

8 August 2013

Savills plc

(“Savills” or “the Group”)

RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2013

Savills plc, the international real estate advisor, today announces its unaudited results for the six months ended 30 June 2013.

Key Financial Information

- **Group revenue up 13% to £399.0m (H1 2012: £353.3m)**
- **Underlying Group profit before tax up 40% to £26.0m (H1 2012: £18.6m*)**
- **Group profit before tax up 25% to £21.4m (H1 2012: £17.1m)**
- **Underlying basic earnings per share up 26% to 15.0p (H1 2012: 11.9p)**
- **Basic earnings per share up 12% to 12.2p (H1 2012: 10.9p)**
- **Interim dividend increased 6% to 3.5p per share (H1 2012: 3.3p)**

**note H1 2012 comparative restated to account for effect of IAS 19 accounting for pensions*

Operational Highlights

- **Strong growth in Transaction Advisory revenue with profit up 100% over H1 2012**
- **Significant improvements in Consultancy revenue with profit up 40% over H1 2012**
- **Increased revenue in Continental Europe delivers 26% reduction in losses after further reorganisation and recruitment costs**
- **Cordea Savills Investment Management raised significant fund commitments and Assets under Management increase 10% to €4.4bn**
- **Merged Savills UK business performing well and supported by early indications of a broader UK recovery**

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

“Savills has delivered a strong first half performance in line with our expectations as a result of our strength in key transactional markets in the UK and Asia Pacific and a continued reduction in losses in Continental Europe. In addition, we have continued to invest in the business through both acquisition and recruitment.

Looking to the second half, we currently see no change in the overall outlook for our business. In Asia, as previously indicated, we anticipate a reduction in activity levels in Hong Kong and Singapore as the latest Government measures affect the transaction pipeline for the second half. In the UK, the benefits of the Savills UK merger are already coming through alongside early indications of a broader recovery in commercial and residential markets. In Continental Europe, we continue to invest in the core markets of Paris and Germany, incurring expansion costs, but maintain our target of materially reducing losses year-on-year. In the US, we have a healthy pipeline of business and continue to investigate opportunities to enhance our operation there.”

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Savills

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Business review

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

Revenue	H1 2013 £m	H1 2012 £m	Change
Transaction Advisory	148.5	125.9	18%
Consultancy	82.1	72.3	14%
Property and Facilities Management	157.1	143.7	9%
Investment Management	11.3	11.3	0%
Other/unallocated	0.0	0.1	n/a
Group revenue	399.0	353.3	13%

Underlying profit before tax	H1 2013 £m	H1 2012 £m	Change
Transaction Advisory	14.6	7.3	100%
Consultancy	6.3	4.5	40%
Property and Facilities Management	7.8	7.8	0%
Investment Management	0.9	1.8	(50)%
Other/unallocated	(3.6)	(2.8)	(29)%
Group underlying profit*	26.0	18.6**	40%

*A reconciliation between statutory and underlying profit before tax is set out in Note 6. ** H1 2012 has been restated to account for IAS 19 for comparative purposes

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

Revenue	H1 2013 £m	H1 2012 £m	Change
United Kingdom	193.5	170.9	13%
Asia Pacific	169.1	148.2	14%
Continental Europe	33.3	31.6	5%
America	3.1	2.5	24%
Other/unallocated	0.0	0.1	n/a
Group revenue	399.0	353.3	13%

Underlying profit before tax	H1 2013 £m	H1 2012 £m	Change
United Kingdom	18.0	15.3	18%
Asia Pacific	15.0	10.6	42%
Continental Europe	(2.6)	(3.5)	26%
America	(0.8)	(1.0)	20%
Other/unallocated	(3.6)	(2.8)	(29)%
Group underlying profit*	26.0	18.6**	40%

*A reconciliation between statutory and underlying profit before tax is set out in Note 6. ** H1 2012 has been restated to account for IAS 19 for comparative purposes

Overview

The Group's results for the six months to 30 June 2013 show revenue up 13% to £399.0m (H1 2012: £353.3m), and underlying profit before tax of £26.0m, 40% higher than the first half of 2012 (H1 2012: £18.6m). Statutory Profit before tax was £21.4m, 25% higher than the first half of 2012 (H1 2012: £17.1m). As anticipated, the first quarter benefited from continued strength in UK and Asian markets following a strong finish to last year. This, together with further improvement in the Consultancy business and a reduction in losses in Continental Europe and the US, underpinned a strong first half performance for the Group. The Underlying PBT margin, including the impact of an amendment to IAS 19 on pension costs, increased by 120 bps to 6.5% (H1 2012: 5.3% adjusted for IAS 19 comparative purposes).

Our UK businesses, which were merged from 1st January, delivered good growth in revenue and underlying pre-tax profit. Furthermore, we have continued to invest in future growth during the period through the recruitment of individuals and teams across our businesses. In July, Cordea Savills agreed the acquisition of Merchant Capital KK, an investment management business in Tokyo with approximately £250m under management for consideration of £1.5m, with contingent consideration payable over the next four years based on the actual performance of the business. This is the Group's first investment management initiative in the Asia Pacific region and fits well with Savills existing asset management business in Japan.

Transaction Advisory

Revenue	H1 2013 £m	H1 2012 £m	Change
United Kingdom	75.8	66.7	14%
Asia Pacific	54.8	43.6	26%
Continental Europe	14.8	13.1	13%
America	3.1	2.5	24%
Total	148.5	125.9	18%

Savills Transaction Advisory businesses performed strongly during the period driven by revenue increases in all markets. Overall, the underlying profits of our Transaction Advisory business as a whole increased by 100% to £14.6m during the period (H1 2012: £7.3m) driven primarily, as anticipated, by the UK and Asia Pacific and the further reduction in losses in Continental Europe.

