RESULTS CONFIRM ARSENAL STRONGLY PLACED TO MEET UEFA'S NEW FINANCIAL RULES

- Group turnover was £243.0 million (2011 - £255.7 million). Reduction was due to the expected lower level of property sales activity.
- Revenues from football increased to £235.3 million (2011 - £225.4 million) with Commercial activities contributing £5.6 million of this growth.
- Operating profit (before exceptional costs, depreciation and player trading) in the football business was £32.3 million (2011 - £45.8 million) with revenue gains outweighed by increased wage costs.
- Profit from player trading of £26.0 million (2011 – loss of £14.6 million) with gains from a number of significant player sales, including Cesc Fabregas and Samir Nasri, partially offset by higher amortisation charges.
- Low key year for property business with an operating profit of £2.2 million (2011 - £12.6 million) as Highbury Square project draws to a satisfactory close.
- Group profit before tax was £36.6 million (2011 - £14.8 million).
- Cash and bank balances amounted to £153.6 million (2011 - £160.2 million) at the balance sheet date and as a result the overall level of Group net debt was stable at £98.9 million (2011 - £97.8 million).

Commenting on the results for the year, Peter Hill-Wood, non-executive Chairman, said:

"We have invested in the team and in the Club's infrastructure as a whole and this will continue. UEFA's new financial regulations have added a further emphasis to the need for a sound financial model. That is why our activities to increase revenue are important. Increased revenues allow us to continue to be competitive and to keep pace with the ever present cost pressures in the game."

Ivan Gazidis, Chief Executive, said:

"Clubs, fans and other stakeholders in the game are demanding a more rational financial approach and this reinforces our conviction that our Club is strongly placed to succeed over the long term. We have qualified for the Champions League for the 15th season in a row whilst off the pitch we have a business strategy and infrastructure that is helping us to grow our revenues. This revenue growth will provide sustainable funds for future investment in the team whilst keeping within the UEFA Financial Fair Play requirements. We can and will forge our own path to success."

Arsenal Holdings plc
Chairman's Statement

I am pleased to open my report to shareholders by confirming that the Group has delivered another healthy set of full year results. As I have said before, this is important as it maintains the platform from which the Club can continue to build and succeed on the pitch.

Everyone on the Board is firmly committed to our self-financing approach and it is one we will continue to pursue. We remain convinced it is in the best interests of Arsenal Football Club in both the short and long-term and that has to be our primary concern. UEFA's new financial regulations have added a further emphasis to the need for a sound financial model. We have great unity and solidity around the Board table and this resolve and team spirit is present throughout the Club and has contributed to delivering fifteen consecutive seasons of Champions League football; a rare achievement and one of which we should all be very proud.

As you will read elsewhere in this report, despite a tough economic back-drop, we have grown our football revenues. This is pleasing because growth is an essential target for the Group if we are to continue to compete at the top of the game here in England and in Europe.

Turning to the past season, which marked our 125th anniversary, the team produced a terrific run of form from the autumn onwards to achieve third place in the Premier League and secure Champions League football for the 2012/13 season. The arrival of some experienced players brought additional resolve to the side and helped offset the disappointing loss of Jack Wilshere who missed the entire season through injury. Robin van Persie led the side superbly, scoring 30 Premier League goals, and while we made the difficult decision to transfer him, we wish him well in the future.

We saw Wojciech Szczesny establish himself as our first-choice goalkeeper and were excited by the youthful exuberance of Alex Oxlade-Chamberlain. In keeping with our long tradition of encouraging young talent, we also saw Aaron Ramsey return successfully after injury and welcomed Carl Jenkinson, Francis Coquelin and Emmanuel Frimpong into the first team squad.

Whilst youth was very much to the fore we were delighted to welcome back an old friend in the shape of Thierry Henry. It was great to see him back in the Arsenal colours, delighting us all with that goal against Leeds United in the FA Cup. It was a special moment.

Ironically Thierry had been with us just a few weeks earlier when we unveiled tribute statues to him, Tony Adams and Herbert Chapman as part of our 125th anniversary celebrations.

