Countrywide Holdings, Ltd

Financial results
for the quarter ended

June 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

- Encouraging financial performance
- Investment in key areas continues
- No change to overall focus / strategy

However

- Consumer confidence remains fragile
- Mortgage lending conditions tightening
- Lack of cohesive Government strategy to support recovery

	Unaudited					
	Quarter ended June 30			Six months ended June 30		
	2012	2011	Var	**2012**	2011	Var
	£'000s	£'000	%	**£'000**	£'000	%
Total income	**134,622**	127,770	+5	**257,193**	234,755	+10
EBITDA	**15,048**	15,520	-3	**19,556**	16,715	+17
Operating profit	**10,304**	10,628	-3	**10,455**	6,994	+49
	Number	Number		**Number**	Number	
House sales exchanged						
- Countrywide	**13,740**	13,789	-	**26,874**	25,578	+5
- Hamptons	**904**	802	+13	**1,594**	1,380	+16
Retail properties under management	**41,459**	32,692	+27	**40,310**	32,432	+24
Mortgages arranged	**13,475**	13,338	+1	**26,602**	22,427	+19
Valuation and survey instructions	**69,207**	68,710	+1	**140,783**	134,313	+5
Total conveyances completed	**10,624**	7,506	+42	**19,307**	13,390	+44
Segment results	£'000	£'000		£'000	£'000	
Total income						
Estate Agency	**53,835**	53,073	+1	**103,529**	98,016	+6
Lettings	**23,345**	19,911	+17	**45,341**	38,983	+16
Financial Services	**15,628**	15,553	-	**30,293**	27,840	+9
Surveying & Valuation	**17,366**	15,666	+11	**32,820**	28,931	+13
Conveyancing	**5,969**	5,712	+4	**11,650**	10,255	+14
Hamptons	**18,371**	17,453	+5	**32,988**	30,231	+9
Other segments	**108**	402	-73	**572**	499	+15
	134,622	127,770	+5	**257,193**	234,755	+10
EBITDA						
Estate Agency	**2,733**	2,371	+15	**176**	(1,554)	n/m
Lettings	**5,137**	4,013	+28	**9,569**	7,084	+35
Financial Services	**2,034**	2,683	-24	**3,237**	3,678	-12
Surveying & Valuation	**2,587**	2,399	+8	**4,513**	3,966	+14
Conveyancing	**1,653**	1,903	-13	**3,074**	3,069	-
Hamptons	**4,021**	4,621	-13	**5,034**	5,756	-13
Segment EBITDA	**18,165**	17,990	+1	**25,603**	21,999	+16
Other segments	**(3,117)**	(2,470)	+26	**(6,047)**	(5,284)	+14
Group EBITDA	**15,048**	15,520	-3	**19,556**	16,715	+17

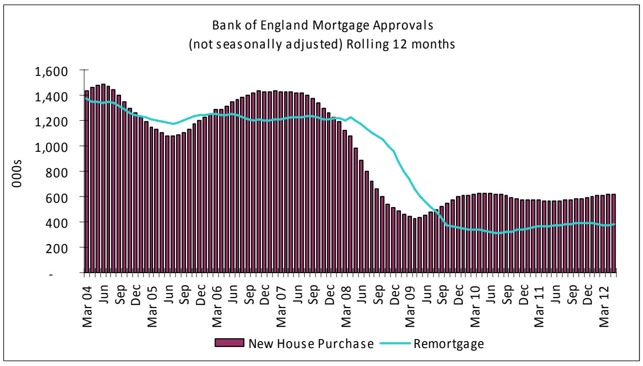
Business review

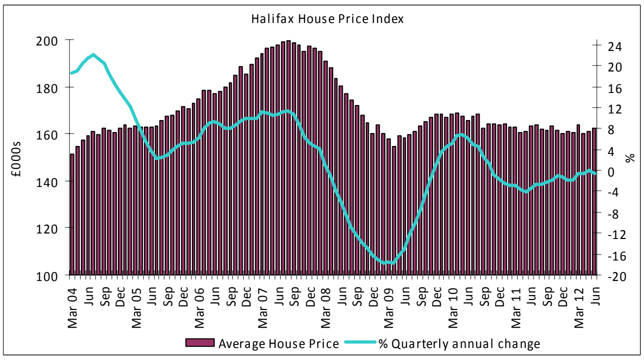
Within the last quarter there have been several distractions which have hindered an already struggling housing market; the Jubilee celebrations and extra bank holiday, the European football championships, the build up to the Olympics, and recently the bad weather and floods. On top of this there has been no significant change to lender appetite to write mortgages.

The stamp duty holiday, which ended on 24 March this year, caused a distortion in the phasing of house sale completions, as purchasers looked to secure early completions to take advantage of the saving. Whilst there is no evidence this impacted on the absolute number of transactions for the first half of the year, the number of completions in March was higher than expected and April lower. The increase in stamp duty from 5% to 7% for properties over £2 million which came into force on 21 March appears to have dampened demand for high value properties.

