

17 November 2009

ARENA LEISURE PLC

INTERIM MANAGEMENT STATEMENT

Arena Leisure Plc ('Arena' or the 'Group'), the UK's leading operator of horseracing fixtures which owns and operates seven racecourses in the UK comprising Doncaster, Royal Windsor, Lingfield Park, Southwell, Wolverhampton, Folkestone and Worcester, today announces its Interim Management Statement for the period from 1 July 2009 to 16 November 2009 (the 'period').

Overview

Arena traded in line with expectations over the period, with public attendances continuing to prove resilient to the underlying economic conditions. The Group benefited from hosting additional fixtures, compared to the same period in 2008. Together with the industry related revenue streams from both media rights and the Levy, operational efficiencies helped mitigate the anticipated shortfalls on hospitality business.

During the period Arena announced its transformational media rights deal with SIS that is expected to deliver revenues of £106m over the five years from 2012, including £32m in upfront payments.

Trading Update

During the four months to 31 October 2009, Arena hosted 106 fixtures (2008: 95), including 13 additional, unscheduled fixtures (2008: nil), resulting in 303 fixtures hosted over the 10 months to 31 October 2009 (2008: 300). Total attendances at Arena's racecourses in the period were 279,000 (2008: 259,000) including 53,000 at the four days of the St Leger festival at Doncaster Racecourse (2008: 59,000). The total attendance on the St Leger Saturday was 1,000 higher than in 2008 at 27,000. For the 10 months to 31 October 2009 total attendances at Arena's racecourses were marginally ahead of the same period in 2008 at 567,000 (2008: 564,000) and the average attendance was consistent with 2008 levels at 1,871 (2008: 1,878). As expected, corporate and private hospitality business over the period continued to be impacted by the economic conditions. Over the 10 months to 31 October 2009 the Group's hospitality customers amounted to 34,000 (2008: 48,000). The Group has been able to mitigate some of this shortfall through reduced operational costs and by utilising the benefits of its in-house catering operation.

Income in the year to date from media rights sold to licensed betting offices is ahead of 2008 levels reflecting a contractual increase (4.0% for the year) and an increased average number of races staged per fixture. On 22 July 2009, Arena announced its new contract with SIS for the provision of horse racing content from the Group's seven racecourses into licensed betting offices in the UK and Ireland. The contract will replace Arena's current contract at its expiry on 31 December 2011 and has a five year term. Total revenues receivable over the length of the contract are estimated at £106m, which compares to estimated revenues under the existing five year contract of £55m, and will result in an annual increase in profitability of an estimated £10m from 2012. On signing, Arena received an initial advanced payment from SIS of £12.5m. Further advanced payments of £12.5m and £7.0m are due on 22 July 2010 and 22 July 2011 respectively and are dependent upon the provision of appropriate security by Arena. The balance of the estimated revenues will be received by Arena throughout the five year term on a per race basis.

