21 September 2018

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

Interim Results for the 6 months ended 30 June 2018

Newbury Racecourse plc, the racing, entertainment and events business, today announces its half year results for the six months ended 30 June 2018.

Financial Highlights

- Turnover up 4.6% to £7.33m (2017 restated: £7.01m)
- 7% improvement in half year operating performance - operating loss on ordinary activities £0.27m (2017: £0.29m loss)
- Loss on ordinary activities after tax £0.14m (2017: loss £0.4m)

Operational Highlights

- 20% increase in media revenues
- 16% growth in Rocking Horse Nursery revenues
- 14% growth in Lodge revenues

Property Development Highlights

- Continued good progress on the racecourse "Heartspace" development, with works to the main parade ring and customers areas on schedule to be completed by the end of the year
- Cash receipts from the sale of properties £1.39m in the first six months of 2018
- Residential development more than halfway completed with approximately 900 of the total 1,480 homes now built

Dominic Burke, Chairman of Newbury Racecourse plc commented:

"In the first six months of 2018 we have grown the top line of the business by more than 4%, despite the loss of two racedays to the weather in March, with good growth in our Media revenues, Nursery business and The Lodge hotel.

Whilst trading conditions for Conference & Events continue to be challenging during our development, confirmed business for the full year is currently 25% ahead of the same point in 2017.

We are pleased with the continued progress on the DWH residential development and we have made good progress on our own redevelopment, with works on the main parade ring and customer areas well underway and on schedule to be completed by the end of the year.

We remain confident in the delivery of a positive financial outturn for the remainder of 2018."

For further information please contact:

Newbury Racecourse plc Julian Thick (Chief Executive)	Tel: 01635 40015
Hudson Sandler Charlie Jack	Tel: 020 7796 4133

CHAIRMAN'S STATEMENT

In the first six months of 2018 we have continued to make steady progress against our strategy of redevelopment and growth.

Total turnover increased 4.6% on 2017 to £7.33m (2017 restated[1]: £7.01m), despite the loss of 2 racedays to weather and the inevitable impact this had upon attendance numbers in the first half of the year. Continued growth in our Nursery business and, our on-site hotel, The Lodge, helped to mitigate more challenging trading conditions in Conference and Events.

Overall operating losses for the first six months were £0.27m (2017: £0.29m) reflecting the expected increase in depreciation as a result of the ongoing capital investment.

Exceptional items in the period were £0.19m (2017: £0.08m) being the fair value movement on the David Wilson Homes debtor.

Losses after tax for the period were £0.14m (2017: loss £0.40m).

Our 2017/18 jump season was packed full of memorable performances, including Native River's winning reappearance in the Denman Chase on Betfair Super Saturday which preceded his Cheltenham Gold Cup victory. We also saw the return of Altior the same day before he too went onto Cheltenham Festival success and the day itself was packed full of Festival clues with a highly competitive Betfair Hurdle won by Kalashnikov. The 2018 flat season got underway with Dubai Duty Free Spring Trials Weekend and some striking performances which highlighted Classic credentials. Those included Derby contender, The Young Rascal and Lah Ti Dah. In May we hosted the £750,000 Al Shaqab Lockinge Day, which was attended by over 11,000 racegoers and it was a great thrill to see the brilliant, Aidan O'Brien-trained, Rhododendron win the Group 1 Al Shaqab Lockinge Stakes, eleven years since a filly won the race. The introduction of the new JLT Cup run in July was positively received by horsemen with a 16-strong field lining up for the inaugural running of the race. To date, there have been no less than eight Group 1 winning performances from horses who have run at Newbury earlier in the season.

We continue to focus on growing our non-racing businesses, which remains challenging given the ongoing development works. However, we are pleased to report that, despite a weak financial contribution for the 6 month period to June for the Conference and Events business, confirmed revenues for the full year are currently 25% ahead of this time last year.

The Lodge, is delivering year on year growth in occupancy levels, with year to date revenues currently 14% ahead of this time last year. We expect it will take another six to twelve months for the hotel to reach it's likely optimum trading potential.

