Consolidated Income Statement

		12 months ended 30 June					
	Note	2009 pre-exceptional item	2009 exceptional item	**2009 Total**	2008 pre-exceptional item	2008 exceptional item	2008 Total
		£m	£m	**£m**	£m	£m	£m
Revenue		301.8	-	**301.8**	650.1	-	650.1
Cost of sales		(296.4)	(103.2)	**(399.6)**	(529.6)	(259.4)	(789.0)
Gross profit/(loss)		5.4	(103.2)	**(97.8)**	120.5	(259.4)	(138.9)
Administrative expenses		(27.8)	6.6	**(21.2)**	(36.0)	-	(36.0)
Operating (loss)/profit before financing costs		(22.4)	(96.6)	**(119.0)**	84.5	(259.4)	(174.9)
Financial income		3.8	-	**3.8**	4.5	-	4.5
Financial expenses		(25.4)	-	**(25.4)**	(22.5)	-	(22.5)
Net financing costs		(21.6)	-	**(21.6)**	(18.0)	-	(18.0)
Share of loss of joint ventures after interest and taxation		(0.2)	-	**(0.2)**	(1.0)	-	(1.0)
(Loss)/profit before tax from continuing operations		(44.2)	(96.6)	**(140.8)**	65.5	(259.4)	(193.9)
Income tax credit/(expense)	2	13.4	27.0	**40.4**	(19.5)	75.4	55.9
(Loss)/profit for the period from continuing operations		(30.8)	(69.6)	**(100.4)**	46.0	(184.0)	(138.0)
Discontinued operations		-	-	**-**	(1.9)	-	(1.9)
(Loss)/profit for the period		(30.8)	(69.6)	**(100.4)**	44.1	(184.0)	(139.9)
(Loss)/earnings per share from continuing operations							
Basic earnings per share	4	(19.3p)		**(62.8p)**	28.8p		(86.3p)
Diluted earnings per share	4	(19.3p)		**(62.8p)**	28.8p		(86.3p)
(Loss)/earnings per share including discontinued operations							
Basic earnings per share	4	(19.3p)		**(62.8p)**	27.6p		(87.5p)
Diluted earnings per share	4	(19.3p)		**(62.8p)**	27.6p		(87.5p)

Consolidated Statement of Recognised Income and Expense

	12 months ended 30 June	
	2009 **£m**	2008 £m
Effective portion of changes in fair value of interest rate cash flow hedges	**(4.2)**	(0.4)
Deferred tax on change in fair value of interest rate cash flow hedges	**1.2**	0.1
Actuarial (losses) on defined benefit pension scheme	**(11.9)**	(8.3)
Deferred tax on actuarial (losses) taken directly to equity	**3.3**	2.3
Net (expense) recognised directly in equity	**(11.6)**	(6.3)
(Loss) for the period	**(100.4)**	(139.9)
Total recognised income and expense for the period	**(112.0)**	(146.2)

Consolidated Balance Sheet

	Note	As at 30 June 2009 £m	2008 £m
Assets			
Intangible assets		**0.3**	0.4
Plant, property and equipment		**14.5**	22.7
Investments		**2.1**	2.0
Deferred tax assets		**76.7**	32.4
Derivative financial instruments		**-**	0.5
Retirement benefit surplus		**2.8**	-
Trade and other receivables		**6.3**	5.4
Total non-current assets		**102.7**	63.4
Non-current assets available for sale		**3.9**	-
Inventories	5	**566.3**	755.9
Trade and other receivables		**13.9**	13.5
Derivative financial instruments		**-**	0.8
Current income tax receivables		**-**	35.5
Cash and cash equivalents	8	**17.5**	127.1
Total current assets		**601.6**	932.8
Total assets		**704.3**	996.2
Equity			
Issued capital	9	**16.0**	16.0
Share premium		**58.7**	58.7
Hedge reserve		**(2.1)**	0.9
Other reserves		**7.9**	7.9
Retained earnings		**213.0**	321.1
Total equity	10	**293.5**	404.6
Liabilities			
Bank loans	8	**165.2**	337.5
Trade and other payables	6	**26.3**	24.1
Derivative financial instruments		**0.7**	-
Deferred tax liabilities		**1.4**	1.0
Retirement benefit obligations		**-**	0.2
Long-term provisions		**8.9**	2.1
Total non-current liabilities		**202.5**	364.9
Bank overdrafts and loans	8	**66.9**	12.9
Trade and other payables	6	**135.3**	213.8
Derivative financial instruments		**2.2**	-
Current income tax liabilities		**3.9**	-
Total current liabilities		**208.3**	226.7
Total liabilities		**410.8**	591.6
Total equity and liabilities		**704.3**	996.2

