Results for the six months to 30 June 2017

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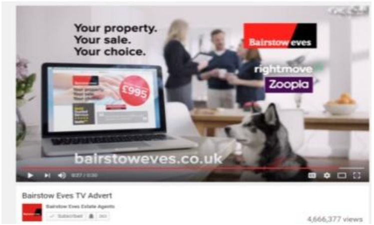
Contents

2017 H1 overview – continuing to transform our business

- Market trends weak as expected
- H1 comparatives tough due to stamp duty changes (April 2016) and European referendum
- Multichannel rollout on target
- Cost transformation delivering to plan
- Initiatives to strengthen balance sheet are on track



Bairstow Eves launch with TV, and tube advert with 4.7 million views online to date, supported by mall presence

March's Countrywide group-wide Open House campaign largest event of its kind with +21% SSTC on September 2016 event

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Group summary financials

	2017 H1 £m	2016 H1 £m
Income	333.0	370.3
EBITDA *	28.1	37.9
Depreciation \ Amortisation \ JV	(13.7)	(12.1)
Operating Profit **	14.4	25.8
Finance Costs	(6.0)	(4.0)
PBT **	8.4	21.8
Tax	(1.5)	(4.2)
PAT **	6.9	17.6
Adjusted EPS	3.0p	8.0p

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

** before exceptional items

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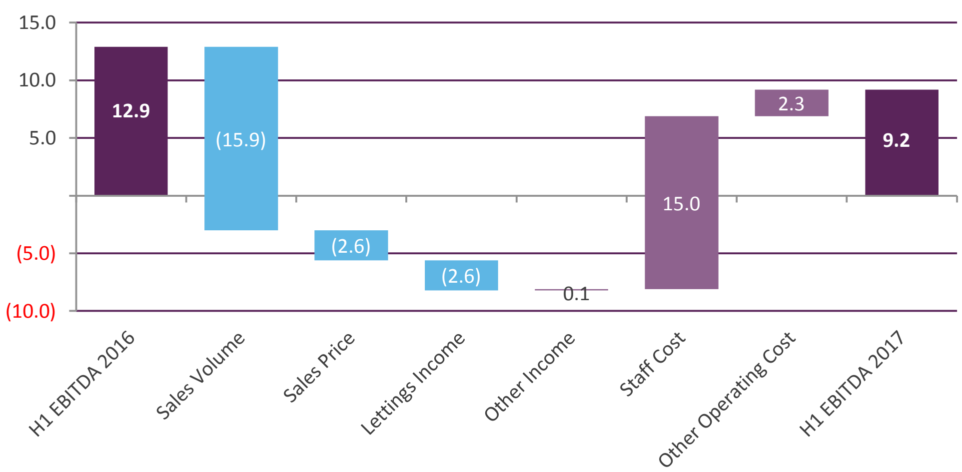
EBITDA business unit summary (£m)

	2017 H1 Income	EBITDA	2016 H1 income	EBITDA	2016 FY Income	EBITDA
Retail	105.9	9.2	126.5*	12.9*	247.8*	28.0*
London	75.0	3.4	85.8*	9.8*	172.6*	20.4*
FS	42.6	8.6	42.9	10.1	88.2	22.7
B2B	108.6	14.7	112.7*	13.2*	224.8*	31.4*
Central	0.9	(7.8)	2.4	(8.1)	3.6	(19.0)
	333.0	**28.1**	**370.3**	**37.9**	**737.0**	**83.5**

* Restated from prior year following internal restructuring of operations between Retail, London and B2B business units

Retail – resilient performance in a weaker market

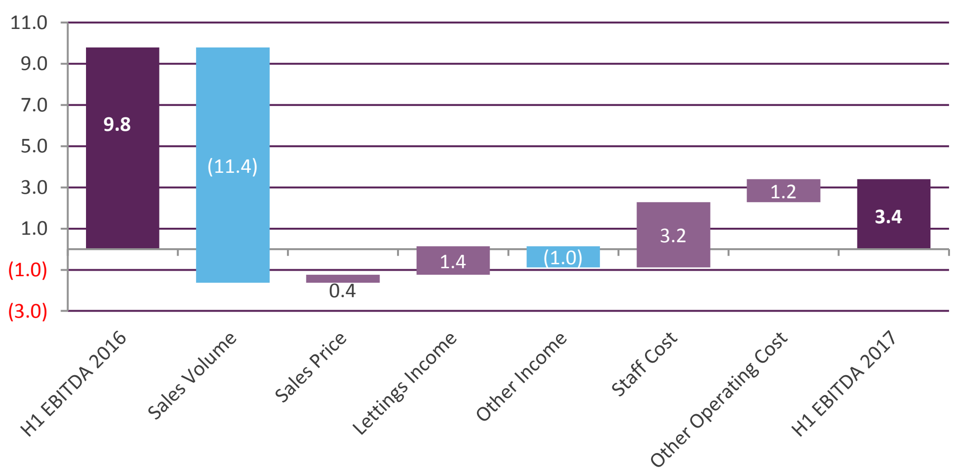
	2017 H1 £m	2016 H1 £m
Income	105.9	126.5
EBITDA	9.2	12.9
EBITDA margin	8.7%	10.2%



