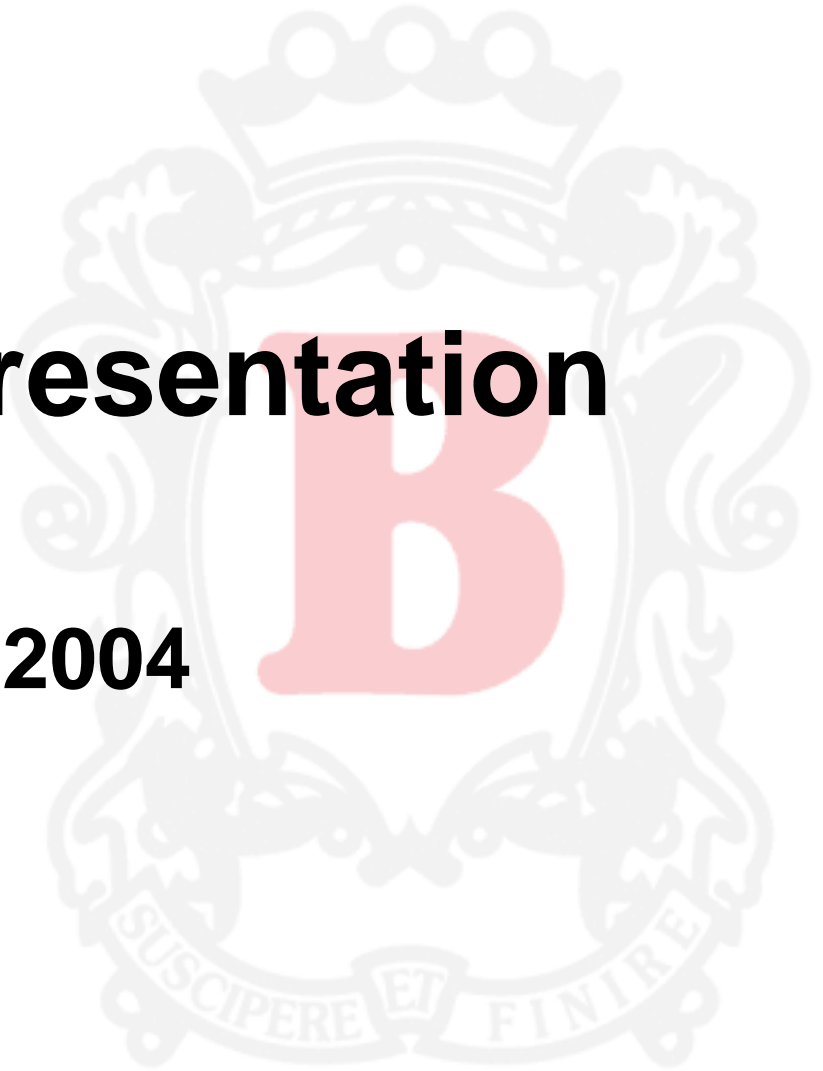




# Interim Results Presentation

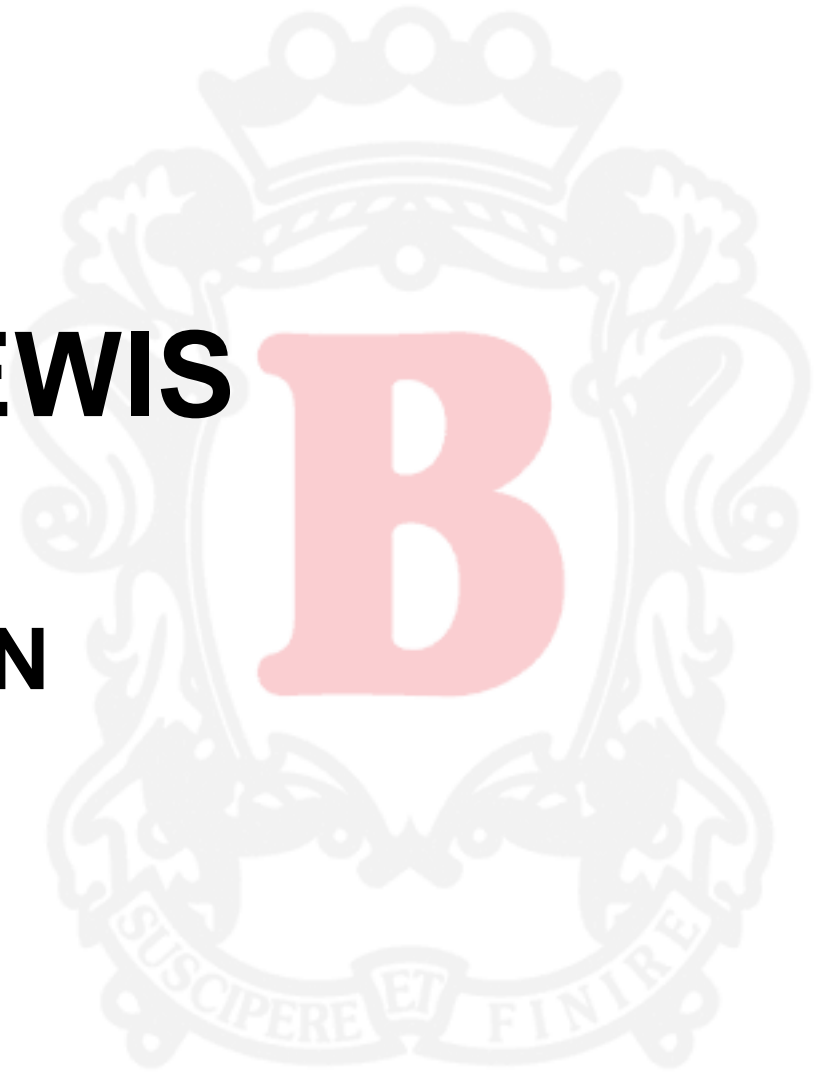
9<sup>th</sup> December 2004





**ROGER LEWIS**

**CHAIRMAN**





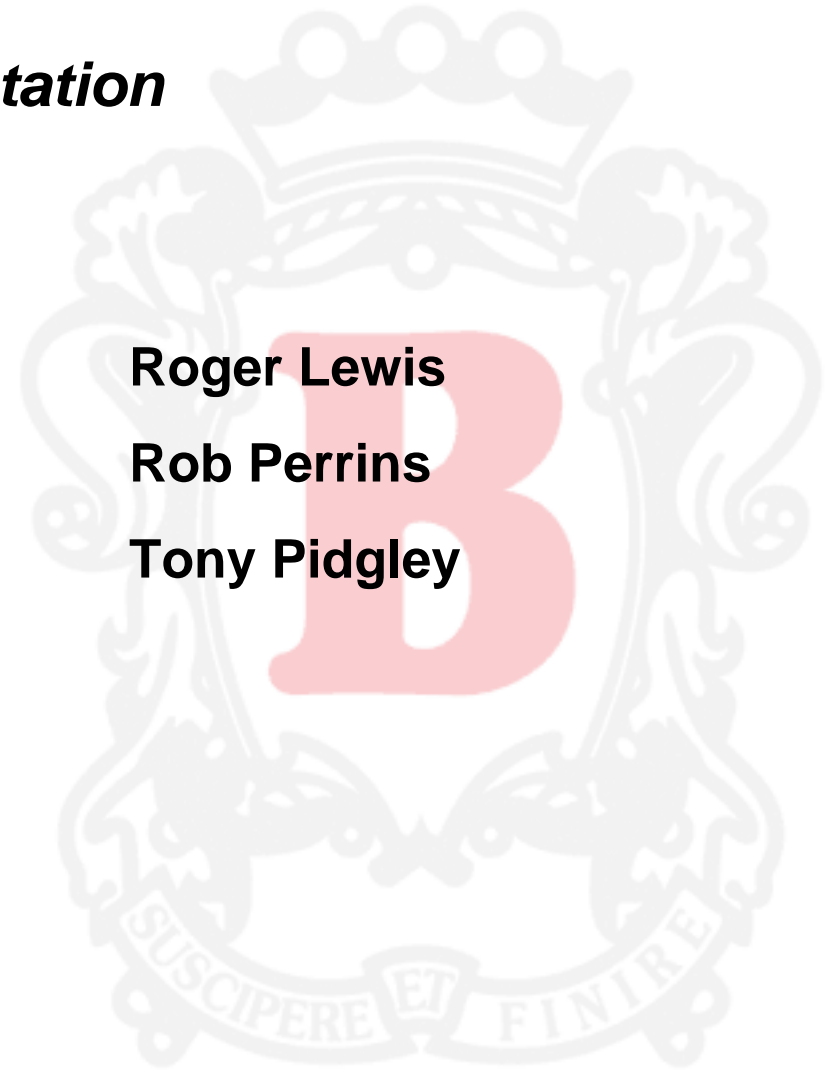
## *Format of Presentation*

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

**Roger Lewis**

**Rob Perrins**

**Tony Pidgley**





***Financial Highlights***  
***Six months to 31<sup>st</sup> October 2004***

	<u>2004</u>	<u>2003</u>	<u>Change</u>
Pre tax profits	£110.5m	£116.3m	(5.0%)
Earnings per share	65.4p	64.5p	1.4%
Net assets	£1,203.4m	£1,125.7m	6.9%
Net asset value per share	1,005p	888p	13.2%
Net cash / (debt)	£249.2m	(£3.4m)	



## *Return of £12 per Share*

- **Strategic review and return of capital announced on 25<sup>th</sup> June**
- **Focus on**
  - **Urban regeneration**
  - **Cash generation**
  - **£12 per share (£1.45 billion) to be returned to shareholders by January 2011**
- **Shareholder approval received on 17<sup>th</sup> September**
- **Court approval of Scheme of Arrangement and The Berkeley Group Holdings plc capital reduction obtained at the end of October**
