

3 August 2010

Taylor Wimpey plc
Half Year Results for the period ended 4 July 2010

Taylor Wimpey has performed strongly in the first half of the year reporting improved profitability and margins.

Highlights

- Significant growth in Group operating profit* before exceptional items to £79.3 million (H1 2009: £2.8 million), with material improvement in operating margins*
 - UK operating margin* 7.5% (H1 2009: negative 1.0%)
 - North America operating margin* 7.6% (H1 2009: 5.2%)
- Substantial landbanks:
 - Strong UK owned and controlled landbank in excess of 6 years supply with owned land held at an average cost of 18% of selling prices at current levels
 - Well-positioned North American owned and controlled landbank in excess of 6 years, balanced between short and longer-term assets
- Healthy order books:
 - Total UK order book of £952 million
 - Total North America order book of £668 million
- Ahead of schedule in reducing UK build costs, with private build cost per square foot down 9% from the peak
- Improvement in tangible net assets to 47.0 pence per share (H1 2009: 44.1p)
- Further reduction in net debt to £633.9 million (H1 2009: £1,033.7 million)
- Although wider economic uncertainty remains, current trading is satisfactory and our forward order books and cautious approach to land valuation provide protection against downside scenarios

Financial Summary

	H1 2010	H1 2009
Revenue £m	1,219.3	1,132.8
Operating profit* £m	79.3	2.8
Profit/(loss) before tax and exceptional items** £m	19.6	(68.9)
Exceptional items before tax £m	-	(603.8)
Profit/(loss) for the period £m	7.5	(681.9)
Profit/(loss) per share p	0.2	(43.6)
Tangible net assets per share*** p	47.0	44.1
Net debt £m	633.9	1,033.7

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

** H1 2010 exceptional items: nil. (H1 2009 exceptional items of £603.8 million include net land and work in progress write downs totalling £527.0 million).

*** Tangible net assets per share is defined as net assets excluding goodwill divided by the number of shares in issue at the period end.

Pete Redfern, Group Chief Executive, said:

“We have performed well in the first half of the year and I’m pleased with the progress we’ve made in reducing costs, improving the margin and developing the landbank. We have significantly strengthened our business and we are well-positioned to grow shareholder value.”

-ends-

A presentation to analysts will be made at 09:00 hours on 3 August 2010. This presentation will be broadcast live at:
<http://pres.taylorwimpey.com/tw019/default.asp>.

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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.taylorwimpeyplc.com

Interim Management Report

Group Summary

The Group has delivered a significantly improved performance during the first half of the year, recording an operating profit* of £79.3 million (H1 2009: £2.8 million) and continued strong cash generation.

In the UK, we are successfully implementing the plans outlined in 2008 to maximise the value achieved from our existing landbank through increasing selling prices, replanning sites to optimise planning consents, supplementing our landbank with new purchases on attractive terms, reducing build cost and closely controlling overheads.

In North America, although US markets have seen some softening over recent weeks, we have returned the US business to profitability and continue to benefit from the strong performance of our business in Canada.

UK Housing

	H1 2010	H1 2009	Change	FY 2009
Average outlet numbers	295	363	(18.7)%	343
Private sales rate (per outlet per week)	0.58	0.61	(4.9)%	0.55
Completions	4,804	4,702	2.2%	10,186
Private	3,925	3,854	1.8%	8,432
Affordable	866	840	3.1%	1,709
Joint Ventures	13	8	62.5%	45
Average selling price £'000	168	153	9.8%	160
Private £'000	180	163	10.4%	171
Affordable £'000	116	109	6.4%	108
Revenue £m	827.1	744.4	11.1%	1,700.4
Operating profit/(loss)* £m	62.1	(7.3)	n/a	14.3
Operating margin* %	7.5%	(1.0)%	8.5ppt	0.8%
Order book value £m	952	853	11.6%	819
Owned and controlled plots with planning or resolution to grant	63,291	69,167	(8.5)%	66,089

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

The UK housing market has remained relatively robust during the first half of the year, despite the market uncertainties arising from the General Election and the wider economic environment.

Against this backdrop, we have continued to run the business on a cautious basis, with selective land investment and an ongoing focus on cash and costs. Our priority continues to be maximising the value achieved from each home completion rather than looking to grow volumes ahead of underlying improvements in market conditions.

In line with the objective of maximising the value of our land assets, we remain focused on optimising planning consents within our existing landbank and have identified approximately 29,000 plots within our short term landbank as being suitable for replanning. To date, we have successfully achieved improved consents on just over half of these plots and expect to deliver further benefits as the process continues. We have opened 46 new outlets during the first half of the year, where we have obtained good quality planning consents, and the average number of outlets has reduced to 295 in the first half of 2010, from 322 in the second half of 2009. Private sales rates, net of cancellations, remain broadly in line with those achieved in the first half of 2009, at an average of 0.58 sales per outlet per week (H1 2009: 0.61). Cancellations remain at historic low levels, averaging 16% for the first half (H1 2009: 19%). First time buyers continue to represent around 30% of our sales and we have achieved this high proportion despite our relatively limited use of Government-funded and other shared equity schemes.

