

Savills plc

Half Year Results 2009



Forward-looking statements

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The financial information referenced in this presentation does not contain sufficient detail to allow a full understanding of the results of the Group. For more detailed information, the entire text of the Half Year report in respect of the period ending on 30 June 2009, can be found on the Investor Relations section of the Savills website (www.savills.com)

Half Year Results - Highlights

- Profitable in tough trading conditions - £2.5m underlying PBT (H1 2008: £19.2m)
- Strong growth in Property and Facilities Management – 43% group revenue (H1 2008: 31%)
- Strong Q2 in some areas of UK residential and Asia Pacific
- Robust balance sheet – net debt £0.4m (H1 2008: £5.9m)
- 3p interim dividend declared in line with year-end guidance
- On track for annualised cost savings of at least £50m by 2009 year end

Focus on costs and maintaining core teams (investment for a recovery)

Summary results

6 mths ended June (£ millions)	2009	2008	% chg
revenue	247.6	278.1	(11)%
reported profit before tax	0.1	33.4	(100)%
underlying profit before tax	2.5	19.2	(87)%
underlying PBT margin	1.0%	6.9%	(5.9)%
reported earnings per share	0.7p	23.2p	(97)%
underlying earnings per share	1.3p	10.0p	(87)%
net assets	183.1	238.1	(23)%
net debt	0.4	5.9	93%
dividend	3p	6p	(50)%

The value of diversification

FX effect on half year results

6 months ended June (£ millions)	June 2009 actual	June 2008 actual	Variance	FX gain/ (loss)	Like for like variance	Constant currency variance
revenue	247.6	278.1	(30.5)	27.7	(58.2)	(21%)
underlying costs	(245.7)	(259.8)	14.1	(27.9)	42.0	(16%)
other (interest, jv & associates)	0.6	0.9	(0.3)	(0.1)	(0.2)	(22%)
underlying profit before tax	2.5	19.2	(16.7)	(0.3)	(16.4)	(85%)

Limited profit impact

Global revenue and underlying PBT

6 months ended June (£ millions)		Revenue 2009	2008	% Change	PBT 2009	2008	% Change
transactional residential	- UK	27.3	38.3	(29)%	3.1	2.3	35%
transactional commercial	- UK	13.9	20.9	(33)%	0.2	1.4	(86)%
	- Europe	10.4	14.6	(29)%	(8.0)	(4.4)	(82)%
	- Asia Pacific	20.5	30.0	(32)%	(1.6)	4.0	(140)%
	- America	2.0	1.5	33%	(1.3)	(0.8)	(63)%
total transactional		74.1	105.3	(30)%	(7.6)	2.5	(404)%
consultancy	- UK	40.2	50.1	(20)%	3.0	6.3	(52)%
	- Europe	4.1	5.3	(23)%	(0.4)	0.4	(200)%
	- Asia Pacific	9.9	9.5	4%	1.0	1.1	(9)%
total consultancy		54.2	64.9	(16)%	3.6	7.8	(54)%
property management	- UK	29.2	26.4	11%	3.1	2.6	19%
	- Europe	11.3	10.8	5%	(0.2)	(0.5)	60%
	- Asia Pacific	64.9	49.8	30%	4.3	3.6	19%
total property management		105.4	87.0	21%	7.2	5.7	26%
financial services		5.4	10.4	(49)%	(2.1)	0.7	(400)%
fund management		8.5	10.3	(17)%	1.6	2.2	(27)%
holding co / other		-	0.2	n/a	(0.2)	0.3	(167)%
total		247.6	278.1	(11)%	2.5	19.2	(87)%

Underlying PBT reconciliation

6 mths ended June (£'millions)	2009	2008
reported profit before tax	0.1	33.4
adjusted for:		
IFRS2 charge on share element of bonus	1.0	0.9
amortisation	1.4	1.9
profit on disposals	-	(17.0)
underlying PBT	2.5	19.2

Note £2.3m cost of savings charged in period

2009 cost savings

£'millions	2009
Benefits from savings made in H2 2008	14.8
Benefits from savings made in H1 2009	20.1
Total savings in H1 2009	34.9
Cost to achieve	(2.3)

