



Bringing more people and more
property together than anyone else

Rightmove plc Half-Yearly Report 2008

08

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Financial Highlights

for the six months ended 30 June 2008

- Revenue up 49% to £37.8m (2007: £25.4m)
- Underlying operating profit* up 58% to £20.8m (2007: £13.2m)
- Underlying earnings per share up 38% to 11.3p (2007: 8.2p)
- Average revenue per advertiser up to £317 per month (2007: £234)
- Interim dividend of 3.0p per ordinary share (2007: 2.0p)
- Share buy back programme continued with 10.7m shares bought back in the period at a total cost of £42m
- Net debt of £23.3m (2007: net cash of £17.5m)
- Number of advertisers up 5% to 19,301 (2007: 18,383)
- Page impressions on Rightmove websites up 15% to 3.1bn (2007: 2.7bn)

revenue grew
from £25.4m
to £37.8m

+49%

underlying operating
profit* increased from
£13.2m to £20.8m

+58%

interim dividend
up from 2.0p to

3.0p
per share

* from continuing operations and excludes share-based payments, National Insurance on share options under issue and capital reconstruction costs



Scott Forbes
Chairman



Ed Williams
Group Managing
Director



HALF-YEARLY STATEMENT

Overview

The half year results come at a time when the UK housing market is suffering a severe downturn in activity which is having serious consequences for many of Rightmove's customers. The strength of the results in these circumstances is testament to the loyalty of our customers. The results also reflect the key role Rightmove plays in generating enquiries and sales opportunities for our customers and our cost effectiveness compared to local and regional newspaper advertising.

Revenue increased 49% to £37.8m compared to the same period last year, driven by strong growth in revenue per advertiser and sales to new members. Indeed, despite the reduction of the number of estate agents in the industry, overall membership grew by 5% driven by growth in our lettings and new homes businesses. Underlying operating profit* grew by 58% to £20.8m.

The continued success of Rightmove Choice advertising products and the introduction of email campaigns for new homes developers contributed to average revenue per advertiser per month increasing by 35% to £317 by the half year (30 June 2007: £234). Holiday Lettings Limited continues to grow rapidly with like-for-like revenue growth of 75% in the period. We have also seen the first major sale of our Automated Valuation Model.

The underlying operating margin for the first half of 2008 was 55.1% compared to 51.9% for the first half of 2007. With plans for a major new marketing campaign including new TV adverts, coupled with the prospect of a further reduction in the number of estate agents, margins are unlikely to rise in the second half of the year, as they have in previous years.

Operating costs** for the first six months were up 39% compared to the same period twelve months ago at £17.0m (2007: £12.2m) due primarily to higher personnel costs, continued investment in marketing and increased bad debt provision. A one off cost of £0.3m relating to our former London office vacated in July 2007 was provided for in full in the period.

Underlying earnings per share rose 38% to 11.3p, lower than the increase in profitability as a consequence of a higher tax rate of 36% (compared to a standard rate of 28%), (30 June 2007: 28%). This was principally due to the reversal of the deferred tax asset relating to future share option gains.

Borrowings

During April 2008, Rightmove entered into a bilateral facility of up to £40m with the Bank of Scotland for the specific purpose of facilitating share buy backs. Under the terms of the loan agreement there is an option at maturity in April 2009 for the revolving loan facility to convert to a term loan for a further five years. Whilst the underlying business generated strong operating cash flow of £19.2m in the period, share repurchases of £42m have resulted in a net debt position of £23.3m. We completed our capital reconstruction in January 2008 which increased the distributable reserves available to the Group to approximately £430m and allows Rightmove to continue its strategy of returning capital to shareholders through share buy backs.

