

5 August 2009

Taylor Wimpey plc

Results for the six months to 30 June 2009

In the first half of 2009, trading conditions improved significantly. We saw stable conditions in the UK, achieving increased sales rates and stable pricing. In North America, after a weak first quarter, we saw an improvement in the second quarter. Given the uncertainty in wider economic conditions over the last 12 months, our focus has been on cash generation and this is reflected in the financial performance for the period. Following extensive restructuring, Taylor Wimpey is well positioned to capitalise on the improved conditions in its main markets.

Operational Summary

- Group completions:
 - 4,702 homes in the UK at an average selling price of £153,000
 - 1,933 homes in North America at an average selling price of £183,000; and
 - 72 homes in Spain and Gibraltar at an average selling price of £288,000
- Increased order books in our main markets with the majority of sales for 2009 already achieved:
 - In the UK order books at 24 July are up 67% since the full year at £938 million and cancellation rates have fallen from 46% in the second half of 2008 to 19% for the first half of 2009. Early summer selling season has been solid and visitor levels remain encouraging
 - In North America orders are currently up 23% since the full year at US\$1,008 million. Cancellation rates are 18% (H1 2008: 20%) with more stable conditions in most regional markets
- We have well positioned landbanks of 69,167 owned and controlled plots in the UK and 28,815 owned and controlled plots in North America
- Tangible net assets of 44.1 pence per share, after further land and work in progress write downs totalling £527 million
- Significantly strengthened financial position following restructuring of debt facilities and successful £510 million (net) equity raise

Financial Summary

	H1 2009	H1 2008*
Revenue £m	1,132.8	1,564.1
Operating profit** £m	2.8	69.2
Loss before tax and exceptional items*** £m	(68.9)	(0.3)
Exceptional items before tax £m	(603.8)	(1,546.3)
Loss for the period £m	(681.9)	(1,419.0)
Loss per share p	(43.6)	(102.4)
Tangible net assets per share p	44.1	157.3
Net debt £m	1,033.7	1,675.4

* H1 2008 has been restated for the disposal of the Group's UK Construction business in September 2008. The loss per share calculation and the tangible net assets per share calculation for H1 2008 have been restated by increasing the total outstanding number of shares to reflect the effects of the bonus share element of the open offer.

** 'Operating profit' is defined as profit on ordinary activities before finance costs, exceptional items and amortisation of brands, after share of results of joint ventures.

*** H1 2009 exceptional items of £603.8 million include land and work in progress write downs in the UK of £445.0 million, North America of £78.7 million and Spain and Gibraltar of £3.3 million.

Pete Redfern, Group Chief Executive, said:

“The last two years have been incredibly challenging for all housebuilders. However with significant underlying improvements in our business and encouraging signs of stability in the UK and North America, the Group is well positioned for the future. Although we will continue to focus on cash generation, our primary objective has now returned to creating value from existing and future sites”

-ends-

A presentation to analysts will be made at 09:00 hours on 5 August 2009. This presentation will be broadcast live on www.taylorwimpey.com.

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Notes to editors:

Taylor Wimpey plc builds homes in the UK, North America, Spain and Gibraltar. It aims to be the homebuilder of choice for customers, employees, shareholders and communities.

For further information, please visit the Group's website:
www.taylorwimpey.com

Interim Management Report

Group Summary

The operational decisions that we have taken in our main markets have positioned our businesses well to trade through the downturn and to take advantage of the increased stability that we have seen in the UK and North America in recent months.

We have also strengthened our financial position significantly during the first half of 2009, having agreed the restructuring of our debt facilities and successfully completed our Placing and Open Offer to raise net proceeds of £510 million. Our focus over the last 12 months has been on cash generation and this is reflected in the financial performance for the period. Although cash generation will remain a focus, a combination of the actions taken within the business over the last 12 months and our improved financing position now allow us to shift our focus to creating value by returning to profitability on existing and future sites.

UK Housing

	H1 2009	H1 2008	Change	FY 2008
Average outlet numbers	363	489	(25.8)%	455
Private sales rate (per outlet per week)	0.61	0.45	35.6%	0.40
Completions	4,702	6,317	(25.7)%	13,394
Private	3,854	4,728	(18.5)%	10,585
Social	840	1,542	(45.5)%	2,751
Joint Ventures	8	47	(83.0)%	58
Average selling price £'000	153	177	(14.5)%	171
Private £'000	163	202	(19.3)%	187
Social £'000	109	108	0.9%	108
Revenue £m	744.4	1,159.6	(35.8)%	2,390.1
Operating (loss)/profit* £m	(7.3)	63.4	(111.5)%	53.0
Operating margin* %	(1.0)%	5.5%	(6.5)ppt	2.2%
Exceptional items £m	(452.8)	(1,431.0)	131.6%	(1,750.4)
Order book value £m	853	1,199	(28.9)%	562
Owned and controlled plots with planning or resolution to grant	69,167	77,415	(10.7)%	74,917

* Throughout this Interim Management Report 'operating profit' or 'operating loss' is defined as profit or loss on ordinary activities before finance costs, exceptional items and amortisation of brands, after share of results of joint ventures.

After the sharp declines in house prices seen during 2008, national house price indices showed a deceleration in the rate of decline during the first half of 2009, although they do not yet constitute a convincing trend. Mortgage valuations and availability continue to be issues for potential buyers, although there are signs that the situation is beginning to improve. Recently published data from the Bank of England shows that the number of mortgage approvals for home purchases increased by 32% in June 2009 on a year on year basis, but remains significantly lower than the level in June 2007.

Alongside this improved operating environment, our approach to the market has delivered a strong increase in the net private sales rate to 0.61 homes per outlet per week (H2 2008: 0.33), at prices that have been broadly stable. Cancellations are running at significantly lower levels than last year, with an average cancellation rate of 19% for the first half (H2 2008: 46%). We have seen encouraging demand from first time buyers, who are well-placed to take advantage of the fall in house prices, subject to mortgage availability, and represent 32% of our private sales in the first half of this year (FY 2008: 26%, FY 2007: 18%). The order book was £853 million at the end of June 2009, an increase of 52% from the full year 2008, reflecting a solid H1 sales performance.

At the end of 2008, the average selling price on private reservations was approximately £160,000, reflecting a decline of approximately 20% from the peak in mid 2007. Our average selling price so far in the second half of 2009 has been significantly ahead of this at c. £170,000, due primarily to improvements in our mix. This mix shift, towards a more southern and less apartment weighted product base, is a result of a different focus of land buying prior to the downturn and of site re-plans over the last 18 months. Whilst the reductions in selling prices reported for private completions primarily reflect the adverse market conditions, the proportion of apartment completions also increased slightly in the short term to 38% (FY 2008: 34%) as we focused on clearing unsold completed units during the first quarter. However, we do not expect apartment completions to remain at this level going forward. As a result of these factors, we anticipate an increase in the average selling price of completions in the second half of this year.

