

3 August 2011

Taylor Wimpey plc
Half Year Results for the period ended 3 July 2011

We have delivered further operational improvement in our UK business and, with an operating margin of 9.3% for the first half of 2011, we are firmly on course to deliver a double digit UK operating margin in 2012. The Group has delivered an operating profit from continuing operations of £67.2 million (H1 2010: £51.1 million).

As previously announced, the sale of our North American business was completed on 13 July 2011. The results of this business are, therefore, treated as discontinued operations in the financial statements and commentary below.

Pete Redfern, Chief Executive, said:

“This has been a transformational six months for Taylor Wimpey, with the sale of our North American business and significant progress towards our double-digit operating margin target in the UK. We have a strengthened balance sheet, an increased financial capacity to invest in the UK and we are well positioned to deliver further improvement in margin and returns going forward.

Although there is ongoing uncertainty in the wider economic environment, current conditions in the UK housing market remain stable. We expect this stability to continue for the remainder of 2011 and remain on course to deliver profits in line with the Board’s expectations for the continuing Group.”

Operational summary

- Completed 4,707 homes in the UK in the first half (H1 2010: 4,804), as we continue to prioritise margin improvement ahead of volume growth
- UK average selling prices remained flat at £168k (H1 2010: £168k)
- Strong operating margin¹ progression in the UK to 9.3% (H1 2010: underlying² operating margin¹: 6.1%)
- Approved the purchase of 5,289 plots on 55 sites in the UK maintaining our consistent, disciplined approach to land acquisition
- Continued success in obtaining planning permissions on strategic land, with c7,500 plots brought into the short term land portfolio over the last 18 months
- Ongoing initiatives to adapt our business to the changing planning environment
- Customer satisfaction increased to 89.5% (H1 2010: 83.1%) as measured by the National New Homes survey
- Further improvement to our health and safety performance with a reportable injury frequency rate of 0.09 per 100,000 hours worked (H1 2010: 0.14)

Financial Summary

Continuing operations	H1 2011	H1 2010 ³	Change
Revenue £m	817.8	846.0	(28.2)
Operating profit ¹ £m	67.2	51.1	16.1
Profit/(loss) before tax £m	28.9	(2.3)	31.2
Profit/(loss) for the period £m	11.8	(6.7)	18.5
Basic earnings/(loss) per share p	0.4	(0.2)	0.6
ROCE	6.5%	3.5%	3.0ppt

Tangible net assets per share ⁴ p	57.0	47.0	10.0
Net debt (pro forma for 2011) ⁵ £m	165.9 ⁵	633.9	(468.0)
Gearing (pro forma for 2011) ⁵ %	9.1 ⁵	42.2	(33.1)

Notes:

¹ 'Operating profit' is defined as profit on ordinary activities before finance costs and exceptional items, after share of results of joint ventures.

² Excludes one-off pension curtailment credit of £12.0m.

³ Restated for discontinued operations.

⁴ Tangible net assets per share is defined as net assets excluding goodwill and intangible assets divided by the number of shares in issue at the period end.

⁵ Adjusted for North America sales proceeds of £731.9 million, transaction costs of £16.5 million and one-off pension deficit repair payment of £32.5 million.

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A presentation to analysts will be made at 09:00 hours on 3 August 2011. This presentation will be broadcast live at:

<http://pres.taylorwimpey.com/tw025/default.asp>.

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Notes to editors:

Taylor Wimpey plc is a focused residential developer with operations in the UK and Spain. We aim to be the developer 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 continuing Group has delivered a strong performance during the period, with operating profit¹ increasing by 32% to £67.2 million (H1 2010: £51.1 million). We have also delivered an increase in the ROCE of the continuing Group to 6.5% (H1 2010: 3.5%).

In the UK, we have made excellent progress towards our double digit operating margin target for 2012, achieving a first half operating margin¹ of 9.3% (H1 2010: 6.1% excluding one-off pension curtailment credit of £12.0 million).

As previously announced, the sale of our North American business was completed on 13 July 2011. The results of this business are, therefore, treated as discontinued operations in the Consolidated Income Statement and the net assets are shown as held for sale on the Balance Sheet for the period. Prior year comparatives for the Consolidated Income Statement have been restated in accordance with accounting standards.

¹ 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.

Strategy

Our strategy will remain focused on margin and long term returns ahead of short term volume. We will deliver volumes in a particular year on the basis of housing market conditions and the land that we have available with optimised consents, rather than rushing land through the planning process in order to 'feed the machine'.

The strength of our existing land portfolio, which represents 6.6 years of supply at current completion levels, and our cautious approach to volume growth enable us to target the best opportunities in the land market. Although our current land acquisition strategy is weighted towards the stronger south east market, we remain of the view that there are also good opportunities in other regions. Similarly, we remain cautious about apartments in much of the country, but where conditions and market demand are strong, they remain an effective product. We believe that a strategy with a mix of sites for all consumer groups, including first time buyers, and in all areas where there is significant housing need will deliver the best long term returns for our shareholders.

We continue to manage our land portfolio actively, reviewing and improving planning consents and ensuring that every new site is optimised before opening a sales outlet.

We are seeing the benefits of this strategy coming through in strong UK operating margin improvement and expect this to continue beyond 2012, assisted by enhanced returns from an increased proportion of completions from strategically sourced land in combination with newly acquired short term land at higher margins.

UK Housing

	H1 2011	H1 2010	Change	FY 2010
Average outlet numbers	303	295	8	289
Private sales rate (per outlet per week)	0.56	0.58	(0.02)	0.51
Completions	4,707	4,804	(97)	9,962
Private	3,675	3,925	(250)	8,103
Affordable	1,004	866	138	1,824
Joint Ventures	28	13	15	35
Average selling price £'000	168	168	-	171
Private £'000	182	180	2	184
Affordable £'000	117	116	1	116
Revenue £m	809.2	827.1	(17.9)	1,736.6
Operating profit ¹ £m	75.6	62.1	13.5	123.0
Operating margin ¹ %	9.3%	7.5%	1.8ppt	7.1%
Order book value £m	932	952	(20)	715
Owned and controlled plots with planning or resolution to grant	64,357	63,291	1,066	63,556

Market conditions in the UK remained stable through the first half of 2011, despite the ongoing uncertainty and restricted level of mortgage lending. Although mortgage approvals for new home purchases remain below 50,000 per month, there are ongoing signs of incremental improvement in the availability of mortgages for first time buyers.

