

Savills plc
Half Year Report 2010

savills



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Savills is a global real estate services provider listed on the London Stock Exchange. We have an international network of more than 200 offices and associates throughout the Americas, the UK, Continental Europe, Asia Pacific, Africa and the Middle East, offering a broad range of specialist advisory, management and transactional services to clients all over the world.

Our people combine entrepreneurial spirit and a deep understanding of specialist property sectors with the highest standards of client care.



Highlights

Key financial information

| | |
|---|---------|
| Group revenue (2009: £247.6m) | £304.4m |
| Group profit before tax (2009: £0.1m) | £14.4m |
| Underlying Group profit before tax* (2009: £2.5m) | £17.2m |
| Basic earnings per share (2009: 0.7p) | 7.9p |
| Underlying basic earnings per share (2009: 1.3p) | 9.6p |
| Interim dividend (2009: 3.0p) | 3.0p |
| Net cash (2009: £0.4m net debt) | £20.1m |

* After adjusting for certain share-based payments £1.4m (2009: £1.0m) and the amortisation of acquired intangible assets £1.4m (2009: £1.4m).

Operational highlights

- Strong first half performances in Asia Pacific and the UK.
- Restructuring achieves a 54% reduction in Continental European losses to £4.0m (H1 2009: £8.6m).
- Strong growth in Transaction Advisory revenues (up 57%), Consultancy (up 12%) and Property and Facilities Management (up 8%).
- Increased investment in the business with acquisitions in Fund Management, Project Management and the opening of further residential offices in London.

Business review

Overview

The Group's results for the six months to 30 June 2010 show revenue up 23% to £304.4m (H1 2009: £247.6m), and underlying and statutory profit before tax of £17.2m (H1 2009: £2.5m) and £14.4m (H1 2009: £0.1m) respectively. This reflects a significant recovery in a number of the transactional markets in which we operate, particularly compared with the weak market conditions in the same period last year. In addition, we have continued to develop and broaden our business during the period through both selective acquisitions and the recruitment of individuals and teams.

On 5 May 2010, we reported to the AGM that there had been some evidence of slowing activity in the UK markets in advance of the General Election, albeit in the context of a stronger than anticipated performance over the first quarter. In China, a significant contributor to our Asian business, there were signs that the Chinese government might look to take further action to stem rises in residential values. Further it was uncertain how any such action might affect the performance of Asian markets in the second half of 2010. Three months on, similar factors continue to inform our view of the risk that the first half's improvement in transaction activity in key markets may not continue throughout the coming months.

The highlights of the six months were: the continued strong performances of Asia Pacific transactional markets, particularly Hong Kong, which performed in excess of our expectations; the relative strength of the London residential market, which continued to perform well, albeit with some signs of slowdown emerging lately; the substantial reduction of losses in our Continental European businesses as a result of the management actions that have been taken over the last year; good performances from our Consultancy businesses in challenging conditions; and continued revenue growth in our Property and Facilities Management businesses. Our Fund Management and Financial Services businesses performed in line with our expectations in the period.

Business review

The following table comprises Group revenue and underlying profit by operating segment:

| | H1 2010 £m | H1 2009 £m | Change |
|------------------------------------|---------------|---------------|------------|
| Revenue | | | |
| Transaction Advice | 116.6 | 74.1 | 57% |
| Consultancy | 60.8 | 54.2 | 12% |
| Property and Facilities Management | 113.7 | 105.4 | 8% |
| Fund Management | 8.4 | 8.5 | (1%) |
| Financial Services | 4.9 | 5.4 | (9%) |
| Group revenue | 304.4 | 247.6 | 23% |

| | H1 2010 £m | H1 2009 £m | Change |
|-------------------------------------|---------------|---------------|-------------|
| Underlying profit before tax | | | |
| Transaction Advice | 9.4 | (7.6) | n/a |
| Consultancy | 4.0 | 3.6 | 11% |
| Property and Facilities Management | 7.1 | 7.2 | (1%) |
| Fund Management | 1.5 | 1.6 | (6%) |
| Financial Services | (0.9) | (2.1) | n/a |
| Unallocated | (3.9) | (0.2) | n/a |
| Group underlying profit* | 17.2 | 2.5 | 588% |

*A reconciliation between statutory and underlying profit before tax is set out in Note 5.

Transaction Advice

UK Commercial fee income increased by 38% to £19.2m (H1 2009: £13.9m) reflecting the stronger investment market, particularly in Central London. This was a continuation of the recovery experienced in the last quarter of 2009. Although the market has been driven by Central London, there has been an improved focus on well covenanted investment opportunities outside London. The availability of equity saw transactions recovering substantially from the lows of the second quarter of 2009. Debt markets also improved relative to the prior period, however the funding gap caused by the banks' lower levels of debt provision still remains a significant issue.

Commercial leasing markets generally remain vulnerable to the recessionary climate for occupiers; however the falling vacancy rate in the London office market led to an upward movement in rents towards the end of the period. Outside London, uncertainty over rental values, together with a lack of development finance, continues to affect the market for short lease or vacant assets. In general, we expect the second half of 2010 to continue in much the same vein as the second quarter.

In Continental Europe, transactional fee income increased by 17% to £12.2m (H1 2009: £10.4m). These markets tend to lag behind the UK in recovery terms. However, during the period macroeconomic threats moved from being an issue that had hitherto affected individual countries to become more of a generic risk of investing in the Eurozone. Against this backdrop, our European team has actively managed the business to deliver a creditable reduction in losses in line with our expectations.

