

FOXTONS GROUP PLC
Q3-2016 - Trading Update
19 October 2016

Foxtons plc (LSE: FOXT), London's leading estate agency, issues its trading update for the quarter ended 30 September 2016

Total group revenue for the quarter was £37.5m (2015: £43.5m) with revenue for the nine months ended 30 September 2016 totaling £106.3m (2015: £114.5m).

Sales revenue in Q3 was £12.2m (2015: £18.5m) reflecting a continuation of reduced activity in the London property sales market. Lettings revenue, whilst also reflecting lower levels of new tenant activity, benefited from Foxtons strong renewals book and grew modestly in the third quarter to £22.8m (2015: £22.6m). The response to the marketing initiatives which we launched to enhance our lettings business has been encouraging, in particular, the new business which we have secured from the institutional private rented sector (PRS). Our zero lettings campaign, which commenced in August, has been well received and has been extended to our new branches in Vauxhall and Peckham.

Continued tight cost control in Q3 has improved margins and we expect to be broadly in line with full year market expectations. Foxtons remains highly cash generative with no debt.

Leveraging our leading technology, we launched a new "MyFoxtons," online portal in September, which gives customers complete visibility on the entire sales and lettings processes, without compromising on the high-touch, personal service they receive from Foxtons agents. Customer feedback so far has been very positive.

During the year, Foxtons opened seven new branches in Loughton, Sutton, New Malden, Fulham, Maida Vale and most recently in Vauxhall and Peckham, increasing the network size to 65 branches in total. We are committed to open two more branches in Q1 2017 in outer London.

Nic Budden, CEO, said:

"The long term fundamentals of the London property market remain very attractive and represent a huge opportunity for growth with nearly £3bn in total sales and lettings commissions on 2015 volumes. We have built Foxtons to withstand sales market cycles with our lettings revenue comprising over half the business. We are pleased with the response we have seen to the strategic initiatives which we have implemented to grow our lettings business, and also the successful launch of the new MyFoxtons portal.
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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.

About Foxtons Group plc

Foxtons was founded in 1981 with the first branch opened in Notting Hill Gate. Today with 65 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, Best UK Large Lettings Agency (three years running), Best Website 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.