



Financial Results for the Year ended December 31 2012

These slides accompany the Report on the quarterly financial results and the information contained herein is confidential and has been prepared for dissemination to and use by the holders of the Notes in their capacity as noteholders. Neither these slides, the Report nor the information contained herein may be transmitted, disseminated or provided in any form to any other person without prior written consent of the Issuer.

Executive Summary (Grenville Turner)

2012 Results

- Double digit EBITDA growth trend continues
- Record contribution from Lettings
- Best ever financial result from Hamptons ⁽¹⁾
- Continued investment in key strategic areas
- Building momentum in H2 2012
- Positive trends going into 2013

Market

- Land Registry broadly flat in 2012
- BoE mortgage approvals up 2.8% in 2012
- House prices generally stable with regional variations

Outlook

- Strong profit trajectory with no market assistance
- Positive impact from Government initiatives
- Improving lender sentiment

⁽¹⁾ Excluding new branches

Key Group Financials (Jim Clarke)

	2012		2012 Excluding New Branches	
	<u>£m</u>		<u>£m</u>	
• Revenue	<u>539.8</u>	(+6%)	<u>524.7</u>	(+4%)
• EBITDA	<u>63.0</u>	(+12%)	<u>70.1</u>	(+17%)
• EBITDA Margin	<u>11.7%</u>		<u>13.4%</u>	

- Underlying EBITDA¹ growth in all divisions
- Significant investment in branch expansion
- Q4 EBITDA £20.9m (+29% v. Q4 2011)

Estate Agency (Excluding Hamptons)

	2012	2012 Excluding New Branches
	<u>£m</u>	<u>£m</u>
• Revenue	<u>214.3</u> (-1%)	<u>211.2</u> (-1%)
• EBITDA	<u>12.8</u> (-3%)	<u>15.8</u> (+9%)

- 20 new branch openings in 2012
- Structural cost savings continue
 - national administration centre
 - centralised marketing function
- Resilient market share and average cash fee

Hamptons

	2012	2012 Excluding New Branches
	<u>£m</u>	<u>£m</u>
• Revenue	<u>72.6</u> (+10%)	<u>70.0</u> (+6%)
• EBITDA	<u>14.0</u> (-2%)	<u>15.5</u> (+5%)

- Network expanded by circa 10% in last 18 months
- Record financial performance from Lettings
- Stamp duty changes disrupting £2m+ market but now returning
- Core business EBITDA margin 22%

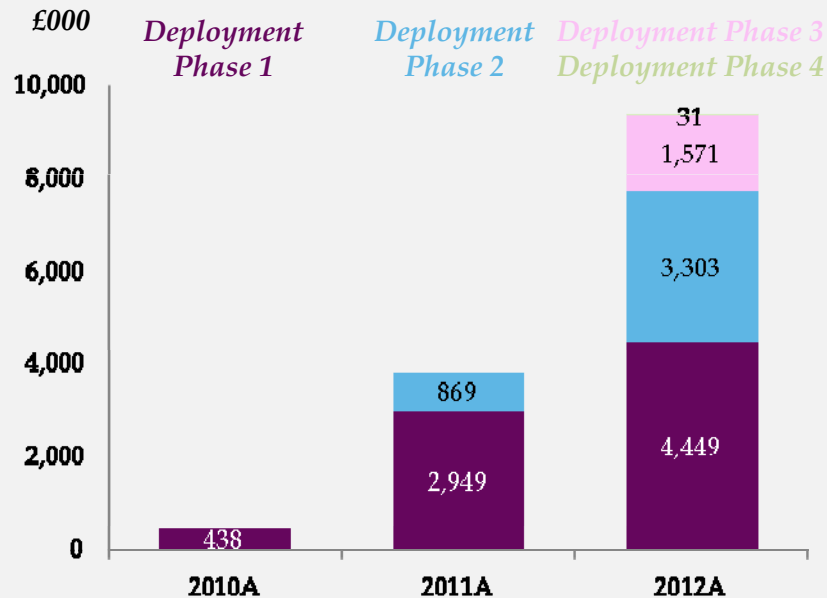
Lettings

	2012	2012 Excluding New Starts
	<u>£m</u>	<u>£m</u>
• Revenue	<u>95.8</u> (+18%)	<u>86.5</u> (+12%)
• EBITDA	<u>21.7</u> (+42%)	<u>24.4</u> (+41%)

- Key driver of recent group growth
- Clearly defined expansion plan:
 - 176 new starts now completed with further openings planned
 - acquisitions continue
 - £20m agreed acquisitions budget for 2013
- Underlying EBITDA margin 28%¹

