



Preliminary Results Presentation



Year to 30 June 2007

Tuesday 11 September 2007



REDROW



Alan Bowkett

Chairman

Business Focus



- Continue long term approach to land acquisition
- Progressive development of our design led approach to product
- Maintain close control of cost base

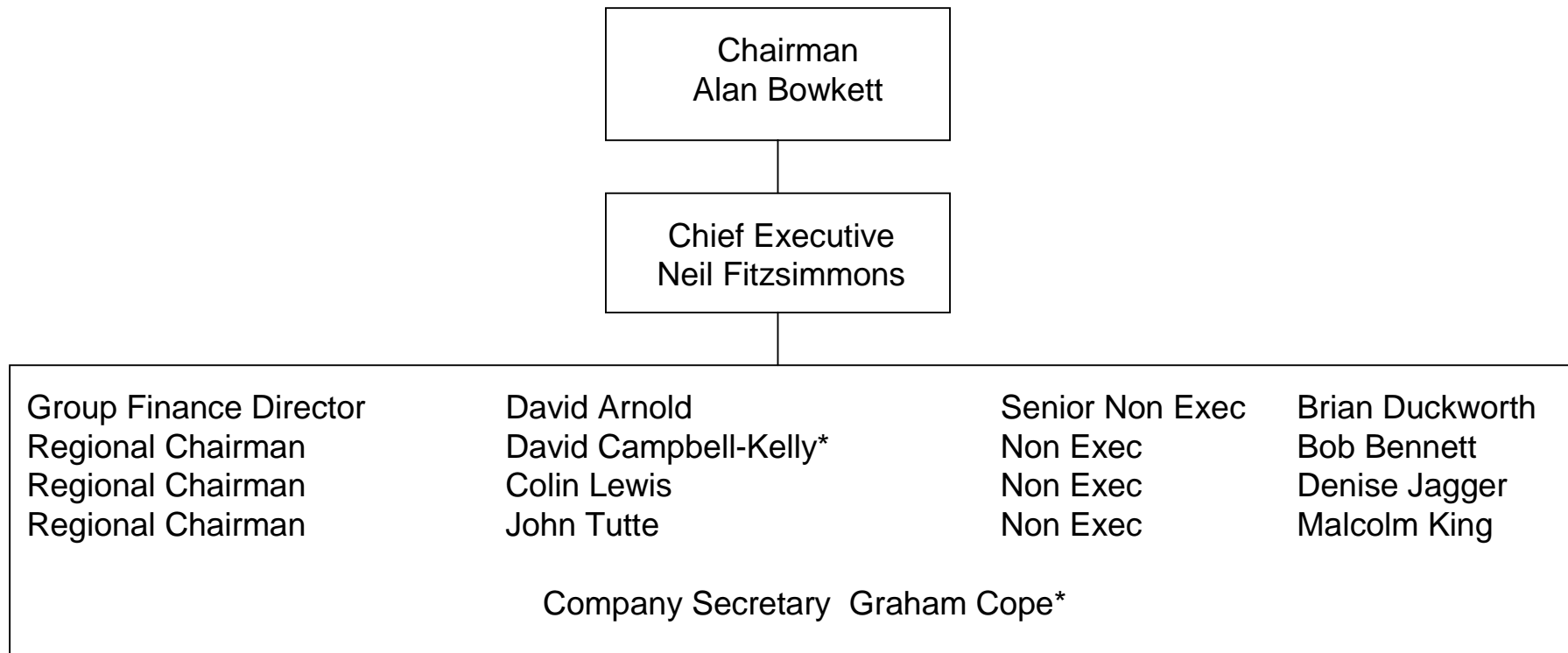
Focus on core competencies

Business Overview



- Turnover up 3.3% to £795.7m and operating profit up 2.9%
- PBT at £120.5m and eps at 52.9p - unchanged
- c.20% growth in current land bank over last two years
- Strengthened planning position as we enter 2007/08
- Balance sheet retains capacity for further investment with gearing at 31%
- Increased level of forward sales as at 30 June 2007

