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Savills plc  
Half Year Report 2009

# Providing World-Class Real Estate Solutions





## Financial Highlights

These results clearly demonstrate Savills' resilience in some of the toughest trading conditions in decades. To generate a profit is testament to the diversification of our business and the quality and determination of our teams around the world.

We continue to shape our organisation to withstand the challenging conditions faced by the sector, particularly in markets such as Continental Europe and the US. We remain on track to achieve at least £50m annualised savings by the year end.

Although there have been some recent signs of improvement in some areas of UK Residential and the Asia Pacific regions, property markets generally are still suffering from a lack of debt finance, shortage of quality product and concerns over the impact of recession upon occupiers. Against this backdrop we continue to adopt a cautious outlook as predicting the timing of sustainable improvement in our markets remains difficult.

We continue to position the business to ensure that we have the breadth of offering, quality of people and financial strength to serve our clients well, regardless of the state of the market, and also to benefit significantly when conditions improve.

<b>Group revenue</b> (2008: £278.1m)	£247.6m
<b>Group profit before tax</b> (2008: £33.4m)	£0.1m
<b>Underlying Group profit before tax*</b> (2008: £19.2m)	£2.5m
<b>Basic earnings per share</b> (2008: 23.2p)	0.7p
<b>Underlying basic earnings per share</b> (2008: 10.0p)	1.3p
<b>Interim dividend</b> (2008: 6.0p)	3.0p
<b>Net debt</b> (2008: £5.9m)	£0.4m

\* After adjusting for certain share based payments (£1.0m) and the amortisation of acquired intangible assets (£1.4m).

## Business review

### Overview

On 6 May 2009, our AGM and Interim Management Statement reported that there had been little change in market conditions since the start of the year and no evidence of any sustainable improvement. Whilst our businesses overall had performed creditably, the Board continued to maintain a cautious outlook for 2009.

Our results for the six months to 30 June 2009 show revenue down 11% to £247.6m (H1 2008: £278.1m), and underlying and statutory profit before tax of £2.5m (H1 2008: £19.2m) and £0.1m (H1 2008: £33.4m) respectively. It is a testament to the diversification of our business and the quality and determination of our teams around the world that we achieved a profit during the most difficult market conditions in decades.

The performance of our people is all the more impressive in the light of the significant cost saving exercises they have undergone to deliver this result.

In view of the performance of the Group during the period, together with our sound financial position, the Board has declared an interim dividend of 3.0p per share (2008: 6.0p) in line with the revised dividend basis announced in March.

The highlights of the six months were the relative strength of the London residential market, which rebounded from the inactivity of the early part of the year to deliver a strong second quarter; the return of Chinese investors into their domestic and Hong Kong markets, stimulated by significant state sponsored lending in China, underpinning the performance of our Asia Pacific business; our Consultancy businesses performing well in challenging

conditions and the Property Management business continuing to grow strongly, now representing over 40% of Group revenues. In contrast, our Commercial Transaction Advisory businesses worldwide remained slow. This in turn materially affected the earnings of our US and Continental European businesses which are less diversified than our more mature operations.

### Segmental Review

The following table outlines Group revenue and underlying profits by business segment:

Revenue	H1 2009 £m	H1 2008 £m	Change
Transactional Advice	<b>74.1</b>	105.3	(30)%
Consultancy	<b>54.2</b>	64.9	(16)%
Property Management	<b>105.4</b>	87.0	21%
Fund Management	<b>8.5</b>	10.3	(17)%
Financial Services/Other	<b>5.4</b>	10.6	(49)%
<b>Group revenue</b>	<b>247.6</b>	278.1	(11)%

	H1 2009 £m	H1 2008 £m	Change
Underlying profit before tax			
Transactional Advice	<b>(7.6)</b>	2.5	(404)%
Consultancy	<b>3.6</b>	7.8	(54)%
Property Management	<b>7.2</b>	5.7	26%
Fund Management	<b>1.6</b>	2.2	(27)%
Financial Services/Other	<b>(2.3)</b>	1.0	(330)%
<b>Group profit*</b>	<b>2.5</b>	19.2	(87)%

\*A reconciliation between statutory and underlying profit before tax is set out in Note 7

### Transactional Advice

UK Commercial fee income declined by 33% to £13.9m (H1 2008: £20.9m) reflecting the poor market conditions. However, the impact was mitigated by Savills significant involvement in much of the investment business that was transacted. The prime investment market of long leases with good covenants represented the portion of the market which remained of interest to predominantly equity-backed investors. The lack of supply of such high quality investment products will remain a significant challenge for the remainder of the year and into 2010.

More generally, banks continue to evaluate their loan books and appear to be beginning to take action, which should see additional stock released to the market over time. The leasing markets remain vulnerable to the recessionary climate for occupiers with significant falls in rental values continuing across most sectors. This uncertainty over rental values, together with the lack of development finance has resulted in minimal interest from investors in short leased or vacant assets and this is not expected to improve in the near term.

In Continental Europe, Transactional fee income reduced by 29% to £10.4m (H1 2008: £14.6m). In markets which are perhaps 9 – 12 months behind the UK, we have not yet seen evidence of a recovery in investment pipelines and the fundamentals of stock and debt remain in short supply. In certain countries, such as Ireland, macro-economic challenges have hugely affected the normal functioning of the property market. Accordingly we continue to focus on shaping our businesses to fit the emerging requirements of the markets in which we operate.

Transactional fee income in Asia Pacific declined by 32% to £20.5m (H1 2008: £30.0m) primarily as a result of a quiet first quarter. Progressively through the second quarter there was a significant improvement in sentiment in parts of the region including Hong Kong and mainland China stimulated by state sponsored lending. The quantum of transactions improved, although there remains a question of the sustainability of this market through the coming period.

In the US, the lack of debt availability has effectively resulted in real estate investment markets remaining closed, although Savills New York has successfully completed a number of transactions and traded in line with our expectations at this stage of its development.

UK Residential fee income reduced by 29% to £27.3m (H1 2008: £38.3m) reflecting a very poor first quarter followed by progressive improvement in sentiment and transaction volumes through the second quarter. To date this has been a largely Prime London market phenomenon characterised by predominantly cash buyers (both domestic and overseas) competing for quality properties in short supply.

