

MOUNTVIEW ESTATES P.L.C.

CHAIRMAN'S STATEMENT

Introduction

As we celebrate our 75th anniversary, I am pleased to report that the last 12 months have seen Mountview continue to record good financial performance, against the backdrop of a very challenging economic climate.

Results

Although turnover and profit before tax declined compared to 2011, equity holders' funds, earnings per share and net assets all showed an improvement and we have therefore been able to maintain dividends at the same level as the previous year.

The final dividend of 115p per share in respect of the year ended 31 March 2012 recommended by your Board is payable on 20 August 2012 to shareholders on the Register of Members as at 20 July 2012. This will make a total dividend for the year ended 31 March 2012 of 165p per share which is 2.7 times covered by the earnings per share.

Building on 75 years of achievement

Our key strength is a sound business model executed by a team of skilled professionals, and this has again been at the heart of our performance, just as it has since Mountview Estates Ltd was incorporated on 21 May 1937. In those days, barely two and a half years before the onset of the Second World War, mere survival was an achievement, but the Company gradually grew and has indeed flourished since the millennium.

In 1960, the Company obtained a full quote on the London Stock Exchange when shares of five shillings nominal value were sold for

eleven shillings (25p and 55p respectively). Subsequent split and scrip issues mean that today's shares have a nominal value of 5p. In 1982, the Company re-registered as Mountview Estates P.L.C. and the 5p shares now change hands at around £43.75.

These last 75 years have been characterised by steady growth and solid achievement. During the year under review, and despite economic uncertainties, we have continued to use our resources wisely investing in properties where we see good value and potential profits. We made a number of such purchases during the year, investing some £47 million in new properties, complementing the geographical reach of our portfolio as well as buying properties in London locations which, for so long, has been our core market.

I am proud of our track record and privileged to work alongside a fine team that shares my determination to continue to maintain our momentum. We may not be the most adventurous of listed companies, but by means of our patient and conservative policies we have been consistently profitable and pay good dividends. By any measure, a dividend yield of 3.9% at the current share price is an excellent performance in the present economic climate.

I am concerned that our senior personnel should be sufficiently incentivised to continue producing good profits. Our earnings per share have risen by nearly 3% and it is important that the Company retains excellent people. To that end we need to pay attractive salaries to our executives and thus in due course to facilitate the recruitment of their successors.

Looking ahead

The UK economy has faced many challenges since 1937 and will doubtless do so again in the future. Our Company has ridden the peaks and troughs of the last 75 years, and overcome the barriers that have from time to time threatened our progress. Although we have increased our borrowings to take advantage of opportunities that have been presented to us, they remain relatively low compared to other companies and the Board is comfortable with the current debt levels. We consider we are well placed in the current difficult environment to make further advances when conditions improve.

D.M. SINCLAIR
Chairman

MOUNTVIEW ESTATES P.L.C.

FINANCIAL HIGHLIGHTS

| | 2012 £ | 2011 £ | (Decrease) /Increase % |
|---|-----------|-----------|------------------------------|
| Turnover (millions) | 42.9 | 47.7 | (10.1) |
| Gross Profit (millions) | 27.2 | 29.1 | (6.5) |
| Profit Before Tax (millions) | 22.8 | 23.6 | (3.4) |
| Profit Before Tax excluding investment properties revaluation (millions) | 19.6 | 21.1 | (7.1) |
| Equity Holders' Funds (millions) | 227.2 | 214.9 | 5.7 |
| Earnings per share (pence) | 447.7 | 435.3 | 2.8 |
| Net assets per share | 58.3 | 55.1 | 5.8 |
| Dividend per share (pence) | 165 | 165 | - |

Mountview Estates P.L.C. advises its shareholders that, following the issue of the final results, the relevant dates in respect of the proposed final dividend payment of 115 pence per share are as follows:

| | |
|------------------|----------------|
| Ex-dividend date | 18 July 2012 |
| Record date | 20 July 2012 |
| Payment date | 20 August 2012 |

MOUNTVIEW ESTATES P.L.C.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2012

| | Year ended 31.03.2012 £000 | Year ended 31.03.2011 £000 |
|---|---|-------------------------------------|
| REVENUE | 42,931 | 47,655 |
| Cost of sales | (15,741) | (18,548) |
| GROSS PROFIT | 27,190 | 29,107 |
| Administrative Expenses | (3,773) | (4,454) |
| Gain on sale of investment properties | 484 | 149 |
| Operating profit before changes in fair value of investment properties | 23,901 | 24,802 |
| Increase in fair value of investment properties | 3,208 | 2,454 |
| PROFIT FROM OPERATIONS | 27,109 | 27,256 |
| Change in fair value of derivatives | (271) | (292) |
| Net Finance Costs | (4,033) | (3,404) |
| PROFIT BEFORE TAXATION | 22,805 | 23,560 |
| Taxation - current | (6,648) | (7,425) |
| Taxation - deferred | 1,298 | 836 |
| Taxation | (5,350) | (6,589) |
| PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS | 17,455 | 16,971 |
| Basic and diluted earnings per share (pence) | 447.7p | 435.3p |

