

TRADING UPDATE

TUESDAY 2 JULY 2013

Persimmon plc announces the following update ahead of its Half Year Results to 30 June 2013, which will be released on Tuesday 20 August 2013.

The Group legally completed 5,022 new homes (2012: 4,712) in the first six months of the current year, an increase of 7% on the first half of 2012.

Visitors to our sites during the first half of the year were 13% stronger than the prior year and cancellation rates remained at historically low levels of 16% (2012: 18%). Throughout the period there has been an improvement in the availability of mortgage credit and a gradual reduction in mortgage interest costs supported by the Government's Funding for Lending Scheme.

Our average selling price of c. £179,200 (2012: £171,206) for the first six months was c. 5% ahead of last year mainly due to the continuing increase in the proportion of larger family housing in the sales mix. Underlying pricing remained stable throughout the period. Total revenues for the first half of the year of c. £900 million were c. 12% higher than last year (2012: £806.7 million).

The Government's "Help to Buy" 20% shared equity scheme, introduced in April 2013, has generated a positive response from prospective homebuyers, bringing additional momentum to the traditionally stronger spring sales season. Persimmon has secured 1,124 Help to Buy reservations since launch. Whilst our weekly private sale reservation rate for the first half of the year was 12% ahead of last year, our reservation rate as measured from the date of introduction of the "Help to Buy" scheme was 30% stronger.

We are encouraged by the gradual increase in the number of major mortgage lenders supporting this Government initiative and anticipate that all the major lenders will be providing "Help to Buy" related mortgage products over the coming weeks. This will present a wider choice to customers and will help to support further increases in new home sales.

At 30 June the value of our forward sales of c. £920 million was c. 19% ahead of the prior year (2012: £774 million). Our private sale forward revenue was c. 24% ahead of last year whilst the value of our housing association forward sales increased by c. 10%.

In line with our plans, we have successfully opened 90 sites during the first half of the year. At 30 June we were operating from 385 active sites having fully sold through a number of existing sites a little earlier than anticipated due to the improved rate of sale we have experienced so far this year.

Maintaining this strong nationwide outlet network remains a key feature of our long term strategy, sales growth being largely secured through improvements in weekly sales rates. We believe this increase will support higher levels of return on capital on a sustainable basis, delivering greater free cash net inflows.

We plan to open a further c. 85 new sites in the second half of the year and expect our active outlet network to remain stable at c. 385 sites through this six month period. While the process of achieving outline planning consents has continued to improve as a result of the Government's new National Planning Policy Framework, the volume of pre-start conditions is delaying progress on a number of these developments.

In line with our stated strategy we continue to improve our margins. We had expected to return to underlying operating margins of between 15% to 17% by the end of 2014. However, we are pleased to report that we now expect our underlying operating margin to have increased to c. 15%

in the first half of this year, an increase of c. 280 basis points over the first half of last year (2012: 12.1% restated*).

We have continued to invest in the future growth of the business, acquiring c. 7,300 new plots and investing c. £240 million in our land bank which totals c. 70,500 consented plots at 30 June 2013 (December 2012: 68,200). We have had good success in converting our strategic land which accounts for c. 20% of the new replacement plots acquired. We plan to bring these new sites through into development as quickly as possible.

The first payment of our Capital Return Plan of c. £228 million, or 75p per share, was made on 28 June 2013 having received shareholders' approval at the General Meeting on 18 April 2013.

The growth of the business in terms of both revenue and profitability delivered c. £72 million of free cash net inflow before capital returns in the first six months of the year (2012: £112 million). At 30 June cash holdings totalled c. £45 million (2012: £135 million).

We have now entered the slower summer weeks for the UK housing market and continue to experience stable conditions. In the context of the wider economic challenges consumer confidence remains fragile. However, we remain focussed on the delivery of the planned further growth of Persimmon and the successful execution of our long term strategy.

We will announce our Half Year Results on Tuesday 20 August 2013 and will provide further details at that time.

* 2012 comparatives restated for amendment to IAS19 "Employee Benefits".

Please Note

There will be a call for analysts at 09:00 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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