

4 November 2009

**Taylor Wimpey plc
Interim Management Statement**

This Interim Management Statement covers the period from 1 July 2009 to 4 November 2009.

UK Housing

UK housing market conditions continue to be significantly better than the equivalent period of 2008. The main house price indices are showing increases over recent months, with a gradual improvement in mortgage availability and a recent increase in industry housing starts also contributing to positive sentiment.

Our own performance has remained encouraging since the half year. We did not experience the usual industry seasonal slowdown over the summer and sales rates have remained solid into the autumn. We are now fully sold for 2009 and our sales focus remains on achieving price increases as we build our 2010 order book. Our net private reservation rate for the second half to date is 0.56 homes per site per week (H1 2009: 0.65, H2 2008: 0.40). These reservation rates include the effect of cancellations, which remain low at 16% for the second half to date (H1 2009: 19%, H2 2008: 46%).

The average selling price for private homes in the order book is currently c9% higher than the £163k achieved on private completions during the first half. This is a result of planned improvements in our mix towards housing rather than apartments, as well as price increases achieved over the last three months. As indicated at our half year results, we expect to deliver a higher average selling price on private completions in the second half than that achieved in the first half. The total order book value is £1.00 billion (week 43 2008: £1.06 billion).

In response to the improved market conditions, we have steadily increased our build rates and we continue to open new outlets where we have maximised the benefits of revised planning consents and cost reductions. We have opened 22 outlets in the second half to date and now have 317 active outlets, with further openings planned for the balance of the year.

Having started to brand new outlets as Taylor Wimpey in July, the roll out of the brand to existing outlets is underway. A wide range of prototypes for our new house type range are under construction and these house types will be available to buy from early 2010. This range will enable us to achieve further operational efficiencies and has been designed to allow future regulatory requirements, relating mainly to sustainability initiatives, to be met at the lowest possible additional cost.

We have also made good progress in reducing build costs. Regular benchmarking exercises across our business have identified considerable opportunities for reductions in the cost of building our homes on current sites, with no compromise on quality. There are also opportunities to reduce the costs associated with infrastructure and other development costs. The enhancement to profits arising from these actions will accelerate as we open new outlets for future completions.

Transaction volumes in the land market continue to be well below normal levels and we remain cautious on large scale land purchases. However, we have approved new land purchase commitments for 1,011 plots at 8 new sites since the half year, all of which have been on very favourable terms. With a strong consented landbank and ongoing opportunities to bring plots through from our strategic landbank, we will continue to be highly selective with regard to open market land transactions.

The continuation of improved market conditions into the autumn selling season has been reassuring, although sustaining the current recovery will be dependent on improvements in mortgage availability and the wider economy. Our operational focus remains on build cost reduction and achieving sales price increases as we build our order book for 2010.

North America Housing

The US housing market has shown continued stability in the second half to date, giving cause for cautious optimism. Although foreclosures remain an issue, they have not had an incremental negative effect in recent months. The number of months of supply of both new and existing homes are reducing and affordability levels in many markets are very good. In Canada, the more stable economic climate has been reflected in a more robust housing market and our business continues to perform well.

We have 153 active outlets in North America (30 June 2009: 168). Sales rates net of cancellations have remained consistent with the first half of the year, averaging 0.6 sales per site per week (H1 2009: 0.6, H2 2008: 0.3). Cancellation rates remain encouragingly low at c17% in the second half to date (H1 2009: 18%, H2 2008: 27%).

Taking into account completions already achieved, our order book for the remainder of 2009 is in line to deliver our expectations for full year completions. Pricing has remained broadly flat against the first half average of US\$275k. Our current order book stands at US\$0.95 billion (week 43 2008: US\$1.21 billion).

We have already achieved significant reductions in both build and overhead costs and inventory levels remain under tight control. Our focus in North America is on ensuring that our landbank is well positioned to benefit from recovery. To this end, we have traded out of some of our existing holdings and have acquired land selectively in high quality locations totalling 2,240 plots in the second half to date.

Whilst we continue to expect geographical variations in the timing and profile of recovery, we have experienced an encouraging period of prolonged stability in our North American markets. With affordability at extremely good levels there is the potential for significant price rises once economic conditions fully stabilise.

Spain & Gibraltar Housing

Our business in Spain is performing well in challenging market conditions and our plans to exit from our small business in Gibraltar remain on course.

Group

Net debt currently stands at c£860 million, a significant reduction against the £1.87 billion at the same point last year. We now expect year end net debt to be below £800 million despite our decision to accelerate significant cash commitments forward from early 2010. This represents an improvement of £100 million against previous guidance.

As indicated at the half year, in the absence of a further material adverse change in our main markets, we would not anticipate further reductions in the carrying value of our landbank.

The Group remains well positioned for market recovery, with a strong landbank and efficient operations in both the UK and North America. Cash generation remains a focus for the Group, but our primary focus is on returning to normal levels of profitability as quickly as market conditions allow.

Taylor Wimpey is holding a site visit for analysts and investors later today, where current trading and UK operational strategy will be discussed. Slides from the presentations given will be published on our website (www.taylorwimpeyplc.com).

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Notes to editors:

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.

For further information please visit the Group's website:
www.taylorwimpeyplc.com