NATIONAL HOUSEBUILDER BELLWAY p.l.c. TODAY, TUESDAY 26 MARCH, ANNOUNCE THEIR INTERIM RESULTS FOR THE HALF YEAR ENDED 31 JANUARY 2013

Highlights

Financial Highlights

	Half year ended 31 January 2013	Half year ended 31 January 2012	Movement
Revenue	£502.5m	£458.6m	+9.6%
Gross profit	£89.7m	£69.9m	+28.3%
Gross margin	17.9%	15.2%	+270 ppts
Operating profit	£64.4m	£46.4m	+38.8%
Operating margin	12.8%	10.1%	+270 ppts
Profit before taxation	£59.9m	£40.6m	+47.5%
Earnings per share	37.9p	25.2p	+50.4%
Dividend per share	9.0p	6.0p	+50.0%
Return on capital employed	10.5%	8.4%	+210 ppts

- Net asset value per share increased to 957p (31 July 2012 – 933p)

Operational Highlights

- 2,597 homes sold (2012 – 2,455) – up 5.8%
- Average selling price increased to £187,426 (2012 – £182,753) – up 2.6%
- Land investment increased to £145 million (2012 – £105 million)
- Land bank increased to 32,025 plots (31 July 2012 – 31,136 plots)
- Low net bank debt of £75.4 million representing gearing of only 6.5%
- 94% of current full year volume target reserved or legally completed

Overview

Commenting on the results, Chairman, John Watson, said:

"The Group has delivered another strong set of results, having achieved further growth in volume, average selling price and operating margin and this has contributed to an improvement in return on capital employed.

"Earnings per share has grown by over 50% to 37.9p (2012 – 25.2p) and the Group's return on capital has improved to 10.5% (2012 – 8.4%). The net asset value per ordinary share has grown from 933p at 31 July 2012 to 957p at 31 January 2013, a new record for the Group.

Dividend

"I am pleased to announce that the interim dividend will be increased by 50% to 9.0p per ordinary share (2012 – 6.0p). The dividend will be paid on Monday 1 July 2013 to all ordinary shareholders on the Register of Members on Friday 24 May 2013. The ex-dividend date is Wednesday 22 May 2013.

"These results have delivered further value creation for shareholders through growth in net asset value, together with a continuation of progressive dividend payments."

FOR FURTHER INFORMATION, PLEASE CONTACT TED AYRES, CHIEF EXECUTIVE OR KEITH ADEY, FINANCE DIRECTOR

TUESDAY 26 MARCH – THURSDAY 28 MARCH
T AYRES: 07855 337 067
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CHIEF EXECUTIVE'S OPERATING STATEMENT

Results

The Group has completed the sale of 2,597 homes (2012 – 2,455 homes) in the six months ended 31 January 2013, an increase of 5.8% compared with the prior year. A wide geographic coverage has allowed the Group to benefit from the improving performance of its northern divisions, with completions in this part of the country rising by 9% to 1,278 homes, derived largely from a net increase in active sales outlets. Demand has remained strongest in the south of the country which accounted for 51% of the Group's legal completions and in particular, within the London boroughs where the Group completed the sale of 413 homes, at an average selling price of £214,072. The average selling price of all homes sold has increased to £187,426 (2012 – £182,753), arising predominantly from continuing changes in product mix.

As a result of the growth in volume and average selling price, housing revenue has increased by 8.5% to £486.7 million (2012 – £448.7 million) which, when combined with other revenue of £15.8 million (2012 – £9.9 million), results in total revenue of £502.5 million (2012 – £458.6 million).

The operating margin has increased to 12.8% (2012 – 10.1%), having benefitted from strong cost control, combined with a greater percentage of legal completions from newly acquired land. There are net finance costs of £4.5 million resulting in an increase in profit before taxation of 47.5% to £59.9 million (2012 – £40.6 million), with growth in earnings per share of 50.4% to 37.9p (2012 – 25.2p).

Land

The Group maintains an emphasis on brownfield land opportunities, where planning consent can normally be secured in the short to medium term and where the initial capital outlay can be managed in order to facilitate an improving return on capital. The Group's land teams have continued to identify such opportunities in the land market and as a consequence, Bellway has expended £145 million (2012 – £105 million) on land and land creditors, with heads of terms now agreed on a further 4,300 plots. As a result of this investment, the Group's land bank, excluding long term strategic land, has increased to 32,025 plots (31 July 2012 – 31,136 plots), which is equivalent to approximately six years' supply at current output rates.