- Significant cost transformation benefits now evident
- Broadly stable market share in sales
- Enhanced customer experience via front and back office changes
- Landlord retention success continues, but subdued demand in lettings market

London – market volumes close to historic low

	2017 H1 £m	2016 H1 £m
Income	75.0	85.8
EBITDA	3.4	9.8
EBITDA margin	4.5%	11.4%

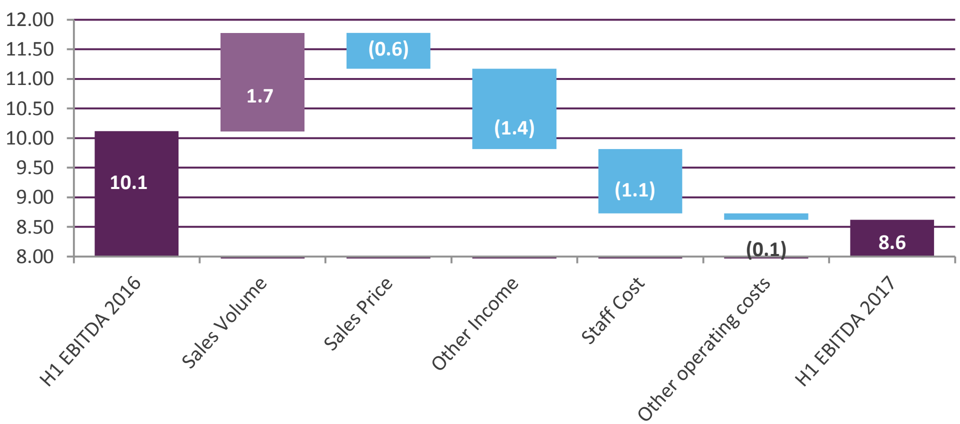


- Sales market share showing gains in Q1 (1)
- Lettings performance ahead of market with revenue up 7% (like for like) driven by increase in managed properties
- Modest (3%) increase in sales fee

(1) Based on Land Registry data for Q1 2017

Financial Services – investing for future growth

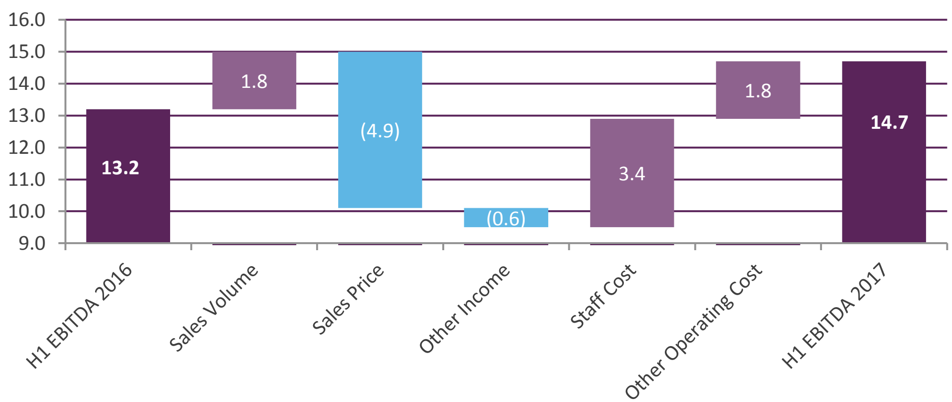
	2017 H1 £m	2016 H1 £m
Income	42.6	42.9
EBITDA	8.6	10.1
EBITDA margin	20.2%	23.5%



- Market share stable, helped by non-core performance
- Remortgage progress continues with 27% success rate (24% in 2016 / 13% in 2015)
- Significant investment in telephony capability underway with centralised centre for excellence
- Renewed strategic relationship with Aviva with market-leading protection products
- H1 profitability impacted by:
  - investment in headcount as part of strategic development
  - sales mix on mortgage volumes
  - lower level of insurance profit share