Senior Management Team



*David and Graham are not Main Board Directors of Redrow plc

Dividend



- Proposed final dividend of 7.8p brings full year dividend up to 15.6p (2006: 13.0p) – an increase of 20%
- Final dividend payable 16 November 2007
- Commitment to raise dividend in 2007/08 by 20%
- Dividend has increased over last five years by a compound rate of over 20% per annum
- Dividend cover reduced from 6.4 times in 2002 to 3.4 times



David Arnold

Group Finance Director

Financial Performance



		Year to June		
		2007	2006	
Turnover	(£m)	795.7	770.1	+3.3%
Profit before tax	(£m)	120.5	120.5	
EPS - basic	(p)	52.9	52.9	
Net assets per share	(p)	361.5	322.0	+12.3%
Capital employed	(£m)	755.4	643.6	
ROCE	(%)	19.4	22.0	

Profit Analysis



	Year to June		
	2007	2006	
	£m	£m	
Operating profit			
Homes	129.7	133.8	-3.1%
Mixed Use & Regeneration	6.6	0.7	
Framing Solutions	(0.7)	(0.8)	
Jersey provision	-	(2.0)	
	<hr/>	<hr/>	
	135.6	131.7	+3.0%
Add back share of JV operating losses	1.0	1.1	
	<hr/>	<hr/>	
Operating profit (IAS reported)	136.6	132.8	+2.9%
Net financing costs	(15.3)	(11.5)	
Share of JV losses after interest and tax	(0.8)	(0.8)	
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Profit before tax	<u>120.5</u>	<u>120.5</u>	

Product Profile

Legal Completions



Completions	2007 Units	2006 Units	
Signature	3,689	4,027	
In the City	537	495	
Debut	<u>502</u>	<u>213</u>	
Homes	4,728	4,735	-0.1%
Regeneration	<u>95</u>	<u>-</u>	
Group	<u>4,823</u>	<u>4,735</u>	+1.9%

Product Profile

Average Selling Prices



	2007	2006	
Ave. selling price	£000	£000	
Signature	167.9	166.2	
In the City	182.2	160.2	
Debut	79.1	79.2	
Homes	<u>160.1</u>	<u>161.7</u>	-1.0%
Regeneration	<u>148.3</u>	<u>-</u>	
Group	<u>159.9</u>	<u>161.7</u>	-1.1%

Homes – Trading Performance



	2007	2006		% of Turnover	
Units	4,728	4,735			
ASP (£000)	160.1	161.7	-1.0%		
	£m	£m		2007	2006
Turnover	757.0	765.5	-1.1%		
Trading contribution	159.6	168.9	-5.5%	21.1%	22.1%
Land sales	15.1	8.9		2.0%	1.1%
Gross contribution	174.7	177.8	-1.7%	23.1%	23.2%
Overhead	(45.0)	(44.0)	-2.3%	(6.0%)	(5.7%)
Operating profit	129.7	133.8	-3.1%	17.1%	17.5%

Build Cost



- Benchmark housebuild costs increased by c.2.6% in 2006/07

Specification enhancements	1.4%
Cost of building regulation changes	0.9%
Labour and material increases	0.7%
Value engineering	(0.4%)
	<hr/>
	2.6%
	<hr/>

- Overall build cost pressures on labour and materials remain relatively benign

Overheads



- Three Midlands companies combined into single operation run from Tamworth
- South West and West Country businesses combined under Bristol office with satellite presence maintained in Exeter
- Changes to Main Board and reductions in headcount at Head Office
- Capacity for growth maintained with resources focused upon front line support and land acquisition
- 2007/08 overhead cost expected to be no higher than 2006/07 which should benefit operating margins

Mixed Use & Regen



	2007	2006
Regeneration Homes (units)	95	-
Regeneration Homes ASP (£000s)	148.3	-
	£m	£m
Turnover	38.7	4.6
Operating profit	6.6	0.7
Add back JV operating loss	0.3	0.3
IAS operating profit	<u>6.9</u>	<u>1.0</u>

Framing Solutions



- Board has considered the position of Framing Solutions, the Group's 50:50 joint venture with Corus
- Redrow's share of loss after interest and tax was £0.6m (2006: £0.6m)
- Our involvement has enabled us to gain a greater understanding of modern methods of construction (MMC)
- MMC now more prevalent and market more established
- Direct involvement in this area of activity no longer required

