Savills plc

(“Savills” or “the Group”)

RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2016

Savills plc, the international real estate advisor, today announces its unaudited results for the six months ended 30 June 2016.

Key Financial Information

- **Group revenue up 14% (10% in constant currency) to £622.7m (H1 2015: £547.0m)**
- **Group underlying profit* before tax up 11.5% (8% in constant currency) to £42.8m (H1 2015: £38.4m)**
- **Underlying basic earnings per share up 9% to 21.8p (H1 2015: 20.0p)**
- **Group profit before tax down 3% to £25.5m (H1 2015: £26.4m)**
- **Basic earnings per share down 1% to 11.6p (H1 2015: 11.7p)**
- **Interim dividend increased 10% to 4.4p per share (H1 2015: 4.0p)**

*****Underlying profit is a consistently calculated measure of underlying performance. It is calculated by adjusting reported pre-tax profit for certain non-recurring or exceptional items which are set out in Note 3 to the interim financial statements.

Highlights

- **Transaction Advisory revenue up 5% as strong performances in Residential markets and in many of our international commercial markets offset the effect of lower UK commercial transaction volumes**
- **Continued expansion in the US through bolt-on acquisitions and recruitment**
- **Global Property Management revenue up 23%**
- **Consultancy revenue up 9%**
- **Savills Investment Management revenue up 96%, assets under management increased 116% to €17.1bn (H1 2015: €7.9bn), reflecting the contribution from SEB acquired 31 August 2015.**

Commenting on the results, Jeremy Helsby, Group Chief Executive of Savills plc, said:

“Savills has delivered a strong first half performance with revenue growth across the Group. The resilience of our less transactionally focused businesses, combined with our geographic diversity, more than offset reductions in transactional activity in certain markets.

In line with our overall growth strategy, we have continued to build on the Savills Studley platform in the US with significant recruitment and bolt-on acquisition activity across the country. In addition, we continue to investigate selective development opportunities for our businesses worldwide.

Looking to the second half, at this stage, in the traditionally quieter summer period and so soon after the EU Referendum result, it is not possible to obtain a clear read on the direction of activity in a number of the Group’s principal markets, although the fundamental attributes of real estate as an investment class remain strong.

Our substantial portfolio of less transactional businesses, significant overseas earnings and strong market shares in many of our most important transactional locations position the Group well, not only to withstand short term reductions in local activity, but also to capitalise on the opportunities which we expect to emerge.

The Board currently has no reason to change its expectations for the full year, although clearly the range of potential outcomes has broadened over recent weeks.”

For further information, contact:

Savills **020 7409 8934**

Jeremy Helsby, Group Chief Executive
Simon Shaw, Group Chief Financial Officer

Tulchan Communications

Peter Hewer / Jessica Reid **020 7353 4200**

Business review
The following table sets out Group revenue and underlying profit by operating segment:

Revenue	H1 2016 £m	H1 2015 £m	Change
Transaction Advisory	271.1	258.2	5%
Consultancy	105.1	96.4	9%
Property and Facilities Management	219.0	178.4	23%
Investment Management	27.5	14.0	96%
Group revenue	622.7	547.0	14%

Underlying profit before tax	H1 2016 £m	H1 2015 £m	Change
Transaction Advisory	23.3	24.3	(4)%
Consultancy	8.2	7.8	5%
Property and Facilities Management	10.2	7.7	32%
Investment Management	3.9	2.5	56%
Other	(2.8)	(3.9)	28%
Group underlying profit*	42.8	38.4	11%

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

The following table sets out Group revenue and underlying profit by geographical area:

Revenue	H1 2016 £m	H1 2015 £m	Change
United Kingdom	255.8	231.0	11%
Asia Pacific	209.4	184.9	13%
Continental Europe	63.1	44.4	42%
North America	94.4	86.7	9%
Group revenue	622.7	547.0	14%

Underlying profit before tax	H1 2016 £m	H1 2015 £m	Change
United Kingdom	24.8	22.5	10%
Asia Pacific	13.1	12.8	2%
Continental Europe	(0.1)	(0.5)	80%
North America	7.8	7.5	4%
Other	(2.8)	(3.9)	28%
Group underlying profit*	42.8	38.4	11%

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

Overview
The benefits of the Group's diverse geographical and service line activities had a positive impact on overall performance in the six months to 30 June 2016. In the UK, the breadth of our service lines and a strong Residential performance more than offset the impact of reduced commercial transaction volumes in advance of the EU Referendum. In both Continental Europe and the USA, revenue grew in line with our expectations. These performances, together with an improved profit from Savills Investment Management, reflecting the full period effect of the August 2015 acquisition of SEB Investment Management, combined to underpin a strong first half performance for the Group.

The Group's results for the six months to 30 June 2016 show revenue up 14% (10% in constant currency) to £622.7m (H1 2015: £547.0m). Underlying profit before tax ("UPBT") was £42.8m, 11.5% higher than the first half of 2015 (H1 2015: £38.4m). Currency had a positive impact on reported Group performance increasing revenue by £19.3m (4%) and UPBT by £1.4m (4%). Constant currency growth in UPBT was 8%. Statutory profit before tax, including deferred consideration provisions and acquisition and restructuring costs was £25.5m, 3% lower than the first half of 2015 (H1 2015: £26.4m).

During the period we continued to execute our business development plans with a number of bolt-on acquisitions and team hires for the Savills Studley platform in the US. In the UK, we acquired Chainbow, a respected residential block management business, to further strengthen our offering in the Private Rented Sector (PRS). Also in the UK, we made a minority investment in the growing digital "hybrid" agency, YOPA, which gives the Group potential exposure to approximately 1.1m residential mass market transactions in the UK. In Continental Europe, we undertook significant recruitment in a number of our markets.

The Group's UPBT margin was affected by expenditure on a number of these activities but remained stable at 6.9% (H1 2015: 7.0%).

Current factors affecting Real Estate Markets

In 2016 there has been considerable change in many macroeconomic, fiscal and political factors which affect sentiment in many of the world's real estate markets. The forthcoming US Presidential Election, the EU Referendum and political change in the UK together with tightening of fiscal policy and other controls over residential real estate in a number of markets, have all to varying degrees had a negative impact on sentiment, particularly as a result of short term uncertainty.

In contrast, the worldwide increase in investor allocation to the secure income characteristics of real estate, over the last few years, has shown no signs of slowing down. Recent events have also reversed opinion about the direction of interest rates in most markets, furthering the attraction of the spread between real estate yields and the cost of borrowing. In key cities, such as London, Frankfurt, Hong Kong, Shanghai and New York, supply remains constrained and occupier demand relatively resilient. In addition, given the relatively conservative nature of both private and commercial real estate financial structures since 2008, there is no significant prospect of financial distress in the sector.

Taking these factors into account, and recognising that in respect of some of the big drivers of uncertainty (EU Referendum/US Election), increasing clarity will start to emerge over the balance of 2016, we anticipate a period of relatively lower volumes as markets adjust to events. This will present opportunities for investors seeking to deploy capital particularly into the UK and European markets.

Transaction Advisory

Revenue	H1 2016 £m	H1 2015 £m	Change
United Kingdom	89.3	93.7	(5)%
Asia Pacific	65.0	58.8	11%
Continental Europe	22.4	19.0	18%
United States	94.4	86.7	9%
Total	271.1	258.2	5%

In a period when many of the world's cities saw substantially reduced transaction volumes, Savills Transaction Advisory businesses performed strongly driven by growing shares in many of our markets. The underlying profits of our Transaction Advisory business as a whole decreased by 4% to £23.3m during the period (H1 2015: £24.3m).

