

**28 April 2016**

**Taylor Wimpey plc**

## **Trading statement for the period covering 1 January 2016 to today**

Taylor Wimpey plc is holding its Annual General Meeting (AGM) at 11:00 today in London, where the following comments will be made regarding current trading, financial performance and outlook for the financial year.

Pete Redfern, Chief Executive, commented:

“Against the backdrop of a positive housing market, Taylor Wimpey is performing well, with increased customer demand for our homes and good access to mortgages driving strong sales rates. We remain committed to delivering sustainable value through the housing cycle, with a firm focus on continuous business improvement, including investment in our people, product and systems, and implementing and embedding our new customer service approach across the whole business. With a strong forward order book and high-quality landbank, we are well positioned for the remainder of the year and beyond.”

### **UK current trading**

In the first four months of 2016, the new build housing market remained very positive across most geographies, with good accessibility to mortgages at competitive rates. In central London, the market continues to be stable.

Against this backdrop, we have performed very well so far in 2016, with increasing customer demand, up 14% in comparison to the same period last year, driving a strong sales rate. Average private net reservation rates increased to 0.80 sales per outlet per week for the year to date (2015 equivalent period: 0.76). Cancellation rates remained low at 11% (2015 equivalent period: 11%).

Our total order book currently stands at 8,811 homes (2015 week 16: 8,200 homes), excluding legal completions to date. We have also increased the total order book value by 16.6% to approximately £2,168 million from the equivalent point last year (2015 week 16: approximately £1,859 million), and by 21.9% from the year end.

### **Land portfolio, planning and outlets**

The short term land market remains stable, and we continue to be able to source land at investment operating profit margins similar to those sourced in 2015. In this environment, we remain disciplined and committed to improving our return on capital employed. At the end of March 2016, our short term landbank stood at c.78k plots, following the conversion of over 3k plots from the strategic land pipeline, and remains within the right size range for our business. Our strategic land pipeline stood at c.105k potential plots, as at the end of March 2016.

We are currently operating from 292 outlets, excluding joint ventures (2015 week 16: 302). We remain focused on progressing our sites through the planning system to enable us to open all sites with implementable planning as efficiently as possible.

## Dividends

Subject to shareholder approval at today's AGM, we will be paying a final maintenance dividend of 1.18 pence per share (2014 final: 1.32 pence per share) on 20 May 2016, giving a total maintenance dividend for 2015 of 1.67 pence per share (2014 total: 1.56 pence per share).

As previously announced, we will also be paying a special cash dividend of 9.20 pence per share on 15 July 2016 (July 2015: 7.68 pence per share), subject to shareholder approval.

## Outlook

The UK housing market continues to be underpinned by good mortgage availability and employment prospects. As at 24 April 2016 we are c.70% forward sold for 2016 private completions, positioning us well for the remainder of the year and beyond. As expected, the rate of build cost inflation has reduced, and we continue to anticipate underlying build cost increases of 3-4% in 2016.

We believe that the recent House of Lords amendments to the Starter Homes provisions in the Housing and Planning Bill reduce the future risk of the scheme. If passed, these changes will ensure that the Starter Homes initiative provides an incremental improvement to the housing market.

The uncertainty surrounding the European Union (EU) referendum has not impacted trading to date, and underlying demand remains solid across all of our geographies. Due to our customer base and supply chain being based principally in the UK, together with our strong order book, we are well equipped to react to any potential changes in the market that may be caused by the EU referendum.

We remain disciplined and focused on creating sustainable value through the housing cycle, with a focus on embedding our improvements to customer service across the business. We remain on track to deliver good progress towards all of our medium term targets in 2016.

-Ends-

For further information please contact:

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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 be 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](http://www.taylorwimpey.co.uk)

Follow us on Twitter via @TaylorWimpeyplc