



BARRATT DEVELOPMENTS PLC
Interim Results
24 February 2010

BOB LAWSON
Chairman



Pavillion Place, Snodland

DAVID THOMAS
Group Finance Director



Halstead Place, Sevenoaks

Financial review

- Overview
- Income Statement
- Cashflow
- Balance sheet

Overview

6 months ending 31 December £m (unless otherwise stated)	2009/10 H1	2008/09 H1 ⁽¹⁾	2008/09 FY
Revenue	872.4	1,261.8	2,285.2
Operating profit ⁽²⁾	21.0	16.0	34.2
Operating margin ⁽²⁾	2.4%	1.3%	1.5%
Loss before tax ⁽³⁾	(48.5)	(80.6)	(144.1)
Exceptional items	(129.9)	(513.9)	(534.8)
Loss before tax	(178.4)	(594.5)	(678.9)
Tangible net assets per share ⁽⁴⁾	210p	427p	415p
Net Debt	605.3	1,422.8	1,276.9
Gearing ⁽⁵⁾	30%	96%	89%

(1) Results for the period ended 31 Dec 2008 have been restated for the change in accounting policy related to the Group's defined benefit pension scheme

(2) Pre exceptional costs of £15.8m (2008/09: H1 £513.9m, FY £519.5m)

(3) Pre exceptional costs of £129.9m (2008/9: H1 £513.9m, FY £534.8m)

(4) Shares not adjusted

(5) Calculated as: Year-end net debt / Tangible net assets

Revenue Drivers

	2009/10 H1	2008/09 H1	Change	2008/09 FY
Completions				
Private	4,381	5,997	(26.9%)	11,133
Social	647	908	(28.7%)	2,069
Total ⁽¹⁾	5,028	6,905	(27.2%)	13,202
% Social	12.9%	13.1%		15.7%
ASP (£'000)				
Private	173.2	170.1	1.8%	166.5
Social	119.0	98.6	20.7%	107.1
Total	166.3	160.7	3.5%	157.2
Revenue (£m)				
Housing ⁽²⁾	836.1	1,109.6	(24.6%)	2,075.5
Other ⁽³⁾	36.3	152.2	(76.1%)	209.7
Total	872.4	1,261.8	(30.9%)	2,285.2

(1) In addition to the legal completions above the Group received a share of the loss on a further 25 Joint Venture completions in the 6 months to 31st Dec Actual (Last year: nil completions)

(2) Plot completions

(3) Includes £25m revenue from disposal of Atlantic Quay 5 (2008/09: Includes £125m from disposal of assets)



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Income Statement

£m (unless otherwise stated)	2009/10 H1	2008/09 H1 ⁽¹⁾	2008/09 FY
Revenue	872.4	1,261.8	2,285.2
Cost of sales⁽²⁾	(813.8)	(1,191.9)	(2,155.8)
Gross profit⁽²⁾	58.6	69.9	129.4
Gross margin	6.7%	5.5%	5.7%
Administrative expenses⁽³⁾	(37.6)	(53.9)	(95.2)
Profit from operations⁽⁴⁾	21.0	16.0	34.2
Operating margin	2.4%	1.3%	1.5%

(1) Results for the period ended 31 December 2008 have been restated for the change in accounting policy related to the Group's defined benefit pension scheme

(2) Pre exceptional costs of £4.8m H1 09/10, £494.9m H1 08/09, £499.5m FY 08/09

(3) Pre exceptional costs of £11.0m H1 09/10, £19.0m H1 08/09, £20.0m FY 08/09

(4) Pre exceptional costs of £15.8m H1 09/10, £513.9m H1 08/09, £519.5m FY 08/09



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Income Statement continued

£m (unless otherwise stated)	2009/10 H1	2008/09 H1 ⁽¹⁾	2008/09 FY
Net finance costs ⁽²⁾	(68.9)	(94.6)	(177.3)
Joint ventures (post tax) ⁽³⁾	(0.6)	(2.0)	(1.0)
Loss before tax ⁽⁴⁾	(48.5)	(80.6)	(144.1)
Exceptional items	(129.9)	(513.9)	(534.8)
Loss before tax	(178.4)	(594.5)	(678.9)
Tax	51.0	168.7	210.3
Attributable loss	(127.4)	(425.8)	(468.6)
Basic EPS ⁽⁵⁾	(18.9p)	(80.9p)	(89.1p)
Adjusted basic EPS ⁽⁵⁾ ⁽⁶⁾	(4.9p)	(10.3p)	(15.6p)

