

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek immediately your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the accompanying Form of Proxy and the Prospectus, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward delivery to the purchaser or the transferee, except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to, the Excluded Territories. If you sell or have sold or otherwise transferred part of your holding of Ordinary Shares you should retain this document and the accompanying Form of Proxy and the Prospectus and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The distribution of this document together with the accompanying Form of Proxy and the Prospectus into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, such documents should not be distributed, forwarded to or transmitted in or into any Excluded Territory. No action has been taken by the Company that would permit an offer of the New Shares or possession or distribution of this document, any other offering or publicity material or the Provisional Allotment Letters in any jurisdiction where action for that purpose is required, other than in the United Kingdom.

NEWBURY RACECOURSE PLC



(incorporated and registered under the laws of England and Wales with registered No. 00080774)

advised by Strata Partners

**Proposed 1 for 2 Rights Issue of 1,592,167 New Shares at
400 pence per New Share**

**Approval of Waiver of Rule 9 of the City Code on Takeovers and Mergers
Circular and Notice of General Meeting**

This document does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security.

This document does not constitute a prospectus or prospectus equivalent document. The Prospectus containing details of the Rights Issue (including details of the New Shares) is being posted to Shareholders with this document and will be published on the Company’s website at www.newbury-racecourse.co.uk on or around 18 December 2009. Investors should not apply to acquire any New Shares referred to in this document except on the basis of the information, and the terms and conditions of the Rights Issue, contained in the Prospectus and the Provisional Allotment Letter.

The attention of Shareholders is drawn to the notice convening a General Meeting of the Company which appears at the end of this document. The General Meeting will be held on 13 January 2010 at 11.00 a.m. at The Racecourse, Newbury, Berkshire RG14 7NZ. A Form of Proxy for use at the General Meeting is enclosed and, to be valid, should be completed, signed and returned following the procedures described in the Notes to the Notice of General Meeting set out at the end of this document so as to be received by the Company's registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, as soon as possible but, in any event, so as to arrive no later than 11.00 a.m. on 11 January 2010. Completion and return of a Form of Proxy will not prevent members from attending and voting in person should they wish to do so.

Subject to the passing of the Resolutions, an application will be made to PLUS Markets for the New Shares to be admitted to trading on the PLUS-quoted market. Subject to certain conditions being satisfied, including the passing of the Resolutions at the General Meeting, it is expected that Admission of the New Shares will become effective and that dealings in the New Shares (nil paid) will commence at 8.00 a.m. on 14 January 2010. The New Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Shares. The New Shares will, when issued and fully paid, be held in certificated form. Fractional entitlements to New Shares will not be allotted to Shareholders and entitlements will instead be rounded down to the nearest whole number of New Shares and will be aggregated and sold in the market for the benefit of the Company. It is emphasised that no application is being made for the admission of the New Shares to the Official List of the UK Listing Authority or to trading on AIM or on the PLUS-listed Market.

The PLUS-quoted market, which is operated by PLUS Markets plc, a recognised investment exchange, is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. It is not classified as a Regulated Market under EU financial services law and PLUS-quoted securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in PLUS-quoted securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, with another appropriately authorised independent financial adviser who specialises in advising on the acquisition of shares and other securities.

A prospective investor should also be aware that the continuing obligations governing the ongoing operation and management of a company admitted to the PLUS-quoted market are different from those of a company with a listing on the Official List of the United Kingdom Listing Authority. The Company is not required to comply with the Listing Rules published by the United Kingdom Listing Authority and for example is not subject to the rules relating to substantial transactions (Chapter 10 of the Listing Rules) or related party transactions (Chapter 11 of the Listing Rules) which require shareholder approval before the relevant transaction can be completed. In addition, the Company is not subject to the continuing obligations contained in Chapter 9 of the Listing Rules.

Accordingly, prospective investors should be aware that the obligations and risks attaching to an investment in a company which is admitted to the PLUS-quoted market are different from those attaching to a company with a primary listing on the Official List.

This document does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Nil Paid Rights, Fully Paid Rights and the New Shares have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States or any other Excluded Territory. The New Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, renounced, transferred or delivered, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

Subject to the passing of the Resolutions, it is expected that Qualifying Shareholders will be sent a Provisional Allotment Letter on or around 13 January 2010.

Apart from the responsibilities and liabilities, if any, that may be imposed on Strata Partners by FSMA, none of the Underwriters or Strata Partners or their respective directors, officers, employees, advisors, affiliates or agents, assumes responsibility for the accuracy, completeness, fairness or verification of this document and accordingly they disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this document or any statement herein.

Strata Partners is acting exclusively for Newbury Racecourse and no one else in connection with the Rights Issue and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Rights Issue and will not be responsible to anyone other than Newbury Racecourse for providing the protections afforded to its clients or for providing advice in relation to the Rights Issue or any transaction or arrangement referred to in this document.

Rule 9 of the City Code on Takeovers and Mergers

In accordance with Rule 9 of the City Code, this document together with a Form of Proxy must be, and is being, sent to all Shareholders, both in the UK and overseas (irrespective of whether or not the Shareholders can participate in the Rights Issue). All Shareholders are requested to read this document, in particular paragraph 9 of the Chairman's Letter in Part II of this document which relates to the Rule 9 Waiver, and to complete and return a Form of Proxy to Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event by no later than 11.00 a.m. on 11 January 2010. Please note that only Independent Shareholders will be entitled to vote on Resolution 4 in the Notice of General Meeting.

Forward-looking statements

This document contains certain forward-looking statements which may include reference to one or more of the following: the Company's financial condition, results of operations, cash flows, dividends, financing plans, business strategies, operating efficiencies or synergies, budgets, capital and other expenditures, competitive positions, growth opportunities, plans and objectives of management and other matters. Statements in this document that are not historical facts are hereby identified as "forward-looking statements" which can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "seek", "projects", "anticipates", "continue", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. Such forward-looking statements, including, without limitation, those relating to future business prospects, revenue, liquidity, capital needs, interest costs and income, in each case relating to Newbury Racecourse, wherever they occur in this document, are necessarily based on assumptions reflecting the views of Newbury Racecourse and involve a number of known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements. Such forward-looking statements should, therefore, be considered in light of various important factors. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation: changes in general economic conditions in the UK; factors related to competitive conditions in the markets in which the Company operates; and factors related to the Company's financing arrangements and indebtedness levels.

These statements are further qualified by the risk factors disclosed in the Prospectus that could cause actual results to differ materially from those in the forward-looking statements. These forward-looking statements speak only as at the date of this document. Except as required by the FSA, PLUS Markets, the Prospectus Rules and/or the Disclosure and Transparency Rules or applicable law, Newbury Racecourse does not have any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, further events or otherwise. Except as required by the FSA, PLUS Markets, the Prospectus Rules and/or the Disclosure and Transparency Rules or applicable law, Newbury Racecourse expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Newbury Racecourse's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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INDICATIVE STATISTICS

Issue Price per New Share	400 pence
Basis of Rights Issue	1 New Share for every 2 Existing Shares
Number of Ordinary Shares in issue at the date of this document	3,184,333
Number of New Shares to be issued by the Company pursuant to the Rights Issue	1,592,167
Number of New Shares in issue immediately following completion of the Rights Issue	4,776,500
New Shares as a percentage of enlarged issued share capital of the Company immediately following completion of the Rights Issue	33.3%
Estimated gross proceeds receivable by the Company	approximately £6.4 million
Estimated net proceeds receivable by the Company after expenses	approximately £5.7 million

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates in the table below is indicative only and may be subject to change.

Publication of Prospectus	18 December 2009
Record Date for entitlement under the Rights Issue	close of business on 8 January 2010
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 11 January 2010
General Meeting	11.00 a.m. on 13 January 2010
Despatch of Provisional Allotment Letters	13 January 2010
Start of subscription period	14 January 2010
Admission	8.00 a.m. on 14 January 2010
Dealings in the New Shares, nil paid, commence on PLUS (commonly known as Nil Paid Rights)	8.00 a.m. on 14 January 2010
Existing Shares marked “ex-rights” by PLUS Markets	8.00 a.m. on 14 January 2010
Latest time and date for splitting Provisional Allotment Letters, nil or fully paid	3.00 p.m. on 3 February 2010
Latest time and date for acceptance, payment in full and registration of renunciation of Provisional Allotment Letters	11.00 a.m. on 5 February 2010
Dealings in the New Shares, fully paid, commence on PLUS	8.00 a.m. on 8 February 2010
Despatch of definitive share certificates for the New Shares	by 23 February 2010

Notes:

- (1) The actions specified in this timetable are subject to certain restrictions relating to Shareholders with registered addresses outside the UK.
- (2) The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by Newbury Racecourse (in consultation with Strata Partners), in which event details of the new times and dates will be notified to PLUS Markets, and an announcement will be made via a Regulated Information Service and, if appropriate, will be notified to Shareholders. Notwithstanding the foregoing, Qualifying Shareholders may not receive any further written communication.
- (3) References to times in this document are to London times unless otherwise stated.

WHERE TO FIND HELP

In Part III of this document there are answers to some of the questions most often asked by shareholders about rights issues. If you have further questions, please telephone the Shareholder Helpline on the numbers set out below. This helpline is available from 9.00 a.m. to 5.00 p.m. on any business day.

Shareholder Helpline

0871 664 0321 (when dialling from inside the UK)

or +44 208 639 3399 (when dialling from outside the UK)

Calls to 0871 664 0321 are charged at 10p per minute (including VAT) from a BT landline. Other service providers' costs may vary. Calls to +44 208 639 3399 from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

For legal reasons, the Shareholder Helpline will be unable to give advice on the merits of the Rights Issue or to provide financial, tax or investment advice.

PART I

FIRST LETTER FROM THE CHAIRMAN OF NEWBURY RACECOURSE (OVERVIEW)



(Incorporated and registered in England and Wales with registered no. 00080774)

Directors:

Sir David Sieff (*Non-Executive Chairman*)
Stephen Higgins (*Joint Managing Director*)
Sarah Hordern (*Joint Managing Director*)
The Honourable Harry Herbert (*Non-Executive Director*)
Nicholas Jones (*Non-Executive Director*)
Lady Madeleine Lloyd Webber (*Non-Executive Director*)
Erik Penser (*Non-Executive Director*)
Christopher Spence (*Non-Executive Director*)
Brian Stewart-Brown (*Non-Executive Director*)
Laurie Todd (*Non-Executive Director*)

Registered Office:

Newbury Racecourse plc
The Racecourse
Newbury
Berkshire
RG14 7NZ

18 December 2009

Dear Shareholder,

RIGHTS ISSUE BY NEWBURY RACECOURSE

1. Introduction

Your Company has today announced its intention to raise approximately £6.4 million (approximately £5.7 million net of expenses) by way of a rights issue. This means that you can acquire New Shares at 400 pence per New Share in proportion to your existing holding of Ordinary Shares on the terms described in more detail in this document and the enclosed Prospectus. A summary of the principal terms of the Rights Issue is set out in paragraph 6 of Part II of this document.

The key terms of the Rights Issue are:

for every 2 Existing Shares you hold, you can acquire 1 New Share at 400 pence.

The Issue Price of 400 pence per New Share represents a 33.3 per cent. discount to the theoretical ex-rights price based on the Closing Price of 700 pence per Newbury Racecourse Share on 17 December 2009 (being the last business day before the announcement of the Rights Issue) and a 42.9 per cent. discount to the Closing Price of 700 pence per Newbury Racecourse Share on 17 December 2009.

The two largest Shareholders of the Company, GPG and Compton Beauchamp, have irrevocably committed to take up their full entitlements to acquire New Shares under the Rights Issue and are underwriting the Rights Issue for the Company. This indicates their strong support for the Company and the Rights Issue.

Certain Independent Directors and their family members who are Shareholders have also irrevocably undertaken to take up entitlements under the Rights Issue in respect of, in aggregate, 33,331 New Shares.

2. Background to the Company

Company Background

The Company owns and manages Newbury Racecourse, a site of some 314 acres which is approximately one mile from the town centre of Newbury. The Company is quoted on PLUS and has a current market capitalisation of £22.3 million (as at the close of business on 17 December 2009) and the indebtedness (net of cash balances) of the Company was £7.3 million as at 31 October 2009. Newbury Racecourse's operating businesses are (1) the racing business, (2) an in-house catering business, (3) a conference and events business, (4) a children's nursery and (5) a golf course.

Long term Strategy

The long term strategy of the Company has four key elements:

- (i) to redevelop the Racecourse and transform it into a leisure, entertainment and events business with the Racecourse as its core asset;
- (ii) to enhance the profitability of racing operations by hosting major events;
- (iii) to develop trading activities on non-racing days; and
- (iv) to release value from the freehold property through, in particular, carefully planned, appropriate residential redevelopment of the surplus land on the site.

Redevelopment of the Racecourse

The Company continues to work closely and constructively with the officers of West Berkshire Council with regard to the Company's application for outline planning permission for the redevelopment of the Racecourse. The Planned Redevelopment includes:

- (i) development of the Residential Development Sites (on which up to 1,500 residential units are proposed to be constructed) and implementation of the DWH Infrastructure Enhancements to the Racecourse, to be carried out by David Wilson Homes ("DWH") in accordance with the Development Contract; and
- (ii) upgrading of the Racecourse with enhanced leisure, racing, conference and events facilities, administrative and visitor facilities and construction of a hotel, all of which are to be carried out, and paid for, by the Company and will be pursued as part of the Planned Redevelopment if and when planning permission is obtained.

The DWH Infrastructure Enhancements include, in particular, the construction of a new bridge and access to the Racecourse, new visitor parking, extensive landscaping, a hostel for stable staff, a new children's nursery, remodelling of the golf course, a new golf clubhouse and floodlit driving range, with all such works to be carried out, and paid for, by DWH in accordance with the Development Contract.

While there can be no assurance that the relevant committees of West Berkshire Council will approve the application for outline planning permission (during the first quarter of 2010, or at all), the Board believes that there is, on balance, a reasonable prospect of such outline planning permission being granted in respect of the Planned Redevelopment.

3. Reasons for the Rights Issue

The Board has determined that it is appropriate for the Company to strengthen its balance sheet and overall financial position. The Board believes that a rights issue is the most appropriate method for the Company to strengthen its balance sheet and its overall financial position and will allow all Shareholders to benefit from the underlying value of the Company described in paragraph 5 of this letter ("*Value of the Company*").

The Board believes that the Rights Issue will enable Newbury Racecourse to:

- (i) reduce its net debt, thereby strengthening its balance sheet;

- (ii) increase its financial flexibility in the context of the Planned Redevelopment;
- (iii) enhance the Company's future access to sources of debt financing which may be needed for the proposed hotel development and the improvements to the racing, conference and events facilities; and
- (iv) position the Company more appropriately to generate financial returns for Shareholders from the Planned Redevelopment.

Ideally, the Board would have preferred to delay any equity issuance until a decision in respect of outline planning permission for the Planned Redevelopment had been made. However, given the uncertainty as to when such a decision may be made, the impending maturity of certain term loans, the current availability of underwriting and the support of the Company's major Shareholders, the Board believes that the Rights Issue should be commenced at the current time.

4. Use of proceeds

The Board intends to use the net proceeds of the Rights Issue, amounting to approximately £5.7 million after the expected costs and expenses of the transaction, to reduce the Company's indebtedness.

5. Value of the Company and supporting valuation reports

The value of the Company is highly dependent on the grant of planning permission in respect of the Planned Redevelopment. The value of the Company comprises:

- (i) the value of the Racecourse itself on a continuing use basis before the Planned Redevelopment; and
- (ii) the land value which may be realised by the Company from the disposal of the Residential Development Sites to DWH pursuant to the Development Contract (less payments in respect of taxation liabilities of the Company thereon and to Network Rail in respect of such sites). The land value attributable to the Residential Development Sites (up to the maximum amount of the Threshold Land Value and not less than the Minimum Land Value) is expected to be received over a ten year period; and
- (iii) the value which may be established in respect of the proposed site for the 120 room mid-market hotel if, and at the time when, planning permission is granted in respect of such hotel (as part of the Planned Redevelopment); and
- (iv) any further value representing development profits to which the Company may become entitled arising from the development of Residential Development Sites pursuant to the Development Contract; and
- (v) the liability in respect of net indebtedness of the Company, as reduced by the estimated net proceeds from the Rights Issue, if the Rights Issue is completed.

In terms of analysing the value of the Company on a per share basis, the issued ordinary share capital of the Company as at 17 December 2009 (being the latest practicable date prior to the publication of this document) was 3,184,333 Ordinary Shares and immediately following completion of the Rights Issue is expected to be 4,776,500 Ordinary Shares.

The Company has commissioned independent valuation reports from Savills and Montagu Evans which are set out in Parts VIII and IX of the Prospectus enclosed with this document.

6. Current trading and prospects

Weak economic conditions which started in 2008 have created a challenging trading environment for the Company, especially in the conference, events and corporate hospitality markets. Newbury Racecourse has sought to address the impact of these weak trading conditions through a focus on leisure markets and tight control over costs.

