

**Countrywide plc**

**Analysts'**

**Presentation**

**10 March 2005**

# Countrywide plc

## 2004 Results

### A Year of Change

- Chesnara demerged in May.
- £85 million returned to shareholders in addition to the dividend in June.
- Bradford & Bingley Estate Agents and SecureMove Property Services acquired for £44.4m in October.
- Housing market declined over the year, with volumes of new sales in the second half at low levels.

# Countrywide plc

## 2004 Results

### Group Headlines

	2004	2003	Change
Operating Profit (pre one-off items)	£58.2m	£81.6m	- 29%
Operating Profit	£52.5m	£78.8m	- 33%
Profit Before Tax	£42.7m	£74.2m	- 42%
Adjusted EPS (pre one-off items)	24.49p	29.50p	- 17%
Earnings Per Share	16.84p	28.80p	- 42%
Final Dividend	4.50p	9.50p*	- 53%
Total Dividend	9.00p	13.80p*	- 35%

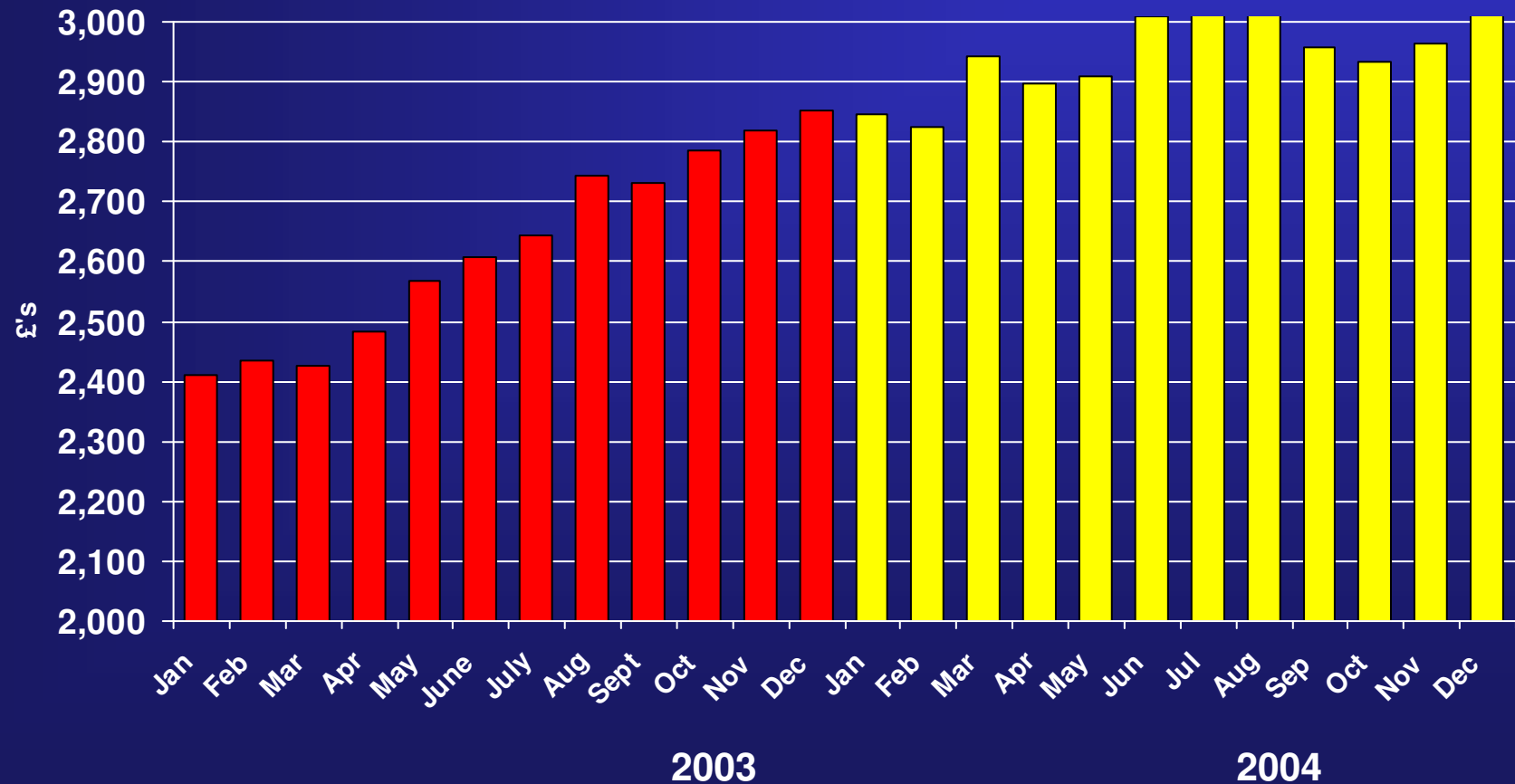
\*adjusted to reflect the capital restructuring

**Countrywide plc**  
**2004 Results**  
**Countrywide Group**  
**Estate Agency**  
**(excluding Bradford & Bingley & franchised offices)**

