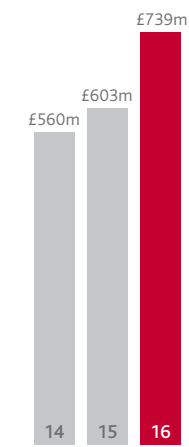






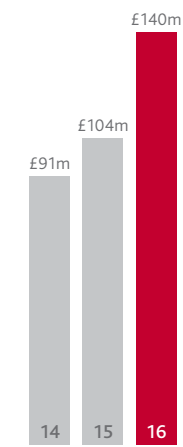
# A BETTER WAY TO LIVE

## HIGHLIGHTS



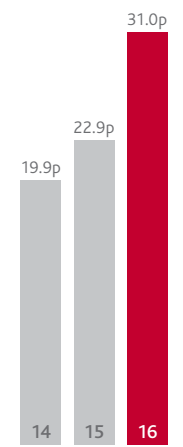
REVENUE

**£739m**  
+23%



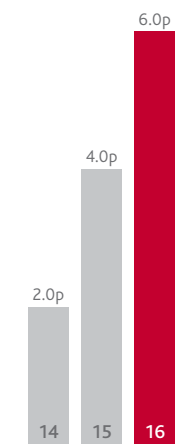
PROFIT BEFORE TAX

**£140m**  
+35%



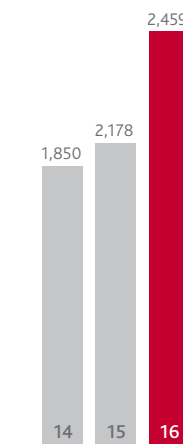
EARNINGS PER SHARE

**31.0p**  
+35%



INTERIM DIVIDEND PER SHARE

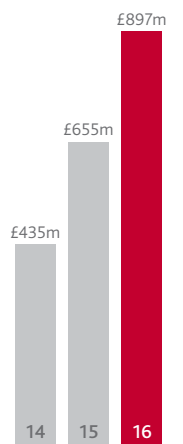
**6.0p**  
+50%



LEGAL COMPLETIONS\*

**2,459**  
+13%

\* including joint venture



PRIVATE ORDER BOOK

**£897m**  
+37%

## SOME OF OUR ACHIEVEMENTS



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# GROWING OUR BUSINESS, OUR TEAM, OUR COMMUNITY CONTRIBUTION AND RETURNS FOR OUR SHAREHOLDERS



**AS DEMAND FOR MORE HIGH QUALITY HOUSING INCREASES SO REDROW HOMES IS GROWING TO MEET THE CHALLENGE. WE ARE ALSO SUPPORTING OUR TEAM TO DELIVER THIS GROWTH BY PROVIDING TRAINING AND HELPING THEM DEVELOP SKILLS TO BUILD THEIR CAREERS.**

## HALF-YEARLY REPORT

We're expanding our business by building more homes in great locations and we're increasing our community contribution to enable them to prosper in a socially and environmentally responsible way.

Redrow creates a better way to live and we're growing our business, building an organisation that all stakeholders can be proud to be part of, from homebuyers and suppliers to employees and shareholders.

### Growing our team

Redrow is increasing productivity and also expanding the team across all disciplines. We are recruiting the best in the business, from experienced industry professionals

to top business and civil engineering graduates and we're developing our existing team to help them achieve their full potential. Every function plays a key role, from land and planning, through commercial, construction and sales and marketing, to customer service. Every colleague, both internal and external, is encouraged and supported to develop their capabilities. Work is a huge part of our lives and working in a creative, committed and conscientious team is an important part of our philosophy.

### Growing our collections

Redrow is increasing choice to offer our customers a wider selection of quality homes. We have broadened our range of homes to include everything from affordable flats for



young first time buyers, through to our many family homes in the Heritage and Regent collections, to entire Garden Villages. Redrow has something for every family size and every stage of life, all built responsibly to the same high standards, so that everyone can enjoy a better way to live.

