TaylorWimpey plc

6 March 2008

Taylor Wimpey plc
Preliminary Results for the year ended 31 December 2007

14% growth in pro forma* pre-exceptional profits from UK housing to £608.5m North America business well positioned for difficult market conditions

Operational Highlights

- Successful and rapid integration to create the new Taylor Wimpey Group
- Strong growth in pro forma* UK operating margins to 15.2% from 12.8%, ahead of target
- Actions in place to achieve full synergy targets with further progress expected
- North American unsold inventory reduced by 29% in second half of 2007

Pro Forma* Reporting Highlights

- Total Group completions 27,642 (2006: 31,128)
- Group revenue £5,887.5m (2006: £6,719.5m)
- Group pre-exceptional profit before tax £535.6m (2006: £776.5m)

* Pro forma numbers represent unaudited aggregated full year financial information for the underlying Taylor Woodrow plc and George Wimpey Plc businesses prior to the impact of accounting policy changes and fair value adjustments.

Statutory Reporting Summary

- After the impact of exceptional items, particularly land and work in progress write downs in the US, loss before tax was £19.5m (2006: profit before tax of £405.6m)
- Pre-exceptional EPS of 30.8p (2006: 50.5p) and post-exceptional loss per share of 24.2p (2006: earnings per share of 50.5p)
- Year end gearing 38.2% (2006: 18.6%) following £250m share buyback
- Full year dividend per share increased by 6.8% to 15.75p
- Equity shareholders' funds per share 352.3p (2006: 364.7p)

Commenting on the results, Norman Askew, Chairman, said:
"The 2007 merger of Taylor Woodrow plc and George Wimpey Plc has already realised significant benefits. It has changed the face of, and the opportunities for, the business. The benefits of the merger are as valid today as they were in July. This is especially true in the difficult market conditions that we currently face.

"The rapid progress we have made in delivering an integrated Taylor Wimpey and the confidence we have in the business is underlined by the proposed 6.8% increase in the total dividend for the year."

Pete Redfern, Group Chief Executive, said:
"We have delivered a strong margin improvement in the UK Housing business during 2007, substantially exceeding our target of 14%. We continue to anticipate a more difficult trading environment in the UK during 2008. However, we have actively positioned the business for more challenging conditions and are well placed for the future with a strengthened land bank, excellent momentum and a robust financial position.

"In North America, following the merger, we are better positioned to navigate the ongoing challenges. In the short term, our strategy remains to focus on realising cash from existing sites, reducing the cost base, and maintaining a steady sales pace. Whilst it remains too early to make significant land purchases, we are well placed to take advantage of any high quality land acquisition opportunities that arise as a result of the prolonged market weakness."

-ends-

A presentation to analysts will be made at 09.00 hrs on 6 March 2008. This presentation will be broadcast live on taylorwimpey.com.

For further information please contact:

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Group Strategy Summary

Taylor Wimpey's primary financial objective is to deliver market leading returns from both the UK and from our selected markets in North America.

Following the successful completion of the largest ever merger in the UK housebuilding industry, we are making excellent progress in the delivery of the anticipated business benefits:

- Operating margin growth in the UK
- Economies of scale in the UK
- A stronger business in North America
- Material annual synergies

Despite currently challenging market conditions, we believe that in the medium term we can produce excellent returns from our core markets.

Our focus is to continue to deliver synergies and cost savings, whilst positioning the business cautiously for tougher trading conditions. This will involve measures to improve both cost efficiency to maintain margins and working capital efficiency to reduce risk and improve returns.

Basis of Reporting

The results set out in the commentary below for both 2007 and 2006 are based on pro forma financial information and are before exceptional items unless otherwise stated.

Pro forma numbers represent aggregated full year financial information for the underlying Taylor Woodrow plc and George Wimpey Plc businesses prepared on the basis set out in the Additional Pro Forma Unaudited Financial Information at the end of this announcement. The financial statements included within this announcement and the associated notes are prepared on the statutory accounting basis, which includes the results of the legacy George Wimpey business from 3 July 2007.

UK Housing

Strategy and integration

We have already made excellent progress on improving our UK Housing margin. We have achieved margin growth of 2.4 percentage points to 15.2%, exceeding the 14 per cent operating margin target set for the combined UK business for 2007 at our Interim Results in July. The key drivers of this margin improvement are changes in land strategy, a focus on reducing costs and the impact of an improved sales strategy.

The business has a strong land base, with a good mix of both short term and long term land. Over the last six months, we have reviewed the combined land bank in detail, and sold a number of sites that did not meet our ongoing requirements. These sales include sites where the two businesses had duplicate holdings, or where the nature of the site did not meet our ongoing strategy.

We have also focused on our outlet opening programme, key to driving sales volumes without damaging pricing. We are extremely pleased that we have achieved our stretch target of 500 active outlets at the year end, including over 100 new outlets which were opened in the fourth quarter of 2007.

Synergy savings as a result of the merger will result in lower overhead costs per home sold, and we also have significant opportunities to reduce build costs over time. Our work comparing standard housetypes from the two historic product ranges suggests that savings of as much as £8,000 per home could be achievable. The first of these savings will start to come through in 2008.

Prior to the merger, George Wimpey had announced a target of £25 million of build cost savings to be achieved in 2007. This target, which is in addition to the synergy savings outlined above, has been exceeded during the year.

We have successfully implemented a revised sales strategy to complement our focus on margin improvement rather than driving volume. As a result, we have been able to manage sales incentives tightly during the more subdued market conditions of the second half of 2007.

