



# Building value

Full year results presentation 31 December 2014



# Agenda

## Results Presentation 24 February 2015

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# Chairman's overview

- Performance highlights

## Underlying performance:

Turnover \*

Operating profits \*

Operating margin \*

Pre-tax profits \*

Earnings per share

Cash

Return on Average Capital Employed \*\*

	2014	2013	Change
Turnover *	<b>£2,573.9m</b>	£2,085.9m	+ 23%
Operating profits *	<b>£473.3m</b>	£333.1m	+ 42%
Operating margin *	<b>18.4%</b>	16.0%	+ 2.4%
Pre-tax profits *	<b>£475.0m</b>	£329.6m	+ 44%
Earnings per share	<b>124.5p</b>	83.3p	+ 49%
Cash	<b>£378.4m</b>	£204.3m	n/a
Return on Average Capital Employed **	<b>24.6%</b>	17.6%	+ 40%

- Strong and well balanced performance
  - underlying profit before tax increased by 44%
  - 40% improvement in ROACE

Underlying performance presented before goodwill impairment and exceptional items (where applicable)

\* Stated after fair value charge of £1.1m on shared equity sales (2013: £6.6m)

\*\* 12 month rolling average and stated after fair value charge of £1.1m on shared equity sales (2013: £6.6m)

# Chairman's overview

- Delivering profitable growth
  - 17% growth in volume
  - 240 bps increase in underlying operating margin
  - increased forward sales revenues by 5% to £1.5bn
- Significant cash generation
  - over £950m of cash generation of which £572m spent on land and £214m surplus capital returned to shareholders
- Substantial investment in new land sustaining value creation for shareholders
- Third Capital Return Plan payment of 95p per share to be accelerated to 2 April

**“Profitable growth and significant returns of capital”**

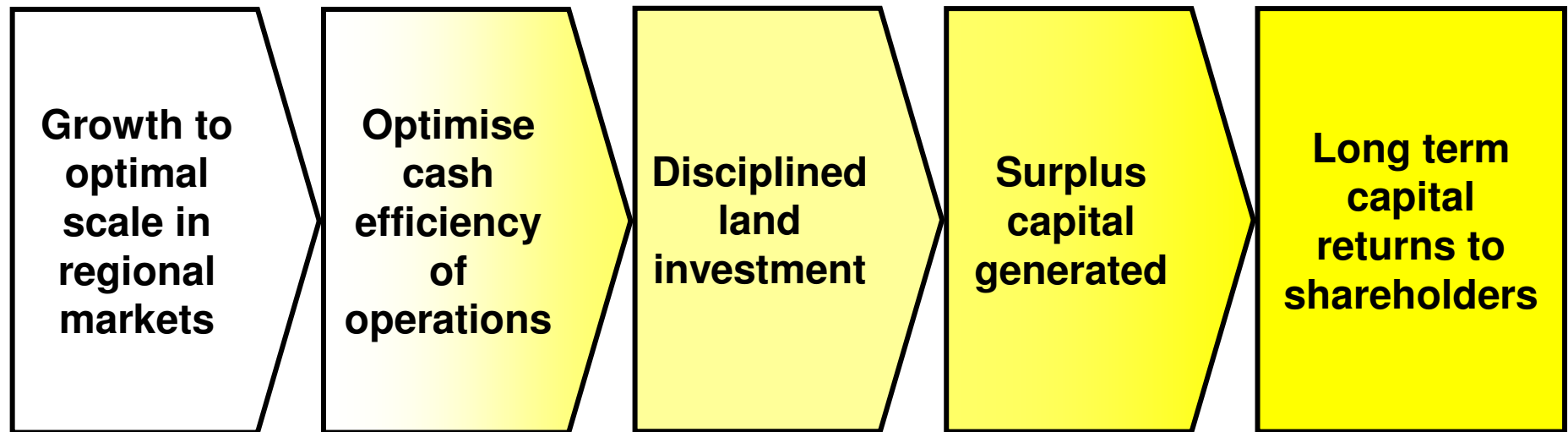


# Review of strategy and operations

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# Strategy to maximise long term shareholder value



# Review of operations - Key objectives

- Optimise sales to suit market conditions
- Provide a range of quality homes to our customers
- Maximise value from each new home sold
- Capture cost efficiencies and control costs to maximise profitability
- Grow site based skills to support expansion in construction capacity
- Disciplined high quality land replacement including conversion of our strategic land portfolio
- Invest in land and infrastructure at the optimal time in the housing cycle
- Achieve strong cash generation through a combination of trading and balance sheet management
- Deliver capital which is surplus to reinvestment requirements to shareholders through the cycle by way of a long term Capital Return Plan commitment

# Review of operations - Group overview

- Strong network of sites across all regions of the UK
  - currently 385 active outlets
- Remain committed to providing choice at affordable prices
  - c. 57% of private sales priced below £200,000
  - c. 90% of sales are traditional house types
- Return to more balanced market conditions
  - improved supply of competitive mortgage products
  - over 5,350 Help to Buy completions in the year
  - UK consumer confidence improving



Regional Offices





# Review of operations - Group overview

- Substantial increase in legal completions - 17% up on prior year
- 42% growth in operating profits
- 41% increase in pre working capital cash flows

## Underlying performance:

Unit completions  
 Average selling price \*  
 Operating profits \*\*  
 Operating margin \*\*  
 Pre-tax profits \*\*  
 Net cash inflow from operations (pre working capital)  
 Cash

2014	2013	Change
<b>13,509</b>	11,528	+ 17%
<b>£190,667</b>	£181,861	+ 5%
<b>£473.3m</b>	£333.1m	+ 42%
<b>18.4%</b>	16.0%	+ 2.4%
<b>£475.0m</b>	£329.6m	+ 44%
<b>£487.9m</b>	£345.5m	+ 41%
<b>£378.4m</b>	£204.3m	n/a

Return on Average Capital Employed \*\*\*  
 Net asset value per share

<b>24.6%</b>	17.6%	+ 40%
<b>715.4p</b>	671.4p	+ 7%

Underlying performance presented before goodwill impairment and exceptional items (where applicable)

\* Calculated from nominal value of turnover (2014: before fair value charge of £1.1m on shared equity sales; 2013: £6.6m)

\*\* Stated after fair value charge of £1.1m on shared equity sales (2013: £6.6m)

\*\*\* 12 month rolling average and stated after fair value charge of £1.1m on shared equity sales (2013: £6.6m)

# Review of operations - Group overview

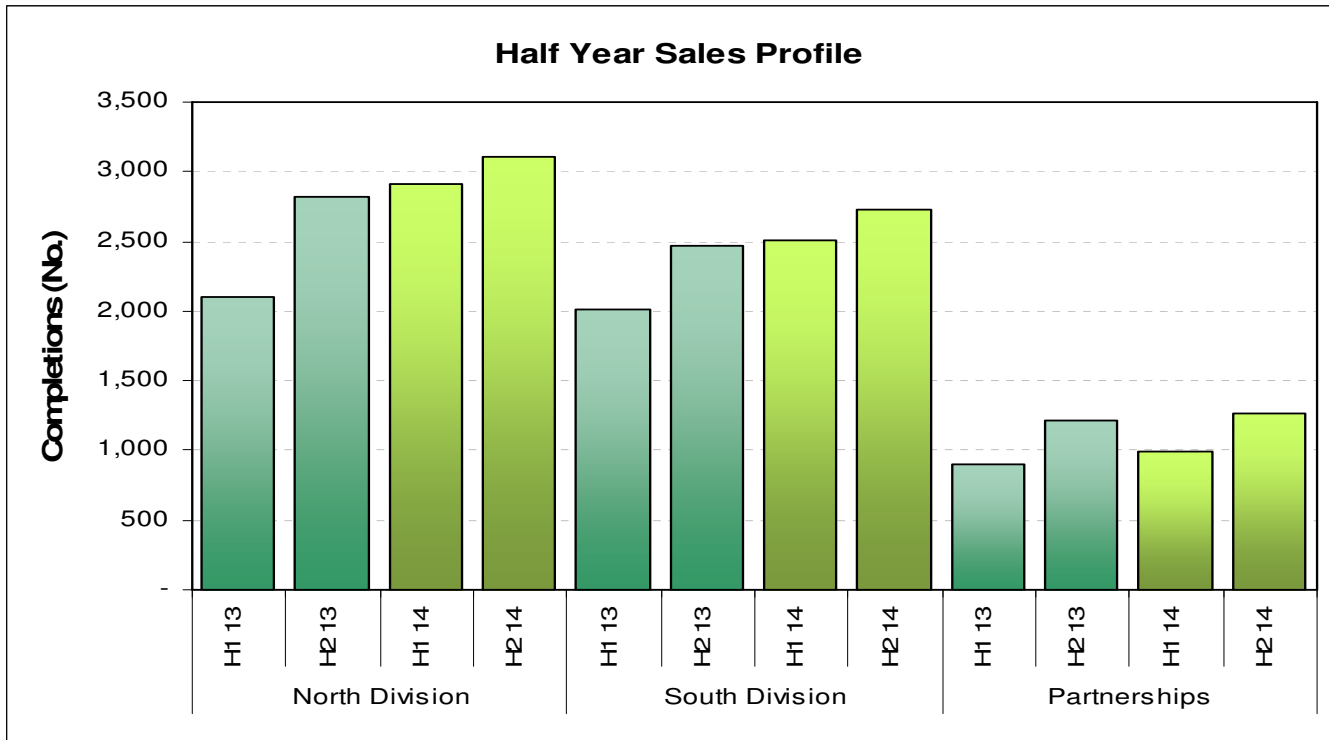
## Product Profile - 12 months ended 31 December 2014:

	Unit completions	Completions change	Average selling price *	Average price change	Plots owned and under control	Plot count change
Persimmon North	4,950 37%	+ 27%	£169,514	+ 5%	30,713 35%	+ 15%
Persimmon South	3,553 26%	+ 21%	£221,001	+ 4%	27,692 32%	+ 23%
Charles Church	2,750 20%	+ 7%	£263,637	+ 7%	12,198 14%	+ 14%
Partnerships	2,256 17%	+ 6%	£100,357	+ 1%	17,117 19%	+ 18%
<b>Total</b>	<b>13,509</b>		<b>£190,667</b>		<b>87,720</b>	
Change vs 31 December 2013		+ 17%		+ 5%		+18%

