

Thursday 27 February 2014

**Redrow plc**

**Interim results for the six months to 31 December 2013**

**STRONG PERFORMANCE**

**Financial Results**

	<b>H1 2014</b>	<b>H1 2013</b>	<b>Change</b>
Revenue	£363.0m	£257.0m	+41%
Underlying Operating Profit	£49.0m	£26.2m	+87%
Profit Before Tax	£47.5m	£23.0m	+107%
EPS (underlying)	10.3p	4.8p	+115%
Legal Completions (homes)	1,565	1,202	+30%
Private Average Selling Price	£262,000	£224,000	+17%
ROCE	14.2%	8.6%	+65%
Dividend	1p	n/a	

**Financial highlights**

- Revenues rose 41% to £363.0m driven by a 30% increase in legal completions and a 9% increase in average selling price to £232,000 (2013: £212,000)
- Gross margin grew to 20.3% (2013: 18.0%) as a result of increased sales from sites purchased since 2009, and improved mix
- Net debt rose to £149.0m (June 2013: £91.0m) as a result of increased investment in land, giving gearing of 23% (June 2013: 14.9%)
- Value of private net reservations up 72% from £279m to £481m driven by increased demand
- Return on capital employed improved to 14.2% (2013: 8.6%)
- On the basis of our continued strong results the Board has decided to pay the first interim dividend for six years of 1p per share

**Operational highlights**

- Average number of outlets increased to 93 (2013: 83)
- Current land bank (owned and contracted) at the end of December 2013 was 16,250 plots (June 2013: 14,162 plots). The increase of 2,088 plots includes 1,033 converted from our strategic land bank
- Volume of private net reservations in the first eight weeks of 2014 up 24% to 550
- First significant contribution from London Division with £41.5m of turnover from 133 legal completions
- Significant residential led mixed-use scheme development opportunity for London division on Peel Centre, Hendon
- John Tutte promoted to Group Chief Executive, effective 30 June 2014

Steve Morgan, Chairman of Redrow, said:

“I am delighted to report another period of strong growth for Redrow, and that we will be paying an interim dividend for the first time in six years.

We have started the calendar year well with private reservations since January up 24% on last year from 12% more outlets. We expect the housing market to remain robust and for consumer confidence to improve in line with the economy.

We have a strong pipeline of new sites in planning and we believe the Government is committed to continuing to speed up the process of obtaining implementable planning permissions.

We therefore remain confident that this will be another year of significant progress for Redrow.”

**Enquiries:**

**Redrow plc**

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There will be an analyst and investor meeting at 10.30 am at The Brewery, Chiswell Street, London EC1Y 4SD. Coffee will be served from 10.00 am.

A live audio webcast and slide presentation of this event will be available at 10.30am on [www.redrowplc.co.uk](http://www.redrowplc.co.uk). Participants can also dial in to hear the presentation live at 10.30 am on +44 (0) 20 3003 2666 or UK Toll Free 0808 109 0700.

Playback will be available by phone for the next 14 days on +44 (0) 20 8196 1998  
Conference Reference: 5439353.

## CHAIRMAN'S STATEMENT

As Redrow approaches its fortieth anniversary I am pleased to report that we continue to go from strength to strength. During the last financial year to June 2013 we increased our legal completions by 15%. This growth has continued and during the first half of the current financial year legal completions grew by over 30% to 1,565 (2013: 1,202). We are endeavouring to open more outlets and increase the number of homes we build to make up some of the significant shortfall in supply, a task which has been made much easier with Help to Buy.

In the last six months the average selling price of our homes was £232,000, 9% above the previous year. This was primarily due to the first meaningful contribution from London and a further change in geographical mix, with almost 50% (2013: 38%) of revenues generated in London and the south of England.

The combination of volume growth and mix change led to revenues increasing 41% to £363m (2013: £257m). Sites with normal margins purchased since the downturn accounted for 75% of our sales volumes in the first half and helped to improve gross margins from 18% to 20.3%.

Although we have experienced some materials and labour cost inflation in the first half, this has been offset by modest house price inflation. Whilst overheads increased in absolute terms to meet planned growth in the business, they reduced as a percentage of revenues. As a consequence, our underlying operating margin rose from 10.2% to 13.5% and our underlying operating profit increased by 87% to £49m (2013: £26.2m).

