2008 PRELIMINARY RESULTS

BARRATT
DEVELOPMENTS PLC

BOB LAWSON
CHAIRMAN

BARRATT
DEVELOPMENTS PLC

MARK PAIN
GROUP FINANCE DIRECTOR

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Financial review

- Overview
- P&L
- Cashflow
- Balance sheet
- Summary

Overview

12 months ending 30 June £m (unless otherwise stated)	2008	2007 Proforma (restated)	Change	2007 Statutory (restated)
Revenue	3,554.7	4,088.6	(13.1%)	3,046.1
Operating profit*	550.2	701.3	(21.5%)	513.3
PBT*	392.3	614.9	(36.2%)	451.0
EPS*	79.6p	166.4p	(52.2%)	123.0p
DPS	12.23p			35.68p
Tangible net assets per share	563p	570p	(1.2%)	570p
Gearing	58%	45%	28.9%	45%
ROCE*	12%	17%	(29.4%)	12%

* Pre exceptional costs of £255.0m (2007: Proforma £48.9m, Statutory £26.2m)

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P&L - revenues

12 months ending 30 June	2008	2007 Proforma	Change	2007 Statutory
Completions (number)				
Private	14,803	18,131	(18.4%)	14,335
Social	3,785	3,438	10.1%	2,833
Total	18,588	21,569	(13.8%)	17,168
% Social	20.4%	15.9%		16.5%
Average selling price (£'000)				
Private	205.4	197.6	3.9%	188.5
Social	95.9	92.3	3.9%	92.8
Total	183.1	180.8	1.3%	172.8
Revenue (£m)				
Housing	3,404.3	3,899.7	(12.7%)	2,966.6
Other	150.4	188.9	(20.4%)	79.5
Total	3,554.7	4,088.6	(13.1%)	3,046.1

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P&L - profitability

12 months ending 30 June £m (unless otherwise stated)	2008	2007 Proforma (restated)	2007 Statutory (restated)
Revenue	3,554.7	4,088.6	3,046.1
Cost of sales	(2,872.5)	(3,215.7)	(2,446.1)
Gross profit	682.2	872.9	600.0
Operating expenses	(132.0)	(171.6)	(86.7)
Operating profit before exceptional items	**550.2**	**701.3**	**513.3**
Exceptional items	(255.0)	(48.9)	(26.2)
Operating profit	295.2	652.4	487.1
Gross margin	19.2%	21.3%	19.7%
Operating profit margin*	15.5%	17.2%	16.9%

* Pre exceptional costs of £255.0m (2007: Proforma £48.9m, Statutory £26.2m)

Exceptional items

	£m
Impairment of inventories	
- Housebuilding	151.2
- Commercial developments	51.2
- Historic Barratt and Wilson Bowden acquisition fair value adjustments	6.0
Total impairment of inventories	208.4
Impairment of goodwill and intangible assets	
- Commercial Developments goodwill	24.5
- Wilson Bowden Developments brand	6.2
Total impairment of goodwill and intangible assets	30.7
Restructuring & reorganisation costs	15.9
Total	**255.0**

P&L continued

12 months ending 30 June £m (unless otherwise stated)	2008	2007 Proforma (restated)	2007 Statutory (restated)
Operating profit	295.2	652.4	487.1
Net finance charge	(155.3)	(85.1)	(61.3)
Share of JV loss	(2.6)	(1.3)	(1.0)
PBT	**137.3**	**566.0**	**424.8**
Tax	(50.9)	(169.8)	(126.5)
Attributable profit	86.4	396.2	298.3
EPS			
-Basic	25.0p	153.2p	115.4p
-Fully diluted	24.9p	150.8p	113.5p

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Cashflow

£m (unless otherwise stated)	Year ended 30 June 2008	6 mths ended 31 Dec 2007	6 mths ended 30 June 2008	Year ended 30 June 2007 (restated)
Profit from operations	295.2	267.7	27.5	487.1
(Inc) / dec in land	217.4	(83.1)	300.5	(140.5)
Inc / (dec) in land creditors	(109.2)	(95.1)	(14.1)	(28.4)
Net investment in land	108.2	(178.2)	286.4	(168.9)
(Inc) / dec in WIP	(200.8)	(334.8)	134.0	(123.4)
Other working capital movements and non cash items	(111.2)	0.9	(112.1)	(55.3)
Operating cash flow	**91.4**	**(244.4)**	**335.8**	**139.5**
Net interest & tax	(251.9)	(105.7)	(146.2)	(148.3)
Free cashflow	**(160.5)**	**(350.1)**	**189.6**	**(8.8)**
Dividends paid	(126.0)	(83.8)	(42.2)	(77.1)
Acquisitions and investments	(61.3)	(3.6)	(57.7)	(1,264.7)
Financing activities	(3.4)	0.2	(3.6)	14.5
Movement in net debt	**(351.2)**	**(437.3)**	**86.1**	**(1,336.1)**

