PRESS ANNOUNCEMENT

GAMES WORKSHOP GROUP PLC

28 July 2015

ANNUAL REPORT

Games Workshop Group PLC ("Games Workshop" or the "Group") announces its annual report for the year to 31 May 2015.

Highlights:

	Year to 31 May 2015	Year to 1 June 2014
Revenue	**£119.1m**	£123.5m
Revenue at constant currency*	**£123.1m**	£123.5m
Operating profit–pre-exceptional items and royalties receivable	**£15.0m**	£15.4m
Exceptional costs	**-**	£4.5m
Royalties receivable	**£1.5m**	£1.4m
Operating profit	**£16.5m**	£12.3m
Profit before taxation	**£16.6m**	£12.4m
Cash generated from operations	**£25.6m**	£25.0m
Earnings per share	**38.3p**	25.2p
Pre-exceptional earnings per share	**38.2p**	36.1p
Dividends per share declared in the year	**52p**	-

Kevin Rountree, CEO of Games Workshop said:

"Over the year we have seen modest sales growth, at constant currency, in our core trade and mail order channels. We saw a small sales decline in our own stores due to continued difficult trading in Continental Europe following our restructuring last year. We saw expected declines in some non-core activities that are grouped with core activities in our reporting. The effect of these non-core activities and the continuing effects of unfavourable exchange rates mean that our reported sales show declines in retail (-4.6%) and trade (-6.3%). Mail order growth was 3.9%."

"We have all been working hard this year, made some good progress and honoured our commitment to distribute genuinely surplus cash to our shareholders. That commitment isn't going to change."

For further information, please contact:

Games Workshop Group PLC **0115 900 4003**
Kevin Rountree, CEO
Rachel Tongue, Group Finance Director

Investor relations website investor.games-workshop.com
General website www.games-workshop.com

The full 2015 annual report can be downloaded from the investor relations website at investor.games-workshop.com

*Constant currency revenue is calculated by comparing results in the underlying currencies for 2015 and 2014, both converted at the 2014 average exchange rates.

STRATEGIC REPORT

Strategy and objectives

Games Workshop's ambitions remain clear: to make the best fantasy miniatures in the world and sell them globally at a profit, and it intends doing so forever. All of our decision making is focused on the long term success of Games Workshop, not short term gains.

This statement includes all the key elements of what we do and why we do it that way.

Before I go into what each key element is I'd like to share a thought. I believe we are a unique business and I understand that some people find us and our product a little odd and possibly a little quirky too. We are both of these and we are proud of it. I also know I am CEO of one of the most exciting companies creating fun on the planet. We forget most days because we are all focused on delivering our jobs. Our Hobby is great fun. We really do intend to be around forever, creating fun.

The first element - we make high quality miniatures. We understand that what we make is not for everyone, so to recruit and re-recruit customers we are absolutely focused on making our models the best in the world. In order to continue to do that forever and to deliver a decent return to our owners, we sell them for the price that we believe the investment in quality is worth.

Our customers tend to be teenage boys and male adults with some spare money to spend and time to enjoy hobbies. I'd like to think our Hobby - modelling, painting, collecting, gaming - is for anyone. Our customers are found everywhere. Our job is to, on a day to day basis, find them, commercially, wherever they are.

The second element is that we make fantasy miniatures based in our imaginary worlds. This gives us complete control over the imagery and styles we use and complete ownership of the intellectual property. Aside from our core business, we are constantly looking to grow our royalty income from opportunities to use our IP in other markets.

The third element is the global nature of our business. We seek out our customers all over the world. We believe that our customers carry our Hobby gene and to find them we apply our tried and tested approach of recruiting customers in our own stores, by offering a fantastic customer experience. Our retail business is supported by our own mail order store (it has the full range of our product) and our independent stockist accounts and trade outlets across the world. The independent accounts do a great job supporting our customers in parts of the world where we either have not opened one of our stores or where it is not commercially viable for us to have one of our stores. We will always have more independent accounts than our own stores. Our strategy is to grow our business through geographic spread growing all of the three complementary channels.

The fourth element is being focused on cash. We want to deliver a great cash return every year so that we can continue to innovate, surprise and delight our loyal existing customers and new customers with great product. To be around forever we also need to invest in both long term capital and short term maintenance projects every year, pay our staff what they have earned for the value they contribute and deliver surplus cash to our shareholders. Our complete dedication and focus should ensure we deliver on time and within our agreed cash limits.

We measure our success by seeking a high return on investments. In the short term, we will measure our success on our ability to grow sales whilst maintaining our core business operating profit margin. The way we go about implementing this strategy is to recruit the best staff we can by looking for the appropriate attitudes and behaviour each job we do requires and identifying the value that job brings. It is also important that everyone we employ has a real desire to learn and has a great attitude to change. Our Academy offers all of our staff both personal development and management skills training. It is also worth noting it's not what you know at Games Workshop, it's how much you contribute to our success, that we value.

We continue to believe there are great opportunities for further growth, particularly in North America and Northern Europe. So, we intend to keep on growing steadily; if we rush there is always a risk we will compromise one of the above.

Business model and structure

We design, manufacture, distribute and sell our fantasy miniatures and related products. These are fantasy miniatures from our own Warhammer 40,000 and Warhammer universes. Our factory, main distribution centre and back office support functions are all based in Nottingham.

We are an international business centrally run from our HQ in Nottingham, with 72% of our sales coming from outside the UK.

Design
Employing 167 people, the design studio in Nottingham creates all the miniatures, artwork, games and publications that we sell. In 2014/15 we invested £7.7 million in the studio (including software costs) with a further £2.0 million spent on tooling for new plastic miniatures. We are committed to a similar level of investment every year.

