

# FINANCIAL RESULTS

FOR THE YEAR ENDED 27 SEPTEMBER 2014

Strong underlying growth in all major divisions

## FULL YEAR HIGHLIGHTS

- EBITDA<sup>{1/2}</sup> growth of 14% and underlying EBITDA<sup>{1/2/3}</sup> growth of 20%
- Very strong growth in Coral.co.uk – actives 70% ahead and gross profit 134% ahead
- Market leading growth in Galabingo.com in very competitive markets – gross profit 18% ahead
- Market share gains in both Eurobet Retail and Eurobet.it – up 2.4pp to 11.2%
- Resilient performance by Coral Retail – gross profit 3% up despite extraordinarily adverse football results
- Gala Retail growth in admissions (like-for-like 1% ahead) and EBITDA 30% ahead

## KEY FINANCIALS

	FULL YEAR <sup>{4}</sup>		
	FY14	FY13	%
	£'m	£'m	
Turnover <sup>{1}</sup>	1,239.3	1,091.7	14%
Gross Profit <sup>{1}</sup>	890.1	815.4	9%
<b>Opco EBITDA<sup>{1/2}</sup></b>	<b>235.5</b>	<b>205.7</b>	<b>14%</b>
Disposed Casino business	0.2	13.0	-
Propco rent	28.2	27.7	2%
<b>Total Group EBITDA<sup>{2}</sup></b>	<b>263.9</b>	<b>246.4</b>	<b>7%</b>

{1} Results include all revenue and expenses for the continuing Opco Group and exclude the discontinued Casino business

{2} Pre-exceptional items

{3} Underlying EBITDA defined as EBITDA adjusted for the adverse impacts of football results in H1 and MGD, and the favourable impacts of the World Cup and Bingo Duty

{4} The full year represents the 52 week period ending 27 September in 2014, and the 52 week period ending 28 September in 2013

Carl Leaver, Gala Coral Group CEO commented:

"The Group's financial performance in the full year was very pleasing with all major divisions reporting underlying growth in both gross profit and EBITDA. The significant investment in launching our new Online business is paying off strongly, with gross profit up 54% and EBITDA up 104%. In particular Coral.co.uk had an outstanding year with gross profit up 134%. We expect this momentum to continue into FY15 following strong customer acquisition throughout the World Cup during which Coral.co.uk attracted 136k new depositors, despite the decision not to advertise on TV due to the very high costs. Coral Connect, our new multi-channel offering, will also make a big contribution.

The Group had a strong World Cup, contributing £9.4m EBITDA in total. The tournament provided a useful benchmark for the progress of the business over the last 4 years: Coral Retail stakes were 11% higher than in 2010, with Eurobet Retail 84% higher, and Coral.co.uk a remarkable 600% higher.

Coral Retail's performance was resilient in the face of the worst football results on record during the first half of the financial year and the continued decline in horse racing stakes. Normalising for the football results, and adjusting for the World Cup and MGD, both underlying gross profit and underlying EBITDA increased, with the latter benefitting from extremely strong cost control.

### CEO comment continued

In Italy, the rollout of 500 new licences combined with the successful launch of Virtual betting and a successful World Cup, drove significant EBITDA growth of 100% versus last year.

The turnaround in Gala Retail during the year was encouraging, with admissions returning to growth and a focus on tight cost control helping deliver a 30% increase in EBITDA. The process to explore a possible sale of Gala Retail was launched in Quarter 3 and remains ongoing.

The political and regulatory headwinds in the UK have been considerable and the Group has worked constructively with the Government and Regulators to implement the planned changes. One of our core operating principles is to ensure that we enable our customers to enjoy gambling as a leisure pursuit while protecting any vulnerable customers and providing them with the information and tools they need to stay in control. Our approach often goes beyond regulatory requirements, and we are proud to have played our part in helping to establish the Senet Group, which we believe has an important role to play in holding the industry to account. Acting together as an industry is the most effective way to promote responsible gambling, and we are actively seeking to build consensus around opportunities to minimise the risk of gambling-related harm."

## FULL YEAR

Underlying EBITDA growth of 20%

### OVERVIEW

The key trading highlights for the Group<sup>{1/2}</sup> for the year ended 27 September 2014 were as follows:

