

Persimmon plc  
Interim results presentation 2008

30 June 2008



# Agenda

## Results Presentation 21 August 2008

	Page	Presented by
● Chairman's introduction	1	John White
● Review of operations	3	Mike Farley
● Outlook	14	Mike Farley
● Financial review	16	Mike Killoran
● Summary	27	John White

Appendices 1 to 9

28-42



# Chairman's introduction

		H1 2008	H1 2007	Change
Turnover		<b>£998.4m</b>	£1,514.4m	-34%
Operating profits	*	<b>£139.7m</b>	£315.3m	-56%
Pre-tax profits	*	<b>£100.9m</b>	£281.1m	-64%
Earnings per share	*	<b>24.1p</b>	65.5p	-63%
Dividend		<b>5.0p</b>	18.5p	-73%
ROACE **	*	<b>15.0%</b>	22.9%	-7.9%

The business has performed well in very difficult conditions

\* H1 2008 - stated before exceptional restructuring costs of £15.0m and exceptional land write-downs and associated costs of £49.0m, i.e. "exceptional items of £64.0m"

\*\* Return on average capital employed based on 12 month average

# Chairman's introduction

- Results reflect significant deterioration in market conditions
- Reduction in mortgage lending and customer confidence resulting in lower volumes and increased pricing pressures
- Significant actions taken in first half to position the business for current market conditions
- Management priorities focused on optimising trading performance whilst reducing working capital
- Land write-down limited to £40m reflecting quality of landbank
- Strong, experienced management team focused on delivery



# Review of operations

	Page
● Performance Highlights	4
● Business Restructuring	5
● Group Overview	7
● North Division	8
● Central Division	9
● South Division	10
● Charles Church	11
● Current Trading	12
● Outlook	14

Mike Farley, Group Chief Executive



# Performance Highlights

The first half of 2008 has been a period of significant change

	H1 2008	H1 2007	Change
Completions	<b>5,501</b>	8,002	-31%
Average selling price	<b>£181,485</b>	£189,255	-4%
Operating margin	<b>14.0%</b>	20.8%	-6.8%
Landbank (plots)	<b>76,159</b>	82,145	-7%
Strategic land portfolio (acres)	<b>20,891</b>	21,929	-5%
Net cash flow from operations	<b>(£9.7m)</b>	£140.9m	-107%
Gearing	<b>40%</b>	29%	+11%
Exceptional items:			
Restructuring costs	<b>£15.0m</b>	-	n/a
Land write-downs	<b>£40.0m</b>	-	n/a
Land purchase withdrawal costs	<b>£9.0m</b>	-	n/a

\* H1 2008 underlying operating margin presented before exceptional items of £64.0m

# Business Restructuring

- In response to tightening of market in Autumn 2007 three offices closed in February 2008 – reduction of c.600 in employee numbers
- Significant further deterioration in market from April 2008 resulted in:
  - network reorganised with satellite offices maintaining market presence
  - further headcount reduction of c.1,400
- Total restructuring costs of £15m:
  - £11.5m employment related costs
  - £3.5m other associated costs
- Restructuring annual cash benefits estimated at c.£45m:
  - c.£20m reduction associated with office-based and sales related headcount – indirect overhead
  - c.£25m reduction associated with site-based personnel – work in progress related
- Full effect of savings will be captured from 1 September



# Business Restructuring

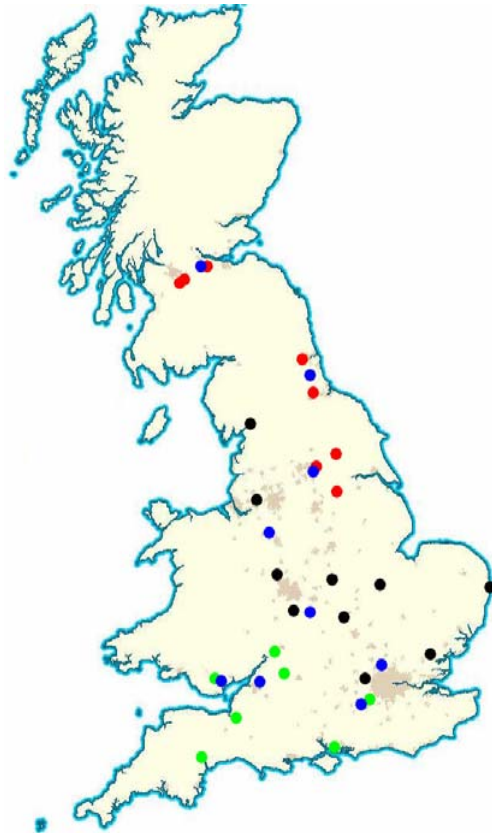
- Further tightening of capital control measures:
  - Land replacement curtailed
  - Tightening of build progress on active sites
  - Selective opening of new sites
  - Clearance of stock property
  - Continual renegotiation of supplier and subcontractor terms
  - Replanning of existing schemes –
    - to accelerate partnership housing delivery
    - to improve house type mix
    - to reduce s106 costs and timing
- Management teams focused on maximising sales and tightly controlling all expenditure
- Further focus on partnership housing output growth





# Review of operations - Overview

## Group Profile - 6 months ended 30 June 2008

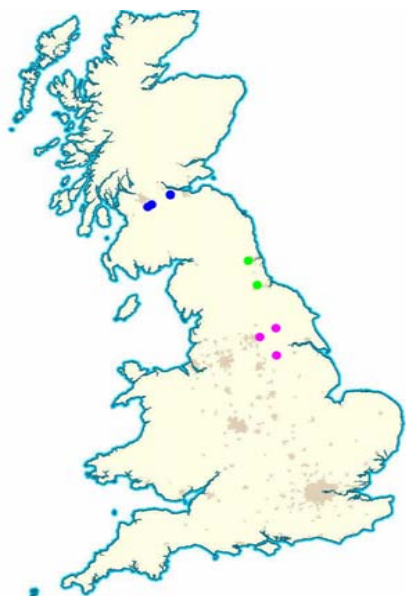


	Completions	Annual completions change	Average selling price	Annual average price change	Plots owned and under control	Annual plot count change
■ North	1,206 22%	-36%	£165,006	-6%	18,383 24%	-14%
■ Central	1,827 33%	-39%	£173,544	-	28,196 37%	-7%
■ South	1,494 27%	-16%	£171,325	-6%	20,766 27%	+5%
■ Charles Church	974 18%	-27%	£232,371	-8%	8,814 12%	-18%
Total	5,501		£181,485		76,159	
Change vs 30 June 2007		-31%		-4%		-7%

“The South and Charles Church markets have proved more resilient”

