



ROGER LEWIS

CHAIRMAN





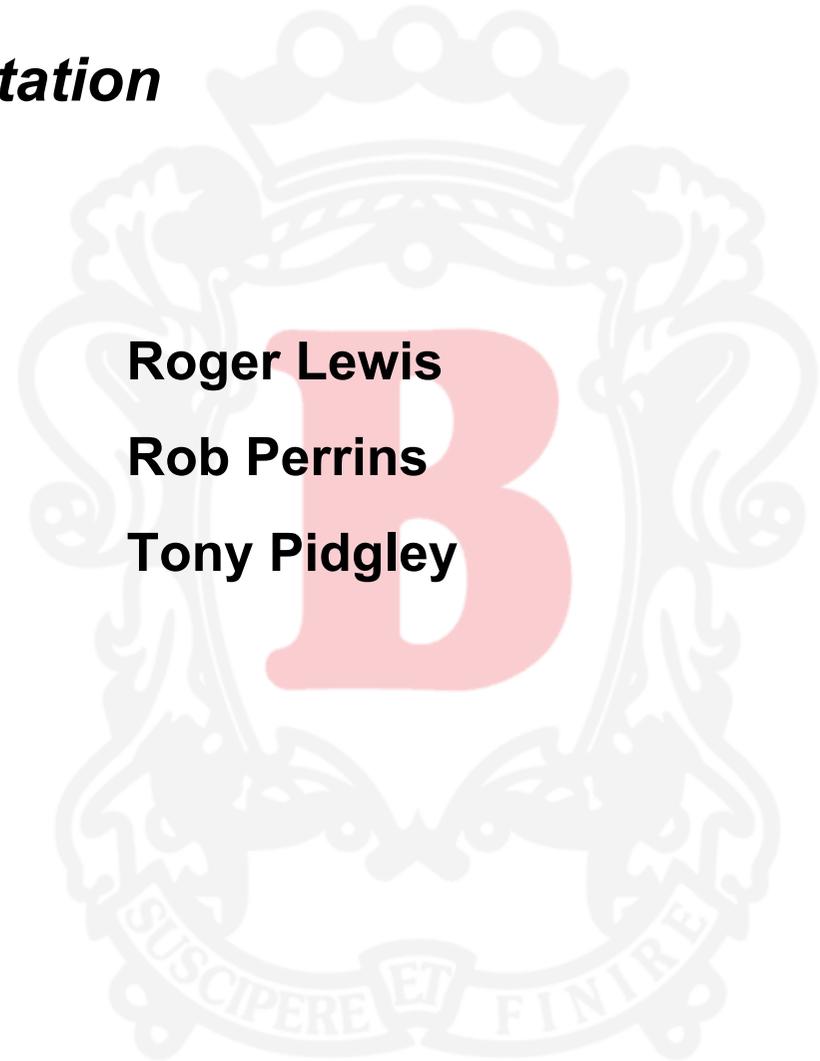
Format of Presentation

- **Introduction**
- **Review of Results**
- **Managing Director's Review**
- **Questions**

Roger Lewis

Rob Perrins

Tony Pidgley





Financial Highlights Year to 30 April 2004

	<u>2004</u>	<u>2003</u>	<u>Increase</u>
Pre tax profits	£230.2m	£221.2m	4.1%
Earnings per share	130.7p	116.0p	12.7%
Net assets	£1,145.0m	£1,056.2m	8.4%
Net asset value per share	946p	829p	14.1%
Dividend	£26.6m	£24.9m	6.8%
Dividends per share	22.3p	19.2p	16.1%



ROB PERRINS

FINANCE DIRECTOR





Review of Results

- **Profit & loss account**
- **Cash flow**
- **Balance sheet**
- **Sales analysis**
- **Land holdings**





Abridged Group Profit and Loss Account

	<u>12 Months to</u> <u>Apr 2004</u>		<u>12 Months to</u> <u>Apr 2003</u>		<u>Change</u>	
	<u>£m</u>		<u>£m</u>		<u>£m</u>	<u>%</u>
Turnover (excluding JVs)	<u>1,272.4</u>		<u>1,150.8</u>		<u>121.6</u>	+10.6
Operating profit	213.3	16.8%	215.7	18.7%	(2.4)	-1.1
Joint ventures	21.9		16.5		5.4	+32.7
Net interest						
- Group	(1.5)		(8.0)		6.5	+81.1
- JVs	<u>(3.5)</u>		<u>(3.0)</u>		<u>(0.5)</u>	-16.7
Profit before tax	<u>230.2</u>	18.1%	<u>221.2</u>	19.2%	<u>9.0</u>	+4.1
EPS	<u>130.7p</u>		<u>116.0p</u>			+12.7



