

# **Results presentation**

Six months ended 31 December 2013

27 February 2014

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**Bob Lawson**  
Chairman

Farndon Fields, Market Harborough, Leicestershire

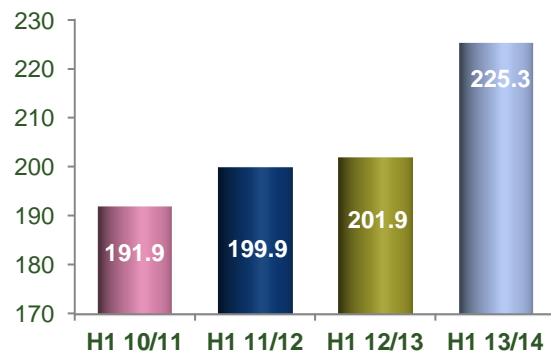


**David Thomas**  
Group Finance Director

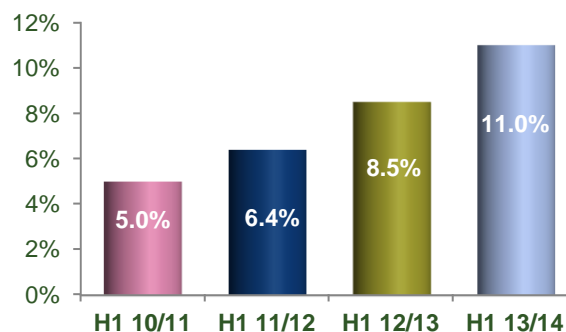
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# Strong performance

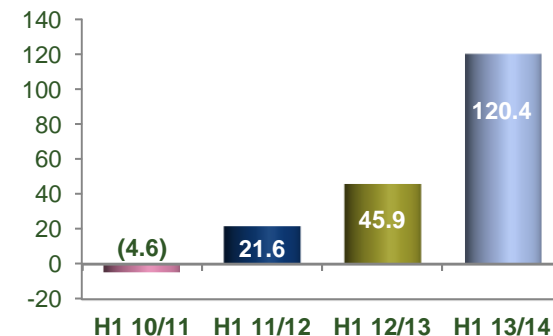
£k **Private ASP**



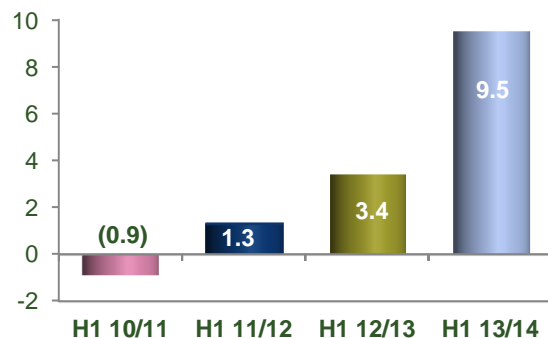
**Operating margin<sup>(1)</sup>**



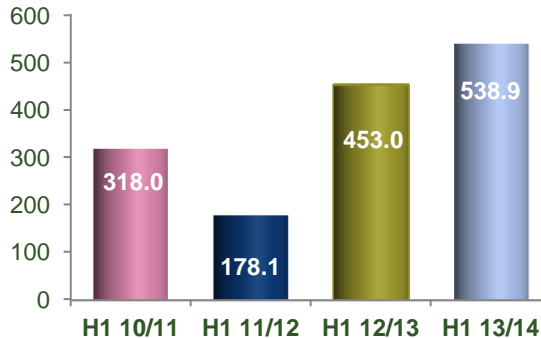
£m **Pre-tax profits<sup>(2)</sup>**



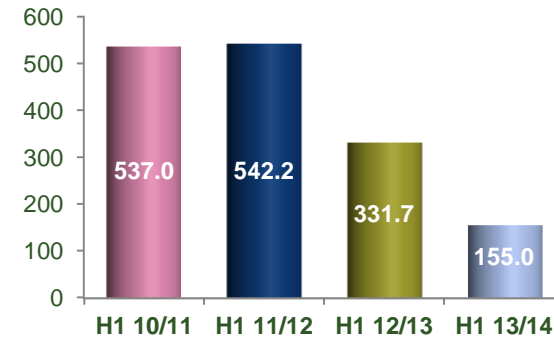
p **Earnings per share<sup>(3)</sup>**



£m **Land approvals**



£m **Net debt**



(1) Profit from operations before exceptional items divided by Group revenue

(2) H1 12/13 restated following the adoption of IAS19 (Revised) 'Employee Benefits'

(3) Basic earnings per share

# Summary revenue drivers

	H1 13/14	H1 12/13	Change H1 13/14 v H1 12/13
<b>Completions</b>			
Private	5,202	4,241	22.7%
Affordable	751	844	(11.0%)
Total	5,953	5,085	17.1%
% Affordable	13%	17%	(4%)
JV <sup>(1)</sup>	242	109	122.0%
Total completions	6,195	5,194	19.3%
<b>ASP (£'000)</b>			
Private	225.3	201.9	11.6%
Affordable	113.8	103.4	10.1%
Total	211.2	185.5	13.9%
JV <sup>(2)</sup>	409.9	211.4	93.9%
<b>Revenue (£m)<sup>(3)</sup></b>	<b>1,264.9</b>	<b>951.1</b>	<b>33.0%</b>

(1) Total joint venture completions in which the Group has an interest

(2) Total joint venture ASP in which the Group has an interest

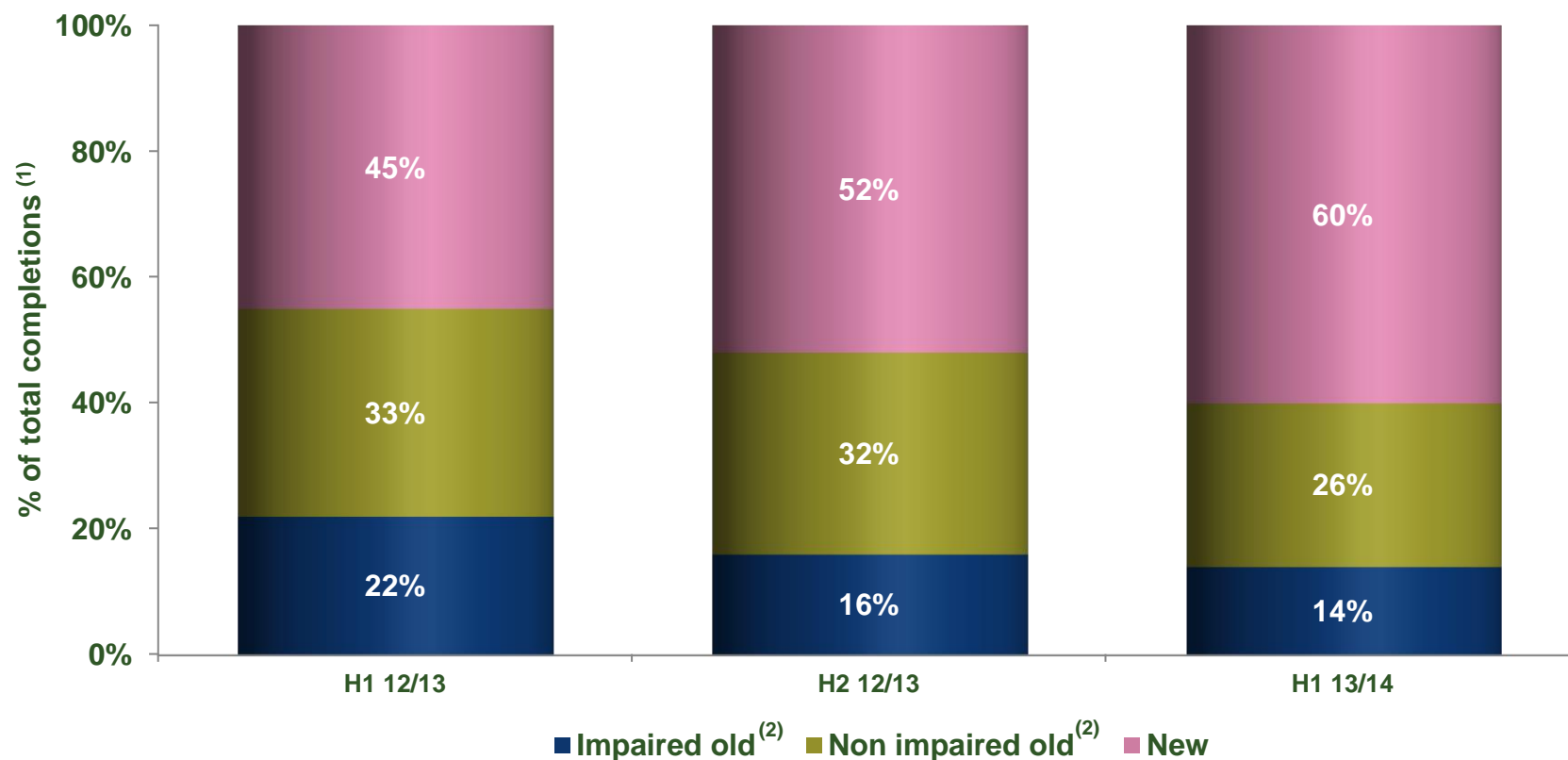
(3) Includes other revenue

# Profit & loss

£m (unless otherwise stated)	H1 13/14	H1 12/13 <sup>(1)</sup>	Change H1 13/14 v H1 12/13
Revenue	1,264.9	951.1	33.0%
Gross profit	176.8	111.2	59.0%
Gross margin	14.0%	11.7%	230bp
Administrative expenses	(51.4)	(40.6)	(26.6%)
Other income	14.1	10.2	38.2%
Total administrative expenses	(37.3)	(30.4)	(22.7%)
Operating profit	139.5	80.8	72.6%
Operating margin	11.0%	8.5%	250bp
Share of profit from JV / associates	10.1	0.5	n/m
Finance costs	(29.2)	(35.4)	17.5%
Profit before tax	120.4	45.9	162.3%

(1) Restated following the adoption of IAS19 (Revised) 'Employee Benefits'

# Completions by land type



(1) Excluding joint ventures

(2) Old land owned prior to re-entry into land market in mid 2009

# Pro forma profitability

£m (unless otherwise stated)	H1 13/14			H1 12/13		
	Housebuild	JV <sup>(1)</sup>	Pro forma	Housebuild	JV <sup>(1)</sup>	Pro forma
Revenue	1,262.7	55.0	1,317.7	945.8	16.2	962.0
Operating profit	140.2	12.5	152.7	78.6	1.5	80.1
Operating margin	11.1%	22.7%	11.6%	8.3%	9.3%	8.3%

(1) Housebuild share of revenue and operating profit



# Joint ventures - performance

	<b>FY14 (f'cast)</b>	<b>H1 13/14</b>	<b>H1 12/13</b>
<b>Completions<sup>(1)</sup></b>	<b>c. 650</b>	<b>242</b>	<b>109</b>
<b>Share of profit<sup>(2)</sup></b>	<b>c. £35m</b>	<b>£10.1m</b>	<b>£0.5m</b>

JV owned and controlled portfolio (as at 31 Dec 2013)

- 5,492 total plots<sup>(1)</sup> – majority for delivery between H2 13/14 and FY20<sup>(3)</sup>
- £2.5bn total future gross development value
- Barratt share of post tax profits represents significant future income stream

