

TRADING UPDATE

TUESDAY 3 JULY 2012

Persimmon plc announces the following update ahead of its Half Year Results to 30 June 2012, which will be released on Tuesday 21 August 2012.

We legally completed 4,712 new homes (2011: 4,439) in the first six months of 2012, an increase of 6% on the prior year. Sales rates have continued to run ahead of 2011 through the Spring season, with weekly average private sales rate per site for the first half being c. 18% ahead. Turnover for the first half was c. £805 million, a c. 13% increase on the previous year. Cancellation rates remain at low levels in line with the prior year at c. 18%.

We have opened 65 new sites in the first half of the year and we are currently selling new homes from c. 375 sites. Visitor numbers to both the Persimmon Homes and Charles Church home finder web sites for the first six months are over 50% stronger than for the previous year. This reflects customers' growing preference to search for a new home using the internet and is driving healthy levels of visitors to our developments. We anticipate opening a further c. 60 new sites during the second half of the year which will continue to refresh our strong outlet network. In line with our long term strategy we remain focussed on maintaining the current strength of our site network to improve our capital efficiency and returns.

Our average selling price was 7% ahead year-on-year at c. £171,400 (2011: £160,583) reflecting a greater proportion of traditional family homes in the sales mix. Pricing has remained firm during the first half of the year.

At 30 June the value of our total forward sales of c. £774 million was c. 7% ahead of the prior year. This is a combination of our private sale forward revenue being c. 11% ahead of the same point last year whilst the value of forward sales to housing associations was in line with last year. We have experienced the normal seasonal slow down in private sales reservations from around the time of the Jubilee weekend as we move into the quieter summer weeks.

Our long term strategy announced in February 2012 requires a continued improvement in margins and associated free cash generation. We anticipate underlying operating margins will have increased in the first half to more than 11.5% (2011: 9.0%). In addition, at 30 June 2012 our cash holdings totalled c. £135 million resulting from free cash inflows before dividends of c. £112 million during the first six months of the year (2011: 30 June borrowings of £15 million).

Strong cash generation has supported significant investment in new land. We have invested c. £150 million in land in the first half and have acquired c. 5,600 new plots, increasing our consented land bank to c. 63,800 plots (June 2011: 62,364 plots). We continue to identify high quality sites at the required levels of return across the UK. Our land teams have delivered further strategic land conversion amounting to c. 1,700 plots, c. 30% of the new plots acquired in the period. These new sites will support the further development of the business over the years to come.

The Group's performance in the first half of the year represents an excellent start in the delivery of our new long-term strategic plan to develop the Group into a stronger, larger business, backed by a significant and high quality landbank whilst returning £1.9 billion (£6.20 per share) of capital to shareholders over the next nine years. The first capital payment of £227 million is anticipated in June 2013.

Whilst market conditions have been relatively stable during the first half of the year, sentiment within the UK housing market continues to be impacted by the continued weakness in the wider UK

economy. However, we remain confident that we will be able to operate successfully in the current market and achieve our strategic objectives.

We will announce our Half Year Results on Tuesday 21 August 2012 and provide further details at that time.

Please Note

There will be a call for analysts at 0900 BST 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 from this afternoon.

For further information please contact:

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