

Corporate governance statement

The Board is fully committed to high standards of corporate governance and corporate responsibility throughout the Group. The Board supports the principles of corporate governance contained in the 2006 Combined Code on Corporate Governance which is appended to the Listing Rules of the Financial Services Authority (the 'Combined Code') and also the June 2008 edition of the Combined Code which applies to accounting periods beginning on or after 29 June 2008. The Combined Code sets out the governance rules which apply to all UK companies which are listed on the London Stock Exchange.

This Report on Corporate Governance together with the Remuneration Report on pages 44 to 52 are intended to explain how the Company has applied the principles of the Combined Code and provide an insight into how the Board and management run the business for the benefit of shareholders. The Chairman's Statement and the Group Chief Executive's Review seek to present a balanced assessment of the Company's position and prospects.

During the year, the Board recognised that the challenging market conditions, organisational changes and initiatives to strictly control costs together with the work required in connection with the amendment of the Company's debt facilities would require an enhanced governance and control environment in order to maintain the integrity of the business during such challenging conditions. This statement sets out some of the initiatives taken to ensure this was addressed during the year and into 2009.

Statement of compliance

For the year ended 31 December 2008, the Company complied with all the provisions of the Combined Code including the Principles set out in Section 1.

The Board and its committees

As at the date of this Report the Board consists of nine Directors: the Chairman, two Executive Directors and six independent Non Executive Directors. Their names, responsibilities and other details appear on pages 34 and 35. Changes in the Board composition since 31 December 2007 are set out on page 36.

During 2008, as would be expected, the Board met more frequently than in previous years as a result of both the equity capital project and the negotiations that took place with regard to the amendment of its debt facilities. Accordingly, the Board met on 25 occasions during the year including 10 meetings since July 2008. Details of the attendance of each Director are set out in the table on page 41.

It is Board policy that where a Director misses a Board or Committee meeting, the Chairman and/or the Group Company Secretary will, as soon as possible, brief the Director fully on the business transacted and on any decisions that have been taken.

The Board discharges its responsibilities by providing strategic and entrepreneurial leadership of the Company, within a framework of prudent and effective controls,

which enables risk to be assessed and managed. It sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives and reviews management performance. It also defines the Company's values and standards and ensures that its obligations to its shareholders and other stakeholders are clearly understood and met.

The following documents have been adopted by the Board:

- Schedule of matters specifically reserved for the decision of the Board;
- Board policies covering operational matters, compliance and stakeholder policies;
- Terms of Reference of the Board Committees: Nomination, Remuneration, Audit and Corporate Responsibility, which outline their objectives and responsibilities and which define a programme of activities to support the discharge of those responsibilities. These Terms of Reference are available on our Web site www.taylorwimpey.com;
- Policy for employing the auditors for non-audit work and advice (details of which are set out on page 41).

All Directors have access to the advice and services of the Group Company Secretary and General Counsel. The Board has an established procedure whereby Directors may take independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities as Directors.

The Board took detailed advice during the year both with regard to the project to raise additional equity in the first half of 2008 and secondly, with regard to the amendment of its debt facilities in the second half of the year. Advice was provided in connection with the amendment of its debt facilities, by specialist restructuring advisers N M Rothschild & Sons ('Rothschild') and the Company's legal advisers Slaughter and May ('Slaughter') with regard to UK matters and by Davis Polk with regard to US matters. Representatives of Rothschild and Slaughter have attended the relevant part of almost every meeting of the Board since July 2008 to advise the Board on key legal issues relating to the status of the project. The advice also included specialist advice to the Board as whole and to Directors individually as to their responsibilities. Since October 2008 the Board formally considered at each meeting whether the Group could continue to trade on a going concern basis in light of the then current status of negotiations relating to the amendment of its debt facilities.

Board and committee balance, independence and effectiveness

It is the Company's policy that appointments to the Board are made on merit and the Nomination Committee has a formal, rigorous and transparent process against which objective criteria recommended by the Nomination Committee are used. Typically the process of appointment, prior to the decision of the Board, will include the engagement of recruitment consultants, interviews with members of the Board and the taking up of detailed references.

The Nomination Committee also guides the Board in arranging the orderly succession for appointments to the Board and to senior management. The work of all of the Board Committees is described in this Report.

The Board has an adopted framework of delegated commercial and operational authorities, which define the scope and powers of the Group Chief Executive and of operational management.