Consolidated Cash Flow Statement

	Note	12 months ended 30 June 2009 £m	2008 £m
Cash flow from operating activities			
Operating (loss) before financing costs		**(119.0)**	(174.9)
Depreciation and amortisation		**2.6**	2.1
Adjustment for non-cash items		**(13.3)**	(10.4)
Operating (loss) before changes in working capital and provisions		**(129.7)**	(183.2)
(Increase)/decrease in trade and other receivables		**(0.6)**	13.7
Decrease in inventories		**189.6**	232.8
(Decrease) in trade and other payables		**(75.2)**	(46.7)
Increase in employee benefits and provisions		**3.8**	5.0
Cash (outflow)/inflow generated from operations		**(12.1)**	21.6
Interest paid		**(20.9)**	(18.0)
Tax received/(paid)		**40.4**	(24.4)
Net cash from operating activities		**7.4**	(20.8)
Cash flows from investing activities			
Acquisition of plant, property and equipment		**(0.4)**	(2.4)
Proceeds from sale of plant, property and equipment		**2.1**	3.1
Interest received		**2.7**	1.8
Payments to joint ventures - continuing operations		**(0.3)**	(1.0)
Payments from joint ventures - discontinued operations		**-**	0.6
Net cash from investing activities		**4.1**	2.1
Cash flows from financing activities			
Issue of bank borrowings	7	**218.0**	266.5
Repayment of bank borrowings	7	**(337.5)**	(99.0)
Issue costs of bank borrowings		**(5.6)**	-
Dividends paid	3	**-**	(27.3)
Proceeds from issue of share capital		**-**	0.6
Net cash from financing activities		**(125.1)**	140.8
(Decrease)/increase in net cash and cash equivalents		**(113.6)**	122.1
Net cash and cash equivalents at the beginning of the period		**114.2**	(7.9)
Net cash and cash equivalents at the end of the period	8	**0.6**	114.2

NOTES

1. Accounting Policies

a. Basis of Preparation

The above results and the accompanying notes do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006.

The auditors have reported on the Group's statutory accounts for the year ended 30 June 2009 under s495 of the Companies Act 2006, which do not contain a statement under s498 (2) or s498(3) of the Companies Act 2006 and are unqualified. The auditors have reported on the Group's statutory accounts for the year ended 30 June 2008 under s235 of the Companies Act 2006, which do not contain a statement under s237(2) or s237(3) of the Companies Act 1985 and are unqualified. The statutory accounts for the year ended 30 June 2008 have been delivered to the Registrar of Companies and the statutory accounts for the year ended 30 June 2009 will be filed with the Registrar in due course.

The audited consolidated financial statements from which these results are extracted have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The accounting policies set out below represent an extract of the policies set out in the consolidated financial statements. The principal accounting policies have been applied consistently in the periods presented.

b. Exceptional Items

Exceptional items are those which, in the opinion of the Board, are material by size or nature, non-recurring and of such significance that they require separate disclosure.

Exceptional items are summarised below:

	Note	**2009**	2008
		£m	£m
Cost of sales			
NRV provision inventories (i)	5	**96.5**	259.4
Onerous contract provision (ii)		**6.7**	-
		103.2	259.4
Administrative expenses/(credits)			
Redundancy and termination costs (iii)		**4.9**	-
Board restructuring costs (iv)		**1.8**	-
Impairment- surplus offices (v)		**1.2**	-
Pension curtailment gain (vi)		**(14.5)**	-
		(6.6)	-
Total		**96.6**	259.4

(i) This represents further provisions in respect of the net realisable value of inventories.

(ii) The Group successfully renegotiated a number of contracts during the year ended 30 June 2009. £6.7m has been provided in respect of contracts in place at 30 June 2009 viewed as onerous.

(iii) This represents the redundancy and termination costs resulting from the significant reduction in employee headcount during the year ended 30 June 2009. It includes the compensation payment made to Neil Fitzsimmons in relation to his stepping down as Chief Executive.

