

Remuneration Report

Remuneration Committee

The Remuneration Committee keeps under review the remuneration of Executive Directors and other senior executives with the aim of effectively supporting a performance culture and continuing to motivate, attract and retain executives of the highest calibre. The role and composition of the Committee is detailed on page 72.

Remuneration policy

It is essential for the Group to provide remuneration packages which attract, retain and motivate Directors and employees of the highest quality. Benefit packages awarded to Directors are structured to provide a competitive mix of performance and non-performance related remuneration. The arrangements are reviewed on an regular basis.

Basic salary

Savills' business philosophy is founded on the premise that employees should be motivated through highly incentive-based (and therefore variable) remuneration packages. Salaries for fee-earners, particularly more senior ones, are generally below market averages for similar businesses and a greater emphasis is placed on the performance related bonus in the total remuneration package. These lower salary levels help to limit related costs (e.g., pension) and also have the effect of reducing the fixed element of the business cost base. For support staff, salaries are generally set closer to market levels. Salaries are reviewed annually (although not necessarily increased) by each operating subsidiary for all employees.

Performance related bonus

In general, each operating subsidiary has a fee-earner discretionary bonus scheme where the annual bonus pool available for distribution is directly related to the profit of that subsidiary after charging all costs (pre-bonus) including central overheads and finance charges. In the main, the bonus pool for each subsidiary company is generated by a formula. In the UK and Europe, the amounts available for distribution within these bonus pools were calculated in bands between 30% of the pre-tax and pre-bonus profits through to 65% for excellent performance, based on the achievement of predetermined thresholds. These bands are reviewed regularly. Awards to fee-earning employees are assessed by reference to fee earning achievements, profitability of the individual's area of responsibility, contribution to business development and managerial responsibilities.

Awards to support staff are assessed according to the performance appraisal of the individual and generally related to both salary and market levels.

Similar arrangements are in place in the US and Asia Pacific, tailored to the particular requirements of each individual market.

A portion of the bonus of senior employees and Executive Directors may be deferred for a period of not less than three years and awarded in shares under the Savills Deferred Share Bonus Plan, details of which can be found on page 78.

Senior executives and Executive Directors may participate in the Savills Deferred Share Bonus Plan, the Savills Executive Share Option Scheme (2001), the Savills Share Incentive Plan and the Savills Sharesave Scheme; details of which are given on pages 78 and 79. Senior executives and Executive Directors were also eligible for participation in the Savills plc 1992 Executive Share Option Scheme (the ESOP), which has now expired for the purposes of new grants. Details of any awards made to Executive Directors under these schemes are given on pages 80 to 81.

Senior employees, excluding the Executive Directors, may also participate in the Savills Deferred Share Plan, details of which are given on page 78.

Executive salary and bonus

The salary and bonus arrangements of the Executive Directors are structured by reference to their primary role within the Group. The base salaries for all Executive Directors are well below market averages except for the Group Finance Director. The bonuses for Executive Directors are determined as follows:

Aubrey Adams (Group Chief Executive) – his bonus is determined by the Remuneration Committee having regard to the Group's performance, his own contribution and remuneration of other Executive Directors.

Mark Dearsley (Group Finance Director) – he participates in a Discretionary Bonus Scheme established by the Remuneration Committee which has an annual maximum value of 150% of his basic salary. As part of his joining arrangements in August 2007, he was guaranteed a bonus of £250,000 for the year to 31 December 2007 and 75% of his maximum bonus entitlement for year to 31 December 2008. Where the bonus is not guaranteed it is paid subject to its achieving personal and Company performance measures. Part of the bonus is paid in deferred shares.

Jeremy Helsby (Chairman, Savills Commercial Limited) – the Remuneration Committee receives a recommendation from Savills Commercial Limited directly related to the profitability of the UK and European commercial operations. The Group Chief Executive may also make a recommendation for a bonus to be paid related to the overall growth and performance of the business. Part of the bonus is paid in deferred shares.

Rupert Sebag-Montefiore (Chairman, Savills (L&P) Limited) – the Remuneration Committee receives a recommendation from Savills (L&P) Limited which is directly related to the profitability of that company. The Group Chief Executive may also make a recommendation for a bonus to be paid related to the overall growth and performance of the business. Part of the bonus is paid in deferred shares.