We started the year with 301 outlets and have grown this number steadily to 311 at the end of the period, whilst remaining focused on obtaining an optimal planning consent prior to opening each new outlet (4 July 2010: 284). Private sales rates, net of cancellations, averaged 0.56 for the period, broadly in line with the first half of 2010 (H1 2010: 0.58). Cancellation rates remain at historic low levels, with an average of 15% for the first half of 2011 (H1 2010: 16%). We saw some small underlying price rises in the early part of the year, with pricing stable in recent months.

We continue to be successful in providing aspirational homes for first time buyers, which accounted for 29% of our sales in the period (H1 2010: 29%). We support the government's FirstBuy initiative and have received funding to help over 1,200 first time buyers through the scheme. We will, however, continue to be sparing in our use of other shared equity incentives.

Buying a house is a significant financial and emotional investment and we aim to make buying, moving into and living in a Taylor Wimpey home as easy as possible for our customers. This is borne out by the increase in the percentage of our customers who were satisfied or very satisfied with their new home to 89.5% (H1 2010: 83.1%) as measured by the National New Homes survey.

We recorded a total of 4,707 home completions in the UK during the first half of the year (H1 2010: 4,804), of which 3,675 were private completions (H1 2010: 3,925), 1,004 were affordable completions (H1 2010: 866) and 28 were our share of joint venture completions (H1 2010: 13). Our overall average selling price remained flat at £168k (H1 2010: £168k), with small increases in both private and affordable average selling prices offset by a greater proportion of affordable completions during the period.

We have made excellent progress over the course of the first half towards our target of double-digit operating margins, achieving an operating margin¹ of 9.3% in the period (H1 2010: 6.1% excluding one-off pension curtailment credit of £12.0 million).

This improvement in operating margin is ahead of our timetable for achieving double digit operating margins in 2012 and highlights the benefits of our ongoing focus on margin ahead of volume growth. We continue to benefit from additional build cost savings, having achieved our 10% target ahead of schedule, and from our ongoing programme of replanning sites within our existing land portfolio to optimise margins. We review all aspects of each of our sites in depth on a quarterly basis to identify further opportunities for value improvement.

We have maintained our consistent, disciplined approach to land acquisition and approved the purchase of 5,289 new plots on 55 sites during the first half of 2011. We have increased our owned and controlled land portfolio with planning or resolution to grant to 64,357 plots (31/12/2010: 63,556 plots), equivalent to 6.6 years of supply at current completion levels (31/12/2010: 6.4 years). The average cost per plot within our owned land portfolio was £32k per plot at 3 July 2011 on the basis of allocating all net realisable value provisions against land value (31/12/2010: £31k).

We continue to achieve success in obtaining planning consents for land in our strategic portfolio. Recent successes include resolutions to grant at sites in Brackley and Church Crookham and we have transferred c7,500 plots into the short term land portfolio over the last 18 months, equivalent to approximately 50 per cent of completions over the same period. In addition, in June, we entered into a land sale and partnership agreement with Harworth Estates, the property division of UK Coal plc, for a portfolio of 16 strategic land sites with the potential to deliver around 4,000 homes.

We continue to engage with the government and local authorities as the Localism Bill progresses through Parliament. We believe that the underlying principle of ensuring that planning decisions involve the local people whom they affect is the right one and welcome the strong presumption in favour of sustainability contained within the draft National Planning Policy Framework. We have commenced a significant programme of internal training and are rolling out a framework of processes to position our business to benefit from the opportunities that the proposed new planning system will provide.

We are committed to providing a safe place in which our employees and sub-contractors can work and will not compromise in ensuring that they leave our sites safe and well at the end of each day. We are pleased to report a further improvement in our reportable injury frequency rate to 0.09 per 100,000 hours worked (H1 2010: 0.14). We are also committed to high standards of environmental management and are working with the Carbon Advisory Trust to develop a robust climate change action plan.

We have also made good progress in building our order book over the course of the first half of 2011. Having started the year with an order book 13% lower by value than at the start of 2010, we ended the first half 2% lower than the 2010 equivalent. This progress has continued in the second half of the year with an increase to £989 million as at 31 July (25/07/2010: £1,003 million).

Spain Housing

	H1 2011	H1 2010 ²	Change	FY 2010 ²
Completions	30	83	(53)	136
Average selling price £'000	266	215	51	214
Revenue £m	8.6	18.9	(10.3)	31.1
Operating loss ¹ £m	(1.1)	(1.9)	0.8	(3.6)
Operating margin ¹ %	(12.8)%	(10.1)%	(2.7)ppt	(11.6)%
Order book value £m	17	9	8	11
Owned and controlled plots with planning	1,699	1,818	(119)	1,783

² Includes the results of Gibraltar in 2010

The market in Spain remains challenging. The market for Spanish buyers is particularly weak, with reduced sales to Spanish buyers reflecting restricted mortgage availability and a lack of confidence in the economy. In contrast, we have seen an increase in sales to overseas buyers despite the relative strength of the Euro against Sterling. As previously reported, we completed our exit from the Gibraltar market during 2010.

We completed 30 homes in Spain during the first half of 2011 (H1 2010: 83, including 14 homes in Gibraltar). Many of our first half sales are in the period end order book and scheduled to complete during the second half of the year. Our average selling price has increased to £266k (H1 2010: £215k), primarily due to an increased proportion of completions from Mallorca.