According to the Bank of England Mortgage Approvals data, as at May the number of mortgage approvals for the last twelve months was 622,000, which is a 10% increase compared to the same period in 2011, and a 5% increase from the position at December 2011. According to the Halifax House Price Index house prices have increased by 1.6% since December 2011 but year on year they have decreased by 0.6%.

There has been little change in the remortgage market since the last quarter, and it is still unlikely that there will be any material change in gross lending in 2012.





The Group's EBITDA for the first six months of 2012 was £19.6 million, an increase of 17% on the same period in 2011. The EBITDA for the quarter was £15.0 million, a slight decrease of 3% on Q2 2011, although as mentioned above the Q2 2012 results have been depressed by the stamp duty holiday ceasing at the end of March 2012.

The Lettings division continues with its strategy of acquiring small businesses in strategic areas and during Q2 2012 the Group acquired seven small Lettings businesses, in addition to the three purchased in Q1 2012.

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

There has been no change to material contracts and material commitments since we issued our Annual Report in March 2012.

Estate Agency Division

	Unaudited					
	Quarter ended June 30			Six months ended June 30		
	2012	2011	Var	2012	2011	Var
	£'000	£'000	%	£'000	£'000	%
Total income	**53,835**	53,073	+1	**103,529**	98,016	+6
Operating costs	**(51,102)**	(50,702)	+1	**(103,353)**	(99,570)	+4
EBITDA	**2,733**	2,371	+15	**176**	(1,554)	n/m
Depreciation and amortisation	**(806)**	(1,002)	-20	**(1,663)**	(2,011)	-17
Operating profit/(loss)	**1,927**	1,369	+41	**(1,487)**	(3,565)	-58
Operational data	Number	Number		Number	Number	
House sales exchanged	**13,740**	13,789	-	**26,874**	25,578	+5

The closure of the Stamp Duty Holiday for first time buyers in March 2012 had the effect of accelerating transactions into the first quarter of the year. Despite this, the second quarter still showed year on year growth in terms of income and profit.

Compared to Q2 2011, the division had a net average of 5 fewer branches and the number of house sales was slightly lower. In contrast income grew 1% predominately as a result of increased upfront fees (enhanced marketing packages) and a roll out of new UK Sothebys International Realty branches and Faron Sutaria branches which operate in the prestige market.

During Q2 2012 we announced the closure of several of our regional finance centres and administration centres, to be centralised in Milton Keynes and Cheadle respectively. This will bring with it a significant enhancement in quality of output at a lower ongoing cost.

In addition to the new central administration centre in Cheadle, the focus of our investment in the quarter remained the same as in recent periods, namely:

- The recruitment and retention of top quality staff in each of our market sectors;
- Innovative National Marketing Campaigns that drive incremental business;
- Cutting costs and improving efficiency where possible;
- Investment in growth in selected markets and brands; and
- The continued development of our specialist New Homes Division.

Lettings Division

	Unaudited					
	Quarter ended June 30			Six months ended June 30		
	2012	2011	Var	2012	2011	Var
	£'000	£'000	%	£'000	£'000	%
Total income	**23,345**	19,911	+17	**45,341**	38,983	+16
Operating costs	**(18,208)**	(15,898)	+15	**(35,772)**	(31,899)	+12
EBITDA	**5,137**	4,013	+28	**9,569**	7,084	+35
Depreciation and amortisation	**(1,169)**	(786)	+49	**(2,029)**	(1,489)	+36
Operating profit	**3,968**	3,227	+23	**7,540**	5,595	+35
Operational data	Number	Number		Number	Number	
Properties under management (retail)	**41,459**	32,692	+27	**40,310**	32,422	+24
Properties under management (corporate)	**48,401**	56,497	-14	**49,190**	58,513	-16

Another strong quarter's performance with income and EBITDA well ahead of 2011. Total income improved by £3.4 million or 17% leading to an uplift in EBITDA of £1.1 million or 28%. The New Start Programme, the expansion of lettings operations into the Group's Estate Agency footprint, is delivering good growth with income up £1.3 million, 166% on 2011; in line with expectations as is the EBITDA position. The underlying results of the division before this investment in the network show an 11% increase in income and a 31% increase in EBITDA over Q2 2011.

Market conditions remain stable and track the normal seasonal pattern. Whilst we see an increase in instruction levels year on year, overall the supply of available properties remains tight. Demand, in the form of applicant levels, continues to be strong overall and well up on the same period in 2011.

The business completed seven acquisitions during the quarter including strategic expansion in to the Yorkshire market. So far this year the business has completed ten acquisitions, adding a total of nine offices to the network. The impact of the acquisitions on the H1 2012 EBITDA result is not significant. Further opportunities for strategic expansion continue to be reviewed and progressed.

