

23 September 2009







Agenda

Introduction

- Bob Lawson

Market Update

- Mark Clare

- Placing and rights overview
- Financial Performance

- David Thomas

- New financial arrangements
- Driving the business going forward Mark Clare



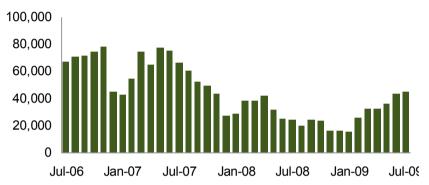




Impact of downturn on the industry

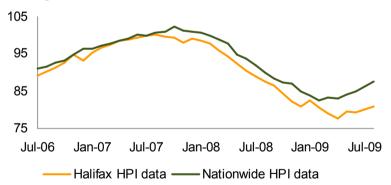
- Declining consumer confidence and reduced mortgage availability
- Average house prices fell 12.4% in the year to June 2009⁽¹⁾
- New housing starts in UK fell 47% in the year to December 2008 versus the previous year⁽²⁾
- This resulted in:
 - reduced build activity
 - aggressive de-stocking
 - downsizing and cost reduction
 - write-downs of land and WIP

Number of loans approved for house purchase



Source: BBA

House prices decline



Rebased to 100 at July 2007

(1) Source: Halifax HPI data for August 2009

(2) Source: NHBC



Management actions during downturn

Sales

- managed selling prices to address declining volumes
- leveraged sales and marketing skills to support conversion rates
- targeted incentives including shared equity and part exchange

Costs

- cut overheads and divisional structure
- renegotiated subcontractor rates and supplier contracts
- replanned sites for the current market
- introduced technical and specification changes

Cash

- reduced land spend from £1bn in FY08 to £264m in FY09
- reduced construction and work-in-progress
- sold selected assets from WBD for £181m
- net cash generated of £374m in FY09



Overview

	2008/09	2007/08
£m (unless otherwise stated)		
Completions	13,202	18,588
Revenue	2,285.2	3,554.7
Operating profit ⁽¹⁾	34.2	550.2
(Loss) / profit before tax(2)	(144.1)	392.3
Exceptional items	(534.8)	(255.0)
(Loss) / profit before tax	(678.9)	137.3
Tangible net assets per share	415p	570p ⁽³⁾
Gearing to NTA ⁽⁴⁾	89%	84% ⁽³⁾
Net Debt	1,276.9	1,650.6

⁽¹⁾ Pre exceptional costs of £519.5m (2007/08: £255.0m)



⁽²⁾ Pre exceptional costs of £534.8m (2007/08: £255.0m)

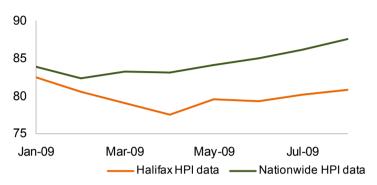
⁽³⁾ Restated

⁽⁴⁾ Calculated as: Net debt / Net tangible assets

Initial signs of stabilisation

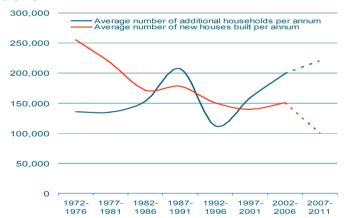
- Nationwide HPI has recently shown price increases for four consecutive months
- Increasing mortgage approvals
- Ten consecutive months of increasing buyer enquiry levels to August 2009⁽¹⁾
- ...and future opportunity
 - long term imbalance between supply and demand will drive recovery
 - desire for home ownership very strong

Recent House Price Movements



Rebased to 100 at July 2007

Supply/Demand imbalance(2)



