



Financial Results for the six months ended June 30 2013

Executive Summary (Grenville Turner)

2013 H1 Results

- Considerable financial progress across entire business
- Momentum building with Q2 income up 9% v. LY
- Positive indicators going into H2
 - positive market trends
 - increased pipe-lines
 - front end activity
- Appropriate capital structure to maximise future opportunities
 - strong cash generation
 - minimal level of debt

Market

- Slow start to 2013
- Momentum now building
- Bank of England mortgage approvals up strongly in May and June
- Land Registry transactions will follow in H2
- Modest upward movement on house prices

Outlook

- H2 expected to show good YoY growth
- First key steps to market recovery appear to be in place
- Group remains confident of achieving the board's expectations for 2013

Financial Summary (Jim Clarke)

	2013 H1	2012 H1	Change
Income	£258.8m	£249.4m	+4%
EBITDA*	£26.4m	£19.6m	+35%
Operating Profit*	£22.0m	£15.0m	+47%
Profit before Tax*	£12.3m	£1.6m	-
Earnings per Share	5.3p	0.3p	-
Interim Dividend	2.0p	n/a	-

* Before exceptional items, amortisation of intangibles and share-based payments

- Conversion of revenue → EBITDA at 72%
- Double digit EBITDA growth across all divisions
- Improvement in EBITDA margin across all divisions
- Most profitable H1 since 2007

Estate Agency (Excluding Hamptons)

Financial Performance			Operational Highlights	
	2013 H1		2012 H1	
	<u>£m</u>		<u>£m</u>	
• Revenue	<u>101.8</u>	-2%	<u>103.5</u>	
• EBITDA	<u>3.7</u>	n/m	<u>0.2</u>	
<ul style="list-style-type: none"> Exchanges up 2% YoY but continued reduction in repossession volumes impacts revenue Average house price up 4% £5m reduction in operating costs Closing pipe-line 8% up on H1 2012 				
<ul style="list-style-type: none"> Strategic projects delivering cost benefits, eg National Administration Centre now fully operational Growing Land and New Homes business Enhanced marketing packages <ul style="list-style-type: none"> ➤ helps customers to find right buyer in cost effective manner ➤ develops customer loyalty ➤ up front cash benefit 				

Hamptons

Financial Performance			Operational Highlights	
	2013 H1	2012 H1		
	£m	£m		
• Revenue	34.8 +6%	33.0	<ul style="list-style-type: none"> 4 new branches opened including key target - Canary Wharf 	
• EBITDA	5.6 +11%	5.0	<ul style="list-style-type: none"> 2012 Sunday Times Gold Award for Best Large Estate Agency 	
• EBITDA Margin	16.1%	15.2%	<ul style="list-style-type: none"> Investment in Contact Centre 	
<ul style="list-style-type: none"> Most profitable H1 in Hamptons history Slower pipe-line turn leads to modest volume reduction Highest ever level of lettings contribution Closing sales pipe-line +15% v. LY 			<ul style="list-style-type: none"> In-house refurbishment operation extended Group wide 	

Lettings

Financial Performance			Operational Highlights
	2013 H1	2012 H1	
	£m	£m	
• Revenue	53.5 +18%	45.3	• 9 acquisitions in H1 2013 with 11 so far this year
• EBITDA	12.2 +28%	9.6	• Leading edge online training system for all front office staff
• EBITDA Margin	22.8%	21.2%	• Increasing inter group referrals
• Continued financial and operational progress			• Launch of industry leading lettings monthly index
• New starts ahead of expectations – now in profit			
• 24% increase in both properties let and properties under management			

Financial Services

Financial Performance			Operational Highlights
	2013 H1	2012 H1	
	£m	£m	
• Revenue	29.5	30.3	• Q2 written mortgages up 18% v. LY
	-3%		• June pipe-line 10% ahead of LY
• EBITDA	4.2	3.2	• Investing in headcount to maximise market opportunities
	+30%		
• EBITDA Margin	14.2%	10.6%	
• Revenue impacted by:			
➤ modest reduction in exchanged mortgages			
➤ legislation changes to life insurance market			
• Core mortgages as % of house sales 57% in line with LY			
• 13% improvement in consultant productivity			
• Encouraging overall financial result			