In terms of profitability, the underlying pre-tax loss from our transactional advisory business of £7.6m (H1 2008: £2.5m profit) was primarily a result of our performance in Continental Europe, together with the cost of maintaining teams in key markets during the downturn to ensure that we can take advantage of future improvements in the commercial real estate market.

### Consultancy

Consultancy fee income decreased in the period by 16% to £54.2m (H1 2008: £64.9m). There were strong performances from our less transaction-associated services, such as our Housing and Building Consultancies, which offset substantial reductions in business from development services in difficult market conditions.

Our UK and Continental European Valuations practice performed well, although the market saw significant fee discounting from some competitors during the period. In Asia Pacific our Consultancy revenues, which primarily represent valuation services, fell by 25% in local currency principally as a result of shortfalls in the Australian market and the relative absence of IPO activity in the Hong Kong market. Overall, the reduction in consultancy profits during the period reflected both the decline in revenue and the effect of pricing pressure, but represented a solid performance in difficult markets.

#### Property Management

The Property and Facilities Management business increased revenues by 21% to £105.4m (H1 2008: £87.0m) reflecting continued strong performances in Asia Pacific, Continental Europe and the UK where we have seen some good contract wins in very competitive markets. This strong and stable business, which represented 43% of Group revenue, was the biggest single contributor to Group profits during the period, providing reliable earnings to the Group whilst at the same time adding value to our core property owning clients. We have continued to invest in this strategically important business through improvements to our IT infrastructure, people and commitment to joint venture management structures in China, the latter representing a significant organic growth opportunity for our business.

#### Fund Management

Fee income from Fund Management, Cordea Savills, declined by 17% in the period to £8.5m (H1 2008: £10.3m). This reflects the effect on management fees of the reduction in the value of gross assets under management, a reduction in transaction fees and lower performance fees. In the second half of the year, this should be partially offset by the positive effects of additional equity raising of approximately €100m during the first half. Cordea's core funds have generally continued to perform well against their peers. However, certain opportunities funds with high levels of debt have been adversely affected by market declines and we are endeavouring to restructure them. Against a background of extremely challenging market conditions, our focus continues to be on the management of our existing funds together with preparatory work for new fund launches where opportunities have become favourable and when conditions permit.

#### Financial Services

The reduction in fee income from Financial Services of 48% to £5.4m (H1 2008: £10.4m) was largely a consequence of the extreme contraction of UK lending markets compared with the first half of 2008. Government action in the wake of the credit crisis failed to stimulate the personal mortgage market significantly and the reduction in residential transactions restricted demand during the period. The entry of a

small number of new overseas lenders in recent weeks has improved sentiment but still does not represent replacement of the overseas-derived lending capacity which exited the market during the banking crisis. Although the business has seen a small uplift in recent weeks, it is too early to determine whether this is sustainable into the fourth quarter and beyond.

In response to the changed market conditions Savills Private Finance undertook a significant restructuring exercise during the period. This resulted in an approximate halving of its consultant staff since the market peak and puts the business on a sound footing for the future.

The difficulties in the direct property markets in the first half have been mirrored on the financial advisory side. Both debt and private equity capital have been in extremely short supply and Savills Capital Advisors has switched its focus into debt advisory and joint ventures away from unlisted collective equity issues.

#### Cost savings

The Group started its cost saving activities in late 2007 and since then we have continued to reduce our cost base in response to sustained adverse market conditions. In addition to the £22m savings in 2008, we have achieved a further £20m of savings (excluding bonuses) in the first half of this year, at a cost of £2.3m. In making these cost savings, which were broadly

spread across the businesses during the period, we have sought to balance the requirements for cost reduction against the need to retain core team strength in order to maintain client service and capitalise on any market upturn in due course. Savills has always maintained a lean cost structure so it will have been a painful but necessary achievement to deliver our expectations of gross annualised cost savings (excluding bonus and commissions) in excess of £50m during the 24 month period to 31 December 2009.

### Earnings, financial strength and dividends

The Group's profits during the period derived from the strength of our more stable lower margin businesses such as Property Management, but were adversely affected by the lack of higher margin transaction advisory work. As a result the Group's underlying pre-tax profit margin reduced to 1% from 7% in the first half of 2008. Basic earnings per share for the six months to 30 June 2009 were 0.7p (2008: 23.2p). Underlying earnings per share were 1.3p (2008: 10.0p).

The impact of foreign exchange movements on the profits of our globally diversified business was immaterial. On a constant currency basis underlying profit before tax would have been £0.3m higher than reported at £2.8m and revenue and operating costs would have been lower by £27.7m and £27.9m respectively.

At 30 June 2009, the Savills balance sheet remained sound with net debt of £0.4m (30 June 2008: net debt £5.9m) and an £80m credit facility of which £63m was un-utilised.

At the year end we announced a reduction in our final dividend for 2008 to 3.0p per share, making a total of 9.0p for the year. We confirmed that, in the absence of unforeseen circumstances, this would form the basis of subsequent dividend policy with a customary 1/3:2/3 split between interim and final payments. Although the future performance of our markets remains far from clear, the Company's strong financial position allows the Board to declare an interim dividend for the six months to 30 June 2009 of 3.0p (2008: 6.0p) per ordinary share. This dividend will be paid on 28 October 2009 to shareholders who appear on the register on 25 September 2009.

### Principal risks and uncertainties

The key risks and uncertainties relating to the Group's operations remain consistent with those disclosed in the Group's Annual Report and Accounts 2008. Please refer to pages 30 and 31 in our Annual Report and Accounts 2008 or to our investors page on [www.savills.com](http://www.savills.com)

### Board changes

As highlighted in our Annual Report and Accounts 2008, Simon Shaw joined the Board as Group Chief Financial Officer on 16 March 2009 following the resignation of Mark Dearsley on 13 February 2009.

