

Savills plc

Preliminary results for the year ended

31 December 2009





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.

Leading International Real Estate Advisors

Presentation Team



Jeremy Helsby
Group Chief Executive



Simon Shaw
Group Chief Financial Officer

Key Themes

- Resilient performance – diversified business model (geographical / service)
- Strong H2 from UK Residential and Asia Pacific
- Restructuring in continental Europe
- Continued focus on cost savings
- Strong balance sheet
- Plans for selective investment in 2010 (inc. recruitment and retention)
- Overall similar performance expected in 2010 (cautious outlook for H2 2010)



Results Highlights

- Revenue down 1.4% to £561m (2008: £569m) – (7.6% in constant currency)
- Underlying PBT recovered in H2 to reach to £25.2m (2008: £33.2m)
- Continued strength in Property and Facilities Management
- Cost savings of £62m achieved
- Strong net cash position at year end £66m (2008: £46m)
- Dividend maintained at 9p per share





Summary Underlying Results

Year ended December (£ millions)	2009	2008	% chg
revenue	560.7	568.5	(1.4)%
underlying profit before tax	25.2	33.2	(24)%
underlying PBT margin	4.5%	5.8%	
underlying basic earnings per share	14.5p	18.1p	(20)%
net assets	197.7	211.0	(6.3)%
net cash	66.3	45.7	45%

Summary Cashflow

Year ended December (£ millions)	2009	2008
b/fwd cash	75	110
cash generated from/(used in) operations	40	(6)
investments, acquisitions and capex	(12)	(18)
disposals of JVs	9	11
EBT share purchases	(5)	-
dividends	(8)	(25)
F/X movement	(7)	16
borrowings repaid	(11)	(13)
cash and overdrafts at year end	81	75
borrowings at year end	(15)	(29)
net cash at year end	66	46

Underlying PBT Reconciliation

Year ended December (£ millions)	2009	2008
reported profit/(loss) before tax	13.5	(7.7)
goodwill/intangible/investment impairments/amortisation	7.0	42.7
co-investment write downs	-	6.9
restructuring	-	5.4
profit on disposals (Infinergy)	-	(17.4)
share based payment adjustment	4.7	3.3
underlying PBT	25.2	33.2

Cost savings – Dec 2008 v Dec 2009

	Costs 2008	Growth & cost increases	FX differences	Cost of savings	Cost savings	Costs 2009
Commercial UK	72.9	9.7	-	0.3	(7.7)	75.2
Residential UK	123.3	5.2	-	0.5	(22.4)	106.6
Asia Pacific	105.2	10.9	17.2	0.2	(9.0)	124.5
Continental Europe	60.0	2.5	6.1	1.7	(13.7)	56.6
Fund Management	14.2	0.6	-	-	(2.9)	11.9
Financial Services	15.4	1.0	-	0.3	(5.4)	11.3
America	4.0	0.8	0.8	-	(0.4)	5.2
Head Office	4.2	2.9	-	-	(0.6)	6.5
TOTAL BASE COSTS	399.2	33.6	24.1	3.0	(62.1)	397.8
Variable costs*	197.6	(56.3)	10.9	-	-	152.2
TOTAL COSTS	596.8	(22.7)	35.0	3.0	(62.1)	550.0

* Variable costs include bonus, commissions and contract costs as well as exceptional items and underlying adjustments to reconcile to IFRS costs

FX Effect on Underlying Results

Year ended December (£ millions)	Dec 2009 actual	Dec 2008 actual	FX gain/ (loss)	Constant currency actual	Constant currency variance
revenue	560.7	568.5	35.6	525.1	(7.6)%
underlying costs	(535.5)	(535.3)	(35.0)	500.5	(6.5)%
underlying PBT	25.2	33.2	0.6	24.6	(25.9)%

negligible net effect of FX translation on underlying profit (1.8%)



Global Revenue and Underlying PBT

Year ended December (£ millions)	Revenue			PBT		
	2009	2008	% chg	2009	2008	% chg
total transactional	197.5	208.4	(5.2)%	6.3	3.2	96.9%
total property mgmt.	215.2	191.4	12.4%	12.6	14.2	(11.3)%
total consultancy	119.4	131.8	(9.4)%	10.9	16.3	(33.1)%
financial services	11.2	17.4	(35.6)%	(2.9)	(1.0)	(190)%
fund management	17.4	19.5	(10.8)%	2.9	3.6	(19.4)%
holding co / unallocated				(4.6)	(3.1)	-
Total	560.7	568.5	(1.4)%	25.2	33.2	(24.1)%

