

Redrow plc ("Redrow")

1 July 2011

Disposal of operation in Scotland

Redrow, one of the UK's leading house builders, is pleased to announce the disposal of its operation in Scotland in line with the Board's strategy as announced in the Interim Management Statement on 19 April 2011.

The business is being sold to Springfield Properties Plc, a private construction and property development company based in Elgin, for a total consideration of £49 million, comprising £5 million cash paid on completion and deferred cash consideration of £44 million, to be paid as developments are sold over the next three years.

Redrow's operation in Scotland consists of 8 sites with planning permission. The net book value of the assets which are the subject of the transaction amount to £49 million. In the year ended 30 June 2010, Redrow's operation in Scotland generated turnover of £31 million and a loss before tax of £1.7 million.

The proceeds of the disposal will be used to increase investment in land in Redrow's other operations, particularly London and the South East.

Steve Morgan, Chairman of Redrow, commented:

"The Board is pleased to have secured a buyer for our operation in Scotland following a competitive process that we outlined in our April statement. Springfield is a successful Scottish house builder and the transaction will substantially increase its presence in the Central Belt. The transaction will also provide our customers and employees with a good home for the future, whilst enabling Redrow to increase its investment in land in London and the South East."

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Notes to Editors:

Springfield was established in 1956 and has remained a family owned company. In 2005, Springfield was recognised by the Virgin Atlantic Sunday Times Fast Track list as Scotland's fastest growing, profitable, private company. Its principal business is property development and construction.