

## **TRADING UPDATE**

**THURSDAY 27 APRIL 2017**

Persimmon plc (“the Company”) will hold its Annual General Meeting (“AGM”) at 12.00 noon today at York Racecourse when the Chairman will make the following statement regarding current trading, financial performance and the outlook for the current financial year. This statement covers the period from 1 January 2017 to date and supplements the update given in the announcement of the 2016 Final Results on 27 February 2017.

Persimmon’s operational performance continues to be excellent, with the Group delivering higher volumes of newly built homes in local communities across all our regional markets, supported by the resilience of the UK economy. The prevailing disciplined approach to mortgage lending is enabling customers to buy newly built homes on attractive but sustainable terms. Our focus on building family housing at affordable prices provides a compelling choice for potential new home buyers and has attracted 6% more visitors to our development sites than last year at this stage.

Total forward sales revenue, including legal completions taken to date in 2017, is currently £2.56 billion, c.11% higher than last year (2016: £2.31 billion). As expected, despite the particularly strong comparatives from the first quarter of last year, our weekly private sales rate per site since reporting our 2016 Final Results on 27 February 2017 is 12% ahead of last year, resulting in a sales rate which is now 4% ahead for the year to date. We have 8,928 new homes sold forward into the private ownership market with an average selling price of c. £229,500, an increase of 4.1% over the prior year.

Despite the continued difficulties encountered with planning delays, we have opened 67 of the 90 new sites planned for the first half of the year. These new sales outlets opened across the UK continue to support our margin progression, due to the associated lower land cost recoveries, which has been aided further by some modest price improvement through the Spring period so far. The Group is currently developing 382 active sales outlets across the UK and is building new homes on all sites that have an implementable detailed planning consent. During the period we continued to identify good opportunities to acquire new land to support the future growth of the business.

The Directors are pleased to announce that the Company has recently concluded a one year extension of the maturity date of its £300m Revolving Credit Facility, out to 31 March 2022, with the Company’s five relationship banks.

Exercising capital discipline through the cycle whilst growing the business as market conditions allow are key features of the Group’s strategy launched in early 2012. Our Capital Return Plan to return surplus capital to shareholders over the ten year period to 2021 continues to be a fundamental element of this capital discipline.

As announced on 27 February 2017, an additional payment under the Capital Return Plan of 25p per share, or £77 million, was paid to shareholders as a dividend on 31 March 2017. At the same time the Board confirmed that the scheduled return of 110p per share, or £338 million, will be paid to shareholders on 3 July 2017 also as a dividend. These payments will bring the total value of surplus capital returned to shareholders at that date to £1,488 million, or £4.85 per share. This total is £629 million greater than that originally planned at launch in 2012.

The successful trading performance of Persimmon has enabled the Board to increase the value of the original Capital Return Plan by 49%, or c. £937 million. The total value of the Capital Return Plan is now c. £2.85 billion, or £9.25 per share.

The acceleration and significant uplift in the value of the Capital Return Plan has been facilitated by the Group increasing the volume of its legal completions of newly built homes substantially since 2012. The Group has sold over 70,000 new homes since the launch of the plan, in part by opening five new operating businesses, and by opening over 1,000 new sales outlets whilst investing over £2.5 billion in new land. In total the Group has generated £1.96 billion of free

cash before the return of surplus capital over the five years since the launch of the Group's strategy in 2012.

The Board remains confident of the future prospects of the Group.

We will provide a further report in our Trading Update on Wednesday 5 July 2017.

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