Results for the 12 months to 31 December 2016

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2016 Overview

- Volatile residential property market
- Focus on key organic strategic initiatives
- Investment in foundations for future success
- Cost transformation
- Reassessing capital allocation
- Pleased with reaction to multichannel roll out
- Share placing / dividend rebased

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Group Summary Financials

	2016 £m	2015 £m
Income	**737.0**	733.7
EBITDA *	**83.5**	113.0
Depreciation \ Amortisation \ JV	**(21.4)**	(21.1)
Operating Profit	**62.1**	91.9
Finance Costs	**(9.4)**	(6.1)
PBT	**52.7**	85.8
Tax	**(10.7)**	(15.1)
PAT	**42.0**	70.7
Adjusted EPS	**19.3p**	32.2p
Total Ordinary Dividend	**5.0p**	15.0p

* Earnings before interest, tax, depreciation, amortisation, exceptional items, contingent consideration, share-based payments and share of losses from joint venture, referred as 'EBITDA'

EBITDA Business Unit Summary (£m)

	2016 Income	EBITDA	2015 Income	EBITDA
Retail	262.3	31.0	254.5	43.3
London	160.4	18.0	178.0	34.2
FS	88.2	22.7	81.0	20.7
B2B	222.5	30.8	219.1	32.3
Central	3.6	(19.0)	1.1	(17.5)
	737.0	**83.5**	**733.7**	**113.0**

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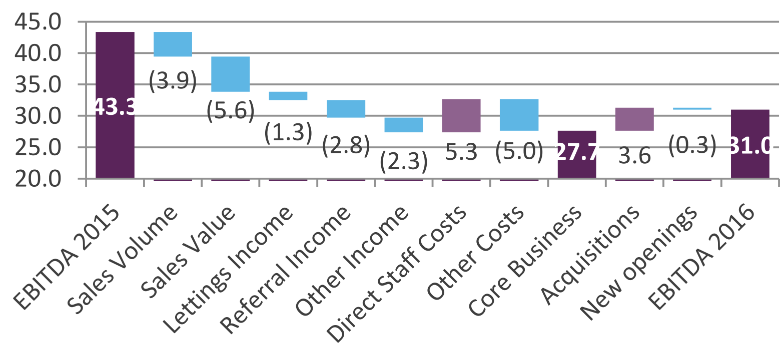
Retail – improved retention in Lettings partly offsets impact of volatile sales environment

	2016 £m		2015 £m
Income	262.3	+3%	254.5
EBITDA	31.0	-28%	43.3
EBITDA margin	12%		17%

EBITDA Bridge



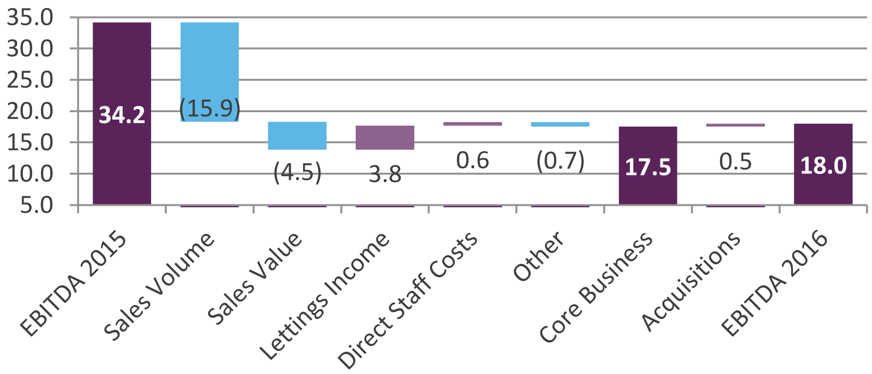
- Total sales volumes: 50,891 / +1%
- Total market share improves by 0.7% in 2016 compared to H2 2015 (1)
- Average sales fee down 5% to £2,520
- Landlord retention up 10% helps drive 14% increase in management properties

(1) Land Registry data to September 2016 in postcodes where we operate

London – market share gains in challenging markets

	2016 £m		2015 £m
Income	160.4	-10%	178.0
EBITDA	18.0	-47%	34.2
EBITDA margin	11%		19%

