

4 July 2000

SAVILLS PLC GROUP RESULTS FOR YEAR ENDED 30 APRIL 2000 – PRE-TAX PROFITS UP 31%

Savills plc, the London-headquartered affiliate of First Pacific, announced today that its group pre-tax profit increased 31 per cent at £20.2 million (US\$31.6 million, HK\$245.9 million), against £15.4 million (US\$24.1 million, HK\$187.4 million) in 1999. Over the year to 30 April 2000, Savills plc's group turnover increased 39 per cent to £141.9 million (US\$221.7 million, HK\$1.7 billion), and earnings per share were up 38 per cent at 27.8 pence (US43.4 cents, HK\$3.38). The full text of Savills plc's announcement is attached.

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 FPD Savills, 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, and affords access to the U.S. and Canadian markets, thereby complementing FPD Savills leading presence in Asia and Europe. As a consequence of this transaction, First Pacific's economic interest in Savills plc declined to just under 20 per cent.

Note: Translations are for illustrative purposes only and are calculated at approximate closing

rates for April 2000 of US\$1 = £0.64 = HK\$7.79

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SAVILLS PROFITS RISE BY 31%

SAVILLS plc GROUP RESULTS FOR THE YEAR ENDED 30 APRIL 2000

- * Group pre-tax profit was up 31% at £20.2m (1999 - £15.4m).
- * Group turnover increased by 39% to £141.9m (1999 - £102.4m).
- * Earnings per share were up 38% at 27.8p (1999 - 20.1p).
- * Proposed year-end dividend of 4.5p (net) per share making a total for the year of 7.5p (1999 - 5.75p), a 30% increase.

Richard Jewson, Chairman of Savills plc, comments:

"This has been a notable year in the life of your Company. Our exceptional staff have again taken full advantage of conditions in the market.

"We have taken two significant strategic steps forward in the development of FPDSavills as an international property services group with the acquisition of First Pacific Davies Limited and our strategic alliance with Trammell Crow Company, one of the leading US commercial real estate companies.

"The current financial year has started positively across the board including contributions from Europe and Asia Pacific. With 89 offices and associates in 19 countries and our alliance with Trammell Crow Company we can offer a broad international service and perspective to clients. Although markets are now quieter than they have been recently, we believe that the conditions exist to allow the many initiatives we have taken to bear fruit and we expect to make further progress this year."

*** Chairman's Statement, Operating and Financial Reviews &
Preliminary Announcement of Results follow ***

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CHAIRMAN'S STATEMENT

RESULTS

This has been a notable year in the life of your Company. I am delighted to announce a 31% increase in pre-tax profit to £20.2m (1999 - £15.4m) for the year ended 30 April 2000, during which we have also made considerable progress in our international development. Earnings per share are up 38% at 27.8p (1999 - 20.1p) and over the last 10 years we have achieved earnings per share growth of 16.6% compound. Turnover increased by 39% to £141.9m (1999 - £102.4m), and we are pleased that operating profit margins in the UK property services business have increased slightly. Shareholders' funds have increased from £45.3m to £69.6m, including cash balances of £29.1m. Our exceptional staff have again taken full advantage of conditions in the market.

DIVIDEND

The Board is recommending a final dividend of 4.5p (net) per share making a total for the year of 7.5p (1999 - 5.75p), a 30% increase. The dividend is covered 3.4 times.

HIGHLIGHTS

We have taken two significant strategic steps forward in the development of FPDSavills as an international property services group.

- On 7 April 2000 we completed the acquisition of Hong Kong based First Pacific Davies Limited (now called FPDSavills Asia Pacific Limited) from First Pacific Company; the company contributed £406,000 profit before interest and tax to the Group for the period to 30 April 2000; and
- since the year-end, we have formed a strategic alliance with Trammell Crow Company, one of the leading diversified commercial real estate companies in the US, the world's largest real estate market.

The acquisition of First Pacific Davies marked the culmination of an association which started in 1997, with the establishment of a joint international network and a common branding, and which provides the Group with extensive coverage throughout Asia Pacific and Australia. The consideration for the transaction was HK\$225m (£18.1m) in cash and 7.8m (£14.4m) new shares in Savills.

