Regulatory Announcement

FOR IMMEDIATE RELEASE

29 October 2012

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Newbury Racecourse PLC

Proposed Share Buy-Back of 1,428,174 Ordinary Shares owned by GPG (UK) Holdings plc

Introduction

Guinness Peat Group plc ("GPG") is the largest shareholder in Newbury Racecourse plc ("Newbury Racecourse" or "Company") and currently owns, via its wholly-owned subsidiary GPG (UK) Holdings plc, 1,428,174 Ordinary Shares in the Company, representing approximately 29.9 per cent. of the issued share capital of the Company (the "GPG Shares").

Last year GPG stated that it would undertake an orderly disposal, over time, of its investment portfolio which includes its shareholding in Newbury Racecourse. This creates a degree of uncertainty for the future of the Company which the Board would like to resolve.

The Board of Newbury Racecourse has negotiated an opportunity to purchase the GPG Shares at 450 pence per Ordinary Share (the "Share Buy-Back"). The Share Buy-Back is subject to approval by Shareholders at a General Meeting to be held at 10.00 a.m. on 15 November 2012 at The Racecourse. If Shareholders approve the proposed Share Buy-Back then the GPG Shares will be purchased by the Company and then cancelled, reducing the total number of Ordinary Shares in issue to 3,348,326. Therefore, the effective equity ownership interest of each Shareholder remaining after the Share Buy-Back would increase by some 42.7 per cent.

The Independent Directors (comprising all Directors of the Company except for Erik Penser and Laurie Todd) unanimously recommend that Shareholders vote in favour of all the Resolutions to be proposed at the General Meeting to effect the proposed Share Buy-Back, as they have irrevocably committed to do in respect of their own beneficial holdings amounting to, in aggregate, 389,387 Ordinary Shares representing approximately 8.2 per cent. of the issued share capital of the Company.

The Independent Directors believe that if the Share Buy-Back is approved by Shareholders, it will:

- remove the uncertainty relating to the future ownership of the GPG Shares;
- create a more stable shareholder base for the Company to execute its stated strategy and deliver long term benefits to Shareholders and other key stakeholders; and
- create value for all remaining Shareholders by increasing the net asset value of the Company by some 16 per cent.

The price at which the Company will, subject to Shareholder approval, effect the Share Buy-Back has been agreed at 450 pence per Ordinary Share which compares very favourably with the current net asset value of 789 pence per Ordinary Share. The price of the proposed Share Buy-Back of 450 pence per Ordinary Share represents a premium of approximately 16.1 per cent. to the closing mid-market price of 387.5 pence on 26 October 2012 (being the latest practicable date prior to this announcement).

A circular, containing full details of the proposed Share Buy-Back and giving notice to Shareholders of the General Meeting to be held at 10.00 a.m. on 15 November 2012 to consider and, if thought fit, pass the resolutions to approve the Share Buy-Back, will be published and will be despatched to Shareholders shortly ("Circular").

The Circular will also be available, free of charge, at Newbury Racecourse's registered office, The Racecourse, Newbury, Berkshire RG14 7NZ, and on its website at www.racecoursenewbury.co.uk/About-Newbury/Investor-Relations.

The Circular contains independent valuation reports which have been prepared to support the current Net Asset Value of the Company.

Waiver of Rule 9 of the Takeover Code

Compton Beauchamp Estates Limited ("Compton Beauchamp Estates") is a family company in which Erik Penser is interested. Erik Penser is also a Director of Newbury Racecourse. Compton Beauchamp Estates and Erik Penser are deemed to form a concert party for the purposes of the City Code on Takeovers and Mergers ("Takeover Code") (together the "Compton Beauchamp Estates Concert Party").

As at 26 October 2012, the Compton Beauchamp Estates Concert Party, were interested in a total of 1,370,400 Ordinary Shares representing 28.7 per cent. of the issued ordinary share capital of the Company. If the proposed Share Buy-Back is approved by Shareholders, and consequently the GPG Shares are cancelled, then the Compton Beauchamp Estates Concert Party's interest will increase to, in aggregate, 40.9 per cent. of the issued ordinary share capital of the Company.

Erik Penser, together with his family company Compton Beauchamp Estates, would be the largest Shareholder of the Company if the Share Buy-Back is completed.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carries 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

An offer under Rule 9 must be in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

At the request of the Independent Directors, the Panel on Takeovers and Mergers (the "Panel") has agreed to waive any requirement on the Compton Beauchamp Estates Concert Party to make a general offer to all Shareholders which would otherwise arise as a result of completion of the Share Buy-Back. This is known as a Rule 9 Waiver.