MOUNTVIEW ESTATES P.L.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2012

| | As at 31.03.2012 £000 | As at 31.03.2011 £000 |
|---|--------------------------------------|--------------------------------------|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 2,441 | 2,461 |
| Investment properties | 26,537 | 30,314 |
| | 28,978 | 32,775 |
| CURRENT ASSETS | | |
| Inventories of trading properties | 301,072 | 259,462 |
| Trade and other receivables | 1,371 | 1,192 |
| Cash at Bank | 987 | 116 |
| | 303,430 | 260,770 |
| TOTAL ASSETS | 332,408 | 293,545 |
| EQUITY AND LIABILITIES | | |
| Capital and reserves attributable to equity holders of the company | | |
| Share Capital | 195 | 195 |
| Capital redemption reserve | 55 | 55 |
| Capital reserve | 25 | 25 |
| Other reserve | 56 | 56 |
| Cash flow hedge reserve | (1,040) | (2,340) |
| Retained earnings | 227,928 | 216,905 |
| | 227,219 | 214,896 |
| NON-CURRENT LIABILITIES | | |
| Long-term borrowings | 90,000 | 50,000 |
| Deferred Tax | 6,023 | 7,321 |
| | 96,023 | 57,321 |
| CURRENT LIABILITIES | | |
| Bank overdrafts and loans | 3,364 | 13,940 |
| Trade and other payables | 1,385 | 1,485 |
| Current tax payable | 2,814 | 3,271 |
| Derivative financial instruments | 1,603 | 2,632 |
| | 9,166 | 21,328 |
| TOTAL LIABILITIES | 105,189 | 78,649 |
| TOTAL EQUITY AND LIABILITIES | 332,408 | 293,545 |

MOUNTVIEW ESTATES P.L.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2012

| | Share Capital £000 | Capital Reserve £000 | Capital Redemption Reserve £000 | Cash Flow Hedge Reserve £000 | Other Reserves £000 | Retained Earnings £000 | Total £000 |
|---|-----------------------------------|-------------------------------------|--|---|------------------------------------|---------------------------------------|-----------------------|
| Changes in equity for year ended 31 March 2011 | | | | | | | |
| Balance as at 1 April 2010 | 195 | 25 | 55 | (3,640) | 56 | 206,366 | 203,057 |
| Reduction in reserve | | | | 1,300 | | | 1,300 |
| Profit for the year | | | | | | 16,971 | 16,971 |
| Dividends | | | | | | (6,432) | (6,432) |
| Balance as at 31 March 2011 | 195 | 25 | 55 | (2,340) | 56 | 216,905 | 214,896 |
| Changes in equity for year ended 31 March 2012 | | | | | | | |
| Balance as at 1 April 2011 | 195 | 25 | 55 | (2,340) | 56 | 216,905 | 214,896 |
| Reduction in hedge reserve | | | | 1,300 | | | 1,300 |
| Profit for the year | | | | | | 17,455 | 17,455 |
| Dividends | | | | | | (6,432) | (6,432) |
| Balance as at 31 March 2012 | 195 | 25 | 55 | (1,040) | 56 | 227,928 | 227,219 |

MOUNTVIEW ESTATES P.L.C.
GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012

| | Year Ended 31.03.2012 £000 | Year ended 31.03.2011 £000 |
|---|---|-------------------------------------|
| Cash flow from operating activities | | |
| Profit from operations | 27,109 | 27,256 |
| Adjustment for: | | |
| Depreciation | 166 | 174 |
| Loss on disposal of property, plant & equipment | 10 | 11 |
| Gain on disposal of investment properties | (484) | - |
| (Increase) in fair value of investment properties | (3,208) | (2,454) |
| Operating cash flow before movement in working capital | 23,593 | 24,987 |
| (Increase) in inventories | (41,610) | (2,498) |
| (Increase)/Decrease in receivables | (179) | 5 |
| (Decrease)/Increase in payables | (100) | 125 |
| Cash generated from operations | (18,296) | 22,619 |
| Interest paid | (4,033) | (3,404) |
| Income taxes paid | (7,106) | (8,027) |
| Net cash (outflow)/inflow from operating activities | (29,435) | 11,188 |
| Investing activities | | |
| Proceeds from disposal of investment properties | 8,895 | 6,600 |
| Capital expenditure on investment properties | (1,426) | (1,438) |
| Purchase of property, plant and equipment | (160) | (309) |
| Proceeds from disposal of property, plant and equipment | 4 | - |
| Net cash inflow from investing activities | 7,313 | 4,853 |
| Cash flow from financing activities | | |
| Increase in borrowings | 40,000 | - |
| Repayment of borrowings | (200) | (14,700) |
| Equity dividend paid | (6,432) | (6,432) |
| Net cash inflow/(outflow) from financing activities | 33,368 | (21,132) |
| Net increase/(decrease) in cash and cash equivalent | 11,246 | (5,091) |
| Opening cash and cash equivalents | (13,349) | (8,258) |
| Cash and cash equivalent at end of year | (2,103) | (13,349) |

Notes to the Preliminary Announcement

1. Financial Information

The financial information contained in this report does not constitute statutory accounts for the years ended 31 March 2012 or 31 March 2011 within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2011 which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and which received an unqualified audit report and did not contain a statement under S498(2) or (3) of the Companies Act 2006, have been filed with the Registrar of Companies.

Financial statements for the year ended 31 March 2012 will be presented to the Members at the Annual General Meeting on 15 August 2012. The auditors have indicated that their report on these Financial Statements will be unqualified.

2. Basis of Preparation

The preliminary announcement has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") but does not contain sufficient information to comply fully with IFRS. The Financial Statements to be presented to Members at the 2012 AGM are expected to comply fully with IFRS.

The preliminary announcement has been prepared under the historical cost convention as modified by the revaluation of investment properties.

This information is provided by RNS
The company news service from the London Stock Exchange

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