Consolidated Income Statement (Unaudited)

		6 months ended 31 December		12 months ended 30 June
			Restated	Restated
		2005	2004	2005
	Note	**£m**	£m	£m
Continuing operations				
Revenue	2	**338.9**	373.8	780.4
Cost of sales		**(257.4)**	(278.0)	(583.7)
Gross profit	2	**81.5**	95.8	196.7
Administrative expenses	2	**(22.4)**	(21.2)	(42.7)
Operating profit before financing costs		**59.1**	74.6	154.0
Financial income		**0.2**	0.4	0.8
Financial expenses		**(5.5)**	(6.3)	(13.4)
Net financing costs	2	**(5.3)**	(5.9)	(12.6)
Share of loss of joint ventures after interest and taxation	2	**(0.4)**	(0.4)	(2.4)
Profit before tax	2	**53.4**	68.3	139.0
Income tax expense	2, 3	**(16.1)**	(20.6)	(42.5)
Profit for the period	2	**37.3**	47.7	96.5
Earnings per share				
Basic earnings per share	5	**23.5p**	30.0p	60.7p
Diluted earnings per share	5	**23.4p**	29.9p	60.5p

Consolidated Statement of Recognised Income and Expense (Unaudited)

	6 months ended 31 December		12 months ended 30 June
	2005	Restated 2004	Restated 2005
	£m	£m	£m
Effective portion of changes in fair value of interest rate cash flow hedges	**0.1**	(0.8)	(1.6)
Deferred tax on change in fair value of interest rate cash flow hedges	**(0.1)**	0.2	0.5
Share-based payment recognised in the income statement	**-**	-	0.2
Deferred tax on share-based payment recognised in the income statement	**-**	-	(0.1)
Actuarial (losses)/gains on defined benefit pension scheme	**(2.0)**	1.5	0.7
Deferred tax on actuarial (losses)/gains taken directly to equity	**0.6**	(0.5)	(0.2)
Net (expense)/income recognised directly in equity	**(1.4)**	0.4	(0.5)
Profit for the period	**37.3**	47.7	96.5
Total recognised income and expense for the period	**35.9**	48.1	96.0

Reconciliation of Movements in Consolidated Equity (Unaudited)

	6 months ended 31 December		12 months ended 30 June
	2005	Restated 2004	Restated 2005
	£m	£m	£m
Profit for the period	**37.3**	47.7	96.5
Dividends on equity shares	**(11.5)**	(9.5)	(15.2)
Other recognised income and expense relating to the period (net)	**(1.4)**	0.4	(0.5)
Shares issued	**0.9**	0.2	1.0
Movement in LTSIP/SAYE	**(0.6)**	(0.2)	-
Net increase in equity	**24.7**	38.6	81.8
Opening equity	**452.5**	370.7	370.7
Closing equity	**477.2**	409.3	452.5

Consolidated Balance Sheet (Unaudited)

	Note	As at 31 December 2005 £m	As at 31 December Restated 2004 £m	As at 30 June Restated 2005 £m
Assets				
Plant, property and equipment		**24.1**	22.6	24.1
Intangible assets		**0.2**	0.3	0.2
Investments		**2.4**	1.9	2.6
Deferred tax assets		**8.6**	6.9	8.1
Trade and other receivables		**0.5**	0.5	0.5
Total non-current assets		**35.8**	32.2	35.5
Inventories	6	**786.2**	730.8	761.0
Trade and other receivables		**8.4**	15.5	12.2
Derivative financial instruments		**-**	0.6	0.3
Cash and cash equivalents	8	**0.1**	0.4	23.7
Total current assets		**794.7**	747.3	797.2
Total assets		**830.5**	779.5	832.7
Equity				
Issued capital		**15.9**	15.9	15.9
Share premium		**55.1**	53.5	54.2
Hedge reserve		**(0.1)**	0.4	(0.1)
Other reserves		**7.9**	8.2	7.9
Retained earnings		**398.4**	331.3	374.6
Total equity		**477.2**	409.3	452.5
Liabilities				
Bank overdrafts and loans	8	**103.9**	108.8	103.8
Trade and other payables	7	**32.5**	27.4	47.2
Derivative financial instruments		**0.1**	-	-
Deferred tax liabilities		**1.9**	1.9	1.8
Retirement benefit obligations		**10.5**	6.7	7.9
Long-term provisions		**2.2**	2.1	2.1
Total non-current liabilities		**151.1**	146.9	162.8
Bank overdrafts and loans	8	**12.3**	43.7	23.1
Trade and other payables	7	**168.5**	155.9	170.1
Derivative financial instruments		**-**	-	0.5
Current income tax liabilities		**21.4**	23.7	23.7
Total current liabilities		**202.2**	223.3	217.4
Total liabilities		**353.3**	370.2	380.2
Total equity and liabilities		**830.5**	779.5	832.7

