

## **FOXTONS GROUP PLC**

### **Trading Update**

**27<sup>th</sup> Jan 2015**

#### **The sales market remains challenging while the lettings market produces growth**

Foxtons plc (LSE:FOXT), London's leading estate agency, issues its trading update for the year ended 31 December 2014 ahead of its annual audited results announcement in March 2015.

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Q4 Group turnover was down 12.1% versus the comparative period last year due to reduced property sales commission more than offsetting growth in lettings commission. Full year group turnover was up 3.4%.

The residential property sales market continues to be subdued in central London, with volumes consistent with those seen in late 2012 and early 2013. Despite Q4 sales commission being down 25.7% on the comparative period last year when the London sales market was operating at its highest level since 2008, full year sales commission of £70m was 3.6% up on prior year. As indicated in our October 2014 Interim Management Statement, we do not anticipate a recovery in sales volumes until after the General Election in May.

Residential lettings improved significantly during Q4 with growth in volumes leading to a 7.7% increase in lettings revenue versus the same quarter last year which exceeds the long term growth trend of 6%. Full year lettings revenue was 1.5% up on prior year. The Lettings business accounts for approximately half of Group revenue and continues to deliver a steady income stream.

We anticipate full year Adjusted EBITDA to be in the region of £46m (2013: £49.6). Adjusted EBITDA margin is expected to be above 30%.

The long term fundamentals of the London market remain sound. We are firmly committed to our organic growth strategy which will see between five and ten new branches each year. All our new branches are performing as we expected, with many of those branches located in areas outside the centre of London showing growth and having average selling prices that benefit from the recent stamp duty changes.

Foxtons remains highly profitable, cash generative and debt free. In September 2014 the Company paid an interim and special dividend totalling £12.8m (4.54p per share (net)). At the Annual General Meeting on 20 May 2015, the Company will propose a final and a further special dividend payment totalling £14.5m (5.16p per share (net)), resulting in total dividends declared in respect of 2014 of £27.3m (9.70p per share (net)). The final dividend, if approved by shareholders, will be paid on 29 May 2015 to shareholders on the register at 6pm on 1 May 2015.

For further information, please contact:

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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, costs of the debt repayment incentive scheme and share based payments.