(1) Source: RICS Survey

(2) Source: Nathaniel Lichfield & Partners Ltd

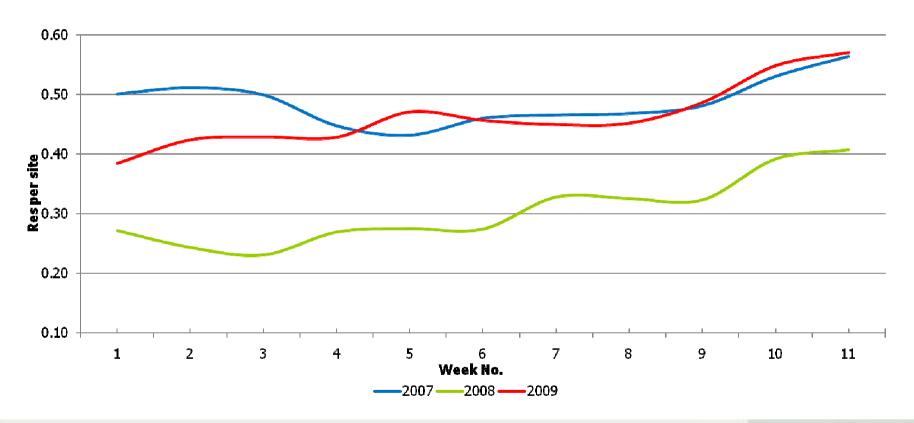


Current trading

- Price stability seen since February has continued into the first quarter of this year
- Sales rates for the year to date running ahead of internal expectations and last year
- Reservation prices running ahead of budget levels for the year to date
- Despite initial signs of stability, we remain cautious in the current market



Current trading—Net private reservations per site(1)



(1) Internal management data



Forward sales analysis

	13 Sept 2009	30 June 2009	31 December 2008	30 June 2008
Value	£733.4m	£464.3m	£455.8m	£697.6m
- of which contracted	£436.9m	£286.4m	£360.2m	£538.7m
- due in next half year	£422.0m	£304.3m	£301.7m	£421.1m
- due after next half year	£311.4m	£160.0m	£154.1m	£276.5m
Plots	4,878	3,328	3,529	4,586
- of which % contracted	67%	70%	84%	84%
Private:social mix	57%:43%	46%:54%	35%:65%	43%:57%



Transaction summary

- Fully underwritten placing and rights issue to raise gross proceeds of approximately £720 million
- Amended financing arrangements provide more operational flexibility
- Proceeds and amended financing will enable Barratt to:
 - reduce term debt and reduce drawings under revolving credit facilities
 - develop Barratt's existing landbank
 - take advantage of land purchasing opportunities
- Benefits to Barratt:
 - substantially strengthens Barratt's balance sheet
 - positions the Group for market recovery
 - enables it to take advantage of the long term supply/demand imbalance



Use of proceeds and amended financing

Reduce term indebtedness and increase available working capital to enable the Group to:

Develop its existing sites:

- 35 sites with land and work in progress invested at 30 June 2009 have been identified to be built out
- more efficient work in progress on sites currently in development

Take advantage of land opportunities:

- provide operational flexibility to buy land on more competitive terms
- £100m land approved over the last 4 months
- hurdle rates and deferred cash payment terms being achieved
- target land bank of 3.5 to 4 years supplemented by strategic land



Key benefits

- Substantially strengthens balance sheet and reduces financial risk
- Enables company to continue to invest as market recovers
- Will support volume recovery as market improves
- Exploits the key strengths of company
- Recent stability and land activity







Revenue Drivers

	2008/09	2007/08	Change
Completions (number)			
Private	11,133	14,803	(24.8%)
Social	2,069	3,785	(45.3%)
Total	13,202	18,588	(29.0%)
% Social	15.7%	20.4%	
ASP (£'000)			
Private	166.5	205.4	(18.9%)
Social	107.1	95.9	11.7%
Total	157.2	183.1	(14.1%)
Revenue (£m)			
Housing (1)	2,075.5	3,404.3	(39.0%)
Other (1)	209.7	150.4	39.4%
Total	2,285.2	3,554.7	(35.7%)

⁽¹⁾ Management accounts format



Income Statement

	2008/09 H1	2008/09 H2	2008/09 FY	2007/08 FY
£m (unless otherwise stated)				
Revenue	1,261.8	1,023.4	2,285.2	3,554.7
Cost of sales ⁽¹⁾	(1,191.9)	(963.9)	(2,155.8)	(2,872.5)
Gross profit ⁽¹⁾	69.9	59.5	129.4	682.2
Administrative expenses ⁽²⁾	(53.3)	(41.9)	(95.2)	(132.0)
Profit from operations (3)	16.6	17.6	34.2	550.2
Net finance costs ⁽⁴⁾	(94.6)	(82.7)	(177.3)	(155.3)
Joint ventures (post tax)(5)	(2.0)	1.0	(1.0)	(2.6)
(Loss) / profit before tax ⁽⁶⁾	(80.0)	(64.1)	(144.1)	392.3
Exceptional items	(512.4)	(22.4)	(534.8)	(255.0)
(Loss) / profit before tax	(592.4)	(86.5)	(678.9)	137.3

