

# Taylor Wimpey plc

Results Presentation for the six months to 30 June 2009

05 August 2009

TaylorWimpey<sup>plc</sup>

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## Basis of preparation of comparative pro forma information

To assist investors in understanding the performance of the combined Taylor Wimpey plc Group, pro forma comparative analyses have been prepared, by aggregating the previously reported information of the former Taylor Woodrow plc (“TW”) and of the former George Wimpey Plc (“GW”), to illustrate the effect of the merger. The pro forma results from the two legacy businesses were prepared on the basis of their historic accounting policies as published in the 2006 financial statements of the two Groups. In aggregating the two sets of financial information, inter-Group trading between the two entities was not eliminated and fair value adjustments arising from the acquisition accounting were excluded.

# Introduction

Pete Redfern, Group Chief Executive

# Agenda

- > Introduction and operating review Pete Redfern
  - > Introduction
  - > UK Housing
  - > Taylor Morrison
- > Financial Review Chris Rickard
- > Outlook Pete Redfern

## Introduction

- > Exceptionally challenging two years with dramatic market changes and financing negotiations
- > Now seeing better than expected market conditions in our main markets
- > Within the business we have made significant steps to address:
  - > Strategic objectives at the time of the merger
  - > Areas of UK historical underperformance
  - > Impacts of changing markets
- > As a result the Group is placed to perform well through the next cycle
  - > Strengthened balance sheet
  - > Well positioned landbank in main markets
  - > Strengthened operating capability

# UK Housing Review

Pete Redfern, Group Chief Executive

## UK Housing Performance summary

|                               | H1 2009 | H1 2008 | Change % | FY 2008 |
|-------------------------------|---------|---------|----------|---------|
| Legal completions - total     | 4,702   | 6,317   | (25.6)   | 13,394  |
| Private                       | 3,854   | 4,728   | (18.5)   | 10,585  |
| Affordable                    | 840     | 1,542   | (45.5)   | 2,751   |
| JVs                           | 8       | 47      | (83.0)   | 58      |
| Ave selling price– total £000 | 153     | 177     | (13.6)   | 171     |
| Private £000                  | 163     | 202     | (19.3)   | 187     |
| Affordable £000               | 109     | 108     | 0.9      | 108     |
| PBIT £m*                      | (7.3)   | 61.0    | (112.0)  | 50.6    |
| Operating margin % †          | (1.0)   | 5.5     | (6.5)ppt | 2.2     |
| Asset turn – times            | 0.7     | 0.9     | n/a      | 0.7     |

†Operating margin is based on profit on ordinary activities before finance costs, exceptional items and amortisation of brands

\* Before exceptional items

## UK Housing 2009 market conditions

- > More positive and stable market than anticipated at beginning of year
- > Q1 showed small erosion of price across market, balanced by reduced incentives use for stock clearance
  - > Halifax House Price Index shows 3.9% fall over the first half of 2009
  - > Nationwide House Price Index shows 4.0% increase for the same period
- > Reservations ahead of industry expectations and low stock levels across industry have led to less aggressive price competition
- > Affordability has improved due to price falls and reduced cost of finance and valuation process
- > Overall market size and pricing remains constrained by finance availability
- > Early summer selling season has been solid, allowing small net price increases

## UK Housing Sales performance

|                                | H2 2009<br>(to week 30) | H1<br>2009 | H2<br>2008 | H1<br>2008 | FY<br>2007** | FY<br>2006** |
|--------------------------------|-------------------------|------------|------------|------------|--------------|--------------|
| Ave outlets open               | 360                     | 363        | 420        | 489        | 464          | 461          |
| Ave sales rate (net)           | 0.64                    | 0.65       | 0.40       | 0.65       | 0.94         | 1.18         |
| Ave sales price £000           | 165                     | 164        | 159        | 175        | 188          | 184          |
| Private sales rate (net)       | 0.60                    | 0.61       | 0.33       | 0.45       | 0.70         | 0.82         |
| Private sales price<br>£000    | 170                     | 169        | 170        | 197        | 203          | 198          |
| Cancellation rate<br>(private) | 19%                     | 19%        | 46%        | 29%        | 27%          | 22%          |
| Part exchange £m*              | n/a                     | 19         | 31         | 56         | 101          | 63           |
| Order book value £m            | 938                     | 853        | 562        | 1,199      | 1,064        | 1,316        |

> c. 40 new outlets available to open in H2, depending on market conditions (H1: 34 outlets opened)

\*Including impact of NRV provisions

\*\* pro forma

Please note: data based on reservation

## UK Housing

### Well positioned landbank – scale gives strategic choices

|                         | 30 Jun 2009   |               |            | 31 Dec 2008    |                |
|-------------------------|---------------|---------------|------------|----------------|----------------|
|                         | Owned         | Controlled    | Pipeline   | Total          | Total          |
| Detailed planning       | 40,576        | 1,585         | 0          | 42,161         | 42,053         |
| Outline planning        | 18,025        | 3,559         | 111        | 21,695         | 27,096         |
| Resolution to grant     | 2,427         | 2,995         | 590        | 6,012          | 6,260          |
| <b>Sub-total</b>        | <b>61,028</b> | <b>8,139</b>  | <b>701</b> | <b>69,868</b>  | <b>75,409</b>  |
| Allocated strategic     | 5,634         | 6,636         | 0          | 12,270         | 13,301         |
| Non allocated strategic | 23,012        | 54,047        | 250        | 77,309         | 76,774         |
| <b>Total</b>            | <b>89,674</b> | <b>68,822</b> | <b>951</b> | <b>159,447</b> | <b>165,484</b> |

- > Landbank length of c.6.5 years at current completions levels
- > Expected to return to c. 4 years over 2-3 years
- > 60% of short term plots have detailed planning (2008: 56%)
- > Strategic landbank strong and well placed with another c. 8.5 years supply

## UK Housing

### Well positioned landbank – conservative valuation

| Cost per plot £000                                     | H1 2009* | FY 2008* | FY 2007 | FY 2006 |
|--|----------|----------|---------|---------|
| Opening landbank                                       | 37       | 45       | 43      | 43      |
| Closing landbank with part of NRV allocated to WIP (a) | 35       | 37       | 45      | 43      |
| Closing landbank with entire NRV allocated to land (b) | 31       | 35       | 45      | 43      |
| Weighted average ASP in landbank                       | 165      | 149      | 186     | 181     |
| Plot cost as a % of weighted average ASP – basis (a)   | 21%      | 25%      | 24%     | 24%     |
| Plot cost as a % of weighted average ASP – basis (b)   | 19%      | 23%      | 24%     | 24%     |

- > Basis (a) - As per our accounts, NRV is part allocated to WIP
- > Basis (b) - Comparable basis to housebuilding peers

Please note: above relates to land with detailed or outline planning consent, or resolution to grant  
 \*2008/09 cost per plot is post land NRV

## UK Housing

### Well positioned landbank – improved mix

| Owned plots              | Short term landbank plots | Cost per plot £000 | Land cost per plot as a % of ASP | % of Apartments in landbank |
|--------------------------|---------------------------|--------------------|----------------------------------|-----------------------------|
| Scotland and North East  | 8,885                     | 20.1               | 12.0%                            | 8.7%                        |
| Yorkshire and North West | 7,423                     | 30.7               | 21.9%                            | 34.3%                       |
| West Midlands            | 5,784                     | 16.0               | 10.8%                            | 25.4%                       |
| <b>North Division</b>    | 22,092                    | 22.6               | 14.7%                            | 21.7%                       |
| Eastern                  | 13,139                    | 35.2               | 21.1%                            | 21.1%                       |
| South West               | 10,422                    | 34.2               | 20.8%                            | 16.6%                       |
| South East and London    | 15,375                    | 37.3               | 20.7%                            | 32.2%                       |
| <b>South Division</b>    | 38,936                    | 35.7               | 20.9%                            | 24.3%                       |
| <b>Total</b>             | 61,028                    | 31.2               | 18.9%                            | 23.3%                       |

> On basis (b) from slide 12

## UK Housing

### Strengthened operating capability – overhead efficiency

- > Admin overheads reduced by over 50% from pre-merger position
  - > Current structure has capacity to deliver c. 13-14k completions
  - > Underlying efficiency improved by structure changes
- > 23 fully staffed business units
  - > Full land and planning capability
  - > Stable for over 12 months
- > Sales cost maintained at 4% of revenue despite significantly reduced pace
  - > Structured cost reduction that will improve performance as market recovers
  - > Significant refocus on cost on value adding areas

## UK Housing

### Strengthened operating capability – sales tactics and execution

- > Sales tactics
  - > Focus sales effort when competitors are less aggressive e.g. Q3 2008 and Q1 2009
  - > Build longer order book to reduce competitive pressure e.g. now building order book for Q1 2010
  - > Sales rate per site managed at lower level than historically to improve price and margin
  - > Maintain low stock to increase customer urgency
  
- > Sales execution
  - > Tougher performance led culture
  - > Formal mystery shopper process introduced nationwide in 2008 showing double digit % improvement in 2009
  - > Continual review of incentives and pricing structures nationally on weekly basis
  - > Target spend of web/new media – reduction in classified media from 62% to 31% of spend
  - > National campaigns to drive traffic e.g. Change Your Life, FTB launches
  - > Email sales system that targets customers through existing database

## UK Housing

### Strengthened operating capability – build costs

- > Cost reductions from subcontractors range from 10-20%
- > Materials cost reductions more muted at 0-5%
- > Detailed review of all S106 sites as part of Group wide “value engineering” initiative - commenced 2008
- > Open dialogue with Local Authorities to reassess viability on a site by site basis in today’s market - exploring all avenues to make the site commercially viable e.g.
  - > Re-planning to more appropriate mix
  - > Changes in materials and specification
  - > Deferrals on S106 obligations
  - > Affordable housing provision
- > Biggest prize is product efficiency and redesign, particularly ex-Taylor Woodrow product

## UK Housing

### Strengthened operating capability – product development

- > Carried out a region by region exercise over last 2 years
- > Now trialling new standard house type portfolio for a core product range targeted at c. 70% of output
- > Matrix of footprints which have been benchmarked to ensure plot and site efficiency is delivered
  - > Separate affordable and private housetypes
  - > Includes variant floor plans with identical footprints
- > Cost efficiency
  - > Benchmarked against most efficient regional standards
  - > Includes standardised details e.g. foundations
- > Ability to adapt for compliance with future regulation, e.g.
  - > Sustainable code changes
  - > Lifetime homes

## UK Housing Summary

- > Stable market conditions with small price improvements starting to be seen
- > Well positioned landbank
  - > Good geographic mix, product mix weighted to housing
  - > Strong strategic landbank
- > Strengthened operating capability
  - > Efficient overhead base
  - > Enhanced sales tactics and execution
  - > Build cost reductions
  - > New consolidated product range
- > Robust operational structure
- > Well positioned to create value from existing and future sites

