

Analyst and Investor Day

Augusta Park, Andover

04 November 2009



Agenda

- Trading Update & UK Overview
Pete Redfern
- North Division & Build Costs
Fergus McConnell
- South Division & House Type Range
Peter Truscott
- Regulatory Environment
Peter Andrew
- Value Creation Capacity
Chris Rickard
- Lunch
- Introduction to Augusta Park
Nigel Holland
- Site Visit

Trading Update

Pete Redfern,
Group Chief Executive



Market and current trading - UK

- Housing market performing in line with half year expectations
- H2 sales rate of 0.56 per site per week, with net price improvement of c.3%
- Steadily increased build rates and opened 22 new outlets
- Starting to repair margins in order book and landbank
- Approved over 1,000 plots of new land purchase commitments
- Confident of NRV position in current market conditions

- Remain cautiously optimistic about market conditions:
 - Ongoing undersupply is underpinning sales prices but expect that affordability will constrain significant increases

Market and current trading – North America

- Continued US market stability in second half to date
- Canadian market has recovered and is performing well
- Sales volumes of 0.6 per site per week, with stable pricing
- Maintained tight control on inventory levels
- Approved over 2,200 plots of new land acquisitions
- US land market starting to warm up
- Do not anticipate further NRV write downs in current market conditions
- Remain cautiously optimistic about market conditions:
 - Current supply from foreclosed properties is keeping prices low, but as this eases, would expect significant price growth given good affordability
 - Government decision on Housing Tax Credit will affect speed of recovery

Key progress and focus areas

- Debt levels reduced by c.£1bn over the last 12 months
 - Reflects over £500m of cash generation excluding new equity
 - In addition, land and trade creditors have been reduced by over £500m in last 9 months
- Back to business as usual in all markets:
 - Drive down overhead and build costs
 - Focus on adding extra value through re-planning and re-engineering sites
- Ensuring best practices are being followed consistently in all businesses

UK Overview

Pete Redfern,
Group Chief Executive



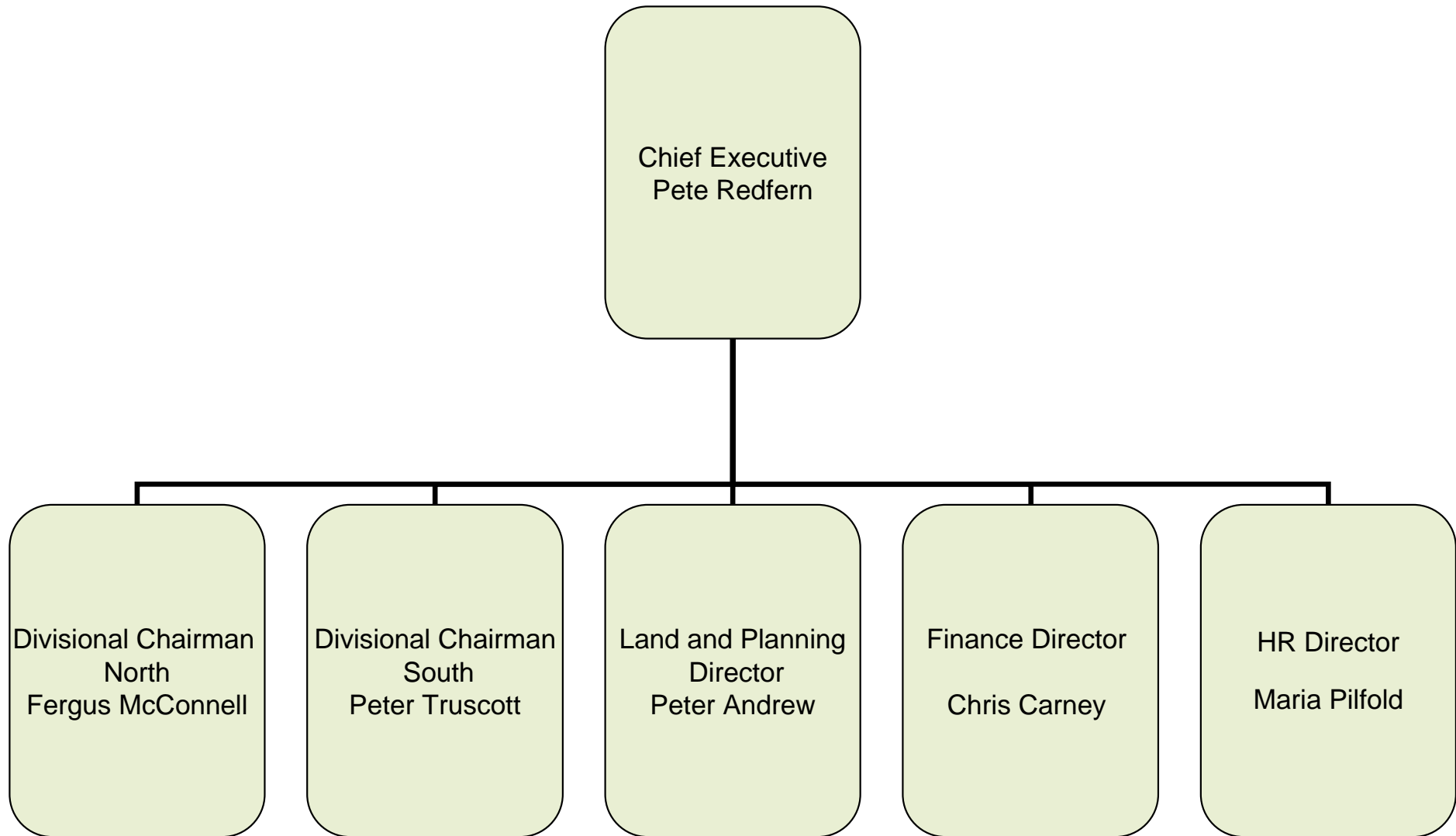
Position update

- Stable business structure with 23 regional businesses
 - Operating for around 18 months with current structure
 - Fully staffed in almost all areas – e.g. land
 - Strong and experienced senior operating team
- Strong land position, with sensible valuations and good balance of locations
 - Average of £31k per plot
 - Low proportion of apartments
 - Weighting towards South
 - Weighting towards larger, longer term sites

