

## **TRADING UPDATE – 7 JANUARY 2016**

Persimmon plc announces the following update ahead of its Final Results for the year ended 31 December 2015, which will be released on 23 February 2016.

2015 has been another year of strong growth for the Group, with legal completions increasing by 8% to 14,572 new homes (2014: 13,509). Further improvements to our build programmes supported the delivery of our strong carried forward sales at the mid-year stage, together with healthy sales taken through the autumn season. Our second half volumes of 7,717 legal completions were 13% stronger than the first half (H1: 6,855). The two new businesses opened during 2015 have made a solid start to trading, with Central delivering 160 new homes and Teesside 310 new homes during the year.

Revenues for 2015 of £2.9bn were 13% higher than the prior year (2014: £2.6bn), the Group's average selling price having increased by 4.5% to c. £199,100 (2014: £190,533).

The value of our forward sales at 31 December 2015 of c. £1,100m is 13% ahead of the prior year (2014: £973m). This provides a strong platform for the Group to continue to execute its long term strategy, which includes growing the business to take advantage of sustainable market opportunities. A further two new businesses based at Launceston in Cornwall and Perth in Scotland commenced trading on 4 January 2016 and will support this disciplined growth.

During 2015 we opened over 250 new development sites across the UK. The improved land recoveries on legal completions from these new sites, and strong control over costs, will result in a further increase in operating margins for the second half of the year as reported in November's trading update. The Group's expansion in output, together with improved operating profitability, will produce substantial growth in pre-tax profits and excellent cash generation for the year ended 31 December 2015. The Group's liquidity remains strong.

The Group has continued to identify compelling reinvestment opportunities in the land market which will deliver strong returns and cashflows over future years. We acquired c. 20,500 plots of new land over 123 sites with good deferred terms during the year. The consistent application of the requirements of the National Planning Policy Framework is supporting improvements in land release for development and the additional initiatives recently announced in the Autumn Statement should help further. The Group has an exciting pipeline of opportunities emerging from its strategic land portfolio and we remain well placed to realise our disciplined growth plans as part of the execution of our long term strategy.

The Group held cash balances of c. £570m at 31 December 2015 (2014: £378m).

We will give a further update on our assessment of the housing market over the early weeks of 2016 when we announce our results for the year ended 31 December 2015 on Tuesday 23 February 2016.

**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 3427 1903

Conference code : Persimmon

An audiocast of the call will be available on [www.corporate.persimmonhomes.com](http://www.corporate.persimmonhomes.com)

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