Transactional fee income in Asia Pacific increased by 119% to £44.8m (H1 2009: £20.5m). This reflected the continuation of the strong investment markets throughout the period, particularly in Hong Kong, that prevailed in the second half of 2009. The Hong Kong and mainland Chinese markets showed greater strength through the second quarter than was anticipated given the Chinese government measures to prevent the residential markets overheating. This was primarily a result of continued strong economic performance across the region. In Hong Kong, a lack of short term supply, strong tenant and investor demand and significant increases in office rental values continued to underpin the commercial investment and leasing markets. It is clear now that Chinese government measures have started to take effect; for instance in May there was a significant month-on-month decline in residential investment activity in Beijing.

In the US, the market has seen some recovery but the continued lack of debt availability continues to affect investment markets. Savills New York has successfully completed a number of transactions and its pipeline is substantially better now than at the same time last year.

UK Residential fee income increased by 44% to £39.2m (H1 2009: £27.3m) reflecting a very strong first quarter followed by a slightly subdued market around the General Election and subsequent budget. In 2009 the London market was characterised by shortage of supply and increasing, primarily equity financed, demand. Since the second quarter there has been greater market equilibrium as higher levels of supply have provided buyers with more options and less urgency to transact quickly.

The profits of our Transaction Advisory business as a whole recovered strongly to reach £9.4m (H1 2009: £7.6m loss) driven primarily by the UK and Asia Pacific markets and the reduction in losses in Continental Europe.

Consultancy

Consultancy fee income increased in the period by 12% to £60.8m (H1 2009: £54.2m). There were strong performances from our less transaction-associated services, such as our UK Housing Consultancy business. The Development Consulting business improved in comparison to the very poor market conditions in 2009. In contrast, revenue from planning services fell in line with our expectations at this stage in the cycle.

Our Valuation practices performed well, although we continue to feel the effect of fee pressure and increases in related costs such as professional indemnity insurance. In Asia Pacific our Consultancy revenues rose by 20% in local currency in line with our aim to grow this business across the region.

Business review continued

Property Management

The Property and Facilities Management business increased revenues by 8% to £113.7m (H1 2009: £105.4m). This reflected continued strong performances in Asia Pacific, where square footage under management continued to grow strongly particularly in China and Vietnam, and also the UK where we have seen a number of contract wins in competitive markets. During the period we acquired Incoll, a project management business in Australia, and we also invested in the UK business attracting a number of teams. This recruitment activity had a negative impact on profitability in the short term, but will benefit the business in the future. Revenues in the European Property Management business declined slightly as we continued to reshape the business. Overall the Property and Facilities Management business represented 37% of Group revenue and continues to provide reliable earnings to the Group.

Fund Management

Fee income from Fund Management declined by 1% in the period to £8.4m (H1 2009: £8.5m). This primarily reflects the temporary effect of a reduction in transaction fees. Cordea's core funds have continued to perform well and having completed the restructuring of our Italian Opportunities funds, those funds are now focused once more on value enhancement. The UK Income and Growth fund, launched late last year, has completed a number of acquisitions and currently yields 6% to investors. During the period we acquired the 40% of Cordea Savills LLP that we did not already own and we now have an ownership structure that better facilitates the deployment of capital to develop the business, should appropriate opportunities arise. The marginal reduction in underlying profits in comparison with H1 2009 reflects the non-recurring transaction costs incurred by the LLP.

Financial Services

The reduction in fee income from Financial Services of 9% to £4.9m (H1 2009: £5.4m) primarily related to a reduction in advisory revenues relating to commercial debt transactions. UK mortgage and financial planning revenues were steady in the face of a mortgage market which remains subdued. As a result of management action, losses for the period were substantially reduced from the same period last year.

Earnings, financial strength and dividends

The increase in profit before tax during the period was achieved through the recovery of transaction advisory profits reflecting the positive effect of the operational gearing in those businesses. As a result the Group's underlying pre-tax profit margin increased to 5.7% from 1.0% in the first half of 2009. Basic earnings per share for the six months to 30 June 2010 were 7.9p (2009: 0.7p). Underlying earnings per share were 9.6p (2009: 1.3p).

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 the same as reported at £17.2m; however revenue and operating costs would each have been lower by £2.7m.

At 30 June 2010, the Savills balance sheet remained sound with net cash of £20.1m (30 June 2009: net debt £0.4m) and a £60m credit facility of which £43m was un-utilised.

The Group's overall performance was better than we anticipated, however, in the face of market uncertainty over the continuation of the recovery in the coming period, the Board has declared an unchanged interim dividend at 3.0p per share (2009: 3.0p) which will be payable on 25 October 2010 to shareholders on the register on 24 September 2010.

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 2009. Please refer to pages 24 and 25 in our Annual Report and Accounts 2009 or to our investors' page on www.savills.com.

Board changes

In accordance with the intention stated in our Annual Report and Accounts 2009, Fields Wicker-Miurin retired from the Board on 5 May 2010 at the conclusion of the AGM. We thank her for her contribution and support over the last eight years, latterly in the role of Chairman of the Audit Committee. Martin Angle has assumed the Chairmanship of the Audit Committee.

Summary and outlook

We have had a strong first half particularly through the recovery of transaction markets in the UK and Asia Pacific, which are core to the Group's success. At the same time we have substantially reduced losses in the Continental European business and are seeing some improvement in the US market.

Looking to the second half, factors such as the Chinese government's desire to contain overheating in the residential market, continued concerns over economic growth in many countries and prolonged low levels of debt availability indicate that the recovery is likely to flatten off during the coming months. Since Q4 2009 we have consistently maintained a cautious outlook for the second half of 2010 and, with such uncertainties remaining, we currently have no reason to change that view.

Over the last two years we have successfully restructured and repositioned Savills businesses to address the market conditions that they face, and we are now well placed to take advantage of business opportunities as they arise.