### Growing our communities

In designing our developments, we never lose sight of our responsibilities to the local people, their environment and their local economy and we take those responsibilities very seriously. That's why at Redrow, we don't just build homes, we build communities, contributing to local schools, doctors surgeries and transport, as well as setting aside green spaces, cycleways and creating sustainable

environments. We also provide around 1,000 social homes each year.

### Growing our commitment

We're delighted with our growth as a brand and as a company, but we know that now, more than ever, growth has to be sustainable. We are clearly focused on moving our business forward responsibly, working to the best of our ability at every stage of our value chain, so that together we can create a better way to do business for our staff, a better way to deliver value for our shareholders and a better way to live for our customers.



# CHAIRMAN'S STATEMENT

## AGAIN REDROW HAS DELIVERED RECORD FIRST HALF RESULTS.

### DIRECTORS' REPORTS



**Steve Morgan**

Chairman

Redrow delivered a robust performance in the first half of the year, delivering yet another set of record results. In the last six months legal completions increased by 13% to 2,459 adding to the country's much needed supply of new homes.

#### Financial Results

In the first half of the 2017 financial year Group Revenue increased by 23% to £739m. Legal completions, including our Croydon Joint Venture, increased by 281 homes from 2,178 to 2,459 and for wholly-owned sites the increase was 238. The average selling price of our private homes increased by 12% from £306,000 to £344,000 mainly due to geographical mix, with 47% of turnover being generated in the South of England, compared to 38% in the first half of last year.

As a consequence of the mix change, a reduction in impaired sites and net house price inflation, gross margin increased from 24.2% to 25%.

Overheads rose from £36m to £41m, given the further growth in the business. However, due to efficiency of scale, they reduced as a percentage of turnover from 6% to 5.5%.

Operating profit increased by 31% to £144m (2016: £110m) and pre-tax profits were 35% higher at £140m (2016: £104m). Earnings per share at 31p were 35% up on the previous year (2016: 22.9p).

The half year Return on Capital Employed improved to 24% (2016: 21%) and Return on Equity improved to 25.4% (2016: 23.7%).

Net debt at the end of December 2016 was £56m (June 2016: £139m), giving gearing of 5%. We expect a modest rise in our net debt position in the second half, as a result of the recent Radleigh Homes acquisition and our ongoing investment in the business.

As a result of the strong earnings and cash performance of the business, the Board has decided to pay an interim dividend of 6p per share (2016: 4p). The interim dividend will be paid on 5 May 2017 to holders of ordinary shares on the register at the close of business on 24 March 2017.

#### Market

Demand for new homes remains strong throughout the country, on the back of improved mortgage availability and competitive mortgage rates in the last six months. The strong demand, together with the Government's commitment to increasing housing supply, gives us every confidence in the pursuit of our growth strategy. In the first half of the financial year 865 of our private reservations utilised Help to Buy, up from 746 in the same period last year.

The value of private reservations in the first half increased by 13% on a like-for-like basis (27 weeks) to £777m (2016: £688m) resulting in a record closing order book of £897m, up 35% on a like-for-like basis from December 2015.

Our sales rate per outlet per week over the 27 week period was 0.66, up 5% on the 0.63 for the same period last year. The consequence of the faster sales rate was that a number of sites sold out earlier than expected. As a result, and despite opening more outlets than forecast, we were operating on 122 outlets at the end of December 2016 (2015: 121) rather than the 127 planned. The number of outlets should increase notably in the second half. As always, however, this is subject to progressing a considerable number of sites through the planning process, which unfortunately remains as ponderous as ever.

#### Land and Planning

As a result of the substantial increase in our owned and contracted land in the last financial year, together with the timing of land purchases this year, we secured 1,760 plots for our current land holdings in the last six months. Of these, 1,352 were converted from our forward land pipeline. Over the same period our forward land pipeline has remained unchanged with the potential for 25,600 plots, with the land transferred to current land holdings being replaced by new additions.