Under the US alliance, Trammell Crow Company purchased 10% of the Company's shares from First Pacific Company and we have entered into an option agreement, which allows Trammell Crow Company to increase their holding up to 20%. As part of the transaction, we have formed a corporate real estate joint venture in Europe, which includes both Trigon Limited, our existing facilities management company, and our Corporate Services business. The new company, branded Trammell Crow Savills, is owned 51% by Trammell Crow Company and 49% by Savills and will utilise Trammell Crow's expertise and US client base. We plan to extend this joint venture concept into Asia Pacific in due course.

This continued expansion of the Group outside its traditional UK market enables us to meet the increasingly international requirements of clients and will facilitate the development of further international opportunities in the future. Our existing offices in Europe are being strengthened and have made a contribution to profit.

In the UK, FPDSavills Limited raised profits by 78% on the back of a strong residential property market, particularly in London. Since the year-end we have committed to offices in Wimbledon and Windsor. FPDSavills Commercial Limited again performed extremely well, with both the agency and professional teams taking market share from competitors. Investment agency was particularly strong. We have had a good response to the launch of the Charities Property Fund by Savills Fund Management.

Savills Finance Holdings plc has made significant progress. Grosvenor Hill Ventures Limited sustained profitability with further sales and the acquisition of Yorkshire Mill Village, a retail outlet complex, in Batley. Savills Private Finance Limited is now trading profitably and has launched NetMortgage, an on-line mortgage search and select facility. The Schroder's Residential Property Unit Trust, which we manage, has made its first purchases since the year-end.

BOARD AND STAFF

David Davies, who founded First Pacific Davies and joined our board in 1997, sadly died in June after a brave struggle against cancer. His vision and enthusiasm were important ingredients in bringing our businesses together; a key step in making Savills a truly international property adviser. He made a significant contribution to our deliberations and we extend sympathy to his wife and family.

The number of Non-Executive Directors has increased to six with the appointments of Michael Healy and David Eastlake with effect from 7 April 2000 as representatives of First Pacific Company; and of William J Concannon and H Pryor Blackwell with effect from 30 June 2000 as representatives of Trammell Crow Company. We are delighted to welcome these new colleagues who bring with them a great breadth of experience and expertise. Godfrey Blott resigned as a Non-Executive Director during the year and we are grateful to him for his contribution to the international development of the Group.

We were also pleased to announce the Executive appointments of David Wong, Chief Executive Officer of FPD Savills Asia Pacific Limited, on 7 April 2000 and of Robert McKellar as Finance Director on 1 June 2000 and to confirm that Aubrey Adams, previously Managing Director, now has the title of Group Chief Executive. Geoffrey van Cutsem will resign as a Director at the forthcoming Annual General Meeting but will continue as chairman of FPD Savills Limited. We are most grateful to Geoffrey van Cutsem for the tremendous contribution that he has made to the Board over the past 13 years and look forward to continuing to work with him in the future.

I willingly pay tribute again to our staff throughout the Group. We have a great many talented people fully committed to adding value to our clients. Our reward system is an important mechanism in providing a balance between the interests of staff and shareholders.

OUTLOOK

The current financial year has started positively across the board including contributions from Europe and Asia Pacific. With 89 offices and associates in 19 countries and our alliance with Trammell Crow Company we can offer a broad international service and perspective to clients. Although markets are quieter than they have been recently, we believe that the conditions exist to allow the many initiatives we have taken to bear fruit and we expect to make further progress this year.

Richard Jewson, Chairman

OPERATING REVIEW

SUMMARY

Group turnover increased by 39% to £141.9m (1999 - £102.4m). Group turnover excluding property sales increased by 43% from £89.4m to £127.4m. Group pre-tax profit for the year was £20.2m (1999 - £15.4m), an increase of 31%. It is proposed to increase the total dividend for the year by 30% to 7.5p (net) per share (1999 - 5.75p).

The performance of our main operating segments was as follows:

- FPD Savills had an outstanding year, with profits up 78% to £9.3m (1999 - £5.2m) on turnover of £68.7m (1999 - £48.0m).
- The Commercial businesses (including FPD Savills Commercial Limited, FPD Savills Asia Pacific Limited, Trigon Limited and the European subsidiaries) continued to perform well, increasing turnover by 40% to £54.9m (1999 - £39.1m) and pre-tax profit by 29% to £9.4m (1999 - £7.3m).
- The property companies (including the Grosvenor Hill Ventures Group and co-investment companies) generated a profit of £2.1m on turnover of £14.5m.