UK Commercial

UK Commercial Transaction fee income declined 23% to £32.1m (H1 2015: £41.9m), primarily as a result of a significant reduction in transaction volumes in advance of the EU referendum. In Central London, many of the hitherto significant buyers (Sovereign Wealth, International Private Equity) elected to remain largely on the sidelines during this period, which opened the way for Private Wealth from areas such as the Middle East to transact. Overall, investment trading volumes for the UK market declined by circa 34%. The leasing market remained relatively robust by comparison with historical averages, although overall take-up declined from the highs of 2015, particularly in the London market.

On a combined basis, Savills Central London investment and leasing transactional revenues fell by 22%. In the regional markets, investment transaction revenue declined more sharply during the period, whilst leasing volumes remained relatively stable. On a combined basis the Regional UK Transactional revenues fell by approximately 6%.

Underlying profits for the UK Commercial Transaction business declined by 54% to £2.7m (H1 2015: £5.9m).

UK Residential
UK Residential Transaction fee income increased by 10% to £57.2m (H1 2015: £51.8m). There was a significant increase in transaction volumes in advance of the Stamp Duty increase in April; followed by, as anticipated, a tempering of activity in the lead up to the EU Referendum. Prime markets, particularly in the high value areas of central London, have continued to adjust to the significant rises in stamp duty imposed progressively since December 2014. In the second hand sales market, Savills overall transaction volumes were up by 14% in London and 23% in the Country market. The average value of London residential property sold by Savills in the period was £2.5m (H1 2015: £3.0m), and £1.0m (H1 2015: £1.0m) in the country. The lower London average value indicates further progress in implementing our strategy to expand in London markets with values below £1.5m ("Core London"). New offices were opened in Primrose Hill and Maida Vale.

The new build market also displayed a resilient performance with national transaction volumes increasing by 26% over H1 2015.

The UK residential transaction business increased underlying profits by 37% to £7.4m (H1 2015: £5.4m), which included the costs of new office openings.

The initial period since the EU referendum has shown a reduction in activity, however there is evidence of increased demand, particularly from overseas buyers and transactions are completing, particularly where vendors are prepared to accept small discounts. In the traditionally quieter summer period, relatively soon after the referendum result, it is too early to make a clear judgement on market volumes for the remainder of the year.

Asia Pacific Commercial
Commercial Transaction fee income in Asia Pacific increased by 6% (1% in constant currency) to £48.7m (H1 2015: £46.1m). The principal drivers of revenue growth were Australia and Mainland China. The latter experienced a 70% increase in transactional revenue, in part as a result of some significant recruitment in the second half of 2015. In Hong Kong, increased market share helped to mitigate the effect of an approximately 60% decline in transaction volumes in the market as a whole. In Japan, volumes traded in the first half were down period on period; however, there is a good pipeline of transactions for the second half.

In Singapore, the recruitment last year of a significant tenant representation team helped to reduce commercial transaction losses.

Overall, underlying profits from the Asia Pacific commercial transaction business declined by 20% to £3.6m (H1 2015: £4.5m) reflecting reductions in transaction volumes in a number of markets and the costs of continued expansion in the region.

Asia Pacific Residential
Residential Transaction fee income in Asia Pacific increased by 28% to £16.3m (H1 2015: £12.7m) (24% in constant currency). Revenue growth in China, Hong Kong, Singapore and Vietnam more than offset a slight decline in Australia. The most significant driver of this growth was high end new development sales in the prime markets of Beijing and Shanghai, which doubled in comparison with H1 2015. In Hong Kong, sales growth of 14% represented significant out performance in a market where the volume of transactions declined by approximately 40% compared with H1 2015.

Underlying profits in the region benefiting particularly from the strong Chinese performance grew by 173% to £3.0m (H1 2015: £1.1m).

Continental Europe
In Continental Europe, Transaction fee income increased by 18% to £22.4m (H1 2015: £19.0m) (12% increase in constant currency). Against the backdrop of market transaction volumes declining by 30%, all countries with the exception of Germany experienced transactional revenue growth, with strong performances in France, the Netherlands, Spain and Poland. In Ireland, revenues grew marginally on a very strong comparative period. In Germany, revenue marginally decreased over H1 2015, although there is a good pipeline for the remainder of the year. The effect of continued investment in the transaction teams in France, Italy, Spain and Germany resulted in an increased first half loss in Continental European Transaction Advisory of £1.2m (H1 2015: £0.1m loss).

North America
Our North American revenue increased by 9% to £94.4m (H1 2015: £86.7m). Strong performances from New York, California, Chicago and the occupier services team were somewhat offset by a reduction in activity in Texas, driven by the effect of the oil price on industry expansion.

Business expansion continued during the period with a number of potential expansion activities scheduled to complete in the second half. During the period the brokerage headcount increased by approximately 10% through an acquisition in North Carolina and team hires across a number of offices. This expansion temporarily reduced growth in US underlying profits in the period, which increased by 4% to £7.8m (H1 2015: £7.5m). The cross border revenue pipeline of occupier-related business continued to strengthen through the period, increasing by 77% over H1 2015 with broad spread across the regions.

Consultancy

Revenue	**H1 2016 £m**	**H1 2015 £m**	**Change %**
UK	81.1	74.6	9%
Asia Pacific	16.4	15.0	9%
Continental Europe	7.6	6.8	12%
Total	105.1	96.4	9%

Consultancy fee income increased in the period by 9% (8% in constant currency) to £105.1m (H1 2015: £96.4m). In the UK, there were strong performances in building and project consultancy, planning and development consultancy and valuations. In Asia Pacific, strong revenue growth in Australia and Singapore offset a weaker performance in Hong Kong and reduced demand for development feasibility studies in mainland China.

In Continental Europe revenue increased by 12% with strong performances in France, the Netherlands and Poland offsetting slightly weaker performances in Germany and Ireland.

Overall, the effect of substantial recruitment in Asia reduced underlying profit growth in the Consultancy business to 5% at £8.2m (H1 2015: £7.8m).

Property and Facilities Management

Revenue	**H1 2016 £m**	**H1 2015 £m**	**Change %**
Asia Pacific	128.0	111.1	15%
UK	73.7	54.4	35%
Continental Europe	17.3	12.9	34%
Total	219.0	178.4	23%

The Property and Facilities Management business increased global revenues by 23% (19% in constant currency) to £219.0m (H1 2015: £178.4m). Savills total area under management decreased by 4% to 1.953bn sq.ft (H1 2015: 2.03bn sq.ft), primarily as a result of a further reduction in early stage development site management instructions, which represent immaterial levels of revenue. All three regions experienced good growth in revenues.

In Asia Pacific, there was revenue growth across the region with notable performances in Hong Kong, China, Korea and Japan. The effect of management restructuring in both Japan and Australia and expansion in Korea reduced Asia Pacific profit growth to 2% during the period.

In the UK revenue grew by 35%, with a strong performance in residential lettings where revenue increased by 13% and also commercial management, where revenue grew by 18%. In addition the full six month effect of 2015's acquisition of Smiths Gore contributed approximately 21% of the UK revenue growth.

In Continental Europe, revenue increased by 34% (26% in constant currency) with improved performances on the back of contract wins across the region. This growth led to a substantial reduction in losses for the European Property Management business.

Underlying profit for the Property and Facilities Management business grew by 32% to £10.2m (H1 2015: £7.7m).

