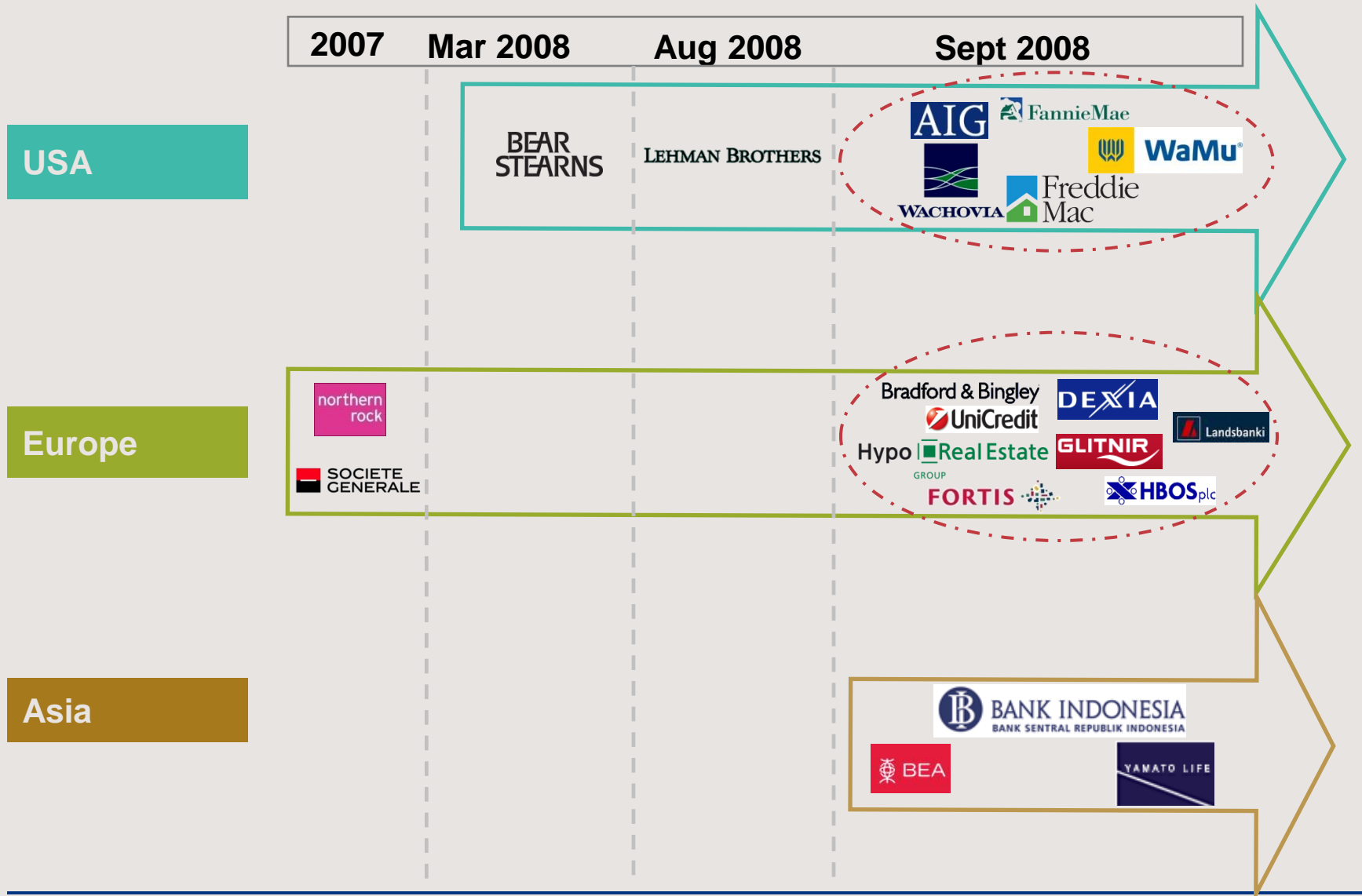


Tough times

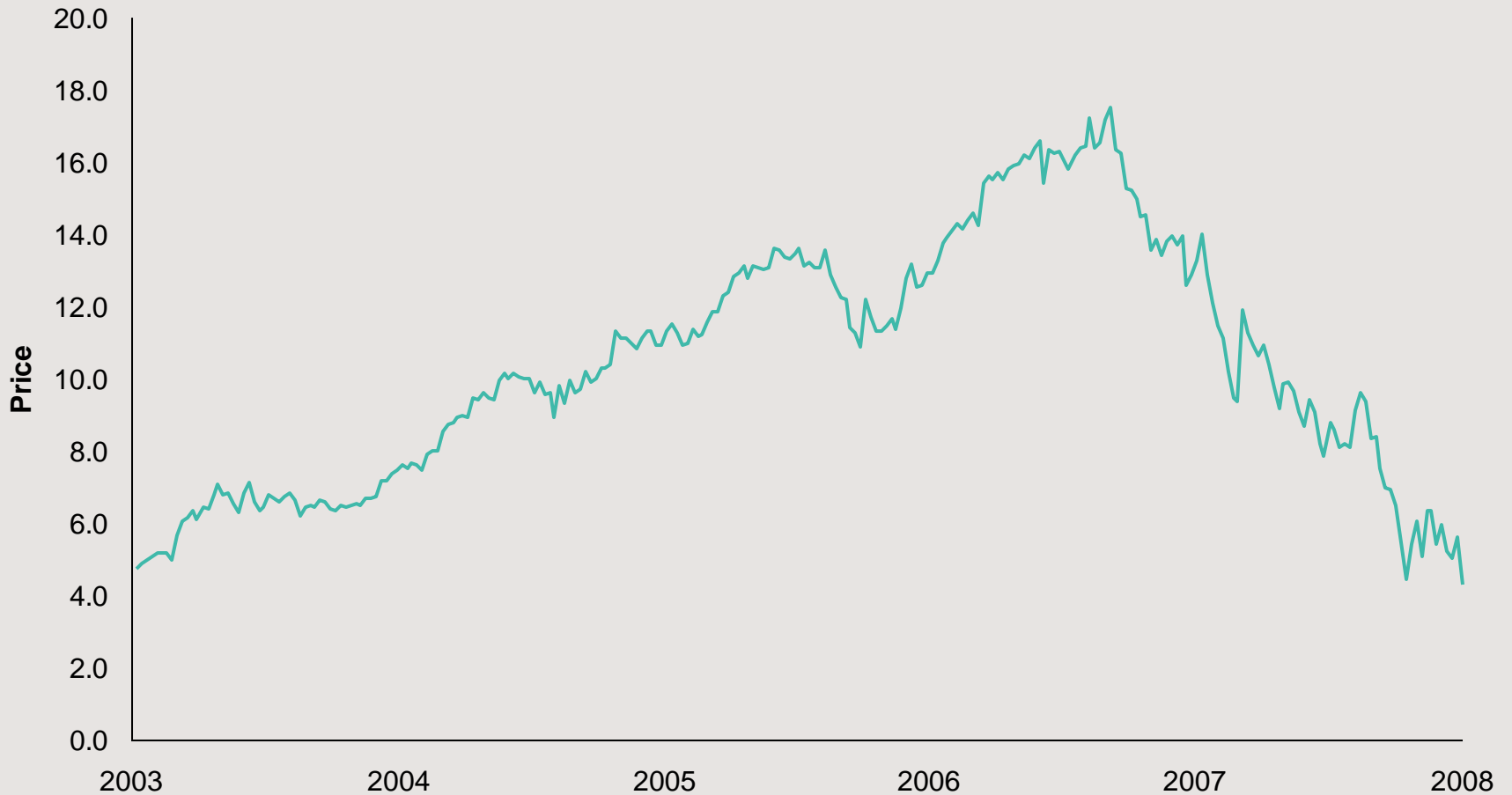
15 October 2008