Average staff numbers increased from 1,238 to 2,311 and, as at the year-end, the total staff number had increased to 11,508 (1999 - 1,456) largely as a result of the acquisition of First Pacific Davies. Incentive payments totalled £29.6m compared with £18.6m last year, reflecting the outstanding performance in the property services businesses.

PROPERTY SERVICES

The property services subsidiaries, trading under the FPD Savills brand, had an excellent year with record profits within the two main operating companies. The international side of the business has also made great strides with the acquisition in April of First Pacific Davies Limited (now called FPD Savills Asia Pacific Limited), the holding company for the Asia Pacific business. The strategic alliance with Trammell Crow Company in the US completed after the year-end, on 30 June 2000. FPD Savills' leading position in the UK market was recognised by topping the Estates Gazette League Table of chartered surveying businesses; the rapid expansion of our international coverage places us amongst the handful of companies that can offer genuine integrated services on a world-wide basis.

Summaries of the main practice areas for our European businesses are set out below and further commentary on the other international operations is given under a separate heading.

Agency

Commercial Agency

With a strong focus on the areas of the country where demand has been highest and consequently where activity and growth in rents has moved ahead fastest, our business space team in particular had a most successful year, with West End and regional offices also showing significant increases in profitability. Highlights included:

- Acquisition of the former Paddington Goods Yard site on behalf of Development Securities Plc, Norwich Union and Equitable Life for £77m. The scheme has planning permission for approximately 1.9m sq ft of offices, 70,000 sq ft of retail and 200,000 sq ft of residential. Speculative development of the site will commence in October 2000.
- Acquisitions by the National Industrial team, which has been extremely active on new developments and occupier work across the UK, of: 80,000 sq ft pre-let acquisition in Uxbridge for new Head Quarters and Distribution Centre for Pizza Express; 80,000 sq ft on a new industrial scheme at Heathrow for Alpha Catering; and a 106,000 sq ft warehouse sale in Leicester for Mattel.
- Acquisition of 50% interest in Central Park, Rugby (120 acres); acquisition of 120,000 sq ft JIT facility for Johnson Controls in Redditch; letting of speculative distribution development (205,000 sq ft) at Hams Hall, Birmingham; portfolio valuation of University of Warwick Science Park; and development consultancy and agency on Newcastle Great Park (2.5m sq ft).

Hotels

Our expanding Hotels team had another good year, completing and formally valuing hotels and serviced apartments valued at more than £1,100m. The department gave agency and valuations advice on properties with an overall value of £1,800m.

Healthcare

Since the year-end a specialist team has been recruited to advise on valuation, acquisition and disposal of nursing and residential homes and other specialist areas.

Retail Warehousing

The Retail Warehouse team performed strongly this year. The planning regime continues to restrict the supply of new developments thereby increasing the value of existing out of town locations. The team provided letting advice to Grantchester PLC on 11 retail parks throughout the UK. Advice was provided to Pillar Property PLC on two of the country's leading shopping parks at Fosse Park, Leicester (415,000 sq ft) and Fort Kinnaird, Edinburgh (580,000 sq ft). At Fosse Park, pre-lettings were completed with New Look and Sports Soccer at £80 per sq ft and £81 per sq ft, recording the highest rental levels achieved to date within the sector.

Development

Notable residential developments in which we have been involved included the Prudential's Knightsbridge Green Estate in London, part of which was sold at what is believed to be a record price per acre for a residential site in London; and being appointed as sole agents for Gleeson Homes' Netherne-on-the-Hill new village development in Surrey, comprising over 400 units.

Residential

Extremely strong market conditions throughout the year led to a doubling of profits in all regions and an increase in market share. The market was particularly buoyant for the very best properties, where prices often exceeded expectations.

In total £1.6bn of property was sold, an increase of 50% over the previous year. Notable transactions included Heythrop Park, Oxfordshire (guide price £15m), Mentmore Towers (guide price £3m - 5m) and the Piccadilly Estate (formerly known as the In and Out Club). Central London values have risen by about 30% and in the country by about 19% during the year.

After hectic activity at the start of the year, the market is well balanced between supply and demand with prospects for another good year ahead.

Agricultural Agency

The recession in all sectors of the agricultural industry continued during the year. However, despite falling farm incomes, the amount of land being offered for sale publicly in 1999 was 25% less than the average for the preceding four years and values held up remarkably well.

A three tier market developed with strongest demand being for farms with a quality house, reflecting the strength of the residential market, whereas values for more commercial farms in areas with lower amenity softened by between 10% to 20%. Hardest to sell have been off-lying blocks of commercial land where there is no interest from neighbouring farmers.