In accordance with the Takeover Code and to permit the Rule 9 Waiver, the Panel requires that the Independent Shareholders (which excludes for these purposes Erik Penser, Compton Beauchamp Estates and GPG Holdings (UK) plc) must pass an ordinary resolution (taken on a poll) to approve the Rule 9 Waiver.

Financing of the Proposed Share Buy-Back

The price to be paid by the Company for the GPG Shares has been agreed at 450 pence for each Ordinary Share. The total cash consideration to be paid by the Company to GPG (UK) Holdings plc on the completion of the Share Buy-Back will be approximately £6.4 million.

The Independent Directors considered various debt arrangements to finance the proposed Share Buy-Back. The board of Compton Beauchamp Estates offered to make available to the Company a sterling committed term loan facility of £6.5 million to finance the proposed purchase by the Company of the GPG Shares ("Compton Beauchamp Estates Loan").

The Independent Directors determined, having been so advised by Strata Partners, that the terms of the Compton Beauchamp Estates Loan are fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. Accordingly, the Board has today entered into an agreement with Compton Beauchamp Estates for the Compton Beauchamp Estates Loan.

The principal terms of the Compton Beauchamp Estates Loan are set out in the Circular. In particular, there are no financial covenants; interest is payable at the rate of 2.0 per cent. per annum over the cost of funds (as defined in such loan agreement) and is rolled-up and added to the principal amount of the loan; the term of such loan is 6 years with pre-payments being permitted without penalty; the loan is secured by way of a legal mortgage. The agreement relating to such loan is available for inspection at the address and on the website stated in the Circular.

Net Asset Value of the Company

The value of the Company comprises:

(i) the value of the Racecourse itself on a continuing use basis (before the Planned Redevelopment and excluding the Residential Development Sites and the Hotel Development Site);

(ii) the land value realised by the Company from the disposal of the Residential Development Sites to David Wilson Homes pursuant to the terms of the Development Agreement (less expected payments in respect of taxation liabilities of the Company thereon and to Network Rail in respect of the easement for the bridge over the railway);

(iii) any further value representing development profits to which the Company may become entitled arising from the development of Residential Development Sites;

(iv) the market value established in respect of the proposed site for the 123 room mid-market hotel ("Hotel Development Site"); and

(v) the liability in respect of net indebtedness of the Company as at 30 June 2012 being the date of the interim accounts of the Company, prior to the Share Buy-Back and, if the Share Buy-Back is approved, as adjusted for the value of the Compton Beauchamp Estates Loan used to finance the Share Buy-Back and the costs relating to the Share Buy-Back.

In terms of analysing the value of the Company on a per share basis, the issued ordinary share capital of the Company as at the date of this announcement is 4,776,500 Ordinary Shares and, as if the Share Buy-Back had been completed and the GPG Shares had been cancelled, will be 3,348,326 Ordinary Shares.

To ascertain these property values, the Company has commissioned independent valuation reports which have been included in the Circular.

The Net Asset Value of the Company before the Share Buy-Back and the Pro Forma Net Asset Value as if the Share Buy-Back had been completed and the GPG Shares had been cancelled are set out in Appendix 1 to this announcement.

Current Trading and Prospects

The Company continues to enjoy an on-going relationship with Turf TV, which supplies live horseracing pictures from the Racecourse to licensed betting shops in the UK and Ireland. As announced at the time of publication of the interim financial results on 27 September 2012, the new media rights agreement with Turf TV is expected to generate revenues of approximately £9.0 million over the five year term from 1 April 2013. This reflects a significant uplift of approximately 80 per cent. on the circa. £5.0 million that will be received over the course of the current five year contract. Media rights will play an important part in the longer term profitability of the Company.

As noted at the time of publication of the interim financial results on 27 September 2012, the Company continues to trade in line with the Board's expectations and the Board looks forward to the future with optimism.