We continue to make excellent progress on our internal integration targets. The UK management team and their direct reports were in place on the date of completion of the merger and the majority of head office staff are now based at our office in High Wycombe.

The four regional offices identified for closure at the time of the merger have now been closed, with the responsibility for all of their sites transferred to neighbouring regions. Following the merger, we are now operating through 34 regions across the UK, with a further 5 satellite regions providing additional geographic coverage.

Wherever possible we sought to redeploy staff following the merger. However, a total of 593 roles will be removed from the business due to duplication. 323 roles were removed by the end of 2007.

We have been able to accelerate our progress on achieving synergies in both build and overhead costs. Against an overall target exit rate of £70 million for the UK by the end of 2009, we have already identified specific savings in excess of this, and expect around £50 million of synergies to flow through in 2008.

Financial review

	2007	2006
Completions	20,690	21,910
Average Selling Price	£188k	£186k
Revenue	£3,998.8m	£4,150.4m
Profit before exceptional items, interest and tax	£608.5m	£533.0m
Operating margin	15.2%	12.8%
Average outlets	471	461
Order book as a percentage of revenue	26%	31%
Owned and controlled plots with planning or resolution to grant	86,155	84,959

UK housing revenue stood at £3,998.8 million (2006: £4,150.4 million), primarily driven by the decrease in completions.

Profit before exceptional items, interest and tax was £608.5 million, an increase of 14.2% against the previous year (2006: £533.0 million), reflecting the significant improvement in the operating margin.

The operating margin for 2007 was 15.2% (2006: 12.8%).

Sales, completions and pricing

Whilst sales and cancellation rates were steady year on year for the first half of 2007, second half sales levels were around 15% lower than the equivalent period of 2006. Cancellation rates in the second half of 2007 were running above 30%, compared to a long run average of around 20%. This reflected the more subdued market conditions being experienced across the UK, particularly in the fourth quarter of 2007. We completed 20,690 homes in 2007 (2006: 21,910).

The average selling price of our homes in 2007 was £188,000 (2006: £186,000). The average selling price of a private home was £203,000 (2006: £197,000), whilst the average selling price of an affordable home was £106,000 (2006: £98,000).

The estimated underlying cost inflation of labour and materials has been running at around 3% per annum during 2007. The initiatives underway as a result of the merger are expected to more than offset inflationary increases.

Our year end order book stood at £1,064 million (2006: £1,316 million).
As at the end of February 2008, our order book had increased to £1,335 million (February 2007: £1,668 million).

Product range and branding

Following the merger, we are operating with two core brands in the UK, Bryant Homes and George Wimpey. We have identified a number of ways to differentiate our brands to offer customers more choice on our sites, whilst retaining a shared set of ‘core values’. Some of these differentiating factors, such as the range of optional extras that can be purchased, are already being rolled out. Other factors, such as changes to the design of the housetype portfolio, will take time to come into effect.

In addition, we are continuing to develop the G2 brand, with a product and price range specifically targeted at first time buyers. We built our second G2 development during 2007 and 70 per cent of the homes were sold within one day.

We offer a wide range of products from apartments to five-bedroom houses, with prices ranging from under £100,000 to over £500,000. During 2007, the majority of our homes were priced within a range from £100,000 to £200,000.

Quality and customers

We remain committed to delivering high quality homes for all of our customers. Our key performance indicator for customer satisfaction during 2007 was the percentage of customers who would recommend us. Both Bryant Homes and George Wimpey scored 87%, although different methodologies had been used by the legacy businesses. Going forward, we will be using a new measurement system administered by the National House-Building Council.

We have once again been very successful in the NHBC Pride in the Job Awards, looking at build quality, with our UK site managers winning 65 Quality Awards, 20 Seals of Excellence and 4 Regional Awards.

Landbank

Combining Taylor Woodrow's strong strategic landbank and George Wimpey's short term land has delivered a well balanced portfolio that puts Taylor Wimpey in an excellent position for future home completions. At the year end all plots required for forecast 2008 completions had detailed planning consents in place and 90 per cent of forecast completions were on sites which were already actively selling.

We have undertaken a number of land sales in the second half of 2007, following our review of the combined landbank. For the year as a whole, land sales have generated £163 million of revenue (2006: £227 million) and contributed an operating profit of £38.7 million (2006: £42.8 million).

As part of the review of the landbank, we have also reviewed in detail our disclosure, and as a result, have provided more information on the structure of the landbank. This includes both the actual stage of planning and a greater breakdown of the way in which the land is held.

Plots	2007				2006
	Owned	Controlled	Pipeline	Total	Total
Detailed planning	42,459	2,435	267	45,161	47,925
Outline planning	26,148	5,123	881	32,152	27,130
Resolution to grant	4,109	5,881	3,756	13,746	15,996
Sub total	72,716	13,439	4,904	91,059	91,051
Allocated strategic	3,717	8,477	301	12,495	11,734
Non allocated strategic	25,514	64,347	536	90,397	92,171
Total	101,947	86,263	5,741	193,951	194,956

Our UK short term landbank, representing owned or controlled land with planning, or a resolution to grant planning stood at 86,155 plots at 31 December 2007 (2006: 84,959 plots). The average cost of plots acquired during the year was £47,100 (2006: £47,200).

As a result of the strength of our landbank, and given an uncertain UK market, we have been able to be increasingly selective in our land purchasing since the start of October 2007 and we expect to continue with this policy into 2008.

North America Housing

Strategy and integration

Our markets in North America benefit from significant inward migration and job growth and our long term strategy remains to grow the business. However, current conditions in the US require us to focus in the short to medium term on cost reductions and cash management, whilst preserving the value inherent in our long term land positions.

