

Magna Entertainment Corp. announces exercise of option to acquire remaining interest in The Maryland Jockey Club



AURORA, ON, Sept. 24 /CNW/ - Magna Entertainment Corp. ("MEC") (NASDAQ: MECA; TSX: MEC.A) announced today that it has exercised its option, pursuant to an agreement with certain companies controlled by Joseph De Francis and Karin De Francis (the "De Francis Entities") to acquire the remaining interest in The Maryland Jockey Club ("MJC") that it does not already own. MJC is the trade name under which Pimlico Race Course and Laurel Park

operate. Under the terms of the Option Agreement, MEC will pay to the De Francis Entities approximately \$18.3 million plus interest. MEC first acquired its ownership position in MJC in November 2002 and the option arrangements were scheduled to expire in November 2007.

Frank Stronach, Chairman and Interim Chief Executive Officer of MEC, stated: "From the time we acquired control of MJC in 2002, we have intended to acquire the balance of the shares in the company. The acquisition of this remaining interest in MJC was specifically contemplated in our recently announced Debt Elimination Plan, and reflects our intent to focus the business of MEC on our core strategic racetracks. MJC is a core asset of MEC, and while thoroughbred racing in Maryland is currently facing many difficult obstacles, we remain optimistic that with the assistance of other stakeholders horse racing in the state can have a bright future."

Pursuant to the initial acquisition arrangements, Joseph De Francis and Karin De Francis will be leaving MJC in the near future, although Joe will remain a Director of MEC and MEC expects to continue working with Joe in connection with matters of importance to MEC.

Mr. Stronach stated, "On behalf of the Board of Directors of MEC, I would like to thank Joe and Karin for their contributions to MJC and MEC. I have worked with Joe and Karin for many years and I wish them well in their future endeavors."

Joe De Francis stated: "On behalf of my sister and me, I want to thank Frank for the opportunities he has given us over these last five years. We have both enjoyed working with MEC, and I look forward to continuing to contribute to MEC through my role on the Board."

MEC, North America's largest owner and operator of horse racetracks, based on revenue, acquires, develops, owns and operates horse racetracks and related pari-mutuel wagering operations, including off-track betting facilities. MEC also develops, owns and operates casinos in conjunction with its racetracks where permitted by law. MEC owns and operates AmTote International, Inc., a provider of totalisator services to the pari-mutuel industry, XpressBet(R), a national Internet and telephone account wagering system, as well as MagnaBet(TM) internationally. Pursuant to joint ventures, MEC has a fifty percent interest in HorseRacing TV(TM), a 24-hour horse racing television network, and TrackNet Media Group LLC, a content management company formed for distribution of the full breadth of MEC's horse racing content.

For further information: Blake Tohana, Executive Vice-President and Chief Financial Officer, Magna Entertainment Corp., (905) 726-7493.