Revenue of £744.4 million (H1 2008: £1,159.6 million) reflects the decrease in both the number of completions and the average selling price in comparison to the prior period. An operating loss* of £7.3 million (H1 2008 profit: £63.4 million) reflects the lower average selling price and our ongoing focus on cash generation in the challenging market conditions of the last 18 months.

Having acted decisively in 2008 when the severity of the downturn became apparent, we have continued to take decisive operational action to position the business well for the current market conditions. We have remained cautious with regard to new outlet openings during the first half of the year, with the number of outlets being reduced from 384 at the start of the year to 333 at the end of June. This decline will need to be reversed in order to increase completions as the market recovers and we have approximately 40 outlets available to open during the second half of the year, provided that market conditions remain supportive. We have also maintained tight control on the level of unsold completed homes and part exchange properties, which are both at very low levels.

As announced at our full year results in April, our target is to reduce average build costs, with savings expected to flow through fully to the income statement by the end of 2010. As part of this process we are currently building prototypes of our new house type range, which offers cost benefits from increased standardisation whilst allowing easy adaptation to match customer aspirations in each local market.

From a sales and marketing perspective, we took early action in the summer of 2008 in adjusting our prices and incentives to ensure that our homes remained competitive in each local market. As the market has stabilised, we have been able to reduce the level of incentives being offered on new home sales. As previously indicated, we will be moving to a single brand for our UK business, which will allow us to use our marketing budget even more effectively and which more accurately reflects the way

in which we work as a single business. All new outlets in the UK will now be branded as Taylor Wimpey and the use of the Bryant Homes and George Wimpey brands will be phased out.

Whilst we remain cautious on land buying, opportunities are starting to emerge to purchase good quality land at prices that should be value enhancing for Taylor Wimpey. Although the land market has remained extremely subdued, there are some transactions taking place and we made ordinary course of business land sales during the first half of the year. We have a well positioned landbank of 69,167 plots owned and controlled with planning or resolution to grant at the end of June (31 December 2008: 74,917 plots).

In addition, we benefit from nearly 90,000 owned and controlled potential plots within our strategic landbank. As this strategic landbank progresses through the planning process, it offers the potential through existing option contracts to add new plots to the consented landbank at prices below open market value.

North America Housing

	H1 2009	H1 2008	Change	FY 2008
Average outlet numbers	171	245	(30.6)%	234
Sales rate (per outlet per week)	0.6	0.5	20.0%	0.4
Home completions	1,933	2,094	(7.7)%	5,421
Average selling price US\$'000	275	326	(15.6)%	314
Revenue US\$m	534	715	(25.3)%	1,757
Operating profit* US\$m	27.9	34.1	(18.2)%	107.2
Operating margin* %	5.2%	4.8%	0.4ppt	6.1%
Exceptional items US\$m	(119.7)	(150.3)	14.3%	(150.3)
Order book value US\$m	909	1,295	(29.8)%	819
Owned and controlled plots with planning	28,815	36,786	(21.7)%	29,178

After the difficult trading conditions experienced in January and February, our markets in the US and particularly in Canada have improved in recent months. We are encouraged by recently published market data, which shows housing volumes starting to increase, the first rise in monthly prices since July 2006 and a reduction in months of new homes inventory to a current level of 8.8 from 11.2 as at December 2008. In the past few weeks, we have achieved a strong increase in sales rates against those of the previous 12 months and the cancellation rate of 18% is at its lowest rate for the last three years.

We completed 1,933 homes in North America during the first six months of 2009 (H1 2008: 2,094) of which 1,279 completions were in the US (H1 2008: 1,677) and 654 were in Canada (H1 2008: 417). The increase in the number of completions in Canada reflects the more robust market conditions. Average selling prices showed an increase in Sterling terms, as a result of movements in the exchange rate and a higher proportion of completions delivered by our Canadian operations. In the US, average selling prices were US\$259,000 in H1 2009 (H1 2008: US\$303,000), reflecting the difficult trading conditions and a reduction in both average home sizes and the level of expenditure on options and premium homesites.

Revenue in Sterling terms for the half year of £356.1 million is slightly below the level of the equivalent period last year (H1 2008: £362.9 million). Despite this, our North American business achieved an increase in operating profit* to £18.6 million (H1 2008: £17.3 million) at a margin of 5.2% (H1 2008: 4.8%). This is primarily driven by a strong performance from our Canadian business, which has delivered an operating margin* of 19.9%, as well as significant cost improvements in the US business.

Cash management has remained a key priority and we have now reduced the number of unsold completed homes to 177 from 455 at the end of 2008. We have also continued our focus on build costs, both in terms of the price that we pay for materials and labour and the efficiency of our operations on site. We have successfully replanned a significant number of our communities, enhancing the quality of our landbank and making these communities more attractive to prospective home buyers in the current market conditions.

As in the UK, we remain cautious with regard to new land purchases in the US, although we are seeing some opportunities to make new purchases on attractive terms in certain markets. Our owned and controlled landbank in North America now stands at 28,815 plots (31 December 2008: 29,178 plots).

Spain & Gibraltar Housing

	H1 2009	H1 2008	Change	FY 2008
Completions	72	83	(13.3)%	214
Average selling price £'000	288	310	(7.1)%	270
Revenue £m	22.3	26.4	(15.5)%	59.8
Operating (loss)/profit* £m	(0.4)	0.3	(233.3)%	(2.4)
Operating margin* %	(1.8)%	0.1%	(1.9)ppt	(4.0)%
Exceptional items £m	(3.3)	(33.3)	90.1%	(37.4)
Order book value £m	40	73	(45.2)%	58
Owned and controlled plots with planning	2,055	2,072	(0.8)%	2,121

The market in Spain continues to be very weak, although there are some signs of increasing interest amongst second home purchasers particularly where prices have fallen most sharply. Reductions in both home completions and average selling prices led to lower revenue during the first half of 2009 and the business recorded a small operating loss.

Our plans to exit our business in Gibraltar remain on course.

Exceptional Items

Exceptional items totalling £603.8 million before tax were recorded in the first half of 2009 (H1 2008: £1,546.3 million).

As indicated in our Trading Update on 19 June 2009 we have undertaken a review of the carrying value of our land and work in progress in the UK, North America and Spain. Whilst current market conditions remain stable, there remains the possibility of further increases in unemployment, continuing scarcity of mortgage finance and the prospect of interest rates rising from their current historic lows. Therefore, we have allowed for further selling price falls in our assumptions. We have, inter alia, also reviewed in detail and revised where appropriate our previous assumptions for

costs and other risks. Overall this has given rise to further net write downs of £445.0 million in the UK, £78.7 million in North America and £3.3 million in Spain and Gibraltar, giving a total of £527.0 million (H1 2008: £690.0 million). In line with International Financial Reporting Standards, we have conducted this review on the basis that, in the absence of a further material adverse change in our main markets, we would not anticipate having to make further reductions in the carrying value of our landbank.

