



Half Year Results Presentation
for the period ended 3 July 2016

27 July 2016

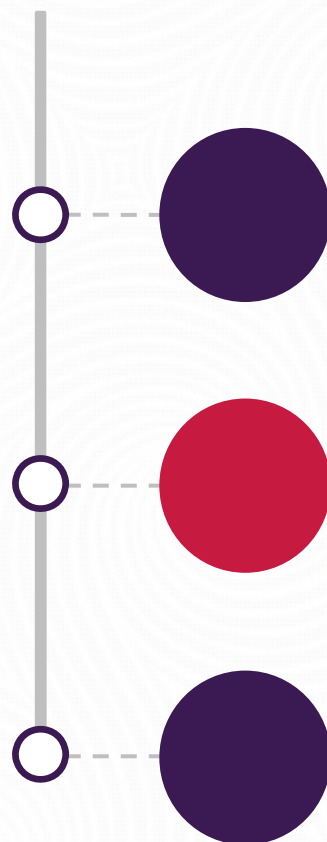
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Agenda

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- The diagram consists of a vertical grey line on the left. Three small white circles with dark purple outlines are positioned on this line. To the right of each circle is a larger solid circle. The top and bottom large circles are dark purple, while the middle one is red. Dashed lines connect each small circle to its corresponding large circle. To the right of each large circle is a bold title and a name.
- Trading and outlook**
Pete Redfern
 - Financial review and quality**
Ryan Mangold
 - Strategy and conclusions**
Pete Redfern

Trading and outlook

Pete Redfern
Chief Executive

Market conditions

■ H1 2016

- Trading good, but running slightly behind strong 2015
- Central London slow with stable pricing, as stamp duty headwinds impacted
- Little visible sign of pre Referendum impact

■ July 2016

- Generally the market has performed very well
- One or two initial small blips in data – e.g. cancellations and appointment bookings
- Now recovered to roughly pre Referendum levels
- Second hand market low on transaction volumes
- Central London transaction levels have slowed further, pricing currently stable and cancellation rates remain low

Our UK market performance

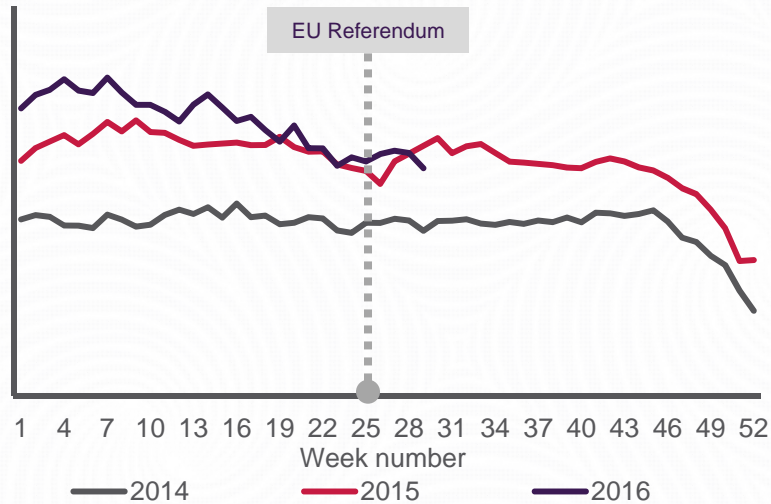
	27 June 2016 – 24 July 2016	H1 2016	H2 2015	22 June 2015 – 19 July 2015	H1 2015
Average outlets open	287	294	300	305	302
Private sales rate (net)	0.65	0.78	0.66	0.81	0.78
Private sales price £000	269	271	273	258	257
Cancellation rate (private)	17%	12%	13%	10%	11%

- H1 2016 private sales price excluding Central London – £262k (H1 2015: £240k)
- No change in sales incentives or gross pricing to 24 July 2016
- Private sales rate (net) for four weeks from 23 June to 20 July 2014 – 0.56
- Cancellation rate last two weeks – c.16%

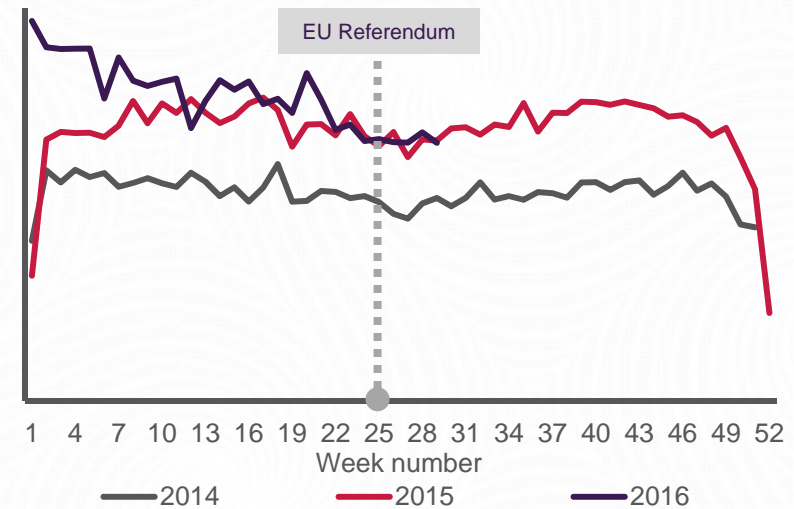
Data based on reservations excluding JVs

TW UK market performance

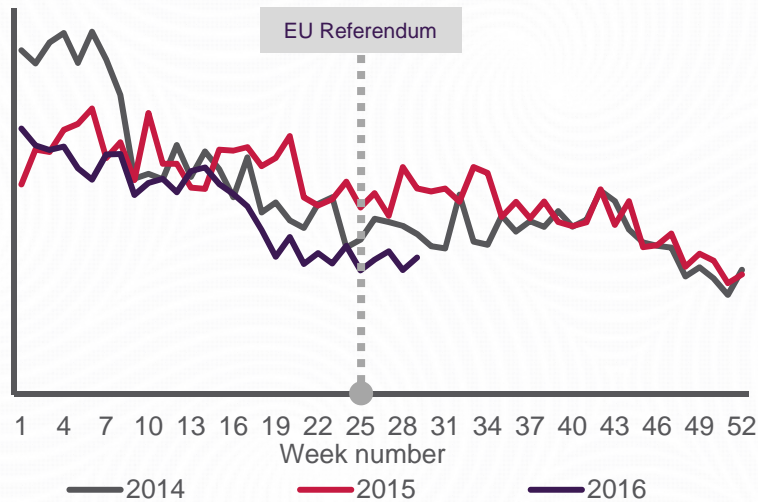
Customer interest – organic website visits