Discontinued operations

	H1 2011	H1 2010	Change	FY 2010
Home completions	1,800	1,843	(43)	4,140
Average selling price £'000	201	200	1	200
(Loss)/profit from discontinued operations £m	(16.0)	14.2	(30.2)	84.6

The North American business completed a total of 1,800 homes in the first half of 2011, slightly below the 1,843 home completions achieved in the equivalent period of 2010. Of these, 1,022 completions were in the United States (H1 2010: 1,373) and 778 were in Canada (H1 2010: 470). The average selling price for completions in North America as a whole remained broadly flat at £201k (H1 2010: £200k), with an increase in the average selling price in the United States to £190k (H1 2010: £172k) offsetting a decrease in the average selling price in Canada to £214k (H1 2010: £281k). The increase in completions and decrease in average selling price in Canada reflects a higher proportion of high-rise completions during the first half of 2011.

The North American business generated a profit after tax of £24.5 million (H1 2010: £14.2 million) with a corresponding increase in net assets. As the disposal was based on the net assets in the North American business at 31 December 2010, an impairment of £24.0 million has been recorded at the half year to recognise the net realisable value of the assets held for sale. In addition, transaction costs of £16.5 million have also

been recorded in respect of the disposal, resulting in a loss from discontinued operations in the first half of £16.0 million (H1 2010: profit £14.2 million).

In accordance with accounting standards, the completion of the disposal crystallises the recognition of foreign exchange gains previously recorded in the cumulative translation reserve of £59.1 million, resulting in an expected profit from discontinued operations of £43.1 million which will be reported in the full year results.

Group financial performance

Group revenue from continuing operations for the period was £817.8 million (H1 2010: £846.0 million), reflecting the lower number of completions in both the UK and Spain.

Gross profit of £131.4 million (H1 2010: £106.7 million) includes a positive contribution of £48.9 million (H1 2010: £39.2 million), relating to realisation of written down inventory above its originally estimated net realisable value, where the combination of selling prices and cost, or mix improvements have exceeded our original market assumptions. These amounts are stated before the allocation of overhead excluded from the Group's net realisable value exercise.

Operating profit¹ increased to £67.2 million (H1 2010: £51.1 million), delivering an operating margin¹ of 8.2% (H1 2010: 6.0%). These increases reflect the significant performance improvement achieved in our UK business.

Finance costs for the period were £38.3 million (H1 2010: £53.4 million), net of interest receivable of £3.4 million (H1 2010: £0.2 million), benefiting from lower average borrowing rates following the refinancing in December 2010. Profit for the period from continuing operations was £11.8 million (H1 2010 loss: £6.7 million).

Taking into account the loss from discontinued operations of £16.0 million (H1 2010: profit £14.2 million), this results in a loss for the period of £4.2 million (H1 2010: profit £7.5 million).

Basic earnings per share from continuing operations were 0.4 pence (H1 2010: loss 0.2 pence). The basic loss per share for the total Group was 0.1 pence (H1 2010: profit 0.2 pence).

Net assets at 3 July 2011 were £1.83 billion (4 July 2010: £1.50 billion), equivalent to a tangible net asset value of 57.0 pence per share (4 July 2010: 47.0 pence).

Net debt increased from £654.5 million at 31 December 2010 to £848.8 million at 3 July 2011, primarily due to the classification of £153.1 million of net cash in the North American operations as assets held for sale. On this basis, gearing at 3 July 2011 was 46.5% (31 December 2010: 41.2%).

Adjusting for the net proceeds of the sale of our North American business and the subsequent pension deficit reduction payment of £32.5 million, this gives a pro forma net debt on 3 July of £165.9 million and pro forma gearing of 9.1%. Following the completion of the disposal of our North American business the Group has total committed facilities of £950 million, with an average maturity of 3.7 years, providing us with significantly increased financial capacity to invest in the UK Housing business.

Pensions

The IAS19 deficit, which appears on the Group's balance sheet, is £234.8 million at 3 July 2011 (31 December 2010: £248.5 million).

As previously announced, the Group made a one-off deficit reduction payment of £32.5 million to the UK Defined Benefit pension schemes following the completion of the sale of our North American business, which will be recorded in the second half of the year. The Group's ongoing deficit reduction payments in respect of the Defined Benefit pension schemes remain unchanged at £46 million per annum.

We continue to review and implement options to manage the volatility of the pension deficit actively and have commenced an enhanced transfer value exercise, with the agreement of the Trustees, for both of our UK Defined Benefit pension schemes on a phased basis.

Dividends

The Board is not proposing an interim dividend for 2011 (2010: nil). We will assess our dividend policy in the light of both the prevailing economic and market conditions in the future and also the availability of attractive opportunities to invest in land in the UK. We will update the market at the time of our full year results.

Board Changes

As previously announced, there have been a number of Board changes during the first half of the year as part of our planned refresh.

Kate Barker and Mike Hussey joined the Board as Non-Executive Directors with effect from 21 April 2011 and 1 July 2011 respectively. James Jordan was appointed to the Board as an Executive Director with effect from 21 July 2011. Andrew Dougal and Katherine Innes Ker stood down as Non-Executive Directors with effect from 21 April 2011 and, as planned, Sheryl Palmer stood down from the Board with effect from 20 July 2011 following the sale of our North American business.

Lord Davies Report: Women on Boards (the "Davies Report") – Statement from Kevin Beeston, Chairman

The Board has reviewed the recommendations of the Davies Report as part of a wider diversity discussion and has recently endorsed a Company wide Diversity Policy. The Board supports the aims, objectives and recommendations of the Davies Report and in line with the UK Governance Code will continue to make Board appointments on merit, against objective criteria and with due regard for the benefits of diversity on the Board, including gender. It is recognised that boards perform better when they include top quality people from a range of backgrounds and perspective. Following the disposal of the North American business, the Board consists of nine directors two of whom are women (22%) - the Board will aspire to maintain at least this level of diversity of gender going forward. Further information on how the Company intends to comply with remaining Davies Report recommendations will be included in the 2011 Annual Report.

