TUESDAY 25 AUGUST 2009
HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

- Pre-tax profit of £9.8 million after the exceptional release of £27.9 million of net realisable value provision (H1 2008: £36.9 million - after exceptional charge of £64.0m)

- Legal completions for H1 2009 of 4,006 units (H1 2008: 5,501) at an average selling price of £155,524* (H1 2008: £181,485)

- Total sales revenue of £611.8 million** (H1 2008: £998.4 million)

- Operating profit of £36.5 million*** (H1 2008: £75.7 million)

- Borrowings reduced to £494.2 million**** (H1 2008: £905.5 million) - ahead of expectations

- Year end debt now expected to be below £400 million - improvement on previous guidance

- Recent visitor levels exceeded those of last year and cancellation rates have been significantly lower throughout the period at c.16% (FY 2008: c. 30%)

- Current forward sales including legal completions since 1 July 2009 increased c.9% to c.£910 million (2008: £836 million)

- 64,347 plots of land owned and under control - representing c.7 years supply of land

- Investment in part exchange stock has decreased significantly to £11.4 million at end June (30 June 2008: £120.0 million)

- Recent introduction of HomeBuy Direct shared equity scheme by the Government continues to gain momentum and provides opportunities for first time buyers. Carrying value of shared equity asset on the balance sheet at 30 June 2009 £47.2 million (30 June 2008: £19.8 million)

John White, Group Chairman said: "We expect sales rates to remain resilient due to the successful destocking that has occurred in the industry combined with the continuing good levels of underlying demand for new homes in the UK. Recently, selling prices have stabilised in most parts of mainland UK. Future volume increases and price movements will be dependent upon mortgage availability, job prospects and the health of the general economy.

Our strong balance sheet, reduced debt, long landbank and strategic land opportunities, combined with an experienced management team provides an excellent platform to create value for shareholders."

* calculated from nominal value of turnover - before £11.2m adjustment to fair value shared equity sales (H1 2008: £nil)
** stated after £11.2m adjustment to fair value shared equity sales (H1 2008: £nil)
*** including the exceptional release of £27.9 million of net realisable value provision (H1 2008: £64.0m exceptional charge)
**** stated before finance leases and financing expenses

For further information, please contact:

John White, Group Chairman
Mike Farley, Group Chief Executive
Mike Killoran, Group Finance Director
Persimmon plc
Tuesday 25th August: Tel: +44 (0) 20 7920 2333
For Future Enquiries: Tel: +44 (0)1904 642199

Edward Orlebar
Charlotte McMullen
Marylène Guernier
M: Communications
Tel: +44 (0) 20 7920 2333

Analysts wishing to listen to the presentation at 10:30am remotely may dial +44 (0)20 3037 9100

A webcast of today's analyst presentation will be available on http://corporate.persimmonhomes.com/ this afternoon.

CHAIRMAN'S STATEMENT

RESULTS

During the six months ended 30 June 2009 Persimmon legally completed 4,006 units (H1 2008: 5,501) at an average selling price of £155,524 (H1 2008: £181,485). Total sales revenue for the period was £623.0 million (H1 2008: £998.4 million) before adjusting for the fair value of shared equity sales of £11.2 million leaving reported revenues at £611.8 million.

Pre-tax profit for the period was £9.8 million (H1 2008: £36.9 million) including the release of £27.9 million of net realisable value provision as an exceptional item. Operating profit was £36.5 million (H1 2008: £75.7 million) on the same basis.

Total net borrowings at 30 June 2009 were £494.2 million (H1 2008: £905.5 million). We continue to achieve debt reductions ahead of our expectations and now anticipate reducing borrowings ahead of previous guidance. We expect year end debt to be below £400 million, well within the total facilities for the Group of over £1 billion. These new and amended credit facilities were finalised and signed on 13 March 2009.

Net interest charge for the period was £26.7 million (H1 2008: £38.8 million). As previously stated, the Board does not intend to pay a dividend this year.

