Company: **Foxtons Group PLC**

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Moderator: **Garry Watts, Michael Brown, Gerard Nieslony, Nicholas Budden**

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Garry Watts: Thank you. Good morning, everyone. Welcome to Foxtons' maiden set of results. Thank you for coming along this morning. Could I just ask those in the room particularly to make sure their mobiles are off so we don't get disturbed by them?

It's been a very pleasing start, I think would be the least we could say, to Foxtons' life as a public company. Personally, I've found it enormously enjoyable and very interesting over the last eight months. It's a great management team. I've very much enjoyed working with them. There's a lot to do in the first six months or so of a new public company, but they have coped I think extraordinarily well and the Board has come together I think very well too in those first six months.

I'm going to hand over now to the management team. I don't intend to steal any of their thunder – there are some good messages that you're going to hear from all of them, and I don't think you need to hear from me further. So Michael, over to you.

Michael Brown: Great, thank you very much. Well, hello, everyone, and thank you for taking the time to meet with us today. 2013 has been a great start for Foxtons' life as a public company. I think it's a great testament to the quality and depth of our management team, who have been able to deliver exceptional financial and operational results alongside an extremely successful IPO.

Gerard will take you through the detailed financials in a moment but I'd like to give you a top-line summary of our performance in 2013. In short, it's been a record year across the board and we are very well positioned for the future, whatever the market may bring.

Group revenue grew by 16% to £139 million, driven by strong growth across all business segments. Sales was up 22.5%, lettings up 6.7%, mortgages up 31.9%. The powerful operational leverage inherent in our centralised business model continues to enable us to enhance profitability as we expand. EBITDA was up almost 30% to just under £50 million, representing a margin of just under 36%, materially above 2013 – 2012. And we continue to make good progress towards our target of margins of over 40% for the business as a whole.

We successfully opened seven new branches in 2013 and I am very pleased with their performance, particularly bearing in mind the relatively low levels of stock generally in the market. As an asset-light company with no debt, our 2013 profit before tax grew by 57% to £38.9 million, enabling us to generate significant free cash flow and pay our first dividend as a listed company. In summary, a great set of results.

Our strategy, which Nic will run through in more detail in a minute, continues to create a well-balanced business which supports high levels of service quality and productivity. Our lettings business, which has been developed and refined over the last decade, provides us with resilient, high quality earnings and a valuable balance to the naturally more cyclical sales market. The outstanding levels of growth across all of our business segments have been delivered through a combination of increasing market share and the rapid maturity of our new branches. The market in sales has also helped with a tailwind of around 9 10% in volume growth within the M25 sales market.

I will run through what we are seeing in the sales and lettings market but it's already clear that stock shortages both in sales and lettings will be the key determinant of the rate of growth over the next couple of years.

Whilst our target market represents a particularly high concentration of property sales both in terms of volume and value relative to the rest of England and Wales, in terms of volumes, London levels have mirrored trends more widely in the UK over the last five years and we expect that to broadly continue.

The left-hand side chart shows the monthly property sales transactions within the M25. During the period 2000 2006 there were approximately 15,000 sales transactions per month on average. Between July 2007 and June 2009, transaction numbers fell peak to trough by 67%, recovering only to around 55% of the 2000-2006 average between 2008 and 2012. 2013 saw the first sign of what we believe is likely to be the beginnings of a recovery of the sales market, with M25 sales transactions increasing by about ten % to approximately 65% of the 2000-2006 levels.

Stock levels across our markets, as well as the UK generally, remain at their lowest levels for a number of years and we expect these shortages to continue until new instruction levels pick up to compensate for recent increases in sales transactions. As a result, we expect upward pressure on prices to persist for some time.

Property sales and mortgage availability are inextricably linked. And whilst between 2008 and 2012 there was a severe lack of mortgage availability things have freed up considerably in 2013 with gross lending up 21% on 2012.

