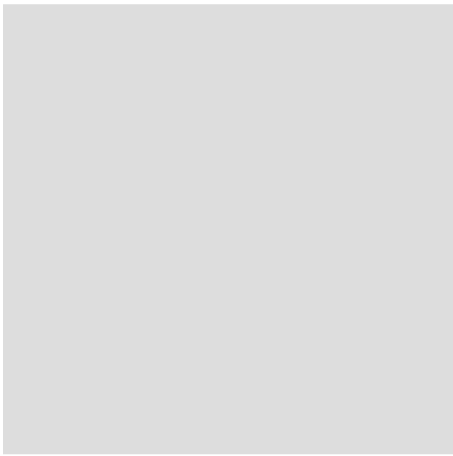


*Preliminary Results
Presentation*

Year to 30 June 2006

Tuesday 12 September 2006



Robert Jones

Chairman

Group Objective



**To deliver long term sustainable growth and
by so doing deliver value to our Shareholders**

Strategy for Growth



- 1) Increase output of core product through our existing structure
- 2) Deliver incremental profit from our Debut product
- 3) Develop additional income streams from mixed use and regeneration activities

Dividend – 2005/06



- Proposed 2005/06 full year dividend per share increased by 20% to 13.0p – in line with commitment
- Dividend cover remains strong at 4.1 times

Dividend Policy



- Strong financial performance and progress with growth strategy provides opportunity to continue progressive dividend policy
- Commitment to increase dividend per share by 20% per annum in 2006/07 and 2007/08
- Dividend will have increased by 2.5 times over five year period from 2002/03 to 2007/08
- Dividend payment to be re-balanced to approximately 50:50 commencing in 2006/07

David Arnold

Group Finance Director

Group Highlights



		Year to June		
		2006	2005	
Turnover	(£m)	770.1	780.4	-1 %
Profit before tax*	(£m)	120.5	139.0	-13 %
EPS* - basic	(p)	52.9	60.7	-13 %
EPS – underlying	(p)	53.7	60.7	-12 %
Net assets per share	(p)	322.0	284.3	+13 %
ROCE	(%)	22.0	28.7	

*Stated after £2m provision in respect of Jersey

Profit Analysis



	Year to June		
	2006	2005	
	£ m	£ m	
Operating profit			
Homes	133.8	147.4	-9 %
Mixed Use & Regeneration	0.7	4.5	
Framing Solutions	(0.8)	(1.2)	
Underlying operating profit	133.7	150.7	-11 %
Jersey provision	(2.0)	-	
	131.7	150.7	-13 %
<i>Add back share of JV operating losses</i>	<i>1.1</i>	<i>3.3</i>	
Operating profit (IAS reported)	132.8	154.0	-14 %
Net financing costs	(11.5)	(12.6)	
Share of JV losses after interest and tax	(0.8)	(2.4)	
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Homes – Trading Performance



		Year to June		
		2006	2005	
Legal completions		4,735	4,372	+8 %
Ave. selling price	(£'000)	161.7	172.4	-6 %
Turnover	(£m)	765.5	753.8	+2 %
Operating profit	(£m)	133.8	147.4	-9 %

Homes – Product Profile



Year to June

	2006		2005		Volume Change
	Units	%	Units	%	
Legal completions					
Signature	4,027	85.0	3,703	84.7	+9 %
In The City	495	10.5	667	15.3	-26 %
Debut	213	4.5	2	-	n/a
	<u>4,735</u>	<u>100.0</u>	<u>4,372</u>	<u>100.0</u>	<u>+8 %</u>
Ave. Selling price		£ 000		£ 000	Price Change
Signature		166.2		166.2	-
In The City		160.2		207.4	-23 %
Debut		79.2		72.7	n/a
		<u>161.7</u>		<u>172.4</u>	<u>-6 %</u>