Manufacture
We are proud to manufacture our product in Nottingham. It's where we started and where we intend to stay. During the year we have been planning a project to upgrade our core IT systems that interface with our manufacturing equipment and systems.

Distribute
All of our product is initially distributed from our warehouse facility in Nottingham. This facility supplies our two hubs in Memphis, Tennessee and Sydney, Australia and either directly to our trade accounts and retail stores or via a third party carrier. During the year we started a project to upgrade the IT infrastructure and software for the warehouse that supports our mail order store based in Nottingham.

Sell
We sell via three channels, our own stores 'Retail', third party independent retailers 'Trade' and our 'Mail order' web store.

Games Workshop stores - Retail - they provide the focus for the Hobby in their areas. They only stock Games Workshop product. They are where we recruit the majority of our new customers. To do so the stores don't offer the full range of our products, they are merchandised to offer all customers new release product and the appropriate extended range. To achieve this we centrally run automatic stock replenishment from Nottingham. At the year end we had 418 Games Workshop stores in 20 countries. Our stores contributed 42% of the year's sales. Over the last five years we have been focusing on ensuring all of our stores are profitable by exiting expensive locations and converting our stores to one man stores. We believe that this project is in effect complete: we have 324 one man stores, small sites, each one staffed by only one store manager. We also have 94 multi man stores, which are constantly reviewed to ensure they remain profitable. If not, they will be closed and replaced with one man stores.

Trade - we sell to third party retailers under closely controlled terms and conditions. They help us sell our products mostly where we don't have our own stores. The bulk of these sales are made via our telesales teams based in Memphis and Nottingham. We also have small teams in Sydney, Tokyo and Shanghai. Last year we had 3,700 independent retailers in 52 countries. We have successfully introduced over the last few years a stockist programme which is designed to sell the right amount of stock into every account in line with their store format and performance. This programme is reviewed annually. The intention is that we stock all of our stockist accounts with our best sellers. We strive to deliver excellent service, operating in 16 languages covering all time zones. 37% of our sales came from sales to independent retailers in the year reported.

Mail order - the mail order store allows enthusiasts full access to all Games Workshop products. It is run centrally from Nottingham. It accounted for 21% of total sales in 2014/15. All of our stores have a terminal that allows our retail customers access to the full range.

Structure
We control the business centrally from Nottingham; it is where the people with experience and knowledge of running our niche business work. I have put in place a flat structure: the people with senior responsibility report directly to me. My team is split into three parts: Sales, Operations and Advisers.

My channel sales structure comprises retail, trade and mail order. This structure is made up of three key territory retail sales managers in the UK, North America and Continental Europe and a global trade manager. These four individuals have been in their jobs now for just over 18 months and their progress is encouraging. Since taking up the position of CEO I have appointed a new global mail order manager, a new global digital sales manager, and a retail sales manager for Australia and New Zealand. I also have a sales manager for Asia.

My operations and support structure includes a new finance director for Games Workshop who is responsible for accounts, compliance and legal duties. I have a product and supply manager who is responsible for our factory, logistics and design studios (Citadel, Forge World and Black Library). He also manages our three main distribution hubs in Nottingham, Memphis and Sydney. A personnel manager and our Academy personal development and skills training ensure we take our people recruitment and development seriously. All of our senior managers attend management skills training, as a team, three times per year.

My advisers comprise a small team who advise me with regard to any aspect of the use of our IP, licensing and product strategy. To help me stay focused on executing my key day to day duties I have arranged a consultancy agreement with Tom Kirby to support me with our Academy programme and our expansion in Asia.

Key performance indicators

The board and management team use a number of key performance indicators to provide a consistent method of analysing performance, in addition to allowing the board to benchmark performance against our forecast. The key performance indicators utilised by the board can be split into key financial performance indicators and key non-financial performance indicators.

The key financial performance indicators are:

Moving Annual Total ('MAT') sales growth by channel
Measures the sales growth achieved in each of our channels on a rolling 12 month basis.

MAT Group gross margin
Measures the gross profit achieved on sales after taking account of the direct costs and depreciation of manufacturing and shipping our product to customers/stores on a rolling 12 month basis.

MAT core business profit
Measures gross profit less operating expenses on a 12 month rolling basis, before royalty income.

MAT number of own stores by territory
Measures the number of our own stores on a rolling 12 month basis. This is an indicator of our global reach.

MAT number of ordering stockist accounts by territory
Measures the number of trade outlets that have ordered from us in the last three months. It is an indicator of our global reach and the health of our trade account base.

The key non-financial indicators are:

Product quality
This is an indicator of the effectiveness of our design studio and our continuous improvement in design to manufacture. We measure this by looking at sell through. If the product is great we sell a lot, if not we sell very few.

Outstanding customer service
This is an indicator of the effectiveness and efficiency of the service experience customers get in our stores and the time it takes us to resolve a customer query made to our customer service teams. The former is measured by the number of complaints I receive - very few - and the latter is tracked by five micro KPIs. Our approach is that 'the customer is always right' and we do our utmost to resolve successfully any issues.

Shareholder value

We believe shareholder value is created, primarily, by not destroying it. We have no intention to acquire other companies, nor to dispose of any of those we own.

We return our surplus cash to our owners and try to do so in ever increasing amounts.

Review of the year

Over the year we have seen modest sales growth, at constant currency, in our core trade and mail order channels. We saw a small sales decline in our own stores due to continued difficult trading in Continental Europe following our restructuring last year. We saw expected declines in some non-core activities (described below) that are grouped with core activities in our reporting. The effect of these non-core activities and the continuing effects of unfavourable exchange rates mean that our reported sales show declines in retail (-4.6%) and trade (-6.3%). Mail order growth was 3.9%.

It is encouraging to see that the channels and territories not impacted by our restructuring last year delivered sales growth, namely, mail order, trade in North America, Australia and New Zealand and retail in the UK, Australia and New Zealand.

