Countrywide Holdings, Ltd

Financial results

for the quarter ended

September 30, 2012

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FORWARD-LOOKING STATEMENTS

This Report includes forward-looking statements, which involve risks and uncertainties. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies, the industry in which we operate and potential acquisitions. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements are based upon information available to us on the date of this Report.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, the development of the industry in which we operate and the effect of acquisitions on us may differ materially from those made in or suggested by the forward-looking statements contained in this Report. In addition, even if our results of operations, financial condition and liquidity and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Report, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause those differences include, but are not limited to:

- a decline in the number of transactions, prices or commission levels in the UK residential property market, whether due to the impact of macroeconomic factors or otherwise;
- increased or reduced competition in the industry in which we operate;
- changes in, or our failure or inability to comply with, government laws or regulations;
- the loss of any of our important commercial relationships; and
- any increase in our professional liabilities or any adverse development in the litigation or other disputes to which we are a party.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. We urge you to read the sections of this Report entitled "Risk Factors," and "Business Review" for a more complete discussion of the factors that could affect our future performance and the industry in which we operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Report may not occur.

We undertake no obligation, and do not expect, to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Report.

HIGHLIGHTS

- Volatile market conditions in Q3 12 due to the London Olympics, followed by a sluggish recovery in September.
- Steady financial performance with improved cash position compared to June 2012.
- Continued investment in strategic opportunities.
- House prices and market volumes remain flat year on year.

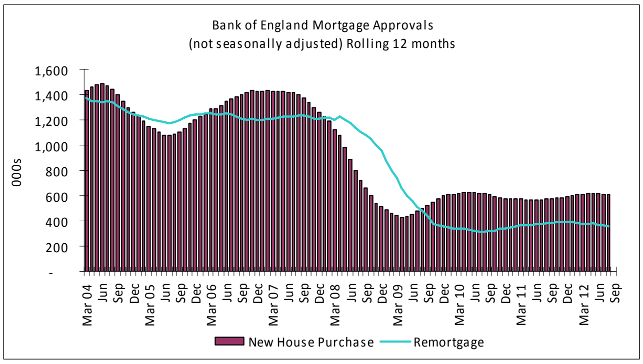
Unaudited

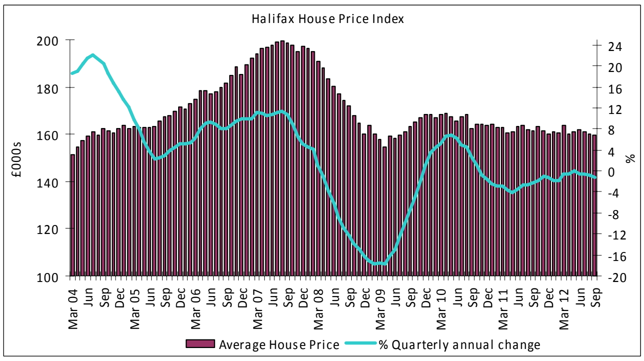
	Quarter ended September 30			Nine months ended September 30		
	2012	2011	Var	**2012**	2011	Var
	£'000	£'000	%	**£'000**	£'000	%
Total income	**142,490**	143,074	-	**399,683**	377,829	+6
EBITDA	**22,584**	23,416	-4	**42,140**	40,131	+5
Operating profit	**17,858**	18,264	-2	**28,313**	25,258	+12
	Number	Number	%	**Number**	Number	%
House sales exchanged						
- Countrywide	**15,082**	15,612	-3	**41,956**	41,190	+2
- Hamptons	**928**	1,029	-10	**2,522**	2,409	+5
Retail properties under management	**43,698**	34,734	+26	**41,519**	33,404	+24
Mortgages arranged	**13,476**	15,745	-14	**40,078**	38,172	+5
Valuation and survey instructions	**69,921**	74,775	-6	**210,704**	205,275	+3
Total conveyances completed	**13,674**	8,954	+53	**32,981**	22,344	+48
Segment results	**£'000**	£'000	%	**£'000**	£'000	%
Total income						
Estate Agency	**56,072**	60,355	-7	**159,601**	158,371	+1
Lettings	**26,265**	22,099	+19	**71,606**	61,082	+17
Financial Services	**16,417**	16,593	-1	**46,710**	44,433	+5
Surveying & Valuation	**16,421**	17,131	-4	**49,241**	46,062	+7
Conveyancing	**6,851**	6,581	+4	**18,501**	16,836	+10
Hamptons	**20,402**	20,149	+1	**53,390**	50,380	+6
Other segments	**62**	166	-63	**634**	665	-5
	142,490	143,074	-	**399,683**	377,829	+6
EBITDA						
Estate Agency	**5,596**	7,986	-30	**5,771**	6,432	-10
Lettings	**7,041**	5,363	+31	**16,610**	12,447	+33
Financial Services	**2,275**	2,401	-5	**5,511**	6,078	-9
Surveying & Valuation	**3,004**	2,673	+12	**7,517**	6,639	+13
Conveyancing	**2,433**	2,535	-4	**5,507**	5,604	-2
Hamptons	**5,304**	5,687	-7	**10,338**	11,443	-10
Segment EBITDA	**25,653**	26,645	-4	**51,254**	48,643	+5
Other segments	**(3,069)**	(3,229)	-4	**(9,114)**	(8,512)	+7
Group EBITDA	**22,584**	23,416	-4	**42,140**	40,131	+5

Business review

Countrywide delivered a strong result despite a challenging third quarter housing market. The Olympics, as expected, dampened demand particularly in our prime London markets, both for residential housing sales and lettings with the consequential impact on our Conveyancing and Financial Services operations.