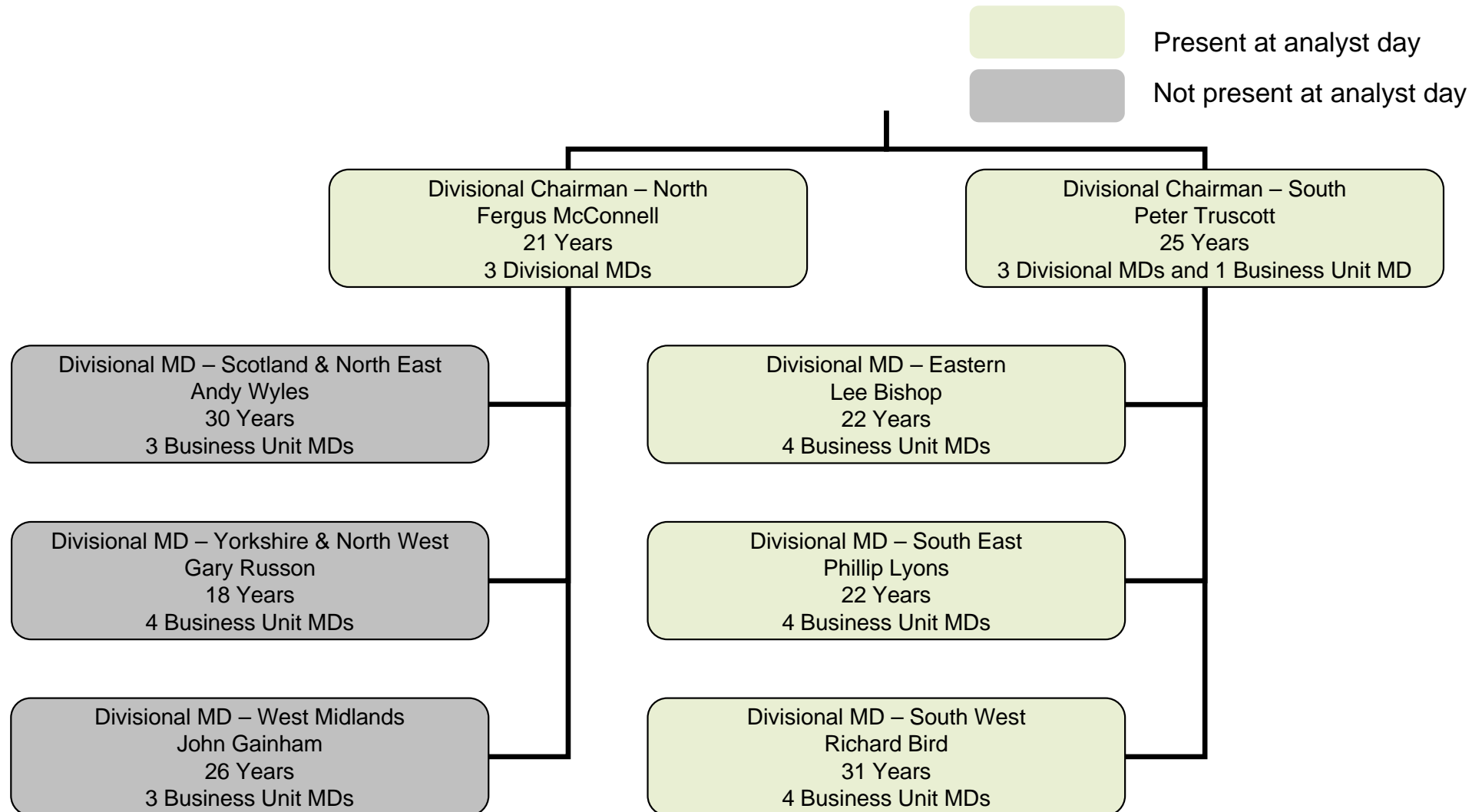
Position update

- One company one brand: Taylor Wimpey - all legacy brands will be phased out by mid 2010
 - Efficient use of marketing spend for smaller business
 - Important for internal focus
 - Avoid 'double heading' self competition except where:
 - Long land position AND
 - Clear market depth/differentiated position
 - Only c.10 double headed locations
- One company, one set of systems and processes:
 - All post merger issues now been crunched through
 - Greater consistency of operation, already evident in sales and production
 - Pressure is on value, not just speed

