

7 November 2011

Taylor Wimpey plc Interim Management Statement

In line with the requirements of the UK Listing Authority's Disclosure and Transparency Rules the following statement constitutes Taylor Wimpey's Interim Management Statement, covering the period from 4 July 2011 to the date of this announcement.

The Group is performing in line with our expectations. We remain firmly on course to deliver our target of a double-digit operating margin in the UK in 2012, subject to continuing stable market conditions. We expect to deliver further margin improvement in the UK beyond 2012, particularly through the development of our extensive strategic land portfolio in combination with targeted short term land acquisitions.

Current trading

Housing market conditions in the UK have remained robust despite the ongoing uncertainty in the wider economy. Although mortgage availability remains restricted, we have seen an ongoing incremental improvement since the half year results.

The more normal seasonal trading pattern over the autumn is encouraging and we have achieved an average private net reservation rate of 0.55 sales per outlet per week for the second half to date (2010 equivalent period: 0.47). Cancellation rates remain at low levels and sales prices have been stable since the half year results.

Our focus continues to be on optimising planning consents and value-engineering sites prior to opening new outlets. We are currently operating from 307 outlets, compared to 283 this time last year.

Maximising the value achieved from each home completion remains a higher priority than volume growth and we have achieved further improvement in the margin on sales in our order book. We are now fully sold for our targeted 2011 completions and are building our order book for completions in the first quarter of 2012. The current order book for future completions is 6,265 homes (week 43, 2010: 5,496 homes).

Land portfolio and planning

We have approved the purchase of 3,793 new plots on 36 new sites since the half year. We are seeing an increasing number of attractive opportunities in the land market, however we will maintain our consistent, disciplined approach to land acquisition going forward in order to maximise the quality of our land portfolio.

The strength of our strategic land portfolio is demonstrated by our ongoing success in obtaining planning consents. Successes since the half year include: detailed planning consent for 285 homes at Keynsham, near Bath; outline planning permission for 650 homes at Coppenhall East, near Crewe; and resolution to grant outline planning permission for 233 plots at West Durrington, Worthing.

We support the underlying principle in the proposed new planning system of ensuring that planning decisions involve the local communities that they affect. We have rolled out a number of initiatives on community engagement and continue to work towards aligning our business with the new requirements.

Group financial position

Net debt at 30 September was £261 million and we expect this to reduce by the year end in line with the normal seasonal pattern of home completions in the UK.

As previously announced, we bought back £82.4m of our £250m 10.375% Senior Notes due 2015 through a tender offer in September, improving the efficiency of our balance sheet.

Outlook

We will continue to prioritise value creation and margin improvement ahead of volume growth as we build our order book for 2012 completions. Although we continue to monitor the uncertainty in the wider economy, conditions within the UK housing market remain stable. With our value-focused strategy, high quality land portfolio and strong balance sheet, we are well positioned for the future.

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For further information please contact:

Taylor Wimpey plc
Pete Redfern, Group Chief Executive
Ryan Mangold, Group Finance Director
Jonathan Drake, Investor Relations

Tel: +44 (0) 7816 517039

Finsbury
Andrew Dowler

Tel: +44 (0) 20 7251 3801

Notes to editors:

Taylor Wimpey plc is a residential developer with operations in the UK and Spain. We aim to be the leading developer for creating value and delivering quality.

For further information, please visit the Group's website:
<http://plc.taylorwimpey.co.uk>