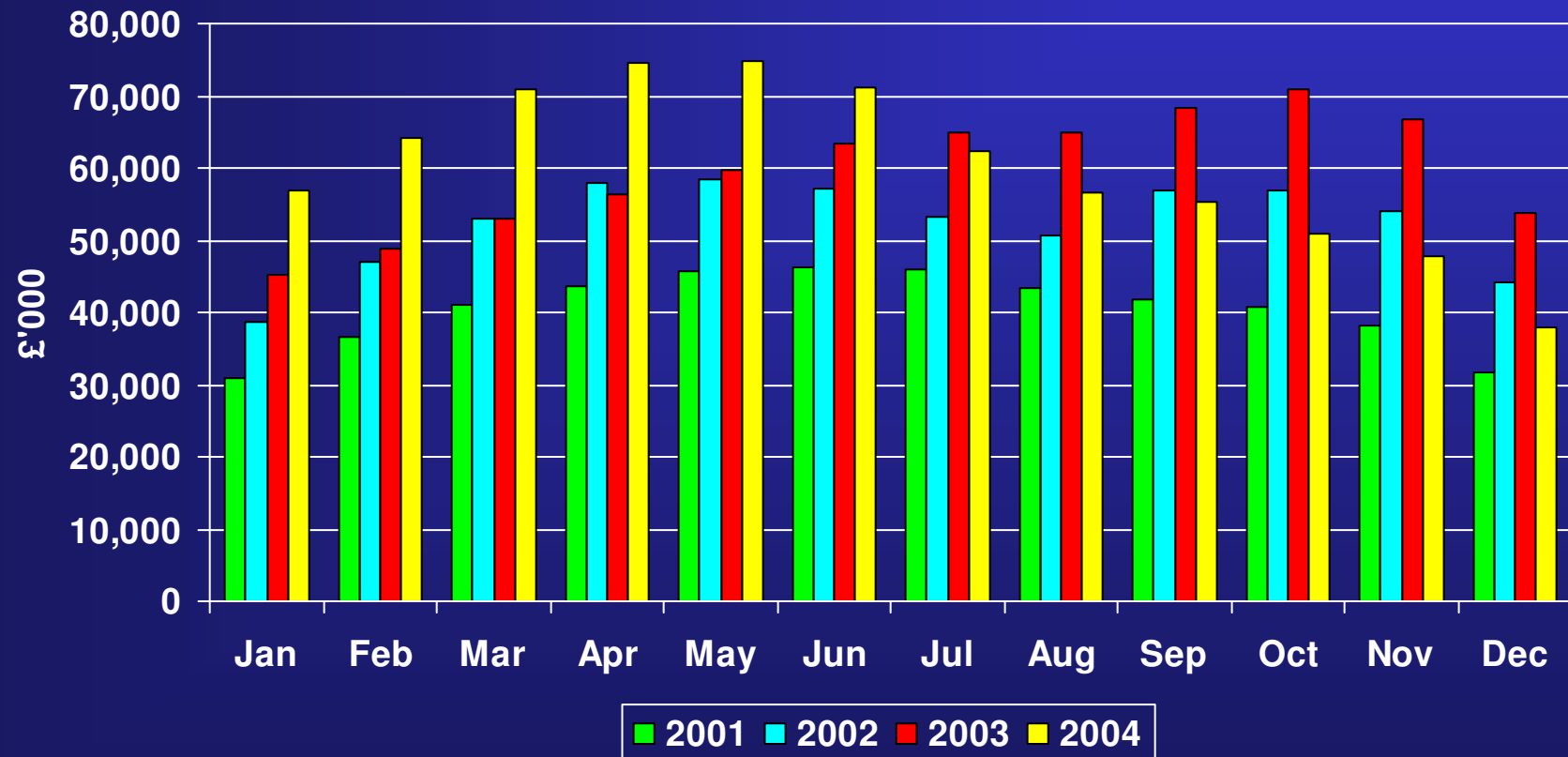
<b>806 Offices</b>	<b>2004</b>	<b>2003</b>
Sales	75,406	81,633
Av. Price	£172,264	£149,755
Commission	1.71%	1.76%
Av. Fee	£2,949	£2,638
Profit	£31,300k*	£32,300k

\* includes £2.1m of central agency management costs.

# Countrywide plc 2004 Results Average Selling Fee Existing Business



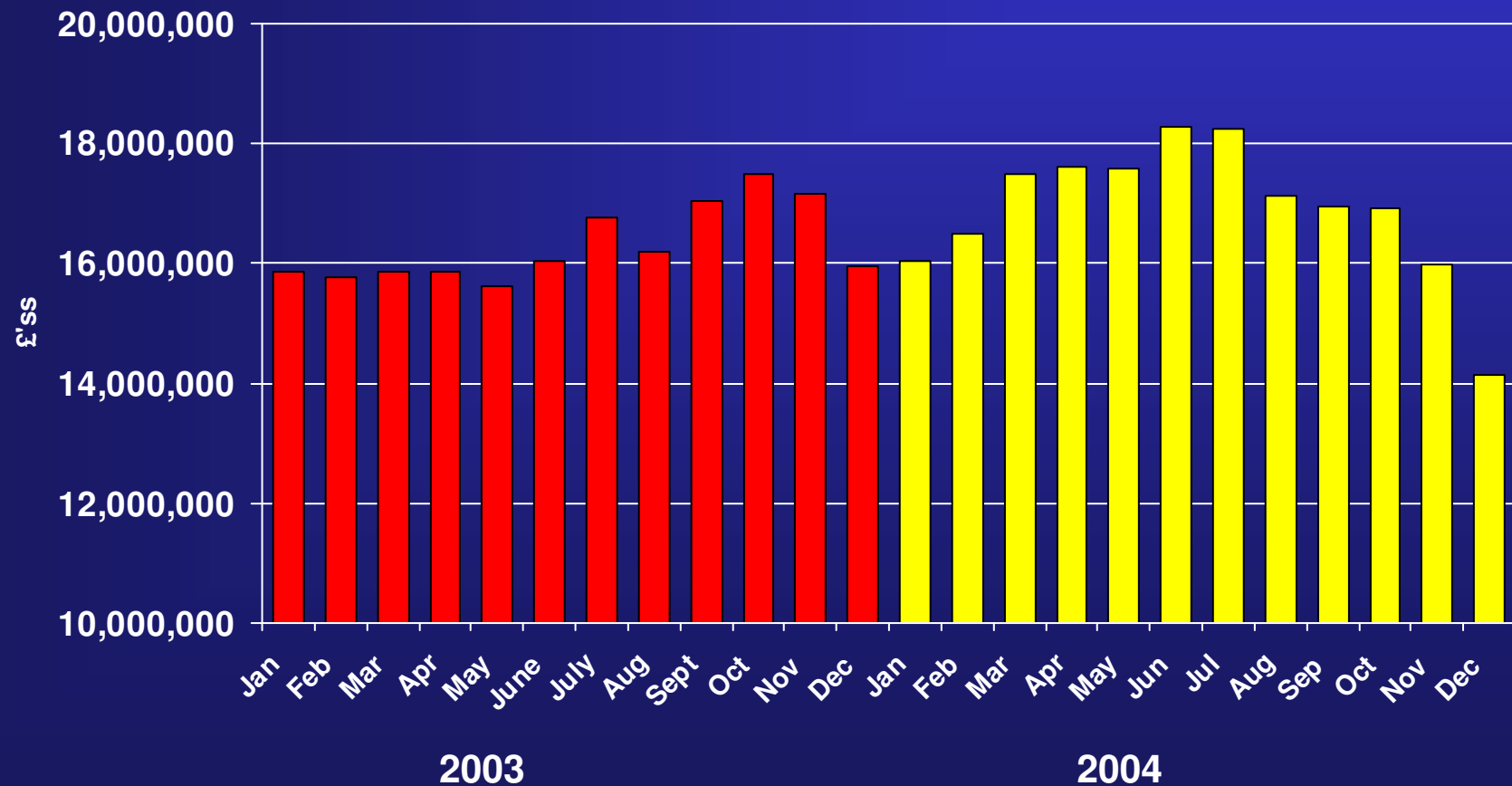
# Countrywide plc 2004 Results Monthly Pipeline 2001 – 2004 Existing Business