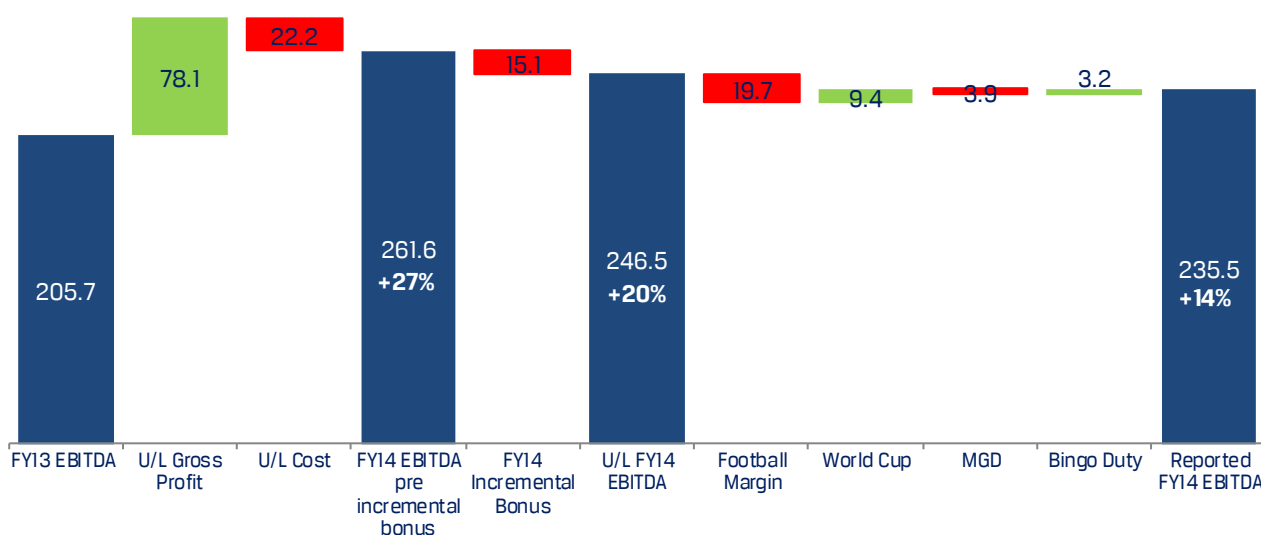
Gross profit of £890.1m was £74.7m or 9% ahead of last year, with all major businesses in growth. EBITDA<sup>{1/2}</sup> of £235.5m was £29.8m or 14% ahead.

FULL YEAR CONTINUING OPERATIONS <sup>{1}</sup>	GROSS PROFIT			EBITDA <sup>{1/2}</sup>		
	FY14	FY13	+/-	FY14	FY13	+/-
	£'m	£'m	£'m	£'m	£'m	£'m
Coral Retail	514.7	501.0	13.7	143.0	148.5	(5.5)
Eurobet Retail	28.7	15.5	13.2	18.8	9.4	9.4
Total Retail	543.4	516.5	26.9	161.8	157.9	3.9
Online	138.9	90.1	48.8	49.5	24.3	25.2
Coral Telebet	3.1	4.2	(1.1)	(0.5)	1.0	(1.5)
Gala Retail	204.7	204.6	0.1	32.9	25.2	7.7
Corporate Costs	-	-	-	(8.2)	(2.7)	(5.5)
<b>Total</b>	<b>890.1</b>	<b>815.4</b>	<b>74.7</b>	<b>235.5</b>	<b>205.7</b>	<b>29.8</b>

After adjusting for the adverse impacts of football results in the first half of the year (£19.7m) and the annualisation of MGD (£3.9m), and the favourable impacts of both the World Cup (£9.4m) and the reduction in Bingo Duty to 10% (£3.2m), underlying EBITDA<sup>{1/2}</sup> increased by £40.8m or 20%. Before the £15.1m incremental bonus costs, underlying EBITDA<sup>{1/2}</sup> increased by £55.9m or 27%.

FY13 Reported EBITDA to FY14 Underlying EBITDA (£'m)<sup>{1/2}</sup>

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



{1} Results include all revenue and expenses for the continuing Opco Group and exclude the discontinued Casinos  
 {2} Pre-exceptional items

## KEY DRIVERS OF GROWTH

### Online

All websites continued to show strong growth in the year.

Coral.co.uk actives grew by 70% driven by innovative marketing and a successful World Cup. Sportsbook developments included the launch of live streaming and an increased number of BiP markets, driving a three-fold increase in Bet-in-Play stakes. Growth in spend-per-active was also supported by the single wallet which enabled effective cross-sell of new sportsbook actives into gaming. In addition, the gaming product pipeline remains very strong; during the year 124 new games were launched of which 20% were exclusive to Coral.

Galabingo.com delivered gross profit and EBITDA<sup>{2}</sup> growth, with actives 2% ahead, despite an increasingly competitive online Bingo market. A focus on the customer journey, adapted to different customer segments, helped deliver an increase in spend-per-active of 23%. Galacasino.com grew actives by 14% and gross profit by 36%. Both websites are well positioned to absorb the impact of Point of Consumption Tax, which is effective from 1 December 2014, and to respond quickly to any subsequent market adjustments.

Mobile penetration increased significantly versus last year. The percentage of actives using the mobile platform<sup>{3}</sup> increased dramatically in all brands: Coral.co.uk 67.2% (2013: 53.8%), Galabingo.com 54.3% (2013: 39.7%), Galacasino.com 48.7% (2013: 24.2%), and Eurobet 45.3% (2013: 35.4%).