### Outlook

Overall, our businesses continue to trade satisfactorily in difficult markets and we continue to shape our organisation to withstand the challenging conditions faced by the sector, particularly in markets such as Continental Europe and the US. Although there have been some recent signs of improvement in some areas of UK Residential and Asia Pacific regions, property markets generally are still suffering from a lack of debt finance, shortage of quality product and concerns over the impact of recession upon occupiers. Against this backdrop we continue to adopt a cautious outlook as predicting the timing of sustainable improvement in our markets remains difficult.

We continue to position the business to ensure that we have the breadth of offering, quality of people and financial strength to serve our clients well, regardless of the state of the market, and also to benefit significantly when conditions improve.



**Peter Smith**  
Chairman



**Jeremy Helsby**  
Group Chief Executive

## Consolidated Income Statement (unaudited)

### for the period ended 30 June 2009

	Notes	Six months to 30 June 2009 £m	Six months to 30 June 2008 £m	Year ended 31 December 2008 £m
Revenue	4	<b>247.6</b>	278.1	568.5
<b>Less:</b>				
Employee benefits expense		<b>(158.9)</b>	(171.4)	(358.0)
Depreciation		<b>(3.6)</b>	(3.4)	(7.2)
Amortisation and impairment of intangible assets		<b>(1.8)</b>	(2.3)	(42.0)
Other operating expenses		<b>(83.9)</b>	(85.9)	(189.6)
Other operating income		<b>0.1</b>	0.4	0.2
Profit on disposal of associate, joint ventures and available-for-sale investments		<b>-</b>	17.0	17.4
<b>Operating (loss)/profit</b>	4	<b>(0.5)</b>	32.5	(10.7)
Finance income		<b>1.3</b>	2.6	7.0
Finance costs		<b>(1.4)</b>	(1.3)	(4.5)
<b>Net finance (costs)/income</b>		<b>(0.1)</b>	1.3	2.5
Share of post tax profit/(loss) from associates and joint ventures		<b>0.7</b>	(0.4)	0.5
<b>Profit/(loss) before income tax</b>		<b>0.1</b>	33.4	(7.7)
Income tax credit/(expense)	5	<b>0.9</b>	(4.9)	(4.6)
<b>Profit/(loss) after income tax</b>		<b>1.0</b>	28.5	(12.3)
<b>Attributable to:</b>				
Equity shareholders of the Company		<b>0.9</b>	28.1	(11.3)
Minority interest		<b>0.1</b>	0.4	(1.0)
		<b>1.0</b>	28.5	(12.3)
<b>Earnings per share</b>				
Basic earnings per share	8	<b>0.7p</b>	23.2p	(9.3p)
Diluted earnings per share	8	<b>0.7p</b>	22.6p	(9.3p)
<b>Underlying earnings per share</b>				
Basic earnings per share	8	<b>1.3p</b>	10.0p	18.1p
Diluted earnings per share	8	<b>1.3p</b>	9.7p	17.5p
<b>Dividends per share</b>				
Interim dividend proposed	6	<b>3.0p</b>	6.0p	-
Dividends paid	6	<b>3.0p</b>	12.0p	18.0p

## Consolidated Statement of Financial Position (unaudited) at 30 June 2009

	Notes	30 June 2009 £m	30 June 2008 £m	31 December 2008 £m
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		19.8	21.2	23.7
Goodwill		128.7	148.9	133.5
Intangible assets		19.1	21.5	21.7
Investments in associates and joint ventures		11.1	8.6	10.9
Deferred income tax assets		25.7	10.4	22.4
Available-for-sale investments		13.9	18.8	16.2
Financial assets at fair value through profit or loss		–	1.5	–
		<b>218.3</b>	<b>230.9</b>	<b>228.4</b>
<b>Current assets</b>				
Work in progress		3.8	3.3	2.8
Trade and other receivables		140.3	179.1	164.5
Derivative financial instruments		0.3	0.5	2.6
Cash and cash equivalents		36.5	46.3	75.3
		<b>180.9</b>	<b>229.2</b>	<b>245.2</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Borrowings	12	25.4	36.9	13.2
Derivative financial instruments		0.3	–	–
Trade and other payables		106.4	124.9	167.2
Current income tax liabilities		–	3.5	2.4
Employee benefit obligations	11	4.7	4.3	3.5
Provisions for other liabilities and charges		4.6	2.0	7.3
		<b>141.4</b>	<b>171.6</b>	<b>193.6</b>
<b>Net current assets</b>		<b>39.5</b>	<b>57.6</b>	<b>51.6</b>
<b>Total assets less current liabilities</b>		<b>257.8</b>	<b>288.5</b>	<b>280.0</b>

	Notes	30 June 2009 £m	30 June 2008 £m	31 December 2008 £m
<b>Non-current liabilities</b>				
Borrowings	12	11.5	15.3	16.4
Derivative financial instruments		0.9	0.3	1.2
Trade and other payables		11.6	13.0	14.9
Retirement and employee benefit obligations	11	44.3	18.4	29.8
Provisions for other liabilities and charges		2.2	2.3	1.2
Deferred income tax liabilities		4.2	1.1	5.5
		<b>74.7</b>	50.4	69.0
<b>Net assets</b>		<b>183.1</b>	238.1	211.0
<b>Equity</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital		3.3	3.3	3.3
Share premium		83.0	83.7	83.0
Other reserves		15.2	8.0	29.5
Retained earnings		81.4	139.2	92.8
		<b>182.9</b>	234.2	208.6
<b>Minority interest</b>		<b>0.2</b>	3.9	2.4
<b>Total equity</b>		<b>183.1</b>	238.1	211.0

