

19 June 2009
Taylor Wimpey plc

AGM Statement and Pre-Close Trading Update

Taylor Wimpey plc is holding its Annual General Meeting at 11:00 today, where the following comments will be made regarding current trading, financial performance and the outlook for the financial year. Taylor Wimpey will issue its half year results for the period ending 30 June 2009 on Wednesday 5 August 2009.

Group Summary

We have 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. In addition, the operational decisions that we have taken in both of 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. Whilst wider economic conditions remain weak and rising unemployment could still have an effect on our markets, the severe downside scenarios for which we have been planning now appear less likely to materialise.

UK

Despite some regional variations, we have seen continued stability in the UK housing market since we reported our full year results on 30 April. Our net private reservation rate remains at around 0.6 per site per week, with prices broadly flat and cancellation rates below the long run average. Whilst mortgage valuations and availability are still issues, there are signs that the situation is beginning to improve. We do, however, expect to see the normal seasonal slowdown over the summer months.

Our UK business is well placed to benefit from the more stable market conditions, as a result of the operational actions that we have taken since the start of 2008. The level of unsold completed homes remains tightly controlled and we expect to see an increase in the average selling price of completions in the second half of this year as a result of planned mix changes. Our order book currently stands at £971 million, an increase of 73% from the year end position (31 December 2008: £562 million), which represents good progress in the current market conditions.

We are currently operating from 337 outlets (31 December 2008: 386 outlets). If the current market stability is sustained into the autumn selling season, we will look to increase the number of outlet openings during the second half of the year. Whilst we remain cautious on land buying, opportunities are starting to emerge to purchase good quality land at prices that should be value creating for Taylor Wimpey. Although the land market remains extremely subdued, there are transactions taking place and we have made some ordinary course of business land sales during the first half of the year at values close to written down levels. We will be undertaking a further review of our land values as part of our half year process.

We have been encouraged by the ongoing stability in the UK housing market, but remain cautious with regard to the prospects of the wider economy and in particular, the potential impact of rising unemployment. We will retain our focus particularly on cost reduction until the profile of any recovery becomes clearer.

North America

After the difficult trading conditions experienced in January and February, our markets in North America have improved in recent months, albeit with geographical variations in the timing of this stabilisation. We have achieved further improvements in both net reservation rates and cancellation rates since our full year results announcement.

We currently have a total of 164 outlets in North America (31 December 2008: 212 outlets). Our inventory of unsold completed homes remains under tight control and our current order book stands at US\$846 million (31 December 2008: US\$711 million).

Pricing is now generally stable, following some falls in the first quarter. We remain extremely cautious with regard to land purchases in the US, although we are starting to see some attractive opportunities in certain markets. We will be undertaking a further review of the carrying value of our landbank as part of our half year process.

As in the UK, the ongoing period of stability in the US gives cause for cautious optimism, tempered by the level of repossessions and the potential impact of any further downturn in the wider economy. Longer term, we remain well placed to take advantage of future opportunities and to capitalise on the strong Taylor Morrison reputation.

Spain and Gibraltar

The market continues to be weak in Spain and our plans to exit the Gibraltar market remain on course.

Financial Position

We have strengthened our financial position significantly during the first half of 2009 with the agreement of restructured debt facilities and the successful completion of our Placing and Open Offer to raise £510 million of new equity. 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 c6.5 per cent.

Net debt was £1.01 billion at 17 June 2009 (30 June 2008: £1.68 billion, 31 December 2008: £1.53 billion), with strong underlying cash generation enabling us to accelerate certain committed payments. We expect year end net debt to be below the current level.

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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