

Thursday September 10 2009

## Redrow plc

### Preliminary results for the 12 months ended 30 June 2009

#### Financial performance

- Group revenue of £301.8m (2008: £650.1m), with decline driven by volume and price reductions in housing market
- Legal completions 46 per cent down at 2,113
- Average selling price 12 per cent lower at £137,400
- Gross margin of 1.8 per cent (2008: 18.5 per cent) before exceptionals
- Pre-tax loss from trading operations before exceptionals of £44.2m (2008: £65.5m profit)
- Exceptional charges of £96.6m, related to Group restructuring and review of the carrying value of land and work in progress
- Pre-tax loss of £140.8m (2008: £193.9m loss)
- Net debt of £214.6m (2008: £223.3m); in line with plans and well within facilities
- New financial year started positively with total sales comfortably ahead of the same period last year

#### Operating highlights

- Group clearly refocused on new strategy under Steve Morgan, Chairman, who rejoined the business in March 2009
- Full review of product and land bank undertaken
- Group returned to traditional focus on great product and excellence in land buying
  - Return to heritage in family housing, away from apartments and starter homes
  - Housing types reduced from 80 to 32
  - New Heritage Collection to be launched in January 2010, with historical architectural theme, more spacious open-plan interiors and high specification
  - Land owned with planning reduced from 14,900 plots to 12,500 partly as a result of replans
  - Land team again fully engaged in considering new opportunities
- Major cost reduction programme achieved
- Board strengthened with appointment of independent Deputy Chairman and two new Non-Executive Directors

#### Financial results

	2009	2008
Legal Completions	2,113 homes	3,925 homes
Average Selling Price	£137,400	£156,900
Revenue	£301.8m	£650.1m
(Loss)/Profit before tax and exceptional items	(£44.2m)	£65.5m
Loss before tax – continuing operations	(£140.8m)	(£193.9m)
Net Debt	£214.6m	£223.3m
Net Assets	£293.5m	£404.6m
Gearing	73%	55%

**Steve Morgan, Chairman of Redrow plc, said:**

“While I am delighted to be back at the helm of Redrow it is intensely disappointing to me to have to report the worst set of trading results in the Company’s history. I am determined to ensure that this will not be repeated and, along with the rest of the management team, am clearly focused on steering the business back to delivering the sort of robust performance that it has delivered in the past.

Clearly the results we are announcing today come on the back of a downturn in the home building industry unlike any other in recent history. Our immediate task is to rebuild our margins and return to profitability. I am confident that the actions we have taken in reviewing our product and land bank are the first steps on this road.

We are now in a position to move forward from an appropriate base and assuming we experience stability in the market, we do not foresee further net write-downs being required. We anticipate that we will need to invest carefully and strategically to enhance our land bank and we continue to keep our capital structure under review to ensure that we are well placed to secure new land capable of generating improved financial returns.

With the introduction of The New Heritage Collection and our refocus on family housing, we are confident that in time we will re-establish Redrow as one of the market leaders in our sector.”

**Enquiries:**

**Redrow plc**

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**Tulchan Communications**

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There will be an analyst and investor meeting at 8.30am at JPMorgan Cazenove, 20 Moorgate, London, EC2R 6DA. A live audio webcast and slide presentation of this event will be available at 8.30am on [www.redrowplc.co.uk](http://www.redrowplc.co.uk). Participants can also dial-in to hear the presentation live at 8.30am on +44 (0)20 8609 0581 or UK Toll Free 0800 358 7375.

Playback will be available by phone until 24th September 2009 on the following dial-in numbers:

+44 (0)20 8609 0289

UK Toll Free 0800 358 2189

US Toll Free 1 866 676 5865

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