

Analysts Presentation North American Operations

1 April 2004




Taylor Woodrow

Agenda

Introduction	Iain Napier, Group CEO
Overview	John Peshkin, President North America
Market Dynamics	
The TW Difference	
Results	Brian Watson, CFO
Homebuilding Strategy	John Holland-Kaye, Commercial Director
Florida/Texas	Peter Donnantuoni, Executive Director
California/Arizona	Mike Forsum, President West Region
Canada	Brian Johnston, President Canada
Wrap-up and Q/A	Iain Napier


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Overview

- World's largest housing market
- Successful presence for 30+ years
- 19th largest North American builder by dollar volume
- Proven and experienced management team
- TW operates in strongest growth markets
- Premium portfolio of low-rise and high-rise homebuilding and land development
- Value added corporate initiatives
- Opportunities for substantial growth

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2003 Achievements

- Successfully delivering on strategy to move to middle market
- Completed turnaround of California Division
- Arizona (Journey Homes) integration completed
- Successful expansion of Florida high-rise market
- Increasing benefits from corporate initiatives
- Strong order book at 31.12.03 of \$747.9m, up 39.4%
- 90% reserved for H1; 59% reserved for full year at 31.12.03
- 4.5 year land bank

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2003 Performance

	<u>2003</u>	<u>2002</u>	<u>%</u>
Average Selling Price (US\$m)	334	359	(7)
House Completions	2,786	1,839	51
Lot Completions	2,940	2,724	8
Turnover (US\$m)	1,108	792	40
Operating Profit (US\$m) *	146.4	100.7	45
Operating Margin (%)*	13.3	12.7	
ROACE (%) *	26.1	21.1	

* Pre goodwill amortisation

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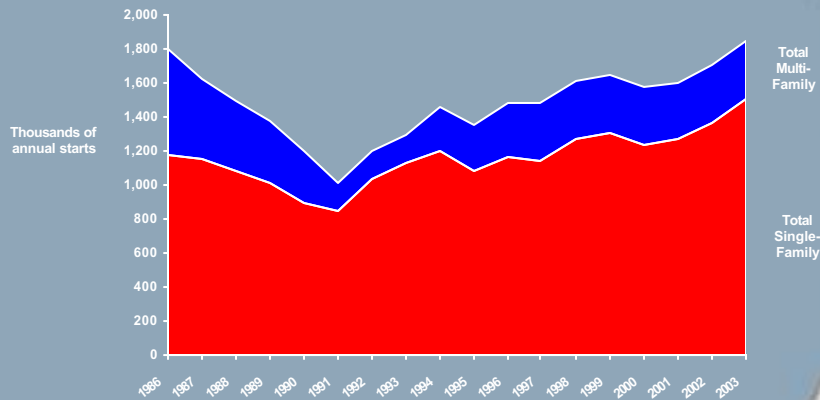
Market Dynamics

John Peshkin




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US Housing: Total Starts by type



Source: NAHB, U.S. Census Bureau

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Factors driving underlying demand

- Population growth
- Migration to Sunbelt and West
- Immigration
- Lifestyle changes
 - Later marriage
 - Divorce
 - Aging population
- Baby boomers planning retirement
 - Second homes
 - Retirement homes
- Home ownership rates

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Long-term Housing Demand Forecast

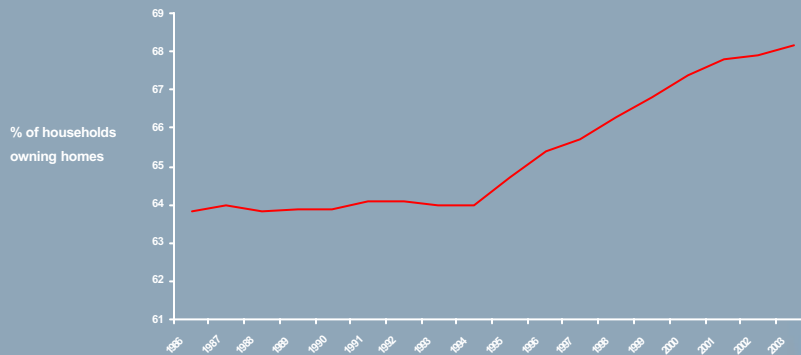
In thousands

Annual Sources of Demand:	'74-'83	'84-'93	'94-'03	2004-2013		
				Low	Mid	High
Ann. Chg. In Households	1,373	1,316	1,226	1,300	1,500	1,650
+ Demolitions	290	104	235	400	400	400
+ Change in Vacancies	<u>136</u>	<u>275</u>	<u>306</u>	<u>185</u>	<u>185</u>	<u>185</u>
= Net Annual Housing Demand	1,799	1,695	1,767	1,885	2,085	2,235
Sources of Supply:				<u>Low</u>	<u>Mid</u>	<u>High</u>
Single-Family	1,017	1,023	1,193	1,350	1,500	1,600
Multi-Family	<u>507</u>	<u>441</u>	<u>285</u>	<u>335</u>	<u>360</u>	<u>400</u>
Total Starts	1,524	1,464	1,478	1,685	1,860	2,000
+ Mobile homes	275	232	289	200	225	235
= Total Annual Housing Additions	1,799	1,696	1,767	1,885	2,085	2,235

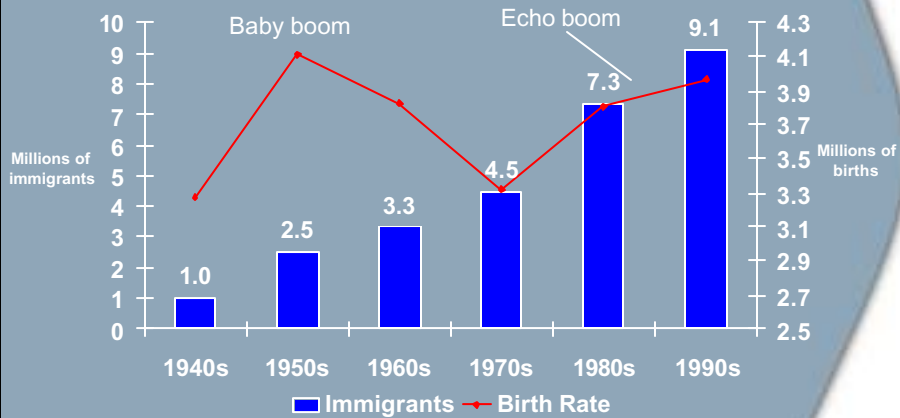
Note: Historical supply figures represent completions, forecasts use starts.

Source: NAHB, U.S. Census Bureau, Manufactured Housing Institute, and Smith Barney

US Housing: Home ownership rates



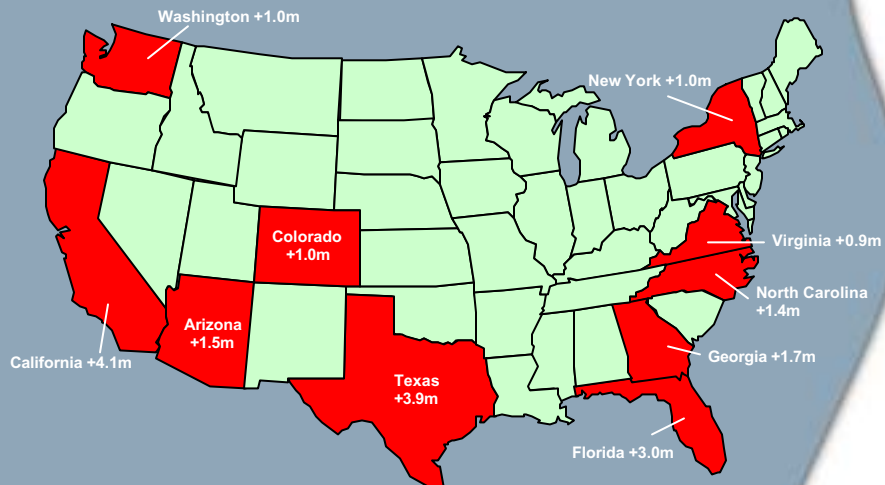
US immigration and baby boom



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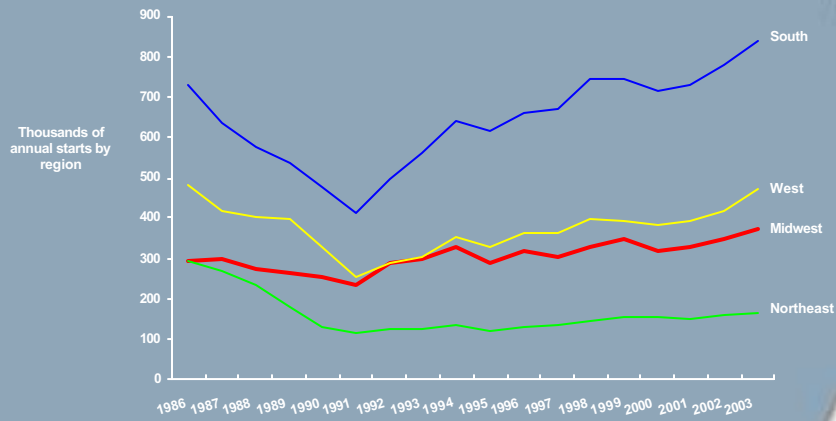
US Population Growth 1990-2000 Fastest growing states