(iv) This represents the Company's advisory costs in respect of the Board restructuring agreed in March 2009 and in relation to Board changes following Steve Morgan's return.

(v) As a result of the restructuring during the year ended 30 June 2009, the Group identified four office properties as surplus to requirements and £1.2m was provided in relation to the carrying value of these properties identified as non-current assets available for sale.

(vi) This curtailment gain includes £3.4m as a result of the redundancies of a significant number of defined benefit pension scheme members during the year ended 30 June 2009 and £11.6m as a result of the pensionable salary capping agreement. This is offset in part by a £0.5m past service cost.

c. Inventories

Inventories are stated at the lower of cost and net realisable value less cash on account.
Cost comprises land and associated acquisition costs, direct materials and subcontract work, other direct costs and those overheads (based on normal operating capacity) that have been incurred in bringing the inventories to their present location and condition, excluding borrowing costs.

In order to better assess net realisable value as at 30 June 2009, the Group has differentiated its inventories into two categories:

i) Type 1 - land where generally the construction of homes had commenced at the year end and which was generally short to medium term in its development horizon. This category also includes undeveloped land on which housebuild had not commenced at 30 June 2009 but which the Group believes it is more likely to develop than to sell undeveloped.

ii) Type 2 - land where housebuild had not commenced and land could be identified as a distinct parcel. This land is more generally medium to long term in time horizon and the Group believes it is more likely to be sold undeveloped.

Net realisable value for land where construction of homes had commenced at the year end (Type 1) was assessed by estimating selling prices and cost (including sales and marketing expenses), taking into account current market conditions.

The net realisable value of land where housebuild had not commenced (Type 2) and is more likely to be sold undeveloped was assessed by re-appraising the land using current selling prices and costs for the proposed development and assuming an appropriate financial return to reflect the current housing market conditions and the prevailing financing environment. This net realisable value represents valuing the land at the amount the Group estimates it could be sold for at the balance sheet date less estimated costs necessary to make the sale.

This provision will be closely monitored for adequacy and appropriateness as regards under and over provision to reflect circumstances at future balance sheet dates. This will include consideration of the continued appropriateness of the allocation of sites between Type 1 and Type 2. Any material change to the underlying provision will be reflected through cost of sales as an exceptional item.

2. **Income Tax (credit)**

	12 months ended 30 June			
	2009 pre-exceptional item	2009 exceptional item	**2009 Total**	2008 Total
	£m	£m	**£m**	£m
Current year				
UK Corporation Tax at 28.0% (2008: 29.5%)	-	-	**-**	(27.2)
(Over) provision in respect of prior year	(1.0)	-	**(1.0)**	(0.1)
	(1.0)	-	**(1.0)**	(27.3)
Deferred tax				
Origination and reversal of temporary differences	(12.4)	(27.0)	**(39.4)**	(28.6)
Total income tax (credit) in income statement	(13.4)	(27.0)	**(40.4)**	(55.9)
Reconciliation of tax (credit) for the year				
Loss for the year	(44.2)	(96.6)	**(140.8)**	(193.9)
Tax on total loss at 28.0% (2008: 29.5%)	(12.4)	(27.0)	**(39.4)**	(57.2)
(Over) provision in respect of prior year	(1.0)	-	**(1.0)**	(0.1)
Tax effect of share of losses in joint ventures	-	-	**-**	0.4
Expenses not deductible for tax purposes net of rolled over capital gains	(0.1)	-	**(0.1)**	0.1
Short term temporary differences	0.1	-	**0.1**	0.9
Tax (credit) for the year	(13.4)	(27.0)	**(40.4)**	(55.9)

3. **Dividends**

	12 months ended 30 June	
	2009	2008
	£m	£m
Amounts recognised as distributions to equity holders in the period:		
2007 final dividend paid of 7.8p per share	**-**	12.5
2008 interim dividend paid of 9.3p per share	**-**	14.8
	-	27.3

4. **(Losses)/earnings per share**

The basic (losses)/earnings per share calculation for the year ended 30 June 2009 is based on the weighted number of shares in issue during the period of 160.0m (2008: 159.9m) excluding those held in trust under the Redrow Long Term Incentive Plan, which are treated as cancelled.

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.