The continued situation in the Eurozone and liquidity issues within many banks are still suppressing lender appetite. However, we are seeing more competitive products being launched and prices easing slightly across all loan-to-value bands. Nevertheless we are increasing our footprint and acquired the FYB Network at the beginning of September, increasing our profile in a previously under-represented area.





Risk factors

There has been no change to risk factors since publication of the 2011 Annual Report on March 1, 2012 The risk factors identified in our Annual Report were as follows:

- Housing market
- Liquidity risk
- Interest rate risk
- Credit risk
- Loss of a major customer
- Infrastructure and IT systems
- Professional indemnity claims.

Material commitments

During the quarter we entered into a 7 year outsourcing agreement with CGI. The strategic partnership agreement will see CGI consolidating and upgrading Countrywide's existing IT systems to improve technology service delivery. The transformed IT services will support Countrywide's client-focussed business strategy and ensure that it is able to increase its rate of innovation and rapidly develop and roll-out world class IT solutions.

Other than above, there has been no change to material contracts and material commitments since we issued our Annual Report in March 2012.

Operating and financial review

Countrywide is the UK's leading estate agency based residential property service provider.

Estate Agency Division

unaudited

	Quarter ended September 30			Nine months ended September 30		
	2012	2011	Var	**2012**	2011	Var
	£'000	£'000	%	**£'000**	£'000	%
Total income	**56,072**	60,355	-7	**159,601**	158,371	+1
Operating costs	**(50,476)**	(52,369)	-4	**(153,830)**	(151,939)	+1
EBITDA	**5,596**	7,986	-30	**5,771**	6,432	-10
Depreciation and amortisation	**(808)**	(1,145)	-29	**(2,470)**	(3,157)	-22
Operating profit	**4,788**	6,841	-30	**3,301**	3,275	-1
Operational data	Number	Number		Number	Number	
House sales exchanged	**15,082**	15,612	-3	**41,956**	41,190	+2

2012 is proving to be an interesting year for the Estate Agency business. The normal seasonal profile has been affected by the cessation of the Stamp Duty holiday in March pulling exchanges forwards into Q1. The extended Jubilee celebrations in Q2 2012 followed by The Olympics in the Summer dampened demand. A tightening of the credit markets has led to mortgage applications taking longer to process. This has not only impacted the number of new deals agreed but, disappointingly, the conversion rate of our pipeline into exchanged sales, which was at its lowest level for 2 years. Even so, the division has generated modest revenue growth for the nine months ending September, in what appears to be a flat market overall year on year.

The small growth in revenue has been offset by an increase in costs due to our investment in new Sotheby's and Faron Sutaria branches which have contributed to reduce EBITDA by £0.9 million.

Lettings Division

unaudited

	Quarter ended September 30			Nine months ended September 30		
	2012	2011	Var	**2012**	2011	Var
	£'000	£'000	%	**£'000**	£'000	**%**
Total income	**26,265**	22,099	+19	**71,606**	61,082	+17
Operating costs	**(19,224)**	(16,736)	+15	**(54,996)**	(48,635)	+13
EBITDA	**7,041**	5,363	+31	**16,610**	12,447	+33
Depreciation and amortisation	**(1,189)**	(757)	+57	**(3,218)**	(2,246)	+43
Operating profit	**5,852**	4,606	+27	**13,392**	10,201	+31
Operational data	Number	Number		Number	Number	
Properties under management (retail)	**43,698**	34,734	+26	**41,519**	33,404	+24
Properties under management (corporate)	**47,907**	54,536	-12	**48,762**	57,645	-15

Our Lettings business continues to go from strength to strength with 17% increase in income and 33% growth in EBITDA assisted by contributions from acquisitions made at the end of last year and during 2012. Our core business, excluding new starts but including acquisitions, has delivered a 34% EBITDA increase year on year. Revenue from our 149 New Starts branches (2011: 79) has grown by £4.0 million or 160% in the year to date. The third quarter is always a strong quarter for Lettings with record numbers of Lets and new instructions.

Our strategic acquisition programme continues with pace and we completed the purchase of 2 more businesses in the quarter for £0.5 million bringing the total to 12 in the year at a total cost of £8.3 million.

