

NATIONAL HOUSEBUILDER BELLWAY p.l.c. TODAY, TUESDAY 17 APRIL, ANNOUNCE THEIR INTERIM RESULTS FOR THE HALF YEAR ENDED 31 JANUARY 2007.

HIGHLIGHTS

Half Year Ended

31 January

	2007	2006	
• Homes sold	3,264	2,958	+10.3%
• Average selling price	£173.3k	£166.6k	+4.0%
• Turnover	£576.5m	£507.5m	+13.6%
• Operating profit	£107.8m	£96.2m	+12.1%
• Operating margin	18.7%	19.0%	
• Profit before taxation	£100.8m	£87.8m	+14.8%
• Basic earnings per ordinary share	61.7p	54.1p	+14.0%
• Dividend per ordinary share	16.45p	14.3p	+15.0%
• Land bank – plots with planning permission	22,500	23,000	
• Total equity	£953.6m	£820.7m	+16.2%
• Net asset value per ordinary share	833p	722p	+15.4%
• Return on average capital employed	22.6%	23.2%	

CHAIRMAN, HOWARD DAWE SAID “IN A STABLE BUT COMPETITIVE HOUSING MARKET, BELLWAY HAS SHOWN AGAIN HOW WELL IT CAN PERFORM IN SUCH AN ENVIRONMENT”.

FURTHERMORE “I AM DELIGHTED TO REPORT THAT BELLWAY’S PROFIT BEFORE TAX FOR THIS PERIOD IS A NEW RECORD OF £100.8 MILLION, A LANDMARK FIGURE.....”.

HE ADDED “THE BOARD IS PLEASED TO CONTINUE ITS PROGRESSIVE DIVIDEND POLICY BY ANNOUNCING AN INCREASE IN THE INTERIM DIVIDEND OF 15%.....”.

HE CONCLUDED “OUR OBJECTIVE IS TO REMAIN FOCUSED ON THE DELIVERY OF LOWER VALUE HOUSING.....” AND THAT “THE BOARD BELIEVES ITS PROVEN OPERATIONAL MODEL WILL CONTINUE TO DELIVER GROWTH FOR SHAREHOLDERS WELL INTO THE FUTURE”.

FOR FURTHER INFORMATION, PLEASE CONTACT JOHN WATSON, CHIEF EXECUTIVE OR ALISTAIR LEITCH, FINANCE DIRECTOR

TUESDAY 17 APRIL - THURSDAY 19 APRIL

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CHAIRMAN'S STATEMENT

In a stable but competitive housing market, Bellway has shown again how well it can perform in such an environment. In the six months ended 31 January 2007 the Group has delivered volume growth in excess of 10%, operating profits have increased by over 12% and earnings per share has risen by 14%.

Results

The number of homes completed increased from 2,958 to 3,264 in the six month period and the average sales price of these homes increased by 4% from £166,600 to £173,300. These sales produced turnover of £565.6 million and when combined with sundry income of £10.9 million increased the Group's overall turnover by more than 13% to £576.5 million. In this incentive led and competitive market, we are pleased to report an operating margin of 18.7%, compared to 19.0% last year which resulted in an operating profit of £107.8 million, an increase of 12.1% compared to 2006. Net financing costs have fallen to £6.9 million from £8.4 million and are covered over 15 times whilst gearing remains low at just under 20%. I am delighted to report that Bellway's profit before tax for this period is a new record of £100.8 million, a landmark figure and earnings per share is also at record levels for the period, advancing 14% from 54.1p to 61.7p.

Dividend

The Board is pleased to continue its progressive dividend policy by announcing an increase in the interim dividend of 15%, from 14.3p to 16.45p. The interim dividend will be paid on Monday 2 July to ordinary shareholders on the Company's Register of Members at the close of business on Friday 8 June 2007. The ex-dividend date is Wednesday 6 June 2007.

Trading

Bellway has, for many years, benefited from a policy of forward selling and I am pleased to report that the Group's forward order book at the end of March was £732 million, the strongest ever and when aggregated with completions to date, results in over 95% of this year's increased target for home completions having now been secured.

The market generally remains competitive and incentives are still required to conclude most transactions. These incentives are not so evident in North East England, North London, Scotland and Thames Gateway. Bellway is finding that demand for its homes is stronger below £250,000, especially around London and within the Thames Gateway corridor. The Group currently does not have as many outlets as it would like in these two areas, however, it is hopeful of increasing availability by the end of 2007. In Scotland the market remains strong and the Group continues to invest in significant land opportunities.

