



2008 INTERIM RESULTS



BARRATT
DEVELOPMENTS PLC

CHARLES TONER
CHAIRMAN



BARRATT
DEVELOPMENTS PLC

AGENDA

- **Chairman's Introduction**
- **Financial Review**
- **Operational Review**
- **Outlook**
- **Q & A's**

Presented by:

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Mark Pain

Mark Clare

Mark Clare



RESULTS HIGHLIGHTS (1)

	2007/8 H1	2006/7 H1 (Restated)	CHANGE	2006/7 H1 Proforma
Revenue	1,652.8	1,194.4	458.4	2,000.6
Operating Profit*	274.9	196.6	78.3	348.7
PBT*	201.8	176.6	25.2	314.9
EPS	38.8p	51.5p	(12.7p)	-
DPS	12.23p	11.38p	0.85p	-

* Before restructuring costs £7.2m



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RESULTS HIGHLIGHTS (2)

- **Tough Trading Conditions**
- **Satisfactory Performance**
- **Short Term Challenges**
- **Market Fundamentals Sound**



A photograph of a modern rooftop terrace. In the foreground, there is a dark grey dining table with a yellow napkin and three dark spheres. To the left, there are lounge chairs. The terrace is paved with light-colored tiles and has a glass railing. In the background, there is a white building with large windows and a balcony. The sky is blue with some clouds.

MARK PAIN
GROUP FINANCE DIRECTOR



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FINANCIAL REVIEW

- Overview
- Trading
- Balance Sheet and Cash Flow
- Debt Structure
- Summary



FINANCIAL REVIEW - Overview

	2007/8 H1	2006/7 H1 (Restated)	CHANGE	2006/7 H1 Proforma
Revenue	1,652.8	1,194.4	458.4	2,000.6
Gross Profit	344.3	239.8	104.5	444.1
Profit from operations *	274.9	196.6	78.3	348.7
Net Finance Costs	(71.5)	(20.0)	(51.5)	(33.6)
Share of JV Loss	(1.6)	-	(1.6)	(0.2)
PBT	194.6	176.6	18.0	314.9

* Before restructuring costs of £7.2m



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FINANCIAL REVIEW – Trading – Completions Analysis

	2007/8 H1	2006/7 H1	CHANGE %	2006/7 H1 Proforma	CHANGE %
Completions					
Private	7,177	5,791	+24%	8,746	-18%
Social	<u>1,879</u>	<u>1,415</u>	<u>+33%</u>	<u>1,877</u>	<u>0%</u>
Total	9,056	7,206	+26%	10,623	-15%
% Social	20.7%	19.6%		17.6%	
Average Selling Price					
Private	200.1	184.2	+9%	199.0	+1%
Social	<u>93.6</u>	<u>86.6</u>	<u>+8%</u>	<u>88.9</u>	<u>+5%</u>
Total	178.0	165.0	+8%	179.5	-1%
Revenue					
Housing	1,611.7	1,190.8	+35%	1,907.0	-15%
Other	<u>41.1</u>	<u>3.6</u>	<u>N/A</u>	<u>93.6</u>	<u>-56%</u>
Total	1,652.8	1,194.4	+38%	2,000.6	-17%



FINANCIAL REVIEW – Trading

	2007/8 H1	2006/7 H1	2006/7 H1 Proforma
Gross Margin	20.8%	20.1%	22.2%
Operating Expenses	(4.2%)	(3.6%)	(4.8%)
Operating margin before exceptional costs	16.6%	16.5%	17.4%
Exceptional costs	(0.4%)	-	-
Operating Margin	16.2%	16.5%	17.4%



FINANCIAL REVIEW – Balance Sheet Analysis - Assets

	31 December 2007	30 June 2007 (Restated)
Goodwill and Intangibles	923.2	923.7
Other non-current	109.8	115.4
Gross Landbank	3,350.0	3,266.9
Land Creditors	(566.4)	(661.5)
Net Landbank	2,783.6	2,605.4
Work in Progress	1,703.3	1,368.5
Other Current	257.4	428.3