⁽¹⁾ Pre exceptional costs of £494.9m H1 08/09, £4.6m H2 08/09, £499.5m FY 08/09, (2007/08: £208.4m)



⁽²⁾ Pre exceptional costs of £17.5m H1 08/09, £2.5m H2 08/09, £20m FY 08/09, (2007/08: £46.6m)

⁽³⁾ Pre exceptional costs of £512.4m H1 08/09, £7.1m H2 08/09, £519.5m FY 08/09, (2007/08: £255.0m)

⁽⁴⁾ Pre exceptional costs of nil H1 08/09, £13.3m H2 08/09, £13.3m FY 08/09 (2007/08: nil)

⁽⁵⁾ Pre exceptional costs of nil H1 08/09, £2m H2 08/09, £2m FY 08/09 (2007/08: nil)

⁽⁶⁾ Pre exceptional costs of £512.4m H1 08/09, £22.4m H2 08/09, £534.8m FY 08/09, (2007/08: £255.0m) 17

Income Statement continued

	2008/09 H1	2008/09 H2	2008/09 FY	2007/08 FY
£m (unless otherwise stated)				
(Loss) / profit before tax	(592.4)	(86.5)	(678.9)	137.3
Tax	168.1	42.2	210.3	(50.9)
Attributable (loss) / profit	(424.3)	(44.3)	(468.6)	86.4
Adjusted Basic EPS ⁽¹⁾	(15.6p)	(8.2p)	(23.8p)	79.6p
DPS	-	-		12.23p

⁽¹⁾ Pre exceptional costs of £512.4m H1 08/09, £22.4m H2 08/09, £534.8m FY 08/09, (2007/08: £255m) less the tax effect of these items of £142.0m H1 08/09, £6.3m H2 08/09, £148.3m FY 08/09 (2007/08: £66.8m)



Pre-tax exceptional items

£m	2008/09 H1	2008/09 H2	2008/09 FY	2007/08 FY
- Housebuilding impairment	431.5	-	431.5	151.2
- Commercial developments impairment	63.4	4.6	68.0	51.2
- Fair value adjustments	-	-	-	6.0
Impairment of inventories	494.9	4.6	499.5	208.4
Impairment of goodwill and intangible assets	-	-	-	30.7
Restructuring & reorganisation costs(1)	17.5	2.5	20.0	15.9
Make-whole fee on redemption of PP notes	-	13.3	13.3	
Joint venture impairment (post-tax)	-	2.0	2.0	-
Total	512.4	22.4	534.8	255.0
				<u> </u>

⁽¹⁾ Includes pension curtailment gain associated with the defined benefit scheme. H1 2008/09 - £2.4m; H2 2008/09 - £4.7m; FY 2008/09 - £7.1m



Cashflow

£m (unless otherwise stated)	2008/09 H1	2008/09 H2	2008/09 FY	2007/08 FY
(Loss) / Profit from operations	(495.8)	10.5	(485.3)	295.2
Decrease in land	555.0	114.0	669.0	217.4
Increase in land creditors	(55.9)	(25.8)	(81.7)	(109.2)
Net investment in land	499.1	88.2	587.3	108.2
Dec / (inc) in WIP	385.4	139.7	525.1	(200.8)
Other working capital movements and non cash items	(80.9)	(34.4)	(115.3)	(115.9)
Operating cash flow	307.8	204.0	511.8	86.7
Net interest & tax	(53.0)	(47.3)	(100.3)	(245.4)
Free cashflow	254.8	156.7	411.5	(158.7)
Dividends paid	-	-		(126.0)
Acquisitions and investments	(27.0)	2.5	(24.5)	(61.3)
Financing activities	-	-	-	(3.4)
Make-whole on Private placement notes		(13.3)	(13.3)	<u>-</u>
Movement in net debt	227.8	145.9	373.7	(349.4)