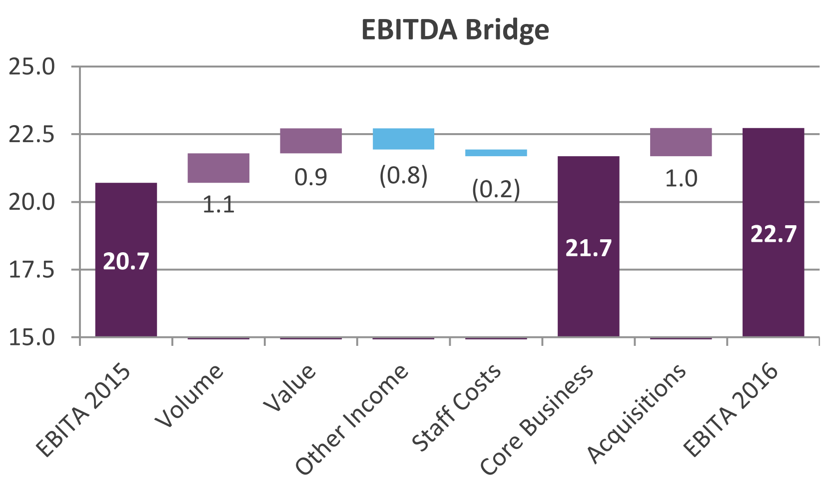
EBITDA Bridge



- Total sales volumes: 10,423 / -14%
- Average sales fee down 4% to £8,215
- Properties under management up 4% to 22,404
- Good progress on brand rationalisation with focus on key strategic brands, eg Hamptons

Financial Services – continued progress in both organic and new business areas

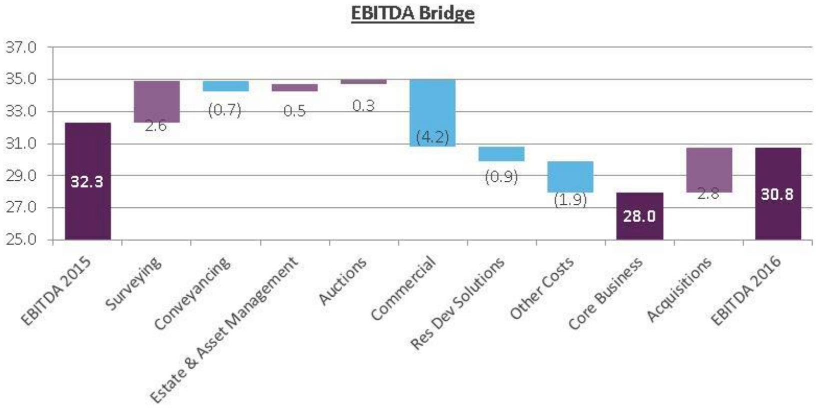
	2016 £m		2015 £m
Income	**88.2**	+9%	81.0
EBITDA	**22.7**	+10%	20.7
EBITDA margin	**26%**		26%



- Record level of market share in mortgages: 7% of total market
- Good progress on remortgaging:
  - conversion 25% from last year 13%
- Continued focus on productivity and providing consumer flexibility
- Acquisitions extend FS footprint into specific markets and add capability:
  - buy to let
  - new build

Business to Business – creditable result in volatile market conditions

	2016 £m		2015 £m
Income	**222.5**	+2%	219.1
EBITDA	**30.8**	-5%	32.3
EBITDA margin	**14%**		15%



- Surveying:
  - average fee increases +5%
  - record market share
- Conveyancing:
  - focus on operational efficiencies
  - reduction in underlying cost base
- Residential development solutions:
  - outperformance in difficult market
- Commercial:
  - Brexit impact on H2 transaction volumes

Exceptional / Non-trading items

	2016 (£m)	2015 (£m)
Amortisation of intangibles	(11.4)	(11.2)
Share based payments	(2.5)	(4.4)
Acquisition related costs and contingent consideration	(7.8)	(10.0)
Strategic and restructuring costs	(26.4)	(8.1)
Impairment of goodwill and brands	(20.9)	(6.1)
Profit on disposal of Zoopla shares	32.8	-
PI exceptional provision release	2.9	-
Other	0.1	1.7
Total exceptionals	**(33.2)**	**(38.1)**

- Historical amortisation run-off (£7m) and acquisitions
- Ongoing charge for LTIP and SIP
- Contingent consideration charge and acquisition costs
- £8.1m redundancy costs (cash) and £15.8m property closure costs provision
- Accounting (non-cash) impairment
- Disposal of residual stake in Zoopla
- Provision release based on recent trends and settlements of PI claims

Cash flow reconciliation/capital structure and leverage

	2016 £m	2015 FY £m
EBITDA	83.5	113.0
Working capital	(18.0)	(14.8)
Exceptional costs	(12.6)	(7.1)
PI provisions outflow	(13.8)	(10.8)
Other provision outflow	(6.2)	(8.8)
Pensions	(1.9)	(1.9)
Interest	(8.2)	(4.9)
Tax	(8.7)	(13.7)
Acquisitions	(29.4)	(62.9)
Deferred consideration	(6.0)	-
Capex	(29.0)	(22.0)
Disposals	48.3	4.3
Dividends	(33.0)	(33.4)
Buy backs	(18.1)	(7.8)
Other	(9.9)	(11.0)
Movement in net debt	**(63.0)**	**(81.8)**

