

MJ Gleeson PLC (GLE.L)

AGM Statement

At the Annual General Meeting of MJ Gleeson plc (GLE.L), the urban regeneration and strategic land specialist, convened for 11:30 am today in London, the Chairman, Dermot Gleeson, will state:

"Demand has been strong at Gleeson Homes with net reservations up 20%.

"Site activity is high with 14 new sites opened during the last six months. The division currently has 50 active sites, compared with 44 at this time last year and we expect the number to exceed 50 by June 2017.

"Demand remains strong with several of our new sites attracting lengthy queues before opening.

"The Government's Help to Buy scheme remained popular during the period, with 65% of customers taking advantage of it, while others continue to be attracted by our own bespoke purchaser assistance packages.

"A new regional office will open in Nottingham soon, increasing the division's operational reach in the North Midlands and taking the total number of regional offices to seven.

"Gleeson Homes currently has a land pipeline of 9,310 plots, of which 4,667 are owned and 4,643 are conditionally purchased, along with a further 1,667 plots under active consideration.

"The division's increasing number of sales outlets, combined with very strong customer demand in all regions, good mortgage availability and attractive levels of affordability means that the outlook for the division is very positive.

"The Board expects Gleeson Homes to record an increase in completions for the first half year to 31 December 2016 of more than 10% compared with the prior half year total of 400 units; and for the year to 30 June 2017 of approximately 15% compared with the prior year total of 904 units.

"In the first five months of the current financial year, Gleeson Strategic Land continued to experience strong demand for consented land, completing the sale of two sites with planning permission for a combined total of 180 consented plots and progressing sale negotiations on a further 11 sites.

"The division's land pipeline currently consists of 67 sites which have the potential to deliver approximately 21,341 plots. The portfolio includes 14 sites with planning permission.

"We expect Gleeson Strategic Land results for the full year June 2017 to be broadly in line with results for the prior financial year, with the second half being significantly stronger than the first half.

"Whilst the timing of sales in the Strategic Land division means that the Group results for the first six months of the financial year will be slightly below the first half of the prior year, the Board remains confident that the result for the full year to 30 June 2017 will be in line with expectations."

8 December 2016

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