Shares in Issue

	<u>2003/04</u>	<u>2002/03</u>
Shares at 1 May	128,214,472	134,963,049
Shares purchased	(1,250,000)	(-)
Shares issued	<u>560,762</u>	<u>9,859</u>
Shares at 31 October	127,525,234	134,972,908
Shares purchased	(5,743,318)	(6,786,559)
Shares issued	<u>280,393</u>	<u>28,123</u>
Shares at 30 April	<u>122,062,309</u> *	<u>128,214,472</u> *
Weighted average HY	<u>126,489,348</u>	<u>134,179,832</u>
Weighted average FY	<u>124,261,151</u>	<u>133,404,586</u>

•Includes 1,077,317 shares purchased and owned by EBT at 30 April 2004 (2003: 789,401).
 Since the year end, the Company purchased a further 2,094,261 shares for cancellation.



Profit Distribution and ROCE

- **Tax rate of 29.5% down from 30.1%**
- **Dividends per share up 16.1% to 22.3p**
- **Dividend covered 6.1 times (2003: 6.2 times)**
- **Return on Capital Employed was 21.4% for the year (2003: 19.3%)**



Analysis by Activity

Turnover

Operating Profit

	<u>12 Months to</u> <u>Apr 2004</u> <u>£m</u>	<u>12 Months to</u> <u>Apr 2003</u> <u>£m</u>	<u>12 Months to</u> <u>Apr 2004</u> <u>£m</u>		<u>12 Months to</u> <u>Apr 2003</u> <u>£m</u>	
Residential						
- Group	1,130.1	1,130.1	199.1	17.6%	212.0	18.8%
- JV's	121.0	91.5	19.8	16.4%	14.2	15.5%
	<u>1,251.1</u>	<u>1,221.6</u>	<u>218.9</u>		<u>226.2</u>	
	89.6%	97.7%	93.1%		97.4%	
Commercial						
- Group	142.3	20.8	14.2	10.0%	3.7	17.8%
- JV's	2.7	7.8	2.1	77.8%	2.3	29.5%
	<u>145.0</u>	<u>28.6</u>	<u>16.3</u>		<u>6.0</u>	
	<u>1,396.1</u>	<u>1,250.2</u>	<u>235.2</u>		<u>232.2</u>	
	100%	100%	100%		100%	



Profit Reconciliation

	<u>£m</u>	<u>£m</u>
2003 Full Year Profit before tax		<u>221.2</u>
Group		
Residential: - housebuilding	(11.7)	
- land	(1.2)	
Commercial	<u>10.5</u>	
		(2.4)
Joint ventures		
Residential: - housebuilding	17.5	
- land	(12.0)	
Commercial	<u>(0.2)</u>	
		5.3
Interest		<u>6.1</u>
2004 Full Year Profit before tax		<u>230.2</u>



Trading Account Profile - Percentages of Turnover

	<u>12 Months to</u> <u>Apr 2004</u> <u>%</u>	<u>12 Months to</u> <u>Apr 2003</u> <u>%</u>
Turnover	100.0	100.0
Land	(18.3)	(21.5)
Build	(52.8)	(46.1)
Sales & marketing	<u>(4.8)</u>	<u>(5.0)</u>
Gross margin	24.1	27.4
Operating expenses	<u>(7.3)</u>	<u>(8.6)</u>
Operating profit	16.8	18.8
Joint ventures	1.7	1.4
Interest	<u>(0.4)</u>	<u>(1.0)</u>
Profit before tax	18.1	19.2



Abridged Group Cash Flow

	<u>12 Months to</u> <u>Apr 2004</u>	<u>12 Months to</u> <u>Apr 2003</u>
	<u>£m</u>	<u>£m</u>
Operating profit	213.3	215.7
Non cash items	2.2	3.9
	<u>215.5</u>	<u>219.6</u>
Tax and dividends	(78.1)	(68.7)
Net interest	(1.7)	(7.2)
	<u>135.7</u>	<u>143.7</u>
Movement in working capital	220.4	(15.2)
Capex and financial investment	(27.8)	13.7
Acquisitions and disposals	6.8	-
	<u>335.1</u>	<u>142.2</u>
Share buy-back	(52.4)	(42.0)
Other financing	5.5	0.2
Decrease in net debt	<u>288.2</u>	<u>100.4</u>