*Mike Farley, Group Chief Executive*

# Review of operations - North Division



- Yorkshire
- North East
- Scotland

Division

30 June 2007

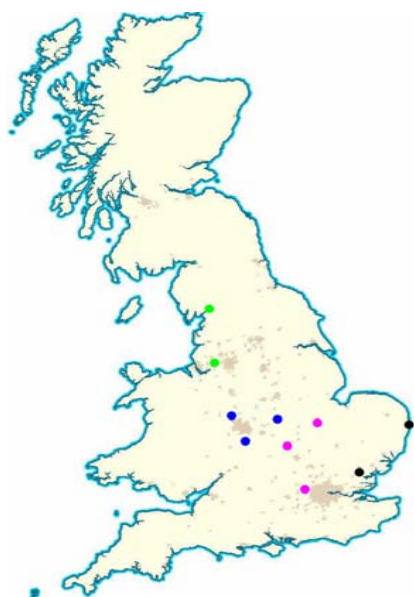
Change

30 June 2008

	Units No.	Average Sale Price (£)	Annual average price change	Plots owned and under control
Yorkshire	373	160,973	-11%	5,566
North East	248	160,552	-1%	7,006
Scotland	585	169,465	-5%	5,811
<b>Division</b>	<b>1,206</b>	<b>165,006</b>	<b>-6%</b>	<b>18,383</b>
<b>30 June 2007</b>	<b>1,896</b>	<b>175,171</b>		<b>21,304</b>
<b>Change</b>	<b>-36%</b>	<b>-6%</b>		<b>-14%</b>

- Scotland region has proved more robust with volumes down just 20%
- 41% increase in Partnership housing sales in the North
- Prices under pressure across the division at c.5% reduction – Yorkshire region the most challenging market
- 17.5% plot cost to revenue ratio for plots owned and under control (Dec 2007: 18.6%)
- Forward sales of £105.1m at 30 June 2008 (Jun 2007: £204.6m)

# Review of operations - Central Division



- North West
- Birmingham
- Shires
- Eastern

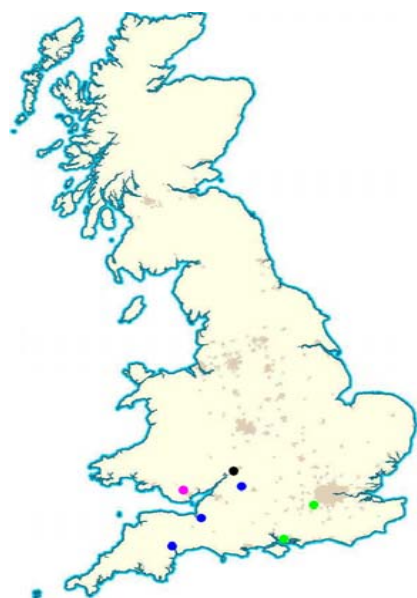
Division

30 June 2007  
Change

	30 June 2008			Plots owned and under control
Units No.	Average Sale Price (£)	Annual average price change		
440	160,245	-14%	5,170	
545	172,536	+13%	8,468	
539	191,549	+1%	9,641	
303	162,640	-2%	4,917	
1,827	173,544	-	28,196	
2,982	173,834		30,343	
-39%	-		-7%	

- Regional price variations largely due to change in house type mix – underlying price weakness for the Division of c.6%
- North West most challenging market with underlying price weakness of c.7% and volumes down c.40%
- Increase in ASP in Birmingham reflects sale of greater proportion of traditional housing
- 25.7% plot cost to revenue ratios (Dec 2007: 23.5%) – pressure on pricing in current market
- Forward sales of £238.4m at 30 June 2008 (Jun 2007: £305.7m)

# Review of operations - South Division



- Southern
- Western
- Wales
- Westbury Partnerships

Division

30 June 2007  
Change

	30 June 2008			Plots owned and under control
	Units No.	Average Sale Price (£)	Annual average price change	
Southern	395	189,876	-15%	5,638
Western	675	180,381	-3%	9,409
Wales	245	168,371	-	4,151
Westbury Partnerships	179	100,285	+16%	1,568
<b>Division</b>	<b>1,494</b>	<b>171,325</b>	<b>-6%</b>	<b>20,766</b>
30 June 2007	1,781	182,322		19,768
Change	-16%	-6%		+5%

- Underlying price reduction of c.4%
- Reduction in Southern region ASP largely due to higher content of Partnership housing sales – up 34%
- Westbury Partnerships contribution increasing – volumes up 69%
- 5% increase in consented landbank
- Plot cost to revenue ratio of 17.9% (Dec 2007: 17.4%) remains at attractive levels
- Forward sales of £148.5m at 30 June 2008 (Jun 2007: £203.4m)

# Review of operations - Charles Church



	30 June 2008		
	Units No.	Average Sale Price (£)	Plots owned and under control
Charles Church	974	232,371	8,814
30 June 2007	1,343	252,576	10,730
Change	-27%	-8%	-18%

- Private sales volumes proving more resilient – customers of higher credit quality securing greater access to mortgage lending support
- Forward sales of £157.8m at 30 June 2008 (Jun 2007: £212.9m)
- Underlying price weakness of c.5%

# Review of operations - Current trading

- Sales rates from 30 June in line with Q2 2008
- c.470 outlets currently active (June 2007: c.490) – reviewing new site openings
- Visitor levels remain in line with Q2 2008 – c.22% down year on year
- Cancellation rates continue at higher levels – currently c.33%, but improved on Q2 2008 of c.38%
- Reduced mortgage availability remains key constraint
- Prices remain under pressure – expect further weakness through H2 2008
- Reduction of PX stock levels but continued cautious use of facilities
- Customers continuing to take longer to reserve



# Review of operations - Current trading

- Forward sales continue to include a greater proportion of partnership units as anticipated

	Units	ASP	Revenue
Forward sales at 21 August 2008	5,531	£151,101	£835.7m
Forward sales at 21 August 2007	7,283	£184,828	£1,346.1m
Change 2008 on 2007	-24.1%	-18.2%	-37.9%

- Partnership business continues to grow:
  - sales of c.2,500 units anticipated over the next twelve months
  - direct grant funding of £12m already secured on a rolling three year programme
  - reviewing planning to accelerate delivery of partnership housing

# Outlook – Overall market

- Mortgage activity likely to remain weak for the next 12 months – constrains any significant recovery in private sales volumes in the short term
- Near term conditions creating selling price weakness likely to continue – speculation regarding Government initiatives leading to further uncertainty
- Consumer confidence under pressure adding to challenging conditions
- Growth in demand for affordable accommodation likely to continue - supported by Government policy initiatives
- Demand supported by demographics and consistent historical supply shortage
- Significant contraction in overall industry activity will lead to a further reduction in supply





