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NEW CENTURY FINANCIAL CORP  
Form 425  
April 23, 2004

Filed by New Century Financial Corporation

Pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant Rule 14a-12 of the Securities Exchange Act of 1934

Subject Company: New Century Financial Corporation

Commission File No: 000-22633

This document is being filed pursuant to Rule 425 under the Securities Act of 1933 and is deemed filed pursuant to Rule 14a-12 under the Securities Exchange Act of 1934.

On April 22, 2004, we held a conference call announcing our earnings for the quarter ended March 31, 2004, and provided further details relating to our previously announced plan to convert to a real estate investment trust (REIT). The following are copies of slides used in connection with our conference call.



































































Certain statements contained in this slide presentation may be deemed to be forward-looking statements under federal securities laws, and we intend that such statements be subject to the safe harbor created thereby. The forward-looking statements include (i) our expectation that we will convert to REIT status and raise approximately \$750 million in equity capital using UBS and FBR as lead underwriters; (ii) our belief that this amount of capital will allow us to build a REIT portfolio of \$15 to \$20 billion without the need to raise additional capital; (iii) our expectations regarding the impact that the REIT conversion will have on our convertible senior notes; (iv) our expectation that the REIT will add approximately \$8 to \$10 billion to its on-balance sheet portfolio during 2004; (v) our expectation that our loan portfolio will contribute approximately 50% of EPS by the end of 2005, reducing reliance on our origination franchise to grow earnings; (vi) our expectation that we will continue to grow our origination franchise through our taxable REIT subsidiaries; (vii) our belief that the REIT structure will provide the following advantages: (1) capacity to grow our loan portfolio in a tax-efficient manner, (2) flexibility to execute growth strategies, (3) diversification of revenues, (4) more stable earnings, (5) attractive dividend yield; (viii) our 2004 projections for cash flow and EPS from our balance sheet portfolio and residual interests; (ix) our revised 2004 EPS guidance of \$7.50 to \$8.00 (whether or not we convert to a REIT and complete the related capital raise); (x) our revised 2004 loan production volume projection of \$36 billion; (xi) our beliefs regarding our competitive advantages; (xii) our estimates regarding our sales force growth in 2004; (xiii) our expectation that we will retain servicing of our on-balance sheet securitizations of \$8 to \$10 billion and an additional \$2 to \$4 billion through whole loan sales during the last six months of 2004; (xiv) our goal to enhance stockholder value in 2004; (xv) our projection that balance sheet assets will contribute at least \$3.00 to 2004 EPS; (xvi) our goal to maintain growth initiatives by increasing loan production, expanding geographically, increasing our market share and expanding our technology; (xvii) our goal to build a stronger balance sheet by growing our on-balance sheet portfolio; and (xviii) our goal of enhancing stockholder value by continuing to pay quarterly dividends and converting to a REIT. We caution that these statements are qualified by important factors that could cause actual events to differ materially from those reflected by the forward-looking statements. Such factors include, but are not limited to, (i) the condition of the U.S. economy and financial system; (ii) the condition of the markets for whole loans and mortgage-backed securities; (iii) the stability of residential property values; (iv) our ability to obtain stockholder approval of the agreement and plan of merger that is attached as an annex to the registration statement on Form S-4 filed with the Securities and Exchange Commission ( SEC ) by New Century REIT, Inc. in connection with the REIT conversion; (v) the satisfaction or, where permitted, waiver of the conditions specified in the agreement and plan of merger; (vi) our ability to comply with the requirements applicable to REITs; (vii) our ability to maintain low loan acquisition costs; (viii) the potential effect of new state or federal laws and regulations; (ix) the effect of increasing competition in our sector; (x) our ability to maintain adequate credit facilities to finance our business; (xi) the interest rate environment; (xii) the outcome of litigation or regulatory actions pending against us; (xiii) the accuracy of the assumptions used to calculate our EPS and cash flow projections; (xiv) the ability of our servicing platform to maintain high performance standards and (xi) our ability to adequately hedge our residual values. Additional information on these and other factors is contained in our Annual Report on Form 10-K for the year ended December 31, 2003, as amended, and our other periodic filings with the Securities and Exchange Commission, and also in the registration statement on Form S-3 and registration statement on Form S-4 filed with the SEC by New Century REIT, Inc. We assume no obligation to update the forward-looking statements included in this slide presentation.

### Proxy Information

Information contained in this document is not a substitute for the preliminary proxy statement/prospectus that is part of the registration statement on Form S-4 of New Century REIT, Inc., which was filed with the Securities and Exchange Commission on April 22, 2004 in connection with the proposed REIT conversion. The preliminary proxy statement/prospectus is a proxy statement of New Century Financial and prospectus of New Century REIT, Inc., a wholly owned subsidiary of New Century Financial. **Investors are urged to read the preliminary proxy statement/prospectus and any other relevant documents filed with the Securities and Exchange Commission, including the definitive proxy statement/prospectus when available, because they will contain important information.** You will be able to obtain the documents free of charge at the website maintained by the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov). In addition, you may obtain



documents filed by New Century Financial with the Securities and Exchange Commission free of charge by requesting them in writing from New Century Financial Corporation, 18400 Von Karman, Suite 1000, Irvine, California, 92612, Attention: Carrie Marrelli, or by telephone at (949) 224-5745.

#### **Participants in Solicitation**

*New Century Financial* and its directors and executive officers and other members of its management and employees may be deemed to be participants in the solicitation of proxies from the stockholders of *New Century Financial* in connection with the proposed REIT conversion. Information about the directors and executive officers of *New Century Financial* and their ownership of *New Century Financial* stock are set forth in the preliminary proxy statement/prospectus. Investors are also urged to review the information regarding the interests of such participants in the *definitive* proxy statement/prospectus *when filed with the Securities and Exchange Commission*.