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M Winkworth PLC Trading Update

M Winkworth plc ("Winkworth"), the leading franchisor of real estate agencies, is providing the following Trading Update for 2010.

Summary

2010 was in line with expectations with overall transactions up by 22% and new office transactions up by 98%. Nationally, it was a year of two halves, with a very active market tailing off in the second six months after the general election and the announcement of austerity measures.

In London, the prime property market held up well throughout the year, while the market for flats and less prime areas saw price slippage of some 10%. Family houses maintained their value as sustained demand driven by low interest rates and lower than expected unemployment led to a lack of forced sellers coming to the market and a shortage of supply.

The launch of the country house department at the end of 2010 has so far resulted in £14 million of instructions, 16 referrals and 3 sales. We anticipate that this new activity will grow as it becomes established within the Winkworth network.

We have continued to expand since the downturn at the end of 2008, signing up seven new offices in prime locations in 2010 including the conversion of Haines Residential to Winkworth Newbury. In its first month of rebranding, this new franchise increased its average valuation price from £270k to £625k, a good example of the benefits of trading under the Winkworth umbrella.

In 2010 we saw 114 franchise applicants compared to 54 in 2009 and a marked increase in the quality of applications. We continue to attract top quality, experienced estate agents looking to further their careers.

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Outlook

In January and February, overall trading has been in line with our expectations. We anticipate that the UK property market will be broadly flat in 2011 as lack of mortgage finance continues to constrain the level of activity, with some price growth in prime markets and, in particular, the family house market. We have been encouraged by the activity we have witnessed in prime markets, with our central London offices reporting a meaningful increase in the number of sales agreed compared to the opening months of 2010.

We expect to see further growth coming from the increased size of our network, with a target of ten new franchises in 2011 against a base case of eight. We are also in discussions regarding a potential opening in the Far East in the first half of the year.

In the first two months of the year, the Winkworth website franchising page has seen a 49% increase in unique views on 2010. In an ongoing flat market, we are experiencing a significant increase in interest from existing agencies looking to grow their market share and average selling price and who see joining the Winkworth brand as a means of achieving this. As a result we have seen a 165% increase on 2010 year to date of existing independent businesses applying to rebrand to Winkworth.

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Notes to Editors

About Winkworth

Winkworth is a leading franchisor of residential real estate agencies and is listed on the London Stock Exchange.

Established in Mayfair in 1835, Winkworth has a pre-eminent position in the mid to upper segments of the central London residential sales and lettings markets. In total, the company operates from over 80 offices in the UK, France and Portugal, having doubled in size in recent years.

The franchise model allows entrepreneurial real estate professionals to provide the highest standards of service under the banner of a well-respected brand name and to benefit from the support and promotion that Winkworth offers. Franchisees deliver in-depth local knowledge and a highly personalised service to their clients.

For further information please visit: www.winkworthplc.com