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Nic Budden: Ok, I think we are all ready to go. Good morning everyone, thanks for joining us and welcome to Foxtons Interim Results Briefing for the First Half 2015. We'll run you through the deck Gerard and I this morning, I'll begin by summarising our overall group performance and update you on a little bit of what we're seeing in the marketplace within London at the moment. Gerard's going to take you through the detailed financials and our KPIs, I'll then spend some time recapping our strategy and explaining a little bit more about our competitive positioning and finally I'll wrap up with a few points on outlook and take any questions. Do you want to put the first slide up? Thanks.

So in terms of performance, our performance during the first half of the year has been pretty encouraging actually, given some quite difficult market conditions and challenging markets, especially in the south side. As we predicted earlier in the year, the election in May resulted in a pretty constrained buyers' market in London during the first half while the lettings market continued to show quite steady growth actually and against that backdrop we delivered solid H1 results which we are very pleased with and which I think continue to demonstrate the strength of our business model and the benefit of our balanced approach to sales and letting. Although our property sales revenues were 11% lower than they were during the record first half of 2014 when the sales market was operating at its highest level since 2007, good growth from our newer branches, our new homes business, Alexander Hall mortgages and our lettings business enabled the Group to deliver £71.1 million of revenue in the first half which was just 2.3% lower than the prior year. Adjusted EBITDA of £20.5 million resulted in a margin of just under 29%.

During the twelve weeks since the election we've seen an increase in activity across our branch network which is again very encouraging and we enter the second half of the year with stock levels up about 12% and just over £1 billion of property under offer in our sales pipeline and that bodes well for the end of the year and beyond. With lettings maintaining positive momentum and a more active sales market predicted for the rest of the year, we're confident of meeting full year

consensus EBITDA forecast. Our expansion has continued with five new branches opening since the beginning of the year and two more planned for the autumn and we've also secured all of our sites for 2016, with the majority of them focused in the faster growing areas of outer London. Cash generation continues to be strong enabling us to pay a total dividend for the half year of 4.77 pence per share up 5% on this time last year.

Let me give you some colour on the sales market. The political and economic uncertainty really over the last six years has led to some quite unusually high levels of volatility in sales markets and you can see that on the charts on this slide, but with the election behind us and potentially more stable economic conditions going forward, we are optimistic about the second half and beyond. At the time of the IPO we stressed that the future growth in property sales transactions following the recession in 2008 would be unpredictable and you can clearly see some of that in the charts on this slide. Following a reduction in property sales transactions of almost 70% in 2008, the market has seen some level of recovery but as you can see the growth hasn't been smooth following a very buoyant end to 2013 and beginning of 2014 the market cooled off pretty sharply, returned to levels almost of activity seen in late 2012 when mortgage markets were still very constrained. Unsurprisingly we also saw some pressure coming off prices ahead of the general election with more cautious buyers in the market but we believe that will ultimately be very beneficial in closing the gap between buyer and seller price expectations and paving the way for more transactions later on. Now particularly in the mid-market which is where we are focused and last year, for example, 75% of our deals on the sales side were below £600,000.

So although with the general election behind us and customer activity picking up, important not to get carried away. We do expect to see property sales volumes increasing towards the second half of the year but we still don't expect the total number of sales transactions in 2015 to exceed those in 2014, just simply because the start to 2014 was so strong. Our lettings division continues to deliver significant profitable and stable income stream which balances our naturally more cyclical sales revenues. In the first half of 2015 our lettings division accounted for more than 47% of group revenue and returned margins of almost 30%. We continue to see tenure preferences shifting towards the private rented sector in London due to increasing population and high property sales prices which makes most homes unaffordable for many and that creates an opportunity for further growth obviously in our lettings business going forward. In London we've seen the number of households in private rented accommodation more than double from around 400,000