Surveying and Valuation

Financial Performance			Operational Highlights	
	2013 H1	2012 H1		
	£m	£m		
• Revenue	26.0	25.0	<ul style="list-style-type: none"> Strong current momentum <ul style="list-style-type: none"> ➤ volumes +7% in last 2 months v. LY 	
• EBITDA	5.2	4.5	<ul style="list-style-type: none"> H1 instructions +2% v. LY 	
• EBITDA Margin	20.0%	18.0%	<ul style="list-style-type: none"> Recruitment programme in place to deal with current market demand <ul style="list-style-type: none"> ➤ recruiting experienced surveyors ➤ Graduate trainee programme ➤ 'mobile' surveyors 	
<ul style="list-style-type: none"> Good financial progress Market share now at 33% Average in-house fee +4% 			<ul style="list-style-type: none"> New improved tablet technology rolled out across workforce 	

Conveyancing

Financial Performance			Operational Highlights	
	2013 H1	2012 H1		
	£m	£m		
• Revenue	12.1 +4%	11.7	<ul style="list-style-type: none"> 17% increase in Group instructions Closing pipe-line 16% up on LY Trainee Property Lawyer programme now in place Further investment in industry leading systems New Buy to Let service targeting the investor market 	
• EBITDA	3.4 +12%	3.1		
• EBITDA Margin	28.1%	26.5%		
<ul style="list-style-type: none"> Positive progress in flat market Completions as % of house sales 52% in line with LY Average fee per case +12% Best ever H1 financial results 				

Exceptional / Non Trading Items (£m)

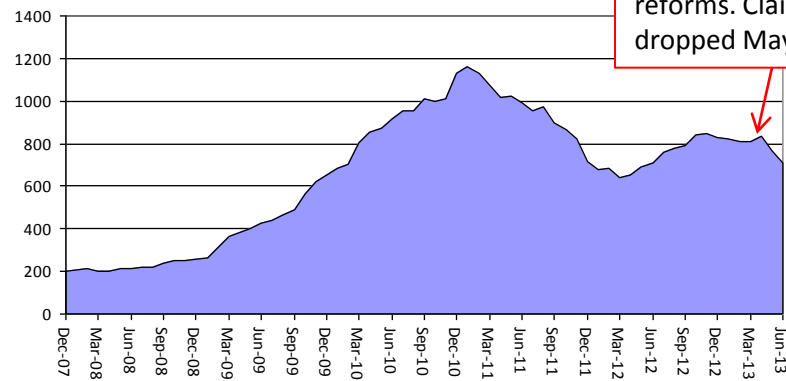
• Amortisation of intangibles	(4.0)	>	recurring
• Share based payments	(2.8)		
• Zoopla deferred income	1.3		
• IPO costs	(3.7)	>	one-off
• Finance costs			
➤ old bonds redemption costs	(2.5)		
➤ previously capitalised finance fees on bonds	(2.0)		
	<u>£(13.7)m</u>		

Professional Indemnity Claims

PI Claims

- The 6 year legal contractual limitation period expires for 2007 surveys in 2013
- 2012 Balance Sheet provision £39.6m
- June 2013 Balance Sheet provision £32.4m
- June new claims at lowest level since December 2008
- Trends broadly in line with expectations

Mortgage Valuation Claims MAT



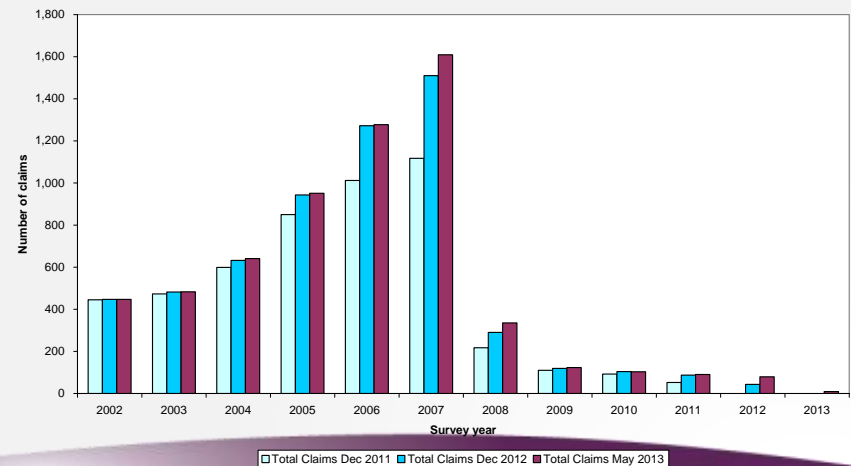
Spike noted in April due to Jackson reforms. Claims dropped May and June

