

Watford Leisure PLC
(“Watford Leisure” or the “Company”)

Update re Related Party Loan from Fordwat Limited

Further to the announcement of 23 December 2009 in respect, *inter alia*, of the related party loan received from Fordwat Limited (“Fordwat”), Watford Leisure announces that on 24 February 2010 the Company and its subsidiary, The Watford Association Football Club Limited, granted security over the Vicarage Road Stadium to Fordwat in connection with its outstanding loan with the charge documents sent to Companies House for registration on 5 March 2010.

The secured loan of approximately £4.99 million (including accrued interest since 23 December 2009) is repayable on demand and accrues interest at the rate of 4.5 per cent. above the base rate of Barclays Bank plc (except in default when the rate rises to base rate plus 7.5%). The security is by way of a guarantee and debenture ranking behind the existing secured creditors.

The board is continuing to refine the proposal from Fordwat for a £7.5 million underwritten fundraising and further announcements will be made in due course.

Enquiries:

Watford Leisure PLC
Tel: 01923 496 000
Graham Taylor, Chairman
Julian Winter, Chief Executive Officer

Strand Hanson Limited
Tel: 020 7409 3494
Rory Murphy