Capital Employed



	Jun 2007	Dec 2006	Jun 2006
	£m	£m	£m
Fixed assets and investments	28.6	28.5	26.6
Stocks	988.7	915.0	849.6
Land creditors	(124.2)	(90.2)	(78.3)
Other assets/(liabilities) exc net debt	(143.8)	(125.1)	(145.7)
Pensions	6.1	(2.6)	(8.6)
Capital employed	<u>755.4</u>	<u>725.6</u>	<u>643.6</u>

Stocks



	Jun 2007	Dec 2006	Jun 2006
	£m	£m	£m
Land	634.0	576.0	522.5
Work in progress	306.8	301.9	295.6
Part Exchange	9.8	6.8	6.6
Showhomes	14.2	14.7	14.2
Homes	964.8	899.4	838.9
Mixed Use & Regeneration	23.9	15.6	10.7
Group	988.7	915.0	849.6

Cash Flow



	Year to June	
	2007	2006
	£m	£m
Operating profit (pre Joint Ventures)	136.6	132.8
Increase in land net of land creditors	(72.5)	(63.9)
Increase in other working capital	(35.9)	(26.7)
Capex and investments net of depreciation	(3.1)	(3.4)
Tax, financing and dividends	(72.9)	(65.4)
Net cash flow	<u>(47.8)</u>	<u>(26.6)</u>
Net debt brought fwd	<u>(129.8)</u>	<u>(103.2)</u>
Net debt carried fwd	<u><u>(177.6)</u></u>	<u><u>(129.8)</u></u>

Pensions



- DB section now closed to new entrants
- Completed one-off contributions in 2006/07 in respect of deficit on DB section
- Now paying normal employer monthly contributions only
- £6.1m pre tax surplus as at 30 June 2007
- Triennial valuation due 30 June 2008

Financing



	Jun 2007	Jun 2006
	£m	£m
Capital employed	755.4	643.6
Net borrowings	(177.6)	(129.8)
Net assets	<u>577.8</u>	<u>513.8</u>
Gearing	31%	25%
Interest cover	8.9	11.5

Committed bank facilities total £400m
£300m syndicated facility matures November 2009



Neil Fitzsimmons

Chief Executive

Key Points



- Progress in growing current land holdings and improving quality of forward land bank
 - strengthened position in terms of planning
 - increased proportion of allocations in forward land
 - first contribution from Redrow Regeneration



Key Points



- Increased focus on urban design as a point of differentiation
 - engage more positively with planners
 - enhances desirability and value of our product



Key Points



- Reviewed our operational structure
 - improved efficiency in terms of fixed cost
 - retain capability to grow our business



Key Points



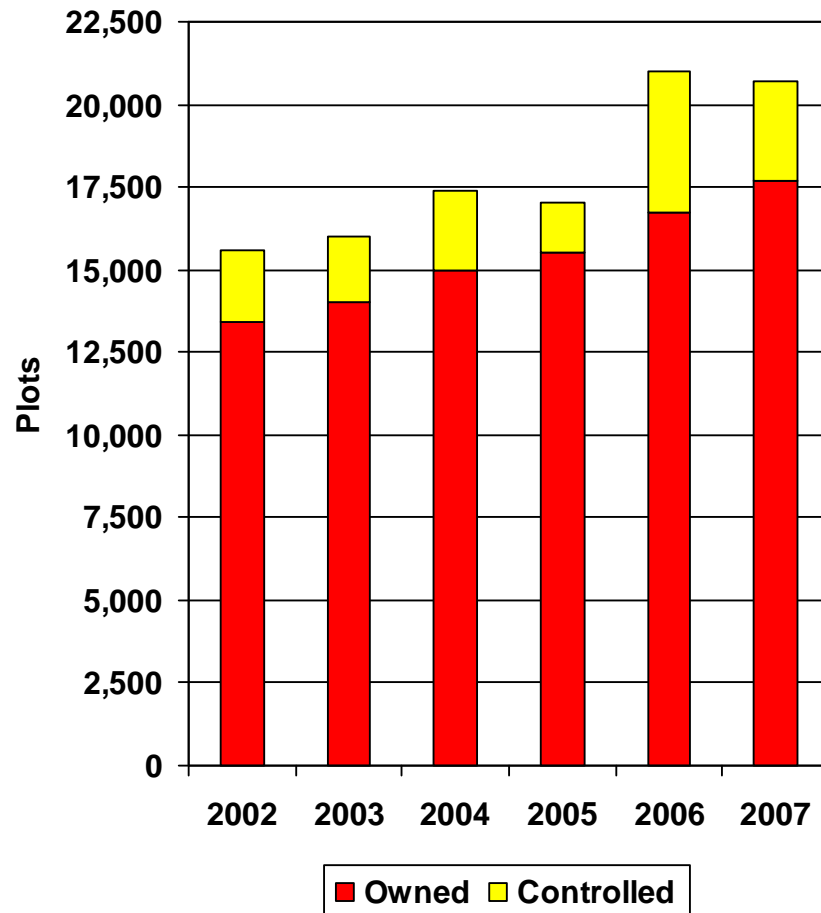
We are focused on our core competencies. Our continuing long term strategy in land acquisition and our design led approach to product reaffirms historic values and strengths in Redrow