The roles and responsibilities of the Chairman and the Group Chief Executive have been reviewed by the Board and in line with the Combined Code, have been clearly defined and are set out in writing. Details of additional controls introduced during the year are set out on pages 42 and 43.

The Board will continue to review the governance framework including delegated commercial and operational authorities to ensure that they are tightened, as appropriate, to respond to the current period of change and that they generally meet the requirements of the Group going forward.

The Board also undertakes a regular review of the interests of each Director outside of the Company. The Board is satisfied that the commitments of each Director do not detract from the extent or quality of time which they are able to devote to the Company.

During the three years up to and including the 2009 Annual General Meeting, every Director will have sought re-election at least once and any Director appointed during 2008 by the Board, will be subject to election by shareholders at that Meeting. The Board has reviewed and re-affirmed that it considers all of the Non Executive Directors to be independent in character and judgement and that there are no relationships which could affect the Director's judgement. The Chairman, at the time of his appointment, met the independence criteria as set out in the Combined Code.

In line with the Combined Code, there will be a rigorous review of any Non Executive Director wishing to hold office for more than six years with such review taking into account the need to progressively refresh the Board. Having sought clarity from the ABI, time spent by applicable Directors on the Board of George Wimpey prior to its merger with the Company is deemed to count towards this six year period. Accordingly, David Williams (who was appointed to the Board on 3 July 2007 and to the Board of George Wimpey Plc in May 2001), Katherine Innes Ker who was appointed to the Board on 1 July 2001 and Andrew Dougal who was appointed to the Board on 18 November 2002, have been subject to a rigorous review as part of the wider annual performance evaluation of the Board, details of which are as set out on page 40.

Following the review, the Board was entirely satisfied with the performance and contribution of each Director and also with their ongoing independence of character and judgement.

Whenever any Director considers that he or she is, or may be interested in, any contract or arrangement to

which the Company is or may be a party, the Director gives due notice to the Board in accordance with the Articles of Association. In such cases, unless allowed by the Articles, a Director with such an interest is not permitted to participate in any discussions or decisions relating to the contract or arrangement.

The Board considers that its Directors possess an appropriate balance of skills and experience for the requirements of the business. The Board and its committees operate within a framework of scheduled core meetings. A considerable number of additional meetings were held during the second half of the year, as the Board took active measures to both address the challenges of the difficult market conditions in the UK and the US, and to oversee progress on the amendment of its debt facilities.

All Directors visit Group operations on a regular basis, engaging with employees at all levels in order to foster and maintain an understanding of the business. Board visits are arranged each year to operations in both the UK and elsewhere within the Group. More details are set out below.

The Group Company Secretary and General Counsel acts as Secretary to the Board and its Committees and he attends all meetings. It is policy that wherever possible a formal agenda and written reports are issued to Directors in respect of all Board and Committee meetings one week prior to the meeting in order to allow sufficient time for detailed review and consideration beforehand. Where a Director is unable to attend a meeting of the Board or a Committee, he or she will still receive the appropriate papers in advance and is invited to communicate to the Chairman or Committee Chairman, or the Secretary any views on the matters to be discussed. In addition, the Director will receive a full briefing afterwards on the matters discussed and decisions taken. Formal minutes are prepared in respect of all Board and Committee meetings and are then circulated and submitted for approval at the next meeting.

Information and professional development

The Company has procedures whereby Directors (including Non Executive Directors) receive a formal induction. This includes training and continuing familiarisation about the Company's business, operations and systems, the principles underlying the discharge of their duties as Directors and wider issues relating to the housing sector.

Performance evaluation of the Board, its committees and other functions

In line with the Combined Code, a formal annual evaluation of the performance and effectiveness of the Board and its Committees and of individual Directors was carried out. The evaluation was carried out by the Chairman and the Group Company Secretary. The process consisted of a bespoke questionnaire which was sent by the Group Company Secretary to all Directors for completion. The questionnaire focused on the performance of: the Board, the four Board Committees, the performance of each Director (by way of self assessment plus a confidential evaluation by the Chairman of each Director) and the performance of the Chairman. This year, the evaluation also specifically focused on a rigorous assessment of each of the three

Directors who have served on the Board for more than six years (taking into account where applicable, past service on the George Wimpey Plc Board). The Secretary collated all of the responses and produced a summary in respect of each performance area. The Chairman and the Secretary then reviewed the summaries that had been prepared in respect of the Board, each Board Committee and each Director (other than the Chairman) and formally presented the findings to the Board on a non-attributable basis for discussion. Following this, a set of actions was agreed which were designed to increase further the overall effectiveness of the Board.