We completed a total of 4,804 homes in the first half of 2010, a slight increase on the 4,702 completions achieved in the first half of 2009. Of these, 3,925 were private homes (H1 2009: 3,854), 866 were affordable homes (H1 2009: 840) and 13 were joint venture completions (H1 2009: 8). The overall average selling price of completions rose by 9.8% to £168k (H1 2009: £153k), with private average selling prices up by 10.4% to £180k (H1 2009: £163k) and affordable average selling prices rising 6.4% to £116k (H1 2009: 109k). Whilst mix changes have had a beneficial effect on the prices achieved, we have also been successful in obtaining underlying price increases, with the average selling price per square foot for private completions increasing by 7.3% to £177 (H1 2009: £165). As a result, revenue has increased by 11.1% to £827.1 million (H1 2009: £744.4 million).

We have delivered further reductions in build cost during the period, with the total build cost per square foot for private homes averaging £104 during the first half (H1 2009: £114). This represents a total reduction of 9% and we remain confident of delivering further savings over time. In addition, the transition to the Taylor Wimpey brand across the UK business and the refocusing of our product mix has enhanced operational efficiency. Overheads remain tightly managed, although the current organisational structure gives sufficient capacity for volume growth as market conditions allow.

The UK operating margin of 7.5% includes a one-off pension curtailment credit of £12.0 million. Adjusting for this, the underlying operating margin of 6.1% shows significant growth against the negative 1.0% achieved in the first half of 2009. This strong performance reflects the successful implementation of the plans that we set out in 2008 focusing on sales price improvement, replans, supplementing our landbank with new purchases on attractive terms, reducing build cost and closely controlling overheads.

The quality of our landbank underpins our confidence in the future prospects of the business. With over 6 years of land supply at current completion levels and an average owned plot cost of 18% of selling prices at current levels, the Company is well-placed to manage the impact of changes in planning policy on the availability of new consented land. Our landbank contains a high proportion of longer-term sites, from which we expect to deliver higher margins over the market cycle.

In addition, we continue to be active in the land market where we identify opportunities to supplement our existing land portfolio with attractive investments. We have approved the purchase of 3,841 new plots during the first half of 2010,

replenishing the majority of the plots completed during the period. These are in addition to the 3,003 plots approved for purchase in the second half of 2009. Over the last three months, the number of such opportunities has started to increase slowly and, whilst we remain sensibly cautious about major land investments, we expect to continue to grow our level of new land purchases.

We enter the second half with a strong forward order position. Taking into account first half completions we are now in excess of 86% sold for our full year targeted completions. In total, including sales for future years, we have an order book of £952 million (31 December 2009: £819 million).

North America Housing

	H1 2010	H1 2009	Change	FY 2009
Average outlet numbers	148	171	(13.5)%	172
Sales rate (per outlet per week)	0.50	0.53	(5.7)%	0.58
Home completions	1,843	1,933	(4.7)%	4,755
Average selling price £'000	200	183	9.3%	171
Revenue £m	373.3	356.1	4.8%	824.3
Operating profit* £m	28.2	18.6	51.6%	48.1
Operating margin* %	7.6%	5.2%	2.4ppt	5.8%
Order book value £m	668	551	21.2%	604
Owned and controlled plots with planning	30,435	28,815	5.6%	29,062

As expected, published statistics for the US housing market have shown continued volatility in recent months following the cessation of the Homebuyer Tax Credit programme. US markets have softened in recent weeks and mortgage regulations continue to tighten. However, affordability remains exceptionally good, home sales continue to exceed new home construction and there are signs that the delinquency levels are reducing. In Canada, the Ontario housing market continues to perform well, with ongoing immigration and a lack of new home supply, supported by a growing economy.

Sales rates for North America as a whole were broadly in line with the equivalent period of 2009, albeit from a reduced average number of active outlets of 148 for the first half (H1 2009 average: 171). In the US, sales rates averaged 0.41 net sales per outlet per week in the first half (H1 2009: 0.46). Our business in Canada has delivered a significant increase to 1.12 net sales per outlet per week (H1 2009: 1.00).

We completed 1,843 homes in North America during the period (H1 2009: 1,933) of which 1,373 were in the US (H1 2009: 1,279) and 470 were in Canada (H1 2009: 654). Our average selling price on completions for North America as a whole was £200k (H1 2009: £183k), with the average selling price in the US being £172k (H1 2009: £173k) and in Canada being £281k (H1 2009: £203k). The reduction in completions and increase in average selling prices in Canada reflect a higher proportion of high-rise completions during the first half of 2009.

Revenue has increased to £373.3 million for the period (H1 2009: £356.1 million), with the increase in average selling price outweighing the reduction in the number of completions. We have achieved an increased operating profit in North America of

£28.2 million (H1 2009: £18.6 million), reflecting another strong performance from our Canadian business and a return to profitability in the US.

We remain focused on cost reductions and cash management, whilst preserving the inherent value in our long term land positions. Despite having already made significant build and overhead cost savings over the course of the US market downturn, we continue to drive further cost reductions, whilst balancing the need to position the Company for future growth as market conditions allow. Our overhead costs as a percentage of revenue are amongst the lowest in our peer group. Importantly, these savings have not been achieved to the detriment of quality and customer care, for which our North American business continues to be widely recognised.