UK management team



Management strength and industry experience



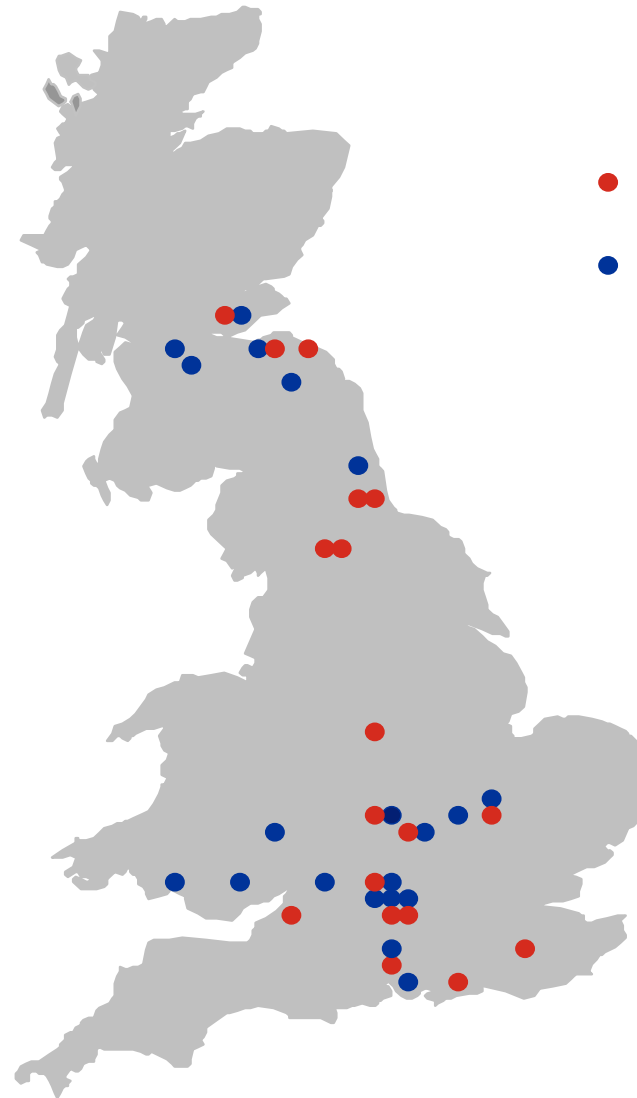
Approach to land

- Maximise value of existing landbank
 - Re-plan and re-engineer sites
 - Manage pace/product to lift prices
 - Focus on value in existing strategic landbank
- Add new sites where quality and value can be found
 - Product mix that fits strategy – good spread of all product types
 - Investment strategy led, not volume led
- Manage landbank for medium and long term
 - Treat as investment portfolio, not just a trading asset
 - Maintain outlets – but don't chase them

Strategic land

- Strategic landbank now stands at c.86k potential plots, which are risk weighted
 - Split across 223 sites
 - Owned plots generally have very low book costs c. £8.2k per owned acre (32% of total)
 - Controlled plots are typically held under options that allow us to purchase at a significant discount to open market value if they are successfully promoted through planning – typically ranging from 5 -15% (68% of total)
 - Further 245 sites (8,949 gross acres) not included in totals as currently assessed to have less than 50% chance of achieving planning
 - We have added or extended 40 options in last 14 months
 - Controlled strategic land gross total of c.16,800 acres with over 1,100 gross acres added or extended in last 14 months
 - Reduces emphasis on short term land acquisition

High quality strategic sites across the country



- Pipeline strategic sites
- Strategic sites with planning consent transferred to regional business in 2008/09

New land approvals since July 2009

Key data

No. of plots	1,011
Average cost per plot £k	18.0
% of apartments in the landbank in London	99%
% of apartments in the landbank exc. London	13%
Est. average selling price of private units £k	180.4
% of affordable housing	19%

Strengthened landbank

Owned plots As at 30 September 2009	Short term landbank Plots	Cost per plot £000	Land cost per plot as a % of ASP	% of apartments in landbank
Scotland and North East	9,031	18.1	10.7%	8.6%
Yorkshire and North West	6,836	30.8	22.3%	31.8%
West Midlands*	5,169	17.7	12.8%	27.9%
North Division*	21,036	22.1	14.6%	20.9%
Eastern	12,713	35.5	21.4%	21.0%
South West	10,714	35.0	21.1%	16.2%
→ South East and London**	14,157	40.5	21.2%	27.7%
South Division**	37,584	37.2	21.2%	22.2%
Total	58,620	31.7	19.1%	21.7%

