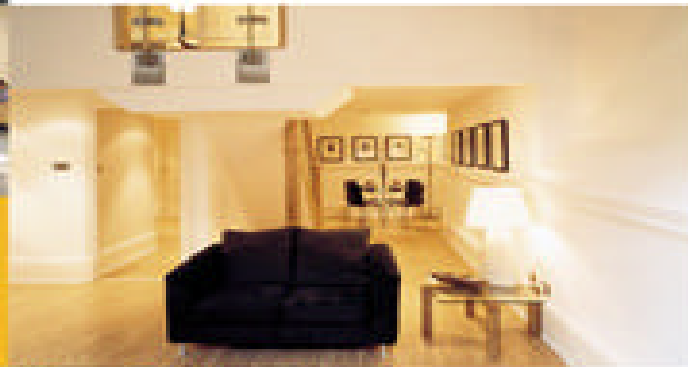
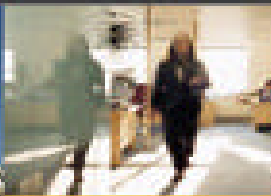


2001

building on strong foundations



George Wimpey PLC
2001 Preliminary Results

Building on strong foundations

Wednesday 27 February 2002

Welcome

John Robinson
Chairman

Agenda

George Wimpey
Preliminary Results 2001

- Introduction Peter Johnson
- 2001 Financial Review Andrew Carr-Locke
- UK Business Review Keith Cushen
- US Business Review Stu Cline
- Summary and Outlook Peter Johnson

Introduction

Peter Johnson

Group Chief Executive

What we said last year: Wimpey / McLean restructuring

- In February 2001 we said:
 - £15m overhead cost savings increased to £20m
 - We would gain further benefits from our scale
 - We would increase sales of options and extras
 - And increase exposure to higher margin markets
- In July 2001 we said:
 - Bulk of £20m overhead savings to be made in 2001
 - £15m build cost savings to be delivered by 2003

What we said last year: McAlpine acquisition

George Wimpey
Preliminary Results 2001

- In August 2001 we said:
 - We would save £18m of overhead costs
 - We would identify build cost savings
 - Year end gearing would be about 50%
 - Underlying interest cover would exceed 7x

2001 Results

Andrew Carr-Locke
Group Finance Director

2001 Results

George Wimpey
Preliminary Results 2001

	2001	2000	% Change
Revenue £m	1,896	1,702	+11
Operating profit £m	213	170	+25
Interest £m	32	24	-
Pre-exceptional PBT £m	181	146	+24
Exceptionals £m	29	0	-
Profit before tax £m	152	146	+4
Tax %	22	24	-
Pre-exceptional EPS p	36.8	30.0	+23
Earnings per share p	31.9	30.0	+6
Dividend per share p	8.25	7.5	+10

Segmental analysis

George Wimpey
Preliminary Results 2001

	Revenue		Operating profit		Operating margin	
	£m	%Change	£m	%Change	2001	2000
UK	1,294	+3	159	+12	12.3%	11.4%
McAlpine	112	-	15	-	13.1%	-
US	481	+19	46	+31	9.6%	8.6%
Corp	9	-	(7)	-		
Group	1,896	+11	213	+25	11.2%	10.0%

2001 Completions

George Wimpey
Preliminary Results 2001

	Completions		Ave selling price	
	No	%Change	£ / \$	%Change
UK PD	10,929	+1	£122,600	+9
UK Social	608	-1	£61,300	-
UK Total	11,537	+1	£119,300	+9
US Total	2,900	+10	\$237,600	+5
Group Total	14,437	+2		

2001 Completions

George Wimpey
Preliminary Results 2001

PD Completions	2000		2001	
	1st Half	2nd Half	1st Half	2nd Half
UK	4,758	6,065	4,161	6,018
McAlpine	-	-	-	750
US	947	1,691	1,142	1,758