Financial Services Division

	unaudited					
	Quarter ended September 30			Nine months ended September 30		
	2012	**2011**	Var	**2012**	2011	Var
	£'000	**£'000**	**%**	**£'000**	£'000	%
Total income	**16,417**	16,593	-1	**46,710**	44,433	+5
Operating costs	**(14,142)**	(14,192)	-	**(41,199)**	(38,355)	+7
EBITDA	**2,275**	2,401	-5	**5,511**	6,078	-9
Depreciation and amortisation	**(1,371)**	(1,359)	+1	**(4,072)**	(4,065)	-
Operating profit	**904**	1,042	-13	**1,439**	2,013	-29
Operational data	Number	Number		Number	Number	
Total mortgages arranged	**13,476**	15,745	-14	**40,078**	38,172	+5
Life insurance policies sold	**9,282**	11,943	-22	**27,425**	25,391	+8
General insurance policies sold	**9,312**	10,959	-15	**27,301**	27,892	-2

(All volume data includes Mortgage Intelligence)

Q3 2012 was a difficult quarter for the mortgage market with gross mortgage lending and mortgage approvals down 5% compared to Q3 2011 (Source CML). This was heightened in the Intermediary market where the market decline was greater as both the largest lenders (Lloyds Banking Group and Santander) reduced gross lending volumes. This, coupled with the stringent underwriting criteria applied by the lenders, is drawing out the mortgage application process and delaying exchanges and increasing the risk of cancellation. This is reflected in the fact that year on year the number of mortgages arranged is higher but exchanges remain lower.

Volumes of associated financial products sold alongside mortgages have been similarly affected.

Following the increase in the consultant base earlier in the year, costs have been reduced through planned headcount reductions and careful management.

Last year the division expanded its footprint beyond the Countrywide branch network with the acquisition of Mortgage Intelligence and entered the High-Net-Worth market by launching Capital Private Finance. Both these initiatives have been successful in increasing the year to date EBITDA year on year by £0.5 million. Last month the division acquired Life and Easy Limited trading as FYB Network.

Surveying & Valuation Division

	Unaudited					
	Quarter ended September 30			Nine months ended September 30		
	2012	**2011**	Var	**2012**	2011	Var
	£'000	**£'000**	%	**£'000**	£'000	%
Total income *(net of panel survey costs)*[1]	**12,414**	12,634	-2	**36,697**	35,709	+3
Operating costs	**(9,410)**	(9,961)	-6	**(29,180)**	(39,423)	+7
EBITDA	**3,004**	2,673	+12	**7,517**	6,639	+13
Depreciation and amortisation	**(102)**	(473)	-78	**(335)**	(1,421)	-76
Operating profit	**2,902**	2,200	+32	**7,182**	5,218	+38
Operational data	Number	Number		Number	Number	
Valuations and survey instructions completed	**69,921**	74,775	-6	**210,704**	205,275	+3

[1] The Surveying income has been stated net of panel fees paid 2012 Q3: £4,007,000 (2011 Q3: £4,497,000). 2012 Nine months year to date: £12,544,000 (2011 Nine months year to date £10,353,000) in order to present a clearer picture of the true increase in revenues and costs. Panel fee income and payments vary in accordance to the volume of panel surveys arranged. The margin earned is small compared to that from surveys performed in-house. The volumes of surveys and valuations reported excludes panel surveys arranged.

While mortgage activity dropped in Q3 12, the shortfall in income of 2% is largely due to one less working day in the quarter versus 2011. On a like-for-like trading basis Q3 income would have broadly been flat despite The Olympics taking place in London during the period. Our income performance is therefore pleasing and reflective of the diversified, well balanced nature of our client base and greater operational control following recent restructures. These factors have enabled us to protect income during what could have been a highly disruptive period.

Despite the small decline in income, EBITDA grew by 12% as the benefits of the National Operations centre and other cost saving initiatives are realised as well as gains in productivity. Year to date, income and EBITDA growth remain strong despite market challenges at +3% and +13% respectively. This growth has been driven in part by additional contract wins as well as through the full year to date impact of United Surveyors which has contributed an additional £0.5 million to EBITDA.

Conveyancing Division

	Unaudited					
	Quarter ended September 30			Nine months ended September 30		
	2012	2011	Var	**2012**	2011	Var
	£'000	£'000	%	**£'000**	£'000	%
Total income	**6,851**	6,581	+4	**18,501**	16,836	+10
Operating costs	**(4,418)**	(4,046)	+9	**(12,994)**	(11,232)	+16
EBITDA	**2,433**	2,535	-4	**5,507**	5,604	-2
Depreciation and amortisation	**(90)**	(76)	+18	**(266)**	(262)	+2
Operating profit	**2,343**	2,459	-5	**5,241**	5,342	-2
Operational data	Number	Number		Number	Number	
Completions in-house[1]	**5,661**	6,061	-7	**15,843**	15,540	+2
Completions panel[2]	**8,013**	2,893	+177	**17,139**	6,804	+152
Separate legal representation[3]	**5,477**	—	n/m	**10,684**	—	n/m

Trading challenges arising from UK housing market conditions in the third quarter continued with a £0.1m reduction in EBITDA compared with the corresponding period in 2011. While pipelines have remained relatively strong following a surge in instruction activity in Q2 and at the end of Q3, market constraints, in particular in the time taken for purchasers to secure mortgage offers have pushed out the time to convert pipelines.

