



11 January 2016

Taylor Wimpey plc

Trading statement for the year ended 31 December 2015

Taylor Wimpey is issuing the following update on trading ahead of its full year results for the year ended 31 December 2015, which will be announced on 1 March 2016.

Overview

Pete Redfern, Chief Executive, commented:

“We have delivered a strong trading performance in 2015, in a positive housing market, building more homes than at any point in the last six years and delivering a record operating profit margin of over 20%. We are confident that the principles we are operating to will deliver long term sustainable value across the housing cycle, and we remain focused on working with communities and our customers, suppliers and employees to drive continual improvement in the quality and consistency of our operational business.”

UK current trading

Against the backdrop of a positive housing market in 2015, which continued to strengthen into the second half of the year, we have driven an improved financial performance and delivered a healthy increase in completions.

In 2015, total home completions increased by 7% to 13,341, including our share of joint venture completions (2014: 12,454). During 2015, we delivered 2,509 affordable homes (2014: 2,178), equating to 19% of total completions (2014: 17%). Our net private reservation rate for 2015 was 0.73 homes per outlet per week (2014: 0.64). Cancellation rates remained low at 12% (2014: 14%). Average selling prices on private completions increased by 9% to £254k (2014: £234k), benefiting from our focus on better quality locations. Our overall average selling price increased by 8% to £230k (2014: £213k).

We ended the year with a record year end order book, which increased in value by 27% to £1,779 million as at 31 December 2015 (31 December 2014: £1,397 million), excluding joint ventures. This order book represents 7,484 homes (31 December 2014: 6,601 homes). We enter 2016 with 297 outlets (31 December 2014: 305) located in high-quality locations where people want to live.

Land portfolio and planning

The short term land market remained disciplined throughout 2015, and we were able to invest in value creating opportunities at margins similar to those achieved in 2014. As at the end of December 2015, our short term landbank stood at around 76k plots, having successfully converted over 8k plots from the strategic pipeline into the short term landbank.

Spain current trading

We have seen a meaningful improvement in the Spanish market in 2015. We completed 251 homes in 2015 (2014: 164) at an average selling price of €315k (2014: €250k). The total order book as at 31 December 2015 stood at 270 homes (31 December 2014: 233 homes). The Spanish business will deliver an improved operating profit* for 2015 (2014: £4.2 million operating profit*), reflecting the significant contribution of newly acquired sites.

Group financial position

In 2015, the first year of our medium term targets, the Group will report an improved operating profit* margin of over 20% (2014: 17.9%) and a return on net operating assets** of over 25% (2014: 22.5%). We ended the year with net cash of c.£225 million (31 December 2014: £112.8 million net cash), due to the strength in underlying trading and after the payment of £308 million of dividends to shareholders in 2015 (2014: £73 million). During 2015, we have also made significant progress towards our medium term target to convert an average of 65% of operating profit* into operating cash flow for 2015 - 2017.

Outlook

Housing remains high on the political agenda, with a recognition of the structural demand and supply imbalance that exists in the UK. We welcome the Government's commitment to housing delivery which was demonstrated by the Autumn Statement, which placed housing at the centre of policy agenda. We look forward to evaluating the full detail when available around the Starter Homes initiative, in order to assess the investment required in skills and resources to deliver this scheme. We remain committed to delivering high-quality homes and sustainable shareholder returns across the housing cycle, whilst continuing to invest in improvements to our customer service processes.

We start the year in an excellent position with a strong order book and a clear strategy which remains focused on long term delivery and sustainability. We remain confident that we will continue to demonstrate further progress throughout 2016, and against our medium term targets, delivering increased returns for our shareholders and embedding improvements to enhance our customers' homebuying experience.

* Operating profit is defined as profit on ordinary activities before net finance costs, exceptional items and tax, after share of results of joint ventures.

** Return on net operating assets is defined as 12 month rolling operating profit divided by the average of the opening and closing net operating assets, which is defined as net assets less net cash less deferred tax balances, less any accrued dividends.

-Ends-

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Notes to editors:

Taylor Wimpey plc is a UK-focused residential developer which also has operations in Spain. Our vision is to become the UK's leading residential developer for creating value and delivering quality.

For further information, please visit the Group's website:

www.taylorwimpey.co.uk

Follow us on Twitter via @TaylorWimpeyplc