Outlook

The continuing Group remains on course to deliver full year profits in line with the Board's expectations. The UK housing market remains stable, despite restricted mortgage availability and the ongoing economic uncertainty at a national and global level.

We expect our markets in Spain to remain challenging over the remainder of the year.

Our financial strength and track record of delivering planning consents makes us an attractive partner for landowners and, following the disposal of our North American business, we are in a strong position to invest in our short-term and strategic landbanks where attractive opportunities are identified. We continue to drive further margin improvement from our existing UK landbank and are firmly on course to achieve our target of double-digit operating margins in the UK in 2012, subject to continuing stable market conditions. We expect to deliver further margin improvement beyond 2012, particularly through the development of our extensive strategic land portfolio in combination with new short term land acquisitions.

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 2010, which is available from www.taylorwimpeyplc.com. Following the sale of our North American business, the risk associated with compliance with financial and operational covenants is further reduced. The other risks remain unchanged in relevance for the second half of 2011 and comprise: 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 3 July 2011

£ million	Note	Half year	Half year	Half year	Half year	Half year	Half year	Year	Year	Year
		ended 3 July 2011	ended 3 July 2011	ended 3 July 2011	ended 4 July 2010	ended 4 July 2010	ended 4 July 2010	ended 31 December 2010	ended 31 December 2010	ended 31 December 2010
		Before exceptional items	(Reviewed) Exceptional items (Note 3)	Total	(Reviewed and restated – see note 1) Before exceptional items (Note 3)			(Audited and restated – see note 1) Before exceptional items (Note 3)		
Continuing Operations										
Revenue		817.8		817.8	846.0	-	846.0	1,767.7	-	1,767.7
Cost of sales		(686.4)	-	(686.4)	(739.3)	-	(739.3)	(1,537.9)	(17.3)	(1,555.2)
Gross profit/(loss)		131.4	-	131.4	106.7	-	106.7	229.8	(17.3)	212.5
Net operating expenses		(64.5)	-	(64.5)	(55.2)	-	(55.2)	(129.2)	(38.2)	(167.4)
Profit/(loss) on ordinary activities before finance costs		66.9	-	66.9	51.5	-	51.5	100.6	(55.5)	45.1
Interest receivable		3.4		3.4	0.2	-	0.2	3.4	-	3.4
Finance costs		(41.7)	-	(41.7)	(53.6)	-	(53.6)	(119.6)	(83.4)	(203.0)
Share of results of joint ventures		0.3		0.3	(0.4)	-	(0.4)	(0.3)	-	(0.3)
Profit/(loss) on ordinary activities before tax		28.9	-	28.9	(2.3)	-	(2.3)	(15.9)	(138.9)	(154.8)
Tax (charge)/credit		(17.1)	-	(17.1)	(4.4)	-	(4.4)	(31.3)	360.8	329.5
Profit/(loss) for the period from continuing operations		11.8	-	11.8	(6.7)	-	(6.7)	(47.2)	221.9	174.7
Discontinued operations										
(Loss)/profit for the period from discontinued operations		(16.0)	-	(16.0)	14.2	-	14.2	67.0	17.6	84.6
(Loss)/profit for the period		(4.2)	-	(4.2)	7.5	-	7.5	19.8	239.5	259.3
Attributable to:										
Equity holders of the parent				(4.2)			7.5			259.3
Non-controlling interests				-			-			-
				(4.2)			7.5			259.3
Basic (loss)/earnings per share										
- total Group				(0.1p)			0.2p			8.1p
Diluted (loss)/earnings per share										
- total Group				(0.1p)			0.2p			7.9p
Basic earnings/(loss) per share										
- continuing operations				0.4p			(0.2p)			5.5p
Diluted earnings/(loss) per share										
- continuing operations				0.4p			(0.2p)			5.3p
Adjusted basic earnings/(loss) per share – continuing operations										
				0.4p			(0.2p)			(1.5p)
Adjusted diluted earnings/(loss) per share – continuing operations										
				0.4p			(0.2p)			(1.4p)

Taylor Wimpey plc
Condensed Consolidated Statement of Comprehensive Income
For the half year ended 3 July 2011

£ million	Half year ended 3 July 2011 (Reviewed)	Half year ended 4 July 2010 (Reviewed)	Year ended 31 December 2010 (Audited)
Exchange differences on translation of foreign operations	(0.2)	19.0	33.9
Increase/(decrease) in fair value hedging derivatives	3.0	(6.6)	(3.6)
Actuarial gain/(loss) on defined benefit pension schemes	3.5	(24.8)	46.9
Tax on items taken directly to equity	(1.2)	6.9	(15.9)
Other comprehensive income/(expense) for the period net of tax (Loss)/profit for the period	5.1 (4.2)	(5.5) 7.5	61.3 259.3
Total comprehensive income for the period	0.9	2.0	320.6
Attributable to:			
Equity holders of the parent	0.9	2.0	320.6
Non-controlling interests	-	-	-
	0.9	2.0	320.6

