

NATIONAL HOUSEBUILDER BELLWAY p.l.c. TODAY, TUESDAY 14 OCTOBER, ANNOUNCE THEIR PRELIMINARY RESULTS FOR THE YEAR ENDED 31 JULY 2008.

HIGHLIGHTS

- Completed sales of 6,556 homes against record high of 7,638 in 2007
- Average price achieved £169,700 (2007:£173,300)
- Total Group turnover of £1,149.5m (2007:£1,354.0m)
- Profit before taxation £165.7m * (2007:£234.8m)
- Earnings per ordinary share of 104.2p * (2007:146.1p)
- Total dividend for the year 24.1p (2007:43.1p)
- Increase in social housing completions of 49% to 1,337 homes
- Gearing of 23.7%, with only 42.5% of the Group's £512m bank facilities utilised
- Total write down of land stocks of £130.9m, equating to 8.0% of stocks at 31 July 2008
- Secured forward order book at 30 September of £342m, 50% to housing associations
- Redundancy and rationalisation programme resulting in £8m savings
- Divisions reduced from 18 to 13 without compromising coverage and growth potential
- Tight control on costs, every new release to construct only proceeds if production matched by sales
- Priority to reduce borrowings from £218m to further lower gearing

* Before exceptional items

CHAIRMAN HOWARD DAWE SAID "THE CURRENT STATE OF THE HOUSING AND MORTGAGE MARKETS HAS BEEN WELL DOCUMENTED AND THE SPEED OF THE DETERIORATION IS UNPRECEDENTED. NEVERTHELESS, THE GROUP COMPLETED THE SALE OF 6,556 HOMES, A FALL OF 14.2% FROM LAST YEAR'S RECORD LEVEL OF 7,638."

HE CONCLUDED. "THE BOARD HAS A CLEAR STRATEGY, AIMED PRIMARILY AT CONSERVING CASH AND REDUCING THE COST BASE, WHILST MAINTAINING THE ESSENTIAL OPERATIONAL FABRIC AND PROTECTING SHAREHOLDER VALUE SO THAT GROWTH MAY COMMENCE WHEN THE MARKET RETURNS TO MORE NORMAL CONDITIONS."

FOR FURTHER INFORMATION, PLEASE CONTACT JOHN WATSON, CHIEF EXECUTIVE OR ALISTAIR LEITCH, FINANCE DIRECTOR.

TUESDAY 14 OCTOBER – FRIDAY 17 OCTOBER

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CHAIRMAN'S STATEMENT

Bellway today announces its results for the year ended 31 July 2008.

Results

The current state of the housing and mortgage markets has been well documented and the speed of the deterioration is unprecedented. Nevertheless, the Group completed the sale of 6,556 homes, a fall of 14.2% from last year's record level of 7,638. The average price achieved for these sales was £169,729, down 2.1% from £173,300 in 2007, resulting in housing turnover reducing by 15.9% from £1,323.7 million to £1,112.7 million. Other turnover increased from £30.3 million to £36.8 million, resulting in total turnover for the Group of £1,149.5 million, compared to £1,354.0 million in 2007.

Operating margins have come under increasing pressure as the market rapidly contracted and, in response to this, more incentives were used. As a consequence, the operating margin, as mentioned in the Trading Update on 14 August, has fallen from 18.7% in 2007 to 16.1%, before any exceptional charge. This has resulted in operating profit falling from £253.1 million to £185.0 million.

The net interest charge for the period is £19.1 million, up from £17.9 million, mainly reflecting changes in interest rates. Gearing, as at 31 July 2008, was 23.7%, with 42.5% of the Group's £512 million bank facilities having been utilised.

In light of ongoing adverse market conditions, the Group considered it prudent to review its stocks by applying current expectations of revenues, dependent upon location and product. The Group has also written down costs incurred on sites, not yet purchased, where the likelihood is that we will not conclude a purchase under current contractual terms. In addition, our stock of unsold part exchange properties has been written down by 10%. The total exceptional charge created by these actions is £130.9 million equating to 8.0% of stocks at 31 July 2008.

The net profit before tax and after exceptional items was £34.8 million giving earnings per ordinary share of 23.6p, compared to 146.1p in 2007. Net assets per ordinary share at 31 July 2008 were 871p compared to 903p at 31 July 2007.