Jeremy Helsby
Group Chief Executive



Peter Smith
Chairman

Consolidated income statement (unaudited)

for the period ended 30 June 2010

| | Notes | Six months to 30 June 2010 £m | Six months to 30 June 2009 £m | Year ended 31 December 2009 £m |
|--|-------|--|--|---|
| Revenue | 4 | 304.4 | 247.6 | 560.7 |
| Less: | | | | |
| Employee benefits expense | | (196.0) | (158.9) | (357.2) |
| Depreciation | | (3.3) | (3.6) | (7.0) |
| Amortisation and impairment of intangible assets | | (1.9) | (1.8) | (7.9) |
| Other operating expenses | | (89.4) | (83.9) | (177.9) |
| Other operating income | | – | 0.1 | 0.2 |
| Operating profit/(loss) | | 13.8 | (0.5) | 10.9 |
| Finance income | | 0.4 | 1.3 | 2.3 |
| Finance costs | | (1.0) | (1.4) | (2.3) |
| | | (0.6) | (0.1) | – |
| Share of post-tax profit from associates and joint ventures | | 1.2 | 0.7 | 2.6 |
| Profit before income tax | | 14.4 | 0.1 | 13.5 |
| Income tax (expense)/credit | 6 | (4.7) | 0.9 | (4.3) |
| Profit after income tax | | 9.7 | 1.0 | 9.2 |
| Attributable to: | | | | |
| Equity shareholders of the Company | | 9.7 | 0.9 | 8.9 |
| Non-controlling interests | | – | 0.1 | 0.3 |
| | | 9.7 | 1.0 | 9.2 |
| Earnings per share | | | | |
| Basic earnings per share | 8(a) | 7.9p | 0.7p | 7.3p |
| Diluted earnings per share | 8(a) | 7.6p | 0.7p | 6.9p |
| Underlying earnings per share | | | | |
| Basic earnings per share | 8(b) | 9.6p | 1.3p | 14.5p |
| Diluted earnings per share | 8(b) | 9.2p | 1.3p | 13.8p |

Consolidated statement of comprehensive income (unaudited) for the period ended 30 June 2010

| | Six months to 30 June 2010 £m | Six months to 30 June 2009 £m | Year ended 31 December 2009 £m |
|--|--|--|---|
| Profit for the period | 9.7 | 1.0 | 9.2 |
| Other comprehensive income | | | |
| Fair value loss on available-for-sale investments | (0.4) | (0.4) | (0.8) |
| Actuarial loss on defined benefit pension scheme | (2.0) | (14.7) | (12.8) |
| Tax on items directly taken to reserves | 0.8 | 4.3 | 5.2 |
| Currency translation differences | (0.4) | (14.7) | (9.8) |
| Other comprehensive loss for the period, net of tax | (2.0) | (25.5) | (18.2) |
| Total comprehensive income/(loss) for the period | 7.7 | (24.5) | (9.0) |
| Total comprehensive income/(loss) attributable to: | | | |
| Owners of the Company | 7.8 | (24.2) | (9.1) |
| Non-controlling interests | (0.1) | (0.3) | 0.1 |
| | 7.7 | (24.5) | (9.0) |

Consolidated statement of financial position (unaudited) at 30 June 2010

| | Notes | 30 June 2010 £m | 30 June 2009 £m | 31 December 2009 £m |
|--|-------|-----------------------|-----------------------|---------------------------|
| Assets: Non-current assets | | | | |
| Property, plant and equipment | | 17.5 | 19.8 | 18.3 |
| Goodwill | | 134.0 | 128.7 | 128.3 |
| Intangible assets | | 20.7 | 19.1 | 20.6 |
| Investments in associates and joint ventures | | 13.1 | 11.1 | 12.6 |
| Deferred income tax assets | | 26.1 | 25.7 | 27.4 |
| Available-for-sale investments | | 13.4 | 13.9 | 14.0 |
| | | 224.8 | 218.3 | 221.2 |
| Assets: Current assets | | | | |
| Work in progress | | 3.4 | 3.8 | 2.9 |
| Trade and other receivables | | 153.3 | 140.3 | 145.4 |
| Derivative financial instruments | | 0.2 | 0.3 | 0.1 |
| Cash and cash equivalents | | 50.6 | 36.5 | 81.6 |
| | | 207.5 | 180.9 | 230.0 |
| Liabilities: Current liabilities | | | | |
| Borrowings | 12 | 23.2 | 25.4 | 6.3 |
| Derivative financial instruments | | 0.1 | 0.3 | – |
| Trade and other payables | | 137.7 | 106.4 | 165.0 |
| Current income tax liabilities | | 3.0 | – | 2.5 |
| Employee benefit obligations | | 5.0 | 4.7 | 3.1 |
| Provisions for other liabilities and charges | | 6.4 | 4.6 | 5.2 |
| | | 175.4 | 141.4 | 182.1 |
| Net current assets | | 32.1 | 39.5 | 47.9 |
| Total assets less current liabilities | | 256.9 | 257.8 | 269.1 |

| | Notes | 30 June 2010 £m | 30 June 2009 £m | 31 December 2009 £m |
|---|-------|-----------------------|-----------------------|---------------------------|
| Liabilities: Non-current liabilities | | | | |
| Borrowings | 12 | 7.3 | 11.5 | 9.0 |
| Derivative financial instruments | | 0.6 | 0.9 | 0.7 |
| Trade and other payables | | 16.0 | 11.6 | 11.1 |
| Retirement and employee benefit obligations | | 43.7 | 44.3 | 42.6 |
| Provisions for other liabilities and charges | | 6.5 | 2.2 | 4.4 |
| Deferred income tax liabilities | | 3.3 | 4.2 | 3.6 |
| | | 77.4 | 74.7 | 71.4 |
| Net assets | | | | |
| | | 179.5 | 183.1 | 197.7 |
| Equity: Capital and reserves attributable to equity holders of the Company | | | | |
| Share capital | | 3.3 | 3.3 | 3.3 |
| Share premium | | 83.0 | 83.0 | 83.0 |
| Other reserves | | 19.4 | 15.2 | 19.6 |
| Retained earnings | | 74.9 | 81.4 | 91.2 |
| | | 180.6 | 182.9 | 197.1 |
| Non-controlling interests | | | | |
| | | (1.1) | 0.2 | 0.6 |
| Total equity | | | | |
| | | 179.5 | 183.1 | 197.7 |