In February 2017 we acquired Radleigh Homes, a regional housebuilder based in Derby. Radleigh Homes completed 188 homes in the year to December 2016 and has a pipeline of over 1,300 plots with planning, and a further 1,200 plots controlled under options in its strategic land pipeline. Radleigh Homes is an excellent fit given its geographical location and its high quality market position, similar to Redrow. This acquisition will form the basis of a new regional division for the Group: Redrow East Midlands.

#### People

The ongoing growth in the business has resulted in our directly employed workforce exceeding 2,200 people, including over 300 apprentices and trainees. Despite our commitment to develop our own talent, there continues to be a shortage of skilled labour in the industry. Redrow is at the forefront of actively encouraging young people to enter the industry and develop successful careers across all disciplines. It is essential that our example is followed industry-wide if we are to resolve this issue.

Our committed team continue to support the business as it grows, for which I thank them and I would also like to take the opportunity to welcome the Radleigh employees to Redrow.

#### Current Trading and Outlook

We are pleased to update our medium term guidance as a result of the strength of our order book and sales rate, the recent acquisition of Radleigh Homes and lower net debt expectations. In 2019 we expect to deliver turnover of £1.9bn, an operating margin of 19.5% and earnings per share of 77p.

We entered the second half of the current year with a record order book, with many of our sites sold five to six months in advance. The strong advance sales have the effect of limiting availability; nevertheless customer traffic and sales remain robust and the sales rate since the beginning of 2017 at 0.73 is in line with last year. Our growth strategy is firmly on track, giving me every confidence this will be another year of significant progress for Redrow.

#### Steve Morgan

Chairman

## RESPONSIBILITY STATEMENT

The Directors confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- (i) an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- (ii) material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

During the period since the approval of the Redrow plc Annual Report for the year ended 30 June 2016, there have been no changes in the directorate.

The Directors of Redrow plc as at the date of this statement are:

Steve Morgan  
John Tutte  
Barbara Richmond  
Debbie Hewitt  
Nicholas Hewson  
Sir Michael Lyons  
Liz Peace

### By order of the Board

#### Graham Cope

Company Secretary  
7 February 2017  
Redrow plc  
Redrow House  
St David's Park  
Flintshire  
CH5 3RX

## INDEPENDENT REVIEW REPORT TO REDROW PLC

### Report on the consolidated half-yearly financial statements

#### Our conclusion

We have reviewed Redrow plc's consolidated half-yearly financial statements (the "half-yearly financial statements") in the half-yearly report of Redrow plc for the 6 month period ended 31 December 2016. Based on our review, nothing has come to our attention that causes us to believe that the half-yearly financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

#### What we have reviewed

The half-yearly financial statements comprise:

- the consolidated balance sheet as at 31 December 2016;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of cash flows for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the half-yearly financial statements.

The half-yearly financial statements included in the half-yearly report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the half-yearly financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### Responsibilities for the half-yearly financial statements and the review

#### Our responsibilities and those of the directors

The half-yearly report, including the half-yearly financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the half-yearly financial statements in the half-yearly report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

#### What a review of interim financial statements involves

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.

We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the half-yearly financial statements.

#### PricewaterhouseCoopers LLP

Chartered Accountants  
Manchester

7 February 2017

#### 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.

## CONSOLIDATED INCOME STATEMENT

(Unaudited) Continuing operations	Note	6 months ended 31 December 2016 £m	6 months ended 31 December 2015 £m	12 months ended 30 June 2016 £m
Revenue		739	603	1,382
Cost of sales		(554)	(457)	(1,048)
<b>Gross profit</b>		<b>185</b>	<b>146</b>	<b>334</b>
Administrative expenses		(41)	(36)	(73)
<b>Operating profit before net financing costs</b>		<b>144</b>	<b>110</b>	<b>261</b>
Financial income		2	2	3
Financial costs		(6)	(8)	(14)
Net financing costs		(4)	(6)	(11)
<b>Profit before tax</b>		<b>140</b>	<b>104</b>	<b>250</b>
Income tax expense	2	(28)	(21)	(50)
<b>Profit for the period</b>		<b>112</b>	<b>83</b>	<b>200</b>
Earnings per share from continuing operations – basic	4	31.0p	22.9p	55.4p
– diluted	4	30.8p	22.8p	55.2p

