REDROW

Half-yearly Report 2011/12

Letchworth housetype from the New Heritage Collection

Introduction

Redrow has again delivered a strong set of results with a significant improvement in performance against the backdrop of a challenging market place. These results show that our change of strategy is paying off with the New Heritage Collection going from strength to strength and the average selling price of our private homes increasing to £204,000.

Sandy Lane, Chorley, Lancs

Financial Highlights for H1 2011/12

	6 months ended 31 December 2011 £m	2010 £m	% increase	12 months ended 30 June 2011 £m
Revenue	232.8	216.1	+8%	452.7
Operating profit	17.4	12.1	+44%	31.2
Profit before taxation	15.3	8.5	+80%	25.3
Net assets	462.1	442.3	+4%	458.6
	Pence	Pence	%	Pence
Earnings per share*	3.7	2.0	+85%	6.0

* excludes deferred tax rate change impact

Financial Calendar

Interim Management Statement	May 2012
Announcement of results for the year to 30 June 2012	September 2012
Circulation of Annual Report	October 2012
Annual General Meeting	November 2012

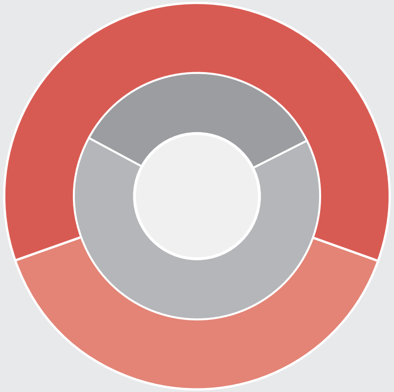
Our revenue

Private revenue

New Heritage Collection homes sales represent 61% of ongoing* private homes sales revenue

	6 months ended 31 December 2011	6 months ended 31 December 2010
New Heritage Collection	£129.7m	£57.7m
Other	£83.0m	£108.3m
Total	**£212.7m**	**£166.0m**

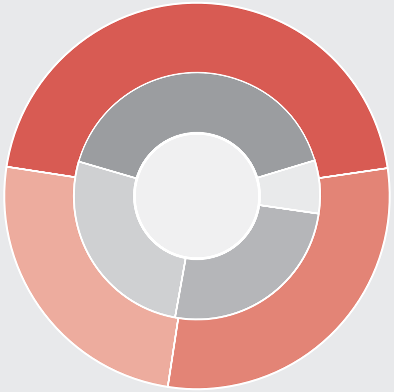
* excludes Debut, In the City and Scotland



Geographic Analysis

45% of homes sales revenue is in the South of England

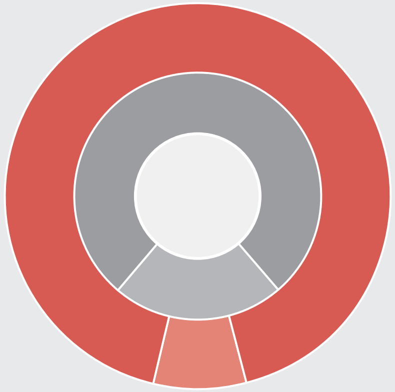
	6 months ended 31 December 2011	6 months ended 31 December 2010
South	£102.7m	£87.7m
North	£67.3m	£54.7m
Central	£56.6m	£57.1m
Scotland	-	£15.3m
Total	**£226.6m**	**£214.8m**



Houses/Apartments

Houses represent 92% of homes sales revenue

	6 months ended 31 December 2011	6 months ended 31 December 2010
Houses	£209.1m	£166.8m
Apartments	£17.5m	£48.0m
Total	**£226.6m**	**£214.8m**

