

Wednesday, 4<sup>th</sup> November 2015

## Countrywide plc Trading Update

Countrywide plc (“Countrywide” or the “Group”) (LSE:CWD), the UK’s largest integrated property services group, issues its trading update for the quarter ended 30 September 2015.

### Market Overview

Countrywide continues to perform well across its diversified portfolio, notwithstanding the impact on our estate agency business of lower levels of housing transactions than in 2014. However, we remain optimistic about future growth and have continued to invest both organically and non-organically throughout the year.

Despite generally encouraging economic conditions, the anticipated post-election recovery in residential transactions failed to materialise in any significant way. This is underlined by the latest market data which shows Land Registry volumes to the end of July running 8% below 2014. A key constraining factor in the current market is the availability of stock, with the number of properties coming to the market running significantly below the same period last year. Furthermore, changes in stamp duty have had no positive impact on transaction volumes but have constrained moves at the upper end of the market. The slow pace of recovery in housing sales transactions will most likely result in volumes for the year being at least 5% below 2014 at circa 950,000 in total.

### Key Performance Indicators

	Q3 2015	V Q3 2014	YTD 2015	V 2014
- House exchanges (Total Group)	18,101	-8%	48,541	-10%
House exchanges (Estate Agency)	16,063	-11%	43,642	-12%
House exchanges (London & Premier)	2,038	+20%	4,899	+2%
- Residential lettings properties under management	70,352	+5%	69,855	+7%
- Number of mortgages arranged (Financial Services)	20,572	+10%	53,730	+4%

### **Commenting on the Group’s performance, Alison Platt, CEO said:**

“While we are undoubtedly experiencing a period of short-term pressure on market volumes, we continue to invest in our underlying business to ensure we have the foundation for future growth. The benefits of this strategy are evident in the current performance from both our Surveying and Financial Services businesses where previous investments in resource capacity have produced results which are currently well ahead of their respective markets. We are also seeing good progress in our commercial property business, Lambert Smith Hampton.

“Further investment to strengthen the foundations of our lettings business continues in anticipation of significant growth in future years. We have had another good year so far in growing and strengthening our

business through acquisitions and in progressing the implementation of our plan for the next five years, Building our Future, is gaining momentum.

“Against the current backdrop of less than expected residential volumes, Group EBITDA for the nine months to 30 September was 11% below last year. While we anticipate modest year-on-year recovery in Q4, overall we anticipate our EBITDA for the full year will be less than the £121.1 million achieved in 2014, which was the most profitable year in the Group’s history.

“The economic backdrop in the UK coupled with improving consumer confidence point to modest transaction growth in 2016. With a strong residential lettings sector now forming a permanent part of the housing market, and with more customers than ever choosing to arrange mortgages through intermediaries, the outlook for 2016 is a positive one for Countrywide. Our intent, as laid out in our Building our Future strategy, is to increase our resilience to the sales cycle volatility and broaden the Group’s business to deliver a strong future and sustainable long term value for our shareholders. Whilst there is much to do to drive that both organically and through acquisition, I’m confident that the start we have made will yield positive results in the near future.”

### **Shareholder Returns**

The Group’s five year plan requires an increased level of investment to deliver significant EBITDA growth and enhance shareholder returns. The Group’s normal dividends will, however, remain unchanged at 35-45% of underlying profit after tax. For the financial year ending 31 December 2015, the Board intends to maintain the total ordinary dividend at the previous year’s level of 15.0p per share. It is envisaged that the payment of special dividends will be reintroduced in 2017 and in the meantime we will continue to monitor our options with regard to our current holding in the Zoopla Property Group.

**-Ends-**

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### **About Countrywide plc**

Countrywide is the UK's largest integrated property services Group, including the largest estate agency and lettings network. Countrywide’s network of expertise combining national scale and local reach helps more people move than any other business in the UK and is structured around four key business units: Retail, London, B2B and Financial Services.

We are proud of our strong position:

- £19 billion worth of property sold in 2014 - More homes in the UK than anyone else
- £10 billion of mortgages completed - Largest single mortgage broker in the UK
- 70,000 properties under management - Largest player in a fragmented market

Countrywide plc's award-winning service has earned the business over 225 high-profile industry awards in the last eight years, with customers voting Countrywide Best National Agency Group at the 2015 ESTAS awards. Our residential lettings business won Best Large National Lettings Agency at the Letting Agency of the Year Awards 2015 (in association with The Sunday Times and The Times) and Countrywide Surveying Services won the award for Best Surveyor/ Valuer at the Financial Reporter Awards 2015.

**1. 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.

**2. Next Results Announcement**

The next trading update is expected to be the 2015 full year results, to be issued in February 2016.