



19 September 2012

NEWBURY RACECOURSE PLC
("the Racecourse" or "the Company")

Development Agreement with David Wilson Homes

Newbury Racecourse plc, the racing, entertainment and events business is pleased to announce that it has completed the joint venture Development Agreement (the Agreement) with David Wilson Homes Limited ("DWH") regarding the long term redevelopment of the racecourse.

The Agreement will see DWH purchase three areas of land at the racecourse known as the Western, Central and Eastern sites on which c.1500 homes are to be constructed over the course of the anticipated 10 year development programme. This will bring considerable benefits to the local community, which , include 30% of the new homes being affordable and shared equity housing, substantial investment in the local road network and bus and rail routes and a contribution towards primary and secondary education, healthcare and adult social care.

Following the sale of the land to DWH the Company will begin a racecourse development programme which will deliver new and refurbished trading facilities and infrastructure so that the Racecourse retains its market leading position in the UK horse racing industry.

Financial Benefits

As part of the Agreement:

- DWH is committed to pay a minimum of £42.6 million over the course of the ten year programme with the majority of payments being received in the latter stages of the project
- The Racecourse is expected to receive £33 million net of tax and all related costs over the course of the ten year programme
- The Racecourse will receive an initial cash payment of £5.1 million
- The Racecourse has the potential to receive additional payments in excess of the £33 million through further profit participation depending on the success of the residential development over the duration of the 10 year programme

Newbury Racecourse Customer Benefits Funded by DWH

- A new bridge to access the residential sites will be constructed which will provide enhanced access to the racecourse
- New parking facilities for visitors and enhanced road infrastructure
- A new multifunctional facility which will provide stable staff accommodation
- Refurbished stables
- A new nursery which will replace the existing building, providing a high quality facility for the local community

Racecourse Refurbishment and Development

In order to ensure that the Company achieves its stated long term strategy of developing the Racecourse as a profitable, leading racecourse, entertainment and events business with racing at its core, the Board is reviewing a number of options to refurbish the grandstands and associated visitor areas. The Board is engaging with funding providers so that these works could, if appropriate, be undertaken in advance of property receipts from DWH. Works under consideration include:

- Refurbishment of the Berkshire stand to improve its facilities for racegoers
- A new weighing room providing a backdrop to the paddock thereby providing more retail space within the Berkshire stand
- A new paddock, pre-parade ring and landscaping around the grandstands to create a greener and more attractive environment with enhanced viewing for both racing and year round events
- Improved facilities for owners, trainers and members
- New offices and entrances to the racecourse to facilitate the new parking arrangements and to create an improved arrival experience

These potential enhancement works at the racecourse remain under review. It is estimated that, in their entirety, the cost of such works to be paid for by the Company would be up to £12 million.

The Board is exploring options to work with external partners to deliver the proposed hotel and the development of the golf facilities at the racecourse.

Timetable and Local Employment

It is anticipated that the planned DWH infrastructure works will start in 2012, with housing sales from mid 2013. Subject to finance and the Board finalising its plans, a significant proportion of the racecourse enhancement works would take place in 2014 and 2015.

The construction of the residential apartments on the Central Site and the proposed hotel will form a second phase from 2015 after the new bridge has been built. The redevelopment will create a range of local employment opportunities during the course of the construction period. To ensure control over the construction programme and the quality of the planned redevelopment, the project will be managed through a joint committee with members from DWH and the Company chaired by a Newbury Racecourse representative.

Additionally, to ensure all local stakeholders have the opportunity to contribute to the project and the new community, there will continue to be regular meetings of the Newbury Racecourse Public Liaison Group.

Transaction Structure

DWH is committed to pay Newbury Racecourse a minimum £42.6 million, backed by guarantee from parent company Barratt Developments plc, over the course of the 10 year development programme in respect of the Residential Development Sites at the racecourse. Initially, the Racecourse will receive a payment of £5.1 million on completion of the contract and DWH will meet the costs of the DWH infrastructure works over the coming years.

In respect of the Central and Western Sites, a full land title transfer to DWH will occur on the date of the completion of the contract. The transfer of full land title in respect of the Eastern Site to DWH is conditional on the exercise of a put option, that allows the Racecourse to require DWH to purchase the land at the Eastern Site at any stage after the sale of the Central and Western Sites.

