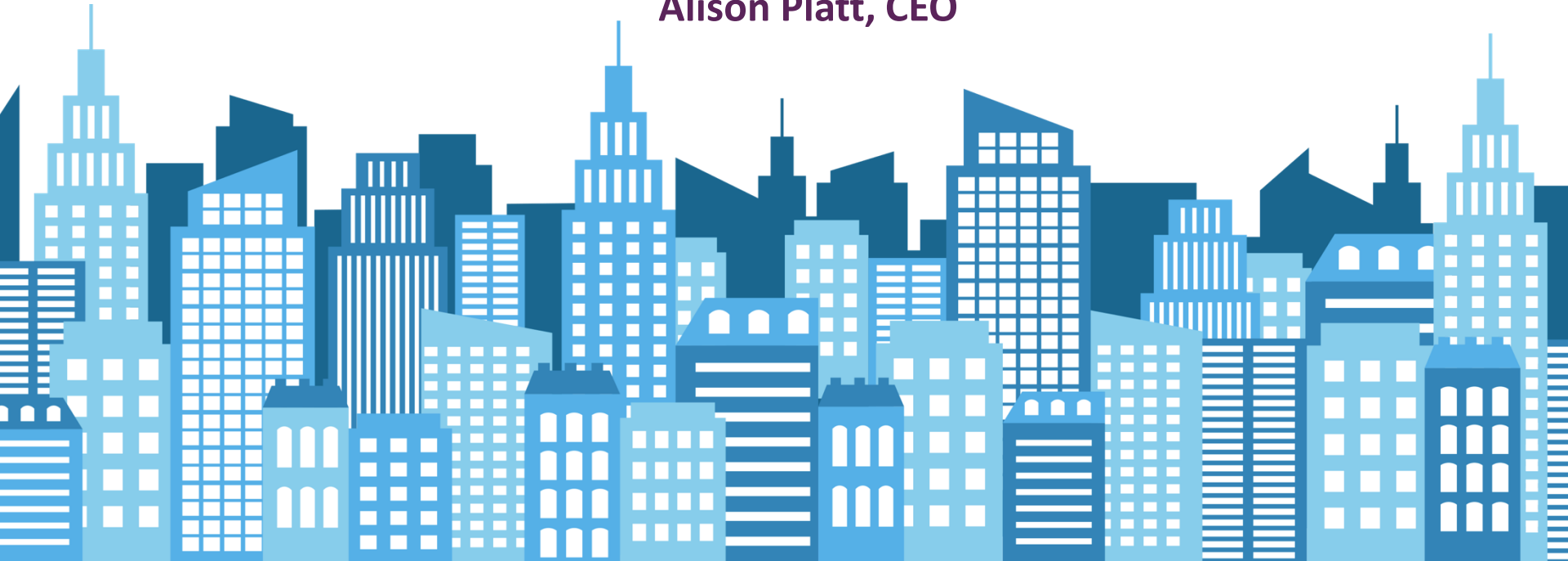




Capital Markets Day: Introduction

Alison Platt, CEO



DISCLAIMER

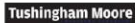
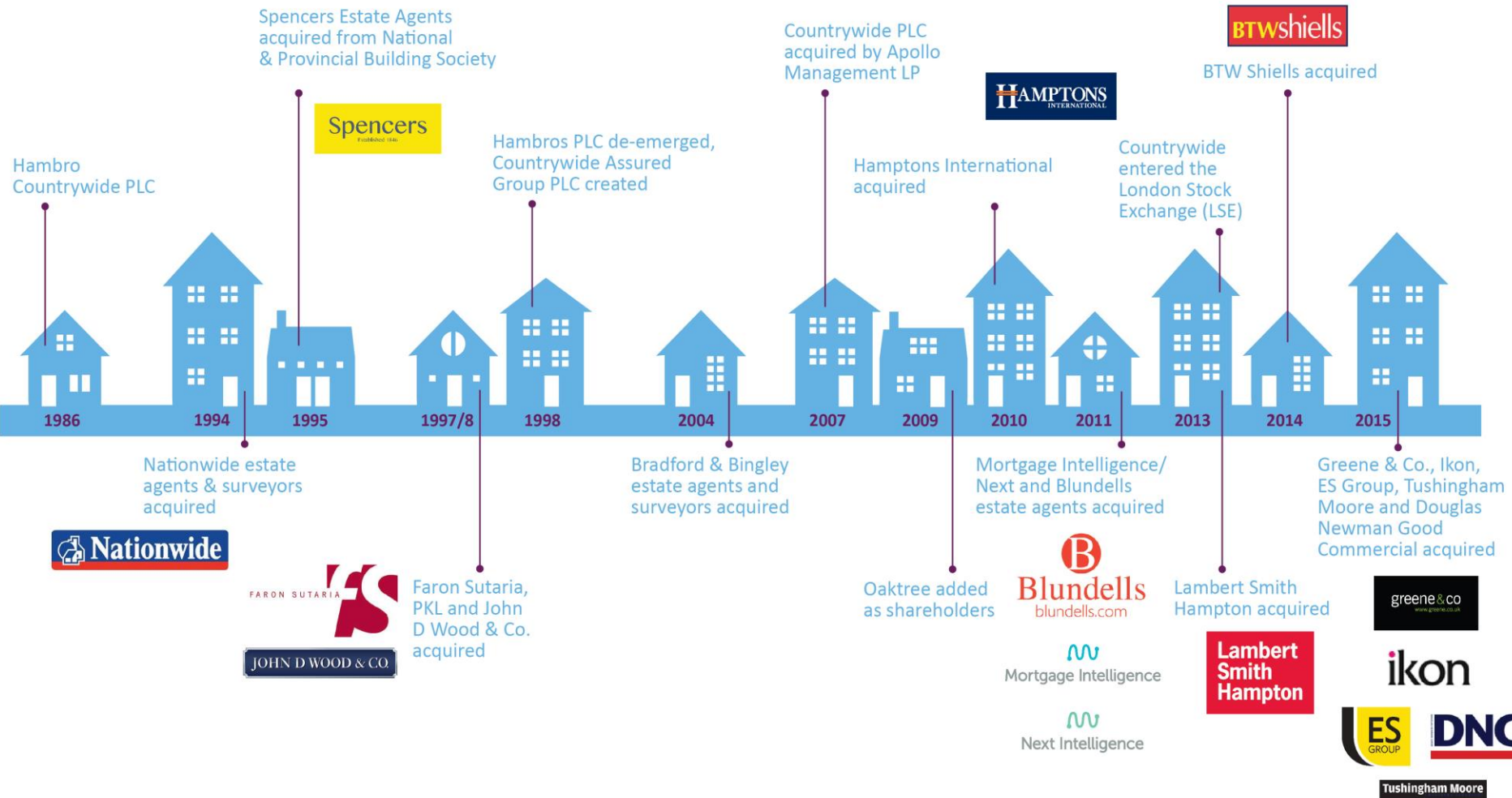
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This presentation has been presented in £ and £m’s. Certain totals and change movements are impacted by the effect of rounding.



COUNTRYWIDE – WHAT WE DO



120,000 household moves assisted per year



£19 billion worth of property sold – more homes in the UK than anyone else



£10 billion of mortgages completed
Largest single mortgage broker in the UK



70,000 properties under management
Largest player in a fragmented market

Market leading positions and a strong platform for growth

SUMMARY – IMPACT OF BUILDING OUR FUTURE

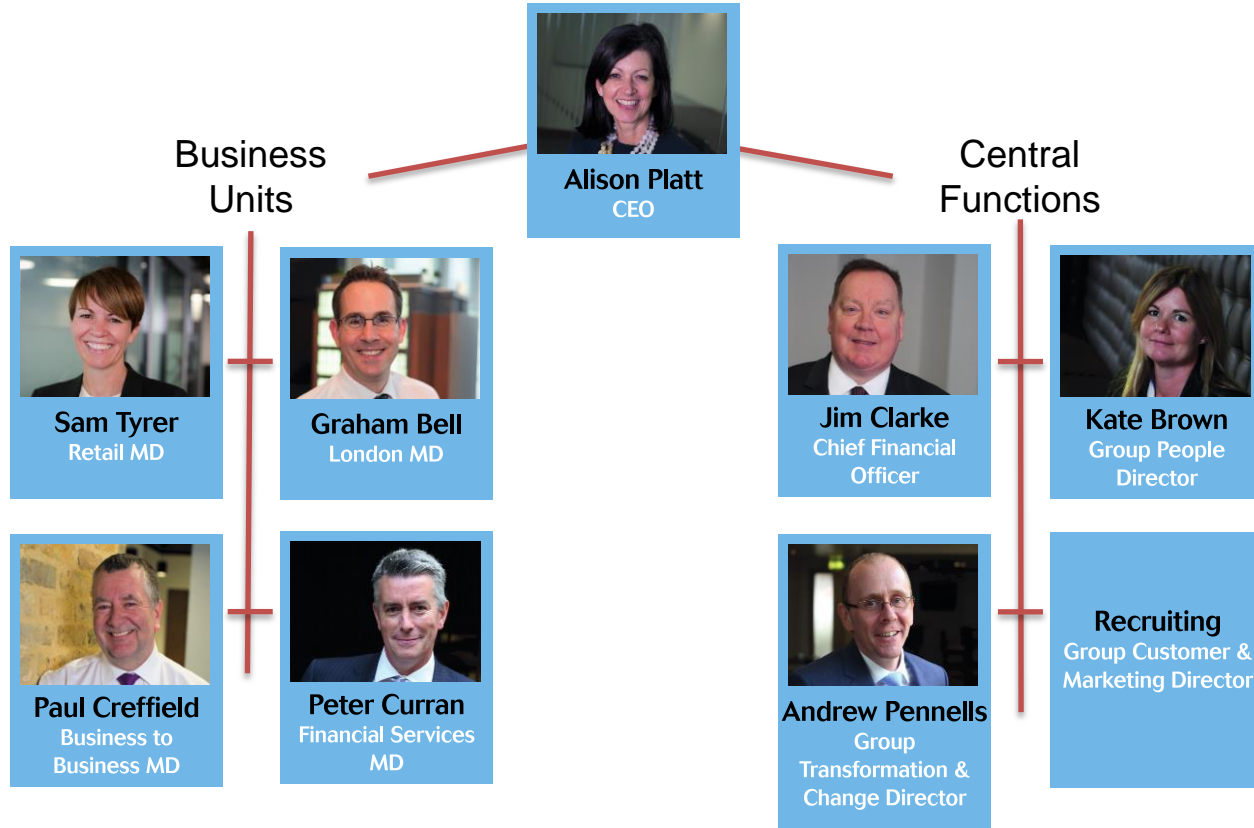
- Deliver £30-40m organic EBITDA growth by 2020 through...
 - Improving productivity – driving efficiency and acting on variation across the network
 - Reducing value leakage – capturing more cross-sell opportunities than envisaged at IPO
 - Underpinned by investment in people, technology, data and analytics
- Add £70-100m EBITDA through M&A, with the majority in Lettings and Commercial
 - Target return on investment remains c20% pre-tax after 2 years
 - Spend contingent on availability and value for money (not growth at any cost)
- As a result, double EBITDA by 2020 and re-balance the portfolio to increase resilience to transaction market cycles
- Requires investment to generate faster EBITDA growth and enhance shareholder returns; normal dividend unchanged (35-45% of clean profit after tax); intend to introduce special dividend from 2017
- Build a future with customers and our people at the heart of the business – ‘better to be bigger’
- **Deliver sustainable long-term value creation for our investors**

ABOUT TODAY'S SESSION

Provide a deeper understanding of the group, our structure and our strategy

9:00	Introduction Market outlook Building our Future <i>Q&A part 1</i>	Alison Platt Johnny Morris Alison Platt, Jim Clarke
10:35	Coffee	
11:00	Reporting Structure Our Business Units <i>Q&A part 2</i>	Jim Clarke Sam Tyrer (Retail), Graham Bell (London), Paul Creffield (B2B), Peter Curran (FS)
12:45	Event Ends	

WHO WE ARE



ORGANISING FOR SUCCESS

- Four Business Units focussed solely around the customer
 - **Retail** – bringing our sales and lettings businesses together
 - **London** – defined in one BU, recognising distinct characteristics of London market
 - **B2B** – inc. surveying, conveyancing, commercial and a unified land & new homes team
 - **Financial Services** – clear and distinct mortgage, insurance and protection business
- New executive team delivering balance of both industry and cross sector experience
- Investing in transformation, people capability and risk management
- Creating industry-leading capability in research and analytics to capitalise on the value of our data



Capital Markets Day: Market Outlook

Johnny Morris, Research Director



PRUDENT MARKET GROWTH ASSUMPTIONS

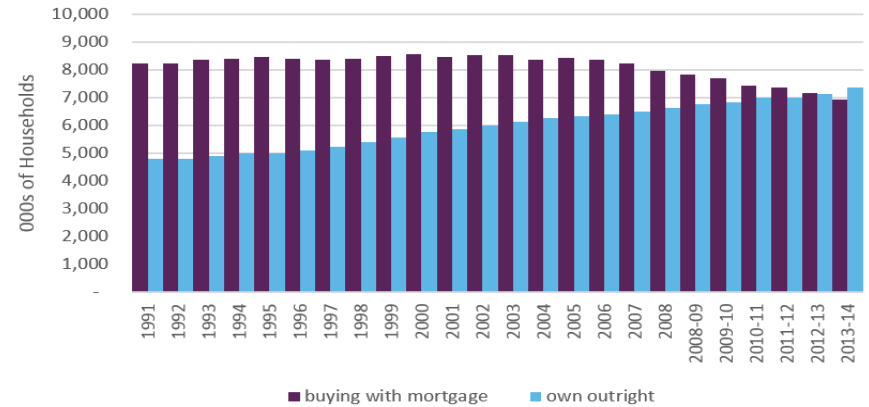
- **Residential market volumes of 1-1.1m pa** over next five years (c.20% below 2006/07 peak)
- Average fee growth < house price growth (down as % of transaction value but still rising in £'s)
- The shift towards **lettings** is structural not just cyclical, particularly in cities
- Regulation is driving a shift towards brokers, against a backdrop of modest **mortgage** market growth
- The residential **surveying** market mix will evolve – Automated Valuation Models will squeeze traditional lender-driven valuations, but this will also increase consumer demand for surveys
- The **conveyancing** market will track house sales
- The property mix in the **commercial** sector will continue to diversify

THE RISE OF CASH

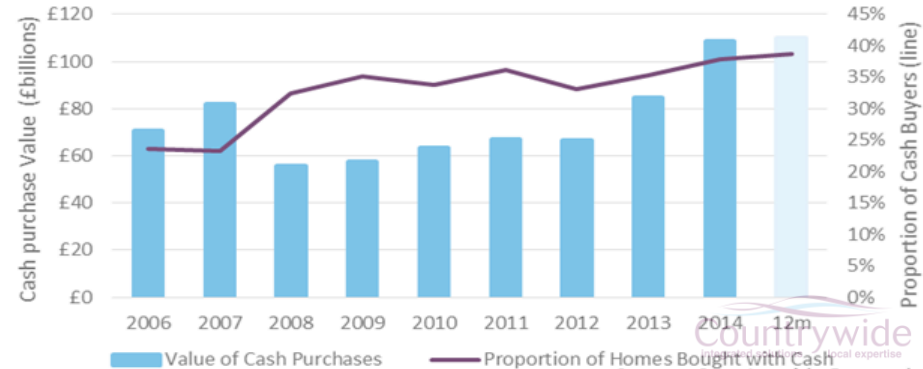
- In 2014 more households owned their home without a mortgage than with one
- There is now over £3.5 trillion of housing wealth in the UK
- Cash buyer activity in the housing market has reached new highs
- Two thirds of landlords own their property with no mortgage

Cash has a big role to play in the housing market today and in the future

Rise of the Debt Free Home Owner

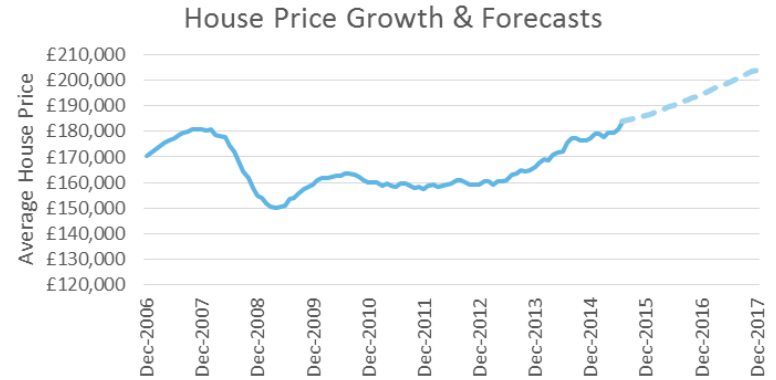


Proportion and Value of Cash Purchases

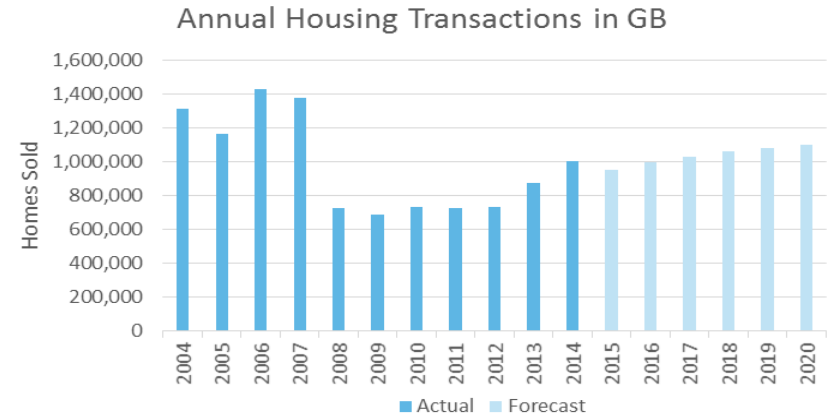


NEAR-TERM RESIDENTIAL MARKET FORECASTS

- Price growth to remain in single digits
- Economic recovery and later rate rise will support the market
- Constraints on affordability will continue to slow growth
- Modest transaction growth set to resume in 2016
- Annual transaction volumes unlikely to grow beyond 1.1m in the next 5 years