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited)	Note	6 months ended 31 December 2016 £m	6 months ended 31 December 2015 £m	12 months ended 30 June 2016 £m
Profit for the period		112	83	200
<b>Other comprehensive (expense)/income:</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements of post employment benefit obligations	5	(11)	4	8
Deferred tax on remeasurements taken directly to equity		2	(1)	(2)
<b>Other comprehensive (expense)/income for the period net of tax</b>		<b>(9)</b>	<b>3</b>	<b>6</b>
<b>Total comprehensive income for the period</b>		<b>103</b>	<b>86</b>	<b>206</b>

## CONSOLIDATED BALANCE SHEET

(Unaudited)	Note	As at 31 December 2016 £m	As at 31 December 2015 £m	As at 30 June 2016 £m
<b>Assets</b>				
Intangible assets		2	2	2
Property, plant and equipment	6	16	12	17
Investments		26	20	25
Deferred tax assets		6	4	5
Retirement benefit surplus	5	–	1	6
Trade and other receivables		12	12	12
<b>Total non-current assets</b>		<b>62</b>	<b>51</b>	<b>67</b>
Inventories	7	1,840	1,621	1,808
Trade and other receivables		17	36	36
Cash and cash equivalents	9	53	78	135
<b>Total current assets</b>		<b>1,910</b>	<b>1,735</b>	<b>1,979</b>
<b>Total assets</b>		<b>1,972</b>	<b>1,786</b>	<b>2,046</b>
<b>Equity</b>				
Share capital	11	37	37	37
Share premium account		59	59	59
Other reserves		8	8	8
Retained earnings		995	805	913
<b>Total equity</b>		<b>1,099</b>	<b>909</b>	<b>1,017</b>
<b>Liabilities</b>				
Bank loans	9	105	215	230
Trade and other payables	8	204	105	156
Deferred tax liabilities		1	1	2
Retirement benefit obligations	5	5	–	–
Long-term provisions		8	8	7
<b>Total non-current liabilities</b>		<b>323</b>	<b>329</b>	<b>395</b>
Bank overdrafts and loans	9	4	46	44
Trade and other payables	8	520	483	566
Current income tax liabilities		26	19	24
<b>Total current liabilities</b>		<b>550</b>	<b>548</b>	<b>634</b>
<b>Total liabilities</b>		<b>873</b>	<b>877</b>	<b>1,029</b>
<b>Total equity and liabilities</b>		<b>1,972</b>	<b>1,786</b>	<b>2,046</b>

