



# Interim results presentation 2009

30 June 2009

 **PERSIMMON PLC**

# Agenda

## Results Presentation 25 August 2009

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# Chairman's overview

- Good progress in challenging market conditions
- Legal completions in line with expectations for the first half at 4,006
- Turnover for the period of £623m\* – an average selling price of £155,524\*
- Pre-tax profit of £9.8m and operating profit of £36.5m – including release of NRV provision of £27.9m
- No further net land provisions
- Good debt reduction to £494.2m\*\* - total facilities of over £1.0bn

\* Stated before IAS 18 adjustment of £11.2m to fair value shared equity sales

\*\* Before finance lease obligations and financing expenses

# Chairman's overview

- Repositioning the business:
  - Continuation of challenging trading conditions during H1 2009
    - restrictions on mortgage availability persist
    - employment prospects
  - Significant impact on housebuilding sector
    - fewer eligible purchasers naturally producing lower volumes
    - sustained pressure on price
  - Comprehensive management response
    - significant but measured cost reduction programme
    - debt levels driven down

# Chairman's overview

- Management focus – cash generation:
  - Maximise sales of available stock
  - Close monitoring of build expenditure and overheads
  - Selective and proportionate investment in new outlets
  - Cautious approach to land replacement continues
- Management focus – strong and stable platform:
  - Successful completion of refinancing exercise in March 2009
  - Long and diverse landbank underpinned by extensive strategic holdings
  - Retention of broad geographic coverage and more traditional product profile
  - Ability to react to improvement in housing market



# Review of operations

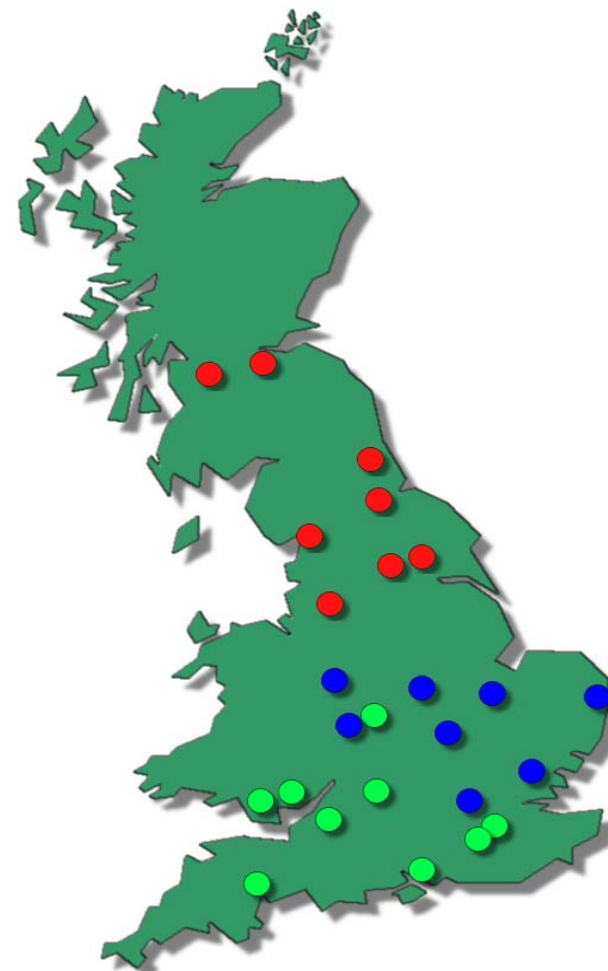
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Mike Farley, Group Chief Executive



# Review of operations – Group overview

- National presence maintained through network of 25 regional offices
- Three brands live in the market – robust performance in line with expectations
- Completions down by a quarter influenced by the low opening forward sales position
- Further underlying price weakness of c.4%
- Continued low exposure to higher risk developments – i.e. high rise apartments
- Focus on replanning schemes for revised s106 agreements and traditional housing mix



Regional Offices (by Division)

# Review of operations – Group overview

Substantial reduction in debt during the period

## Underlying performance:

Unit completions

Average selling price \*

Operating margin \*\*

Net cash inflow from operations

Average borrowings \*\*\*

Gearing \*\*\*

H1 2009	H1 2008	Change
<b>4,006</b>	5,501	(27%)
<b>£155,524</b>	£181,485	(14%)
<b>1.6%</b>	14.0%	(12.4%)
<b>£152.8m</b>	(£9.7m)	n/a
<b>£680m</b>	£1,055m	(36%)
<b>32%</b>	40%	(8%)

Underlying performance presented before goodwill impairment and exceptional items (where applicable)

\* Calculated from nominal value of turnover (H1 2009: before IAS 18 adjustment of £11.2m to fair value shared equity sales; H1 2008: £nil)

\*\* Stated after IAS 18 adjustment of £11.2m to fair value shared equity sales (H1 2008: £nil)

\*\*\* Before finance lease obligations and financing expenses





# Review of operations – Group overview

Product Profile - 6 months ended 30 June 2009:

	Unit completions	Annual completions change	Average selling price *	Annual average price change	Plots owned and under control	Annual plot count change
North Private	853 21%	(39%)	£146,609	(18%)	17,690 27%	(18%)
Central Private	940 24%	(13%)	£161,613	(19%)	14,539 23%	(14%)
South Private	759 19%	(26%)	£172,869	(16%)	14,125 22%	(16%)
Charles Church Private	699 17%	(17%)	£205,814	(18%)	6,494 10%	(17%)
Partnerships	755 19%	(34%)	£94,019	(1%)	11,499 18%	(11%)
<b>Total</b>	<b>4,006</b>		<b>£155,524</b>		<b>64,347</b>	
Change vs 30 Jun 2008		(27%)		(14%)		(16%)

