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FOR IMMEDIATE RELEASE

6 April 2022

REDROW plc COMMITMENT TO THE GOVERNMENT'S BUILDING SAFETY PLEDGE

As reported in our Interim Results we believe the housebuilding industry should play its part in resolving the issue of legacy fire safety in high rise buildings and that the financial burden should not be borne by leaseholders.

In January of this year the Rt Hon Michael Gove (Secretary of State for Levelling Up, Housing & Communities and Minister for Intergovernmental Relations) announced his intention to approach developers to fund the remediation of life critical fire safety issues on buildings over 11m with which they had any involvement in the development, going back 30 years. Since then the Home Builders Federation and the Company, along with many others in the industry, have been engaged with Government with regard to this matter. The individual companies within the industry, including ourselves, have now received from Government a proposed voluntary pledge by developers regarding the remediation of life critical fire safety issues on these buildings. Redrow has signed up to this pledge and a copy will be made available on our website, www.redrowplc.co.uk, in due course.

Historically Redrow has not been a major constructor of high rise apartments. The majority of our high rise apartment schemes were built between 2000 and 2010 as a response to the Governments Planning Policy Guidance 3 which encouraged high density living. Due to our limited expertise in the design and building of such schemes, we outsourced the design and construction of the vast majority of these developments to principal contractors. To date Redrow has provided for estimated remediation costs of the small number of such buildings we constructed ourselves.

In signing up to the pledge we will be remediating all the buildings in which we were involved, whether or not we constructed them, going back 30 years. This is a highly complex matter and the exact remediation work required and for the exact number of buildings will take time to determine. Our existing provision for fire safety in high rise buildings is £36m. Based on the latest information we have and the work done by our internal teams we believe an additional provision of £164m is required as a result of the pledge. This will be treated as an exceptional item in the results for the 2022 Financial Year. We will work with leaseholders to remediate their buildings and, where possible, pursue recoveries from main contractors, warranty providers and other third parties. As these recoveries are not certain, they have not been recognised in estimating the provision. These remediation works are expected to take a number of years to complete.

This pledge is in addition to the Residential Property Developer Tax of 4% of pre-tax profit which came in to effect on 1 April 2022.

The person responsible for making this notification is Graham Cope, Group Company Secretary.

For further information contact:



Redrow plc

Matthew Pratt, Group Chief Executive

01244 527411

Barbara Richmond, Group Finance Director

01244 527411

Instinctif Partners

0207 457 2020

Tim McCall, Head of Capital Markets

07753 561862

Bryn Woodward, Associate Partner

07500 027181

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2.2 Inside information