

Tuesday, 14 January 2014

Countrywide plc Trading Update

Countrywide plc (LSE:CWD), the UK's largest integrated property services group, announces the following update ahead of its Final Results for the year to 31 December 2013, which will be released on 27 February 2014.

Financial highlights

- Q4 saw a continuation of previous encouraging trends with strong growth in total group income as follows:

Q4 total income	<u>£m</u> 171.0	<u>v. 2012</u> +25%	(+13% excluding Lambert Smith Hampton)
Full year 2013	584.8	+11%	(+8% excluding Lambert Smith Hampton)

- The continued income momentum together with careful levels of overall cost management will result in a profit for 2013 at the top end of our expectations and will provide a solid platform to deliver our plans for 2014.

Business highlights

- Underlying volumes within our core divisions continue to reflect encouraging growth:

	<u>Q4</u> <u>2013</u>	<u>v. Q4</u> <u>2012</u>	<u>FY</u> <u>2013</u>	<u>v. FY</u> <u>2012</u>
- House exchanges	18,782	+18%	65,809	+9%
- Retail properties under management	55,712	+23%	52,181	+23%
- Number of mortgages arranged	18,016	+26%	60,646	+12%

- We continue to invest in high quality acquisition opportunities with the recent purchase of TuckerGardner, a leading four branch sales and lettings business in Cambridge and surrounding areas.
- Our strategy of investing in lettings opportunities continued in 2013 with £23.9m spent acquiring 28 lettings businesses.
- Our recognition for service continues with recent Sunday Times awards for Best New Homes Agency for Countrywide Land and New Homes and also the Gold Award for Best Large Agency going to Hamptons International, both awards were for the second consecutive year. In addition, Countrywide Residential Lettings won National Large Lettings Agency of the Year at The Negotiator Awards 2013.

Market overview

Recent market data remains positive with Land Registry volumes for the 9 months to September 2013 up 12% on the same period in 2012 and Bank of England volumes for new home mortgage approvals (seasonally adjusted) for the 11 months to November showing an increase of 19%. This recovery in market volumes is encouraging but this has to be put in perspective - the last 12 months of Bank of England mortgage volumes shows approvals of 718,000 compared to 1.4 million in 2006.

After the most difficult five year period ever in the housing market, the recovery is still at an early stage. The key to a lasting recovery is assisting first time buyers and the general housing market outside of London and the South East. We remain supportive of the Government's policies to achieve this and are wary of London centric market commentators views that the whole UK housing market is overheated. It is interesting to note that of the 6,000 applications that have been made by borrowers under the Help to Buy mortgage guarantee scheme, some 80% are first time buyers and 75% are outside London and the South East.

Outlook

The recovery evident in the residential property market in Q3 continued in Q4 with 2013 reflecting the first significant steps on the road to recovery. This will help the group deliver a profit result at the top end of our expectations for 2013. It is too early to be definitive on the level of housing market transactions in 2014, although based on recent trends we are confident that we will deliver our current profit expectations for 2014.

Grenville Turner, Chief Executive at Countrywide, commented

"It is extremely pleasing to end 2013 with such strong results showing real momentum across all of our trading divisions. All of our business streams are showing good growth in profitability and Lambert Smith Hampton has recorded a strong first quarter as part of the Group. Recent market data and healthy pipelines going into 2014 indicate an encouraging environment for Countrywide to deliver further significant growth."

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1. About Countrywide plc

Countrywide plc, the UK's largest integrated property services Group, including the largest estate agency and lettings network, operates more than 1,300 associated branches across the UK.

Countrywide plc's network of expertise helps more people move than any other business in the UK and is a leading provider of estate agency, lettings, mortgage services, land and new homes, auctions, surveying, conveyancing and corporate property management services.

Countrywide plc's award-winning service has earned the business 152 high-profile industry awards in the last five years, with customers voting Countrywide Best Large Chain – National category, at the 2013 ESTA awards. Other awards include our Land & New Homes team being named the UK's Best New Homes Agent at the Estate Agency of the Year Awards 2013 and Countrywide Residential Lettings winning National Large Lettings Agency of the Year at The Negotiator Awards 2013.

2. Forward Looking Statements

This announcement has been prepared solely to provide additional information to the shareholders of Countrywide plc in order to meet the requirements of the FCA's Disclosure and Transparency Rules. It should not be relied on by any other party, or for other purposes. Forward-looking statements have been made by the directors in good faith, using information available up until the date on which they approved this statement. Forward-looking statements should be regarded with caution, because of the inherent uncertainties in economic trends and business risks.