

Barratt London

Analyst presentation

24 July 2013



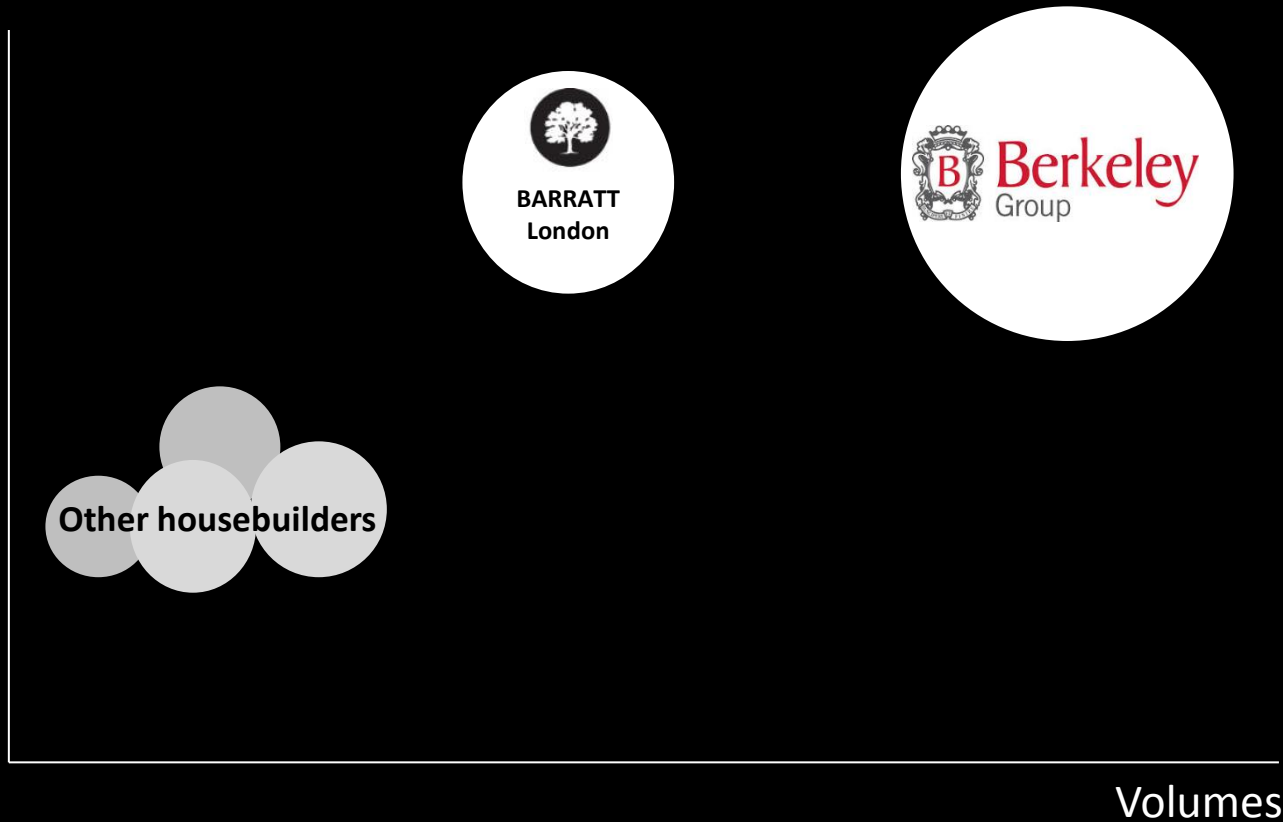


Mark Clare Group Chief Executive



Barratt – a leading London housebuilder

Complexity



Our key strengths

- Breadth and depth of experience
- Operating model & technical capability
- Diverse product range
- Industry leading sales & marketing
- Partner of choice

Maximise opportunities and returns whilst managing risk

Breadth and depth of experience



Extensive in-house expertise across all areas

Operating model & technical capability

- Unique end to end approach
 - Sourcing land
 - Achieving consent
 - Construction excellence
 - Purchasing power
 - Risk management

