

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

Increase in Related Party Loan from Fordwat Limited

Watford Leisure announces that on 24 March 2010, Fordwat Limited (“Fordwat”), a substantial shareholder in the Company, advanced a further £1 million to the Company’s 96 per cent. owned subsidiary, The Watford Association Football Club Limited (the “Club”), under its existing secured loan agreement with the Club (the “Further Loan”) to assist with the working capital requirements of the business.

The amount outstanding under the secured loan is now, in aggregate, approximately £5.99 million (including accrued interest since 23 December 2009). The loan is repayable on demand and accrues interest at the rate of 4.5 per cent. above the base rate from time to time of Barclays Bank plc (except in default when the rate rises to base rate plus 7.5%). Security is by way of a guarantee and debenture over the Vicarage Road Stadium ranking behind certain other pre-existing secured creditors.

The provision of the Further Loan is deemed to be a related party transaction under the AIM Rules for Companies. Accordingly, the directors of the Company consider, having consulted with Strand Hanson Limited, that the terms of the Further Loan are fair and reasonable insofar as the Company’s shareholders are concerned.

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.

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