Cash flow highlights

George Wimpey
Preliminary Results 2001

	2001	2000
Operating profit £m	184	170
Net investment in land £m	(353)	(132)
Working capital £m	(160)	(14)
McAlpine acquisition £m	255	-
Discontinued operations £m	4	12
Tax / other £m	(38)	(22)
Funding costs £m	(52)	(49)
Net cash outflow £m	(160)	(35)

Balance sheet

George Wimpey
Preliminary Results 2001

	2001	2000
Shareholder funds £m	764	673
Net debt £m	383	220
Capital employed £m	1,147	893
Gearing %	50	33
Interest cover (times)	8	7
ROACE	20.9%	20.5%

McAlpine acquisition accounting

George Wimpey
Preliminary Results 2001

	£m
Total consideration	463
Transaction costs	8
Total	471
Less discount on deferred consideration	(13)
	458
Net assests aquired	413
Fair value adjustment	45
	458

UK Pensions: Actuarial valuation

George Wimpey
Preliminary Results 2001

		£m
1999	Market value of assets	578
	Present value of liabilities	(531)
	Surplus	47
2002	Valuation as at 5 April, available for Interims in September	

UK Pensions: FRS 17 disclosure

George Wimpey
Preliminary Results 2001

		£m
Balance sheet at 31-12-01	Market value of assets	528
	Value of liabilities	(598)
	Deficit	(70)
	Pension pre-payment write off	(8)
	Deferred tax asset	21
	Net worth impact	(57)
P&L impact	2001 SSAP24 P&L charge	(4)
	2002 SSAP24 estimated P&L charge	(13)
	2003 FRS17 estimated P&L charge	
	- Op	(11)
- Interest	(2)	

UK Pensions: Management action

- Given rising costs defined benefit scheme now closed to new members
- Defined contribution scheme, effective 1 January 2002 for new employees
- Consultation period to commence with existing members
- Investment strategy review concurrent with April actuarial valuation

2001 Financial summary

George Wimpey
Preliminary Results 2001

- Pre-exceptional PBT £181m (+24%)
- Cost savings delivered
- UK / US margins improved
- ROACE 21%
- Gearing 50%
- Interest cover 8 times
- Acquisition risk management successful

UK Business Review

Keith Cushen

Managing Director

Financial summary

George Wimpey
Preliminary Results 2001

	George Wimpey	McAlpine Homes	2001	2000
Legal completions	10,787	750	11,537	11,437
Revenue £m	1,294	112	1,406	1,254
Ave selling price	£121,000	£145,000	£123,000	£113,000
Operating profit	158.9	14.7	173.6	142.5
Operating margins	12.3%	13.1%	12.4%	11.4%

Organisational efficiency: Reduction in overheads

George Wimpey
Preliminary Results 2001

	Turnover per employee	
Pre restructuring	£984,000	
Post restructuring	£1,316,000	
Post McAlpine acquisition	£1,698,000	
	2001	2000
Staff per business unit	42	47
Completions per business unit	485	373

Overhead cost savings

George Wimpey
Preliminary Results 2001

- £20m promised by 2002
 - ✓ **Delivered in 2001**
- 435 reduction in head count, post restructuring
- Closure of 8 business units
 - ✓ **Delivered in 2001**
- On McAlpine acquisition - promised:
 - 450 reduction in head count
 - Closure of 7 business units
 - ✓ **Delivered with 466 head count reduction**

Build cost savings

George Wimpey
Preliminary Results 2001

- Effective benchmarking across all regions introduced
- £10m by 2002
- £15m by 2003

- Well advanced in exercise to identify potential build-cost savings of McAlpine
- £5m McAlpine savings already identified
- Costs now well under control

Options

George Wimpey
Preliminary Results 2001

	2001	2000	% Change
Revenue per completion	£3,568	£3,232	+10.4%

- Introduction of new marketing suites to Wimpey Homes and McAlpine Homes
- Review of off-site retail centres

Land

George Wimpey
Preliminary Results 2001

Landbank at year end	40,567 Plots	>3 Years
Positioning of land	2001	2000
North	42%	49%
Midlands	22%	19%
South	36%	32%

