

BARRATT DEVELOPMENTS PLC

PRELIMINARY RESULTS

Year ending 30th June 2006

27th September 2006

INTRODUCTION

Charles Toner
Chairman

AGENDA

Key Highlights

Charles Toner

Financial Review

Mark Pain

Market & Business Review

David Pretty

KEY HIGHLIGHTS

14th Consecutive year of growth

Completions at 14,601 - Up 2%

Margin increased to 16.7%

Underlying profits at £391.4m – Up 3.4%

Dividends per share at 31.03p – Up 15%

2006 FINANCIAL REVIEW

Mark Pain
Finance Director

2006 COMPLETIONS

	COMPLETIONS			AVGE SELLING PRICE		
	2006 No.	2005 No.	CHANGE No.	2006 £000	2005 £000	CHANGE %
Private	11,899	12,591	(692)	182.8	182.1	0.4
Social	2,702	1,760	942	90.5	101.7	(11)
Total	14,601	14,351	250	165.8	172.2	(3.7)

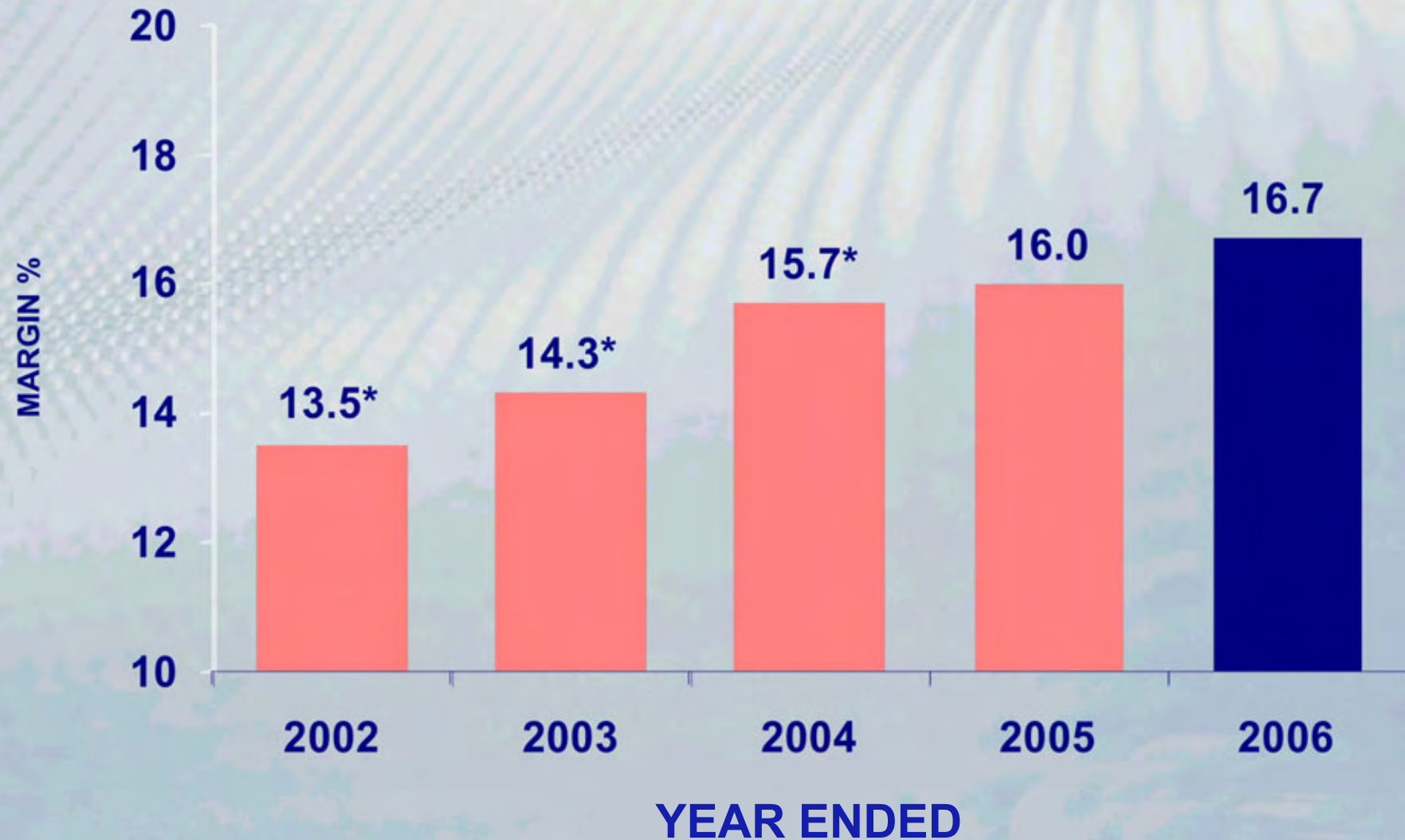
2006 TURNOVER ANALYSIS

	2006 £M	2005 £M	INCREASE/ DECREASE	
			£M	%
HOUSEBUILD	2,421.9	2472.4	(50.5)	(2.0)
OTHER	9.5	12.3	(2.8)	(22.8)
TOTAL	2,431.4	2,484.7	(53.3)	(2.1)

2006 OPERATING PROFIT

	2006	2005	INCREASE/ (DECREASE)	
	£M	£M	£M	%
HOUSEBUILD	404.6	395.7	8.9	2.2
OTHER	5.0	(5.3)	10.3	-
UNDERLYING	409.6	390.4	19.2	4.9