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Homes Performance



	H2 06	H1 06	H2 05	H1 05
Units	2,658	2,077	2,261	2,111
ASP (£000)	160.5	163.1	168.4	176.7
	£m	£m	£m	£m
Turnover	426.7	338.8	380.7	373.1
Gross contribution	96.7	81.1	94.0	95.3
Overhead	(22.0)	(22.0)	(20.8)	(21.1)
Operating profit	74.7	59.1	73.2	74.2
	%	%	%	%
Gross margin	22.7	23.9	24.7	25.5
Overhead	(5.2)	(6.5)	(5.5)	(5.6)
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Maximising Margins



- Driving premium pricing through high quality design
- Maintaining land acquisition strategy
- Controlling cost through use of standard housetypes
- Tightly managing structural and operational overhead

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- *Driving premium pricing through high quality design*
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Maximising Margins Premium Pricing



- Promoting quality of design to deliver premium price
 - Use core housetypes to deliver high quality street scenes
 - Increased attention to layout and public realm
 - Established Urban Design Centre of Excellence



Stourscombe Vale, Launceston



Cwm Calon, Caerphilly



Buckshaw Village, Chorley

Maximising Margins

Controlling Build Cost



- Focus on core housetypes to control costs and drive efficiency
 - 2005/06: 70% of Signature legal completions used core housetypes
 - 2006/07: 80% of Signature legal completions are expected to be core housetypes
- Housebuild cost increase on standard product c.2% in 2005/06
- Over 80% of material costs of housebuild managed through Group deals
- Product Development Team responsible for value engineering, product improvement and addressing requirements for increased sustainability

Cash Flow



Year to June

	2006	2005
	£ m	£ m
Operating profit (pre Joint Ventures)	132.8	154.0
Increase in working capital	(96.4)	(56.6)
Capex and investments net of depreciation	(3.4)	(5.7)
Tax and financing costs	(43.3)	(50.0)
Dividends	(18.4)	(15.2)
Issue of shares	2.1	1.0
Net cash flow	(26.6)	27.5
Net debt brought fwd	(103.2)	(130.7)
Net debt carried fwd	(129.8)	(103.2)

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Capital Employed



	Jun 2006	Dec 2005	Jun 2005
	£ m	£ m	£ m
Fixed assets	26.6	26.7	26.9
Stocks	849.6	786.2	761.0
Debtors/deferred tax assets	31.3	17.5	20.8
Land creditors	(78.3)	(82.2)	(78.8)
Pensions	(8.6)	(10.5)	(7.9)
Other net creditors	(153.2)	(121.1)	(140.8)
Tax & dividends	(23.8)	(23.3)	(25.5)
	<u>643.6</u>	<u>593.3</u>	<u>555.7</u>

Stocks



	Jun 2006	Dec 2005	Jun 2005
	£ m	£ m	£ m
Land	522.5	453.0	459.6
Work in progress			
- Signature / Debut	242.8	246.8	232.7
- In the City	52.8	57.7	43.8
	<hr/> 295.6	<hr/> 304.5	<hr/> 276.5
Part Exchange	6.6	7.5	7.1
Showhomes	14.2	13.4	11.0
	<hr/> 838.9	<hr/> 778.4	<hr/> 754.2
Homes	838.9	778.4	754.2
Mixed Use & Regeneration	10.7	7.8	6.8
	<hr/> 849.6	<hr/> 786.2	<hr/> 761.0
Group	849.6	786.2	761.0

Pensions



- Defined benefit (DB) section closed to new members generally in 2001
- Triennial valuation as at 1 July 2005 concluded during year – updated mortality assumptions included
- No material change in 2006/07 pension charge anticipated
- Payment of £11m by Company to DB section agreed
 - £3m paid in June 2006
 - £8m paid in July 2006
- Deficit on DB section at 30 June 2006 of £8.6m (2005 : £7.9m)