# Countrywide plc

## 2004 Results

### Monthly Costs – Estate Agency Existing Business



# Countrywide plc

## 2004 Results

### Estate Agency Division

### Ex-Bradford & Bingley Group

<b>311 Offices</b>	<b>2004</b>	<b>2003</b>
Sales	31,791	32,165
Av. Price	£178,835	£158,311
Commission	1.35%	1.27%
Fee	£2,414	£2,015
Loss (our ownership)	£6,800k	Unknown

# Countrywide plc

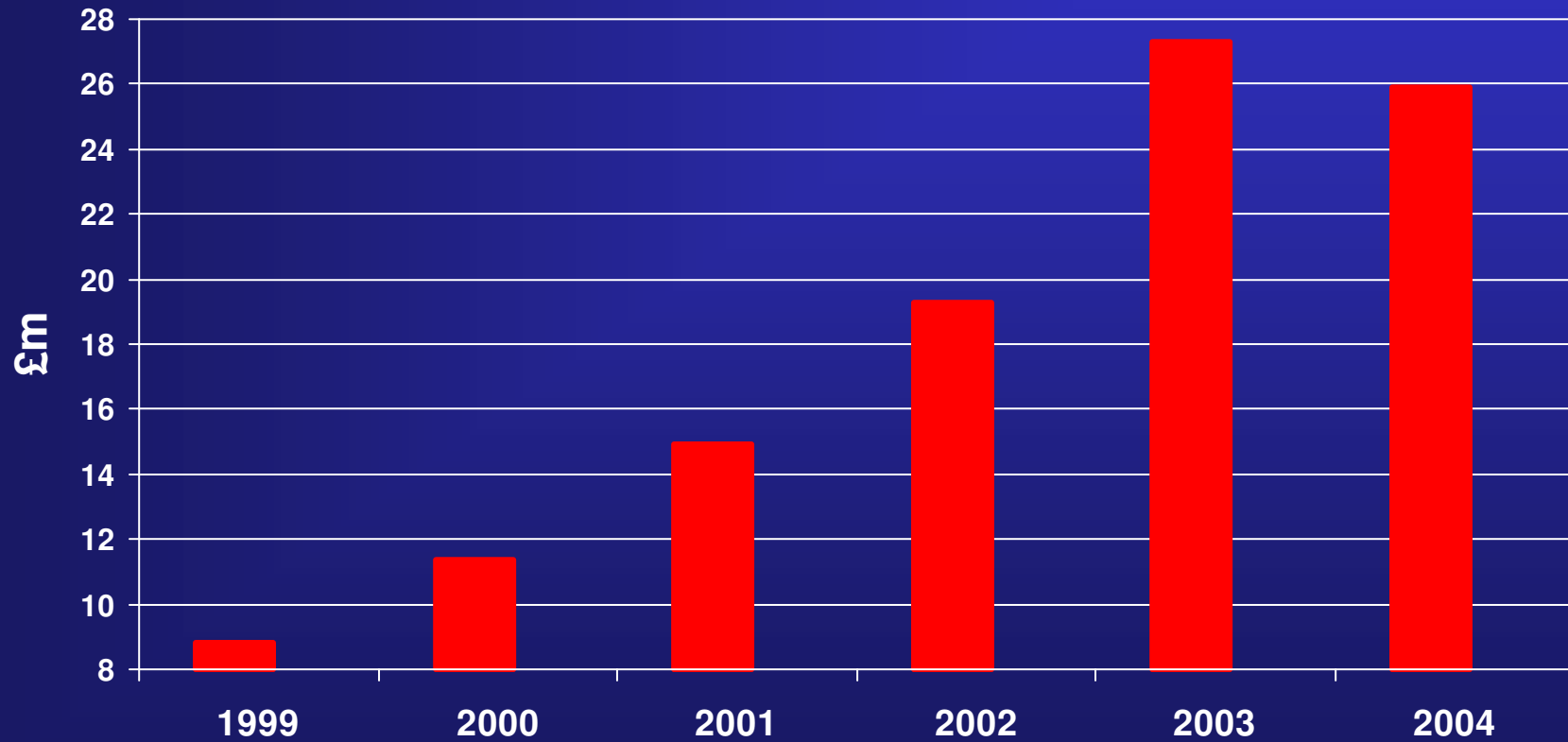
## 2004 Results Financial Services Existing Business

