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Praesepe plc

Praesepe acquires The Crystal Rooms in London's Leicester Square

Praesepe plc ("Praesepe" or "the Company" or "the Group", AIM:PRA) is pleased to announce that it has acquired The Crystal Rooms in Leicester Square, widely recognised as the UK's premier Adult Gaming Centre ("AGC") location, and one of the most high profile AGCs in Europe. The Crystal Rooms is the trading name of United Leisure Ltd, a private company.

The Crystal Rooms will provide a flagship venue for Praesepe's UK AGC estate. Leicester Square is one of Britain's most-visited tourist destinations, and has the busiest pedestrian footway in Europe, with about 250,000 people passing through it each day. This figure is expected to increase following the currently planned redevelopment of the Square. The Crystal Rooms is located on the north side of Leicester Square and ideally situated to benefit from tourist trade.

Revenues at The Crystal Rooms have declined significantly since 2006, following the introduction of the Gambling Act and the Smoking Ban, and due to limited investment and focus from the previous management team. Praesepe sees significant opportunity to increase revenues and profits at the site through much more active operational management.

This acquisition is in line with Praesepe's stated strategy to consolidate the Low Stake High Volume ("LSHV") gaming market in the UK and Europe and to build a diversified gaming group including gaming machines, bingo, and sports book/pool betting operations.

Transaction Highlights:

- Praesepe has acquired the entire issued share capital of United Leisure Ltd for £1. Praesepe has also assumed net liabilities from United Leisure totalling £3.3 million (excluding fees)
- The acquired site generated revenue of £1.8 million and EBITDA of £0.3 million in the year ended 31 October 2008 and revenue of £3.0m and EBITDA of £1.3m in the year ended 31 October 2007
- There are clear opportunities to increase EBITDA through targeted investment and operational improvements
- The acquisition is expected to be earnings enhancing in the current financial year
- Praesepe's third successful acquisition bringing the total number of AGCs in its estate to 41

Nick Harding, CEO of Praesepe, said:

"This is a fantastic opportunity to acquire an iconic gaming location in the heart of central London. To coincide with the redevelopment of Leicester Square we intend to transform The Crystal Rooms into one of the leading entertainment venues in the UK. We have identified clear opportunities to return revenues and profits to pre-2008 levels through hands-on management, operational improvements, increasing floor space and introducing new gaming machines in partnership with leading UK gaming machine manufacturers.

We continue to explore a wide range of opportunities to build a diversified Low Stake High Volume gaming business in the UK and Europe."

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Transaction Overview

Praesepe has acquired the entire issued share capital of United Leisure Ltd. The assets of United Leisure Ltd comprise the 2500 sq ft long leasehold AGC in Leicester Square, London, trading under the name The Crystal Rooms, which includes 114 gaming machines and other operating plant and equipment. The Crystal Rooms has net liabilities of £3.3 million.

United Leisure generated revenue of £1.8 million and EBITDA of £0.3 million in the year ended 31 October 2008 and revenue of £3.0m and EBITDA of £1.3m in the year ended 31 October 2007.

Revenues are currently running significantly below their 2006 level, due to the impact of the implementation of the 2005 Gambling Act, the Smoking Ban, and limited investment and management focus. Praesepe therefore sees this transaction as an opportunity to purchase a high profile asset that is currently underperforming, and dramatically increase revenues and profits through operational improvements. Praesepe expects the acquisition will be earnings enhancing in the current financial year.

Principal Terms of the Acquisition

United Leisure Ltd was acquired from a holding company, United Leisure Centres Ltd, for a purchase price of £1. The net book value of the assets acquired is £0.5m. Praesepe has also assumed gross liabilities on behalf of United Leisure Ltd totalling £3.8 million. Liabilities include, but are not limited to, existing bank and other debt, and other creditors. This amount does not include transaction fees.

The net liabilities of £3.3 million being acquired are being funded through a new bank loan from RBS for £2 million, assuming an existing loan within United Leisure of £0.3 million, and £1.0 million of cash from Praesepe's existing resources (utilising an element of the proceeds from the February 2009 placement of ordinary shares).

Rationale for the Acquisition

The Crystal Rooms is widely recognised in the gaming industry as the UK's premier AGC location. Leicester Square is one of Britain's busiest tourist destinations, with 91 million unique visitors each year (Source: Westminster Borough Council). Leicester Square is currently in the planning stages of a major redevelopment which should revitalize the area and increase footfall, due for completion by 2012. The Crystal Rooms is situated on the north side of Leicester Square and is ideally located to benefit from this tourist traffic.

Over the past few years, The Crystal Rooms' performance has been negatively impacted by the 2005 Gambling Act, the Smoking Ban, and limited investment and focus from the previous management team. The site will be integrated into Praesepe's existing AGC operations, and Praesepe plans a

number of operational improvements and initiatives that are intended to transform The Crystal Rooms through increased customer numbers, revenues, profits and cash generation. In summary, these include:

- Hands-on management and installation of an operational management team
- New floor plan to improve ambience and create new customer areas
- Increasing floor space
- Improved customer service
- Introduction of promotional activity
- Upgrade of machine estate to reflect recent increase in stakes and prizes, and to increase the variety and numbers of gaming machines, utilising revenue sharing partnerships with the UK's leading gaming machine manufacturers to minimise any capital investment cost to the Group

Background and Strategy

The Directors believe that the success of any LSHV gambling business is greatly dependent on scale and critical mass and that, as the market matures, larger operators will attract and retain a greater proportion of new customers with their ability to sustain significant capital expenditure programmes, promote a common brand across a number of platforms, develop brand loyalty and acquire the latest technology direct from manufacturers. The Directors view this acquisition as the next step in the implementation of the Company's strategy.

The current challenging operating environment has acted as a catalyst for the sale of gaming companies in the UK, creating a strong pipeline of potential acquisition targets. As a result, the Board believes that it is important to move quickly in order to take advantage of these opportunities. With an AGC business of increasing scale and brand awareness, the Directors believe there will be further attractive acquisition opportunities in the near future.

Ends

Notes to Editors

More information about visitor numbers to Leicester Square and its redevelopment can be found here:

<http://www.westminster.gov.uk/press-releases/2008-01/leicester-square-set-for-18m-revamp/>