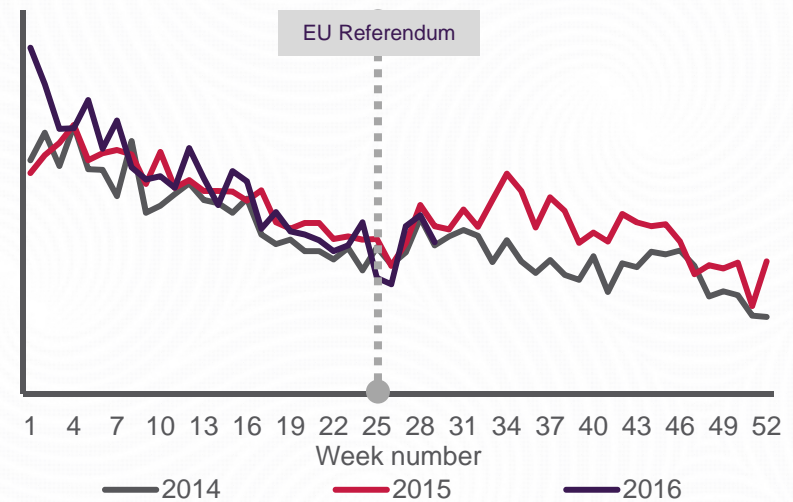
Website calls



Brochure requests



Appointments booked



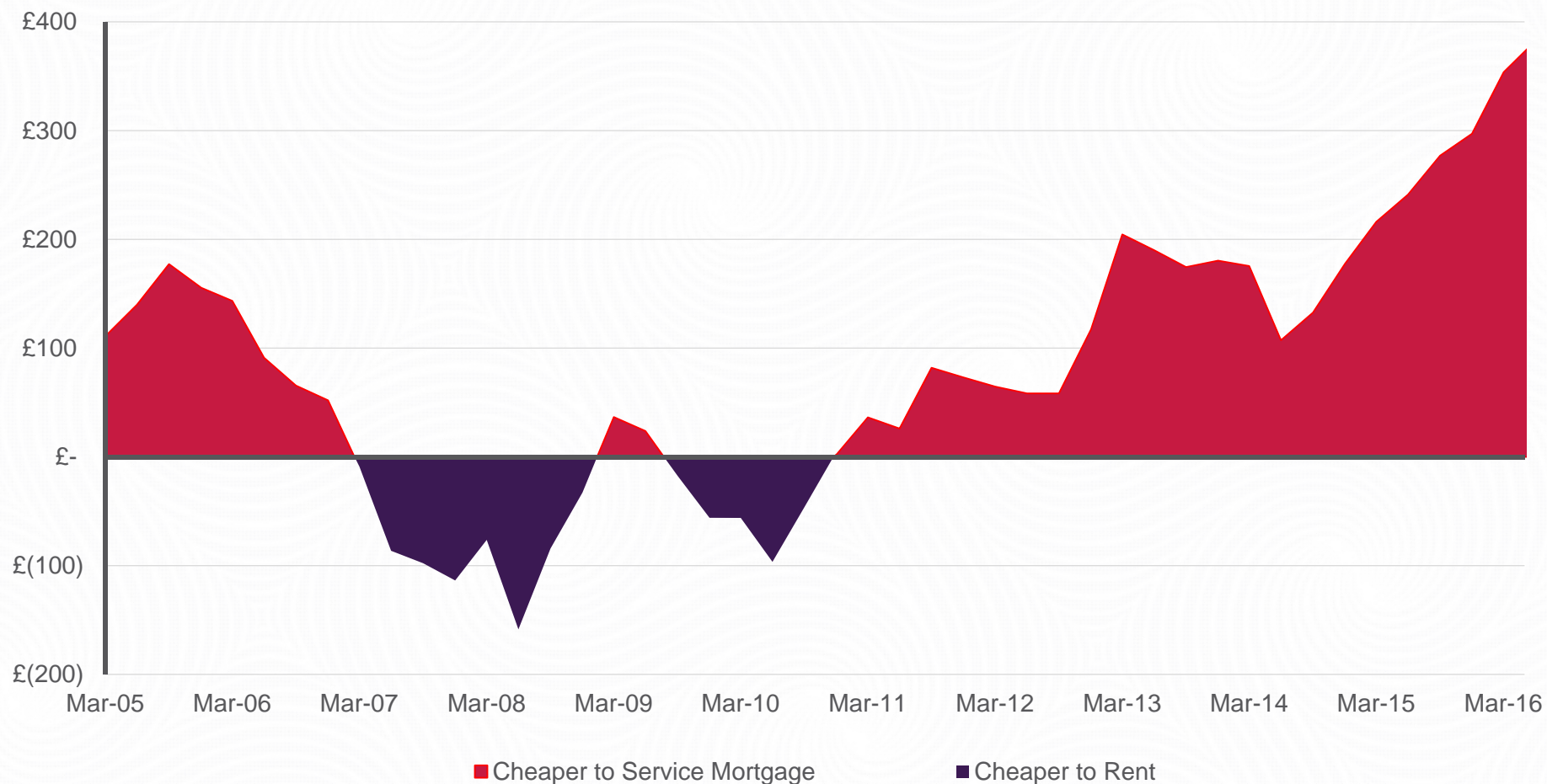
Mortgage lending

- Impact of mortgage lending was one of two key concerns on morning of 24 June
- Actual story has been very positive
 - Lenders seem committed to maintaining scale and terms of loans
 - Government and BoE actively monitoring and encouraging
 - Cost of loans has continued to fall

2-year fixed rates	January 2015	July 2015	January 2016	25 July 2016
HTB equity loan	1.89% – 3.74%	1.79% – 2.25%	1.74% – 2.19%	1.74% – 1.99%
85% LTV (new build)	2.74% – 2.79%	2.09% – 2.14%	1.99%	1.74% – 1.89%

Rent vs buy

Monthly cost of buying / renting a comparable Taylor Wimpey property



Cost of buying: based on average quoted mortgage rates for 90% LTV, 2-year fixed, 25 to 30-year terms (source: Bank of England), purchasing at the average TW sales price

Cost of renting: derived through current mainstream rental yields (source: Knight Frank), Index of Private Housing Rental Prices (source: ONS), UK House Price Index (source: Land Registry), applied against the average TW sales price

Second hand market, agents and valuers

- Second hand market
 - Transaction levels expected to be lower over summer with buyers lacking Help to Buy support, and sellers cautious on timing for new instructions
 - Pricing continues to be stable as low levels of stock for sale impact
- Agents may be bearish due to impact of transaction levels on business models
- Valuations holding up well with RICS giving instructions to value on what the market is, not what it might be

Post Referendum market summary

- Underlying fundamentals remain good
- Demand and supply imbalance not changed, and having a short term impact
 - Undersupply of housing
 - Favourable demographics
- Customer confidence in the housing market and house prices for the medium term remains strong everywhere but central London
- It remains too early to call the full impact of the Leave result, but
 - Initial signs are encouraging
 - Will be monitoring data for risks that other data impacts on confidence
- Other potential long term implications such as labour and material availability are hard to call, but will be slow to impact and we expect current investment plans to mitigate

What actions have we taken?

- Uncertain trading environment
 - Focus on further mitigating potential downside
- Cautious / prudent additional steps taken
 - Land purchases in progress reviewed and hurdle rates increased
 - Detailed review / stress testing assumptions of existing land contracts against downside scenarios
 - Further testing and challenging of dividend assumptions
 - Updated review on WIP spend on large sites
 - Maintaining all apprenticeship, graduate and management development programmes but being cautious in short term on new hires into new roles

Outlook

- Market outlook
 - Underlying supply / demand balance remains favourable
 - Mortgage lending and Government policy continues to be favourable
 - Initial signs post Referendum encouraging
 - Risks remain including second hand market and Prime London
- Land environment remains very encouraging, strategic land strong
- Materials and labour supply under control
 - Likely to be impacted either way by major changes in production levels
 - Referendum impact limited in short term

Financial review and quality

Ryan Mangold
Group Finance Director

Summary Group results

£m	H1 2016	H1 2015	Change	FY 2015
Revenue	1,457.2	1,335.3	9.1%	3,139.8
Gross profit	363.8	330.2	10.2%	788.0
Gross profit margin %	25.0	24.7	0.3ppt	25.1
Operating profit*	279.1	255.9	9.1%	637.0
Operating profit* margin %	19.2	19.2	-	20.3
Profit before tax and exceptional items	266.6	238.0	12.0%	603.8
Adjusted basic earnings per share* pence	6.5	5.9	10.2%	14.9
Tangible NAV per share* pence	88.5	82.1	7.8%	83.5
Return on net operating assets* %	25.2	23.2	2.0ppt	27.1

* See definitions slide in the appendix

UK performance summary

	H1 2016	H1 2015	Change	FY 2015
Legal completions – excl JVs	6,019	5,842	3.0%	13,219
Private	4,835	4,730	2.2%	10,710
Affordable	1,184	1,112	6.5%	2,509
Average selling price – excl JVs	238	225	5.8%	230
Private £000	266	248	7.3%	254
Affordable £000	125	124	0.8%	124
Legal completions – JVs	25	53	(52.8)%	122
Share of profit – JVs £m	(0.1)	1.4	(107.1)%	4.9
Gross profit margin %	25.1	24.8	0.3ppt	25.2
Operating profit* £m	278.8	255.0	9.3%	627.0
Operating profit* margin %	19.3	19.3	-	20.3

* See definitions slide in the appendix

Indicative movements in UK operating profit* margin

H1 2015 to H1 2016	Annual change	Impact on H1 2016 income statement
Market inflation on selling prices	c.6%**	4.0%
Market inflation on build cost	c.3.5%	(1.9)%
Net economic benefit captured		2.1%
Market impact of landbank evolution		(0.7)%
Net market impact		1.4%
Specification improvements and build efficiencies		(0.5)%
Change in land mix		0.0%
Net land improvement		(0.5)%
Profit on land sale		0.1%
Affordable housing price		0.4%
Overheads		(0.2)%
Other (including certain remediation costs***)		(1.0)%
Total operating profit* margin movement		0.2%

Data based on completions excluding JVs

* Operating profit as defined on the definitions slide in the appendix but before share of results of joint ventures

** Source: Adjusted average of Nationwide / Halifax for 2015-2016

*** One-off remediation costs of £10m

Exceptional items and tax

Exceptional items

- Review of land and WIP net realisable values resulted in net release of £2.2 million on previously impaired sites

Tax

- Effective tax rate of 20.0%, largely reflecting the UK statutory rate
- UK tax charge predominately relates to current tax
- Cash tax payments in advance from 2016 onwards based largely on statutory rate

Summary Group balance sheet

Group £m	3 July 2016	28 June 2015	Change	31 Dec 2015
Long term assets and JVs	65.4	57.1	14.5%	49.8
Land	2,881.7	2,672.0	7.8%	2,743.8
WIP	1,396.8	1,083.4	28.9%	1,147.4
Debtors	231.9	229.1	1.2%	209.4
Land creditors	(656.3)	(506.0)	29.7%	(629.8)
Other creditors	(932.0)	(837.5)	11.3%	(865.6)
Pensions and post retirement benefits	(181.1)	(196.3)	(7.7)%	(178.4)
Provisions	(36.5)	(38.0)	(3.9)%	(34.0)
Net operating assets*	2,769.9	2,463.8	12.4%	2,442.6
Accrued dividends	(300.0)	(250.0)	20.0%	-
Tax	5.6	115.6	(95.2)%	57.4
Net cash	116.7	87.6	33.2%	223.3
Net assets	2,592.2	2,417.0	7.2%	2,723.3
Tangible NAV per share*	88.5p	82.1p	7.8%	83.5p