Simon Hope (Head of Capital Markets) – the Remuneration Committee receives a recommendation from Savills Commercial Limited directly related to his fee-earning activities and contribution to the profit of the Commercial business. The Group Chief Executive may also make a recommendation for a bonus to be paid related to the overall growth and performance of the business. Part of the bonus is paid in deferred shares. In 2007, his discretionary bonus arose from his contribution to Cordea Savills and to the implementation of Group strategy.

Robert McKellar (Chief Executive, Asia) – his bonus is determined by the Remuneration Committee on the basis of a recommendation from the Group Chief Executive and relates principally to the profitability of the Asia Pacific business. Part of his bonus is paid in deferred Shares. His base salary is higher than those paid to the UK Executive Directors, except for the Group Finance Director, to recognise the higher costs arising from his secondment to the Asia Pacific business.

The element of bonuses to be paid by the award of deferred shares under the Savills Deferred Share Bonus Plan is determined by the Remuneration Committee in its discretion or in accordance with any contractual arrangements.

The Remuneration Committee will consider each Executive Director's overall remuneration package and make suggestions or recommendations to the Board. Their aim is to ensure arrangements that align Directors' interests to the objectives and strategy of the Group.

The Board accepted the recommendations of the Remuneration Committee on Executive Directors' remuneration for the financial year ended 31 December 2007.

The remuneration package for each of the Directors is shown on pages 75 and 76. The bonus entitlements shown were subject to the above performance criteria.

In addition to the arrangements set out above, the Group Finance Director is also currently entitled to participate in a long-term share bonus plan. With the retirement of the Group Chief Executive, the Remuneration Committee commenced a review of the structure of the Executive Directors' remuneration. As a consequence it is anticipated that the remuneration packages of both the Group Chief Executive Designate, Jeremy Helsby, and the Group Finance Director, Mark Dearsley will shortly be restructured so that they consist of a base salary (below market rate in the case of the Group Chief Executive (Designate)) and a bonus reflecting firstly, the Group's financial performance and secondly, the individual's performance – both measured against performance criteria set by the Remuneration Committee and subject to a financial cap. A proportion of any bonus will be paid in deferred shares. In addition, the notice period of the Group Chief Executive (Designate) will be increased to 12 months from 6 months to reflect his new position.

Analysis of Directors' remuneration (audited)

	Salary/fees		Bonus				Benefits		Employer pension contribution (including final salary, GPP and bonus waived)		Total	
	Year to 31 December 2007 £	Year to 31 December 2006 £	Year to 31 December 2007 Cash £	Year to 31 December 2007 Deferred* £	Year to 31 December 2006 Cash £	Year to 31 December 2006 Deferred* £	Year to 31 December 2007 £	Year to 31 December 2006 £	Year to 31 December 2007 £	Year to 31 December 2006 £	Year to 31 December 2007 £	Year to 31 December 2006 £
Executive Directors												
Aubrey Adams	119,000	119,000	1,000,000	–	1,000,000	–	1,226	1,234	–	–	1,120,226	1,120,234
Mark Dearsley (appointed 3 September 2007)	139,538**	–	150,000	100,000	–	–	470	–	–	–	390,008	–
Jeremy Helsby	112,750	107,667	1,130,000	200,000	1,200,000	175,000	1,226	1,234	12,969	12,250	1,456,945	1,496,151
Simon Hope	113,167	100,167	552,500	150,000	627,451	375,000	1,226	14,232	210,469***	12,250	1,027,362	1,129,100
Robert McKellar	225,385	239,670	700,000	100,000	600,000	75,000	–	–	–	–	1,025,385	914,670
Rupert Sebag-Montefiore	108,929	107,596	1,075,000	200,000	1,000,000	200,000	1,226	1,234	12,500	12,250	1,397,655	1,321,080

* For details of the Deferred Share Bonus Plan please refer to page 78.

** Mark Dearsley's basic annual salary is £350,000.

*** This includes £197,500 bonus waived which will be paid by the Company directly into a separate pension arrangement for his benefit.

Included in the cash bonus figures for 2007 noted above for each of Aubrey Adams, Jeremy Helsby and Rupert Sebag-Montefiore are amounts of £260,000, £27,000 and £30,000 respectively which were waived in favour of contributions to registered charities by their employing companies (2006: Aubrey Adams, Jeremy Helsby, Simon Hope and Rupert Sebag-Montefiore waived £270,000, £48,836, £37,500 and £20,000 respectively).