We continue to benefit from a well-balanced landbank in North America, blending finished lots for delivering home completions in the short term with longer term land assets that utilise our expertise in planning and developing large-scale communities. In addition, the benefits of our strategy to reposition our land portfolio towards high quality holdings are starting to be reflected in our financial performance. As activity levels increase in the US land markets, we remain focused on selective deals where we can earn strong returns over the medium term and have approved the purchase of 2,649 plots during the first half of 2010. The benefits of this approach are illustrated by the attractive margins being achieved as we bring to market sites that we bought in the early part of 2009.

Our strong order book positions us well for the second half, with over 80% of our expected full year completions now secured. Our total order book for North America, including sales for completion in future years, now stands at £668 million (31 December 2009: £604 million) with a significant element relating to our Canadian operations.

Spain & Gibraltar Housing

	H1 2010	H1 2009	Change	FY 2009
Completions	83	72	15.3%	225
Average selling price £'000	215	288	(25.3)%	260
Revenue £m	18.9	22.3	(15.2)%	61.0
Operating loss* £m	(1.9)	(0.4)	(375.0)%	(1.4)
Operating margin* %	(10.1)%	(1.8)%	(8.3)ppt	(2.3)%
Order book value £m	9	40	(77.5)%	11
Owned and controlled plots with planning	1,818	2,055	11.5%	1,901

Trading conditions in Spain remain very challenging with high levels of inventory in the market, although there continues to be interest amongst second home purchasers. While home completions increased, the average selling price declined primarily as a result of a change in the mix of completions in Gibraltar. Our plans to exit our business in Gibraltar remain on course, with the final completions expected during the second half of this year.

Group financial performance

Group revenue for the first half of 2010 was £1,219.3 million (H1 2009: £1,132.8 million), with operating profit* of £79.3 million (H1 2009: £2.8 million). The first half

result includes a positive contribution, before allocation of appropriate overhead, of £39.9 million relating to utilisation of inventory net realisable value write downs, where the combination of selling prices and cost or mix improvements have exceeded our market assumptions.

The Group's pre-exceptional net finance charges were £59.7 million (H1 2009: £71.7 million). There were no exceptional items recorded in the first half of 2010 (H1 2009: £603.8 million). Profit for the period was £7.5 million (H1 2009 loss: £681.9 million) and earnings per share were 0.2 pence (H1 2009 loss per share: 43.6 pence).

Net assets at 4 July 2010 were £1.50 billion (30 June 2009: £1.41 billion), equivalent to a tangible net asset value of 47.0 pence per share (30 June 2009: 44.1 pence). Net debt reduced from £750.9 million at 31 December 2009 to £633.9 million at 4 July 2010, reflecting the Group's enhanced profitability in the period and a further net reduction in working capital. Gearing at 4 July 2010 stood at 42.2% (31 December 2009: 50.0%).

Whilst the Group's current debt facilities do not expire until July 2012, an earlier refinancing is preferable to provide additional operational flexibility for the business. We have had good early discussions with our main banking group and expect to widen the discussions to other lender groups in the coming months.

Pensions

As previously announced, the consultation period in respect of the proposed cessation of the defined benefit accrual in the George Wimpey Staff Pension Scheme is now complete and the scheme will close to future accrual on 31 August 2010. We continue to review the package of other proposals to actively manage the volatility of the pension deficit that we outlined at the Full Year Results. Once we have developed this package of proposals further we will enter into consultation with the relevant scheme members.

The IAS19 valuation, which appears on the Group's balance sheet is £418.1 million at 4 July 2010 (31 December 2009: £406.4 million). This increase in the deficit is attributable mainly to a loss on expected asset returns.

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 2010 (2009: nil).

Board Changes

As previously announced, Kevin Beeston joined the Board as Non-Executive Chairman with effect from 1 July 2010 and Rob Rowley joined the Board as an Independent Non-Executive Director on 1 January 2010.

Also as previously announced, Norman Askew stood down as Chairman on 30 June 2010 and David Williams stood down as an Independent Non-Executive Director on 31 March 2010.

Outlook

In the UK, our focus on maximising margins and returns rather than looking to accelerate volume growth has delivered a strong first half performance. This approach remains well-suited to an environment where, in the short term, significant planning risk and wider economic uncertainty remains. We remain concerned about the potential adverse impacts of proposed changes in planning policy, however we are committed to working with the Government and local authorities and are confident that both our approach and our strong land holdings will put us in a strong position. In the longer term, we remain of the view that we will see an even greater imbalance between demand and supply when mortgage availability increases and consumer confidence increases.

In the US, we remain of the view that we will see clearer signs of sustainable recovery towards the end of this year as the impact of the cessation of the Homebuyer Tax Credit programme reduces. The Canadian market has continued to perform well and we expect market conditions to remain robust for the foreseeable future.

Despite the wider economic uncertainty, we believe that our forward order books, cautious approach to land valuations and selective new land acquisitions provide protection against potential downside scenarios and position us well as markets recover.

