

George Wimpey Limited Interim Report 2007

Group Income Statement

For the 26 weeks to 1 July 2007 (unaudited)

	Note	2007 26 weeks to 1 July £m	2006 26 weeks to 2 July £m	2006 Year to 31 December £m
Continuing operations:				
Revenue	2	1,270.0	1,396.6	3,147.4
Cost of sales before exceptional items		(1,056.2)	(1,148.8)	(2,581.2)
Exceptional items		-	-	(53.6)
Gross profit		213.8	247.8	512.6
Net operating expenses before exceptional items	3	(54.4)	(68.9)	(151.0)
Exceptional items	3	(16.6)	-	(7.1)
Share of post tax profits / (losses) from joint ventures		3.6	(0.5)	7.6
Profit on ordinary activities before interest		146.4	178.4	362.1
Finance costs:				
Interest payable and similar charges	4	(24.7)	(27.8)	(57.7)
Interest receivable	4	0.9	1.7	5.8
Profit on ordinary activities before taxation	2	122.6	152.3	310.2
Taxation:				
UK	5	(40.5)	(24.6)	(78.5)
Overseas	5	0.8	(23.4)	(13.7)
Profit attributable to equity shareholders	2	82.9	104.3	218.0
Earnings per ordinary share - basic				
	6	20.6p	26.3p	54.8p
Earnings per ordinary share - diluted				
	6	20.5p	26.1p	54.6p
Proposed/paid dividends per ordinary share				
	7	-	6.3p	19.4p
Cost of dividend (£m)				
	7	-	25.0	77.5

* The exceptional items in 2006 relate to the write-off of land option deposits and the write-down of land in the US. The exceptional item in 2007 is merger related transaction costs.

Group Statement of Recognised Income and Expense

For the 26 weeks to 1 July 2007 (unaudited)

	2007 26 weeks to 1 July £m	2006 26 weeks to 2 July £m	2006 Year to 31 December £m
Profit attributable to equity shareholders	82.9	104.3	218.0
Actuarial gain on defined benefit pension scheme	39.4	15.1	4.0
Deferred tax on defined benefit pension scheme	(14.2)	(4.8)	(1.2)
Currency translation differences on foreign currency net investments	(0.2)	(4.7)	(5.0)
Total recognised income	107.9	109.9	215.8

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Group Balance Sheet

At 1 July 2007 (unaudited)

	Note	2007 1 July £m	2006 2 July £m	2006 31 December £m
Assets				
Non-current assets				
Goodwill		5.4	5.5	5.4
Other intangible assets		20.0	19.1	18.6
Property, plant and equipment		16.1	15.2	16.4
Joint ventures		28.7	23.5	31.4
Deferred tax assets		74.3	69.6	92.9
Trade and other receivables		35.8	34.8	26.4
		180.3	167.7	191.1
Current assets				
Inventories	8	3,208.6	3,115.7	3,140.0
Trade and other receivables		85.0	129.3	94.5
Current tax assets		0.4	0.1	0.5
Derivative financial instruments		8.7	3.6	4.2
Cash and cash equivalents		43.9	50.2	176.2
		3,346.6	3,298.9	3,415.4
Total assets		3,526.9	3,466.6	3,606.5
Liabilities				
Current liabilities				
Financial liabilities		(3.9)	(18.5)	(20.3)
Derivative financial instruments		(1.8)	(3.6)	(1.8)
Trade and other payables		(430.0)	(446.6)	(412.0)
Land creditors		(292.4)	(181.2)	(403.1)
Provisions		(6.6)	(8.4)	(9.4)
Current tax liabilities		(102.4)	(89.3)	(106.7)
		(837.1)	(747.6)	(953.3)
Non-current liabilities				
Financial liabilities		(565.9)	(730.1)	(543.0)
Land creditors		(178.3)	(187.8)	(204.2)
Other creditors		(16.4)	(10.4)	(14.2)
Deferred tax liabilities		(4.0)	(2.2)	(4.5)
Deficit on defined benefit pension scheme		(123.3)	(164.8)	(166.8)
Provisions		(13.1)	(12.2)	(13.4)
		(901.0)	(1,107.5)	(946.1)
Total liabilities		(1,738.1)	(1,855.1)	(1,899.4)
Net assets	2	1,788.8	1,611.5	1,707.1
Shareholders' equity				
Ordinary shares		101.3	99.4	100.2
Share premium		117.1	116.5	117.6
Translation reserve		(3.1)	(2.6)	(2.9)
Retained earnings		1,573.5	1,398.2	1,492.2
Total equity	9	1,788.8	1,611.5	1,707.1

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Group Cash Flow Statement

For the 26 weeks to 1 July 2007 (unaudited)