Income in 2012 has increased compared to 2011 due to the introduction of the HSBC contract; however the additional operating costs associated with delivering steady state have meant that profitability has been impacted in 2012. Underlying trading, excluding HSBC, has been slower in the first half of the year and while internally generated completion activity increased 17% on Q2 2012 it was down by 6% on the corresponding period in 2011. This, together with the additional operating costs, is the main contributing factor to the shortfall in EBITDA for both Q3 and the year to date versus the prior year. The completions data above showing an increase of 53% and reflects all work completed, with the increase due to the operation of the HSBC panel where the vast majority of work, both transactional and separate legal representation, is carried out by panel firms.

The improvement of 11% in instruction volumes during Q3 2012 generated through the Countrywide network means that pipelines are healthy and up 3% going into Q4 2012.

[1] In-house completions are carried out by Countrywide Conveyancing Services.
[2] Panel completions are carried out on behalf of Countrywide Conveyancing Services by a selected panel of conveyancing firms.
[3] Separate legal representation is work carried out by Countrywide Conveyancing Services whereby a third party's conveyancing work is reviewed on behalf of a mortgage lender.

Hamptons International

	Unaudited					
	Quarter ended September 30			Nine months ended September 30		
	2012	2011	Var	2012	2011	Var
	£'000	£'000	%	£'000	£'000	%
Total income	**20,402**	20,149	+1	**53,390**	50,380	+6
Operating costs	**(15,098)**	(14,462)	+4	**(43,052)**	(38,937)	+11
EBITDA	**5,304**	5,687	-7	**10,338**	11,443	-10
Depreciation and amortisation	**(453)**	(714)	-37	**(1,404)**	(1,870)	-25
Operating profit	**4,851**	4,973	-2	**8,934**	9,573	-7
Operational data	Number	Number		Number	Number	
Exchanges	**928**	1,029	-10	**2,522**	2,409	+5

The combined effects of The Olympics coupled with the ongoing impact of stamp duty changes for properties sold for over £2.0 million acted as a drag on the London housing market in July and August. Some momentum returned in late September and the Sales division finished the quarter with a pipeline nearly £1.0 million higher than a year ago.

Lettings continued their strong performance in 2012 with a record breaking month in August. The Residential Development and Investment team secured new instructions in Mayfair and Islington.

Expansion of the Hamptons network continued in September with the launch of new branches in Barnes and Balham, bolstering the London footprint and adding to the five branches opened earlier in 2012. The impact of these openings has been to reduce EBITDA by £0.1 million in Q3 and £1.0 million to September 2012 year on year.

Other segments

The costs of the central overheads including our online marketing and business development departments, reduced by 14% compared to Q3 11 due to reduction in expected long term incentive payments.

Depreciation and amortisation

Depreciation and amortisation charges are lower this year due to certain intangible assets being fully amortised at the end of 2011.

Finance expense

Finance expense has increased slightly in the quarter due to the interest payable on the Letters of Credit drawn under the Revolving Credit Facility.

Finance income

We have been able to take advantage of some competitive pricing to earn higher interest rates.

Taxation

The taxation charge has benefited from a deferred tax credit of £5.0 million arising from the reduction of corporation tax rates from 26% to 24% and the consequential decreased is deferred tax liabilities. The corporation tax charge of £2.4 million is based on an effective tax rate of 26.2%, slightly higher than the statutory rate due to disallowed leasing charges.

Capital expenditure

While the housing market is still slow, the Group is carefully monitoring its capital expenditure. However, we have invested in new branches which increased our level of expenditure during 2012.

Liquidity and cash flow analysis

	September 30 2012	Unaudited December 31 2011	September 30 2011
	£'000	£'000	£'000
Cash and cash equivalents	**52,214**	60,636	70,414
Trapped cash (cash held by the insurance cell)	**(1,228)**	(2,526)	(2,842)
Available cash	**50,986**	58,110	67,572

	September 30 2012	Unaudited December 31 2011	September 30 2011
	£'000	£'000	£'000
Revolving Credit Facility (RCF)	**25,000**	25,000	25,000
- Letters of Credit drawn	**(7,641)**	(2,000)	—
Available facility	**17,359**	23,000	25,000

Cash balances increased by £9.9 million in the quarter to September 2012 in line with the seasonality of the business cash flows. However, they were lower than in the same quarter last year due to the timing of some working capital movements. Due to supplier invoicing issues, certain payments from the first half were delayed until this quarter and the outsourcing contract accelerated some payments. We continue to utilise our PI provisions by settling claims.