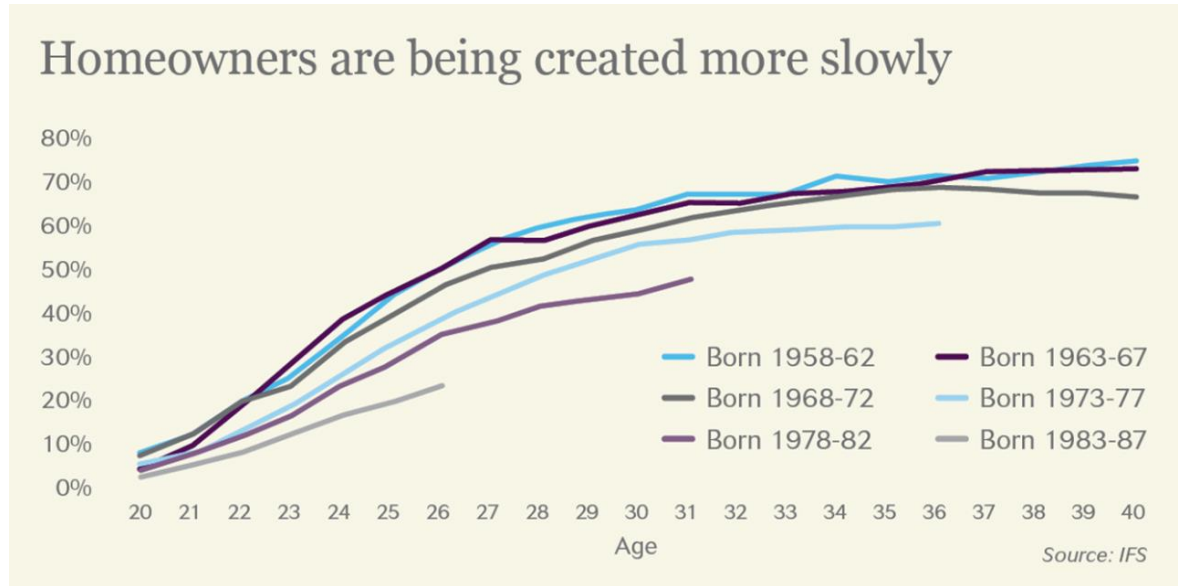
Source: Countrywide Research, LR



Source: Countrywide Research, LR, ROS

STRUCTURAL SHIFT IN HOME OWNERSHIP

- Home ownership rates have been falling since 2003
- A 25 year old today is half as likely to own their own home as one born in the 50s or 60s
- Home ownership is likely to continue to decline

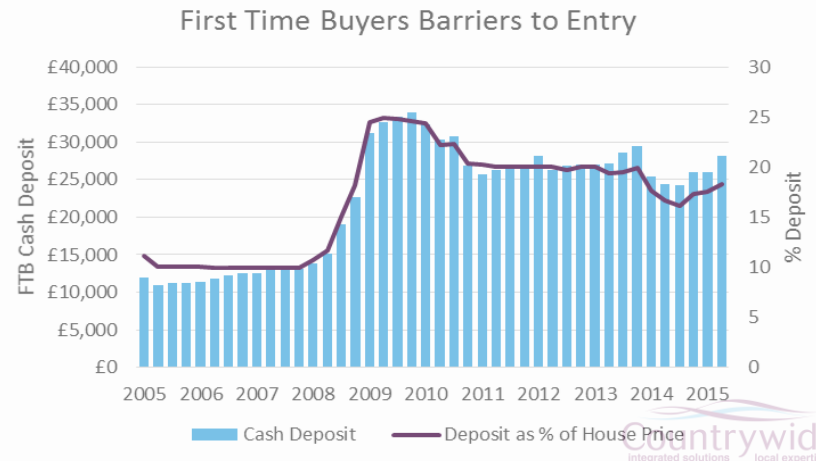
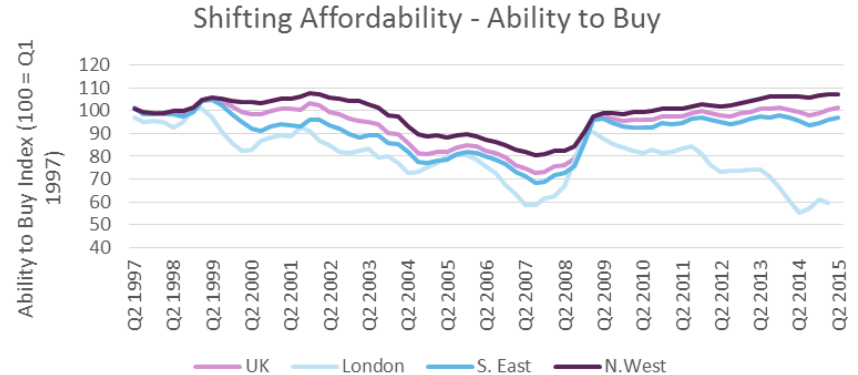


Declining home ownership rates will be a feature of the market in years to come

CONSTRAINTS ON AFFORDABILITY

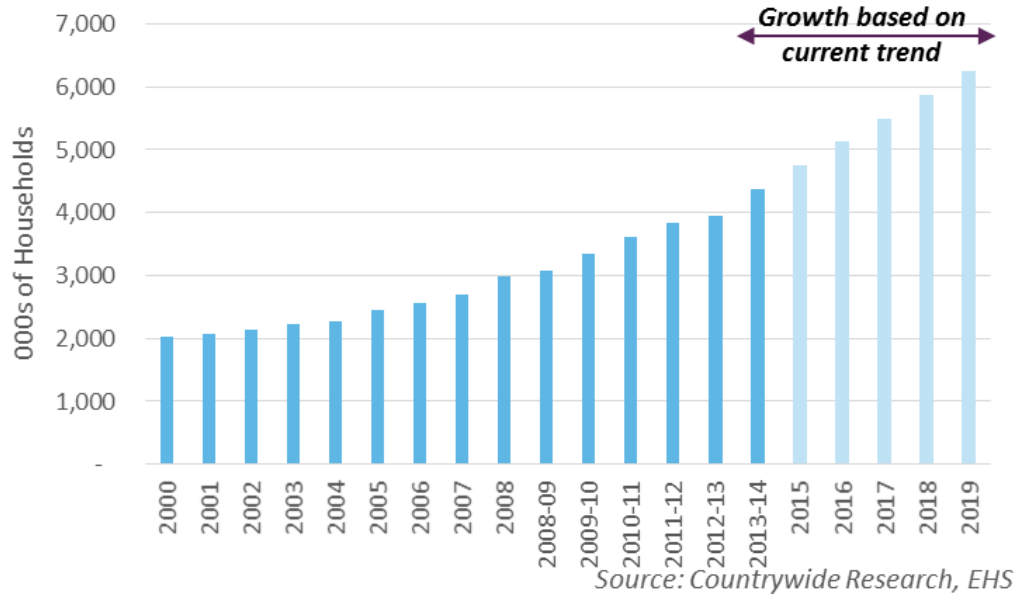
- Apart from in London, affordability for existing owners is better than portrayed due to low interest rates
- Most owners have room to weather coming rate rises
- But barriers for first time buyers are high – £25k average deposit vs. <15k in 2007
- Growth of higher LTV products will reduce entry barriers, but incomes then become a constraint

Barriers to entry and moving costs will serve to limit future transaction growth



THE CHANGING AND GROWING PRIVATE RENTAL SECTOR

- Decline in home ownership driving the growth of the Private Rented Sector
- The sector grew by 421,000 households in 2013/14
- Tenant mix is also changing – half of renters are over 30, a third of these have children

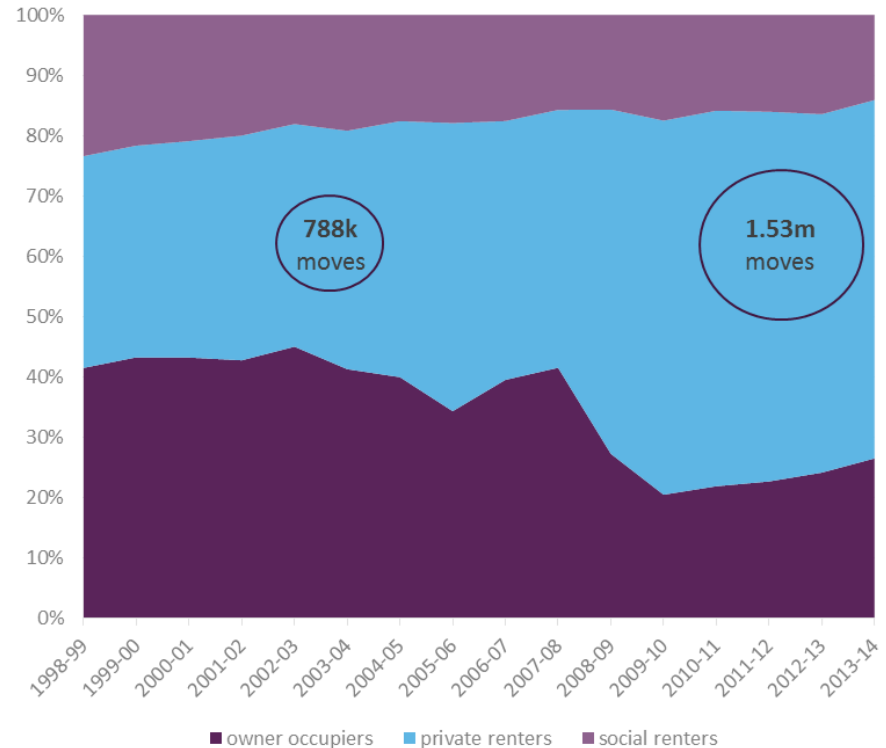


The growth of the PRS is structural and will continue

CHANGING TENURES MEANS DIFFERENT MOVES

- Structural changes mean more moves in the PRS
- The same factors are limiting the number of possible sales
- Landlords transact less often than owners
- Older owners move much less often than younger ones

More and more moves will involve renting

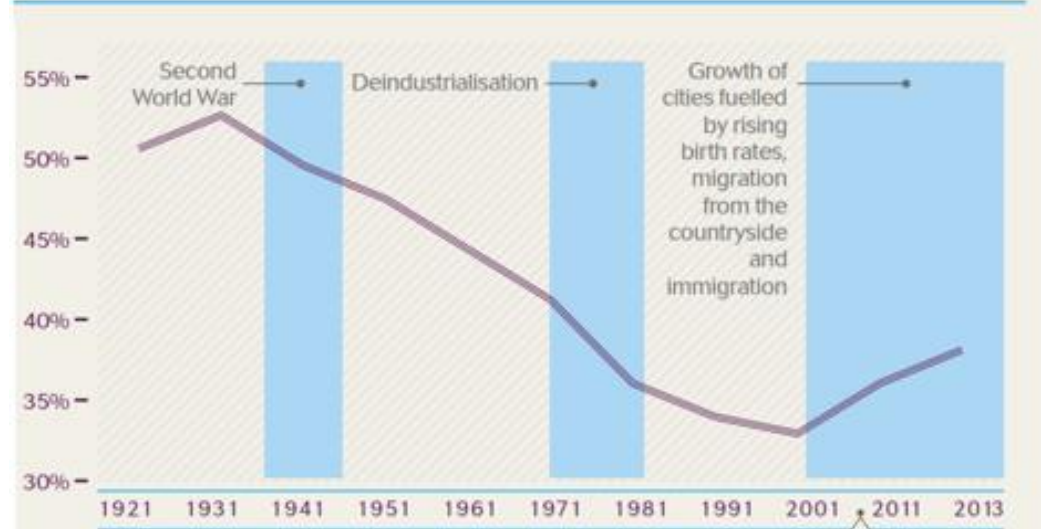


Source: English Housing Survey

BRITAIN'S CITIES ARE GROWING

- Growth of cities is a global trend
- 40% of England's population now live in a city – which will be 50% by 2018
- Cities account for 63% of gross value added and 72% of highly skills jobs
- London alone accounts for a quarter of the PRS

Proportion of England's population living in a city



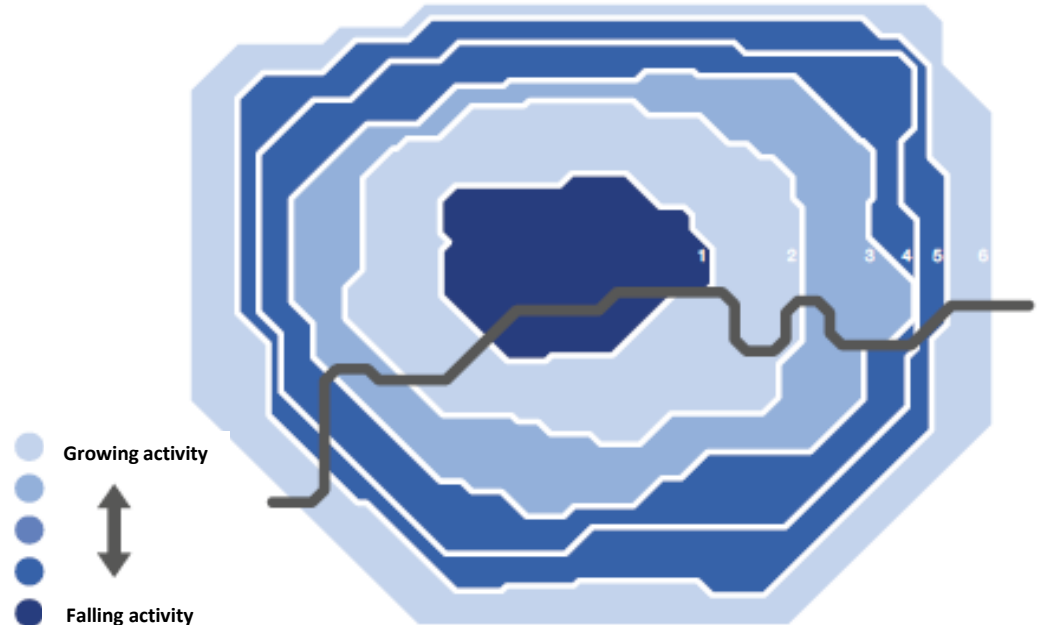
Source: ONS

The growth of Britain's cities presents a big opportunity

LONDON – MORE THAN ITS PRIME POSTCODES

- The Prime Central London (PCL) markets (Zone 1) dominate headlines, but is only 5% of London's sales volume
- London's domestic markets are larger with more room for growth
- Central areas beyond PCL, in Zones 2 and 3, are still within reach of domestic buyers
- Outer London and commuter market are underpinned by migration from central areas

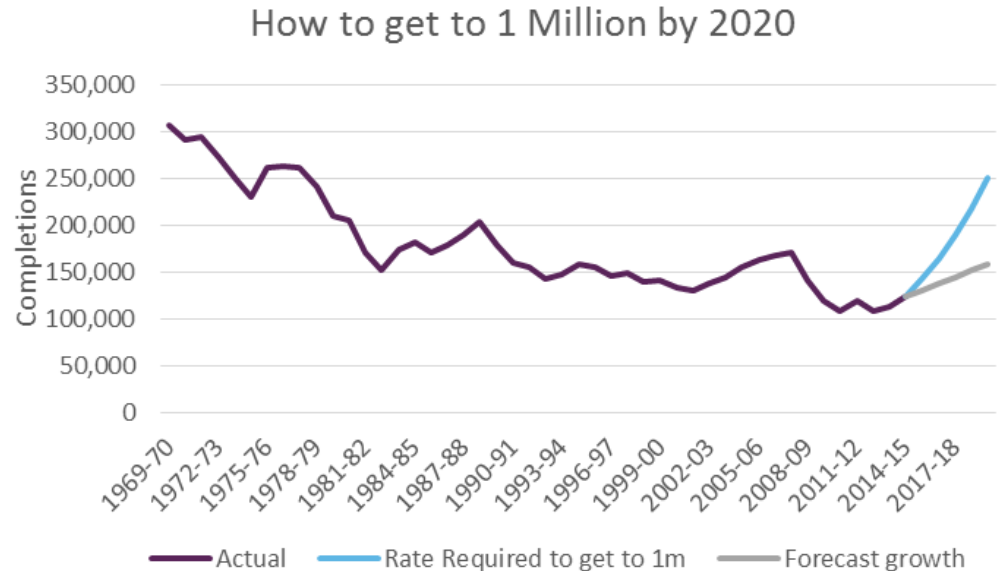
Annual Change in Sales Volumes by Travel Zone



London's domestic markets are the real story, with the most room for stable growth in future years