Our Champions League run ended in the Round of 16 in a dramatic match against AC Milan. 4-0 down from the first leg, the team almost pulled off a remarkable comeback in a thrilling night at the Emirates Stadium, eventually losing out 4-3 on aggregate. We went out of the FA Cup in the fifth round away at Sunderland and at the quarter final stage of the Carling Cup, when a young team lost narrowly at home to Manchester City.

Everything remained very tense in the Premier League with important victories at home to Tottenham and Newcastle which remain vivid in the memory. Ultimately third place was secured with victory at West Bromwich Albion on the final day of the season.

That final day victory also marked the retirement of Pat Rice after 44 years' service to the Club as a player and coach. His contribution over those years has been immense and he will always be part of the fabric of this Club. We wish him a relaxing and happy retirement.

Chairman's Statement (continued)

Away from the football you will read in the following pages that we have reported a profit before tax of £36.6 million (2011 - £14.8 million).

We have invested further in the team and in the Club's infrastructure as a whole and this will continue. That is why our activities to increase revenue are important. Increased revenues allow us to continue to be competitive and to keep pace with the ever present cost pressures in the game.

I am pleased at the progress being made on our commercial agenda. New partners have joined the Arsenal family and I am confident we will see further commercial growth over the next few years. Arsenal has a name and fan-base which extends around the world and which represents an attractive proposition to both our existing and potential new business partners.

Another important feature of the year was the launch of the Arsenal Foundation. This is a fundraising and grant-making organisation which will help to grow the reach and impact of the many and varied community and charitable programmes which the Club supports. In addition, we enjoyed a successful first year of our global partnership with Save the Children.

Finally and most importantly, I would like to thank our loyal fans. Your strength of support grew through the season and was an important factor in securing our position in the Champions League. I know the vast majority of you are proud about how we run the Club and how we play under Arsène Wenger's guidance. I thank you for your continued support.

I also thank my fellow directors, our management team and entire staff for all their hard work and dedication over the last year. We stuck together as a team on and off the pitch and were stronger for it. I also fully recognise the support and contribution from our commercial partners.

I look forward to welcoming you all again to Emirates Stadium over the course of the new season.

P D Hill-Wood
Chairman
27 September 2012

Arsenal Holdings plc
Chief Executive's Report

Overview

Throughout its history Arsenal Football Club has set and operated to the highest standards, both on and off the pitch. That has often meant refusing to follow the crowd and sticking to our principles. It is an approach which has served us well over the past 125 years and it is an approach which I believe is even more important today as we see clubs struggling to keep pace with the financial demands of the modern game.

We have faced criticism for sticking to our philosophy of living sustainably within our financial means rather than reaching out for a quick fix injection of money to solve all our supposed problems. But how much is enough to outspend others who have seemingly limitless means? We can and will forge our own path to success and avoid the many examples of clubs across Europe struggling for their very survival after chasing the dream and spending beyond their means.

Football is moving powerfully in our direction. This season is the first in which UEFA's Financial Fair Play ("FFP") regulations come into effect. These regulations have support from all the leading clubs in Europe and UEFA have assured clubs that the rules will be implemented rigorously. I believe there is already evidence of changing behaviour from many clubs and this is good for football.

In addition there are continuing discussions at the Premier League towards the introduction of similar measures domestically, designed to ensure that all Premier League clubs operate within their means.

Clubs, fans and other stakeholders in the game are demanding a more rational financial approach and this reinforces our conviction that our Club is strongly placed to succeed over the long term. We have qualified for the Champions League for the 15th season in a row whilst off the pitch we have a business strategy and infrastructure that is helping us to grow our revenues. This revenue growth will provide sustainable funds for future investment in the team whilst keeping within the FFP requirements.

I want to be clear that the money we generate is available to our manager, Arsène Wenger, and that he quite rightly makes the decisions regarding how to invest those funds based on his extensive football knowledge, experience and judgement. Over the years, his decisions and his management have propelled us to the top of the game in Europe (currently ranked 6th by UEFA) while playing some of the most attractive football in the world.