## Consolidated Statement of Cash Flows (unaudited) for the period ended 30 June 2009

	Notes	30 June 2009 £m	30 June 2008 £m	31 December 2008 £m
<b>Cash flows from operating activities</b>				
Cash (used in)/generated from operations	9	(24.9)	(52.7)	14.1
Interest received		1.3	2.9	4.8
Interest paid		(1.3)	(1.3)	(3.4)
Income tax paid		(5.3)	(13.0)	(21.0)
<b>Net cash used in operating activities</b>		<b>(30.2)</b>	<b>(64.1)</b>	<b>(5.5)</b>
<b>Cash flows from investing activities</b>				
Cash disposed on sale of subsidiary, net of sale proceeds		–	–	(0.4)
Proceeds from sale of property, plant and equipment		–	0.1	0.2
Proceeds from sale of associates, joint ventures and available-for-sale investments		0.1	3.6	11.7
Dividends received		0.7	0.3	0.8
Net (loans to)/repayments from associates and joint ventures		(0.5)	2.0	2.0
Acquisition of subsidiaries, net of cash acquired	10	(4.1)	(5.3)	(10.1)
Purchase of property, plant and equipment		(1.3)	(2.6)	(8.5)
Purchase of intangible assets		(0.5)	(0.6)	(1.3)
Purchase of investment in associates, joint ventures and available-for-sale investments		–	(0.5)	(3.5)
<b>Net cash used in investing activities</b>		<b>(5.6)</b>	<b>(3.0)</b>	<b>(9.1)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	12	17.3	25.0	25.0
Purchase of own shares for Employee Benefit Trust		(2.1)	–	–
Repayments of borrowings	12	(9.5)	(7.7)	(35.9)
Dividends paid		(4.6)	(17.0)	(25.1)
<b>Net cash generated from/(used in) financing activities</b>		<b>1.1</b>	<b>0.3</b>	<b>(36.0)</b>
<b>Net decrease in cash, cash equivalents and bank overdrafts</b>		<b>(34.7)</b>	<b>(66.8)</b>	<b>(50.6)</b>
Cash, cash equivalents and bank overdrafts at beginning of the period		75.3	110.4	110.4
Effect of exchange rate fluctuations on cash held		(6.5)	1.6	15.5
<b>Cash, cash equivalents and bank overdrafts at end of the period</b>		<b>34.1</b>	<b>45.2</b>	<b>75.3</b>

## Consolidated Statement of Comprehensive Income (unaudited) for the period ended 30 June 2009

	Six months to 30 June 2009 £m	Six months to 30 June 2008 £m	Year ended 31 December 2008 £m
Profit/(loss) for the period	1.0	28.5	(12.3)
<b>Other comprehensive income</b>			
Fair value loss on available-for-sale investments, net of tax	(0.4)	(0.9)	(0.5)
Actuarial loss on defined benefit pension scheme	(14.7)	(5.0)	(16.3)
Tax on items directly taken to reserves	4.3	(1.0)	4.3
Currency translation differences	(14.7)	4.7	27.0
<b>Other comprehensive income for the period, net of tax</b>	<b>(25.5)</b>	<b>(2.2)</b>	<b>14.5</b>
<b>Total comprehensive income for the period</b>	<b>(24.5)</b>	<b>26.3</b>	<b>2.2</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	(24.2)	26.1	2.8
Minority interest	(0.3)	0.2	(0.6)
	<b>(24.5)</b>	<b>26.3</b>	<b>2.2</b>

## Consolidated Statement of Changes in Equity (unaudited) for the period ended 30 June 2009

	Attributable to owners of the Group					Total equity £m
	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Minority interest £m	
<b>Balance at 1 January 2009</b>	<b>3.3</b>	<b>83.0</b>	<b>29.5</b>	<b>92.8</b>	<b>2.4</b>	<b>211.0</b>
Loss for the period	–	–	–	0.9	0.1	1.0
Other comprehensive income:						
Fair value loss on available-for-sale investments, net of tax	–	–	(0.4)	–	–	(0.4)
Actuarial loss on defined benefit pension scheme	–	–	–	(14.7)	–	(14.7)
Tax on items directly taken to reserves	–	–	0.4	3.9	–	4.3
Currency translation differences	–	–	(14.3)	–	(0.4)	(14.7)
Total comprehensive income for the period	–	–	(14.3)	(9.9)	(0.3)	(24.5)
Transactions with owners:						
Employee share option scheme:						
– Value of services provided	–	–	–	4.2	–	4.2
Purchase of treasury shares	–	–	–	(2.1)	–	(2.1)
Dividends	–	–	–	(3.6)	(1.0)	(4.6)
Acquisitions	–	–	–	–	(0.9)	(0.9)
<b>Balance at 30 June 2009</b>	<b>3.3</b>	<b>83.0</b>	<b>15.2</b>	<b>81.4</b>	<b>0.2</b>	<b>183.1</b>

	Attributable to owners of the Group					Total equity £m
	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Minority interest £m	
<b>Balance at 1 January 2008</b>	<b>3.3</b>	<b>83.0</b>	<b>3.9</b>	<b>127.5</b>	<b>5.9</b>	<b>223.6</b>
Profit for the period	–	–	–	28.1	0.4	<b>28.5</b>
Other comprehensive income:						
Fair value loss on available-for-sale investments, net of tax	–	–	(0.9)	–	–	<b>(0.9)</b>
Actuarial loss on defined benefit pension scheme	–	–	–	(5.0)	–	<b>(5.0)</b>
Tax on items directly taken to reserves	–	–	0.3	(1.3)	–	<b>(1.0)</b>
Currency translation differences	–	–	4.9	–	(0.2)	<b>4.7</b>
Total comprehensive income for the period	–	–	4.3	21.8	0.2	<b>26.3</b>
Transactions with owners:						
Employee share option scheme:						
– Value of services provided	–	–	–	5.2	–	<b>5.2</b>
– Exercise options	–	0.7	–	(0.7)	–	<b>–</b>
Dividends	–	–	–	(14.6)	(2.4)	<b>(17.0)</b>
Disposals (net of tax)	–	–	(0.2)	–	–	<b>(0.2)</b>
Acquisitions	–	–	–	–	0.2	<b>0.2</b>
<b>Balance at 30 June 2008</b>	<b>3.3</b>	<b>83.7</b>	<b>8.0</b>	<b>139.2</b>	<b>3.9</b>	<b>238.1</b>