Financing



	Jun 2006	Dec 2005	Jun 2005
	£ m	£ m	£ m
Capital employed	643.6	593.3	555.7
Net borrowings	(129.8)	(116.1)	(103.2)
Net assets	<u>513.8</u>	<u>477.2</u>	<u>452.5</u>
Gearing	25 %	24 %	23 %
Interest cover (6 months)	11.9	11.2	11.9

Neil Fitzsimmons

Chief Executive

Chief Executive Review



- Sales
- Land
- Strategy
 - Core product
 - Debut
 - Mixed Use and Regeneration
- Outlook
- Summary

Sales Market 2005/06



- UK housing market remained relatively subdued in H1 2005/06
- Seasonal upturn in Autumn 2005 but overall consumer confidence remained relatively weak
- Significant increase in mortgage approvals in October and November 2005
- More realistic asking prices in second hand market – ‘less aspirational’
- House price indices recording continuing increases in house prices
 - = Increased buyer confidence and transaction levels in H2

Sales Performance



	2005/06			2004/05		
	Signature / ITC	Debut	Total	Signature / ITC	Debut	Total
b/f	1,893	85	1,978	2,344	-	2,344
H1						
Sales	1,819	96	1,915	1,715		1,715
Legal Completions	(1,972)	(105)	(2,077)	(2,111)		(2,111)
End Dec sales c/f	1,740	76	1,816	1,948	-	1,948
H2						
Sales	2,347	267	2,614	2,204	87	2,291
Legal Completions	(2,550)	(108)	(2,658)	(2,259)	(2)	(2,261)
End June sales c/f	1,537	235	1,772	1,893	85	1,978

- Total sales in 2005/06 up 13%
- H2 sales in Signature and In the City up 6.5% on same period last year
- Forward sales in Signature / ITC represent 17 weeks – ahead of historic norms

Current Sales Market



- Net reservations in first 9 weeks up over 10% on core product
- New homes market still remains competitive
- Securing selling prices in line with profit objectives for 06/07

Sales Strategy



- Selling price strategy tailored to individual sites appropriate to forward sales position
- Focus on opening new showhomes and developing street scenes to demonstrate quality of product
- Launch of new Redrow website
 - 80% of homebuyers now using the internet as primary source of information
 - new features to enhance information search and customer journey

Land Bank Analysis



	Jun 2006	Jun 2005	
CURRENT LAND			
Land with planning	16,750	15,800	+6 %
Contracted plots	4,250	1,500	
	<u>21,000</u>	<u>17,300</u>	+21 %
FORWARD LAND			
Forward land with planning	100	750	
Allocations	9,000	7,500	
	<u>9,100</u>	<u>8,250</u>	+10 %
Sub total	9,100	8,250	+10 %
Realistic prospect	15,600	13,850	+13 %
	<u>24,700</u>	<u>22,100</u>	+12 %

Analysis includes plots in respect of Redrow Regeneration:

June 2006: Land with planning 250; Contracted plots 250; Realistic prospect 1,100

June 2005: Realistic prospect 1,100

Current Land Bank: Product Profile



	Jun 2006	Jun 2005	
Signature	17,460	14,850	+18 %
In The City	1,480	2,150	
Debut	1,560	300	
Homes	20,500	17,300	+18 %
Regeneration	500	-	
	21,000	17,300	+21 %

	%	%	
Signature	85.2	85.8	
In The City	7.2	12.5	
Debut	7.6	1.7	
Homes	100.0	100.0	

Current Land Bank: Regional Profile



	Jun 2006	Jun 2005	
Northern	8,200	7,450	+10 %
Southern	5,200	4,950	+5 %
Western	7,100	4,900	+45 %
Homes	<u>20,500</u>	<u>17,300</u>	+18 %
Regeneration	<u>500</u>	<u>-</u>	
	<u>21,000</u>	<u>17,300</u>	+21 %
	%	%	
Northern	40.0	43.1	
Southern	25.4	28.6	
Western	34.6	28.3	
Homes	<u>100.0</u>	<u>100.0</u>	