Lettings New Starts Phasing

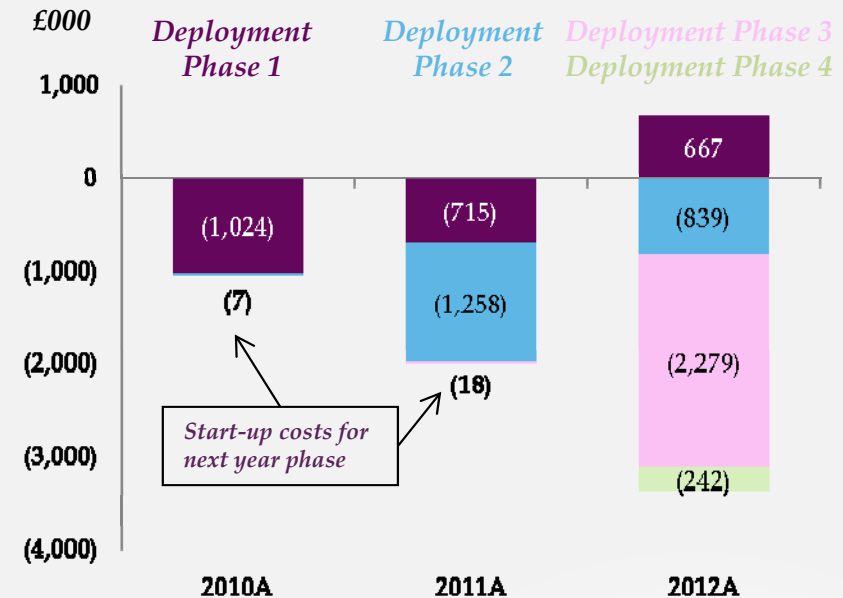
Revenue by Deployment Phase



Deployment Phase 1 (47 Branches) Deployment Phase 2 (54 Branches)
 Deployment Phase 3 (61 Branches) Deployment Phase 4 (14 Branches)

Total of
176
branches

EBITDA by Deployment Phase



Deployment Phase 1 (47 Branches) Deployment Phase 2 (54 Branches)
 Deployment Phase 3 (61 Branches) Deployment Phase 4 (14 Branches)

Program demonstrates strong growth in line with expectations

Initial investment moving into profit

Financial Services

	2012	
	<u>£m</u>	
• Revenue	<u>64.7</u>	(+4%)
• EBITDA	<u>9.8</u>	(+4%)

- Encouraging result despite:
 - volatile lender appetite during 2012
 - reduction in intermediary mortgage market volumes
 - short term investment in staff levels
- Mortgages arranged 54,000 → 10% market share ⁽¹⁾
- Strong momentum going into 2013 (H2 2012 EBITDA +15% v. H2 2011)

⁽¹⁾ Intermediary market

Surveying and Valuation

	2012	
	<u>£m</u>	
• Revenue	<u>65.4</u>	(+8%)
• EBITDA	<u>10.2</u>	(+19%)

- Excellent financial performance in broadly flat market
- Growing market share – now 32%
- New contracts with Tesco and Co-op
- Developing contribution from direct sales

Conveyancing

	2012	
	<u>£m</u>	
• Revenue	<u>26.0</u>	(+14%)
• EBITDA	<u>8.0</u>	(+4%)

- Third party operation now stable
- Private conveyancing and penetration into Hamptons encouraging
- Strong recent momentum (Q4 2012 EBITDA + 19% v. Q4 2011)

Exceptional Items

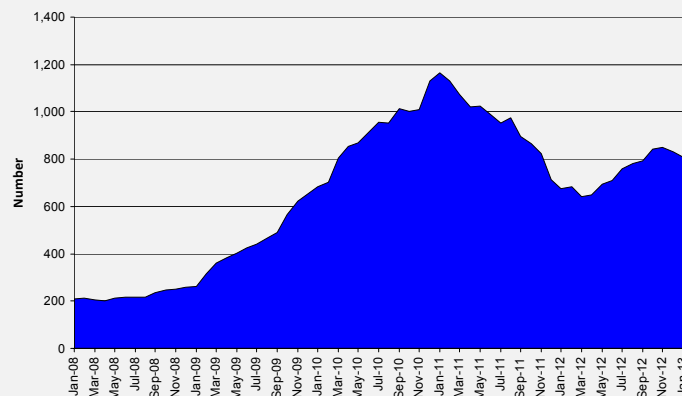
	2012 £'m	2011 £'m
Exceptional income	(7.9)	-
Redundancies	3.1	4.6
Property provisions	2.9	2.2
Other	5.5	-
Insurance claims and litigation	25.2	9.4
Acquisition expenses	0.4	0.3
	29.2	16.5

Professional Indemnity Claims

PI Claims

- Our Surveying division is dealing with an abnormal level of claims from the period 2004-2007 when the residential property market was:
 - experiencing high level of volumes
 - house prices were increasing significantly
 - very competitive mortgage lending environment
- Exceptional provisions in 2010 and 2011: £21.3m
- Exceptional provision in 2012 £25.2m
- 2012 Balance Sheet provision £39.6m
- The 6 year legal contractual limitation period expires for 2007 surveys in 2013