# Taylor Morrison Review

Pete Redfern, Group Chief Executive

## Taylor Morrison North America performance summary

|                                 | H1 2009 | H1 2008 | Change % | FY 2008 |
|---------------------------------|---------|---------|----------|---------|
| Legal completions               | 1,933   | 2,094   | (7.7)    | 5,421   |
| Ave selling price £000          | 183     | 166     | 10.2     | 175     |
| Ave selling price US\$000       | 275     | 326     | (15.6)   | 314     |
| Joint venture legal completions | -       | -       | -        | -       |
| PBIT £m*                        | 18.6    | 17.3    | 7.5      | 59.9    |
| PBIT margin                     | 5.2%    | 4.8%    | 0.4ppt   | 6.1%    |
| Asset turn - times              | 1.5     | 1.2     | n/a      | 1.5     |

> £ to \$ average FX for H1 2009 1.50 (H1 2008 1.97, FY 2008 1.79)

\* Before exceptional items

## Taylor Morrison 2009 US market conditions

- > January/February weak with improvement from March
- > New and existing home sales pick-up (June new home sales jump highest level since November)
- > Consumers take advantage of the first-time buyer tax credit, low interest rates and attractive home prices
- > Inventory of new build unsold homes continues to fall - down from 10.2 months to 8.8 from May to June
- > Single family starts have posted four consecutive monthly gains
- > Builder confidence in the market for newly built, single-family homes up in June to its highest level since September 2008
- > June Case-Shiller Price Index posted first monthly gain in 3 years

## Taylor Morrison Sales performance

|                                | <b>H2 2009<br/>(to week 30)</b> | <b>H1<br/>2009</b> | <b>H2<br/>2008</b> | <b>H1<br/>2008</b> | <b>FY<br/>2007*</b> | <b>FY<br/>2006*</b> |
|--------------------------------|---------------------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| Ave outlets open               | 175                             | 171                | 223                | 245                | 241                 | 218                 |
| Ave sales rate (net)           | 0.5                             | 0.6                | 0.3                | 0.5                | 0.6                 | 0.8                 |
| Ave sales price £000           | 171                             | 183                | 152                | 166                | 175                 | 212                 |
| Ave cancellation rate          | 17%                             | 18%                | 27%                | 20%                | 24%                 | 28%                 |
| Homes order book value<br>£m   | 610.6                           | 551.1              | 490.8              | 657.5              | 522.8               | 769.0               |
| Unsold complete stock<br>units | 159                             | 177                | 455                | 364                | 908                 | 1,194               |

\* Pro forma

## Taylor Morrison North America market overview

| <b>Months of supply<br/>(second hand sales)</b> | <b>Dec 2007</b> | <b>Dec 2008</b> | <b>Change<br/>%</b> | <b>Jul 2009</b> |
|---|-----------------|-----------------|---------------------|-----------------|
| Arizona   | 18.1            | 10.0            | (44.8)              | 4.6             |
| California                                      | 13.8            | 5.1             | (63.0)              | 3.6             |
| Colorado  | 7.8             | 6.1             | (21.8)              | 5.8             |
| Florida   | 28.4            | 19.5            | (31.3)              | 13.6            |
| Texas   | 6.8             | 8.4             | 23.5                | 6.7             |
| US all markets                                  | 11.4            | 13.6            | 19.2                | 10.2            |
| Ontario   | 3.3             | 6.0             | 81.8                | 2.9             |

State data reflects data for markets in which Taylor Morrison operates  
Source: MLS

## Taylor Morrison

### Well positioned landbank – scale and value

|              | Landbank plots* |               | Land values (net)# |                  | Net value per plot |                    |
|--------------|-----------------|---------------|--------------------|------------------|--------------------|--------------------|
|              | H1 2009         | FY 2008       | H1 2009<br>US\$m   | FY 2008<br>US\$m | H1 2009<br>US\$000 | H1 2008<br>US\$000 |
| Arizona      | 5,324           | 5,551         | 91.7               | 129.3            | 17.2               | 23.3               |
| California   | 1,750           | 2,049         | 150.1              | 151.1            | 85.8               | 73.7               |
| Central      | 2,335           | 2,479         | 60.7               | 58.6             | 26.0               | 23.6               |
| Florida      | 7,941           | 8,409         | 83.8               | 115.0            | 10.6               | 13.7               |
| Canada       | 6,196           | 4,169         | 165.0              | 160.6            | 26.6               | 38.5               |
| <b>Total</b> | <b>23,546</b>   | <b>22,657</b> | <b>551.3</b>       | <b>614.6</b>     | <b>23.4</b>        | <b>27.1</b>        |

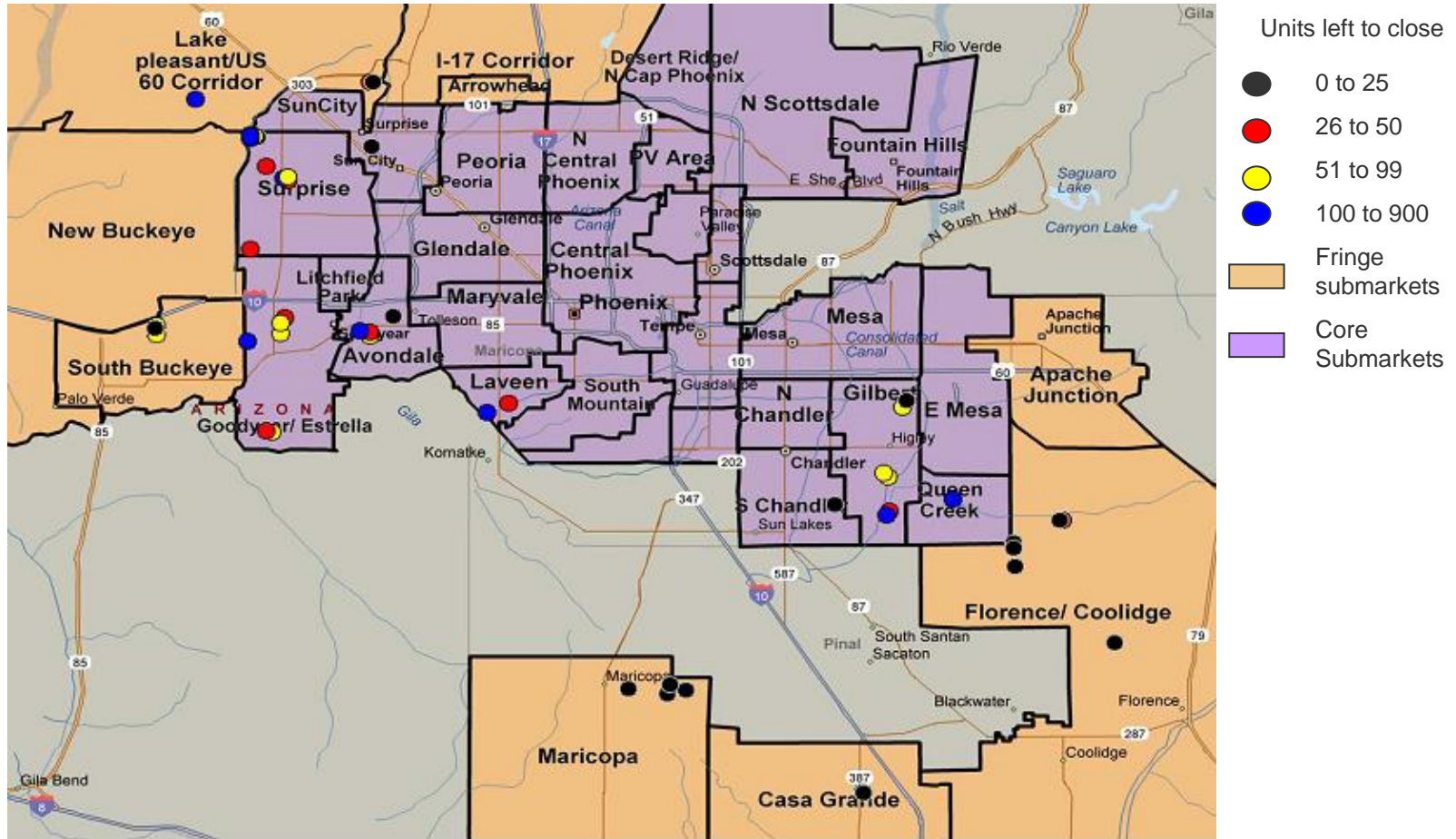
> 5.5 years supply of owned and controlled land

\* owned plots

# Land values are net of a pro-rata allocation of NRV. FV is allocated per state. Excluding lot completions. 2009 H1 lot completions are 23 (H1 2008: 634).

# Taylor Morrison

## Well positioned landbank – Phoenix example



## Taylor Morrison Strengthened operating capability – business repositioned

- > 10<sup>th</sup> largest US homebuilder
- > Strong brand position Taylor Morrison and Monarch
- > Well managed sales and stock position
  - > Sales rates maintained at steady levels throughout last 3 years
  - > No. of sites mothballed very low
  - > Stock levels very low, spec levels under control
  - > Important input from mortgage relationships through Taylor Morrison Home Financing
- > Significant build cost savings and product repositioning
- > Unique land development/ home construction positions

## Taylor Morrison Summary

- > Signs of market stability
- > Strong affordability emerging in many of our markets
- > Taylor Morrison well positioned
  - > Strong brand and customer service reputation
  - > Sites replanned, weaker locations exited
  - > Low build costs, efficient products
  - > Efficient overhead structure
- > Unique business that is emerging as one of the best respected US homebuilders

# Financial Review

Chris Rickard, Group Finance Director

## Financial review Overview

- > Summary financials
- > Pensions
- > Tax
- > Financing
- > Financial/operational objectives

## Financial review Summary 2009 results

| <b>£m</b>                                       | <b>H1 2009</b> | <b>H1 2008**</b> | <b>FY 2008</b> |
|---|----------------|------------------|----------------|
| Revenue   | 1,132.8        | 1,564.1          | 3,467.7        |
| Operating profit*                               | 1.0            | 61.8             | 86.3           |
| Operating exceptional items                     | (580.7)        | (1,546.3)        | (1,884.5)      |
| Net finance costs (including exceptional items) | (94.8)         | (67.1)           | (179.1)        |
| Share of results of joint ventures              | 1.8            | 5.0              | 7.6            |
| Loss before taxation                            | (672.7)        | (1,546.6)        | (1,969.7)      |
| Basic loss per share***                         | (43.6p)        | (102.6p)         | (136.5)        |
| Adjusted basic loss per share***                | (5.0p)         | -                | (7.2p)         |
| Tangible NAV per share ***                      | 44p            | 157p             | 120p           |

\*Profit on ordinary activities for continuing operations before finance costs, exceptional items and tax

\*\* Restated to reflect construction discontinued operations

\*\*\* 2008 restated due to shares issue

## Financial review

### Exceptional items

| £m   | H1 2009      | H1 2008        | FY 2008        |
|--|--------------|----------------|----------------|
| NRV write down                                     | 527.0        | 690.0          | 1,012.8        |
| Impairment of goodwill and other intangible assets | -            | 816.1          | 816.1          |
| Restructuring costs                                | 8.9          | 40.2           | 35.1           |
| Refinancing costs                                  | 44.8         | -              | 20.5           |
|  | <b>580.7</b> | <b>1,546.3</b> | <b>1,884.5</b> |
| Exceptional finance costs                          | 23.1         | -              | 10.5           |
| Taxation   | -            | (124.0)        | (100.0)        |
|  | <b>603.8</b> | <b>1,422.3</b> | <b>1,795.0</b> |
| Profit on disposal of construction                 |              |                | (55.6)         |
|  |              |                | <b>1,739.4</b> |