\* Calculated from nominal value of turnover (H12009: before IAS 18 adjustment of £11.2m to fair value shared equity sales; H12008: £nil)

Difficult trading experienced throughout all regions and across all brands

# Review of operations - Current trading

- Early indications of improving conditions:
  - more sales visibility and some price stability
  - visitor levels provide confidence in overall demand levels
  - cancellation rates of c.16% (H2 2008: c.34%)
  - net reservations in the period marginally behind H1 2008
  - c.50 new outlets commencing second half
- Selective use of shared equity provides opportunities for first-time buyers:
  - targeting slow moving stock
  - represents c.25% of H1 2009 completions - nominal selling price of c.£149k
- HomeBuy Direct gathering momentum – increasingly replacing the use of our own equity share schemes



# Review of operations - Current trading

- Steady first half sales performance provides favourable volume variance against weak prior year comparative:

Half Year Forward Sales	Units	ASP	Revenue
<b>June 2009</b>	<b>4,708</b>	<b>£147,345</b>	<b>£693.7m</b>
June 2008	4,395	£147,851	£649.8m
<b>Movement</b>	<b>+7%</b>	<b>-</b>	<b>+7%</b>

Current Forward Sales *	Units	ASP	Revenue
<b>August 2009</b>	<b>5,950</b>	<b>£152,924</b>	<b>£909.9m</b>
August 2008	5,531	£151,101	£835.7m
<b>Movement</b>	<b>+8%</b>	<b>+1%</b>	<b>+9%</b>

\* including 8 weeks sales post half year

Calculated from nominal value of turnover (before IAS 18 adjustment to fair value shared equity sales)

# Strategy

- Strategy in the context of the current economic environment:
- Continued focus on debt reduction
- Rebuild margins through:
  - lower build costs and better overhead recovery
  - replanning existing sites
  - acquisition of new land at attractive prices
  - pull through of strategic land at enhanced margins
- Selective new site starts, stabilising number of outlets at c.370 through 2010
- Investment in Space4 to:
  - reduce costs and improve the energy efficiency of our houses
  - support site production rates to overcome any potential labour shortages
- Existing structure enables c.14,000 houses to be completed per annum



# Outlook – Overall market

- Encouraging signs but understandably cautious
- Mortgage approvals trend improving from low position of Nov-08
- Pace of recovery dependent upon availability of mortgage finance
- Government intention to increase levels of housing investment
- Signs of price stabilisation in most regions
- Macroeconomic forecasts contain considerable uncertainty
- Contraction in build volumes, increasing the historical supply imbalance, supports longer term demand in the sector



# Outlook – Persimmon positioning

- Conclusion of refinancing provides a strong base for the future
- Cash generation ahead of forecast
- Work in progress and overheads tightly controlled
- Flexibility assured by depth and spread of land holdings including considerable strategic portfolio
- New investment being carefully selected and evaluated

“Our strong geographic coverage combined with our experienced management team is set to take advantage of future opportunities in the market”

*Mike Farley, Group Chief Executive*

# Financial review

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Mike Killoran, Group Finance Director



# Financial review – Trading overview

- Reported profits include exceptional net realisable value provision release + £27.9m, fair value charge on shared equity sales (£11.2m) and goodwill impairment re. ex-strategic plot consumption (£1.4m)

Adjusted trading (for the above):		H1 2009	
Revenue (adjusted)		<b>£623.0m</b>	
Cost of sales:	land cost	<b>(£119.3m)</b>	(19.1%)
	build and other direct costs	<b>(£424.4m)</b>	(68.1%)
Total cost of sales		<b>(£543.7m)</b>	(87.2%)
Gross profit		<b>£79.3m</b>	12.8%
Operating expenses		<b>(£35.6m)</b>	(5.7%)
Other operating income		<b>£5.4m</b>	0.8%
Operating profit (adjusted)		<b>£49.1m</b>	7.9%
Total interest		<b>(£26.7m)</b>	
Shared equity fair value		<b>(£11.2m)</b>	
Goodwill impairment		<b>(£1.4m)</b>	
Reported pre-tax profit		<b>£9.8m</b>	

See Appendix 3 for reconciliation to reported performance



# Financial review – Trading overview

- Exceptional credit / (charges) represent:

	H1 2009	H1 2008
Restructuring costs	-	(£15.0m)
Failed options, abortive fees and receivables impairment	-	(£9.0m)
Net realisable value of inventories	<b>£27.9m</b>	(£40.0m)
	<b>£27.9m</b>	(£64.0m)

- Net realisable value review performed at 30 June 2009:
  - consistent with approach at 31 December 2008
  - calculated break-even level of contribution
  - underlying price weakness maintained at 27% - c.20% experienced to date
  - £27.9m exceptional release as H1 legal completion pricing more resilient, together with effects of site replanning and cost movements
  - no further net impairments or exceptional charges anticipated in current market conditions

# Financial review – Trading overview

- Reduction in gross margin influenced by lower prices, prudent NRV stance and shared equity incentives
- Action to reduce cost base outpaced by rate of revenue decline
- c.£36m trading utilisation of net realisable value provision on applicable H1 2009 completions
- Shared equity sales of c.£152m subject to fair value adjustment of £11.2m in H1 2009
- Despite lower turnover, selling costs (excluding shared equity) reduced to c.4% (H1 2008: c.5%)
- c.40% reduction in operating expenses, in absolute terms, versus 2007
- Continued better sales conditions will lead to margin improvement moving forward

