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GALA ACQUIRES BINGO CLUB FOR £18 MILLION

Gala Group Ltd ('Gala'), the UK's leading gaming company, today announces the acquisition of New Generation Bingo Ltd for a total consideration of £18m. New Generation Bingo own and run Club 2000 a purpose built bingo club in Basingstoke.

The acquisition is Gala's largest investment in a bingo site to date. Club 2000 is one of the most profitable bingo clubs in Britain. In 2004 approximately 250,000 bingo players visited the club, spending an average of £40 each visit. The club is 25,000 sq ft, with facilities for nearly 1200 players, and is located on Basingstoke's popular Leisure Park development.

Gala expects Club 2000 and its existing clubs to benefit from a recent liberalisation in gaming legislation. One of the significant components of this deregulation will be to eliminate the requirement for members to register 24 hours before playing at a bingo club.

In the UK, total money staked on bingo now exceeds £1bn each year, and Gala alone gives away £27m every week in prizes. In the past few years bingo has become one of the country's most popular group leisure activity. There are 3m regular bingo players in the UK, and 2m admissions to bingo clubs every week.

Neil Goulden, Gala Group Chief Executive, said:

"This is an exceptionally good bingo club, and today's acquisition demonstrates our confidence in Gala's bingo product. This is a terrific opportunity for Gala to expand its operations in the region and tap further into one of the nation's favourite leisure pastimes.

“Clubs like this rarely become available. Gala is well placed to develop the business, adding operational, management, marketing and cost effective promotional skills to an already successful operation. “

Notes for Editors:

About Gala Group Ltd:

Gala Group, one of the UK's leading leisure operators, is headquartered in Nottingham and has over 10,000 employees. The Group's principal business is the operation of bingo clubs and casinos. Gala Bingo operates 166 UK bingo clubs with over 6 million members. Gala Casinos has 28 sites in the UK, in addition to casinos on the Isle of Man and Gibraltar.

Gala Group was formed after a management buy-in from Bass in 1997. Candover and Cinven acquired the Group in January 2003 for £1.24bn. In its 2004 fiscal year the Group reported turnover of £545 million. Further information on the Group can be found at www.galagroup.co.uk <<http://www.galagroup.co.uk>>

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