

Press release



19 May 2015

Crest Nicholson Holdings plc **Trading Update**

Crest Nicholson Holdings plc (Crest Nicholson) today issues a trading update in respect of the six months ended 30th April 2015, ahead of its half year results announcement on 16th June 2015.

Current trading

Trading during the first six months has been strong, buoyed initially by revisions to the stamp duty regime and then further by increasingly competitive pricing in the mortgage market.

Sales per outlet week for the six month period were 0.93, a 12% increase on the 0.83 achieved for the first six months of 2014.

In addition, Crest Nicholson sold 97 units at Bath Riverside to M&G Real Estate, who have purchased the homes for private rental. This transaction is intended to form part of a longer term relationship between the parties.

The business continues to grow its outlet breadth and operated from 44 sales outlets year-to-date (2014: 42), an increase of 5%.

Unit completions of 1,124 are 3% ahead of prior year, with open market completions up 8%.

Average open-market selling prices of £322,000 are 20% higher than the £269,000 achieved in the first half of 2014, reflecting an element of price inflation but also as the product and location mix of the business evolves in line with our intended strategy.

Forward sales for all years at 30th April were 1,786 units and £336m, up 25% and 29% respectively on the 1,430 units and £260m in hand at 30th April 2014.

With the benefit of already strong land holdings, the business continues to apply a disciplined approach to land buying. Acquisitions in the first half have focused on our strategic land pipeline, where six sites and a net 2,575 plots have been added in the

first six months of the year. A further four sites and 191 plots have been acquired to top up our short term site numbers.

Stephen Stone, Chief Executive commented "Purchaser appetite to secure a new home remains strong and conditions to support this level of demand are very favourable. The business is well positioned to continue to grow volumes and revenues in line with our previously stated targets and make its contribution to the delivery of the new homes that the country needs."

Outlook

With purchaser confidence currently high, supported by economic recovery, good mortgage access and a rise in disposable incomes, our expectation is that sales rates will continue to be strong.

Production capacity, clearance of planning conditions and skills availability remain the critical constraints on volume delivery and a subject of focus across the sector.

Strong rates of sale will support both current year outputs and the forward sales position, but challenges in the supply chain – particularly shortages of skilled labour – will limit the level of volume growth achieved in any one year.

A level of disruption to the normal process of securing planning is commonly experienced in the run-up to a general election and this year has been no different; now that the election is decided, it is expected that we will see a return to a more consistent level of engagement and also reap the benefits of policy continuity.

Sales price inflation continues to offset pressures from cost increases in the supply chain, albeit that build costs are showing some signs of acceleration as the market picks up pace.

Against this backdrop, the Board is confident that the business is well positioned to deliver a strong operational and financial performance.

There will be a conference call for analysts at 08.30 (BST), hosted by Stephen Stone, Chief Executive, and Patrick Bergin, 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 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 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 10% of Crest Nicholson's entire workforce, and the Group supports the development of jobs and skills at every level.

The Group was named 'Homebuilder of the Year' at The Sunday Times British Home Awards; is listed in the FTSE4Good index and is a consistent top performer in the Next Generation industry benchmark.

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