We are closely monitoring sales rates at each of our sites, actively adjusting our pricing and incentive packages to ensure that we remain competitive in local markets. Where we have high quality land holdings in areas of current market weakness we are opting to postpone production in order to preserve longer term value.

Both the legacy Taylor Woodrow and Morrison Homes businesses had already achieved significant build cost and overhead cost reductions prior to the merger in response to the slowdown in 2006. As this has continued through 2007 we have increased our savings in these areas through renegotiation with suppliers and rationalisation of our operations.

We are not currently approving further new land acquisitions in the US and we are exercising our right to exit option deals where the price is no longer attractive. We are also reducing the amount of cash invested in work in progress through a number of initiatives to lower the level of inventory homes in our operations.

These short term actions will both maintain the underlying value of the business and put us in the best position to reinvest in new sites as value becomes available.

The merger provides the North American business with:
• Strong geographical overlap, with critical mass in more of its markets;
• A broader product offering;• Synergy savings; and
• Combined homebuilder/land developer business model

We are now operating as a combined business, with 4 regions and a total of 13 divisions. All of the personnel decisions were taken by 31 July 2007, with all property moves completed by 30 September 2007. An implementation programme for a common integrated suite of business systems is underway and is expected to be complete by early 2009.

We remain on target to deliver merger related cost savings at an exit rate of £20 million by the end of 2009, in addition to the market related savings outlined above. The majority of these savings are expected to impact on 2008.

Financial Review

	2007	2006
Completions	6,740	8,839
Average Selling Price	£175,000	£202,000
Revenue	£1,215.0m	£1,926.4m
Profit before exceptional items, interest and tax	£62.4m	£336.8m
Operating margin	5.1%	17.5%
Average outlets	242	218
Order book as a percentage of revenue	43%	28%
Owned and controlled plots	40,603	50,090

North America housing revenue stood at £1,215.0 million (2006: £1,926.4 million), reflecting the ongoing weakness in market conditions in the US. Profit before exceptional items, interest and tax was £62.4 million (2006: £336.8 million). The operating margin for 2007 was 5.1% (2006: 17.5%).

Due to the ongoing weakness in market conditions experienced during the year we have conducted regular reviews of the carrying value of our land holdings. As a result of these reviews, we have taken land and work in progress write downs totalling £283.4 million on a statutory reported basis during 2007.

Sales, completions and pricing

The combined business operated with an average of 242 outlets during 2007 (2006: 218). Total home completions were 6,740 (2006: 8,839) and we completed 966 lots (2006: 2,640).

Sales rates for North America as a whole in the second half of 2007 were below those achieved in the first half. Cancellation rates were 28% for the second half.

The average selling price of our North American homes in 2007 was £175,000 (2006: £202,000), reflecting the weaker market conditions and also a shift in sales away from higher priced products in Florida and California.

Our year end order book was £529 million (2006: £549 million).

Product range

We offer a wide range of homes to our customers in North America, ranging from entry level to luxury homes. Our product range includes high rise apartments, single family homes, townhomes and full service country club properties. At present our only upcoming high rise projects are in the Canadian market.

Our US homebuilding operations are now trading under the Taylor Morrison brand, with land development branded Taylor Woodrow Communities, whilst our Canadian business continues to operate as Monarch.

Quality and customers

Quality is a key focus for all of our operations and we are particularly proud of our Canadian business, which was rated as the number one in Ottawa in the JD Power & Associates customer satisfaction survey for 2007. Similar to our UK business, our key performance indicator for customer satisfaction was the percentage of customers who would recommend us. Both legacy businesses recorded scores exceeding 80% during 2007, although different survey methodologies had been used. Going forward, we will be using a new measurement system administered by an independent third party organisation.

We are running a series of best practice conferences to learn from the customer care experience of our legacy businesses. This consultation process will inform the development of core practices and guidelines.

Landbank

We remain extremely cautious with regard to land purchases in the US, although we have continued to invest in land for our Canadian operations and renegotiate existing terms on option contracts in Florida, California, and Arizona.

At the year end, we had an owned and controlled landbank of 40,603 plots (2006: 50,090 plots).

Net operating assets in the US stood at £574.3 million at 31 December 2007 (2006: £925.5 million).

Spain & Gibraltar Housing

Strategy

We deliver high quality homes in popular locations in Spain that appeal to both foreign and Spanish buyers. In Gibraltar, we service the luxury apartment market, selling off plan well in advance of construction.

Performance

We completed a total of 212 homes in 2007 (2006: 379) at an average selling price of £279,000 (2006: £205,000).

Profit before exceptional items, interest and tax of £7.9 million, was below the £26.4 million achieved in 2006 as a result of weaker market conditions and a one-off land sale in the Malaga area undertaken during 2006.

We achieved an operating margin of 12.3 per cent (2006: 28.7 per cent).

The landbank has remained at similar levels to last year as we have become increasingly cautious in our approach to land purchases. Our year end order book stood at £83 million (2006: £100 million).

We have undertaken a review of the carrying value of our landbank in Spain, which has resulted in an inventory provision of £6.3 million (2006: £nil).

Construction

Strategy

We provide construction and facilities management services to high growth industry sectors throughout the UK and for key customers in selected overseas markets.

Performance

Revenue increased by 10.7 per cent in 2007 to £609.3 million (2006: £550.6million), delivering a profit before interest and tax of £2.0 million (2006: £8.1 million). This fall is primarily due to losses on a small number of road construction contracts in Ghana. We have no further similar contracts. The UK business delivered a strong performance, recording an operating profit of £16.3 million (2006: £5.3 million).