* See definitions slide in the appendix

UK landbank

- Land cost in short term owned landbank is 16.3% of ASP (H1 2015: 16.4%), supported by strategic pipeline conversions
- Land cost as % of ASP on H1 2016 approvals – 20.2%
- Revenue in the landbank at 3 July 2016 was £42 billion (28 June 2015: £40 billion) comprising short term land £20 billion (28 June 2015: £18 billion) and strategic land £22 billion (28 June 2015: £22 billion)

	Land cost on balance sheet £m 3 July 2016	Number of plots 3 July 2016	Land cost on balance sheet £m 28 June 2015	Number of plots 28 June 2015
Short term owned	2,513	60,730	2,407	62,053
Short term controlled	72	17,075	33	15,319
Total short term	2,585	77,805	2,440	77,372
Strategic owned*	110	27,803	75	31,006
Strategic controlled*	64	76,003	59	76,352
Total strategic*	174	103,806	134	107,358
Total landbank	2,759	181,611	2,574	184,730

* Excludes land with less than 50% certainty of achieving planning permission

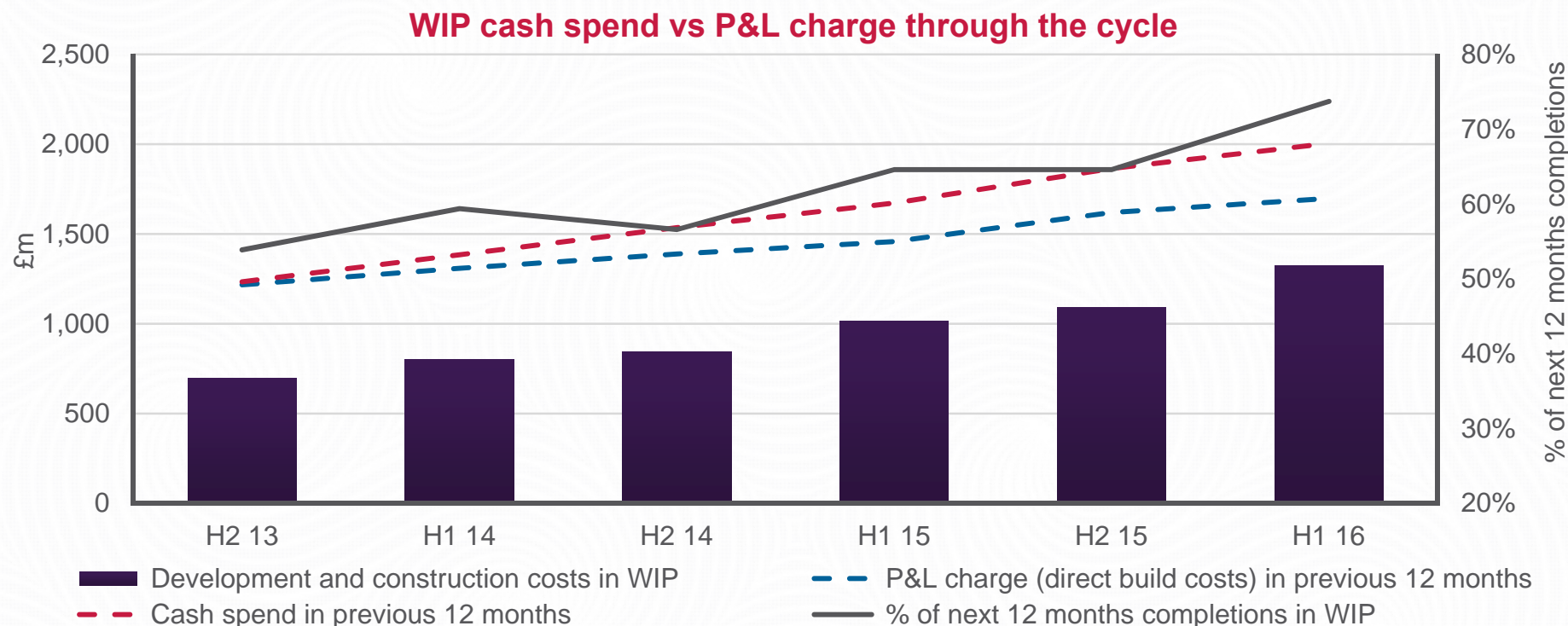
UK land commitments

£m	< 1 yr	1-2 yrs	2-5 yrs	5+ yrs	H1 2016 total	H1 2015 total
Expected payments in respect of unconditional land contracts*	338	175	141	21	675	529
Expected payments in respect of conditional land contracts	50	24	70	2	146	n/a

- Continue to use land creditors selectively
- Included in unconditional land contracts at H1 2016 are UK overage commitments of £147 million (H1 2015: £77 million)

* Committed cash payments gross of notional interest creditor

Managing UK working capital



	H1 2013	H2 2013	H1 2014	H2 2014	H1 2015	H2 2015	H1 2016
Completions	5,159	6,388	5,695	6,599	5,842	7,377	6,019
Total sq ft per unit	1,003	1,001	996	1,000	1,031	1,027	1,033
ASP per sq ft	187	194	206	219	218	228	230
Build cost per sq ft	(102)	(107)	(110)	(115)	(116)	(123)	(127)
Land cost per sq ft	(39)	(43)	(44)	(46)	(42)	(41)	(39)
% private apartments	19%	20%	18%	18%	11%	15%	10%

Data based on completions excluding JVs

Pensions

Movement in present value of defined benefit obligations

Total UK £m

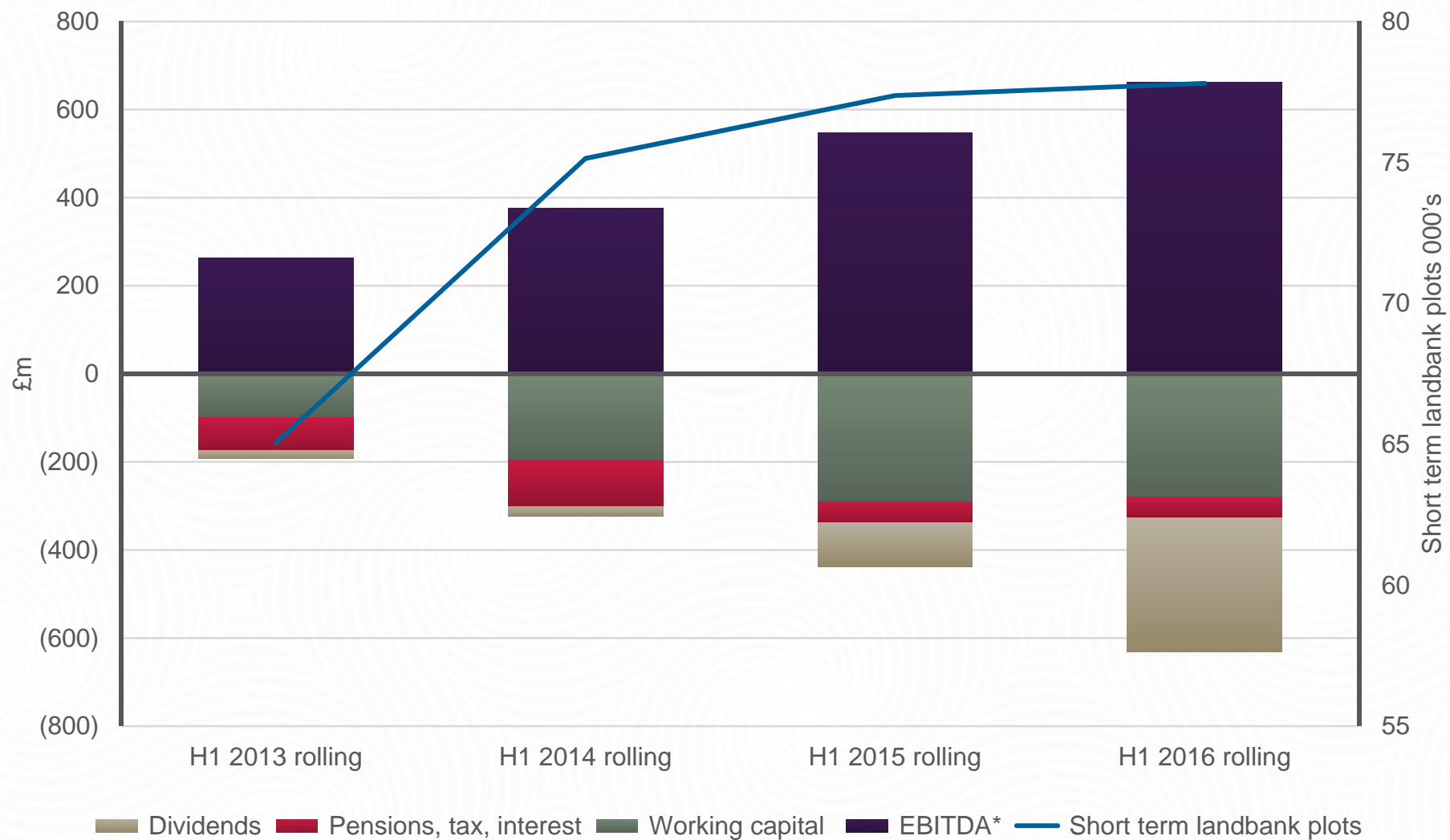
	H1 2016	FY 2015	FY 2014	FY 2013
Brought forward	177.1	182.4	182.2	242.5
Employer contributions*	(14.1)	(23.1)	(36.3)	(48.1)
Settlement gain**	-	-	-	(4.1)
Administration cost	1.4	3.2	3.1	3.2
Interest cost	3.2	6.0	7.5	9.7
Measurement changes	12.2	8.6	25.9	(21.0)
Carried forward	179.8	177.1	182.4	182.2