Dividend

The Board recognises the importance of cash dividends to shareholders and, consequently, despite the current instability in the financial markets and the resultant effects on the general economy, has decided to propose a final dividend of 6p per ordinary share. This results in a total dividend for the year of 24.1p, representing 56% of last year's payment of 43.125p. The Board believes this level of dividend for the year is an appropriate reduction, given current trading conditions. Future dividend payments will be quantified with reference to cash generation. The dividend will be paid on Wednesday 21 January 2009 to all ordinary shareholders on the Register of Members on Friday 12 December 2008. The ex-dividend date is Wednesday 10 December 2008.

People

In these extremely testing times our employees, sub-contractors, suppliers and partners have contributed more than ever to the production of these results and the Board is extremely grateful to all of them, including those who have now, sadly, left the business.

CHAIRMAN'S STATEMENT (continued)

The Board

Leo Finn, our Senior Independent Non-Executive Director, steps down at the forthcoming AGM on 16 January 2009 and will not seek re-election. Leo has given thirteen years of sterling service to the Group and the Board would like to thank him for all his efforts on behalf of Bellway. He is to be replaced on 1 February 2009 by Mike Toms whose current directorships include the role of non-executive director of UK COAL PLC and whose past directorships include the role of executive director of BAA plc. We wish Mike every success in his new role, which will incorporate the chairmanship of the Board Committee on Executive Directors' Remuneration. Peter Johnson will become Senior Independent Director from 16 January 2009.

Outlook

In its long experience, the Board has never witnessed such a swift change in the housing market as has been seen in the last twelve months. The Board has a clear strategy, aimed primarily at conserving cash and reducing the cost base, whilst maintaining the essential operational fabric and protecting shareholder value so that growth may commence when the market returns to more normal conditions.

H C Dawe
Chairman

13 October 2008

CHIEF EXECUTIVE'S OPERATING REVIEW

The Group's policy of forward selling resulted in the company holding a strong forward sales position of £594 million on 1 August 2007. As the events of the last twelve months unfolded, this order book stood us in good stead to weather the initial changes in the market. From Easter onwards, however, customers cancelled at an increasing rate and our divisional sales teams did well to hold on to sales they had achieved, resulting in a year on year fall in total completions of 14.2% to 6,556. This number was underpinned by an increasing proportion of social housing where completions rose by 49% to 1,337 homes. The Group has sold 144 properties to first time buyers through initiatives promoted by English Partnerships and the Housing Corporation. Private sales fell by 22.5% to 5,219 homes, reflecting the swift change in consumer confidence. Completions are divided almost equally between the northern and southern regions.

Regional Performance

Northern Region

During the year, the then nine northern divisions sold 3,348 homes, a decrease from the previous year's 4,168 homes. Of this total, 339 homes, some 10%, were sold to housing associations compared to 431 the previous year. Overall the average selling price in the north is marginally reduced at £157,000. The effect of the slowing economy and the erosion of consumer confidence hit our markets in the north much earlier in the financial year with the Manchester and Yorkshire divisions being particularly hard hit. Conversely, the South Midlands division managed to increase output benefiting from new outlets opening as part of the North Solihull regeneration project. The West Scotland division maintained output of 500 homes without any exposure to social housing and the West Lancashire division, with an average selling price of only £126,000, continued to build on several developments in and around the Liverpool Pathfinder area which led to the completion of 528 homes, of which some 19% were sold to housing associations.

Southern Region

The Southern divisions sold 3,208 homes, a decrease of only 7.5% from the previous year's total of 3,470. This relatively small reduction was achieved by more than doubling sales to housing associations from 469 to 998 homes. Primarily due to this increased exposure to social housing, the overall average selling price for the region fell from £191,000 to £183,000. The Thames Gateway area demonstrated the greatest resilience, with the Thames Gateway North division, established in 2005, virtually doubling volumes to 203 homes. Its much larger neighbour, Thames Gateway South, also benefited from strong demand, especially from developments in the London boroughs of Tower Hamlets and Greenwich, helping to increase output to 759 homes.