- 2002 / 2003 Land requirements substantially in place
- Land purchased at better margins
- Strategic land under control:
 - **10% of completions targeted for 2003**

Product mix

George Wimpey
Preliminary Results 2001

Ave selling price	2001	2000
North	£99,000	£90,000
Midlands	£118,000	£113,000
South	£156,000	£138,000

Coverage per acre	15,042 sqft	13,423 sqft
--------------------------	--------------------	--------------------

- Regional house types in place
- Central London / City businesses
- Bespoke

Summary - where we stand

George Wimpey
Preliminary Results 2001

- Restructuring complete - now a single company
- Brand
 - Will be 'George Wimpey' everywhere
 - To be introduced 2nd half of 2002
- Good landbank position
- Delivering on cost savings
- Commitment to H&S
- Commitment to customers
- Progress so far this year

US Business Review

Stu Cline

President - Morrison Homes

US market

George Wimpey
Preliminary Results 2001

	Feb 2002	Sept 2001	July 2001	Jan 2001
Prime rate	4.75%	6.0%	6.75%	9.0%
30-year fixed rate mortgages	6.81%	6.7%	7.17%	7.15%
Unemployment rate	5.6%	4.9%	4.5%	4.2%
Consumer confidence	97.3	82.2*	116.5	115.7

	2002 (E)	2001	2000
Single family starts	1,214,000	1,256,000	1,233,000
New home sales (SF)	872,000	893,000	881,000

US market

George Wimpey
Preliminary Results 2001

Regional employment growth Nov 2000-2001

Midwest	-240,000
Northeast	-114,000
West	-57,000
South	+173,000

Morrison market conditions

George Wimpey
Preliminary Results 2001

- Why has housing remained stable?
 - Affordability (interest rates)
 - Continued strong demand (demographics)
 - Second home market

Morrison market conditions

George Wimpey
Preliminary Results 2001

- Morrison markets compared to US:
 - 5 of 6 states in top 5 SF in starts
 - 40.4% of US starts (510,000)
 - 1.7% projected 2002 starts growth vs US (-1.0%)
 - 5 of top 10 employment growth markets (Nov '00 - Nov '01)
- Why do Morrison markets out perform US?
 - In-migration
 - Employment growth
 - Lifestyle
 - Affordability

Responding to changes in housing demand

George Wimpey
Preliminary Results 2001

Housing demand has strengthened in the entry level (\$180k) and weakened in the \$300k+

- Reposition price points in Austin, Dallas, Sacramento and Orlando
- Creative financing packages for first-time homebuyers
- De-specification of current product line
- Focus land acquisition on smaller, more affordable lots
- Our strong “Brand” works going down market

2001 Highlights

George Wimpey
Preliminary Results 2001

- **Continual focus on customer satisfaction**
 - 20% of sales based on referrals
 - 85% positive recommendation

- **Improved operating margin**
 - Increased options to 9.7% of revenues
 - Regional purchasing teams – cost reduction
 - Commit to quality
 - 100% complete
 - On schedule
 - Superior service
 - Raising visibility of purchasing / estimating function

2001 Highlights

George Wimpey
Preliminary Results 2001

- **Progress so far this year**
 - Solid land bank – 12,237 lots
 - Sales slightly ahead of 2001
 - 111 communities open for sales
 - Headline margins consistent with 2001
 - Site visitation rate above 2001 levels
 - “Stay the Course”

Summary and Outlook

Peter Johnson

Group Chief Executive

What we said last year: Wimpey / McLean restructuring

- In February 2001 we said:
 - £15m overhead cost savings increased to £20m ✓
 - We would gain further benefits from our scale ✓
 - We would increase sales of options and extras ✓
 - And increase exposure to higher margin markets ✓
- In July 2001 we said:
 - Bulk of £20m overhead savings to be made in 2001 ✓
 - £15m build cost savings to be delivered by 2003 ✓