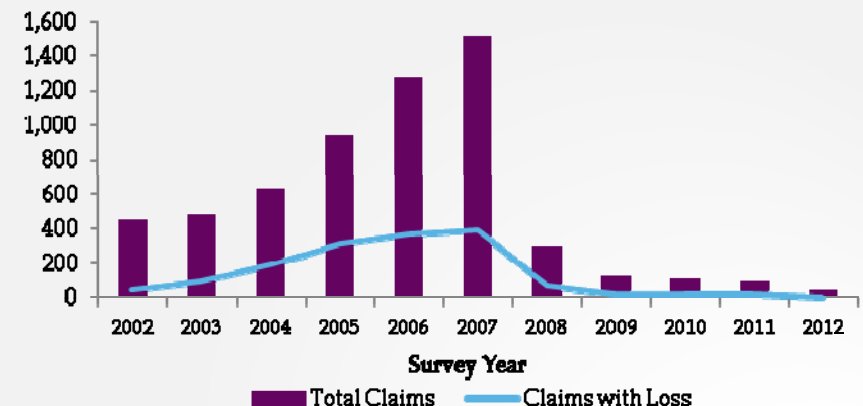
Valuation Claims Volume MAT - Since Jan 08



2004-2007 Mortgage Valuations

Total volumes	1.7m
Claims received	4,349
Claims resulting in loss	1,262
Average loss	£31k
% volumes leading to loss	0.075%

Mortgage Valuation Claims by Year of Survey



Risk Management: Protection Against Future PI Issues

Internal

- Completely restructured management team focused on fraud and risk controls
- Client base rationalisation – we have removed 228 high risk clients (mainly second charge, brokers and bridging finance)
- AVM checks of high risk valuations launched in 2011
- Risk flags and risk based approach to audits
- Use of new technologies and imbedded comparable tools to assist valuations
- Reduction in surveyor numbers has meant the retention of better and more experienced fee earners
- Centralisation of operations – ensuring greater control over instructions and clients with enhanced risk mitigation
- New Group and divisional governance structure implemented (large loss forum)
- Dedicated and experienced claim handler recruited
- Better focussed mandates and sign off authority for surveyors

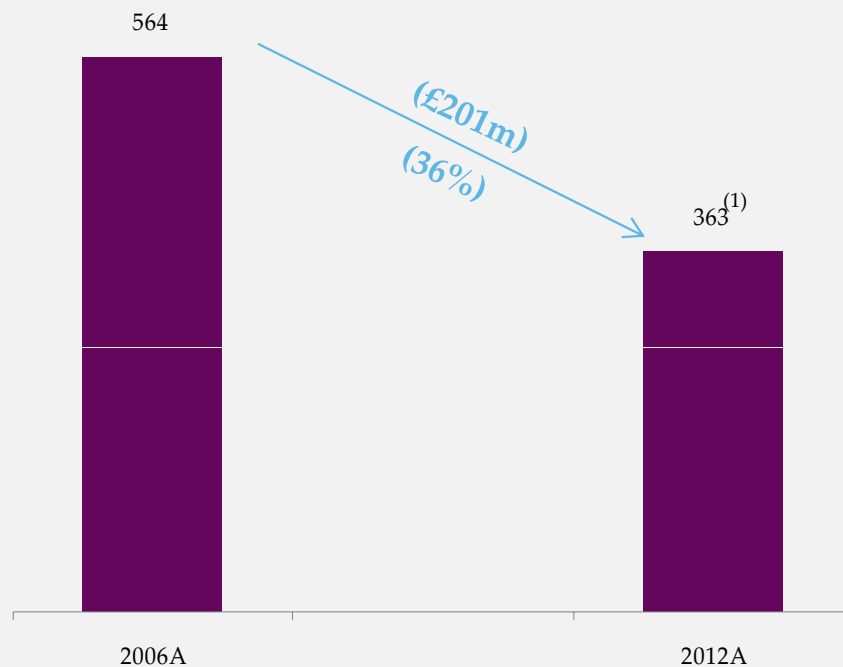
External

- Lender profile in industry is now mainstream rather than broker and second charge
- Cessation of sub prime lending is likely to make a difference
- Better lender underwriting and Basel requirements should lead to an improved focus on risk management
- Recent case law (Paratus vs. CSS) recognising lender contributory negligence
- Business reputation for focus on fraud and risk mitigation
- Awarded Best Anti Fraud Measures 2013 by Mortgage Finance Gazette
- Jackson Reforms – April 2013

Structural Cost Reduction Across Our Platform

Structural Cost Savings

Reduction in Total Group Cost Base Excluding Acquisitions (£m)



Cost Saving Initiatives

- Structural cost savings of 36% from £564m in 2006 to £363m in 2012 following a number of “Fewer: Better” initiatives, including:
 - Simplified management structure
 - Senior team changes
 - Focus on core brands
 - Closure of underperforming branches
 - Rationalisation of non-customer facing functions
 - Divisional headcount reduction
 - Administrative savings (outsourcing, procurement/fleet)
 - IT consolidation and centralisation

Note: (1) Excluding costs of £25m from the expansion of the lettings division and other costs of £8m relating to new branch openings and establishing new business operations

Structural Cost Changes

Management Believe that Cost Savings Can Be Categorised as Follows



Funding

- Net debt £203.5m
- Strong funding position
 - cash balance £47m
 - available RCF facility
- Improving financial ratios
 - leverage 3.2 (2011 : 3.4)
 - fixed charge cover 2.3 (2011 : 2.1)