Looking to the current campaign we are pleased with the strength in depth we have across the squad. We have added some top quality players in the shape of Santi Cazorla, Lukas Podolski and Olivier Giroud and they will be supplemented by the returns from injury of Abou Diaby and Jack Wilshere and the continued emergence of young talent in line with our ongoing philosophy.

We are confident in our ability to have a successful season. Everyone at Arsenal, Board members and staff alike, want the Club to be successful and to make our supporters proud. That is our focus every day. That is why we are here.

Chief Executive's Report (continued)

On the pitch

The Club's 125th anniversary season had us all on the edge of our seats as it went right to the final kick of the final game. The fact the team finished third and qualified for the Champions League for the 15th season running was a tremendous feat given our challenging start to the Premier League season. Qualifying for the Champions League almost seems to be taken for granted at Arsenal but we should never under-estimate the achievement, particularly in the increasingly competitive landscape within the Premier League.

In many ways one of our biggest games of the season came way back in early August when we travelled to Udinese for the Champions League qualifier second leg. A hard-fought victory, over a team which went on to compete for the Italian title, was crucial and gave us the platform for another exciting campaign of Champions League football which ultimately ended in dramatic fashion against AC Milan in the Round of 16.

In the Barclays Premier League a magnificent run of form from October to February pulled us into the Champions League qualification race. Over that spell our results and form were as good as any team in the League. Central to that achievement was Robin van Persie's remarkable run of goal-scoring and none of us should forget the memorable return by Thierry Henry who gave everyone a huge lift with his presence.

We went out of the FA Cup at the hands of Sunderland in the 5th Round and our Carling Cup run finished in the quarter finals when a young side ran Manchester City extremely close.

As the Chairman rightly notes, we said farewell to our Assistant Manager Pat Rice after 44 years' loyal service as a player and coach. Pat's contribution to Arsenal has been immense and he will be sorely missed but we wish him a happy and much deserved retirement.

Steve Bould has been promoted, from running the Under-18s, to become Arsène's assistant and he has been joined as a first team coach by Neil Banfield. They are both already adding a lot to the first team setup.

Arsenal Ladies

Arsenal Ladies have enjoyed yet another stand-out year. They reached the semi-finals stage of the UEFA Women's Champions League for a second season running and a strong start to the new Women's Super League campaign leaves them well placed to defend their domestic crown in 2012. They also stand a chance of claiming the Continental Cup for a second consecutive year, with a place in October's final already secured.

Many of the team have also excelled on the international stage this year. We were exceptionally proud to see Rachel Yankey equal the record for all-time England appearances back in June and were delighted to see six Arsenal Ladies players help Team GB to the quarter finals of the Olympic Football Tournament. For club and country, the team have once again been fantastic ambassadors for Arsenal.

Chief Executive's Report (continued)

Youth development

Youth development is the lifeblood of the Club and we have welcomed Terry Burton to the Club to work as our Reserve Team and Head Development Coach. He will be working closely with Liam Brady as the Premier League's new Elite Player Performance Plan comes into being. EPPP is aimed at raising player development standards across English football and will provide a new level of competition for players at the under-21 level. The NextGen competition which brings together youth teams from some of the top clubs in Europe is another interesting development which will also provide an excellent test of our younger players' abilities this season.

Business update

The financial results for the year, which are covered in more detail in the Financial Review section, are solid. I always reinforce the point that our goal is to increase revenue for re-investment in the team and the Club and in this regard we continue to be in excellent shape financially.

Our business plan anticipates significant growth in the Commercial areas of our operation and we are making good progress against the targets that have been set.

Commercial Partnerships

We continue to be successful in attracting top brands to sign on as Commercial partners largely because the proposition we offer is strong. Brands are primarily attracted by our heritage, our global reach and our values. Our proposition has been appreciably enhanced by our tour strategy, which helps to engage and grow our already significant fan-base around the world.

To find the right brands to associate with we work closely with companies to understand their businesses, demonstrating how a tailored partnership with Arsenal can help in achieving their strategic priorities. Through this approach, we have recently brought on board two new regional partners in Bharti Airtel (one of the world's leading mobile operators), and Malta Guinness (a brand of the Diageo group). We have also signed tour partnerships with both Nike and Emirates, separate to our existing deals with those two brands.