- Actively hedge liabilities with c.60% of interest and inflation hedged in real terms
- Recent volatility of financial markets has not had a material effect on the deficit
- Triennial valuation due as at 31 December 2016, to be concluded in 2017

* Includes £5.1m paid through the Pension Funding Partnership structure in H1 2016 (H1 2015: £5.1m)

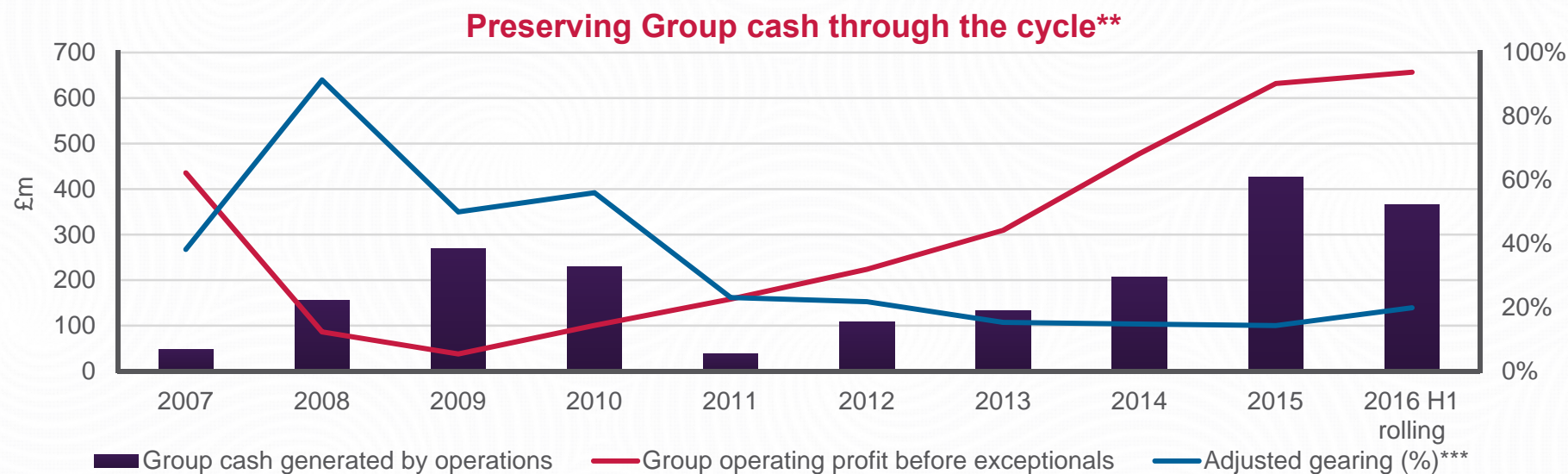
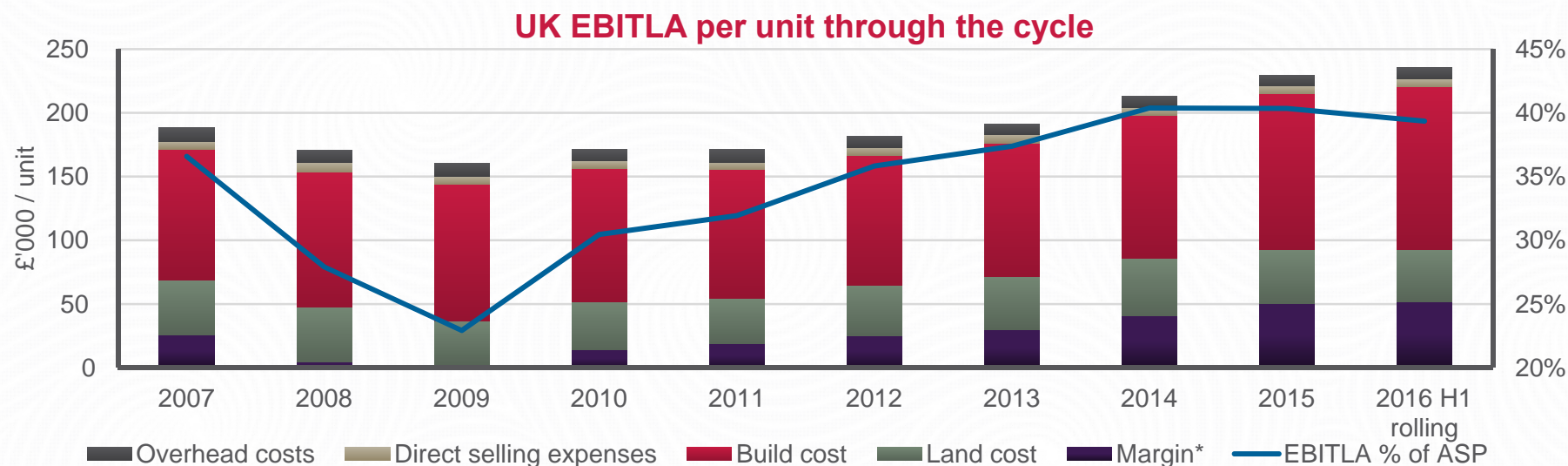
** Following the merger of the TWGP&LAF and the GWSPS to create the new TWPS certain liabilities were extinguished resulting in a settlement gain

Turning profit into cash



* See definitions slide in the appendix

Managing cash through the cycle



* Operating profit margin excluding central costs, including the benefit from utilisation of land impairment provision

** Group financials are unadjusted for the disposal of the North America business

*** Gearing adjusted to include land creditors

Financing

- Net cash at 3 July 2016: £116.7 million (31 Dec 2015: £223.3 million, 28 June 2015: £87.6 million)
- Committed borrowing facilities
 - £550 million Revolving Credit Facility – undrawn (maturing Feb 2020)
 - £100 million Term Loan (maturing Nov 2020 amortises from Nov 2017)
 - €100 million Private Placement (maturing Jun 2023)
- Private Placement was issued 28 June 2016 at a fixed coupon of 2.02% p.a. and will be used to hedge our investment in our Spanish business
- Adjusted gearing (net debt plus land creditors) – 19.9% (31 Dec 2015: 14.3%, 28 June 2015: 17.3%)
- Average net cash of £2.7 million (31 Dec 2015: £94.8 million net debt, 28 June 2015: £43.9 million net debt)
- Credit ratings reaffirmed
 - S&P BBB- stable outlook
 - Fitch BBB- stable outlook
 - Moody's Ba1 stable outlook

Dividend payment profile

Paid (or to be paid) per share (pence)	FY 2017***	FY 2016***	FY 2015	Change
Ordinary dividend*	c.4.60	1.71	1.81	(5.5)%
Special dividend**	c.9.20	9.20	7.68	19.8%
Total	c.13.80	10.91	9.49	15.0%

Paid (or to be paid) (£m)	FY 2017***	FY 2016***	FY 2015	Change
Ordinary dividend*	c.150	c.56	58	(3.4)%
Special dividend**	c.300	300	250	20.0%
Total	c.450	c.356	308	15.6%

- Interim maintenance dividend of 0.53 pence will be paid on 7 October 2016 (c.£17 million)
- Special dividend of £300.2 million paid on 15 July 2016

* Includes interim and final dividends for the year

** Additional cash returns for the year

*** 2016 is subject to payment of interim dividend and 2017 is indicative, subject to shareholder approval

Summary

- Focus on delivery of medium term targets 2016-2018
 - An average annual return on net operating assets* of 30%
 - An average operating profit* margin of c.22%
 - A total of £1.3 billion of dividends to be paid in cash to shareholders over the period
- Maintain balance sheet discipline

Group	H1 2016	H1 2015	FY 2015	FY 2014
Medium term targets				
Return on net operating assets* %	25.2	23.2	27.1	22.5
Operating profit* margin %	19.2	19.2	20.3	17.9
Dividends paid £m	38.5	42.9	308.4	72.7
Net operating asset turn* (rolling 12 months)	1.25	1.20	1.33	1.26
Net asset annual growth NAV (pre- cash distribution)* % (rolling 12 months)	21.9	15.6	19.6	15.8
Cash conversion* % (rolling 12 months)	55.3	44.9	67.0	43.1

* See definitions slide in the appendix

Strategy and conclusions

Pete Redfern
Chief Executive

Strategy

- Strategy remains unchanged
 - Business is 'built' to manage through the cycle
 - Operational approach
 - Quality over quantity
 - Managing every site to the optimum – outlet opening, volume, margin, return
 - High strategic land proportion
 - Balance sheet structure
 - Low / no debt
 - Tightening land creditors – reviewing profile
 - Tightening land policies inc. Major Developments

Strong operational and financial position

- Strong business – financially and operationally
 - 24 regional businesses located in core UK locations
 - Experienced management team
 - High-quality landbank, underpinned by strong strategic pipeline
 - Solid balance sheet – adjusted gearing of 19.9% including land creditors
 - Operational processes and discipline embedded in business

