

## Consolidated Income Statement (Unaudited)

		6 months ended		12 months
		31 December		ended
		2015	2014	30 June
	Note	£m	£m	£m
Revenue		<b>603</b>	560	1,150
Cost of sales		<b>(457)</b>	(435)	(876)
<b>Gross profit</b>		<b>146</b>	125	274
Administrative expenses		<b>(36)</b>	(30)	(61)
Operating profit before financing costs		<b>110</b>	95	213
Financial income		<b>2</b>	3	3
Financial costs		<b>(8)</b>	(7)	(12)
Net financing costs		<b>(6)</b>	(4)	(9)
<b>Profit before tax</b>		<b>104</b>	91	204
Income tax expense	2	<b>(21)</b>	(19)	(42)
<b>Profit for the period</b>		<b>83</b>	72	162
<b>Earnings per share from</b>				
- basic	4	<b>22.9p</b>	19.9p	44.5p
<b>continuing operations</b>	4	<b>22.8p</b>	19.9p	44.5p

## Consolidated Statement of Comprehensive Income (Unaudited)

		6 months ended		12 months
		31 December		ended
		2015	2014	30 June
	Note	£m	£m	£m
<b>Profit for the period</b>		<b>83</b>	72	162
<b>Other comprehensive income</b>				
Remeasurements of post employment benefit obligations	5	<b>4</b>	7	8
Deferred tax on remeasurements taken directly to equity		<b>(1)</b>	(1)	(2)
<b>Other comprehensive income for the period</b>		<b>3</b>	6	6
<b>net of tax</b>				
<b>Total comprehensive income for the period</b>		<b>86</b>	78	168

## Consolidated Balance Sheet (Unaudited)

		As at 31 December	As at 30 June	
	Note	2015 £m	2014 £m	2015 £m
<b>Assets</b>				
Intangible assets		2	2	2
Property, plant and equipment	6	12	11	12
Investments		20	11	17
Deferred tax assets		4	5	5
Retirement benefit surplus	5	1	-	-
Trade and other receivables		12	15	13
<b>Total non-current assets</b>		<b>51</b>	<b>44</b>	<b>49</b>
Non-current assets available for sale		-	1	-
Inventories	7	1,621	1,305	1,500
Trade and other receivables		36	35	39
Cash and cash equivalents	9	78	33	56
<b>Total current assets</b>		<b>1,735</b>	<b>1,374</b>	<b>1,595</b>
<b>Total assets</b>		<b>1,786</b>	<b>1,418</b>	<b>1,644</b>
<b>Equity</b>				
Share capital	11	37	37	37
Share premium account		59	59	59
Other reserves		8	8	8
Retained earnings		805	663	745
<b>Total equity</b>		<b>909</b>	<b>767</b>	<b>849</b>
<b>Liabilities</b>				
Bank loans	9	215	140	150
Trade and other payables	8	105	119	84
Deferred tax liabilities		1	1	1
Retirement benefit obligations	5	-	4	3
Long-term provisions		8	8	7
<b>Total non-current liabilities</b>		<b>329</b>	<b>272</b>	<b>245</b>
Bank overdrafts and loans	9	46	33	60
Trade and other payables	8	483	329	471
Current income tax liabilities		19	17	19
<b>Total current liabilities</b>		<b>548</b>	<b>379</b>	<b>550</b>
<b>Total liabilities</b>		<b>877</b>	<b>651</b>	<b>795</b>
<b>Total equity and liabilities</b>		<b>1,786</b>	<b>1,418</b>	<b>1,644</b>

