

**FOXTONS GROUP PLC**  
**Q3-2015 - Trading Update**  
**22 October 2015**

Foxtons plc (LSE: FOXT), London's leading estate agency, issues its trading update for the quarter ended 30 September 2015

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As we indicated in July we have seen an increase in customer activity in some areas of our property sales business following the General Election but the market is taking time to recover especially in central London where property transaction levels remain at historically low levels due to strong recent price growth and stamp duty changes.

Q3-2015 total Group turnover of £43.5m was up 8.8% versus the same period last year. This comprises property sales commissions of £18.5m up 12.8%, reflecting market share gains in our existing business and successful expansion of our branch network. Our New Homes business has performed particularly well with 14% of Q3 property sales commissions coming from this segment. Residential lettings continued to achieve steady growth with revenues of £22.6m up 3.3%. However, the mix within lettings continued to shift towards renewals with a record number of tenants extending their tenancies, meaning that new let volumes were correspondingly lower than expected. Mortgage broking had a particularly strong Q3 with revenues of £2.3m up 47.5%. Adjusted EBITDA<sup>1</sup> for the quarter increased by 15.5% to £16.4m (2014: £14.2m). Q3 Adjusted EBITDA margin increased to 37.8 % (2014: 35.6%).

For the nine months ended 30 September 2015, group turnover was £114.5m, up 1.6% compared to last year (2014: 112.7m). This comprises property sales commissions of £52.1m (-3.7%), lettings revenues of £56.1m (+4.5%) and mortgage broking revenue of £5.9m (+30.6%). Adjusted EBITDA of £37.0m (2014: £39.2m) corresponds to a margin of 32.3% (2014: 34.8%). These results are set against a very strong comparable period during which property sales transactions were close to record levels.

During the year to date Foxtons opened seven new branches, most recently in high growth, outer London areas. The Croydon opening is especially exciting as it is a substantial market in its own right with a new homes pipeline amounting to nearly 5,000 units in the next few years. Foxtons remains on track with its plan to open between 5 -10 branches each year with a pipeline of new sites secured for the next 18 months.

Nic Budden, CEO, said:

"We are in a strong position to capitalise on market growth currently being seen in outer London areas through the organic expansion of our branch network. Although we expect any recovery of the property sales market to be slow due to low current levels of stock, we enter the fourth quarter with a £1bn sales pipeline which is well above the same point last year and based on current market conditions, we remain broadly on track to meet full year expectations".

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**Forward Looking Statements**

This trading update 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.

**Notes**

1. Adjusted EBITDA: defined as profit for the period before finance costs, finance income, tax, exceptional items, depreciation, profit on disposal of property, plant and equipment and share based payments.

**About Foxtons Group plc**

Foxtons was founded in 1981 with the first branch opened in Notting Hill Gate. Today with 58 branches and growing, the Group focuses on the higher-volume, higher-value property markets in London.

The Company is able to generate high margins through its business model, which combines:

- A strong, single brand;
- High levels of centralisation allowing low cost expansion of branches;
- An innovative application of technology; and
- A powerful culture of sales and service through outstanding training and staff development.

The Group has a clear strategy to grow profitability by:

- Targeting higher-volume, higher-value residential property markets in London;
- Maintaining a balance between sales and lettings;
- Providing a premium service which supports premium prices;
- Expanding organically to maximise return on capital; and
- Positioning itself for sales volume market growth.

Foxtons is a multi-award-winning estate agency, winning at prestigious events such as the Sunday Times Estate Agency of the Year and International Property Awards, for Best Estate Agency, Lettings Agency, Marketing, Website, Training and many more. These awards acknowledge our work-hard, results-driven attitude and dedication to quality service.