

Consolidated Income Statement

		12 months ended 30 June	
	Note	2007 £m	2006 £m
Revenue	2	795.7	770.1
Cost of sales		(612.7)	(592.0)
Gross profit		183.0	178.1
Administrative expenses		(46.4)	(45.3)
Operating profit before financing costs	2	136.6	132.8
Financial income		1.6	0.6
Financial expenses		(16.9)	(12.1)
Net financing costs	2	(15.3)	(11.5)
Share of loss of joint ventures after interest and taxation	2	(0.8)	(0.8)
Profit before tax	2	120.5	120.5
Income tax expense	3	(36.1)	(36.4)
Profit for the period		84.4	84.1
Earnings per share			
Basic earnings per share	5	52.9p	52.9p
Diluted earnings per share	5	52.8p	52.7p

Consolidated Balance Sheet

		As at 30 June	
	Note	2007 £m	2006 £m
Assets			
Intangible assets		0.3	0.4
Plant, property and equipment		24.6	23.8
Investments		3.7	2.4
Deferred tax assets		3.4	5.0
Derivative financial instruments		0.6	0.2
Retirement benefit surplus		6.1	-
Trade and other receivables		4.1	0.8
Total non-current assets		42.8	32.6
Inventories	6	988.7	849.6
Trade and other receivables		28.5	25.5
Derivative financial instruments		1.1	0.2
Cash and cash equivalents	8	12.2	24.5
Total current assets		1,030.5	899.8
Total assets		1,073.3	932.4
Equity			
Issued capital		16.0	16.0
Share premium		58.1	56.2
Hedge reserve		1.2	0.3
Other reserves		7.9	7.9
Retained earnings		494.6	433.4
Total equity		577.8	513.8
Liabilities			
Bank loans	8	169.7	131.5
Trade and other payables	7	48.8	41.9
Deferred tax liabilities		3.0	1.6
Retirement benefit obligations		-	8.6
Long-term provisions		3.4	4.4
Total non-current liabilities		224.9	188.0
Bank overdrafts and loans	8	20.1	22.8
Trade and other payables		233.8	191.4
Current income tax liabilities		16.7	16.4
Total current liabilities		270.6	230.6
Total liabilities		495.5	418.6
Total equity and liabilities		1,073.3	932.4

Consolidated Cash Flow Statement

	12 months ended 30 June	
	2007	2006
	£m	£m
	Note	
Cash flow from operating activities		
Operating profit before financing costs	136.6	132.8
Depreciation and amortisation	2.3	2.3
Adjustment for non-cash items	3.1	(7.4)
Operating profit before changes in working capital and provisions	142.0	127.7
Increase in trade and other receivables	(6.3)	(13.6)
Increase in inventories	(139.1)	(88.6)
Increase in trade and other payables	49.6	16.0
(Decrease)/increase in employee benefits and provisions	(15.7)	3.0
Cash generated from operations	30.5	44.5
Interest paid	(13.9)	(8.9)
Tax paid	(35.2)	(40.5)
Net cash from operating activities	(18.6)	(4.9)
Cash flows from investing activities		
Acquisition of plant, property and equipment	(5.2)	(2.2)
Proceeds from sale of plant and equipment	2.6	-
Interest received	0.9	0.5
Payments to joint ventures	(2.3)	(0.6)
Net cash from investing activities	(4.0)	(2.3)
Cash flows from financing activities		
Issue of bank borrowings	170.0	98.0
Repayment of bank borrowings	(132.0)	(70.5)
Issue costs of bank borrowings	(0.1)	-
Purchase of own shares	(0.5)	(2.9)
Dividends paid	(26.3)	(18.4)
Proceeds from issue of share capital	1.9	2.1
Net cash from financing activities	13.0	8.3
(Decrease)/increase in net cash and cash equivalents	(9.6)	1.1
Net cash and cash equivalents at the beginning of the period	1.7	0.6
Net cash and cash equivalents at the end of the period	8	1.7

Consolidated Statement of Recognised Income and Expense

	12 months ended 30 June	
	2007 £m	2006 £m
Effective portion of changes in fair value of interest rate cash flow hedges	1.3	0.6
Deferred tax on change in fair value of interest rate cash flow hedges	(0.4)	(0.2)
Actuarial gains/(losses) on defined benefit pension scheme	5.8	(2.8)
Deferred tax on actuarial gains/(losses) taken directly to equity	(1.7)	0.8
Net income/(expense) recognised directly in equity	5.0	(1.6)
Profit for the period	84.4	84.1
Total recognised income and expense for the period	89.4	82.5

Reconciliation of Movements in Consolidated Equity

	12 months ended 30 June	
	2007 £m	2006 £m
Profit for the period	84.4	84.1
Dividends on equity shares	(26.3)	(18.4)
Other recognised income and expense relating to the period (net)	5.0	(1.6)
Shares issued	1.9	2.1
Movement in LTSIP/SAYE and share based payment (net)	(1.0)	(4.9)
Net increase in equity	64.0	61.3
Opening equity	513.8	452.5
Closing equity	577.8	513.8

NOTES

1. Basis of Preparation

The above results and the accompanying notes do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. They are taken from the full accounts which have received an unqualified report by the Auditors and will be filed with the Registrar of Companies.