A number of points came out of the performance evaluation designed to increase the effectiveness of the Board which will be implemented during 2009. A specific action item coming out of the evaluation is that Directors should receive health and safety training in order that they are more aligned to the key operational priority of the Group. This action item has already been largely addressed.

The Non Executive Directors, led by the Senior Independent Director, undertook the evaluation of the Chairman's performance. The evaluation was based on the non-attributable summary prepared by the Secretary of the feedback from the Non Executive and Executive Directors. The summary was reviewed by the Non Executive Directors in the absence of the Chairman, following which David Williams in his capacity as the Senior Independent Director provided feedback direct to the Chairman.

As part of the appraisal process the Chairman has also met on a one to one basis with each Director. Last year, it was reported that a specific action item would be to arrange for Non Executive Directors to make additional visits to operations across the Group.

This action item has been comprehensively addressed: the Non Executive Directors made several visits to the businesses around the UK and in North America, to discuss with local management teams the challenges currently facing their businesses, the situation in local markets and the initiatives being taken to counter or mitigate their effects.

In line with the Combined Code, the Chairman also holds meetings with the Non Executive Directors without the Executive Directors present. The Senior Non Executive Director also holds and leads meetings with only the Non Executive Directors present.

Internal Audit: A formal evaluation of the Group Internal Audit ('GIA') function was carried out by the Audit Committee which also took into account views from Executive Directors, senior management and the external auditors.

External auditors: As reported last year a comprehensive formal competitive tender process with regard to the carrying out of the 2008 external audit was conducted following the merger between Taylor Woodrow and George Wimpey which resulted in Deloitte LLP being selected as external auditors to the Company. Deloitte LLP will be proposed for re-appointment as the Company's auditors at the Annual General Meeting.

Board committees and their work

Nomination Committee

The Committee is chaired by the Chairman of the Board and is comprised of a majority of Non Executive Directors as required by the Combined Code. Its members are set out on page 41. As set out earlier in this Report, the Committee has processes in place with regard to the appointment of new Directors to the Board in order to ensure that appointments are made on merit. For the appointment of Non Executive Directors, the use of an external search agency will usually be incorporated as part of the process.

The Nomination Committee is responsible for succession planning for the Board and senior management and assesses the balance of the Board's composition. The Committee met on six occasions during the year and details of the attendance of each Director are set out in the table on page 41.

Remuneration Committee and remuneration

The Board's policy and approach to the setting of remuneration for Directors and senior executives and the activities of the Remuneration Committee are described in detail in the Directors' Remuneration Report on pages 44 to 52. The Committee is constituted in accordance with the Combined Code and its members are set out on page 41.

The Committee is chaired by Anthony Reading and all members are Independent Non Executive Directors as required by the Combined Code. During the year the Remuneration Committee met on seven occasions. Details of the attendance of each Director are set out in the table opposite. Andrew Dougal routinely attends meetings of the Remuneration Committee in his capacity as the Chairman of the Audit Committee.

Audit Committee and auditors

The Committee is chaired by Andrew Dougal and all members are Independent Non Executive Directors as required by the Combined Code. The Board has determined that Andrew Dougal, who is a member of the Institute of Chartered Accountants of Scotland, has recent and relevant financial experience as have other members of the Committee including Anthony Reading and David Williams. The Chairman of the Company and other Non Executive Directors, the Group Chief Executive, Group Finance Director, Head of Internal Audit, Group Financial Controller and other senior executives attend meetings of the Committee by invitation. Deloitte LLP is invited to attend meetings of the Audit Committee. The Committee also meets privately with representatives from Deloitte at two Committee meetings per annum and as and when required.

During the year the Audit Committee met on four occasions at each of which there was full attendance. The meetings were typically also attended by the other Non Executive Directors.

The Committee's remit includes reviewing the internal control framework, the internal audit process, the financial reporting practices and the external audit process. It ensures that the Board regularly assesses business risks, and their management and mitigation. In doing so, the Committee places reliance on regular reports from executive management, GIA and external audit. In monitoring the financial reporting practices the Audit Committee reviewed accounting policies, areas of

Board structure at a glance

Taylor Wimpey plc Board

Chairman – Norman Askew

Number of Meetings in 2008 – 25

Members	Title	Attendance	Members	Title	Attendance
Norman Askew	Chairman	25	David Williams	Senior Independent Director	24
Pete Redfern	Group Chief Executive	25	Mike Davies	Independent Non Executive Director	24
Chris Rickard*	Group Finance Director	8	Brenda Dean	Independent Non Executive Director	25
Peter Johnson#	Former Group Finance Director	16	Andrew Dougal	Independent Non Executive Director	25
			Katherine Innes Ker	Independent Non Executive Director	25
			Anthony Reading	Independent Non Executive Director	25

* Appointed 16/10/2008

Resigned 16/10/2008

Nomination Committee

Reports directly to the Taylor Wimpey plc Board

Objective

To ensure that there shall be a formal, rigorous and transparent procedure for the appointment of new directors to the Board, its committees and other senior offices in the Company.