* Excluding one site identified for land sale ** Excludes City Business Unit

Q & A



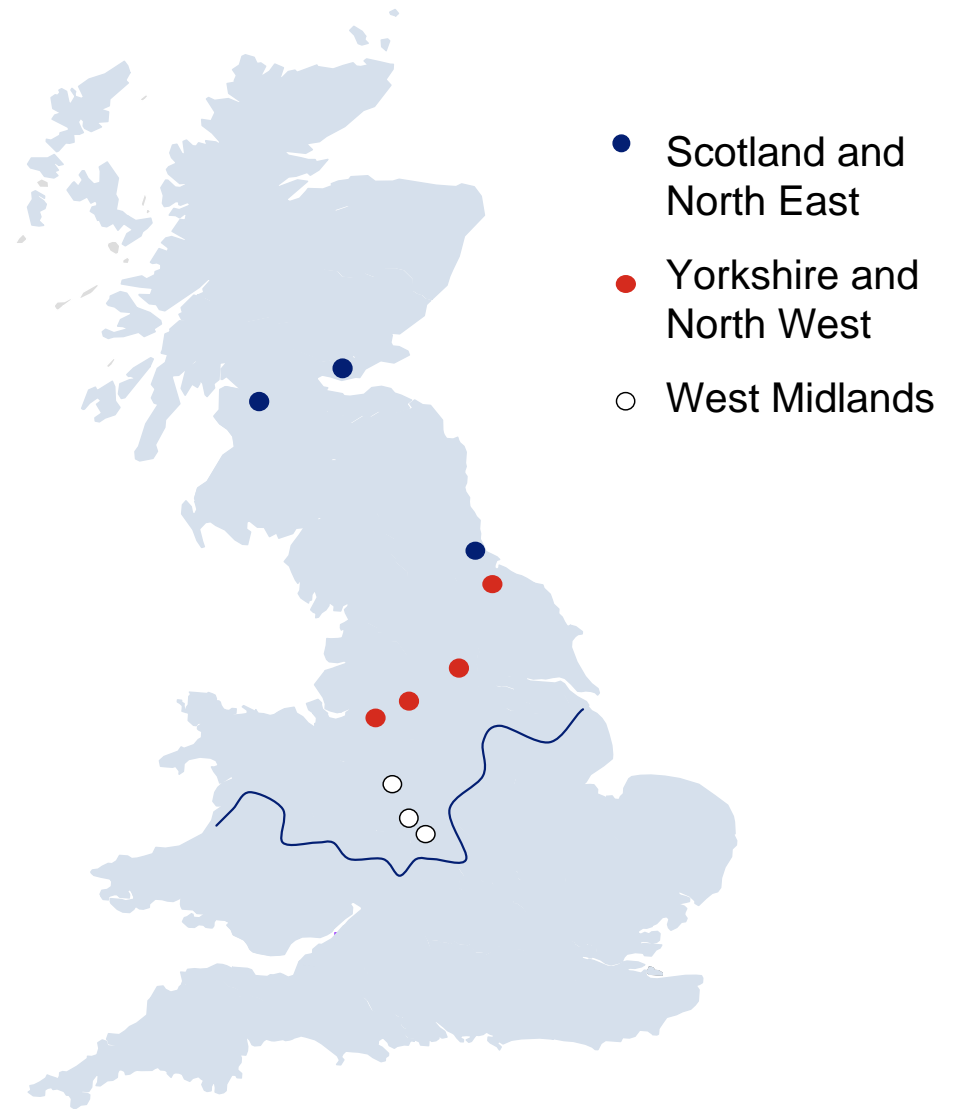
North Division & Build Costs

Fergus McConnell,
Divisional Chairman - North



North Division

- 10 regional business units
- 145 outlets
- 1,832 completions in H1 2009
- 6.8% of H1 2009 completions were social
- 32.1% of H1 2009 private completions were apartments
- Current order book of 1,981 homes
- 15.0% gross margin (before sales costs) in order book (week 43 2008: 6.4%)



North landbank – overview

	Scotland and North East	Yorkshire and North West	West Midlands*	North Division total*
As at 30 September 2009 (unless otherwise stated)				
H1 2009 completions	609	733	490	1,832
Short term landbank plots	9,031	6,836	5,169	21,036
Landbank years	6.7	4.0	4.7	5.1
H1 2009 Average selling price £k	164.1	135.6	153.9	150.0
Average selling price in landbank £k	168.4	138.4	138.5	151.3
Cost per plot £000	18.1	30.8	17.7	22.1
Land cost per plot as % of ASP	10.7%	22.3%	12.8%	14.6%
% of apartments in H1 2009 private completions	29.2%	35.5%	30.6%	32.1%
% of apartments in the landbank	8.6%	31.8%	27.9%	20.9%

*Excluding one site identified for land sale

North landbank – overview

	Scotland and North East	Yorkshire and North West	West Midlands	North Division total
As at week 43 2009 (unless otherwise stated)				
Number of current outlets with NRV provision	25	53	38	116
Number of current outlets without NRV provision	19	10	-	29
Number of current outlets	44	63	38	145
Number of outlets estimated end of 2009	44	64	40	148
Average sales per outlet per week ytd	0.54	0.51	0.51	0.52
Average cancellation rate % ytd	20.9%	16.0%	18.4%	18.2%

Focus area - build cost

- Efficiency of build cost base is critical to:
 - Recovering margin on existing sites
 - Maximising value on new sites acquired
- Areas of significant opportunity incorporated into standard practice:
 - Ongoing savings post merger to drive out costs, particularly from Taylor Woodrow house types
 - Market driven opportunity to take costs out of whole business
 - Rate savings on labour and materials
 - Negotiated savings on planning obligations
 - Opportunity for further efficiency savings from benchmarking and national house type range
- Savings vary from 20% in some areas to very little in others, and from immediate to a 3 year delivery timescale, overall target 10%

Build cost model – indicative example

Per unit	Baseline Cost £000	New build on existing sites % saving	New build on new sites % saving	Targeted cost £000
S/structure - Labour	24.0	15%	15%	20.4
S/structure - Materials	24.0	8%	8%	22.1
Foundations	7.0	5%	7%	6.5
Local site works	10.0	5%	7%	9.3
Main site works	8.0	5%	7%	7.4
Site overheads and fees	15.0	0%	7%	14.0
Abnormals*	17.0	5%	10%	15.3
Total build costs	105.0	7%	10%	95.0

- Indicative example of operating site to illustrate build cost model

*Unusual ground conditions such as piled foundations, remediation to brownfield land etc

Merger build cost savings example

Taylor Wimpey Midlands

	Westminster Place (Rushall)	Clover Bank (Wolverhampton)	Reduction £'s	Reduction %
Dwelling Structures £/Sq Foot	£44.20	£36.28	£7.92	17.9%
All in Build Costs £/Sq Foot	£80.68	£69.53	£11.15	13.8%

Post merger build cost example

Taylor Wimpey Midlands



- Westminster Place £44.20 per sqft



- Clover Bank £36.28 per sqft

Build cost progress - dwelling structures

Harvington 994 sq ft

Taylor Wimpey North West

	Jan 2008	Mar 2009	Jun 2009	Aug 2009 (930 sq ft)
Dwelling Structure £'s	45,352	39,315	35,867	32,102
Dwelling Structure - £'s/Sq Foot	45.63	39.55	36.08	34.44
% Reduction from Jan 08		13.3%	20.9%	29.2%

Build cost – benchmarking impact

Dwelling Structure Tracker 1089 standard house type

	Jan 2008	Jun 2009	% Reduction
TW North East	44,328	35,481	20.0%
TW North Yorkshire	42,487	34,843	18.0%
TW West Yorkshire	40,328	34,301	14.9%
TW Manchester	39,556	35,585	10.0%
TW North Midlands	42,085	34,628	17.7%

- Working towards consistent delivery
 - In January 2008 the gap between best and worst performers was c.12% vs. the gap in June 2009 of c. 4%

Summary

North Division

- Strong and stable management team has delivered steady performance in challenging market conditions
- 2009 completions secured and 2010 order book developing ahead of plan with slight increase in margins
- Quality landbank at an average cost of 14.6% of ASP

Build costs

- Considerable savings already achieved on dwelling structure costs
- Significant opportunity remains in infrastructure and abnormal costs
- Operational efficiencies underpinned by roll-out of:
 - New procedures
 - Revised house type range
 - IT system
- Benefit to profit accelerates as new sites deliver future completions