The Group had average bank borrowings of £57.9 million throughout the period and net bank debt of £75.4 million at 31 January, resulting in gearing of only 6.5%. With bank facilities of £300 million, the Group remains well placed to continue to pursue opportunities in the land market, should current market conditions prevail.

Current Trading and Outlook

Reservations averaged 97 per week (2012 – 89) in the first half of the financial year, an increase of 9% compared with the previous year. Whilst sales incentives continue to be used in all private sales, the mix of sales incentives has evolved, with the government's NewBuy and MI New Home schemes accounting for 11% of reservations taken in the period.

As the average selling price increases, part exchange which was used in 16% of reservations in the period, becomes an important selling incentive that works particularly well for those customers with equity in their existing home. Strict controls mean that the average holding time of part exchange properties is just 11 weeks.

Since the start of the calendar year, there has been an encouraging increase in the number of visitors to sites and this, coupled with marginal improvements in the accessibility of higher loan to value mortgage finance, continues to support the reservation rate. Reservations in the six weeks since 1 February have increased to 133 per week (2012 – 120), representing an increase of over 10% compared with the same period last year. As a result, the Group has reserved or legally completed 94% of its current full year volume target.

The availability of affordable, higher loan to value mortgage products has remained a constraint that has tempered consumer demand. The Board welcomes the recently announced budget measures to support the housing market. Whilst it is too early to assess the effect these measures may have, we remain hopeful that they will lead to improvements in mortgage accessibility.

CHIEF EXECUTIVE'S OPERATING STATEMENT (continued)

Bellway's robust balance sheet should help to facilitate growth through the acquisition of further land opportunities, whilst maintaining strong margin and capital disciplines. This should allow the Group to deliver improving shareholder return through a combination of continued growth in net asset value, together with increasing dividend payments to shareholders.

Ted Ayres
Chief Executive

CONDENSED GROUP INCOME STATEMENT

	Notes	**Half year ended 31 January 2013 £m**	Half year ended 31 January 2012 £m	Year ended 31 July 2012 £m
Revenue		**502.5**	458.6	1,004.2
Cost of sales		**(412.8)**	(388.7)	(842.1)
Gross profit		**89.7**	69.9	162.1
Administrative expenses		**(25.3)**	(23.5)	(47.5)
Operating profit		**64.4**	46.4	114.6
Finance income		**0.5**	0.5	1.7
Finance expenses		**(5.0)**	(6.3)	(11.0)
Profit before taxation		**59.9**	40.6	105.3
Income tax expense	3	**(13.9)**	(10.2)	(26.0)
Profit for the period *		**46.0**	30.4	79.3

* All attributable to equity holders of the parent.

	Notes	**Half year ended 31 January 2013**	Half year ended 31 January 2012	Year ended 31 July 2012
Earnings per ordinary share - Basic		**37.9p**	25.2p	65.5p
Earnings per ordinary share - Diluted		**37.7p**	25.1p	65.2p
Dividend per ordinary share	5	**9.0p**	6.0p	20.0p

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Half year ended 31 January 2013 £m**	Half year ended 31 January 2012 £m	Year ended 31 July 2012 £m
Profit for the period		**46.0**	30.4	79.3
Other comprehensive income / (expense)				
Actuarial gains / (losses) on defined benefit pension plans		**0.2**	(3.0)	(3.8)
Income tax on other comprehensive (income) / expense	3	**(0.1)**	0.7	0.6
Other comprehensive income / (expense) for the period, net of income tax		**0.1**	(2.3)	(3.2)
Total comprehensive income for the period *		**46.1**	28.1	76.1