2. Segmental Information

2a) Income Statement

	12 months ended	
	30 June	
	2007	2006
	£m	£m
Revenue		
Homes	757.0	765.5
Mixed Use & Regeneration	38.7	4.6
	795.7	770.1
Profit before tax		
Homes	129.7	133.8
Mixed Use & Regeneration	6.6	0.7
Framing Solutions - operating loss	(0.7)	(0.8)
	135.6	133.7
Jersey provision	-	(2.0)
	135.6	131.7
Add back share of joint venture operating losses	1.0	1.1
Operating profit before financing costs	136.6	132.8
Net financing costs	(15.3)	(11.5)
	121.3	121.3
Share of loss of joint ventures after interest and taxation	(0.8)	(0.8)
Profit before tax	120.5	120.5

Segmental Information continued

2b) Balance Sheet

	As at 30 June	
	2007 £m	2006 £m
Segment assets		
Homes	1,018.3	884.9
Mixed Use & Regeneration	43.2	23.0
Framing Solutions - share of joint venture	1.8	1.6
	1,063.3	909.5
Elimination of inter-segment items	(2.2)	(1.6)
	1,061.1	907.9
Cash and cash equivalents	12.2	24.5
Consolidated total assets	1,073.3	932.4
Segment liabilities		
Homes	284.7	254.8
Mixed Use & Regeneration	23.2	11.1
	307.9	265.9
Elimination of inter-segment items	(2.2)	(1.6)
	305.7	264.3
Borrowings	189.8	154.3
Consolidated total liabilities	495.5	418.6
Total equity	577.8	513.8

3. Income Tax Expense

	12 months ended 30 June	
	2007 £m	2006 £m
Current year		
UK Corporation Tax at 30% (2006: 30%)	34.6	33.2
Under/(over) provision in respect of prior year	0.5	(0.2)
	35.1	33.0
Deferred tax		
Origination and reversal of temporary differences	1.0	3.4
	36.1	36.4
Reconciliation of tax expense for the year		
Tax on total profits @ 30% (2006: 30%)	36.2	36.2
Under/(over) provision in respect of prior year	0.5	(0.2)
Tax effect of share of losses in joint ventures	0.4	0.3
Expenses not deductible for tax purposes net of rolled over capital gains	0.2	0.2
Short term temporary differences	(1.2)	(0.1)
	36.1	36.4

4. Dividends

The final dividend of 7.8p will be recommended to shareholders for approval at the Annual General Meeting on 7 November 2007. This dividend will be paid on 16 November 2007 to shareholders whose names are on the Register of Members at close of business on 21 September 2007. The shares will become ex-dividend on 19 September 2007. This dividend, when added to the interim, makes a total dividend for the year of 15.6p (2006: 13.0p).

5. Earnings Per Share

The calculation of the basic earnings per share of 52.9p (2006: 52.9p) is based on Group profit for the period of £84.4m (2006: £84.1m) and on the weighted average number of 10p ordinary shares in issue of 159.5m (2006: 159.1m). The average reflects an adjustment in respect of surplus shares held in trust under the Redrow Long Term Share Incentive Plan.

Diluted earnings per share has been calculated by adjusting the weighted average number of 10p ordinary shares in issue to assume the conversion of all potentially dilutive ordinary shares and dividing earnings by this diluted weighted average number of shares being 159.9m (2006: 159.5m).

6. Inventories

		As at 30 June
	2007	2006
	£m	£m
Land for development	641.4	523.0
Work in progress	333.1	312.4
Stock of showhomes	14.2	14.2
	<u>988.7</u>	<u>849.6</u>

7. Amounts Due in Respect of Development Land

		As at 30 June
	2007	2006
	£m	£m
Due within one year	75.4	36.4
Due in more than one year	48.8	41.9
	<u>124.2</u>	<u>78.3</u>

8. Analysis of Net Debt

		As at 30 June
	2007	2006
	£m	£m
Cash and cash equivalents	12.2	24.5
Bank overdrafts and loans	(20.1)	(22.8)
Net cash and cash equivalents	<u>(7.9)</u>	<u>1.7</u>
Bank loans	<u>(169.7)</u>	<u>(131.5)</u>
Net debt	<u>(177.6)</u>	<u>(129.8)</u>

9. Annual General Meeting

The Annual General Meeting of Redrow plc will be held at St. David's Park Hotel, St. David's Park, Flintshire on 7 November 2007, commencing at 12.00 noon. A copy of this statement is available for inspection at the registered office.