	2004	2003
Turnover	£62.1m	£72.9m
Profit	£8.5m	£21.9m
Life Policies	30,992	43,587
Panel Mortgages	45,482	50,773
General Insurance	42,260	49,664
Conversion Rate:		
Mortgages	62.5%	62.2%
Life Policies	41.1%	51.4%

# Countrywide plc

## 2004 Results

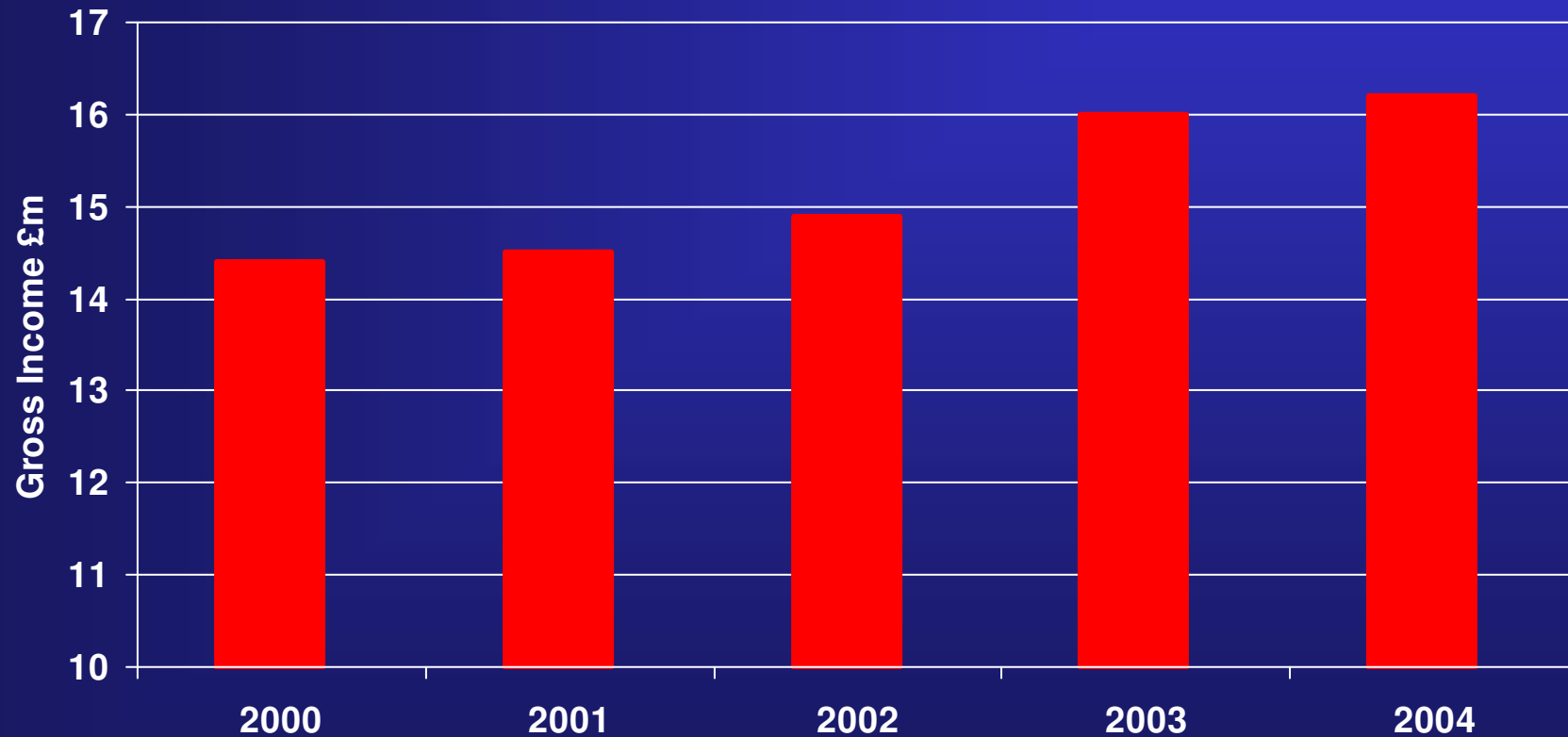
### Mortgage Fee Income Existing Business



# Countrywide plc

## 2004 Results

### General Insurance Gross Income – AXA Existing Business



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## 2004 Results

### Countrywide Surveyors

	2004	2003
Income	£99.3m	£108.0m
Profit	£27.2m	£31.9m
Margin	27.5%	29.5%
Surveys	572,371	605,857

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## 2004 Results

### SecureMove Property Services

	Pre Acquisition	Post Acquisition
Income	£32.8m	£7.5m
Profit/Loss	£2.4m	(£0.5m)

# Countrywide plc

## 2004 Results

### Residential Conveyancing

	2004	2003
Income	£20.9m	£20.2m
Loss	(£3.0m)	(£2.4m)
Revenue Investment	£2.2m	£2.3m
Completions	33,515	35,063

