

PRESS RELEASE

2 DECEMBER 2011

The Berkeley Group Holdings plc

Interim Results 2011/12

HIGHLIGHTS OF THE PERIOD

Six months ended 31 October	2011 £'million	2010 £'million	Change £'million	%
Revenue	404.9	336.2	+68.7	+20.4%
Operating profit before exceptional item	76.4	58.6	+17.8	+30.4%
Exceptional profit on disposal of subsidiary	30.7	-	+30.7	
Operating profit	107.1	58.6	+48.5	+82.8%
Net finance (costs) / income	(4.4)	1.8	-6.2	
Share of joint ventures result	(1.6)	1.2	-2.8	
Profit before tax	101.1	61.6	+39.5	+64.1%
Taxation	(27.1)	(17.4)	-9.7	
Profit after tax	74.0	44.2	+29.8	+67.4%
EPS Basic	56.7p	33.5p	+23.2p	+69.3%
EPS Diluted	53.7p	32.8p	+20.9p	+63.7%
ROE	20.8%	14.4%	+6.4%	

PERFORMANCE

- Profit before tax up 64.1% to £101.1 million (2010: £61.6 million)
- Operating profit before exceptional profit up 30.4% to £76.4 million (2010: £58.6 million)
- Pre-exceptional operating margin up 1.5% to 18.9% (2010: 17.4%)
- Pre-tax return on shareholders' equity of 20.8% (2010: 14.4%)
- Continued investment in land and build, including acquisition of a further 1,271 residential plots
- £30.7 million exceptional profit from disposal of 51% interest in a student scheme at Clapham Junction in September 2011
- Earnings per share increased by 69.3% to 56.7 pence (2010: 33.5 pence)

BALANCE SHEET

- Net cash of £13.9 million (April 2011: £42.0 million)
- Cash due on forward sales increased by £124 million (15.2%) to £937 million since the year end
- Net Asset Value per share up 8.7% to 770.8 pence (April 2011: 709.2 pence)
- 26,404 plots in land bank (April 2011: 27,026)
- Future anticipated gross margin in the land bank up 6.9% to £2.46 billion (April 2011: £2.3 billion)

CHAIRMAN'S STATEMENT

Overview

I am delighted to report a strong performance in the first half of the year, in which basic earnings per share have increased by approximately 70% when compared with the same period a year ago. Looking forward, the further increase in forward sales and the strong balance sheet, which remains ungeared, means Berkeley is increasingly well positioned to capitalise on the current market conditions.

In terms of the housing industry more generally, the recent announcements which are aimed at stimulating the delivery of new homes are welcome. On the supply side, the draft National Planning Policy Framework addresses many of the obstacles within the current planning system and, if implemented, will put in place the conditions to allow developers to bring forward new planning applications with the necessary safeguards to ensure this takes place in harmony with the natural environment.

On the demand side, the innovative new build mortgage indemnity scheme backed by Government and developers is expected to enable many people who currently aspire to own their own property to take the first steps on the housing ladder. These are people who are currently prevented from buying a home by the high upfront deposit required by today's mortgage market, as opposed to the ongoing affordability. Building new homes is proven to contribute to economic growth by creating jobs and supporting consumer confidence and these are important and welcome initiatives in support of our industry and the wider economy. For each new home Berkeley builds, an average of 3½ new jobs are created.

The Localism Agenda and the Government's Plan for Growth represent the most significant changes to the housing industry for a generation. When implemented effectively, I believe Localism will achieve housing and economic growth at the same time as ensuring powerful local engagement, decision making and benefits for local communities. The challenge for Government policy at both national and local level is to reduce the burden of unnecessary red tape, regulation and bureaucracy which acts as a barrier to more housing by slowing delivery, in some cases by more than a year, following a resolution to grant planning. Without addressing this issue, I fear planning on a large scale will become the sole preserve of the strongest and most financially secure developers which will be detrimental to the desire to increase supply and competition to stimulate economic growth.

Our People and Board changes

Producing such strong results in the current environment requires passion, dedication and hard work which cannot be taken for granted. On behalf of the Board I would like to express our appreciation to all our people for their contribution to this performance.

I am delighted to announce that on 3 January 2012, Veronica Wadley and Glyn Barker will join the Board as independent non-executive directors. Veronica is Chair of the Arts Council in London and was previously editor of The Evening Standard. Glyn will join the Board following a 35 year career with PwC, most recently as its UK Vice Chairman. These appointments will further broaden the composition of the Board following the changes announced at the AGM. Additionally, following nine years of continuous service, Victoria Mitchell, currently Deputy Chairman and the Senior Independent Director, has announced her intention to step down from the Board from the date of the next AGM in September 2012 and from each of the committees in which she is involved from the date of this announcement.

Accordingly, and with immediate effect, I am delighted to announce that John Armit will become Senior Independent Director before taking over as Deputy Chairman at the next AGM. John is currently Chairman of the Olympic Delivery Authority, having previously been Chief Executive of Network Rail plc and Costain plc. I would like to take this opportunity to thank Victoria for her significant contribution to the Group both in her current role and previously as Chairman and welcome Veronica and Glyn to the Board.