In addition to our work attracting new partners to Arsenal, we continue to work successfully with our existing partners in supporting their priorities. Some highlights from this year include:

- Nike: A far reaching 125th anniversary campaign including the production of a bespoke playing kit and crest for the season, an exhibition in the Saatchi Gallery, a documentary by Ridley Scott films and a social media campaign generating fan content from 179 countries.
- Citroen: Working with the English National Ballet to launch Citroen's new DS5 car, an advert seen over a million times on You Tube.
- Carlsberg: Launching the Carlsberg lounge at the Emirates Stadium and hosting the final of the nationwide Carlsberg Pub Cup at the Emirates.
- Indesit: An integral part of a pan European 'Football Talent' campaign to find high quality players, allowing them to compete in a final competition at the Emirates.

Looking forward to the next financial year, our key Commercial priorities are to continue to grow our regional and official partner areas and to significantly progress conversations on our shirt and kit partnerships. These major partnerships are up for renewal at the end of season 2013/14 and are an area where we plan to deliver a significant uplift in revenue.

Growing global support

A key part of our strategy to develop increased revenues centres on our ability to build our name around the world and to reach and connect with more and more fans. In the past two summers, the tours to Asia, where we have a huge following, have helped significantly in this regard. For example, we now have 600,000 regular Arsenal supporting visitors to our Chinese website and a growing number of supporters' groups.

We already have more than 11 million Facebook followers and up to seven million unique monthly visitors to www.Arsenal.com, from all around the globe. This clearly demonstrates the depth of our following and is something we will continue to build.

Retail ambitions

Development of our retail business has been another area of significant activity during the past year. We have transformed our on-line offering, Arsenal Direct, by investing in technology that makes it easier to use and we have dramatically improved our own-brand clothing range. Going forward we will be looking to sharpen our focus on the international opportunities available to us, many of which will be driven by our expanding on-line offering.

Concerts

The success of the three Coldplay concerts at the Emirates Stadium in early June put us on the map as a concert venue. These sell-out shows attracted almost 180,000 music fans and the way the Club managed the events has led to further interest from concert promoters for future events. Indeed we already have a booking for the American rock group Green Day to play at Emirates Stadium on June 1st next year. This is exciting news and gives us a strong and hopefully regular source of additional income from our stadium.

Community activities

Our contributions to local communities here in the UK and further afield are an important part of our role as a football club. The Arsenal name allows us to open doors for people, and young people in particular, to find help and opportunities which may have otherwise passed them by.

As part of the Club's 125th anniversary, we launched The Arsenal Foundation to help us engage and assist more young people than ever before. The Arsenal Foundation is a fundraising and grant-making organisation. It will help grow the reach and effect of the charitable and community programmes which the Club supports.

In addition, we have enjoyed a successful first year with our first global charity partner, Save the Children.

Prospects

Our supporters continue to show fantastic commitment to the Club. Once again we have started the new season with general admission and Club Tier season tickets fully subscribed. Bearing in mind the current economic climate that is testimony to our fans' loyalty and we are delighted to have this continued depth of following.

Even though the market is more challenging than it has been for many years, due to the financial difficulties being experienced around the world, I am confident about the momentum we are building on our Commercial agenda.

The Premier League has announced strong growth in the value of its domestic TV rights from the start of next season. This will provide clubs with a significant boost to their revenues. At Arsenal we will look to ensure that these additional funds are spent responsibly to move the Club forward and we hope that this is an approach which will be adopted by others.

On the pitch we have come into the season with a strong and talented squad. We have made some exciting additions and some of our younger players who broke through last season will build on that experience and make an even greater contribution this time round. We have a good blend of youth and experience and have already shown a defensive resilience which should stand us in good stead as the campaign progresses.

We look forward to the rest of the season with excitement and optimism and will continue to work hard to take the Club forward and to make everyone proud to be part of the Arsenal family.

I E Gazidis
Chief Executive Officer
27 September 2012

Arsenal Holdings plc
Financial Review

The Group has recorded an increased profit before tax for the year of £36.6 million (2011 - £14.8 million). Player trading in the summer 2011 transfer window and investment in the player wage bill has significantly influenced this result.

