20 March 2014

Savills plc
('Savills' or 'the Group')

PRELIMINARY RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2013

Savills plc, the international real estate advisor, today announces a strong performance across the Group reflecting improved transactional activity and the benefit of business development activities of recent years.

Key financial highlights

- Group revenue up 12% to £904.8m (2012: £806.4m).
- Underlying Group profit before tax* up 28% to £75.2m (2012: £58.6m restated for IAS 19).
- Group profit before tax up 35% to £70.1m (2012: £52.0m restated for IAS 19).
- Underlying Pre-tax profit margin increased to 8.3% (2012: 7.3%).
- Underlying basic EPS up 27% to 43.1p (2012: 33.9p restated for IAS 19).
- Total dividend for the year up 19%. Final ordinary and supplementary interim dividends total 15.5p per share (2012: 12.7p) taking the total dividend for the year to 19.0p per share (2012: 16.0p).

* Underlying profit is calculated on a consistent basis in accordance with Note 5 to the preliminary statement.

Key operational highlights

- UK Commercial transaction profits up 58% reflecting increased market share in Prime Central London transactions and a progressive recovery in the regional markets.
- Asia Pacific Commercial transaction profits up 14% with growth in Australia, Korea and Japan mitigating the anticipated slow down in Hong Kong.
- UK Residential transaction profits up 34% reflecting higher market volumes; three new offices opened during the year.
- Continued revenue growth of over 9% in Property Management segment; underlying profits down 2% through reorganisation costs in Europe and investment in business growth.
- Consultancy profits up 26% with strong performances in the UK and Continental Europe
- Cordea Savills investment management business increased Assets Under Management ('AUM') by 17% to £4.2bn.

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

"I am delighted to report a strong set of results with revenues up 12% to a record high of £904.8m and underlying profits up 28%. These results demonstrate the strength of our position in the prime Residential and Commercial markets of the world's key cities and the benefit of the investment that we have made across the business to expand our service lines.

We have made a solid start to 2014 with performance in line with management expectations. In the UK, we expect continuing demand for London property and recovery in the regional markets, although availability of commercial stock, in particular, is increasingly a challenge. In Asia, whilst we expect the reduction in trading volumes in Hong Kong to persist for at least the first half of the year, this should be mitigated, in part, by the strength of other regions across Asia. We also expect to show a continued improvement in our businesses in Continental Europe and the US. Looking ahead, we are well positioned with a clear strategy for extending the depth and breadth of our services in the world's key markets."

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There will be an analyst presentation today at 9.30am at Numis Securities Limited, The London Stock Exchange Building, 10 Paternoster Square, London, EC4M 7LT.

A video interview with Jeremy Helsby, Group CEO will be available from 11.00am today at www.savills.com.

Chairman's statement

Strong revenue growth and margin improvement, reflecting improved transactional activity in many of our key markets together with robust Property Management and Consultancy operations, underpinned the Group's strong performance in 2013 and demonstrates the benefit of the business development activities of recent years.

Results
The Group's underlying profit before tax for the year increased by 28% to £75.2m (2012: £58.6m restated for IAS 19), on revenue which improved by 12% to £904.8m (2012: £806.4m). The Group's reported profit before tax increased by 35% to £70.1m (2012: £52.0m restated for IAS 19).

Overview
2013 demonstrated the importance of Savills position in the prime markets of the world's key cities and the benefits of the progressive growth strategy we have pursued in recent years. Our Transaction Advisory revenue grew by 16%, our Consultancy business revenue by 11% and our Property Management revenue by 9%. Many of the principal commercial markets in which we operate experienced an exceptionally strong finish to the year, including a record performance in the UK where Savills advised on over a third of all commercial office investment transactions (by value). Our Residential business also continued to benefit from a strong market particularly in Prime Central London. In Asia, strong performances in Japan, mainland China, Korea and Australia outweighed the effect of a substantial reduction in transaction volumes in Hong Kong and Singapore.

In Continental Europe, an improvement in economic conditions benefited our transaction-orientated businesses with revenue increasing by 16% and overall losses reduced by 44% in line with our original aspirations for the year.

Cordea Savills, the Group's Investment Management business, delivered a solid performance across its European platform increasing AUM by 17% and winning some high quality mandates, which drove an increase in revenue of 11%.

Business development
Savills strategy is to be a leading advisor in the key markets in which we operate. Our global strategy is delivered locally by those close to the market with flexibility to adapt quickly to changes in circumstances and opportunities. They are supported by our regional and cross-border investment and occupier service specialists. Over the last few years we have acquired a number of small businesses and added teams and individual hires to our strong core business, particularly when markets have been weak.

During the year the Board considered the longer term strategic and geographic development of the business in the context of both investment and occupier markets which are becoming increasingly global in outlook and service requirement. We concluded that the current strategy of focused geographic and service expansion, both organically and by acquisition, is the right approach. As part of this, we have considered how best to build on Savills capabilities in the US and will continue to investigate options for expansion in that market. In addition, we have looked at expanding the geographical coverage of the Cordea Savills investment management platform. During the year Cordea Savills took its first step outside Europe with the agreement to acquire Merchant Capital KK, a small investment management firm in Tokyo with approximately £250m AUM. The acquisition is expected to complete in the second quarter of 2014.

At the beginning of 2013 we merged the two principal Savills businesses in the UK to form Savills (UK) Limited. In conjunction with the merger, the decision was taken to move the two head offices in the West End of London into one new head office at 33 Margaret Street. This took place between May and June 2013 and has resulted in a highly successful combination of capabilities and skills from each of the historic businesses merging into a well functioning single operation. The benefits of this merger have already become apparent in a number of areas, most particularly in Savills ability to marshal many different skills from across the business to identify and support complex client projects. The costs of this merger together with a small number of restructuring activities in Europe gave rise to an aggregate restructuring cost of £5.2m (2012: £4.0m) during the year.