A W Pidgley

Chairman

MANAGING DIRECTOR'S REVIEW

Performance

The growth in operating profit, before exceptional items, of 30.4% to £76.4 million reflects a strong performance in the first half of the year which, when taken together with the further growth in forward sales, land acquisitions and new site launches, provides management with confidence that Berkeley remains well placed to deliver its target to double its earnings, when compared to the financial year ended 30 April 2010, by 30 April 2013. This operating performance has been achieved by an increase in volume of new homes, an improvement in gross margin by 1.0% to 28.8%, largely the result of changes in mix, and the control of operating costs, resulting in an increase in the pre-exceptional operating margin of 1.5% to 18.9%.

Earnings in the first half further benefited from the sale of Berkeley's 51% shareholding in a post-graduate accommodation scheme for Imperial College at Clapham Junction in September, resulting in an exceptional profit of £30.7 million. As a result, basic earnings per share increased 69.3% to 56.7 pence in the period, compared to 33.5 pence in the equivalent period last year. In respect of the full year, the Board considers that while pre-exceptional operating performance remains in line with its previous guidance, this transaction means that earnings per share for the full year are likely to exceed current market expectations.

Berkeley's strategy places an emphasis on achieving two operational measures. The first is achieving sustainable pre-tax returns on shareholder equity. In the first half, Berkeley achieved a Return on Shareholder Equity ("ROE") of 20.8%. Secondly, Berkeley set out a strategy to invest in land with the aim of increasing the value of the future gross margin in its land holdings by 50% from £2 billion to £3 billion by 30 April 2015. As a consequence of acquiring land, predominantly in London, Berkeley has achieved a further 6.9% growth in the potential value of the land bank, which currently stands at £2.46 billion and is in line with the original target. The combination of these two measures is designed to provide a balance between earnings in the near term and creating a long term and sustainable business which the Board considers is the best way to create shareholder value.

Long term strategic plan

The 10 year plan, supported by shareholders in September, provides a framework under which Berkeley aims to return £13 per share over the next 10 years, to be paid as a series of dividends, while managing the risk of operating in a cyclical market. Although early in the duration of the plan, the performance in the first half is encouraging and most importantly has given the Board the confidence to launch a number of new developments into construction which are expected to contribute to achieving the first dividend milestone of £4.34 per share no later than 30 September 2015.

The guidance provided at the AGM and reiterated above, indicates that Berkeley aims to maintain the ROE performance for the full year at the current level and achieve an ROE of at least 18.5% for 2012/13. If ROE can be sustained at a level of at least 18.5% consistently beyond 2012/13, Berkeley would be able to meet the £13 per share return through earnings as opposed to any reduction in the overall size in the balance sheet. To achieve this level of performance and to capitalise on current market conditions, Berkeley intends to continue to invest in land and work in progress, and to consider opportunistic share buybacks, to the extent these investments create additional long term value for an acceptable level of risk. A logical consequence of a sustained level of investment is that bringing forward the first dividend payment date becomes less likely, although the Board will continue to monitor this regularly.

Residential Housing Market

In Central London, demand for prime residential property in good locations remained strong over the period as a whole and this has seen Berkeley increase its level of forward sales by 15.2% from £813.5 million to £937.2 million and the number of sites on sale by a similar percentage since the year-end. New schemes launched to the market in the period include One Tower Bridge, Putney, Croydon and Kew Bridge. Locations in the best areas of London continue to be in demand from both international and UK domestic buyers who are attracted by the stability of the London market, the relative value in sterling against other currencies and the desire to hold property in one of the world's great cities.

Outside London, the market dynamic is different as typical demand is characterised by traditional owner occupiers who tend to purchase later in the development cycle when product is completed and is available for immediate occupation. The levels of visitors to sites, which is a measure of the confidence in the UK market more generally, has remained broadly consistent with the levels achieved in the same period last year, but remain some 40% lower than the site traffic experienced at the peak of the market in 2007. Despite this, the conversion rate of visitors to customers has been healthy, reflecting the quality of the

Berkeley product and the attention to detail and quality of presentation of our schemes. Sales rates have been resilient enabling us to match supply with demand on each scheme individually. This has been reflected in cancellation rates which, at approximately 10%, are at the lower end of historical ranges. To enable the sale of product later in the development cycle, Berkeley expects to hold a number of properties in stock which are available for immediate occupation.

The range of new initiatives announced last week by the Government to stimulate the housing market supplement the previously announced FirstBuy scheme in which developers and the government equally provide equity finance for up to 20% of the properties value. Berkeley has participated in FirstBuy across 11 developments where its properties qualify but, due to the profile of Berkeley developments, this is unlikely to represent a material proportion of Berkeley's sales.

Land Holdings

In the first half, Berkeley acquired 1,271 plots on eight sites. In London, the sites acquired include a commercial property in EC1 which has a planning consent for some 700 homes; a scheme for 46 homes on Albert Embankment and One Blackfriars which has an established consent for a 52 storey development. The other five sites are residential housing schemes which have been acquired in good locations outside Greater London and across the South East. In most cases, these sites were acquired with a planning consent or have been acquired conditional upon a planning consent being obtained.

At 31 October 2011, the Group (including joint ventures) controlled some 26,404 plots with an estimated gross margin of £2,462 million. This compares with 27,026 plots at 30 April 2011 and an estimated gross margin of £2,304 million.

After taking account of the plots acquired in the first half, offset by the completion of 1,606 homes (including 100 by St Edward) and 452 student rooms at Clapham Junction, the number of plots remaining in the land bank has reduced by 622 plots to 26,404. However, the potential development value of the land acquired in the period, in which the average plot cost was some £140,000, means that the overall gross margin in the land bank has increased by 6.9% to £2,462 million due to a shift in mix and a corresponding increase in average selling price looking forward.