The restructuring across Continental Europe was delivered on time, within budget and has delivered the cost savings that were planned. We anticipated - correctly - that it would take some time to get this region back to its normal levels as we knew we would have to recruit a new trade team of recruiters and account developers in Nottingham servicing all of Continental Europe in the local languages. In the second half that new team delivered sales growth of 1%. The impact in retail has taken a little longer than planned to recover. The key issue is store manager recruitment, which remains a key priority.

The exit of loss making stores in North America has been a challenge; we closed nine stores in the year and as a direct result have not delivered a net increase in stores in North America in the year. This project is now complete and, subject to finding the right managers, we will be embarking on a store opening programme in North America in 2015/16.

We expected a decline in non-core trade activities (-£2.2 million) and this comprised export, non-strategic accounts and magazine sales via newsstand. The decline of non-core retail of £0.7 million is due to the redevelopment of the visitor centre in Nottingham. We aim to offset this sales decline in 2015/16 with the opening of our new visitor centre and our new events programme. We are all very proud of the new venue, which opened on time and on budget in May 2015. It is a great example of our staff working together to deliver a project successfully.

Gross margin declined in the period due to a decline in sales volumes and increased development costs due to the release of more new products. The quality of new product we release continues to surprise and delight our customers and we plan to do so every week. We have increased the prices of our new releases to reflect the additional investment and value we have built into these new releases. The annual impact of this increase on our UK RRP price list is an average increase of 3%.

Costs have been reduced in the year, mainly as a result of the savings delivered from restructuring in Continental Europe, the exit of high cost stores in North America and the way in which we maintain cover staff for our UK stores.

I have set a goal of getting the business into sales growth in 2015/16 and have asked staff to accept a salary freeze until December 2015 to allow us to maintain our cost to sales ratio. If we deliver sales growth in the first half of 2015/16 I have agreed to back date any salary reviews to 1 June 2015. We are all working hard to deliver this goal.

Warhammer branding
We have taken the decision in the year to rebrand our stores 'Warhammer'. It is what our customers call us. This will be rolled out progressively, as and when we open new or refurbish our existing stores. At the year end date we had 13 Warhammer branded stores.

Product
In July 2015, we relaunched Warhammer Fantasy to broad acclaim 'Warhammer: Age of Sigmar'. We are so proud of this new range of miniatures that we have commissioned an additional statue at our HQ to complement our Space Marine, which has delighted our customers and staff for the last 17 years. You have to see it to believe it, you will not be disappointed.

Licensing
In the period we signed 17 new deals and have 44 contracts currently in place to produce more than 50 interactive products. Reported income is split: 52% traditional PC games, 27% mobile and 21% card, board and role-playing game licences. 37 new products were released in the period. We also announced a major tie up with SEGA to develop a real time strategy game 'Total War: Warhammer'.

Projects
We have three major projects being implemented currently:

- European ERP - enterprise resource planning (core back office systems) - replacement. It is estimated to cost £6.4 million.
- Forge World mail order store. To protect our sales we are building a new Forge World mail order store on the same platform and hosting environment as our Citadel mail order store and migrating all products and imagery. It is on track with a scheduled go live date in the summer of 2015. It will cost £1.1 million.
- Mail order warehouse system replacement. It is estimated to cost £0.8 million.

Return on capital*

Our key measure of our performance is return on capital. During the year our return on capital fell from 42% to 40%. This was driven by both a decline in operating profit and an increase in capital employed.

Sales
Reported sales fell by 3.5% to £119.1 million for the year. On a constant currency basis, sales were down by 0.3% from £123.5 million to £123.1 million; split by channel this comprised: retail £50.8 million (2014: £52.0 million), trade £46.2 million (2014: £46.9 million) and mail order £26.1 million (2014: £24.6 million).

Operating profit
Core business operating profit (operating profit before royalty income) fell by £0.4 million to £15.0 million (2014: £15.4 million). On a constant currency basis, core business operating profit increased by £2.2 million to £17.5 million. This was driven by a reduction in operating expenses excluding exceptional items.

Operating expenses (excluding exceptional items) fell by £4.2 million; £1.8 million due to a reduction in retail store costs and savings of £2.4 million from the restructure of Continental Europe have been realised. Costs remain a key area of focus.

Capital employed
Average capital employed* increased by £2.0 million to £38.6 million. The book value of tangible and intangible assets increased by £1.3 million whilst trade and other receivables decreased by £0.2 million, inventories fell by £0.4 million and current liabilities fell by £1.3 million.

Cash generation
During the year, the Group's core operating activities generated £20.3 million of cash after tax payments (2014: £17.9 million). The Group also received cash of £3.0 million in respect of royalties in the year (2014: £2.4 million). After purchases of tangible and intangible assets and product development costs of £12.4 million (2014: £11.7 million) and dividends of £16.6 million (2014: £5.1 million) there were net funds at the year end of £12.6 million (2014: £17.6 million).

Investments in assets
This is what we have been spending your money on:

	2015	2014
	£million	£million
Shop fits for new and existing stores	**0.8**	1.1
Production equipment and tooling	**3.0**	2.8
Computer equipment and software	**1.6**	2.7
Lenton site including the new visitor centre	**2.4**	0.5
Total capital additions	**7.8**	7.1

In 2014/15 we invested £0.8 million in shop fits: 34 new stores and three refurbishments. We also invested £3.0 million in tooling, milling and injection moulding machines. Capital investment is expected to be higher than depreciation and amortisation over the next few years as we upgrade our core back office systems in Nottingham.

Dividends
We followed our principle of returning truly surplus cash to shareholders. Dividends of 52 pence per share were paid during the year (£16.6 million; 2014: £5.1 million).

