

# QUARTER 3 RESULTS

TWELVE WEEKS ENDED 4 JULY 2015

## Continuing strong outperformance in all markets

### HIGHLIGHTS – QUARTER 3

- Total Continuing Group EBITDA<sup>{1/2}</sup> of £65.7m was £5.1m or 8% higher than last year
- Adjusting for regulatory impacts and the World Cup in quarter 3 last year, underlying EBITDA<sup>{3}</sup> was £22.6m or 52% ahead
- Online EBITDA<sup>{1/2}</sup> of £17.1m was £3.7m or 28% ahead of last year, and was 202% ahead on an underlying basis<sup>{3}</sup>
- Coral Connect sign-ups now total over 260k 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<sup>{1}</sup> 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

### HIGHLIGHTS – YEAR TO DATE

- Total Continuing Group EBITDA<sup>{1/2}</sup> of £200.2m was £16.4m or 9% ahead with strong growth in Online and Gala Retail. On an underlying basis<sup>{4}</sup> EBITDA was £44.4m or 27% ahead

#### Carl Leaver, Group CEO, commented:

The Group posted another strong performance during the quarter with EBITDA of £65.7m which was £5.1m or 8% ahead of last year, despite incurring an additional net £12.9m of tax and regulatory costs. Adjusting FY14 for these tax and regulatory changes and the World Cup, underlying EBITDA was £22.6m or 52% ahead. This continued positive momentum is a direct result of our focus on product innovation and a disciplined approach to marketing, together with the significant capital investment made across the business over the last few years.

Underlying EBITDA growth in Online (+202%) was particularly encouraging, driven by our strategy of providing an integrated, entertaining and seamless multi-channel experience for our customers. Coral Connect customers now account for approximately 40% of Coral.co.uk gross win, with their online spend being over twice the level of non-Connect customers. Mobile has also been a key driver of our online performance. During the quarter, Coral.co.uk mobile stakes were 82% ahead of last year and Galabingo.com mobile stakes were 71% ahead.

We were pleased to announce the proposed merger between the Coral Group and Ladbrokes PLC. The deal brings together two complementary businesses, each with strong positions in the UK and, together, an extensive international footprint. The proposed merger is subject to Ladbrokes' shareholder approval and approval from the Competition and Markets Authority, with whom we have already opened dialogue. In the meantime, we will focus on driving performance through continuing to improve both our operational and financial metrics as evidenced by these results.

{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: £0.0m and Q3 FY14: £0.0m, Q3 YTD FY15: £0.0m and Q3 YTD FY14: £0.2m), Propco rental income (Q3 FY15: £0.0m and Q3 FY14: £6.6m, Q3 YTD FY15: £5.8m and Q3 YTD FY14: £21.7m) and High Roller activity (Q3 FY15: -£8.5m and Q3 FY14: £0.0m, Q3 YTD FY15: -£7.6m and Q3 YTD FY14: £0.0m)

{3} FY14 Q3 Continuing Group EBITDA (pre-exceptionals) rebased for i) the estimated impact of Point of Consumption Tax (-£6.2m), the increase in rate of MGD to 25% and DCMS FOBT higher staking restrictions (-£7.2m) and the reduction in Bingo Duty (+£3.2m), calculated as if all changes had been in existence for the corresponding periods in FY14; ii) The World Cup (£7.3m)

{4} FY14 YTD Continuing Group EBITDA (pre-exceptionals) EBITDA rebased for i) the estimated impact of Point of Consumption Tax (-£14.0m), the increase in rate of MGD to 25% and DCMS FOBT higher staking restrictions (-£9.3m) and the reduction in Bingo Duty (+£10.9m), calculated as if all changes had been in existence for the corresponding periods in FY14; ii) The World Cup (£7.3m)