# Outlook – Persimmon positioning

- Reduction in cost base to retain operational efficiency
- Working with suppliers and subcontractors to reduce costs
- Maintaining market presence to optimise trading performance and retain operational gearing
- Landbank actively managed to match current trading
- Extensive land holdings providing excellent opportunities to further develop the partnership housing business
- Opportunity to re-plan certain sites and review s106 requirements
- Low exposure to apartment market
- Work in progress tightly controlled – new site starts carefully selected

“Management continue to work hard to ensure the business remains in a strong market position”

*Mike Farley, Group Chief Executive*

# Financial Review

	Page
● Land and land write-down	17
● Balance sheet	20
● Debt structure	21
● Cash generation	22
● Trading overview	23

Mike Killoran, Group Finance Director



## Financial review – Land and land write-down

- Owned and controlled plots of 76,159 (December 2007: 78,863)
- 27% of owned and controlled landbank sourced from ex-strategic pull through – 20,891 strategic acres held
- Owned and controlled land ageing profile – land purchased:

	Plots
2007/08	c.23%
2005/06	c.39%
2004 and earlier	c.20%
Controlled plots - value to be agreed	c.18%
	76,159



## Financial review – Land and land write-down

- £40m land write-down review includes:
  - poorer performing sites where margins produce negative contribution
  - requirement assessed against a calculated break-even level of contribution
  - underlying pricing weakness experienced in the first half of c.5%
  - a further element of caution re additional selling price weakness of c.5%
- Land values will remain under review as market conditions evolve
- Cost to revenue percentage of owned and controlled plots of 22.1% remains at good levels – 24.2% recovered in H1 2008

	Plots	Average Revenue	6 month change	Average Plot Cost	6 month change	Cost to Revenue	6 month change
Plots owned	56,261	182,459	- 7.9%	42,946	- 3.0%	23.5%	+ 1.1%
Plots under control	19,898	157,792	- 14.3%	27,452	- 20.0%	17.4%	- 1.2%
Total owned & under control	76,159	176,014	- 9.2%	38,898	- 5.8%	22.1%	+ 0.8%
Proceeding to contract	2,142	159,993	- 10.3%	29,301	- 33.6%	18.3%	- 6.4%
<b>Total</b>	<b>78,301</b>	<b>175,576</b>	<b>- 8.5%</b>	<b>38,635</b>	<b>- 7.2%</b>	<b>22.0%</b>	<b>+ 0.3%</b>

- Significant action taken to renegotiate terms to realign values

# Financial review – Land and land write-down

- Near term net land spend commitment (including land creditor payments) tightly controlled and significantly reduced:

H1 2007 (Act)	H2 2007 (Act)	H1 2008 (Act)	H2 2008 (Est)	H1 2009 (Est)	H2 2009 (Est)	FY 2010 (Est)
£497.0m	£342.0m	£243.0m	£200.0m	£115.0m	£80.0m	£100.0m

- Quality of landbank to increase in the future with continued growth of strategic land content supporting values



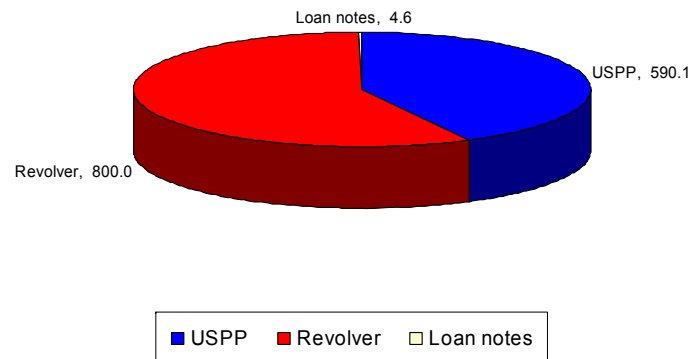
# Financial review - Balance sheet

- Work in progress of £867.3m set to reduce:
  - sales focused on built, and part built, stock property
  - new build limited to sold units
  - reduced new site openings
- £120m of part exchange stock – down from £146.9m at December 2007
- £401.8m land creditor to reduce in line with planned landbank reduction
- Borrowings of £905.5m giving 40% gearing (£721.1m at December 2007)

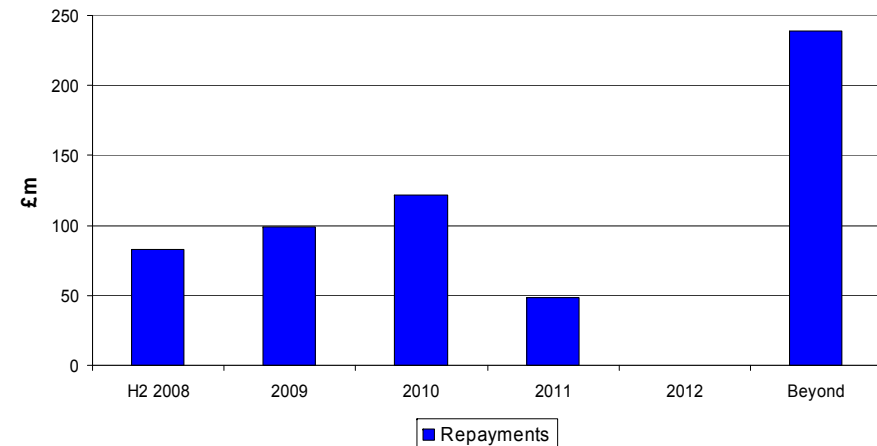


# Financial review – Debt structure

Committed Facilities £m



USPP Repayment Profile

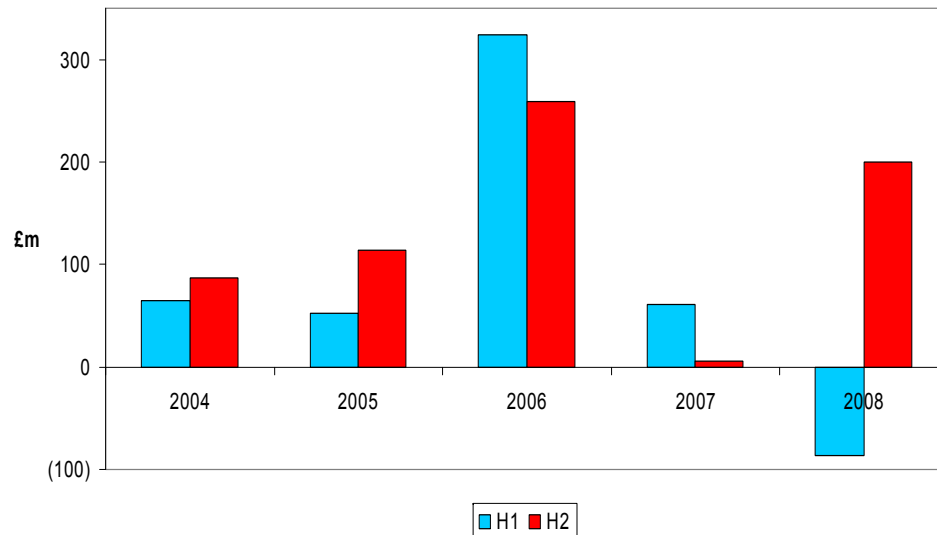


- Good long-term liquidity
- Plenty of headroom within £1,395m of total committed facilities
- £800m UK revolving facility to mature November 2010
- Planned debt reduction will lead to reduced facility requirement in the near term
- Operating comfortably within all financial covenants

