

TRADING UPDATE – 7 JANUARY 2015

Persimmon plc announces the following update ahead of its Final Results for the year ended 31 December 2014, which will be released on 24 February 2015.

The Group delivered a strong performance in 2014 with an increase of 17% in legal completions to 13,509 new homes (2013: 11,528). The 36% increase in the number of new homes delivered to the market by Persimmon over the last two years reflects the growth of the business in line with the objectives of the Group's long term strategic plan.

The average selling price for the Group in 2014 was c. £190,500, an increase of 5% over 2013 (£180,941). Full year revenues increased 23% over the prior year to £2.6bn (2013: £2.1bn).

The Group experienced good levels of demand across the UK throughout 2014, with a return to a more traditional seasonal pattern to customer activity and we sold well right through to the end of the autumn season. The value of our forward sales at 31 December 2014 of c. £973m (2013: £908m) was 7% ahead of the prior year and provides strong momentum for the business moving into the new year.

As indicated in our Interim Management Statement on 4 November 2014 we remain confident of a further improvement in operating margins for the second half of the year which will underpin significant growth in pre-tax profits and excellent cash generation for the year ended 31 December 2014.

In line with the Group's long term strategy, during the year we identified a number of excellent opportunities for disciplined reinvestment in new sites in good locations which will generate superior returns and cashflow over the coming years. We were successful in acquiring c. 26,800 plots of new land over 156 sites with good deferred terms. Over 8,600 plots were converted from our strategic land bank embedding further excellent value in the consented land bank. Our management teams across the country remain focussed on starting construction on all our development sites at the earliest opportunity to fulfil the demands of the market and to maximise the Group's returns.

The Group held cash balances of c. £378m at 31 December 2014 (2013: £204m).

We will give a further update on our assessment of the housing market over the early weeks of 2015 when we announce our results for the year ended 31 December 2014 on Tuesday 24 February 2015.

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 : +44 (0)20 3003 2666

Conference code : Persimmon

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

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