NATIONAL HOUSEBUILDER BELLWAY p.l.c. TODAY, TUESDAY 27 MARCH, ANNOUNCE THEIR INTERIM RESULTS FOR THE HALF YEAR ENDED 31 JANUARY 2012.

HIGHLIGHTS

- Completed sales of 2,455 homes (2011 - 2,332)
- Average price achieved £182,753 (2011 - £168,428)
- Total Group turnover of £458.6m (2011 - 407.9m)
- Profit before taxation up 69.2% to £40.6m (2011 - £24.0m)
- Interim dividend 6.0p (2011 - 3.7p)
- Net asset value per ordinary share 902p (31 July 2011 - 888p)
- Earnings per share 25.2p (2011 – 15.3p)
- Forward order book at 11 March of £498.5m (13 March 2011 - £479.2m)

Chairman Howard Dawe said "Bellway has completed another six-month period of growth in volume, selling price and operating margin" as "the Group completed the sale of 2,455 homes…an increase of 5.3%" "resulting in profit before tax of £40.6 million and growth in earnings per share to 25.2p"

Furthermore "I am therefore delighted to announce that the interim dividend will be increased substantially by over 62%." The dividend balances "…the need for certainty of return to shareholders with continued investment in land in order to maintain volume growth."

He concluded "there remains an underlying demand for our homes" and "the Group therefore intends to continue its three-pronged strategy of delivering volume, selling price and operating margin growth".

FOR FURTHER INFORMATION, PLEASE CONTACT JOHN WATSON, CHIEF EXECUTIVE OR KEITH ADEY, FINANCE DIRECTOR.

TUESDAY 27 MARCH – FRIDAY 30 MARCH
J WATSON: 07855 337007
K ADEY: 07837 188643
THEREAFTER: 0191 217 0717

CHAIRMAN'S STATEMENT

I am pleased to report that Bellway has completed another six-month period of growth in volume, selling price and operating margin.

The Group completed the sale of 2,455 (2011 – 2,332) homes in the six months ended 31 January 2012, an increase of 5.3% compared with the same period last year. The average selling price of those homes has risen by 8.5% to £182,753 (2011 - £168,428), primarily derived from continuing changes in geographical and product mix. Other revenue for the period was £9.9 million (2011 - £15.1 million) resulting in the Group generating total revenue of £458.6 million (2011 - £407.9 million), an increase of 12.4% compared with the prior year.

The operating margin continued its upward trend, principally due to the greater proportion of homes sold on higher margin land acquired since the economic downturn, thereby producing a healthy improvement of 320 basis points to 10.1%. The operating profit of £46.4 million (2011 - £28.1 million) represents an increase of 65% on the prior year. There are net finance costs of £5.8 million (2011 - £4.1 million) resulting in profit before tax of £40.6 million (2011 - £24.0 million) and growth in earnings per share to 25.2p (2011 – 15.3p).

The Group has continued cautiously investing in both land and work in progress to achieve its strategy of volume growth. As a result, the Group spent £105 million on land and land creditors and has terms agreed on a further 4,600 plots as at 31 January 2012. With net bank debt of £11.6 million, representing negligible gearing of just over 1% and committed bank facilities of £300 million, the Group has the capacity to continue to deliver on-going volume growth. The net asset value per ordinary share has grown from 888p at 31 July 2011 to 902p at 31 January 2012.

Dividend

The Board has maintained its record of paying a dividend every year since the Group's flotation in 1979, having continued this record throughout the recent economic downturn. I am therefore delighted to announce that the interim dividend will be increased substantially by over 62%, from 3.7p to 6.0p per ordinary share. Furthermore, the Board intend to maintain a full year cover of between 3 and 3.5 times, thereby balancing the need for certainty of return to shareholders with continued investment in land in order to maintain volume growth. The dividend will be paid on Monday 2 July 2012 to all ordinary shareholders on the Register of Members on Friday 25 May 2012. The ex-dividend date is Wednesday 23 May 2012.