The year end order book was £1.19 billion (2006: £1.17 billion), reflecting a steady flow of contract awards in our chosen sectors. In particular, our facilities management operations have secured a number of new contracts from blue chip customers.

Pro Forma Financial Summary

Group revenue fell by 12.4 per cent to £5,887.5 million (2006: £6,719.5 million). Group completions fell by 11.2 per cent to 27,642 (2006: 31,128) reflecting the continued poor trading conditions in the US.

Group profit before tax and exceptional items amounted to £535.6 million for the year to 31 December 2007 (2006: £776.5 million).

Statutory Reported Financial Summary

Group profit before tax and exceptional items amounted to £360.2 million for the year to 31 December 2007 (2006: £405.6 million). The UK housing business performed well in 2007, delivering an operating margin of 13.7% after the impact of fair value adjustments and accounting policy alignment. However, continuing material weakness in the Group's US and Spanish markets has resulted in land and work in progress write downs of £289.7 million. Other exceptional items of £90.0 million relate to restructuring costs and the write off of the Morrison Homes and Laing brands.

As disclosed in the 2007 interim results we had provided £15.5 million during the first half of 2007 against a potential liability arising from a legal case in Florida. During the second half of the year the case was settled at £5.2 million and the remaining provision has been released.

The Group has returned a loss before tax of £19.5 million (2006 profit before tax: £405.6 million) after charging net finance costs of £112.1 million (2006: £64.2 million). The tax charge was £177.2 million (2006: £115.0 million), bringing the loss for the year to £196.7 million (2006 profit for the year: £290.6 million).

The pre-exceptional Group tax rate for 2007 was 29.7%. In addition, there has been a significant exceptional tax charge of £70.2 million, principally being the write-off of deferred tax assets due to the weakening of the US markets in the second half of the year.

In total, the Group has unrecognised potential deferred tax assets in the US of £189.4 million as at 31 December 2007 primarily due to the reduced opportunities in the US to utilise inventory provisions in the near future against taxable income.

Net assets total £3.7 billion (2006: £2.1 billion), with net tangible assets amounting to £2.9 billion (£1.7 billion). Shareholders' funds per share totalled 352.3 pence (2006: 364.7 pence). Tangible net worth per share stood at 274.3 pence.

Year end gearing stood at 38.2 per cent (2006: 18.6 per cent). Undrawn committed facilities stood at £1,193 million at the year end (2006: £630 million).

Share buyback and dividend

In July we set out the conclusions of our review of capital requirements and balance sheet targets, including the plan to return £750 million of capital to shareholders through a share buyback programme. £250 million of this programme was carried out in during 2007. The purpose of the review was to ensure that our requirements for growth are balanced by a suitable and efficient capital structure. We remain committed to maintaining year end adjusted gearing within a range of 40% to 60% and interest cover between five and seven times in normal market conditions.

However given the uncertainty in the UK housing market, the Board has decided to suspend the buy back programme temporarily until conditions improve. In order to maintain flexibility we will be seeking the usual authority at the forthcoming Annual General Meeting on 17 April 2008 to purchase up to 10% of our shares.

A 5% increase in the final dividend to 10.25 pence is being proposed, reflecting our continuing confidence in the future of the Group. If approved, this will bring full year dividends to 15.75 pence per share (2006: 14.75 pence).

Group Outlook

The Group is well placed following the merger to benefit from a strengthened landbank, operational efficiencies, ongoing cost savings programmes and a strong financial position. We have continued to identify additional areas for further savings and efficiencies.

In the UK, although sales and cancellation rates have improved in the early part of 2008, they remain weaker than seasonal norms. Our order book at the end of February 2008 is £1.3 billion with a greater than historical weighting towards affordable homes. We anticipate that the current subdued conditions will continue, with interest rates and mortgage availability being key determinants of customer confidence. Our focus is on preserving value through maintaining a steady, but reduced, sales rate and controlling land and work in progress spend tightly. We anticipate that these actions will result in significant cash generation, particularly in the second half of 2008.

In North America, we do not expect market conditions in the US to improve significantly during 2008. In the short term, our strategy remains to focus on managing out existing sites and reducing the cost base. We are well placed to take advantage of land acquisition opportunities as they arise in the future.

Shareholder Information

The Company's 2008 Annual General Meeting will be held at 11:00am on Thursday 17 April 2008 at the Royal College of Physicians, 11 St Andrews Place, Regent's Park, London NW1 4LE.

Subject to confirmation at the Annual General Meeting, the 2007 final dividend of 10.25 pence per share will be paid on Tuesday 1 July 2008 to shareholders on the register of members at the close of business on Friday 23 May 2008.

Shareholders are again being offered the opportunity to re-invest some or all of their dividend under the Dividend Re-Investment Plan, details of which will be contained in the Shareholder Information section of the 2007 Annual Report and Accounts, which will be posted to shareholders on Friday 14 March 2008.

The latest date for receipt of the Dividend Re-Investment Plan mandate forms for the 2007 final dividend is Monday 2 June, 2008. The latest date for receipt of notices of withdrawal from the Plan for the 2007 final dividend is Monday 16 June, 2008.

Copies of the Report and Accounts 2007 will also be available from Friday 14 March on the Company's website taylorwimpey.com and from the registered office at 80 New Bond Street, London, W1S 1SB.