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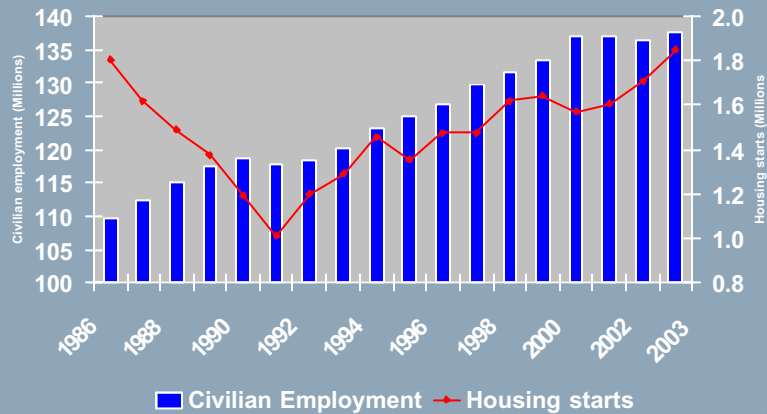
US population : Starts by Region



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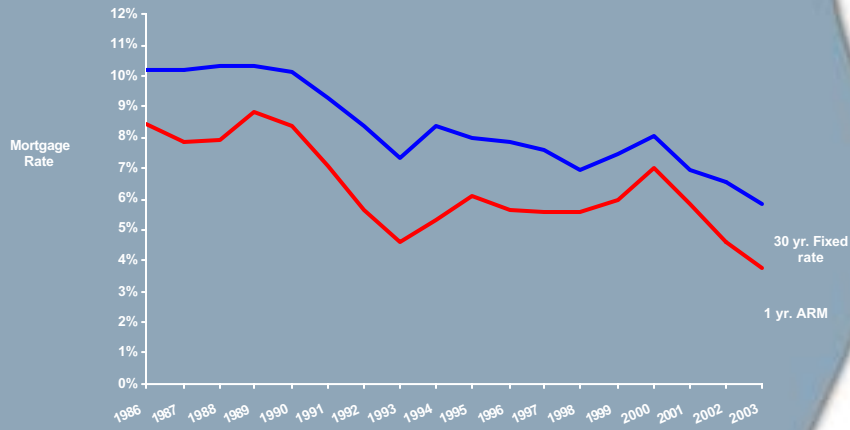
US Housing Starts vs. Employment



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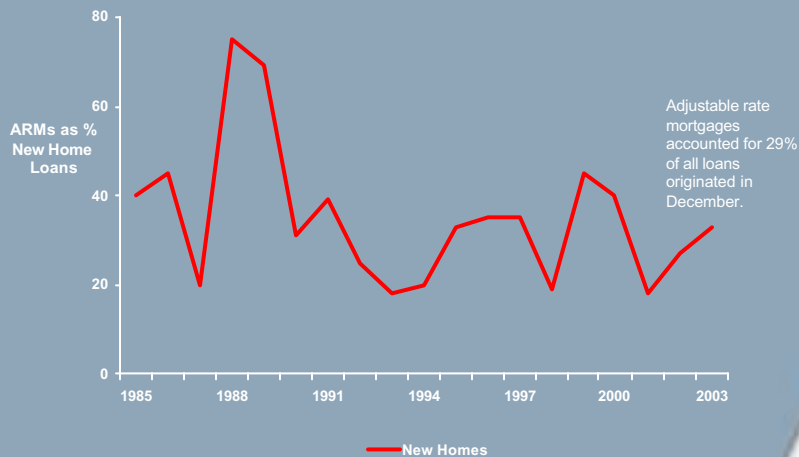
US Housing: Interest rates at a low



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Adjustable Rate Mortgage Share of Market

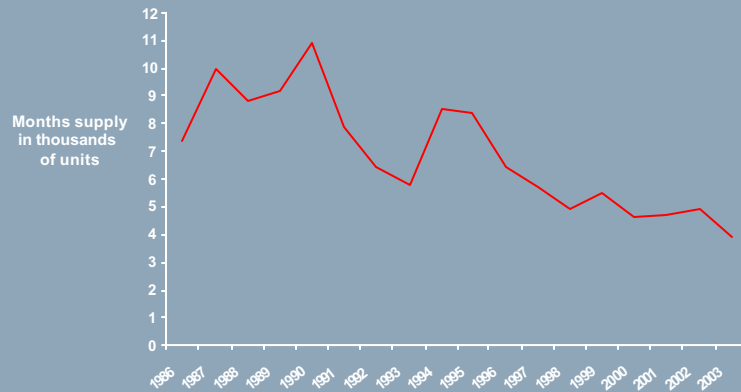


Source: Federal Housing Finance Board

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US Speculative Inventory Supply

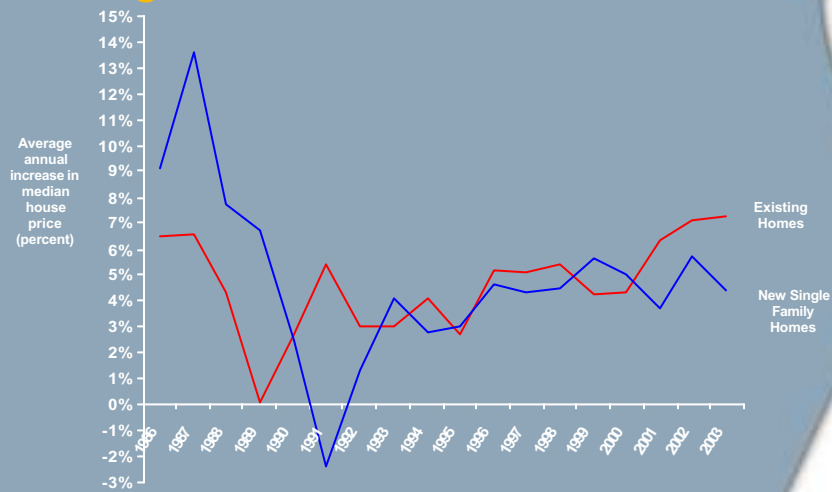


Source: NAHB

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US Housing: Median Pricing Y/Y Percent Change



Source: NAHB

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US Housing: Supply Chain

- Typically purchase labor and materials together
- Supply chain is mainly controlled locally
 - Some subs are big in their local markets, but few operate in more than one market
- Many suppliers still operate locally or regionally
 - But big suppliers are increasing penetration through distribution from big builders
- Builders starting to negotiate rebates with manufacturers and in some cases buy direct

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NA Housing: Land Availability

- Land increasingly scarce in desirable markets
 - Development becoming more complex
 - Increasing environmental concerns
- More land use regulation
 - Slower, more complex entitlement process
 - Higher exactions
- However, process still easier than the UK and City Councils generally more pro development