GOVERNMENT PUSH TO DRIVE NEW HOMES GROWTH

- The Government aims to build 1 million homes by 2020, which is unlikely without a radical shift in planning policy
- We're likely to see 700k homes built by 2020 based on historic growth rates
- Multiple incentive schemes to support new homes for sale
- Cyclical growth will also support the market

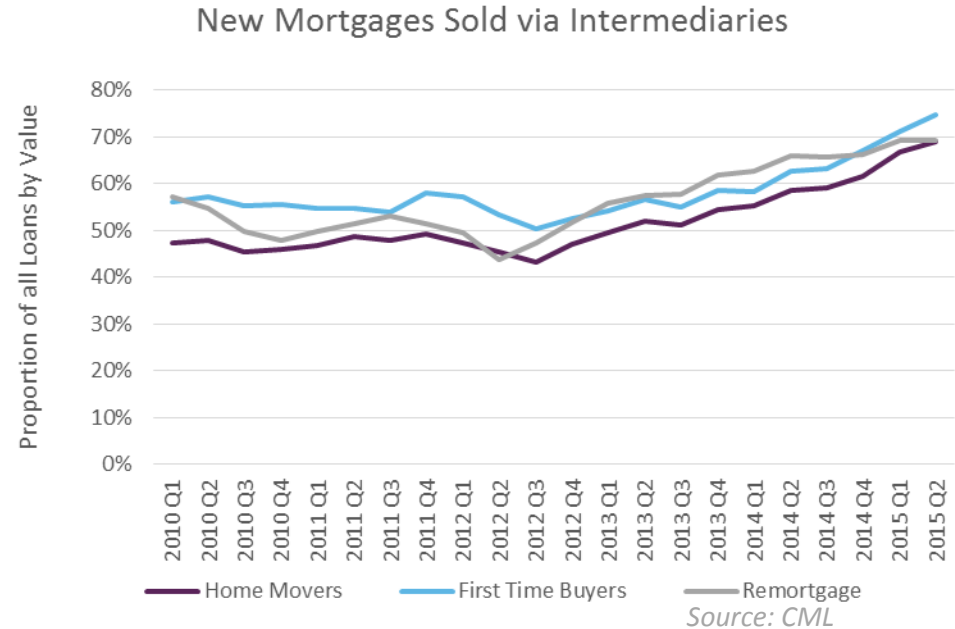


Source: Countrywide Research, DCLG

While 1m homes in 5 years is unlikely, government policy will still drive new homes growth

MORTGAGE BROKERS CONTINUE TO TAKE SHARE

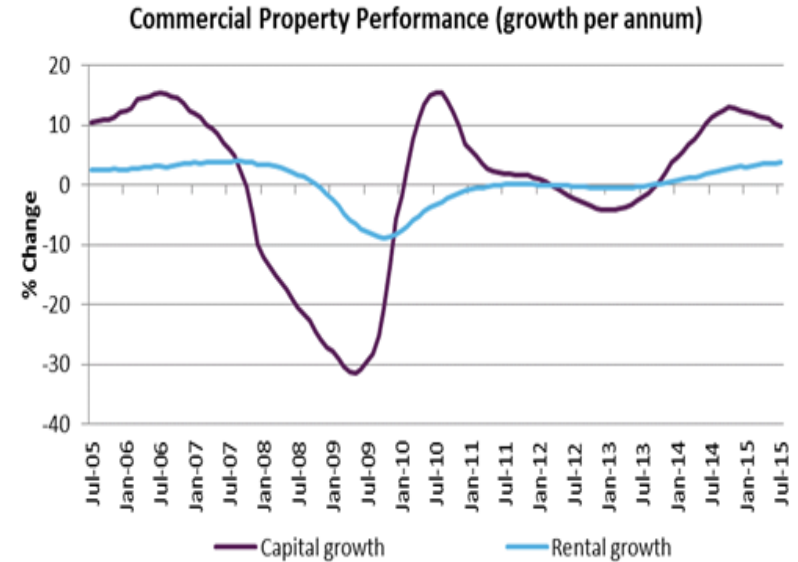
- Steady growth in intermediaries' share of the market since 2012 – set to continue
- Driven by changes to regulation
- Background of cyclical growth in lending volumes



Regulation driving growth in broker share of the market

COMMERCIAL MARKETS RETURNING TO TREND GROWTH

- Capital value growth slowing and total returns easing down to trend levels
- Market returning to core fundamentals, with occupier markets and investor markets aligning
- Rents growing, particularly in the regions; likely to continue above inflation
- Appetite for non-core assets still high, e.g., healthcare, PRS, student accommodation
- Economic fundamentals set to support the sector



Source: IPD

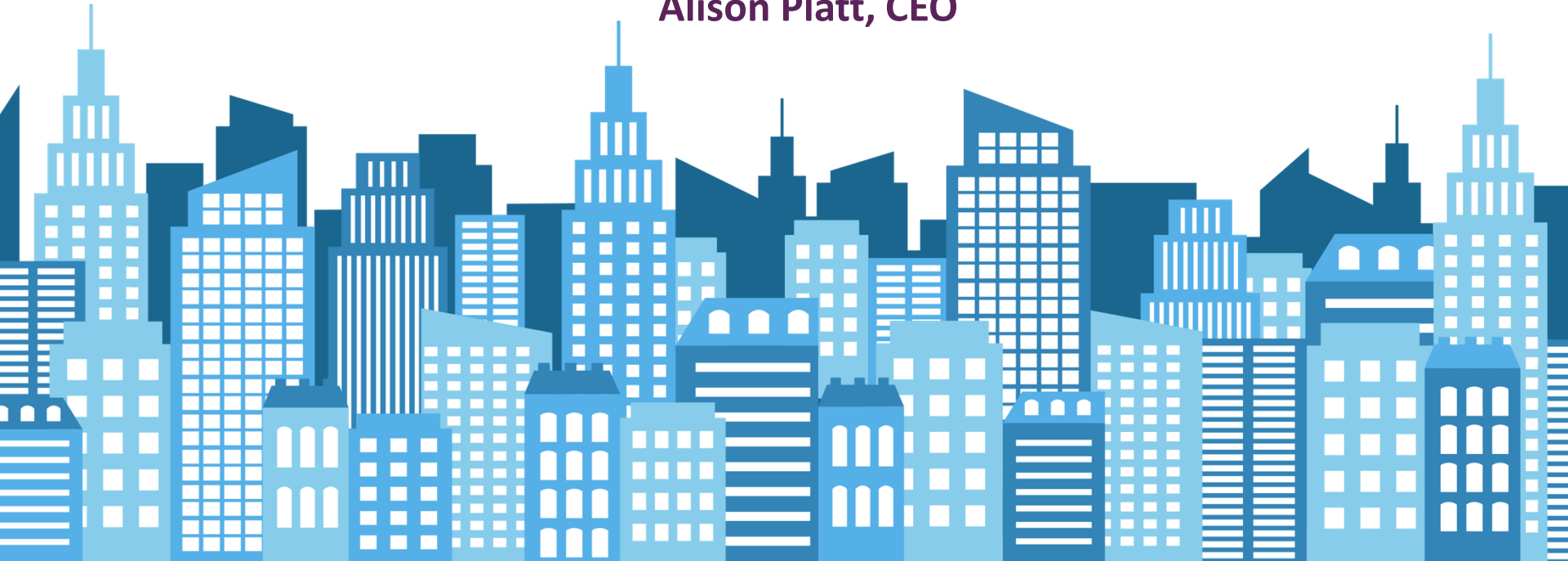
IN SUMMARY...

- Modest price growth expected in 2016 led by Outer London, commuter belt and cities
- Beyond 2015 the outlook for the housing market recovery remains robust, but contained
- Structural shifts in the market driven by changing demographics and economics mean further growth of the Private Rented Sector at the expense of ownership
- Shifts in tenure have seen over £3 trillion in housing wealth concentrated in older generations' hands; cash will remain an important feature of the market
- Our cities will continue their rapid growth, led by the capital
- London's domestic housing markets will outpace Prime Central London and seem best placed for sustainable growth and activity
- Government pressure on housebuilding will likely not deliver the 1 million homes promised, but will still result in long term growth in the number of homes to sell



Capital Markets Day: Building our Future

Alison Platt, CEO

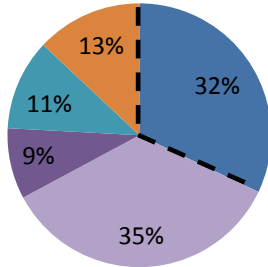


THE RATIONALE BEHIND BUILDING OUR FUTURE

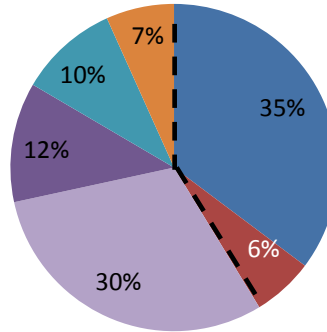
- Increase resilience to residential transaction market cycles
- Use house sale/purchase as a gateway to deeper customer relationships and therefore greater recurring (non-transactional) revenues
- Better utilise the existing estate and workforce, to realise the full cross-sell potential
- Align our portfolio to growth

INCREASE RESILIENCE TO RESIDENTIAL TRANSACTION CYCLES

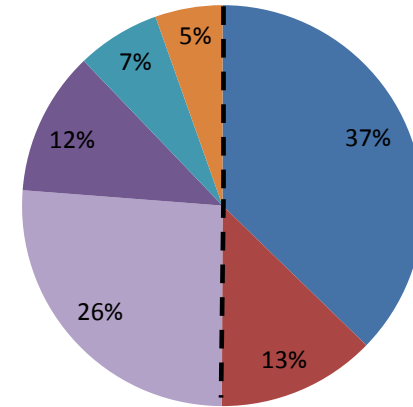
2010



2014



2020



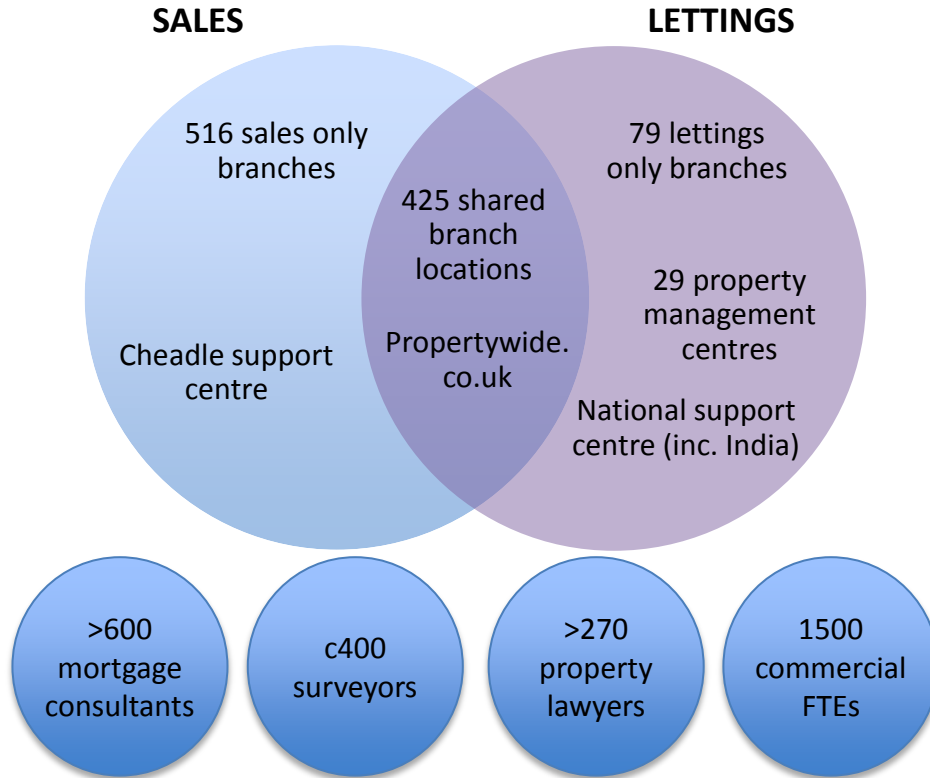
EBITDA
mix



Resilience and flexibility

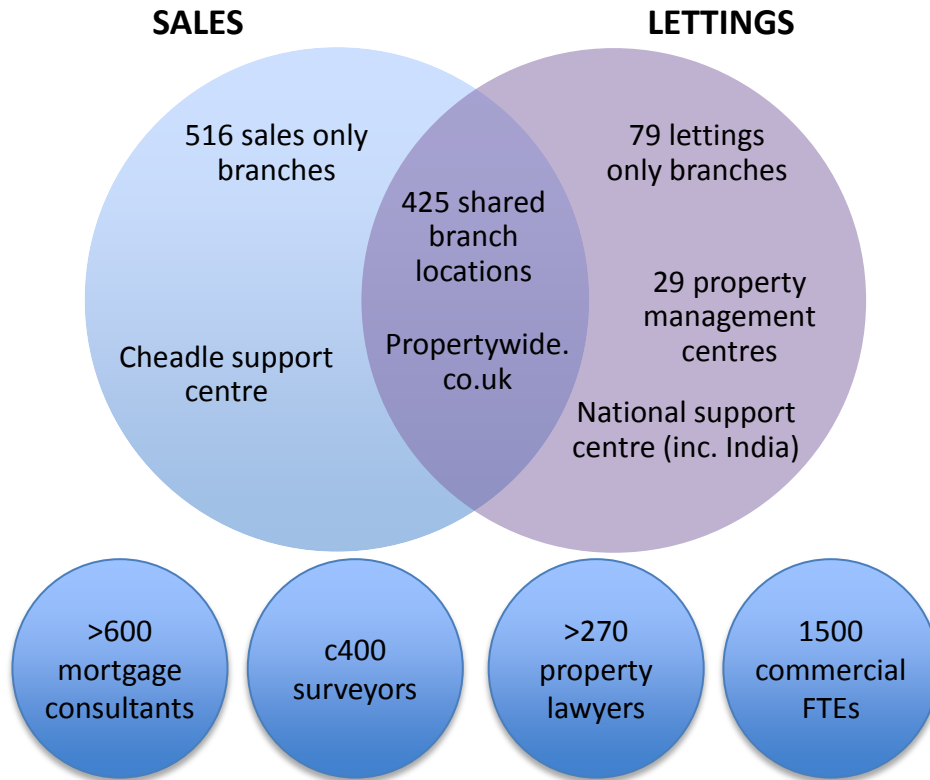
- Countrywide is already the most diversified pure UK residential property services firm
- 2020 goal of 50% EBITDA from Commercial and Lettings
- We are reducing our reliance on transactions while retaining operational gearing to capitalise on any market upside

BETTER UTILISE THE CURRENT ESTATE AND WORKFORCE



- Unparalleled national footprint
- Local knowledge and heritage
- Presence across the value chain
- Scalable back office
- Diverse and talented workforce

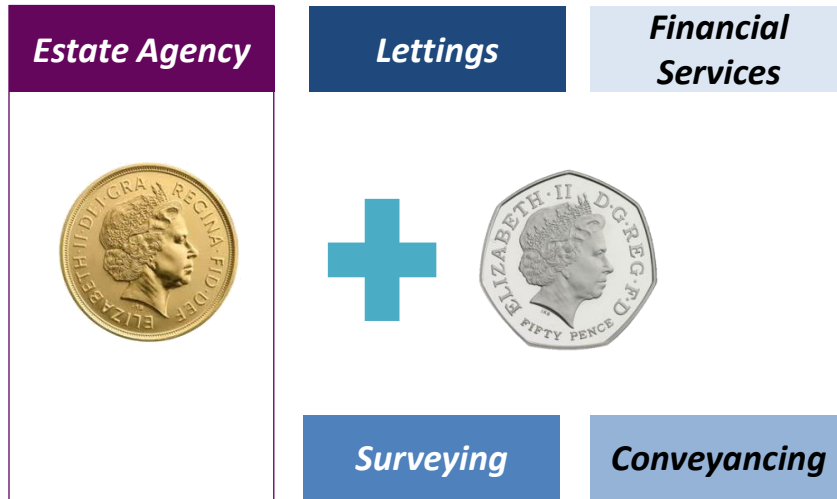
BETTER UTILISE THE CURRENT ESTATE AND WORKFORCE



How will we extract more value?