Taylor Wimpey plc
Condensed Consolidated Balance Sheet
As at 3 July 2011

£ million	3 July 2011 (Reviewed)	4 July 2010 (Reviewed)	31 December 2010 (Audited)
Non-current assets			
Goodwill	-	2.5	2.4
Other intangible assets	1.2	-	1.0
Property, plant and equipment	7.4	9.4	7.6
Interests in joint ventures	30.6	50.0	49.7
Trade and other receivables	65.8	70.9	96.5
Deferred tax assets	343.7	123.3	372.4
	448.7	256.1	529.6
Current assets			
Inventories	2,725.0	3,545.9	3,436.2
Trade and other receivables	71.4	122.5	155.7
Tax receivables	11.1	13.2	19.8
Cash and cash equivalents	73.8	254.1	183.9
Assets held for sale	1,065.5	-	-
	3,946.8	3,935.7	3,795.6
Total assets	4,395.5	4,191.8	4,325.2
Current liabilities			
Trade and other payables	(679.3)	(775.3)	(902.9)
Tax payables	(74.6)	(249.3)	(162.7)
Bank loans and overdrafts	-	(7.6)	(15.1)
Provisions	(80.7)	(47.9)	(46.8)
Liabilities directly associated with assets held for sale	(333.6)	-	-
	(1,168.2)	(1,080.1)	(1,127.5)
Net current assets	2,778.6	2,855.6	2,668.1
Non-current liabilities			
Trade and other payables	(225.3)	(255.2)	(257.1)
Debenture loans	(250.0)	(741.6)	(250.0)
Bank loans	(672.6)	(138.8)	(573.3)
Retirement benefit obligations	(236.8)	(420.9)	(250.5)
Deferred tax liabilities	-	(0.8)	(0.8)
Provisions	(16.8)	(50.6)	(42.9)
	(1,401.5)	(1,607.9)	(1,374.6)
Total liabilities	(2,569.7)	(2,688.0)	(2,502.1)
Net assets	1,825.8	1,503.8	1,823.1
£ million			
Share capital	287.7	287.7	287.7
Share premium account	753.8	753.7	753.7
Own shares	(0.5)	(0.6)	(0.6)
Other reserves	104.1	89.1	101.4
Retained earnings	679.1	371.6	679.4
Equity attributable to equity holders of the parent	1,824.2	1,501.5	1,821.6
Non-controlling interests	1.6	2.3	1.5
Total equity	1,825.8	1,503.8	1,823.1

Taylor Wimpey plc
Condensed Consolidated Statement of Changes in Equity
For the half year ended 3 July 2011

Reviewed half year ended 3 July 2011 £ million	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total
Balance as at 1 January 2011	287.7	753.7	(0.6)	101.4	679.4	1,821.6
New share capital subscribed	-	0.1	-	-	-	0.1
Utilisation of treasury shares	-	-	0.1	-	(0.1)	-
Share based payment credit	-	-	-	-	1.7	1.7
Cash cost of share options	-	-	-	-	(0.1)	(0.1)
Exchange differences on translation of foreign operations	-	-	-	(0.2)	-	(0.2)
Increase in fair value of hedging derivatives	-	-	-	3.0	-	3.0
Actuarial gain on defined benefit pension schemes	-	-	-	-	3.5	3.5
Deferred tax charge	-	-	-	-	(1.2)	(1.2)
Transfer to Retained earnings	-	-	-	(0.1)	0.1	-
Loss for the period	-	-	-	-	(4.2)	(4.2)
Equity attributable to parent	287.7	753.8	(0.5)	104.1	679.1	1,824.2
Non-controlling interests						1.6
Total equity						1,825.8

Reviewed half year ended 4 July 2010 £ million	Share capital	Share premium	Own shares	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
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	-	-	-	-	(24.8)	(24.8)
Deferred tax credit	-	-	-	-	6.9	6.9
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
Non-controlling interests						2.3
Total equity						1,503.8

Audited year ended to 31 December 2010 £ million	Share capital	Share premium	Own shares	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
Utilisation of treasury shares	-	-	4.4	-	(4.4)	-
Share-based payment credit	-	-	-	-	2.8	2.8
Cash cost of satisfying share options	-	-	-	-	(0.4)	(0.4)
Exchange differences on translation of foreign operations	-	-	-	33.9	-	33.9
Decrease in fair value of hedging derivatives	-	-	-	(3.6)	-	(3.6)
Actuarial gain on defined benefit pension schemes	-	-	-	-	46.9	46.9
Deferred tax charge	-	-	-	-	(15.9)	(15.9)
Transfer to Retained earnings	-	-	-	(5.6)	5.6	-
Profit for the year	-	-	-	-	259.3	259.3
Equity attributable to parent	287.7	753.7	(0.6)	101.4	679.4	1,821.6
Non-controlling interests						1.5
Total equity						1,823.1

Taylor Wimpey plc
Condensed Consolidated Cash flow Statement
For the half year ended 3 July 2011

£ million	Half year ended 3 July 2011 (Reviewed)	Half year ended 4 July 2010 (Reviewed)	Year ended 31 December 2010 (Audited)
Net cash from operating activities	(58.8)	123.5	87.9
Investing activities			
Interest received	4.3	0.4	0.8
Dividends received from joint ventures	10.1	6.1	17.1
Proceeds on disposal of property, plant and investments	0.1	0.1	0.1
Purchases of property, plant and investments	(3.1)	(2.9)	(3.7)
Purchase of software	(0.1)	-	(1.0)
Amounts invested in joint ventures	-	(0.2)	(1.0)
Amounts repaid/(loaned to) joint ventures	3.6	-	(3.9)
Net cash from investing activities	14.9	3.5	8.4
Financing activities			
Cash cost of satisfying share options	(0.1)	(0.1)	(0.4)
Repayment of debenture loans	-	-	(732.4)
Increase in debenture loans	-	-	250.0
Repayment of overdrafts, bank and other loans	-	(7.5)	(348.7)
Increase in overdrafts bank and other loans	131.6	-	781.7
Net cash generated from/(used in) financing activities	131.5	(7.6)	(49.8)
Net increase in cash and cash equivalents	87.6	119.4	46.5
Cash and cash equivalents at beginning of period	183.9	132.1	132.1
Cash and cash equivalents reclassified to assets held for sale	(199.3)	-	-
Effect of foreign exchange rate changes	1.6	2.6	5.3
Cash and cash equivalents at end of period	73.8	254.1	183.9

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements

For the half year ended 3 July 2011

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 2010, which have been prepared in accordance with applicable IFRSs. The information for the year ended 31 December 2010 does not constitute statutory accounts as defined in section 434 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 498 (2) or (3) respectively of the Companies Act 2006.