* from continuing operations and excludes share-based payments, National Insurance on share options under issue and capital reconstruction costs

** administrative expenses excluding share-based payments and National Insurance on share options under issue

<p>Number of advertisers grew from 18,383 to 19,301</p> <p>+5%</p>	<p>10.7m</p> <p>shares bought back in the period</p>	<p>Average revenue per advertiser per month grew to £317</p> <p>+35%</p>
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Membership growth

The first six months have seen continued growth in most key metrics compared with the same period a year ago:

- Overall membership up 5% to 19,301
- Estate agency membership down 3% to 11,984
- New homes developments up 16% to 4,022
- Lettings agents up 22% to 2,719
- Overseas homes agents up 14% to 576
- Retention rate among estate agents down to 84% as a consequence of the large number of estate agency businesses leaving the industry
- Page impressions on Rightmove websites up 15% to 3.1bn.

Customer spending

Average customer spending with Rightmove has risen by 35% to £317 per month over the last year.

The biggest increase, at just under 60%, has come from new homes developers who have been finding it increasingly difficult to sell properties and have invested substantially more in their online marketing efforts. Around half of all new homes developments are now being displayed using our enhanced advertising products known generally as Rightmove Choice. Developers have also adopted our email campaign service by which Rightmove targets registered home hunters on their behalf with propositions being made by the developers.

The initial three Choice products have been extended to six. Lettings agents and overseas agents can now also buy selected products from the Choice range.

In order to support our member agents in tough times, we have given every member agent a free set of Premium Displays for them to use with their own clients. We have also

put together a bundle of Choice products worth over £400 available to agents for just £200 per month. Despite severe pressures on estate agent budgets, almost one in four agents now take at least one Choice product, contributing significantly to the overall increase in spend with Rightmove.

Market update

We identified three main areas of uncertainty or risk to our business in the 2007 annual report. First, we noted that Rightmove's exposure to the state of the UK housing market was uncertain. Secondly, we highlighted the potential for further competition from traditional media companies seeking to protect their franchises and other potential new entrants. Thirdly, we underlined the uncertainty around adoption of our new products and the rate of migration of advertising spend from traditional to online media. These issues are further commented upon below.

The Rightmove directors believe that a major structural shift is now underway within the UK property advertising industry. Until this year, growth in spending online had been accompanied by spending growth in newspapers. However, 2008 is seeing local and regional newspaper groups reporting very substantial declines in their property advertising revenue. We believe that, although there has been a decline in the number of estate agents, the majority of the decline being reported by newspapers is a result of agents deciding to cut their newspaper spending. This comes at a time when Rightmove has grown year-on-year revenues by 49%.

In our view, the remainder of 2008 will see estate agents leaving the industry at higher rates than in the first six months of the year as conditions continue to toughen.

HALF-YEARLY STATEMENT

CONTINUED

Indeed, given the current low level of transactions in the market, it is probable that 2009 will also see a further decrease in the number of estate agents trading. While the number of new developments being brought to market has declined substantially, and will continue to do so, the lengthening in the time taken to sell developments has meant that the new homes business has proven relatively robust thus far. By focusing resources on Housing Associations (social providers of housing) Rightmove is seeking to protect its position in the new homes market against what will undoubtedly be a prolonged difficult time for new homes developers.

Rightmove continues to be cost effective and of demonstrable value for money as property advertisers increasingly scrutinise all their costs. Nonetheless, market conditions mean that we cannot rule out customers seeking to reduce spend by cancelling Choice products or indeed by cancelling their membership completely.

Our lettings, automated valuation and non-property advertising sales businesses as well as our subsidiary, Holiday Lettings Limited, all offer the prospects of continued growth despite the general economic environment and the specific challenges of the housing market.

Since the year end there has been no significant change in the competition from traditional media companies seeking to defend a threatened franchise and from potential new entrants to online media.

For eight years Rightmove has been strongly focused as a business on managing the migration from traditional media to online in UK property advertising, a process much further advanced in jobs and cars. We intend to build on Rightmove's position as the property site most used by the UK home moving public and the place that a home buyer is most likely to first see their new home. In doing so the directors believe Rightmove will be a major beneficiary of the cyclical up turn in the property industry as and when it happens.

Dividend and share buy back

The Board intends to pay an interim dividend of 3.0p (2007: 2.0p) in line with the declared progressive dividend policy and with earnings growth in the period. The interim

dividend will be paid on 10 October 2008 to members on the register on 12 September 2008.