FINANCIAL REVIEW – Balance Sheet Analysis - Liabilities

	31 December 2007	30 June 2007 (restated)
Loans & Borrowings	(1,747.2)	(1,483.3)
Trade & Other Payables	(952.3)	(923.5)
Pension Obligations	(75.2)	(78.3)
Swaps	(44.1)	-
Tax	(49.5)	(58.2)

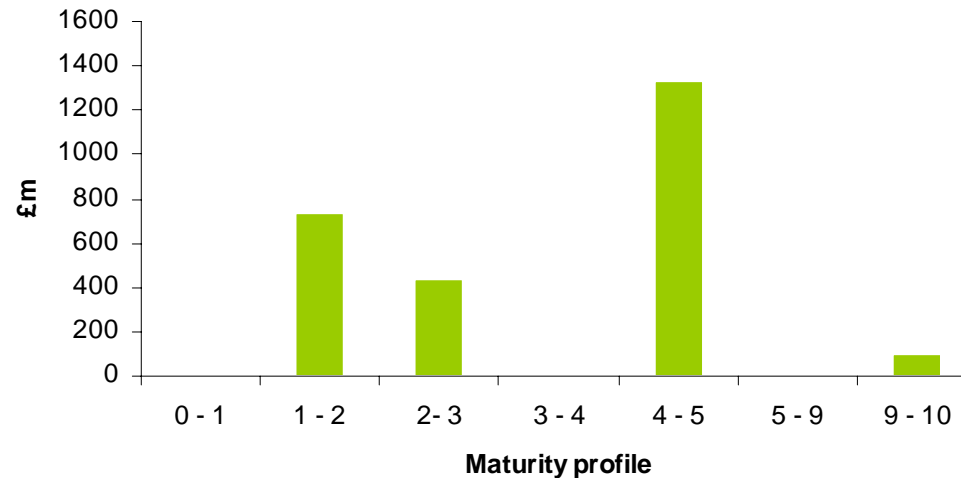


FINANCIAL REVIEW – Cashflow Analysis

	H1 2007/8	H1 2006/7 Proforma
Profit from operations	267.7	348.7
Increase in Land	(83.1)	(69.7)
Increase in WIP	(334.8)	(230.3)
Decrease in Land creditors	(95.1)	(14.1)
Other working capital movements and non cash items	0.8	(22.3)
Interest & tax	(110.4)	(110.4)
Operating cash outflow	(354.9)	(98.1)



FINANCIAL REVIEW - Debt Structure



- **Good long term liquidity**
- **Total Committed Facilities of £2.6bn (£1.7bn drawn at 31st December).**
- **Tranche A £700m roll over April 2008 – re-finance by April 2009**
- **Operating well within covenants**
- **Lower debt levels at end June 2008**



FINANCIAL REVIEW – Dividend Policy

- **Maximise Shareholder value**
- **Progressive dividend policy**
- **Target dividend cover of 2.5 times**
- **Return of surplus capital**



FINANCIAL REVIEW - Summary

- **Satisfactory performance in tough conditions**
- **Robust margin**
- **Tight control of Balance Sheet**





MARK CLARE
CEO



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OPERATIONAL REVIEW – Market Backdrop

	2007 H1	2006 Proforma			2005 Proforma		
		H1	H2	TOTAL	H1	H2	TOTAL
Visitor Numbers							
- Total	23,896	32,268	33,986	66,254	31,059	35,331	66,390
- Per wk per site	1.63	2.04	2.20	2.16	2.02	2.27	2.19
Reservations							
- Total	7,960	11,272	10,696	21,968	9,164	10,525	19,689
- Total per wk per site	0.54	0.74	0.69	0.72	0.62	0.68	0.65
Conversion Rate	33.3%	34.9%	31.5%	33.2%	29.5%	29.8%	29.7%
Cancellation Rate	29.8%	21.1%	23.0%	22.1%	24.2%	25.7%	25.0%
Completions							
- Total	9,056	10,623	10,946	21,569	9,893	9,809	19,702
- Total per wk per site	0.62	0.70	0.71	0.70	0.67	0.63	0.65



OPERATIONAL REVIEW – Sales Analysis (1)