Homes: Land Owned with Planning



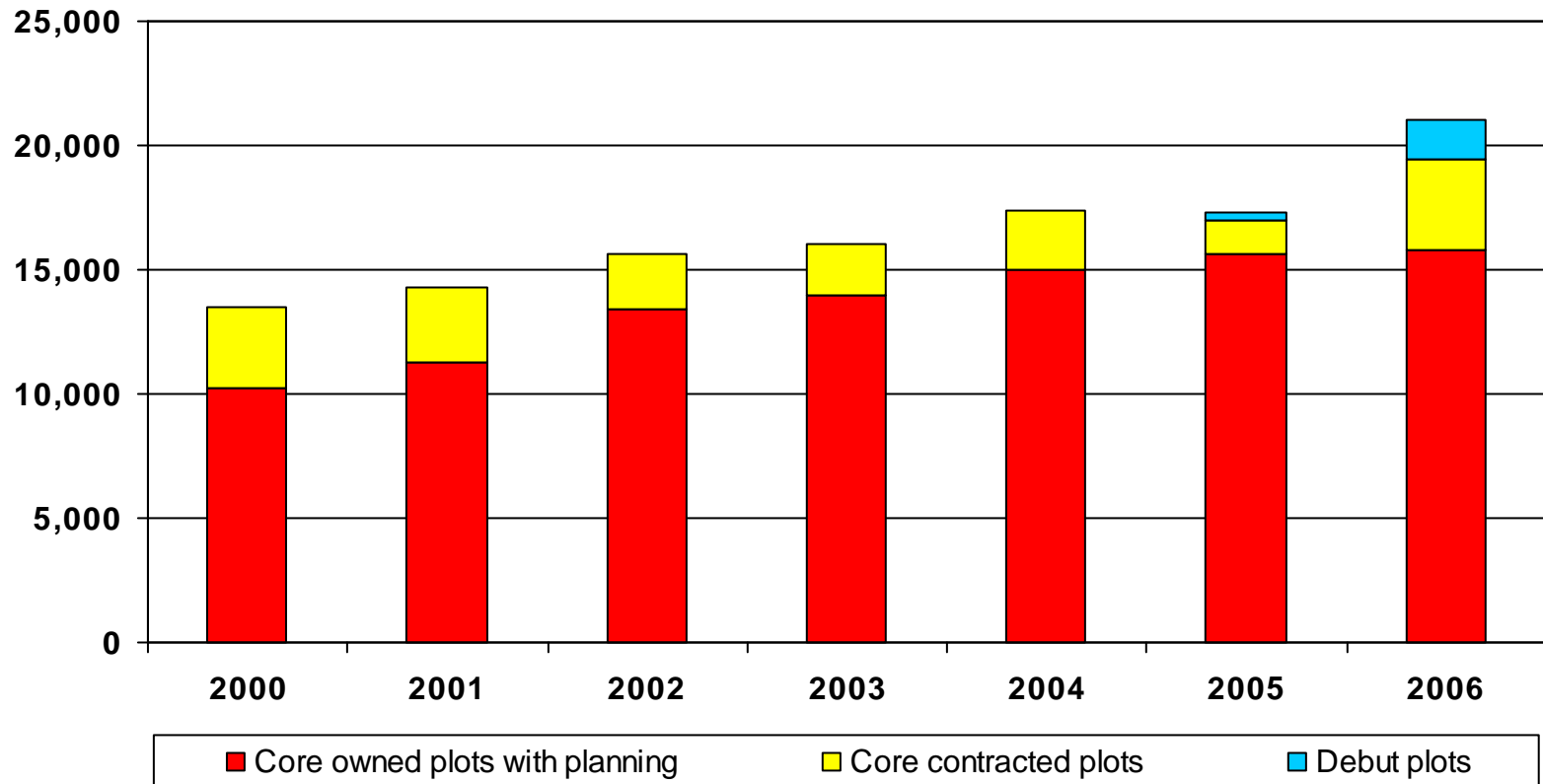
	Jun 2006	Plot Cost £ 000	Jun 2005	Plot Cost £ 000
	Plots		Plots	
Plots b/f	15,800	29.3	15,000	26.7
Additions	5,435	31.6	5,172	30.2
Cost of sales	(4,735)	(26.0)	(4,372)	(24.4)
Plot c/f	<u>16,500</u>	<u>31.0</u>	<u>15,800</u>	<u>28.5</u>
ASP in period		£161,700		£172,400
Cost of sales in period as % of ASP		16.1 %		14.2 %
Estimated ASP of owned land bank with planning		£169,000		£168,000
Plot cost at period end as % of ASP of land bank		18.3 %		17.0 %

