

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**12 MONTHS ENDED 30 JUNE 2005**

	Note	<b>Continuing Operations</b>	
		<b>2005</b>	2004
		<b>£m</b>	£m
Turnover – total	2	<b>781.0</b>	670.3
- share of joint venture		<b>(0.6)</b>	(0.4)
Group turnover		<b>780.4</b>	669.9
Cost of sales		<b>(584.0)</b>	(497.0)
<b>Gross Profit</b>		<b>196.4</b>	172.9
<b>Net operating expenses</b>	2	<b>(42.1)</b>	(39.0)
Operating profit	2	<b>154.3</b>	133.9
Share of operating loss of joint ventures		<b>(3.3)</b>	(1.2)
Operating profit including share of loss of joint ventures		<b>151.0</b>	132.7
Interest payable	2	<b>(9.9)</b>	(8.6)
Profit on ordinary activities before taxation	2	<b>141.1</b>	124.1
Tax on profit on ordinary activities	3	<b>(42.4)</b>	(37.2)
Profit on ordinary activities after taxation		<b>98.7</b>	86.9
Dividends	4	<b>(17.2)</b>	(14.3)
<b>Retained profit</b>		<b>81.5</b>	72.6
<b>Earnings per ordinary share</b>			
- basic	5	<b>62.1p</b>	54.8p
- diluted	5	<b>61.9p</b>	54.6p
<b>Dividend per ordinary share</b>	4	<b>10.8p</b>	9.0p

The Group has 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  
AS AT 30 JUNE 2005**

	Note	As at 30 June 2005 £m	As at 30 June 2004 £m
<b>Fixed assets</b>			
Tangible assets		24.3	22.5
Investments in joint ventures		2.6	1.8
		<b>26.9</b>	<b>24.3</b>
<b>Current assets</b>			
Stocks and work in progress	7	783.5	713.4
Debtors		12.9	11.6
Bank and cash deposits	8	23.7	1.2
		<b>820.1</b>	<b>726.2</b>
<b>Creditors</b>			
Creditors due within one year	9	(227.9)	(235.6)
Creditors due after more than one year	9	(156.2)	(134.4)
Provisions for liabilities and charges		(3.9)	(3.9)
		<b>(388.0)</b>	<b>(373.9)</b>
<b>Net assets</b>		<b>459.0</b>	<b>376.6</b>
<b>Capital and Reserves</b>			
Called up share capital		15.9	15.9
Share premium account		54.2	53.2
Revaluation reserve		-	0.3
Capital redemption reserve		7.0	7.0
Consolidation reserve		0.9	0.9
Profit and loss account		381.0	299.3
<b>Equity shareholders' funds</b>	6	<b>459.0</b>	<b>376.6</b>

**CONSOLIDATED CASH FLOW STATEMENT**  
**12 MONTHS ENDED 30 JUNE 2005**

	Note	2005 £m	2004 £m
<b>Cash inflow from operating activities</b>	10	<b>99.5</b>	24.5
<b>Returns on investments and servicing of finance</b>			
Net interest paid		(9.8)	(8.0)
Issue costs of new bank borrowings		(0.8)	-
<b>Net cash (outflow) from returns on investments and servicing of finance</b>		<b>(10.6)</b>	(8.0)
<b>Corporation tax paid</b>		<b>(39.8)</b>	(34.1)
<b>Capital expenditure and financial investment</b>			
Net purchases of tangible fixed assets		(4.0)	(7.1)
Payments to joint ventures		(3.1)	(0.5)
<b>Dividends paid</b>		<b>(15.2)</b>	(12.7)
<b>Net cash inflow/(outflow) before financing</b>		<b>26.8</b>	(37.9)
<b>Financing and liquid resources</b>			
Issue of ordinary share capital		1.0	0.5
Cash deposits - restricted use		(2.1)	(0.6)
Purchase of own shares		(0.7)	-
Net movement in bank borrowings		(0.5)	10.0
<b>Net cash (outflow)/inflow from financing</b>		<b>(2.3)</b>	9.9
<b>Increase/(decrease) in cash in period</b>		<b>24.5</b>	(28.0)
Cash deposits - restricted use		2.1	0.6
Net movement in bank borrowings		0.5	(10.0)
Net movement in issue costs of bank borrowings		0.4	(0.1)
<b>Change in net (debt)</b>		<b>27.5</b>	(37.5)
Net (debt) at start of period		(130.7)	(93.2)
<b>Net (debt) at end of period</b>		<b>(103.2)</b>	(130.7)

## NOTES

### 1. Basis of preparation

The above results and the accompanying notes do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. They are taken from the full accounts which have received an unqualified report by the auditors and will be filed with the Registrar of Companies.

