

11 October 2006

**George Wimpey Plc
Trading Update**

George Wimpey Plc will be hosting a visit of investors and analysts to its South Midlands region on Wednesday 11 and Thursday 12 October 2006. During the visit presentations will be given on the progress made in George Wimpey UK. Current trading in the UK and US will also be discussed.

UK Housing

Since our Interim Statement at the beginning of August, the UK housing market has remained stable. We have achieved sales rates above those achieved during 2005 and we expect total UK volumes for 2006 to be ahead of last year. Although the market remains price sensitive we have been able to reduce the use of incentives and achieve modest price increases across the business.

We have continued to focus on margin improvement and have made good progress in improving and strengthening the key areas of land acquisition, cost control and sales performance. We are confident that the UK business will benefit from these actions and make good progress for the year as a whole.

US Housing

As has been widely reported, the US housing market has continued to weaken over the summer. This has led to an oversupply in the housing market, which has not yet begun to ease. The markets most affected are those that have been strongest over the last three years. The Texas market, which has historically been the weakest of our US markets, has continued to perform well.

The highly competitive, price led market has impacted all US homebuilders, including Morrison Homes. Average net pricing on current sales is around 10% below the beginning of the year. Visitor levels and sales rates have been significantly below those in 2005. Total US completions for 2006 will be below those achieved last year. At the end of September our US order book is 28% below last year by volume and 35% by value.

The land market is in the process of adjusting to the changes in the housing market over the last six months. We have renegotiated, and in some cases cancelled existing land deals, writing off some option costs. As part of our usual process we will review our land holding costs at the year end.

Whilst we will remain cautious on land purchases in the short term, longer term, we are confident that the business is well positioned in markets that will benefit when conditions return to normal.

Outlook

At present continued strong performance in the UK is largely offsetting the tougher trading conditions in the US. Assuming no further deterioration in the US market we anticipate trading for the year will be in line with our expectations.

Enquiries

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- Copies of all presentations available from 10 am on 12 October 2006