* 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 2013							
Balance at 1 August 2012	15.2	162.8	1.5	953.7	1,133.2	(0.1)	1,133.1
Total comprehensive income for the period							
Profit for the period	-	-	-	46.0	46.0	-	46.0
Other comprehensive income *	-	-	-	0.1	0.1	-	0.1
Total comprehensive income for the period	-	-	-	46.1	46.1	-	46.1
Transactions with shareholders recorded directly in equity:							
Dividends on equity shares	-	-	-	(17.0)	(17.0)	-	(17.0)
Shares issued	-	1.2	-	-	1.2	-	1.2
Credit in relation to share options and tax thereon	-	-	-	0.9	0.9	-	0.9
Total contributions by and distributions to shareholders	-	1.2	-	(16.1)	(14.9)	-	(14.9)
Balance at 31 January 2013	**15.2**	**164.0**	**1.5**	**983.7**	**1,164.4**	**(0.1)**	**1,164.3**
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
Year ended 31 July 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	-	-	-	79.3	79.3	-	79.3
Other comprehensive expense *	-	-	-	(3.2)	(3.2)	-	(3.2)
Total comprehensive income for the period	-	-	-	76.1	76.1	-	76.1
Transactions with shareholders recorded directly in equity:							
Dividends on equity shares	-	-	-	(17.9)	(17.9)	-	(17.9)
Shares issued	0.1	2.1	-	-	2.2	-	2.2
Credit in relation to share options and tax thereon	-	-	-	0.7	0.7	-	0.7
Purchase of own shares	-	-	-	(1.3)	(1.3)	-	(1.3)
Total contributions by and distributions to shareholders	0.1	2.1	-	(18.5)	(16.3)	-	(16.3)
Balance at 31 July 2012	15.2	162.8	1.5	953.7	1,133.2	(0.1)	1,133.1

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

CONDENSED GROUP BALANCE SHEET

	At 31 January 2013 £m	At 31 January 2012 £m	At 31 July 2012 £m
ASSETS			
Non-current assets			
Property, plant and equipment	**11.3**	10.3	11.4
Investment property	**8.5**	9.4	9.7
Other financial assets	**35.1**	34.2	35.1
Deferred tax assets	**3.7**	4.6	3.2
	58.6	58.5	59.4
Current assets			
Inventories	**1,485.1**	1,270.1	1,399.9
Trade and other receivables	**63.8**	53.2	71.1
Cash and cash equivalents	**17.6**	23.4	21.4
	1,566.5	1,346.7	1,492.4
Total assets	**1,625.1**	1,405.2	1,551.8
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings	**(20.0)**	(20.0)	(20.0)
Retirement benefit obligations	**(10.9)**	(11.6)	(11.5)
Trade and other payables	**(45.1)**	(29.8)	(37.9)
	(76.0)	(61.4)	(69.4)
Current liabilities			
Interest bearing loans and borrowings	**(93.0)**	(35.0)	(62.0)
Corporation tax payable	**(15.5)**	(11.6)	(14.8)
Trade and other payables	**(276.3)**	(206.5)	(272.5)
	(384.8)	(253.1)	(349.3)
Total liabilities	**(460.8)**	(314.5)	(418.7)
Net assets	**1,164.3**	1,090.7	1,133.1
EQUITY			
Issued capital	**15.2**	15.1	15.2
Share premium	**164.0**	160.8	162.8
Other reserves	**1.5**	1.5	1.5
Retained earnings	**983.7**	913.4	953.7
Total equity attributable to equity holders of the parent	**1,164.4**	1,090.8	1,133.2
Non-controlling interest	**(0.1)**	(0.1)	(0.1)
Total equity	**1,164.3**	1,090.7	1,133.1