For the ten months ended 31 October 2009, Newbury Racecourse achieved revenues of approximately £8.0 million. This compares to £8.1 million for the corresponding period in the prior financial year.

The Winter Festival held from 26 to 28 November 2009 was successful and conference and event revenues for November 2009 were in line with budget.

On 17 December 2009, the Company announced that it had signed a new long term agreement with TurfTV to supply live horseracing pictures from Newbury Racecourse to licensed betting shops in the United Kingdom and Ireland. The Directors expect that this media rights contract will generate revenues for the Company in the order of £9.0 million over the course of its five year term starting from 1 April 2013. The Board believes that this will be significantly greater than the expected £6.0 million of revenues receivable by the Company over the course of the current six year media rights deal with TurfTV.

Further details regarding the current trading and prospects of the Company are set out in paragraph 8 of Part II of this document.

7. Dividend policy

The Board intends to recommence paying dividends (arising from profits attributable to the Company's *non-property* activities) as soon as appropriate and as the Company's trading activities improve.

The Board intends to return capital to Shareholders, either as dividends or as capital payments, as the Company's residential redevelopment plans (subject to planning permission being granted) generate cash in excess of the Company's requirements for its trading activities, further investment in the Racecourse business and hotel.

If the Planned Redevelopment is undertaken, the Board intends to assess closely when any such dividends and/or return of capital to Shareholders can be effected and the amount of such payments. The Board intends that the Company should adopt an appropriate capital structure and should not retain any significant cash balances in excess of its requirements as the Planned Redevelopment is progressed.

However, it is unlikely that any significant dividend will be declared or any significant return of capital effected from profits arising from Newbury Racecourse's property-related activities in the early phases of the development of the Residential Development Sites.

8. Potential controlling interests of GPG and Compton Beauchamp

GPG and Compton Beauchamp are currently interested in approximately 27.74 per cent. and 22.36 per cent. respectively of the voting rights of the Company and have committed to take up, in full, their respective entitlements under the Rights Issue and have agreed to underwrite the Rights Issue.

The Independent Directors (who comprise all of the Directors except for Laurie Todd and Erik Penser who are the representatives of GPG and Compton Beauchamp respectively) considered carefully the merits of requesting GPG and Compton Beauchamp to underwrite the Rights Issue and the importance of their support for the Rights Issue. In connection with the Rights Issue, the Company has also secured certain restrictions from each of GPG and Compton Beauchamp.

It is possible that, as a result of their underwriting obligations, each of GPG and Compton Beauchamp may hold Ordinary Shares representing 30 per cent. or more of the enlarged issued share capital of the Company following the completion of the Rights Issue.

However, if Shareholders (excluding GPG and Compton Beauchamp and the Independent Directors (and their family members) who have irrevocably undertaken to take up Nil Paid Rights under the Rights Issue) take up their entitlements to New Shares amounting, in aggregate, to more than 5.1 per cent. of the New Shares available to them (excluding the entitlements of GPG and Compton Beauchamp and the Independent Directors (and their family members) who have irrevocably undertaken to take up Rights under the Rights Issue) then Compton Beauchamp is not expected to hold Ordinary Shares representing 30 per cent. or more of the enlarged issued share capital of the Company following completion of the Rights Issue. If Shareholders (excluding GPG and Compton Beauchamp and the Independent Directors (and their family members) who have irrevocably undertaken to take up Nil Paid Rights under the Rights Issue) take up their entitlements to New Shares amounting, in aggregate, to more than 88.4 per cent. of the New Shares available

to them (excluding the entitlements of GPG and Compton Beauchamp and the Independent Directors (and their family members) who have irrevocably undertaken to take up Rights under the Rights Issue) then neither GPG nor Compton Beauchamp are expected to hold Ordinary Shares representing 30 per cent. or more of the enlarged issued share capital of the Company following completion of the Rights Issue.

9. Waiver of Rule 9 of the City Code

GPG's and Compton Beauchamp's participation in, and underwriting of, the Rights Issue give rise to certain considerations and consequences under the City Code. Brief details of the Panel, the City Code and the protections they afford to Shareholders are described below.

Under Rule 9 of the City Code, any person who acquires an interest (as defined in the City Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carries 30 per cent. or more of the voting rights of a company which is subject to the City Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

An offer under Rule 9 must be in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

The Panel has agreed, however, to waive the obligation to make a general offer that would otherwise arise as a result of GPG and Compton Beauchamp taking up their entitlements to New Shares under, and underwriting, the Rights Issue, subject to the approval of the Independent Shareholders voting on a poll. Accordingly, Resolution 4 is being proposed at the General Meeting and will be taken on a poll. To be passed, Resolution 4 will require the approval of a simple majority of votes cast on that poll. Only Independent Shareholders will be entitled to vote on Resolution 4 in accordance with the City Code.

Further details regarding the Rule 9 Waiver to be granted by the Panel (if GPG's and/or Compton Beauchamp's respective interests reach 30 per cent. or more of the Company's voting rights as a result of their underwriting obligations) and the Resolutions which are needed to effect the Rights Issue are set out in paragraphs 9 and 10 of Part II of this document.

The General Meeting is to be held on 13 January 2010 at 11.00 a.m. at The Racecourse for the purpose of considering and, if thought fit, passing the Resolutions to effect the Rights Issue and to approve the Rule 9 Waiver. All of the Resolutions must be passed for the Rights Issue to proceed. The Notice of General Meeting appears at the end of this document.

Information regarding the action to be taken by Shareholders in relation to the Rights Issue is set out in paragraph 12 of Part II of this document.

10. If you want to acquire additional New Shares over and above your entitlement under the Rights Issue

You may be able to acquire either (1) Nil Paid Rights (i.e. the right to acquire New Shares under the Rights Issue) which may trade in the market and through ownership of these Nil Paid Rights have the right to acquire New Shares under the Rights Issue; or (2) existing fully paid Newbury Racecourse Shares which will initially trade with an entitlement to acquire New Shares under the Rights Issue (i.e. *cum* Nil Paid Rights).

Information about how to acquire additional New Shares over and above your entitlement under the Rights Issue is set out in question 9 of Part III ("*Some Questions and Answers about the Rights Issue*") of this document.

11. Additional information and assistance

If you are not familiar with what a rights issue is and what it means for you as a Shareholder, then please read the Questions and Answers set out in Part III of this document. I would also like to remind you that, depending on the number of Newbury Racecourse Shares that you own, there are several benefits available including **free Premier Enclosure tickets and annual membership badges**. These benefits are described

in more detail in question 8 of Part III (“*Some Questions and Answers about the Rights Issue*”) of this document.

Important information: Please do read the *Second Letter from the Chairman of Newbury Racecourse* contained in Part II of this document and the Prospectus before making any investment decision relating to your Newbury Racecourse Shares since this First Letter from the Chairman of Newbury Racecourse is only a summary intended to assist you and does not contain all of the information which you may need to make a fully informed investment decision.

If you have any further questions, please contact your stockbroker, bank manager, solicitor, accountant, fund manager or appropriate independent financial adviser immediately to seek independent financial advice relevant to your personal circumstances.

12. Appointment of new Chairman

On a personal note, having been Chairman of the Company since 1998 and a Director since 1988, I have decided that in 2010 I will retire from the Board when an appropriate successor has been identified and can assume the chairmanship. I am certain that the Planned Redevelopment will support and enhance the long term trading operations of the Racecourse, uphold the racing heritage and traditions of Newbury Racecourse and release value from the freehold property for Newbury Racecourse Shareholders. It is intended that a new Chairman of the Board will be appointed by the first anniversary of the completion of the Rights Issue. I have very much enjoyed serving as your Chairman and expect to continue my life long association with Newbury Racecourse in the future.

13. Recommendation

The Independent Directors, who have been so advised by Strata Partners, consider that the Proposals are fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. In providing such advice to the Independent Directors, Strata Partners has taken into account the Independent Directors’ commercial assessments.

Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of all of the Resolutions to be proposed at the General Meeting as they have irrevocably committed to do in respect of their own beneficial holdings amounting to, in aggregate, 355,792 Existing Shares representing approximately 11.17 per cent. of the current issued ordinary share capital of the Company (as at 17 December 2009, being the latest practicable date prior to the publication of this document).

GPG and Compton Beauchamp have each irrevocably committed to vote in favour of Resolutions 1 to 3 (in respect of their entire holdings of 883,221 and 712,049 respectively representing, in aggregate, approximately 50.10 per cent. of the current issued ordinary share capital of the Company (as at 17 December 2009, being the latest practicable date prior to the publication of this document). GPG and Compton Beauchamp are not entitled to vote in respect of Resolution 4 (Rule 9 Waiver) in accordance with the City Code.

May I thank you in advance for taking the time to consider the proposed Rights Issue. We hope that you will exercise your right to vote at the General Meeting in favour of all of the Resolutions as all of the Resolutions must be passed for the Rights Issue to proceed. I look forward to seeing those of you who can attend the General Meeting in person at 11.00 a.m. on 13 January 2010 at the Racecourse.

Yours sincerely,

Sir David Sieff
Chairman

Important: The Notice of General Meeting appears at the end of this document. You will also find enclosed a Form of Proxy for use at the General Meeting on 13 January 2010 at the Racecourse. Whether or not you intend to be present at the General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible and in any case so as to be received by the Company's registrars at:

Capita Registrars
Proxy Department
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

by no later than 11.00 a.m. on 11 January 2010.

The completion and return of a Form of Proxy will not prevent you attending the General Meeting and voting in person if you wish to do so.

PART II

SECOND LETTER FROM THE CHAIRMAN OF NEWBURY RACECOURSE (ADDITIONAL IMPORTANT INFORMATION)



(Incorporated and registered in England and Wales with registered no. 00080774)

Registered Office:
Newbury Racecourse plc
The Racecourse
Newbury
Berkshire
RG14 7NZ

18 December 2009

Dear Shareholder,

ADDITIONAL IMPORTANT INFORMATION RELATING TO THE RIGHTS ISSUE

1. Overview

The Company announced today that it intends to raise gross proceeds of approximately £6.4 million (approximately £5.7 million net of expenses) by way of a fully underwritten 1 for 2 rights issue. The Company is proposing to offer one New Share at the Issue Price of 400 pence per New Share for every two Existing Shares held by Qualifying Shareholders at the close of business on the Record Date. This represents a 33.3 per cent. discount to the theoretical ex-rights price based on the Closing Price of 700 pence per Newbury Racecourse Share on 17 December 2009 (being the last business day before the announcement of the Rights Issue) and a 42.9 per cent. discount to the Closing Price of 700 pence per Newbury Racecourse Share on 17 December 2009.

The Rights Issue is being fully underwritten by GPG and Compton Beauchamp (the two largest shareholders of the Company) in accordance with the terms of the Underwriting Agreement. Depending on the extent to which Qualifying Shareholders (excluding GPG and Compton Beauchamp and certain Independent Directors (and their family members) who have irrevocably undertaken to take up Nil Paid Rights under the Rights Issue) take up their respective entitlements to New Shares under the Rights Issue, GPG will have a shareholding of between 27.74 per cent. and 35.70 per cent., and Compton Beauchamp will have a shareholding of between 22.36 per cent. and 30.33 per cent., of the enlarged issued share capital of the Company following Admission. The larger the take-up of entitlements to New Shares under the Rights Issue by Qualifying Shareholders (excluding GPG and Compton Beauchamp), the lower the percentage interests of GPG and Compton Beauchamp in the enlarged issued share capital of the Company are likely to be.

If, following completion of the Rights Issue, either GPG or Compton Beauchamp is interested in 30 per cent. or more of the voting rights of the Company, such shareholder would normally be required to make a general cash offer under Rule 9 of the City Code to all of the other Shareholders to acquire their Ordinary Shares.

The Panel, however, has agreed to waive the obligation to make a general offer that would otherwise arise as a result of GPG and Compton Beauchamp taking up their entitlements to New Shares and underwriting the Rights Issue, subject to the approval of the Independent Shareholders voting on a poll. Accordingly, Resolution 4 is being proposed at the General Meeting and will be taken on a poll. Please read paragraph 9 of this letter for further information regarding the proposed Rule 9 Waiver.

GPG and Compton Beauchamp, in their capacity as Shareholders, have given irrevocable commitments to take up, in aggregate, 797,634 New Shares, representing their full entitlement to New Shares under the Rights Issue. These commitments and the underwriting of the Rights Issue by GPG and Compton Beauchamp indicate their strong support for the Company and the Rights Issue.

In addition, certain Independent Directors have given irrevocable commitments to take up, in aggregate, 33,331 New Shares under the Rights Issue.

Therefore, in total, certain Independent Directors, GPG and Compton Beauchamp have irrevocably committed to take up 830,965 New Shares to be issued under the Rights Issue, representing approximately 52.19 per cent. of the New Shares available under the Rights Issue.

The Rights Issue is conditional on, *inter alia*, the passing by Shareholders of the Resolutions at a General Meeting of the Company which will be held at 11.00 a.m. on 13 January 2010 at The Racecourse, Newbury, Berkshire RG14 7NZ. The Notice of General Meeting can be found at the end of this Circular and a Form of Proxy accompanies this document.

A Prospectus in connection with the Rights Issue is enclosed with this Circular and is available at www.newbury-racecourse.co.uk and from our registered office.

Please complete and return your Form of Proxy as soon as possible and no later than 11.00 a.m. on 11 January 2010 whether or not you intend to take up your entitlement to New Shares.

2. Background to the Company

Company background

The Company owns and manages Newbury Racecourse, a site of some 314 acres which is approximately one mile from the town centre of Newbury. The Company is quoted on PLUS and has a current market capitalisation of approximately £22.3 million (as at the close of business on 17 December 2009) and the indebtedness (net of cash balances) of the Company was £7.3 million as at 31 October 2009.

Newbury Racecourse's operating businesses are (1) the racing business, (2) an in-house catering business, (3) a conference and events business, (4) a children's nursery and (5) a golf course.

Long term strategy

The long term strategy of the Company has four key elements:

- (i) to redevelop the Racecourse and transform it into a leisure, entertainment and events business with the Racecourse as its core asset;
- (ii) to enhance the profitability of racing operations by hosting major events;
- (iii) to develop trading activities on non-racing days; and
- (iv) to release value from the freehold property through, in particular, carefully planned, appropriate residential redevelopment of the surplus land on the site.

Redevelopment of the Racecourse

The Company continues to work closely and constructively with the officers of West Berkshire Council with regard to the Company's application for outline planning permission for the redevelopment of the Racecourse. The Planned Redevelopment includes:

- (i) development of the Residential Development Sites (on which up to 1,500 residential units are proposed to be constructed) and implementation of the DWH Infrastructure Enhancements to the Racecourse, to be carried out by David Wilson Homes ("DWH") in accordance with the Development Contract; and

- (ii) upgrading of the Racecourse with enhanced leisure, racing, conference and events facilities, administrative and visitor facilities and construction of a hotel, all of which are to be carried out, and paid for, by the Company and will be pursued as part of the Planned Redevelopment if and when planning permission is obtained.

The DWH Infrastructure Enhancements include, in particular, the construction of a new bridge and access to the Racecourse, new visitor parking, extensive landscaping, a hostel for stable staff, a new children's nursery, remodelling of the golf course, a new golf clubhouse and floodlit driving range, with all such works to be carried out, and paid for, by DWH in accordance with the Development Contract.

Outline planning application for the Planned Redevelopment

On 23 April 2009 the Executive of West Berkshire Council approved the draft report entitled "West Berkshire Preferred Options Core Strategy" (the "Core Strategy Report") for public consultation. This document sets out the Council's preferred options for the scale and location of development throughout West Berkshire to 2026 including the location of large scale residential development and the planning policies to guide such development. The residential development of surplus freehold land at the Racecourse (as part of the Planned Redevelopment) has been put forward in the Core Strategy Report as a preferred site for strategic residential development in West Berkshire. When adopted, the Core Strategy Report will form the central part of the Local Development Framework (the "LDF") containing West Berkshire Council's policies for the long term planning and development of West Berkshire through to 2026.

In early 2010 the Council intends to approve the submission version of the Core Strategy Report which will be subject to further public consultation. Thereafter, the submission version of the Core Strategy Report and public comments will be submitted to the Secretary of State for independent examination and approval.

On 18 November 2009, the report of the principal planning officer for West Berkshire Council to the Western Area Planning Committee in respect of the Planned Redevelopment was made available to the public. That report contained a positive recommendation to approve the application for outline planning permission for the Planned Redevelopment (subject to a Section 106 Agreement, planning conditions, and referral to the Government Office for the South East as a departure from the adopted District Local Plan). The Western Area Planning Committee met on 25 November 2009 but the application for outline planning permission for the Planned Redevelopment and the associated report and recommendation from the principal planning officer were not tabled for consideration at that meeting. On 26 November 2009, the *Newbury Weekly News* reported that a spokesman for the West Berkshire Council said that "once members of the committee had an opportunity to read a planning officer's report that was due to go to the meeting, it was clear that further time was required for them to advise members on how the application would fit in with the Local Development Framework".