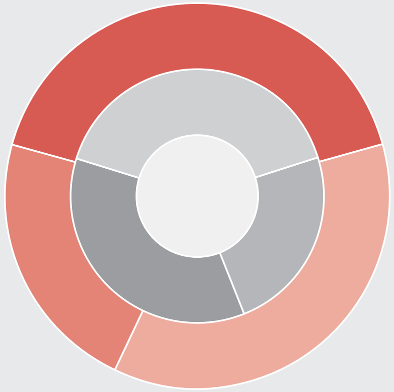


Our land

Current Land

41% of current land is in the South of England

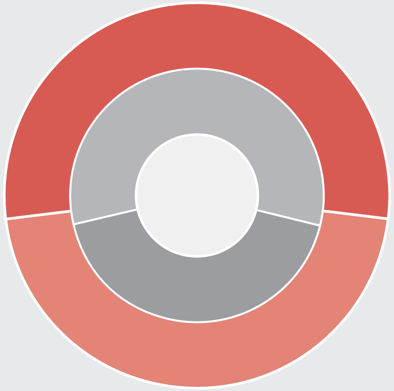
	As at 31 December 2011	As at 30 June 2011
South	4,698 plots	3,982 plots
North	4,143 plots	4,530 plots
Central	2,524 plots	2,678 plots
Total	**11,365 plots**	**11,190 plots**



Ageing of Current Land

Over 57% of our current land was bought post June 2009

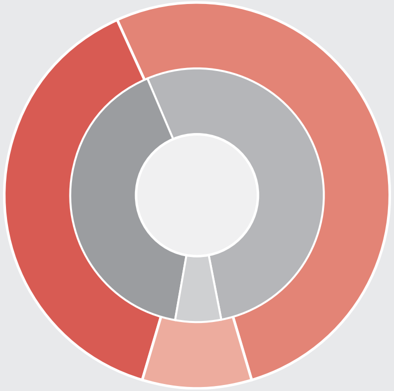
	As at 31 December 2011	As at 30 June 2011
Owned and contracted pre 2009	4,853 plots	6,046 plots
Owned and contracted post 2009	6,512 plots	5,144 plots
Total	**11,365 plots**	**11,190 plots**



Forward Land

Forward landbank has increased by 8%

	As at 31 December 2011	As at 30 June 2011
Land owned without planning	2,226 plots	1,295 plots
Options - allocations	9,207 plots	9,065 plots
Options - realistic	12,426 plots	11,790 plots
Total	**23,859 plots**	**22,150 plots**



Chairman's statement

Steve Morgan
Chairman

I am pleased to report that Redrow has again delivered a significant improvement in performance in what continues to be a challenging marketplace.

Group revenues in the first half of the financial year increased by 7.7% to £232.8m (2010: £216.1m). However, excluding the Scottish business, which was sold in June 2011, like for like revenues were 16% higher.

As a consequence of the sale of the Scottish business the number of legal completions in the first half fell by 11%; however our strategy to weight the product mix towards a greater proportion of traditional family homes more than compensated for the volume reduction as the average selling price of our homes increased by 19% to £194,000.

Gross margins increased from 13.4% to 15.4%, whilst operating profit increased by 44% to £17.4m, an operating margin of 7.5%. This was achieved despite the additional overhead of £1.5m resulting from our investment in our new London operation, which will not make a contribution in the current year.

Interest charges reduced to £2.1m (2010: £3.6m) following the expiry of a number of interest rate swaps. Net debt increased mainly as a result of investment in our new London operation to £98.8m (2010: £51.5m) giving a gearing ratio of 21% (2010: 12%).

Pre-tax profit for the first half increased by 80% to £15.3m (2010: £8.5m).

No dividend is being declared in line with the Board's strategy of only paying a dividend once the Group has an appropriate level of earnings and taking into account the need to invest in land for future development.

Market and Strategy

Throughout the last six months and indeed all of 2011, the housing market has continued to be stable.
The New Heritage Collection continues to grow as a proportion of sales, representing over 60% of turnover of private homes in the first half, compared to 30% last year.

The change in strategy to traditional housing has also resulted in houses representing over 90% of revenue, compared to 78% in the first half of 2011. Apartments predominantly make up the balance.

As a result of the change in mix the average selling price of our homes increased to £194,000 (2010: £164,000) and our private homes to £204,000 (2010: £171,000).

Reservations per outlet per week in the first half were 0.5 (2010: 0.48). The number of active outlets at the end of the first half was 73, which is expected to increase to around 80 by the end of the financial year.

The New Heritage Collection has proved to be the main driver in Redrow's resurgence, which is reflected in our customer satisfaction levels increasing significantly to 95%. Redrow is one of only two major builders to hold the coveted HBF 5 Star Customer Satisfaction accreditation and we were also delighted to be awarded the '2011 Best Large Housebuilder of the Year' award by What House? magazine.