	H1 2016	2011	2008	2007
UK short term land – years	5.8	6.4	5.6	4.2
UK strategic pipeline – years	7.7	8.3	6.8	5.0
UK plot cost as a % of ASP	16	24	25	22
UK operating profit* margin %	19.3	9.7	2.2	15.2
UK contribution per completion £000	59.7	28.6	12.4	38.4
Group cash conversion* (rolling 12 months) %	55.3	24	166	10
Group net cash / (debt) £m	116.7	(116.9)	(1,529.3)	(1,415.4)
Group total cash dividends paid £m (rolling 12 months)	304.0	-	108.6	118.4

* See definitions slide in the appendix

UK land portfolio – plots

	3 July 2016			31 Dec 2015
	Owned	Controlled	Total	Total
Detailed planning	43,001	5,989	48,990	46,493
Outline planning	15,832	6,202	22,034	22,063
Resolution to grant	1,897	4,884	6,781	7,154
Short term	60,730	17,075	77,805	75,710
Allocated strategic*	4,438	10,975	15,413	18,346
Non-allocated strategic*	23,365	65,028	88,393	88,354
Strategic	27,803	76,003	103,806	106,700
Total	88,533	93,078	181,611	182,410

- Acquired 3,110 plots in the short term landbank during H1 2016 at c.24% contribution margin** and c.29% ROCE
- Converted 5,782 strategic pipeline plots into short term landbank in H1 2016
- 53% of H1 2016 completions were sourced from strategic land pipeline

* Includes JV plots, excludes land with less than 50% certainty of achieving planning permission

** See definitions slide in the appendix

Quality of landbank

Total: 438 sites in short term owned landbank		Micro location – position within macro location			
		A	B	C	D
Macro location – city, broken down by major suburb, town, village or rural area	Q1 – A	37	64	10	2
	Q2 – B	79	142	17	-
	Q3 – C	16	64	5	-
	Q4 – D	1	1	-	-

- Achieved a 1.7% upside to acquisition margins in the year on completions from land acquired since 2009

Continued cash generation potential

- Ordinary dividend already stress tested against various downside scenarios, including a reduction of 20% on prices and 30% reduction on volumes
- Illustrative cash generated per home completion in the UK

Average selling price change per unit						
£000		0%	-5%	-10%	-15%	-20%
Average selling price		238	226	214	202	190
Underlying build cost*		(129)	(129)	(129)	(129)	(129)
Cash contribution		109	97	85	73	61
Selling and admin costs		(22)	(22)	(22)	(22)	(22)
Net cash generated per unit**		87	75	63	51	39

* Underlying build cost excludes one-off remediation costs

** Excludes land investment

Fully committed to Dividend Policy

- Ordinary dividend
 - Ordinary dividend of 5% of net assets, minimum of £150 million, can be sustained through 20% reduction in prices, 30% reduction in volume
- Special dividend
 - 2016: £300.2 million
 - 2017: c.£300 million
- Dividend target
 - £1.3 billion of dividends over three years to 2018

2016 – 2018 targets

Three-year targets announced in May remain in place

- An average annual return on net operating assets* of 30%
- An average operating profit* margin of c.22%
- A total of £1.3 billion of dividends to be paid in cash to shareholders over the period

* See definitions slide in the appendix

Conclusions

■ Market outlook

- Underlying supply / demand balance remains favourable
- Mortgage lending and Government policy continues to be favourable
- Initial signs post Referendum encouraging
- Risks remain including second hand market and Prime London

■ Value proposition for shareholders

- High earnings quality with high margin driven by strong landbank
- Discipline and managed growth have created a broad based geographic spread focused on good quality locations
- Potential improvements on capital efficiency and underlying performance in stable market
- Dual stream dividend underpins value in tougher conditions



Future investor communications

- 14 November 2016 Trading update
- 11 January 2017 Trading update
- 28 February 2017 Full year results
- 27 April 2017 AGM and trading update
- 1 August 2017 Half year results

Taylor Wimpey plc

Half Year Results Presentation
for the period ended 3 July 2016

Appendices

Summary income statement*

Group £m	H1 2016	H1 2015	Change	FY 2015
Revenue	1,457.2	1,335.3	9.1%	3,139.8
Cost of sales	(1,093.4)	(1,005.1)	8.8%	(2,351.8)
Gross profit	363.8	330.2	10.2%	788.0
Net operating expenses	(84.6)	(75.7)	11.8%	(155.9)
Profit on ordinary activities before finance costs and tax	279.2	254.5	9.7%	632.1
Net finance cost	(12.5)	(17.9)	(30.2)%	(33.2)
Share of results of JVs	(0.1)	1.4	(107.1)%	4.9
Profit before tax	266.6	238.0	12.0%	603.8
Tax charge	(53.3)	(47.7)	11.7%	(121.5)
Profit for the period	213.3	190.3	12.1%	482.3

* Before exceptional items

Cash flow summary

Group £m	H1 2016	FY 2015	H2 2015	H1 2015
Profit from ordinary activities before finance costs*	281.4	631.5	377.8	253.7
Increase in inventories	(351.0)	(269.1)	(12.9)	(256.2)
Other operating items**	29.2	64.5	40.8	23.7
Cash (used) / generated by operations	(40.4)	426.9	405.7	21.2
Tax	(0.7)	(5.5)	(5.9)	0.4
Interest paid	(4.1)	(14.5)	(9.5)	(5.0)
Net cash (used in) / from operating activities	(45.2)	406.9	390.3	16.6
Investing activities	(16.3)	10.6	10.2	0.4
Financing activities	(39.2)	(308.0)	(263.9)	(44.1)
Cash flow for the period	(100.7)	109.5	136.6	(27.1)
Net cash b/f	223.3	112.8	87.6	112.8
Cash inflow / (outflow)	(100.7)	109.5	136.6	(27.1)
FX and fair value adjustments	(5.9)	1.0	(0.9)	1.9
Closing net cash	116.7	223.3	223.3	87.6

* See definitions slide in the appendix

** Includes other non-cash items, movement in receivables and payables and pension contributions

Group segmental analysis

	H1 2016			H1 2015			FY 2015		
	Operating profit* £m	Operating profit* margin %	RONOA* %	Operating profit* £m	Operating profit* margin %	RONOA* %	Operating profit* £m	Operating profit* margin %	RONOA* %
North	136.9	23.6	33.1	115.9	22.7	30.9	251.0	22.9	31.8
Central and South West	116.2	23.2	34.1	93.8	21.0	28.0	243.2	22.6	34.1
London and South East inc. Central London	59.9	16.6	17.4	76.9	21.2	19.0	203.2	22.3	22.4
Corporate	(34.2)	-	-	(31.6)	-	-	(70.4)	-	-
UK	278.8	19.3	28.5	255.0	19.3	25.0	627.0	20.3	27.2
Spain	0.3	2.0	15.9	0.9	6.4	14.4	10.0	17.2	21.8
Group	279.1	19.2	25.2	255.9	19.2	23.2	637.0	20.3	27.1

* See definitions slide in the appendix

North Division

As at 3 July 2016	Scotland and North East	Yorkshire and North West	West Midlands	North Division H1 2016	North Division FY 2015
Number of outlets	44	56	46	146	153
Private sales rate (net)	0.78	0.80	0.71	0.76	0.65
Completions	763	1,107	956	2,826	5,520
Average selling price on completions £000	217	205	197	205	196
Net operating assets* £m	281.6	329.5	256.8	867.9	813.0

Data based on completions excluding JVs

* See definitions slide in the appendix

Central and South West Division

	Eastern	South West and Wales	Central and South West Division H1 2016	Central and South West Division FY 2015
As at 3 July 2016				
Number of outlets	50	37	87	95
Private sales rate (net)	1.02	0.79	0.90	0.75
Completions	1,069	980	2,049	4,810
Average selling price on completions £000	257	223	241	218
Net operating assets* £m	466.3	352.3	818.6	705.1

Data based on completions excluding JVs

* See definitions slide in the appendix

London and South East Division including Central London

As at 3 July 2016	South East, excluding London market†	London market†	London and South East Division (inc. Central London) H1 2016	London and South East Division (inc. Central London) FY 2015
Number of outlets	34	20	54	49
Private sales rate (net)	0.94	0.50	0.81	0.89
Completions	786	358	1,144	2,889
Average selling price on completions £000	272	402	312	313
Net operating assets* £m	468.4	670.6	1,139.0	994.2

Data based on completions excluding JVs

* See definitions slide in the appendix

† The London market includes the area inside the M25

Movement in Group net assets

	H1 2016 rolling 12 months £m	H1 2015 rolling 12 months £m	Breakdown of movement %
Opening net assets	2,417.0	2,350.7	N/A
Pre-exceptional net earnings	505.3	409.8	20.9%
Net impact of exceptional items	9.9	(0.7)	0.4%
Actuarial losses after tax	(1.6)	(49.2)	(0.0)%
Net share scheme and other movements	15.6	7.1	0.6%
Returns to shareholders (accrued / paid)	(354.0)	(300.7)	(14.7)%
Closing net assets	2,592.2	2,417.0	7.2%
Add back returns to shareholders	354.0		14.7%
Closing net assets pre accrued / paid returns to shareholders	2,946.2		21.9%

