

Market Update Presentation

7 April 2009

TaylorWimpey^{plc}

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Financing package

Financing package Overview

- > £2.47bn of committed borrowing facilities amended
 - > £1.415bn Revolving Credit Facility (“RCF”)
 - > £507m* US private placements (“US PPs”)
 - > £450m Eurobonds (£250m 2012 & £200m 2019)
 - > £50m bilateral bank facility
 - > £45m overdrafts
- > All debt committed to 3 July 2012. Long dated bonds and notes have option at this date to remain with their existing maturity dates
- > Existing covenant package replaced with new covenants more appropriate to current market conditions
- > Deal is subject to approval of Eurobond holders at 30 April meetings
 - > Approval required from 75% of bondholders
 - > Irrevocable undertakings already received from holders of c78% of the 2012 bonds and c76% of the 2019 bonds

*Based on 06/04/09 US\$:£ exchange rate

Financing package Facilities

- > RCF
 - > Reduced by £235m from £1.65bn to £1.415bn, representing undrawn and excess facilities
- > Overdrafts and bank bonding lines
 - > Overdrafts: existing unsecured overdrafts of £95m reduced to £45m and now committed
 - > New committed bank bonding and surety lines: £75m and US\$55m
- > Guarantees and security
 - > RCF top slice, committed overdrafts and an element of the new bank bonding lines totalling £416m receive guarantees and security
 - > Remainder of borrowings remain unsecured

Financing package

Finance costs

- > Fees
 - > Total one off debt fees and all legal and professional costs will be in the order of £60m, of which £11m was incurred in 2008
 - > Upfront fee: 1.00% of principal amount of commitment
 - > Extension fees: range between 0.20% to 1.00%, relating to extension of 2009 and 2011 US PPs and 7 February 2012 Eurobond all to 3 July 2012
- > Margin / coupons
 - > Amendments to the margins and coupon rates on borrowings equivalent to an increase of 4.55% per annum
 - > Margin on current RCF of 0.40%, with a utilisation fee of 0.05%, bringing total margin to 5.00%
 - > Weighted average cash interest of all cash pay debt of c9%
 - > Commitment fee: undrawn element of RCF and ancillary lines of 40% of the margin

Financing package

Finance costs

- > Payment in Kind ("PIK")
 - > Initial PIK: 1.5% per annum
 - > Additional PIK: accrues in the event that Group does not meet the agreed debt reduction targets and asset leverage tests by the dates set out below
 - > £150m by 30 June 2009 – 2.5% per annum of additional PIK
 - > £350m (£500m in total) by 30 June 2010 – 5.0% of additional PIK (7.5% in total)
 - > If cumulative reduction of £500m not achieved by December 2010 – further 2.5% of additional PIK (10.0% in total)
 - > Reductions can be funded from any source (e.g. operational cash flow, disposals or equity proceeds)
 - > Each additional PIK, other than the December 2010 step-up, carries a 6 month grace period before it becomes permanent
 - > PIK payable at repayment of debt. Group has right to satisfy PIK in equity
- > Warrants
 - > RCF banks, Eurobond holders and US PPs granted right to subscribe in cash for a combined total of 5% of the Group's current issued share capital at 25p per share (subject to anti-dilution provisions)

Financing package

Impact of future equity on financing cost

- > The finance cost of the amended facilities can be reduced in the event that £350m of equity is raised
 - > Reduction of cash margin and coupon payable

<u>Gearing</u>	<u>Bank margin*</u>	<u>Coupon increase</u>
> 150% gearing	5.00%	4.55%
> 125% but < 150%	3.50%	3.05%
> 100% but < 125%	3.00%	2.55%
> 50% but < 100%	2.50%	2.05%
< 50%	2.00%	1.55%

*Includes current margin of 45 bps
 - > The initial PIK stops accruing
 - > If equity raised prior to June 2010, no additional PIK accrues
 - > The additional PIK linked to the £350m debt reduction target accrues up to period end date target is achieved if prior to 31 December 2010
 - > If equity raised after the end of the grace period additional PIK continues to accrue and becomes permanent
 - > The operating and information covenants are reduced
- > In the event that the debt reduction targets are not met by 31 December 2010 the maturity of the Group's debt facilities will reduce by c5 months from 3 July 2012 to 7 February 2012