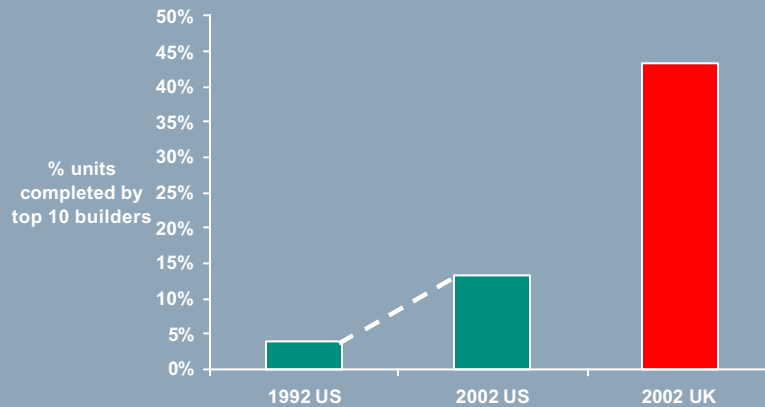
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NA Entitlement Strategy

- No strategic land ownership/option positions
- Option only land designated for residential use
- Buy land only after outline planning permission
- Outline to final 3-12 months
- High success rate of final entitlement on schedule

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US Housing: The Market Remains Highly Fragmented



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Market Summary

- Underlying demand likely to remain strong
- Move-up market likely to benefit most as economy improves
- Land supply constraints in most markets likely to lead to higher land and home prices
- Development skills an increasing source of competitive advantage
- Market remains highly fragmented
- TW ideally placed in chosen markets with plenty of room to grow

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2004 has started strongly

- US and Ontario economies strong
- Seasonally adjusted new home starts of 1.855m in Feb
 - Up 6% from January
 - 3rd highest level on record
- 30 year fixed mortgage rates +/- 5.5%, close to 40 year low
- Speculative home inventories well under control at 305,000; months supply declined 10% from January
- Direction of recent industry data indicates continuation of robust housing market

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Strategies and Market Position

- Focus investment in growth markets with strong long-term fundamentals
- Strong local management with central support and controls where needed
 - Standardize and simplify back office; leave rest to operators
 - Sharing best practice across divisions
- Not disadvantaged to national players
 - Brand associated with quality and service
 - Product focused on move-up market controlled by small builders

Strategies and Market Position

- Operate homebuilding divisions at scale and concentrate positions through broad product offerings
 - Typically focused on the move-up market; segment positioned to benefit most as employment improves and interest rates gradually increase
 - Sweet spot is to be 10th to 15th largest in each market; typically 300 to 1,000 units; not chasing volume
- Organic growth in existing markets should permit doubling of volume to (2-4%) market share
- Increase percentage of land controlled through options
- Pre-sell more than 75% of homes; cancellation rate runs at 3%

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Strategies and Market Position

- Balanced portfolio of low-rise and high-rise homebuilding and land development
- Investment strategy market-driven based on opportunity
 - Product mix developed and adjusted to maximize returns and margins while minimizing risk
 - Remain opportunistic for development and high-rise
 - Capitalize on unique expertise, financial strength and agility

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TW Operates in Strong Growth Markets

	Annual Population Growth	Annual Population Growth %	Annual Job Growth	Annual Job Growth %	Annual Housing Permits	Annual Housing Permit Growth %
California	552,000	1.6	25,000	0.2	149,000	(0.8)
Florida	326,000	2.0	66,000	0.9	188,000	10.8
Texas	412,000	2.0	71,000	0.7	163,000	7.3
Arizona	145,000	2.8	49,000	2.0	64,000	1.5
Ontario	184,000	1.5	119,000	1.5	85,000	8.2
US Total	2,904,000	1.0	(618,000)	(0.5)	1,749,000	5.4
Canada Total	313,000	1.0	279,000	1.4	202,000	14.0

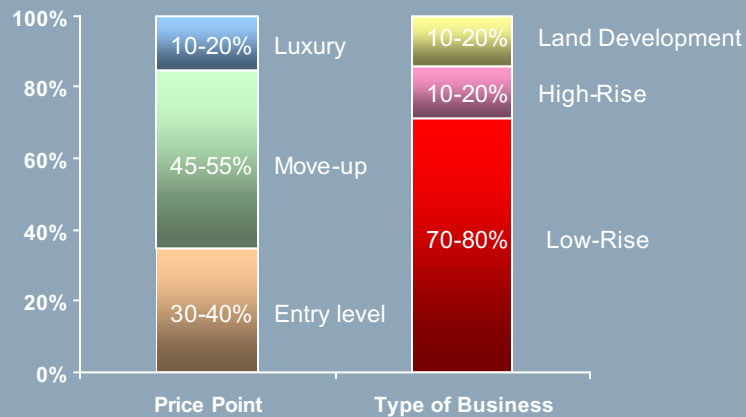
Reflects 3-yr. period ending 31.12.03

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Source: Census Bureau; Bureau of Labor Statistics



TW Portfolio



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Benefits of Taylor Woodrow Portfolio

- Diversified portfolio is unique to competition and will result in sustainable market premium
 - Balance of high return on capital homebuilding with enhanced margins from development and high-rise
 - Risks mitigated by pre-sale of lots to other builders and high-rise pre-sale criteria
- Improved visibility of future earnings and control of land supply
- Geographic and product diversity mitigates local economic risks

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The Taylor Woodrow Niche

- Arizona – Control large master-planned communities for homebuilding; mitigate development risk by pre-selling parcels to other builders prior to development
- California – Capitalise on prestigious brand and associated premium while moving product to the middle market
- Canada – Maximise premium brand through low-rise and high-rise homebuilding and land development
- Florida/Texas – Continue successful land development projects while increasing scale homebuilding operations in 5 core markets and enter Florida high-rise market

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TW Trends

	2003 ASP	2004 Trend	2003 Home Closings	2004 Trend	2003 Lot Closings	2004 Trend	Comments
Canada	\$201	↔	1,157	↑	312	↔	Strong low-rise market; high-rise sector has moderated
California	\$786	↓	497	↑	22	↔	Strong in North & South; high level of sales price growth
Florida	\$494	↔	384	↑	422	↔	Strong across the board
Texas	\$452	↓	59	↑	247	↑	Austin improving; Houston remains strong
Arizona	\$132	↑	689	↑	1,937	↓	Buoyant in TW's entry level to middle market
Total North America	\$334	↔	2,789	↑	2,940	↓	

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Well Positioned for the Future

- Current market robust
- Strong demographics support sustainable growth
- Strategy and brand critical differentiators
- Short term growth focused in existing markets
- “Journey-type” acquisitions to be considered in the medium term
- Strong operating profit growth for 2004 and beyond whilst maintaining competitive returns on capital and operating margins

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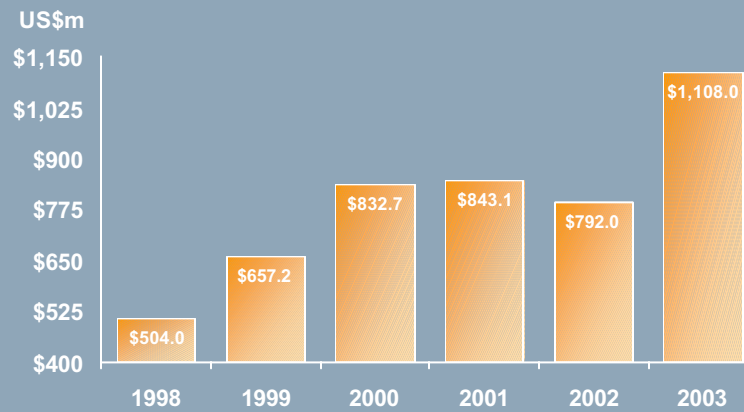
Results

