

Trading statement

12.12.12

M Winkworth plc (“Winkworth”), the leading franchisor of real estate agencies, is providing the following Trading Statement for the period from July to December 2012.

SUMMARY

Trading in the second half of 2012 has been in line with budget, although total UK market transactions are estimated to have grown by 6-7%, a lower level than anticipated at the time of the interim results in September. The London market, which remains key to Winkworth’s success, has held up well despite slower demand for properties valued in excess of £2 million as a result of the increased stamp duty charges introduced at the time of the Budget. Demand for family houses and for rental properties remains strong.

As a result, Winkworth’s full year 2012 trading profitability is expected to be in line with expectations. However, the company has taken the decision to close the one office that it owned in France, resulting in a one-off, non-cash, cost of approximately £200,000. This office will continue to trade as Winkworth but now as a franchisee. This closure, along with the £90,000 exceptional costs announced at the interim stage, will have a negative impact on 2012 profits. The charge to profit from the closure arises principally from non-cash balance sheet write offs and will not therefore affect the company’s ability to maintain a progressive dividend policy.

Winkworth no longer has any owned exposure to offices in Continental Europe and now has one franchised operation in France and one in Portugal. Future international growth is expected to derive from closer links with buyers from emerging markets, which have shown considerable appetite for London property in recent years. Winkworth opened a China department in 2012 at its London headquarters and is currently in discussions which could lead to a franchise agreement in Asia.

OUTLOOK

In 2012 Winkworth will have opened a further nine offices, in line with its target of 8-10 new offices a year, and closed one. This organic expansion is expected to continue to fuel the company’s growth at a time when transaction levels remain subdued due to a shortage of available mortgage funding and weak economic growth. Total UK market transactions are forecast to grow by a further 5% in 2013, slowly closing the gap with the record level achieved in 2007.

Residential property prices in the country may see some pockets of improvement in 2013 but are expected to remain subdued overall. London prices, however, are expected to be firm, rising by 5% across the board. The top end of the market remains difficult to forecast as it risks being subject to further government intervention. The London rental market is expected to be driven by an on-going scarcity of supply and prices should continue to rise.

Against this backdrop, Winkworth remains confident of its prospects for 2013.

- ENDS -

The logo for Winkworth, featuring the company name in a white serif font on a dark blue rectangular background.

M WINKWORTH PLC PRESS RELEASE

Press Office 020 7355 0220
pressoffice@winkworth.com
11 Berkeley Street
Mayfair
London
W1J 8DS

For further information:

M Winkworth PLC

Tel: 020 7355 2866

Dominic Agace (Chief Executive Officer)

Chris Neoh (Chief Financial Officer)

FinnCap (Nominated Adviser)

Tel: 020 7600 1658

Matthew Robinson/Rose Herbert (Corporate Finance)

Stephen Norcross (Corporate Broking)

Milbourne (Public Relations)

Tel: 020 7920 2367

Tim Draper

About Winkworth

Winkworth is a leading franchisor of residential real estate agencies and is admitted to trading on the AIM Market of 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 90 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

The logo for Winkworth, featuring the word "Winkworth" in a white serif font on a dark blue rectangular background.