The Rocking Horse Nursery continues to trade strongly, with average occupancy increasing by 6%, resulting in revenue growth of 16% in the year to date.

The Development

Our "Heartspace" development continues to progress well. The current phase of works which includes re-modelling the main parade ring and improvements to the customer areas behind the stands, is due to be completed by the end of 2018. The refurbishment of the Berkshire Stand and improvements to the wider infrastructure continue and we are starting to see the benefits of these works both in terms of the visitor experience and also improved financial returns for the wider business in the longer term.

We are delighted with the excellent feedback we have received from owners and trainers since the opening of our new Owners Club in late 2017. This state of the art facility has been widely hailed as one of the finest owners and trainers spaces in the country and we are confident that our investment in the owners' raceday experience, alongside our recent investment in prizemoney, will stand us in good stead.

Laurie Todd

I am very sad to report that Laurie Todd, who served as a Non-Executive Director of the Newbury Racecourse Board for 11 years, sadly succumbed to a short illness in August 2018. Laurie Chaired the Audit & Risk and Remuneration Committees and made a substantial contribution to the business. We will greatly miss his valuable contribution to the Board.

Post period end and Outlook

At the Weatherbys Super Sprint meeting in July we welcomed Craig David to the Party in the Paddock stage after an excellent day's racing, with a sell out crowd of 20,000. Ladies Day in August hosted Rudimental DJ and was attended by more than 13,000 people.

The Board is confident in the financial outturn for the remainder of 2018, in line with our long term stated strategy.

DOMINIC J BURKE
Chairman
20 September 2018

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[1] 2017 turnover and costs of sale have been restated in line with the revised accounting policy per the 2017 year end accounts, in accordance with the requirements of FRS102

CHIEF EXECUTIVE'S REPORT

PERFORMANCE REVIEW

Turnover increased 4.6% to £7.33m (2017 restated[2]: £7.01m) in the first half of the year which included the abandonment of two racedays in March. Excluding the abandoned days, turnover increased 11% versus the same six month period in 2017. This included a 20% increase in media revenues, in part attributable to the new LBO agreement, a 16% increase in Nursery income and 14% increase in Lodge revenues year on year, attributable to increased occupancy levels in both of those divisions.

Cost of sales increased by £0.28m, 4.6%, reflecting the increased turnover together with the expected increase in depreciation as a result of the investment in fixed assets. Administrative expenses of £1.28m (2017: £1.26m), being less than a 2% increase, were in line with expectations.

Mid-year operating losses of £0.27m represent a 7.5% improvement on the prior year (2017: loss of £0.29m).

Exceptional items in the first six months of 2018 were £0.19m (2017: £0.08m) being the fair value movement on the David Wilson Homes debtor.

The loss on ordinary activities after tax was £0.14m (2017: loss £0.40m).

Racing

There were two abandoned race meetings in the period (2017: nil), as a result, attendances in the first six months of 51,593 were 13% down on the same period in 2017 (59,457).

We are grateful to have received continued significant support from all of our sponsors, with particular thanks to Al Shaqab, Betfair, Bewiser, Compton Beauchamp Estates and Dubai Duty Free for their investment in the first half of the year.

Hospitality and Retail

Revenues from the catering business in the first six months of 2018 were £1.26m, a decrease of c.4% on 2017, although this largely related to the two abandoned racedays, with underlying performance comparable to this time last year.

The improvements we have continued to make in our public food and beverage offer, together with investment in staff training has seen an increase in average spend per head of 10% year on year.

Conference and Events

Conference and Events revenues in the first six months of £0.35m were in line with the same period in 2017.

Trading conditions for this part of the business continue to be challenging, whilst the redevelopment is ongoing. The sales team continue to focus on driving forward the sales strategy for this part of the business and the addition of the new Owners' Club has significantly enhanced our small conference and wedding offer. Christmas parties are once again selling well.

