

## **Bellway p.l.c.**

### **Interim Management Statement**

**15 June 2010**

Bellway is today updating the market on its current trading performance by issuing an Interim Management Statement for the period from 1 February 2010 to 15 June 2010.

In the eighteen weeks under review, we have maintained a sales rate broadly comparable with the same period last year, at 100 sales per week, from a similar number of outlets. Cancellation rates have remained stable at around 13%. The average selling price of reservations taken in the period is 10% ahead when compared with last year as a result of changes in mix, and an increasing exposure to the southern market. Since the general election, uncertainty concerning anticipated Government fiscal policy and spending reviews has resulted in a slight reduction in both site visitor levels and weekly sales rates.

The original annual sales target of achieving last year's volume is secure and the Board is confident that legal completions for the year ending 31 July 2010 will exceed those achieved last year by around 200 units. In addition, some 1,800 reservations have now been taken for 2010/11.

As previously indicated, the Board expects to deliver an operating margin in excess of 6.5% for the full year. Operating margins on current reservations have improved as a result of a strong focus on cost control and the commencement of recently acquired sites where gross margins are in excess of 20%.

The Group's land teams continue to be active in the market, especially in the southern half of the country, albeit using a very disciplined approach with regard to margin, return on capital and achievable selling prices. To date, £151 million has been unconditionally committed representing 2,475 plots, with heads of terms or conditional contracts agreed on a further 5,275 plots.

Possible changes surrounding the planning system could pose new challenges to the business. Nevertheless, with a strong forward order book, net cash in the bank of £55 million and expected future margin improvement, Bellway remains well positioned to continue to deliver earnings growth.

The Group will announce a trading update for the financial year ending 31 July 2010 on Thursday 5 August.

*Certain statements in this announcement are forward-looking statements which are based on Bellway p.l.c.'s expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. Such forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, Bellway p.l.c. undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.*

#### **FOR FURTHER INFORMATION PLEASE CONTACT:**

**JOHN WATSON, CHIEF EXECUTIVE & ALISTAIR LEITCH, FINANCE DIRECTOR  
FROM 7.30 AM ONWARDS ON 0191 217 0717**