(1) Total joint venture completions in which the Group has an interest

(2) Joint venture income is accounted for in the Group Consolidated Income Statement net of interest and net of tax for limited companies but not LLPs

(3) West Hendon completions will go out to FY28

# Cash flow

£m	H1 13/14	H1 12/13
Profit from operations	139.5	80.8
Decrease in net land (pre land acquisitions and disposals)	280.1	212.9
Increase in WIP	(133.8)	(128.5)
Decrease in part exchange and other inventories	39.0	3.6
Decrease in equity share	4.8	1.8
Movement in other working capital	(7.2)	(74.6)
Defined benefit pension contribution	(6.5)	(6.6)
Available for sale investment fund	1.3	(5.1)
Other non-cash items	4.9	1.1
Cashflow from operations (pre land acquisitions and disposals)	322.1	85.4

# Cash flow (continued)

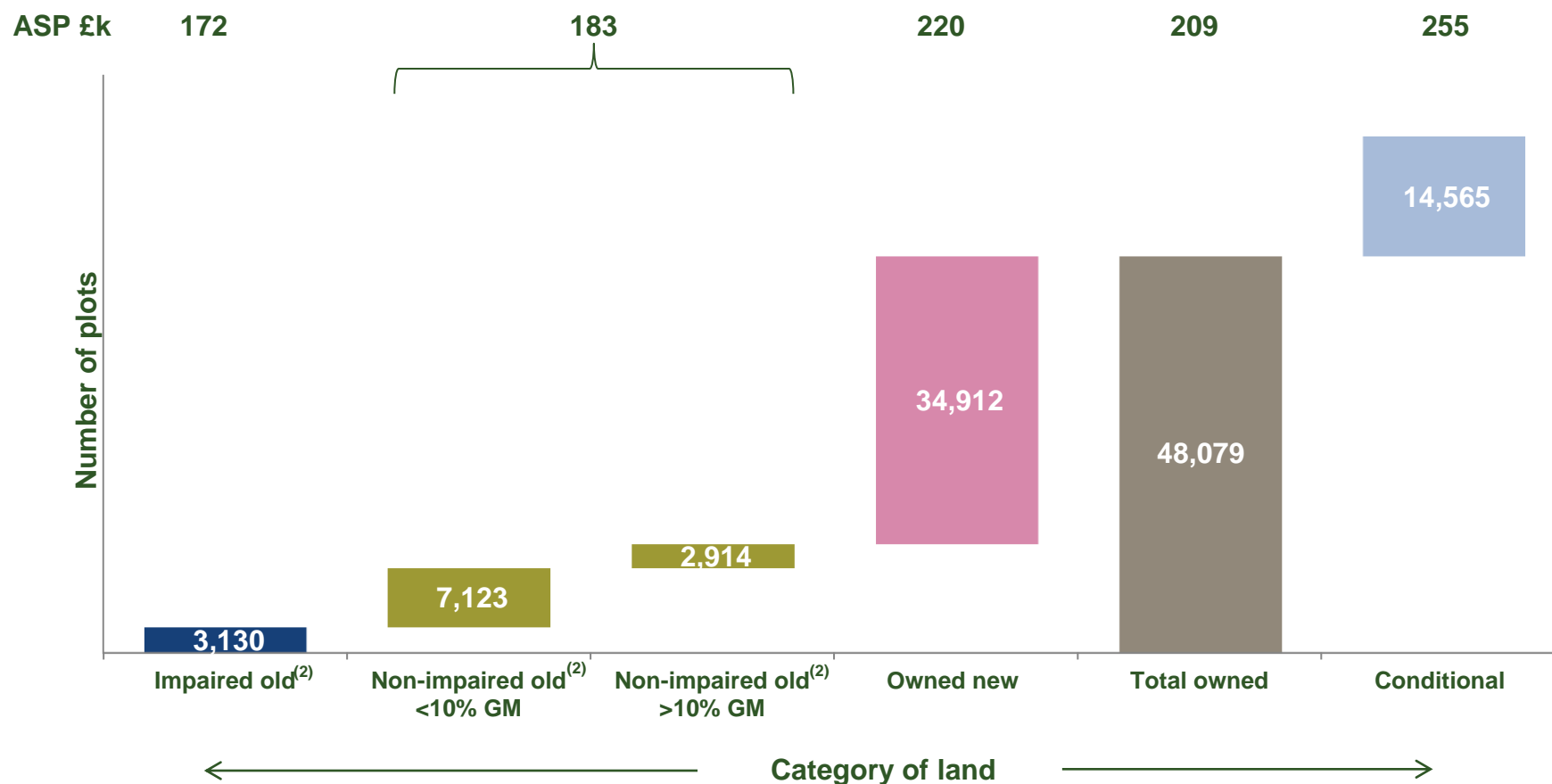
£m	H1 13/14	H1 12/13
Cashflow from operations (pre land acquisitions & disposals)	322.1	85.4
Land spend	(340.9)	(231.3)
Land sales	5.0	28.3
Investments in joint ventures and associates	(16.1)	(22.3)
Cashflow from operations	(29.9)	(139.9)
Net interest & tax	(17.5)	(25.0)
Free cash flow	(47.4)	(164.9)
Exceptional finance costs	(53.0)	(0.2)
Dividends paid	(24.5)	-
Share issues and fixed assets	(2.8)	3.9
Movement in cash	(127.7)	(161.2)
Amortisation of facility fees	(1.4)	(2.8)
Movement in net debt	(129.1)	(164.0)

# Balance sheet - assets

£m	31 Dec 2013	31 Dec 2012
<b>Goodwill and intangibles</b>	<b>892.2</b>	<b>892.2</b>
<b>Deferred tax assets</b>	<b>64.5</b>	<b>108.8</b>
<b>Equity share</b>	<b>127.1</b>	<b>193.9</b>
<b>Investment in joint ventures and associates</b>	<b>149.7</b>	<b>108.4</b>
<b>Other non-current<sup>(1)</sup></b>	<b>9.9</b>	<b>5.6</b>
<b>Gross landbank</b>	<b>2,257.7</b>	<b>2,117.3</b>
<b>Land creditors</b>	<b>(835.5)</b>	<b>(790.1)</b>
<b>Net landbank</b>	<b>1,422.2</b>	<b>1,327.2</b>
<b>Stock and WIP</b>	<b>1,135.7</b>	<b>1,194.0</b>
<b>Other current (excluding cash)</b>	<b>125.7</b>	<b>144.8</b>

(1) Excluding foreign exchange swaps

# Landbank by land type<sup>(1)</sup>



(1) Analysis is based on landbank as at 31 December 2013 and on current selling prices

(2) Old land owned prior to re-entry into land market in mid 2009

# Investment in joint ventures

£m	31 Dec 2013	31 Dec 2012
<b>Housebuilding joint ventures</b>		
London	82.1	52.8
Non-London	37.6	44.7
<b>Total</b>	<b>119.7</b>	<b>97.5</b>
<b>Commercial</b>	<b>4.6</b>	<b>10.6</b>
<b>Equity share joint venture</b>	<b>25.6</b>	<b>-</b>
<b>Associates</b>	<b>(0.2)</b>	<b>0.3</b>
<b>Total</b>	<b>149.7</b>	<b>108.4</b>

# Balance sheet – liabilities

£m	31 Dec 2013	31 Dec 2012
<b>Net debt</b>	<b>(155.0)</b>	<b>(331.7)</b>
<b>Trade payables</b>	<b>(243.2)</b>	<b>(259.3)</b>
<b>Other payables<sup>(1)</sup></b>	<b>(349.5)</b>	<b>(306.5)</b>
<b>Current tax</b>	<b>(0.6)</b>	<b>-</b>
<b>Pension obligations</b>	<b>(4.4)</b>	<b>(19.9)</b>
<b>Net swaps</b>	<b>(22.2)</b>	<b>(51.3)</b>

(1) Excluding land creditors

# Net interest charge analysis

£m	H1 13/14	H1 12/13
<b>Cash interest</b>		
Interest on term debt and overdrafts	5.1	6.1
Interest on private placement notes	2.0	11.3
Utilisation / Non-utilisation fees on RCF's	2.9	3.0
Swap interest	3.6	4.5
Other interest	0.6	(0.3)
<b>Total cash interest</b>	<b>14.2</b>	<b>24.6</b>
<b>Total non-cash interest</b>	<b>15.0</b>	<b>10.8</b>
<b>Total net interest</b>	<b>29.2</b>	<b>35.4</b>



# Guidance for FY14

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<b>Completions:</b>	<b>c. 14,250 (ex JV) c. 16% affordable c. 650 JV</b>
<b>ASP:</b>	<b>Total ASP in owned landbank of £209k</b>
<b>Total admin expenses:</b>	<b>c. £115m</b>
<b>JV share of profits:</b>	<b>c. £35m</b>
<b>Interest cost:</b>	<b>c. £60m (£30m cash, £30m non-cash)</b>
<b>Land cash spend:</b>	<b>c. £850m</b>
<b>Land creditors:</b>	<b>c. 35% of owned landbank</b>
<b>Dividend:</b>	<b>3x cover</b>

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Foundry Place, Crawley, West Sussex



**Steven Boyes**  
Group Chief Operating Officer

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# Strong H1, positive outlook

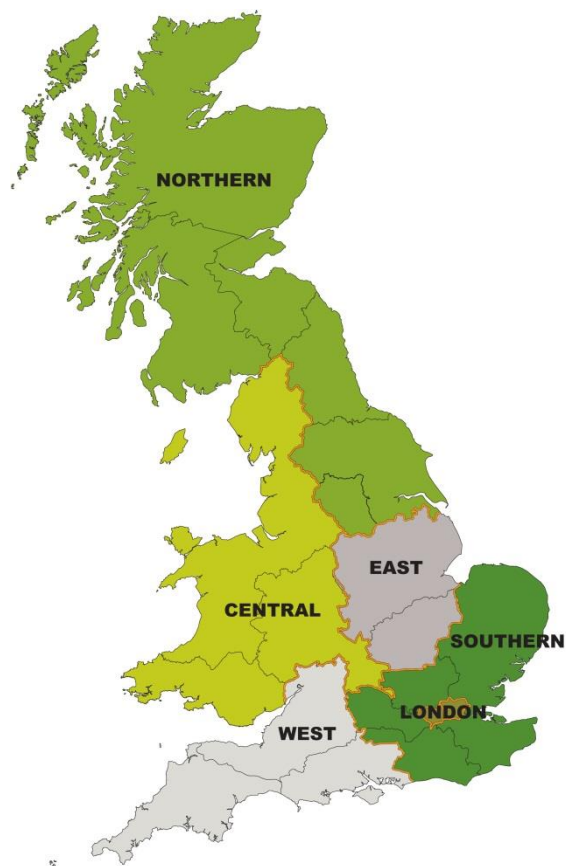
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- All regions delivered strong performance in H1
    - significant improvement across all operating metrics
  - Business responded quickly to improved market conditions
    - accelerated volume growth
  - Maintaining discipline and control
    - optimising prices
    - managing the build programme
    - supply chain
    - costs
  - Continue to secure excellent land opportunities
    - maintained minimum hurdle rates
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# Regional performance – private sales rate