GROUND RENT DISPOSAL	-	15.9	(15.9)	-
TOTAL	409.6	406.3	3.3	0.8
	%	%		%
HOUSEBUILD MARGIN	16.7	16.0		0.7

2006 MARGIN ANALYSIS



* UKGAAP

2006 FINANCING COSTS

	2006	2005	INCREASE/ (DECREASE)	
	£M	£M	£M	%
REAL	8.7	4.7	4.0	85.1
NOTIONAL	9.5	7.3	2.2	30.1
TOTAL	18.2	12.0	6.2	51.7
AVERAGE FUNDING	164.0	27.0	-	-
AVERAGE GEARING	11%	2%	-	-

2006 PROFITS & EARNINGS PER SHARE



	2006	2005	INCREASE/ (DECREASE)	
	£M	£M	£M	%
UNDERLYING PBT	391.4	378.4	13.0	3.4
EXCEPTIONAL GROUND RENT PROFIT	-	15.9	(15.9)	-
PBT	391.4	394.3	(2.9)	(0.7)
TAX	(116.4)	(112.2)	(4.2)	3.7
EARNINGS	275.0	282.1	(7.1)	(2.5)
EPS - BASIC	115.3p	119.9p	(4.6p)	(3.8)
EPS – ADJUSTED	115.3p	115.2p	0.1p	-

2006 BALANCE SHEET

	2006	2005	INCREASE/DECREASE	
	£M	£M	£M	%
NON-CURRENT ASSETS	87.3	51.5	35.8	69.5
CURRENT ASSETS	2,727.2	2,707.4	19.8	0.7
TOTAL ASSETS	2,814.5	2,758.9	55.6	2.0
CURRENT LIABILITIES	1,059.9	1,248.2	(188.3)	(15.1)
NON-CURRENT LIABILITIES	214.7	185.1	29.6	16.0
TOTAL LIABILITIES	1,274.6	1,433.3	(158.7)	(11.1)
NET ASSETS	1,539.9	1,325.6	214.3	16.2
NET ASSETS PER SHARE	633p	548p	85p	15.5