	Private		BTL		Social		TOTAL		
	2007	2006 Proforma	2007	2006 Proforma	2007	2006 Proforma	2007	2006 Proforma	% Change
North %age	3,624 73%	4,314 73%	608 12%	1,065 18%	726 15%	567 9%	4,958	5,946	(17)%
South %age	1,939 57%	2,154 54%	518 15%	723 18%	955 28%	1,112 28%	3,412	3,989	(14)%
Central London %age	266 39%	317 46%	222 32%	173 25%	198 29%	198 29%	686	688	0%
Total %age	5,829 64%	6,785 64%	1,348 15%	1,961 18%	1,879 21%	1,877 18%	9,056	10,623	(15)%



OPERATIONAL REVIEW – Sales Analysis (2)

	Houses		Flats		TOTAL	
	2007	2006 Proforma	2007	2006 Proforma	2007	2006 Proforma
North %age	3,057 62%	3,352 56%	1,901 38%	2,594 44%	4,958	5,946
South %age	1,460 43%	1,788 45%	1,952 57%	2,201 55%	3,412	3,989
Central London %age	6 1%	2 0%	680 99%	686 100%	686	688
Total %age	4,523 50%	5,142 48%	4,533 50%	5,481 52%	9,056	10,623



OPERATIONAL REVIEW – Forward Sales Analysis

	17 February 2008	31 December 2007	31 December 2006 (Proforma)
Value	£1,615m	£1,263m	£1,340m
Plots	9,192	7,498	8,822
Plots for the following year	3,183	2,705	3,502
%age of FY	79%	69%	74%
Contracted Value	£1,045m	£920m	£928m
Order Book Mix (% Private)	61%	54%	55%
Order book trading margin	24%	24%	n/a



OPERATIONAL REVIEW – Regional Analysis

	Units	ASP £000's	Annual ASP Change	Change in Average Unit Size	Plots Owned & Under Control
North					
Private	4,232	179.8	1.5%	(1.3%)	
Social	726	87.8	9.9%	4.8%	
Total	4,958	166.4	(1.0%)	(2.1%)	52,200
South					
Private	2,457	220.6	(3.1%)	(6.4%)	
Social	955	99.6	11.1%	1.5%	
Total	3,412	186.7	(1.3%)	(4.6%)	26,700
London					
Private	488	272.4	1.1%	(4.3%)	
Social	198	85.7	(22.7%)	(1.6%)	
Total	686	218.5	(2.5%)	(3.5%)	10,500



OPERATIONAL REVIEW – Land

	2007 H1	2006 H1 Proforma	Change
Land Spend (£m)	593.3	645.5	(52.2)
Landbank structure			
- Owned & controlled Plots	89,400	84,100	5,300
- Subject to contract Plots	<u>24,100</u>	<u>25,200</u>	<u>(1,100)</u>
- Total	113,500	109,300	4,200
Landbank Pricing (£K)			
- Cost of Plots acquired	47.1	58.1	(11.0)
- Cost of Plots through P&L	43.5	44.7	(1.2)
- Cost of Plots in Balance Sheet	47.2	45.7	1.5
Years supply	5.3	5.1	0.2