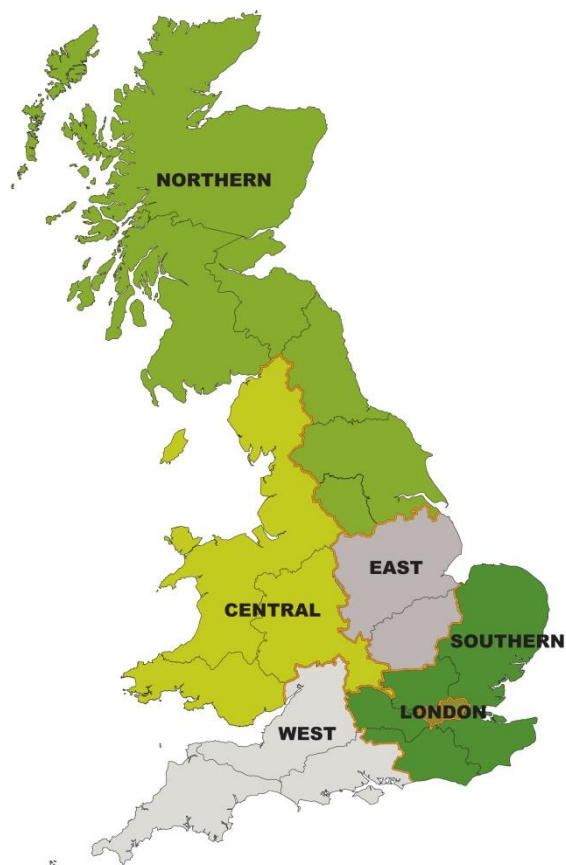
Per active site per week	H1 13/14	H1 12/13	% change
Northern	0.62	0.40	+55.0%
Central <sup>(1)</sup>	0.53	0.42	+26.2%
East	0.56	0.47	+19.1%
West <sup>(1)</sup>	0.61	0.45	+35.6%
Southern	0.97	0.69	+40.6%
London	2.00	1.33	+50.4%
Group	0.67	0.49	+36.7%
London JV	2.33	1.00	+133.0%
Southern JV	0.75	0.33	+127.3%
Total JV	1.43	0.60	+138.3%

(1) H1 12/13 restated under H1 13/14 regional structure where the South Wales division is now part of the Central region



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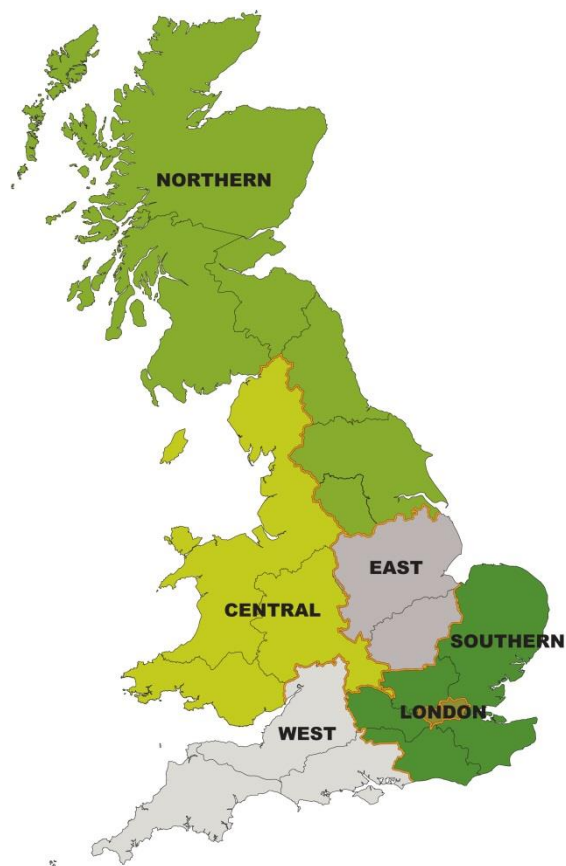
# Regional performance – private completions



	H1 13/14	H1 12/13	% change
Northern	1,127	966	+16.7%
Central <sup>(1)</sup>	1,102	939	+17.4%
East	1,005	857	+17.3%
West <sup>(1)</sup>	765	581	+31.7%
Southern	738	645	+14.4%
London	465	253	+83.8%
<b>Group</b>	<b>5,202</b>	<b>4,241</b>	<b>+22.7%</b>
London JV	149	21	+609.5%
Southern JV	74	33	+124.2%
<b>Total JV</b>	<b>223</b>	<b>54</b>	<b>+313.0%</b>

(1) H1 12/13 restated under H1 13/14 regional structure where the South Wales division is now part of the Central region

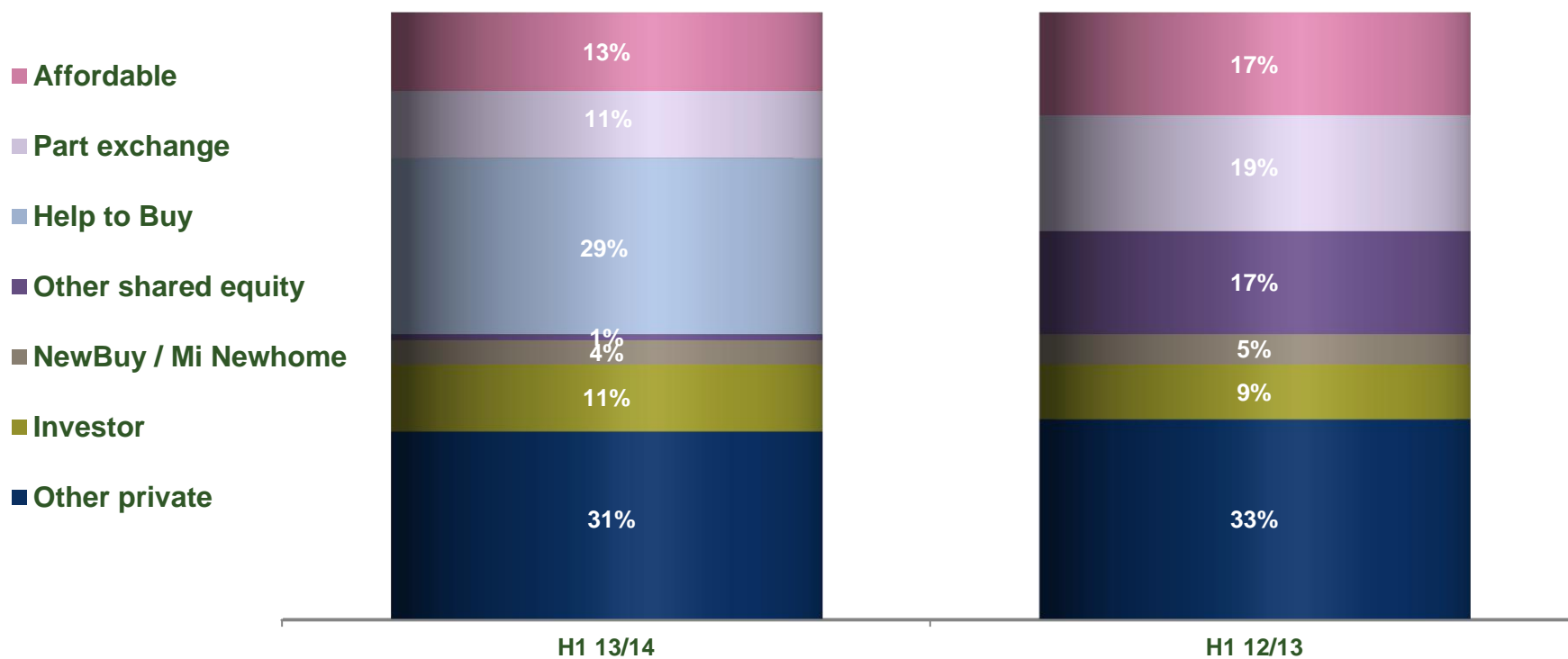
# Regional performance – private ASP



(£'000)	H1 13/14	H1 12/13	% change
Northern	185.0	174.3	+6.1%
Central <sup>(1)</sup>	177.4	167.5	+5.9%
East	223.7	200.2	+11.7%
West <sup>(1)</sup>	216.2	197.9	+9.2%
Southern	308.4	276.8	+11.4%
London	323.1	258.4	+25.0%
Group	225.3	201.9	+11.6%
London JV	459.5	211.6	+117.2%
Southern JV	365.0	326.8	+11.7%
Total JV	428.2	282.0	+51.8%

(1) H1 12/13 restated under H1 13/14 regional structure where the South Wales division is now part of the Central region

# Completions<sup>(1)</sup> analysis



(1) Completions excluding joint ventures



# Supply chain







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- Increased levels of production put pressure on industry supply chain
- Barratt supply chain performed well
  - highly centralised procurement
  - standard product range
  - strength and depth of Barratt's supplier relationships
  - confident FY14 and FY15 material requirements will be met





# Cost environment

	% of revenue <sup>(1)</sup>	Outlook	
<b>Land</b>	<b>c.25%</b>		<ul style="list-style-type: none"> <li>Land price calculated on residual value basis</li> <li>Continue to secure good opportunities across the UK that meet or exceed our minimum hurdle rates, assuming no HPI</li> </ul>
<b>Infrastructure and S106</b>	<b>c.25%</b>		<ul style="list-style-type: none"> <li>Road and sewer construction, demolition and S.106 contributions</li> <li>Minor inflationary pressures</li> </ul>
<b>Housebuild – materials</b>	<b>c. 25%</b>		<ul style="list-style-type: none"> <li>Some cost increases in particular on bricks and timber</li> <li>Expect low single digit increase in costs for FY15</li> </ul>
<b>Housebuild – labour</b>			<ul style="list-style-type: none"> <li>Shortage of skilled labour has led to cost increases – especially bricklayers</li> <li>Rates stabilised and Group is well positioned going forward</li> </ul>
<b>Direct selling costs</b>	<b>c.5%</b>		<ul style="list-style-type: none"> <li>Expect to increase in absolute terms but given relatively fixed nature, should decline as % of total costs as volumes increase</li> </ul>
<b>Admin</b>	<b>c.4%</b>		<ul style="list-style-type: none"> <li>Current operating structure supports Group volume targets</li> <li>Increases largely reflect incentive payments</li> <li>Should decline as % of total costs as volumes increase</li> </ul>
<b>Total<sup>(2)</sup></b>	<b>84%</b>		<ul style="list-style-type: none"> <li><b>Overall, expect modest increase in costs, driven by low single digit increases in housebuild material and labour costs</b></li> </ul>

(1) Illustrative of 'typical' cost structure on land acquired since re-entering the land market in 2009