## Underlying EBITDA growth of 52%

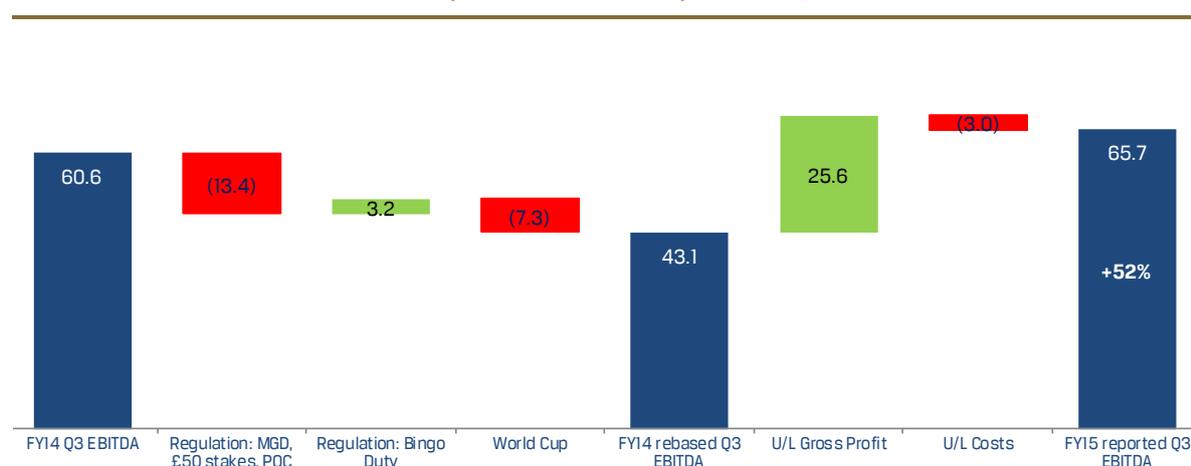
### QUARTER 3 OVERVIEW

Net Revenue of £305.0m was £16.3m or 6% ahead of last year, and EBITDA<sup>{1/2}</sup> of £65.7m was £5.1m or 8% ahead, with continued growth in Online and Gala Retail.

QUARTER 3 <sup>{3}</sup> CONTINUING OPERATIONS <sup>{2}</sup>	NET REVENUE			GROSS PROFIT			EBITDA <sup>{1}</sup>		
	FY15	FY14	+/-	FY15	FY14	+/-	FY15	FY14	+/-
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Coral Retail	158.0	156.8	1.2	116.5	119.1	(2.6)	34.9	35.5	(0.6)
Eurobet Retail	18.4	20.8	(2.4)	6.3	7.1	(0.8)	3.7	5.3	(1.6)
Online	63.6	46.5	17.1	42.1	35.0	7.1	17.1	13.4	3.7
Coral Telebet	1.1	0.4	0.7	1.0	0.3	0.7	0.3	(0.4)	0.7
Corporate Costs	-	-	-	-	-	-	(2.2)	(1.4)	(0.8)
Total Coral Group	241.1	224.5	16.6	165.9	161.5	4.4	53.8	52.4	1.4
Gala Retail	63.9	64.2	(0.3)	50.5	46.8	3.7	11.9	8.2	3.7
<b>Total</b>	<b>305.0</b>	<b>288.7</b>	<b>16.3</b>	<b>216.4</b>	<b>208.3</b>	<b>8.1</b>	<b>65.7</b>	<b>60.6</b>	<b>5.1</b>

Adjusting FY14 for the impact of regulation<sup>{4}</sup> and the World Cup<sup>{5}</sup>, underlying EBITDA<sup>{1/2}</sup> was £22.6m or 52% ahead.

FY14 Q3 Reported EBITDA to FY15 Q3 Reported EBITDA (£'m)<sup>{1/2}</sup>



### Coral Retail

Coral Retail EBITDA<sup>{1}</sup> of £34.9m was £0.6m or 2% behind last year. Adjusting FY14 for the adverse impact of MGD / high stakes restrictions (-£7.2m) and the World Cup (-£4.3m), underlying EBITDA<sup>{4/5}</sup> was £10.9m or 46% ahead.

OTC net revenue was £0.6m or 1% behind last year, and £4.5m 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 £1.7m 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.

{1} EBITDA is stated pre-exceptional items

{2} Results include all revenue and expenses for the continuing Opco Group and exclude Propoco rental income (Q3 FY15: £0.0m and Q3 FY14: £6.6m.) and High Roller activity (Q3 FY15: -£8.5m and Q3 FY14: £0.0m)

{3} Quarter 3 represents the 12 week periods ending 4 July 2015 and 5 July 2014.

{4} FY14 Continuing Group EBITDA (pre-exceptionals) rebased for the estimated impact of Point of Consumption Tax (-£6.2m), the increase in rate of MGD to 25% and DCMS FOBT high staking restrictions (-£7.2m) and the reduction in Bingo Duty (+£3.2m), calculated as if all changes had been in existence for the corresponding periods in FY14

{5} World Cup EBITDA impact (previously reported as £8.4m) is now stated net of "cannibalisation" of other OTC products in Coral Retail, which is estimated at £1.1m, resulting in an restated World Cup impact of £7.3m of which £4.3m was in Coral Retail

## Coral Retail continued

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

## Eurobet Retail

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

Adjusting FY14 for the World Cup, underlying EBITDA<sup>{1/5}</sup> was £0.2m 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.

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 £0.8m 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.

