



Interim results for the period ended 30 June 2008

Savills plc

28 August 2008



Agenda

- introduction
 - financial review
 - current trading & outlook
 - questions & answers

 - appendices
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Presentation team



Jeremy Helsby
Group Chief Executive



Mark Dearsley
Group Finance Director



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Introduction & overview

Jeremy Helsby

Group Chief Executive



A full range of property services



Global reach

20,000 staff in
190 offices in
20 countries





Market position

We have an outstanding list of clients



Review of first half

Commercial transactions

- UK, US & European capital & occupational markets have slowed
- Asia more resilient
- UK value of investment transactions down 59% in H1 2008 compared to H1 2007

Residential

- volumes down significantly
- prime and mainstream prices down across UK

Consultancy

- continued strong growth in all sectors

Property management

- solid contracted income
- growth across all regions

Financial services

- challenging market
- volumes down 40% year on year

Fund management

- investing equity raised
- maximising existing funds' investment performance



Balancing business development with cost control

- past investment in broadening business mix has served well
 - continued investment
 - Germany, Belgium, Netherlands, UK, China and USA
 - continued recruitment
 - consultancy and property management
 - cost reduction
 - headcount, marketing, travel and property costs
 - 2008 savings (excluding bonus and commissions) of c £20m
 - disposal of Infinergy joint venture
 - £17m profit
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Financial review

Mark Dearsley

Group Finance Director



Financial highlights

- revenue down 2% to £278.1m
- underlying profit before tax down 41% to £19.2m
- underlying EPS down 43% to 10.0p
- reported profit before tax up 1% to £33.4m
- basic EPS up 30% to 23.2p
- dividend maintained at 6p – well covered by earnings
- strong balance sheet – net debt £5.9m
- focus on cost control



Summary underlying results

Six months ended 30 June (£ millions)	2008	2007	% chg
revenue	278.1	284.2	(2%)
operating profit	18.3	31.0	(41%)
profit before income tax	19.2	32.5	(41%)
PBT margin	6.9%	11.4%	(39%)
earnings per share	10.0p	17.4p	(43%)
dividends per share	6p	6p	-
net assets	238.1	199.0	20%
net cash	(5.9)	12.4	-



Summary reported profit and loss

Six months ended 30 June (£ millions)	2008	2007	% chg
revenue	278.1	284.2	(2%)
operating profit	32.5	31.7	3%
share of post tax associate and joint ventures	(0.4)	0.2	-
net finance income	1.3	1.3	-
profit before income tax	33.4	33.2	1%
taxation	(4.9)	(10.3)	(52%)
profit after tax	28.5	22.9	24%
minority interest	(0.4)	(1.3)	(69%)
effective tax rate	14.7%	31.0%	



Underlying PBT reconciliation

Six months ended 30 June (£ millions)	2008	2007
reported PBT	33.4	33.2
adjusted for:		
share based payment adjustment	0.9	(1.9)
amortisation of intangibles (ex software) & impairment of goodwill & available-for-sale investments	1.9	1.2
profit on disposals	(17.0)	-
underlying PBT	19.2	32.5

