



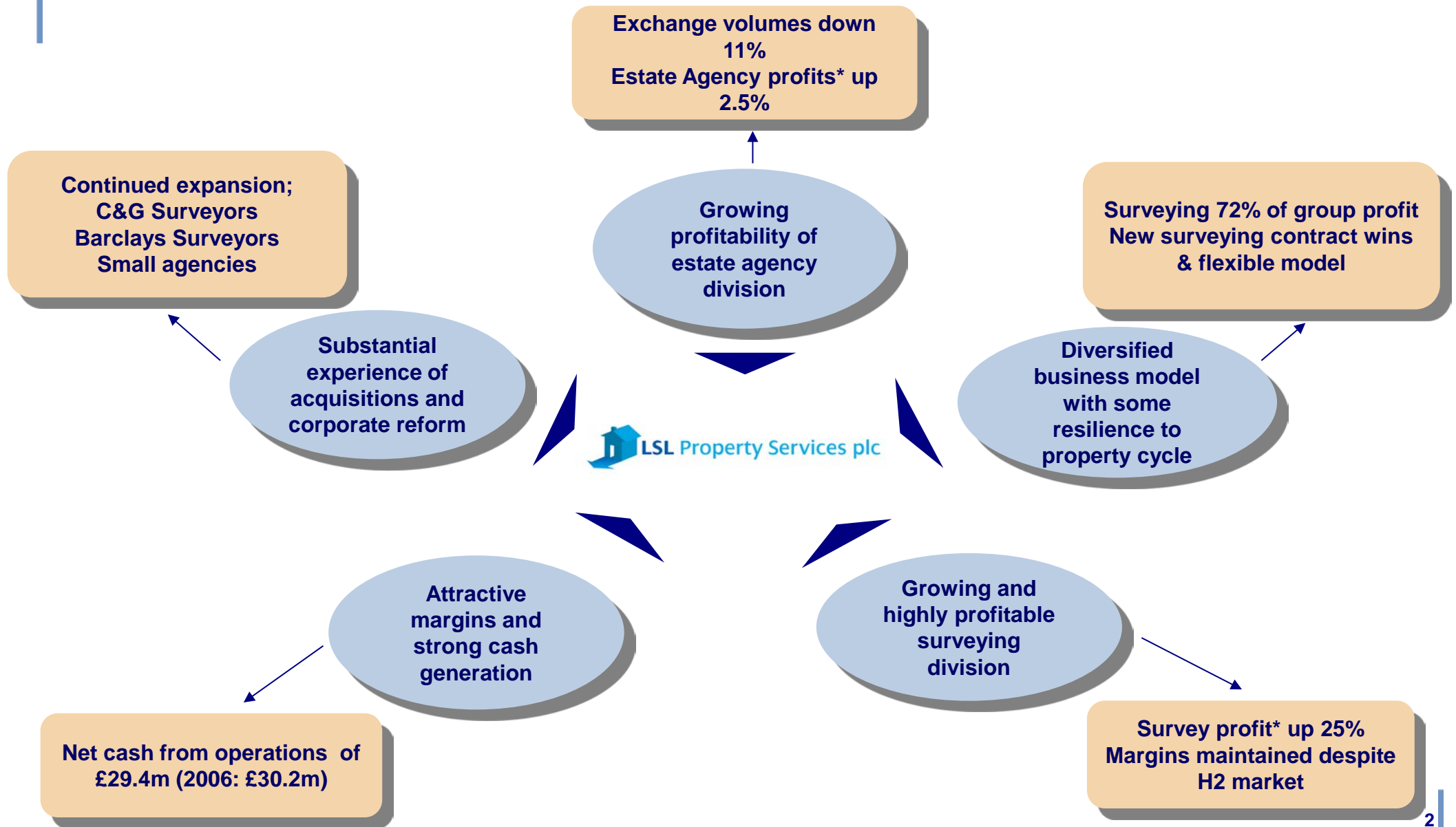
Preliminary Results Presentation

Year Ended 31 December 2007

Simon Embley, Group Chief Executive Officer
Dean Fielding, Group Finance Director