## Online

Online EBITDA<sup>{1/2}</sup> of £17.1m was £3.7m or 28% ahead of last year. Adjusting FY14 for the impact of Point of Consumption tax (-£6.2m) and the World Cup (-£1.6m), EBITDA<sup>{4/5}</sup> was £11.5m 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 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 £0.9m 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.

## Gala Retail

Gala Retail EBITDA<sup>{1}</sup> was £3.7m or 45% ahead of the prior year with the reduction in bingo duty (£3.2m) 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.

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{3} Quarter 3 represents the 12 week periods ending 4 July 2015 and 5 July 2014.

{4} FY14 Continuing Group EBITDA (pre-exceptionals) rebased for the estimated impact of Point of Consumption Tax (-£6.2m), the increase in rate of MGD to 25% and DCMS FOBT high staking restrictions (-£7.2m) and the reduction in Bingo Duty (+£3.2m), calculated as if all changes had been in existence for the corresponding periods in FY14

{5} World Cup EBITDA impact (previously reported as £8.4m) is now stated net of "cannibalisation" of other OTC products in Coral Retail, which is estimated at £1.1m, resulting in an restated World Cup impact of £7.3m of which £4.3m was in Coral Retail

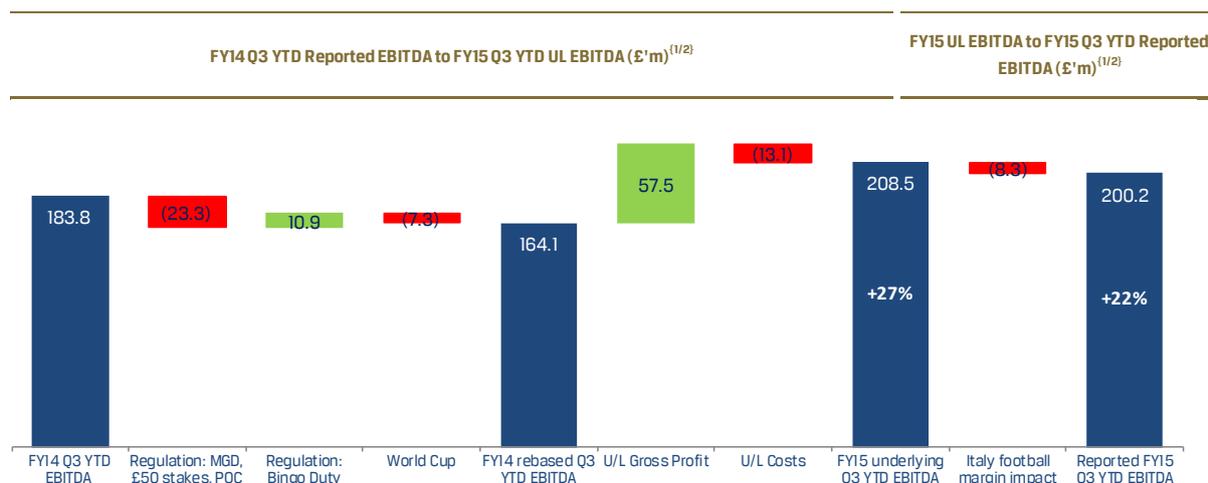
## EBITDA 9% ahead and underlying EBITDA 27% ahead

### QUARTER 3 YEAR TO DATE OVERVIEW

Net revenue of £988.7m was £49.9m or 5% ahead of last year, with Online £50.9m or 37% ahead. EBITDA<sup>{1/2}</sup> of £200.2m was £16.4m or 9% ahead with strong growth in Online and Gala Retail.

QUARTER 3 YTD <sup>{3}</sup> CONTINUING OPERATIONS <sup>{2}</sup>	NET REVENUE			GROSS PROFIT			EBITDA <sup>{1}</sup>		
	FY15	FY14	+/-	FY15	FY14	+/-	FY15	FY14	+/-
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Coral Retail	524.2	521.8	2.4	391.9	396.6	(4.7)	113.4	113.6	(0.2)
Eurobet Retail	60.9	62.8	(1.9)	19.0	21.0	(2.0)	10.6	14.6	(4.0)
Online	186.9	136.0	50.9	126.4	102.7	23.7	41.0	34.8	6.2
Coral Telebet	3.8	3.0	0.8	3.3	2.5	0.8	1.3	(0.1)	1.4
Corporate Costs	-	-	-	-	-	-	(4.2)	(3.3)	(0.9)
Total Coral Group	775.8	723.6	52.2	540.6	522.8	17.8	162.1	159.6	2.5
Gala Retail	212.9	215.2	(2.3)	167.3	155.6	11.7	38.1	24.2	13.9
<b>Total</b>	<b>988.7</b>	<b>938.8</b>	<b>49.9</b>	<b>707.9</b>	<b>678.4</b>	<b>29.5</b>	<b>200.2</b>	<b>183.8</b>	<b>16.4</b>

Adjusting FY14 for the impact of regulation<sup>{4}</sup> and the World Cup<sup>{5}</sup>, and adjusting FY15 for the year-on-year impact of the exceptionally poor football margins in Italy<sup>{6}</sup>, underlying EBITDA<sup>{1/2}</sup> was £44.4m or 27% ahead of last year.