UK net operating assets

£m	3 July 2016	28 Jun 2015	31 Dec 2015
Fixed assets	24	20	22
Investment in JVs	41	36	27
Land	2,777	2,627	2,662
WIP	1,366	1,041	1,146
Total inventories	4,143	3,668	3,808
Debtors	225	226	207
Land creditors	(640)	(501)	(622)
Other creditors	(875)	(802)	(830)
Total creditors	(1,515)	(1,303)	(1,452)
Pension liability and PRMA	(181)	(196)	(178)
Provisions	(36)	(37)	(34)
Net operating assets*	2,701	2,414	2,400

* See definitions slide in the appendix

Finance charges

£m	H1 2016	H1 2015	Change	FY 2015
Financial indebtedness	5.4	6.1	(0.7)	11.6
Land creditor unwind	8.5	7.6	0.9	15.9
Pensions	3.2	3.5	(0.3)	6.0
Other	(4.3)	1.0	(5.3)	0.4
Total	12.8	18.2	(5.4)	33.9

UK land portfolio – net cost

£m	3 July 2016			31 Dec 2015
	Owned	Controlled	Total	Total
Detailed planning	1,862	15	1,877	1,827
Outline planning	614	46	660	614
Resolution to grant	37	11	48	34
Sub-total	2,513	72	2,585	2,475
<i>plots</i>	<i>60,730</i>	<i>17,075</i>	<i>77,805</i>	<i>75,710</i>
Strategic	110	64	174	171
<i>plots</i>	<i>27,803</i>	<i>76,003</i>	<i>103,806</i>	<i>106,700</i>
Total	2,623	136	2,759	2,646

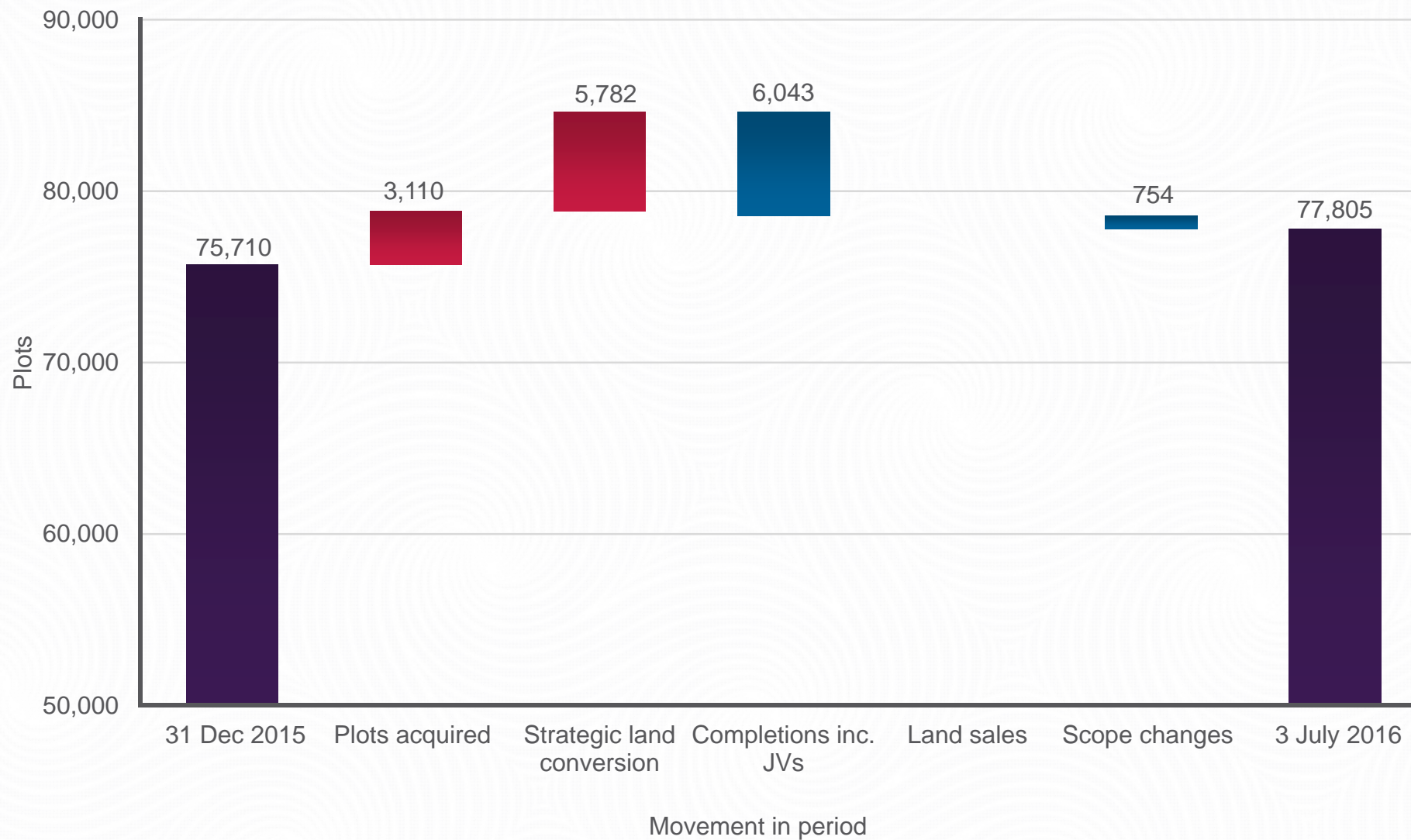
Of the short term owned and controlled land portfolio:

- 50% - post 2009 strategic land
- 29% - post 2009 short term land
- 21% - pre 2009 land

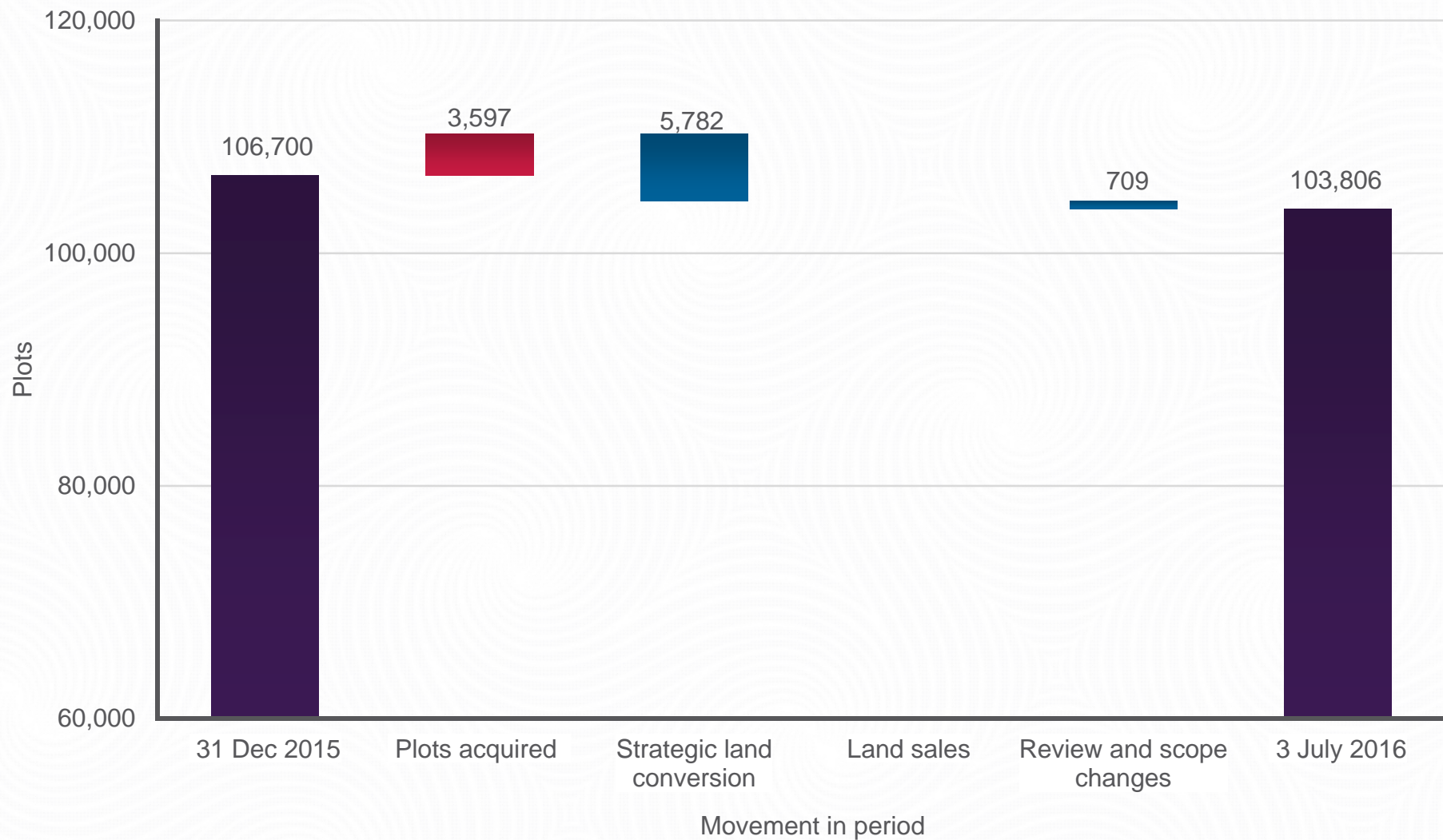
NRV is wholly allocated to land – comparable basis to peers