in 2003 to over a million today and that means that some 30% of London households are now in private rented accommodation compared to about 18% in the rest of England and whilst the changes announced in the recent budget which will restrict tax relief for mortgage interest by select investors to the basic rate of tax won't be particularly welcomed by landlords, it may actually result in further upward pressure on rents for tenants. Ultimately we believe the impact will be pretty low because income yields for London landlords have never really been a key driver of total returns for them and you can see from the pie chart on this chart, the data published by IPD shows that between 2009 and 2014 just 27% of total returns on residential property were due to income, with 73% of returns being due to capital growth which is obviously unaffected by the recent changes. So that's a bit of a summary on our results and the market, I'll pass over to Gerard in a moment to take you through the financial results.

Gerard Nieslony: Thanks Nic. As Nic has said the company has seen a small reduction income revenue despite the challenges of the property market from the sales market caused by the general election. Total revenue fell by 2.3% which was primarily caused by a contraction in the property sales market in the run up to the general election in H1 2015 versus a market in H1 2014 which was operating at its highest level since 2007. Property sales commissions fell by 10.9%, this may be analysed as a volume reduction of 11.7% offset partially by a small increase in average revenue per sales unit. The fall in volume seems to be seen in the context of a reduction in London market volumes of circa 20% as per the latest available language free data. Foxtons has been able to better this market trend with growth in its branch network. Marginal increase in average revenue per deal is a function of underlying London property price inflation offset by the mixed effect of significant volume reductions in the higher valued Central London area and lower average sales prices as Foxtons moved out of Central London. Business revenue increased by 5.4% and it continues to ride a consistent revenue stream irrespective of availability of the property sales market. Business growth of 5.4% is broadly in line with our long term average of 6% growth. Volumes were up 3.9% and average revenue per lettings unit increased by 1.4%. Mortgage broking revenue increased significantly by 21.7%, this was primarily volume driven with a 15.7% increase together with an average revenue per deal increase of 5.3%.

We will look in a moment in more detail at our KPIs. The administration expenses, these increased by £2.7 million despite a 5.7% increase on prior year. Main cost movements were increased staff costs of £1.2 million, additional fleet costs of £0.7 million. Additional costs of property operating

expenses of 0.6 and all other cost increases totalling 0.2 million. All of these cost increases need to be considered in the context of a 14.3% increase in the size of the branch network from 49 branches at the end of H1 2014 to 56 branches at the end of H1 2015. The above resulted in adjusted EBITDA reducing by 17.8% to £20.5 million. The adjusted EBITDA margin of 28.9% was lower than prior year by 540 basis points. This reduction needs to be put in the context that H1 2015 incurred the disruption caused by the general election and has been compared to a record period for the property sales market in the prior half year. A more appropriate comparison would be to H1 2013 when the sales market was operating at similar levels, this can be seen in the table in the bottom right hand side of the slide. It should also be mentioned that when making a comparison back to H1 2013 that these company operating costs were not being incurred at that point in time as the company listed in September 2013. If the notional adjustment were made for these costs the reported margin in H1 2013 would fall from 31% down to 29.9%. It should also be mentioned that the company has invested heavily in the growth of its branch network over this two year period, growing from 42 branches to 56 which is an increase of a third. Many of these branches are in the early stages of their maturity profile and going forward will ramp up each year in profitability. As can be seen in the sales margin in H1 2014 reached 39.6% reflecting the particularly strong sales market during that period in H1 2014. Over that period H1 2014 the sales market was operating at 84% of long term average whereas at later stages suggest the market in 2015 is operating at 70% of LTA. During H1 2013 the sales market was operating at 68% of long term average. As you can see the sales margin for H1 2015 is more in line with that achieved in H1 2013 of circa 30-31%. The lettings margin is far more stable and is being impacted over this period by the sharp increase in new branches especially as the letting segment takes longer to reach maturity. Our expectation is that the total EBITDA margin will return above 30% for the full year. Profit before tax fell by 21.4% while profit after tax fell by 20.8% due to the abovementioned operating performance plus provision for the cost of LTIPs. The effective rate of tax for H1 2015 of 20.5% is in line with the blended statutory rate of 20.25%. Basic EPS fell by 20.3% and adjusted EPS fell by 18.8%. The key message here is one of continued high margins despite a disruption caused by the general election and the significant investment in our branch network, so let's look at the underlying drivers behind this performance by looking at our KPI. As can be seen the company continues to maintain a balanced business with 48% of revenue being sales and 47% being lettings, this is a key strategic priority of the company as this balance provides financial strength to the Group to withstand fluctuations in the property market. We've already discussed most of the movements in the KPIs when we analysed the P&L earlier however we should