Sales Incentives and Cost Control

During the year the average cancellation rate gradually increased, finishing at an annualised rate of 26%, a level not previously experienced. Sales incentives have therefore been employed on a regular basis to support the targeted selling rate. Typically these incentives included cash discounts, part exchange and other incentives determined by our divisions. Mortgage and stamp duty subsidies, for example, were widely advertised and utilised. For the second time buyer, part exchange was a popular sales aid and was used in 10% of transactions. The Group sold 560 part exchange homes during the year and ended it with a stock of 331 part exchange properties valued at £40.6 million, after the exceptional write down. Since the year end, the stock has been reduced to £29 million. Tight controls continue to be operated in relation to the part exchange scheme in these markets. These incentives have been a major reason in the operating margin falling from 18.7% to 16.1%.

CHIEF EXECUTIVE'S OPERATING REVIEW (continued)

In response to the reduction in workloads, we have seen a curtailment in labour rate increases and in sub-contract tender prices, where recent tenders have fallen by up to 6%, particularly in areas such as foundations and road and sewer works. Approximately 30% of production last year used timber frame systems where the price of timber has fallen by up to 10%. National agreements with major suppliers should reduce ongoing costs by a further £5 million per annum. The overall build cost per home, therefore, should continue to fall, helping, in part, to offset sales incentives currently being offered.

Overhead Reduction and Company Structure

With little prospect of an immediate recovery, the primary operational focus of the Group has changed during the course of the year to cost control and cash management. At the beginning of May, the Group commenced a redundancy and rationalisation programme which resulted in job losses amounting to 35% of the workforce. The vast majority of these people have, sadly, already left the organisation. This should result in a net overhead saving of £8 million in the financial year ending 31 July 2009.

The number of divisions has been slimmed down from eighteen to thirteen. This now leaves the Group much leaner as most of the affected divisions have been amalgamated with adjoining 'neighbours'. We feel nationwide coverage has not been compromised and the Group's growth potential remains intact.

Bellway continues to focus on cost control and cash management. Every new release to construct is now assessed centrally on a plot by plot basis and only proceeds if production is matched by sales. The result of these actions should lead to a reduction in the number of active sites, which presently stands at around 210.

Land

The Group has been cautious over the last twelve months, but particularly in 2008 with regard to land acquisition, with very little new investment in land with planning permission. During the year, 5,556 plots were acquired and land held with planning permission reduced to 22,500 plots, compared with 23,500 in the previous year. Land owned, contracted or under option currently awaiting planning permission has decreased to 14,400 plots, a fall of 1,400 as we allowed contracts that we deemed no longer viable to expire. The Group has 36,900 plots as part of its short and medium term holdings. These holdings exclude long term land, representing a combination of greenfield and regeneration opportunities, amounting to around 4,850 plots.

Due to the weaknesses in the market and, in particular, selling prices, the holding cost of stock has been reviewed. Whilst markets currently vary, dependent upon product and geography, selling prices since 31 July 2008 have fallen. This has resulted in a total write down of stocks of £130.9 million, including around £15 million of fees and option costs already incurred on land transactions that are unlikely to proceed and £3 million in relation to part exchange stocks.

Environment

The grant of planning permission is often perceived by local politicians and communities as damaging to the environment, however, with the grant of planning permission, substantial benefits often accrue which are not always apparent to the broader community. During the year, through a variety of legal agreements, the Group's developments will generate an estimated £17 million of benefits with the majority of its contributions going towards education and sporting facilities. Other benefits include car clubs, especially in and around London, which aim to reduce the number of car journeys made by residents from each development.

CHIEF EXECUTIVE'S OPERATING REVIEW (continued)

Running costs of new homes will come down as the industry embraces new technology. During the year 5% of our production incorporated some form of renewable energy technology, utilising features such as solar and photovoltaic panels and biomass heat units. In Halstead in Essex, for example, construction is about to commence using air source heat pumps and a heat recovery system which should reduce the carbon footprint of each home by about 40%. Additionally, almost 20% of homes built were constructed to EcoHomes standards. With the imposition of higher gas and electricity bills, the purchase of a new Bellway home will certainly reap rewards for our purchasers, as well as directly benefiting the environment.

An increasing element of the whole construction process incorporates recycled materials such as plasterboard, timber flooring and lightweight blocks. All timber now comes from accredited managed sources. With the cost of landfill waste increasing on an annual basis we have, during the year, recycled almost 2,900 tonnes of plasterboard and, in addition, 106,000 tonnes of demolition material has been crushed and reused on site.