Net financing costs increased because of a higher level of debt due to ongoing investment in land and the amortisation of the cost of refinancing our borrowing facilities in the first half. Net debt at the period end was in line with previous guidance at £149m, giving gearing of 23% (2013: 11%).

Statutory pre-tax profits for the first half were up 107% to £47.5m (2013: £23m); underlying pre-tax profits were up 94% and underlying earnings per share increased 115% to 10.3p (2013: 4.8p). Return on Capital Employed improved to 14.2% from 8.6% in the first half of last year.

Due to this strong performance the Board has decided to pay the first interim dividend for six years of 1p per share (2013: Nil). The interim dividend will be paid on 2 May 2014 to holders of ordinary shares on the register at the close of business on 7 March 2014.

### Market

The housing market has remained strong in the first half of the financial year, assisted by the Government's Help to Buy scheme and increased mortgage availability. Sales per outlet per week in the first half were 0.7, up 32% on the previous year.

The first half of the year has seen the first significant contribution to revenues from our London business, which generated £41.5m (2013: £3.5m) of turnover, including £8m of social housing. For the year as a whole we expect London to generate over £100m of turnover from our first two major developments at Kingston Riverside and One Commercial Street, Aldgate. As a consequence of the growth in the London business, the Heritage Collection, our primary brand, represented a slightly reduced proportion of turnover at 82% versus 87% last year.

The value of private reservations in the first half increased by 72% from £279m to £481m resulting in a closing order book of £411m, up from £187m. The cancellation rate was 13% (2013: 17%).

Our strategy to drive growth relies upon increasing the number of active outlets. Although during the first half of the year the number of outlets increased year on year by 12% to 93, more

meaningful growth is being frustrated by planning. Ironically this situation is made worse by improved sales rates per outlet, which means existing sites are closing sooner.

## **Land and Planning**

During the first half of the year we secured 3,526 plots, of which over 1,000 were converted from our forward land bank. At the end of December our current land bank amounted to 16,250 plots, an increase of 15% on the position at the end of June 2013. However, of these around 5,000 plots are at various stages in the planning system and are therefore not yet available for production.

We also added 3,900 plots to our forward land bank in the first half which, after allowing for transfers to current land, increased the forward land bank to 28,900 plots. It is of particular note that our London division exchanged contracts at the Peel Centre, Hendon, where we are in pre-application consultations with the Local Authority and the GLA for a very substantial residential led mixed-use scheme.

As I have previously stated, despite the improvements brought about by the NPPF, the planning system is still failing to deliver implementable planning permissions at a fast enough rate to meet demand for housing. We therefore welcome the initiatives in the planning consultation launched by the Government in December aimed at speeding up the planning process and look forward to their implementation as quickly as possible.

## **Harrow Estates**

Harrow Estates completed the sale of another joint venture site generating a pre-tax profit of £3.7m. Under the terms of the Option Agreement with Bridgemere Land plc, Harrow also secured the delivery of the first phase of the 400 unit scheme in Horsforth, Leeds, for Redrow Homes Yorkshire.

In addition, the business recently obtained planning consent on two important sites in Hartford, Cheshire, one owned and one under the Option Agreement with Bridgemere.

## **Management Changes**

Due to the significant growth achieved in the business over recent years and that planned for the future, I am pleased to announce that with effect from the end of the current financial year, John Tutte will be promoted to Group Chief Executive. Two new senior executive posts have also been created, with Keith Parrett being promoted to Regional Chief Executive, overseeing our Southern and South East businesses and Matthew Pratt being promoted to Regional Chief Executive, overseeing our Northern and Midlands businesses.

## **Current Trading and Outlook**

As the economy continues to grow and confidence returns to consumers, the housing market is expected to remain robust. Private reservations since the beginning of January are 24% up on last year at 550 from 12% more outlets. We have a strong pipeline of new sites in planning and we believe the Government is committed to continuing to speed up the process of obtaining implementable planning permissions. We are therefore confident this will be another year of significant progress for Redrow.