Mortgages

I have been saying for some time that the lack of availability of high loan to value (LTV) mortgage products has been a significant drag on the housing market. I am therefore delighted that the part-Government sponsored NewBuy Scheme will shortly

be launched to provide purchasers of new build homes with the ability to secure 95% LTV mortgages.

We have had strong interest in the Scheme since the announcement of its launch. We expect mortgages under the Scheme to be available towards the end of next month and we will ensure we have homes available to meet what should be a noticeable increase in the number of purchasers able to proceed. The success of the scheme, however, will be entirely dependent on the major lenders making available mortgage products at competitive interest rates.

Land and Planning

Unfortunately we continue to experience major delays in the planning system. The publication of the Government's National Planning Policy Framework (NPPF) is due by the end of March; in the meantime the lack of formal guidance has been an excuse for many Local Authorities to frustrate or delay decisions.
We currently have around 65 sites in various stages of planning, which is well over double what you would expect if the planning system was operating efficiently.

During the first half we added 1,849 plots of current land and 1,868 of forward land. After legal completions, land sales and replans our current land bank stands at 11,365 plots at the end of December (June 2011: 11,190). Our forward land bank has risen by almost 8% to 23,900 over the same period.

The number of plots in our current land bank equates to around 4.7 years supply. The average plot cost has risen in the last six months from £49,000 to £56,000 reflecting both the increase in overall quality of land purchased and the higher proportion of the land bank in central London.

Current Trading

Although sentiment remains fragile, I detect increasing confidence in the housing market, particularly amongst first time buyers. This trend should be helped when the availability of up to 95% mortgages kicks in under the NewBuy scheme towards the end of March.

The second half of the year has started encouragingly with the value of private reservations up 11% to £69m and weekly sales are broadly in line with last year's strong comparison at 0.67 per outlet.

We have a strong pipeline of new sites and provided we can overcome delays in the planning system we expect to see a steady growth in outlets over the coming months. Short of a crisis in the Eurozone seriously denting confidence, Redrow is set to continue along its path of recovery.

Steve Morgan
Chairman
22 February 2012

Responsibility statement

The Directors confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7. and DTR 4.2.8, namely:

(i) an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

(ii) material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

During the period since the approval of the Redrow plc Annual Report and Accounts for the year ended 30 June 2011, there have been no changes in the directorate.

The Directors of Redrow plc as at the date of this statement are:

Steve Morgan
Alan Jackson
John Tutte
Barbara Richmond
Paul Hampden Smith
Debbie Hewitt

By order of the Board

Graham Cope
Company Secretary
22 February 2012
Redrow plc
Redrow House
St David's Park
Flintshire
CH5 3RX

Independent review report to Redrow plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2011, which comprises the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated balance sheet, Consolidated statement of changes in equity, The statement of cash flows and related Notes to the financial statements. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
Manchester
22 February 2012

Note:

a) The maintenance and integrity of the Redrow plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated income statement

(Unaudited) Continuing operations	Note	6 months ended 31 December 2011 £m	6 months ended 31 December 2010 £m	12 months ended 30 June 2011 £m
Revenue		232.8	216.1	452.7
Cost of sales		(197.0)	(187.1)	(388.4)
Gross profit		**35.8**	**29.0**	**64.3**
Administrative expenses		(18.4)	(16.9)	(33.1)
Operating profit before financing costs		**17.4**	**12.1**	**31.2**
Financial income		1.4	0.2	2.7
Financial expenses		(3.5)	(3.8)	(8.6)
Net financing costs		(2.1)	(3.6)	(5.9)
Profit before tax		**15.3**	**8.5**	**25.3**
Income tax (charge)	2	(6.1)	(5.0)	(11.8)
Profit for the period		**9.2**	**3.5**	**13.5**
Profit per share from continuing operations - basic	4	**3.0p**	**1.1p**	**4.4p**
- diluted	4	**3.0p**	**1.1p**	**4.4p**