In June 2007, Rightmove initiated a share buy back programme in addition to returning cash to shareholders by way of dividend. During the first six months of 2008 Rightmove bought back 10,712,806 shares (of which 2,505,430 have been transferred into treasury) at an average price of 390p per share. The total number of shares bought back since the programme began is 14m shares at a total cost including expenses of £61.6m. The Board of Rightmove anticipates that, subject to market conditions, the share buy back programme will continue.

Current trading and outlook

The UK residential housing market is now in the grips of a major downturn. The depth and length of this downturn is hard to judge and will be dependent on the state of the wider economy.

The Board believes Rightmove's exposure relates first to the number of estate agents who leave the industry and secondly to the viability of new homes developers. These are both driven, above all, by the number of housing transactions. Falls in house prices and increasing levels of reposessions, while generally bad news, should help to restart transaction volumes at some point though we believe that there is little immediate prospect of an improvement.

Our primary focus is on maintaining our market position through delivering the most effective service to our customers. As a result, irrespective of market conditions, we believe we will see a continuation of the dramatic structural shift of property advertising online which has been accelerated by the current cyclical downturn.

The Board reiterates its confidence in meeting market expectations for the current year.



Scott Forbes
Chairman

Ed Williams
Group Managing Director

29 August 2008

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT

We confirm that to the best of our knowledge:

The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;

The interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in

the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.



By order of the Board

Scott Forbes

Chairman

Ed Williams

Group Managing Director

29 August 2008

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Note	6 months ended 30 June 2008 £000	6 months ended 30 June 2007 £000	Year ended 31 December 2007 £000
Revenue		37,817	25,425	56,712
Administrative expenses		(17,702)	(13,780)	(30,285)
Operating profit before share-based payments, NI on share options under issue and capital reconstruction costs		20,833	13,184	30,746
Share-based payments	5	(958)	(1,210)	(2,331)
NI on share options under issue	5	240	(329)	(298)
Capital reconstruction costs		–	–	(1,690)
Operating profit		20,115	11,645	26,427
Financial income	6	203	488	891
Financial expenses	7	(524)	–	(199)
Net financial (expenses)/income		(321)	488	692
Profit before tax		19,794	12,133	27,119
Income tax expense	10	(7,203)	(3,447)	(8,472)
Profit for the period		12,591	8,686	18,647
Attributable to:				
Equity holders of the Parent		12,591	8,686	18,647
Earnings per share (pence)				
Basic	8	10.71	7.00	15.16
Diluted	8	10.57	6.55	14.19

CONDENSED CONSOLIDATED INTERIM STATEMENT OF
RECOGNISED INCOME AND EXPENSE

FOR THE SIX MONTHS ENDED 30 JUNE 2008

	6 months ended 30 June 2008 £000	6 months ended 30 June 2007 £000	Year ended 31 December 2007 £000
Tax in respect of share options recognised directly in equity	–	857	–
Net income recognised directly in equity	–	857	–
Profit for the period	12,591	8,686	18,647
Total recognised income and expense for the period attributable to equity holders of the Parent	12,591	9,543	18,647

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

AS AT 30 JUNE 2008

	Note	30 June 2008 £000	30 June 2007 £000	31 December 2007 £000
Non-current assets				
Property, plant and equipment	11	2,142	1,511	2,042
Intangible assets		7,839	6,876	7,580
Deferred tax assets		192	2,262	1,336
Total non-current assets		10,173	10,649	10,958
Current assets				
Trade and other receivables	12	12,485	4,912	11,202
Income tax receivable		–	163	163
Cash and cash equivalents		3,162	17,464	11,807
Total current assets		15,647	22,539	23,172
Total assets		25,820	33,188	34,130
Current liabilities				
Loans and borrowings	14	(26,500)	–	–
Trade and other payables	13	(13,400)	(10,169)	(14,714)
Income tax payable		(6,224)	(3,692)	(4,413)
Deferred consideration	15	(2,461)	–	–
Provisions		(160)	(96)	(130)
Total current liabilities		(48,745)	(13,957)	(19,257)
Non-current liabilities				
Deferred tax liabilities		(99)	(126)	(110)
Deferred consideration		–	(2,202)	(2,328)
Provisions		(167)	(64)	(43)
Total non-current liabilities		(266)	(2,392)	(2,481)
Net (liabilities)/assets		(23,191)	16,839	12,392
Equity				
Share capital		1,212	1,327	1,327
Share premium		–	105	105
Other reserves		220	–	–
(Deficit)/retained earnings		(24,623)	15,407	10,960
Total equity attributable to equity holders of the Parent	16	(23,191)	16,839	12,392