mention average revenue per branch and average revenue per employee which has fallen by 15.1% and 7.8% respectively. These KPIs have declined for the reasons we mentioned earlier i.e. increase of 14.3% of the number of branches increasing significantly with the number of maturing branches in the network and the fact that H1 2014 profit sales market was operating at much higher levels compared to H1 2015.

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, the company benefits from a high level of profitability, there are minimal working capital requirements, the company's asset life was a low level of capital spend. Net capital spend of 3.2 million primarily relates to the fit out of five new branches in H1 2015, in the prior half year we fitted out seven new branches although two of them opened in the second half of that year. Operating cash conversion increased from 78% to 82.6%. Corporation tax payments have fallen in line with the profit before tax of the Group while the net free cash to adjusted EBITDA ratio also increased from 57.4% to 62.7% with net free cash generation of 12.9 million compared to 14.3 million in the prior half year.

During the period the company paid out £14.5 million in dividends being the final dividend in 2014. High profitability and strong cash generation enables a high dividend payout so let's move on to the declared interim dividends for 2015. The picture here is one of a high dividend payout, we have kept to the dividend policy as detailed in the prospectus and will pay out a total dividend of £13.4 million based on our year end cash balance of 20.9 million less an underline retention of operating cash. Our formal policy determines the interim dividend elements with the balance being paid as a special dividend. It should be mentioned that special dividends are paid out on a regular basis. This converts to an interim dividend of 1.67 pence per share and a special dividend of 3.1 pence per share totalling 4.77 pence per share and is an increase of 5% on the prior year interim of 4.54 pence per share. The total interim and special dividend equates to 94% of basic EPS. The dividend will be paid in September 2015. It is worth mentioning that since IPO in September 2013 and including the planned H1 2015 dividends the company will have returned 56.1 million to shareholders which equates to 19.91 pence per share. I am now going to pass you back to Nic to review strategy and outlook.

Nic Budden: Thanks Gerard as you said in the next section I would like to just recap on our strategy and remind you of some of the key differentiators of Foxtons that give us our competitive

differentiation. It is worth saying that our strategy hasn't changed since the IPO and it still really relies on four key themes. We focus on markets with particular attractive [unclear] our current focus and medium term focus will remain in London where a natural imbalance between the supply and demand of property supports a very valuable property market both in sales and letting, characterised by resilient prices and rents and high long term levels of transaction. London's young and rapidly increasing population, significant levels of investment from foreign overseas landlords and high prices meant that in 2014 46% of all property sales within England and Wales by value took place within the London region and we believe those characteristics will persist long term, for example whilst we saw the London population increase by about a million between 2005 and 2013, tight planning controls that restrict the new supply of housing stock meant that only 175,000 new homes were built in London over that same period and that's a number which is clearly sufficient to match the growing demand. Our single brand network of branches, coupled with our centralised business model and our innovative application of technology creates a highly scalable business delivering consistently high levels of service and productivity and powerful operational leverage and our intense focus on sales and service means that we're highly motivated to deliver exceptional results on behalf of our clients. Our people work harder and longer than competitors and it shows in our results and it enables us to sustain significant price premiums, for example in 2014 which is 97 and 98% of asking prices respectively for sellers and landlords, we sold one property every 46 minutes we were open and we let one property every 21 minutes. These levels of performance for clients enable us to achieve high levels of repeat business and sustain those premium prices and I'll talk a little bit more about that in a moment with positioning. Finally we have a long track record of profitable expansion for organic roll out and there's plenty of additional scope within London for further roll out. With our emphasis now on the outer London areas where we believe future price and transaction growth will be higher.

