

## Consolidated Income Statement (Unaudited)

		6 months ended 31 December	12 months ended 30 June	
		2006	2005	2006
	Note	£m	£m	£m
Revenue	2	<b>366.2</b>	338.9	770.1
Cost of sales		<b>(280.9)</b>	(257.4)	(592.0)
<b>Gross profit</b>		<b>85.3</b>	81.5	178.1
Administrative expenses		<b>(23.6)</b>	(22.4)	(45.3)
<b>Operating profit before financing costs</b>	2	<b>61.7</b>	59.1	132.8
Financial income		<b>0.3</b>	0.2	0.6
Financial expenses		<b>(7.2)</b>	(5.5)	(12.1)
<b>Net financing costs</b>	2	<b>(6.9)</b>	(5.3)	(11.5)
Share of loss of joint ventures after interest and taxation	2	<b>(0.5)</b>	(0.4)	(0.8)
<b>Profit before tax</b>	2	<b>54.3</b>	53.4	120.5
Income tax expense	2, 3	<b>(16.4)</b>	(16.1)	(36.4)
<b>Profit for the period</b>	2	<b>37.9</b>	37.3	84.1
<b>Earnings per share</b>				
Basic earnings per share	5	<b>23.8p</b>	23.5p	52.9p
Diluted earnings per share	5	<b>23.7p</b>	23.4p	52.7p

**Consolidated Statement of Recognised Income and Expense (Unaudited)**

	6 months ended 31 December		12 months ended 30 June
	<b>2006</b> <b>£m</b>	2005 £m	2006 £m
Effective portion of changes in fair value of interest rate cash flow hedges	<b>0.4</b>	0.1	0.6
Deferred tax on change in fair value of interest rate cash flow hedges	<b>(0.1)</b>	(0.1)	(0.2)
Actuarial losses on defined benefit pension scheme	<b>(2.4)</b>	(2.0)	(2.8)
Deferred tax on actuarial losses taken directly to equity	<b>0.7</b>	0.6	0.8
Net expense recognised directly in equity	<b>(1.4)</b>	(1.4)	(1.6)
Profit for the period	<b>37.9</b>	37.3	84.1
<b>Total recognised income and expense for the period</b>	<b>36.5</b>	35.9	82.5

**Reconciliation of Movements in Consolidated Equity (Unaudited)**

	6 months ended 31 December		12 months ended 30 June
	<b>2006</b> <b>£m</b>	2005 £m	2006 £m
Profit for the period	<b>37.9</b>	37.3	84.1
Dividends on equity shares	<b>(13.9)</b>	(11.5)	(18.4)
Other recognised income and expense relating to the period (net)	<b>(1.4)</b>	(1.4)	(1.6)
Shares issued	<b>0.1</b>	0.9	2.1
Movement in LTSIP/SAYE	<b>(0.1)</b>	(0.6)	(4.9)
Net increase in equity	<b>22.6</b>	24.7	61.3
Opening equity	<b>513.8</b>	452.5	452.5
<b>Closing equity</b>	<b>536.4</b>	477.2	513.8