12 months ended 30 June 2009

	Losses £m	**No. of shares millions**	**Per share pence**
Basic earnings per share for continuing operations pre-exceptional item	**(30.8)**	**160.0**	**(19.3p)**
Effect of share options and SAYE	**-**	**-**	**-**
Diluted earnings per share for continuing operations	**(30.8)**	**160.0**	**(19.3p)**

	Losses £m	**No. of shares millions**	**Per share pence**
Basic earnings per share for continuing operations after exceptional item	**(100.4)**	**160.0**	**(62.8p)**
Effect of share options and SAYE	**-**	**-**	**-**
Diluted earnings per share for continuing operations	**(100.4)**	**160.0**	**(62.8p)**

12 months ended 30 June 2008

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share for continuing operations pre exceptional item	46.0	159.9	28.8p
Effect of share options and SAYE	-	-	-
Diluted earnings per share for continuing operations	46.0	159.9	28.8p

Basic earnings per share including discontinued operations is 27.6p (diluted - 27.6p).

	Losses £m	No. of shares millions	Per share pence
Basic earnings per share for continuing operations after exceptional item	(138.0)	159.9	(86.3p)
Effect of share options and SAYE	-	-	-
Diluted earnings per share for continuing operations	(138.0)	159.9	(86.3p)

Basic earnings per share including discontinued operations is (87.5p) (diluted - (87.5p)).

5. Inventories

	As at 30 June	
	2009	2008
	£m	£m
Land for development	**299.9**	385.4
Work in progress	**251.1**	350.6
Stock of showhomes	**15.3**	19.9
	566.3	755.9

Of the net realisable value provision of £319.4m (2008: £259.4m), £270.5m (2008: £223.4m) is attributed to land and £48.9m (2008: £36.0m) is attributed to work in progress.

The net realisable value provision movement is analysed below:

	Type 1 £m	Type 1 £m	Type 2 £m	Type 2 £m	Total £m	Total £m
As at 1 July 2008		41.3		218.1		259.4
Utilised during the year		(23.8)		(12.7)		(36.5)
Created during the year	46.9		56.5		103.4	
Reclassified during the year	139.4		(141.9)		(2.5)	
Released during the year	(0.9)		(3.5)		(4.4)	
		185.4		(88.9)		96.5
As at 30 June 2009		**202.9**		**116.5**		**319.4**

6. Land Creditors
(included in trade and other payables)

	As at 30 June	
	2009	2008
	£m	£m
Due within one year	**27.1**	68.5
Due in more than one year	**26.3**	24.1
	53.4	92.6

7. Borrowings and loans

	12 months ended 30 June	
	2009	2008
	£m	£m
Opening net book amount	**337.5**	170.0
Issue of bank borrowings	**218.0**	266.5
Repayment of bank borrowings	**(337.5)**	(99.0)
Closing net book amount	**218.0**	337.5

At 30 June 2009, the Group had total unsecured bank borrowing facilities of £455.5m, representing £425.0m committed facilities and £30.5m uncommitted facilities.

8. Analysis of net debt

	As at 30 June 2009 £m	2008 £m
Cash and cash equivalents	**17.5**	127.1
Bank overdrafts	**(16.9)**	(12.9)
	0.6	114.2
Bank loans - current liabilities	**(50.0)**	-
	(49.4)	114.2
Bank loans - non-current liabilities	**(165.2)**	(337.5)
	(214.6)	(223.3)

9. Share capital

	As at 30 June 2009 £m	2008 £m
Authorised		
330,000,000 ordinary shares of 10p each	**33.0**	33.0
Allotted, called up and fully paid	**16.0**	16.0

	Number of ordinary shares of 10p each
Movement in the period was as follows	
At 1 July 2008	160,012,013
Share options exercised	535
At 30 June 2009	160,012,548

10. Reconciliation of movements in consolidated equity

	12 months ended 30 June 2009 £m	2008 £m
(Loss) for the period	**(100.4)**	(139.9)
Dividends on equity shares	**-**	(27.3)
Other recognised income and expense relating To the period (net)	**(11.6)**	(6.3)
Shares issued at a premium	**-**	0.6
Movement in LTSIP/SAYE	**0.9**	(0.3)
Net decrease in equity	**(111.1)**	(173.2)
Opening equity	**404.6**	577.8
Closing equity	**293.5**	404.6

11. Shareholder Enquiries

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

Registrars Department
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

12. 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 4 November 2009, commencing at 12.00 noon. A copy of this statement is available for inspection at the registered office.