\* Calculated from nominal value of turnover (2014: before fair value charge of £1.1m on shared equity sales; 2013: £6.6m)

- Volume growth across all brands - Help to Buy impact greater for Persimmon
- Successful targeting of first time buyer, and first mover, markets
- c. 2.5% underlying selling price growth added to by mix

# Review of operations - Group overview



- Traditional seasonal trading pattern re-emerging
- Improved build processes supporting legal completion delivery
- Increased Space4 production helping to satisfy increased sales rates

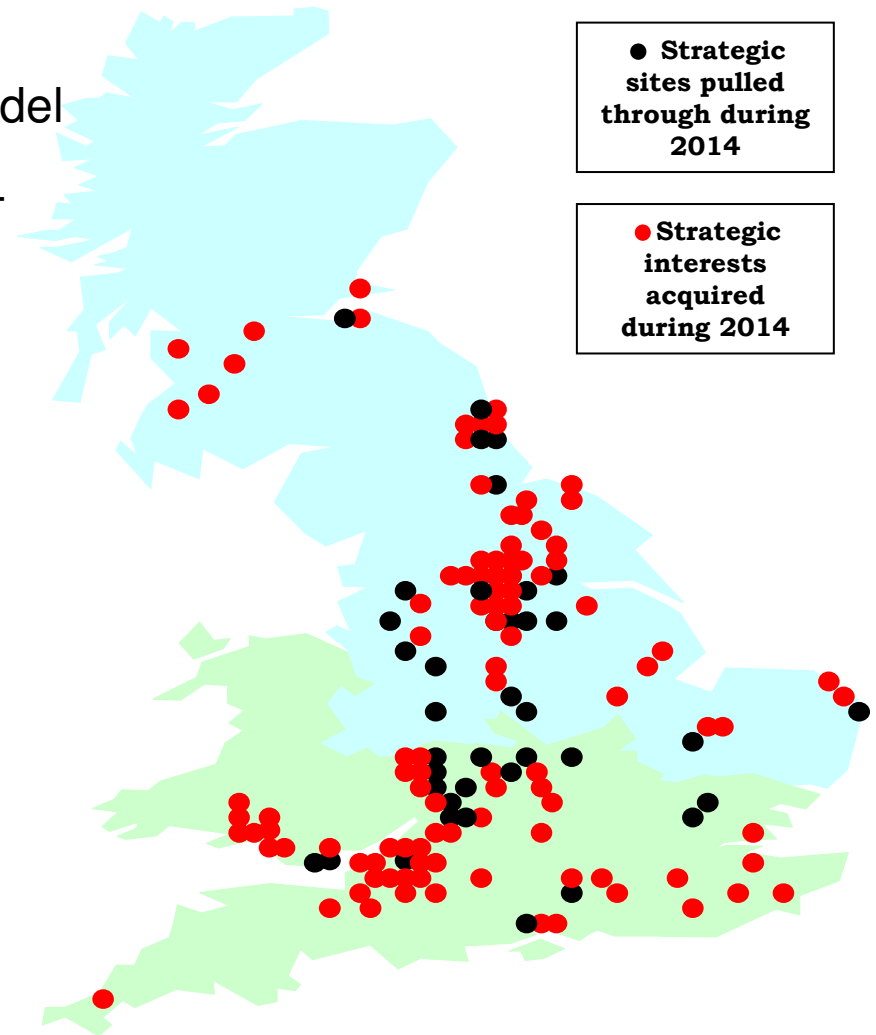
# Review of operations - Consented land

- Excellent liquidity has supported strong investment in new land
  - £572m of land payments (including land creditors) in the year (2013: £510m)
  - 26,822 new plots added to the consented land bank across 156 locations
- Land replacement focus remains on securing high quality returns
  - identify compelling land opportunities in short term, and strategic, land markets
- Total plots owned and under control increased 18% to 87,720 (Dec 2013: 74,407)
  - represents c. 6.5 years forward supply
  - strategic land content within land bank at c. 44%
  - further margin growth to be supported by reduction in plot cost to revenue ratio (Dec 2014: 17.1%; Dec 2013: 17.5%)



# Review of operations - Strategic land

- Continued investment in strategic land remains a key element of our business model
- c. 17,000 acres held at 31 December 2014
- Over 2,650 acres of new strategic land interests acquired in the year
- 9,386 plots successfully converted from strategic land to consented land bank
  - Wallsend, North East (642 plots)
  - Banbury, Oxfordshire (350 plots)
  - Rugby, South Midlands (150 plots)
  - Standish, North West (125 plots)



# Review of operations - Current trading

- **Encouraging opening to 2015:**
  - visitor numbers in line with the prior year
  - weekly private sales rate per site 5% stronger
  - historically low cancellation rates at 16% (2014: 15%)
- **Site activity:**
  - 50% of the planned new outlets for H1 2015 already open
  - Space4 productivity increasing to support future growth of the business
  - site skills resourcing remains tight
- **Pricing and incentives:**
  - experiencing modest selling price improvement
  - customers remain keen to secure Help to Buy supported mortgages
  - opportunity to increase part exchange usage as consumer confidence grows



# Review of operations - Current trading

- Strong forward orders despite substantial growth in 2014 legal completions

<b>1 January Forward Sales</b>	<b>Units</b>	<b>ASP</b>	<b>Revenue</b>
<b>2015</b>	<b>6,320</b>	<b>£153,964</b>	<b>£973.1m</b>
<b>2014</b>	<b>6,038</b>	<b>£150,383</b>	<b>£908.0m</b>
<b>Movement</b>	<b>+5%</b>	<b>+2%</b>	<b>+7%</b>

<b>Current Forward Sales</b> (inc. first 8 week sales)	<b>Units</b>	<b>ASP</b>	<b>Revenue</b>
<b>2015</b>	<b>9,171</b>	<b>£162,486</b>	<b>£1,490.2m</b>
<b>2014</b>	<b>9,105</b>	<b>£156,419</b>	<b>£1,424.2m</b>
<b>Movement</b>	<b>+1%</b>	<b>+4%</b>	<b>+5%</b>

Calculated from nominal value of turnover (before fair value charge on shared equity sales)

# Review of operations - Accelerated returns

- Second payment of 70p paid in early July 2014
- Proposed further acceleration based upon 2014 outperformance
- 95p payment due July 2015 to be paid in April 2015

	Paid 2013	Paid 2014	2015	2016	2017	2018	2019	2020	2021
Original Plan	75p		95p		110p		110p	115p	115p
April 2013 Announcement	75p	10p	85p		110p		110p	115p	115p
Current Plan	75p	70p	95p	10p	110p	10p	110p	115p	25p



# Outlook - Overall market

- UK economic performance forecast to improve, however uncertainty remains due to the General Election in May
- Consumer confidence continues to gradually improve
- Market oversight measures introduced by BoE will help underwrite sustainable lending practices
- Expectation that lenders will increase support to customers
- Increased mortgage lender competition delivering very attractive borrowing rates
- Extension of Help to Buy through to 2020 creating greater certainty for the customer and the housing industry
- New site starts remain challenging
  - a key constraint to industry output expansion
  - political risk of change to NPPF
- Build activity across the UK increasing to capture sales opportunities - supply chain working hard to support the housing market



# Outlook - Operational priorities

- Focus on achieving sustainable market share and scale in each of our regional markets
- Continue to maximise selling prices whilst capturing further improvement in sales rates as markets allow
- Increase the number of skilled trades people in the business to improve productive capacity - Combat to Construction scheme launched September
- Space4 output to grow delivering further manufacturing efficiencies
- Maximise utilisation of Group house types
- Improve effectiveness of processes used to manage build programmes - maintain industry leading asset turn
- Continued investment in management and support teams
- Discipline over land investment will remain a priority
- Strategic land conversion will continue to increase

**“We remain confident that our operational approach will underpin the delivery of our long term strategy”**

# Financial review

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Mike Killoran, Group Finance Director



# Financial review - Trading overview

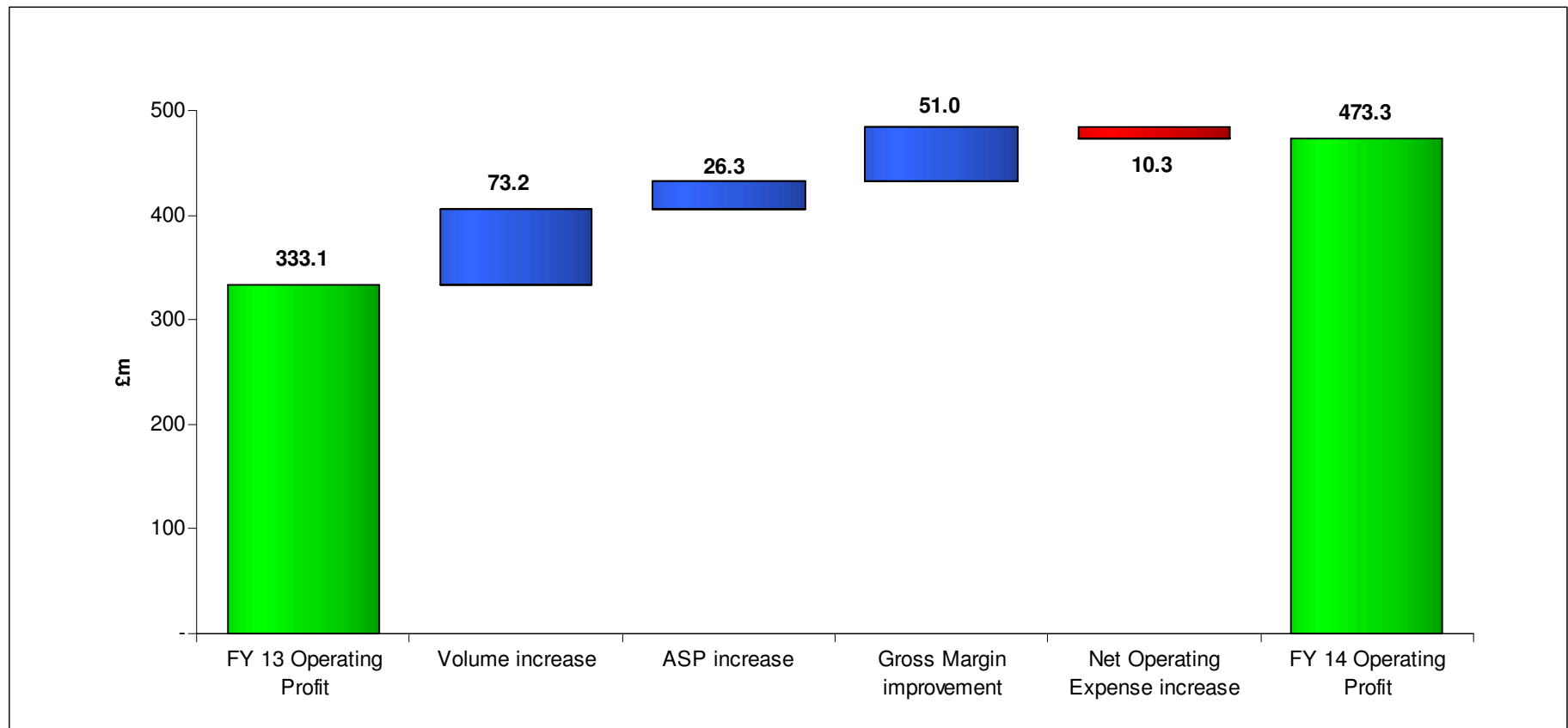
- Increased profits resulting from operational improvements