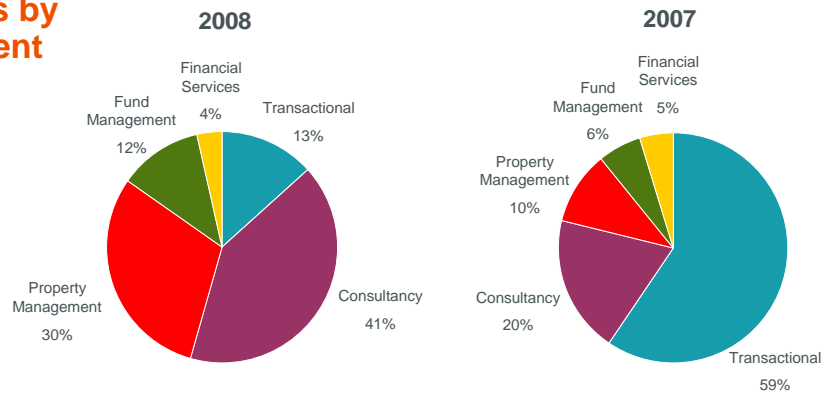


Global revenue and underlying PBT

Six months to 30 June (£ millions)		Revenue	%	profit before tax	%	2008 margin %	2007 margin %
transactional residential	- UK	38.3	14	2.3	12	6.0	17.8
transactional commercial	- UK	20.9	7	1.4	7	6.7	21.1
	- Europe	14.6	5	(4.4)	(23)	(30.1)	1.1
	- Asia Pacific	30.0	11	4.0	21	13.3	12.4
	- America	1.5	1	(0.8)	(4)	(53.3)	-
consultancy	- UK	50.1	18	6.3	33	12.6	12.9
	- Europe	5.3	2	0.4	2	7.5	8.8
	- Asia Pacific	9.5	3	1.1	6	11.6	7.7
property management	- UK	26.4	9	2.6	14	9.8	5.0
	- Europe	10.8	4	(0.5)	(3)	(4.6)	(3.7)
	- Asia Pacific	49.8	18	3.6	19	7.2	6.7
financial services		10.4	4	0.7	4	6.7	12.8
fund management		10.3	4	2.2	11	21.4	28.8
holding co / other		0.2	-	0.3	1	-	-
total		278.1	100	19.2	100	6.9	11.4

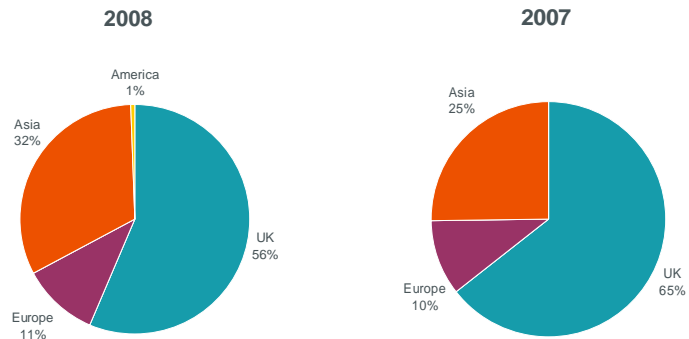


Underlying profits by segment





Revenue by geography



Operating costs

Six months to 30 June (£ millions)	2008 £m	2008 % costs	2007 £m	2007 % costs
staff costs	171.4	65%	166.1	66%
<i>o/w - bonus costs</i>	31.2	12%	47.9	19%
<i>o/w - commission</i>	11.4	4%	10.8	4%
other operating costs	85.9	33%	82.1	32%
depreciation, amortisation and impairment	5.7	2%	4.3	2%
total costs	263.0		252.5	



Cost savings

- commissions and bonuses provide structural flexibility
 - ongoing focus on costs – savings in headcount, marketing, travel and property - with a focus on transactional and financial services businesses
 - £20m of cost savings targeted for 2008 – a run rate of £25m pa
 - one off costs of £2m of achieving 2008 savings
-



Taxation analysis

- effective tax rate 14.7% (2007 – 31.0%)
 - non-taxable profit on disposal of Infinergy
 - overseas tax rates offsetting disallowables
 - prior year adjustment reflecting Substantial Shareholding's Exemption on past disposals
 - underlying tax rate 34.4% (2007 – 31.1%)
 - share price drop since year end
 - overseas tax rates offsetting disallowables
-



Summary cashflow

Six months to 30 June (£ millions)	2008	2007
b/fwd cash	110.4	123.7
cash from operations after interest & tax	(64.1)	(24.4)
investments, acquisitions and capex	(9.0)	(18.0)
disposals of JVs, subsidiaries & assets held-for-sale	3.7	-
buy backs – for cancellation and EBT	-	(34.4)
dividends	(16.7)	(14.0)
foreign exchange movement	1.6	(0.5)
borrowings proceeds	19.3	8.5
cash and overdrafts at period end	45.2	40.9
borrowings at period end	(51.1)	(28.5)
net (debt)/cash at period end	(5.9)	12.4



