



HIGHLIGHTS

Half Year Ended

	31 January 2003	31 January 2002	Increase
Turnover	£362.2m	£287.7m	26%
Homes sold	2,470	2,306	7%
Operating profit	£59.7m	£42.5m	40%
Operating margin	16.5%	14.8%	11%
Profit before tax	£57.1m	£39.1m	46%
Dividend per ordinary share	6.2p	4.55p	36%
Ordinary dividend cover	5.7 x	5.3 x	
Basic earnings per ordinary share	35.6p	24.2p	47%
Net borrowings	£125.4m	£150.4m	
Shareholders' funds	£492.8m	£413.0m	19%
Net asset value per ordinary share	429p	357p	20%

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CHAIRMAN'S STATEMENT

Chairman's Statement for the six months to 31 January 2003



Howard C Dawe MCIOB Executive Chairman

Interim Results

I am delighted to report another excellent performance for the six months ended 31 January 2003 resulting in record pre-tax profits of £57.1m compared with £39.1m last year, an increase of 46%.

In the period we completed the sale of a record 2,470 homes, an increase of 7% with turnover advancing to a new high of £362.2m compared with £287.7m last year. The average selling price of our homes leapt from £113,600 to £144,500 largely as a result of the planned changes in our product mix coming to fruition. Operating profit was lifted by some 40% to £59.7m from £42.5m, which resulted in the operating margin increasing from 14.8% to 16.5%. Earnings per ordinary share grew to a new high of 35.6p from 24.2p. Net borrowings stood at £125.4m producing gearing of 25.4% and interest is covered more than 23 times.

Dividend

We have decided to realign the interim dividend to effect a more even distribution to shareholders between the first and second halves. The Board is therefore delighted to announce an exceptional increase in the interim dividend of 36% to 6.2p compared with 4.55p last year to reflect the realignment and these excellent results.

The dividend will be paid on Tuesday 1 July 2003 to all ordinary shareholders who are on the Company's register of members at the close of business on Friday 6 June 2003. The ex-dividend date is Wednesday 4 June 2003.

Trading & Outlook

During the whole of 2002 the market for new homes was very strong and we have already reserved, contracted or legally completed 92% of this year's target. We currently have a record order book in excess of £500m. Despite concerns over the economy and the war in Iraq our wide geographical spread and diverse product range gives us confidence that we can continue our growth in sales. Following our planned move away from the higher priced London investor market two and a half years ago, our divisions now primarily operate in the middle market with an average selling price of less than £150,000.

Trading & Outlook (continued)

During the period under review our land bank with planning permission has grown to 17,800 plots compared to 17,400 at 31 July 2002. In addition, we own or control more than 13,600 plots where planning permission is likely to be received in the near future. Furthermore we continue to progress through the planning system substantial holdings of strategic long term land.

Expansion

Following the successful opening of our new division at Milton Keynes in August 2000, we intend to further underpin our planned growth by opening a new division based in the South West to service the growing market for new homes in that region.

Employees

These excellent results could not have been achieved without the hard work of our loyal and dedicated employees and the Board would like to take this opportunity to thank them all.

Conclusion

With these record results the Group has, yet again, added to its enviable long term record of growth. Notwithstanding any external factors that may affect the housing market, the Board is confident of posting another record performance for the year ending 31 July 2003, exceeding current market expectations.

The Board continues to remain confident about the long term prospects for your Group.

H C Dawe

Chairman 9 April 2003



GROUP PROFIT AND LOSS ACCOUNT

-	rear ended 31 January 2003 £m	Half year ended 31 January 2002 £m	Year ended 31 July 2002 £m
Turnover	362.2	287.7	773.0
Operating profit Net interest payable (including associated undertakings)	59.7	42.5 (3.4)	133.0 (7.7)
Profit on ordinary activities before taxation Taxation	57.1	39.1 (11.7)	125.3
Profit on ordinary activities after taxation Dividends on equity and non-equity shares	40.0 (7.8)	27.4 (6.0)	87.9 (19.3)
Retained profit	32.2	21.4	68.6
Dividend per preference share Dividend per ordinary share Earnings per ordinary share - basic	4.75p 6.2p 35.6p	4.75p 4.55p 24.2p	9.5p 15.75p 78.6p
Earnings per ordinary share - diluted	35.2p	24.0p	77.8p

The interim accounts were approved by the Board of Directors on 9 April 2003.