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Note	6 months ended 30 June 2008 £000	6 months ended 30 June 2007 £000	Year ended 31 December 2007 £000
Cash flows from operating activities				
Profit for the period		12,591	8,686	18,647
Adjustments for:				
Depreciation charges		314	218	503
Amortisation charges		207	185	390
Financial income		(203)	(488)	(891)
Financial expenses		524	–	129
Share-based payments charge		958	1,210	2,331
Income tax expense		7,203	3,447	8,472
Operating profit before changes in working capital		21,594	13,258	29,581
Increase in trade and other receivables		(1,283)	(1,728)	(8,023)
(Decrease)/increase in trade and other payables		(1,310)	1,117	8,337
Increase/(decrease) in provisions		154	(48)	(35)
Cash generated from operations		19,155	12,599	29,860
Interest paid		(191)	–	(3)
Income taxes paid		(4,100)	–	(4,250)
Net cash from operating activities		14,864	12,599	25,607
Cash flows from investing activities				
Interest received		203	488	891
Acquisition of property, plant and equipment		(414)	(341)	(1,157)
Acquisition of intangible assets		(466)	(157)	(643)
Acquisition of subsidiary (net of cash acquired)		–	(3,177)	(3,177)
Net cash used in investing activities		(677)	(3,187)	(4,086)
Cash flows from financing activities				
Dividends paid	9	(7,082)	(3,729)	(6,176)
Purchase of shares for treasury	16	(11,917)	(4,043)	(19,362)
Purchase of shares for cancellation	16	(29,861)	–	–
Share buy back expenses		(272)	–	–
New shares issued		–	105	105
Proceeds from borrowings	14	26,500	–	–
Debt issue costs		(200)	–	–
Proceeds on exercise of share options		–	838	838
Net cash used in financing activities		(22,832)	(6,829)	(24,595)
Net (decrease)/increase in cash and cash equivalents		(8,645)	2,583	(3,074)
Cash and cash equivalents at 1 January		11,807	14,881	14,881
Cash and cash equivalents at period end		3,162	17,464	11,807

NOTES

1 General information

Rightmove plc (the Company) is a Company domiciled in the United Kingdom (UK). The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2008 comprise the Company and its interest in its subsidiaries (together referred to as the Group).

The consolidated financial statements of the Group as at and for the year ended 31 December 2007 are available upon request to the Company Secretary from the Company's registered office at 4th Floor, 33 Soho Square, London, W1D 3QU or from the investor relations website at www.rightmove.co.uk/investors.rsp.

2 Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* and the Disclosure and Transparency Rules of the UK's Financial Services Authority. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2007.

The condensed consolidated interim financial statements were approved by the Board of directors on 29 August 2008. The half-year results for the current and comparative period are unaudited. The auditor, KPMG Audit Plc, has carried out a review of the interim financial statements and their report is set out on page 16.

The comparative figures as at and for the year ended 31 December 2007 are extracted from the Group's statutory accounts for that financial year. Those accounts have been reported on by the auditor and delivered to the registrar of companies. The report of the auditor was: (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 237 (2) or (3) of the Companies Act 1985.

The Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements as at and for the year ended 31 December 2007.

The directors are satisfied that the Group is a going concern and able to meet its current obligations as they fall due. The Group net liability position at 30 June 2008 has arisen as a result of the loan facility entered into to finance the share buy back programme (see Notes 14 and 17). The directors expect this to convert into a five year term loan as set out in Note 14.

