



Full Year Results Presentation

Year ended 30th April 2009

26th June 2009



TONY PIDGLEY

MANAGING DIRECTOR



Managing Director's Review (1) – Royal Arsenal



BURA CABE BUILDING FOR LIFE GOLD STANDARD



Managing Director's Review (2) – Gunwharf Quays



The Berkeley Group Holdings plc



Managing Director's Review (3)



- **The Market**
- **Berkeley's Strategy**
- **The Berkeley Difference and Board Changes**
- **Outlook**



Managing Director's Review (4) – Woodberry Down



The Berkeley Group Holdings plc



Managing Director's Review (5) – Kidbrooke





Managing Director's Review (6)



- **The Market**
- **Berkeley's Strategy**
- **The Berkeley Difference and Board Changes**
- **Outlook**



ROB PERRINS

FINANCE DIRECTOR



Review of Full Year Results

Year ended 30th April 2009



- **Berkeley Strategy**
- **Summary of Performance and Financial Position**
- **Shares in issue**
- **Cash Flow**
- **Income Statement**
- **Balance Sheet**
 - **Inventories**
 - **Creditors**
- **Land Holdings**



Berkeley Strategy



2004 – 2008:

Free cash flow returned to shareholders under Scheme of Arrangement

- **£12 per share to be returned by 31st January 2011**
- **£9 per share returned 1 year ahead of schedule by January 2008**
- **Final £3 per share deferred to January 2014, as approved by shareholders at the AGM in August 2008**

February 2009:

Free cash flow to be used for new land investment

- **Strategy re-positioned to enable Berkeley to take advantage of the current market conditions by investing in land and returning to a more traditional dividend policy, rather than returning £3 per share by January 2014.**
- **Share placing raised £49.6 million to ensure Berkeley has the right capital structure**



Summary of Performance



	<u>12 months to</u> <u>Apr 2009</u>	<u>12 months to</u> <u>Apr 2008</u>	<u>Change</u>	
Operating profit	£124.8m	£206.0m	- £81.2m	- 39.4%
Operating margin	17.8%	20.8%		
Profit before tax	£120.4m	£194.3m	- £73.9m	- 38.0%
EPS – Basic	71.3p	114.2p	- 42.9p	-37.6%
Cash generated *	£269.5m	£156.1m		
Return on Capital Employed	20.6%	29.3%		

* Before a net cash inflow of £19.8m on financing activities (2008: net cash outflow of £241.6m on redemption of 2008 B shares)



Summary of Financial Position



	<u>At 30 Apr</u> <u>2009</u>	<u>At 30 Apr</u> <u>2008</u>	<u>Change</u>	
Shareholders Funds	£801.3m	£681.4m	+ £119.9m	+ 17.6%
Shares in issue	130.2m	120.8m	+ 9.4m	+ 7.8%
Net Asset Value per Share	615.4p	564.0p	+ 51.4p	+ 9.1%
Closing Net Cash / (Debt)	£284.8m	(£4.5m)	+ £289.3m	
Land Bank - Plots	30,044	31,365	- 1,321	
- Gross margin	£2,014m	£2,728m	- £714m	
Cash due on Forward Sales	£619.8m	£1,210.0m	- £590.2m	



Shares in Issue



Shares in issue at 30 April 2008, net of EBT shares (0.1m)	120.8m
EBT shares acquired	(2.9m)
2004(b) LTIP Element 1A and 1B awards delivered	6.3m
Share placing	6.0m
Shares in issue at 30 April 2009, net of EBT shares (0.7m)	<u>130.2m</u>

Outstanding Management Share Schemes :

LTIP 2004(b)	8.0 million shares	equal vesting Sep 2009 and March 2010
LTIP 2009 Part A	5.3 million £3 options	vesting Jan 2014
LTIP 2009 Part B	7.1 million market rate options	equal vesting 2015 and 2016



Abridged Group Cash Flow



	<u>12 Months to</u> <u>Apr 2009</u>	<u>12 Months to</u> <u>Apr 2008</u>	<u>Change</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Profit before tax	120.4	194.3	(73.9)
Underlying working capital movements	149.0	(5.5)	154.5
Tax	8.7	(50.9)	59.6
Investing activities	(21.8)	(7.1)	(14.7)
Non-cash items and other movements	<u>13.2</u>	<u>25.3</u>	<u>(12.1)</u>
	269.5	156.1	113.4
Share purchases	(19.2)	-	(19.2)
Cash settlement of employee share scheme	(10.6)	-	(10.6)
Share placing	49.6	-	49.6
	} 19.8		
Shareholder payment	<u>-</u>	<u>(241.6)</u>	<u>241.6</u>
Increase in net cash	289.3	(85.5)	374.8
Opening net (debt) / cash	<u>(4.5)</u>	<u>81.0</u>	<u>(85.5)</u>
Closing net cash / (debt)	<u>284.8</u>	<u>(4.5)</u>	<u>289.3</u>



Homes Completed and Average Selling Price



	<u>Units</u>	<u>ASP</u>	<u>Units</u>	<u>ASP</u>
2008/09 HY02	533	£388,000	1,501	£395,000
2008/09 HY01	968	£399,000		
2007/08 HY02	1,537	£347,000	3,167	£295,000
2007/08 HY01	1,630	£245,000		
2006/07 HY02	1,556	£285,000	3,293	£291,000
2006/07 HY01 *	1,737	£296,000		
2005/06 HY02 *	1,907	£297,000	3,817	£310,000
2005/06 HY01 *	1,910	£322,000		
2004/05 HY02 *	1,389	£351,000	3,091	£321,000
2004/05 HY01 *	1,702	£295,000		