Trading

The Group's operating divisions completed the sale of 2,048 (2011 – 1,784) private homes during the period, an increase of 14.8% on the prior year, together with a further 407 (2011 – 548) sales to housing associations. The increase in private completions has been achieved despite a reduction in shared equity sales from 14% to fewer than 5% of homes sold.

Our southern divisions performed particularly well, having completed the sale of 1,282 homes (2011 – 1,146), an increase of 11.9%, whereas the number of completions from our northern divisions remained stable at 1,173 homes (2011 – 1,186).

On-going changes in mix have contributed to the improvement in the average selling price, which in the north has risen by 4.3% to £151,468 (2011 - £145,174), primarily due to the increase in more traditional two storey family housing in this region.

The average selling price in the south showed a more robust 9.8% increase to £211,378 (2011 - £192,493) where demand remains strongest within the Greater London boroughs as the Group continues to invest in higher value developments. Whilst these developments typically have an average selling price in excess of £250,000, they remain affordable in the context of the London market.

Reservation rates in the six months to 31 January 2012 have averaged 89 (2011 – 80) per week, an increase of 11%. This rate has increased further in the six weeks since 1 February to an average of 120 per week from 205 sites, an encouraging start to the spring selling season. The order book at 11 March stood at £498.5 million (2011 - £479.2 million), representing 2,718 homes and, as a consequence, the Group has reserved or legally completed 94% of its current full year volume target.

Outlook

Whilst uncertainties in the wider economy and the threat of unemployment continue, there remains an underlying demand for our homes and, as a consequence, visitor levels since the start of the calendar year have followed their usual upward seasonal trend.

The availability of affordable, higher loan to value mortgage products has so far remained restricted. We are, however, hopeful that the government's NewBuy initiative will assist in underpinning future sales rates, although this is unlikely to have any significant effect on the number of completions for the current financial year.

Bellway's strong balance sheet provides capacity to grow and means it has the flexibility to continue its disciplined investment in attractive land opportunities. The Group therefore intends to continue its three-pronged strategy of delivering volume, selling price and operating margin growth, thereby achieving a sustainable improvement in shareholder return.

Howard C Dawe
Chairman

26 March 2012

CONDENSED GROUP INCOME STATEMENT

		Notes	**Half year ended 31 January 2012 £m**	Half year ended 31 January 2011 £m	Year ended 31 July 2011 £m
Revenue			**458.6**	407.9	886.1
Cost of sales			**(388.7)**	(357.5)	(766.7)
Gross profit			**69.9**	50.4	119.4
Administrative expenses			**(23.5)**	(22.3)	(44.2)
Operating profit			**46.4**	28.1	75.2
Finance income			**0.5**	1.3	1.8
Finance expenses			**(6.3)**	(5.4)	(9.8)
Profit before taxation			**40.6**	24.0	67.2
Income tax expense		3	**(10.2)**	(5.5)	(17.0)
Profit for the period *			**30.4**	18.5	50.2

* All attributable to equity holders of the parent.

		Notes			
Earnings per ordinary share	**- Basic**		**25.2p**	15.3p	41.5p
	- Diluted		**25.1p**	15.3p	41.4p
Dividend per ordinary share		5	**6.0p**	3.7p	12.5p

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Half year ended 31 January 2012 £m**	Half year ended 31 January 2011 £m	Year ended 31 July 2011 £m
Profit for the period		**30.4**	18.5	50.2
Other comprehensive (expense) / income				
Actuarial (losses) / gains on defined benefit pension plans		**(3.0)**	2.0	0.7
Income tax on other comprehensive (expense) / income	3	**0.7**	(0.5)	(0.6)
Other comprehensive (expense) / income for the period, net of income tax		**(2.3)**	1.5	0.1
Total comprehensive income for the period *		**28.1**	20.0	50.3

* All attributable to equity holders of the parent.

