



Accelerating Growth - Firm Placing and Open Offer

**Analyst Presentation
24 April 2012**

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Today's Agenda



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- Background
 - Current Trading
 - Redrow Regional Growth
 - London – the opportunity
 - Firm Placing and Open Offer
 - Highlights

Background



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- 3/2009 Return of founder Steve Morgan
 - 9/2009 Rights Issue to re-establish appropriate capital structure
 - 2/2010 Launch of New Heritage Collection of family homes
 - 8/2010 Establish London Division
 - 1/2011 First major London site acquired
 - 6/2011 Sale of Scottish business
 - 12/2011 6 London sites acquired with GDV of £300m
 - 4/2012 Further capital raise following strategic review of land opportunities

Current Trading (16 weeks to 20 April 2012)*



- Volume of net private reservations for the 16 week period to 20 April 2012 at 843 homes, up 2% on a like-for-like basis and 9% including London
- Value of the private net reservations for the period was £188m, up 14% on a like-for-like basis and 32% including London
- First major Central London development successfully launched in Asia
- ASP up 12% at £207k excluding London and up 20% at £223k including London
- Active outlets increased from 73 in December 2011 to 76 currently
- Builder and Government backed NewBuy Scheme launched in March 2012
- Net debt risen to c.£120m due to ongoing investment in land and expected to increase during the remainder of the calendar year
- Stable market outlook

*All information is excluding Scotland

Redrow Regional Growth



- New Heritage Collection now over 60% of revenue as targeted
- Private ASP > £200k earlier than expected
- New Heritage Collection design bringing more strategic land opportunities to the Group
- ROCE improving due to return to traditional housing model



Redrow Regional Growth



- Optioned land planning successes to be funded

Plot Nos.

– Newport	575
– Leeds	500
– Kettering	450
– Swindon	445
– Taunton	348
– Widnes	269
– Cambridge	250
– Exeter	230

- New Southern Region
- Harrow Estates £50m land spend in 2012 (predominantly Woodford Garden Village c.800 plots)

London – the opportunity



- Entered market in H2 2010 due to number of opportunities and attractive returns
- Experienced, quality team recruited
- Currently 6 sites with GDV of c.£300m
- Successful overseas sales launch
- On site in 3 locations



London – the model



- Prime London focus
- Further opportunities available
- Controlled roll out
- 2-3 years from site acquisition to sale of apartments



Firm Placing and Open Offer

Proposal



- £80m equity raising
- 5% firm placing to Bridgemere (c.£20m)
- 15% open offer to all shareholders (including Bridgemere), underwritten by Bridgemere (c.£60m)
- Bridgemere holding will move to between 32.8% and 41.6%, depending on take up of the open offer
- No underwriting fee payable to Bridgemere
- Cash box mechanism
- Issue price 130 pence, above current market price
- Shareholders are able to subscribe for 3 open offer shares for every 20 existing shares held
- Shareholder approval required at General Meeting scheduled for 10 May 2012 – Rule 9 waiver and Related Party Transaction - capital raising dependent on the passing of all resolutions

Why £80m?



- Enables the Group to continue to take advantage of regional land opportunities
- Sufficient to accelerate the build up of the London division to a £200m - £250m p.a. revenue business
- Ensures gearing is maintained at a reasonable level



Why the Firm Placing and Open Offer structure?



- No underwriting fee - saving costs for the Company
- Strong further commitment of Bridgemere to the business – longstanding and highly supportive shareholder
- Ongoing alignment of Bridgemere's interests with the other shareholders
- Demonstrates Bridgemere's confidence in the business, management, strategy and future prospects

Balance Sheet



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- £200m 4-year syndicated committed facility signed in December 2010
 - 4 banks (Barclays, HSBC, RBS and Svenska)
 - Comfortable headroom within covenants
 - Ability of Company to raise £50m of additional facilities without impacting the current facility
 - Company intends to resume dividends next year

Key Dates



- 24 April 2012 – Launch of the open offer
- 9 May 2012 – Open offer subscription period ends
- 10 May 2012 – General Meeting to approve Firm Placing and Open Offer
- 11 May 2012 – Admission of new shares



Highlights



- Significant high quality opportunities within London
- Major regional strategic land opportunities
- Bridgemere's commitment demonstrates significant support and confidence in the Company's strategy and future prospects
- Strong balance sheet and intention to resume dividend next year