Financial Services Division

	Unaudited					
	Quarter ended June 30			Six months ended June 30		
	2012	2011	Var	2012	2011	Var
	£'000	£'000	%	£'000	£'000	%
Total income	**15,628**	15,553	-	**30,293**	27,840	+9
Operating costs	**(13,594)**	(12,870)	+6	**(27,056)**	(24,162)	+12
EBITDA	**2,034**	2,683	-24	**3,237**	3,678	-12
Depreciation and amortisation	**(1,346)**	(1,358)	-1	**(2,701)**	(2,706)	-
Operating profit	**688**	1,325	-48	**536**	972	-45
Operational data	Number	Number[1]		Number	Number	
Total mortgages arranged	**13,475**	13,338	+1	**26,602**	22,427	+19
Value	**£1.7bn**	£1.6bn	+6	**£3.4bn**	£2.7bn	+26
Life insurance policies sold	**9,341**	8,992	+4	**18,143**	15,658	+16
General insurance policies sold	**8,927**	9,604	-9	**17,989**	16,895	+6

The continued uncertainty in the banking sector has meant that mortgage volumes remain under pressure due to capital and liquidity constraints. Mortgage availability is now subject to stricter lending criteria than 6 months ago and pricing has increased over the last 8 months by 0.75-0.90% on average. Countrywide had anticipated modest growth in mortgage volumes in the first half of 2012 and consequently invested in the business early on in the year by adding more consultants to the network. These factors have significantly impacted on the performance of our Financial Services Division in 2012.

[1] The Q2 2011 reported volumes included the catch up of Q1 2011 volumes for Mortgage Intelligence that had not been previously included in the Q1 2011 report. The Q2 2011 comparatives have been restated to present a more meaningful comparison.

Moving into the second half of 2012, the management team is focusing on reducing operational overheads and expect to deliver growth in the full year EBITDA results.

Our investments in Mortgage Intelligence and Capital Private Finance are performing in line with expectations.

Surveying & Valuation Division

	Unaudited					
	Quarter ended June 30			Six months ended June 30		
	2012	2011	Var	2012	2011	Var
	£'000	£'000	%	£'000	£'000	%
Total income *(net of panel survey costs)*[1]	**12,461**	12,039	+4	**24,284**	23,075	+5
Operating costs	**(9,874)**	(9,640)	+2	**(19,771)**	(19,109)	+3
EBITDA	**2,587**	2,399	+8	**4,513**	3,966	+14
Depreciation and amortisation	**(115)**	(474)	-76	**(233)**	(948)	-75
Operating profit	**2,472**	1,925	+28	**4,280**	3,018	+42
Operational data	Number	Number		Number	Number	
Valuations and survey instructions completed	**69,207**	68,710	+1	**140,783**	134,313	+5

Q2 2012 has seen another strong trading performance and year on year EBITDA growth of +8% despite challenging market conditions. Top line income has increased 4% over the period, driven by a 1% increase in volumes completed in-house, enabling greater leverage of our fixed cost base and allowing continued EBITDA growth of 14% at the half year versus 2011.

Instruction volumes have remained healthy throughout Q2 2012 with strong levels of support from both our lender client base and work generated through our private survey channel. Instruction numbers including panel allocated work are up 13% at the half year versus 2011 and in-house completed volumes up 5% despite a similar sized surveyor work force. Enhanced operational control following the creation of our National Operation Centre last year has enabled the Division not only to drive levels of productivity of our surveyor and consultant workforce to record levels, but also to better manage the yield by job type. Despite aggressive pricing pressure within the market our average fee per job completed is tracking in line with prior year at c.£155 at the half year.

Looking forward into the second half of the year we are delighted to announce a further contract win for our Business having secured the Panel Management and Lead Valuer contract for the Co-Op Group which includes the Co-Op, Platform and Britannia brands which is due to launch in July 2012.

[1] The Surveying income has been stated net of panel fees paid 2012 Q2: £4,905,000 (2011 Q2: £3,627,000), 2012 H1: £8,536,000 (2012 H1 £5,856,000) 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.

Conveyancing Division

	Unaudited					
	Quarter ended June 30			Six months ended June 30		
	2012	2011	Var	2012	2011	Var
	£'000	£'000	%	£'000	£'000	%
Total income	**5,969**	5,712	+4	**11,650**	10,255	+14
Operating costs	**(4,316)**	(3,809)	+13	**(8,576)**	(7,186)	+19
EBITDA	**1,653**	1,903	-13	**3,074**	3,069	-
Depreciation and amortisation	**(88)**	(87)	+1	**(176)**	(186)	-5
Operating profit	**1,565**	1,816	-14	**2,898**	2,883	+1
Operational data	Number	Number		Number	Number	
Completions in-house[1]	**4,920**	5,374	-8	**10,182**	9,479	+7
Completions panel[2]	**5,704**	2,128	+168	**9,125**	3,911	+133
Separate legal representation[3]	**2,262**	—	n/m	**2,866**	—	n/m

A challenging second quarter performance showed a 4% increase in income but a 13% reduction in EBITDA compared with the corresponding period in 2011. Following a strong Q1 2012 result, after the ending of the first time buyer stamp duty holiday in March, subdued activity in the market, an immature and building pipeline and continued investment in the HSBC contract meant that Q2 2012 EBITDA performance was under pressure.