FPDSavills continued to dominate the agency market; our in-house agricultural research department estimating that the company has handled an annual average of one acre in every five advertised in the Farmers Weekly and Country Life over the last five years.

The most notable transaction with which FPDSavills was involved during 1999 was the Duchy of Cornwall's acquisition of the Prudential's 28,000 acre rural property portfolio.

Investment

Commercial Investment

The commercial investment market has continued its strong run against a background of historically stable interest rates and steady economic growth, providing prospects for sustainable rental growth on high quality properties.

The investment team had an exceptional year with turnover some 50% up on last year. Notable transactions included:

- Acting on behalf of Morgan Stanley Dean Witter in the acquisition of a Sainsbury foodstores portfolio in the sum of £325m, comprising an innovative bond issue.

- The sale on behalf of Grantchester plc of a retail warehouse portfolio in the sum of £80.3m to RREEF.
- The sale of Kensington Village Phase I, Avonmore Row, London for MWB to Schroder Exempt Property Unit Trust, whilst on behalf of Standard Life Investments we sold Port Road Retail Park, Culverhouse Cross, Cardiff to Legal and General Property Limited for £22.5m.

Fund Management

Savills Fund Management enjoyed another strong year. Discretionary pension fund clients outperformed their benchmarks by a wide margin in 1999. This performance was recognised when the team won the Investment Property Databank/Investment Property Forum (IPD/IPF) Award for the Best Performing Pension Fund over £100m for the three years to December 1999.

In April 2000 Savills Fund Management announced the creation of the Charities Property Fund. This is the first property based common investment fund enabling charities to invest in commercial property on a pooled basis. The Fund is wholly tax efficient with investors benefiting from the valuable exemption from Stamp Duty. It is intended that this Fund will grow to over £100m within 12 months.

Residential Investment

The emerging residential investment market provides FPD Savills with a unique opportunity to capitalise on the full range of services that we offer in this sector. The acquisition of an Oxford based residential corporate management business in October 1999 from Bradford & Bingley Estate Agencies Limited enables us to provide a comprehensive one stop shop to investors. We intend to consolidate all our residential portfolio management business and client accounting in one centre of excellence.

Professional

Commercial Valuation

The Commercial Valuation department continues to raise its profile in the loan security market being voted "Top of the Class" by the Association of Property Bankers. It is also developing its securitisation advisory business, which is a major growth area. The department was appointed as the valuer for the recent Sainsbury's food superstore securitisation and for Canary Wharf's second securitisation, as well as the latter's earlier flotation. Our turnover and profit have increased by 33% per annum compound over the last five years.

Building Consultancy

Our Building Consultancy department has extended its geographic coverage with a principal office in London and regional teams in Cambridge, Chelmsford, Glasgow, Manchester, Norwich and Wimborne. Each team offers a full range of services with core competencies covering design, building surveying, project management, acquisition and stock condition surveys. Notable projects have included the refurbishment of INVESCO Europe Limited's City offices. The department is generally recognised to be the market leader in undertaking stock condition surveys on the housing sector and is currently advising housing authorities on issues where expenditure is in excess of £1bn.

Landlord and Tenant

The year was the most successful ever for the Landlord and Tenant department. The key factor in this success has been the concentration on the retail warehousing sector where a large proportion of rent reviews took place during the year and where we have acted for nine of the ten top owners. Market share in the office and industrial sectors has also been increasing where we anticipate dramatic increases in activity in the short-term as rising rental levels reduce the percentage of over renting in the market; market conditions for the rent review business are now the best that they have been for the last ten years.

Planning and Development

A unified national planning structure has been established to capitalise upon the acquisition of Shaw Cramond Limited last year and our existing spread of planning expertise. The London based planning team has received a number of significant new instructions and continues to extend its client base. The teams in Wimborne, Cambridge, Oxford and Bath have all enjoyed a successful year handling a wide range of projects including brownfield and residential expansion schemes throughout the UK.

Our development departments have been involved in various regeneration schemes with organisations such as Peabody Trust (Canalside Development project in Kensington) and the Borough of Hackney (Trowbridge Estate).

Property Management

The property management businesses have shown steady growth. We are in the process of integrating our various regional teams into a single national business and intend to expand this business considerably over the next few years.