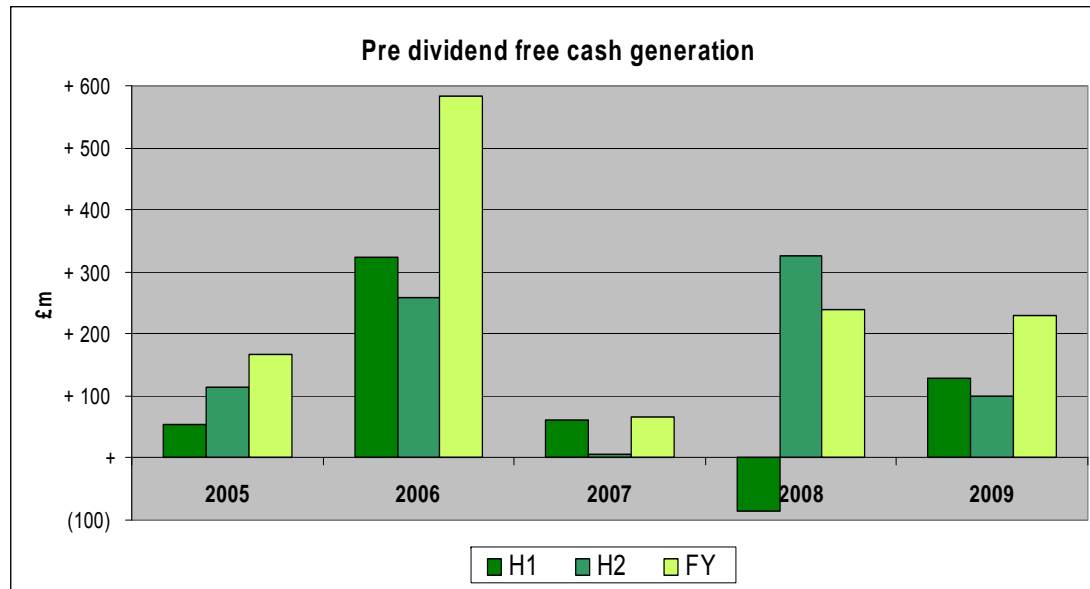
# Financial review - Balance sheet

- Planned reduction in level of working capital continues
- Land expenditure profile:

	H1 2007 (Act)	H2 2007 (Act)	H1 2008 (Act)	H2 2008 (Act)	H1 2009 (Act)	H2 2009 (Est)	FY 2010 (Est)
CURRENT POSITION	£497.0m	£342.0m	£243.0m	£114.0m	£127.0m	£58.0m	£100.0m
Previous Position	£497.0m	£342.0m	£243.0m	£114.0m	£145.0m	£50.0m	£115.0m
Period Cash (Saving) / Cost					(£18.0m)	£8.0m	(£15.0m)

- Work in progress of £553.1m – 13% underlying reduction versus year-end
  - active programme of destocking to improve efficiency of WIP investment
- £11.4m part exchange stock – historically low levels through focused effort
- Shared equity receivables of £47.2m (Dec-2008: £25.8m)
  - non-current debtor discounted to fair value with interest accretion over term

# Financial review – Cash generation

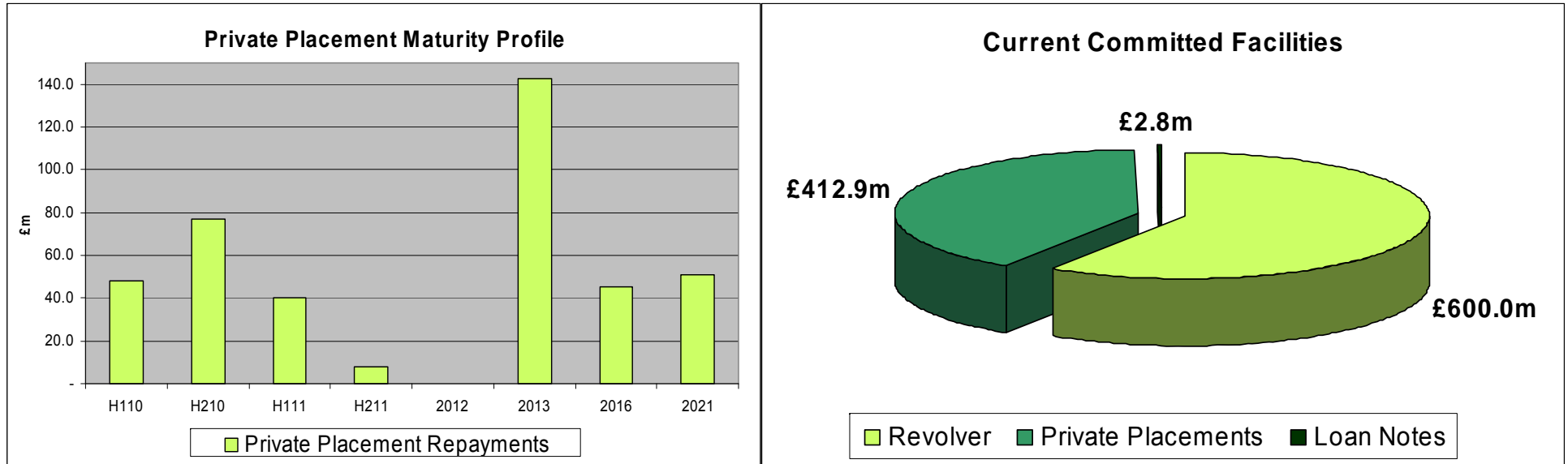


	H1	H2	FY
2005	+ 52.8	+ 114.5	<b>+ 167.3</b>
2006	+ 323.7	+ 259.4	<b>+ 583.1</b>
2007	+ 61.2	+ 5.8	<b>+ 67.0</b>
2008	(85.9)	+ 325.1	<b>+ 239.2</b>
2009	<b>+ 129.0</b>	<b>+ 100.0 est.</b>	<b>+ 229.0 est.</b>