Summary balance sheet

(£millions)	30 June 2008	30 June 2007
goodwill	148.9	111.5
intangible assets	21.5	18.1
net tangible assets	67.7	69.4
net assets	238.1	199.0
net (debt)/cash	(5.9)	12.4
gearing*	2.5%	-

* Net debt / Shareholder's equity



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Outlook & Summary

Jeremy Helsby

Group Chief Executive



Current trading and outlook

- commercial transactions
 - UK, Europe and US capital markets remain slow
 - occupational markets – lower tenant demand
 - Asia increasingly affected
 - residential
 - prices to fall further in 2008 and 2009
 - consultancy
 - strong demand continues
 - property management
 - continued steady growth
 - financial services
 - challenging market to continue
 - fund management
 - focus on investment performance
 - general outlook
 - 2008 difficult to predict
-



Summary

- Savills has delivered a strong result in difficult markets
- Results demonstrate resilience of our business model: focus on margin and profit based remuneration
- Falling markets create opportunities for growth and increasing market share
- Strong balance sheet to take advantage of growth opportunities
- Strategy of investing in Consultancy, Property Management and Fund Management has served well
- Continued cost reduction coupled with recruitment in growth sectors
- Savills well placed given breadth of services, quality of staff and geographical spread





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Appendix 1:
further financial information

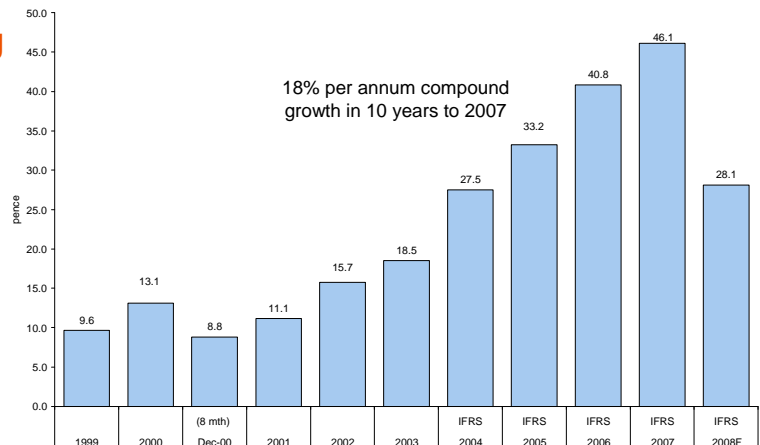


Taxation analysis

Six months to 30 June	reported 2008 %	underlying 2008 %	reported 2007 %	underlying 2007 %
UK tax rate	28.5	28.5	30.0	30.0
general disallowables	3.8	5.8	1.9	1.9
overseas tax rates	(3.6)	(6.1)	(0.6)	(0.6)
share price effect on SBP (IAS 12)	3.6	6.2	-	-
intangible amortisation	1.0	-	0.4	-
prior year adjustments	(3.9)	-	(0.2)	(0.2)
non-taxable capital disposals	(14.7)	-	(0.5)	-
effective tax rate	14.7	34.4	31.0	31.1



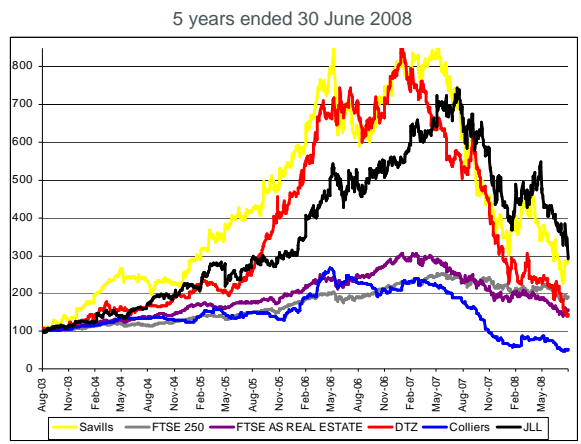
10 year underlying earnings per share



2008F – RBS estimate



5 year total shareholder return



Compound return 26%

Source: Datastream



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Appendix 2:
selected operating statistics