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Balance sheet - assets

£m (unless otherwise stated)	30 June 2008	30 Dec 2007	30 June 2007 (restated)
Goodwill and intangibles	892.2	923.2	923.7
Other non-current	161.2	109.8	115.4
Gross landbank	3,117.5	3,350.0	3,266.9
Land creditors	(552.3)	(566.4)	(661.5)
Net landbank	2,565.2	2,783.6	2,605.4
Work in progress	1,569.3	1,703.3	1,368.5
Other current	297.5	257.4	428.3

Balance sheet - goodwill

	Housebuilding £m	Commercial developments £m	Total £m
Opening balance			
-goodwill	792.2	24.5	**816.7**
-brand value	100.0	7.0	**107.0**
Total	892.2	31.5	**923.7**
Impairment & amortisation			
-goodwill	-	(24.5)	**(24.5)**
-brand value	-	(7.0)	**(7.0)**
Total	-	(31.5)	**(31.5)**
Closing balance			
-goodwill	792.2	0.0	**792.2**
-brand value	100.0	0.0	**100.0**
Total	892.2	0.0	**892.2**

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Balance sheet - landbank

	30 June 2008	30 June 2007 Proforma (restated)	Change
Landbank plots (numbers)			
Owned / unconditional contracts	67,714	67,897	(183)
Conditional contracts	10,973	18,503	(7,530)
Agreed	13,713	23,300	(9,587)
Total	**92,400**	**109,700**	**(17,300)**
Landbank pricing (£'000)			
Cost of plots acquired	51.3	48.0	
Cost of plots in P&L	44.5	44.3	
Cost of plots in balance sheet	44.4	46.4	
Years supply*	4.2	4.0	

* Based on owned / unconditional and conditional contracts only

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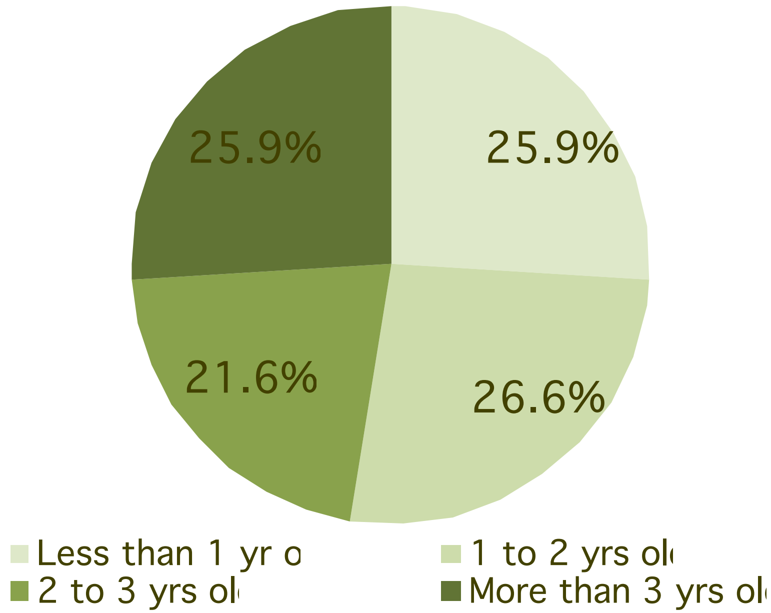
Balance sheet – landbank profile

Age breakdown



Regional breakdown

	Owned plots	Average age
North	44,726	2.7
South	24,161	2.1
London*	9,800	1.7
Total	**78,687**	**2.4**