The impact of the HSBC contract on the Conveyancing Division has been marked. Top line growth in income of 4% and a significant increase in volume throughput has not only been industry leading but also defined our Conveyancing Division as the market experts in Panel Management both of Transactional and Separate Legal Representation services. The additional volume has been predominantly delivered through our Panel Management team, which generates lower fees than those fees charged by our own conveyancing teams. Implementing the contract and bedding in new processes has meant we have borne additional operational costs while the pipelines have been building over the first half year. As the pipelines mature, we anticipate and are already beginning to see revenue unwinding from these pipelines which will become more pronounced in the second half of the year.

Income from the Countrywide branch network was challenged in Q2 2012. Due to the ending of the first time buyer stamp duty holiday, the high exchange and completion activity in March resulted in depleted and then subsequently immature pipelines throughout Q2 2012. While our Conveyancing Division continues to drive market leading levels of exchange conversions, conditions across the broader market remain adverse and despite a good exchange conversion in May, June levels were below expectations and lower than we would typically see at this point in the year. Delays in obtaining a mortgage offer is proving to be a recurring theme in many chains as lending policy requirements are strictly applied by major lenders. Our private conveyancing service continues to build momentum across the branch network in particular throughout the Hamptons International network and is attracting excellent customer and agent satisfaction levels in the higher value markets.

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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 June 30			Six months ended June 30		
	2012	2011	Var	2012	2011	Var
	£'000	£'000	%	£'000	£'000	%
Total income	**18,371**	17,453	+5	**32,988**	30,231	+9
Operating costs	**(14,350)**	(12,832)	+12	**(27,954)**	(24,475)	+14
EBITDA	**4,021**	4,621	-13	**5,034**	5,756	-13
Depreciation and amortisation	**(532)**	(569)	-7	**(950)**	(1,156)	-18
Operating profit	**3,489**	4,052	-14	**4,084**	4,600	-11
Operational data	Number	Number		Number	Number	
House sales exchanged	**904**	802	+13	**1,594**	1,380	+16

Hamptons International has performed strongly throughout the first half of 2012 with 9% growth in income year on year. However, the additional costs relating to our investment in five new branches negatively impacted EBITDA; on a like for like basis excluding the investment in new branches, income was 7% higher and EBITDA was 3% above H1 2011.

Residential sales continued to see a broad based recovery across their London and Country regions and finished the first half with like-for-like income 9% higher than 2011, while the Lettings business continued its strong performance and finished the first half with income 7% ahead of 2011 (on a like-for-like basis) despite the impact of the Jubilee holidays.

New branches were opened in Mayfair, Ealing, Teddington, Bristol and Battersea in the first half with more planned in the second half of 2012.

Other segments

Other segments comprise the senior management team, and some central functions including online marketing and corporate business development. We continue to invest in the online marketing team to maximise website traffic and cross selling opportunities within the group. This, along with some timing differences of other expenses, has resulted in an increase in costs compared to 2011.

Depreciation and amortisation

Deprecation and amortisation charges have decreased compared to 2011 by 3% for the quarter and 7% for the first half, due to some intangible assets being fully amortised at the end of 2011.

Finance expense

The finance expense comprises the interest accrued on the Bonds, the amortisation of the associated capitalised fees and those in relation to the Revolving Credit Facility (RCF). This expense has increased compared to 2011 due to the amortisation of the costs of the RCF.

Finance income

By careful cash forecasting and maximising deposit opportunities we have managed to earn average interest of 2.4% on office monies against a back drop of low interest rates.

Taxation

The reduction in the rate of Corporation Tax from 26% to 24% triggers a release of net deferred tax liabilities, which produces a net tax credit being reported in the period almost cancelling out any corporation tax payable. Furthermore, the utilisation of prior year tax losses reduces the expected effective current corporation tax rate for the year to 21.5%, compared to the statutory marginal tax rate of 24.5% for the Group in 2012.

Capital expenditure

Capital expenditure spend in the quarter was £2.6 million, an increase of £0.9 million on Q2 2011. During the quarter two freehold properties have been sold for a total of £0.9 million.

Liquidity and cash flow analysis

		Unaudited	
	June 30 2012	December 31 2011	June 30 2011
	£'000	£'000	£'000
Cash and cash equivalents	**42,350**	60,636	57,175
Trapped cash (cash held by the insurance cell)	**(2,065)**	(2,526)	(3,205)
Available cash	**40,285**	58,110	53,970

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

During the quarter cash balances have decreased by £18.5 million due to several factors. Whilst cash generated from operations was £2.2 million in the quarter, £7.7 million was spent on investing activities, which included £6.1 million for acquisitions and £2.6 million of capital expenditure. The bi-annual bond interest of £12.7 million was also paid.

