ESV GROUP PLC

("ESV" or "The Group")

Preliminary Results for the Year ended 31 March 2012

ESV Group Plc, the farming and logistics company, is pleased to announce its preliminary results for the year ended 31st March 2012. ESV recently announced a Trading Update on 31 July 2012 and the information from that update is included below as relevant.

**CHAIRMAN'S STATEMENT**

ESV Group Plc, the Ukraine-focussed farming and logistics company, announces its preliminary results for the year ended 31 March 2012

**Sale of Mozambique Jatropha plantations**

The Agreement for the sale of the Group's Jatropha plantation business in Mozambique was first announced in November 2009. Subsequently the Company has reported that the final tranche of US$1.9 million receivable from the sale was contingent upon the issuance of the Jatropha farming rights for the second plantation area by 9 May 2011. The parties who purchased the plantation from the Group did not co-operate in applying for the land rights issuance as they were required to do and had agreed to do.

As previously reported the Group has commenced litigation to seek redress from the purchasers through the Mozambique courts. In the absence of the purchasers or their advisors at Court hearings and their failure to disclose their actions and/or inactions, the court has now upheld ESV's position by instructing the Company to obtain confirming information from the Mozambique land authorities for presentation to the Court. The Company is now awaiting this information.

From the final amount 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**

As previously reported, the Ukraine parliament approved the lifting of export duties with effect from 22 October 2011 and income for Dnipro Cargo at the port of Kherson in Ukraine re-commenced on 2 December 2011. The latest official Ukraine Grain Association estimate of 2011-2012 grain production is 56.7 million tonnes with exports of 22.3 million tonnes.

However sharply increased grain prices due to world shortages of agricultural production and unfavourable weather in major grain-exporting countries especially the United States caused a diminution in grain exports from Ukraine during the latter part of the period under review. Ukrainian farmers have been reluctant to sign contracts while there is a possibility of still higher prices.

Since the resumption of shipping grain exports in 2011, Kherson has been subject to increased competition from other Black Sea ports.

Additionally, in early 2012, some major clients who had been expected to ship through Kherson were unable to complete their planned loading operations. In one case, substantial wheat tonnages due to be transported to the port via Russian railways had to be diverted due to increased transit tariffs in that country. Another ESV client was acquired by a third party during the period, resulting in its Ukrainian operations being restricted.

As a result of the foregoing, following the resumption of exports from Ukraine after 2 December, ESV's total shipments during the 2011/12 season consisted of mainly "niche market" products (e.g. corn gluten feed pellets) shipped in smaller vessels.

Consequently traffic through the Kherson port was reduced to a total of 17,847 tonnes in the period from December 2011 to March 2012 inclusive.

**Outlook for 2012-2013**
For 2012-2013, the Ukraine Grain Association estimates that grain exports will be some 10% lower than 2011/2012 at 20 million tonnes.

The Ukrainian Minister of Agricultural Policy and Food, Mykola Prysiazhniuk, stated that due to increased global grain prices external customers had largely suspended purchases in the month of July 2012 in order to analyse the market position but he expected exports to recover. The Black Sea region accounts for more than 20% of the world's annual wheat exports of 140 million tonnes of wheat.

It is the Board's expectation that conditions will improve during the remainder of the 2012-2013 season and it expects the Company to handle at least 60,000MT of corn and 60,000MT of other grain exports in the fiscal year ahead.

The Company is continuing its negotiations with strategic partners to further equip and expand the grain handling and storage facilities at Kherson. It has been aided in this regard by the passing of a new law on Seaports in Ukraine by the Ukrainian parliament in May 2012, which is expected to be implemented on 13 June 2013. This expressly permits private enterprises to carry out business activity alongside state-owned ports. There are interim provisions and where, as in the case of Dnipro Cargo, existing arrangements between state and private ports exist they will remain valid.

World food shortages are forecast as a result of increasing populations and demands for better dietary standards in emerging economies, in addition to the response to production output reductions. Our operations are well-positioned to service the traditional grain and seed markets.

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

**Going concern**
The Company has created a solid platform in terms of its Ukraine agri-logistics business. In order to maintain its operations and pursue new opportunities, the Company will need to raise finance. Nevertheless, the Directors anticipate that, as historically, the Company's financial needs will be met as they arise.

**Results for the year**
The Group loss for the year amounts to GBP314,026 compared with GBP468,630 for the prior year. The turnover represents the fee of GBP12,598 (2011: nil) for the management of the grain terminal in Kherson Sea Port.

