

27 June 2007

**George Wimpey Plc
Pre-close Trading Statement**

George Wimpey Plc is issuing the following pre-close trading statement prior to its half year period end on 1 July 2007 and ahead of the expected completion of the Company's proposed merger with Taylor Woodrow plc on 3 July 2007.

Merger of George Wimpey Plc and Taylor Woodrow plc

The merger of George Wimpey Plc and Taylor Woodrow plc is an outstanding opportunity to create the UK's largest housebuilding company. The Board of George Wimpey is delighted that shareholders of both companies have given the proposal their overwhelming support.

Since the announcement of the merger on 26 March 2007, detailed integration work has been carried out across all divisions. As a result the new management teams and reporting structures for the combined business are agreed and will take effect immediately upon completion.

UK Housing

The UK housing market has remained stable during the first half of the year, with good buyer demand and customer confidence. Margin improvement continues to be a priority and margins in the first half will show good progress on those achieved in the first half of 2006. In current market conditions we remain confident of achieving operating margins for the George Wimpey UK business in excess of 14% for 2007 as a whole. This objective excludes the effect of the previously announced land option profit. We expect completions in the first half to be at very similar levels to 2006.

The short term landbank is expected to be around 60,000 plots at the end of the first half, showing steady improvement on the end of 2006 and a 10% increase on the end of the first half of 2006.

Compared with the same period in 2006, the total forward order book is around 5% ahead in volume terms with gross margins showing good progress. In all areas the business has made excellent progress and has created a sound base for the future.

US Housing

The US housing market has remained very challenging. Buyer confidence is low due to continuing concern about interest rates and the high level of housing stock.

Volumes for the first half have been impacted by reduced order books coming into 2007 and weaker than normal sales and are expected to be around 20% below the high levels achieved in the first half of 2006. Due to market conditions, average sales prices on first half completions are expected to be significantly down on 2006 which will impact directly on margins. The US business has continued to focus on its

cost reduction initiatives and remains confident of achieving its target of \$20 million in 2007.

We have continued to retain a cautious approach to land acquisition and expect the landbank at the end of the period to be slightly below that at the year end.

As a result of the market conditions, the total forward order book at week 25 is 41% below the same period in 2006, with significant reductions in margins and selling prices.

Outlook

In the UK, we currently anticipate less buoyant market conditions in the second half of the year due to the impact of recent interest rate changes and the effect of these on customer confidence. We are confident that progress on our £25 million cost reduction programmes and margin improvement plans in the UK will continue to improve underlying performance.

In the US short term market conditions remain difficult to predict. The focus of the business remains on managing costs and maintaining a steady sales rate.

The Board remains confident that the continuing improvement in our UK performance, as well as our ability to recover strongly from the difficult US trading conditions over the next two to three years, will deliver significant value to our shareholders. This value will be further enhanced by the strength of the combined Taylor Wimpey business in both key markets.

Enquiries

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