What we said last year: McAlpine acquisition

George Wimpey
Preliminary Results 2001

- In August 2001 we said:
 - We would save £18m of overhead costs ✓
 - We would identify build cost savings ✓
 - Year end gearing would be about 50% ✓
 - Underlying interest cover would exceed 7x ✓

Where we stand today: UK

George Wimpey
Preliminary Results 2001

- Land
 - Land required for 2002 and most of 2003 in place through McAlpine Homes acquisition
 - McAlpine has given better regional mix
 - Land has been acquired at better margins since early 2001
 - Strategic land now coming through into short-term landbank
 - But still “old” land purchased at poor margins to work through in 2002

Where we stand today: UK

George Wimpey
Preliminary Results 2001

- Development capability
 - Substitution of inefficient Wimpey Homes and McAlpine Homes products giving improved plotting
 - Benchmarking is leading to improved site densities
 - McAlpine acquisition has given access to new, larger, house types
 - Inner City businesses focus experience and skills across the country

Where we stand today: UK

George Wimpey
Preliminary Results 2001

- Costs
 - Efficiently structured organisation gives us a low overhead cost base
 - Group purchasing power being used to reduce procurement costs
 - Former high cost Wimpey Homes and McAlpine Homes products being replaced or decosted
 - McLean build techniques being applied across former Wimpey Homes and McAlpine sites

Where we stand today: UK

George Wimpey
Preliminary Results 2001

- Selling prices
 - Sales of options growing fast
 - Already introduced into McAlpine
 - Wimpey Homes product respecified, options increased
 - New product ranges being introduced
 - Improved sales and marketing
 - Increased focus on selling prices
 - Potential exists for better price achievement

Where we stand today: US

George Wimpey
Preliminary Results 2001

- Located in strong regional markets
- Strongly performing businesses in California and Florida
- New businesses in Denver and Jacksonville with potential for growth
- Strong land positions across the business
- Strong brand name with effective referrals
- Flexibility to respond to changing market

The next steps: UK

George Wimpey
Preliminary Results 2001

- Focus is on getting the basics right
- Build cost savings into land purchase terms
- Transfer more strategic land into the short term land bank
- Deliver build cost savings across all sites
- Increase sales of options
- Achieve better pricing
- Continue to exploit US experience in options, customer management and marketing

The next steps: US

George Wimpey
Preliminary Results 2001

- Seek further growth opportunities in California and Florida
- Grow new businesses in Denver and Jacksonville
- Continue to improve marketing of options
- Broaden presence in middle-market products
- Reduce build costs, using experience gained in the UK

The next steps: Group

George Wimpey
Preliminary Results 2001

- Continue to focus on delivering improved UK margins
- Concentrate on the basics: land, land development, build costs and selling prices
- Extract benefits from our scale and spread
- Identify and exploit opportunities for growth
 - within Morrison Homes
 - inner city developments
 - higher priced products

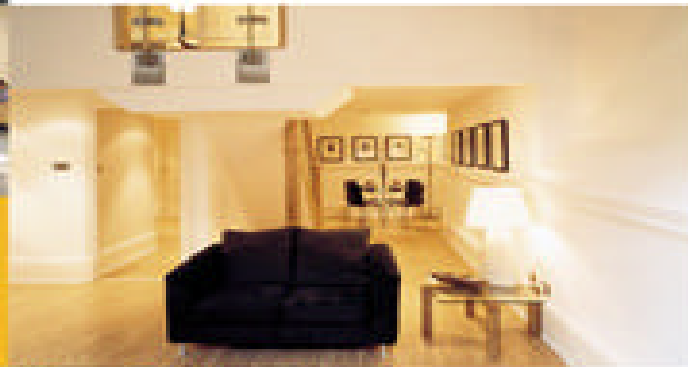
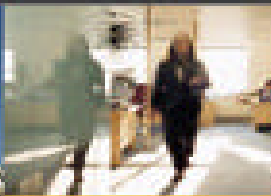
Outlook