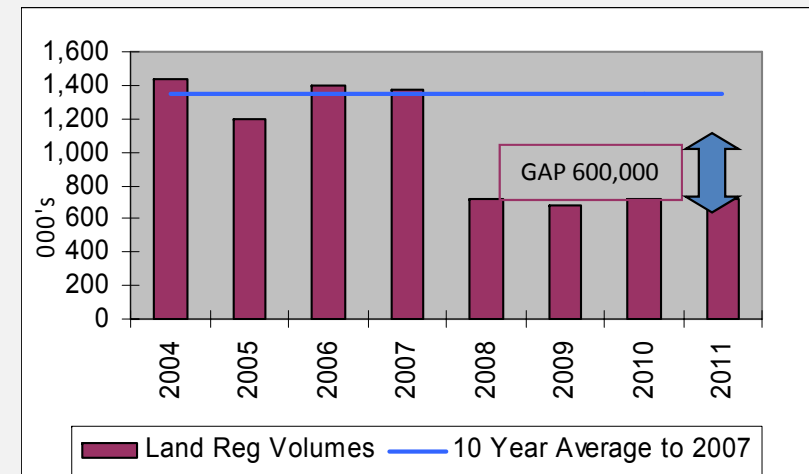
Current Status of the UK Residential Market (Grenville Turner)

Volumes

Visibility on timing of recovery remains difficult

- Volumes circa 50% of long run average
- No real improvement since 2008
- 2012 broadly flat on 2011
- Some encouraging signs from lenders on 2013 mortgage appetite and general consumer confidence

UK Residential Property Market

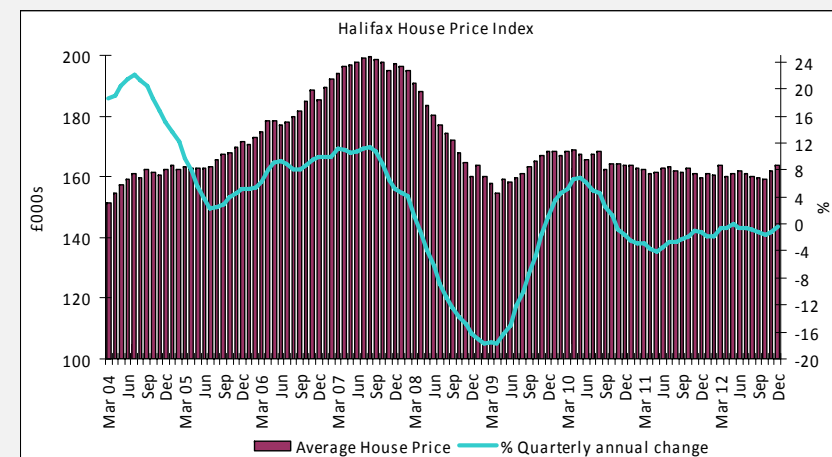


Prices

Downward pressure but no collapse

- Peak to trough – down 23%
- Peak to now – down 20%
- Halifax Price Index for three months to January 2013 up 1.9% versus previous three months
- 2012:
 - Modest reduction overall
 - Significant regional variations
 - Countrywide average house price increasing in 2012