	June 30 2012	December 31 2011	June 30 2011
	£'000	£'000	£'000
EBITDA before exceptionals – last twelve months	**59,208**	56,367	50,301
Gross debt	**250,000**	250,000	250,000
Net debt	**207,650**	189,364	192,825
Consolidated interest expense[1]	**27,334**	26,865	25,528
Consolidated leverage ratio[2]	**3.5**	3.4	3.9
Fixed charge ratio[3]	**2.2**	2.1	2.0

Grenville Turner
Chief Executive Officer

July 26, 2012

1 The consolidated interest expense reflects the actual net cash payable interest cost for the 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 June 2012

	Unaudited			
	Quarter ended June 30		Six months ended June 30	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Revenue	**131,698**	125,678	**251,813**	229,599
Other income	**2,924**	2,092	**5,380**	5,156
Total income	**134,622**	127,770	**257,193**	234,755
Staff costs	**(74,063)**	(69,748)	**(145,644)**	(135,447)
Depreciation and amortisation	**(4,369)**	(4,517)	**(8,351)**	(8,971)
Other expenses	**(45,886)**	(42,877)	**(92,743)**	(83,343)
Group operating profit	**10,304**	10,628	**10,455**	6,994
Finance expense	**(7,133)**	(6,853)	**(13,974)**	(13,441)
Finance income	**289**	225	**606**	542
Net finance expense	**(6,844)**	(6,628)	**(13,368)**	(12,899)
Share of profit post tax from joint venture	**294**	161	**522**	285
Profit/(loss) before taxation	**3,754**	4,161	**(2,391)**	(5,620)
Taxation	**(935)**	(1,868)	**(31)**	939
Profit/(loss) from continuing operations	**2,819**	2,293	**(2,422)**	(4,681)
Attributable to:				
Owners of the company	**2,687**	2,293	**(2,601)**	(4,681)
Non-controlling interest	**132**	—	**179**	—
Profit/(loss) attributable for the year	**2,819**	2,293	**(2,422)**	(4,681)

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 June 2012

	Unaudited		
	June 30 2012	**December 31 2011**	June 30 2011
Assets	£'000	£'000	£'000
Non-current assets			
Goodwill	**350,762**	344,944	339,010
Other intangible assets	**196,813**	198,933	196,734
Property, plant and equipment	**22,504**	22,508	21,020
Investments in joint venture	**2,425**	2,650	2,613
Other investments	**1,211**	317	339
Deferred tax asset	**12,725**	16,088	11,775
Total non-current assets	**586,440**	585,440	571,491
Current assets			
Trade and other receivables	**69,649**	67,108	76,586
Cash and cash equivalents	**42,350**	60,636	57,175
Total assets	**698,439**	713,184	705,252
Non-current liabilities			
Financial liabilities – loans and borrowings	**(248,632)**	(248,513)	(248,360)
Defined benefit scheme liabilities	**(6,463)**	(6,463)	(5,506)
Provisions	**(20,211)**	(20,211)	(27,090)
Deferred income	**(15,515)**	(16,667)	(24,858)
Other liabilities due after one year	**(11,592)**	(14,029)	(7,982)
Deferred tax liability	**(47,763)**	(50,489)	(50,473)
Total non-current liabilities	**(350,176)**	(356,372)	(364,269)
Current liabilities			
Trade and other payables	**(79,472)**	(79,849)	(75,507)
Deferred income	**(9,850)**	(9,850)	(3,795)
Provisions	**(16,634)**	(21,908)	(8,750)
Current tax liabilities	**(873)**	(1,333)	(1,098)
Total current liabilities	**(106,829)**	(112,940)	(89,150)
Total liabilities	**(457,005)**	(469,312)	(453,419)
Net assets	**241,434**	243,872	251,833
Share capital	**147,655**	147,654	147,652
Share premium	**46,849**	46,777	46,525
Other reserves	**45,536**	45,536	45,533
Foreign exchange reserve	**(29)**	(45)	(48)
Reserves	**1,111**	3,712	12,171
Equity shareholder funds	**241,122**	243,634	251,833
Non-controlling interest	**312**	238	—
Total equity	**241,434**	243,872	251,833

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the period ended 30 June 2012

	Unaudited			
	Quarter ended June 30		Six months ended June 30	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Cash flows from operating activities				
Net profit/(loss) before taxation	**3,754**	4,161	**(2,391)**	(5,620)
Adjustments for:				
Depreciation	**1,610**	1,792	**3,237**	3,525
Amortisation of intangible assets	**2,759**	2,725	**5,114**	5,446
Profit on disposal of fixed assets	**(12)**	(24)	**(12)**	(24)
Income from joint venture	**(294)**	(161)	**(522)**	(285)
Finance income per income statement	**(289)**	(225)	**(606)**	(542)
Finance expense per income statement	**7,133**	6,853	**13,974**	13,441
Cash flows from operating activities before working capital changes	**14,661**	15,121	**18,794**	15,941
(Increase)/decrease in trade and other receivables	**(2,190)**	1,812	**(3,027)**	(6,347)
(Decrease)/increase in trade payables and other liabilities	**(10,277)**	(3,168)	**(10,171)**	5,372
Cash generated from operations	**2,194**	13,765	**5,596**	14,966
Tax refund	**—**	—	**—**	1,405
Interest paid	**(12,873)**	(12,639)	**(12,873)**	(12,639)
Net cash (outflow)/inflow from operating activities	**(10,679)**	1,126	**(7,277)**	3,732
Cash flows from investing activities				
Acquisitions (net of cash acquired)	**(6,081)**	(4,425)	**(7,537)**	(4,731)
Purchase of property, plant and equipment	**(2,097)**	(1,095)	**(3,777)**	(1,502)
Purchase of intangible assets	**(462)**	(572)	**(984)**	(987)
Proceeds from sale of property, plant and equipment	**880**	204	**884**	219
Purchase of investments	**(905)**	—	**(905)**	—
Dividend received from joint venture	**748**	336	**748**	336
Interest received	**266**	806	**724**	916
Net cash outflow from investing activities	**(7,651)**	(4,746)	**(10,847)**	(5,749)
Cash flows from financing activities				
Equity transactions	**73**	285	**73**	285
Finance fees	**(130)**	—	**(130)**	—
Dividend paid to non-controlling interest	**(105)**	—	**(105)**	—
Net cash (outflow)/inflow from financing activities	**(162)**	285	**(162)**	285
Net decrease in cash and cash equivalents	**(18,492)**	(3,335)	**(18,286)**	(1,732)
Cash and cash equivalents at beginning of the period	**60,842**	60,510	**60,636**	58,907
Cash and cash equivalents at the end of the period	**42,350**	57,175	**42,350**	57,175

