

CHAIRMAN'S AGM STATEMENT

20 APRIL 2004

Ladies and Gentlemen,

I am delighted to tell you that Taylor Woodrow's first full year as one integrated organisation, strategically focussed on house building whilst leveraging our in house specialist skills in property and construction, has been highly successful.

In 2003, turnover increased by 21% to nearly £2,700 million. Profit before tax amounted to £324 million, a rise of some 30% on the previous year. Return on average capital employed also continued to grow, up to 22.9% compared to 20.1% in 2002.

As a consequence, your Board is recommending an increase of 20% in the total dividend for 2003 to 8.9 pence, with a final dividend of 6.5 p to accompany the interim dividend of 2.4 pence paid last November. Although this will be a conventional cash dividend, as in previous years shareholders will again have the choice of reinvesting some or all of their payment under our Dividend Reinvestment plan.

So, 2003 was another successful and busy year for Taylor Woodrow. It was a year of change but also of delivery. These strong financial results were due to good positioning in our markets complemented by the benefits of the strategic realignment which we had announced last year.

As forecast, the company realised £21 million of cost savings through the simplification of our UK businesses. Nineteen disparate offices were replaced by an integrated

network of 11 regions today, supplementing our central and construction offices.

We also consolidated our place as one of the country's leading house builders. The acquisition of Wilson Connolly in October for £499 million made us the second largest producer of new homes based in the UK. Excellent performance was recorded across all our markets with operating profits in the UK and North America both up 38%, and Spain and Gibraltar 75%. Overall, house building now generates more than 95% of our profits and last year we invested £540 million in land purchases to supply our operations.

The integration of Wilson Connolly is proceeding well. Synergy benefits of £12.5 million are forecast for 2004, rising to £25 million in 2005. Experienced and skilled personnel have moved into positions working alongside existing Taylor Woodrow employees to support our

enlarged UK housing operations which have been merged under the Bryant Homes brand.

Graeme McCallum, previously Chief Executive of Wilson Connolly has joined us on the Board as an Operations Director. He brings with him significant house building experience having worked in the industry for over 25 years.

We are also pleased to have appointed two new non executive directors. Michael Davies has a strong background in the building supplies industry. He is a director of Baxi Group Limited and active in the Construction Products Association. Vernon Sankey joined us on January 1st this year. Widely experienced across a variety of industries, Vernon has particular expertise in change management and leadership development.

My predecessor, Dr Robert Hawley retired from the Board in May and in November Norman Broadhurst also stepped down after three and half years services as a non-executive. On behalf of the company, I would like to thank them both for their invaluable contribution. Andrew Dougal has succeeded Norman as chairman of the audit committee.

I have also to tell you that after 11 years service, Sir George Russell retired from the Board yesterday. He leaves with our heartfelt thanks for his commitment to Taylor Woodrow and very best wishes for the future.

Thanks are also due to all the employees of Taylor Woodrow. With the move to the West Midlands and establishment of the new regional network followed by the acquisition and integration of Wilson Connolly in October, it has been a challenging year for some. However as our

results showed our people rose to this challenge and delivered another excellent set of results.

Now I'd like to hand over to Iain who will take us through the trading statement that we released this morning to the Stock Exchange and discuss the market environments we are current experiencing.

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