

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Note	Unaudited 6 months ended 31 December 2004 £m	2003 £m	Audited 12 months ended 30 June 2004 £m
Turnover	2	373.8	310.8	669.9
Total operating profit	2	73.6	60.6	132.7
Interest payable		(4.5)	(3.9)	(8.6)
Profit before taxation		69.1	56.7	124.1
Taxation	3	(20.7)	(17.0)	(37.2)
Profit after taxation		48.4	39.7	86.9
Dividends	4	(5.7)	(4.8)	(14.3)
Profit retained		42.7	34.9	72.6
Earnings per share - basic	5	30.5p	25.1p	54.8p
- diluted	5	30.4p	25.0p	54.6p
Dividends per share	4	3.6p	3.0p	9.0p

There are no material recognised gains or losses other than as shown above.

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historic cost equivalents.

CONSOLIDATED BALANCE SHEET

		Unaudited As at 31 December	Restated 2003	Audited As at 30 June 2004
Note	2004 £m	£m	£m	
Fixed assets				
		22.9	21.5	22.5
		1.9	1.7	1.8
		24.8	23.2	24.3
Current assets				
		445.3	359.4	419.0
		295.8	272.9	287.4
		8.1	9.5	7.0
		16.9	15.2	11.6
		0.4	1.0	1.2
		766.5	658.0	726.2
Creditors				
		(153.2)	(124.1)	(131.9)
	6	(67.9)	(72.6)	(85.8)
		(150.9)	(146.4)	(156.2)
		(372.0)	(343.1)	(373.9)
Equity shareholders' funds				
		419.3	338.1	376.6
Reconciliation of movement in Equity shareholders' funds				
		376.6	302.0	302.0
		42.7	34.9	72.6
		0.2	0.2	0.9
		(0.2)	1.0	1.6
		-	-	(0.5)
		419.3	338.1	376.6

CONSOLIDATED CASH FLOW STATEMENT

		Unaudited 6 months ended 31 December 2004 £m	2003 £m	Audited 12 months ended 30 June 2004 £m
Cash inflow from operating activities	7	12.6	2.4	24.5
Returns on investments and servicing of finance				
Net interest paid		(4.2)	(3.2)	(8.0)
Issue costs of new bank borrowings		(0.8)	-	-
Net cash (outflow) from returns on investments and servicing of finance		(5.0)	(3.2)	(8.0)
Corporation tax paid		(18.2)	(15.6)	(34.1)
Capital expenditure and financial investment				
Net purchase of tangible fixed assets		(1.2)	(5.7)	(7.1)
Loan to Joint Venture		(0.5)	-	(0.5)
Net cash (outflow) from capital expenditure and financial investment		(1.7)	(5.7)	(7.6)
Dividends paid		(9.5)	(7.9)	(12.7)
Net cash (outflow) before financing		(21.8)	(30.0)	(37.9)
Financing and liquid resources				
Issue of ordinary share capital		0.2	0.2	0.5
Cash deposits – restricted use		(0.8)	-	(0.6)
Purchase of own shares		(0.2)	-	-
Issue of bank borrowings		53.0	55.0	80.0
Repayment of bank borrowings		(48.5)	(30.0)	(70.0)
Net cash inflow from financing		3.7	25.2	9.9
(Decrease) in cash in period		(18.1)	(4.8)	(28.0)
Cash deposits – restricted use		0.8	-	0.6
Net movement in bank borrowings		(4.5)	(25.0)	(10.0)
Other non-cash movements		(0.3)	(0.1)	(0.1)
Change in net (debt)		(22.1)	(29.9)	(37.5)
Net (debt) at start of period		(130.7)	(93.2)	(93.2)
Net (debt) at end of period		(152.8)	(123.1)	(130.7)

NOTES

1. The interim report does not represent statutory accounts within the meaning of section 240 Companies Act 1985. The comparative figures for the year ended 30 June 2004 are however an abridged version of the Group's statutory accounts which received an unqualified audit report and have been delivered to the Registrar of Companies. The restatement reflects changes required by UITF Abstract 38 'Accounting for ESOP Trusts' and the amended UITF Abstract 17 'Employee Share Schemes' which were adopted in the financial statements for the year ended 30 June 2004.

2. Segmental information:-

	Unaudited 6 months ended 31 December 2004 £m	Restated 2003 £m	Audited 12 months ended 30 June 2004 £m
Turnover			
Homes	373.1	304.8	662.7
Commercial	0.7	6.0	7.2
Turnover	373.8	310.8	669.9
Framing Solutions plc - share of Joint Venture	0.5	0.2	0.4
Turnover (including share of Joint Venture)	374.3	311.0	670.3
Profit on ordinary activities before taxation			
Homes	73.8	59.6	131.2
Commercial	0.4	1.6	2.7
Framing Solutions plc – Joint Venture	(0.6)	(0.6)	(1.2)
	73.6	60.6	132.7
Interest	(4.5)	(3.9)	(8.6)
	69.1	56.7	124.1
Net assets			
Homes	548.6	445.3	487.1
Commercial	21.6	14.2	18.4
Framing Solutions plc – Joint Venture	1.9	1.7	1.8
	572.1	461.2	507.3
Net (debt)	(152.8)	(123.1)	(130.7)
Net assets	419.3	338.1	376.6

3. The taxation charge reflects the estimated effective rate for the full year to 30 June 2005.
4. The Directors have declared an interim dividend of 3.6p per share (2003: 3.0p). This gives an interim dividend of £5.7m (2003: £4.8m) which will be paid on 6 May 2005 to shareholders whose names are on the Register of Members at the close of business on 18 March 2005. The shares will become ex-dividend on 16 March 2005.
5. The basic earnings per share calculation for the half year ended 31 December 2004 is based on the weighted average number of shares in issue during the period of 158.8m (2003:158.5m) after adjusting for surplus shares held in trust under the Redrow Long Term Share Incentive Plan. The weighted average number of shares in issue for the year ended

30 June 2004 was 158.6m. Diluted earnings per share has been calculated after adjusting the weighted average number of shares in issue for shares held under unexercised options in accordance with FRS 14.

6. Land creditors:-

	Unaudited As at 31 December 2004 £m	2003 £m	Audited As at 30 June 2004 £m
Due within one year	38.0	34.3	56.1
Due in more than one year	29.9	38.3	29.7
	67.9	72.6	85.8

7. Analysis of cash inflow from operating activities:-

	Unaudited 6 months ended 31 December 2004 £m	2003 £m	Audited 12 months ended 30 June 2004 £m
Total operating profit	73.6	60.6	132.7
Add back share of Joint Venture operating loss	0.6	0.6	1.2
Group operating profit	74.2	61.2	133.9
Depreciation including profits and losses on disposals of fixed assets	0.8	0.7	1.1
Increase in stocks and work in progress	(35.8)	(62.8)	(134.4)
Movement in other current assets, creditors and provisions	(26.6)	3.3	23.9
	12.6	2.4	24.5

8. The interim report has been prepared using accounting policies consistent with those applied in the Group accounts for the year ended 30 June 2004. The interim report has not been audited or reviewed and was approved by the Board of Directors on 7 March 2005.

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

Registrars Department
PO Box 82
The Pavilions
Bridgwater Road
Bristol
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