Q & A



South Division & House Type Range

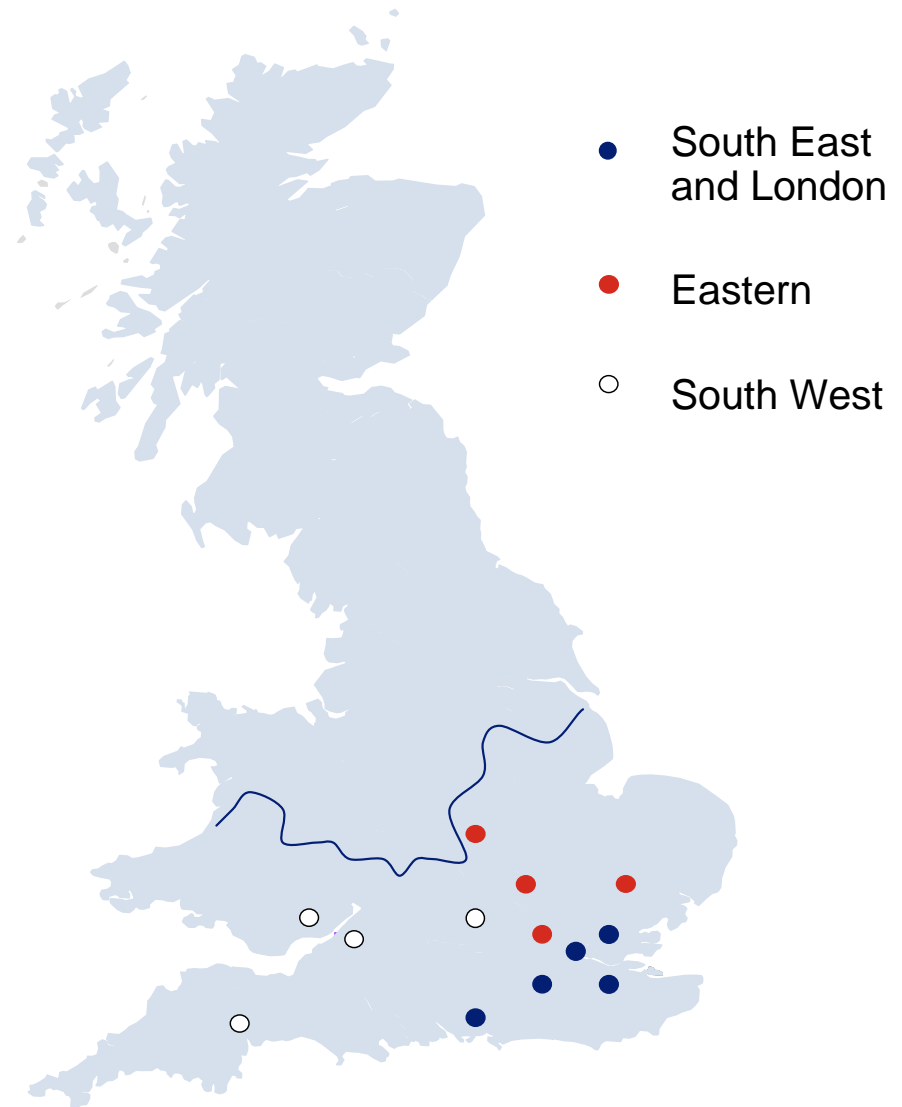
Peter Truscott

Divisional Chairman - South



South Division

- 13 regional business units
- 172 outlets
- 2,859 completions in H1 2009
- 25% of H1 2009 completions were social
- 42.4% of H1 2009 private completions were apartments
- Current order book of 4,310 homes
- 13.5% gross margin (before sales costs) in order book (Week 43 2008: 12.9%)



South landbank – overview



As at 30 September 2009 (unless otherwise stated)	Eastern	South West	South East and London*	South Division total*
H1 2009 completions	1,003	857	999	2,859
Short term landbank plots	12,713	10,714	14,157	37,584
Landbank years	5.3	5.4	5.6	5.4
H1 2009 average selling price £k	149.2	144.9	171.3	155.8
Average selling price in landbank £k	165.9	165.7	191.3	175.4
Cost per plot £000	35.5	35.0	40.5	37.2
Land cost per plot as % of ASP	21.4%	21.1%	21.2%	21.2%
% of apartments in H1 2009 private completions	46.6%	34.9%	45.4%	42.4%
% of apartments in the landbank	21.0%	16.2%	27.7%	22.2%

*Excludes City business unit

South landbank - overview



As week 43 2009 (unless otherwise stated)	Eastern	South West	South East and London	South Division Total
Number of current outlets with NRV provision	45	27	40	112
Number of current outlets without NRV provision	20	22	18	60
Number of current outlets	65	49	58	172
Number of outlets estimated end of 2009	57	49	60	166
Average sales rate per outlet per week ytd	0.61	0.66	0.70	0.65
Average cancellation rate % ytd	19.7%	15.4%	17.2%	17.6%