The accounting policies adopted in the preparation of the half year 2011 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 2010, with the exception of the assets and liabilities that belong to the North American business, which was classified as a discontinuing operation in the period. These assets have been aggregated and presented accordingly on the balance sheet as assets held for sale and liabilities associated with assets held for sale in accordance with the requirements of IFRS 5, 'Non-current assets held for sale and discontinued operations' and have been valued at the lower of carrying amount and fair value less costs to sell.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the year ending on or after 1 January 2011 but have no material impact on the Group's financial statements:

New standards:

The accounting policies, presentation and method of computations applied by the Group in the condensed set of consolidated financial statements are consistent with those applied by the Group in its consolidated financial statements for the year ended 31 December 2010 except for the adoption of new standards and interpretations as of 1 January 2011, noted below:

- IAS 24 (revised 2009) Related Party Disclosures
- IAS 32 (amended 2009) Classification of Rights Issues
- IFRIC 14 (amended 2009) Prepayments of a Minimum Funding Requirement
- Improvements to IFRSs (issued May 2010)

The adoption of these standards and interpretations has not led to any changes to the Group's accounting policies and had no effect on the financial position or performance of the Group.

Going concern

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

The Group completed its refinancing of its debt in December 2010 and has been in full compliance with its financial covenants subsequently. Based on the Group's latest budgets and the proceeds of the disposal of the North American business 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.

In preparing these condensed set of consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were principally the same as those applied to the Group's consolidated financial statements as at and for the year ended 31 December 2010.

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the half year ended 3 July 2011

2. Operating segments

For management purposes, the Group is organised into three operating divisions – Housing United Kingdom, Housing Spain and Corporate. These divisions are the basis on which the Group reports its segment information. The North American division has been presented as a discontinuing operation following the announcement of its sale on 31 March 2011, with its total assets and associated liabilities presented separately. Further information is provided in Note 8.

For 4 July 2010 and 31 December 2010 the operating assets and liabilities of the North American operations have been presented separately as discontinued operations.

Half year ended 3 July 2011 £ million	Housing United Kingdom	Housing Spain	Corporate	Consolidated
Revenue:				
External sales	809.2	8.6	-	817.8
Result:				
Operating profit/(loss) before joint ventures and exceptional items	75.3	(1.1)	(7.3)	66.9
Share of results of joint ventures	0.3	-	-	0.3
Profit/(loss) on ordinary activities before finance costs and exceptional items and after share of results of joint ventures	75.6	(1.1)	(7.3)	67.2
Exceptional items	-	-	-	-
Profit/(loss) on ordinary activities before finance costs, after share of results of joint ventures	75.6	(1.1)	(7.3)	67.2
Net finance costs				(38.3)
Profit on ordinary activities before tax				28.9
Tax				(17.1)
Result from discontinued operations:				
Loss for the period from discontinued operations				(16.0)
Loss for the period – total Group				(4.2)

As at 3 July 2011 £ million	Housing United Kingdom	Housing Spain	Corporate	Consolidated
Assets and liabilities:				
Segment operating assets	2,774.6	87.0	9.2	2,870.8
Joint ventures	30.4	0.2	-	30.6
Segment operating liabilities	(1,088.6)	(15.7)	(134.6)	(1,238.9)
Continuing Group net operating assets/(liabilities)	1,716.4	71.5	(125.4)	1,662.5
Discontinued operations:				
Assets held for sale				1,065.5
Liabilities associated with assets held for sale				(333.6)
				731.9
Current tax (net)				2,394.4
Deferred tax (net)				(63.5)
Net debt				343.7
Net assets				(848.8)
				1,825.8

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the half year ended 3 July 2011

2. Operating segments (continued)

Half year ended 4 July 2010 (restated) £ million	Housing United Kingdom	Housing Spain and Gibraltar	Corporate	Consolidated
Revenue:				
External sales	827.1	18.9	-	846.0
Result:				
Operating profit/(loss) before joint ventures and exceptional items	62.5	(1.9)	(9.1)	51.5
Share of results of joint ventures	(0.4)	-	-	(0.4)
Profit/(loss) on ordinary activities before finance costs, after share of results of joint ventures	62.1	(1.9)	(9.1)	51.1
Exceptional items	-	-	-	-
Profit/(loss) on ordinary activities before finance costs, after share of results of joint ventures	62.1	(1.9)	(9.1)	51.1
Net finance costs (including exceptional finance costs)				(53.4)
Loss on ordinary activities before tax				(2.3)
Taxation				(4.4)
Result from discontinued operations:				
Profit for the period from discontinued operations				14.2
Profit for the period – total Group				7.5

As at 4 July 2010 (restated) £ million	Housing United Kingdom	Housing Spain and Gibraltar	Corporate	Consolidated
Assets and liabilities – continuing operations:				
Segment operating assets	2,752.1	102.0	1.8	2,855.9
Joint ventures	29.8	0.2	-	30.0
Segment operating liabilities	(1,208.1)	(13.6)	(50.6)	(1,272.3)
Continuing Group net operating assets/liabilities	1,573.8	88.6	(48.8)	1,613.6
Discontinued operations:				
Operating assets				912.8
Operating liabilities				(277.6)
				635.2
				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

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the half year ended 3 July 2011

2. Operating segments (continued)

For the year to 31 December 2010 (restated) £ million	Housing United Kingdom	Housing Spain and Gibraltar	Corporate	Consolidated
Revenue from continuing operations:				
External sales	1,736.6	31.1	-	1,767.7
Result from continuing operations:				
Operating profit/(loss) before joint ventures and exceptional items	123.3	(3.6)	(19.1)	100.6
Share of results of joint ventures	(0.3)	-	-	(0.3)
Profit/(loss) on ordinary activities before finance costs, exceptional items after share of results of joint ventures	123.0	(3.6)	(19.1)	100.3
Exceptional items	-	(17.3)	(38.2)	(55.5)
Profit/(loss) on ordinary activities before finance costs after share of results of joint ventures	123.0	(20.9)	(57.3)	44.8
Net finance costs				(199.6)
Loss on ordinary activities before tax				(154.8)
Tax				329.5
Result from discontinued operations:				
Profit for the year from discontinued operations:				84.6
Profit for the period – total Group				259.3