2004-2007 Mortgage Valuations

Total volumes	1.7m
Claims received	4,478
Claims resulting in loss	1,354
Average loss	£37k
% volumes leading to loss	0.080%

Mortgage Valuation Claims by Year of Survey

Mortgage Valuation Claims by year of Survey



Transaction Sources & Uses and Capital Structure

Sources of Funds

£m

Gross IPO Proceeds 220

New Debt Facility 75

Total 295

Uses of Funds

£m

2018 Bond Face Value 250

Redemption Premium 3

Accrued Interest 11

Transaction / Other Costs 13

Cash Balance 18

Total 295

Capital Structure

New Debt Facility 75.0

Cash in Hand 51.4

Net Debt 23.6

LTM EBITDA 69.8

Leverage (times) 0.3

Undrawn RCF Facility 25.0

Financial Summary

- Successful IPO with strong capital structure put in place
- Virtually no leverage → total flexibility on use of cash generated
- Underlying financial momentum across all divisions
- Group poised to take advantage of recovering market

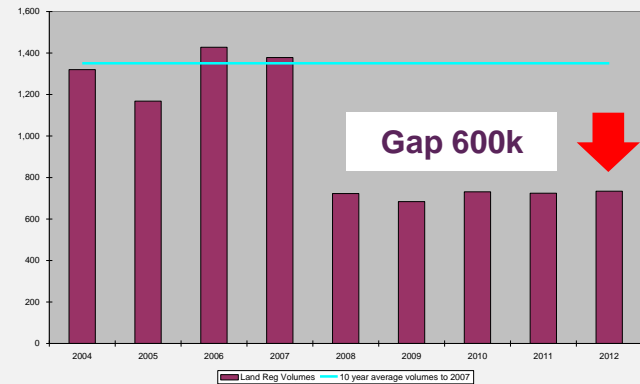
Current Status of the UK Residential Market (Grenville Turner)

Volumes

Encouraging recent trends not yet evident in transactions

- 2012 was 5th year of half size market
- Land Registry volumes
 - 2012 full year +1.7%
 - 2013 Q1 down 6.1% due to stamp duty change
 - 2013 H1 expected to be broadly flat

UK Residential Property Market

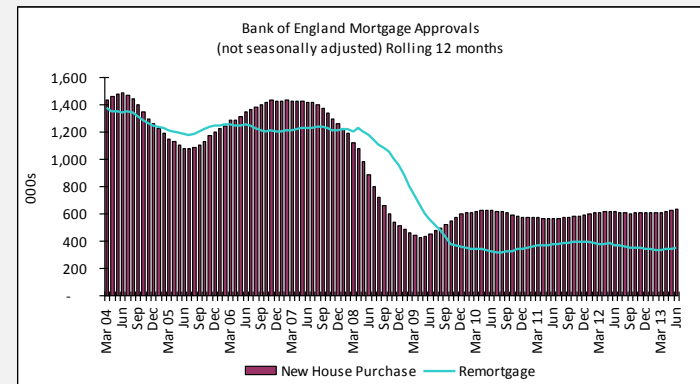


Mortgages

Significant recent improvement in mortgage approval trends

- BoE mortgage volumes
 - 2012 full year +2.9%
 - 2013 YTD June +8.0%
 - 2013 June +21.5%
- Mortgage pricing becoming more competitive, examples
 - 90% LTV / circa 4% 2 year deal → first time buyer customer
 - 60% LTV / sub 2% 2 year deal → remortgage customer
- 2013 H1 first time buyers up 19% YoY - highest H1 level since 2007 (Halifax)