(1) Results for the period ended 31 December 2008 have been restated for the change in accounting policy related to the Group's defined benefit pension scheme

(2) Pre exceptional costs of £114.1m H1 09/10, £nil H1 08/09, £13.3m FY 08/09

(3) Pre exceptional costs of £nil H1 09/10, £nil H1 08/09, £2.0m FY 08/09

(4) Pre exceptional costs of £129.9m H1 09/10, £513.9m H1 08/09, £534.8m FY 08/09

(5) Prior period EPS has been adjusted following the Rights Issue as required by IAS 33

(6) Pre exceptional costs of £129.9m H1 09/10, £513.9m H1 08/09, £534.8m FY 08/09, less the tax effect of these items of £35.4m H1 09/10, £142.4m H1 08/09, £148.3m FY 08/09



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Cashflow

£m (unless otherwise stated)	2009/10 H1	2008/09 H1 ⁽¹⁾	2008/09 FY
Profit / (loss) from operations (after exceptionals)	5.2	(497.9)	(485.3)
Decrease in land	95.5	555.0	669.0
Decrease in land creditors	(17.1)	(55.9)	(81.7)
Net inflow from land	78.4	499.1	587.3
Decrease in WIP	48.5	385.4	525.1
Other working capital movements and non cash items	(30.7)	(78.8)	(115.3)
Operating cash flow	101.4	307.8	511.8
Net interest & tax	(5.2)	(53.0)	(100.3)
Free cashflow	96.2	254.8	411.5
Exceptional finance costs	(110.8)	-	(13.3)
Share issues	720.5	-	-
Share issue costs	(26.7)	-	-
Acq's, investments and purchase of shares by EBT	(7.6)	(27.0)	(24.5)
Movement in net debt	671.6	227.8	373.7

(1) Results for the period ended 31 December 2008 have been restated for the change in accounting policy related to the Group's defined benefit pension scheme



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Balance sheet – assets

£m (unless otherwise stated)	31 Dec 2009	30 June 2009	31 Dec 2008 ⁽¹⁾
Goodwill and Intangibles	892.2	892.2	892.2
Other non-current	373.5	308.4	270.8
Gross landbank	2,357.7	2,453.2	2,567.2
Land creditors	(453.5)	(470.6)	(496.4)
Net landbank	1,904.2	1,982.6	2,070.8
Work in progress	995.7	1,044.2	1,183.9
Other current (excluding cash)	76.1	135.5	197.3

(1) Results for the period ended 31 December 2008 have been restated for the change in accounting policy related to the Group's defined benefit pension scheme

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Land purchases to date

Total spend	£358.3m
Total number of plots	9,038

Location	Status
South : North (by value) 60% : 40%	Owned 17%
South : North (by plots) 46% : 54%	Contracted 44%
Vendor	Progressing 39%
Govt : Private 34% : 66%	Payment
Type	Due in 09/10 £72.5m
Brownfield : Greenfield 66% : 34%	Due in 10/11 £106.3m
Houses : Flats 78% : 22%	Due after 10/11 £179.5m

Note: Unless stated otherwise, % splits are by plots

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Balance sheet – landbank

	31 Dec 2009	30 June 2009	31 Dec 2008
Landbank plots			
Owned / unconditional contracts	50,990	53,541	60,586
Conditional contracts	13,429	14,459	11,614
Total	64,419	68,000	72,200
Landbank pricing (£'000)			
Cost of plots acquired	35.4	40.5	46.0
Cost of plots in P&L	41.4	32.1	32.9
Cost of plots in balance sheet	44.3	44.0	41.0
Years supply – Owned & Uncond plots⁽¹⁾	4.4	4.7	5.3

(1) Based on 11,500 legal completions

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Landbank valuation⁽¹⁾

All figures as at 31 Dec 2009	Plots	Plot £m	Plot Cost £000	ASP £000	Plot cost / ASP %
Owned land					
ASP < £200k	39,535	1,399	35	150	24%
ASP > £200k	11,417	848	74	257	29%
Total	50,952	2,247	44	174	25%
Other ⁽²⁾	38	111			
Total	50,990	2,358			
Conditional land	13,429		35	208	17%
Approved (not included above)	2,962		36	180	20%
Total	67,381				