### Consolidated Statement of Changes in Equity (Unaudited)

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total £m
At 1 July 2014	37	59	8	592	696
Total comprehensive income for the period	-	-	-	78	78
Dividends paid	-	-	-	(7)	(7)
Movement in LTSIP/SAYE	-	-	-	-	-
<b>At 31 December 2014</b>	<b>37</b>	<b>59</b>	<b>8</b>	<b>663</b>	<b>767</b>
At 1 July 2014	37	59	8	592	696
Total comprehensive income for the period	-	-	-	168	168
Dividends paid	-	-	-	(15)	(15)
Movement in LTSIP/SAYE	-	-	-	-	-
<b>At 30 June 2015</b>	<b>37</b>	<b>59</b>	<b>8</b>	<b>745</b>	<b>849</b>
At 1 July 2015	37	59	8	745	849
Total comprehensive income for the period	-	-	-	86	86
Dividends paid	-	-	-	(15)	(15)
Movement in LTSIP/SAYE	-	-	-	(11)	(11)
<b>At 31 December 2015</b>	<b>37</b>	<b>59</b>	<b>8</b>	<b>805</b>	<b>909</b>

## Consolidated Statement of Cash Flows (Unaudited)

		6 months ended 31 December	12 months ended 30 June
	Note	2015 £m	2014 £m
			2015 £m
<b>Cash flow from operating activities</b>			
Operating profit before financing costs		110	95
Depreciation and amortisation		1	1
Adjustment for non-cash items		(1)	(5)
<b>Operating profit before changes in working capital and provisions</b>		<b>110</b>	<b>93</b>
Decrease/(increase) in trade and other receivables		6	-
Increase in inventories		(121)	(148)
Increase in trade and other payables		31	88
Increase in provisions		1	1
<b>Cash inflow generated from operations</b>		<b>27</b>	<b>34</b>
Interest paid		(3)	(3)
Tax paid		(21)	(1)
<b>Net cash inflow from operating activities</b>		<b>3</b>	<b>30</b>
<b>Cash flows from investing activities</b>			
Sale of business		-	9
Acquisition of software, property, plant and equipment	6	(1)	-
Net payments to joint ventures		(5)	-
<b>Net cash inflow from investing activities</b>		<b>(6)</b>	<b>9</b>
<b>Cash flows from financing activities</b>			
Issue of bank borrowings		215	140
Repayment of bank borrowings		(150)	(175)
Purchase of own shares		(11)	-
Dividends paid	3	(15)	(7)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>39</b>	<b>(42)</b>
<b>Increase/(decrease) in net cash and cash equivalents</b>		<b>36</b>	<b>(3)</b>
Net cash and cash equivalents at the beginning of the period		(4)	3
<b>Net cash and cash equivalents at the end of the period</b>	9	<b>32</b>	<b>(4)</b>

## **NOTES (Unaudited)**

### **1. Accounting policies**

#### **Basis of preparation**

The condensed consolidated half-yearly financial information for the half-year ended 31 December 2015 has been prepared on a going concern basis in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, 'Interim financial reporting' as adopted by the European Union. The half-yearly condensed consolidated report should be read in conjunction with the annual financial statements for the year ended 30 June 2015, which have been prepared in accordance with IFRSs as adopted by the European Union.

These half-yearly financial results do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 June 2015 were approved by the Board of Directors on 7 September 2015 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph, and did not contain any statement under section 498 of the Companies Act 2006.

The principal accounting policies adopted in the preparation of this consolidated half-yearly report are included in the annual financial statements for the year ended 30 June 2015. These policies have been consistently applied to all the periods presented.

After making due enquiries and in accordance with the FRC's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009', the Directors have a reasonable expectation that the Group has adequate resources to continue trading for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.

The main operation of the Group is focused on housebuilding. As it operates entirely within the United Kingdom, the Group has only one reportable business and geographic segment. There is no material difference between any assets or liabilities held at cost and their fair value.

#### **New standards**

##### **a) New and amended standards adopted by the Group**

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2015. These new standards are not expected to have a material impact for the Group:

- Amendment to IAS 19 regarding defined benefit plans (effective 1 February 2015)

##### **b) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 July 2015:**

- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation (effective 1 January 2016).

- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation (effective 1 January 2016).
- IFRS 14, 'Regulatory deferral accounts' (effective 1 January 2016).
- Amendments to IAS 27, 'Separate financial statements' on the equity method (effective 1 January 2016).
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' (effective 1 January 2016).
- IFRS 15 'Revenue from contracts with customers' (effective 1 January 2017).
- IFRS 9 'Financial instruments' (effective 1 January 2018).
- Amendments to IFRS 9, 'Financial instruments', regarding general hedge accounting (effective 1 January 2018).
- Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative (effective 1 January 2016).
- Amendment to IFRS 10 and IAS 28 on investment entities applying the consolidation exception (effective 1 January 2016).
- IFRS 15 'Revenue from contracts with customers' (effective 1 January 2018)

## **Principal risks and uncertainties**

As with any business, Redrow plc faces a number of risks and uncertainties in the course of its day to day operations.

The principal risks and uncertainties facing the Group are outlined on pages 18 to 20 of our half-yearly report 2016.

### **2. Income taxes**

Income tax charge is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year (20.00% (2015: 20.75%)).

### **3. Dividends**

A dividend of £15m was paid in the six months to 31 December 2015 (six months to 31 December 2014: £7m).

### **4. Earnings per share**

The basic earnings per share calculation for the six months ended 31 December 2015 is based on the weighted number of shares in issue during the period of 362m (2015: 363m) excluding those held in trust under the Redrow Long Term Incentive Plan, which are treated as cancelled.

Diluted earnings per share has been calculated after adjusting the weighted average number of shares in issue for all potentially dilutive shares held under unexercised options.

#### 6 months ended 31 December 2015

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	83	362	22.9
Effect of share options and SAYE	-	1	(0.1)
<b>Diluted earnings per share</b>	<b>83</b>	<b>363</b>	<b>22.8</b>

#### 6 months ended 31 December 2014

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	72	363	19.9
Effect of share options and SAYE	-	1	-
<b>Diluted earnings per share</b>	<b>72</b>	<b>364</b>	<b>19.9</b>

#### 12 months ended 30 June 2015

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	162	364	44.5
Effect of share options and SAYE	-	1	(0.1)
<b>Diluted earnings per share</b>	<b>162</b>	<b>365</b>	<b>44.4</b>

## 5. Pensions

The amounts recognised in respect of the defined benefit section of the Group's Pension Scheme are as follows:

	6 months ended 31 December 2015 £m	2014 £m	12 months ended 30 June 2015 £m
<b>Amounts included within the consolidated income statement</b>			
<b>Period operating costs</b>			
Scheme administration expenses	-	(1)	(1)
Net interest on defined benefit liability	-	-	-
	-	(1)	(1)

#### Amounts recognised in the consolidated statement of comprehensive income

Return on scheme assets excluding interest income	(1)	11	10
Actuarial losses arising from change in financial assumptions	5	(3)	(4)

Actuarial losses arising from change in demographic assumptions	-	(1)	(1)
Actuarial gains arising from experience adjustments	-	-	3
	<b>4</b>	<b>7</b>	<b>8</b>

#### Amounts recognised in the consolidated balance sheet

Present value of the defined benefit obligation	<b>(100)</b>	(109)	(106)
Fair value of the Scheme's assets	<b>101</b>	105	103
<b>Surplus/(liability) in the consolidated balance sheet</b>	<b>1</b>	(4)	(3)

#### 6. Property, plant and equipment

Additions totalling £1m were made during the period (2015: £nil). There was £nil of capital expenditure contracted at 31 December 2015 (31 December 2014: £nil).

