

Redrow plc

24 April 2013

Interim Management Statement

Redrow plc is releasing the following Interim Management Statement regarding trading for the period from 1 January 2013 to 19 April 2013.

Sales activity since the beginning of January has been encouraging and the introduction of the Government's "Help to Buy" equity loan scheme at the beginning of April has already provided a welcome boost to visitor numbers.

The Group operated from an average of 82 outlets in the period, a 14% rise on last year (2012: 72), which was the main driver behind a 20% rise in net private reservations to 1,009 (2012: 843). The average selling price of private reservations for the Group was up 12%, at £235k for the regional business (2012: £207k) and £483k for London (2012: £432k). The value of private net reservations for the period was up 33% at £251m and the average selling price of private legal completions was £225k for the financial year to date. Overall, the housing market continues to be stable and as a result of the improving mortgage market the cancellation rate has reduced to 15% (2012: 17%).

Despite the welcome improvement in the speed of obtaining planning permissions, we are still far too often experiencing frustrating delays in clearing excessive and disproportionate planning conditions. This unnecessary red tape remains a drag on outlet opening and a significant barrier to housing growth and delivery. Frustratingly, the number of active outlets remains at 82, the same number as at December 2012, although we still anticipate having 90 active outlets at the end of June 2013, in line with previous guidance.

As a result of on-going investment in land and work in progress net debt has risen in line with guidance to circa £145m. As previously stated, we expect net debt to be circa £130m at the end of June 2013.

The Company welcomes the two "Help to Buy" initiatives announced by the Chancellor in his recent budget. The launch of the 20% interest free equity loan scheme on 1 April has already generated significant interest from customers and we expect it to achieve its objectives of increasing the affordability and output of new homes over the next three years. The introduction of the Government-backed "Mortgage Indemnity Guarantee Scheme" for high loan to value mortgages for both new and second-hand properties in January 2014 will also provide liquidity in the overall housing market, making it easier for people to move. We believe that both measures will help the housing market return to more normal levels of turnover and provide a significant stimulus to the UK economy.

Outlook

Given the healthier outlook for housing, the increase in outlets and the benefit of the Government's "Help to Buy" equity loan scheme, Redrow expects to show further good progress for the full year.

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