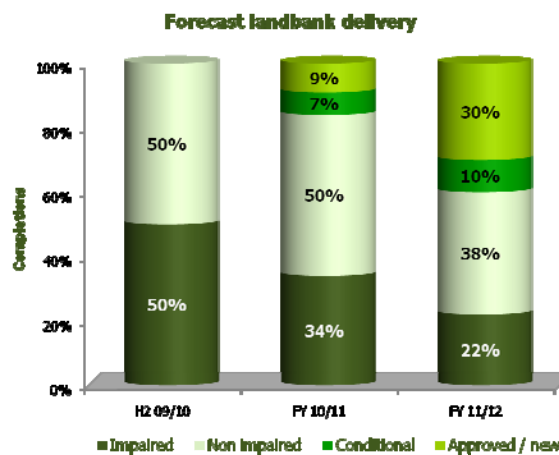
(1) Internal management data
(2) Other includes strategic land and WBD

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Landbank delivery

Total units	As at 31 Dec 09
Owmed land	
- impaired	18,365
- non-impaired	32,625
Total owned land	50,990
Conditional land	13,429
Approved / new land	2,962
Total	67,381



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Balance sheet - liabilities

£m (unless otherwise stated)	31 Dec 2009	30 June 2009	31 Dec 2008 ⁽¹⁾
Loans & borrowings	(920.3)	(1,484.1)	(1,526.1)
Cash	295.8	178.8	44.7
Foreign exchange element of swap	19.2	28.4	58.6
Net Debt	(605.3)	(1,276.9)	(1,422.8)
Trade & other payables ⁽²⁾	(631.3)	(637.2)	(684.4)
Pension obligations	(32.1)	(31.5)	(25.5) ⁽²⁾
Net swaps	(54.7)	(85.7)	(111.3)
Current tax	(2.6)	-	-

(1) Results for the period ended 31 December 2008 have been restated for the change in accounting policy related to the Group's defined benefit pension scheme

(2) Excluding land creditors

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Financing arrangements

Loan / facility	Amount	Maturity
Bank Facilities		
Term loan ⁽¹⁾	£741m	April 2012
RCF facilities ⁽²⁾	£700m	Nov 2012
Private placements	£175m ⁽³⁾	Oct 2010 ⁽⁴⁾ -Apr 2020
Total	£1,616m	

Covenants⁽⁵⁾

Cashflow interest cover

- Initially 1.5x stepping up to 2.5x
- Unlimited carry forward of excess cashflow
- Additional accommodation for investment in land and WIP (£220m)

Adjusted tangible net worth

- Accommodation for any future impairments on the landbank and associated WIP (£500m)

Gearing

- Ratio test tightens towards debt maturity (65% moving to 60%)

(1) Note that the term loan is actually a revolving credit facility which was fully drawn in August 2008 and which has, since that date, operated effectively as a term loan

(2) Consists of 2 separate revolving credit facilities each with total commitments of £350m

