Results for the year ended 31 December 2012

Mike Goddard, Executive Chairman
Carl Chadwick, CFO
Agenda

• Financial Results to December 2012
• Operational and Business Review 2012
• Market Review and Trading Update
Financial Results Year to December 2012
2012 Highlights

Financial

- Revenue grew 21% to £4.05m (2011: £3.35m)
- Operating Profit before tax and exceptional items increased 8.5% to £1.90m (2011: £1.75m)
- Management Service Fee (MSF) grew 9.6%
- New Franchisee fees £261k up by 90.5% (2011: £137k)
- Strong cash balance of £1.84m
- Maiden Interim Dividend of 2.9p (H1: 2011: nil)
- Final Dividend of 2.9p to be proposed (2011: nil)
Financial Results

- Group revenue up 21% to £4.05m
- Operating profit before exceptional items increased by 4.5% to £888k (2011: £874k)
- Exceptional costs excluded from the operating profit
  - flotation costs and
  - share based payment charge
MSF Continues to Grow

Highlights

- Monthly MSF income increased from £20k to £250k over the last 10 years
- 42 franchises achieved growth of more than 10% in the year to December 2012
- 43 franchises had turnover of more than £200k in the year to December 2012
## Consolidated P&L

<table>
<thead>
<tr>
<th>Year ended 31 December</th>
<th>2012</th>
<th>2011</th>
<th>Percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Turnover</td>
<td>4,048</td>
<td>3,351</td>
<td>21%</td>
</tr>
<tr>
<td>Overheads</td>
<td>(2,129)</td>
<td>(1,515)</td>
<td>41%</td>
</tr>
<tr>
<td>Operating profit before exceptional items</td>
<td>1,919</td>
<td>1,836</td>
<td>4.5%</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>(502)</td>
<td>(394)</td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>(75)</td>
<td>(102)</td>
<td></td>
</tr>
<tr>
<td>Finance income</td>
<td>52</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>PBT</td>
<td>1,394</td>
<td>1,353</td>
<td>3%</td>
</tr>
<tr>
<td>Taxation</td>
<td>(215)</td>
<td>(446)</td>
<td></td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>1,179</td>
<td>887</td>
<td>33%</td>
</tr>
<tr>
<td>Dividends</td>
<td>(600)</td>
<td>(555)</td>
<td></td>
</tr>
<tr>
<td>Purchase of own shares</td>
<td>-</td>
<td>(904)</td>
<td></td>
</tr>
<tr>
<td>Movement on Reserves</td>
<td>579</td>
<td>(572)</td>
<td></td>
</tr>
</tbody>
</table>
## Consolidated Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2012</th>
<th>31 Dec 2011</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td><strong>Fixed Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill &amp; Intangibles</td>
<td>857</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>Tangible Fixed Assets</td>
<td>482</td>
<td>430</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Working Capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>686</td>
<td>385</td>
<td>78%</td>
</tr>
<tr>
<td>Creditors</td>
<td>(625)</td>
<td>(502)</td>
<td>35%</td>
</tr>
<tr>
<td><strong>Other Balances</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans To Franchisees and Staff</td>
<td>754</td>
<td>160</td>
<td>371%</td>
</tr>
<tr>
<td>National Promotional Fund</td>
<td>(144)</td>
<td>(167)</td>
<td>-14%</td>
</tr>
<tr>
<td>Corporation and Deferred Tax</td>
<td>(291)</td>
<td>(478)</td>
<td>-39%</td>
</tr>
<tr>
<td>Dividends and due for shares</td>
<td>-</td>
<td>(4,289)</td>
<td></td>
</tr>
<tr>
<td>Bank Loans</td>
<td>(1,252)</td>
<td>(1,700)</td>
<td>-26%</td>
</tr>
<tr>
<td>Cash</td>
<td>1,843</td>
<td>872</td>
<td>111%</td>
</tr>
<tr>
<td><strong>Shareholders’ Funds</strong></td>
<td>2,310</td>
<td>(5,247)</td>
<td></td>
</tr>
</tbody>
</table>
## Consolidated Cash Flow

<table>
<thead>
<tr>
<th>Year ended 31 December</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>EBITDA before Exceptional items</td>
<td>1,975</td>
<td>1,870</td>
</tr>
<tr>
<td>Movement in working capital</td>
<td>(588)</td>
<td>121</td>
</tr>
<tr>
<td>Taxation</td>
<td>(553)</td>
<td>(408)</td>
</tr>
<tr>
<td><strong>Generated from Operations (before tax £1,387k)</strong></td>
<td>834</td>
<td>1,583</td>
</tr>
<tr>
<td>Proceeds of share issue</td>
<td>6,870</td>
<td>-</td>
</tr>
<tr>
<td>Paid for shares</td>
<td>(4,289)</td>
<td>-</td>
</tr>
<tr>
<td>Flotation costs</td>
<td>(394)</td>
<td>(331)</td>
</tr>
<tr>
<td><strong>Generated by Float</strong></td>
<td>2,187</td>
<td>(331)</td>
</tr>
<tr>
<td>Loans to Employees and Franchisees</td>
<td>(576)</td>
<td>-</td>
</tr>
<tr>
<td>Capital expenditure and acquisitions</td>
<td>(403)</td>
<td>-</td>
</tr>
<tr>
<td>Bank Loans and Mortgage</td>
<td>(448)</td>
<td>572</td>
</tr>
<tr>
<td>Dividends and share buyback</td>
<td>(600)</td>
<td>(1,459)</td>
</tr>
<tr>
<td>Net Finance Cost</td>
<td>(23)</td>
<td>(89)</td>
</tr>
<tr>
<td><strong>Utilisation of Cash</strong></td>
<td>(2,050)</td>
<td>(976)</td>
</tr>
</tbody>
</table>
Operational Review
Year to December 2012
2012 Highlights