#### Coral Retail

Coral Retail EBITDA<sup>{1}</sup> of £113.4m was £0.2m behind last year. Underlying EBITDA<sup>{1}</sup> was £13.4m or 13% ahead after adjusting for the impact of regulation<sup>{4}</sup> and the World Cup<sup>{5}</sup>. Excluding the World Cup, OTC net revenue was £4.8m or 2% behind last year, and Machines net revenue was £12.2m or 4% ahead, primarily driven by increased slots content.

#### Eurobet Retail

Eurobet Retail EBITDA<sup>{1}</sup> was £4.0m or 27% behind last year following the adverse football results during H1<sup>{6}</sup> 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 £3.6m 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.

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 {2} Results include all revenue and expenses for the continuing Opco Group and exclude the Casinos disposed of in FY14 (Q3 YTD FY15 £0.0m and Q3 YTD FY14 £0.2m), Propco rental income (Q3 FY15 YTD: £5.8m and Q3 FY14: £21.7m,) and High Roller activity (Q3 FY15 YTD: -£7.6m and Q3 FY14 YTD: £0.0m)  
 {3} Quarter 3 year to date represents the 40 week periods ending 4 July 2015 and 5 July 2014  
 {4} FY14 Continuing Group EBITDA (pre-exceptionals) rebased for the estimated impact of Point of Consumption Tax (-£14.0m), the increase in rate of MGD to 25% and DCMS FOBT higher staking restrictions (-£9.3m) and the reduction in Bingo Duty (+£10.9m) calculated as if all changes had been in existence for the corresponding periods in FY14  
 {5} World Cup EBITDA impact (previously reported as £8.4m) is now stated net of "cannibalisation" of other OTC products in Coral Retail, which is estimated at £1.1m, resulting in an restated World Cup impact of £7.3m of which £4.4m was in Coral Retail  
 {6} 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 £10.8m (Retail: £7.7m, Online £3.1m) versus long-term trends as reported at H1, compared to an adverse EBITDA impact of £2.5m in FY14 (all Retail), resulting in a £8.3m year-on-year adverse movement (Retail: £5.2m, Online £3.1m)

## Online

Online EBITDA<sup>{1/2}</sup> of £41.0m was £6.2m or 18% ahead of last year. After adjusting FY14 for the impact of regulation<sup>{4}</sup> and the World Cup<sup>{5}</sup> and FY15 for the adverse football results in Eurobet.it during the first half of the year<sup>{6}</sup> underlying EBITDA<sup>{1/2}</sup> grew by £24.6m or 126%.

Coral.co.uk net revenue was 67% ahead of last year, with actives 16% ahead and spend-per-head 40% ahead. Over 260k 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 £0.3m or 3% behind.

Eurobet.it actives were 24% ahead of the prior year and sports stakes were 59% ahead (69% excluding the World Cup). Despite poor football results driving a 4.0pp decline in margin, sports net revenue was £0.9m or 8% ahead.

## Gala Retail

Gala Retail EBITDA<sup>{1}</sup> was £13.9m or 57% ahead of last year supported by the reduction in bingo duty (£10.9m). 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.

## High Roller Activity

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

{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 £0.0m and Q3 YTD FY14 £0.2m), Propoco rental income (Q3 FY15 YTD: £5.8m and Q3 FY14: £21.7m,) and High Roller activity (Q3 FY15 YTD: -£7.6m and Q3 FY14 YTD: £0.0m)

{3} Quarter 3 year to date represents the 40 week periods ending 4 July 2015 and 5 July 2014

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{6} 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 £10.8m (Retail: £7.7m, Online £3.1m) versus long-term trends as reported at H1, compared to an adverse EBITDA impact of £2.5m in FY14 (all Retail), resulting in a £8.3m year-on-year adverse movement (Retail: £5.2m, Online £3.1m)

## **RESPONSIBLE GAMBLING AND REGULATORY**

Gala Coral continues to work closely with other leading players in the industry to develop its approach to responsible gambling. The latter part of the year will see further developments from the industry in response to the research published in December 2014 by the Responsible Gambling Trust into gaming machines as well as enhancements to the way retail self-exclusion operates.