The lettings market continues to be key to our business strategy and it is clear that the structural shift in UK tenure over the last decade is continuing, creating a highly valuable lettings market particularly within London. Today in London, over 26% of households live in private rented accommodation. This huge increase in demand for private rentals, allied to significant migration in population growth in London, against relatively static housing stock, has created significant excess demand and then creating upward pressure on pricing although we expect this to dampen slightly as a result of affordability issues in lettings.

So in summary, I am extremely pleased with our 2013 results and believe that we are very well placed for a very good next few years and I would expect to do well whatever the market. So I'll hand you over to Gerard for some more detail on our financials.

Gerard Nieslony Thanks, Michael. Financially the year has been successful. We have continued our track record of strong revenue growth. Total revenue increased by 16% with much of this dropping straight to the bottom line resulting in adjusted EBITDA increasing by 29.6% to £49.6 million from £38.3 million in the prior year, and operating profit before exceptional items increasing by 39.9%. This is evidence that our highly centralised business model with a low-cost branch network continues to work. 2013 exceptional items of £3.2 million referred to the cost of

IPO charged to the P&L, with a further £2 million charged to the share premium account making a total cash cost for £5.2 million to the company of the IPO.

Profit before tax increased by 56.6%. EPS has grown, both basic and adjusted, by over 52%. The combination of increasing profits together with an operating cash conversion ratio in excess of 80% has led to a 41% increase in net free cash flow. Our business is asset-light with relatively low capital spend requirements to fund our organic growth programme. In 2013 we spent £7.4 million compared to £6.2 million in 2012 on capital spend. Our balance sheet is now debt free with a cash balance of £23.4 million, which allows us to recommend a final and special dividend totalling £15.4 million.

Let's look at the development of the adjusted EBITDA margin in more depth. Adjusted EBITDA requires very little adjustment from operating profit before exceptional items, essentially just requiring depreciation to be added back. The debts repayment incentive scheme closed prior to IPO and is now not an issue going forward. The key message here is one of continued growth in margin despite our ongoing organic expansion programme. The company is highly profitable, with our adjusted EBITDA margin rising to 35.7% for 2013, which is an increase of 380 basis points compared to prior year and 480 basis points since 2010.

For 2013 the increase in margin has been driven by the performance of the sales segment where the adjusted EBITDA margin increased to 39.1% from 30.2% in 2012.

So let's look at the underlying drivers behind this performance by looking at our KPIs. We have achieved revenue growth across all our business segments with sales up 27%, lettings up 5.2%, and mortgage broking up 42%. The key message here is that growth has been volume-driven. Sales volumes are up 22.5%, Lets volumes up 6.7%, and mortgage broking up 31.9%.

Average sales revenues increased by 3.7% which is less than the average for London and reflects a change in mix with a greater proportion of new homes together with the impact of moving out from the centre of London and there have been slightly lower sales prices there. Average lettings revenues fell by 1.5% reflecting a downward pressure on rental rates which is partly a reflection of the strength of the sales market at the moment. We continue to have a balanced business with 48% of turnover being sales and 48% being lettings. This balance across the sales and lettings segments provides financial strength within the Group to withstand fluctuations in the property market.

We opened up seven new branches during the year bringing our total branch network up to 44 branches – a 19% increase on prior year.

Average revenue per branch at £3.44 million fell slightly versus prior year of £3.48 million reflecting the significant growth in branches just mentioned, and both the revenue per employee increased to £122,000 from £112,000 in the prior year – a 9% increase.

Let's look at the P&L in more detail. We have already looked at revenue in some detail so we'll concentrate on costs. Costs or administration expenses increased by £6.1 million – a 7% increase versus prior year. The main costs movements were £4 million higher sales-related salaries due to additional staff and higher commission payments, and £1.3 million additional building-related operating costs primarily due to new branch openings. The 16% increase in revenue and 7% increase in costs has led to a 39.9% increase in operating profit before exceptional items. This would suggest a 68% marginal profitability or drop through rate if you express the increase in profit to the increase in revenue.

