

30 June 2008
Taylor Wimpey plc

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Response to press comment

We have noted the recent speculation regarding an equity raising, including articles contained in yesterday's press.

Taylor Wimpey came into the year with a cautious outlook on the market and this has been borne out by recent experience. While the US market is showing signs of improving stability, in the UK market it has become apparent that we have entered a significant downturn.

Having responded to a slowing market in September 2007 by stopping new UK land purchases, we have continued to act quickly with a strong focus on reducing input costs and managing cash. In particular, we have significantly restructured our UK operations, which will substantially reduce overhead costs.

The Board is now moving proactively to put in place an appropriate financial structure that will withstand what we expect will be a sustained weak market in the UK and provide a base for future growth.

We remain within the terms of our banking covenants. However, in light of current market conditions and to protect against the risk of further deterioration, we have agreed an amendment to the terms of the revolving credit facility with our banks. This includes suspending the covenant based on net interest in relation to EBITA, which we believe is not appropriate in current market conditions, in favour of one based on operating cash flow, reflecting our ability to generate cash. This amendment is conditional on the Company raising additional equity.

We have instigated discussions with shareholders and other institutions regarding raising additional financing, which would most likely be via a placing and open offer. We will make an announcement in due course regarding the outcome of these discussions.

The Board is also reviewing the carrying value of our inventories in the light of current market conditions. We currently anticipate that we will write down the value of the land bank and work-in-progress in the UK by approximately £550 million, in the US by approximately £70 million and in Spain by approximately £40 million and will provide further detail and finalise figures in our 2008 half year financial statements.

We believe that this places us in a strong position to manage through current markets and to take advantage of future opportunities as they arise.

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For further information please contact:

Pete Redfern, Group Chief Executive
Peter Johnson, Group Finance Director
Jonathan Drake, Investor Relations
Taylor Wimpey plc
Tel: +44 (0)20 7355 8109

James Murgatroyd
Faeth Birch

Finsbury
Tel: +44 (0)20 7251 3801

Notes to editors:

On 3 July 2007, Taylor Woodrow plc and George Wimpey Plc completed their merger to form Taylor Wimpey plc. Taylor Wimpey plc is the UK's largest homebuilder.

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. Taylor Wimpey also operates in the Construction sector under the Taylor Woodrow brand.

For further information please visit the company's website - www.taylorwimpey.com