## Consolidated Balance Sheet (Unaudited)

		As at		As at
		31 December		30 June
	Note	2006	2005	2006
		£m	£m	£m
<b>Assets</b>				
Intangible assets		0.3	0.2	0.4
Plant, property and equipment		25.7	24.1	23.8
Investments		2.5	2.4	2.4
Deferred tax assets		3.6	8.6	5.0
Derivative financial instruments		0.5	-	0.2
Trade and other receivables		1.4	0.5	0.8
<b>Total non-current assets</b>		<b>34.0</b>	<b>35.8</b>	<b>32.6</b>
Inventories	6	915.0	786.2	849.6
Trade and other receivables		33.2	8.4	25.5
Derivative financial instruments		0.3	-	0.2
Cash and cash equivalents	8	3.6	0.1	24.5
<b>Total current assets</b>		<b>952.1</b>	<b>794.7</b>	<b>899.8</b>
<b>Total assets</b>		<b>986.1</b>	<b>830.5</b>	<b>932.4</b>
<b>Equity</b>				
Issued capital		16.0	15.9	16.0
Share premium		56.3	55.1	56.2
Hedge reserve		0.6	(0.1)	0.3
Other reserves		7.9	7.9	7.9
Retained earnings		455.6	398.4	433.4
<b>Total equity</b>		<b>536.4</b>	<b>477.2</b>	<b>513.8</b>
<b>Liabilities</b>				
Bank overdrafts and loans	8	177.1	103.9	131.5
Trade and other payables	7	37.3	32.5	41.9
Derivative financial instruments		-	0.1	-
Deferred tax liabilities		1.5	1.9	1.6
Retirement benefit obligations		2.6	10.5	8.6
Long-term provisions		4.5	2.2	4.4
<b>Total non-current liabilities</b>		<b>223.0</b>	<b>151.1</b>	<b>188.0</b>
Bank overdrafts and loans	8	15.7	12.3	22.8
Trade and other payables	7	191.6	168.5	185.6
Current income tax liabilities		19.4	21.4	22.2
<b>Total current liabilities</b>		<b>226.7</b>	<b>202.2</b>	<b>230.6</b>
<b>Total liabilities</b>		<b>449.7</b>	<b>353.3</b>	<b>418.6</b>
<b>Total equity and liabilities</b>		<b>986.1</b>	<b>830.5</b>	<b>932.4</b>

## Consolidated Cash Flow Statement (Unaudited)

		6 months ended 31 December	12 months ended 30 June
	Note	2006 £m	2005 £m
<b>Cash flow from operating activities</b>			2006 £m
Operating profit before financing costs		61.7	132.8
Depreciation		1.1	2.3
Adjustment for non-cash items		(3.5)	(7.4)
<b>Operating profit before changes in working capital and provisions</b>		59.3	127.7
(Increase)/decrease in trade and other receivables		(8.3)	(13.6)
Increase in inventories		(65.4)	(88.6)
Increase/(decrease) in trade and other payables		1.4	10.2
(Decrease)/increase in retirement benefit provision and other provisions		(5.9)	3.0
<b>Cash generated from operations</b>		(18.9)	38.7
Interest paid		(5.6)	(8.9)
Tax paid		(17.3)	(34.7)
<b>Net cash from operating activities</b>		(41.8)	(4.9)
<b>Cash flows from investing activities</b>			
Acquisition of plant, property and equipment		(2.9)	(2.2)
Interest received		0.1	0.5
Payments to joint ventures		(0.4)	(0.6)
<b>Net cash from investing activities</b>		(3.2)	(2.3)
<b>Cash flows from financing activities</b>			
Increase in bank borrowings		45.5	27.5
Purchase of own shares		(0.5)	(2.9)
Dividends paid		(13.9)	(18.4)
Proceeds from issue of share capital		0.1	2.1
<b>Net cash from financing activities</b>		31.2	8.3
<b>(Decrease)/increase in net cash and cash equivalents</b>		(13.8)	1.1
Net cash and cash equivalents at the beginning of the period		1.7	0.6
<b>Net cash and cash equivalents at the end of the period</b>	8	(12.1)	1.7

## NOTES

1. The interim financial statements have been prepared using the accounting policies which the Group intend to adopt for the year ending 30 June 2007 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 2007.

The information for the year ended 30 June 2006 does not constitute statutory accounts within the meaning of section 240 Companies Act 1985. A copy of the statutory accounts, prepared under IFRS, which received an unqualified audit opinion, has been delivered to the Registrar of Companies.