**Adjusted trading** (for NRV, shared equity fair value charge and goodwill impairment)

	2014		2013		Change		
	Total	% of revenue	Adjusted	Exceptional		Total	% of revenue
Revenue (adjusted)	<b>£2,575.0m</b>		<b>£2,092.5m</b>		<b>£2,092.5m</b>		
Cost of sales:							
- land cost	<b>(£516.0m)</b>	(20.0%)	<b>(£444.3m)</b>		<b>(£444.3m)</b>		(21.3%)
- exceptional NRV release	-			<b>£14.1m</b>	<b>£14.1m</b>		0.7%
- build and other direct costs	<b>(£1,486.1m)</b>	(57.8%)	<b>(£1,220.3m)</b>		<b>(£1,220.3m)</b>		(58.3%)
Total cost of sales	<b>(£2,002.1m)</b>	(77.8%)	<b>(£1,664.6m)</b>	<b>£14.1m</b>	<b>(£1,650.5m)</b>		(78.9%)
Gross profit	<b>£572.9m</b>	22.2%	<b>£427.9m</b>	<b>£14.1m</b>	<b>£442.0m</b>		21.1%
Operating expenses	<b>(£107.1m)</b>	(4.1%)	<b>(£98.2m)</b>		<b>(£98.2m)</b>		(4.7%)
Other operating income	<b>£8.6m</b>	0.3%	<b>£10.0m</b>		<b>£10.0m</b>		0.5%
Operating profit (adjusted)	<b>£474.4m</b>	18.4%	<b>£339.7m</b>	<b>£14.1m</b>	<b>£353.8m</b>		16.9%
Interest credit / (charge)	<b>£1.7m</b>		<b>(£3.5m)</b>		<b>(£3.5m)</b>		
Shared equity fair value adjustment	<b>(£1.1m)</b>		<b>(£6.6m)</b>		<b>(£6.6m)</b>		
Underlying pre-tax profit	<b>£475.0m</b>		<b>£329.6m</b>				<b>+44%</b>
Goodwill impairment	<b>(£8.0m)</b>		<b>(£6.6m)</b>		<b>(£6.6m)</b>		
Reported pre-tax profit	<b>£467.0m</b>		<b>£323.0m</b>	<b>£14.1m</b>	<b>£337.1m</b>		

# Financial review - Operating profit bridge

- Volume growth, development cost control and operational efficiencies delivered improved profits



# Financial review - Cost recoveries

- 200 bps improvement in gross margin to 22.2%
- Reduced land recoveries contributed 130 bps to margin gain
- Build and direct cost control contributed 70 bps
- 16% increase in gross profit per unit sold to £42,330

Underlying performance per plot:	2014 FY	2013 FY	Change	2014 FY	2013 FY	Change
Revenue *	<b>£190,533</b>	£180,941	+ 5.3%	<b>100.0%</b>	100.0%	
Land costs	<b>(£38,199)</b>	(£38,543)	(0.9%)	<b>(20.0%)</b>	(21.3%)	+ 1.3%
Build and other direct costs	<b>(£110,004)</b>	(£105,853)	+ 3.9%	<b>(57.8%)</b>	(58.5%)	+ 0.7%
Gross margin *	<b>£42,330</b>	£36,545	+ 15.8%	<b>22.2%</b>	20.2%	+ 2.0%
Operating expenses	<b>(£7,929)</b>	(£8,518)	(6.9%)	<b>(4.1%)</b>	(4.7%)	+ 0.6%
Other operating income	<b>£632</b>	£866	(27.0%)	<b>0.3%</b>	0.5%	(0.2%)
Operating margin *	<b>£35,033</b>	<b>£28,893</b>	+ 21.3%	<b>18.4%</b>	16.0%	+ 2.4%

Underlying performance presented before goodwill impairment and exceptional items (where applicable)

\* Stated after fair value charge of £1.1m on shared equity sales (2013: £6.6m)

# Financial review - Operating efficiency

- Underlying operating margin of 18.4% up 240 bps on prior year

	<b>2014 FY</b>	2014 H2	2014 H1	<b>2013 FY</b>	2013 H2	2013 H1
Gross margin	<b>22.2%</b>	22.5%	21.9%	<b>20.2%</b>	20.5%	19.7%
Operating expenses	<b>(4.1%)</b>	(3.9%)	(4.4%)	<b>(4.7%)</b>	(4.0%)	(5.5%)
Other operating income	<b>0.3%</b>	0.4%	0.2%	<b>0.5%</b>	0.1%	0.9%
Operating margin	<b>18.4%</b>	19.0%	17.7%	<b>16.0%</b>	16.6%	15.1%

Underlying performance presented before goodwill impairment and exceptional items; %calculated from fair value of turnover

- Operating expense per unit 7% lower year on year
- Reduced sales and marketing costs - 2.2% of revenue (Dec 2013: 2.7%)
- 21% increase in operating profit per unit sold to £35,033
- Operating margin in H2 reached 19.0%

# Financial review - Land holdings at 31 Dec 2014

- Cost to revenue percentage of owned & controlled plots of 17.1% (Dec 13: 17.5%)

	Number of plots Dec 2013	<b>Number of plots Dec 2014</b>	Number of plots Change	Anticipated ave. revenue	Average plot cost	Cost to revenue Dec 2014	Cost to revenue Dec 2013
Plots owned	48,799	<b>58,402</b>	+ 9,603	£180,077	£31,355	17.4%	18.8%
Plots under control	25,608	<b>29,318</b>	+ 3,710	£174,103	£28,798	16.5%	15.1%
<b>Total owned &amp; under control</b>	<b>74,407</b>	<b>87,720</b>	<b>+ 13,313</b>	<b>£178,080</b>	<b>£30,500</b>	<b>17.1%</b>	<b>17.5%</b>
Proceeding to contract (terms agreed)	13,017	<b>12,004</b>	(1,013)	£180,173	£39,102	21.7%	22.8%
<b>Grand total of all plots</b>	<b>87,424</b>	<b>99,724</b>	<b>+ 12,300</b>	<b>£178,332</b>	<b>£31,536</b>	<b>17.7%</b>	<b>18.3%</b>
Grand total of all plots - Dec 2013				£169,572	£30,961	18.3%	

Plot cost to revenue ratio history:	Cost to revenue %						
	Dec 2014	Jun 2014	Dec 2013	Jun 2013	Dec 2012	Jun 2012	Dec 2011
Plots owned	17.4%	17.7%	18.8%	19.2%	19.6%	19.3%	19.5%
Plots under control	16.5%	15.4%	15.1%	16.5%	16.7%	16.9%	16.3%
<b>Total owned &amp; under control</b>	<b>17.1%</b>	<b>16.9%</b>	<b>17.5%</b>	<b>18.3%</b>	<b>18.6%</b>	<b>18.5%</b>	<b>18.5%</b>
Proceeding to contract (terms agreed)	21.7%	22.4%	22.8%	20.0%	24.0%	24.1%	25.2%
<b>Grand total of all plots</b>	<b>17.7%</b>	<b>17.5%</b>	<b>18.3%</b>	<b>18.4%</b>	<b>19.2%</b>	<b>19.2%</b>	<b>19.0%</b>

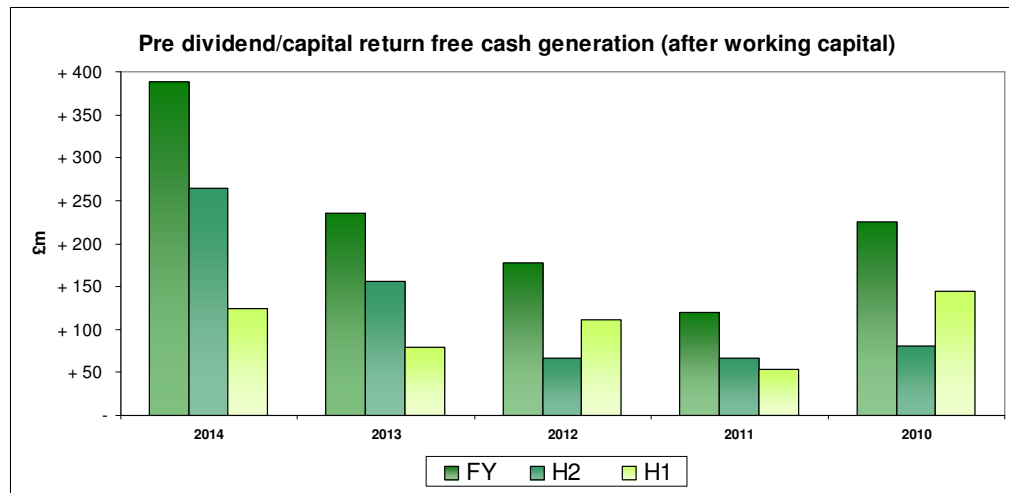
- Quality of land replacement is critical to sustaining shareholder value creation over the longer term