	Attributable to owners of the Group					Total equity £m
	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Minority interest £m	
<b>Balance at 1 January 2008</b>	<b>3.3</b>	<b>83.0</b>	<b>3.9</b>	<b>127.5</b>	<b>5.9</b>	<b>223.6</b>
Loss for the period	–	–	–	(11.3)	(1.0)	<b>(12.3)</b>
Other comprehensive income:						
Fair value loss on available-for-sale investments, net of tax	–	–	(0.5)	–	–	<b>(0.5)</b>
Actuarial loss on defined benefit pension scheme	–	–	–	(16.3)	–	<b>(16.3)</b>
Tax on items directly taken to reserves	–	–	(0.6)	4.9	–	<b>4.3</b>
Currency translation differences	–	–	26.6	–	0.4	<b>27.0</b>
Total comprehensive income for the period	–	–	25.5	(22.7)	(0.6)	<b>2.2</b>
Transactions with owners:						
Employee share option scheme:						
– Value of services provided	–	–	–	10.0	–	<b>10.0</b>
Dividends	–	–	–	(22.0)	(3.1)	<b>(25.1)</b>
Disposals (net of tax)	–	–	0.1	–	–	<b>0.1</b>
Acquisitions	–	–	–	–	0.2	<b>0.2</b>
<b>Balance at 31 December 2008</b>	<b>3.3</b>	<b>83.0</b>	<b>29.5</b>	<b>92.8</b>	<b>2.4</b>	<b>211.0</b>

# Notes to the Condensed Consolidated Interim Financial Information

## 1. General information

The Company is a public limited company incorporated and domiciled in England and Wales. The address of its registered office is 20 Grosvenor Hill, Berkeley Square, London W1K 3HQ.

This condensed consolidated interim financial information was approved for issue by the Board of Directors on 26 August 2009.

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2008 were approved by the Board of Directors on 10 March 2009 and delivered to the Registrar of Companies. The auditors' report on these accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement under Section 237 of the Companies Act 1985.

This condensed consolidated interim financial information has been reviewed, not audited.

## 2. Basis of preparation

This condensed consolidated interim financial information for the half-year ended 30 June 2009 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, 'Interim financial reporting' as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with IFRSs as adopted by the European Union.

## 3. Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in those financial statements.

The following new standards, amendments and interpretations are mandatory for the first time for the financial year beginning 1 January 2009:

– IAS 1 (Revised), 'Presentation of financial statements'. Prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements, an income statement and statement of comprehensive income, under the revised disclosure requirements.

– IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14 'Segment reporting'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in no changes to segmental reporting as segment information is presented in a similar manner for management reporting.

– IFRS 2 (Amendment), 'Share-based payment'. The amendment clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group has changed the accounting for the Sharesave Schemes with regards to cancellations and withdrawals. The effect is not material.



**4. Segment analysis continued**

Six months to 30 June 2008	Trans- actional Advice £m	Consult- ancy £m	Property Management £m	Fund Management £m	Financial Services £m	Unallo- cated £m	Total £m
<b>Revenue</b>							
United Kingdom							
– Commercial	20.9	35.2	19.9	10.3	0.7	0.2	87.2
– Residential	38.3	14.9	6.5	–	9.7	–	69.4
	59.2	50.1	26.4	10.3	10.4	0.2	156.6
Rest of Europe	14.6	5.3	10.8	–	–	–	30.7
Asia Pacific	30.0	9.5	49.8	–	–	–	89.3
America	1.5	–	–	–	–	–	1.5
<b>Total revenue</b>	<b>105.3</b>	<b>64.9</b>	<b>87.0</b>	<b>10.3</b>	<b>10.4</b>	<b>0.2</b>	<b>278.1</b>
<b>Operating profit</b>							
United Kingdom							
– Commercial	0.7	21.6	1.6	2.5	(0.1)	(1.9)	24.4
– Residential	2.4	2.8	0.6	–	0.5	–	6.3
	3.1	24.4	2.2	2.5	0.4	(1.9)	30.7
Rest of Europe	(4.6)	0.6	(0.6)	–	–	–	(4.6)
Asia Pacific	3.4	1.0	3.0	–	–	–	7.4
America	(1.0)	–	–	–	–	–	(1.0)
<b>Operating profit/(loss)</b>	<b>0.9</b>	<b>26.0</b>	<b>4.6</b>	<b>2.5</b>	<b>0.4</b>	<b>(1.9)</b>	<b>32.5</b>
Net finance income							1.3
Share of post tax profit/(loss) from associates and joint ventures	0.6	(1.1)	0.3	(0.2)	–	–	(0.4)
<b>Profit before income tax</b>							<b>33.4</b>
Income tax expense							(4.9)
<b>Profit after income tax</b>							<b>28.5</b>

The 2008 UK Commercial consultancy segment includes the profit on disposal of £16.9m generated by the sale of the Infinergy wind farm business (See Note 10).

**4. Segment analysis continued**

Year to 31 December 2008	Trans- actional Advice £m	Consult- ancy £m	Property Management £m	Fund Management £m	Financial Services £m	Unallo- cated £m	Total £m
<b>Revenue</b>							
United Kingdom							
– Commercial	51.9	76.9	45.5	19.5	1.6	–	195.4
– Residential	64.2	24.0	14.7	–	15.8	–	118.7
	116.1	100.9	60.2	19.5	17.4	–	314.1
Rest of Europe	34.2	11.5	21.9	–	–	–	67.6
Asia Pacific	56.2	19.4	109.3	–	–	–	184.9
America	1.9	–	–	–	–	–	1.9
<b>Total revenue</b>	<b>208.4</b>	<b>131.8</b>	<b>191.4</b>	<b>19.5</b>	<b>17.4</b>	<b>–</b>	<b>568.5</b>
<b>Operating (loss)/profit</b>							
United Kingdom							
– Commercial	7.1	11.4	4.5	3.9	(0.1)	(9.1)	17.7
– Residential	(9.0)	20.2	1.5	–	(2.5)	(1.9)	8.3
	(1.9)	31.6	6.0	3.9	(2.6)	(11.0)	26.0
Rest of Europe	(22.2)	(0.6)	(4.4)	–	–	(4.9)	(32.1)
Asia Pacific	1.8	2.0	3.5	–	–	–	7.3
America	(11.9)	–	–	–	–	–	(11.9)
<b>Operating (loss)/profit</b>	<b>(34.2)</b>	<b>33.0</b>	<b>5.1</b>	<b>3.9</b>	<b>(2.6)</b>	<b>(15.9)</b>	<b>(10.7)</b>
Net finance income							2.5
Share of post tax profit/(loss) from associates and joint ventures	1.0	(1.1)	0.9	(0.3)	–	–	0.5
<b>Loss before income tax</b>							<b>(7.7)</b>
Income tax expense							(4.6)
<b>Loss after income tax</b>							<b>(12.3)</b>

The unallocated segment includes holding company costs, Group bonuses and other expenses not directly attributable to the operating activities of the Group's business segments.

