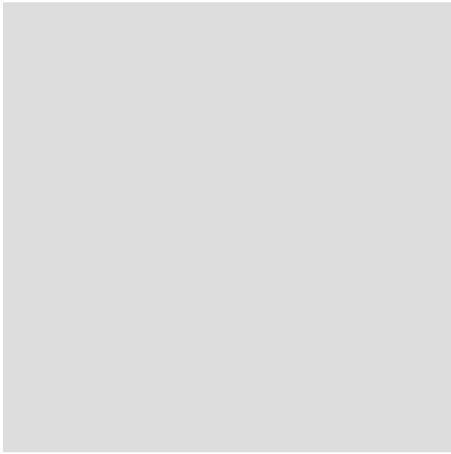


*Interim Results
Presentation*

6 Months to 31 December 2006

Tuesday 6 March 2007



Robert Jones

Chairman

Agenda



- Introduction Robert Jones
- Strategy for Growth Neil Fitzsimmons
- H1 06/07 Financials David Arnold
- Markets and Outlook Neil Fitzsimmons

Dividend



- In September 2006, the Board proposed to increase the dividend by 20% p.a. for each of 2006/07 and 2007/08 financial years
- Dividend payment re-balanced to be broadly equal as between interim and final
- Interim dividend of 7.8p (05/06: 4.3p) to be paid to shareholders on 4 May 2007

Board and Senior Management Changes



- Paul Pedley retiring on 30 September 2007
- David Campbell-Kelly succeeds Barry Harvey as Northern Regional Chairman on 30 June 2007
- Denise Jagger appointed independent Non-Executive Director on 17 January 2007

Neil Fitzsimmons

Chief Executive

Strategy for Growth



- Increase output of core product through our regional structure
- Expand the volume of our Debut product
- Deliver additional income streams from mixed use and regeneration activities



Land Bank to Grow Signature Output



- We have continued to develop the strength of our current land bank to provide a base to grow output of Signature product
 - Current Land Bank – Signature plots

December 2005	15,770	
June 2006	17,460	+ 11%
December 2006	18,270	+ 5%

Growth in Output of Debut Homes



- We are on track to deliver an increase in Debut legal completions to our target of 500 in 2006/07 with a further increase in 2007/08



Willans Green, Rugby



Buckshaw Village, Chorley

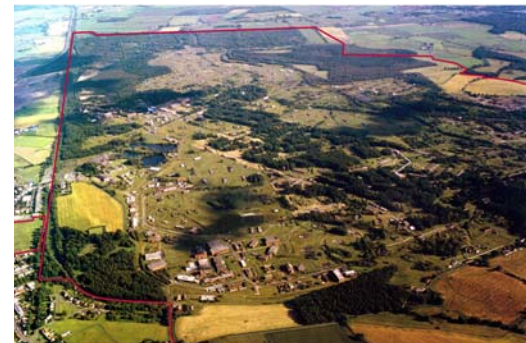


St. David's Park, Flintshire

Delivering Additional Income Streams from Mixed Use and Regeneration Activities



- Existing sites
 - St David's Park, Buckshaw Village, Barking
- New sites
 - Lichfield, Devonport, Cheswick
- Future sites
 - Bishopton, Watford, Guildford



Fundamentals for the Industry



- Projections for household formations continue to underpin the need for more new homes
- On-going imbalance with supply not matching need
- Government recognises the need to increase supply in its policies
- Government objective of increasing home ownership remains a positive for the sector

Challenges Facing the Industry



- Planning system continues to frustrate Industry's ability to increase outlets
- Government changes to planning system likely to exacerbate delays in the short term
- Industry attempting to increase volumes from its outlets which reduces capability to capture house price growth
- Land market competitiveness increasing as Industry strives to maintain/increase outlets
- Climate change and sustainability agenda increasing complexity of development

David Arnold

Group Finance Director

Group Financial Performance



6 Months to December

2006

2005

Turnover	(£m)	366.2	338.9	+8.1 %
Profit before tax	(£m)	54.3	53.4	+1.7 %
EPS – basic	(p)	23.8	23.5	+1.3 %
Dividend per share	(p)	7.8	4.3	+81.4 %
Net assets per share	(p)	336.1	299.5	+12.2 %
ROCE		17.8%	20.4%	

Profit Analysis



	6 Months to December		
	2006	2005	
	£m	£m	
Homes	59.3	59.1	+0.3 %
Mixed Use & Regeneration	2.2	-	
Framing Solutions	(0.4)	(0.5)	
	<u>61.1</u>	<u>58.6</u>	+4.3 %
Add back JV operating losses	0.6	0.5	
Operating profit pre finance	<u>61.7</u>	<u>59.1</u>	+4.4 %
Net financing costs	(6.9)	(5.3)	
	<u>54.8</u>	<u>53.8</u>	
Share of JVs post interest & tax	(0.5)	(0.4)	
	<u>54.3</u>	<u>53.4</u>	+1.7 %