UK Residential

UK Residential Transaction fee income increased by 15% to £52.5m (H1 2012: £45.7m). This growth was driven by the continued strength of the Prime London market, where the volume exchanged in the period increased by 5% over H1 2012. This compensated for an 8% decline in volumes outside London. During the period there has been an increase in the number of domestic and European purchasers of prime London property. Savills average London Agency transaction value increased by 18% to £3.2m, while the average Country transaction value declined by 9% to £1.0m. The continued strength of international demand drove the performance of prime development sales, with high quality product in central London continuing to attract significant interest. In recent weeks we have seen a more general recovery in activity with significant increases in both newly registered applicants (buyers) and viewings in both London and the Country. It appears that households are beginning to contemplate moves that may have been put on hold over the last few years.

UK Commercial

UK Commercial Transaction fee income grew 11% to £23.3m (H1 2012: £21.0m). Revenue from investment and leasing transactions outside London grew by 34% over H1 2012 against a backdrop of recovering markets where regional investment volumes and office take up increased by 45% and 28% respectively. This offset a 15% decline in central London markets which have been characterised by limited supply despite continued strong demand, particularly from international investors. Volumes in both the City and West End markets declined in comparison with H1 2012, primarily through lack of available stock. In both Central London markets the number of Asian buyers has increased substantially. Commercial leasing markets generally remain sensitive to a few very large transactions. In the City, market take up was 28% up year-on-year with a number of large transactions from the technology and insurance sectors. Indeed the TMT sector has represented a significant proportion of London leasing activity and in the West End, it accounts for over 40% of current requirements in the market.

Asia Pacific Commercial

Commercial Transaction fee income in Asia Pacific increased by 24% to £44.0m (H1 2012: £35.5m). Within the Asia Pacific group there were strong revenue performances from Hong Kong (up 26%), Mainland China (up 45%), Australia (up 24%) and Japan (up 113%), which more than offset reductions in activity in Taiwan, Thailand and Vietnam. In the core markets of Hong Kong and China, this performance was as a result of continued strong markets from Q4 2012. In March 2013 the Government of Hong Kong both increased the rate and extended the coverage of Stamp Duty on commercial transactions. To date Savills performance has been somewhat stronger than we initially anticipated. However, these measures have had a dampening effect on markets and this is expected to become more material in the second half of the year.

Asia Pacific Residential

Residential Transaction fee income in Asia Pacific increased by 33% to £10.8m (H1 2012: £8.1m). There were strong performances in prime markets in China (up 62%), Singapore (up 50%) and Australia (up 57%); the latter reflecting the investment made by the Group in Sydney during the last two years. In Hong Kong, where the bulk of new Government measures have taken effect, sales increased by 3% compared with H1 2012. These performances offset anticipated revenue declines in both Thailand and Vietnam. Looking forward, the mainstream market in Hong Kong is showing very limited levels of activity and, while the Prime residential markets in which Savills operates have been less affected to date, they are clearly not immune to such measures or to uncertainty over economic conditions more generally.

Continental Europe

In Continental Europe, transaction fee income increased by 13% to £14.8m (H1 2012: £13.1m), driven by a significant increase in activity in Ireland and stronger performances in Sweden, Poland and Belgium. In Germany, transactional revenues declined by 3% during a period of significant management restructuring, which has put the business on an improved footing for the future. In the leasing markets, the Paris leasing team, which was the subject of significant investment over the last 18 months, improved revenue substantially helping to offset lower volumes of activity in Germany, the Netherlands and Poland. Macro-economic factors affecting many European economies continue to have an adverse effect on our business, however the continental European transaction teams as a whole successfully reduced losses by over 35% compared to H1 2012 despite incurring significant reorganisation and recruitment costs, particularly in Germany. We continue to manage the business to enhance our service offering and deliver a material reduction in losses.

US Commercial

Our US revenue increased by 24% to £3.1m (H1 2012: £2.5m) with some significant transactions in the Multifamily segment and the cross border business, most notably on behalf of German investors. The pipeline of business continued to strengthen through the period and we are actively seeking to build the Savills business in the US market.

Consultancy

Consultancy Revenue	H1 2013 £m	H1 2012 £m	Change %
UK	62.7	53.7	17%
Asia Pacific	13.9	13.0	7%
Continental Europe	5.5	5.6	(2)%
Total	82.1	72.3	14%

Consultancy fee income increased in the period by 14% to £82.1m (H1 2012: £72.3m). In the UK, strong performances in planning, development and housing consultancy in addition to valuation, contributed significantly to increased revenues. Much of this derived from Savills combined strength in both Residential and Commercial markets as we have been uniquely positioned to facilitate institutional investment in private rented accommodation and also to advise developers seeking to convert assets from commercial to residential use. In the Asia Pacific region, strong performances in Australia and China offset weaker results in the period for Hong Kong and elsewhere in the region.

In Continental Europe our valuation consultancies in Paris and Milan increased revenue significantly and while revenues from the German consultancy business declined, there is a substantial pipeline of work for the second half of the year.

Overall, the strong UK performance, together with some cost cutting in parts of Continental Europe, contributed to a 40% increase in profits from Consultancy which rose to £6.3m (H1 2012: £4.5m).

Property and Facilities Management

Property & Facilities Management Revenue	H1 2013	H1 2012	Change
	£m	£m	%
Asia Pacific	100.4	91.6	10%
UK	43.7	39.2	11%
Continental Europe	13.0	12.9	1%
Total	157.1	143.7	9%

The Property and Facilities Management business increased global revenues by 9% to £157.1m (H1 2012: £143.7m). In the Asia Pacific region the impact of strong revenue growth in China and Hong Kong (together up 15%) substantially increased profits. However, this performance was largely offset by continued weakness in project management in Australia, as a result of reduced activity in Government sponsored infrastructure projects, and reductions in Property Management revenue in Japan and Korea, the latter reflecting the impact of a number of client disposal transactions during the period.

In the UK revenue growth of 11% came from Residential property management including prime lettings and the impact of new commercial and corporate real estate contracts. Profits during the period were temporarily affected by the cost of both recruitment and planned losses from new Residential Lettings offices in their initial trading periods.