Berkeley continues to hold approximately 10,000 plots in its longer term pipeline. This includes both strategic land held under option which requires promoting through the planning system as well as long term regeneration land in which vacant possession and viability, as opposed to planning, are often the greatest constraint to delivery. Berkeley aims to bring the majority of these plots into the land bank over the next 10 years using its expertise to unlock value.

Planning

Berkeley obtained a resolution to grant planning consent on 14 schemes in the first half totalling in excess of 2,000 plots. Notably, these included consents for 744 new homes at Fulham Reach and 249 new homes at Carnwath Road, Fulham. In both cases, planning has been granted under the framework provided by the London Plan which governs planning policy in the Capital.

Outside London, where there is no common framework, planning remains more difficult due to a lack of certainty. In the six month period, while Berkeley obtained five planning consents outside London it also had four applications rejected on sites acquired conditional upon receiving planning. The costs associated with obtaining planning can be significant and therefore sites can only be brought forward by developers where there is a clear policy under which the planning risk can be assessed at the outset.

Berkeley therefore welcomes the Government's commitment to reforming the planning system, making it more efficient and providing greater clarity. This is necessary if we want to stimulate economic growth and housing supply. The draft National Planning Policy Framework has been a positive attempt to create a short and focused document which sets the context for local decision-making, despite the contention that surrounds it.

Berkeley too is determined to contribute to this important debate as it will have a profound impact on the ability for developers to create successful and sustainable places in which people want to live. To help deliver growth and localism, Berkeley has partaken in a coalition of councils, community groups, businesses and housing associations on a project designed to stimulate debate about operating in this new framework. Berkeley has also contributed to a new book which provides a practitioners guide for developers and local authorities on the new policy framework and hosted conferences all designed to develop the mutual

understanding of all parties so that a clear framework on localism can emerge that has the support of all stakeholders.

On a separate initiative Berkeley has also published fresh research into the issue of parking provision in London. In the absence of a strong evidence base, disagreement on this topic can often threaten site viability and housing supply. Our research suggests there is in fact a very limited relationship between car ownership and car use. The findings are also timely with the Government removing maximum parking standards from planning policy, and can now assist the Mayor of London in his desire to adopt a more balanced approach to parking policy.

Delivery

Since the beginning of the financial year, Berkeley has launched a number of new developments, including three large scale urban regeneration schemes in London (Riverlight in Battersea, One Tower Bridge and Kew Bridge). These new schemes, which are in addition to a number of new phases on existing developments, combine to represent a significant additional commitment to build inventory in the first half of the year, more than matched by the growth in forward sales of 15.2%. The speed with which these sites are developed will be driven by the strength of market demand and ongoing visibility provided by forward sales rather than constraints of planning or capacity of Berkeley to build new homes in the short term. In this regard, Berkeley is well positioned to capitalise on continued resilience in the housing market.

Trading analysis

Berkeley's approach to mixed use development embraces many different planning classes and land uses which includes commercial as well as residential property which, itself, includes private homes, affordable housing and student accommodation. Revenue from all these activities was £404.9 million (2010: £336.2 million), comprising £392.4 million (2010: £333.1 million) of residential revenue and £10.4 million (2010: £3.1 million) of commercial revenue, as well as £2.1 million (2010: nil) from land sales.

The residential revenue arose from the sale of 1,506 homes in the period at an average selling price of £254,000 and this compares to 1,249 homes sold in the same period last year at an average selling price of £262,000. The slight reduction in average selling price reflects the mix of homes delivered in the first half rather than any underlying sales price reduction and this is expected to reverse in the second half of the year.

Commercial property is an important element of Berkeley's overall product mix and contributes by adding vibrancy to create sustainable developments and great places to live. In the first half of the year, some 26,200 sq.ft of commercial property has been sold across a number of the Group's mixed use developments. Consistent with historical levels, this includes a storage facility, a community centre and a pub, as well as a variety of retail and office space.

In a number of locations covered by Berkeley the demand for purpose built, professionally managed student accommodation exceeds supply and Berkeley is currently developing four student schemes for delivery over the next two years, all of which have planning. These include schemes for Oxford Brookes University, the University of Kent, Imperial College and the University of the Arts in London.

In 2009 Berkeley commenced development of a post graduate student scheme at Clapham Junction to be let to students from Imperial College London in a company owned 51% by Berkeley and 49% by Imperial College. Part of the funding of the development was provided by a committed 10 year bank facility of £65 million from Santander Bank, of which £17.5 million was drawn at 30 April 2011. On completion of the first phase of the development comprising 452 rooms, the shareholders agreed to sell the company on 30 September 2011. Berkeley's share of the sale proceeds was £75.7 million and this has resulted in an exceptional profit of £30.7 million in the first half of the year. The second phase of 114 rooms is expected to be delivered in September 2012.

Private Rental Fund

Berkeley continues to develop the 896 properties identified for its private rental fund, established last year with support from the Homes & Communities Agency, all of which will be available for rent on normal commercial terms. At 31 October 2011, 364 properties had been completed and rented and the balance are expected to be completed by the middle of 2012. These investment properties are held at a historic cost of £51.8 million (April 2010: 215 properties at cost of £28.6 million) and included in non-current assets. As widely reported in the media, the demand for high quality, professionally managed rental property in

good locations has been strong and the typical rents achieved have generally exceeded our initial expectations by some 10% with corresponding low levels of voids.