Diverse product range

- Currently operating in 16 London Boroughs
- Private selling prices ranges from £160k to c. £6m
- Private revenue per sq/ft from £200 to £2,400
- Site size ranges from 45 units to 2,000 units



Not overly reliant on any geography, buyer type or demographic



Industry leading sales & marketing

- Own sales & marketing team – no agents
- Trusted brand in London
- Customer offering includes:
 - 5 year warranty
 - Barratt Residential Asset Management
- Overseas sales of 15% but could be grown further

Partner of choice

- We seek to be the 'Partner of Choice'
- Very well established in a number of London Boroughs
- To date have developed powerful JVs with
 - London & Quadrant
 - British Land
 - Morgan Stanley Real Estate Investing

Conclusions

- Great pipeline of new projects
- Very strong technical capability
- Excellent partnerships and growing
- Already a big contribution to Group's recovery with more to come



Alastair Baird
Regional Managing Director
London



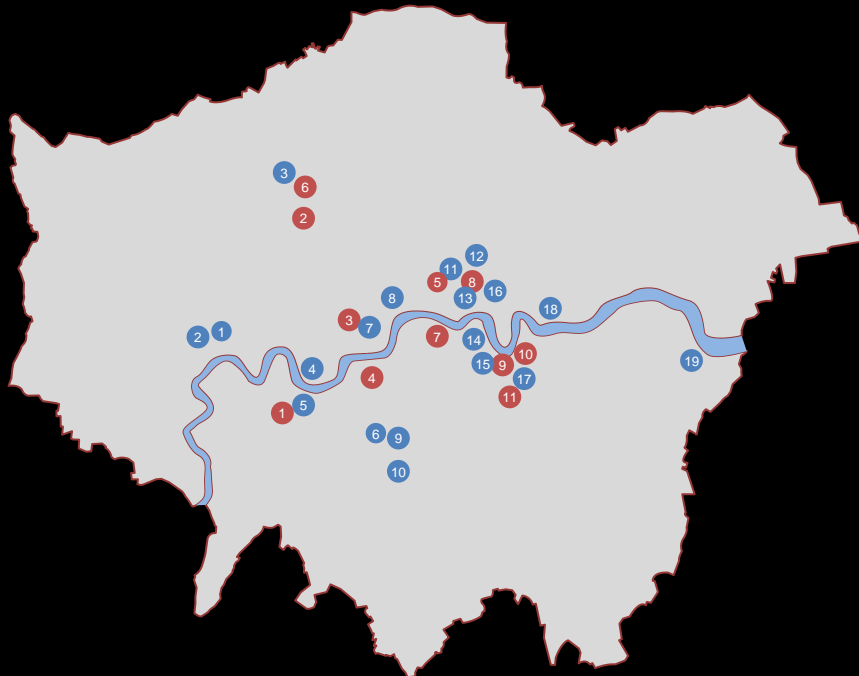
London performance

	FY12	FY13 (unaudited)	% change
Total revenue (ex JV)	£309m	£402m	+30%
Completions			
- Private	804	1,229	+53%
- Affordable	429	133	-69%
- JVs	59	224	+280%
Total completions	1,292	1,586	+23%
Forward sales (30 June)			
- Private plots	273	276	+1%
- Affordable plots	163	191	+17%
- JV plots	132	238	+80%
Total forward sold plots	568	705	+24%

London performance

	FY12	FY13 (unaudited)	% change
ASP			
- Private	£300k	£308k	+3%
- Affordable	£159k	£161k	+1%
- JV	£164k	£226k	+38%
Total ASP (inc JV)	£247k	£284k	+15%
 Sites (30 June)			
- Non JV	13	14	+8%
- JV	2	3	+50%
Total	15	17	+13%