February 2008

Key messages & delivery 2007



*Underlying operating profit before exceptional costs and amortisation

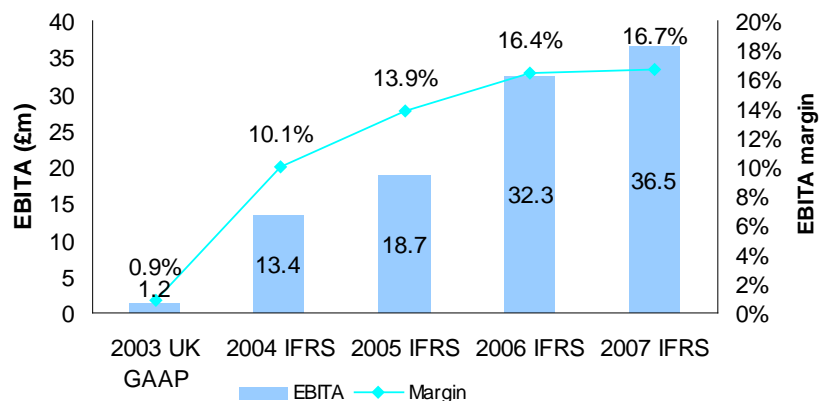
Highlights

- Record underlying operating profits* up 13% to £36.5m (2006: £32.3m)
- Adjusted Proforma Earnings per share up 17% to 23.3p (2006: 19.8p)
- Excellent cash generation with net cash from operating activities of £29.4m (2006: £30.3m)
- Final dividend of 3.86p per share (total dividend of 6.86p for the year)

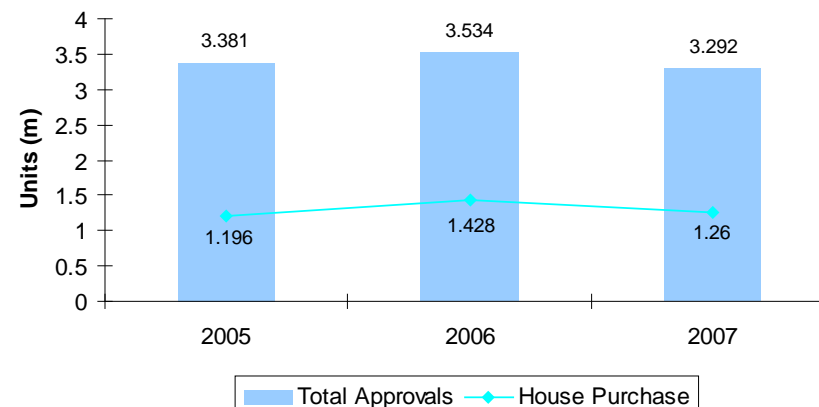
Financials at a glance

A track record of growing profitability

EBITA Full Year *



Mortgage Approvals



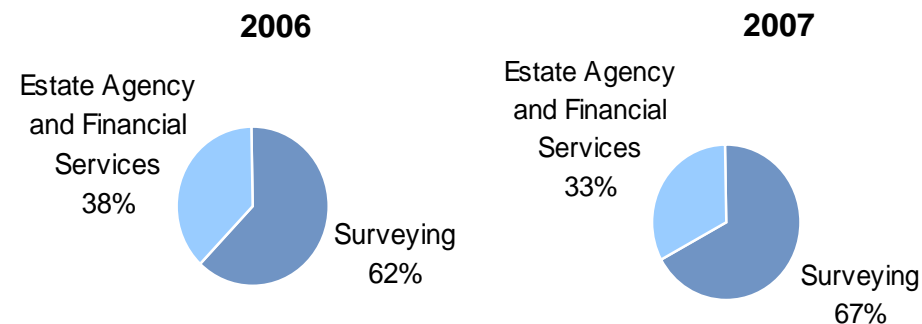
Group Financial Overview *

Revenue	2005	2006	2007	% change
Estate Agency	63.8	103.1	107.1	4%
FS	14.0	20.9	22.3	8%
EA & FS	77.8	124.0	129.6	5%
Surveying	57.0	74.0	89.9	21%
Total	134.9	198.0	219.5	11%
Underlying operating profit*				
Estate Agency	3.7	13.4	13.7	3%
FS	-2.0	-0.8	-0.9	-
EA & FS	1.7	12.6	12.8	2%
Surveying	17.4	21.0	26.3	25%
Central Costs**	-0.4	-1.3	-2.6	-
Total	18.7	32.3	36.5	13%

* before exceptional costs of £1.4m and amortisation of intangible assets

** 2007 charge includes £0.6 million of non-cash share based payments

Group EBITA Split (excluding unallocated costs)



- Full year benefit of contract wins will add to survey earnings

Strong Cash Flow

Strong cash generation with minimal capex requirement.....