### Multichannel

Leveraging our significant retail presence in both the UK and Italy to drive online growth is a key pillar of our growth strategy.

Coral Connect was trialled in Quarter 2 and rolled out to all shops in advance of the World Cup. Sign-ups are now in excess of 160k. The Connect card enables customers to access their online wallet in shops, both over-the-counter and on machines.

In Italy, Retail accounts for over 50% of our online customer acquisition. The enlarged retail estate will continue to deliver a significant proportion of new Eurobet.it actives, a crucial advantage over other non-land based operators in what is an increasingly competitive online market. This capability reduces the reliance on above-the-line TV advertising and therefore results in a lower overall cost of acquisition. Our multichannel offering has been in place for 8 years and provides an indication of the potential penetration upside in the UK.

### Italy

The completion of the new shop rollout in Italy was a major milestone, with Eurobet Retail now the fourth largest operator in Italy. This increased scale, and crucially the speed at which these new licences were rolled out, has driven a significant increase in market share (2014: 12.4% 2013: 8.9%).

The launch of Virtual betting in the year was a huge success, and again our speed to market was crucial in acquiring market share, which stood at 17% of the retail virtual betting market at the end of the year.

Eurobet.it has continued its profitable growth, driven by an improved Bet-in-Play offering, a strong pipeline of new games and successful multi-channel acquisition. Eurobet.it market share at the end of the financial year was 9.2% (2013: 8.4%).

## RESPONSIBLE GAMBLING AND REGULATORY

Alongside other major operators, the Group has taken steps to acknowledge public concerns around problem gambling and to put in place tangible actions to reflect this. Most notably in September 2015 the Group was one of the founders of The Senet Group which announced a series of voluntary advertising restrictions and funding for a new responsible gambling awareness campaign to be launched in the new year. The creation of Senet has been welcomed by many politicians and regulators, although all would acknowledge that it is at an early stage and its development over the months ahead is important.

Internally, a new Responsible Gambling Committee has been established, chaired by the Group CEO, to ensure that there is ownership and oversight of all responsible gambling issues from the top of the Group. The Group CEO reports to the Board on progress at every Board Meeting.

There are a number of live discussions and consultations which will impact on the industry over the months ahead – including the publication of the Responsible Gambling Trust's review into problem gambling, due in early December, and the Government's reviews into the LBO planning application process and gambling advertising on television, both also expected before the end of the year. The Group's position on all of these issues is to seek to engage in constructive dialogue, explore where there are opportunities for change and to argue for the importance of a clear evidence based approach.

The scale and performance of our Online business means we are well placed ahead of the introduction of Point of Consumption Tax in December. We expect a number of smaller operators to exit the market, therefore providing the potential for further market share gains.

{1} Results include all revenue and expenses for the continuing Opco Group and exclude the discontinued Casinos (FY14: £0.0m and FY13: £0.0m) and Propco rental income (FY14: £6.5m and FY13: £6.5m)

{2} Pre-exceptional items

{3} Underlying EBITDA defined as EBITDA adjusted for the adverse impact of Machine cost phasing and the favourable impacts of the World Cup

## Responsible gambling and regulatory continued

The rate of MGD will increase from 20% to 25% in April 2015 which, alongside further action to promote responsible gambling (including 'high stakes supervision') will place significant pressure on low performing LBOs. While there are still some opportunities for new licences, there is now an active programme of shop closures which we expect to accelerate from April 2015 onwards as leases expire. As part of this programme Coral has closed 24 shops as they have become loss-making, and our competitors have closed many more.

## EXCEPTIONAL ITEMS

Exceptional items in the year amounted to a charge of £128.4m (2013: £72.9m).

Exceptional items include a £106.2m non-cash impairment charge on the writedown of assets and other costs resulting from the recent changes in regulation (2013: £nil). Exceptional items also include an £8.5m non-cash write off of assets on closed Bingo clubs and Casinos (2013: £6.0m), restructuring costs and VAT of £4.8m (2013: £10.0m), a non-cash share based payments charge of £10.3m (2013: £14.9m) and a £1.4m net credit in relation to the release of certain onerous lease provisions (2013: £17.1m).

## FINANCING

Opcos external net debt (net of issue costs and excluding shareholder loan notes) was £1,063.4m (2013: £1,097.4m). £35.0m of the senior secured notes were repaid during the year. Opcos cash inflow for the year of £5.6m was offset by the amortisation of issue costs of £6.6m. Cash at bank and in hand of £224.6m includes cash for covenant purposes of £202.8m.