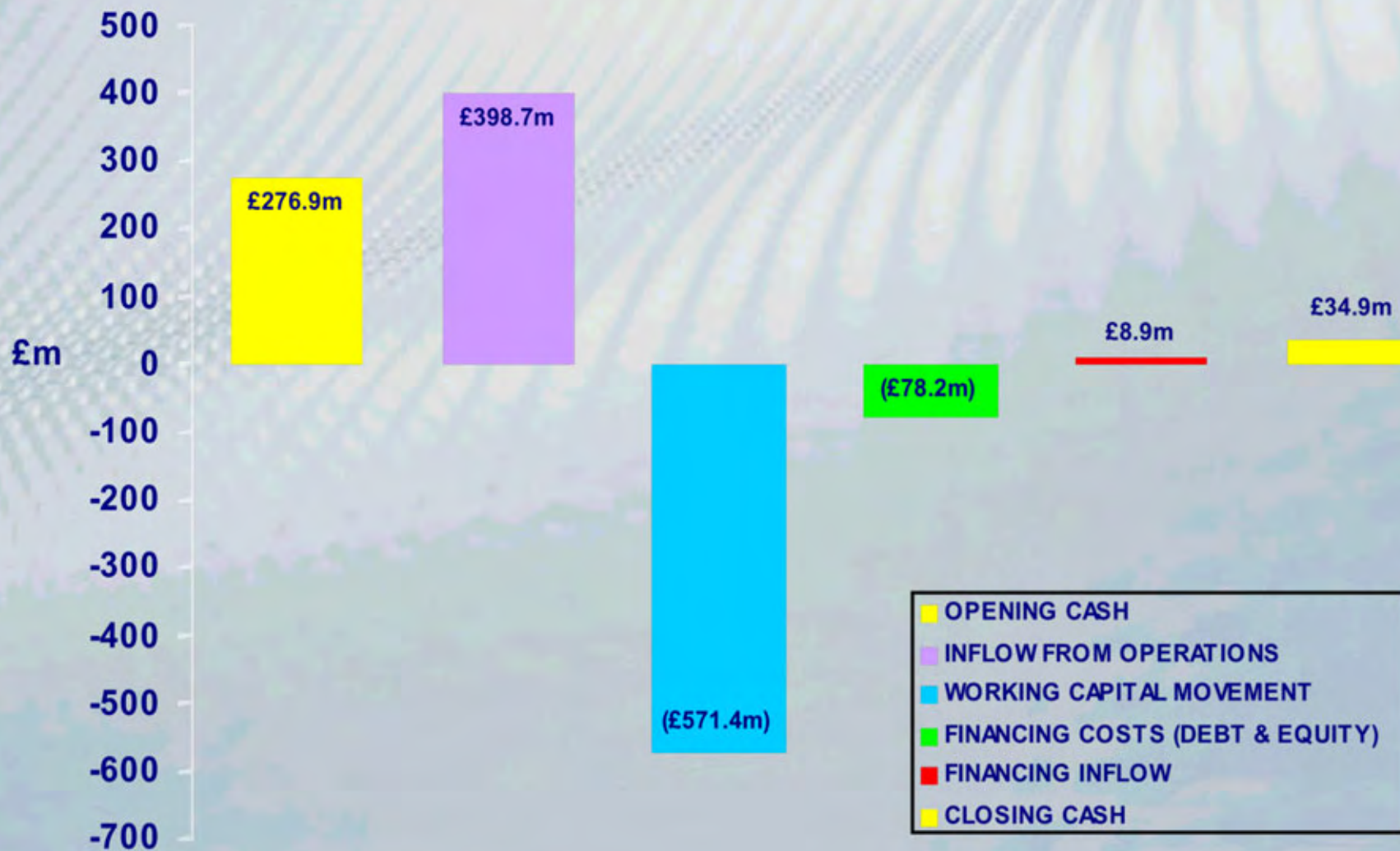
2006 STOCKS

	2006	2005	INCREASE/(DECREASE)	
	£M	£M	£M	%
LAND	2,030.2	1,756.9	273.3	15.6
IFRS ADJUSTMENT	(32.9)	(19.6)	(13.3)	67.9
LAND NET OF IFRS ADJ.	1,997.3	1,737.3	260.0	15.0
WORK IN PROGRESS	603.8	611.2	(7.4)	(1.2)
	2,601.1	2,348.5	252.6	10.8
PART EXCHANGE	35.6	34.9	0.7	2.0
PROPERTIES FOR SALE	7.7	7.2	0.5	6.9
	2,644.4	2,390.6	253.8	10.6
PART EXCHANGE UNITS	251	266	(15)	(5.6)