Strategy for Growth



- 1) Increase output of core product through our existing structure
- 2) Expand the volume from our Debut product
- 3) Deliver additional income streams from mixed use and regeneration activities

Growing The Core Product



- Core product in current land bank increased by 11% in 2005/06
- Core product element within current land bank represents in excess of four year supply

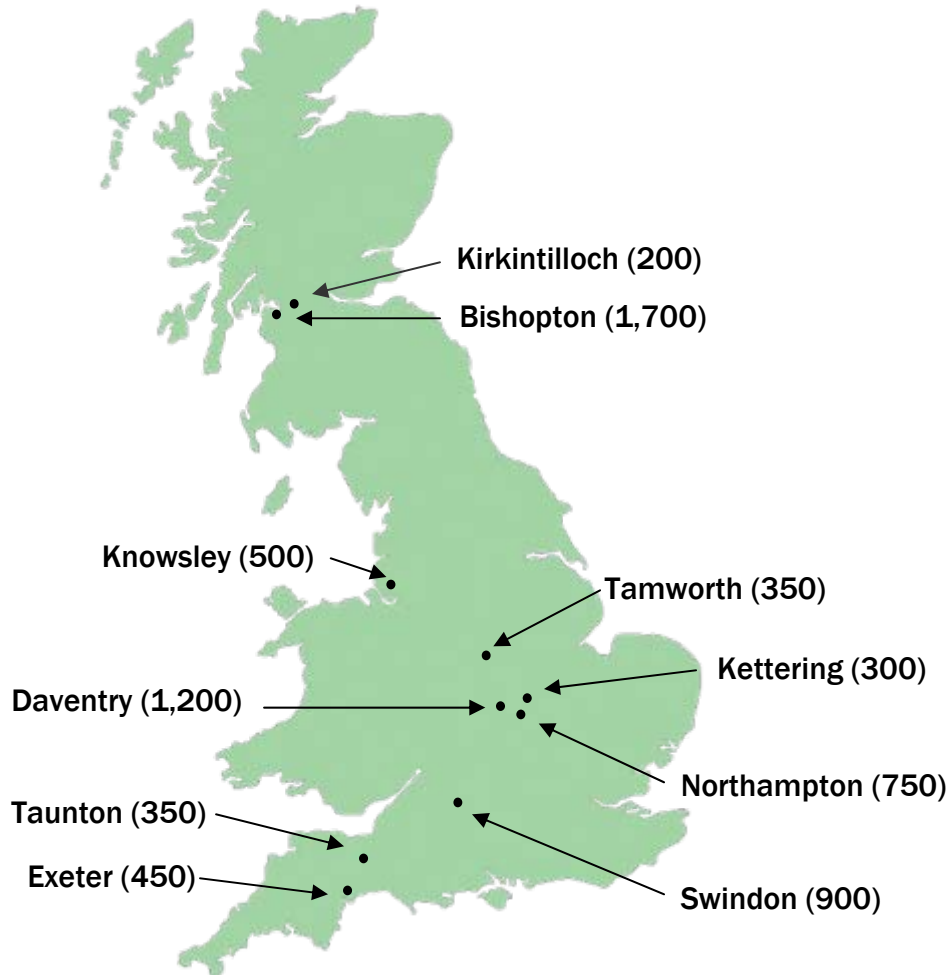
Growing The Core Product



- Hewlett Packard, Bristol
 - 1,250 plots
 - 72,000 sq.ft. of retail and office space
 - outline planning permission secured
 - master planning in progress
 - anticipate first legal completions in 2007/08