We reported at the time of our trading update that we did not expect to make further provisions against the value of our landholdings in the absence of any substantial change in current market conditions. We reiterate this stance today. As mentioned above, our trading experience over the last six months has resulted in the release of £27.9 million of net realisable value provision previously incurred, which demonstrates the realistic current book value of our landholdings of c. £1.7 billion.

CURRENT TRADING

Net reservations continue to run ahead of the comparative weeks of 2008. Sales in the historically quieter summer weeks have held up well and are ahead of our expectations. In recent weeks visitor levels have exceeded those of last year, whilst cancellation rates have been significantly lower at c. 16% (Full Year 2008: c. 30%). Mortgage availability continues to be a concern, particularly the scarcity of higher loan to value products. However, the overall situation in respect of the mortgage market and valuations has recently shown signs of improvement.

Current forward sales, including legal completions since 1 July 2009, are c. £910 million (2008: £836 million). The average selling price of homes reserved since 1 July 2009, is c. £174,000 compared to c. £163,650 over the same period in 2008. This reflects a higher proportion of traditional housing sales, particularly in the South, and a lower proportion of housing association sales.

We expect sales rates to remain resilient due to the successful destocking that has occurred in the industry combined with the continuing good levels of underlying demand for new homes in the UK.

The recent introduction of the HomeBuy Direct shared equity scheme by the Government is gaining momentum. The scheme provides shared equity loans held equally by the Government and Persimmon. This allows us to spread our equity over an increased volume of house sales. We are using this scheme to good effect and plan to continue with it. We are confident this remains a most attractive offer in the current mortgage market, particularly to first time buyers, and that it will deliver additional returns over the medium term.

We continue to carry shared equity receivables at fair value, having made further provision of £11.2 million on first half completions (H1 2008: £nil) to reflect the deferred receipt of these outstanding sales proceeds. The carrying value of the shared equity asset on the balance sheet at 30 June 2009 was £47.2 million (2008: £19.8 million).

Whilst investment in shared equity continues, the investment in part exchange stock has decreased significantly. Part exchange stock owned was £11 million at 30 June 2009 (2008: £120 million).

LAND

We currently have 64,347 plots of land owned and under control with residential planning permission. This represents c. 7 years supply of land. We remain focussed on improving planning consents on existing sites. We believe there are good opportunities to improve returns by addressing issues surrounding Section 106 Agreements and overall house type and mix improvements. Our exposure to inner city apartment schemes continues to be negligible.

We are making good progress with the planning of our strategic land portfolio. This land will provide an excellent source of our new land requirements over future years and can be acquired, in most cases, at a discount to the prevailing market value, which will enhance margins in the future.

With our strong, consented landbank and significant strategic land portfolio which is well spread geographically and focussed on traditional house types, we can grow the business without the need to buy large amounts of new land. Indeed the current opportunities available in this respect are limited. However, we have selectively acquired a number of smaller sites for early development at appropriate prices which will deliver a good level of return for the business. We will continue with this carefully managed strategy for the foreseeable future, although with the combination of our current credit facilities and strong cash generation we are in an excellent position to add new land to our portfolio as opportunities arise.

OUTLOOK

Recently, selling prices have stabilised in most parts of mainland UK, including more latterly in the North of England. In the South, where the market is stronger, we have achieved an increased rate of sales per site per week. Future volume increases and price movements will be dependent upon mortgage availability, job prospects and the health of the general economy.

We have continued to monitor all areas of expenditure in our business and are beginning to see the full benefits of the actions we took last year to cut overheads. Whilst we have been careful to maintain our national coverage, operating expenses are currently running at a reduced rate of c. £6.5 million per month. This will generate an overhead saving to the business in excess of £50 million per annum when compared with the level of the latter months of 2007, the period prior to our restructuring. Despite this, we expect that margin recovery to more normal levels will take some time to achieve.

However our strong balance sheet, reduced debt, long landbank and strategic land opportunities, combined with an experienced management team provides an excellent platform to create value for shareholders. We are therefore confident that we remain in a strong position to grow our business once again as conditions improve.