USPP values presented above are after taking into consideration foreign exchange hedges

# Financial review – Cash generation

Pre dividend free cash generation



	H1	H2	FY
2008	- 85.9	est.+ 200.0*	<b>est.+ 114.1*</b>
2007	+ 61.2	+ 5.8	<b>+ 67.0</b>
2006	+ 323.7	+ 259.4	<b>+ 583.1</b>
2005	+ 52.8	+ 114.5	<b>+ 167.3</b>
2004	+ 65.0	+ 86.3	<b>+ 151.3</b>

\* Estimated on the basis of current market conditions continuing through 2008

- Set to generate significant free cash inflow moving forward – c.£200m estimated net inflow for the second half of 2008
- Investment activity in land and work in progress refocused through first half of the year



# Financial review – Trading overview

	H1 2008	H1 2007	Change
Completions	5,501	8,002	-31%
Turnover	£998.4m	£1,514.4m	-34%
Operating Profit *	£139.7m	£315.3m	-56%
Operating Margin *	14.0%	20.8%	-6.8%
Interest **	£38.8m	£34.2m	+13%
Pre-tax Profit *	£100.9m	£281.1m	-64%
Earnings per share *	24.1p	65.5p	-63%
ROACE ***	15.0%	22.9%	-7.9%

\* H1 2008 - stated before exceptional items of £64.0m

\*\* Interest charge includes £2.1m (H1 2007: £3.3m) imputed interest on deferred land creditors in line with IAS 2

\*\*\* Return on average capital employed based on 12 month average

# Financial review – Trading

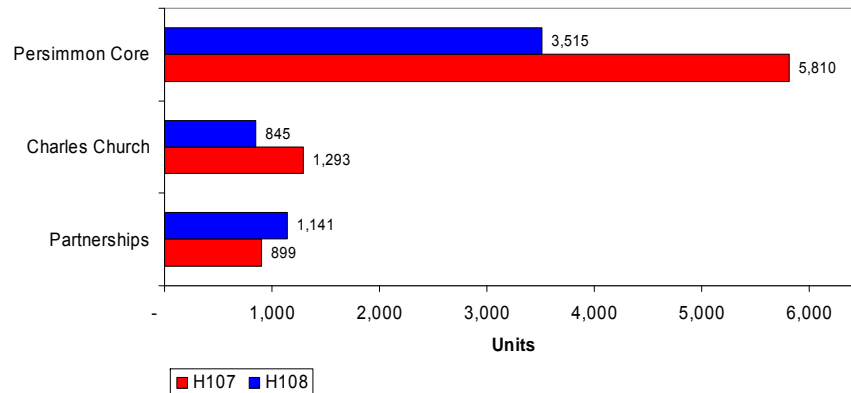
## Volumes

- Private sales volumes substantially lower than last year – reflecting the change in market conditions
- Charles Church sales continue to represent c.15% of total completions
- Strong growth in partnership sales – 27% higher than the same period in 2007

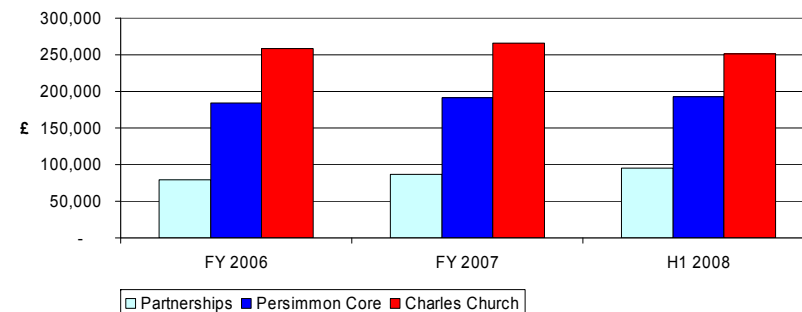
## Average Selling Prices

- Headline average selling price c.4% lower – consequence of mix, particularly increased partnership contribution, and c.5% underlying price weakness
- Persimmon Core housing average headline price in line with prior year figures
- Charles Church average headline price c.3% lower than June 2007 at £251,646
- 30% of private housing sold below £150,000 compared with 25% for the industry – continue to offer affordable product

Unit Completions



Average Selling Price



# Financial review – Trading

	2008 H1	2007 FY	2007 H2	2007 H1	2006 FY
Gross Margin	<b>17.8%</b>	24.4%	24.6%	24.2%	23.5%
Operating Expenses	<b>(5.2%)</b>	(3.9%)	(3.7%)	(4.2%)	(3.7%)
Other Operating Income	<b>1.4%</b>	1.3%	1.9%	0.8%	1.0%
Operating Margin	<b>14.0%</b>	21.8%	22.8%	20.8%	20.8%