£000		
Normalised operating profit (£m)	36.5	32.3
Depreciation	2.3	2.7
Other	0.6	0.4
Capex	(2.4)	(2.1)
Movement in working capital	4.2	5.3
Interest paid	(3.4)	(4.6)
Interest received	0.4	0.7
Dividend received	0.4	-
Tax paid	(9.7)	(5.9)
	28.8	28.8
Exceptional cost excluding impairment	(1.1)	(3.5)
Cash generation after exceptional costs	27.7	25.3

- Strong cash generation
 - ▶ £28.8m in 2007
 - ▶ Low capex requirement
 - ▶ Good management of working capital
- Significant debt flexibility
 - ▶ C&G acquisition £30.2m, treasury shares £2.4m, purchase of other subsidiaries £6.7m (*) funded using existing facility
 - ▶ Current net debt of £48.7m
 - ▶ Facility available of £95.0m
- Dividend
 - ▶ Final dividend of 3.86p per share, total dividend of 6.86p per share
 - ▶ In line with stated pay out ratio
- Business well placed for acquisition and dividend payouts

(*) cash, loan notes and deferred consideration

Operational Performance: Surveying

Continued growth in market share

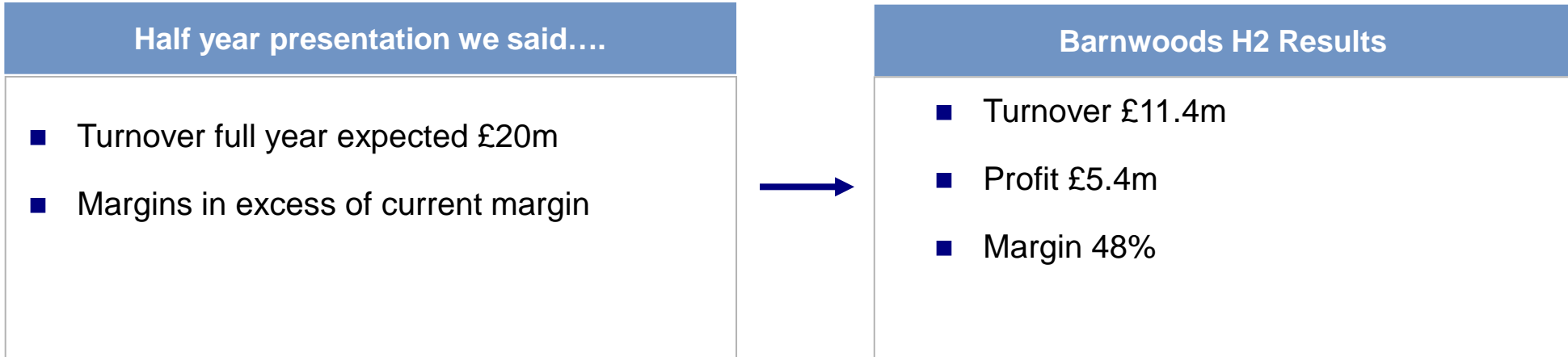
e.surv	2007	2006	% Change
Turnover (£m)	71.8	68.3	5%
Underlying Op. Profit (£m)	20.3	20.3	-
Margin (%)	28.2	29.7	
Jobs performed ('000s)	443	434	2%
Chancellors Assoc. & Reeds Rains Surveying			
Turnover (£m)	6.6	5.7	16%
Underlying Op. Profit (£m)	0.6	0.6	-
Margin (%)	9.1	10.5	
Barnwoods			
Turnover (£m)	11.4	-	
Underlying Op. Profit (£m)	5.4	-	
Margin (%)	48.0	-	
Total			
Turnover (£m)	89.9	74.0	21%
Underlying Op. Profit (£m)	26.3	21.0	25%
Margin (%)	29.3	28.4	

e.surv Jobs Performed

	2005	2006	HI 2007	Q3 2007	Q4 2007
Jobs performed ('000s)	378	434	227	118	98
Mortgage approvals	3381	3534	1778	854	660
Market Share (approx)	11.2%	12.8%	12.8%	13.8%	14.8%