- Cash flows illustrate effectiveness of management action
- Performance ahead of earlier expectations
- Returns principally generated by divestment of inventories (c.£267m)
- Significant inflows forecast to continue throughout second half

# Financial review – Capital structure

- Current funding position (at 25 August 2009):



- Further £50m reduction in RCF and £97m repayment of USPPs
- Committed facilities headroom of over £560m at June
- Debt maturity profile mitigates future liquidity risk

Private Placement values presented above are after taking into consideration Jun-09 foreign exchange hedges and exclude financing expenses

# Summary

- Debt reduced – plenty of headroom
- Forward sales moving ahead
- Pricing more resilient
- Operating expenses reduced
- Tight control over inventory investment
- Strong balance sheet

“ ...an excellent platform to create value for shareholders”

*John White, Group Chairman*



# Appendices

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- Appendix 6 - Analysis of unit sales
- Appendix 7 - Balance Sheet
- Appendix 8 - Analysis of land holdings at 30 June 2009
- Appendix 9 - Cash flows
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# Appendix 1: Financial record - Profit & Loss Account

Underlying performance:	Jun-07	Dec-07	Jun-08	Dec-08	Jun-09
	6mth	12mth	6mth	12mth	6mth
Unit completions	8,002	15,905	5,501	10,202	<b>4,006</b>
Turnover *	£1,514.4m	£3,014.9m	£998.4m	£1,755.1m	<b>£611.8m</b>
Average Selling Price **	£189,255	£189,558	£181,485	£172,994	<b>£155,524</b>
Operating profit *	£315.3m	£657.3m	£139.7m	£198.3m	<b>£10.0m</b>
Pre-tax profit / (loss) *	£281.1m	£585.1m	£100.9m	£126.6m	<b>(£16.7m)</b>
Basic EPS *	65.5p	138.3p	24.1p	35.3p	<b>(3.8p)</b>
Diluted EPS *	65.2p	137.6p	24.0p	35.2p	<b>(3.8p)</b>
Dividend per share	18.50p	51.20p	5.00p	5.00p	<b>Nil</b>
Return on Average Capital Employed ***	22.9%	21.7%	15.0%	6.2%	<b>2.3%</b>

Underlying performance presented before goodwill impairment and exceptional items (where applicable)

\* Stated after IAS 18 adjustment of £11.2m to fair value shared equity sales (Dec-08: £9.8m; 2007 and Jun-08: £nil)

\*\* Calculated from nominal value of turnover (Jun-09: before IAS 18 adjustment of £11.2m to fair value shared equity sales; Dec-08: £9.8m; 2007 and Jun-08: £nil)

\*\*\* 12 month average and stated after IAS 18 adjustment of £11.2m to fair value shared equity sales (Dec-08: £9.8m; 2007 and Jun-08: £nil)

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# Appendix 1: Financial record - Balance Sheet

	Jun-07	Dec-07	Jun-08	Dec-08	Jun-09
Shareholders' funds	£2,204.5m	£2,345.4m	£2,274.8m	£1,555.2m	<b>£1,547.5m</b>
Borrowings *	£646.4m	£721.1m	£905.5m	£598.8m	<b>£494.2m</b>
Gearing *	29%	31%	40%	39%	<b>32%</b>
Net asset value per share	730.1p	781.4p	758.1p	518.0p	<b>515.1p</b>
Work in progress	£683.3m	£814.8m	£867.3m	£634.0m	<b>£553.1m</b>
% of turnover **	22%	27%	35%	36%	<b>40%</b>
Land	£2,335.7m	£2,346.1m	£2,453.2m	£1,779.5m	<b>£1,677.9m</b>
% of turnover **	75%	78%	98%	101%	<b>123%</b>
Part exchange stock	£90.3m	£146.9m	£120.0m	£54.5m	<b>£11.4m</b>
% of turnover **	3%	5%	5%	3%	<b>1%</b>
Shared equity debt	£10.9m	£13.1m	£19.8m	£25.8m	<b>£47.2m</b>
% of turnover **	<1%	<1%	1%	1%	<b>3%</b>
Total % of turnover **	100%	110%	139%	141%	<b>167%</b>
Land creditor	£337.6m	£319.5m	£401.8m	£313.7m	<b>£195.9m</b>
% of land value	14%	14%	16%	18%	<b>12%</b>

\* Before finance lease obligations and financing expenses

\*\* Calculated from rolling 12-mth turnover after IAS 18 adjustment to fair value shared equity sales

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## Appendix 2: Half yearly Profit & Loss Account

Underlying performance:	2009 H1	2008 H1	Change	2008 FY
Unit completions	<b>4,006</b>	5,501	(1,495)	10,202
Turnover *	<b>£611.8m</b>	£998.4m	(£386.6m)	£1,755.1m
Operating profit *	<b>£10.0m</b>	£139.7m	(£129.7m)	£198.3m
Operating margin *	<b>1.6%</b>	14.0%	(12.4%)	11.3%
Net interest & finance costs	<b>£25.3m</b>	£36.7m	(£11.4m)	£66.1m
Imputed interest **	<b>£1.4m</b>	£2.1m	(£0.7m)	£5.6m
Pre-tax (loss) / profit *	<b>(£16.7m)</b>	£100.9m	(£117.6m)	£126.6m
Pre-tax profit margin *	<b>(2.7%)</b>	10.1%	(12.8%)	7.2%
Pre-tax (loss) / profit per plot *	<b>(£4,168)</b>	£18,346	(£22,514)	£12,404