# Financial review - Balance sheet

- Shareholder equity value per share (pre capital return) generated in the year of 118 pence (2013: 92 pence per share)
- High quality land investments secured
  - £206m increase in land balances to £1.84bn; 26,822 plots added
  - beneficial deferred terms negotiated - £154m increase in land creditors to £460m (Dec 2013: £306m)
- Work in progress of £465m (Dec 2013: £464m)
  - 18% improvement in asset turn over prior year
  - strong control over build programmes
- Cash balances of £378m at 31 December (Dec 2013: £204m)
- Return on average capital employed increased by 40% to 24.6%

# Financial review - 2014 cash generation



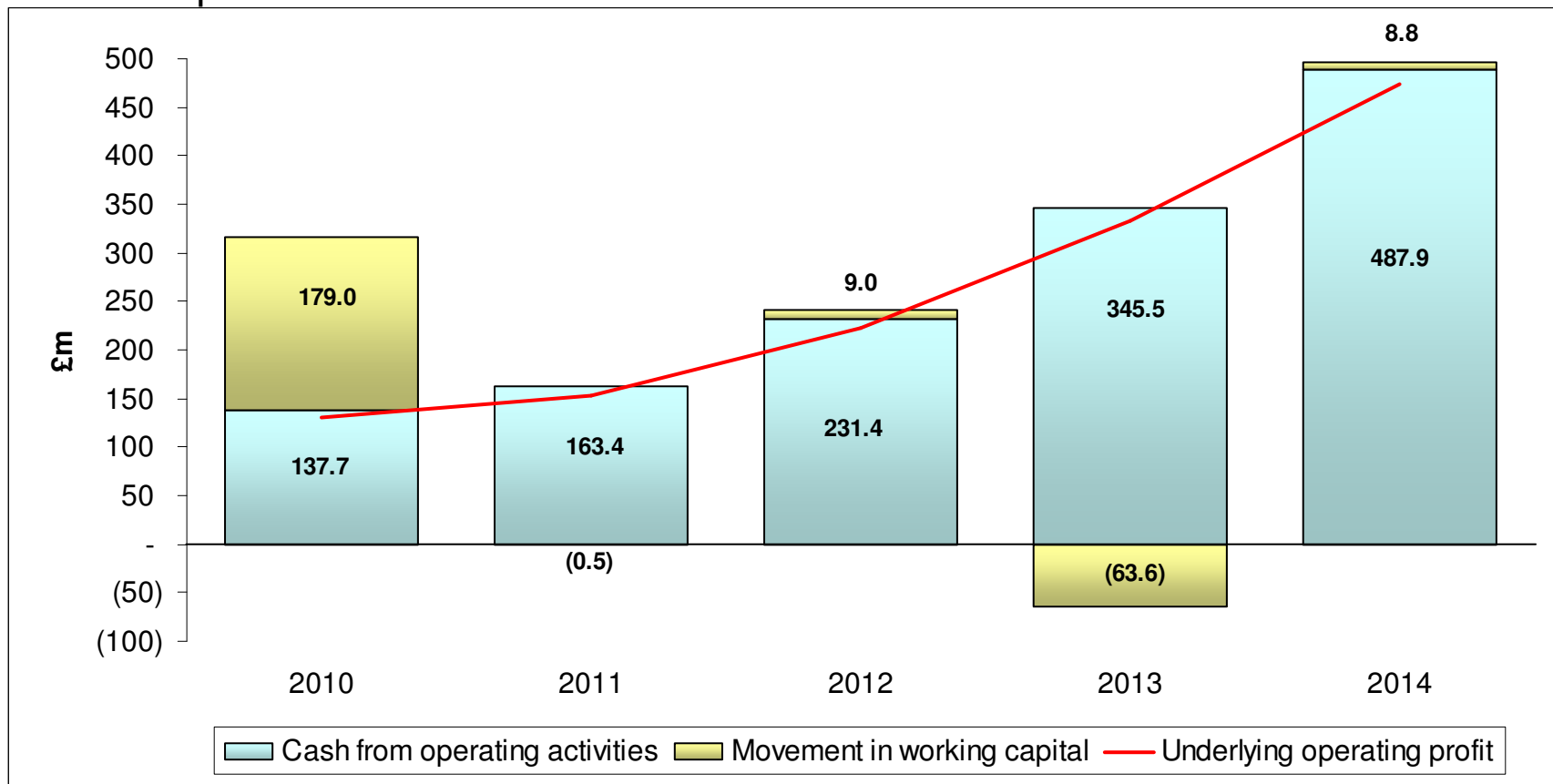
Pre dividend/capital return free cash generation (£m) *			
	FY	H2	H1
<b>2014</b>	<b>+ 388.7</b>	<b>+ 263.9</b>	<b>+ 124.8</b>
2013	+ 235.5	+ 156.1	+ 79.4
2012	+ 178.0	+ 66.3	+ 111.7
2011	+ 119.4	+ 66.0	+ 53.4
2010	+ 225.6	+ 80.8	+ 144.8
2009	+ 356.8		
2008	+ 239.2		
2007	+ 67.0		
2006	+ 583.1		
2005	+ 167.3		

\* Stated before financing activity cash flows

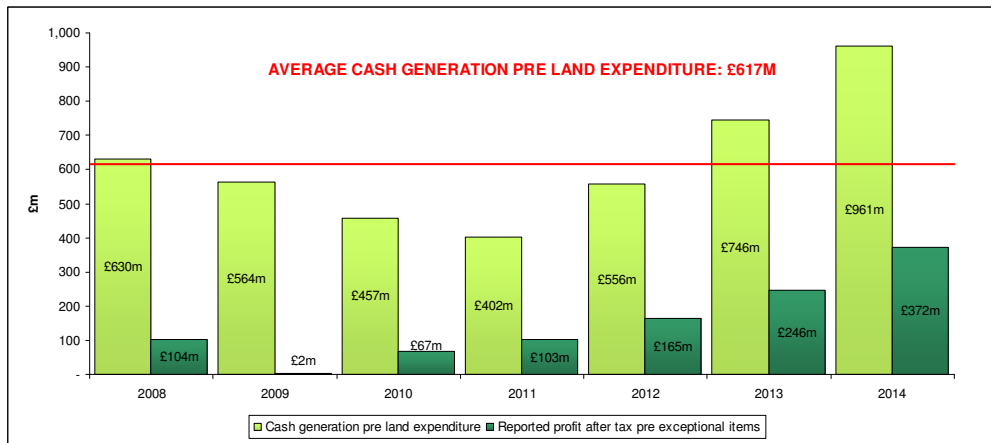
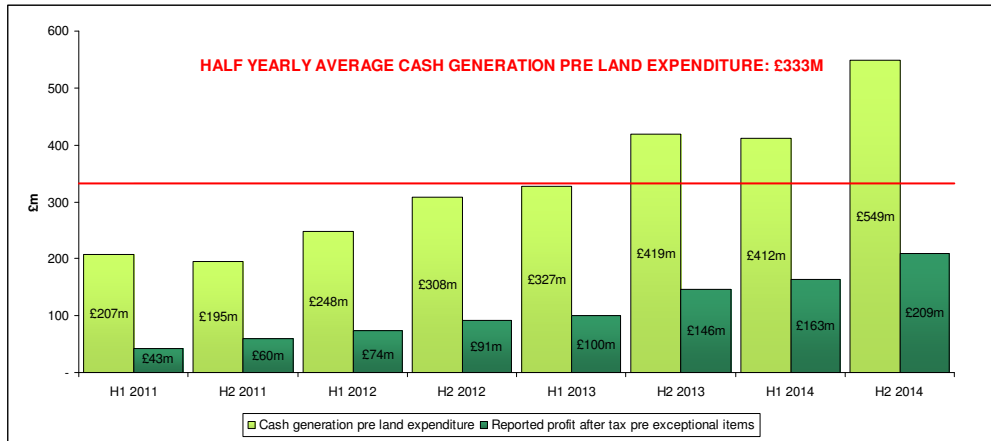
- Group's strong liquidity is supported by robust capital efficiency - 68% increase in cash generation (pre capital returns) year on year (2014: 127 pence per share; 2013: 76 pence per share)
- Net free cash generation before capital return of £388m in the year (2013: £231m)
- 41% increase in cash generated from operating activities (pre working capital)
- Average cash holdings of c. £80m in the year - H1 average cash held c. £120m, H2 average cash held c. £40m reflecting Capital Return Payment in early July

# Financial review - Underlying operating profit and cash flow

- Growth of the business financed through generation of cash inflows from operations
- Delivery of the Capital Return Plan depends upon the cash efficiency of our business processes



# Financial review - Cash generation through cycle



- Excellent cash generation delivered from revenue and profit growth
- Level of reinvestment will vary over the cycle depending upon conditions in the sales and land markets
- Capital Return Plan relies upon strong capital discipline through the housing cycle to minimise operational and financial risk

# Financial review - Capital return considerations

- Operational requirement for cash remains the priority
- Surplus cash generation in excess of operational needs available for return to shareholders
- Seasonal and cyclical movements in working capital to be accommodated
- Longer term expectation of a c. 5 year consented land bank
- Increasing cash requirement for strategic land conversion anticipated
- Financial risk to be minimised through the cycle
- Maintain flexibility to adapt to market conditions
- Strong focus on capital efficiency and return on average capital employed



# Summary

- Further successful execution of the Group's operational objectives
- Building value with strong land investment and swift asset turn
- Scale of operations increasing - further improvement in returns and cash generation to come
- Continued investment in strategic land, promotion and conversion remains a key driver in our business model
- Strong cash generation will deliver superior returns to shareholders through the housing cycle