## *Gross Margins*

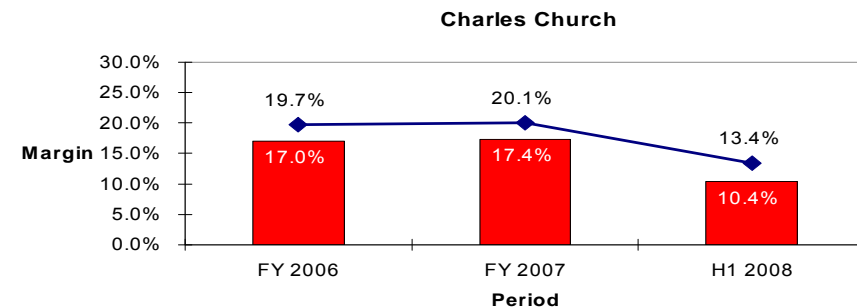
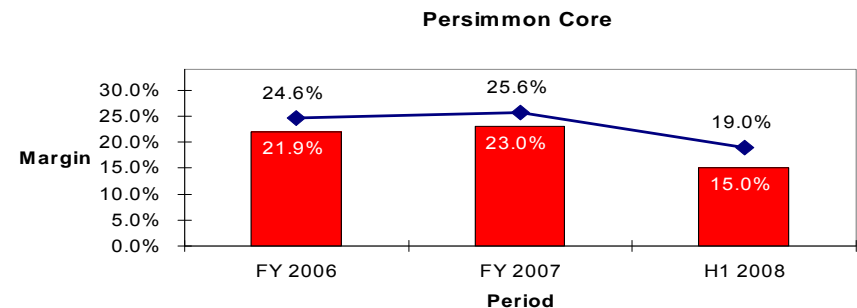
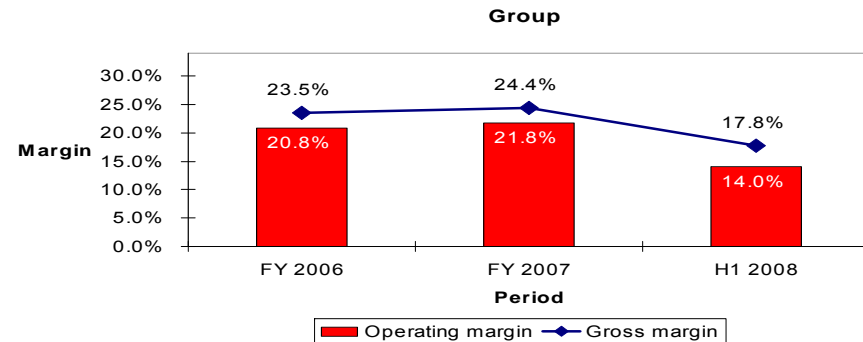
- 6.4% reduction in gross margin due to a combination of price weakness, increased selling costs, increased land recoveries and build/direct costs
- Sales and marketing costs increased to 4.7% of sales (H1 2007: 2.8%)

H1 2008 - stated before exceptional items of £64.0m; H2 / FY 2007 - stated before goodwill impairment of £2.4m; 2006 - stated before reorganisation costs of £15.4m

# Financial review – Trading

## Operating Margins

- Operating margins\* have followed the trend of gross margin reductions
- Operating expenses proportionally higher due to reduced efficiencies driven by lower volume – addressed by business restructuring
- Operating income in line with prior periods – profit on land sales at 0.9% of sales (FY 2007: 1.0%)
- Change in trading environment impacted Persimmon a little harder than Charles Church – customer credit quality related



\* H1 2008 - stated before exceptional items of £64.0m; FY 2007 - stated before goodwill impairment of £2.4m; FY 2006 - stated before reorganisation costs of £15.4m

# Summary

- Business restructuring completed swiftly in line with current market conditions
- Working capital being reduced to improve returns
- Reduction of landbank spend to support the new level of sales
- Further development of the partnership housing business
- Balance sheet strength retained
- Remain focused on preserving shareholder value

“Whilst having restructured the business for current market conditions we have retained our capacity to respond to any market improvements as and when they occur”

*John White, Group Chairman*

# Appendices

- Appendix 1 - Financial record: Profit & Loss Account  
Balance Sheet  
Half year summary
- Appendix 2 - Half yearly Profit & Loss Account
- Appendix 3 - Profit & Loss Account - Percentage of turnover
- Appendix 4 - Trading performance - Business split
- Appendix 5 - Analysis of unit sales
- Appendix 6 - Balance Sheet
- Appendix 7 - Analysis of land holdings at 30 June 2008
- Appendix 8 - Cash flows
- Appendix 9 - Loan approvals for house purchase



# Appendix 1: Financial record - Profit & Loss Account

	<b>Jun-06</b> ***	<b>Dec-06</b> ***	<b>Jun-07</b>	<b>Dec-07</b> *	<b>Jun-08</b> ****
	6 months	12 months	6 months	12 months	6 months
Unit Sales	8,226	16,701	8,002	15,905	<b>5,501</b>
Turnover	£1,550.0m	£3,141.9m	£1,514.4m	£3,014.9m	<b>£998.4m</b>
Average Selling Price	£188,427	£188,129	£189,255	£189,558	<b>£181,485</b>
Operating Profit	£309.1m	£652.7m	£315.3m	£657.3m	<b>£139.7m</b>
Profit Before Tax	£271.5m	£582.1m	£281.1m	£585.1m	<b>£100.9m</b>
Basic EPS	64.4p	137.5p	65.5p	138.3p	<b>24.1p</b>
Diluted EPS	64.0p	136.7p	65.2p	137.6p	<b>24.0p</b>
Dividend per share	13.80p	46.50p	18.50p	51.20p	<b>5.00p</b>
Net Assets per share	618.7p	680.2p	730.1p	781.4p	<b>758.1p</b>
Equity Shareholders' Funds	£1,832.5m	£2,031.3m	£2,204.5m	£2,345.4m	<b>£2,274.8m</b>
Return on Average Capital Employed **	25.0%	23.7%	22.9%	21.7%	<b>15.0%</b>

\* Stated before goodwill impairment of £2.4m

\*\* Return on Average Capital Employed based on 12 month average excluding goodwill amortisation / impairment

\*\*\* Stated before reorganisation costs of £15.4m

\*\*\*\* Stated before exceptional items of £64.0m

Appendix 1 - 1 of 3



## Appendix 1: Financial record - Balance Sheet

	Jun-06	Dec-06	Jun-07	Dec-07	Jun-08
Shareholders' funds	£1,832.5m	£2,031.3m	£2,204.5m	£2,345.4m	<b>£2,274.8m</b>
Borrowings	£913.9m	£661.3m	£646.4m	£721.1m	<b>£905.5m</b>
Gearing	50%	33%	29%	31%	<b>40%</b>
Net asset value per share	618.7p	680.2p	730.1p	781.4p	<b>758.1p</b>
Work in progress	£745.0m	£651.8m	£683.3m	£814.8m	<b>£867.3m</b>
Land	£2,106.4m	£2,157.5m	£2,335.7m	£2,346.1m	<b>£2,453.2m</b>
Part exchange stock	£72.1m	£68.0m	£90.3m	£146.9m	<b>£120.0m</b>
Land Creditors	£311.5m	£319.8m	£337.6m	£319.5m	<b>£401.8m</b>
% of land value	15%	15%	14%	14%	<b>16%</b>