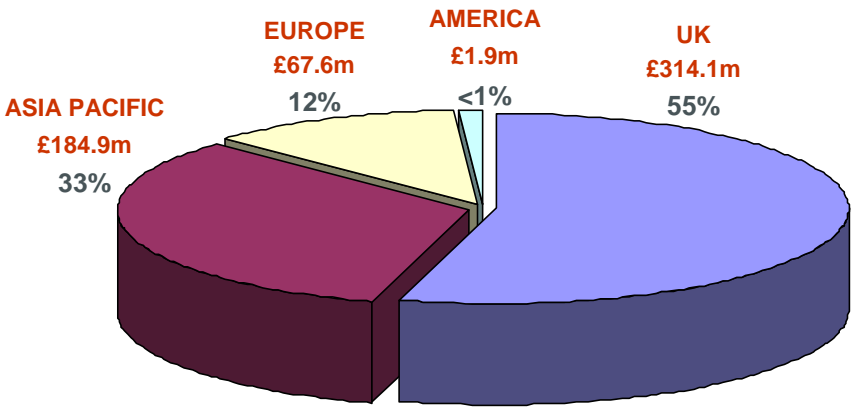
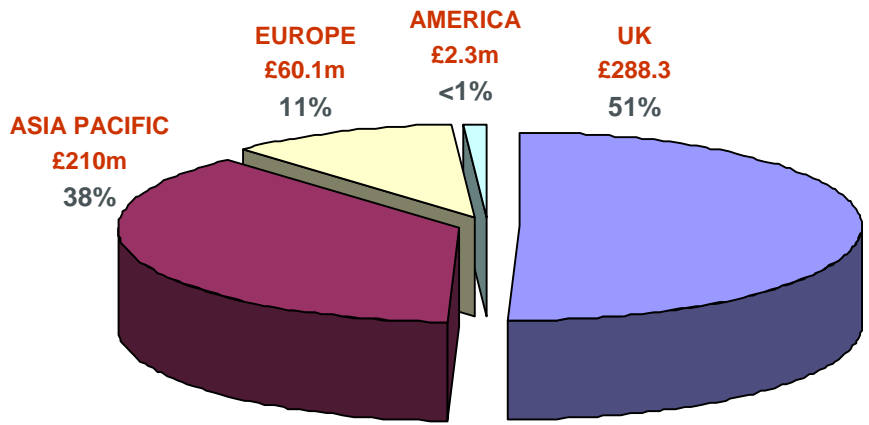
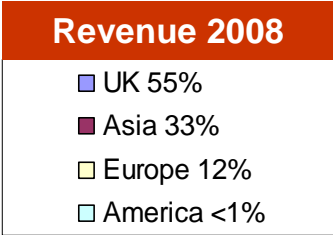
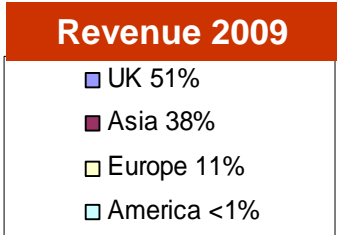
Transactional Business

Year ended December (£ millions)		Revenue			PBT		
		2009	2008	% chg	2009	2008	% chg
transactional commercial	- UK	35.7	51.9	(31.2)%	1.2	7.8	(84.6)%
	- Europe	28.3	34.2	(17.3)%	(9.6)	(7.8)	(26.3)%
	- Asia Pacific	59.9	56.2	6.6%	6.8	4.3	58.1%
	- America	2.3	1.9	21.1%	(3.9)	(3.9)	-
transactional residential	- UK	71.3	64.2	11.1%	11.8	2.8	321%
Total transactional		197.5	208.4	(5.2)%	6.3	3.2	96.9%