Underlying performance presented before goodwill impairment and exceptional items (where applicable)

\* Stated after IAS 18 adjustment of £11.2m to fair value shared equity sales (H108: £nil; FY08: £9.8m)

\*\* Interest imputed in accordance with IAS 2 and IAS 18

Appendix 2



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

## Performance reconciliation - H1 2009:

	Reported (pre-exceptional)		Add back: Goodwill impairment	Underlying		Add back: Shared Equity fair value	Include: Exceptional NRV provision release	Adjusted	
Revenue	£611.8m			£611.8m		£11.2m		£623.0m	
Land costs	(£147.2m)	(24.1%)		(£147.2m)	(24.1%)		£27.9m	(£119.3m)	(19.1%)
Build and other direct costs	(£424.4m)	(69.3%)		(£424.4m)	(69.3%)			(£424.4m)	(68.1%)
Total cost of sales	(£571.6m) (93.4%)			(£571.6m) (93.4%)			£27.9m	(£543.7m) (87.2%)	
<b>Gross profit</b>	<b>£40.2m</b>	<b>6.6%</b>		<b>£40.2m</b>	<b>6.6%</b>	£11.2m	£27.9m	<b>£79.3m</b>	<b>12.8%</b>
Operating expenses	(£37.0m)	(6.0%)	£1.4m	(£35.6m)	(5.8%)			(£35.6m)	(5.7%)
Other operating income	£5.4m	0.8%		£5.4m	0.8%			£5.4m	0.8%
<b>Operating profit</b>	<b>£8.6m</b>	<b>1.4%</b>	£1.4m	<b>£10.0m</b>	<b>1.6%</b>	£11.2m	£27.9m	<b>£49.1m</b>	<b>7.9%</b>
Net interest & finance costs	(£25.3m)	(4.1%)		(£25.3m)	(4.1%)			(£25.3m)	(4.1%)
Imputed interest	(£1.4m)	(0.2%)		(£1.4m)	(0.2%)			(£1.4m)	(0.2%)
Total interest	(£26.7m) (4.3%)			(£26.7m) (4.3%)				(£26.7m) (4.3%)	
<b>Pre-tax (loss) / profit</b>	<b>(£18.1m)</b>	<b>(2.9%)</b>	£1.4m	<b>(£16.7m)</b>	<b>(2.7%)</b>	£11.2m	£27.9m	<b>£22.4m</b>	<b>3.6%</b>
Exceptional items	£27.9m	4.5%							
<b>Pre-tax profit (post-exceptional)</b>	<b>£9.8m</b>	<b>1.6%</b>							

## Appendix 3

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

Underlying performance:	2009 H1	2008 H1	Change
Turnover	<b>100.0%</b>	100.0%	
Land costs	<b>(24.1%)</b>	(24.2%)	+ 0.1%
Build and other direct costs	<b>(69.3%)</b>	(58.0%)	(11.3%)
Gross margin *	<b>6.6%</b>	17.8%	(11.2%)
Operating expenses	<b>(5.8%)</b>	(5.2%)	(0.6%)
Other operating income	<b>0.8%</b>	1.4%	(0.6%)
Operating margin *	<b>1.6%</b>	14.0%	(12.4%)

Underlying performance presented before goodwill impairment and exceptional items (where applicable)

\* Stated after IAS 18 adjustment of £11.2m to fair value shared equity sales (H108: £nil)

Appendix 3a



## Appendix 4: Trading performance - Business split

Underlying performance:		2009 H1	2008 H1	Change
<b>Units</b>		<b>No.</b>	No.	
	Persimmon Core	<b>2,552</b>	3,515	(27%)
	Charles Church	<b>699</b>	845	(17%)
	Partnerships	<b>755</b>	1,141	(34%)
	<b>Total</b>	<b>4,006</b>	5,501	(27%)
<b>Average Selling Price *</b>		<b>£</b>	£	
	Persimmon Core	<b>159,945</b>	192,625	(17%)
	Charles Church	<b>205,814</b>	251,646	(18%)
	Partnerships	<b>94,019</b>	95,209	(1%)
	<b>Total</b>	<b>155,524</b>	181,485	(14%)
<b>Turnover **</b>		<b>£m</b>	£m	
	Persimmon Core	<b>398.9</b>	677.1	(41%)
	Charles Church	<b>141.9</b>	212.7	(33%)
	Partnerships	<b>71.0</b>	108.6	(35%)
	<b>Total</b>	<b>611.8</b>	998.4	(39%)

Underlying performance presented before goodwill impairment and exceptional items (where applicable)

\* Calculated from nominal value of turnover (H12009: before IAS 18 adjustment to fair value shared equity sales; H12008: £nil)

\*\* Stated after IAS 18 adjustment to fair value shared equity sales (H12008: £nil)

Appendix 4 - 1 of 2



## Appendix 4: Trading performance - Business split

Underlying performance:		2009	2008	
		H1	H1	Change
		£m	£m	
<b>Gross Profit **</b>	Persimmon Core	24.2	129.7	(81%)
	Charles Church	5.2	28.1	(81%)
	Partnerships	10.8	19.5	(45%)
	<b>Total</b>	<b>40.2</b>	177.3	(77%)
<b>Gross Margin **</b>	Persimmon Core	6.1%	19.2%	(13.1%)
	Charles Church	3.7%	13.2%	(9.5%)
	Partnerships	15.2%	18.0%	(2.8%)
	<b>Total</b>	<b>6.6%</b>	17.8%	(11.2%)