Brian Watson



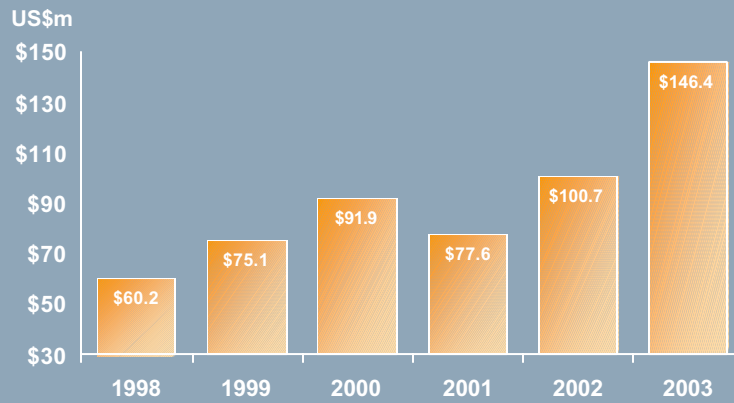

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Growing Revenues




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Growing Operating Profit

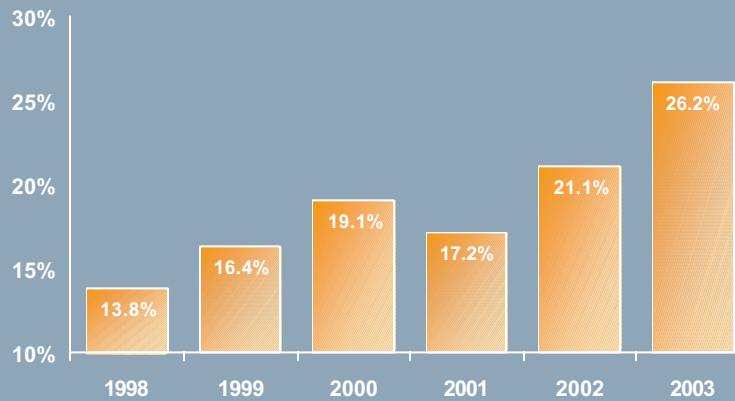


Pre goodwill amortisation

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Increasing Returns on Average Capital

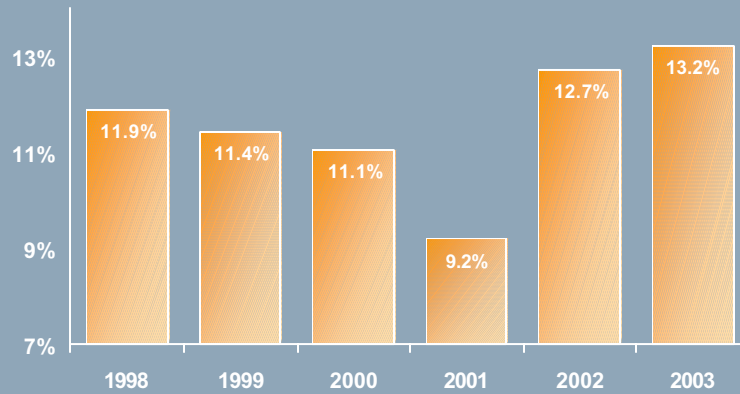


Pre goodwill amortisation

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Increasing Operating Margins

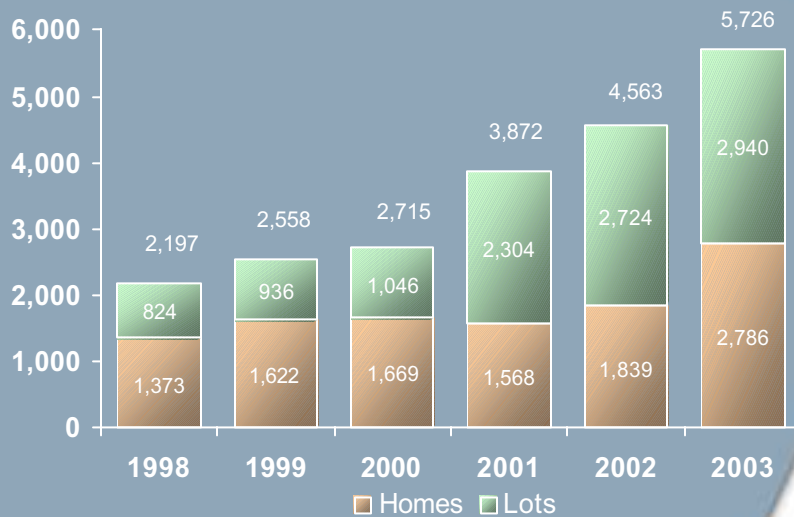


Pre goodwill amortisation

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Substantial Growth to Home Completions



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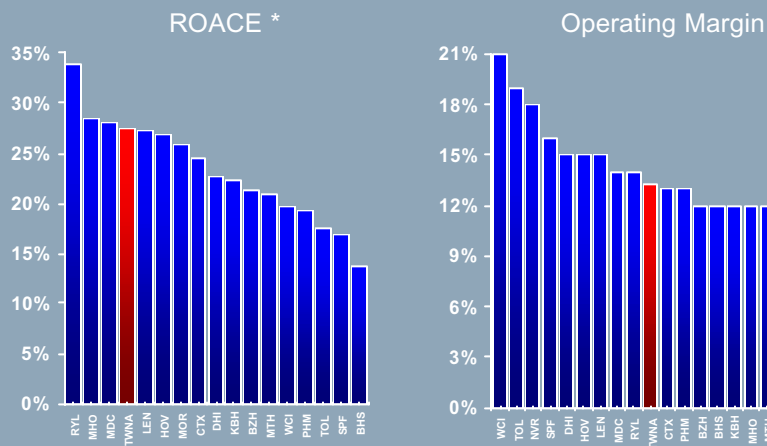
North America - Land Bank

	Arizona	California	Canada	Florida	Texas	Total
Owned & Controlled Plots 1.01.03	3,649	760	9,957	3,405	2,444	20,215
Additions	4,924	2,138	1,402	2,614	191	11,269
Completions	(2,626)	(519)	(1,469)	(806)	(306)	(5,726)
Owned & Controlled Plots 31.12.03	5,947	2,379	9,890	5,213	2,329	25,758
% Controlled 1.01.03	14.5%	7.1%	47.0%	0.0%	0.0%	26.0%
% Controlled 31.12.03	61.6%	72.1%	51.8%	44.4%	3.7%	50.1%
Land bank years	2.3	4.6	6.7	6.5	7.6	4.5

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Competitor Results thru 31.12.03



* Excludes NVR - 82% ROACE

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Based on US Public Builder and Taylor Woodrow results thru 31 Dec


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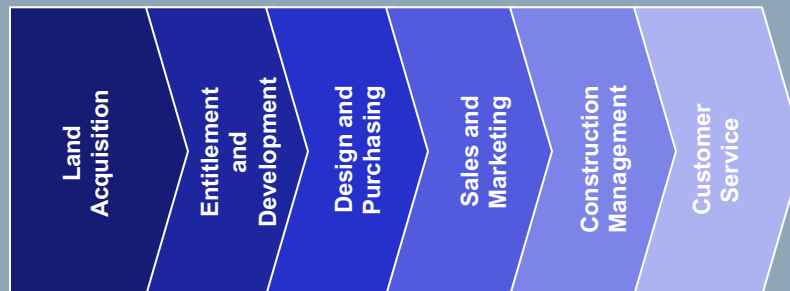
Homebuilding Strategy

John Holland-Kaye




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Homebuilding value chain




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Homebuilding strategy

Grow profits while delivering excellent returns and margins

- Operate at scale in markets with long term potential
- Develop land and buy finished lots
- Mix of long term and short term projects
- Premium positioning
- Building our brand based on customer service and quality
- Increasing efficiency

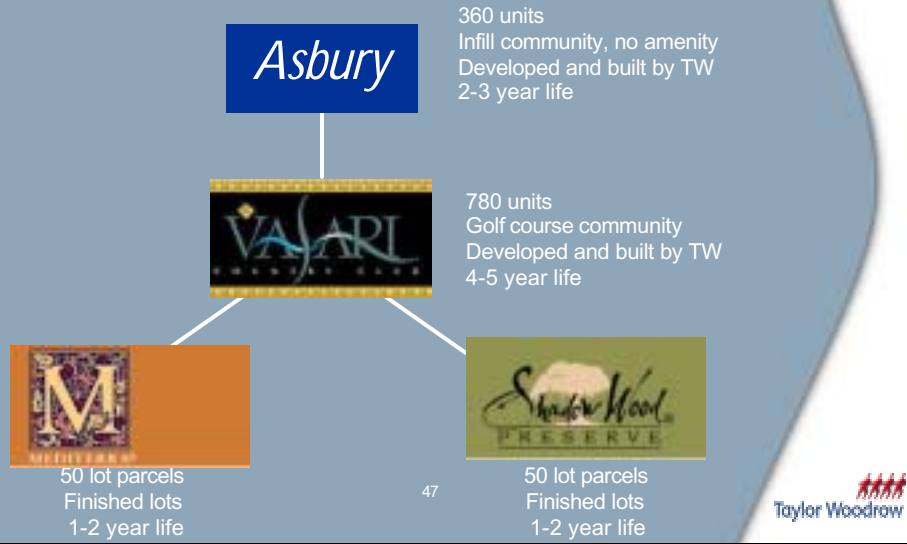
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Benefits of scale in local markets

