

7 December 2010

**Watford Leisure PLC
("Watford Leisure" or the "Company")**

Statement re: Rule 2.10 of the Takeover Code

Further to the announcement made by the Board of Watford Leisure (AIM: WFC) on 3 December 2010, the Company announces in accordance with Rule 2.10 of the City Code on Takeovers and Mergers (the "Code") that it currently has 43,885,693 ordinary shares of 1 pence each in issue and admitted to trading on the London Stock Exchange under the ISIN reference GB0034301217, as well as 202,840,000 warrants (each to subscribe for one new ordinary share at a subscription price of 4 pence per share) which are unlisted but freely transferable.

Enquiries:

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Disclosure Requirements of the Code:

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of Watford Leisure or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Watford Leisure and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of Watford Leisure or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of Watford Leisure or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of Watford Leisure or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Watford Leisure and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of Watford Leisure or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by Watford Leisure and by any offeror and Dealing Disclosures must also be made by Watford Leisure, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.