Financing package

Revised covenant package

- > Removal of current covenants relating to earnings based interest cover, priority borrowings and gearing levels
- > Replaced with three key covenants more appropriate for current market conditions, all tested quarterly
 - > Minimum net operating cash flow (tested on a rolling 12 month basis, but with shorter transitional periods Q2 and Q3 2009)
 - > Minimum consolidated tangible net worth
 - > Maximum asset leverage cover (represents the ratio of total consolidated net borrowings to the book value of inventories net of land creditors)
- > The Canadian Group has been ring fenced and is excluded for covenant purposes

Financing package Revised covenant package (continued)

- > These covenants have been set to be robust against downside scenarios, allowing for the possibility of a significant further reduction in UK house prices and volume levels and fluctuating exchange rates
 - > The covenant package is based around 30% peak to trough UK price falls
 - > The Group has the ability to withstand further falls by taking mitigating actions
- > All of these covenants are calculated on an adjusted frozen IFRS basis, based on the accounting principles to be used in the 2008 audited consolidated financial statements of the Group
- > The Group has also agreed to provide operational covenants to its banks and private placement noteholders. These generally ensure that the existing position between creditors is protected but also include, for example, an annual cap on new land commitments linked to the Group's level of net debt

Financing package Revised covenant package

Testing date	Consolidated Tangible Net Worth £m	Asset Leverage Cover %	Net operating cash flow (Rolling 12 months) £m
30 June 2009	902	70	(358)*
30 September 2009	799	72	(359)**
31 December 2009	413	81	(51)
31 March 2010	317	85	111
30 June 2010	234	89	139
30 September 2010	239	90	159
31 December 2010	235	90	70
31 March 2011	312	90	(138)
30 June 2011	337	90	(22)
30 September 2011	363	90	103
31 December 2011	384	90	399
31 March 2012	385	90	452

* 6 months to 30 June 2009

** 9 months to 30 September 2009

Financing package Process and timetable

- > Signed documentation in place with our RCF lenders and US PP holders to amend the current debt terms
 - > Subject to approval from holders of the Group's Eurobonds
 - > Requires satisfaction of customary conditions precedent in the other financial documents
 - > Refinancing also supported by Pension Trustees and surety providers
- > Special committee of both Eurobonds already accepted the revised deal
 - > Irrevocable undertakings in support amounting to c78% of the 2012 Eurobonds and c76% of the 2019 Eurobonds
 - > Proposal requires support of at least 75% of holders at meeting
- > Timetable
 - > Public bondholder notices become effective 8 April
 - > Bondholder meetings to approve amended terms 30 April
 - > Amendments will become effective 30 April
 - > Annual Financial Report 30 April

Trading update and key 2008 information

Group 2008 key points

- > Very challenging conditions in all key markets, with conditions in UK changing very significantly during the year
- > Focus of the Group moved strongly to cash generation from late 2007 progressively throughout 2008
- > Operating cash flow before previously committed land investment of £842m
- > Focus on maintaining a minimum level of sales and reducing both current and forward investment in land and WIP
- > Significant action to reduce overheads and other costs across all markets
- > Existing land bank valuation reviewed in detail at half year and full year. Full year land write downs total £1,013m (of which £690m previously announced)

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Group 2008 financial performance

£m	2008 (unaudited)			2007*
	Before exceptional items	Exceptional items	Total	(audited) Total
Revenue	3,467.7	-	3,467.7	4,142.8
Cost of sales	(3,138.2)	(1,012.8)	(4,151.0)	(3,733.5)
Gross profit/(loss)	329.5	(1,012.8)	(683.3)	409.3
Net operating expenses	(243.2)	(871.7)	(1,114.9)	(353.5)
Profit/(loss) before finance costs	86.3	(1,884.5)	(1,798.2)	55.8
Net finance costs	(168.6)	(10.5)	(179.1)	(112.8)
Share of results of JVs	7.6	-	7.6	23.4
Loss before taxation	(74.7)	(1,895.0)	(1,969.7)	(33.6)
Taxation (charge)/credit	(23.4)	100.0	76.6	(173.4)
Loss for year – continuing operations	(98.1)	(1,795.0)	(1,893.1)	(207.0)
(Loss)/profit for year- discontinued operations	(2.5)	55.6	53.1	10.3
Loss for year	(100.6)	(1,739.4)	(1,840.0)	(196.7)
Adjusted (loss)/earnings per share*			(9.4)p	29.5p

* 2007 financial information has been restated to reflect the disposal of the UK business of Taylor Woodrow Construction that is treated as a discontinued operation