Consolidated Cash Flow Statement (Unaudited)

	Note	6 months ended 31 December		12 months ended 30 June
			Restated	Restated
		2005	2004	2005
		£m	£m	£m
Cash flow from operating activities				
Profit for the period		**59.1**	74.6	154.0
Depreciation		**1.0**	0.8	2.2
Adjustment for non-cash items		**(2.0)**	(0.9)	(3.4)
Operating profit before changes in working capital and provisions		**58.1**	74.5	152.8
Decrease/(increase) in trade and other receivables		**3.8**	(21.3)	(1.3)
Increase in inventories		**(25.2)**	(35.3)	(65.8)
(Decrease)/increase in trade and other payables		**(17.6)**	(4.1)	13.8
Increase/(decrease) in employee benefits and provisions		**2.7**	(1.2)	-
Cash generated from operations		**21.8**	12.6	99.5
Interest paid		**(3.9)**	(4.2)	(10.6)
Tax paid		**(18.5)**	(18.2)	(39.8)
Net cash from operating activities		**(0.6)**	(9.8)	49.1
Cash flows from investing activities				
Acquisition of property, plant and equipment		**(1.0)**	(1.2)	(5.4)
Proceeds from sale of plant and equipment		**-**	-	1.4
Interest received		**0.2**	-	0.8
Payments to joint ventures		**(0.2)**	(0.5)	(3.1)
Net cash from investing activities		**(1.0)**	(1.7)	(6.3)
Cash flows from financing activities				
Increase in/(repayment of) bank borrowings		**-**	4.5	(0.5)
Issue costs of bank borrowings		**-**	(0.8)	(0.8)
Purchase of own shares		**(0.6)**	(0.2)	(0.7)
Dividends paid		**(11.5)**	(9.5)	(15.2)
Proceeds from issue of share capital		**0.9**	0.2	1.0
Net cash from financing activities		**(11.2)**	(5.8)	(16.2)
Net (decrease)/increase in cash and cash equivalents		**(12.8)**	(17.3)	26.6
Cash and cash equivalents at the beginning of the period		**0.6**	(26.0)	(26.0)
Cash and cash equivalents at the end of the period	8	**(12.2)**	(43.3)	0.6

NOTES

1. The financial statements of the Group for the year ending 30 June 2006 will be prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use by the European Union at 30 June 2006, the Group's first annual reporting date at which it is required to use IFRS.

   The interim financial statements have been prepared using the accounting policies which the Group intend to adopt for the year ending 30 June 2006 and are in accordance with the IFRS that are either adopted by the European Union and effective, or are expected to be effective at 30 June 2006. These accounting policies and restated comparatives are consistent with those used in the 'Transition to International Financial Reporting Standards' announcement made by the Group on 30 November 2005, a summary of which follows these notes to the interim financial statements.

   The information for the year ended 30 June 2005 does not constitute statutory accounts within the meaning of section 240 Companies Act 1985. A copy of the statutory accounts, prepared under UK GAAP, which received an unqualified audit opinion, has been delivered to the Registrar of Companies.