**Steve Morgan**  
**Chairman**

## Consolidated Income Statement (Unaudited)

		6 months ended		12 months
		31 December		ended
		2013	2012*	30 June
				2013*
	Note	£m	£m	£m
Revenue		363.0	257.0	604.8
Cost of sales		(289.4)	(210.8)	(491.2)
<b>Gross profit</b>		<b>73.6</b>	46.2	113.6
Administrative expenses before exceptional items		(24.6)	(20.0)	(40.4)
<b>Operating profit before exceptional items and financing costs</b>		<b>49.0</b>	26.2	73.2
<b>Exceptional administrative expenses</b>	2	-	(1.5)	(1.5)
Operating profit before financing costs		49.0	24.7	71.7
Financial income		1.4	1.2	1.7
Financial expenses		(5.7)	(2.9)	(7.3)
Net financing costs		(4.3)	(1.7)	(5.6)
Share of profit of joint ventures after interest and taxation		2.8	-	3.3
<b>Profit before tax</b>		<b>47.5</b>	23.0	69.4
Income tax expense	3	(12.1)	(7.5)	(16.3)
<b>Profit for the period</b>		<b>35.4</b>	15.5	53.1
<b>Earnings per share from continuing operations</b>				
- basic	5	9.7p	4.2p	14.6p
- diluted	5	9.7p	4.2p	14.6p

## Consolidated Statement of Comprehensive Income (Unaudited)

		6 months ended		12 months
		31 December		ended
		2013	2012*	30 June
				2013*
	Note	£m	£m	£m
<b>Profit for the period</b>		<b>35.4</b>	15.5	53.1
<b>Other comprehensive income</b>				
Actuarial (losses) on the defined benefit pension scheme	6	(3.6)	(0.2)	(1.3)
Deferred tax on actuarial (losses) taken directly to equity		0.6	-	0.5
<b>Other comprehensive (expense) for the period net of tax</b>		<b>(3.0)</b>	(0.2)	(0.8)
<b>Total comprehensive income for the period</b>		<b>32.4</b>	15.3	52.3

\*Prior period results have been restated to reflect the application of IAS 19R-Employee Benefits

**Consolidated Balance Sheet (Unaudited)**

		As at		As at
		31 December		30 June
	Note	2013	2012*	2013*
		£m	£m	£m
<b>Assets</b>				
Intangible assets		1.8	1.7	1.9
Property, plant and equipment	7	11.4	11.7	11.2
Investments		8.3	9.7	13.3
Deferred tax assets		24.2	44.3	35.8
Trade and other receivables		30.9	29.7	25.4
<b>Total non-current assets</b>		<b>76.6</b>	<b>97.1</b>	<b>87.6</b>
Non-current assets available for sale		0.9	1.3	1.0
Inventories	8	1,015.2	792.3	895.5
Trade and other receivables		19.7	18.7	24.9
Cash and cash equivalents	10	59.4	54.8	39.0
Total current assets		1,095.2	867.1	960.4
<b>Total assets</b>		<b>1,171.8</b>	<b>964.2</b>	<b>1,048.0</b>
<b>Equity</b>				
Issued share capital	12	37.0	37.0	37.0
Share premium		58.7	58.7	58.7
Other reserves		7.9	7.9	7.9
Retained earnings		534.5	472.6	505.6
<b>Total equity</b>		<b>638.1</b>	<b>576.2</b>	<b>609.2</b>
<b>Liabilities</b>				
Bank loans	10	180.0	120.0	95.0
Trade and other payables	9	41.2	37.1	33.2
Deferred tax liabilities		0.5	0.7	0.5
Retirement benefit obligations	6	7.5	2.8	3.8
Long-term provisions		7.6	7.3	7.8
<b>Total non-current liabilities</b>		<b>236.8</b>	<b>167.9</b>	<b>140.3</b>
Bank overdrafts and loans	10	28.4	-	35.0
Trade and other payables	9	268.5	220.1	263.5
<b>Total current liabilities</b>		<b>296.9</b>	<b>220.1</b>	<b>298.5</b>
<b>Total liabilities</b>		<b>533.7</b>	<b>388.0</b>	<b>438.8</b>
<b>Total equity and liabilities</b>		<b>1,171.8</b>	<b>964.2</b>	<b>1,048.0</b>

\*Prior period results have been restated to reflect the application of IAS 19R-Employee Benefits