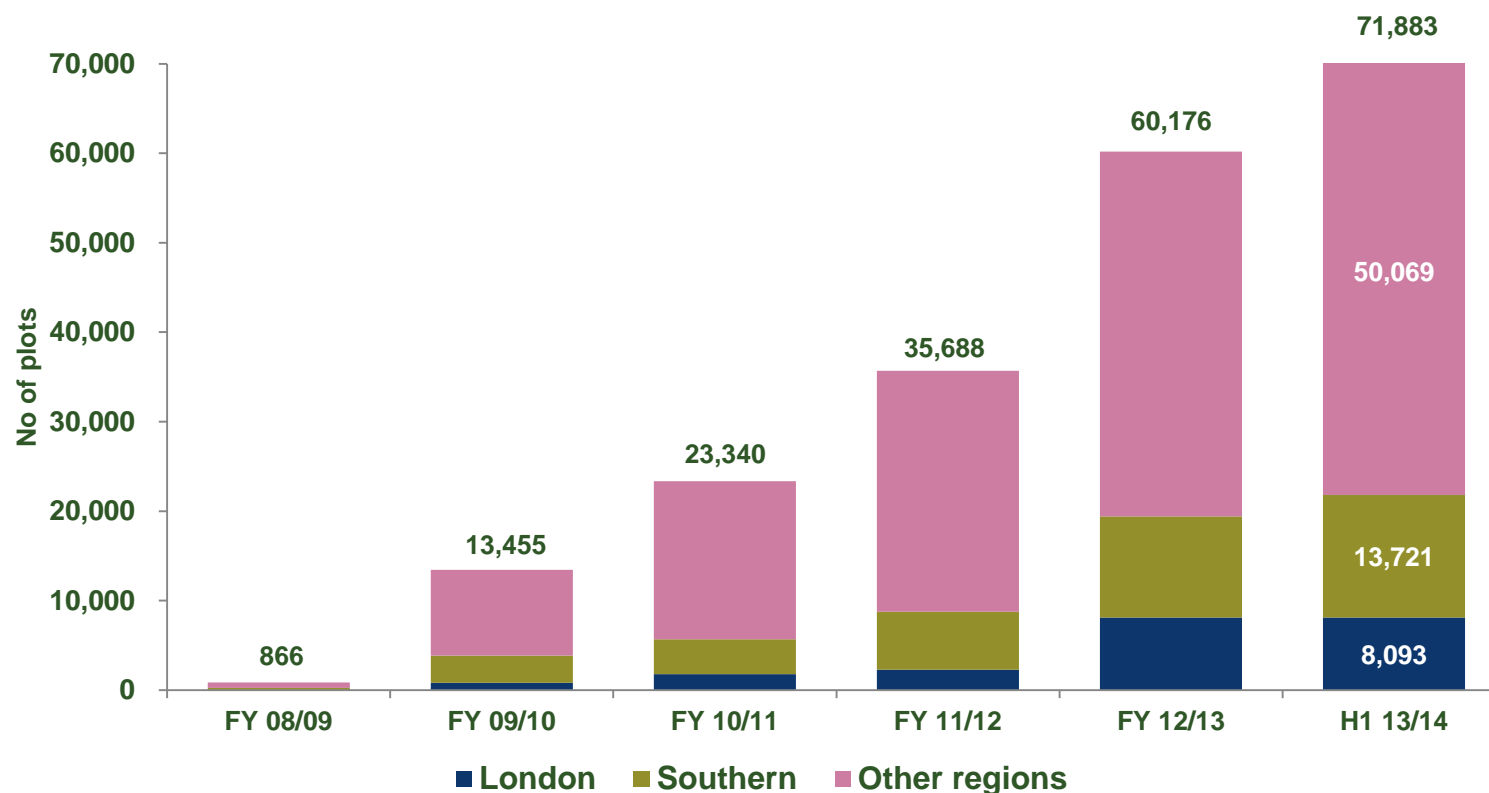
(2) Illustrates operating margin of 16%

# The land market

	London	Southern	Other regions
<b>Market conditions</b>	<ul style="list-style-type: none"> <li>• Strong demand for smaller, lower complexity sites</li> <li>• Continue to see good supply of opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Strong demand for smaller, conventional sites</li> <li>• Competition from new market entrants</li> <li>• Reasonable supply of good opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Strong supply of good land opportunities</li> </ul>
<b>Land prices</b>	<ul style="list-style-type: none"> <li>• Increases driven by competition and HPI</li> </ul>	<ul style="list-style-type: none"> <li>• Increases driven by competition and HPI</li> </ul>	<ul style="list-style-type: none"> <li>• Stable with any increases driven by HPI</li> </ul>
<b>Barratt focus</b>	<ul style="list-style-type: none"> <li>• Complex, technically challenging sites</li> <li>• Barratt London's capability of delivering complex projects is an increasingly important competitive advantage in securing land</li> <li>• JV partners provide attractive land opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunities that meet hurdle rates</li> <li>• Public sector land and larger, more complex sites which can be dual branded</li> <li>• Pull through from strategic land</li> </ul>	<ul style="list-style-type: none"> <li>• Prime locations</li> <li>• Low capital intensity</li> <li>• Public sector land</li> </ul>
<b>Deferred payment terms</b>	<ul style="list-style-type: none"> <li>• Site specific</li> </ul>	<ul style="list-style-type: none"> <li>• Lower availability except for public land</li> </ul>	<ul style="list-style-type: none"> <li>• Greater availability</li> </ul>

# Land opportunities across all regions

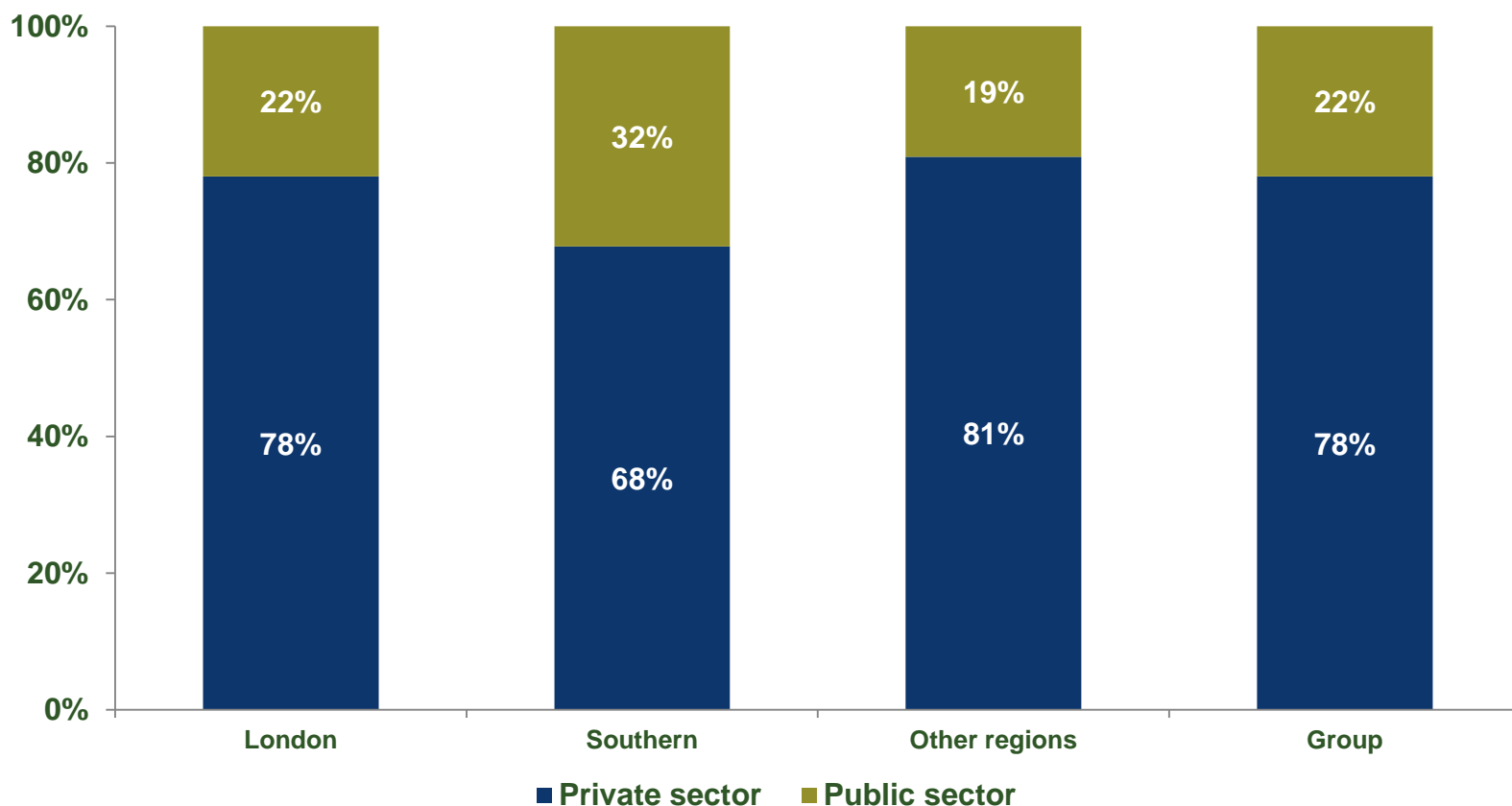
Land approved by region since 2009 (cumulative)<sup>(1)</sup>



(1) Analysis includes 7,648 approved JV plots in which the Group has an interest. 4,726 are in London (including 2,000 in West Hendon), 848 in Southern and 2,074 in other regions

# Maximising public sector land opportunity

Total land approved by region since 2009<sup>(1)</sup>



(1) Analysis includes 7,648 approved JV plots in which the Group has an interest. 4,726 are in London (including 2,000 in West Hendon), 848 in Southern and 2,074 in other regions

# London – Nine Elms, Vauxhall

## Sainsbury's Nine Elms<sup>(1)</sup>

Division:	Barratt London
GDV:	£455m
Land source:	Sainsbury's
Total units:	645
Private ASP:	£719k
On site:	Feb 14
First completions:	Jan 16

***Excellent transport links and will be one of first Nine Elms developments to come to market. Complex scheme with attractive deferred terms. Consolidates our relationship with Sainsbury's.***



(1) JV site with L&Q

# Southern – Hemel Hempstead

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## Spencer Park

Division:	BDW North London
GDV:	£82m
Land source:	HCA
Total units:	357
Private ASP:	£303k
On site:	March 14
First completions:	Sept 14

***Public sector land deal in prime location greenfield site. Deferred terms drive significantly higher than hurdle ROCE. Dual branded with Barratt and David Wilson Homes.***





# East – Cotgrave, Nottinghamshire

## Hollygate Park

Division:	Barratt North Mids DWH East Mids
GDV:	£89m
Land source:	HCA
Total units:	450
Private ASP:	£198k
On site:	April 14
First completions:	Feb 15



***Highly prestigious scheme from public sector land. Barratt and David Wilson Homes. Very attractive payment terms driving significantly higher than hurdle ROCE.***

# West – Keynsham, Bristol

## Charlton Road

Division:	Barratt Bristol DWH South West
GDV:	£59m
Land source:	BANES Council
Total units:	268
Private ASP:	£272k
On site:	March 15
First completions:	August 15



***Public land identified for development by the adopted local plan. Very desirable location close to Bristol providing both Barratt and David Wilson Homes sales outlets in a key target authority for the Group.***



# Central – Barlaston, Staffordshire

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## Wedgwood Estate

Division:	DWH Mercia
GDV:	£81m
Land source:	Wedgwood
Total units:	209
Private ASP:	£390k
On site:	Feb 14
First completions:	Dec 14



***Prime development opportunity partnering with Wedgwood. David Wilson Homes will offer executive housing from our standard range. Competitive bidding process where Wedgwood looked for a partner with similar brand credentials and a proven track record.***

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# Northern – Jesmond, Newcastle

## La Sagesse

Division:	BDW North East
GDV:	£20m
Land source:	Private vendor
Total units:	48
Private ASP:	£425k
On site:	Feb 14
First completions:	May 15