Royalty income
Royalty income increased in the period by £0.1 million to £1.5 million.

Taxation
The tax rate for the year was 26.1% (2014: 32.0%). We continue to expect a rate above that for business activities based solely in the UK, due to higher overseas tax rates.

Sales by channel
42% (2014: 42%) of sales were made through our own stores, 37% (2014: 38%) of sales were to independent retailers and 21% (2014: 20%) mail order.

Retail

Store openings and closures during the year

	Number of stores at May 2014	Opened	Closed	**Number of stores at May 2015**	**Number of one man stores at May 2015**	Number of one man stores at May 2014
UK	142	10	(10)	**142**	**108**	103
North America	87	6	(9)	**84**	**72**	63
Europe	141	10	(6)	**145**	**105**	99
Australia	40	7	(4)	**43**	**36**	29
Asia	4	1	(1)	**4**	**3**	3
	414	34	(30)	**418**	**324**	297

We relocated 15 stores and these are included in the opened/closed movement above. Our ability to open new stores is still (and always will be) limited by our ability to find the right people to run them. Although we are getting better at it, it is still our number one priority.

Retail sales fell by 4.6% in the year (-2.2% at constant currency), partially due to the continental european reorganisation as well as a decline in non-core retail sales relating to the refurbishment of the visitor centre in Nottingham.

Trade
Sales fell by 6.3% in the year (-1.6% at constant currency), partially due to the continental european reorganisation and decline in non-core trade sales.

Mail order
Our new online shop was launched in April 2014 and our online sales in the period were 3.9% higher than the prior year (+5.9% at constant currency).

Treasury
The objective of our treasury operation is the cost effective management of financial risk. The relationship with the Group's bank is managed centrally. It operates within a range of board approved policies. No transactions of a speculative nature are permitted.

Funding and liquidity risk
The Group pays for its operations entirely from our cash flow. We had a small facility at the bank which expired in December 2014.

Interest rate risk
Net interest receivable for the year (excluding net foreign exchange gains and unwinding of discounts on provisions) was £109,000 (2014: £106,000).

Foreign exchange
Our big currency exposures are the euro and US dollar:

	euro		US dollar	
	2015	2014	**2015**	2014
Year end rate used for the balance sheet	**1.39**	1.23	**1.53**	1.68
Average rate used for earnings	**1.31**	1.20	**1.58**	1.62

The net impact in the year of exchange rate fluctuations on our operating profit was a reduction of £2.5 million (2014: reduction of £1.3 million).

Priorities for next year

As part of our overall strategy, four key strategic initiatives will be prioritised in 2015/16. These are designed to deliver sales growth whilst maintaining our gross margin and keeping our costs flat.

Firstly, staff recruitment. We need a constant stream of new people to join Games Workshop across all departments and over the last three years our Academy team has been training us all on how to find people whose personal qualities fit the jobs we need to fill. This has radically changed how we recruit and also how we performance manage; to date our new approach has proven to be successful. The challenge now is how do we deal with our recruitment process on an industrial scale: globally we recruit hundreds of people every year and our rigorous approach means that to do this successfully we need to consider thousands of application letters. To help us in this process I will be adding an expert in recruitment to my management team. This appointment should help ensure Games Workshop has the right processes in place to recruit the people we need when we need them to deliver our growth.

Secondly, I will review our product range. We believe this is long overdue: it is time for a resetting of the ranges. Not tweaking here and there but a top down reassessment. I expect to update you further at the half year. We will aim to continue to deliver outstanding product and customer service, maintain our Group gross margin and continue to improve our Group stock turn. To be absolutely clear I will not be reducing the RRP of our products: they are premium priced for their premium quality. I will, however, be looking to offer a broader range of price points. This is exciting and is for the long term, so I'm not promising when you will see a change. We have already started the brainstorming in our monthly strategic product meetings. It is early days, but I can already foresee some busy times ahead.

Thirdly, we must grow the number of customers we have. We have been underperforming here in recent years, mainly on account of our focus on the value based initiatives of converting our loss making stores to profitable ones and restructuring our sales businesses to take out duplicate and unnecessary costs. My aim is to:

1. Open more of our own stores, mostly in our proven one man store format, in greenfield cities in North America and Continental Europe. Our retail sales managers all have ambitious goals for 2015/16. I am also working closely with our manager for Asia to open more stores in Japan, Singapore and Hong Kong. We do believe we can establish our Hobby business in Asia, but this isn't going to happen overnight. My global goal is to open 30 stores (net) in 2015/16. If we achieve our first initiative it may well be many more.

I'm also proposing a trial in a few high footfall locations, like the one we opened in April 2015 on Tottenham Court Road, London. It is a multi-man format store with an extended (more expensive) shop fit: mainly new till format, mobile tills, better use of merchandising space, new web terminal (to access our broader range) and next day stock delivery to the store for in-store orders. The store has been branded 'Warhammer' instead of 'Games Workshop'. I believe that this store format can support the additional investment as such stores are uniquely placed to service a higher number of customers, often lots of tourists. My aim is to pilot, on a smaller scale, one each in Boston, Sydney, Munich, Paris and Copenhagen in the year ahead. I don't intend to move our overall retail strategy away from one man stores; these will be exceptional stores. The only differences to our one man store format will be the additional rent and property related costs and the additional capital investment. We can flex the staffing levels.

2. Open more stockist trade accounts using our proven stockist strategy. This will be based on our well established terms and conditions, selling independent accounts our best selling products and, where appropriate, the extended range. Our global trade manager has some ambitious plans to grow the net number of trade outlets we have, with a particular focus on North America.

3. Explore new core trade opportunities in toy, craft, book and comic stores. This has always been a great opportunity to extend our reach and help us find new customers. I am working closely with my advisers exploring these types of locations.