Redrow plc Registered no. 2877315

**Consolidated Statement of Changes in Equity (Unaudited)**

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total £m
At 1 July 2012	37.0	58.7	7.9	457.9	561.5
Total comprehensive income for the period	-	-	-	15.3	15.3
Movement in LTSIP/SAYE	-	-	-	(0.6)	(0.6)
<b>At 31 December 2012</b>	<b>37.0</b>	<b>58.7</b>	<b>7.9</b>	<b>472.6</b>	<b>576.2</b>
At 1 July 2012	37.0	58.7	7.9	457.9	561.5
Total comprehensive income for the period	-	-	-	52.3	52.3
Share based payments	-	-	-	0.3	0.3
Movement in LTSIP/SAYE	-	-	-	(4.9)	(4.9)
<b>At 30 June 2013</b>	<b>37.0</b>	<b>58.7</b>	<b>7.9</b>	<b>505.6</b>	<b>609.2</b>
At 1 July 2013	<b>37.0</b>	<b>58.7</b>	<b>7.9</b>	<b>505.6</b>	<b>609.2</b>
Total comprehensive income for the period	-	-	-	32.4	32.4
Dividends paid	-	-	-	(3.7)	(3.7)
Movement in LTSIP/SAYE	-	-	-	0.2	0.2
<b>At 31 December 2013</b>	<b>37.0</b>	<b>58.7</b>	<b>7.9</b>	<b>534.5</b>	<b>638.1</b>

## The Statement of Cash Flows (Unaudited)

		6 months ended 31 December		12 months ended 30 June
	Note	2013 £m	2012* £m	2013* £m
<b>Cash flow from operating activities</b>				
Operating profit before financing costs		49.0	24.7	71.7
Depreciation and amortisation		0.5	0.7	1.2
Adjustment for non-cash items		(1.9)	(1.6)	(3.7)
<b>Operating profit before changes in working capital and provisions</b>		<b>47.6</b>	23.8	69.2
(Increase)/decrease in trade and other receivables		(3.6)	2.6	(3.4)
Increase in inventories		(119.7)	(84.1)	(187.3)
Increase in trade and other payables		13.6	6.6	46.6
Decrease in provisions		(0.2)	(0.9)	(0.4)
<b>Cash outflow generated from operations</b>		<b>(62.3)</b>	(52.0)	(75.3)
Interest paid		(4.1)	(1.2)	(3.2)
<b>Net cash outflow from operating activities</b>		<b>(66.4)</b>	(53.2)	(78.5)
<b>Cash flows from investing activities</b>				
Sale of Scotland business		4.7	3.4	8.0
Acquisition of property, plant and equipment	7	(0.6)	(0.2)	(0.5)
Interest received		0.2	-	-
Net receipts from/(payments to) joint ventures – continuing operations		7.8	(0.4)	(0.7)
<b>Net cash inflow from investing activities</b>		<b>12.1</b>	2.8	6.8
<b>Cash flows from financing activities</b>				
Issue of bank borrowings		180.0	120.0	95.0
Repayment of bank borrowings		(95.0)	(30.0)	(30.0)
Purchase of own shares		-	(0.8)	(5.3)
Dividends paid		(3.7)	-	-
<b>Net cash inflow from financing activities</b>		<b>81.3</b>	89.2	59.7
<b>Increase/(decrease) in net cash and cash equivalents</b>		<b>27.0</b>	38.8	(12.0)
Net cash and cash equivalents at the beginning of the period		4.0	16.0	16.0
<b>Net cash and cash equivalents at the end of the period</b>	10	<b>31.0</b>	54.8	4.0

\*Prior period results have been restated to reflect the application of IAS 19R-Employee Benefits



## NOTES (Unaudited)

### 1. Accounting policies

#### Basis of preparation

The condensed consolidated half-yearly financial information for the half-year ended 31 December 2013 has been prepared on a going concern basis in accordance with the Disclosure and Transparency Rules of the Financial Conduct 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 2013, which have been prepared in accordance with IFRSs as adopted by the European Union.

Except as described below, the principal accounting policies adopted in the preparation of this consolidated half-yearly report are included in the annual financial statements for the year ended 30 June 2013. These policies have been consistently applied to all the periods presented.

IAS 19R – Employee Benefits, has been adopted with effect from 1 July 2013. The change in the accounting standard has been adopted retrospectively and the comparative accounts have been restated. Under IAS 19R the separate calculations of an interest cost on the defined benefit obligation and an expected rate of return on plan assets have been replaced with a net interest charge calculated by applying the discount rate to the net defined benefit liability. The impact of the restatement on prior periods is shown in the table in note 6.