PERSIMMON PLC
Condensed Consolidated Statement of Comprehensive Income (unaudited)
For the six months to 30 June 2009

	Note	**Six months to 30 June 2009**			Six months to 30 June 2008			Year to 31 December 2008		
		Before exceptional items £m	Exceptional items (Note 2) £m	**Total £m**	Before exceptional items £m	Exceptional items (Note 2) £m	Total £m	Before exceptional items £m	Exceptional items (Note 2) £m	Total £m
Revenue		611.8	-	**611.8**	998.4	-	998.4	1,755.1	-	1,755.1
Cost of sales		(571.6)	27.9	**(543.7)**	(821.1)	(49.0)	(870.1)	(1,489.8)	(688.2)	(2,178.0)
Gross profit / (loss)		40.2	27.9	**68.1**	177.3	(49.0)	128.3	265.3	(688.2)	(422.9)
Other operating income		5.4	-	**5.4**	13.9	-	13.9	21.4	-	21.4
Operating expenses		(36.5)	-	**(36.5)**	(51.6)	(15.0)	(66.6)	(91.0)	(222.9)	(313.9)
Share of results of jointly controlled entities		(0.5)	-	**(0.5)**	0.1	-	0.1	0.8	-	0.8
Profit / (loss) from operations before impairment of intangible assets		10.0	27.9	**37.9**	139.7	(64.0)	75.7	198.3	(710.1)	(511.8)
Impairment of intangible assets		(1.4)	-	**(1.4)**	-	-	-	(1.8)	(201.0)	(202.8)
Profit / (loss) from operations		8.6	27.9	**36.5**	139.7	(64.0)	75.7	196.5	(911.1)	(714.6)
Finance income		2.3	-	**2.3**	2.6	-	2.6	4.1	6.3	10.4
Finance costs		(29.0)	-	**(29.0)**	(41.4)	-	(41.4)	(75.8)	-	(75.8)
Profit / (loss) before tax		(18.1)	27.9	**9.8**	100.9	(64.0)	36.9	124.8	(904.8)	(780.0)
Tax	3	5.2	(5.2)	**-**	(28.7)	18.2	(10.5)	(20.7)	175.7	155.0
Profit / (loss) after tax (all attributable to equity holders of the parent)		(12.9)	22.7	**9.8**	72.2	(45.8)	26.4	104.1	(729.1)	(625.0)
Other comprehensive (expense)/income										
Effective portion of changes in fair value of cash flow hedges		(0.6)	-	**(0.6)**	1.9	-	1.9	(0.8)	-	(0.8)
Net actuarial losses on defined benefit pension schemes	9	(26.1)	-	**(26.1)**	(4.3)	-	(4.3)	(43.8)	-	(43.8)
Tax on other comprehensive (expense)/income		7.5	-	**7.5**	0.7	-	0.7	(11.3)	-	(11.3)
Other comprehensive (expense)/income for the period, net of tax		(19.2)	-	**(19.2)**	(1.7)	-	(1.7)	(55.9)	-	(55.9)
Total comprehensive (expense)/income for the period		(32.1)	22.7	**(9.4)**	70.5	(45.8)	24.7	48.2	(729.1)	(680.9)
Earnings per share [i]										
Basic	5			**3.3p**			8.8p			(208.3p)
Diluted	5			**3.3p**			8.8p			(208.3p)
Non-GAAP measures - Underlying earnings per share [ii]										
Basic	5			**(3.8p)**			24.1p			35.3p
Diluted	5			**(3.8p)**			24.0p			35.2p

[i] Earnings per share is calculated in accordance with IAS 33 ‘Earnings Per Share’
[ii] Underlying earnings per share excludes exceptional items and goodwill impairment

PERSIMMON PLC
Condensed Consolidated Balance Sheet (unaudited)
As at 30 June 2009