NOTES AND ADDITIONAL INFORMATION

1. Basis of preparation

The condensed interim financial statements for the three and six month periods ended June 30, 2012 and June 30, 2011 have been prepared in accordance with the accounting policies 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 June 30, 2012, which were approved by the Board of Directors on July 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.

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 first half of 2012, the Group has acquired ten Lettings businesses.

	Unaudited Provisional fair values
	£'000
Other intangible assets	1,850
Property, plant and equipment	376
Trade and other receivables	498
Cash and cash equivalents	887
Current liabilities	(443)
Corporation tax	(197)
Deferred tax	(3)
Other non-current liabilities	(240)
Net assets	2,728
Consideration paid	8,424
Deferred consideration	122
Total consideration	8,546
Fair value of assets acquired	(2,728)
Goodwill arising on acquisition	5,818
Consideration paid	8,424
Cash acquired on acquisition	(887)
Net cash impact arising from the acquisitions	7,537

7. EBITDA reconciliation

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

	Unaudited			
	Quarter ended June 30		**Six months ended June 30**	
	2012	**2011**	**2012**	2011
	£'000	**£'000**	**£'000**	£'000
Consolidated net profit/(loss)	**2,819**	2,293	**(2,422)**	(4,681)
Finance income	**(289)**	(225)	**(606)**	(542)
Share of profit post tax from joint venture	**(294)**	(161)	**(522)**	(285)
Depreciation and amortisation	**4,369**	4,517	**8,351**	8,971
Sponsor management fee	**375**	375	**750**	750
Finance expense	**7,133**	6,853	**13,974**	13,441
Taxation	**935**	1,868	**31**	(939)
EBITDA	**15,048**	15,520	**19,556**	16,715

8. Share capital

	Unaudited		
	June 30 2012	December 31 2011	June 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	12,481,237

Appendix 1: Divisional Quarterly Summary - UNAUDITED

Unaudited

Countrywide Group Income Statement	2012			2011					2010					2009					2008				
	Year to Date	**Q2**	**Q1**	**Year to Date**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1
	£'000s	**£'000s**	**£'000s**	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s
Revenue	**257,193**	**134,622**	**122,571**	**509,050**	131,221	143,074	127,770	106,985	**477,922**	123,916	135,762	120,221	98,023	**445,989**	127,670	125,155	109,886	83,278	**421,557**	88,445	100,762	117,722	114,585
EBITDA before exceptional items	**19,556**	**15,048**	**4,508**	**56,367**	16,232	23,420	15,520	1,195	**51,476**	12,228	21,358	14,850	3,040	**44,082**	21,663	20,855	10,182	(8,618)	**(15,806)**	(7,246)	(3,400)	831	(5,989)
Operating profit/(loss) before exceptional items	**10,455**	**10,304**	**151**	**35,793**	10,535	18,268	10,624	(3,634)	**27,400**	6,357	14,491	8,423	(1,871)	**23,861**	16,286	15,964	6,777	(15,166)	**(47,185)**	(18,398)	(10,106)	(5,914)	(12,767)
Operating profit/(loss)	**10,455**	**10,304**	**151**	**19,246**	(6,012)	18,268	10,624	(3,634)	**8,408**	(11,708)	14,491	7,496	(1,871)	**(3,888)**	6,924	14,550	(10,196)	(15,166)	**(520,921)**	(407,688)	(12,487)	(45,891)	(15,148)