Finally, we will be replacing the European ERP system in Nottingham that we have been using for over 15 years: it has come to the end of its useful life. This project will give us the opportunity to drive synergies throughout our back office functions by removing complexity, re-engineering our processes and delivering our services at a lower cost. Following a lengthy and robust process we have now chosen the product and the vendor. As a result our capital investment is likely to be higher over the next few years. The total cost of this project, including internal resources, is estimated to be £6.4 million.

Risks and uncertainties

The board has overall responsibility for ensuring risk is appropriately managed across the Group. The top five risks to the Group are reviewed at each board meeting. The risks are rated as to their business impact and their likelihood of occurring. In addition, the Group has a disaster recovery plan to ensure ongoing operations are maintained in all circumstances. The principle risks identified in 2014/15 are discussed below. These risks are not intended to be an extensive analysis of all risks that may arise but more importantly the ones that would cause business interruption in the year ahead.

ERP change – as discussed above we are changing our core ERP system in the UK. This is a complicated project with the risk of widespread business disruption if it is not implemented well.
Store manager recruitment – this comprises both recruitment of managers for new stores as well as replacing poor performing managers. Retail is our primary method of recruiting new customers and so we need great managers in all our stores.
Supply chain – as discussed above we are currently changing our mail order warehouse system. This is part of an ongoing programme of continuous improvement for these warehouse systems. As with any system change there are risks associated with the transition.
Range management – as discussed above we are reviewing our range to ensure that we are exploring all opportunities. The risk is that we don't fully exploit all the opportunities that are available to us.
Distractions – this is anything else that gets in the way of us delivering our goals.

In my opinion the greatest risk is the same one that we repeat each year, namely, management. So long as we have great people we will be fine. Problems will arise if the board allows egos and private agendas to rule. I will do my utmost to ensure that this does not happen on my watch.

Summary

We have all been working hard this year, made some good progress and honoured our commitment to distribute genuinely surplus cash to our shareholders. That commitment isn't going to change.

Since being appointed CEO, I believe I have hit the ground running and not dropped too many balls. I am delighted that my team has responded well to the new CEO. We are working well together, are looking very lively - and with the launch of Warhammer: Age of Sigmar having some fun too.

We are confident we can achieve the priorities I have set for 2015/16. I will keep you appropriately informed.

The board continues to believe that the prospects for the business are good.

Kevin Rountree
CEO
27 July 2015

Statement of directors' responsibilities
The directors confirm that this condensed consolidated financial information has been prepared in accordance with IFRSs and that the management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties; and
- material related-party transactions in the year and any material changes in the related-party transactions described in the last annual report.

A list of all current directors is maintained on the investor relations website at investor.games-workshop.com.

By order of the board

Kevin Rountree
CEO
27 July 2015

Rachel Tongue
Group Finance Director
27 July 2015

*We use average capital employed to take account of the significant fluctuation in working capital which occurs as the business builds both inventories and trade receivables in the pre-Christmas trading period. Return is defined as pre-exceptional operating profit before royalty income, and the average capital employed is adjusted by deducting assets and adding back liabilities in respect of cash, borrowings, exceptional provisions, deferred royalty income, taxation and dividends.

CONSOLIDATED INCOME STATEMENT

	Notes	**Year ended 31 May 2015 £000**	Pre-exceptional items Year ended 1 June 2014 £000	Exceptional items Year ended 1 June 2014 £000	Total Year ended 1 June 2014 £000
Revenue	2	**119,132**	123,501	-	123,501
Cost of sales		**(36,988)**	(36,766)	-	(36,766)
Gross profit		**82,144**	86,735	-	86,735
Operating expenses		**(67,207)**	(71,380)	**-**	(71,380)
Other operating income – royalties receivable		**1,498**	1,442	-	1,442
Exceptional items	3	**42**	-	(4,500)	(4,500)
Operating profit	2	**16,477**	16,797	(4,500)	12,297
Finance income		**109**	106	-	106
Finance costs		**(1)**	(7)	-	(7)
Profit before taxation		**16,585**	16,896	(4,500)	12,396
Income tax expense	5	**(4,328)**	(5,409)	1,020	(4,389)
Profit attributable to owners of the parent		**12,257**	11,487	(3,480)	8,007

	Notes	**Year ended 31 May 2015**	Year ended 1 June 2014
Basic earnings per ordinary share	6	**38.3p**	25.2p
Diluted earnings per ordinary share	6	**38.3p**	25.1p
Basic earnings per ordinary share – pre-exceptional items	6	**38.2p**	36.1p
Diluted earnings per ordinary share – pre-exceptional items	6	**38.1p**	36.0p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 May 2015 £000	Year ended 1 June 2014 £000
Profit attributable to owners of the parent	**12,257**	8,007
Other comprehensive expense		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	**(473)**	(1,233)
Other comprehensive expense for the period	**(473)**	(1,233)
Total comprehensive income attributable to owners of the parent	**11,784**	6,774

The following notes form an integral part of this condensed consolidated financial information.

CONSOLIDATED BALANCE SHEET

	Notes	**31 May 2015 £000**	1 June 2014 £000
Non-current assets			
Goodwill		**1,433**	1,433
Other intangible assets	9	**8,262**	8,683
Property, plant and equipment	10	**22,719**	21,027
Trade and other receivables		**1,195**	1,408
Deferred tax assets		**3,621**	4,715
		37,230	37,266
Current assets			
Inventories		**7,625**	8,035
Trade and other receivables		**9,425**	9,145
Current tax assets		**600**	636
Cash and cash equivalents	8	**12,561**	17,550
		30,211	35,366
Total assets		**67,441**	72,632
Current liabilities			
Trade and other payables		**(13,131)**	(12,765)
Current tax liabilities		**(1,434)**	(587)
Provisions	11	**(529)**	(3,009)
		(15,094)	(16,361)
Net current assets		**15,117**	19,005
Non-current liabilities			
Other non-current liabilities		**(364)**	(360)
Provisions	11	**(458)**	(517)
		(822)	(877)
Net assets		**51,525**	55,394
Capital and reserves			
Called up share capital		**1,603**	1,593
Share premium account		**10,218**	9,490
Other reserves		**1,182**	1,655
Retained earnings		**38,522**	42,656
Total equity		**51,525**	55,394

The following notes form an integral part of this condensed consolidated financial information.