(3) Includes £19m of new make-whole notes issued in Nov 09

(4) Amount maturing in Oct 2010 is approximately £11m

(5) Covenants common to all financing arrangements

MARK CLARE Group Chief Executive



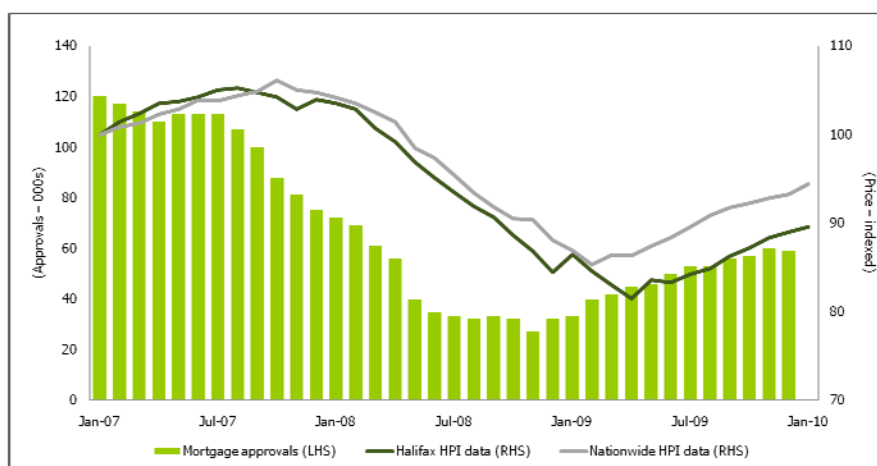
Purbeck Gate, Wareham

Overview

- Market trends
- Sales performance
- Key priorities
- Current trading
- Outlook

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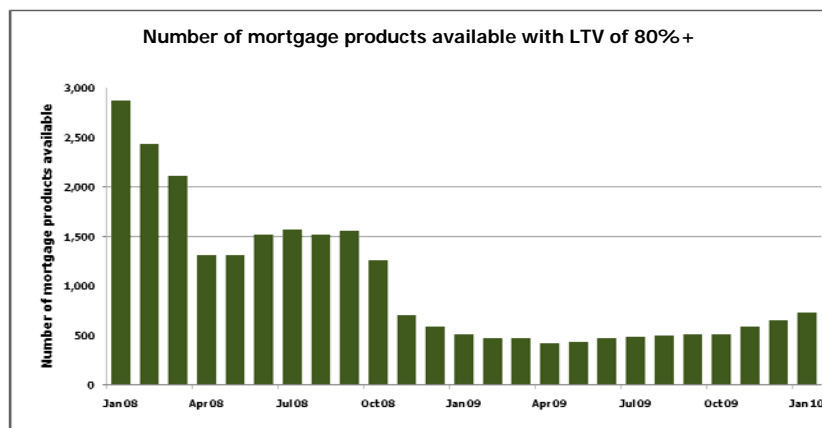
Market backdrop – pricing & mortgage approvals



Source: Halifax, Nationwide, Bank of England
Note: House price data rebased to 100 at January 2007

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




Market backdrop – mortgage approvals



Source: Moneyfacts

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Mortgage availability

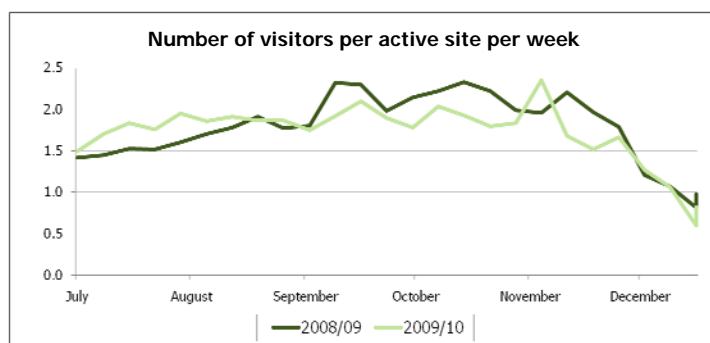
Lender	Secondhand LTV	New Build House LTV	New Build Flat LTV
 	90%	80%	80%
	90%	80%	70%
 	90%	80%	75%
	85%	85%	75%

Note: Availability by lender is based on publicly available information and Barratt's market knowledge

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Visitor levels

Visitor numbers	2009/10 H1	2008/09 H1	2008/09 FY
Per week per active site	1.70	1.84	1.95

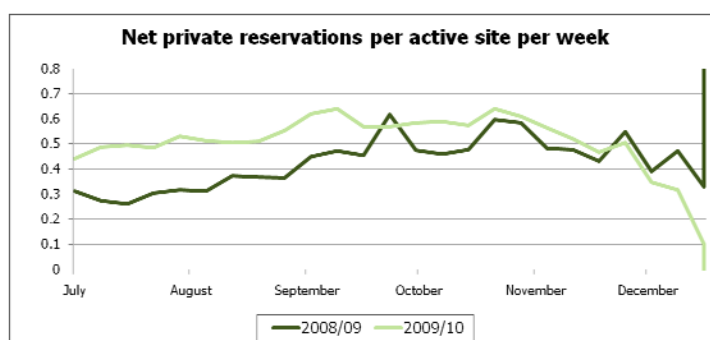


Note: Data presented on a per active site basis. Data prior to FY 2008/09 was presented on a per total site basis