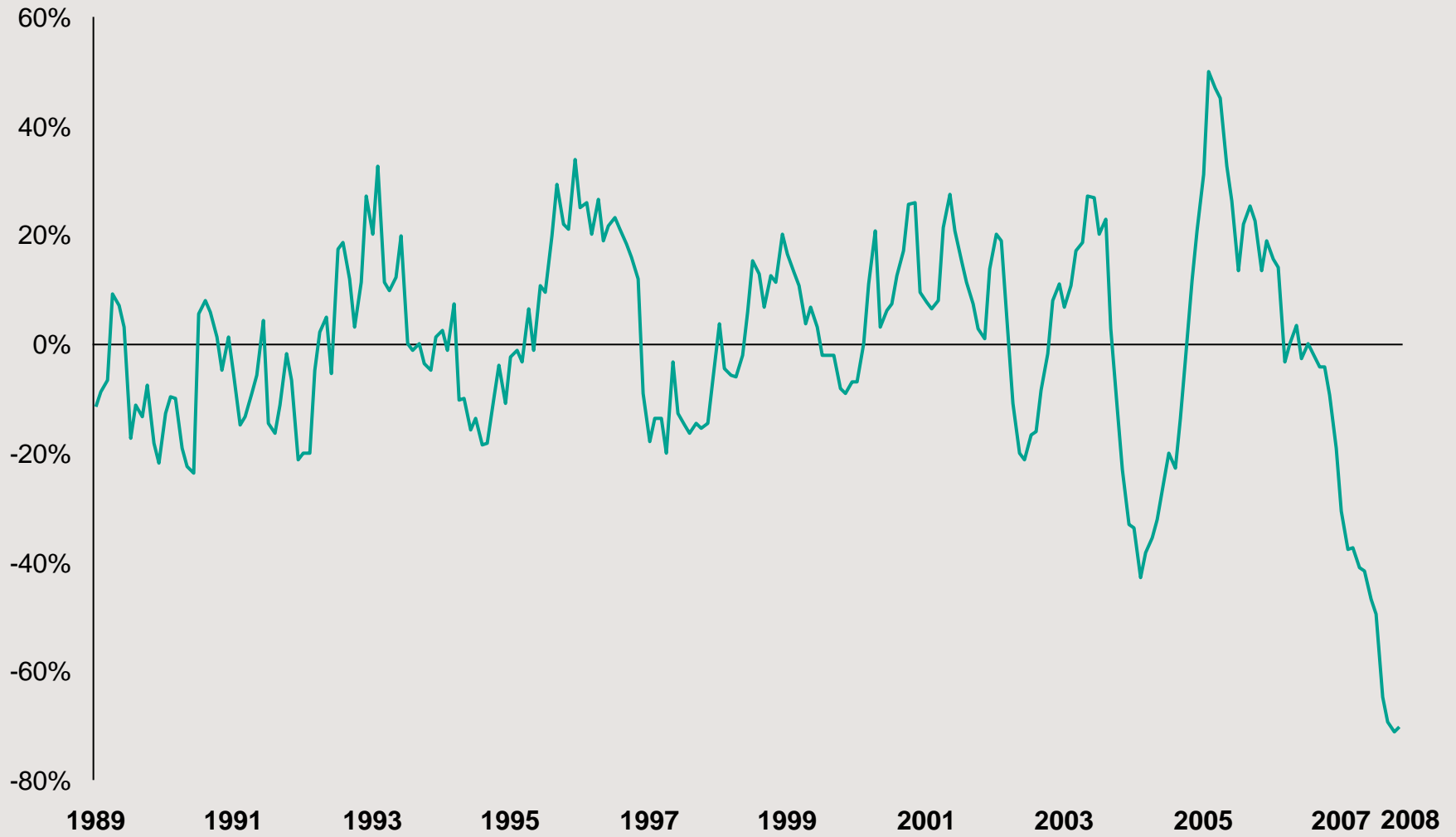
Bank failures/takeouts



Share price graph – 5 year performance