- **£604.1 million (£5 per share) returned on 3<sup>rd</sup> December 2004**



## *The Return to Shareholders*

2004 B Share	£5	Paid on 3 <sup>rd</sup> December 2004
2006 B Share	£2	29 <sup>th</sup> December 2006
2008 B Share	£2	31 <sup>st</sup> December 2008
2010 B Share	£3	31 <sup>st</sup> December 2010
	<hr/>	
	£12	
	<hr/>	



**ROB PERRINS**

**FINANCE DIRECTOR**





## *Review of Results*

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







## *Abridged Group Cash Flow*

	<u>6 Months to</u> <u>Oct 2004</u>	<u>6 Months to</u> <u>Oct 2003</u> Restated
	<u>£m</u>	<u>£m</u>
Operating profit	100.8	109.6
Non cash items	<u>0.4</u>	<u>1.4</u>
	101.2	111.0
Tax and dividends	(49.2)	(47.4)
Net interest	<u>1.5</u>	<u>(2.5)</u>
	53.5	61.1
Movement in working capital	63.4	83.0
Capex and financial investment	6.5	-
Acquisitions and disposals	<u>(1.5)</u>	<u>-</u>
	121.9	144.1
Share buy-back	(20.7)	(7.8)
Other financing	<u>2.8</u>	<u>3.3</u>
Decrease in net debt	<u>104.0</u>	<u>139.6</u>