2a. Segmental information - Income (Unaudited):-

	6 months ended 31 December		12 months ended 30 June
		Restated	Restated
	2005	2004	2005
	£m	£m	£m
Turnover			
Homes	**338.8**	373.1	753.8
Mixed Use & Regeneration	**0.1**	0.7	26.6
	338.9	373.8	780.4
Framing Solutions - share of joint venture	**-**	0.5	0.6
	338.9	374.3	781.0
Gross contribution	**81.1**	95.3	189.3
Overheads	**(22.0)**	(21.1)	(41.9)
Homes – operating profit	**59.1**	74.2	147.4
Mixed Use & Regeneration – operating profit	**-**	0.4	4.5
	59.1	74.6	151.9
Mixed Use & Regeneration - share of joint venture operating loss	**-**	-	2.1
Operating profit before financing costs	**59.1**	74.6	154.0
Net financing costs	**(5.3)**	(5.9)	(12.6)
	53.8	68.7	141.4
Share of loss of joint ventures after interest and taxation	**(0.4)**	(0.4)	(2.4)
Profit before tax	**53.4**	68.3	139.0
Income tax expense	**(16.1)**	(20.6)	(42.5)
Profit for the period	**37.3**	47.7	96.5

2b. Segmental information – Balance Sheet (Unaudited):-

	As at 31 December		As at 30 June
		Restated	Restated
	2005	2004	2005
	£m	£m	£m
Segment assets			
Homes	**814.3**	752.5	790.8
Mixed Use & Regeneration	**14.5**	24.8	17.1
	828.8	777.3	807.9
Eliminations	**(0.2)**	(0.1)	(0.5)
	828.6	777.2	807.4
Cash and cash equivalents	**0.1**	0.4	23.7
Consolidated total assets	**828.7**	777.6	831.1
Segment liabilities			
Homes	**235.5**	203.0	249.3
Mixed Use & Regeneration	**1.8**	14.8	4.5
	237.3	217.8	253.8
Eliminations	**(0.2)**	(0.1)	(0.5)
	237.1	217.7	253.3
Borrowings	**116.2**	152.5	126.9
Consolidated total liabilities	**353.3**	370.2	380.2
Framing Solutions – share of joint venture	**1.8**	1.9	1.6
Total equity	**477.2**	409.3	452.5

3. The taxation charge reflects the estimated effective rate for the full year to 30 June 2006.

4. The final dividend for the year ended 30 June 2005 of 7.2p per share (2004: 6.0p) was approved by shareholders at the Annual General Meeting on 9 November 2005, paid on 18 November 2005 and a charge of £11.5m (2004: £9.5m) has been taken to reserves.

   The Directors have declared an interim dividend of 4.3p per share (2004: 3.6p) which was approved by the Board on 6 March 2006. This gives an interim dividend of £6.9m (2004: £5.7m) which will be paid on 5 May 2006 to shareholders whose names are on the Register of Members at the close of business on 17 March 2006. The shares will become ex-dividend on 15 March 2006.

   In accordance with IAS 10 “Events After The Balance Sheet Date” the interim dividend has not been included as a liability as at 31 December 2005.

5. The basic earnings per share calculation for the half year ended 31 December 2005 is based on the weighted number of shares in issue during the period of 159.1m (2004:158.5m) excluding those held in trust under the Redrow Long Term Incentive Plan, which are treated as cancelled. The equivalent weighted average number of shares in issue for the year ended 30 June 2005 was 158.9m. Diluted earnings per share has been calculated after adjusting the weighted average number of shares in issue for all potentially dilutive shares held under exercised options.

6. Inventories (Unaudited)

	As at 31 December 2005 £m	Restated 2004 £m
Land for development	**453.6**	436.4
Work in progress	**319.2**	286.3
Stock of showhomes	**13.4**	8.1
	786.2	730.8

7. Land Creditors (Unaudited)
(included in trade and other payables)

	As at 31 December 2005 £m	Restated 2004 £m
Due within one year	**49.7**	37.4
Due in more than one year	**32.5**	27.4
	82.2	64.8

8. Analysis of net debt (Unaudited)

	As at 31 December 2005 £m	2004 £m
Cash and cash equivalents	**0.1**	0.4
Bank overdrafts and loans		
- current liabilities	**(12.3)**	(43.7)
	(12.2)	(43.3)
- non-current liabilities	**(103.9)**	(108.8)
	(116.1)	(152.1)

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

Registrars Department
PO Box 82
The Pavilions
Bridgwater Road
Bristol
BS99 7NH

TRANSITION TO IFRS

In preparation for the adoption of IFRS, Redrow plc published its ‘Transition to International Financial Reporting Standards’ document in November 2005. This included a summary of principal impacts and restated financial information for the year ended 30 June 2005 and six months ended 31 December 2004 which have been reproduced here.