	September 30 2012	December 31 2011	September 30 2011
	£'000	£'000	£'000
EBITDA before exceptionals – last twelve months	**58,377**	56,367	52,362
Gross debt	**250,000**	250,000	250,000
Net debt	**197,786**	189,364	179,586
Consolidated interest expense[1]	**27,028**	26,865	25,375
Consolidated leverage ratio[2]	**3.38**	3.35	3.43
Fixed charge ratio[3]	**2.15**	2.10	2.06

Grenville Turner
Chief Executive Officer

October 25, 2012

1 The consolidated interest expense reflects the actual net cash payable interest cost for the last twelve months. The consolidated interest expense represents the net interest cost for the last twelve months.
2 The consolidated leverage ratio is the net debt over EBITDA before exceptionals.
3 The fixed charge ratio is EBITDA before exceptionals over consolidated interest expense

CONDENSED CONSOLIDATED INCOME STATEMENT

For the quarter ended 30 September 2012

	Unaudited			
	Quarter ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Revenue	**139,471**	140,472	**391,284**	370,071
Other income	**3,019**	2,602	**8,399**	7,758
Total income	**142,490**	143,074	**399,683**	377,829
Employee benefit costs	**(75,745)**	(74,964)	**(221,389)**	(210,411)
Depreciation and amortisation	**(4,351)**	(4,777)	**(12,702)**	(13,748)
Other operating costs	**(44,536)**	(45,069)	**(137,279)**	(128,412)
Group operating profit	**17,858**	18,264	**28,313**	25,258
Finance expense	**(6,582)**	(6,756)	**(20,556)**	(20,197)
Finance income	**206**	74	**812**	616
Net finance expense	**(6,376)**	(6,682)	**(19,744)**	(19,581)
Share of profit post tax from joint venture	**222**	204	**744**	489
Profit before taxation	**11,704**	11,786	**9,313**	6,166
Taxation	**2,557**	(821)	**2,526**	118
Profit from continuing operations	**14,261**	10,965	**11,839**	6,284
Attributable to:				
Owners of the company	**14,101**	10,810	**11,499**	6,129
Non-controlling interest	**160**	155	**340**	155
Profit for the year	**14,261**	10,965	**11,839**	6,284

The Group had no other recognised gains or losses during the period other than those reflected in the condensed consolidated income statement and therefore no separate statement of comprehensive income has been presented.

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 September 2012

	Unaudited		
	September 30 2012	**December 31 2011**	September 30 2011
Assets	**£'000**	**£'000**	£'000
Non-current assets			
Goodwill	**353,416**	344,944	343,944
Other intangible assets	**194,099**	198,933	203,450
Property, plant and equipment	**22,598**	22,508	21,691
Investments in joint venture	**2,647**	2,650	2,817
Other investments	**1,203**	317	339
Deferred tax asset	**16,884**	16,088	12,920
Total non-current assets	**590,847**	585,440	585,161
Current assets			
Trade and other receivables	**75,012**	67,108	75,635
Cash and cash equivalents	**52,214**	60,636	70,414
Total assets	**718,073**	713,184	731,210
Non-current liabilities			
Financial liabilities – loans and borrowings[1]	**(248,703)**	(248,513)	(248,420)
Deferred tax liability[2]	**(46,348)**	(50,489)	(50,467)
Defined benefit scheme liabilities	**(6,463)**	(6,463)	(5,506)
Provisions	**(20,211)**	(20,211)	(27,090)
Deferred income	**(14,652)**	(16,667)	(24,709)
Other non-current liabilities	**(11,322)**	(14,029)	(4,062)
Total non-current liabilities	**(347,699)**	(356,372)	(360,254)
Current liabilities			
Trade and other payables	**(88,313)**	(79,849)	(95,994)
Deferred income	**(9,850)**	(9,850)	0
Provisions	**(13,318)**	(21,908)	(7,718)
Current tax liabilities	**(3,280)**	(1,333)	(4,262)
Total current liabilities	**(114,761)**	(112,940)	(107,974)
	(462,501)	(469,312)	(468,228)
Net assets	**255,613**	243,872	262,982
Share capital	**147,654**	147,654	147,652
Share premium	**46,849**	46,777	46,525
Other reserves	**45,456**	45,536	45,585
Foreign exchange reserve	**(30)**	(45)	(47)
Profit and loss reserves	**15,211**	3,712	23,060
Equity shareholder funds	**255,140**	243,634	262,775
Non-controlling interest[3]	**473**	238	207
Total equity	**255,613**	243,872	262,982

[1] Financial liabilities reflect the £250 million bonds net of capitalised fees.
[2] The deferred tax liability primarily relates to deferred tax recognised on acquisitions. This will unwind in line with amortisation and any impairment charges. It will not unwind as a corporation tax liability.
[3] Non-controlling interest reflects the share of net assets attributable to investors in three of the Group's subsidiaries.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 September 2012