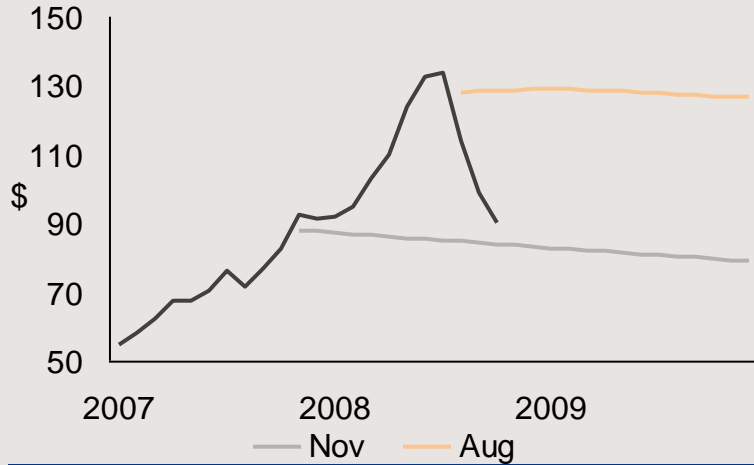


Mortgage Approvals

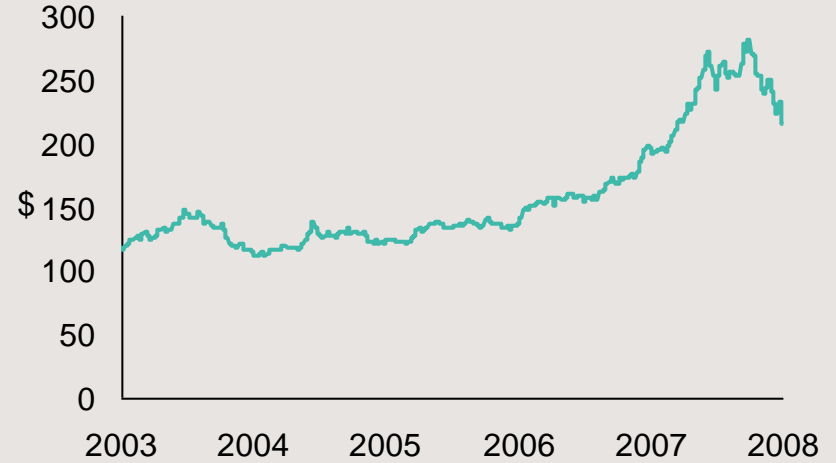


Inflation

