RED FOOTBALL LIMITED

Third Quarter and Year to Date Results

Fiscal Year Ended 30 June 2014

Bond Group Parent: Red Football Limited

Bond Issuer: MU Finance plc

22 May 2014

CONSOLIDATED FINANCIAL STATEMENTS

The summary financial information provided overleaf has been derived from the unaudited interim consolidated financial statements of Red Football Limited as at and for the three and nine months ended 31 March 2014 and 2013, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by the European Union, International Financial Reporting Interpretations Committee ("IFRIC") interpretations, and the Companies Act 2006.

CONSOLIDATED INCOME STATEMENT - UNAUDITED

	Three months ended 31 March		Nine months ended 31 March	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Commercial revenue	**42,833**	35,978	**144,986**	114,522
Broadcasting revenue	**35,608**	21,758	**101,861**	74,988
Matchday revenue	**37,054**	33,985	**90,096**	88,583
Group revenue	**115,495**	91,721	**336,943**	278,093
Employee benefit expenses	**(53,333)**	(44,823)	**(157,832)**	(129,309)
Other operating expenses	**(22,052)**	(21,816)	**(65,152)**	(57,179)
Operating profit before depreciation, amortization of, and profit on disposal of, players' registrations, and exceptional items ("adjusted EBITDA")	**40,110**	25,082	**113,959**	91,605
Depreciation	**(2,206)**	(1,974)	**(6,274)**	(5,743)
Amortization of players' registrations	**(13,841)**	(10,389)	**(39,163)**	(30,872)
Exceptional items	**-**	-	**(293)**	-
Operating profit before profit on disposal of players' registrations	**24,063**	12,719	**68,229**	54,990
Profit on disposal of players' registrations	**2,361**	2,520	**4,203**	8,025
Operating profit	**26,424**	15,239	**72,432**	63,015
Net interest payable on loans, deferred element of terminated interest rate swap and unwinding of discount factors	**(601)**	(526)	**(1,884)**	(2,009)
Interest payable on secured term loan and senior secured notes	**(5,008)**	(7,770)	**(14,580)**	(24,511)
Amortization of issue discount and debt issue/finance costs	**(765)**	(538)	**(1,392)**	(4,105)
Premium on repurchase of senior secured notes	**-**	-	**-**	(5,244)
Foreign exchange gains/(losses) on US dollar bank accounts	**-**	3,108	**(2,696)**	1,528
Foreign exchange gains/(losses) on US dollar secured term loan and senior secured notes	**-**	(12,655)	**-**	(3,846)
Fair value movement on derivative financial instruments	**(90)**	57	**(1,640)**	114
Hedge ineffectiveness on cash flow hedges	**543**	-	**791**	-
Net finance costs	**(5,921)**	(18,324)	**(21,401)**	(38,073)
Profit/(loss) before tax	**20,503**	(3,085)	**51,031**	24,942
Tax expense	**(13,726)**	(9,399)	**(24,485)**	(19,162)
Profit/(loss) for the period	**6,777**	(12,484)	**26,546**	5,780
Attributable to:				
Owners of the parent	**6,777**	(12,484)	**26,546**	5,611
Non-controlling interests	**-**	-	**-**	169
	6,777	(12,484)	**26,546**	5,780

INTERIM CONSOLIDATED BALANCE SHEET - UNAUDITED

	Note	At 31 March	
		2014	2013
		£'000	£'000
ASSETS			
Non-current assets			
Property, plant and equipment		**255,332**	252,888
Investment property		**13,700**	14,111
Goodwill		**421,453**	421,453
Players' registrations		**161,769**	126,457
Derivative financial instruments		**791**	-
Trade and other receivables	1	**141**	2,500
		853,186	817,409
Current assets			
Derivative financial instruments		**317**	546
Trade and other receivables	1	**690,955**	670,271
Current tax receivable		**-**	2,500
Cash and cash equivalents		**34,131**	35,977
		725,403	709,294
Total assets		**1,578,589**	1,526,703
EQUITY AND LIABILITIES			
Equity			
Share capital		**-**	-
Capital contribution reserve		**474,203**	474,837
Hedging reserve		**25,656**	398
Retained earnings		**435,121**	418,318
Equity attributable to owners of the parent		**934,980**	893,553
Non-current liabilities			
Derivative financial instruments		**1,919**	1,571
Trade and other payables	2	**27,941**	21,384
Borrowings		**339,679**	362,102
Deferred revenue		**14,440**	17,980
Provisions		**-**	1,092
Deferred tax liabilities		**29,140**	22,416
		413,119	426,545
Current liabilities			
Derivative financial instruments		**1,072**	154
Current tax liabilities		**2,786**	1,128
Trade and other payables	2	**126,700**	104,439
Borrowings		**11,991**	5,487
Deferred revenue		**87,941**	94,936
Provisions		**-**	461
		230,490	206,605
Total equity and liabilities		**1,578,589**	1,526,703