Costs associated with the restructuring of our debt facilities and resulting from the Placing and Open Offer totalled £67.9 million, of which £23.1 million is classified in the accounts as an exceptional finance cost.

Reorganisation and restructuring costs totalling £8.9 million were incurred in the first half of this year, primarily relating to the previously reported closure of three of our operating businesses in the UK.

Capital restructuring and financial position

Following a period of prolonged and complex negotiations, we achieved final approval on a restructuring of our debt facilities on 30 April 2009. We subsequently raised net proceeds of £510 million through a successful Placing and Open Offer, which was approved by shareholders on 27 May 2009. As a result, we have considerably strengthened our balance sheet, achieved interest cost savings expected to exceed £425 million over the life of our revised debt facilities and have greater flexibility to maximise the value of the Group's existing assets and bring forward new investment as appropriate.

Net debt was £1,034 million at 30 June 2009 (31 December 2008: £1,529 million), with strong underlying cash generation in the first half giving significant headroom against our financial covenants and enabling us to accelerate certain payments. We continue to expect strong cash generation in the second half of 2009, enabling us to reduce net debt further by the year end, to below £900 million.

Pensions

Taylor Wimpey operates Defined Benefit and Defined Contribution pension schemes. Trustees' actuarial valuations of both of the Group's main Defined Benefit pension schemes were completed during the first half of 2008. The next formal valuations are due in 2010 and will be completed within the regulatory timescale. The IAS19 valuation of the retirement benefit obligations, which appears on the Group's balance sheet is £357.1 million at 30 June 2009 (31 December 2008: £279.8 million).

The Group's deficit reduction payments in respect of the Defined Benefit pension schemes remain unchanged at £45 million per annum.

Dividends

The Board is not proposing an interim dividend for 2009.

Board Changes

We are pleased to announce that Sheryl Palmer has today been appointed to the Board of Taylor Wimpey plc. Sheryl is the President and Chief Executive of our North American business: Taylor Morrison, a position she has held since August 2007. Prior to that appointment Sheryl held a number of senior positions within the housebuilding industry.

We also announce that Mike Davies will be standing down as a non executive Director on 1 September 2009. Mike has been a Director of the Company since October 2003 and prior to the merger with George Wimpey Plc in July 2007 was the appointed senior independent Director.

Outlook

Trading in the UK has remained encouraging since our Trading Update on 19 June and we have not experienced the usual level of seasonal slowdown so far during the summer. Although there remains the possibility that the uncertainty in the wider economy will have a further adverse impact on the housing market, we are cautiously optimistic about trading conditions for the remainder of the year. With a strong forward sold position for 2009, and land still a scarce resource in the UK, our current sales focus is on achieving price increases and delivering a strong start to 2010. We will retain our focus on build cost reduction, which is key to delivering acceptable levels of returns from both existing and new land.

In North America, the period of stability that we referred to in our pre-close Trading Update has continued and strengthened, although we continue to expect geographical variations in the timing and profile of recovery. Longer term, we remain well placed to take advantage of future opportunities and to capitalise on the strong reputations of our Taylor Morrison and Monarch brands.

We will maintain our focus on cash generation across the Group during the second half of the year, but intend to reposition our primary focus towards returning to normal levels of profitability as quickly as market conditions allow.

Risks and Uncertainties

As with any business, Taylor Wimpey faces a number of risks and uncertainties in the course of its day to day operations.

The principal risks and uncertainties facing the Group are outlined on page 12 and 13 of our Annual Report and Accounts 2008, which is available from www.taylorwimpey.com. These risks remain relevant for the second half of 2009 and comprise: economic and market environment; land purchasing; availability of sub-contractors; site safety; construction and cost management; and government regulations. A more detailed analysis of the risk factors is set out in the Prospectus relating to the recent Placing and Open Offer, which was published in May 2009 and is available from our website at: www.taylorwimpey.com/AnnouncementsPresentations

Cautionary note concerning forward looking statements

The IMR contains certain forward looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

Responsibility statement of the directors in respect of the half –yearly financial report

We confirm that to the best of our knowledge:

The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

The interim management report includes:

- a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
- a description of the principal risks and uncertainties for the remaining six months of the year;
- a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being disclosure of related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and
- any changes in the related party transactions described in the last annual report that could do so.

By order of the Board
Norman Askew, Chairman
Pete Redfern, Group Chief Executive
4 August 2009

Taylor Wimpey plc

Condensed Consolidated Income Statement

For the six months to 30 June 2009

		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited	Audited	Audited
	Note	Before exceptional items Six months to 30 June 2009 £m	Exceptional items (note 3) Six months to 30 June 2009 £m	Total Six months to 30 June 2009 £m	Before exceptional items Six months to 30 June 2008 (restated) £m	Exceptional items (note 3) Six months to 30 June 2008 (restated) £m	Total Six months to 30 June 2008 (restated) £m	Before exceptional items Year to 31 December 2008 £m	Exceptional items (note 3) Year to 31 December 2008 £m	Total Year to 31 December 2008 £m
Continuing Operations										
Revenue	2	1,132.8	-	1,132.8	1,564.1	-	1,564.1	3,467.7	-	3,467.7
Cost of sales		(976.7)	(527.0)	(1,503.7)	(1,366.0)	(690.0)	(2,056.0)	(3,138.2)	(1,012.8)	(4,151.0)
Gross profit/(loss)		156.1	(527.0)	(370.9)	198.1	(690.0)	(491.9)	329.5	(1,012.8)	(683.3)
Net operating expenses		(155.1)	(53.7)	(208.8)	(136.3)	(856.3)	(992.6)	(243.2)	(871.7)	(1,114.9)
Profit/(loss) on ordinary activities before finance costs and amortisation of brands	2	1.0	(580.7)	(579.7)	64.2	(1,546.3)	(1,482.1)	88.7	(1,780.6)	(1,691.9)
Amortisation of brands	2	-	-	-	(2.4)	-	(2.4)	(2.4)	(103.9)	(106.3)
Profit/(loss) on ordinary activities before finance costs	2	1.0	(580.7)	(579.7)	61.8	(1,546.3)	(1,484.5)	86.3	(1,884.5)	(1,798.2)
Interest receivable		4.8	-	4.8	2.0	-	2.0	8.5	-	8.5
Finance costs	4	(76.5)	(23.1)	(99.6)	(69.1)	-	(69.1)	(177.1)	(10.5)	(187.6)
Share of results of joint ventures	2	1.8	-	1.8	5.0	-	5.0	7.6	-	7.6
Loss on ordinary activities before taxation		(68.9)	(603.8)	(672.7)	(0.3)	(1,546.3)	(1,546.6)	(74.7)	(1,895.0)	(1,969.7)
Taxation (charge)/credit	5	(9.2)	-	(9.2)	0.7	124.0	124.7	(23.4)	100.0	76.6
(Loss)/profit for the period from continuing operations		(78.1)	(603.8)	(681.9)	0.4	(1,422.3)	(1,421.9)	(98.1)	(1,795.0)	(1,893.1)
Discontinued Operations										
Profit/(loss) for the period from discontinued operations	8	-	-	-	2.9	-	2.9	(2.5)	55.6	53.1
(Loss)/profit for the period		(78.1)	(603.8)	(681.9)	3.3	(1,422.3)	(1,419.0)	(100.6)	(1,739.4)	(1,840.0)
Attributable to:										
Equity holders of the parent				(681.9)			(1,419.3)			(1,841.3)
Minority interests				-			0.3			1.3
				(681.9)			(1,419.0)			(1,840.0)
							Restated			Restated
Basic and diluted loss per share – total Group	7			(43.6p)			(102.4p)			(132.7p)
Basic and diluted loss per share – continuing operations	7			(43.6p)			(102.6p)			(136.5p)
Adjusted basic (loss)/earnings per share – continuing operations	7			(5.0p)			0.0p			(7.2p)
Adjusted diluted (loss)/earnings per share – continuing operations	7			(5.0p)			0.0p			(7.2p)