Consolidated statement of comprehensive income

(Unaudited)	Note	6 months ended 31 December 2011 £m	6 months ended 31 December 2010 £m	12 months ended 30 June 2011 £m
Profit for the period		**9.2**	**3.5**	**13.5**
Other comprehensive income				
Actuarial (losses)/gains on the defined benefit pension scheme	5	(8.0)	2.9	9.7
Deferred tax on actuarial (losses)/gains taken directly to equity		2.1	(0.8)	(2.5)
Effective portion of changes in fair value of interest rate cash flow hedges		-	0.9	1.1
Deferred tax on change in fair value of interest rate cash flow hedges		-	(0.3)	(0.3)
Other comprehensive (expense)/income for the period net of tax		**(5.9)**	**2.7**	**8.0**
Total comprehensive income for the period		**3.3**	**6.2**	**21.5**

Consolidated balance sheet

(Unaudited)	Note	As at 31 December 2011 £m	As at 31 December 2010 £m	As at 30 June 2011 £m
Assets				
Intangible assets		1.9	1.9	1.7
Property, plant and equipment	6	12.8	14.5	12.9
Investments		4.6	2.2	2.6
Deferred tax assets		58.5	71.2	63.8
Retirement benefit surplus	5	-	-	5.0
Trade and other receivables		28.9	9.3	31.4
Total non-current assets		**106.7**	**99.1**	**117.4**
Non-current assets available for sale		1.3	1.4	1.4
Inventories	7	630.7	577.9	562.7
Trade and other receivables		26.8	3.9	38.2
Cash and cash equivalents	9	11.9	14.3	32.0
Total current assets		**670.7**	**597.5**	**634.3**
Total assets		**777.4**	**696.6**	**751.7**
Equity				
Issued capital	11	30.9	30.9	30.9
Share premium		58.7	58.7	58.7
Hedge reserve		-	(0.2)	-
Other reserves		7.9	7.9	7.9
Retained earnings		364.6	345.0	361.1
Total equity		**462.1**	**442.3**	**458.6**
Liabilities				
Bank loans	9	110.0	62.5	85.0
Trade and other payables	8	20.4	10.7	12.4
Deferred tax liabilities		0.5	0.6	1.8
Retirement benefit obligations	5	3.2	1.5	-
Long-term provisions		7.6	8.5	8.0
Total non-current liabilities		**141.7**	**83.8**	**107.2**
Bank overdrafts and loans	9	0.7	3.3	22.4
Trade and other payables	8	172.9	166.9	163.5
Derivative financial instruments		-	0.3	-
Total current liabilities		**173.6**	**170.5**	**185.9**
Total liabilities		**315.3**	**254.3**	**293.1**
Total equity and liabilities		**777.4**	**696.6**	**751.7**

Redrow plc Registered no. 2877315

Consolidated statement of changes in equity

(Unaudited)

	Share capital £m	Share premium account £m	Hedge reserve £m	Other reserves £m	Retained earnings £m
At 1 July 2010	30.9	58.7	(0.8)	7.9	339.2
Total comprehensive income for the period	-	-	0.6	-	5.6
Movement in LTSIP/SAYE	-	-	-	-	0.2
At 31 December 2010	**30.9**	**58.7**	**(0.2)**	**7.9**	**345.0**
At 1 July 2010	30.9	58.7	(0.8)	7.9	339.2
Total comprehensive income for the period	-	-	0.8	-	20.7
Share based payments	-	-	-	-	0.3
Movement in LTSIP/SAYE	-	-	-	-	0.9
At 30 June 2011	**30.9**	**58.7**	**-**	**7.9**	**361.1**
At 1 July 2011	30.9	58.7	-	7.9	361.1
Total comprehensive income for the period	-	-	-	-	3.3
Movement in LTSIP/SAYE	-	-	-	-	0.2
At 31 December 2011	**30.9**	**58.7**	**-**	**7.9**	**364.6**

The statement of cash flows

(Unaudited)