CONDENSED GROUP CASH FLOW STATEMENT

	Notes	**Half year ended 31 January 2013 £m**	Half year ended 31 January 2012 £m	Year ended 31 July 2012 £m
Cash flows from operating activities				
Profit for the period		**46.0**	30.4	79.3
Depreciation charge		**1.0**	0.9	1.8
Profit on sale of property, plant and equipment		**-**	(0.1)	(0.2)
Profit on sale of investment properties		**(0.6)**	-	-
Finance income		**(0.5)**	(0.5)	(1.7)
Finance expenses		**5.0**	6.3	11.0
Share-based payment charge		**0.6**	0.6	1.1
Income tax expense	3	**13.9**	10.2	26.0
(Increase) / decrease in inventories		**(85.2)**	0.2	(129.3)
Decrease / (increase) in trade and other receivables		**7.3**	8.2	(10.6)
Increase / (decrease) in trade and other payables		**8.1**	(42.8)	28.8
Cash (outflow) / inflow from operations		**(4.4)**	13.4	6.2
Interest paid		**(2.7)**	(4.3)	(7.0)
Income tax paid		**(13.5)**	(10.6)	(22.3)
Net cash outflow from operating activities		**(20.6)**	(1.5)	(23.1)
Cash flows from investing activities				
Acquisition of property, plant and equipment		**(0.9)**	(2.2)	(4.5)
Acquisition of investment property		**-**	(0.5)	(1.1)
Proceeds from sale of property, plant and equipment		**-**	0.1	0.3
Proceeds from sale of investment property		**1.8**	-	0.2
Interest received		**0.7**	0.6	1.2
Net cash inflow / (outflow) from investing activities		**1.6**	(2.0)	(3.9)
Cash flows from financing activities				
Increase / (decrease) in bank borrowings		**31.0**	(45.0)	(18.0)
Proceeds from the issue of share capital on exercise of share options		**1.2**	0.1	2.2
Purchase of own shares by employee share option plans		**-**	(1.0)	(1.3)
Dividends paid	5	**(17.0)**	(10.6)	(17.9)
Net cash inflow / (outflow) from financing activities		**15.2**	(56.5)	(35.0)
Net decrease in cash and cash equivalents		**(3.8)**	(60.0)	(62.0)
Cash and cash equivalents at beginning of period		**21.4**	83.4	83.4
Cash and cash equivalents at end of period		**17.6**	23.4	21.4

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 2012.

These condensed financial statements are unaudited and were approved by the Board on 25 March 2013.

The comparative figures for the financial year ended 31 July 2012 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 2012. 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.

At the date of authorisation of these financial statements, the following relevant standards and amendments, which have not been applied in these financial statements, were in issue and endorsed by the EU but not yet effective:

- IAS 19 'Employee Benefits' (Amendment). The amendment requires additional disclosures, the disaggregation of plan costs and the removal of the corridor approach for the recognition of actuarial gains and losses. This is effective for the period beginning on 1 August 2013.

- IFRS 11 'Joint Arrangements'. The standard requires the equity method to be used when consolidating jointly controlled entities, and does not permit the use of the proportional method which is currently used by the Group. The adoption of this standard will result in presentational changes to the income statement and balance sheet and require adjusted comparative information in the year of adoption. This is effective for the period beginning on 1 August 2014.

- IFRS 12 'Disclosure of Interests in Other Entities'. The standard requires additional disclosures in relation to subsidiaries, joint arrangements, associates and unconsolidated entities. This is effective for the period beginning on 1 August 2014.

- IFRS 13 'Fair Value Measurement'. The standard defines fair value and provides a single IFRS framework for measuring fair value. This is effective for the period beginning on 1 August 2013.

The Board anticipates that these standards and amendment will be adopted in the Group's financial statements in the year they become effective and that the adoption of these standards and amendment will not have a significant effect on the Group's financial statements.

Of the other IFRSs that are available for early adoption, none are expected to have a material effect on the Group's financial statements.

2. Segmental analysis

The Board regularly reviews the Group's performance and balance sheet position for its entire operations, which are entirely based in its country of domicile, 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 2013 and 31 January 2012 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 2013 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 2013 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 attributable 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 2012 or in the year ended 31 July 2012.

5. Dividends

	Half year ended 31 January 2013 £m	Half year ended 31 January 2012 £m	Year ended 31 July 2012 £m
Final dividend paid for the year ended 31 July 2012 of 14.0p per share (2011 – 8.8p)	**17.0**	10.6	10.6
Interim dividend paid for the year ended 31 July 2012 of 6.0p per share (2011 – 3.7p)	**-**	-	7.3
	17.0	10.6	17.9
Proposed interim dividend for the year ending 31 July 2013 of 9.0p per share (2012 – 6.0p)	**10.9**	7.2	-

The proposed interim dividend was approved by the Board on 25 March 2013 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 2012.

7. Half year report

The condensed financial statements were approved by the Board on 25 March 2013 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 26 and 27 of our Annual Report and Accounts for the year ended 31 July 2012 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 2013 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 2012. Howard Dawe, the Chairman, retired from the Board on 31 January 2013 and was replaced on 1 February 2013 by John Watson, who was replaced as Chief Executive by Ted Ayres on the same date.

For and on behalf of the Board

Ted Ayres
Chief Executive

Registered number 1372603
25 March 2013

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.