Taylor Wimpey plc

Condensed Consolidated Statement of Comprehensive Income

For the six months to 30 June 2009

	Reviewed Six months to 30 June 2009 £m	Reviewed Six months to 30 June 2008 £m	Audited Year to 31 December 2008 £m
Exchange differences on translation of foreign operations	(38.1)	(1.5)	50.3
Increase/ (decrease) in fair value hedging derivatives	13.5	0.1	(31.2)
Actuarial loss on defined benefit pension schemes	(73.5)	-	(90.2)
Tax on items taken directly to equity	-	-	(23.7)
Other comprehensive expense for the period net of tax	(98.1)	(1.4)	(94.8)
Loss for the period	(681.9)	(1,419.0)	(1,840.0)
Total comprehensive expense for the period	(780.0)	(1,420.4)	(1,934.8)
Attributable to:			
Equity holders of the parent	(780.0)	(1,420.7)	(1,936.1)
Minority interests	-	0.3	1.3
	(780.0)	(1,420.4)	(1,934.8)

Taylor Wimpey plc

Condensed Consolidated Balance Sheet

At 30 June 2009

		Reviewed	Reviewed	Audited
	Note	30 June 2009 £m	30 June 2008 £m	31 December 2008 £m
Non-current assets				
Goodwill		2.3	-	-
Property, plant and equipment		9.2	33.8	15.5
Interests in joint ventures		59.0	71.8	67.7
Trade and other receivables		53.0	61.4	47.9
Deferred tax assets		6.1	117.5	6.6
		129.6	284.5	137.7
Current assets				
Inventories		4,001.1	5,376.1	4,890.6
Trade and other receivables		146.1	384.3	181.3
Tax receivables		13.0	-	90.4
Cash and cash equivalents	9	72.7	95.7	752.3
		4,232.9	5,856.1	5,914.6
Total assets		4,362.5	6,140.6	6,052.3
Current liabilities				
Trade and other payables		(748.8)	(1,543.2)	(1,170.7)
Tax payables		(237.3)	(21.5)	(196.5)
Debenture loans	9	-	(1.1)	(101.1)
Bank loans and overdrafts	9	(23.4)	(17.8)	(23.4)
Provisions		(69.7)	(69.1)	(56.1)
		(1,079.2)	(1,652.7)	(1,547.8)
Net current assets		3,153.7	4,203.4	4,366.8
Non-current liabilities				
Trade and other payables		(394.3)	(303.4)	(342.1)
Debenture loans	9	(713.3)	(820.3)	(868.0)
Bank loans	9	(369.7)	(931.9)	(1,289.1)
Retirement benefit obligations	10	(357.1)	(216.2)	(279.8)
Deferred tax liabilities		(0.8)	-	(1.3)
Provisions		(39.1)	(34.8)	(51.0)
		(1,874.3)	(2,306.6)	(2,831.3)
Total liabilities		(2,953.5)	(3,959.3)	(4,379.1)
Net assets		1,409.0	2,181.3	1,673.2
Equity				
Share capital	11	287.7	289.6	289.6
Share premium account	11	753.6	757.7	753.6
Own shares	11	(8.6)	(279.5)	(275.7)
Merger relief reserve		-	905.9	-
Other reserves		45.6	44.7	64.7
Retained earnings		328.4	460.5	838.3
Equity attributable to equity holders of the parent		1,406.7	2,178.9	1,670.5
Minority interests		2.3	2.4	2.7
Total equity		1,409.0	2,181.3	1,673.2

Taylor Wimpey plc

Condensed Consolidated Statement of Changes in Equity

For the six months to 30 June 2009

Reviewed six months ended 30 June 2009	Share capital £m	Share premium £m	Own shares £m	Merger relief reserve £m	Other reserves £m	Retained earnings £m	Total £m
Balance as at 1 January 2009	289.6	753.6	(275.7)	-	64.7	838.3	1,670.5
New share capital subscribed	21.3	-	-	488.8	-	-	510.1
Cancellation and utilisation of treasury shares	(23.2)	-	267.1	-	-	(243.9)	-
Share based payment credit	-	-	-	-	-	0.6	0.6
Issue of equity instruments	-	-	-	-	5.5	-	5.5
Exchange differences on translation of foreign operations	-	-	-	-	(38.1)	-	(38.1)
Increase in fair value of hedging derivatives	-	-	-	-	13.5	-	13.5
Actuarial loss on defined benefit pension schemes	-	-	-	-	-	(73.5)	(73.5)
Transfer to Retained earnings	-	-	-	(488.8)	-	488.8	-
Loss for the period	-	-	-	-	-	(681.9)	(681.9)
Equity attributable to parent	287.7	753.6	(8.6)	-	45.6	328.4	1,406.7
Minority interests							2.3
Total equity							1,409.0

Reviewed six months ended 30 June 2008	Share capital £m	Share premium £m	Own shares £m	Merger relief reserve £m	Other reserves £m	Retained earnings £m	Total £m
Balance as at 1 January 2008	289.6	758.1	(282.0)	1,934.2	46.1	957.1	3,703.1
Share based payment credit	-	-	-	-	-	2.0	2.0
Disposal of own shares	-	-	2.7	-	-	-	2.7
Purchase of own shares	-	-	(0.2)	-	-	-	(0.2)
Exchange differences on translation of foreign operations	-	-	-	-	(1.5)	-	(1.5)
Increase in fair value of hedging derivatives	-	-	-	-	0.1	-	0.1
Amortisation of bond fees	-	(0.4)	-	-	-	-	(0.4)
Transfer to retained earnings	-	-	-	(1,028.3)	-	1,028.3	-
Loss for the period	-	-	-	-	-	(1,419.0)	(1,419.0)
Dividends	-	-	-	-	-	(107.9)	(107.9)
Equity attributable to parent	289.6	757.7	(279.5)	905.9	44.7	460.5	2,178.9
Minority interests							2.4
Total equity							2,181.3