Benefits

Executive Directors and senior employees are provided with a company car (or salary allowance) and they and their immediate families are members of the Savills Group's medical or hospital insurance schemes.

External advice

During the year, the Committee appointed Towers Perrin to review the Executive Directors' remuneration arrangements. To date Towers Perrin have advised the Committee on appropriate salary and incentive arrangements for Jeremy Helsby. No other services were received from Towers Perrin.

External directorships

The Executive Directors are allowed to accept external non-executive directorships, subject to approval by the Chairman and any conditions he might impose. For non-executive directorships which are considered to arise by virtue of an Executive Director's position within Savills, the fees are paid directly to Savills. During the year Aubrey Adams was paid (and retained) £35,000 for acting as a Non-Executive Director of Unitech Corporate Parks Plc and Rupert Sebag-Montefiore was paid (and retained) £25,000 for acting as Non-Executive Chairman of Fastcrop Plc.

Non-executive remuneration

The fees of the Non-Executive Directors and the Chairman's remuneration are determined by the full Board within the limits set in the Company's Articles of Association. The Non-Executive Directors do not receive any share options, bonuses or any other performance related payments nor do they receive any pension entitlement.

Analysis of Non-Executive Directors' remuneration (audited)

	Salary/fees		Bonus		Benefits		Total	
	Year to 31 December 2007 £	Year to 31 December 2006 £	Year to 31 December 2007 £	Year to 31 December 2006 £	Year to 31 December 2007 £	Year to 31 December 2006 £	Year to 31 December 2007 £	Year to 31 December 2006 £
Non-Executive Directors								
Martin Angle (appointed 2 January 2007)	32,382	–	–	–	–	–	32,382	–
Timothy Ingram*	32,500	30,417	–	–	–	–	32,500	30,417
Charles McVeigh (Chairman – Remuneration Committee)**	37,500	35,417	–	–	–	–	37,500	35,417
Fields Wicker-Miurin (Chairman – Audit Committee)**	37,500	35,417	–	–	–	–	37,500	35,417
Peter Smith	150,000	110,000	–	–	–	–	150,000	110,000

* Payment made via Caledonia Investments plc where he is the Chief Executive.

** The Chairman of the Audit and Remuneration Committees each receive £5,000 for undertaking their roles.

Following a review of current market practice and the role, the fees of the Non-Executive Chairman were increased from £110,000 per annum to £190,000 with effect from 1 July 2007. In addition, it has been agreed with effect from 1 July 2008 the fee paid to each Non-Executive Director will be increased to £40,000 per annum (previously £32,500 per annum) and the Chairman of the Audit and Remuneration Committees will receive an additional £7,500 per annum (previously £5,000 per annum).

Pension

The HMRC approved Savills Life Assurance Scheme provides life assurance benefits to all relevant employees including the UK based Executive Directors.

Three Executive Directors (Jeremy Helsby, Simon Hope and Rupert Sebag-Montefiore) participated in the Pension Plan of Savills (the Plan) for defined benefit pension benefits during the year. The Plan is a contributory defined benefit scheme which provides a pension based on final basic salary and length of service. In addition to the Company's contribution, members contributed 7% of salary during the year ended 31 December 2007. Only basic salary is pensionable. The current normal retirement age under the Plan is 60 although as a result of Age Discrimination legislation the Company normal retirement age has increased to 65. The Plan closed to new entrants for pension benefits in 2000 but continues to operate for existing members.

The Company also operated a defined contribution pension plan.

The Company makes contributions for Robert McKellar to a Mandatory Provident Fund in Hong Kong and during the year contributed £7,110.

Pensions disclosure (audited)

	Increase in accrued pension during the year in excess of inflation ¹		Transfer value of the increase less Director's contributions ¹		Accumulated total accrued pension at the end of the year ²		Total increase in accrued pension during the year ²		Transfer value of total pension at start and end of the year ³		Increase in transfer value over the year, less Director's contributions ⁴	
	31 December 2007 £	31 December 2006 £	31 December 2007 £	31 December 2006 £	31 December 2007 £	31 December 2006 £	31 December 2007 £	31 December 2006 £	31 December 2007 £	31 December 2006 £	31 December 2007 £	31 December 2006 £
Executive Directors												
Jeremy Helsby	2,195	3,804	25,267	44,772	44,188	40,417	3,771	4,767	646,382	587,642	51,478	93,098
Simon Hope	1,993	2,793	13,271	17,882	24,938	22,083	2,854	3,300	253,709	225,629	20,818	35,930
Rupert Sebag-Montefiore	58	3,850	(6,099)	48,767	42,917	41,250	1,667	4,833	657,043	627,642	22,401	95,545

Notes

1. The table shows the increase in accrued pension during the year, excluding any increase for inflation. The transfer value of this increase in pension is also shown, less the contributions made by the Director during the year.

