



Financial Results for the Quarter ended September 30 2012

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Executive Summary (Grenville Turner)

Q3

- Volatile market conditions
- Significant Olympic impact on August volumes
- September mild recovery but momentum rebuilding

YTD

- Strong financial performance with higher quality revenues
- Continued strong cash generation
- Strategic investment plan continues

Market

- No change to previous trends
- 2012 volumes likely to be flat on 2011
- House prices relatively stable

Outlook

- Encouraging financial performance in 2012
- No change in market dynamics expected in 2013
- 2013 will see benefits from past strategic investments

Key Group Financials (Jim Clarke)

	Q3	YTD
	<u>£m</u>	<u>£m</u>
• Revenue	<u>142.5</u> (-)	<u>399.7</u> (+6%)
• EBITDA	<u>22.6</u> (-4%)	<u>42.1</u> (+5%)

- Challenging Q3 market as predicted
- Investment for future growth continues
- Encouraging YTD financial result with quality of revenues improving as a result of improved marketing and Corporate Contract wins
- Strong cash generation continues with £52m closing cash balance

Estate Agency (Excluding Hamptons)

	Q3	YTD
	<u>£m</u>	<u>£m</u>
• Revenue	<u>56.1</u> (-7%)	<u>159.6</u> (+1%)
• EBITDA	<u>5.6</u> v. 8.0	<u>5.8</u> v.6.4

- YTD EBITDA excluding new openings +4%
- Volatile Q3 market and slower pipe-line conversion driven partly by lender behaviour
- Robust market share performance

Hamptons

	Q3	YTD	YTD (excluding new branches)
	£m	£m	£m
• Revenue	<u>20.4</u> (+1%)	<u>53.4</u> (+6%)	<u>51.6</u> (+3%)
• EBITDA	<u>5.3</u> (-7%)	<u>10.3</u> (-10%)	<u>11.4</u> (-2%)

- Challenging Q3 market in Central London
- Stamp duty changes on £2m+ properties causing some delay in transactions / completions
- Investment continues with 7 new branches in 2012 and performance on track

Lettings

	Q3	YTD	YTD (excluding new starts)
	£m	£m	£m
• Revenue	<u>26.3</u> (+19%)	<u>71.6</u> (17%)	<u>65.1</u> (+11%)
• EBITDA	<u>7.0</u> (+31%)	<u>16.6</u> (+33%)	<u>18.6</u> (+34%)

- Strong momentum continues in core business
- Acquisitions trading on target – further opportunities being explored
- New starts progressing to plan

Financial Services

	Q3	YTD
	<u>£m</u>	<u>£m</u>
• Revenue	<u>16.4</u> (-1%)	<u>46.7</u> (+5%)
• EBITDA	<u>2.3</u> v. 2.4	<u>5.5</u> v. 6.1

- Gross mortgage lending and mortgage approvals down in Q3 with some increase in cancellations
- Action plan on costs now in place
- Overall market share growth encouraging

Surveying and Valuation

	Q3	YTD
	<u>£m</u>	<u>£m</u>
• Revenue	<u>16.4</u> (-4%)	<u>49.2</u> (+7%)
• EBITDA	<u>3.0</u> (+12%)	<u>7.5</u> (+13%)

- Volumes down in line with market trends
- Continued realisation of cost savings from strategic changes
- Strong 'direct to consumer' performance
- Robust YoY profit growth continues

Conveyancing

	Q3	YTD
	<u>£m</u>	<u>£m</u>
• Revenue	<u>6.9</u> (+4%)	<u>18.5</u> (+10%)
• EBITDA	<u>2.4</u> v. 2.5	<u>5.5</u> v. 5.6