# Countrywide plc

## 2004 Results

### Rightmove

### 2004

Turnover	£9.178m
EBITDA	£3.004m
Profit Before Tax	£2.335m
Cash at Bank	£3.57m

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## 2004 Results

### Rightmove

### January 2005

Turnover	£1.090m	
EBITDA	£61,000	
Profit Before Tax	£4,000	- After spending £485,000 in one-off tv advertising in the month
Paying Agency Branches	6723	- Av. £139 pm
Letting Branches	1161	- Charging from 01/07/05
New Homes Estates	952	- Av. £193 pm
Overseas Customers	100	- Av. £290 pm
Page impressions	165million	- Up 85% on 12 months ago

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## 2004 Results

### TMG Holdings Ltd

	2004	2003
Turnover	£20m	£13m
Pre-Tax	(£318k)	(£927k)
Regular Customers	650	450
Cash at Bank	£1.1m	£372k

Previously written off goodwill of £1.9m has been reinstated.

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## 2004 Results

### Platform for the Future

- HIPS legislation now passed for introduction in 2007.
- UK's largest agency group – circa 9% market share.
- UK's largest survey practice – circa 25% market share.
- UK's largest & technically sophisticated home transfer legal practice.
- UK's leading property Internet portal (30% of Rightmove)
- UK's (1 of 3) leading providers of electronic searches (46.7% of TMG)

# Countrywide plc

## 2004 Results

### Cash Flow

	2004 £m	2003 £m
Operating Cash Flow	74.0	85.2
Tax Paid	(22.0)	(24.8)
	<hr/>	<hr/>
	52.0	60.4
Interest	(0.3)	0.6
Net Capital Expenditure	(14.6)	(13.8)
Investment	24.4	(2.7)
Term Loans	59.4	1.1
Group restructuring	(10.5)	0.0
Acquisitions	(48.5)	(0.6)
Transferred out on Demerger	(1.0)	-
	<hr/>	<hr/>
	60.9	45.1
Dividends	(23.5)	(20.3)
Shares Issued	12.7	2.0
Return of capital	(85.0)	-
Cash transferred into Reinsurance Cell	-	(1.2)
Net portfolio – Life company shareholder investments	(8.3)	5.2
	<hr/>	<hr/>
Cash (Outflow)/Inflow	(43.2)	30.8
	<hr/>	<hr/>

# **Countrywide plc**

## **2004 Results**

### **Bradford & Bingley Agency & Surveying Acquisition**

- Purchase price £44.4m paid in cash.
- Assets acquired £28.5m after fair value adjustments.

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## 2004 Results

### Bradford & Bingley

### Separation and Integration Costs

	Spent Revenue £000s	2004 Capital £000s
Estate Agency	1085	380
Lettings	64	12
Financial Services	63	
SecureMove	39	312
	<hr/>	<hr/>
	1251	704
Branch Closure Provision	1176	0
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	2427	704

# Countrywide plc

## 2004 Results

### Bradford & Bingley

### Separation and Integration Costs

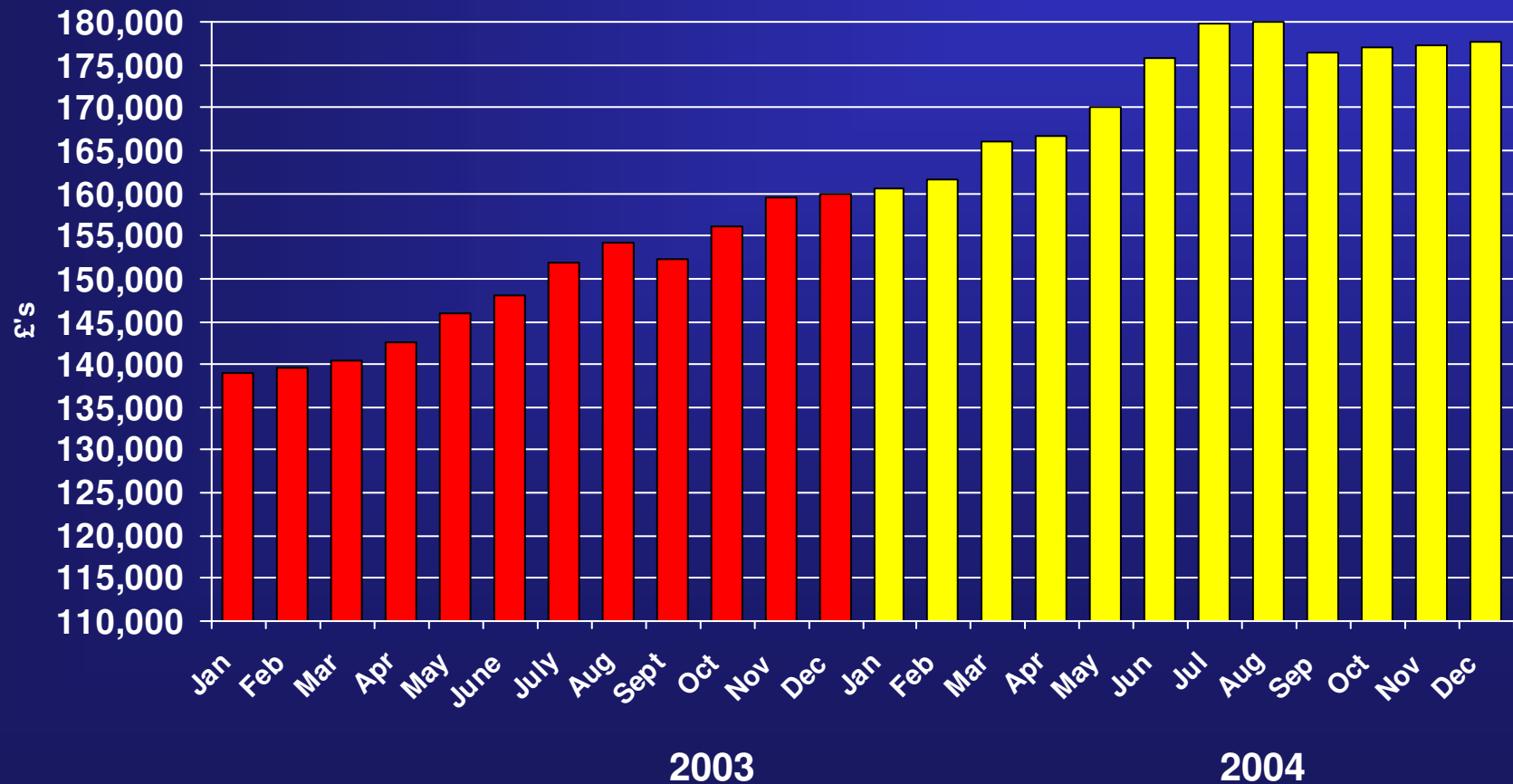
	To Be Spent Revenue £000s	2005 Capital £000s
Estate Agency	600	1065
Lettings	133	183
Financial Services	315	
SecureMove	22	41
	<hr/>	<hr/>
	1070	1289
Branch Closure Provision	0	0
	<hr/>	<hr/>
	1070	1289