## VAT CLAIMS

Following the ruling against Rank PLC by the Court of Appeal in respect of certain VAT 'slots' claims, £54.5m was paid by the Group to HMRC on 24th April 2014. Rank PLC's appeal to the Supreme Court will be held in April 2015 and the Group remains confident that an appeal will ultimately find in favour of the gaming operators. This payment has had no adverse impact on the available financial headroom under the Group's financial covenants, as the Senior Facility Agreement includes an adjustment for this VAT repayment.

The Group achieved £45.0m of Conde Nast VAT claim net receipts during the year.

## PROPCO

2005 Propco Three Limited's loan of £305.1m was repayable on 22 April 2014 and is now in default. This loan is ring-fenced from the Opcos and security for the loan is restricted to the assets of 2005 Propco Three Limited and the shares in 2005 Propco Three Limited which are owned by 2005 Propco Two Limited only. In addition, the operating leases between Gala Leisure Limited and 2005 Propco Three Limited are unaffected by the default on the loan. There is therefore no impact on Gala Retail, or on the directors' assessment of the going concern for the Group. The directors of 2005 Propco Three Limited continue to be in regular dialogue with the lending providers and are committed to reaching a satisfactory resolution.

## CURRENT TRADING

Trading in the first 7 weeks of the new financial year has been encouraging with growth in Eurobet Retail and the Online division continuing on the same trajectory as evidenced in FY14.

Sports gross win margins in the period have been mixed; Coral.co.uk is significantly ahead of the same period last year whereas Coral Retail is in-line and both Eurobet Retail and Eurobet.it have been impacted by customer friendly football results in Serie A and the Europa League.

Spend-per-head in Gala Retail is 3% ahead of last year, helping drive gross profit ahead in all products.

## QUARTER 4

Underlying EBITDA growth of 48%

### OVERVIEW

The key trading highlights for the Group<sup>{1/2}</sup> for the twelve weeks ended 27 September 2014 were as follows:

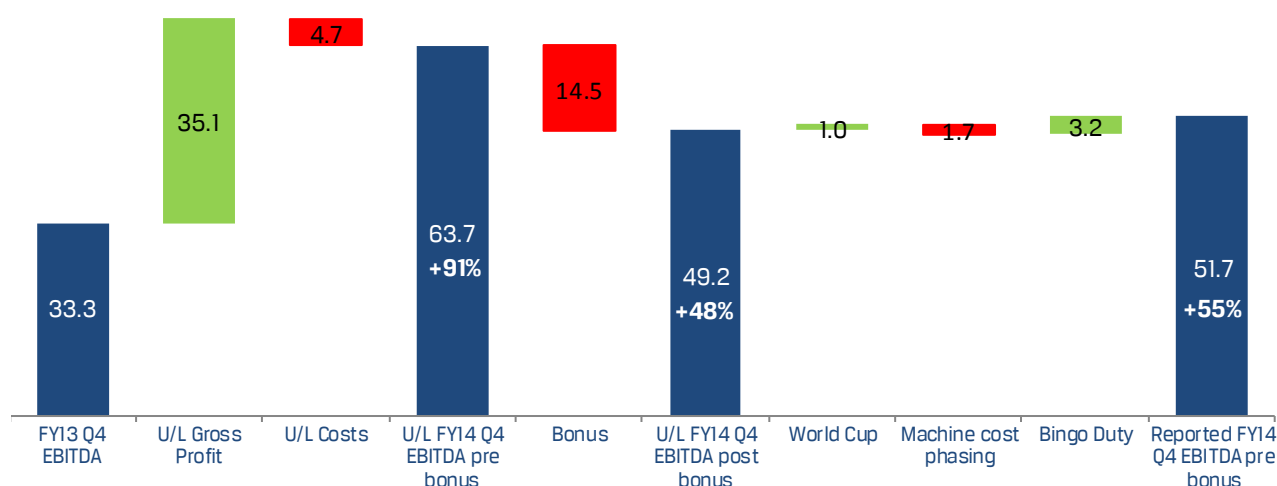
Gross profit of £211.7m was £35.9m or 20% ahead of last year, and EBITDA<sup>{1/2}</sup> of £51.7m was £18.4m or 55% ahead driven by growth in all major businesses.

CONTINUING OPERATIONS <sup>{1}</sup>	GROSS PROFIT			EBITDA <sup>{2}</sup>		
	FY14	FY13	+/-	FY14	FY13	+/-
	£'m	£'m	£'m	£'m	£'m	£'m
Coral Retail	118.1	107.5	10.6	29.4	24.0	5.4
Eurobet Retail	7.7	1.4	6.3	4.2	0.0	4.2
Total Retail	125.8	108.9	16.9	33.6	24.0	9.6
Online	36.2	21.1	15.1	14.7	4.6	10.1
Coral Telebet	0.6	0.9	(0.3)	(0.4)	0.1	(0.5)
Gala Retail	49.1	44.9	4.2	8.7	4.3	4.4
Corporate Costs	-	-	-	(4.9)	0.3	(5.2)
<b>Total</b>	<b>211.7</b>	<b>175.8</b>	<b>35.9</b>	<b>51.7</b>	<b>33.3</b>	<b>18.4</b>

After adjusting for the adverse impact of machine cost phasing in Coral Retail (£1.7m), and the positive impacts of the last week of the World Cup (£1.0m) and the reduction in Bingo Duty to 10% (£3.2m), underlying EBITDA<sup>{1/2}</sup> was £15.9m or 48% ahead of last year, while underlying EBITDA<sup>{1/2}</sup> pre-bonus was £30.4m or 91% ahead.