Cash Due on Forward Sales

	<u>At 30 Apr</u> <u>2004</u> <u>£m</u>	<u>At 30 Apr</u> <u>2003</u> <u>£m</u>
Debtors taken to sales and due on completion	156.4	229.0
Due on units not yet taken to sales		
- Exchanged contracts	604.0	600.8
- Reserved units	184.9	91.1
Total cash due	<u>945.3</u>	<u>920.9</u>



Abridged Group Balance Sheet

	<u>At 30 April</u> <u>2004</u> <u>£m</u>	<u>At 30 April</u> <u>2003</u> <u>£m</u>	
Fixed assets and investments	84.6	77.4	
Stocks	1,066.3	1,151.1	
Debtors	172.2	247.5	
Investments	-	62.0	
Creditors < 1 year	(313.7)	(316.5)	
Creditors > 1 year	<u>(9.6)</u>	<u>(22.3)</u>	
Capital employed	999.8	1,199.2	
Net cash/(debt)	<u>145.2</u>	<u>(143.0)</u>	
Net assets	<u>1,145.0</u>	<u>1,056.2</u>	+8.4%
Net asset value per share	946p	829p	+14.1%
Gearing	0.0%	13.5%	



Stocks

	<u>At 30 April</u> <u>2004</u> <u>£m</u>	<u>At 30 April</u> <u>2003</u> <u>£m</u>
Land not under development	182.7	135.2
Work in progress: Land cost	403.9	488.5
Build cost	398.3	444.8
Completed units	75.0	71.5
Part exchanges	6.4	11.1
	<u>1,066.3</u>	<u>1,151.1</u>



Geographical Analysis of Residential Units Sold

	<u>12 Months to April 2004</u>		<u>12 Months to Apr 2003</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
London	1,870	49	1,321	37
South East	959	25	1,160	33
North West and Yorkshire	648	17	328	9
Midlands, West England and Wales	328	9	735	21
	<u>3,805</u>	<u>100</u>	<u>3,544</u>	<u>100</u>
Joint ventures	<u>1,034</u>		<u>637</u>	



Geographical Analysis of Residential Turnover

	<u>12 Months to</u> <u>Apr 2004</u>			<u>12 Months to</u> <u>Apr 2003</u>		
	<u>£m</u>	<u>%</u>	<u>ASP</u> <u>£'k</u>	<u>£m</u>	<u>%</u>	<u>ASP</u> <u>£'k</u>
London	632.0	56	321	521.6	46	381
South East	279.8	25	281	373.9	33	323
N.W. and Yorkshire	134.4	12	202	87.0	8	259
Midlands, W. England and Wales	84.0	7	235	147.6	13	200
	<u>1,130.2</u>	<u>100</u>	<u>283</u>	<u>1,130.1</u>	<u>100</u>	<u>315</u>
Joint ventures	<u>121.0</u>		<u>225</u>	<u>91.5</u>		<u>211</u>



Land Bank

	<u>At 30 Apr</u> <u>2004</u>	<u>At 30 Apr</u> <u>2003</u>
Owned	21,449	19,459
Contracted	4,315	3,358
Agreed	890	3,033
	<hr/>	<hr/>
Plots	26,654	25,850
Sales value	£6,789m	£7,044m
Average selling price	£255k	£272k
Average plot cost	£34k	£40k
Land cost %	13.5%	14.5%
Gross margin	£1,926m	£2,005m
GM%	28.4%	28.5%

Includes joint venture land holdings



Group Land Holdings by Division

	<u>At 30 Apr</u> <u>2004</u> <u>No.</u>	<u>At 30 Apr</u> <u>2003</u> <u>No.</u>
Berkeley Homes (Capital)	6,106	6,361
Berkeley Homes (Home Counties)	4,962	4,216
St George	6,800	6,638
Crosby Homes	5,124	4,815
Berkeley First	692	700
St John	554	-
St James Group	2,416	3,120
	<u>26,654</u>	<u>25,850</u>



15 Largest London Sites Released to Market

	<u>Total</u>	<u>Complete</u>	<u>Exchanged</u>	<u>Resv'd</u>	<u>Available</u>	<u>Not Released</u>
Imperial Wharf	1,685	422	72	15	35	1,141
Woolwich Arsenal	1,233	375	136	18	30	674
St George Wharf	920	457	109	4	6	344
Chelsea Bridge Wharf	772	347	100	5	17	303
Deptford	756	506	78	1	20	151
Grosvenor Dock, SW1	690	-	159	8	21	502
Battersea Reach	660	-	110	6	9	535
Long Lane	554	-	135	-	1	418
Kew Riverside	536	299	156	3	15	63
Worcester Park	480	19	102	7	40	312
Hornsey	469	-	166	-	-	303
Royal Quarter	448	75	185	48	7	133
Allied Domecq	263	259	2	-	2	-
Feltham	244	157	86	1	-	-
Paddington Central	219	209	9	-	-	1
	<u>9,929</u>	<u>3,125</u>	<u>1,605</u>	<u>116</u>	<u>203</u>	<u>4,880</u>