2. The accumulated accrued pension entitlement shown is that which would be paid annually on retirement based on service to the year-end. The actual increase in pension over the year is also shown (with no allowance for the increase in inflation).

3. The transfer value of the total pension accrued at the year-end, determined at the year-end is set out along with the comparative amounts at the end of the previous year.

4. The increase in the amount of this transfer value, less the contributions made by the Director during the period, has also been determined.

The transfer value represents the amount payable by the pension plan should the Director transfer his pension rights to another provider. All transfer values quoted are calculated on the basis of actuarial advice in accordance with Actuarial Guidance Note 11 (GN11).

Share related incentives

Directors' Deferred Share Bonuses and Option Schemes

The Association of British Insurers (ABI) emphasises in its guidelines the importance of performance-based remuneration arrangements being clearly aligned to business strategy and objectives. The ABI expects Remuneration Committees to carry out regular reviews of existing share incentive schemes in order to ensure their continued effectiveness and compliance with best practice and contribution to shareholder value.

The Remuneration Committee keeps Savills' executive share incentive plans under review to ensure that the above principles are adhered to and, consistent with this, certain changes were introduced to the existing plans following consultations with the ABI and the Research, Recommendations and Electronic Voting service (RREV now known as Riskmetrics Group) in 2006–2007 (details of the changes are contained in the relevant sections below).

The Savills Deferred Share Bonus Plan (the DSBP) and The Savills Deferred Share Plan (the DSP)

The DSBP was adopted by the Board on the recommendation of the Remuneration Committee in 2001. It provides for the award of conditional rights to acquire Savills shares based on performance achievements measured over the immediately preceding financial year. The performance targets are specific to each individual and either relate to Group thresholds, subsidiary company targets or a combination of both. In order to support retention of key fee-earners, a proportion of bonuses decided by the Remuneration Committee are required to be taken in the form of deferred shares. The DSBP remains closely aligned to Savills' successful executive remuneration strategy, which is to include a meaningful performance related pay element and to control the level of basic annual salaries at senior levels significantly below market comparables. The deferred element provides an added incentive in the form of potential share price growth over the deferred period together with an important retention aspect in that awards normally lapse in the event of executives leaving service before the vesting date.

Awards of deferred shares normally vest after a deferred period of not less than three years although a longer deferred period (up to five years) may apply. The shares are subject to forfeiture if the executive leaves service prior to the vesting date other than in defined 'good leaver' situations (e.g. redundancy, ill-health, etc.). The shares are acquired by purchase in the market through an independent employee benefit trust (the EBT) with funds provided by the relevant employing company. There are no powers to subscribe new shares (or to reissue existing treasury shares) under either the DSBP or the EBT and therefore no dilution of existing shareholdings. The EBT can acquire up to 15% of the issued share capital in the market and this limit was the subject of a full consultation with institutional shareholders in 2002–2003 and an ordinary resolution of shareholders at the AGM in 2003. The Rules of the DSBP can be amended by the Board and, on 31 January 2006 the Board, on the recommendation of the Remuneration Committee, considered and implemented the following changes:

- The original deferred period (vesting date) of five years under the DSBP was considered to be out of line with market practice where the large majority of plans operate on the basis of a three year vesting date. In accordance with the amendment provisions, therefore, the DSBP was altered to provide for a vesting date of not less than three years from the date of an award. For awards made from 2006 onwards, the vesting date (to be determined prior to the date of any award) can be any period of not less than three years but could be longer (e.g. five years).
- For awards made from 2006 onwards, the number of shares awarded will be increased on the vesting date to reflect final and interim dividends paid to ordinary shareholders throughout the deferred period.

In summary, the combination of a highly performed bonus award system together with a deferred element in the form of Savills' shares provides an important element in Savills' remuneration strategy both as an incentive and as a retention tool. The Remuneration Committee are satisfied that the DSBP has been a key component in motivating and retaining the calibre of executives' necessary to achieve the growth of the Company into a successful FTSE 250 company and fully support its continued use.