Appendix 1 - 2 of 3





# Appendix 1: Half year summary

Underlying performance:	6mth to Jun-06	6mth to Dec-06	6mth to Jun-07	6mth to Dec-07	6mth to Jun-08
	*			**	***
Unit Sales	8,226	8,475	8,002	7,903	<b>5,501</b>
Turnover	£1,550.0m	£1,591.9m	£1,514.4m	£1,500.5m	<b>£998.4m</b>
Operating Profit	£309.1m	£343.6m	£315.3m	£342.0m	<b>£139.7m</b>
Profit Before Tax	£271.5m	£310.6m	£281.1m	£304.0m	<b>£100.9m</b>
Basic EPS	64.4p	73.1p	65.5p	72.8p	<b>24.1p</b>
Dividend per share	13.8p	32.7p	18.5p	32.7p	<b>5.0p</b>
Net Assets per share	618.7p	680.2p	730.1p	781.4p	<b>758.1p</b>

\* Stated before reorganisation costs of £15.4m

\*\* Stated before goodwill impairment of £2.4m

\*\*\* Stated before exceptional items of £64.0m

Appendix 1 - 3 of 3



## Appendix 2: Half yearly Profit & Loss Account

### Underlying performance:

	2008 H1	2007 H1	Change	2007 Full Year
Completions	<b>5,501</b>	8,002	-31.3%	15,905
Turnover	<b>£998.4m</b>	£1,514.4m	-34.1%	£3,014.9m
Operating profit	<b>£139.7m</b>	£315.3m	-55.7%	£657.3m
Operating margin	<b>14.0%</b>	20.8%		21.8%
Interest	<b>£38.8m</b>	£34.2m	13.5%	£72.2m
Interest Cover	<b>3.6x</b>	9.2x		9.1x
Pre-tax profit	<b>£100.9m</b>	£281.1m	-64.1%	£585.1m
Pre-tax profit margin	<b>10.1%</b>	18.6%		19.4%
Pre-tax profit per plot	<b>£18,346</b>	£35,125	-47.8%	£36,787

\* H1 2008 - stated before exceptional items of £64.0m; FY 2007 - stated before goodwill impairment of £2.4m

\*\* Interest charge includes £2.1m (H1 2007: £3.3m; FY 2007: £6.4m) imputed interest on deferred land creditors in line with IAS 2

Appendix 2



## Appendix 3: Profit & Loss Account – Percentage of turnover

Underlying performance:

	2008 H1	2007 H1	Change	2007 Full Year
Turnover	100.0%	100.0%		100.0%
Land costs	(24.2%)	(22.7%)	-1.5%	(22.5%)
Build and direct costs	(58.0%)	(53.1%)	-4.9%	(53.1%)
Gross Margin	17.8%	24.2%	-6.4%	24.4%
Operating expenses	(5.2%)	(4.2%)	-1.0%	(3.9%)
Other operating income	1.4%	0.8%	+0.6%	1.3%
Operating Margin	14.0%	20.8%	-6.8%	21.8%

H1 2008 - stated before exceptional items of £64.0m; FY 2007 - stated before goodwill impairment of £2.4m

Appendix 3



## Appendix 4: Trading performance - Business split

Underlying performance:

		2008 H1	2007 H1	Change
<b>Units</b>	Persimmon Core	<b>No.</b> 4,527	No. 6,659	-32.0%
	Charles Church	974	1,343	-27.5%
	Total	<b>5,501</b>	8,002	-31.3%
<b>Average Selling Price</b>	Persimmon Core	<b>£</b> 170,537	£ 176,485	-3.4%
	Charles Church	232,371	252,576	-8.0%
	Total	<b>181,485</b>	189,255	-4.1%
<b>Turnover</b>	Persimmon Core	<b>£m</b> 772.1	£m 1,175.2	-34.3%
	Charles Church	226.3	339.2	-33.3%
	Total	<b>998.4</b>	1,514.4	-34.1%

Appendix 4 - 1 of 2



## Appendix 4: Trading performance - Business split

Underlying performance:

		2008 H1		2007 H1	
		£m		£m	
<b>Gross Profit *</b>	Persimmon Core	147.0	19.0%	301.6	25.7%
	Charles Church	30.3	13.4%	65.5	19.3%
	Total	177.3	17.8%	367.1	24.2%
<b>Net Operating Expenses *</b>	Persimmon Core	(30.9)	(4.0%)	(42.4)	(3.6%)
	Charles Church	(6.7)	(3.0%)	(9.4)	(2.7%)
	Total	(37.6)	(3.8%)	(51.8)	(3.4%)
<b>Operating Profit *</b>	Persimmon Core	116.1	15.0%	259.2	22.1%
	Charles Church	23.6	10.4%	56.1	16.6%
	Total	139.7	14.0%	315.3	20.8%

\* H1 2008 stated before exceptional items of £64.0m

Appendix 4 - 2 of 2



## Appendix 4a: Trading performance - Business split

Underlying performance:

		2008 H1	2007 H1	Change
<b>Units</b>	Persimmon Core	<b>3,515</b>	5,810	-39.5%
	Charles Church	<b>845</b>	1,293	-34.6%
	Partnerships	<b>1,141</b>	899	+26.9%
	<b>Total</b>	<b>5,501</b>	8,002	-31.3%
<b>Average Selling Price</b>		£	£	
	Persimmon Core	<b>192,625</b>	190,334	+1.2%
	Charles Church	<b>251,646</b>	259,111	-2.9%
	Partnerships	<b>95,209</b>	81,813	+16.4%
<b>Total</b>	<b>181,485</b>	189,255	-4.1%	
<b>Turnover</b>		£m	£m	
	Persimmon Core	<b>677.1</b>	1,105.8	-38.8%
	Charles Church	<b>212.7</b>	335.0	-36.5%
	Partnerships	<b>108.6</b>	73.6	+47.6%
<b>Total</b>	<b>998.4</b>	1,514.4	-34.1%	

Appendix 4a - 1 of 2



## Appendix 4a: Trading performance - Business split

Underlying performance:

**Gross Profit \*** Persimmon Core  
Charles Church  
Partnerships  
Total

**Gross Margin \*** Persimmon Core  
Charles Church  
Partnerships  
Total

2008 H1	2007 H1	Change
£m	£m	
<b>129.7</b>	288.3	-55.0%
<b>28.1</b>	64.8	-56.6%
<b>19.5</b>	14.0	+39.3%
<b>177.3</b>	367.1	-51.7%
<b>19.2%</b>	26.1%	-6.9%
<b>13.2%</b>	19.3%	-6.1%
<b>18.0%</b>	19.0%	-1.0%
<b>17.8%</b>	24.2%	-6.4%