#### 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 2013:

- IFRS 13 'Fair value measurement' (effective 1 January 2013)
- IAS 19 (revised 2011) 'Employee benefits' (effective 1 January 2013)
- Amendment to IAS 12, 'Income taxes' on deferred tax (effective 1 January 2013)

##### b) 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 2013 and have not been early adopted:

- IFRS 9 'Financial instruments' (effective 1 January 2015)
- IFRS 10 'Consolidated financial statements' (effective 1 January 2014)
- IFRS 11 'Joint arrangements' (effective 1 January 2014)
- IFRS 12 'Disclosures of interests in other entities' (effective 1 January 2014)
- IAS 27 (revised 2011) 'Separate financial statements' (effective 1 January 2014)
- IAS 28 (revised 2011) 'Associates and joint ventures' (effective 1 January 2014)
- Amendments to IFRS 9, 'Financial instruments' (effective date not yet determined)
- Amendments to IFRS 10, IFRS 11 and IFRS 12 on transition guidance (effective 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 for investment entities (effective 1 January 2014)
- Amendment to IAS 19 'Employee benefits' (effective 1 July 2014)
- Amendment to IAS 32 'Financial instruments: Presentation' (effective 1 January 2014)
- Amendments to IAS 36 'Impairment of assets' (effective 1 January 2014)

- Amendment to IAS 39 'Financial instruments: Recognition and measurement' (effective 1 January 2014)

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 2013 were approved by the Board of Directors on 17 September 2013 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.

## **Principal risks and uncertainties**

As with any business, Redrow plc faces a number of risks and uncertainties in the course of its day to day operations.

The principal risks and uncertainties facing the Group are outlined on pages 19 and 21 of our half-yearly report 2013/14.

## **2. Exceptional Items**

There were no exceptional items in the six months ended 31 December 2013. In the six months ended 31 December 2012 exceptional administrative costs of £1.5m related to legal and advisory fees incurred in relation to a possible bid for the Company.

## **3. 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 (22.50% (2013: 23.75%)) before taking into account the impact of the reduction in corporation tax rate to 21% on the deferred tax assets (£2.0m (2013: £2.0m)).

## **4. Dividends**

A dividend of £3.7m was paid in the six months to 31 December 2013. No dividend was paid in the 12 months ended 30 June 2013.

## **5. Earnings per share**

The basic earnings per share calculation for the 6 months ended 31 December 2013 is based on the weighted number of shares in issue during the period of 363.7m (2013: 365.0m) 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 2013

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	35.4	363.7	9.7p
Effect of share options and SAYE	-	1.3	-
<b>Diluted earnings per share</b>	<b>35.4</b>	<b>365.0</b>	<b>9.7p</b>

## 6 months ended 31 December 2012\*

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	15.5	365.0	4.2p
Effect of share options and SAYE	-	0.8	-
<b>Diluted earnings per share</b>	<b>15.5</b>	<b>365.8</b>	<b>4.2p</b>

## 12 months ended 30 June 2013\*

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	53.1	363.4	14.6p
Effect of share options and SAYE	-	1.0	-
<b>Diluted earnings per share</b>	<b>53.1</b>	<b>364.4</b>	<b>14.6p</b>

Basic earnings per share excluding the deferred tax rate change impact is based on earnings of £37.4m (2013: £17.5m) and £56.6m\* for the 12 months ended 30 June 2013.

\*Prior period results have been restated to reflect the application of IAS 19R – Employee Benefits.

## 6. Pensions

The amounts recognised in respect of the defined benefit section of the Group's Pension Scheme are as follows:

	6 months ended 31 December		12 months ended 30 June
	2013	2012*	2013*
	£m	£m	£m
<b>Amounts included within the Consolidated income Statement</b>			
<b>Period operating costs</b>			
Current service cost	-	-	-
Scheme administration expenses	(0.3)	-	(0.4)
Net interest on defined benefit (asset)/liability	(0.1)	-	(0.1)
	<b>(0.4)</b>	-	<b>(0.5)</b>
<b>Amounts recognised in the Consolidated statement of comprehensive income</b>			
Return on scheme assets excluding interest income	<b>0.3</b>	2.3	3.2
Actuarial (losses) arising from change in financial assumptions	<b>(3.9)</b>	(2.5)	(4.5)
	<b>(3.6)</b>	(0.2)	(1.3)

## Amounts recognised in the Consolidated balance sheet

Present value of the defined benefit obligation	<b>(98.8)</b>	(91.9)	(94.6)
Fair value of the Scheme's assets	<b>91.3</b>	89.1	90.8
<b>(Liability) in the Consolidated balance sheet</b>	<b>(7.5)</b>	(2.8)	(3.8)

\*Prior period results have been restated to reflect the application of IAS 19R – Employee Benefits.

