Bellway p.l.c.

Interim Management Statement

9 December 2011

Bellway is today issuing an Interim Management Statement (IMS) relating to the period from 1 August to 30 November 2011.

At the time of its annual results' announcement on 18 October 2011, the Group outlined its continuing strategy of increasing volumes, raising average selling prices through changes in mix and achieving margin growth. We have continued to deliver this strategy despite the ongoing concerns over financial markets and their implications for the UK economy. Visitor levels and reservations have been remarkably resilient, with the latter having increased by some 14% when compared to the same period last year. The average selling price of these reservations has increased by almost 7%, reflecting the continuing changes in mix.

The Group continues to utilise a variety of incentives to secure sales, however encouragingly, the use of shared equity as an incentive has reduced to less than 5% of reservations in the period compared to 10% last year. In contrast the part exchange of customers' existing homes is used in an increasing number of transactions.

Our divisions continue to invest in land, having expended £71 million on land and land creditors and contracted to acquire around 1,400 plots in the period, resulting in modest net debt of £17 million. With this further investment in new land the number of trading outlets is expected to increase to around 215 in early 2012, thereby facilitating the Group's aspirations of volume and operating margin growth. The Board anticipates that legal completions for the six months ending 31 January 2012 will increase by around 5% and that the operating margin for the same period will be at least in line with that achieved in the second half of the previous financial year of just under 10%.

The Board is pleased to announce that it has renewed a £150 million bi-lateral banking facility with one of its existing banking partners, Lloyds Bank Corporate Markets, with no significant changes to banking covenants. Bellway now has combined facilities of £300 million which extend in tranches up to November 2016. The arrangement fee, of just over 1% of the new facility, will be fully expensed in the six months to 31 January 2012. The overall blended margin on the new combined facilities remains competitive. These bi-lateral banking arrangements underpin the Group's ability to continue its disciplined approach to land acquisition and provide funding certainty in the current climate of volatile debt markets.

The government continues in its attempts to stimulate the housing market and is looking to address some of the issues surrounding higher loan to value mortgage lending, albeit the detail and mechanics of their recent proposals are yet to be determined. Whilst the Group welcomes such initiatives, the outcome for the full year will be dependent primarily upon consumer confidence, especially during the spring selling season.

Notwithstanding the current backdrop of global and domestic economic uncertainty, Bellway is well positioned to continue its three pronged strategy of volume, average selling price and operating margin growth. The order book at 30 November is £458 million (2010: £440 million) and the Group has secured some 73% of its current annual target.

The Chairman will make a brief statement at the Annual General Meeting on 13 January 2012 and a trading update for the six months ended 31 January 2012 will be issued on 7 February 2012.

FOR FURTHER INFORMATION PLEASE CONTACT:

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