The Lodge

Our 36 bedroom onsite hotel has continued to see steady growth in occupancy levels and average room rates. Revenues in the first six months of 2018 were c.14% up on the same period in 2017.

Rocking Horse Nursery

The nursery business has continued to trade strongly with revenues in the first six months of 2018 of £0.75m, 16% up on the comparative period in 2017, with an occupancy increase of 6% versus the same period last year and gross operating profits of £0.28m, an improvement of £0.05 (22%).

The Heartspace Development

The development of the racecourse heartspace continued in line with our expectations during the first half of 2018, with works now focussed on the main parade ring area, together with two new retail outlets, the southern entrance and unsaddling area. These works are expected to be completed by the end of the year.

The Residential Development

The residential development continues to progress well, with the Central and Eastern Area construction programmes in line with schedule. DWH are now more than half way through the ten year build programme, with all of the major infrastructure works completed and approximately 900 homes out of the total 1,480, now built. Cash receipts from DWH from the sale of properties in the first six months of 2018 were £1.39m, which was in line with expectations.

JULIAN THICK
Chief Executive
20 September 2018

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[2] 2017 turnover and costs of sale have been restated in line with the revised accounting policy per the 2017 year end accounts, in accordance with the requirements of FRS102

Consolidated Profit and Loss Account

Six months ended 30 June 2018

	Note	Unaudited 6 months 30/06/18 £'000	Restated* unaudited 6 months 30/06/17 £'000
Turnover	5	**7,332**	7,010
Cost of sales		**(6,325)**	(6,047)
Gross profit	5	**1,007**	963
Administrative expenses		**(1,278)**	(1,256)
Operating loss before exceptional items		**(271)**	(293)
Exceptional Items	6	**194**	81
Loss before interest and tax		**(77)**	(212)
Interest receivable and similar income		**3**	2
Interest payable and similar charges		**(149)**	(133)
Loss before taxation		**(223)**	(343)
Tax credit/(charge)	7	**88**	(58)
Loss after taxation		**(135)**	(401)
Loss per share (basic and diluted) (Note 8)		(4.0p)	(11.9p)

All amounts derive from continuing operations

Consolidated Statement of Comprehensive Income

Six months ended 30 June 2018

	Unaudited 6 months 30/06/18 £'000	Restated* unaudited 6 months 30/06/17 £'000
Total comprehensive loss for the period	**(135)**	(401)

*Restated – see note 15

Consolidated Balance Sheet
Six months ended 30 June 2018

	Note	Unaudited 6 months 30/06/18 £'000	Audited 12 months 31/12/17 £'000
Fixed assets			
Tangible assets	10	**35,349**	33,560
Investments		**117**	117
Investment properties	11	**1,112**	1,112
		36,578	34,789
Current assets			
Stocks		**263**	203
Debtors			
- due within one year		**8,367**	11,993
- due in more than one year		**13,970**	14,072
Cash at bank and in hand		**4,607**	2,649
Cash investment		**2,166**	2,458
		29,373	31,375
Creditors: amounts falling due within one year		**(5,852)**	(5,965)
Net current assets		**23,521**	25,410
Total assets less current liabilities		**60,099**	60,199
Creditors: amounts falling due after more than one year		**(4,865)**	(4,746)
Provisions for liabilities		**(5,685)**	(5,774)
Net assets before pension deficit		**49,549**	49,679
Pension deficit		**(1,141)**	(1,127)
Net assets after pension deficit, before deferred capital grants		**48,408**	48,552
Capital grants			
Deferred capital grants		**97**	106
Capital and reserves			
Called up share capital	12	**335**	335
Share premium account		**10,202**	10,202
Revaluation reserve		**75**	75
Equity reserve		**143**	143
Profit and loss account surplus		**37,556**	37,691
Shareholders' funds		**48,311**	48,446
Net assets		**48,408**	48,552

The unaudited half year financial statements of Newbury Racecourse PLC, company registration 00080774, were approved by the Board of Directors on 20 September 2018 and signed on its behalf by:

D J Burke (Chairman)