George Wimpey
Preliminary Results 2001

- We have started the year in good shape
 - UK sales proceeding up 32% after 8 weeks
 - US sales proceeding up 8% after 8 weeks
- With a full quota of active outlets
- And healthy selling rates
- The UK market continues to remain strong
- The US market is generally stable
- Our margins are benefiting from cost reductions more than offsetting fair value accounting and increased pension costs

2001

building on strong foundations



Appendix

Group sales

George Wimpey
Preliminary Results 2001

	Sales		Ave. sites		Selling rates (pa)	
	2001	2000	2001	2000	2001	2000
UK PD	10,667	10,777	277	297	38.5	36.2
UK Social	481	697	-	-	-	-
UK Total	11,148	11,474	277	297	40.2	38.6
US	2,942	2,732	97	80	30.3	34.2
Group	14,090	14,206	374	377	37.7	37.7

UK housing PD activity analysis

George Wimpey
Preliminary Results 2001

	2001			2000		
	Year	2nd half	1st half	Year	2nd half	1st half
Ave. house size sqft	1,036	1,027	1,051	1,034	1,037	1,030
Ave. selling price £ / sqft	118.2	125.1	112.6	108.8	110.8	106.3

UK housing Turnover analysis

George Wimpey
Preliminary Results 2001

	2001			2000		
	Year	2nd half	1st half	Year	2nd Half	1st half
PD Volume	10,929	6,768	4,161	10,823	6,065	4,758
PD Ave price £000	122.6	125.1	118.3	112.5	115.1	109.5
PD Turnover £m	1,339	847	492	1219	698	521
Social Volume	608	381	237	614	375	239
Social Ave. price £000	61	60	60	50	56	42
Social Turnover £m	37	23	14	31	21	10
Other Turnover £m	30	24	6	4	3	1
Total	1,406	894	512	1,254	722	532

NB: Other turnover for 2nd half and full year 2001 includes contracting partnership of £18m. ⁵³

UK housing Margin analysis

George Wimpey
Preliminary Results 2001

	2001			2000		
	Year	2nd half	1st half	Year	2nd Half	1st half
Gross margin %	20.5	20.1	21.2	21.2	21.2	21.3
Gross profit £m	288.4	179.7	108.7	266.2	153.1	113.1
Selling expenses	(44.8)	(22.1)	(22.7)	(45.1)	(22.9)	(22.2)
Overhead costs	(70.0)	(38.0)	(32.0)	(78.6)	(41.1)	(37.5)
OPERATING PROFIT	173.6	119.6	54.0	142.5	89.1	53.4
Operating margin %	12.4	13.4	10.5	11.4	12.3	10.0

UK housing Product mix

George Wimpey
Preliminary Results 2001

Bedrooms	2001			2000		
	Year	2nd half	1st half	Year	2nd Half	1st half
Flats	11	12	9	8	10	6
1 + 2	12	12	13	13	12	14
3 semi / terraced	19	19	18	20	20	20
3 detached	8	8	8	8	7	9
4 + 5	50	49	52	51	51	51
	100	100	100	100	100	100

UK housing

Geographic mix

George Wimpey
Preliminary Results 2001

	2001			2000		
	No	Size sqft	Ave price £000	No	Size sqft	Ave price £000
Scotland	1,405	1,032	92	1,438	1,003	88
North	3,455	1,077	103	3,296	1,064	91
Midlands	2,452	1,000	118	2,285	1,049	113
South east / South	2,476	1,060	169	2,667	1,030	150
South west / Wales	1,141	990	128	1,137	967	110
	10,929	1,041	123	10,823	1,034	113

UK housing

Short-term land

George Wimpey
Preliminary Results 2001

Plots owned	2001			2000		
	Year	2nd half	1st half	Year	2nd Half	1st half
Start of period	24,000	23,860	24,000	22,650	24,700	22,650
Net additions	19,277	15,256	4,021	12,170	5,300	6,810
Legal completions	(10,929)	(6,768)	(4,161)	(10,820)	(6,060)	(4,760)
End of period	32,348	32,348	23,860	24,000	24,000	24,700
CONTROLLED	8,219	8,219	8,060	9,450	9,450	8,600
TOTAL LAND BANK	40,567	40,567	31,920	33,450	33,450	33,300

