental Analysis

The Group operates six segments – Coral Retail, Eurobet Retail, Online, Gala Retail, Telebet and Corporate and used to operate two further segments (High rollers and Gala Casino) that have now been discontinued. The Eurobet Retail segment comprises betting shops operated under franchise arrangements in Italy. The Online segment operates online sports betting, bingo, casino and other gaming products.

The segmental disclosure has been restated from the prior year in order to separately report our telephone betting business.

The revenue of Coral Retail and Gala Retail arises solely within the UK. The revenue of Eurobet Retail arises solely in Italy. The revenue of the Online and High Rollers segments arises in the UK and Europe. Their customers are almost entirely located in the UK for the Coral and Gala Online brands and mainland Europe for Eurobet.it. Due to the nature of the Online segment, it is not possible to split the net assets by geographical category. The Gala Casino revenue (now discontinued) arose in the UK and Gibraltar.

3. Segmental Analysis (continued)

Turnover, Group operating profit and net assets are analysed as follows:

Unaudited forty weeks to 4 July 2015

	Coral Retail £m	Eurobet Retail £m	Online £m	Gala Retail £m	Gala Casino £m	Telebet £m	High Rollers £m	Corporate £m	Group £m
Amounts staked	8,735.7	378.8	4,827.4	408.8	-	50.4	356.6	-	14,757.7
Turnover	526.0	60.9	186.9	227.8	-	3.8	(9.3)	-	996.1
Gross profit	391.9	19.0	126.4	167.3	-	3.3	(7.4)	-	700.5
Other admin expenses	(278.5)	(8.4)	(85.4)	(129.2)	-	(2.0)	(0.2)	(4.2)	(507.9)
'Opco' EBITDA{1}	113.4	10.6	41.0	38.1	-	1.3	(7.6)	(4.2)	192.6
Propco rent	-	-	-	5.6	-	-	-	0.2	5.8
Group EBITDA{1}	113.4	10.6	41.0	43.7	-	1.3	(7.6)	(4.0)	198.4
Depreciation and amortisation	(20.8)	(9.3)	(12.1)	(15.7)	-	-	-	(10.7)	(68.6)
Operating profit/(loss){1}	92.6	1.3	28.9	28.0	-	1.3	(7.6)	(14.7)	129.8
Exceptional items									(20.4)
Group operating profit									**109.4**

{1} Pre-exceptional items.

Prior to the liquidation of 2005 Propco Three Limited the Group operated an 'Opco-Propco' structure with rentals charged between Group companies for properties which acted as security under the 2005 Propco Three Limited loan. During the period the properties were either purchased by Gala Retail (6 properties for £1.1 million) or were sold to a third party and leased back by Gala Retail. Following the sale of these properties 2005 Propco Three Limited was put into a Creditors Voluntary Liquidation and is no longer consolidated in the Gala Coral Group accounts from the date at which it entered into liquidation.

The amortisation of goodwill in respect of the Online division of £9.9 million has been charged to Corporate costs.

Propco rent receivable of £0.2 million in Corporate relates to rent received from The Rank Group Plc and the Double Diamond Group, on investment properties, prior to their sale.

During the period, 'Opco' made a one off payment of £32.1 million to 'Propco' in order to restructure the leasing arrangements, this eliminates on consolidation.

3. Segmental Analysis (continued)

Unaudited forty weeks to 5 July 2014

	Coral Retail £m	Eurobet Retail £m	Online £m	Gala Retail £m	Gala Casino £m	Telebet £m	High Rollers £m	Corporate £m	Group £m
Amounts staked	8,701.7	295.6	3,518.0	418.4	14.3	53.1	-	-	13,001.1
Turnover	524.5	62.8	136.0	224.7	4.1	3.0	-	-	955.1
Gross profit	396.6	21.0	102.7	155.6	3.5	2.5	-	-	681.9
Other admin expenses	(283.0)	(6.4)	(67.9)	(131.4)	(3.3)	(2.6)	-	(3.3)	(497.9)
'Opco' EBITDA{1}	113.6	14.6	34.8	24.2	0.2	(0.1)	-	(3.3)	184.0
Propco rent	-	-	-	18.8	0.1	-	-	2.8	21.7
Group EBITDA{1}	113.6	14.6	34.8	43.0	0.3	(0.1)	-	(0.5)	205.7
Depreciation and amortisation	(21.6)	(6.9)	(8.1)	(17.8)	(1.0)	-	-	(12.4)	(67.8)
Operating profit/(loss){1}	92.0	7.7	26.7	25.2	(0.7)	(0.1)	-	(12.9)	137.9
Exceptional items									(11.3)
Group operating profit									**126.6**

{1} Pre-exceptional items.