Business to Business – strong performance despite market conditions

	2017 H1 £m	2016 H1 £m
Income	108.6	112.7
EBITDA	14.7	13.2
EBITDA margin	13.5%	11.7%



- Surveying
  - new contract wins and extended deal with major lender
  - industry leading new technology platform
- Conveyancing
  - record scores on customer feedback measures
  - enhanced customer portal rollout underway
- Residential development solutions
  - significant contract wins
  - H2 will see launch of two build to rent schemes in Liverpool and Manchester (circa 500 units)
- Commercial
  - robust performance in consultancy business
  - big ticket transactions impacted by uncertain economic outlook
  - focus now on opportunities to develop LSH business

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Cash flow, balance sheet and leverage – progress on debt reduction

	2017 H1 £m	2016 H1 £m	2016 FY £m
EBITDA	28.1	37.9	83.5
Working capital	(5.6)	(18.8)	(18.0)
Exceptional costs	(3.2)	(0.6)	(12.6)
PI provisions outflow	(1.8)	(8.8)	(13.8)
Other provision outflow	(1.9)	(3.2)	(6.2)
Pensions	(2.0)	(1.9)	(1.9)
Interest	(5.4)	(3.3)	(8.2)
Tax	0.4	(3.5)	(8.7)
Acquisitions	-	(27.9)	(29.4)
Deferred consideration	(4.3)	-	(6.0)
Capex	(6.8)	(14.9)	(29.0)
Disposals	0.5	19.1	48.3
Dividends	-	(22.1)	(33.0)
Shares issued / (Buy backs)	36.9	(17.1)	(18.1)
Other	(4.4)	(8.3)	(9.9)
Movement in net debt	30.5	**(73.4)**	**(63.0)**

	2017 H1	2016 FY
Net debt	£217m	£248m
Leverage (multiple)	2.9	3.0

- Reduction in working capital outflow
- Reduction in PI payments as predicted
- Careful control of capex
- H2 debt levels / leverage will be positively impacted by:
  - historical H1 / H2 profit split (⅓ / ⅔)
  - full benefit of cost actions now implemented (H1 **£9m** / H2 **£11m**)
- Leverage targets
  - towards 2.0x end 2017
  - ongoing target 1.5 – 2.0x

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Financial summary

- H1 profits as expected against tough comparatives
- Sales market share 4.9% YTD compared to 5.1% for full year 2016 [1]
- H1 group cost base:
  - **£27m** below H1 2016
  - sustainable cost out
  - variable pay impact
- Balance sheet strengthened and we remain committed to reach leverage target
- No interim dividend declared for 2017 and will review at the full year

[1] HMRC to June 2017 excluding closed branches

Contents

Market environment will remain challenging

- H1 market comparatives impacted by European referendum and stamp duty changes in 2016
  - BoE mortgage volumes (homemovers) down 4% (YTD May)
  - BoE mortgage volumes (remortgages) up 3% (YTD May)
  - HMRC volumes down 7% (H1 2017)
  - Land Registry volumes down 29% (YTD March)
  - House prices broadly stable with some geographic variations

- Weak economic outlook impacts short term picture

- We expect 2017 and 2018 will be difficult for the housing market
  - we expect little or no uplift to transactions
  - discretionary moving remains low
  - household finances remain under pressure

- Outlook for rental growth is still positive with weaker growth in London and the South where extra supply has increased competition

- Affordability and weaker house price growth expectations mean that we should expect little price growth, especially in the South

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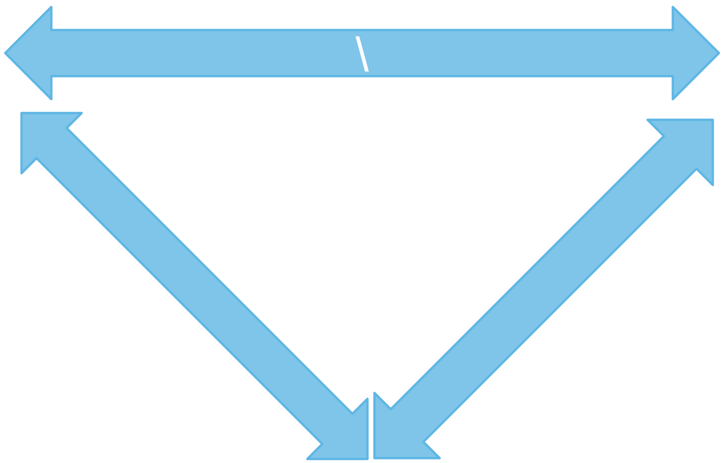
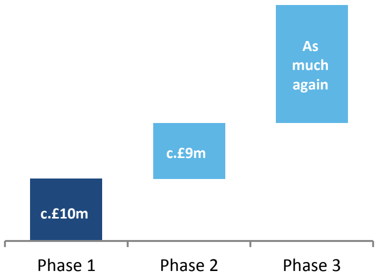
Balancing our agenda to build strength

