



# Interim Management Statement

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Bellway plc

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4 December 2009

Following the announcement of the annual results on Tuesday 13 October, Bellway is today updating the market as to its current trading position by issuing an Interim Management Statement for the four months to 30 November 2009.

Although the comparative period of trading in 2008 was one of great weakness in the housing market, the Board is pleased to announce that reservations taken in the period 1 August to 30 November 2009 averaged 91 per week, 51% ahead of the same period last year, and from an average of 176 sites, compared to 171 sites in 2008. Cancellation rates have reverted to a more normal level of around 13% with the average selling price of reservations taken some 16% ahead of the same period last year. This increase is primarily due to product and geographical mix but also reflects the weakness of the market at this time last year. Whilst the market in and around London is more robust, the northern divisions are still experiencing testing conditions. The Board anticipates that sales volumes for the first six months ending 31 January 2010 will be 10% ahead of the same period last year, and that an operating margin of 6% to 7% will be maintained.

Divisions are gradually increasing investment in new site openings and land opportunities, having spent £64 million in the first four months on land, predominantly in the south. With £36 million of net cash at the end of November, our land teams are actively looking to secure further opportunities at attractive margins.

Despite Government's best efforts to stimulate the housing market through a variety of welcome initiatives, there remains a fundamental shortage of mortgage lending on acceptable terms to potential homebuyers. Until this is resolved and the threat of unemployment recedes, consumer confidence in many parts of the country will remain, at best, fragile.

Bellway is still however well placed with 79% of the current 2009/10 sales target already secured, at average prices ahead of management's expectations, with a further 600 sales reservations secured for 2010/11. The operating margin for the year is likely to be towards the higher end of the range of 6% to 7% given at the time of our preliminary announcement in October, should current market conditions continue to prevail throughout 2010.

The next announcement from the Group will coincide with the Annual General Meeting on Friday 15 January 2010.

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.

FOR FURTHER INFORMATION PLEASE CONTACT:

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