UK housing Land

George Wimpey
Preliminary Results 2001

Short term	2001			2000		
	Plots	Cost per plot £000	Value £m	Plots	Cost per plot £000	Value £m
Opening land banks	24,000	28.7	688	22,650	24.0	545
Net additions	19,277	35.2	678	12,170	34.3	417
Legal completions	(10,929)	(27.8)	(304)	(10,820)	(25.2)	(273)
End of period	32,348	32.8	1062	24,000	28.7	688

Long term	Acres	Value £m
End of period	15,903	79

Acres	Value £m
10,700	40

Cumbria figures are excluded

UK housing Land

George Wimpey
Preliminary Results 2001

	Owned plots		Long term acres
	2001	2000	2000
Scotland	5,319	4,160	2,734
North	7,394	6,580	1,510
Midlands	6,831	4,750	3,162
South East / South	8,875	6,350	5,770
South West / Wales	3,929	2,160	2,727
	32,348	24,000	15,903

Owned plots exclude Cumbria

Morrison Homes

PD activity analysis

George Wimpey
Preliminary Results 2001

	2001			2000		
	Year	2nd half	1st half	Year	2nd half	1st half
Ave. house size sqft	2,372	2,356	2,396	2,347	2,319	2,397
Ave. selling price \$ / sqft	100.2	101.4	98.4	96.7	98.7	93.5

Morrison Homes

Turnover analysis

George Wimpey
Preliminary Results 2001

	2001			2000		
	Year	2nd half	1st half	Year	2nd Half	1st half
PD Volume	2,900	1,758	1,142	2,638	1,691	947
PD Ave price \$000	238	239	236	227	229	224
PD Turnover \$m	689	420	269	599	387	212
Other Turnover \$m	4	1	3	16	7	9
Total	693	421	272	615	394	221

Morrison Homes

Margin analysis

George Wimpey
Preliminary Results 2001

	2001			2000		
	Year	2nd half	1st half	Year	2nd Half	1st half
PD margin %	21.6	21.9	21.2	20.0	20.7	18.8
Profit \$m	149.1	91.9	57.2	120.1	80.3	39.8
Other profit \$m	0.3	0.1	0.2	0.8	0.8	0.0
Total gross profit \$m	149.4	92.0	57.4	120.9	81.1	39.8
Selling expenses \$m	(41.9)	(25.0)	(16.9)	(35.9)	(23.2)	(12.7)
Overhead costs \$m	(41.1)	(22.7)	(18.4)	(32.0)	(17.1)	(14.9)
Operating profit \$m	66.4	44.3	22.1	53.0	40.8	12.2
Operating margin %	9.6	10.5	8.1	8.6	10.4	5.5

Morrison Homes Legals

George Wimpey
Preliminary Results 2001

	2001			2000		
	Year	2nd half	1st half	Year	2nd Half	1st half
Western USA	853	535	318	825	499	326
Florida	1,048	666	382	793	530	263
Texas	535	298	237	627	436	191
Georgia	464	259	205	393	226	167
TOTAL	2,900	1,758	1,142	2,638	1,691	947

Morrison Homes

Short-term land

George Wimpey
Preliminary Results 2001

Owned / Options	2001			2000		
	Year	2nd half	1st half	Year	2nd Half	1st half
Start of period	8,330	9,860	8,330	7,025	9,430	7,025
Net additions	4,730	2,058	2,672	3,943	590	3,355
Legal completions	(2,900)	(1,758)	(1,142)	(2,638)	(1,690)	(950)
End of period	10,160	10,160	9,860	8,330	8,330	9,430
CONTROLLED	2,075	2,075	1,640	1,640	1,640	1,650
TOTAL LANDBANK	12,235	12,235	11,500	9,970	9,970	11,080
LAND SPEND \$m	132	65	67	119	46	73