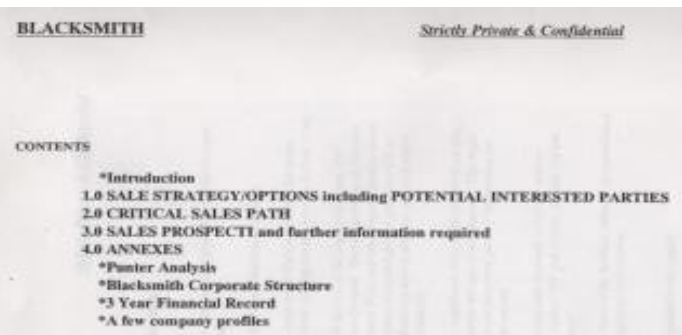
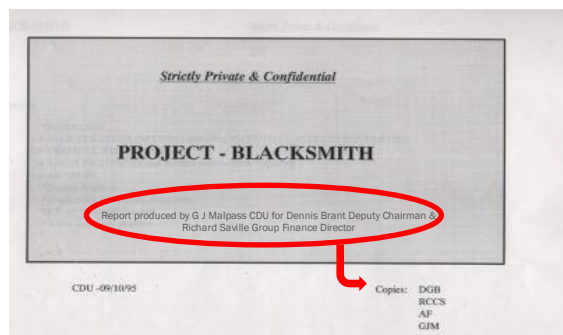


# Greg Malpass Role in Initiating 1995 WIMPEY – TARMAC £320MK ASSET SWAP

DIVESTMENT STUDY October 1995





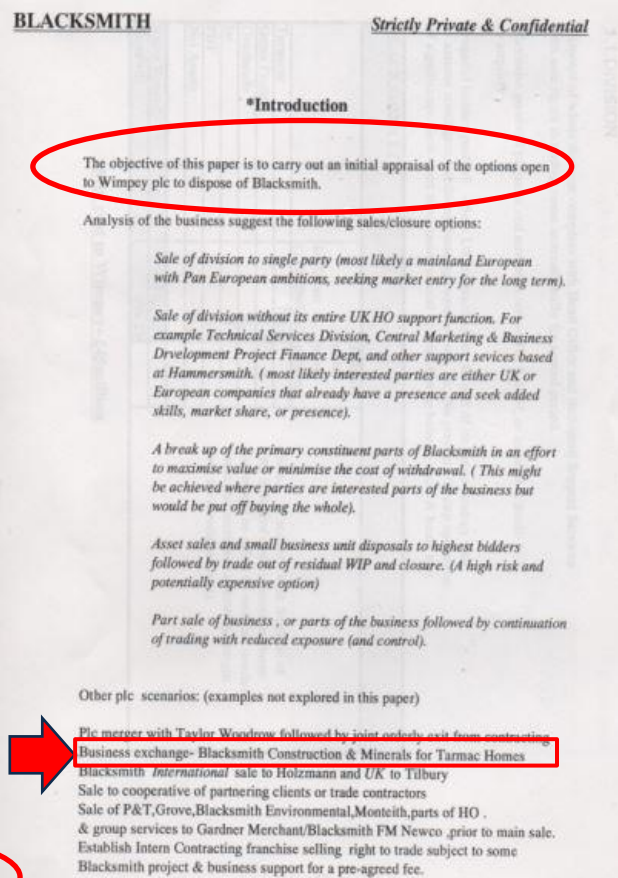
**George Wimpey**  
**ASSET SWAP**

### OUTCOME

In November 1995 Wimpey Plc swapped its Contracting and Minerals Businesses for Tarmac Housing Division in a £320m Asset Swap

The Strategy was pioneered by Greg Malpass as Construction Head of Wimpey's Corporate Development Unit.

Divestment of the Construction Arm alone was forecast to have cost Wimpey over £40m, so the Asset Swap was suggested as an alternative to a Wimpey Plc/Tarmac Plc Merger, which the Wimpey Board considered not attractive.



**1.0 SALE STRATEGY/OPTIONS**

1.2 DIVISION (less TML, HQ, Major Projects & PFI support):

Some companies with encumbent UK operations may value Blacksmith Ltd based on complementary skills or market positioning, or attainment of critical mass, or synergistic strategies. Inevitably, much of the redundant HO support to combined operations would be excluded or a post acquisition cost.

BLACKSMITH LTD. (less TML, HQ, Major Projects & PFI support):	Emillions (1995)	notes
	Budget	
Turnover	740.9	
Gross Profit	29.8	
Overheads	28.7	8m saving
Int		
PFI	1.2	
Net Assets	-51.6	excl TML
Value Range?	-52 to -34	15xPBI
Goodwill	0 to 18	8 extraord costs

**Min cost to WIMPEY- £42million**