The Board's ongoing focus on improving margin continued to drive an increase in profitability, with the Group's underlying pre-tax profit margin advancing to 8.3% from 7.3% in 2012. Considerable performance improvement in the broader UK market, together with the reduction in losses in Continental Europe and the US, represented the principal contributors to the overall increase in margin.

Board
Due to other commitments, Clare Hollingsworth has indicated her intention to retire from the Board at the end of the next Annual General Meeting. On behalf of the Board I would like to thank her for her considerable contribution during her time at Savills both as a director and as Chairman of the Remuneration Committee.

Following Clare's retirement, Tim Freshwater has kindly agreed to take on the chairmanship of the Remuneration Committee. The Board is now commencing a search for Clare's replacement.

Dividends
An initial interim dividend of 3.5p per share (2012: 3.3p) amounting to £4.5m was paid on 14 October 2013, and a final ordinary dividend of 7.0p (2012: 6.7p) is recommended, making the ordinary dividend 10.5p for the year (2012: 10.0p). In addition, a supplemental interim dividend of 8.5p (2012: 6.0p) is declared, based upon the underlying performance of our Transaction Advisory business. Taken together, the ordinary and supplemental dividends comprise an aggregate distribution for the year of 19.0p per share, representing an increase of 19% on the 2012 aggregate dividend of 16.0p. The final ordinary dividend of 7.0p per ordinary share will, subject to shareholders' approval at the Annual General Meeting on 12 May 2014, be paid alongside the supplemental interim dividend of 8.5p per share on 21 May 2014 to shareholders on the register at 22 April 2014.

Outlook
We have made a solid start to 2014 with performance in line with management expectations. In the UK, we expect continuing demand for London property and recovery in the regional markets, although availability of commercial stock, in particular, is increasingly a challenge. In Asia, whilst we expect the reduction in trading volumes in Hong Kong to persist for at least the first half of the year, this should be mitigated, in part, by the strength of other regions across Asia. We also expect to show a continued improvement in our businesses in Continental Europe and the US. Looking ahead, we are well positioned with a clear strategy for extending the depth and breadth of our services in the world's key markets.

Peter Smith
Chairman

Review of operations

Operating highlights

Our business in the Asia Pacific region had a record year and the newly merged UK business got off to an excellent start. The US business saw a slight improvement and it has a strong pipeline going into 2014. Cordea Savills underlying business continued to grow, but profitability was temporarily affected by expansion and reorganisation costs. In Continental Europe, in line with our plans, we substantially reduced losses with most countries breaking even at an operating level. Overall, we increased our underlying profit before tax ('underlying profit') by 28% to £75.2m (2012: £58.6m).

On a statutory basis, profit before tax increased 35% to £70.1m (2012: £52.0m).

	Revenue £m			Underlying Profit/(Loss) £m		
	2013	2012	% growth	2013	2012	% growth
UK	462.3	399.1	16	55.3	43.8	26
Asia Pacific	354.4	331.0	7	35.5	32.6	9
Continental Europe	81.3	70.2	16	(3.9)	(7.0)	44
United States	6.8	6.1	11	(1.6)	(2.1)	24
Unallocated Cost	n/a	n/a	n/a	(10.1)	(8.7)	(16)
Total	904.8	806.4	12	75.2	58.6	28

Our Asia Pacific business represented 39% of Group revenue (2012: 41%) and our overseas businesses as a whole represented 49% of Group revenue (2012: 51%), reflecting, in part, the strong revenue growth in the UK. Our Commercial Transaction Advisory businesses in both Asia and the UK grew strongly on the back of increased international inflows of investment capital; indeed in the UK we acted on over 40% of transactions involving Asian or Middle Eastern investors.

Our performance by service line is set out below:

	Revenue £m			Underlying Profit/(Loss) £m		
	2013	2012	% growth	2013	2012	% growth
Transaction Advisory	358.2	310.0	16	47.2	31.8	48
Property Management	329.0	300.6	9	17.6	17.9	(2)
Consultancy	191.6	172.2	11	17.6	14.0	26
Investment Management	26.0	23.5	11	2.9	3.6	(19)
Other/Unallocated	n/a	0.1	n/a	(10.1)	(8.7)	(16)
Total	904.8	806.4	12	75.2	58.6	28

Overall our Prime Commercial and Residential Transaction business revenues together represented 40% of Group revenue (2012: 38%). Of this, the Residential Transaction Advisory business represented 16% of Group revenue for the year (2012: 14%). Our Property and Facilities Management businesses continued to perform well, growing overall revenue by 9%, with expansion costs holding back profit growth. The business represented 36% of revenue (2012: 37%). Consultancy remained proportionally constant at 21% of revenue but substantially increased profits by 26%. The Investment Management business showed growth in revenue and AUM, but acquisition, reorganisation and expansion costs adversely affected profitability during the period.

Transaction Advisory

2013 clearly demonstrated the strength of our geographic spread of businesses as improved performances in a number of countries outweighed the anticipated significant reduction in activity in Hong Kong and Singapore. This, in conjunction with an exceptionally strong finish to the year in the UK, resulted in the substantial increase in revenue, profit and margin delivered by our Transactional Advisory business as a whole. Revenue grew by 16% to £358.2m (2012: £310.0m) and underlying profit increased by 48% to £47.2m (2012: £31.8m). The underlying profit margin of the Transaction Advisory business increased to 13.2% (2012: 10.3%).

UK Residential
The prime residential market, where Savills is a market leader, continued to perform well with Savills trading volumes increasing by 8% year on year. The value of UK residential property (excluding new developments) sold by Savills during the year rose 15% to £6.1bn. In the London market the volume of property transactions increased by approximately 13% year on year with a similar increase in average price to £3.2m. In the country market the volume of exchanges increased by approximately 5%, with the average price remaining stable at £1.0m. In the last quarter there was a significant rise in prime regional house prices of 1.5%; the strongest quarterly rise in this market for three years. In the new development market we saw a significant increase in transactions with the volume exchanged increasing by 24% to £1.9bn, buoyed by continued strong interest in high quality developments in London from both domestic and overseas buyers and good levels of stock availability. The Residential Transaction Advisory business overall increased revenue by 22% to £118.0m (2012: £97.0m).

