

**Bellway p.l.c.**  
**Trading Update**  
**Monday 7 February 2011**

Bellway is today updating the market as to its trading performance for the six months ended 31 January.

The Group completed the sale of 2,332 homes, an increase of 85 units, compared to the six months ended 31 January 2010. The average sales price of these homes has risen from £155,871 in the same period last year to £168,000, an improvement of circa 8%. This increase, whilst aided by greater price stability during 2010, is primarily a result of the change in product mix as Bellway continues to change its focus away from apartments towards more traditional two storey homes.

The operating margin is expected to exceed that achieved in the comparable period last year of 6.1% by almost 100 basis points. This improvement in margin should continue in the second six months as more recently acquired sites start to contribute to completions.

Around £130 million (2010 - £76 million) has been spent on land in the period and whilst Bellway is no longer in a net cash position, having £7 million of net debt at 31 January, it remains soundly financed, having recently renewed a bilateral facility of £150 million with Barclays, one of its banking partners. This new facility expires in a variety of tranches up until December 2015 and currently provides the Group with total facilities of £380 million.

In October, our main concern was the effect the Spending Review would have on consumer confidence and, as already indicated in our last Interim Management Statement, reservations to the end of November exceeded the Board's expectations. Whilst site visitors and reservations were obviously hampered by the cold weather in December, the number of visitors and subsequent reservations since the beginning of January has been encouraging however, four weeks is too short a time to consider revising our forecast for the full year. Currently the Group has an order book of £402 million (2010 - £390 million), representing 2,343 homes, of which 1,847 should legally complete by 31 July 2011.

The strength of this year's spring selling season should be more apparent, when the results for the six months to 31 January 2011 are announced on Wednesday 30 March.

*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.*

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