## *Cash Due on Forward Sales*

	<u>At 31 Oct</u> <u>2004</u> <u>£m</u>	<u>At 31 Oct</u> <u>2003</u> <u>£m</u>	<u>At 30 Apr</u> <u>2004</u> <u>£m</u>
Debtors taken to sales and due on completion	96.6	164.9	156.4
Due on units not yet taken to sales			
- Exchanged contracts	638.5	555.9	604.0
- Reserved units	142.6	154.6	184.9
<b>Total cash due</b>	<u>877.7</u>	<u>875.4</u>	<u>945.3</u>



## Abridged Group Profit and Loss Account

	<u>6 Months to</u> <u>Oct 2004</u>		<u>6 Months to</u> <u>Oct 2003</u>		<u>Change</u>	
	<u>£m</u>		Restated <u>£m</u>		<u>£m</u>	<u>%</u>
Turnover (excluding JVs)	<u>518.7</u>		<u>575.8</u>		<u>(57.1)</u>	<u>(10.0)</u>
Operating profit	100.8	19.4%	109.6	19.0%	(8.8)	(8.0)
Joint ventures	10.6		10.6		0.0	0.9
Merger expenses	(1.5)		-		(1.5)	(100)
Net interest - Group	3.0		(2.2)		5.2	
- Arrangement fees	(0.6)		-		(0.6)	
- JVs	(1.8)		(1.7)		(0.1)	(5.8)
Profit before tax	<u>110.5</u>	21.3%	<u>116.3</u>	20.2%	<u>(5.8)</u>	<u>(5.0)</u>
EPS	65.4p		64.5p			1.4

\* Adoption of UITF 17 (revised) increased net operating expenses in 2003 by £528,000.