## Financial Review

### Divisional performance

|                       | H1 2009        |                          | H1 2008        |                          | H2 2008        |                          |
|-----------------------|----------------|--------------------------|----------------|--------------------------|----------------|--------------------------|
| £m                    | Revenue        | Operating profit/(loss)* | Revenue        | Operating profit/(loss)* | Revenue        | Operating profit/(loss)* |
| UK Housing            | 744.4          | (7.3)                    | 1,159.6        | 61.0                     | 1,230.5        | (10.4)                   |
| North America         | 356.1          | 18.6                     | 457.2          | 20.2                     | 682.9          | 46.3                     |
| Spain and Gibraltar   | 22.3           | (0.4)                    | 28.9           | 0.1                      | 35.0           | (3.0)                    |
| Other                 | 10.0           | (8.1)                    | 15.2           | (11.8)                   | 21.0           | (2.4)                    |
| Continuing operations | <b>1,132.8</b> | <b>2.8</b>               | <b>1,660.9</b> | <b>69.5</b>              | <b>1,969.4</b> | <b>30.5</b>              |
| Impact of FX          |                |                          | (96.8)         | (2.7)                    | (65.8)         | (3.4)                    |
| As reported           |                |                          | <b>1,564.1</b> | <b>66.8</b>              | <b>1,903.6</b> | <b>27.1</b>              |

\*Profit on ordinary activities before finance costs and exceptional items and including share of JV net earnings  
2008 results have been shown at 2009 exchange rates

## Financial review

### Cash flow summary

| £m   | H1 2009        | H1 2008          | FY 2008          |
|--|----------------|------------------|------------------|
| Operating loss* - continuing                 | (579.7)        | (1,484.5)        | (1,798.2)        |
| - discontinued                               | -              | 4.6              | 2.1              |
| - total Group                                | <b>(579.7)</b> | <b>(1,479.9)</b> | <b>(1,796.1)</b> |
| Non-cash exceptional items                   | 527.5          | 1,543.8          | 1,828.9          |
| Other non-cash items                         | 16.2           | (0.5)            | 28.4             |
| (Increase) /decrease in working capital      | (32.7)         | (222.2)          | 138.8            |
| Pension in excess of income statement charge | (12.7)         | (10.0)           | (44.1)           |
| Cash (used in)/generated by operations       | <b>(81.4)</b>  | <b>(168.8)</b>   | <b>155.9</b>     |

\*Loss on ordinary activities before finance costs

## Financial review

### Cash flow summary - continued

| £m  | H1 2009          | H1 2008          | FY 2008          |
|---|------------------|------------------|------------------|
| Cash (used in)/generated by operations                    | <b>(81.4)</b>    | <b>(168.8)</b>   | <b>155.9</b>     |
| Tax   | 115.5            | (22.2)           | 112.6            |
| Interest paid   | (109.7)          | (70.7)           | (114.9)          |
| Dividends   | -                | (3.3)            | (108.6)          |
| Own shares  | 510.1            | -                | 2.7              |
| Capex, JVs, interest received, acquisitions and disposals | (4.9)            | 3.7              | 5.8              |
| Cash flow for the year                                    | <b>429.6</b>     | <b>(261.3)</b>   | <b>53.5</b>      |
| Net debt b/f  | (1,529.3)        | (1,415.4)        | (1,415.4)        |
| FX and fair value adjustments                             | 61.9             | 1.9              | (166.0)          |
| Repayment of debentures and bank loans                    | -                | (0.6)            | (1.4)            |
| Disposals   | 4.1              | -                | -                |
| Net debt c/f  | <b>(1,033.7)</b> | <b>(1,675.4)</b> | <b>(1,529.3)</b> |

## Financial review

### Summarised balance sheet

| £m                           | H1 2009          | H1 2008          | FY 2008          |
|------------------------------|------------------|------------------|------------------|
| Intangible assets            | 2.3              | -                | -                |
| Tangible fixed assets and JV | 68.2             | 105.6            | 83.2             |
|                              | <b>70.5</b>      | <b>105.6</b>     | <b>83.2</b>      |
| Inventories                  | 4,001.1          | 5,376.1          | 4,890.6          |
| Debtors                      | 199.1            | 445.7            | 229.2            |
| Creditors                    | (1,143.1)        | (1,846.6)        | (1,512.8)        |
|                              | <b>3,057.1</b>   | <b>3,975.2</b>   | <b>3,607.0</b>   |
| Tax                          | (219.0)          | 96.0             | (100.8)          |
| Pensions                     | (357.1)          | (216.2)          | (279.8)          |
| Provisions                   | (108.8)          | (103.9)          | (107.1)          |
| Net debt                     | (1,033.7)        | (1,675.4)        | (1,529.3)        |
|                              | <b>(1,718.6)</b> | <b>(1,899.5)</b> | <b>(2,017.0)</b> |
| Net assets                   | <b>1,409.0</b>   | <b>2,181.3</b>   | <b>1,673.2</b>   |
| Gearing %                    | <b>73.4%</b>     | <b>76.8%</b>     | <b>91.4%</b>     |

## Financial review

### Pensions

|                    | H1 2009        |                |              |                | FY 2008        |                |              |                |
|--------------------|----------------|----------------|--------------|----------------|----------------|----------------|--------------|----------------|
|                    | GW             | TW             | NA           | Total          | GW             | TW             | NA           | Total          |
| Assets             | 593.5          | 635.5          | 15.1         | 1,244.1        | 606.2          | 659.2          | 15.1         | 1,280.5        |
| Liabilities        | (778.9)        | (795.6)        | (24.0)       | (1,598.5)      | (761.9)        | (771.8)        | (24.0)       | (1,557.7)      |
| <b>Net deficit</b> | <b>(185.4)</b> | <b>(160.1)</b> | <b>(8.9)</b> | <b>(354.4)</b> | <b>(155.7)</b> | <b>(112.6)</b> | <b>(8.9)</b> | <b>(277.2)</b> |

| Asset allocation | Percentage of total assets<br>H1 2009 | Percentage of total assets<br>2008 |
|------------------|---------------------------------------|------------------------------------|
| Equities         | 34%                                   | 34%                                |
| Bonds            | 28%                                   | 26%                                |
| Gilts            | 35%                                   | 37%                                |
| Other            | 3%                                    | 3%                                 |
| <b>Total</b>     | <b>100%</b>                           | <b>100%</b>                        |

The 2009 balance sheet deficit also includes a post retirement health care scheme of £2.7m (2008: £2.6m)

## Financial review

### Tax – unrecognised deferred tax assets

| <b>£m</b>           | <b>H1 2009<br/>gross</b> | <b>H1 2009<br/>tax</b> | <b>FY 2008<br/>gross</b> | <b>FY 2008<br/>tax</b> |
|---------------------|--------------------------|------------------------|--------------------------|------------------------|
| UK                  | 1,532                    | 429.0                  | 883                      | 248.3                  |
| US                  | 745                      | 290.4                  | 777                      | 303.6                  |
| Other jurisdictions | 67                       | 20.1                   | 53                       | 17.3                   |
| <b>Total</b>        | <b>2,344</b>             | <b>739.5</b>           | <b>1,713</b>             | <b>569.2</b>           |

- > The net reduction in the US deferred tax asset relates to the movement in foreign exchange rates

## Financial review

### Net debt summary

| <b>Borrowings</b>                      | <b>Facility</b> | <b>Utilised</b> |             | <b>Headroom</b> |
|--|-----------------|-----------------|-------------|-----------------|
| Fixed rate debentures (repayable 2012) |                 |                 |             |                 |
| £ Eurobonds                            | 372.3           | 372.3           |             | -               |
| US \$ Private Placements               | 319.0           | 319.0           |             | -               |
| £ Private Placements                   | 22.0            | 22.0            |             | -               |
|  | <b>713.3</b>    | <b>713.3</b>    | <b>64%</b>  | <b>-</b>        |
| Floating rate bank borrowings          |                 |                 |             |                 |
| Syndicated RCF (matures 2012)          | 1,141.3         | 329.3           |             | 812.0           |
| Term loan (matures 2012)               | 40.4            | 40.4            |             | -               |
| Overdrafts - secured                   | 45.0            | -               |             | 45.0            |
| Canada- secured                        | 23.4            | 23.4            |             | -               |
|  | <b>1,250.1</b>  | <b>393.1</b>    | <b>36%</b>  | <b>857.0</b>    |
| <b>Total Borrowings</b>                | <b>1,963.4</b>  | <b>1,106.4</b>  | <b>100%</b> | <b>857.0</b>    |
| <b>Less Cash Book Balances</b>         |                 | <b>(72.7)</b>   |             |                 |
| <b>Net debt</b>                        | <b>1,963.4</b>  | <b>1,033.7</b>  |             |                 |

## Financial review

### Financial covenants

| <b>As at 30 June 2009</b>          | <b>Value</b> | <b>Covenant</b> |
|------------------------------------|--------------|-----------------|
| Consolidated tangible net worth £m | 1,598.6      | 1,164.5         |
| Asset leverage cover               | 31.4%        | 62.7%           |
| Net operating cash flow £m         | 91.4         | (358.0)         |

> All figures exclude Canada operations, which are contractually ring-fenced

## Financial review

### Financial/ operational objectives

- > Return focus of business to value creation
- > Manage operating cash flow in H2
- > Progress management of pension liabilities
- > Evaluate options for refinancing debt
- > Ensure business properly prepared for 2010

# Group Outlook

Pete Redfern, Group Chief Executive

## Outlook UK Housing market

- > Recent trading has been encouraging, providing evidence of significant underlying demand
- > Availability of mortgage finance still constrains market size – important to remember 2009 will see only c. 70,000 homes built in the UK
- > External risks from overall economy remain but appear to have reduced somewhat
- > Supply side constraints have increased significantly
  - > Overall industry capacity reduced
  - > Land pipelines reduced
  - > ‘Lost’ volumes through lower densities and unviable sites
- > Expect to see selling prices slowly recover but be constrained by affordability. Expect volume recovery to be more constrained by supply than demand, except in short term

## Outlook

### North America housing market

#### US

- > Last three months trading have seen most stable period for three years
- > High levels of foreclosures and uncertainty of mortgage financing remain concerns, but are reducing
- > Market volume has 'shrunk' by 80% from the peak, with prices in some markets falling over 50%
- > Supply is getting back in balance
  - > Shrinking finished lot supply in many markets
  - > Low levels of builder stock on per site basis
- > Many of our markets have been hardest hit – but are also likely to bounce back most strongly – signs are emerging

#### Canada

- > Seems to have shrugged off the 'wobble' of Q4, with more robust financing conditions and tight supply leading to early stabilisation