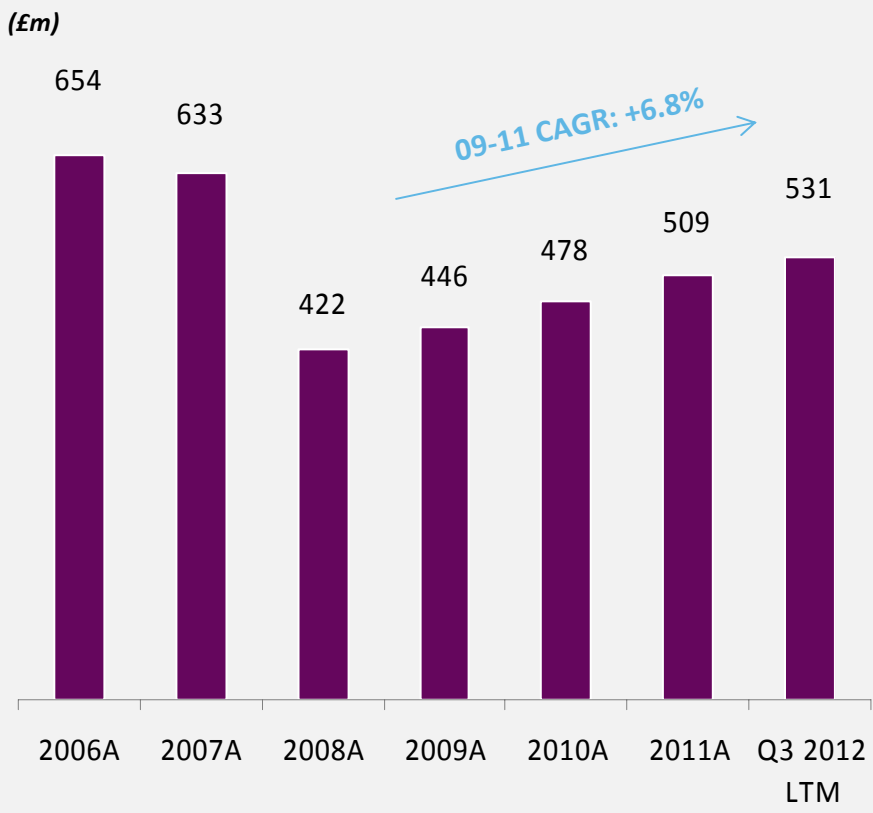
- External contracts now stabilised
- Private Conveyancing getting real traction
- Steady financial performance
- Solid platform now in place for growth in 2013

Funding / Balance Sheet / Provisions

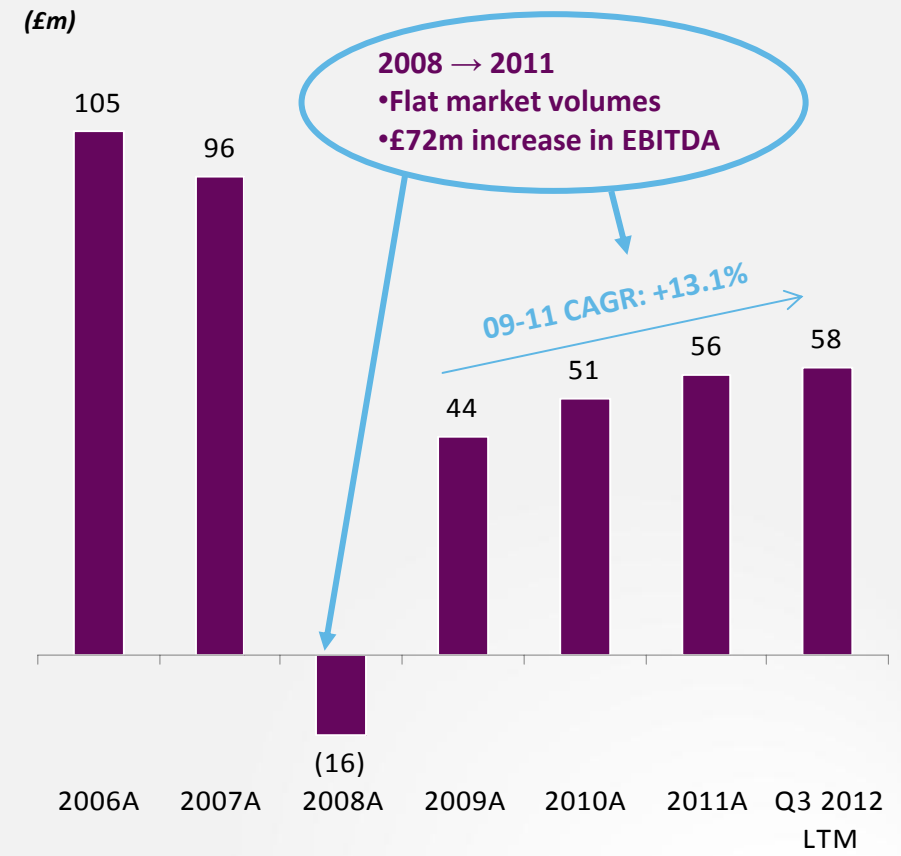
- Net debt £197.8m
- Strong funding position
 - cash balance £52m
 - available RCF facility
- Appropriate level financial ratios
 - leverage 3.4 times
 - fixed charge cover 2.2 times
- Trend in PI claims broadly as expected

Historic Financial Overview

Revenue



EBITDA⁽¹⁾



(1) EBITDA before exceptional items. Financials include Hamptons and Other Segments.