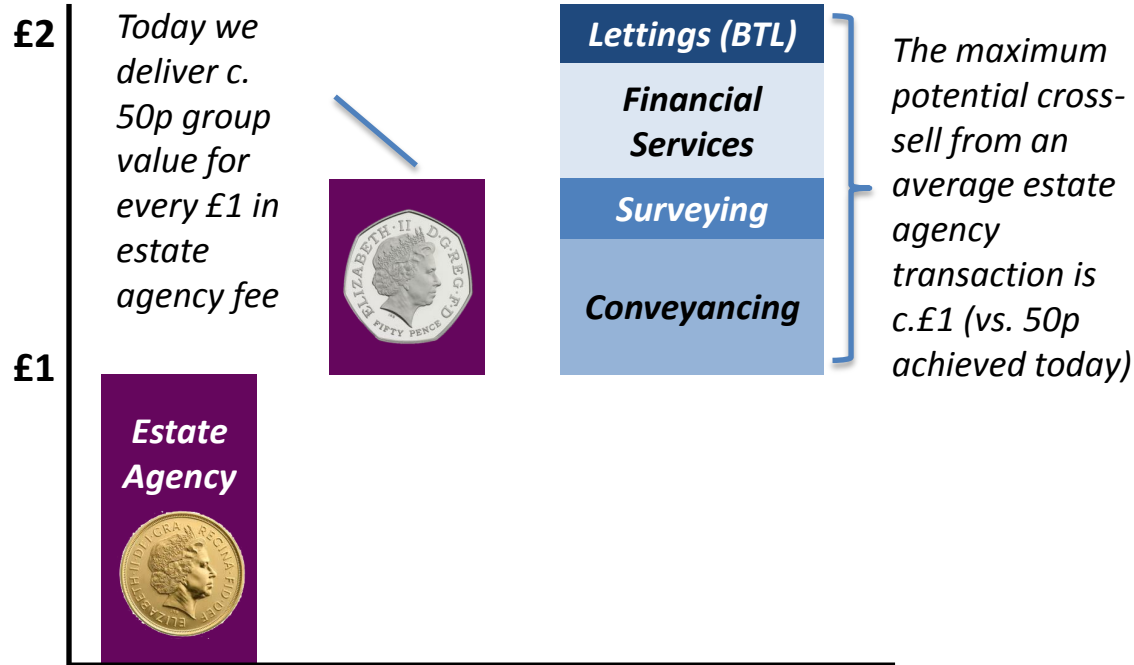
- Realise cross-sell potential beyond what we said at IPO
- Analyse and act on performance variation across our network
- Measure and reward the right things
- Optimise our local/regional/national operating model
- Sharpen our brand strategy as we build multi-channel capability

REALISE CROSS-SELL OPPORTUNITIES BEYOND IPO CASE



- Today, we are delivering group value consistent with the 2013 IPO case – on average for every £1 of estate agency revenue from a property sale we generate an additional 50p in associated services
- However, we believe there is further potential upside to go for if we can truly operate as One Countrywide

REALISE CROSS-SELL OPPORTUNITIES BEYOND IPO CASE



More for us to go for...

- We have c.25% **conveyancing** penetration of EA sales – getting half way to leading competitor benchmark worth £10m EBITDA p.a.
- 97% of mortgage customers happy with their experience, but only 13% **re-mortgage with us** – lifting conversion rate to 30% would yield £4m EBITDA p.a.
- We raised >7,000 **buy to let** mortgages in 2014, only c250 let by Countrywide

ANALYSE AND ACT ON PERFORMANCE VARIATION

Variation in operating **performance**...

...is clearly linked to **customer** experience...

...and shows the value of recruiting,
retaining and developing the best **people**

For the Top 10% of EA branches...

>10% market share
growth in 2014

RoS 7% points higher
than average

Best Net
Promoter Scores

40% fewer vendor
withdrawals

Staff retention
2x average

Staff tenure
40% longer

MEASURE AND REWARD THE RIGHT THINGS

- We are launching a **Total Performance Scorecard** at multiple levels of the business...
- ...as part of changing our **reward** model and culture to drive customer centricity and One Countrywide mindset
- Many of these dimensions were measured before, but delivered as part of fragmented MI



OPTIMISE LOCAL/REGIONAL/NATIONAL OPERATING MODEL

- National**
- **Scale efficiencies:** e.g., call overflow, documentation
 - **Specialisms:** e.g., legal, client accounting
 - **Pace:** speed to get onto portals
 - **Quality:** protocols/procedures (e.g., compliance)
 - **Lead management:** within and across BUs
 - *Allows branches to focus on selling*

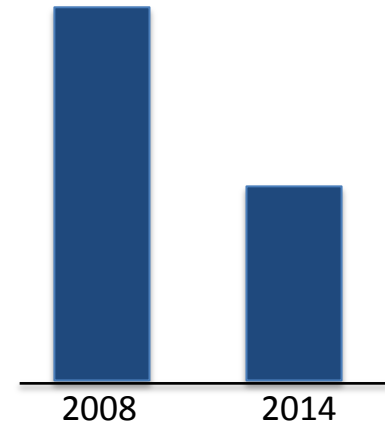
- Regional**
- **'Local enough'** expertise, e.g., contactor management, emergency call out, property visits

- Branch**
- **Street level** local knowledge and relationships
 - **Convenience** for customers

- Virtual**
- **Online marketing**
 - **Lead generation**
 - **Differentiated search tools**

Example efficiencies from optimising local/regional/national:

Lettings management overhead (% of revenue)



SHARPEN OUR BRAND STRATEGY



- Continue to operate as a 'house of brands' – 'local' matters
- Over time...fewer, stronger brands
- London the biggest opportunity for smarter alignment of brands with customer segments – population density and diversity supports differentiation
- Endgame and path grounded in consumer insight and branch economics
- In a people business, brand just as important internally

ALIGN OUR PORTFOLIO WITH WHERE THE GROWTH IS

Double our profit in Lettings

- Private rental sector now 60% of all moves, compared to 37% ten years ago
- Headroom for growth in a fragmented market; proven acquisition model

Become market leader in London

- We are #1 in upper and lower bands, but #2 in £350k-1m (largest segment)
- London is 25% of the country's private rental sector; our share is <5%

Win in major cities

- 50% of population will live in cities by 2020 (vs. 40% today)
- Population density = opportunity to differentiate and segment the offer

ALIGN OUR PORTFOLIO WITH WHERE THE GROWTH IS

Grow customer value in Financial Services

- We are the UK's largest single mortgage broker
- But not realising the potential value of existing customers, e.g., remortgages

Capitalise on Land & New Homes opportunity

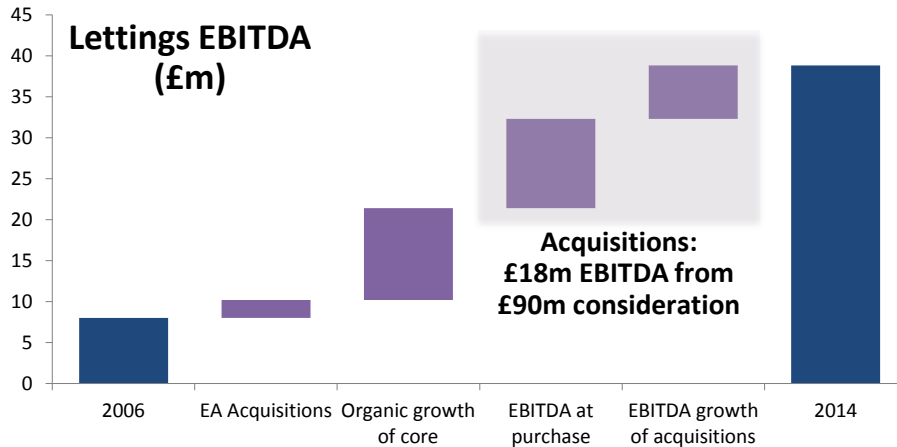
- Government push to drive new homes growth
- Unifying Countrywide's business streams will enable integrated solutions

Become a top 5 player in Commercial

- Market is likely to consolidate and we have a strong platform to grow from
- Improves mix of recurring revenues and has synergies with residential

LETTINGS – A PROVEN ACQUISITION MODEL

- Since 2006 we have invested £90m in new Lettings businesses...
- ...which added £11m EBITDA (at time of each acquisition), growing to £18m EBITDA by 2014
- The existing (in 2006) business grew at 12% p.a. ('like for like' plus new lettings starts within estate agency network)



Acquisition strategy

- Earnings accretive deals
- Fill geographic gaps
- Leverage EA presence (or facilitate EA entry)
- Selectively rebrand
- Well practiced due diligence and integration
- Synergies: increased fees, new revenue streams, shared services, group power
- Targeting ROI > 25% post synergies

LETTINGS – ACQUISITION EXAMPLE

Ashton Burkinshaw

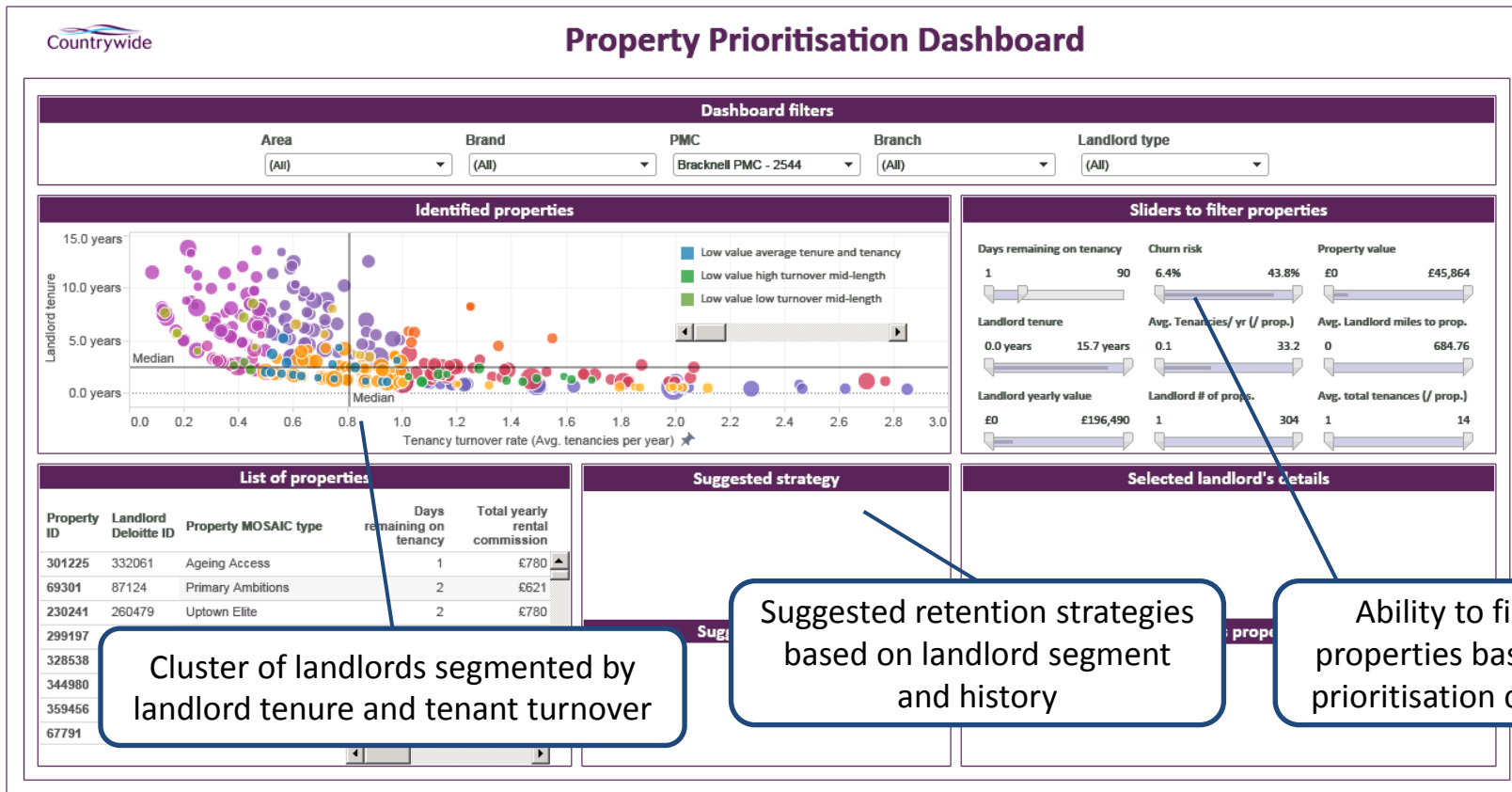
- Acquired July 2007 for £3.1m
- 12 offices in Kent and East Sussex
- MD and key people retained
- Increased sales focus
- Leverage the Group's efficient back office, purchasing power and online marketing to drive up productivity, e.g.,
 - People costs reduced from 50% of Revenue pre-acquisition to 38%
 - Marketing costs reduced from 11% of Revenue pre-acquisition to 4%

	Pre Acquisition	Year 1	2014
Branches #	12	12	12
Revenue (£000)	2,287	2,697	3,570
EBITDA (£000)	409	589	1,180
Margin (%)	18%	22%	33%

LETTINGS – NEED TO STRENGTHEN THE CORE PLATFORM TO BETTER RETAIN LANDLORDS

- Immediate focus on **landlord retention** to reinforce recurring revenues from managed properties – reducing churn has significant positive impact
- Early signs that recent **targeted investments** in retention activity are **paying off**
- New **data and analytics** capability gives us ability to segment landlords based on value and probability of attrition, to optimise service model and prioritise customers for outbound contact

LETTINGS – TOOLS TO REDUCE LANDLORD CHURN



Cluster of landlords segmented by landlord tenure and tenant turnover

Suggested retention strategies based on landlord segment and history

Ability to filter properties based on prioritisation criteria

LETTINGS – VALUE OF REDUCING LANDLORD CHURN

Current state



Revenue leakage
from lost
landlords

First 12 months:

>£15m

Lifetime value:

>£30m

Revenue sensitivities for churn reduction

Churn reduction	12 month uplift	Lifetime uplift
2%	£300k	£700k
5%	£800k	£1,800k
10%	£1,500k	£3,500k

Broader benefits of analytical approach



Insight culture

A culture change to adopt more insight-driven decision making



Customer focus

Greater emphasis on the individual needs of the customer



Proactivity

Prevents issues before they happen

DIGITAL HAS ALWAYS BEEN INTEGRAL TO OUR BUSINESS



Zoopla

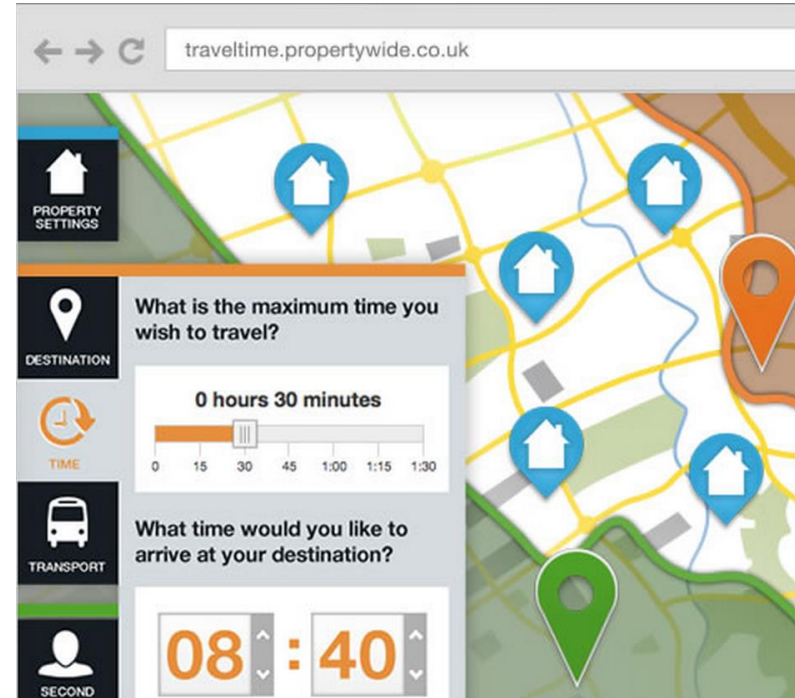
Smarter property search







Lambert
Smith
Hampton



Online Auctions



Italy  



Where in Italy would you like to buy?




or choose a region

Piemonte (358)


Emilla-Romagna (824)

Q W E R T Y U I O P
A S D F G H J K L
↑ Z X C V B N M ↵
123 😊 space Search

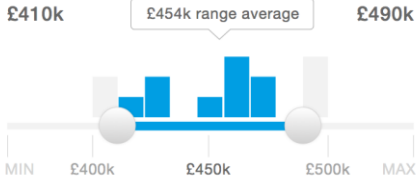
Italy   Emilla-Romagna 

What's your budget?

£450,000 



Adjust your price range



£410k £454k range average £490k






MIN £400k £450k £500k MAX


Show me the properties


Emilla-Romagna  £410k - £490k 

  Price: Low - High 

827 properties for sale in 'Emilla-Romagna'.



NEW

Offers in the region of
€589,170 (£430,000) 

Via Del Lazzaretto, 17, Bologna

HOUSE 5 BEDROOMS UNFURNISHED

+ Add filters

NEW

HAMPTONS INTERNATIONAL Favourites Login Sign up Contact us

Home Buy Sell Rent Landlords Land & New Homes International News & Research

BUY RENT FIND AN OFFICE

PROPERTY DETAILS AERIAL VIEW MAP VIEW PRINT PAGE

Mayfair (City Of Westminster) SEARCH

BACK TO SEARCH RESULTS

Property Details

London, W1K
2 Bedroom Flat For Sale
Asking Price £3,850,000

ARRANGE VIEWING

Show on Map **Property Address**
Grosvenor Hill
London
W1K 3QA

Favourite

Agent Details

Hamptons International
Mayfair
32 Grosvenor Square
London
W1K 2HU

020 7411 9961

Contact Agent



Nearby Points Of Interest

Distances are calculated in a straight line and may not reflect actual travel distance.

Nearst Primary Schools

St George's Hanover Square C of E Primary School 0.2 miles

View Brochure (PDF) View Enhanced Floorplan Floorplan 1

HAMPTONS INTERNATIONAL Home Services My Account


Rent Chelmsorton Rent for over 6 months Per week £250 - £300

Price: Low - High

Your search returned 106 results for 'Chelmsorton'.