***One of the most prime locations in the North East. Site secured through division's relationship with landowners. Deferred payments terms driving significantly higher than hurdle ROCE.***

# Growing importance of strategic land

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- In the first half, c. 3,700 strategic land plots on 18 sites, pulled through to controlled landbank
  - strategic plots represented c. 39% of landbank additions in the period
  - included c. 1,400 on 5 sites in Southern region
- Options over c. 9,200 plots on 39 sites approved in H1 13/14
- Total strategic land plots increased to 60,950<sup>(1)</sup>
- On track to achieve target of 15% of completions from strategic land within 2 years

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(1) Estimated based upon current site proposals and dependant upon achieving planning permission

# National with a balanced land portfolio

As at 31 Dec 2013	Owned & conditionally contracted plots	JV plots <sup>(1)</sup> owned and conditionally contracted	Years supply <sup>(2)</sup> owned and conditional	Approved plots including JV <sup>(3)</sup>	Strategic land plots <sup>(4)</sup>
Northern	14,593	-	5.8	1,966	20,130
Central	13,243	-	4.5	739	4,820
East	10,001	-	4.0	4,518	13,200
West	8,831	-	3.7	451	8,170
Southern	11,288	793	5.1	888	14,630
London	4,688	4,699	4.9	-	-
<b>Total</b>	<b>62,644</b>	<b>5,492</b>	<b>4.6</b>	<b>8,562</b>	<b>60,950</b>

(1) Joint venture plots in which the Group has an interest

(2) Years supply based on last 12 months to 31 December 2013 total completions including joint ventures in which the Group has an interest

(3) Terms agreed and approved by Group Land Committee

(4) Estimated based upon current site proposals and dependant upon achieving planning permission





**Mark Clare**  
Group Chief Executive

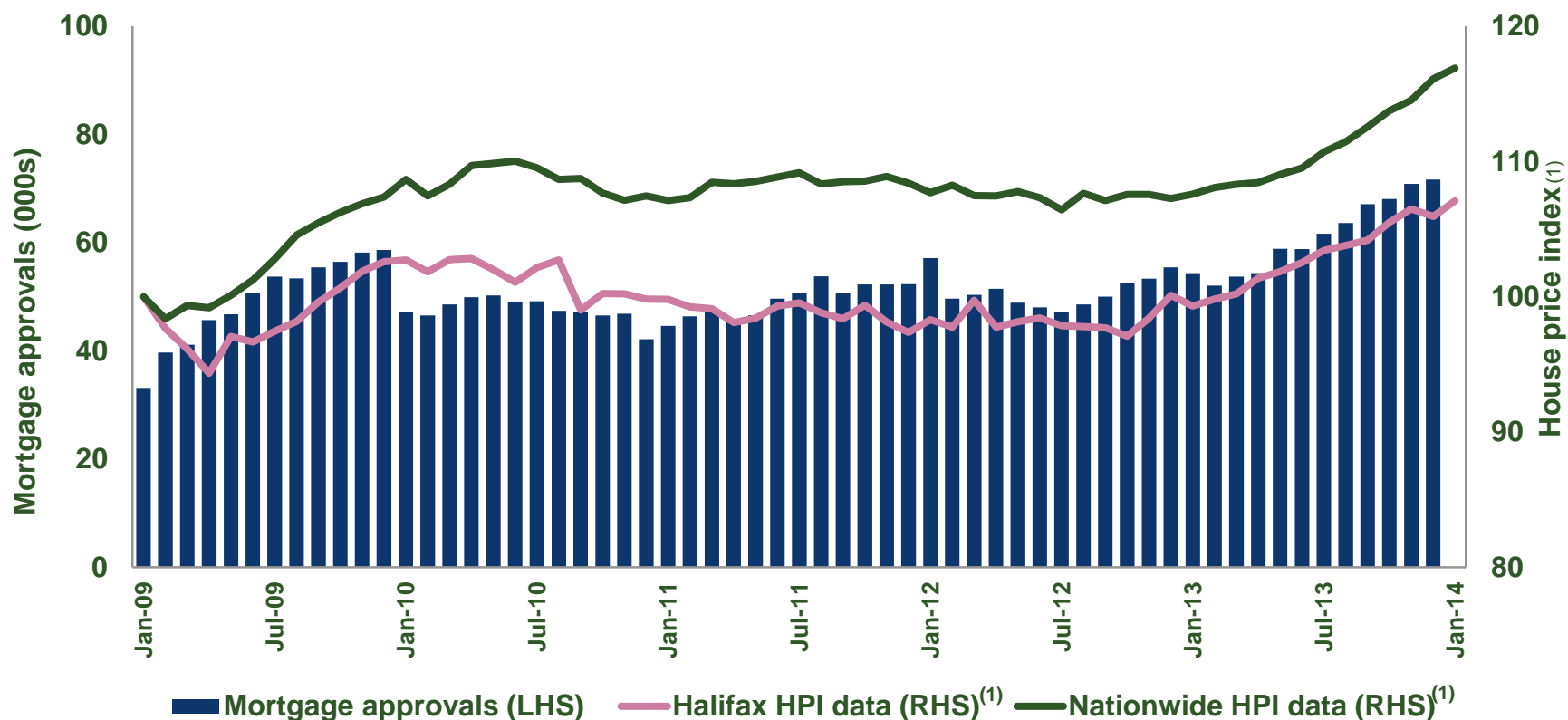
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# Market update

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- Market recovery now being seen across all regions
  - Strong increase in consumer demand
    - more stable economic outlook
    - increased availability of mortgages, at more competitive rates
    - Help to Buy continues to have a positive impact
  - Focus on maintaining discipline, especially on customer service, construction quality, and supply chain partnerships
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# Increased mortgage availability

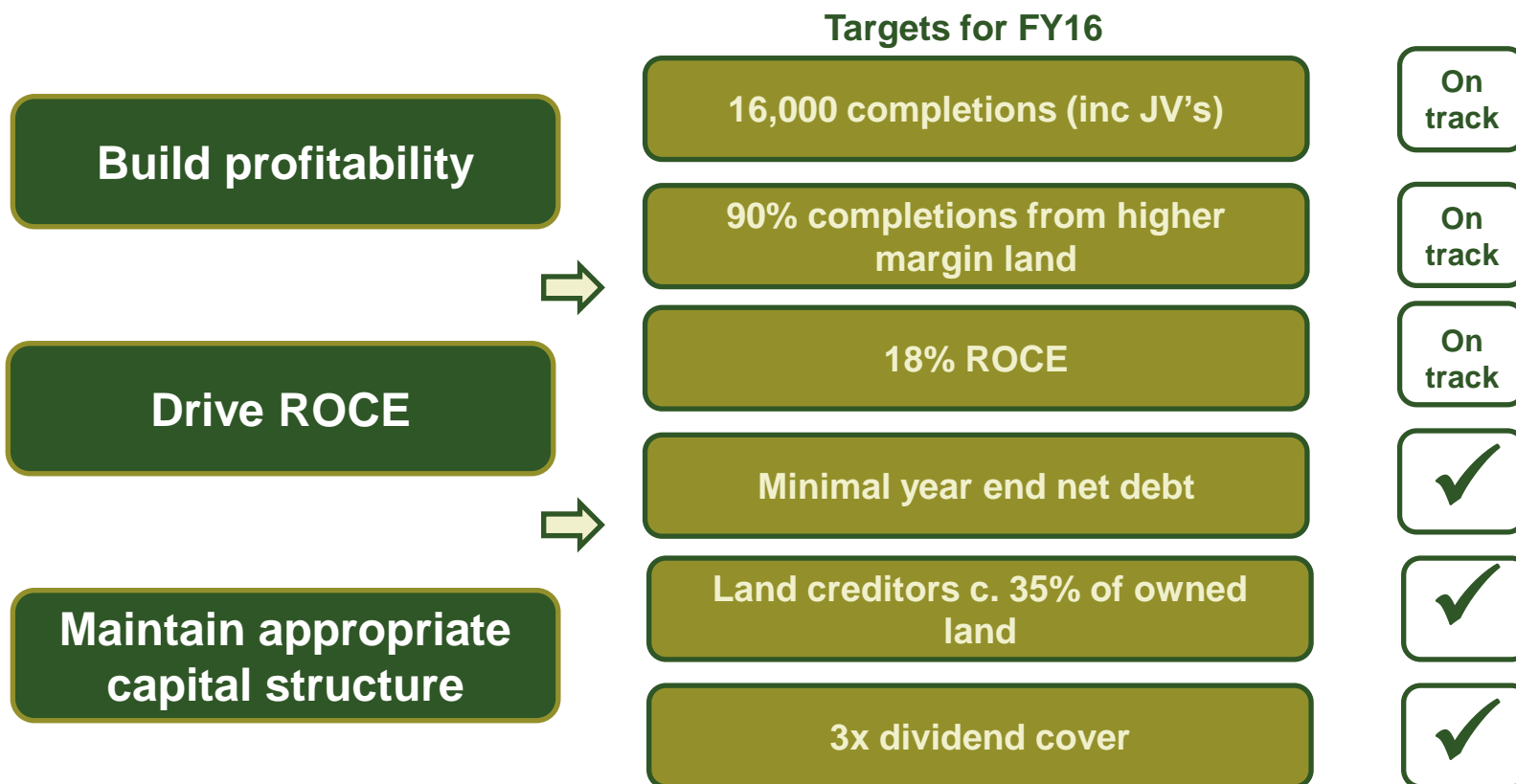


Source: Halifax, Nationwide, Bank of England

(1) House price data rebased to 100 as at January 2009

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# Good progress with Group's key objectives



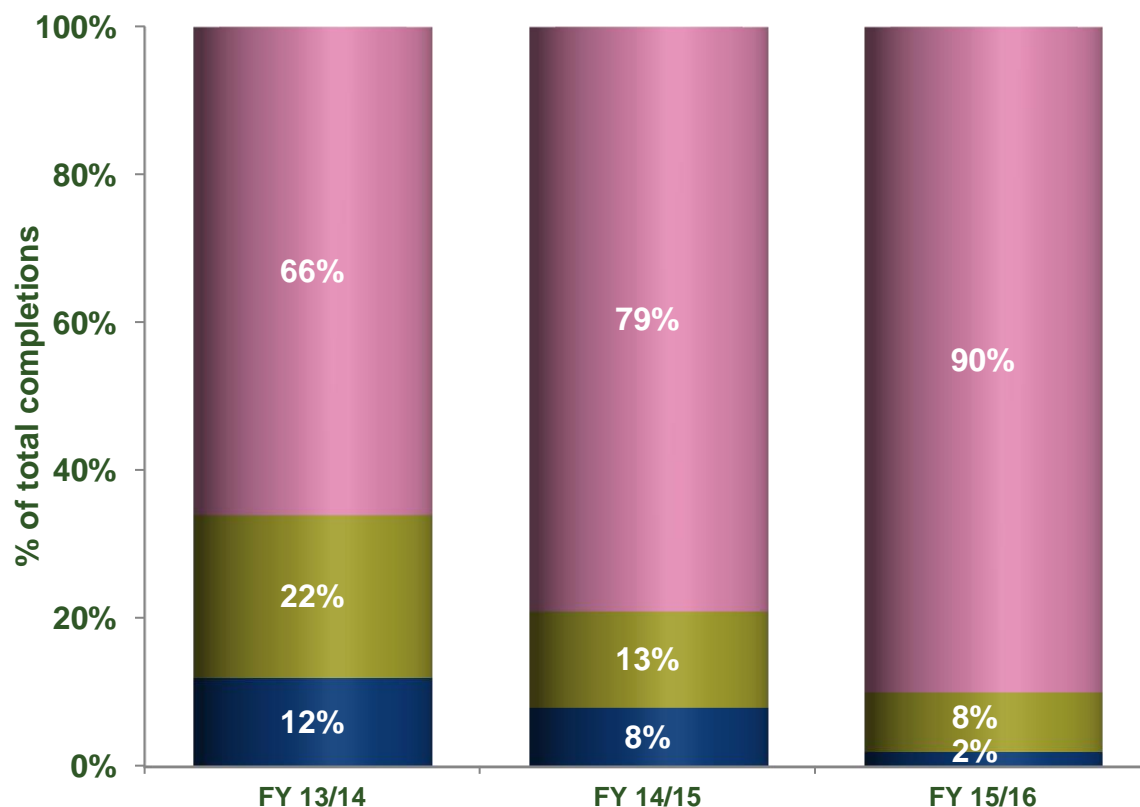


# Significant investment in land



(1) Not including joint ventures

# Building profitability<sup>(1)</sup>



Land type	Total ASP <sup>(2)</sup> £k	Average gross margin <sup>(2)</sup>
■ Impaired old <sup>(3)</sup>	172	0%
■ Non impaired old <sup>(3)</sup>	183	c. 8%
■ New	230 <sup>(4)</sup>	c. 20%

