

19 December 2000

SAVILLS PLC GROUP INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2000 – PRE-TAX PROFITS UP 20%

Savills plc, the London-headquartered associate of First Pacific, announced today that its group pre-tax profit increased 20 per cent at £10.6 million (US\$15.4 million, HK\$120.1 million), against £8.8 million (US\$12.8 million, HK\$99.8 million) in 1999. Over the six months to 31 October 2000, Savills plc's group turnover increased 71 per cent to £109.9 million (US\$159.3 million, HK\$1.243 billion), and earnings per share were up 14 per cent at 13.3 pence (US19.3 cents, HK\$1.51). The full text of Savills plc's announcement is attached.

Note: Translations are for illustrative purposes only and are calculated at approximate closing rates for October 2000 of US\$1 = £0.69 = HK\$7.80

Background to First Pacific's investment in Savills plc

First Pacific acquired a 20 per cent economic interest in Savills plc on 23 October 1997.

On 7 April 2000, First Pacific combined First Pacific Davies Limited, which trades under the brand name of FPDSavills, with Savills plc. As a consequence of this transaction, which better positioned both businesses to meet the increasingly global requirements of their clients, First Pacific's economic interest in Savills plc increased to just under 30 per cent.

On 30 June 2000, First Pacific sold approximately one third of its interest in Savills plc to Trammell Crow Company, one of the largest diversified commercial real estate companies in the United States and Canada. This transaction enabled the formation of a strategic alliance between Savills plc and Trammell Crow Company, thereby affording access to the U.S. and Canadian markets, thus complementing FPDSavills leading presence in Asia and Europe. As a consequence of this transaction, First Pacific's economic interest in Savills plc declined to approximately 20 per cent.

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Savills plc

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FOR IMMEDIATE RELEASE

TUESDAY 19 DECEMBER 2000

Pre-tax profits up 20% at Savills

Savills plc, the international property advisers, today announced interim results for the six months ended 31 October 2000.

- * Group turnover for the six months was up 71% at £109.9m (1999 - £64.1m).
- * Group pre-tax profit was up 20% at £10.6m (1999 - £8.8m).
- * Earnings per share before amortisation of goodwill were up 14% at 13.3p (1999 - 11.7p).
- * Basic earnings per share were up 4% at 11.8p (1999 - 11.3p).

Richard Jewson, Chairman of Savills plc, comments: **“These results reflect the growth and international development of the Group with strong contributions from our businesses in Asia Pacific and mainland Europe.**

“The Group continues to trade strongly as we approach the end of the year. Nervous stock markets suggest that confidence may be tested in what seems likely to be an election year in the UK, but your Board is confident that our strategy of building an international property services business through acquisition and partnership will deliver secure, long-term returns for shareholders.

"We believe our investments in Savills Finance Holdings will bear fruit over the next two years and continue to look for development opportunities to exploit our strong balance sheet."

*** Chairman's Statement and Interim Results follow ***

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CHAIRMAN'S STATEMENT

RESULTS AND DIVIDEND

I am pleased to announce that profit before tax for the six months ended 31 October 2000 was up 20% at £10.6m (1999 - £8.8m). Basic earnings per share, following the issue of 7.8m new shares in April 2000, were 11.8p (1999 - 11.3p). Earnings per share before amortisation of goodwill were 13.3p (1999 - 11.7p). Turnover was up 71% at £109.9m (1999 - £64.1m). The balance sheet shows cash of £23.9m.

In view of the change of year-end to 31 December, the Directors will be recommending a final dividend in respect of the full eight month period from 1 May 2000 to 31 December 2000, which will be determined on a pro-rata basis and is expected to follow our progressive dividend policy. Therefore, no interim dividend is being paid. On this basis the Board expects that the final dividend will be not less than 6p net per share, which would represent a pro-rata increase of 20% over the dividend of 7.5p for the full 12 months ended 30 April 2000.

TRADING REVIEW

These results reflect the growth and international development of the Group with strong contributions from our businesses in Asia Pacific and mainland Europe.

The loss for the period within Savills Finance Holdings group includes losses of £1.2m in NetMortgage Limited and £0.5m in Batley Mills Limited, reflecting respectively the costs of developing our financial services business and the initial launch costs for the Yorkshire Mill Village. Operating profit directly reflects these additional costs and accordingly is at a similar level to last year.

The traditional surveying businesses in the UK performed well during the period although, as we indicated in September, the heated residential market of the previous year has now returned to more normal levels of turnover.

The range of property services now provided, together with the enhanced geographical spread, have reduced the Group's exposure to market cycles and have resulted in a greater proportion of repeat income from management and corporate outsourcing in particular.

PROPERTY SERVICES

UK Agency

The commercial agency business continued to produce excellent results on the back of strong markets in both leasing and investment. On the residential side there has been a return to more normal market conditions in the UK with a better balance between supply and demand but there is still a strong market for quality.