**“We remain focused on optimising shareholder returns in line with our long term strategic plan”**

*Nicholas Wrigley, Group Chairman*



# Appendix 1: Financial record - Income Statement

Underlying performance:	2010	2011	2012	2013	2014
Unit completions	9,384	9,360	9,903	11,528	<b>13,509</b>
Turnover *	£1,569.5m	£1,535.0m	£1,721.4m	£2,085.9m	<b>£2,573.9m</b>
Average Selling Price **	£169,339	£166,142	£175,640	£181,861	<b>£190,667</b>
Operating profit *	£130.8m	£153.6m	£222.5m	£333.1m	<b>£473.3m</b>
Pre-tax profit *	£91.5m	£144.0m	£221.5m	£329.6m	<b>£475.0m</b>
Basic EPS *	23.8p	35.7p	56.7p	83.3p	<b>124.5p</b>
Diluted EPS *	23.7p	35.5p	56.2p	82.8p	<b>124.3p</b>
Return on Average Capital Employed ***	7.0%	8.3%	12.2%	17.6%	<b>24.6%</b>

Underlying performance presented before goodwill impairment and exceptional items (where applicable)

\* Stated after fair value charge of £1.1m on shared equity sales (2013: £6.6m; 2012: £15.9m; 2011: £20.1m; 2010: £19.6m)

\*\* Calculated from nominal value of turnover (2014: before fair value charge of £1.1m on shared equity sales; 2013: £6.6m; 2012: £15.9m; 2011: £20.1m; 2010: £19.6m)

\*\*\* 12 month rolling average and stated after fair value charge of £1.1m on shared equity sales (2013: £6.6m; 2012: £15.9m; 2011: £20.1m; 2010: £19.6m)

Appendix 1 - 1 of 2





# Appendix 1: Financial record - Balance Sheet

	2010	2011	2012	2013	2014
Shareholders' funds	£1,744.0m	£1,839.3m	£1,993.7m	£2,045.5m	<b>£2,192.6m</b>
Borrowings/(Cash)	£51.0m	(£41.0m)	(£201.5m)	(£204.3m)	<b>(£378.4m)</b>
Gearing *	3%	0%	0%	0%	<b>0%</b>
Net asset value per share	579.1p	608.6p	658.2p	671.4p	<b>715.4p</b>
Work in progress	£413.5m	£427.8m	£443.1m	£463.5m	<b>£464.7m</b>
% of turnover **	26%	28%	26%	22%	<b>18%</b>
Land	£1,575.8m	£1,484.2m	£1,495.7m	£1,636.6m	<b>£1,842.4m</b>
% of turnover **	100%	97%	87%	78%	<b>72%</b>
Part exchange stock	£32.8m	£39.1m	£58.6m	£45.5m	<b>£52.4m</b>
% of turnover **	2%	3%	3%	2%	<b>2%</b>
Shared equity debt	£115.2m	£164.0m	£202.9m	£215.4m	<b>£201.3m</b>
% of turnover **	7%	11%	12%	10%	<b>8%</b>
Total % of turnover **	135%	139%	128%	112%	<b>100%</b>
Land creditor	£195.8m	£199.7m	£239.9m	£306.1m	<b>£459.5m</b>
% of land value	12%	13%	16%	19%	<b>25%</b>

\* Before finance lease obligations and prepaid financing costs

\*\* Calculated from 12 months turnover after fair value charge on shared equity sales

Appendix 1 - 2 of 2



## Appendix 2: Half yearly profit & loss

Underlying performance:	2014 H2	2014 H1	2013 H2	2013 H1
Unit completions	7,101	6,408	6,506	5,022
Turnover *	£1,375.8m	£1,198.1m	£1,186.0m	£899.9m
Operating profit *	£260.8m	£212.5m	£196.8m	£136.3m
Operating margin *	19.0%	17.7%	16.6%	15.1%
Interest & finance costs	£2.7m	£3.6m	£5.3m	£3.2m
Imputed interest **	(£4.0m)	(£4.0m)	(£2.8m)	(£2.2m)
Pre-tax profit *	£262.1m	£212.9m	£194.3m	£135.3m
Pre-tax profit margin *	19.1%	17.8%	16.4%	15.0%
Pre-tax profit per plot *	£36,917	£33,220	£29,855	£26,946

Underlying performance presented before goodwill impairment and exceptional items (where applicable)

\* Stated after fair value charge of £0.4m (H214) and £0.7m (H114) on shared equity sales (H213: £2.5m; H113: £4.1m)

\*\* Interest imputed in accordance with IAS 2 and IAS 18

Appendix 2

# Appendix 3: Income Statement - Cost recoveries

## Performance reconciliation - FY 2014:

	Reported		Add back: Goodwill impairment	Underlying		Add back: Shared equity fair value	Adjusted	
Revenue	£2,573.9m			£2,573.9m		£1.1m	£2,575.0m	
Land costs	(£516.0m)	(20.0%)		(£516.0m)	(20.0%)		(£516.0m)	(20.0%)
Exceptional NRV release	-	-		-	-		-	-
Build and other direct costs	(£1,486.1m)	(57.8%)		(£1,486.1m)	(57.8%)		(£1,486.1m)	(57.8%)
Total cost of sales	(£2,002.1m)	(77.8%)		(£2,002.1m)	(77.8%)		(£2,002.1m)	(77.8%)
<b>Gross profit</b>	<b>£571.8m</b>	<b>22.2%</b>		<b>£571.8m</b>	<b>22.2%</b>	£1.1m	<b>£572.9m</b>	<b>22.2%</b>
Operating expenses	(£115.1m)	(4.4%)	£8.0m	(£107.1m)	(4.1%)		(£107.1m)	(4.1%)
Other operating income	£8.6m	0.3%		£8.6m	0.3%		£8.6m	0.3%
<b>Operating profit</b>	<b>£465.3m</b>	<b>18.1%</b>	£8.0m	<b>£473.3m</b>	<b>18.4%</b>	£1.1m	<b>£474.4m</b>	<b>18.4%</b>
Net interest & finance costs	(£6.3m)	(0.2%)		(£6.3m)	(0.2%)		(£6.3m)	(0.2%)
Imputed interest	£8.0m	0.3%		£8.0m	0.3%	(£13.7m)	(£5.7m)	(0.2%)
Total interest	£1.7m	0.1%		£1.7m	0.1%	(£13.7m)	(£12.0m)	(0.4%)
<b>Pre-tax profit</b>	<b>£467.0m</b>	<b>18.2%</b>	£8.0m	<b>£475.0m</b>	<b>18.5%</b>	(£12.6m)	<b>£462.4m</b>	<b>18.0%</b>
Exceptional items	-	-		-	-		-	-
<b>Pre-tax profit (post-exceptional)</b>	<b>£467.0m</b>	<b>18.2%</b>						

Appendix 3

# Appendix 4: Income Statement - 10 year record

Underlying performance:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unit completions	12,636	16,701	15,905	10,202	8,976	9,384	9,360	9,903	11,528	<b>13,509</b>
Turnover *	£2,285.7m	£3,141.9m	£3,014.9m	£1,755.1m	£1,420.6m	£1,569.5m	£1,535.0m	£1,721.4m	£2,085.9m	<b>£2,573.9m</b>
Operating profit *	£527.8m	£652.7m	£657.3m	£198.3m	£61.7m	£130.8m	£153.6m	£222.5m	£333.1m	<b>£473.3m</b>
Pre-tax profit *	£495.4m	£582.1m	£585.1m	£126.6m	£6.4m	£91.5m	£144.0m	£221.5m	£329.6m	<b>£475.0m</b>
Basic EPS *	118.4p	137.5p	138.3p	35.3p	1.9p	23.8p	35.7p	56.7p	83.3p	<b>124.5p</b>
Dividend/Capital return per share	30.40p	32.80p	51.20p	37.70p	Nil	3.00p	8.50p	6.00p	75.00p	<b>70.00p</b>
Net asset value per share	574.9p	680.2p	781.4p	518.0p	540.2p	579.1p	608.6p	658.2p	671.4p	<b>715.4p</b>

Underlying performance presented before goodwill impairment and exceptional items (where applicable)

\* Stated after fair value charge of £1.1m on shared equity sales (2013: £6.6m; 2012: £15.9m; 2011: £20.1m; 2010: £19.6m; 2009: £20.1m; 2008: £9.8m; 2005-07: £nil)

Appendix 4



# Appendix 5: Trading performance - Business split

Underlying performance:		2014 FY	2013 FY	Change
<b>Units</b>		<b>No.</b>	No.	
	Persimmon Core	<b>8,503</b>	6,830	+ 24%
	Charles Church	<b>2,750</b>	2,577	+ 7%
	Partnerships	<b>2,256</b>	2,121	+ 6%
	<b>Total</b>	<b>13,509</b>	11,528	+ 17%
<b>Average Selling Price *</b>		<b>£</b>	£	
	Persimmon Core	<b>191,028</b>	182,899	+ 4%
	Charles Church	<b>263,637</b>	247,375	+ 7%
	Partnerships	<b>100,357</b>	98,916	+ 1%
	<b>Total</b>	<b>190,667</b>	181,861	+ 5%
<b>Turnover **</b>		<b>£m</b>	£m	
	Persimmon Core	<b>1,622.8</b>	1,240.7	+ 31%
	Charles Church	<b>724.7</b>	635.4	+ 14%
	Partnerships	<b>226.4</b>	209.8	+ 8%
	<b>Total</b>	<b>2,573.9</b>	2,085.9	+ 23%

Underlying performance presented before goodwill impairment and exceptional items (where applicable)

\* Calculated from nominal value of turnover (FY 2014 before fair value charge on shared equity sales of £1.1m; 2013: £6.6m)

\*\* Stated after fair value charge on shared equity sales

Appendix 5 - 1 of 6

## Appendix 5: Trading performance - Business split

Underlying performance:		2014	2013	
		FY	FY	Change
		£m	£m	
<b>Gross Profit **</b>	Persimmon Core	<b>365.6</b>	250.8	+ 46%
	Charles Church	<b>168.2</b>	133.2	+ 26%
	Partnerships	<b>38.0</b>	37.3	+ 2%
	<b>Total</b>	<b>571.8</b>	421.3	+ 36%
<b>Gross Margin **</b>	Persimmon Core	<b>22.5%</b>	20.2%	+ 2.3%
	Charles Church	<b>23.2%</b>	21.0%	+ 2.2%
	Partnerships	<b>16.8%</b>	17.8%	(1.0%)
	<b>Total</b>	<b>22.2%</b>	20.2%	+ 2.0%