- Flexible operating model, consultant usage minimised in Q3 and Q4
- New contract with Barclays helped offset reductions in lending from key clients
- Barclays integration successfully completed. Service maintained and reorganisation completed Q4

Surveying: Acquisition of Barnwoods from C&G



- Separation from C&G completed to plan, management have responded quickly to the new environment
- Service performance comfortably in line with expectations
- Margin improvement on a quarter to quarter basis gives us confidence for full year ahead
- Excess volumes panelled to e.surv to reduce volatility of our wider surveying earnings

Operational Performance: Estate Agency

Estate Agency Segment

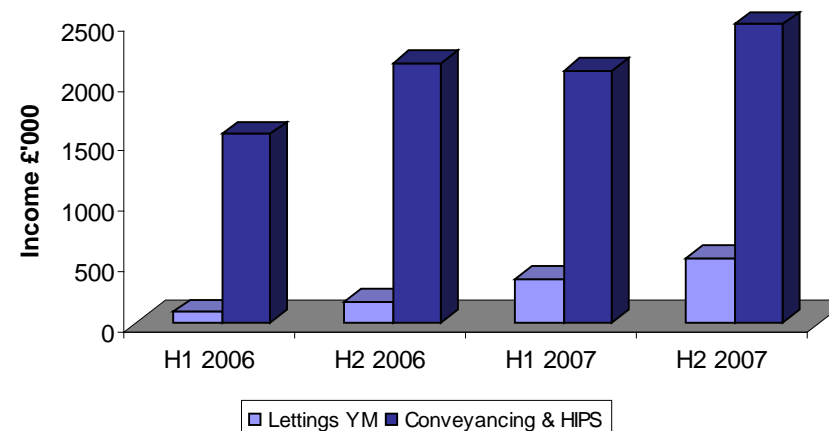
	2007	2006	% Change
Turnover (£m)	107.1	103.1	3.9%
Profit* (£m)	13.7	13.4	2.5%
Margin	12.8%	13.0%	

Your Move & Reeds Rains KPIs

	2007	2006	% Change
Exchange Units	31,277	35,255	-11.3%
Turnover (£m)	94.2	100.9	-6.5%
Expenditure (£m)	80.5	86.3	-6.7%
Profit* (£m)	13.7	14.6	-6.2%
Margin	14.5%	14.5%	

- Challenging market in second half of 2007 with activity down by circa one third
- Exchange units down by 11% however
 - ▶ expenditure down by £6m
 - ▶ margins maintained
- Other businesses :- Results include £0.8m loss from Homefast. Offset by contribution from new acquisitions.

Growth in other income streams key for 2008



* Underlying operating profit before exceptional costs and amortisation

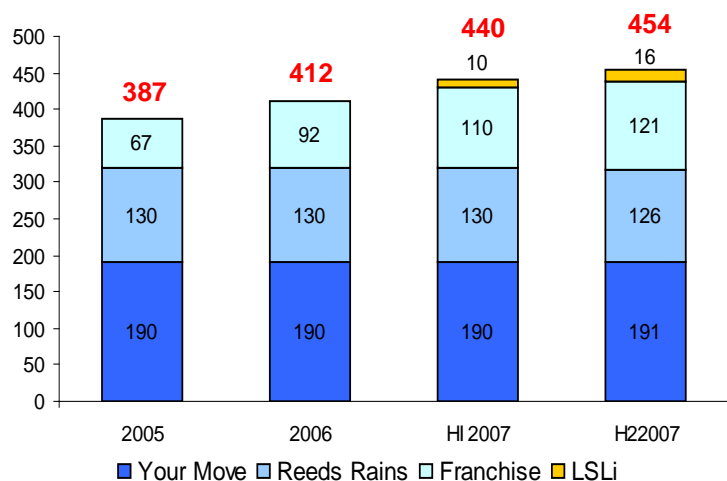
Operational Performance: Financial Services