## Outlook

### Taylor Wimpey positioning

- > Strong balance sheet with conservative land valuations
- > Well positioned landbank has scale to give operational flexibility, and good mix
  - > UK - Southerly weighting
  - > UK - Strong strategic landbank
  - > UK - Low apartments mix
  - > NA - Re-plans, selective land sales, focus on improving location and customer segments
- > Restructured to maintain overhead efficiency - all markets
- > Operating improvements of last two years will deliver value e.g. build cost and product development, sales tactics and execution
- > Order book in strong position in all markets - enables focus on price improvements and building 2010 position

## Future investor communications

- > 04 November 2009      IMS and analyst day
- > Early January 2010      Trading statement
- > March 2010      Full year results
- > April 2010      IMS and AGM

# Questions and Answers

Pete Redfern, Group Chief Executive

# Taylor Wimpey plc

Results for the six months to 30 June 2009  
Appendices

TaylorWimpey<sup>plc</sup>

## Appendices Contents

- > Group financial information
- > UK Housing financial information
- > Taylor Morrison financial information
- > Spain and Gibraltar Housing financial information

## Segmental analysis Half year 2009

|                     | Revenue        |                | PBIT*      |                | PBIT margin* |      |
|---------------------|----------------|----------------|------------|----------------|--------------|------|
|                     | £m             | Change         | £m         | Change         | 2009         | 2008 |
| UK Housing          | 744.4          | (35.8)%        | (7.3)      | (112.0)%       | (1.0)%       | 5.3% |
| North America       | 356.1          | (1.9)%         | 18.6       | 7.5%           | 5.2%         | 4.8% |
| Spain & Gibraltar   | 22.3           | (15.5)%        | (0.4)      | (233.3)%       | (1.8)%       | 1.1% |
| Corporate and other | 10.0           | 34.2%          | (8.1)      | (31.4)%        |              |      |
| <b>Total</b>        | <b>1,132.8</b> | <b>(27.6)%</b> | <b>2.8</b> | <b>(95.8)%</b> |              |      |

\* Profit / (loss) on ordinary activities before exceptional items and finance costs, including share of results of joint ventures

## Group Completions Half year 2009

|                              | Completions  |               | Ave selling price |         |
|------------------------------|--------------|---------------|-------------------|---------|
|                              | No           | Change*       | £000              | Change* |
| UK private                   | 3,854        | (18)%         | 163               | (19)%   |
| UK affordable                | 840          | (46)%         | 109               | 1%      |
| UK joint ventures            | 8            | (83)%         | 255               | (7)%    |
| UK total                     | 4,702        | (26)%         | 153               | (13)%   |
| US                           | 1,279        | (23.7)%       | 173               | 12.3%   |
| Canada                       | 654          | 56.8%         | 203               | (4.7)%  |
| North America joint ventures | -            | -             | -                 | -       |
| North America total          | 1,933        | (7.7)%        | 183               | 10.2%   |
| Spain & Gibraltar            | 72           | (13.3)%       | 288               | (7.1)%  |
| <b>Group total</b>           | <b>6,707</b> | <b>(21.0)</b> |                   |         |

\*Change from 2008 H1 comparative

## Group reservations

| £m                  | Reservations |               | Ave outlets |         | Per outlet / per week |         |
|---------------------|--------------|---------------|-------------|---------|-----------------------|---------|
|                     | H1 2009      | H1 2008       | H1 2009     | H1 2008 | H1 2009               | H1 2008 |
| UK private          | 5,649        | 5,718         | 358         | 483     | 0.61                  | 0.46    |
| UK affordable       | 506          | 2,518         |             |         |                       |         |
| UK total            | 6,155        | 8,236         |             |         |                       |         |
| US                  | 2,399        | 2,469         | 150         | 219     | 0.6                   | 0.4     |
| Canada              | 575          | 589           | 21          | 26      | 1.1                   | 0.9     |
| North America Total | 2,974        | 3,058         | 171         | 245     | 0.7                   | 0.5     |
| Spain and Gibraltar | 61           | 69            | 17          | 24      | 0.14                  | 0.1     |
| <b>Group total</b>  | <b>9,190</b> | <b>(19.1)</b> |             |         |                       |         |

## Consolidated net finance cost

| £m                              | H1 2009 | H1 2008 | FY 2008 |
|---------------------------------|---------|---------|---------|
| Interest on borrowings          | 63.2    | 59.0    | 127.9   |
| Interest receivable             | (4.8)   | (2.0)   | (8.5)   |
| <b>Sub-total</b>                | 58.4    | 57.0    | 119.4   |
| Pensions                        | 16.7    | 3.1     | 11.7    |
| Derivatives and FX              | (13.6)  | (6.4)   | 10.8    |
| Land creditors and other        | 10.2    | 13.4    | 26.7    |
| <b>Total net finance cost *</b> | 71.7    | 67.1    | 168.6   |

\* Pre-exceptional

## 2009 taxation

| <b>£m</b>          | <b>Pre-<br/>exceptional</b> | <b>Exceptional</b> | <b>Post-<br/>exceptional</b> |
|--------------------|-----------------------------|--------------------|------------------------------|
| Result before tax* | (70.7)                      | (603.8)            | (674.5)                      |
| Tax charge         | (9.2)                       | -                  | (9.2)                        |
| Tax rate %         | (13.0)%                     | -                  | (1.4)%                       |

- > The tax charge of £9.2m is primarily due to tax expense incurred in Canada where the Group continues to be profitable

\* Excluding joint ventures

## Exchange rates

| FX rates | H1 2009 |      | FY 2008 |          | H1 2008 |      |
|----------|---------|------|---------|----------|---------|------|
|          | Ave     | End  | Ave     | Year end | Ave     | End  |
| US \$    | 1.50    | 1.65 | 1.79    | 1.44     | 1.97    | 1.99 |
| CA \$    | 1.80    | 1.91 | 1.94    | 1.77     | 1.99    | 2.01 |
| Eur      | 1.12    | 1.17 | 1.24    | 1.03     | 1.28    | 1.26 |

## Net operating assets by market

| £m                        | 30 Jun 2009    | 30 Jun 2008    | % change       | 31 Dec 2008    |
|---------------------------|----------------|----------------|----------------|----------------|
| UK Housing                | 2,027.6        | 3,206.1*       | (36.8)%        | 2,585.7        |
| US Housing                | 436.8          | 497.5          | (12.2)%        | 546.7          |
| Canada Housing            | 124.6          | 130.2          | (4.3)%         | 131.1          |
| Spain & Gibraltar Housing | 117.8          | 104.4          | 12.8%          | 128.0          |
| Total Housing             | 2,706.8        | 3,938.2        | (31.3)%        | 3,391.5        |
| Corporate                 | (47.4)         | (108.0)**      | (56.1)%        | (88.2)         |
| <b>Total</b>              | <b>2,659.4</b> | <b>3,830.2</b> | <b>(30.6)%</b> | <b>3,303.3</b> |

Net operating assets exclude goodwill, current tax, deferred tax and net debt

\*Restated to include pension deficit previously included in construction

\*\*Restated to include assets of retained construction business

## Group Housing landbank

| <b>H1 2009</b>                   | <b>UK</b> | <b>Taylor Morrison</b> | <b>Spain &amp; Gibraltar</b> | <b>Total</b> |
|----------------------------------|-----------|------------------------|------------------------------|--------------|
| <b>Landbank (with planning*)</b> |           |                        |                              |              |
| Owned                            | 61,028    | 23,546                 | 1,887                        | 86,461       |
| Controlled                       | 8,139     | 5,269                  | 168                          | 13,576       |
| Total landbank                   | 69,167    | 28,815                 | 2,055                        | 100,037      |
| Landbank years                   | 5.9       | 5.5                    | 10.1                         | 5.8          |
| <b>FY 2008</b>                   |           |                        |                              |              |
| <b>Landbank (with planning*)</b> |           |                        |                              |              |
| Owned                            | 67,552    | 22,657                 | 1,953                        | 92,162       |
| Controlled                       | 7,365     | 6,521                  | 168                          | 14,054       |
| Total landbank                   | 74,917    | 29,178                 | 2,121                        | 106,216      |
| Landbank years                   | 5.6       | 5.4                    | 9.9                          | 5.6          |

\* Includes land with detailed or outline planning or resolution to grant

## Land disposals

| <b>£m</b>             |                     | <b>H1 2009</b> | <b>FY 2008</b> |
|-----------------------|---------------------|----------------|----------------|
| <b>Proceeds</b>       | UK                  | 6.9            | 58.0           |
|                       | North America       | 1.8 ***        | 39.0           |
|                       | Spain and Gibraltar | -              | -              |
|                       | <b>Total</b>        | <b>8.7</b>     | <b>97.0</b>    |
| <b>Profit/ (loss)</b> | UK**                | (3.4)          | (2.2)          |
|                       | North America       | 0.1            | 4.4            |
|                       | Spain and Gibraltar | -              | -              |
|                       | <b>Total</b>        | <b>(3.3)</b>   | <b>2.2</b>     |

In line with the former Taylor Woodrow policy, land disposals are included in revenue and cost of sales.

\*\* Does not include any land provision releases

\*\*\* 30/06/09 closing foreign exchange rate of US\$ 1.65 to GBP used. 31/12/08 closing foreign exchange rate of 1.44 US\$ to GBP used

## UK Housing Revenue analysis

|                |            | 2009  | 2008  |       |        |
|----------------|------------|-------|-------|-------|--------|
|                |            | H1    | H1    | H2    | FY     |
| Private        | volume*    | 3,854 | 4,728 | 5,857 | 10,585 |
|                | ASP £000   | 163   | 202   | 175   | 187    |
|                | revenue £m | 629   | 954   | 1,025 | 1,979  |
| Affordable     | volume*    | 840   | 1,542 | 1,209 | 2,751  |
|                | ASP £000   | 109   | 108   | 107   | 108    |
|                | revenue £m | 91    | 167   | 129   | 296    |
| Other          | revenue £m | 24    | 40    | 74    | 114    |
| <b>Total</b>   | volume*    | 4,694 | 6,270 | 7,066 | 13,336 |
|                | ASP £000   | 153   | 179   | 163   | 171    |
|                | revenue £m | 744   | 1,160 | 1,230 | 2,390  |
| Joint Ventures | volume     | 8     | 47    | 11    | 58     |

\* Excludes JVs

## UK Housing Margin analysis

|  | 2009  | 2008  |       |         |
|--|-------|-------|-------|---------|
|  | H1    | H1    | H2    | FY      |
| Revenue £m                             | 744   | 1,160 | 1,230 | 2,390   |
| Land cost £m                           | (161) | (293) | (343) | (636)   |
| Build cost £m                          | (501) | (666) | (768) | (1,434) |
| Gross profit £m                        | 82    | 201   | 119   | 320     |
| Gross margin %                         | 11.0  | 17.3  | 9.6   | 13.4    |
| Direct Selling £m                      | (33)  | (51)  | (49)  | (100)   |
| Overhead costs £m                      | (55)  | (91)  | (78)  | (169)   |
| Share of JV (loss)/profit after tax £m | (1)   | 2     | (2)   | -       |
| PBIT* £m                               | (7)   | 61    | (10)  | 51      |
| Operating margin**%                    | (1.1) | 5.5   | (0.8) | 2.2     |