Operational

- Franchised offices grew from 142 to 149 at year end
- 3 new franchisees since year end
- Significant acquisitions completed by Belvoir franchisees since IPO; Tunbridge Wells, Newcastle Upon Tyne, Wellingborough, St. Helens, Crewe and Thirsk
- 3 new locations in coming weeks; Enfield, Ealing and Haywards Heath
- 3 new Company outlets; Pimlico, Lichfield and Burton
- Support staff up by over 20% to cater for increased business levels
- Nationwide rebranding programme
Market Review and Trading Update
Market Drivers Remain Strong

Future Potential of the Rental Market *

• The total rental bill across the UK is expected to rise from £48 billion to £70 billion in 2016.

• The biggest challenge is supplying rising demand, forecast to rise to one in five households by 2016 requiring an additional 1.1 million homes in the sector. Expected to come from buy to let lending.

• A step change in institutional investment in new build rental accommodation is needed to boost supply and this needs to be recognised by the planning system.

• “The markets outside of London that show the highest potential returns are all located in the South East, where capital growth prospects are strongest.”

• The report suggests “the average annual total return for residential property across the UK will be around 6.9% over the next 10 years. This rises to 8.2% in London and 7.7% in the South East. Large scale investors should be able to achieve higher double digit returns in these locations.”

*Savills and Rightmove Report March 2012
Progress since Float

• Network of 151 active offices. Three due to open in coming months: Enfield, Ealing and Haywards Heath

• Successful acquisitions have been made by Belvoir Franchisees in St. Helens, Wellingborough, York (in Thirsk) and Tunbridge Wells which completed its second acquisition in 12 months.

• Company owned outlets acquire in Pimlico, Lichfield and Burton

• Specifically looking to target the South East and London Markets which hold huge potential for Belvoir

• Support staff increased by 20%

In view of the market drivers and the successful fund raising, the Board remains confident in achieving its growth plans.
National Marketing

New Corporate Images & branded cars

On-line reviews & social media

Website

Apps: iPhone, Blackberry, Android and iPad

To Let boards

CAMERON - 20 Apr 2011

Agree with other landlords listed here. Good agent.

Landlord newsletter
The opportunity

- 359 free territories by postcode, many located in densely populated areas
- 151 territories already granted
- Significant opportunities for expansion in London & South England
- Approx. 21m private homes in England – approx. 3.0m (14%) privately rented (increase of 40% since 2001)
- Approx. 1.4m Private Landlords - market trends indicating rental market to increase
- Belvoir’s network manages over 25,000 properties
Summary
Summary

- IPO positioned the business for further growth
- Strong financial performance in 2012
- Dividend payments have commenced
- Belvoir is either achieving or exceeding its targets
- Market drivers indicate good lettings environment
- Belvoir continues to grow in all parts of the UK
  - Focus on London and South East markets which hold huge potential.
Questions
Appendix
IPO Highlights

- £7.3m raised (gross)
- 20,666,667 shares following IPO
- Issue price 75p
- 62% held by institutions following IPO
- 38% held by management following IPO
- £6.2m cash following IPO (post transaction fees)

Funds raised to:

- Strengthen the Belvoir! Brand
- Grow the business’ share of the market via: New franchisees, Franchisee and Corporate acquisitions
Franchising

- Full member of the British Franchise Association
  - Mike Goddard on the board of the BFA as Chairman for 3 years
  - Mike now represents Great Britain on the World Franchise Council and the European Franchise Federation.
- Economic contribution of franchising to the UK economy is estimated to be £13.4 billion
- Since 2005, there has been an 18% increase in the number of property service franchises
- Low risk business model with good future revenue visibility
- Strong growth proposition without significant capital investment required

Source: NatWest bfa Franchise Survey 2012
Belvoir Franchise Model

- Belvoir retains power to monitor standards and control brand through franchise agreement
- National brand benefits franchisee & attracts new franchisees
- Local brand promotion by franchisee benefits national network
- National brand provides economies of scale, access to network of other franchise owners, centralised support and training, brand development and consistency & access to a large marketing website
- Belvoir brand well known in the residential lettings market
- Belvoir brand protected by trademarks and copyright
- Cost effective, low capital intensive way of growing the business
Belvoir Franchise Business Model