** From continuing operations before exceptional items

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Group Exceptional items

£m	2008 (unaudited)	2007 (audited)
Land and work in progress write downs	(1,012.8)	(289.7)
Impairment of goodwill and other intangible assets	(816.1)	(30.0)
Restructuring costs	(35.1)	(60.0)
Refinancing costs	(20.5)	-
Exceptional finance costs	(10.5)	-
	(1,895.0)	(379.7)
Taxation	100.0	(70.2)
	(1,795.0)	(449.9)
Profit on disposal of Taylor Woodrow Construction	55.6	-
	(1,739.4)	(449.9)

UK Housing

UK Housing Operational tactics

- > Overall approach maintained
 - > Price competitively in order to maintain a minimum level of sales rate and generate operating cash
 - > Tight central control of price change to avoid exacerbating the underlying pricing issue
 - > Keep tight control on stock build so that not under pressure to "price to clear"
 - > Continue to add value to landbank through the planning process
 - > Only start new sites/new phases where market conditions support reasonable cash returns
- > Q1 2009 approach – maintain underlying prices and 'tweak' incentives where necessary
 - > Assess actual market over first quarter for any change necessary to tactics
 - > Maintain early sales rates at acceptable levels
 - > Minimise build investment whilst maintaining a pipeline of construction to respond to demand

UK Housing Sales performance

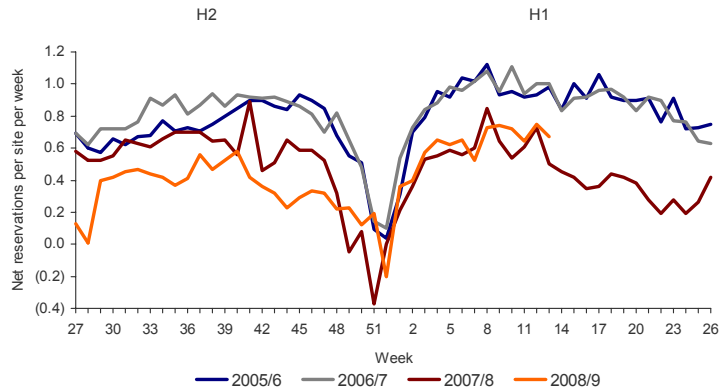
	H1 2009 (to week 13)	H2 2008	H1 2008	H2 2007	H1 2007	FY 2006
Ave outlets open	381	454	489	449	479	461
Ave sales rate (net)	0.64	0.36	0.65	0.81	1.07	1.18
Ave sales price £000	158	159	175	188	188	184
Private sales rate (net)	0.66	0.30	0.45	0.50	0.82	0.82
Private sales price £000	163	170	197	202	203	198
Cancellation rate (private)	18%	46%	29%	35%	19%	22%
Part exchange £m*	25**	31	56	101	45	63
Order book value £m	840	562	1,199	1,064	1,784	1,316
Unsold stock units	647**	1,138	2,025	1,793	+	+

+ Not historically available

* Including impact of NRV provisions

** As at 28 February 2009. March data not yet available

UK Housing Weekly sales rate

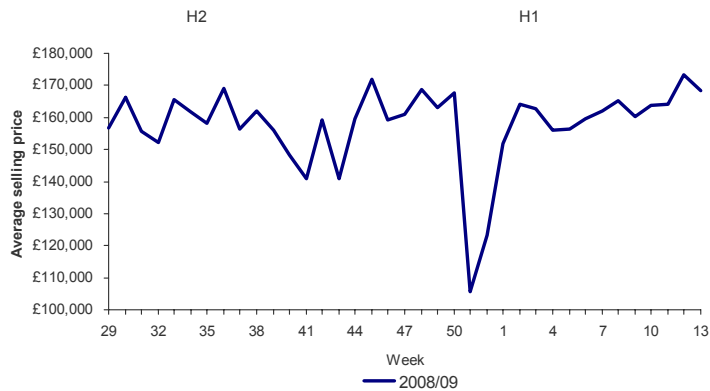


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UK Housing Weekly average net selling price



- > Underlying average net pricing has been stable since late 2008
- > Average selling prices over Christmas period are distorted by the minimal sales level

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UK Housing Inventory analysis

WIP Summary as at 31 Dec 2008

Plots	Under build (not yet sold)	Build complete (not yet sold)	Showhomes
UK	3,842	1,138	585

£m	31 Dec 2008	31 Dec 2007
Work in progress (pre-NRV)	1,071	1,289

£m	As at end Feb 2009	H2 2008	H1 2008
Finished stock -units	647	1,138	2,025
Part exchange- value £m	25	31	56

