

**18 January 2010**

**Taylor Wimpey plc**  
**Trading Statement for the year ended 31 December 2009**

Taylor Wimpey plc is issuing the following update on trading ahead of its Full Year Results for the year ended 31 December 2009, which will be announced on 3 March 2010.

**Overview**

Market conditions in both the UK and North America during 2009 were better than those experienced during 2008, although they still remained challenging. The Group continued its focus on cash generation through the year and, as a result, year end net debt has been reduced to c.£750 million, substantially below the £1,529 million at 31 December 2008.

Our UK business has maintained its encouraging performance since our Interim Management Statement in November and we enter 2010 with a very strong order book position, up 28% by volume compared to the end of 2008. In North America, we are encouraged by the prolonged period of stability we have experienced since early 2009. The Board therefore expects to report full year results in line with its expectations.

**UK Housing**

Our net private reservation rate for the full year was 0.55 homes per outlet per week, a 37.5% increase against the 0.40 achieved in 2008. These reservation rates include the effect of cancellations, which have also shown significant improvement to 18.7% for 2009 as a whole against 37.5% in 2008. Selling prices increased over the course of the year, as a result of both mix and underlying price inflation. We had 310 active outlets at the end of 2009 (30/06/2009: 333, 31/12/2008: 386).

We completed a total of 10,186 homes in 2009 (FY 2008: 13,394) of which 8,432 were private completions (FY 2008: 10,585) and 1,709 were affordable homes (FY 2008: 2,751) with 45 joint venture completions (FY 2008: 58). The overall average selling price for completions in the full year increased to £160k from £153k in the first half of 2009 (FY 2008: £171k), with private average selling prices increasing to £171k (H1 2009: £163k, FY 2008: £187k) and affordable average selling prices broadly flat at £108k (H1 2009: £109k, FY 2008: £108k).

We enter 2010 with a very strong order book position. We have increased our private order book by 62% to 3,048 homes (31/12/2008: 1,887 homes). Including affordable housing reservations, our year end order book was 5,431 homes, an increase of 28% from the order book position at the end of 2008.

We are active in the land market and approved new land purchase commitments for 3,003 plots at 22 new sites during the second half of 2009. Our strong, southerly-weighted landbank and ongoing opportunities to convert further plots from our strategic landbank enable us to continue to be highly selective regarding the opportunities that we pursue.

Current market conditions are stable, with supply remaining restricted and demand solid. However, the risks of further weakness in the wider economy and reduced mortgage availability remain. Our operational focus remains on build cost reduction and achieving sales price increases and we are well positioned to deliver an improved operating margin in 2010.

### **North America Housing**

For North America as a whole, we achieved an average sales rate of 0.60 per outlet per week, 50% higher than the 0.40 sales per outlet per week recorded in 2008. The cancellation rate was 15.2% for 2009 as a whole, again a substantial improvement against the 2008 rate of 23%. We had 148 active outlets in North America at the end of 2009 (30/06/2009: 168, 31/12/2008: 211).

We completed 4,755 homes in North America in 2009 (FY 2008: 5,421), of which 3,347 were in the US (FY 2008: 4,212) and 1,408 were in Canada (FY 2008: 1,209). The average selling price for our US completions was US\$255k (FY 2008: US\$291k), with an average selling price of C\$357k for our completions in Canada (FY 2008: C\$427k). The lower pricing in Canada reflects a higher proportion of high-rise completions during the year and also weaker market conditions in the early part of 2009.

As at 31 December 2009 our order book in North America was 3,189 homes, an increase of 14% over the 2,789 homes in the order book at the end of 2008. Our US order book remained broadly flat at 737 homes (31/12/2008: 727 homes), with our order book in Canada increasing by 19% to 2,452 homes (31/12/2008: 2,062 homes).

We have made good progress on rebalancing our land portfolio during 2009, to reduce exposure to less desirable submarkets and we continue to acquire new land on a highly selective basis. We have approved new land purchases totalling 3,723 plots during the second half of 2009.

We are encouraged by the prolonged period of stability in our North American markets. With the recent extension of the US Government's first time homebuyer tax credit to the end of April 2010 likely to continue to provide support to the market and affordability at extremely good levels we are optimistic with regard to future prospects. We expect the timing and profile of this recovery to vary by geography.

### **Spain & Gibraltar Housing**

We have completed 225 homes in Spain and Gibraltar in 2009 (FY 2008: 214) at an average selling price of £260k (FY 2008: £270k).

Market conditions are likely to remain challenging in Spain during 2010. Our plans to exit from our small business in Gibraltar are on course, with the majority of remaining completions expected to be achieved during the first half of 2010.

### **Group**

Our year end net debt was c.£750 million, in line with our recently upgraded guidance and substantially below the £1,529 million at 31 December 2008. This provides significant headroom against our year end covenant tests.

Although the preparation of our year end financial accounts is still in progress, we do not anticipate making any further material adjustments to land values following the completion of our carrying value review.

Taylor Wimpey will be hosting a call for analysts and investors at 08:30am today to discuss this statement. Dial in details for the call can be obtained from Finsbury on +44 (0)20 7251 3801. A recording of the call will be made available on our website, [www.taylorwimpeyplc.com](http://www.taylorwimpeyplc.com), later today.

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Notes to editors:

Taylor Wimpey plc builds homes in the UK, North America, Spain and Gibraltar. It aims to be the homebuilder of choice for customers, employees, shareholders and communities.

For further information please visit the Group's website:  
[www.taylorwimpeyplc.com](http://www.taylorwimpeyplc.com)