Health and Safety

The Group is pleased to report that the number of lost time reportable accidents declined during the year from 48 to 46. The number of reportable accidents resulting from falls from height declined from 11 to 8. The Group is currently enforcing best practice on its sites by targeting and supporting a nationwide ladder safety campaign. Site based employees, including those employed by sub-contractors, attend regular health and safety meetings to raise awareness on this most serious of subjects.

During the year, the Manchester division (now part of the North West division) received a silver award from the Royal Society for the Prevention of Accidents (RoSPA) for the second year running in recognition of its high standards in managing and maintaining health and safety awareness. In addition, 93% of employees have now received a Construction Skills Certification Scheme (CSCS) card and site managers are being trained to NVQ Level 3.

Customer Care

At Bellway, we pride ourselves in providing a first-class service, guiding our customers through every step of the purchasing process. The latest independent survey, carried out on a quarterly basis, confirmed that 80% of our customers are prepared to recommend Bellway to a friend - a marginal improvement on last year's 79%. The Group must continue to improve its performance in this area and the recent Office of Fair Trading investigation into the housebuilding industry will result in a new customer code being agreed and implemented in the near future.

Looking Forward

The Group had secured an order book at 30 September 2008 of £342 million with almost 50% of these sales to housing associations. There is clearly, at present, great uncertainty regarding future transaction levels, selling prices and profitability. Therefore, the Group's priorities are to target the sale of stock properties and strictly control work in progress and land expenditure, with a view to reducing borrowings from the year end position of £218 million, thus further lowering gearing. The Group is, and wishes to remain, in a strong position to recommence its organic growth model as and when more normal market conditions return.

J K Watson

Chief Executive

13 October 2008

GROUP INCOME STATEMENT
For the year ended 31 July 2008

	Notes	2008 Pre- exceptional item £000	2008 Exceptional item £000	2008 Total £000	2007 Total £000
Revenue	3	1,149,541	–	1,149,541	1,354,022
Cost of sales	5	(905,745)	(130,905)	(1,036,650)	(1,042,102)
Gross profit		243,796	(130,905)	112,891	311,920
Administrative expenses		(58,761)	–	(58,761)	(58,844)
Operating profit		185,035	(130,905)	54,130	253,076
Finance income		3,631	–	3,631	5,050
Finance expenses		(22,683)	–	(22,683)	(22,961)
Share of losses of associates		(315)	–	(315)	(315)
Profit before taxation		165,668	(130,905)	34,763	234,850
Income tax expense	4	(46,159)	38,399	(7,760)	(68,136)
Profit for the year (all attributable to equity holders of the parent)		119,509	(92,506)	27,003	166,714

Earnings per ordinary share – basic	7	104.2p	(80.6)p	23.6p	146.1p
Earnings per ordinary share – diluted	7	104.1p	(80.6)p	23.5p	144.7p
Dividend per ordinary share	6	24.1p	–	24.1p	43.125p

GROUP STATEMENT OF RECOGNISED INCOME AND EXPENSE
For the year ended 31 July 2008

	2008	2007
	£000	£000
Actuarial (losses) / gains on defined benefit pension scheme	(14,351)	5,268
Tax on items taken directly to equity	4,018	(1,475)
Net (expense) / income recognised directly in equity	(10,333)	3,793
Profit for the year	27,003	166,714
Total recognised income (all attributable to equity holders of the parent)	16,670	170,507

GROUP BALANCE SHEET
At 31 July 2008

	Notes	2008 £000	2007 £000
ASSETS			
Non-current assets			
Property, plant and equipment		11,559	12,671
Investment property		4,092	2,417
Investments in subsidiaries, associates and jointly controlled entities		126	-
Other financial assets		5,607	5,201
Deferred tax assets		7,871	7,826
		<hr/>	<hr/>
		29,255	28,115
Current assets			
Inventories	5	1,503,936	1,537,874
Trade and other receivables		54,496	45,252
Cash and cash equivalents		109,313	25,381
		<hr/>	<hr/>
		1,667,745	1,608,507
		<hr/>	<hr/>
Total assets		1,697,000	1,636,622
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings		295,000	77,000
Retirement benefit obligations		12,709	1,986
Land payables		51,306	47,875
		<hr/>	<hr/>
		359,015	126,861
Current liabilities			
Interest bearing loans and borrowings		52,000	60,554
Trade and other payables		284,901	380,895
Current tax liabilities		-	32,498
		<hr/>	<hr/>
		336,901	473,947
		<hr/>	<hr/>
Total liabilities		695,916	600,808
		<hr/>	<hr/>
Net assets		1,001,084	1,035,814
EQUITY			
Issued capital	9	14,372	14,337
Share premium	9	116,928	115,484
Other reserves	9	1,492	1,492