Taylor Wimpey plc
Consolidated Income Statement
For the year to 31 December 2007

Continuing Operations	Note	Before exceptional items 2007 £m	Exceptional items* 2007 £m	Total 2007 £m	2006 £m
Revenue	1	**4,714.3**	**-**	**4,714.3**	3,572.1
Cost of sales		**(3,975.9)**	**(289.7)**	**(4,265.6)**	(2,933.4)
Gross profit		**738.4**	**(289.7)**	**448.7**	638.7
Net operating expenses	2	**(289.5)**	**(90.0)**	**(379.5)**	(191.0)
Share of results of joint ventures		**23.4**	**-**	**23.4**	22.1
Profit on ordinary activities before finance costs and amortisation of brands		**476.0**	**(349.7)**	**126.3**	469.8
Amortisation of brands		**(3.7)**	**(30.0)**	**(33.7)**	-
Profit on ordinary activities before finance costs		**472.3**	**(379.7)**	**92.6**	469.8
Interest receivable		**9.7**	**-**	**9.7**	9.1
Finance costs	3	**(121.8)**	**-**	**(121.8)**	(73.3)
(Loss)/profit on ordinary activities before taxation		**360.2**	**(379.7)**	**(19.5)**	405.6
Taxation	4	**(107.0)**	**(70.2)**	**(177.2)**	(115.0)
(Loss)/profit for the year		**253.2**	**(449.9)**	**(196.7)**	290.6
Attributable to:					
Equity holders of the parent				**(197.9)**	289.5
Minority interest				**1.2**	1.1
				(196.7)	290.6
Proposed/paid dividends per ordinary share					
Interim	5			**5.5p**	5.0p
Final	5			**10.25p**	9.75p
(Loss)/earnings per ordinary share – basic	6			**(24.2p)**	50.5p
(Loss)/earnings per ordinary share – diluted	6			**(24.2p)**	50.1p

* The current period items relate to restructuring costs, brand impairments and land and work in progress write-downs (note 2). There were no exceptional items in 2006.

Taylor Wimpey plc
Consolidated Statement of Recognised Income and Expense
For the year to 31 December 2007

	2007 £m	2006 £m
Exchange differences on translation of foreign operations	**21.7**	(49.0)
Actuarial gains/(losses) on defined benefit pension schemes	**91.3**	(1.6)
Surplus on revaluation	**-**	1.0
Tax on items taken directly to equity	**(28.5)**	0.5
Net income/(expense) recognised directly in equity	**84.5**	(49.1)
(Loss)/profit for the year	**(196.7)**	290.6
Total recognised (expense)/income for the year	**(112.2)**	241.5
Attributable to:		
Equity holders of the parent	**(113.4)**	240.4
Minority interests	**1.2**	1.1
	(112.2)	241.5

Taylor Wimpey plc
Consolidated Balance Sheet
at 31 December 2007

	2007 £m	2006 £m
Non-current assets		
Goodwill	**699.8**	363.1
Other intangible assets	**120.5**	-
Property, plant and equipment	**39.0**	25.5
Interests in joint ventures	**59.9**	56.2
Trade and other receivables	**76.4**	56.0
Deferred tax assets	**117.7**	95.4
	1,113.3	596.2
Current assets		
Inventories	**6,017.8**	2,946.5
Trade and other receivables	**391.3**	294.9
Tax receivables	**16.8**	19.7
Cash and cash equivalents	**130.0**	236.5
	6,555.9	3,497.6
Total assets	**7,669.2**	4,093.8
Current liabilities		
Trade and other payables	**(1,540.3)**	(926.0)
Tax payables	**(154.4)**	(74.1)
Debenture loans	**(1.4)**	(2.5)
Bank loans and overdrafts	**(12.2)**	(12.3)
Provisions	**(48.2)**	-
	(1,756.5)	(1,014.9)
Net current assets	**4,799.4**	2,482.7
Non-current liabilities		
Trade and other payables	**(388.4)**	(123.1)
Debenture loans	**(823.3)**	(610.6)
Bank loans	**(708.5)**	(2.4)
Retirement benefit obligation	**(219.1)**	(208.6)
Deferred tax liabilities	**(29.8)**	(0.8)
Provisions	**(38.4)**	(27.9)
	(2,207.5)	(973.4)
Total liabilities	**(3,964.0)**	(1,988.3)
Net assets	**3,705.2**	2,105.5
Equity		
Share capital	**289.6**	148.5
Share premium account	**758.1**	758.8
Merger relief reserve	**1,934.2**	-
Revaluation reserve	**0.5**	1.5
Own shares	**(282.0)**	(45.0)
Share-based payment tax reserve	**5.6**	8.2
Capital redemption reserve	**31.5**	31.5
Other reserve	**4.8**	4.8
Translation reserve	**3.7**	(19.1)
Retained earnings	**957.1**	1,214.3
Equity attributable to equity holders of the parent	**3,703.1**	2,103.5
Minority interests	**2.1**	2.0
Total equity	**3,705.2**	2,105.5

Taylor Wimpey plc
Consolidated Cash Flow Statement
For the year to 31 December 2007