At 31 December 2010 (restated) £ million	Housing United Kingdom	Housing Spain and Gibraltar	Corporate	Consolidated
Assets and liabilities – continuing operations:				
Segment operating assets	2,719.4	82.6	10.3	2,812.3
Joint ventures	33.7	0.2	-	33.9
Segment operating liabilities	(1,124.5)	(12.9)	(75.0)	(1,212.4)
Continuing Group net operating assets/(liabilities)	1,628.6	69.9	(64.7)	1,633.8
Discontinued operations:				
Operating assets				900.5
Operating liabilities				(287.8)
				612.7
				2,246.5
Goodwill				2.4
Current tax (net)				(142.9)
Deferred tax (net)				371.6
Net debt				(654.5)
Net assets				1,823.1

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the half year ended 3 July 2011

3. Exceptional items

Exceptional items from continuing operations are analysed as follows:

£ million	Half year ended 3 July 2011	Half year ended 4 July 2010 (restated)	Year ended 31 December 2010 (restated)
Inventory write downs	-	-	17.3
Restructuring costs	-	-	6.5
Refinancing costs	-	-	31.7
Finance costs	-	-	83.4
Tax credit	-	-	(360.8)
Exceptional items	-	-	(221.9)

In addition to the above, there was £7.5 million of inventory write downs and a £25.1 million tax credit relating to discontinued operations in the year ended 31 December 2010.

4. Finance costs

Finance costs from continuing operations are analysed as follows:

£ million	Half year ended 3 July 2011	Half year ended 4 July 2010 (restated)	Year ended 31 December 2010 (restated)
Interest on bank overdrafts and loans	19.9	8.2	27.2
Interest on debenture loans	14.3	31.1	58.0
Movement on interest rate derivatives and exchange differences	(3.3)	(1.6)	2.4
	30.9	37.7	87.6
Unwinding of discount on land creditors and other payables	3.9	5.3	9.0
Notional net interest on pension liability	6.9	10.6	23.0
	41.7	53.6	119.6
Exceptional finance costs:			
Loan and debenture interest and similar charges	-	-	83.4
	41.7	53.6	203.0

In addition to the above, there was £3.6 million of finance costs relating to discontinued operations in the period (half year ended 4 July 2010: £6.6 million and year ended 31 December 2010: £3.2 million).

5. Tax

The tax charge of £17.1 million includes the impact of £11.1 million write down of deferred tax assets resulting from the reduction in the UK corporation tax rate to 26% from 1 April 2011 and other items that in aggregate reduce the overall half year tax charge by £1.7 million. The remaining tax charge relates to the utilisation of the deferred tax asset against profits generated in the period.

Taylor Wimpey plc
Notes to the Condensed Consolidated Financial Statements (continued)

For the half year ended 3 July 2011

6. Earnings per share

	Half year ended 3 July 2011	Half year ended 4 July 2010 (restated)	Year ended 31 December 2010 (restated)
Basic (loss)/earnings per share – total Group	(0.1p)	0.2p	8.1p
Diluted (loss)/earnings per share – total Group	(0.1p)	0.2p	7.9p
Basic earnings/(loss) per share from continuing operations	0.4p	(0.2p)	5.5p
Diluted earnings/(loss) per share from continuing operations	0.4p	(0.2p)	5.3p
Basic (loss)/earnings per share from discontinued operations	(0.5p)	0.4p	2.6p
Diluted (loss)/earnings per share from discontinued operations	(0.5p)	0.4p	2.6p
Adjusted basic earnings/(loss) per share from continuing operations	0.4p	(0.2p)	(1.5p)
Adjusted diluted earnings/(loss) per share from continuing operations	0.4p	(0.2p)	(1.4p)
Weighted average number of shares for basic and adjusted earnings/(loss) per share – million	3,195.5	3,193.8	3,193.8
Weighted average number of shares for diluted earnings/(loss) per share – million	3,284.4	3,312.3	3,297.6
Weighted average number of shares for adjusted diluted earnings/(loss) per share – million	3,284.4	3,312.3	3,297.6

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) from continuing operations 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 3 July 2011	Half year ended 4 July 2010 (restated)	Year ended 31 December 2010 (restated)
Profit/(loss) from continuing operations for basic earnings/(loss) per share and diluted loss per share	11.8	(6.7)	174.7
Exceptional items	-	-	138.9
Tax exceptional items	-	-	(360.8)
Profit/(loss) from continuing operations for adjusted basic and adjusted diluted earnings/(loss) per share	11.8	(6.7)	(47.2)

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the half year ended 3 July 2011

7. Notes to the cash flow statement

£ million	Half year ended 3 July 2011	Half year ended 4 July 2010 (restated)	Year ended 31 December 2010 (restated)
Profit on ordinary activities before finance costs			
- continued	66.9	51.5	45.1
- discontinued	34.6	24.8	76.1
Non cash exceptional items:			
Inventory write downs	-	-	24.8
Adjustments for:			
Pensions curtailment	-	(12.0)	(12.6)
Depreciation of plant and equipment	1.3	1.7	4.3
Share-based payment charge	1.7	1.1	2.8
Loss on disposal of property and plant	-	(0.1)	-
Decrease in provisions	(8.3)	(3.0)	(10.4)
Operating cash flows before movements in working capital	96.2	64.0	130.1
(Increase)/decrease in inventories	(43.4)	87.4	168.8
Increase in receivables	(3.8)	(0.2)	(42.5)
(Decrease)/increase in payables	(50.1)	(19.9)	91.9
Pension contributions in excess of charge	(12.6)	(11.8)	(119.1)
Cash (used in)/generated by operations	(13.7)	119.5	229.2
Income taxes (paid)/received	(15.4)	44.3	25.7
Interest paid including exceptional charges	(29.7)	(40.3)	(167.0)
Net cash (used in)/generated by operating activities	(58.8)	123.5	87.9

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	Overdrafts, bank & other loans	Debenture loans	Total net debt
Balance 1 January 2011	183.9	(588.4)	(250.0)	(654.5)
Cashflow	87.6	(131.6)	-	(44.0)
Cash and debt reclassified to assets held for sale	(199.3)	46.2	-	(153.1)
Foreign exchange	1.6	1.2	-	2.8
Balance 3 July 2011	73.8	(672.6)	(250.0)	(848.8)

In the period £199.3 million of cash and cash equivalents and £46.2 million of overdrafts, bank and other loans associated with the North American operations have been classified to asset held for sale.