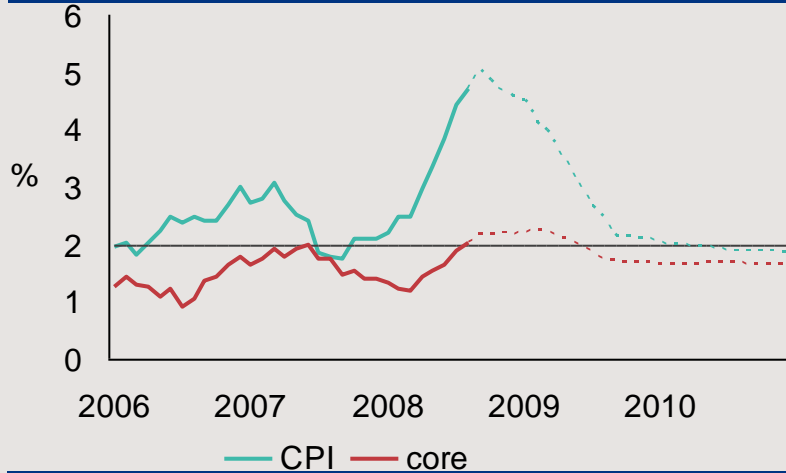
Oil price (barrel)



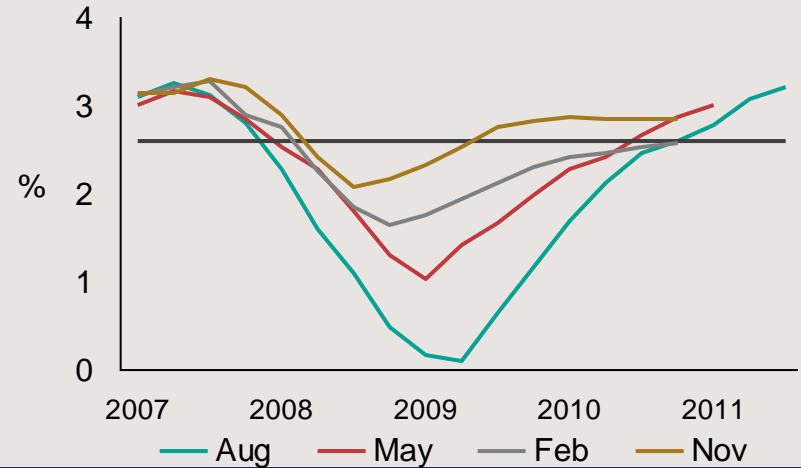
Food prices (Economist index)