Investment Management

Revenue from Investment Management increased by 96% (89% in constant currency) to £27.5m (H1 2015: £14.0m), reflecting the full period effect of SEB Asset Management AG acquired 31 August 2015. Organic revenue growth was 24%. During the period assets under management increased by 116% to €17.1bn (H1 2015: €7.9bn). Capital raising was negatively affected by the uncertainty prevailing during the pre-EU referendum period. However, in addition to new capital raising by existing funds, the business won two significant private equity mandates in the UK and transacted approximately €1.0bn during the first half of the year.

Underlying profits for Savills Investment Management increased by 56% to £3.9m (H1 2015: £2.5m).

Other costs

The "other costs" segment represents other costs, expenses and net interest not directly allocated to the operating activities of the Group's business segments. The H1 decrease in unallocated costs of 28% to £2.8m (H1 2015: £3.9m) reflects the receipt of dividends and distributions from certain trade investments of the Group.

Acquisition and restructuring costs

During the period the Group incurred an aggregate restructuring charge of £1.7m (H1 2015: £0.5m) and acquisition related costs of £15.0m (H1 2015: £10.6m). The restructuring charge related principally to the integration of Smiths Gore with the Savills UK business. Current year acquisition related costs reflect the charge for future consideration payments associated with the acquisition of Studley in the US (2014), Smiths Gore in the UK (2015), and Merchant Capital in Japan (2014). These costs are contingent on the continuity of recipients' employment in the future, or achievement of profit targets (H1 2015: £9.2m).

Earnings, financial strength and dividends

The Group's underlying profit margin in the period was 6.9% (H1 2015: 7.0%). Basic earnings per share for the six months to 30 June 2016 decreased by 1% to 11.6p (H1 2015: 11.7p), primarily as a result of the effect of provisions for deferred consideration on the acquisition of Studley in May 2014. Underlying earnings per share was up 9% to 21.8p (H1 2015: 20.0p).

The impact of foreign exchange movements on the translation of profits from our overseas businesses resulted in an increase in underlying profit of £1.4m (H1 2015: £1.0m increase).

At 30 June 2016, net cash was £34.7m (30 June 2015: £24.3m net debt). At 30 June 2016 the Group had cash balances of £166.9m (30 June 2015: £96.0m) less borrowings of £132.2m (30 June 2015: £120.3m), with £139.8m of credit facilities remaining available for utilisation (30 June 2015: £79.2m).

The Board has declared an interim dividend of 4.4p per share (2015: 4.0p). The increase of 10% is supported by the growth in our non-transactional business profits. The performance of the Group's Transaction Advisory businesses will be taken into account in the consideration of any proposed final ordinary and supplemental interim dividends alongside the results for the full year.

The interim dividend of 4.4p per share will be payable on 5 October 2016 to shareholders on the register on 9 September 2016.

Board Changes

During the period Nicholas Ferguson was appointed to the Board and succeeded Peter Smith as Chairman on 11 May 2016, on the latter's retirement. The Board thanks Peter for his wise stewardship over the last 12 years. On the same date Martin Angle retired from the Board and Tim Freshwater succeeded him as Senior Independent Director. The Board thanks Martin for his significant contribution during his tenure.

Principal risks and uncertainties

The key risks and uncertainties relating to the Group's operations remain largely consistent with those disclosed in the Group's Annual Report and Accounts 2015. Please refer to pages 27 to 31 thereof or to our investors' page on www.savills.com. In addition, specific risks which might affect the outlook for the second half are disclosed in the Summary and outlook statement below.

Summary and outlook

Savills has delivered a strong first half performance with revenue growth across the Group. The resilience of our less transactionally focused businesses, combined with our geographic diversity, more than offset reductions in transactional activity in certain markets.

In line with our overall growth strategy, we have continued to build on the Savills Studley platform in the US with significant recruitment and bolt-on acquisition activity across the country. In addition, we continue to investigate selective development opportunities for our businesses worldwide.

Looking to the second half, at this stage, in the traditionally quieter summer period and so soon after the EU Referendum result, it is not possible to obtain a clear read on the direction of activity in a number of the Group's principal markets, although the fundamental attributes of real estate as an investment class remain strong.

Our substantial portfolio of less transactional businesses, significant overseas earnings and strong market shares in many of our most important transactional locations position the Group well, not only to withstand short term reductions in local activity, but also to capitalise on the opportunities which we expect to emerge.

The Board currently has no reason to change its expectations for the full year, although clearly the range of potential outcomes has broadened over recent weeks.

Jeremy Helsby	**Nicholas Ferguson**
Group Chief Executive	Chairman

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 gives a true and fair view of the assets, liabilities, financial position and profit as required by DTR 4.2.4 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 are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors of Savills plc are listed in the Company's Report and Accounts for the year ended 31 December 2015. 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
8 August 2016

FORWARD-LOOKING STATEMENTS

The financial information contained in this announcement has not been audited. Certain statements made in this announcement are forward-looking statements. Undue reliance should not be placed on such statements, which 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.

The Company accepts no obligation to publicly revise or update these forward-looking statements or adjust them to future events or developments, whether as a result of new information, future events or otherwise, except to the extent legally required.

INDEPENDENT REVIEW REPORT TO SAVILLS PLC

REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Our conclusion

We have reviewed the condensed consolidated interim financial statements, defined below, in the Interim Report of Savills plc for the six months ended 30 June 2016. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are 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 Conduct Authority.

This conclusion is to be read in the context of what we say in the remainder of this report.

What we have reviewed

The condensed consolidated interim financial statements, which are prepared by Savills plc, comprise:

- the condensed interim consolidated statement of financial position as at 30 June 2016;
- the condensed interim consolidated income statement and condensed interim consolidated statement of comprehensive income for the period then ended;
- the condensed interim consolidated statement of cash flows for the period then ended;
- the condensed interim consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the condensed consolidated interim financial statements.

As disclosed in note 2, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The condensed consolidated interim financial statements included in the Interim Report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and as required by the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What a review of condensed consolidated financial statements involves

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.

We have read the other information contained in the Interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

RESPONSIBILITIES FOR THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND THE REVIEW

Our responsibilities and those of the directors

The Interim Report, including the condensed consolidated interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express to the company a conclusion on the condensed consolidated interim financial statements in the Interim Report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

PricewaterhouseCoopers LLP
Chartered Accountants
8 August 2016
London

Savills plc
Condensed interim consolidated income statement
for the period ended 30 June 2016

	Notes	**Six months to 30 June 2016 (unaudited) £m**	Six months to 30 June 2015 (unaudited) £m	Year ended 31 December 2015 (audited) £m
Revenue	6	**622.7**	547.0	1,283.5
Less:				
Employee benefits expense		**(414.7)**	(364.0)	(858.1)
Depreciation		**(6.2)**	(4.8)	(11.2)
Amortisation of intangible assets		**(3.5)**	(2.4)	(5.7)
Other operating expenses		**(177.7)**	(152.4)	(321.3)
Other operating income		**1.9**	0.7	1.1
Profit on disposal of available-for-sale investments, joint ventures and associates		**0.5**	-	2.9
Operating profit		**23.0**	24.1	91.2
Finance income		**1.0**	0.8	1.8
Finance costs		**(1.4)**	(0.9)	(1.3)
		(0.4)	(0.1)	0.5
Share of post-tax profit from joint ventures and associates		**2.9**	2.4	6.9
Profit before income tax		**25.5**	26.4	98.6
Comprising:				
- underlying profit before tax	6,7	**42.8**	38.4	121.4
- restructuring and acquisition- related costs	7	**(16.7)**	(11.1)	(24.9)
- other underlying adjustments	7	**(0.6)**	(0.9)	2.1
		25.5	26.4	98.6
Income tax expense	8	**(9.1)**	(10.3)	(33.7)
Profit for the period		**16.4**	16.1	64.9
Attributable to:				
Owners of the parent		**16.0**	15.9	64.3
Non-controlling interests		**0.4**	0.2	0.6
		16.4	16.1	64.9
Earnings per share				
Basic earnings per share	10(a)	**11.6p**	11.7p	47.0p
Diluted earnings per share	10(a)	**11.4p**	11.4p	46.4p
Underlying earnings per share				
Basic earnings per share	10(b)	**21.8p**	20.0p	63.2p
Diluted earnings per share	10(b)	**21.4p**	19.5p	62.3p

Notes 1 to 18 are an integral part of these condensed interim financial statements.