## 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 2015	37	59	8	745	849
Total comprehensive income for the period	–	–	–	86	86
Dividends paid	–	–	–	(15)	(15)
Movement in LTIP/SAYE	–	–	–	(11)	(11)
<b>At 31 December 2015</b>	<b>37</b>	<b>59</b>	<b>8</b>	<b>805</b>	<b>909</b>
At 1 July 2015	37	59	8	745	849
Total comprehensive income for the period	–	–	–	206	206
Dividends paid	–	–	–	(30)	(30)
Movement in LTIP/SAYE	–	–	–	(8)	(8)
<b>At 30 June 2016</b>	<b>37</b>	<b>59</b>	<b>8</b>	<b>913</b>	<b>1,017</b>
At 1 July 2016	37	59	8	913	1,017
Total comprehensive income for the period	–	–	–	103	103
Dividends paid	–	–	–	(22)	(22)
Movement in LTIP/SAYE	–	–	–	1	1
<b>At 31 December 2016</b>	<b>37</b>	<b>59</b>	<b>8</b>	<b>995</b>	<b>1,099</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)	Note	6 months ended 31 December 2016 £m	6 months ended 31 December 2015 £m	12 months ended 30 June 2016 £m
<b>Cash flow from operating activities</b>				
Operating profit before net financing costs		144	110	261
Depreciation and amortisation		1	1	1
Adjustment for non-cash items		(3)	(1)	(5)
<b>Operating profit before changes in working capital and provisions</b>		<b>142</b>	<b>110</b>	<b>257</b>
Decrease in trade and other receivables		21	6	7
Increase in inventories		(32)	(121)	(308)
Increase in trade and other payables		2	31	174
Increase in provisions		1	1	–
<b>Cash inflow generated from operations</b>		<b>134</b>	<b>27</b>	<b>130</b>
Interest paid		(3)	(3)	(6)
Tax paid		(26)	(21)	(46)
<b>Net cash inflow from operating activities</b>		<b>105</b>	<b>3</b>	<b>78</b>
<b>Cash flows from investing activities</b>				
Acquisition of software, property, plant and equipment	6	–	(1)	(6)
Net payments to joint ventures – continuing operations		–	(5)	(11)
<b>Net cash (outflow) from investing activities</b>		<b>–</b>	<b>(6)</b>	<b>(17)</b>
<b>Cash flows from financing activities</b>				
Issue of bank borrowings		105	215	230
Repayment of bank borrowings		(230)	(150)	(150)
Purchase of own shares		–	(11)	(16)
Dividends paid	3	(22)	(15)	(30)
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(147)</b>	<b>39</b>	<b>34</b>
<b>(Decrease)/increase in net cash and cash equivalents</b>		<b>(42)</b>	<b>36</b>	<b>95</b>
Net cash and cash equivalents at the beginning of the period		91	(4)	(4)
<b>Net cash and cash equivalents at the end of the period</b>	9	<b>49</b>	<b>32</b>	<b>91</b>

The notes on pages 12 to 17 are an integral part of this condensed consolidated half-yearly report.

# NOTES TO THE HALF-YEARLY FINANCIAL STATEMENTS

(UNAUDITED)

## Note 1. Accounting Policies

### Basis of preparation

The condensed consolidated half-yearly financial information for the half-year ended 31 December 2016 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 consolidated financial statements for the year ended 30 June 2016, which have been prepared in accordance with IFRSs as adopted by the European Union.

These half-yearly financial results do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. These condensed half-yearly financial statements have been reviewed, not audited. Audited statutory accounts for the year ended 30 June 2016 were approved by the Board of Directors on 5 September 2016 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.

The principal accounting policies adopted in the preparation of this consolidated half-yearly report are included in the annual consolidated financial statements for the year ended 30 June 2016. These policies have been consistently applied to all the periods presented.

The preparation of condensed half-yearly financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may subsequently differ from these estimates. In preparing these condensed half-yearly financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 30 June 2016.

After making due enquiries and in accordance with the FRC's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009', the Directors have a reasonable expectation that the Group has adequate resources to continue trading for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the condensed consolidated half-yearly financial statements.

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. There is no material difference between any assets or liabilities held at cost and their fair value.

### 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 2016. These new standards are not expected to have a material impact for the Group:

- Amendment to IAS 1 'Presentation of financial statements' on the disclosure initiative (effective 1 January 2016).

#### 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 2016:

- Amendments to IAS7, 'Statement of cash flows' on disclosure initiative (effective 1 January 2017).
- IFRS 15 'Revenue from contracts with customers' (effective 1 January 2017).
- Amendment to IFRS 15 'Revenue from contracts with customers' (effective 1 January 2018).
- IFRS 16 'Leases'. This standard replaces the current guidance in IAS17 and is a far-reaching change in accounting by lessees in particular (effective 1 January 2019).