The Group continues to engage with key stakeholders and monitor closely any further regulatory developments such as the possible impact of the Scotland Bill on gaming machines and how the Government proposes to evolve the current Horseracing Levy into the Racing Right.

## **EXCEPTIONAL COSTS**

Exceptional items in the year to date amounted to a £20.4m charge (2014: £11.3m). Included within exceptionals are restructuring costs net of VAT rebates of £6.1m (2014: £8.0m) 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 £2.1m 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.

## **FINANCING**

Opco net debt for accounting purposes (excluding shareholder loan notes) was £1,082.8m at the end of the period versus £1,063.4m at the year end. The increase in Opco net debt is a result of a cash outflow for the period of £14.8m and £4.6m of amortisation of issue costs.

Ladbrokes is currently exploring options to put committed funding in place for the merger prior to the publication of the shareholder circular. Gala Coral is supporting Ladbrokes in this respect. Committed funding may include some or all of Gala Coral's existing debt or it may be repaid at completion of the merger.

## **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.

## APPENDIX 1: DIVISIONAL KPIs

CORAL RETAIL	QUARTER 3 <sup>{2}</sup>			QUARTER 3 YTD <sup>{2}</sup>		
	FY15	FY14	Var %	FY15	FY14	Var %
<b>KPIs<sup>{3}</sup></b>						
OTC gross win margin (%)	17.6%	17.4%	0.2pp	17.4%	17.4%	-
Average number of LBOs	1,848	1,827	1%	1,840	1,814	1%
Average number of Machines	7,373	7,291	1%	7,343	7,231	2%
Gross win / machine / week (£)	963	956	1%	989	960	3%
<b>P&amp;L<sup>{3}</sup></b>	<b>£'m</b>	<b>£'m</b>		<b>£'m</b>	<b>£'m</b>	
OTC amount staked	405.9	414.2	(2%)	1,324.9	1,376.0	(4%)
Machines amount staked	2,115.0	2,197.1	(4%)	7,398.4	7,312.7	1%
<b>Total amounts staked<sup>{3}</sup></b>	<b>2,520.9</b>	<b>2,611.3</b>	<b>(3%)</b>	<b>8,723.3</b>	<b>8,688.7</b>	<b>0%</b>
OTC gross win	71.5	72.0	(1%)	230.0	239.7	(4%)
Machines gross win	85.2	83.7	2%	290.4	277.8	5%
<b>Total gross win<sup>{3}</sup></b>	<b>156.7</b>	<b>155.7</b>	<b>1%</b>	<b>520.4</b>	<b>517.5</b>	<b>1%</b>
OTC net revenue	71.2	71.8	(1%)	228.8	238.7	(4%)
Machines net revenue	84.5	82.8	2%	287.2	275.0	4%
<b>Total net revenue<sup>{3/4}</sup></b>	<b>155.7</b>	<b>154.6</b>	<b>1%</b>	<b>516.0</b>	<b>513.7</b>	<b>0%</b>
<b>Gross profit</b>	<b>116.5</b>	<b>119.1</b>	<b>(2%)</b>	<b>391.9</b>	<b>396.6</b>	<b>(1%)</b>
Operating Costs	(81.6)	(83.6)	2%	(278.5)	(283.0)	2%
<b>EBITDA<sup>{1}</sup></b>	<b>34.9</b>	<b>35.5</b>	<b>(2%)</b>	<b>113.4</b>	<b>113.6</b>	<b>(0%)</b>