Barratt London sites



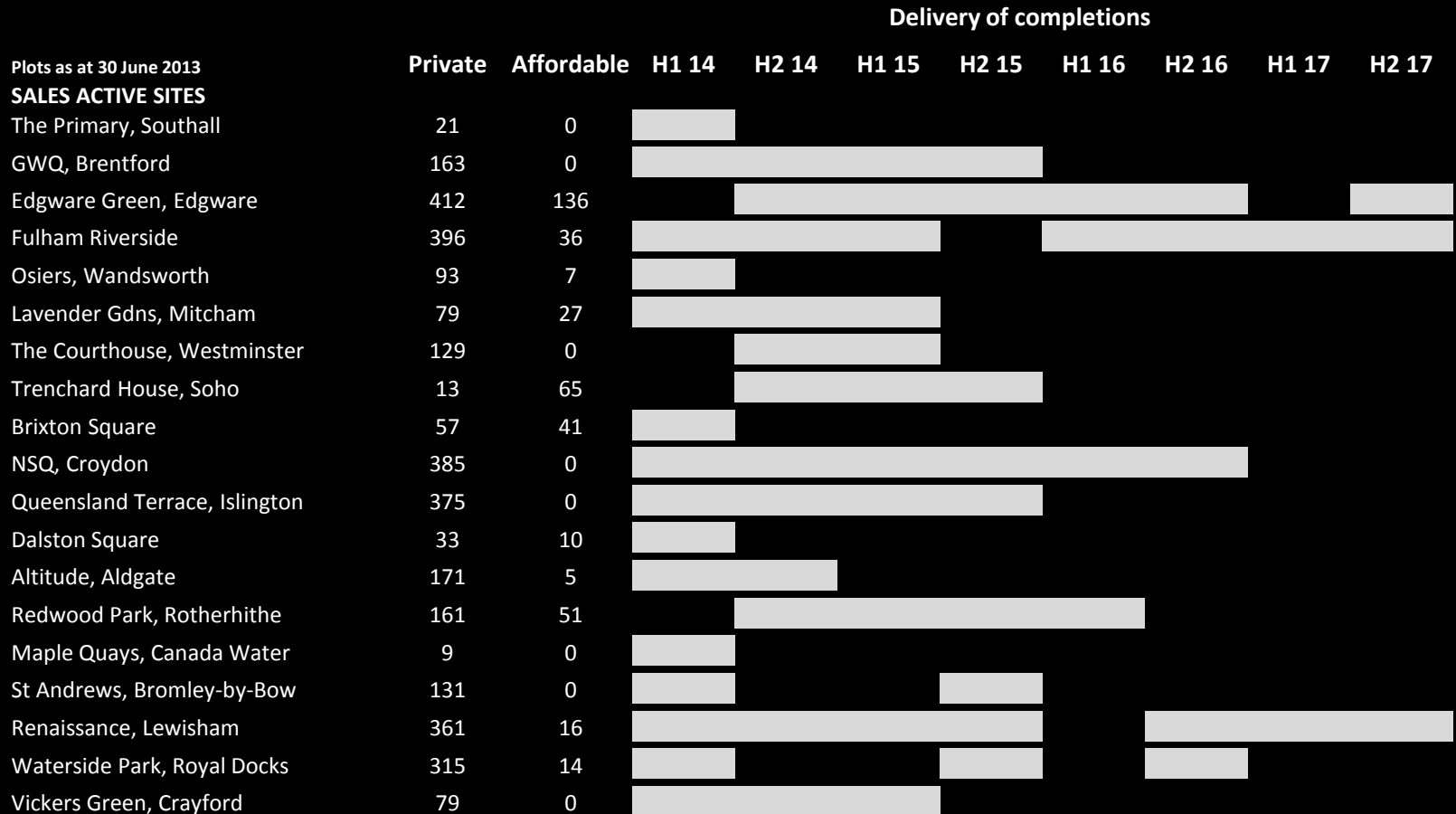
SALES ACTIVE SITES

- | | |
|---|---|
| 1 The Primary, Southall | 11 Queensland Terrace, Islington ⁽¹⁾ |
| 2 Great West Quarter, Brentford | 12 Dalston Square, Dalston |
| 3 Edgware Green, Edgware ⁽²⁾ | 13 Altitude, Aldgate ⁽¹⁾ |
| 4 Fulham Riverside, Fulham ⁽¹⁾ | 14 Redwood Park, Rotherhithe ⁽²⁾ |
| 5 Osiers, Wandsworth | 15 Maple Quays, Canada Water ⁽²⁾ |
| 6 Lavender Gardens, Mitcham | 16 St Andrews, Bromley-by-Bow |
| 7 The Courthouse, Westminster | 17 Renaissance, Lewisham |
| 8 Trenchard House, Soho ⁽²⁾ | 18 Waterside Park, Royal Docks |
| 9 Brixton Square, Brixton | 19 Vickers Green, Crayford |
| 10 New South Quarter, Croydon | |