Capital structure

On 28 January 2008, the ordinary shares of Rightmove Group plc (Company no.: 6426485) (subsequently renamed Rightmove plc) (the Company) were admitted to trading on the official list of the London Stock Exchange and became the holding company of Rightmove plc (Company no.: 3997679) and its subsidiary companies. This occurred as part of a Scheme of Arrangement under Section 425 of the Companies Act 1985 under which Rightmove Group plc (Company no.: 6426485) replaced the previously listed company, Rightmove plc (Company no.: 3997679). With effect from 28 January 2008, Rightmove Group plc (Company no.: 6426485) changed its name to Rightmove plc and Rightmove plc (Company no.: 3997679) re-registered as a private company and changed its name to Rightmove Group Limited.

The corporate restructuring has been accounted for as a reverse acquisition. Therefore, the condensed unaudited consolidated interim financial statements as at and for the six-month period ended 30 June 2008 of the Company are prepared as a continuation of the previously listed company's condensed unaudited consolidated interim financial statements.

There was no change to the Board of directors, management and corporate governance arrangements as a result of the Scheme of Arrangement. The consolidated assets and liabilities of the Group immediately after the Scheme of Arrangement were substantially the same as the consolidated assets and liabilities of the Group immediately prior thereto.

3 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated financial statements are in accordance with International Financial Reporting Standards as adopted by the European Union (Adopted IFRSs) and are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2007. The same accounting policies are anticipated to be applied for the year ending 31 December 2008.

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3 Significant accounting policies (continued)**Judgements and estimates**

The preparation of financial statements in conformity with Adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods if applicable.

In particular information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 5 Share-based payments, Note 10 Taxation and Note 12 Trade and other receivables.

4 Segmental reporting

The Group does not have geographical segments, with all revenue derived from external operations in all periods. Revenue derived from outside the UK is not material in either 2008 or 2007.

All activities in all periods relate to the property advertising segment and there were no other separately identifiable business segment income statement or balance sheet items.

5 Share-based payments

In accordance with International Financial Reporting Standard (IFRS) 2 a charge of £958,000 (30 June 2007: £1,210,000) is included in the income statement, being the amortisation of the value of the share options granted in 2006 and 2007. Employer's National Insurance (NI) is being accrued at a rate of 12.8% on the difference between the share price at the balance sheet date and the average exercise price of the share options. Based on the share price at 30 June 2008 the accrual built up in prior periods has been reversed resulting in a credit to the income statement of £240,000.

6 Financial income

	6 months ended 30 June 2008 £000	6 months ended 30 June 2007 £000	Year ended 31 December 2007 £000
Interest income on cash balances	203	488	891

7 Financial expenses

	6 months ended 30 June 2008 £000	6 months ended 30 June 2007 £000	Year ended 31 December 2007 £000
Debt issue costs	200	–	–
Interest expense	138	–	–
Unwinding of effective interest rate on deferred purchase consideration	133	–	126
Other financial expenses	52	–	70
Preference dividend interest	1	–	–
Interest expense on late payment of taxes	–	–	3
	524	–	199

8 Earnings per share (EPS)

	Weighted average number of ordinary shares	Earnings £000	Pence per share
Six months ended 30 June 2008			
Basic EPS	117,518,535	12,591	10.71
Diluted EPS	119,123,970	12,591	10.57
Underlying basic EPS	117,518,535	13,309	11.32
Underlying diluted EPS	119,123,970	13,309	11.17
Six months ended 30 June 2007			
Basic EPS	124,136,849	8,686	7.00
Diluted EPS	132,599,665	8,686	6.55
Underlying basic EPS	124,136,849	10,225	8.24
Underlying diluted EPS	132,599,665	10,225	7.71
Year ended 31 December 2007			
Basic EPS	123,023,728	18,647	15.16
Diluted EPS	131,431,538	18,647	14.19
Underlying basic EPS	123,023,728	22,966	18.67
Underlying diluted EPS	131,431,538	22,966	17.47

Weighted average number of ordinary shares (basic)