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Issued capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
Half year ended 31 January 2012							
Balance at 1 August 2011	15.1	160.7	1.5	896.1	1,073.4	(0.1)	1,073.3
Total comprehensive income for the period							
Profit for the period	-	-	-	30.4	30.4	-	30.4
Other comprehensive expense *	-	-	-	(2.3)	(2.3)	-	(2.3)
Total comprehensive income for the period	-	-	-	28.1	28.1	-	28.1
Transactions with shareholders recorded directly in equity:							
Dividends on equity shares	-	-	-	(10.6)	(10.6)	-	(10.6)
Shares issued	-	0.1	-	-	0.1	-	0.1
Credit in relation to share options and tax thereon	-	-	-	0.8	0.8	-	0.8
Purchase of own shares	-	-	-	(1.0)	(1.0)	-	(1.0)
Total contributions by and distributions to shareholders	-	0.1	-	(10.8)	(10.7)	-	(10.7)
Balance at 31 January 2012	**15.1**	**160.8**	**1.5**	**913.4**	**1,090.8**	**(0.1)**	**1,090.7**
Half year ended 31 January 2011							
Balance at 1 August 2010	15.1	160.6	1.5	857.7	1,034.9	(0.1)	1,034.8
Total comprehensive income for the period							
Profit for the period	-	-	-	18.5	18.5	-	18.5
Other comprehensive income *	-	-	-	1.5	1.5	-	1.5
Total comprehensive income for the period	-	-	-	20.0	20.0	-	20.0
Transactions with shareholders recorded directly in equity:							
Dividends on equity shares	-	-	-	(8.1)	(8.1)	-	(8.1)
Credit in relation to share options and tax thereon	-	-	-	0.6	0.6	-	0.6
Purchase of own shares	-	-	-	(0.6)	(0.6)	-	(0.6)
Total contributions by and distributions to shareholders	-	-	-	(8.1)	(8.1)	-	(8.1)
Balance at 31 January 2011	15.1	160.6	1.5	869.6	1,046.8	(0.1)	1,046.7
Year ended 31 July 2011							
Balance at 1 August 2010	15.1	160.6	1.5	857.7	1,034.9	(0.1)	1,034.8
Total comprehensive income for the period							
Profit for the period	-	-	-	50.2	50.2	-	50.2
Other comprehensive income *	-	-	-	0.1	0.1	-	0.1
Total comprehensive income for the period	-	-	-	50.3	50.3	-	50.3
Transactions with shareholders recorded directly in equity:							
Dividends on equity shares	-	-	-	(12.5)	(12.5)	-	(12.5)
Shares issued	-	0.1	-	-	0.1	-	0.1
Credit in relation to share options and tax thereon	-	-	-	1.2	1.2	-	1.2
Purchase of own shares	-	-	-	(0.6)	(0.6)	-	(0.6)
Total contributions by and distributions to shareholders	-	0.1	-	(11.9)	(11.8)	-	(11.8)
Balance at 31 July 2011	15.1	160.7	1.5	896.1	1,073.4	(0.1)	1,073.3

* Additional breakdown is provided in the Condensed Group Statement of Comprehensive Income.