- 2009 savings broadly based across the business
- Exclude bonus and commission on revenues

Target of >£50 million savings on 2008 base cost by year end

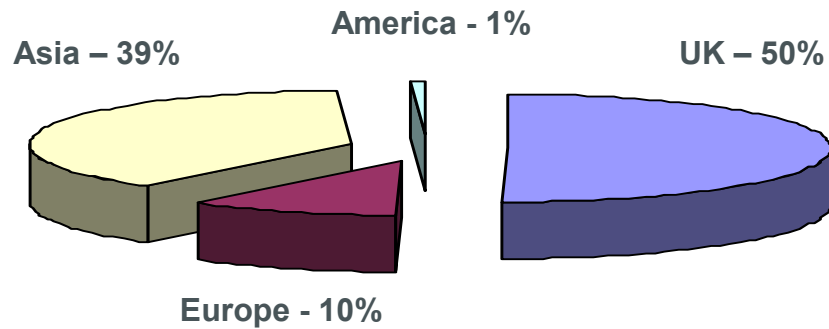
Summary cashflow

6 months ended 30 th June (£ millions)	2009	2008
opening cash	75.3	110.4
cash used in operations after interest & tax	(30.2)	(64.1)
investments, acquisitions and capex	(5.6)	(9.0)
disposals of JVs, subsidiaries & assets held-for-sale	-	3.7
share purchases for EBT	(2.1)	-
dividends	(4.6)	(16.7)
foreign exchange movement	(6.5)	1.6
drawdown of borrowings	7.8	19.3
cash and overdrafts at period end	34.1	45.2
borrowings at period end	(34.5)	(51.1)
net debt at period end	(0.4)	(5.9)