South East and London– overview

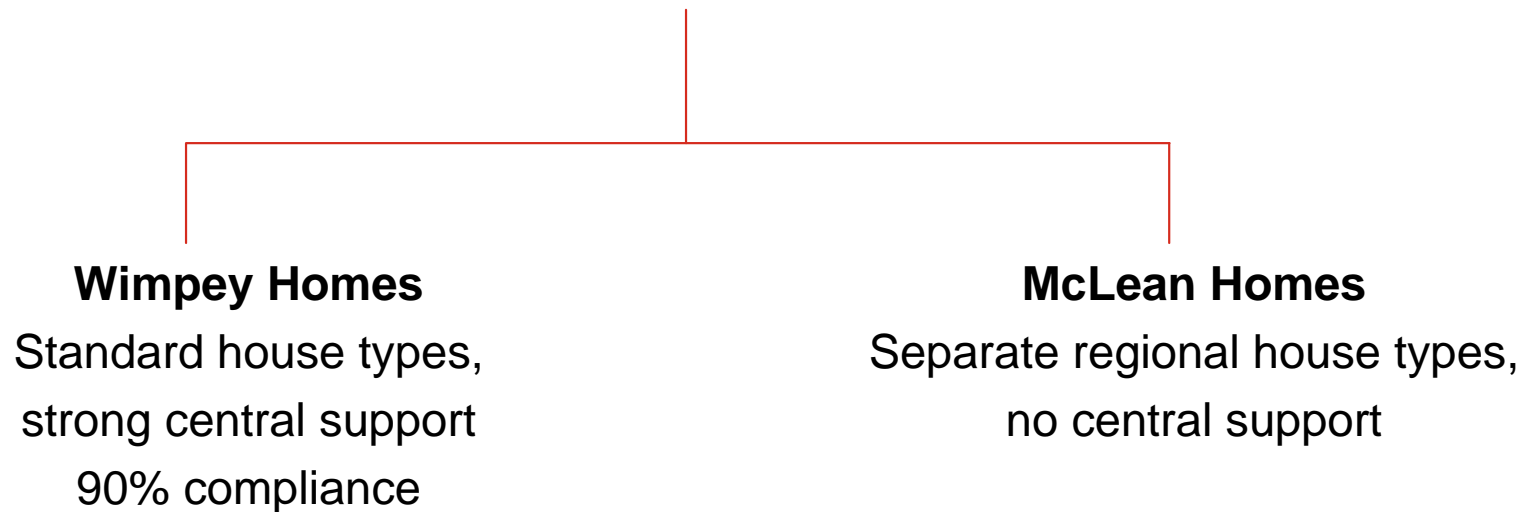


As at 30 September 2009 (unless otherwise stated)	West London	South East	South West Thames	Southern Counties	East London*	South East and London Total*
H1 2009 completions	287	193	133	186	200	999
Short term landbank plots	2,015	3,753	1,829	3,147	3,413	14,157
Landbank years	3.2	7.3	5.5	6.8	5.7	5.6
H1 2009 average selling price £k	192.4	157.2	208.8	167.5	133.3	171.3
Average selling price in landbank £k	203.2	203.8	240.6	191.2	144.0	191.3
Cost per plot £000	87.7	38.1	78.4	20.8	13.0	40.5
Land cost per plot as % of ASP	43.2%	18.7%	32.6%	10.9%	9.0%	21.2%
% of apartments in H1 2009 private completions	25.7%	31.1%	66.3%	36.8%	80.1%	45.4%
% of apartments in the landbank	19.1%	27.2%	32.3%	5.7%	51.4%	27.7%

* Excludes City business unit

National house type range

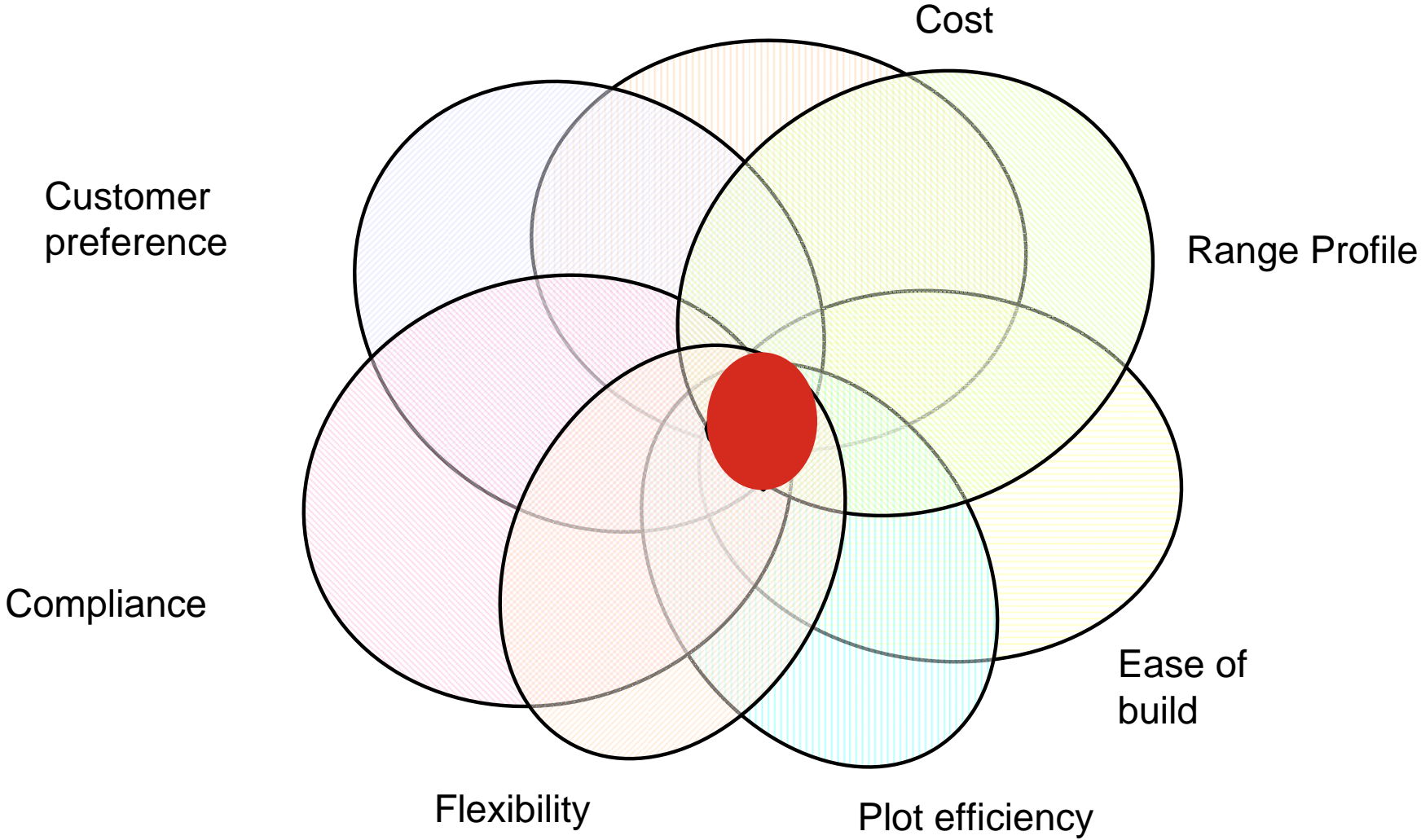
- Bryant Homes - 65 standard types, 70% compliance, large central overhead support
- George Wimpey – 32 'preferred' types, partial compliance, very little central support