OPERATIONAL REVIEW – Wilson Bowden Developments

Industrial



GDV £800m

Sq Footage 11.0m

Timescales 12 Years

Commercial



GDV £1,000m

Sq Footage 3.4m

Timescales 15 Years

Retail



GDV £1,100m

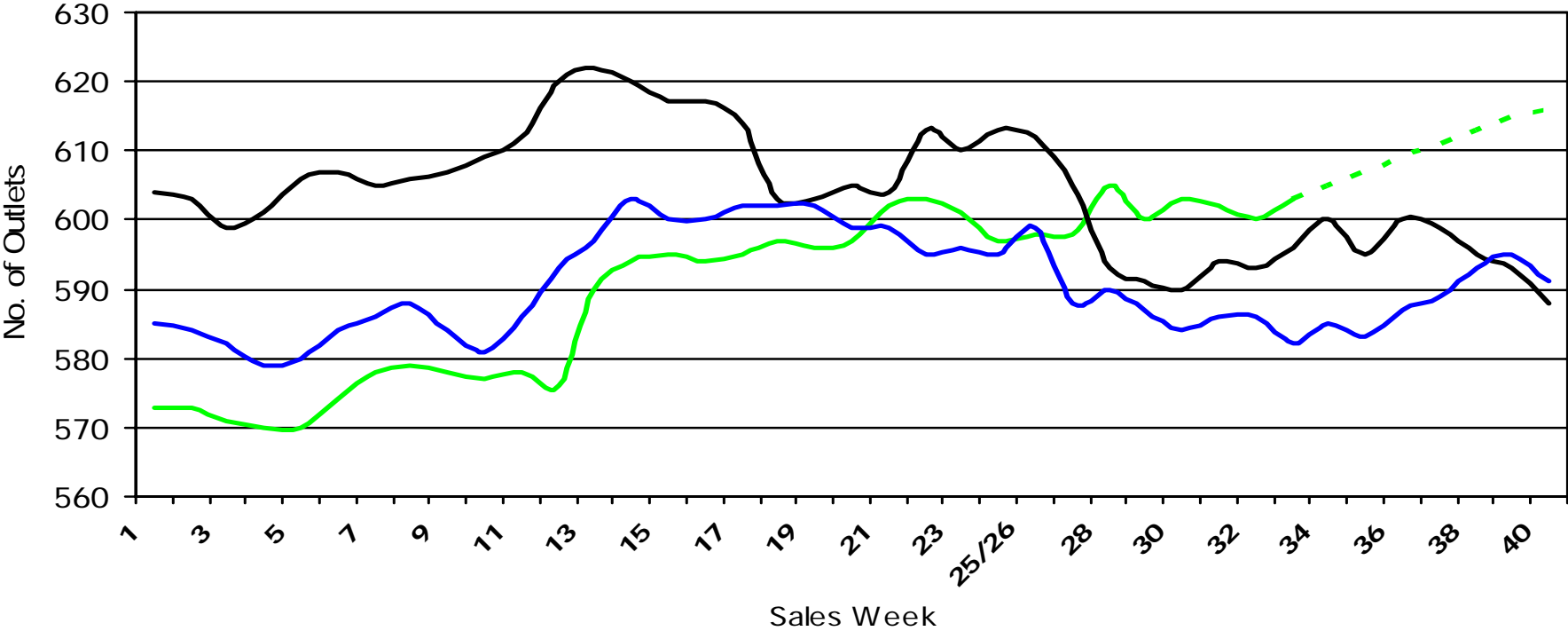