* Central London region

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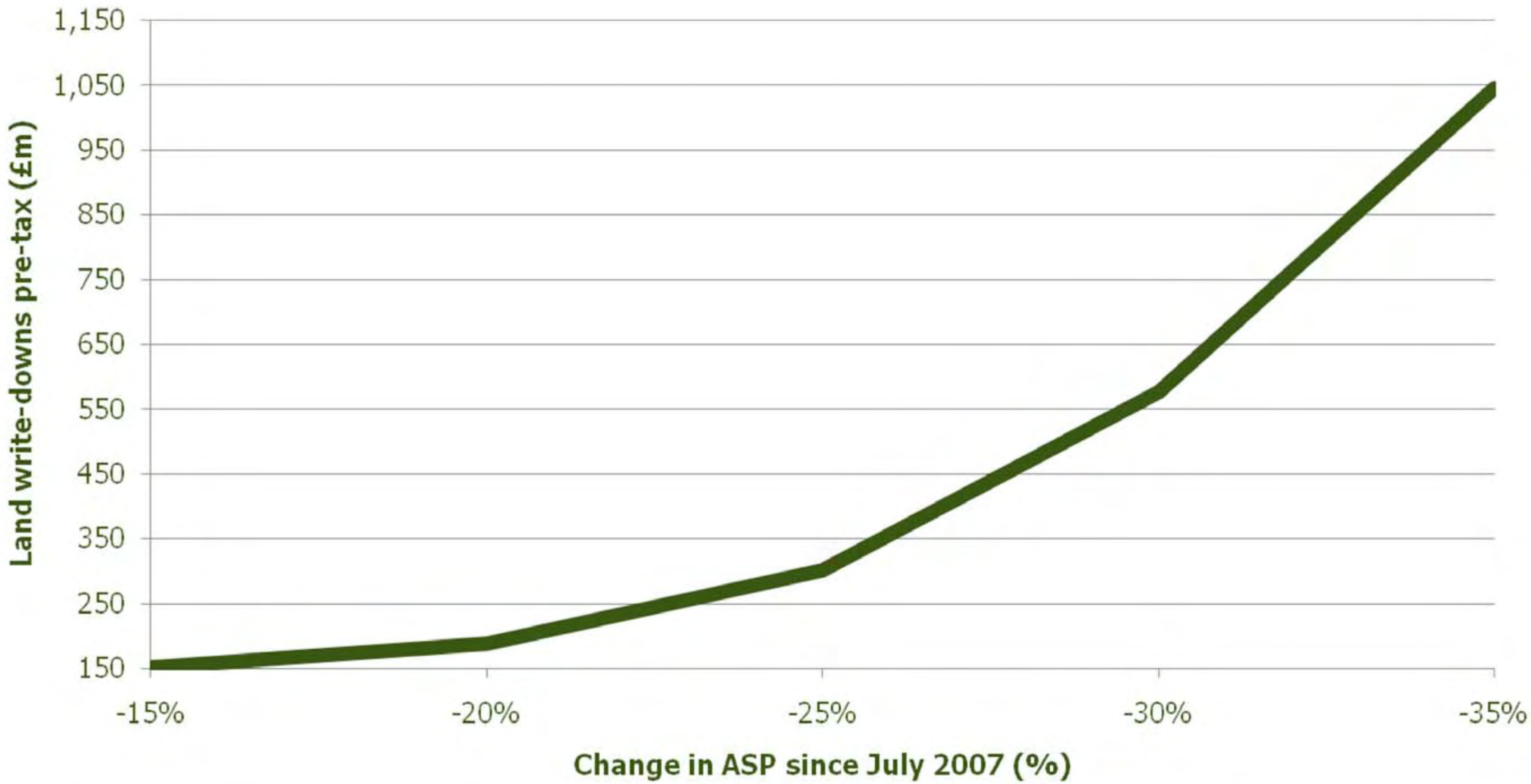
Balance sheet - land value write-downs

	Pre-tax write-down £m	Bulk sales provision £m	Total £m
North	44	35	79
South	41	23	64
London*	0	3	3
WB City Homes	5	-	5
Total	**90**	**61**	**151**
Flats			69% of total
Houses			31% of total
Wilson Bowden Developments			**£51m**
Fair value adjustments			**£6m**

* Central London region

Land write-downs – sensitivity analysis



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Balance sheet - part-exchange, stock

	31 August 2008	30 June 2008	31 Dec 2007	30 June 2007 (Restated)
Dreamstart	£68m	£67m	£45m	£37m
Part exchange				
Unreserved units	469	677	516	330
Financial exposure	£65m	£93m	£80m	£52m
Stock				
Unreserved units	1,648	1,821	1,569	1,388
Units per site	3.0	3.1	2.6	2.3

Balance sheet - liabilities

£m (unless otherwise stated)	30 June 2008	31 December 2007	30 June 2007 (restated)
Loans & borrowings	(1,685.2)	(1,747.2)	(1,483.3)
Trade & other payables	(853.6)	(952.3)	(923.5)
Pension obligations	(70.7)	(75.2)	(78.3)
Swaps	(9.5)	(44.1)	-
Tax	(22.7)	(49.5)	(58.2)