Capital Structure and Financing

Total equity attributable to shareholders increased by £80.6 million to £1,010.0 million (April 2011: £929.4 million). Net Assets per share increased by 8.7% to 770.8 pence per share over the period (April 2011: 709.2 pence).

Berkeley remains ungeared although net cash resources have reduced by £28.1 million from £42.0 million to £13.9 million in the six month period. This reflects the ongoing investment in land and work in progress in the period above the level of earnings generated in the period. Additionally, land creditors have increased from £66.4 million to £146.9 million in the period, principally as a result of the acquisition of land at Blackfriars which completes in December 2011. Accordingly, the Group anticipates becoming modestly geared over the next quarter in line with the investment activity.

Berkeley has put in place banking facilities of £450 million; £250 million is not due for renewal until April 2016, with the remaining £200 million due for renewal in November 2013. In addition, Berkeley has invested some £38 million in St Edward Homes which itself has further banking facilities of £60 million if required to finance delivery of its schemes. The strength of Berkeley's balance sheet and the confidence this provides to local authorities and contractors that Berkeley is well placed to deliver its commitments is a key to competitive advantage in these uncertain markets. It also provides the Directors with a reasonable expectation that the Company has adequate resources to continue its operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing the interim financial statements.

St Edward Homes

St Edward Homes is Berkeley's joint venture with Prudential and includes some 1,448 plots, following the sale in the period of 100 affordable homes at Stanmore Place in the period. St Edward also owns 375 Kensington High Street, which is in production and was successfully launched to the market last year and 190 Strand. In addition, Berkeley continues to work with Prudential to identify further sites to which St Edward Homes can add value and there are now four of these in the long-term pipeline.

Principal risks and uncertainties

The principal business risks and uncertainties facing Berkeley are largely the same as those set out on pages 38 to 41 of the Annual Report for the year ended 30 April 2011 and comprise: the macro-economic climate, health and safety, people, Government policy, product quality, land availability, planning, sales price and volume, build cost and program, mortgages and sustainability. In preparing this interim report, full account has been taken of this risk profile and the future outlook for the Group's developments.

Citizenship

Berkeley accepts there is a moral dimension to business as well as a commercial one, and a reciprocal relationship between individual companies and the society of which we are a part. Our long-term success depends on the prosperity of the places where we operate.

Early in 2011, Berkeley launched a new Foundation to spearhead our CSR programme. This aims to support disadvantaged young people and their communities across London and the South-East of England. We have now initiated two major, multi-year partnerships. The first is with the Lords Taverners, developing a sports-based training for work programme called Street Elite. The second is with Shelter, supporting a complete range of housing advice services for young people.

In addition to the work of the Foundation, Berkeley aspires to embed good corporate citizenship into its business model. The UK construction sector requires a workforce which has the skills necessary to deliver complex and world class residential buildings. One way in which Berkeley contributes directly to deliver the requisite skills and to provide meaningful employment is the creation of some 100 apprenticeships across our developments. Furthermore, Berkeley is committed to the creation of more apprenticeships and is actively working with its supply chain to set targets for this and to actively promote the employment of people under the age of 25. In the long term, and assuming the support across the wider construction industry, this is expected to contribute to creating a highly skilled workforce.

Sustainability

Berkeley's sustainability plan is enshrined in Vision 2020 and contains some 40 commitments and ambitions which define Berkeley's operating strategy. The board firmly believes running a sustainable business is good practice to create long term returns for our shareholders and other stakeholders.

Berkeley believes that sustainable development offers a large number of benefits to the wider community. Historically this has ranged from the carbon agenda to creating great places to live which embrace a balanced yet diverse mix of use. More recently, Berkeley has led the agenda to consider other aspects in which responsible development can enhance our towns and cities. This has included leading debate on the social dimensions of sustainability and the positive economic contribution that new housing can create for the UK economy. The constrained public sector budgets suggest that social and economic concerns will remain just as pressing as environmental ones.

We are therefore planning to put social sustainability at the heart of all our housing and mixed used developments, alongside our other performance targets. This will involve creating a coherent way of measuring and delivering the social infrastructure that makes a place sustainable. Trials are about to begin on three developments and we will integrate fresh targets and thinking into the next version of our Vision2020 strategy which takes effect in May 2012.

Meantime, we are delighted to have been ranked first, for the sixth year running, in the Next Generation benchmark, which ranks the Top 25 UK home builders on sustainability and been awarded 1st place in the FTSE250 category for PwC's building public trust awards in the area of sustainability.

Outlook

While well designed homes built to a high quality in desirable locations in London and the South East remain in demand, Berkeley is aware of the potential implications of the macro uncertainty that continues to provide the backdrop to the economy and the threat of short-term volatility. In these conditions, Berkeley will aim to invest its capital efficiently where it can create the best long term value for shareholders and assess the level of risk accurately.

Despite the current challenging economic environment, Berkeley's performance in the first half, combined with its strong balance sheet, forward sales, well-bought land bank and brand reputation, places the Group in a strong position to deliver its near term operational targets and to return £13 per share set out in the long term strategic plan.