Includes JV plots at no cost

UK short term landbank

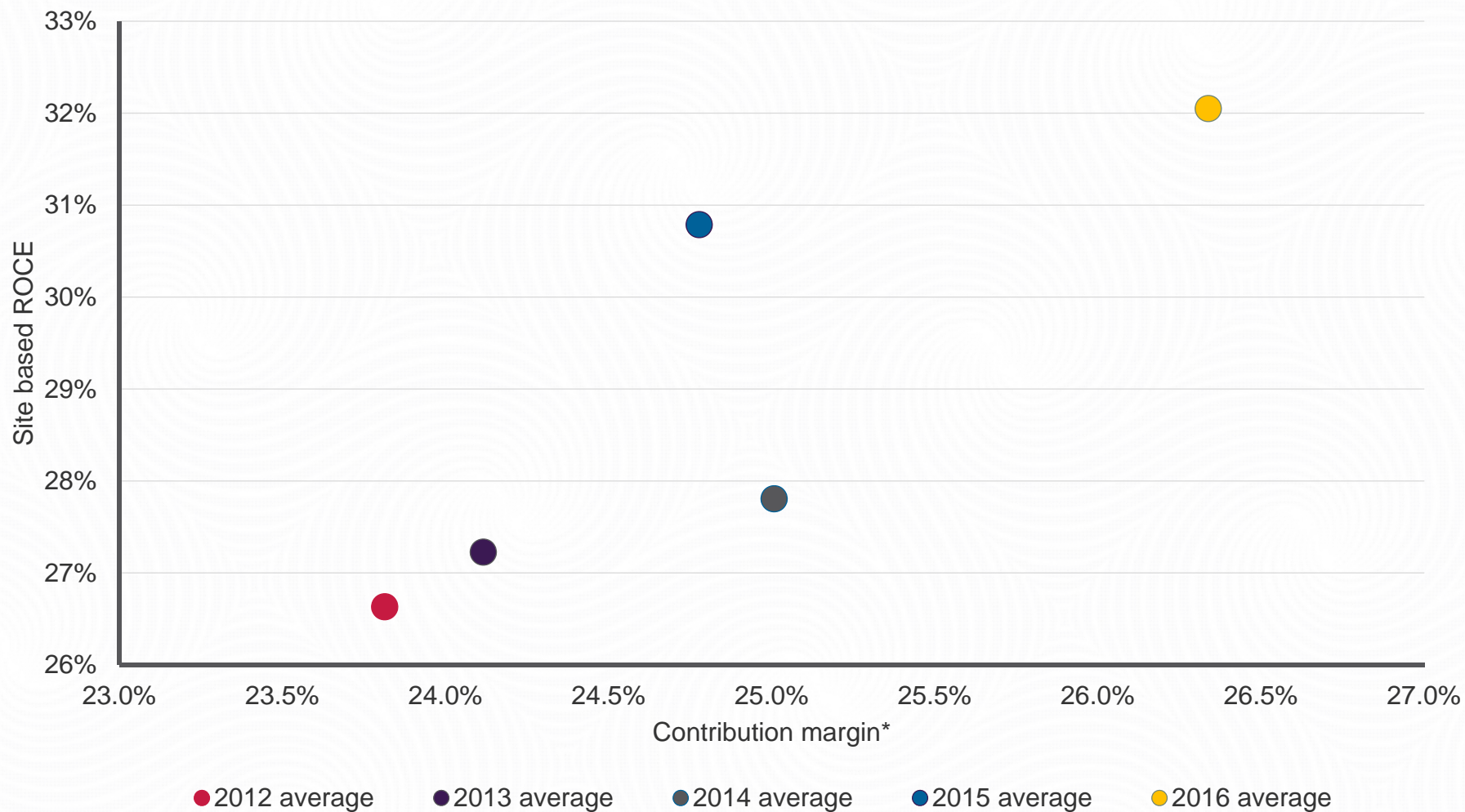


UK strategic pipeline



Quality of land acquisitions

Capital allocation of land approvals
in the period



* See definitions slide in the appendix

North Division

As at 3 July 2016	Scotland and North East	Yorkshire and North West	West Midlands	North Division H1 2016	North Division FY 2015
Short term owned and controlled land portfolio plots	8,949	11,677	6,699	27,325	27,967
Land portfolio years	5.5	5.4	3.6	4.8	5.1
Land portfolio years, three-year view*	5.1	4.6	3.3	4.3	4.6
Cost per plot £000**	26.7	28.7	34.3	29.5	29.0
ASP in short term owned land portfolio £000	203	193	207	201	200
Average land cost as a % of ASP	13.2%	14.9%	16.6%	14.7%	14.5%
Strategic land plots (> 50% probability)	21,620	22,311	11,080	55,011	55,033

* Based on a three-year forward looking average

** Based on short term owned plots. NRV is wholly allocated to land, comparable basis to peers

Central and South West Division

	Eastern	South West and Wales	Central and South West Division H1 2016	Central and South West Division FY 2015
As at 3 July 2016				
Short term owned and controlled land portfolio plots	18,369	15,445	33,814	32,268
Land portfolio years	7.3	6.7	7.0	6.7
Land portfolio years, three-year view*	6.1	6.1	6.1	6.0
Cost per plot £000**	34.1	31.5	32.8	33.1
ASP in short term owned land portfolio £000	237	230	234	225
Average land cost as a % of ASP	14.4%	13.7%	14.0%	14.7%
Strategic land plots (> 50% probability)	16,350	17,145	33,495	36,818

* Based on a three-year forward looking average

** Based on short term owned plots. NRV is wholly allocated to land, comparable basis to peers

London and South East Division including Central London

As at 3 July 2016	South East, excluding London market†	London market†	London and South East Division (inc. Central London) H1 2016	London and South East Division (inc. Central London) FY 2015
Short term owned and controlled land portfolio plots	12,267	4,399	16,666	15,475
Land portfolio years	5.5	5.6	5.5	5.1
Land portfolio years, three-year view*	3.6	3.9	3.7	4.1
Cost per plot £000**	43.8	182.1	77.1	73.7
ASP in short term owned land portfolio £000	303	619	379	369
Average land cost as a % of ASP	14.5%	29.4%	20.3%	20.0%
Strategic land plots (> 50% probability)	15,010	290	15,300	14,849

* Based on a three-year forward looking average

** Based on short term owned plots. NRV is wholly allocated to land, comparable basis to peers

† The London market includes the area inside the M25

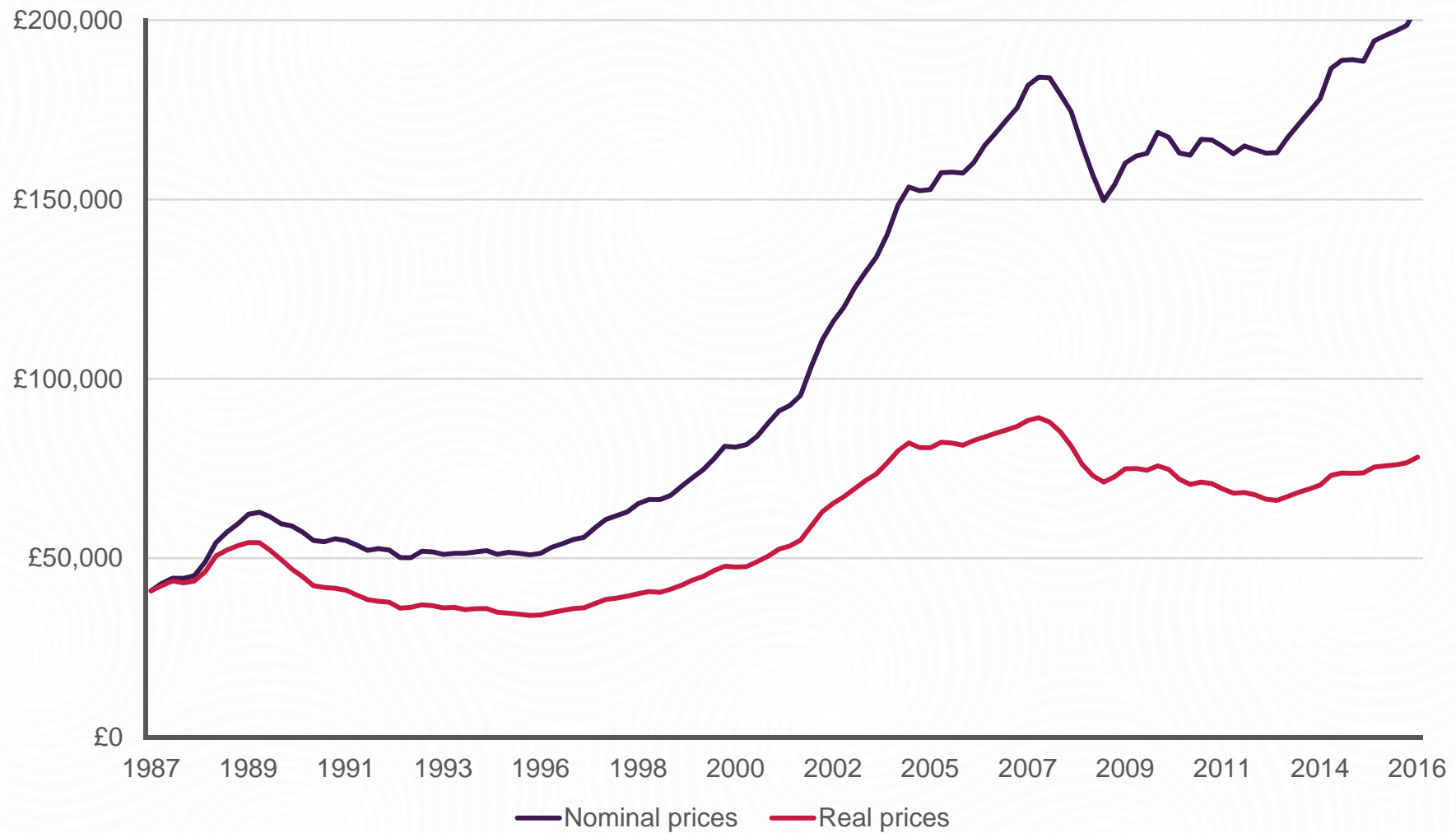
Land disposals

£m		H1 2016	H1 2015	FY 2015
Proceeds	UK	9.3	7.4	35.9
	Spain	-	-	-
	Total	9.3	7.4	35.9
Gross profit	UK*	3.3	2.6	6.2
	Spain	-	-	-
	Total	3.3	2.6	6.2