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED

	Three months ended 31 March		Nine months ended 31 March	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Cash flows from operating activities				
Profit/(loss) before tax	**20,503**	(3,085)	**51,031**	24,942
Depreciation charges	**2,206**	1,974	**6,274**	5,743
Impairment charges	**-**	-	**293**	-
Amortization of players' registrations	**13,841**	10,389	**39,163**	30,872
Profit on disposal of players' registrations	**(2,361)**	(2,520)	**(4,203)**	(8,025)
Net finance costs	**5,921**	18,324	**21,401**	38,073
Profit on disposal of property, plant and equipment	**-**	-	**(43)**	-
Exchange losses on operating activities	**97**	-	**464**	-
Fair value losses/(gains) on derivative financial instruments	**(58)**	224	**(184)**	215
Reclassified from hedging reserve	**(260)**	-	**(778)**	-
(Increase)/decrease in trade and other receivables	**(7,217)**	(12,833)	**(10,617)**	(952)
Decrease in trade and other payables and deferred revenue	**(36,598)**	(17,581)	**(69,999)**	(33,877)
Decrease in provisions	**-**	(58)	**(1,475)**	(294)
Cash (used in)/generated from operations	**(3,926)**	(5,166)	**31,327**	56,697
Debt finance costs relating to borrowings	**-**	-	**(123)**	-
Interest paid	**(8,830)**	(18,963)	**(22,794)**	(46,897)
Interest received	**36**	285	**143**	442
Tax refund/(paid)	**175**	-	**(1,071)**	600
Net cash (used in)/generated from operating activities	**(12,545)**	(23,844)	**7,482**	10,842
Cash flows from investing activities				
Purchases of property, plant and equipment	**(1,679)**	(1,311)	**(8,557)**	(10,649)
Proceeds from sale of property, plant and equipment	**-**	-	**50**	-
Purchases of players' registrations	**(24,815)**	(3,009)	**(62,102)**	(41,267)
Proceeds from sale of players' registrations	**1,500**	1,606	**8,556**	7,969
Net cash used in investing activities	**(24,994)**	(2,714)	**(62,053)**	(43,947)
Cash flows from financing activities				
Capital contribution	**-**	-	**-**	68,404
Acquisition of additional interest in subsidiary	**-**	(2,664)	**-**	(2,664)
Repayment of borrowings	**(97)**	(4,534)	**(284)**	(67,330)
Loan to parent undertaking	**(42)**	-	**(634)**	(1,459)
Net cash used in financing activities	**(139)**	(7,198)	**(918)**	(3,049)
Net decrease in cash and cash equivalents	**(37,678)**	(33,756)	**(55,489)**	(36,154)
Cash and cash equivalents at beginning of period	**71,930**	66,625	**94,200**	70,603
Exchange (losses)/gains on cash and cash equivalents	**(121)**	3,108	**(4,580)**	1,528
Cash and cash equivalents at end of period	**34,131**	35,977	**34,131**	35,977

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

1. Trade and other receivables

	At 31 March	
	2014	2013
	£'000	£'000
Net trade receivables	**33,049**	35,256
Receivables owed by group undertakings	**613,941**	595,974
Other receivables	**662**	48
Accrued income	**35,364**	29,752
	683,016	661,030
Prepayments	**8,080**	11,741
	691,096	672,771
Less: non-current portion:		
Trade receivables	**141**	2,500
Non-current trade and other receivables	**141**	2,500
Current trade and other receivables	**690,955**	670,271

2. Trade and other payables

	At 31 March	
	2014	2013
	£'000	£'000
Trade payables	**54,300**	42,065
Payables owed to group undertakings	**50,303**	27,891
Other payables	**14,242**	18,690
Accrued expenses	**27,544**	26,523
	146,389	115,169
Social security and other taxes	**8,252**	10,654
	154,641	125,823
Less: non-current portion:		
Trade payables	**20,130**	7,995
Other payables	**7,811**	13,389
Non-current trade and other payables	**27,941**	21,384
Current trade and other payables	**126,700**	104,439