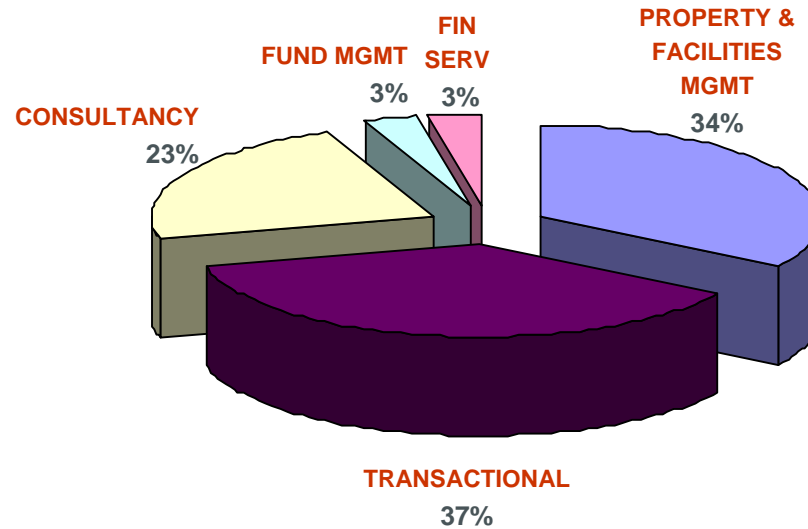
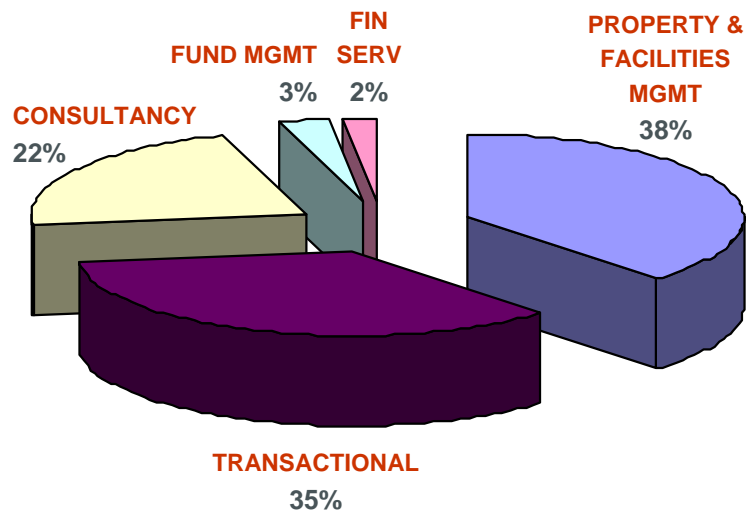
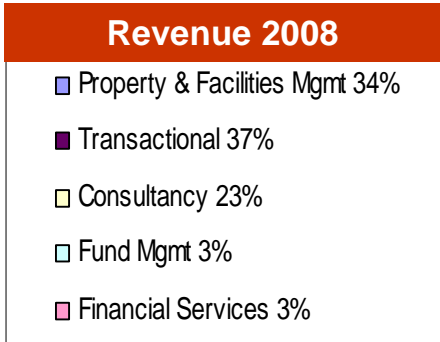
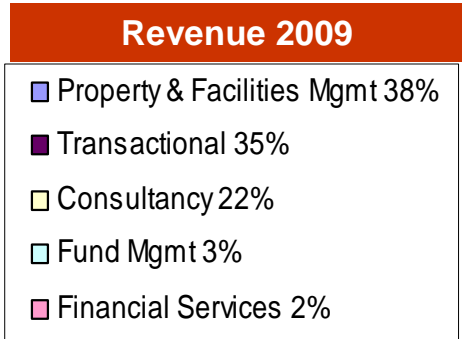
Non-transactional Business

Year ended December (£ millions)		Revenue			PBT		
		2009	2008	% chg	2009	2008	% chg
property management	- UK	64.6	60.2	7.3%	7.1	7.0	1.4%
	- Europe	23.0	21.9	5.0%	(2.7)	(1.2)	(125)%
	- Asia Pacific	127.6	109.3	16.7%	8.2	8.4	(2.4)%
Total property management		215.2	191.4	12.4%	12.6	14.2	(11.3)%
consultancy	- UK	88.1	100.9	(12.7)%	9.2	13.5	(31.9)%
	- Europe	8.8	11.5	(23.5)%	(0.3)	0.8	n/a
	- Asia Pacific	22.5	19.4	16.0%	2.0	2.0	-
Total consultancy		119.4	131.8	(9.4)%	10.9	16.3	(33.1)%
financial services		11.2	17.4	(35.6)%	(2.9)	(1.0)	(190)%
fund management		17.4	19.5	(10.8)%	2.9	3.6	(19.4)%
Total		363.2	360.1	0.8%	23.5	33.1	(29.0)%