\*\* Stated after IAS 18 adjustment to fair value shared equity sales (H12008: £nil)

Appendix 4 - 2 of 2



## Appendix 5: Trading performance - Divisional split

	30 June 2009			
	Units No.	Average Sale Price (£)*	Annual average price change	Plots owned and under control
Yorkshire	195	147,332	(8%)	4,397
Scotland	318	139,114	(18%)	4,216
North West	266	130,886	(18%)	3,962
North East	173	145,946	(9%)	6,541
<b>North Division</b>	<b>952</b>	<b>139,740</b>	<b>(15%)</b>	<b>19,116</b>
30 June 2008	1,646	163,733		23,553
Change	(42%)	(15%)		(19%)

\* Calculated from nominal value of turnover (before IAS 18 adjustment to fair value shared equity sales)

Appendix 5 – 1 of 4



## Appendix 5: Trading performance - Divisional split

	30 June 2009			
	Units No.	Average Sale Price (£)*	Annual average price change	Plots owned and under control
Birmingham	520	134,114	(22%)	6,987
Shires	214	184,263	(11%)	4,080
Eastern	561	139,760	(15%)	7,899
<b>Central Division</b>	<b>1,295</b>	<b>144,847</b>	<b>(19%)</b>	<b>18,966</b>
30 June 2008	1,387	177,763		23,026
Change	(7%)	(19%)		(18%)

\* Calculated from nominal value of turnover (before IAS 18 adjustment to fair value shared equity sales)

Appendix 5 – 2 of 4





## Appendix 5: Trading performance - Divisional split

	30 June 2009			
	Units No.	Average Sale Price (£)*	Annual average price change	Plots owned and under control
Southern	295	152,597	(20%)	4,828
Western	425	171,628	(5%)	8,586
Wales	188	145,411	(14%)	4,262
Westbury Partnerships	106	80,245	(20%)	1,435
<b>South Division</b>	<b>1,014</b>	<b>151,678</b>	<b>(11%)</b>	<b>19,111</b>
30 June 2008	1,494	171,325		20,766
Change	(32%)	(11%)		(8%)

\* Calculated from nominal value of turnover (before IAS 18 adjustment to fair value shared equity sales)

Appendix 5 – 3 of 4



## Appendix 5: Trading performance - Divisional split

	Units No.	30 June 2009 Average Sale Price (£)*	Plots owned and under control
<b>Charles Church</b>	<b>745</b>	<b>199,487</b>	<b>7,154</b>
30 June 2008	974	232,371	8,814
Change	(24%)	(14%)	(19%)

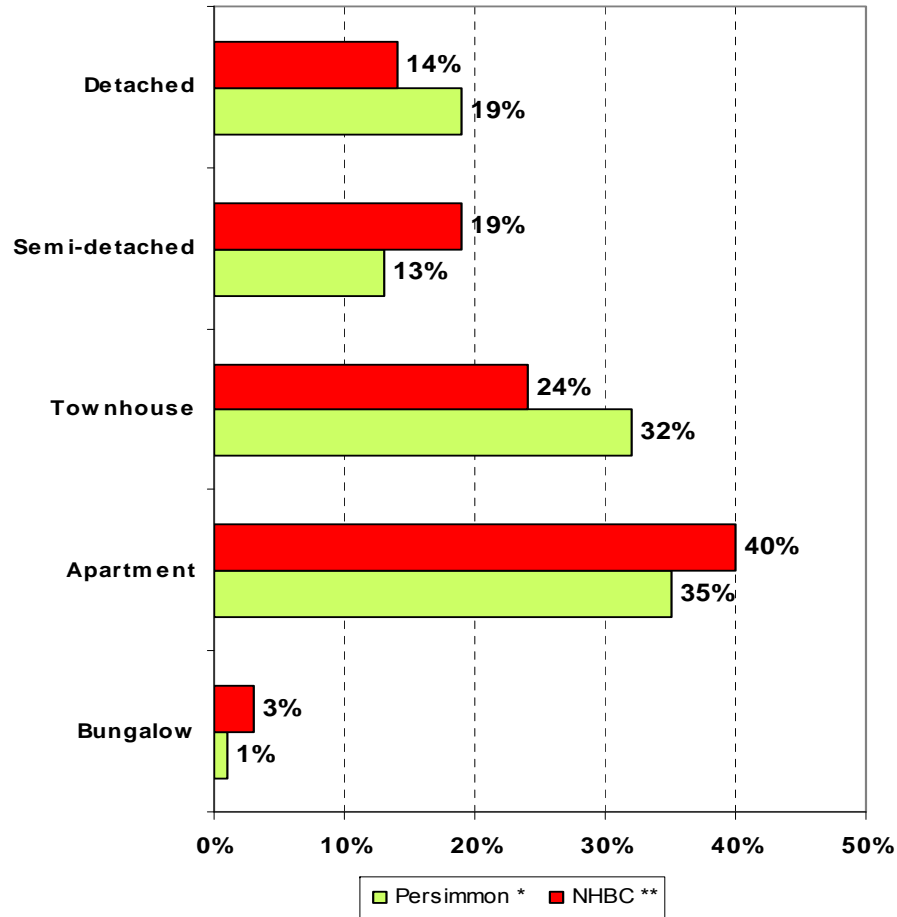
\* Calculated from nominal value of turnover (before IAS 18 adjustment to fair value shared equity sales)