R C Perrins
Managing Director

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The Berkeley Group Holdings plc

Statement of Directors' Responsibilities

This statement, which should be read in conjunction with the independent review of the auditors set out at the end of this condensed set of interim financial statements (the "interim financial statements"), is made to enable shareholders to distinguish the respective responsibilities of the Directors and the auditors in relation to the interim financial statements which the Directors confirm have been presented on a going concern basis. The Directors consider that the Group has used appropriate accounting policies, consistently applied and supported by reasonable and appropriate judgements and estimates.

A copy of the interim financial statements of the Group is placed on the website of The Berkeley Group Holdings plc: www.berkeleygroup.co.uk. The Directors are responsible for the maintenance and integrity of the information on the website. Information published on the internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Directors confirm that this condensed set of interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by the Disclosure and Transparency Rules 4.2.7 and 4.2.8 of the United Kingdom's Financial Services Authority.

At the date of this announcement, the Directors of The Berkeley Group Holdings plc are:

A W Pidgley
R C Perrins
N G Simpkin
K Whiteman
S Ellis
G Fry
V M Mitchell
D Howell
A C Coppin
J Armit
A Nimmo

A list of current Directors is maintained on the Berkeley Group Holdings plc's website.

On behalf of the Board

R C Perrins
Managing Director

N G Simpkin
Finance Director

1 December 2011

The Berkeley Group Holdings plc

Consolidated Income Statement

	Notes	Six months ended 31 October 2011 Unaudited £'000	Six months ended 31 October 2010 Unaudited £'000	Year ended 30 April 2011 Audited £'000
Revenue		404,920	336,151	742,612
Cost of sales		(288,411)	(242,829)	(533,542)
Gross profit		116,509	93,322	209,070
Net operating expenses		(40,068)	(34,692)	(73,420)
Operating profit before exceptional item		76,441	58,630	135,650
Exceptional profit on disposal of subsidiary	5	30,695	-	-
Operating profit		107,136	58,630	135,650
Finance income	6	1,517	5,484	10,056
Finance costs	6	(5,975)	(3,690)	(11,520)
Share of post tax results of joint ventures using the equity method		(1,618)	1,155	2,059
Profit before taxation for the period	4	101,060	61,579	136,245
Income tax expense	7	(27,113)	(17,336)	(41,789)
Profit after taxation for the period		73,947	44,243	94,456
Profit attributable to:				
Shareholders		74,313	44,490	95,109
Non-controlling interest		(366)	(247)	(653)
		73,947	44,243	94,456
Earnings per share attributable to shareholders:				
Basic	8	56.7p	33.5p	72.1p
Diluted	8	53.7p	32.8p	70.3p

Consolidated Statement of Comprehensive Income

		Six months ended 31 October 2011 Unaudited £'000	Six months ended 31 October 2010 Unaudited £'000	Year ended 30 April 2011 Audited £'000
Profit after taxation for the period		73,947	44,243	94,456
Other comprehensive (expense)/income:				
Actuarial loss recognised in the pension scheme		(324)	(322)	(653)
Deferred tax on actuarial loss recognised in the pension scheme		81	90	170
Other comprehensive expense for the period		(243)	(232)	(483)
Total comprehensive income for the period		73,704	44,011	93,973
Attributable to:				
Shareholders		74,070	44,258	94,626
Non-controlling interest		(366)	(247)	(653)
		73,704	44,011	93,973

The Berkeley Group Holdings plc

Consolidated Statement of Financial Position

	Notes	At 31 October 2011 Unaudited £'000	At 31 October 2010 Unaudited £'000	At 30 April 2011 Audited £'000
Assets				
Non-current assets				
Intangible assets		17,159	17,159	17,159
Property, plant and equipment		11,014	9,676	10,620
Investment properties		51,830	-	28,558
Investments accounted for using the equity method		37,785	37,387	38,675
Deferred tax assets		22,358	14,570	18,881
		140,146	78,792	113,893
Current assets				
Inventories		1,787,417	1,570,252	1,613,192
Trade and other receivables		72,743	68,349	96,725
Cash and cash equivalents	9	22,236	283,869	266,307
		1,882,396	1,922,470	1,976,224
Total assets	4	2,022,542	2,001,262	2,090,117
Liabilities				
Non-current liabilities				
Borrowings	9	-	(28,092)	(24,233)
Trade and other payables		(31,858)	(69,268)	(51,009)
		(31,858)	(97,360)	(75,242)
Current liabilities				
Borrowings	9	(8,313)	(3,029)	(200,029)
Trade and other payables		(871,389)	(931,630)	(787,204)
Current tax liabilities		(100,963)	(90,959)	(93,864)
		(980,665)	(1,025,618)	(1,081,097)
Total liabilities		(1,012,523)	(1,122,978)	(1,156,339)
Total net assets		1,010,019	878,284	933,778
Equity				
Shareholders' equity				
Share capital		6,743	6,743	6,743
Share premium		49,315	49,315	49,315
Capital redemption reserve		24,516	24,516	24,516
Other reserve		(961,299)	(961,299)	(961,299)
Revaluation reserve		3,390	3,008	3,435
Retained profit		1,887,354	1,752,528	1,806,704
		1,010,019	874,811	929,414
Non-controlling interest		-	3,473	4,364
Total equity		1,010,019	878,284	933,778