Savills plc
Condensed interim consolidated statement of comprehensive income
for the period ended 30 June 2016

	Six months to 30 June 2016 (unaudited) £m	Six months to 30 June 2015 (unaudited) £m	Year ended 31 December 2015 (audited) £m
Profit for the period	**16.4**	16.1	64.9
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit pension scheme obligation	**(30.0)**	6.6	(3.5)
Tax on items that will not be reclassified	**6.1**	(1.4)	0.7
Total items that will not be reclassified to profit or loss	**(23.9)**	5.2	(2.8)
Items that may be reclassified subsequently to profit or loss:			
Fair value (loss)/gain on available-for-sale investments	**(1.1)**	0.3	0.4
Fair value loss on available-for-sale investment released to income statement	**0.1**	-	-
Currency translation differences	**31.8**	(7.6)	4.2
Tax on items that may be reclassified	**(1.4)**	3.1	2.5
Total items that may be reclassified subsequently to profit or loss	**29.4**	(4.2)	7.1
Other comprehensive income for the period, net of tax	**5.5**	1.0	4.3
Total comprehensive income for the period	**21.9**	17.1	69.2
Total comprehensive income attributable to:			
Owners of the parent	**21.4**	16.9	68.6
Non-controlling interests	**0.5**	0.2	0.6
	21.9	17.1	69.2

Notes 1 to 18 are an integral part of these condensed interim financial statements.

Savills plc
Condensed interim consolidated statement of financial position
at 30 June 2016

	Notes	**30 June 2016 (unaudited) £m**	30 June 2015 (unaudited) £m	31 December 2015 (audited) £m
Assets: Non-current assets				
Property, plant and equipment		**58.7**	48.3	57.0
Goodwill	13	**291.1**	254.4	269.9
Intangible assets		**25.9**	24.9	25.4
Investments in joint ventures and associates		**27.8**	26.3	26.7
Deferred income tax assets		**35.4**	33.8	33.4
Available-for-sale investments		**22.9**	12.0	13.2
Retirement benefits	14	**-**	-	1.3
Derivative financial instruments		**0.1**	-	-
Non-current receivables		**9.3**	3.7	4.6
		471.2	403.4	431.5
Assets: Current assets				
Work in progress		**4.6**	5.9	5.7
Trade and other receivables		**335.0**	282.9	374.2
Current income tax receivable		**5.5**	3.8	1.2
Derivative financial instruments		**-**	-	0.1
Cash and cash equivalents		**166.9**	96.0	182.4
		512.0	388.6	563.6
Liabilities: Current liabilities				
Borrowings	15	**132.2**	120.3	31.4
Derivative financial instruments		**0.2**	-	0.2
Trade and other payables		**357.1**	251.2	455.7
Current income tax liabilities		**14.1**	4.5	12.0
Employee benefit obligations	14	**10.4**	8.3	7.3
Provisions for other liabilities and charges		**8.8**	7.9	8.8
		522.8	392.2	515.4
Net current (liabilities)/assets		**(10.8)**	(3.6)	48.2
Total assets less current liabilities		**460.4**	399.8	479.7
Liabilities: Non-current liabilities				
Trade and other payables		**44.0**	48.4	69.0
Retirement and employee benefit obligations	14	**52.4**	18.4	27.3
Provisions for other liabilities and charges		**14.2**	16.8	15.7
Deferred income tax liabilities		**3.1**	3.1	2.7
		113.7	86.7	114.7
Net assets		**346.7**	313.1	365.0
Equity: Capital and reserves attributable to owners of the parent				
Share capital		**3.5**	3.4	3.4
Share premium		**91.1**	91.0	91.1
Shares to be issued		**11.3**	22.9	22.9
Other reserves		**82.9**	27.2	39.1
Retained earnings		**156.7**	167.8	207.8
		345.5	312.3	364.3
Non-controlling interests		**1.2**	0.8	0.7
Total equity		**346.7**	313.1	365.0

Notes 1 to 18 are an integral part of these condensed interim financial statements.

Savills plc
Condensed interim consolidated statement of changes in equity
for the period ended 30 June 2016

	Attributable to owners of the parent							
	Share capital £m	**Share premium £m**	**Shares to be issued £m**	**Other reserves £m**	**Retained earnings £m**	**Total £m**	**Non-controlling interests £m**	**Total equity £m**
Balance at 1 January 2016	**3.4**	**91.1**	**22.9**	**39.1**	**207.8**	**364.3**	**0.7**	**365.0**
Profit for the period	-	-	-	-	16.0	16.0	0.4	16.4
Other comprehensive income/(loss):								
Fair value loss on available-for-sale investments	-	-	-	(1.1)	-	(1.1)	-	(1.1)
Fair value loss on available-for-sale investment released to income statement	-	-	-	0.1	-	0.1	-	0.1
Remeasurement of defined benefit pension scheme obligation	-	-	-	-	(30.0)	(30.0)	-	(30.0)
Tax on items directly taken to reserves	-	-	-	-	4.7	4.7	-	4.7
Currency translation differences	-	-	-	31.7	-	31.7	0.1	31.8
Total comprehensive income/(loss) for the period	-	-	-	30.7	(9.3)	21.4	0.5	21.9
Transactions with owners:								
Employee share option scheme:								
- Value of services provided	-	-	-	-	4.4	4.4	-	4.4
Purchase of treasury shares	-	-	-	-	(15.3)	(15.3)	-	(15.3)
Transfer between reserves	-	-	-	1.5	(1.5)	-	-	-
Shares issued	0.1	-	(11.6)	11.6	-	0.1	-	0.1
Dividends	-	-	-	-	(29.4)	(29.4)	-	(29.4)
Balance at 30 June 2016 (unaudited)	**3.5**	**91.1**	**11.3**	**82.9**	**156.7**	**345.5**	**1.2**	**346.7**