Balance sheet - assets

£m (unless otherwise stated)	30 June 2009	31 Dec 2008	30 June 2008
Goodwill and intangibles	892.2	892.2	892.2
Other non-current (excluding swaps)	308.4	270.8(1)	151.1(1)
Gross landbank	2,453.2	2,567.2	3,117.5
Land creditors	(470.6)	(496.4)	(552.3)
Net landbank	1,982.6	2,070.8	2,565.2
Work in progress	1,044.2	1,183.9	1,569.3
Other current (excluding cash)	135.5	197.3	264.7

(1) Restated



Balance sheet - landbank

30 June 2009	31 Dec 2008	30 June 2008
53,541	60,586	67,714
14,459	11,614	10,986
68,000	72,200	78,700
40.5	46.0	51.3
32.1	32.9	44.5
44.0	41.0	44.4
5.2	5.5	6.0
	53,541 14,459 68,000 40.5 32.1 44.0	53,541 60,586 14,459 11,614 72,200 40.5 46.0 32.1 32.9 44.0 41.0

⁽¹⁾ Based on 13,202 legal completions



Landbank valuation⁽¹⁾

All figures as at 30 June 2009:

	Plots	Plot	Plot Cost	ASP	/ ASP
		£m	£000	£000	%
ASP < £200k	40,899	1,487	36	150	24
ASP > £200k	11,416	809	71	245	29
Sub-total	52,315	2,296	44	171	26

Commercial, strategi	C	
and other land	1,226	157
Total Owned Land	53,541	2,453

- Strategy to minimise impairment
 - selling price, cost reduction and replans
 - maintains shareholder value
- Impairment process robust
- Current trading



Plot cost

⁽¹⁾ Internal management data

Balance sheet - liabilities

£m (unless otherwise stated)	30 June 2009	31 December 2008	30 June 2008
Loans & borrowings	(1,484.1)	(1,526.1)	(1,685.2)
Cash	178.8	44.7	32.8
Foreign exchange element of swap	28.4	58.6	1.8
Net Debt	(1,276.9)	(1,422.8)	(1,650.6)
Trade & other payables (excluding land creditors)	(637.2)	(684.4)	(853.6)
Pension obligations	(31.5)	$(25.5)^{(1)}$	$(37.2)^{(1)}$
Net swaps	(85.7)	(111.3)	(1.2)
Deferred tax	-		$(32.1)^{(1)}$

(1) Restated



Amended financing arrangements - background

- One of the first major house builders to restructure its financing arrangements – July/August 2008
- Barratt continues to operate within its existing financial covenants
- Barratt would have needed to renegotiate the terms of its financing arrangements during the current financial year
- Amendments to facilities are effective when:
 - total fully drawn term debt is reduced by 40% to £900m
 - total revolving commitments are reduced by 12.5% to £700m
- The amendments provide Barratt with more operational flexibility
- Banks and private placement noteholder approval received



Amended financing arrangements - terms

	Existing arrangement £m	Amended arrangement £m	Maturity date
- Bank facilities	1,234	741	April 2012(2)
- PP notes	250	156 (1)	Oct 2010(5) - April 2020(2)
Term Debt	1,484	897	
RCF	800	700	Q4 2012 ⁽³⁾
Total	2,284	1,597	

- Financial year 2010 finance costs on net debt estimated to be at an average rate of c. 8%⁽⁴⁾
- Effective full year pro forma finance cost on net debt of amended finance arrangements is estimated at c. 7.6%
- (1) Assumes makewhole satisfied in cash
- (2) No change to maturity
- (3) Extended to 3 years from date of prepayment and cancellation
- (4) Average rate takes account of amended financing arrangements part way through the financial year
- (5) Amount maturing in Oct 2010 is £11m assuming amended arrangements effective and makewhole satisfied in cash



Revised covenants

- Revised financial covenants provide flexibility to develop and invest in land and headroom for future impairments
- Cashflow interest cover
 - ratio requirement less restrictive (initially 1.5x stepping up to 2.5x)
 - unlimited carry forward of excess cashflow
 - additional headroom for investment in land and WIP (£220m)