Despite Central London's relative strength as a market, Savills sales volumes in this market still remain 15% below the 2007 peak. Equity rich permanent London residents represent the principal buyers in this market. Outside Central London improved availability of mortgage finance began to help transaction volumes but they still remain 26% below the 2007 peak. In addition, strong price recovery of over 10% in prime "outer commuter" zone cities such as Oxford, Cambridge and Winchester demonstrated the impact of the continued buying power of London equity as it was selectively deployed regionally.

During the year we opened new offices in London, Brook Green, Clapham, Marylebone and also in Reading and rationalised some regional office space as part of the Savills UK merger.

The Residential Transaction Advisory business, as a whole, recorded a 34% increase in underlying profits to £19.0m (2012: £14.2m).

Asia Pacific Commercial
The Asia Pacific Commercial business enjoyed a stronger year than we originally expected, driven by substantially improved earnings in Australia, Korea and Japan. This mitigated the effect of the anticipated reduction in transaction volumes in Hong Kong as investors reacted to the impact of significant tax increases on commercial investments in that market. Revenue grew by 1% to £99.3m (2012: £98.4m). On a constant currency basis, this represented an increase of 3% year on year.

In mainland China, where we have 13 offices, our business continued to grow well with Transaction Advisory revenues increasing by 15% year on year. Our Hong Kong Commercial transaction revenue declined by 19% as market volumes reduced significantly during the latter part of the year. Our Japanese business grew transaction revenue by over 120% on further strengthening of activity levels in the region. Our businesses in Australia and Korea, also increased transaction revenues which made up for shortfalls primarily in Hong Kong. Overall, the Asia Pacific Commercial Transaction Advisory business recorded a 14% increase in underlying profit to £16.6m (2012: £14.6m). The increase in underlying profit in constant currency was 19%.

UK Commercial
Revenue from UK commercial transactions increased 22% to £73.4m (2012: £60.4m). This performance reflected significant gains in our share of Prime Central London transactions where we were involved in over 30% of office transactions by value and over 40% of all transactions involving Middle Eastern or Asian investors. London continued to be the focal point for overseas investment interest which drove the overall market value of transactions to a record £20.6bn.

The central London occupier market saw a strong recovery in tenant demand in 2013, with the overall take-up for the City, West End and Docklands reaching 12m sq ft (a 46% increase on the previous year). Take-up in the West End of London was 37% up on the total for 2012 at 4m sq ft, and in the City the total rose by 52% to just over 7m sq ft. The City of London saw a particularly strong rise in the number of lettings of 50,000 sq ft and above, with 29 lettings in 2013 compared to 15 in 2012.

Our regional business benefited from the recovery in tenant demand for office space with take-up inside the M25 and top seven regional city office markets rising by 37% to reach nearly nine million square feet. As economic conditions improved in regional markets, we saw a significant recovery in investment volumes as investors sought improved returns outside London. All asset classes benefited, with retail logistics particularly strong. Overall the regional Commercial business reported a 27% rise in revenue and an increase in profits of approximately 90% demonstrating the strength of this business.

The strength of London and progressive recovery in the regions resulted in the UK Commercial Transaction advisory business increasing underlying profit by 58% to £10.3m (2012: £6.5m) with margin improvement to 14.0% (2012: 10.8%).

Continental Europe
The Continental European Commercial business saw revenue increase by 28% to £38.0m (2012: £29.6m). In constant currency the underlying increase was 23%. There was a substantial improvement in Ireland, where Savills had the majority share of the transactional market, which was itself characterised by demand from international private equity funds for distressed asset and portfolio sales. Transactional Advisory revenues also improved significantly in Germany, Spain, Sweden and Poland as investor sentiment began to recover. By comparison, leasing markets particularly in France and Germany remained relatively subdued.

In Q4 2013, the residual Savills business in Italy was restructured to focus solely on valuation and consultancy. In Germany, new management undertook a substantial reorganisation of both the investment and leasing teams with each now under new leadership. In addition the management team in Sweden was reorganised. These activities gave rise to significant recruitment and termination costs, which were included in an improved Transactional Advisory underlying pre tax loss of £3.0m (2012: £6.0m loss). Overall, the Continental European Transactional Advisory business commenced 2014 in a substantially improved position, both operationally and in respect of its pipeline of instructions.

Asia Pacific Residential
The Residential Transaction Advisory business in Asia is focused primarily on new developments and secondary sales and leasing of prime properties in selected markets. It excludes mixed use developments, which represent a significant proportion of the region's activity and are accounted for within the Commercial Transaction Advisory business. Overall, the Asia Pacific Residential business recorded a 23% increase in revenue to £22.7m (2012: £18.5m). The primary contributors to this increase were Australia and China, with significant intra-regional cross border activity in the prime markets. Due to its focus on the high end market only, our Hong Kong residential agency saw revenue decline by only 8% against broader mass market volumes which declined substantially by c. 40% as a result of further government control measures introduced in the first half of the year. These factors, together with tight cost control in uncertain markets resulted in the region reporting a 28% increase in underlying profit to £5.9m (2012: £4.6m).

US
The revenue of our New York based Investment Advisory business improved by 11% to £6.8m (2012: £6.1m). The Multifamily and Cross border teams acted on a number of substantial transactions during the period and the overall business has a much improved pipeline going into 2014.

The underlying loss for the year reduced to £1.6m (2012: £2.1m loss).

Consultancy

Our Consultancy business substantially improved both revenue and profits, demonstrating the strength of its diversified spread of services. Global Consultancy revenue increased by 11% to £191.6m (2012: £172.2m) and underlying pre-tax profit grew by 26% to £17.6m (2012: £14.0m).

