

TEAMWORKS Karting

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COMPANY UPDATE

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OVERVIEW

Against a continuing difficult economic climate, the business continues to perform solidly albeit that significant work has been done to reposition the customer base away from the corporate sector to a higher percentage of “arrive and drive” customers. Whilst the Directors believe that corporate demand will return as the UK economy improves, the current shortfalls in corporate spending have resulted in the need to drive a higher level of personal spend to the circuits.

Given the current economic uncertainties, the Directors believe that it will be appropriate to look to raise further finance for the business in Q3 of 2009, to gear up for launching our third circuit early in 2010.

AGM

Teamworks Karting Group plc will hold its Annual General Meeting on 29th June 2009. Formal invitations will be circulated in due course by post. If your postal address has changed since the last AGM, please email us and also please notify Neville Registrars in writing at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA.

SITE EXPANSION

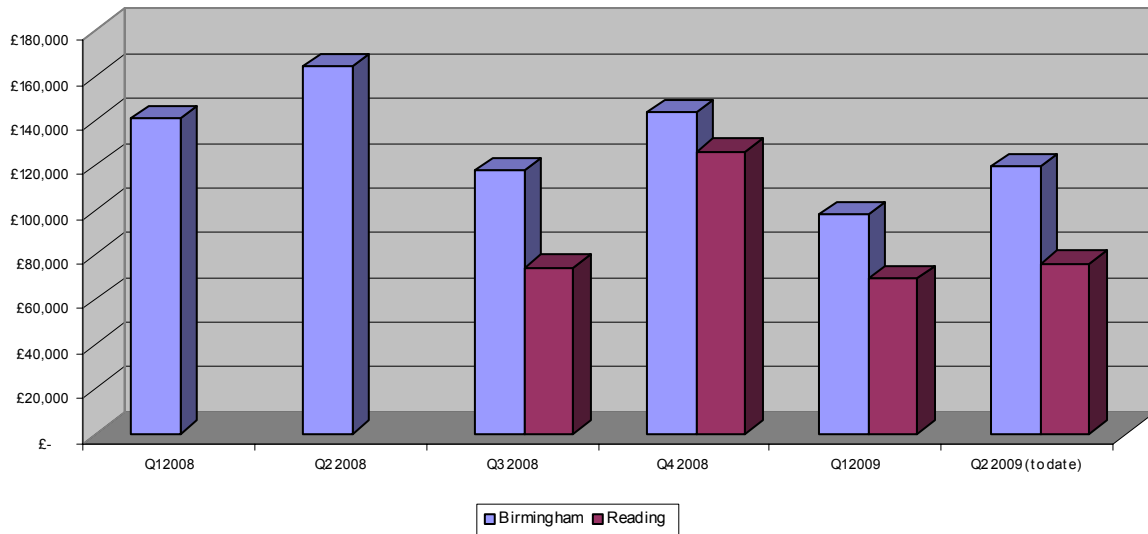
The equity and debt capital markets continue to be tight. Whilst interest rates are historically very low, traditional lenders are not releasing funds for the time being whilst the strength of their own balance sheets and cash flows remain uncertain. The Directors have concluded that fund raising for the business will be reviewed in Q3 of 2009 and therefore potential new site expansions are being considered for launch in early 2010. The business continues to review both new sites and existing karting operation opportunities in a number of key geographical areas in order to present the strongest case for fund raising and take maximum advantage of cyclical seasonal effects.

Given the difficulties being faced by many of the players in the karting sector, the Directors believe that opportunities may occur to acquire and re-badge an existing karting operator at a modest or low cost. This may be the preferred expansion route for the business, and avenues are being explored in parallel with reviewing new sites in key geographical locations for new-build expansion.

TEAMWORKS KARTING BIRMINGHAM & READING

Teamworks Karting Quarterly Bookings

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



Performance in Birmingham remains solid as it benefits from the long established nature of the track and a greater known “arrive and drive” clientele. Reading volumes are improving albeit that the relatively recent opening of the track has required considerable effort to secure personal customers in the absence of significant corporate bookings.

OUTLOOK

Despite the undoubted tough economic conditions, the Directors remain confident that the business can continue to progress albeit ensuring that costs are managed strongly. Any upturn in the economy should result in an improving corporate demand which should see the business move to a stronger sustained financial position.

Expansion remains firmly on the agenda but this will be done on a controlled basis with acquisition being the potentially preferred option given both the potential available opportunities and the difficulties in raising capital at this time for new site build.

TEAMWORKS KARTING GROUP PLC

15th June 2009

Disclaimer: The Directors of Teamworks Karting Group plc accept full responsibility for this statement