Full year finance costs reduce significantly for the year with Interest Expense being eliminated post-IPO with all the debt having been repaid from the IPO proceeds and our own funds.

The effective rate of tax for 2013 is 17.5% versus the prior year of 16.5%. Our effective rate of tax is lower than the statutory rate due to the partial release of the deferred tax provision relating to the brand evaluation. However the effective tax rate is now expected to move towards the statutory tax rate.

Both basic and adjusted EPS have shown significant growth in the year of over 52%. Adjusted EPS is calculated before exceptional items.

So we've seen the profitability of the company. Now let's look at how this converts into cash. The picture here is one of strong cash generation. Let me take you straight to the bottom line to focus on net free cash flow. Net free cash flow has increased by 41% to £35.5 million versus the prior year of £25.1 million. This increase is due to the increased profitability of the Group with adjusted EBITDA moving to £49.6 million from £38.3 million and a high operating cash conversion ratio in excess of 80%. The high operating cash conversion ratio is due to minimal working capital requirements and a relatively low capital spend. Capital spend has an underlying base of circa £2 million. On top of that we have major project spend on primarily new branches. Capital spend in 2013 of £7.4 million included the opening of seven new branches and a new head office for Alexander Hall. This compares with a spend of £6.2 million in 2012 which included the opening of five new branches and a major investment in our IT infrastructure. Our operating cash conversion ratio reduced slightly in 2013 due to the increase in branch openings together with a negative shift in working capital due to additional debtors at year end due to a strong close on sales commissions. During the year you can see the £55 million receipt of primary proceeds being used with own funds to repay the remaining debt within the Group.

As can be seen from our relatively low capital spend requirement, the Group is not capital-intensive, which moves us on to a quick look at our balance sheet.

The Foxtons business is asset light. All our premises are leased and the majority of our car fleet is under contract hire. We have only £21.3 million of tangible assets. All borrowings have been eliminated. The largest line items on the balance sheet relates to the intangibles of goodwill and brand, and related to the brand valuation is a deferred tax liability of £19.8 million. Cash has increased from £9.8 million to £23.4 million, which takes us on to dividends. We have kept to the dividend policy as detailed in the prospectus and recommend the payment of a final dividend of 1.7p per share and a special dividend of 3.74p per share. The final dividend is based on two thirds of 40% profit after tax with an apportionment to reflect the fact that the IPO took place during the financial year. The total proposed dividend of £15.4 million is based on our yearend cash balance of £23.4 million less an underlying retention of £8 million operating cash. A formal policy determines the final dividend element with a balance being paid as a special dividend.

So in summary, the Group has continued to grow strongly. It is both highly profitable and highly cash-generative, and this combination will allow us to continue providing increasing returns to our shareholders. I am now going to pass over to Nic.

Nicholas Budden: Thanks, Gerard. In the next ten minutes or so of the presentation I just want to remind you of some of the strategic priorities of the Group and to refresh your minds of the key elements of our business model that give us our competitive differentiation, enabling us to deliver the financial and operational results you've been hearing about already this morning.

The London property markets where we focus our business are characterised by some particularly attractive fundamentals. As Michael pointed out earlier, although property sales transaction trends across the UK are pretty consistent, London's property market is particularly valuable because of its fast transaction velocities and its high prices which are created primarily by a young and rapidly increasing population, significant levels of foreign investment, particularly at the mid and higher end of the markets, and tight planning controls that restrict the supply of new housing stock. And we believe those factors are structural to London and that they're therefore likely to persist longer term, and certainly the high levels of population growth within London continues unabated with 8.2 million people living in the capital in 2011 up about 12% since 2001. And forecasters expect the population to grow by almost another million over the next four, five years to reach around 9 million by 2017/18. And that's a rate that realistically on any analysis is likely to outstrip increases in housing stock over the same period. And, together, these dynamics in the market meant that in 2012 43% of all property transactions in England and Wales by value occurred within the M25 region. And it's also meant that prices in London have maintained long term resiliency. According to the Land Registry, London property sales prices increased by 7% per annum on average between 2000 and 2012, and by 9% in the first ten months of 2013. And many of the supply and demand dynamics that play within the property sales markets also have spill over into the lettings market, too. And Michael already mentioned the large and very valuable private rental market within London where rents are currently around 80% higher than in the rest of the UK