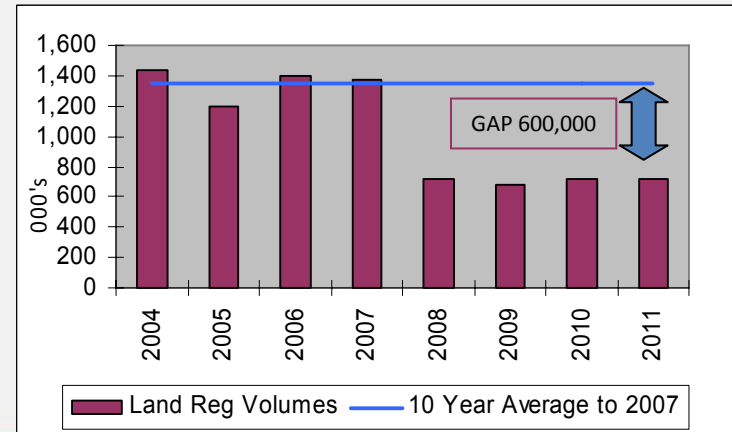
Current Status of the UK Residential Market (Grenville Turner)

Volumes

Visibility on Recovery Remains Low

- Volumes circa 50% of long run average
- No real improvement since 2008
- 2012 expected to be broadly flat on 2011

UK Residential Property Market

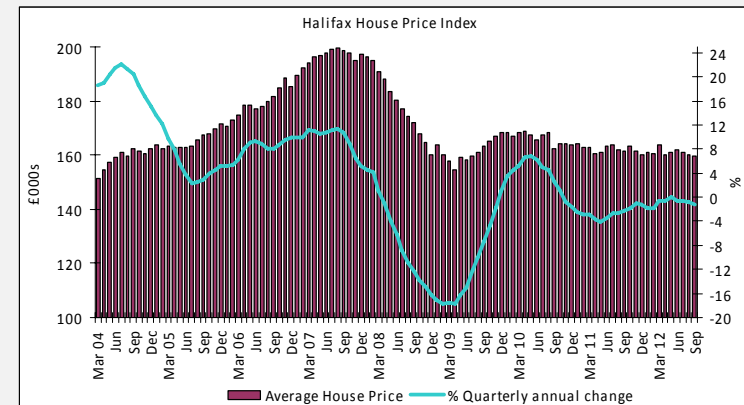


Prices

Downward Pressure but No Collapse

- Peak to trough – down 23%
- Peak to now – down 20%
- 2012 so far:
 - Modest reduction overall
 - Significant regional variations
 - Countrywide average house price increasing in 2012

Halifax House Price Index



Further Progress - Corporate Business



- Tesco launched a new mortgage division in August 2012
- Countrywide successfully tendered against all major competitors for five supporting services in a combined proposal:
 - Mortgage Valuations and Building Surveys
 - Transactional Conveyancing
 - Remortgage Conveyancing
 - Asset Management
 - Further mortgage operational Legal Services
- Sole Panel Manager Surveying, Preferred Supplier on Conveyancing

National Marketing

Great British Move & Property Challenge...

- Open House Weekend 15th – 16th Sept
 - Over 10,000 properties featured
 - Over 37,000 viewings during the campaign
 - Over 2,500 properties sold from the campaign

Plus 2012 Property Challenge event for listings in early summer



Friends & Family.....

FS referral scheme launched across all subsidiaries based on mortgage completions