	Note	**30 June 2009 £m**	30 June 2008 £m	31 December 2008 £m
ASSETS				
Non-current assets				
Intangible assets		**263.2**	467.7	264.7
Property, plant and equipment		**36.0**	44.9	45.1
Investments		**3.4**	3.2	3.9
Trade and other receivables		**52.0**	25.2	31.4
Forward currency swaps	8	**15.7**	-	96.0
Deferred tax assets		**14.0**	51.7	6.5
		384.3	592.7	447.6
Current assets				
Inventories	6	**2,307.6**	3,528.3	2,546.5
Trade and other receivables		**130.5**	160.7	138.2
Forward currency swaps	8	**-**	-	20.8
Cash and cash equivalents	8	**0.3**	14.0	0.8
Assets held for sale		**5.7**	-	-
		2,444.1	3,703.0	2,706.3
Total assets		**2,828.4**	4,295.7	3,153.9
LIABILITIES				
Non-current liabilities				
Interest bearing loans and borrowings	8	**(385.2)**	(667.3)	(571.2)
Forward currency swaps	8	**(9.5)**	(46.8)	-
Deferred tax liabilities		**(26.5)**	(30.8)	(26.5)
Retirement benefit obligation	9	**(116.3)**	(61.4)	(95.3)
Other liabilities		**(101.1)**	(142.0)	(132.0)
		(638.6)	(948.3)	(825.0)
Current liabilities				
Interest bearing loans and borrowings	8	**(93.7)**	(191.6)	(147.6)
Forward currency swaps	8	**(2.5)**	(16.7)	-
Trade and other payables		**(471.9)**	(745.3)	(551.9)
Current tax liabilities		**(74.2)**	(119.0)	(74.2)
		(642.3)	(1,072.6)	(773.7)
Total liabilities		**(1,280.9)**	(2,020.9)	(1,598.7)
Net assets		**1,547.5**	2,274.8	1,555.2
SHAREHOLDERS' EQUITY				
Ordinary share capital issued		**30.3**	30.3	30.3
Share premium		**233.6**	233.6	233.6
Hedge reserve		**(0.4)**	2.1	0.1
Other non-distributable reserve		**281.4**	281.4	281.4
Retained earnings		**1,002.6**	1,727.4	1,009.8
Total shareholders' equity		**1,547.5**	2,274.8	1,555.2

PERSIMMON PLC
Condensed Consolidated Statement of Changes in Shareholders' Equity (unaudited)
As at 30 June 2009

	Share capital £m	Share premium £m	Hedge reserve £m	Other non distributable reserve £m	Retained earnings £m	Total shareholders' equity £m
6 months ended 30 June 2009:						
Balance at 31 December 2008	30.3	233.6	0.1	281.4	1,009.8	1,555.2
Profit for the period	-	-	-	-	9.8	9.8
Other comprehensive expense	-	-	(0.5)	-	(18.7)	(19.2)
Transactions with owners:						
Exercise of share options/share awards	-	-	-	-	0.2	0.2
Share option charge and taxation thereon	-	-	-	-	0.9	0.9
Other reserve movement	-	-	-	-	0.6	0.6
Balance at 30 June 2009	**30.3**	**233.6**	**(0.4)**	**281.4**	**1,002.6**	**1,547.5**
6 months ended 30 June 2008:						
Balance at 31 December 2007	30.3	233.6	0.7	281.4	1,799.4	2,345.4
Profit for the period	-	-	-	-	26.4	26.4
Other comprehensive expense	-	-	1.4	-	(3.1)	(1.7)
Transactions with owners:						
Exercise of share options/share awards	-	-	-	-	2.4	2.4
Own shares purchased	-	-	-	-	(2.2)	(2.2)
Share option charge and taxation thereon	-	-	-	-	2.6	2.6
Dividends approved and paid	-	-	-	-	(98.1)	(98.1)
Balance at 30 June 2008	**30.3**	**233.6**	**2.1**	**281.4**	**1,727.4**	**2,274.8**
Year ended 31 December 2008:						
Balance at 31 December 2007	30.3	233.6	0.7	281.4	1,799.4	2,345.4
Loss for the year	-	-	-	-	(625.0)	(625.0)
Other comprehensive expense	-	-	(0.6)	-	(55.3)	(55.9)
Transactions with owners:						
Exercise of share options/share awards	-	-	-	-	3.2	3.2
Own shares purchased	-	-	-	-	(2.4)	(2.4)
Share option charge and taxation thereon	-	-	-	-	3.7	3.7
Dividends approved and paid	-	-	-	-	(113.1)	(113.1)
Other reserve movement	-	-	-	-	(0.7)	(0.7)
Balance at 31 December 2008	**30.3**	**233.6**	**0.1**	**281.4**	**1,009.8**	**1,555.2**