The interim accounts have been prepared on the basis of the accounting policies adopted for the year ended 31 July 2002 in all material respects. These policies are detailed in the Company's Annual Report and Accounts for that year.

The taxation charge is calculated by applying the directors' best estimate of the annual effective tax rate to the profit for the period.

The financial information for the two half year periods is unaudited and does not constitute statutory accounts within the meaning of the Companies Act 1985. The figures relating to the year ended 31 July 2002 are an extract from statutory accounts within the meaning of section 240 of the Companies Act 1985 which have been delivered to the Registrar of Companies and on which the auditors gave an unqualified audit report.



GROUP BALANCE SHEET

	£m	At 31 January 2003 £m	£m	At 31 January 2002 fm	£m	At 31 July 2002 fm
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Fixed assets						
Tangible assets		16.3		19.4		21.7
Investments		1.6		1.7		1.8
		17.9		21.1		23.5
Current assets						
Stocks	809.0		757.2		737.2	
Debtors	21.3		22.8		21.5	
Cash at bank and in hand	32.9		0.7		73.4	
	863.2		780.7		832.1	
Creditors due within one year						
Bank borrowings	(73.3)		(1.1)		(30.0)	
Other creditors	(216.5)		(231.5)		(267.6)	
Net current assets		573.4		548.1		534.5
Total assets less current liabilities		591.3		569.2		558.0
Creditors due after more than one year						
Bank borrowings	(85.0)		(150.0)		(85.0)	
Other creditors	(13.5)		(6.2)		(12.7)	
		4		/		()
		(98.5)		(156.2)		(97.7)
NET ASSETS		492.8		413.0		460.3
Capital and reserves						
Called up share capital		33.8		33.8		33.8
Reserves and share premium		459.0		379.2		426.5
SHAREHOLDERS' FUNDS		492.8		413.0		460.3