Geographic Diversification



Business Stream Diversification

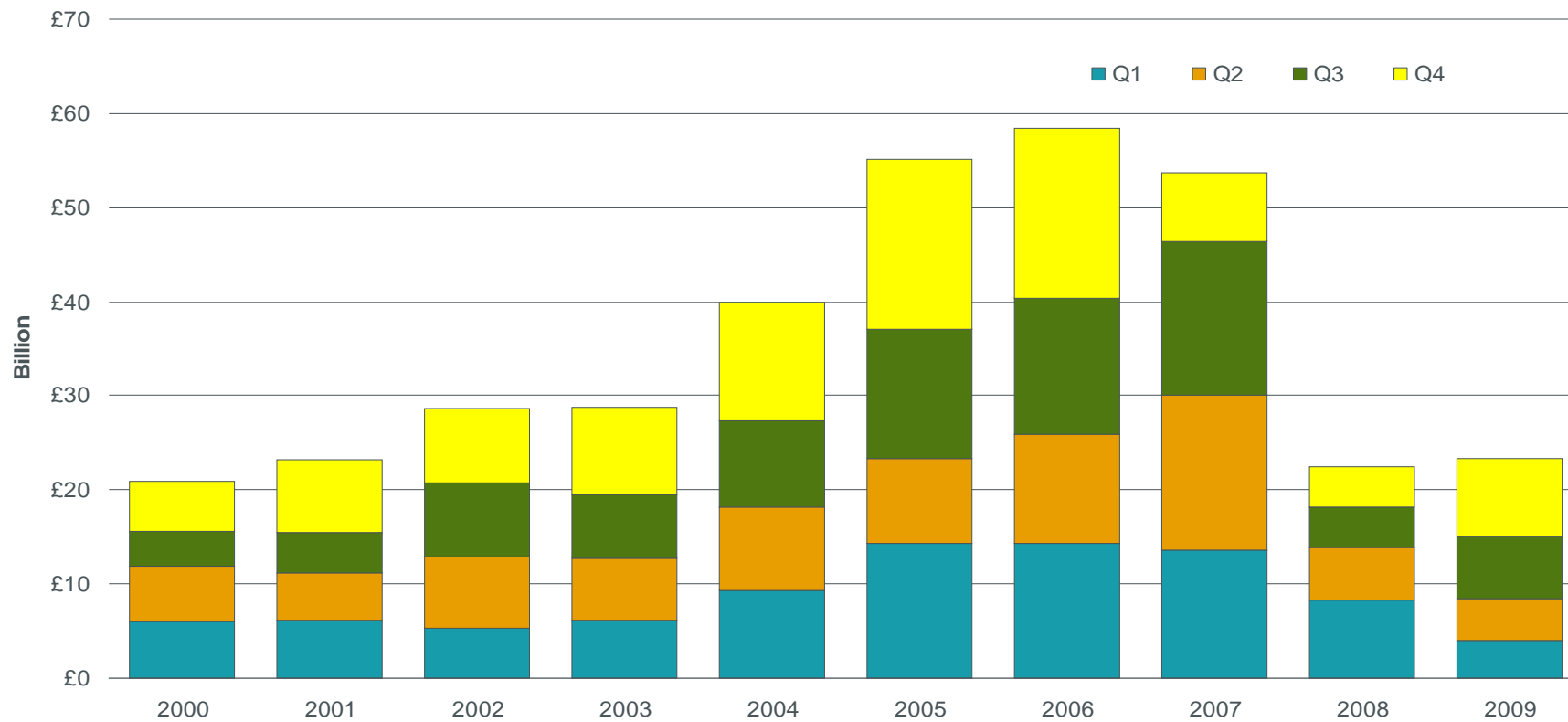


Commercial Transaction Advisory Business

Year ended December (£ millions)		Revenue 2009	2008	% chg	PBT 2009	2008	% chg
transactional commercial	- UK	35.7	51.9	(31.2)%	1.2	7.8	(84.6)%
	- Europe	28.3	34.2	(17.3)%	(9.6)	(7.8)	(23.0)%
	- Asia Pacific	59.9	56.2	6.6%	6.8	4.3	58.1%
	- America	2.3	1.9	21%	(3.9)	(3.9)	-
Total transactional		126.2	144.2	(12.4)%	(5.5)	0.4	n/a