## Note 2. 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 (19.75% (2016: 20.00%)).

## Note 3. Dividends

A dividend of £22m was paid in the six months to 31 December 2016 (six months to 31 December 2015: £15m).

## Note 4. Earnings per share

The basic earnings per share calculation for the six months ended 31 December 2016 is based on the weighted number of shares in issue during the period of 363m (31 December 2015: 362m) 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 2016

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	112	363	31.0
Effect of share options and SAYE	–	1	(0.2)
Diluted earnings per share	112	364	30.8

### 6 months ended 31 December 2015

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	83	362	22.9
Effect of share options and SAYE	–	1	(0.1)
Diluted earnings per share	83	363	22.8

### 12 months ended 30 June 2016

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	200	361	55.4
Effect of share options and SAYE	–	1	(0.2)
Diluted earnings per share	200	362	55.2



# NOTES TO THE HALF-YEARLY FINANCIAL STATEMENTS

CONTINUED (UNAUDITED)

## Note 5. 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 2016 £m	6 months ended 31 December 2015 £m	12 months ended 30 June 2016 £m
<b>Amounts included within the consolidated income statement</b>			
<b>Period operating costs</b>			
Scheme administration expenses	–	–	–
Net interest on defined benefit liability	–	–	–
	–	–	–
<b>Amounts recognised in the consolidated statement of comprehensive income</b>			
Return on scheme assets excluding interest income	7	(1)	18
Actuarial losses arising from change in financial assumptions	(18)	5	(11)
Actuarial gains arising from change in demographic assumptions	–	–	1
Actuarial gains arising from experience adjustments	–	–	–
	(11)	4	8
<b>Amounts recognised in the consolidated balance sheet</b>			
Present value of the defined benefit obligation	(133)	(100)	(116)
Fair value of the Scheme's assets	128	101	122
<b>(Liability)/surplus in the consolidated balance sheet</b>	<b>(5)</b>	<b>1</b>	<b>6</b>

## Note 6. Property, Plant and Equipment

Additions totalling £nil were made during the period (2016: £1m). There was £nil of capital expenditure contracted at 31 December 2016 (31 December 2015: £nil).

## Note 7. Inventories

	As at 31 December 2016 £m	As at 31 December 2015 £m	As at 30 June 2016 £m
Land for development	1,208	1,069	1,215
Work in progress	582	494	539
Stock of showhomes	50	58	54
	1,840	1,621	1,808

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

	Total £m
Provision at 1 July 2016	19
Utilised during period	(8)
<b>Provision at 31 December 2016</b>	<b>11</b>

## Note 8. Land Creditors (Included in Trade and Other Payables)

	As at 31 December 2016 £m	As at 31 December 2015 £m	As at 30 June 2016 £m
Due within one year	190	183	222
Due in more than one year	204	105	156
	394	288	378

## Note 9. Analysis of Net Debt

	As at 31 December 2016 £m	As at 31 December 2015 £m	As at 30 June 2016 £m
Cash and cash equivalents	53	78	135
Bank overdrafts and loans	(4)	(46)	(44)
Net cash and cash equivalents	49	32	91
Bank loans	(105)	(215)	(230)
	(56)	(183)	(139)

# NOTES TO THE HALF-YEARLY FINANCIAL STATEMENTS

CONTINUED (UNAUDITED)

## Note 10. Bank Facilities

At 31 December 2016, the Group had total unsecured bank borrowing facilities of £368m, representing £365m committed facilities and £3m uncommitted facilities.

The Group's syndicated loan facility matures in March 2020.