Land – The Key to Profitability and Growth



Current land bank

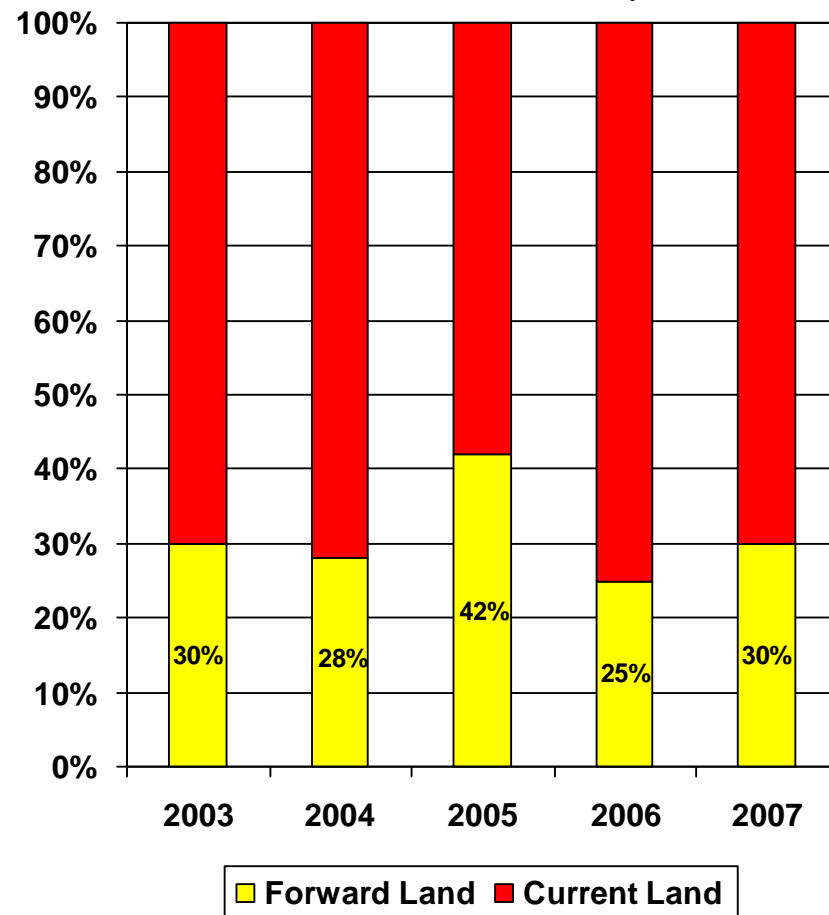


- c.10% compound growth rate in current land bank in last 2 years
- Current land bank over 4.25 years
- Owned land bank with planning increased to 17,700 plots representing over 3.5 years on an historic basis
- 97.5% of 2007/08 expected output has a detailed and implementable planning consent

