

**McCarthy & Stone plc**

**Annual General Meeting and Trading Update**

McCarthy & Stone (the Group), the UK's leading retirement housebuilder, is today issuing a trading update for the 20 week period from 1 September 2016 to 20 January 2017. All comparatives are to the equivalent prior year period unless otherwise stated.

The Group is holding its Annual General Meeting today at 10.30am at the offices of Addleshaw Goddard, Milton Gate, 60 Chiswell Street, London EC1Y 4AG.

**Current trading and forward sales**

Since its FY16 year end results, announced on 15 November 2016, the Group has continued to experience normal trading conditions. Year to date reservations are currently running ahead of the prior year and have contributed a further £206m of revenue to the Group's forward order book (FY16 £196m), representing a year on year increase of 5% due to improved average selling prices achieved. In addition, new enquirers, sales leads and visitor numbers continue to run ahead of the prior year indicating good future demand for the Group's products.

Total forward sales including legal completions are now c.2% behind the prior year at £323m (FY16: £329m) reflecting the lower forward order book brought into the year and a slight slowing in sales momentum since our results announcement on 15 November 2016 as a result of the lower number of sales outlets released so far this year (FY17: 18, FY16: 22).

**Land and planning**

The Group continues to secure high quality sites that meet its hurdle rates and exchanged on 13 sites during the period (FY16: 19) which added c.537 units to its land pipeline (FY16: c.813). It has been a particularly successful period for planning applications, with detailed planning consent achieved on 26 sites representing c. 1042 units (FY16: 14 sites representing c. 559 units), further securing the Group's land pipeline to support future growth.

The Group has sufficient land with detailed planning consent to deliver all targeted sales to FY18 and sufficient land under control to deliver all targeted sales to FY19.

**Outlook**

Overall, the trading outlook for the year remains in line with the Board's expectations. The Group reiterates previous guidance provided on 15 November 2016 in relation to the profile of its legal completions and profit before tax, which will both be more than usually weighted towards the second half of the year. This is mainly due to the lower forward order book brought into the year as a result of the slow-down in market conditions following the outcome of the EU Referendum and the weighting of completions from higher margin new sites into the second half of the year.

## **Board changes**

As previously announced, Rowan Baker was appointed as the Group's Chief Financial Officer on 6 January 2017, taking over the role from Nick Maddock whose resignation was announced on 11 October 2016.

## **Dividend**

As previously announced, the Board is recommending a final dividend of 3.5p per share for FY16, which will result in a total dividend for the year of 4.5p per share. Subject to shareholder approval at today's AGM, the dividend will be paid on 1 February 2017 to shareholders that were on the register at 6 January 2017.

McCarthy & Stone will release a trading update for the half year ending 28 February 2017 on Tuesday 7 March 2017.

– Ends –

## **For more information, please contact:**

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## Notes to Editors

### About McCarthy & Stone

McCarthy & Stone is the UK's leading retirement housebuilder with a c.70% share of the owner-occupied market<sup>1</sup>. The Group has sold over 51,000 properties across more than 1,100 retirement developments since 1977 and is renowned for its focus on the needs of those in later life. It re-joined the Main Market of the London Stock Exchange in November 2015 and re-entered the FTSE 250 following its quarterly review on 21 March 2016.

There is a growing demand for specialist retirement housing, with the number of people aged 85 and over in the UK expected to more than double between 2015 and 2035 from 1.5 million to 3.2 million, and the number of people aged 65 and over expected to increase by more than 50% from 11.6 million to 17.2 million<sup>2</sup>. According to research by Demos, 1 in 4 over 60s are interested in retirement living<sup>3</sup>, yet only c.141,000 units of specialist retirement housing for homeowners have been built<sup>4</sup>.

The Group has two established product ranges – Retirement Living and Assisted Living – which provide one and two bedroom apartments across the country with varying levels of support and care for older homeowners. In late 2014, McCarthy & Stone launched its Ortus Homes product, which is exclusively for the over 55s and those in the earlier stages of retirement who are seeking to downsize for their leisure years. McCarthy & Stone is currently selling apartments in this product range across nine locations, helping the Group to capture a wider share of the active retiree market.

The first Ortus Homes development at Scarlet Oak in Solihull won the Best Retirement Scheme at the annual Housebuilder Awards in November 2015. At the same awards in November 2016, we were pleased to again receive Best Retirement Scheme for Ramsay Grange and Lyle Court, our combined Assisted Living and Ortus Homes development in Barnton, Edinburgh, as well as Best Customer Satisfaction Initiative for our approach to ensuring that we deliver a five-star service for our homeowners.

McCarthy & Stone's commitment to quality and customer service continues to be recognised by homeowners. In March 2016, the Group received the full Five Star rating for customer satisfaction from the HBF for the eleventh consecutive year – making it the only UK housebuilder, of any size or type, to achieve this accolade.

[www.mccarthyandstonegroup.co.uk](http://www.mccarthyandstonegroup.co.uk)

### Forward-looking statements

Certain statements in this announcement are forward-looking statements which are based on McCarthy & Stone plc's expectations, intentions and projection regarding its future performance, anticipated events or trends and other matters that are not historical facts. Forward-looking statements sometimes use words such as 'aim', 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe' or other words of similar meaning. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as at the date of such statements and, except as required by applicable law, McCarthy & Stone plc undertakes no obligation to update or revised publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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<sup>1</sup> Based on 3,453 registrations of cross-tenure properties specifically designed for the elderly with the NHBC during calendar year 2015, of which 2,672 were registered by McCarthy & Stone

<sup>2</sup> Population projections by the Office for National Statistics (2014 based)

<sup>3</sup> Demos – Top of the Ladder (September 2013)

<sup>4</sup> Independent data provided by Elderly Accommodation Counsel (April 2016)