# **Countrywide plc**

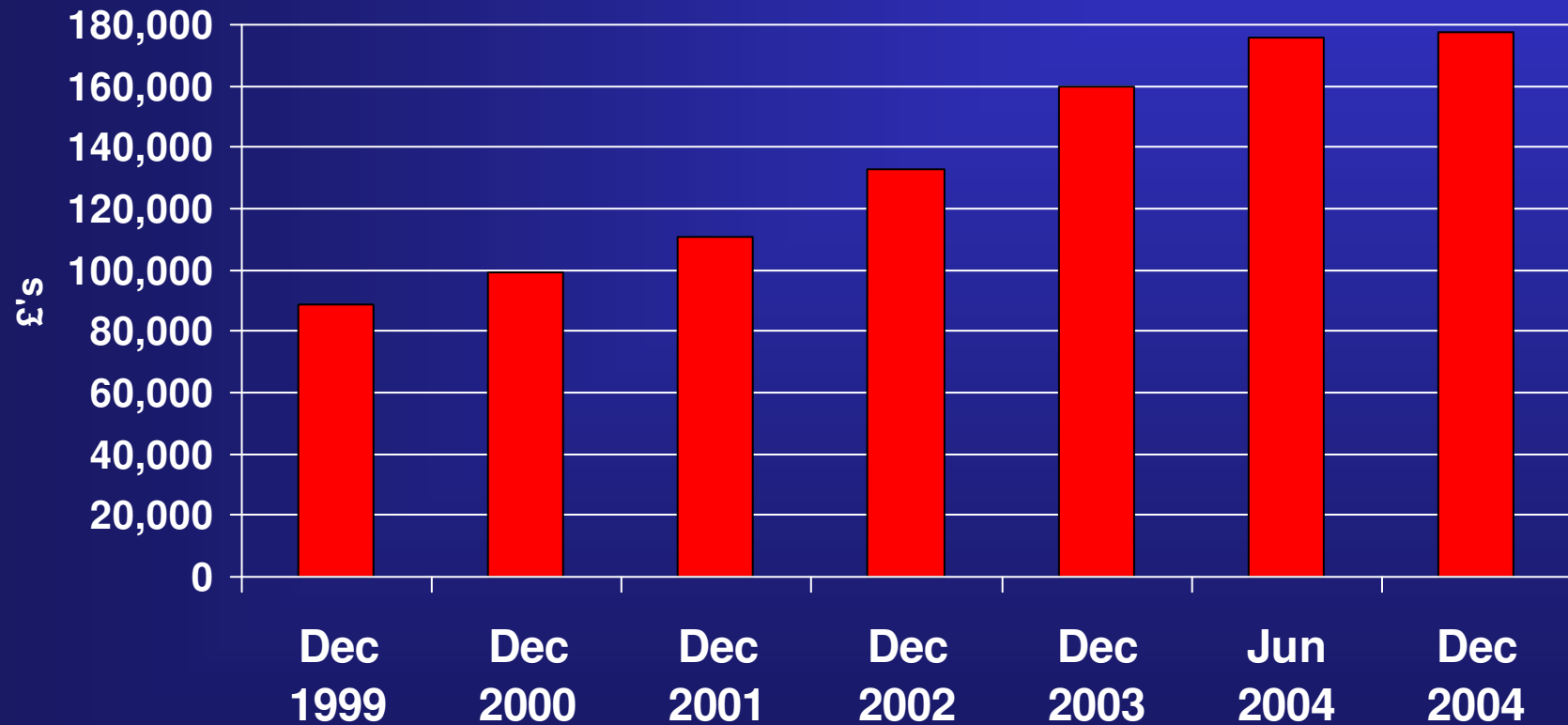
**Analysts' Presentation  
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**Appendix**