PREMIUM LISTING

NEW



£260 per week
*2W Inc. VAT7 Tenancy Agreement Charge & other charges will apply.
Cornwall Gardens, London, SW7

HOUSE 5 BEDROOMS UNFURNISHED

Mayfair branch
32 Grosvenor Square, Mayfair,
London, W1K 2HU

01234 567891


Arrange viewing

NEW HOUSE 5 BEDROOMS UNFURNISHED

£260 per week
*2W Inc. VAT7 Tenancy Agreement Charge & other charges will apply.
Cornwall Gardens, London, SW7

HOUSE 5 BEDROOMS UNFURNISHED

NEW



Back to results

Expand details

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Twitter

Pinterest

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DIGITAL – OUR VIEW ON MARKET EVOLUTION



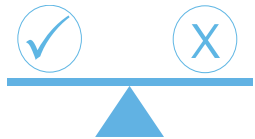
Online agency is growing...

- Growth is below the optimistic forecasts (but will still be a material segment)
- True pureplay digital (i.e., no call-centre support or local presence) is limited



...but the future is not a binary consumer choice between online and offline

- About multichannel: digital + personalised human support to enable consumers and meet unmet needs
- Not just digital as a low-cost substitution



...and the key drivers of customer value for vendors will remain the same:

- | | |
|---------------------------------|---|
| i) Property price achieved | iv. Convenience/communication |
| ii) Speed – pre and post offer | v. Competitive fees |
| iii) Expertise/support/guidance | ...the combination is what drives value |

DIGITAL – FOCUS ON FOR NEXT 12 MONTHS

- **Continuing to embrace digital** in all businesses and playing across the range of services that customers demand, which means...
- **Investing** to enhance the online experience and marketing: websites, social media reputation management, etc.
- Creating further compelling **digital interfaces and tools** to give customers choice and convenience (esp. landlords)
- Accessing **external innovation**, e.g., through our investment in Pi Labs (property tech accelerator)
- A **blend of build/buy/partner** – looking for companies that share our values and bring new technology capabilities (not paying a premium for share or brand)

BUILDING OUR FUTURE

PURPOSE	We bring people and property together	VALUES	Personal, responsible, straight-forward, passionate
VISION	We want our people, customers and investors to be proud of us. By 2020 we will be:	<i>The most recommended company in the property sector</i> <i>Recognised as one of the best places to work in the UK</i> <i>Transforming the reputation of our industry</i> <i>Celebrated for excellent sustainable financial performance</i>	

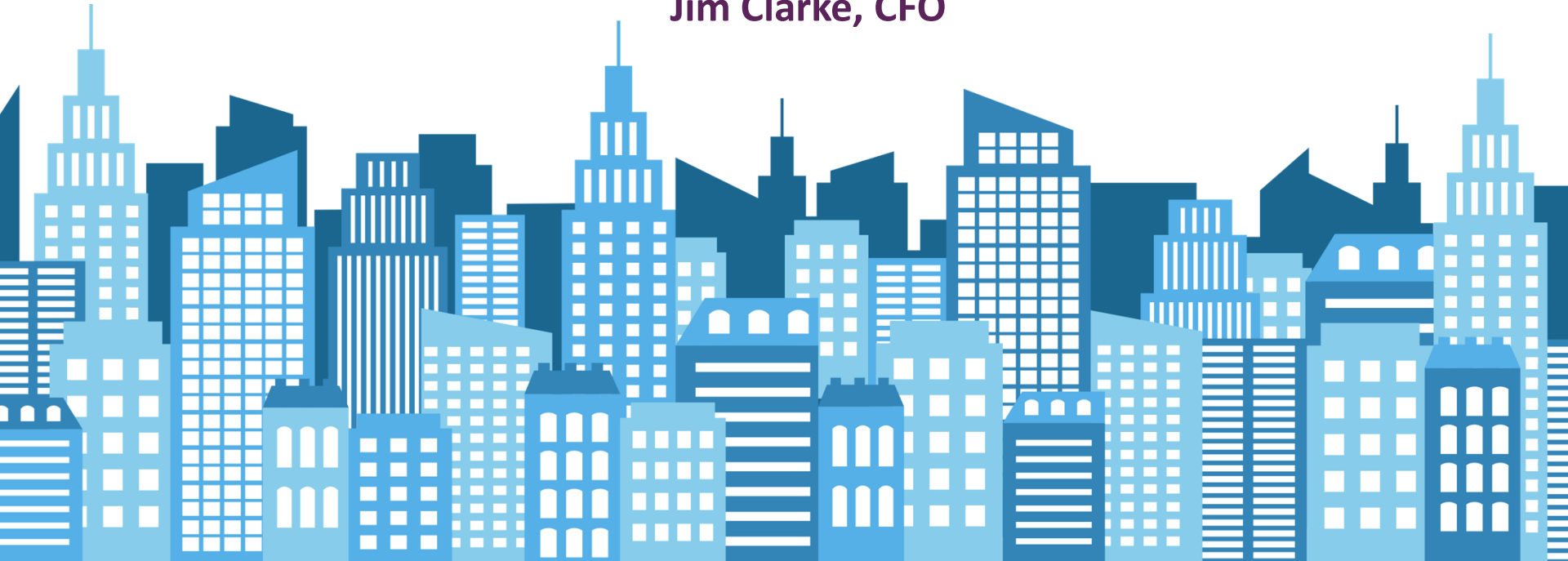
OUR TRANSFORMATION:	
<i>BETTER</i>	<i>BIGGER</i>
<i>to be</i>	
<i>Invest in the business and in our people to:</i> <ul style="list-style-type: none"> - deliver a better, more personalised customer experience, by... - creating an internal environment for great people to flourish - based on a culture of total performance management - driven by data/insight and scalable IT - realising the potential benefits from our scale and integration - increase cross-sell, accelerate organic growth and capture value from acquisitions 	<i>Optimise our portfolio to align with customer need and manage risk</i> <ul style="list-style-type: none"> - double our profit in Lettings - become the market leader in London - win in major cities - grow customer value in Financial Services - offer customers more choice through digital solutions - capitalise on the Land & New Homes opportunity - become a top 5 player in commercial

GOAL	By 2020	:	Double the size of the business
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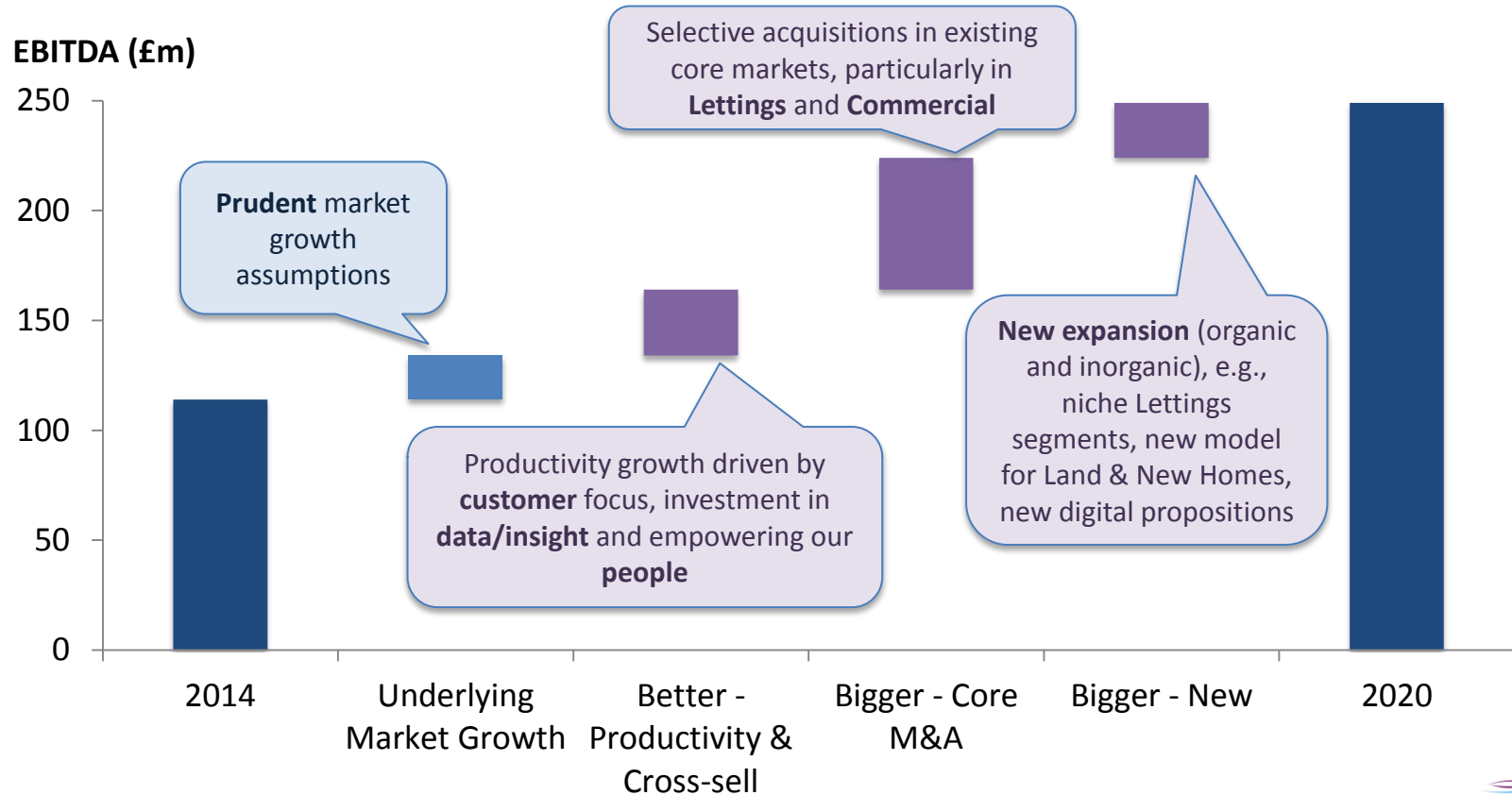


Capital Markets Day: Building our Future

Jim Clarke, CFO



BY 2020...DOUBLE THE SIZE OF THE BUSINESS



PRUDENT MARKET GROWTH ASSUMPTIONS

- **Residential market volumes of 1-1.1m pa** over next five years (c.20% below 2006/7 peak)
- Average fee growth < house price growth (down as % of transaction value but still rising in £)
- The shift towards **lettings** is structural not just cyclical, particularly in cities
- Regulation is driving a shift towards brokers, against a backdrop of modest **mortgage** market growth
- The residential **surveying** market mix will evolve – Automated Valuation Models will squeeze traditional lender-driven valuations, but this will also increase consumer demand for surveys
- The **conveyancing** market will track house sales
- The property mix in the **commercial** sector will continue to diversify

2015-2020 INVESTMENT IN THE BUSINESS

- Capex to grow and maintain estate c. £25m p.a. *
- Expected investment in M&A £400m
- Investment required to deliver productivity growth (training, development, systems support, etc.) £3-4m p.a.
- Target return on acquisition investment remains circa 20% pre-tax after 2 years

** Increase from current run rate of c21m due to expected IT investment*

M&A = PLANNING + OPPORTUNISM, BUT STRATEGY CLEAR

Indicative mix

- Commercial: 30%
- Lettings: 30%
- FS: 15%

Weighted to London and cities

Guiding Principles

Businesses we want to own offer:

- headroom for sustainable profitable growth
- returns that outweigh the risk profile
- worth more to us than others
- fill capability or geography gaps
- consistent with our Purpose, Vision and Values

'Better to be bigger'...disciplined approach to expansion without compromising our standards

IMPLICATIONS FOR SHAREHOLDER RETURNS

- Increased investment to generate faster EBITDA growth and material long-term shareholder value creation
- Normal dividend unchanged at 35-45% (2014: 40%) of clean profit after tax (vs. 25-35% at IPO)
- No special dividend currently planned in 2015 or 2016, except in the event of further sale of Zoopla shares (remaining stake c. £40m); in 2014, £20m Zoopla proceeds were distributed
- Special dividends intended to be introduced at c. 20% from 2017
- 2017 anticipated total returns (28 – 32p per share)
- 2020 anticipated total returns (45 – 55p per share)

LEVERAGE (X EBITDA)

- Overall strategy remains to be conservative on leverage and facilities
- At H1 2015: net debt £170m, leverage 1.45 x, total facility £250m
- Normalised leverage range: 1 – 2 x
- Timing of acquisitions may increase leverage in the short term:
 - target maximum short-term range 2 – 2.5 x
 - acquisition benefit will bring back to normalised range relatively quickly

ILLUSTRATIVE VALUE SENSITIVITY

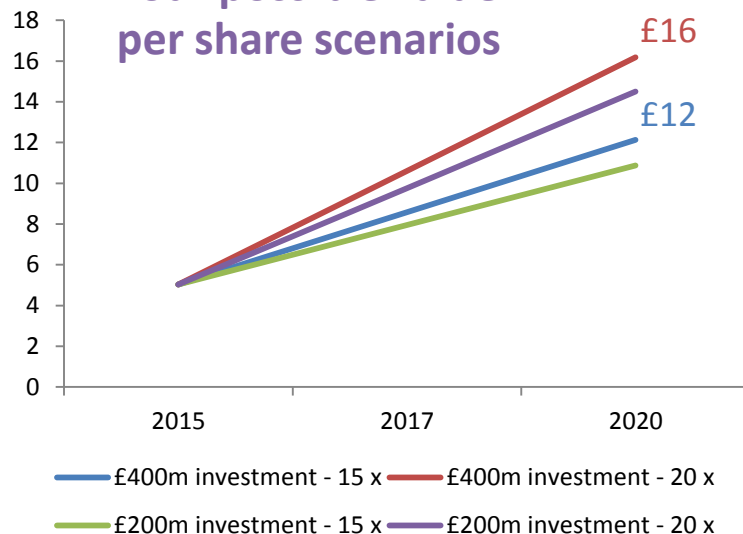
Building our Future – investor case

- Robust cash flow (50% from non residential transaction markets)
- Recurring revenue increasing
- Strong balance sheet / conservative on-going leverage
- Market leading positions
- Headroom for organic and inorganic growth (+ M&A track record)

EPS multiple benchmarks

Ave UK property sector	CY : 20x	CY+1 : 17x
Foxtons	CY : 20x	CY+1 : 18x
Savills	CY : 15x	CY+1 : 14x
Realty (US)	CY : 27x	

Four possible value per share scenarios



In all scenarios:

- Organic growth as per strategy
- Acquisitions evenly spread over the period
- 20% return on acquisition investment
- Value of Zoopla holding 0.18 per share (£40m valuation)
- Value of TM group holding 0.11 per share (£25m valuation)



Countrywide

**Capital Markets Day:
New Financial Reporting Structure**

Jim Clarke, CFO



NEW REPORTING STRUCTURE – WHY CHANGE?