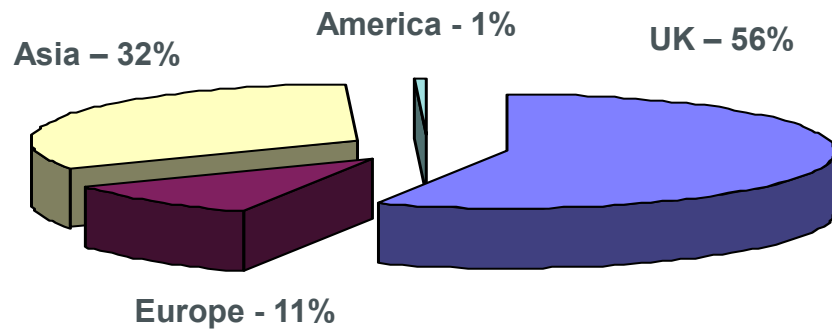
Broad Diversification

Geography

Revenue 2009

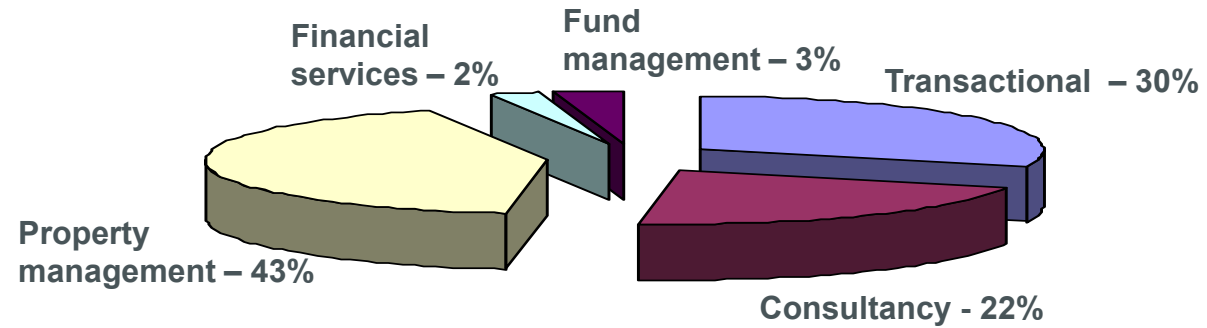


Revenue 2008

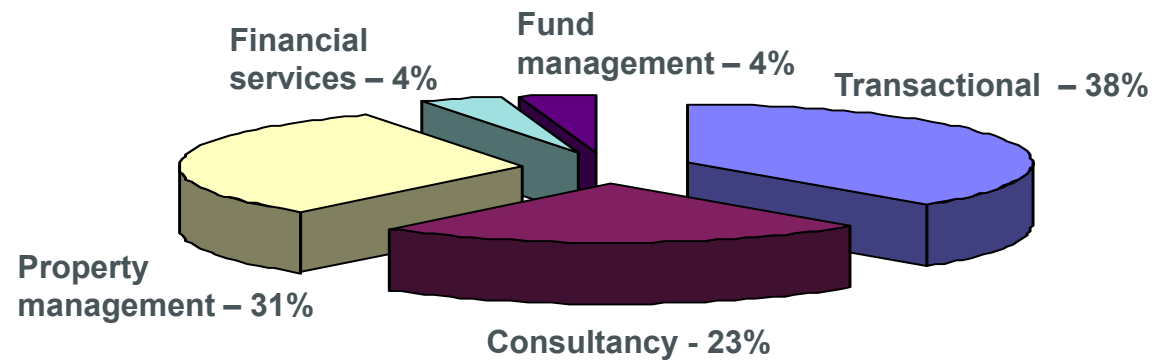


Business Stream

Revenue 2009



Revenue 2008



Commercial Transaction business

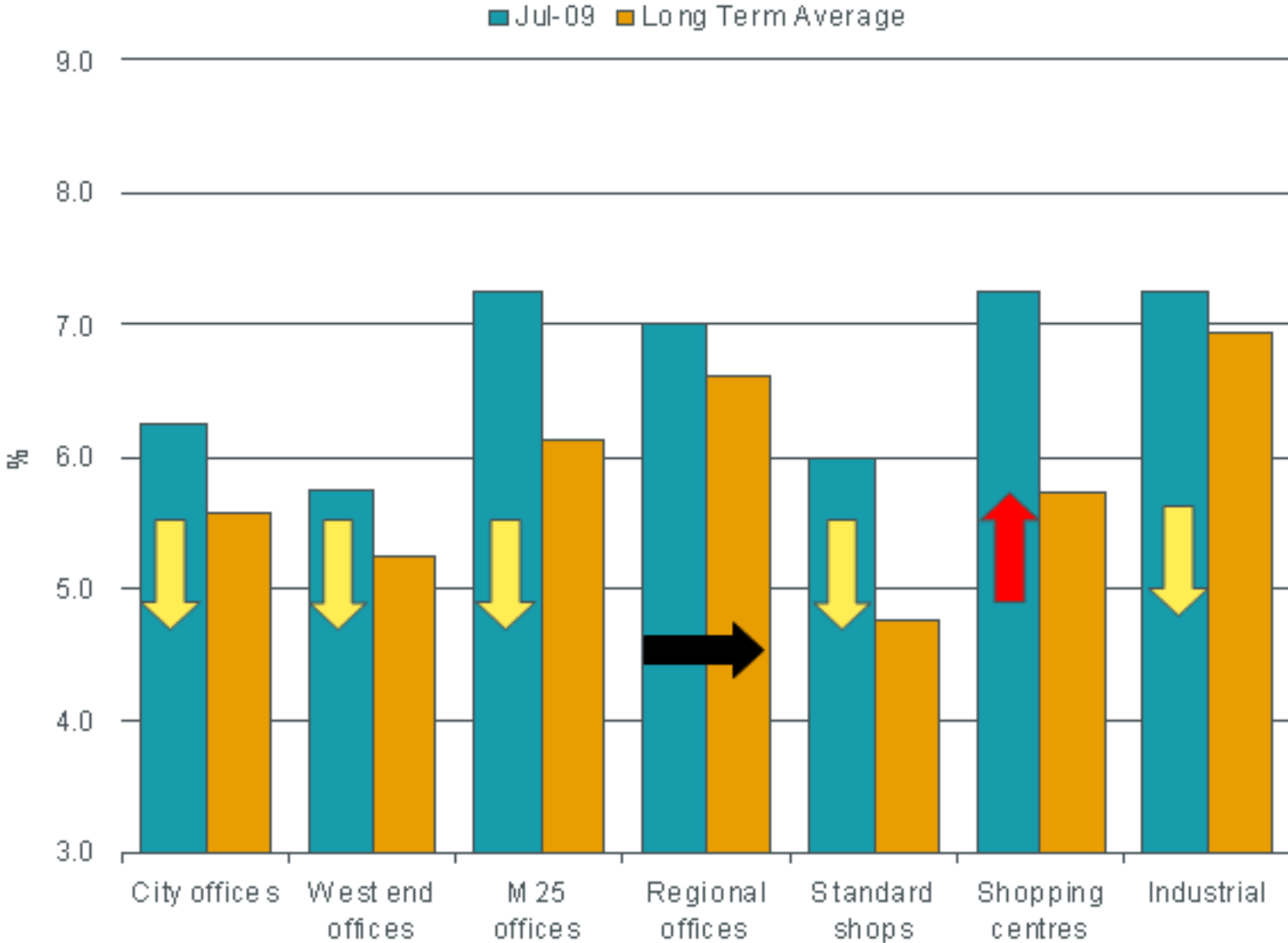
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- Cash is king – equity funding, limited debt availability
- Banks monitoring loan books – little transaction activity to date
- Rents falling as economic downturn impacts on leasing activity
- Grade A assets with long leases, good covenants in short supply
- UK yields now higher than their long-term average
- Asia enjoyed State lending inspired surge in Q2 (Hong Kong and China)
- European markets behind UK – focus on reshaping operations
- US debt markets still “closed” but some transaction activity