UK
Consultancy service revenue in the UK increased by 12% to £148.7m (2012: £132.3m). There were strong all round performances in Valuation, Planning, Development Services and Rural Energy and Project Advisory services which contributed to this improvement. Our Planning and Valuations teams enjoyed strong revenue growth as the regional market began to recover. Overall, underlying profit from the UK Consultancy business increased by 23% to £14.3m (2012: £11.6m).

Asia Pacific
Revenue in the Asia Pacific Consultancy business was flat at £27.3m (2012: £27.6m) with increased valuation and feasibility study assignments in mainland China, Japan and Singapore being offset by reductions in activity, particularly in Hong Kong and Korea. Underlying profit declined by 34% to £1.9m (2012: £2.9m) as a result of one off termination costs in relation to a non core business line and fewer high value IPO-related consultancy assignments.

Continental Europe
Our Continental European Consultancy business, which principally comprises valuation and corporate finance advisory services, increased revenue by 27% to £15.6m (2012: £12.3m). There were significantly stronger performances in Germany, Ireland, Sweden and France. Improved trading performance together with cost reduction measures taken in Sweden in late 2012 enabled the Continental European Consultancy business to return to profitability, posting an underlying profit of £1.4m (2012: loss £0.5m).

Property and Facilities Management

Our Property and Facilities Management businesses continued to perform strongly, growing revenue by 9% overall. Underlying profit declined by 2% to £17.6m (2012: £17.9m) due primarily to reorganisation costs in Europe and recruitment costs in UK residential management, primarily related to growing our London lettings business.

Asia Pacific
Overall the business grew revenue by 10% to £205.1m (2012: £186.5m). The Property and Facilities Management business is a significant strength for Savills in Asia, complementing our Transaction Advisory businesses in the region. The total square footage under management in the region was up 16% to approximately 1.8bn sq ft (2012: 1.6bn sq ft). In mainland China, revenue increased by 22% and profits returned to growth of 19%. In Hong Kong, Property and Facilities Management revenue grew by just under 12% and profits by 10% as the benefits of 2012's management reorganisation started to come through. Improved results from Project Management also contributed to a strong recovery in profits in Australia. In the Japanese Asset Management business the 2012 comparative included an unusually significant one off refinancing assignment fee which limited growth to 6% in the underlying profit of the Asia Pacific Property Management business at £11.1m (2012: £10.5m).

UK
Overall, our UK Property Management teams, comprising Commercial, Residential and Rural, grew revenue by 12% to £96.2m (2012: £85.8m). The core UK Commercial Property Management business performed well with revenue growth of 12% and an 18% improvement in underlying profit. Our Residential Property Management businesses, including lettings, increased revenue by 12%. The Residential management business and the UK Commercial business together grew area under management by 25% to approximately 170m sq ft (2012: 136m sq ft). Underlying profit growth was restricted as a result of the significant expansion of the lettings and Management business through office openings and team recruitment during the period, which reduced profit by £0.4m. Overall the net effect of revenue growth and investment in the UK business improved underlying profit by 11% to £8.8m (2012: £7.9m).

Continental Europe
In Continental Europe revenue declined by 2% to £27.7m (2012: £28.3m). The underlying loss for the year increased to £2.3m (2012: loss £0.5m). The loss of a significant contract in Sweden, the impact of successful asset sales in Ireland and significant expansion costs in Poland temporarily masked the effect of improved performances and contract wins elsewhere in the region, most notably in France. By the year end the total area under management had decreased by 13%; however, there are some significant contract wins due to come on stream in 2014.

Investment Management

Cordea Savills revenue increased by 11% to £26.0m (2012: £23.5m). AUM increased by 17% to £4.2bn (2012: £3.6bn) through the combination of new segregated mandates, investment performance and inflows into existing funds. The Prime London Residential Development Fund successfully completed a number of development funding transactions and substantial investment capacity was deployed both through increases in existing mandates and new advisory appointments. In the summer, Cordea Savills entered an agreement to purchase Merchant Capital KK in Japan. Completion is expected to occur in Q2 2014 and the acquisition gave rise to costs of £0.3m which were charged in 2013. These, together with certain UK related restructuring costs, temporarily reduced the underlying profit margin to 11.2% (2012: 15.3%) reducing underlying profits by 19% to £2.9m (2012: £3.6m). Having completed a year of change and operational development, Cordea Savills is well positioned to grow its business and entered 2014 with new investment capacity of over €500m.

Summary

Overall in 2013, Savills delivered a strong performance helped by a strengthening of the UK economy and Central London retaining its status as the number one destination for worldwide real estate investor demand.

Our leading market share in both the prime residential and commercial markets enabled us to benefit from improvements in the UK market as a whole.

In Asia the breadth of our business ensured that we successfully withstood the current decline in activity in Hong Kong, through the considerably improved performance of our businesses in the major markets of China, Japan and Australia.

Our Continental European business delivered its target of a material reduction in losses, despite incurring significant reorganisation and expansion costs and our Cordea Savills Investment Management business continued to grow its AUM, with further expansion in the pipeline for 2014.

Whilst the transactional advisory business provided the majority of our profit improvement, our strong property management and consultancy businesses continued to provide a solid foundation and support for this performance.

We entered 2014 with confidence and a continued focus on improving the breadth and depth of our services across the globe to our increasingly multi-national client base.

Financial review

Underlying profit margin
Underlying profit margin increased to 8.3% (2012: 7.3%) reflecting the effect of improved margins in Transaction Advisory and Consultancy businesses and the temporary margin reductions associated with Property Management and Investment Management growth and restructuring initiatives.

Net interest
Net finance cost in the year was £0.6m (2012: £1.3m restated for IAS 19). With continuing low interest rates this primarily reflects efficiencies in treasury management and higher average net cash balances during the year.

Taxation
The tax charge for the year increased to £18.7m (2012: £14.9m restated for IAS 19). The effective tax rate on reported profits decreased to 26.7% (2012: 28.7% restated for IAS 19) largely reflecting the reduction in the UK tax rate. The underlying effective tax rate was 25.9% (2012: 27.3% restated for IAS 19).