The DSP provides for the grant of awards of deferred shares which would normally vest not earlier than three years from the award date (the deferred period could be longer). The plan provides the scope for the Board to make such awards to key executives where the Board considers that there are particular business reasons, in the interests of the Company, for applying a retention element to remuneration (for example on the acquisition of a business). Awards under the DSP are forfeited if the executive leaves the employment of the Group before the end of the deferred period (other than in defined 'good leaver' situations e.g. redundancy, ill-health, etc.). The shares required to satisfy awards are acquired through the EBT in the same way as for the DSBP (see paragraph two of the previous section) and there are no powers to subscribe new shares or to reissue existing treasury shares under the DSP and therefore no dilution of existing shareholdings. The Executive Directors are not eligible to receive awards under the DSP.

Group Executive Share Option Schemes, Sharesave Scheme and Share Incentive Plan

The Savills Executive Share Option Scheme (2001 Scheme)

The 2001 Scheme was authorised by shareholders at the AGM in 2001 and comprises a scheme approved by HM Revenue and Customs (HMRC) and an unapproved schedule. Options granted under the 2001 Scheme are normally exercisable not earlier than three years following the date of grant and not later than ten years from the date of grant (with exceptions for 'good leavers'). No grants were made during 2007. Grants are normally made annually on a phased basis and the exercise of options is subject to the achievement of a performance target related to the increase in the Company's earnings per share compared to a stated percentage above inflation over a fixed three year period. The ability to remeasure performance over a later period if not met within the initial three year period was removed in 2004 subject to one transitional grant whereby the performance could, if necessary, be remeasured over an extended period of four years. Options are currently satisfied by the issue of new shares within the ABI dilution limit.

The performance target that applies to options granted between 2001 and 2005 requires that the Company's earnings per share must increase over the period of three consecutive financial years by an average of at least 3% p.a. above inflation (as measured by the Retail Prices Index (all items) (RPI)). Following consultation with the ABI and RREV, the Board, on the recommendation of the Remuneration Committee, decided that grants of options from 2007 onwards will be subject to a tiered approach whereby, in respect of any grant, the first one-third of the number of shares under option will be subject to the above RPI + 3% p.a. target with an escalating performance requirement in respect of the remaining two-thirds as follows:

Second one-third of the number of shares – RPI + 4% p.a.

Final one-third of the number of shares – RPI + 5% p.a.

Savills plc 1992 Executive Share Option Scheme (the ESOP)

The ESOP expired on 23 May 2001 and no further grants will be made under this scheme but existing rights remain fully protected. Under the ESOP, senior executives were granted options to purchase shares, exercisable in normal circumstances between five and seven years after grant. The ESOP is operated in conjunction with the EBT. Grants were made by the Trustee of the EBT on the recommendation of the Board on a phased basis, having regard to individuals' performances and anticipated contributions to the Group. Recommendations in respect of grants to Executive Directors were made by the Remuneration Committee.

Ordinary shares (audited)

Interests in the share capital of the Company beneficially held by members of the Board of Directors and their families are detailed below. There has been no change in the interests up to 11 March 2008:

	31 December 2007	31 December 2006
Aubrey Adams	700,000	700,000
Martin Angle (appointed 2 January 2007)	–	–
Mark Dearsley (appointed 3 September 2007)	–	–
Jeremy Helsby	519,152	454,686
Simon Hope	149,402	119,879
Timothy Ingram	24,000	24,000
Robert McKellar	142,718	142,718
Charles McVeigh	–	–
Rupert Sebag-Montefiore	236,075	235,777
Peter Smith	20,000	20,000
Fields Wicker-Miurin	1,360	1,360

It is the Remuneration Committee's policy that each Executive Director should retain 105,000 shares in the Company (except for the Group Chief Executive who should retain 150,000 shares). Previously its policy was that shares up to the value of 2.5 times his basic salary should be retained. Above these limits the Remuneration Committee takes the view that the Directors may retain or sell shares as they see fit.

The Savills Sharesave Scheme (the Sharesave Scheme)

Executive Directors are eligible to participate in the Sharesave Scheme, which is an HMRC approved scheme open to all employees of nominated participating companies who had a minimum of three months' service at the date of invitation. The Sharesave Scheme was adopted by shareholders in 1998 and will shortly reach the end of its ten year life. The Sharesave Scheme is linked to a monthly savings contract and options are granted at a maximum 20% discount to market price. The most recent invitation was limited to three year savings contracts, although the rules currently allow three or five year savings contracts to be offered. A replacement scheme is being proposed for adoption at the 2008 Annual General Meeting.