## Previously Reported

	6 months ended 31 December 2012 £m	12 months ended 30 June 2013 £m
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## Amounts included within the consolidated income statement

### Administrative expenses

Current service cost	-	-
Losses on curtailments and settlements	-	-
<b>Financing costs</b>		
Expected return on assets	2.0	4.1
Interest cost	(2.0)	(4.0)
	-	0.1

## Amounts recognised in the consolidated statement of comprehensive income

Actuarial (losses)	(0.2)	(1.9)
	(0.2)	(1.8)

## 7. Property, plant and equipment

Acquisitions totalling £0.6m were made during the period (2013: £0.2m). There was £nil of capital expenditure contracted at 31 December 2013 (2012: £nil).

## 8. Inventories

	As at 31 December 2013 £m	As at 31 December 2012 £m	As at 30 June 2013 £m
Land for development	<b>695.4</b>	555.8	622.0
Work in progress	<b>291.7</b>	210.0	246.1
Stock of showhomes	<b>28.1</b>	26.5	27.4
	<b>1,015.2</b>	792.3	895.5

Land and work in progress are stated net of net realisable value provisions summarised as follows:

	Total £m
Provision at 1 July 2013	72.0
Utilised during period	(9.7)
<b>Provision at 31 December 2013</b>	<b>62.3</b>

9. **Land Creditors**  
(included in Trade and Other Payables)

	As at 31 December		As at 30 June
	2013	2012	2013
	£m	£m	£m
Due within one year	89.3	81.1	92.1
Due in more than one year	41.2	37.1	32.2
	<b>130.5</b>	118.2	124.3

10. **Analysis of Net Debt**

	As at 31 December		As at 30 June
	2013	2012	2013
	£m	£m	£m
Cash and cash equivalents	59.4	54.8	39.0
Bank overdrafts	(28.4)	-	(35.0)
Net cash and cash equivalents	<b>31.0</b>	54.8	4.0
Bank loans	(180.0)	(120.0)	(95.0)
	<b>(149.0)</b>	(65.2)	(91.0)

11. **Bank facilities**

At 31 December 2013, the Group had total unsecured bank borrowing facilities of £252.5m, representing £250.0m committed facilities and £2.5m uncommitted facilities.

The Group syndicated loan facility matures in March 2018.

12. **Issued Share capital**

	As at 31 December		As at 30 June
	2013	2012	2013
	£m	£m	£m
Allotted, called up and fully paid ordinary shares of 10p each	37.0	37.0	37.0

Number of ordinary  
shares of 10p each

At 1 July 2013 and 31 December 2013

**369,799,938**

13. **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.

#### 14. 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		12 months ended 30 June
	2013	2012	2013
	£m	£m	£m
Short-term employee benefits	1.2	1.0	1.6
Share-based payment charges	0.6	0.3	0.5
	<b>1.8</b>	1.3	2.1

Related party transactions were carried out with Steve Morgan during the period for a total consideration of £0.2m (2013: £0.2m) primarily relating to donations to the Morgan Foundation.

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

	As at 31 December		As at 30 June
	2013	2012	2013
	£m	£m	£m
Loans to joint ventures	8.6	10.7	11.1

#### 15. 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.

#### Financial Calendar

Interim Management Statement	29 April 2014
Announcement of results for the year to June 2014	16 September 2014
Circulation of Annual Report	6 October 2014
Annual General Meeting	10 November 2014

#### 16. Shareholder enquiries

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

Registrars Department  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ

## **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 2013, 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 Conduct 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 Conduct 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 2013 is not prepared, in all material aspects, 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 Conduct Authority.

## **PricewaterhouseCoopers LLP**

Chartered Accountants

Manchester

26 February 2014

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.