For the purpose of the segmental information above, and to assist in the comparison of segmental information, the cost arising from the amortisation of the share-based payment charge, as discussed in more detail in Note 7, is retained within the unallocated segment.

**5. Income tax credit/(expense)**

	<b>Six months to 30 June 2009 £m</b>	Six months to 30 June 2008 £m	Year ended 31 December 2008 £m
United Kingdom income tax			
– Current	<b>(1.0)</b>	(5.0)	(8.7)
– Deferred	<b>1.8</b>	0.6	3.2
Foreign income tax			
– Current	<b>0.1</b>	(0.9)	(2.7)
– Deferred	<b>–</b>	0.4	3.6
	<b>0.9</b>	(4.9)	(4.6)

The UK standard rate of corporation tax is 28% (2008 – 28.5%). The Group underlying effective rate of 32% (2008 – underlying 34.4%) is higher than the 2009 standard UK corporation tax rate. There was an increase in tax due to international losses being considered unavailable for tax relief but these were partly offset by the tax credit arising on the share-based payment charge resulting from the increase in share price since the year ended 31 December 2008.

**6. Dividends**

	<b>Six months to 30 June 2009 £m</b>	Six months to 30 June 2008 £m	Year ended 31 December 2008 £m
Amounts recognised as distribution to equity holders:			
Interim dividend of 6.0p per share	<b>–</b>	–	7.3
Ordinary final dividend of 3.0p per share (2008 – 12.0p)	<b>3.7</b>	14.6	14.7
	<b>3.7</b>	14.6	22.0
Proposed interim dividend for the six months ended 30 June 2009	<b>3.7</b>		

The Directors have recommended an interim dividend for the six months to 30 June 2009 of 3.0p per ordinary share (2008 – 6.0p). The interim dividend will be paid on 28 October 2009 to shareholders on the register as at 25 September 2009.

**7. Underlying results****(a) Underlying profit before tax**

	Six months to 30 June 2009 £m	Six months to 30 June 2008 £m	Year ended 31 December 2008 £m
Reported profit before exceptional items and income tax	<b>0.1</b>	33.4	26.2
<b>Adjustments:</b>			
Amortisation of intangibles (excluding software) and impairment of goodwill and available-for-sale investments	<b>1.4</b>	1.9	4.2
Share-based payment adjustment	<b>1.0</b>	0.9	3.3
Sale of associate, joint ventures and available-for-sale investments	<b>–</b>	(17.0)	(0.5)
Underlying profit before tax	<b>2.5</b>	19.2	33.2

The Directors regard the above adjustments necessary to give a fair picture of the underlying results of the Group for the period. The adjustment for share-based payment relates to the impact of the accounting standard for share-based compensation.

The annual bonus is paid in a combination of cash and deferred shares and the proportions can vary from one year to another. Under IFRS the deferred share element is amortised to the income statement over the vesting period whilst the cash element is expensed in the year. The adjustment is the difference between the IFRS 2 charge for the schemes that form part of the bonus pool and the value of the annual share award.

**(b) Underlying segmental analysis**

Six months to 30 June 2009	Trans- actional Advice £m	Consult- ancy £m	Property Management £m	Fund Management £m	Financial Services £m	Unallo- cated £m	Total £m
United Kingdom							
– Commercial	<b>0.2</b>	<b>2.0</b>	<b>2.3</b>	<b>1.6</b>	<b>(0.8)</b>	<b>(0.2)</b>	<b>5.1</b>
– Residential	<b>3.1</b>	<b>1.0</b>	<b>0.8</b>	<b>–</b>	<b>(1.3)</b>	<b>–</b>	<b>3.6</b>
	<b>3.3</b>	<b>3.0</b>	<b>3.1</b>	<b>1.6</b>	<b>(2.1)</b>	<b>(0.2)</b>	<b>8.7</b>
Rest of Europe	<b>(8.0)</b>	<b>(0.4)</b>	<b>(0.2)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(8.6)</b>
Asia Pacific	<b>(1.6)</b>	<b>1.0</b>	<b>4.3</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3.7</b>
America	<b>(1.3)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1.3)</b>
Underlying profit/(loss) before tax	<b>(7.6)</b>	<b>3.6</b>	<b>7.2</b>	<b>1.6</b>	<b>(2.1)</b>	<b>(0.2)</b>	<b>2.5</b>

**7. Underlying results continued****(b) Underlying segmental and analysis**

	Trans- actional Advice £m	Consult- ancy £m	Property Management £m	Fund Management £m	Financial Services £m	Unallo- cated £m	Total £m
<b>Six months to 30 June 2008</b>							
United Kingdom							
– Commercial	1.4	3.5	1.6	2.2	(0.1)	0.4	9.0
– Residential	2.3	2.8	1.0	–	0.8	(0.1)	6.8
	3.7	6.3	2.6	2.2	0.7	0.3	15.8
Rest of Europe	(4.4)	0.4	(0.5)	–	–	–	(4.5)
Asia Pacific	4.0	1.1	3.6	–	–	–	8.7
America	(0.8)	–	–	–	–	–	(0.8)
Underlying profit before tax	2.5	7.8	5.7	2.2	0.7	0.3	19.2

The UK Commercial consultancy segment includes the Group's share of losses of £1.1m generated by the Infinergy wind farm business which was disposed of in June 2008.