PERSIMMON PLC
Condensed Consolidated Cash Flow Statement (unaudited)
For the six months to 30 June 2009

	Note	**Six months to 30 June 2009 £m**	Six months to 30 June 2008 £m	Year to 31 December 2008 £m
Cash flows from operating activities:				
Profit / (loss) for the period		**9.8**	26.4	(625.0)
Adjustments for:				
Tax		**-**	10.5	(155.0)
Finance income		**(2.3)**	(2.6)	(4.1)
Finance costs		**29.0**	41.4	75.8
Depreciation charge		**3.4**	4.5	8.7
Amortisation of intangible assets		**0.1**	0.1	0.3
Impairment of intangible assets		**1.4**	-	1.8
Share of results of jointly controlled entities		**0.5**	(0.1)	(0.8)
Profit on disposal of property, plant and equipment		**-**	(0.4)	(0.7)
Share-based payment charge		**0.9**	3.3	4.4
Exceptional non-cash items		**(27.9)**	61.8	892.7
Other non-cash items		**1.5**	0.4	(3.1)
Profit from operations before working capital movements		**16.4**	145.3	195.0
Movements in working capital:				
Decrease / (increase) in inventories		**266.8**	(190.7)	187.8
(Increase) / decrease in trade and other receivables		**(11.5)**	11.5	(8.1)
(Decrease) / increase in trade and other payables		**(118.9)**	24.2	(173.6)
Net cash from operations		**152.8**	(9.7)	201.1
Interest paid		**(24.7)**	(34.7)	(67.6)
Interest received		**0.9**	2.6	4.1
Tax (paid) / received		**-**	(43.4)	106.2
Net cash from / (used in) operating activities		**129.0**	(85.2)	243.8
Cash flows from investing activities:				
Received from jointly controlled entities		**-**	0.1	0.1
Purchase of property, plant and equipment		**(0.3)**	(2.1)	(6.9)
Proceeds from sale of property, plant and equipment		**0.3**	1.3	2.2
Net cash used in investing activities		**-**	(0.7)	(4.6)
Cash flows from financing activities:				
Repayment of borrowings		**(105.1)**	(75.7)	(162.2)
Drawdown of loan facilities		**-**	280.0	65.0
Other financing expenses		**(21.3)**	-	-
Finance lease principal payments		**(0.6)**	(0.7)	(1.4)
Own shares purchased		**-**	(2.2)	(2.4)
Exercise of share options		**-**	0.6	0.8
Dividends paid to Group shareholders		**-**	(98.1)	(113.1)
Net cash (used in) / from financing activities		**(127.0)**	103.9	(213.3)
Increase in net cash and cash equivalents	7	**2.0**	18.0	25.9
Net cash and cash equivalents at beginning of period		**(22.9)**	(48.8)	(48.8)
Net cash and cash equivalents at end of period	8	**(20.9)**	(30.8)	(22.9)

Notes to the condensed consolidated half year financial statements (unaudited)

1. Basis of preparation and approval of the half year financial statements

The half year financial statements for the six months to 30 June 2009 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union. This report should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with IFRSs as adopted by the European Union.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in those annual financial statements.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009:

- IAS 1 (revised), 'Presentation of financial statements'. The most significant change within IAS 1 (revised) is the requirement to produce a statement of comprehensive income setting out all items of income and expense relating to non-owner changes in equity. There is a choice between presenting comprehensive income in one statement or in two statements comprising an income statement and a separate statement of comprehensive income. The Group has elected to present comprehensive income in one statement. In addition, IAS 1 (revised) requires the statement of changes in shareholders' equity to be presented as a primary statement. The other revisions to IAS 1 have not had a significant impact on the presentation of the Group's financial information.