* Adjusted to include St James as a subsidiary and exclude Crosby where applicable



Abridged Group Income Statement (1)



	<u>12 Months to</u> <u>Apr 2009</u>		<u>12 Months to</u> <u>Apr 2008</u>		<u>Change</u>	
	<u>£m</u>		<u>£m</u>		<u>£m</u>	
House-building	625.6		947.0		- 321.4	- 33.9%
Land Sales	46.1		13.1		+ 33.0	
Commercial	30.5		31.4		- 0.9	
Revenue	<u>702.2</u>		<u>991.5</u>		<u>- 289.3</u>	<u>- 29.2%</u>
Gross margin	199.8	28.5%	304.4	30.7%	- 104.6	- 34.4%
Overheads	(75.0)	10.7%	(98.4)	9.9%	- 23.4	- 23.4%
Operating profit	<u>124.8</u>	17.8%	<u>206.0</u>	20.8%	<u>- 81.2</u>	<u>- 39.4%</u>
Joint ventures	(0.9)		(2.4)		+ 1.5	
Profit before interest and tax	<u>123.9</u>		<u>203.6</u>		<u>- 79.7</u>	<u>- 39.1%</u>



Abridged Group Income Statement (2)



	<u>12 Months to</u> <u>Apr 2009</u>		<u>12 Months to</u> <u>Apr 2008</u>		<u>Change</u>	
	<u>£m</u>		<u>£m</u>		<u>£m</u>	
Profit before interest and tax	123.9		203.6		- 79.7	- 39.1%
- Bank interest	4.6		0.3		+ 4.3	
- Facility refinancing fees	-		(1.8)		+ 1.8	
- Other	<u>(8.1)</u>		<u>(7.8)</u>		<u>- 0.3</u>	
Net finance costs	<u>(3.5)</u>		<u>(9.3)</u>		<u>+ 5.8</u>	
Profit before tax	<u>120.4</u>	17.1%	<u>194.3</u>	19.6%	<u>- 73.9</u>	- 38.0%
Tax	<u>(34.3)</u>	28.5%	<u>(56.5)</u>	29.1%	<u>+ 22.2</u>	
Profit after tax	<u>86.1</u>		<u>137.8</u>		<u>- 51.7</u>	- 37.5%



Abridged Group Balance Sheet



	<u>At 30 Apr</u> <u>2009</u> <u>£m</u>	<u>Underlying</u> <u>Movements</u> <u>£m</u>	<u>At 30 Apr</u> <u>2008</u> <u>£m</u>
Non-current assets			
- Intangible assets	17.3	(0.6)	17.9
- Investment in JV's	22.5	20.1	2.4
- Deferred taxation	37.9	(1.2)	39.1
- PPE	3.7	(0.9)	4.6
Inventories	1,114.8	(117.1)	1,231.9
Debtors	51.0	30.2	20.8
Creditors	(730.7)	(99.9)	(630.8)
Capital employed	<u>516.5</u>	<u>(169.4)</u>	<u>685.9</u>
Net cash / (debt)	<u>284.8</u>	<u>289.3</u>	<u>(4.5)</u>
Net assets	<u>801.3</u>	<u>119.9</u>	<u>681.4</u>
Net asset value per share	<u>615p</u>	<u>51p</u>	<u>564p</u>



Inventories



	<u>At 30 Apr</u> <u>2009</u> <u>£m</u>	<u>Underlying</u> <u>Movements</u> <u>£m</u>	<u>At 30 Apr</u> <u>2008</u> <u>£m</u>
Land not under development	124.6	(60.0)	184.6
Work in progress: Land cost	<u>506.1</u>	<u>(96.8)</u>	<u>602.9</u>
	630.7	(156.8)	787.5
Work in progress: Build cost	412.4	17.5	394.9
Completed units	71.7	22.2	49.5
Part Exchange units	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,114.8</u>	<u>(117.1)</u>	<u>1,231.9</u>



Creditors



	<u>At 30 Apr</u> <u>2009</u> <u>£m</u>	<u>Underlying</u> <u>Movements</u> <u>£m</u>	<u>At 30 Apr</u> <u>2008</u> <u>£m</u>
Trade creditors and accruals	233.4	(56.7)	290.1
Deposits and on account receipts	334.8	164.0	170.8
Short-term land creditors	<u>18.6</u>	<u>(46.7)</u>	<u>65.3</u>
Short-term creditors	586.8	60.6	526.2
Current tax liability	86.3	29.9	56.4
Long-term land creditors	<u>57.6</u>	<u>9.4</u>	<u>48.2</u>
Creditors	<u>730.7</u>	<u>99.9</u>	<u>630.8</u>
Total Land Creditors	<u>76.2</u>	<u>(37.3)</u>	<u>113.5</u>



Land Bank



	<u>At 30 Apr</u> <u>2009</u>	<u>Variance</u>	<u>At 30 Apr</u> <u>2008</u>
Owned	23,572	+ 507	23,065
Contracted	6,407	- 1,607	8,014
Agreed	<u>65</u>	<u>- 221</u>	<u>286</u>
Plots *	30,044	- 1,321	31,365
Sales value	£7,181m	- £2,040m	£9,221m
Average selling price	£239k	- £55k	£294k
Average plot cost	£33k	- £5k	£38k
Land cost %	13.9%	+ 0.8%	13.1%
Gross margin	£2,014m	- £714m	£2,728m
GM%	28.0%	- 1.6%	29.6%

* Includes 2,809 plots within joint ventures at 30 April 2009 (30 Apr 2008: 2,538)



Questions



Tony Pidgley

Managing Director

Rob Perrins

Finance Director

Tony Carey

Executive Director

Greg Fry

Executive Director