



# News Release

No: 08pr873

Date: 7 December 2008

## Knight Frank remains robust

**London, UK** – Knight Frank LLP (“Knight Frank”), the leading independent global property consultancy, today announced its final results for the year ended 30 April 2008.

### Highlights

- Group turnover up **17%** to **£333.9m** (2007: £284.4m)
- Group profit before tax **£59.2m** (2007: £63.6m)
- Underlying Group profit before tax **£67.0m** (2007: £64.9m)\*
- Strong balance sheet and cash management – total net cash **£53.9m** (2007: £64.8m)
- Unutilised five year **£30m** revolving credit facility
- Acquired 100% interest in India and Ireland operations\*\*
- Average staff numbers up **28%** to **3,820** (2007: 2,979)
- Expanded number of Proprietary Partners to **46** (2007: 38)
- Average earnings per Proprietary Partner **£780,000** (2007: £1.1m), reflecting increase in retained reserves
- Staff bonus pool **£46.4m** (2007: £51.4m)
- Relocated to new landmark global HQ at 55 Baker Street

### International

- Overseas turnover up by **41%** to **£112.7m** (2007: £79.8m)
- Continental Europe and Asia Pacific focus for international growth; opened offices in Munich and Cambodia
- Single European Partnership established aligning continental European and Irish operations with those in the UK
- International Residential teams continued to operate in the main prime property markets around the world; network further expanded in The Balearics, Italy and Switzerland; and forged into the USA by acting on behalf of prime developments in New York, Los Angeles and Aspen
- Strategic global partnership with New York-headquartered commercial real estate firm Newmark Knight Frank provided multinational clients uniform property services across the world

### Residential property: agency and consultancy

- Continued expansion in the prime residential areas with new offices in Cobham, Sevenoaks and Sutton Coldfield which brought UK residential network to 55
- Top of market remained strong with significant interest from overseas
- Number of sales in £10m plus, super-prime market increased by 55% in year ended April 08 compared to the same period in 2007
- London Residential Development team advised on 50% of the major development schemes in London including: One Hyde Park, Chelsea Barracks, Battersea Power Station, Lots Road and Kings Cross
- Rural Consultancy benefited from the ascendancy in agriculture and land values, and increased management portfolio and services including a new marine advisory service
- Knight Frank Finance, set up to target £0.5m plus mortgages, experienced significant growth in client demand

### Commercial property: transactional and professional

- Consultancy and transactional disciplines provided depth and breadth: consultancy services contributed to 47% of division's turnover
- Investment service line outperformed the market despite challenging market circumstances
- Focus remained on developing core strengths including: investment, development, agency, valuations and property asset management
- Strategic decision made to acquire niche retail agency Markham Vaughan Gillingham to produce significant benefits
- Student accommodation team fully resourced and operating on a national basis
- Teams mobilised to ensure strongly positioned to address the corporate recovery workflow



Nick Thomlinson, senior partner and chairman of the Knight Frank Group said:

“We have seen another year of sustained organic growth and remain a robust business. We have suitably positioned ourselves to endure the ever changing markets which continue to impact across the globe.

“Our balance sheet is strong with net assets up from £69m to £76m. We have produced a good cash flow performance and increased our core capital base to £10m to recognise the firm’s significant expansion.

“We are now seven months in to our new financial year and the world is a different place. However, in the first half of our new financial year, we have traded profitably. We have established a permanent Gulf network in the Middle East and opened Residential offices in Belgravia, Fulham and Berkhamsted. In May 2008, we substantially strengthened our retail expertise with the acquisition of MVG, the niche retail agency.

“We are back in a market where the best agents and professionals will shine: we have them. We continue to develop our talent and nurture our rising stars. Our staff remain crucial to the long term success of our business and I would like to thank them for their hard work and valuable contribution.

“Clients come to us for our considered, objective and accurate expertise and advice. Such high quality advice in a challenging market is worth a great deal more to our clients and we continue to protect such relationships.

“We have refreshed our global brand to give us an enhanced identity which allows us to stand out from our peer group and communicate our essence: passionately professional. Our stunning new global HQ at 55 Baker Street has marked a new era for Knight Frank.