	unaudited			
	Quarter ended September 30		Nine months ended September 30	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Cash flows from operating activities				
Net profit before taxation	**11,704**	11,786	**9,313**	6,166
Adjustments for:				
Depreciation	**1,573**	2,018	**4,810**	5,543
Amortisation of intangible assets	**2,779**	2,759	**7,893**	8,405
Loss/(profit) on disposal of fixed assets	**6**	6	**(6)**	(18)
Income from joint venture	**(222)**	(489)	**(744)**	(357)
Finance income per income statement	**(206)**	(74)	**(812)**	(616)
Finance expense per income statement	**6,582**	6,756	**20,556**	20,197
Cash flows from operating activities before working capital changes	**22,216**	22,762	**41,010**	39,320
Net movement in working capital	**(7,853)**	2,190	**(21,050)**	491
Cash generated from operations	**14,363**	24,952	**19,960**	39,811
Tax (paid)/refund	**(560)**	(1,300)	**(560)**	105
Interest paid	**—**	—	**(12,965)**	(12,639)
Net cash inflow from operating activities	**13,803**	23,652	**6,435**	27,277
Cash flows from investing activities				
Acquisitions	**(2,060)**	(9,450)	**(9,597)**	(13,943)
Proceeds from disposal of investment	**—**	500	—	500
Purchase of property, plant and equipment	**(1,812)**	(1,034)	**(5,589)**	(2,539)
Purchase of intangible assets	**(274)**	(429)	**(1,258)**	(1,416)
Proceeds from sale of property, plant and equipment	**203**	—	**1,087**	219
Purchase of investments	—	—	**(905)**	—
Dividend received from joint venture	—	—	**748**	336
Interest received	**58**	—	**873**	803
Net cash outflow from investing activities	**(3,885)**	(10,413)	**(14,641)**	(16,040)
Cash flows from financing activities				
Finance fees	—	—	**(130)**	—
Equity transactions	—	—	**73**	270
Dividend paid to non-controlling interest	**(54)**	—	**(159)**	—
Net cash (outflow)/inflow from financing activities	**(54)**	—	**(216)**	270
Net increase/(decrease) in cash and cash equivalents	**9,864**	13,239	**(8,422)**	11,507
Cash and cash equivalents at beginning of the period	**42,350**	57,175	**60,636**	58,907
Cash and cash equivalents at the end of the period	**52,214**	70,414	**52,214**	70,414

NOTES AND ADDITIONAL INFORMATION

1. Basis of preparation

The condensed interim financial statements for the three and nine month periods ended September 30, 2012 and September 30, 2011 have been prepared in accordance with the accounting polices set out in note 2 of the Annual Report for Countrywide Holdings, Ltd for the year ended December 31, 2011.

The condensed interim financial statements for the period ended September 30, 2012, which were approved by the Board of Directors on October 24, 2012 do not constitute statutory accounts within the meaning of the section 434 of the Companies Act 2006 and have not been audited.

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the disclosure of contingent assets and liabilities at the balance sheet and the reported amounts of revenue and expenses during the reporting period. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

2. Critical accounting policies

There has been no change to the critical accounting policies as disclosed in the Annual Report of Countrywide Holdings, Ltd.

3. Going concern

These financial results have been prepared on a going concern basis, which assumes that the Group will be able to meet its liabilities when they fall due for the foreseeable future and at least twelve months from the date of this report.

4. Seasonality of operations

Due to the seasonal nature of the UK housing market, higher revenues and EBITDA are usually earned in the second half of the year. In the financial year ended 31 December 2011, 46% of total income and 29% of EBITDA was earned in the first half of the year. By the end of the third quarter of 2011, the total income earned had reached 74% and EBITDA 71%.

5. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Operating Committee which has been identified as the chief operating decision maker.

6. Acquisitions

During the third quarter of 2012, the Group acquired 2 further Lettings businesses and a small IFA operation at a cost of £2.1 million. This brings the total number of Lettings businesses acquired in the year to 12 and the total cash spent on all acquisitions to £9.6 million.

Owing to the timing of the acquisitions towards the end of the quarter, the analysis of intangible assets has not yet been completed. A full analysis of the acquisitions will be disclosed in the 2012 Annual report.

6. EBITDA reconciliation

The table below presents a reconciliation of the net profit or loss to EBITDA before exceptionals:

	Unaudited			
	Quarter ended September 30		Nine months ended September 30	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Consolidated net profit	**14,530**	10,965	**12,109**	6,284
Finance income	**(206)**	(74)	**(812)**	(616)
Share of profit post tax from joint venture	**(222)**	(204)	**(744)**	(489)
Depreciation and amortisation	**4,351**	4,777	**12,702**	13,748
Sponsor management fee	**375**	375	**1,125**	1,125
Finance expense	**6,582**	6,756	**20,556**	20,197
Taxation	**(2,826)**	821	**(2,796)**	(118)
EBITDA	**22,584**	23,416	**42,140**	40,131

7. Share capital

Since the year end, there has been no change in the number of A and B class shares in issue.

		Unaudited	
	September 30 2012	December 31 2011	September 30 2011
Number of Class A shares in issue at par value £1	**146,066,312**	146,066,312	146,066,312
Number of Class B shares in issue at par value 1p	**146,066,312**	146,066,312	146,066,312
Number of Class C shares in issue at par value 1p	**12,747,987**	12,634,929	12,524,745