	Note	6 months ended 31 December 2011 £m	6 months ended 31 December 2010 £m	12 months ended 30 June 2011 £m
Cash flow from operating activities				
Operating profit before financing costs		17.4	12.1	31.2
Depreciation and amortisation		0.6	0.6	1.3
Adjustment for non-cash items		(1.2)	(0.9)	(2.8)
Operating profit before changes in working capital and provisions		**16.8**	**11.8**	**29.7**
Decrease in trade and other receivables		6.3	6.3	(10.2)
(Increase) in inventories		(68.0)	(38.2)	(71.1)
Increase in trade and other payables		17.3	18.7	25.1
(Decrease) in employee benefits and provisions		(0.2)	(0.2)	(0.4)
Cash (outflow) generated from operations		**(27.8)**	**(1.6)**	**(26.9)**
Interest paid		(1.8)	(3.3)	(4.9)
Tax received		-	0.5	0.5
Net cash (outflow) from operating activities		**(29.6)**	**(4.4)**	**(31.3)**
Cash flows from investing activities				
Sale of Scotland business		9.0	-	5.0
Acquisition of property, plant and equipment	6	(0.6)	(0.6)	(0.7)
Proceeds from sale of property, plant and equipment	6	-	0.6	0.6
Interest received		-	-	1.0
Payments to joint ventures - continuing operations		(2.2)	-	(0.4)
Net cash inflow from investing activities		**6.2**	**-**	**5.5**
Cash flows from financing activities				
Issue of bank borrowings		110.0	65.0	85.0
Repayment of bank borrowings		(85.0)	(50.0)	(50.0)
Issue costs of bank borrowings		-	(2.5)	(2.5)
Net cash inflow from financing activities		**25.0**	**12.5**	**32.5**
Increase in net cash and cash equivalents		**1.6**	**8.1**	**6.7**
Net cash and cash equivalents at the beginning of the period		9.6	2.9	2.9
Net cash and cash equivalents at the end of the period		**11.2**	**11.0**	**9.6**

Notes to the financial statements (unaudited)

Note 1. Accounting policies
The half-yearly financial statements have been prepared using accounting policies and presentation consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 30 June 2011.

New Standards

a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2011:

- Revised IAS 24, 'Related party disclosures', issued in November 2009 and superseding IAS 24, 'Related party disclosures', issued in 2003. The revised IAS 24 is required to be applied from 1 January 2011.

b) Standards, amendments and interpretations to existing standards effective in 2011 but not relevant to the Group:

- 'Prepayments of a minimum funding requirement' (Amendments to IFRIC 14), issued in November 2009. The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The amendments are effective for annual periods beginning 1 January 2011. The amendments should be applied retrospectively to the earliest comparative period presented.
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. This clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The interpretation is effective for annual periods beginning on or after 1 July 2010.

c) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 July 2011 and have not been early adopted:

- IFRS 9 'Financial instruments' (effective 1 January 2015)
- IFRS 10 'Consolidated financial statements' (effective 1 January 2013)
- IFRS 11 'Joint arrangements' (effective 1 January 2013)
- IFRS 12 'Disclosures of interests in other entities' (effective 1 January 2013)
- IAS 19 (revised 2011) 'Employee benefits' (effective 1 January 2013)
- IFRS 13 'Fair value measurement' (effective 1 January 2013)

Note 1. Accounting policies (continued)

Basis of preparation

The condensed consolidated half-yearly financial information for the half-year ended 31 December 2011 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, 'Interim financial reporting' as adopted by the European Union. The half-yearly condensed consolidated report should be read in conjunction with the annual financial statements for the year ended 30 June 2011, which have been prepared in accordance with IFRSs as adopted by the European Union.

The main operation of the Group is focused on housebuilding. As it operates entirely within the United Kingdom, the Group has only one reportable business and geographic segment.

These half-yearly financial results do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 June 2011 were approved by the Board of Directors on 7 September 2011 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph, and did not contain any statement under section 498 of the Companies Act 2006.

Note 2. Income Taxes
Income tax charge is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year (25.75% (2011: 27.50%)) before taking into account the impact of the reduction in corporation tax rate to 25% on the deferred tax assets (£2.1m (2011: £2.6m)).

Note 3. Dividends
In line with its stated policy, the Group will not be paying an interim dividend. No dividend was paid in the 12 months ended 30 June 2011.

Notes to the financial statements (unaudited)

Note 4. Earnings per Share

The basic earnings per share calculation for the 6 months ended 31 December 2011 is based on the weighted number of shares in issue during the period of 304.3m (2010: 308.5m) 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.