I'm aware there's been a couple of questions recently about our positioning relative to online competitors and on this really simplified slide I've attempted to summarise how I believe our strategy positions are. In terms of service and price our strategy positions after the premium service agent able to sustain premium fees. In comparison large multi-brand agents that have grown largely through acquisition find it more difficult to create a single culture and a seamless service delivery and their people are rarely motivated or even able really to act as a single unit across branches to get the best results and deals for their clients. As a result we believe their service levels will generally be perceived as slightly lower than Foxtons, making it difficult for them

to sustain any premium on price. Although some smaller independent agents offer very high levels of personalised service and great local knowledge, they have very little scope to leverage the benefits of scale and process, meaning that they compete mainly on price to obtain relatively small numbers of instructions and applicants. Online agents typically offer a less personalised quite basic service both from marketing properties in return for an upfront fee, some agents obviously online do offer more comprehensive service options, such as accompanied viewings, negotiation services, floor plans, photography etcetera but those come at additional cost obviously. Additionally in our experience online agents typically offer relatively passive service levels once an offer has been made and any agent will tell you that obtaining an offer from a buyer really is only the start of a lot of hard work to make sure that that deal progresses through to exchange and completion. So because of their relative positioning our view is that online agents will primarily attract clients who are willing to trade service for a lower fee and with that in mind we expect smaller local agents and some of the lower cost larger brand agents to become most vulnerable to share loss to online operators. Our client base naturally places very high value on quality and is primarily motivated by the net proceeds of their transactions rather than the fee alone. The approach that I've explained to you during the strategy session demonstrates how our unique business model creates those kind of results for our clients and we've been able over the last decade to twelve years to maintain significant price premiums against very fierce competition, frankly, from traditional agents and we don't think it's pretty unlikely that an extra couple of thousand pounds worth of savings will result in large numbers of our clients moving to the online agent.

Our organic strategy expansion programme remains obviously at the heart of our growth strategy going forward, over the last decade we have a very successful organic expansion track record, we've quadrupled the size of the company since 2003 from 14 branches to 56 today and by the end of the year we will have 58 branches which is twice as many as we had in 2010 and as well as growing top line revenues our organic expansion strategy also takes us out into the further reaches of outer London which are less sensitive to political and macro-economic issues than Central London is and that provides helpful diversification in our revenue base too. So you can see some of that from the table on the top of the slide here which shows price and property sales transaction growth by tube zone 2014. Last year zones one and two saw falling volumes, primarily due to uncertainty and high prices which made buyers cautious about committing for purchase but in pretty sharp contrast those three outward saw growth of around 9% last year as London has

continued to sort of move out in search of more affordable properties. In some areas of outer London for example Walthamstow where we opened up a branch earlier this year, we saw sales volumes of growth of 18%.

As I mentioned earlier the sales expansion programme has been developed to take advantage of those dynamics with thirteen of the fourteen branches that we've opened since IPO being beyond zone one and nine of them being beyond zone two and by the end of the year 47 out of our 58 branches will be outside zone one. Finally it's worth pointing out that because we've always focused on the mid-market with current average sales prices of around £550,000 we don't expect to see high levels of average revenue dilution as we move out to zones three, four, five. You can see they support average property prices of well over 400,000 which was roughly in line with our average price when we IPO'd meaning that the branch economics of our new offer business as we expand can be expected to be relatively consistent leading to positive cash flow within six or seven months of opening and breaking even on a cash basis within about 19 – 20 months. Given our example of the amount of white space and potential that we have for expansion, we believe there's still potential for 100 branches within London. So far in 2015 we've opened up five in Barnes, Walthamstow, West Hampstead, Ruislip and Bromley and we have two more scheduled for the autumn one in Thurgarton and one in Croydon. We have a pipeline of new offices that we have secured for the next eighteen months' worth expansion with 2006 already completed and as I said we see potential for 100 branches within M25 over time.