FY13 Q4 Reported EBITDA to FY14 Q4 Underlying EBITDA (£'m)<sup>{1/2}</sup>

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



Very strong growth in Coral and Eurobet (both Retail and Online) was driven by a favourable football margin at the start of the 2014/15 season and some particularly strong horse racing results, against very poor margins in Q4 2013. Volume growth in Eurobet Retail and Coral.co.uk also contributed to the strong performance.

Coral Retail gross profit was £10.6m or 10% ahead of last year, EBITDA<sup>{1/2}</sup> was £5.4m or 22% ahead, and underlying EBITDA<sup>{2/3}</sup> was £11.9m or 50% ahead. Growth was driven by a strong OTC margin which was 2.1pp ahead of last year, and a 5% increase in gross win per machine per week.

## Quarter 4 overview continued

Eurobet Retail gross profit was £6.3m or 461% ahead of last year and EBITDA<sup>{2}</sup> was £4.2m ahead driven by sports stakes which were 41% ahead of last year, gross win margin which was 15.9pp ahead, and the continued excellent performance of the Virtual betting product.

Online gross profit was £15.1m or 72% ahead of last year and EBITDA<sup>{2}</sup> was £10.1m or 219% ahead with strong growth in all websites. Coral.co.uk performance in the quarter was very positive with significant growth in all key metrics.

Gala Retail gross profit was £4.2m or 9% ahead of last year driven by strong margins across all products and the reduction in Bingo Duty to 10%. EBITDA<sup>{2}</sup> was £4.4m or 103% ahead with tight cost control generating £2.5m of cost savings.

Corporate costs were £5.2m higher than last year, due to the recording of £2.7m incremental bonus costs in FY14 and the higher level of VAT repayments in the quarter last year.

## DIVISIONAL REVIEW

### CORAL RETAIL

	QUARTER 4 <sup>{2}</sup>			FULL YEAR <sup>{3}</sup>		
	FY14	FY13	Var %	FY14	FY13	Var %
<b>KPIs<sup>{1}</sup></b>						
OTC Gross win margin (%)	18.0%	15.9%	2.1pp	17.5%	17.9%	(0.4pp)
Average Number of LBOs	1,841	1,786	3%	1,821	1,764	3%
Average number of Machines	7,347	7,129	3%	7,258	7,029	3%
Gross win / machine / week (£)	946	899	5%	957	928	3%
<b>P&amp;L<sup>{1}</sup></b>						
	<b>£'m</b>	<b>£'m</b>		<b>£'m</b>	<b>£'m</b>	
OTC amount staked	385.3	388.4	(1%)	1,761.4	1,736.6	1%
Machines amount staked	2,148.4	2,049.3	5%	9,461.1	9,105.0	4%
<b>Total amounts staked<sup>{4}</sup></b>	<b>2,533.7</b>	<b>2,437.7</b>	<b>4%</b>	<b>11,222.5</b>	<b>10,841.6</b>	<b>4%</b>
OTC gross win	69.4	61.7	12%	309.0	310.2	(0%)
Machines gross win	83.2	77.0	8%	361.0	339.2	6%
<b>Total gross win<sup>{4}</sup></b>	<b>152.6</b>	<b>138.7</b>	<b>10%</b>	<b>670.0</b>	<b>649.4</b>	<b>3%</b>
<b>Gross profit</b>	<b>118.1</b>	<b>107.5</b>	<b>10%</b>	<b>514.7</b>	<b>501.0</b>	<b>3%</b>
Operating Costs	(83.4)	(83.5)	0%	(364.7)	(351.9)	(4%)
Bonus	(5.3)	-	-	(7.0)	(0.6)	n/m
<b>EBITDA<sup>{5}</sup></b>	<b>29.4</b>	<b>24.0</b>	<b>22%</b>	<b>143.0</b>	<b>148.5</b>	<b>(4%)</b>

{1} Total estate

{2} Quarter 4 represents the 12 week period ending 27 September in 2014, and the 12 week period ending 28 September in 2013. The World Cup impact in Quarter 4 includes the semi finals, third/fourth play-off and the final

{3} The full year represents the 52 week period ending 27 September in 2014, and the 52 week period ending 28 September in 2013

{4} Excludes Stadia and Vending income

{5} EBITDA is stated pre-exceptional items

n/m = not meaningful

### Full Year

Coral Retail EBITDA<sup>{1/5}</sup> of £143.0m was £5.5m or 4% behind last year. After adjusting for the adverse impact of the extraordinarily adverse football results experienced in the first half of the year, which cost the business £11.8m, the annualisation of MGD (£3.5m), and the positive impact of the World Cup (£6.0m EBITDA), underlying EBITDA<sup>{1/5}</sup> was £3.8m ahead.