The 2011/12 year is the first to be included in the break even monitoring arrangements which form the backbone of UEFA's Financial Fair Play regulations. The result achieved is a robust demonstration of Arsenal's compliance with the new regulatory regime.

	2012 £m	**2011** £m
Group turnover	243.0	255.7
Operating profit before depreciation and player trading	34.5	55.3
Player trading	26.1	(14.6)
Depreciation	(11.4)	(12.5)
Joint venture	0.9	0.8
Net finance charges	(13.5)	(14.2)
Profit before tax	36.6	14.8

As expected, with Highbury Square almost entirely sold, there was a much reduced level of sales activity in our property business during the year, with a turnover of £7.7 million as compared to £30.3 million for the prior year. On the other hand revenues in our football business grew to £235.3 million from £225.4 million. This represents a strong performance in the prevailing difficult economic climate and, with our commercial activities delivering more than half of this turnover growth, we are beginning to show a clear positive return against recent years' and ongoing investment in the Group's commercial capabilities.

In addition to the above, operating profit has been impacted by higher overall staff costs of £143.4 million (2011 - £124.4 million). In the main, this reflects a further step up in our investment in the player wage bill but there has also been an increase in the wage costs of our football training and support staff together with the need for an increased provision against our share of the liabilities in the Football League Pension Scheme.

Player trading consists of the profit from the sale of player registrations, the amortisation charge, including any impairment, on the cost of player registrations and fees charged for player loans. The profit on sale for the year amounted to £65.5 million (2011 - £6.3 million) with the major contributions to this figure coming from the transfers out of Cesc Fabregas, Samir Nasri and Gael Clichy. During the period we invested £78.3 million in the acquisition of new players and, to a lesser extent, the extension of contract terms for certain existing players. The cost of this investment is being charged against profit over the life of the underlying player contracts and, as a consequence, the amortisation charge for the year was increased to £36.8 million (2011 - £21.7 million). In addition to the regular amortisation, an impairment charge of £5.5 million (2011 - £Nil) has been booked against the carrying value of certain player registrations. The charge relates to the registrations of players who are deemed to be excluded from the Arsenal squad.

Net finance charges have been reduced to £13.5 million (2011 - £14.2 million). This reflects the scheduled repayment of stadium finance bonds, leading to a lower interest payable charge, and also an improved return earned on our cash balances. At the balance sheet date, the Group's cash and bank balances amounted to £153.6 million (2011 - £160.2 million) and the Group's overall net debt was £98.9 million (2011 - £97.8 million).

Football Segment

	2012 £m	**2011** £m
Turnover	235.3	225.4
Operating profit before depreciation, player trading and exceptional items	32.3	45.8
Player trading	26.1	(14.6)
Profit before tax	34.1	2.2

Ticket prices for the 2011/12 season rose in line with inflation. There were 29 home fixtures (19 Barclays Premier League, five UEFA Champions League, two E.on FA Cup and three Carling Cup). This was one more home fixture than in the prior year and the mix of games was also more favourable, with an extra game played in the Champions League, however, there was no repeat of the run to the 2011 Carling Cup final. As a result, match day revenue was overall slightly higher at £95.2 million (2011 - £93.1 million). Excluding the Carling Cup fixture against Shrewsbury (46,539) the average ticket sales per game was 59,772 (2011 – 59,849).

Broadcasting revenues were little changed overall at £84.7 million (2011 - £85.2 million) with an additional Champions League round balanced by a worse £:€ exchange rate on converting these UEFA revenues and lower TV receipts from the domestic cup campaigns.

Growing the Group's commercial revenues is a key business target and I am pleased to report that combined retail and commercial revenues were increased to £52.5 million (2011 - £46.3 million). The main driver for this 13% growth has come from commercial partnerships with the successful addition of new categories, for example Indesit, and the renewal of a number of existing categories, such as Citroën, on improved terms. The summer tour to Malaysia and China made a significant contribution in supporting our international strategy for growing partnership revenues. Our rebranded on-line store, Arsenal Direct, led the way in terms of growth in retail sales and royalties from product licensing was also improved.