The Board believes that, during the first quarter of 2010, after West Berkshire Council has approved the submission version of the Core Strategy Report, the Company's application for outline planning permission for the Planned Redevelopment is likely to be considered by both the Western Area Planning Committee and the District Planning Committee of West Berkshire Council. While there can be no assurance that the relevant committees of West Berkshire Council will approve the application for outline planning permission (during the first quarter of 2010, or at all), the Board believes that there is, on balance, a reasonable prospect of such outline planning permission being obtained. There can be no assurance that the relevant planning committees of West Berkshire Council will accept the planning officer's recommendation and approve the application for outline planning permission in respect of the Planned Redevelopment.

If the application for outline planning permission is approved by the Western Area and District Planning Committees and (following the referral to the Government Office for the South East) is not called in by the Secretary of State for his consideration, then DWH and the Company would seek to conclude a Section 106 Agreement with West Berkshire Council. Thereafter, there is a three month period during which third parties are able to submit an application for judicial review, challenging the lawfulness of the outline planning permission granted. On the basis that there is no such judicial review, DWH and the Company would proceed to seek approval from West Berkshire Council of the matters and details reserved by the outline planning permission. This will require the submission of further details to discharge the pre-commencement planning

conditions attached to the outline planning permission and the submission and approval of detailed reserved matters applications for the Planned Redevelopment prior to development commencing.

Any resolution to grant planning consent must be referred to the Government Office for the South East as a departure from the adopted District Local Plan. However, the application is expected to comply with the policies contained in the submission version of the West Berkshire Preferred Options Core Strategy Report and the Company has been advised that this is likely to reduce the risk of the Secretary of State calling in the application.

In addition, the Company and its planning advisers have been in regular contact with the Government Office for the South East and the Company is working with relevant stakeholders to address this possibility.

Development Contract with David Wilson Homes

The Company is pursuing a significant part of the Planned Redevelopment jointly with David Wilson Homes (“DWH”), a 100 per cent. owned subsidiary of Barratt Developments. A contract was exchanged on 1 May 2008 by the Company, Newbury Racecourse Enterprises Limited, DWH and Barratt Developments (the “Development Contract”). DWH’s obligations under the Development Contract are guaranteed by Barratt Developments.

The Development Contract enables Newbury Racecourse to benefit from DWH’s expertise in promoting land for residential development and in carrying out high quality residential development projects, whilst still allowing Newbury Racecourse to exercise a high degree of control over the development.

The Development Contract comprises:

- (i) a contract for DWH to purchase three areas of land at the Racecourse known as the Western, Central and Eastern sites on which, in aggregate, up to 1,500 residential units are proposed to be constructed as part of the Planned Redevelopment (the “Residential Development Sites”) for not less than the Minimum Land Value (determined in accordance with the Development Contract), once various conditions, most notably the grant of planning permission, have been satisfied; and
- (ii) a development agreement requiring DWH to carry out the development of the Residential Development Sites and to undertake certain infrastructure enhancements (known as the DWH Infrastructure Enhancements). The costs of the DWH Infrastructure Enhancements will be paid by DWH.

The development of the Residential Development Sites and implementation of the DWH Infrastructure Enhancements for the Racecourse will be carried out by DWH in accordance with the Development Contract (together the “DWH Development Works”).

The planning and development process relating to the DWH Development Works is managed by a Project Management Committee (“PMC”), allowing Newbury Racecourse to participate fully in such development. The PMC comprises three representatives from each of Newbury Racecourse and DWH and is chaired by one of the Newbury Racecourse representatives (the “PMC Chairman”). This is intended to ensure that the Company retains a high degree of control over the construction programme and the quality of the Planned Redevelopment. Each member of the PMC has one vote and any decision is made by a simple majority with deadlocks referred to an appropriate independent third party. However, where a decision affects the operation of the Racecourse, the Company has an additional, and therefore potentially casting, vote.

DWH is funding the costs associated with seeking the planning permissions required for the Planned Redevelopment. The Development Contract sets out parameters to determine whether the planning permissions in respect of the Planned Redevelopment, if and when granted, should be regarded as satisfactory for the Development Contract to become unconditional in respect of planning.

The Development Contract will only become unconditional if the land value attributable to the Residential Development Sites (determined in accordance with the Development Contract and referred to in this document as the Threshold Land Value) exceeds the Minimum Land Value.

The Threshold Land Value will be determined at the time when the planning permissions are actually granted for the Planned Redevelopment and on the basis of such permissions. It will be based on the Project Cash Flow Appraisal (“PCFA”), the calculation methodology for which is set out in the Development Contract and agreed by the Company and DWH or, in the absence of agreement, determined by independent valuers. The Threshold Land Value will reflect at the time when planning permissions have been granted the expected development costs and the expected revenues arising from the sale of housing units to be built on the Residential Development Sites as well as the expected costs relating to the DWH Infrastructure Enhancements. As the DWH Development Works progress, the PCFA will be updated to reflect actual costs incurred and revenues received in respect of such works. The land value attributable to the Residential Development Sites is not fixed in value and may reduce as the DWH Development Works are undertaken but not below the Minimum Land Value. The land value attributable to the Residential Development Sites (up to the Threshold Land Value) is expected to be received over a ten year period as the Residential Development Sites are developed.

DWH has confirmed to the Company that, if the Development Contract had become unconditional as at the date of this document (i.e. all conditions had been satisfied or waived, most notably the grant of planning permissions), DWH is of the opinion that the Threshold Land Value, based on the outline planning permissions for the Planned Redevelopment currently being sought, would, at the date of this document, have exceeded the Minimum Land Value. However, there can be no assurance that at the actual time when the Development Contract may become unconditional and planning permissions have actually been granted (in each case if at all) that the Threshold Land Value will in fact exceed the Minimum Land Value.

If, after planning permissions for the Planned Redevelopment have been granted, the Threshold Land Value of the Residential Development Sites does not exceed the Minimum Land Value, then DWH will not be obliged to proceed with the development of the Residential Development Sites or the implementation of the DWH Infrastructure Enhancements. In such circumstances, DWH would not be obliged to proceed with the development, pursuant to the Development Contract, until the Minimum Land Value has been achieved at a later date (but within two years of the date of grant of such planning permissions). However, DWH can elect to proceed and pay the Minimum Land Value in these circumstances.

Payment of consideration to the Company throughout the duration of the development will be protected by a legal charge over the Residential Development Sites, which will be released in respect of housing units as and when sold. If the Development Contract is terminated or DWH fails to perform its obligations under the Development Contract, then Newbury Racecourse has rights to replace DWH with an alternative developer or to continue development of the Residential Development Sites itself.

Financial arrangements under the Development Contract

There are two principal types of payment which may be made to the Company by DWH in accordance with the Development Contract: (i) **land payments** in respect of the land value attributable to the Residential Development Sites (up to the maximum amount of the Threshold Land Value and no less than the Minimum Land Value); and (ii) a 50 per cent. share of **development profits**.

DWH has paid the Company £1.5 million as a contribution towards costs incurred by the Company in connection with the Planned Redevelopment. Further payments to the Company by DWH in respect of the Residential Development Sites as well as implementation of the DWH Infrastructure Enhancements will only occur if satisfactory planning permissions are secured and the Threshold Land Value exceeds the Minimum Land Value at the time when planning permissions for the Planned Redevelopment have been received (if at all).

(i) *Land payments*

If the Development Contract becomes unconditional then certain upfront payments would be made by DWH to the Company at the time when ownership of the Residential Development Sites is transferred to DWH. Such payments to the Company would be used, in part, to settle taxation liabilities arising on the transfer of the Residential Development Sites to DWH and a contractual payment to Network Rail in connection with the construction of the new bridge.

Thereafter, further payments in respect of the land value attributable to the Residential Development Sites would be made to Newbury Racecourse during the course of the development by reference to the PCFA up to a maximum amount of the Threshold Land Value (but always not less than the Minimum Land Value). The land value attributable to the Residential Development Sites is expected to be received over a ten year period as the Residential Development Sites are developed.

The Project Cash Flow Appraisal (“PCFA”) is a development appraisal which will be used throughout the duration of the development of the Residential Development Sites. Financing costs for all works under the Development Contract are the responsibility of DWH and are excluded from the PCFA. The PCFA establishes a DWH Operating Margin related to the revenues from the Residential Development Sites. The DWH Operating Margin has a cap and collar mechanism set out in the Development Contract. In general terms, this determines the proportion of development revenues which DWH is permitted to receive for its services in carrying out the DWH Development Works, which, when applied to the development revenues, determines the DWH Operating Profit (the “DWH Operating Profit”).

The PCFA will be updated throughout the development to reflect actual costs incurred and actual revenues received as those figures become known. In general terms, the difference between revenues arising from the development of the Residential Development Sites and the costs of such development, the DWH Infrastructure Enhancements, and the DWH Operating Profit (excluding the land costs attributable to the Residential Development Sites) as determined in accordance with the PCFA, reflects the value of the land contributed by the Company and the development profit achieved.

(ii) *Share of development profits*

In addition to the payments to the Company in respect of the land value attributable to the Residential Development Sites (up to the Threshold Land Value), DWH may make further payments to Newbury Racecourse representing the Company’s **50 per cent. share of development profits** determined in accordance with the Development Contract (while DWH would receive the remaining 50 per cent. share). The Company’s share of development profits will arise if:

- (i) the Development Contract has become unconditional; and
- (ii) the Company has been paid the sum equal to the Threshold Land Value; and
- (iii) DWH has received for its development services its highest capped level of the DWH Operating Margin,

(in each case as set out in the Development Contract and determined in accordance with the PCFA).

Any such share of development profits could be material and will depend, in particular, on the extent to which the increase in average selling prices achieved for housing units exceeds any increase in development costs.

It is this potential for DWH to receive a 50 per cent. share of development profits which should incentivise DWH to increase revenues and reduce costs throughout the development of the Residential Development Sites. Accordingly, after the Threshold Land Value has been agreed, this aspect of the Development Contract is expected to create an alignment of interests between Newbury Racecourse and DWH.

If the Planned Redevelopment proceeds, Shareholders are expected to benefit from the cash proceeds generated from the Planned Redevelopment as the Company intends to make distributions to Shareholders (by way of dividends and/or returns of capital), after payment of costs incurred by the Company in progressing the Planned Redevelopment, corporation tax on capital gains, payments to Network Rail and, as appropriate, further investment in the Racecourse business. Further details on the Company’s dividend policy are set out in paragraph 7 of Part I (“*Dividend policy*”) of this document.

Hotel development

The Board has identified the shortage of hotels in Newbury as a limiting factor for the growth of the Company's conference business. As part of a strategic review of the Company's property assets, the Board has identified a site, conducted a feasibility study and identified a number of high quality operating partners for a 120 room mid-market hotel.

The Company intends to fund its construction and will review the business case for such a hotel in light of prevailing economic and market conditions at the relevant time.

Further investment in the Racecourse business

The Board has identified Racecourse enhancement works, including, in particular, improved leisure, racing, conference and events facilities, and administrative and visitor facilities to support the long term success of the Racecourse's trading operations. Such expenditure (to be paid for by the Company) will be reviewed by the Board to ensure acceptable returns for Shareholders in the context of the Company's long term strategy.

3. Reasons for the Rights Issue

The Board has determined that it is appropriate for the Company to strengthen its balance sheet and overall financial position. The Board believes that a rights issue is the most appropriate method for the Company to strengthen its balance sheet and its overall financial position and will allow all Shareholders to benefit from the underlying value of the Company described in paragraph 5 ("*Value of the Company and supporting valuation reports*") of Part I of this document.

The Board believes that the Rights Issue will enable Newbury Racecourse to:

- (i) reduce its net debt, thereby strengthening its balance sheet;
- (ii) increase its financial flexibility in the context of the Planned Redevelopment;
- (iii) enhance the Company's future access to sources of debt financing which may be needed for the proposed hotel development and the improvements to the racing, conference and events facilities; and
- (iv) position the Company more appropriately to generate financial returns for Shareholders from the Planned Redevelopment.

Ideally, the Board would have preferred to delay any equity issuance until a decision in respect of outline planning permission for the Planned Redevelopment had been made. However, given the uncertainty as to when such a decision may be made, the impending maturity of certain term loans, the current availability of underwriting and the support of the Company's major shareholders, the Board believes that the Rights Issue should be commenced at the current time.

Indebtedness (net of cash balances) of the Company

The total outstanding indebtedness of the Company (net of cash balances) as at 31 October 2009 was £7.3 million. Newbury Racecourse has been fully in compliance with its financial covenants under the Facility Agreement. The Board believes that the Company remains, and expects to remain, fully in compliance with such financial covenants for the next 12 months (and taking no account of the estimated net proceeds arising from the Rights Issue).

As at 31 October 2009, the Company had approximately £6.1 million of indebtedness outstanding and drawn down under the Facility Agreement, which must be repaid in full together with further accrued interest thereon on 30 June 2011. In addition, there are various other repayments of indebtedness under the Facility Agreement and in respect of a loan from the HBLB falling due in the next 12 months from the date of this document which amount, in aggregate, to some £0.5 million.

It is intended that the estimated net proceeds arising from the Rights Issue of £5.7 million are used to reduce the Company's indebtedness. In addition, conditional upon receiving the net proceeds of the Rights Issue in full the Company has agreed with AIB a new facility agreement under which certain revolving credit

facilities are available to the Company (the “Updated Facility Agreement”). In particular, under the Updated Facility Agreement there is a revolving credit facility for general working capital purposes up to a maximum amount of £1.8 million committed until 31 December 2011.

If the Rights Issue does not take place the Company would, in due course and no later than the time of publication of its interim results for the period ending 30 June 2010, need to make alternative arrangements to refinance its indebtedness under the Facility Agreement either extending the term of such facility or refinancing such indebtedness with an alternative lender(s) (in either such case so that the earliest date for repayment of such indebtedness would be 12 months after the date of publication of such interim results) or effecting an equity capital raising other than pursuant to the current Rights Issue.

4. Use of proceeds

The Board intends to use the net proceeds of the Rights Issue, amounting to approximately £5.7 million after the expected costs and expenses of the transaction, to reduce the Company’s indebtedness.

5. Value of the Company and supporting valuation reports

The value of the Company is highly dependent on the grant of planning permission in respect of the Planned Redevelopment. The value of the Company comprises:

- (i) the value of the Racecourse itself on a continuing use basis before the Planned Redevelopment; and
- (ii) the land value which may be realised by the Company from the disposal of the Residential Development Sites to DWH pursuant to the Development Contract (less payments in respect of taxation liabilities of the Company thereon and to Network Rail in respect of such sites). The land value attributable to the Residential Development Sites (up to the maximum amount of the Threshold Land Value and not less than the Minimum Land Value) is expected to be received over a ten year period; and
- (iii) the value which may be established in respect of the proposed site for the 120 room mid-market hotel if, and at the time when, planning permission is granted in respect of such hotel (as part of the Planned Redevelopment); and
- (iv) any further value representing development profits to which the Company may become entitled arising from the development of Residential Development Sites pursuant to the Development Contract; and
- (v) the liability in respect of net indebtedness of the Company, as reduced by the estimated net proceeds from the Rights Issue, if the Rights Issue is completed.

In terms of analysing the value of the Company on a per share basis, the issued ordinary share capital of the Company as at 17 December 2009 (being the latest practicable date prior to the publication of this document) was 3,184,333 Ordinary Shares and immediately following completion of the Rights Issue is expected to be 4,776,500 Ordinary Shares.

(i) *Racecourse*

The Company commissioned from Savills a valuation report on the Racecourse which is set out in Part VIII of the Prospectus enclosed with this document. The Racecourse is identified on the property plan in Part XIII of the Prospectus enclosed with this document.

On the basis of the assumptions set out in Part VIII of the Prospectus enclosed with this document, Savills has valued the Racecourse (excluding the Residential Development Sites) on a restricted, existing use market value basis at £15.0 million.

(ii) *Threshold Land Value in respect of the Residential Development Sites*

The Company commissioned from Montagu Evans a valuation report on the Residential Development Sites on which up to 1,500 residential units are to be constructed as part of the Planned

Redevelopment in accordance with the Development Contract. Please note that, as at the date of this document, the Company has not received planning permission in respect of the Planned Redevelopment. The Montagu Evans valuation report is set out in Part IX of the Prospectus enclosed with this document. The Residential Development Sites are identified on the property plan in Part XIII of the Prospectus enclosed with this document.

On the basis of the assumptions set out in Part IX of the Prospectus enclosed with this document, Montagu Evans has estimated that the aggregate future cash flows arising from the development of the Residential Development Sites pursuant to the Development Contract and payable to the Company in respect of the Threshold Land Value, after deductions for the estimated contractual payments due to Network Rail in connection with the Planned Redevelopment and the estimated taxation liability of the Company arising from chargeable gains in relation to the disposal of the Residential Development Sites to DWH, would be £37.25 million over the expected 10 year development time period for the Residential Development Sites. This calculation of the cash flows arising in respect of the Threshold Land Value has been determined as if planning permission in respect of the Planned Redevelopment had been granted, based on the outline planning permission currently being sought, the expected development costs and expected revenues arising from the sale of housing units to be built on the Residential Development Sites as well as the expected costs relating to the DWH Infrastructure Enhancements, in each case determined as at the date of this document.