OTC gross win was £1.2m lower than last year primarily due to the extraordinary UK football results in H1, which adversely impacted gross win by £13.9m. The adverse football results were partly offset by a strong World Cup, which contributed £6.9m of gross win, and strong margins in the final quarter which were 2.1pp ahead of last year.

Machines gross win of £361.0m was £21.8m or 6% ahead of last year with gross win per machine per week up £29 or 3% at £957. This increase was driven by the full year impact of the new Infinity cabinets, and an increased level of differentiated and exclusive B3 gaming content. During the year we acquired a small games development company which has further strengthened the depth and quality of our gaming offering.

Operating costs increased by £12.8m or 4% primarily as a result of new shop openings (£10.0m), increased irrecoverable VAT as a result of the introduction of MGD (£4.1m), and the annualisation of an increase in LBO content costs (£2.1m). After adjusting for these items, underlying operating costs reduced by £3.4m as a result of tight cost control, particularly in payroll costs where operational improvements resulted in £7.7m of savings.

The total number of LBOs increased by 42 shops to 1,834 at the end of FY14, with 66 shops opening and 24 closing in the year.



## EUROBET RETAIL

	QUARTER 4 <sup>{2}</sup>			FULL YEAR <sup>{3}</sup>		
	FY14	FY13	Var %	FY14	FY13	Var %
<b>KPIs<sup>{1}</sup></b>						
LBO sports gross win margin (%)	28.9%	13.1%	15.9pp	23.0%	21.6%	1.4pp
Average number of licences	821	427	92%	739	376	97%
<b>P&amp;L<sup>{1}</sup></b>	<b>£'m</b>	<b>£'m</b>		<b>£'m</b>	<b>£'m</b>	
LBO sports stakes	44.5	31.6	41%	240.4	154.1	56%
Other stakes	70.1	22.6	210%	276.3	123.1	124%
<b>Total amounts staked</b>	<b>114.6</b>	<b>54.2</b>	<b>111%</b>	<b>516.7</b>	<b>277.2</b>	<b>86%</b>
LBO sports gross win	12.9	4.1	212%	55.3	33.2	66%
Other gross win	7.8	1.3	518%	28.2	7.2	292%
<b>Total gross win</b>	<b>20.7</b>	<b>5.4</b>	<b>284%</b>	<b>83.5</b>	<b>40.4</b>	<b>107%</b>
<b>Gross profit</b>	<b>7.7</b>	<b>1.4</b>	<b>461%</b>	<b>28.7</b>	<b>15.5</b>	<b>85%</b>
Operating Costs	(2.2)	(1.1)	(100%)	(8.6)	(5.2)	(65%)
Bonus	(1.3)	(0.3)	(333%)	(1.3)	(0.9)	(44%)
<b>EBITDA<sup>{4}</sup></b>	<b>4.2</b>	<b>0.0</b>	<b>n/m</b>	<b>18.8</b>	<b>9.4</b>	<b>100%</b>

{1} Total estate

{2} Quarter 4 represents the 12 week period ending 27 September in 2014, and the 12 week period ending 28 September in 2013. The World Cup impact in Quarter 4 includes the semi finals, third/fourth play-off and the final

{3} The full year represents the 52 week period ending 27 September in 2014, and the 52 week period ending 28 September in 2013

{4} EBITDA is stated pre-exceptional items

n/m = not meaningful

### Full Year

Eurobet Retail EBITDA<sup>{1/4}</sup> of £18.8m was £9.4m or 100% ahead of last year following the rollout of 500 new licences, a strong performance from the new virtual betting product and a good World Cup (EBITDA impact £1.9m).

The increased estate size (year end number of licences trading 2014: 827, 2013: 493) helped drive sports stakes £86.3m or 56% ahead of last year. Gross win margin was 1.4pp ahead driving an increase in sports gross win of £22.1m or 66%. Excluding the impact of the World Cup, sports stakes were £68.3 m or 44% ahead and sports gross win was £17.7m or 53% ahead. Overall Retail sports betting market share increased by 3.5pp to 12.4%.

Other stakes of £276.4m were £153.3m or 125% ahead of last year, driven by the launch of the first phase of virtual betting products and the rollout of new machines. Virtual betting performed strongly, contributing gross win of £18.0m and the quick roll out helped capture market share, which stood at 17% of the virtual market at the end of the year. Machines gross win was £6.8m, which was £1.9m or 38% ahead of last year.