Consolidated statement of changes in equity (unaudited) for the period ended 30 June 2010

| | Attributable to owners of the Group | | | | | Total equity £m |
|---|-------------------------------------|---------------------|----------------------|-------------------------|---------------------------------|--------------------|
| | Share capital £m | Share premium £m | Other reserves £m | Retained earnings £m | Non-controlling interests £m | |
| Balance at 1 January 2010 | 3.3 | 83.0 | 19.6 | 91.2 | 0.6 | 197.7 |
| Profit for the period | – | – | – | 9.7 | – | 9.7 |
| Other comprehensive income: | | | | | | |
| Fair value loss on available-for-sale investments | – | – | (0.4) | – | – | (0.4) |
| Actuarial loss on defined benefit pension scheme | – | – | – | (2.0) | – | (2.0) |
| Tax on items directly taken to reserves | – | – | 0.4 | 0.4 | – | 0.8 |
| Currency translation differences | – | – | (0.3) | – | (0.1) | (0.4) |
| Total comprehensive income/(loss) for the period | – | – | (0.3) | 8.1 | (0.1) | 7.7 |
| Transactions with owners: | | | | | | |
| Employee share option scheme: | | | | | | |
| – Value of services provided | – | – | – | 4.8 | – | 4.8 |
| Purchase of treasury shares | – | – | – | (9.7) | – | (9.7) |
| Dividends | – | – | – | (7.4) | (0.7) | (8.1) |
| Acquisitions | – | – | 0.1 | (12.1) | (0.9) | (12.9) |
| Balance at 30 June 2010 | 3.3 | 83.0 | 19.4 | 74.9 | (1.1) | 179.5 |

Attributable to owners of the Group

| | Share capital £m | Share premium £m | Other reserves £m | Retained earnings £m | Non-controlling interests £m | Total equity £m |
|---|---------------------|---------------------|----------------------|-------------------------|---------------------------------|--------------------|
| Balance at 1 January 2009 | 3.3 | 83.0 | 29.5 | 92.8 | 2.4 | 211.0 |
| Profit for the period | – | – | – | 0.9 | 0.1 | 1.0 |
| Other comprehensive income: | | | | | | |
| Fair value loss on available-for-sale investments | – | – | (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/(loss) 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) |
| Balance at 30 June 2009 | 3.3 | 83.0 | 15.2 | 81.4 | 0.2 | 183.1 |

Consolidated statement of changes in equity (unaudited) for the period ended 30 June 2010 continued

Attributable to owners of the Group

| | Share capital £m | Share premium £m | Other reserves £m | Retained earnings £m | Non-controlling interests £m | Total equity £m |
|---|---------------------|---------------------|----------------------|-------------------------|---------------------------------|--------------------|
| Balance at 1 January 2009 | 3.3 | 83.0 | 29.5 | 92.8 | 2.4 | 211.0 |
| Profit for the year | – | – | – | 8.9 | 0.3 | 9.2 |
| Other comprehensive income: | | | | | | |
| Fair value loss on available-for-sale investments | – | – | (0.8) | – | – | (0.8) |
| Actuarial loss on defined benefit pension scheme | – | – | – | (12.8) | – | (12.8) |
| Tax on items directly taken to reserves | – | – | 0.5 | 4.7 | – | 5.2 |
| Currency translation differences | – | – | (9.6) | – | (0.2) | (9.8) |
| Total comprehensive income/(loss) for the year | – | – | (9.9) | 0.8 | 0.1 | (9.0) |
| Transactions with owners: | | | | | | |
| Employee share option scheme: | | | | | | |
| – Value of services provided | – | – | – | 9.8 | – | 9.8 |
| Purchase of treasury shares | – | – | – | (4.7) | – | (4.7) |
| Dividends | – | – | – | (7.4) | (1.1) | (8.5) |
| Disposals (net of tax) | – | – | – | (0.1) | – | (0.1) |
| Acquisitions | – | – | – | – | (0.8) | (0.8) |
| Balance at 31 December 2009 | 3.3 | 83.0 | 19.6 | 91.2 | 0.6 | 197.7 |