J M Thick (Chief Executive)

The Racecourse
Newbury, Berkshire
RG14 7NZ

Consolidated Statement of Changes in Equity

At 30 June 2018

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2017 restated	335	10,202	143	75	36,415	47,170
Profit for the financial year	-	-	-	-	1,183	**1,183**
Other comprehensive income	-	-	-	-	93	**93**
At 31 December 2017	335	10,202	143	75	37,691	48,446

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2018	335	10,202	143	75	37,691	48,446
Loss for the period to 30 June 2018	-	-	-	-	(135)	**(135)**
Other comprehensive income	-	-	-	-	-	**-**
At 30 June 2018	335	10,202	143	75	37,556	48,311

Consolidated Cash Flow Statement

Six months ended 30 June 2018

	Note	Unaudited 6 months 30/06/18 £'000	Restated Unaudited 6 months 30/06/17 £'000
Net cash inflow/(outflow) from operating activities	1	**2,964**	(266)
Cash flows from investing activities			
Interest received and other investment income		**4**	2
Interest paid		**(15)**	(6)
Receipts from investment properties		**9**	25
Net cash (outflow)/inflow from investing activities		**(2)**	21
Taxation			
UK corporation tax		**(78)**	(846)
Total tax paid		**(78)**	(846)
Capital expenditure			
Payments to acquire tangible fixed assets		**(2,535)**	(4,072)
Receipts from exceptional sale of fixed assets		**1,386**	1,953
Payments relating to land sale		**-**	(2,742)
Net cash outflow from capital expenditure		**(1,149)**	(4,861)
Net cash inflow/(outflow) before financing		**1,735**	(5,952)
Financing activities			
Loan finance issued*		**(69)**	-
Net cash outflow from financing		**(69)**	-
Increase/(decrease) in cash in the period		**1,666**	(5,952)

*Loan to Britbet Racing LLP, formation of a new betting consortium.

Advantage has been taken of the exemption under FRS102 not to disclose the individual cash flow statements of the company and of its subsidiaries.

Notes to the Consolidated Cash Flow Statement

Six months ended 30 June 2018

1. Reconciliation of operating loss to net cash outflow from operating activities	Unaudited 6 months 30/06/18 £'000	Restated Unaudited 6 months 30/06/17 £'000
Loss before interest and exceptional item	(271)	(293)
Interest paid	(15)	(6)
Depreciation charges	746	450
Amortisation of capital grants	(9)	(9)
(Increase)/decrease in stocks	(61)	22
Decrease/(increase) in debtors and prepayments	2,683	(1,604)
(Decrease)/increase in creditors and accruals	(31)	2,020
Tax paid	(78)	(846)
Net cash inflow/(outflow) from operating activities	2,964	(266)

2. Reconciliation of net cash flow to movement in net debt	Unaudited 6 months to 30/06/18 £'000	Unaudited 6 months 30/06/17 £'000
Increase/(decrease) in cash in the period	1,666	(5,952)
Change in net debt resulting from cash flows	1,666	(5,952)
Non cash movements	(119)	(119)
Net debt at 1 January	(2,639)	5,442
Net debt at 30 June	(1,092)	(629)

3. Analysis of change in net debt	At 1 Jan 2018 £'000	Cash flow £'000	Non cash changes £'000	At 30 June 2018 £'000
Cash at bank and in hand	2,649	1,958	-	4,607
Cash investments	2,458	(292)	-	2,166
Debt due within one year				
- Loan	(3,000)	-	-	(3,000)
Debt due after one year				
- Loan	(4,746)	-	(119)	(4,865)
	(2,639)	1,666	(119)	(1,092)

Notes to the Interim Financial Statements

Six months ended 30 June 2018

1. BASIS OF PREPARATION

Newbury Racecourse PLC (the "Company") is a public company incorporated, domiciled and registered in England in the UK. The registered number is 00080774 and the registered address is The Racecourse, Newbury, Berkshire, RG14 7NZ.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

These interim financial statements do not include all of the notes and disclosures required to comply with FRS102, as they have been prepared in accordance with the content, recognition and measurement principles for interim financial reports, Financial Reporting Standard 104 (FRS 104).