Legal Completions Product Profile



	H1 07	H1 06	Movement
<u>Completions</u>	Units	Units	
Signature	1,685	1,820	- 7.4%
In The City	294	152	+ 93.4%
Core product	1,979	1,972	-
Debut	235	105	+ 123.8%
	2,214	2,077	+ 6.6%
<u>ASP</u>	£000	£000	
Signature	170.7	165.8	+ 3.0%
In The City	182.5	189.5	- 3.7%
Core product	172.5	167.6	+ 2.9%
Debut	78.1	77.9	-
	162.4	163.1	(0.4%)
<u>Turnover</u>	£m	£m	
Signature	287.6	301.8	- 4.7%
In The City	53.7	28.8	+ 86.5%
Core product	341.3	330.6	+ 3.2%
Debut	18.3	8.2	+ 123.2%
	359.6	338.8	+ 6.1%

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Homes Trading Performance



	6 Months to December		
	2006	2005	
	£m	£m	
Turnover	359.6	338.8	+ 6.1%
Gross profit	82.0	81.1	+ 1.1 %
Overhead	(22.7)	(22.0)	+ 3.2 %
Operating profit	59.3	59.1	-
	%	%	
Gross margin	22.8	23.9	
Overhead	(6.3)	(6.5)	
Operating margin	16.5	17.4	

Cash Flow



	6 Months to December	
	2006	2005
	£m	£m
Operating profit (pre Joint Ventures)	61.7	59.1
(Increase) / decrease in:		
Land (net of land creditors)	(41.6)	9.4
Work in progress	(11.9)	(31.2)
Other working capital movements	(28.3)	(16.6)
Capex and investments net of depreciation	(2.7)	(0.8)
Tax and financing costs	(22.8)	(22.2)
Dividends	(13.9)	(11.5)
Issue of shares	0.1	0.9
Net cash flow	(59.4)	(12.9)
Net debt brought fwd	(129.8)	(103.2)
Net debt carried fwd	(189.2)	(116.1)
Gearing	35%	24%

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Capital Employed



	Dec 2006	Jun 2006	Dec 2005
	£m	£m	£m
Fixed assets	28.5	26.6	26.7
Stock	915.0	849.6	786.2
Debtors/deferred tax assets	38.2	31.3	17.5
Land creditors	(90.2)	(78.3)	(82.2)
Pensions	(2.6)	(8.6)	(10.5)
Other net creditors	(142.4)	(153.2)	(121.1)
Tax & dividends	(20.9)	(23.8)	(23.3)
	725.6	643.6	593.3

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	<hr/>	<hr/>	<hr/>

Stock



	Dec 2006	June 2006	Dec 2005
	£m	£m	£m
Land	576.0	522.5	453.0
Work in progress			
- Signature / Debut	258.8	242.8	246.8
- In the City	43.1	52.8	57.7
	301.9	295.6	304.5
Part Exchange	6.8	6.6	7.5
Showhomes	14.7	14.2	13.4
Homes	899.4	838.9	778.4
Mixed Use & Regeneration	15.6	10.7	7.8
Group	915.0	849.6	786.2

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Land Bank Analysis



	Dec 2006	Jun 2006	Dec 2005
CURRENT LAND			
Land with planning	16,850	16,750	15,100
Contracted plots	4,350	4,250	3,300
	<u>21,200</u>	<u>21,000</u>	<u>18,400</u>
FORWARD LAND			
Forward land with planning	-	100	500
Allocations	9,700	9,000	8,000
Sub total	<u>9,700</u>	<u>9,100</u>	<u>8,500</u>
Realistic prospect			
- Homes	14,200	14,500	12,000
- Regeneration	1,100	1,100	1,100
	<u>25,000</u>	<u>24,700</u>	<u>21,600</u>

Land Bank Analysis



	Dec 2006	Jun 2006	Dec 2005
CURRENT LAND			
Land with planning	16,850	16,750	15,100
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	<u>25,000</u>	<u>24,700</u>	<u>21,600</u>

Land Bank Analysis



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Land with planning	16,850	16,750	15,100
Contracted plots	4,350	4,250	3,300
	<u>21,200</u>	<u>21,000</u>	<u>18,400</u>
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Realistic prospect			
- Homes	14,200	14,500	12,000
- Regeneration	1,100	1,100	1,100
	<u>25,000</u>	<u>24,700</u>	<u>21,600</u>