Audited 12 months ended 31 December 2008	Share capital £m	Share premium £m	Own shares £m	Merger relief reserve £m	Other reserves £m	Retained earnings £m	Total £m
Balance as at 1 January 2008	289.6	758.1	(282.0)	1,934.2	46.1	957.1	3,703.1
Share based payment credit	-	-	-	-	-	6.0	6.0
Cost of share options	-	-	-	-	-	(0.9)	(0.9)
Disposal of own shares	-	-	6.3	-	-	-	6.3
Exchange differences on translation of foreign operations	-	-	-	-	50.3	-	50.3
Decrease in fair value of hedging derivatives	-	-	-	-	(31.2)	-	(31.2)
Amortisation of bond fees	-	(4.5)	-	-	-	4.5	-
Actuarial loss on defined benefit pension schemes	-	-	-	-	-	(66.7)	(66.7)
Deferred tax asset write off	-	-	-	-	-	(47.2)	(47.2)
Transfer to retained earnings	-	-	-	(1,934.2)	(0.5)	1,934.7	-
Loss for the period	-	-	-	-	-	(1,841.3)	(1,841.3)
Dividends	-	-	-	-	-	(107.9)	(107.9)
Equity attributable to parent	289.6	753.6	(275.7)	-	64.7	838.3	1,670.5
Minority interests							2.7
Total equity							1,673.2

Taylor Wimpey plc

Condensed Consolidated Cash flow Statement

For the six months to 30 June 2009

	Note	Reviewed Six months to 30 June 2009 £m	Reviewed Six months to 30 June 2008 £m	Audited Year to 31 December 2008 £m
Net cash (used in)/ from operating activities	9	(75.6)	(261.7)	153.6
Investing activities				
Interest received		4.8	5.1	11.0
Dividends received from joint ventures		-	5.1	7.7
Amounts invested in software development		-	(2.5)	(2.5)
Proceeds on disposal of property, plant and investments		1.8	8.8	17.6
Purchases of property, plant and investments		(1.4)	(7.7)	(10.9)
Amounts invested in joint ventures		(7.3)	(5.1)	(5.2)
Acquisition of subsidiaries		(2.8)	-	-
Disposal of subsidiaries		-	-	(11.9)
Net cash (used in)/ from investing activities		(4.9)	3.7	5.8
Financing activities				
Dividends paid	6	-	(3.3)	(107.9)
Dividends paid by subsidiaries to minority shareholders		-	-	(0.7)
Proceeds from sale of own shares		510.1	-	2.7
Purchase of own shares		-	-	-
New bank loans raised		-	229.5	-
Repayment of debenture loans		(198.4)	(0.6)	(1.4)
(Repayment)/ increases of bank loans and overdrafts		(905.3)	(1.2)	525.7
Net cash (used in)/ from financing activities		(593.6)	224.4	418.4
Net (decrease)/ increase in cash and cash equivalents		(674.1)	(33.6)	577.8
Cash and cash equivalents at beginning of period	9	752.3	130.0	130.0
Effect of foreign exchange rate changes		(5.5)	(0.7)	44.5
Cash and cash equivalents at end of period	9	72.7	95.7	752.3

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements

For the six months to 30 June 2009

1. Basis of preparation

The half year report has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs) and the disclosure requirements of the Listing Rules. They are unaudited but have been reviewed by the auditors whose review report is set out on page 24.

The condensed set of financial statements included in this half year report has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the European Union. These should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with applicable IFRSs. The information for the year ended 31 December 2008 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

The accounting policies adopted in the preparation of the half year 2009 condensed and consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the year ending on or after 1 January 2009 but have no material impact on the Group's financial statements:

IAS 1(2007) – Presentation of financial statements. The main change is the presentation of a statement of changes in equity as a primary statement.

IFRS 8 – Operating Segments. This standard requires a 'management approach' to be adopted reflecting how information is reviewed for internal reporting purposes.

IAS 23 – (Amended) Borrowing Costs. The option of immediately expensing borrowing costs is removed and instead these costs relating to an acquisition, construction or production of a qualifying asset are required to be capitalised as part of the total cost of the asset.

The six months to 30 June 2008 has been restated for the disposal of the Group's UK Construction business in September 2008, which is presented as a discontinued operation in accordance with IFRS 5. The earnings per share calculations for 30 June 2008 and 31 December 2008 have been restated, by increasing the total outstanding shares to reflect the effects of the bonus share element of the open offer, in accordance with IAS 33 'Earnings per share'.

Going concern

The condensed financial statements have been prepared on a going concern basis.

The Group completed the renegotiation of its debt on 7 April 2009 with its banks and private placement holders regarding a revised covenant and financing package (the Override agreement). This has resulted in the alignment of the maturity dates of all its debt to 3 July 2012; a reduction in the revolving credit facility and amendments to the margin and coupon rates on borrowings. On 1 June 2009 the Group successfully completed an equity Placing and Open offer to raise £510.1m, net of issue costs.

The transaction was executed such that it created additional distributable reserves of £488.8m. The proceeds of the equity raise have been used to pay down debt and cancel associated facilities, thereby avoiding additional finance charges and reducing the blended interest cost on our facilities to approximately 6.5 per cent.

The Group has met all its interest and other payment obligations on time, and after reviewing cash flow forecasts for a period of not less than 12 months from the date of signing the condensed financial statements, the Directors are satisfied that, whilst the economic and market conditions continue to be challenging and not without risk, the refinancing package as well as the equity raised, is sufficiently robust as to adequacy of both facility and covenant headroom to enable the Group to operate within its terms for at least the next 12 months.

Estimates and Judgements

The preparation of a condensed set of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policy and the key sources of uncertainty were principally the same as those applied to the Group's financial statements as at 31 December 2008. In particular the carrying value of land and work in progress has involved considerable judgement around future margins from sites in assessing the level of net realisable value write downs.

2. Business and geographical segments

Business segments

For management purposes, the Group is organised into four operating divisions – Housing United Kingdom, Housing North America, Housing Spain and Gibraltar, and Corporate. These divisions are the basis on which the Group reports its primary segment information. The six months to 30 June 2008 has been restated to present the results of the Group's UK construction business, Taylor Woodrow Construction, previously reported within the business segment 'Construction', as discontinued following its disposal on 9 September 2008. The six months to 30 June 2008 segmental information has been restated to present the results of the residual construction business, which was disposed of in April 2009, within 'Corporate' which has resulted in an increase in External sales of £15.2m, an increase in operating loss before joint ventures, brand amortisation and exceptional items of £3.7m, an increase in profit from joint ventures of £nil, an increase in segment assets of £28.2m, an increase in joint ventures of £0.2m and an increase in segment liabilities of £11.2m compared to the results for the Corporate segment as presented within the Group's 2008 half-year statement.

