

17 April 2008

Taylor Wimpey plc Interim Management Statement

Taylor Wimpey plc is holding its Annual General Meeting at 11:00 today, where the following comments will be made regarding current trading, financial performance and the outlook for the financial year. This statement covers the period from 1 January 2008 to the date of this announcement and constitutes Taylor Wimpey plc's first Interim Management Statement as required by the UK Listing Authority's Disclosure and Transparency Rules.

UK Housing

Market conditions in the UK have weakened since we reported our Preliminary Results, with first time buyers and investors facing particular difficulties as a result of the increasingly restricted availability of mortgages. Sales rates remain significantly below those of the equivalent period of 2007 on a pro forma basis, with higher levels of cancellations being experienced.

On a pro forma basis we have 7% more active outlets than at the equivalent point of 2007, however the current order book is 26% lower by value. We are seeing pressure on prices, driven primarily by transactions in the secondary market and by mortgage providers. We remain very cautious of the UK land market, where we have seen prices starting to fall.

We anticipate that the current subdued conditions will continue, with interest rates and mortgage availability being key determinants of customer confidence. Our focus remains on preserving value through maintaining a steady, but reduced, sales rate and controlling land and work in progress spend tightly. We are continuing to reduce costs, the benefits of which will come through during the second half of the year.

North America Housing

Trading conditions in the US remain weak, although we are seeing more stability in some markets. Sales rates are below those achieved in the equivalent period of 2007 on a pro forma basis and cancellation rates remain above long term trends.

As we indicated at our Preliminary Results presentation last month, ongoing market weakness may result in further land and work in progress write downs during 2008. However, the scale of these write downs is expected to be substantially lower than those reported in 2007.

We do not expect market conditions in the US to improve significantly during the remainder of 2008. In the short term, our strategy remains to focus on managing out existing sites and reducing the cost base.

Our business in Canada continues to benefit from a stable operating environment, generating solid sales and experiencing normal cancellation rates.

Spain, Gibraltar and Construction

Housing markets in mainland Spain remain poor, whilst the Gibraltar market remains robust.

The Construction business is trading in line with expectations.

Group

Based on current market conditions in the UK and the US, we anticipate that full year results will be at the lower end of our expectations.

We remain on course to deliver our previously stated synergy run rate targets of £70 million by the end of 2008 and £100 million in aggregate by the end of 2009 and continue to expect further progress.

Net debt stands at £1.9 billion and is in line with our forecast.

There have been no other significant changes in the financial position of the Group since the publication of the Annual Report for the year ended 31 December 2007.

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Notes to editors:

On 3 July 2007, Taylor Woodrow plc and George Wimpey Plc completed their merger to form Taylor Wimpey plc. Taylor Wimpey plc is the UK's largest homebuilder.

Taylor Wimpey plc builds homes in the UK, North America, Spain and Gibraltar. It aims to be the homebuilder of choice for customers, employees, shareholders and communities. Taylor Wimpey also operates in the Construction sector under the Taylor Woodrow brand.

For further information please visit the company's website - www.taylorwimpey.com