Elsewhere, our regeneration business is making good progress in Birmingham, Liverpool and Middlesbrough and I am pleased to announce that Leeds City Council has recently selected Bellway as its strategic partner to regenerate large areas of East and South East Leeds. A planning application for the first 750 new homes has recently been submitted. The Group's land holding at Barking is about to receive an outline planning permission for 10,800 homes of which Bellway has the exclusive right to develop 50% of the units with the balance of land sold via a joint venture company with English Partnerships.

The Group has grown its owned or controlled land bank to around 40,000 plots. In addition, there are in excess of 5,000 plots, typically on regeneration sites, where Bellway is the preferred partner but does not, as yet, have the necessary planning permission to commence development.

CHAIRMAN'S STATEMENT (continued)

People

The Board is extremely grateful to its employees, sub-contractors, suppliers and partners, without whose continuing support and contribution these results would not be possible.

Future Prospects

Over the last decade, Bellway has consistently delivered volume and earnings growth in both buoyant and competitive markets. To grow earnings in this current market, the Group intends to increase the number of divisions and outlets. Our objective is to remain focused on the delivery of lower value housing and to increase shareholder value through extending our enviable track record in what is likely to remain a challenging market place. The Board believes its proven operational model will continue to deliver growth for shareholders well into the future.

H C Dawe
Chairman

16 April 2007

CONSOLIDATED INCOME STATEMENT

	Half year ended 31 January 2007 £m	Half year ended 31 January 2006 £m	Year ended 31 July 2006 £m
Revenue	576.5	507.5	1,240.2
Cost of sales	(439.7)	(384.1)	(947.9)
Gross profit	136.8	123.4	292.3
Administrative expenses	(29.0)	(27.2)	(52.9)
Operating profit	107.8	96.2	239.4
Finance income	2.1	1.2	2.9
Finance expenses	(9.0)	(9.6)	(21.3)
Share of loss of associates	(0.1)	-	(0.3)
Profit before taxation	100.8	87.8	220.7
Income tax expense	(30.5)	(26.6)	(65.0)
Profit for the period	70.3	61.2	155.7
Earnings per ordinary share – Basic	61.7p	54.1p	137.5p
– Diluted	61.0p	53.6p	136.2p
Dividend per ordinary share	16.45p	14.3p	34.5p

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Half year ended 31 January 2007 £m	Half year ended 31 January 2006 £m	Year ended 31 July 2006 £m
Actuarial gain / (loss) on defined benefit pension scheme	1.6	(4.8)	(2.2)
Tax on items taken directly to equity	(0.5)	1.4	0.7

Net income / (expense) recognised directly in equity	1.1	(3.4)	(1.5)
Profit for the period	70.3	61.2	155.7
Total recognised income for the period	71.4	57.8	154.2

CONSOLIDATED BALANCE SHEET

	At 31 January 2007 £m	At 31 January 2006 £m	At 31 July 2006 £m
ASSETS			
Non-current assets			
Property, plant and equipment	13.3	18.5	13.8
Investment property	1.7	3.0	1.7
Investments in associates	–	–	–
Other receivables	8.2	7.9	5.7
Deferred tax assets	8.3	14.6	10.2
	<hr/> 31.5	<hr/> 44.0	<hr/> 31.4
Current assets			
Inventories	1,519.6	1,433.1	1,434.0
Trade and other receivables	40.0	54.8	26.5
Cash and cash equivalents	9.5	9.0	2.3
	<hr/> 1,569.1	<hr/> 1,496.9	<hr/> 1,462.8
Total assets	<hr/> 1,600.6	<hr/> 1,540.9	<hr/> 1,494.2
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings	(154.0)	(256.0)	(159.0)
Retirement benefit obligations	(5.3)	(17.2)	(11.7)
Other payables	(35.6)	(28.4)	(24.0)
	<hr/> (194.9)	<hr/> (301.6)	<hr/> (194.7)
Current Liabilities			
Interest bearing loans and borrowings	(44.2)	(48.9)	(17.0)
Trade and other payables	(382.5)	(342.3)	(350.0)
Current tax liabilities	(25.4)	(27.4)	(29.0)
	<hr/> (452.1)	<hr/> (418.6)	<hr/> (396.0)
Total liabilities	<hr/> (647.0)	<hr/> (720.2)	<hr/> (590.7)
Net assets	<hr/> 953.6	<hr/> 820.7	<hr/> 903.5
EQUITY			
Issued capital	14.3	14.2	14.3
Share premium	114.3	110.5	111.9
Other reserves	1.5	1.5	1.5
Retained earnings	823.6	694.6	775.9
Total equity attributable to equity holders of the parent	<hr/> 953.7	<hr/> 820.8	<hr/> 903.6