\*Before exceptional items

\*\*Operating margin is based on (loss)/profit on ordinary activities before finance costs, exceptional items and amortisation of brands

## UK Housing Capital employed (excludes tax and intercompany)

|                              | 30 Jun 2009  | 30 Jun 2008  | 31 Dec 2008  |
|------------------------------|--------------|--------------|--------------|
| Fixed assets                 | 6            | 9            | 7            |
| Investment in joint ventures | 39           | 51           | 45           |
| Stocks                       |              |              |              |
| Land                         | 2,444        | 3,222        | 2,857        |
| WIP                          | 650          | 1,151        | 873          |
| Other                        | 28           | 34           | 27           |
| Total stocks                 | 3,122        | 4,407        | 3,757        |
| Debtors                      | 127          | 231          | 155          |
| Creditors                    |              |              |              |
| Land                         | (365)        | (583)        | (553)        |
| Other*                       | (850)        | (781)        | (787)        |
| Total creditors              | (1,215)      | (1,364)      | (1,340)      |
| Provisions                   | (51)         | (60)         | (39)         |
| <b>Capital employed</b>      | <b>2,028</b> | <b>3,274</b> | <b>2,585</b> |

\*31 December 2008 balance includes TW pension deficit of £268.3m

## UK Housing WIP pipeline

### Private plots build status (plots)

|               | Sold*      |            | Unsold – split by build stage |           |            |                | Total under build |
|---------------|------------|------------|-------------------------------|-----------|------------|----------------|-------------------|
|               | All stages | Foundation | Superstructure                | Roof tile | Second Fix | Build complete | All stages        |
| <b>Jun 09</b> | 2,915      | 1,241      | 597                           | 537       | 355        | 280            | 3,010             |
| <b>Mar 09</b> | 2,478      | 1,506      | 689                           | 739       | 387        | 525            | 3,846             |

| Estimated value private WIP £m | Jun 09     | Mar 09     |
|--------------------------------|------------|------------|
| Sold**                         | 219        | 186        |
| Unsold**                       | 179        | 237        |
| Showhomes**                    | 53         | 57         |
| Infrastructure                 | 451        | 478        |
| <b>Total</b>                   | <b>902</b> | <b>958</b> |

\*Excludes plots where foundations not complete

\*\* Includes estimated infrastructure value relating to these plots

## UK Housing Private development product mix

| Completions %        | 2009       | 2008       |            | FY         |
|----------------------|------------|------------|------------|------------|
|                      | H1         | H1         | H2         |            |
| Apartments           | 38         | 34         | 34         | 34         |
| 1 / 2 / 3 bed houses | 32         | 35         | 36         | 36         |
| 4 / 5 bed houses     | 30         | 31         | 30         | 30         |
| <b>Total</b>         | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> |

> Current landbank is only 23% apartments

## UK Housing Private development activity analysis

|                                 | 2009 | 2008 |     |     |
|---------------------------------|------|------|-----|-----|
|                                 | H1   | H1   | H2  | FY  |
| Average house size sq ft        | 972  | 947  | 995 | 973 |
| Average selling price (£/sq ft) | 168  | 211  | 177 | 192 |

## UK Housing Private development geographic mix

|                | H1 2009      |             | FY 2008       |             |
|----------------|--------------|-------------|---------------|-------------|
|                | Completions  | ASP<br>£000 | Completions   | ASP<br>£000 |
| North          | 1,707        | 154         | 4,570         | 171         |
| South          | 2,147        | 170         | 6,015         | 200         |
| Total          | 3,854        | 163         | 10,585        | 187         |
| Joint Ventures | 8            | 255         | 58            | 258         |
| <b>Total</b>   | <b>3,862</b> | <b>163</b>  | <b>10,643</b> | <b>186</b>  |

## UK Housing Private development price mix\*

| %            | 2009       | 2008       |            | FY         |
|--------------|------------|------------|------------|------------|
|              | H1         | H1         | H2         |            |
| £51 – 100k   | 17         | 3          | 12         | 8          |
| £101 – 150k  | 34         | 26         | 31         | 29         |
| £151 – 200k  | 27         | 31         | 29         | 30         |
| £201 – 250k  | 14         | 20         | 17         | 18         |
| £251 – 300k  | 4          | 10         | 6          | 8          |
| £301 – 500k  | 4          | 9          | 5          | 6          |
| £500k +      | 0          | 1          | -          | 1          |
| <b>Total</b> | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> |

\*Based on legal completions

## UK Housing Regional landbank data

| <b>H1 2009</b>   | <b>North</b> | <b>South</b> | <b>Total</b> |
|--|--------------|--------------|--------------|
| Total plots owned and controlled with consent or resolution to grant | 24,915       | 44,252       | 69,167       |
| Land years   | 5.4          | 6.2          | 5.9          |
| Strategic land – plots   | 33,709       | 55,870       | 89,579       |

### **FY 2008**

|  |        |        |        |
|--|--------|--------|--------|
| Total plots owned and controlled with consent or resolution to grant | 26,966 | 47,951 | 74,917 |
| Land years   | 5.4    | 5.8    | 5.6    |
| Strategic land – plots   | 35,598 | 53,796 | 89,394 |

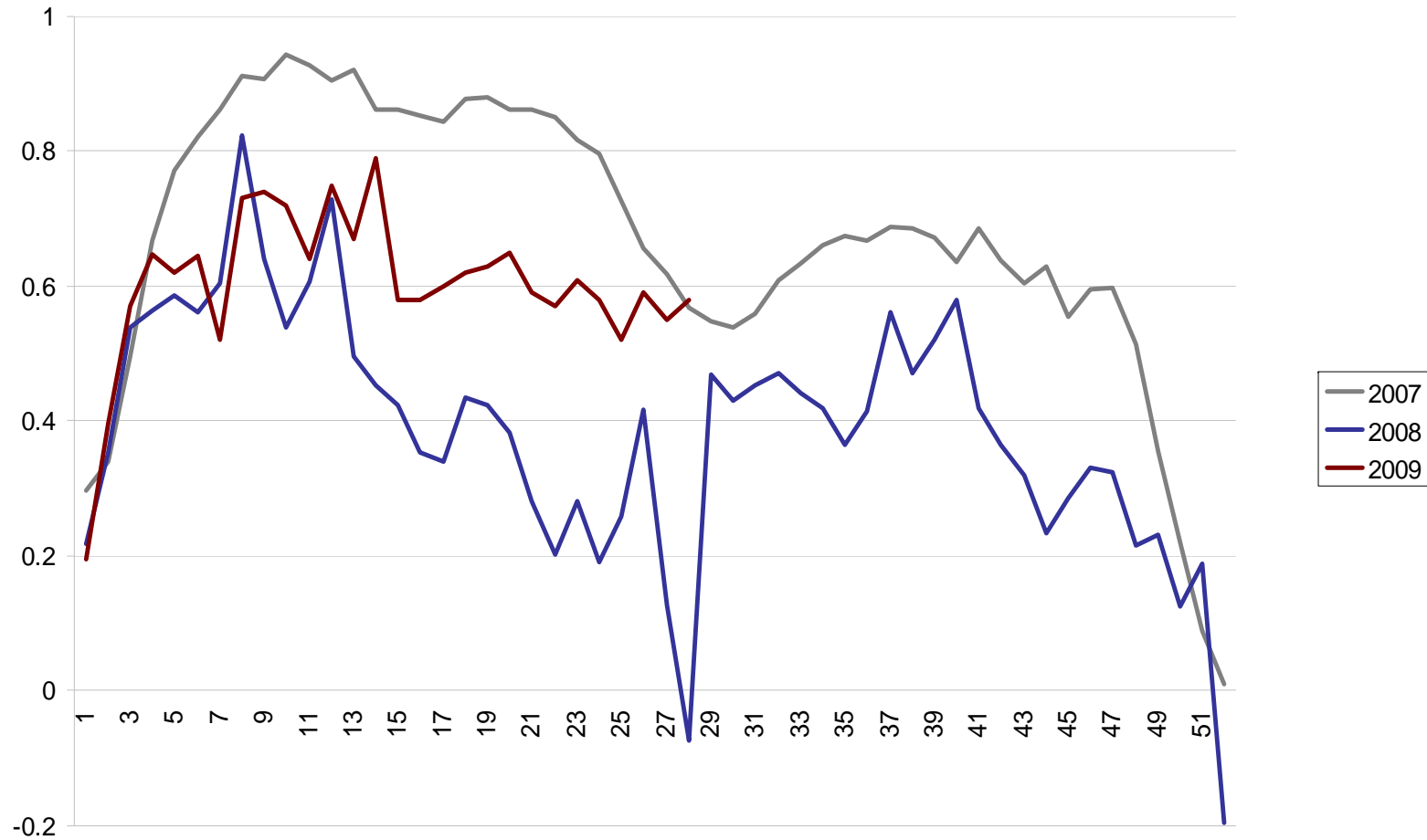
## UK Housing

### Land spend commitments as at June 2009

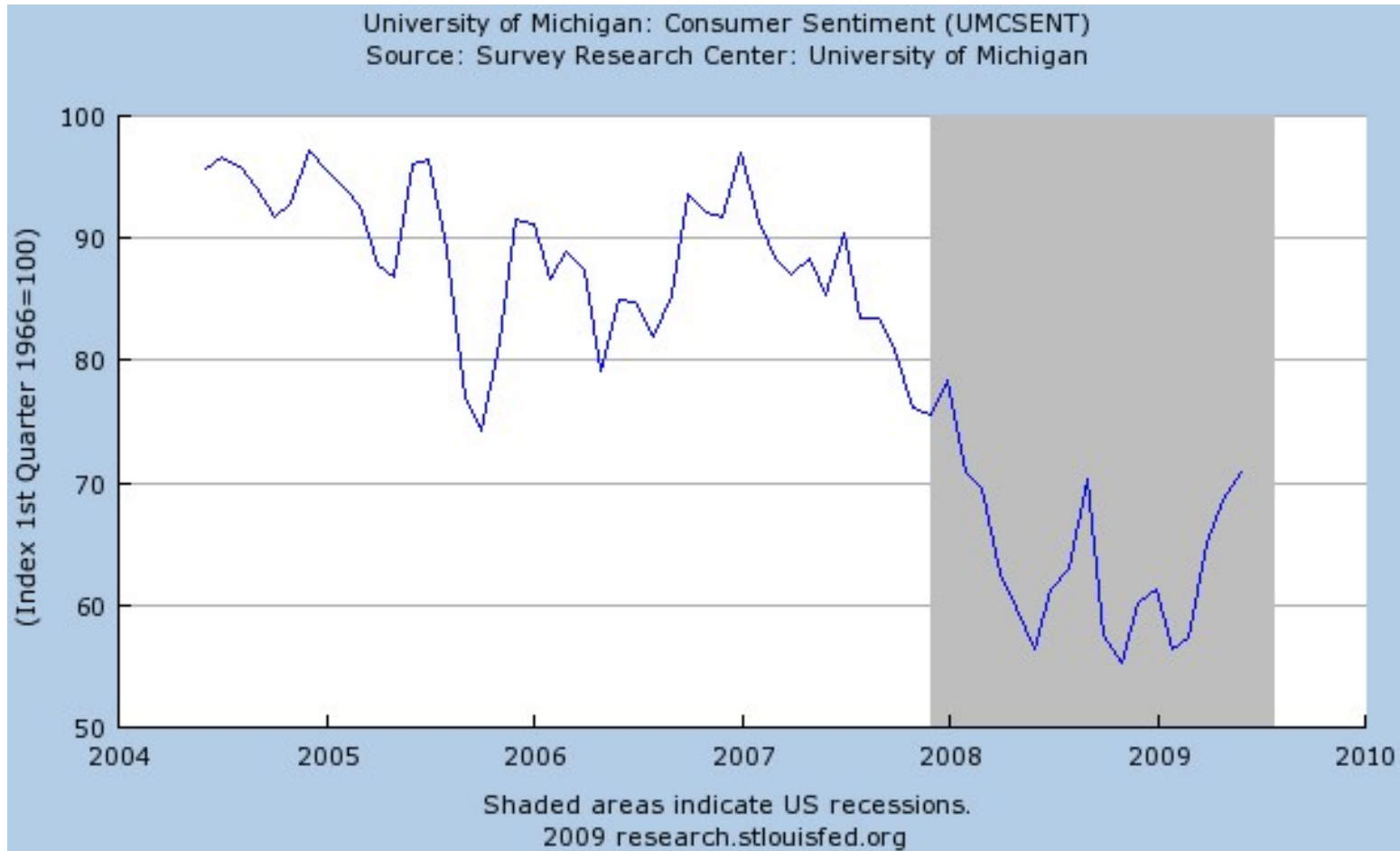
|   | Actual<br>2008<br>£m | Estimated<br>2009<br>£m | Estimated<br>FY 2010<br>£m |
|---|----------------------|-------------------------|----------------------------|
| Payments made to date   | 538                  | 213                     |                            |
| Expected payments in respect of unconditional contracts as at June 2009 | -                    | 55                      |                            |
| Expected payments in respect of conditional contracts as at June 2009   | -                    | 24                      |                            |
| <b>Total</b>  | 538                  | 290                     | 182                        |
| Expected land spend as at 31 March 2009                                 | 538                  | 290                     | 156                        |
| Expected land spend as at 2 July 2008                                   | 575                  | 450                     |                            |

