

Bellway p.l.c.

Interim Management Statement

Friday 8 June 2012

Bellway is today updating the market with regard to its current trading position by issuing an Interim Management Statement (IMS) relating to the period from 1 February to 31 May 2012.

Demand throughout the spring selling season has remained resilient with visitor levels and reservation rates continuing to outperform expectations. During the seventeen week period under review reservations, net of cancellations, have averaged 122 per week, an increase of 9% on the prior year. The increase in the private weekly sales rate is more marked at 19%, having been attained from an average of 210 sites, compared to 195 last year.

Whilst sales incentives continue to be used, the enhanced reservation rate has been achieved despite continuing to restrict the use of shared equity, which represented only 8% of reservations taken. The Group welcomes the introduction of the Government's NewBuy mortgage indemnity guarantee scheme which has contributed 90 reservations in the eleven weeks since its launch. The longer term success of this initiative will depend upon the approach of lenders to mortgage rates and credit scoring criteria and to this extent, it will be some months before the Group is able to determine whether NewBuy will have any incremental effect on sales rates.

The target set at the beginning of the financial year of achieving 5% volume growth is now secure, subject to build delivery, and the Board is therefore confident that legal completions for the year ending 31 July 2012 should exceed those achieved last year by around 300 units. In addition, some 1,600 reservations have been taken for completion in 2012/13.

The average selling price in respect of reservations taken since 1 February is £190,400, an increase of 5% compared to the same period last year. The increase is primarily due to a combination of the ongoing contribution of higher value units from the Group's divisions which have exposure to the London market, together with a greater proportion of private reservations.

Operating margins continue to improve as the Group remains focussed on cost control and replenishing the land bank with new sites. An increasing proportion of completions from these new sites, where margins are typically in excess of 20%, should now result in the Group producing an operating margin of at least 11% for the full year.

The Group's land teams have continued to be active in the market, having expended £195 million on land and land creditors and having agreed heads of

terms on a further 4,800 plots. The Group continues to adopt a disciplined approach to land buying by focussing on return on capital and margin whilst remaining mindful of local market and employment conditions. The Group had net bank debt of £35 million at 31 May and depending upon the profile of land opportunities over the coming weeks, the Board anticipates a modest level of gearing at the year end.

Assuming consumer demand and the availability of affordable mortgage finance remain unchanged, then the Group's capacity to grow geographically, combined with a strong balance sheet, mean that Bellway is well positioned to continue its three pronged strategy of increasing volume, average selling price and operating margin.

John Watson, Group Chief Executive and Keith Adey, Group Finance Director will be hosting a site visit at New Festival Quarter, 41 Upper North Street, Poplar E14 6SY, today, Friday 8 June 2012, from 11.30am during which no new financial information will be given. The Group will announce a trading update for the financial year ending 31 July 2012 on Tuesday 7 August.

FOR FURTHER INFORMATION PLEASE CONTACT:

JOHN WATSON, GROUP CHIEF EXECUTIVE & KEITH ADEY, GROUP FINANCE DIRECTOR FROM 7.30AM ON 0207 262 3226 AND FROM 10.00AM ONWARDS ON 07855 337007 (JOHN WATSON) AND 07837 188643 (KEITH ADEY)

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