The Berkeley Group Holdings plc

Consolidated Statement of Changes in Equity

	Attributable to shareholders						Total £'000	Non- controlling interest £'000	Total equity £'000
	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Revaluation reserve £'000	Retained profit £'000			
Unaudited									
At 1 May 2011	6,743	49,315	24,516	(961,299)	3,435	1,806,704	929,414	4,364	933,778
Profit after taxation for the period	–	–	–	–	–	74,313	74,313	(366)	73,947
Other comprehensive expense for the period	–	–	–	–	–	(243)	(243)	–	(243)
Funding from non-controlling interest in subsidiary undertaking	–	–	–	–	–	–	–	65	65
Disposal of investment in subsidiary	–	–	–	–	–	–	–	(4,063)	(4,063)
Reserves transfer from revaluation reserve	–	–	–	–	(45)	45	–	–	–
Transactions with shareholders:									
Credit in respect of employee share schemes	–	–	–	–	–	3,507	3,507	–	3,507
Deferred tax in respect of employee share schemes	–	–	–	–	–	3,028	3,028	–	3,028
At 31 October 2011	6,743	49,315	24,516	(961,299)	3,390	1,887,354	1,010,019	–	1,010,019
Unaudited									
At 1 May 2010	6,743	49,315	24,516	(961,299)	3,489	1,735,832	858,596	3,720	862,316
Profit after taxation for the period	–	–	–	–	–	44,490	44,490	(247)	44,243
Other comprehensive expense for the period	–	–	–	–	–	(232)	(232)	–	(232)
Reserves transfer from revaluation reserve	–	–	–	–	(481)	481	–	–	–
Transactions with shareholders:									
Purchase of own shares	–	–	–	–	–	(30,002)	(30,002)	–	(30,002)
Credit in respect of employee share schemes	–	–	–	–	–	1,705	1,705	–	1,705
Deferred tax in respect of employee share schemes	–	–	–	–	–	254	254	–	254
At 31 October 2010	6,743	49,315	24,516	(961,299)	3,008	1,752,528	874,811	3,473	878,284
Audited									
At 1 May 2010	6,743	49,315	24,516	(961,299)	3,489	1,735,832	858,596	3,720	862,316
Profit after taxation for the year	–	–	–	–	–	95,109	95,109	(653)	94,456
Other comprehensive expense for the year	–	–	–	–	–	(483)	(483)	–	(483)
Funding from non-controlling interest in subsidiary undertaking	–	–	–	–	–	–	–	1,297	1,297
Reserves transfer from revaluation reserve	–	–	–	–	(54)	54	–	–	–
Transactions with shareholders:									
Purchase of own shares	–	–	–	–	–	(30,002)	(30,002)	–	(30,002)
Credit in respect of employee share schemes	–	–	–	–	–	4,146	4,146	–	4,146
Deferred tax in respect of employee share schemes	–	–	–	–	–	2,048	2,048	–	2,048
At 30 April 2011	6,743	49,315	24,516	(961,299)	3,435	1,806,704	929,414	4,364	933,778

The Berkeley Group Holdings plc

Consolidated Cash Flow Statement

	Notes	Six months ended 31 October 2011 Unaudited £'000	Six months ended 31 October 2010 Unaudited £'000	Year ended 30 April 2011 Audited £'000
Cash flows from operating activities				
Cash generated from operations	9	(81,594)	(19,617)	(204,266)
Interest received		4,864	6,347	9,416
Interest paid		(3,518)	(1,582)	(5,490)
Income tax paid		(21,554)	(8,629)	(32,631)
Net cash flow from operating activities		(101,802)	(23,481)	(232,971)
Cash flows from investing activities				
Purchase of property, plant and equipment		(1,045)	(549)	(2008)
Sale of property, plant and equipment		94	126	267
Funding of non-controlling interest in subsidiary undertaking		65	–	1,297
Disposal of subsidiary undertaking	5	75,668	–	–
Cash balance of subsidiary disposed		(208)	–	–
Purchase of shares in joint ventures		(409)	–	440
Movements in loans with joint ventures		–	(10,214)	(11,038)
Net cash flow from investing activities		74,165	(10,637)	(11,042)
Cash flows from financing activities				
Purchase of own shares		–	(30,002)	(30,002)
Expenses relating to disposal of subsidiary		(485)	–	–
Repayment of loan stock		(20)	(19)	(19)
Repayment of borrowings		(215,929)	(1,111)	–
Proceeds from borrowings		–	–	191,222
Net cash flow from financing activities		(216,434)	(31,132)	161,201
Net decrease in cash and cash equivalents		(244,071)	(65,250)	(82,812)
Cash and cash equivalents at the start of the financial year		266,307	349,119	349,119
Cash and cash equivalents at the end of the financial period	9	22,236	283,869	266,307

The Berkeley Group Holdings plc

Notes to the Condensed Consolidated Financial Information

1 General information

The Berkeley Group Holdings plc (“the Company”) is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG. The Company and its subsidiaries (together “the Group”) are engaged in residential led, mixed-use property development.

This condensed consolidated half-yearly financial information was approved for issue on 2 December 2011. It does not comprise statutory accounts within the meaning of section 434(3) and 435(3) of the Companies Act 2006.

Statutory accounts for the year ended 30 April 2011 were approved by the Board of Directors on 22 July 2011 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 2006.

2 Basis of preparation

This condensed consolidated half-yearly financial information for the six months ended 31 October 2011 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 “Interim financial reporting” as adopted by the European Union.

This half-yearly condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 30 April 2011, which have been prepared in accordance with EU endorsed International Financial Reporting Standards (“IFRSs”), International Financial Reporting Interpretations Committee (“IFRIC”) interpretations and in accordance with the listing rules of the Financial Services Authority.