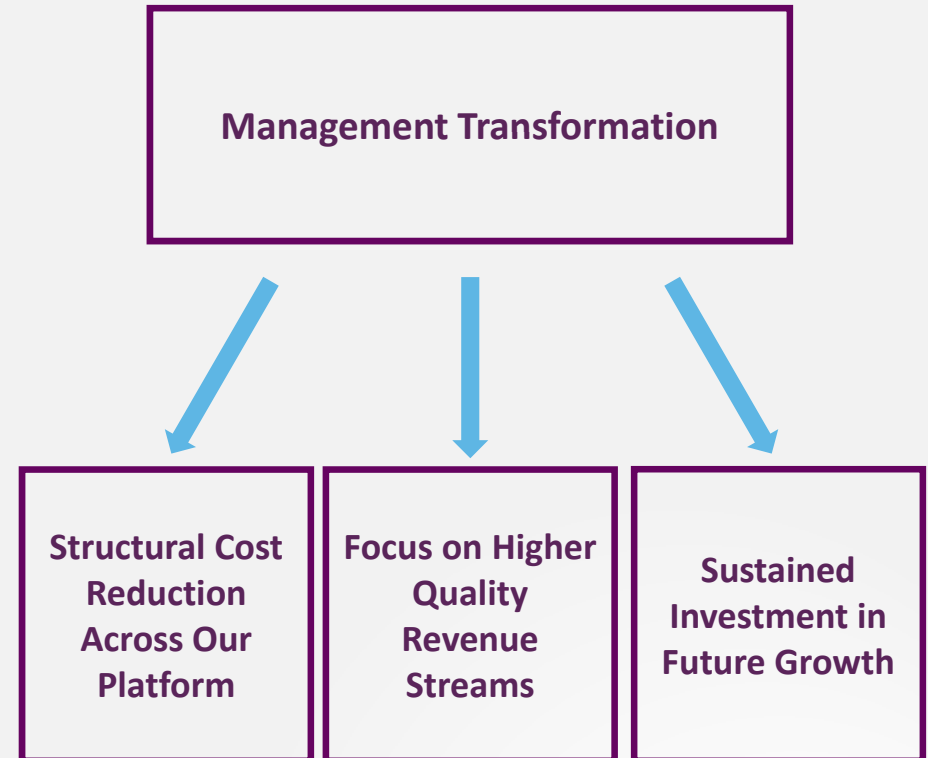
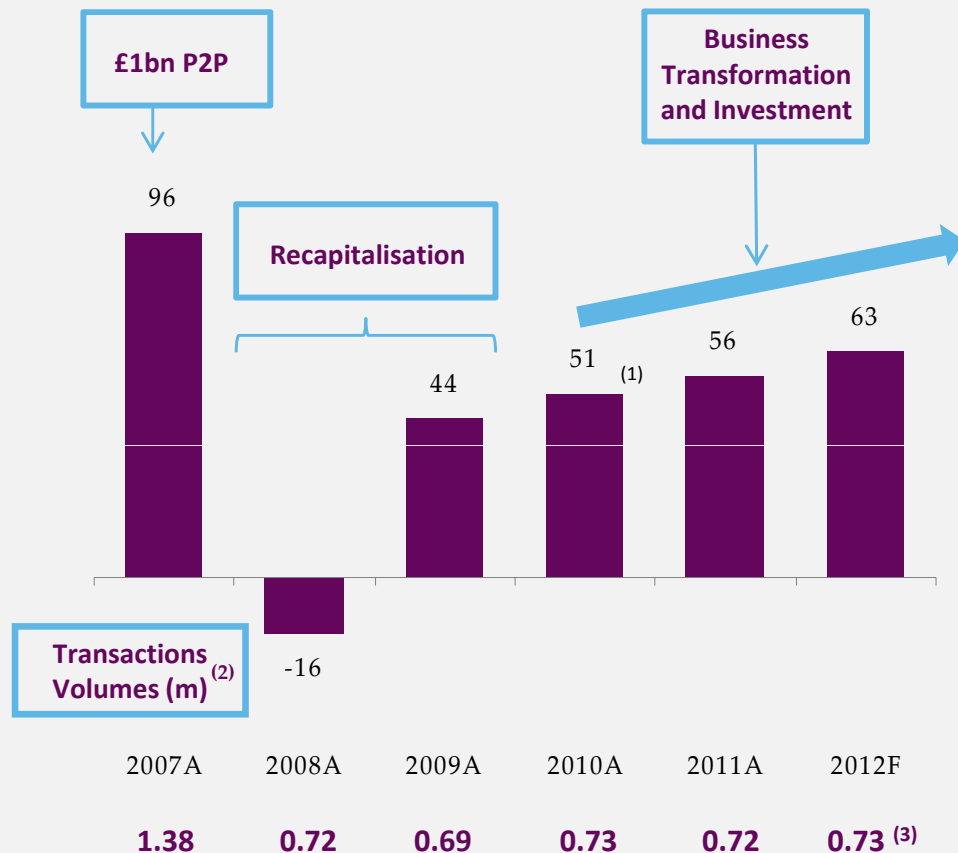
Halifax House Price Index



Transformed Under Private Ownership

From a Collective Network of Estate Agencies Into a Consolidated And Cohesive Property Services Group

EBITDA Evolution (£m)



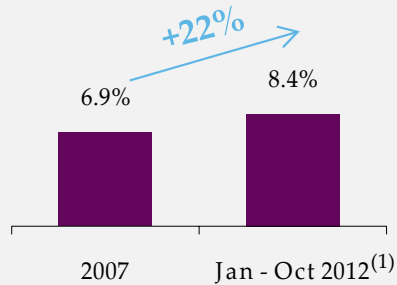
Notes: (1) Not pro-forma for Hamptons acquisition.
 (2) Includes Land Registry and Register of Scotland.
 (3) Countrywide estimate.

The Countrywide Story Today

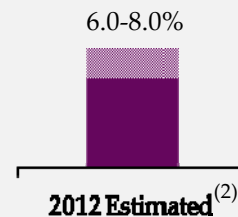
Market Share Gains

Based on transaction volumes

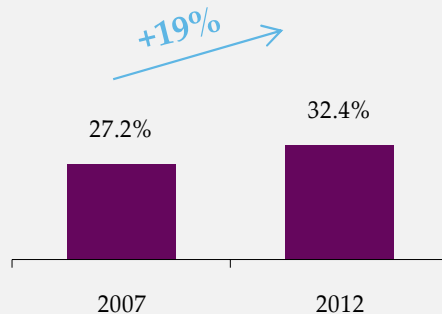
Estate Agency



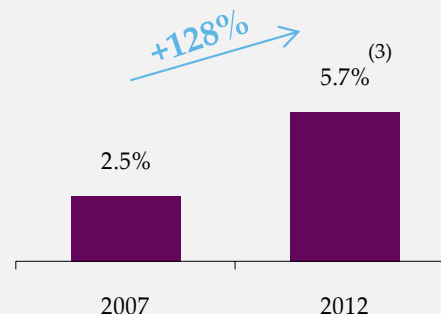
Lettings



Surveying



Mortgages



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) Including Hamptons.
 (2) No clear measure of our addressable market due to social housing renters and private renters not using a broker.
 (3) 5.6% of total market / 10% of intermediary market as at Q3 2012.

