

## TRADING UPDATE - 7 JANUARY 2010

Persimmon plc announces the following update ahead of its Preliminary Results for the year ended 31 December 2009, which will be released on Tuesday 2 March 2010.

During the 12 month period to 31 December 2009 we have legally completed the sale of 8,976 new homes generating a turnover of c. £1.4 billion. Of these completions, 4,970 were achieved in the second half of 2009, an increase on the 4,006 completions achieved in the first half of 2009.

Since April 2008 the market has been very challenging. During this time we have concentrated on cash generation. By doing so, we have achieved a significant reduction in debt from £1.2 billion at April 2008 to c. £270 million at 31 December 2009 (31 December 2008: £599 million). This has been achieved by focusing closely on working capital management and strict cash control disciplines.

However we have also continued to invest in both work in progress on new and existing developments and new land acquisitions, where we have identified good opportunities at attractive margins. We have acquired and agreed terms to acquire c. 3,000 plots during the latter months of 2009. Of these plots over 80% are in southern markets. Our land bank at the year end consisted of c. 61,000 plots.

In our Interim Management Statement on 16 November 2009 we commented that we had recently reserved the 1000th Persimmon home under the Government's HomeBuy Direct Scheme. We still have c. £45 million to utilise under this successful scheme from existing allocations to assist the sale of up to an additional c. 2,500 new homes.

We are therefore pleased to have received confirmation from the Homes & Communities Agency that our recent bid for funding under Kickstart 2 has been successful. We have been allocated an additional c. £50 million specifically to support potential purchasers of Persimmon homes under the HomeBuy Direct process. This will provide assistance to many first time buyers for c. 3,000 homes on c. 40 Persimmon developments across England between now and 2012.

We are currently operating from c. 370 developments throughout mainland UK offering a wide range of family houses. This emphasis on more traditional housing is of great benefit to our business. Forward sales into 2010 are c. 40% ahead of last year at c. £640 million. This gives us a good start to the year, although as usual we await the Spring selling season with keen interest.

Whilst we will remain cautious until mortgage availability and the general economy improves, we have continued confidence in the long term future of the UK housing market.

On Tuesday 2 March 2010 details of the Group's performance for 2009 and a general market update will be provided with the announcement of our Results for the year ended 31 December 2009.

Mike Farley and Mike Killoran will host a conference call with analysts at 9:00am today. To participate please dial +44 (0) 203 037 9221. The password is 'Persimmon'.

For further information, please contact:

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