

Bellway p.l.c.

Trading Update & Board Changes

5 August 2011

Following the end of its financial year on 31 July, Bellway is updating the market on recent trading and forthcoming Board changes.

Trading Update

The Group has legally completed 4,922 homes, an increase of 7.1% compared with the previous year's total of 4,595. The average selling price of homes sold has increased by 7.2% from £163,175 to around £175,000 and this increase is mainly derived from changes in product mix. Operating margin is set to rise from 6.7% to between 8% and 9% for the full year with the second half margin being towards 10%. This performance will result in profit before tax now being modestly ahead of the current market consensus of £62 million.

Following the Interim Management Statement on 10 June, reservation rates throughout the summer months, whilst traditionally a slower selling period, have been ahead of the same period last year. The Group currently has an order book of £426.8 million (2010 - £421.0 million), representing 2,497 homes, of which 2,334 should legally complete in the next twelve months.

As at 31 July, the Group had net cash of £3 million with combined bank facilities of £290 million, having expended around £250 million on land and land creditors during the year. In addition, some 4,500 plots with an approximate value of £230 million currently have terms agreed.

Bellway's continuing aims for 2011/2012 are to deliver incremental volume growth, repair operating margins and, through changes in product mix, improve average selling prices, all of which are largely dependent on the level of consumer confidence and the availability of mortgage finance.

Notwithstanding the current global economic uncertainties, should market conditions remain stable and reservations follow their normal seasonal trends, then the Board looks forward to delivering these aims and, in so doing, further increase profit before tax.

Board Changes

Alistair Leitch (57), Group Finance Director, has decided to retire from the Board on 31 January 2012. Alistair joined the Group, initially as a Divisional Accountant in Scotland in 1981. In 1986 he was appointed Finance Director of the North East Division, joining John Watson, the current Chief Executive, who was Managing Director of the division at that time. Some 10 years later he was promoted to the role of Group Chief Accountant and was

subsequently elevated to the position of Group Finance Director in 2002. The Board would like to place on record its sincere gratitude for his dedicated service and highly valued contribution to the Group over the years and wishes him a long and happy retirement.

Alistair will be replaced by the current Group Chief Accountant, Keith Adey (32), who will join the Board on 1 February 2012 as Group Finance Director. Keith, a graduate of Durham University and a Chartered Accountant joined Bellway from Grainger Plc in 2008. The Board look forward to working with Keith in his new role.

The company will announce its preliminary results on Tuesday 18 October 2011.

FOR FURTHER INFORMATION PLEASE CONTACT:

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

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