Track Record of Successful Acquisitions

Recent Expansion

FARON BUTARIA
Recently opened
3 new branches



EDWARD DARC
Acquired in 2011



United Kingdom | **Sotheby's**
Acquired in 2010



HAMPTONS
INTERNATIONAL
Acquired in 2010



Contribution from Acquisitions

Lettings Acquisitions

- 41 acquisitions (52 branches) since July 2007
- Relentless execution following acquisition
- Targeting ROI >25% post synergies (usually year 1)

Blundells



- Sheffield's leading estate agent and lettings agency
- 13 offices covering South Yorkshire and North Derbyshire
- Sells one in four properties in Sheffield
- Instructs more rental properties than any other agent
- Experienced management team
- Clear market leader in an area where we are under-represented
- Key part of our overall strategic plan
- Strong local brand which we can build on through expansion opportunities

Hamptons International

A Complete Residential Property Service



- Acquired in June 2010, Hamptons is now one of our largest single brands within the group:
 - 77 branches in the UK, offering an integrated agency and lettings proposition
 - Addition of 733 FTE
 - Fits with existing London/South East portfolio
 - Maximising opportunities in the Prime market (above £0.5m)
 - Countrywide has already realised substantial synergy benefits, with further upside to play for from roll-out of full service proposition
- Hamptons delivered a year one ROI >19%
- 2012 EBITDA of £14m

A Leading UK Prime Brand

December 2012 - Market Share of UK Listings

Above £1m House Price

Position	Company	Market Share
#1	Countrywide ⁽¹⁾	11.6%
#2	Hamptons	5.1%
#3	Foxtons	5.0%
#4	Savills	4.2%
#5	Knight Frank	3.2%

Between £0.5m and £1m House Price

Position	Company	Market Share
#1	Countrywide ⁽¹⁾	8.4%
#2	Foxtons	3.0%
#3	Hamptons	2.1%
#4	Connells Group	1.9%
#5	Spicerhaart	1.7%

Above £0.5m House Price

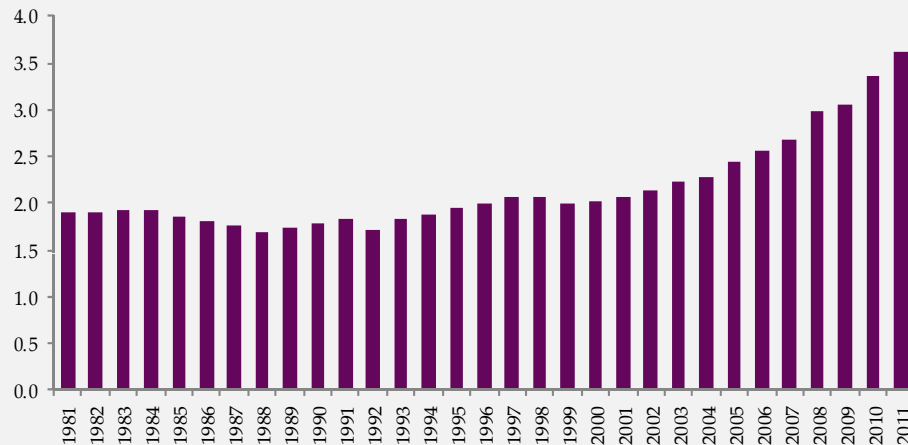
Position	Company	Market Share
#1	Countrywide ⁽¹⁾	9.2%
#2	Foxtons	3.5%
#3	Hamptons	2.9%
#4	Savills	1.8%
#5	Chesterton Humberts	1.6%

Note: (1) Includes Hamptons.

