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Crest Nicholson Holdings Plc Trading Update

Positioned for Growth

Crest Nicholson Holdings Plc (Crest Nicholson) today issues a trading update in respect of the six months ended 30 April 2017, ahead of its half year results announcement on 13 June 2017.

Current trading

Trading continues to be in line with expectations and the Group remains on track to deliver growth in unit sales and c. 10% in revenues for the full year to 31 October 2017.

Average Selling Prices (ASPs) have risen as the Group has delivered on its strategy of investing in high quality locations. Open market completion ASPs in the first six months, excluding PRS, were 12% higher at £418k (2016: £372k).

The change in product and location mix towards higher ASPs also results in the business naturally operating at a lower sales rate per outlet. Sales per outlet week, excluding PRS, averaged 0.81 (2016: 0.87) which is in line with the average sales rate achieved through the whole of 2016.

As expected, unit completions for the first half of the 2017 financial year at 1,064 (2016: 1,206) are lower than the comparative period in 2016, primarily due to a reduced first half weighting from the timing of PRS completions. Unit completions excluding the impact of PRS were 1,021 (2016: 1,033), broadly in line with last year.

At the end of April, forward sales for the 2017 year including year to date completions are 5% ahead of the same period last year.

Forward sales have been supported by an increase in outlet numbers which averaged 49 for the first half of 2017 (2016: 44) an increase of 11%. The second half of 2017 will see the new Division in the Midlands established and additional outlets opened across the existing Divisions.

The Group has continued its disciplined approach to land acquisitions, in what is still a benign market. In the first half of 2017, the business has more than replaced housing revenues purchasing 1,092 plots across 11 sites with a gross development value of £418m, maintaining a broad land pipeline for the future.

A further 1,196 plots across two sites were converted from the Strategic land pipeline in the period, after relevant resolutions to grant planning consent were secured. The Strategic pipeline has in turn been replenished with an additional 1,101 plots.

Stephen Stone, Chief Executive commented "Having delivered on our stretching 2016 target of £1bn sales, the business has taken the first steps to establish a new division in the Midlands, is building momentum in forward sales for the year and pursuing the disciplined expansion of the Group's land pipeline for the future. Crest Nicholson has the solid foundations for another year of growth and remains firmly on track to meet our ambitious 2019 targets of £1.4bn sales and 4,000 units."

Leasehold Sales

There has been some public comment on leasehold sales in recent months. It is the Group's general approach to sell houses on a freehold basis and, as a result, very few leasehold houses have been sold. We continually review the terms of ground rents for the sale of all leasehold properties and we do not believe that they constitute a material exposure for the Group.

Outlook

The housing market continues to be robust across the Group's principal operating areas. The market is underpinned by strong demand with good mortgage access and support from the Help to Buy Scheme. Moderate sales inflation should help to maintain affordability in the near term and combined with moderate build cost inflation should help underpin margins.

Addressing production capacity, clearance of planning conditions and the shortage of skilled labour continue to be the key areas of focus for the sector in terms of securing volume delivery and growth.

Against this market backdrop the Board remains confident that the business is well positioned to continue to deliver a strong operational and financial performance in the medium term.

There will be a conference call for analysts at 8.30am, hosted by Stephen Stone, Chief Executive, and Patrick Bergin, Chief Operating Officer, and Robert Allen, Finance Director. The dial-in details are:

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Forward-looking statements

This release may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this release and include, but are not limited to, statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of

operations, financial position, liquidity, prospects, growth, strategies and expectations of the industry.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the development of the markets and the industry in which the Group operates may differ materially from those described in, or suggested by, any forward-looking statements contained in this release. In addition, even if the development of the markets and the industry in which the Group operates are consistent with the forward-looking statements contained in this release, those developments may not be indicative of developments in subsequent periods. A number of factors could cause developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in law or regulation, changes in its business strategy, political and economic uncertainty. Save as required by the Listing and Disclosure Guidance and Transparency Rules, the Company is under no obligation to update the information contained in this release.

Past performance cannot be relied on as a guide to future performance.

For further information about Crest Nicholson contact:

About Crest Nicholson

Crest Nicholson is firmly established as a leading developer with a passion for not only building homes, but also for creating vibrant sustainable communities. With a southern-based bias, the FTSE250 Group has a track record spanning more than 50 years and a broad portfolio of developments which range in size and scale, from contemporary, large scale mixed-use developments to smaller, more traditional housing schemes. As a pioneer of its own Garden Village principles, the Company advocates a holistic approach to development embracing social, environmental and economic factors to create homes for all segments of the community. These developments are founded on good design, high-quality green spaces, and the greater involvement of local people in both vision and long term management.

In line with its commitment to help meet housing demand, apprentices make up c.10% of Crest Nicholson's entire workforce, and the Group supports the development of jobs and skills at every level.

The Group was named 'Sustainable House builder of the Year' at the Housebuilder Awards 2016; is listed in the FTSE4Good index and is a consistent top performer in the Next Generation sustainability benchmark.

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