**Future developments**
The Directors of ESV are identifying new opportunities, both inside and outside its current Ukraine base, which the Company intends to pursue.

Firstly, the Company is continuing to monitor closely developments in the agricultural sectors in Ukraine and other strategic areas. It intends to leverage and monetise its expertise gained in Ukraine and develop its widespread contacts with African countries in particular.

It is assembling an international team of consultants in agro-economics to take advantage of the rapidly-expanding requirement for dairy, cereal and bio-fuel production. For instance in Zambia, where there is availability of good land and an excellent dependable climate, the Company is actively investigating the potential for import substitution of a range of high-value crops.

The world is currently undergoing food shortages which are forecast to continue in the years ahead. The OECD-FAO Agricultural Outlook 2010-2019 Report estimates a steady rise of 1.1% per annum in global population numbers and that this will require a 70% increase in world food production by 2050.

There is therefore a significant opportunity for ESV to utilise its knowledge, experience and contacts in the Ukraine and other strategic areas to develop and expand its agricultural interests.

Secondly, ESV has progressed its existing Memorandum of Understanding ("MOU") with a Sichuan, People's Republic of China ("PRC") based developer of a silica-based organic fertiliser, through meetings in both the PRC and the UK. The fertiliser, applicable to soils in desert and near-desert areas, uses layered porous silicate, a nanometre interlayer and high polymerising technology. It can alter and improve the structure of desert land and create conditions for a positive cycle of water, fertiliser and vegetation growth. The material has been used successfully in the PRC for the last 12 years.

Bringing desert areas into agricultural production is a key objective of many emerging countries and of the product. Under the MOU, ESV is projected to have a majority share in a dedicated Joint Venture that is planning to conduct trials in Tunisia, Jordan, UAE, Israel, Zambia, Mozambique and South Africa with a view to marketing the product internationally.

M A Alikhani

Chairman

31 August 2012

Notes to editors:

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

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 transhipment 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

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 March 2012

| | Year ended 31-Mar-2012 GBP | Year ended 31-Mar-2011 GBP |
|---|---|---|
| Continuing operations: | | |
| Revenue | 12,598 | - |
| Administrative expenses | (326,624) | (468,630) |
| Loss for the year before and after tax from continuing operations | (314,026) | (468,630) |
| Loss for the year attributable to equity holders of the Company | (314,026) | (468,630) |
| Loss per share | | |
| Basic and diluted (pence) | 4.40p | 6.56p |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Year ended 31-Mar-2012 GBP | Year ended 31-Mar-2011 GBP |
|---|---|---|
| Loss for the year | (314,026) | (468,630) |
| Other comprehensive income: | | |
| Exchange translation differences on foreign operations | 21,516 | 26,325 |
| Total comprehensive loss for the year attributable to equity holders of the Company before and after tax | (292,510) | (442,305) |

The board is not recommending the payment of a dividend in respect of the year ended 31 March 2012.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2012
Company Number 05738279

| | Year ended 31-Mar-2012 GBP | Year ended 31-Mar-2011 GBP |
|---|---|---|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | - | 1,125 |
| Current assets | | |
| Trade and other receivables | 249,557 | 235,301 |
| Available for sale financial asset | 1,188,244 | 1,184,982 |
| Cash and cash equivalents | 1,586 | 1,070 |
| | 1,439,387 | 1,421,353 |
| Total assets | 1,439,387 | 1,422,478 |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 1,560,686 | 1,253,656 |
| Bank overdraft | 26,773 | 24,384 |
| Total liabilities | 1,587,459 | 1,278,040 |
| Net (liabilities)/assets | (148,072) | 144,438 |
| Equity | | |
| Share capital | 164,249 | 164,249 |
| Share premium | 3,330,805 | 3,330,805 |
| Retained earnings | (3,450,797) | (3,136,771) |
| Cumulative translation reserve | (192,329) | (213,845) |
| Equity attributable to equity holders of the parent company | (148,072) | 144,438 |

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 2011.

The following is extracted from the auditors report:
"Emphasis of Matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the Group and Company's ability to continue as a going concern.

The group has net liabilities of £148,072, including £1,188,244 receivable from sale of Mozambique assets, and £219,367 due from the Dnipro Cargo terminal. The short and long term operating cash flows are affected by the uncertainty of the recoverability of these amounts.

The above factors along with the other matters explained in Notes 1 and 4 to the financial statements, may cast significant doubt about the Group and Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group or Company was unable to continue as a going concern."

The Directors of the Company accept responsibility for the contents of this announcement.

August 31, 2012

For further information:

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