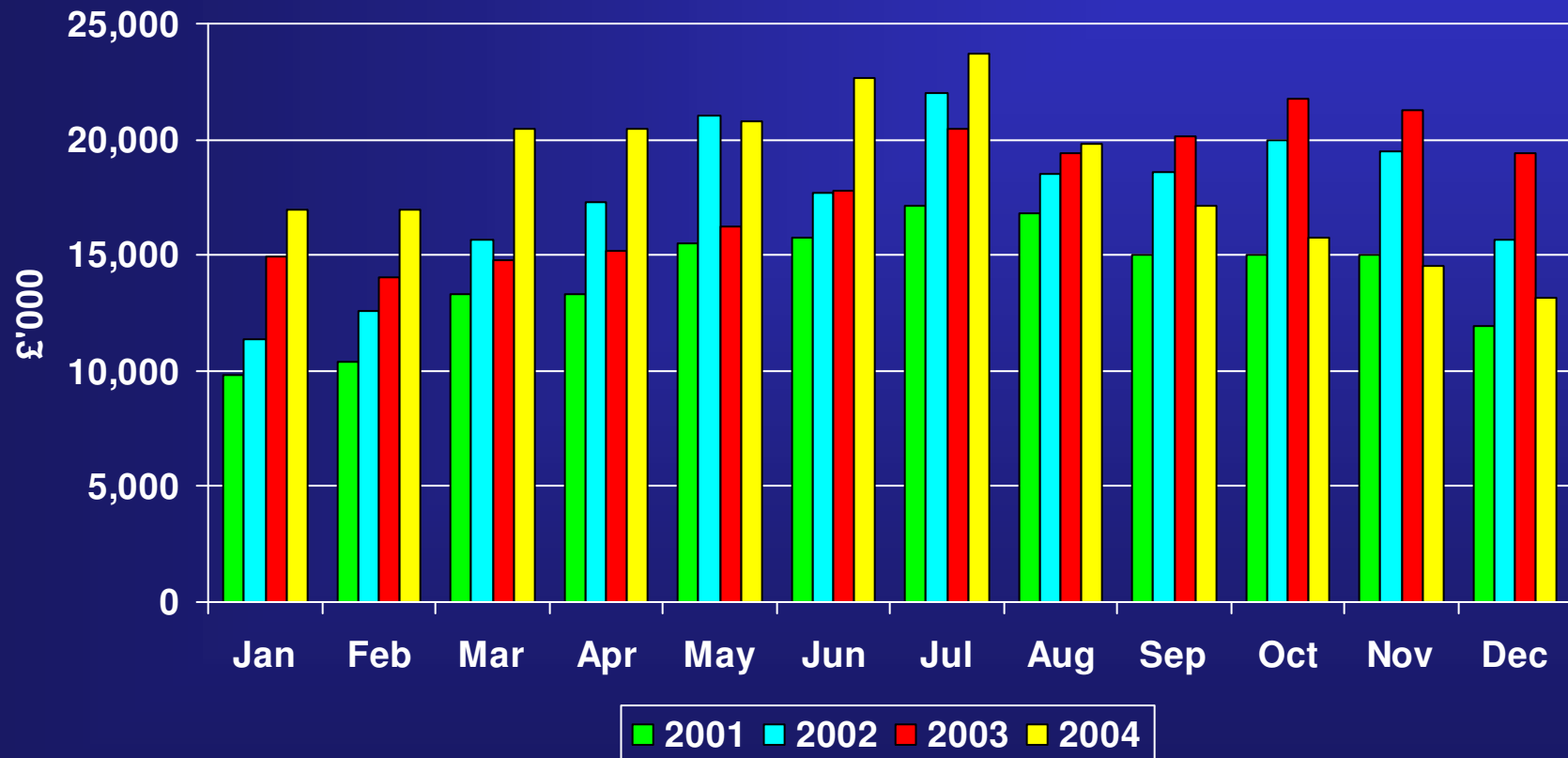
# Countrywide plc 2004 Results Average Selling Price



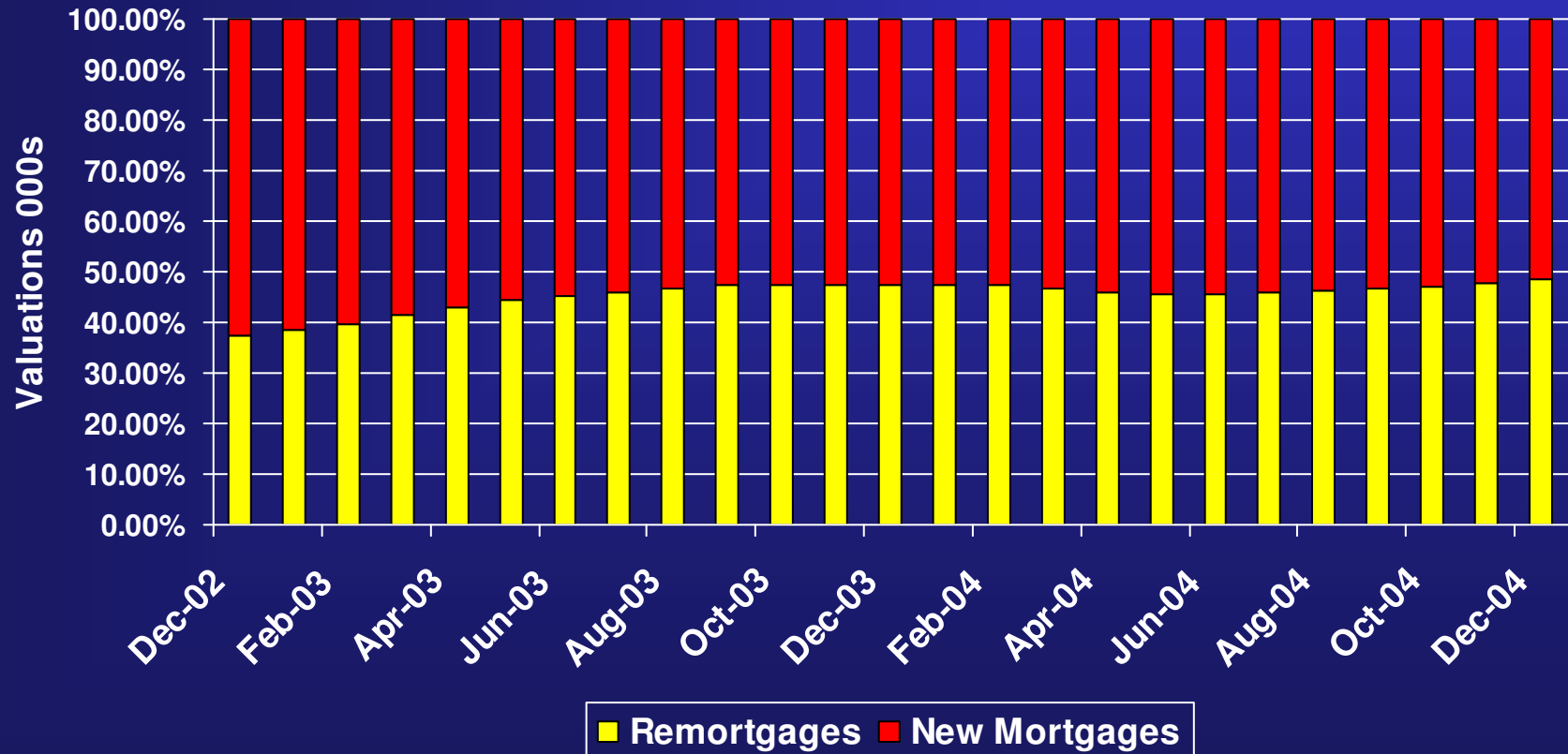
# Countrywide plc 2004 Results Average House Price