3 Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 April 2011, as described in those annual financial statements, except that taxes on income in the interim financial statements are accrued using the tax rate that would be applicable to expected total annual profits.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 May 2011, but have had no impact on the consolidated financial statements and have not required any additional disclosures:

- IFRS 1 (Amendment), “First-time adoption”;
- IFRS 3 (Amendment), “Business combinations”;
- IFRS 7 (Amendment), “Financial instruments - disclosures”;
- IAS 1 (Amendment), “Presentation of financial statements”;
- IAS 24 (Revised), “Related party disclosures”;
- IAS 27 (Amendment), “Consolidated and separate financial statements”;
- IAS 34 (Amendment), “Interim financial reporting”;
- IFRIC 13 (Amendment) “Customer loyalty programmes”;
- IFRIC14 (Amendment), “Prepayments of minimum funding requirement”; and
- IFRIC19 (Amendment), “Extinguishing financial liabilities with equity instruments” .

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 May 2011 and have not been adopted early:

- IFRS 1 (Amendment), “First-time adoption” (effective 1 July 2011);
- IFRS 7 (Amendment), “Financial instruments - disclosures” (effective 1 July 2011);
- IFRS 9 “Financial instruments – clarification & measurement” (effective 1 July 2013);
- IFRS 10 “Consolidated financial statements” (effective 1 July 2013);
- IFRS 11 “Joint arrangements” (effective 1 July 2013);
- IFRS 12 “Disclosure of interests in other entities” (effective 1 July 2013);

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Notes to the Condensed Consolidated Financial Information

- IFRS 13 “Fair value measurement” (effective 1 July 2013);
- IAS 1 (Amendment), “Presentation of financial statements” (effective 1 July 2012);
- IAS 12 (Amendment), “Income taxes” (effective 1 July 2012);
- IAS 19 (Amendment), “Employee benefits” (effective 1 January 2013);
- IAS 27 (Amendment), “Consolidated and separate financial statements” (effective 1 January 2013); and
- IAS 28 (Amendment), “Investments in associates” (effective 1 January 2013).

These standards are not expected to have a significant impact on the consolidated financial statements.

4 Operating segments

The Group is engaged in residential-led, mixed-use property development, comprising residential revenue, revenue from land sales and commercial revenue.

For the purposes of determining its operating segments, the chief operating decision-maker has been identified as the Executive Committee of the Board. This committee approves investment decisions, allocates the Group's resources and reviews the internal reporting in order to assess performance.

The Group has determined that its operating segments are the management teams that report into the Executive Committee of the Board. These management teams are all engaged in residential-led, mixed-use development in the United Kingdom and, having regard to the aggregation criteria in IFRS 8, the Group has one reportable operating segment.

In addition to its development activities, the Group holds certain residential properties for investment purposes. These investment activities represent a separate segment which is included within other activities, as it does not meet the size thresholds to be disclosed as separate reportable segments.

	Six months ended 31 October 2011 Unaudited £'000	Six months ended 31 October 2010 Unaudited £'000	Year ended 30 April 2011 Audited £'000
Segment results			
Residential-led mixed-use development	101,112	61,579	136,512
Other activities	(52)	–	(267)
Profit before tax	101,060	61,579	136,245

Segment profit before tax represents the profit before tax allocated to each segment. This is the measure reported to the Executive Committee of the Board for the purpose of resource allocation and assessment of segment performance. Segmental profit before tax on other activities is stated after charging external and intercompany interest and depreciation.

	Six months ended 31 October 2011 Unaudited £'000	Six months ended 31 October 2010 Unaudited £'000	Year ended 30 April 2011 Audited £'000
Segment assets			
Residential-led mixed-use development	1,970,712	2,001,262	2,061,559
Other activities	51,830	–	28,558
Total assets	2,022,542	2,001,262	2,090,117

For the purpose of monitoring segment performance and allocating resources between segments all assets are considered to be attributable to residential-led mixed-use development with the exception of investment properties which are held for the Group's investing activities and have therefore been allocated to other activities.

The Berkeley Group Holdings plc

Notes to the Condensed Consolidated Financial Information

5 Profit on disposal of subsidiary

On 30 September 2011, Berkeley disposed of its 51% shareholding in Winstanley 1 Limited, a company which was established in 2009 to develop a post graduate student scheme at Clapham Junction to be let to students from Imperial College London, who owned the remaining 49% of the company.

	Six months ended 31 October 2011 Unaudited £'000
Non-current assets	1,172
Current assets	47,052
Current liabilities	(4)
Non controlling interest	(4,063)
Net assets disposed	44,157
Expenses related to disposal	816
Profit on disposal	30,695
Consideration	75,668

6 Net finance income

	Six months ended 31 October 2011 Unaudited £'000	Six months ended 31 October 2010 Unaudited £'000	Year ended 30 April 2011 Audited £'000
Finance income	1,517	5,484	10,056
Finance costs			
Interest payable on bank loans and non-utilisation fees	(2,548)	(1,305)	(4,130)
Amortisation of facility fees	(1,160)	(416)	(2,084)
Other finance costs	(2,267)	(1,969)	(5,306)
	(5,975)	(3,690)	(11,520)
Net finance (costs)/income	(4,458)	1,794	(1,464)

Finance income predominantly represents interest earned on cash deposits.

Other finance costs represent imputed interest on taxation and on land purchased on deferred settlement terms.