- Balance sheet strength and capacity to invest in land bank
- Gearing at June 2006 only 25%

Growing The Core Product



- Forward land provides land at enhanced margins
- 10 major sites in planning over next 18 months
- Potential for over 6,500 plots to support future growth in core product particularly post 2008

Growing The Core Product



- Increased geographical coverage in last three years
 - South Midlands at Northampton
 - West Country at Exeter
 - East Midlands at Newark
- 13 operating companies across the UK
- Capacity to grow from 4,500 to 7,000 legal completions per annum from core product

Growing Debut



Willans Green, Rugby



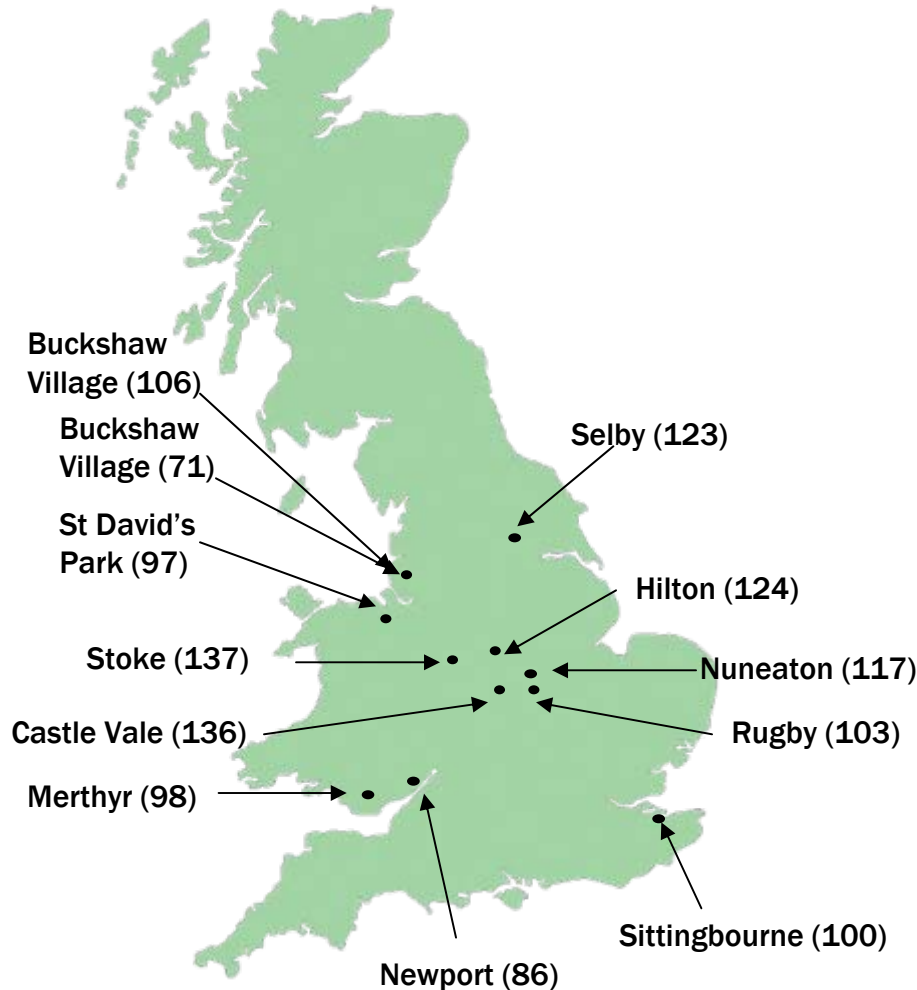
Buckshaw Village, Chorley



Castle Vale, Birmingham

- 213 Debut units legally completed in 2005/06
- Delivered c.£17m of incremental turnover in 2005/06
- Meeting anticipated financial returns