	6 months ended 30 June 2008 Number of shares	6 months ended 30 June 2007 Number of shares	Year ended 31 December 2007 Number of shares
Issued ordinary shares at 1 January less own shares held	121,046,278	124,054,318	124,054,318
Effect of own shares held in treasury	(1,783,400)	(59,219)	(1,242,710)
Effect of own shares purchased for cancellation	(1,744,343)	–	–
Effect of share options exercised	–	140,884	195,890
Effect of new shares issued	–	866	16,230
	117,518,535	124,136,849	123,023,728

Weighted average number of ordinary shares (diluted)

For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential shares. The Group has one class of dilutive potential ordinary shares being those shares held by The Rightmove Employees' Share Trust (EBT) to satisfy share options granted to employees.

	6 months ended 30 June 2008 Number of shares	6 months ended 30 June 2007 Number of shares	Year ended 31 December 2007 Number of shares
Weighted average number of ordinary shares (basic)	117,518,535	124,136,849	123,023,728
Dilutive impact of share options	1,605,435	8,462,816	8,407,810
	119,123,970	132,599,665	131,431,538

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8 Earnings per share (continued)

Underlying EPS is calculated before the charge for share-based payments, capital reconstruction costs and Employer's NI on share options under issue. Reconciliation of the basic earnings for the period to the underlying earnings is presented below:

	6 months ended 30 June 2008 £000	6 months ended 30 June 2007 £000	Year ended 31 December 2007 £000
Basic earnings for the period	12,591	8,686	18,647
Share-based payments	958	1,210	2,331
NI on share options under issue	(240)	329	298
Capital reconstruction costs	-	-	1,690
Underlying earnings for the period	13,309	10,225	22,966

9 Dividends

Dividends declared and paid by the Group were as follows:

	6 months ended 30 June 2008 Pence per share	£000	6 months ended 30 June 2007 Pence per share	£000	Year ended 31 December 2007 Pence per share	£000
2006 final dividend paid	-	-	3.0	3,729	3.0	3,729
2007 interim dividend paid	-	-	-	-	2.0	2,447
2007 final dividend paid	6.0	7,082	-	-	-	-
		7,082		3,729		6,176

After the period end an interim dividend of 3.0p (30 June 2007: 2.0p) per qualifying ordinary share being £3,279,000 (30 June 2007: £2,447,000) was proposed by the directors. No provision was made for the interim dividend in either period and there are no income tax consequences.

The 2007 final dividend paid on 12 May 2008 was £7,082,000 (31 December 2007: £7,119,000) the difference of £37,000 being due to a reduction in the ordinary shares entitled to a dividend following share buy backs made in the period between the year end and the 2007 final dividend record date of 11 April 2008.

10 Taxation

The Group's consolidated effective tax rate for the six months ended 30 June 2008 is 36% (30 June 2007: 28%). The difference between the standard rate and the effective rate is the reversal of the deferred tax asset on share options (6%) and disallowable expenditure (2%).

The deferred tax asset of £192,000 as at 30 June 2008 is in respect of tax losses brought forward, equity settled share options and accelerated capital allowances.

The deferred tax asset relating to equity settled share options at 30 June 2008 is £4,000 (1 January 2008: £1,252,000). This decrease is due to the Company's share price decreasing from £4.64 at 1 January 2008 to £2.68 at 30 June 2008.

11 Property, plant and equipment

During the six months ended 30 June 2008 the Group acquired assets with a cost of £414,000 (30 June 2007: £341,000).

12 Trade and other receivables

	30 June 2008 £000	30 June 2007 £000	31 December 2007 £000
Trade receivables	11,013	2,744	8,865
Less provision for impairment of trade receivables	(726)	(4)	(91)
Net trade receivables	10,287	2,740	8,774
Amount owed by related parties (see Note 18)	159	335	333
Other debtors	763	931	1,016
Prepayments and accrued income	1,276	906	1,079
	12,485	4,912	11,202

13 Trade and other payables

	30 June 2008 £000	30 June 2007 £000	31 December 2007 £000
Trade payables	1,080	989	1,696
Amounts accrued in relation to purchase of shares for treasury	–	3,094	–
Trade accruals	2,535	2,060	3,215
Other creditors	137	373	609
Other taxation and social security	3,262	2,201	3,300
Deferred income	6,386	1,452	5,894
	13,400	10,169	14,714

14 Loans and borrowings

During the period, the Company obtained a Sterling-denominated revolving loan facility of £40m to support its continuing share buy back programme. Under the terms of the loan agreement there is an option at maturity (April 2009) for the revolving loan facility to convert into a term loan for a further five years. The loan bears interest at LIBOR plus 1.5% together with a mandatory cost applied by the lender.