## Shares in Issue

	<u>2004/05</u>		<u>2003/04</u>
Shares at 1 May	122,062,309		128,214,472
Shares purchased	(2,094,261)		(1,250,000)
Shares issued	<u>830,222</u>		<u>560,762</u>
Shares at 31 October	120,798,270 *		127,525,234 *
Shares purchased	-		(5,743,318)
Shares issued	<u>22,373</u>		<u>280,393</u>
Shares at 30 April	120,820,643 * **		122,062,309 *
Weighted average HY	<u>119,248,313</u>		<u>126,489,348</u>
Weighted average FY	<u>119,568,930</u>		<u>124,261,151</u>

\* Includes 1,077,317 shares purchased / owned by EBT at 31/10/2004 (31/10/2003: 789,401)

\*\* Forecast assumes no further share issues once all options are exercised



## ***Profit Distribution and ROCE***

- **Tax rate of 29.5% down from 29.8%**
- **No interim dividend**
- **Return on Capital Employed was 22.5% for the period (2003: 20.7%)**
- **£604.1m capital redemption on 3<sup>rd</sup> December 2004**



## Analysis by Activity

	<u>Turnover</u>		<u>Operating Profit</u>			
	<u>6 Months to Oct 2004</u>	<u>6 Months to Oct 2003</u>	<u>6 Months to Oct 2004</u>		<u>6 Months to Oct 2003</u>	
	<u>£m</u>	<u>£m</u>	<u>£m</u>		Restated <u>£m</u>	
<b>Residential</b>						
- Group	474.2	555.9	96.2	20.3%	104.9	19.0%
- JV's	<u>67.5</u>	<u>56.8</u>	<u>10.4</u>	15.4%	<u>9.9</u>	17.4%
	<u>541.7</u>	<u>612.7</u>	<u>106.6</u>		<u>114.8</u>	
	92.2%	96.4%	95.7%		95.5%	
<b>Commercial</b>						
- Group	44.5	19.9	4.5	10.1%	4.7	23.6%
- JV's	<u>1.1</u>	<u>2.6</u>	<u>0.3</u>	27.3%	<u>0.7</u>	26.9%
	<u>45.6</u>	<u>22.5</u>	<u>4.8</u>		<u>5.4</u>	
	<u>587.4</u>	<u>635.2</u>	<u>111.4</u>		<u>120.2</u>	
	100.0%	100.0%	100.0%		100.0%	



## *Trading Account Profile - Percentages of Turnover*

	<u>6 Months to</u> <u>Oct 2004</u>	<u>6 Months to</u> <u>Oct 2003</u> Restated	<u>12 Months to</u> <u>Apr 2004</u> Restated
	<u>%</u>	<u>%</u>	<u>%</u>
Turnover	100.0	100.0	100.0
Land	(14.2)	(18.1)	(18.3)
Build	(52.8)	(49.8)	(52.8)
Sales & marketing	<u>(5.3)</u>	<u>(4.9)</u>	<u>(4.8)</u>
Gross margin	27.7	27.2	24.1
Operating expenses	<u>(8.3)</u>	<u>(8.2)</u>	<u>(7.3)</u>
Operating profit	19.4	19.0	16.8
Joint ventures	2.1	1.8	1.7
Merger expenses	(0.3)	-	-
Interest	<u>0.1</u>	<u>(0.6)</u>	<u>(0.4)</u>
Profit before tax	21.3	20.2	18.1