Our organic expansion programme remains at the heart of our overall growth strategy going forward. Over the last decade we've built a successful track record of organic expansion, having more than trebled the size of the company since 2003 from 14 branches back then to 44 today. And over time we expect to at least double our present size again within the M25. And we've identified over 60 potential new branch locations which we believe represent similar economic potential as our existing ones. And you can see our current and planned branch network on the map on the slide. The green dots represent the locations of our existing branches which, as you can see, currently cover less than half of the area within the M25, giving us significant scope for further growth. And the orange dots represent proposed new sites which we've identified and for which we have a detailed bottom-up P&L analysis, which gives us the confidence that those new branches can enhance our overall margins as they mature and as they benefit from the operational leverage inherent in our centralised business model.

As we said at the time of the IPO, we expect to open up between five and ten branches per year. That is still our intention. This year we'll be opening seven, taking our total to 51. Five of these will be opened up between March and May, early in the year, and those will be Greenwich, Beckenham, Earls Court, Harrow and Stoke Newington, with two further branches being opened in the autumn.

And the key reason, remember, that we focus on organic expansion rather than acquisition like many in the sector, is to maximise our financial returns and enable us to maintain consistent service quality. And since 2010 we've opened up 20 new branches and those continue to perform in line with expectation achieving rapid payback and high levels of return on capital employed. And you can see from the small table on the slide how the 12 new branches opened in 2010 and 2011 achieved a return on capital employed of 166% and 186% respectively in 2013 with breakeven being achieved in just 19 months despite over the period of their opening a maturity early on a relatively flat sales market.

Moving on to our business model, our business model brings together five key elements to provide us with what we believe is significant and sustainable competitive advantage. Our brand identity as London's leading agent has been supported by significant marketing expenditure over the last 30 years. Our website is the leading London property website, attracting almost 700,000 unique visitors each month. We've executed 35 zero commission campaigns since 2000 alongside each of our new branch openings and that's brought significant benefits to thousands of sellers in our local markets. Our distinctive branches and the branded mini fleet that we have reinforce our quality credentials and give us a leading presence on the high street. And from a technology perspective our sophisticated and centralised workflow systems, our web applications and our content rich information databases underpin virtually every aspect of our business model. And they label our internal departments to work very cohesively together to deliver exceptional levels of service and productivity and they also bring down significantly customer acquisition costs over time.

Our systems also provide vital performance management tools for our managers which enable them to monitor employee performance on a real time basis either when they're in the office or out and about using one of their mobile devices.

Our people continue to be central to our competitiveness and our ability to expand the company effectively. And over the years we've been able to build up a solid base of experience among our people by always promoting from within to ensure that the best people experience rapid career progression into leadership positions where they can have the most positive impact.

In 2013, 11 of our sales directors had an average tenure of 16 years and some 80 branch managers had been with us for over 8 years, and that provides a strong base of knowledge and a good base of further succession as we expand.

And finally, our integrated mortgage broker, Alexander Hall, benefits from low cost sales leads from the estate agent's business that has significant potential to grow over the next five years as we expand and as property sales transactions increase in the market.