- First choice builder for developers and land owners
- Network of high quality trades and purchasing economies
- Brand reputation among buyers
- Ability to recruit strong management

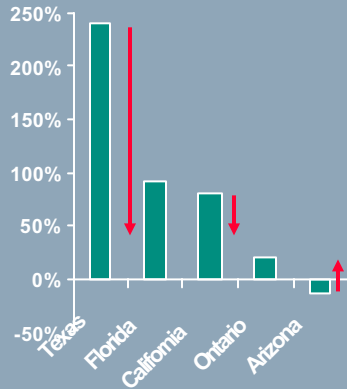
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Develop land and buy finished lots, mix of long term and short term projects



Premium positioning

TW 2003 SFH pricing vs. market average



We sell luxury



People buy move up



Building our brand

US

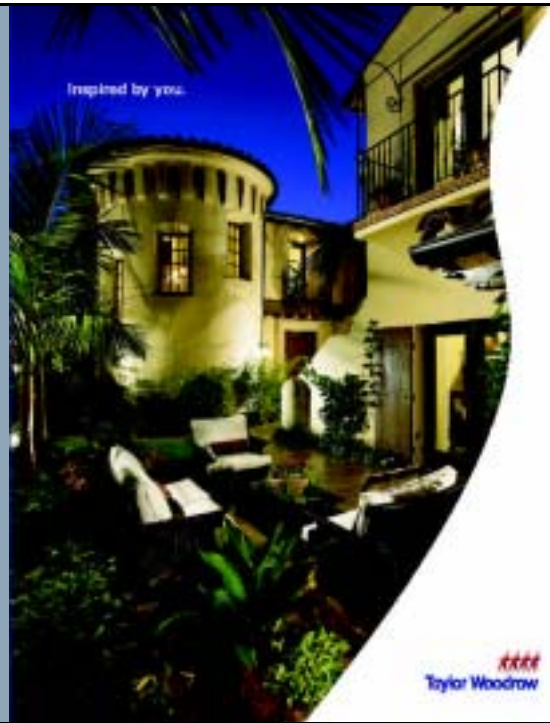


Canada



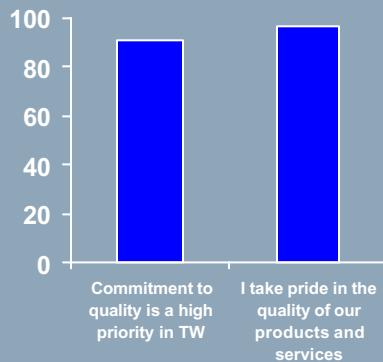
Common look and feel allows scale benefits, e.g. marketing materials

Customer focus reflected in "inspired by you" theme



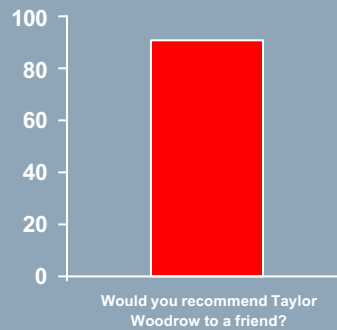
... based on customer service and quality

Quality



Source: 2003 employee survey

Customer satisfaction



50 Source: 2003 customer survey



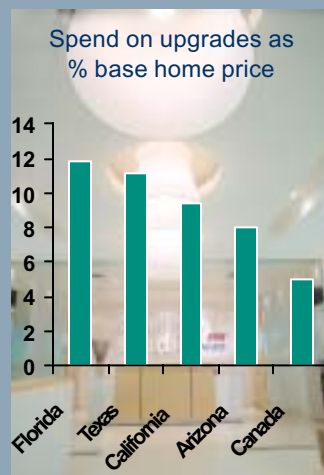
Increasing efficiency

- Best practice groups in strategic areas
 - Purchasing, sales and marketing, health and safety, construction quality, customer service
- Capital
 - Reducing cycle times
 - Rolling options
- Margin
 - Value engineering
 - MIS benefits, e.g. scheduling, workflow
 - Options and upgrades
 - Financing
 - Scale benefits, e.g. overhead recovery, purchasing
 - Website

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Options and upgrades

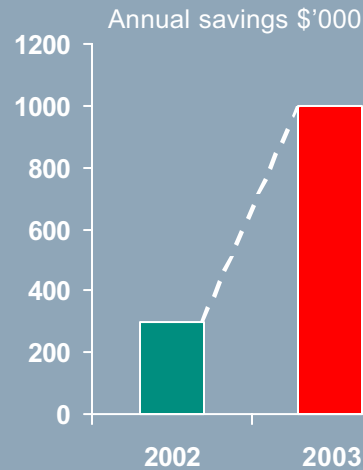
- Buyers want to customize, especially at higher price points
- Options typically higher margin
- Main upgrades: flooring, cabinets, counter tops, appliances
- Key is control
 - Standard options
 - Central design centers
 - Specialist agents



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Central purchasing

- Competitive rates based on premium positioning, control, distribution
- 5 products (appliances, taps, paint, HVAC, locks)
 - 2 national suppliers in each category
 - 90% participation
- Extending into new areas
 - Flooring, roof tile, lighting, communications



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Financing

- Most major builders offer financial services
 - control over closings, margin, convenience
- Acquired mortgage jv in Arizona with Journey
 - achieving 86% capture rate, 200BP net margin
 - now in California, Florida and Texas
- Partnered with established mortgage bankers
 - partner manages operations
 - no financing risk
 - 90% costs are variable



Website



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Competitive advantage

- Development and permitting skills
- Premium brand positioning
- Local management
- Local relationships
- Scale benefits

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Florida

Peter Donnantuoni

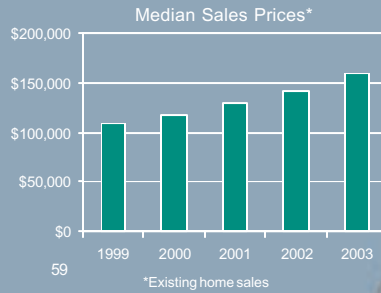
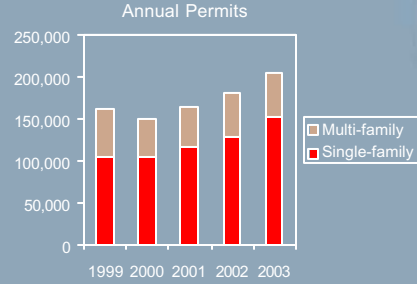



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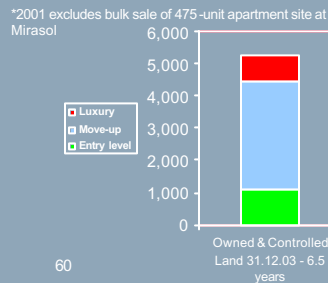
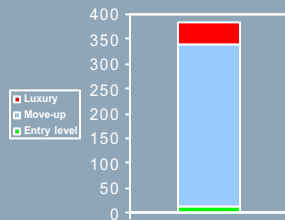
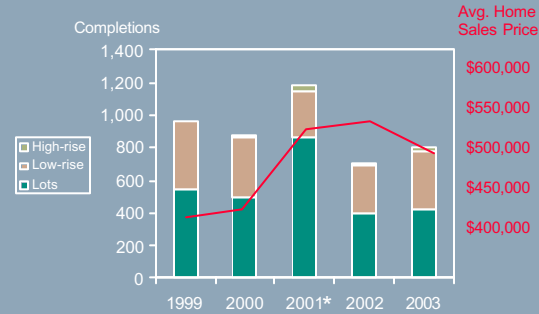


Florida Market Overview & Trends

- Largest housing market in US
- Housing growth driven by employment gains, second homes and retirement
- Major corporate relocation due to relative affordability, standard of living, and government support (i.e. Scripps)
- No state income or inheritance taxes
- Master-planned communities dominate housing starts
- 12 of 15 quoted US builders active (approximately double the number from 5 years ago)



TW Performance



Core Homebuilding Markets

	2003 Housing Permits	Housing Permits CAGR % '00-'03	Median Home Price YE 2003	Median Home Price CAGR % '00-'03	Employment YE 2003	Employment CAGR % '00-'03
Tampa Bay Area	29,289	15.0	\$147,000	10.0	1.26m	(0.3)
Naples/Ft. Myers	21,102	7.3	\$156,500	17.0	0.33m	3.1
Palm Beach/St. Lucie	15,879	14.8	\$252,900	22.3	0.56m	1.6

Tampa Bay – Diverse employment base with financial services, technology, and back office/call center operations as main drivers of demand.