	Attributable to owners of the parent							
	Share capital £m	**Share premium £m**	**Shares to be issued £m**	**Other reserves £m**	**Retained earnings £m**	**Total £m**	**Non-controlling interests £m**	**Total equity £m**
Balance at 1 January 2015	**3.4**	**90.1**	**34.9**	**22.5**	**178.6**	**329.5**	**0.8**	**330.3**
Profit for the period	**-**	**-**	**-**	**-**	**15.9**	**15.9**	**0.2**	**16.1**
Other comprehensive income/(loss):								
Fair value gain on available-for-sale investments	**-**	**-**	**-**	**0.3**	**-**	**0.3**	**-**	**0.3**
Remeasurement of defined benefit pension scheme obligation	**-**	**-**	**-**	**-**	**6.6**	**6.6**	**-**	**6.6**
Tax on items directly taken to reserves	**-**	**-**	**-**	**-**	**1.7**	**1.7**	**-**	**1.7**
Currency translation differences	**-**	**-**	**-**	**(7.6)**	**-**	**(7.6)**	**-**	**(7.6)**
Total comprehensive (loss)/income for the period	**-**	**-**	**-**	**(7.3)**	**24.2**	**16.9**	**0.2**	**17.1**
Transactions with owners:								
Employee share option scheme:								
- Value of services provided	**-**	**-**	**-**	**-**	**5.4**	**5.4**	**-**	**5.4**
Purchase of treasury shares	**-**	**-**	**-**	**-**	**(14.8)**	**(14.8)**	**-**	**(14.8)**
Shares issued	**-**	**0.9**	**(12.0)**	**12.0**	**-**	**0.9**	**-**	**0.9**
Dividends	**-**	**-**	**-**	**-**	**(25.0)**	**(25.0)**	**-**	**(25.0)**
Transactions with non-controlling interests	**-**	**-**	**-**	**-**	**(0.6)**	**(0.6)**	**(0.2)**	**(0.8)**
Balance at 30 June 2015 (unaudited)	**3.4**	**91.0**	**22.9**	**27.2**	**167.8**	**312.3**	**0.8**	**313.1**

	Attributable to owners of the parent							
	Share capital £m	Share premium £m	Shares to be issued £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Balance at 1 January 2015	**3.4**	**90.1**	**34.9**	**22.5**	**178.6**	**329.5**	**0.8**	**330.3**
Profit for the year	**-**	**-**	**-**	**-**	**64.3**	**64.3**	**0.6**	**64.9**
Other comprehensive income/(loss):								
Remeasurement of defined benefit pension scheme obligation	**-**	**-**	**-**	**-**	**(3.5)**	**(3.5)**	**-**	**(3.5)**
Fair value gain on available-for-sale investments	**-**	**-**	**-**	**0.4**	**-**	**0.4**	**-**	**0.4**
Tax on items directly taken to reserves	**-**	**-**	**-**	**-**	**3.2**	**3.2**	**-**	**3.2**
Currency translation differences	**-**	**-**	**-**	**4.2**	**-**	**4.2**	**-**	**4.2**
Total comprehensive income for the year	**-**	**-**	**-**	**4.6**	**64.0**	**68.6**	**0.6**	**69.2**
Transactions with owners:								
Employee share option scheme:								
- Value of services provided	**-**	**-**	**-**	**-**	**11.1**	**11.1**	**-**	**11.1**
Purchase of treasury shares	**-**	**-**	**-**	**-**	**(14.9)**	**(14.9)**	**-**	**(14.9)**
Shares issued	**-**	**1.0**	**(12.0)**	**12.0**	**-**	**1.0**	**-**	**1.0**
Dividends	**-**	**-**	**-**	**-**	**(30.3)**	**(30.3)**	**(0.4)**	**(30.7)**
Transactions with non-controlling interests	**-**	**-**	**-**	**-**	**(0.7)**	**(0.7)**	**(0.3)**	**(1.0)**
Balance at 31 December 2015	**3.4**	**91.1**	**22.9**	**39.1**	**207.8**	**364.3**	**0.7**	**365.0**

Notes 1 to 18 are an integral part of these condensed interim financial statements.

Savills plc
Condensed interim consolidated statement of cash flows
for the period ended 30 June 2016

	Notes	**Six months to 30 June 2016 (unaudited) £m**	Six months to 30 June 2015 (unaudited) £m	Year ended 31 December 2015 (audited) £m
Cash flows from operating activities				
Cash (used in)/generated from operations	11	**(55.7)**	(47.1)	140.5
Interest received		**0.8**	0.7	2.0
Interest paid		**(0.9)**	(0.4)	(0.6)
Income tax paid		**(8.0)**	(11.3)	(19.9)
Net cash (used in)/generated from operating activities		**(63.8)**	(58.1)	122.0
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		**0.1**	-	0.2
Proceeds from sale of available-for-sale investments		**1.5**	-	-
Proceeds from sale of interests in joint ventures and associates		**1.1**	-	5.3
Dividends received from joint ventures and associates		**2.9**	2.2	4.8
Repayment of loans by joint ventures and associates		**1.2**	-	-
Acquisition of subsidiaries, net of cash acquired	13	**(3.5)**	(26.0)	(24.4)
Deferred consideration paid in relation to current and prior year acquisitions		**(7.9)**	(39.2)	(40.3)
Purchase of property, plant and equipment		**(6.0)**	(9.4)	(20.0)
Purchase of intangible assets		**(2.8)**	(0.7)	(1.7)
Purchase of investment in joint ventures, associates and available-for-sale investments		**(11.9)**	(5.2)	(6.0)
Net cash used in investing activities		**(25.3)**	(78.3)	(82.1)
Cash flows from financing activities				
Proceeds from issue of share capital		**-**	0.9	1.0
Proceeds from borrowings	15	**113.0**	139.0	139.3
Repayments of borrowings	15	**(12.5)**	(22.6)	(112.0)
Purchase of own shares for Employee Benefit Trust		**(15.3)**	(14.8)	(14.9)
Purchase of non-controlling interests	12	**-**	(0.7)	(1.0)
Dividends paid	9	**(29.4)**	(25.0)	(30.7)
Net cash received from/(used in) financing activities		**55.8**	76.8	(18.3)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(33.3)**	(59.6)	21.6
Cash, cash equivalents and bank overdrafts at beginning of period		**182.2**	158.1	158.1
Effect of exchange rate fluctuations on cash held		**17.6**	(2.5)	2.5
Cash, cash equivalents and bank overdrafts at end of period		**166.5**	96.0	182.2

Notes 1 to 18 are an integral part of these condensed interim financial statements.

NOTES

1. General information

The Company is a public limited company incorporated and domiciled in England and Wales. The address of its registered office is 33 Margaret Street, London W1G 0JD.

This condensed consolidated interim financial information was approved for issue by the Board of Directors on 8 August 2016.

This condensed consolidated interim financial information does not comprise statutory financial statements within the meaning of section 434 of the Companies Act 2006. Statutory financial statements for the year ended 31 December 2015 were approved by the Board of Directors on 9 March 2016 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 2016 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct 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 2015, which have been prepared in accordance with IFRSs as adopted by the European Union.

Going concern
The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its agreed facilities. Having reassessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the interim financial information.

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 2015, as described in those financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

Standards, amendments and interpretations effective for the first time for the financial year beginning 1 January 2016 are not relevant to the Group.

Use of non-GAAP measures
The Group believes that the consistent presentation of underlying profit before tax, underlying effective tax rate, underlying basic earnings per share and underlying diluted earnings per share provides additional useful information to shareholders on the underlying trends and comparable performance of the Group over time. They are used by Savills for internal performance analysis and incentive compensation arrangements for employees. These terms are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures.

The term ‘underlying’ refers to the relevant measure of profit, earnings or taxation being reported excluding the following items:

- amortisation of acquired intangible assets (excluding software);
- the difference between IFRS 2 charges related to in year profit related performance compensation subject to deferral and the opportunity cash cost of such compensation (refer to Note 7 for further explanation);
- items that are considered exceptional by size or nature including restructuring costs, impairments of goodwill, intangible assets and investments and profits or losses arising on disposals of subsidiaries and other investments; and
- significant acquisition costs related to business combinations.