Consolidated statement of cash flows (unaudited) for the period ended 30 June 2010

| | Notes | Six months to 30 June 2010 £m | Six months to 30 June 2009 £m | Year ended 31 December 2009 £m |
|---|-------|--|--|---|
| Cash flows from operating activities | | | | |
| Cash (used in)/generated from operations | 9 | (7.7) | (24.9) | 46.2 |
| Interest received | | 0.4 | 1.3 | 2.5 |
| Interest paid | | (0.7) | (1.3) | (2.2) |
| Income tax paid | | (4.5) | (5.3) | (6.8) |
| Net cash (used in)/generated from operating activities | | (12.5) | (30.2) | 39.7 |
| Cash flows from investing activities | | | | |
| Proceeds from sale of property, plant and equipment | | 0.2 | – | 0.5 |
| Proceeds from sale of associates, joint ventures and available-for-sale investments | | – | 0.1 | 9.2 |
| Dividends received | | 1.6 | 0.7 | 1.2 |
| Net (loans to)/repayments from associates and joint ventures | | – | (0.5) | 0.1 |
| Acquisition of subsidiaries, net of cash acquired | 10 | (7.1) | (4.1) | (7.2) |
| Deferred consideration paid in relation to prior year acquisitions | | (2.4) | – | (0.8) |
| Purchase of property, plant and equipment | | (1.9) | (1.3) | (3.2) |
| Purchase of intangible assets | | (0.9) | (0.5) | (1.4) |
| Purchase of investment in associates, joint ventures and available-for-sale investments | | (1.2) | – | (1.0) |
| Net cash used in investing activities | | (11.7) | (5.6) | (2.6) |
| Cash flows from financing activities | | | | |
| Proceeds from borrowings | | 25.0 | 17.3 | 20.0 |
| Purchase of own shares for Employee Benefit Trust | | (9.7) | (2.1) | (4.7) |
| Repayments of borrowings | | (11.2) | (9.5) | (31.4) |
| Purchase of non-controlling interests | 10 | (6.2) | – | – |
| Dividends paid | | (8.1) | (4.6) | (8.5) |
| Net cash (used in)/generated from financing activities | | (10.2) | 1.1 | (24.6) |
| Net (decrease)/increase in cash, cash equivalents and bank overdrafts | | (34.4) | (34.7) | 12.5 |
| Cash, cash equivalents and bank overdrafts at beginning of period | | 80.9 | 75.3 | 75.3 |
| Effect of exchange rate fluctuations on cash held | | 3.6 | (6.5) | (6.9) |
| Cash, cash equivalents and bank overdrafts at end of period | | 50.1 | 34.1 | 80.9 |

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 25 August 2010.

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 2009 were approved by the Board of Directors on 17 March 2010 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 498 of the Companies Act 2006.

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 2010 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 2009, 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 2009, 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 2010:

- IAS 27 (revised), 'Consolidated and separate financial statements'. The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss.
- IFRS 3 (revised), 'Business combinations'. The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at acquisition date, with contingent payments classified as debt and subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.
- IFRIC 17 'Distribution of non-cash assets to owners', IAS 38 (amendment) 'Intangible Assets', IFRS 2 (amendments) 'Group cash settled and share-based payment transactions', IFRS 5 (amendment) 'Measurement of non-current assets (or disposal groups) classified as held-for-sale' and IAS 1 (amendment) 'Presentation of financial statements' are not expected to result in a material impact on the Group's financial statements.

Other standards, amendments and interpretations effective for the first time for the financial year beginning 1 January 2010 and not discussed above are not relevant to the Group.

4. Segment analysis

| Six months to 30 June 2010 | Transaction Advice £m | Consultancy £m | Property & Facilities Management £m | Fund Management £m | Financial Services £m | Unallocated £m | Total £m |
|--|--------------------------|-------------------|---|--------------------------|-----------------------------|-------------------|--------------|
| Revenue | | | | | | | |
| United Kingdom – Commercial | 19.2 | 32.0 | 26.5 | 8.4 | 0.4 | – | 86.5 |
| – Residential | 39.2 | 12.1 | 7.2 | – | 4.5 | – | 63.0 |
| | 58.4 | 44.1 | 33.7 | 8.4 | 4.9 | – | 149.5 |
| Rest of Europe | 12.2 | 3.9 | 9.6 | – | – | – | 25.7 |
| Asia Pacific | 44.8 | 12.8 | 70.4 | – | – | – | 128.0 |
| America | 1.2 | – | – | – | – | – | 1.2 |
| Total revenue | 116.6 | 60.8 | 113.7 | 8.4 | 4.9 | – | 304.4 |
| Underlying profit/(loss) before tax | | | | | | | |
| United Kingdom – Commercial | 2.5 | 2.0 | 1.9 | 1.5 | (0.5) | (3.9) | 3.5 |
| – Residential | 5.4 | 1.4 | 0.6 | – | (0.4) | – | 7.0 |
| | 7.9 | 3.4 | 2.5 | 1.5 | (0.9) | (3.9) | 10.5 |
| Rest of Europe | (3.5) | (0.1) | (0.4) | – | – | – | (4.0) |
| Asia Pacific | 7.0 | 0.7 | 5.0 | – | – | – | 12.7 |
| America | (2.0) | – | – | – | – | – | (2.0) |
| Underlying profit/(loss) before tax | 9.4 | 4.0 | 7.1 | 1.5 | (0.9) | (3.9) | 17.2 |
| Revenue | | | | | | | |
| United Kingdom – Commercial | 13.9 | 29.7 | 22.8 | 8.5 | 0.5 | – | 75.4 |
| – Residential | 27.3 | 10.5 | 6.4 | – | 4.9 | – | 49.1 |
| | 41.2 | 40.2 | 29.2 | 8.5 | 5.4 | – | 124.5 |
| Rest of Europe | 10.4 | 4.1 | 11.3 | – | – | – | 25.8 |
| Asia Pacific | 20.5 | 9.9 | 64.9 | – | – | – | 95.3 |
| America | 2.0 | – | – | – | – | – | 2.0 |
| Total revenue | 74.1 | 54.2 | 105.4 | 8.5 | 5.4 | – | 247.6 |
| Underlying profit/(loss) before tax | | | | | | | |
| United Kingdom – Commercial | 0.2 | 2.0 | 2.3 | 1.6 | (0.8) | (0.2) | 5.1 |
| – Residential | 3.1 | 1.0 | 0.8 | – | (1.3) | – | 3.6 |
| | 3.3 | 3.0 | 3.1 | 1.6 | (2.1) | (0.2) | 8.7 |
| Rest of Europe | (8.0) | (0.4) | (0.2) | – | – | – | (8.6) |
| Asia Pacific | (1.6) | 1.0 | 4.3 | – | – | – | 3.7 |
| America | (1.3) | – | – | – | – | – | (1.3) |
| Underlying profit/(loss) before tax | (7.6) | 3.6 | 7.2 | 1.6 | (2.1) | (0.2) | 2.5 |