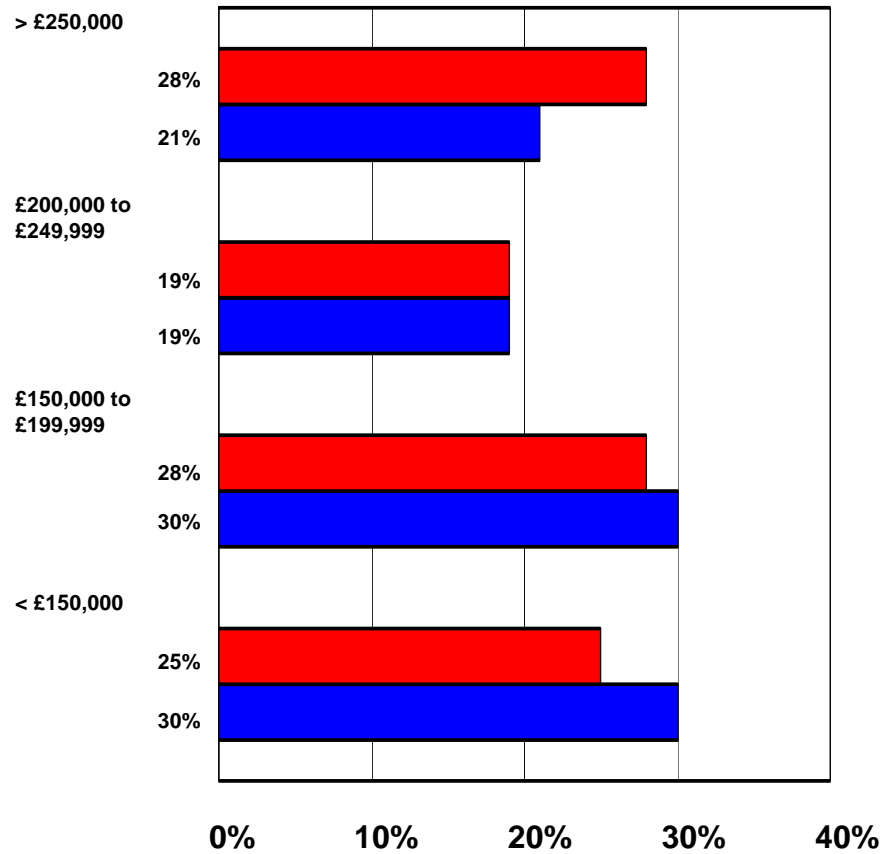
\* H1 2008 stated before exceptional items of £64.0m

Appendix 4a – 2 of 2

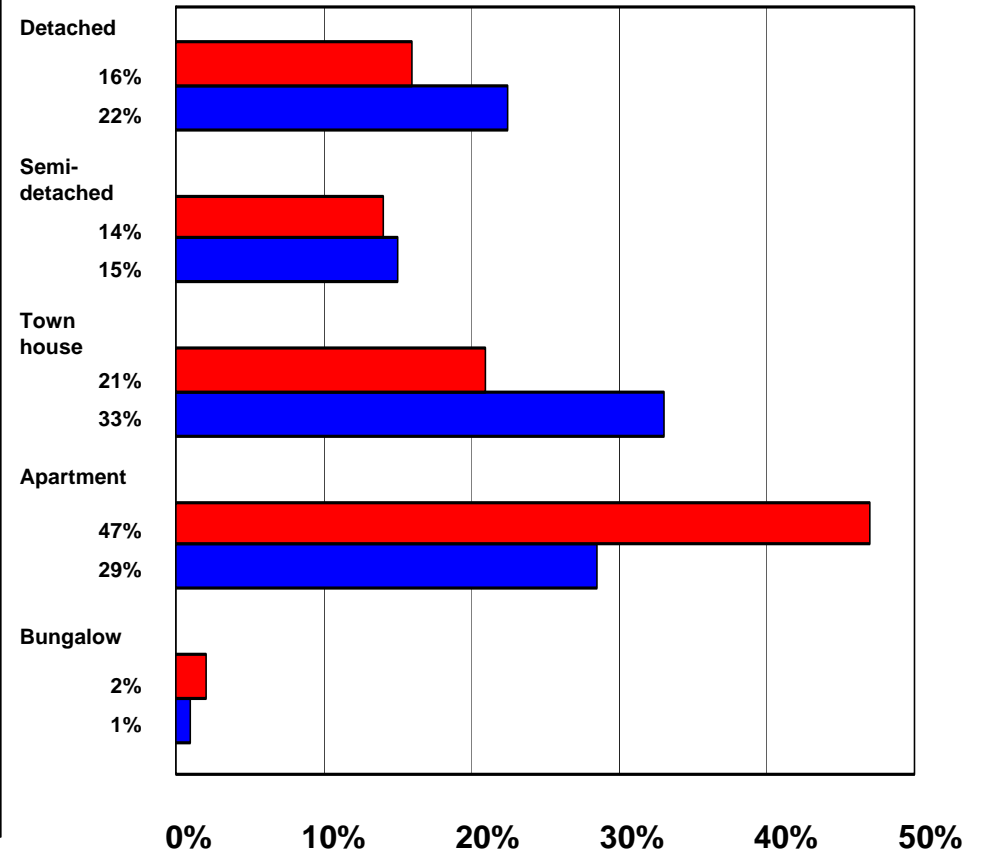


# Appendix 5: Analysis of unit sales

## By Price Band (Private)



## By House Type (All)



■ NHBC distribution \*

■ Persimmon distribution

Appendix 5

\* Source: NHBC New House-Building Statistics (2008 Quarters 1 & 2)



## Appendix 6: Balance Sheet

	<b>2008</b> 30 June	2007 30 June	2007 31 December
Work in progress	<b>£867.3m</b>	£683.3m	£814.8m
Land	<b>£2,453.2m</b>	£2,335.7m	£2,346.1m
Land creditors	<b>£401.8m</b>	£337.6m	£319.5m
Part exchange stock	<b>£120.0m</b>	£90.3m	£146.9m
Borrowings (excl. leases)	<b>£905.5m</b>	£646.4m	£721.1m
Gearing	<b>40%</b>	29%	31%
Shareholders' funds	<b>£2,274.8m</b>	£2,204.5m	£2,345.4m
Capital employed	<b>£3,180.3m</b>	£2,850.9m	£3,066.5m
Net asset value per share	<b>758.1p</b>	730.1p	781.4p
Average borrowings for period (approx.)	<b>£1,053m</b>	£955m	£992m

Appendix 6



# Appendix 7: Analysis of land holdings at 30 June 2008

	Number of plots Dec 2007	<b>Number of plots Jun 2008</b>	Number of plots Change	Current period average sales revenue	Average plot costs	Cost to revenue	Cost to revenue 2007
Plots owned	55,149	<b>56,261</b>	+1,112	£182,459	£42,946	23.5%	22.4%
Plots under control	23,714	<b>19,898</b>	-3,816	£157,792	£27,452	17.4%	18.6%
<b>Total owned &amp; under control</b>	<b>78,863</b>	<b>76,159</b>	<b>-2,704</b>	<b>£176,014</b>	<b>£38,898</b>	<b>22.1%</b>	<b>21.3%</b>
Proceeding to contract (terms agreed)	11,124	<b>2,142</b>	-8,982	£159,993	£29,301	18.3%	24.7%
<b>Grand total of all plots</b>	<b>89,987</b>	<b>78,301</b>	<b>-11,686</b>	<b>£175,576</b>	<b>£38,635</b>	<b>22.0%</b>	<b>21.7%</b>
Grand total of all plots Dec 2007				£191,950	£41,638	21.7%	