Retained earnings	9	868,358	904,567
Total equity attributable to equity holders of the parent		1,001,150	1,035,880
Minority interest	9	(66)	(66)
Total equity		1,001,084	1,035,814

GROUP CASH FLOW STATEMENT

For the year ended 31 July 2008

	Notes	2008 £000	2007 £000
Cash flows from operating activities			
Profit for the year		27,003	166,714
Depreciation charge		2,858	3,102
Loss / (profit) on sale of property, plant and equipment		140	(188)
Profit on sale of investment properties		(151)	-
Finance income		(3,631)	(5,050)
Finance expenses		22,683	22,961
Share based payment charge		1,685	2,580
Income tax expense		7,760	68,136
Decrease / (Increase) in inventories		33,938	(103,875)
Decrease / (Increase) in trade and other receivables		13,322	(17,151)
(Decrease) / Increase in trade and other payables		(101,688)	46,584
Cash from operations		3,919	183,813
Interest paid		(17,419)	(19,382)
Income tax paid		(62,874)	(63,867)
Net cash (outflow) / inflow from operating activities		(76,374)	100,564
Cash flows from investing activities			
Acquisition of property, plant and equipment		(2,096)	(3,090)
Acquisition of investment property		(1,858)	(704)
Proceeds from sale of property, plant and equipment		376	1,224
Proceeds from sale of investment properties		334	-
Interest received		4,557	3,988
Net cash inflow from investing activities		1,313	1,418
Cash flows from financing activities			
Increase / (Decrease) in bank borrowings		253,000	(67,000)
Proceeds from the issue of share capital on exercise of share options		1,479	3,666
Purchase of own shares by employee share option plans		(568)	(2,431)
Dividends paid		(51,364)	(41,695)

Net cash inflow / (outflow) from financing activities		202,547	(107,460)
Net increase / (decrease) in cash and cash equivalents		127,486	(5,478)
Cash and cash equivalents at beginning of year		(18,173)	(12,695)
Cash and cash equivalents at end of year	8	109,313	(18,173)

NOTES

1. Basis of preparation

The financial information set out above has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs) as adopted by the EU (Adopted IFRSs).

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 July 2008 or 2007. The financial information for 2007 is derived from the statutory accounts for 2007 which have been delivered to the Registrar of Companies. The auditors have reported on the 2007 accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The statutory accounts for 2008 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the Registrar of Companies in due course.

2. Changes in accounting policies

The Group adopted IFRS 7 'financial instruments' disclosures' on 1 August 2007 and the related amendment to IAS 1 'Presentation of Financial Statements - Capital Disclosures'. The adoption of these standards has had no material effect on the information disclosed in the preliminary announcement for either the current or prior year.

3. Revenue / segmental analysis

The Group uses business as the basis for primary segmentation. Operations are carried out within one business segment which is housebuilding. No additional business segment information is required to be provided. The Group's secondary segment is geography. It operates in one geographical segment, the United Kingdom, therefore no additional geographical segment information is required to be provided.

4. Taxation

The effective rate of tax for the year is 22.3% (2007 - 29.0%). The reduction in the effective rate is due to reduced profit before tax (after an exceptional charge of £130.9 million (2007 - £nil)) and a current tax adjustment in respect of the prior years totalling £4.4m.

The adjustment in respect of prior year's current tax has been applied to the pre-exceptional charge.

5. Exceptional items / inventories

Exceptional items are those which, in the opinion of the Board, are material by size or nature, non-recurring, and of such significance that they require separate disclosure on the face of the income statement.

A full review of inventories has been performed and write downs have been made where cost exceeds net realisable value. Net realisable value represents the estimated selling price (in the ordinary course of business) less all estimated costs of completion and overheads. Estimated selling prices have been reviewed on a site by site basis and selling prices have been reduced, based on local management and the Boards assessment of current market conditions. These site reviews have resulted in write downs totalling £112.5 million.

In addition option costs and related fees have been written down by £15.4 million to their net realisable value.

The Board has also reassessed the net realisable value of currently unsold part exchange properties and has written down stock by 10% totalling £3.0 million.