## Note 11. Issued Share Capital

	As at 31 December 2016 £m	As at 31 December 2015 £m	As at 30 June 2016 £m
Allotted, called up and fully paid ordinary shares of 10p each	37	37	37
		Number of ordinary shares of 10p each	
<b>At 1 July 2016 and 31 December 2016</b>		<b>369,799,938</b>	

## Note 12. 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.

## Note 13. Related Parties

Key management personnel, as defined under IAS 24 'Related party disclosures', are identified as the Main Board together with Group Senior Management. Summary key management remuneration is as follows:

	6 months ended 31 December 2016 £m	6 months ended 31 December 2015 £m	12 months ended 30 June 2016 £m
Short-term employee benefits	2	2	4
Share-based payment charges	1	–	2
	<b>3</b>	<b>2</b>	<b>6</b>

Related party transactions were carried out with Steve Morgan during the period for a total consideration of £0.3m (2016: £0.2m) primarily relating to donations to the Morgan Foundation.

The Group did not undertake any material transactions with Menta Redrow Limited or Menta Redrow (II) Limited.

The Group's loans to its joint ventures are summarised below:

	As at 31 December 2016 £m	As at 31 December 2015 £m	As at 30 June 2016 £m
Loans to joint ventures	26	21	26

## Note 14. 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 dividend record date	24 March 2017
Interim dividend payment date	5 May 2017
Announcement of results for the year to 30 June 2017	5 September 2017
Circulation of Annual Report	22 September 2017
Final dividend record date	22 September 2017
Annual General Meeting	9 November 2017
Final dividend payment date	14 November 2017

## Note 15. 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





Shareholder helpline: 0370 707 1257







## RISKS AND RISK MANAGEMENT

Redrow has a risk management framework which provides a structured and consistent process for identifying, assessing and responding to risks. Risk management operates at all levels throughout the Group. The Main Board is ultimately responsible for risk management, which includes maintaining and developing an appropriate internal control framework. By reporting regularly to the Main Board and to the Audit Committee, the internal audit and the risk management functions provide support to the Main Board in maintaining effective risk management across the Group. We have reviewed the risks pertinent to our business in the six months to 31 December 2016 and which we believe to be relevant for the remaining six months to 30 June 2017. These have not changed materially from those outlined in our 2016 Annual Report.

CATEGORY	RISK	RISK OWNER	KEY CONTROLS AND MITIGATING STRATEGIES
 <b>GROW OUR BUSINESS RESPONSIBLY</b>	<b>Housing Market conditions</b> The conditions within the UK housing market are fundamental to Redrow's business performance.	Group Chief Executive	Close monitoring of, and proactive management response to, key indicators of the housing market.  Group and Divisional review of weekly sales.  Monitoring of competitor performance and incentives given.  Regular review and improvement of the product range in response to changes in market conditions.
 <b>GROW OUR BUSINESS RESPONSIBLY</b>	<b>Availability of mortgage finance</b> Lending criteria and deposit requirements for mortgages remain key issues in the current environment.	Group Finance Director	Proactively engage with the Government, lenders and insurers to support the new and second hand housing market.  Support Government initiatives such as Help to Buy.  Experienced New Build Mortgage Specialist panel provide regular updates in respect of regulatory changes.
 <b>MANAGE OUR RESOURCES EFFICIENTLY</b>	<b>Liquidity and funding</b> The Group requires appropriate facilities for its short-term liquidity and long-term funding needs.	Group Finance Director	Bank facilities with appropriate covenants and headroom obtained.  Capital structure regularly reviewed.  Regular communication with investors and relationship banks.  Robust forecasting and budgeting process providing a clear view of future cash flows.
 <b>PUT CUSTOMERS FIRST</b>	<b>Customer service</b> The failure of our customer services may undermine Redrow's ability to fulfil its business objectives.	Regional Chief Executive	Customer First initiative.  Customer experience enhanced with My Redrow supporting our customers when purchasing a new home.