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months to 30 June 2009

Segment information about these businesses is presented below.

Six months to 30 June 2009	Housing United Kingdom £m	Housing North America £m	Housing Spain and Gibraltar £m	Corporate £m	Consolidated £m
Revenue from continuing operations:					
External sales	744.4	356.1	22.3	10.0	1,132.8
Result from continuing operations:					
Operating (loss)/profit before joint ventures, brand amortisation and exceptional items	(6.6)	16.1	(0.4)	(8.1)	1.0
Share of results of joint ventures	(0.7)	2.5	-	-	1.8
(Loss)/profit on ordinary activities before finance costs, exceptional items and amortisation of brands, after share of results of joint ventures	(7.3)	18.6	(0.4)	(8.1)	2.8
Exceptional items	(452.8)	(79.8)	(3.3)	(44.8)	(580.7)
Loss on ordinary activities before finance costs, after share of results of joint ventures	(460.1)	(61.2)	(3.7)	(52.9)	(577.9)
Finance costs, net (including exceptional finance costs)					(94.8)
Loss on ordinary activities before taxation					(672.7)
Taxation					(9.2)
Loss for the period – total Group					(681.9)

At 30 June 2009	Housing United Kingdom £m	Housing North America £m	Housing Spain and Gibraltar £m	Corporate £m	Total £m
Assets and liabilities – continuing operations:					
Segment operating assets	3,254.3	792.2	149.9	13.2	4,209.6
Joint ventures	39.5	19.3	0.2	-	59.0
Segment operating liabilities	(1,266.2)	(250.1)	(32.3)	(60.6)	(1,609.2)
Continuing group net operating assets/(liabilities)	2,027.6	561.4	117.8	(47.4)	2,659.4
Goodwill					2.3
Current taxation (net)					(224.3)
Deferred taxation (net)					5.3
Net debt					(1,033.7)
Net assets					1,409.0

Six months to 30 June 2008 (restated)	Housing United Kingdom £m	Housing North America £m	Housing Spain and Gibraltar £m	Corporate £m	Consolidated £m
Revenue from continuing operations:					
External sales	1,159.6	362.9	26.4	15.2	1,564.1
Result from continuing operations:					
Operating profit/(loss) before joint ventures, brand amortisation and exceptional items	61.8	13.9	0.3	(11.8)	64.2
Share of results of joint ventures	1.6	3.4	-	-	5.0
Profit/(loss) on ordinary activities before finance costs, exceptional items and amortisation of brands, after share of results of joint ventures	63.4	17.3	0.3	(11.8)	69.2
Brand amortisation	(2.4)	-	-	-	(2.4)
Exceptional items	(1,431.0)	(76.3)	(33.3)	(5.7)	(1,546.3)
Loss on ordinary activities before finance costs, after share of results of joint ventures	(1,370.0)	(59.0)	(33.0)	(17.5)	(1,479.5)
Finance costs, net (including exceptional finance costs)					(67.1)
Loss on ordinary activities before taxation					(1,546.6)
Taxation					124.7
Result from discontinued operations:					
Profit for the period from discontinued operations					2.9
Loss for the period – total Group					(1,419.0)

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months to 30 June 2009

	Housing United Kingdom* £m	Housing North America £m	Housing Spain and Gibraltar £m	Corporate* £m	Total £m
At 30 June 2008 (restated)					
Assets and liabilities – continuing operations:					
Segment operating assets	4,646.9	871.1	165.3	70.1	5,753.4
Joint ventures	51.1	20.3	0.2	0.2	71.8
Segment operating liabilities	(1,491.9)	(263.7)	(61.1)	(178.3)	(1,995.0)
Continuing group net operating assets/(liabilities)	3,206.1	627.7	104.4	(108.0)	3,830.2
Discontinued operations:					
– operating assets					102.2
– operating liabilities					(171.7)
					3,760.7
Current taxation (net)					(21.5)
Deferred taxation (net)					117.5
Net debt					(1,675.4)
Net assets					2,181.3

* At 30 June 2008, the Group was unable to allocate the defined benefit pension scheme assets and liabilities of the Taylor Woodrow Group Pension and Life Assurance Fund, a multi-employer pension scheme, on an actuarial basis by entity. For the purposes of the segmental analysis presented in the published 2008 interim statement the Group allocated the deficit to business segments on the basis of headcount. The 30 June 2008 segmental information presented above has been restated to present within Housing United Kingdom the deficit for this scheme previously included in the Construction segment following the disposal of the Construction business on 9 September 2008, resulting in an increase in segment liabilities for Housing United Kingdom of £68.3m. The allocation is performed solely for the purposes of providing a meaningful segmental analysis and is not an appropriate apportionment in accordance with IAS 19 Retirement benefits. The assets and liabilities of the George Wimpey Staff Pension Scheme have been allocated in their entirety to Housing United Kingdom. The Corporate segment has been restated to include the assets and liabilities of the retained construction business as described above.

	Housing United Kingdom £m	Housing North America £m	Housing Spain and Gibraltar £m	Corporate £m	Consolidated £m
Year to 31 December 2008					
Revenue from continuing operations:					
External sales	2,390.1	981.6	59.8	36.2	3,467.7
Result from continuing operations:					
Operating profit/(loss) before joint ventures, brand amortisation and exceptional items	53.2	52.1	(2.4)	(14.2)	88.7
Share of results of joint ventures	(0.2)	7.8	-	-	7.6
Profit/(loss) on ordinary activities before finance costs, exceptional items and amortisation of brands, after share of results of joint ventures	53.0	59.9	(2.4)	(14.2)	96.3
Brand amortisation	(2.4)	-	-	-	(2.4)
Exceptional items	(1,750.4)	(76.6)	(37.4)	(20.1)	(1,884.5)
Loss on ordinary activities before finance costs, after share of results of joint ventures	(1,699.8)	(16.7)	(39.8)	(34.3)	(1,790.6)
Finance costs, net (including exceptional finance costs)					(179.1)
Loss on ordinary activities before taxation					(1,969.7)
Taxation					76.6
Result from discontinued operations:					
Profit for the year from discontinued operations					53.1
Loss for the year – total Group					(1,840.0)

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months to 30 June 2009

At 31 December 2008	Housing United Kingdom* £m	Housing North America £m	Housing Spain and Gibraltar £m	Corporate £m	Consolidated £m
Assets and liabilities:					
Segment operating assets	3,919.9	1,014.8	175.4	25.2	5,135.3
Joint ventures	45.4	22.1	0.2	-	67.7
Segment operating liabilities	(1,379.6)	(359.1)	(47.6)	(113.4)	(1,899.7)
Net operating assets/(liabilities)	2,585.7	677.8	128.0	(88.2)	3,303.3
Current taxation (net)					(106.1)
Deferred taxation (net)					5.3
Net debt					(1,529.3)
Net assets					1,673.2

* The Group is unable to allocate the defined benefit pension scheme assets and liabilities of the Taylor Woodrow Group Pension and Life Assurance Fund, a multi-employer pension scheme, on an actuarial basis by entity. However, for the purposes of the 2008 segmental analysis above the Group has allocated the deficit to Housing United Kingdom as the participating entities materially sit within this business segment. The assets and liabilities of the George Wimpey Staff Pension Scheme have been allocated in their entirety to Housing United Kingdom.