Of course our strategy and our business model are focused on delivering premium service quality in return for premium prices and we've been sustaining that balance for many years now. Our premium service strategy is focused on maximising value for clients by letting or selling their property at the best possible price in the shortest possible time. And we achieve that by working harder than the competition and through our business model which creates very large numbers of property instructions and applicants. Our phone lines and branch networks are open eight till late seven days a week, 362 days a year. It's quite a simple differentiator but it's one that our competitors just don't have the discipline to copy long term. What it enables us to do is to conduct around 45,000 property viewings each month with about 38% of them in 2013 taking place in the evening and at weekends outside the normal operating hours of many of our competitors. And it's the combination of our work ethic, our systems and our culture that enables us to achieve exceptional results for our clients. In 2013 we achieved 96% of asking prices and rents for both ourselves and landlord clients and we remained in a market share leading position in the vast majority of our local markets where we've operated for some time.

Over the past five years we've sold over £10.5 billion of our clients' properties. In 2013 that was equivalent to one sale every working hour. And in lettings last year we rented one property every 20 minutes.

We've been delivering that level of service now for many years and as a result we achieve a very loyal customer base and client base and also drive down acquisition costs. In 2013, for example, 74% of our tenants chose to extend their tenancies with us and 73% of our landlords were repeat clients. And over the last four years we've received significant external recognition for our business model and our service levels, winning 28 awards in 2013 alone for all aspects of our business.

So just to bring this part of the presentation to a conclusion, we operate in markets with very attractive fundamentals which we believe will persist longer term. We have a strong track record of successful expansion and we've got plenty of scope to further roll out the brand in the longer term.

I'll hand back now to Michael to make some closing remarks and take any questions.

Michael Brown: Great, thanks, Nic. Thanks, Gerard. In summary, Foxtons had a great 2013 with our very successful IPO and some outstanding numbers. I am very pleased with the new offices that we opened during the course of the year and the first ones of 2014 have kicked off extremely well.

And I am very comfortable that we will continue to improve our market share and our margins over the next few years.

January and February have been good months and we have a very healthy sales pipeline although how availability of stock develops over the next period of time will ultimately determine volumes for us.

So, thank you for taking the time to listen, and perhaps I could ask for any questions.

Michael Brown: Wait for a mic.

Chris Millington: Chris Millington, Numis. A few questions if I may. I think first just to touch on the stock levels. It's clearly one of the major issues out there at the moment. I'm just wondering if you could perhaps put a bit of flesh on the bones as to where you stand on the stock levels now compared to last year, what the competitor actions may be at the moment, particularly for lack of stock, i.e. commission rates…

Michael Brown: Yes.

Chris Millington: And whether or not you're doing anything different to try to secure those [unclear].

Michael Brown: Yes. The stock levels relatively has been probably about 5% down on where they were at the start of last year. And I think probably the market is something worse than that. Where we're looking, we're looking at our competitors, we're clearly a little different between offices to a degree but we're clearly taking a level of market share. Bluntly, the competitors are doing nothing different than they normally do. That's not to be disrespectful but slightly one-trick pony, which is to reduce their fees. We are doing nothing different than we normally do, which is not to negotiate our fees and continue to be very focused and to work extremely hard. What we've seeing at the moment, I think, is a lot of potential stock out there. And one of the advantages that I believe that we have is our perpetual ability to speak to individuals who are thinking about buying or selling because of the phenomenal amount of data that we have on our new consultants' floor. And what we've been doing over the last period of time is our keeping in consistent and persistent conversation with our database and with the people that are thinking about selling. And I think that what will be interesting over the next period of time is to see whether or not the availability both of mortgages in a real sense and the availability of properties for in particular first time buyer stock owner. And some of you will remember I've discussed this in the past. I think the Help to Buy scheme which is aimed for a number of purposes but one of which is to try and get a bit of momentum going back in the business. And the reason I believe it was aimed at £600,000 is in order to get those individuals who are presently in first time buyer stock who bought in '04, '05, '06 on 95% mortgages and are now sitting on properties that, certainly in London and the areas in which we operate, have probably gone up in value a little bit but are only now being able to get those 95% mortgages again. And I think what we're seeing at the moment is the amount of stock that is available for them at the £500,000, £600,000 level – the second home – is still relatively limited. How to buy, I think, within the London area is relatively inconsequential. It had a change, I think, to the mind set of individuals. But a lot of people are continuing to want to find a property to buy before they're prepared to put theirs up for sale. What the banks are doing is they're being very conservative on their lending – which I think is a good thing.