CPI inflation, headline & core



MPC GDP forecast (y/y)



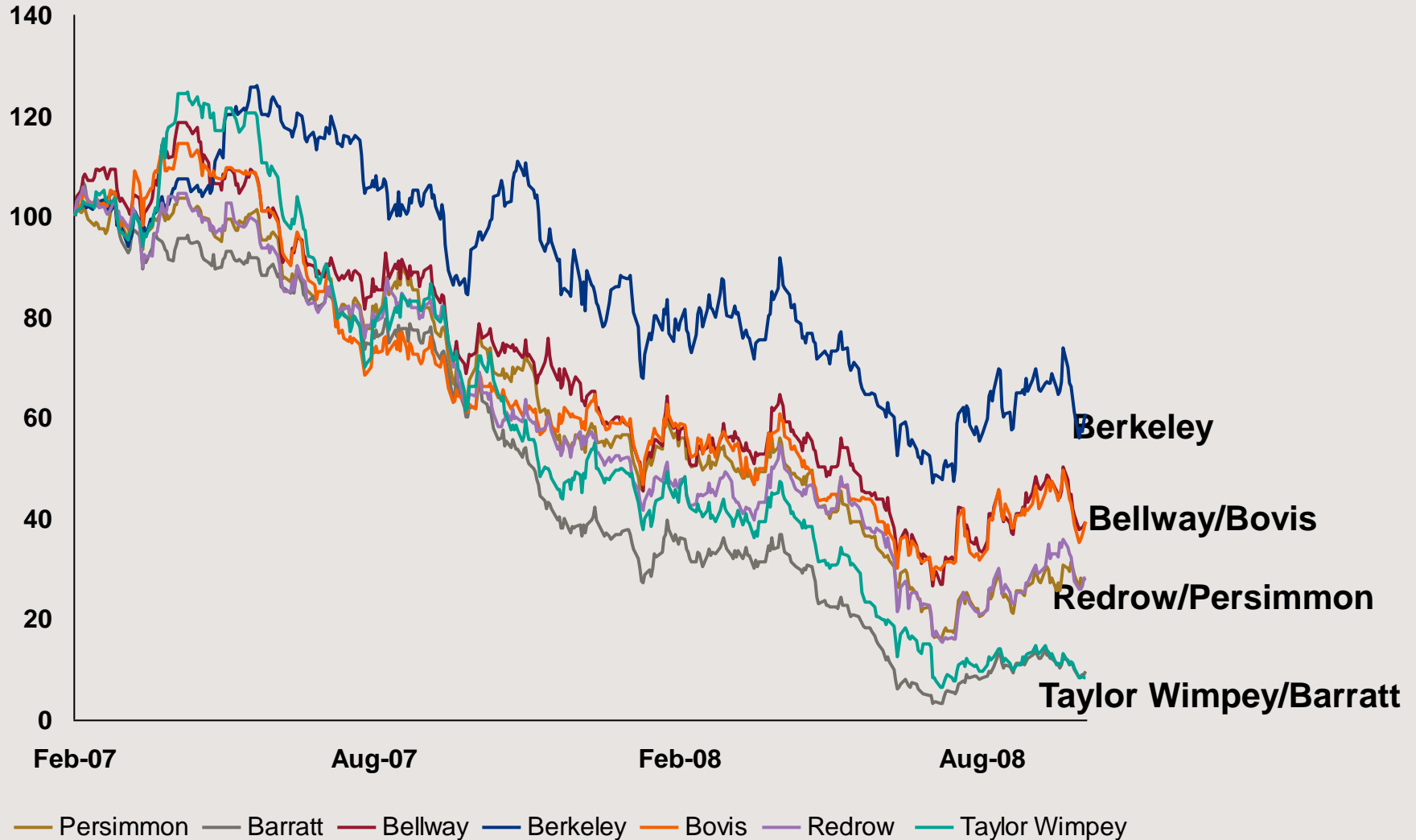
Completions and reservations H1 08

		Social units	Private units	Total volume	Reservations
Barratt	2H08	34%	-11%	-4%	-39%
Bellway	2H08	47%	-23%	-14%	-49%
Bovis	1H08	39%	-43%	-32%	-52%
Persimmon	1H08	40%	-39%	-31%	-38%
Redrow	2H08	-	-	30%	-55%
Taylor Wimpey UK	1H08	11%	-38%	-30%	-39%
Weighted Average		41%	-33%	-24%	-

