MOUNTVIEW ESTATES P.L.C.

FINANCIAL HIGHLIGHTS

	2008	2007	Increase/(Decrease)
	£	£	%
Turnover (million)	**54.3**	68.2	**(20.3)**
Gross Profit (million)	**35.9**	43.1	**(16.7)**
Profit Before Tax (million)	**29.5**	50.2	**(41.2)**
Shareholders' Funds (million)	**187.7**	172.9	**8.6**
Earnings per share (pence)	**530.1**	899.2	**(41.1)**
Net assets per share	**48.2**	44.3	**8.8**
Dividend per share (pence)	**155.0**	150.0	**3.3**

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 105 pence per share are as follows:

Ex-dividend date	16 July 2008
Record date	18 July 2008
Payment date	18 August 2008

CHAIRMAN'S STATEMENT

The general downturn in the United Kingdom economy has been widely documented and has impacted the residential property market in the last year. This has been evidenced in the results for the year ended 31 March 2008. Although these are below the record levels of the previous year the trading results for the year ended 31 March 2008 are nevertheless very sound.

My staff and colleagues have worked hard to produce what are good results for the year to 31 March 2008 and I am confident that they will rise to the challenge of the difficult times ahead. Indeed I look forward to the Company not only weathering these difficult times but in due course producing increased profits which will increase the rewards of its employees.

I have always emphasised the need to make the right purchases and the virtue of tight financial control. As we suffer a very harsh climate for the residential property sector I believe that this emphasis will be vindicated. Our purchasing performance during the year had been very strong already when we completed the purchase of the Magdalen Park Estate in south west London for over £43 million at the end of January 2008. These purchases have taken our borrowings to high levels by our standards but our gearing remains low by most standards and our continuing financial prudence will ensure that the Company enjoys the full benefit of these purchases and remains on a sound financial footing.

The previous year's profits were exceptional anyway but were made more so by the enormous increase of more than £14 million in fair value of investments compared with less than £2 million in the accounts for the year ended 31 March 2008. If the figures for the increase in fair value of investments are removed the fall in trading profits is less than 23% whereas the profit before taxation is shown as having fallen by over 40%.

The residential property market has become a very difficult environment in which to operate. The auction houses are reporting lower success rates, estate agents are closing some of their branches, mortgage finance is difficult to obtain and now there is the threat of higher interest rates. Despite these problems we are effecting our sales successfully although the prices achieved may be a little more modest than those we would have expected a year ago. We can only operate in the marketplace as it exists but by doing so we can comply with our banking covenants and may well be in position to take advantage of further good purchasing opportunities which occur.

Your Board is recommending an increased final dividend of 105 pence per share in respect of the year ended 31 March 2008 despite the fall in profits. This dividend is payable on 18 August 2008 to shareholders on the Register of Members as at 18 July 2008. This will make a total dividend for the year ended 31 March 2008 of 155 pence per share which is 3.4 times covered by the earnings per share.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

	Year Ended 31.3.2008 £000	Year ended 31.3.2007 £000
REVENUE	**54,338**	68,168
Cost of sales	**(18,347)**	(25,076)
GROSS PROFIT	**35,991**	43,092
Administrative Expenses	**(4,207)**	(4,526)
Operating profit before changes in fair value of investment properties	**31,784**	38,566
Increase in fair value of investment properties	**1,784**	14,224
PROFIT FROM OPERATIONS	**33,568**	52,790
Finance costs	**(4,043)**	(2,583)

Income from investments	4	20
PROFIT BEFORE TAXATION	**29,529**	50,227
Taxation – current	**(8,358)**	(11,029)
Taxation – deferred	**(503)**	(4,138)
Total taxation	**(8,861)**	(15,167)
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS	**20,668**	35,060
Basic and diluted earnings per share (pence)	**530.1p**	899.2p

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2008

	As at 31.03.2008 £000	As at 31.03.2007 £000
Assets		
Non-Current Assets		
Property, plant and equipment	**2,719**	2,607
Investment properties	**36,203**	34,080
Current Assets	**38,922**	36,687
Inventories of trading properties	**271,361**	183,889
Trade and other receivables	**1,118**	1,061
Cash and cash equivalents	**802**	646
	273,281	185,596
Total Assets	**312,203**	222,283
Equity and Liabilities		
Share Capital	**195**	195
Capital redemption reserve	**55**	55
Capital reserve	**25**	25
Other reserves	**56**	56
Retained earnings	**187,426**	172,606
	187,757	172,937
Non-Current Liabilities		
Long-term borrowings	**95,000**	29,644
Deferred Tax	**9,697**	9,194
	104,697	38,838
Current Liabilities		
Trade and other payables	**3,081**	2,952
Bank overdrafts and loans	**12,685**	1,030
Current tax payable	**3,983**	6,526

	19,749	10,508
Total Liabilities	**124,446**	49,346
Total Equity and Liabilities	**312,203**	222,283

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2008

	Share Capital £000	Capital Reserve £000	Capital Redemption Reserve £000	Other Reserves £000	Retained Earnings £000	Total £000
Changes in equity for year ended 31 March 2007						
Balance as at 1 April 2006	195	25	55	56	142,849	143,180
Profit for the year					35,060	35,060
Dividends					(5,303)	(5,303)
Balance at 31 March 2007	195	25	55	56	172,606	172,937
Changes in equity for year ended 31 March 2008						
Balance as at 1 April 2007	195	25	55	56	172,606	172,937
Profit for the year					20,668	20,668
Dividends					(5,848)	(5,848)
Balance at 31 March 2008	195	25	55	56	187,426	187,757

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

	Year ended 31.03.2008 £000	Year ended 31.03.2007 £000
Cash flows from operating activities		
Operating Profit	**33,568**	52,790
Adjustments for:		
Depreciation	**190**	146
Loss on disposal of property, plant and equipment	**21**	45
Increase in fair value of investment properties	**(1,784)**	(14,224)

Cash flow from operations before changes in working capital	**31,995**	38,757
(Increase) in inventories	**(87,472)**	(7,794)
(Increase) in receivables	**(57)**	(410)
Decrease/Increase in payables	**128**	1,532
Cash generated from operations	**(55,406)**	32,085
Interest paid	**(4,043)**	(2,583)
Income taxes paid	**(10,901)**	(7,581)
Net cash (outflow)/inflow from operating activities	**(70,350)**	21,921
Investing activities		
Interest received	**4**	20
Proceeds from disposal of investment properties	**-**	925
Proceeds from disposal of property, plant and equipment	**61**	41
Purchase of property, plant and equipment	**(382)**	(69)
Capital expenditure on investment properties	**(340)**	(35)
Net cash (used)/from investing activities	**(657)**	882
Cash flow from financing activities		
Increase in borrowings	**67,411**	-
Repayment of borrowings	**-**	(1,268)
Equity dividend paid	**(5,848)**	(5,303)
Net cash from/(used) from financing activities	**61,563**	(6,571)
Net (decrease)/increase in cash and cash equivalents	**(9,444)**	16,232
Opening cash and cash equivalents	**646**	(15,586)
Closing cash and cash equivalents	**(8,798)**	646

Notes to the Preliminary Announcement

1. Financial Information

The financial information contained in this report does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The full accounts for the year ended 31 March 2007, 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 s237(2) or (3) of the Companies Act 1985, have been filed with the Registrar of Companies.

Financial statements for the year ended 31 March 2008 will be presented to the Members at the Annual General Meeting on 13 August 2008. 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 2008 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.