Notes to the condensed consolidated interim financial information continued

4. Segment analysis continued

| Year to 31 December 2009 | Transaction Advice £m | Consultancy £m | Property & Facilities Management £m | Fund Management £m | Financial Services £m | Unallocated £m | Total £m |
|--|--------------------------|-------------------|--|-----------------------|--------------------------|-------------------|--------------|
| Revenue | | | | | | | |
| United Kingdom – Commercial | 35.7 | 65.3 | 50.1 | 17.4 | 1.7 | – | 170.2 |
| – Residential | 71.3 | 22.8 | 14.5 | – | 9.5 | – | 118.1 |
| | 107.0 | 88.1 | 64.6 | 17.4 | 11.2 | – | 288.3 |
| Rest of Europe | 28.3 | 8.8 | 23.0 | – | – | – | 60.1 |
| Asia Pacific | 59.9 | 22.5 | 127.6 | – | – | – | 210.0 |
| America | 2.3 | – | – | – | – | – | 2.3 |
| Total revenue | 197.5 | 119.4 | 215.2 | 17.4 | 11.2 | – | 560.7 |
| Underlying profit/(loss) before tax | | | | | | | |
| United Kingdom – Commercial | 1.2 | 6.9 | 5.1 | 2.9 | (0.9) | (4.6) | 10.6 |
| – Residential | 11.8 | 2.3 | 2.0 | – | (2.0) | – | 14.1 |
| | 13.0 | 9.2 | 7.1 | 2.9 | (2.9) | (4.6) | 24.7 |
| Rest of Europe | (9.6) | (0.3) | (2.7) | – | – | – | (12.6) |
| Asia Pacific | 6.8 | 2.0 | 8.2 | – | – | – | 17.0 |
| America | (3.9) | – | – | – | – | – | (3.9) |
| Underlying profit/(loss) before tax | 6.3 | 10.9 | 12.6 | 2.9 | (2.9) | (4.6) | 25.2 |

The unallocated segment includes holding company costs, other expenses and net interest income not directly attributable to the operating activities of the Group's business segments in the period. Inter segmental revenue is not material.

A reconciliation of underlying profit before tax to reported profit before tax is provided in Note 5.

5. Underlying profit before tax

| | Six months to 30 June 2010 £m | Six months to 30 June 2009 £m | Year ended 31 December 2009 £m |
|--|--|--|---|
| Reported profit before income tax | 14.4 | 0.1 | 13.5 |
| Adjustments: | | | |
| – Amortisation of intangible assets (excluding software) | 1.4 | 1.4 | 2.7 |
| – Impairment of goodwill | – | – | 4.3 |
| – Share-based payment adjustment | 1.4 | 1.0 | 4.7 |
| Underlying profit before tax | 17.2 | 2.5 | 25.2 |

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 mixture 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 above addresses this by adding to or deducting from profit the difference between the IFRS 2 charge and the effective value of the annual share award in order to closely match the underlying staff costs in the year with the revenue recognised in the same period.

6. Income tax on profit

The income tax expense/(credit) has been calculated on the basis of the underlying rate in each jurisdiction adjusted for any disallowable charges.

| | Six months to 30 June 2010 £m | Six months to 30 June 2009 £m | Year ended 31 December 2009 £m |
|------------------------------------|--|--|---|
| United Kingdom | | | |
| – Current tax | 3.0 | 1.0 | 4.7 |
| – Deferred tax | (0.7) | (1.8) | (3.1) |
| Foreign tax | | | |
| – Current tax | 2.5 | (0.1) | 3.5 |
| – Deferred tax | (0.1) | – | (0.8) |
| Income tax expense/(credit) | 4.7 | (0.9) | 4.3 |

The Group effective tax rate was 32.6% which is higher than the UK standard rate of corporation tax of 28% (30 June 2009 – 28%). The higher effective rate reflects international losses being considered unavailable for tax relief and the fall in share price which limits the tax relief available on the share-based payment charge. Foreign tax rates contributed a partial offsetting credit. The Group underlying effective tax rate was 31.4% (30 June 2009 – 32%).

7. Dividends

| | Six months to 30 June 2010 £m | Six months to 30 June 2009 £m | Year ended 31 December 2009 £m |
|--|--|--|---|
| Amounts recognised as distribution to equity holders: | | | |
| Ordinary final dividend for 2008 of 3.0p per share | – | 3.7 | 3.7 |
| Interim dividend of 3.0p per share | – | – | 3.7 |
| Second interim dividend of 6.0p per share (2009 – nil) | 7.4 | – | – |
| | 7.4 | 3.7 | 7.4 |

Proposed interim dividend for the six months ended
30 June 2010

3.7

The Directors have recommended an interim dividend for the six months ended 30 June 2010 of 3.0p per ordinary share to be paid on 25 October 2010 to shareholders on the record at the close of business on 24 September 2010. The interim dividend has not been recognised in these interim financial statements. It will be recognised in shareholders' equity in the year to 31 December 2010.