Retail

- Capture value leakage between EA and lettings
- Retail business now coming together at regional level

London

- First time ever – all London businesses in one place
- Key focus on current opportunities

B2B

- All business facing operations in one place
- Co-ordinated approach to corporate clients

FS

- Capitalise on growing importance of broker market
- Expansion opportunities (LNH / BTL / Remortgage)

Note: Maintain disclosure of KPIs for external reporting

NEW STRUCTURE – INDICATIVE FINANCIAL SHAPE (INTERIM, UNAUDITED RESTATEMENT)

	<u>2014</u>			
	Income (£m)	EBITDA (£m)	Margin %	
Retail	258	51	20%	- Estate Agency and Lettings (excluding London)
London	174	39	22%	- Estate Agency and Lettings in London Area
B2B	187	29	16%	- Surveying, Conveyancing, Commercial, Land and New Homes, Auctions, Asset Management
FS	76	19	25%	- Mortgages, insurance and protection
Central	7	(17)	-	
Total	702	121	17%	

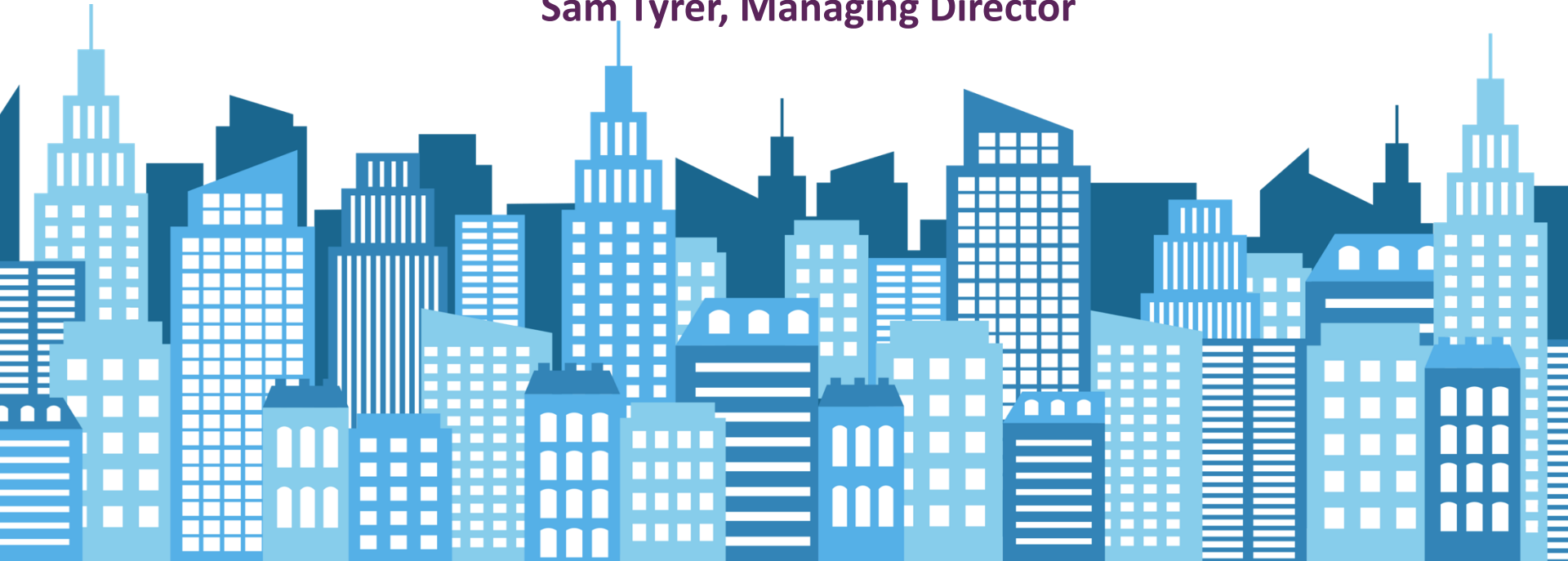
***Disclaimer:** re-alignment of management reporting lines is largely complete; however, there may be further adjustments to income and EBITDA at BU level to reflect: a) inter-divisional fees (e.g., professional services /retail transfers); b) appropriate allocation of central overhead*



Countrywide

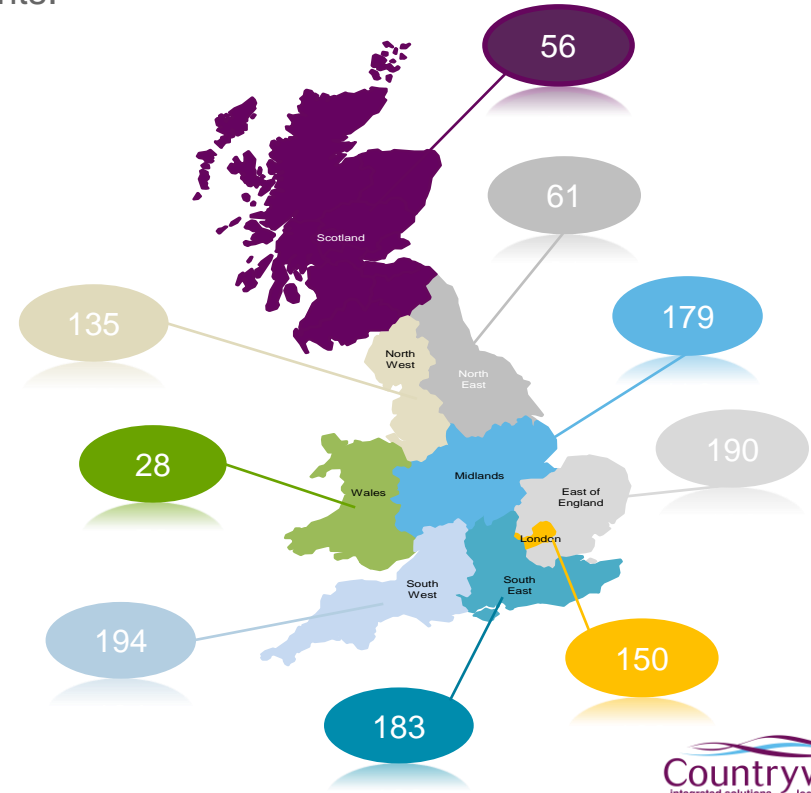
Capital Markets Day: Retail

Sam Tyrer, Managing Director



RETAIL TODAY

We operate across the UK residential property market and focus on having the right brand in the right location to reach all our customers across all price points.



RETAIL OVERVIEW

Retail



754 physical branches across the UK
282 co-located retail branches across the UK
Have won 227 awards since 2008, 134 ESTAs, voted for by our Customers
>50 retail brands



Retail Lettings



c6-8% leading market share
On average 44k properties let p.a.
61k properties managed on on-going basis (+6% YoY)



Retail Sales



c6% leading market share
Selling approximately one in sixteen properties
55k properties sold in 2014



The logo graphic consists of two overlapping, flowing, wavy lines. The top line is a dark purple color, and the bottom line is a light blue color. They curve upwards and then downwards, creating a sense of motion and elegance.

Countrywide

Retail Map



PUTTING CUSTOMERS AT THE HEART OF OUR THINKING TO CREATE AN UNRIVALLED EXPERIENCE & GREATER VALUE.....

Customer
Insights

Developing a deep understanding of our Customers and their evolving hierarchy of needs across digital & traditional channels

Enhancing
the Journey

Establishing Customer 'moments of truth' and deliver these consistently across the channels whilst eradicating Customer "pain points"

Customer
Lifetime
Portfolio

Seamlessly connecting Customers to our portfolio of services, meeting their end to end property related requirements

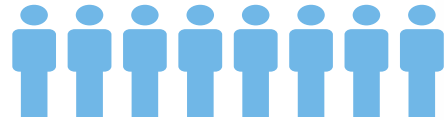
Profit
Growth

Improved cross channel Customer Experience = greater value from cross sell, retention & reduced attrition rates

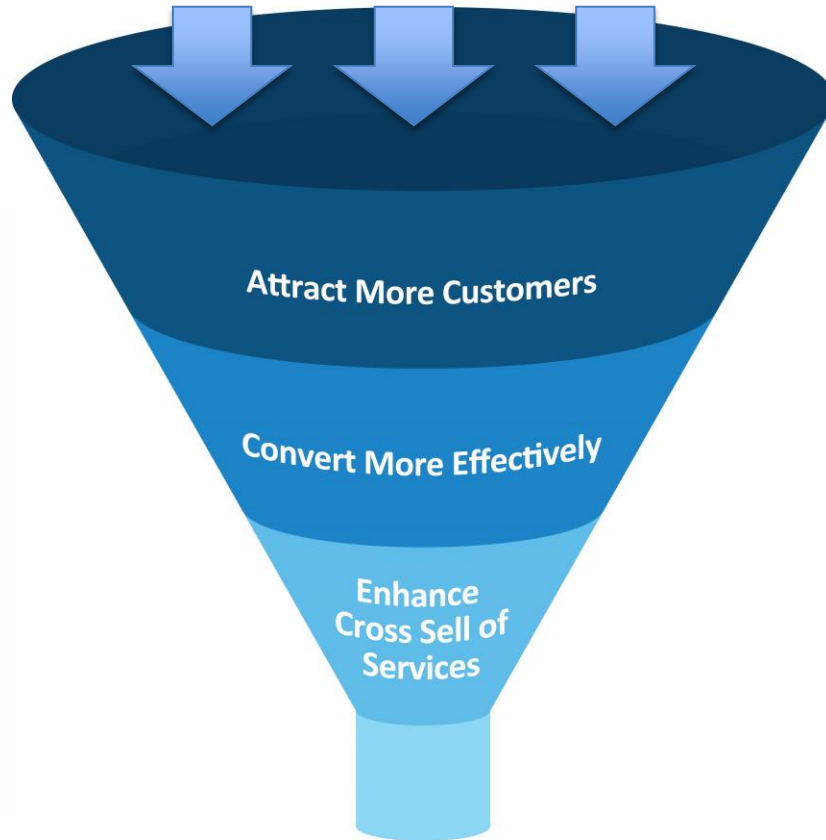
OUR ACQUISITIVE HISTORY PROVIDES US WITH RICH ORGANIC GROWTH OPPORTUNITIES



CUSTOMERS



OUR PEOPLE

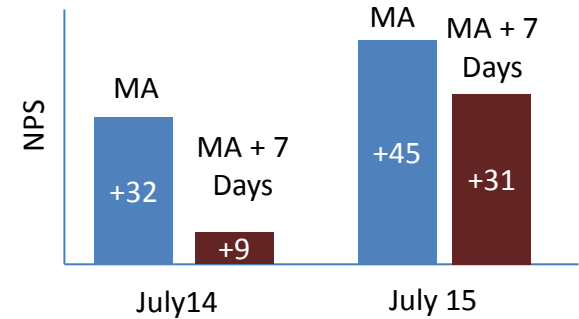


- Grow market share
- Create value added Customer Journeys
- Increase branch productivity
- Optimise operating model

BUILDING ON SUCCESSFUL DIGITAL CUSTOMER INNOVATIONS: LAUNCHPAD

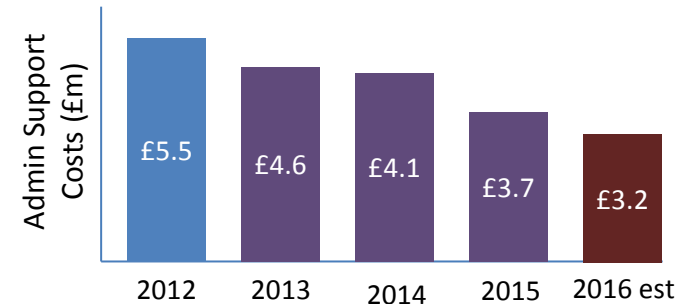
Customer benefits

- Fully paperless instruction process
- Property time to market reduced from 6 days to 1 day
- Significant improvement in Customer Experience:
 - NPS +13 points vs LY at Market Appraisal
 - NPS +22 points vs LY after first 7 days of listing



Countrywide benefits

- £1.1m annualised cost savings
- Enhanced automated Anti-Money Laundering Controls
- Improved quality governance framework



CLEAR PLAN FOR GROWTH





Countrywide

Capital Markets Day: London

Graham Bell, Managing Director



LONDON

Why London matters to the economy:



Why London matters to Countrywide:



Value

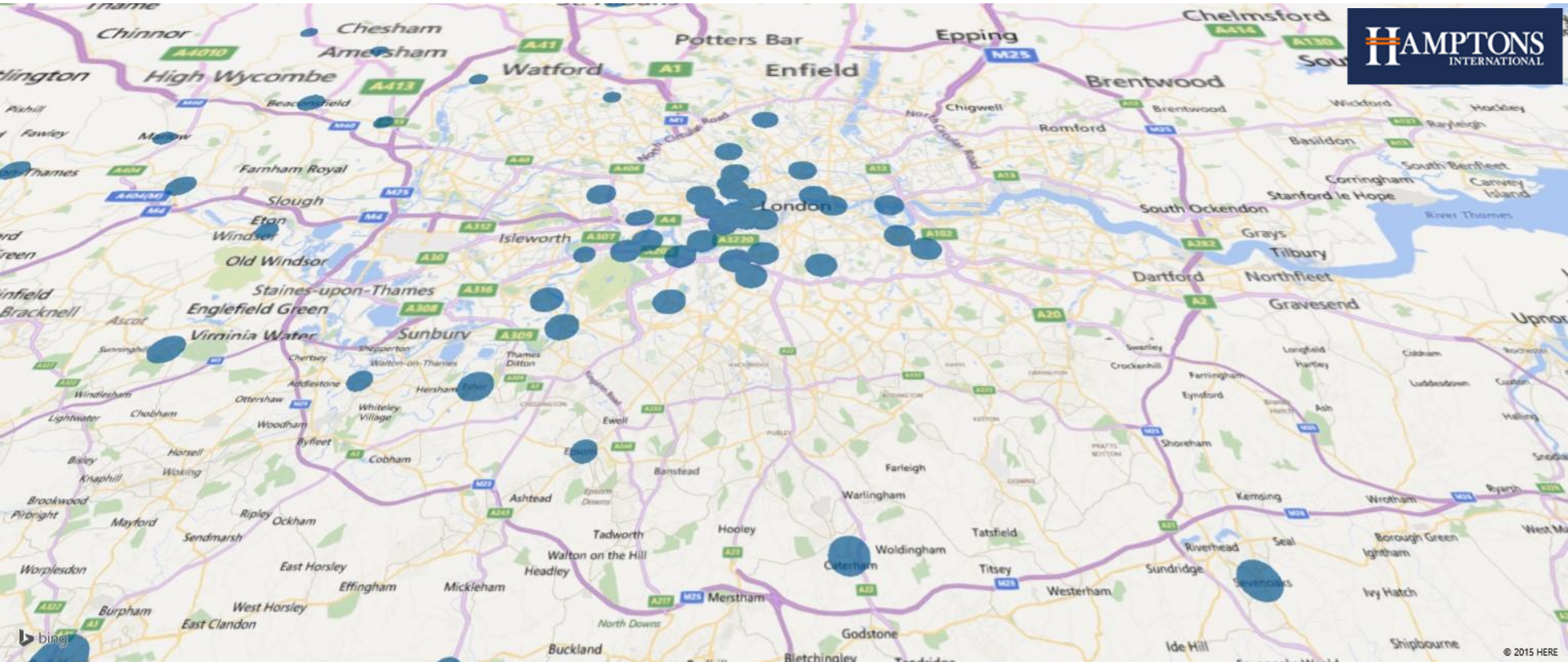


Volume



Velocity

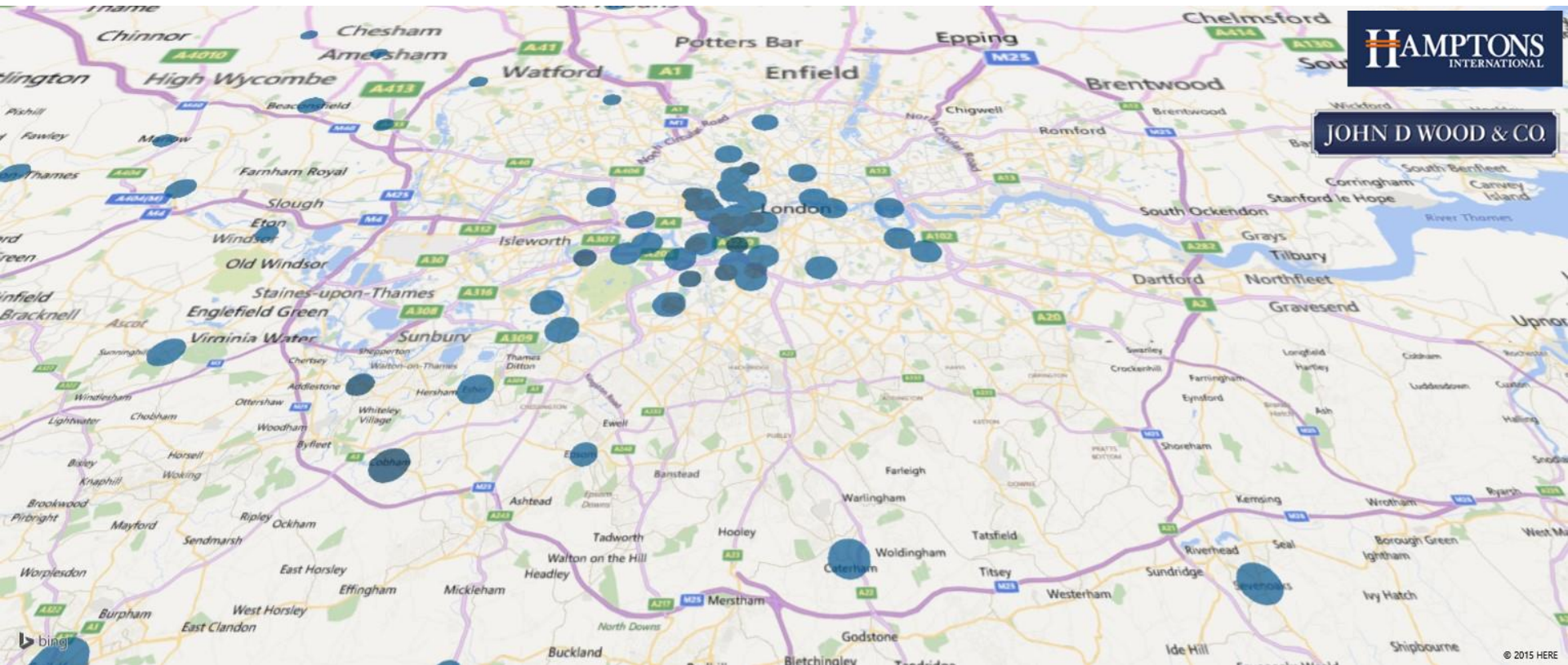
OUR LONDON BUSINESS



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OUR LONDON BUSINESS



HAMPTONS
INTERNATIONAL

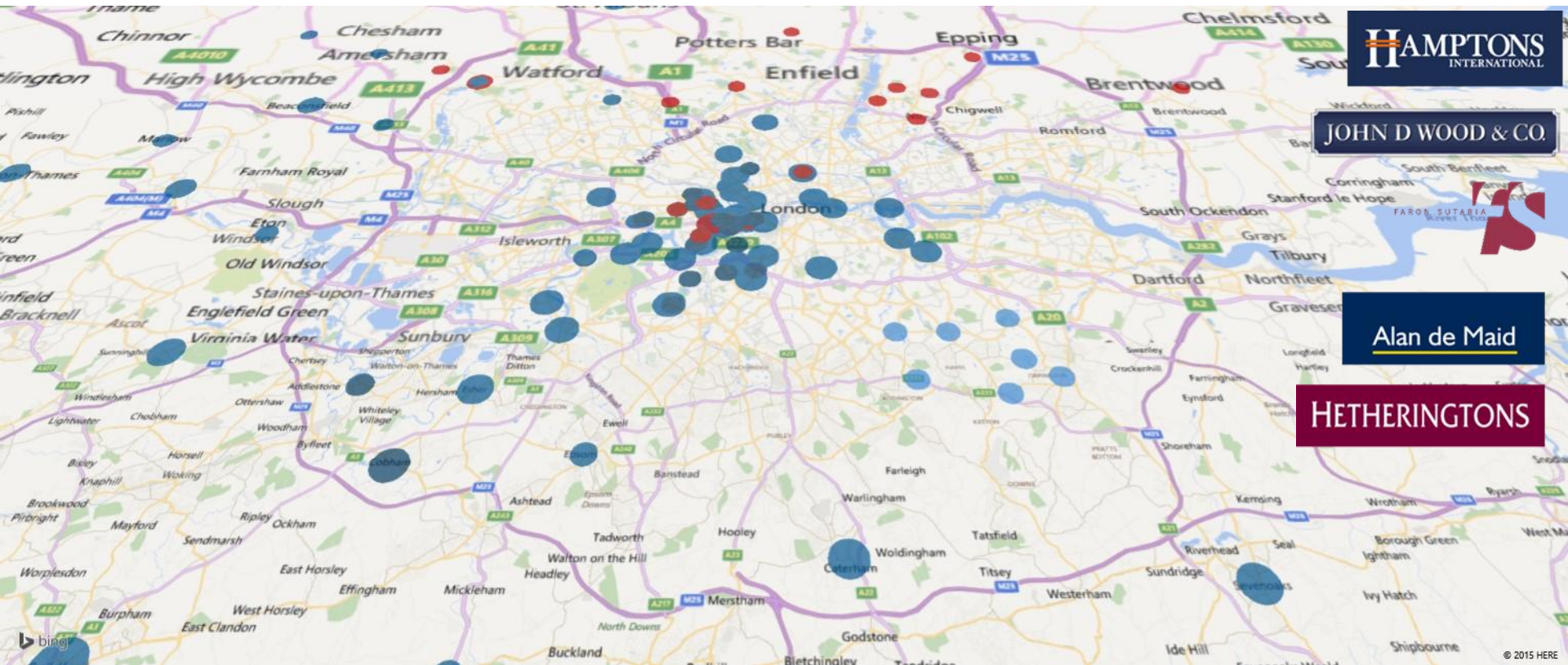
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JOHN D WOOD & CO