Note: numbers are rounded

# UK Housing Private development average weekly sales rates



## Taylor Morrison Consumer Confidence



## Taylor Morrison North America market overview – national outlook

|  | 2008    | 2009 (f) | 2010 (f) | 2011 (f) |
|--|---------|----------|----------|----------|
| Unemployment rate – civilian           | 5.8%    | 9.3%     | 9.8%     | 9.2%     |
| CPI –urban consumers                   | 3.8%    | (0.4)%   | 1.7%     | 1.4%     |
| Federal Funds Rate                     | 1.93%   | 0.16%    | 0.13%    | 0.25%    |
| 30-year fixed rate mortgages           | 6.04%   | 5.22%    | 5.45%    | 5.79%    |
| Change in single family starts         | (40.3)% | (29.3)%  | 33.8%    | 53.4%    |
| New single family sales (000s)         | 479     | 367      | 525      | 806      |
| Change in new single family sales      | (37.6)% | (23.7)%  | 42.9%    | 53.6%    |
| Change in existing single family sales | (12.4)% | (0.3)%   | 17.8%    | 18.3%    |

Source: NAHB/Housing Economics as at 23 July 2009

## Taylor Morrison North America market overview

| <b>Median existing home price</b> | <b>2005</b> | <b>April 2009</b> | <b>Change %</b> |
|-----------------------------------|-------------|-------------------|-----------------|
| Arizona                           | \$240,400   | \$118,000         | (50.9)          |
| California                        | \$520,000   | \$305,929         | (41.2)          |
| Colorado                          | \$240,000   | \$200,000         | (16.7)          |
| Florida                           | \$260,225   | \$151,973         | (41.6)          |
| Texas                             | \$150,992   | \$167,050         | 10.6            |
| US all markets                    | \$219,000   | \$172,900         | (21.1)          |
| Ontario                           | C\$290,219  | C\$287,100        | (1.1)           |

- > State data reflects data for markets in which Taylor Morrison operates
- > Distressed home sales continue to place negative pricing pressure on most markets and therefore median home pricing is now based on foreclosure pricing

Source: John Burns for US (released April 09), and PMA for Canada

## Taylor Morrison North America market overview

| Total single family permits<br>(starts for Canada) | 2005      | 2008    | Change<br>% | 2009<br>Projection |
|--|-----------|---------|-------------|--------------------|
| Arizona  | 60,926    | 13,994  | (77.0)      | 6,500              |
| California   | 15,300    | 3,179   | (79.2)      | 11,650             |
| Colorado   | 17,760    | 3,894   | (78.1)      | 2,500              |
| Florida  | 17,050    | 2,874   | (83.1)      | 12,025             |
| Texas  | 34,276    | 18,154  | (47.0)      | 26,200             |
| US all markets                                     | 1,668,478 | 576,500 | (65.4)      | 350,000            |
| Ontario  | 10,393    | 8,060   | (22.4)      | 17,850             |

Source: Hanley Wood Market Snapshot and Dec. 31<sup>st</sup>, 2008 (US); Canada Mortgage and Housing Corporation  
www.cmhc.ca/ (Canada)  
State data reflects data for markets in which Taylor Morrison operates.

## Taylor Morrison North America market overview

| Delinquencies  | Q4 2007   | Q4 2008   | Change % | Q1 2009   |
|----------------|-----------|-----------|----------|-----------|
| Arizona        | 27,313    | 63,761    | 133.4    | 79,080    |
| California     | 154,206   | 325,252   | 110.9    | 388,279   |
| Colorado       | 22,697    | 30,736    | 35.0     | 34,601    |
| Florida        | 127,092   | 232,996   | 83.3     | 265,748   |
| Texas          | 108,523   | 147,117   | 35.6     | 134,977   |
| US all markets | 1,261,200 | 2,009,090 | 59.2     | 2,854,000 |

- > Delinquencies Above are Defined as Monthly Average Number of 60+ Days Delinquent Loans (Prime and Sub-Prime). This is Believed to Be the More Pure Measure of Mortgage Defaults (i.e., not impacted by Government intervention or General Bank Sentiment as has been the case with Auctions, Foreclosures, and REOs)

Source: [http://www.hopenow.com/state\\_data.html](http://www.hopenow.com/state_data.html)

Year end data stated as monthly averages for the specified quarter.

State data reflects data for markets in which Taylor Morrison operates.

## Taylor Morrison North America Market Overview

| <b>Affordability ratio</b> | <b>2005</b> | <b>2008</b> | <b>Change ppt</b> | <b>2009</b> |
|----------------------------|-------------|-------------|-------------------|-------------|
| Arizona                    | 52.5%       | 69.4%       | 16.9              | 84.3%       |
| California                 | 19.9%       | 40.7%       | 20.8              | 60.1%       |
| Colorado                   | 56.2%       | 64.7%       | 8.5               | 73.8%       |
| Florida                    | 35.2%       | 48.5%       | 13.3              | 68.1%       |
| Texas                      | 61.2%       | 59.6%       | (1.6)             | 66.2%       |
| Us all markets             | 46.6%       | 54.0%       | 7.4               | 61.9%       |
| Ontario                    | 25.6%       | 24.9%       | (0.7)             | 24.6%       |

Source:

(US) Hanley Wood Market Snapshot (The percentage of households that can afford the median priced existing home. 20% down, 30-yr fixed. Total monthly payment cannot exceed 30% of gross household income.).

(Canada) PMA & CMHC (The percentage of Average Sales Price represented by the Average Household Income.)

State data reflects data for markets in which Taylor Morrison operates.

## Taylor Morrison Regional overviews

### > California

- > Resale transactions doubling year on year, with months of supply down to stable levels in our key sub-markets
- > State budget concerns remain - spending cuts?
- > May and June show strong sales for Taylor Morrison
- > Greatest strength at affordable end of market
- > Taylor Morrison principally homebuilder

### > Arizona

- > Last market to show material price erosion, now stable
- > Resale listing down to 5 months from peak of c.18 months in 2007
- > Finished lot supply limited in preferred sub-markets
- > Taylor Morrison strong landbank position, strong competitive position, both homebuilder and land developer

## Taylor Morrison Regional overviews

- > Texas
  - > Has remained relatively stable, low level price erosion
  - > Delinquency/foreclosure pressure has reduced already
  - > Remains affordable housing market
  - > Taylor Morrison both land developer and builder
  
- > Florida
  - > Weakest market over last 3 years
  - > Tourism levels have been hit but now recognising recovery
  - > Has returned to being “an affordable market in the sun”
  - > Foreclosure levels high, but stock now being cleared much more quickly
  - > Taylor Morrison land developer and builder with good land position

## Taylor Morrison Business overview - Canada

- > Low rise
  - > Price decreases in Q4/Q1 followed by solid spring with respect to volume and pricing
  - > Modest improvement in affordability
  - > Months of supply back to attractive level (vs. 2008)
  - > Market leader in Toronto & Ottawa with market share of 4.4% and 7.7% respectively
  - > Attractive long term landbank
  
- > High rise
  - > Large component of new home construction (at, or above, 50%)
  - > Competition places pressure on ability to raise prices
  - > Favorably positioned sites for Taylor Morrison

## Taylor Morrison Revenue analysis

|                |            | 2009  | 2008  |       |       |
|----------------|------------|-------|-------|-------|-------|
|                |            | H1    | H1    | H2    | FY    |
| US             | volume     | 1,279 | 1,677 | 2,535 | 4,212 |
|                | ASP £000   | 173   | 154   | 158   | 163   |
|                | revenue £m | 221   | 258   | 427   | 685   |
| Canada         | volume     | 654   | 417   | 792   | 1,209 |
|                | ASP £000   | 203   | 213   | 212   | 220   |
|                | revenue £m | 133   | 89    | 177   | 266   |
| Other          | revenue £m | 2     | 16    | 15    | 31    |
| <b>Total</b>   | volume     | 1,933 | 2,094 | 3,327 | 5,421 |
|                | ASP £000   | 183   | 166   | 171   | 175   |
|                | revenue £m | 356   | 363   | 619   | 982   |
| Joint Ventures | volume     | -     | -     | -     | -     |

## Taylor Morrison US financial summary

|                                 | H1 2009 | H1 2008 | Change % | FY 2008 |
|---------------------------------|---------|---------|----------|---------|
| Legal completions               | 1,279   | 1,677   | (23.7)   | 4,212   |
| Ave selling price £000          | 173     | 154     | 12.3     | 163     |
| Homes revenue £m                | 221.2   | 258.0   | (14.3)   | 684.5   |
| Other revenue £m                | (0.2)   | 11.5    | (101.7)  | 26.4    |
| Total revenue £m                | 221.0   | 269.5   | (18.0)   | 710.9   |
| Joint venture legal completions | -       | -       | -        | -       |
| PBIT £m*                        | (8.4)   | 4.9     | (271.4)  | 15.8    |
| PBIT margin                     | (3.8)%  | 1.8%    | (5.6)ppt | 2.2%    |