CONDENSED GROUP BALANCE SHEET

	At 31 January 2012 £m	At 31 January 2011 £m	At 31 July 2011 £m
ASSETS			
Non-current assets			
Property, plant and equipment	**10.3**	8.7	9.0
Investment property	**9.4**	7.8	8.9
Other financial assets	**34.2**	36.2	33.5
Deferred tax assets	**4.6**	3.7	3.7
	58.5	56.4	55.1
Current assets			
Inventories	**1,270.1**	1,190.5	1,270.3
Trade and other receivables	**53.2**	50.6	62.2
Cash and cash equivalents	**23.4**	93.3	83.4
	1,346.7	1,334.4	1,415.9
Total assets	**1,405.2**	1,390.8	1,471.0
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings	**(20.0)**	(100.0)	(85.0)
Retirement benefit obligations	**(11.6)**	(6.9)	(8.4)
Trade and other payables	**(29.8)**	(18.2)	(31.2)
Deferred tax liabilities	**-**	(0.5)	(0.1)
	(61.4)	(125.6)	(124.7)
Current liabilities			
Interest bearing loans and borrowings	**(35.0)**	(20.0)	(15.0)
Corporation tax payable	**(11.6)**	(9.6)	(11.8)
Trade and other payables	**(206.5)**	(188.9)	(246.2)
	(253.1)	(218.5)	(273.0)
Total liabilities	**(314.5)**	(344.1)	(397.7)
Net assets	**1,090.7**	1,046.7	1,073.3
EQUITY			
Issued capital	**15.1**	15.1	15.1
Share premium	**160.8**	160.6	160.7
Other reserves	**1.5**	1.5	1.5
Retained earnings	**913.4**	869.6	896.1
Total equity attributable to equity holders of the parent	**1,090.8**	1,046.8	1,073.4
Non-controlling interest	**(0.1)**	(0.1)	(0.1)
Total equity	**1,090.7**	1,046.7	1,073.3

CONDENSED GROUP CASH FLOW STATEMENT

	Note	**Half year ended 31 January 2012 £m**	Half year ended 31 January 2011 £m	Year ended 31 July 2011 £m
Cash flows from operating activities				
Profit for the period		**30.4**	18.5	50.2
Depreciation charge		**0.9**	0.8	1.7
Profit on sale of property, plant and equipment		**(0.1)**	(0.1)	(0.3)
Finance income		**(0.5)**	(1.3)	(1.8)
Finance expenses		**6.3**	5.4	9.8
Share-based payment charge		**0.6**	0.5	1.0
Income tax expense	3	**10.2**	5.5	17.0
Decrease / (increase) in inventories		**0.2**	(41.8)	(121.6)
Decrease / (increase) in trade and other receivables		**8.2**	(10.1)	(19.2)
(Decrease) / increase in trade and other payables		**(42.8)**	(41.0)	29.9
Cash inflow / (outflow) from operations		**13.4**	(63.6)	(33.3)
Interest paid		**(4.3)**	(2.1)	(5.6)
Income tax (paid) / refunded		**(10.6)**	1.1	(8.4)
Net cash outflow from operating activities		**(1.5)**	(64.6)	(47.3)
Cash flows from investing activities				
Acquisition of property, plant and equipment		**(2.2)**	(1.4)	(2.6)
Acquisition of investment property		**(0.5)**	(0.1)	(1.2)
Proceeds from sale of property, plant and equipment		**0.1**	0.2	0.3
Proceeds from the sale of investment property		**-**	0.1	0.2
Interest received		**0.6**	2.1	1.3
Net cash (outflow) / inflow from investing activities		**(2.0)**	0.9	(2.0)
Cash flows from financing activities				
(Decrease) / increase in bank borrowings		**(45.0)**	20.0	-
Proceeds from the issue of share capital on exercise of share options		**0.1**	-	0.1
Purchase of own shares by employee share option plans		**(1.0)**	(0.6)	(0.6)
Dividends paid	5	**(10.6)**	(8.1)	(12.5)
Net cash (outflow) / inflow from financing activities		**(56.5)**	11.3	(13.0)
Net decrease in cash and cash equivalents		**(60.0)**	(52.4)	(62.3)
Cash and cash equivalents at beginning of period		**83.4**	145.7	145.7
Cash and cash equivalents at end of period		**23.4**	93.3	83.4

NOTES

1. Basis of preparation and accounting policies

These condensed financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 July 2011.

These condensed financial statements are unaudited and were approved by the Board of Directors on 26 March 2012.