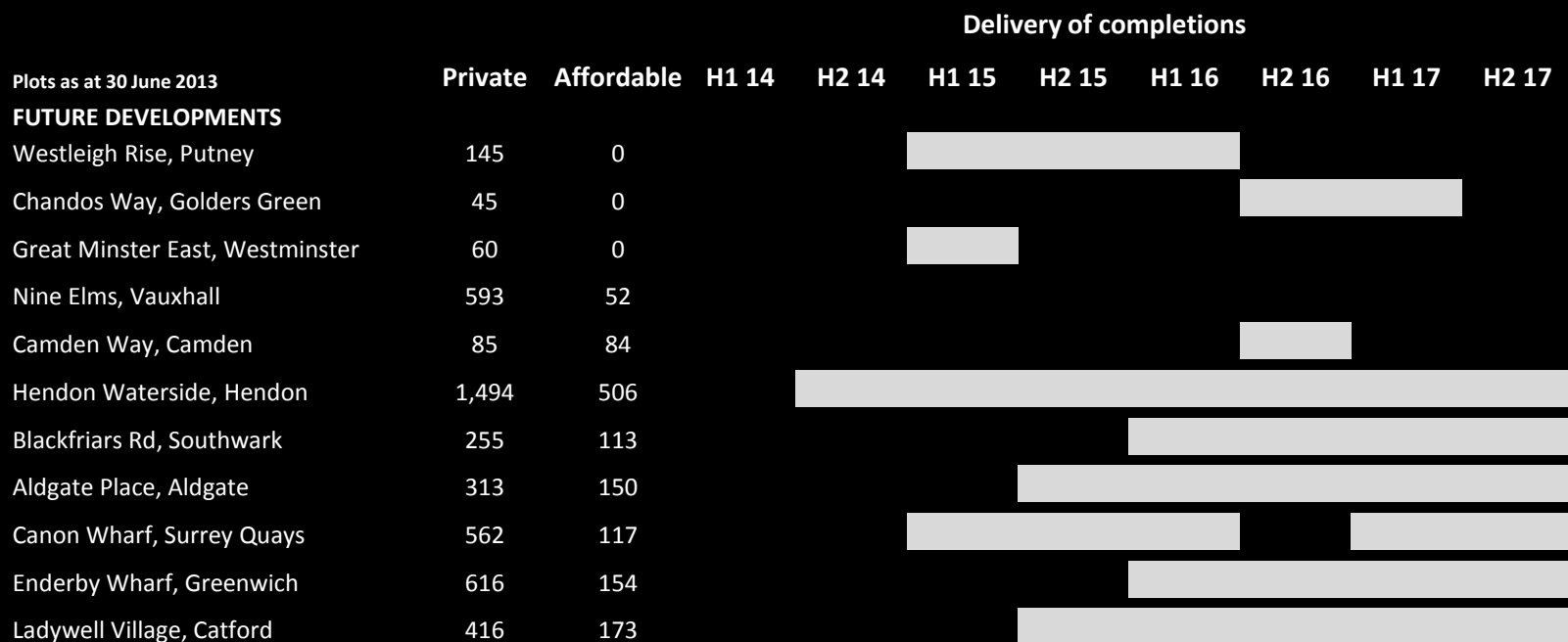
FUTURE DEVELOPMENTS

- | | |
|---|--|
| 1 Westleigh Rise, Putney | 7 Blackfriars Road, Southwark |
| 2 Chandos Way, Golders Green | 8 Aldgate Place, Aldgate ⁽¹⁾ |
| 3 Great Minster East | 9 Canon Wharf, Surrey Quays |
| 4 Nine Elms, Vauxhall ⁽¹⁾ | 10 Enderby Wharf, Greenwich ⁽¹⁾ |
| 5 Camden Way, Camden | 11 Ladywell Village, Catford |
| 6 Hendon Waterside, Hendon ⁽¹⁾ | |