Unaudited

Estate Agency Division	2012			2011					2010					2009					2008				
	Year to Date	**Q2**	**Q1**	**Year to Date**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1
Excluding Hamptons	**£'000s**	**£'000s**	**£'000s**	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s
Revenue	**103,529**	**53,835**	**49,694**	**215,390**	57,019	60,355	53,073	44,943	**232,157**	55,990	62,615	62,068	51,484	**241,142**	73,965	70,357	57,853	38,967	**202,660**	39,674	48,275	59,661	55,050
EBITDA before exceptional items	**176**	**2,733**	**(2,557)**	**13,181**	6,749	7,986	2,371	(3,925)	**19,697**	6,025	8,062	5,544	66	**26,355**	16,413	14,073	4,731	(8,862)	**(36,593)**	(9,227)	(8,020)	(6,821)	(12,525)
Operating profit/(loss) before exceptional items	**(1,487)**	**1,927**	**(3,414)**	**9,004**	5,729	6,828	1,382	(4,935)	**15,982**	5,176	7,155	4,647	(996)	**21,360**	14,867	12,875	3,624	(10,006)	**(41,776)**	(10,501)	(9,294)	(8,133)	(13,847)
Operating profit/(loss)	**(1,487)**	**1,927**	**(3,414)**	**6,792**	3,517	6,828	1,382	(4,935)	**15,022**	4,216	7,155	4,647	(996)	**17,623**	11,130	12,875	3,624	(10,006)	**(309,577)**	(276,346)	(9,294)	(10,089)	(13,847)
House sales exchanged	**26,874**	**13,740**	**13,134**	**56,108**	14,918	15,612	13,790	11,788	**58,984**	14,556	15,941	15,245	13,242	**63,377**	18,897	18,442	15,361	10,677	**50,510**	10,604	11,607	14,231	14,061

Unaudited

Lettings Division	2012			2011					2010					2009					2008				
	Year to Date	**Q2**	**Q1**	**Year to Date**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1
	£'000s	**£'000s**	**£'000s**	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s
Revenue	**45,341**	**23,345**	**21,996**	**81,255**	20,173	22,099	19,911	19,072	**73,559**	18,717	20,048	17,395	17,399	**67,469**	16,628	17,962	16,853	16,026	**57,038**	15,715	15,214	13,375	12,734
EBITDA before exceptional items	**9,569**	**5,137**	**4,432**	**15,291**	2,844	5,363	4,013	3,071	**14,307**	3,122	4,707	3,351	3,127	**12,620**	2,662	3,850	3,248	2,860	**11,087**	3,511	3,084	2,361	2,131
Operating profit/(loss) before exceptional items	**7,540**	**3,968**	**3,572**	**13,533**	3,333	4,605	3,227	2,368	**10,743**	1,641	3,992	2,654	2,456	**10,034**	2,012	3,205	2,576	2,241	**8,947**	2,922	2,558	1,845	1,624
Operating profit/(loss)	**7,540**	**3,968**	**3,572**	**12,538**	2,338	4,605	3,227	2,368	**10,330**	1,228	3,992	2,654	2,456	**7,647**	(375)	3,205	2,576	2,241	**(8,058)**	(14,084)	2,558	1,845	1,624
Properties under management (retail)	**40,310**	**41,459**	**39,117**	**32,787**	36,458	33,404	32,692	32,152	**30,486**	32,211	29,868	29,929	29,925	**28,656**	29,922	28,460	28,011	28,362	**23,144**	25,036	23,569	22,467	21,844
Properties under management (corporate)	**49,190**	**48,401**	**49,979**	**56,087**	52,203	57,645	56,497	60,529	**62,773**	61,352	64,711	63,854	64,103	**66,871**	65,724	66,688	66,793	67,792	**45,733**	69,450	39,135	37,599	39,007

Unaudited

Financial Services Division	2012			2011					2010					2009					2008				
	Year to Date	**Q2**	**Q1**	**Year to Date**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1
	£'000s	**£'000s**	**£'000s**	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s
Revenue	**30,293**	**15,628**	**14,665**	**62,069**	17,636	16,593	15,553	12,287	**57,183**	15,541	14,234	14,729	12,679	**55,718**	15,747	14,534	14,017	11,420	**61,798**	13,768	14,241	17,262	16,527
EBITDA before exceptional items	**3,237**	**2,034**	**1,203**	**9,398**	3,320	2,400	2,683	995	**5,654**	2,390	1,032	1,903	329	**2,150**	1,208	1,473	801	(1,332)	**3,717**	(405)	736	2,354	1,032
Operating profit/(loss) before exceptional items	**536**	**688**	**(152)**	**3,965**	1,951	1,043	1,324	(353)	**137**	1,033	(332)	504	(1,068)	**(3,595)**	(296)	70	(609)	(2,760)	**(2,068)**	(1,868)	(716)	886	(370)
Operating profit/(loss)	**536**	**688**	**(152)**	**2,290**	276	1,043	1,324	(353)	**(300)**	596	(332)	504	(1,068)	**(3,998)**	(699)	70	(609)	(2,760)	**(108,452)**	(76,352)	(716)	(31,014)	(370)
Total mortgages arranged	**26,602**	**13,475**	**13,127**	**53,180**	15,008	15,745	13,338	9,089	**37,324**	8,870	9,432	10,300	8,722	**36,924**	11,123	10,429	8,811	6,561	**39,309**	7,727	9,320	11,360	10,902
Value	**£3.4bn**	£1.7bn	£1.7bn	**£6.6bn**	£1.9bn	£2.0bn	£1.6bn	£1.1bn	**£4.3bn**	£1.0bn	£1.1bn	£1.2bn	£1.0bn	**£4.0bn**	£1.3bn	£1.1bn	£0.9bn	£0.7bn	**£4.6bn**	£0.8bn	£1.1bn	£1.4bn	£1.3bn
Life insurance policies sold	**18,143**	**9,341**	**8,802**	**35,333**	9,942	9,733	9,586	6,072	**31,387**	7,783	8,038	8,485	7,081	**31,449**	9,286	8,692	7,513	5,958	**32,501**	8,878	7,364	8,554	7,705
General insurance policies sold	**17,989**	**8,927**	**9,062**	**38,475**	10,583	10,997	9,800	7,095	**36,100**	9,082	9,369	9,235	8,414	**41,175**	12,095	11,228	10,206	7,646	**38,544**	8,395	8,989	10,847	10,313