Just really to wrap up and conclude, we have I think delivered solid results for the first half of the year against very tough comparables in 2014 and an environment which was disrupted by the general election really for the entire first half. The business continues to be very cash generative and the dividends announced today as Gerard said will have returned over £56 million for shareholders since listing. With greater certainty ahead the pick-up in sales activity already evident we are very optimistic about the end of the year and beyond and our strategy puts us in a strong position not only to capture growth as we expand the outer London reaches but also to benefit from improving market conditions in our more mature branches in the Central London area.

We enter the second half with stock levels up 12%, £1 billion in our sales pipeline and recently opened branches continuing to mature in line with our expectations and our lettings and

mortgage broking business have maintained the positive momentum we've seen in the first quarter 2015. So we're currently in a strong position and assuming reasonable market conditions persist we are confident that we'll achieve the full year expectations in the market place.

Thanks very much, we'll take questions now either from the floor or the phone.

Chris: Just really curious about how the different price points, how they're performing really, you know there's quite a lot of noise at the mid-market to kind of taken off bit since the election albeit the stamp duty seems to have held back the upper and now I know it's not your domain but if you could just talk us through those points.

Nic Budden: Yes I think there's a couple of points there, I would say there's two dimensions really, one is the price point and the other is geographic. We've seen really in the last couple of years pretty low levels of transaction volumes in Central London in particular. During the last, for the half of 2014 we saw that sales transactions in the market in prime London we're down probably 35% so that sort of correlates quite closely with the higher value properties obviously. You know the stamp duty threshold changes last year really don't affect or are beneficial for anything below about a million, 973,000, and so you know, that covers a good 90% of the Foxtons transaction, so where we see the best levels of growth and I've sort of touched on it during the presentation, are in the outer regions of London both because the affordability in Central is meaning that people are moving outwards, great for us for our expansion and as I said those areas are typically, have properties 400,000/500,000 which are less than the political or economic issues that we've been dealing with over the last couple of years, obviously those are more impactful on people buying properties of the sort of one/two million pounds.

Chris: The next question really is just about new homes. I know it's something you guys are kind of progressively getting into, can you just give us an update on where you are there?

Nic Budden: Yes I'm really pleased with new homes actually, I think our pipeline currently consists of about 14% or 15% of new homes revenues and that's much higher than it's been in the past, it's typically been 10-12% and our new homes team which was invested in quite heavily this year is really making great progress and we're getting some great relationships with the house builders. Obviously we're always slightly constrained because we don't do commercial land deals and often

the commercial land deal is tied in with retail trails afterwards but we are managing to sort of punch above our weight there really, with some of the new homes builders and I think that will continue this year.

Chris: I mean would that 14% or 15% number be you know, 11%, 12% last year for the pipeline?

Nic Budden: Yes, 10-12%, 11%, 12% last year.

Chris: And the final one I wanted to ask really is about costs and branch opening. I mean you made a good point that the branch networks 14% of the costs of kind of 35'ish %, can you keep that sort of profile going or is it more of a function of lower commission rates to your sales people as sales revenue went down, I'm just curious about the dynamics on that side of things?

Gerard Nieslony: Yes I believe we can, I mean looking at the economics behind our organic roll out, I mean it is actually quite surprising how the individual years follow the similar sort of profile so you know there'll be a little bit of pressure I think moving out because the average house prices will be slightly lower but with inflation bringing them up I think we'll be able to maintain a similar profile.