Total gross profit of £28.7m was £13.2m or 85% ahead of last year.

Operating costs of £8.6m were £3.4m or 65% higher than last year, reflecting the higher back-office and marketing costs associated with supporting the larger post-tender estate.

## ONLINE

	QUARTER 4 <sup>(1)</sup>			FULL YEAR <sup>(2)</sup>		
	FY14	FY13	Var %	FY14	FY13	Var %
<b>KPIs</b>						
Actives - Coral.co.uk ('000)	284.9	216.9	31%	758.4	446.0	70%
Actives - Eurobet.it ('000)	69.7	64.4	8%	147.8	114.2	29%
Actives - Galabingo.com ('000)	129.6	130.1	(0%)	328.7	321.5	2%
Actives - Galacasino.com ('000)	21.3	17.1	25%	85.5	75.2	14%
Sports GW% - Coral.co.uk (%)	6.7%	4.1%	2.6pp	6.7%	5.9%	0.8pp
Sports GW% - Eurobet.it (%)	17.6%	11.3%	6.3pp	15.3%	13.5%	1.8pp
<b>P&amp;L</b>						
	£'m	£'m		£'m	£'m	
<b>Total amounts staked</b>	<b>1,182.6</b>	<b>782.7</b>	<b>51%</b>	<b>4,700.5</b>	<b>3,009.8</b>	<b>56%</b>
<b>Total gross win</b>	<b>59.2</b>	<b>37.9</b>	<b>56%</b>	<b>234.7</b>	<b>152.4</b>	<b>54%</b>
<b>Gross profit</b>	<b>36.2</b>	<b>21.1</b>	<b>72%</b>	<b>138.9</b>	<b>90.1</b>	<b>54%</b>
Operating Costs	(9.3)	(6.6)	(41%)	(39.5)	(29.9)	(32%)
Marketing	(9.6)	(9.7)	1%	(46.7)	(34.5)	(35%)
Bonus	(2.6)	(0.2)	n/m	(3.2)	(1.4)	(129%)
<b>EBITDA<sup>(3)</sup></b>	<b>14.7</b>	<b>4.6</b>	<b>219%</b>	<b>49.5</b>	<b>24.3</b>	<b>104%</b>

{1} Quarter 4 represents the 12 week period ending 27 September in 2014, and the 12 week period ending 28 September in 2013. The World Cup impact in Quarter 4 includes the semi finals, third/fourth play-off and the final

{2} The full year represents the 52 week period

{3} EBITDA is stated pre-exceptional items

n/m = not meaningful

## Full Year

Online EBITDA<sup>(3)</sup> of £49.5m was £25.2m or 104% ahead of last year. Online gross profit was £48.8m or 54% ahead of last year. Gross profit increased in Coral.co.uk by £34.3m or 134%, Galabingo.com by £8.1m or 18%, Galacasino.com by £2.8m or 36% and Eurobet.it by £3.5m or 31%. During the year Gala.se generated £0.1m of gross profit.

### Coral.co.uk

Coral.co.uk delivered strong growth with actives 70% ahead of last year driven both by successful marketing campaigns and the high level of Coral Connect multi-channel sign-ups.

Spend-per-active levels increased by 9% driven by the maturing customer base and the significantly improved product offering. Bet-in-Play stakes increased by 198% helped by the introduction of live streaming in January.

Sports stakes were £260.8m or 98% ahead of last year and sports gross win of £35.1m was £19.2m or 119% ahead. Excluding the impact of the World Cup, sports stakes were £230.7m or 87% ahead and sports gross win was £16.5m or 103% ahead.

New gaming products and increased cross-sell from sports drove an increase in gaming stakes of £734.2m or 82%. Combined with a 0.5pp improvement in margin, gaming gross win was £31.4m or 107% ahead.

Mobile penetration at the end of the year was 67.2% of actives, an increase of 13.4pp on last year.

### Eurobet.it

The new Eurobet.it website launched in quarter 2 has been well received by customers, with actives 29% ahead of last year. Multichannel acquisition remains a key competitive advantage, with more than 50% of new first time depositors acquired through the Eurobet Retail shop estate.

The increased range of Bet-in-Play events launched in quarter 3, together with the World Cup, helped to grow sports stakes by £25.3m or 30% and sports gross win by £5.4m or 47%. Excluding the impact of the World Cup, Eurobet.it sports stakes were £19.3m or 23% ahead of last year and sports gross win was £4.2m or 37% ahead. At the end of the year Eurobet.it's share of the sports betting market was 9.2%.

Eurobet.it gaming stakes were £122.9m or 27% ahead of last year, driving gaming gross profit £1.4m or 21% ahead. Virtual betting continued to exceed expectations with Eurobet.it's share of the online virtual betting market reaching 24.2% at the end of the year.