Land – The Key to Profitability and Growth



Forward land bank
contribution to land acquired



- 24,400 plots with realistic prospect of securing planning
- Approximately 40% of plots are allocations
- Significant contribution to current land bank

Land – Analysis of Market



Forward Land



Jennett's Park,
Bracknell,
Berkshire
750 plots

Current Land
Added Value



Farnborough Central
Farnborough,
Hants
500 plots

Current Land
Open Market



Redrow @ Love's Farm
St. Neots,
Cambridge
250 plots

Land – Acquisition Strategy



- Continue to source and promote high quality forward land opportunities to maintain contribution of higher margin sites
 - 30% of net additions in 2006/07 through forward land
- Focus on added value opportunities to deliver sites at better margins than the open market
- Use open market current land to support land acquisitions

Land – Acquisition Strategy



- Create value in large sites
 - opportunity to enhance margins through optimising planning and quality of design
 - release value at appropriate time for efficient use of capital
 - trade land to secure additional outlets



Cheswick Bristol
1,250 plots

Land Bank Analysis



	Jun 2007	Jun 2006
Current Land		
Land with planning	17,700 *	16,750 *
Contracted plots	3,000	4,250
Current land total	<u>20,700</u>	<u>21,000</u>
Forward Land		
Forward land with planning	—	100
Allocations	10,300	9,000
	<u>10,300</u>	<u>9,100</u>
Realistic prospect	14,100	15,600
Forward land total	<u>24,400</u>	<u>24,700</u>

*Includes 420 plots in Redrow Regeneration (2006: 250)

Homes: Land Owned with Planning



	Jun 2007 Plots	Plot Cost £000	Jun 2006 Plots	Plot Cost £000
Plots b/f	16,500	31.0	15,800	28.5
Additions	5,508	43.9	5,435	33.9
Cost of sales	<u>(4,728)</u>	<u>(26.7)</u>	<u>(4,735)</u>	<u>(26.0)</u>
Plot c/f	<u>17,280</u>	<u>36.3</u>	<u>16,500</u>	<u>31.0</u>
ASP in period		£160,100		£161,700
Cost of sales in period as % of ASP		16.7%		16.1%
Estimated ASP of owned land bank with planning		£178,000		£169,000
Plot cost at period end as % of ASP in land bank		20.4%		18.3%