Land and Farm Management

The acquisition of the lowland consultancy and estate management business of Clegg Kennedy Drew in January endorsed our commitment to the rural property business and brought land under our management in the UK to 1.8m acres. In times of low agricultural return we will concentrate on bringing sound business principles to the management of rural portfolios and to the development of their ancillary businesses and assets. We remain committed to the further expansion of our interests in this sector and our subsidiary Aubourn Farming.

Facilities Management

Trigon has continued to consolidate its position as a leading independent provider of facilities management services to major corporates. New contracts secured during the year included a call centre for British Airways. With effect from 30 June 2000, this business forms part of the joint venture with Trammell Crow Company (see below).

Corporate Services

The Corporate Services team continues to build its business and the major development since the year-end (as with Facilities Management) is the transfer of this part of our business into the new joint venture with Trammell Crow Company (see below).

Asia Pacific

The acquisition of First Pacific Davies Limited (now called FPD Savills Asia Pacific Limited) completed on 7 April 2000 and provided a satisfactory contribution for the month.

Prospects for the business are good as the Asian economies come out of a recent downturn and look to experience significant growth. As reported in the circular sent to the shareholders on 17 March 2000, the Directors believe that the expanded and diversified services and client base from the acquisition provides high quality and consistent earnings particularly from the high proportion of facility and property management business. The results of the business so far confirm our belief that there are good opportunities to expand the business further throughout Asia Pacific and Australia.

International

The acquisition of First Pacific Davies during the year represented a major development for our international business which has been further advanced since the year-end with the completion of the strategic alliance with Trammell Crow Company. In the space of three years, the Savills Group has moved from an almost exclusively UK based business to one of the leading international players with, in the future, close to half our property services turnover generated from international businesses.

FINANCIAL SERVICES AND CO-INVESTMENT

The Savills Finance Holdings group made a lower contribution to profits this year compared with last year, when there were particular large sales both in Grosvenor Hill Ventures and also of the shareholding in State Securities PLC.

Savills Finance

The Schrodgers Residential Property Unit Trust (ResPUT) has made its first portfolio acquisitions and we believe that, although it has taken longer than expected to establish, it will now rapidly move to a position where it is the leading residential unit trust in the market. With institutional investors increasingly looking at indirect means of investing in the property market there is considerable scope to expand the activities not only of the ResPUT, but also of other similar investment vehicles.

Savills Private Finance

In only its second full year of operation Savills Private Finance has grown significantly. Its primary focus has been the development of its mortgage broking business, now fully established as the UK's leading broker of larger loans. During the year the company arranged loans of over £500m. Both the commercial debt broking and financial planning arms have been strengthened and a personal insurance broking arm has been launched. The business now operates from five UK locations including a major new initiative in Manchester since the year-end. Further growth is planned for the coming period, with an emphasis on expanding the financial services operation. Of most significance is the launch of NetMortgage, which is already receiving industry plaudits as the best UK on-line mortgage aggregator.

Grosvenor Hill Ventures

Grosvenor Hill Ventures Limited, which co-invests as a principal, had another active year and completed a total of £14.5m of sales. Particularly notable transactions included the sale of its property in George Street, Edinburgh and Lord Street, Liverpool. The major acquisition during the year was of the Skopos Mills factory outlet shopping complex in Batley, Yorkshire, which is now under major refurbishment and is due to be relaunched in the Autumn as Yorkshire Mill Village.

Venture Capital

The 15% interest in Killik has provided excellent returns this year. JSSPinnacle Group Limited, having been reorganised, is now positioning itself as the leading provider of social housing management in the UK and a steady increase in profitability is expected.

FINANCIAL REVIEW

ACQUISITIONS

During the year we completed a number of acquisitions of businesses or interests in ventures, both in the UK and overseas.

On 1 May 1999 we exercised our option to acquire the remaining interest in the James Harris Partnership, an estate agency practice based in Hampshire.

On 1 June 1999, the Group acquired the remaining 50% interest in Trigon Limited for £2.67m (including acquisition costs). Also on 1 June 1999 the Group increased its interest in the share capital of Adventis Group PLC from 63% to 71.9% on a pre-emptive basis.

On 3 August 1999 the Group increased its shareholding in JSSPinnacle Group Limited from 23.9% to 24.14% on a pre-emptive basis.

On 29 October 1999 the Group acquired the Oxford based corporate lettings and management business of Bradford & Bingley Estate Agencies Limited for £150,000 including acquisition costs.

