Foxtons Group plc Interim Management Statement
6 November 2013

Introduction

Following its successful IPO in September, Foxtons Group plc (LSE:FOXT) has made a strong start as a public company and has continued effectively to execute its organic growth strategy. This interim statement is for the period from 1 July 2013 to date.

Michael Brown, Foxtons Group CEO, commented "Our first interim management statement as a listed company shows encouraging performance across the business. The IPO has left the Group in a strong position with no debt and we have a highly cash generative growth strategy which is not heavily dependent on a recovery in the sales market. We remain confident about Foxtons' prospects for the rest of the year but do not expect to see a significant upturn in London property sales transactions".

Financial highlights

Group turnover for the three months ending 30 September 2013 was £41.1m, 17.9% higher than for the same period in 2012, with revenues from property sales showing strong growth of 28.7% driven by volume growth in both new and existing branches. Lettings and mortgage revenues grew by 8.7% and 63.6% respectively over the same period.

Third quarter adjusted EBITDA[1] growth was particularly strong due largely to the timing of new branch openings earlier in the year together with robust cost control during August and September 2013 and higher overall revenues. Group adjusted EBITDA[1] for the nine months ended 30 September 2013 was up by 23.0% over the same period last year.

The Group has achieved an adjusted EBITDA[1] margin of 36.0% for the nine months ended 30 September 2013 up from 33.2% for the same period in 2012 reflecting higher revenues and the economies of scale and operational leverage inherent in Foxtons' centralised business model.

As planned, the Group used primary proceeds from the IPO to pay down its debt fully and is now debt free.

As well as achieving solid financial results so far this year, in October 2013, Foxtons was named as Best Real Estate Agency in the UK at The International Property Awards.

Expansion plan update

The Group opened five new branches during the first half of 2013 (Brixton, Barnet, Enfield, Hackney and West End) and two new branches in October 2013 (Crystal Palace and Twickenham). These new branches are performing well and were opened on time and within budget.

Outlook

London property sales transactions in 2013 have so far remained relatively flat due primarily to a shortage in the supply of property for sale and low mortgage availability. It remains to be seen whether the recent Government help to buy initiatives and the early signs of a pick-up in mortgage activity ultimately lead to a significant increase in market volumes but these dynamics are expected to materialise slowly.

Trading during Q4 has started positively, however Q4 adjusted EBITD A[1] is expected to be impacted by the operating costs of the two new branches opened in October 2013 and by the higher on-going costs of operating as a listed company.

-Ends-

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Forward Looking Statements

This interim management statement may include statements that are forward looking in nature. Forward looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the Listing Rules and applicable law, the Group undertakes no obligation to update, revise or change any forward looking statements to reflect events or developments occurring after the date such statements are published.

Footnotes:

[1] Adjusted EBITDA: defined as profit for the period before finance costs, finance income, tax, exceptional items, profit on disposal of property, plant and equipment, costs of the debt repayment incentive scheme and depreciation