Nic Budden: I think it goes back to the point I made earlier in zones three, four and five I think the average sales price last year was £425,000. When we IPO'd our average sales price was £473,000 so you know, as Gerard mentioned we are three or four or five percent inflation over the next couple of years we'll be back delivering a similar sort of economics in those areas that we did when we IPO'd and I think the other thing to point out really there is we expect those areas to be slightly less competitively intense, there's much more competition in Earls Court than there is in Walthamstow and some of the larger brands and some of the larger premium brands will find it difficult to get a foothold I think in places like Walthamstow, Hackney where their brands don't work so well. So we're pretty encouraged by that.

John Bell: John Bell from Barclays. Three from me as well if I can. I can do them in turn if you like. What is the movement in inventory on a like for like basis, so in other words if you exclude the five new branches how would that look year on year. Is it possible to derive that number?

Gerard Nieslony: I don't have that figure, I mean we don't really sort of draw that, well we don't really release that sort of information on a like for like that sort of tranche basis, but it will have increased, I mean I'm kind of yeah.

John Bell: Okay, second one what's your latest attitude towards zero offers, so when you open a new branch I think for the first three months or six you quite often try and capture some market share, obviously as your branch network develops I just wonder whether you might change that period in any way or change the way that that …

Nic Budden: We always, we always have the flexibility to change it, I mean generally speaking we'll always do zero's. The whole, there's two objectives from the zero, one is to create strong levels of brand awareness very quickly in a new area and the second is to grab market share very quickly. In terms of the first one as we get bigger and bigger with the company and our IPO and listing has helped us with brand awareness, we need less of that because we are opening up adjacent offices all the time and so our brand awareness is strong anyway. In terms of market share that's still very important for us, it's very important for our offices to get a very good start in life and we find that typically a zero offer can accelerate our market share progression by 5 – 10 years, so we'll continue doing it and we attenuate it in certain circumstances different if we're opening up an office which is highly cannibalistic to an existing one compared with an office which is a brand new virgin territory, but that will be, that will remain a key component of our launch strategy.

John Bell: Okay, thanks and then finally, just referring really to recent changes in the budget, you've referred that that might result in rents rising in the market. I just wondered to what extent it could also provoke landlords to try and reduce your fees to make good their lost money, whether that's something you've though about or?

Nic Budden: Yeah I mean I don't think that's a risk. We won't be reducing our fee as a result of that, we won't be reducing our fee at all. I think more likely, I mean it becomes more important than ever for a landlord to have a really good agent that can secure good rents for them long term. I mean the drivers for landlords really, again it's not necessarily the rent, what is the key issue for a landlord is collecting all of the rent and having very short void periods and our approach and our systemized approach means that we're very successful at that, we collect well over 99% of all rents due on our landlords' properties which is far in excess of anything most other agents would be

able to tell you and obviously you know, if you lose just one or two weeks' worth of rent that's equivalent to maybe £20/£30 a week to most landlords. As I said income yields have never been the primary consideration for London landlords in particular and with the mortgage rates coming down I don't think it will squeeze landlords as much as some think. So I think there's, as I said before I think the impact may be relatively limited.

John Bell: Okay, thanks.

Nic Budden: Thanks.

Gavin Jaeger: Hello, it's Gavin Jaeger from Hillhome, I've just got one other I want to follow up on this kind of underlying picture for the pipeline. You look at the number of sales you had through the first half by average branch, looks like they were down around about 20% or so. Can you give a feel for how that kind of trended through the first half maybe around the election, momentum into the second half?

Nic Budden: Yeah I think it was really the whole first half, there wasn't much difference between Q1 and Q2. Remember the election was in May so that really created disruption for the entire H1, the other thing to point out and I think we made this clear at Q1 was people didn't wake up even though the election outcome may have had a positive impact for most people who move houses, people don't wake up on the 8th May and put their house on the market. They typically look for a property first, secure that, start to negotiate and then they'll start to bring their property on the market, so really we didn't expect to see large increases in stock inventory through May and June, so we're still just at the very beginning of that I think.