FARON SUTARIA
RUEST 1100

Alan de Maid

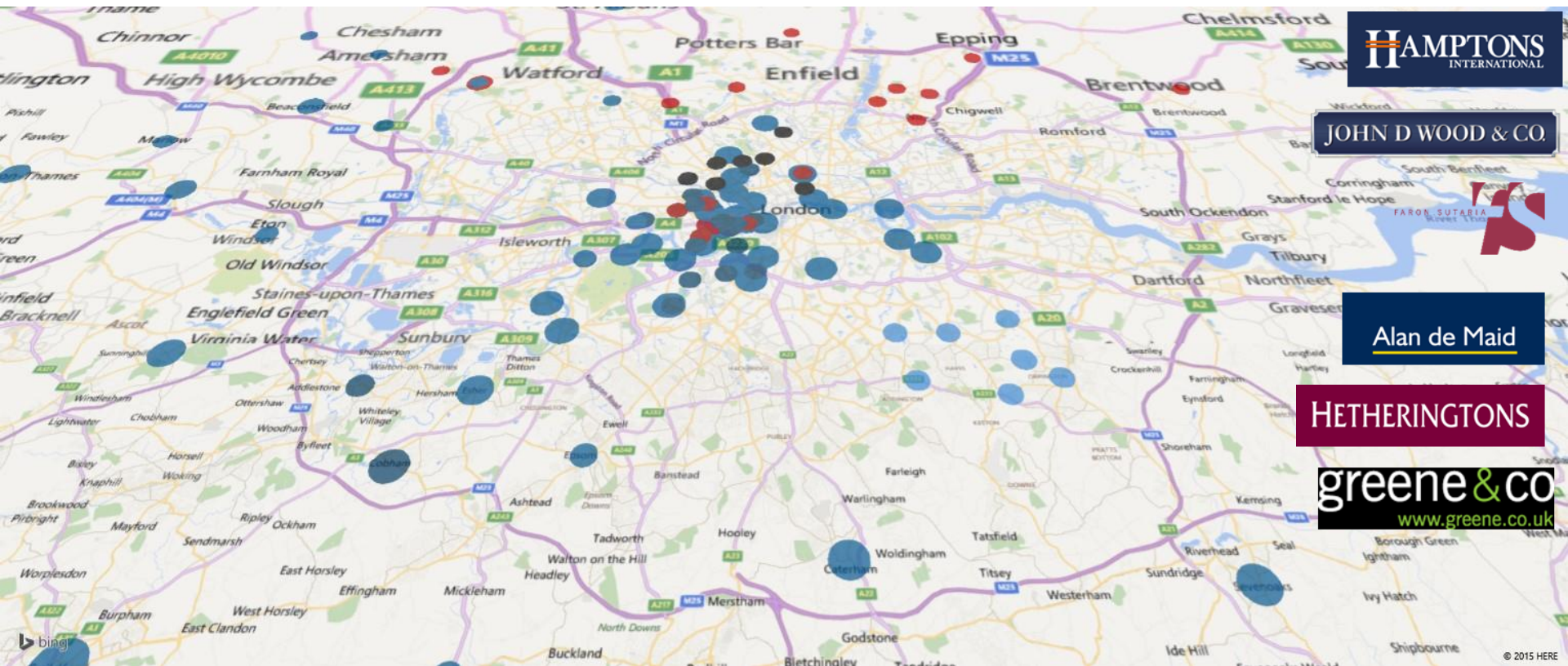
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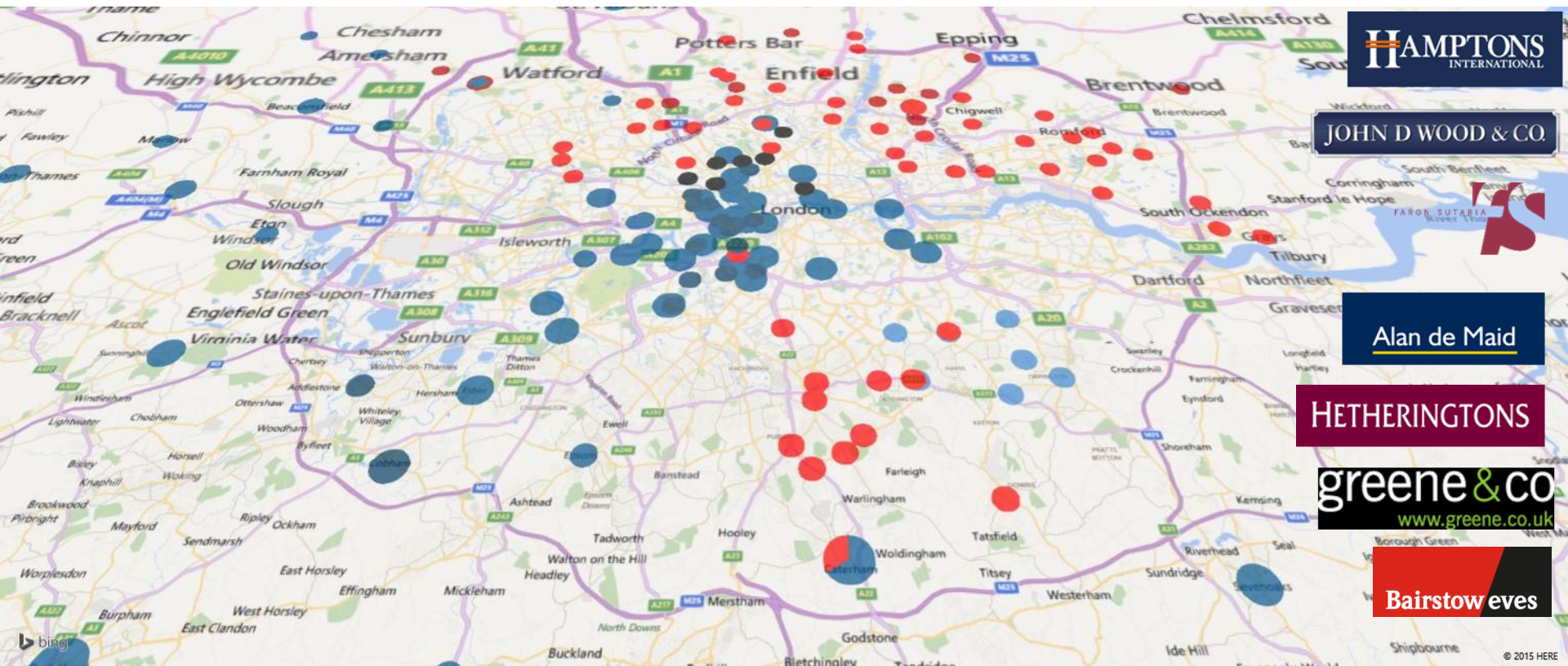
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Estate Agent

Alan de Maid

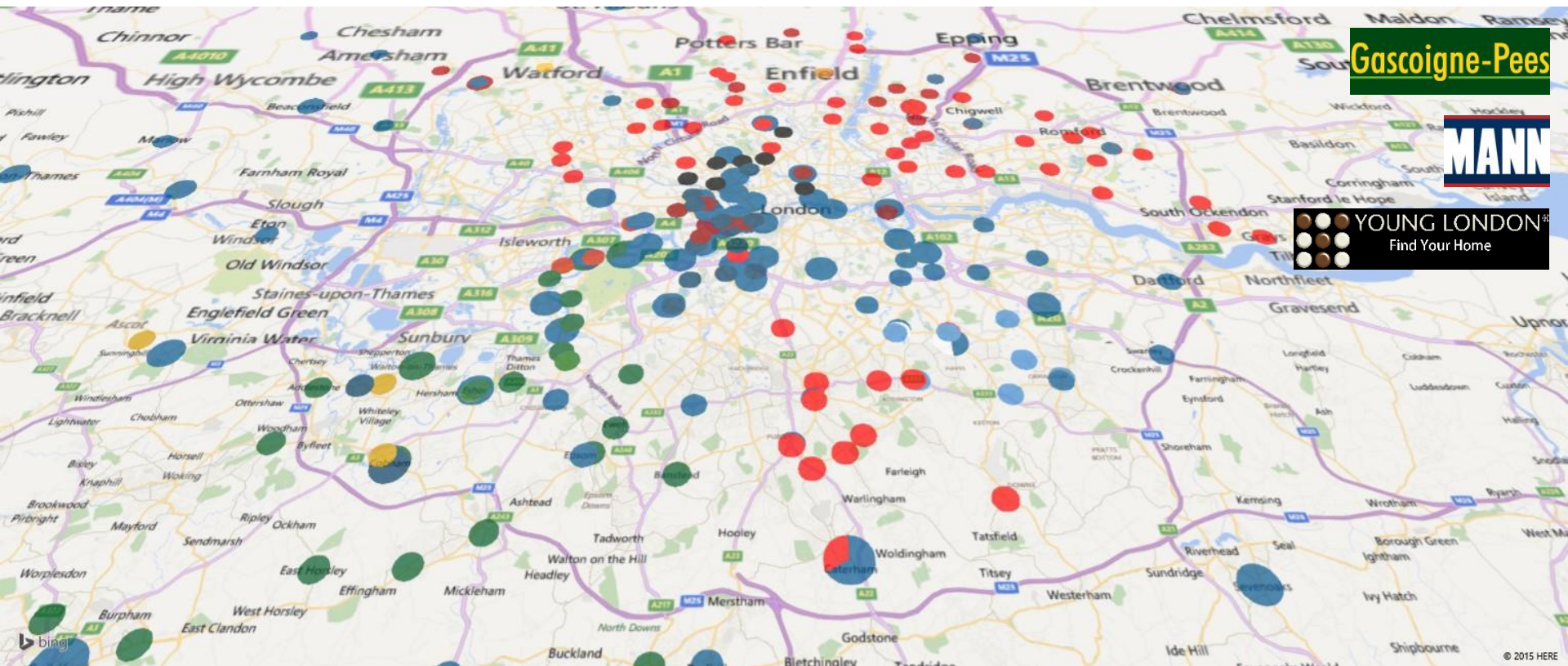
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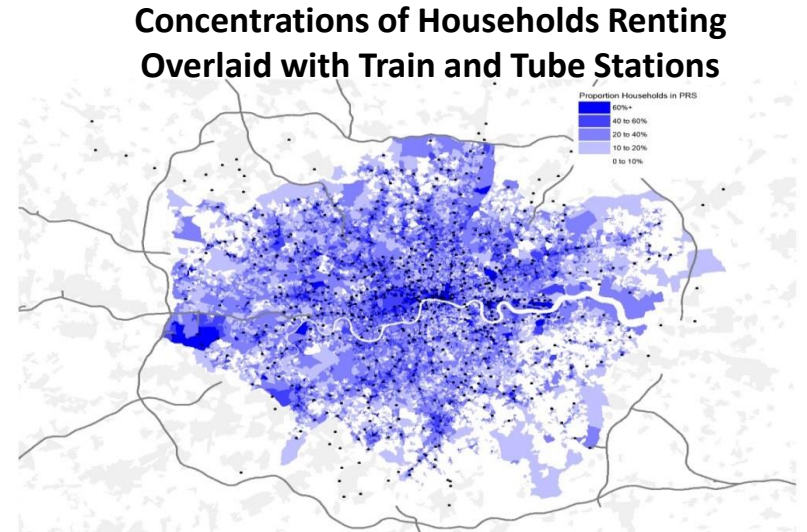
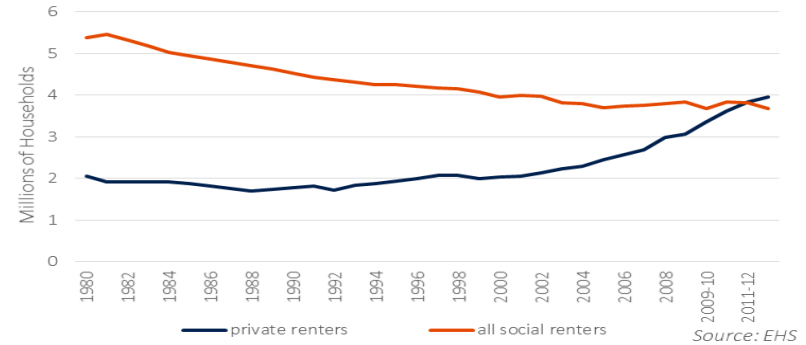
OUR LONDON BUSINESS

- We have **London's biggest agency footprint**: > 250 locations, 20 brands
- We **sell more properties in London than any other agent**, >13,000 units
- We're London's **4th largest lettings agent** – 13,000 managed properties and grew >40% % in the last 3 years

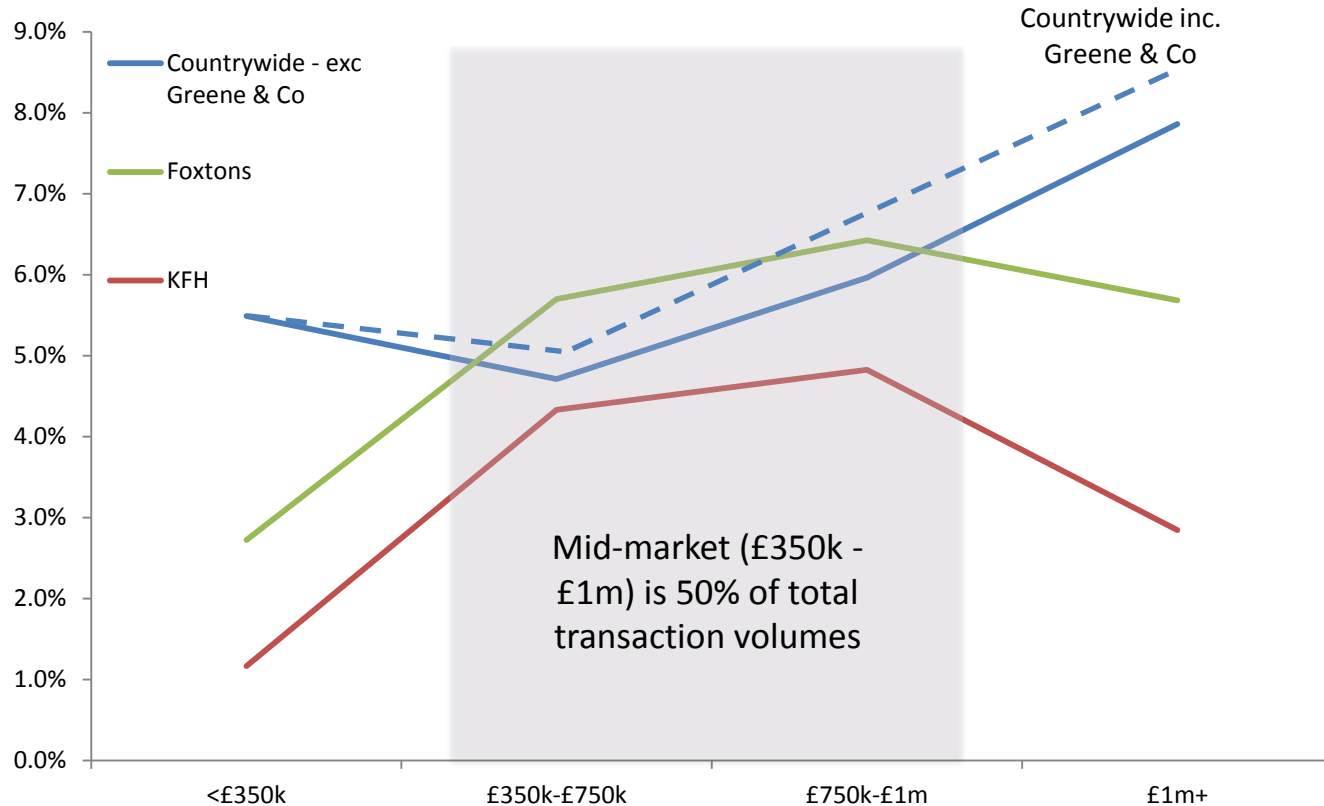


WHY LETTINGS?