In terms of costs, the main change has already been referred to above, namely the increase in wage costs to £143.4 million (2011 - £124.4 million). The wage bill represented 60.9% of our football revenues (2011 – 55.2%). Included in the wage cost is a one-off charge of £2.2 million to top up the

Financial Review (continued)

Group's provision against its share of the deficit in the now closed final salary section of the Football League pension scheme, following the latest triennial valuation of the scheme.

Although further headcount was added to support and drive the Club's commercial business objectives, the increased total wage cost was very largely attributable to the player wage bill and, to a lesser extent, wage costs for the training and support staff around the first team squad. The investment in player wages, which represents not just a significant current cost but also a high level of committed future cost, continues to be underwritten by the Group's accumulated property profits and cash reserves.

Other operating costs, which include all the direct and indirect costs and overheads associated with the Club's football operations and revenues, rose to £56.7 million (2011 -£54.5 million). The main change being an increase in football operations costs from £10.7 million to £12.5 million; there were a number of underlying reasons including increased spend on player insurance premiums, medical expenses, costs of team travel in Europe, scouting and analysis costs.

Property Segment

	2012 £m	**2011** £m
Turnover	7.7	30.3
Operating profit before exceptional items	2.2	4.7
Reversal of impairment provision	-	7.9
Profit before tax	2.5	12.6

Turnover from property was derived from the final stages of the sale of flats in the Highbury Square development. Sales progress has been slow but steady as we have sought to optimise sales values achieved. 12 flats were sold during the period, bringing the cumulative sales up to 651 of 655 market housing apartments within the development. Since the year end we have completed the sale of another three units and the remaining flat will be retained by the Group.

The construction and refurbishment works on a small number of properties owned by the Group in the roads immediately adjacent to Highbury Square continued throughout the year and the first block of eight flats was released for sale at Easter with all units reserved within a very short time. So far five of these sales have progressed to completion since the year end. This project will also deliver 10 houses for sale once building works have completed in the early autumn.

The major construction works at Queensland Road being undertaken by Newlon Housing Trust continue to progress. Newlon will shortly be joined on site by Barratt who will be developing the area to the north east and adjacent to the stadium podium to provide three towers of market residential accommodation. The Group completed the sale of this plot to Barratt at the end of June and accordingly the revenues and costs associated with this contract will be recognised in the Group's profit and loss account for the 2012/13 financial year; the proceeds of £26 million are receivable in instalments over a two year period.

Financial Review (continued)

We continue to work with Islington Council's planning department to determine the optimum development schemes for our two remaining property sites on Hornsey Road and Holloway Road.

Profit after Tax

The tax charge for the year was £7.0 million (2011 – £2.1 million). The effective rate of taxation of 19.1% benefits from the revaluation of the Group's deferred tax liabilities to the 24% rate of corporation tax effective from April 2012.

The retained profit for the year was £29.6 million (2011 - £12.6 million).

Capital Investment

Expenditure of £7.3 million on fixed assets included enhancements to Club Level and further Arsenalisation projects at the stadium, completion of the new medical block and new pitches at the London Colney training ground and the first phase of a major project to provide the Club with a first class Customer Relationship Management system.

Looking ahead, the Club is in the process of agreeing the necessary planning consents for a major development of its youth development training facility at Hale End.

Financial Regulation

As we move into the early stages of UEFA's Financial Fair Play regime the topic of increased regulation in football is clearly high on the agenda. The Premier League is considering a review of its own regulatory regime and some enhancement of existing rules seems likely.

On the assumption that any new rules will be supportive of clubs who operate on a financially responsible and sustainable basis, it seems unlikely that there would be any adverse impact on Arsenal. The Club's strong financial position means we are very well placed to comply with UEFA's requirements and to pass any new tests that may be required in future; more importantly we have the sound financial platform which is vital to securing the on-field success of any football club for both the short and the long term.