The Company has the potential over the duration of the development to receive additional land payments in excess of the minimum and up to a threshold of £48.0 million. If and when the threshold has been achieved and paid to the Company then DWH's operating margin relating to the development of the Residential Development Sites will be allowed to rise to the higher level of the cap and collar mechanism set out in the Development Contract. After DWH has received its higher capped level of DWH operating margin for its development services, then the Company will be entitled to 50 per cent of the development profits generated by the development (with DWH receiving the remaining 50 per cent) determined in accordance with the Development Contract. Whilst it is anticipated that property sales will start in mid 2013, the majority of payments received by the Company will come during the latter stages of the project.

The Board expects to be required to make payments for corporation tax due in respect of chargeable gains relating to the sale of the land and also payments to Network Rail linked to the construction of

the new bridge and the easement over the railway. It is estimated that these costs will total £15m over the life of the project.

Racecourse Refurbishment and Development

As noted above, the potential expenditure on the Racecourse Refurbishment and Development remains under assessment and review by the Board to ensure acceptable returns for shareholders from any such investments that may be made in support of Company's strategy. It is estimated that the cost of all such works to be paid for by the Company would be up to £12 million if implemented in their entirety.

Dividend

The Company remains focused on redeveloping the Racecourse and transforming it into a successful leisure, entertainment and events business with the racecourse as its core asset. It remains the Board's stated strategy to return capital to Shareholders in a tax efficient manner, either as dividends or as capital payments, as the development of the Residential Development Sites generates cash receipts for the Company in excess of its requirements.

It is unlikely that any significant dividend will be declared or any significant return of capital effected from profits arising from Newbury Racecourse's property-related activities in the early phases of the planned redevelopment.

The Board intends to recommence paying dividends (arising from profits attributable to the Company's non-property activities) as soon as appropriate and as the Company's trading activities improve.

Commenting on the Agreement Dominic Burke, Chairman of Newbury Racecourse, said:

"We are delighted to have completed this Agreement with David Wilson Homes. It is a key stage in our long term strategy of releasing value from our land assets to develop the facilities and infrastructure of the racecourse.

It will ensure the success of the Racecourse as a profitable year round racing, entertainment and events business with racing at its core, whilst providing longer term returns for our shareholders, securing the future of racing at Newbury and the important role it plays in the UK racing industry and the local Berkshire community."

Commenting on the Agreement Paul Crispin, Managing Director of David Wilson Homes

Southern, said:

“Today we are announcing a partnership that will deliver one of the most exciting housing developments to take place in the UK in recent years. We will be creating up to 1,450 first class homes, whose style and design are focussed on complementing the outstanding and historic setting of Newbury Racecourse, while providing a unique new community for residents. We are delighted that this partnership will enable the Racecourse to develop its infrastructure and facilities alongside our development.”

For further information, please contact:

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Notes to Editors

Newbury Racecourse plc is a leading racing, entertainment and events business. The grounds started hosting racing fixtures in 1805 and have evolved to become one of the UK's leading racecourses hosting world renowned fixtures including the Hennessy Gold Cup.

The Company (or 'the Racecourse') has grown its core racing offer to include conferencing and events and hosting large scale music concerts with leading international acts whose performances take place on the racecourse.

In 2012 the Racecourse completed a joint venture development agreement with David Wilson Homes Limited to undertake an exciting long-term redevelopment of the grounds. The agreement saw David Wilson Homes purchase three areas of land at the racecourse on which up to c.1500 homes are to be constructed over the course of an anticipated 10 year timetable. In conjunction with the agreement there will be a comprehensive development programme which will deliver new and refurbished racing facilities and infrastructure to ensure the Racecourse retains its pre-eminent position within the UK horse racing industry.

As part of the development, the Racecourse rebranded itself as The Racecourse Newbury. The rebrand forms part of the future of the Racecourse's evolving offering as a year round entertainment and events destination at the heart of the Berkshire community.

The Racecourse is listed on the PLUS Stock Exchange.

Further information can be found at www.newbury-racecourse.co.uk