In Continental Europe, Ireland enjoyed substantial revenue and profit growth as a result of its focus of the last few years on asset management mandates from the banks. In Paris and the Netherlands, profits advanced as a result of management improvements made in previous periods. By contrast, in Sweden, the property management business lost both revenue and profits in the period, as a result of two contract losses, and measures have been taken to improve the leadership of that business.

Savills total area under management increased by 14% to 1.79bn sq ft (H1 2012: 1.57bn sq ft) driven primarily by mandate wins in China, Vietnam and the UK.

Underlying PBT in the Property and Facilities Management business was flat at £7.8m (H1 2012: £7.8m) primarily reflecting adverse conditions in the Australian project management business and the impact of investment in new lettings offices in the UK.

Investment Management

Fee income from Investment Management was flat at £11.3m (H1 2012: £11.3m). However there has been a substantial increase in the quality of revenue as reductions in fee income on historic opportunistic funds and other closed-end funds facing expiry have been progressively replaced by new mandates and funds. Cordea Savills core funds and mandates have continued to show strong investment performance complemented by inflows and commitments of over £300m. In addition, new funds and mandates have received commitments of over £200m during the period, with the potential for more commitments during the second half of the year. Assets under Management (AUM) rose 10% to €4.4bn (H1 2012 €4.0bn).

In July, Cordea announced the acquisition of Merchant Capital in Tokyo. This investment management company, with approximately €300m under management, complements Cordea's existing distribution capability in the region and Savills Japan's existing licensed asset management business.

As a result of a number of non-recurring restructuring and acquisition costs, underlying PBT reduced by 50% to £0.9m (H1 2012: £1.8m) during the period.

Other unallocated costs and restructuring costs

This segment represents other costs, expenses and net interest income not directly allocated to the operating activities of the Group's business segments in the period. The H1 increase in unallocated costs of £3.6m (H1 2012: £2.8m) is not expected to lead to a material increase for the year as a whole.

Restructuring costs of £3.5m (H1 2012: n/a) were recognised as a result of the merger of the two UK businesses. This included the vacant property costs incurred in advance of the occupation of the new headquarters at 33 Margaret St and the associated surrender of the previous West End Office leases. These were marginally lower than anticipated.

Earnings, financial strength and dividends

The Group's underlying pre-tax profit margin in the period, including the effect of the amendment to the IAS19 treatment of pension costs, improved to 6.5% (H1 2012: 5.6% as reported; 5.3% as adjusted for IAS 19) in line with our expectations. Basic earnings per share for the six months to 30 June 2013 increased by 12% to 12.2p (H1 2012: 10.9p). Underlying earnings per share were up 26% to 15.0p (H1 2012: 11.9p). Basic earnings per share included restructuring costs of £3.5m (H1 2012: n/a).

The impact of foreign exchange movements on the profits of our globally diversified business was not material. On a constant currency basis underlying profit before tax would have been 0.8% lower at £25.8m (H1 2012: £18.6m).

At 30 June 2013, the balance sheet remained strong with net cash of £3.2m (30 June 2012: £5.7m) and £98.3m of credit facilities of which £32.8m was un-utilised.

The Board has declared an interim dividend of 3.5p per share (2012: 3.3p). The increase of 6% is consistent with the collective increase in profits from our non-transactional businesses. The performance of the Group's Transaction Advisory businesses will be taken into account in the consideration of any proposed final ordinary or supplemental interim dividends alongside the results for the full year.

The interim dividend of 3.5p per share will be payable on 14 October 2013 to shareholders on the register on 13 September 2013.

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 2012. Please refer to pages 31 to 33 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 in line with our expectations as a result of our strength in key transactional markets in the UK and Asia Pacific and a continued reduction in losses in Continental Europe. In addition, we have continued to invest in the business through both acquisition and recruitment.

Looking to the second half, we currently see no change in the overall outlook for our business. In Asia, as previously indicated, we anticipate a reduction in activity levels in Hong Kong and Singapore as the latest Government measures affect the transaction pipeline for the second half. In the UK, the benefits of the Savills UK merger are already coming through alongside early indications of a broader recovery in commercial and residential markets. In Continental Europe, we continue to invest in the core markets of Paris and Germany, incurring expansion costs, but maintain our target of materially reducing losses year-on-year. In the US, we have a healthy pipeline of business and continue to investigate opportunities to enhance our operation there.

Jeremy Helsby
Group Chief Executive

Peter Smith
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 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 Savills plc Report and Accounts for the year ended 31 December 2012. 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 2013

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

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 2013, 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 Conduct 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 Conduct 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 2013 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 Conduct Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
8 August 2013

SAVILLS plc
CONSOLIDATED INCOME STATEMENT
for the period ended 30 June 2013

	Notes	Six months to 30 June 2013 (unaudited) £m	Six months to 30 June 2012 restated (unaudited) £m	Year ended 31 December 2012 restated (audited) £m
Revenue	5	399.0	353.3	806.4
Less:				
Employee benefits expense		(249.6)	(222.8)	(513.9)
Depreciation		(3.4)	(3.5)	(7.2)
Amortisation and impairment of goodwill and intangible assets		(2.0)	(1.9)	(3.7)
Other operating expenses		(125.6)	(110.0)	(237.6)
Other operating income		0.3	0.3	0.5
Profit on disposal of subsidiaries and available-for-sale investments		-	-	1.7
Operating profit		18.7	15.4	46.2
Finance income		1.1	0.6	1.2
Finance costs		(1.6)	(1.4)	(2.5)
		(0.5)	(0.8)	(1.3)
Share of post-tax profit from associates and joint ventures		3.2	2.5	7.1
Profit before income tax		21.4	17.1	52.0
Income tax expense	7	(5.8)	(3.7)	(14.9)
Profit after income tax		15.6	13.4	37.1
Attributable to:				
Owners of the Company		15.5	13.5	36.8
Non-controlling interests		0.1	(0.1)	0.3
		15.6	13.4	37.1
Earnings per share				
Basic earnings per share	9(a)	12.2p	10.9p	29.4p
Diluted earnings per share	9(a)	11.7p	10.5p	28.2p
Underlying earnings per share				
Basic earnings per share	9(b)	15.0p	11.9p	33.9p
Diluted earnings per share	9(b)	14.4p	11.4p	32.4p