Dividends and Return of Capital to Shareholders

The Board is appreciative of the loyal and strong support of Shareholders over many years as well as the additional capital provided at the time of the 2009 Rights Issue. The Board unanimously intends to reward this loyalty with two forms of return:

(i) Dividend from Trading Activities

The continued progress made by the core, non-property, trading activities, together with the enhanced revenues from the 2013 media rights agreement with Turf TV, and the additional opportunities provided for the trading business by the DWH Infrastructure Enhancements and the Racecourse Refurbishment Works, are expected to assist the Board in recommencing the payment of dividends from the Company's trading activities, and adopting a progressive dividend policy.

(ii) Return of Capital from Property Activities

It remains the Board's 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. The Board anticipates that these returns will be made from 2016, phased in tranches in accordance with the cash flows arising from the Development Agreement, and that, in aggregate, they will be significant in comparison to the current share price of the Company.

Current intentions of Erik Penser and Compton Beauchamp Estates

The Compton Beauchamp Estates Concert Party is fully supportive of the management and strategic direction of the Company.

Erik Penser and Compton Beauchamp Estates have each informed the Board that they intend to allow the Board to run the Company in line with the Company's current proposed strategy, as generally communicated to Shareholders up to and including the date of this announcement.

Neither Erik Penser nor Compton Beauchamp Estates has any intentions regarding Newbury Racecourse's business that would affect:

- the current business activities of the Company;
- the current strategic plans of the Company;
- the location of Newbury Racecourse's business or operating subsidiaries;
- the maintenance of any trading facilities for the Company's Ordinary Shares; or
- the employment of the Company's staff, including the continued employment of, or the conditions of employment of, any of the Company's employees, senior management or Directors or the composition of the Board of the Company.

Neither Erik Penser nor Compton Beauchamp Estates has any intentions to seek to procure the disposal of or otherwise change the use of any of the fixed assets of Newbury Racecourse.

Compton Beauchamp Estates and Erik Penser have each confirmed to the Company that if the Company acquires all of the Ordinary Shares currently held (directly or indirectly) by GPG, then each of Compton Beauchamp Estates and Erik Penser (together with certain persons connected with them and any parties acting in concert with them) will not for a period of 365 days following completion of the Share Buy-Back announce a firm intention to make an offer for the Company, seek to make any offer or possible offer for the Company or acquire any interest in Ordinary Shares of the Company if such acquisition would result in a mandatory offer for the Company. The confirmations given to the Company by Compton Beauchamp Estates and Erik Penser are subject to their respective rights to make an offer for the Company if any unrelated third party announces a firm intention to make an offer for the Company or otherwise in accordance with Note 2 to Rule 2.8 of the Takeover Code.

Definitions

"2009 Rights Issue"	the rights issue by the Company of 1,592,167 additional Ordinary Shares announced on 18 December 2009
"David Wilson Homes" or "DWH"	David Wilson Homes Limited, a company registered in England and Wales with number 00830271 and whose registered office is at Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire LE67 1UF
"Development Agreement"	means the agreement between DWH, the Company, Newbury Racecourse Enterprises Limited and Barratt Developments PLC (as guarantor) exchanged on 1 May 2008 comprising (i) the agreement for DWH to purchase certain residential development sites at the Company's racecourse; and (ii) the agreement to carry out the residential development in respect of such residential development sites and certain infrastructure enhancement works as amended by the Deed of Variation
"DWH Infrastructure Enhancements"	infrastructure improvements to the Racecourse, including, in particular, construction of a new bridge to access the Residential Development Sites and provide enhanced access to the Racecourse, new parking facilities for visitors and enhanced road infrastructure, a new multi-functional accommodation facility for stable staff, refurbished stables and a new children's nursery, with all such works to be carried out, and paid for, by DWH in accordance with the Development Agreement
"Hotel Development Site"	the site for the proposed development of a 123 bedroom midmarket hotel, as described in the valuation report of Montagu Evans set out in the Circular
"Net Asset Value"	the net asset value of the Company or for each Ordinary Share (as the case may be) determined on the basis of Appendix 1 of this announcement
"Planned Redevelopment"	includes (1) the development of the Residential Development Sites and implementation of the DWH Infrastructure Enhancements to the Racecourse to be carried out in accordance with the Development Agreement by DWH; and (2) implementation of the Racecourse Refurbishment Works to be carried out and paid for by the Company
"Pro Forma Net Asset Value"	the Net Asset Value determined on a pro forma basis as if the Share Buy-back had been completed. The adjustments made are set out in Appendix 1 of this announcement and reflect the Compton Beauchamp Estates Loan to effect the Share Buy-Back, Transaction Costs and the cancellation of the GPG shares
"Racecourse"	the racecourse operated by the Company
"Racecourse Refurbishment Works"	include the refurbishment of the Berkshire stand, a new weighing room, a new paddock, a pre-parade ring and general landscaping around the grandstands, new administrative offices, enhanced facilities for owners and trainers and new entrances to the Racecourse all of which are under assessment and review by the Board and, to the extent carried out, will be paid for by the