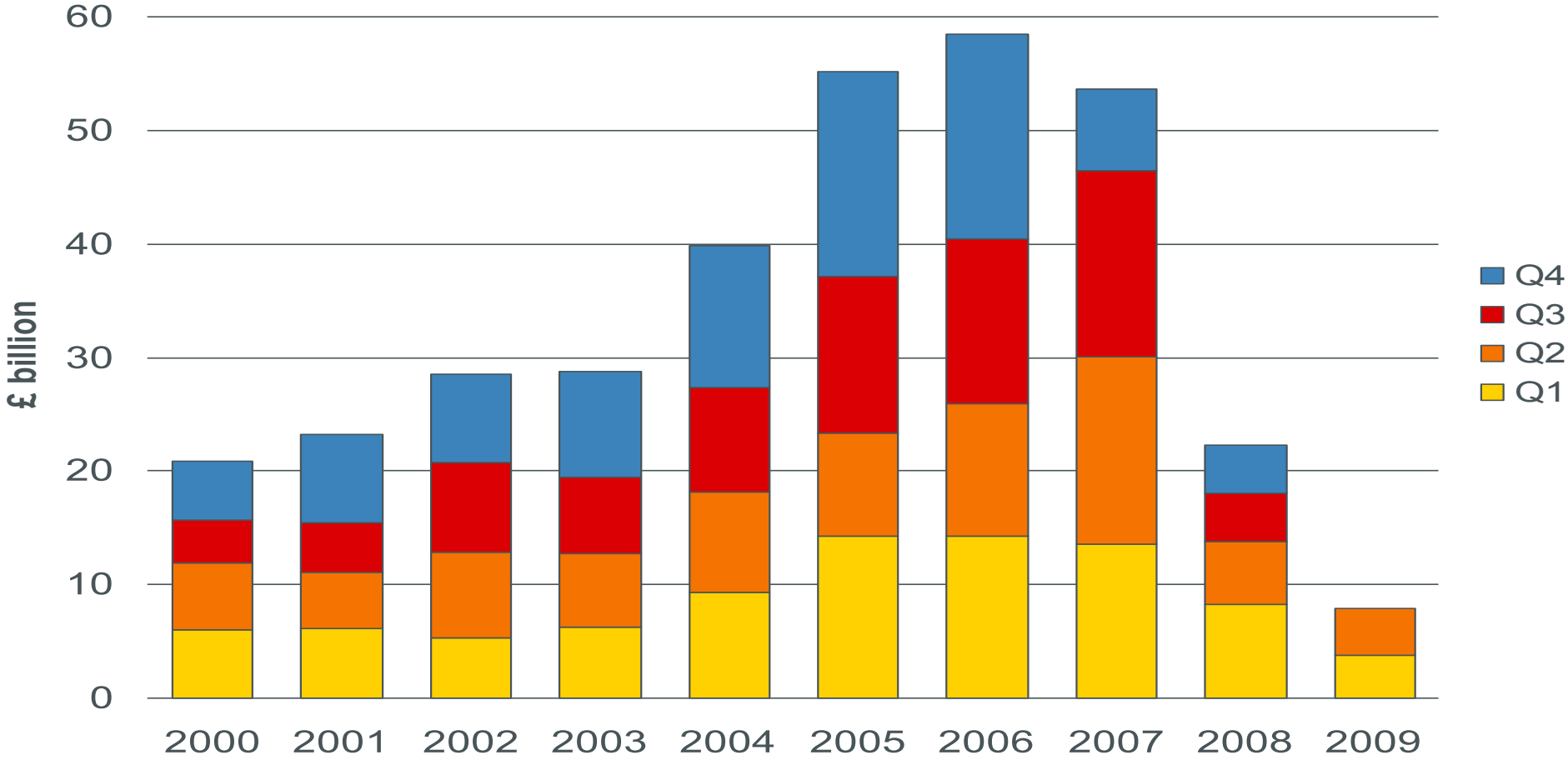
Weak investment markets; recessionary effect on occupiers;
cautious outlook - Savills maintaining its teams