Homes: Land Bank Owned with Planning



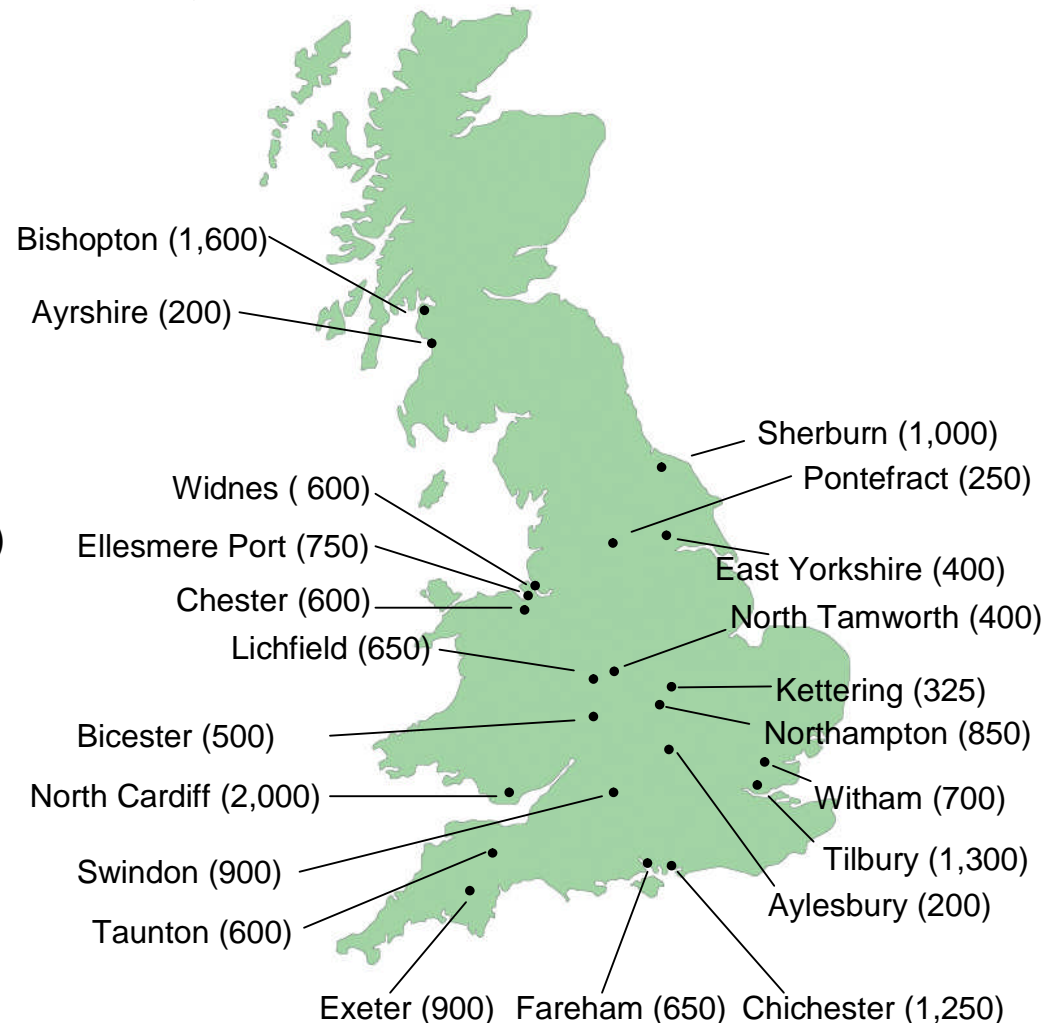
- Higher pull through from forward land – 30% (2006: 25%)
- Lower abnormal and servicing costs on plots acquired in 2006/07
- Additions included a higher proportion of Signature plots – 91% (2006: 87%)
- Increase in land bank in South East to support future growth
 - 31% of net additions (2006: 15%)
 - 20% of land bank owned with planning at June 2007 (2006: 16%)
- Average selling price of net additions to land bank = c£180,000

Forward Land Bank



Significant Forward Land Opportunities (Plots)

- Continued progress in promoting forward land – 30% of net additions in 2006/07
- Resolution to grant planning
Cranbrook, Exeter (480 plots)
Monkton Heathfield, Taunton (350 plots)
- Planning applications submitted
Upton, Northampton (850 plots)
Barton Seagrave, Kettering (325 plots)
Bishopton, Glasgow (1,600 plots)



Homes Company Structure



Company Structure

- Regional office structure
 - improved fixed cost efficiency
 - retained capacity for growth
- Key growth opportunities
 - Scotland: strengthened land bank
 - South West: capitalise on investment in Cheswick
 - West Country: utilise strength of forward land bank
 - South East: increase output in growth areas



Product:

The Catalyst to Convert Land into Profit



- Promote high quality design
 - enhances competitiveness in the land market
 - optimisation of returns through coverage and marketability of product
 - facilitates delivery of planning in shorter timescales
 - delivers additional value from customers



Tiddy Brook Meadows, Tavistock

Product:

The Catalyst to Convert Land into Profit



- Directors of Design in place in the three regional teams
- Design Centre of Excellence established in Northampton in 2006/07
- Design Centres of Excellence being established in North West and Bristol in 2007/08
- Promotion of high quality urban design by training@redrow with links to Oxford Brookes and CABE



Ley Vale, Frome

Product:

The Catalyst to Convert Land into Profit



- Continued focus on core housetypes
 - allows flexibility to meet local needs
 - provides range to optimise coverage and marketability
 - drives efficiency in build and ability to value engineer
 - maximises benefits from Group buying



Cressington Heath, Liverpool

Introduction of Affordable Debut Product



- Affordability remains an issue in the housing market
- Debut appeals to target market providing open market affordable new homes
- Delivered 502 Debut homes in 2006/07 (2005/06: 213)
- Increase in output in 2007/08 to c.600 units
- Part of portfolio to unlock value