Mobile penetration at the end of the year was 45.3% of actives, an increase of 9.9pp on last year.

### Galabingo.com

Despite a flat UK market, Galabingo.com actives were 2% ahead of last year.

Customer segmentation, targeted marketing and a tailored product offering resulted in a 23% increase in spend-per-active.

Stakes were £242.8m or 25% ahead of last year and gross win of £79.5m was £13.7m or 21% ahead.

Mobile penetration increased by 14.6pp to 54.3% of actives by the year-end.

### Galacasino.com

Galacasino.com actives were 14% ahead of last year. Increased VIP targeting and a planned reduction in lower-spend transient actives resulted in spend-per-active levels increasing 62%.

Stakes were £292.1m or 84% ahead of last year and gross win of £21.6m was £7.8m or 56% ahead of last year.

### Gala.se

Gala Sweden was launched in quarter 3 and after a slow start is now showing encouraging signs, particularly in terms of the rate of customer acquisition.

### Operating costs

Total Online operating costs (excluding marketing) of £39.5m were £9.6m or 32% higher than last year primarily driven by increased headcount costs in support of the growing business. Marketing costs of £46.7m were £12.2m or 35% higher than last year, and bonus costs increased by £1.8m in light of the strong full year performance.

## GALA RETAIL

	QUARTER 4 <sup>{3}</sup>			FULL YEAR <sup>{4}</sup>		
	FY14	FY13	Var %	FY14	FY13	Var %
<b>KPIs<sup>{1}</sup></b>						
Admissions ('000)	3,490	3,499	(0%)	15,810	15,648	1%
Spend per head (£)	34.34	34.31	0%	33.99	35.07	(3%)
<b>P&amp;L<sup>{2}</sup></b>	<b>£'m</b>	<b>£'m</b>		<b>£'m</b>	<b>£'m</b>	
<b>Net Income</b>	<b>65.4</b>	<b>65.4</b>	<b>0%</b>	<b>290.2</b>	<b>291.3</b>	<b>(0%)</b>
<b>Gross profit</b>	<b>49.1</b>	<b>44.9</b>	<b>9%</b>	<b>204.7</b>	<b>204.6</b>	<b>0%</b>
Operating Costs	(28.8)	(31.3)	8%	(127.3)	(137.7)	8%
Rent (including propco rent)	(9.3)	(9.3)	0%	(41.2)	(41.7)	1%
Bonus	(2.3)	0.0	n/m	(3.3)	0.0	n/m
<b>EBITDA<sup>{5}</sup></b>	<b>8.7</b>	<b>4.3</b>	<b>103%</b>	<b>32.9</b>	<b>25.2</b>	<b>30%</b>

{1} Like-for-like estate

{2} Total estate

{3} Quarter 4 represents the 12 week period ending 27 September in 2014, and the 12 week period ending 28 September in 2013

{4} The full year represents the 52 week period ending 27 September in 2014, and the 52 week period ending 28 September in 2013

{5} EBITDA is stated pre-exceptional items

n/m = not meaningful

## Full Year

Gala Retail gross profit of £204.7m was marginally ahead of last year with like-for-like admissions 1% ahead. A focus on cost control ensured EBITDA<sup>{2/5}</sup> grew by £7.7m or 30%.

Admissions returned to growth in the year, with total like-for-like admissions of 15,810k representing a 162k increase on last year. National Bingo Association statistics placed Gala Retail admissions 4.5% ahead of the rest of the industry for the year to September 2014.

Gross profit of £204.7m was £0.1m ahead of last year. The reduction in bingo duty to 10% and an almost full year impact of 'Price Smash' helped deliver growth in Mainstage Bingo gross profit of £1.4m or 5%. Machines continued to perform strongly with gross profit growth of £4.3m or 6%. Party Xtra gross profit was £4.6m or 5% behind last year partly as a result of 'Price Smash' driving increased participation in Mainstage Bingo. F&B was £1.1m or 7% behind due to increased F&B discounts offered to encourage new customer visits under our "Member Get Member" programme.

Very tight cost control resulted in operating costs savings of £10.4m or 8%. Cost saving actions included the optimisation of opening hours on a club-by-club basis and the multi-skilling of staff to perform a number of different in club duties. Rent and rates rebates and a number of lease exit premiums also helped reduce operating costs.

## TELEBET

Telebet EBITDA<sup>{1}</sup> for FY14 of (£0.5m), was £1.5m behind FY13 due to a £1m pay-out on a low stake multiple bet, and also due to the migration of customers to tablet, mobile and online.

{1} Pre-exceptional Items

## CORPORATE COSTS

Full year central overhead costs (before depreciation and amortisation) of £8.2m were £5.5m higher than last year due to increased bonus costs (£3.3m) and VAT rebates received in FY13 that were not repeated in FY14.