- **Digital / multichannel**
  - Extends our reach in the sales and mortgage market
  - Transforms the cost of our operation
  - Capitalises on our assets as we continue the 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*	2017 target	LT target
Net debt	£185m	£258m	£248m		
Leverage (multiple)	1.64x	2.35x	2.97x	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

Digital / multichannel: What we have done to date

Evolved the proposition

- Tested price points
- Online fixed fee product works well as our entry point
- Improved the product and added features

Improved our marketing

- Enhanced the online customer experience
- Refined and improved marketing channels and customer messaging

Developed our people

- Refreshed and embedded the sales framework
- Rolled out new behavioural and technical training

50% of our estate live by end of July including many of our biggest brands

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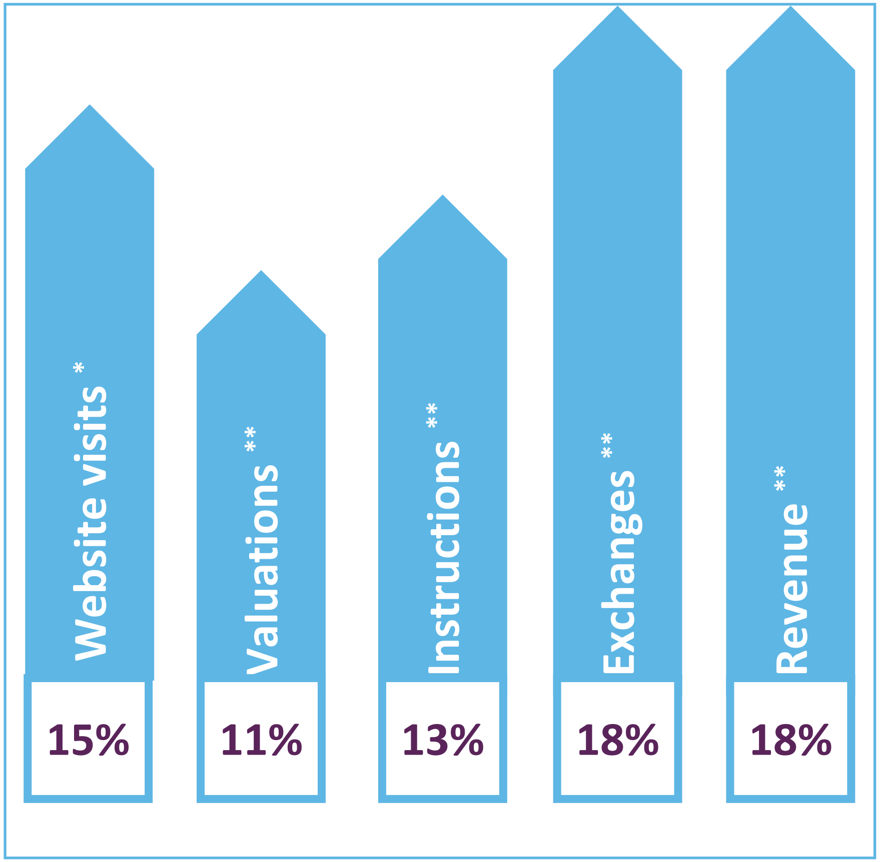
Digital / multichannel: What we have seen

When comparing to the rest of our estate we see…



- **Increased traffic**
- **More valuations**
- **Better conversion rate**
- **Improved sales progression**
- **Increased revenue**

**Compared to pre marketing level* ***Phase 1 compared to Countrywide control group*

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Digital / multichannel: So what now?

Green shoots
- Absolute market share growth for Phase 1 for six months following launch
- Other phases out-performing control group but yet to show net growth
- Marginal impact on average fee off-set by incremental volume

Platform for growth
- Iterative refinements to digital experience will yield further performance uplift
- Differentiated hybrid proposition enables marketing cut-through (+15% traffic & 11% valuations)

Competitive mitigation
- Customer feedback validates value of hybrid model
- We lead in having in-house choice from hybrid to high street

Strong performance vs. control, springboard for continued improvement leading to net share and year on year value growth

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Cost transformation delivering to plan