Sq Footage 4.1m

Timescales 10 Years

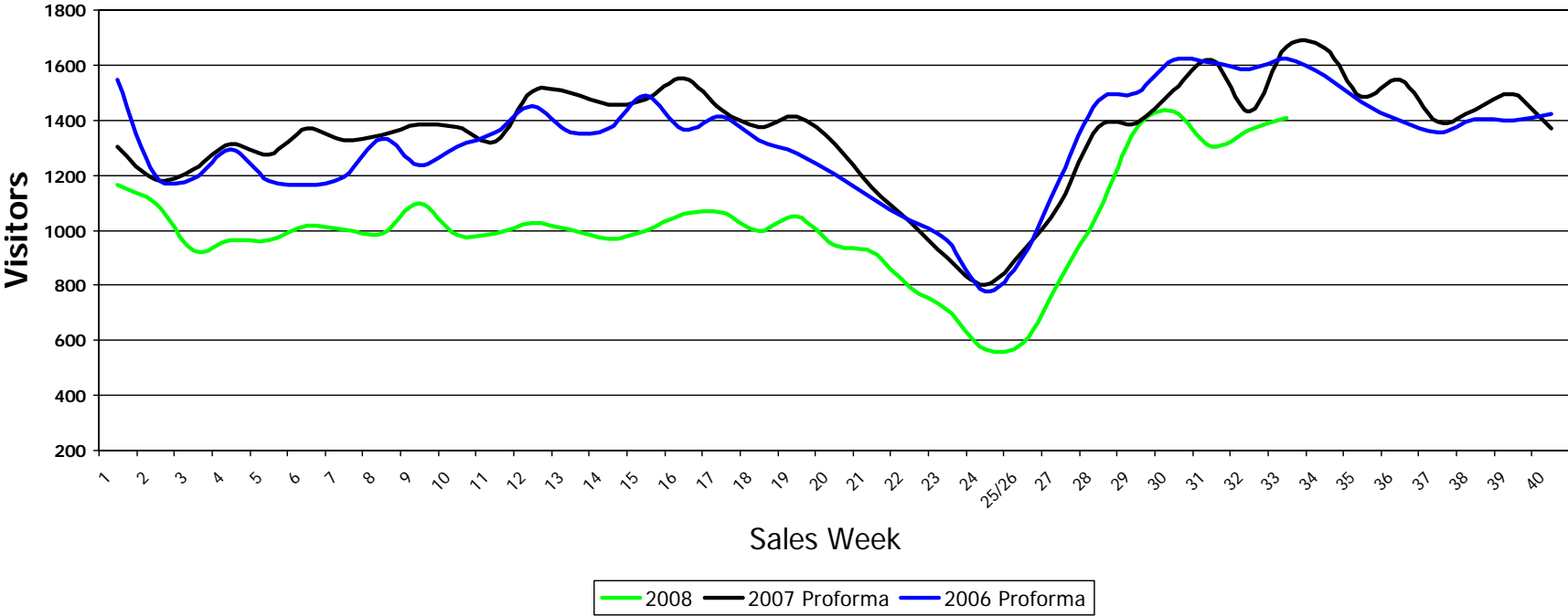


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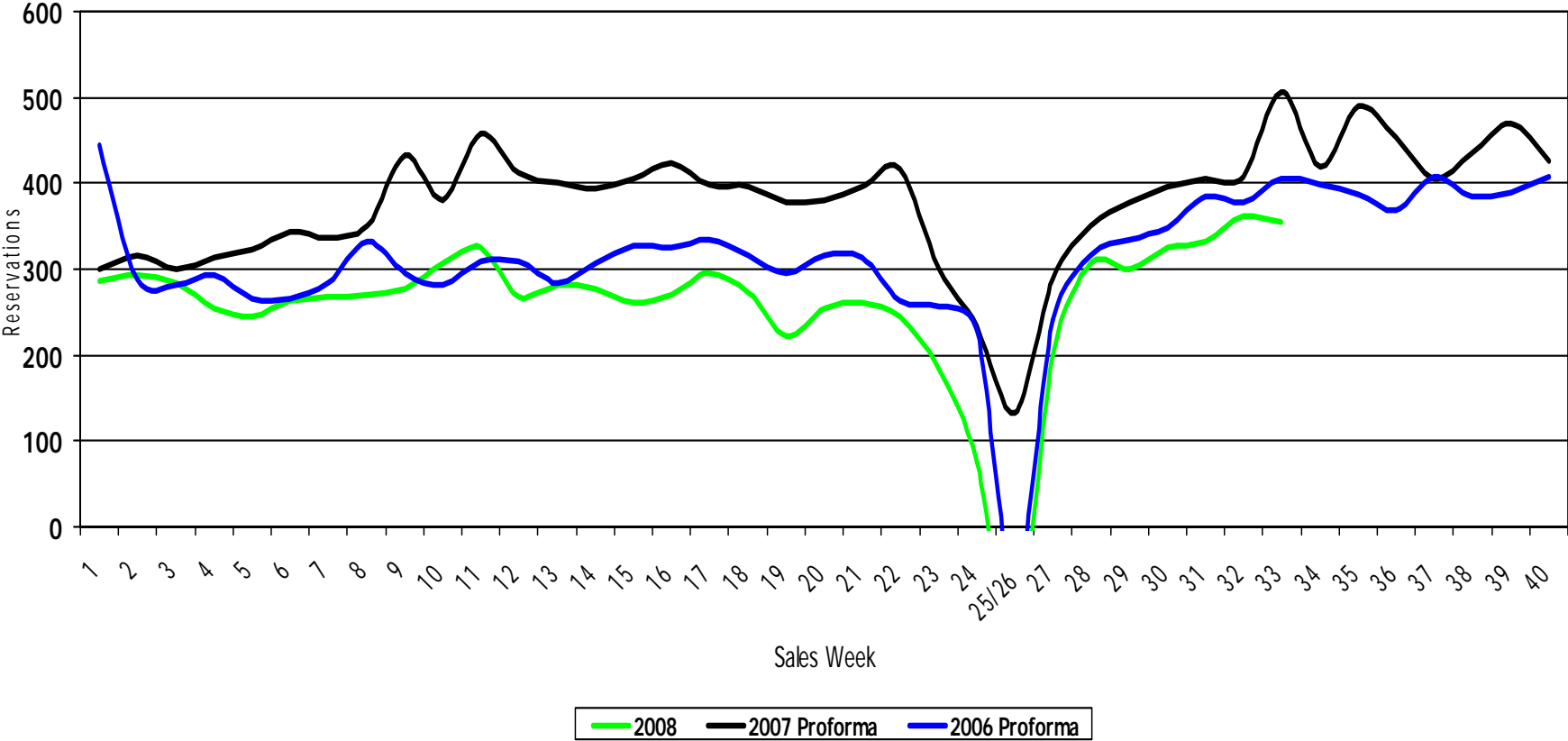
CURRENT TRADING – Outlet Numbers