#### 7. Inventories

	As at 31 December		As at 30 June
	2015	2014	2015
	£m	£m	£m
Land for development	<b>1,069</b>	916	1,020
Work in progress	<b>494</b>	355	426
Stock of showhomes	<b>58</b>	34	54
	<b>1,621</b>	1,305	1,500

Land and work in progress are stated net of net realisable value provisions summarised as follows:

	Total £m
Provision at 1 July 2015	28
Utilised during period	(3)
<b>Provision at 31 December 2015</b>	<b>25</b>

#### 8. Land Creditors (included in Trade and Other Payables)

	As at 31 December		As at 30 June
	2015	2014	2015
	£m	£m	£m
Due within one year	<b>183</b>	86	182
Due in more than one year	<b>105</b>	119	84
	<b>288</b>	205	266



## 9. Analysis of Net Debt

	As at 31 December		As at 30 June
	2015	2014	2015
	£m	£m	£m
Cash and cash equivalents	78	33	56
Bank overdrafts	(46)	(33)	(60)
Net cash and cash equivalents	32	-	(4)
Bank loans	(215)	(140)	(150)
	<b>(183)</b>	<b>(140)</b>	<b>(154)</b>

## 10. Bank facilities

At 31 December 2015, the Group had total unsecured bank borrowing facilities of £368m, representing £365m committed facilities and £3m uncommitted facilities.

The Group syndicated loan facility matures in March 2020.

## 11. Issued Share capital

	As at 31 December		As at 30 June
	2015	2014	2015
	£m	£m	£m
Allotted, called up and fully paid ordinary shares of 10p each	37	37	37

Number of ordinary  
shares of 10p each

At 1 July 2015 and 31 December 2015

**369,799,938**

## 12. Contingent Liabilities

Performance bonds, financial guarantees in respect of certain deferred land creditors and other building or performance guarantees have been entered into in the normal course of business.

## 13. Related parties

Key management personnel, as defined under IAS 24 'Related Party Disclosures', are identified as the Main Board together with Group Senior Management. Summary key management remuneration is as follows:

	6 months ended 31 December		12 months ended 30 June
	2015	2014	2015
	£m	£m	£m
Short-term employee benefits	2	2	2
Share-based payment charges	-	-	2
	<u>2</u>	<u>2</u>	<u>4</u>

Related party transactions were carried out with Steve Morgan during the period for a total consideration of £0.2m (2015: £0.2m) primarily relating to donations to the Morgan Foundation.

The Group did not undertake any material transactions with Menta Redrow Limited or Menta Redrow (II) Limited. The Group's loans to its joint ventures are summarised below:

	As at 31 December		As at 30 June
	2015	2014	2015
	£m	£m	£m
Loans to joint ventures	21	12	18

#### 14. General information

Redrow plc is a public limited company incorporated and domiciled in the UK and has its primary listing on the London Stock Exchange.

The registered office address is Redrow House, St David's Park, Flintshire, CH5 3RX.

#### Financial Calendar

Interim dividend record date	19 February 2016
Interim dividend payment date	31 March 2016
Announcement of results for the year to June 2016	6 September 2016
Circulation of Annual Report	23 September 2016
Final dividend record date	23 September 2016
Annual General Meeting	9 November 2016
Final dividend payment date	11 November 2016

#### 15. Shareholder enquiries

The Registrar is Computershare Investor Services PLC. Shareholder enquiries should be addressed to the Registrar at the following address:

Registrars Department  
The Pavilions  
Bridgwater Road

Bristol  
BS99 6ZZ

Shareholder helpline : 0370 707 1257

## **Independent review report to Redrow plc**

### **Report on the condensed consolidated interim financial statements**

#### *Our conclusion*

We have reviewed Redrow plc's condensed consolidated interim financial statements (the "interim financial statements") in the half-yearly report of Redrow plc for the six month period ended 31 December 2015. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

#### *What we have reviewed*

The interim financial statements comprise:

- the consolidated balance sheet as at 31 December 2015;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of cash flows for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half-yearly report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### **Responsibilities for the condensed consolidated interim financial statements and the review**

#### *Our responsibilities and those of the directors*

The half-yearly report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly report in accordance with the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the half-yearly report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other

purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

*What a review of condensed consolidated interim financial statements involves*

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP  
Chartered Accountants  
Manchester  
8 February 2016

Notes:

- (a) The maintenance and integrity of the Redrow plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.