National house type range rationale

- Huge potential 'costs' benefit
- Mitigation of risk (particularly sustainability agenda)
- Enables Regional Business Unit Management to focus on other value adding activities

The design challenge



The design solution

- The range is designed to be future proof (approximately 7-10 years)
- Latest design and sustainability requirements can be “bolted-on”, rather than the house re-designed from scratch
- To achieve flexibility in planning – we have a range of 61 floor plans but only 43 shells
- The process will be an on-going one. We will strive for continuous update for improvement

Implementation

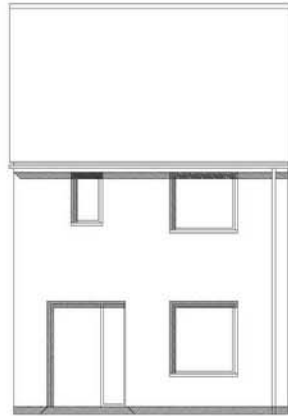
- New product range due to be rolled out 2010 – targeted at 70% of output
- Standard components to be utilised with a “catalogue” of elevational features which can be chosen to suit site requirements and local vernacular
- Scope for significant cost savings due to fabric of the buildings being standardised



FRONT ELEVATION



CONTEMPORARY

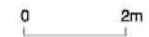
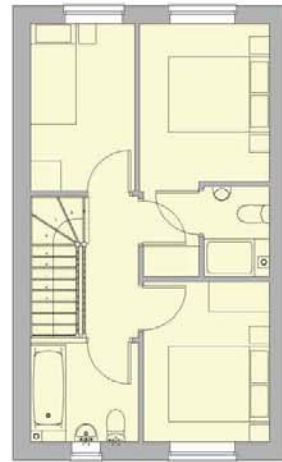


NEUTRAL



TRADITIONAL

PLANS



**Taylor
Wimpey**

HA33

Structural Area:
865sqft / 80.4sqm

Finished Area:
850sqft / 79sqm

Occupancy:
3 Bed / 5 Person



Summary

South Division

- 2009 sales secured
- Strong orderbook for 2010 with improving pricing and margins
- Stable regional business unit structure with excellent management and assets

House type range

- Focus on driving cost savings, aided by introduction of new standard house type range

Q & A



Regulatory Environment

Peter Andrew,
Land & Planning Director



Taxation, policy and regulation burden

- Considerable increase in legislation over the last few years with more impacting in 2010 onwards:
 - Community Infrastructure Levy (CIL) to be introduced from 2010
 - Zero Carbon initiative – Code for Sustainable Homes
 - 2010 Code 4
 - 2013 Code 5
 - 2016 Code 6
 - Building Regulations changes
 - 2010 - water efficiency, Part F, G, H, J and L amendments including a 25% improvement in energy efficiency
 - 2013 – 44% improvement in energy efficiency
 - Lifetime Homes
 - Homes to be designed to allow for increased age of occupants. To be introduced in 2010 for affordable homes and 2013 for private development?
 - Higher internal space standards: increased floor space – HCA room sizes
 - Increased waste regulation

Our response – managing the risk

- Active involvement with Government departments and HBF:
 - CLG/HBF Community Infrastructure Levy working group
 - CLG Technical Advisory Group for Lifetime Homes
 - HBF Energy Efficiency and the Code
 - HCA Compliance with Standards working Group
 - DOE/HCA Waste Regulation and taxation
- Lobbying:
 - Cumulative risk to site viability of proposed regulation
 - Working with the Government and Shadow Ministers to create understanding of policy consequences
- Managing build cost:
 - General cost reduction
 - Managing the supply chain
 - Reviewing new technologies
 - New house type range – future proofing

Political influences on housebuilding sector

- Very different approach to housing delivery and planning from the political parties
- Labour party:
 - Gordon Brown made housing a key priority – brought Ministerial role into Cabinet
 - Top down approach with Regional and Local Authority housing targets – a number of Regional Spatial Strategies (RSS) stalled by legal challenges
 - Three million new homes by 2020 and 240k per annum – not met!
 - Wedded to sustainability agenda and the Code for Sustainable Homes
 - General increasing legislative burden: CIL, Lifetime Homes etc. However Minister currently reviewing this impact – awaiting response
 - Considerable additional funding: First Time Buyer Initiative, HomeBuy Direct and Kickstart programme

Political influences on housebuilding sector

- Conservative party (General Election likely May 2010)
 - Strong focus on sustainability and green issues – the detail of policy is still to be published
 - The third Housing/Planning Green Paper expected by the end of the year and will include:
 - Abolishing RSS system
 - No top down housing numbers
 - Localism agenda (more planning powers at a district/borough level)
 - Fiscal/grant incentives to encourage locals to ‘embrace’ development
 - Uncertainty around major developments before the election, e.g. letter from Shadow Secretary of State for Communities to Conservative Councils
 - Faced with realities of government, housing policy might change/evolve. The transition may lead to a hiatus in planning activity

Government initiatives for housebuilding industry to counter reduced output

- Homebuy Direct – HCA/housebuilder shared equity partnership
 - TW allocation of £15.3m on 645 plots
 - To date 223 plots completed/ proceeding using £3.6m of allocation and a further 53 awaiting HCA approval
- Kickstart – HCA funding to commence stalled sites. Total funding c.£1.0 billion
 - Round 1:
 - 7 sites initially accepted out of 25 submitted
 - Awaiting final due diligence from HCA and confirmed number of sites
 - Round 2:
 - Approximately 45 sites submitted with request for c.£100m of grant
- Delivery Partner Panels – HCA method of developing public land with agreed partners
 - 3 separate partner regions across England
 - TW successful in pre-qualification for all 3 regions (26 organisations agreed in total)