The amortisation of goodwill on the Online division of £9.9 million has been charged to Corporate costs.

Propco rent receivable of £2.8 million in Corporate relates to rent received from The Rank Group Plc and the Double Diamond Group.

4. Exceptional Items

Exceptional Items Charged/(Credited) to Operating Profit

Exceptional items in the year to date amounted to a £20.4 million charge (2014: £11.3 million). Included within exceptionals are restructuring costs net of VAT rebates of £6.1 million (2014: £8.0 million) which primarily relate to costs associated with a number of possible corporate transactions including a possible IPO and the proposed merger with Ladbrokes PLC as well as the ongoing process to sell the Gala Retail business. Exceptional items also contain a £2.1 million charge (2014: £nil), primarily resulting from a write down of assets due to the changes in regulation affecting our LBO estate, other non-cash charges relating to FRS 20 "Share based payments", onerous lease provisions and the write off of assets following the closure of 4 bingo clubs.

Exceptional Items Charged/(Credited) after Operating Profit

1) Profit on Disposal of Fixed Assets

The profit on disposal of £91.7 million in the period (2014: £1.2 million) relates primarily to the disposal of properties in 2005 Propco Three Limited.

4. Exceptional Items (continued)

Exceptional Items Charged/(Credited) after Operating Profit (continued)

2) Profit/(Loss) on Disposal of Subsidiary

In December 2013 the Group sold its remaining 4 UK casinos and Gala Casino (Gibraltar) Limited, a wholly owned subsidiary, for a combined consideration of £24.7 million (£23.1 million net of fees). The profit on disposal was £8.2 million.

3) Exceptional Interest (see note 5)

Within 'Interest receivable and similar income' is exceptional interest receivable of £4.0 million (2014: £25.7 million) relating to interest receivable from HMRC on 'Condé Nast' VAT claims.

In the prior year, within 'Interest payable and similar charges' was exceptional interest payable to the senior lenders of £6.3 million following certain amendments to the Senior Facilities Agreement which was agreed on 7 April 2014 and a further £0.6 million of issue costs written off following a repayment on the senior secured notes.

2005 Propco Three Limited entered into a Creditors Voluntary Liquidation in March 2015 and the outstanding loan amount of £68.6 million has been derecognised during the period.

5. Interest

	Unaudited forty weeks to 4 July 2015 £m	Unaudited forty weeks to 5 July 2014 £m
Loan interest and similar charges	(78.5)	(81.4)
2005 Propco Three Limited loan interest	(8.0)	(15.3)
GCGL loan note interest	(94.7)	(82.3)
Amortisation of debt issue costs and senior notes discount	(5.0)	(5.9)
Amortisation of interest rate cap premia	(0.7)	(0.8)
	(186.9)	**(185.7)**
Exceptional interest payable (note 4):		
SFA consent fees	-	(6.3)
Write off of debt issue costs on repayment of bond and loans	-	(0.6)
Interest payable and similar charges	**(186.9)**	**(192.6)**
Interest on deposits and money market funds	0.7	0.5
Other interest receivable	-	0.6
Exceptional interest receivable (note 4)	4.0	25.7
Interest receivable and similar income	**4.7**	**26.8**
Net interest payable	**(182.2)**	**(165.8)**

Loan interest payable and similar charges include amounts payable on the senior secured credit facilities, senior secured notes and senior notes. Actual amounts paid in cash in the period in relation to the 2005 Propco Three Limited loan amounted to £16.5 million (2014: £15.6 million).

In the period interest receivable on the 2005 Propco Three Limited cash balance was £nil (2014: £nil) and amortisation of debt issue costs included above were £nil (2014: £0.3 million).