Some Contraction in UK Prime Yields



Source: Savills. Arrows indicate trend over the last three months

UK Commercial Investment Volumes - very low



Source: Property Data

Residential Transaction Business

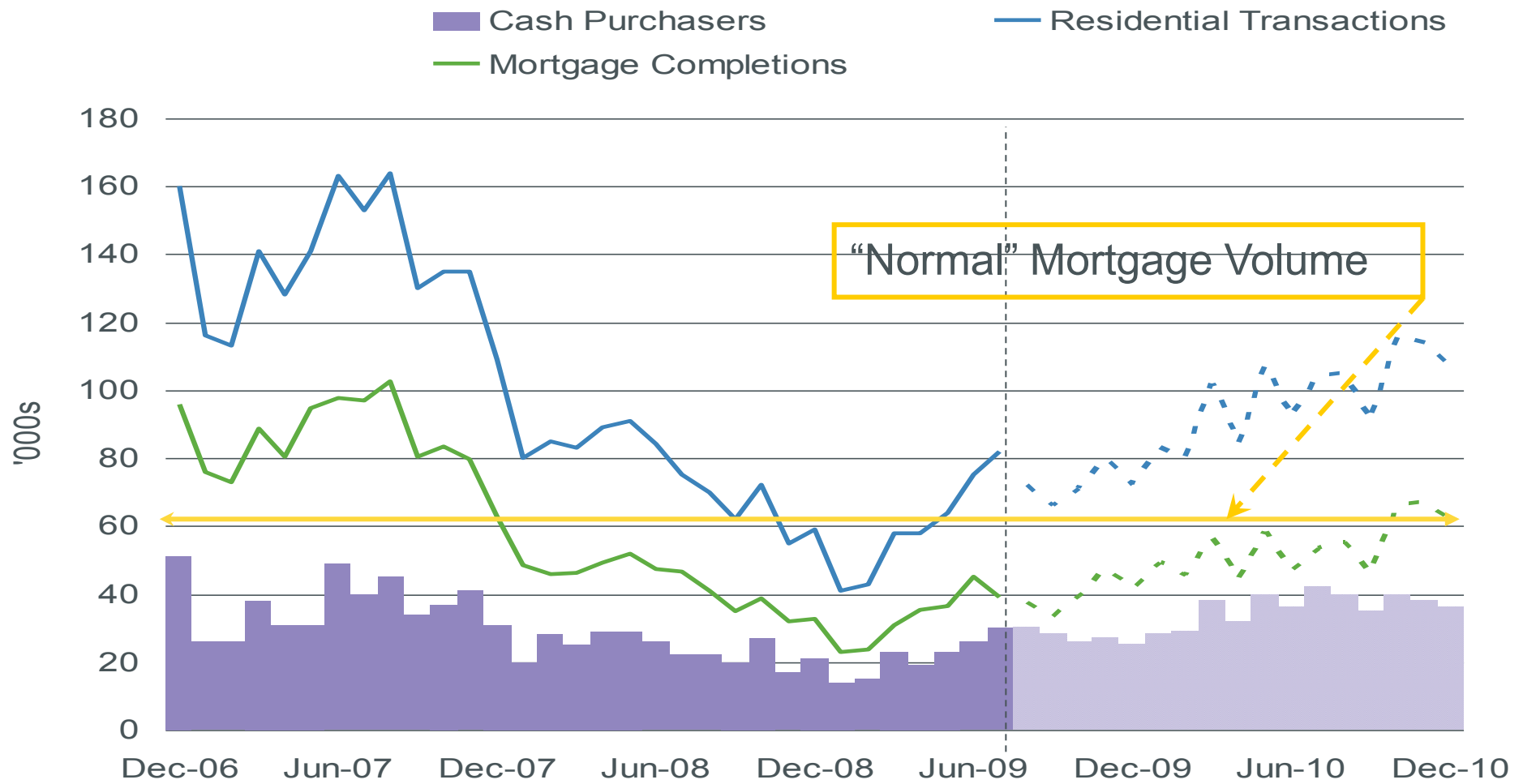
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- Slow Q1 followed by a strong pick up in Q2 but supply constrained
- Increased buyer interest and activity in Prime London market has started to spread
- Predominantly cash market in Savills segment (Savills avg. London price £2.1m)
- Fall through rate fell from 31% to 18%
- Market fundamentals (supply and debt availability) still far from “normal”
- Hong Kong enjoyed surge in transactions for Q2