The Savills Share Incentive Plan (SIP)

At the Annual General Meeting on 7 May 2003, shareholders approved the introduction of the SIP. This is a share purchase plan approved by the HMRC available to all employees including the Executive Directors. The scheme is aimed at encouraging employee share ownership and an interest in the Company's performance together with the retention of employees. Employees invest in Savills plc shares by making contributions from their gross salary subject to a current statutory annual limit of £1,500 (£125 per month). If the shares are held in the Plan for five years no income tax or NIC is payable. The scheme was launched in May 2004. There are other elements of the SIP authorised by shareholders but it is not the present intention to offer these elements.

Savills plc 1992 Executive Share Option Scheme (ESOP) (audited)

	Number of shares			Exercise price per share	Market value at date of exercise	Date from which exercisable	Expiry date
	At 31 December 2006	Exercised during year	At 31 December 2007				
Directors							
Jeremy Helsby	30,000	30,000	–	Nil	568.5p	20.07.05	20.07.07
	100,000	–	100,000	Nil	–	06.04.06	06.04.08
Simon Hope	80,000	80,000	–	Nil	353.25p	06.04.06	06.04.08

The Savills Sharesave Scheme (audited)

	Number of shares				At 31 December 2007	Market price on date of exercise	Exercise price per share	Exercisable within six months from
	At 31 December 2006	Granted during year	Exercised during year	Lapsed during year				
Directors								
Jeremy Helsby	1,098	–	–	–	1,098	–	510.5p	01.07.09
Simon Hope	1,830	–	–	1,830	–	–	510.5p	01.07.09
	–	3,018	–	–	3,018	–	318.0p	01.12.10
Rupert Sebag-Montefiore	1,830	–	–	1,830	–	–	510.5p	01.07.09
	–	3,018	–	–	3,018	–	318.0p	01.12.10

The Savills Executive Share Option Scheme (2001) (audited)

	Number of shares						Market price on date of exercise	Exercise price per share	Date normally first exercisable	Expiry date
	At 31 December 2006	Granted during year	Approved/Unapproved	Exercised during year	At 31 December 2007					
Directors										
Aubrey Adams	54,000	–	Unapproved	54,000	–	677.5p	217.75p	30.03.07	30.03.14	
	9,338	–	Approved	–	9,338	–	321.25p	14.03.08	14.03.15	
	26,662	–	Unapproved	–	26,662	–	321.25p	14.03.08	14.03.15	
	20,000	–	Unapproved	–	20,000	–	596.0p	13.03.09	13.03.16	
Jeremy Helsby	46,000	–	Unapproved	46,000	–	685.5p	217.75p	30.03.07	30.03.14	
	9,338	–	Approved	–	9,338	–	321.25p	14.03.08	14.03.15	
	23,662	–	Unapproved	–	23,662	–	321.25p	14.03.08	14.03.15	
	20,000	–	Unapproved	–	20,000	–	596.0p	13.03.09	13.03.16	
Simon Hope	46,000	–	Unapproved	46,000	–	353.25p	217.75p	30.03.07	30.03.14	
	9,338	–	Approved	–	9,338	–	321.25p	14.03.08	14.03.15	
	22,662	–	Unapproved	–	22,662	–	321.25p	14.03.08	14.03.15	
	20,000	–	Unapproved	–	20,000	–	596.0p	13.03.09	13.03.16	
Robert McKellar	43,000	–	Unapproved	43,000	–	672.0p	217.75p	30.03.07	30.03.14	
	9,338	–	Approved	–	9,338	–	321.25p	14.03.08	14.03.15	
	20,662	–	Unapproved	–	20,662	–	321.25p	14.03.08	14.03.15	
	20,000	–	Unapproved	–	20,000	–	596.0p	13.03.09	13.03.16	
Rupert Sebag-Montefiore	46,000	–	Unapproved	–	46,000	–	217.75p	30.03.07	30.03.14	
	9,338	–	Approved	–	9,338	–	321.25p	14.03.08	14.03.15	
	23,662	–	Unapproved	–	23,662	–	321.25p	14.03.08	14.03.15	
	20,000	–	Unapproved	–	20,000	–	596.0p	13.03.09	13.03.16	

The Savills Deferred Share Bonus Plan (DSBP) (audited)