15 Largest Non-London Sites Released to Market

	<u>Total</u>	<u>Complete</u>	<u>Exchanged</u>	<u>Resv'd</u>	<u>Available</u>	<u>Not Released</u>
Redbank, Manchester	1,263	-	225	58	156	824
Clarence Dock, Leeds	882	176	169	63	4	470
Gunwharf Resid'l, Portsmouth	874	307	40	-	13	414
Unipart, Oxford	535	313	101	12	8	101
Knowle Village, Hampshire	530	262	44	4	10	210
Southside, Birmingham	461	-	123	13	29	296
Royal Clarence Yard, Gosport	366	90	8	39	12	217
Leybourne Lakes, Larkfield	325	173	25	13	13	101
Navigation Street, Birmingham	317	-	165	10	57	85
Go Ahead, Oxford	229	60	6	-	1	162
Gosforth, Newcastle	184	1	110	25	22	26
Hacienda, Manchester	161	105	19	2	34	1
Quay Street, Manchester	154	88	1	51	14	-
Redland Hill, Bristol	112	-	30	27	55	-
Rowes Garage	110	25	24	3	21	37
	<u>6,503</u>	<u>1,600</u>	<u>1,090</u>	<u>320</u>	<u>449</u>	<u>2,944</u>



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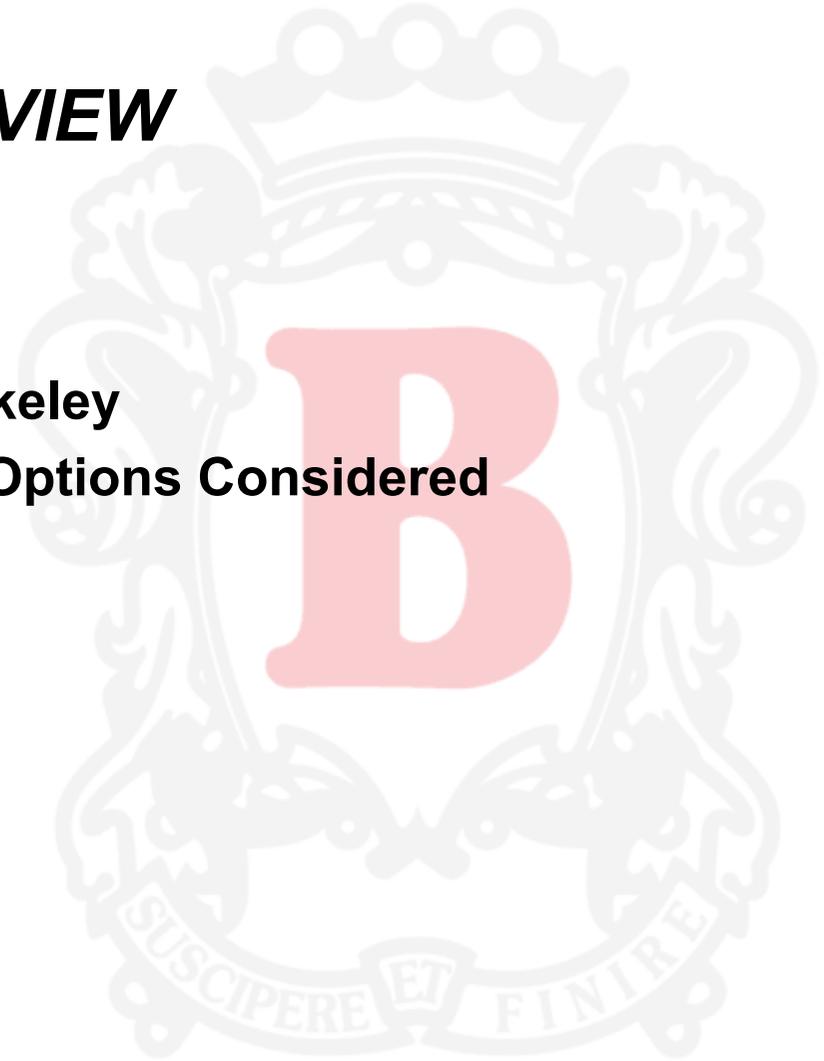
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STRATEGIC REVIEW

