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**ESV GROUP PLC**  
**("ESV" or "The Group")**

**Preliminary Results for the Year ended 31 March 2010**

ESV Group Plc, the farming and logistics company, is pleased to announce its preliminary results for the year ended 31st March 2010. The figures are in line with management expectations.

**CHAIRMAN'S STATEMENT**

**Sale of Mozambique Jatropha plantations**

Following the sale of its Jatropha plantations business and associated assets for a total consideration of US\$4 million, the Group has received the first and second tranches totalling US\$2.1 million, less payments for remaining payroll creditors.

The balance of US\$1.9 million is contingent upon the issuance of the Jatropha farming rights for the second plantation area, which is currently being finalised with the Mozambique authorities. From this final receivable, payment of US\$0.25 million is to be made to the former holders of the land.

**Grain trading**

The Group is not considering resuming grain trading in the current uncertain market conditions.

**Ukraine agri-logistics**

Ukraine's grain exports in the period under review decreased by 30%, largely as a result of temporary delays of VAT repayments due to grain exporters in the first half of 2010. This reduction in grain exports has resulted in a decrease in income from the Kherson terminal.

Russian grain production has been severely curtailed due to drought conditions in the summer of 2010 and, as a result, Russia has banned wheat exports until at least the end of 2010. Ukraine's agricultural production has also been affected by weather conditions and, although the country has not implemented export quotas on barley and wheat, exporters are currently facing substantial barriers to shipping these crops outside the country. The corn crop, also weather-affected, is due for export from October this year and prospective quota restrictions for this crop cannot be ruled out.

World food shortages are forecast as a result of increasing populations, demands for better dietary standards in emerging economies and global warming. ESV's operations are well-positioned to service the traditional grain and seed markets when normalised conditions return.

**Terneuzen Tank Terminal, Netherlands**

In the current economic environment, the directors do not consider it appropriate to pursue the Terneuzen Tank Terminal project; hence the value of the Group's investment has been impaired. Negotiations are ongoing with strategic partners to acquire ESV's interests in the lease and recover the Group's costs.

At the next Annual General Meeting the Directors will seek authority to issue shares to raise finance and/or bring in strategic partners to expand the grain handling and storage facilities at Kherson.

The Group continues to monitor carefully and where possible reduce costs and commitments to operate its businesses within the financial resources available.

#### Results for the year

The sale of Mozambique operations in November 2009 gave rise to a loss on disposal of £856,597 (2009: £nil). This figure is lower than previously reported as a result of favourable exchange rates. Including this charge the Group's loss for the year amounts to £ 1,225,753 compared with £319,285 for the prior year.

The turnover includes the fee of £317,695 (2009: £548,732) for the management of the grain terminal in Kherson Sea Port.

The Directors of ESV accept responsibility for the information presented in this Report

M A Alikhani

Chairman

31 August 2010

#### **Notes to editors:**

ESV is a broadly based investment business currently involved in agribusinesses including farming and logistics in the Ukraine and grain trading.

The Company holds a purchase and sale agreement with a 12,000 hectare farming business in the Poltava region of the Ukraine and it has a management agreement with Dnipro Cargo Ltd for port management operations at the Kherson Sea Port, one of the principal transshipment centres on the Black Sea. Here it operates cargo and port facilities, principally for the export of grains.

ESV has been quoted on PLUS since 21 August 2006 (symbol ESVO).

[www.esvgroup.com](http://www.esvgroup.com)

## CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2010

	Year ended 31-Mar-2010 £	Year ended 31-Mar-2009 £
Revenue	317,695	632,967
Cost of sales	<u>-</u>	<u>-</u>
Gross profit	317,695	632,967
Cost of production – Jatropha	-	1,029,747
Growing stock – Jatropha plant	-	(1,029,747)
Administrative expenses	(654,467)	(952,846)
Loss on sale of Business	(856,597)	-
Impairment of assets	(32,384)	-
Operating loss	<u>(1,225,753)</u>	<u>(319,879)</u>
Finance income	-	772
Finance costs	-	(178)
Loss before taxation	<u>(1,225,753)</u>	<u>(319,285)</u>
Taxation	<u>-</u>	<u>-</u>
Loss for the year	<u><u>(1,225,753)</u></u>	<u><u>(319,285)</u></u>
Loss per share Basic and diluted	0.17p	0.04p

The board is not recommending the payment of a dividend in respect of the year ended 31 March 2010.

## CONSOLIDATED BALANCE SHEET

As at 31 March 2010

	2010 £	2009 £
Non-current assets		
Property, plant and equipment	5,160	278,126
Investments	-	269,362
	5,160	547,488
Current assets		
Inventory	-	2,016,960
Trade and other receivables	1,852,932	427,092
Cash and cash equivalent	2,763	8,851
	1,855,695	2,452,903
Total assets	1,860,855	3,000,391
Current liabilities		
Trade and other payables	(1,245,352)	(939,145)
Bank overdraft	(28,760)	(27,689)
	(1,274,112)	(966,834)
Net current assets	581,583	1,486,069
Non-current liabilities		
Deferred tax	-	-
	-	-
Total liabilities	(1,274,112)	(966,834)
Net assets	586,743	2,033,557
Equity		
Share capital	164,249	164,249
Share premium	3,330,805	3,330,805
Translation reserve	(240,170)	(19,109)
Accumulated loss	(2,668,141)	(1,442,388)
Total equity	586,743	2,033,557

The consolidated results for the year have been extracted from financial statements of the Group for the year and do not constitute full statutory accounts for the Group. The financial information is not audited but has been reviewed by the Company's auditors.

The comparative figures are for the year ended 31 March 2009.

For further information:

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