Directors	At 31 December 2006	Awarded during year	Number of shares		Closing mid- market price of a Savills plc share the day before grant*	Market value at date of vesting	Vesting date
			Vested during year	At 31 December 2007			
Aubrey Adams	16,778	–	–	16,778	596.0p	–	13.03.09
Jeremy Helsby	79,466	–	79,466	–	187.5p	677.0p	22.03.07
	45,454	–	–	45,454	137.5p	–	14.03.08
	17,350	–	–	17,350	426.5p	–	15.03.09
	11,284	–	–	11,284	642.5p	–	14.03.10
	18,456	–	–	18,456	596.0p	–	13.03.09
	–	26,676	–	26,676	656.0p	–	19.03.10
Simon Hope	49,600	–	49,600	–	187.5p	677.0p	22.03.07
	27,272	–	–	27,272	137.5p	–	14.03.08
	38,804	–	–	38,804	426.5p	–	15.03.09
	113,618	–	–	113,618	642.5p	–	14.03.10
	35,234	–	–	35,234	596.0p	–	13.03.09
	–	57,164	–	57,164	656.0p	–	19.03.10
Robert McKellar	49,600	–	49,600	–	187.5p	677.0p	22.03.07
	36,362	–	–	36,362	137.5p	–	14.03.08
	11,722	–	–	11,722	426.5p	–	15.03.09
	15,564	–	–	15,564	642.5p	–	14.03.10
	8,388	–	–	8,388	596.0p	–	13.03.09
	–	11,432	–	11,432	656.0p	–	19.03.10
Rupert Sebag-Montefiore	79,466	–	79,466	–	187.5p	677.0p	22.03.07
	45,454	–	–	45,454	137.5p	–	14.03.08
	17,350	–	–	17,350	426.5p	–	15.03.09
	25,166	–	–	25,166	596.0p	–	13.03.09
	–	30,487	–	30,487	656.0p	–	19.03.10

*Mid-market prices for awards prior to 2006 have not been adjusted to account for the 2:1 share subdivision on 11 May 2006.

The ESOP expired on 23 May 2001 and no further grants were made under this scheme during the year. 189,000 Directors' share options under the Executive Share Option Scheme (2001) were exercised during the year and 258,132 shares under the DSBP vested during the year. No Directors' share options/awards under the ESOP, the Executive Share Option Scheme (2001) or DSBP lapsed. The mid-market price of the shares at 31 December 2007 was 280.0p and the range during the year was 277.5p to 701.5p.

Directors' service contracts

The Executive Directors, except for the Group Finance Director, are appointed for an initial period of three years, after which their appointment may be renewed. Each has a service contract which is indefinite but terminable with a notice period of one year or less. The details of the service contracts of those who served as Directors during the year are:

	Date appointed to Board	End date of current letter of appointment	Notice period
Aubrey Adams	12 February 1990	31 December 2009	12 months
Martin Angle	2 January 2007	1 January 2010	Terminable at will
Mark Dearsley	3 September 2007	Indefinite**	Six months
Jeremy Helsby	1 May 1999	4 May 2008*	Six months*
Simon Hope	1 May 1999	4 May 2008	Six months
Timothy Ingram	27 June 2002	26 June 2008	Terminable at will
Robert McKellar	1 June 2000	31 May 2009	Six months
Charles McVeigh	1 August 2000	31 July 2009	Terminable at will
Rupert Sebag-Montefiore	31 May 1995	25 October 2010	Six months
Peter Smith	24 May 2004	23 May 2010	Six months
Fields Wicker-Miurin	27 June 2002	26 June 2008	Terminable at will

* It is anticipated that the new contractual arrangements to be agreed shortly with the Chief Executive Designate, Jeremy Helsby, introducing his revised remuneration arrangements will put him on an indefinite contract subject to termination on 12 months notice.