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Called up share capital £000	Share premium account £000	Other Reserves £000	Retained earnings £000	Total equity £000
At 1 June 2014 and 2 June 2014	1,593	9,490	1,655	42,656	55,394
Profit for the year to 31 May 2015	-	-	-	12,257	12,257
Exchange differences on translation of foreign operations	-	-	(473)	-	(473)
Total comprehensive (expense)/income for the period	**-**	**-**	**(473)**	**12,257**	**11,784**
Transactions with owners:					
Share-based payments	-	-	-	232	232
Shares issued under employee sharesave scheme	10	728	-	-	738
Deferred tax charge relating to share options	-	-	-	(71)	(71)
Current tax credit relating to exercised share options	-	-	-	49	49
Dividends paid to Company shareholders	-	-	-	(16,601)	(16,601)
Total transactions with owners	**10**	**728**	**-**	**(16,391)**	**(15,653)**
At 31 May 2015	**1,603**	**10,218**	**1,182**	**38,522**	**51,525**

	Called up share capital £000	Share premium account £000	Other Reserves £000	Retained earnings £000	Total equity £000
At 2 June 2013 and 3 June 2013	1,586	9,059	2,888	34,321	47,854
Profit for the year to 1 June 2014	-	-	-	8,007	8,007
Exchange differences on translation of foreign operations	-	-	(1,233)	-	(1,233)
Total comprehensive (expense)/income for the period	-	-	(1,233)	8,007	6,774
Transactions with owners:					
Share-based payments	-	-	-	288	288
Shares issued under employee sharesave scheme	7	431	-	-	438
Deferred tax charge relating to share options	-	-	-	(34)	(34)
Current tax credit relating to exercised share options	-	-	-	74	74
Total transactions with owners	7	431	-	328	766
At 1 June 2014	1,593	9,490	1,655	42,656	55,394

The following notes form an integral part of this condensed consolidated financial information.

CONSOLIDATED CASH FLOW STATEMENT

	Notes	**Year ended 31 May 2015 £000**	Year ended 1 June 2014 £000
Cash flows from operating activities			
Cash generated from operations	7	**25,579**	24,997
UK corporation tax paid		**(1,912)**	(4,492)
Overseas tax paid		**(393)**	(229)
Net cash from operating activities		**23,274**	20,276
Cash flows from investing activities			
Purchases of property, plant and equipment		**(6,783)**	(5,673)
Proceeds on disposal of property, plant and equipment		**26**	54
Purchases of other intangible assets		**(1,012)**	(1,522)
Expenditure on product development		**(4,579)**	(4,652)
Interest received		**115**	104
Net cash from investing activities		**(12,233)**	(11,689)
Cash flows from financing activities			
Proceeds from issue of ordinary share capital		**738**	438
Interest paid		**(1)**	-
Dividends paid to Company shareholders		**(16,601)**	(5,077)
Net cash from financing activities		**(15,864)**	(4,639)
Net (decrease)/increase in cash and cash equivalents		**(4,823)**	3,948
Opening cash and cash equivalents		**17,550**	13,931
Effects of foreign exchange rates on cash and cash equivalents		**(166)**	(329)
Closing cash and cash equivalents	8	**12,561**	17,550

The following notes form an integral part of this condensed consolidated financial information.

NOTES TO THE FINANCIAL INFORMATION

1. General information

The consolidated financial statements of Games Workshop Group PLC are prepared under the going concern basis and in accordance with International Financial Reporting Standards (IFRSs), International Financial Reporting Interpretations Committee (IFRIC) interpretations and Standing Interpretations Committee (SIC) interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to those companies reporting under IFRSs.

These results for the year ended 31 May 2015 together with the corresponding amounts for the year ended 1 June 2014 are extracts from the 2015 annual report and do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The annual report for the year ended 31 May 2015, on which the auditors have issued a report that does not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006, will be posted to shareholders on 29 July 2015 and will be delivered to the Registrar of Companies in due course. Copies will also be available from Rachel Tongue, Games Workshop Group PLC, Willow Road, Lenton, Nottingham, NG7 2WS. This information is also available on the Company's website at http://investor.games-workshop.com.

The annual general meeting will be held at Willow Road, Lenton, Nottingham, NG7 2WS at 10.00am on 16 September 2015.

The annual financial report is prepared in accordance with the Listing Rules and Disclosure and Transparency Rules of the Financial Conduct Authority and accounting policies consistent with those used in the 2014 annual report.

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and disclosure of contingencies at the balance sheet date. If in future such estimates and assumptions, which are based on management's best judgement at the date of the consolidated financial statements, deviate from actual circumstances, the original estimates and assumptions will be modified, as appropriate, in the period in which the circumstances change. The following areas are considered of greater complexity and/or particularly subject to the exercise of judgement:

- Management estimates and judgements are required in assessing the impairment of assets, including capitalised development costs and fixtures and fittings within loss making retail stores, particularly in relation to the forecasting of future cash flows and the discount rate applied to the cash flows.

- Judgement is involved in assessing the exposures in the provisions (including inventory, loss making retail stores, other property, bad debt and returns) and hence in setting the level of the required provisions.