3. Exceptional items

Exceptional items, continuing operations:	Six months to 30 June 2009 £m	Six months to 30 June 2008 £m	Year to 31 December 2008 £m
Land and work in progress write downs	527.0	690.0	1,012.8
Goodwill impairment	-	699.8	699.8
Other intangible impairments	-	116.3	116.3
Restructuring costs	8.9	40.2	35.1
Refinancing costs	67.9	-	31.0
Exceptional items	603.8	1,546.3	1,895.0

Whilst current market conditions remain stable, there remains the possibility of further increases in unemployment, continuing scarcity of mortgage finance and the prospect of interest rates rising from their current historic lows. Therefore, the Group considered it appropriate to adjust downward some of the previous assumptions in relation to future selling prices. The Group have, inter alia, also reviewed in detail and revised where appropriate the previous assumptions for costs and other risks. This has resulted in further land and work in progress net write downs of £527.0m (30 June 2008: £690.0m; 31 December 2008: £1,012.8m) to the lower of cost and net realisable value. In the period the Group reversed £29.8m (30 June 2008: nil; 31 December 2008: £59.0m) of write downs previously charged to the income statement where there has been improvement in management's estimates of recoverable values.

Restructuring costs of £8.9m (30 June 2008: £40.2m; 31 December 2008: £35.1m) are predominantly in relation to the closure of three divisions in the UK. The costs incurred in both years include redundancy costs and costs incurred in relocating certain functions and operations. Refinancing costs of £67.9m (30 June 2008: £nil; 31 December 2008: £31.0) were predominantly exceptional interest payments and fees in relation to the refinancing of the Group's debt. Included within refinancing costs are £23.1m (30 June 2008: £nil, 31 December 2008: £10.5m) which are included within finance costs in the Income Statement.

In the period to 30 June 2008, the group fully wrote-down goodwill by £699.8m and other intangible assets by £116.3m following a detailed impairment review.

4. Finance costs

Finance costs from continuing operations are analysed as follows:	Six months to 30 June 2009 £m	Six months to 30 June 2008 £m	Year to 31 December 2008 £m
Interest on bank overdrafts and loans	28.5	32.5	72.5
Interest on debenture loans	34.7	26.5	55.4
Movement on interest rate derivatives including exchange differences	(13.6)	(6.4)	10.8
	49.6	52.6	138.7
Unwinding of discount on land creditors and other payables	10.2	13.4	26.7
Notional net interest on pension liability	16.7	3.1	11.7
	76.5	69.1	177.1
Exceptional finance costs:			
Loan and debenture interest and similar charges	23.1	-	10.5
	99.6	69.1	187.6

The exceptional finance costs include £5.5m in relation to the fair value of 57.8m warrants issued to the Groups lenders as part of the debt negotiations and £15.5m one off interest payments payable to the Group's lenders as a consequence of early repayment of a portion of the Group's debt, following the equity raise. The exceptional finance costs in 2008 relate to the write off of unamortised bank loan and debenture fees due to the refinancing of the Group's debt arrangements.

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months to 30 June 2009

5. Tax

Tax (credited to)/charged in the income statement for continuing operations is analysed as follows:

		Six months to 30 June 2009 £m	Six months to 30 June 2008 (restated) £m	Year to 31 December 2008 £m
Current tax:				
UK corporation tax:	Current year	0.7	(89.0)	(124.3)
	Prior years	-	0.6	6.0
Relief for foreign tax				
Foreign tax:	Current year	8.5	(7.3)	(22.8)
	Prior years	-	-	-
		9.2	(95.7)	(141.1)
Deferred tax:				
UK:	Current year	-	(33.4)	32.7
	Prior years	-	-	-
Foreign:	Current year	-	3.7	31.8
	Prior years	-	0.7	-
		-	(29.0)	64.5
		9.2	(124.7)	(76.6)

Corporation tax is calculated at 28.0% (2008: 28.5%) of the estimated assessable loss (2008: loss) for the year in the UK. Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions. The tax charge for the period consists primarily of Canadian tax.

6. Dividends

	Six months to 30 June 2009 £m	Six months to 30 June 2008 £m	Year to 31 December 2008 £m
Amounts recognised as distributions to equity holders in the year:			
Final dividend for the year ended 31 December 2008 of nil (2007: 10.25p) per share	-	107.9	107.9
Interim dividend for the year ended 31 December 2009 of nil (2008: nil) per share	-	-	-
	-	107.9	107.9

The Group does not propose to pay an interim dividend in respect of the 2009 financial year (2008: nil).

7. Earnings per share

	Six months to 30 June 2009	Six months to 30 June 2008 (restated)	Year to 31 December 2008 (restated)
Basic loss per share – total Group	(43.6p)	(102.4p)	(132.7p)
Diluted loss per share – total Group	(43.6p)	(102.4p)	(132.7p)
Basic loss per share from continuing operations	(43.6p)	(102.6p)	(136.5p)
Diluted loss per share from continuing operations	(43.6p)	(102.6p)	(136.5p)
Adjusted basic (loss)/earnings per share from continuing operations	(5.0p)	0.0p	(7.2p)
Adjusted diluted (loss)/earnings per share from continuing operations	(5.0p)	0.0p	(7.2p)
Weighted average number of shares for basic loss per share – million	1,565.8	1,385.6	1,387.4
Weighted average number of shares for diluted loss per share – million	1,565.8	1,385.6	1,387.4
Weighted average number of shares for adjusted diluted (loss)/earnings per share – million	1,565.8	1,385.6	1,387.4

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months to 30 June 2009

Under the Override Agreement signed on 30 April 2009, the Group issued 57.8m warrants giving the holders the right to subscribe to an equivalent number of ordinary shares in Taylor Wimpey plc at par value. Had the warrants been issued in the 2008 financial year, they would have been anti-dilutive and not included in the calculation of weighted average number of shares for the year.

The prior year number of shares used for calculating earnings per share has been restated to include the effects of the bonus share element of the open offer. The earnings per share for the comparative periods have been restated as prescribed in IAS 33 'Earnings per share'.

