

Press release



FINAL: 16 May 2016

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 2016, ahead of its half year results announcement on 14th June 2016.

Current trading

Trading continues to be good and the Group remains on track to reach its stated target of £1bn of Revenues for the full year to 31st October 2016 and to continue growing the number of new homes it delivers.

Unit completions of 1,206 (2015: 1,124) are 7% ahead of prior year.

The sales rate per outlet week, including PRS, at 1.06 is 4% ahead of the rate of 1.02 for the first six months of last year.

As expected, reservation values excluding PRS for the first six months of the year reflect higher ASPs (up 24% to £387k) and a lower rate of sale per outlet (down 7% to 0.87) than the equivalent period last year, in line with our strategy to grow ASPs by investing in good quality locations.

Total forward sales of £409m and 1,965 units (2015: £336m and 1,786 units) are up by 22% and 10% respectively.

Included within total forward sales is the benefit of institutional private rental transactions at Faygate, near Gatwick and at Park Central in Birmingham, which will be delivering product in 2017 and beyond.

Forward sales (excluding PRS) of £324m are 8% higher than the £300m at 30th April 2015, with unit numbers broadly level.

The business has maintained its outlet breadth and operated from 44 sales outlets year-to-date (2015: 44) and expects that this number will grow throughout the second half of the year.

The land market continues to offer good opportunities and the business has maintained a disciplined approach to land acquisitions, acquiring to date 1,016 plots across 9 sites with a gross development value of £416m, more than replacing housing revenues for the six months to 30th April 2016.

After protracted planning-related challenges, it is particularly pleasing to note that the first residential phase at Longcross will shortly be underway, delivering product from 2017 onwards.

Stephen Stone, Chief Executive commented "We are continuing to see strong demand for new homes, underpinned by robust employment conditions and good mortgage access. The business remains well positioned to continue delivering for all of our stakeholders and is on track to reach its stated target of £1bn of revenues in 2016."

Outlook

Attractive housing market conditions continue to underpin sales rates and revenue growth.

Inflation in both sales prices and build cost have shown some signs of moderating, which – combined with rises in real incomes – will help to maintain affordability and support a stable housing market.

It remains the case that production capacity, clearance of planning conditions and skills availability are the critical constraints on volume delivery and will continue to be key areas of focus for the sector.

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 8.30 (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 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 10% of Crest Nicholson's entire workforce, and the Group supports the development of jobs and skills at every level.

The Group was named 'Large House builder of the Year' at the Housebuilder Awards 2015; is listed in the FTSE4Good index and is ranked in first place in the Next Generation sustainability benchmark.

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