	Trans- actional Advice £m	Consult- ancy £m	Property Management £m	Fund Management £m	Financial Services £m	Unallo- cated £m	Total £m
<b>Year to 31 December 2008</b>							
United Kingdom							
– Commercial	7.8	10.3	4.6	3.6	(0.1)	(3.1)	23.1
– Residential	2.8	3.2	2.4	–	(0.9)	–	7.5
	10.6	13.5	7.0	3.6	(1.0)	(3.1)	30.6
Rest of Europe	(7.8)	0.8	(1.2)	–	–	–	(8.2)
Asia Pacific	4.3	2.0	8.4	–	–	–	14.7
America	(3.9)	–	–	–	–	–	(3.9)
Underlying profit/(loss) before tax	3.2	16.3	14.2	3.6	(1.0)	(3.1)	33.2

**8. Basic and diluted earnings per share****(a) Basic and diluted earnings per share**

	Earnings 2009 £m	Shares 2009 m	EPS 2009 Pence	Earnings 2008 £m	Shares 2008 m	EPS 2008 Pence
<b>Six months to 30 June</b>						
Basic earnings per share	0.9	122.5	0.7	28.1	121.3	23.2
Effect of additional shares issuable under option	–	4.2	–	–	2.9	(0.6)
Diluted earnings per share	0.9	126.7	0.7	28.1	124.2	22.6
				Earnings 2008 £m	Shares 2008 m	EPS 2008 Pence
<b>Year to 31 December</b>						
Basic earnings per share				(11.3)	121.7	(9.3)
Effect of additional shares issuable under option				–	3.7	–
Diluted earnings per share				(11.3)	125.4	(9.3)

**(b) Underlying basic earnings per share**

	Earnings 2009 £m	Shares 2009 m	EPS 2009 Pence	Earnings 2008 £m	Shares 2008 m	EPS 2008 Pence
<b>Six months to 30 June</b>						
Basic earnings per share	0.9	122.5	0.7	28.1	121.3	23.2
– Amortisation of intangibles (excluding software) and impairment of goodwill and available-for-sale investments after tax	1.0	–	0.8	1.7	–	1.4
– Share-based payment adjustment after tax	0.7	–	0.6	0.6	–	0.5
– Profit on sale of subsidiary, associate, joint venture and available-for-sale investments after tax	(1.0)	–	(0.8)	(18.3)	–	(15.1)
Underlying basic earnings per share	1.6	122.5	1.3	12.1	121.3	10.0
Effect of shares issuable under option	–	4.2	–	–	2.9	(0.3)
Underlying diluted earnings per share	1.6	126.7	1.3	12.1	124.2	9.7

**8. Basic and diluted earnings per share continued****(b) Underlying basic earnings per share**

Year to 31 December	Earnings 2008 £m	Shares 2008 m	EPS 2008 Pence
Basic earnings per share	(11.3)	121.7	(9.3)
Exceptional items after tax	29.5	–	24.3
Basic earnings before exceptionals	18.2	121.7	15.0
Amortisation of intangibles (excluding software) and impairment of goodwill and available-for-sale investments after tax	3.0	–	2.5
Share-based payment adjustment after tax	2.4	–	2.0
Profit on disposal of associate, joint venture and available-for-sale investments after tax	(1.6)	–	(1.4)
Adjusted underlying basic earnings per share	22.0	121.7	18.1
Effect of shares issuable under option	–	3.7	(0.6)
Underlying diluted earnings per share	22.0	125.4	17.5

**9. Cash generated from operations**

	Six months to 30 June 2009 £m	Six months to 30 June 2008 £m	Year ended 31 December 2008 £m
Profit/(loss) for the period	<b>1.0</b>	28.5	(12.3)
Adjustments for:			
Income tax (credit)/expense (Note 5)	<b>(0.9)</b>	4.9	4.6
Depreciation	<b>3.6</b>	3.4	7.2
Amortisation of intangibles	<b>1.8</b>	2.3	5.0
Impairment of assets	<b>–</b>	–	37.0
Other exceptional items	<b>–</b>	–	13.8
Net finance costs/(income)	<b>0.1</b>	(1.3)	(2.5)
Share of post tax (profit)/loss from associates and joint ventures	<b>(0.7)</b>	0.4	(0.5)
Loss on sale of property, plant and equipment	<b>0.4</b>	0.1	0.3
Profit on disposal of associate, joint ventures and available-for-sale investments	<b>–</b>	(17.3)	(17.4)
Exchange movement on operating activities	<b>0.9</b>	–	0.6
(Decrease)/increase in provisions	<b>(1.5)</b>	(0.1)	0.9
Increase/(decrease) in employee and retirement obligations	<b>1.7</b>	0.9	(1.5)
Charge for share-based compensation	<b>4.2</b>	5.2	10.0
Operating cash flows before movements in working capital	<b>10.6</b>	27.0	45.2
(Increase)/decrease in work in progress	<b>(1.0)</b>	(0.1)	0.3
Decrease in current trade and other receivables	<b>14.9</b>	38.1	71.6
Decrease in current trade and other payables	<b>(49.4)</b>	(117.7)	(103.0)
Cash (used in)/generated from operations	<b>(24.9)</b>	(52.7)	14.1

## 10. Acquisitions and disposals

During the period, the Group exercised the call option agreed on acquisition of Savills Korea Asset Management (formerly KAA) and acquired the remaining 45% shareholding in this company. Cash consideration of £3.9m was paid and goodwill on acquisition of £2.5m has been provisionally determined.

No other material acquisitions or disposals were made during the period. There were no significant changes to the provisional goodwill that arose in the previous year on acquisitions.

On 12 June 2008, the Group disposed of its 50% stake in Infinergy Limited to its joint venture partner for proceeds of £23.0m. £13.0m was received in 2008 with £10.0m due in December 2009, which is underwritten by a bank guarantee. The sale realised an exceptional profit on disposal of £16.9m.