Restructuring and impairment charges
During the period the Group incurred an aggregate restructuring charge of £5.2m (2012: £4.0m). This primarily related to the merger of the two UK trading businesses into Savills (UK) Limited, which became effective on 1 January 2013. The charge comprised amounts in respect of the closure of some regional offices, an onerous lease provision and the amalgamation of two West End offices into one new head office at 33 Margaret Street. Of the overall £5.2m charge, approximately £0.6m related to the reduction of the range of business services provided in Italy to focus on Consultancy and Investment Management. Other reorganisation costs of approximately £1.2m were incurred in parts of Continental Europe and the Investment Management division in the normal course of business and have been included within the calculation of underlying pre-tax profit for the year.

No impairment charges were recognised during the year (2012: £1.2m).

The £5.2m restructuring charge has been excluded from the calculation of underlying profit before tax in line with existing Group policy.

Earnings per share
Basic earnings per share increased by 35% to 39.8p (2012: 29.4p restated for IAS 19). Adjusting on a consistent basis for restructuring costs and impairment charges, profits and losses on disposals, certain share-based payment charges and amortisation of intangible assets (excluding software), underlying basic earnings per share increased by 27% to 43.1p (2012: 33.9p restated for IAS 19).

Fully diluted earnings per share increased by 35% to 38.1p (2012: 28.2p restated for IAS 19). The underlying fully diluted earnings per share increased by 28% to 41.4p (2012: 32.4p restated for IAS 19).

Cash resources, borrowings and liquidity
Year end gross cash and cash equivalents increased 32% to £122.2m (2012: £92.8m) reflecting improved profits and working capital during the period.

Gross borrowings at year end increased to £9.8m (2012: £1.2m). These included £0.8m in respect of a working capital loan in Australia and a £9.0m term loan to finance the fit out of the Group's new UK Headquarters in London. The original amount of the loan was £12.0m. The balance will be amortised over the residual rent free period (to May 2015), which was granted on the inception of the lease in December 2012.

Cash is typically retained in a number of subsidiaries in order to meet the requirements of commercial contracts or capital adequacy. In addition, cash in certain territories is retained to meet future growth requirements where to remit it would result in the Group suffering withholding taxes.

The Group's cash flow profile is biased towards the second half of the year. This is as a result of seasonality in trading and the major cash outflows associated with dividends, profit related remuneration payments and related payroll taxes in the first half. The Group cash inflow for the year from operating activities was £70.8m (2012: £59.7m), primarily as a result of improved trading in the Transaction Advisory business. As much of the Group's revenue is transactional in nature, the Board's strategy is to maintain low levels of gearing, but retain sufficient credit facilities to enable it to meet cash requirements during the year and finance the majority of business development opportunities as they arise. During the year the Group's £65.0m revolving credit facility ('RCF'), which was due to expire on 31 March 2014, was replaced with a £90.0m RCF provided by three banks. The RCF expires on 19 June 2017 and includes an "Accordion" facility to enable the Group to borrow up to an additional £90.0m, should an appropriate need arise.

Savills Pension Scheme
The funding level of the Savills Pension Scheme, which is closed to future service based accrual, improved during the year as a result of the rise in asset values through increased contributions and investment returns. The plan deficit at the year end amounted to £12.7m (2012: £27.9m).

Comparative figures in the financial statements have been adjusted to give effect to revised International Accounting Standard no. 19 'Employee Benefits', which came into effect from 2013. The net effect on underlying pre-tax profit was to reduce the reported comparative for 2012 by £2.2m to £58.6m (2012: previously reported underlying pre-tax profit £60.8m).

Net assets
Net assets as at 31 December 2013 were £270.8m (2012: £233.1m). This movement reflected increased tangible assets, receivables and cash balances derived from the Group's trading performance together with reduced provisions for retirement and employee benefit obligations.

Foreign currency
The Group operates internationally and is exposed to foreign exchange risks. As both revenue and costs in each location are generally denominated in the same currency, transaction related risks are relatively low and generally associated with intra group activities. Consequently, the overriding foreign currency risk relates to the translation of overseas profits and losses into sterling on consolidation. The Group does not actively seek to hedge risks arising from foreign currency translations due to their non-cash nature and the high costs associated with such hedging. The net impact of foreign exchange rate movements in 2013 was a £1.8m increase in revenue (2012: £0.6m decrease) and a decrease of £0.4m in underlying profit (2012: £0.6m increase).

Savills plc
Consolidated income statement
for the year ended 31 December 2013

	Notes	2013 £m	2012 (restated)* £m
Revenue	2	904.8	806.4
Less:			
Employee benefits expense		(570.4)	(513.9)
Depreciation		(7.6)	(7.2)
Amortisation of intangible assets		(3.9)	(3.7)
Other operating expenses		(259.5)	(237.6)
Other operating income		0.4	0.5
(Loss)/profit on disposal of available-for-sale investments		(0.3)	1.7
Operating profit		63.5	46.2
Finance income		1.2	1.2
Finance costs		(1.8)	(2.5)
		(0.6)	(1.3)
Share of post-tax profit from joint ventures and associates		7.2	7.1
Profit before income tax		70.1	52.0
Income tax expense	3	(18.7)	(14.9)
Profit for the year		51.4	37.1
Attributable to:			
Owners of the Company		50.8	36.8
Non-controlling interests		0.6	0.3
		51.4	37.1
Earnings per share			
Basic earnings per share	6(a)	39.8p	29.4p
Diluted earnings per share	6(a)	38.1p	28.2p
Underlying earnings per share			
Basic earnings per share	6(b)	43.1p	33.9p
Diluted earnings per share	6(b)	41.4p	32.4p

* Restated due to retrospective application of amendment to IAS 19: 'Employee Benefits', which is explained in Note 1. This restatement also impacts the consolidated statement of comprehensive income and the consolidated statement of changes in equity for 2012.

