

TEAMWORKS Karting

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COMPANY UPDATE

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OVERVIEW

The business continues to make sound progress albeit against a tough economic backdrop where both corporate and personal leisure spend is under some degree of pressure. The key highlights:-

- Teamworks Karting Reading opened on time and under budget on 1st July. Revenue and forward booking levels are in line with forecasts and the site represents a real success for the Group.
- Birmingham continues to perform solidly with year on year growth in revenue and bookings albeit that the economic downturn has impacted the business to a greater extent than Reading.
- Acquisition opportunities are being reviewed on an ongoing basis with a view to identifying a third site for the business.

TEAMWORKS KARTING READING

As a result of a huge amount of hard work from the team and particularly new Reading Circuit Manager James Heap, the new track at Reading opened to the public on 1st July 2008. Utilising the latest karts and track technology, the circuit has already attracted over 4,000 drivers and numerous corporate and demonstration events have been held to attract further activity in the future.

An opening party was held on 4th August and we were delighted to welcome a good number of our investors and advisers including the Investbx team to the new circuit.

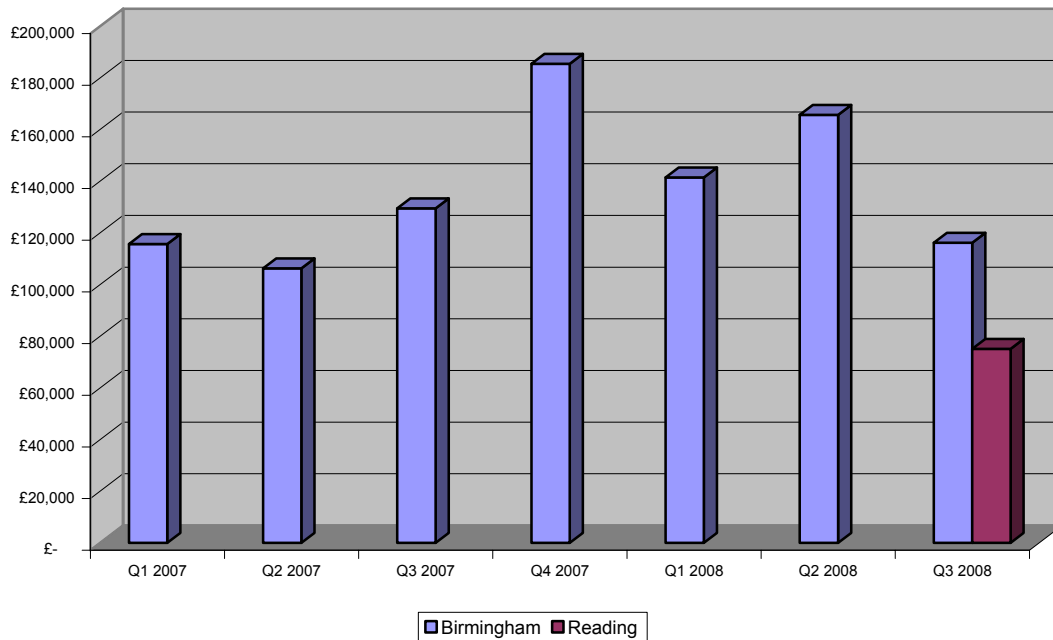
SITE EXPANSION

The Directors remain focussed on continuing to maximise the commercial opportunities at the established Birmingham site as well as increasing the customer volumes and resultant revenue opportunities in Reading. However, in respect of further track expansion, three key points should be made:-

- The mid term ambition for Teamworks is to expand the Group to a number of both built and acquired operating sites when both finances and commercial opportunities allow.
- Given the central cost base of the business, this expansion is important to allow these central costs to be more widely spread across a wider income base from multiple sites.
- Any expansion will only be done on a controlled basis to ensure that any new site has time to bed in and establish core profitability and cash flow. This will also avoid any management stretch issues.

Teamworks Karting Quarterly Bookings

(Traditional Quarters: Jan-Mar, Apr-Jun, Jul-Sep, Oct-Dec)



Interim accounts will be prepared and distributed to investors in the next few weeks. However the Board has recognised that given the costs of establishing the Reading site and building this to a profitable position together with the tough economic environment, all the costs within the business at both operating and central costs levels need to remain under constant review.

At an operating level, significant savings have been made on improving the flexible working rotas of the track staff and this together with all other controllable operating costs remains under constant scrutiny. In addition, the Directors have also taken a decision at this time to accept significant reductions in remuneration to ensure that the business remains on a stable and solid cash footing.

SUMMARY

We are delighted with the Reading facility and for those investors who have visited the site, they have confirmed that it entirely reflects the professionalism and image that Teamworks wishes to create and expand within the karting market. As detailed, the team led by James Heap have done a wonderful job in establishing the facility on time, to specification, and under budget.

The economic environment is tough and the Board and the team are looking at every way of maximising revenue whilst at the same time controlling costs. This will continue.

We remain highly ambitious to expand the group through acquisition or via the establishment of new sites but this will be dictated by the factors highlighted above.

TEAMWORKS KARTING GROUP PLC

17th October 2008

Current market information, as well as independent research notes, market announcements and other shareholder information can be viewed at www.investbx.com or via www.teamworkskarting.com/plc

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