Growing Debut



- Planning secured at 30 June for over 1,100 Debut homes in 18 months
- Planning secured for c.200 Debut homes on 2 sites in new financial year
- Significant increase to c.500 units in 2006/07
- On track to deliver 2,000 Debut homes per annum by 2010
- Incremental profit and value for shareholders

Growing Mixed Use



- Buckshaw Village, Chorley
 - joint development
 - over 2,000 homes
 - over 2.0m sq.ft. of commercial property

- Building on historic success with continued progress at Buckshaw Village

Growing Mixed Use



CGI of Devonport regeneration in Plymouth

- New mixed use opportunities secured
 - Bristol – 1,250 homes + 72,000 sq.ft. of commercial
 - Plymouth – 450 homes + 100,000 sq.ft. of commercial
 - Lichfield – 150 homes + 40,000 sq.ft. of commercial
-
- Anticipated start in Autumn 2006 of mixed use scheme to regenerate a key part of Devonport in Plymouth

Growing Mixed Use



- Bishopton, near Glasgow
 - 2,500 acres in total
- Planning application submitted in June 2006
 - Initially 2,500 homes ($\frac{2}{3}$ to Redrow Homes Scotland)
 - 1.5m sq.ft. of employment and community development
- Sustainable development delivering significant community benefits

Growing Regeneration



- On site with development of Phase 1 at Barking
- 246 new homes all sold under contract (c. £40m of turnover)
- First legal completions Summer 2007
- Progressing planning on phases 2 & 3

Growing Regeneration



- Progressing other major opportunities through pre-development phase
 - Regeneration schemes have over £750m of development value
-
- Joint venture in place to pursue the opportunity to redevelop Watford Junction railway station with potential for 2,200 homes and 150,000 sq.ft. of commercial development

Outlook – Short Term



- Recent increase in interest rates should not significantly influence demand
 - Future direction of interest rates may influence confidence
- BUT
- Continuing strength in growth of the economy
 - Increasing numbers of people in employment
 - Improving confidence levels of people in employment
- ALL SUPPORTIVE FOR DEMAND

Outlook – Short Term



- Expect modest house price inflation plus proactive management of cost base to largely offset cost increases
- Land bank provides capability to drive growth in Signature output and significantly increase Debut legal completions

Outlook – Medium Term

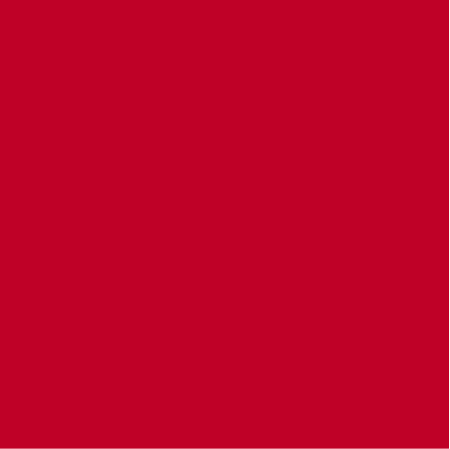


- Need to increase supply of new homes recognised by focus in Government policy
- Constructive engagement required to solve issues in planning system and provision of major infrastructure – but need to see desire for improvement turned into actual improvement
- Government's objective of increasing home ownership a positive for sector – but need to demonstrate willingness to embrace imaginative solutions

Summary



- 2005/06 – a year of significant progress in strategy for growth
- Redrow has the
 - skill base within the Redrow team
 - effectiveness of current and forward land bank
 - product portfolioto capitalise on opportunities in a stable economic environment
- 2006/07 – anticipated to be a year of growth for Redrow



*Preliminary Results
Presentation*

Year to 30 June 2006

Tuesday 12 September 2006