BoE Mortgage Chart

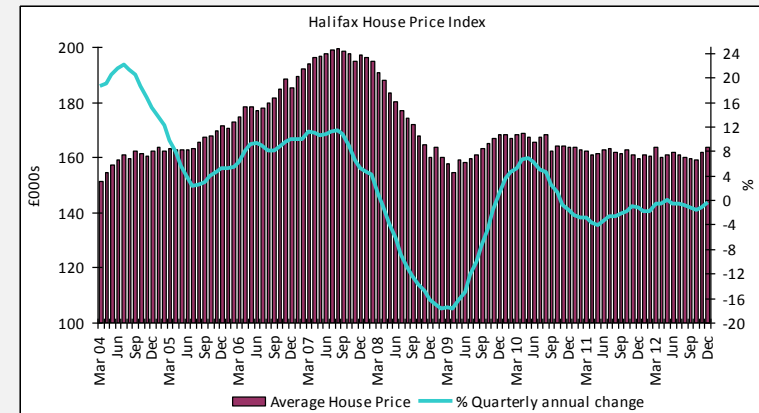


Current Status of the UK Residential Market

Some recent momentum

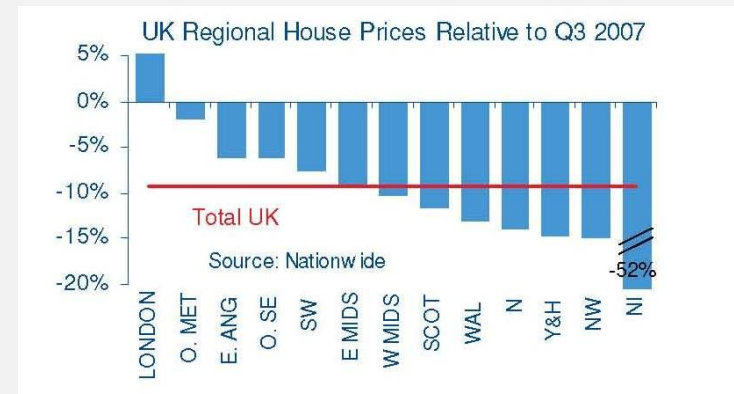
- Peak to trough – down 23%
- Peak to now – down 16%
- Halifax HPI (Q2 2013)
 - +2.1% v. Q1 2013
 - +3.7% v. Q2 2012
- Nationwide HPI (June)
 - +0.3% v. May 2013
 - +1.9% v. June 2012

Halifax House Price Index



Increasing divergence across regions

- London on its own trajectory
- Double digit reductions in certain regions
- Some external concerns on 'price bubble' in 2014



Outlook for UK Market



- Government plans
- Mortgages
 - pricing
 - availability
- General consumer confidence
- Positive outlook on house prices

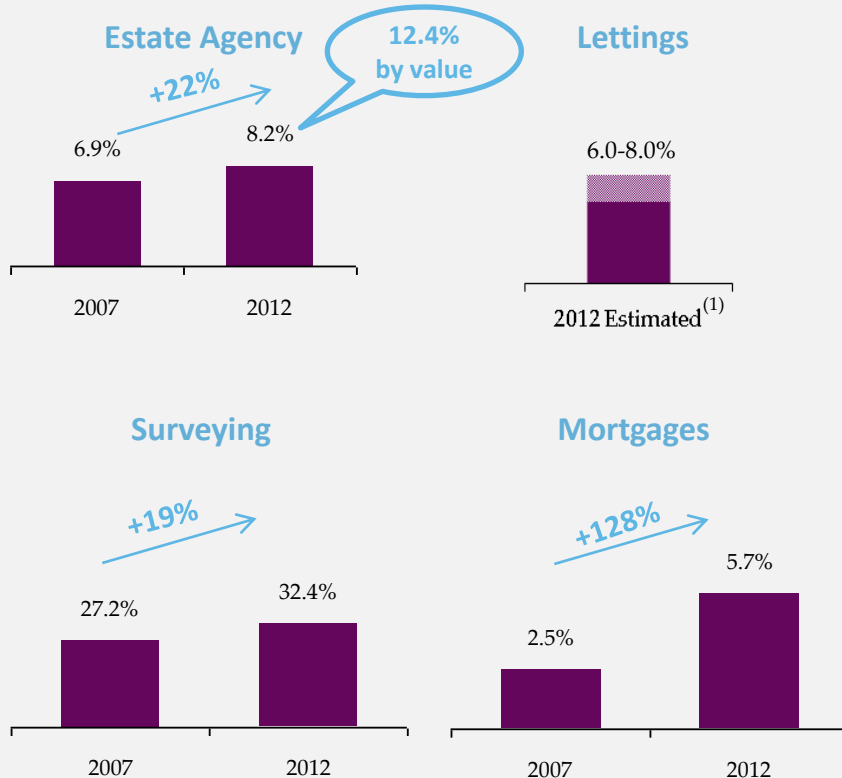


- Euro concerns
- Sustainability of mortgage trends
- Changes to Government plans
- Lack of Surveyor capacity to service mortgage volumes
- Impact of Mortgage Market Review on Banks in 2014