- £340 million facility in place (2020 maturity)
- Absolute level of debt reduced from H1 2016 level
- Leverage ratio impacted by lower profitability in difficult H2 market
- Closing debt impacted by acceleration of digital roll-out and cost transformation
- 2016 was final year of significant PI cash outflows
- Reducing debt level key strategic initiative

Balance sheet strengthening

- Seeking to return leverage to long-term target levels

	2015 FY	2016 HY *	2016 FY *	2017 target	LT target
Net debt	£185m	£258m	£248m		
Leverage ** (multiple)	1.64x	2.35x	2.97x	c.2.0x	1.5-2.0x

- Rebased dividend
- Placing of <10% of existing issued share capital via a cash box structure
- Leverage towards 2x by end 2017
- LT target 1.5 – 2.0 as previously stated

* Unaudited Company results

** Net debt to last 12 months' EBITDA

Financial summary

- Income supported by market share gains in the core and the benefit of 2015 acquisitions
- Decline in underlying profit reinforces need for accelerated transformation
- Positive progress on Lettings, Financial Services and Surveying
- Key costs initiatives underway to underpin 2017 profit outlook
- Investment in foundations to support future growth aspirations

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Market environment remains challenging in the near term

The market in 2016

- Sales
  - Uncertainty caused by EU Referendum result alongside stamp duty changes has led to falling volumes
- Lettings
  - Impacted by stamp duty driven stock increases; homes coming onto the rental market rose by 12% Vs 2015
- Mortgages
  - Lending up 11% in 2016 – strong credit availability. Remortgage lending was buoyant with approvals up 14% on 2015

2017 is a particularly difficult year to forecast – but trends are emerging…

- Sales – no sign of transaction growth
  - Our assumption is that transaction volumes decline by c.5%
  - While credit is available and interest rates remain low, sentiment is fragile and subject to changing economic circumstances
- Lettings – structural shifts as the sector matures
  - A stalled sales market should drive increased demand
  - Landlord tax environment may limit growth of stock available
  - Potential to remove tenant fees could reduce attractiveness to new entrants
- Mortgages
  - Low interest rates expected to support activity, but with increasing inflation rates may rise in 2017
  - The prospect of rising rates is expected to drive growth of the remortgage market
  - First time buyer market remains strong, supported by Help to Buy

Capitalising on a changing market is crucial

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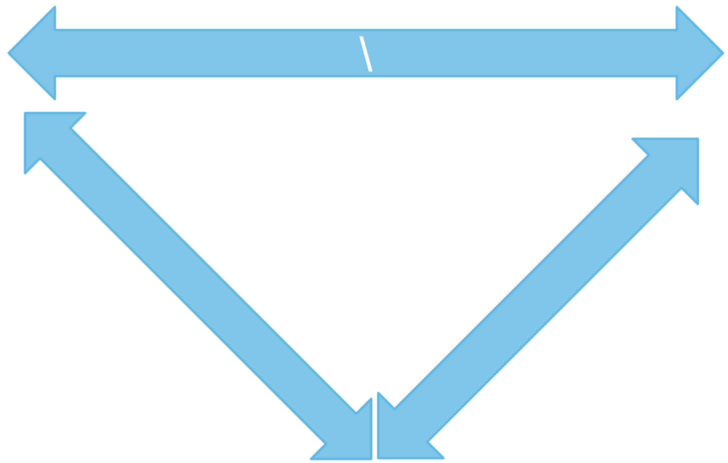
Our transformation agenda has significant momentum

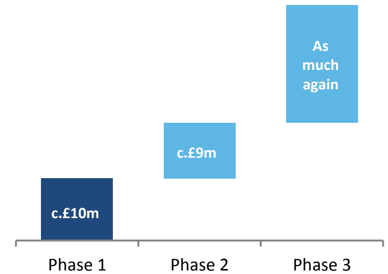
- From Q1 2016 we have been taking action to build resilience
  - Stopped all M&A activity
  - Initiated significant cost cutting with run rate of £10m already embedded, £9m more expected in 2017
  - Accelerated our digital rollout programme in Sales – now in Phase 4
  - Reviewing our approach to commercial/Lambert Smith Hampton
  - Continued productivity and channel development in mortgages and protection
  - Proposing no final dividend paid for 2016 and a rebased dividend policy for 2017 onwards to provide greater flexibility