Savills plc
Consolidated statement of comprehensive income
for the year ended 31 December 2013

	2013 £m	2012 (restated) £m
Profit for the year	51.4	37.1
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit pension scheme obligation	7.0	2.1
Tax on items that will not be reclassified	(1.7)	(0.5)
Total items that will not be reclassified to profit or loss	5.3	1.6
Items that may be reclassified subsequently to profit or loss:		
Fair value gain on available-for-sale investments	1.8	0.2
Fair value loss on available-for-sale investments released to income statement	-	0.9
Currency translation differences	(5.2)	(3.6)
Tax on items that may be reclassified	3.0	1.4
Total items that may be reclassified subsequently to profit or loss	(0.4)	(1.1)
Other comprehensive income for the year, net of tax	4.9	0.5
Total comprehensive income for the year	56.3	37.6
Total comprehensive income attributable to:		
Owners of the Company	55.9	37.2
Non-controlling interests	0.4	0.4
	56.3	37.6

Savills plc
Consolidated statement of financial position
at 31 December 2013

	Notes	2013 £m	2012 £m
Assets: Non-current assets			
Property, plant and equipment		33.4	18.5
Goodwill		135.6	136.7
Intangible assets		15.5	17.1
Investments in joint ventures and associates		16.7	14.7
Deferred income tax assets		26.8	29.9
Available-for-sale investments		14.8	15.0
Non-current receivables		1.4	1.3
		244.2	233.2
Assets: Current assets			
Work in progress		3.3	3.0
Trade and other receivables		240.5	220.8
Current income tax receivable		1.0	0.9
Derivative financial instruments		0.1	-
Cash and cash equivalents		122.2	92.8
		367.1	317.5
Liabilities: Current liabilities			
Borrowings	9	6.8	1.2
Derivative financial instruments		-	0.1
Trade and other payables		266.3	236.8
Current income tax liabilities		9.2	10.1
Employee benefit obligations		6.3	5.9
Provisions for other liabilities and charges		10.9	7.9
		299.5	262.0
Net current assets		67.6	55.5
Total assets less current liabilities		311.8	288.7
Liabilities: Non-current liabilities			
Borrowings	9	3.0	-
Trade and other payables		0.2	0.6
Retirement and employee benefit obligations		20.6	35.6
Provisions for other liabilities and charges		15.7	17.7
Deferred income tax liabilities		1.5	1.7
		41.0	55.6
Net assets		270.8	233.1
Equity: Capital and reserves attributable to owners of the Company			
Share capital		3.4	3.3
Share premium		90.1	87.3
Other reserves		17.1	20.8
Retained earnings		159.4	121.1
		270.0	232.5
Non-controlling interests		0.8	0.6
Total equity		270.8	233.1

Savills plc
Consolidated statement of changes in equity
for the year ended 31 December 2013

	Attributable to owners of the Company						
	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Balance at 1 January 2013	**3.3**	**87.3**	**20.8**	**121.1**	**232.5**	**0.6**	**233.1**
Profit for the year	-	-	-	50.8	50.8	0.6	**51.4**
Other comprehensive income/(loss):							
Fair value gain on available-for-sale investments	-	-	1.8	-	1.8	-	**1.8**
Remeasurement of defined benefit pension scheme obligation	-	-	-	7.0	7.0	-	**7.0**
Tax on items directly taken to reserves	-	-	(0.2)	1.5	1.3	-	**1.3**
Currency translation differences	-	-	(5.0)	-	(5.0)	(0.2)	**(5.2)**
Total comprehensive (loss)/income for the year	-	-	(3.4)	59.3	55.9	0.4	**56.3**
Transactions with owners:							
Employee share option scheme:							
- Value of services provided	-	-	-	10.4	10.4	-	**10.4**
Purchase of treasury shares	-	-	-	(2.2)	(2.2)	-	**(2.2)**
Share-based payment settlement	-	-	-	(7.3)	(7.3)	-	**(7.3)**
Issue of share capital	0.1	2.8	-	-	2.9	-	**2.9**
Disposal of available-for-sale investments (net of tax)	-	-	(0.3)	-	(0.3)	-	**(0.3)**
Dividends	-	-	-	(20.6)	(20.6)	(0.4)	**(21.0)**
Transactions with non-controlling interests	-	-	-	(1.3)	(1.3)	0.2	**(1.1)**
Balance at 31 December 2013	**3.4**	**90.1**	**17.1**	**159.4**	**270.0**	**0.8**	**270.8**

Savills plc
Consolidated statement of changes in equity
for the year ended 31 December 2012

	Attributable to owners of the Company						
	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Balance at 1 January 2012	**3.3**	**85.3**	**23.6**	**93.4**	**205.6**	**(1.2)**	**204.4**
Profit for the year (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 the income statement	-	-	0.9	-	0.9	-	**0.9**
Remeasurement of defined benefit pension scheme obligation (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 (loss)/income 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**

Savills plc
Consolidated statement of cash flows
for the year ended 31 December 2013

	Notes	2013 £m	2012 £m
Cash flows from operating activities			
Cash generated from operations	7	86.0	71.5
Interest received		1.0	1.0
Interest paid		(0.6)	(0.8)
Income tax paid		(15.6)	(12.0)
Net cash generated from operating activities		**70.8**	**59.7**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		0.1	0.7
Proceeds from sale of available-for-sale investments		1.7	2.8
Deferred consideration received in relation to prior year disposals		0.4	0.7
Dividends received from joint ventures and associates		5.3	6.0
Repayment of loans by joint ventures and associates		0.3	0.7
Loans to joint ventures and associates		(0.4)	-
Acquisition of subsidiaries, net of cash acquired		1.0	(2.5)
Deferred consideration paid in relation to prior year acquisitions		(0.4)	(3.9)
Purchase of property, plant and equipment		(23.3)	(7.7)
Purchase of intangible assets		(2.5)	(3.1)
Purchase of investment in joint ventures, associates and available-for-sale investments		(0.7)	(1.7)
Net cash used in investing activities		**(18.5)**	**(8.0)**
Cash flows from financing activities			
Proceeds from issue of share capital		2.9	2.0
Proceeds from borrowings		63.5	49.0
Share-based payment settlement		(7.3)	-
Purchase of own shares for Employee Benefit Trust		(2.2)	(1.6)
Purchase of non-controlling interests	8	(1.1)	(11.8)
Deferred consideration paid to non-controlling interests in relation to prior year acquisitions		-	(3.3)
Repayments of borrowings		(54.8)	(52.9)
Dividends paid		(21.0)	(17.7)
Net cash used in financing activities		**(20.0)**	**(36.3)**
Net increase in cash, cash equivalents and bank overdrafts		32.3	15.4
Cash, cash equivalents and bank overdrafts at beginning of year		92.7	78.8
Effect of exchange rate fluctuations on cash held		(2.8)	(1.5)
Cash, cash equivalents and bank overdrafts at end of year		**122.2**	**92.7**