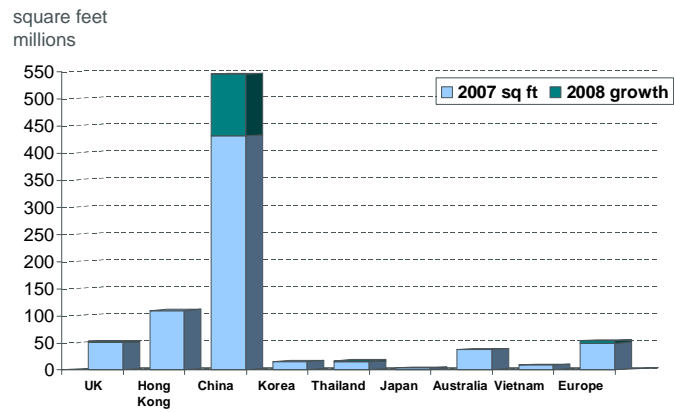


UK residential sales statistics

Six months ended 30 June	2008 no of trans	2007 no of trans	2008 avg value	2007 avg value	2008 avg fee %	2007 avg fee %
London and home counties	605	963	£1.71m	£1.74m	1.4	1.6
rest of UK	1,118	1,449	£0.90m	£0.82m	1.4	1.4
total UK	1,723	2,412	£1.23m	£1.19m	1.4	1.5
new homes	1,209	1,740	£0.51m	£0.58m	0.97	1.0



**total
property
under
management**



**Mortgage
broking**

Six months ended 30 June	2008 value (£m)	2008 no of trans	2007 value (£m)	2007 no of trans
residential purchase	240	1,149	418	1,385
residential re-mortgage	293	711	360	695
buy to lets	320	1,602	508	2,605
commercial purchase	33	88	233	130
international purchase	171	68	31	45
total	1,057	3,618	1,551	5,268
number of staff	212		215	



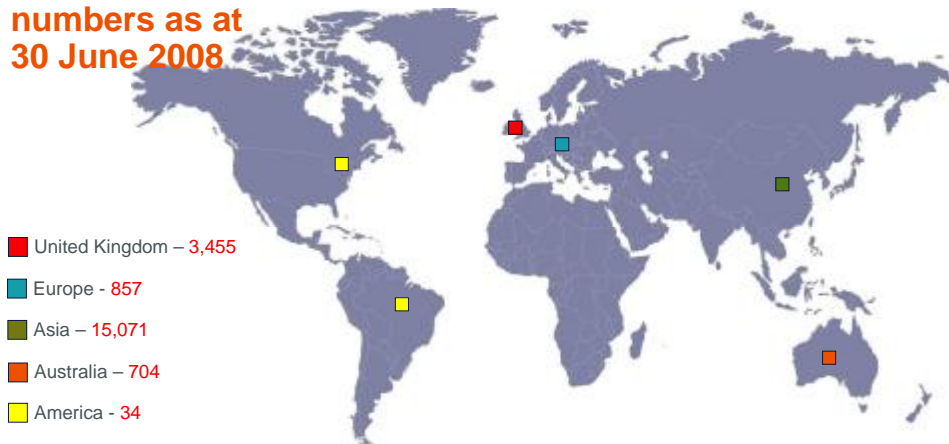
Fund management

fund type	client type	assets under management	fee structure
segregated	Charities	184	\$ advisory \$ transactional \$ performance \$ distribution
	Qualified Professional Investors	555	
	Private clients	147	
Pooled UK	Charities	288	
	Qualified Professional Investors	196	
	Private clients	69	
Pooled non-UK	Qualified Professional Investors	1,640	
	Private clients	236	
		3,315	

• Total assets under management £3.3bn (December 2007 - £3.5bn)



Global staff numbers as at 30 June 2008





Disclaimer

Forward-looking statements

These slides contain certain forward-looking statements including the Group's financial condition, results of operations and business, and management's strategy, plans and objectives for the Group. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the Group's control, are difficult to predict and could cause actual results to differ materially from those expressed or implied or forecast in the forward-looking statements. These factors include, but are not limited to, the fact that the Group operates in a highly competitive environment. All forward-looking statements in these slides are based on information known to the Group on the date hereof. The Group undertakes no obligation publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.