\*\* Stated after fair value charge on shared equity sales

Appendix 5 - 2 of 6

# Appendix 5: Trading performance - Business split

Underlying performance:		2014	2013	
		H2	H2	Change
<b>Units</b>		<b>No.</b>	No.	
	Persimmon Core	<b>4,455</b>	3,848	+ 16%
	Charles Church	<b>1,378</b>	1,437	(4%)
	Partnerships	<b>1,268</b>	1,221	+ 4%
	<b>Total</b>	<b>7,101</b>	6,506	+ 9%
<b>Average Selling Price *</b>		<b>£</b>	£	
	Persimmon Core	<b>195,996</b>	185,298	+ 6%
	Charles Church	<b>272,070</b>	249,313	+ 9%
	Partnerships	<b>101,111</b>	97,385	+ 4%
	<b>Total</b>	<b>193,815</b>	182,938	+ 6%
<b>Turnover **</b>		<b>£m</b>	£m	
	Persimmon Core	<b>872.7</b>	709.6	+ 23%
	Charles Church	<b>374.9</b>	357.5	+ 5%
	Partnerships	<b>128.2</b>	118.9	+ 8%
	<b>Total</b>	<b>1,375.8</b>	1,186.0	+ 16%

Underlying performance presented before goodwill impairment and exceptional items (where applicable)

\* Calculated from nominal value of turnover (H2 2014 before fair value on shared equity sales of £0.4m; H2 2013: £2.5m)

\*\* Stated after fair value charge on shared equity sales

Appendix 5 - 3 of 6



## Appendix 5: Trading performance - Business split

Underlying performance:		2014	2013	Change
		H2	H2	
<b>Gross Profit **</b>		<b>£m</b>	£m	
	Persimmon Core	<b>198.5</b>	148.0	+ 34%
	Charles Church	<b>89.7</b>	76.0	+ 18%
	Partnerships	<b>21.7</b>	19.6	+ 11%
	<b>Total</b>	<b>309.9</b>	243.6	+ 27%
<b>Gross Margin **</b>	Persimmon Core	<b>22.7%</b>	20.9%	+ 1.8%
	Charles Church	<b>23.9%</b>	21.3%	+ 2.6%
	Partnerships	<b>16.9%</b>	16.5%	+ 0.4%
	<b>Total</b>	<b>22.5%</b>	20.5%	+ 2.0%

\*\* Stated after fair value charge on shared equity sales

Appendix 5 - 4 of 6



# Appendix 5: Trading performance - Business split

<b>Underlying performance:</b>		<b>2014 H1</b>	<b>2013 H1</b>	<b>Change</b>
<b>Units</b>		<b>No.</b>	<b>No.</b>	
	Persimmon Core	<b>4,048</b>	2,982	+ 36%
	Charles Church Partnerships	<b>1,372</b>	1,140	+ 20%
	<b>988</b>	900	+ 10%	
	<b>Total</b>	<b>6,408</b>	5,022	+ 28%
<b>Average Selling Price *</b>		<b>£</b>	<b>£</b>	
	Persimmon Core	<b>185,562</b>	179,803	+ 3%
	Charles Church Partnerships	<b>255,165</b>	244,932	+ 4%
	<b>99,390</b>	100,993	(2%)	
	<b>Total</b>	<b>187,178</b>	180,465	+ 4%
<b>Turnover **</b>		<b>£m</b>	<b>£m</b>	
	Persimmon Core	<b>750.1</b>	531.1	+ 41%
	Charles Church Partnerships	<b>349.8</b>	277.9	+ 26%
	<b>98.2</b>	90.9	+ 8%	
	<b>Total</b>	<b>1,198.1</b>	899.9	+ 33%

Underlying performance presented before goodwill impairment and exceptional items (where applicable)

\* Calculated from nominal value of turnover (H1 2014 before fair value charge on shared equity sales of £0.7m; H1 2013: £4.1m)

\*\* Stated after fair value charge to shared equity sales

Appendix 5 - 5 of 6



## Appendix 5: Trading performance - Business split

Underlying performance:		2014 H1	2013 H1	Change
		£m	£m	
<b>Gross Profit **</b>	Persimmon Core	167.1	102.8	+ 63%
	Charles Church	78.5	57.2	+ 37%
	Partnerships	16.3	17.7	(8%)
	<b>Total</b>	<b>261.9</b>	177.7	+ 47%
<b>Gross Margin **</b>	Persimmon Core	22.3%	19.4%	+ 2.9%
	Charles Church	22.4%	20.6%	+ 1.8%
	Partnerships	16.6%	19.5%	(2.9%)
	<b>Total</b>	<b>21.9%</b>	19.7%	+ 2.2%

\*\* Stated after fair value charge to shared equity sales

Appendix 5 - 6 of 6



## Appendix 6: Trading performance - Regional split

	31 December 2014			
	Units No.	Average Sale Price (£)*	Annual average price change	Plots owned and under control
Yorkshire	815	151,848	+ 5%	6,273
Scotland	1,285	174,511	+ 9%	6,170
North West	804	161,600	+ 5%	6,572
North East	1,050	152,911	-	6,528
Midlands	1,234	151,422	+ 3%	7,993
Eastern	340	181,188	+ 27%	3,052
<b>North</b>	<b>5,528</b>	<b>160,446</b>	<b>+ 7%</b>	<b>36,588</b>
31 December 2013	4,500	150,642		31,593
Change	+ 23%	+ 7%		+ 16%

\* Calculated from nominal value of turnover (before fair value charge on shared equity sales)

Appendix 6 - 1 of 3



## Appendix 6: Trading performance - Regional split

	31 December 2014			
	Units No.	Average Sale Price (£)*	Annual average price change	Plots owned and under control
Shires	1,844	213,574	+ 7%	10,736
Western	1,422	175,599	+ 9%	14,473
Southern	808	199,316	(1%)	6,478
Wales	681	159,485	(2%)	6,064
<b>South</b>	<b>4,755</b>	<b>192,048</b>	<b>+ 6%</b>	<b>37,751</b>
31 December 2013	4,095	182,035		31,140
Change	+ 16%	+ 6%		+ 21%

\* Calculated from nominal value of turnover (before fair value charge on shared equity sales)

Appendix 6 - 2 of 3



# Appendix 6: Trading performance - Regional split

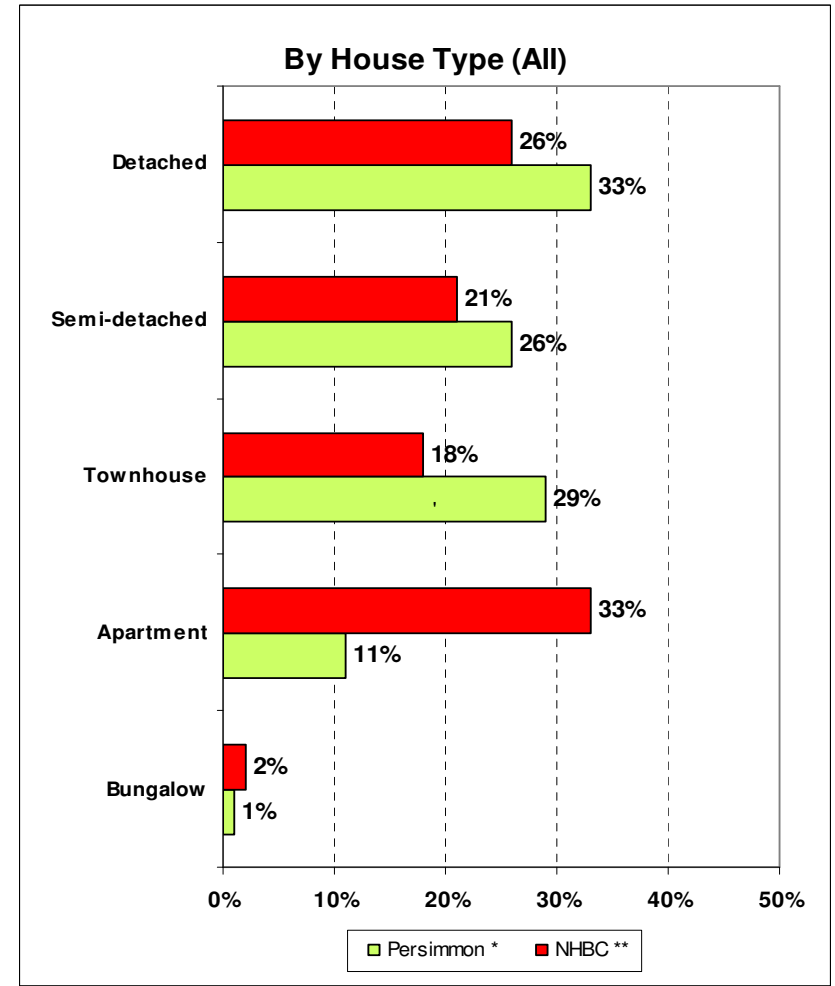
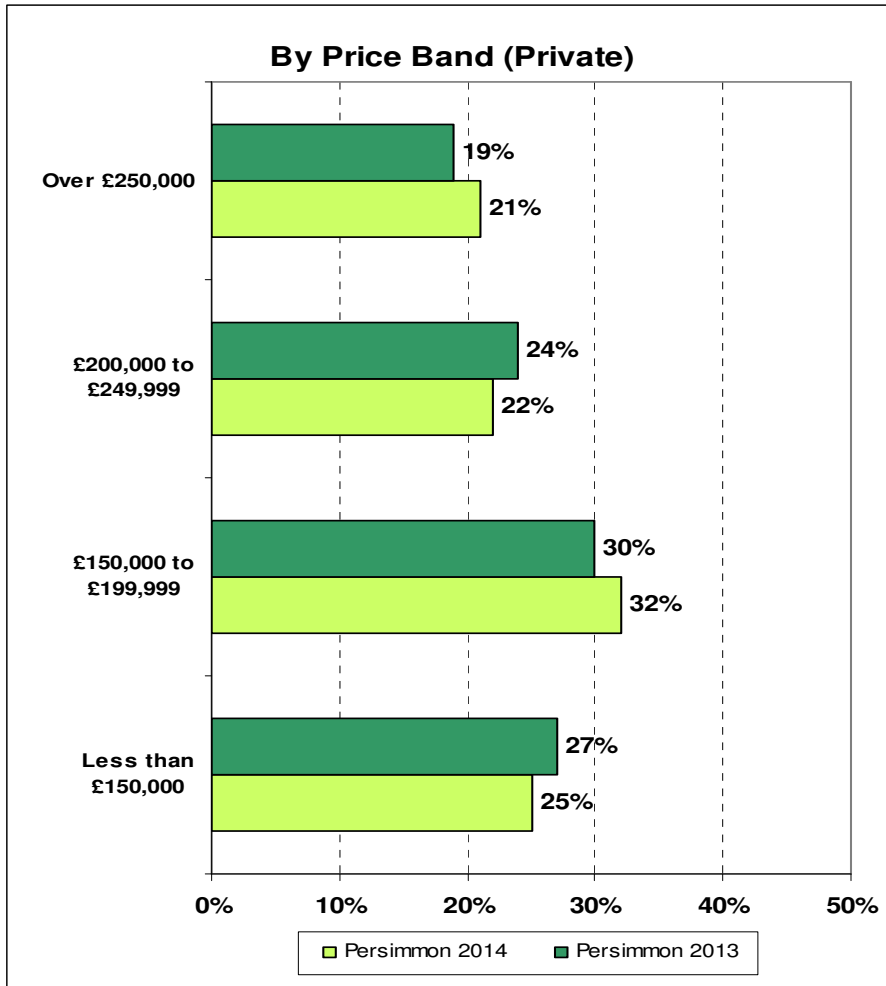
		31 December 2014	
	Units No.	Average Sale Price (£)*	Plots owned and under control
<b>Charles Church</b>	<b>3,226</b>	<b>240,418</b>	<b>13,381</b>
31 December 2013	2,933	229,513	11,674
Change	+ 10%	+ 5%	+ 15%