So what I expect to see is a slow – but as you know we're typically relatively bearish as a Group on the market – but I expect to see a continuation of a relatively slow increase in stock probably at all levels – for the first time buyer, the second homes – aiming I think actually probably in the higher value areas. I think in the areas where volume will be very, very sticky over the period of time which uncertainty always brings is around the £2 million mark. And the reason for that is uncertainty in the minds of both buyers and sellers at that level over a potential mansion tax. I think below that level it's inconsequential. Above, materially above that level, from about £3 million again I think there's a number of reasons that will show over a period of time a slow increase in stock. So what I'm expecting to see during the course of this year and into next year is not a significant freeing up of stock. I think there will be significantly more demand than supply. But I do expect to see more and more people starting to move as they get their act together in relation to the mortgages and their level of comfort with the market so we'll see continued pressure on pricing. I don't expect to see significant increases. I don't think there's anything like a bubble in London – or outside, for that matter. So I think it will be a relatively slow increase of stock. And the conversation we're having at the moment with our client base and our potential client base is indicative of a very high degree of desire both to buy and to sell but for good and proper reasons. One is to bring the two bits together and that always slows things down a little. That's what I expect to see over the next period of time. So from our perspective we're continuing to do what we always did – work hard, keep on the phones, keep chatting to people, make sure that we're the first people to be talking with anyone at the point at which they're making a decision or think they have found the property that they believe that they can buy, enabling them very rapidly then to put the property on for sale.

Chris Millington: A second question, sorry. I just want to talk about mortgage broking. There's a very big increase in revenues yet the margin fell back a little bit. I'm just wondering if you could maybe segregate out what were one-off costs and kind of how we should think about drop-through margins within mortgage broking because I'm sure usually it would feed through on a better level of operation again.

Gerard Nieslony: In the prior year that was a one-off receipt of monies which actually, and that would be very – would have been a small loss last year in mortgage broking. So in fact, this year there was an increase in profitability over last year.

Michael Brown: Generally on mortgage broking I think that – you'll remember when we talked about it during the IPO and since – I'm extremely pleased of the way our mortgage business is getting on. We continue to have the same strategies we have within Foxtons which is we only promote from within. Because our business was very focused on first time buyer, do you remember during the period of '08 to '012 we kept on starting very low? We've been building that over the last period of time and we will continue to build up our staff. We're investing quite heavily within Alexander Hall. I think in the medium to longer term we'll do extremely well from an EBITDA and general perspective. At the moment I continue to advise people to treat it as a relatively free option. It will take us a period of time – a good two years – to catch up with our staffing in terms of anything like the amount of business that we potentially have there. And therefore we will be over-staffing from a training perspective. We would normally get a Foxtons negotiator up and running very efficiently, and very effectively making us money within about a year. For a mortgage broker that is going to take at least two, potentially three. And the reason for that is we're very careful in the way in which we both hire and then train our individuals over the period of time. So that will be a continuing trend and I think you'll continue to see significant increases in our revenue but we will continue to invest particularly in our people. We've invested quite heavily from a capital perspective last year. For those who have seen it in the West End, there's a great new HQ for Alexander Hall but we will continue to invest in our people over the next period of time.

Chris Millington: Sorry, a final one from me and then I'll pass the mic over – is just lettings. It does seem like some of the momentum in the lettings market was taken away by the strength of the sales market. Should we expect that to remain this year or is that a bit more of an even keel as we head into '14?