On 4 November 1999 the Group acquired part of Property Vision Limited's letting and management business for £277,000 including acquisition costs.

On 1 January 2000 the Group acquired the consulting and estate management business of Clegg Kennedy Drew for £383,000 including acquisition costs.

On 31 March 2000 the Group acquired 64% of D & T Property Consultants s.p.r.l., a Brussels based real estate agency and property adviser which had been a member of FPDSavills' international network since 1995, for a consideration of £149,000 including acquisition costs. Also on 31 March 2000, the Group increased its investment in FPDSavills Nederland B.V. from 20% to 25% on a pre-emptive basis for £40,000 including acquisition costs.

On 6 April 2000 the Group acquired Foster Bowden Limited, a firm of general practice surveyors, for a consideration of £312,000 including acquisition costs.

The acquisition of First Pacific Davies Limited (now re-named FPDSavills Asia Pacific Limited) from First Pacific Company was completed on 7 April 2000. The cash consideration comprised HK\$225m (£18.1m) and the allotment to First Pacific Company's nominee of 7.8m shares in the Company (valued at £14.4m).

TREASURY ACTIVITIES AND POLICIES

The Group's treasury operations are co-ordinated and managed in accordance with policies and procedures approved by the Board. They are designed to reduce the financial risks faced by the Group, which primarily relate to funding and liquidity, interest rate exposure and currency rate exposures.

The Group's financial instruments comprise borrowings, some cash and liquid resources and various other items such as trade debtors and trade creditors that arise directly from its operations. The Group does not engage in trades of a speculative nature.

Further details of financial instruments are provided in Note 17 to the Accounts. The Board reviews and agrees policies for managing each of the above-mentioned risks. These have remained unchanged during the period under review and are summarised below.

Interest Rate Risk

The Group finances its operations through a mixture of retained profits and bank borrowings, at both fixed and floating interest rates. It then uses interest rate caps to manage its exposure to interest rate fluctuations. At the year-end, 48% of the Group's borrowings were at floating rates. The Group has no set policy with regard to the proportion of debt it maintains at fixed rates of interest.

Liquidity Risk

The Group prepares an annual funding plan approved by the Board which sets out the Group's expected financing requirements for the next 12 months. Short-term flexibility is achieved through overdraft facilities. At the year-end, 1% of the Group's borrowings were due to mature in more than five years' time.

Foreign Currency Risk

Approximately 4.4% of the Group's turnover was derived from Europe and 4.8% from Asia Pacific in the year. Our policy is for each business to borrow in local currencies where possible. The Group does not actively seek to hedge risks arising from foreign currency transactions due to their non-cash nature and the high costs associated with such hedging.

BORROWING

The Group retains substantial short-term money market facilities with its bankers which are currently not utilised. The purpose of these facilities is to provide working capital for the core Group businesses. In addition, loan facilities are used within Grosvenor Hill Ventures Limited to finance specific property projects. These loans are project specific and without recourse to the parent company.

NET INTEREST RECEIVABLE

Net interest receivable increased to £714,000 (1999 - £366,000).

TAXATION

The taxation charge was reduced to 30.6% of the profit before tax compared with 35.6% last year, largely due to the establishment of a Qualifying Employee Share Trust.

EARNINGS AND DIVIDEND

Earnings per share amounted to 27.8p, a 38% increase on last year's 20.1p. This calculation excludes the shares held by the Employee Benefit Trust and the Qualifying Employee Share Trust.

The Board is recommending a final dividend of 4.5p (net), making 7.5p for the full year, a 30% increase on last year's 5.75p. The dividend will be paid on 11 September 2000 to shareholders on the register at 4 August 2000.

SHARE CAPITAL

During the year, 7.8m ordinary shares were issued to Selly Oak Holdings Limited in connection with the acquisition of First Pacific Davies Limited. In addition, 95,340 ordinary shares were issued to participants in the Savills plc United Kingdom Executive Share Option Scheme and 5,058 to participants in the Savills Sharesave Scheme. A further 853,187 shares were issued to the Qualifying Employee Share Trust, bringing the total number of ordinary shares in issue at 30 April 2000 to 62.5m (1999 - 53.8m).

CASH FLOW AND LIQUIDITY

Net cash inflow from operating activities totalled £20.1m which, after allowing for cash flows including taxation, dividends, investments and capital expenditure (see below), produced a net decrease in cash of £0.5m. At 30 April 2000, prior to the payment of year-end bonuses, the Group's cash at bank and in hand amounted to £29.1m. This was deposited with banks and financial institutions with top credit ratings for periods not exceeding six months, to match known outgoings.