Chairman – Norman Askew

Number of meetings in 2008 – 6

Members	Attendance
Norman Askew	6
Mike Davies	6
Brenda Dean	6
Andrew Dougal	5
Katherine Innes Ker	6
Anthony Reading	6
Pete Redfern	6
David Williams	6

Remuneration Committee

Reports directly to the Taylor Wimpey plc Board

Objective

To establish and maintain formal and transparent procedures for developing policy on executive remuneration and for fixing the remuneration packages of individual directors and senior executives and to monitor and report on them.

Chairman – Anthony Reading

Number of meetings in 2008 – 7

Members	Attendance
Anthony Reading	7
Mike Davies	7
Brenda Dean	7
Katherine Innes Ker	7
David Williams	5

Audit Committee

Reports directly to the Taylor Wimpey plc Board

Objective

To assist the Board in fulfilling its corporate governance responsibilities relating to the Group's internal control framework, financial reporting practices and external audit process.

Chairman – Andrew Dougal

Number of meetings in 2008 – 4

Members	Attendance
Andrew Dougal	4
Mike Davies	4
Anthony Reading	4
David Williams	4

CR Committee

Reports directly to the Taylor Wimpey plc Board

Objective

To recommend to the Board the Company's Corporate Responsibility Strategy, policies, reporting and performance monitoring.

Chairman – Katherine Innes Ker

Number of meetings in 2008 – 2

Members	Attendance
Katherine Innes Ker	2
Norman Askew	2
Brenda Dean	2
Andrew Dougal	2
Pete Redfern	1

judgement, the going concern assumption and compliance with accounting standards and the requirements of the Combined Code. During the year the Committee reviewed, prior to publication, the interim and annual financial statements and other major statements affecting the Group concerning price sensitive information.

Appointment of the auditors for non-audit services

The Audit Committee has approved a policy on employing the auditors to provide services other than audit services, which is to require a competitive tender except in narrowly defined circumstances where the Company considers that for confidentiality, past knowledge or other reasons, there is an advantage in using a single tender procurement procedure.

The Committee has determined that the following assignments should not be undertaken by the auditors:

- bookkeeping or other services related to the accounting records or financial statements;
- internal audit outsourcing services;

- the provision of advice on large Information Technology systems;
- services connected with valuation, litigation support, legal, recruitment or remuneration.

The Board is satisfied that this policy is conducive to the maintenance of auditor independence and objectivity. During the year a significant amount of non-audit related work was performed by the external auditors as a consequence of the challenges faced by the Group. A major component of this work related to the attempted equity raising which is work ordinarily performed by the auditors for companies involved in such projects. Having performed this work, they were requested to provide further advice and support in connection with the amendment of the Company's debt facilities which commenced in July 2008. In addition, following an initial competitive tender, they provided advisory services in connection with the successful sale of the Taylor Woodrow Construction business.

The Audit Committee is satisfied that the carrying out of this work would not impair the independence of the external auditors.

Corporate Responsibility Committee

The Corporate Responsibility Committee is chaired by Katherine Innes Ker and the other members are Norman Askew, Pete Redfern, Brenda Dean and Andrew Dougal.

The Corporate Responsibility Committee met on two occasions. Details of the attendance of each Director are set out in the table above.

The Company's corporate responsibility practices outline its approach to the challenge of sustainable development. Our policies and practices help the business to demonstrate high standards of governance, reduce risk and comply with current and future legislation.

The Committee is responsible for recommending the Company's corporate responsibility strategy, policies, reporting and performance monitoring to the Board. The Committee's remit includes ensuring that the Company's corporate responsibility strategy and activity are adequately resourced, have appropriate standing within the Company and are aligned to the needs of the business. The Board regards corporate responsibility as an integral part of good governance.