Montagu Evans has discounted such estimated future cash flows (at an effective discount rate of 9.0 per cent. per annum) to derive a net present value as at the date of this document to the Company of £21.35 million (after deduction of the net present value (discounted at the same discount rate as set out above) of the estimated contractual payments due to Network Rail and the estimated taxation liability of the Company arising from the disposal of the Residential Development Sites to DWH). Such estimated cash flows are dependent, *inter alia*, on satisfactory planning permissions having been granted in respect of the Planned Redevelopment, no increase in development costs in respect of the residential development of the Residential Development Sites nor in respect of the costs related to the implementation of the DWH Infrastructure Enhancements nor any decline in the expected revenues arising from the sale of housing units to be built on such sites.

(iii) ***Hotel site***

On the basis of the assumptions and as set out in Part IX of the Prospectus enclosed with this document, Montagu Evans has valued the proposed site for a 120 room mid-market hotel at £1.8 million as if satisfactory planning permission had been granted for such a hotel as at the date of this document. No discount factor has been applied to reflect the fact that satisfactory planning permission for such a hotel has not been, and may not be, granted nor for the time which will elapse from the date of this document to the time when such satisfactory planning permission may be granted.

(iv) ***Share of development profits in respect of the Residential Development Sites***

In addition to the payments to the Company in respect of the land value attributable to the Residential Development Sites (up to the Threshold Land Value), DWH may make further payments to Newbury Racecourse representing the Company's 50 per cent. share of development profits determined in accordance with the Development Contract (while DWH would receive the remaining 50 per cent. share). The Company's share of development profits will arise if:

- (i) the Development Contract has become unconditional; and
- (ii) the Company has been paid the sum equal to the Threshold Land Value; and
- (iii) DWH has received for its development services its highest capped level of the DWH Operating Margin,

(in each case as set out in the Development Contract and determined in accordance with the PCFA).

Any such share of development profits could be material and will depend, in particular, on the extent to which the increase in average selling prices achieved for housing units exceeds any increase in development costs. No net present value of such share of development profits attributable to the Company has been estimated by Montagu Evans or the Company.

(v) ***Indebtedness (net of cash balances) of the Company***

The outstanding indebtedness of the Company (net of cash balances) as at 31 October 2009 was £7.3 million. If the Rights Issue had been completed and the estimated net proceeds of £5.7 million arising from it had been received by the Company as at 31 October 2009 then such net indebtedness as at that date would have amounted to approximately £1.6 million.

6. Summary of the principal terms of the Rights Issue

The Company is proposing to offer 1,592,167 New Shares by way of a Rights Issue. The New Shares will be offered to Qualifying Shareholders. The Rights Issue is expected to raise approximately £5.7 million, net of expenses. The Issue Price represents a 33.3 per cent. discount to the theoretical ex-rights price based on the Closing Price of 700 pence per Ordinary Share on 17 December 2009 (being the last business day before the announcement of the Rights Issue) and a 42.9 per cent. discount to the Closing Price of 700 pence per Ordinary Share on 17 December 2009.

The Rights Issue will be made on the basis of:

1 New Share for every 2 Existing Shares at 400 pence per New Share

held by Qualifying Shareholders at the close of business on the Record Date (being 8 January 2010).

Entitlements to New Shares will be rounded down to the nearest whole number. Fractional entitlements not allotted to Shareholders will be aggregated and sold in the market for the benefit of the Company.

The Rights Issue is fully underwritten by the Underwriters pursuant to the Underwriting Agreement.

The Underwriters are GPG and Compton Beauchamp, each of whom are major Shareholders, holding approximately 27.74 and 22.36 per cent. respectively of the existing issued share capital of the Company (as at 17 December 2009, being the last business day before the announcement of the Rights Issue). Each of the Underwriters will acquire 50 per cent. of the New Shares which are not taken up by Shareholders or subscribers in the market. The Underwriters will each be entitled to charge a fee, upon completion of the Rights Issue, for such underwriting (in proportion to their underwriting obligations) which amounts in total to one per cent. of the aggregate value of the Issue Price multiplied by the number of New Shares (excluding those New Shares which are provisionally allotted to the Underwriters and other Shareholders who have given an irrevocable commitment to the Company to take up their Nil Paid Rights in respect of New Shares).

The Rights Issue will result in 1,592,167 New Shares being issued (representing approximately 50.0 per cent. of the existing issued share capital of the Company and 33.3 per cent. of the enlarged issued share capital of the Company immediately following completion of the Rights Issue). The Rights Issue is conditional, *inter alia*, upon:

- (i) the passing of the Resolutions at the General Meeting;
- (ii) the Underwriting Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms; and
- (iii) Admission becoming effective by not later than 8.00 a.m. on 14 January 2010 (or such later time and date as the Company and the Underwriters may agree).

The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing issued Ordinary Shares including the right to receive dividends or distributions made, paid or declared after the date of the Underwriting Agreement.

Application will be made to PLUS Markets for the New Shares to be admitted to trading on PLUS. It is expected that Admission will occur and that dealings in the New Shares (nil paid) on PLUS will commence at 8.00 a.m. on 14 January 2010.

Some questions and answers, together with details of further terms and conditions of the Rights Issue, including the procedure for acceptance and payment and the procedure in respect of rights not taken up, are set out in Part III ("*Some Questions and Answers about the Rights Issue*") of this document and, where relevant, will also be set out in the Provisional Allotment Letter.

7. Effect of the Rights Issue

Upon completion of the Rights Issue, the New Shares will represent approximately 33.3 per cent. of the Company's enlarged issued share capital and the Existing Shares will represent approximately 66.7 per cent. of the Company's enlarged issued share capital. The New Shares will be issued pursuant to the Resolutions to be proposed to Shareholders at the General Meeting.

8. Current trading and prospects

Weak economic conditions which started in 2008 have created a challenging trading environment for the Company, especially in the conference, events and corporate hospitality markets. Newbury Racecourse has sought to address the impact of these weak trading conditions through a focus on leisure markets and tight control over costs.

For the ten months ended 31 October 2009, Newbury Racecourse achieved revenues of approximately £8.0 million. This compares to £8.1 million for the corresponding period in the prior financial year. In particular,

- revenues from racing were up 2.4 per cent. (£150,000) on the same period in the previous year, primarily as a result of the 'Party in the Paddock' events; and
- a 20.8 per cent. reduction in corporate hospitality revenues was offset by increases in gate, public catering, media and sponsorship revenues.

The Winter Festival held from 26 to 28 November 2009 was successful and conference and event revenues for November 2009 were in line with budget.

On 17 December 2009, the Company announced that it had signed a new long term agreement with TurfTV to supply live horseracing pictures from Newbury Racecourse to licensed betting shops in the United Kingdom and Ireland. The Directors expect that this media rights contract will generate revenues for the Company in the order of £9.0 million over the course of its five year term starting from 1 April 2013. The Board believes that this will be significantly greater than the expected £6.0 million of revenues receivable by the Company over the course of the current six year media rights deal with TurfTV.

9. Waiver of Rule 9 of the City Code

GPG's and Compton Beauchamp's participation in, and underwriting of, the Rights Issue give rise to certain considerations and consequences under the City Code. Brief details of the Panel, the City Code and the protections they afford to Shareholders are described below.

The City Code is issued and enforced by the Panel. The Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Takeover Directive. Its statutory functions are set out in and under Chapter 1 of Part 28 of the Act.

Under Rule 9 of the City Code, any person who acquires an interest (as defined in the City Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carries 30 per cent. or more of the voting rights of a company which is subject to the City Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

An offer under Rule 9 must be in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

The current interests in Shares of GPG and Compton Beauchamp as at 17 December 2009 (being the latest practicable date prior to the publication of this document) together with the maximum number of Shares which may be held by GPG and Compton Beauchamp immediately following completion of the Rights Issue (and, in each case, the percentages of the voting rights in the Company attributable to such interests) are set out in the table below:

	<i>As at 17 December 2009</i>		<i>Maximum number of Shares immediately following completion of the Rights Issue⁽²⁾</i>	
	<i>Number of Existing Shares</i>	<i>Percentage of issued share capital</i>	<i>Number of Shares</i>	<i>Percentage of issued share capital</i>
Compton Beauchamp	712,049	22.36	1,448,674	30.33
GPG ⁽¹⁾	883,221	27.74	1,705,432	35.70

Notes:

- (1) The Newbury Racecourse Shares in which GPG has an interest are registered in the names of Allied Mutual Insurance Services Limited; GPG (UK) Holdings plc; and Guinness Peat Group plc.
- (2) The maximum number of Shares which may be held by each of GPG and Compton Beauchamp immediately following completion of the Rights Issue on the assumption that each of them is required to fulfil their obligations under the Underwriting Agreement in full and that all persons who have given irrevocable undertakings to accept the Rights Issue do so.

The City Code also provides that where any person, together with persons acting in concert with him, holds more than 50 per cent. of a company's voting rights, no obligation will normally arise under Rule 9 to make a general offer in cash to all shareholders of that company, save as described below, as a result of any acquisition by such person or any person acting in concert with him of any further shares carrying voting rights in the company. However, the Panel will regard as giving rise to an obligation to make an offer the acquisition by a single member of a concert party of shares sufficient to increase his individual holding to 30 per cent. or more of a company's voting rights, or, if he already holds more than 30 per cent. but less than 50 per cent., an acquisition which increases his shareholding in that company.

For the purposes of the City Code, a concert party arises where persons acting in concert pursuant to an agreement or understanding (whether formal or informal) co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. Control means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of the company, irrespective of whether such interest or interests give de facto control.

In the Implementation Agreement the Company warranted to GPG and Compton Beauchamp that the Panel has confirmed on a preliminary basis that GPG and Compton Beauchamp are not to be regarded as acting in concert for the purposes of the City Code solely on the basis that GPG and Compton Beauchamp were each proposing to enter into the Underwriting Agreement in connection with the Rights Issue. As required by the Implementation Agreement, this position has been confirmed definitively by the Panel to the Company and communicated by it to GPG and Compton Beauchamp.

GPG and Compton Beauchamp are currently interested in approximately 27.74 per cent. and 22.36 per cent. respectively of the voting rights of the Company and have committed to take up, in full, their respective entitlements under the Rights Issue and have agreed to underwrite the Rights Issue in accordance with the Underwriting Agreement.

Since the Rights Issue is being underwritten by GPG and Compton Beauchamp in accordance with the Underwriting Agreement, it is possible that each of GPG and Compton Beauchamp could obtain, as a result of such underwriting obligations, Ordinary Shares upon completion of the Rights Issue which carry more

than 30 per cent. of the voting rights of the Company (taking account of the New Shares to be issued under the Rights Issue).

If no Shareholder were to take up any of their entitlements to New Shares under the Rights Issue (save for the irrevocable commitments to take up New Shares given by certain of the Independent Directors and their family members, GPG and Compton Beauchamp as described in paragraphs 14 and 15 of this letter), then the maximum holdings of Ordinary Shares upon completion of the Rights Issue and due to the underwriting obligations of GPG and Compton Beauchamp could amount to 35.70 per cent. and 30.33 per cent. respectively of the enlarged issued share capital of the Company. In such circumstances, each of GPG and Compton Beauchamp would normally be required to make a general cash offer under Rule 9 of the City Code to all of the other Shareholders to acquire their Ordinary Shares.

The Panel has agreed, however, to waive the obligation to make a general offer that would otherwise arise as a result of GPG and Compton Beauchamp taking up their entitlements to New Shares under, and underwriting, the Rights Issue, subject to the approval of Resolution 4 by the Independent Shareholders voting on a poll. Accordingly, Resolution 4 is being proposed at the General Meeting and will be taken on a poll. To be passed, Resolution 4 will require the approval of a simple majority of votes cast on that poll. Only Independent Shareholders will be entitled to vote on Resolution 4 in accordance with the City Code.

Following completion of the Rights Issue, each of GPG and Compton Beauchamp will potentially be interested in Ordinary Shares carrying 30 per cent. or more of the Company's voting share capital, but will not hold Ordinary Shares carrying more than 50 per cent. of such voting rights, and any further increase in such interests in Ordinary Shares will be subject to the provisions of Rule 9.

For the avoidance of doubt, the Rule 9 Waiver applies only in respect of increases in the shareholdings of GPG and Compton Beauchamp resulting from taking up New Shares, and their underwriting obligations under the Rights Issue and not in respect of the other increases in their holdings. GPG's and Compton Beauchamp's Board nominees (Laurie Todd and Erik Penser respectively) have not taken part in any decision of the Board relating to the proposal to seek the Rule 9 Waiver from the Panel.

The Independent Directors considered carefully the merits of requesting GPG and Compton Beauchamp to underwrite the Rights Issue and the importance of their support for the Rights Issue to be undertaken by the Company. It is possible that each of GPG and Compton Beauchamp may hold Ordinary Shares amounting to more than 30 per cent. of the enlarged issued share capital of the Company following the completion of the Rights Issue. However, if Shareholders (excluding GPG and Compton Beauchamp and the Independent Directors (and their family members) who have undertaken to take up Nil Paid Rights under the Rights Issue) take up their entitlements to New Shares amounting, in aggregate, to more than 5.1 per cent. of the New Shares available to them (excluding the entitlements of GPG and Compton Beauchamp and the Independent Directors (and their family members) who have irrevocably undertaken to take up Rights under the Rights Issue) then Compton Beauchamp is not expected to hold Ordinary Shares representing 30 per cent. or more of the enlarged issued share capital of the Company following completion of the Rights Issue. If Shareholders (excluding GPG and Compton Beauchamp and the Independent Directors (and their family members) who have irrevocably undertaken to take up Nil Paid Rights under the Rights Issue) take up their entitlements to New Shares amounting, in aggregate, to more than 88.4 per cent. of the New Shares available to them (excluding the entitlements of GPG and Compton Beauchamp and the Independent Directors (and their family members) who have irrevocably undertaken to take up Rights under the Rights Issue) then neither GPG nor Compton Beauchamp are expected to hold Ordinary Shares representing 30 per cent. or more of the enlarged issued share capital of the Company following completion of the Rights Issue.

Restrictions on GPG and Compton Beauchamp

In connection with, and conditional upon completion of, the Rights Issue the Company has also secured certain restrictions from each of GPG and Compton Beauchamp, in particular that neither party, nor their Associates, will (without the prior written approval from the Board) at any time prior to the announcement of the Company's interim financial results for the six month period ending 30 June 2010:

- (i) make or announce a general offer for all or any part of the share capital of the Company; and

- (ii) acquire any Ordinary Shares (save for their entitlements to New Shares under the Rights Issue and any New Shares acquired as a result of the Underwriting Agreement) or, if and to the extent permitted by the Panel and the Company, in the market.

In addition, each of GPG and Compton Beauchamp (and their Associates) have agreed not to requisition, or take any steps to requisition, any general meeting of the Company and have agreed not to seek to change the structure or composition of the Board (in each case without the prior written approval of the Board) prior to the first anniversary of the completion of the Rights Issue (save in certain limited circumstances).

The above restrictions will no longer be binding on each of GPG and Compton Beauchamp if a Third Party Transaction is announced.

10. General Meeting

You will find set out at the end of this document a notice convening a General Meeting to be held on 13 January 2010 at 11.00 a.m. at The Racecourse, Newbury, Berkshire RG14 7NZ. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolutions which are needed to effect the Rights Issue.

A summary and explanation of the Resolutions is set out below. Please note that this is not the full text of the Resolutions and you should read this section in conjunction with the Resolutions contained in the Notice of General Meeting at the end of this document.

Resolution 1:

Increase in the Company's share capital

Conditional on the passing of Resolutions 2, 3 and 4, this ordinary resolution will increase the limit on the maximum nominal amount of shares that may be allotted from £400,000 to £600,000.

Resolution 2:

Authority to allot shares

Conditional on the passing of Resolutions 1, 3 and 4, this ordinary resolution will grant the Directors authority to allot 1,592,167 Ordinary Shares for the purposes of the Rights Issue. The authority given by this resolution will expire at the conclusion of the Company's annual general meeting in 2010.

Resolution 3:

Disapplication of pre-emption rights

Conditional on the passing of Resolutions 1, 2 and 4, the purpose of this special resolution is to disapply the pre-emptive rights provisions of Section 561 of the Act in respect of the Ordinary Shares to be allotted pursuant to Resolution 2 in connection with the Rights Issue.

Resolution 4:

Approval of Waiver of Rule 9 of the City Code

Conditional on the passing of Resolutions 1, 2 and 3, the purpose of this ordinary resolution is to approve the Rule 9 Waiver, which will be taken on a poll and in respect of which only the Independent Shareholders will be entitled to vote in accordance with the City Code.

For additional information regarding the Rule 9 Waiver refer to paragraph 9 ("Waiver of Rule 9 of the City Code") of this letter.

The Rights Issue is conditional on the passing of all of the Resolutions.