2006 LIABILITIES

	2006	2005	INCREASE/(DECREASE)	
	£M	£M	£M	%
<u>LAND CREDITORS</u>				
DUE WITHIN 1 YEAR	437.3	474.3	(37.0)	(7.8)
DUE AFTER 1 YEAR	121.9	90.3	31.6	35.0
TOTAL	559.2	564.6	(5.4)	(1.0)
<u>OTHER CREDITORS</u>				
TRADE CREDITORS AND ACCRUALS	462.4	609.2	(146.8)	(24.1)
PENSION OBLIGATIONS	87.9	88.9	(1.0)	(1.1)

2006 CASH FLOW ANALYSIS



FINANCIAL OVERVIEW

Robust financial performance

Real positives

Solid platform for growth

2006 MARKET & BUSINESS REVIEW

David Pretty
Group Chief Executive

AGENDA

The Housing Market

Trading Performance – Key Highlights

Outlook

HOUSING MARKET

1st six months were challenging

2nd half – steady improvement

Market now normal

HOUSING MARKET

Nationwide - steady & stable

Fundamentals sound

Selling prices - increase in line with incomes

Market sufficient to meet our goals

TRADING PERFORMANCE

COMPLETIONS

Total - up 2% to 14,601

Social - up 54% to 2,702

Private - down 5% to 11,899

TURNOVER

Down 2% at £2.43 bn

- Mix**
- Lower AVSP**

2006/07 – AVSP up

COST MANAGEMENT

2005/06

Focus on efficiencies & cost savings

2006/07

Further savings in:

- Build time**
- Economies of scale**
- Effective sales mgnt**

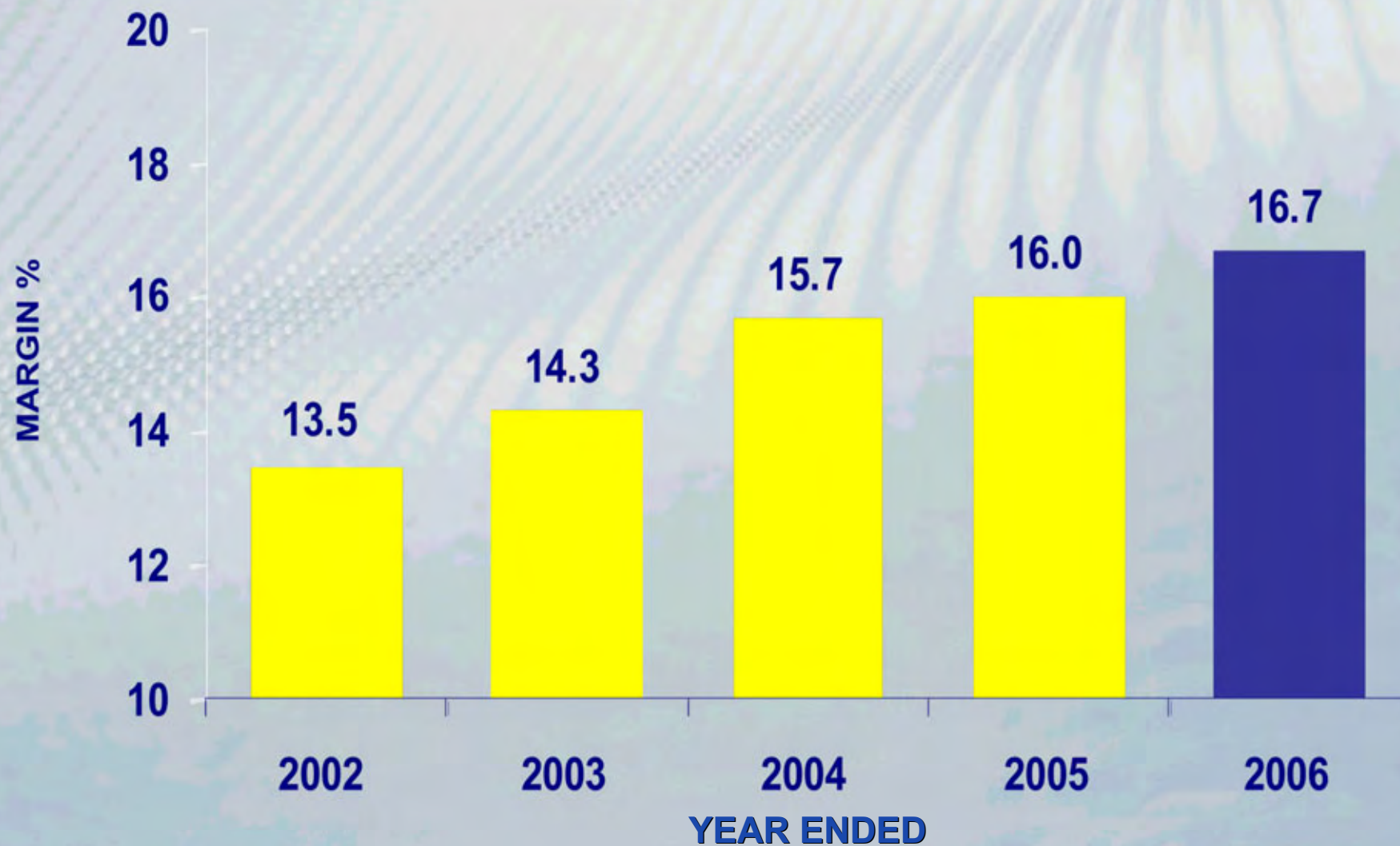
IMPROVED MARGINS

Cost savings benefits

Better margin land coming through

Better balance: ROACE vs Margins

MARGIN TREND



ROACE	32%	34%	37%	31%	27%
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STRENGTHENED LAND BANK



LAND BANK

Acquired 19,661 plots, 5,060 (35%) more than used

Now 59,000 plots, up from 54,100 L.Y.

