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Mountfield Group plc
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Mountfield Group Plc (the "Group")

Trading update

The Directors are pleased to announce that they expect the Group's results for the year ended 31 December 2012, scheduled to be released during the first half of May 2013, to show a return to full-year profitability. Second half revenue and profitability were however adversely impacted by issues encountered on a substantial office construction contract, where Mountfield Building Group Limited ("MBG"), as a sub-contractor, was unable to obtain full recovery of the project costs.

The Directors are also pleased to announce that Connaught Access Flooring ("Connaught"), the Group's specialist data centre flooring company, is in final negotiations concerning a £3 million contract to supply and fit the flooring for the first stage of a major European data centre. This would represent the largest contract undertaken by Connaught to date and is scheduled to be completed this year. A further announcement will be made when appropriate.

In addition, MBG has been awarded the second phase of the DCE Birmingham project and a further contract extension is expected for a data centre at Cody Park, Farnborough. Both of these contract extensions, which have a combined value of approximately £2 million, are scheduled for completion in the current year, with potential for MBG to secure further stages.

The Directors believe that the data centre sector will remain buoyant for the foreseeable future, with the Group already involved in negotiations on other new data centre construction and refurbishment projects, both through MBG and Connaught.

The expansion of MBG's construction activities into new areas continues to bear fruit and in addition to contracts for smaller non-data centre works, negotiations are underway on other construction projects, including an introduction from the Group's joint venture partner, HUB (UK) Limited.

The Directors remain confident that the Group will perform strongly in the current year.

Graham Read, Chief Executive Officer, commented:

"We are encouraged by the flow of new work we are experiencing, and new contract tenders have increased markedly during the last three months. I am particularly encouraged by Mountfield's performance in winning follow-on work on multi-stage projects as well as new projects."

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