Voting commitments of GPG and Compton Beauchamp

GPG and Compton Beauchamp have given irrevocable commitments in relation to their respective holdings of 883,221 and 712,049 Ordinary Shares (which in aggregate amount to 1,595,270 Ordinary Shares, representing approximately 50.10 per cent. of the existing issued share capital of the Company) to vote in favour of the Resolutions numbered 1, 2 and 3. They are not entitled to vote in respect of Resolution 4 in accordance with the City Code.

Voting commitments of the Independent Directors

The Independent Directors have given irrevocable commitments in relation to their respective personal holdings of Ordinary Shares (which, in aggregate, amount to 355,792 Ordinary Shares, representing approximately 11.17 per cent. of the existing issued share capital of the Company) to vote in favour of all the Resolutions. **Accordingly, the Independent Directors recommend that Independent Shareholders vote in favour of all the Resolutions.**

A Form of Proxy is enclosed with this document. To be effective, the Form of Proxy must be completed and received by the Company's registrars, Capita Registrars, Proxy Department, 34 Beckenham Road, Kent BR3 4TU by **11.00 a.m. on 11 January 2010.**

11. Overseas Shareholders

New Shares will be provisionally allotted (nil paid) to all Shareholders on the Register at the Record Date. However, Provisional Allotment Letters will not be sent to Shareholders with registered addresses in the Excluded Territories or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Notwithstanding any other provision of this document or the Provisional Allotment Letter, the Company reserves the right to permit any Shareholder to take up his rights if the Company in its sole and absolute discretion is satisfied that the transaction in question will not violate applicable laws.

The attention of Overseas Shareholders who have registered addresses outside the UK, or who are citizens of, or resident or located in, countries other than the UK, is drawn to the information in paragraph 2.4 of Part III of the Prospectus enclosed with this document ("*Terms and Conditions of the Rights Issue*").

12. Action to be taken

General Meeting

You will find enclosed a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible and in any case so as to be received by the Company's registrars at Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU United Kingdom, **no later than 11.00 a.m. on 11 January 2010.** The completion and return of a Form of Proxy will not prevent you attending the General Meeting and voting in person if you wish to do so. **The Independent Directors recommend that Independent Shareholders vote in favour of all the Resolutions.**

Rights Issue

You are not required to take any action at present in relation to the Rights Issue. If all of the Resolutions are passed, and provided the Underwriting Agreement has not been terminated in accordance with its terms, it is intended that:

- (i) if you are Qualifying Shareholder (with a registered address other than in an Excluded Territory) you will be sent by post a Provisional Allotment Letter giving details of your Nil Paid Rights on or around 13 January 2010; and
- (ii) dealings in the Nil Paid Rights will commence on 14 January 2010.

If you sell or have sold or otherwise transferred all of your Existing Shares (other than ex-rights) before 14 January 2010, please forward this document and the accompanying documents to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

13. If you want to acquire additional New Shares over and above your entitlement under the Rights Issue

You may be able to acquire either (1) Nil Paid Rights (i.e. the right to acquire New Shares under the Rights Issue) which may trade in the market and through ownership of these Nil Paid Rights have the right to acquire New Shares under the Rights Issue; or (2) existing fully paid Newbury Racecourse Shares which will initially trade with an entitlement to acquire New Shares under the Rights Issue (i.e. *cum* Nil Paid Rights).

Information about how to acquire additional New Shares over and above your entitlement under the Rights Issue is set out in question 9 of Part III ("*Some Questions and Answers about the Rights Issue*") of this document.

14. Commitments of the Independent Directors in relation to the New Shares

Certain Independent Directors and their family members have given irrevocable commitments to take up, in aggregate, 33,331 New Shares under the Rights Issue. The number of New Shares to which each undertaking relates is stated below (and the relative percentages of the enlarged issued share capital of the Company represented by such shares immediately following completion of the Rights Issue):

<i>Independent Director</i>	<i>Number of Existing Shares</i>	<i>Number of New Shares to which an irrevocable commitment relates</i>	<i>Number of Shares owned as a percentage of the enlarged issued share capital immediately following completion of the Rights Issue</i>
Sir David Sieff	19,260	9,630	0.60%
The Honourable Harry Herbert	8,616	2,154	0.23%
Sarah Hordern	11,150 ⁽¹⁾	3,075 ⁽²⁾	0.30%
Lady Madeleine Lloyd Webber	304,434	15,222	6.69%
Christopher Spence	1,500	750	0.05%
Brian Stewart-Brown	10,832	2,500	0.28%

Notes:

- (1) The shareholding of Sarah Hordern includes 1,150 Newbury Racecourse Shares held by Mr CAE Hordern (Mrs Hordern's spouse).
- (2) The irrevocable commitment of Sarah Hordern includes an irrevocable commitment of Mrs Hordern's spouse to take up his full entitlement under the Rights Issue representing 575 New Shares.

15. Commitments of GPG and Compton Beauchamp in relation to the New Shares

GPG and Compton Beauchamp, in their capacity as Shareholders, have given irrevocable commitments to take up 441,610 and 356,024 New Shares respectively, representing their full respective entitlements to New Shares under the Rights Issue.

16. Board restructuring and appointment of new Chairman

On a personal note, having been Chairman of the Company since 1998 and a Director since 1988, I have decided that in 2010 I will retire from the Board when an appropriate successor has been identified and can assume the chairmanship. I am certain that the Planned Redevelopment will support and enhance the long term trading operations of the Racecourse, uphold the racing heritage and traditions of Newbury Racecourse and release value from the freehold property for Newbury Racecourse Shareholders. It is intended that a new

Chairman of the Board will be appointed by the first anniversary of the completion of the Rights Issue. I have very much enjoyed serving as your Chairman and expect to continue my life long association with Newbury Racecourse in the future.

In due course after appointment, the new Chairman will be subject to the approval of Shareholders in a general meeting.

In addition, the Directors have decided that the Board should be restructured to comprise not more than eight directors in light of the size of the Company and to improve the ease of managing the Board. This change is expected to take place in 2010.

17. Recommendation

The Independent Directors, who have been so advised by Strata Partners, consider that the Proposals are fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. In providing such advice to the Independent Directors, Strata Partners has taken into account the Independent Directors' commercial assessments.

Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of all of the Resolutions to be proposed at the General Meeting as they have irrevocably committed to do in respect of their own beneficial holdings amounting to, in aggregate, 355,792 Existing Shares representing approximately 11.17 per cent. of the current issued ordinary share capital of the Company (as at 17 December 2009, being the latest practicable date prior to the publication of this document).

Yours sincerely,

Sir David Sieff

Chairman

PART III

SOME QUESTIONS AND ANSWERS ABOUT THE RIGHTS ISSUE

1. What is a rights issue?

A rights issue is a way for companies to raise money from their shareholders. Companies do this by giving their existing shareholders a right to buy further shares in proportion to their existing shareholdings. New shares are typically offered to Qualifying Shareholders (see question 3 below) at a discount to the share price on the last business day before a rights issue is announced. On account of this discount and while the market value of the existing shares exceeds the issue price of the new shares, the right to buy the new shares in a rights issue is potentially valuable. Such rights are commonly referred to as nil paid rights and are potentially tradable.

2. What are the key terms of the Rights Issue?

The Rights Issue is an offer by Newbury Racecourse of 1,592,167 New Shares at a price of 400 pence for each New Share. The Rights Issue is on the basis of one New Share for every two Existing Shares held by a Qualifying Shareholder on the Record Date.

The Rights Issue is expected to raise for the Company approximately £5.7 million, after expenses.

The Issue Price of 400 pence represents a 42.9 per cent. discount to the Closing Price of 700 pence per Ordinary Share on 17 December 2009 (being the last business day before the announcement of the Rights Issue).

The New Shares, when issued and fully paid, will have the same rights as the existing issued Ordinary Shares, including the right to receive any dividends or distributions made.

The two largest Shareholders, Guinness Peat and Compton Beauchamp, are supportive of the Rights Issue and have undertaken to the Company to take up their full entitlement to acquire New Shares in the Rights Issue.

The Rights Issue is conditional, *inter alia*, upon:

- (i) the passing of all of the Resolutions at the General Meeting;
- (ii) the Underwriting Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms; and
- (iii) Admission becoming effective by not later than 8.00 a.m. on 14 January 2010 (or such later time and date as the Company and the Underwriters may agree).

If you are a Qualifying Shareholder and you do not want to buy the New Shares to which you are entitled, you can instead sell or transfer your rights (commonly called “nil paid rights”) to those New Shares and receive the proceeds, if any, of the sale or transfer in cash. This is referred to as dealing “nil paid”.

3. Am I a Qualifying Shareholder?

You are a Qualifying Shareholder, if:

- you hold existing Newbury Racecourse Shares on the Record Date (which is the close of business on 8 January 2010); and
- you do not, subject to certain exceptions, have a registered address in, or are not located or resident in, the United States or any other Excluded Territories which include Australia, Canada, Japan, New Zealand or South Africa.

Please note that if you have acquired your Existing Shares before 8.00 a.m. on 14 January 2010 (the time when the Existing Shares are expected to be marked “ex-rights” by PLUS Markets) then you may be a

Qualifying Shareholder. If you acquired your Existing Shares after that time then you will not be a Qualifying Shareholder since you acquired your Existing Shares without the entitlement to the New Shares under the Rights Issue.

4. What should I do if I live outside the UK?

Your ability to take up your entitlement to New Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your rights. Shareholders with registered addresses in the Excluded Territories are, subject to certain exceptions, not eligible to participate in the Rights Issue.

In these circumstances, the Company has made arrangements under which the Company has instructed Strata Partners to try to find investors to take up your rights and the rights of others who have not taken them up. This is referred to as the “placing of the rump”. If other investors are found and they agree to pay a premium above 400 pence per New Share and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of value added tax), Capita Registrars will send you a cheque for your share of the amount of that premium provided that this is £5.00 or more. Cheques are expected to be despatched on or around 23 February 2010 and will be sent to your existing address appearing on Newbury Racecourse’s register of members (or to the first-named holder if you hold your Existing Shares jointly). If the Company cannot find investors who agree to pay a premium over 400 pence per New Share and related expenses or if your share of the value achieved from the placing of the rump is less than £5.00, you will not receive any payment.

5. What is a Provisional Allotment Letter (PAL)?

The Provisional Allotment Letter (“PAL”) is a temporary document of title by which the New Shares are to be offered to Shareholders in the Rights Issue.

The PAL will show:

- how many Existing Shares you held at the close of business on 8 January 2010 (the Record Date for the Rights Issue);
- how many New Shares you are entitled to buy at the Issue Price of 400 pence under the Rights Issue (commonly known as Nil Paid Rights); and
- how much you would need to pay if you want to take up your full entitlement to buy all of the New Shares provisionally allotted to you.

The PAL also sets out full instructions in respect of any action you wish to take in connection with the Rights Issue. See question 7 (“*What are my choices in relation to the Rights Issue and what should I do with the Provisional Allotment Letter?*”) below for further details.

PALs will be despatched to Qualifying Shareholders on or around 13 January 2010, provided that

- Shareholders vote in favour of all of the Resolutions at the General Meeting on 13 January 2010; and
- the Underwriting Agreement has not been terminated in accordance with its terms.

Subject to certain exceptions, if you have a registered address in any of the Excluded Territories, you will not receive a Provisional Allotment Letter.

6. What should I do in relation to the General Meeting?

You will find enclosed a Form of Proxy for use at the General Meeting of the Company’s Shareholders to take place on 13 January 2010 at The Racecourse. The purpose of the General Meeting will be to consider and, if thought fit, to pass certain resolutions necessary to authorise and carry out the Rights Issue. Whether or not you intend to be present at the General Meeting, you are requested to complete the Form of Proxy in

accordance with the instructions printed on it and return it as soon as possible and in any case so as to be received by the Company's registrars at:

Capita Registrars
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

by no later than **11.00 a.m. on 11 January 2010**.

The completion and return of a Form of Proxy will not prevent you attending the General Meeting and voting in person if you wish to do so.

7. What are my choices in relation to the Rights Issue and what should I do with the Provisional Allotment Letter?

(a) ***If you want to take up all of your rights***

If you want to take up all of your rights to buy the New Shares to which you are entitled, all you need to do is send the Provisional Allotment Letter (which will be despatched to you on or around 13 January 2010), together with your cheque or banker's draft for the full amount, by post or by hand (during normal business hours only) to:

Capita Registrars
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

to arrive by no later than 11.00 a.m. on 5 February 2010.

The cheque or banker's draft should be made payable to Capita Registrars Limited re: Newbury Racecourse plc – Rights Issue a/c and crossed "A/C payee only".

Within the UK only, you can use the reply-paid envelope which will be enclosed with the Provisional Allotment Letter. Full instructions will be set out in the Provisional Allotment Letter. A definitive share certificate will then be sent to you for the New Shares that you take up. Your definitive share certificate for New Shares is expected to be despatched to you by no later than 23 February 2010.

You will need your Provisional Allotment Letter to be returned to you if you want to deal in your Fully Paid Rights. Your Provisional Allotment Letter will not be returned to you unless you tick the appropriate box on the Provisional Allotment Letter.

Cheques should be drawn to the personal account to which you have sole or joint title to funds. All payments must be made by cheque or bankers draft in pounds sterling drawn on the branch of a bank or building society in the UK, the Channel Islands or the Isle of Man which is either a settlement member of the Check and Credit Clearing Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or bankers drafts to be cleared through the facilities provided for the members of either of these companies and must bear the appropriate sort code number in the top right hand corner.

Please note that third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the Provisional Allotment Letter. Post-dated cheques will not be accepted.

(b) ***If you do not want to take up any of your rights***

If you do not want to take up any of your rights, you do not need to do anything.

If you do not return your Provisional Allotment Letter subscribing for the New Shares to which you are entitled by 11.00 a.m. on 5 February 2010, we have made arrangements under which the Company has instructed Strata Partners to try to find investors to take up your rights and the rights of others who have not taken them up. This is referred to as the “placing of the rump”.

If other investors are found and they agree to pay a premium above 400 pence per New Share and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of value added tax), Capita Registrars will send you a cheque for your share of the amount of that premium provided that this is £5.00 or more. Cheques are expected to be despatched on or around 23 February 2010 and will be sent to your existing address appearing on Newbury Racecourse’s register of members (or to the first-named holder if you hold your Existing Shares jointly). If no such investors agree to pay a premium over the Issue Price and related expenses or if your share of the value achieved from the placing of the rump is less than £5.00, you will not receive any payment.

Alternatively, if you do not want to take up your rights, you can sell or transfer your Nil Paid Rights (see question 7(d) below).

(c) ***If you want to take up some but not all of your rights***

If you want to take up some but not all of your rights and wish to sell some or all of those rights which you do not want to take up, you should first apply to have your Provisional Allotment Letter **split** by completing Form X on the Provisional Allotment Letter. Your Provisional Allotment Letter will be despatched to you on or around 13 January 2010.

The Provisional Allotment Letter with Form X duly completed should be returned by post or by hand (during normal business hours) to:

Capita Registrars
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

to arrive by no later than 3.00 p.m. on 3 February 2010 together with a covering letter stating the number of split Provisional Allotment Letters required and the number of Nil Paid Rights to be comprised in each such split Provisional Allotment Letter.

You should then deliver the split Provisional Allotment Letter representing the number of New Shares that you wish to accept, together with your cheque or banker’s draft, to:

Capita Registrars
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

to arrive by no later than 11.00 a.m. on 5 February 2010.

Alternatively, if you only want to take up some of your rights (**but not sell some or all of the rest**), you should complete Form X on the Provisional Allotment Letter and return it to Capita Registrars (at the address set out above) to be received by no later than 11.00 a.m. on 5 February 2010 with a cheque or banker’s draft together with an accompanying letter indicating the number of Nil Paid Rights that

you wish to take up, in accordance with the provisions set out in the Provisional Allotment Letter. Further details will be set out in the Provisional Allotment Letter.

Please note that third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the Provisional Allotment Letter. Post-dated cheques will not be accepted.

(d) ***If you want to sell all of your rights***

If you want to sell all of your rights, you should complete and sign Form X on the Provisional Allotment Letter which will be despatched to you on or around 13 January 2010 (if it is not already marked "Original Duly Renounced") and pass the entire letter to your stockbroker, bank manager or other appropriate financial adviser or to the transferee (provided they are not in the United States, Australia, Canada, Japan, New Zealand or South Africa).

Please ensure that you allow enough time so as to enable the person acquiring your rights to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 5 February 2010.

8. What are the benefits of being a Newbury Shareholder?

As a Newbury Racecourse Shareholder you receive certain benefits as set out below. If you own:

- between 100 and 4,999 Shares you will receive a voucher entitling you to receive two free Premier Enclosure tickets on a race day of your choice from the current year's race fixtures;
- between 5,000 and 9,999 Shares you will receive an annual member's metal badge and car park label entitling one person to one free Premier Enclosure ticket on every race day at Newbury as well as attendance at a selection of fixtures at other racecourses around the UK; and
- over 10,000 Shares you will receive two annual member's metal badges as set out above.

The number of Shares required to receive the benefits set out above will remain unchanged following completion of the Rights Issue.