Actively Capturing the Lettings Market Opportunity

UK Lettings Market

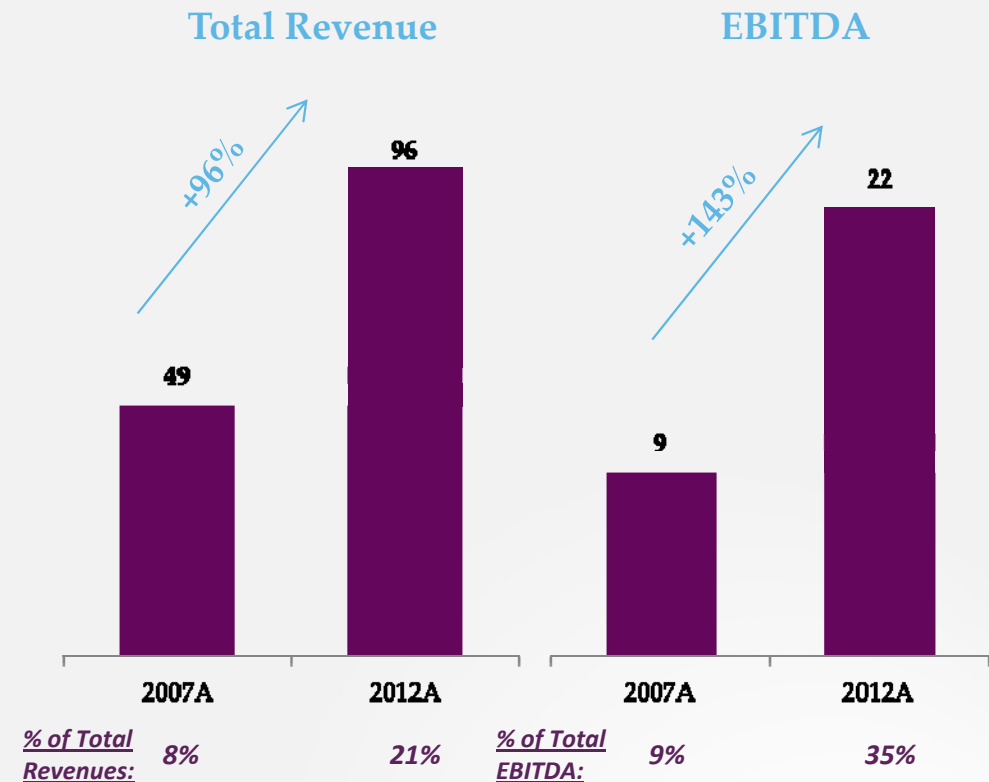
UK Private Rented Sector Homes (m)



- 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)



13 Lettings Division Acquisitions 2012



Feb 12 - Poole

Feb 12 - Halifax

Feb 12 - Torpoint

Apr 12 - Christchurch



Apr 12 - Warrington

May 12 – Bow

May 12 - Enfield

Jun 12 - Leeds



Jun 12 - Woking

Jul 12 - York

Sep 12 - Bridport

Oct 12 - Scotland

Feb 13 – Acquisition of Russells Lettings – Strategic Expansion into Cambridge Market

Strategic Expansion in Leeds



- Year 2 EBITDA circa £1m
- Acquired LS1 and Nest to deliver Market Leader in Lettings in Leeds
- Link to Plans to develop Sales business under Bridgfords Brand from suburbs
- Additional Manchester Office combined with Hacienda flagship office

Strategic Expansion in Scotland

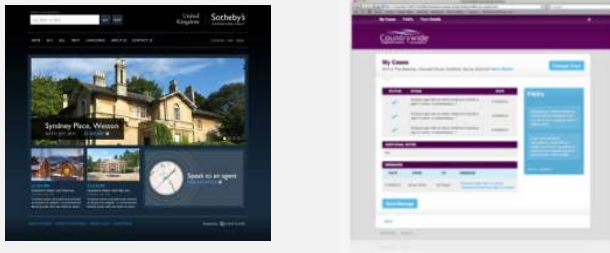


- EBITDA with synergies circa £500k – Increase to £700k from Yr2
- Cements CWD No 1 position in City Centre and West End of Glasgow
- Offices in
 - Glasgow x2
 - Paisley
 - Killwinning
 - Edinburgh