Appendix 1: Divisional Quarterly Summary - UNAUDITED

Countrywide Group Income Statement	**2012 Year to Date £'000s**	**2012 Q3 £'000s**	**2012 Q2 £'000s**	**2012 Q1 £'000s**	**2011 Year to Date £'000s**	2011 Q4 £'000s	2011 Q3 £'000s	2011 Q2 £'000s	2011 Q1 £'000s	**2010 Full Year £'000s**	2010 Q4 £'000s	2010 Q3 £'000s	2010 Q2 £'000s	2010 Q1 £'000s
Revenue	**399,683**	**142,490**	**134,622**	**122,571**	**509,050**	131,221	143,074	127,770	106,985	**477,922**	123,916	135,762	120,221	98,023
EBITDA before exceptional items	**42,140**	**22,584**	**15,048**	**4,508**	**56,367**	16,232	23,420	15,520	1,195	**51,476**	12,228	21,358	14,850	3,040
Operating profit/(loss) before exceptional items	**28,313**	**17,858**	**10,304**	**151**	**35,793**	10,535	18,268	10,624	(3,634)	**27,400**	6,357	14,491	8,423	(1,871)
Operating profit/(loss)	**28,313**	**17,858**	**10,304**	**151**	**19,246**	(6,012)	18,268	10,624	(3,634)	**8,408**	(11,708)	14,491	7,496	(1,871)

Estate Agency Division Excluding Hamptons	**2012 Year to Date £'000s**	**2012 Q3 £'000s**	**2012 Q2 £'000s**	**2012 Q1 £'000s**	**2011 Year to Date £'000s**	2011 Q4 £'000s	2011 Q3 £'000s	2011 Q2 £'000s	2011 Q1 £'000s	**2010 Full Year £'000s**	2010 Q4 £'000s	2010 Q3 £'000s	2010 Q2 £'000s	2010 Q1 £'000s
Revenue	**159,601**	**56,072**	**53,835**	**49,694**	**215,390**	57,019	60,355	53,073	44,943	**232,157**	55,990	62,615	62,068	51,484
EBITDA before exceptional items	**5,771**	**5,596**	**2,733**	**(2,557)**	**13,181**	6,749	7,986	2,371	(3,925)	**19,697**	6,025	8,062	5,544	66
Operating profit/(loss) before exceptional items	**3,301**	**4,788**	**1,927**	**(3,414)**	**9,004**	5,729	6,828	1,382	(4,935)	**15,982**	5,176	7,155	4,647	(996)
Operating profit/(loss)	**3,301**	**4,788**	**1,927**	**(3,414)**	**6,792**	3,517	6,828	1,382	(4,935)	**15,022**	4,216	7,155	4,647	(996)
House sales exchanged	**41,956**	**15,082**	**13,740**	**13,134**	**56,108**	14,918	15,612	13,790	11,788	**58,984**	14,556	15,941	15,245	13,242

Lettings Division	**2012 Year to Date £'000s**	**2012 Q3 £'000s**	**2012 Q2 £'000s**	**2012 Q1 £'000s**	**2011 Year to Date £'000s**	2011 Q4 £'000s	2011 Q3 £'000s	2011 Q2 £'000s	2011 Q1 £'000s	**2010 Full Year £'000s**	2010 Q4 £'000s	2010 Q3 £'000s	2010 Q2 £'000s	2010 Q1 £'000s
Revenue	**71,606**	**26,265**	**23,345**	**21,996**	**81,255**	20,173	22,099	19,911	19,072	**73,559**	18,717	20,048	17,395	17,399
EBITDA before exceptional items	**16,610**	**7,041**	**5,137**	**4,432**	**15,291**	2,844	5,363	4,013	3,071	**14,307**	3,122	4,707	3,351	3,127
Operating profit/(loss) before exceptional items	**13,392**	**5,852**	**3,968**	**3,572**	**13,533**	3,333	4,605	3,227	2,368	**10,743**	1,641	3,992	2,654	2,456
Operating profit/(loss)	**13,392**	**5,852**	**3,968**	**3,572**	**12,538**	2,338	4,605	3,227	2,368	**10,330**	1,228	3,992	2,654	2,456
Properties under management (retail)	**41,519**	**43,698**	**41,459**	**39,117**	**32,787**	36,458	33,404	32,692	32,152	**30,486**	32,211	29,868	29,929	29,925
Properties under management (corporate)	**48,762**	**47,907**	**48,401**	**49,979**	**56,087**	52,203	57,645	56,497	60,529	**62,773**	61,352	64,711	63,854	64,103

Financial Services Division	**2012 Year to Date £'000s**	**2012 Q3 £'000s**	**2012 Q2 £'000s**	**2012 Q1 £'000s**	**2011 Year to Date £'000s**	2011 Q4 £'000s	2011 Q3 £'000s	2011 Q2 £'000s	2011 Q1 £'000s	**2010 Full Year £'000s**	2010 Q4 £'000s	2010 Q3 £'000s	2010 Q2 £'000s	2010 Q1 £'000s
Revenue	**46,710**	**16,417**	**15,628**	**14,665**	**62,069**	17,636	16,593	15,553	12,287	**57,183**	15,541	14,234	14,729	12,679
EBITDA before exceptional items	**5,511**	**2,275**	**2,034**	**1,203**	**9,398**	3,320	2,400	2,683	995	**5,654**	2,390	1,032	1,903	329
Operating profit/(loss) before exceptional items	**1,439**	**903**	**688**	**(152)**	**3,965**	1,951	1,043	1,324	(353)	**137**	1,033	(332)	504	(1,068)
Operating profit/(loss)	**1,439**	**904**	**688**	**(152)**	**2,290**	276	1,043	1,324	(353)	**(300)**	596	(332)	504	(1,068)
Total mortgages arranged	**40,078**	**13,476**	**13,475**	**13,127**	**53,180**	15,008	15,745	13,338	9,089	**37,324**	8,870	9,432	10,300	8,722
Value	**£5.1bn**	**£1.7bn**	**£1.7bn**	**£1.7bn**	**£6.6bn**	£1.9bn	£2.0bn	£1.6bn	£1.1bn	**£4.3bn**	£1.0bn	£1.1bn	£1.2bn	£1.0bn
Life insurance policies sold	**27,425**	**9,282**	**9,341**	**8,802**	**35,333**	9,942	9,733	9,586	6,072	**31,387**	7,783	8,038	8,485	7,081
General insurance policies sold	**27,301**	**9,312**	**8,927**	**9,062**	**38,475**	10,583	10,997	9,800	7,095	**36,100**	9,082	9,369	9,235	8,414