9. Where and how can I acquire additional New Shares over and above my entitlement under the Rights Issue?

You may be able to acquire either (1) Nil Paid Rights (i.e. the right to acquire New Shares under the Rights Issue) which may trade in the market and through ownership of these Nil Paid Rights have the right to acquire New Shares under the Rights Issue; or (2) existing fully paid Newbury Racecourse Shares which will initially trade with an entitlement to acquire New Shares under the Rights Issue (i.e. *cum* Nil Paid Rights). It is expected that existing fully paid Newbury Racecourse Shares will trade without their entitlement to acquire new Shares under the Rights Issue (i.e. *ex* Nil Paid Rights) from 8.00 a.m. on 14 January 2010.

In order to purchase Nil Paid Rights or existing fully paid Newbury Racecourse Shares please contact your stockbroker (who may wish to call David Abrahams or William Fife at Winterflood Securities Limited on 020 3100 0000 for larger orders).

If you are interested in acquiring Nil Paid Rights and thereby subscribing for New Shares with a value in excess of £25,000, you should contact Strata Partners preferably on the email address set out below at:

Strata Partners
32 Grosvenor Gardens
London SW1W 0DH
Email: newburyrights@strata-partners.com
T: +44 (0)207 730 1200
F: +44 (0)207 730 1201

and supply the following information:

1. your existing holding of Newbury Racecourse Shares;
2. the registered shareholder of such holding;
3. a contact telephone number and email address; and
4. the maximum number of New Shares you are interested in acquiring or the maximum total additional investment which you are prepared to make in New Shares.

10. What are the UK tax implications for me?

If you are resident in the UK for tax purposes, you should not have to pay UK tax when you take up your rights, although the Rights Issue will affect the amount of UK tax you may pay when you subsequently sell your Newbury Racecourse Shares.

However, assuming that you hold your Newbury Racecourse Shares as an investment, rather than for the purposes of a trade, you may (subject to any available exemption or relief) be subject to capital gains tax on any proceeds that you receive from the sale of your rights (unless, generally, the proceeds do not exceed £3,000, or, if more, 5 per cent. of the market value of your Newbury Racecourse Shares, although in that case the amount of UK tax you may pay when you subsequently sell all or any of your Newbury Racecourse Shares may be affected).

This information is intended as a general guide to the current tax position in the UK and you should consult your own tax adviser regarding how the Rights Issue may affect your personal tax position. If you are in any doubt as to your tax position, or if you are subject to tax in any other jurisdiction, you should consult an appropriate professional adviser as soon as possible. Please note that the Shareholder Helpline will not be able to assist you with taxation issues.

11. What if I do not receive a Provisional Allotment Letter?

If you do not receive a Provisional Allotment Letter but think that you should have received one, please contact the Shareholder Helpline on the telephone numbers set out in question 20. Provisional Allotment Letters will be despatched to Qualifying Shareholders on or around 13 January 2010.

If Shareholders approve all of the Resolutions at the General Meeting to be held on 13 January 2010, and you do not receive a Provisional Allotment Letter, this probably means that you are not eligible to participate in the Rights Issue.

Some Shareholders, however, will not receive a Provisional Allotment Letter but may still be eligible to participate in the Rights Issue, namely:

- Qualifying Shareholders who bought Existing Shares before 8 January 2010 but were not registered as the holders of those Shares at the close of business on 8 January 2010; and
- certain Overseas Shareholders.

12. If I buy Shares after the Record Date (8 January 2010) will I be eligible to participate in the Rights Issue?

If you bought Shares after the Record Date but prior to 8.00 a.m. on 14 January 2010 (the time when the Existing Shares are expected to start trading “ex-rights” on PLUS), you may be eligible to participate in the Rights Issue as a Qualifying Shareholder.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

If you buy Shares at or after 8.00 a.m. on 14 January 2010, you will not be eligible to participate in the Rights Issue in respect of those Shares since you acquired your Shares without the entitlement to the New Shares under the Rights Issue.

13. If I take up my rights, when will I receive my certificate in respect of the New Shares I have purchased?

If you take up your rights under the Rights Issue, definitive share certificates for the New Shares are expected to be posted by no later than 23 February 2010.

14. How do I transfer my rights into CREST?

Existing Shares and New Shares are not eligible to be held in CREST.

15. What should I do if I think my holding of Shares is incorrect?

If you have bought or sold Shares shortly before 8 January 2010, your transaction may not be entered on the register of members in time to appear on the register at the Record Date. If you are concerned about the figure in Box 1 or Box 2 of the Provisional Allotment Letter or otherwise concerned that your holding of Shares is incorrect, please contact the Shareholder Helpline on the telephone numbers set out in question 20.

16. What if the number of New Shares to which I am entitled is not a whole number: am I entitled to fractions of Shares?

Your entitlement to New Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive a fraction of a New Share and your entitlement will be rounded down to the nearest whole number. The New Shares representing the aggregated fractions that would otherwise be allotted to Shareholders will be sold in the market nil paid for the benefit of the Company.

17. I understand that there is a period when there is trading in the Nil Paid Rights. What does this mean?

If you do not want to buy the New Shares being offered to you under the Rights Issue, you can instead sell or transfer your rights (called “Nil Paid Rights”) to those New Shares and receive the net proceeds of the sale or transfer in cash. This is referred to as dealing “nil paid”. This means that, during the Rights Issue offer period (i.e. between 8.00 a.m. on 14 January 2010 and 11.00 a.m. on 5 February 2010), a person can either purchase Ordinary Shares (which will not carry any entitlement to participate in the Rights Issue) or can buy Nil Paid Rights.

18. What if I want to sell the New Shares for which I have paid?

Provided the New Shares have been paid for and you have requested the return of the receipted Provisional Allotment Letter, you can transfer the Fully Paid Rights by completing Form X (the form of renunciation) on the receipted Provisional Allotment Letter in accordance with the instructions set out in the Provisional Allotment Letter until 11.00 a.m. on 5 February 2010. After that time, you will be able to sell your New Shares in the normal way. The share certificate relating to your New Shares is expected to be despatched to you by no later than 23 February 2010. Pending despatch of the share certificate, instruments of transfer will be certified by Capita Registrars against the register.

19. How will the Rights Issue affect the future dividends Newbury Racecourse pays?

The Board intends to recommence paying dividends (arising from profits attributable to the Company’s *non-property* activities) as soon as appropriate and as the Company’s trading activities improve.

The Board intends to return capital to Shareholders, either as dividends or as capital payments, as the Company’s residential redevelopment plans (subject to planning permission being granted) generate cash in

excess of the Company's requirements for its trading activities, further investment in the Racecourse business and hotel.

If the Planned Redevelopment is undertaken, the Board intends to assess closely when any such dividends and/or return of capital to Shareholders can be effected and the amount of such payments. The Board intends that the Company should adopt an appropriate capital structure and should not retain any significant cash balances in excess of its requirements as the Planned Redevelopment is progressed.

However, it is unlikely that any significant dividend will be declared or any significant return of capital effected from profits arising from Newbury Racecourse's property-related activities in the early phases of the development of the Residential Development Sites.

20. I have further questions and need to discuss this with someone. Where can I go?

If you have additional questions which are specific to your individual circumstances then you should seek your own independent financial advice by contacting your stockbroker, bank manager, solicitor, accountant, fund manager or appropriate independent financial adviser immediately.

If you are not clear about **the process for the Rights Issue** you can seek guidance by contacting the Shareholder Helpline on the numbers set out below. This helpline is available from 9.00 a.m. to 5.00 p.m. on any business day.

Shareholder Helpline

0871 664 0321 (when dialling from inside the UK)

or +44 208 639 3399 (when dialling from outside the UK)

Calls to 0871 664 0321 are charged at 10p per minute (including VAT) from a BT landline. Other service providers' costs may vary. Calls to +44 208 639 3399 from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

For legal reasons, the Shareholder Helpline will be **unable to give advice on the merits of the Rights Issue or to provide financial, tax or investment advice.**

PART IV

INFORMATION RELATING TO COMPTON BEAUCHAMP ESTATES LIMITED AND GUINNESS PEAT GROUP PLC AND ADDITIONAL DISCLOSURES REQUIRED UNDER THE CITY CODE ON TAKEOVERS AND MERGERS

The information set out in this Part IV relates to Compton Beauchamp and GPG. As far as Newbury Racecourse is aware no facts have been omitted which would render the information in this Part IV which relates to Compton Beauchamp and/or GPG inaccurate or misleading.

A. Information relating to Compton Beauchamp Estates Limited

1. Information relating to Compton Beauchamp

Compton Beauchamp Estates Limited is a private limited company. Its principal activities are farming, estate management and racehorse training.

For the financial year ended 31 December 2008, Compton Beauchamp delivered abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, which exempted the company from disclosing its turnover and profits for the respective period. For the financial year ended 31 December 2007, Compton Beauchamp's turnover was £4.1 million (2006: £3.3 million) and profit before taxation from ordinary activities was £0.8 million (2006: £0.2 million). Compton Beauchamp's cash balances as at 31 December 2008 were £0.5 million.

2. Directors of Compton Beauchamp

(i) The directors of Compton Beauchamp and their principal functions are as follows:

<i>Directors</i>	<i>Functions</i>
Nils Wilhelm Erik Penser*	Director
Lillemor Penser	Director
Karl Wilhelm Erik Penser	Director

Notes:

* Nils Wilhelm Erik Penser is also a Director of Newbury Racecourse

(ii) The registered office of Compton Beauchamp and the business address for each of the directors of Compton Beauchamp is at Upper Farm, Woolstone, Faringdon, Oxfordshire SN7 7QL.

3. Share capital

The existing issued share capital of Compton Beauchamp comprises 82,010 shares of €247.89 each (as at 17 December 2009, being the latest practicable date prior to the publication of this document).

4. Ownership

As at 17 December 2009 (being the latest practicable date prior to the publication of this document), Mrs Lillemor Penser who is a director of Compton Beauchamp and whose name is set out in paragraph 2 of section A of this Part IV is the controlling party of Compton Beauchamp by virtue of her holding of 75.5 per cent. of the issued ordinary share capital of Compton Beauchamp.

5. Irrevocable undertakings

Compton Beauchamp has entered into an irrevocable undertaking with Newbury Racecourse dated 25 September 2009 (as amended pursuant to a deed of variation dated 7 December 2009), pursuant to which Compton Beauchamp has agreed, *inter alia*, to vote in favour of Resolutions 1, 2 and 3 in the Notice of General Meeting.

Compton Beauchamp has entered into a further irrevocable undertaking with Newbury Racecourse dated 18 December 2009, pursuant to which Compton Beauchamp has agreed to take up its entitlement under the Rights Issue in full.

6. Material change

There has been no material change in the financial or trading position of Compton Beauchamp since 31 December 2008, being the date to which the latest published financial information on Compton Beauchamp was prepared.

7. Financing of the underwriting of the Rights Issue

If no Shareholder were to take up any of its entitlements to New Shares under the Rights Issue (save for the New Shares which are subject to the irrevocable commitments given by the Independent Directors (and their family members), GPG and Compton Beauchamp described in Part II of this document), then the maximum underwriting obligation of Compton Beauchamp under the Underwriting Agreement would amount to 30.33 per cent. of the enlarged issued share capital of the Company following completion of the Rights Issue.

The resultant cash requirement for Compton Beauchamp (including the cash required to take up Compton Beauchamp's full entitlement to New Shares under the Rights Issue) would amount to £2.9 million, which would be funded out of Compton Beauchamp's and the Penser family's existing cash resources.

8. Financial information relating to Compton Beauchamp

The information listed below relating to Compton Beauchamp is hereby incorporated by reference into this document.

<i>No</i>	<i>Information</i>	<i>Source of Information</i>
1.	Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for Compton Beauchamp for the three financial years ended 31 December 2008, 2007 and 2006.	<p>This information is not publicly available for the financial year ended 31 December 2008, as Compton Beauchamp delivered abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, which exempted the company from disclosing such information for the respective period.</p> <p>Compton Beauchamp Estates Limited, Report of the Directors and Financial Statements for the year ended 31 December 2007, Profit and Loss Account on page 6 and note relating to dividends on page 2.</p> <p>Compton Beauchamp Estates Limited, Report of the Directors and Financial Statements for the year ended 31 December 2006, Profit and Loss Account on page 6 and note relating to dividends on page 2.</p>
2.	A statement of the assets and liabilities shown in the audited accounts for Compton Beauchamp for the three financial years ended 31 December 2008, 2007 and 2006.	Abbreviated Accounts for the year ended 31 December 2008 for Compton Beauchamp Estates Limited, Abbreviated Balance Sheet on page 5.

No Information

3. A cash flow statement as provided in the audited accounts for Compton Beauchamp for the three financial years ended 31 December 2008, 2007 and 2006

4. Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures.

Source of Information

This information is not publicly available for the financial year ended 31 December 2008, as Compton Beauchamp delivered abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, which exempted the company from disclosing such information for the respective period.

Abbreviated Accounts for the year ended 31 December 2008 for Compton Beauchamp Estates Limited, Notes to the Abbreviated accounts on pages 6 to 9.

Compton Beauchamp Estates Limited, Report of the Directors and Financial Statements for the year ended 31 December 2007, Notes to the Financial Statements on pages 10 to 18.

Compton Beauchamp Estates Limited, Report of the Directors and Financial Statements for the year ended 31 December 2006, Notes to the Financial Statements on pages 10 to 18.

Information in relation to 1, 2, 3 and 4 above has not been published in an inflation adjusted form.

Newbury Racecourse will provide within two business days, without charge, to each person to whom a copy of this document has been delivered, upon their written or verbal request, copies of any documents incorporated by reference in this document. Copies of any documents incorporated by reference in this document will not be provided unless such a request is made. Requests for copies of any such documents should be directed to: Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by telephoning the shareholder helpline on 0871 664 0321 (or +44 20 8639 3399 if telephoning from outside the United Kingdom).

B. Information relating to Guinness Peat Group plc

1. Information relating to GPG

Guinness Peat Group plc is a public limited company with a diversified range of strategic investments in a number of businesses, mainly located in the UK and Australasia. It is listed on the London Stock Exchange, the Australian Securities Exchange and the New Zealand Stock Exchange. GPG makes selective investments, predominantly in public companies, for the purpose of enhancing and realising additional value by means of the appropriate level of shareholder influence and control.

For the financial year ended 31 December 2008 GPG's consolidated revenue was £1,381 million (2007: £1,319 million) and its compound growth rate in net asset values per share between 1 January 1993 and 31 December 2008 was 16.2 per cent. As at 31 December 2008, GPG's shareholders' funds were £878 million (2007: £951 million).

2. Directors of GPG

(i) The directors of GPG and their principal functions are as follows:

<i>Directors</i>	<i>Functions</i>
Sir Ron Brierley	Chairman
Anthony Ian Gibbs	Executive Director
Ronald Langley	Non-executive Director
Blake Andrew Nixon	Executive Director
Dr Gary Hilton Weiss	Executive Director

(ii) The registered office of GPG and the business address for each of the directors of GPG is at First Floor, Times Place, 45 Pall Mall, London SW1Y 5GP.

3. Share capital

The existing issued share capital of GPG comprises 1,620,903,395 ordinary shares of 5 pence each (as at 17 December 2009, being the latest practicable date prior to the publication of this document).

4. Irrevocable undertakings

GPG has entered into an irrevocable undertaking with Newbury Racecourse dated 25 September 2009 (as amended pursuant to a deed of variation dated 7 December 2009), pursuant to which GPG has agreed, *inter alia*, to vote in favour of Resolutions 1, 2 and 3 in the Notice of General Meeting.

GPG has entered into a further irrevocable undertaking with Newbury Racecourse dated 18 December 2009, pursuant to which GPG has agreed to take up its entitlement under the Rights Issue in full.

5. Material change

There has been no material change in the financial or trading position of GPG since 31 December 2008, the date to which the latest audited financial information on GPG was prepared.

6. Financing of the underwriting of the Rights Issue

If no Shareholder were to take up any of their entitlements to New Shares under the Rights Issue (save for the New Shares which are subject to the irrevocable commitments given by the Independent Directors (and their family members), GPG and Compton Beauchamp described in Part II of this document), then the maximum underwriting obligation of GPG under the Underwriting Agreement would amount to 35.70 per cent. of the enlarged issued share capital of the Company following completion of the Rights Issue.

The resultant cash requirement for GPG (including cash required to take up GPG's full entitlement to New Shares under the Rights Issue) would amount to £3.3 million, which would be funded out of GPG's existing cash resources.

7. Financial information relating to GPG

The information listed below relating to GPG is hereby incorporated by reference into this document.

No Information

1. Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for GPG for the three years ended 31 December 2008, 2007 and 2006.

Source of Information

Guinness Peat Group plc Annual Report 2008, Consolidated Income Statement on page 9 and Dividends declared on page 32.

If you are reading this document in hard copy and wish to access the above mentioned document via the internet, please enter the below web address into your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

www.gpgplc.com/accounts/accounts/GPG-AR-2008.pdf

Guinness Peat Group plc Annual Report 2007, Consolidated Income Statement on page 11 and Dividends declared on page 32.