Balance sheet - debt structure*

Loan / facility	Amount	Maturity
Term loans		
A	£200m	April 09
B	£529m	April 2012
RCF		
Old facility	£400m	July 2011(1)
New facility	£400m	July 2011
Facility C	£750m	April 2012
Private placements	£275m	2-12 years
Total	**£2,554m**	**3.9 years average**

- Extended maturity profile
- No near-term re-financing requirement
- Total committed facilities of £2.6bn (£1.7bn drawn at 30 June)

*Based on re-financing agreed post 30th June 2008
(1) £50m of £400m total is due in February 2010

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Covenants

- Revised covenant package agreed with banks and private placement note providers
  - covenants set against business model reflecting current market conditions
  - model stressed tested for more extreme scenarios
- Revised covenants extend to 3 year period and provide greater headroom
  - interest cover covenant replaced by free cashflow covenant
  - gearing covenant relaxed
  - relaxed minimum tangible net worth covenant

Summary

- Satisfactory performance in extremely difficult conditions
- Barratt sales machine continues to perform well
- Margins relatively robust despite selling price pressure
- Cost base managed aggressively to reflect size of current and expected market
- Organisation positioned to take advantage of market upturn
- Secured appropriate covenant package and finance facilities
- This combined with clear intent to de-leverage the business, should enable Barratt to trade through a very difficult 12 to 24 months ahead

MARK CLARE
CEO

BARRATT
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Operational review

- Sales analysis
- Forward sales
- Current trading
- Key priorities
- Outlook

Market backdrop

31 July
Two Bear Stearns hedge funds file for bankruptcy

13 September
BoE provides emergency funding to

17 September
Darling agrees to guarantee all deposits held by

21 January
Darling announces plan to convert

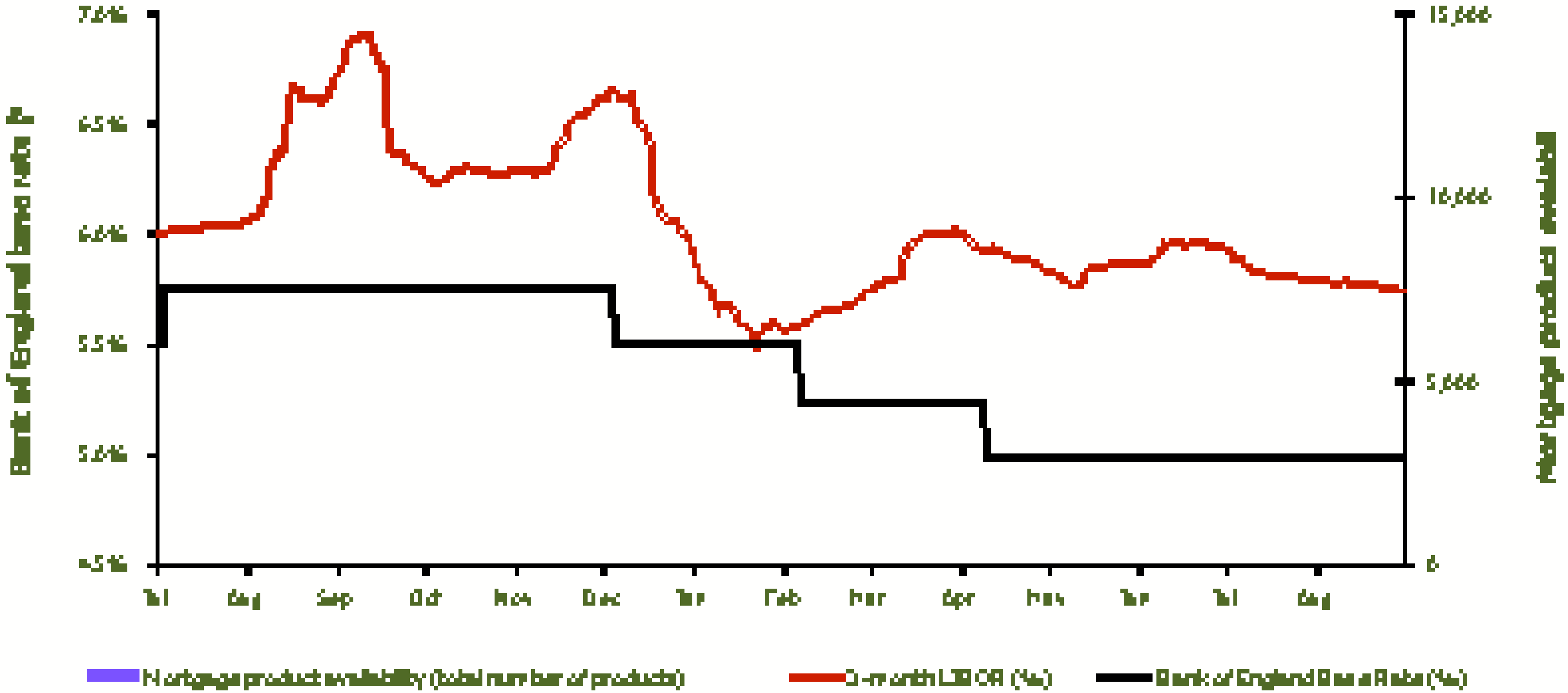
17 February
Nationalisation of Northern Rock