** But subject to the Articles of Association.

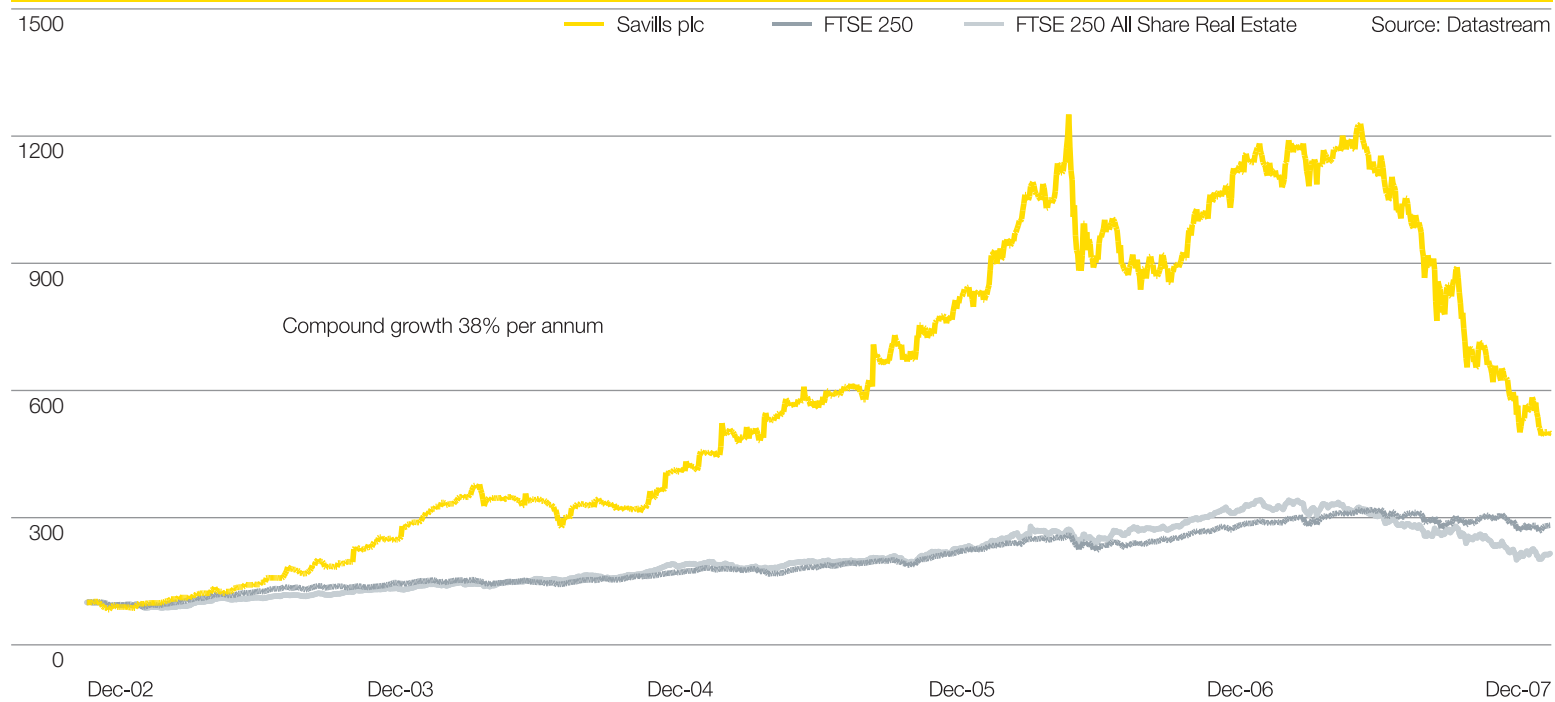
The Company may, if it chooses, terminate an Executive Director's service contract by making a payment in lieu of notice to him. No Executive Director, except for the Group Finance Director, is entitled to receive any unpaid bonus on termination of employment unless he is employed by the Company on the first day of the month in which such bonus is payable and has not previously given notice. The Group Finance Director is entitled to receive a pro rata bonus on termination of employment in respect of the period up to the date of expiry of his contractual notice period provided he is a 'good leaver' (which expression does not include dismissal due to poor performance).

Performance graph

Over the last five years the Company has outperformed the FTSE 250 Index to give a Total Shareholder Return of 398% compared with a return of 182% provided by the FTSE 250 and 115% by the FTSE All Share Real Estate Index. Savills was ranked 31st by performance in the FTSE 250 over the five years to 31 December 2007. The Directors believe that the FTSE 250 is the most appropriate index against which to compare total shareholder return as it is an index of companies of similar size to Savills plc.

Below is a graph showing Total Shareholder Return for Savills plc against the FTSE 250 Index and FTSE All Share Real Estate Index over the last five years:

Total Shareholder Return (rebased) – five years to 31 December 2007



By order of the Board

Charles McVeigh
Chairman of the Remuneration Committee

11 March 2008

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