- Decision to proceed with a small capital raise to provide financial flexibility; accelerate the repositioning; and focus on organic growth opportunities and improved margins

Balancing our agenda to build strength

- **Digital / multichannel**
  - Extends our reach in the sales and mortgage market
  - Transforms the cost of our operation
  - Capitalises on our current assets as we shift to multichannel





- **Cost transformation**
  - Leads work to improve our business model and balance sheet
  - Phase 1 delivered £10m of savings
  - Phase 2 implementing expected savings of c.£9m by end 2017
  - Phase 3 in development targeting at least as much again

	2015 FY	2016 HY*	2016 FY*
Net debt	£185m	£258m	£248m
Leverage** (multiple)	1.64x	2.35x	2.97x

2017 target	LT target
c.2.0x	1.5-2.0x

- **Balance sheet strengthening**
  - Dividend rebasing and share placing
  - Allow for continued organic investment
  - Supports acceleration of digital rollout and cost transformation

* Unaudited Company results

** Net debt to last 12 months' EBITDA

Digital / multichannel

What we have done to date | What we have seen | Short and midterm plans

Our offering in residential sales

- Development of a multichannel customer proposition led by online pricing, but optimised for the consumer
- Ability to switch to our full High Street service at any point - providing differentiation in the market
- The customer journey is optimised for cross sell opportunities across mortgages and legal services

The rollout

- Phase 1: Three trial brands, Austin & Wyatt, Frank Innes and Spencers, chosen for their appropriate size, went live at the start of June 2016
- Phase 2: In November 2016 we launched 3 additional tactical strike brands, Carsons, Miller Countrywide and Fulfords, to enable us to continue to test and learn from the proposition
- Phase 3: On 30 January 2017 we launched Entwistle Green in Liverpool and Lancashire, this phase 3 launch is now 4 weeks in and we have seen our most positive results to date
- Phase 4: On 27 February 2017, we launched Bridgfords our eighth and by far the largest multichannel brand to date

- Collectively this rollout covers c.25% of our estate, or more than 200 branches

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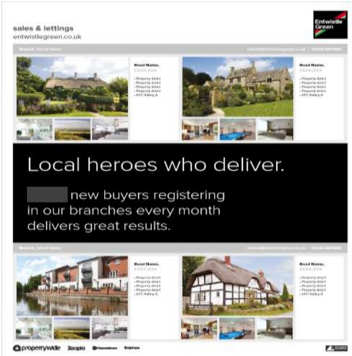
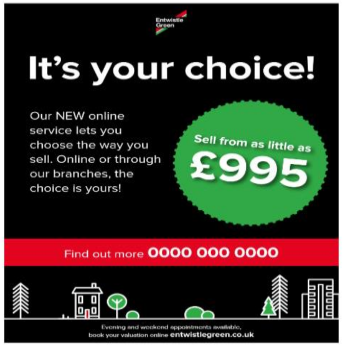
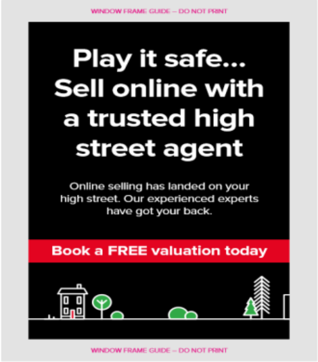
Digital / multichannel

What we have done to date | What we have seen | Short and midterm plans







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Digital / multichannel

What we have done to date
What we have seen
Short and midterm plans

- Digital rollout delivers increased website traffic and increased leads relative to the rest of our network
- Tested both with and without marketing investment, and with differing price points
- KPIs* to date show strong results

	Phase 1 – June '16	Phase 2 – Nov '16	Phase 3 – Jan '17
	Original trial brands (with Marketing)	**Tactical strike brands** (without Marketing)	**Entwistle Green** (with Marketing)
Valuation growth* (number of new property evaluations)	11%	Flat	26%
Instruction growth* (number of new instructions to sell a property)	18%	11%	Too early
Fee impact* (variance in average cash fee)	Flat	6%	Too early
Sales growth* (number of new sales completed)	9%	Too early	Too early

* Unaudited Company results - KPIs are for each Phase based on 13 weeks post launch (or shorter) compared to 13 weeks pre-launch, relative to all Retail brands
KPIs are considered 'Flat' where results are between: > -2% / <2%

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Digital / multichannel

What we have done to date | What we have seen | Short and midterm plans

- Developing our offering internally, via a ‘test and learn’ philosophy, has resulted in a robust and agile technology platform, now in its fourth iteration. To date we have over 2,700 online accounts opened and over 1000 valuations booked online