UK Professional

All professional departments continue to expand their business as demand for high quality consultancy advice increases.

International

Asia Pacific

FPDSavills Asia Pacific Limited, acquired in April 2000, has performed in line with expectations and we continue to look at new areas to develop this business in the region.

TrammellCrowSavills

The joint venture with Trammell Crow Company, formed in June 2000, has made a good start in developing new business opportunities and is currently in detailed negotiations on two major European deals.

Mainland Europe

The offices in mainland Europe performed strongly and further investment is being made to develop the businesses.

FINANCIAL SERVICES

Our retail financial services group has continued to develop. Savills Private Finance has expanded its geographic and adviser base substantially. We have made significant investment in NetMortgage, our on line mortgage search and select facility, which now supports a number of other major Internet portals.

Yorkshire Mill Village, the retail outlet complex in Batley, was successfully launched by Grosvenor Hill Ventures in October 2000.

Savills Finance continues to develop now that The Schroders Residential Property Unit Trust, to which it is Fund Operations Adviser, is fully established and as other opportunities arise.

BOARD

We were pleased to welcome Charles McVeigh to the Board as a Non-Executive Director with effect from 1 August 2000. Charles is co-Chairman of Schroder Salomon Smith Barney Holdings Inc, a member of Citigroup, and brings an invaluable global perspective to our business.

As announced in October, Jeremy Helsby will succeed Justin Roberts as Chairman of FPD Savills Commercial Limited with effect from 1 January 2001 and Justin will stand down as an Executive Director on 31 December 2000. He will continue in his executive position within the Group as a director of FPD Savills Commercial Limited, where he will focus on the investment business and also have special responsibility for developing property management services. We are most grateful to Justin for the significant contribution he has made to the development of the Group during his seven years as an Executive Director.

In addition, we recently announced that Victoria Mitchell will, at her own request, be stepping down from the Board at the end of the year but happily remains with the Group as a consultant. Victoria has made a unique contribution during her 33 years service, not least in the development of the London region and of our international business.

OUTLOOK

The Group continues to trade strongly as we approach the end of the year. Nervous stock markets suggest that confidence may be tested in what seems likely to be an election year in the UK, but your Board is confident that our strategy of building an international property services business through acquisition and partnership will deliver secure, long-term returns for shareholders.

We believe our investments in Savills Finance Holdings will bear fruit over the next two years and continue to look for development opportunities to exploit our strong balance sheet.

**Richard Jewson
Chairman
19 December 2000**

Interim Results (Unaudited)

	Six months to 31.10.00 £'000	Six months to 31.10.99 £'000	Year to 30.04.00 £'000
Turnover			
Group & share of joint ventures	113,891	64,165	142,587
Less share of joint ventures	(4,021)	(29)	(651)
Total Group turnover	109,870	64,136	141,936
Operating profit			
Group - existing operations	8,322	8,531	18,792
- acquisitions	83	(125)	76
Share of operating profit of joint ventures	651	(19)	4
Share of operating profit of associates	178	149	568
Total operating profit	9,234	8,536	19,440
Profit on disposal on formation of joint venture	809	-	22
Profit on ordinary activities before interest	10,043	8,536	19,462
Net interest			
Group	495	217	709
Joint ventures	40	-	6
Associates	15	85	(1)
	550	302	714
Profit on ordinary activities before taxation	10,593	8,838	20,176
Taxation on profit on ordinary activities	(3,483)	(3,097)	(6,166)
Profit on ordinary activities after taxation	7,110	5,741	14,010
Minority interests	(446)	(270)	(344)
Profit for the financial period	6,664	5,471	13,666
Dividends	-	(1,459)	(4,008)
Profit for the period transferred to reserves	6,664	4,012	9,658
Earnings per share before amortisation of goodwill	13.3p	11.7p	28.9p
Basic earnings per share	11.8p	11.3p	27.8p

Diluted earnings per share	10.8p	10.3p	25.4p
Dividends per share	-	3.0p	7.5p

SUMMARY GROUP BALANCE SHEET
at 31 October 2000

	31.10.00 £'000	31.10.99 £'000	30.04.00 £'000
Intangible assets	33,401	8,480	33,202
Tangible assets	27,313	9,956	21,345
Investments			
Investments in joint ventures			
Share of gross assets	4,078	-	2,420
Share of gross liabilities	(1,940)	-	(846)
Investments in associates	3,534	148	1,529
Other investments	6,297	4,042	4,021
	<u>72,683</u>	<u>22,626</u>	<u>61,671</u>
Working capital	5,527	18,732	306
Cash	23,889	24,444	29,058
	<u>29,416</u>	<u>43,176</u>	<u>29,364</u>
Net current assets	29,416	43,176	29,364
Long-term creditors & provisions	(24,491)	(16,210)	(20,996)
	<u>77,608</u>	<u>49,592</u>	<u>70,039</u>
Net assets	<u>77,608</u>	<u>49,592</u>	<u>70,039</u>
Called up equity share capital	3,128	2,693	3,127
Reserves			
Share premium	40,855	25,104	40,845
Profit & loss	32,763	21,451	25,636
	<u>76,746</u>	<u>49,248</u>	<u>69,608</u>
Shareholders' funds - equity	76,746	49,248	69,608
Minority interests - equity	862	344	431
	<u>77,608</u>	<u>49,592</u>	<u>70,039</u>