UK Housing WIP spend

Monthly working capital cash spend
July 2007 – February 2009

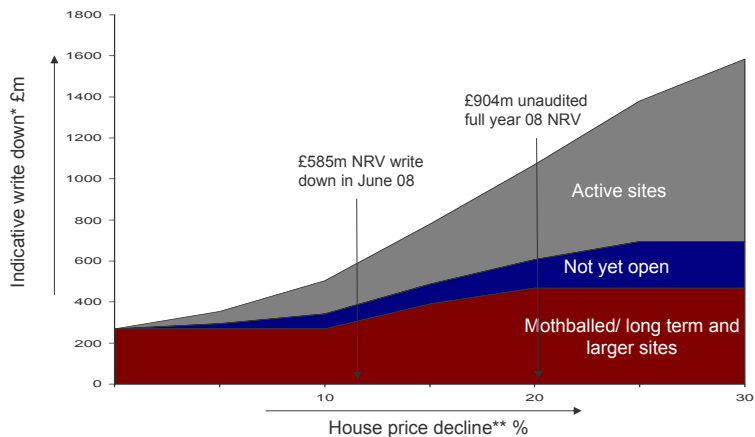


UK Housing Land spend commitments

	Actual 2008 £m	Estimated 2009 £m	Estimated FY 2010 £m	Estimated 2011 + £m
Payments made to date	538	160		
Expected payments in respect of unconditional contracts as at February 2009	-	108		
Expected payments in respect of conditional contracts as at February 2009	-	32		
Total	538	300	156	268
Expected land spend as at 2 July 2008	575	450		

Note: numbers are rounded

UK Housing Indicative land write downs



* Based on April 2008 NRV analysis

** Price fall from peak to trough based on reservation

UK Housing Overhead costs

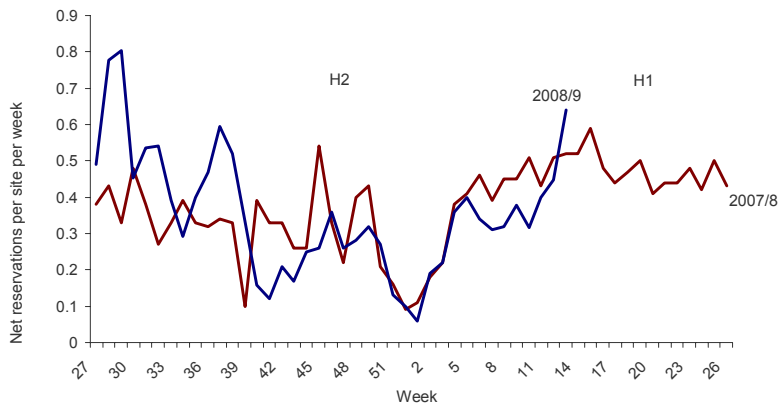
- > Overhead levels continue to be tightly managed:
 - > 2006 TW+GW = £217m
 - > 2007 Proforma = £225m
 - > 2008 unaudited = £166m
 - > 2009 target = £125m
- > 3 business closures undertaken in Q1 2009
 - > Now 23 business (39, 12 months ago)
 - > No more closures planned absent further significant market change
 - > Significant headcount reduction undertaken in ongoing businesses
- > Total UK housing redundancies since the merger in mid 2007 is now 3,580
- > We have retained our national presence and the ability to operate effectively in all of our markets
- > 2008 average build cost per plot of £103k
 - > Coordinated build cost reduction plan in process

North America Housing

North America Housing Operational tactics

- > Similar operating approach to the UK
 - > Price competitively in order to maintain a minimum level of sales rate and generate operating cash
 - > Keep tight control on stock build so that not under pressure to "price to clear"
 - > Only start new communities where market conditions support reasonable cash returns
- > Q1 2009 approach has been to continue to restrict new spend tightly, until conditions improve
 - > Very quiet December/January has meant that many sites were at negligible construction levels
 - > February/March have shown some improvement but still believe that keeping spend tight is right approach until clear evidence of better trading
- > We remain very cautious about purchasing sites
 - > Some evidence of return of land market but very tentative
 - > Continuing draw downs from existing options where cash returns can be very good
 - > In many areas serviced plot residual values below servicing costs, so potential for plot supply shortages to build up in most attractive markets

North America Housing US weekly net sales rates



- > Prices are stable and are in line with forecast

North America Housing Inventory analysis

WIP Summary as at 31 Dec 2008

Plots	Under build (not yet sold)	Build complete (not yet sold)	Showhomes
US	314	432	335
Canada	299	24	31
Total	613	456	366