Tangible net worth

- required level reduced and set by reference to gross equity proceeds (£1,685m)
- contingent headroom for future impairments on the land bank and associated WIP (£500m)

Gearing

- revised ratio tests reflect amount of gross equity proceeds
- ratio tests tighten towards debt maturity (65% moving to 60%)

Dividend

No restriction from financial year 2011



Net tangible assets value

	Consolidated net assets as at 30 June 2009 £m	The Placing and Rights Issue proceeds £m	Pro forma as at 30 June 2009 £m	Impact of related fees and costs ⁽¹⁾ £m	Total £m
Land and work in progress	3,497	-	3,497	-	3,497
Net debt	(1,277)	694	(583)	(117)	(700)
Other assets and liabilities	112	-	112	44	156
Consolidated net assets as at 30 June 2009	2,332	694	3,026	(73)	2,953
Less intangibles	(892)		(892)		(892)
Net tangible assets (NTA)	1,440	694	2,134	(73)	2,061
Gearing to NTA ⁽²⁾	89%				34%
NTA per share	415p				

Notes

(1) As detailed on the next slide

(2) Calculated as: Net debt/Net tangible assets



Fees and costs related to the refinancing

The following represents estimated figures for illustrative purposes only:

	Refinancing costs(1)	2008 refinancing cost ⁽²⁾ £m	Make-whole payments(3) £m	Hedging costs ⁽⁴⁾ £m
- Cash	(23)	-	(26)	(55)
- Finance fees	23	(36)	-	-
Net debt	-	(36)	(26)	(55)
Other liabilities	-	-	-	44
Net tangible assets (NTA)	-	(36)	(26)	(11)

Notes

- (1) Amended financing fees of £23m to be amortised over the period of the amended financing arrangements
- (2) Unamortised balance of 2008 refinancing costs as at 30 June 2009
- (3) Make-whole payments of £26m based on current rates
- (4) Total hedging termination costs of £55m based on yield curve as at end August 2009 assuming interest rate and certain currency hedges are paid out in cash removing the liability from the balance sheet



Expected timetable

Annual results announced: 23 September 2009

Equity issue announced: 23 September 2009

Circular posted / Prospectus published: 23 September 2009

General Meeting: 19 October 2009

Placing shares issued: 19 October 2009

Nil paid rights commence trading: 20 October 2009

Last day for acceptance and payment in full: 3 November 2009

Dealing in new, fully paid shares commences: 4 November 2009





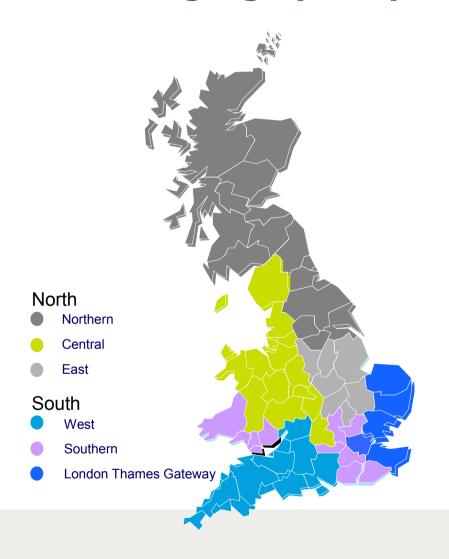


Key strengths

- Scale and geographic spread
- Land and planning capability
- Product mix and innovation
- Quality and customer service
- Sales and marketing capability
- Cost efficiency
- People and expertise



Scale and geographic spread



- National coverage maintained
- Local operations
- Centralised infrastructure



Land and planning capability

- Dedicated land buying teams retained
- Impact of replans will be significant
- Recent success in land buying





Product mix and innovation



- Specialist Urban Regeneration Unit
- Research and development
 - Green House BRE Innovation Park
 - Hanham Hall
- Increasing role of technology