Financial Services Segment			
	2007	2006	% Change
Turnover (£m)	22.6	20.8	8.2%
Expenditure (£m)	(21.6)	(20.0)	-8.6%
Profit (£m)	(0.9)	(0.8)	-13.8%
No. of FCs	328	312	5.1%
Mortgage applications (£bn)	3.3	3.0	10.0%

- Continued investment in Linear in 2007
- Positive contribution to Estate Agency
- Investment supports:
 - ▶ Lender relationships
 - ▶ Survey growth
 - ▶ Other product development (e.g. repossessions)
- Second largest estate agency based mortgage intermediary in the UK
- Opportunities for 2008
 - ▶ Re-mortgage
 - ▶ Buy to let
 - ▶ Further consolidation expected

Estate Agency & Financial Services: Consolidation

LSL Growth (Branches)



- Despite difficult H2 market the number of LSL estate agency offices continues to grow
- Healthy pipeline of franchise deposits - but some risk to franchisee numbers

LSLi

- Acquired 16 branches
- Growth opportunities
 - ▶ Sweat 'IT assets'
 - ▶ Strong brands, but sub scale
 - ▶ Group buying power
 - ▶ Financial services & conveyancing
- Paid including Loan notes and deferred consideration £6.7m at 'four' times normalised profit on average

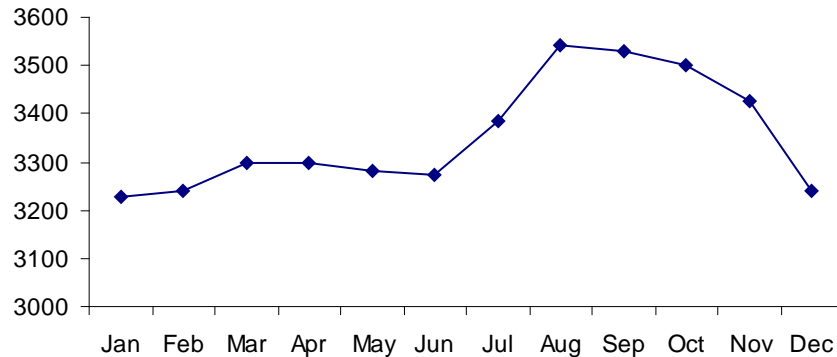
Repossessions

- Asset management launched January 2008
- Market leading software developed on time
- Proposition to lender clients received favourably
- Expect earnings enhancing from H2 2008

Cost Savings: Key initiatives

Staff numbers & splits

Staff numbers (ftes)



	Jan	Aug	Dec
EA & FS	2397	2465	2285
Survey	830	1076	956
	3227	3541	3241

- Growth in staff numbers to August due to acquisitions and contract wins
- Survey FTEs now right sized, growth reflects Barnwoods
- Estate Agency FTEs, 150 extra from new brands, closure of 12 branches and attrition since August

Consultant costs (surveying)

- Reducing consultant usage on e.surv costs
 - ▶ 2006 £5.6m
 - ▶ 2007 £4.3m (H2: £1.8m)
- further reductions in 2008

Press advertising (estate agency)

- Saving £0.6m
- Further reduction in 2008

Other reductions

- Various initiatives
- Key supplier review

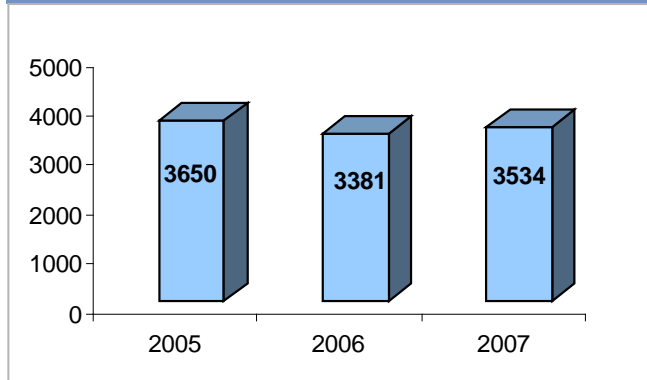
Homefast

- Strategic review - ceasing to trade

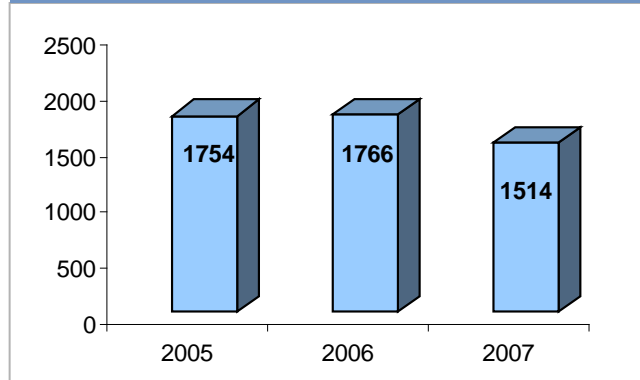
Market Outlook (short term)