CONSOLIDATED CASH FLOW STATEMENT

	Six months to 31.10.00 £'000	Six months to 31.10.99 £'000	Year to 30.04.00 £'000
Net cash inflow/(outflow) from operating activities	2,815	(1,072)	20,167
Dividends received from associates	436	-	445
Net cash inflow from returns on investments & servicing of finance	275	424	806
Tax paid	(3,792)	(518)	(6,006)
Net cash outflow from capital expenditure & financial investment	(12,051)	(3,032)	(10,878)
Net cash inflow/(outflow) from acquisitions & disposals	326	(4,017)	(9,715)
Equity dividends paid	(2,944)	(2,014)	(3,401)
Cash outflow before use of liquid resources & financing	(14,935)	(10,229)	(8,582)
Management of liquid resources	1,747	1,619	216
Financing	10,571	6,726	7,894
Decrease in cash for the period	(2,617)	(1,884)	(472)

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

	Six months to 31.10.00 £'000	Six months to 31.10.99 £'000	Year to 30.04.00 £'000
Profit for the financial period	6,664	5,471	13,666
Exchange movements on foreign currency net investments	463	(43)	203
Total recognised gains & losses relating to the period	7,127	5,428	13,869

NOTES

1. The interim accounts in respect of the six months ended 31 October 2000 and the comparative figures in respect of the six months ended 31 October 1999 are unaudited. The comparative figures for the financial year ended 30 April 2000 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report was unqualified and did not contain a statement under Section 237(2) or (4) of the Companies Act 1985.
2. The tax charge has been calculated on the basis of the underlying rate in each jurisdiction adjusted for any disallowable charges.
3. The calculation of basic earnings per share is based on a weighted average number of shares in issue of 56,429,000 (six months to 31 October 1999 - 48,588,000 and year to 30 April 2000 - 49,139,000). The calculation of earnings per share before amortisation of goodwill uses the same weighted average shares as the basic earnings per share calculation, and earnings are adjusted for goodwill of £868,000 (6 months to 31 October 1999 - £225,000 and year to 30 April 2000 - £540,000). The calculation of diluted earnings per share is based on a weighted average number of shares of 61,747,000 (6 months to 31 October 1999 - 52,964,000 and year to 30 April 2000 - 53,731,000).
4. No interim dividend will be paid. The current number of shares in issue is 62,560,460.
5. Segmental analysis

6 months to 31.10.00	Commercial £'000	Residential £'000	Financ Services £'000	Prope Compan £'000	Holding Company £'000	Group £'000
Total Group turnover	68,225	34,317	2,296	5,032	-	109,870
Operating profit/(loss)	7,195	3,238	(1,229)	673	(643)	9,234
Profit/(loss) before interest	8,004	3,238	(1,229)	673	(643)	10,043
Profit/(loss) before taxation	<u>8,638</u>	<u>3,426</u>	<u>(1,286)</u>	<u>563</u>	<u>(748)</u>	<u>10,593</u>
6 months to 31.10.99 profit/(loss) before taxation	<u>3,692</u>	<u>4,076</u>	<u>(22)</u>	<u>1,556</u>	<u>(464)</u>	<u>8,838</u>

The Commercial column of the segmental analysis includes the results for overseas operations.

6. Geographical analysis of turnover, profit before interest and tax (PBIT)

	Turnover 31.10.00 £'000	PBIT 31.10.00 £'000	Turnover 31.10.99 £'000	PBIT 31.10.99 £'000
United Kingdom	63,749	6,256	60,699	7,897
Europe	4,050	1,168	3,437	639
Asia	42,071	2,619	-	-
	<u>109,870</u>	<u>10,043</u>	<u>64,136</u>	<u>8,536</u>

Copies of this statement are being sent to shareholders and are available from:

Savills plc, 20 Grosvenor Hill, Berkeley Square, London W1K 3HQ
Telephone: 020 7409 9920 Fax: 020 7491 0505 Contact: Lizzie Jackson

In addition, with prior notice, copies in alternative formats i.e. large print, audio tape, braille are available if required from Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6DA.

This information is also available on the Company's website at: www.fpsavills.co.uk

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