- Amendment to IFRS 2 (Share Based Payments) clarifies, amongst other matters, the treatment of cancelled options. The impact is insignificant.

- IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14, 'Segment reporting' and requires the disclosure of segment information on the same basis as the management information provided to the chief operating decision maker. The adoption of this standard has not resulted in a change in the Group's reportable segments. The Group has aggregated its geographic operations into one reportable segment, which is housebuilding in the United Kingdom.

- IAS 23 (amendment) effective from 1 January 2009. This amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction and production of a qualifying asset, as part of the cost of that asset. A qualifying asset is one that takes a substantial period of time to get ready for use or sale. Inventories which are produced in large quantities on a repetitive basis over a short period of time are not qualifying assets. This amendment is not expected to have any material impact on the Group's financial statements as the activities performed by the Group do not generally produce qualifying assets.

The comparative figures for the financial year ended 31 December 2008 are not the company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

After making due enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these condensed consolidated half year financial statements.

The half year financial statements are unaudited, but have been reviewed by the auditors whose report is set out on page 14 and were approved by the Board of Directors on 24 August 2009.

2. Exceptional items

	Six months to 30 June 2009 £m	Six months to 30 June 2008 £m	Year to 31 December 2008 £m
Cost of sales:			
Net realisable value of inventories (i)	**(27.9)**	40.0	652.3
Asset impairment and write-offs (ii)	**-**	9.0	35.9
Operating expenses:			
Restructuring costs (iii)	**-**	15.0	21.9
Asset impairment (ii)	**-**	-	201.0
Exceptional (income) / costs	**(27.9)**	64.0	911.1
Finance income:			
Other interest receivable (iv)	**-**	-	(6.3)
Exceptional items before tax	**(27.9)**	64.0	904.8

(i) In light of the deterioration in the UK housing market, the Group conducted a review of the net realisable value of its inventory carrying values which resulted in a charge of £40.0m at 30 June 2008 and an additional net impairment of £612.3m at 31 December 2008. At 30 June 2009, the Group continued with this review process which resulted in a net exceptional credit to the Statement of Comprehensive Income of £27.9m. Further details are provided in note 6.

(ii) Additional impairment reviews of trade and other receivables, and goodwill, resulted in exceptional charges which are fully explained in the audited financial statements for the year ended 31 December 2008. No further exceptional impairments have occurred at 30 June 2009.

(iii) At 30 June 2008, the Group had incurred expenses of £15.0m in relation to reorganising and restructuring the business. On further restructuring activity, total costs comprising staff redundancy, contract severance costs and costs related to office closures amounted to £21.9m. No such costs were incurred in the period to 30 June 2009.

(iv) Interest receivable represents monies due following the receipt of tax repayments associated with the exceptional costs.

3. Tax

The effective corporation tax rate for the half year is nil% (half year ended 30 June 2008: 28.5% and year ended 31 December 2008: (19.9%)). This is the estimated effective tax rate for the year ending 31 December 2009, based upon the current estimate of available loss relief.

4. Dividends

	Six months to 30 June 2009 £m	Six months to 30 June 2008 £m	Year to 31 December 2008 £m
Dividends paid:			
Final dividend for the year ended 31 December 2008 of nil per share (2007: 32.7p)	**-**	98.1	98.1
Interim dividend for the six months to 30 June 2008 of 5.0p per share (2007: 18.5p)	**-**	-	15.0
Total dividend	**-**	98.1	113.1
Dividends proposed:			
Interim dividend for the six months to 30 June 2009 of nil per share (2008: 5.0p)	-	15.0	-

5. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, excluding those held in the Employee Share Ownership Trust, the Employee Benefit Trust and treasury shares all of which are treated as cancelled.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares from the start of the accounting period. The Company has only one category of dilutive potential ordinary shares: those share options and awards granted to directors and employees where the exercise price is less than the average market price of the Company's ordinary shares during the period. In accordance with IAS 33, potential ordinary shares are only dilutive when their conversion to ordinary shares would decrease earnings per share or increase the loss per share from continuing operations. Diluted earnings per share is calculated by dividing earnings by the diluted weighted average number of shares.