Debut @ Hilton

Development of Incremental Income Streams



Mixed Use

- Strong performance from existing mixed use schemes
 - Buckshaw Village
 - St David's Park
- 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
 - 1.5m sq ft of employment and community development



Matrix Park, Buckshaw Village

Development of Incremental Income Streams



Regeneration

- Barking – Phase 1
 - 95 legal completions and Lifelong Learning Centre delivered in 2006/07
 - 151 legal completions in 2007/08 – all sold
- Barking – Phase 2
 - Planning secured in June 2007 for 272 new homes and 40,000 sq ft of commercial space
 - 96 units reserved as at June 2007
 - Delivery commences 2008/09
- Continuing progress
 - Anticipate Watford application in 2008



Phase 1 Barking Town Square

Sales Market



- Sales Performance 2006/07

	2006/07			2005/06		
	Homes	Regen	Total	Homes	Regen	Total
b/f	1,772	246	2,018	1,978	-	1,978
Sales	4,857	96	4,953	4,529	246	4,775
Legal completions	(4,728)	(95)	(4,823)	(4,735)	-	(4,735)
c/f	<u>1,901</u>	<u>247</u>	<u>2,148</u>	<u>1,772</u>	<u>246</u>	<u>2,018</u>
	Homes		Total			
Sales in 2006/07	+7.2%		+3.7%			
Forward sales at June 07	+7.3%		+6.4%			

Sales Market



- Sales Performance 2006/07
 - market stable but competitive against backdrop of four interest rate rises from August 2006 to June 2007
 - stronger market conditions experienced in South East and Scotland
 - sales of Signature and In the City homes together up 3.5% in second half of financial year

Sales Market



- Forward Sales Position

	2006/07	2005/06	
Signature	1,450	1,171	
In the City	168	366	
Debut	<u>283</u>	<u>235</u>	
Homes	1,901	1,772	+7.3%
Regeneration	<u>247</u>	<u>246</u>	
	<u>2,148</u>	<u>2,018</u>	+6.4%

- Signature forward sales represent c.18 weeks sales
- Signature c.30% sold (plot specific) for 2007/08
- ITC just over 40% sold for 2007/08 on 4 developments
- Debut approaching 50% sold for 2007/08 - 7 ongoing sites + 2 additional launches

Business Outlook



Sales Market

- Key factor in the outcome for 2007/08 will be strength of demand in our markets
- Difficult to assess market based on July and August
- Selling prices secured in new financial year in line with our expectations
- Interest rates appear to be influencing consumer confidence and housing markets as we move into Autumn selling season
- Retain a careful balance between selling prices and rate of sale to optimise returns from our land bank

Business Outlook



Response to Market

- Increased level of forward sales as at June 2007
- On track to increase outlets in new financial year
 - expect c.6% growth in Signature outlets in 2007/08
- Benefit to volumes in 2007/08 of c.100 additional social housing units
- 97.5% of 2007/08 anticipated volumes have a detailed, implementable planning consent
- Retain balance between selling prices and rate of sale to optimise returns from our land bank

Looking Forward



- Projection for household formations continues to underpin need for new homes
 - 223,000 new households per annum from 2004 to 2026 in England
- Housing at centre of Government agenda
 - 3m new homes by 2020
- Planning system continues to be inefficient
 - ‘top down’ v ‘bottom up’ conflict
- Challenge of sustainability increasing complexity of development
 - 2016 zero carbon commitment

Looking Forward



- Focus on core competencies to increase output through regional structures
 - growth opportunities in Scotland, South West and South East
- Maintain added value approach to land acquisition
 - historic strength in long term approach
- Use product portfolio to unlock value from opportunities
 - no specific focus on individual elements
- Promote high quality design to differentiate product
 - reinvigorate part of our heritage
- Retain close management of cost base
 - use of core housetypes and efficient overhead structure
- Provide high quality group support services to facilitate growth in the operating companies

Looking Forward



‘Our land bank, product and experienced management teams will enable us to address the challenges and take advantage of the opportunities in our market place for the benefit of shareholders in the coming years’

Neil Fitzsimmons - Chief Executive