22 April
RBS announces rights issue

29 April
HBOS announces rights issue

31 May
Bear Stearns acquired by JPMorgan

2 Sept
Govt announces housing measures



Source: Bank of England, Bloomberg. Mortgage product availability sourced from Moneyfacts as at 1 September 2008

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Visitor levels

	2007/08			2006/2007 (proforma)		
	H1	H2	**FY**	H1	H2	FY
Visitor numbers						
-Total	23,896	29,322	53,218	32,268	33,986	66,254
-Per week per site	1.63	1.87	1.76	2.04	2.20	2.16

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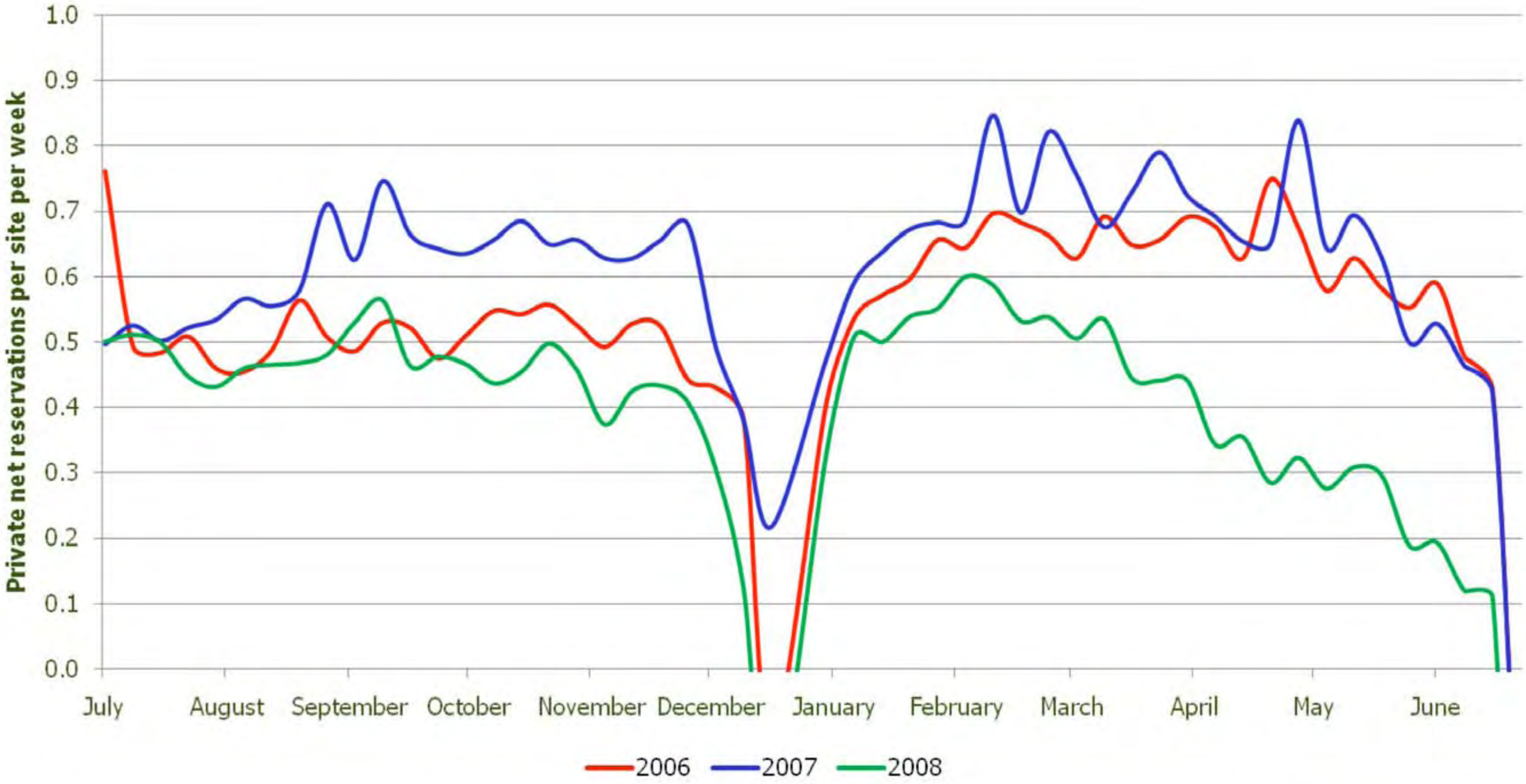
Private reservations