2016 | 2017 | 2018 and beyond

Phase 1: delivered

- Management delayering
- Network rationalisation

Phase 2: delivered

Management consolidation

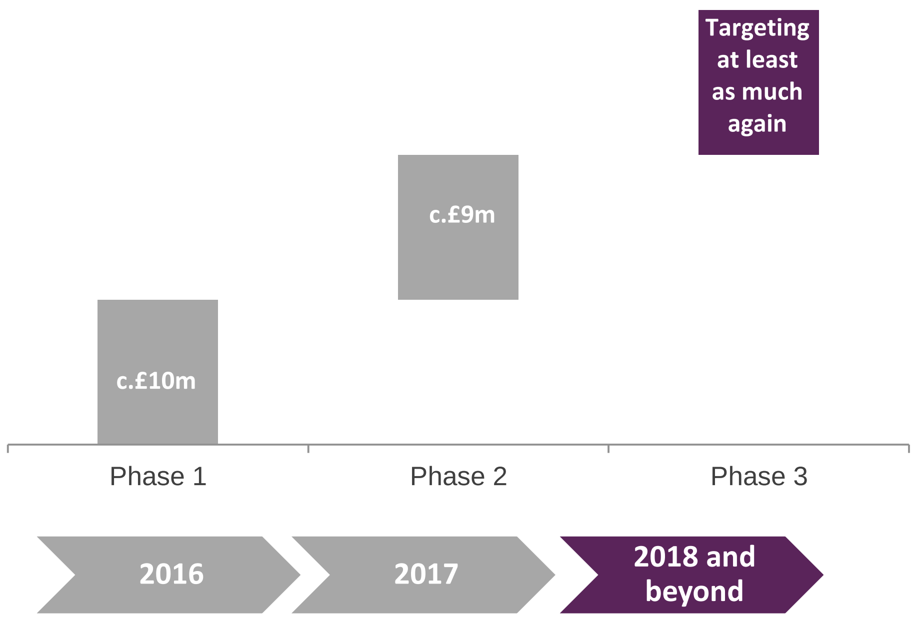
- Combined Sales and Lettings ‘Retail’ managers in branches
  - ➢ c.£0.4m saving

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 rollout

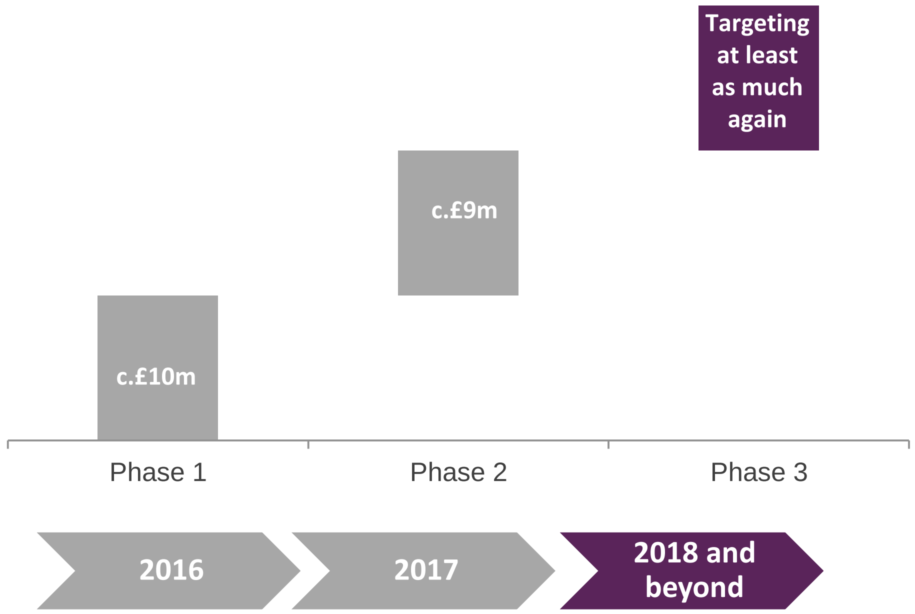


Cost transformation delivering to plan

2016 | 2017 | **2018 and beyond**

Phase 3: in development

- Driving further digital penetration
- Reducing IT running costs
- Aligning support functions to our revised business structure
- Consolidating our contact centres to maximise efficiency across the Group
- Focusing on having fewer, better and bigger brands



Outlook

- Market remains challenging
- Tenant fees pending
- H2 will see full benefit of cost initiatives
- Continued progress to transform across key strategic areas
- We continue to invest in cost and growth initiatives to build a sustainable and profitable business for the long term and remain committed to reducing our leverage.
- We expect results and leverage for 2017 to fall within the range of market expectations