- We have a detailed rollout plan established for the remainder of H1
  - Takes us to around half of our branch network or approximately 400 branches
  - This prioritises our largest regional brands in order to maximise the marketing impact
  - Additional capital flexibility provides us with options to further accelerate our digital agenda

- Our plans for 2018 and beyond
  - Fewer brands, digitally enabled, across a multichannel network – leading to a more sustainable cost base
  - Become a true multichannel business across all service lines – delivering better, more personalised customer experiences

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Cost transformation

2016 | 2017 | 2018

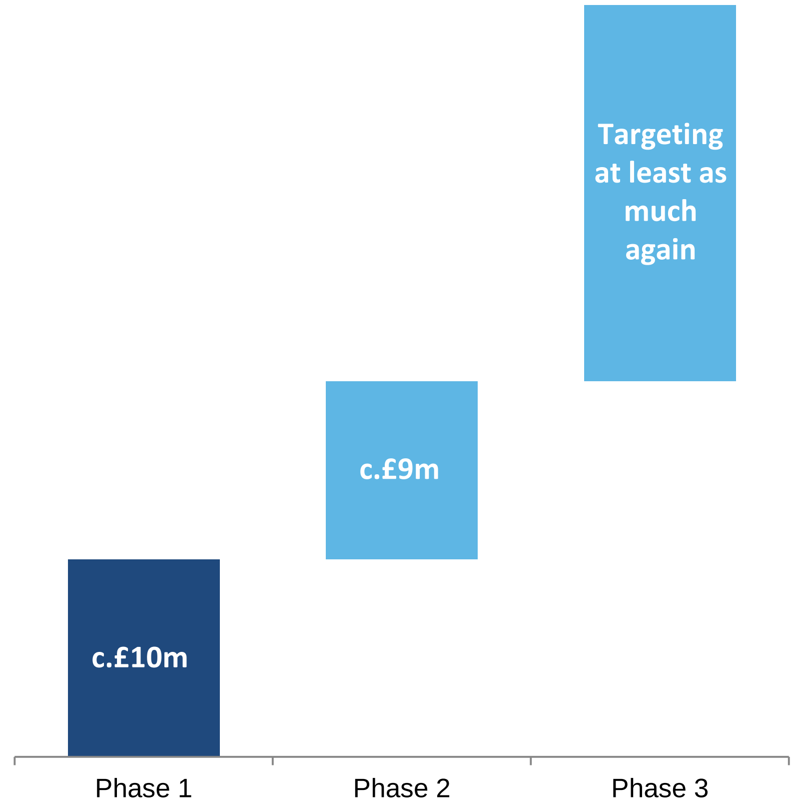
Phase 1: Delivered

Management Delayering

- London and Retail management restructure (incl. rationalisation of Regional Director/Regional Manager cohorts)
  - ➢ c.£5m saved
- Rationalisation of People, Marketing and Finance functions and Land and New Homes management team
  - ➢ c.£1.5m saved

Network Rationalisation

- Branch consolidation in 2016
  - ➢ c.£3.5m saved / 180 physical locations 214 Sales/Lettings outlets



2016 | 2017 | 2018+

Cost transformation

2016 2017 2018

Phase 2: Being implemented

Management Consolidation

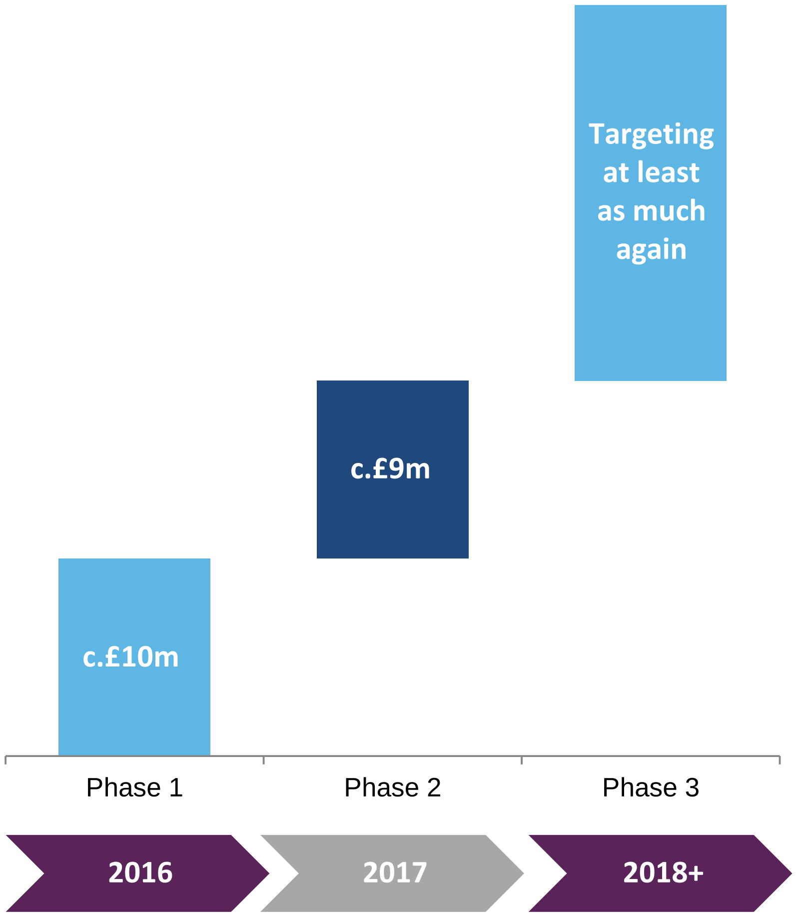
- Combined Sales and Lettings ‘Retail’ managers in branches
  - ➢ c.£0.4m saving