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Conversion rates and completions – versus prior year

	2007/08			2006/07 proforma		
	H1	H2	**FY**	H1	H2	FY
Net total reservations						
-Total	7,960	6,618	14,578	11,272	10,696	21,968
-Per week per site	0.54	0.42	0.48	0.74	0.69	0.72
Conversion rate	33.3%	22.6%	27.4%	34.9%	31.5%	33.2%
Cancellation rate*	29.8%	37.4%	33.6%	21.1%	23.0%	22.1%
Total completions						
-Total	9,056	9,532	18,588	10,623	10,946	21,569
-Per week per site	0.62	0.61	0.61	0.70	0.71	0.70
Sites	586	602	594	609	594	602

*Cancellation rate represents private sales only

Completions analysis by region

	Private			BTL			Social			Total		
	2008	2007 proforma	change	2008	2007 proforma	change	2008	2007 proforma	change	2008	2007 proforma	change
North	7,352	8,472	(13%)	1,204	2,131	(44%)	1,468	1,003	46%	10,024	11,606	(14%)
%age	73%	73%		12%	18%		15%	9%				
South	4,219	4,635	(9%)	927	1,399	(34%)	2,034	1,974	3%	7,180	8,008	(10%)
%age	59%	58%		13%	17%		28%	25%				
London*	618	971	(36%)	483	523	(8%)	283	461	(38%)	1,384	1,955	(29%)
%age	45%	50%		35%	27%		20%	23%				
Total	12,189	14,078	(13%)	2,614	4,053	(36%)	3,785	3,438	10%	18,588	21,569	(14%)
%age	66%	65%		14%	19%		20%	16%				

* Central London region

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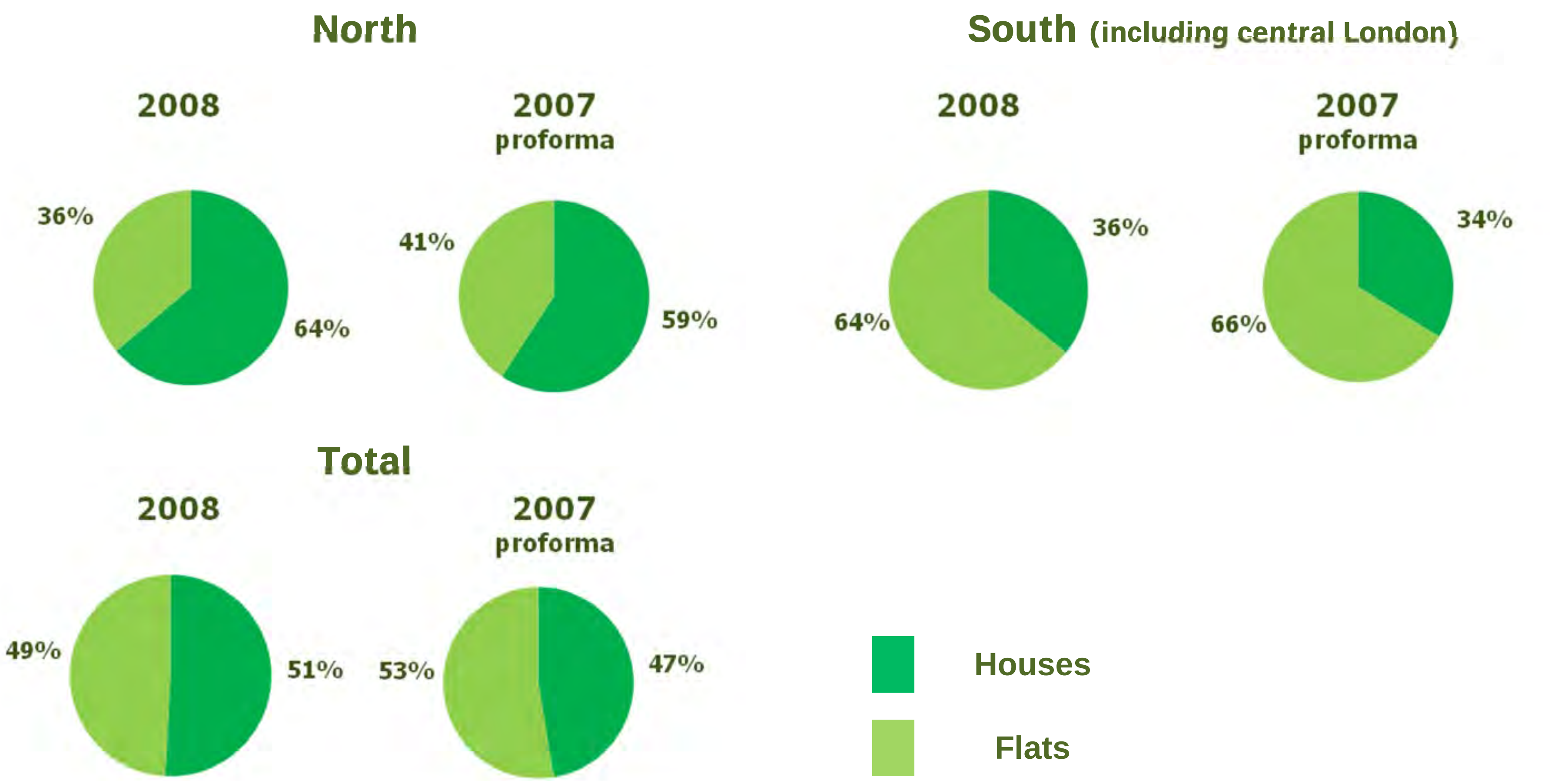
Completions by region and product type