Continuing to transform Countrywide for the future

- Leading market position across residential
- Accelerating organic growth plans
- True multichannel operator
- Cost leadership
- Strengthened balance sheet
- Enhanced flexibility to react to market changes

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Appendix 1 – Divisional KPIs

Appendices
1. Divisional KPIs – Retail Summary

		2017 H1	2016 H1*	2016 FY*	2015 FY
Estate Agency revenue	£'000	**53,076**	71,937	139,487	141,668
Lettings revenue	£'000	**45,947**	46,973	97,955	97,093
Conveyancing revenue	£'000	**3,267**	4,494	9,113	9,657
Other revenue	£'000	**3,642**	3,142	1,265	6,033
Total Income	£'000	**105,932**	126,546	247,820	254,451
EBITDA before exceptionals	£'000	**9,221**	12,927	28,018	43,343
Exchanges		**20,693**	25,573	50,362	50,396
Average cash fee (£)		**2,390**	2,541	2,511	2,640
Average house price (£)		**198,956**	194,367	198,122	188,388
Managed properties (average)		**63,940**	65,675	65,352	60,272
Branches (average)		**677**	807	783	791
Branches (closing)		**676**	803	679	841
Employees FTE (average)		**3,880**	4,927	4,710	4,734

* Restated from prior year following internal restructuring of operations between Retail, London and B2B business units

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2. Divisional KPIs – London Summary

		2017 H1	2016 H1*	2016 FY*	2015 FY
Estate Agency revenue	£'000	**36,651**	48,207	90,060	109,861
Lettings revenue	£'000	**37,533**	35,711	78,969	63,265
Conveyancing revenue	£'000	**586**	682	1,351	1,532
Other revenue	£'000	**232**	1,209	2,173	3,324
Total Income	£'000	**75,002**	85,809	172,553	177,982
EBITDA before exceptionals	£'000	**3,392**	9,824	20,382	34,162
Exchanges		**4,351**	5,702	10,951	12,094
Average cash fee (£)		**8,253**	8,021	8,054	8,535
Average house price (£)		**666,857**	652,528	665,799	633,039
Managed properties (average)		**25,952**	24,350	25,792	21,645
Branches (average)		**248**	282	278	276
Branches (closing)		**245**	284	254	281
Employees FTE (average)		**1,866**	2,203	2,147	2,014

* Restated from prior year following internal restructuring of operations between Retail, London and B2B business units

3. Divisional KPIs – Financial Services Summary

		2017 H1	2016 H1	2016 FY	2015 FY
Financial services revenue	£'000	**40,988**	**41,091**	**84,282**	76,937
Conveyancing revenue	£'000	**1,612**	**1,813**	**3,892**	4,057
Total Income	£'000	**42,600**	**42,904**	**88,174**	80,994
EBITDA before exceptionals	£'000	**8,626**	**10,121**	**22,682**	20,709
Total mortgages arranged (core)*		**16,836**	**18,845**	**37,992**	37,084
Gross mortgage value (core)*		**£2.4bn**	**£2.7bn**	**£5.5bn**	£5.1bn
Total mortgages arranged (non-core)		**26,625**	**24,099**	**52,270**	38,855
Gross mortgage value (non-core)		**£5.5bn**	**£4.6bn**	**£10.1bn**	£7.1bn
Total mortgages arranged (total)		**43,461**	**42,944**	**90,262**	75,939
Gross mortgage value (total)		**£7.9bn**	**£7.4bn**	**£15.7bn**	£12.2bn
Life policies sold		**13,641**	**11,990**	**25,756**	25,388
GI policies sold		**16,518**	**13,634**	**27,711**	31,371
Employees FTE (average)		**1,002**	**973**	**997**	968

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

4. Divisional KPIs – Business to Business Summary

		2017 H1	2016 H1*	2016 FY*	2015
Surveying and valuation revenue	£'000	**37,118**	36,033	68,672	66,295
Conveyancing revenue	£'000	**12,454**	14,933	30,572	32,206
Estate and asset management revenue	£'000	**6,345**	6,346	18,040	17,879
CRDS* revenue	£'000	**12,386**	15,290	28,146	27,736
Commercial revenue	£'000	**49,000**	49,202	101,973	101,686
Other revenue	£'000	**927**	1,495	2,950	1,726
Total gross revenue from B2B clients	£'000	**118,230**	123,298	250,353	247,528
Revenue paid across to other BUs	£'000	**-9,607**	-10,613	-25,568	-28,477
B2B total income	£'000	**108,623**	112,685	224,785	219,051
EBITDA before exceptionals	£'000	**14,710**	13,209	31,419	32,302
Surveys and valuations		**181,415**	190,141	364,957	357,033
Conveyances (excluding third party) completed		**13,312**	15,551	33,053	34,851
• Exchanges CWRDS# customers		**2,056**	2,665	4,896	5,187
Corporate properties under management		**30,172**	32,794	36,635	32,049
Employees FTE (average)		2,594	2,854	2,784	2,613

* Restated from prior year following internal restructuring of operations between Retail, London and B2B business units

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

Appendix 2 – Multichannel Backup Data

Digital / multichannel: customer feedback

What are the benefits of our Online proposition?