EUROBET RETAIL	QUARTER 3 <sup>{2}</sup>			QUARTER 3 YTD <sup>{2}</sup>		
	FY15	FY14	Var %	FY15	FY14	Var %
<b>KPIs</b>						
LBO sports gross win margin (%)	18.5%	22.5%	(4.0pp)	15.8%	21.7%	(5.9pp)
Average number of licences	824	810	2%	826	714	16%
<b>P&amp;L</b>	<b>£'m</b>	<b>£'m</b>		<b>£'m</b>	<b>£'m</b>	
LBO sports amount staked	63.0	55.3	14%	233.4	195.9	19%
Other amounts staked	40.8	43.7	(7%)	145.4	99.7	46%
<b>Total amounts staked</b>	<b>103.8</b>	<b>99.0</b>	<b>5%</b>	<b>378.8</b>	<b>295.6</b>	<b>28%</b>
LBO sports gross win	11.7	12.5	(6%)	36.9	42.5	(13%)
Other gross win	6.7	8.3	(19%)	24.0	20.3	18%
<b>Total gross win</b>	<b>18.4</b>	<b>20.8</b>	<b>(12%)</b>	<b>60.9</b>	<b>62.8</b>	<b>(3%)</b>
LBO sports net revenue	11.7	12.4	(6%)	36.9	42.4	(13%)
Other net revenue	6.7	8.4	(20%)	24.0	20.4	18%
<b>Total net revenue<sup>{4}</sup></b>	<b>18.4</b>	<b>20.8</b>	<b>(12%)</b>	<b>60.9</b>	<b>62.8</b>	<b>(3%)</b>
<b>Gross profit</b>	<b>6.3</b>	<b>7.1</b>	<b>(11%)</b>	<b>19.0</b>	<b>21.0</b>	<b>(10%)</b>
Operating Costs	(2.6)	(1.8)	(44%)	(8.4)	(6.4)	(31%)
<b>EBITDA<sup>{1}</sup></b>	<b>3.7</b>	<b>5.3</b>	<b>(30%)</b>	<b>10.6</b>	<b>14.6</b>	<b>(27%)</b>

{1} EBITDA is stated pre-exceptional items

{2} Quarter 3 represents the 12 week periods ending 4 July 2015 and 5 July 2014. Quarter 3 year to date represents the 40 week periods ending 4 July 2015 and 5 July 2014

{3} Excludes Stadia and Vending income

{4} Net revenue is calculated as gross win less free bets

## APPENDIX 1: DIVISIONAL KPIS

ONLINE	QUARTER 3 <sup>(2)</sup>			QUARTER 3 YTD <sup>(2)</sup>		
	FY15	FY14	Var %	FY15	FY14	Var %
<b>KPIs</b>						
Actives - Coral.co.uk ('000)	379.5	381.7	(1%)	765.5	658.2	16%
Actives - Eurobet.it ('000)	92.0	83.3	10%	165.9	133.8	24%
Actives - Gala websites ('000)	198.0	162.0	22%	398.3	360.2	11%
Sports GW% - Coral.co.uk (%)	8.2%	6.6%	1.7pp	6.4%	6.7%	(0.3pp)
Sports GW% - Eurobet.it (%)	12.1%	16.0%	(3.9pp)	10.7%	14.7%	(4.0pp)
<b>P&amp;L</b>						
<b>Amounts staked</b>	<b>1,549.0</b>	<b>1,172.4</b>	<b>32%</b>	<b>4,827.4</b>	<b>3,518.0</b>	<b>37%</b>
Gross win - Coral.co.uk	42.3	25.9	63%	114.5	69.3	65%
Gross win - Eurobet.it	9.8	9.0	9%	32.0	29.0	10%
Gross win - Gala websites	29.1	24.8	17%	94.8	77.2	23%
<b>Total gross win</b>	<b>81.2</b>	<b>59.7</b>	<b>36%</b>	<b>241.3</b>	<b>175.5</b>	<b>37%</b>
Net Revenue - Coral.co.uk	33.2	19.7	69%	88.1	52.8	67%
Net Revenue - Eurobet.it	8.9	8.0	11%	28.5	26.3	8%
Net Revenue - Gala websites	21.5	18.8	14%	70.3	56.9	24%
<b>Net revenue<sup>(4)</sup></b>	<b>63.6</b>	<b>46.5</b>	<b>37%</b>	<b>186.9</b>	<b>136.0</b>	<b>37%</b>
<b>Gross profit</b>	<b>42.1</b>	<b>35.0</b>	<b>20%</b>	<b>126.4</b>	<b>102.7</b>	<b>23%</b>
Operating Costs	(13.4)	(9.7)	(38%)	(41.6)	(30.8)	(35%)
Marketing	(11.6)	(11.9)	3%	(43.8)	(37.1)	(18%)
<b>EBITDA<sup>(1)</sup></b>	<b>17.1</b>	<b>13.4</b>	<b>28%</b>	<b>41.0</b>	<b>34.8</b>	<b>18%</b>