The abridged results for the six months ended 30 June 2018 do not constitute statutory accounts within the meaning of S434 of the Companies Act 2006. The auditor's report on the accounts of Newbury Racecourse plc for the 12 months to 31 December 2017 was unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under S498 (2) or (3) of the Companies Act 2006 and has been delivered to the Registrar of Companies.

2. GOING CONCERN

The Board has undertaken a full and thorough review of the Group's forecasts and associated risks and sensitivities. The extent of this review reflects the current economic climate as well as the specific financial circumstances of the Group.

The Board identified that the Group's cash flow forecasts are sensitive to fluctuating revenue streams from ticket sales, corporate hospitality, conference and event income and the timing of receipts and payments in respect of the property redevelopment. A system of regular reviews of forecast business and expected property receipts has been implemented to ensure all variable costs are flexed to match anticipated revenues. In addition, a number of race meetings have been insured for adverse weather conditions, reducing the levels of risk carried by the Group.

The Board has reviewed the cash flow and working capital requirements in detail. At the balance sheet date, the Company has adequate cash reserves, together with revolving credit facilities which are in place through to March 2022.

Following this review the Board has concluded that it has a reasonable expectation that the Group has adequate resources in place to continue in operational existence for the foreseeable future and on that basis the going concern basis has been adopted in preparing the financial statements.

3. REVENUE RECOGNITION

Services rendered, raceday income including admissions, catering revenues, sponsorship and licence fee income is recognised on the relevant raceday. Annual membership income and box rental is recognised over the period to which they relate.

Other income streams are also recognised over the period to which they relate, for example, ground rents received from residents, conference income is recognised on the day of the conference, the Lodge hotel income is recognised over the duration of the guests stay and nursery income is recognised as the child attends the nursery.

Sale of goods revenue is recognised for the sale of food and liquor when the transaction occurs.

4. PROPERTY RECEIPTS

Property receipts are recognised in accordance with the nature of the transaction being that of an exceptional sale of land. The minimum guaranteed sum, as set out in the agreement with David Wilson Homes, is recognised at the point of sale. In accordance with FRS102, at each reporting date, the sum receivable is re-estimated based upon currently projected land value with the difference between this value and the discounted net present value recorded in the profit and loss account.

5. NON FRS FINANCIAL INFORMATION

The consolidated profit and loss account includes measures which are not accounting measures under UK GAAP which are used to access the financial performance of the business. These measures which are termed 'non-GAAP' include reference to EBITDA within the Strategic Report.

Notes to the Interim Financial Statements
Six months ended 30 June 2018

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

(a) The condensed set of financial statements has been prepared in accordance with FRS 104 'Interim Financial Reporting' giving a true and fair value of the assets, liabilities, financial position and profit or loss of the undertakings included in the consolidation as a whole as required by DTR 4.2.4R.

(b) The interim report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board,

J M Thick Chief Executive	C E Spencer Finance Director
20 September 2018	20 September 2018

Notes to the Interim Financial Statements
Six months ended 30 June 2018

6. SEGMENTAL ANALYSIS

30 June 2018	Turnover £'000	Gross profit £'000	Profit/(loss) Before interest and exceptional items £'000	Profit/(loss) before tax £'000	*Net Assets £'000
Trading	**6,248**	**657**	**(518)**	**(664)**	**26,593**
Nursery	**749**	**284**	**284**	**284**	**2,728**
Lodge	**306**	**37**	**37**	**37**	**3,419**
Property	**29**	**29**	**(74)**	**120**	**15,668**
Total	**7,332**	**1,007**	**(271)**	**(223)**	**48,408**

30 June 2017 (restated)	Turnover £'000	Gross profit £'000	Profit/(loss) Before interest and exceptional items £'000	Profit/(loss) before tax £'000	*Net Assets £'000
Trading	6,066	655	(496)	(629)	26,736
Nursery	645	232	232	232	2,847
Lodge	268	45	45	45	1,203
Property	31	31	(74)	9	16,247
Total	7,010	963	(293)	(343)	47,033

* Net assets represents fixed assets less deferred income and term loans for property, nursery and lodge; all working capital is included within the 'Trading' segment.