Network Efficiencies

- Streamlining of B2B operations
  - ➢ c.£2.4m saving
- Productivity gains through contact centre rationalisation
  - ➢ c.£2m saving
- IT enabled productivity gains in Surveying operating model
  - ➢ c.£0.6m saving
- Productivity gains through multichannel rollout
  - ➢ c.£0.5m saving

Central Cost Improvements

- Central efficiencies in IT, Marketing and promotions
  - ➢ c.£3.1m saving, in roll out



Cost transformation

2016 | 2017 | 2018

Phase 3: In development

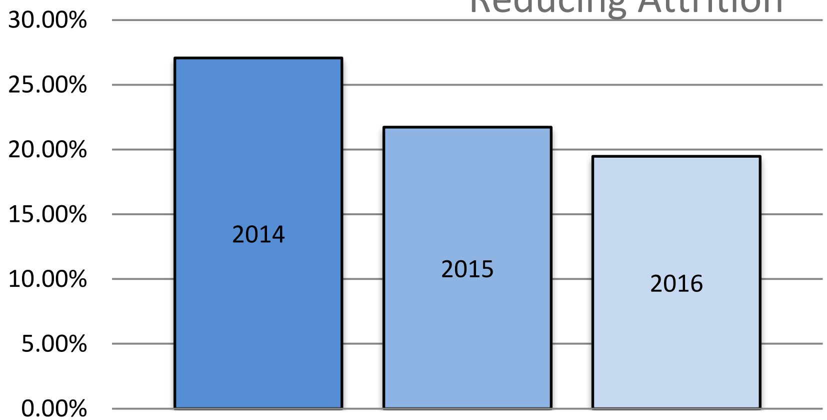
Multichannel operator

- Rationalisation of brands (including proposition and product review)
- Role of branch and size of network
- Group contact centre strategy
- Savings to IT run cost, linked to Group operating model (e.g. single line of business system)
- Digital penetration - 'Direct to Consumer' products in Lettings / Financial Services
- Organisational Design, including how support functions align with the shape of the business
- Opportunity to capture savings progressively

Lettings progress

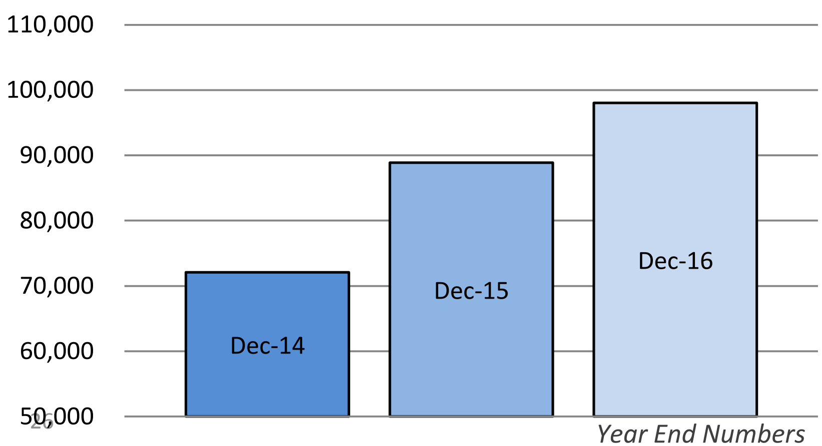
Client Attrition

Good Progress
Reducing Attrition



Managed Units

On-going Growth



Finders Keepers

Acquired March 2016

- Dominant Lettings business in the Oxford area
- Great brand and working practices
- Excellent client approval ratings (Feefo)
- 8 offices with scope to expand Sales and FS