\* Before exceptional items

## Taylor Morrison Canada financial summary

|                                 | H1 2009 | H1 2008 | Change % | FY 2008 |
|---------------------------------|---------|---------|----------|---------|
| Legal completions               | 654     | 417     | 56.8     | 1,209   |
| Ave selling price £000          | 203.4   | 213.0   | (4.5)    | 219.9   |
| Homes revenue £m                | 132.9   | 88.8    | 49.7     | 265.7   |
| Other revenue £m                | 2.2     | 4.6     | (52.2)   | 5.0     |
| Total revenue £m                | 135.1   | 93.4    | 44.6     | 270.7   |
| Joint venture legal completions | -       | -       | -        | -       |
| PBIT £m                         | 26.9    | 12.4    | 116.9    | 44.1    |
| PBIT margin                     | 19.9%   | 13.3%   | 6.6 ppt  | 16.3%   |

## Taylor Morrison Margin analysis

|                                 | <b>2009</b> | <b>2008</b> |           |           |
|---------------------------------|-------------|-------------|-----------|-----------|
|                                 | <b>H1</b>   | <b>H1</b>   | <b>H2</b> | <b>FY</b> |
| Revenue £m                      | 356.1       | 363.0       | 618.6     | 981.6     |
| Land cost* £m                   | (53.3)      | (62.3)      | (159.0)   | (221.3)   |
| Development cost £m             | (34.9)      | (37.8)      | (78.4)    | (116.2)   |
| Build cost £m                   | (203.5)     | (202.1)     | (280.0)   | (482.1)   |
| Other net income £m             | 5.7         | 10.0        | 9.8       | 19.8      |
| Gross profit £m                 | 70.1        | 70.7        | 111.2     | 181.9     |
| Gross margin %                  | 19.7        | 19.5        | 18.0      | 18.5      |
| Direct selling £m               | (20.9)      | (16.3)      | (36.3)    | (52.6)    |
| Overhead costs £m               | (33.1)      | (40.5)      | (36.8)    | (77.3)    |
| Share of JV profit after tax £m | 2.5         | 3.4         | 4.4       | 7.8       |
| PBIT £m                         | 18.6        | 17.3        | 42.6      | 59.9      |
| Operating margin %              | 5.2         | 4.8         | 6.9       | 6.1       |

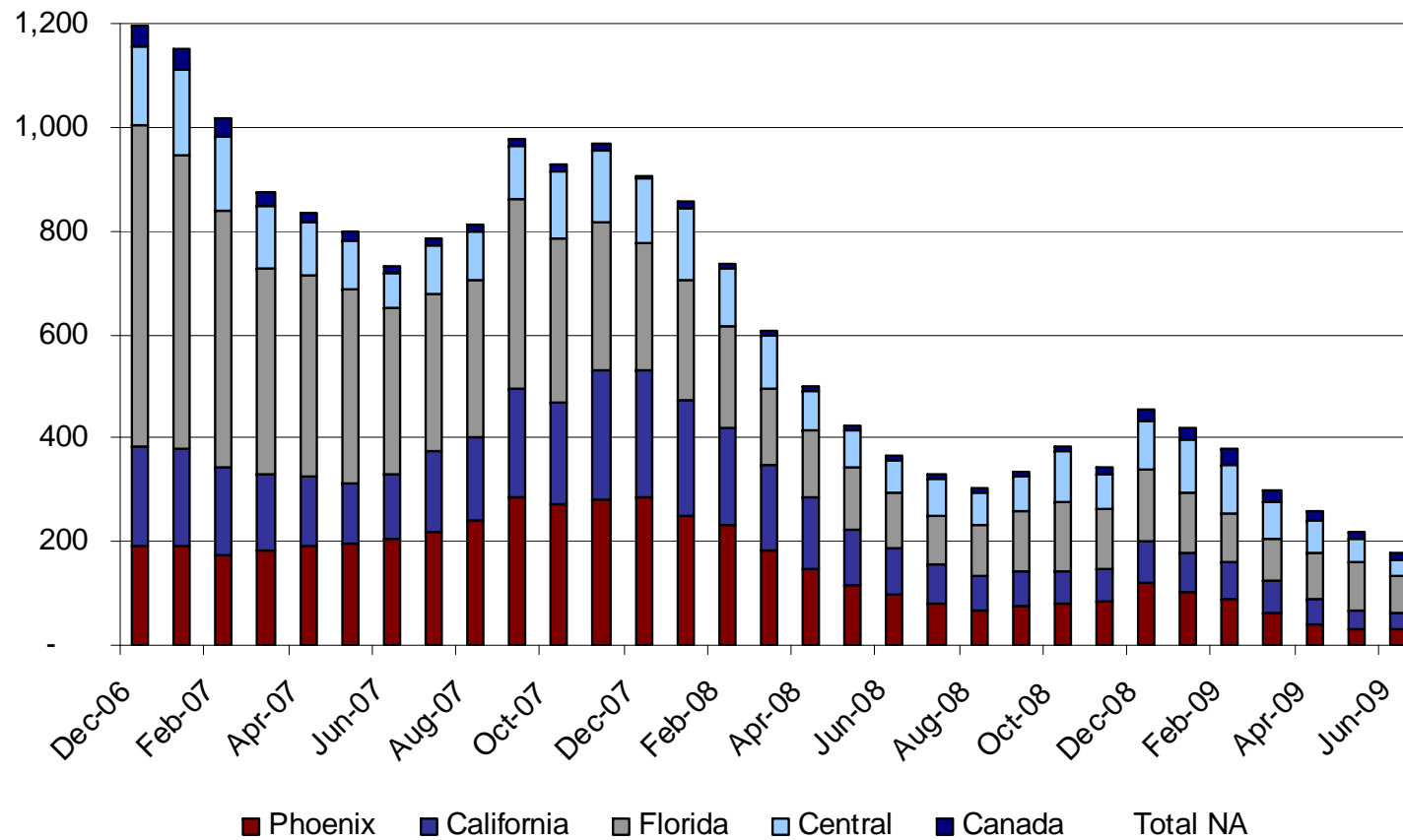
\*Includes all NRV and FV utilization

## Taylor Morrison Capital employed (excludes goodwill, tax and intercompany)

| £m                            | 30 Jun 2009  | 30 Jun 2008  | 31 Dec 2008  |
|-------------------------------|--------------|--------------|--------------|
| Fixed assets                  | 2.4          | 3.8          | 3.1          |
| Investment in joint ventures  | 19.3         | 20.3         | 22.1         |
| Stocks                        |              |              |              |
| Land                          | 352.1        | 186.1        | 447.6        |
| WIP                           | 380.2        | 617.2        | 506.7        |
| Total stocks                  | 732.3        | 803.3        | 954.3        |
| Debtors                       | 57.5         | 64.0         | 57.5         |
| Creditors                     |              |              |              |
| Land                          | (32.0)       | (58.9)       | (82.7)       |
| Other                         | (173.2)      | (170.9)      | (222.8)      |
| Total creditors               | (205.2)      | (229.8)      | (305.6)      |
| Provisions                    | (44.9)       | (33.9)       | (53.6)       |
| <b>Total capital employed</b> | <b>561.4</b> | <b>627.7</b> | <b>677.8</b> |

# Taylor Morrison Managing WIP – inventory levels

NA Completed Spec Inventory



## Taylor Morrison Regional performance

|              | Revenue*      |               | PBIT**        |               | PBIT margin  |              |
|--------------|---------------|---------------|---------------|---------------|--------------|--------------|
|              | H1 2009<br>£m | H1 2008<br>£m | H1 2009<br>£m | H1 2008<br>£m | H1 2009<br>% | H1 2008<br>% |
| Arizona      | 28.4          | 43.6          | (3.2)         | 0.4           | (11.3)       | 0.9          |
| California   | 50.4          | 69.4          | (1.4)         | (0.5)         | (2.8)        | (0.7)        |
| Central      | 71.6          | 67.3          | 2.0           | 3.8           | 2.8          | 5.7          |
| Florida      | 70.6          | 89.2          | 3.1           | 4.8           | 4.4          | 5.4          |
| Canada       | 135.1         | 93.4          | 26.9          | 12.4          | 19.9         | 13.3         |
| Corporate    | -             | -             | (8.8)         | (3.6)         |              |              |
| <b>Total</b> | <b>356.1</b>  | <b>362.9</b>  | <b>18.6</b>   | <b>17.3</b>   | <b>5.2</b>   | <b>4.8</b>   |

\*Revenue includes lot sale activity

\*\* PBIT before exceptional items

## Taylor Morrison US sales performance

|                       | <b>H2 2009<br/>(to week 30)</b> | <b>H1<br/>2009</b> | <b>H2<br/>2008</b> | <b>H1<br/>2008</b> | <b>FY<br/>2007*</b> |
|-----------------------|---------------------------------|--------------------|--------------------|--------------------|---------------------|
| Ave outlets open      | 154                             | 150                | 200                | 220                | 216                 |
| Ave sales rate (net)  | 0.5                             | 0.5                | 0.3                | 0.4                | 0.4                 |
| Ave sales price £000  | 161                             | 173                | 158                | 154                | 175                 |
| Ave cancellation rate | 21%                             | 22%                | 32%                | 24%                | 31%                 |
| Order book value £m   | 225.9                           | 209.8              | 149.5              | 269.1              | 174.5               |
| Unsold stock units    | 149                             | 167                | 431                | 355                | 901                 |

\* Pro-forma

## Taylor Morrison Canada sales performance

|                       | <b>H2 2009<br/>(to week 30)</b> | <b>H1<br/>2009</b> | <b>H2<br/>2008</b> | <b>H1<br/>2008</b> | <b>FY<br/>2007*</b> |
|-----------------------|---------------------------------|--------------------|--------------------|--------------------|---------------------|
| Ave outlets open      | 21                              | 21                 | 23                 | 26                 | 25                  |
| Ave sales rate (net)  | 1.1                             | 1.0                | 0.8                | 0.9                | 1.6                 |
| Ave sales price £000  | 219                             | 203                | 212                | 213                | 176                 |
| Ave cancellation rate | 2%                              | 2%                 | 4%                 | 2%                 | 1%                  |
| Order book value £m   | 384.7                           | 341.3              | 341.3              | 388.4              | 348.3               |
| Unsold stock units    | 10                              | 10                 | 24                 | 9                  | 7                   |

\* Pro-forma

## Taylor Morrison Price mix

| Completions % | 2009       | 2008       |            | FY         |
|---------------|------------|------------|------------|------------|
|               | H1         | H1         | H2         |            |
| £0 – 75k      | 10         | 6          | 7          | 5          |
| £76 – 125k    | 36         | 36         | 36         | 35         |
| £126 – 250k   | 45         | 46         | 42         | 45         |
| £251 – 375k   | 7          | 10         | 12         | 12         |
| £376 – 500k   | 2          | 1          | 2          | 2          |
| £501 – 750k   | -          | 1          | 1          | 1          |
| £750k +*      | -          | -          | -          | -          |
| <b>Total</b>  | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> |