The Group continues to operate a centralised treasury function, which is not a separate profit centre but purely provides a service to the operating companies.

INVESTMENTS AND CAPITAL EXPENDITURE

Cash outflow from Group investments and capital expenditure amounted to £34m (before taking account of cash within acquired subsidiaries of £12.9m) made up as follows:

	£'000	£'000
Investments		
FPDSavills Asia Pacific Limited	20,474	
Trigon Limited	2,670	
Healthcare Development Services Limited	1,154	
Foster Bowden Limited	187	
Clegg Kennedy Drew (lowland consulting)	283	
Adventis Group PLC	245	
Property Vision Limited	277	
Bradford & Bingley Estate Agencies Limited	150	
FPDSavills Belgium s.a.	149	
Managed Office Solutions (GHV) Limited	76	
Grosvenor Hill (Southampton) Limited	30	
FPDSavills Nederland B.V.	40	
JSSPinnacle Group Limited	181	
Other	15	
		25,931
Capital Expenditure		
Equipment & cars	3,118	
Property	128	
Assets in the course of construction	6,938	
		10,184
Less: amounts payable at year-end		(1,971)
		<u>34,144</u>

BALANCE SHEET VALUE

No value is attributed in the Group balance sheet to internally generated intangibles such as brand name or intellectual property rights.

CHANGE OF YEAR-END

At the time of the announcement of the acquisition of First Pacific Davies Limited, the Group indicated that the financial year-end would be changed to 31 December. It is impractical to retain a 30 April year-end whilst Group businesses outside the UK operate to a 31 December year-end. We have therefore decided to adopt a Group-wide accounting year-end of 31 December. Accordingly, we will prepare accounts for the eight month period from 1 May 2000 to 31 December 2000. An Interim Report will be prepared for the six months from 1 May 2000 to 31 October 2000.

SAVILLS plc
PRELIMINARY ANNOUNCEMENT OF RESULTS
year ended 30 April 2000

	Year to 30.04.00 £'000	Year to 30.04.99 £'000
Turnover – continuing operations		
Existing operations	133,926	93,059
Acquisitions	8,661	9,888
Less: Share of joint ventures	(651)	(587)
Total Group turnover	141,936	102,360
Operating profit		
Group - existing operations	18,792	13,840
- acquisitions	76	154
Operating profit of parent & subsidiary undertakings	18,868	13,994
Share of operating profit of joint ventures	4	38
Share of operating profit of associated undertakings	568	170
Operating profit including share of joint ventures & associates	19,440	14,202
Loss on disposal of property	-	(59)
Profit on disposal of interests in subsidiary undertakings	22	-
Profit on disposal of interests in associated undertakings	-	908
Profit before interest	19,462	15,051
Net interest		
Group	709	417
Joint ventures	6	1
Associates	(1)	(52)
Total net interest	714	366
Profit on ordinary activities before taxation	20,176	15,417
Taxation on profit on ordinary activities	(6,166)	(5,494)
Profit on ordinary activities after taxation	14,010	9,923
Minority interests	(344)	(155)
Profit for the financial year	13,666	9,768
Dividends paid & proposed	(4,008)	(2,770)
Profit for the year transferred to reserves	9,658	6,998
Earnings per share	27.8p	20.1p
Diluted earnings per share	25.4p	18.9p
Dividend per share	7.5p	5.75p

SAVILLS plc
SUMMARY GROUP BALANCE SHEET
at 30 April 2000

	30.04.00 £'000	30.04.99 £'000
Intangible assets	33,202	5,987
Tangible assets	21,345	8,881
Investments		
Investments in joint ventures		
Share of gross assets	2,420	1,022
Share of gross liabilities	<u>(846)</u>	<u>(903)</u>
	1,574	119
Investments in associates	1,529	44
Other investments	<u>4,021</u>	<u>3,855</u>
Total investments	7,124	4,018
Fixed assets	61,671	18,886
Working capital	306	3,308
Cash	<u>29,058</u>	<u>26,515</u>
Net current assets	29,364	29,823
Long term creditors & provisions	(20,996)	(3,385)
Net assets	<u>70,039</u>	<u>45,324</u>
Called up equity share capital	3,127	2,689
Reserves - Share premium account	40,845	25,060
- Profit & loss account	25,636	17,501
Shareholders' funds	<u>69,608</u>	<u>45,250</u>
Minority interests	431	74
	<u>70,039</u>	<u>45,324</u>

