

Wednesday, 29 April 2015

Countrywide plc Trading Update

Countrywide announces 2015 start in line with expectations

Countrywide plc (LSE:CWD), the UK's largest integrated property services group issues this Trading Update for the period since 1 January 2015 up to 28 April 2015 incorporating the three month period to 31 March 2015.

Highlights

- Overall group income resilient in difficult market conditions
- Continued progress in our Lettings and Commercial divisions building on 2014 momentum and delivering income growth in Q1 of 7% and 15% respectively
- Surveying division outperformed market following recent contract wins with income up 9% in Q1
- Financial services achieved record market share in Q1 2015
- Estate agency and London & Premier volumes impacted by tougher market conditions.

	Q1 2015	v. 2014
- Total income (£m)	154.2	-2%
- House exchanges (Estate Agency)	12,976	-13%
- House exchanges (London & Premier)	1,201	-14%
- Residential lettings - properties under management	69,330	+9%
- Value of mortgages exchanged (Financial Services)	£2.3bn	+4%
- Valuations and surveys completed	77,979	+5%

Market Overview

The market data for 2014 confirmed the significant deceleration of market growth as the year progressed.

	<u>Bank of England Mortgage Volumes</u>		<u>Land Registry Volumes</u>	
• Q4 2014	179k	(-16%)	250k	-6%
• Full Year 2014	773k	+5%	993k	+14%

Overall, 2014 saw a second year of market recovery following five years of a broadly flat market. The final position for 2014 shows Land Registry volumes at 71% of the 2006 level and 78% of the average between 2000 and 2007. The same comparison on BoE mortgage volumes shows 54% of 2006 and 60% of the 2000-2007 average.

Further Progress

- We continue to invest in value creating acquisitions, investing circa £14 million in Q1 and completing the following transactions:
 - Four further lettings acquisitions in Plymouth, Sutton Coldfield, Lincolnshire and Swindon
 - Lambert Smith Hampton acquired ES Group, a 260-strong consultancy-led business with a major presence in many UK regions
 - Within our London & Premier division, we acquired John Curtis Estate Agents, the market leader in Harpenden, Hertfordshire and also Ikon Consultancy, a professional residential and mixed-use consultancy focused on providing a range of high quality added value services to private, public and housing association clients working across the wider regeneration sector.
- ‘Building Our Future’ programme remains on track to establish the ways in which we can become the stand out player in all of the markets and sectors in which we operate and we look forward to sharing more detail at our interim results announcement in July 2015.

Outlook

2015 has started broadly as expected with year-to-date BoE volumes at the end of February 2015 16% below the same period in 2014, continuing the trend seen in Q4 2014. As highlighted previously, the first half of 2015 will see market transactions running significantly below 2014 levels with uncertainty surrounding the outcome of the UK General Election resulting in both buyers and sellers delaying decisions on completing transactions.

It is widely anticipated by market commentators that the market will recover in the second half of the year following the General Election and this will be a key determining factor in the Group delivering our expectations for the year.

Alison Platt, Chief Executive at Countrywide, commented

“Notwithstanding the interim market challenges, we continue to invest in our broad based business, diversifying revenue streams into more property activities that are independent of the housing transaction cycle to deliver sustainable growth in coming years. The momentum in our Lettings and Commercial divisions, the anticipated future recovery in market transactions together with the results from our ‘Building our Future’ Programme put us in a position to create significant value for shareholders in coming years.”

-Ends-

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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, corporate property management services and commercial property.

Countrywide plc's award-winning service has earned the business over 220 high-profile industry awards in the last seven years, with customers voting Countrywide Best National Estate Agency at the ESTAS 2015 and Large Lettings Agency of the Year at the Negotiator Awards 2014. For the third consecutive year Countrywide Surveying Services won the Best Anti-Fraud accolade at the Mortgage Finance Gazette Awards 2015.

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.

3. Next Results Announcement

The next trading update is expected to be the 2015 first half results, due to be issued on 30 July 2015.