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

SAVILLS plc
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2013

	Six months to 30 June 2013 (unaudited) £m	Six months to 30 June 2012 restated (unaudited) £m	Year ended 31 December 2012 restated (unaudited) £m
Profit for the period	15.6	13.4	37.1
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial gain on defined benefit pension scheme	7.2	3.2	2.1
Tax on items that will not be reclassified	(1.7)	(0.8)	(0.5)
Total items that will not be reclassified to profit or loss	5.5	2.4	1.6
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value gain on available-for-sale investments	-	-	0.2
Fair value loss on available-for-sale investments released to income statement	-	-	0.9
Currency translation differences	7.1	(2.8)	(3.6)
Tax on items that may be reclassified	1.6	(0.1)	1.4
Total items that may be reclassified subsequently to profit or loss	8.7	(2.9)	(1.1)
Other comprehensive income / (loss) for the period, net of tax	14.2	(0.5)	0.5
Total comprehensive income for the period	29.8	12.9	37.6
Total comprehensive income attributable to:			
Owners of the company	29.7	13.0	37.2
Non-controlling interests	0.1	(0.1)	0.4
	29.8	12.9	37.6

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

SAVILLS plc
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 June 2013

	Notes	30 June 2013 (unaudited) £m	30 June 2012 (unaudited) £m	31 December 2012 (audited) £m
Assets: Non-current assets				
Property, plant and equipment	10	31.9	18.8	18.5
Goodwill		138.4	137.5	136.7
Intangible assets		16.4	16.6	17.1
Investments in associates and joint ventures		16.9	13.8	14.7
Deferred income tax assets		28.1	27.3	29.9
Available-for-sale investments	4	15.7	14.2	15.0
Non-current receivables		1.1	2.3	1.3
		248.5	230.5	233.2
Assets: Current assets				
Work in progress		4.3	4.7	3.0
Trade and other receivables		206.5	184.9	220.8
Current income tax receivable		0.9	3.1	0.9
Derivative financial instruments	4	0.1	0.2	-
Cash and cash equivalents		68.7	50.2	92.8
		280.5	243.1	317.5
Liabilities: Current liabilities				
Borrowings	14	59.5	44.5	1.2
Derivative financial instruments	4	0.1	0.1	0.1
Trade and other payables		155.5	139.2	236.8
Current income tax liabilities		5.8	5.9	10.1
Employee benefit obligations	13	6.4	5.6	5.9
Provisions for other liabilities and charges		6.0	2.8	7.9
		233.3	198.1	262.0
Net current assets		47.2	45.0	55.5
Total assets less current liabilities		295.7	275.5	288.7
Liabilities: Non-current liabilities				
Borrowings	14	6.0	-	-
Trade and other payables		0.6	8.7	0.6
Retirement and employee benefit obligations	13	24.6	37.3	35.6
Provisions for other liabilities and charges		20.0	17.5	17.7
Deferred income tax liabilities		1.5	1.9	1.7
		52.7	65.4	55.6
Net assets		243.0	210.1	233.1
Equity: Capital and reserves attributable to owners of the Company				
Share capital		3.3	3.3	3.3
Share premium		88.4	85.3	87.3
Other reserves		28.0	20.9	20.8
Retained earnings		122.7	101.7	121.1
		242.4	211.2	232.5
Non-controlling interests		0.6	(1.1)	0.6
Total equity		243.0	210.1	233.1

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

SAVILLS plc
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2013

	Attributable to owners of the Group					Non-controlling interests £m	Total equity £m
	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m		
Balance at 1 January 2013	3.3	87.3	20.8	121.1	232.5	0.6	233.1
Profit for the period	-	-	-	15.5	15.5	0.1	15.6
Other comprehensive income/(loss):							
Actuarial gain on defined benefit pension scheme	-	-	-	7.2	7.2	-	7.2
Tax on items directly taken to reserves	-	-	-	(0.1)	(0.1)	-	(0.1)
Currency translation differences	-	-	7.2	-	7.2	(0.1)	7.1
Total comprehensive income for the period	-	-	7.2	22.6	29.8	-	29.8
Transactions with owners:							
Employee share option scheme:							
- Value of services provided	-	-	-	5.4	5.4	-	5.4
Purchase of treasury shares	-	-	-	(2.2)	(2.2)	-	(2.2)
Issue of share capital	-	1.1	-	-	1.1	-	1.1
Cash settled share based payments	-	-	-	(7.0)	(7.0)	-	(7.0)
Dividends	-	-	-	(16.1)	(16.1)	-	(16.1)
Transactions with non-controlling interests	-	-	-	(1.1)	(1.1)	-	(1.1)
Balance at 30 June 2013 (unaudited)	3.3	88.4	28.0	122.7	242.4	0.6	243.0

	Attributable to owners of the Group					Non-controlling interests £m	Total equity £m
	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m		
Balance at 1 January 2012	3.3	85.3	23.6	93.4	205.6	(1.2)	204.4
Profit for the period (restated)	-	-	-	13.5	13.5	(0.1)	13.4
Other comprehensive income/(loss):							
Actuarial gain on defined benefit pension scheme (restated)	-	-	-	3.2	3.2	-	3.2
Tax on items directly taken to reserves (restated)	-	-	0.1	(1.0)	(0.9)	-	(0.9)
Currency translation differences	-	-	(2.8)	-	(2.8)	-	(2.8)
Total comprehensive income/(loss) for the period	-	-	(2.7)	15.7	13.0	(0.1)	2.9
Transactions with owners:							
Employee share option scheme:							
- Value of services provided	-	-	-	5.5	5.5	-	5.5
Purchase of treasury shares	-	-	-	(1.6)	(1.6)	-	(1.6)
Dividends	-	-	-	(12.8)	(12.8)	-	(12.8)
Transactions with non-controlling interests	-	-	-	1.5	1.5	0.2	1.7
Balance at 30 June 2012 (unaudited)	3.3	85.3	20.9	101.7	211.2	(1.1)	210.1