2. Segment information

The chief operating decision-maker has been identified as the executive directors. They review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the segments based on these reports.

As Games Workshop is a vertically integrated business, management assesses the performance of sales channels and manufacturing and distribution channels separately. At 31 May 2015, the Group is organised as follows:

- Sales channels. These channels sell product to external customers, through the Group's network of retail stores, independent retailers and directly via the global web store. The sales channels have been aggregated into segments where they sell products of a similar nature, have similar production processes, similar customers, similar distribution methods, and if they are affected by similar economic factors. The segments are as follows:
    - Trade. This sales channel sells globally to independent retailers and also includes the Group's magazine newsstand business and the distributor sales from the Group's publishing business (Black Library).
    - Retail. This includes sales through the Group's retail stores, the Group's visitor centre in Nottingham, and global exhibitions.
    - Mail order. This includes sales through the Group's global web stores and digital sales through external affiliates.
- Product and supply. This includes the design and manufacture of the products and incorporates the production facility in the UK and the Group logistics and stock management costs.
- Central costs. These include the Company overheads, head office site costs, and the costs of running the Games Workshop Academy. This also includes adjustments for the profit in stock arising from inter-segment sales.
- Service centre costs. Provides support services (IT, accounting, payroll, personnel, procurement, legal and customer services) to activities across the Group and undertakes strategic projects.
- Royalties. This is royalty income earned from third party licensees after deducting associated licensing costs.

The chief operating decision-maker assesses the performance of each segment based on operating profit, excluding share option charges recognised under IFRS 2, 'Share-based payments'. This has been reconciled to the Group's total profit before taxation below.

The segment information reported to the executive directors for the year ended 31 May 2015 is as follows:

	External revenue	
	Year ended 31 May 2015 £000	Restated Year ended 1 June 2014 £000
Trade	**43,940**	46,903
Retail	**49,597**	51,974
Mail order	**25,595**	24,624
Total revenue	**119,132**	123,501

Segment revenue and segment profit include transactions between business segments; these transactions are eliminated on consolidation. Sales between segments are carried out at arm's length. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the income statement.

For information, we analyse external revenue further below:

	Year ended 31 May 2015 £000	Year ended 1 June 2014 £000
Trade		
UK and Continental Europe	**15,420**	17,475
North America	**17,740**	16,498
Australia and New Zealand	**2,000**	1,971
Non-core trade	**8,780**	10,959
Total Trade	**43,940**	46,903
Retail		
UK	**17,496**	16,631
Continental Europe	**13,879**	16,349
North America	**9,806**	9,981
Australia and New Zealand	**5,619**	5,555
Non-core retail	**2,797**	3,458
Total Retail	**49,597**	51,974
Total Mail order	**25,595**	24,624
Total external revenue	**119,132**	123,501

Operating expenses by segment are regularly reviewed by the executive directors and are provided below:

	Year ended 31 May 2015 £000	Restated Year ended 1 June 2014 £000
Trade	**(7,946)**	(9,627)
Retail	**(33,974)**	(37,288)
Mail order	**(4,326)**	(4,125)
Product and supply	**(3,111)**	(3,841)
Central costs	**(6,206)**	(4,968)
Service centre costs	**(11,215)**	(11,157)
Royalties	**(429)**	(374)
Total group operating expenses	**(67,207)**	(71,380)

Total segment operating profit is as follows and is reconciled to profit before taxation below:

	Year ended 31 May 2015 £000	Restated Year ended 1 June 2014 £000
Operating profit		
Trade	**10,970**	14,838
Retail	**(1,050)**	(1,636)
Mail order	**14,241**	14,142
Product and supply	**8,643**	206
Central costs	**(6,179)**	(5,240)
Service centre costs	**(11,217)**	(11,081)
Royalties	**1,069**	1,068
Total group operating profit	**16,477**	12,297
Finance income	**109**	106
Finance costs	**(1)**	(7)
Profit before taxation	**16,585**	12,396

3. Exceptional items

The exceptional credit of £42,000 reported in the current year relates to the release of amounts previously provided for the continental european restructure. The exceptional items reported in the prior period relate to the continental european reorganisation announced in January 2014. As part of this reorganisation £2,987,000 was incurred in redundancy and severance costs, £608,000 in closing local country head offices and £905,000 in professional fees and other costs.

4. Dividends per share

A dividend of 16 pence per share, amounting to a total dividend of £5,077,000, was paid during the year ended 1 June 2014 and was declared in the prior period. A dividend of 20 pence per share, amounting to a total dividend of £6,373,000, a dividend of 16 pence per share, amounting to a total dividend of £5,099,000, and a further dividend of 16 pence per share, amounting to a total dividend of £5,129,000, were declared and paid during the current period.

5. Tax

	Year ended 31 May 2015 £000	Pre-exceptional items Year ended 1 June 2014 £000	Exceptional items Year ended 1 June 2014 £000	Total Year ended 1 June 2014 £000
Current UK taxation:				
UK corporation tax on profits for the period	**3,165**	2,956	-	2,956
Under/(over) provision in respect of prior periods	**253**	(54)	-	(54)
UK corporation tax on exceptional items for the period	**9**	-	(1,051)	(1,051)
	3,427	2,902	(1,051)	1,851
Current overseas taxation:				
Overseas corporation tax on profits for the period	**347**	908	-	908
Over provision in respect of prior periods	**(539)**	(360)	-	(360)
Total current taxation	**3,235**	3,450	(1,051)	2,399
Deferred taxation:				
Origination and reversal of timing differences	**893**	1,645	31	1,676
Under provision in respect of prior periods	**200**	314	-	314
Tax expense/(income) recognised in the income statement	**4,328**	5,409	(1,020)	4,389
Current tax credit relating to sharesave scheme	(49)	(74)	-	(74)
Deferred tax charge relating to sharesave scheme	71	34	-	34
Charge/(credit) taken directly to equity	22	(40)	-	(40)