CURRENT TRADING – Visitor Numbers



CURRENT TRADING – Private Net Reservations



DRIVING SHAREHOLDER VALUE – Synergies

£M	Original Estimate 2007/8	Current Projection 2007/8	Original Estimate 2008/9	Current Projection 2008/9
HQ - People	10.0	11.8	16.8	15.1
Operational – People	5.5	7.0	13.0	12.1
Operational – Other				5.0
Procurement – Direct	7.0	8.0	12.0	15.0
Technical	0.5	3.2	1.0	5.9
Replanning	0.0	3.5	0.0	7.5
Other	2.0		2.2	6.9
TOTAL	25.0	33.5	45.0	67.5



DRIVING SHAREHOLDER VALUE - Reducing Costs

Build Cost

- Build Time
- Build Spec
- Raw Materials
- Labour

Professional Fees

Sales Cost

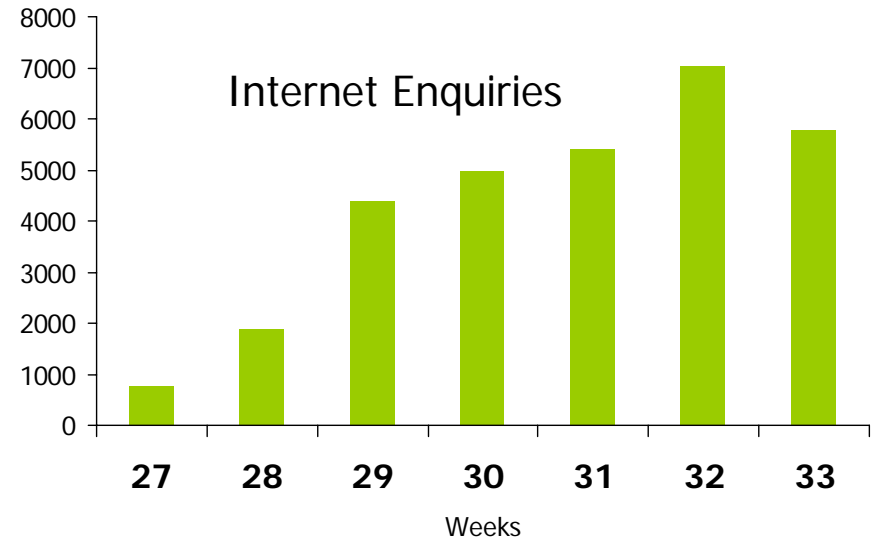
Overheads

**Annualised savings
in excess of £40m**



DRIVING SHAREHOLDER VALUE - Maximising Revenue

- Sales capability upgraded
- Sales Training for all
- Product focus
- RSL sales
- Advertising investment increased
- Internet re-launched
- Focus on lenders