Naples/Ft. Myers – Government and tourism are primary employment sources. Naples housing market dominated by demand from retirees (both full and part time) with Ft. Myers providing more permanent residents that are employed.

Palm Beach/St. Lucie – Southern area supply constrained with affordable housing moving northward into St. Lucie County. Active adult and master-planned communities represent most of the new housing with employment primarily being driven by government, service, and retail trade related.

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Homebuilding Strategy & Competitive Position

- Successfully building homes in Florida since 1970s
- Entrepreneurial focus at local level
- 3 divisions with growth strategy to achieve scale benefits
 - Target 300 completions in each market by 2007
- Further capitalise on TW's premium image and quality reputation while migrating to more affordable price points
 - Offer more standard designs; fewer options; less customisation
- Expand future land supply through lot options

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Development Strategy & Competitive Position

- Capitalize on TW's head start on national builders (TW's 30 years experience in Florida)
- Centralised business structure with small project teams (exception: large master-planned communities like Mirasol)
- Build upon TW's unique experience, team, and outstanding record of success
- Create value through expertise in land planning and "lifestyle" development
- Expand relationships with national and regional builders (including development and sale of entry level lots)
- Creative deal structures
- Pre-sell land where appropriate to mitigate risks

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Mirasol Site Plan at Purchase



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Mirasol Final Site Plan



Site Plan Change Financial Impact

- Increased project profit by over \$50m
- Increased project ROACE by 8%

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High-Rise Strategy & Competitive Position

- Centralised management structure with small specialized project teams
- Little or no entitlement risk
- Construction by bondable contractors under Guaranteed Maximum Price agreements
- Flexible and creative deal structures capitalising on TW's financial strength and joint venture expertise
- Less competition due to high barriers to entry
- Maintain diverse product price points targeting coastal properties as well as re-development and urban infill
- Target market comprised of professionals, move-up, retirees, second home, immigrants and investors
- Capitalise on "baby boomers" desire for premium locations
- Achieve 50-60% pre-sales with non-refundable deposits of up to 20% prior to building commencement
- Premium margins and returns without incremental risks

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Beach Residences High-Rise Success

- Deal structure combined with brand & access to capital key to acquisition
- Unique affiliation with Ritz Carlton
- 88 Units
- Over 90% of the units (avg. price over \$2.0m) pre-sold through March '04
- Deposits 20%
- Construction commenced March '04
- Fixed price construction contract
- Completion Q4 '05



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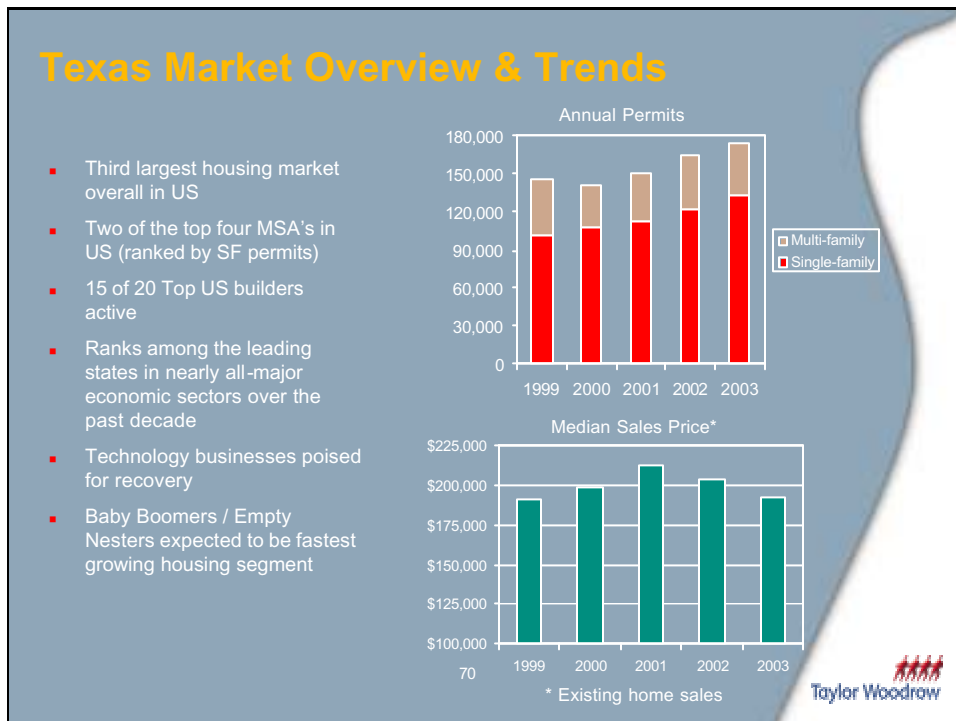

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Texas

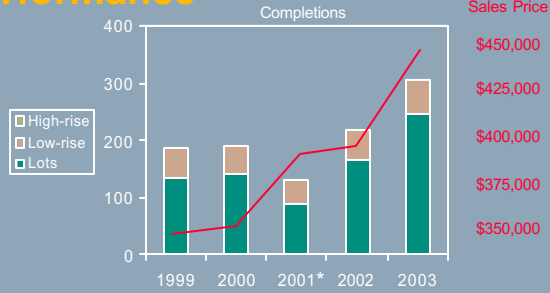
Peter Donnantuoni



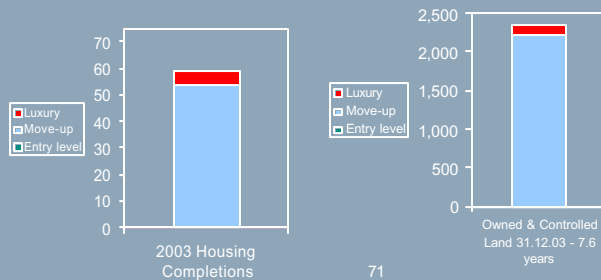

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TW Performance



* 2001 excludes bulk sale of apartment site at Steiner Ranch



2003 Housing Completions

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Owned & Controlled Land 31.12.03 - 7.6 years

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Core Homebuilding Markets

	2003 Housing Permits	Housing Permits CAGR % '00-'03	Median Home Price YE 2003	Median Home Price CAGR % '00-'03	Employment YE 2003	Employment CAGR % '00-'03
Austin	10,234	(22.2)	\$171,600	3.0%	.756m	0.5
Houston	49,980	17.4	\$132,800	4.6%	2.2m	1.3

Austin – State capital and home to one of Texas' largest universities. Employment growth in these areas has been partially offset by softness in the technology sector. The largest private employer, Dell, continues to be the market leader in personal computers.

Houston – Just under half of all employment is energy related; a mix of both exploration/extraction and refining and petrochemicals. Housing affordability and climate drive corporate relocations to Houston.