	Company and will be pursued as part of the Planned Redevelopment
"Residential Development Sites"	three areas of land at the Racecourse known as the Western, Central and Eastern sites on which, in aggregate, up to 1,500 residential units are proposed to be constructed as part of the Planned Redevelopment
"Transaction Costs"	the professional fees, stamp duty and financing arrangement fees (together with irrecoverable value added tax thereon) which are expected to be incurred by the Company to effect the Share Buy-Back. In aggregate these are expected to be approximately £450,000, excluding value added tax

ENQUIRIES

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Strata Technology Partners LLP ("Strata Partners"), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Newbury Racecourse PLC and no one else in connection with the Share Buy-Back and will not be responsible to anyone other than Newbury Racecourse PLC for providing the protections afforded to clients of Strata Partners nor for providing advice in relation to the Share Buy-Back, the contents of this announcement or any transaction or arrangement referred to herein.

Appendix 1 - Summary financial effects of the Share Buy-Back

	Net Asset Value Before the Share Buy-Back	*Pro Forma Net Asset Value as if the Share Buy-Back had been completed*
	£	£
Independent valuation of the Racecourse on a continuing use basis (Notes 1 and 2)	£14.50m	£14.50m
Independent valuation of the Residential Sites to be developed by DWH (Note 3)	£24.10m	£24.10m
Independent valuation of the Hotel Development Site (Note 4)	£1.20m	£1.20m
Total Asset Value	£39.80m	£39.80m
Net Indebtedness at 30 June 2012 (Note 5)	(£2.11m)	(£2.11m)
Compton Beauchamp Estates Loan and Transaction Costs (Note 6)	n/a	(£6.95m)
Total Net Asset Value	£37.69m	£30.74m
Total Issued Ordinary Shares (Note 7)	*4.78 million*	*3.35 million*
Total Net Asset Value for each issued Ordinary Share	**£7.89**	**£9.18**

Increase in Net Asset Value for each issued Ordinary Share as if the Share Buy-Back had been completed and the GPG Shares had been cancelled	**16.3%**

Notes:

(1) From the Savills' independent valuation report in respect of the Racecourse (excluding the Residential Development Sites and the Hotel Development Site) on a continuing use basis.

(2) No corporation tax is expected to arise on a disposal of the Racecourse site (excluding the Residential Development Sites and the Hotel Development Site) due to the tax base cost the Company has in its land assets (excluding the Residential Development Sites and the Hotel Development Site). Furthermore, it is considered unlikely that a tax liability would occur in practice, since any sale of the Racecourse would normally be achieved by means of a share sale.

(3) From the Montagu Evans' independent valuation report in respect of the future receipts arising from the sale of the Residential Development Sites. The valuation of £24.1 million has been determined on an NPV basis using a blended discount rate of approximately 7.5 per cent. per annum and after the deduction of the expected Network Rail Payments and the Tax on Disposal relating to the Residential Development Sites (also discounted at approximately 7.5 per cent. per annum). Tax on Disposal has been determined by the Company's professional taxation advisers. The expected Network Rail Payments have been determined by Montagu Evans.

(4) From the Montagu Evans' valuation report in respect of the Hotel Development Site. No corporation tax is expected to arise on a disposal of the Hotel Development Site due to the tax base cost the Company has in its land assets.

(5) The "Net Indebtedness" has been determined on the basis of the balance sheet of the Company as at 30 June 2012 without taking any account of the financial effects of the Development Agreement having become unconditional with effect from 18 September 2012.

(6) The Compton Beauchamp Estates Loan Agreement is being entered into so that the Company can fund the Share Buy-Back. Transaction Costs relating to the Share Buy-Back are estimated to be £450,000 (excluding VAT, save for irrecoverable VAT).

(7) The GPG Shares will be cancelled upon completion of the Share Buy-Back. Hence, the total number of Ordinary Shares in issue following completion of the Share Buy-Back will reduce from 4,776,500 to 3,348,326.