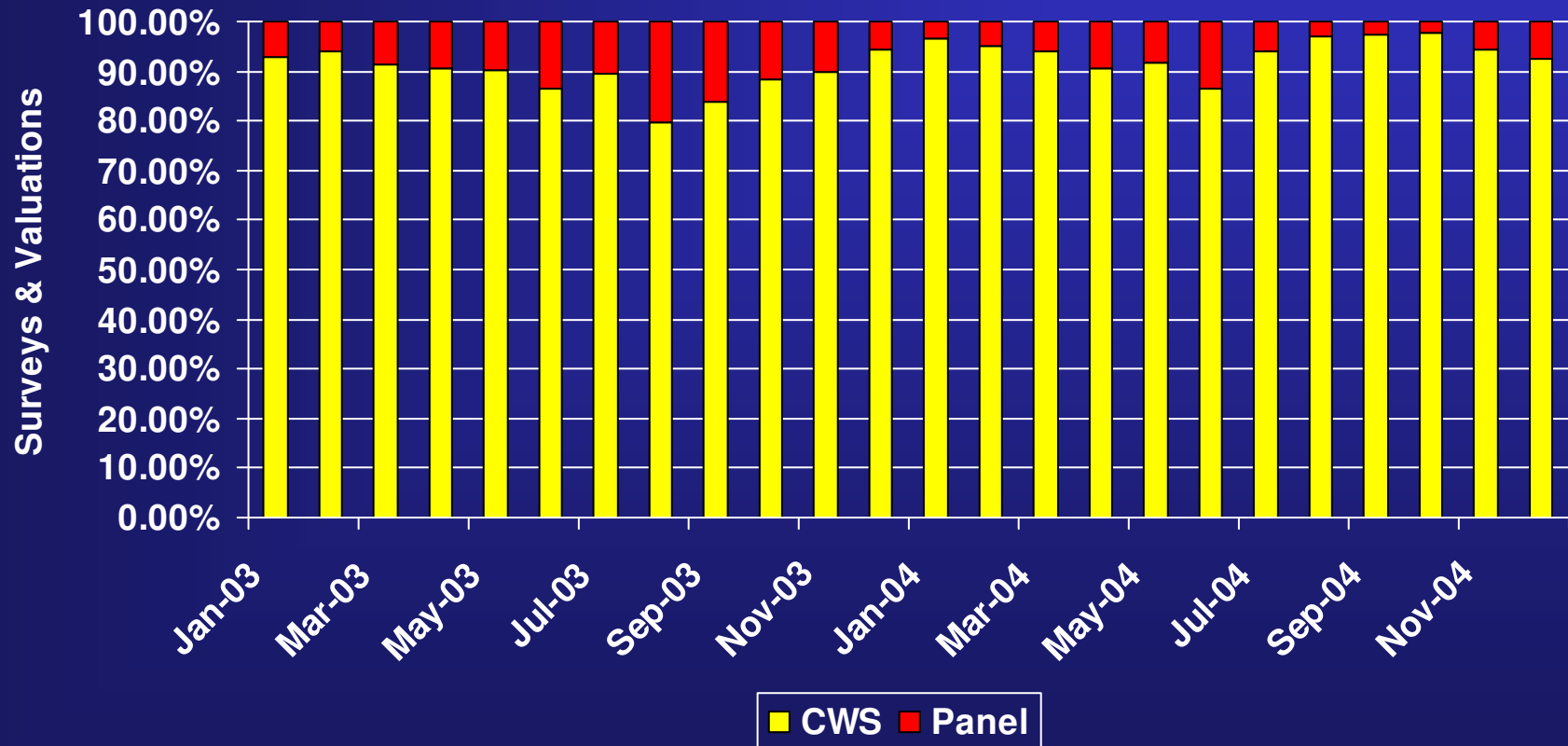
# Countrywide plc 2004 Results Exchange Income 2001 - 2004



# Countrywide plc 2004 Results Countrywide Surveyors Business Mix Moving Annual Total



# Countrywide plc 2004 Results Countrywide Surveyors and Panel Instructions



# Countrywide plc 2004 Results

## Countrywide Property Lawyers and Panel Instructions