GROUP CASH FLOW STATEMENT

Cash (outflow) / Inflow from operating activities (51.4) (60.5) 85.2 Net cash outflow from returns on investments and servicing of finance Interest paid (3.3) (2.9) (8.6) Interest paid 0.7 0.3 0.7 Dividends paid - non-equity (0.9) (0.9) (1.9) Taxation (20.2) (14.2) (35.6) Net cash inflow / (outflow) from capital expenditure and financial investment Purchase of langible fixed assets (2.0) (3.0) (7.6) Purchase of investments 2 0 (0.4) Sale of tangible fixed assets (2.0) (3.0) (7.6) Purchase of investments 5.4 1.2 1.8 Equity dividends paid (12.4) (11.1) (16.1) Net cash (outflow) / inflow before financing (84.1) (91.1) 17.5 Net cash inflow from financing (84.1) (91.1) 17.5 Net cash inflow from financing 0.2 0.6 0.8 Increase in bank loans due within one year 0.2 0.6			ear ended 1 January 2003 £m		year ended 31 January 2002 £m	£m	éar ended 31July 2002 £m
Interest paid (3.3) (2.9) (8.6) Interest paid (0.9) (0.9) (1.9) Interest received (0.9) (3.5) (3.5) (9.8) Interest received (2.02) (14.2) (3.5.6) Interest paid (3.5) (3.5) (9.8) Interest paid (3.5) (3.5) (9.8) Interest paid (3.5) (3.9) (14.2) (3.5.6) Interest paid (3.5) (3.9) (7.6) Interest paid (3.9) (3.0) (7.6) Interest paid (3.9) (3.0) (7.6) Interest paid (3.9) (3.9) (3.9) (7.6) Interest paid (3.9) (3.9) (3.9) (3.9) Interest paid (3.9) (3.9) (Cash (outflow) / inflow from operating activities		(51.4)		(60.5)		85.2
Net cash inflow from financing 10,2 10							
Co.9	Interest paid	(3.3)		(2.9)		(8.6)	
Case	Interest received	0.7		0.3		0.7	
Taxation (20.2) (14.2) (35.6) Net cash inflow / (outflow) from capital expenditure and financial investment \$\begin{align*}	Dividends paid - non-equity	(0.9)		(0.9)		(1.9)	
Net cash inflow / (outflow) from capital expenditure and financial investment			(3.5)		(3.5)		(9.8)
Expenditure and financial investment (2.0) (3.0) (7.6) Purchase of investments - - (0.4) Sale of tangible fixed assets 5.4 1.2 1.8 Equity dividends paid (12.4) (11.1) (16.1) Net cash (outflow) / inflow before financing (84.1) (91.1) 17.5 Net cash inflow from financing 1.2 0.6 0.8 Increase in bank loans due within one year - - 30.0 Increase in bank loans due after more than one year - 95.0 30.0 Increase in bank loans due after more than one year - 95.0 60.8	Taxation		(20.2)		(14.2)		(35.6)
Purchase of investments	Net cash inflow / (outflow) from capital expenditure and financial investment						
Sale of tangible fixed assets 5.4 1.2 1.8 3.4 (1.8) (6.2) Equity dividends paid (12.4) (11.1) (16.1) Net cash (outflow) / inflow before financing (84.1) (91.1) 17.5 Net cash inflow from financing Issue of ordinary share capital on exercise of share options Increase in bank loans due within one year 1.0 0.2 0.6 0.8 10.7 10.7 10.8	Purchase of tangible fixed assets	(2.0)		(3.0)		(7.6)	
Equity dividends paid (12.4) (11.1) (16.1) Net cash (outflow) / inflow before financing (84.1) (91.1) 17.5 Net cash inflow from financing Issue of ordinary share capital on exercise of share options 0.2 0.6 0.8 Increase in bank loans due within one year 30.0 1ncrease in bank loans due after more than one year - 95.0 30.0	Purchase of investments	-		-		(0.4)	
Equity dividends paid (12.4) (11.1) (16.1) Net cash (outflow) / inflow before financing (84.1) (91.1) 17.5 Net cash inflow from financing Issue of ordinary share capital on exercise of share options 0.2 0.6 0.8 Increase in bank loans due within one year - 30.0 Increase in bank loans due after more than one year - 95.0 30.0	Sale of tangible fixed assets	5.4		1.2		1.8	
Net cash (outflow) / inflow before financing Net cash inflow from financing Issue of ordinary share capital on exercise of share options O.2 O.6 O.8 Increase in bank loans due within one year Increase in bank loans due after more than one year O.2 O.5 O.6 O.7 O.8 O.8 O.9 O.9 O.9 O.9 O.9 O.9			3.4		(1.8)		(6.2)
Net cash inflow from financing Issue of ordinary share capital on exercise of share options Increase in bank loans due within one year Increase in bank loans due after more than one year O.2 O.6 O.8 Increase in bank loans due after more than one year O.2 O.2 O.5 O.6 O.8 O.8 O.9 O.0 O.8 O.9 O.0 O.0 O.0 O.0 O.0 O.0 O.0	Equity dividends paid		(12.4)		(11.1)		(16.1)
Issue of ordinary share capital on exercise of share options O.2 O.6 O.8 Increase in bank loans due within one year Increase in bank loans due after more than one year O.2 O.2 O.6 O.8 O.8 O.9 O.0 O.8 O.9 O.0 O.9 O.0	Net cash (outflow) / inflow before financing		(84.1)		(91.1)		17.5
Increase in bank loans due within one year Increase in bank loans due after more than one year O.2 95.0 30.0 40.8							
Increase in bank loans due after more than one year - 95.0 30.0 0.2 95.6 60.8	· · · · · · · · · · · · · · · · · · ·	0.2		0.6		0.8	
0.2 95.6 60.8	•			-			
	increase in bank loans due after more than one year	-		95.0		30.0	
(Decrease) / Increase in cash in period (83.9) 4.5 78.3	-		0.2		95.6		60.8
	(Decrease) / Increase in cash in period		(83.9)		4.5		78.3

BELLWAY p.l.c.