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 11 and 12 of our Annual Report and Accounts 2009, which is available from www.taylorwimpeyplc.com. These risks remain relevant for the second half of 2010 and comprise: compliance with financial and operational covenants; economic and market environment; government regulations and planning policy; land purchasing; availability of sub-contractors; site safety; construction and cost management; and ability to attract and retain high calibre employees.

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.

Taylor Wimpey plc

Condensed Consolidated Income Statement

For the half year ended 4 July 2010

£ million	Note	Half year ended 4 July 2010	Half year ended 4 July 2010	Half year ended 4 July 2010	Half year ended 30 June 2009	Half year ended 30 June 2009	Half year ended 30 June 2009	Year ended 31 December 2009	Year ended 31 December 2009	Year ended 31 December 2009
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)	(Audited)
		Before exceptional items	Exceptional items (Note 3)	Total	Before exceptional items	Exceptional items (Note 3)	Total	Before exceptional items	Exceptional items (Note 3)	Total
Continuing Operations										
Revenue	2	1,219.3	-	1,219.3	1,132.8	-	1,132.8	2,595.6	-	2,595.6
Cost of sales	1	(1,058.9)	-	(1,058.9)	(1,036.5)	(527.0)	(1,563.5)	(2,365.4)	(527.0)	(2,892.4)
Gross profit/(loss)		160.4	-	160.4	96.3	(527.0)	(430.7)	230.2	(527.0)	(296.8)
Net operating expenses	1	(84.1)	-	(84.1)	(95.3)	(53.7)	(149.0)	(192.5)	(53.7)	(246.2)
Profit/(loss) on ordinary activities before finance costs	2	76.3	-	76.3	1.0	(580.7)	(579.7)	37.7	(580.7)	(543.0)
Interest receivable		0.5	-	0.5	4.8	-	4.8	10.6	-	10.6
Finance costs	4	(60.2)	-	(60.2)	(76.5)	(23.1)	(99.6)	(150.0)	(23.1)	(173.1)
Share of results of joint ventures		3.0	-	3.0	1.8	-	1.8	5.6	-	5.6
Profit/(loss) on ordinary activities before tax		19.6	-	19.6	(68.9)	(603.8)	(672.7)	(96.1)	(603.8)	(699.9)
Tax (charge)/credit	5	(12.1)	-	(12.1)	(9.2)	-	(9.2)	(14.3)	73.6	59.3
Profit/(loss) for the period		7.5	-	7.5	(78.1)	(603.8)	(681.9)	(110.4)	(530.2)	(640.6)
Attributable to:										
Equity holders of the parent				7.5			(681.9)			(640.4)
Minority interests				-			-			(0.2)
				7.5			(681.9)			(640.6)
<hr/>										
Basic earnings/(loss) per share	6			0.2p			(43.6p)			(25.1p)
Diluted earnings/(loss) per share	6			0.2p			(43.6p)			(25.1p)
Adjusted basic earnings/(loss) per share	6			0.2p			(5.0p)			(4.3p)
Adjusted diluted earnings/(loss) per share	6			0.2p			(5.0p)			(4.3p)

Taylor Wimpey plc

Condensed Consolidated Statement of Comprehensive Income

For the half year ended 4 July 2010

	Half year ended 4 July 2010	Half year ended 30 June 2009	Year ended 31 December 2009
£ million	(Reviewed)	(Reviewed)	(Audited)
Exchange differences on translation of foreign operations	19.0	(38.1)	(5.0)
(Decrease)/increase in fair value hedging derivatives	(6.6)	13.5	11.5
Actuarial loss on defined benefit pension schemes	(24.8)	(73.5)	(141.8)
Tax on items taken directly to equity	6.9	-	87.6
Other comprehensive expense for the period net of tax	(5.5)	(98.1)	(47.7)
Profit/(loss) for the period	7.5	(681.9)	(640.6)
Total comprehensive income/(expense) for the period	2.0	(780.0)	(688.3)
Attributable to:			
Equity holders of the parent	2.0	(780.0)	(688.1)
Minority interests	-	-	(0.2)
	2.0	(780.0)	(688.3)