\* Calculated from nominal value of turnover (before fair value charge on shared equity sales)

Appendix 6 - 3 of 3

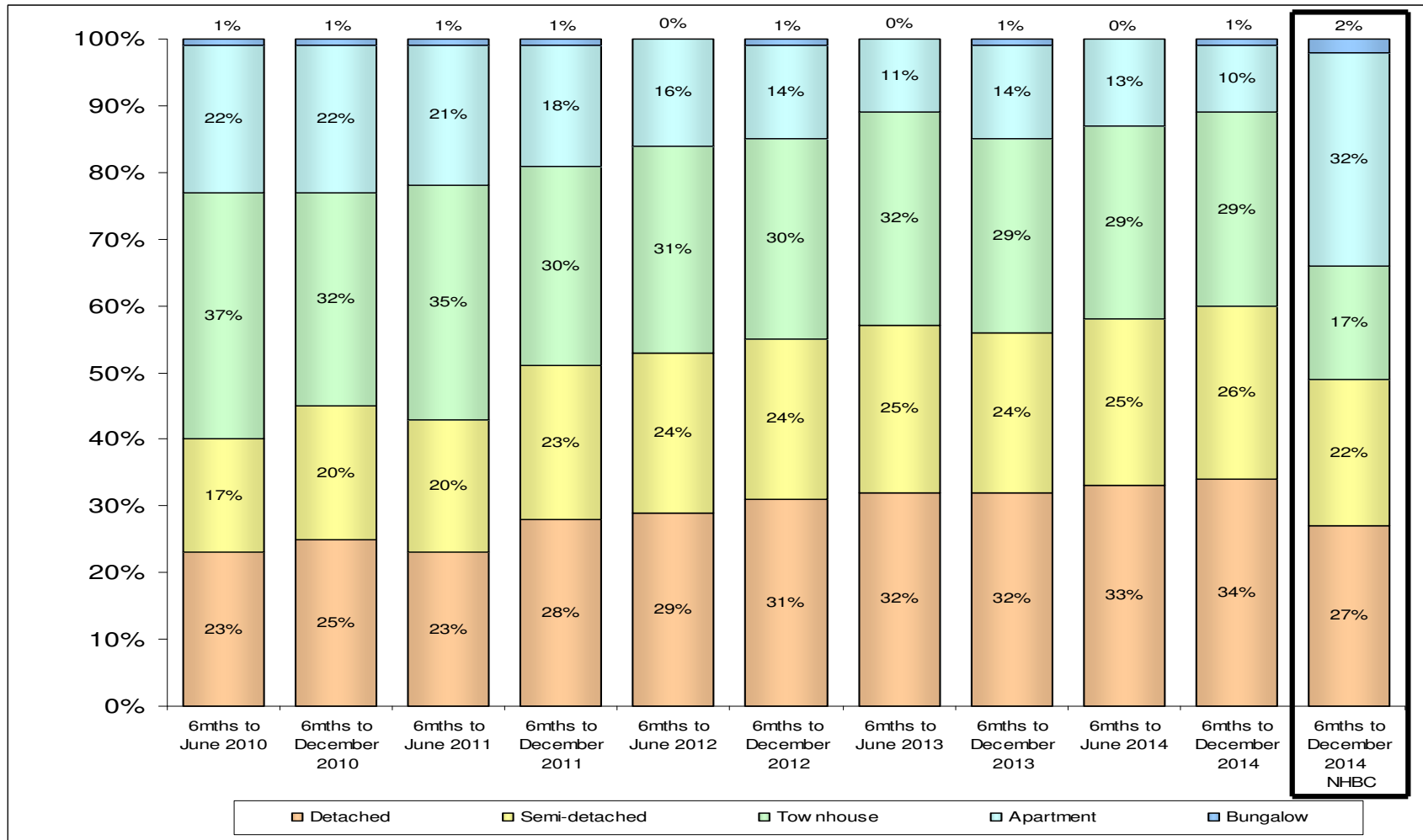


# Appendix 7: Analysis of unit sales



\* Persimmon data represents completions in the period \*\* NHBC data represents registrations in the period  
 NHBC Source: NHBC Housing Market Report (January 2015)

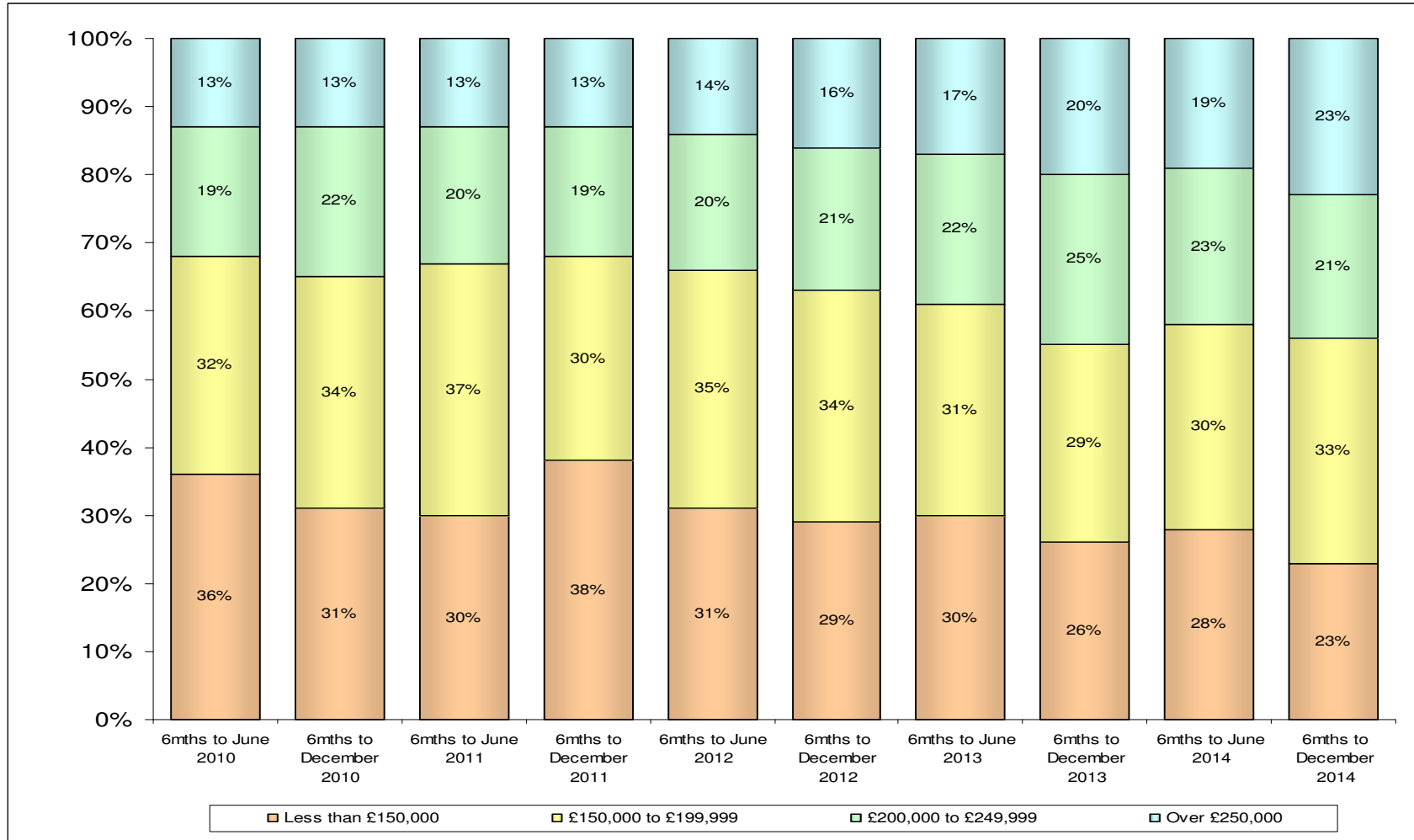
# Appendix 7: Analysis of unit sales - Product mix



Note: Total sales including Partnership sales

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# Appendix 7: Analysis of unit sales - Price range



Note: Private market sales excluding Partnership sales

Appendix 7 - 3 of 3



## Appendix 8: Balance Sheet

	2014	2013	Change
Work in progress	<b>£464.7m</b>	£463.5m	+ £1.2m
Land	<b>£1,842.4m</b>	£1,636.6m	+ £205.8m
Land creditors	<b>£459.5m</b>	£306.1m	+ £153.4m
Part exchange stock	<b>£52.4m</b>	£45.5m	+ £6.9m
Shared equity debt	<b>£201.3m</b>	£215.4m	(£14.1m)
Cash	<b>£378.4m</b>	£204.3m	+ £174.1m
Shareholders' funds	<b>£2,192.6m</b>	£2,045.5m	+ £147.1m
Capital employed	<b>£1,814.2m</b>	£1,841.2m	(£27.0m)
Net asset value per share	<b>715.4p</b>	671.4p	+ 44.0p

