

TRADING UPDATE – 8 JANUARY 2013

Persimmon plc announces the following update ahead of its Final Results for the year ended 31 December 2012, which will be released on 25 February 2013.

The volume of new homes legally completed increased by 6% over the prior year to 9,903 (2011: 9,360). With an average selling price of c. £173,400 (2011: £163,999), also 6% ahead of the prior year, revenues for the period totalled c. £1.72 bn (2011: £1.54 bn), an increase of 12%.

We welcome the renewal of the Government sponsored FirstBuy scheme on 26 September 2012 which has led to a strengthening of first time buyer interest in our sites as we re-launched our FirstBuy marketing programme. We have recently secured an additional allocation of c. 3,000 new homes as part of the FirstBuy funding. As a result, we anticipate an increase in sales to first time buyers as we enter the new spring season in 2013.

As indicated in our Interim Management Statement on 13 November 2012 our underlying operating margin continued to strengthen in the second half and we anticipate that it will be c. 13% for the full year (2011: 10.0%), with our second half margin over 13.5% (2011: 10.8%).

Margin improvement remains a key part of our strategy, with the medium term aim of returning to underlying operating margins within the range of 15% to 17%. We believe we have made further encouraging strides towards achieving this objective through the launch of new sites offering attractive returns and exercising firm control over our costs. We have successfully opened all 60 new sites scheduled for the second half of the year and are currently selling from c. 375 sites. We anticipate further growth in our outlet network in the first half of 2013. Our forward sales at the year end totalled c. £645m (2011: £615m) which provides a healthy platform for 2013.

We have continued to invest in the future growth of the business, acquiring c. 9,400 plots of new land at attractive values in the second half of the year. At 31 December 2012 the plots owned and under control in our consented land bank totalled c. 68,000 plots (2011: 63,335).

Despite continuing to make substantial new investments in our forward land supply we have delivered strong free cash generation due to the continued improvement in cash margins. We held c. £200 million of cash balances at 31 December 2012 (2011: £41 million).

The combination of improved margins, strong cash generation and substantial land acquisition places the business in a robust position for the delivery of our long term strategy.

Persimmon has also announced today that Mike Farley, Group Chief Executive, has decided to retire at the AGM in April and will be succeeded by Jeff Fairburn, currently Persimmon's Group Managing Director and CEO of the Northern Division. Details of this appointment, together with a number of other management changes, are contained in a separate announcement also being released today.

We will give a further update on our assessment of the housing market over the early weeks of 2013 when we announce our results for the year ended 31 December 2012 on Monday 25 February 2013.

Please Note

There will be a call for analysts at 9.00 a.m. GMT today. Please use the dial-in details below:

Telephone number : 020 3003 2666
Conference code : Persimmon

An audiocast of the call will be available on www.corporate.persimmonhomes.com from this afternoon.

For further information please contact:

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