6 months ended 31 December 2011

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	9.2	304.3	3.0p
Effect of share options and SAYE	-	0.2	-
Diluted earnings per share	9.2	304.5	3.0p

6 months ended 31 December 2010

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	3.5	308.5	1.1p
Effect of share options and SAYE	-	0.3	-
Diluted earnings per share	3.5	308.8	1.1p

12 months ended 30 June 2011

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	13.5	304.3	4.4p
Effect of share options and SAYE	-	0.3	-
Diluted earnings per share	13.5	304.6	4.4p

Basic earnings per share excluding the deferred tax rate change impact is based on earnings of £11.3m (2010: £6.1m) and £18.3m for the 12 months ended 30 June 2011.

Note 5. Pensions

The amounts recognised in respect of the defined benefit section of the Group's Pension Scheme are as follows: Total amounts charged against income during the period:

	6 months ended 31 December 2011 £m	6 months ended 31 December 2010 £m	12 months ended 30 June 2011 £m
Amounts included within the consolidated income statement			
Period operating costs			
Current service cost	(0.4)	(0.7)	(0.9)
Financing costs			
Expected return on assets	2.2	2.3	4.3
Interest cost	(2.3)	(2.2)	(4.4)
	(0.5)	(0.6)	(1.0)
Amounts recognised in the consolidated statement of comprehensive income			
Actuarial (losses)/gains	(8.0)	2.9	9.7
	(8.5)	2.3	8.7
Amounts recognised in the consolidated balance sheet			
Present value of the defined benefit obligation	(91.0)	(85.0)	(80.7)
Fair value of the Scheme's assets	87.8	83.5	85.7
(Liability)/asset in the consolidated balance sheet	(3.2)	(1.5)	5.0

Note 6. Property, Plant and Equipment

Acquisitions totalling £0.6m were made during the period (2010: £0.6m).
There was £nil of capital expenditure contracted at 31 December 2011 (2010: £nil).

Note 7. Inventories

	As at 31 December 2011 £m	As at 31 December 2010 £m	As at 30 June 2011 £m
Land for development	454.3	362.3	377.8
Work in progress	152.4	194.2	161.6
Stock of showhomes	24.0	21.4	23.3
	630.7	577.9	562.7

Notes to the financial statements (unaudited)

Note 7. Inventories (continued)
Land and work in progress are stated net of net realisable value provisions summarised as follows:

	Type 1 £m	Type 2 £m	Total £m
Provision at 1 July 2011	132.1	26.2	158.3
Utilised during period	(21.3)	(4.0)	(25.3)
Created during the period	11.5	-	11.5
Released during the period	(7.5)	(4.0)	(11.5)
Provision at 31 December 2011	**114.8**	**18.2**	**133.0**

A description of Type 1 and Type 2 land is included on page 67 of the Annual Report and Accounts 2011.

Note 8. Land Creditors (Included In Trade And Other Payables)

	As at 31 December 2011 £m	As at 31 December 2010 £m	As at 30 June 2011 £m
Due within one year	54.7	32.4	32.4
Due in more than one year	20.4	10.7	12.4
	75.1	43.1	44.8

Note 9. Analysis of Net Debt

	As at 31 December 2011 £m	As at 31 December 2010 £m	As at 30 June 2011 £m
Cash and cash equivalents	11.9	14.3	32.0
Bank overdrafts	(0.7)	(3.3)	(22.4)
Bank loans	(110.0)	(65.0)	(85.0)
Issue costs	-	2.5	-
	(98.8)	(51.5)	(75.4)

Note 10. Bank Facilities
At 31 December 2011, the Group had total unsecured bank borrowing facilities of £202.5m, representing £200.0m committed facilities and £2.5m uncommitted facilities.

The Group's syndicated loan facility matures in December 2014.

Note 11. Share Capital

	As at 31 December 2011 £m	As at 31 December 2010 £m	As at 30 June 2011 £m
Authorised			
480,000,000 ordinary shares of 10p each (June 2011: 480,000,000)	48.0	48.0	48.0
Allotted, called up and fully paid	30.9	30.9	30.9

	Number of ordinary shares of 10p each
At 1 July 2011 and 31 December 2011	**308,607,479**

Note 12. Contingent Liabilities
Performance bonds, financial guarantees in respect of certain deferred land creditors and other building or performance guarantees have been entered into in the normal course of business.