Total Mortgage approvals

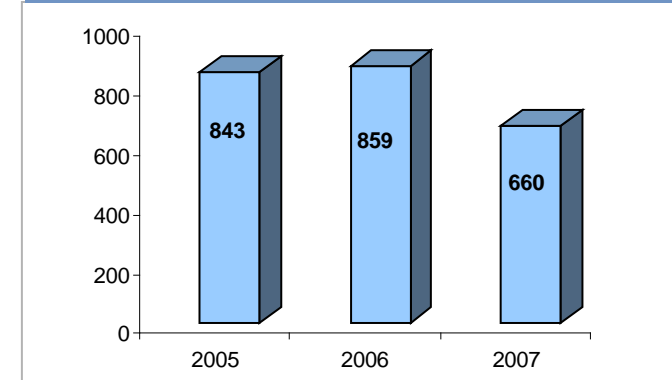
Annual



Second half year

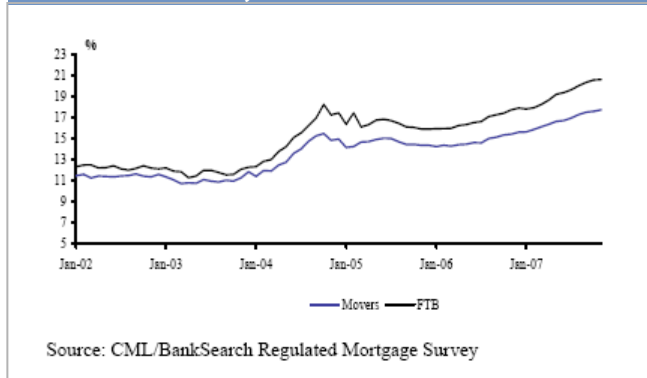


Quarter 4

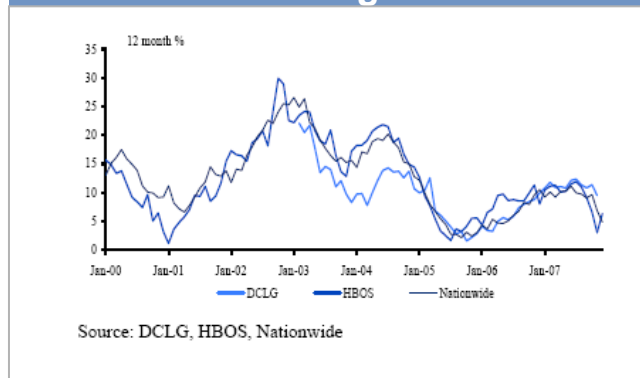


- Difficult market conditions from September continuing into 2008

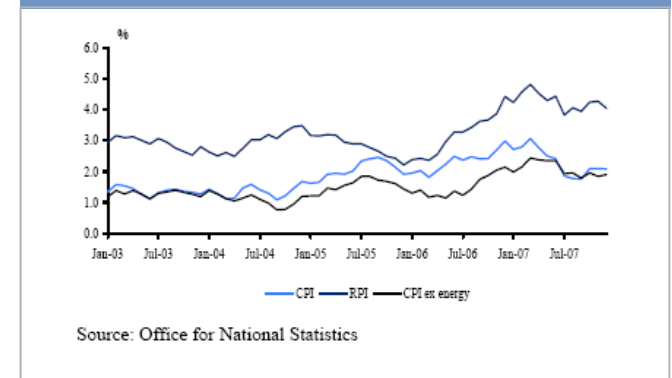
Interest payments as a % of income, FTB and movers



House price growth, annual % change



Inflation



- Lack of consumer confidence, interest rates not reflected in LIBOR
- Inflation may limit further interest rate cuts