Taylor Wimpey plc

Condensed Consolidated Balance Sheet

As at 4 July 2010

£ million	Note	4 July 2010 (Reviewed)	30 June 2009 (Reviewed)	31 December 2009 (Audited)
Non-current assets				
Goodwill		2.5	2.3	2.4
Property, plant and equipment		9.4	9.2	8.2
Interests in joint ventures		50.0	59.0	51.9
Trade and other receivables		70.9	53.0	65.0
Deferred tax assets	5	123.3	6.1	119.6
		256.1	129.6	247.1
Current assets				
Inventories		3,545.9	4,001.1	3,603.3
Trade and other receivables		122.5	146.1	130.5
Tax receivables	5	13.2	13.0	61.0
Cash and cash equivalents	7	254.1	72.7	132.1
		3,935.7	4,232.9	3,926.9
Total assets		4,191.8	4,362.5	4,174.0
Current liabilities				
Trade and other payables		(775.3)	(748.8)	(760.0)
Tax payables	5	(249.3)	(237.3)	(242.6)
Bank loans and overdrafts	7	(7.6)	(23.4)	(12.7)
Provisions		(47.9)	(69.7)	(47.8)
		(1,080.1)	(1,079.2)	(1,063.1)
Net current assets		2,855.6	3,153.7	2,863.8
Non-current liabilities				
Trade and other payables		(255.2)	(394.3)	(278.6)
Debenture loans	7	(741.6)	(713.3)	(721.9)
Bank loans	7	(138.8)	(369.7)	(148.4)
Retirement benefit obligations	8	(420.9)	(357.1)	(409.3)
Deferred tax liabilities	5	(0.8)	(0.8)	(0.8)
Provisions		(50.6)	(39.1)	(51.0)
		(1,607.9)	(1,874.3)	(1,610.0)
Total liabilities		(2,688.0)	(2,953.5)	(2,673.1)
Net assets		1,503.8	1,409.0	1,500.9
Equity				
£ million				
Share capital	9	287.7	287.7	287.7
Share premium account	9	753.7	753.6	753.6
Own shares	9	(0.6)	(8.6)	(5.0)
Merger relief reserve		-	-	-
Other reserves		89.1	45.6	76.7
Retained earnings		371.6	328.4	385.5
Equity attributable to equity holders of the parent		1,501.5	1,406.7	1,498.5
Minority interests		2.3	2.3	2.4
Total equity		1,503.8	1,409.0	1,500.9

Taylor Wimpey plc

Condensed Consolidated Statement of Changes in Equity

For the half year ended 4 July 2010

Reviewed half year ended 4 July 2010

£ million	Share capital	Share premium	Own shares	Merger relief reserve	Other reserves	Retained earnings	Total
Balance as at 1 January 2010	287.7	753.6	(5.0)	-	76.7	385.5	1,498.5
New share capital subscribed	-	0.1	-	-	-	-	0.1
Cancellation and utilisation of treasury shares	-	-	4.4	-	-	(4.4)	-
Share based payment credit	-	-	-	-	-	1.1	1.1
Cash cost of share options	-	-	-	-	-	(0.2)	(0.2)
Exchange differences on translation of foreign operations	-	-	-	-	19.0	-	19.0
Decrease in fair value of hedging derivatives	-	-	-	-	(6.6)	-	(6.6)
Actuarial loss on defined benefit pension schemes net of tax	-	-	-	-	-	(17.9)	(17.9)
Profit for the period	-	-	-	-	-	7.5	7.5
Equity attributable to parent	287.7	753.7	(0.6)	-	89.1	371.6	1,501.5
Minority interests							2.3
Total equity							1,503.8

Reviewed half year ended 30 June 2009

£ million	Share capital	Share premium	Own shares	Merger relief reserve	Other reserves	Retained earnings	Total
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

Audited year ended to 31 December 2009

£ million	Share capital	Share premium	Own shares	Merger relief reserve	Other reserves	Retained earnings	Total
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)	-	270.7	-	-	(247.5)	-
Share based payment credit	-	-	-	-	-	1.0	1.0
Other financing costs	-	-	-	-	-	(0.5)	(0.5)
Issue of equity instruments	-	-	-	-	5.5	-	5.5
Exchange differences on translation of foreign operations	-	-	-	-	(5.0)	-	(5.0)
Increase in fair value of hedging derivatives	-	-	-	-	11.5	-	11.5
Actuarial loss on defined benefit pension schemes	-	-	-	-	-	(141.8)	(141.8)
Deferred tax asset recognised	-	-	-	-	-	87.6	87.6
Transfer to retained earnings	-	-	-	(488.8)	-	488.8	-
Loss for the year	-	-	-	-	-	(640.4)	(640.4)
Equity attributable to parent	287.7	753.6	(5.0)	-	76.7	385.5	1,498.5
Minority interests							2.4
Total equity							1,500.9

Taylor Wimpey plc

Condensed Consolidated Cash flow Statement

For the half year ended 4 July 2010

£ million	Note	Half year ended 4 July 2010 (Reviewed)	Half year ended 30 June 2009 (Reviewed)	Year ended 31 December 2009 (Audited)
Net cash from/(used in) operating activities	7	123.5	(75.6)	206.3
Investing activities				
Interest received		0.4	4.8	10.0
Dividends received from joint ventures		6.1	-	9.6
Proceeds on disposal of property, plant and investments		0.1	1.8	1.5
Purchases of property, plant and investments		(2.9)	(1.4)	(2.5)
Amounts invested in joint ventures		(0.2)	(7.3)	(0.2)
Amounts loaned to joint ventures		-	-	(2.0)
Acquisition of subsidiaries		-	(2.8)	(2.8)
Net cash from/(used in) investing activities		3.5	(4.9)	13.6
Financing activities				
Proceeds from sale of own shares		-	510.1	510.1
Purchase of own shares		(0.1)	-	-
Other financing activities		-	-	(0.5)
Repayment of debenture loans		-	(198.4)	(200.4)
Repayment of bank loans and overdrafts		(7.5)	(905.3)	(1,124.9)
Net cash used in financing activities		(7.6)	(593.6)	(815.7)
Net increase/(decrease) in cash and cash equivalents		119.4	(674.1)	(595.8)
Cash and cash equivalents at beginning of period		132.1	752.3	752.3
Effect of foreign exchange rate changes		2.6	(5.5)	(24.4)
Cash and cash equivalents at end of period		254.1	72.7	132.1

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements

For the half year ended 4 July 2010

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.