7 Income tax expense

	Six months ended 31 October 2011 Unaudited £'000	Six months ended 31 October 2010 Unaudited £'000	Year ended 30 April 2011 Audited £'000
Current tax			
UK corporation tax payable	(30,085)	(16,737)	(44,767)
Adjustments in respect of previous periods	1,432	151	1,285
	(28,653)	(16,586)	(43,482)
Deferred tax	2,065	(750)	2,724
Deferred tax adjustment in respect of change in tax rate	(525)	–	(1,031)
	(27,113)	(17,336)	(41,789)

The Berkeley Group Holdings plc

Notes to the Condensed Consolidated Financial Information

8 Earnings per share

Basic earnings per share is calculated as the profit for the financial year attributable to shareholders of the Group divided by the weighted average number of shares in issue during the year.

	Six months ended 31 October 2011 Unaudited £'000	Six months ended 31 October 2010 Unaudited £'000	Year ended 30 April 2011 Audited £'000
Profit attributable to shareholders (£'000's)	74,313	44,490	95,109
Weighted average no. of shares (000's)	131,042	132,868	131,962
Basic earnings per share (p)	56.7	33.5	72.1

For diluted earnings per share, the weighted average number of shares in issue is adjusted to assume the conversion of all potentially dilutive ordinary shares. At 31 October 2011, the Company had four categories of potentially dilutive ordinary shares: 5.3 million £3.00 share options under the 2009 LTIP Part A; 6.8 million £8.40 share options under the 2009 LTIP Part B; 19.6 million £nil share options under the 2011 LTIP; and 0.2 million notional shares under the 2010/11 Bonus Plan.

A calculation is done to determine the number of shares that could have been acquired at fair value based on the aggregate of the exercise price of each share option and the fair value of future services to be supplied to the Company, which is the unamortised share-based payments charge. The difference between the number of shares that could have been acquired at fair value and the total number of options is used in the diluted earnings per share calculation.

	Six months ended 31 October 2011 Unaudited	Six months ended 31 October 2010 Unaudited	Year ended 30 April 2011 Audited
Profit used to determine diluted EPS (£'000's)	74,313	44,490	95,109
Weighted average no. of shares (000's)	131,042	132,868	131,962
Adjustments for:			
Share options - 2009 LTIP Part A	3,824	2,977	3,209
Share options - 2009 LTIP Part B	1,096	–	–
Share options - 2011 LTIP	2,301	–	–
Bonus plan shares	140	–	46
Shares used to determine diluted EPS (000's)	138,403	135,845	135,217
Diluted earnings per share (p)	53.7	32.8	70.3

The Berkeley Group Holdings plc

Notes to the Condensed Consolidated Financial Information

9 Notes to the Consolidated Cash Flow Statement

	Six months ended 31 October 2011 Unaudited £'000	Six months ended 31 October 2010 Unaudited £'000	Year ended 30 April 2011 Audited £'000
Net cash flows from operating activities			
Profit after taxation for the period	73,947	44,243	94,456
Adjustments for:			
Taxation	27,113	17,336	41,789
Depreciation	833	452	985
Profit on sale of property, plant and equipment	–	(18)	(50)
Profit on sale of subsidiary undertaking	(30,695)	–	–
Finance income	(1,517)	(5,484)	(10,056)
Finance costs	5,975	3,690	11,520
Share of results of joint ventures after tax	1,618	(1,155)	(2,059)
Non-cash charge in respect of share awards	3,507	1,705	4,146
Changes in working capital:			
Increase in inventories	(244,936)	(316,125)	(387,745)
Decrease/(increase) in receivables	20,611	(11,514)	(38,418)
Increase in payables	62,250	247,553	81,766
Decrease in employee benefit obligations	(300)	(300)	(600)
Cash generated from operations	(81,594)	(19,617)	(204,266)
Reconciliation of net cash flow to net cash			
Net decrease in cash and cash equivalents	(244,071)	(65,250)	(82,812)
Net cash outflow from repayment of loan stock	20	19	19
Net cash outflow from repayment of borrowings	215,929	1,111	–
Net cash inflow from increase in borrowings	–	–	(192,030)
Movement in net cash in the financial period	(28,122)	(64,120)	(274,823)
Opening net cash	42,045	316,868	316,868
Closing net cash	13,923	252,748	42,045
Net cash			
Cash and cash equivalents	22,236	283,869	266,307
Non-current borrowings	–	(28,092)	(24,233)
Current borrowings	(8,313)	(3,029)	(200,029)
Net cash	13,923	252,748	42,045

10 Related party transactions

During the financial period, Mr A W Pidgley and Mr S Ellis paid £27,518 and £99,157 to Berkeley Homes Public Limited Company for works carried out at their homes under the Group's own build scheme (2010: £415,230 and £nil respectively). This is a scheme whereby eligible employees may enter into an arrangement, at commercial rates, with the Group for the construction or renovation of their own home. There were no balances outstanding at 31 October 2011.

Introduction

We have been engaged by the company to review the Condensed Consolidated Financial Information in the half-yearly financial report for the six months ended 31 October 2011, which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and related notes. 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 Consolidated Financial Information.

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 Services Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The Condensed Consolidated Financial Information 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 Consolidated Financial Information 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 Services 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 Consolidated Financial Information in the half-yearly financial report for the six months ended 31 October 2011 is not prepared, in all material respects, 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 Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
1 December 2011
London