Notes to the condensed consolidated interim financial information continued

8. Basic and diluted earnings per share

(a) Basic and diluted earnings per share

| Six months to June | Earnings 2010 £m | Shares 2010 million | EPS 2010 Pence | Earnings 2009 £m | Shares 2009 million | EPS 2009 Pence |
|--|------------------------|---------------------------|----------------------|------------------------|---------------------------|----------------------|
| Basic earnings per share | 9.7 | 122.9 | 7.9 | 0.9 | 122.5 | 0.7 |
| Effect of additional shares issuable under option | – | 4.7 | (0.3) | – | 4.2 | – |
| Diluted earnings per share | 9.7 | 127.6 | 7.6 | 0.9 | 126.7 | 0.7 |
| Year to 31 December | | | | Earnings 2009 £m | Shares 2009 million | EPS 2009 Pence |
| Basic earnings per share | | | | 8.9 | 122.7 | 7.3 |
| Effect of additional shares issuable under option | | | | – | 5.8 | (0.4) |
| Diluted earnings per share | | | | 8.9 | 128.5 | 6.9 |

(b) Underlying basic and diluted earnings per share

| Six months to June | Earnings 2010 £m | Shares 2010 million | EPS 2010 Pence | Earnings 2009 £m | Shares 2009 million | EPS 2009 Pence |
|---|------------------------|---------------------------|----------------------|------------------------|---------------------------|----------------------|
| Basic earnings per share | 9.7 | 122.9 | 7.9 | 0.9 | 122.5 | 0.7 |
| – Amortisation of intangibles (excluding software) after tax | 1.1 | – | 0.9 | 1.0 | – | 0.8 |
| – Share-based payment adjustment after tax | 1.0 | – | 0.8 | 0.7 | – | 0.6 |
| – Profit on disposal of subsidiary, associate, joint ventures and available-for-sale investments | – | – | – | (1.0) | – | (0.8) |
| Underlying basic earnings per share | 11.8 | 122.9 | 9.6 | 1.6 | 122.5 | 1.3 |
| Effect of additional shares issuable under option | – | 4.7 | (0.4) | – | 4.2 | – |
| Underlying diluted earnings per share | 11.8 | 127.6 | 9.2 | 1.6 | 126.7 | 1.3 |
| Year to 31 December | | | | Earnings 2009 £m | Shares 2009 million | EPS 2009 Pence |
| Basic earnings per share | | | | 8.9 | 122.7 | 7.3 |
| – Amortisation of intangibles (excluding software) after tax | | | | 2.2 | – | 1.8 |
| – Impairment of goodwill after tax | | | | 4.3 | – | 3.5 |
| – Share-based payment adjustment after tax | | | | 3.4 | – | 2.8 |
| – Profit on disposal of subsidiary, associate, joint ventures and available-for-sale investments after tax | | | | (1.1) | – | (0.9) |
| Underlying basic earnings per share | | | | 17.7 | 122.7 | 14.5 |
| Effect of additional shares issuable under option | | | | – | 5.8 | (0.7) |
| Underlying diluted earnings per share | | | | 17.7 | 128.5 | 13.8 |

9. Cash generated from operations

| | Six months to 30 June 2010 £m | Six months to 30 June 2009 £m | Year ended 31 December 2009 £m |
|---|--|--|---|
| Profit for the period | 9.7 | 1.0 | 9.2 |
| Adjustments for: | | | |
| Income tax (Note 6) | 4.7 | (0.9) | 4.3 |
| Depreciation | 3.3 | 3.6 | 7.0 |
| Amortisation of intangibles and impairment of assets | 1.9 | 1.8 | 7.9 |
| Net finance costs | 0.6 | 0.1 | – |
| Share of post-tax profit from associates and joint ventures | (1.2) | (0.7) | (2.6) |
| Exchange movements on operating activities | – | 0.9 | 2.7 |
| Loss on sale of property, plant and equipment | – | 0.4 | 0.2 |
| Increase/(decrease) in provisions | 3.6 | (1.5) | 1.2 |
| Increase/(decrease) in employee and retirement obligations | 0.4 | 1.7 | (0.5) |
| Charge for share-based compensation | 4.8 | 4.2 | 9.8 |
| Operating cash flows before movements in working capital | 27.8 | 10.6 | 39.2 |
| Increase in work in progress | (0.5) | (1.0) | (0.1) |
| (Increase)/decrease in trade and other receivables | (0.7) | 14.9 | 1.0 |
| (Decrease)/increase in trade and other payables | (34.3) | (49.4) | 6.1 |
| Cash (used in)/generated from operations | (7.7) | (24.9) | 46.2 |

10. Acquisitions

Acquisitions accounted for under IFRS 3 (revised)

On 29 March 2010, the Group acquired 100% of the voting share capital in Incoll Management Pty Limited, an Australian Project Management business. Cash consideration of £7.7m was paid. Goodwill on acquisition of £6.2m has been provisionally determined, and is attributable to Incoll's strong position in the market. None of the goodwill is expected to be deductible for tax purposes. Other intangible assets of £1.1m have been identified and relate to project management contracts. Incoll has been merged with Savills Australia's established specialist project management business to create a stronger business, with the aim, over time, of expanding it further across the Savills Asia Pacific network.

IFRS 3 (revised) has been applied to this acquisition which was accounted for using the acquisition method. Acquisition related costs of £0.2m are included in the income statement. These would have previously been included in the consideration for the acquisition.

The acquired business contributed revenue of £3.0m and profit before tax of £0.3m to the Group for the period from 29 March 2010 to 30 June 2010.