Quality and customer service

- 4 Star builder status
- NHBC Pride in the Job
- Enhanced customer experience

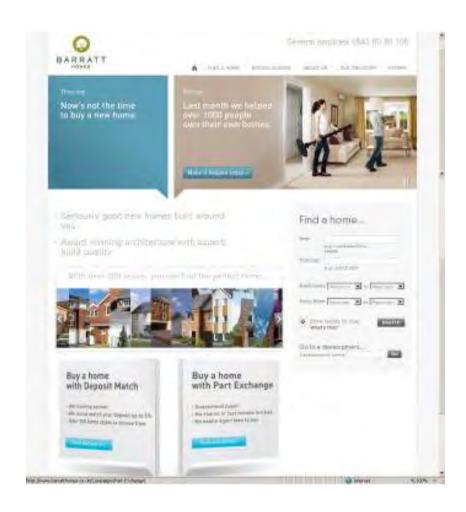
Company	Quality of Home	Recommend to a friend
Barratt Group	****	****
Bellway	***	***
Bovis	***	***
Cala	****	****
Crest Nicholson	***	***
Galliford Try	****	****
Gladedale	***	***
Kier	***	**
Lovell	***	***
McCarthy & Stone	****	****
Morris	****	****
Persimmon	***	**
Redrow	***	***
Stewart Milne	**	**
Taylor Wimpey	***	***

Source: HBF



Sales and marketing

- On-line and new technology
- Campaigns
 - Part exchange
 - Shared equity
- HomeBuy Direct
- Targeting improved selling prices





Cost efficiency

- Material cost reductions
- Reduced sub contractor rates
- Overhead reduction
- Replans
- Specification and technical changes
- Enhanced management information



People and expertise





Outlook

- A degree of stability has returned
- Prices being maintained
- Ongoing constraint on mortgage finance
- Completions expected for FY10 c12,000
- Focused land buying to achieve margin recovery
- Continue drive on sales price growth and cost reduction
- Positioned to take advantage of any upturn







Appendices



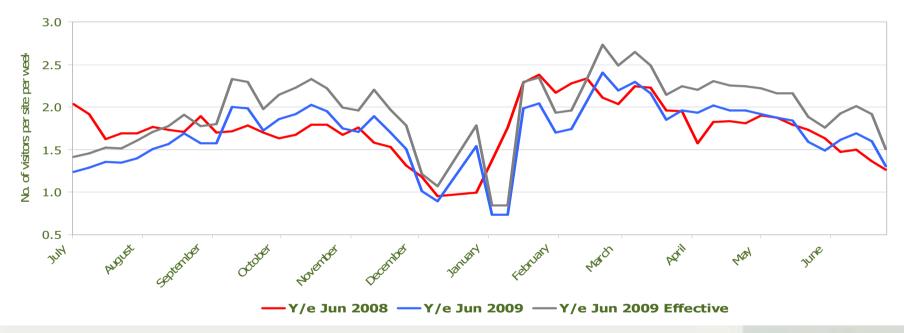
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Visitor levels

		2008/09			2007/08	
Visitor numbers	H1	H2	FY	H1	H2	FY
Total	21,529	21,811	43,340	23,896	29,322	53,218
-Per week per total site	1.60	1.79	1.69	1.63	1.87	1.76
-Per week per effective site	1.84	2.07	1.95	-	-	-



Source: internal management data



Conversion rates and completions – versus prior year

		2008/09)		D)	2007/08	
	H1	H2		FY	H1	H2	FY
Net total reservations							
-Total	5,860	6,105		11,965	7,960	6,618	14,578
-Per week per total site	0.43	0.50		0.47	0.54	0.42	0.48
-Per week per effective site	0.50	0.58		0.54	-	-	-
Conversion rate	27.2%	28.0%		27.6%	33.3%	22.6%	27.4%
Cancellation rate ⁽¹⁾	27.8%	19.9%		24.0%	29.8%	37.4%	33.6%
Total completions							
-Total	6,905	6,297		13,202	9,056	9,532	18,588
-Per week per total site	0.51	0.52		0.52	0.62	0.61	0.61
Sites							
-Total	539	467		503	586	602	594
-Effective	469	405		436	_	-	-



