

## **TRADING UPDATE**

**WEDNESDAY 2 JULY 2014**

Persimmon plc announces the following update ahead of its Half Year Results to 30 June 2014, which will be released on Tuesday 19 August 2014.

Trading during the first six months of this year has been strong. Total revenues have increased by 33% to £1.2 bn (2013 : £0.9bn). The Group legally completed 6,408 new homes (2013 : 5,022) during the period, up 28% on the prior year. Visitor numbers to our sites across the UK were 5% ahead and cancellation rates of 16% (2013 : 16%) have remained at low levels.

The Group's average selling price has increased by 4% to c.£186,000 (2013 : £179,199) primarily due to a continued increase in the proportion of larger family houses in the sales mix. Customer demand for good quality housing in attractive locations remains firm across all our regional markets.

Mortgage lenders have continued to support customer access to the housing market, exercising discipline in the improving market. This disciplined approach has been complemented by the implementation of the Mortgage Market Review and is further evidenced by recent adjustments to lending practices by major lenders. This has now been reinforced, with last week's announcement of measures by the Bank of England focussed on ensuring lending practices remain sustainable in the future.

As anticipated, we successfully opened 90 new sites in the first half of the year leaving our outlet network slightly lower at 380 active sites, having sold out a number of existing sites more swiftly due to stronger sales rates. We plan to open approximately 100 new sites during the second half of the year.

Our total forward sales revenue at 30 June 2014 of c.£1.18bn (2013 : £0.92bn) is 28% higher than last year. We have c.4,100 new homes sold forward into the private sale market which is 29% ahead year on year, with an average selling price of c.£204,600, 3% higher.

Our strong liquidity has supported substantial land replacement through the first six months with c.£290 million of land expenditure and c.14,300 new plots of land acquired. Our consented land bank at 30 June totals c.82,300 plots which provides an excellent platform for the future development of the business.

At 30 June 2014 cash holdings were c.£326 million (2013 : £48 million), resulting from c.£122 million (2013 : £75 million) of free cash net inflow in the first half of the year.

The second payment of our Capital Return Plan of c.£214 million, or 70p per share, is to be made on 4 July 2014 having received shareholders' approval at the Annual General Meeting on 16 April 2014.

With the gradual improvement in performance of the wider UK economy confidence in our regional markets across the UK remains positive as we enter the traditionally slower summer weeks. We will continue to focus on the successful delivery of our operational objectives and execution of our longer term strategy.

We will announce our Half Year Results on Tuesday 19 August 2014 and will 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](http://www.corporate.persimmonhomes.com) from this afternoon.

For further information, please contact:

Persimmon plc

Jeff Fairburn, Group Chief Executive  
Mike Killoran, Group Finance Director

Tel: +44 (0)1904 642199

Citigate Dewe Rogerson

Simon Rigby  
Kevin Smith

Tel: +44 (0)20 7638 9571