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Net private reservations

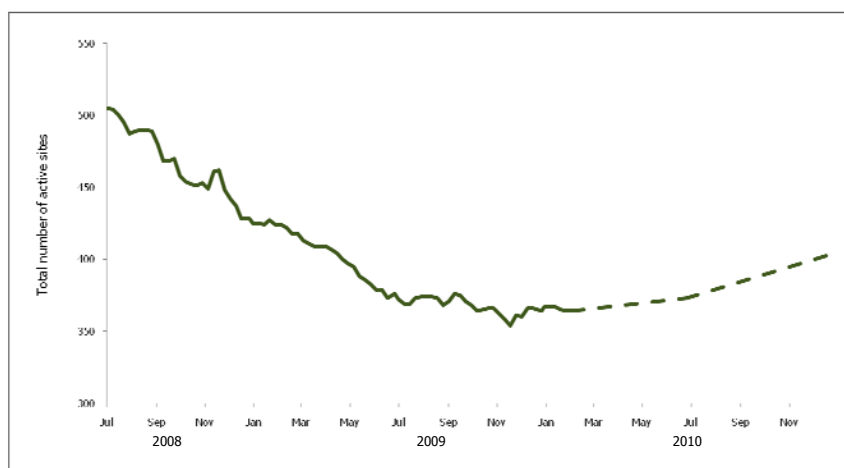
- In Nov/Dec 08, there were a significant number of bulk sales to investors



Note: Data presented on a per active site basis. Data prior to FY 2008/09 was presented on a per total site basis

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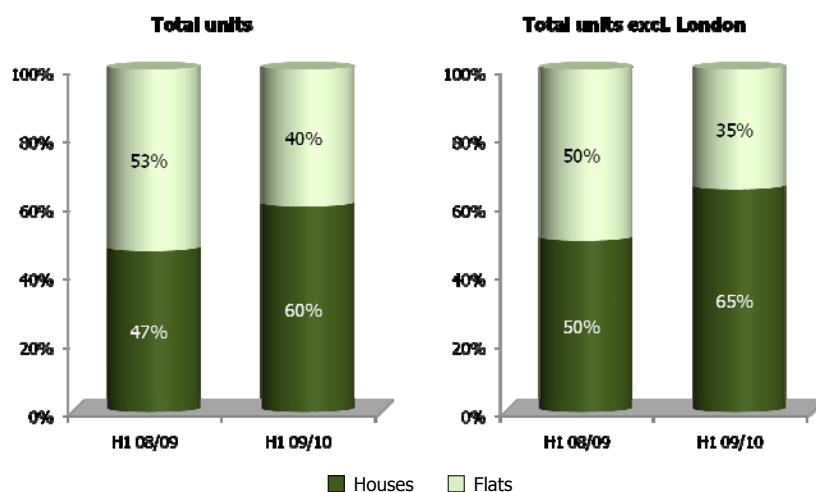
Total active sites



Note: Forecast active sites based on internal projections

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Completions analysis by product

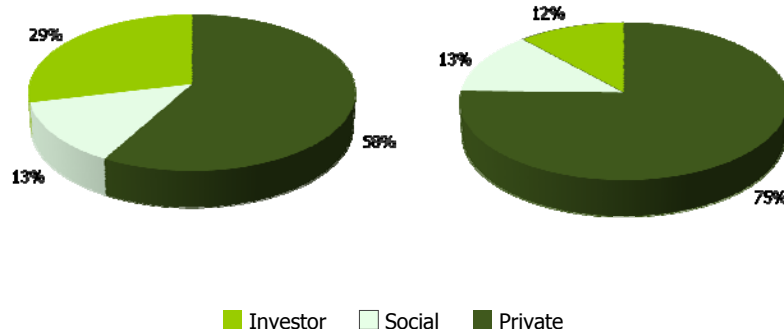


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Completions analysis by buyer type