- A large and growing rental market
- London has the largest private rental sector – 25% of the UK market, 820,000 households
- The highest concentration of renters is in the centre and clustered around transport hubs further out
- 86 of the 100 largest grossing lettings postcodes in the UK are in London



WHY MID-MARKET LONDON?



- A 1% overall increase in Countrywide's mid-market share in London equates to additional revenue of £4.5m
- In 2015 we strengthened our mid-market position with the acquisition of Greene & Co

LONDON – BETTER TO BE BIGGER

Strong Foundations

- Better data and insight identifying opportunities for improvement
- Fewer, better, bigger brands



Amazing People

- One Countrywide in London, working together
- Recruitment, retention, training



Delighted Customers

- Put the customer at the heart of everything we do
- Sharpen our mid-market proposition



Unrivalled Portfolio

- Acquisitions and new openings
- Lettings and mid-market led growth, capitalising on future hotspots

LONDON ACQUISITION CASE STUDY: GREENE & CO.

- Acquired in May 2015
- Award-winning estate agency working across North London and the City
- 7 offices serving West Hampstead, Maida Vale, Crouch End, Belsize Park, Clerkenwell, Kensal Rise, Queen's Park
- Urban Spaces; a specialist team focused solely on residential loft spaces across London

greene & co
www.greene.co.uk

SALES | LETTINGS | NEW HOMES





Capital Markets Day: Business to Business

Paul Creffield, Managing Director



OUR BUSINESS TO BUSINESS (B2B) OPERATIONS

Professional Services

(Lender Market)

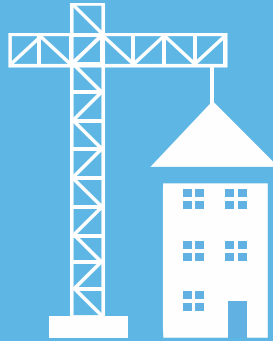


- Surveying Services
- Conveyancing Services
- Corporate Property Services
- Estate Management
- Property Auctions

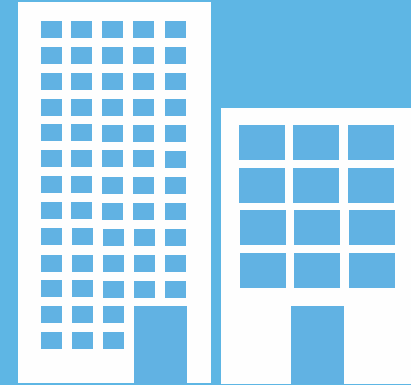


Land & New Homes

(Developers / Housing Associations / Public Sector)



Commercial



CLIENT FOCUS THROUGH WELL TRAINED, QUALITY PEOPLE

Countrywide's organisational design:

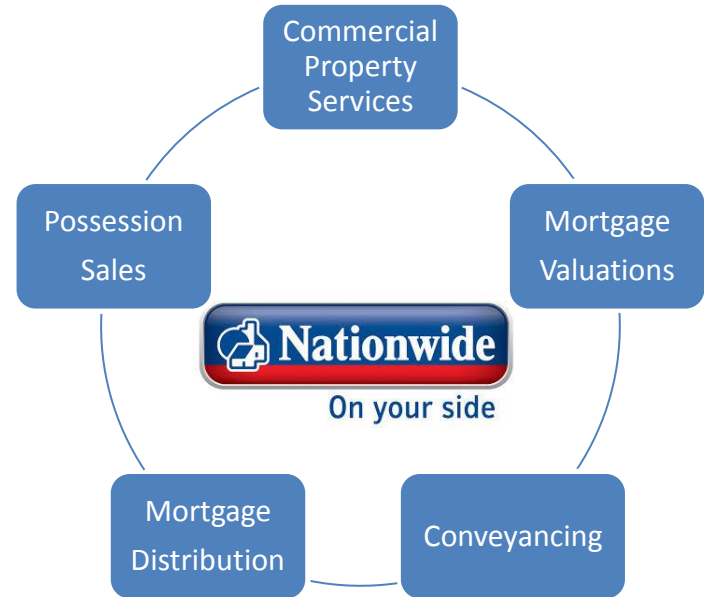
- Aligning our people to consumers direct; or
- To businesses and corporates (B2B)

Our B2B clients:

- Banks, developers, property companies
- Ongoing relationships and recurring revenues – many clients drive annual revenues between £1m - £20m+
- Similar client base across Surveying / LSH / Corporate Property Services

Our people:

- 3000+
- Strong graduate trainee programme



SOLUTIONS FOR RESIDENTIAL DEVELOPERS

Land



- Site sourcing
- Funding
- Negotiation
- Site sales

Development Consultancy



- Project management
- Valuation
- Planning
- Viability

Sales



- Marketing strategy
- Branch sale
- Site sales
- International distribution (e.g., Hong Kong)

OUR LAND & NEW HOMES STRATEGY: REGIONAL HUBS + CROSS-SALES

The opportunity

- **Growing market** – 130k new home completions today, but government driving for 250k p.a.
- **Headroom** for Countrywide to grow – 5000 new home sales last year
- **Capabilities** across the value chain

How we will capitalise on it

- **Merge our proposition** and associated businesses into a unified Land & New Homes operation in B2B
- Planning, affordable housing, project management and valuation support, through to downstream sales, lettings handover, estate and property management
- Work with our **Residential Property Fund**
- Create **c20 regional hubs** (leveraging LSH footprint) to create a strong regional offering for developers
- Scale up a successful hub model in **Preston Bennett** (recent acquisition)

A stylized graphic consisting of two overlapping, flowing lines in shades of purple and blue, positioned above the word "Countrywide".

Countrywide

Preston Bennett Video



OUR ENTRY INTO THE COMMERCIAL MARKET

LSH acquisition rationale

- Link in land sales for downstream house sales
- Recurring revenue play and balance to the residential sales market
- Synergies with other businesses in Countrywide
- Plays an important role as introducer of assets for our Residential Property Fund

Since acquisition...

- Almost doubled in size: now 32 offices and 1500 staff
- National coverage with strong regional focus; blue chip client base in banking, transport, telecoms and retail, including BBC, >50% of London Boroughs, > 1000 stations
- Four further acquisitions completed:
 - **BTWShiells** – leading Belfast commercial practice; strong retail management expertise
 - **Tushingam Moore** – very strong in retail
 - **ES Group** – strong consultancy business with leading machinery and business assets auction proposition
 - **Douglas Newman Good Commercial** – Dublin and Galway based commercial business

OUR COMMERCIAL SERVICE LINES AND SECTORS

SERVICE LINES

- **Acquisitions, disposals and lettings**
- Asset Based Lending
- **Building consultancy**
- Business rates
- **Capital markets**
- Corporate recovery
- Lease advisory
- Legal support services
- Machinery and business assets
- Planning and development consultancy
- **Property management**
- Valuation

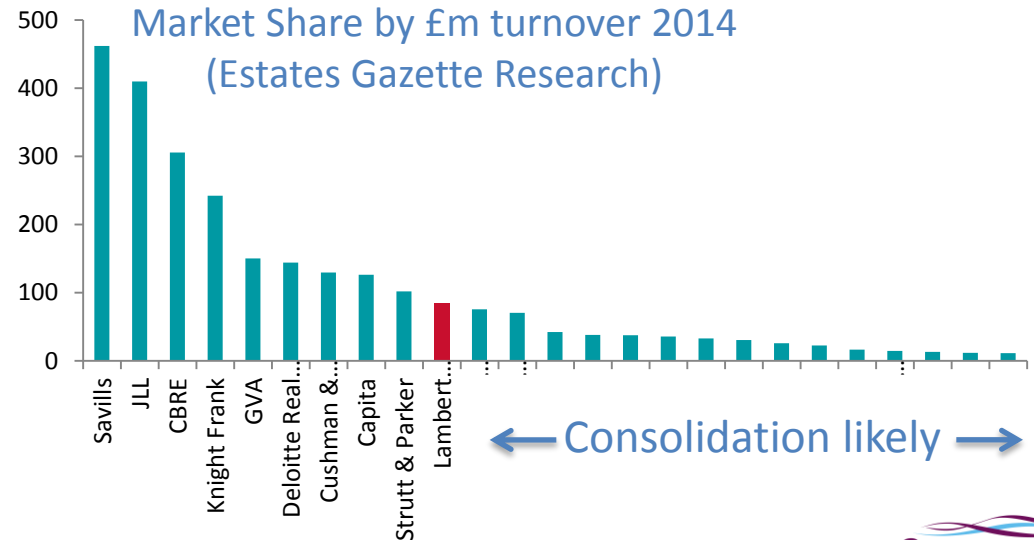
BROAD SECTORS

- Aviation
- Hospitality and leisure
- Motor trade and roadside
- Ports
- **Rail**
- Science, technology and advanced engineering
- Telecoms
- Transport

**70% of revenues are driven
from consultancy service lines**

OUR COMMERCIAL STRATEGY

- Align more closely with L&NH to strengthen land offering and downstream sales capability
- Continue with acquisitions that either grow and strengthen our existing service lines and sectors or add priority capabilities
- Opportunity for market consolidation and a pipeline of targets (some of which would provide international exposure)
- Commercial to be at least 12-15% of group EBITDA





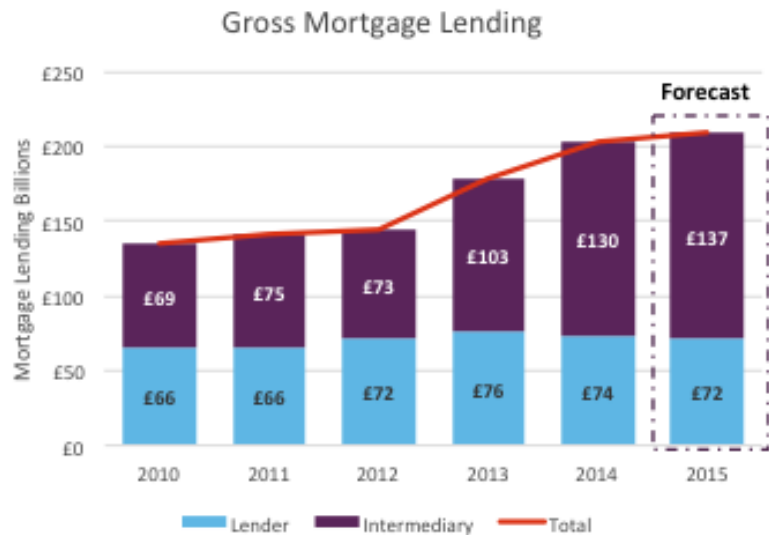
Capital Markets Day: Financial Services

Peter Curran, Managing Director

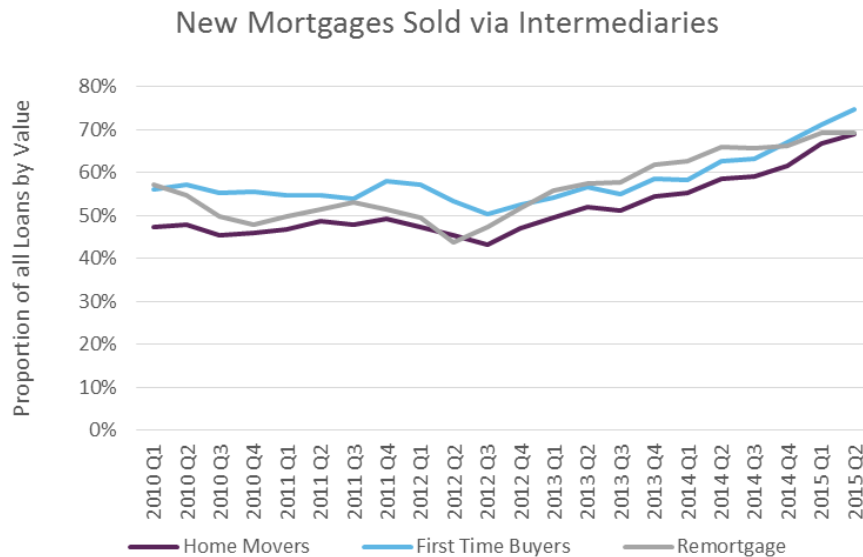


HOW HAS THE MORTGAGE MARKET PERFORMED?

Mortgage lending grew >50% between 2010 and 2014...

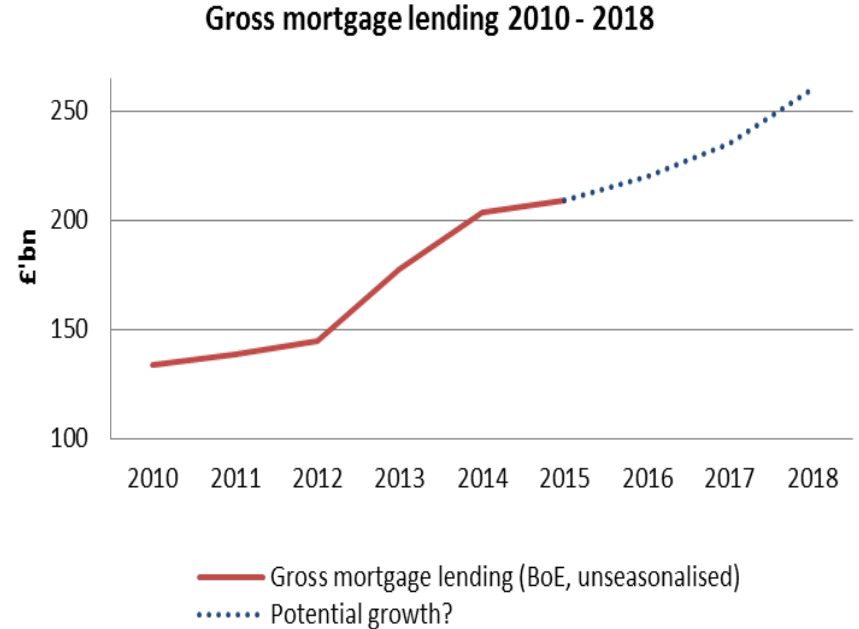


...with brokers taking the lion's share of that growth



WHERE NEXT?

- Various leading banks predict the market to grow to £260bn in the next three years
- Remortgage activity will become increasingly important as base rate rises take effect
- Buy to let activity will strengthen as long as fiscal policy and increased regulation do not stifle growth



HOW ARE WE PERFORMING IN THIS MARKET?

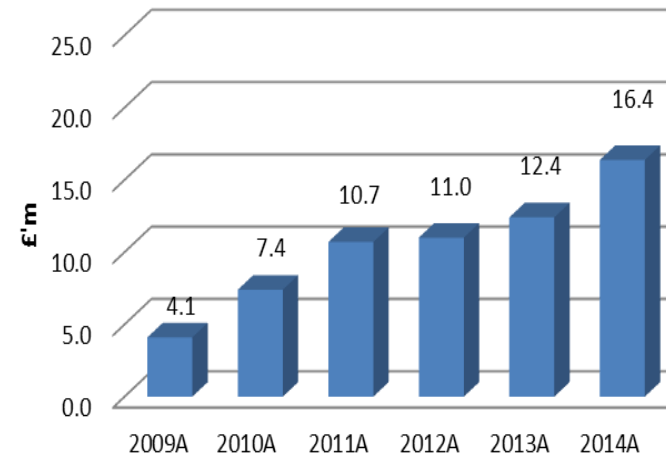
FS EBITDA growth of 32% since 2009

- Organic growth plus acquisition of Mortgage Intelligence has doubled our share of mortgage approvals in the last five years
- £10bn mortgages completed in 2014 – largest single mortgage broker in the UK
- Profit uplift from advice fee
- Life and GI contribution is 45% of FS revenue

But more to go for...

- We write cc30k mortgages p.a.
- 97% of mortgage customers happy with their experience, but only 13% re-mortgage with us – lifting conversion rate to 30% would yield £4m EBITDA.

EBITDA progression



HOW WILL WE GROW THE BUSINESS?

Organic actions to capture the opportunity with existing customers

- Streamline our sales process
- Develop telephony sales capability
- Improve remortgage conversion through enhanced customer contact
- Improve sales skills
- Train better and recruit smarter to boost productivity and reduce attrition
- Align with Retail and London

M&A focus

- Broaden distribution – telephony, digital
- Expand key sectors in line with the Group's strategy, e.g., buy to let, land & new homes

Most importantly...support and coach our existing sales team to achieve their full potential



Capital Markets Day: Conclusion

Alison Platt, CEO