## Plot cost to revenue ratio history

	Cost to revenue %						
	Jun 2008	Dec 2007	Jun 2007	Dec 2006	Jun 2006	Dec 2005	Jun 2005
Plots owned	23.5%	22.4%	21.5%	21.6%	20.6%	19.2%	18.9%
Plots under control	17.4%	18.6%	19.7%	20.3%	21.0%	19.4%	20.1%
<b>Total owned &amp; under control</b>	<b>22.1%</b>	<b>21.3%</b>	<b>21.0%</b>	<b>21.2%</b>	<b>20.8%</b>	<b>19.3%</b>	<b>19.3%</b>
Proceeding to contract (terms agreed)	18.3%	24.7%	24.6%	25.0%	24.2%	28.3%	28.5%
<b>Grand total of all plots</b>	<b>22.0%</b>	<b>21.7%</b>	<b>21.6%</b>	<b>21.7%</b>	<b>21.2%</b>	<b>20.5%</b>	<b>20.1%</b>

Appendix 7



# Appendix 8: Cash flows

All figures £'m

	6mths ended 30 Jun 2008
Profit from operations	145.3
Investment in working capital	
Increase in gross land	(147.1)
Increase in land creditors	82.3
<b>Net investment in land</b>	<b>(64.8)</b>
Increase in WIP *	(43.6)
Net movement in creditors / debtors	(46.6)
<b>Cash flow from operations</b>	<b>(9.7)</b>
Net interest, tax and capital expenditure	(76.2)
<b>Cash flow before dividends, share repurchase and financing</b>	<b>(85.9)</b>
Own shares purchased	(2.2)
Dividends paid to group shareholders	(98.1)
<b>Cash flow before financing</b>	<b>(186.2)</b>
Financing activities	204.2
<b>Increase in cash</b>	<b>18.0</b>

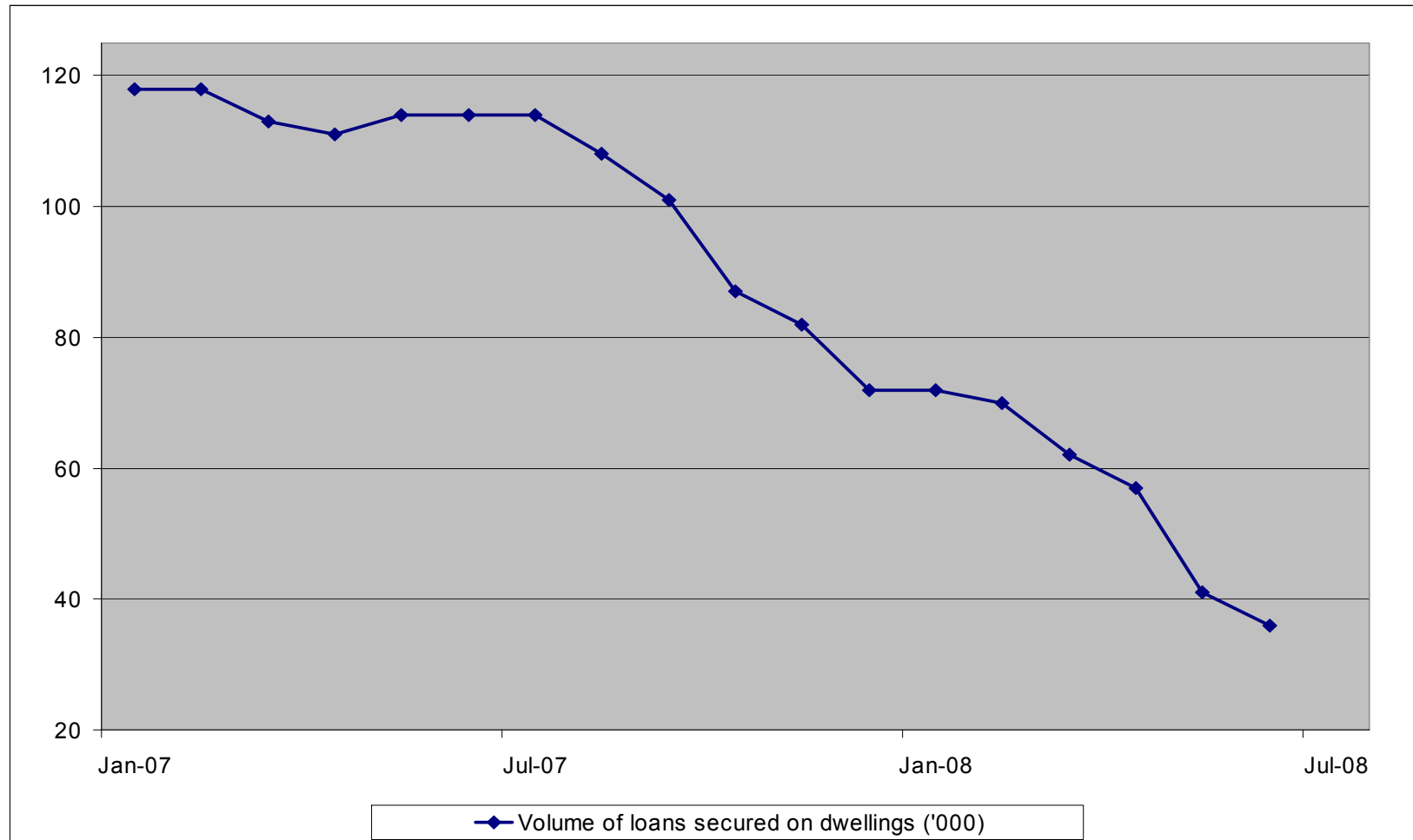
- Small cash outflow from operations (£9.7m) as working capital plans changed
- Future working capital reduction will generate significant free cash inflow

\* Including part exchange properties and showhouses

Appendix 8



## Appendix 9: Loan approvals for house purchase



Source: Bank of England Data

Appendix 9



# Disclaimer

## Important Notice

Certain statements in this results presentation are forward looking statements.

Forward looking statements involve evaluating 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, results or activities should not be taken as a representation that such trends, results or activities will continue in the future.

Undue reliance should not be placed on forward looking statements.