Notes

1. Basis of preparation

The results for the year ended 31 December 2013 have been extracted from the audited financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRIS-IC interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial information in this statement does not constitute statutory accounts within the meaning of s434 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2013, on which the auditors have given an unqualified audit report, have not yet been filed with the Registrar of Companies.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The Group has adopted the IAS 19 (amendment), ‘Employee benefits’, for the first time for the financial year beginning 1 January 2013. In accordance with the transition provisions of the standard, the amendments have been applied retrospectively. 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 year ended 31 December 2012 of £2.2m (post-tax charge of £1.7m) and additional post-tax income recognised in other comprehensive income of £1.7m. The change does not impact the Group’s net assets.

2. Segment analysis

2013	Trans-action Advisory £m	Consult-ancy £m	Property & Facilities Manage-ment £m	Investment Manage-ment £m	Other £m	Total £m
Revenue						
United Kingdom						
- Commercial	73.4	115.6	73.2	26.0	-	288.2
- Residential	118.0	33.1	23.0	-	-	174.1
Total United Kingdom	191.4	148.7	96.2	26.0	-	462.3
Continental Europe	38.0	15.6	27.7	-	-	81.3
Asia Pacific						
- Commercial	99.3	27.3	205.1	-	-	331.7
- Residential	22.7	-	-	-	-	22.7
Total Asia Pacific	122.0	27.3	205.1	-	-	354.4
United States	6.8	-	-	-	-	6.8
Total revenue	358.2	191.6	329.0	26.0	-	904.8
Underlying profit/(loss) before tax						
United Kingdom						
- Commercial	10.3	9.4	6.5	2.9	(10.1)	19.0
- Residential	19.0	4.9	2.3	-	-	26.2
Total United Kingdom	29.3	14.3	8.8	2.9	(10.1)	45.2
Continental Europe	(3.0)	1.4	(2.3)	-	-	(3.9)
Asia Pacific						
- Commercial	16.6	1.9	11.1	-	-	29.6
- Residential	5.9	-	-	-	-	5.9
Total Asia Pacific	22.5	1.9	11.1	-	-	35.5
United States	(1.6)	-	-	-	-	(1.6)
Underlying profit/(loss) before tax	47.2	17.6	17.6	2.9	(10.1)	75.2

2. Segment analysis (continued)

2012 (restated)	Trans-action Advisory £m	Consult-ancy £m	Property & Facilities Manage-ment £m	Investment Manage-ment £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
United States	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
United States	(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 profit before tax is provided in Note 5.

3. Income tax expense

	2013 £m	2012 (restated) £m
United Kingdom		
- Current tax	12.7	13.0
- Deferred tax	(1.7)	(4.4)
Foreign tax		
- Current tax	8.0	6.6
- Deferred tax	(0.3)	(0.3)
	18.7	14.9

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

4. Dividends

	2013 £m	2012 £m
Amounts recognised as distribution to owners in the year:		
Ordinary final dividend for 2012 of 6.7p per share (2011: 6.35p)	8.5	7.8
Supplemental interim dividend for 2012 of 6.0p per share (2011: 4.0p)	7.6	5.0
Interim dividend of 3.5p per share (2012: 3.3p)	4.5	4.1
	20.6	16.9

The Board recommends a final dividend of 7.0p (net) per ordinary share (amounting to £9.0m) is paid, alongside the supplemental interim dividend of 8.5p per ordinary share (amounting to £11.0m), to be paid on 21 May 2014 to shareholders on the register at 22 April 2014. These financial statements do not reflect this dividend payable.

The total paid and recommended ordinary and supplemental dividends for the 2013 financial year comprises an aggregate distribution of 19.0p per ordinary share (2012: 16.0p per ordinary share).

5. Underlying profit before tax

	2013 £m	2012 (restated) £m
Reported profit before tax	70.1	52.0
Adjustments:		
Amortisation of intangible assets (excluding software)	2.1	2.4
Impairment of available-for-sale investment	-	1.2
Share-based payment adjustment	(2.5)	0.7
Restructuring costs	5.2	4.0
Loss/(profit) on disposal of available-for-sale investment	0.3	(1.7)
Underlying profit before tax	75.2	58.6

The Directors regard the above adjustments necessary to give a fair picture of the underlying results of the Group for the year.

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 £4.6m (2012: £4.0m) 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 Street. Restructuring costs of £0.6m (2012: £nil) were recognised as a result of the closure of an office in Italy.