The last 5 years at Countrywide – a period of significant transformation

Market Share Gains

Based on transaction volumes



1

Investment in distribution

2

Recurring revenue stream as lettings branches mature

3

Full contribution from recent investments (e.g. Hamptons)

4

New initiatives driving incremental revenue – Land & New Homes (L&NH), corporate contracts, online

5

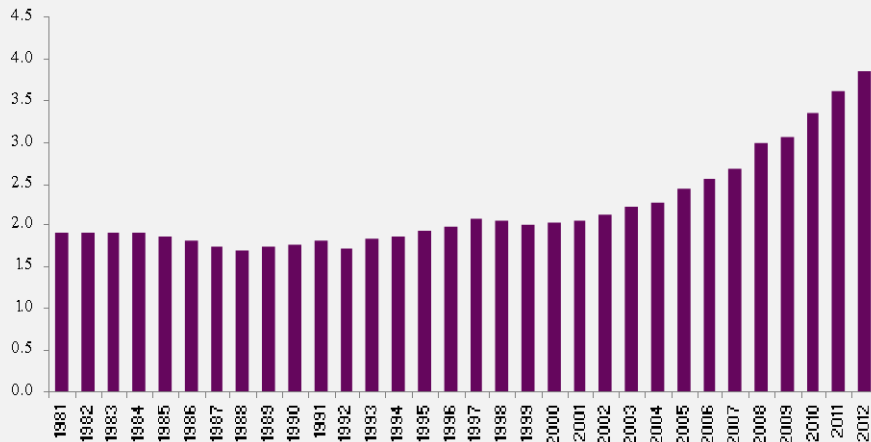
Flow-through from housing market transaction volumes

Notes: (1) No clear measure of our addressable market due to social housing renters and private renters not using a broker..

Actively Capturing the Lettings Market Opportunity

UK Lettings Market

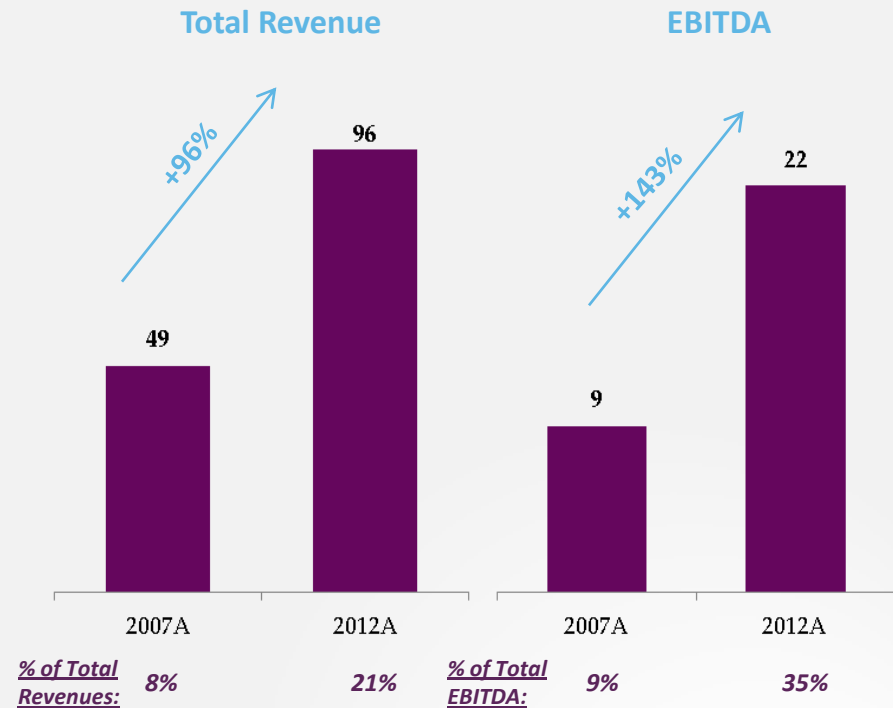
UK Private Rented Sector Homes (m)