“Our environment remains our responsibility. There’s still more to be done but our management system has produced good results in reducing CO2 emissions across the business. We have seen an overall reduction of 17% in energy consumption. With energy being sourced from renewable sources at the majority of our sites this equates to a CO2 saving of approx 1,147 metric tonnes.

“As I look to the future and the challenges ahead, I am reassured that we have a solid business. We remain committed to our core objectives of progressing global growth and capitalising on market share opportunities in both the residential and commercial property sectors, allowing us to provide exceptional service to our clients. Above all, we strive to be consummately professional in everything we do.”

**For further information, please contact:**

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**Notes to Editors:**

\* After adjusting for amortisation of intangibles: £4.0m (2007: £1.3m), impairment of investments: £1.4m (2007: £nil), one-off Head Office relocation costs £3m (2007: nil) and past service cost credit in respect of pension liability: £-0.6m (2007: £nil)

\*\* Effective interest pre-acquisition was 31% in India, and nil in Ireland

**Knight Frank LLP** is the leading independent global property consultancy. Headquartered in London, Knight Frank and its New York-based global partner, Newmark Knight Frank, operate from 196 offices, in 38 countries, across six continents. More than 6,770 professionals handle in excess of US\$700 billion (almost £355 billion) worth of commercial, agricultural and residential real estate annually, advising clients ranging from individual owners and buyers to major developers, investors and corporate tenants. For further information about the Company, please visit [www.knightfrank.com](http://www.knightfrank.com).



## Knight Frank LLP Audited Consolidated Profit and Loss Account

Year ended 30 April 2008

	2008 £M	2007 £M
	<b>Total</b>	
<b>Turnover</b>	<b>333.9</b>	284.4
Staff costs	<b>(177.0)</b>	(151.5)
Depreciation and amortisation	<b>(8.4)</b>	(4.6)
Other operating income	<b>2.1</b>	1.2
Other operating costs	<b>(95.6)</b>	(69.9)
<b>Operating profit</b>	<b>55.0</b>	59.6
Share of operating profits of associated undertakings	<b>1.5</b>	1.8
Income from fixed asset investments	<b>0.2</b>	0.1
<b>Profit before interest and taxation</b>	<b>56.7</b>	61.5
Interest receivable and similar income	<b>2.5</b>	2.3
Interest payable and similar charges	<b>(0.3)</b>	(0.4)
Other financial income/(expense)	<b>0.3</b>	0.2
<b>Profit on ordinary activities before taxation</b>	<b>59.2</b>	63.6
Tax on profit on ordinary activities	<b>(4.9)</b>	(4.4)
<b>Profit on ordinary activities after taxation</b>	<b>54.3</b>	59.2
Minority interest – equity	<b>(0.6)</b>	(0.3)
<b>Profit for the financial year available for division amongst Members</b>	<b>53.7</b>	58.9



## Knight Frank LLP Audited Consolidated Balance Sheet

Year ended 30 April 2008

	2008 £M	2007 £M
<b>Fixed assets</b>		
Intangible assets	7.4	2.7
Tangible assets	11.5	8.7
Investments	8.2	6.6
	<u>27.1</u>	<u>18.0</u>
<b>Current assets</b>		
Debtors	94.7	73.7
Cash at bank and in hand	55.7	67.1
	<u>150.4</u>	<u>140.8</u>
<b>Creditors: amounts falling due within one year</b>	<b>(82.4)</b>	<b>(74.2)</b>
	<u>68.0</u>	<u>66.6</u>
<b>Net current assets</b>	<b>68.0</b>	<b>66.6</b>
	<u>95.1</u>	<u>84.6</u>
<b>Total assets less current liabilities</b>	<b>95.1</b>	<b>84.6</b>
<b>Creditors: amounts falling due after more than one year</b>	<b>(3.3)</b>	<b>(1.6)</b>
	<u>(7.0)</u>	<u>(7.2)</u>
<b>Provisions for liabilities and charges</b>	<b>(7.0)</b>	<b>(7.2)</b>
	<u>84.8</u>	<u>75.8</u>
<b>Net assets excluding pension liabilities</b>	<b>84.8</b>	<b>75.8</b>
<b>Pension liabilities</b>	<b>(8.6)</b>	<b>(6.7)</b>
	<u>76.2</u>	<u>69.1</u>
<b>Net assets attributable to Members</b>	<b>76.2</b>	<b>69.1</b>

Ends