George Wimpey Plc
Annual General Meeting 2005

The Royal College of Physicians

Thursday 14 April 2005

Group overview

Peter Johnson
Group Chief Executive

2004 results

George Wimpey

£m	2004	2003	Change
Turnover	3,006	2,879	+ 4%
Profit before tax	451	378	+ 19%

EPS	80.8p	68.5p	+ 18%
NAV per share	368p	305p	+ 21%
DPS	16.0p	12.25p	+ 31%
Dividend cover	5.1x	5.6x	-

Financial headlines

George Wimpey

- Continued strengthening of margins across all businesses
  - George Wimpey up 1.4pp to **18.5%**
  - Laing Homes up 0.9pp to **13.3%**
  - Morrison Homes up 2.7pp to **14.6%**

- Group ROCE: **27.4%**
  - UK = **25.8%**
  - US = **33.8%**

- Gearing reduced to **36%**

- Full year dividend increased by 31% to **16.0p**

UK Business Review

Financial summary

George Wimpey

	George Wimpey		Laing Homes	
	2004	2003	2004	2003
Total completions	11,122	11,813	1,110	1,096
Private completions	10,345	11,228	929	975
Private ASP	£182,000	£168,000	£320,000	£315,000
Turnover £m	1,976	1,933	325	337
Operating profit £m	365.8	330.1	43.1	41.7
Operating margin	18.5%	17.1%	13.3%	12.4%

Five-year review

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	Turnover £m	Operating profit £m	Operating margin %	Total completions	PD ASP £
2000	1,254	142.5	11.4%	11,437	113,000
2001	1,406	173.6	12.4%	11,537	122,600
2002	2,062	290.2	14.0%	13,720	152,600
2003	2,270	371.8	16.4%	12,909	179,700
2004	2,301	408.9	17.8%	12,232	193,400

UK market

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- Autumn 2004 very quiet: no urgency to buy
  - much of industry incentive led
  - cancellations well above average
- December/January at more normal levels
- February/March steady but spring uplift limited to date
- Industry fundamentals remain strong
  - continued supply shortfall – no improvement in planning
- Focus on key strengths
  - outlets currently up ~10%
  - customer service and customer options
  - sales and site presentation

UK headlines

George Wimpey

- Margins continued improving by 1.4% to 17.8%

- 2005 market so far is challenging
  - outlets up ~10%
  - 85% sales below £250,000
  - £20 million build cost savings identified

- Landbank strengthened
  - up 5% to >51,000 plots
  - cost per plot at similar values to 2004

- But margins will be under pressure in 2005
  - need for incentives to sustain sales
  - continuing cost increases

US Business Review

Financial summary

George Wimpey

	2004	2003	Change
Legal completions	4,422	3,661	+ 21%
Ave selling price	$289,000	$270,000	+ 7%
Turnover	$1,290m	$998m	+ 29%
Operating profit	$188.0m	$118.6m	+ 59%
Operating margin	14.6%	11.9%	+ 2.7pp

Five-year review

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	Turnover $m	Operating profit $m	Operating margin %	Completions	ASP $
2000	615	53.0	8.6%	2,638	227,000
2001	693	66.4	9.6%	2,900	238,000
2002	806	80.7	10.0%	3,197	252,000
2003	998	118.6	11.9%	3,661	270,000
2004	1,290	188.0	14.6%	4,422	289,000
CAGR	-	+37%	-	-	+6%

US market

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- 2004 was another record year
  - 1.2m New Home sales
  - national price inflation 5-7%; ~15% in some markets
- Market continues to be supported by strong fundamentals
  - population and employment growth
  - increasing home ownership
  - good affordability
- Strong visitor and sales rates into 2005
- Forecasts for 2005 (from NAHB)
  - New Homes sales of c.1.15m

US headlines

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- Volumes and margins continued to grow in 2004
  - volumes +21% to 4,422
  - margins +2.7% to 14.6%
- Landbank strengthened
  - up 27% to >21,500 plots
  - well positioned for growth in 2005 and 2006
- Business further strengthened for continued growth
  - Atlanta to be exited during 2005
  - new products developed for affordable market
  - good progress in development of new businesses in Florida and Northern California

Group strategy and outlook

Business environment

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UK

- Market slower
  - lower sales rates
  - broadly stable prices

- Increased Govt regulation
  - planning no better
  - limited action on Barker
  - increased regulation
  - increased costs

- Land market
  - competitive

US

- Market remains strong
  - high sales rates
  - price momentum

- Pro-development culture
  - supports growth
  - limited taxes and regulation

- Land market
  - competitive
  - but good availability

Group strategy

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UK growth plan in place: implement as market conditions allow

- enhanced regional structure for George Wimpey
- growth of Laing as second brand: new regions planned
- use of both brands on larger sites
- limit exposure to inner city high rise, social housing

- US growth plan underway
  - build on success in Central Florida and N California
  - land in place to sustain organic growth across US

- Provide shareholders with enhanced returns through dividend growth

Outlook: summary
US exposure provides balance

- UK started 2005 at better end of our expectations
  - though spring so far not as strong as usual
  - it remains too early to predict the year
  - lower sales rate partially offset by additional outlets
  - full year more second half weighted than usual
  - margins will be under pressure if no price growth
  - therefore focus on £20m cost saving programme

- US has started 2005 very strongly
  - sales rate ahead of strong 2004
  - new outlets opening through the first half
  - prices and margins continue to move forward

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