Full details of the Company's achievements and initiatives in these areas during 2008 and going forward are set out in Taylor Wimpey's Corporate Responsibility Report which is available in electronic form on the Group's Web site www.taylorwimpey.com.

Internal control

The Board has applied Principle C.2 of the Combined Code by establishing a continuous process for identifying, evaluating and managing the significant risks the Group faces. The Board regularly reviews its application of the Revised Turnbull Guidance on Internal Control to ensure the process of internal control remains effective and appropriate. The process, which has been in place from the start of the year to the date of approval of this Report, is in accordance with Internal Control: Guidance for Directors on the Combined Code. The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material mis-statement or loss.

In compliance with provision C.2.1 of the Combined Code, the Board regularly reviews the effectiveness of the Group's system of internal control. The Board's monitoring covers all controls, including financial, operational and compliance controls and risk management. This process is based principally on reviewing reports from management to consider whether significant risks are identified, evaluated, managed and controlled and whether any significant weaknesses are promptly remedied or indicate a need for more extensive monitoring. The Board has also performed a specific assessment for the purpose of this Report and Accounts. This assessment considers all significant aspects of internal control arising during the period covered by the report including the work of Internal Audit. The Audit Committee assists the Board in discharging its review responsibilities. Key elements of the system of internal control are detailed below.

A Group-level review is carried out to identify the major risks facing the Group and to develop and implement appropriate initiatives to manage those risks. This process applies across the Group.

Strategic risk reviews are carried out in each of the operating divisions to identify business risk, evaluate existing controls and develop strategies to manage the risks that remain.

Key operational and financial risks are identified and assessed at the operating process level, while strategic risks are identified as a part of the business planning process. These risk reviews take account of the significance of environmental, social and governance matters to the business of the Company. Such risks are identified and assessed for potential effect on the Company's short and long term value, as well as opportunities that may arise to enhance value.

Throughout 2008 the Audit Committee continued to assess the Group's risk management and the internal control framework, and reviewed business change issues and GIA activities across the Group.

As a result of that process, the top six risks facing the Group were identified and agreed by the Board, including a possible breach by the Company of certain financial covenants at the year end as a result of the prevailing housing industry market conditions. To assist it in addressing this risk the Company appointed Rothschild in July 2008 as its specialist debt restructuring adviser.

In order to minimise the risk of breach, during the first half of the year, the Company sought to amend its financial covenants and raise equity capital. However, on 2 July 2008 the Company announced that due to market conditions it had not been able to reach a satisfactory outcome with regard to the raising of equity. Therefore, during the second half of the year the key risk facing the Group related to the outcome of the amendment of its debt facilities which were necessary in order to avoid a breach of certain financial covenants at the end of 2008 as described in 'Debt refinancing and going concern' on page 43. As set out on page 39 of this Corporate Governance Report, during 2008 the Board formally met 25 times with the additional meetings convened in order to consider and evaluate the major projects relating to equity capital and the amendment of its debt facilities. A more detailed review of the material risks and uncertainties facing the Group during the year and in the future, is set out in the Group Financial Review on pages 28 to 33.

The Board oversees the risk and control framework of the Group and the Group Chief Executive is responsible for implementing any necessary improvements with the support of the Executive Committee. The Executive Committee consisted of the Group Chief Executive, Group Finance Director, Group Secretary and General Counsel, UK Chief Executive and the North American President and CEO. In 2009 the Executive Committee was expanded to include senior operational management including the two UK Housing Divisional Chairmen and the UK and North American Financial Directors. The Group Chief Executive reports on the key elements arising from each Executive Committee meeting at the next Board Meeting and any minutes from such meetings are included in the next Board pack of documents. The Board ensures that the Company has in place effective systems to manage and mitigate significant risks.

On 28 April 2009 the Board completed the annual assessment for the year to 31 December 2008. This took the form of detailed briefings from the Audit Committee, supported by reports, and by taking account of events since the year end.

Management

The Group Chief Executive has responsibility for preparing and reviewing strategic plans for the Group and its divisions and the annual budgets. These are subject to formal approval by the Board. Budgets are re-examined in comparison with business forecasts throughout the year to ensure they are sufficiently robust to reflect the possible impact of changing economic circumstances. The Group Chief Executive and the Board conduct regular reviews of actual results and future projections with comparison against budget and prior year, together with various treasury reports. Enhanced cash and debt reporting was introduced during the year to assist in managing the Group through the current market difficulties and in its refinancing negotiations.

Disputes that may give rise to significant litigation or contractual claims are monitored quarterly by the Board with updates provided at intervening meetings.

