

13 April 2016

## **Countryside Properties plc H1 2016 Trading Statement**

Countryside Properties plc (the “Company”), a leading UK home builder and urban regeneration partner, is today issuing a trading update for the six month period from 1 October 2015 to 31 March 2016 and to inform the market of progress it has made since its IPO in February 2016. The Company will report its half year results on Wednesday 18 May 2016.

### **Operational Highlights**

- Completions up 15.4% to 1,095 units (H1 2015: 949 units)
- Private average selling price (“ASP”) up 47.2% to £508,000 (H1 2015: £345,000)
- Sales rates<sup>1</sup> have remained healthy at 0.8 (H1 2015: 0.8)
- Open sales outlets are up 10 at 37 (H1 2015: 27)
- Forward sales up 4.3% at £205.3m (H1 2015: £196.7m)
- Total land bank maintained at 26,000 plots (H1 2015: 25,899)

<sup>1</sup> Net sales per active outlet per week

### **Housebuilding**

Our Housebuilding division has performed well with total completions up 25.3% at 292 units versus 233 homes in H1 2015. Sales have remained robust at all price points, with our premium brand Millgate up 62.5% delivering 52 homes, versus 32 in H1 2015.

As a consequence of an improved sales mix and price growth, private ASP was up 18.1% on H1 2015 to £782,000. We continue to open new sales outlets within 50 miles of London, and customer demand for our product remains strong, particularly in the price range below £600,000. We have little exposure to the Buy to Let market and have not been significantly impacted by recent tax changes.

### **Partnerships**

Our Partnerships division has delivered a strong performance, with total completions up 12.2% at 803 homes versus 716 homes in H1 2015. Sales values have also risen significantly due to the improved sales mix, price growth and a greater proportion of completions in the South. The Private ASP in our Partnerships division was up 41.9% to £298,000. Demand for our products at lower price points has remained robust, particularly in London, where the introduction of 40% Equity Share Help to Buy scheme has further increased demand.

Our affordable homes’ delivery has also seen strong growth, up 57.5% to 512 units, with the increased provision of social homes in the South and additional completions of Private Rented homes in the North.

## Land and Planning

The Company's land bank of owned and controlled plots has been maintained at 26,000 as at 31 March 2016 (FY 2015: 26,213), ensuring our long term visibility of future work in both divisions. The planning environment also remains positive for the Company and we have a total of 14,652 plots with planning within the land bank (FY 2015: 14,648).

We remain committed to maintaining the land bank in our Housebuilding division and have acquired 234 plots on six sites in the period. The Housebuilding land bank now stands at 18,273 plots, 87% of which have been sourced strategically.

We continue to be very successful at winning new business in the Partnerships division. In addition to those sites already included in the land bank, we have been awarded preferred bidder status on a further eight sites, including Beam Park, Dagenham (2,781 plots), Rochester Riverside, Kent (1,262 plots) and Hounslow School, London (284 units). We now have 7,727 plots in the Partnerships land bank with an additional 6,338 plots awarded as preferred bidder.

Our future bid pipeline continues to grow and now stands at over 30,000 potential plots as we see a growing appetite from the public sector to regenerate their assets. We have identified an opportunity to expand the Partnerships division into the West Midlands with demand from an existing partner and plan to open a regional office there by the end of the year.

## Group financial position

Despite a higher level of production net bank debt reduced significantly to c. £15m (H1 2015: £131.9m), principally reflecting the benefit of the £114m net primary proceeds from our IPO.

## Outlook

We are firmly on track to achieve our medium-term targets of over 3,600 completions per year; operating margin of over 17% and improvement in ROCE to over 28%. Customer demand for our products remains strong in all markets and this, together with continued political support for the sector, gives us great confidence in the medium term.

## Ian Sutcliffe, Group Chief Executive, commented:

"Trading has been strong, with excellent growth in the first six months of our current financial year. We are delighted with the progress we have made since listing on the London Stock Exchange in February and the support we have received from investors. We remain confident we are on track to make further progress for the full year and to continue to build on our success now as a public company."

- Ends -

There will be a conference call for analysts and investors held today at 0800hrs (BST):

**Dial in:** +44 (0) 20 7192 8338  
**Conference ID:** 87168566  
**Passcode:** 10210523

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### **About Countryside**

Countryside is a leading UK home builder specialising in place making and urban regeneration. For the year ended 30 September 2015 we completed 2,364 homes with revenues of £615.8m.

Our business is focused on place making which we deliver through our two divisions, Housebuilding and Partnerships. The Housebuilding division, operating under Countryside and Millgate brands, develops sites that provide private and affordable housing, on land owned or controlled by the Group. Our Partnerships division specialises in urban regeneration of public sector land, delivering private and affordable homes by partnering with local authorities and housing associations.

Countryside was founded in 1958. It operates in locations across London, the South East and the North West of England.

For further information, visit [www.countryside-properties.com](http://www.countryside-properties.com).