Michael Brown: I think it's a little bit of both, to be honest. There will always be a slight level of [pan] cyclicality in relation to letting. And I think that what we're seeing at the moment is the beginnings of the return of the buy-to-let investor. If you remember he never went away – or she never went away – and they virtually did not sell during the period. But their ability to get mortgages was pretty limited. And their ability to get mortgages now is significantly enhanced. We're starting to see them coming through.

But what we are seeing is having had significant upward pressures on pricing because of lack of availability of stock just generally in the London market in particular. And I think we've hit a point – and we saw this happening at the backend of last year and certainly continuing into this year – where affordability from a tenant's perspective is constrained. A significant number of tenants, rightly or wrongly, now believe that they have the capacity to buy in the next relatively short period of time. So they're looking for shorter-term tenancies. Those that have come to the end of their tenancy like to renew on a statutory periodic which gives them the ability to move within a month. And they are, for obvious reasons, particularly careful of what rental they're going to pay because they're actually trying to save for the deposit. And so interestingly more than we've historically seen, is that little balance there of again the mind set. And the thing about our business is it's a large amount of emotional and personal decisions that ultimately drive the market. And so I think what we're seeing in the lettings market at the moment is the lack of stock but not the upward pressure on pricing in quite the same way because the tenants are fundamentally not prepared to pay. They would rather share. They would rather stay with parents and what have you.

What I would expect to see during the course of this year is a relatively stable lettings market. I think the volumes will probably, on a like for like basis, just improve a little. Clearly we've opened a number of new offices so far to move along but I think pricing will be relatively flat because the two things will push against each other over the course of the year.

From our perspective I will continue to expect both now and over the next several years very much the 50/50 approach in terms of our business. And then I think what you will see is the margin increase as a drop through in sales for reasons that we've talked about in the past, not least that for service reasons we maintain high staffing in sales, we're overstaffing in sales. And therefore as sales volumes start to come back there's incremental margin – incremental profit – that comes through there. So in the longer term I would typically expect the normalised in sales to be a slightly higher margin than lettings. But otherwise I think it will continue as we've seen roughly over the last year or so.

Any more questions from the room? Any questions from the call?

Operator: Just as a reminder, to ask a question please press *1. We'll take our first question from Jordan Schlossberg from Markel Global. Please go ahead.

Jordan Schlossberg: Hi, I just wanted to ask for a bit of colour on the like for like unit growth for, let's say, your offices younger than two years versus older than two years and maybe also the average house prices you're seeing for your younger branches versus your older branches?

Nicholas Budden: Yes. Let me take that. In terms of the second part of your question, you may have seen from some of the IPO documents. Although we're a service/premium price agent, we very much focus our business in the mid market. So our average sale price is around £475,000. Within our current expansion area within the M25, the average house price is around £465,000. So as we expand through this territory we don't expect to see significant dilution in our average revenue per sale. And so there's a reasonable level of consistency across all of our branch networks, even our mature ones and our new ones in terms of their average sale price.

In relation to the maturity of the offices we typically would expect it to take around four years for our new branches to mature on the sales side, probably about seven years on the letting side, although over the last 12 months we've seen that accelerate slightly because of the greater than expected increase in sales volumes within 2013.

Jordan Schlossberg: Okay, perfect. Can you give us slightly a bit more colour on the units sold between the new and the old branches or is that something you just don't want to give out?

Nicholas Budden: That's not something that we really want to give out on a per-office basis.

Michael Brown: What's some advice that we gave to analysts during the IPO which was a unit based maturity profile which we're willing to share offline. If you'd like to make contact with us we can certainly provide some of that to you if it would help with your own modelling.

Jordan Schlossberg: Brilliant, thanks very much.

Operator: Thank you. There are no further questions.

Garry Watts: Okay. And if there are no more questions from the room then I think we'll draw it to a close. Thank you again all for attending.

Michael Brown: Great, thank you very much.