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 2009, which have been prepared in accordance with applicable IFRSs. The information for the year ended 31 December 2009 does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. 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 sections 435 and 498 (2) or (3) respectively of the Companies Act 2006.

The accounting policies adopted in the preparation of the half year 2010 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 2009.

Certain amounts relating to direct selling expenses in the results for the half year to 30 June 2009 have been reclassified from net operating expenses to cost of sales to be consistent within the year ended 31 December 2009 and the half year ended 4 July 2010.

The half year report has been prepared to the half year ended 4 July 2010 and has been changed from calendar month end to align with internal management of weekly sales and cash flow reporting. The year end annual report will continue to be prepared to the 31 December.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the year ending on or after 1 January 2010 but have no material impact on the Group's financial statements:

New standards:

IFRS 1 'First time adoption of international financial reporting standards' – The revisions to the standard are in relation to the structuring of previous guidance and no significant new technical material has been issued.

IFRS 2 amendments 'Group cash settled share based payment transactions' – The amendments incorporate IFRIC 8 'Scope of IFRS 2' and IFRIC 11 'IFRS2- Group and treasury share transactions' into IFRS 2. As a result IFRS 2 now includes guidance on cash settled awards that will be settled by an entity within a group that does not employ the employees who receive the awards.

IFRS 3 (Revised) 'Business combinations' - The revision applies to business combinations occurring after 1 April 2010 and introduces a number of changes to business combinations including greater emphasis on fair value, impact to the amount of goodwill recognised, the reported results in the period of the business combination and the future results. This standard has not had any immediate impact on the Group's financial statements.

IAS 39 (Amendment) 'Eligible hedged items' – The amendment requires that inflation is only hedged if changes in inflation are a contractually specified portion of cash flows of a recognised financial instrument.

IFRIC 17 'Distributions of non-cash assets to owners' - The guidance requires that distributions of any non-cash assets to owners are recognised and measured at fair value when the dividend is authorised. Any difference between the fair value of the assets and the dividend payable is recognised as a gain or loss on settlement of the dividend payable.

Going concern

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

Following the refinancing of the Group's debt with its banks and private placement holders in 2009, the Group has been in full compliance with the new covenants and based on Board approved budgets the Group will be able to continue operations for the foreseeable future.

Estimates and Judgements

The preparation of a condensed set of financial statements requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities at each period end. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The significant judgements made by management in applying the Group's accounting policies, critical accounting judgements and the key sources of uncertainty were principally the same as those applied to the Group's financial statements as at 31 December 2009.

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the half year ended 4 July 2010

2. Operating 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 segment information.

Segment information about these businesses is presented below.

Half year ended 4 July 2010 £ million	Housing United Kingdom	Housing North America	Housing Spain and Gibraltar	Corporate	Consolidated
External sales	827.1	373.3	18.9	-	1,219.3
Operating profit/(loss) before joint ventures and exceptional items	62.5	24.8	(1.9)	(9.1)	76.3
Share of results of joint ventures	(0.4)	3.4	-	-	3.0
Profit/(loss) on ordinary activities before finance costs after share of results of joint ventures	62.1	28.2	(1.9)	(9.1)	79.3
Net finance costs					(59.7)
Profit on ordinary activities before tax					19.6
Tax					(12.1)
Profit for the period					7.5

As at 4 July 2010 £ million	Housing United Kingdom	Housing North America	Housing Spain and Gibraltar	Corporate	Consolidated
Segment operating assets	2,752.1	892.8	102.0	1.8	3,748.7
Joint ventures	29.8	20.0	0.2	-	50.0
Segment operating liabilities	(1,208.1)	(277.6)	(13.6)	(50.5)	(1,549.9)
Net operating assets/(liabilities)	1,573.8	635.2	88.6	(48.8)	2,248.8
Goodwill					2.5
Current tax (net)					(236.1)
Deferred tax (net)					122.5
Net debt					(633.9)
Net assets					1,503.8

Half year ended 30 June 2009 £ million	Housing United Kingdom	Housing North America	Housing Spain and Gibraltar	Corporate	Consolidated
External sales	744.4	356.1	22.3	10.0	1,132.8
Operating (loss)/profit before joint ventures 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 and exceptional items 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)
Net finance costs (including exceptional finance costs)					(94.8)
Loss on ordinary activities before tax					(672.7)
Tax					(9.2)
Loss for the period					(681.9)

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the half year ended 4 July 2010

As at 30 June 2009 £ million	Housing United Kingdom	Housing North America	Housing Spain and Gibraltar	Corporate	Consolidated
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)
Net operating assets/(liabilities)	2,027.6	561.4	117.8	(47.4)	2,659.4
Goodwill					2.3
Current tax (net)					(224.3)
Deferred tax (net)					5.3
Net debt					(1,033.7)
Net assets					1,409.0