London delivery



London delivery



Altitude site visit – the plan

- All to walk around to site entrance – take belongings
- Divide into 2 groups – red and blue spots on your name badge indicates which group
- Reds – Show flat and then level 26 of tower
- Blue – Level 26 of tower and then show flat
- 2:20pm – Depart for Fulham Riverside

Altitude build programme

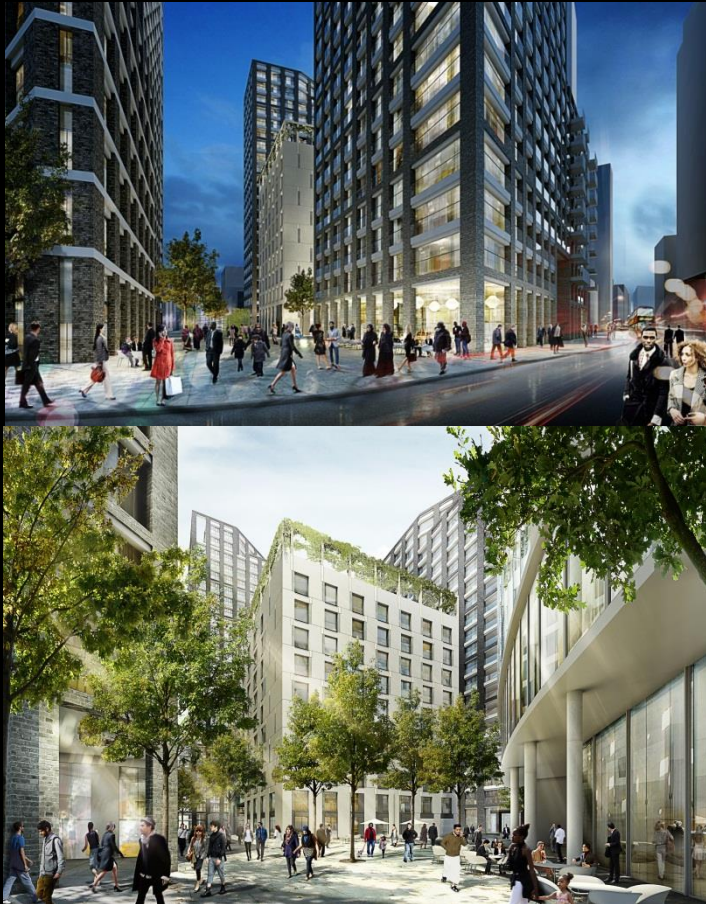
- 28 floors, 2 storey basement
- 235 residential units
- 5,887 sq/ft office space, 7,147 sq/ft retail space
- Concrete frame
- Cladding – unitised system, manufactured offsite
- Balconies – manufactured offsite
- Barratt London appointed as Construction Management Contractor by the Barratt and L&Q joint venture

PROJECT DELIVERY

Demolition	Jan 11
Basement	July 11
Frame	Feb 12
Façade commenced	July 12
Façade completed	Aug 13
First handovers	Sept 13
Build complete	Mar 14