Summary

- Proposed new legislation presents a risk to timescales and scheme viability but we are working with policy makers to make them workable and affordable
- We are actively taking part in current Government initiatives to increase housing volumes during the current economic downturn
- Any change in Government will bring a different approach to housing and planning policy. We are working with Shadow Ministers to ensure that the emerging policy is workable
- The period to the election will be uncertain. In this hiatus, the focus is to obtain as many consents as possible, while investing time in influencing future Government policy

Q & A



Value Creation Capacity

Chris Rickard,
Group Finance Director



Land spend capacity

- Any land purchase commitments prior to 07 April 2009 are ring-fenced from land spend
- Non-UK land spend

£m	FY09	FY10	FY11	FY12
US	79	84	160	160
Canada	63	30	38	27
Europe	14	4	6	0

- Non-UK land spend is measured on a commitment basis, not cash spend
- UK land spend
 - “... does not exceed 10% per annum of the net assets of the Group as set out in the most recent annual audited consolidated financial statements of the Group.”
 - UK land spend is measured on a cash spend basis. There is no constraint on new UK commitments
- UK and non-UK measures are on different bases of computation

Covenant tests

Position as at 30 Sept 2009	Actual	Covenant	Headroom
Operating cash flow Q3 September actual £m	158.4	(359.0)	517.4
Tangible net worth £m	1,569.2	1,061.5	507.7
Asset leverage	31.0%	64.9%	33.9ppt

Operating cash flow future testing dates	Covenant £m
31 December 2009	(51)
31 March 2010	111
30 June 2010	139
30 September 2010	159
31 December 2010	70

Unconditional UK land spend commitments as at September 2009

	Actual 2008	Estimated 2009	Estimated FY 2010
	£m	£m	£m
Payments made to date	538	280	
Expected payments in respect of unconditional contracts	-	14	
Total	538	294	114

Note: numbers are rounded

Total excludes conditional commitments

Managing WIP

Private plots build status (plots)

	Sold*	Unsold – split by build stage					Total under build
	All stages	Foundation	Superstructure	Roof tile	Second fix	Build complete	All stages
Sept 2009	3,581	888	657	364	382	165	2,456
Sept 2008	3,656	1,561	747	1,335	849	1,361	5,853

Q & A



Introduction to Augusta Park

Peter Truscott &

Nigel Holland,

Regional Managing Director,
Southern Counties



Augusta Park – strategic approach

- Dual branded site: Bryant and Taylor Wimpey
 - Site already partly rebranded to Taylor Wimpey (from George Wimpey) with balance of rebrand in early 2010
 - Life span of 15 years (to 2025)
 - Currently Taylor Wimpey only new build developer in area
 - 188 plots sold to another housebuilder at end of 2007
 - New standard house type range will be used on site from phase 2 onwards

Augusta Park, Andover

- Strategic land site assembled through parcels optioned by George Wimpey and Taylor Woodrow and brought through planning by Taylor Wimpey in 2008
 - All options were held at a discount to open market value
 - Phased land payment terms over 3 years
 - Land cost c. £17.8k per plot
- Total 333 acres
 - 166 acres residential
 - 9.8 acres commercial
 - 2 local centres, 3 schools sites, provision of community playing fields
- Site set to deliver 2,500 homes over lifetime (2009 – 2025)
 - 40% affordable
 - Private mix : 95% houses; 5% flats over garages

Augusta Park, Andover

- Outline planning (including infrastructure) consent August 2008
 - Infrastructure commencement September 2008
 - Phase 1 detailed consent November 2008
 - Phase 1 build start November 2008
- Temporary sales centres opened Q1 2009 and show homes opened Q2 2009
 - Q1 2009 – 1.04 sales per week for site as whole
 - Q3 2009 – 1.19 sales per week for site as whole
 - All sales secured for 2009 – 125 occupations
 - 28% forward sold for 2010 private completions

Cashflow

- Actions taken in 2008 to generate cash and help fund development
 - Land sale and build contract for Annington Developments for 52 homes for 09 delivery – housing for MoD personnel based locally
 - Provision of 154 affordable homes for Sentinel Housing (42 for 09 delivery)
 - These actions mitigated risk on 75% of plots programmed for 09 delivery
- Cash flow profile
 - As at end December 2009 c.86 net acres of site fully owned and paid with net cash investment of c.£3,500k
 - Further land payments deferred to 2010/ 2011
 - Project cash break even 2014
- Managing WIP on site
 - Tight control of infrastructure – balance cost and cash
 - Tight control of all build stages with divisional authorisation

Driving value from the site

- Maximising selling prices
 - Ave £181 per sqft ytd – 1.5% reduction in level of incentives from March 2009
 - Plot specific pricing
 - 20% of sales part exchange linked – small profit on part exchange activities
 - Currently no unsold part exchange stock
- Minimising cost
 - c. 12% total build cost reduction (including S106 contributions) with direct impact on headline margin
 - Major savings from groundworks – inc. simplifying foundation detail and drainage
- Adding value
 - S106 educational payments have been deferred and re-phased to meet actual need in area
 - Re-tendering process – inc. material specification review and Design Code challenge
 - Product planning for phase 2 to match demand and utilise new house types
 - Review of Code methodology to use fabric instead of renewables

Health & Safety Briefing



Health, Safety & Environmental Induction



	Health, Safety and Environmental Induction Card
Name:	_____
Inducted by:	_____
No: 001	

No full induction today because you will be accompanied by an designated escort

but remember

Construction sites can be dangerous places.

Over 200 workers were killed on construction sites in the UK over the past three years!

About *half* as the result of *falls*!

About a *third* by being *struck by plant*!

Therefore:



Follow any instructions given by your escort on site



Keep to the designated pedestrian routes



Be aware of vehicles and plant when crossing site roads

However, if you want to investigate something in more depth – just ask!