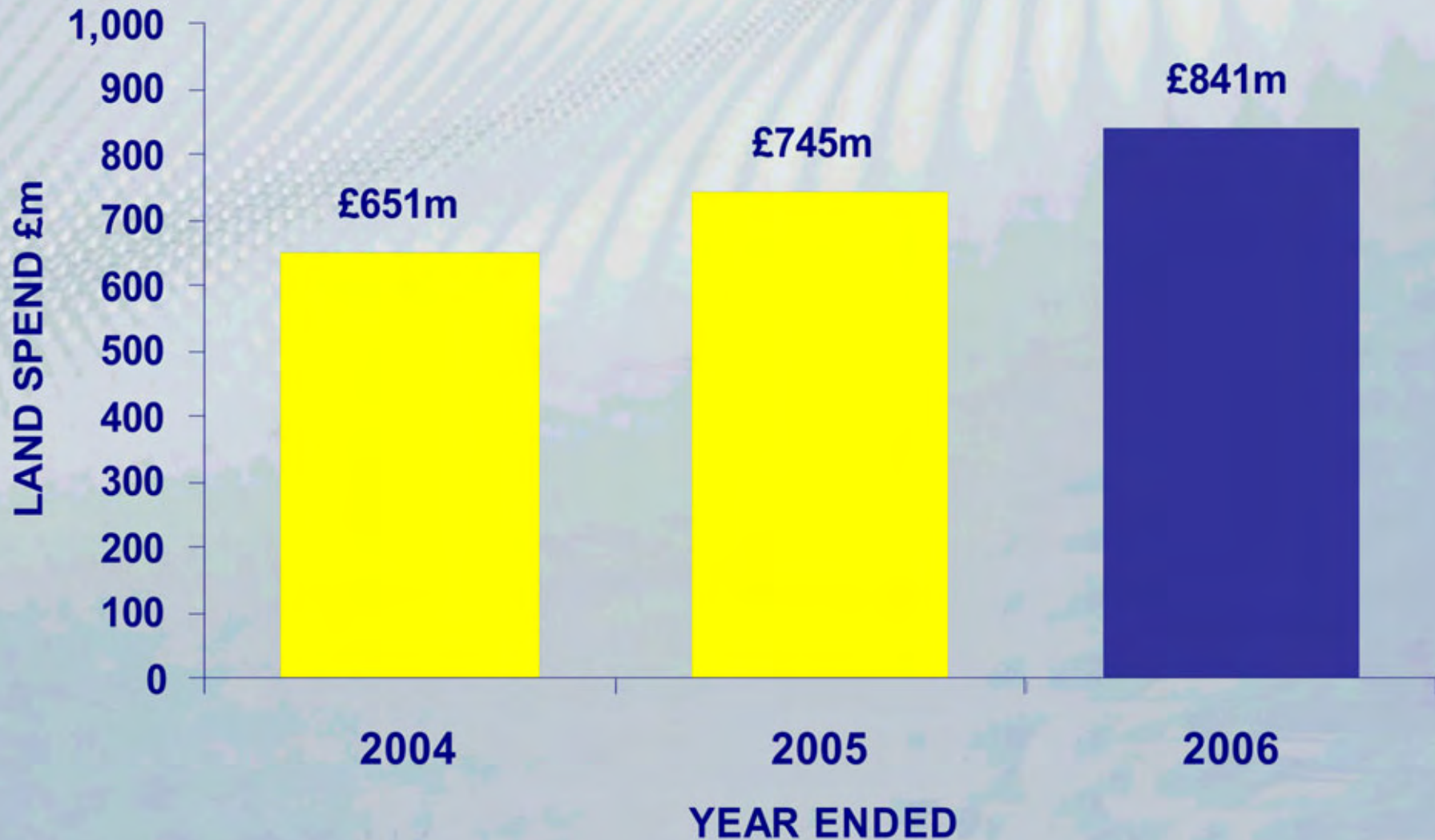
Plus 7,500 plots agreed

Total 66,500 plots – Highest ever

4.5 yrs supply

LAND BANK

2005/06 Land spend - £841m



Planning system remains **VERY SLOW**

But we:

Increased approvals – 18,840 - Up 15%

All approvals in place for 06/07

LAND BANK

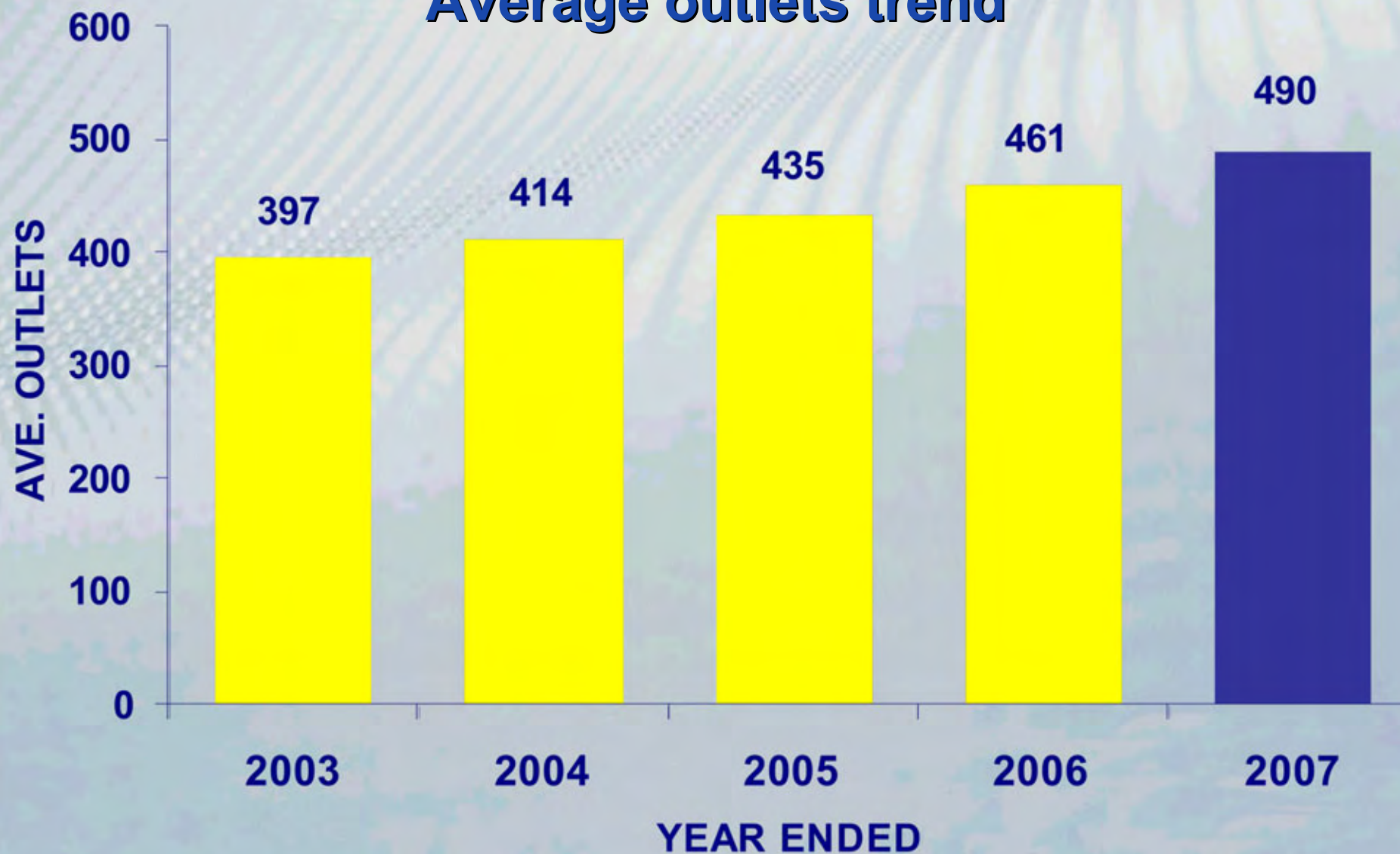
Owned & contracted

2007/08 - 90%

2008/09 - 70%

LAND BANK

Average outlets trend



NEW PRODUCT & INCREASED INVESTMENT



BARRATT
i pad



1 site for 30 completed

5 sites for 120 under construction

11 sites for 484 start soon

48 sites for 1,642 pipeline

Current total: 65 sites for 2,276 iPads



2005/06 : 15 completed

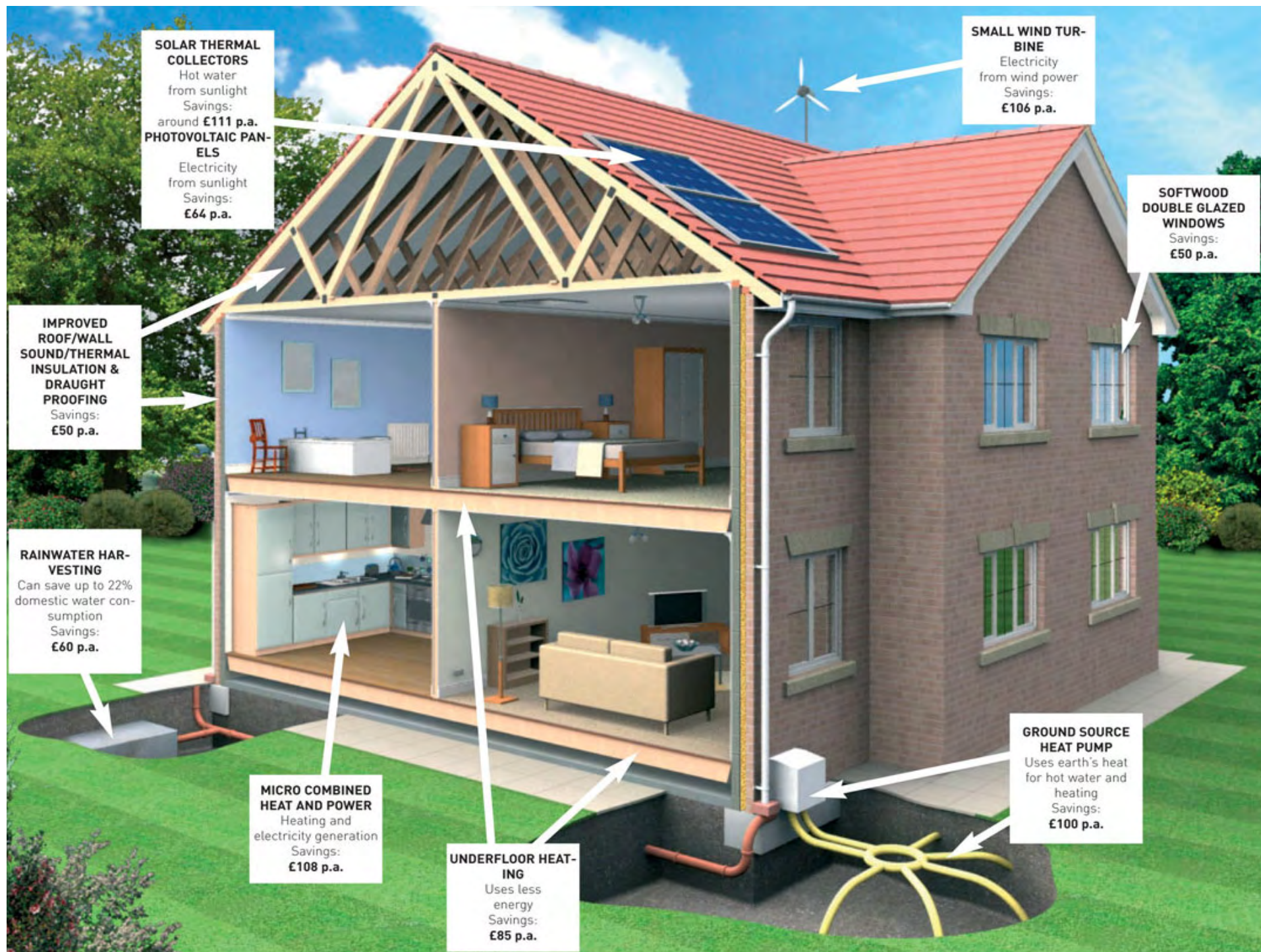
2006/07 : c. 150

2007/08 : c. 500

Future : c. 1,000 pa

BARRATT
ipad





SOLAR THERMAL COLLECTORS
Hot water from sunlight
Savings: around **£111 p.a.**

PHOTOVOLTAIC PANELS
Electricity from sunlight
Savings: **£64 p.a.**

SMALL WIND TURBINE
Electricity from wind power
Savings: **£106 p.a.**

SOFTWOOD DOUBLE GLAZED WINDOWS
Savings: **£50 p.a.**

IMPROVED ROOF/WALL SOUND/THERMAL INSULATION & DRAUGHT PROOFING
Savings: **£50 p.a.**

RAINWATER HARVESTING
Can save up to 22% domestic water consumption
Savings: **£60 p.a.**

MICRO COMBINED HEAT AND POWER
Heating and electricity generation
Savings: **£108 p.a.**

UNDERFLOOR HEATING
Uses less energy
Savings: **£85 p.a.**

GROUND SOURCE HEAT PUMP