	Face value 30 June 2008 £000	Carrying value 30 June 2008 £000	Face value 30 June 2007 £000	Carrying value 30 June 2007 £000
Unsecured revolving loan facility	26,500	26,500	–	–

Subsequent to the period end on 16 July 2008, a further £4m was drawn down under the revolving loan facility.

15 Deferred consideration

The deferred consideration of £2,461,000 relates to the Group's acquisition on 21 March 2007 of 66.7% of the ordinary share capital of Holiday Lettings Limited (HLL). In terms of the HLL shareholders' agreement, a put and call option exists to acquire the remaining 33.3% of ordinary shares held by management. The earliest opportunity HLL management has to exercise the put and call option is 30 June 2009 based on the audited accounts for the year ending 31 December 2008.

NOTES

CONTINUED

16 Reconciliation of movement in capital and reserves

	Share capital £000	Share premium £000	EBT own shares reserve £000	Treasury/ cancelled shares £000	Capital redemption reserve fund £000	Merger reserve £000	Other retained earnings £000	Total £000
At 1 January 2007	1,327	–	(17,663)	–	–	–	32,345	16,009
Profit for the period	–	–	–	–	–	–	8,686	8,686
Dividends to shareholders	–	–	–	–	–	–	(3,729)	(3,729)
Equity settled share options charge	–	–	–	–	–	–	1,210	1,210
New shares issued	–	105	–	–	–	–	–	105
Purchase of shares for treasury	–	–	–	(7,137)	–	–	–	(7,137)
EBT own shares held	–	–	514	–	–	–	–	514
Gain on exercise of share options	–	–	–	–	–	–	324	324
Tax in respect of share options recognised directly in equity	–	–	–	–	–	–	857	857
At 30 June 2007	1,327	105	(17,149)	(7,137)	–	–	39,693	16,839
At 1 January 2007	1,327	–	(17,663)	–	–	–	32,345	16,009
Profit for the year	–	–	–	–	–	–	18,647	18,647
Dividends to shareholders	–	–	–	–	–	–	(6,176)	(6,176)
Equity settled share options charge	–	–	–	–	–	–	2,331	2,331
New shares issued	–	105	–	–	–	–	–	105
Purchase of shares for treasury	–	–	–	(19,362)	–	–	–	(19,362)
EBT own shares held	–	–	514	–	–	–	–	514
Gain on exercise of share options	–	–	–	–	–	–	324	324
At 31 December 2007	1,327	105	(17,149)	(19,362)	–	–	47,471	12,392
At 1 January 2008	1,327	105	(17,149)	(19,362)	–	–	47,471	12,392
Capital reconstruction	(33)	(105)	–	19,362	–	138	(19,362)	–
Profit for the period	–	–	–	–	–	–	12,591	12,591
Dividends to shareholders	–	–	–	–	–	–	(7,082)	(7,082)
Equity settled share options charge	–	–	–	–	–	–	958	958
Purchase of shares for treasury	–	–	–	(11,917)	–	–	–	(11,917)
Purchase of own shares	–	–	–	(29,861)	–	–	–	(29,861)
Cancellation of own shares	(82)	–	–	29,861	82	–	(29,861)	–
Share buy back expenses	–	–	–	–	–	–	(272)	(272)
At 30 June 2008	1,212	–	(17,149)	(11,917)	82	138	4,443	(23,191)

17 Share buy back

In June 2007, the Company commenced a share buy back programme to purchase its own ordinary shares. The total number of shares bought back in the six months to 30 June 2008 was 10,712,806 (30 June 2007: 1,176,966) representing 9% of the issued share capital (excluding shares held in treasury). Of the 10,712,806 shares bought back in the period, 8,207,376 shares were cancelled and 2,505,430 shares were transferred to treasury. The shares were acquired on the open market at a total consideration (excluding costs) of £41,778,000 (30 June 2007: £7,137,000). The maximum and minimum prices paid were 501p and 319p per share respectively.