5. Interest (continued)

The Group has interest rate caps with a strike rate of 1.25% which mature in September 2015. The interest rate caps cover £350.0 million (2014: £450.0 million) of floating rate borrowings as at the period end. The remaining premia held on the interest rate caps of £0.7 million will be amortised during 2015.

In addition the Group has interest rate caps with a strike rate of 1.25% covering £250.0 million (2014: £nil) of floating rate borrowings for FY16 and purchased cash settled interest rate swaptions at a strike rate of 2% covering £150.0 million of floating rate borrowings for FY17.

During the period the Group has entered into an interest rate swap maturing in August 2015 to pay a fixed rate of 0.52% on £711.9 million of floating rate borrowings.

6. Tax on Profit/(Loss) on Ordinary Activities

Taxation is recognised based on management's best estimate of the average annual effective rate expected for the full financial year. Any charges and credits shown relate to deferred tax and overseas corporation tax.

7. Creditors: Amounts Falling Due Within One Year

	Unaudited 4 July 2015 £m	Unaudited 5 July 2014 £m	Audited 28 September 2014 £m
2005 Propco Three Limited loan	-	329.5	305.1
Loan, senior secured notes and senior notes interest	6.4	10.6	29.4
Trade creditors	21.4	19.9	32.8
Corporation tax	-	4.3	3.2
Other taxation and social security	53.9	36.8	33.1
Other creditors	31.5	29.2	27.8
Accruals and deferred income	64.9	81.8	83.2
	178.1	**512.1**	**514.6**

During the period the Group repaid £236.5 million of the 2005 Propco Three Limited loan following the disposal of properties which were owned by the company. The remaining outstanding loan balance of £68.6 million has been derecognised following the company entering into a Creditors Voluntary Liquidation.

During the period Gala Retail paid rent of £5.6 million (2014: £18.8 million) and Gala Casino paid rent of £nil (2014: £0.1 million) to 2005 Propco Three Limited.

8. Creditors: Amounts Falling Due After More Than One Year

	Unaudited 4 July 2015 £m	Unaudited 5 July 2014 £m	Audited 28 September 2014 £m
Senior secured credit facilities	704.4	701.8	702.4
Senior secured notes	311.1	309.8	310.1
Senior notes	266.5	264.4	264.9
GCGL loan note	916.4	796.0	821.3
Other creditors	2.2	2.5	2.4
	2,200.6	**2,074.5**	**2,101.1**

The principal terms of the current borrowings are as follows:

	Amount £m	Interest rate %	Maturity
Borrowed by Gala Group Finance plc:			
Senior secured credit facilities			
Term loan	711.9	LIBOR + 5	27 May 2018
Revolving credit facility	100.0	LIBOR + 4	27 May 2017
Senior secured notes	315.0	8.875	1 September 2018
Borrowed by Gala Electric Casinos plc:			
Senior notes	275.0	11.5	1 June 2019

The senior secured credit facilities and the senior secured notes are secured on the assets of the Group. The Group incurred costs relating to the raising of these borrowings and the senior notes were issued at a discount to their nominal value. The issue costs and discount have been deferred and are being amortised over the term of the borrowings.

At 4 July 2015 senior secured credit facilities are presented net of unamortised issue costs of £7.5 million (5 July 2014: £10.1 million, 27 September 2014: £9.5 million).

The senior secured notes and senior notes are presented net of unamortised issue costs (and in respect of the senior notes, also the discount to nominal value) of £3.9 million (5 July 2014: £5.2 million, 27 September 2014: £4.9 million) and £8.5 million (5 July 2014: £10.6 million, 27 September 2014: £10.1 million) respectively.

In addition to the margin payable on the senior secured credit facilities, the Group pays a 1.5% (2014: 1.5%) commitment fee in respect of the unused portion of the revolving credit facility. The revolving credit facility is available to finance working capital requirements and for general corporate purposes. Whilst no amounts have been drawn down on the revolving credit facility, £34.3 million (5 July 2014: £45.0 million, 27 September 2014: £35.1 million) has been utilised through the issuance of letters of credit, primarily in respect of the licences for Eurobet Retail.

The senior secured credit facilities require the Group to comply with certain financial and non-financial covenants, all of which have been complied with. Likewise the senior secured notes and the senior notes require the Group to comply with certain non-financial covenants, all of which have been complied with.