Plot Cost



	Dec 06		Jun 06		Dec 05	
	Plots	Plot Cost £000	Plots	Plot Cost £000	Plots	Plot Cost £000
Plots b/f	16,500	31.0	15,100	29.4	15,800	28.5
Purchases	2,314	43.9	4,058	34.0	1,377	33.7
Cost of sales	(2,214)	(27.2)	(2,658)	(26.5)	(2,077)	(25.4)
Plots c/f	<u>16,600</u>	<u>33.3</u>	<u>16,500</u>	<u>31.0</u>	<u>15,100</u>	<u>29.4</u>
ASP in period		£162,400		£160,500		£163,100
Cost of sales in period as % of ASP		16.7%		16.5%		15.6%
Estimated ASP of owned land bank with planning		£175,000		£169,000		£170,000
Plot cost at period end as % of ASP of land bank		19.0%		18.3%		17.3%

Neil Fitzsimmons

Chief Executive

Chief Executive's Review



- Sales
- Land and Planning
- Strategy
 - Core Product
 - Debut
 - Mixed Use/Regeneration
- Summary

Sales Market and Performance



- UK housing market relatively stable in 2006
- No discernible impact on the sales market from increases in interest rates in August/November

	H1 2006/07	H1 2005/06	
Signature	1,764	1,635	+ 7.9%
In The City	114	184	
Core Product	1,878	1,819	+ 3.2%
Debut	189	96	
	<u>2,067</u>	<u>1,915</u>	+ 7.9%

Sales Performance



- Signature rate of sale in line with normal market expectation
 - c.34 sales per site on an annualised basis
 - Spring market seasonally delivers stronger sales rate
- In the City sales include no major new launches in the period
- Debut sales reflect increase in number of outlets (H1 2006/07 : 5)

Sales Performance – Forward Sales



	Dec 2006	Dec 2005	
Signature	1,250	1,110	+12.6%
In The City	186	630	
	<hr/> 1,436	<hr/> 1,740	
Debut	189	76	
	<hr/> 1,625	<hr/> 1,816	
Regeneration	246	-	
	<hr/> 1,871	<hr/> 1,816	+ 3.0%

Sales Performance



- Signature forward sales maintained at approaching four months on annualised basis
- In the City forward sales significantly lower reflecting more difficult market and projects on stream
 - anticipate c.500 legal completions in 2006/07
 - stronger sales performance on ITC developments in H2
 - targeting c.400 legal completions in 2007/08
- Debut forward sales plus H1 legal completions supports full year expectations of c.500 units

Land – The Key to Profitability and Growth



- Current land bank remains at in excess of four years supply
- Owned land bank with planning remains at in excess of three years supply
- Plot cost at £33,300 represents 19.0% of ASP
 - remains cost effective by industry standards
- Quality of forward land bank opportunities remain strong
 - 25,000 plots with realistic prospect
 - approximately 40% are allocations

Land – Adding Value to the Process



- Current land
 - resolve planning/technical/legal issues to secure sites at higher margins
- Forward land
 - promote sites through planning system to secure land at discount to OMV

Land – Impact of Planning System



- Longer timelines to bring land through to an active outlet
- Increased pressure on existing outlets to deliver growth
- Increasing sales rates above their natural level leads to discounting and reduces opportunity to capture house price growth
- Greater competition in the land market likely to influence future returns in a low inflation environment

Redrow Strategy



- Maintain appropriate rate of sale and level of forward sales to optimise site returns
- Retain commitment to long term approach to land acquisition
- Create value in large sites
- Continue to enhance value of product through high quality urban design
- Focus on managing cost base

Redrow Strategy



- Maintain appropriate rate of sale and level of forward sales to optimise site returns on Signature sites
 - reduce anticipated 2006/07 Signature volumes by 5% - approx 200 units
 - expect 6% increase in Signature outlets in 2007/08 to support growth
 - small increase in volumes of social units in 2007/08
- Maximise value in the medium term

Redrow Strategy



- Retain commitment to long term approach to land acquisition
 - c.25% of 2006/07 land acquired expected to be from long term approach
 - continued progress in promoting significant forward land sites
 - Monkton Heathfield, Taunton 350 plots resolution to grant
 - Cranbrook, Exeter 450 plots resolution to grant
 - Upton, Northampton 750 plots application submitted
 - Bishopton, Glasgow 1,250 plots application submitted

Redrow Strategy



- Create value in large sites
 - opportunity to enhance margins through optimising planning and quality of design
 - release value at appropriate time without impacting on number of outlets
 - enhances efficient use of capital
 - Buckshaw Village, Chorley
 - Jennetts Park, Bracknell
 - Cheswick, Bristol
 - Cwm Calon, South Wales