⁽¹⁾ Cancellation rate represents private sales only

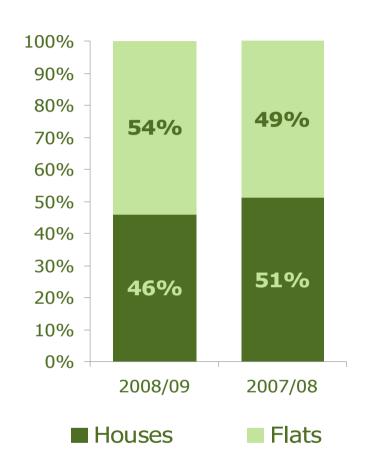
Completions analysis – price effect

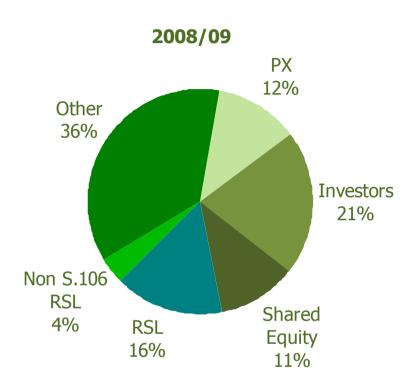
	Units	ASP £000's	Annual ASP change	Change in average unit size
North				
Private	6,061	145.9	(18.3%)	(1.8%)
Social	557	89.1	2.5%	(1.2%)
Total	6,618	141.1	(14.4%)	(0.1%)
South				
Private	4,400	176.2	(16.8%)	(2.7%)
Social	1,059	105.1	5.2%	2.3%
Total	5,459	162.4	(10.8%)	(0.6%)
London				
Private	672	289.1	(20.9%)	4.6%
Social	453	134.0	19.5%	35.3%
Total	1,125	226.6	(27.8%)	12.9%

Prior year regional split reanalysed due to divisional restructure



Completions analysis by product and sales type

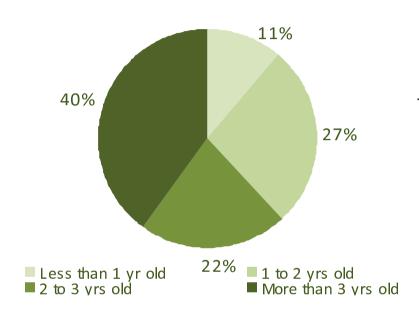






Balance sheet – landbank profile

Age breakdown



Regional breakdown

	Owned plots	Average age years	Balance Sheet £'000
North	31,852	3.2	39.6
South	16,554	2.6	49.1
London ⁽¹⁾	5,135	2.1	55.1
Total	53,541	2.9	44.0

(1) Central London region



Balance sheet - work in progress

		13 Sept 2009	30 June 2009		30 June	2008
		Units	Units	£bn ⁽¹⁾	Units	£bn ⁽¹⁾
Stock	Total Units	1,568	1,404	0.2	2,430	0.4
	Unreserved	(669)	(822)		(1,821)	
	Showhomes	(243)	(238)		(296)	
Roof to Complete	Total Units	3,971	3,507	0.2	7,241	0.7
Complete	Unreserved	(1,835)	(2,008)		(5,157)	
Other				0.6		0.5
WIP Total				1.0		1.6
Unsold Part Ex	Units	71	150		677	
	£m		18		93	

(1) Estimated



Balance sheet - Land and WIP value write-downs

	2008 / 09 FY	2007/08 FY
£m	Total	Total
North	220	79
South	188	64
London ⁽¹⁾	24	3
WB City Homes		5
Total	432	151
Flats	41% of total	69% of total
Houses	59% of total	31% of total
Wilson Bowden Developments	£68m	£51m
Fair value adjustments		£6m

(1) Central London region



Balance sheet – other non-current assets

	2008 / 09 FY	2007/08 FY
£m	Total	Total
Property, Plant and equipment	9.9	15.9
Investments accounted for using the equity method	83.2	65.5
Available for sale assets	86.5	66.9
Trade and other receivables	1.5	2.8
Deferred tax	127.3	_
Total	308.4	151.1



Balance sheet – Other current assets (excluding cash)

	2008 / 09 FY	2007/08 FY
£m	Total	Total
Part exchange properties	36.7	137.9
Other inventories	6.7	5.3
Trade and other receivables	41.5	100.9
Current tax asset	50.6	20.6
Total	135.5	264.7



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