Online Driving Incremental Value

Online Initiatives

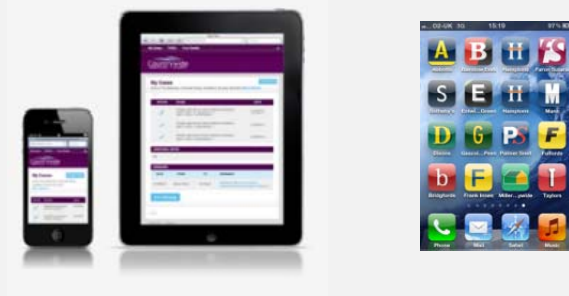
Website



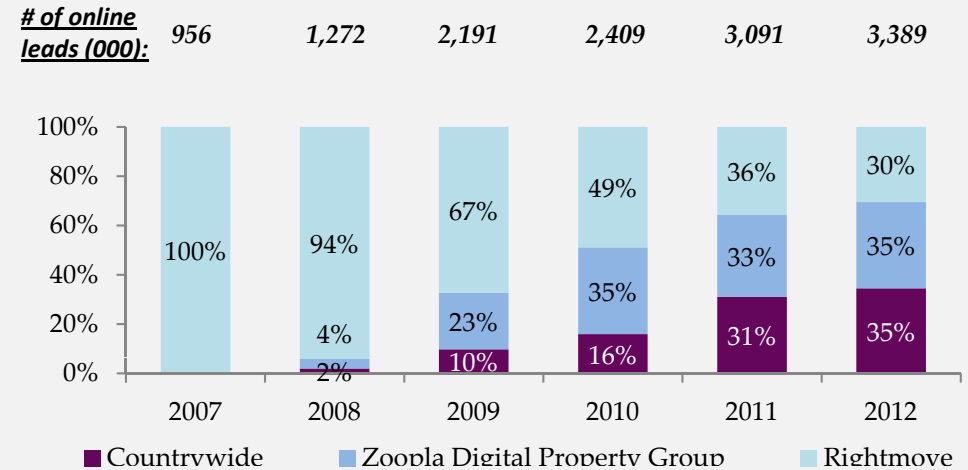
Mobile



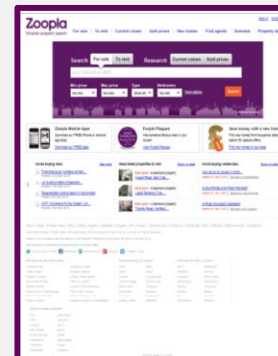
Apps



Online Leads Sourced by Countrywide



Zoopla Deal

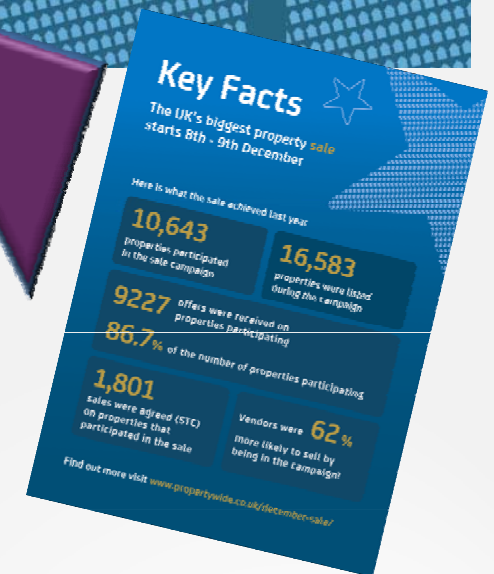


- Share grant in Zoopla at an early stage in the Company's development
- Circa 6% stake after merger with The Digital Property Group
- Combines Zoopla.com, Findaproperty.com and Primelocation.com

National Marketing

End of Year sale.....

- Sale Weekend 8th – 9th Dec.
- Over 10,000 properties featured
- Over 14,400 viewings during the campaign
- Over 4,450 offers during the campaign
- Over 1,250 properties sold from the campaign



Award Winning Teams

133 high-profiled industry awards since 2008

Sunday Times Estate Agency of the Year Awards 2012

- Best New Homes Agent – Gold
- Best Large Estate Agency – Hamptons International (Gold)
- Best Estate Agency, Scotland – Silver
- Best Customer Service – Hamptons International (Bronze)



Mortgage Strategy Awards 2013

- Best Mortgage Distributor



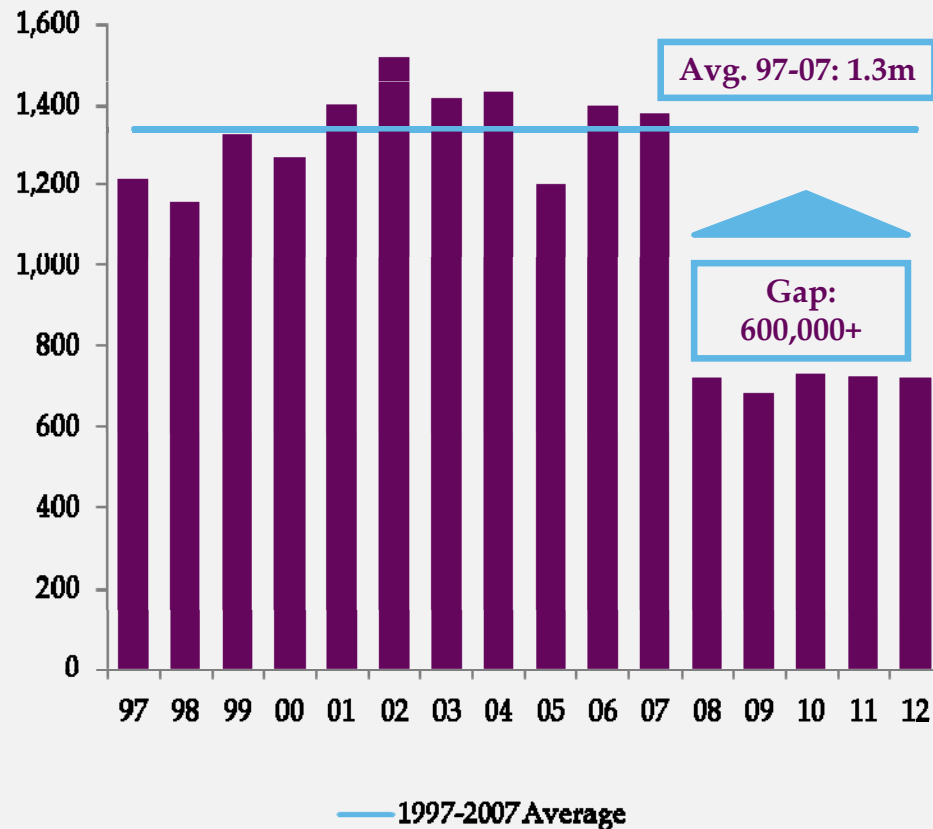
Mortgage Finance Gazette Awards 2013

- Best Anti Fraud Measure – Winner (Conveyancing & Surveying)

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

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