Land disposals are included in revenue and cost of sales

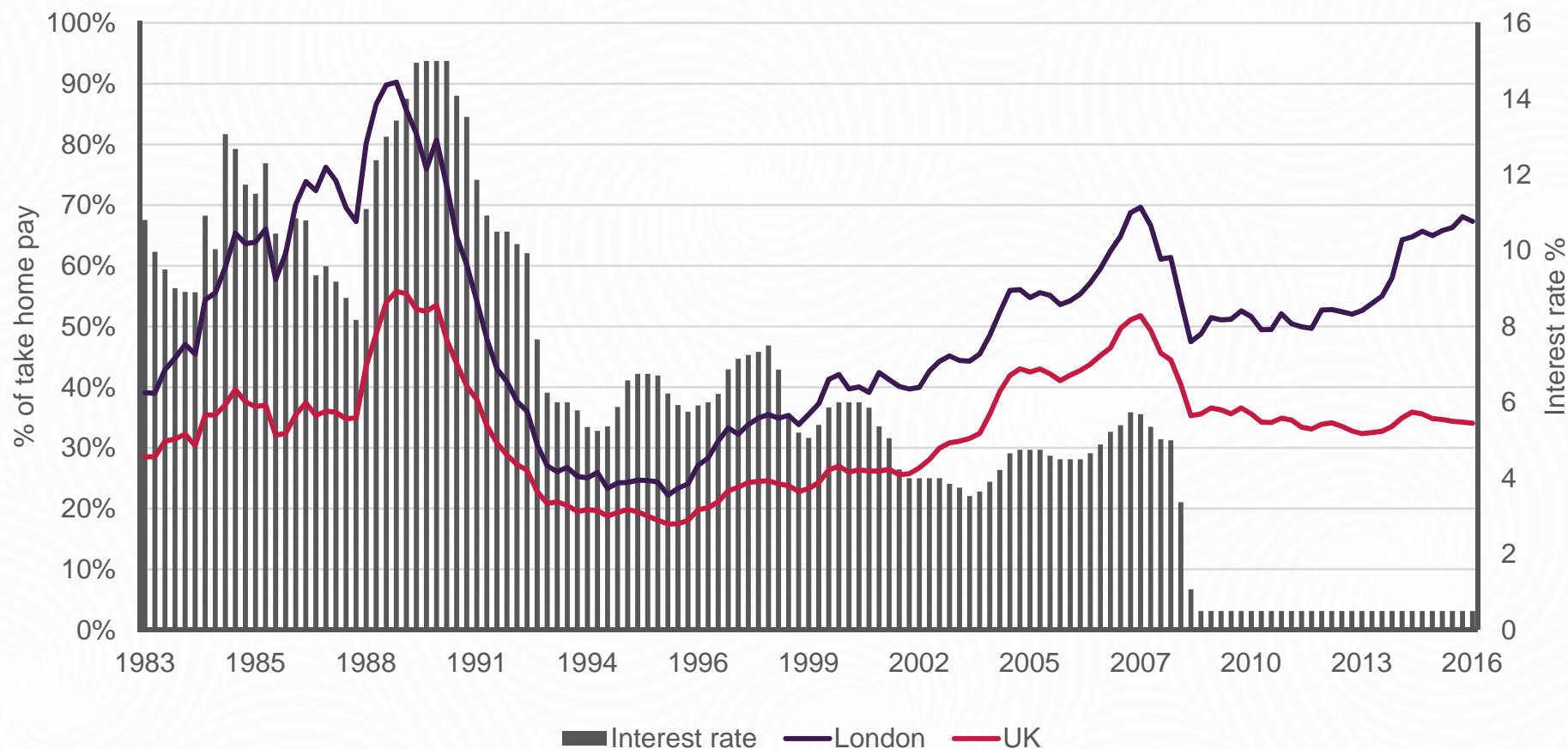
* Includes land provision releases

Real house prices



Source: Nationwide – Nominal house prices

FTB mortgage payments as % of pay / interest rates



- FPC recommend to stress test assuming Bank Rate increases by 3%

Source: Nationwide / Bank of England

UK customer segmentation

	2016		2015		2014		
Total reservations	H1	FY	H2	H1	FY	H2	H1
First time buyers	41%	36%	33%	39%	35%	31%	38%
Second time buyers	38%	37%	36%	38%	39%	37%	40%
Affordable	17%	20%	24%	16%	18%	23%	14%
Investor	4%	7%	7%	7%	8%	9%	8%
Total	100%	100%	100%	100%	100%	100%	100%
Help to Buy*	42%	37%	30%	41%	36%	31%	40%

Data based on reservations excluding JVs

* Help to Buy includes mortgage guarantee and equity loan schemes

UK product mix

Private completions	2016		2015		2014	
	H1	FY	H2	H1	FY	H2
Apartments	10%	13%	15%	11%	18%	18%
1 / 2 / 3 bed houses	48%	47%	46%	49%	45%	45%
4 / 5 bed houses	42%	40%	39%	40%	37%	37%
Total	100%	100%	100%	100%	100%	100%

Data based on completions excluding JVs

UK sales performance

	H2 2016 (w/e 24 July 2016)	H1 2016	H2 2015	H1 2015
Average outlets open	287	294	300	302
Average sales rate (net)	0.69	0.95	0.86	0.94
Average selling price £000	262	246	237	237

As at	H2 2016 (w/e 24 July 2016)	3 July 2016	31 Dec 2015	28 June 2015
Total order book value £m	2,237	2,156	1,779	1,859
Total order book units	8,966	8,683	7,484	8,120
ASP in total order book £000	249	248	238	229
Outlets at end of period	286	287	297	307
Order book value £m per outlet	7.8	7.5	6.0	6.1

Data based on reservations excluding JVs

Spain financial summary

	H1 2016	H1 2015	Change	FY 2015
Average number of active sites	18	20	(10.0)%	18
Legal completions	53	66	(19.7)%	251
Average selling price (£000)	266	205	29.8%	227
Average selling price (€000)	342	284	20.4%	315
Revenue £m	14.8	14.1	5.0%	58.1
Operating profit* £m	0.3	0.9	(66.7)%	10.0
Operating profit* margin %	2.0	6.4	(4.4)ppt	17.2
Order book £m	123.0	74.8	64.4%	72.1
Order book (plots)	399	308	29.5%	270
Net operating assets £m	68.6	49.5	38.6%	42.6
Total landbank plots**	2,317	2,098	10.4%	2,075

* See definitions slide in the appendix

** Landbank includes owned and controlled land

Definitions

- Operating profit is defined as profit on ordinary activities before net finance costs, exceptional items and tax, after share of results of joint ventures.
- Adjusted basic earnings per share represents earnings, attributed to the shareholders of the parent, excluding exceptional items and tax on exceptional items, divided by the weighted average number of shares in issue during the period.
- Net operating assets is defined as net assets less net cash less net tax balances, excluding any accrued dividends.
- 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.
- Tangible net assets per share is defined as net assets before any accrued dividends excluding goodwill and intangible assets divided by the number of ordinary shares in issue at the end of the period (H1 2015 divided by weighted average number of ordinary shares in issue during the period).
- Net operating asset turn is defined as total revenue divided by the average of opening and closing net operating assets. Based on rolling 12 months.
- Contribution margin is defined as net revenue less total build cost less total land cost net of impairment provision less direct selling expenses.
- Profit from ordinary activities before finance costs is defined as profit on ordinary activities before net finance costs and tax, and before share of results of joint ventures.
- Cash conversion is defined as operating cash flow divided by operating profit.
- Operating cash flow is defined as cash generated by operations before tax and interest paid on a rolling 12-month basis.
- Net asset annual growth NAV (pre-cash distributions) is defined as the percentage change between closing net assets pre accrued and paid returns to shareholders, on a rolling 12-month basis, and closing net assets on a rolling 12-month basis from the comparative period.
- EBITDA is defined as operating profit before depreciation and software amortization.
- EBITLA is defined as operating profit before land amortisation, which is defined as the value of land (net of impairment provision) charged to the income statement on completion of land and house sales.