£ million	Cash and cash equivalents	Overdrafts, bank & other 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	Overdrafts, bank & other loans	Debenture loans	Total net debt
Balance 1 January 2010	132.1	(161.1)	(721.9)	(750.9)
Cashflow	46.5	(433.0)	482.4	95.9

Foreign exchange	5.3	5.7	(10.5)	0.5
Balance 31 December 2010	183.9	(588.4)	(250.0)	(654.5)

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the half year ended 3 July 2011

8. Discontinued operations

On 13 July 2011, Taylor Wimpey plc disposed of its North America business the results of which have been presented as discontinued operations.

During the period, North America contributed £8.9 million (half year ended 4 July 2010: £12.7 million) to the Group's net operating cash flows, received £10.0 million (half year ended 4 July 2010: £5.5 million) in respect of investing activities and £31.9 million (half year ended 4 July 2010: outflow of £4.8 million) in respect of financing activities.

£ million	Half year ended 3 July 2011	Half year ended 4 July 2010	Year ended 31 December 2010
Revenue	364.3	373.3	835.6
Cost of sales	(302.0)	(319.6)	(701.5)
Exceptional inventory write downs	-	-	(7.5)
Cost of Sales	(302.0)	(319.6)	(709.0)
Gross profit	62.3	53.7	126.6
Net operating expenses	(27.7)	(28.9)	(50.5)
Profit on ordinary activities before finance costs and tax	34.6	24.8	76.1
Interest receivable	0.7	0.3	0.4
Finance costs	(3.6)	(6.6)	(3.2)
Share of results of joint ventures	4.6	3.4	10.2
Profit on ordinary activities before finance costs and exceptional items and after share of results of joint ventures	36.3	21.9	91.0
Exceptional items	-	-	(7.5)
Profit on ordinary activities before finance costs, after share of results of joint ventures	36.3	21.9	83.5
Taxation charge	(11.8)	(7.7)	(24.0)
Exceptional tax credit	-	-	25.1
Taxation (charge)/credit	(11.8)	(7.7)	1.1
Profit after tax from discontinued operations	24.5	14.2	84.6
Impairment	(24.0)	-	-
Transaction costs	(16.5)	-	-
Loss/(profit) from discontinued operations	(16.0)	14.2	84.6

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the half year ended 3 July 2011

8. Discontinued operations (continued)

An analysis of the assets and liabilities of North America as at the balance sheet date, and the comparative figures at 4 July 2010 and 31 December 2010 is set out below:

£ million	Half Year ended 3 July 2011	Half year ended 4 July 2010	Year ended 31 December 2010
Goodwill	2.4	2.5	2.4
Property, plant and equipment	2.0	2.4	2.2
Interests in joint ventures	11.8	20.0	15.8
Inventories	753.2	817.0	755.6
Trade and other receivables	117.4	73.5	126.9
Cash and cash equivalents	199.3	79.1	111.9
Trade and other payables	(230.3)	(219.9)	(239.1)
Overdrafts bank and other loans	(46.2)	(7.6)	(15.0)
Retirement benefit obligation	(4.1)	(5.2)	(4.4)
Provisions	(40.4)	(52.5)	(44.3)
Current taxation liability	(12.6)	(97.4)	(17.5)
Deferred taxation asset	3.4	6.2	5.0
Impairment	(24.0)	-	-
Net assets of discontinued operations	731.9	618.1	699.5

The Group has recorded an impairment of £24.0 million to reflect the net assets of the North American operation at fair value less costs to sell.

9. Pensions

The Group's significant defined benefit schemes were actuarially assessed for the half year 3 July 2011. In the prior period the Group closed the George Wimpey Staff Pension Scheme (GWSPS) to future accrual. This resulted in a reduction of £12.0 million in the net deficit in the results for the prior period and was reflected in the operating results for the prior period.

Following the completion of the disposal of North America on 13 July 2011, the Group made a one-off cash contribution into each of the UK defined benefit schemes £16.25 million.

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 £Nil million during the half year to 3 July 2011 (half year to 4 July 2010: £4.5 million; year to 31 December 2010: £22.8 million).

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. 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.

Taylor Wimpey plc

Notes to the Condensed Consolidated Financial Statements (continued)

For the half year ended 3 July 2011

12. Events occurring after 3 July 2011

The Group announced the completion of disposal of the North American business on 13 July 2011. The total proceeds were £731.9 million including cash balances and additional parent funding.

The North American net assets disposed of were considered to be the net assets presented as at 3 July 2011 as the movements through to 13 July 2011 were immaterial for adjustment.

The analysis of the expected year end profit from discontinued operations is as follows:

£million	
Proceeds from disposal	731.9
Net assets of discontinued operations disposed pre impairment	(755.9)
Impairment	(24.0)
Transaction costs	(16.5)
Cumulative translation gains	59.1
Profit on disposal	18.6
Profit after tax from discontinued operations	24.5
Profit from discontinued operations	43.1

The movement of the North American net assets as at 31 December 2010 of £699.5 million, as disclosed in the pro forma statement of net assets included in the Circular to Ordinary shareholders compared to the net assets disposed of £755.9 million consist of profits of £24.5 million generated in the period, capital contributions of £24.1 million and exchange movements of £7.8 million. This will result in an expected profit on disposal of £18.6 million, after the recycling of cumulative translation gains.

Taylor Wimpey plc

Statement of Directors' responsibility

For the half year ended 3 July 2011

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;
- a description of the principal risks and uncertainties for the remaining six months 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 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 2011

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 3 July 2011 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 3 July 2011 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 2011