

## INTERIM MANAGEMENT STATEMENT

THURSDAY 21 APRIL 2011

Persimmon plc is holding its Annual General Meeting at 12 noon today at York Racecourse where the following comments will be made regarding current trading, financial performance and the outlook for the financial year. This statement, which supplements the update given at the time of our 2010 results, covers the period from 1 January 2011 to the date of this announcement and constitutes Persimmon plc's first Interim Management Statement in 2011.

At the beginning of the year we had a sales order book of £565 million which was lower than the previous year (January 2010: £638 million). At the time we commented that sales rates had been affected by the uncertainty created by the planned austerity measures and the unusually bad weather during November and December.

Since then sales rates have improved with the total value of new sales reservations taken in the year to date increasing by c. 12% when compared to the same period last year. Our order book, including legal completions already achieved this year, now stands at a similar level to last year at £1.14 billion.

In line with our continuing strategy of margin improvement, these sales will generate further margin growth.

Visitor levels to site remain encouraging and cancellation rates continue at a low level of c. 16%. As outlined previously, we anticipate legally completing a similar number of new home sales during 2011 when compared with 2010, but with an increase in volume over the prior year in the second half of 2011. Whilst underlying prices remain stable we expect average selling prices to show improvement due to our strategy of continued mix change with more Charles Church homes being completed and a greater proportion of traditional family housing.

We have continued to take action to optimise our debt portfolio given our strong liquidity and significant cash holdings. On 25 March 2011 we prepaid our remaining Senior Loan Notes with a face value of £136.4 million. The finance cost savings that will result from this action will significantly exceed the initial costs.

On 1 April 2011 we arranged a new five year £300 million revolving credit facility, which replaces our existing facility which was due to mature on 31 March 2012. The financing received strong support and was substantially over subscribed. Royal Bank of Scotland Group plc, Lloyds Banking Group, Barclays Bank plc and HSBC Bank plc acted as mandated lead arrangers

joined by Santander UK Ltd and Yorkshire Bank. Receiving such strong support from our long term relationship banks places us in an excellent position. Together with our continued strong liquidity and balance sheet we remain keen to invest in new development opportunities to deliver the future success of Persimmon.

Gearing continues to run at low levels and was c. 6% at the end of March (31 March 2010: 17%) as we run up to the point of our peak working capital requirements.

Recent Government initiatives announced in the Budget in respect of planning changes and support for first time buyers are helpful and, whilst an improvement in mortgage supply would improve market conditions, we are operating successfully at the current levels of activity.

In the meantime, we continue to secure opportunities to grow our business further whilst maintaining our focus on margin growth.

We will give a further update on trading on Tuesday 5 July 2011.