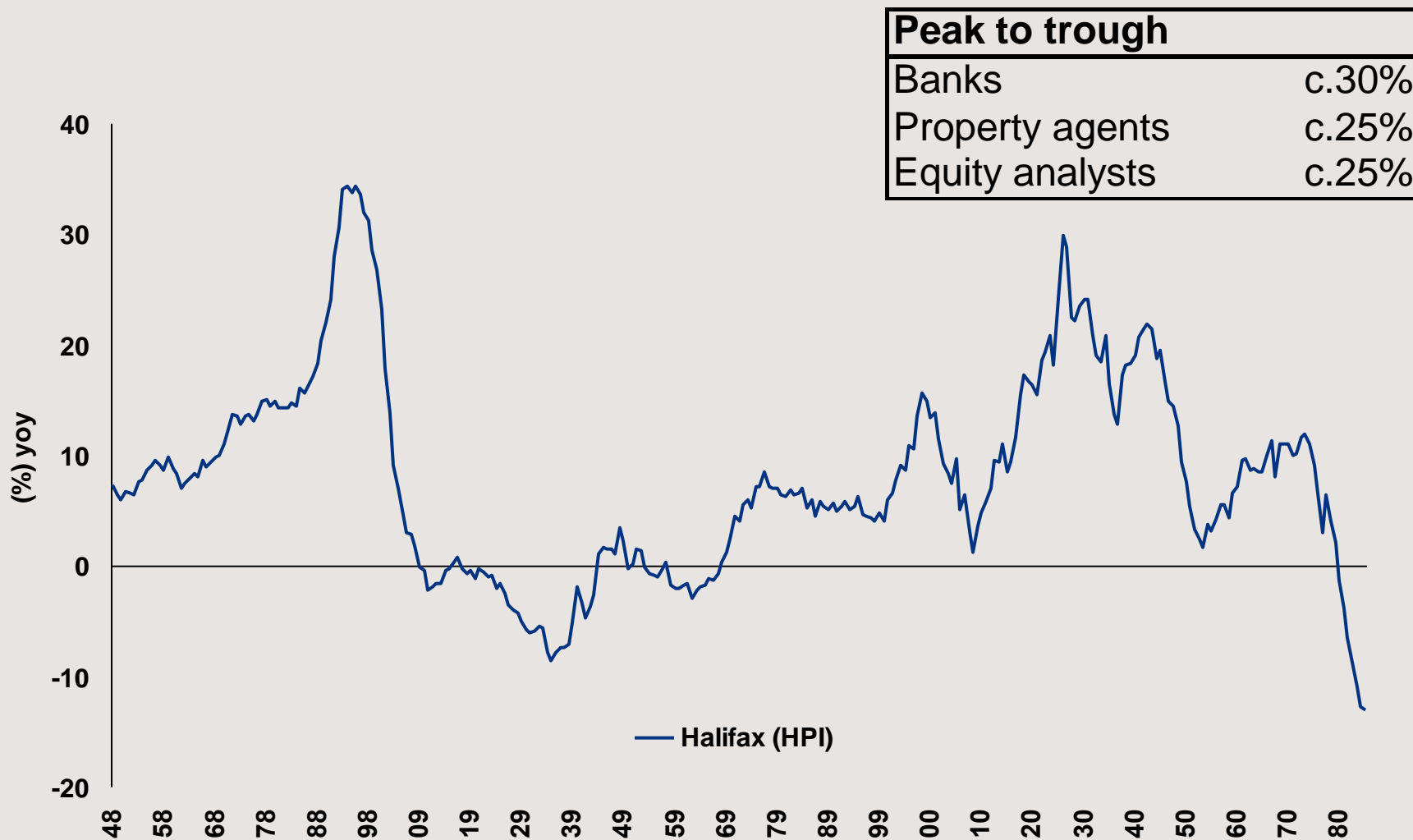
Market cap, net debt and net debt as % of market cap