- *"Flexibility, modern way to sell. If doesn't sell have the option to upgrade to high street."* Mrs J Pemberton
- *"Cost, ability to switch to full service" "Only high street agent to offer both services."* Mr W Price
- *"Price, also have the backing of a high street brand."* Mr S Clark

What are the benefits of our High Street proposition?

- *"Local market knowledge and high level of service."* Mr Constantine
- *"To get more interest and boost the sale of the property."* Mrs Datson
- *"High street is more comprehensive."* Mr A Clarke

Source: Direct survey feedback from outbound calling (17 – 20 July 2017) recent high street and online sales instructions.

Digital / multichannel

- Rolled out to six major brands – now at a total of twelve brands
- Improvements made to buyer and vendor customer journey
- Google Analytics added to the platform to drive conversion improvements
- Will be in 419 branches (50% of estate) by end July 2017

Phase 1:
June 2016

Frank Innes est. 1932
Austin & Wyatt
Spencers

Phase 2:
November 2016

Miller Countrywide
fulfords
Carson & Co.

Phase 3:
January 2017

Entwistle Green

Phase 4:
February 2017

bridgfords

Phase 5:
March 2017

Bairstow eves

Phase 6:
May 2017

TAYLORS

Phase 7:
July 2017

Slater Hogg & Howison

Phase 8:
End of July 2017

DIXONS

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Marketing activity 2017-H1

FLEET

500+ branded cars

ESTATE

50% of branch windows wrapped with impactful consumer messaging

KEY SHOPPING CENTRE SITES

Branded sites in key shopping centre locations delivering circa 7.2m consumer impressions over four weeks. Significant uplift in valuations, mortgage appointments and landlord instructions.

Marketing activity H1 2017

TV

46.5m gross impressions
13.2m unique impressions
Terrestrial broadcast

RADIO

78.5m impressions

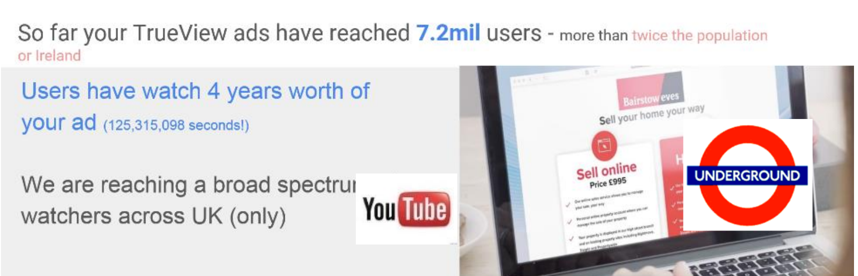
LONDON PRESS

METRO

EveningStandard.

14.1m gross impressions
6.5m unique impressions

DIGITAL BROADCAST



7.2m impressions

TUBE PANEL

18.6m impressions

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Digital / multichannel

15%

Increase in website visits after launch for recent phases

PHASE 1

Austin&Wyatt

Frank Innes

VALUATIONS

11%

in the 3 months post launch when compared to the control brands

INSTRUCTIONS

13%

in the 3 months post launch when compared to the control brands

SALES AGREED

17%

in the 3 months post launch when compared to the control brands

EXCHANGES

18%

in the 3 months post launch when compared to the control brands

Entwistle Green

TAYLORS

Miller Countrywide

Carson & Co.

fulfords ESTABLISHED 1863

Bairstow eves

EVEN BETTER

Performance in the more recent phases for valuations and instructions has been between

20% & 60%

better than those reflected above for Phase 1

COVERAGE

50%

of Branch Network

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Proposition Review

	Phase 1 - June '16	Phase 2 - Nov '16	Phase 3 - Jan '17	Phase 4 - Feb '17	Phase 5 - Apr '17
	Original trial brands (with Marketing)	Tactical strike brands (without Marketing)	Entwistle Green (with Marketing)	Bridgfords (with Marketing)	Bairstow Eves (with Marketing)
Valuation growth (number of new property evaluations)	11%	11%	22%	5%	7%
Instruction growth (number of new instructions to sell a property)	13%	15%	22%	7% *	9% *
Deal agreed growth (number of new deals agreed)	17%	19%	26% *	11% *	13% *
Exchanges growth (number of exchanges completed)	18%	20% *	27% *	12% *	14% *
Fee impact (variance in average cash fee)	-3%	-3% *	-3% *	-3% *	-3% *
Revenue impact (variance in total revenue)	18%	20% *	27% *	12% *	14% *