The GCGL loan notes have been issued to its parent company, GCG Manager SA Luxco SCA. The GCGL loan notes are unsecured, were issued with a duration of 10 years and accrue interest of 15.0625% only payable on maturity on 27 October 2020. Interest accrued rolls up into the principal amount on 27 October each year until redemption. At the period end rolled up interest amounted to £466.4 million (5 July 2014: £346.7 million, September 2014: £371.7 million) and issue costs of £nil (5 July 2014: £0.7 million, 27 September 2014: £0.4 million) are netted off against the GCGL loan note.

9. Notes to the Group Cash Flow Statement

a) Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	Unaudited 4 July 2015 £m	Unaudited 5 July 2014 £m	Audited 28 September 2014 £m
Operating profit	109.4	126.6	43.6
Depreciation, amortisation, impairment and write downs	79.3	74.4	204.8
Increase in debtors	(23.8)	(8.4)	(0.9)
Decrease in stocks	0.4	1.8	2.0
(Decrease)/Increase in creditors	(0.3)	0.1	19.0
Decrease in provisions	(5.7)	(76.1)	(70.5)
Pension contributions in excess of profit & loss charge	(2.8)	(2.7)	(2.8)
FRS 20 'Share Based Payment' charge	1.1	2.6	9.9
Net cash inflow from operating activities	**157.6**	**118.3**	**205.1**

b) Analysis of Net Debt

	At 27 September 2014 £m	Cash Flow £m	Other Non-cash Movements £m	At 4 July 2015 £m
Cash at bank and in hand	224.6	(25.4)	-	199.2
Debt due within one year	(305.1)	236.5	68.6	-
Debt due after one year	(2,098.7)	-	(99.7)	(2,198.4)
Total debt	(2,403.8)	236.5	(31.1)	(2,198.4)
Net debt	**(2,179.2)**	**211.1**	**(31.1)**	**(1,999.2)**

During the period all the remaining properties in 2005 Propco Three Limited were sold with the proceeds used to repay £236.5 million of the loan, with the remaining balance of £68.6 million being derecognised following the company entering Creditors Voluntary Liquidation. Debt due within one year at the year end related to the 2005 Propco Three Limited loan.

Other non-cash movements comprise amortisation and write off of debt issue costs and senior notes discount of £5.0 million and accrued interest on the GCGL loan notes of £94.7 million.

Cash at bank and in hand as at 4 July 2015 includes the 2005 Propco Three Limited balance of £nil (5 July 2014: £5.0 million, 27 September 2014: £10.6 million) and a cash in hand balance of £11.7 million (5 July 2014: £11.1 million. 27 September 2014: £11.2 million). No cash is provided as collateral in any of the periods reported.

9. Notes to the Group Cash Flow Statement (continued)

c) Cash Flows relating to Exceptional Items (note 4)

	Unaudited 4 July 2015 £m	Unaudited 5 July 2014 £m	Audited 28 September 2014 £m
Included within operating cash flow:			
Other restructuring and VAT	(13.0)	(74.0)	(73.0)
	(13.0)	(74.0)	(73.0)
Net disposal proceeds of tangible fixed assets	206.7	1.4	24.5
Net disposal proceeds on sale of subsidiary undertakings	-	23.1	23.0
Cash disposed with subsidiary undertakings	-	(2.0)	(2.0)
Exceptional interest received (note 5)	4.0	25.7	32.5
Exceptional interest paid (note 5)	-	(6.9)	(7.3)
Net cash inflow/(outflow)	**197.7**	**(32.7)**	**(2.3)**

Net sales proceeds on the sale of tangible fixed assets includes £206.7 million (5 July 2014: £1.4 million, 27 September 2014: £23.2 million) received in relation to properties disposed of by 2005 Propco Three Limited.

In addition to the above, the Group made a pension contribution of £2.8 million (5 July 2014: £2.4 million) during the period as part of the agreed deficit funding arrangement. Further payments of £2.8 million will be made in October 2016 and 2017.

In the year ended 27 September 2014, included in other restructuring and VAT is a £54.5 million VAT payment which was made following the UK Court of Appeal's ruling in favour of HMRC, on the fiscal neutrality of VAT of gaming machines.