Year ended 31 December 2009 £ million	Housing United Kingdom	Housing North America	Housing Spain and Gibraltar	Corporate	Consolidated
External sales	1,700.4	824.3	61.0	9.9	2,595.6
Operating profit/(loss) before joint ventures and exceptional items	15.3	41.5	(1.4)	(17.7)	37.7
Share of results of joint ventures	(1.0)	6.6	-	-	5.6
Profit/(loss) on ordinary activities before finance costs and exceptional items after share of results of joint ventures	14.3	48.1	(1.4)	(17.7)	43.3
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	(438.5)	(31.7)	(4.7)	(62.5)	(537.4)
Net finance costs (including exceptional finance costs)					(162.5)
Loss on ordinary activities before tax					(699.9)
Tax (including exceptional tax items)					59.3
Loss for the year					(640.6)

As at 31 December 2009 £ million	Housing United Kingdom	Housing North America	Housing Spain and Gibraltar	Corporate	Consolidated
Segment operating assets	2,865.4	805.4	124.5	11.6	3,806.9
Joint ventures	30.0	21.7	0.2	-	51.9
Segment operating liabilities	(1,202.3)	(269.0)	(21.2)	(54.1)	(1,546.6)
Net operating assets/(liabilities)	1,693.1	558.1	103.5	(42.5)	2,312.2
Goodwill					2.4
Current tax (net)					(181.6)
Deferred tax (net)					118.8
Net debt					(750.9)
Net assets					1,500.9

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the half year ended 4 July 2010

3. Exceptional items

£ million	Half year ended 4 July 2010	Half year ended 30 June 2009	Year ended 31 December 2009
Net land and work in progress write downs	-	527.0	527.0
Restructuring costs	-	8.9	8.9
Refinancing costs	-	67.9	67.9
Tax	-	-	(73.6)
Exceptional items	-	603.8	530.2

In 2009 the Group recorded £527m of land and work in progress net write downs reflecting the Group's assumptions on future selling prices being impacted by increases in unemployment and limited mortgage availability and £67.9m of refinancing, one off interest payments and professional fees relating to the refinancing of the Group's debt completed in April 2009.

In 2009 the Group reinstated a £25.4m deferred tax asset on the Group's defined benefit pension schemes and £48.2m relating to the five year net operating loss carryback introduced in the US in November 2009.

4. Finance costs

£ million	Half year ended 4 July 2010	Half year ended 30 June 2009	Year ended 31 December 2009
Interest on bank overdrafts and loans	12.6	28.5	46.5
Interest on debenture loans	31.1	34.7	62.6
Movement on interest rate derivatives and exchange differences	0.6	(13.6)	(11.8)
	44.3	49.6	97.3
Unwinding of discount on land creditors and other payables	5.3	10.2	18.4
Notional net interest on pension liability	10.6	16.7	34.3
	60.2	76.5	150.0
Exceptional finance costs:			
Loan and debenture interest and similar charges	-	23.1	23.1
	60.2	99.6	173.1

The exceptional finance costs in 2009 relate to the Group's refinancing of its debt. The costs predominantly relate to one-off interest payments and professional fees.

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the half year ended 4 July 2010

5. Tax

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

£ million		Half year ended 4 July 2010	Half year ended 30 June 2009	Year ended 31 December 2009
Current tax:				
UK corporation tax:	Current year	0.4	0.7	1.1
	Prior years	-	-	(5.5)
Foreign tax:	Current year	8.2	8.5	(32.0)
	Prior years	-	-	2.4
		8.6	9.2	(34.0)
Deferred tax:				
UK:	Current year	3.7	-	(25.4)
Foreign:	Current year	(0.2)	-	0.4
	Prior years	-	-	(0.3)
		3.5	-	(25.3)
		12.1	9.2	(59.3)

Corporation tax is calculated at 28% (2009: 28%) of the assessable profit (2009: 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. Earnings per share

	Half year ended 4 July 2010	Half year ended 30 June 2009	Year ended 31 December 2009
Basic earnings/(loss) per share	0.2p	(43.6p)	(25.1p)
Diluted earnings/(loss) per share	0.2p	(43.6p)	(25.1p)
Adjusted basic earnings/(loss) per share	0.2p	(5.0p)	(4.3p)
Adjusted diluted earnings/(loss) per share	0.2p	(5.0p)	(4.3p)
Weighted average number of shares for basic and adjusted earnings/(loss) per share – million	3,193.8	1,565.8	2,551.8
Weighted average number of shares for diluted and adjusted diluted earnings/(loss) per share – million	3,312.3	1,565.8	2,551.8

In 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 as part of the refinancing agreement signed 30 April 2009.

Adjusted basic and adjusted diluted earnings/(loss) 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 profit/(loss) attributable to equity shareholders used for basic and diluted loss per share to that used for adjusted earnings/(loss) per share is shown below.