Appendix 5 – 4 of 4

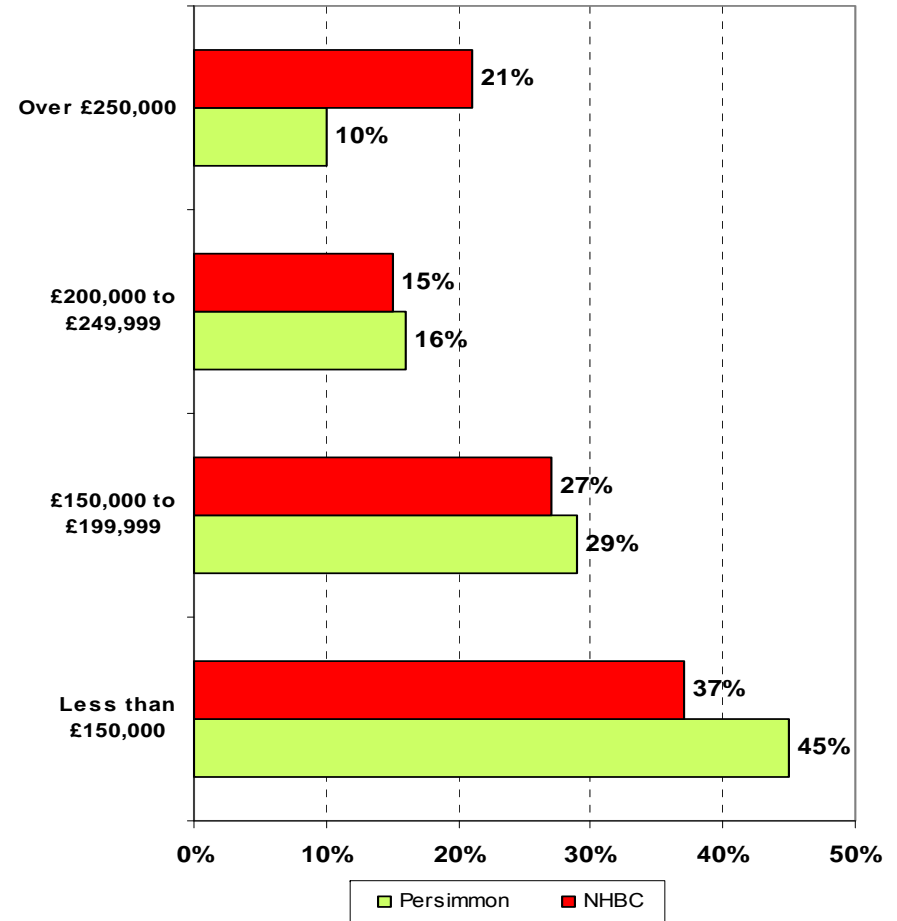


# Appendix 6: Analysis of unit sales

### By House Type (All)



### By Price Band (Private)



\* Persimmon data represents completions in the period \*\* NHBC data represents new starts in the period  
 NHBC Source: New House-Building Statistics (Q2 2009)

# Appendix 7: Balance Sheet

	2009 H1	2008 H1	Change
Work in progress	£553.1m	£867.3m	(£314.2m)
Land	£1,677.9m	£2,453.2m	(£775.3m)
Land creditors	£195.9m	£401.8m	(£205.9m)
Part exchange stock	£11.4m	£120.0m	(£108.6m)
Shared equity debt	£47.2m	£19.8m	+ £27.4m
Borrowings *	£494.2m	£905.5m	(£411.3m)
Gearing *	32%	40%	(8%)
Shareholders' funds	£1,547.5m	£2,274.8m	(£727.3m)
Capital employed	£2,041.7m	£3,180.3m	(£1,138.6m)
Net asset value per share	515.1p	758.1p	(243.0p)

\* Before finance lease obligations and financing expenses

Appendix 7



## Appendix 8: Analysis of land holdings at 30 June 2009

	Number of plots Dec 2008	<b>Number of plots Jun 2009</b>	Number of plots Change	Anticipated ave. revenue	Average plot cost	Cost to revenue Jun 2009	Cost to revenue Dec 2008
Plots owned	52,703	<b>49,391</b>	(3,312)	£148,861	£32,393	21.8%	22.1%
Plots under control	16,576	<b>14,956</b>	(1,620)	£140,122	£23,074	16.5%	14.8%
<b>Total owned &amp; under control</b>	<b>69,279</b>	<b>64,347</b>	<b>(4,932)</b>	<b>£146,830</b>	<b>£30,227</b>	<b>20.6%</b>	<b>20.4%</b>
Proceeding to contract (terms agreed)	729	<b>689</b>	(40)	£128,896	£12,984	10.1%	10.8%
<b>Grand total of all plots</b>	<b>70,008</b>	<b>65,036</b>	<b>(4,972)</b>	<b>£146,640</b>	<b>£30,045</b>	<b>20.5%</b>	<b>20.3%</b>

Grand total of all plots - Dec 2008	£148,358	£30,129	20.3%
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### Plot cost to revenue ratio history

	Cost to revenue %						
	Jun 2009	Dec 2008	Jun 2008	Dec 2007	Jun 2007	Dec 2006	Jun 2006
Plots owned	<b>21.8%</b>	22.1%	23.5%	22.4%	21.5%	21.6%	20.6%
Plots under control	<b>16.5%</b>	14.8%	17.4%	18.6%	19.7%	20.3%	21.0%
<b>Total owned &amp; under control</b>	<b>20.6%</b>	<b>20.4%</b>	<b>22.1%</b>	<b>21.3%</b>	<b>21.0%</b>	<b>21.2%</b>	<b>20.8%</b>
Proceeding to contract (terms agreed)	<b>10.1%</b>	10.8%	18.3%	24.7%	24.6%	25.0%	24.2%
<b>Grand total of all plots</b>	<b>20.5%</b>	<b>20.3%</b>	<b>22.0%</b>	<b>21.7%</b>	<b>21.6%</b>	<b>21.7%</b>	<b>21.2%</b>

