

THIRD QUARTER TRADING STATEMENT

WEDNESDAY 8 NOVEMBER 2017

Persimmon plc today releases its third quarter Trading Statement which covers the period from 1 July 2017 to 7 November 2017.

Customer activity has strengthened in line with traditional seasonality as we have moved from the quieter summer weeks into the autumn period. Consumer confidence is resilient and mortgage lenders remain keen to compete for new business, with mortgage approvals for the third quarter being c. 8% ahead of last year. Mortgage interest rates remain very attractive, particularly for first time buyers taking advantage of the Government's Help to Buy scheme.

Enquiries received from customers, including website traffic, have been running in line with the elevated levels of last year despite the Group's total sales outlet numbers being c.10% lower over the autumn period to date. The level of visitor traffic to our sites has remained healthy. The Group's total sales rate per site in the period since we reported our half year results has been in line with the prior year, which was 14% ahead of 2015 due to particularly strong sales post the 2016 EU Referendum. We are now fully sold up for the current year and have c.£909 million of forward sales reserved beyond 2017, an increase of 10% on the same point last year (2016: £829 million). Pricing remains firm across our regional markets.

We have continued to drive site construction activities forward during the third quarter to ensure customers are able to move into their new homes in line with their expectations. We are focused on opening new sales outlets at the earliest opportunity to meet market demand. The Group continues to encounter a tight market for both key house building trade skills and some materials. The Group is actively developing all sites where an implementable detailed planning consent has been secured.

At this point in the cycle we remain focused on disciplined investment in high quality new land to support the delivery of superior returns and cash generation over the longer term. The National Planning Policy Framework continues to task local authorities with identifying more land to be released for development. However, achieving detailed planning consent for the land identified is proving as challenging as ever. We are keen to work with all stakeholders taking part in the Government's Housing White Paper consultations to establish more effective planning processes which will allow the industry to increase the number of active outlets and overall output of new homes built. The Group opened 95 new sales outlets in the first half of the year and has launched a further 61 through the second half to date. Management has made good progress with construction on new sites and we anticipate opening c. 45 additional sales outlets during the remainder of the year. To support the Group's future growth we plan to open a new regional operating business near Ipswich in Suffolk on 2 January 2018, bringing the number of house building businesses in the Group to thirty.

Management has continued to pursue new land opportunities on a selective basis. The Group acquired a total of 5,526 new plots and spent £147 million, including payment of deferred land creditors, during the period. Of the new plots acquired, 48% have been converted from our strategic land portfolio. We anticipate that the Group will achieve strong strategic land conversion over the next couple of years as local authorities complete their plans to identify sufficient land to meet the assessed housing need in their local communities. Management will marshal the Group's cash resources to ensure these reinvestment requirements are adequately supported.

Management remain focused on the cash efficiency of Group operations with strong cash generation being central to the execution of our long-term strategy. The Group is likely to hold increased cash balances at 31 December 2017 subject to the timing of further land investment (30 June 2017: £1,120.4 million).

We will give a further update on progress and trading following the year end on Tuesday 9 January 2018.

Jeff Fairburn and Mike Killoran will host a conference call with analysts at 9.00 a.m. today. To participate please dial +44 (0)33 3300 0804. The access pin is 72233806# and password is "Persimmon".

Further information, please contact:

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