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

	30.04.00 £'000	30.04.99 £'000
Profit for the financial year	13,666	6,663
Currency translation differences on foreign currency net investments	<u>203</u>	<u>-</u>
Total gains & losses recognised since last annual report	<u>13,869</u>	<u>6,663</u>

SAVILLS plc
CONSOLIDATED CASH FLOW STATEMENT
Year ended 30 April 2000

	Year to 30.04.00 £'000	Year to 30.04.99 £'000
Net cash inflow from operating activities	20,167	14,771
Dividends received from joint ventures & associates	445	310
Net cash inflow from returns on investments & servicing of finance	806	205
Tax paid	(6,006)	(3,516)
Net cash outflow from capital expenditure & financial investment	(10,878)	(6,296)
Net cash outflow from acquisitions & disposals	(9,715)	(1,716)
Equity dividends paid	(3,401)	(2,546)
Cash (outflow)/inflow before use of liquid resources & financing	(8,582)	1,212
Net cash inflow/(outflow) from management of liquid resources	216	(4,399)
Net cash inflow/(outflow) from financing	7,894	(1,850)
Decrease in cash for the year	(472)	(5,037)

NOTES

- The financial information above does not amount to full accounts within the meaning of Section 240 of the Companies Act 1985.

2. Segmental analysis Year to 30.04.00	Commercial £'000	Residential £'000	Financial Services £'000	Property Companies £'000	Holding Company £'000	Group £'000
Turnover (Group & joint ventures)	55,537	68,698	3,849	14,503	-	142,587
Less share of joint ventures	(638)	-	-	(13)	-	(651)
	<u>54,899</u>	<u>68,698</u>	<u>3,849</u>	<u>14,490</u>	<u>-</u>	<u>141,936</u>
Operating profit/(loss)	8,985	9,006	(286)	2,744	(1,581)	18,868
Share of joint ventures operating profit	4	-	-	-	-	4
Share of associated undertaking operating profit	8	-	560	-	-	568
Profit on disposal interest in subsidiary undertaking	-	-	-	22	-	22
Profit/(loss) before interest & taxation	8,997	9,006	274	2,766	(1,581)	19,462
Net interest	438	254	(56)	(678)	756	714
Profit/(loss) before taxation	<u>9,435</u>	<u>9,260</u>	<u>218</u>	<u>2,088</u>	<u>(825)</u>	<u>20,176</u>
Net assets	<u>23,044</u>	<u>12,389</u>	<u>1,441</u>	<u>10,988</u>	<u>22,177</u>	<u>70,039</u>
Year to 30.04.99						
Profit/(loss) before taxation	<u>7,329</u>	<u>5,188</u>	<u>920</u>	<u>2,127</u>	<u>(147)</u>	<u>15,417</u>

- In the above segmental analysis, the turnover for Commercial includes that for the European offices, Trigon Limited and the Asian operations.

- An interim dividend of 3.0p (net) per share was paid. A final dividend of 4.5p (net) per share is recommended and, assuming approval at the Annual General Meeting, will be paid on 11 September 2000 to shareholders on the register as at 4 August 2000.

- The earnings per share have been calculated using the weighted average number of shares in issue of 49,139,000 (1999 - 48,580,000) and excludes the shares held by The Savills plc 1992 Employee Benefit Trust (EBT) and the Qualifying Employee Share Trust (QUEST). The calculation of fully diluted earnings per share is based on a weighted average number of shares in issue of 53,731,000 (1999 - 51,777,000).

- Information relating to the year to 30 April 1999 is an abridged version of the full Group accounts for that year which have been filed with the Registrar of Companies and upon which the Auditors, KPMG Audit Plc, gave an unqualified opinion.

- Copies of this statement are being sent to shareholders and are available from the registered office at:

Savills plc, 20 Grosvenor Hill, Berkeley Square, London W1K 3HQ
 Telephone: 020 7409 9920 Fax: 020 7409 1800
 Contact: Lizzie Jackson

The information is also available on the Company's website on: www.fpd Savills.co.uk

- The Annual General Meeting will be held at:
 25 Finsbury Circus, London EC2M 7EE on 7 September 2000 at 12 noon.

Ends

NOTES

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