Summary of the Principal Impacts

The principal impacts in respect of the transition to IFRS upon the previously reported UK GAAP financial statements of Redrow plc are:

1. IAS 19 : Employee Benefits
2. IAS 2 : Inventories
3. IAS 39 : Financial Instruments
4. IFRS 2 : Share-based Payment
5. IAS 10 : Events after the Balance Sheet Date
6. IAS 38 : Intangible Assets
7. IAS 31 : Interests in Joint Ventures

1. IAS 19: Employee Benefits

Defined contribution pension schemes are unaffected by IAS 19.

In respect of its defined benefit pension scheme, Redrow plc is required under IAS 19 to recognise the net surplus or deficit in the scheme on its balance sheet. IAS 19 also requires that a provision be made in respect of holiday pay due to employees, where the holiday year-end does not coincide with that of the financial year-end.

The impact on the opening balance sheet at 1 July 2004 is to recognise a net deficit of £6.1m representing a gross deficit of £7.9m in respect of the pension deficit, a £0.8m provision in respect of holiday pay and a deferred tax asset of £2.6m.

The principal components of the defined benefit pensions charge to the consolidated income statement are the current service cost and finance costs. Current service cost has been included in administrative expenses to the extent that it exceeds the UK GAAP charge, resulting in an increase in administrative expenses of £0.4m and an increase in finance costs of £0.3m in the year ended 30 June 2005.

Actuarial gains of £0.7m in the year ended 30 June 2005 have been taken directly to reserves as permitted under IAS 19 (December 2004 amendment) via the statement of recognised income and expense.

At 30 June 2005, the restated IFRS balance sheet recognised a net deficit of £6.1m with both pension deficit and holiday pay provisions unchanged.

2. IAS 2: Inventories

In accordance with IAS 2, all marketing and selling costs are excluded from the cost of inventories and are expensed as incurred.

Under UK GAAP, Redrow plc included certain direct selling costs in arriving at the cost of work in progress, as permitted under SSAP 9. The impact of this change on the opening balance sheet at 1 July 2004 is to reduce work in progress by £9.6m and create a deferred tax asset of £2.9m. The overall impact on net assets is a reduction of £6.7m.

The adoption of IFRS will generally lead to earlier recognition of direct selling costs than was the case under UK GAAP. This arises because previously, direct selling costs were reflected within the reported gross profit of each home as it legally completed. Since selling costs are usually borne prior to legal completion, recognition of these costs as incurred will be reflected earlier.

There was a £0.9m impact on the reported cost of sales for the year ended 30 June 2005 as a result of the adoption of IAS 2. Due to the product mix and number of new developments being marketed in the financial year ending June 2006, the implementation of IAS 2 is likely to have a slightly greater impact upon the gross margin than in the previous year.

At 30 June 2005, the restated IFRS balance sheet showed a £10.5m reduction in work in progress partly offset by the creation of a £3.2m deferred tax asset resulting in a £7.3m reduction in net assets.

3. IAS 39: Financial Instruments: Recognition and Measurement

i) **Land Creditors**

In accordance with IAS 39, the deferred payments arising from land creditors are to be held at discounted present value, hence recognising a financing element on the deferred settlement terms. The liability is then increased to the settlement value over the period of the deferral. The value of the discount is expensed through net financing costs in the consolidated income statement.

The impact on the opening balance sheet at 1 July 2004 was to reduce land creditors by £3.2m, reduce the land balance by £8.4m, recognise a deferred tax asset of £1.6m and reduce opening reserves by £3.6m.

The IFRS treatment of land creditors has an impact on the timing of the costs charged to the income statement. This will generally result in the finance element in respect of the land creditor being expensed in advance of the compensating improvement in gross profit as a result of legal completions generally continuing beyond the settlement date of the land creditor for the majority of projects.