	Attributable to owners of the Group					Non-controlling interests £m	Total equity £m
	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m		
Balance at 1 January 2012	3.3	85.3	23.6	93.4	205.6	(1.2)	204.4
Profit for the period (restated)	-	-	-	36.8	36.8	0.3	37.1
Other comprehensive income/(loss):							
Fair value gain on available-for-sale investments	-	-	0.2	-	0.2	-	0.2
Fair value loss on available-for-sale investments released to income statement	-	-	0.9	-	0.9	-	0.9
Actuarial gain on defined benefit pension scheme (restated)	-	-	-	2.1	2.1	-	2.1
Tax on items directly taken to reserves (restated)	-	-	(0.2)	1.1	0.9	-	0.9
Currency translation differences	-	-	(3.7)	-	(3.7)	0.1	(3.6)
Total comprehensive income/(loss) for the year	-	-	(2.8)	40.0	37.2	0.4	37.6
Transactions with owners:							
Employee share option scheme:							
- Value of services provided	-	-	-	10.4	10.4	-	10.4
Purchase of treasury shares	-	-	-	(1.6)	(1.6)	-	(1.6)
Issue of share capital	-	2.0	-	-	2.0	-	2.0
Dividends	-	-	-	(16.9)	(16.9)	(0.8)	(17.7)
Transactions with non-controlling interests	-	-	-	(4.2)	(4.2)	2.2	(2.0)
Balance at 31 December 2012	3.3	87.3	20.8	121.1	232.5	0.6	233.1

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

SAVILLS plc
CONSOLIDATED STATEMENT OF CASH FLOWS
for the period ended 30 June 2013

	Notes	Six months to 30 June 2013 (unaudited) £m	Six months to 30 June 2012 (unaudited) £m	Year ended 31 December 2012 (audited) £m
Cash flows from operating activities				
Cash (used in) / generated from operations	11	(43.9)	(35.3)	71.5
Interest received		0.7	0.5	1.0
Interest paid		(0.9)	(0.4)	(0.8)
Income tax paid		(8.7)	(6.2)	(12.0)
Net cash (used in) / generated from operating activities		(52.8)	(41.4)	59.7
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		-	0.6	0.7
Proceeds from sale of associates, joint ventures and available-for-sale investments		-	-	2.8
Deferred consideration received in relation to prior year disposals		0.1	0.7	0.7
Dividends received from joint ventures and associates		2.1	2.5	6.0
Repayment of loans by associates, joint ventures and subsidiaries		0.1	0.2	0.7
Loans to associates and joint ventures		(0.2)	-	-
Acquisition of subsidiaries, net of cash acquired		-	(2.8)	(2.5)
Deferred consideration paid in relation to prior year acquisitions		(0.4)	(3.9)	(3.9)
Purchase of property, plant and equipment		(14.3)	(4.2)	(7.7)
Purchase of intangible assets		(1.1)	(0.9)	(3.1)
Purchase of investment in associates, joint ventures and available-for-sale investments		(0.5)	(0.5)	(1.7)
Net cash used in investing activities		(14.2)	(8.3)	(8.0)
Cash flows from financing activities				
Proceeds from issue of share capital		1.1	-	2.0
Proceeds from borrowings		84.0	49.0	49.0
Purchase of own shares for Employee Benefit Trust		(2.2)	(1.6)	(1.6)
Cash settled share based payments		(7.0)	-	-
Purchase of non-controlling interests	12	(1.1)	0.2	(11.8)
Deferred consideration paid to non-controlling interests in relation to prior year acquisitions		-	(3.4)	(3.3)
Repayments of borrowings		(21.0)	(10.5)	(52.9)
Dividends paid		(16.1)	(12.8)	(17.7)
Net cash received from/(used in) financing activities		37.7	20.9	(36.3)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts				
Cash, cash equivalents and bank overdrafts at beginning of period		(29.3)	(28.8)	15.4
Effect of exchange rate fluctuations on cash held		92.7	78.8	78.8
		4.0	(0.8)	(1.5)
Cash, cash equivalents and bank overdrafts at end of period		67.4	49.2	92.7

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 7 August 2013.

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 2012 were approved by the Board of Directors on 13 March 2013 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 2013 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 2012, 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. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its condensed interim financial statements.

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 2012, 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.

The following standards and amendments to published standards are mandatory for the first time for the financial year beginning 1 January 2013:

- IAS 1 (amendment), 'Financial statement presentation', regarding other comprehensive income. These amendments require entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently and is effective for accounting periods beginning on or after 1 July 2012.
- IAS 19 (amendment), 'Employee benefits', effective for accounting periods beginning on or after 1 January 2013, amends the accounting for employee benefits. The Group has applied the standard retrospectively in accordance with the transition provisions of the standard. These amendments change a number of disclosure requirements for post employment arrangements and restrict the options previously available on how to account for defined benefit pension plans. The most significant change that has impacted the Group is the amendment that requires the expected returns on pension plan assets, previously calculated based on management's estimate of expected returns, to be replaced by a credit on the pension plan assets calculated at the liability discount rate. The impact to the Group of the adoption of the revised IAS 19 results in an additional pre-tax charge to the income statement for the period ended 30 June 2013 of £1.5m and for the year ended 31 December 2012 of £2.2m (6 months ended 30 June 2012: additional pre-tax charge of £1.1m). The change does not impact the Group's net assets.

– IFRS 7 (amendment), 'Financial instruments: Disclosures', regarding asset and liability offsetting, effective for accounting periods beginning on or after 1 January 2013. The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP.

– IFRS 13, 'Fair value measurement', effective for accounting periods beginning on or after 1 January 2013. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied.

– IAS 1 (amendment), 'Financial statement presentation', distinguishes between minimum required comparative information and voluntary additional comparative information. The amendment is effective for accounting periods beginning on or after 1 January 2013.

– IAS 32 (amendment), 'Financial instruments: Presentation', clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12, 'Income Taxes'. The amendment is effective for accounting periods beginning on or after 1 January 2013 and does not have a material impact on the Group.