## 11. Retirement and employee benefit obligations

### Defined benefit plan

All pension assumptions are detailed in the 2008 Annual Report and Accounts. The following assumptions have changed at 30 June 2009 from 31 December 2008 and compared to 30 June 2008:

	Six months to 30 June 2009	Six months to 30 June 2008	Year ended 31 December 2008
Discount rate	6.00%	6.40%	6.30%
Inflation assumption	3.80%	4.10%	3.30%
Rate of increase to pensions in payment accrued between 6 April 1997 and 5 April 2005	3.70%	4.00%	3.30%
Rate of increase to pensions in payment accrued after 5 April 2005	2.40%	2.50%	2.40%
Rate of increase of deferred pensions accrued after 5 April 2001	3.80%	4.10%	3.30%

All other assumptions are those used in the disclosures contained within the 2008 Report and Accounts as at 31 December 2008.

The amounts recognised in the Statement of Financial Position are as follows:

	30 June 2009 £m	30 June 2008 £m	31 December 2008 £m
Fair value of plan assets	86.5	94.7	85.9
Present value of funded obligations	(125.9)	(108.9)	(110.5)
Deficit (included in retirement and employee benefit obligations in Statement of Financial Position)	(39.4)	(14.2)	(24.6)
Related deferred tax asset	11.0	4.0	7.0
Net liability	(28.4)	(10.2)	(17.6)

The changes in the present value of funded obligations and fair value of plan assets were mainly due to the decline in the market value of equities and property and the change in the discount rate.

Included in retirement and employee benefit obligations is £9.6m relating to holiday pay and long service leave (30 June 2008 – £8.5m, 31 December 2008 – £8.7m).

**12. Borrowings**

Movements in borrowings are analysed as follows:

	£m
Opening amount as at 1 July 2008	52.2
Additional borrowings	–
Repayments of borrowings	(28.2)
Exchange rate fluctuations	5.6
Opening amount as at 1 January 2009	<b>29.6</b>
Additional borrowings	<b>19.7</b>
Repayments of borrowings	<b>(9.5)</b>
Exchange rate fluctuations	<b>(2.9)</b>
Closing amount as at 30 June 2009	<b>36.9</b>

	30 June 2009 £m	30 June 2008 £m	31 December 2008 £m
<b>Current</b>			
Bank overdrafts due within one year or on demand	2.4	1.1	–
Unsecured bank loans due within one year or on demand	22.1	29.3	5.6
Loan notes	0.9	6.5	7.6
	<b>25.4</b>	36.9	13.2
<b>Non-current</b>			
Unsecured bank loans	10.9	13.0	15.3
Loan notes	0.6	2.3	1.1
	<b>11.5</b>	15.3	16.4

The Group has the following undrawn borrowing facilities:

	30 June 2009 £m	30 June 2008 £m	31 December 2008 £m
Floating rate			
– expiring within one year or on demand	17.7	41.1	22.2
– expiring between 2 and 5 years	62.9	–	80.0
	<b>80.6</b>	41.1	102.2

As at 30 June 2009, £17m was outstanding under the revolving credit facility. £7m of this amount was repaid on 29 July 2009.

### 13. Related party transactions

Marketing services were provided by Adventis plc, an associate company, to the Group at an arm's length value of £1.3m (2008 – £2.8m). An amount of £0.1m (2008 – £0.1m) was owed by the Group as at 30 June 2009.

As at 30 June 2009, loans outstanding to associates and joint ventures amounted to £3.2m (2008 – £2.1m).

### 14. Contingent liabilities

In common with comparable professional services businesses, the Group is involved in a number of disputes in the ordinary course of business. Provision is made in the financial statements for all claims where costs are likely to be incurred and represents the cost of defending and concluding claims. The Group carries professional indemnity insurance and no separate disclosure is made of the cost of claims covered by insurance as to do so could seriously prejudice the position of the Group.

### 15. Seasonality

A significant percentage of our revenue is seasonal which has historically caused our revenue, profits and cash flow from operating activities to be lower in the first half and higher in the second half of each year. The concentration of revenue and cash flow in the fourth quarter is due to an industry-wide focus on completing transactions toward the year-end.

## Statement of Directors' Responsibilities

The Directors confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed consolidated interim financial information and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

The Directors of Savills plc are listed in the Savills plc Report and Accounts for the year ended 31 December 2008. On 13 February 2009, Mark Dearsley resigned as Group Finance Director and on 16 March 2009, Simon Shaw was appointed to the Board as Group Chief Financial Officer. A list of current Directors is maintained on the Savills plc website: [www.savills.com](http://www.savills.com)

By order of the Board

**Jeremy Helsby**  
Group Chief Executive

**Simon Shaw**  
Group Chief Financial Officer

26 August 2009

## Forward-Looking Statements

The financial information contained in this announcement has not been audited. Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future results in forward-looking statements.

# Independent Review Report to Savills plc

## Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009, which comprises the consolidated income statement, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of comprehensive income, consolidated statement of changes in equity and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

## Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in Note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

## Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

**PricewaterhouseCoopers LLP**  
Chartered Accountants  
London

26 August 2009

## Notes

a) The maintenance and integrity of the Savills plc website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Shareholder Information

### Website

Visit our investor relations website [www.savills.com](http://www.savills.com), for full up-to-date investor relations information, including the latest share price, recent annual and half year reports, results presentations and financial news.

### Shareholder enquiries

For shareholder enquiries please contact our Registrars, Equiniti. For general enquiries contact 0871 384 2018 between 08.30 and 17.30 on each business day. For further administrative queries in respect of your shareholding please access our Registrars' website at [www.shareview.co.uk](http://www.shareview.co.uk)

### Electronic communications

If you would prefer to receive shareholder communications electronically in future, including your annual and half-yearly reports and notices of meetings, please visit our Registrars' website, [www.shareview.co.uk](http://www.shareview.co.uk) and follow the link to 'Sign up for paper-free communications'.

### Professional advisers and service providers

#### Solicitors

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Broadwalk House  
5 Appold Street  
London EC2A 2HA

#### Registrars

Equiniti  
Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6DA

#### Auditors

Pricewaterhouse  
Coopers LLP  
1 Embankment Place  
London WC2N 6RH

#### Stockbrokers

RBS Hoare Govett Limited  
250 Bishopsgate  
London EC2M 4AA

#### Principal Bankers

Barclays Bank Plc  
1 Churchill Place  
London E14 5HP



### Mixed Sources

Product group from well-managed forests and other controlled sources

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[www.fsc.org](http://www.fsc.org)

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