Underlying earnings per share excludes exceptional items and goodwill impairment.

The earnings per share from continuing operations were as follows:

	Six months to 30 June 2009	Six months to 30 June 2008	Year to 31 December 2008
Basic earnings per share	**3.3p**	8.8p	(208.3p)
Underlying basic earnings per share	**(3.8p)**	24.1p	35.3p
Diluted earnings per share	**3.3p**	8.8p	(208.3p)
Underlying diluted earnings per share	**(3.8p)**	24.0p	35.2p

a) Earnings

	Six months to 30 June 2009 £m	Six months to 30 June 2008 £m	Year to 31 December 2008 £m
Underlying earnings attributable to shareholders	**(11.5)**	72.2	105.9
Exceptional items net of related taxation (including exceptional intangible asset impairment)	**22.7**	(45.8)	(729.1)
Goodwill impairment – utilisation of strategic land holdings	**(1.4)**	-	(1.8)
Earnings attributable to shareholders	**9.8**	26.4	(625.0)

b) Weighted average share capital

	Six months to 30 June 2009	Six months to 30 June 2008	Year to 31 December 2008
For basic earnings per share	**300,236,765**	299,930,754	300,033,700
Options and awards	**757,763**	912,715	985,716
For diluted earnings per share	**300,994,528**	300,843,469	301,019,416

6. Inventories

	30 June 2009 **£m**	30 June 2008 £m	31 December 2008 £m
Land	**1,677.9**	2,453.2	1,779.5
Work in progress	**553.1**	867.3	634.0
Part exchange properties	**11.4**	120.0	54.5
Showhouses	**65.2**	87.8	78.5
Total inventories	**2,307.6**	3,528.3	2,546.5

As set out in note 2, the Group conducted a further review of the net realisable value of its land and work in progress portfolio during the half year ended 30 June 2009. The impact of this review of our net realisable value provisions is an exceptional credit to the Statement of Comprehensive Income of £27.9m. The total impairment of land and work in progress recognised during the half year was £121.4m (June 2008: £40.0m; December 2008: £652.3m) and a reversal of £149.3m (June 2008: £nil; December 2008: £nil) on inventories that were written down in a previous accounting period. Our approach to our net realisable value review has been consistent with that conducted at 31 December 2008 which was fully disclosed in the financial statements for the year ended on that date.

The key judgements in estimating the future net present realisable value of a site was the estimation of likely sales prices, house types and costs to complete the developments. Sales prices and costs to complete were estimated on a site-by-site basis based upon existing market conditions. If the UK housing market were to improve/deteriorate in the future then further adjustments to the carrying value of land and work in progress may be required.

Following this review, £904.6m (June 2008: £306.3m; December 2008: £1,088.9m) of inventories are valued at fair value less costs to sell rather than at historical cost.

7. Reconciliation of net cash flow to net debt

	Note	**Six months to 30 June 2009 £m**	Six months to 30 June 2008 £m	Year to 31 December 2008 £m
Increase in net cash and cash equivalents		**2.0**	18.0	25.9
Decrease/(increase) in debt and finance lease obligations		**105.7**	(203.6)	98.6
Financing expenses paid		**21.3**	-	-
Decrease /(increase) in net debt from cash flows		**129.0**	(185.6)	124.5
New finance lease obligations		**-**	(0.4)	(0.6)
Non-cash adjustments		**(2.7)**	1.9	(0.8)
Decrease/(increase) in net debt		**126.3**	(184.1)	123.1
Net debt at beginning of period		**(601.2)**	(724.3)	(724.3)
Net debt at end of period	8	**(474.9)**	(908.4)	(601.2)