Cost of sales for the year ended 30 June 2005 reduced by £1.2m with net financing costs increasing by £2.5m as a result of the timing of the value of discount being expensed.

At 30 June 2005, the revised IFRS balance sheet had a reduction in land creditors of £5.5m, a decrease in the value of land held in stock of £12.0m, a deferred tax asset of £1.9m and a reduction in reserves of £4.6m.

ii) **Financial Instruments and Trade Receivables**

Under IAS 39, the fair value of the Group's cashflow hedging arrangements must be recognised in the balance sheet. Any gains or losses on the fair value of the cashflow hedging arrangements are taken to reserves until they are realised. Long term trade debtors are to be held at discounted present value, hence recognising a financing element. The debtor is then increased to settlement value over the period of the deferred terms.

The impact on the opening balance sheet at 1 July 2004 was to recognise a £1.4m asset in respect of derivative financial instruments, a £0.4m deferred tax liability and a £1.0m hedge reserve. Trade receivables reduce by £0.2m with an associated £0.1m deferred tax asset and a £0.1m reduction in retained earnings.

At 30 June 2005, the IFRS revised balance sheet impact was a £0.2m reduction in net assets following a net £1.1m charge direct to the hedge reserve via the statement of recognised income and expense.

4. IFRS 2: Share-based Payment

In accordance with IFRS 2, a charge has been recognised for share options granted on or after 7 November 2002. The charge is spread over the vesting period, with adjustments made to reflect the actual and expected number of shares vesting at the year-end. The Black Scholes option pricing model has been used to determine the extent of the charge.

The impact on the opening balance sheet as at 1 July 2004 was a £0.1m increase in deferred tax assets.

The impact on the income statement for the year ended 30 June 2005 was an increase in administrative expenses of £0.2m.

At 30 June 2005, the IFRS revised balance sheet impact was a £0.2m increase in deferred tax assets.

5. IAS 10: Events After the Balance Sheet Date

Under IAS 10, the declaration of a dividend after the reporting date is no longer an adjusting post balance sheet event as it was under UK GAAP. Accordingly, the final dividends for the years ended 30 June 2004 and 30 June 2005 do not constitute a liability at the respective balance sheet dates under IAS 10.

The impact on the opening balance sheet as at 1 July 2004 was a £9.5m increase in net assets.

The impact on the balance sheet at 30 June 2005 was an increase in net assets of £11.5m.

6. IAS 38: Intangible Assets

Under IAS 38, eligible software development costs that were previously held within tangible fixed assets under UK GAAP must now be classified as intangible fixed assets. As this is a balance sheet re-categorisation, with no change in depreciation rates, there is no impact on the income statement.

The impact on the opening balance sheet as at 1 July 2004 was a reduction of £0.4m of plant, property and equipment with a corresponding £0.4m increase in intangible assets.

The impact on the balance sheet as at 30 June 2005 was a reduction of £0.2m of plant, property and equipment with a corresponding increase of £0.2m in intangible assets.

7. IAS 31: Interests in Joint Ventures

Redrow intends to account for jointly-controlled entities using the equity method of accounting. Under IAS 31, such an approach requires the results of jointly-controlled entities to be reflected as a separate item on a post tax basis and disclosed immediately before profit before tax. This contrasts with UK GAAP, where the results are disclosed at an operating profit level with the jointly-controlled entities' financing costs and tax charges included within the corresponding headings for the Group income statements.