The above has resulted in an exceptional charge of totalling £130.9 million.

NOTES (continued)

6. Dividends on equity share

	2008 £000	2007 £000
Amounts recognised as distributions to equity holders in the year :		
Final dividend for the year ended 31 July 2007 of 26.675p per share (2006 : 20.2p)	30,541	23,103
Interim dividend for the year ended 31 July 2008 of 18.1p per share (2007 : 16.45p)	20,765	18,813
	<hr/> 51,306	<hr/> 41,916

Proposed final dividend for the year ended 31 July 2008 of 6.0p per share
(2007 – 26.675p)

6,912 30,810

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting on 16 January 2009 and, in accordance with IAS 10, has not been included as a liability in these financial statements.

7. Earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing earnings by the weighted average number of ordinary shares in issue during the year (excluding the weighted average number of ordinary shares held by the employee share ownership plans which are treated as cancelled).

Diluted earnings per ordinary share uses the same earnings figure as the basic calculation except that the weighted average number of shares has been adjusted to reflect the dilutive effect of outstanding share options allocated under employee share schemes where the market value exceeds the option price. It is assumed that all dilutive potential ordinary shares are converted at the beginning of the accounting period. Diluted earnings per ordinary share is calculated by dividing earnings by the diluted weighted average number of ordinary shares.

Reconciliations of the earnings and weighted average number of shares used in the calculations are outlined below:

	Earnings	Weighted average number of ordinary shares	Earnings per share	Earnings	Weighted average number of ordinary shares	Earnings per share
	2008	2008	2008	2007	2007	2007
	£000		p	£000		p
Pre-exceptional item						
For basic earnings per ordinary share	119,509	114,615,661	104.2	166,714	114,108,350	146.1
Dilutive effect of options and awards		245,743	(0.1)		1,140,376	(1.4)
For diluted earnings per ordinary share	119,509	114,861,404	104.1	166,714	115,248,726	144.7
Post-exceptional item						
For basic earnings per ordinary share	27,003	114,615,661	23.6	166,714	114,108,350	146.1
Dilutive effect of options and awards		245,743	(0.1)		1,140,376	(1.4)
For diluted earnings per ordinary share	27,003	114,861,404	23.5	166,714	115,248,726	144.7

NOTES (continued)

8. Analysis of net debt

	At 1 August	Cash	At 31 July
	2007	flows	2008
	£000	£000	£000
Cash and cash equivalents	25,381	83,932	109,313

Bank overdrafts	(43,554)	43,554	-
Net cash and cash equivalents	(18,173)	127,486	109,313
Bank loans	(74,000)	(253,000)	(327,000)
Preference shares redeemable after more than one year	(20,000)	-	(20,000)
Net debt	(112,173)	(125,514)	(237,687)

9. Reconciliation of movements in capital and reserves

	Attributable to equity holders of the parent				Total £000	Minority interest £000	Total equity £000
	Ordinary share capital £000	Share premium £000	Other reserves £000	Retained earnings £000			
At 1 August 2006	14,252	111,903	1,492	775,919	903,566	(66)	903,500
Total recognised income and expense	-	-	-	170,507	170,507	-	170,507
Dividends on equity shares	-	-	-	(41,916)	(41,916)	-	(41,916)
Shares issued	85	3,581	-	-	3,666	-	3,666
Charge in relation to share options and tax thereon	-	-	-	2,488	2,488	-	2,488
Purchase of own shares	-	-	-	(2,431)	(2,431)	-	(2,431)
At 31 July 2007	14,337	115,484	1,492	904,567	1,035,880	(66)	1,035,814
Total recognised income and expense	-	-	-	16,670	16,670	-	16,670
Dividends on equity shares	-	-	-	(51,306)	(51,306)	-	(51,306)
Shares issued	35	1,444	-	-	1,479	-	1,479
Charge in relation to share options and tax thereon	-	-	-	(1,005)	(1,005)	-	(1,005)
Purchase of own shares	-	-	-	(568)	(568)	-	(568)
At 31 July 2008	14,372	116,928	1,492	868,358	1,001,150	(66)	1,001,084

Within retained earnings are amounts relating to ordinary shares held by the employee share ownership plans. The number of shares held within these plans at 31 July 2008 was 197,858 (2007: 337,089) which are held within the financial statements at a value of £1,872,000 (2007: £3,239,000).