Fixflo

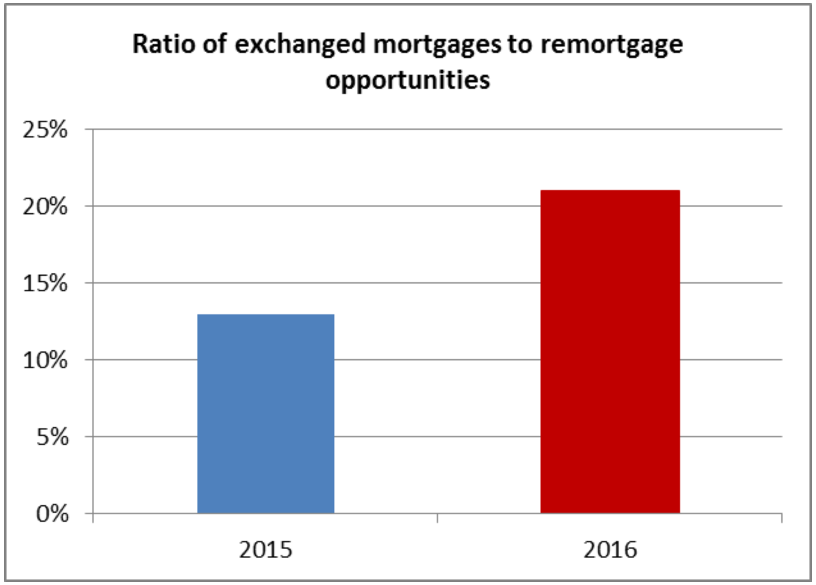
Investment in Fixflo February 2016

- Online solution to assist repair process
- Simplified for tenants and landlords
- Improves operational efficiency
- Rolled out to all tenants (Hamptons live in ‘17)
- Supports digitisation of services

Financial Services – strong remortgage performance

Robust focus on remortgage activity drives year on year growth

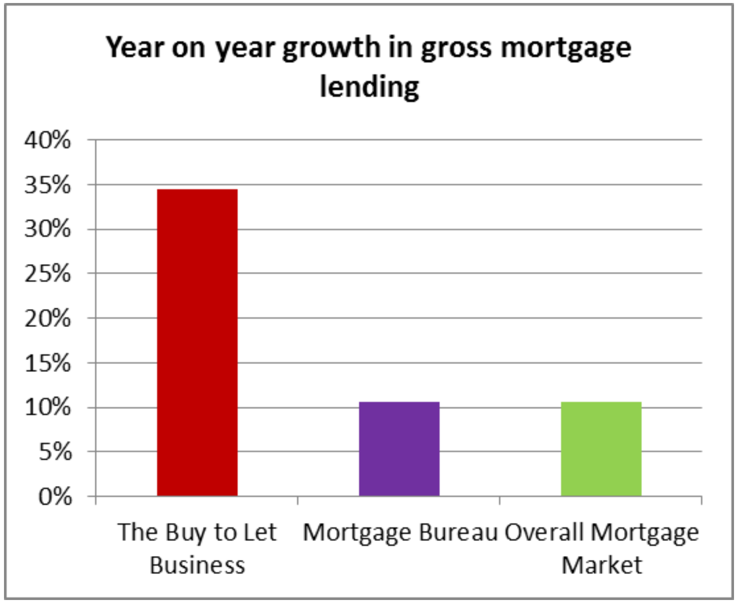
- ~4,500 existing customer remortgages exchanged in 2016, representing 25% of all opportunities (2015: 13%)
- Conversion rate will continue to grow as written business completes in early 2017
- Specific campaigns in Q4 achieved a ~35% conversion
- Strong 2016 performance, coupled with a new customer contact strategy, lays the groundwork for growth in 2017



Financial Services - successful first year acquisition performance

A year of two halves in the market, but both acquired businesses trading well overall

- The overall mortgage market grew 11%, finishing at £240bn (2015: ~£221bn)
- The Buy to Let Business achieved exceptional growth of 35%, despite challenging buy to let conditions. The company reported £1.1bn of gross distribution, with focus on customer service and remortgages driving growth in H2
- Mortgage Bureau pushed forward in H2 especially, delivering 11% overall growth with their specialist focus on the new build market



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Outlook for 2017

- Sales market volatility likely to continue
- Expected headwinds from tenants’ fees regulation and pressured landlord environment
- Focus on market share gain through digital rollout
    - 50% of branch network by June 2017
- Delivery of next phases of cost transformation
- Accelerate organic growth in FS
- Expect a resilient performance in 2017

Transforming Countrywide for the future

- True multichannel operator
- Leading market position across Residential
- Resilient balance sheet
- Enhanced flexibility to react to market changes
- Accelerating organic growth plans
- Improving margins

