

Bellway p.l.c.
Interim Management Statement
10 June 2011

Bellway is today updating the market as to its current trading position by issuing an Interim Management Statement (IMS) relating to the period from 1 February to 31 May 2011.

The uncertainties that affected consumer confidence during the challenging autumn trading period appear to have diminished and, encouragingly, there has been a return towards a more normal reservation pattern with a healthy spring selling season, despite ongoing concerns remaining in the wider economy.

In the seventeen weeks under review, the Group has achieved a sales rate of 111 units per week, an increase of 9% on the same period last year, from an average of 195 sites. The average selling price of these reservations is £182,000, an increase of 4% compared to last year, driven by continuing changes in product mix, combined with a greater contribution of higher value units from divisions in and around London, where demand remains strongest.

At the time of the interim announcement in March the Board outlined its target of increasing unit completions for the year ending 31 July 2011 by around 5%. The Board is therefore pleased to announce that these reservations are now secure, subject to delivery, and furthermore some 1,600 reservations have been taken for completion in 2011/12. Operating margin continues to improve as trading from new sites, acquired since the downturn at gross margins in excess of 20%, starts to contribute to a greater proportion of completions.

The Group continues its disciplined approach to land procurement and, within these restraints, all divisional land teams have been active during the four months under review, with £220 million expended on land and land creditors in the year to date. This expenditure, together with a gradual increase in work in progress, resulted in the Group's net debt rising to £57 million at 31 May, compared with total committed facilities of £290 million. Subject to opportunities which may be available over the coming weeks, the Board expects this level of gearing to reduce by the year end.

Constraints in relation to mortgage supply, particularly regarding first time buyers, combined with wider economic concerns, continue to pose challenges to the sector. Nevertheless, with a strong order book, low gearing, and the increasing contribution from sites acquired since the downturn, the Board believes that Bellway is well positioned to continue delivering both operating margin and volume growth if market conditions remain unchanged.

The Group will announce a trading update for the financial year ending 31 July 2011 on Friday 5 August.

FOR FURTHER INFORMATION PLEASE CONTACT:

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