	2007 26 weeks to 1 July £m	2006 26 weeks to 2 July £m	2006 Year to 31 December £m
Cash flows from operating activities			
Profit on ordinary activities before interest	146.4	178.4	362.1
Exclude share of joint venture results	(3.6)	0.5	(7.6)
Exceptional items	12.6	-	60.7
Other non-cash items	1.9	1.8	2.3
Depreciation	4.5	4.2	12.5
Change in provisions	(13.3)	1.4	1.7
Land held for development realised from land and house sales	362.7	389.1	896.6
Working capital before land expenditure	(71.3)	(108.8)	(112.8)
Interest received	1.1	4.4	5.6
Interest paid	(22.4)	(24.1)	(50.3)
Tax paid	(40.9)	(62.9)	(106.7)
Cash inflows from operating activities before land expenditure	377.7	384.0	1,064.1
Land expenditure (net of land creditors)	(501.7)	(524.0)	(910.4)
Net cash flows from operating activities	(124.0)	(140.0)	153.7
Cash flows from investing activities			
Purchase of intangibles and property, plant and equipment	(5.3)	(8.1)	(16.5)
Proceeds from sale of property, plant and equipment	1.2	2.5	2.4
Repayment of loans from / (loans to) joint ventures	6.3	(5.3)	(5.3)
Net cash used in investing activities	2.2	(10.9)	(19.4)
Cash flows from financing activities			
Increase in borrowings	33.2	197.9	53.9
Repayment of borrowings	-	-	(5.2)
Net proceeds from issue of ordinary share capital	0.6	0.9	2.8
Dividends paid to ordinary shareholders	(28.7)	(45.5)	(58.2)
Net cash generated from / (used in) financing activities	5.1	153.3	(6.7)
Effect of exchange rate changes	(0.5)	(3.7)	(4.7)
Net (decrease) / increase in cash and cash equivalents	(117.2)	(1.3)	122.9
Cash and cash equivalents at start of period	161.1	38.2	38.2
Cash and cash equivalents at end of period	43.9	36.9	161.1

Net Debt

At 1 July 2007 (unaudited)

	2007 1 July £m	2006 2 July £m	2006 31 December £m
Cash and cash equivalents	43.9	50.2	176.2
Overdrafts	-	(13.3)	(15.1)
	43.9	36.9	161.1
Other current financial liability	(3.9)	(5.2)	(5.2)
Non-current financial liabilities	(565.9)	(730.1)	(543.0)
Net debt	(525.9)	(698.4)	(387.1)

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Notes to the Interim Accounts (unaudited)

1 Basis of preparation of the interim accounts

These interim financial statements are prepared on a basis which is consistent with the accounting policies adopted for the year ended 31 December 2006.

These interim accounts are unaudited but have been reviewed by the auditors whose review report is set out below.

A copy of the interim report of the Group is placed on the website of its parent company Taylor Wimpey plc. The Directors of Taylor Wimpey plc are responsible for the maintenance and integrity of that Company's website. Information published on the internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

2 Analysis by business segment

	26 weeks to 1 July 2007 £m			Total
	UK Housing	US Housing	Corporate	
Revenue	1,041.8	228.2	-	1,270.0
Operating profit	158.5	8.1	(7.2)	159.4
Exceptional item	-	-	(16.6)	(16.6)
Share of joint venture results	3.6	-	-	3.6
Finance costs (net)	-	-	(23.8)	(23.8)
Profit on ordinary activities before taxation	162.1	8.1	(47.6)	122.6
Tax on profit on ordinary activities				(39.7)
Profit for the period				82.9
Gross assets	2,886.1	481.2	12.3	3,379.6
Joint ventures	28.7	-	-	28.7
Gross liabilities	(973.8)	(48.3)	(39.8)	(1,061.9)
Operating assets	1,941.0	432.9	(27.5)	2,346.4
Corporate taxation (net)				(102.0)
Deferred taxation (net)				70.3
Net debt				(525.9)
Net assets				1,788.8

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2 Analysis by business segment (continued)

	26 weeks to 2 July 2006 £m			Total
	UK Housing	US Housing	Corporate	
Revenue	1,030.4	366.2	-	1,396.6
Operating profit	114.9	70.0	(6.0)	178.9
Share of joint venture results	(0.5)	-	-	(0.5)
Finance costs (net)	-	-	(26.1)	(26.1)
Profit on ordinary activities before taxation	114.4	70.0	(32.1)	152.3
Tax on profit on ordinary activities				(48.0)
Profit for the period				104.3
Gross assets	2,762.0	582.3	2.5	3,346.8
Gross liabilities	(938.8)	(67.5)	(8.8)	(1,015.1)
Operating assets	1,823.2	514.8	(6.3)	2,331.7
Corporate taxation (net)				(89.2)
Deferred taxation (net)				67.4
Net debt				(698.4)
Net assets				1,611.5

There are no sales between the business segments. All assets and liabilities are classified as operating assets other than corporate and deferred taxation and net debt. Net debt is managed at the Group level when deciding on the capital structure of the operating businesses.

3 Net operating expenses

	2007 26 weeks to 1 July £m	2006 26 weeks to 2 July £m	2006 Year to 31 December £m
Administration expenses	(86.6)	(79.5)	(169.4)
Net other income	32.2	10.6	18.4
Exceptional item	(16.6)	-	(7.1)
	(71.0)	(68.9)	(158.1)

Net other income comprises net income from land sales and other net income of a non trading nature.