## *Abridged Group Balance Sheet*

	<u>At 31 Oct</u> <u>2004</u>	<u>At 31 Oct</u> <u>2003</u>	<u>At 30 Apr</u> <u>2004</u>
	<u>£m</u>	Restated <u>£m</u>	Restated <u>£m</u>
<b>Fixed assets and investments</b>	81.3	79.8	81.9
<b>Stocks</b>	1,070.9	1,080.3	1,066.3
<b>Debtors</b>	108.4	184.6	172.3
<b>Investments</b>	-	62.6	-
<b>Creditors</b>	<u>(306.4)</u>	<u>(278.2)</u>	<u>(323.1)</u>
<b>Capital employed</b>	954.2	1,129.1	997.4
<b>Net cash/(debt)</b>	<u>249.2</u>	<u>(3.4)</u>	<u>145.2</u>
<b>Net assets</b>	<u>1,203.4</u>	<u>1,125.7</u>	<u>1,142.6</u>
<b>Net asset value per share</b>	1,005p	888p	944p
<b>Gearing</b>	0.0%	0.3%	0.0%

\* Adoption of UITF 17 (revised) and UITF 38 reduced shareholders funds at 31 October 2003 and 30 April 2004 by £1.3m and £2.4m respectively.





## ***Scheme of Arrangement – Impact on Equity Shareholders' Funds***

	Share Capital £m	Share Premium and Other Reserves £m	Retained Profit £m	Total £m
At 1 May 2004 as restated prior to restructure	30.5	431.1	680.5	1,142.1
Share movements prior to restructure	(0.3)	10.1	(25.0)	(15.2)
Scheme of Arrangement – B shares	1,402.5	(1,402.5)	-	-
Capital reduction	(1,402.5)	-	1,402.5	-
Profit and loss and other movements	-	-	76.0	76.0
At 31 October 2004 *	<u>30.2</u>	<u>(961.3)</u>	<u>2,134.0</u>	<u>1,202.9</u>

\* Equity shareholders' funds exclude minority interest of £0.5m.



## ***Scheme of Arrangement – Impact of return of £5 per share***

The Balance Sheet on 31<sup>st</sup> October, if the return of £5 per share had been made at that date, would be:

	£m		£m
Capital employed	954.2	Share Capital	30.2
Net debt	(354.9)	Other reserve	(961.3)
		Retained profit	1,529.9
		Minority interest	<u>0.5</u>
Net assets	<u>599.3</u>	Net assets	<u>599.3</u>
Gearing %	59.2%		
Net asset value per share	501p		

Net assets would have been £599.3 million and net debt £354.9 million, with a gearing level of 59%



## Stocks

	<u>At 31 Oct</u> <u>2004</u> <u>£m</u>	<u>At 31 Oct</u> <u>2003</u> <u>£m</u>	<u>At 30 Apr</u> <u>2004</u> <u>£m</u>
Land not under development	175.3	123.5	182.7
Work in progress: Land cost	<u>365.5</u>	<u>428.5</u>	<u>403.9</u>
	540.8	552.0	586.6
Build cost	438.6	427.1	398.3
Completed units	85.5	89.6	75.0
Part exchanges	6.0	11.6	6.4
	<u>1,070.9</u>	<u>1,080.3</u>	<u>1,066.3</u>



## *Geographical Analysis of Residential Units Sold*

	<u>6 Months to</u> <u>Oct 2004</u>		<u>6 Months to</u> <u>Oct 2003</u>		<u>12 Months to</u> <u>Apr 2004</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
London	817	45	908	45	1,870	49
South East	385	22	525	26	959	25
North West and Yorkshire	474	26	409	20	648	17
Midlands, West England and Wales	125	7	173	9	328	9
	<u>1,801</u>	<u>100</u>	<u>2,015</u>	<u>100</u>	<u>3,805</u>	<u>100</u>
Joint ventures	<u>486</u>		<u>493</u>		<u>1,034</u>	