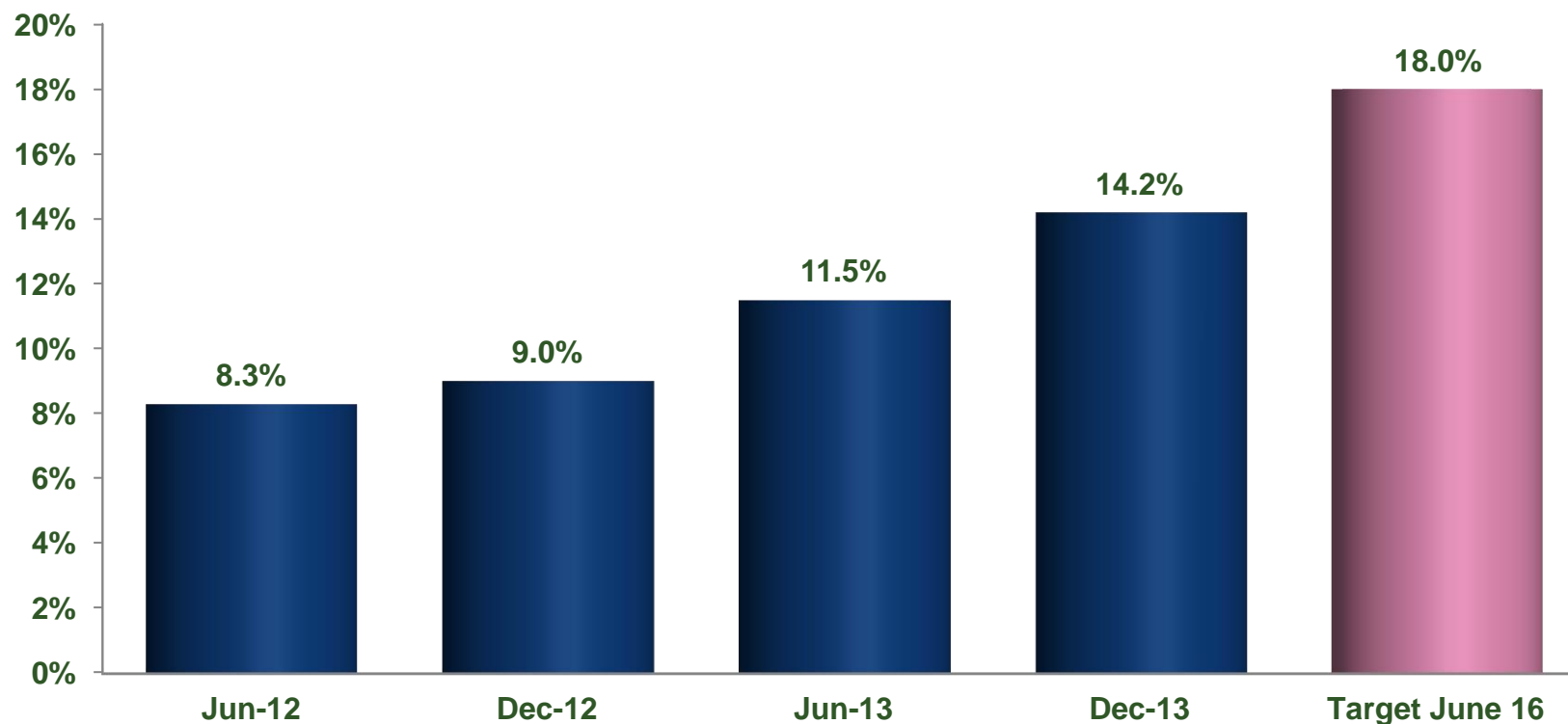
(1) Analysis is for illustrative purposes only and is based on landbank as at 31 December 2013. Assumes planning granted on all land

(2) Average in landbank at 31 December 2013

(3) Old land owned prior to re-entry into land market in mid 2009

(4) ASP on new owned and conditional land

# Progress on ROCE (annualised)<sup>(1)</sup>



(1) ROCE is calculated as earnings before interest, tax and operating exceptional items divided by average net assets adjusted for goodwill and intangibles, tax, cash, loans and borrowings, retirement benefit obligations, and derivative financial instruments

# Performance of new land to date

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	Gross margin	ROCE
Minimum hurdle rate	20%	25%
Completed new land sites to date <sup>(1)</sup>	21%	38%

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(1) Analysis based on total of 60 new land sites totalling 2,935 plots, that have been started and completed since May 2009

# Capital structure and dividend policy

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- Forecasting minimal net debt as at 30 June 14
- Owned landbank and long term WIP - funded by shareholders and land vendors
- Short and medium term WIP – funded by lending syndicate
- Accelerated dividend cover to 3x<sup>(1)</sup> in FY14
  - on current market forecasts<sup>(2)</sup>, total dividend payments for three years to FY16 would equate to c.£365m
- Board is managing the balance between controlled business growth that creates shareholder value and providing sustainable and attractive dividends

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(1) Calculated based upon earnings per share

(2) As per Reuters estimates 25 February 2014

# Industry leading – design, quality & service

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- **Highest quality design**

- introduction of 'Great Places'
- Design Council's industry standard for well designed neighbourhoods



- **Highest quality construction**

- site managers won 102 NHBC 'Pride in the Job' awards
- most ever won by a housebuilder

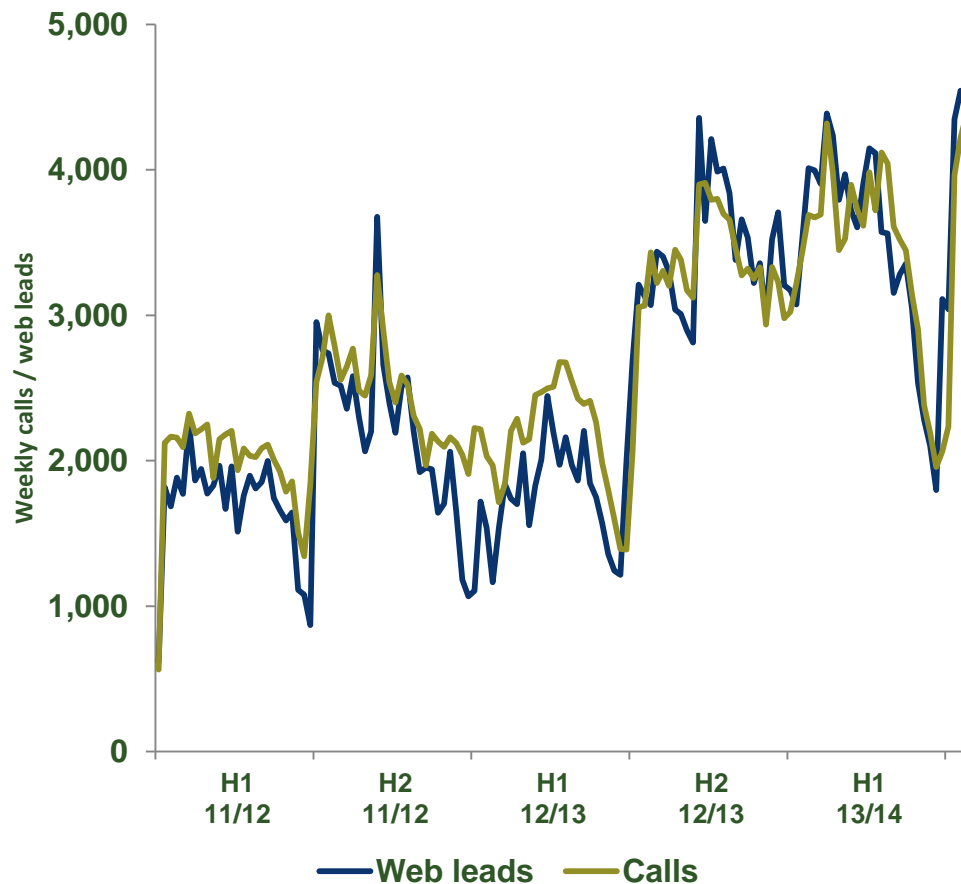


- **Exceptional customer service**

- customer recommendation over 90%
- achieved HBF 5 Star status for fourth consecutive year



# Industry leading - sales and marketing



- c. 80% of our customers originate online
- Barratt and DWH traffic accounts for c. 30% of all homebuilders activity
- Continued investment in digital sales and marketing platform

# Industry leading - investment in people

- **Investing in c. 1,100 apprentices, graduates and trainees over 3 years**
  - Apprenticeship schemes – trade, commercial and technical
  - Graduate training programme
  - Barratt Construction Foundation Degree Programme
- **Barratt Academy**
  - development programmes for existing staff in construction, technical, commercial and sales



Barratt apprentices on site



Barratt graduate training programme



# Current trading

	<b>First 8 weeks H2 13/14</b>	<b>First 8 weeks H2 12/13</b>	<b>Change</b>	<b>H1 13/14</b>
<b>Average net private reservations per active site per week<sup>(1)</sup></b>	<b>0.76</b>	<b>0.64</b>	<b>18.8%</b>	<b>0.67</b>
<b>Private forward sales<sup>(2)</sup></b>	<b>£1,323.2m</b>	<b>£897.7m</b>	<b>47.4%</b>	<b>£872.9m</b>
<b>Total forward sales<sup>(2)</sup></b>	<b>£1,748.1m</b>	<b>£1,119.1m</b>	<b>56.2%</b>	<b>£1,265.8m</b>
<b>JV total forward sales</b>	<b>£188.0m</b>	<b>£105.3m</b>	<b>78.5%</b>	<b>£169.5m</b>

(1) An active site is defined by the Group as a site with at least one unit available for sale

(2) Forward sales (excluding JV) as at 23 February 2014, 24 February 2013 and 31 December 2013

