

**5 JULY 2007**

**REDROW PLC**

**PRE-CLOSE TRADING UPDATE**

Redrow plc is issuing the following pre-close trading update in advance of its Preliminary Results announcement for the twelve months ended 30 June 2007, which is scheduled to be released on Tuesday 11 September 2007.

The Group completed 4,823 new homes during the year, an increase of 2% on the same period last year. The average selling price for the year was approximately £160,000 and operating margins are anticipated to be in line with our expectations. Our mixed use and regeneration activities recorded a number of successes during the year and delivered a strong second half performance. Overall, we expect our performance for the year to June 2007 to be in line with our expectations.

The new homes market remained stable but competitive during the year albeit with stronger conditions experienced in the South East of England and Scotland. Our sales levels have remained satisfactory in the second half with sales of our core product up 3.5% on the same period last year. Total Group forward sales at June 2007 were up over 6% at 2,148 homes as compared with 2,018 homes at the beginning of the financial year.

In the last 12 months our owned land bank with planning increased to over 17,700 plots as compared with 16,750 at June 2006 and our current land bank which also includes land controlled under contract, totalled 20,700 plots and remained in excess of 4 years supply on an historic basis. During the year just over 25% of our net additions to the owned land bank with planning were converted from our forward land bank which at June 2007 amounted to 24,400 plots with realistic prospects of securing planning. Our balance sheet remains strong and with year end gearing at c.31%, we retain the capacity to continue investing in our land bank to grow our business in the future.

We welcome the Government's renewed focus upon the important role of housebuilding to the UK economy though at a local level, the planning environment continues to inhibit an increase in volumes. We look forward to engaging constructively with the Office of Fair Trading on its recently announced market study.

We are on track to increase outlets during the new financial year to provide the capacity to increase our volumes and we have successfully implemented our planned steps to reduce costs and improve operating efficiency. Notwithstanding the recent interest rate rises our sales rates in the last quarter remained satisfactory. We will continue to monitor lead indicators closely to assess the impact of interest rates upon the housing market as we move into the autumn.

The ongoing imbalance between supply and demand in the housing market continues to make our industry attractive and Redrow has the land bank, product range and skill base to capitalise on opportunities for shareholders.

Enquiries

Neil Fitzsimmons, Chief Executive  
David Arnold, Group Finance Director

Patrick Handley/Nina Coad

Redrow  
01244 520044

Brunswick  
020 7404 5959