A reconciliation between GAAP items and underlying results are set out in Note 7.

The underlying effective tax rate represents the underlying effective income tax expense expressed as a percentage of underlying profit before tax. The underlying effective income tax expense is the income tax expense excluding the tax effect of the adjustments made to arrive at underlying profit before tax and other tax effects related to these adjustments.

The Group presents results on a constant currency basis which is a non-GAAP measure. Constant currency results are calculated by translating foreign currency results using the prior period exchange rate. This measure allows the Group to assess the results of the current period compared to the prior period.

4. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015, with the exception of changes in estimates that are required in determining the provision for income taxes.

5. Financial risk management

Financial risk factors
The Group’s activities expose it to a variety of financial risks including foreign exchange risk, interest rate risk, credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures as required in the annual financial statements; they should be read in conjunction with the Group’s annual financial statements as at 31 December 2015. There have been no changes in any risk management policies since the year end.

Fair value estimation
The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

– Quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1).
– Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
– Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2016:

£m	Level 1	Level 2	Level 3	Total
2016				
Assets				
Available-for-sale investments				
- Unlisted	-	**22.9**	-	**22.9**
Derivative financial instruments	-	**0.1**	-	**0.1**
Total assets	-	**23.0**	-	**23.0**
Liabilities				
Deferred consideration	-	**-**	**69.7**	**69.7**
Derivative financial instruments	-	**0.2**	**-**	**0.2**
Total liabilities	-	**0.2**	**69.7**	**69.9**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2015:

£m	Level 1	Level 2	Level 3	Total
2015				
Assets				
Available-for-sale investments				
- Unlisted	-	13.2	-	13.2
Derivative financial instruments	-	0.1	-	0.1
Total assets	-	13.3	-	13.3
Liabilities				
Deferred consideration	-	-	56.8	56.8
Derivative financial instruments	-	0.2	-	0.2
Total liabilities	-	0.2	56.8	57.0

There were no transfers between levels of the fair value hierarchy in the period.

There were no changes in valuation techniques during the period.

The fair value of all other financial assets and liabilities approximate their carrying amount.

Valuation techniques

Level 1 instruments are those whose fair values are based on quoted market prices. The Group has no Level 1 instruments.

Level 2 instruments include investment funds, the fair value of these funds are based on underlying asset values determined by the Fund Manager's audited annual financial statements. The fair value of other unlisted investments also included as level 2 are based on price earnings models.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. No material change to the fair value recognised is expected.

6. Segment analysis

Six months to 30 June 2016 (unaudited)	Trans-action Advisory £m	Consult-ancy £m	Property and Facilities Manage-ment £m	Invest-ment Manage-ment £m	Other £m	Total £m
Revenue						
United Kingdom						
- commercial	**32.1**	**61.0**	**61.1**	**11.7**	**-**	**165.9**
- residential	**57.2**	**20.1**	**12.6**	**-**	**-**	**89.9**
Total United Kingdom	**89.3**	**81.1**	**73.7**	**11.7**	**-**	**255.8**
Continental Europe	**22.4**	**7.6**	**17.3**	**15.8**	**-**	**63.1**
Asia Pacific						
- commercial	**48.7**	**16.4**	**128.0**	**-**	**-**	**193.1**
- residential	**16.3**	**-**	**-**	**-**	**-**	**16.3**
Total Asia Pacific	**65.0**	**16.4**	**128.0**	**-**	**-**	**209.4**
North America	**94.4**	**-**	**-**	**-**	**-**	**94.4**
Total revenue	**271.1**	**105.1**	**219.0**	**27.5**	**-**	**622.7**
Underlying profit/(loss) before tax						
United Kingdom						
- commercial	**2.7**	**4.6**	**4.2**	**2.6**	**(2.8)**	**11.3**
- residential	**7.4**	**2.6**	**0.7**	**-**	**-**	**10.7**
Total United Kingdom	**10.1**	**7.2**	**4.9**	**2.6**	**(2.8)**	**22.0**
Continental Europe	**(1.2)**	**0.8**	**(1.0)**	**1.3**	**-**	**(0.1)**
Asia Pacific						
- commercial	**3.6**	**0.2**	**6.3**	**-**	**-**	**10.1**
- residential	**3.0**	**-**	**-**	**-**	**-**	**3.0**
Total Asia Pacific	**6.6**	**0.2**	**6.3**	**-**	**-**	**13.1**
North America	**7.8**	**-**	**-**	**-**	**-**	**7.8**
Underlying profit/(loss) before tax	**23.3**	**8.2**	**10.2**	**3.9**	**(2.8)**	**42.8**

Six months to 30 June 2015 (unaudited)	Trans-action Advisory £m	Consult-ancy £m	Property and Facilities Manage-ment £m	*Invest-ment Manage-ment £m	Other £m	Total £m
Revenue						
United Kingdom						
- commercial	41.9	56.0	42.8	8.3	-	149.0
- residential	51.8	18.6	11.6	-	-	82.0
Total United Kingdom	93.7	74.6	54.4	8.3	-	231.0
Continental Europe	19.0	6.8	12.9	5.7	-	44.4
Asia Pacific						
- commercial	46.1	15.0	111.1	-	-	172.2
- residential	12.7	-	-	-	-	12.7
Total Asia Pacific	58.8	15.0	111.1	-	-	184.9
North America	86.7	-	-	-	-	86.7
Total revenue	258.2	96.4	178.4	14.0	-	547.0
Underlying profit/(loss) before tax						
United Kingdom						
- commercial	5.9	4.0	3.1	1.8	(3.9)	10.9
- residential	5.4	2.1	0.2	-	-	7.7
Total United Kingdom	11.3	6.1	3.3	1.8	(3.9)	18.6
Continental Europe	(0.1)	0.7	(1.8)	0.7	-	(0.5)
Asia Pacific						
- commercial	4.5	1.0	6.2	-	-	11.7
- residential	1.1	-	-	-	-	1.1
Total Asia Pacific	5.6	1.0	6.2	-	-	12.8
North America	7.5	-	-	-	-	7.5
Underlying profit/(loss) before tax	24.3	7.8	7.7	2.5	(3.9)	38.4

*****Following the acquisition of SEB Asset Management AG in August 2015 the investment management segment has been split between the United Kingdom and Continental Europe.

Year ended to 31 December 2015 (audited)	Transaction Advisory £m	Consultancy £m	Property and Facilities Management £m	Investment Management £m	Other £m	Total £m
Revenue						
United Kingdom						
- commercial	98.8	138.3	107.1	16.7	-	360.9
- residential	127.9	44.5	26.8	-	-	199.2
Total United Kingdom	226.7	182.8	133.9	16.7	-	560.1
Continental Europe	56.4	16.5	29.1	27.8	-	129.8
Asia Pacific						
- commercial	111.9	31.0	227.7	-	-	370.6
- residential	30.5	-	-	-	-	30.5
Total Asia Pacific	142.4	31.0	227.7	-	-	401.1
North America	192.5	-	-	-	-	192.5
Total revenue	618.0	230.3	390.7	44.5	-	1,283.5
Underlying profit/(loss) before tax						
United Kingdom						
- commercial	16.9	15.4	9.2	4.3	(12.2)	33.6
- residential	17.8	6.4	1.7	-		25.9
Total United Kingdom	34.7	21.8	10.9	4.3	(12.2)	59.5
Continental Europe	4.0	0.7	(2.4)	6.6	-	8.9
Asia Pacific						
- commercial	16.3	2.2	12.6	-	-	31.1
- residential	3.1	-	-	-	-	3.1
Total Asia Pacific	19.4	2.2	12.6	-	-	34.2
North America	18.8	-	-	-	-	18.8
Underlying profit/(loss) before tax	76.9	24.7	21.1	10.9	(12.2)	121.4

Operating segments reflect internal management reporting to the Group's chief operating decision maker, defined as the Group Executive Board ('GEB'). The GEB assess the performance of operating segments based on a measure of underlying profit before tax which adjusts reported pre-tax profit by amortisation of intangibles (excluding software), share-based payment adjustments, exceptional items that are considered non-operational in nature and significant acquisition costs related to business combinations. Segmental assets and liabilities are not measured or reported to the GEB.