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Homebuilding Strategy & Competitive Position

- TW building in Texas since 1978
- Grow homebuilding business to achieve scale benefits
 - Target 675 completions by 2007
- Current market is product in the \$250,000 - \$500,000; goal is to average \$300,000
- Establishing strong relationships with the largest developers in Texas; i.e. Newland/Terrabrook
- Obtain positions in master-planned developments by providing new product offerings i.e., waterfront communities, age-targeted communities, and patio-homes for baby-boomers
- Continue focus on innovative "lifestyle" home designs

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Avalon at Seven Meadows

- Waterfront community within a Master Planned Development



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Avalon at Seven Meadows

- 300 lots with four distinct product lines
- Demographic/Psychographic driven positioning to address a non-served market - creating a niche monopoly
- Gated, waterfront communities generate substantially higher lot premiums – producing higher margins
- One-third of the lots sold to custom builders which increases value, accelerates income, and allows the Company to focus on production



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California & Arizona

Mike Forsum



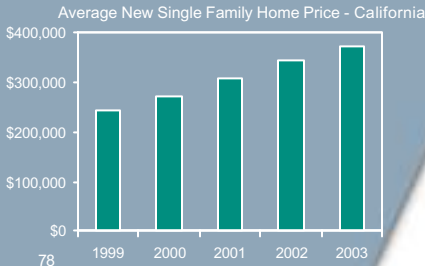
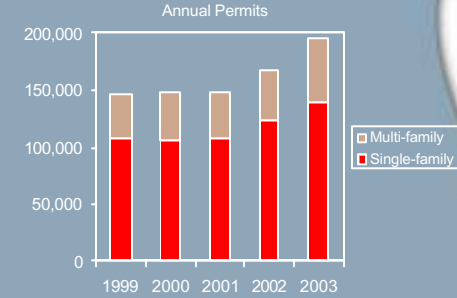

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California

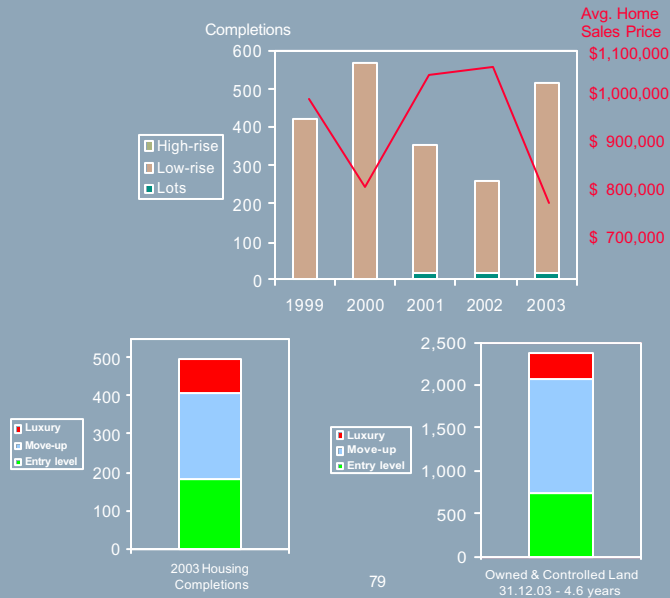


California Market Overview & Trends

- 2nd largest new home market in the United States
- Home to 36.5 million people
 - Largest state in the US
- 5th largest economy in the world
- Gross state product is \$1.3 trillion (13% of the nation's output)
- Country's most diverse state geographically, racially, demographically, ethnically and economically
- Home to some of the largest corporations in the world – Hewlett Packard, Chevron, Texaco, Intel, Amgen and McKesson



TW Performance



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Turnaround Completed

- Reduced team size by 50%
- Completed sellout of underperforming projects
- Focused on markets that best take advantage of our capital, people and brand
- Reduced average sales price by 27% in 2003
- Developed new middle-market product mix
- Expanded land bank
- Transcended brand at more attainable price points

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Turnaround Completed

- Doing more with less
 - Savings through improved product development process
 - Reduced construction cycle times by up to 30%
 - Reduced warranty costs by 2/3 by improving customer service
 - Completed 106% more homes in 2003 with reduced overheads

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Strategy & Competitive Position

- Address affordability by increasing over time our emphasis on the first and second time move-up market.
- Maintain leadership position in the ultra-luxury segment to create premiums from lower priced product lines.
- Increase the number of partnerships with major builders to better manage capital and market risk.

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Strategy & Competitive Position

NORTHERN CALIFORNIA

- Continue developing high density single family detached and attached opportunities within the prime San Francisco Bay Area sub-markets
 - Gain greater competitive differentiation through niche product offering
 - Manage risk through smaller sized projects
 - Address affordability by way of higher density projects

SOUTHERN CALIFORNIA

- Reduce risk profile by moving down into more attainable price points, while leveraging off of our positive brand recognition associated with innovative design and understated luxury
 - Expand current "foot-print" in the Inland Empire and other adjacent affordable markets
 - Develop new products with costs and specifications competitive in each market segment
 - Emphasize plan utility and efficiency rather than luxury and square footage

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Core Homebuilding Markets

	2003 Housing Permits	Housing Permits CAGR % '00-'03	Median Home Price YE 2003	Median Home Price CAGR % '00-'03	Employment YE 2003	Employment CAGR % '00-'03
San Francisco Bay	28,350	0.9	\$574,300	8.1	2.98m	(2.5)
Orange County	9,282	(9.5)	\$526,800	18.5	1.55m	1.4
Los Angeles	20,761	7.0	\$382,200	21.0	4.46m	(0.4)
San Diego	18,061	5.0	\$456,700	19.2	1.45m	1.7
San Bernardino	41,880	24.9	\$239,400	20.0	1.63m	3.6

San Francisco Bay – Diverse employment with the heavy concentration in technology, research, education and finance. Despite employment losses in technology, housing market continues to be undersupplied.

Orange County – Wide array of high wage employers including trade, business services, aerospace, defense, insurance, tourism and manufacturing. Highly educated work force.

Los Angeles – Well-diversified economy; heavily urbanized environment with land constraints. Government, international trade/shipping, finance, and the entertainment industry provide area employment.

San Diego – Main drivers of employment include biomedical products, biotechnology, pharmaceuticals, communications and business services. Highly educated work force continues to attract investment.

San Bernardino/Riverside – Area has grown beyond its roots as an aggregation of bedroom communities to become a well-diversified job engine as well. Employment is primarily in manufacturing, business services and retail trade.

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White Sails

Newport Coast



- 47 homes
- \$2.2m - \$3m
- Ave. s.f. 5,142
- Luxury




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Chino I - Artisan

Chino

- 80 homes
- \$369,500 - \$533,667
- Ave. s.f. – 2,536
- First move-up




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Astoria

Cupertino

- 56 homes
- \$610,000 - \$714,000
- 1,456 sf to 1,849 sf
- Young families, move-up




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Brighton Village

Hayward

- 72 homes
- \$534,000 - \$591,000
- 1,871 sf to 2,256 sf
- Young families, move-up



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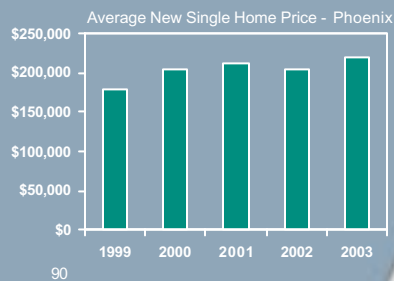
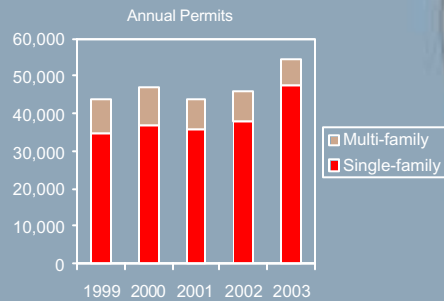

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Arizona

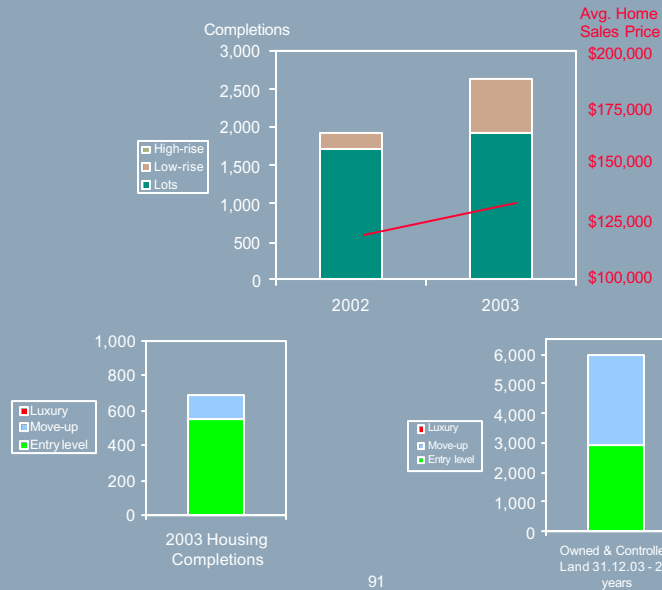


Arizona Market Overview & Trends

- 46,591 single family permits were issued in 2003; trailing only Atlanta and Ontario
- 87,109 resale transactions were also conducted, a 15% increase over 2002
- 12 builders pulled over 1,000 permits in 2003, with 4 of those obtaining more than 2,000
- Top 10 builders captured 45.5% of the market
- Vacant improved lot supply consistently fluctuates between 10 and 12-month inventory
- Consensus forecast AZ employment growth in 2004 calls for an increase of 78,000 new jobs in the state, a gain of 3.4% over 2003
- Personal income rose 5.5% in 2003
- Retail sales in 2003 also increased 5%