	Note	2007 £m	2006 £m
Net cash (used in)/from operating activities	7	**(163.3)**	57.0
Investing activities			
Interest received		**2.3**	9.1
Dividends received from joint ventures		**24.4**	22.6
Amounts invested in software development		**(0.4)**	-
Proceeds on disposal of property, plant and investments		**17.3**	48.0
Purchases of property, plant and investments		**(13.6)**	(6.7)
Amounts invested in joint ventures		**(3.1)**	(9.2)
Amounts repaid by joint ventures		**10.6**	5.3
Acquisition of George Wimpey Plc		**28.1**	-
Net cash inflow on acquisition of remaining 50% of North Central Management Limited		**2.9**	-
Net cash from investing activities		**68.5**	69.1
Financing activities			
Dividends paid		**(117.3)**	(79.7)
Dividends paid by subsidiaries to minority shareholders		**(1.1)**	(0.1)
Proceeds on issue of ordinary share capital		**-**	3.3
Proceeds from sale of own shares		**4.7**	15.9
Purchase of own shares		**(251.6)**	(12.4)
New bank loans raised		**2,083.8**	608.7
New debenture loans raised		**256.2**	-
Repayment of debenture loans		**(52.1)**	(4.3)
Repayment of bank loans		**(1,944.6)**	(600.9)
Increase/(decrease) in bank overdrafts		**0.5**	(2.7)
Net cash used in financing activities		**(21.5)**	(72.2)
Net (decrease)/increase in cash and cash equivalents		**(116.3)**	53.9
Cash and cash equivalents at beginning of year		**236.5**	197.3
Effect of foreign exchange rate changes		**9.8**	(14.7)
Cash and cash equivalents at end of year		**130.0**	236.5

Taylor Wimpey plc
Notes to the Consolidated Financial Statements
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1. Business and geographical segments

Business segments

For management purposes, the Group is currently organised into five operating divisions – Housing – United Kingdom, Housing – North America, Housing – Spain and Gibraltar, Construction and Corporate. These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below.

2007	Housing United Kingdom £m	Housing North America £m	Housing Spain and Gibraltar £m	Construction £m	Corporate £m	Consolidated £m
Revenue						
External sales	**3,053.8**	**986.8**	**64.4**	**609.3**	**-**	**4,714.3**
Inter-segment sales	**-**	**-**	**-**	**34.5**	**-**	**34.5**
Eliminations	**-**	**-**	**-**	**(34.5)**	**-**	**(34.5)**
Total revenue	**3,053.8**	**986.8**	**64.4**	**609.3**	**-**	**4,714.3**
Result:						
Operating profit/(loss) before joint ventures, brand amortisation and exceptional items	**409.1**	**53.3**	**2.2**	**3.4**	**(15.4)**	**452.6**
Share of results of joint ventures	**9.1**	**14.2**	**-**	**0.1**	**-**	**23.4**
Profit/(loss) on ordinary activities before finance costs, exceptional items and amortisation of brands	**418.2**	**67.5**	**2.2**	**3.5**	**(15.4)**	**476.0**
Brand amortisation	**(3.7)**	**-**	**-**	**-**	**-**	**(3.7)**
Exceptional items	**(47.9)**	**(321.3)**	**(6.3)**	**-**	**(4.2)**	**(379.7)**
Profit/(loss) on ordinary activities before finance costs	**366.6**	**(253.8)**	**(4.1)**	**3.5**	**(19.6)**	**92.6**
Finance costs, (net)						**(112.1)**
Taxation						**(177.2)**
Loss for the year						**(196.7)**

Inter-segment construction and housing revenue relates to contracts conducted on an arm's-length basis.

Taylor Wimpey plc
Notes to the Consolidated Financial Statements
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1. Business and geographical segments (continued)

2007	Housing United Kingdom £m	Housing North America £m	Housing Spain and Gibraltar £m	Construction £m	Corporate £m	Consolidated £m
Asset and liabilities:						
Segment assets	**5,350.1**	**976.7**	**182.1**	**96.6**	**39.5**	**6,645.0**
Joint ventures	**39.6**	**20.0**	**0.2**	**0.1**	**-**	**59.9**
Segment liabilities	**(1,548.7)**	**(316.4)**	**(66.7)**	**(232.0)**	**(70.6)**	**(2,234.4)**
Net operating assets/(liabilities)*	**3,841.0**	**680.3**	**115.6**	**(135.3)**	**(31.1)**	**4,470.5**
Goodwill						**699.8**
Current taxation (net)						**(137.6)**
Deferred taxation (net)						**87.9**
Net debt						**(1,415.4)**
Net assets						**3,705.2**

* The Group is unable to allocate the defined benefit pension scheme assets and liabilities of the Taylor Woodrow Group Pension and Life Assurance Fund on an actuarial basis by entity. However, for the purposes of the segmental analysis above the Group has allocated the deficit on the basis of members in the plan. This allocation is performed solely for the purposes of providing a more meaningful segmental analysis and is not an appropriate apportionment in accordance with IAS 19. The assets and liabilities of the George Wimpey Staff Pension Scheme have been allocated in their entirety to UK Housing.

2007	Housing United Kingdom £m	Housing North America £m	Housing Spain and Gibraltar £m	Construction £m	Corporate £m	Consolidated £m
Other information:						
Property, plant and equipment additions	**6.2**	**5.8**	**0.3**	**1.3**	**-**	**13.6**
Amortisation of intangibles*	**15.7**	**20.0**	**-**	**-**	**-**	**35.7**
Depreciation – plant and equipment	**3.3**	**3.6**	**0.1**	**1.3**	**-**	**8.3**
Other non-cash expenses:						
Provisions provided	**48.7**	**28.7**	**0.6**	**-**	**-**	**78.0**

* The amortisation of intangibles includes impairment losses of £10.0m on the Laing Homes brand (Housing United Kingdom) and £20.0m on the Morrison Homes brand (Housing North America) following their current retirements.