18 Related parties

As at 30 June 2008 Rightmove plc has one principal shareholder, Connells Limited, who holds 17.9% of the issued share capital (excluding shares held in treasury). As at 30 June 2007 there were two principal shareholders, Connells Limited and Halifax Estate Agencies Limited. Halifax Estate Agencies Limited sold its remaining interest in the Company in May 2008. The Group's transactions and balances with these shareholders for all periods were as follows:

	6 months ended 30 June 2008 £000	6 months ended 30 June 2007 £000	Year ended 31 December 2007 £000
Amounts owed by shareholders:			
Sequence (UK) Limited (Connells)	58	102	183
Connells Residential	32	127	62
Halifax Estate Agencies Limited	69	106	88
	159	335	333
Amounts invoiced to shareholders:			
Sequence (UK) Limited (Connells)	337	210	539
Connells Overseas Property Department	2	1	3
Connells Residential	186	106	291
Halifax Estate Agencies Limited	404	241	543
	929	558	1,376
Amounts invoiced by shareholders:			
Connells Residential	-	4	34
Dividends paid:			
Connells Limited	1,275	826	1,251
Halifax Estate Agencies Limited	974	639	1,065
	2,249	1,465	2,316
Amounts owed to shareholders:			
Connells Estate Agents	-	4	-

Included within trade and other receivables is £159,000 due from related parties (30 June 2007: £335,000). Trade and other payables include £nil due to related parties (30 June 2007: £4,000).

INDEPENDENT REVIEW REPORT TO RIGHTMOVE PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2008 which comprises the condensed consolidated interim income statement, the condensed consolidated interim statement of recognised income and expense, the condensed consolidated interim balance sheet, the condensed consolidated interim cash flow statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Services Authority ("the UK FSA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FSA.

As disclosed in note 3, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2008 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

KPMG Audit Plc

Chartered Accountants
Milton Keynes

29 August 2008

ADVISERS AND SHAREHOLDER INFORMATION

Contacts

Group Managing Director:	Ed Williams
Group Finance Director:	Graham Zacharias
Company Secretary:	Liz Taylor
Website:	www.rightmove.co.uk
Email:	investor.relations@rightmove.co.uk

Financial calendar

Half-yearly results	29 August 2008
Interim dividend payment	10 October 2008
Full year results	27 February 2009
Annual General Meeting	May 2009

Registered office

Rightmove plc
 4th Floor
 33 Soho Square
 London
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 Registered in England
 no. 6426485

Corporate advisers

Financial adviser
 UBS Investment Bank

Joint broker
 UBS Ltd and
 Numis Securities Ltd

Auditor
 KPMG Audit Plc

Bankers
 Barclays Bank plc
 Bank of Scotland plc

Solicitors
 Slaughter and May
 Pinsent Masons

Registrar
 Capita Registrars*

*Shareholder enquiries

The Company's registrars are Capita Registrars. Capita registrars is a trading name of Capita Registrars Limited.

Capita Registrars	Capita shareholder helpline: 0871 664 0300 (calls cost 10p per minute plus network extras)
PO Box 1269	+44 20 8639 3399 (from overseas)
Huddersfield	Email: shareportal@capita.co.uk
HD1 9UT	

Through the website of our Registrar, Capita Registrars, shareholders are able to manage their shareholding online by registering for the Share Portal, a free, secure, online access to their shareholding. Facilities include electronic communications, account enquiries and amendments to standing data. To register for e-communications please log on to the website at www.capitaregistrars.com/shareholders and follow the instructions to the Share Portal.

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- 0871 664 0446 (telephone dealing – calls cost 10p per minute plus network extras)

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