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Appendices
1. Divisional KPIs – Retail Summary

		2016 FY	2015 FY	2014 FY	2013 FY
Estate Agency revenue	£’000	**140,814**	141,668	156,815	141,005
Lettings revenue	£’000	**109,521**	97,093	90,182	75,113
Conveyancing revenue	£’000	**9,235**	9,657	10,374	9,260
Other revenue	£’000	**2,705**	6,033	8,280	6,370
Total Income	£’000	**262,275**	254,451	265,651	231,748
EBITDA before exceptionals	£’000	**31,004**	43,343	58,621	37,485
Exchanges		**50,891**	50,396	55,422	49,356
Average cash fee (£)		**2,520**	2,640	2,678	2,705
Average house price (£)		**198,798**	188,388	181,285	168,024
Managed properties (average)		**68,740**	60,272	56,204	44,640
Branches (average)		**784**	791	781	733
Branches (closing)		**689**	841		
Employees FTE (average)		**4,852**	4,734	4,791	4,352

2. Divisional KPIs – London Summary

		2016 FY	2015 FY	2014 FY	2013 FY
Estate Agency revenue	£'000	**88,733**	109,861	111,877	112,820
Lettings revenue	£'000	**67,843**	63,265	56,077	49,389
Conveyancing revenue	£'000	**1,229**	1,532	1,595	1,425
Other revenue	£'000	**2,603**	3,324	3,087	2,358
Total Income	£'000	**160,408**	177,982	172,636	165,992
EBITDA before exceptionals	£'000	**18,024**	34,162	37,107	35,511
Exchanges		**10,423**	12,094	13,338	12,954
Average cash fee (£)		**8,215**	8,535	8,145	8,330
Average house price (£)		**676,409**	633,039	599,802	588,879
Managed properties (average)		**22,404**	21,645	17,652	15,004
Branches (average)		**268**	276	259	243
Branches (closing)		**244**	281		
Employees FTE (average)		**2,030**	2,014	1,886	1,762

3. Divisional KPIs – Financial Services Summary

		2016 FY	2015 FY	2014 FY	2013 FY
Financial services revenue	£'000	**84,282**	76,937	72,470	63,820
Conveyancing revenue	£'000	**3,892**	4,057	3,969	3,836
Total Income	£'000	88,174	80,994	76,439	67,656
EBITDA before exceptionals	£'000	**22,682**	20,709	18,586	14,209
Total mortgages arranged (core)*		**37,992**	37,084	37,216	34,261
Gross mortgage value (core)*		**£5.5bn**	£5.1bn	£4.8bn	£4.2bn
Total mortgages arranged (non-core)		**52,270**	38,855	33,313	26,379
Gross mortgage value (non-core)		**£10.1bn**	£7.1bn	£5.5bn	£4.1bn
Total mortgages arranged (total)		**90,262**	75,939	70,529	60,640
Gross mortgage value (total)		**£15.7bn**	£12.2bn	£10.3bn	£8.3bn
Life policies sold		**25,756**	25,388	27,337	23,011
GI policies sold		**27,711**	31,371	35,394	32,596
Employees FTE (average)		**997**	968	998	904

* Core statistics relate to transactions generated within the Countrywide branch network

4. Divisional KPIs – Business to Business Summary

		2016 FY	2015	2014	2013
Surveying and valuation revenue	£'000	**68,672**	66,295	59,241	54,742
Conveyancing revenue	£'000	**30,572**	32,206	33,161	29,902
Estate and asset management revenue	£'000	**18,040**	17,879	15,033	16,649
CWRDS* revenue	£'000	**28,146**	27,736	23,023	18,576
Commercial revenue	£'000	**101,973**	101,686	72,797	16,582
Other revenue	£'000	**640**	1,726	2,027	1,414
Total gross revenue from B2B clients	£'000	**248,043**	247,528	205,282	137,865
Revenue paid across to other BUs	£'000	**-25,568**	-28,477	-22,968	-21,302
B2B total income	£'000	**222,475**	219,051	182,315	116,563
EBITDA before exceptionals	£'000	**30,791**	32,302	21,363	13,380
Surveys and valuations (no change)		**364,957**	357,033	332,290	330,121
Conveyances (excluding third party) completed (no change)		**33,053**	34,851	36,441	33,285
Exchanges CWRDS* customers		**4,896**	5,187	4,690	4,172
Corporate properties under management		**36,635**	32,049	34,164	35,656
Employees FTE (average)		**2,759**	2,613	2,452	1,627

* Countrywide Residential Development Solutions (formerly CW Land & New Homes and Hamptons RDI).