

Bellway p.l.c.

Trading Update

3rd February 2006

Bellway is issuing the following trading update prior to the publication on Tuesday, 4th April of its interim results for the six months ended 31st January 2006.

The Group has increased the number of homes sold in the period by 1% to 2,958. These sales were achieved at an average selling price of around £168,000, still one of the lowest in the industry. Our focus continues to be firmly established on the lower to middle market, the area of strongest demand.

With an expanding national coverage, we are pleased to record the first legal completions from our Thames Gateway North division. Our seventeen current operating divisions give us scope to increase volumes going forward.

Whilst the number of sales outlets is currently similar to last year's level we still anticipate an increase by the summer to around 220, a 12% rise, giving us a strong platform for the 2006/7 financial year. Sales incentives continue to be employed to encourage home buyers to commit to a purchase and this has put modest pressure on margins, although not to the extent previously envisaged. Since Christmas, we have seen an upturn in buyer confidence and sales rates have been improving, resulting in almost 80% of Bellway's 2005/6 target being secured. Whilst the coming weeks are important in confirming this trend, we maintain our policy of forward selling and our order book currently stands at £562 million, a new record for this time of the year.

The Group continues to convert more land through its medium term holdings and is also expanding its portfolio of urban regeneration schemes. We recently were awarded preferred partner status for over 5,000 homes as part of the comprehensive regeneration of East and South East Leeds. In addition, development has recently commenced on some 700 new homes, being the first phase of the major redevelopment of North Solihull. Large schemes such as these help to underpin our volume aspirations for the future.

The improvement in the size and quality of our land bank, combined with an affordable product range and a strong forward sales position, leaves the Group well positioned to achieve its goals for this and coming years.

FOR FURTHER INFORMATION, PLEASE CONTACT JOHN WATSON, CHIEF EXECUTIVE OR ALISTAIR LEITCH, FINANCE DIRECTOR ON 0207 262 3226 UNTIL 9.30AM ON 3rd FEBRUARY AND THEREAFTER

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