

TEAMWORKS Karting

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COMPANY UPDATE

ISSUE 27: May 2009 – August 2009

OVERVIEW

Despite tough economic conditions with continued pressure on personal expenditure and corporate entertainment spend still very depressed, the Directors enter the final quarter of 2009 with a good degree of optimism. Thanks to tireless work from the sales team, tight management of costs and also some slight signs of an improving corporate market (the traditional bedrock of Teamworks Karting's income before the downturn), forward bookings are very encouraging.

In addition, as detailed below, an opportunity has emerged to open a third site in Letchworth at a very modest capital cost. We are pursuing this aggressively as the site should be a solid contributor to central costs and further drive the business to ongoing sustainable profitability and generation of shareholder value.

SHAREHOLDERS RACE EVENT – 12th October 2009 at Teamworks Karting Reading

We hope that you can join us to celebrate (slightly belatedly!) the first birthday of our Reading circuit, with a VIP race night at Teamworks Karting Reading on Monday 12th October. All shareholders, partners, and friends are invited, and there will be an informal presentation from the Board on the latest expansion news. If you are able to attend, please email mbryant@teamworkskarting.com

SITE EXPANSION: LETCHWORTH, HERTFORDSHIRE

As highlighted in the last Investor Update, expansion opportunities are being created by the depression in the property market. An opportunity has arisen to re-open the old "Super Karts" circuit in Letchworth, Herts, which was forced to close in May 2009 due to problems with fumes and pollution.

The landlords have re-possessed the circuit, and Teamworks Karting has negotiated an exclusive period within which to agree possible terms for re-opening the circuit with our fume-free electric karts.

This circuit is considered by the Board to be the ideal opportunity to expand Teamworks Karting's network, and capture economies of scale:

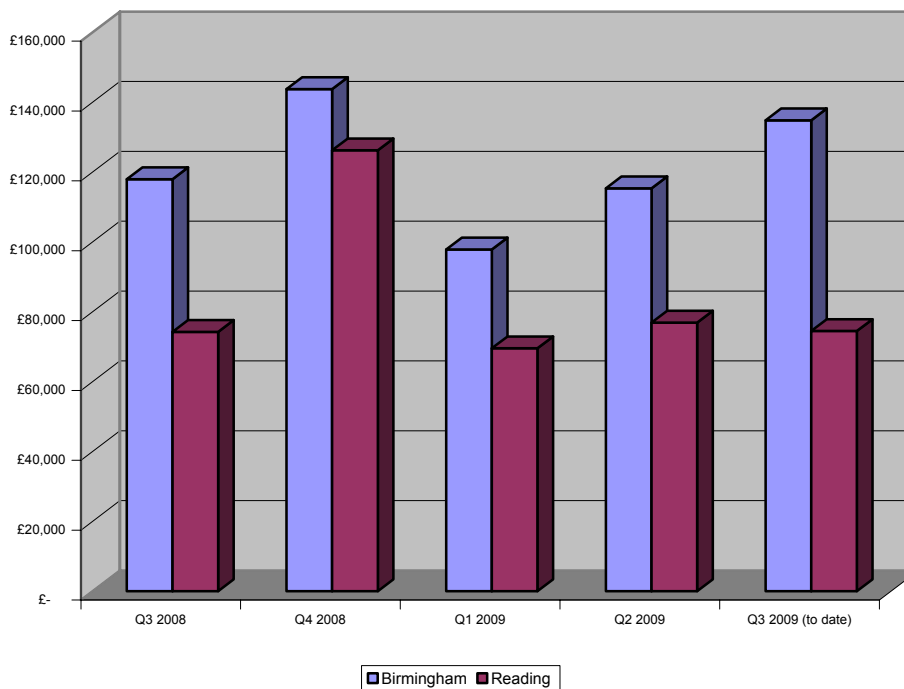
- Relatively little capital required – a new fleet of karts and internal decoration only
- Relatively low rent – a significant rent-free period is available
- Low commercial risk – has been operating as a kart circuit since 1998, so there is an established customer base, reducing the need for major marketing expenditure. No immediate competition.

The Board is therefore working intensively to bring these plans to fruition. The company will need to raise approximately £250,000 to fund the acquisition and development, and one option being actively considered is to issue interest-yielding debt to existing shareholders and/or the wider investment community.

TEAMWORKS KARTING BIRMINGHAM & READING

Teamworks Karting Quarterly Bookings

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



The first half of the year has seen slow but steady sales growth at both circuits, with bookings starting to return to normal after the sharp drop in 2008. Forward bookings for Christmas 2009 are looking better than 2008, so with costs having been reduced across all sectors of the company's accounts in 2009, the company is optimistic of significantly improved interim and full-year results. Birmingham's performance continues to lead the way, with Reading taking time to build momentum.

OUTLOOK

Overheads and operating costs have been aggressively cut in 2009 to retain positive cash flow and ensure the viability of the business as a whole. These savings have worked, and have secured the business back to a profitable footing, despite some very difficult economic conditions. Assuming that the forward bookings diary remains on its present upward trend, we can expect a good period of stability and profitability.

If adequate backing is available, the Company is well placed to take advantage of any improvement in the general economic outlook, and we hope to take advantage of current low property prices to expand our network of circuits, securing economies of scale and further improving profitability and profits for the Group.

TEAMWORKS KARTING GROUP PLC

9th September 2009

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