– IAS 34 (amendment), 'Interim Financial Reporting', aligns the disclosure requirement for total segment assets and liabilities in interim financial statements with annual disclosures. The amendment is effective for accounting periods beginning on or after 1 January 2013 and does not have an impact on the Group.

Other standards, amendments and interpretations effective for the first time for the financial year beginning 1 January 2013 and not discussed above 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 intangible assets.
- Impairment of investment in available-for-sale investments, joint ventures or associated undertakings.
- 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 6 and 9(b) for further explanation).
- Restructuring costs.
- Significant acquisition costs related to business combinations
- Profits or losses on disposals of subsidiaries, investments in available-for-sale investments, joint ventures and associated undertakings.
- Exceptional items which are disclosed separately due to their size or incidence.

A reconciliation between GAAP items and underlying results are set out in Note 6 and 9(b).

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.

4. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks including foreign exchange risk, cash flow 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 2012. There have been no changes in any risk management policies since the year end.

Fair value estimation

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2013:

£m	Level 1	Level 2	Level 3	Total
2013				
Assets				
Available-for-sale investments				
- Unlisted	-	15.7	-	15.7
Derivative financial instruments	-	0.1	-	0.1
Total assets	-	15.8	-	15.8
Liabilities				
Derivative financial instruments	-	0.1	-	0.1
Total liabilities	-	0.1	-	0.1

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2012:

£m	Level 1	Level 2	Level 3	Total
2012				
Assets				
Available-for-sale investments				
- Unlisted	-	15.0	-	15.0
Total assets	-	15.0	-	15.0
Liabilities				
Derivative financial instruments	-	0.1	-	0.1
Total liabilities	-	0.1	-	0.1

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

The fair value of unlisted available-for-sale investments is determined using valuation techniques using observable market data where available and rely as little as possible on entity estimates. The fair value of investment funds is based on underlying asset values determined by the Fund Manager's audited annual financial statements. The fair value of other unlisted investments is based on price earnings models. These instruments are included in Level 2.

The fair value of derivative financial instruments is determined by using valuation techniques using observable market data. The fair value of derivative financial instruments is based on the market value of similar instruments with similar maturities. These instruments are included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The Group has no Level 3 instruments.

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

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

5. Segment analysis

Six months to 30 June 2013 (unaudited)	Transact- ion Advisory £m	Consult- ancy £m	Property & Facilities Manage- ment £m	Investment Manage- ment £m	Other £m	Total £m
Revenue						
United Kingdom - commercial	23.3	48.7	33.4	11.3	-	116.7
- residential	52.5	14.0	10.3	-	-	76.8
Total United Kingdom	75.8	62.7	43.7	11.3	-	193.5
Continental Europe	14.8	5.5	13.0	-	-	33.3
Asia Pacific - commercial	44.0	13.9	100.4	-	-	158.3
- residential	10.8	-	-	-	-	10.8
Total Asia Pacific	54.8	13.9	100.4	-	-	169.1
America	3.1	-	-	-	-	3.1
Total revenue	148.5	82.1	157.1	11.3	-	399.0
Underlying profit/(loss) before tax						
United Kingdom - commercial	1.2	3.8	2.5	0.9	(3.6)	4.8
- residential	7.5	1.4	0.7	-	-	9.6
Total United Kingdom	8.7	5.2	3.2	0.9	(3.6)	14.4
Continental Europe	(1.7)	(0.3)	(0.6)	-	-	(2.6)
Asia Pacific - commercial	6.0	1.4	5.2	-	-	12.6
- residential	2.4	-	-	-	-	2.4
Total Asia Pacific	8.4	1.4	5.2	-	-	15.0
America	(0.8)	-	-	-	-	(0.8)
Underlying profit/(loss) before tax	14.6	6.3	7.8	0.9	(3.6)	26.0
Six months to 30 June 2012 (unaudited and restated)						
Six months to 30 June 2012 (unaudited and restated)	Transact- ion Advisory £m	Consult- ancy £m	Property & Facilities Manage- ment £m	Investment Manage- ment £m	Other £m	Total £m
Revenue						
United Kingdom - commercial	21.0	41.2	30.0	11.3	0.1	103.6
- residential	45.7	12.5	9.2	-	-	67.4
Total United Kingdom	66.7	53.7	39.2	11.3	0.1	171.0
Continental Europe	13.1	5.6	12.9	-	-	31.6
Asia Pacific - commercial	35.5	13.0	91.6	-	-	140.1
- residential	8.1	-	-	-	-	8.1
Total Asia Pacific	43.6	13.0	91.6	-	-	148.2
America	2.5	-	-	-	-	2.5
Total revenue	125.9	72.3	143.7	11.3	0.1	353.3
Underlying profit/(loss) before tax						
United Kingdom - commercial	-	2.5	2.4	1.8	(2.8)	3.9
- residential	6.6	1.1	0.9	-	-	8.6
Total United Kingdom	6.6	3.6	3.3	1.8	(2.8)	12.5
Continental Europe	(2.7)	(0.1)	(0.7)	-	-	(3.5)
Asia Pacific - commercial	2.7	1.0	5.2	-	-	8.9
- residential	1.7	-	-	-	-	1.7
Total Asia Pacific	4.4	1.0	5.2	-	-	10.6
America	(1.0)	-	-	-	-	(1.0)
Underlying profit/(loss) before tax	7.3	4.5	7.8	1.8	(2.8)	18.6