Uses earth's heat for hot water and heating
Savings: **£100 p.a.**

INCREASED INVESTMENT

2005/06 : 30 units

2006/07 : 150 units

2007/08 : 250 units

2009/10 : 400+ units (On target)

INCREASED INVESTMENT



INCREASED INVESTMENT IN NORTH & MIDLANDS





INCREASED INVESTMENT IN NORTH & MIDLANDS



***NEW* Up-market range**

4 sites for 100 homes acquired

1st completions in 2006/07

CURRENT TRADING & OUTLOOK

1st Quarter 2006/07 started well

Forward sales £845m @ 30/06/06

Now £1.14bn - Up 27% - new record

56% of full year secured

2006/07 overall

Stronger volume growth

Positive mix change

Strengthened AVSP

Good geographic & product mix

Steady increase in investment

CURRENT TRADING & OUTLOOK

Core strengths underpin operation

- **National geographic spread**
- **Wide product range**
- **Competitive AVSP**
- **Social housing leadership**
- **Brownfield track record**
- **Strengthened land bank**
- **Strong balance sheet**

SUMMARY

- **Robust 2006 performance**
- **Good start to 2007 – Record forward sales**
 - **Strengthened land bank**
- **Market stable – sound fundamentals**
- **Continued focus on costs & efficiencies**
- **Core strengths embedded**

Well positioned for further growth