GBPm	Market Cap	Net Debt	Net Debt	Land Creditors
			Market. Cap	
Barratt	381	1,662	436%	552
Bellway	631	238	38%	137
Bovis	484	93	19%	53
Persimmon	1180	845	72%	402
Redrow	281	223	79%	93
Taylor Wimpey	364	1,675	460%	677

Share price graph – house building sector



Projected and past HPI



Inventory impairments – June 2008

	Barratt	Bellway	Bovis	Persimmon	Redrow	Taylor Wimpey UK
Writedown taken (£m)	151	131	0	40	259	586
As % of previous land value	5%	8%	0%	2%	40%	16%
House price deflation assumed	15%	-	8-9%	9-10%	10-11%	12-13%

Land and NTA before and after 30% house price fall



	Barratt	Bellway	Bovis	Persimmon	Redrow	Taylor Wimpey	Berkeley
NTA pre writedown	1,986	1,071	715	1,878	588	2,885	664
NTA after 50% drop in inventories	311	513	417	705	264	945	571

Free Cash Flow

2009F	Barratt	Bellway	Bovis	Persimmon	Redrow	Taylor Wimpey
GBPm						
EBITDA	129	42	7	62	4	(6)
Change in working capital	229	105	54	271	7	405
Net interest (pd) / rec	(177)	(17)	(9)	(54)	(22)	(92)
Taxes paid	22	(6)	1	(16)	13	33
Other oper cash items	(3)	n/a	-	-	n/a	-
Cash flow from operations	200	124	53	263	1	340
Capex	(3)	(6)	-	(4)	(2)	(12)
Preferred dividends	-	-	-	-	-	-
Free Cash Flow	197	119	53	259	(1)	328
FCF / Net Debt	12%	52%	56%	31%	0%	20%
FCF / (Net Debt + Land Creditors)	9%	32%	36%	21%	0%	19%

Value parameters

	Barratt	Bellway	Bovis	Persimmon	Redrow	Taylor Wimpey	Berkeley
Market Cap/NTA							
Pre writedown	0.2x	0.5x	0.6x	0.7x	0.5x	0.1x	1.3x
After drop in inventories							
- 40% inventory	0.5x	0.9x	0.9x	1.3x	0.8x	0.2x	1.5x
- 50% inventory	1.0x	1.1x	1.1x	1.7x	1.0x	0.3x	1.5x
EV/EBITDA							
2008F	4.7x	5.1x	23.0x	11.4x	6.8x	21.2x	4.5x
2009F	20.2x	22.3x	-	40.7x	-	-	5.6x
EV / FCF							
2008F	-	-	-	14.7x	2.4x	3.3x	5.8x
2009F	13.2x	7.9x	11.4x	9.8x	-	8.6x	-

Alternatives for re-engineering business models

**Rental
vehicles /
REITs**

**Land
partnerships**

Product

**Strategic
investment**

Start-ups

ROIC in acquisitions

Year Company	Historic EBIT	Announced synergies	Revised EBIT	Equity value	Net debt assumed	Invested capital	ROIC (pre tax)	ROIC (post tax)
2001 Beazer	104	33	137	570	127	697	19.7%	13.8%
2001 Bryant	94	15	109	539	124	663	16.4%	11.5%
2001 McAlpine Homes	49	20	69	461	(2)	459	15.0%	10.5%
2002 Laing Homes	52	10	62	297	220	517	11.9%	8.3%
2003 Wilson Connolly	67	25	92	480	167	647	14.2%	9.9%
2005 Fairclough	39	15	54	264	75	339	15.8%	11.1%
2005 Westbury	142	40	182	643	227	870	21.0%	14.7%
2007 Wilson Bowden	243	45	295	2,124	169	2,293	12.9%	9.0%
2007 Linden	32	3	34	109	136	245	13.9%	9.7%
2007 George Wimpey	415	70	485	2,546	387	2,933	16.5%	11.6%
2007 Ben Bailey	16	3	19	84	116	200	9.5%	6.7%

Source: Company reports

Note: Announced synergies assumed to be 20% of historic EBIT unless stated

Tough times