The Other segment includes costs and other expenses at holding company and subsidiary levels, which are not directly attributable to the operating activities of the Group's business segments.

A reconciliation of underlying profit before tax to reported profit before tax is provided in Note 7.

7. Underlying profit before tax

The Directors seek to present a measure of underlying performance which is not impacted by exceptional items or items considered non-operational in nature. Consistently applied in each accounting period, this measure of profit is described as 'underlying' and is used by management to measure and monitor performance.

	Six months to 30 June 2016 (unaudited) £m	Six months to 30 June 2015 (unaudited) £m	Year ended 31 December 2015 (audited) £m
Reported profit before tax	**25.5**	26.4	98.6
Adjustments:			
- Amortisation of intangible assets (excluding software)	**2.1**	1.5	3.6
- Impairment of available-for-sale investment	**0.4**	-	-
- Share-based payment adjustment	**(1.4)**	(0.6)	(2.8)
- Profit on disposal of available-for-sale investments, joint ventures and associates	**(0.5)**	-	(2.9)
- Restructuring costs	**1.7**	0.5	1.6
- Acquisition related costs	**15.0**	10.6	23.3
Underlying profit before tax	**42.8**	38.4	121.4

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 deducting from profit the difference between the IFRS 2 charge and the effective value of the annual share award in order better to match the underlying staff costs in the year with the revenue recognised in the same period.

Acquisition-related costs include £9.7m of provisions for the future payments in relation to the acquisition of Studley, Inc. which are expensed through the income statement in line with IFRS 3 (revised), to reflect the requirement for the recipients to remain actively engaged in the business at the payment date. Acquisition-related costs also include £3.7m for payments in relation to Savills Investment Management's acquisition of Merchant Capital (Japan) in May 2014 and £1.6m of provisions for future payments relating to acquisitions in the United Kingdom (primarily Smiths Gore), North America and Continental Europe.

8. Income tax expense

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

	Six months to 30 June 2016 (unaudited) £m	Six months to 30 June 2015 (unaudited) £m	Year ended 31 December 2015 (audited) £m
United Kingdom			
- Current tax	**3.8**	4.2	13.2
- Deferred tax	**(0.4)**	(0.9)	(0.8)
Foreign tax			
- Current tax	**3.7**	4.3	14.7
- Deferred tax	**2.0**	2.7	6.6
Income tax expense	**9.1**	10.3	33.7

The forecast Group effective tax rate is 35.7% (30 June 2015: 39.0% and 31 December 2015: 34.2%), which is higher (30 June 2015 and 31 December 2015: higher) than the UK standard effective annual rate of corporation tax of 20.0% (30 June 2015 and 31 December 2015: 20.25%). This reflects permanent disallowable expenses, including acquisition costs. The Group underlying effective tax rate was 29.0% (30 June 2015: 28.6% and 31 December 2015: 28.3%).

9. Dividends

	Six months to 30 June 2016 (unaudited) £m	Six months to 30 June 2015 (unaudited) £m	Year ended 31 December 2015 (audited) £m
Amounts recognised as distribution to equity holders in the year:			
Ordinary final dividend of 8.0p per share (2015: 7.25p)	**10.7**	9.4	9.4
Supplemental interim dividend of 14.0p per share (2015: 12.0p)	**18.7**	15.6	15.6
Interim dividend of 4.0p per share	**-**	-	5.3
	29.4	25.0	30.3
Proposed interim dividend for the six months ended 30 June 2016	**6.1**	5.3	

The Board has declared an interim dividend for the six months ended 30 June 2016 of 4.4p per ordinary share (30 June 2015: 4.0p) to be paid on 5 October 2016 to shareholders on the register on 9 September 2016. The interim dividend has not been recognised in these interim financial statements. It will be recognised in equity in the year to 31 December 2016.

10(a). Basic and diluted earnings per share

Six months to 30 June	**2016 Earnings £m**	**2016 Shares million**	**2016 EPS pence**	2015 Earnings £m	2015 Shares million	2015 EPS pence
Basic earnings per share	**16.0**	**137.4**	**11.6**	15.9	136.2	11.7
Effect of additional shares issuable under option	**-**	**2.9**	**(0.2)**	-	3.0	(0.3)
Diluted earnings per share	**16.0**	**140.3**	**11.4**	15.9	139.2	11.4

Year to 31 December	2015 Earnings £m	2015 Shares million	2015 EPS pence
Basic earnings per share	64.3	136.8	47.0
Effect of additional shares issuable under option	-	1.9	(0.6)
Diluted earnings per share	64.3	138.7	46.4

10(b). Underlying basic and diluted earnings per share

Six months to 30 June	**2016 Earnings £m**	**2016 Shares million**	**2016 EPS pence**	2015 Earnings £m	2015 Shares million	2015 EPS pence
Basic earnings per share	**16.0**	**137.4**	**11.6**	15.9	136.2	11.7
- Amortisation of intangible assets (excluding software) after tax	**1.2**	**-**	**0.9**	0.8	-	0.6
- Impairment of available-for-sale investment after tax	**0.4**	**-**	**0.3**	-	-	-
- Share-based payment adjustment after tax	**(1.1)**	**-**	**(0.8)**	(0.5)	-	(0.4)
- Restructuring costs after tax	**1.5**	**-**	**1.1**	0.5	-	0.4
- Profit on disposal of available-for-sale investments, joint ventures and associates after tax	**(0.5)**	**-**	**(0.4)**	-	-	-
- Acquisition related costs after tax	**14.6**	**-**	**10.6**	10.5	-	7.7
- Forecast annual tax rate adjustment	**(2.1)**	**-**	**(1.5)**	-	-	-
Underlying basic earnings per share	**30.0**	**137.4**	**21.8**	27.2	136.2	20.0
Effect of additional shares issuable under option	**-**	**2.9**	**(0.4)**	-	3.0	(0.5)
Underlying diluted earnings per share	**30.0**	**140.3**	**21.4**	27.2	139.2	19.5

Year to 31 December	2015 Earnings £m	2015 Shares million	2015 EPS pence
Basic earnings per share	64.3	136.8	47.0
- Amortisation of intangibles (excluding software) after tax	2.0	-	1.5
-Impairment of available-for-sale investment after tax	-	-	-
- Share-based payment adjustment after tax	(2.2)	-	(1.6)
- Restructuring costs after tax	1.5	-	1.1
- Profit on disposal of available-for-sale investments, joint ventures and associates after tax	(1.9)	-	(1.4)
- Acquisition related costs after tax	22.7	-	16.6
Underlying basic earnings per share	86.4	136.8	63.2
Effect of additional shares issuable under option	-	1.9	(0.9)
Underlying diluted earnings per share	86.4	138.7	62.3