Year ended 31 December 2012 (audited and restated)	Transact- ion Advisory £m	Consult- ancy £m	Property & Facilities Management £m	Investment Management £m	Other £m	Total £m
Revenue						
United Kingdom - commercial	60.4	104.2	65.2	23.5	0.1	253.4
- residential	97.0	28.1	20.6	-	-	145.7
Total United Kingdom	157.4	132.3	85.8	23.5	0.1	399.1
Continental Europe	29.6	12.3	28.3	-	-	70.2
Asia Pacific - commercial	98.4	27.6	186.5	-	-	312.5
- residential	18.5	-	-	-	-	18.5
Total Asia Pacific	116.9	27.6	186.5	-	-	331.0
America	6.1	-	-	-	-	6.1
Total revenue	310.0	172.2	300.6	23.5	0.1	806.4
Underlying profit/(loss) before tax						
United Kingdom - commercial	6.5	8.1	5.5	3.6	(8.7)	15.0
- residential	14.2	3.5	2.4	-	-	20.1
Total United Kingdom	20.7	11.6	7.9	3.6	(8.7)	35.1
Continental Europe	(6.0)	(0.5)	(0.5)	-	-	(7.0)
Asia Pacific - commercial	14.6	2.9	10.5	-	-	28.0
- residential	4.6	-	-	-	-	4.6
Total Asia Pacific	19.2	2.9	10.5	-	-	32.6
America	(2.1)	-	-	-	-	(2.1)
Underlying profit/(loss) before tax	31.8	14.0	17.9	3.6	(8.7)	58.6

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Board.

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 6.

6. Underlying profit before tax

	Six months to 30 June 2013 £m	Six months to 30 June 2012 (restated) £m	Year ended 31 December 2012 (restated) £m
Reported profit before tax	21.4	17.1	52.0
Adjustments:			
- Amortisation and impairment of intangible assets (excluding software)	1.1	1.2	2.4
- Impairment of investment in associate and available-for-sale investment	-	-	1.2
- Share-based payment adjustment	-	0.3	0.7
- Restructuring costs	3.5	-	4.0
- Profit on disposal of subsidiaries, joint ventures and available-for-sale investment	-	-	(1.7)
Underlying profit before tax	26.0	18.6	58.6

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 better to match the underlying staff costs in the year with the revenue recognised in the same period.

Restructuring costs of £3.5m (H1 2012: n/a) were recognised as a result of the merger of the two UK businesses. This included the vacant property costs incurred in advance of the occupation of the new headquarters at 33 Margaret St and the associated surrender of the previous West End Office leases.

7. Income tax on profit

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 2013 £m	Six months to 30 June 2012 (restated) £m	Year ended 31 December 2012 (restated) £m
United Kingdom			
- Current tax	5.3	4.0	13.0
- Deferred tax	(1.6)	(1.8)	(3.3)
Foreign tax			
- Current tax	3.0	1.7	6.6
- Deferred tax	(0.9)	(0.2)	(1.4)
Income tax expense	5.8	3.7	14.9

The Group effective tax rate is 27.1% (30 June 2012 (restated): 21.6% and 31 December 2012 (restated): 28.6%), which is higher (30 June 2012: lower and 31 December 2012: higher) than the UK standard effective annual rate of corporation tax of 23.25% (30 June 2012 and 31 December 2012: 24.5%). This reflects permanent disallowable expenses and the provision for unrecovered losses, partly offset by lower foreign tax rates. The Group underlying effective tax rate was 26.2% (30 June 2012 (restated): 21.5% and 31 December 2012 (restated): 27.3%).

8. Dividends

	Six months to 30 June 2013 £m	Six months to 30 June 2012 £m	Year ended 31 December 2012 £m
Amounts recognised as distribution to equity holders in the year:			
Ordinary final dividend of 6.7p per share (2012: 6.35p)	8.5	7.8	7.8
Supplemental interim dividend of 6p per share (2012: 4p)	7.6	5.0	5.0
Interim dividend of 3.3p per share	-	-	4.1
	16.1	12.8	16.9
Proposed interim dividend for the six months ended 30 June 2013	4.5		

The Board has declared an interim dividend for the six months ended 30 June 2013 of 3.5p per ordinary share (30 June 2012: 3.3p) to be paid on 14 October 2013 to shareholders on the register on 13 September 2013. 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 2013.

9. Basic and diluted earnings per share

(a) Basic and diluted earnings per share

Six months to 30 June	Earnings	Shares	EPS	Earnings	Shares	EPS
	2013	2013	2013	2012 (restated)	2012	2012 (restated)
	£m	million	pence	£m	million	pence
Basic earnings per share	15.5	126.9	12.2	13.5	124.2	10.9
Effect of additional shares issuable under option	-	5.9	(0.5)	-	4.7	(0.4)
Diluted earnings per share	15.5	132.8	11.7	13.5	128.9	10.5

Year to 31 December	Earnings	Shares	EPS
	2012 (restated)	2012	2012 (restated)
	£m	million	pence
Basic earnings per share	36.8	124.8	29.4
Effect of additional shares issuable under option	-	5.7	(1.2)
Diluted earnings per share	36.8	130.5	28.2

(b) Underlying basic and diluted earnings per share

Six months to 30 June	Earnings	Shares	EPS	Earnings	Shares	EPS
	2013	2013	2013	2012 (restated)	2012	2012 (restated)
	£m	million	pence	£m	million	pence
Basic earnings per share	15.5	126.9	12.2	13.5	124.2	10.9
- Amortisation and impairment of intangible assets (excluding software) after tax	0.9	-	0.7	1.0	-	0.8
- Share-based payment adjustment after tax	-	-	-	0.2	-	0.2
- Restructuring costs after tax	2.7	-	2.1	-	-	-
Underlying basic earnings per share	19.1	126.9	15.0	14.7	124.2	11.9
Effect of additional shares issuable under option	-	5.9	(0.6)	-	4.7	(0.5)
Underlying diluted earnings per share	19.1	132.8	14.4	14.7	128.9	11.4

Year to 31 December	Earnings	Shares	EPS
	2012	2012	2012
	(restated) £m	million	(restated) pence
Basic earnings per share	36.8	124.8	29.4
- Amortisation of intangibles (excluding software) after tax	1.9	-	1.5
- Impairment of investment in associate after tax	1.2	-	1.0
- Share-based payment adjustment after tax	0.5	-	0.4
- Restructuring costs after tax	3.2	-	2.6
- Profit on disposal of subsidiaries and available-for-sale investments after tax	(1.3)	-	(1.0)
Underlying basic earnings per share	42.3	124.8	33.9
Effect of additional shares issuable under option	-	5.7	(1.5)
Underlying diluted earnings per share	42.3	130.5	32.4

10. Property, plant and equipment

During the period, additions of property, plant and equipment totalled £16.5m (30 June 2012 - £4.2m). The occupation and fit out of the new UK headquarters at 33 Margaret Street contributed £11.2m to additions in the period (30 June 2012 - £nil).