Stuart Wisely
Chief Financial Officer
27 September 2012

Arsenal Holdings plc
Consolidated profit and loss account
For the year ended 31 May 2012

	Note	2012 Operations excluding player trading £'000	2012 Player trading £'000	2012 Total £'000	2011 Operations excluding player trading £'000	2011 Player trading £'000	2011 Total £'000
Turnover of the group including its share of joint ventures		242,577	2,901	245,478	257,107	735	257,842
Share of turnover of joint venture		(2,465)	-	(2,465)	(2,150)	-	(2,150)
Group turnover	3	240,112	2,901	243,013	254,957	735	255,692
Operating expenses		(217,018)	(42,319)	(259,337)	(212,128)	(21,658)	(233,786)
Operating profit/(loss)		23,094	(39,418)	(16,324)	42,829	(20,923)	21,906
Share of joint venture operating result		952	-	952	822	-	822
Profit on disposal of player registrations		-	65,456	65,456	-	6,256	6,256
Profit on ordinary activities before net finance charges		24,046	26,038	50,084	43,651	(14,667)	28,984
Net finance charges				(13,496)			(14,208)
Profit on ordinary activities before taxation				36,588			14,776
Taxation				(6,995)			(2,143)
Profit after taxation retained for the financial year				29,593			12,633
Earnings per share							
Basic and diluted	4			£475.64			£203.05

Player trading consists primarily of loan fees receivable, the amortisation of the costs of acquiring player registrations, any impairment charges and profit on disposal of player registrations.

All trading resulted from continuing operations.

There are no recognised gains or losses in the current or previous year other than those recorded in the consolidated profit and loss account and, accordingly, no statement of total recognised gains and losses is presented.

Arsenal Holdings plc
Consolidated balance sheet
At 31 May 2012

	2012 £'000	2011 £'000
Fixed assets		
Tangible fixed assets	427,157	431,428
Intangible fixed assets	85,708	55,717
Investments	2,326	1,648
	515,191	488,793
Current assets		
Stock - development properties	37,595	33,460
Stock - retail merchandise	1,681	1,114
Debtors - due within one year	52,332	27,435
- due after one year	5,201	2,214
Cash and short-term deposits	153,625	160,229
	250,434	224,452
Creditors: amounts falling due within one year	(145,159)	(131,104)
Net current assets	105,275	93,348
Total assets less current liabilities	620,466	582,141
Creditors: amounts falling due after more than one year	(268,066)	(275,912)
Provisions for liabilities and charges	(54,852)	(38,274)
Net assets	297,548	267,955
Capital and reserves		
Called up share capital	62	62
Share premium	29,997	29,997
Merger reserve	26,699	26,699
Profit and loss account	240,790	211,197
Shareholders' funds	297,548	267,955

Arsenal Holdings plc
Consolidated cash flow statement
For the year ended 31 May 2012

	2012 £'000	2011 £'000
Net cash inflow from operating activities	27,694	53,142
Player registrations	(1,785)	(1,528)
Returns on investment and servicing of finance	(13,071)	(17,220)
Taxation	(4,624)	13,664
Capital expenditure	(8,610)	(9,546)
Net cash (outflow)/inflow before financing	(396)	38,512
Financing	(6,208)	(5,890)
Management of liquid resources	(79,633)	49,340
Change in cash in the year	(86,237)	81,962
Change in short-term deposits	79,633	(49,340)
(Decrease)/increase in cash and short-term deposits	(6,604)	32,622

Management of liquid resources represents the transfer of cash (to)/from the Group's bank accounts to short-term bank treasury deposits.

Reconciliation of operating profit to net cash inflow from operating activities	2012 £'000	2011 £'000
Operating (loss)/profit	(16,324)	21,906
Amortisation of player registrations	36,802	21,658
Impairment of player registrations	5,517	-
Profit on disposal of tangible fixed assets	(12)	(35)
Depreciation (net of grant amortisation)	11,391	12,498
(Increase)/decrease in stock	(4,702)	13,068
(Increase)/decrease in debtors	(11,894)	4,500
Increase/(decrease) in creditors	6,916	(20,453)
Net cash inflow from operating activities	27,694	53,142