Minority interest	(0.1)	(0.1)	(0.1)
Total equity	953.6	820.7	903.5

CONSOLIDATED CASH FLOW STATEMENT

	Half year ended 31 January 2007 £m	Half year ended 31 January 2006 £m	Year ended 31 July 2006 £m
Cash flows from operating activities			
Profit for the period	70.3	61.2	155.7
Depreciation charge	1.5	1.5	3.1
Profit on sale of property, plant and equipment	(0.2)	-	(1.2)
Finance income	(2.1)	(1.2)	(2.9)
Finance expenses	9.0	9.6	21.3
Share based payment charge	1.3	1.1	2.6
Income tax expense	30.5	26.6	65.0
Increase in inventories	(85.6)	(120.5)	(150.8)
(Increase) / decrease in trade and other receivables	(15.4)	(23.6)	6.9
Increase in trade and other payables	36.3	4.4	32.3
Cash from operations	45.6	(40.9)	132.0
Interest paid	(6.4)	(8.1)	(17.9)
Income tax paid	(33.1)	(32.1)	(65.2)
Net cash inflow / (outflow) from operating activities	6.1	(81.1)	48.9
Cash flows from investing activities			
Acquisition of property, plant and equipment	(1.8)	(2.9)	(4.8)
Acquisition of investment property	-	(3.0)	(1.7)
Proceeds from sale of property, plant and equipment	1.0	0.5	6.7
Interest received	1.5	1.2	3.0
Net cash inflow / (outflow) from investing activities	0.7	(4.2)	3.2
Cash flows from financing activities			
Increase / (decrease) in bank borrowings	20.0	45.0	(97.0)
Proceeds from the issue of share capital on exercise of share options	2.8	1.6	3.1

Purchase of own shares by employee share option plans	(1.5)	(0.1)	(0.4)
Dividends paid	(23.0)	(20.5)	(36.9)
Net cash (outflow) / inflow from financing activities	(1.7)	26.0	(131.2)
Net increase / (decrease) in cash and cash equivalents	5.1	(59.3)	(79.1)
Cash and cash equivalents at beginning of period	(12.7)	66.4	66.4
Cash and cash equivalents at end of period	(7.6)	7.1	(12.7)

NOTES

1 Basis of preparation

The interim financial information has been prepared on the basis of the accounting policies adopted in the Group's statutory financial statements for the year ended 31 July 2006. These policies are set out in the Group's Annual Report and Accounts 2006.

2 Status of financial information

The interim information for the half years ended 31 January 2007 and 31 January 2006 has not been audited nor reviewed by the auditors.

The information for the year ended 31 July 2006 does not constitute statutory financial statements as defined in section 240 of the Companies Act 1985. Those financial statements have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain statements under section 237(2) or (3) of the Companies Act 1985.

3 Taxation

The taxation charge for the half years ended 31 January 2007 and 31 January 2006 is calculated by applying the Director's best estimate of the annual effective tax rate to the profit for the period.

4 Dividends

	Half year ended 31 January 2007 £m	Half year ended 31 January 2006 £m	Year ended 31 July 2006 £m
Final dividend for the year ended 31 July 2006 of 20.2p per share (2005 - 18.25p)	23.1	20.7	20.7

Interim dividend for the year ended 31 July
2006 of 14.3p per share

16.2

23.1

20.7

36.9

Proposed interim dividend for the year ending
31 July 2007 of 16.45p per share (2006 -
14.3p)

18.9

16.2

The proposed interim dividend was approved by the Board of Directors on 16 April 2007 and has not been included as a liability at the balance sheet date.

NOTES (continued)

5 Consolidated statement of changes in equity

	Half year ended 31 January 2007 £m	Half year ended 31 January 2006 £m	Year ended 31 July 2006 £m
Total recognised income and expense	71.4	57.8	154.2
Dividends on equity shares	(23.1)	(20.7)	(36.9)
Shares issued	2.4	1.6	3.1
Charge in relation to share options and tax thereon	0.9	2.3	3.7
Exercise of share options / share awards	(1.5)	(0.1)	(0.4)
Net increase in total equity	50.1	40.9	123.7
Total equity at the start of the period	903.5	779.8	779.8
Total equity at the end of the period	953.6	820.7	903.5

6 Interim report

The interim accounts were approved by the Board of Directors on 16 April 2007 and copies are being posted to all shareholders. Further copies are available on application to the Company Secretary, Bellway plc, Seaton Burn House, Dudley Lane, Seaton Burn, Newcastle upon Tyne, NE13 6BE and are also available on our website at www.bellway.co.uk