

24 December 2008

**Taylor Wimpey plc
Update on Financing Discussions – Deferral of Covenant Testing Date**

Further to its announcement on 23 December, the Company is pleased to announce today that it has reached agreement with the providers of its bank facilities and its private placement noteholders to defer the testing date of certain financial covenants. As a result of this deferral we will not be required to test these covenants based on the 2008 year end figures or be required to report on the Company's compliance with them until 31 March 2009.

The Group continues to be in full compliance with all its existing covenants. However, without this deferral and as previously indicated, it is likely that we would have been in breach of our interest cover covenants in January 2009 under the original testing schedule for the year to 31 December 2008.

Discussions with our debt providers continue on a constructive basis. We remain confident that a robust, stable medium term financing solution for the Group, which takes into account the requirements of all relevant stakeholders, will be achieved prior to the end of this deferral period.

We will update the market on current trading in our Trading Statement on 13 January 2009 and will provide further information on the progress of the financing discussions to the market as appropriate.

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