6(a). Basic and diluted earnings per share

	2013 Earnings £m	2013 Shares million	2013 EPS pence	2012 Earnings (restated) £m	2012 Shares million	2012 EPS (restated) pence
Basic earnings per share	50.8	127.7	39.8	36.8	124.8	29.4
Effect of additional shares issuable under option	-	5.6	(1.7)	-	5.7	(1.2)
Diluted earnings per share	50.8	133.3	38.1	36.8	130.5	28.2

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

	2013 Earnings £m	2013 Shares million	2013 EPS pence	2012 Earnings (restated) £m	2012 Shares million	2012 EPS (restated) pence
Basic earnings per share	50.8	127.7	39.8	36.8	124.8	29.4
Amortisation of intangible assets (excluding software) after tax	1.7	-	1.3	1.9	-	1.5
Impairment of available-for-sale investment after tax	-	-	-	1.2	-	1.0
Share-based payment adjustment after tax	(1.8)	-	(1.4)	0.5	-	0.4
Restructuring costs after tax	4.1	-	3.2	3.2	-	2.6
Loss/(profit) on disposal of available-for-sale investment after tax	0.3	-	0.2	(1.3)	-	(1.0)
Underlying basic earnings per share	55.1	127.7	43.1	42.3	124.8	33.9
Effect of additional shares issuable under option	-	5.6	(1.7)	-	5.7	(1.5)
Underlying diluted earnings per share	55.1	133.3	41.4	42.3	130.5	32.4

7. Cash generated from operations

	2013 £m	2012 (restated) £m
Profit for the year	51.4	37.1
Adjustments for:		
Income tax (Note 3)	18.7	14.9
Depreciation	7.6	7.2
Amortisation of intangible assets	3.9	3.7
Loss on sale of property, plant and equipment	0.4	0.1
Loss/(profit) on disposal of available-for-sale investment	0.3	(1.7)
Net finance cost	0.6	1.3
Share of post-tax profit from joint ventures and associates	(7.2)	(7.1)
Decrease in employee and retirement obligations	(7.4)	(7.4)
Exchange movement on operating activities	0.4	(0.1)
Increase in provisions	1.1	5.1
Impairment of available-for-sale investment included within operating income	-	1.2
Charge for share-based compensation	10.4	10.4
Operating cash flows before movements in working capital	80.2	64.7
(Increase)/decrease in work in progress	(0.3)	1.2
Increase in trade and other receivables	(23.7)	(31.3)
Increase in trade and other payables	29.8	36.9
Cash generated from operations	86.0	71.5

8. Transactions with non-controlling interests

During the year, the Group undertook the following transactions with non-controlling interests:

Name	Date	Holding acquired/ (disposed)	Total holding at 31 December 2013
Savills (Vietnam) Limited	January 2013	5.9%	98.0%
Savills Sweden AB	December 2013	1.6%	100.0%
Cordea Savills SGR SpA	June 2013	(10.0%)	90.0%

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

In January 2013, the Group acquired an additional 5.9% of the shares in Savills (Vietnam) Limited for cash consideration of £1.0m. 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 £1.1m. The Group recognised a decrease in non-controlling interest of £nil. The amount charged to retained earnings in respect of this transaction was £1.0m.

In December 2013, the Group acquired an additional 1.6% of the shares in Savills Sweden AB for cash consideration of £0.1m. This takes the Group's shareholding to 100.0%. The carrying amount of Savills Sweden AB's net assets on the date of acquisition was £6.6m. The Group recognised a decrease in non-controlling interest of £0.1m. The amount charged to retained earnings in respect of this transaction was £nil.

In 2012, the Group acquired additional stakes in Savills LLC and Savills (Vietnam) Limited for total consideration of £11.8m.

8. Transactions with non-controlling interests (continued)

Disposals
In June 2013, the Group disposed of 10.0% of the shares in Cordea Savills SGR SpA for cash consideration of £nil. This reduced the Group's shareholding to 90.0%. The carrying amount of Cordea Savills SGR SpA on the date of disposal was £3.5m. The Group recognised an increase in non-controlling interest of £0.3m. The amount charged to retained earnings in respect of this transaction was £0.3m.

9. Borrowings

Movements in borrowings are analysed as follows:

	£m
Opening amount as at 1 January 2013	1.2
Additional borrowings	63.5
Repayments of borrowings (including overdrafts and finance leases)	(54.9)
Closing amount as at 31 December 2013	9.8

Current	2013 £m	2012 £m
Bank overdrafts	-	0.1
Unsecured bank loans due within one year or on demand	6.8	1.0
Finance leases	-	0.1
	6.8	1.2
Non-current		
Unsecured bank loans	3.0	-
	3.0	-

The Group has the following undrawn borrowing facilities:

	2013 £m	2012 £m
Floating rate		
- expiring within 1 year or on demand	20.5	21.3
- expiring between 1 and 5 years	90.0	65.0
	110.5	86.3

In December 2013 the Group's £65.0m multi-currency revolving credit facility was cancelled and replaced with a new £90.0m multi-currency revolving credit facility, which expires in June 2017. As at 31 December 2013 this facility was undrawn.

10. Events after the reporting date

Pinnacle Regeneration Group Limited
On 2 January 2014, the Group sold its 3.03% holding in Pinnacle Regeneration Group Limited for cash consideration of £2.4m. The profit on disposal is £1.7m.

11. Related party transactions

There were no significant related party transactions during the year. All related party transactions take place on an arm’s length basis.

As at 31 December 2013, loans outstanding to joint ventures amounted to £2.5m (2012: £2.5m).

12. 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.

Directors' responsibility statement

The Savills Report and Accounts for year end 31 December 2013 contains a responsibility statement in the following form:

Each of the Directors confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

In accordance with Section 418, Directors' Reports shall include a statement, in the case of each Director in office at the date the Directors' Report is approved, that:

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- he/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Report and Accounts.

On behalf of the Board

Jeremy Helsby
Group Chief Executive

Chris Lee
Group Legal Director and Company Secretary

19 March 2014

Forward-looking statements

The financial information contained in this announcement has not been audited. Certain statements made in this announcement are forward-looking statements and are therefore subject to risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied because they relate to future events. These forward-looking statements include, but are not limited to, statements relating to the Company's expectations.

Copies of the Annual Report and Accounts for the year ended 31 December 2013 will be circulated to shareholders on 7 April 2014 and will also be available from the investor relations section of the Company website at www.savills.com or from:

Savills plc, 33 Margaret Street, London, W1G 0JD
Telephone: 020 7499 8644

In addition, with prior notice, copies in alternative formats i.e. large print, audio tape, braille are available if required from:

Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA

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