Sustainable improvement or short term “blip”?

UK Transactions and mortgage market trends



Source: IR, CML

Property Management and Consultancy

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- Property Management revenue grew 21% to £105.4m (H1 2008: £87m); Good performances in Asia and UK
- Area under management increased 5% period-on-period to 881m sqft; with good performances in UK (+33%) and China (+7%)
- Valuation services; good volumes (Banks) but fee pressure
- Building Consultancy holding up but Planning is slow
- Social Housing strong
- Development weak (unfinanceable)



Property Mgmt strong; fee pressure in valuations;
pipeline pressure in Planning/Development

Fund Management and Financial Services

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Fund Management

- Core funds perform in line with peer group
- Industry-wide issue of LTV Covenants on geared funds; restructuring in process (eg Italian Opportunities)
- Managing existing fund performance; GAV effect on management fees

Financial Services

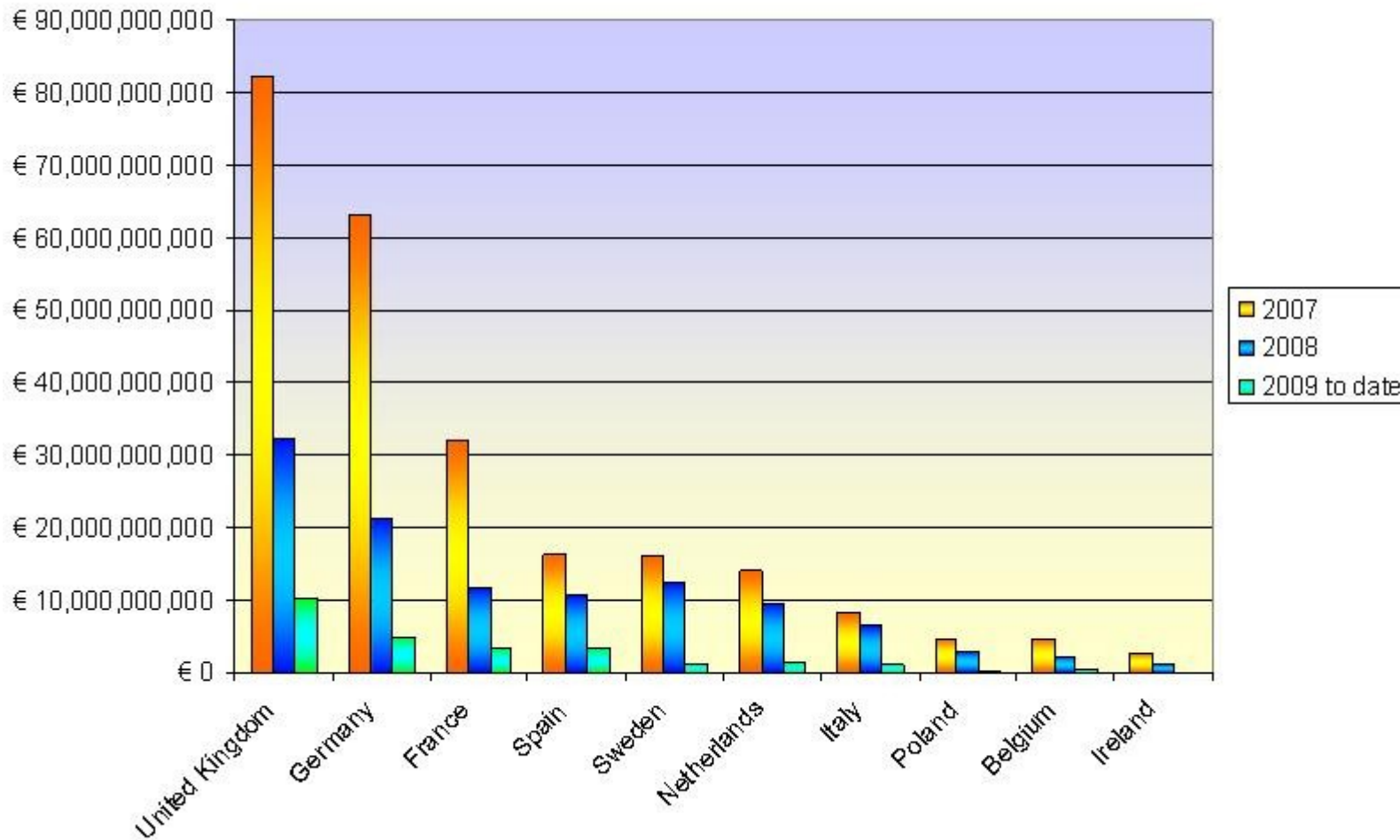
- Mortgage market still weak; SPF halved no. of consultants
- Renewed focus on private Banks



Preparing to launch new funds; SPF back to its roots

Continental Europe

Total Investment Volume by Country (Annually from 2007 -2009 to date)



Longer term

- Build more resilient business streams (eg Property Management)
- Build and upgrade investment teams in core markets

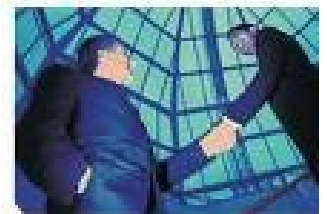
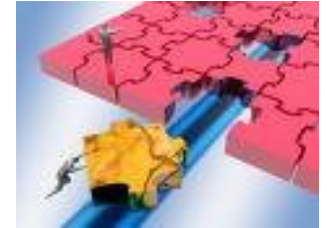
Short term

- Continue targeted cost cutting to minimise losses (£5.7m achieved so far c. 20%)
- Support key players of our largely transaction business in markets which lag behind the UK
- Focus on core areas of investment capital and client interest

A strong presence required in key markets

Overall Strategic Priorities

- Improving client service and growing client base
- Reducing reliance on transactional – grow PM and Consultancy
- Maintaining key teams and strong balance sheet to capitalise on upturn
- Recruitment of key players in core markets
- Continued focus on cost control (eg Continental Europe)
- Organically build US business in core areas



Focus: Individuals/teams vs. corporate transactions

Summary and Outlook

- Resilient performance in first half of 2009 but remain cautious
- Good track record of growth across the cycle – weak markets provide opportunities
- Results demonstrate diversification model works (geographic/business stream)
- Strong balance sheet
- Well positioned to take advantage of market upturn

Excellent people powerful brand ■ good diversification = competitive advantages for long-term growth

Mission Statement

**“Savills culture of innovation,
passion and pride in client service
drives us to be the real estate
advisor of choice in our selected
markets.”**

A red flag with a yellow square in the center containing the word "savills" in a lowercase, sans-serif font. The flag is waving against a blue background.

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