CATEGORY	RISK	RISK OWNER	KEY CONTROLS AND MITIGATING STRATEGIES
 <b>MANAGE OUR RESOURCES EFFICIENTLY</b>	<b>Land procurement</b> The ability to purchase land suitable for our products and the timing of future land purchases are fundamental to the Group's future performance.	Group Development Director	Clearly defined strategy and hurdle rates at a Group and Divisional level.  Proactive monitoring of market conditions and focus on forward land.  Strong, experienced and knowledgeable land, planning and technical teams.  Utilisation of external lawyers with appropriate Professional Indemnity Insurance for larger site acquisitions.  Land Bank Management system.
 <b>MANAGE OUR RESOURCES EFFICIENTLY</b>	<b>Planning and regulatory environment</b> The ability to respond and adapt to the changing planning and regulatory environment is key to Redrow's future business performance.	Group Development Director	Close monitoring of planning environment by strong, experienced management team.  Good local knowledge at a Divisional level.  Well prepared, high quality planning submissions addressing local concerns and demonstrating good design.
 <b>CREATE BETTER PLACES TO LIVE</b>	<b>Appropriateness of product</b> The failure to design and build a desirable product for our customers at the appropriate price may undermine Redrow's ability to fulfil its business objectives.	Group Design and Technical Director	Design is an integral part of our business.  Focus on high build quality, with regular site visits being undertaken.  Product design enables flexibility to planning changes.
 <b>VALUE AND DEVELOP OUR PEOPLE</b>	<b>Attracting and retaining staff</b> The loss of key staff and our failure to attract high quality employees may inhibit Redrow's ability to achieve its business objectives.	Group Human Resources Director	National training centre.  Remuneration strategy reviewed regularly and benchmarked to attract and retain talented staff.  Personal Development Programmes.  Graduate training, undergraduate placement and apprentice training programmes.  Proactive succession planning.  Strong communication through InSight e-magazine and two way communication enhanced with Employee Survey.

## RISKS AND RISK MANAGEMENT CONTINUED

CATEGORY	RISK	RISK OWNER	KEY CONTROLS AND MITIGATING STRATEGIES
 <b>VALUE AND DEVELOP OUR PEOPLE</b>	<b>Health and safety/ environment</b> A significant Health and Safety or environmental incident may put people, the environment and Redrow's reputation at risk.	Group Health and Safety Director	Dedicated Health & Safety team operating across the Group to ensure appropriate standards are applied.  Regular site visits and audits are undertaken, by dedicated Health & Safety team.  All staff receive appropriate training through in-house and external programmes.  Divisional Construction, Design and Management Regulations (CDM) Client inspections carried out to comply with our client duties under CDM.  Minimum permit to work procedures and contractor supervision requirements specified and enforced.  Divisional monthly Board packs include Health & Safety monitoring forms and formal out of hours inspection records.
 <b>GROW OUR BUSINESS RESPONSIBLY</b>	<b>Key supplier, main contractor or subcontractor failure</b> The failure or inability to expand capacity of a key supplier, main contractor or subcontractor may disrupt Redrow's ability to manage its production process in an efficient and cost effective manner.	Group Commercial Director	Experienced supply chain partners with good reputation and strong track record.  Proactive monitoring of supplier, main contractor and subcontractor quality through annual assessments.  Group Monthly Product Development meetings to monitor any changes to the regulatory environment.  The shortage of skilled trades is mitigated by the monitoring of the subcontract supply chain to maintain the appropriate number of companies for each trade.  Subcontractor utilisation on sites is monitored to ensure workload and capacity are aligned.
 <b>GROW OUR BUSINESS RESPONSIBLY</b>	<b>Cyber security</b> Failure of the Group's IT systems and the security of our internal systems, data and our websites.	IT Director	Proactive approach to cyber security.  Regular third party testing of the Group's cyber security systems.  Accredited cyber essentials plus.
 <b>MANAGE OUR RESOURCES EFFICIENTLY</b>	<b>Fraud/uninsured losses</b> A significant fraud or uninsured loss could damage the financial performance of Redrow.	Finance Director Operations	Systems, policies and procedures have been designed to segregate duties and minimise the opportunity for fraud.  Regular Business Process Reviews followed by formal action plans are undertaken to ensure compliance with policies and procedures.  Timely management reporting and challenge.  Business driven insurance strategy.







Redrow plc

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