# Positive on outlook

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- **Strong market conditions**
  - recovery in regions outside of London and South East
- **Maintaining strong disciplines**
  - buying the right land
  - delivering for our customers
  - controlling costs & maintaining supply relationships
- **Confident of delivery for FY14**
  - profit towards top end of the market range<sup>(1)</sup>
  - progress on ROCE

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(1) As per Reuters on 25 February 2014 where estimates for FY14 profit before tax ranged from £323m to £380m



Rydon Place, Exeter

**Q&A**

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# Appendices

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	Page
• Balance sheet – landbank	53
• Approved land payment profile	54
• Land creditors payment profile	55
• Land creditors by type	56
• Balance sheet – stock & WIP	57
• Net interest charge analysis – non-cash	58
• Financing arrangements	59
• Forward sales analysis – owned	60
• Forward sales analysis – joint ventures	61
• Completions by product mix	62
• Joint ventures – London	63
• London joint venture delivery profile	64
• Joint ventures – non-London	65

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# Balance sheet - landbank

	31 Dec 2013	31 Dec 2012
<b>Landbank plots</b>		
<b>Owned / unconditional contracts</b>	<b>48,079</b>	<b>45,481</b>
<b>Conditional contracts</b>	<b>14,565</b>	<b>10,581</b>
<b>Total</b>	<b>62,644</b>	<b>56,062</b>
<b>Landbank pricing (£'000)</b>		
<b>Cost of plots acquired</b>	<b>46.3</b>	<b>37.4</b>
<b>Cost of plots in P&amp;L</b>	<b>47.5</b>	<b>40.9</b>
<b>Cost of plots in balance sheet</b>	<b>45.4</b>	<b>44.3</b>
<b>Years supply – Owned plots<sup>(1)</sup></b>	<b>3.4</b>	<b>3.2</b>
<b>Years supply – Total (incl. conditional)<sup>(1)</sup></b>	<b>4.4</b>	<b>4.0</b>

(1) Based on 14,114 completions for the 12 months to December 2013

# Approved land payment profile<sup>(1)</sup>

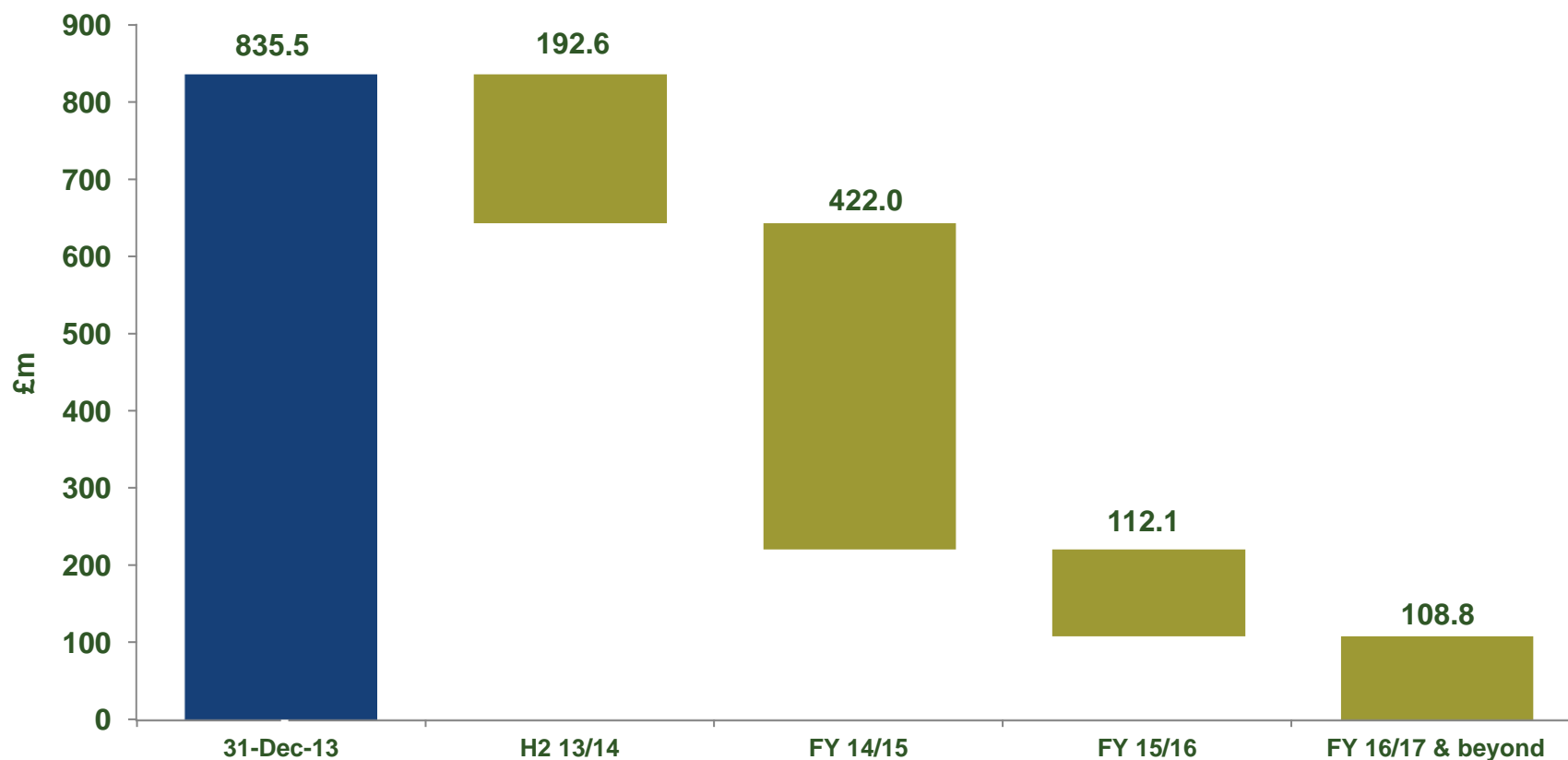
<b>31 Dec 2013</b>	<b>Purchased</b>	<b>Conditional</b>	<b>Approved</b>	<b>Total</b>
<b>Plots</b>	<b>43,473</b>	<b>14,274</b>	<b>6,488</b>	<b>64,235</b>
<b>Value (£m)</b>	<b>1,991</b>	<b>798</b>	<b>357</b>	<b>3,146<sup>(2)</sup></b>

<b>Payment profile (£m)</b>				
<b>Paid to date</b>	<b>1,204</b>	<b>18</b>	<b>2</b>	<b>1,224</b>
<b>H2 13/14</b>	<b>151</b>	<b>148</b>	<b>87</b>	<b>386</b>
<b>FY15</b>	<b>414</b>	<b>289</b>	<b>111</b>	<b>814</b>
<b>FY16</b>	<b>107</b>	<b>176</b>	<b>61</b>	<b>344</b>
<b>FY17 &amp; beyond</b>	<b>115</b>	<b>167</b>	<b>96</b>	<b>378</b>

(1) All land approved since re-entry into the land market in mid 2009, excluding joint ventures

(2) Approved value not adjusted for changes in overages or fees for imputed interest on deferred land creditors

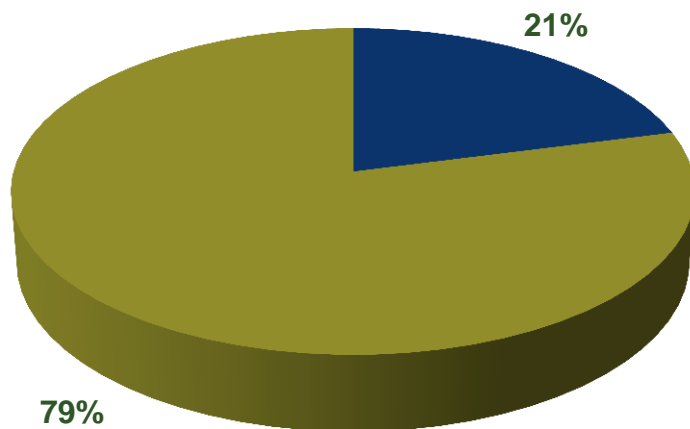
# Land creditors payment profile



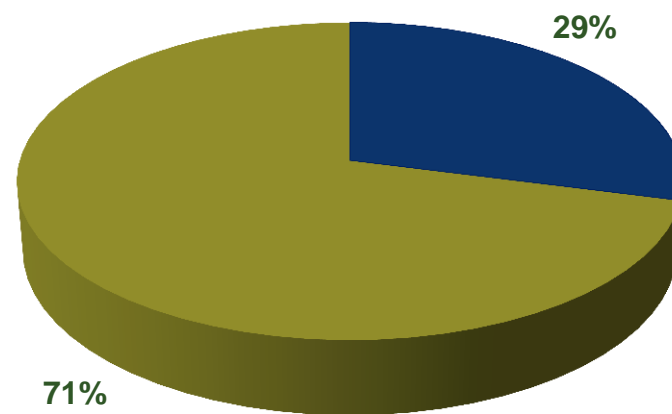


# Land creditors by type

31 Dec 13



31 Dec 12



 Government

 Non-government

# Balance sheet – stock & WIP

	31 Dec 2013		31 Dec 2012	
	Units	£m	Units	£m
<b>Stock (build complete)</b>				
- Reserved	300		273	
- Unreserved	539		865	
- Showhomes	157		234	
<b>Total</b>	<b>996</b>	<b>126</b>	<b>1,372</b>	<b>162</b>
<i>Unreserved per active site</i>	<i>1.5</i>		<i>2.2</i>	
<b>WIP (including build complete stock)</b>		<b>1,136</b>		<b>1,194</b>
<b>Part exchange</b>				
- Reserved	142	20	224	31
- Unreserved	163	22	376	47
<b>Total</b>	<b>305</b>	<b>42</b>	<b>600</b>	<b>78</b>

# Net interest charge analysis – non-cash

£m	H1 13/14	H1 12/13
<b>Non-cash interest</b>		
Land creditors	16.2	14.1
Financing fees	1.4	2.8
Equity share	(2.8)	(6.5)
Pension	0.2	0.4 <sup>(1)</sup>
<b>Total non-cash interest</b>	<b>15.0</b>	<b>10.8</b>

(1) Restated following the adaption of IAS19 (Revised) 'Employee Benefits'

# Financing arrangements

Loan Facility	Amount	Maturity	Interest basis
<b>RCF facilities<sup>(1)</sup></b>	<b>£700m</b>	<b>May 2018</b>	<b>LIBOR +2.5%<sup>(2)</sup></b>
<b>Lloyds facility</b>	<b>£50m</b>	<b>September 2015</b>	<b>LIBOR +2.35%</b>
<b>Private placement notes<sup>(3)</sup></b>			
<b>- May 2011 Issue</b>	<b>£48m</b>	<b>August 2017</b>	<b>8.1%</b>
<b>Pru M&amp;G UK Companies Fund</b>	<b>£100m</b>	<b>July 2019 – July 2021</b>	<b>3m LIBOR +4.5%</b>
<b>Get Britain Building &amp; Growing Places Fund</b>	<b>£30m</b>	<b>December 2013 – June 2018</b>	<b>EU ref rate +1%</b>
<b>Interest rate swaps<sup>(4)</sup></b>	<b>£137m</b>		<b>6.0%</b>

(1) Reducing to £550m in June 2016

(2) Does not include utilisation and non-utilisation fees, based on average margin