- The UK lettings market has surged through the recent downturn as home sales have slowed
- Countrywide has capitalised on its significant national footprint to capture leading market share in this segment
 - Leading market share of 6-8% with 35,970 properties successfully let in 2012 (+29% vs. 2011)

Increased Contribution from Lettings

Contribution from Lettings (£m)



2013 Lettings Deals Completed (11 deals £9m invested)



Jan 13 – Luton

Feb 13 – Cambridge

March 13 – Leicester

Apr 13 - Leeds



Apr 13 - Bath

May 13 – Salisbury (+3)

May 13 – St Ives

May 13 - Yeovil






June 13 – Chandlers Ford

July 13 - Hove

July 13 – Hamilton

Corporate Business Update

Lender	Description of Contract Win
	Survey & Valuation Panel Management contract Tender won
	Survey & Valuation Panel Management contract extended for additional 2 years
	Survey & Valuation Panel Management Contract Tender won

Online Update

• Online traffic & leads

- Own site visits over 14.5 million during H1 2013
 - Use of PPC and Display & Retargeting have helped to drive significant YoY growth
- 3 million leads driven into the business during the first half of 2013
 - Own leads including Google+ = 43% of leads generated
 - 56% from Rightmove & Zoopla Property Group
 - 1% of leads from other sources
- Balancing own capabilities with trusted suppliers



• Mobile Development

- Mobile penetration running over 16%
- Traffic levels and interest rising by the week



• Other online developments

- New corporate and investors website
- Lead Manager release and rollout to Lettings (Sales 2012)
 - Already seeing positive signs in response rates – “making more from what we already have”
 - Sales continues to show positive trends in response to and servicing of email leads



2 bed flat for sale in West Sussex
A luxury development of 12, 1 and 2 bedroom ...
£220,000
[View Now](#)

3 bed house for sale in Horsham, West Sussex
Sitting on a larger than average corner plot is...
£225,000
[View Now](#)

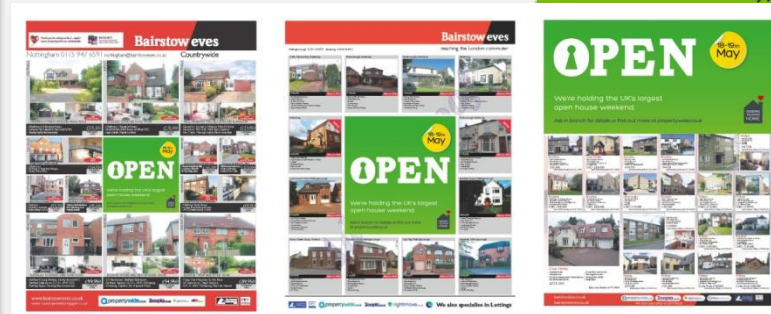
National Marketing

It works!!!!

2013 - Open House Weekend 18th-19th May.

- Over 11,500 properties featured
- Over 24,500 viewings during the campaign
- Over 6,600 new offers during the campaign
- Over 2,000 properties sold (STC)

40% more
interest vs
2012 Dec Sale
Campaign



People Update

- Investing ahead of market recovery / 550 new roles created in H1 2013
- Continued investment in training
 - i-learn on lettings front office staff
 - AgencyPro
 - market leading training / complaints handling system
 - City & Guilds accreditation
 - endorsed by The Property Ombudsman



- Graduate recruitment and apprenticeship schemes
- Investment in talent management and leadership programme
- Group wide standardised HR / payroll platform
- Launch of all employee Share Incentive Plan in H2 2013



Aiming high for our clients and for our people

Project Alpha has centralised our back office functions out of 22 local centres into a single EA Support Centre. This provides the platform from which we can develop integrated, efficient solutions for our branch network in the future

2012/2013

**Cheadle
Support
Centre**



Our change programme is fully aligned to our strategic aims and will provide new solutions that benefit both our clients and our people.