- **External Background**
- **Current Status of Berkeley**
- **Alternative Strategic Options Considered**
- **The Selected Option**





EXTERNAL BACKGROUND

- **The state of the economy**
- **Return to a more normal housing market**
- **Highly competitive land market**
- **Uncertain planning regime**
- **Build cost pressures**





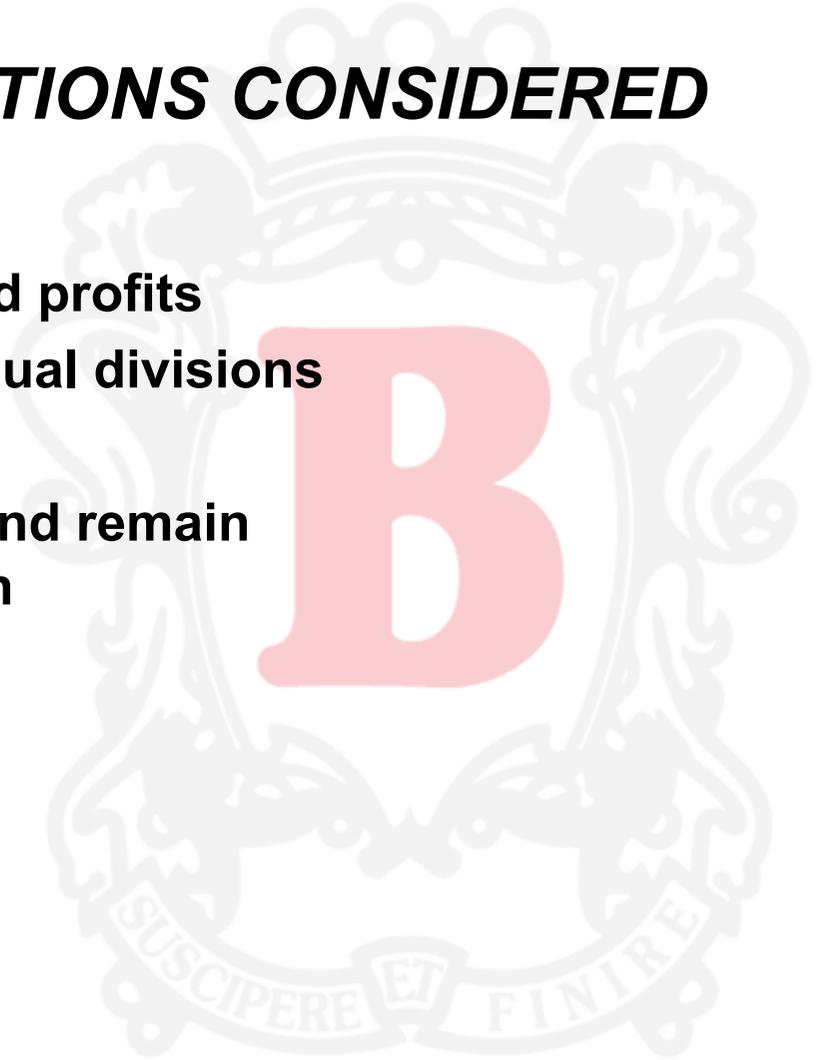
CURRENT STATUS OF BERKELEY

- **Completed transition into specialised Urban Regenerator**
- **Business now simplified. Further scope remains**
- **Cash in hand: £145 million**
- **Profitable cash generation, supported by strong forward sales**
- **Strong very well purchased land bank**
- **First rate management teams with right expertise**
- **Protect asset value**



ALTERNATIVE STRATEGIC OPTIONS CONSIDERED

- **Continue to grow business and profits**
- **Dispose of business or individual divisions**
- **Demerger**
- **Return cash to shareholders and remain focused on urban regeneration**





THE SELECTED OPTION

- **Not to pursue volume**
- **Establish a smaller differentiated core business**
- **Operate safely within management competence**
- **To develop a smaller number of carefully selected sites**
- **To become a simple business but with the expertise to undertake the most complicated schemes**
- **To return very significant cash sums to shareholders**



TONY PIDGLEY

MANAGING DIRECTOR





Managing Director's Review (1)

The Last Year:

- **Sales**
- **Land Holdings**
- **Management Structure**
- **Crosby**
- **Gunwharf**
- **Joint ventures**
- **Cash generation**





Managing Director's Review (2)

The Future:

- **Even more focus**
- **Consolidating the scale of Berkeley**
- **Concentration on small number of large projects**
- **Maximising the return to shareholders**
- **Sustainable**





Questions

Roger Lewis

Tony Pidgley

Rob Perrins

Chairman

Managing Director

Finance Director