Reconciliation of Equity (Unaudited)

As at 1 July 2004

	Previously Reported Under UK GAAP	IAS 19 Employee Benefits	IAS 2 Inventories	IAS 39 Land Creditors	IAS 39 Financial Instruments	IFRS 2 Share-based Payment	IAS 10 Dividend	IAS 38 Intangible Assets	Effect of Transition To IFRS	Restated Under IFRS
Summary of Principal Impacts paragraph		1	2	3i	3ii	4	5	6		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Assets										
Plant, property and equipment	22.5							(0.4)	(0.4)	22.1
Intangible assets	-							0.4	0.4	0.4
Investments	1.8								-	1.8
Deferred tax assets	-	2.6	2.9	1.6	0.1	0.1			7.3	7.3
Derivative financial instruments	-				0.5				0.5	0.5
Trade and other receivables	0.5				(0.2)				(0.2)	0.3
Total non-current assets	24.8	2.6	2.9	1.6	0.4	0.1	-	-	7.6	32.4
Inventories	713.4		(9.6)	(8.4)					(18.0)	695.4
Trade and other receivables	11.1								-	11.1
Derivative financial instruments	-				0.9				0.9	0.9
Cash and cash equivalents	1.2								-	1.2
Total current assets	725.7	-	(9.6)	(8.4)	0.9	-	-	-	(17.1)	708.6
Total assets	750.5	2.6	(6.7)	(6.8)	1.3	0.1	-	-	(9.5)	741.0
Equity										
Issued capital	15.9								-	15.9
Share premium	53.2								-	53.2
Hedge reserve	-				1.0				1.0	1.0
Other reserves	8.2								-	8.2
Retained earnings	299.3	(6.1)	(6.7)	(3.6)	(0.1)	0.1	9.5		(6.9)	292.4
Total equity	376.6	(6.1)	(6.7)	(3.6)	0.9	0.1	9.5	-	(5.9)	370.7
Liabilities										
Bank overdrafts and loans	104.7								-	104.7
Trade and other payables	29.7			(2.6)					(2.6)	27.1
Deferred tax liabilities	1.7				0.4				0.4	2.1
Retirement benefit obligations	-	7.9							7.9	7.9
Long-term provisions	2.2								-	2.2
Total non-current liabilities	138.3	7.9	-	(2.6)	0.4	-	-	-	5.7	144.0
Bank overdrafts and loans	27.2								-	27.2
Trade and other payables	187.2	0.8		(0.6)			(9.5)		(9.3)	177.9
Tax liabilities	21.2								-	21.2
Total current liabilities	235.6	0.8	-	(0.6)	-	-	(9.5)	-	(9.3)	226.3
Total liabilities	373.9	8.7	-	(3.2)	0.4	-	(9.5)	-	(3.6)	370.3
Total equity and liabilities	750.5	2.6	(6.7)	(6.8)	1.3	0.1	-	-	(9.5)	741.0
Net Assets	376.6	(6.1)	(6.7)	(3.6)	0.9	0.1	9.5	-	(5.9)	370.7

Reconciliation of Profit (Unaudited)

6 months to 31 December 2004	Previously Reported Under UK GAAP	IAS 19 Employee Benefits	IAS 2 Inventories	IAS 39 Land Creditors	IFRS 2 Share-based Payment	Effect of Transition To IFRS	Restated Under IFRS
Summary of Principal Impacts paragraph		**1**	**2**	**3i**	**4**		
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Continuing Operations							
Revenue	**373.8**					**-**	**373.8**
Cost of Sales	**(278.7)**		**0.1**	**0.6**		**0.7**	**(278.0)**
Gross Profit	**95.1**	**-**	**0.1**	**0.6**	**-**	**0.7**	**95.8**
Administrative expenses	**(20.9)**	**(0.2)**			**(0.1)**	**(0.3)**	**(21.2)**
Operating Profit before financing costs	**74.2**	**(0.2)**	**0.1**	**0.6**	**(0.1)**	**0.4**	**74.6**
Financial income	**0.4**					**-**	**0.4**
Financial expenses	**(4.9)**	**(0.1)**		**(1.3)**		**(1.4)**	**(6.3)**
Net Financing Costs	**(4.5)**	**(0.1)**	**-**	**(1.3)**	**-**	**(1.4)**	**(5.9)**
Share of loss of joint ventures after interest and taxation	**(0.4)**					**-**	**(0.4)**
Profit Before Tax	**69.3**	**(0.3)**	**0.1**	**(0.7)**	**(0.1)**	**(1.0)**	**68.3**
Income tax expense	**(20.9)**	**0.1**	**-**	**0.2**	**-**	**0.3**	**(20.6)**
Profit for the Period	**48.4**	**(0.2)**	**0.1**	**(0.5)**	**(0.1)**	**(0.7)**	**47.7**
Earnings per share (basic)	**30.5p**						**30.0p**
Earnings per share (diluted)	**30.4p**						**29.9p**