1. Business and geographical segments (continued)

2006	Housing United Kingdom* £m	Housing North America* £m	Housing Spain and Gibraltar* £m	Construction* £m	Corporate* £m	Consolidated £m
Revenue						
External sales	**1,759.2**	**1,170.2**	**92.1**	**550.6**	**-**	**3,572.1**
Inter-segment sales	**4.1**	**-**	**-**	**60.8**	**-**	**64.9**
Eliminations	**(4.1)**	**-**	**-**	**(60.8)**	**-**	**(64.9)**
Total revenue	**1,759.2**	**1,170.2**	**92.1**	**550.6**	**-**	**3,572.1**
Result:						
Operating profit/(loss) before joint ventures	**215.4**	**209.1**	**26.8**	**9.6**	**(13.2)**	**447.7**
Share of results of joint ventures	**8.6**	**13.5**	**-**	**-**	**-**	**22.1**
Profit/(loss) on ordinary activities before finance costs	**224.0**	**222.6**	**26.8**	**9.6**	**(13.2)**	**469.8**
Finance costs, (net)						**(64.2)**
Taxation						**(115.0)**
Profit for the year						**290.6**
Asset and liabilities:						
Segment assets	**2,160.0**	**865.0**	**173.7**	**106.1**	**18.1**	**3,322.9**
Joint ventures	**33.5**	**19.4**	**-**	**3.3**	**-**	**56.2**
Segment liabilities	**(609.5)**	**(318.9)**	**(82.2)**	**(249.1)**	**(25.9)**	**(1,285.6)**
Net operating assets/(liabilities)	**1,584.0**	**565.5**	**91.5**	**(139.7)**	**(7.8)**	**2,093.5**
Goodwill						**363.1**
Current taxation (net)						**(54.4)**
Deferred taxation (net)						**94.6**
Net debt						**(391.3)**
Net assets						**2,105.5**

* The Corporate segment has been added in 2007 to reflect better the way the Group is managed. As a consequence the comparative segmental analysis has been restated to reflect this as necessary.

1. Business and geographical segments (continued)

2006	Housing United Kingdom £m	Housing North America £m	Housing Spain and Gibraltar £m	Construction £m	Corporate £m	Consolidated £m
Other information:						
Property, plant and equipment additions	**2.5**	**1.7**	**0.3**	**2.2**	**-**	**6.7**
Depreciation – plant and equipment	**1.1**	**1.1**	**0.1**	**5.4**	**-**	**7.7**
Other non- cash expenses:						
Provisions provided	**11.2**	**10.2**	**0.3**	**-**	**-**	**21.7**

Geographical segments

The Group's operations are located primarily in the United Kingdom and North America. The Group's housing divisions are already segmented geographically above. The construction division is primarily located in the United Kingdom.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	Sales revenue by geographical market 2007 £m	2006 £m
United Kingdom	**3,614.7**	2,243.6
North America	**986.8**	1,170.1
Rest of the world	**112.8**	158.4
	4,714.3	3,572.1

The following is an analysis of the carrying amount of segment assets, and additions to property and plant, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets 2007 £m	2006 £m	Additions to property and plant 2007 £m	2006 £m
United Kingdom	**6,205.9**	2,854.9	**6.9**	2.6
North America	**1,231.8**	1,012.3	**5.8**	1.7
Rest of the world	**231.5**	226.6	**0.9**	2.4
	7,669.2	4,093.8	**13.6**	6.7

2. Net operating expenses and profit on ordinary activities before finance costs

Net operating expenses:	2007 £m	2006 £m
Administration expenses	**302.4**	200.1
Net other income	**(12.9)**	(9.1)
Exceptional item	**90.0**	-
	379.5	191.0

Net other income includes profits on the sale of property, plant & equipment and broker fees from mortgage origination services.

Restructuring costs	**60.0**	-
Brand impairments	**30.0**	-
Land write-downs	**289.7**	-
Exceptional items	**379.7**	-

3. Finance costs

	2007 £m	2006 £m
Interest on bank overdrafts and loans	**45.9**	22.9
Interest on debenture loans	**47.4**	41.2
Movement on interest rate derivatives	**5.4**	-
	98.7	64.1
Amortisation of discount on land creditors	**19.3**	6.5
Notional interest on pension liability	**3.8**	2.7
	121.8	73.3

4. Tax

		2007 £m	2006 £m
Current tax:			
UK corporation tax:	Current year	**88.9**	58.8
	Prior years	**(9.8)**	(9.9)
Relief for foreign tax		**(5.0)**	(8.3)
Foreign tax:	Current year	**18.0**	80.4
	Prior years	**16.9**	(8.3)
		109.0	112.7
Deferred tax:			
UK:	Current year	**(9.1)**	(3.0)
	Prior years	**6.3**	(0.2)
Foreign:	Current year	**80.9**	(4.8)
	Prior years	**(9.9)**	10.3
		68.2	2.3
		177.2	115.0

4. Tax (continued)

Corporation tax is calculated at 30 per cent (2006: 30 per cent) of the estimated assessable profit for the year in the UK.
Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions.
Deferred tax recognised in the Group statement of recognised income and expense is due to actuarial gains on post-retirement liabilities at the prevailing rate in the relevant jurisdiction. This includes the effect of the change in the UK rate of corporation tax from 30 per cent to 28 per cent from 1 April 2008.

5. Dividends

	2007 £m	2006 £m
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2006 of 9.75p (2005: 8.9p) per share	**56.6**	51.0
Interim dividend for the year ended 31 December 2007 of 5.5p (2006: 5.0p) per share	**60.7**	28.7
	117.3	79.7
Proposed final dividend for the year ended 31 December 2007 of 10.25p (2006:9.75p) per share	**107.7**	56.6

6. Earnings per share

From continuing operations	2007 £m	2006 £m
Basic	**(24.2p)**	50.5p
Diluted	**(24.2p)**	50.1p
Adjusted basic	**30.8p**	50.5p
Adjusted diluted	**30.7p**	50.1p

Adjusted basic and adjusted diluted earnings per share, which exclude the impact of exceptional items and the associated tax effects, are shown to provide clarity on the underlying performance of the Group.