The future



Piloting tablet technology across 50 branches in 2013



Doing the basics brilliantly by being available to our clients when they need us



Dynamic and effective communication to our clients throughout their journey with us



Automating the production of MI, saving time and increasing visibility to colleagues at all levels

Award Winning Teams

143 high-profile industry awards since 2008

ESTAS National

- Best Large Chain: Sales – Gold

ESTAS Regional

- Scotland: Slater Hogg & Howison, Glenrothes – Gold
- North West (North): Entwistle Green, Fulwood – Gold
- North West (North): Bridgfords, Bamber Bridge – Silver
- North East: Bridgfords, Ponteland – Silver
- Wales: Beresford Adams, Pwhelli – Silver
- West Midlands: Beresford Adams, RA Bennett, Worcester – Bronze
- South West (West): Stratton Creber, Penzance – Bronze

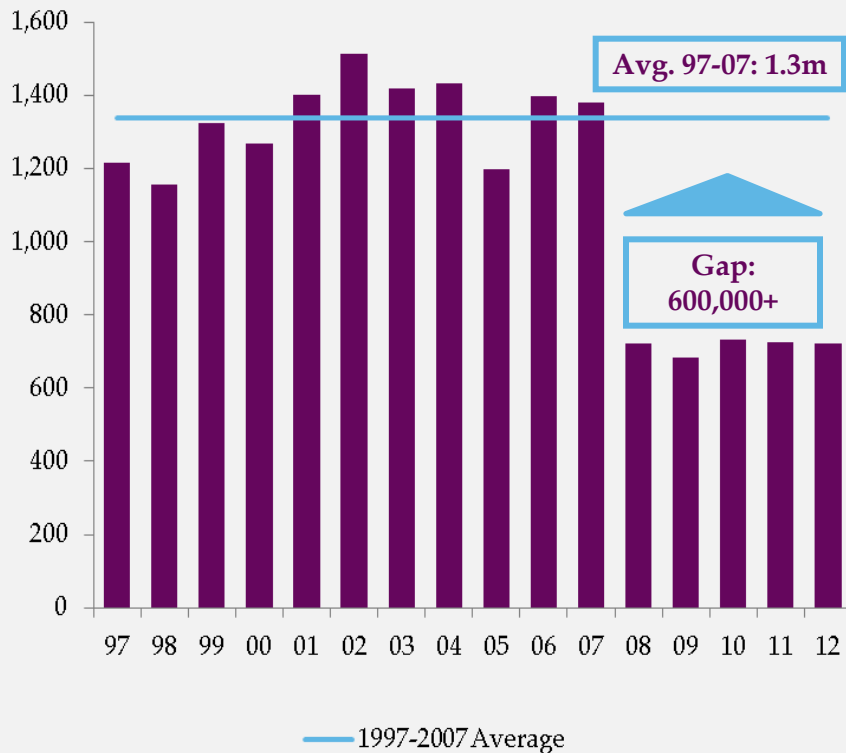
Lettings Agency of the Year Awards 2013: Best Large Lettings Agency – Silver



Flow-Through From Housing Market Transaction Volumes

UK Residential Property Transaction Volumes

Land Registry Transaction Volumes (000's)



Operational Leverage

1

Largely Fixed Cost Base

2

Full Service Proposition

3

Wide Geographic Coverage

4

Scalability

Consistent Group Strategy

1

Identification of under-represented geographic areas and market segments where we can grow through acquisition or organic business expansion

2

Build upon our position as a leading player in the L&NH sector to offer developers improved access to land and sales introductions via our register of prospective purchasers

3

Continued Lettings expansion through acquisitions and new openings while focusing on the maturing existing branch network

6

Expansion and development of online distribution capability

5

Continue to develop Prestige market offerings (Surveying, Conveyancing and Financial Services)

4

Retain focus on costs and business re-engineering



The pure-play in any UK Residential Property Recovery

- 1 Ongoing transformation and proactive period of investment by experienced management team while in private ownership
- 2 Capitalising on market leading positions across all our core businesses
- 3 Quality full service proposition creating continuous customer relationships with retail and corporate clients while maximising value from each transaction
- 4 A scalable, diversified and risk-mitigated business with significant recurring revenue streams capitalising on our integrated service and product offering
- 5 Track record of investing in growth and creation of value in the current market and the building of a scalable platform for future growth

Outlook

- H2 2013 set to be first real evidence of market recovery
- Key market recovery factors appear to be in place
 - Government initiatives
 - Trends in mortgage availability and pricing
 - Positive house price trends
 - Increasing general consumer confidence
- Group remains confident of achieving the board's expectations for 2013
- 2014 will see the initial impact of Government plans on our core market