4 Finance costs - net payable

	2007 26 weeks to 1 July £m	2006 26 weeks to 1 July £m	2006 Year to 31 December £m
Interest receivable	0.9	1.7	5.8
Interest payable and similar charges:			
Bank loans and overdrafts	(11.9)	(13.5)	(26.5)
Other loans	(8.7)	(10.5)	(21.4)
Interest charged on provisions and creditors	(10.9)	(7.1)	(17.8)
Interest charged on pension liabilities	(2.5)	(3.9)	(6.8)
Movement on interest rate derivatives	4.5	3.1	5.6
Less: interest capitalised to inventory	4.8	4.1	9.2
	(24.7)	(27.8)	(57.7)
Net finance costs	(23.8)	(26.1)	(51.9)

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5 Tax on profit on ordinary activities

Taxation is the sum of the current tax expense plus the change in the deferred tax liabilities and assets during the period, net of tax amounts recognised directly in equity. Taxation has been calculated using the appropriate tax rate and reflecting specific one off items during the 26 week period.

Following approval of the Finance Bill by the House of Commons on 26 June 2007 UK deferred tax balances have been adjusted to reflect a reduction in Corporation tax rates from 30% to 28% effective from 1 April 2008.

6 Earnings per share

Basic earnings per share is 20.6p per share (2006: 26.3p per share). The calculation of the basic earnings per ordinary share is based on the profit attributable to ordinary shareholders of £82.9 million (2006: £104.3 million) divided by the average number of shares in issue during the period of 402.2 million (2006: 397.1 million).

Diluted earnings per share is 20.5p per share (2006: 26.1p per share). The calculation is based on the profit attributable to ordinary shareholders divided by the average number of shares in issue plus the dilutive potential ordinary shares amounting to 1.5 million (2006: 2.5 million). The dilutive potential ordinary shares relate to shares provisionally allocated under employee share schemes where the market value exceeds the option price.

7 Interim dividend

Subsequent to the period end on 3 July the merger of George Wimpey Plc and Taylor Woodrow plc was completed. As a consequence the shareholders of George Wimpey Plc were issued with Taylor Wimpey shares on that date. The Directors of Taylor Wimpey plc are reviewing the ongoing capital requirements of the Taylor Wimpey Group and intend to return surplus capital, in excess of that required to deliver the business plan in a sustainable way, to shareholders.

8 Inventory

	2007 1 July £m	2006 2 July £m	2006 31 December £m
Land held for development	2,360.0	2,237.6	2,339.9
Construction work in progress	791.6	830.9	750.0
Part exchange properties	11.5	0.5	8.9
Other stock	45.5	46.7	41.2
	3,208.6	3,115.7	3,140.0

9 Reconciliation of movement in shareholders' equity

	2007 26 weeks to 1 July £m	2006 26 weeks to 2 July £m	2006 Year to 31 December £m
Total recognised income for the period	107.9	109.9	215.8
Shares allotted	0.6	0.9	2.8
Dividends paid	(28.7)	(45.5)	(58.2)
Credit in respect of employee share scheme	1.9	1.8	2.3
Net increase in shareholders' equity	81.7	67.1	162.7
Shareholders' equity at start of period	1,707.1	1,544.4	1,544.4
Shareholders' equity at end of period	1,788.8	1,611.5	1,707.1

These accounts do not constitute statutory accounts. Comparative figures for the year to 31 December 2006 have been extracted from the statutory accounts of George Wimpey Plc on which the auditors gave an unqualified report and which have been filed with the Registrar of Companies.

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Report of Independent Accountants to the Directors of Taylor Wimpey plc

Introduction

We have been instructed to review the interim financial information of George Wimpey Limited (the "Company") for the 26 weeks ended 1 July 2007 which comprises a summarised interim balance sheet as at 1 July 2007 and the related summarised interim statements of income, recognised income and expense and cash flows for the 26 weeks then ended and related notes.

Directors' responsibilities

The financial information is the responsibility of and has been approved by the directors of the Company. Accounting policies and presentation applied to interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

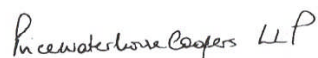
The financial information has been prepared in accordance with the basis set out in note 1.

Review work performed

We conducted our review based on guidance contained in Bulletin 1999/4 "Review of Interim Financial Information" issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquires of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the disclosed accounting policies have been applied. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for an only for the directors of Taylor Wimpey plc for the Purpose in accordance with the terms of our engagement letter dated 11 July 2007 and for no other purpose. This report may not be made available to any other party nor its contents referred to without our prior written consent. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is made available save where expressly agreed by our prior consent in writing.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the 26 weeks ended 1 July 2007.



PricewaterhouseCoopers LLP
Chartered Accountants, London
30 July 2007

Notes:

a) The maintenance and integrity of the Taylor Wimpey plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.