



Media Release

CHELTENHAM RACECOURSE HISTORIC ANNOUNCEMENT

For Immediate Release – Tuesday 20th November 2007

The South Australian Jockey Club is pleased to announce that it has entered into a Land Facilitation Agreement with joint venture partners AV Jennings and Urban Pacific. In essence, this means that the SAJC has assigned the rights to develop Cheltenham Park Racecourse to the above partnership.

At a Special Meeting in September 2004 and again in November 2005 the membership of the SAJC overwhelmingly supported the recommendation of the Board to sell Cheltenham on the basis that significant proceeds from the investment would be allocated to prize money and that the investment would be administered by an independent Trust.

Mr John Naffine, Chairman of the SAJC, said "The Cheltenham sub committee acting on behalf of the Board has not wavered from its commitment to the membership in achieving a financial outcome acceptable to the membership. At the initial special meeting in 2004, the CEO presented a case to the membership based on a return of \$81,000,000 and a commitment to prize money of \$3,000,000 per annum".

"I am delighted to announce that after an extensive tender process, the SAJC will be guaranteed a minimum capital sum of \$85,000,000 plus GST as a consequence of the agreement reached with AV Jennings and Urban Pacific. In addition to this guaranteed capital sum, the SAJC will also potentially be entitled to a further capital sum based on the final outcome of the project. The project itself is estimated to be valued at \$400 million upon completion," said Mr Naffine.

SAJC CEO said, "This is a very historic moment for the SAJC. Despite the 35% of open space imposed on the development by the State Government, we have been able to deliver to the membership a yield which exceeds what was seen as questionable back in 2004."

"We have now achieved the objective of transforming a non performing asset into a performing investment. The benefits in so far as the SAJC and racing industry is concerned are obvious – additional funds at the disposal of the industry means more prize money, which means greater returns to those who invest in racing and breeding thoroughbreds, which means more jobs. However, racing industry aside, the economic benefits to the state and the north-western suburbs of Adelaide in particular are immense," said Mr Ploubidis.

AV Jennings and Urban Pacific were chosen as the successful entity after an extensive tender process, and after a protracted community consultation program and lobbying by those for and against the proposed sale.

The SAJC advertised nationally for Registrations of Interest in the latter part of 2006. In total, eleven entities, both local and national organisations, registered their interest, and after detailed assessment by the Cheltenham sub committee, 4 of those entities were short listed and invited to submit a tender. The entire process was overseen by an independent probity officer to ensure that correct procedure was adhered to throughout the process.

The final recommendation of the Cheltenham sub committee was presented to Messer's Rob Gerard AO, Wolf Blass AM, Robert Hill Smith and Harry Perks who were nominated by the Board to approve the recommendation on behalf of the SAJC membership. The decision of this group in support of the recommendation was unanimous.

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