- Five year franchisee licences granted – further 5 year renewable period
- Licence granted to exclusively trade a territory with the benefit of:
  - compulsory 3 week initial training course;
  - use of the Belvoir brand;
  - Belvoir business know how - centralised support and training;
- Modest initial set up fee - £22,500
- Ongoing management fee of 12% of franchisee monthly turnover
- Grow existing franchisees’ business
- Add franchisees in free territories each year
- Strong national brand, extensive head office support and successful track record of existing franchisees attracts new franchisees
About Belvoir Lettings plc
Strong Board Team

Executive Members

Dorian Gonsalves: CEO
7 years estate agency experience with Countrywide.
Joined Belvoir 7 years ago as Business Development Director rising to Head of Sales and Director of Operations.
Managing Director from July 2010

Mike Goddard: Chairman
Founder and Managing Director until July 2010
Director of BFA, The Property Ombudsman and European Franchise Federation.
Wing Commander in the RAF as culmination of 17 year career

Carl Chadwick ACA: CFO
Chartered Accountant for 30 years, training with KPMG and PWC.
Corporate Finance specialist for 20 years with PKF, Grant Thornton & Sunaxis. Retail experience at Boots and part of the team building Boots Opticians. Joined Belvoir as FD in 2011
Non-Executive Members

Nick Leeming: NED
Chairman of Remuneration Committee
Nicholas was the joint founder of Propertyfinder, the UK’s first national property portal. A qualified Chartered Surveyor Nicholas was a practising agent for over 15 years.

Karen Bach: NED
Chairman of Audit Committee
Karen’s career includes public, private and multi-national corporate businesses including IXEurope Plc, Advanced Computer Software Plc. and Kewill Plc. as CFO.. Karen is a Trustee of the eLearning-Foundation.
Belvoir!

- High levels of franchise retention & renewal
- Strong, recognisable and award winning national brand in the **residential lettings** marketplace
- **Local** franchisees have experience, local knowledge and incentivisation to succeed
- Dedicated and comprehensive franchisee **head office support**
- Scope for significant **further growth**: current market share of Belvoir franchise < 1.5% of addressable market
Disclaimer

This presentation is being communicated in the United Kingdom only to: (a) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); (b) high net worth companies and other bodies falling within Article 49(2) of the Order; or (c) persons to whom this presentation may otherwise lawfully be distributed (all such persons being referred to as “relevant persons”). This presentation is only directed at relevant persons, and any investment or investment activity to which this presentation relates is only available to relevant persons or will be engaged in only with relevant persons. Solicitations resulting from this presentation will only be responded to if the person concerned is a relevant person. Other persons should not act upon this presentation or any of its contents.

The distribution of this presentation in certain jurisdictions may be restricted by law, and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions. Although reasonable care has been taken to ensure that the facts stated in this presentation are accurate and that the opinions expressed are fair and reasonable, the contents of this presentation have not been verified by Belvoir Lettings PLC (the “Company”) or any other person. Accordingly, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this presentation and no reliance should be placed on such information or opinions. None of Cantor Fitzgerald Europe, the Company, or any of their respective members, directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of such information or opinions or otherwise arising in connection with this presentation. No part of this presentation, or the fact of its distribution, should form the basis of or be relied upon in connection with any contract or commitment or investment decision whatsoever. This presentation does not form part of any offer of securities, or constitute a solicitation of any offer to purchase or subscribe for securities or an inducement to enter into any investment activity.

Recipients of this presentation are not to construe its contents, or any prior or subsequent communications from or with the Company or its representatives as investment, legal or tax advice. In addition, this presentation does not purport to be all-inclusive or to contain all of the information that may be required to make a full analysis of the proposed transaction. Further, the information in this presentation is not complete and may be changed. Recipients of this presentation should each make their own independent evaluation of the proposed transaction and of the relevance and adequacy of the information in this document and should make such other investigations as they deem necessary.

Cantor Fitzgerald Europe is acting for the Company and no-one else in connection with the matters referred to in this presentation and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cantor Fitzgerald Europe or for affording advice in relation to such matters.

The securities discussed in this presentation have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or qualified for sale under the law of any state or other jurisdiction of the United States of America and may not be offered or sold in the United States of America except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Neither the United States Securities and Exchange Commission nor any securities regulatory body of any state or other jurisdiction of the United States of America, nor any securities regulatory body of any other country or political subdivision thereof, has approved or disapproved of this presentation or the securities discussed herein or passed on the accuracy of adequacy of the contents of this presentation. Any representation to the contrary is unlawful.

This presentation may contain forward-looking statements that reflect the Company’s current views and expectations regarding future events. In particular, certain statements with regard to management’s strategic vision, aims and objectives are all forward-looking in nature. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements.

By participating in this presentation and/or accepting any copies hereof, you agree to be bound by the foregoing restrictions and the other terms of this disclaimer.