The comparative figures for the financial year ended 31 July 2011 are not the Group's statutory financial statements for that year. Those financial statements have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The accounting polices applied by the Group in these condensed financial statements are consistent with those applied by the Group in its Annual Report and Accounts for the year ended 31 July 2011. The adoption of new standards, amendments and interpretations during the period has not had a material effect on the Group's profit for the period or equity. Further details are included on page 54 of the Annual Report and Accounts for the year ended 31 July 2011.

2. Segmental analysis

The Board regularly reviews the Group’s performance and balance sheet position for its entire operations, which are based in the UK, and receives financial information for the UK as a whole. As a consequence the Group has one reportable segment which is UK house building.

As there continues to be only one reportable segment whose revenue, profits, expenses, assets, liabilities and cash flows are measured and reported on a basis consistent with the Group financial statements, no additional numerical disclosures are necessary.

3. Taxation

The taxation expense for the half years ended 31 January 2012 and 31 January 2011 is calculated by applying the Directors' best estimate of the annual effective tax rate to the profit for the period. The taxation expense also includes adjustments in respect of prior years and the period to 31 January 2012 benefits from the finalisation of prior year corporation tax returns.

4. Exceptional items

Exceptional items are those which, in the opinion of the Board, are material by size or nature, non-recurring, and of such significance that they require separate disclosure on the face of the income statement.

A full review of inventories was performed at 31 January 2012 and the carrying value of land was compared to the net realisable value. Net realisable value represents the estimated selling price (in the ordinary course of business) less all estimated costs of completion and overheads. Estimated selling prices were reviewed on a site by site basis and selling prices were amended based on local management and the Board's assessment of current market conditions. No further exceptional land write downs or land write backs were required as a result of this review.

There were no exceptional items in the six months ended 31 January 2011 or in the year ended 31 July 2011.

NOTES (continued)

5. Dividends

	Half year ended 31 January 2012 £m	Half year ended 31 January 2011 £m	Year ended 31 July 2011 £m
Final dividend paid for the year ended 31 July 2011 of 8.8p per share (2010 – 6.7p)	**10.6**	8.1	8.1
Interim dividend paid for the year ended 31 July 2011 of 3.7p per share (2010 – 3.3p)	**-**	-	4.4
	10.6	8.1	12.5
Proposed interim dividend for the year ending 31 July 2012 of 6.0p per share (2011 – 3.7p)	**7.2**	4.5	-

The proposed interim dividend was approved by the Board of Directors on 26 March 2012 and has not been included as a liability at the balance sheet date.

6. Related party transactions

There have been no related party transactions in the first six months of the current financial year which have materially affected the financial position or performance of the Group.

Related parties are consistent with those disclosed in the Group's Annual Report and Accounts for the year ended 31 July 2011.

7. Half year report

The condensed financial statements were approved by the Board of Directors on 26 March 2012 and copies are being posted to all shareholders. Further copies are available on application to the Company Secretary, Bellway p.l.c., Seaton Burn House, Dudley Lane, Seaton Burn, Newcastle upon Tyne, NE13 6BE and are also available on our website at www.bellway.co.uk.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties which could have a material impact on the Group’s performance in the remaining six months of the financial year remain the same as those stated on pages 24 and 25 of our Annual Report and Accounts for the year ended 31 July 2011 which is available on our website at www.bellway.co.uk.

NOTES (continued)

Statement of directors' responsibilities

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU;
- the Half Year Report 2012 includes a fair review of the information required by:

  (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Directors of Bellway p.l.c. are listed in the Annual Report and Accounts for the year ended 31 July 2011. Peter Stoker, the Commercial Director, retired from the Board on 31 July 2011 and our Southern Regional Chairman, Edward (Ted) Ayres, joined the Board on 1 August 2011. Alistair Leitch, the Finance Director, retired from the Board on 31 January 2012, and our Group Chief Accountant, Keith Adey, joined the Board on 1 February 2012.

For and on behalf of the Board

John K Watson
Chief Executive

Registered number 1372603
26 March 2012

Certain statements in this announcement are forward-looking statements which are based on Bellway p.l.c.'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 p.l.c. undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.