If you are reading this document in hard copy and wish to access the above mentioned document via the internet, please enter the below web address into your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

www.gpgplc.com/accounts/accounts/GPG-AR-2007.pdf

Guinness Peat Group plc Annual Report 2006, Consolidated Income Statement on page 17 and Dividends declared on page 37.

If you are reading this document in hard copy and wish to access the above mentioned document via the internet, please enter the below web address into your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

www.gpgplc.com/accounts/accounts/GPG-AR-2006.pdf

2. Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for GPG for the six months ended 30 June 2009.

Guinness Peat Group plc Half-yearly Financial Report 2009, Condensed Consolidated Income Statement on page 2 and Dividends on page 10.

If you are reading this document in hard copy and wish to access the above mentioned document via the internet, please enter the below web address into your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

www.gpgplc.com/accounts/accounts/GPG-IR-2009.pdf

No Information

3. A statement of the assets and liabilities shown in the audited accounts for GPG for the two years ended 31 December 2008 and 2007.

Source of Information

Guinness Peat Group plc Annual Report 2008, Consolidated Balance Sheet on pages 10/11.

If you are reading this document in hard copy and wish to access the above mentioned document via the internet, please enter the below web address into your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

www.gpgplc.com/accounts/accounts/GPG-AR-2008.pdf

4. A cash flow statement as provided in the audited accounts for GPG for the two years ended 31 December 2008 and 2007.

Guinness Peat Group plc Annual Report 2008, Consolidated Cash Flow Statement on page 14.

If you are reading this document in hard copy and wish to access the above mentioned document via the internet, please enter the below web address into your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

www.gpgplc.com/accounts/accounts/GPG-AR-2008.pdf

5. Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures.

Guinness Peat Group plc Annual Report 2008, the Principal Accounting Policies on pages 15 to 23. Emphasis of matters – uncertainty to amount of potential liability on page 74.

If you are reading this document in hard copy and wish to access the above mentioned document via the internet, please enter the below web address into your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

www.gpgplc.com/accounts/accounts/GPG-AR-2008.pdf

Information in relation to 1, 2, 3, 4 and 5 above has not been published in an inflation adjusted form.

The annual reports and interim results are available in “read only” format and can be printed from the GPG website.

Newbury Racecourse will provide within two business days, without charge, to each person to whom a copy of this document has been delivered, upon their written or verbal request, a copy of any documents incorporated by reference in this document. Copies of any documents incorporated by reference in this document will not be provided unless such a request is made. Requests for copies of any such document should be directed to: Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by telephoning the shareholder helpline on 0871 664 0321 (or +44 20 8639 3399 if telephoning from outside the United Kingdom).

C. Additional disclosures required under the City Code on Takeovers and Mergers

1. Responsibility

- 1.1 The Company and the Directors, whose names are set out on page 8 of this document, accept responsibility for all the information contained in this document, save for the information for which responsibility is taken by Compton Beauchamp and GPG in paragraphs 1.2 and 1.3 below and save that Laurie Todd and Erik Penser do not accept responsibility for the recommendation relating to the Proposals. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 For the purposes of Rule 19.2 of the City Code only, the directors of Compton Beauchamp (whose names are set out on page 40 of this document) accept responsibility for the information relating to Compton Beauchamp contained in Part A of Part IV of this document. To the best of their knowledge and belief, having taken all reasonable care to ensure that such is the case, the information for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 For the purposes of Rule 19.2 of the City Code only, the directors of GPG (whose names are set out on page 43 of this document) accept responsibility for the information relating to GPG contained in Part B of Part IV of this document. To the best of their knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Rule 29.3

The Company confirms that it has been advised by its taxation advisers that no corporation tax would arise on a disposal of the Racecourse site due to the tax base cost the Company has in its land assets. Furthermore, it is considered unlikely that a tax disposal would occur in practice, since a sale of the Racecourse would normally be achieved by means of a share sale.

3. Interests and dealings

3.1 *Definitions and references*

For the purposes of this section:

- (a) **“acting in concert”** has the meaning attributed to it in the City Code;
- (b) **“arrangement”** includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;
- (c) **“associate”** of any company means:
 - (i) its parent, subsidiaries and fellow subsidiaries, their associated companies, and companies of which any such parent, subsidiaries, fellow subsidiaries or associated companies are associated companies (for this purpose, ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of “associated company” status);
 - (ii) its connected advisers and persons controlling, controlled by or under the same control as such connected advisers;
 - (iii) its directors and the directors of any company covered in (i) above (together in each case with their close relatives and related trusts); and
 - (iv) its pension funds or the pension funds of a company covered in (i) above;

- (d) **“connected adviser”** has the meaning attributed to it in the City Code;
- (e) **“connected person”** has the meaning attributed to it in sections 252 to 255 of the Act;
- (f) **“control”** means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives *de facto* control;
- (g) **“dealing”** or **“dealt”** includes the following:
 - (i) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities;
 - (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a trade option contract) in respect of any relevant securities;
 - (iii) subscribing or agreeing to subscribe for relevant securities;
 - (iv) the exercise or conversion of any relevant securities carrying conversion or subscription rights (whether in respect of new or existing securities);
 - (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
 - (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (h) **“derivative”** includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
- (i) **“disclosure date”** means 17 December 2009, being the latest practicable date prior to the announcement of the Rights Issue;
- (j) **“disclosure period”** means the period commencing on 18 December 2008, being the date 12 months prior to the date of the announcement of the Rights Issue and ending on the disclosure date;
- (k) **“exempt principal trader”** or **“exempt fund manager”** has the meaning attributed to it in the City Code;
- (l) being **“interested”** in relevant securities includes where a person:
 - (i) owns relevant securities;
 - (ii) has a right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
 - (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (iv) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;
- (m) **“paragraph 1 associate”** means, in relation to a company, its parent, subsidiaries and fellow subsidiaries, their associated companies, and companies of which such parent, subsidiaries, fellow subsidiaries or associated companies are associated companies (for this purpose,

ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of “associated company” status);

- (n) **“relevant Compton Beauchamp securities”** means shares in Compton Beauchamp (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (o) **“relevant GPG securities”** means shares in GPG (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (p) **“relevant Newbury Racecourse securities”** means shares in Newbury Racecourse (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (q) **“relevant securities”** means relevant Compton Beauchamp securities, relevant GPG securities or relevant Newbury Racecourse securities (as the case may be); and
- (r) **“short position”** means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, agreement to sell or any delivery obligation or right to require any other person to purchase or take delivery.

3.2 *Compton Beauchamp and GPG interests in Newbury Racecourse*

Compton Beauchamp interests in Newbury Racecourse

Compton Beauchamp is currently interested in 712,049 Existing Shares representing approximately 22.36 per cent. of the voting rights of the Company as at 17 December 2009 (being the latest practicable date prior to the publication of this document) and has committed to take up its full entitlement under the Rights Issue and has agreed to subscribe for 356,024 New Shares under the Rights Issue (representing, in aggregate, approximately 22.36 per cent. of the enlarged issued share capital of the Company immediately following completion of the Rights Issue).

GPG interests in Newbury Racecourse

GPG is currently interested in 883,221 Existing Shares representing approximately 27.74 per cent. of the voting rights of the Company as at 17 December 2009 (being the latest practicable date prior to the publication of this document) and has committed to take up its full entitlement under the Rights Issue and has agreed to subscribe for 441,610 New Shares under the Rights Issue (representing, in aggregate, approximately 27.74 per cent. of the enlarged issued share capital of the Company immediately following completion of the Rights Issue).

The current interests in Shares of GPG and Compton Beauchamp as at 17 December 2009 (being the latest practicable date prior to the publication of this document) together with the maximum number of Shares which may be held by GPG and Compton Beauchamp immediately following completion of the Rights Issue (and, in each case, the percentages of the voting rights in the Company attributable to such interests) are set out in the table below:

	<i>As at 17 December 2009</i>		<i>Maximum number of Shares immediately following completion of the Rights Issue⁽²⁾</i>	
	<i>Number of Existing Shares</i>	<i>Percentage of issued share capital</i>	<i>Number of Shares</i>	<i>Percentage of issued share capital</i>
Compton Beauchamp	712,049	22.36	1,448,674	30.33
GPG ⁽¹⁾	883,221	27.74	1,705,432	35.70

Notes:

- (1) The Newbury Racecourse Shares in which GPG has an interest are registered in the names of Allied Mutual Insurance Services Limited; GPG (UK) Holdings plc; and Guinness Peat Group plc.

- (2) The maximum number of Shares which may be held by each of GPG and Compton Beauchamp immediately following completion of the Rights Issue on the assumption that each of them is required to fulfil their obligations under the Underwriting Agreement in full and that all persons who have given irrevocable undertakings to accept the Rights Issue do so.

3.3 *Market dealings in relevant Newbury Racecourse securities by Compton Beauchamp and GPG*

No dealings have taken place during the disclosure period in relevant Newbury Racecourse securities by Compton Beauchamp or GPG and any other person acting in concert with Compton Beauchamp or GPG.

3.4 *Negative statements required by the City Code*

As at the close of business on the disclosure date, save as disclosed in this paragraph 3 and section D of this Part IV:

- (a) Neither Compton Beauchamp nor GPG had an interest in or right to subscribe for, nor had any short position in relation to, any relevant Newbury Racecourse securities, nor had they dealt in any relevant Newbury Racecourse securities during the disclosure period;
- (b) none of the directors of Compton Beauchamp or GPG (including any members of such directors' respective immediate families, related trusts or connected persons) had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Newbury Racecourse securities, nor had any such person dealt in any relevant Newbury Racecourse securities during the disclosure period;
- (c) no person acting in concert with Compton Beauchamp or GPG had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Newbury Racecourse securities, nor had any such person dealt in any relevant Newbury Racecourse securities during the disclosure period;
- (d) there were no arrangements which existed between either Compton Beauchamp or GPG, or any person acting in concert with Compton Beauchamp or GPG, and any other person; and
- (e) neither Compton Beauchamp nor GPG nor any person acting in concert with Compton Beauchamp or GPG had borrowed or lent any relevant Newbury Racecourse securities, save for any borrowed shares which have either been on-lent or sold.

4. *GPG's and Compton Beauchamp's intentions regarding Newbury Racecourse's business*

GPG and Compton Beauchamp have each informed the Board that they presently intend to allow Newbury Racecourse to run the Company in line with the Company's proposed strategy, as detailed further in paragraph 2 of Part II of this document.

Neither GPG nor Compton Beauchamp has any current intentions regarding Newbury Racecourse's business that would affect:

- the strategic plans of the Company;
- the employment of Newbury Racecourse personnel, including the continued employment of, or the conditions of employment of, any of the Company's management; or
- the locations of Newbury Racecourse's business or operating subsidiaries.

Neither GPG nor Compton Beauchamp has any current intentions to seek to procure the disposal of or otherwise change the use of any of the fixed assets of Newbury Racecourse save in connection with the Planned Redevelopment as described in paragraph 2 of Part II of this document.

5. *Additional disclosures required by the City Code*

As at the close of business on the disclosure date, save as disclosed in paragraph 3, and paragraph 5 of Part C of this Part IV and Part D of this Part IV:

- (a) none of the Directors (including any members of such directors' respective immediate families, related trusts or connected persons) had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Newbury Racecourse securities;
- (b) no paragraph 1 associate of Newbury had any interest in, or right to subscribe for, or had any short position in relation to, any relevant Newbury Racecourse securities;
- (c) no pension fund of Newbury or of a paragraph 1 associate of Newbury had any interest in or right to subscribe for, or had any short position in relation to, any relevant Newbury Racecourse securities;
- (d) no employee benefit trust of Newbury or of a paragraph 1 associate of Newbury had any interest in or right to subscribe for, or had any short position in relation to, any relevant Newbury Racecourse securities;
- (e) no connected adviser to Newbury or to a paragraph 1 associate of Newbury or to a person acting in concert with Newbury, nor any person controlling, controlled by or under the same control as any such connected adviser (except for an exempt principal trader or exempt fund manager) had any interest in or right to subscribe for, or had any short position in relation to, any relevant Newbury Racecourse securities;
- (f) neither Newbury nor any of the Directors (including any members of such directors' respective immediate families, related trusts or connected persons) had any interest in or right to subscribe for, or had any short position in relation to, any relevant GPG securities or any relevant Compton Beauchamp securities, nor has any such person dealt in any relevant GPG securities or any relevant Compton Beauchamp securities during the disclosure period;
- (g) Newbury has not redeemed or purchased any relevant Newbury Racecourse securities during the disclosure period;
- (h) there were no arrangements which existed between Newbury or any associate of Newbury and any other person; and
- (i) neither Newbury nor any person acting in concert with Newbury had borrowed or lent any relevant Newbury Racecourse securities, save for any borrowed shares which have either been on-lent or sold.

Neither GPG, Compton Beauchamp nor any persons acting in concert with either of them has entered into agreements, arrangements or understandings (including any compensation arrangement) with any of Newbury's Directors, recent Directors, Shareholders, recent Shareholders or any person interested or recently interested in Existing Shares which are connected with or dependent upon the outcome of the Rights Issue. Neither GPG nor Compton Beauchamp has entered into an agreement, arrangement or understanding to transfer any interest acquired in Newbury, as a result of the Rights Issue, to any person.

Laurie Todd has the following options (as set out in the table below) over ordinary shares in the capital of GPG:

<i>Number of shares (17 December 2009)</i>	<i>Effective exercise price (pence)</i>	<i>Exercise period</i>
194,868	22.32	08.01.06 – 08.01.13
563,673	42.33	27.08.07 – 27.08.14
292,816	55.32	24.10.08 – 24.10.15
512,431	61.33	15.03.09 – 15.03.16
399,300	63.86	11.10.09 – 11.10.16
399,300	61.23	09.03.10 – 09.03.17
242,000	54.13	10.04.11 – 10.04.18
300,000	28.10	30.06.12 – 30.06.19

D. Additional information on Newbury Racecourse contained in the Prospectus

The information listed below relating to Newbury Racecourse is set out in the Prospectus enclosed with this document. Page numbers and paragraphs relate to page numbers and paragraphs in the Prospectus.

<i>No</i>	<i>Information</i>	<i>Relevant section in the enclosed Prospectus</i>
1.	Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for Newbury Racecourse for the three years ended 31 December 2008, 2007 and 2006.	Page 77, Part VI Section B
2.	Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for Newbury Racecourse for the six months ended 30 June 2009.	Page 103, Part VI Section C
3.	Any known material changes in the financial or trading position of the Company subsequent to the last published audited accounts, being 30 June 2009.	Page 181, Part XI, paragraph 21
4.	The Closing Price for a Newbury Racecourse Share, as derived from PLUS, on the first business day of each of the six months prior to the publication of this document and on 17 December 2009, being the last practicable business day prior to the publication of this document.	Page 155, Part XI, paragraph 3
5.	Interests and dealings in any relevant Newbury Racecourse securities by the Directors of the Company in the twelve months prior to the publication of this document.	Page 166, Part XI, paragraph 8
6.	Information on the Directors of Newbury Racecourse including their names and registered addresses and information on their service contracts, remuneration and any other arrangements in connection with their services to the Company.	Page 24 and page 161, Part XI, paragraph 7

<i>No</i>	<i>Information</i>	<i>Relevant section in the enclosed Prospectus</i>
7.	A summary of each material contract not being a contract entered into in the ordinary course of business by the Company in the two years prior to the publication of this document.	Page 174, Part XI, paragraph 17
8.	Information on documents available for inspection and the place where inspection of such documents can be made.	Page 182, Part XI, paragraph 24
9.	Information on where inspection of the irrevocable undertakings from the Independent Directors and their family members, Compton Beauchamp and GPG referred to in this document can be made.	Page 182, Part XI, paragraph 24(p)
10.	Statements from certain parties that they have given and not withdrawn their written consent to the issue of this document and the Prospectus with the inclusion of references to their names in the form and context in which they appear and to the inclusion of their reports in the Prospectus.	Page 181, Part XI, paragraph 22
11.	The Savills valuation report of the Racecourse excluding the freehold development sites and the Montagu Evans valuation report of the freehold development sites.	Page 113 Part VIII and page 139 Part IX, respectively

DEFINITIONS

In this document the following expressions have the following meaning unless the context otherwise requires:

Act	the Companies Act 2006
Admission	the admission of the New Shares (nil paid and fully paid) to trading on PLUS becoming effective in accordance with the PLUS Rules for Issuers
AIB	AIB Group (UK) plc, a company registered in Northern Ireland with number NI 018800 and whose registered office is at PO Box 4, 4 Queen's Square, Belfast, Co Antrim, BT1 3DJ
Articles of Association	the articles of association of the Company
Associate	<p>in relation to any person means:</p> <ul style="list-style-type: none">(a) any corporation within the same group as that person; or(b) any director of that person or of any corporation within the same group as that person; or(c) any corporation 20 per cent. or more of whose issued share capital (or share capital carrying 20 per cent. or more of the votes ordinarily exercisable at shareholders' meetings) is owned by that person or by members of the same group as that person; or(d) any person who would otherwise be an Associate as defined in the City Code; or(e) (if that person is an individual) any spouse, co-habitee and/or lineal descendants by blood or adoption or any person or persons acting in its or their capacity as trustee or trustees of a trust of which such individual is a settlor; <p>and, for the avoidance of doubt, Compton Beauchamp shall be treated as an Associate of Erik Penser and any funds managed or advised by GPG or any member of its group shall be treated as Associates of GPG</p>
Australia	the Commonwealth of Australia, its territories and possessions and all areas subject to its jurisdiction and all political sub-divisions thereof
Australian Securities Exchange	the Australian Securities Exchange operated by ASX Limited
Barratt Developments	Barratt Developments plc, a company registered in England and Wales with number 00604574 and whose registered office is at Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire LE67 1UF
Board or Newbury Board	the board of Directors of Newbury Racecourse
business day	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open in London for the transaction of normal business

Canada	Canada, its provinces and territories and all areas subject to its jurisdiction and any political sub-division thereof
Capita Registrars	Capita Registrars Limited, a company registered in England and Wales with number 02605568 and whose registered office is at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU
certificated or in certificated form	where a share or other security is not in uncertificated form
City Code or Code	the City Code on Takeovers and Mergers (as amended from time to time)
Circular	this document being the circular to be sent by the Company to Shareholders convening the General Meeting
Closing Price	the closing middle market quotation of a Newbury Racecourse Share as derived from PLUS on a particular day
Company or Newbury Racecourse	Newbury Racecourse plc, a company registered in England and Wales with number 00080774 and whose registered office is at The Racecourse, Newbury, Berkshire RG14 7NZ
Compton Beauchamp	Compton Beauchamp Estates Limited, a company registered in England and Wales with number 03856029 and whose registered office is at Upper Farm, Woolstone, Faringdon, Oxfordshire SN7 7QL. Compton Beauchamp is a major shareholder of the Company and held 712,049 Ordinary Shares as at 17 December 2009 being the latest practicable date prior to the publication of this document (representing approximately 22.36 per cent. of the existing issued share capital of the Company)
Core Strategy Report	a report entitled “West Berkshire Preferred Options Core Strategy”, setting out West Berkshire Council’s preferred options for the scale and location of development throughout West Berkshire to 2026
CREST	the relevant system, as defined in the CREST Regulations (in respect of which Euroclear UK is the operator as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
David Wilson Homes or DWH	David Wilson Homes Limited, a company registered in England and Wales with number 00830271 and whose registered office is at Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire LE67 1UF
Development Contract	the agreement between the Company, Newbury Racecourse Enterprises Limited, David Wilson Homes and Barratt Developments (as guarantor) exchanged on 1 May 2008 comprising (i) the agreement for David Wilson Homes to purchase the Residential Development Sites on the Racecourse site; and (ii) the agreement to carry out the development in respect of the Residential Development Sites and to carry out the DWH Infrastructure Enhancements
Directors	the Executive Directors and Non-Executive Directors of Newbury Racecourse

Disclosure and Transparency Rules	the rules relating to the disclosure of information made in accordance with section 73A(3) of FSMA
District Local Plan	the West Berkshire District Local Plan 1991-2006 (Saved Policies 2007)
DWH Development Works	the development of the Residential Development Sites and implementation of the DWH Infrastructure Enhancements to be carried out in accordance with the Development Contract
DWH Infrastructure Enhancements	infrastructure improvements to the Racecourse, including, in particular, new visitor parking, extensive landscaping, a hostel for stable staff, a new children's nursery, remodelling of the golf course, a new golf clubhouse and floodlit driving range, with all such works to be carried out, and paid for, by DWH in accordance with the Development Contract
DWH Operating Margin	the operating profit margin of DWH determined in accordance with the Development Contract and the PCFA and expressed as a percentage of revenues generated from the sale of housing units constructed on the Residential Development Sites. Such DWH Operating Margin has a cap and collar mechanism as set out in the Development Contract
DWH Operating Profit	in general terms the DWH Operating Margin to be applied to the development revenues arising from the sale of housing units constructed on the Residential Development Sites in accordance with the Development Contract and PCFA
Erik Penser	Erik Penser is a director and a shareholder of Compton Beauchamp. He is also a Director of the Company
Euroclear UK	Euroclear UK & Ireland Limited, the operator of CREST
Exchange Act	the United States Securities Exchange Act of 1934, as amended
Excluded Territories and each an Excluded Territory	the United States, Australia, Canada, Japan, New Zealand and South Africa or any other jurisdiction where the extension or availability of the Rights Issue (and any other transaction contemplated thereby and any activity carried out in connection therewith) would breach any applicable law
Executive Directors	the executive directors of the Company
Existing Shares	the Ordinary Shares in issue as at the date of this document
Facility or Facilities	has the meaning given to it in paragraph 17.2 of Part XI of the enclosed Prospectus
Facility Agreement	the facility agreement dated 7 April 2009 entered into between the Company and AIB relating to the Facilities
Financial Services Authority or FSA	the Financial Services Authority of the UK
Form of Proxy	the form of proxy accompanying this document for use by Shareholders in relation to the General Meeting
FSMA	the Financial Services and Markets Act 2000, as amended
Fully Paid Rights	rights to acquire the New Shares, fully paid

General Meeting	the general meeting of the Company to be held at 11.00 a.m. on 13 January 2010 at the Racecourse, Newbury, Berkshire RG14 7NZ for the purpose of considering and, if thought fit, approving the Resolutions
GPG or Guinness Peat	Guinness Peat Group plc, a company registered in England and Wales with number 00159975 and whose registered office is at First Floor, Times Place, 45 Pall Mall, London SW1Y 5GP
Group	the Company and its wholly-owned subsidiary, Newbury Racecourse Enterprises Limited
HBLB	the Horserace Betting Levy Board
HMRC	HM Revenue & Customs
Implementation Agreement	the implementation agreement entered into between the Company, GPG and Erik Penser and dated 25 September 2009 (as amended), a summary of which is contained in paragraph 17.8 of Part XI of the Prospectus
Independent Directors	the Directors excluding Erik Penser and Laurie Todd who are representatives of Compton Beauchamp and GPG respectively and, accordingly, are not independent
Independent Shareholders	all Shareholders with the exception of GPG and Compton Beauchamp and their respective Associates
Issue Price	400 pence per New Share
Japan	Japan, its cities and prefectures, territories and possessions
LDF	the Local Development Framework containing West Berkshire Council's policies for the long term planning and development of West Berkshire through to 2026
London Stock Exchange	London Stock Exchange plc or its successor(s)
Minimum Land Value	the minimum amount to be paid by DWH to Newbury Racecourse pursuant to the Development Contract for the purchase of the Residential Development Sites, once various conditions, most notably the grant of satisfactory planning permission, have been satisfied
Montagu Evans	Montagu Evans LLP, valuers to Newbury Racecourse
New Shares	the new Ordinary Shares to be allotted and issued pursuant to the Rights Issue
New Zealand Stock Exchange	the NZ Stock Market (NZSX) as operated by NSX Limited
Nil Paid Rights	rights to acquire the New Shares, nil paid
Non-Executive Directors	the non-executive directors of the Company
Notice of General Meeting	the notice convening the General Meeting set out at the end of this document
Ordinary Shares or Shares or Newbury Racecourse Shares	the ordinary shares of 10 pence each in the share capital of the Company (including, if the context requires, the New Shares, whether nil paid or fully paid)

Overseas Shareholders	Shareholders with registered addresses outside the UK or who are citizens or residents of, or located in, countries outside the UK
Panel	the Panel on Takeovers and Mergers
PCFA or Project Cash Flow Appraisal	a financial development appraisal which records the actual costs incurred and revenues received (excluding costs of financing) relating to the development of the Residential Development Sites and the costs relating to the DWH Infrastructure Enhancements. The calculation methodology for the PCFA is set out in the Development Contract
Planned Redevelopment	includes (1) the development of the Residential Development Sites and implementation of the DWH Infrastructure Enhancements to the Racecourse to be carried out in accordance with the Development Contract by DWH; and (2) upgrading of the Racecourse with enhanced leisure, racing, conference and events facilities, administrative and visitor facilities and construction of a hotel, all of which are to be carried out, and paid for, by the Company and will be pursued as part of the Planned Redevelopment if and when planning permission is obtained
PLUS	the PLUS-quoted Market operated by PLUS Markets
PLUS Markets	PLUS Markets plc, the operator of the PLUS-quoted Market
PLUS Rules for Issuers	the PLUS Rules for Issuers made by PLUS Markets as amended or extended from time to time
PMC	the project management committee formed to manage the Planned Redevelopment and which comprises three representatives from each of Newbury Racecourse and DWH and is chaired by the PMC Chairman
PMC Chairman	a PMC representative of Newbury Racecourse who chairs the PMC
Pounds sterling or £	the lawful currency of the UK
Proposals	together the Rights Issue, the Issue Price, the Rule 9 Waiver and the Resolutions
Prospectus	the Prospectus published by the Company in connection with the Rights Issue dated 18 December 2009
Prospectus Rules	the Prospectus Rules published by the Financial Services Authority under section 73A of the Financial Services and Markets Act 2000
Provisional Allotment Letter(s) or PAL	the renounceable provisional allotment letter expected to be sent to Qualifying Shareholders in respect of the New Shares to be provisionally allotted to them pursuant to the Rights Issue
Qualifying Shareholders	holders of Ordinary Shares on the register of members of the Company at the Record Date with the exclusion (subject to certain exceptions) of persons with a registered address or located or resident in an Excluded Territory
Racecourse	the racecourse operated by the Company
Record Date	close of business on 8 January 2010
Register or Register of Members	the register of members of the Company

Regulated Information Service	a Primary Information Provider that is approved by the FSA to disseminate regulatory information to the market and is on the list of Regulated Information Services maintained by the FSA
Residential Development Sites	three areas of land at the Racecourse known as the Western, Central and Eastern sites on which, in aggregate, up to 1,500 residential units are proposed to be constructed as part of the Planned Redevelopment and which are set out in the “Newbury Racecourse Freehold Property Plan” contained in Part XIII of the Prospectus enclosed with this document
Resolutions	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting
Rights Issue	the proposed issue by way of rights of New Shares to Qualifying Shareholders
Rule 9	Rule 9 of the City Code
Rule 29.3	Rule 29.3 of the City Code
Rule 9 Waiver	the waiver granted by the Panel subject to the approval of the Independent Shareholders, of the obligations that would otherwise fall upon GPG and/or Compton Beauchamp pursuant to Rule 9 if, as a result of their participation in, and underwriting of, the Rights Issue, GPG and/or Compton Beauchamp would become interested in 30 per cent. or more of the voting rights of the Company upon completion of the Rights Issue
Savills	Savills (L&P) Limited, valuers to Newbury Racecourse
SEC or United States Securities and Exchange Commission	the United States government agency having primary responsibility for enforcing the federal securities laws and regulating the securities industry/stock market
Secretary of State	the Secretary of State for Communities and Local Government
Section 106 Agreement	Section 106 (S106) of the Town and Country Planning Act 1990 allowing a local planning authority to enter into a legally binding agreement or planning obligation with a landowner in association with the granting of planning permission
Shareholders or Newbury Racecourse Shareholders	holders of Ordinary Shares
Strata Partners	Strata Technology Partners LLP, financial adviser to Newbury Racecourse
subsidiary or subsidiary undertaking	have the meanings given to them by the Act
Takeover Directive	the Takeover Directive (2004/25/EC)
Third Party Transaction	an offer (as defined in the City Code) made by a third party
Threshold Land Value	the actual land value of the Residential Development Sites to be determined pursuant to the Development Contract and in accordance with the PCFA at the time when satisfactory planning permissions in respect of the Residential Development Sites have been granted and the Development Contract has become wholly unconditional

United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
uncertificated or in uncertificated form	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
Underwriters	Guinness Peat and Compton Beauchamp
Underwriting Agreement	the underwriting agreement dated 18 December 2009 between the Company and the Underwriters relating to the Rights Issue
United States or US	the United States of America, its territories and possessions, any state of the United States and the District of Columbia

References to paragraphs and schedules are to paragraphs of, and schedules to, this document.

References to one gender include all genders and references to the singular include the plural and *vice versa*.

Any word or expression defined in the Act and not expressly defined in this document shall have the meaning given in the Act.

When used in this document, the expressions “**acting in concert**”, “**concert parties**”, “**control**” and “**offer**” shall be construed in accordance with the City Code.

References to a “**company**” shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.

A reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted.

Any reference to a time of day is a reference to the time in London, unless a contrary indication appears. Any reference to a “**day**” (including within the phrase “**business day**”) shall mean a period of 24 hours running from midnight to midnight.

A reference to any other document referred to in this document is a reference to that other document as amended, revised, varied, novated or supplemented at any time.

Headings are to be ignored in construing this document.

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a **GENERAL MEETING** of Newbury Racecourse plc (the "Company") will be held on Wednesday 13 January 2010 at 11.00 a.m. at The Racecourse, Newbury, Berkshire RG14 7NZ, for the purposes of considering and, if thought fit, passing the following resolutions:

Ordinary resolutions

1. THAT, subject to the passing of Resolutions 2, 3 and 4, with immediate effect the limit setting a maximum on the nominal amount of shares that may be allotted (that is by virtue of section 28 of the Companies Act 2006 and paragraph 42, Schedule 2, of the Companies Act 2006 (Commencement No 8, Transitional Provisions and Savings) Order 2008 now treated as a provision of the Company's Articles of Association) be and is hereby increased from £400,000 to £600,000.
2. THAT, subject to the passing of Resolutions 1, 3 and 4, the Directors be and they are hereby generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot ordinary shares of 10 pence each in the capital of the Company up to an aggregate nominal amount of £159,216.70, equivalent to 1,592,167 ordinary shares of 10 pence each in the capital of the Company, in connection with the Rights Issue (as defined in the accompanying circular to the Company's Shareholders dated 18 December 2009), provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution (unless previously revoked or varied by the Company in general meeting), save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require ordinary shares to be allotted after such expiry and the Directors shall be entitled to allot ordinary shares pursuant to any such offer or agreement as if this authority had not expired.

Special resolution

3. THAT, subject to the passing of Resolutions 1, 2 and 4, the Directors be and are hereby empowered pursuant to section 571 of the Companies Act 2006 to allot equity securities (as defined in section 560(1) of that Act) wholly for cash pursuant to the authority conferred by Resolution 2 in connection with the Rights Issue (as defined in the accompanying circular to the Company's Shareholders dated 18 December 2009) as if section 561(1) of that Act did not apply to any such allotment provided that this power shall expire at the conclusion of the next Annual General Meeting of the Company following the passing of this Resolution, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Ordinary resolution

4. THAT, subject to the passing of Resolutions 1, 2 and 3, the waiver granted by the Panel on Takeovers and Mergers of the obligation that would otherwise arise on Compton Beauchamp Estates Limited and/or Guinness Peat Group plc to make a general offer to the shareholders of the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of the issue of new ordinary shares and the underwriting arrangements described in the accompanying circular to the Company's Shareholders dated 18 December 2009 pursuant to which the maximum potential holding of Compton Beauchamp Estates Limited and all parties acting in concert with it is 1,448,674 ordinary shares (representing 30.33 per cent. of the enlarged issued share capital of the Company) and the maximum potential holding of Guinness Peat Group plc and all parties acting in concert with it is 1,705,432 ordinary shares (representing 35.70 per cent. of the enlarged issued share capital of the Company), be and is hereby approved.

By Order of the Board

Sarah Hordern

Secretary

Date: 18 December 2009

Registered in England No. 00080774

Newbury Racecourse plc
The Racecourse
Newbury
Berkshire
RG14 7NZ

NOTES TO THE NOTICE OF GENERAL MEETING

1. Voting on Resolution 4 will take place on a poll. Compton Beauchamp Estates Limited and Guinness Peat Group plc will not be entitled to vote on Resolution 4 in accordance with the City Code on Takeovers and Mergers.
2. A member of the Company is entitled to appoint a proxy to exercise all or any of his rights to attend, speak and vote at a general meeting of the Company. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attaching to different shares. A proxy need not be a member.
3. To appoint more than one proxy, (an) additional proxy form(s) may be obtained by contacting the Registrars or you may photocopy the form. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
4. To be effective, the instrument appointing a proxy and any authority under which it is signed (or a notarially certified copy of such authority) for the General Meeting to be held at The Racecourse, Newbury, Berkshire RG14 7NZ at 11.00 a.m. on 13 January 2010 and any adjournment(s) thereof must be returned to Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by 11.00 a.m. on 11 January 2010.

The proxy appointments must be received by the Company not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

A form of proxy is enclosed with this notice. The appointment of a proxy does not preclude a member from attending the meeting and voting in person, in which case any votes of the proxy will be superseded.

5. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the register of members of the Company as at 6.00 p.m. on Monday 11 January 2010 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
6. At 17 December 2009 (being the latest practicable date before publication of this notice) the issued share capital of the Company consists of 3,184,333 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 17 December 2009 is 3,184,333.