### 2. Segmental information

	2005 £m	2004 £m
<b>Turnover</b>		
Homes	753.8	662.7
Mixed Use & Regeneration	26.6	7.2
	<u>780.4</u>	<u>669.9</u>
Share of Framing Solutions JV	0.6	0.4
	<u>781.0</u>	<u>670.3</u>
<b>Profit on ordinary activities before taxation</b>		
Homes	147.7	131.2
Mixed Use & Regeneration	4.5	2.7
	<u>152.2</u>	<u>133.9</u>
Share of Framing Solutions JV	(1.2)	(1.2)
	<u>151.0</u>	<u>132.7</u>
Interest	(9.9)	(8.6)
	<u>141.1</u>	<u>124.1</u>
<b>Net assets</b>		
Homes	538.1	487.1
Mixed Use & Regeneration	22.5	18.4
Share of Framing Solutions JV	1.6	1.8
	<u>562.2</u>	<u>507.3</u>
Net (debt)	(103.2)	(130.7)
	<u>459.0</u>	<u>376.6</u>

Mixed Use & Regeneration includes a loss of £2.1m in respect of The Waterford Park Company Limited, a joint venture company.

In 2005, net operating expenses were comprised of £42.1m administrative expenses (2004: £39.7m) and other operating income of £nil in respect of office disposals (2004: £0.7m).

### 3. Tax on Profit on Ordinary Activities

	2005 £m	2004 £m
<b>Current year</b>		
UK corporation tax at 30% (2004:30%)	43.5	36.8
(Over)/under provision in respect of prior year	(0.2)	0.4
Share of joint ventures' tax losses	(1.0)	(0.4)
	<u>42.3</u>	<u>36.8</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	0.1	0.4
	<u>42.4</u>	<u>37.2</u>
<b>Reconciliation of current taxation charge</b>		
Tax on total profits @ 30% (2004:30%)	42.3	37.2
(Over)/under provision in respect of prior year	(0.2)	0.4
Origination and reversal of timing differences	(0.1)	(0.4)
Expenses not deductible for tax purposes net of rolled over capital gains	0.3	(0.4)
Current tax charge	<u>42.3</u>	<u>36.8</u>

### 4. Dividends

The final dividend of 7.2p will be recommended to shareholders for approval at the Annual General Meeting on 9 November 2005. This dividend will be paid on 18 November 2005 to shareholders whose names are on the Register of Members at close of business on 23 September 2005. The shares will become ex-dividend on 21 September 2005. This dividend, when added to the interim, makes a total dividend for the year of 10.8p (2004: 9.0p).

### 5. Earnings per share

The calculation of the basic earnings per share of 62.1p (2004: 54.8p) is based on Group profit on ordinary activities after taxation of £98.7m (2004: £86.9m) and on the weighted average number of 10p ordinary shares in issue of 159.0m (2004:158.6m). The average reflects an adjustment in respect of surplus shares held in trust under the Redrow Long Term Share Incentive Plan.

Diluted earnings per share has been calculated in accordance with FRS 14 based on the weighted average number of 10p ordinary shares in issue of 159.5m (2004:159.2m).

### 6. Reconciliation of movement in equity shareholders' funds

	2005 £m	2004 £m
Opening shareholders' funds	376.6	302.0
Retained profit for the period	81.5	72.6
Shares issued	1.0	0.9
Credit in respect of LTSIP	0.4	1.6
Contribution to QUEST	(0.5)	(0.5)
<b>Closing shareholders' funds</b>	<u><u>459.0</u></u>	<u><u>376.6</u></u>

7. **Stocks and work in progress**

	<b>2005</b>	2004
	<b>£m</b>	£m
Land held for development	<b>472.2</b>	419.0
Work in progress	<b>314.6</b>	316.4
Stock of showhomes	<b>11.0</b>	7.0
	<b>797.8</b>	742.4
Cash on account	<b>(14.3)</b>	(29.0)
	<b>783.5</b>	713.4

8. **Bank and cash deposits**

Bank and cash deposits at 30 June 2005 of £23.7m (2004: £1.2m) represent balances on deposit and money market accounts.

9. **Amounts due in respect of development land**

	<b>2005</b>	2004
	<b>£m</b>	£m
Due within one year	<b>31.9</b>	56.1
Due after more than one year	<b>52.4</b>	29.7
	<b>84.3</b>	85.8

10. **Analysis of cash flow from operating activities**

	<b>2005</b>	2004
	<b>£m</b>	£m
Total operating profit	<b>151.0</b>	132.7
Add back share of joint ventures' operating losses	<b>3.3</b>	1.2
Group operating profit	<b>154.3</b>	133.9
Depreciation, including profits and losses on disposal of fixed assets	<b>2.2</b>	1.1
Increase in stock and work in progress	<b>(70.1)</b>	(134.4)
Movement in other current assets, creditors and provisions	<b>13.1</b>	23.9
Cash inflow from operating activities	<b>99.5</b>	24.5

11. **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 9 November 2005, commencing at 12.00 noon. A copy of this statement is available for inspection at the registered office.