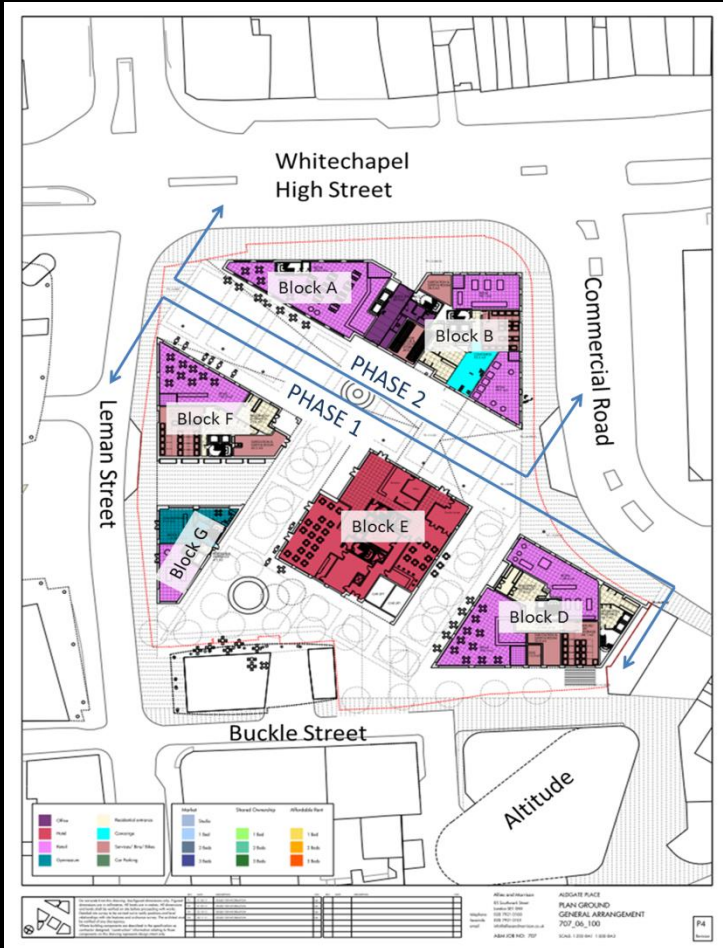
Delivery on time and to budget

Aldgate Place



GDV	£254m
Plots	463
Private ASP	£648k
Private revenue per sq/ft	£915
% Affordable	32%
Land acquired (expected)	Dec 13
Land source	Tishman Speyer
On site	Jan 14
Off site	Nov 18

Aldgate Place



Block A – Commercial/office

Block B – Private residential

Block D – Affordable residential

Block E – Hotel

Block F – Private residential

Block G – Mixed residential

Basement – Energy centre, plant rooms, cycle and car parking

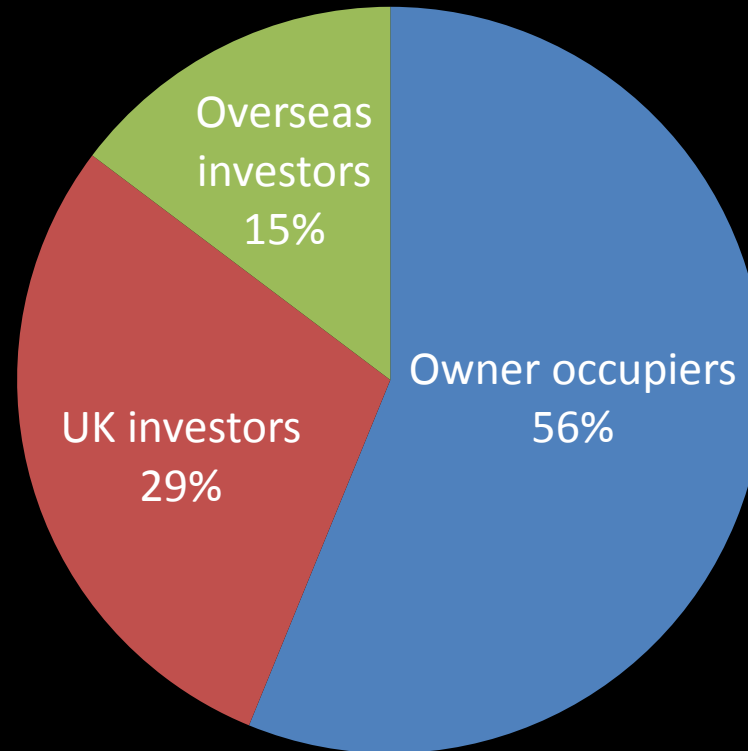


Gary Patrick Regional Sales Director London



A diverse customer base

FY 13 reservations by buyer type (including JVs)



Altitude sales & marketing



GDV	£116m
Plots - total	235 (100%)
Plots - private	171 (73%)
Plots - affordable	64 (27%)
Private ASP	£608k
Private revenue per sq/ft	£876
Buyers to date	UK - 74 (68%)
	International - 36 (32%)
Profile to date	Owner occupier - 32 (28%)
	Investor - 78 (72%)
Practical completion	Mar 14
Sales - soft launch	Oct 11
Marketing suite launch	Jan 13
Net sales rate to date	1.0 per week
Private units sold to date	110 (64%)