Sales analysis by region

	Units	ASP £000's	Annual ASP change	Change in average unit size
North				
Private	8,556	177.2	1.0%	0.9%
Social	1,468	87.4	2.9%	6.9%
Total	10,024	164.0	(2.1%)	(0.1%)
South				
Private	5,146	218.2	(1.9%)	(6.6%)
Social	2,034	99.8	7.3%	4.6%
Total	7,180	184.6	(3.1%)	(4.9%)
London				
Private	1,101	365.7	51.9%	5.3%
Social	283	112.1	6.7%	(6.3%)
Total	1,384	313.9	50.4%	3.1%

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Forward sales analysis

	31 August 2008	30 June 2008	30 June 2007
Value	£783.3m	£697.6m	£1,413.8m
- due in H1	£466.7m	£421.1m	£393.0m
- due after H1	£316.6m	£276.5m	£1,020.8m
Plots	5,057	4,586	8,695
- of which % contracted	72%	84%	58%
Contracted value	£510.7	£538.7m	£865.9m
Private:social mix	51%:49%	43%:57%	64%:36%
Trading margin	17.0%	18.5%	24.0%

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Current trading

	Last 4 weeks 2008	Last 4 weeks 2007	% change	April / May 2008
Visitors per site per wk	1.59	1.76	(9.6)	1.77
Net private reservations per site per wk	0.34	0.49	(30.2)	0.31
Cancellation rate	19.9%	20.7%	(4.0)	37.4%
Sites	557	578	(3.7)	605