Appendix 8



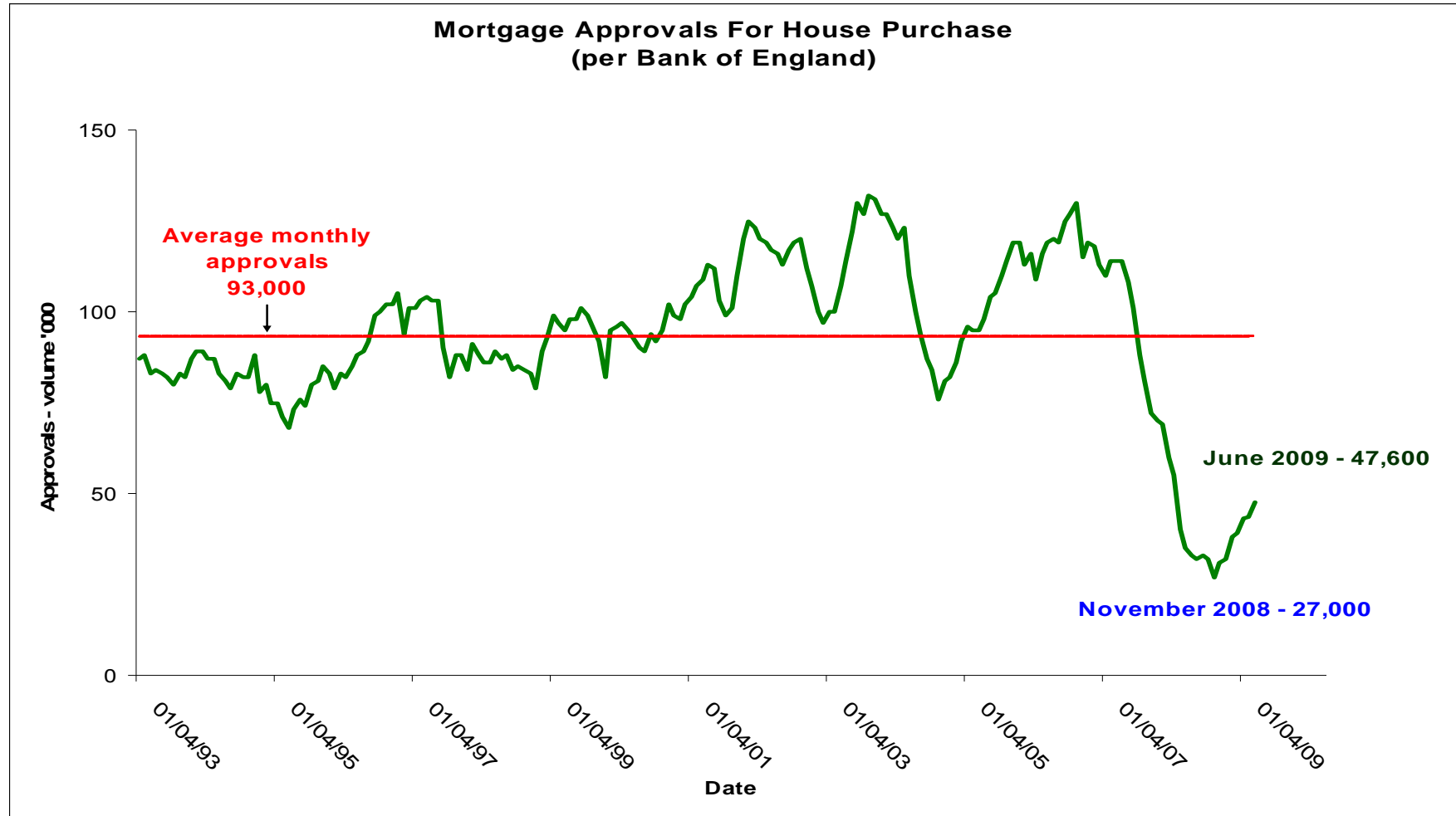
## Appendix 9: Cash flows

	H109 £m	H108 £m
Profit from operations	16.4	145.3
Investment in working capital:		
Decrease / (increase) in gross land	129.5	(147.1)
(Decrease) / increase in land creditors	(117.8)	82.3
<b>Net land divestment / (investment)</b>	<b>11.7</b>	<b>(64.8)</b>
Decrease / (increase) in WIP, part exchange and showhouses	137.3	(43.6)
Other working capital movements	(12.6)	(46.6)
<b>Cash flow from operations</b>	<b>152.8</b>	<b>(9.7)</b>
Net interest and similar charges paid	(23.8)	(32.1)
Net tax paid	-	(43.4)
Net capital expenditure	-	(0.7)
<b>Cash flow before dividends, share transactions and financing</b>	<b>129.0</b>	<b>(85.9)</b>
Net share transactions	-	(1.6)
Dividends paid to Group shareholders	-	(98.1)
<b>Cash flow before financing</b>	<b>129.0</b>	<b>(185.6)</b>
Net loan (repayments) / drawdown	(105.1)	204.3
Other financing expenses	(21.3)	-
Finance lease payments	(0.6)	(0.7)
<b>Increase in cash</b>	<b>2.0</b>	<b>18.0</b>

Appendix 9



# Appendix 10: Loan approvals for house purchase



Appendix 10



# 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.