11. Cash (used in)/generated from operations

	Six months to 30 June 2016 (unaudited) £m	Six months to 30 June 2015 (unaudited) £m	Year ended 31 December 2015 (audited) £m
Profit for the period	**16.4**	16.1	64.9
Adjustments for:			
Income tax (Note 8)	**9.1**	10.3	33.7
Depreciation	**6.2**	4.8	11.2
Amortisation of intangible assets	**3.5**	2.4	5.7
Loss on sale of property, plant and equipment	**-**	0.1	-
Profit on disposal of available-for-sale investments, joint ventures and associates	**(0.5)**	-	(2.9)
Net finance cost/(income)	**0.4**	0.1	(0.5)
Share of post-tax profit from joint ventures and associates	**(2.9)**	(2.4)	(6.9)
Decrease in employee and retirement obligations	**(3.2)**	(2.1)	(5.5)
Exchange movements on operating activities	**1.9**	(1.1)	(0.8)
Decrease in provisions	**(1.7)**	(2.3)	(2.8)
Impairment of available-for-sale investment included within other operating expenses	**0.4**	-	-
Charge for share-based compensation	**4.4**	5.4	11.1
Operating cash flows before movements in working capital	**34.0**	31.3	107.2
Decrease/(Increase) in work in progress	**1.1**	(0.5)	(0.9)
Decrease/(increase) in trade and other receivables	**57.4**	29.8	(47.3)
(Decrease)/increase in trade and other payables	**(148.2)**	(107.7)	81.5
Cash (used in)/generated from operations	**(55.7)**	(47.1)	140.5

12. Transactions with non-controlling interests

There were no transactions with non-controlling interests during the six months ended 30 June 2016.

13. Acquisition of subsidiaries

US acquisitions

In June 2016, Savills Studley, Inc. acquired the assets of Cresa Partners Charlotte, Inc., a U.S. based commercial brokerage firm in the North Carolina region. Total acquisition consideration is provisionally determined at £1.9m and is comprised of deferred consideration which is payable in instalments by the 5th and 7th anniversary of completion subject to the achievement of certain revenue targets. As at the reporting date it is expected that these targets will be achieved.

Further to this, up to £4.2m is also payable to certain key staff. £2.8m was paid at closing and £1.4m is payable on the 1st anniversary of completion subject to certain employment conditions. As required by IFRS 3 (revised) these payments are expensed to the income statement over the relevant period of employment.

Goodwill of £1.8m has been provisionally determined and is attributable to the experience, reputation and expertise of key staff and is not expected to be deductible for tax purposes.

14. Retirement and employee benefit obligations

Defined benefit plans

The Group operates two defined benefit plans.

The Pension Plan of Savills (the 'UK Plan') is a UK-based plan which 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 UK Plan are provided through the Group's defined contribution Personal Pension Plan.

The pension plan of Savills Fund Management GMBH (the 'SFM Plan'), was acquired as part of the acquisition of SEB in August 2015. The plan provides final salary benefits to 26 active employees and 92 former employees. The plan is closed to future service-based benefit accrual.

Significant actuarial pension assumptions are detailed in the Group's Annual Report and Accounts 2015 and are the same as at 31 December 2015 except for the following:

	SFM Plan			UK Plan		
	Six months to 30 June 2016	Six months to 30 June 2015	Year ended 31 December 2015	**Six months to 30 June 2016**	Six months to 30 June 2015	Year ended 31 December 2015
Expected rate of salary increases	**2.50%**	-	2.50%	**3.85%**	3.85%	3.85%
Projection of social security contribution ceiling	**2.25%**	-	2.25%	**-**	-	-
Discount rate	**1.70%**	-	2.60%	**2.80%**	3.80%	3.70%
Inflation assumption	**1.75%**	-	1.75%	**3.00%**	3.40%	3.30%
Rate of increase to pensions in payment						
- Pension promise before 1 January 1986	**2.25%**	-	2.25%	**-**	-	-
- Pension promise after 1 January 1986	**1.75%**	-	1.75%	**-**	-	-
- accrued before 6 April 1997	**-**	-	-	**3.00%**	3.00%	3.00%
- accrued after 5 April 1997	**-**	-	-	**3.00%**	3.30%	3.20%
- accrued after 5 April 2005	**-**	-	-	**2.20%**	2.30%	2.20%
Rate of increase to pensions in deferment						
- accrued before 6 April 2001	**-**	-	-	**5.00%**	5.00%	5.00%
- accrued after 5 April 2001	**-**	-	-	**1.90%**	2.30%	2.20%
- accrued after 5 April 2009	**-**	-	-	**1.90%**	2.30%	2.20%

The amounts recognised in the statement of financial position are as follows:

UK Plan	**30 June 2016 £m**	30 June 2015 £m	31 December 2015 £m
Present value of funded obligations	**272.1**	222.3	225.7
Fair value of plan assets	**(233.9)**	(213.7)	(209.9)
Liability recognised in the statement of financial position (included in retirement and employee benefit obligations)	**38.2**	8.6	15.8

SFM Plan	**30 June 2016 £m**	30 June 2015 £m	31 December 2015 £m
Present value of funded obligations	**14.4**	-	10.9
Fair value of plan assets	**(13.9)**	-	(12.2)
Liability/(asset) recognised in the statement of financial position (included employee benefit obligations)	**0.5**	-	(1.3)

The amount recognised within the income statement in relation to the UK Plan for the period ended 30 June 2016 is a net interest cost of £0.2m (30 June 2015: £0.3m, 31 December 2015: £0.6m).

The amount recognised within the income statement in relation to the SFM Plan for the period ended 30 June 2016 is a net interest cost of £0.1m (31 December 2015: £nil).

Included in retirement and employee benefit obligations is £24.1m relating to holiday pay and long service leave (30 June 2015: £18.1m, 31 December 2015: £18.8m).

15. Borrowings

Movements in borrowings are analysed as follows:

	£m
Opening amount as at 1 January 2016	31.4
Additional borrowings (including overdraft)	113.2
Repayments of borrowings	(12.5)
Exchange rate fluctuations	0.1
Closing amount as at 30 June 2016	**132.2**

Current	**30 June 2016 £m**	30 June 2015 £m	31 December 2015 £m
Bank overdrafts	**0.4**	-	0.2
Unsecured bank loans due within one year or on demand	**131.8**	120.3	31.2
	132.2	120.3	31.4

The Group has the following undrawn borrowing facilities:

	30 June 2016 £m	30 June 2015 £m	31 December 2015 £m
Floating rate			
- expiring within one year or on demand	**20.6**	19.2	19.8
- expiring between 1 and 5 years	**119.2**	60.0	220.0
	139.8	79.2	239.8

In December 2015 the Group's £180m multicurrency revolving credit facility ('RCF') was cancelled and replaced with a new £250m RCF, which expires in December 2020 and can be increased by an additional £50m Accordion facility. As at 30 June 2016 £131.5m of the £250m RCF was drawn.

16. Related party transactions

As at 30 June 2016, there were no loans outstanding to associates and joint ventures (30 June 2015: £1.9m, 31 December 2015: £1.2m).

There were no other material related party transactions during the period. All related party transactions take place on an arm's-length basis under the same terms as those available to other customers in the ordinary course of business.

17. 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.

18. Seasonality

A significant percentage of revenue is seasonal which has historically caused 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 calendar year end.

SHAREHOLDER INFORMATION

Like many other listed public companies, Savills no longer issues a hard copy of the Interim Statement to shareholders.

This announcement together with the attached financial statements and notes may be downloaded from the investor relations section of the Company website at www.savills.com.