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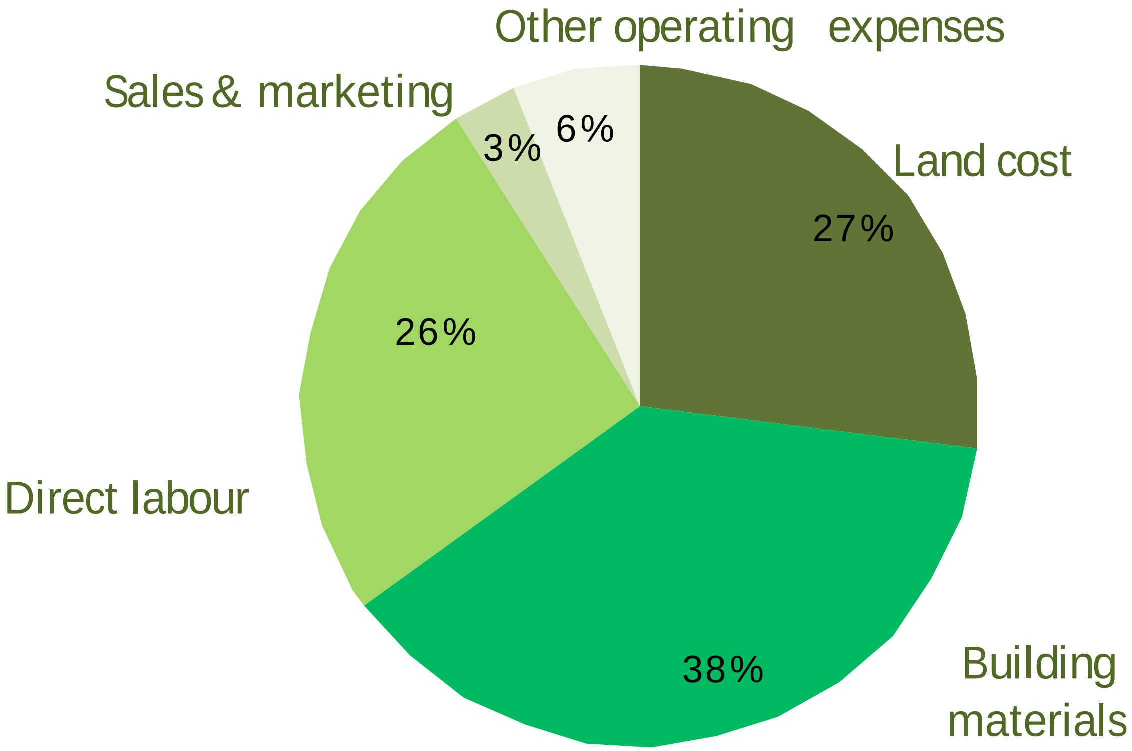
Key priorities

- Cost control
- Revenue maximisation
- Cash generation

Key priorities - managing the cost base

Cost breakdown for 12 months ended 30 June 2007/08



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Cost reduction

12 months ending 30 June	2008 £m	2009e £m	Total cost £m
Synergies	33	60	35
Cost reduction	20	40	-
Restructuring	-	40	15
Total	**53**	**140**	**50**

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Trends in direct costs

- **Land**
  - Re-negotiation where practical of payment terms and price
- **Sub-contractors**
  - Costs reduced by c. 5 - 10%
  - Securing the right supply chain for the future balanced against delivering cost savings in the short-term
- **Materials**
  - Negotiated reduction in centrally contracted material supplies of c. 5%
  - Increased certain specifications without increasing costs
  - Improved sustainable credentials at no additional costs

Maximising the revenue potential

- **Propositions**
  - part-exchange
  - equity share
  - price guarantee
- **Channels**
  - radio
  - national & local press
  - Internet
  - mail shots & local events
- **Sales capability**
  - training
  - technology
  - people

Cash generation

- Driving sales
- Land spend
- Work-in-progress
- Wilson Bowden Developments

Contracted land spend

	H1 2008/09 £m	H2 2008/09 £m	FY 2008/09 £m	FY 2009/10 £m	FY 2010/11 £m
Payment of land creditors *	192	119	311	132	95
Conditional contracts	53	204	257	-	-
Total land spend	**245**	**323**	**568**	**132**	**95**

* Total land creditors balance as at 30 June 2008 was £552.3m. £14.3m of land creditor payments are due after FY 2010/2011

Work-in-progress

- Barratt disciplines applied across all divisions – for example:
  - target of 2 or under unreserved stock units (excl. show houses) per site
  - total units under production no higher than 45% of FY forecast
  - no new foundations laid without Regional MD approval
- WIP to reduce in-line with lower production levels over the next 12 -24 months
- Move away from high-rise developments
  - not commencing any new high-rise sites outside of London
- Highly restricted investment in heavy infrastructure sites
- Bulk sales at a discount being considered

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Wilson Bowden Developments

Business area	Status
Completed developments -Completed developments which would be sold in the normal course of business -Wrexham shopping centre (90% let) -Atlantic Quay 4, Glasgow (40% let)	-Both assets actively marketed
Industrial portfolio -No of partially developed sites for industrial warehousing	-Subject to 2 rounds of bidding -Discussing potential deals with a number of parties
Corporate portfolio -Commercial developments – large mixed-use schemes -Shopping centre opportunities where WBD preferred developer	-Expressions of interest from a number of parties progressing to second round
Retained business -2 large residential sites -Ravenscraig mixed use development	-To be retained by Barratt

Outlook

- Near-term, we expect conditions to remain extremely tough
  - targeting volumes c. 30% down in prior year
  - operating margins to trend to below 10%
- Longer term prospects remain very strong:
  - significant underlying demand for new homes
  - substantial gap between supply and demand for new dwellings
  - requirement for government to increase levels of social housing
  - private sector rental yields increasing, making home purchase a more attractive option

Q & A

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