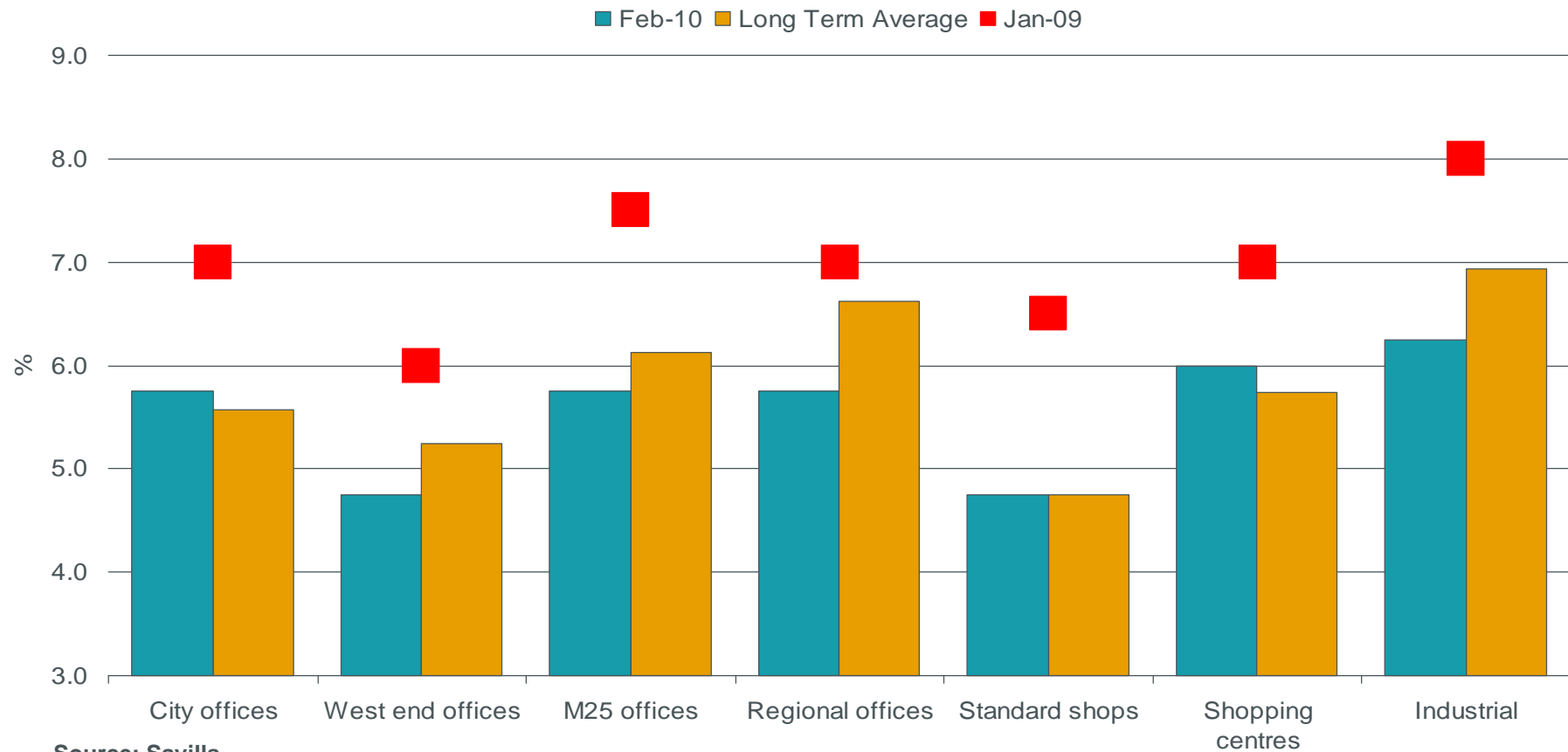
- Strong H2 in Asia Pacific region (China and Vietnam)
- European investment markets weak, but some improvement in H2 - focus on restructuring
- US market still “closed” but some transaction activity emerging
- UK trading conditions tough for all but prime grade A, improved in H2
- Occupiers still cautious, but city market active