Reconciliation of Equity (Unaudited)

As at 31 December 2004

	Previously Reported Under UK GAAP	IAS 19 Employee Benefits	IAS 2 Inventories	IAS 39 Land Creditors	IAS 39 Financial Instruments	IAS 10 Dividend	IAS 38 Intangible Assets	Effect of Transition To IFRS	Restated Under IFRS
Summary of Principal Impacts paragraph		1	2	3i	3ii	5	6		
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Assets									
Plant, property and equipment	22.9						(0.3)	(0.3)	22.6
Intangible assets	-						0.3	0.3	0.3
Investments	1.9							-	1.9
Deferred tax assets	-	2.2	2.9	1.7	0.1			6.9	6.9
Derivative financial instruments	-							-	-
Trade and other receivables	0.7				(0.2)			(0.2)	0.5
Total non-current assets	25.5	2.2	2.9	1.7	(0.1)	-	-	6.7	32.2
Inventories	749.2		(9.5)	(8.9)				(18.4)	730.8
Trade and other receivables	15.5							-	15.5
Derivative financial instruments	-				0.6			0.6	0.6
Cash and cash equivalents	0.4							-	0.4
Total current assets	765.1	-	(9.5)	(8.9)	0.6	-	-	(17.8)	747.3
Total assets	790.6	2.2	(6.6)	(7.2)	0.5	-	-	(11.1)	779.5
Equity									
Issued capital	15.9							-	15.9
Share premium	53.5							-	53.5
Hedge reserve	-				0.4			0.4	0.4
Other reserves	8.2							-	8.2
Retained earnings	341.7	(5.3)	(6.6)	(4.1)	(0.1)	5.7		(10.4)	331.3
Total equity	419.3	(5.3)	(6.6)	(4.1)	0.3	5.7	-	(10.0)	409.3
Liabilities									
Bank overdrafts and loans	108.8							-	108.8
Trade and other payables	29.9			(2.5)				(2.5)	27.4
Deferred tax liabilities	1.7				0.2			0.2	1.9
Retirement benefit obligations	-	6.7						6.7	6.7
Long-term provisions	2.1							-	2.1
Total non-current liabilities	142.5	6.7	-	(2.5)	0.2	-	-	4.4	146.9
Bank overdrafts and loans	43.7							-	43.7
Trade and other payables	161.4	0.8		(0.6)		(5.7)		(5.5)	155.9
Tax liabilities	23.7							-	23.7
Total current liabilities	228.8	0.8	-	(0.6)	-	(5.7)	-	(5.5)	223.3
Total liabilities	371.3	7.5	-	(3.1)	0.2	(5.7)	-	(1.1)	370.2
Total equity and liabilities	790.6	2.2	(6.6)	(7.2)	0.5	-	-	(11.1)	779.5
Net Assets	419.3	(5.3)	(6.6)	(4.1)	0.3	5.7	-	(10.0)	409.3

Reconciliation of Profit (Unaudited)