The Group has clearly defined policies, processes and procedures governing all areas of the business which will continue to be reviewed and refined in order to meet the requirements of the business and changing market circumstances.

Defined authority limits were reviewed in response to the market downturn. Investment in land was severely curtailed and subject to Group scrutiny. Work in progress has been carefully controlled and directly linked to sales prospects, with little speculative build. Any investment, acquisition or disposal requires detailed appraisal and prior approval by Group and is subject to post-investment review procedures. Investment decisions, projects, and tenders are subject to approval by the Board or the Group Chief Executive, depending on the value and nature of the investment or contract.

There is a clearly identifiable organisational structure and a framework of delegated authority approved by the Board within which individual responsibilities of senior executives of Group companies are identified and can be monitored. These activities are reinforced through process compliance and other audits conducted by GIA.

The GIA function reviews the effectiveness and efficiency of the systems of internal control in place to safeguard the assets, to quantify, price, transfer, avoid or mitigate risks and to monitor the activities of the Group in accomplishing established objectives. Internal Audit reports are provided to the Executive Directors, indicating improvements proposed or made where appropriate, and summaries of these reports are provided to the Board and the Audit Committee. The Group Chief Executive, Executive Committee members and senior management consider the reviews on a regular basis and are responsible for ensuring that improvements are made, where required. The Head of the GIA function has direct access to the Chairman of the Audit Committee, the Chairman and the Group Chief Executive. A database of audit recommendations and improvement initiatives is maintained. Follow up processes ensure that such improvements are implemented in a timely manner.

The annual employee performance appraisal process is objective-based, with individual objectives cascaded down from the appropriate business objectives. Development reviews identify training needs to support achievement of objectives.

Whistleblowing

The Group's whistleblowing policy is supported by a clear process that includes an externally facilitated hotline through which employees of the Company may, in confidence, raise concerns about possible improprieties in financial reporting, other operational matters or inappropriate personal behaviours in the work place.

All whistleblowing cases are investigated by the Head of GIA, Group HR Director and/or the Group Company Secretary. Whistleblowing incidents and their outcome are reported to the Audit Committee. Whistleblowing is a standing item on each Audit Committee agenda which allows the Committee to regularly review the adequacy of the policy in line with its requirements to do so under the Combined Code.

Relations with shareholders

The Board actively seeks and encourages engagement with major institutional shareholders and other stakeholders and has put in place arrangements designed to facilitate contact about business, governance, remuneration and other issues. This provides the opportunity for meetings with the Chairman, the Senior Independent Director as well as the Group Chief Executive, Group Finance Director and other Executives in order to establish a mutual understanding of objectives. The Company also operates a structured programme of investor relations, based on formal announcements and publications covering the full year and half year results. There are associated briefings for stockbroking analysts and investors, the presentation material for which is published on the Company's Web site www.taylorwimpey.com.

All Directors receive formal reports and briefings during the year about the Company's investor relations programme and receive detailed feedback through surveys, direct contact and other means, through which they are able to develop an understanding of the views of major shareholders about the Company.

The Board encourages all shareholders to participate in the Annual General Meeting which is attended by all Directors. Information about the Company, including full year and half year results and other major announcements, is published on the Company's Web site www.taylorwimpey.com.

Debt refinancing and going concern

On 7 April 2009, the Group announced that it had successfully reached agreement with its banks and private placement holders regarding a revised covenant and financing package (the "Override Agreement") which aligns all of the Group's debt maturity dates to 3 July 2012. The financial terms of this agreement were also approved on 30 April 2009 by the holders of both the Group's 2012 Eurobonds and 2019 Eurobonds.

The financial covenants have been set based on the Group's financial forecasts which have been reviewed and approved by the Directors. The Directors consider that these forecasts, based on current market conditions, demonstrate an adequate level of headroom for at least the next 12 months and also make appropriate allowances for a number of potential adverse sensitivities, including, inter alia, a further weakening of Sterling relative to the US dollar; a potential increase in interest rates; and a potential further decline in UK house selling prices.

The Directors are of the view that, whilst the economic and market conditions continue to be challenging and not without risk, the refinancing package is sufficiently robust as to adequacy of both facility and covenant headroom to enable the Group to operate within its terms for at least the next 12 months. Accordingly the financial statements are prepared on a going concern basis.

Further details of the refinancing are set out in the Group Financial Review on pages 28 to 33 and in Note 37 on page 93 of this Annual Report.