Phase 1 brands = Frank Innes and Austin & Wyatt
Phase 2 brands = Fulfords, Carsons & Co and Miller Countrywide

KPIs are for each phase are based on 13 weeks post launch compared to 13 weeks pre-launch, relative to a control group (the control group included all non –multichannel brands excluding the London region).

** Where insufficient time has elapsed to measure the full proposition life cycle, forecasts are provided. These forecasts are based on the performance of the brands for which sufficient time has elapsed for that specific KPI. Note that the forecasted figures have an expected variance of 5 percentage points.*

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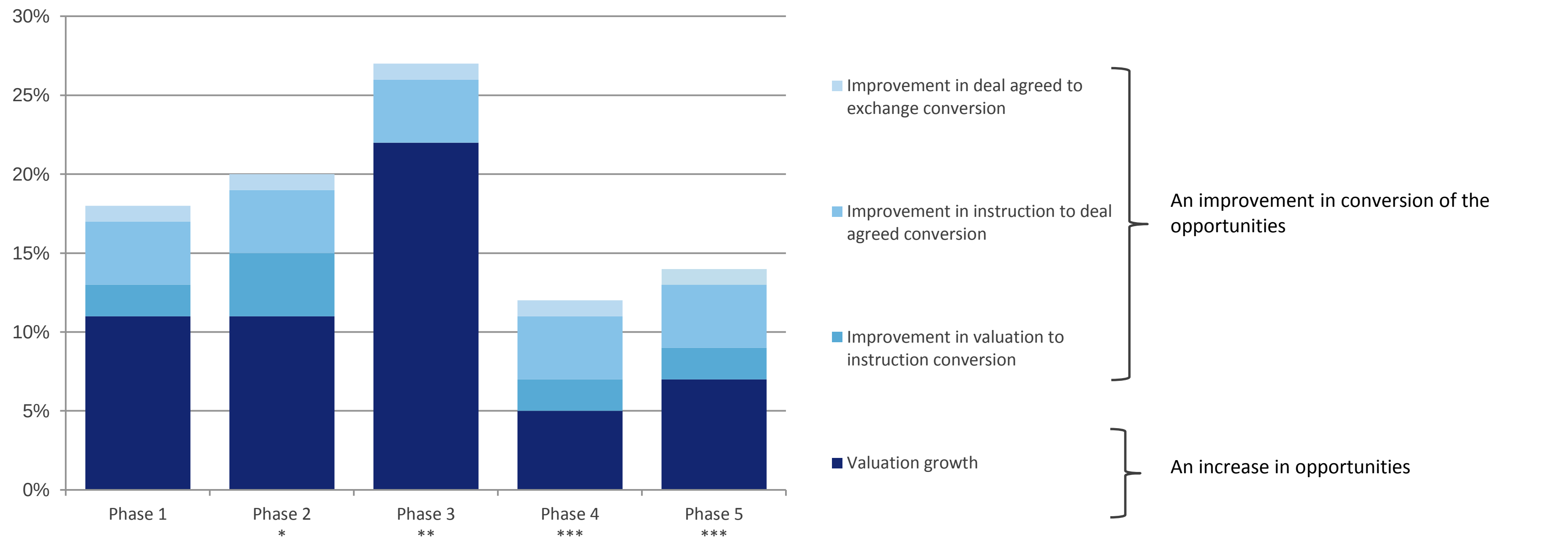
Contributing factors

Two factors result in an overall increase in exchanges for the multichannel brands when compared to the control base:

1. The relative increase in opportunities (the overall number of valuations for the multichannel brand post launch)
2. The relative improvement in the conversion of these opportunities - from valuation to instruction, to deal agreed and ultimately to exchange

% Increase in exchanges per phase - compared to the control group



* Deal agreed to exchange conversion percentage has been forecast based on Phase 1 performance
** Instruction to deal agreed and deal agreed to exchange conversion percentages have been forecasted based on Phase 1 & 2 performance
*** Valuation to instruction, instruction to deal agreed and deal agreed to exchange conversion percentages have been forecasted based on Phase 1, 2 & 3 performance