GALA RETAIL	QUARTER 3 <sup>(2)</sup>			QUARTER 3 YTD <sup>(2)</sup>		
	FY15	FY14	Var %	FY15	FY14	Var %
<b>KPIs<sup>(3)</sup></b>						
Admissions ('000)	3,583	3,673	(2%)	11,781	12,344	(5%)
Spend per head (£)	34.15	34.11	0%	34.70	33.89	2%
<b>P&amp;L<sup>(3)</sup></b>						
	<b>£'m</b>	<b>£'m</b>		<b>£'m</b>	<b>£'m</b>	
<b>Net Income</b>	<b>68.4</b>	<b>67.4</b>	<b>1%</b>	<b>227.8</b>	<b>224.7</b>	<b>1%</b>
<b>Net revenue<sup>(5)</sup></b>	<b>63.9</b>	<b>64.2</b>	<b>(0%)</b>	<b>212.9</b>	<b>215.2</b>	<b>(1%)</b>
<b>Gross profit</b>	<b>50.5</b>	<b>46.8</b>	<b>8%</b>	<b>167.3</b>	<b>155.6</b>	<b>8%</b>
Operating Costs	(31.0)	(28.6)	(9%)	(102.1)	(99.5)	(3%)
Rent (including propco rent)	(7.6)	(10.0)	24%	(27.1)	(31.9)	15%
<b>EBITDA<sup>(1)</sup></b>	<b>11.9</b>	<b>8.2</b>	<b>45%</b>	<b>38.1</b>	<b>24.2</b>	<b>57%</b>

{1} EBITDA is stated pre-exceptional items

{2} Quarter 3 represents the 12 week periods ending 4 July 2015 and 5 July 2014. Quarter 3 year to date represents the 40 week periods ending 4 July 2015 and 5 July 2014

{3} Results are for the total estate

{4} Net revenue is calculated as gross win less customer bonuses

{5} Net revenue is calculated as net income less added prize money and vouchers

## APPENDIX 2: EBITDA Financial Year and Calendar Year

EBITDA	FY15			
	Q1 (16 weeks) £'m	Q2 (12 weeks) £'m	Q3 (12 weeks) £'m	Q4 (12 weeks) £'m
Coral Retail	40.1	38.4	34.9	
Eurobet Retail	2.2	4.7	3.7	
Online	12.9	11.0	17.1	
Coral Telebet	0.5	0.5	0.3	
Corporate Costs	(0.5)	(1.5)	(2.2)	
Total Coral Group	55.2	53.1	53.8	
Gala Retail	12.1	14.1	11.9	
<b>Total</b>	<b>67.3</b>	<b>67.2</b>	<b>65.7</b>	<b>-</b>

EBITDA	CY15			
	Q1 (FY Q2) (12 weeks) £'m	Q2 (FY Q3) (12 weeks) £'m	Q3 (FY Q4) (12 weeks) £'m	Q4 (FY16 Q1) (16 weeks) £'m
Coral Retail	38.4	34.9		
Eurobet Retail	4.7	3.7		
Online	11.0	17.1		
Coral Telebet	0.5	0.3		
Corporate Costs	(1.5)	(2.2)		
Total Coral Group	53.1	53.8		
Gala Retail	14.1	11.9		
<b>Total</b>	<b>67.2</b>	<b>65.7</b>	<b>-</b>	<b>-</b>

EBITDA	FY14			
	Q1 (16 weeks) £'m	Q2 (12 weeks) £'m	Q3 (12 weeks) £'m	Q4 (12 weeks) £'m
Coral Retail	40.0	38.1	35.5	29.4
Eurobet Retail	3.6	5.7	5.3	4.2
Online	10.8	10.6	13.4	14.7
Coral Telebet	(0.5)	0.8	(0.4)	(0.4)
Corporate Costs	(0.7)	(1.2)	(1.4)	(4.9)
Total Coral Group	53.2	54.0	52.4	43.0
Gala Retail	7.3	8.7	8.2	8.7
<b>Total</b>	<b>60.5</b>	<b>62.7</b>	<b>60.6</b>	<b>51.7</b>

EBITDA	CY14			
	Q1 (FY Q2) (12 weeks) £'m	Q2 (FY Q3) (12 weeks) £'m	Q3 (FY Q4) (12 weeks) £'m	Q4 (FY15 Q1) (16 weeks) £'m
Coral Retail	38.1	35.5	29.4	40.1
Eurobet Retail	5.7	5.3	4.2	2.2
Online	10.6	13.4	14.7	12.9
Coral Telebet	0.8	(0.4)	(0.4)	0.5
Corporate Costs	(1.2)	(1.4)	(4.9)	(0.5)
Total Coral Group	54.0	52.4	43.0	55.2
Gala Retail	8.7	8.2	8.7	12.1
<b>Total</b>	<b>62.7</b>	<b>60.6</b>	<b>51.7</b>	<b>67.3</b>