> 180 outlets as at end of March 2009

North America Housing Land spend commitments

£m	2008	2009	2010	2011+
US*	53	35	40	55
Canada	53	27	36	17
Total	106	62	76	72

*Including draw downs under existing options
Note: numbers are rounded

Appendices

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Financing package US Private Placements

As at 31 December 2008

Facility	Currency	Tranche	Loan or Facility limit £	Amount outstanding £	Margin/ Coupon	Maturity
COMMITTED LOAN AND BORROWING FACILITIES						
Private Placement Notes						
George Wimpey Plc (1994) - Private Placement Notes	US\$	US\$35m Notes	24,305,556	24,305,556	9.00%	2009
George Wimpey Plc (2002) - Private Placement Notes	US\$	US\$110m Notes	76,388,889	76,388,889	5.73%	2009
	US\$	US\$70m Notes	48,611,111	48,611,111	6.21%	2012
	US\$	US\$110m Notes	76,388,889	76,388,889	6.31%	2014
	US\$	US\$30m Notes	20,833,333	20,833,333	6.72%	2017
	£	£30m Notes	30,000,000	30,000,000	6.80%	2012
George Wimpey Plc (2003) - Private Placement Notes	US\$	US\$28m Notes	19,444,444	19,444,444	4.72%	2013
	US\$	US\$38m Notes	28,388,889	28,388,889	4.98%	2015
	US\$	US\$30m Notes	20,833,333	20,833,333	5.29%	2018
Taylor Wimpey plc (2004) - Private Placement Notes	US\$	US\$75m Notes	52,083,333	52,083,333	5.53%	2011
	US\$	US\$175m Notes	121,527,778	121,527,778	6.03%	2014
Total				516,805,556		

Notes:

1) Foreign currency debt converted to £ at 31 December 2008 exchange rates (US\$1.44/£1)

Financing package Pension valuations

Overview of the pension schemes at 31 December 2008

	GW scheme	TW scheme	Total
	£m	£m	£m
Ongoing funding deficit	379	164	543
PPF funding deficit	243	360	603
Buy Out deficit (on winding up)	653	800	1,453
Contributions to reduce the deficit £m	25pa	20pa	45pa

- > Sponsoring employer:
 - > GW scheme – Taylor Wimpey UK Ltd
 - > TW scheme – Taylor Wimpey Developments Ltd
- > Both schemes benefit from Pension Protection Fund type guarantees from Taylor Wimpey plc and in the case of the George Wimpey scheme also from a guarantee from George Wimpey Ltd. These preserve the pension schemes' structural seniority over other unsecured creditors of Taylor Wimpey plc

Covenant definitions Net operating cashflow

- > The "cash generated by operations" as determined on the same basis as used in the Group's Financial Statements, adjusted by:
 - > Excluding any pension contributions in excess of charge
 - > Deducting (or adding back) any taxes paid (or received) in cash
 - > Taking no account of any material items of an unusual or non-recurring nature which are paid in cash including items which represent gains or losses arising on:
 - > The restructuring of the activities of any entity including redundancy costs paid in cash and the transaction fees and costs of the current refinancing
 - > Disposals of assets associated with discontinued operations
 - > To the extent not already included, adding any distributions received from joint ventures
 - > Adding any proceeds received on the exercise of the Warrants
 - > To the extent not already included, adding the amount equal to the proceeds received on the disposal of plant, machinery or equipment less the consideration paid for any purchases of plant, machinery or equipment

Covenant definitions

Total consolidated tangible net worth

- > Total consolidated share capital and reserves as used in the Group's financial statements, adjusted by:
 - > excluding any amount attributable to deferred taxation
 - > excluding any amount attributable to minority interests in Subsidiaries of the Company
 - > excluding the impact of any post-employment benefits
 - > Adding back any amount in respect of outstanding PIK Margin or any capitalised interest under the bank debt, the private placement debt or the Eurobonds
 - > Adding back any amount incurred in respect of Make-Whole Amount, break costs, spens or other prepayment premium

Covenant definitions

Asset leverage cover

- > Asset leverage value
 - > Inventories less amounts owed to land creditors
- > Inventories
 - > The same as "inventories", as used in the Group's financial statements within "current assets" which are net of any unutilised net realisable value write-down applicable to such inventories
- > Asset leverage cover
 - > Total consolidated net borrowings divided by asset leverage value

WIP Summary as at 31 Dec 2008

Plots	Under build (not yet sold)	Build complete (not yet sold)	Showhomes
Europe	269	133	16

£m	2008	2009	2010	2011+
Committed (gross) land spend*	29	15	5	5