

5 July 2016

## **MJ GLEESON PLC**

### **TRADING UPDATE**

MJ Gleeson plc (GLE.L), the urban regeneration and strategic land specialist, is today issuing a trading update following the end of its financial year on 30 June 2016, and ahead of reporting preliminary results on Monday, 26 September 2016.

#### **Gleeson Homes**

Gleeson Homes, a housing regeneration specialist, works in challenging communities to provide new, low cost homes for sale to people on low incomes in the North of England.

Gleeson Homes sold 904 homes during the year, an increase of 20.4% compared with the previous year's total of 751.

During the year Gleeson Homes remained active in purchasing sites. The land pipeline of owned and conditionally purchased plots at 30 June 2016 increased by 23.9% compared to the prior year, totaling 9,284 plots of which 4,927 plots have been purchased subject to planning permission. In addition, there are a further 997 plots which are in the pipeline to be acquired.

Gleeson Homes is currently active on 48 sites and anticipates an increase to more than 50 sites during the coming year.

Two new regional offices were opened during the year, in Wakefield and Liverpool, both of which are already active and profitable. We will continue to grow the Gleeson Homes footprint and open regional offices in areas adjoining existing operations.

The division remains on track to reach its target of building 1,000 new homes a year and beyond, in the near term.

#### **Gleeson Strategic Land**

Gleeson Strategic Land is a land promotion business that enhances the value of land by securing residential planning consents and operates predominantly in the South of England.

During the year Gleeson Strategic Land successfully disposed of seven land interests comprising of 91 acres with the potential to deliver 822 plots for housing development and 100 acres of commercial land.

The business commences the current financial year in a strong position with one site conditionally sold and a further three sites in the legal process for sale.

The business currently has 10 sites with planning permission and a further 4 sites with resolutions to grant planning permission subject to entering into legal agreements. These sites have the potential to deliver 2,019 plots for housing development and a 60 bed care home.

The strategic portfolio comprises 68 sites, totaling 3,843 gross acres. This could deliver 21,051 plots plus a 60 bed care home and 24 acres of commercial land.

## **Summary**

The Group has a strong cash position with cash balances at 30 June 2016 of £23.3m (30 June 2015: £15.8m).

As a result of the strong performance in the financial year, the Board is confident that the results for the financial year will meet the top end of expectations.

*Jolyon Harrison, CEO, commented:*

*Gleeson Homes continues to see strong demand for its low cost homes. The EU referendum has not affected our core customer base for whom the decision to become home owners is not influenced significantly by market or media sentiment. Similarly, in Gleeson Strategic Land, early indications point to a continuing commitment on the part of our mid-sized housebuilding customers, who have short land banks which they need to continue to replenish.*

*Our business plans have not changed; for us it's business as usual.*

## **Enquiries:**

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## **Notes to Editors**

MJ Gleeson plc operates in the house building sector through the following business units; Gleeson Homes, which focuses on estate regeneration and housing development on brownfield land in the North of England; and Gleeson Strategic Land, which enters into promotion or option agreements over land, predominantly in the South of England, with the objective of enhancing the value of the site concerned by securing residential planning permission.