8. Analysis of net debt

	Note	**30 June 2009 £m**	30 June 2008 £m	31 December 2008 £m
Cash and cash equivalents		**0.3**	14.0	0.8
Bank overdrafts		**(21.2)**	(44.8)	(23.7)
Net cash and cash equivalents		**(20.9)**	(30.8)	(22.9)
Bank loans		**(35.0)**	(280.0)	(63.1)
US and UK senior loan notes due within one year		**(69.3)**	(141.0)	(119.4)
US, UK & EU senior loan notes due after more than one year		**(369.9)**	(385.6)	(507.0)
Other loan notes due within one year		**(2.8)**	(4.6)	(3.2)
Forward currency swaps		**3.7**	(63.5)	116.8
Finance lease obligations		**(1.8)**	(2.9)	(2.4)
Financing expenses		**21.1**	-	-
Net debt at end of period	7	**(474.9)**	(908.4)	(601.2)

On 27 February 2009 the Group reached agreement with its syndicate of banks providing the current revolving facility on amendments to the amount, terms and conditions of its existing credit facilities and also reached agreement with its private placement investors on amendments to the terms and conditions of its existing credit facilities. The Group also entered into a new revolving credit facility. This Forward Start Facility of £322m will become available for drawing on 24 November 2010 on the maturity of the existing facility and matures on 31 March 2012. Full documentation was finalised and signed on 13 March 2009. This refinancing has been accounted for as a modification.

9. Defined benefit pension schemes

The amounts recognised in income are as follows:

	Six months to 30 June 2009 £m	Six months to 30 June 2008 £m	Year to 31 December 2008 £m
Current service cost	**1.7**	2.7	4.8
Curtailment credit	**-**	-	(2.1)
Interest cost	**9.7**	9.6	19.4
Expected return on schemes' assets	**(7.0)**	(9.7)	(19.6)
Total recognised in profit after tax	**4.4**	2.6	2.5
Net actuarial loss	**26.1**	4.3	43.8
Total recognised in other comprehensive (income) / expense	**26.1**	4.3	43.8
Total defined benefit schemes loss recognised in the period	**30.5**	6.9	46.3

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit schemes is as follows:

	30 June 2009 £m	30 June 2008 £m	31 December 2008 £m
Present value of funded obligations	**(347.8)**	(308.5)	(324.0)
Fair value of schemes' assets	**231.5**	247.1	228.7
Deficit in the schemes and net liability in the balance sheet	**(116.3)**	(61.4)	(95.3)

An update on the 31 December 2008 IAS 19 valuation, adjusted for current market conditions has been obtained from the schemes' actuary as at 30 June 2009, which has been used as the basis for these figures.

10. Related parties

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Principal risks and uncertainties

The principal risks and uncertainties which could impact the Group for the remainder of the current financial year are those detailed on page 7 of the Group's Annual Report and Accounts 2008 and have not changed. These include: poor economic conditions, disruption in the capital markets and restrictions on mortgage availability. Further details regarding assessment of the risks and current market conditions are included within the Chairman's Statement in this Half Year Report. A copy of the Group's Annual Report and Accounts 2008 is available on the Group's website at www.corporate.persimmonhomes.com.

Statement of Directors' Responsibilities

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU

- the Half Year Report includes a fair review of the information required by:

    - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

    - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Directors of Persimmon Plc are:

John White	Group Chairman
Mike Farley	Group Chief Executive
Mike Killoran	Group Finance Director
Jeff Fairburn	North Division Chief Executive
Hamish Leslie Melville	Non-Executive Director
David Thompson	Senior Independent Director
Neil Davidson	Non-Executive Director
Nicholas Wrigley	Non-Executive Director
Richard Pennycook	Non-Executive Director

By order of the Board

Mike Farley Group Chief Executive	Mike Killoran Group Finance Director

24 August 2009

The Group's annual financial reports, half yearly reports and interim management statements are available from the Group's website at www.corporate.persimmonhomes.com.

Independent Review Report to Persimmon Plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 which comprises the Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Balance Sheet, Condensed Statement of Changes in Shareholders' Equity, Condensed Consolidated Cash Flow Statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Services Authority ("the UK FSA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FSA.

As disclosed in note 1, annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

David Morritt

For and on behalf of KPMG Audit Plc

Chartered Accountants
Leeds
24 August 2009