TW Performance



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Strategy & Competitive Position

- Consistent and achievable unit delivery growth to a scale which places the Division within the top 10 Arizona builders
- Seek further large-scale land development opportunities to enhance competitive position
- Expand further into Phoenix-area submarkets to diversify product lines and improve market segmentation

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Phoenix Market

	2003 Housing Permits	Housing Permits CAGR % '00-'03	Median Home Price YE 2003	Median Home Price CAGR % '00-'03	Employment YE 2003	Employment CAGR % '00-'03
Phoenix	54,167	6.1	\$152,800	4.4	1.72m	1.5

Phoenix – Population and employment growth have been twice the national average as employers are attracted to this low-wage, low cost of living area that has plentiful labor and a pro-growth government. Business services such as back-office call centers and small businesses represent the fastest growing segments of the labor force.

Solevida

Sierra Montana - Arizona

- 239 units
- \$117,000 - \$143,000
- 1,007 sf – 1,976 sf
- 1st time buyers



Country Gate

Spectrum - Arizona

- 115 units
- \$197,000 - \$251,000
- 1,963 sf – 3,433 sf
- 1st time move-up



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Canada

Brian Johnston




Taylor Woodrow

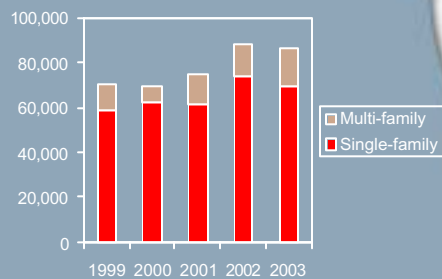
Ontario, Canada



Canada Market Overview & Trends

- Ontario represents 40% of Canadian housing market
- Toronto MSA, Monarch's primary market, is second largest market in North America, after Atlanta
- Driven by economic growth and immigration
- Privately held family companies dominate market.
- Tight land supply, caused by planning complexities, constrains growth, but offers margin opportunity

Ontario - Annual Permits



Average New Single Family Home Price - Ontario



TW Performance



Core Homebuilding Markets

	2003 Housing Permits	Housing Permits CAGR % '00-'03	Median Home Price YE 2003	Median Home Price CAGR % '00-'03	Employment YE 2003	Employment CAGR % '00-'03
Toronto MSA - LR	30,843	1.8	\$342,000	4.8		
Toronto MSA - HR	12,841	38.1	\$298,000	6.7	2.67m	2.3%
Ottawa MSA	6,767	4.6	\$219,294	11.1	0.6m	2.4%

Toronto – employment growth driven by financial services, manufacturing, services, and construction

Ottawa – employment growth driven primarily by Federal Government Jobs (as nation's capital), offsetting weak performance by IT sector

Low-rise Strategy and Competitive Position

- Moved away from large scale decentralized model to a more centralized model in two metropolitan areas: Toronto and Ottawa
- Continue to leverage advantages provided by financial strength, flexibility in deal structure and agility
- Focus on adding value - take advantage of opportunities to increase overall margin with design centres in Toronto and Ottawa side benefit of better control of the entire process

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Low-rise Strategy and Competitive Position

- Monarch brand yields both a premium on sale of houses but also provides land buy opportunities
- Long term presence necessary in local markets to source land and process land
- Diversified product offering allows cross-selling of the Monarch brand

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Stonebridge

Ottawa

- 2,300 units
- \$295,000 ASP
- Year 3 of 10
- 1st time, move-up, and empty nester
- Delivered 165 houses and an additional 82 lots in 2003



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Millcroft

Burlington

- 2,000 units
- \$290,000 ASP
- Phase XII of XIII
- Move-up, empty nester



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High-rise Strategy and Competitive Position

- Focus on affordable product in excellent locations in the Greater Toronto Area
 - Avoid the temptation to go up-market - stay in the C\$200,000/unit price range unless an exceptional location
 - Buy land that is on the waterfront; near a subway station or mass transit rail station; adjacent to a major mall

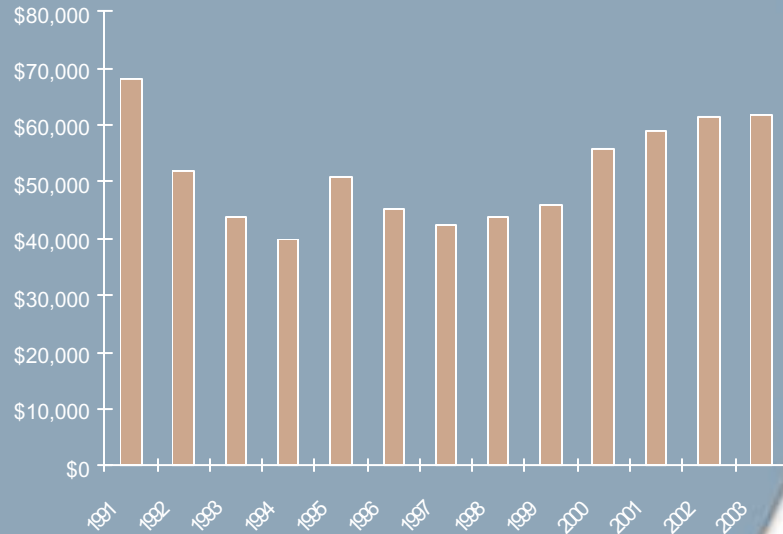
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High-rise Strategy and Competitive Position

- Extract efficiencies based on scale (second largest high-rise builder in the Greater Toronto Area)
 - joint Trades Council
 - large scale bidding that links projects by our high-rise division
 - centralized customer service
- Established relationships continue to yield new opportunities – eg. Equinox 1 and 2 have led to Equinox 3 and 4
- Public builder status provides comfort to potential vendors or partners

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Monarch High-rise - Income Required vs. Rates



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EQUINOX
AT SCARBOROUGH CITY CENTRE

Toronto

- 690 units (JV 50%)
- \$172,500 ASP
- 2 buildings 97.5% sold
- 70% Asian
- For a 2005 delivery



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Wrap-up & Q&A

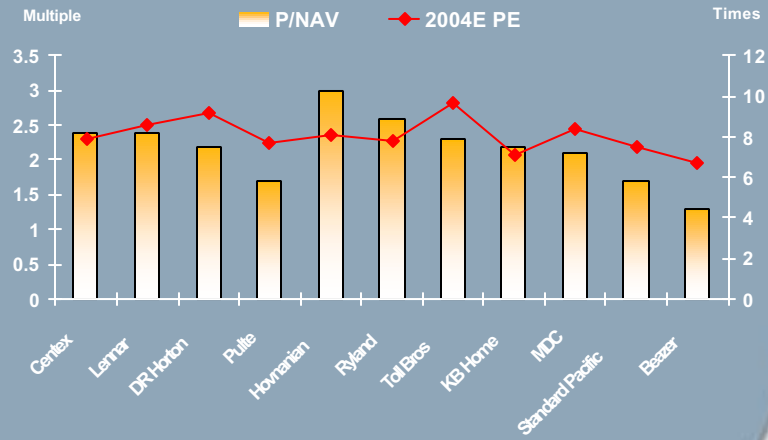
Iain Napier



Benefit of being in North America

- Proven TW strategy in selected markets
- Unique growth opportunities vs. other UK builders
- Housing market (14x UK) remains strong
- History of stable home price appreciation
- Constraint on supply in selected areas sustains market dynamics
- Favorable demographics
- Fragmented market provides opportunity for growth

North American Housebuilders



Source: UBS February 2004