Analysis of changes in net debt	At 1 June 2011 £000	Non cash changes £000	Cash flows £000	At 31 May 2012 £000
Cash at bank and in hand	115,509	-	(86,237)	29,272
Short-term deposits	44,720	-	79,633	124,353
	160,229	-	(6,604)	153,625
Debt due within one year (bonds)	(5,583)	-	(354)	(5,937)
Debt due after more than one year (bonds)	(225,712)	(346)	6,562	(219,496)
Debt due after more than one year (debentures)	(26,761)	(349)	-	(27,110)
Net debt	(97,827)	(695)	(396)	(98,918)

Non cash changes represent £626,000 in respect of the amortisation of costs of raising finance, £349,000 in respect of rolled up, unpaid debenture interest and £280,000 in respect of amortisation of the premium on certain of the Group's interest rate swaps.

Arsenal Holdings plc
Notes to preliminary results
For the year ended 31 May 2012

1. The financial information set out above does not constitute the company's statutory accounts for the years ended 31 May 2011 or 2012, but is derived from those accounts. Statutory accounts for 2011 have been delivered to the Registrar of Companies and those for 2012 will be delivered following the company's annual general meeting. The auditor has reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006.

The accounting policies applied by the Group are as set out in detail in the Annual Report for the year ended 31 May 2011.

2. **Segmental analysis**

Class of business:-	**Football**	
	2012 £'000	2011 £'000
Turnover	235,329	225,410
Segment operating (loss)/profit	(18,526)	9,328
Share of operating profit of joint venture	952	822
Profit on disposal of player registrations	65,456	6,256
Net finance charges	(13,793)	(14,194)
Profit on ordinary activities before taxation	34,089	2,212
Segment net assets	265,280	237,053

Class of business:-	**Property development**	
	2012 £'000	2011 £'000
Turnover	7,684	30,282
Segment operating profit	2,202	12,578
Net finance charges	297	(14)
Profit on ordinary activities before taxation	2,499	12,564
Segment net assets	32,268	30,902

Notes to preliminary results (continued)

Class of business:-	**Group**	
	2012 £'000	2011 £'000
Turnover	243,013	255,692
Segment operating (loss)/profit	(16,324)	21,906
Share of operating profit of joint venture	952	822
Profit on disposal of player registrations	65,456	6,256
Net finance charges	(13,496)	(14,208)
Profit on ordinary activities before taxation	36,588	14,776
Segment net assets	297,548	267,955

Operating profits are stated after charging/(crediting) exceptional items as follows:

	2012 £'000	2011 £'000
Football segment – costs of takeover transaction	-	3,077
Property segment – write back of impairment provision	-	(7,860)
	-	(4,783)

Operating profit from football before depreciation, player trading and exceptional items amounted to £32.3 million (2011 - £45.8 million); being segment operating loss (as above) of £18.5 million, adding back depreciation of £11.4 million and operating loss from player trading of £39.4 million.

3. **Turnover**

Turnover, all of which originates in the UK, comprises the following:	2012 £'000	2011 £'000
Gate and other match day revenues	95,212	93,108
Broadcasting	84,701	85,244
Retail and licensing	18,303	17,702
Commercial	34,212	28,621
Property development	7,684	30,282
Player trading	2,901	735
	243,013	255,692

Turnover from product licensing was previously reported within the commercial revenue line. The comparative figures have been adjusted by £4.45 million to reflect the inclusion of licensing turnover under the heading of retail and licensing.

4. **Earnings per share**

Earnings per share (basic and diluted) are based on the weighted average number of ordinary shares of the Company in issue being 62,217 shares (2011 - 62,217 shares).

Notes to preliminary results (continued)

5. **Reconciliation of movement in shareholders' funds**

	2012 £'000	2011 £'000
Profit for the year	29,593	12,633
Opening shareholders' funds	267,955	255,322
	----------	----------
Closing shareholders' funds	297,548	267,955
	----------	----------

6. **Annual General Meeting**

The annual general meeting will be held at Emirates Stadium, London, N7, on Thursday 25 October 2012 at 11.30 am. The full statement of accounts and annual report will be posted to shareholders on 1 October 2012.