Appendix 8

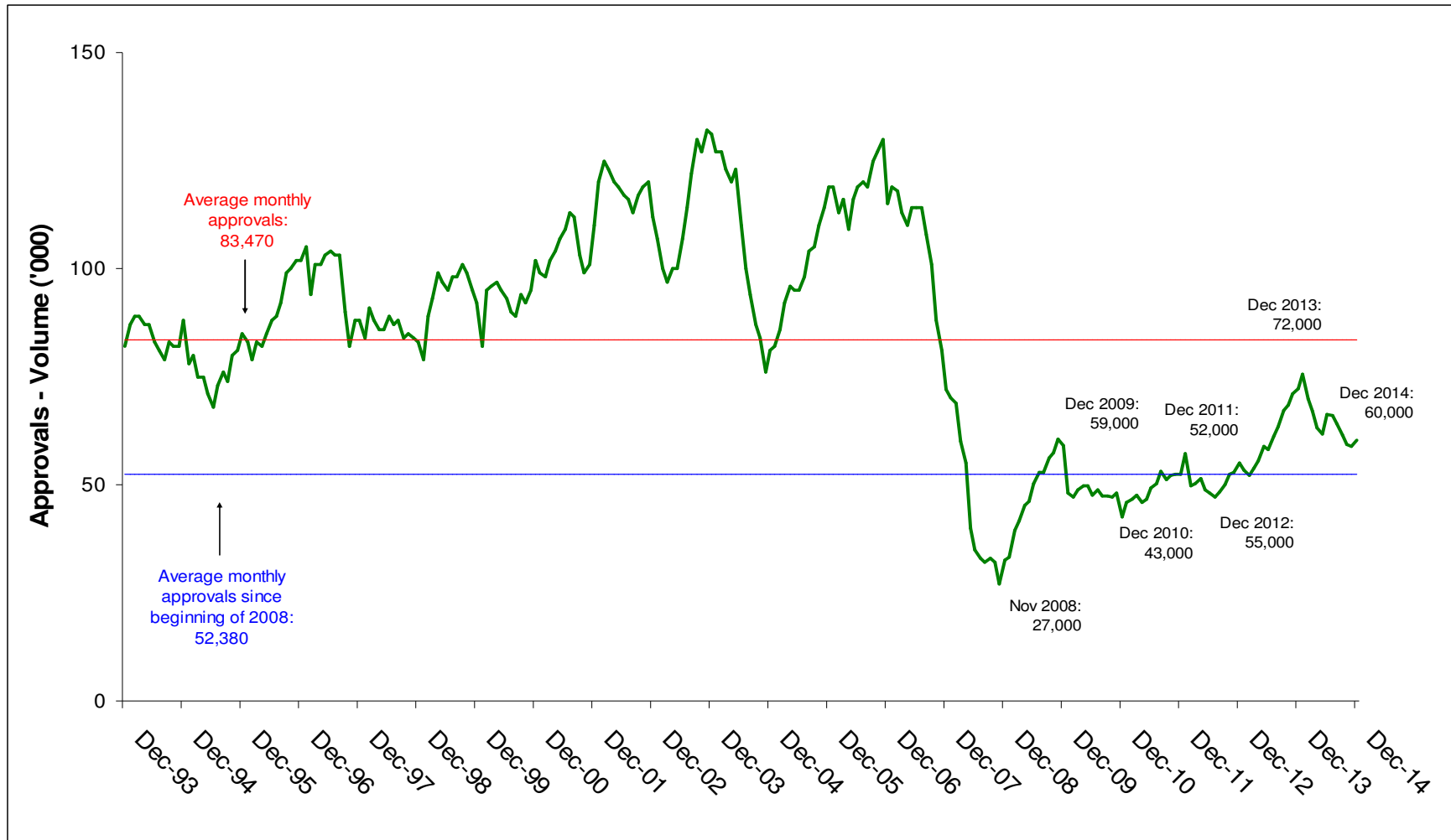


## Appendix 9: Cash flows

	H1 14 £m	H2 14 £m	FY 14 £m	FY 13 £m
Operating cash (before working capital movements)	221.5	266.4	487.9	345.5
Investment in working capital:				
Increase in gross land	(70.7)	(135.1)	(205.8)	(126.8)
Increase in land creditors	28.1	125.3	153.4	66.2
<b>Net land investment</b>	<b>(42.6)</b>	<b>(9.8)</b>	<b>(52.4)</b>	<b>(60.6)</b>
Increase in WIP, part exchange and showhouses	(8.0)	0.5	(7.5)	(3.0)
Other working capital movements	15.3	53.4	68.7	-
<b>Cash flow from operations</b>	<b>186.2</b>	<b>310.5</b>	<b>496.7</b>	<b>281.9</b>
Net interest and similar charges paid	(3.5)	(0.6)	(4.1)	(2.0)
Tax paid	(54.3)	(41.8)	(96.1)	(38.3)
Net capital expenditure	(3.6)	(4.2)	(7.8)	(6.1)
<b>Cash flow before dividends, share transactions and financing</b>	<b>124.8</b>	<b>263.9</b>	<b>388.7</b>	<b>235.5</b>
Net share transactions	1.4	2.2	3.6	(0.3)
Capital return paid to Group shareholders	-	(213.9)	(213.9)	(227.9)
<b>Cash flow before financing</b>	<b>126.2</b>	<b>52.2</b>	<b>178.4</b>	<b>7.3</b>
Payment of Partnership liability to pension scheme	(2.5)	-	(2.5)	(4.5)
Financing transaction costs	(1.7)	(0.1)	(1.8)	-
<b>Increase in cash</b>	<b>122.0</b>	<b>52.1</b>	<b>174.1</b>	<b>2.8</b>

Appendix 9

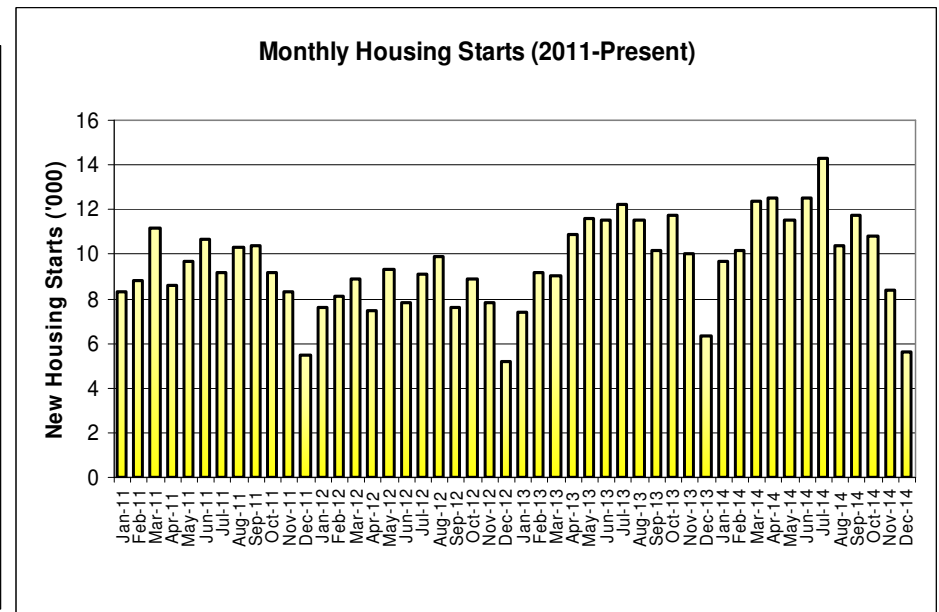
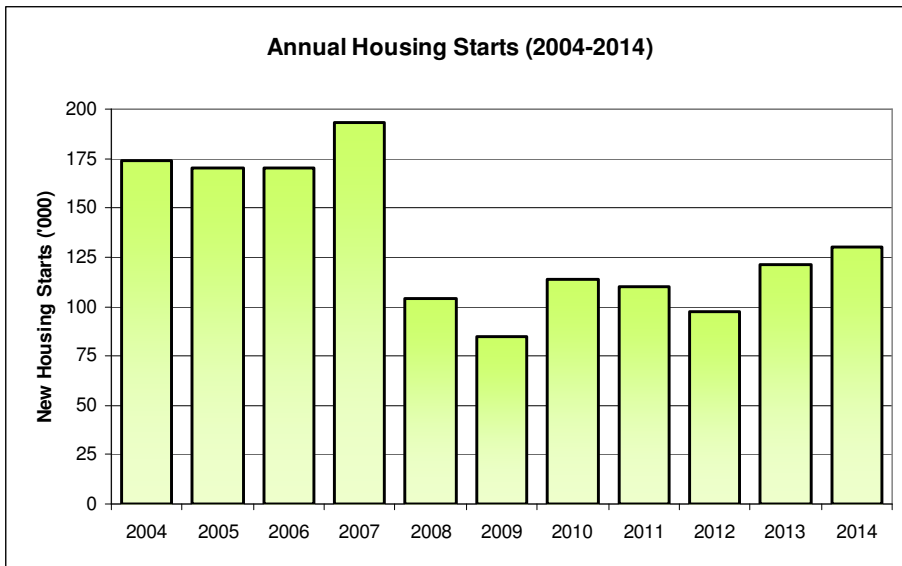
# Appendix 10: Mortgage approvals for house purchase



Source: Bank of England Data

Appendix 10

# Appendix 11: New housing starts



Source: NHBC Housing Market Report (January 2015)

**Appendix 11**

# Disclaimer

## Important Notice

Certain statements in this results presentation are forward looking statements.

Forward looking statements involve evaluating a number of risks, uncertainties or assumptions that could cause actual results to differ materially from those expressed or implied by those statements.

Forward looking statements regarding past trends, results or activities should not be taken as a representation that such trends, results or activities will continue in the future.

Undue reliance should not be placed on forward looking statements.