H1 08/09

H1 09/10



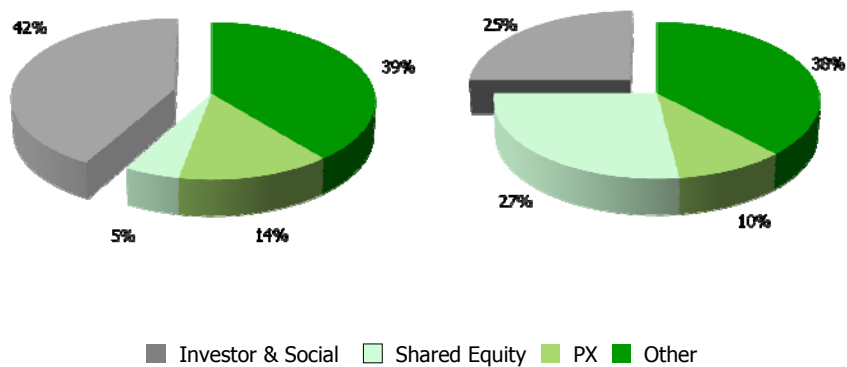
Note: Investors sales includes non section 106 sales to Housing Associations

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Completions by buyer type

H1 08/09

H1 09/10



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Government initiatives

	Issue	HomeBuy Direct Value	Units ⁽¹⁾	Other funding	NAHP funding ⁽²⁾	End date ⁽³⁾
HomeBuy Direct	Sep 08	c. £80m	3,018	-	-	Sep 10
Kickstart 1	May 09	£4.1m	170	£21.3m	£10.3m	Mar 11
Kickstart 2 ⁽⁴⁾	Sep 09	£23.0m	789	£3.7m	£1.6m	Mar 12

(1) Total allocation
 (2) National Affordable Housing Programme
 (3) Scheme must be legally completed by end date
 (4) Not yet confirmed

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Key priorities

- Price optimisation
- Operational efficiency
- Replanning
- Targeted land buying

REBUILD PROFITABILITY

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Price Optimisation - sales and marketing

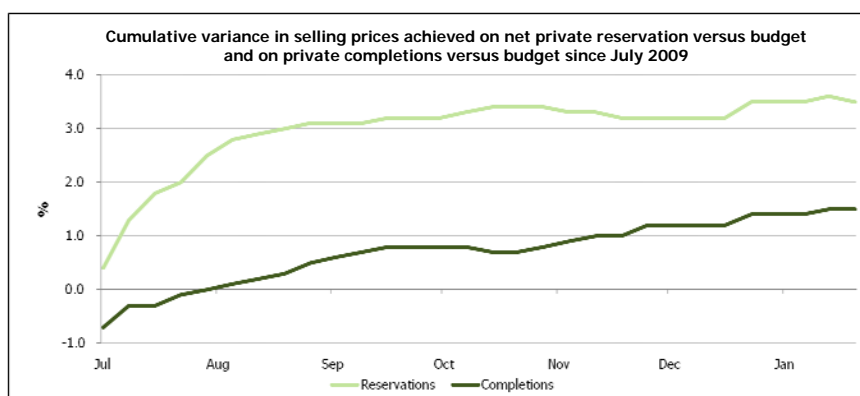
- Consumer website
- Call centre
- iSales
- Media plan
- Sales presentation
- Service credentials



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Price optimisation – pricing discipline



- Prices continuously monitored on plot-by-plot basis
- Regional Managing Director approval required to sell below budget price

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Operational efficiency – costs

- Building materials
- Sub contractors
- Benchmarking
- Overheads



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Replanning

- Actively replanning existing sites to maximise potential revenue and profitability
 - more appropriate product mix
 - changes to infrastructure, specifications and materials
- Developed a new small housing range to fit on the same footprint as flats
- A total of 119 sites replanned since July 2008

	Pre replans	Post replans
Total units	14,004	13,859
Houses	10,082	11,226
% of total	72%	81%
Flats	3,922	2,633
% of total	28%	19%

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Replan - Brough, Yorkshire East Division (Aug 09)



Pre Replan

Units	137
Houses	39%
Flats	61%



Post Replan

103
100%
0%

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Targeted land buying

- Land buying teams retained across business
 - Operations across all 25 divisions
- Structured land buying process
 - Focus on higher growth areas
 - Internal hurdles based on operating margins and ROCE
 - Land committee approval required
 - Competition and prices increasing
- Partnerships
 - Working with local authorities
 - HCA delivery partner in all regions

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Current trading

	Last 6 weeks 2009/10	Last 6 weeks 2008/09	H1 2009/10
Visitors per active site per week	2.25	2.27	1.70
Net private reservations per active site per week	0.55	0.53	0.49
Cancellation rate	11.6%	12.4%	17.8%
Average active sites	364	423	368