7. EXCEPTIONAL ITEMS

	2018 £'000	2017 £'000
DWH debtor movement in fair value	**194**	81
Total	**194**	81

In accordance with the audited financial statements, accounting transactions related to the DWH agreement are considered outside the ordinary course of business.

8. TAXATION

The tax has been computed in accordance with FRS 104 Interim Financial Reporting. This requires the company to apply the estimated annual effective tax rate to the loss for the interim period and recognise a tax credit only to the extent that the resulting tax asset is more likely than not to reverse.

9. PROFIT PER SHARE

Basic and diluted loss per share of 4.0p is calculated by dividing the loss attributable to ordinary shareholders for the period ended 30 June 2018 of £135,000 (2017: loss £401,000) by the weighted average number of ordinary shares during the period of 3,348,326 (2017: 3,348,326).

Notes to the Interim Financial Statements

Six months ended 30 June 2018

10. TANGIBLE FIXED ASSETS

GROUP	Freehold land, buildings and outdoor fixtures £'000	Fixtures fittings and equipment £'000	Tractors and motor vehicles £'000	Total £'000
Cost or valuation				
As at 1 January 2018	45,907	6,360	287	52,554
Additions	1,727	808	-	2,535
As 30 June 2018	**47,634**	**7,168**	**287**	**55,089**
Depreciation				
At 1 January 2018	14,948	3,862	184	18,994
Charge for year	609	132	5	746
At 30 June 2018	**15,557**	**3,994**	**189**	**19,740**
Net book value at 30 June 2018	**32,077**	**3,174**	**98**	**35,349**
Net book value at 31 December 2017	30,959	2,498	103	33,560

In 1959 a revaluation of part of the freehold land at £117,864 gave rise to an excess of £75,486 over its cost and this sum is included in the total value of this asset. The excess on revaluation is credited to the Revaluation Reserve. The net book value of freehold land and buildings (and excluding outdoor fixtures) determined by the historical cost convention is £32,002,000 (2017 £30,884,000).

11. INVESTMENT PROPERTY

GROUP	2018 £'000	2017 £'000
At 1 January	**1,112**	1,112
At 31 December	**1,112**	1,112

Investment in property relates to freehold interests owned by the Group for the purpose of generating rental returns and is held at fair value.

12. SHARE CAPITAL

	2018 £'000	2017 £'000
Authorised		
Ordinary shares of 10p each	**600**	600
Total	**600**	600

	2018 £'000	2017 £'000
Allotted and fully paid		
Ordinary shares of 10p each	**335**	335
Total	**335**	335

Notes to the Interim Financial Statements

Six months ended 30 June 2018

13. RETIREMENT BENEFIT OBLIGATIONS

The defined benefit obligation at 30 June 2018 has not been restated from the figures recorded at 31 December 2017 which were calculated in accordance with FRS102 s.28, as in the Directors' opinion there have not been any significant fluctuations in the key assumptions.

14. RELATED PARTY TRANSACTIONS

There are no significant changes to the nature and treatment of related party transactions for the period to those reported in the 2017 Annual Report and Accounts.

15. EXPLANATION OF PRIOR YEAR ADJUSTMENTS

In 2017, the Group restated comparative financial information in order to bring certain accounting treatments in line with the requirements of FRS 102, the financial statements for the year ended 31 December 2017 provide full details of the prior year adjustments.

In the interim financial statements for the six months ended 30 June 2018, this has affected the prior year comparative numbers, as at 30 June 2017 turnover has been reduced by £25k being the reversal of the lease asset receivables rents recognised in the period and the David Wilson Homes finance charge release of £81k has been reallocated from interest receivable to exceptional items.