Adjusted basic and adjusted diluted (loss)/earnings per share, which exclude the impact of exceptional items and the associated net tax charges, are shown to provide clarity on the underlying performance of the continuing Group. A reconciliation from loss from continuing operations attributable to equity shareholders used for basic and diluted loss per share to that used for adjusted (loss)/earnings per share is shown below. The six months to 30 June 2008 have been restated for discontinued construction results:

	Six months to 30 June 2009 £m	Six months to 30 June 2008 (restated) £m	Year to 31 December 2008 £m
Loss from continuing operations for basic loss per share and diluted loss per share	(681.9)	(1,422.2)	(1,894.4)
Add exceptional items	603.8	1,546.3	1,895.0
Deduct tax effect of exceptional items	-	(124.0)	(100.0)
(Loss)/profit from continuing operations for adjusted basic and adjusted diluted (loss)/earnings per share	(78.1)	0.1	(99.4)

8. Disposals and discontinued operations

Six months to 30 June 2009 Disposals

On 21 April 2009 the Group disposed of its remaining construction operations in Ghana to existing local management for £1 in cash, giving rise to a profit on sale of £0.2m. The results of the Ghana operations have been presented within continuing operations within the Corporate business segment.

Full Year 2008 Discontinued operations

On 9 September 2008, Taylor Wimpey plc disposed of Taylor Woodrow Construction (TWC) the results of which have been presented as discontinued. The business was sold for £74.0m in cash resulting in a profit on disposal of £55.6m. On disposal, the continuing Group repaid £89.5m of intercompany balances owing to TWC. The cash costs of disposal were £3.4m, and £4.2m of cash was disposed of with the business.

During the year ended 31 December 2008, TWC contributed a £4.3m outflow to the Group's net operating cash flows, a £0.6m inflow in respect of investing activities and nil in respect of financing activities.

The analysis of the result from TWC is as follows:

	Six months to 30 June 2008 £m	Year to 31 December 2008 £m
Revenue	330.6	453.4
Expenses	(326.0)	(451.3)
Profit on ordinary activities before finance costs and taxation	4.6	2.1
Net interest receivable	-	0.1
Profit on ordinary activities before taxation	4.6	2.2
Taxation	(1.7)	(4.7)
Profit/ (loss) after tax of discontinued operation	2.9	(2.5)
Gain on disposal of discontinued operation	-	55.6
Tax on gain on sale	-	-
Profit from discontinued operations	2.9	53.1

Prior to its disposal TWC, which had been a participating employer in the TWGP&LAF defined benefit pension scheme, transferred all of its past and future obligations under the scheme to another Group company, Taylor Woodrow Developments Limited ('TWD Ltd'), part of the continuing operations of the Group. TWD Ltd is included in the UK Housing business segment. As a result of this transfer, the net assets of TWC at both 30 June 2008 and 31 December 2008 exclude a pension liability of £67.8m which was included in the operating liabilities of the Construction business segment in the 2008 published interim statement and 2008 annual report, which is now shown within the operating liabilities of the UK Housing business segment in these financial statements (see note 2).

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months to 30 June 2009

9. Notes to the cash flow statement

	Six months to 30 June 2009 £m	Six months to 30 June 2008 £m	Year to 31 December 2008 £m
Loss on ordinary activities before finance costs – continuing	(579.7)	(1,484.5)	(1,798.2)
– discontinued	-	4.6	2.1
Non cash exceptional items:			
Restructuring costs	-	37.7	-
Impairment of goodwill	-	699.8	699.8
Impairment of tangible assets	0.5	-	-
Impairment of brands and software development	-	116.3	116.3
Land and WIP write downs	527.0	690.0	1,012.8
Adjustments for:			
Amortisation of brands	-	2.4	2.4
Amortisation of software development costs	-	4.3	4.3
Depreciation of plant and equipment	2.5	5.1	7.9
Share-based payment charge	0.6	1.9	6.0
(Loss)/gain on disposal of property and plant	(0.2)	(1.2)	1.0
Increase/ (decrease) in provisions	13.3	(13.0)	6.8
Operating cash flows before movements in working capital	(36.0)	63.4	61.2
Decrease/(increase) in inventories	309.1	(42.9)	393.7
Decrease in receivables	16.3	15.7	135.9
Decrease in payables	(358.1)	(195.0)	(390.8)
Pension contributions in excess of charge	(12.7)	(10.0)	(44.1)
Cash (used in)/ generated by operations	(81.4)	(168.8)	155.9
Income taxes received/(paid)	115.5	(22.2)	112.6
Interest paid including exceptional charges	(109.7)	(70.7)	(114.9)
Net cash (used in)/ from operating activities	(75.6)	(261.7)	153.6

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short term highly liquid investments with an original maturity of three months or less.

	30 June 2009 £m	30 June 2008 £m	31 December 2008 £m
Net debt			
Cash and cash equivalents	72.7	95.7	752.3
Bank overdrafts and bank loans	(393.1)	(949.7)	(1,312.5)
Debenture loans	(713.3)	(821.4)	(969.1)
Net debt	(1,033.7)	(1,675.4)	(1,529.3)

10. Pensions

There were no significant curtailments, settlements or other significant one-time events relating to the Group's defined benefit schemes during the six months ended 30 June 2009. The Group's significant defined benefit schemes were actuarially assessed for the six months ended 30 June 2009. The net change in certain actuarial and financial assumptions from those applied as at 31 December 2008 resulted in a £40.8m increase in liabilities. The assets of the defined benefit schemes were updated to reflect their current market values as at 30 June 2009 and resulted in a net decrease in assets of £36.4m.

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the six months to 30 June 2009

11. Share capital and own shares

The Group issued 2,131.2m shares on 1 June 2009 for net proceeds of £510.1m. Prior to issue the 25p ordinary shares of the Group were split into 1,158.3m ordinary shares of 1p and 1,158.3m deferred shares of 24p each. The transaction was executed such that the surplus above nominal share capital, net of issue costs, formed part of the distributable reserves. Through the equity raise process, the 92.7m treasury shares held outside of executive share option trusts were cancelled.

12. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed within the financial statements or related notes. Transactions between the Group and its joint ventures are as follows:

The Group purchased land from joint ventures for £9.6m during the six months to 30 June 2009 (six months to 30 June 2008: £7.3m; year to 31 December 2008: £8.1m).

13. Seasonality

Weekly sales rates in some of the Group's key markets historically experience significant seasonal variation, with the highest levels of reservations occurring in the spring and autumn in the UK, and in the winter and spring in Florida. As such, economic weakness which affect these peak selling seasons can have a disproportionate impact on our results for the year.

This pattern of reservations tends to result in higher levels of home completions towards the end of the financial year. As a result, the Group's debt profile exhibits significant peaks and troughs over the course of the financial year.

14. Events occurring after 30 June 2009

There have been no material reportable events since 30 June 2009.

INDEPENDENT REVIEW REPORT TO TAYLOR WIMPEY plc

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 which comprises the income statement, the balance sheet, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and related notes 1 to 14. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1 the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditors

London, United Kingdom

4 August 2009