

**Bellway p.l.c.**  
**Trading Update**  
**Friday 5 February 2010**

Bellway is today issuing an update following the first six months of trading which ended on 31 January and prior to the announcement of the interim results on Wednesday 24 March.

The Group completed the sale of 2,247 homes (2009 : 2,014) at an average selling price of £156,000 (2009 : £156,146), with the operating margin for the six months being around 6% (2009 : 9.2% before exceptional items). The margin for the full year is estimated to be at the higher end of the 6% - 7% range. It is anticipated that there will be no exceptional items included in the interim results (2009 : £66.3 million).

The order book at 31 January stood at £390 million (2009 : £296 million), representing 2,506 homes (2009 : 2,173) of which 706 (2009 : 665) are for the following financial year. The Group has now sold or reserved 92% (2009 : 81%) of this year's current target and the next six weeks' reservation pattern will determine whether this target will be increased. Reservations in the first six months have averaged 85 per week which compares to 65 in the same period last year and 104 from February to July 2009.

The Group has a strong balance sheet with a net cash position of £61 million which was helped by a significant reduction in our stock of unsold properties compared to last year and we are now selectively investing in both work in progress and land opportunities thereby increasing the capacity for future growth. Since the beginning of the financial year, Bellway has spent around £76 million on land, predominantly in the south and has terms agreed on a further £123 million. As new planning permissions are granted, our divisions are gradually opening up more sites and this should result in an increase in the number of sales outlets to around 190 by the year end compared to an average of 175 in the first six months.

Historically there is always an uplift in weekly home reservations as the traditional spring selling season unfolds. However, with mortgage providers continuing to require a high level of deposit, particularly for first time buyers, we expect trading conditions during the first half of 2010 to be subdued relative to historic levels.

Nevertheless, the Board considers that the Group is currently well positioned and is trading profitably with a high level of targeted output already secured and no borrowings. This should enable Bellway to take advantage of opportunities as and when they arise.

Certain statements in this announcement are forward-looking statements which are based on Bellway plc'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 plc 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:**

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