

Directors' Report: Business Review

Business Overview

UK Housing

Taylor Wimpey is one of the largest homebuilders in the UK with national coverage from 23 regional offices and TW City specialist projects.



For more information
see pages 13 to 18

Overview

We build a wide range of homes in the UK, from one bed apartments to five bedroom houses, with prices ranging from below £100,000 up to £500,000.

We also build affordable housing across the UK, which represented 17% of our 2009 completions.

We operate as Taylor Wimpey in the UK and are phasing out the legacy Bryant Homes and George Wimpey brands.

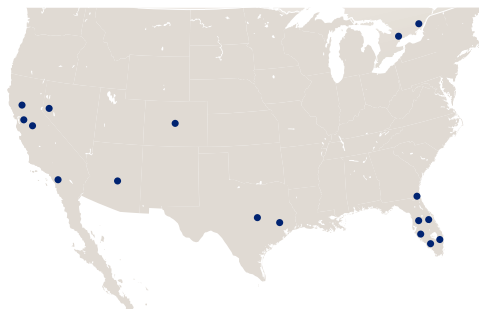
Taylor
Wimpey

Bryant Homes

George Wimpey

North America Housing

Taylor Morrison is a top 10 homebuilder in the United States and also operates in Ontario, Canada.



For more information
see pages 19 to 23

Overview

Our homes in North America range from high-rise apartments in Toronto to full service country club homes in Florida and from entry level to luxury homes.

Our prices range from below £75,000 to above £500,000. Average selling prices vary by geography from £115,000 in Arizona to £228,000 in California.

In the United States we sell homes under the Taylor Morrison brand and our business in Canada trades under the Monarch brand.

taylor
morrison
Homes Inspired by You

Monarch

Spain and Gibraltar

Taylor Wimpey operates in three regions in Spain and also in Gibraltar.

For more information
see page 24

Taylor
Wimpey

Taylor Woodrow

Overview

Our business in Spain is primarily focused on developing sites in popular locations.

We announced during 2008 that we are planning to exit our Gibraltar business, which operates in the luxury apartment market.

We have introduced the Taylor Wimpey brand in our operations in Spain.

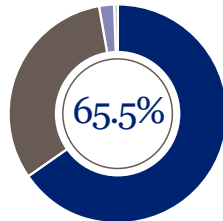
Key highlights

Completions
10,186

Average selling price
£160k

Average outlets
343

Proportion of
Group revenue

**Market conditions**

Following a sharp decline commencing in the second quarter of 2008, trading conditions in the UK saw greater stability over the course of 2009.

National house price indices show price increases for 2009, affordability has improved and industry volumes are increasing gradually from very low levels.

Although mortgage availability remains restricted, there have been signs of easing over recent months.

Short term priorities

- Deliver competitive offers in each local market
- Reduce build costs through merger savings, lower labour and materials costs and value engineering of sites
- Replan existing sites with detailed planning consents to change product mix and reduce planning obligations
- Add new plots to the landbank on attractive terms

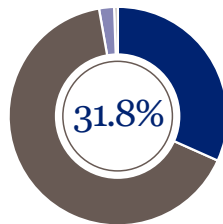
**Key highlights**

Completions
4,755

Average selling price
£171k

Average outlets
172

Proportion of
Group revenue

**Market conditions**

After a weak first quarter of 2009, the US housing market showed continued stability.

The sharp price declines seen since late 2005 have resulted in record levels of affordability in our US markets and the number of months of supply of both new and existing homes continues to reduce.

Although foreclosures remain a potential issue, they have not had an incremental negative impact in recent months and prices have remained stable. The US Government has recently extended its first time homebuyer tax credit to the end of April 2010.

The more robust economic conditions in Canada are persisting and this is reflected in a stronger housing market.

Short term priorities

- Drive sensible sales rates for each site
- Retain build cost and overhead savings
- Maintain reduced level of investment in land and work in progress spend where appropriate
- Grow market share in our key markets

**Key highlights**

Completions
225

Average selling price
£260k

Average outlets
18

More on-line

www.taylorwimpeyplc.com

Our Web site contains a wide variety of additional information about the Group.