Note 13. Related Parties
Within the definition of IAS 24 'Related Party Disclosures', the Board and key management personnel are related parties, being identified as the Main Board together with Group Senior Management. Summary key management remuneration is as follows:

	6 months ended 31 December 2011 £m	6 months ended 31 December 2010 £m	12 months ended 30 June 2011 £m
Short-term employee benefits	1.0	0.6	1.4
Share-based payment charges	0.2	0.2	0.6
	1.2	0.8	2.0

During the six months to 31 December 2011, purchases of £1.6m (2010: £1.9m) were made from Travis Perkins plc, a company in which Paul Hampden Smith is an executive director. At 31 December 2011, an amount of £0.1m (2010: £0.1m) was due to Travis Perkins plc in respect of those purchases.

Related party transactions were carried out with Steve Morgan for a total consideration of £0.2m (2010: £0.2m) primarily relating to donations to the Morgan Foundation.

Notes to the financial statements (unaudited)

The Group did not undertake any transactions with The Waterford Park Company Limited, The Waterford Park Company (Balmoral) Limited or Ashill Developments 2 Limited joint ventures. The Group's loans to its joint ventures are summarised below:

	6 months ended 31 December 2011 £m	6 months ended 31 December 2010 £m	12 months ended 30 June 2011 £m
Loans to joint ventures	5.8	3.2	3.6

Note 14. General Information
Redrow plc is a public limited company incorporated and domiciled in the UK and has its primary listing on the London Stock Exchange.

The registered office address is Redrow House, St David's Park, Flintshire, CH5 3RX.

Risks

We have reviewed the risks pertinent to our business and these have not changed materially from those outlined in our 2011 Annual Report.

Risk	Description	How we manage our risks
Availability of mortgage finance	The availability of mortgage finance and the deposit requirements for first time buyers are key issues in the current environment	■ Proactively engage with Government, lenders and insurers to encourage a return to normal market conditions, particularly for first time buyers ■ Proactive approach to the management of the mortgage valuation process
Housing market conditions	The conditions within the UK housing market are fundamental to Redrow's business performance	■ Close monitoring of, and proactive management response to, lead indicators of the housing market ■ Regional spread of operations diversifies risk to local markets
Land procurement	The ability to purchase land suitable for our products and the timing of future land purchases are fundamental to the Group's future performance	■ Clearly defined strategy and long term focus on forward land ■ Close monitoring of market conditions by experienced management team ■ Strong and knowledgeable land, planning and technical teams with good local knowledge
Planning and regulatory environment	The ability to respond and adapt to the changing planning and regulatory environment is key to Redrow's future business performance	■ Close monitoring of planning environment by experienced management team ■ Local knowledge of Divisional planning and technical teams ■ Well prepared, high quality planning submissions addressing local concerns and demonstrating good design
Appropriateness of product	The failure to design and build a desirable product for our customers at the appropriate price may undermine Redrow's ability to fulfil its business objectives	■ Our product and product mix on sites is kept under review to ensure it is appropriate for the market ■ Design is an integral element of our business ■ We proactively seek to understand customer requirements and explain the advantages of new homes

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Risks (continued)

Risk	Description	How we manage our risks
Liquidity and funding	The Group requires appropriate facilities for its short term liquidity and long term funding needs	- Bank facilities with appropriate covenants and headroom for a range of market conditions - Regular contact and communication with shareholders and relationship banks - Regular preparation of strategic plans - Capital structure regularly reviewed
Health and safety/ environment	A significant Health and Safety or environmental incident may put people, the environment and Redrow's reputation at risk	- Dedicated Health and Safety team operates across the Group to ensure appropriate standards are applied - Regular site inspections and audits - All staff receive appropriate training through in-house and external programmes - Close monitoring of environmental regularity requirements by experienced management
Attracting and retaining staff	The loss of key staff and our failure to attract high quality employees may inhibit Redrow's ability to achieve its business objectives	- Structured training programmes - Remuneration strategy regularly reviewed
Key supplier or subcontractor failure	The failure of a key supplier or subcontractor may disrupt Redrow's ability to manage its production process in an efficient and cost effective way	- Use of suppliers and subcontractors with strong track record and reputation - Close monitoring of supplier and subcontractor quality and performance through six monthly assessments
Fraud/uninsured losses	A significant fraud or uninsured loss could damage the financial performance of the business	- Systems, policies and procedures designed to segregate duties and minimise opportunity for fraud - New Bribery Act procedures introduced - Regular management reporting and challenge - Business process reviews - Regular review of insurances






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