Unaudited

Surveying & Valuations Division	2012			2011					2010					2009					2008				
	Year to Date	**Q2**	**Q1**	**Year to Date**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1
	£'000s	**£'000s**	**£'000s**	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s
Revenue	**32,820**	**17,366**	**15,454**	**60,264**	14,202	17,131	15,666	13,265	**52,621**	12,399	14,540	13,886	11,796	**60,400**	13,938	16,609	16,451	13,402	**84,493**	15,531	19,222	23,262	26,479
EBITDA before exceptional items	**4,513**	**2,587**	**1,926**	**8,592**	1,953	2,673	2,399	1,567	**7,418**	1,295	2,627	2,556	940	**7,368**	1,468	3,270	2,868	(238)	**11,068**	665	1,245	3,969	5,189
Operating profit/(loss) before exceptional items	**4,280**	**2,472**	**1,808**	**6,231**	1,013	2,200	1,925	1,093	**5,327**	812	3,271	1,450	(206)	**2,385**	197	2,067	3,090	(2,969)	**(4,530)**	(6,474)	(1,567)	1,146	2,364
Operating profit/(loss)	**4,280**	**2,472**	**1,808**	**(4,873)**	(10,091)	2,200	1,925	1,093	**(4,760)**	(9,275)	3,271	1,450	(206)	**1,052**	1,136	2,067	3,090	(2,969)	**(58,017)**	(59,535)	(1,567)	720	2,364
Valuations and survey instructions completed	**140,783**	**69,207**	**71,576**	**271,001**	61,913	74,775	68,710	65,603	**250,816**	63,975	65,729	65,313	55,799	**281,278**	64,630	76,618	78,289	61,741	**420,811**	73,328	96,765	114,566	136,152

Revenue is inclusive of panel survey fee costs

Appendix 1: Divisional Quarterly Summary - UNAUDITED

Conveyancing Division	2012			2011					2010					2009 (Unaudited)					2008				
	Year to Date	**Q2**	**Q1**	**Year to Date**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1
	£'000s	**£'000s**	**£'000s**	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s
Revenue	**11,650**	**5,969**	**5,681**	**22,843**	6,007	6,581	5,712	4,543	**21,558**	6,010	5,924	5,406	4,218	**20,235**	6,367	5,693	4,710	3,464	**15,309**	3,541	3,810	4,162	3,796
EBITDA before exceptional items	**3,074**	**1,653**	**1,421**	**7,714**	2,110	2,535	1,903	1,166	**8,459**	2,561	2,518	2,222	1,158	**8,190**	3,796	2,339	1,468	587	**238**	521	78	8	(369)
Operating profit/(loss) before exceptional items	**2,898**	**1,565**	**1,333**	**7,377**	2,035	2,459	1,816	1,067	**7,883**	2,432	2,368	2,072	1,011	**7,559**	3,644	2,186	1,315	414	**(539)**	347	(105)	(202)	(579)
Operating profit/(loss)	**2,898**	**1,565**	**1,333**	**7,377**	2,035	2,459	1,816	1,067	**7,883**	2,432	2,368	2,072	1,011	**7,559**	3,644	2,186	1,315	414	**(29,487)**	(24,861)	(105)	(3,942)	(579)
Total completions	**19,307**	**10,624**	**8,683**	**30,604**	8,260	8,954	7,502	5,888	**31,827**	8,344	8,728	8,170	6,585	**34,517**	10,978	10,192	8,105	5,242	**26,761**	5,777	6,374	7,590	7,020

Hamptons	2012			2011					2010					2009 (Unaudited)					2008				
	Year to Date	**Q2**	**Q1**	**Year to Date**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1	**Full Year**	Q4	Q3	Q2	Q1
	£'000s	**£'000s**	**£'000s**	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s	**£'000s**	£'000s	£'000s	£'000s	£'000s
Revenue	**32,988**	**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	**5,034**	**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	**4,084**	**3,489**	**595**	**11,897**	2,323	4,976	4,050	548	**3,431**	1,119	1,996	316	-	**-**	-	-	-	-	**-**	-	-	-	-
Operating profit/(loss)	**4,084**	**3,489**	**595**	**11,897**	2,323	4,976	4,050	548	**1,724**	(588)	1,996	316	-	**-**	-	-	-	-	**-**	-	-	-	-
House sales exchanged	**1,594**	**904**	**690**	**3,274**	865	1,029	802	578	**2,181**	814	1,016	351	-	**-**	-	-	-	-	**-**	-	-	-	-