UK Commercial Investment volumes – 2000 - 2009

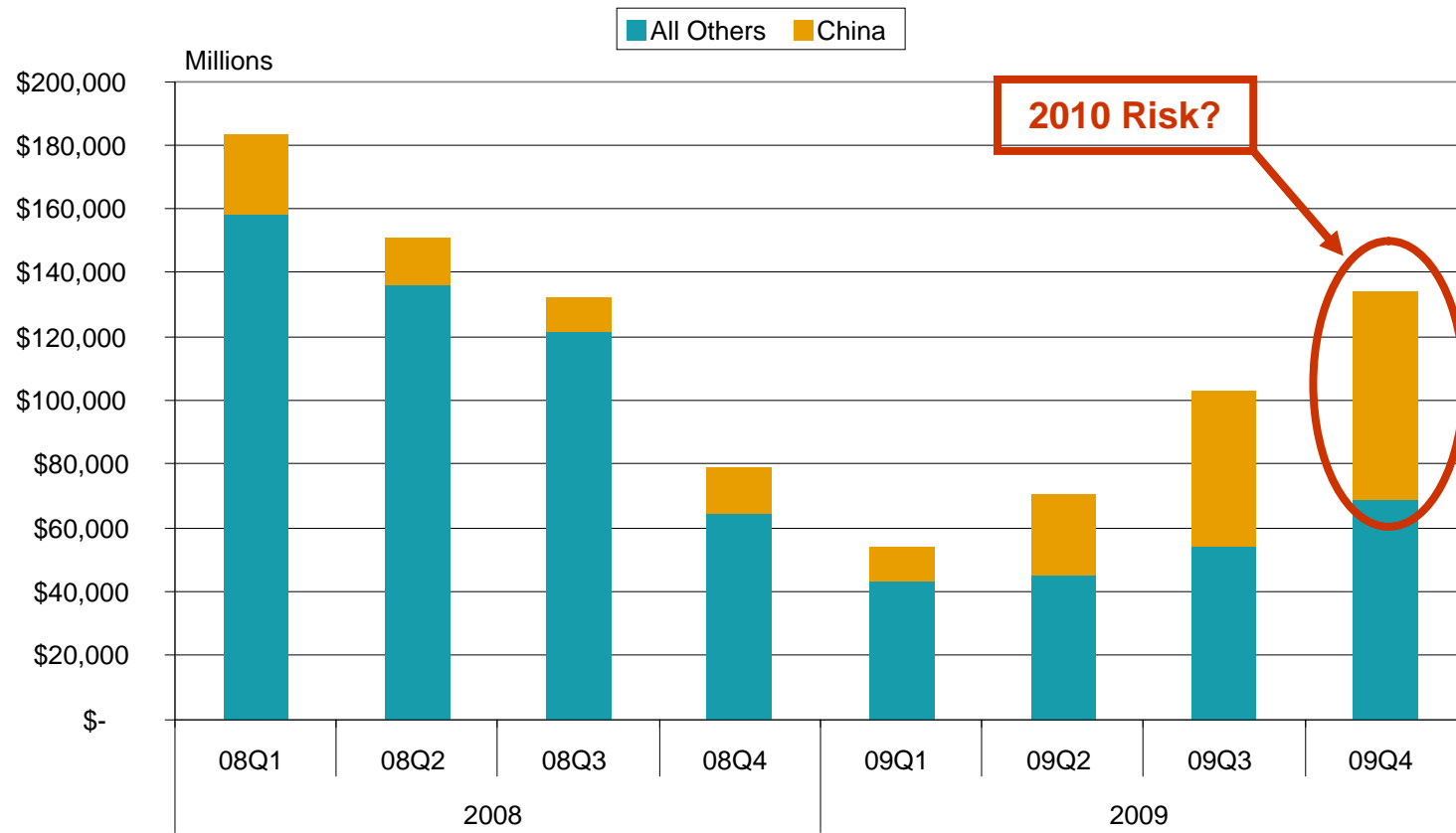


Source: Property Data

UK Prime Yields



China Investment Sales Volumes vs Global - Q1/2008 - Q4/2009



Source: RCA, Savills Research & Consultancy



















Residential Transaction Advisory Business

Year ended December (£ millions)		Revenue 2009	2008	% chg	PBT 2009	2008	% chg
transactional residential	- UK	71.3	64.2	11.1%	11.8	2.8	321%