Appendix 1: Divisional Quarterly Summary - UNAUDITED

	2012				2011					2010				
Surveying & Valuations Division	**Year to Date**	**Q3**	**Q2**	**Q1**	**Year to Date**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1
	£'ooos	**£'ooos**	**£'ooos**	**£'ooos**	**£'ooos**	£'ooos	£'ooos	£'ooos	£'ooos	**£'ooos**	£'ooos	£'ooos	£'ooos	£'ooos
Revenue	**49,241**	**16,421**	**17,366**	**15,454**	**60,264**	14,202	17,131	15,666	13,265	**52,621**	12,399	14,540	13,886	11,796
EBITDA before exceptional items	**7,517**	**3,004**	**2,587**	**1,926**	**8,592**	1,953	2,673	2,399	1,567	**7,418**	1,295	2,627	2,556	940
Operating profit/(loss) before exceptional items	**7,182**	**2,902**	**2,472**	**1,808**	**6,231**	1,013	2,200	1,925	1,093	**5,327**	812	3,271	1,450	(206)
Operating profit/(loss)	**7,182**	**2,902**	**2,472**	**1,808**	**(4,873)**	(10,091)	2,200	1,925	1,093	**(4,760)**	(9,275)	3,271	1,450	(206)
Valuations and survey instructions completed	**210,704**	**69,921**	**69,207**	**71,576**	**271,001**	61,913	74,775	68,710	65,603	**250,816**	63,975	65,729	65,313	55,799
Revenue is inclusive of panel survey fee costs														

	2012				2011					2010				
Conveyancing Division	**Year to Date**	**Q3**	**Q2**	**Q1**	**Year to Date**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1
	£'ooos	**£'ooos**	**£'ooos**	**£'ooos**	**£'ooos**	£'ooos	£'ooos	£'ooos	£'ooos	**£'ooos**	£'ooos	£'ooos	£'ooos	£'ooos
Revenue	**18,501**	**6,851**	**5,969**	**5,681**	**22,843**	6,007	6,581	5,712	4,543	**21,558**	6,010	5,924	5,406	4,218
EBITDA before exceptional items	**5,507**	**2,433**	**1,653**	**1,421**	**7,714**	2,110	2,535	1,903	1,166	**8,459**	2,561	2,518	2,222	1,158
Operating profit/(loss) before exceptional items	**5,241**	**2,343**	**1,565**	**1,333**	**7,377**	2,035	2,459	1,816	1,067	**7,883**	2,432	2,368	2,072	1,011
Operating profit/(loss)	**5,241**	**2,343**	**1,565**	**1,333**	**7,377**	2,035	2,459	1,816	1,067	**7,883**	2,432	2,368	2,072	1,011
Total completions	**32,982**	**13,675**	**10,624**	**8,683**	**30,604**	8,260	8,954	7,502	5,888	**31,827**	8,344	8,728	8,170	6,585

	2012				2011					2010				
Hamptons	**Year to Date**	**Q3**	**Q2**	**Q1**	**Year to Date**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1
	£'ooos	**£'ooos**	**£'ooos**	**£'ooos**	**£'ooos**	£'ooos	£'ooos	£'ooos	£'ooos	**£'ooos**	£'ooos	£'ooos	£'ooos	£'ooos
Revenue	**53,390**	**20,402**	**18,371**	**14,617**	**66,065**	15,685	20,149	17,453	12,778	**40,015**	15,225	18,396	6,394	-
EBITDA before exceptional items	**10,338**	**5,304**	**4,021**	**1,013**	**14,292**	2,849	5,687	4,621	1,135	**9,474**	1,864	5,489	2,121	-
Operating profit/(loss) before exceptional items	**8,934**	**4,851**	**3,489**	**595**	**11,897**	2,323	4,976	4,050	548	**3,431**	1,119	1,996	316	-
Operating profit/(loss)	**8,934**	**4,851**	**3,489**	**595**	**11,897**	2,323	4,976	4,050	548	**1,724**	(588)	1,996	316	-
House sales exchanged	**2,522**	**928**	**904**	**690**	**3,274**	865	1,029	802	578	**2,181**	814	1,016	351	-