- ROI YTD = 616%
- 339 exchanges YTD
- Over £370k income generated YTD



Further Progress - Lettings Expansion

Acquisitions

Richardson Gill

Bridport – expansion of existing business



Strategic Expansion in Scotland

Offices in

- Glasgow x2
- Paisley
- Kilwinning
- Edinburgh

New Starts

Plan progresses into final phase of openings to be completed by end of 2012


Total of 162 branches now open

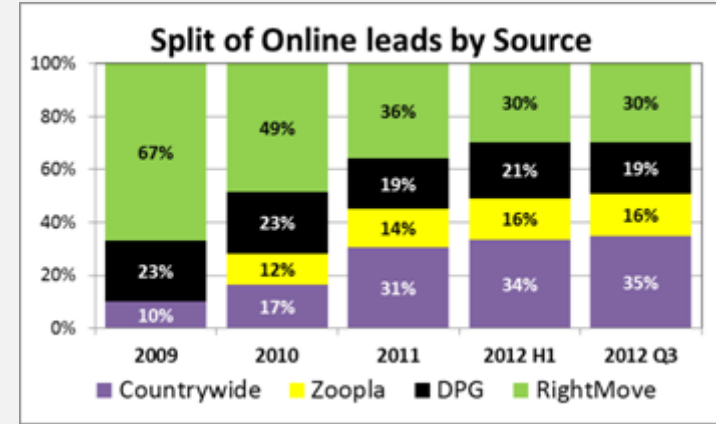
Additional 49 branches opened this year

Delivering significant growth in line with expectations

Online Update

Online visits
41%+ of top 10
agents Sept '12
- best since '10

- Online leads for Countrywide (excl )
 - Own leads now > 35% and growing (own leads + ZPG = 70%)
 - ZPG merger & consolidation complete = 35% online leads



Mobile Development



- Apps
 - Agency brands rollout completed
 - Mobile + Apps now >13% traffic and rising

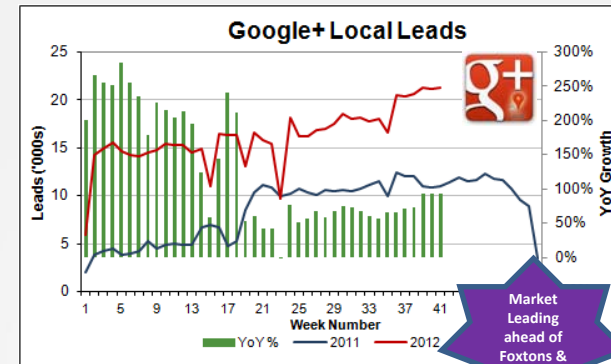
Google+ Local – making a difference

- Leads are material – call listening confirms quality
- Optimisation work and reviews initiative mean that Countrywide is outperforming the market
- Leads 60:1 (phone:email)



Other online developments

- Standalone lettings websites – 8 now on Propertywide platform
- Harvey Donaldson & Gibson website driving revenue



Market Leading ahead of Foxtons & KFrank

Strategic IT Partnership



- Seven year deal signed with CGI
- 90 staff transferred under TUPE
- Strong business case – cost neutral in years 1 & 2
- Significant savings vs. current IT spend from year 3 onwards
- Technology and telephony platforms transformed
- Includes complete end user and data centre hardware refresh

Headline Benefits

- Will enable further centralisation of business functions
- Scalable support model for branch and office network
- Reliability and resilience through redesigned technology architecture
- Supports agile acquisition strategy to deliver immediate benefit
- Enhanced protection of business and customer data

Award Winning Teams

127 high-profiled industry awards since 2008

Sunday Times Top Track 250

- Countrywide ranked 21st
- Only estate agency to be included



The Negotiator Awards 2012

- Shortlisted for National Lettings Agency of the Year
- Shortlisted for Community Champion of the Year
- Shortlisted for Employer of the Year



Our 2012 - 2015 Distribution Strategy

- Having achieved many of our 2009 goals it was time to refresh
- We commenced building our 2012 – 2015 strategy in January 2012
- 30 of our people actively participated in the building of the Distribution Strategy
- The work reflects the hopes and aspirations of our staff and management that participated – and beyond
- The strategy is directional rather than granular
- It sets out a plan and roadmap for the next 3 years



Our On-Going Strategic Priorities



- Consolidate our leading market share across all segments
- Relentless innovation and marketing, capitalizing on new opportunities to cross-sell our expertise (eg online)
- Continue to secure new and retain existing corporate contracts
- Continued success of the “transformation programme”, maintaining the balance of divisional contribution
- Sustained cost savings into the market recovery (up to £100 million of “permanent savings”)
- Cash generation and appropriate capital structure for growth



Summary / Outlook

1

2012 transaction market likely to be flat on 2011

2

Mortgage market remains challenging

3

Key focus areas remain

- hold / increase average fees
- market share
- cost management
- cash generation
- further market consolidation

4

Difficult to predict exact timing of market recovery

5

Profitability and cash generation will continue to grow despite current market conditions