- Strong pick up in UK from Q2 particularly in London and Home Counties
- Increased activity in Prime London market spread to Home Counties
- Predominantly “equity” market in Savills segment (average London price >£2m)
- Concern over negative effect of UK General Election (i.e. H2 2010)
- Volumes down on year; significant improvement in H2 and leverage effect on profit of cost savings

Prime Residential Market Forecasts

Forecasts (as at July 2009)	2008 (Actual)	2009	2010	2011	2012	2013	2014	2015
Prime Central London	-18.3% 	6.1% 	-1.0% 	7.0% 	11.1% 	7.5% 	6.3% 	6.3% 
Prime Regional Property	-16.5% 	2.0% 	-1.0% 	5.4% 	8.9% 	7.2% 	6.1% 	6.1% 

Note: these are subject to change on reforecast in April 2010

Property Management

Year ended December (£ millions)		Revenue 2009	2008	% chg	PBT 2009	2008	% chg
property management	- UK	64.6	60.2	7.3%	7.1	7.0	1.4%
	- Europe	23.0	21.9	5.0%	(2.7)	(1.2)	(125)%
	- Asia Pacific	127.6	109.3	16.7%	8.2	8.4	(2.4)%
Total property management		215.2	191.4	12.4%	12.6	14.2	(11.3)%

- Property Management represents 38% of group revenue
- Area under management c. 900m ft²
- Continued organic growth in UK
- Europe restructuring (Berlin management exited); now focused on growth opportunities
- China contract wins in H2
- Core strategic recurring business for the Group

Consultancy

Year ended December (£ millions)		Revenue 2009	2008	% chg	PBT 2009	2008	% chg
Consultancy	- UK	88.1	100.9	(12.7)%	9.2	13.5	(31.9)%
	- Europe	8.8	11.5	(23.5)%	(0.3)	0.8	n/a
	- Asia Pacific	22.5	19.4	16.0%	2.0	2.0	-
Total Consultancy		119.4	131.8	(9.4)%	10.9	16.3	(33.1)%

- Valuation services showed strong volumes but fee pressure in UK and Continental Europe
- Asia pacific improved in H2 2010 (e.g. China valuations)
- UK Housing consultancy grew strongly
- UK Planning and development consultancy considerably down year-on-year; showing signs of improvement



Fund Management

Year ended December (£ millions)	Revenue 2009	2008	% chg	PBT 2009	2008	% chg
fund management	17.4	19.5	(10.8)%	2.9	3.6	(19.4)%

- Proposed acquisition of 40% of the business owned by employees
- Successfully restructured leveraged Funds
- Launched UK Income and growth fund in Q4 with strong institutional support
- Transaction fees down year on year but began to improve in Q4
- Funds under management of £2.5bn (2008: £3.0bn)
- Raised €250m (Euro commercial fund and UK funds)



Financial Services

Year ended December (£ millions)	Revenue 2009	2008	% chg	PBT 2009	2008	% chg
financial services	11.2	17.4	(35.6)%	(2.9)	(1.0)	(190)%

- UK mortgage market remained stagnant
- Some signs of improving market conditions
- Savills Private Finance significantly restructured in 2009
- Savills Capital Advisors – focused on commercial debt advisory and equity fund raising

Summary and Outlook

- 2009 Group Performance shows resilience of Savills business model
 - Growing core businesses, globally
 - Reducing losses in Europe
 - Positioning the US for recovery (2011?)
 - Continued growth of fund management
- Investment in growth/balance
- Continue conservative approach to financing
- Focus on retention of key employees and selective team / individual recruitments
- Remain cautious on outlook for 2010, especially H2

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