## *Geographical Analysis of Residential Turnover*

	<u>6 Months to</u> <u>Oct 2004</u>			<u>6 Months to</u> <u>Oct 2003</u>			<u>12 Months to</u> <u>Apr 2004</u>		
	<u>£m</u>	<u>%</u>	<u>ASP</u> <u>£'k</u>	<u>£m</u>	<u>%</u>	<u>ASP</u> <u>£'k</u>	<u>£m</u>	<u>%</u>	<u>ASP</u> <u>£'k</u>
London	258.5	54	288	298.0	54	322	632.0	56	321
South East	104.7	22	276	141.7	25	261	279.8	25	281
N.W. and Yorkshire	83.8	18	210	71.4	13	189	134.4	12	202
Midlands, W. England and Wales	27.2	6	243	44.8	8	226	84.0	7	235
	<u>474.2</u>	<u>100</u>	<u>262</u>	<u>555.9</u>	<u>100</u>	<u>271</u>	<u>1,130.2</u>	<u>100</u>	<u>283</u>
Joint ventures	<u>67.6</u>		<u>301</u>	<u>56.8</u>		<u>231</u>	<u>121.0</u>		<u>225</u>



## *Land Bank*

	<u>At 31 Oct</u> <u>2004</u>	<u>At 31 Oct</u> <u>2003</u>	<u>At 30 Apr</u> <u>2004</u>
Owned	22,513	18,884	21,449
Contracted	3,896	5,411	4,315
Agreed	218	1,707	890
<b>Plots</b>	<b>26,627</b>	<b>26,002</b>	<b>26,654</b>
<b>Sales value</b>	<b>£6,599m</b>	<b>£7,052m</b>	<b>£6,789m</b>
<b>Average selling price</b>	<b>£248k</b>	<b>£271k</b>	<b>£255k</b>
<b>Average plot cost</b>	<b>£33k</b>	<b>£38k</b>	<b>£34k</b>
<b>Land cost %</b>	<b>13.2%</b>	<b>14.2%</b>	<b>13.5%</b>
<b>Gross margin</b>	<b>£1,857m</b>	<b>£2,011m</b>	<b>£1,926m</b>
<b>GM%</b>	<b>28.1%</b>	<b>28.5%</b>	<b>28.4%</b>

Includes joint venture land holdings



## 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, Chelsea	1,883	438	129	4	25	1,287
Woolwich Arsenal	1,258	439	132	11	8	668
St George Wharf, Vauxhall	920	464	112	10	-	334
Chelsea Bridge Wharf	773	407	73	10	24	259
Brookmill Road, Deptford	757	588	15	11	1	142
Grosvenor Waterside, W'minster	692	-	216	7	50	419
Battersea Reach	660	-	131	23	-	506
New River Village, Hornsey	630	92	261	4	64	209
Tabard Square, Long Lane	554	1	358	1	4	190
Kew Riverside	536	310	153	3	25	45
Bromyard Avenue, W3	522	1	164	3	125	229
The Hamptons, Worcester Park	499	62	121	5	26	285
Royal Quarter, Kingston	448	249	79	7	-	113
Putney Wharf	212	148	37	4	-	23
Kew Riverside Park	192	49	1	2	-	140
	<u>10,536</u>	<u>3,248</u>	<u>1,982</u>	<u>105</u>	<u>352</u>	<u>4,849</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	1,248	-	355	34	52	807
Clarence Dock, Leeds	1,090	228	300	124	18	420
Gunwharf Resid'l, Portsmouth	962	422	136	55	22	327
The Waterways, Oxford	526	406	47	4	7	62
Knowle Village, Hampshire	516	297	18	2	16	183
Southside, Birmingham	468	48	136	40	42	202
Royal Clarence Yard, Gosport	366	174	75	4	27	86
Smithfield, Manchester	328	207	14	90	17	-
Leybourne Lakes, Larkfield	327	218	42	7	23	37
Navigation Street, Birmingham	317	-	227	7	15	68
Go Ahead, Oxford	227	65	-	-	1	161
Gosforth, Newcastle	186	40	110	4	32	-
Ropetackle, Shoreham	185	1	103	4	16	61
Lower Earley, Reading	150	-	42	10	33	65
Sandleford Hospital, Newbury	115	-	-	2	8	105
	<u>7,011</u>	<u>2,106</u>	<u>1,605</u>	<u>387</u>	<u>329</u>	<u>2,584</u>





**TONY PIDGLEY**

**MANAGING DIRECTOR**





## *Questions*

**Roger Lewis**

**Tony Pidgley**

**Rob Perrins**

**Chairman**

**Managing Director**

**Finance Director**