Gavin Jaeger: Yeah, I mean looking at the last RIC survey the majority of the London respondents on that were talking and saying that the biggest issue was stock levels were still relatively low for them. Where do you think that the full year volume is going to come in, are they going to be below …

Nic Budden: I think they'll just be below 2014.

Gavin Jaeger: Okay.

Nic Budden: The reason for that is purely down to how strong it was in Q1 '14. I mean we were back in January/February at 100% of market norms and so I think the market will struggle to sort of get ahead of itself to that extent, I mean, you know, 2014 and '15 will almost be a mirror image, I think but I think I doubt whether by 2015 Q4 will see the market back at 100% of normal levels, it's unlikely.

Sam Thomas: Hi, morning, Sam Thomas from Credit Suisse. Just three from me please. The first one is on just on the sales pipeline that you mentioned of one billion sort of up 12½% on last year. Just wondering if you had that figure for first half of '13, first one Gerard?

Gerard Nieslony: Just to clarify that the stock level is up 12%, the pipeline is up probably a bit more than that, it's probably over 20% up, our pipeline at this time last year was about 850 million I think, so that's up quite significantly. I mean we don't have the 2013 numbers here but I can come back to you on that.

Sam Thomas: Okay, thanks. And then second question I mean, you mentioned a pick-up in buyer enquiries post-election, I mean just interested in terms of comparables how did the activity you're seeing there compare to the elevated levels that you saw second half of '13, first half of '14, just trying to get an idea of the sort of trajectory that you are seeing there?

Gerard Nieslony: Our buyer application levels are up about 29% which is a bit below where they were at the real peak of activity in the end of '13/'14.

Sam Thomas: Great thank you. Then the last one just sort of following on from Chris's question really on the new homes business, I mean 10 – 12% last year, 14 – 15% this year, I mean is that a target, are you happy sort of sticking with or can you see that increasing?

Nic Budden: I think it will increase very slowly, I mean that's not, we're not going to make, we are not suddenly going to become dominant in the supply and sale of new homes but what we are doing is getting really good and developing really good indeed relationships with some of the big home builders and I think that we have a chance of getting decent repeat business from them.

Sam Thomas: And just sort of following on from that, I mean in terms of the competition within the new homes market, how does that compare to what you see in the normal …

Nic Budden: I mean it's the same agents competing for similar sorts of business. The only problem, the only time we come across a problem is where there's a contractual agreement for the sales of the properties after being built is sort of built in from the land deal really.

Sam Thomas: Great thank you.

Nic Budden: Thanks Sam.

Chris: Hi guys it's Chris at Baird City. Just on mortgage broking, decent jump up there this year what drove that, was that re-mortgaging or was that new mortgages or what's driving the trend there as far as you guys see things see that?

Nic Budden: I think that's driven really by a bit of market share increase from us. We've always said remember and I still make this point that our mortgage business, having been pretty much put on ice in 2012/13 is still growing from a very small base. We, you know, during 2012 there was basically very little mortgage availability around, so there's not much point in expanding and investing in our mortgage brokering business. Now I think there's some good prospects for that business and I think long term Gerard just reminded me it's 7% of sales revenues we typically see from our mortgage business. So I think that long term we'll get back to that 7/8% of sales revenue being put through our mortgage business.

Chris: Great.

Anthony Codling: Anthony Codling, Jefferies. Can you talk through the moving bits of the reduction in the average fee, I think it's about 2.4% from 2.5%?

Nic Budden: Yeah, I mean there's been no, I mean that's generally down to the slight increase in new homes businesses, we don't negotiate our standard fee, we have 3% for multi, 2½% for poll and typically 2 to 2.4% in homes business depending on how many units there are, so it will basically be a mixed issue among those.

Any questions from the phone or on the floor? Great, thanks very much for spending time with us this morning and if anyone has any other questions obviously over the next couple of days, feel free to contact me or Gerard. Thanks very much.