The tax on the Group's profit before taxation differs from the standard rate of corporation tax in the UK as follows:

	Year ended 31 May 2015 £000	Year ended 1 June 2014 £000
Profit before taxation	**16,585**	12,396
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 20.83% (2014: 22.67%)	**3,455**	2,810
Effects of:		
Items not deductible for tax purposes	**481**	662
Movement in deferred tax not recognised	**(4)**	(10)
Higher tax rates on overseas earnings	**482**	1,027
Adjustments to tax charge in respect of prior periods	**(86)**	(100)
Total tax charge for the period	**4,328**	4,389

Included within the £4,328,000 disclosed above, £11,000 relates to changes in rates of UK corporation tax in the year from 21% to 20% from 1 April 2015. Further reductions were included in the Summer Budget 2015 announced on 8 July 2015, which has not been substantively enacted, to reduce the rate to 19% from 1 April 2017 and 18% from 1 April 2020. The overall effect of these further changes, if applied to the deferred tax balance at the balance sheet date, would be to reduce the deferred tax asset by an additional £9,000.

6. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

	Year ended 31 May 2015	Year ended 1 June 2014
Profit attributable to owners of the parent (£000)	**12,257**	8,007
Weighted average number of ordinary shares in issue (thousands)	**31,975**	31,805
Basic earnings per share (pence per share)	**38.3**	25.2

Basic earnings per share - pre-exceptional items

Basic earnings per share - pre-exceptional items is calculated by dividing the profit attributable to owners of the parent, before exceptional items, by the weighted average number of ordinary shares in issue during the period.

	Year ended 31 May 2015	Year ended 1 June 2014
Pre-exceptional profit attributable to owners of the parent (£000)	**12,215**	11,487
Weighted average number of ordinary shares in issue (thousands)	**31,975**	31,805
Basic earnings per share – pre-exceptional items (pence per share)	**38.2**	36.1

Diluted earnings per share

The calculation of diluted earnings per share has been based on the profit attributable to owners of the parent and the weighted average number of shares in issue throughout the period, adjusted for the dilutive effect of share options outstanding at the period end.

	Year ended 31 May 2015	Year ended 1 June 2014
Profit attributable to owners of the parent (£000)	**12,257**	8,007
Weighted average number of ordinary shares in issue (thousands)	**31,975**	31,805
Adjustment for share options (thousands)	**50**	129
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**32,025**	31,934
Diluted earnings per share (pence per share)	**38.3**	25.1

Diluted earnings per share - pre-exceptional items

The calculation of diluted earnings per share - pre-exceptional items has been based on the profit attributable to owners of the parent, before exceptional items, and the weighted average number of shares in issue throughout the period, adjusted for the dilutive effect of share options outstanding at the period end.

	Year ended 31 May 2015	Year ended 1 June 2014
Pre-exceptional profit attributable to owners of the parent (£000)	**12,215**	11,487
Weighted average number of ordinary shares in issue (thousands)	**31,975**	31,805
Adjustment for share options (thousands)	**50**	129
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**32,025**	31,934
Diluted earnings per share – pre-exceptional items (pence per share)	**38.1**	36.0

7. Reconciliation of profit to net cash from operating activities

	2015 £000	2014 £000
Operating profit	**16,477**	12,297
Depreciation of property, plant and equipment	**4,991**	4,907
Net impairment /(reversal) on property, plant and equipment	**9**	(204)
Loss on disposal of property, plant and equipment	**33**	370
Loss on disposal of intangible assets	**24**	333
Amortisation of capitalised development costs	**4,728**	4,121
Amortisation of other intangibles	**1,362**	849
Share-based payments	**232**	288
Changes in working capital:		
- Decrease/(increase) in inventories	**882**	(468)
- (Increase)/decrease in trade and other receivables	**(242)**	1,545
- Decrease in trade and other payables	**(395)**	(952)
- (Decrease)/increase in provisions	**(2,522)**	1,911
Net cash from operating activities	**25,579**	24,997

8. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	2015 £000	2014 £000
Cash at bank and in hand	**11,942**	16,432
Short-term bank deposits	**619**	1,118
Cash and cash equivalents	**12,561**	17,550

9. Other intangible assets

	2015 £000	2014 £000
Net book value at beginning of the year	**8,683**	8,033
Additions	**5,695**	5,968
Exchange differences	**(2)**	(15)
Disposals	**(24)**	(333)
Amortisation charge	**(6,090)**	(4,970)
Net book value at end of the year	**8,262**	8,683

10. Property, plant and equipment

	2015 £000	2014 £000
Net book value at beginning of the year	**21,027**	20,604
Additions	**6,753**	5,739
Exchange differences	**(2)**	(189)
Disposals	**(59)**	(424)
Charge for the period	**(4,991)**	(4,907)
Impairment	**(9)**	204
Net book value at end of the year	**22,719**	21,027

11. Provisions

Analysis of total provisions:

	2015 £000	2014 £000
Current	**529**	3,009
Non-current	**458**	517
Total provisions	**987**	3,526

	Exceptional items £000	Employee benefits £000	Property £000	Total £000
At 1 June 2014	2,470	568	488	3,526
Charged/(credited) to the income statement	(42)	(3)	236	191
Exchange differences	44	(26)	8	26
Utilised	(2,446)	(47)	(263)	(2,756)
At 31 May 2015	**26**	**492**	**469**	**987**

12. Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is £447,000 (2014: £478,000). Inventory purchase commitments contracted for at the balance sheet date are £1,898,000 (2014: £365,000).

13. Related-party transactions

There were no material related-party transactions during the current or prior period.