The Courthouse, Westminster



GDV	£180m
Plots	129
Private ASP	£1,400k
Private revenue per sq/ft	£1,589
% affordable	0%
Land acquired	Feb 07
Land source	Government
On site	Jan 12
Off site	Dec 14
Net sales rate to date	3.3 per week
Private units sold to date	45 (35%)

Great Minster East, Westminster



GDV	£95m
Plots	60
Private ASP	£1,578k
Private revenue per sq/ft	£1,462
% affordable	0%
Land acquired	Feb 13
Land source	Investor
On site	Mar 13
Off site	Dec 14



Greg Tillotson
Regional Land & Planning Director
London



The London land market

- House prices currently higher than pre-recession peak
- Between 2011 and 2021, extra 500,000 new households
- Need extra 50,000 new homes each year
- Demand for new land increasing
- Competition for new land is diverse
- To compete successfully, need experience, technical ability and funding
- Focus on core strengths to secure new land

Fulham Riverside, Fulham



GDV	£438m
Plots	462
Private ASP	£1,057k
Private revenue per sq/ft	£1,016
% Affordable	14%
Land acquired	Jul 12
Land source	Sainsbury's
On site	Aug 12
Off site	Dec 17

Ladywell Village, Catford



GDV	£118m
Plots	589
Private ASP	£234k
Private revenue per sq/ft	£406
% Affordable	29%
Land acquired (expected)	May 14
Land source	GLA
On site	May 14
Off site	Dec 19

Blackfriars Road, Southwark



GDV	£164m
Plots	368
Private ASP	£517k
Private revenue per sq/ft	£781
% Affordable	31%
Land acquired (expected)	Jul 14
Land source	Private
On site	Jul 14
Off site	Jun 17

London Landbank

<u>30 June 2013</u>	<u>Owned</u>	<u>Conditional</u>	<u>JV Owned & Conditional⁽¹⁾</u>	<u>JV Approved</u>	<u>Total</u>
No of plots	3,421	1,443	2,216	2,645	9,725
No of sites	21	7	5	2	35
GDV	1,257	599	1,211	900	3,967
ASP	£354k	£405k	£537k	£339k	£399k



David Thomas

Group Finance Director



Joint ventures in London

- Reduces peak investment
- Reduces concentration risk
- Improves financial returns – absolute & ROCE
- Financial strength of JV partners
- Increasing Barratt's outlets across the capital
 - Greater customer awareness
 - Raised profile with land agents
 - Greater access to land opportunities

The accounting for JVs

- Single line on the income statement
 - Net of interest
 - Net of tax for limited companies but not LLPs
- Not included in statutory Group KPI's
 - ASP and revenue
 - Gross profit and gross margin
 - Operating profit and operating margin
- Balance sheet summarised and netted into investment in JVs

Fulham Riverside build programme

- 396 private, 66 affordable 113,000 sq/ft store 120,000 sq/ft basement
- Sainsbury's priorities
- Construction methodology and multiple phasing
- River Thames sales jetty
- 100,000m³ excavation
- 7000t of reinforcing, 61,000m³ concrete (200 lorries per day), 6 tower cranes, up to 450 operatives

PROJECT DELIVERY

Preferred bidder status	Feb 12
Contracts signed	Jul 12
Start on site	Jul 12
Podium slab	Jun 13
Jetty sales office	Sep 13
Car park handover	Nov 13
First residential	May 14
Store trading	Mar 15
Phase 2 start/finish	Jul 15/Dec 17
Build complete	Dec 17

Fulham Riverside sales & marketing



GDV (phase 1)	£240m
Plots - total (phase 1)	266 (100%)
Plots - private	214 (80%)
Plots - affordable	52 (20%)
Private ASP	£1,059K
Private revenue per sq/ft	£992
Buyers to date	UK - 21 (36%)
	International - 36 (64%)
Profile to date	Owner occupier - 1 (2%)
	Investor - 56 (98%)
Completion (phase 1)	Mar 16
Sales - soft launch	Jan 13
Marketing suite launch	Sept 13
Net sales rate to date	1.43
Private units sold to date	57 (26%)

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