Crest Nicholson Holdings plc 
Trading Update
Continued Growth


Highlights

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>Change</th>
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</thead>
<tbody>
<tr>
<td>Unit completions</td>
<td>2,935</td>
<td>2,870</td>
<td>+2.3%</td>
</tr>
<tr>
<td>Open-market ASPs</td>
<td>£391k</td>
<td>£371k</td>
<td>+5.4%</td>
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<tr>
<td>Gross development value of land pipeline - £m</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- short term</td>
<td>5,776</td>
<td>5,532</td>
<td>+4.4%</td>
</tr>
<tr>
<td>- strategic</td>
<td>5,960</td>
<td>5,114</td>
<td>+16.5%</td>
</tr>
<tr>
<td>Total</td>
<td>11,736</td>
<td>10,646</td>
<td>+10.2%</td>
</tr>
<tr>
<td>Forward sales - Units</td>
<td>1,997</td>
<td>1,773</td>
<td>+12.6%</td>
</tr>
<tr>
<td>Forward sales - £m</td>
<td>£391.4m</td>
<td>£344.5m</td>
<td>+13.6%</td>
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Overview

Crest Nicholson has continued to grow overall housing volumes in 2017, while maintaining a focus on both margins and return on capital as we pursue our disciplined growth strategy.

Overall housing unit completions in 2017 were up by 2.3% at 2,935 homes.

Open-market average selling prices have increased by 5.4% to £391k (excluding PRS impact), in line with our well established strategy to position the business at around this pricing level. We anticipate growth in revenues across all tenures and
reported sales for the year to be c. 6-7% higher than FY2016. EBIT margins are expected to be consistent with Management’s previous guidance for a good year, at the top end of the 18% to 20% range and return on capital employed approaching 30%.

The average number of sales outlets across the year was 51, an increase of 8.5% over the 47 achieved in 2016. Underlying sales rates for the year, excluding PRS, averaged 0.77 sales per outlet week (2016: 0.81) which reflects the increase in the Group’s average selling prices and, to some extent, the softer market in Central London. Sales rates remain generally strong for properties below the £1m price level.

The supply of skills and materials continues to be a challenge. Our commitment toward apprentices and the award winning Crest Site Management Academy are examples of the actions we are taking to address our skills shortages. The Group also continues to develop its off-site manufacturing initiative and there are plans to build upon this year’s initial trials in 2018.

Crest Nicholson has continued to make selective additions to its short-term land pipeline, whilst also achieving planning consents on four strategic sites in the period and transferring them into the short-term land pipeline. A further 11 strategic sites are included in allocations or draft allocations and progressing through the planning process.

The gross development value of both our short-term and strategic land pipelines have increased a combined 10.2% in the period and provide a strong underpin for delivering against our growth ambitions with good margins.

Maintaining momentum through planning is a major challenge for the industry and continues to be a key focus for the business as we seek to increase site numbers and grow our contribution to housing delivery. We would like to see a renewed energy in the forthcoming Budget and a commitment to fully implement the 2017 Housing and Planning White Paper. For each site, every week saved in planning is someone’s new home gained.

**Net debt**

The business closed the financial year with net cash balances of £33m at 31 October 2017 (2016: £77m). This reflects our disciplined investment for growth in new divisions balanced with an ongoing focus on cash generation to maintain prudent levels of borrowing. In addition, the business delivers a growing dividend as both earnings increase and dividend cover moves to 2.0x earnings this financial year.

**Current trading**

At the end of October 2017, total forward sales of £391.4m are 13.6% higher than last year (£344.5m). A strong forward sales position for FY18 completions, up 14.8% on 31 October 2016 at £265.3m, with forward sales for open market completions excluding PRS up 20%, provides a good start for 2018.
In line with our strategy, we have continued to grow both site numbers and the number of outlets. October 2017 outlets totalled 55, increasing 12.2% (2016: 49).

**Outlook**

The housing market is generally robust across the Group’s principal operating areas and sales prices continue to show moderate growth although Central London transactions are suffering from some volume and price weakness.

The fundamentals of the new-build housing market remain strong. Whilst there may be some impact from current economic and political uncertainty, high levels of employment and low interest rates combined with good mortgage access and the Help to Buy Scheme underpin demand for new-build housing and continue to help many purchasers into new homes.

Addressing production capacity, planning delays 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.

Crest Nicholson has a strong balance sheet, is securing land at good margins and operates a disciplined business model which is generating strong returns whilst also contributing to the much needed supply of housing in the UK.

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.

Commenting on today’s statement, Stephen Stone, Chief Executive said:

"I am pleased to report yet another year of growth for the Group. The business continues to increase the number of homes built and carries positive momentum into 2018 with strong forward sales. Our latest new division in the Midlands is up and running, more outlets are being opened and we continue to pursue the disciplined expansion of the Group’s land pipeline for the future.

The new build housing market continues to be robust and Crest Nicholson remains well positioned to grow volumes and deliver the homes that the UK needs while meeting our ambitious target of £1.4bn sales in 2019."

There will be a conference call for analysts at 9.30 a.m. (GMT), hosted by Stephen Stone, Chief Executive; Patrick Bergin, Chief Operating Officer; and Robert Allen, Finance Director. The dial-in details are:

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

**Title:** Crest Nicholson Trading Update

**Password:** Crest Nicholson
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.
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’s focus on upskilling its workforce has led to its Graduate Training scheme being awarded ‘Best Company to work for’ by The Job Crowd 2017 and its industry leading Site Management Academy was also named ‘Best Training or Recruitment Initiative’ at the Housebuilder Awards 2017. The Company is consistently listed in the FTSE4Good index.

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