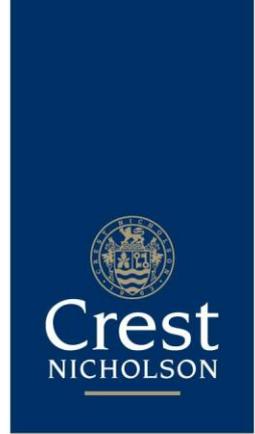


# Press release



50 Years  
1963-2013

Crest Nicholson

07 May 2013

## **Crest Nicholson Holdings plc Trading Update**

Crest Nicholson Holdings plc (the **Company**, or **Crest**, together with its subsidiaries, the **Group**) issued the following Trading Update, in respect of the first six months of its reporting year, covering the period from 1<sup>st</sup> November 2012 to 30<sup>th</sup> April 2013.

### **Strong growth in first half**

The business has delivered strong growth in the first half of the financial year, with 810 housing legal completions, representing a 9% increase over the 746 achieved in the six months to 30<sup>th</sup> April 2012.

Open-market legal completions at 699 (2012: 537) were up 30%, whilst the number of affordable units reaching legal completion, at 111, was significantly lower than the 209 achieved in 2012. This is in line with management expectations and it is expected that the full-year split between open-market and affordable units will be broadly similar to prior years.

On the Commercial front, the new Waitrose supermarket that we have built on our Oakgrove site at Milton Keynes is due to open shortly and the team have exchanged contracts with Morrisons to build a foodstore at our Centenary Quay development in Southampton.

Stephen Stone, Chief Executive commented "Crest has made a strong start to its first two months as a listed company, with the business performing in line with the Board's expectations.

Signs of improved access to mortgages together with the initiatives that the Government has put in place should serve to stimulate activity in the industry and assist people in purchasing a new home.

The sites that we have acquired and new outlets that we have opened will continue to support our growth objectives."

## **Current trading**

Market conditions in the Southern half of England, where the majority of our sites are located, are increasingly favourable, with some improvement in mortgage availability apparent since the turn of the calendar year.

Sales rates in the six months to 30<sup>th</sup> April 2013 have averaged 0.77 sales per outlet week (2012: 0.65), an increase of 18%. This represents a good performance in what is traditionally the strongest selling season and an important foundation for delivery of legal completions in the second half of the year.

Cancellation rates remain consistent with our long-term performance, at 13% on a moving annual total basis (2012: 13%).

Pricing has remained firm, particularly at sites in London and the South East of England and average open-market selling prices have risen by approximately 3%, from £233,000 to £241,000, inclusive of mix impacts.

The business has continued to open new outlets in line with expectations and is currently operating from 44 locations. Forward sales as at 30<sup>th</sup> April 2013 of £222m, are up 27% over the £175m as at 30<sup>th</sup> April 2012.

As expected, cash investment in opening up recently converted strategic sites has commenced in the first half and will continue in the second half of the year. In the absence of further sustained adverse weather, which impacted operations somewhat through the winter, the first legal completions from these sites are expected to be achieved later this year.

## **Land bank and acquisitions**

Crest has a strong land bank, focused on the Southern half of England where the undersupply of housing is more acute and economic prospects are generally better.

During the first six months, we continued to selectively acquire additional sites to increase outlet breadth and to support our business growth targets. Ten new sites were acquired, totalling just over 1,000 units.

New options were also entered into in respect of seven strategic sites and approximately 1,500 plots, ensuring that the strategic land bank continues to be replenished after a number of very successful conversions of sites into the short-term portfolio.

We are pleased to confirm that we were re-selected for membership of the Homes and Communities Agency (HCA) Delivery Partner panels in the geographical regions in which we operate, confirming the status of the group as a partner of choice with the public sector.

In this vein, we are also delighted to announce that on 29<sup>th</sup> April 2013 we signed a Development Agreement with the Defence Infrastructure Organisation (DIO) confirming Crest's appointment as Development Manager for the redevelopment of Arborfield Garrison near Reading. With an estimated Gross Development Value of £600m, the project overall will deliver 2,000 homes and supporting physical and community infrastructure. The agreement envisages that Crest delivers around 700 of the new homes together with the supporting infrastructure, community and retail facilities and that we will bring in other house builders to deliver the balance of the development.

## **Outlook**

The housing market is showing some signs of stirring from the benign but sluggish environment in which it has operated for the last twelve months or so, although we are conscious that conditions in the wider economy continue to be tough for many.

We believe the new measures announced in the Government's Budget should stimulate demand, particularly the 'Help to Buy' scheme, in which we have already seen significant purchaser interest. We have also made a Build to Rent proposal to the HCA for the delivery of circa 1,000 dwellings from a number of 'backbone' sites across our existing portfolio, over a four/five year delivery period, which has been accepted and will now move forward to the next stage of the process.

Whilst very welcome, on past evidence, such schemes can take a little while to gain traction, so the impact on volumes is likely to be more evident later in the year.

The business will continue to focus on driving sales through maintaining a high-quality offer to customers and securing and opening new outlets in line with our growth strategy. With improving sentiment in the housing market and our strong forward sales position, the Board remains confident in the outturn for the year.

There will be a conference call for analysts at 09.30 (BST), hosted by Stephen Stone, Chief Executive, and Patrick Bergin, Finance Director. The dial-in details are:

**Dial-in:** +44 (0) 20 3003 2666

**Title:** Crest Nicholson Trading Update

**Password:** Crest

The results for the six-month period to 30 April 2013 will be announced on Tuesday 18 June 2013.

This Trading Update should be read in conjunction with the Company's prospectus (the **IPO Prospectus**) in connection with the admission of its ordinary shares to the Official List of the UK Listing Authority and to trading on the London Stock Exchange plc's main market for listed securities, which was published on 13 February 2013. A copy of the IPO Prospectus is available to view and download from the Company's website at [www.crestnicholson.com](http://www.crestnicholson.com).

**For further information please contact:**

**Crest Nicholson Holdings plc**

+44 (0) 1932 580555

Stephen Stone

Patrick Bergin

**RLM Finsbury**

+44 (0) 20 7251 3801

Faeth Birch

James Bradley

***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 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.*

**- Ends -**

### **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. The Company's track record over 50 years shows a demonstrable commitment to delivering innovative, design led, residential developments and large scale, mixed use, urban regeneration solutions. Its on-going emphasis on environmentally responsible housing and commitment to deliver truly low carbon sustainable schemes is evident by an ever increasing development portfolio. Crest Nicholson was proudly awarded the Queens Award for Enterprise in the Sustainable development category in 2007. The 5 year accolade is proof of a continued commitment to producing high quality developments that champion the very best principles in sustainability and design.

The Group is also proud to hold more CBE Building for Life Gold Standards than any other developer and remains a consistent top performer in the Next Generation industry benchmark. Visit [www.crestnicholson.com](http://www.crestnicholson.com)