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GALLIFORD TRY PLC

MONDAY 10 MAY 2010 INTERIM MANAGEMENT STATEMENT

Galliford Try plc, the housebuilding and construction group, today issues its interim management statement for the period 1 January 2010 to the date of this announcement.

Highlights:

Housebuilding

- £443 million of sales reserved, contracted or completed, of which £308 million is for the current financial year to 30 June 2010 (2009: £400 million and £288 million)
- On track to deliver anticipated increase in completions during the second half
- 60 active selling sites (54 at 1 July 2009)
- Cancellation rates down to 15%, below historical average
- Landbank ahead of target at 9,700 plots of which 50% secured at current market values (7,800 at 1 July 2009)
- Increasing opportunities in Affordable Housing and Contracting

Construction

- Performing to expectations in challenging markets
- Successful renewal of 5 year water frameworks
- Order book stands at £1.8 billion (2009: £1.7 billion)

Greg Fitzgerald, Chief Executive, commented:

"We have seen a positive start to 2010 in Housebuilding and recent contract awards in Construction have further underpinned the resilience of our business in challenging markets. Although we remain in a period of economic uncertainty, the Group's finances are robust and we remain confident that we are on track to deliver our transformational housebuilding expansion plan."

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Housebuilding

In a market that is stabilising, prices are generally remaining firm and we are generating better than anticipated sales, particularly in the south east. Currently sales reserved, contracted or completed stand at £443 million (2009: £400 million), of which £308 million (2009: £288 million) is for the current financial year to 30 June 2010. We therefore remain on track to deliver the anticipated increase in completions during the second half of the financial year that was forecast at the time of our interim results statement in February.

Visitor levels to our sites have been maintained at satisfactory levels since the New Year, and we currently have 60 active selling sites, up from 54 at the start of the financial year. Cancellation rates are now 15%, below the historical average. Sales are being achieved with a tightly controlled use of incentives, despite purchasers remaining constrained by both the level of mortgage finance and terms available, although there are welcome signs that the number of mortgage products on the market continues to increase and become more flexible.

We continue to be ahead of our targets in securing new land across our southern biased business to deliver the three year housebuilding expansion strategy launched when we announced our rights issue in September 2009. Following the acquisition of 742 plots on the buy out of Bank of Scotland's interest in our joint ventures around London announced in February, we recently announced the establishment of a joint venture with the Affinity Sutton housing association, to acquire and develop two sites for a total of 296 homes in the south east of England. We have similar opportunities in negotiation. Our landbank now stands at 9,700 plots of which 50% have been secured at current market values, up from 7,800 at the start of our financial year.

We are now seeing a number of development opportunities from the Homes and Communities Agency, housing associations and local authorities that are directly attributable to our achievement in February of a place on all three regions of the HCA's developer partner panel. Our affordable housing contracting business is also seeing an upturn in the market as housing associations recommence development, and we announced £50 million of new work last month with housing associations in Devon, Middlesex and Yorkshire.

Construction

The Group's construction operations continue to perform to expectations in challenging markets. Our strengths in long term framework contracting and repeat client relationships are proving their worth in these markets, enabling us to maintain the size and quality of our order book with opportunities in both the infrastructure and building markets continuing to come forward. The order book stands at £1.8 billion, up from £1.7 billion a year ago. 35% is for the regulated utility sector, 50% for the public sector and 15% in private commercial work. This spread of work, together with our rigorous project selection and tight management of our risk profile, will enable the business to maintain its planned revenues during more difficult trading conditions and place it in a good position to grow again when markets recover.

As part of the successful programme to renew our five year framework agreements to 2015 with our key water clients we were delighted to announce last month our selection to carry out up to £500 million of work for Thames Water in joint ventures for both their north and south London regions. We also confirmed our selection for

two streams of Yorkshire Water's AMP5 framework, anticipated to be worth £150 million over the period. Our investments business achieved financial close on the £60 million Worcester Library and History Centre project during the period, in which we hold 100% of the equity, and construction has started on site.

Outlook

The board remains confident that the Group is well on track to deliver the transformational housebuilding expansion plan announced with our rights issue in September 2009. In construction, recent contract awards have further underpinned the resilience of our business in challenging markets. Although we remain in a period of economic uncertainty, the Group's finances are very strong and the board is confident that its strategy will deliver its planned growth.

Analyst and Investor Day

Galliford Try will be holding an analyst and investor day on 11 May 2010, focused on the Group's Housebuilding division. There will be no further update on current trading.

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