Redrow Strategy



- Enhance value of product through quality of urban design
 - Design Centre of Excellence – Northampton
 - Regional Design Directors promote urban design to optimise coverage using core housetypes



Redrow Strategy



- Focus on managing cost base
 - Continue to use core housetypes
 - 80% of Signature Range is core housetypes
 - Maximise benefits from Group buying
 - Rationalisation of overhead structure to make operations more cost efficient
 - maintain 2007/08 overhead at 2006/07 level
 - provide 0.5% benefit to operating margins
 - retains ability to deliver growth

Expanding the Volume of our Debut Product



- Continue promotion of Debut to Government and Local Authorities
- Government and many Local Authorities especially in South East focused on providing social housing
- Planning guidance published in December 2006 appears to exclude 'low cost open market' homes from the definition of affordable
- Assessing implications – ability to achieve medium term volume ambitions will depend on response of Local Authorities to new guidance when considering future planning applications

Expanding the Volume of our Debut Product



- Further site launches in 2006/07 H2

Lincoln	122	units
Burton	64	units
Selby	123	units

- Appeal won at Bridgend for 95 units
- On track to deliver 500 legal completions in 2006/07 (2005/06: 213)
- Increase in output in 2007/08 with planning already in place for over 700 units towards target of 800 Debut homes

Expanding the Volume of our Debut Product



- Continuing appeal to target market providing affordable open market new homes
 - 97% of Debut customers are satisfied with their new home
 - 95% of Debut customers would recommend Debut
- Successful launches continue to demonstrate demand

	Launch Date	Total Units	Sold Feb 07
Sittingbourne	Oct 06	100	80
Buckshaw	Dec 06	106	27
Merthyr	Dec 06	103	33
Newport	Jan 07	86	76

Delivering Incremental Income Streams – Mixed Use



- Existing mixed use schemes performing well in H1
 - Buckshaw Village – Matrix Park currently developing
 - 30,000 sq ft of offices
 - 90,000 sq ft of industrial units
 - St David's Park
 - disposal of 30,000 sq ft office building in H1
- Additional mixed use developments coming on stream
 - Lichfield 40,000 sq ft offices
 - Devonport 100,000 sq ft offices, retail and community
 - Cheswick 72,000 sq ft offices and retail
- Potential major new mixed use development at Bishopton, Glasgow – 1.5m sq ft of employment and community development

Delivering Incremental Income Streams – Redrow Regeneration



- Phase 1 at Barking progressing on programme – 246 new homes
 - first legal completions Summer 2007
 - MIPIM Architectural Review Future Project Award
- Phase 2 at Barking
 - planning in progress expected H1 2007/08
 - 272 new homes and 40,000 sq ft of commercial space
 - high sustainability credentials including on site renewable energy
- Continuing progress at Watford and Guildford
 - complex schemes with long timescales in pre-development phase

Summary



- 2007 sales market generally performing well in terms of volumes
- Pricing stronger in South East than in other geographic areas
- Sales volumes for Signature/ITC running 5% ahead of the same period last year
- Approaching 85% of revised output of Signature and ITC homes sold for 2006/07
- No discernible impact of January interest rate rise on sales performance
- Further interest rate rises may adversely impact the market

Summary



- Competitiveness of land market and difficulties in securing land with planning enhances value of existing land bank
- Commercial sense to deliver sales rate to optimise returns
 - reviewed sales strategy and reduced anticipated volumes
 - confirmed long term approach to land acquisition
 - maintaining focus on managing our cost base

Redrow – Core Qualities

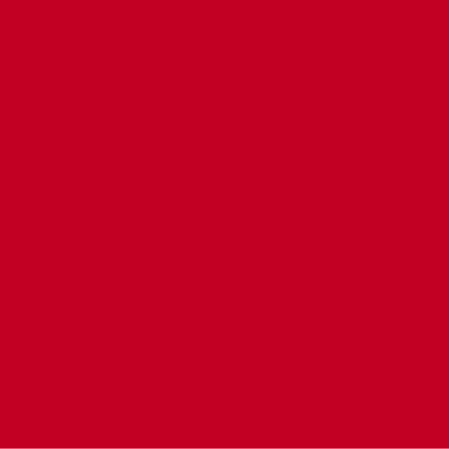


- High quality current and forward land bank to create value for shareholders
- Product range and skill base to optimise the inherent value in our land bank
- Strategy to deliver growth
 - increased Signature land bank to support medium term growth
 - expanded volumes of Debut
 - developing incremental income streams from mixed use and regeneration

Redrow – Core Qualities



- Objective – profitable and sustainable growth
- Strategies in key aspects support objective
- Capability to create value in the medium term



*Interim Results
Presentation*

6 Months to 31 December 2006

Tuesday 6 March 2007