Transactions with non-controlling interests

During the period, the Group had the following transactions with non-controlling interests:

| Name | Date | Holding acquired | Total holding at 30 June 2010 |
|--------------------|--------------|---------------------|-------------------------------------|
| Savills Sweden AB | January 2010 | 47.4% | 98.4% |
| Cordea Savills LLP | March 2010 | 40.0% | 100.0% |

Notes to the condensed consolidated interim financial information continued

10. Acquisitions continued

Under IAS 27 (revised), transactions with non-controlling interests must be accounted for as equity transactions therefore no goodwill has been recognised. Acquisition costs of £0.4m have also been recognised in equity.

During the period, the Group acquired 47.4% of shares in Savills Sweden AB. This takes the Group's shareholding to 98.4%. Cash consideration was paid of £0.9m.

During the period, the Group acquired 40% of the voting rights in Cordea Savills LLP that it did not already own. Total consideration is up to £15.4m of which £4.6m cash consideration was paid with another £4.5m payable in equal instalments on the first and second anniversaries, and up to a further £6.3m on the second anniversary subject to earnings performance.

The total amount charged to equity in respect of these transactions was £12.1m.

11. Retirement and employee benefit obligations

Defined benefit plan

All current pension assumptions are detailed in the 2009 Annual Report and Accounts and are the same as at 31 December 2009 except for the following:

| | Six months to 30 June 2010 £m | Six months to 30 June 2009 £m | Year ended 31 December 2009 £m |
|--|--|--|---|
| Discount rate | 5.40% | 6.00% | 5.60% |
| Salary increases | 4.90% | 4.80% | 5.00% |
| Inflation assumption | 3.40% | 3.80% | 3.70% |
| Rate of increase to pensions in payment accrued between 6 April 1997 and 5 April 2005 | 3.30% | 3.70% | 3.60% |
| Rate of increase of deferred pensions accrued after 5 April 2001 | 3.40% | 3.80% | 3.70% |

| Amounts recognised in the Statement of financial position are: | 30 June 2010 £m | 30 June 2009 £m | 31 December 2009 £m |
|---|-----------------------|-----------------------|---------------------------|
| Fair value of plan assets | 105.3 | 86.5 | 103.5 |
| Present value of funded obligations | (143.5) | (125.9) | (141.2) |
| Deficit (included in Retirement and employee benefit obligations in the Statement of financial position) | (38.2) | (39.4) | (37.7) |
| Related deferred tax asset | 10.7 | 11.0 | 10.7 |
| Net liability | (27.5) | (28.4) | (27.0) |

The Pension Plan of Savills (the Plan) provided final salary pension benefits to some employees, but was closed with regard to future service-based benefit accrual with effect from 31 March 2010. From 1 April 2010, pension benefits for former members of the Plan are provided through the Group's defined contribution Personal Pension Plan.

Included in Retirement and employee benefit obligations is £10.5m relating to holiday pay and long service leave (30 June 2009 £9.6m, 31 December 2009 £8.0m).

12. Borrowings

Movements in borrowings are analysed as follows:

| | £m |
|---------------------------------------|-------------|
| Opening amount as at 1 January 2010 | 15.3 |
| Additional borrowings | 25.0 |
| Borrowings acquired with subsidiaries | 0.4 |
| Repayments of borrowings | (11.2) |
| Exchange rate fluctuations | 1.0 |
| Closing amount as at 30 June 2010 | 30.5 |

| | 30 June 2010 £m | 30 June 2009 £m | 31 December 2009 £m |
|---|-----------------------|-----------------------|---------------------------|
| Current | | | |
| Bank overdrafts due within one year or on demand | 0.5 | 2.4 | 0.7 |
| Unsecured bank loans due within one year or on demand | 22.4 | 22.1 | 4.9 |
| Loan notes | 0.2 | 0.9 | 0.7 |
| Finance leases | 0.1 | – | – |
| | 23.2 | 25.4 | 6.3 |
| Non-current | | | |
| Unsecured bank loans | 6.7 | 10.9 | 8.7 |
| Loan notes | 0.4 | 0.6 | 0.3 |
| Finance leases | 0.2 | – | – |
| | 7.3 | 11.5 | 9.0 |

| | 30 June 2010 £m | 30 June 2009 £m | 31 December 2009 £m |
|---|-----------------------|-----------------------|---------------------------|
| The Group has the following undrawn borrowing facilities: | | | |
| Floating rate | | | |
| – expiring within one year or on demand | 15.7 | 17.7 | 20.2 |
| – expiring between one and five years | 43.0 | 62.9 | 60.0 |
| | 58.7 | 80.6 | 80.2 |

As at 30 June 2010, £17m was outstanding under the revolving credit facility. This amount has since been repaid in full.

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 (2009 – £1.3m). An amount of £0.3m (2009 – £0.1m) was owed by the Group as at 30 June 2010.

As at 30 June 2010, loans outstanding to associates and joint ventures amounted to £2.2m (2009 – £3.2m).

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.

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 of the financial year 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 2009. Since those accounts there has been one change to Board composition in that Fields Wicker-Miurin retired from the Board on 5 May 2010 at the conclusion of the AGM. A list of current Directors is maintained on the Savills plc website: www.savills.com

By order of the Board

Jeremy Helsby

Group Chief Executive

Simon Shaw

Group Chief Financial Officer

25 August 2010

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 consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2010, which comprises the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of financial position, Consolidated statement of changes in equity, Consolidated statement of cash flows 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 consolidated 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 2010 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

25 August 2010

- 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, 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

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 and follow the link to 'Sign up for paper-free communications'.

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Print: Granite

think4 bright is produced with 100% ECF (Elemental Chlorine Free) pulp that is sourced from carefully managed and renewed commercial forests, certified in accordance with the FSC (Forest Stewardship Council). The range is fully recyclable and manufactured within a mill which is registered under the British quality standard of BS EN ISO 9001-2000 and the environmental standard of ISO 14001.





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