Forward sales analysis

	Feb 2010 ⁽¹⁾	Feb 2009 ⁽¹⁾	31 Dec 2009	31 Dec 2008
Value	£847.4m	£667.5m	£651.2m	£455.8m
- of which contracted	£545.1m	£431.5m	£471.1m	£360.2m
- due in H2	£627.0m	£487.1m	£449.0m	£301.7m
- due after H2	£220.4m	£180.4m	£202.2m	£154.1m
Plots	5,093	4,876	3,995	3,529
- % contracted	69%	71%	76%	84%
Private:social mix	56%:44%	50%:50%	45%:55%	35%:65%

Outlook

- Cautious on market outlook
- Board confident of Group's prospects for the full year
- Optimal margin/value mix with full year completions of approx. 11,500
- ASP to increase by approx. 8-10% largely as a result of mix changes
- Significant improvement in operating margin in H2 compared to H1

Q&A



The Hamptons, Tetbury

APPENDICES



Scholars Grange, Leicester

Private conversion rates and completions

	2009/10 H1	2008/09 H1	2008/09 FY
Net private reservations			
- Total	4,667	5,279	10,713
- Per week per active site	0.49	0.45	0.48
Conversion rate	28.6%	24.5%	24.7%
Cancellation rate	17.8%	27.8%	24.0%
Total private completions			
- Total	4,381	5,997	11,133
- Per week per active site	0.46	0.51	0.50
Sites⁽¹⁾			
- Total	420	539	503
- Active	368	469	436

(1) Average in period

Regional data

	Units ⁽¹⁾	Revenue ⁽¹⁾	Landbank plots ⁽²⁾		
	(excl. JV)	£m	Owned	Conditional	Total
North	2,789	423.8	30,529	3,814	34,343
South Ex London	1,886	337.7	15,747	5,600	21,347
London	353	74.6	4,714	4,015	8,729
Total	5,028	836.1	50,990	13,429	64,419

(1) For the six months ended 31 December 2009

(2) As at 31st December 2009 and does not include approved land

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Pre-tax exceptional items

£m	2009/10 H1	2008/09 H1 ⁽¹⁾	2008/09 FY
Impairment of inventories			
- Housebuilding impairment	-	431.5	431.5
- Commercial developments impairment	4.8	63.4	68.0
Total impairment of inventories	4.8	494.9	499.5
Restructuring & reorganisation costs⁽²⁾	11.0	19.0	20.0
Placing and Rights Issue			
- Cancelled swaps	52.7	-	-
- 2008 re-financing costs	31.0	-	-
- 2009 re-financing costs	6.7	-	-
- Make-whole fee on PP notes	23.9	-	13.3
- Fair value uplift on PP notes	(0.2)	-	-
Total Placing and Rights Issue	114.1	-	13.3
Joint venture impairment (post-tax)	-	-	2.0
Total	129.9	513.9	534.8

(1) Results for the period ended 31 December 2008 have been restated for the change in accounting policy related to the Group's defined benefit pension scheme

(2) Includes pension curtailment gain associated with the defined benefit scheme. H1 2009/10 £nil; H1 2008/09 £0.9m; FY 2008/09 £7.1m

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Balance sheet - work in progress

	31 Dec 2009		30 June 2009		31 Dec 2008	
	Units	£bn ⁽¹⁾	Units	£bn ⁽¹⁾	Units	£bn ⁽¹⁾
Stock						
Total Units	1,122	0.1	1,404	0.2	1,951	0.3
Unreserved	691		822		1,465	
Showhomes	197		238		298	
Roof to Complete						
Total Units	3,298	0.2	3,507	0.2	5,207	0.5
Unreserved	1,959		2,008		3,822	
Other		0.7		0.6		0.4
WIP Total		1.0		1.0		1.2
Unsold Part Ex	178		150		346	
£m	22		18		47	

(1) Estimated values for WIP

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Balance sheet – other non-current assets

£m	31 Dec 2009	30 June 2009	31 Dec 2008
Property, Plant and equipment	8.6	9.9	13.0
Investments (equity method)	87.8	83.2	88.0
Available for sale assets	104.7	86.5	68.3
Trade and other receivables	1.5	1.5	2.2
Deferred tax	170.9	127.3	99.3
Total	373.5	308.4	270.8

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