11. Cash generated from operations

	Six months to 30 June 2013	Six months to 30 June 2012	Year ended 31 December 2012
		(restated)	(restated)
	£m	£m	£m
Profit for the period	15.6	13.4	37.1
Adjustments for:			
Income tax (Note 7)	5.8	3.7	14.9
Depreciation	3.4	3.5	7.2
Amortisation of intangibles and impairment of assets	2.0	1.9	3.7
Loss on sale of property, plant and equipment	-	-	0.1
Profit on disposal of subsidiaries and available-for-sale investments	-	-	(1.7)
Net finance cost	0.5	0.8	1.3
Share of post tax profit from associates and joint ventures	(3.2)	(2.5)	(7.1)
Decrease in employee and retirement obligations	(3.9)	(4.4)	(7.4)
Exchange movements on operating activities	0.7	(0.5)	(0.1)
Increase/(decrease) in provisions	0.3	(0.3)	5.1
Impairment of associated undertaking and available-for-sale investments included within operating income	-	-	1.2
Charge for share-based compensation	5.4	5.5	10.4
Operating cash flows before movements in working capital	26.6	21.1	64.7
(Increase)/decrease in work in progress	(1.3)	(0.5)	1.2
Decrease/(increase) in trade and other receivables	18.3	5.0	(31.3)
(Decrease)/increase in trade and other payables	(87.5)	(60.9)	36.9
Cash (used in)/generated from operations	(43.9)	(35.3)	71.5

12. Transactions with non-controlling interests

In January 2013, the Group acquired an additional 5.9% of the shares in Savills (Vietnam) Limited for cash consideration of £1.1m. This takes the Group's shareholding to 98.0%. The carrying amount of Savills (Vietnam) Limited's net assets on the date of acquisition was £0.9m. The Group recognised a decrease in non-controlling interest of £nil. The amount charged to retained earnings in respect of this transaction was £1.1m.

Under IAS 27 (revised), transactions with non-controlling interests must be accounted for as equity transactions, therefore no goodwill has been recognised. Acquisition costs related to these transactions were not significant.

13. Retirement and employee benefit obligations

Defined benefit plan

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.

All current pension assumptions are detailed in the Group's Annual Report and Accounts 2012 and are the same as at 31 December 2012 except for the following:

	Six months to 30 June 2013	Six months to 30 June 2012	Year ended 31 December 2012
Discount rate	4.70%	4.85%	4.60%
Inflation assumption (RPI)	3.40%	2.90%	3.00%
Inflation assumption (CPI)	2.50%	2.00%	2.40%
Rate of increase to pensions in payment			
- accrued between 6 April 1997 and 5 April 2005	3.40%	2.90%	3.00%
- accrued after 5 April 2005	2.40%	2.30%	2.30%
Rate of increase to pensions in deferment			
- accrued after 5 April 2001	2.50%	2.00%	2.40%
- accrued after 5 April 2009	2.50%	2.00%	2.40%

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

	£m	£m	£m
Fair value of plan assets	162.2	137.1	151.7
Present value of funded obligations	(178.5)	(166.8)	(179.6)
Deficit (included in retirement and employee benefit obligations in Statement of Financial Position)	(16.3)	(29.7)	(27.9)
Related deferred tax asset	3.8	7.1	6.4
Net liability	(12.5)	(22.6)	(21.5)

The amount recognised within the income statement for the period ended 30 June 2013 is a net interest cost of £0.6m (30 June 2012 (restated): £0.9m, 31 December 2012 (restated): £1.6m)

Included in retirement and employee benefit obligations is £14.7m relating to holiday pay and long service leave (30 June 2012: £13.2m, 31 December 2012: £13.6m).

14. Borrowings

Movements in borrowings are analysed as follows:	£m
Opening amount as at 1 January 2013	1.2
Additional borrowings (including overdrafts)	85.3
Repayments of borrowings	(21.0)
Closing amount as at 30 June 2013	65.5

	30 June 2013	30 June 2012	31 December 2012
	£m	£m	£m
Current			
Bank overdrafts	1.3	1.0	0.1
Unsecured bank loans due within one year or on demand	57.7	43.4	1.0
Loan notes	0.5	-	-
Finance leases	-	0.1	0.1
	59.5	44.5	1.2
Non-current			
Unsecured bank loans	6.0	-	-
Finance leases	-	-	-
	6.0	-	-

	30 June 2013	30 June 2012	31 December 2012
	£m	£m	£m
The Group has the following undrawn borrowing facilities:			
Floating rate			
- expiring within one year or on demand	32.8	21.9	21.3
- expiring between 1 and 5 years	-	8.0	65.0
	32.8	29.9	86.3

Unsecured bank loans includes a multi-currency revolving credit facility, which expires on 31 March 2014, and a £12m amortising term loan, to finance the fit out costs for the Group's new head office, which expires on 1 May 2015.

15. Events after the reporting date

Merchant Capital KK

On 25 July 2013 Cordea Savills signed a Business Alliance Agreement which on completion results in the transfer of certain trade and business assets of Merchant Capital KK, a Japanese asset management company focused on real estate and real estate related assets. The transfer of assets is conditional upon a number of factors and milestones being achieved by Merchant Capital KK, and the transaction is expected to complete by 31 January 2014. The acquisition complements and expands the Group's investment management platform in Asia.

The total initial consideration payable is £1.5m, of which £0.5m was paid on 25 July 2013. Contingent consideration is payable over the next four years based on the actual performance of the business.

16. Related party transactions

As at 30 June 2013, loans outstanding to associates and joint ventures amounted to £2.5m (30 June 2012: £3.6m).

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

SHAREHOLDER INFORMATION

Like many other listed public companies, Savills no longer issues a hard copy of the Half Year Report 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.