12 months to 30 June 2005	**Previously Reported Under UK GAAP**	**IAS 19 Employee Benefits**	**IAS 2 Inventories**	**IAS 39 Land Creditors**	**IFRS 2 Share-based Payment**	**Effect of Transition To IFRS**	**Restated Under IFRS**
Summary of Principal Impacts paragraph		**1**	**2**	**3i**	**4**		
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Continuing Operations							
Revenue							
Cost of Sales	**780.4**					**-**	**780.4**
	(584.0)		**(0.9)**	**1.2**		**0.3**	**(583.7)**
Gross Profit	**196.4**	**-**	**(0.9)**	**1.2**	**-**	**0.3**	**196.7**
Administrative expenses	**(42.1)**	**(0.4)**			**(0.2)**	**(0.6)**	**(42.7)**
Operating Profit before financing costs	**154.3**	**(0.4)**	**(0.9)**	**1.2**	**(0.2)**	**(0.3)**	**154.0**
Financial income	**0.8**					**-**	**0.8**
Financial expenses	**(10.6)**	**(0.3)**		**(2.5)**		**(2.8)**	**(13.4)**
Net Financing Costs	**(9.8)**	**(0.3)**	**-**	**(2.5)**	**-**	**(2.8)**	**(12.6)**
Share of loss of joint ventures after interest and taxation	**(2.4)**					**-**	**(2.4)**
Profit Before Tax	**142.1**	**(0.7)**	**(0.9)**	**(1.3)**	**(0.2)**	**(3.1)**	**139.0**
Income tax expense	**(43.4)**	**0.2**	**0.3**	**0.3**	**0.1**	**0.9**	**(42.5)**
Profit for the Period	**98.7**	**(0.5)**	**(0.6)**	**(1.0)**	**(0.1)**	**(2.2)**	**96.5**
Earnings per share (basic	**62.1p**						**60.7p**
Earnings per share (diluted)	**61.9p**						**60.5p**

Reconciliation of Equity (Unaudited)

As at 30 June 2005

	Previously Reported Under UK GAAP	IAS 19 Employee Benefits	IAS 2 Inventories	IAS 39 Land Creditors	IAS 39 Financial Instruments	IFRS 2 Share-based Payment	IAS 10 Dividend	IAS 38 Intangible Assets	Effect of Transition To IFRS	Restated Under IFRS
Summary of Principal Impacts paragraph		1	2	3i	3ii	4	5	6		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
ASSETS										
Non-current assets										
Plant, property and equipment	24.3							(0.2)	(0.2)	24.1
Intangible assets	-							0.2	0.2	0.2
Investments	2.6								-	2.6
Deferred tax assets	-	2.6	3.2	1.9	0.2	0.2			8.1	8.1
Derivative financial instruments	-								-	-
Trade and other receivables	0.7				(0.2)				(0.2)	0.5
	27.6	2.6	3.2	1.9	-	0.2	-	-	7.9	35.5
Current assets										
Inventories	783.5		(10.5)	(12.0)					(22.5)	761.0
Trade and other receivables	12.2								-	12.2
Derivative financial instruments	-				0.3				0.3	0.3
Cash and cash equivalents	23.7								-	23.7
	819.4	-	(10.5)	(12.0)	0.3	-	-	-	(22.2)	797.2
Total assets	847.0	2.6	(7.3)	(10.1)	0.3	0.2	-	-	(14.3)	832.7
Equity										
Issued capital	15.9								-	15.9
Share premium	54.2								-	54.2
Hedge reserve	-				(0.1)				(0.1)	(0.1)
Other reserves	7.9								-	7.9
Retained earnings	381.0	(6.1)	(7.3)	(4.6)	(0.1)	0.2	11.5		(6.4)	374.6
Total equity	459.0	(6.1)	(7.3)	(4.6)	(0.2)	0.2	11.5	-	(6.5)	452.5
Liabilities										
Non-current liabilities										
Bank overdrafts and loans	103.8								-	103.8
Trade and other payables	52.4			(5.2)					(5.2)	47.2
Deferred tax liabilities	1.8								-	1.8
Retirement benefit obligations	-	7.9							7.9	7.9
Long-term provisions	2.1								-	2.1
	160.1	7.9	-	(5.2)	-	-	-	-	2.7	162.8
Current liabilities										
Bank overdrafts and loans	23.1								-	23.1
Trade and other payables	181.1	0.8		(0.3)			(11.5)		(11.0)	170.1
Derivative financial instruments	-				0.5				0.5	0.5
Tax liabilities	23.7								-	23.7
	227.9	0.8	-	(0.3)	0.5	-	(11.5)	-	(10.5)	217.4
Total liabilities	388.0	8.7	-	(5.5)	0.5	-	(11.5)	-	(7.8)	380.2
Total equity and liabilities	847.0	2.6	(7.3)	(10.1)	0.3	0.2	-	-	(14.3)	832.7
Net Assets	459.0	(6.1)	(7.3)	(4.6)	(0.2)	0.2	11.5	-	(6.5)	452.5