£ million	Half year ended 4 July 2010	Half year ended 30 June 2009	Year ended 31 December 2009
Profit/(loss) for basic earnings/(loss) per share and diluted loss per share	7.5	(681.9)	(640.4)
Add exceptional items	-	603.8	603.8
Add tax exceptional items	-	-	(73.6)
Profit/(loss) for adjusted basic and adjusted diluted earnings/(loss) per share	7.5	(78.1)	(110.2)

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the half year ended 4 July 2010

7. Notes to the cash flow statement

£ million	Half year ended 4 July 2010	Half year ended 30 June 2009	Year ended 31 December 2009
Profit/(loss) on ordinary activities before finance costs – continuing	76.3	(579.7)	(543.0)
Non cash exceptional items:			
Impairment of fixed assets	-	0.5	0.5
Land and WIP write downs	-	527.0	527.0
Adjustments for:			
Pensions curtailment	(12.0)	-	-
Depreciation of plant and equipment	1.7	2.5	4.2
Share-based payment charge	1.1	0.6	1.0
(Loss)/gain on disposal of property and plant	(0.1)	(0.2)	0.2
(Decrease)/increase in provisions	(3.0)	13.3	(3.1)
Operating cash flows before movements in working capital	64.0	(36.0)	(13.2)
Decrease in inventories	87.4	309.1	735.0
(Increase)/decrease in receivables	(0.2)	16.3	25.4
Decrease in payables	(19.9)	(358.1)	(432.6)
Pension contributions in excess of charge	(11.8)	(12.7)	(44.7)
Cash generated by/(used in) operations	119.5	(81.4)	269.9
Income taxes received	44.3	115.5	109.1
Interest paid including exceptional charges	(40.3)	(109.7)	(172.7)
Net cash from/ (used in) operating activities	123.5	(75.6)	206.3

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

Movement in net debt:

£ million	Cash and cash equivalents	Bank overdrafts and bank loans	Debenture loans	Total net debt
Balance 1 January 2010	132.1	(161.1)	(721.9)	(750.9)
Cashflow	119.4	7.5	-	126.9
Foreign exchange	2.6	7.2	(19.7)	(9.9)
Balance 4 July 2010	254.1	(146.4)	(741.6)	(633.9)

£ million	Cash and cash equivalents	Bank overdrafts and bank loans	Debenture loans	Total net debt
Balance 1 January 2009	752.3	(1,312.5)	(969.1)	(1,529.3)
Cashflow	(674.1)	905.3	198.4	429.6
Business disposals*	-	4.1	-	4.1
Foreign exchange	(5.5)	10.0	57.4	61.9
Balance 30 June 2009	72.7	(393.1)	(713.3)	(1,033.7)

£ million	Cash and cash equivalents	Bank overdrafts and bank loans	Debenture loans	Total net debt
Balance 1 January 2009	752.3	(1,312.5)	(969.1)	(1,529.3)
Cashflow	(595.8)	1,124.5	200.4	729.5
Business disposals*	-	4.1	-	4.1
Foreign exchange	(24.4)	22.4	46.8	44.8
Balance 31 December 2009	132.1	(161.1)	(721.9)	(750.9)

* In April 2009 the Group disposed of its residual construction operations to existing local management for £1. At the point of disposal the business had bank loans of £4.1m.

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the half year ended 4 July 2010

8. Pensions

The Group's significant defined benefit schemes were actuarially assessed for the half year 4 July 2010. Following the consultation period in respect of the proposed cessation of the defined benefit accrual in the George Wimpey Staff Pension Scheme (GWSPS) the Group plans to close the scheme to future accrual on 31 August 2010. This has resulted in a reduction of £12.0m in the net deficit and has been reflected in the operating results for the period. The Group has completed a mortality study of its post retirement benefit participants. This has resulted in the mortality assumption for the GWSPS being reduced by one year with an associated liability reduction of £24.0m.

9. 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 treasury shares held by the Group outside of employee share option trusts were cancelled.

10. 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 £4.5m during the half year to 4 July 2010 (half year to 30 June 2009: £9.6m; year to 31 December 2009: £26.1m).

11. 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 affects 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 peaks and troughs over the course of the financial year.

12. Events occurring after 4 July 2010

There have been no material reportable events since 4 July 2010.

Taylor Wimpey plc

Statement of Directors' responsibility

For the half year ended 4 July 2010

The Directors confirm that, to the best of their knowledge, these condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted by the European Union.

The interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R of the Disclosure and Transparency Rules, namely:

- an indication of important events that have occurred during the first half year of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining half year of the financial year; and
- material related-party transactions in the first half year of the financial year and any material changes in the related party transactions described in the last Annual Report.

The Directors of Taylor Wimpey plc are listed in the Taylor Wimpey plc Annual Report and Accounts to 31 December 2009, with the exception of the following changes in the period: Mr David Williams retired as a Director on 31 March 2010; the Chairman, Mr Norman Askew retired on 30 June 2010 and Mr Kevin Beeston was appointed as Chairman on 1 July 2010.

A list of current directors is maintained on the Taylor Wimpey plc Group website: www.taylorwimpeyplc.com

By order of the Board

Kevin Beeston, Chairman

Pete Redfern, Group Chief Executive

2 August 2010

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 half year ended 4 July 2010 which comprises the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated balance sheet, condensed consolidated statement changes in equity, condensed consolidated cash flow statement and related notes 1 to 12. 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 half year ended 4 July 2010 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

2 August 2010