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

	6 months ended		12 months
	31 December		ended 30 June
	2006	2005	2006
	£m	£m	£m
<b>Revenue</b>			
Homes	359.6	338.8	765.5
Mixed Use & Regeneration	6.6	0.1	4.6
	<b>366.2</b>	338.9	770.1
Gross profit	82.0	81.1	177.8
Overheads	(22.7)	(22.0)	(44.0)
Homes – operating profit	59.3	59.1	133.8
Mixed Use & Regeneration – operating profit	2.2	-	0.7
Framing Solutions – operating loss	(0.4)	(0.5)	(0.8)
	61.1	58.6	133.7
Jersey provision	-	-	(2.0)
	61.1	58.6	131.7
Add back share of joint venture operating losses	0.6	0.5	1.1
<b>Operating profit before financing costs</b>	<b>61.7</b>	59.1	132.8
Net financing costs	(6.9)	(5.3)	(11.5)
	54.8	53.8	121.3
Share of loss of joint ventures after interest and taxation	(0.5)	(0.4)	(0.8)
<b>Profit before tax</b>	<b>54.3</b>	53.4	120.5
Income tax expense	(16.4)	(16.1)	(36.4)
<b>Profit for the period</b>	<b>37.9</b>	37.3	84.1

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

	As at 31 December		As at 30 June
	2006 £m	2005 £m	2006 £m
<b>Segment assets</b>			
Homes	955.4	814.3	884.9
Mixed Use & Regeneration	28.4	14.5	23.0
Framing Solutions – share of joint venture	1.8	1.8	1.6
	<b>985.6</b>	830.6	909.5
Elimination of inter-segment items	(3.1)	(0.2)	(1.6)
	<b>982.5</b>	830.4	907.9
Cash and cash equivalents	3.6	0.1	24.5
<b>Consolidated total assets</b>	<b>986.1</b>	830.5	932.4
<b>Segment liabilities</b>			
Homes	254.9	235.5	254.8
Mixed Use & Regeneration	5.1	1.8	11.1
	<b>260.0</b>	237.3	265.9
Elimination of inter-segment items	(3.1)	(0.2)	(1.6)
	<b>256.9</b>	237.1	264.3
Borrowings	192.8	116.2	154.3
<b>Consolidated total liabilities</b>	<b>449.7</b>	353.3	418.6
<b>Total equity</b>	<b>536.4</b>	477.2	513.8

3. The taxation charge reflects the estimated effective rate for the full year to 30 June 2007.
4. The final dividend for the year ended 30 June 2006 of 8.7p per share (2005: 7.2p) was approved by shareholders at the Annual General Meeting on 7 November 2006, paid on 17 November 2006 and a charge of £13.9m (2005: £11.5m) has been taken to reserves.

The Directors have declared an interim dividend of 7.8p per share (2005: 4.3p) which was approved by the Board on 5 March 2007. This gives an interim dividend of £12.4m (2005: £6.9m) which will be paid on 4 May 2007 to shareholders whose names are on the Register of Members at the close of business on 16 March 2007. The shares will become ex-dividend on 14 March 2007.

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 2006.

5. The basic earnings per share calculation for the half year ended 31 December 2006 is based on the weighted average number of shares in issue during the period of 159.4m (2005:159.1m) 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 2006 was 159.1m. 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. Inventories (Unaudited)

	As at 31 December	
	2006	2005
	£m	£m
Land for development	576.5	453.6
Work in progress	323.8	319.2
Stock of showhomes	14.7	13.4
	<b>915.0</b>	<b>786.2</b>

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

	As at 31 December	
	2006	2005
	£m	£m
Due within one year	52.9	49.7
Due in more than one year	37.3	32.5
	<b>90.2</b>	<b>82.2</b>

8. Analysis of net debt (Unaudited)

	As at 31 December	
	2006	2005
	£m	£m
Cash and cash equivalents	3.6	0.1
Bank overdrafts and loans		
- current liabilities	(15.7)	(12.3)
	<b>(12.1)</b>	<b>(12.2)</b>
- non-current liabilities	(177.1)	(103.9)
	<b>(189.2)</b>	<b>(116.1)</b>

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