



Immediate release

13 November 2013

## **Barratt Developments PLC**

### **Interim Management Statement**

Barratt Developments PLC is holding its Annual General Meeting at 2:30pm today in London. This Interim Management Statement issued by the Group covers the 19 week period from 1 July to 10 November 2013 (the 'period').

#### **Strong performance; private forward sales up 47%**

##### **Highlights**

- Significant improvement in sales rates across all six of our operating regions
- Net private reservations per active site per week of 0.71 (2012: 0.54), up 31.5% on the prior year
- Continue to see a year on year improvement in net pricing of 150 to 200 basis points, largely reflecting a reduction in the level of incentives offered
- Private forward sales of £1,127.4m, up 46.7% on the prior year (2012: £768.5m)
- Continue to secure excellent land opportunities that at least meet our minimum hurdle rates, with 8,150 plots (2012: 3,685 plots) approved in the period

##### **Mark Clare, Group Chief Executive commented,**

"The market remains strong, driven by better lending conditions and improving customer confidence; we are increasing production and investment for the future. Our disciplined approach to land buying over the last four years is bringing forward high return sites into production and we continue to secure excellent land opportunities. With better market conditions and the benefits of high return land, we are confident that we will deliver substantial improvements in our performance for the full year."

## **Trading update**

The Group's strong trading performance has continued in the period with a significant increase in sales rates across all six of our operating regions. Average net private reservations per active site per week (excluding joint ventures ('JVs')) was 0.71 (2012: 0.54), an increase of 31.5% on the prior year.

The Government's Help to Buy shared equity scheme continues to provide strong support to the market and has accelerated the recovery in consumer demand for new homes. Since the scheme's launch, over 2,800 of our reservations (excluding JVs) have utilised the Help to Buy shared equity product.

Our forward order position continues to strengthen with private forward sales (excluding JVs) up by 46.7% on the prior year to £1,127.4m (2012: £768.5m), equating to 4,514 plots (2012: 3,514 plots). Of this, 4,339 plots are due for completion in FY14.

JV private forward sales, which largely reflect our London region, were £195.8m (2012: £38.2m), equating to 356 plots (2012: 120 plots). Of this, 333 plots are due for completion in FY14.

We continue to see a year on year improvement in net pricing of 150 to 200 basis points, largely reflecting a reduction in the level of incentives offered to customers.

Greater development activity across the industry has led to increased pressure on the supply of materials. We actively manage our supply chain, and our strong supplier relationships combined with our centralised procurement approach, has resulted in no adverse impact on the Group's build programmes or costs to date.

We are continuing our disciplined approach to land buying and are securing prime land opportunities that meet both our minimum hurdle rates of a 20% gross margin and a 25% return on capital employed based on current market prices. In London and the South East where the land market is more competitive, we are targeting more complex, larger sites which play to our competitive strengths, and also public sector land where we have a strong track record of success.

In the period we have approved the purchase of £377.7m (2012: £226.8m) of land equating to 62 sites (2012: 29 sites) and 8,150 plots (2012: 3,685 plots). We continue to target an owned and conditional landbank of around 4.5 years.

## **Board change**

Rod MacEachrane is stepping down as a non-executive Director at the conclusion of today's AGM, after seven and a half years on the Board of the Company. Rod has made an outstanding contribution to the Group and we wish him well for the future.

**This Interim Management Statement contains certain forward-looking statements about the future outlook for the Group. Although the Directors believe that these statements are based upon reasonable assumptions, any such statements should be treated with caution as future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.**

### **Conference call for analysts and investors**

Mark Clare, Group CEO and David Thomas, Group FD will be hosting a conference call at 08:30am today, Wednesday 13 November 2013, to discuss this Interim Management Statement.

To access the conference call:  
Dial-in: +44 (0) 20 3364 5381  
Passcode: 9696270

A replay facility will be available shortly after:  
Dial-in: +44 (0) 20 3427 0598  
Passcode: 9696270

### **Annual General Meeting**

Barratt Developments PLC will be holding its Annual General Meeting today at 2:30pm at BMA House, Tavistock Square, London, WC1H 9JP.

### **For further information please contact:**

#### **Barratt Developments PLC**

David Thomas, Group Finance Director	020 7299 4896
Susie Bell, Head of Investor Relations	020 7299 4880

#### **For media enquiries, please contact:**

Patrick Law, Corporate Affairs Director	020 7299 4892
---	---------------

#### **Maitland**

Liz Morley	020 7379 5151
------------	---------------

[www.barrattdevelopments.co.uk](http://www.barrattdevelopments.co.uk)