## APPENDIX 3: Regulatory Impact - Financial Years 2015 and 2014

Regulatory Impact: FY15 Actuals	FY15			
	Q1 (16 weeks) £'m	Q2 (12 weeks) £'m	Q3 (12 weeks) £'m	Q4 <sup>{1}</sup> (12 weeks) £'m
<b>Coral Retail:</b>				
MGD / DCMS	-	(2.2)	(7.1)	(7.2)
<b>Online:</b>				
POC	(3.6)	(8.2)	(8.7)	(8.8)
<b>Telebet:</b>				
POC	(0.0)	(0.2)	(0.2)	(0.1)
<b>Gala Retail:</b>				
Bingo Duty	4.1	3.3	3.1	3.1
<b>Total</b>	<b>0.5</b>	<b>(7.3)</b>	<b>(12.9)</b>	<b>(13.0)</b>

Regulatory Impact: FY14 Actuals	FY14			
	Q1 (16 weeks) £'m	Q2 (12 weeks) £'m	Q3 (12 weeks) £'m	Q4 (12 weeks) £'m
<b>Coral Retail:</b>				
MGD / DCMS	-	-	-	-
<b>Online:</b>				
POC	-	-	-	-
<b>Telebet:</b>				
POC	-	-	-	-
<b>Gala Retail:</b>				
Bingo Duty	-	-	-	3.1
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.1</b>

Regulatory Impact: FY14 Rebased <sup>{2}</sup>	FY14			
	Q1 (16 weeks) £'m	Q2 (12 weeks) £'m	Q3 (12 weeks) £'m	Q4 (12 weeks) £'m
<b>Coral Retail:</b>				
MGD / DCMS	-	(2.1)	(7.2)	(7.2)
<b>Online:</b>				
POC	(2.1)	(5.5)	(6.2)	(6.1)
<b>Telebet:</b>				
POC	(0.0)	(0.2)	(0.0)	(0.2)
<b>Gala Retail:</b>				
Bingo Duty	4.2	3.5	3.2	3.1
<b>Total</b>	<b>2.1</b>	<b>(4.3)</b>	<b>(10.1)</b>	<b>(10.4)</b>

{1} Forecast

{2} Regulatory impacts are calculated as if all changes had been in existence for same time periods in FY14 as they were in FY15

## APPENDIX 4: Regulatory Impact - Calendar Years 2015 and 2014

Regulatory Impact: CY15 Actuals		CY15			
	Q1 (FYQ2) (12 weeks) £'m	Q2 (FYQ3) (12 weeks) £'m	Q3 (FYQ4) <sup>{1}</sup> (12 weeks) £'m	Q3 (FYQ1) <sup>{1}</sup> (16 weeks) £'m	
<b>Coral Retail:</b>					
MGD / DCMS	(2.2)	(7.1)	(7.2)	(8.4)	
<b>Online:</b>					
POC	(8.2)	(8.7)	(8.8)	(12.5)	
<b>Telebet:</b>					
POC	(0.2)	(0.2)	(0.1)	(0.1)	
<b>Gala Retail:</b>					
Bingo Duty	3.3	3.1	3.1	3.9	
<b>Total</b>	<b>(7.3)</b>	<b>(12.9)</b>	<b>(13.0)</b>	<b>(17.0)</b>	

Regulatory Impact: CY14 Actuals		CY14			
	Q1 (FY Q2) (12 weeks) £'m	Q2 (FY Q3) (12 weeks) £'m	Q3 (FY Q4) (12 weeks) £'m	Q4 (FY15 Q1) (16 weeks) £'m	
<b>Coral Retail:</b>					
MGD / DCMS	-	-	-	-	
<b>Online:</b>					
POC	-	-	-	(3.6)	
<b>Telebet:</b>					
POC	-	-	-	(0.0)	
<b>Gala Retail:</b>					
Bingo Duty	-	-	3.1	4.1	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3.1</b>	<b>0.5</b>	

Regulatory Impact: CY14 Rebased <sup>{2}</sup>		CY14			
	Q1 (FY Q2) (12 weeks) £'m	Q2 (FY Q3) (12 weeks) £'m	Q3 (FY Q4) (12 weeks) £'m	Q4 (FY15 Q1) (16 weeks) £'m	
<b>Coral Retail:</b>					
MGD / DCMS	(2.1)	(7.2)	(7.2)	(8.1)	
<b>Online:</b>					
POC	(5.5)	(6.2)	(6.1)	(9.1)	
<b>Telebet:</b>					
POC	(0.2)	(0.0)	(0.2)	(0.2)	
<b>Gala Retail:</b>					
Bingo Duty	3.5	3.2	3.1	4.1	
<b>Total</b>	<b>(4.3)</b>	<b>(10.1)</b>	<b>(10.4)</b>	<b>(13.3)</b>	

{1} Forecast

{2} Regulatory impacts are calculated as if all changes had been in existence for same time periods in CY14 as they were in CY15

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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 12 weeks ended 4 July 2015 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.