Market Outlook and Current Trading

Scenarios for 2008

Short term market blip

Prolonged downturn

Drivers

- further interest rate falls
- passed onto consumers
- small movement in house prices

- lack of liquidity in banking market, shortage of “mortgage” product
- lack of consumer confidence
- potential recession

Market Impact Property Sector

- consolidation opportunities

- selective acquisitions
- reduced competition

LSL impact

- reduced Estate Agency profits
- Survey division benefits from contract wins in 2008

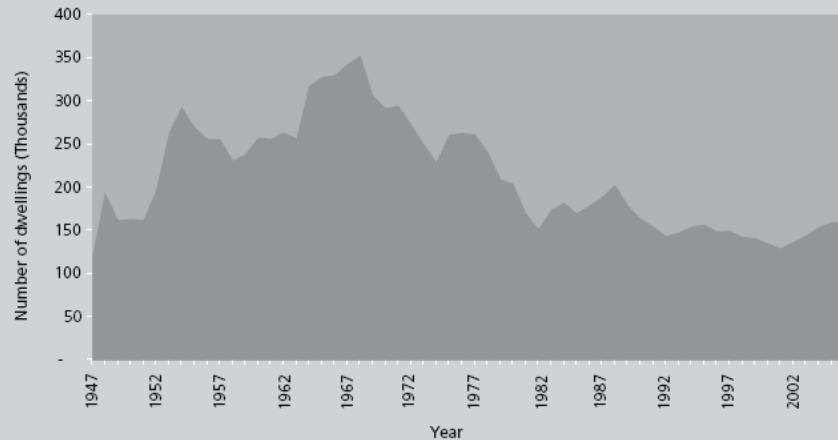
- potential losses from the Estate Agency and FS divisions
- small fall in profits from existing Survey business offset by growth from 2007 contract wins

Market Outlook (long term)

Fundamentals of the UK housing market remain strong

Shortage of supply

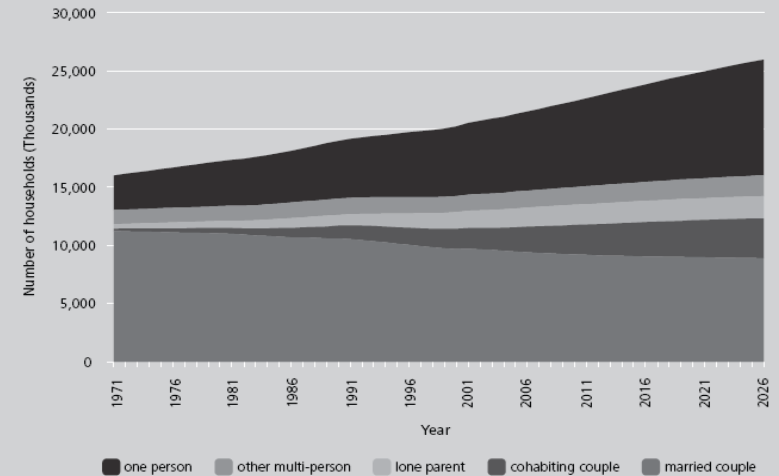
Chart 2.5: Housebuilding: permanent dwellings completed, by tenure, England, historical calendar year series



Source: Communities & Local Government / Housing statistics 2007 / published 7 Feb 08

Growth in demand

Chart 4.2: Number of households, England, 1971-2026



Source: Communities & Local Government / Housing statistics 2007 / published 7 Feb 08

- Supply and demand will support housing market in the longer term
- UK interest rates and unemployment are at a relative low point

Summary

- Business well placed - 2007 contract wins and flexible survey model will underpin Survey earnings in 2008
- Consolidation opportunities potentially significant

Survey

- Flexible panel management model
- “right sized” in Q4 2007
- 2007 contract wins
- Well placed for 2008

Estate Agency

- Market volumes will impact
- Timing of recovery depends on “economics” and consumer confidence
- Growth in repossessions, lettings and other income
- 2008 difficult year

Financial Services

- Maintaining distribution important
- Balance profits vs. distribution
- Our choice

Acquisition Growth

- Consolidation of loss making business unattractive
- Need to see beginnings of market recovery