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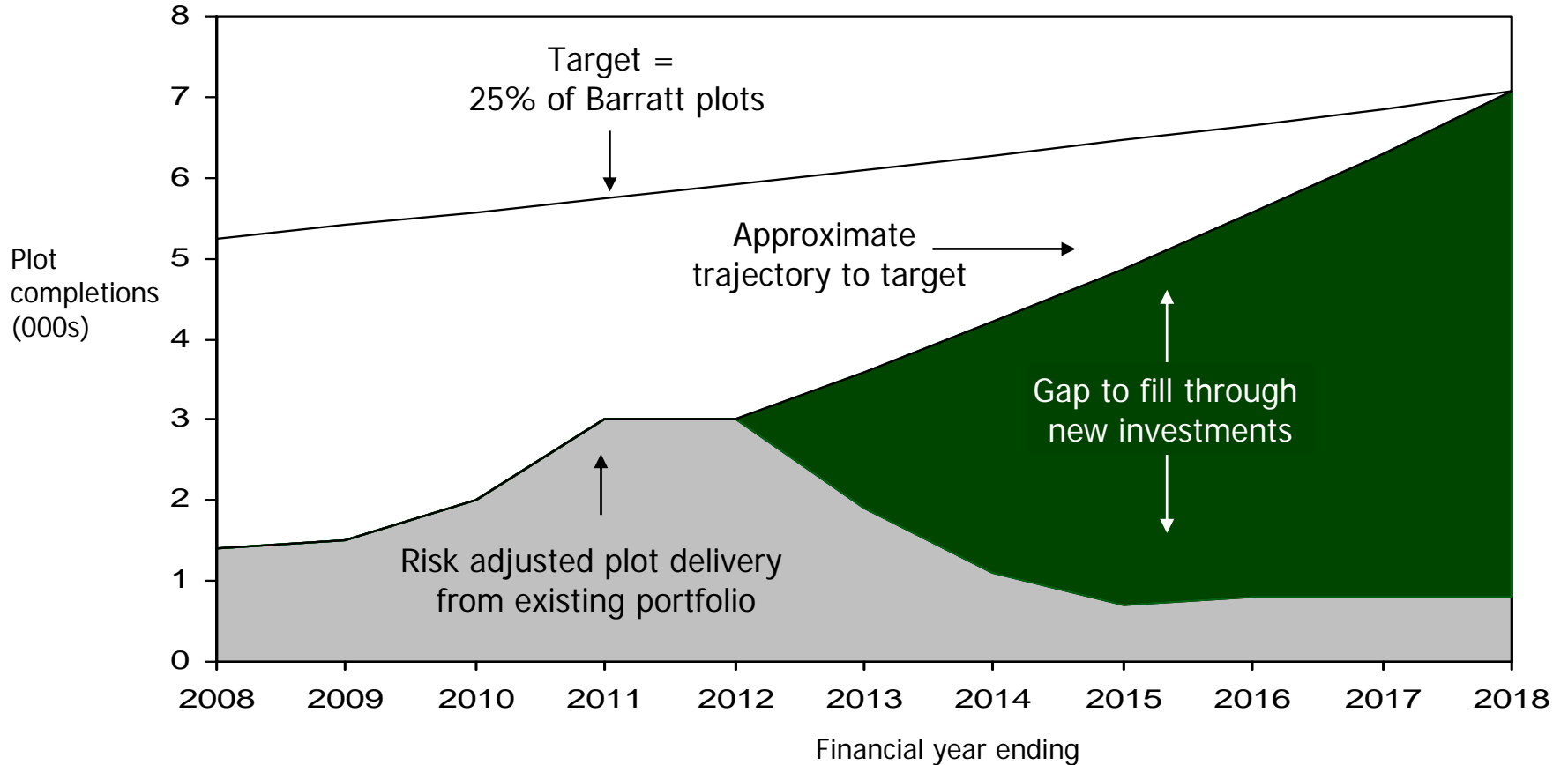
DRIVING SHAREHOLDER VALUE - Balance Sheet

	June 2007	December 2007	17 February 2008
<hr/>			
Part Exchange			
Unreserved Units	330	516	347
Financial exposure (£m)	52	80	54
<hr/>			
Dreamstart (£m)	37	45	46
<hr/>			
Stock			
Unreserved Units	1,388	1,569	1,450



DRIVING SHAREHOLDER VALUE – Land Investment

PLOT DELIVERY FROM STRATEGIC LAND



OUTLOOK - Trading Expectations

- 2008 visitors ahead of expectations
- Outlets continue to increase
- Forward order book now at 79%
- Lenders cautious
- Cost reduction largely offsetting scheme cost increases





Q & A's



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DISCLAIMER

Important Notice

Certain statements in this preliminary results statement are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as a representation that

such trends or activities will continue in the future. Accordingly undue reliance should not be placed on forward looking statements