Seaton Burn House, Dudley Lane, Seaton Burn, Newcastle upon Tyne NE13 6BE Tel: (0191) 217 0717 . Fax: (0191) 236 6230 . DX 711760 Seaton Burn . Web site - www.bellway.co.uk

BELLWAY HOMES LIMITED

EAST MIDLANDS

Bellway House Warren Court Feldspar Close Enderby Leicester LE19 4SB

Tel: (0116) 272 7000 Fax: (0116) 272 7001

ESSEX

Bellway House 1 Rainsford Road Chelmsford Essex CM1 2PZ

Tel: (01245) 259 989 Fax: (01245) 259 996 DX 121935 Chelmsford 6

FINANCIAL SERVICES

Seaton Burn House Dudley Lane Seaton Burn Newcastle upon Tyne NE13 6BE

Tel: (0191) 217 2111 Fax: (0191) 236 4996 DX 711760 Seaton Burn

MANCHESTER

Bellway House The Beacons Warrington Road Birchwood Warrington Cheshire WA3 6GQ

Tel: (01925) 430 100 Fax: (01925) 430 120 DX 701654 Birchwood,

Warrington

NORTH EAST

Peel House Main Street Ponteland Newcastle upon Tyne NE20 9NN

Tel: (01661) 820 200 Fax: (01661) 821 010 DX 68924 Ponteland 2

NORTHERN HOME COUNTIES

Suite 6A, Oak House Dencora Business Park Breckland Linford Wood Milton Keynes MK14 6EL

Tel: (01908) 328 800 Fax: (01908) 328 801 DX 31436 Milton Keynes

NORTH LONDON

Bellway House 262/272 Field End Road Eastcote Middlesex HA4 9NH

Tel: (020) 886 84488 Fax: (020) 886 86700 DX 35153 Eastcote

PLANNING & DEVELOPMENT

Seaton Burn House Dudley Lane Seaton Burn Newcastle upon Tyne NE13 6BE

Tel: (0191) 217 0717 Fax: (0191) 236 6230 DX 711760 Seaton Burn

SCOTLAND

813 South Street Whiteinch Glasgow G14 0BX

Tel: (0141) 958 0011 Fax: (0141) 958 0044 DX 500912 Partick

SOUTH EAST

Bellway House London Road Merstham Surrey RH1 3YU

Tel: (01737) 644 911 Fax: (01737) 646 319

THAMES GATEWAY

Osprey House Crayfields Business Park New Mill Road Orpington Kent BR5 3QJ

Tel: (01689) 886 400 Fax: (01689) 886 410

WALES

Alexander House Excelsior Road Western Avenue Cardiff CF14 3AT

Tel: (029) 205 44700 Fax: (029) 205 44701

WESSEX

Bellway House
Embankment Way
Castleman Business Centre
Ringwood
Hampshire
BH24 1EU

Tel: (01425) 477 666 Fax: (01425) 476 774 DX 45710 Ringwood

WEST LANCASHIRE

Compass House Neville Street Chadderton Oldham OL9 6LW

Tel: (0161) 620 7797 Fax: (0161) 628 3223

WEST MIDLANDS

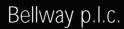
Bellway House Relay Point Relay Drive Tamworth Staffordshire B77 5PA

Tel: (01827) 255 755 Fax: (01827) 255 766 DX 717023 Tamworth

YORKSHIRE

2 Deighton Close Wetherby West Yorkshire LS22 7GZ

Tel: (01937) 583 533 Fax: (01937) 586 147 DX 16815 Wetherby



Seaton Burn House • Dudley Lane • Seaton Burn • Newcastle upon Tyne NE13 6BE Telephone 0191 217 0717 • Fax 0191 236 6230 • DX 711760 Seaton Burn