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings	2007 £m	2006 £m
Earnings for basic earnings per share and diluted earnings per share	**(197.9)**	289.5
Add exceptional items (note 2):	**379.7**	-
Add tax effect of exceptional items	**70.2**	-
Earnings for adjusted basic and adjusted diluted earnings per share	**252.0**	289.5

Weighted average number of shares:	2007 m	2006 m
For basic earnings per share	**818.5**	572.9
Weighted average of dilutive options	**2.5**	5.0
Weighted average of dilutive awards under bonus plans	**-**	0.5
For diluted earnings per share	**821.0**	578.4

Taylor Wimpey plc
Notes to the Consolidated Financial Statements
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7. Notes to the cash flow statement

	2007 £m	2006 £m
Profit on ordinary activities before finance costs	**92.6**	469.8
Adjustments for:		
Amortisation of brands	**33.7**	-
Amortisation of software development costs	**2.0**	-
Depreciation of plant and equipment	**8.3**	7.7
Share-based payment charge	**0.6**	6.1
Gain on disposal of property and plant	**(5.7)**	(9.1)
Share of joint ventures' operating profit	**(23.4)**	(22.1)
Increase in provisions	**38.6**	8.5
Operating cash flows before movements in working capital	**146.7**	460.9
Increase in inventories	**(26.3)**	(347.5)
Decrease/(increase) in receivables	**38.9**	(37.2)
(Decrease)/increase in payables	**(81.6)**	174.4
Pension contributions in excess of charge	**(30.0)**	(27.3)
Cash generated by operations	**47.7**	223.3
Income taxes paid	**(127.3)**	(95.2)
Interest paid	**(83.7)**	(71.1)
Net cash (used in)/from operating activities	**(163.3)**	57.0

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with an original maturity of three months or less.

	2007 £m	2006 £m
Net debt		
Cash and cash equivalents	**130.0**	236.5
Bank overdrafts and bank loans	**(720.7)**	(14.7)
Debenture loans	**(824.7)**	(613.1)
Net debt	**(1,415.4)**	(391.3)

8. Statutory Accounts

The Report and Accounts were approved by the Board of Directors on 5 March 2008. This announcement does not constitute the company's statutory accounts for the years ended 31 December 2007 and 2006 but is derived from those accounts. Statutory accounts for 2006 have been delivered to the Registrar of Companies and those for 2007 will be delivered following the company's annual general meeting. The auditors have reported on these accounts; their reports were unqualified and did not contain a statement under section 237 (2) or (3) of the companies Act 1985.

While the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs. The Group expects to publish full financial statements that comply with IFRSs in March 2008.

Taylor Wimpey plc
Additional Pro Forma Unaudited Financial Information for Continuing Operations
For year to 31 December 2007

Basis of preparation

The Group completed the merger with George Wimpey Plc on 3 July 2007. The statutory results of the Group for the year to 31 December 2007 therefore exclude the first six months trading of the former George Wimpey Plc businesses.

To assist investors in understanding the performance of the combined Taylor Wimpey plc Group, a summary pro forma income statement has been prepared by aggregating the underlying financial information for the year to 31 December 2007 of the former Taylor Woodrow plc ("TW") and the former George Wimpey Plc ("GW"), to illustrate the effect of the merger of TW and GW as if the transaction had taken place on 1 January 2006. The results from the two legacy businesses have been prepared on the basis of their historic accounting policies as published in the 2006 financial statements of the two Groups. In aggregating the two sets of financial information, intra-Group trading between the two entities has not been eliminated and fair value adjustments arising from the acquisition accounting have been excluded. This information has not been audited.

Pro Forma Unaudited Combined Group Summary Income Statement
For the year to 31 December 2007

	Pro forma Combined before exceptional items year to 31 December 2007 £m	Pro forma Combined before exceptional items year to 31 December 2006 £m
Consolidated Revenue	5,887.5	6,719.5
Cost of sales	(4,899.7)	(5,514.6)
Gross profit	987.8	1,204.9
Net operating expenses	(347.8)	(342.0)
Share of results of joint ventures	27.0	29.7
Profit on ordinary activities before finance costs	667.0	892.6
Net finance costs	(131.4)	(116.1)
Profit on ordinary activities before taxation	535.6	776.5

Taylor Wimpey plc
Notes to Pro Forma Unaudited Combined Group Summary Income Statement
For the year to 31 December 2007

Revenue	**Pro forma Combined before exceptional items year to 31 December 2007 £m**	**Pro forma Combined before exceptional items year to 31 December 2006 £m**
Housing United Kingdom	3,998.8	4,150.4
Housing North America	1,215.0	1,926.4
Housing Spain and Gibraltar	64.4	92.1
Construction	609.3	550.6
Corporate	-	-
	5,887.5	6,719.5

Profit on ordinary activities before finance costs	**Pro forma Combined before exceptional items year to 31 December 2007 £m**	**Pro forma Combined before exceptional items year to 31 December 2006 £m**
Housing United Kingdom	608.5	533.0
Housing North America	62.4	336.8
Housing Spain and Gibraltar	7.9	26.4
Construction	2.0	8.1
Corporate	(13.8)	(11.7)
	667.0	892.6