(3) Amount is net of gain on US\$ foreign exchange swaps. Private placement notes have a make-whole provision for early redemption

(4) Interest rate swap arrangements of £85m contain a clause that allows the Group or counterparty to cancel the swap in May 2015 at fair value

# Forward sales analysis – owned

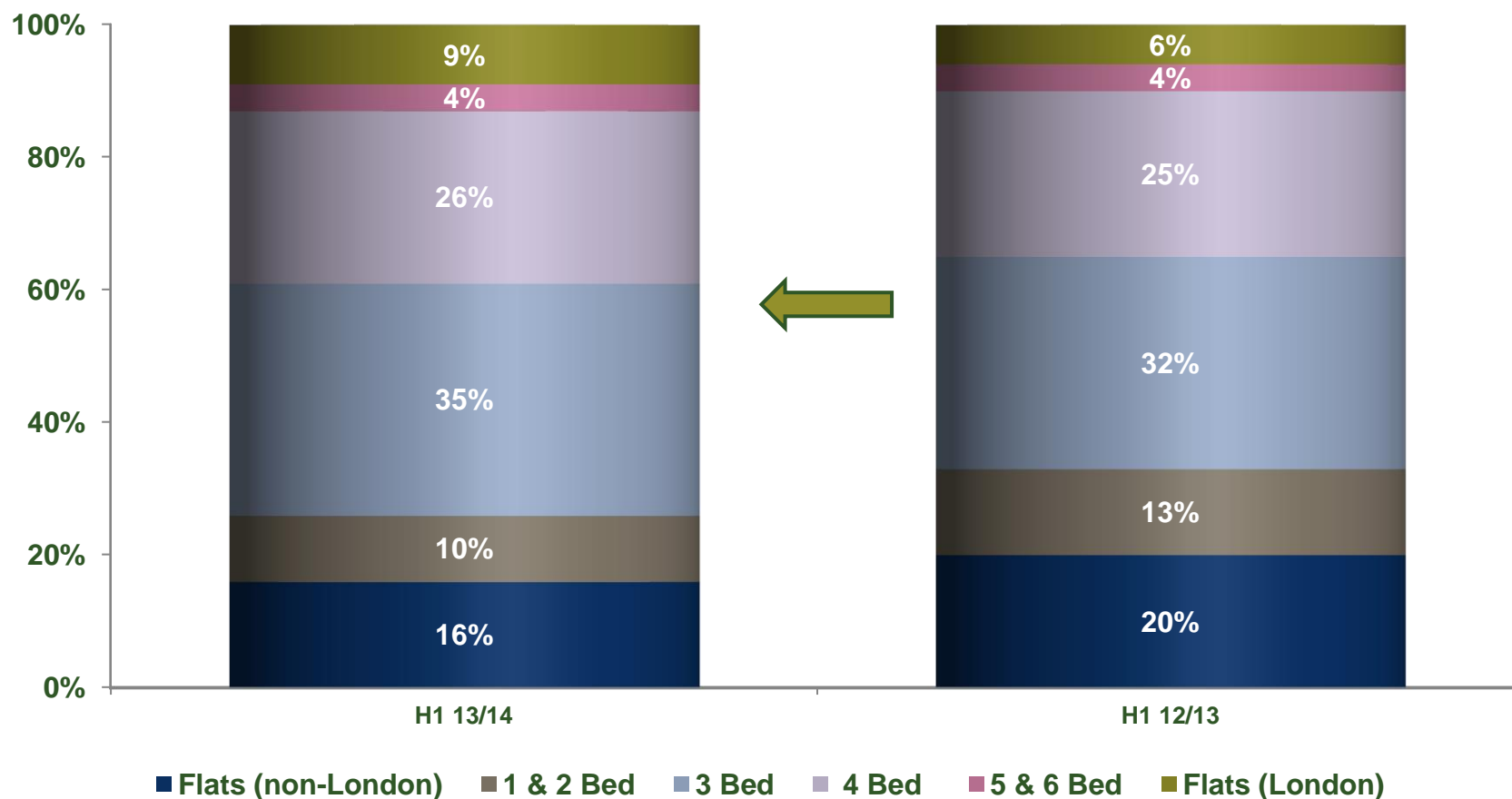
	23 February 2014	24 February 2013	Change
<b>Value (£m)</b>			
- Private	£1,323.2m	£897.7m	47.4%
- Affordable	£424.9m	£221.4m	91.9%
- due in H2 (£m)	£1,291.8m	£918.1m	40.7%
- due after H2 (£m)	£456.3m	£201.0m	127.0%
<b>Total value</b>	<b>£1,748.1m</b>	<b>£1,119.1m</b>	<b>56.2%</b>
<b>Plots</b>			
- Private	5,139	3,883	32.3%
- Affordable	3,923	2,147	82.7%
<b>Total plots</b>	<b>9,062</b>	<b>6,030</b>	<b>50.3%</b>

# Forward sales analysis – joint ventures<sup>(1)</sup>

	23 February 2014	24 February 2013	Change
<b>Value (£m)</b>			
- Private	£181.8m	£80.1m	127.0%
- Affordable	£6.2m	£25.2m	(75.4)%
- due in H1 (£m)	£152.0m	£43.1m	252.7%
- due after H1 (£m)	£36.0m	£62.2m	(42.1)%
<b>Total value</b>	<b>£188.0m</b>	<b>£105.3m</b>	<b>78.5%</b>
<b>Plots</b>			
- Private	305	218	39.9%
- Affordable	41	147	(72.1)%
<b>Total plots</b>	<b>346</b>	<b>365</b>	<b>(5.2)%</b>

(1) Total joint venture forward sales in which the Group has an interest

# Completions<sup>(1)</sup> by product mix



(1) Completions excluding joint ventures

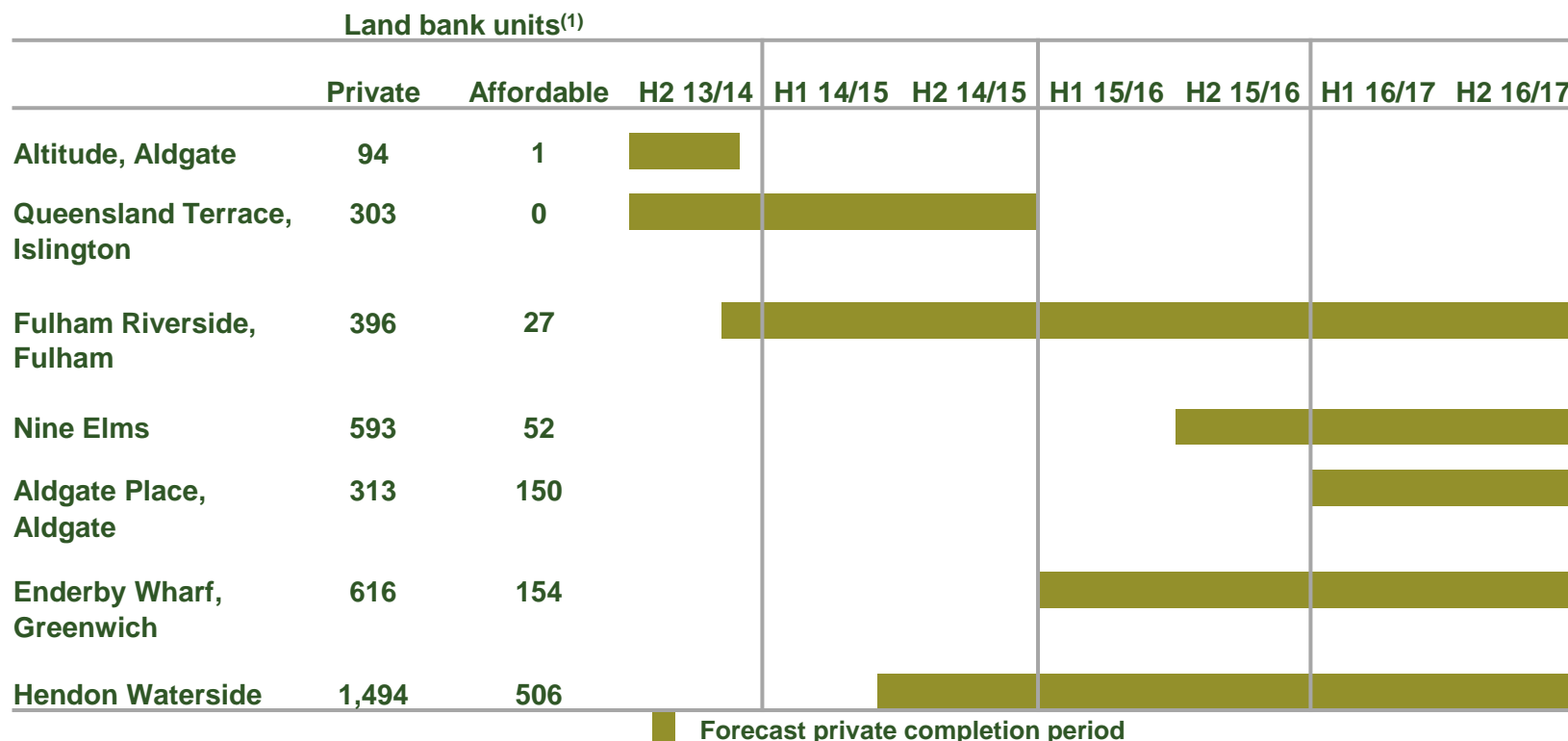


# Joint ventures - London<sup>(1)</sup>

	Profit share (%)	JV partner	Total GDV	Total units	Private ASP	Private : Affordable (%)
Altitude, Aldgate	50 : 50	L&Q	£125m	235	£641k	73 : 27
Queensland Terrace, Islington	50 : 50	L&Q	£160m	375	£420k	100 : 0
Fulham Riverside, Fulham	50 : 50	L&Q	£469m	462	£1,127k	86 : 14
Nine Elms	50 : 50	L&Q	£455m	645	£719k	92 : 8
Aldgate Place, Aldgate	50 : 50	British Land	£261m	463	£668k	68 : 32
Enderby Wharf, Greenwich	50 : 50	Morgan Stanley Real Estate Investing	£285m	770	£414k	80 : 20
Hendon Waterside	75 : 25	Metropolitan Housing	£657m	2,000	£359k	75 : 25
<b>Total</b>			<b>£2,412m</b>	<b>4,950</b>		

(1) Full site data

# London joint venture delivery profile



(1) Landbank plots remaining 31 December 2013

# Joint ventures – non-London<sup>(1)</sup>

Housebuild only	Profit share (%)	JV partner	Total GDV	Total units	Private : Affordable (%)
The Acres - Horley	78.5 : 21.5	Wates	£154m	511	78 : 22
Bluebell Gate - East Grinstead	50 : 50	Wates	£49m	142	70 : 30
The Fieldings/ Cissbury Chase - Worthing	50 : 50	Wates	£71m	301	95 : 5
Heathwood - Lindfield	50 : 50	Wates	£80m	230	70 : 30
Kersey Crescent - Newbury	50 : 50	Sovereign HA	£14m	76	70 : 30
<b>Total</b>			<b>£368m</b>	<b>1,260</b>	

- Joint venture income in partnership with Wates on the above is accounted for in the Group Consolidated Income Statement post interest and tax

(1) Full site data

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