

# TEAMWORKS Karting

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## COMPANY UPDATE

### ISSUE 29: February 2010- May 2010

#### OVERVIEW

The business continues to make solid progress despite continuing difficult economic conditions and only a gradual pick up in corporate activity at the two current sites.

- The development of the new site at Letchworth has proceeded in line with plan and to budget. It will open for business on 22<sup>nd</sup> May 2010 and advance bookings are very encouraging.
- Sales for the Group's existing circuits are slowly starting to return to normal levels after a very hard period of trading, although it is too early to tell whether this is a trend. As a result, cost control remains a key feature of the operations of the business.
- Given the difficult economic climate, the business has received a number of further approaches from karting site owners with a view to potential acquisition of their businesses. These are being reviewed on an ongoing basis.
- The Directors of Teamworks Karting (Birmingham) Limited, a wholly-owned subsidiary of Teamworks Karting Limited, itself a wholly-owned subsidiary of Teamworks Karting Group plc, have appointed liquidators after the company failed to agree acceptable terms with Npower regarding the supply of electricity to the Birmingham circuit between 2004 and 2008.
- As a result of this liquidation, all operations of the Birmingham circuit were transferred to Teamworks Karting Limited on 19th April 2010. Teamworks Karting Limited is now operating the Birmingham circuit. No customers or staff are affected.

#### ANNUAL GENERAL MEETING

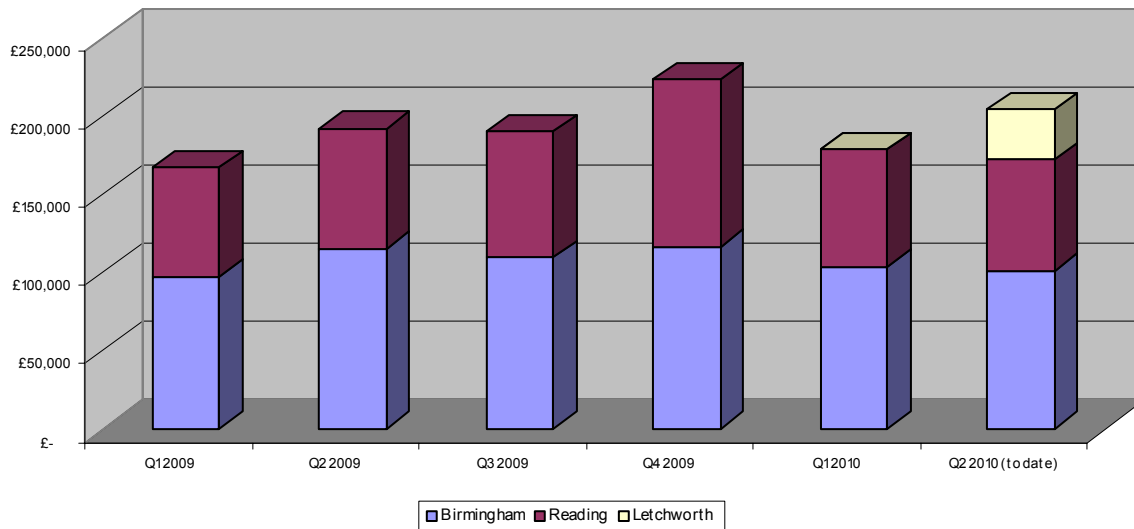
The AGM of Teamworks Karting Group plc will be held at our new Letchworth site at 1pm on Tuesday 1<sup>st</sup> June 2010. Shareholders have received formal notices and voting forms by post to the service address held by the Company's registrars. If you require voting forms and your shares are held by a nominee company please contact us.



## CURRENT TRADING

### Teamworks Karting Quarterly Bookings

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



Having secured the business back to a profitable footing, despite the difficult market, overheads and operating costs continue to be kept to their lowest to retain positive cash flow and ensure the ongoing viability of the business as a whole.

With a week to go before Letchworth opens there are strong early bookings, and bookings for Q2 as a whole are looking positive year-on-year with nearly 6 weeks of the quarter still remaining.

## LETCWORTH

Having secured the necessary funding from shareholders and further supported by the Lloyds Banking Group, the Letchworth site has now undergone a full refurbishment and will formally open on 22<sup>nd</sup> May 2010. The impressive site and new fleet of the latest electric karts reflect the professionalism and corporate ethos that Teamworks is bringing to the karting industry.

The design, refurbishment and operations of the site have required a huge amount of work from all of the management team but a special vote of thanks must go to James Heap, the Circuit Manager for Reading (and now also Letchworth) who has worked tirelessly to bring the project in on time and to cost. The site will be a worthy addition to the Teamworks group.

Advance bookings are very encouraging and it is already clear that some of the goodwill that existed from the previous karting operation on the site has been carried over and this together with a strong local marketing push should see the site contributing positively to both profit and cash flow almost immediately.

## FURTHER VENUES:

A number of opportunities for further growth in 2010 and 2011 are being explored. These include both new-build circuits and acquisitions. We continue to review these on an ongoing basis but recognise that certain criteria in terms of purchase cost, geography, fit-out costs and other parameters must be met if they are to progress to any form of detailed due diligence.

TEAMWORKS KARTING GROUP PLC

18<sup>th</sup> May 2010

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