\* Category includes completions, but at a level below 1%

## Taylor Morrison Geographic mix

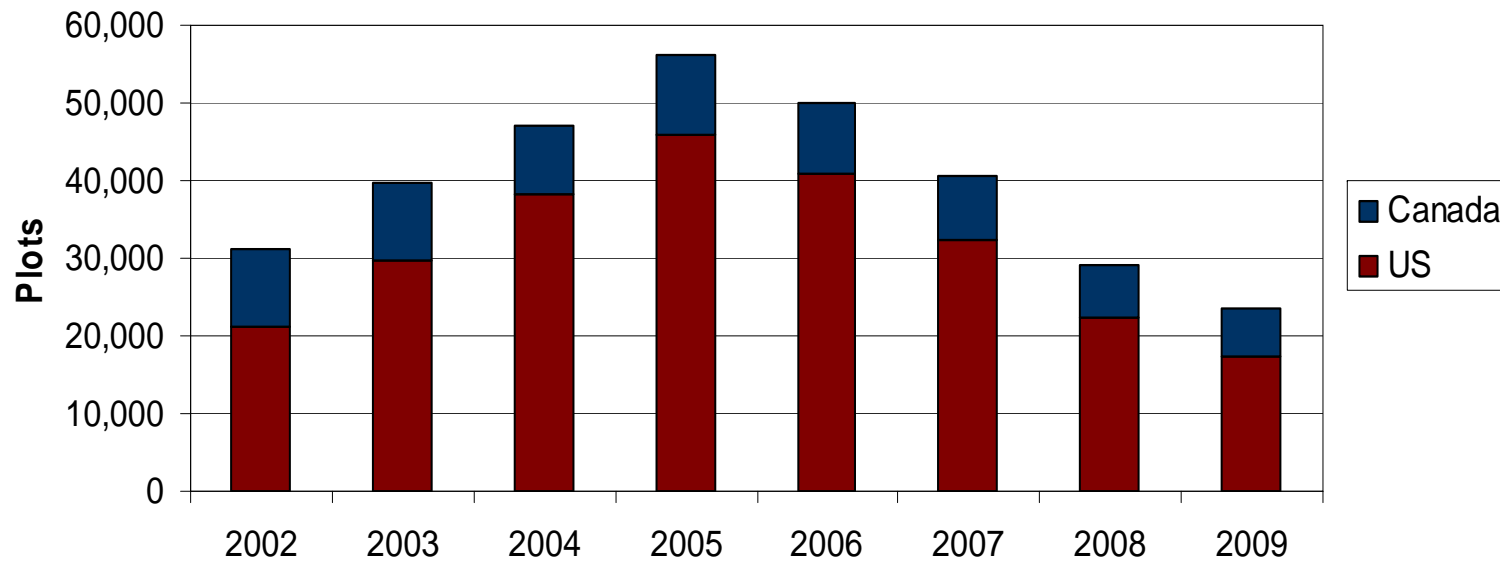
|                    | 2009         |              | 2008         |              |
|--------------------|--------------|--------------|--------------|--------------|
| <b>Completions</b> | <b>H1</b>    | <b>H1</b>    | <b>H2</b>    | <b>FY</b>    |
| Arizona            | 229          | 363          | 617          | 980          |
| California         | 217          | 311          | 487          | 798          |
| Central            | 380          | 435          | 649          | 1,084        |
| Florida            | 453          | 568          | 782          | 1,350        |
| Canada             | 654          | 417          | 792          | 1,209        |
| <b>Total</b>       | <b>1,933</b> | <b>2,094</b> | <b>3,327</b> | <b>5,421</b> |
| Joint Ventures     | -            | -            | -            | -            |

### **Average selling price £000**

|              |            |            |            |            |
|--------------|------------|------------|------------|------------|
| Arizona      | 124        | 117        | 119        | 122        |
| California   | 232        | 219        | 212        | 223        |
| Central      | 189        | 154        | 168        | 168        |
| Florida      | 156        | 141        | 148        | 151        |
| Canada       | 203        | 213        | 212        | 220        |
| <b>Total</b> | <b>183</b> | <b>166</b> | <b>171</b> | <b>175</b> |

\* Weighted average

### North America Owned Lots



## Taylor Morrison Short term land

|                          | 2009          | 2008          |               |               |
|--------------------------|---------------|---------------|---------------|---------------|
|                          | H1            | H1            | H2            | FY            |
| <b>Owned and options</b> |               |               |               |               |
| Start of period          | 22,657        | 28,537        | 26,401        | 28,537        |
| Additions                | 2,845         | 592           | 1,786         | 2,378         |
| Legal completions        | (1,956)       | (2,728)       | (5,530)       | (8,258)       |
| End of period            | 23,546        | 26,401        | 22,657        | 22,657        |
| <b>Controlled</b>        |               |               |               |               |
| End of period            | 5,269         | 10,385        | 6,521         | 6,521         |
| <b>Total landbank</b>    | <b>28,815</b> | <b>36,786</b> | <b>29,178</b> | <b>29,178</b> |
| Land spend £m            | 47            | 30            | 68            | 98            |

## Taylor Morrison Landbank by region: Owned and Controlled

|                            | H1 2009 |            |        | FY 2008 |            |        |
|----------------------------|---------|------------|--------|---------|------------|--------|
|                            | Owned   | Controlled | Total  | Owned   | Controlled | Total  |
| Arizona                    | 5,324   | 343        | 5,667  | 5,551   | 343        | 5,894  |
| California                 | 1,750   | 325        | 2,075  | 2,049   | 409        | 2,458  |
| Central                    | 2,335   | 546        | 2,881  | 2,479   | 827        | 3,306  |
| Florida                    | 7,941   | 2,147      | 10,088 | 8,409   | 2,147      | 10,556 |
| <b>Total US</b>            | 17,350  | 3,361      | 20,711 | 18,488  | 3,726      | 22,214 |
| Canada                     | 6,196*  | 1,908      | 8,104  | 4,169   | 2,795      | 6,964  |
| <b>Total North America</b> | 23,546  | 5,269      | 28,815 | 22,657  | 6,521      | 29,178 |

\* 31/12/08 raw land not estimated as lots. H1 2009 estimated with 1,866.5 of which 1,199 are owned lots, 615 optioned and 52.5 controlled

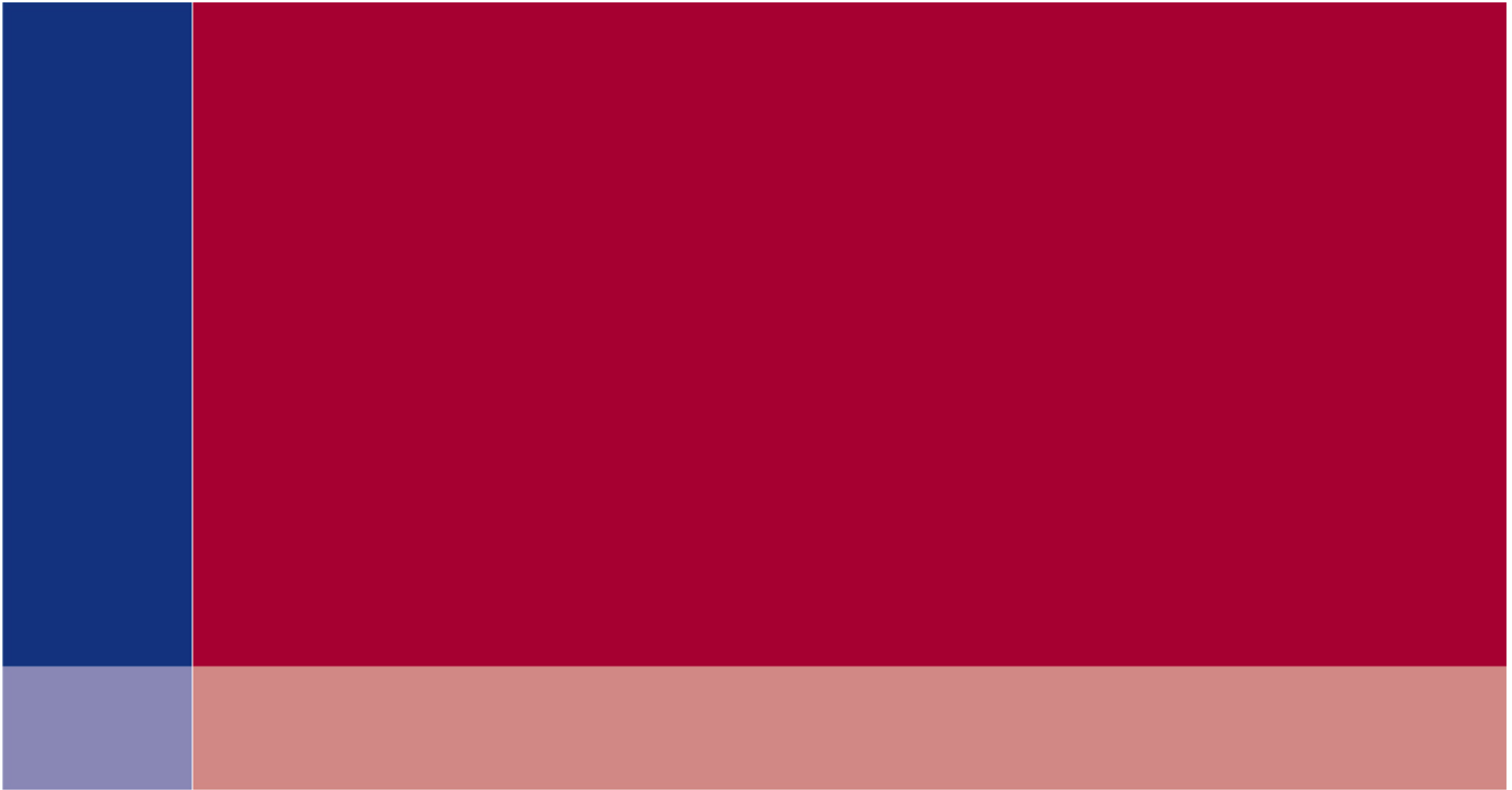
## Spain and Gibraltar Housing Financial summary

|                        | H1 2009 | H1 2008 | Change % |
|------------------------|---------|---------|----------|
| Ave no of active sites | 17      | 27      | (37.0)   |
| Legal completions      | 72      | 83      | (13.3)   |
| Mainland Spain         | 36      | 29      | 24.1     |
| Mallorca               | 21      | 39      | (46.2)   |
| Gibraltar              | 15      | 15      | 0        |
| Ave selling price £000 | 288.3   | 309.7   | (6.9)    |
| Revenue £m             | 22.3    | 26.4    | (15.5)   |
| PBIT £m*               | (0.4)   | 0.3     | (233.3)  |
| PBIT margin %*         | (1.8)%  | 0.1%    | (1.9)ppt |
| Order book £m          | 39.5    | 72.8    | (45.7)   |

\*Before exceptional items

## Spain and Gibraltar Housing Short term land

|                | <b>H1 2009</b> | <b>FY 2008</b> | <b>Change %</b> |
|----------------|----------------|----------------|-----------------|
| Landbank plots | 2,055          | 2,121          | (3.1)           |
| Landbank years | 10.1           | 9.9            | (2.0)           |



TaylorWimpey<sup>plc</sup>