



Interim Results Presentation

Half year ended 31st October 2009

4th December 2009



Format of Presentation

Interim results for the half year ended 31st October 2009



- **Chairman's Introduction** **Tony Pidgley**
- **Managing Director's Review** **Rob Perrins**
- **Review of Results** **Nick Simpkin**

- **Questions** **Tony Pidgley (Chairman)**
 Rob Perrins (Managing Director)
 Nick Simpkin (Finance Director)



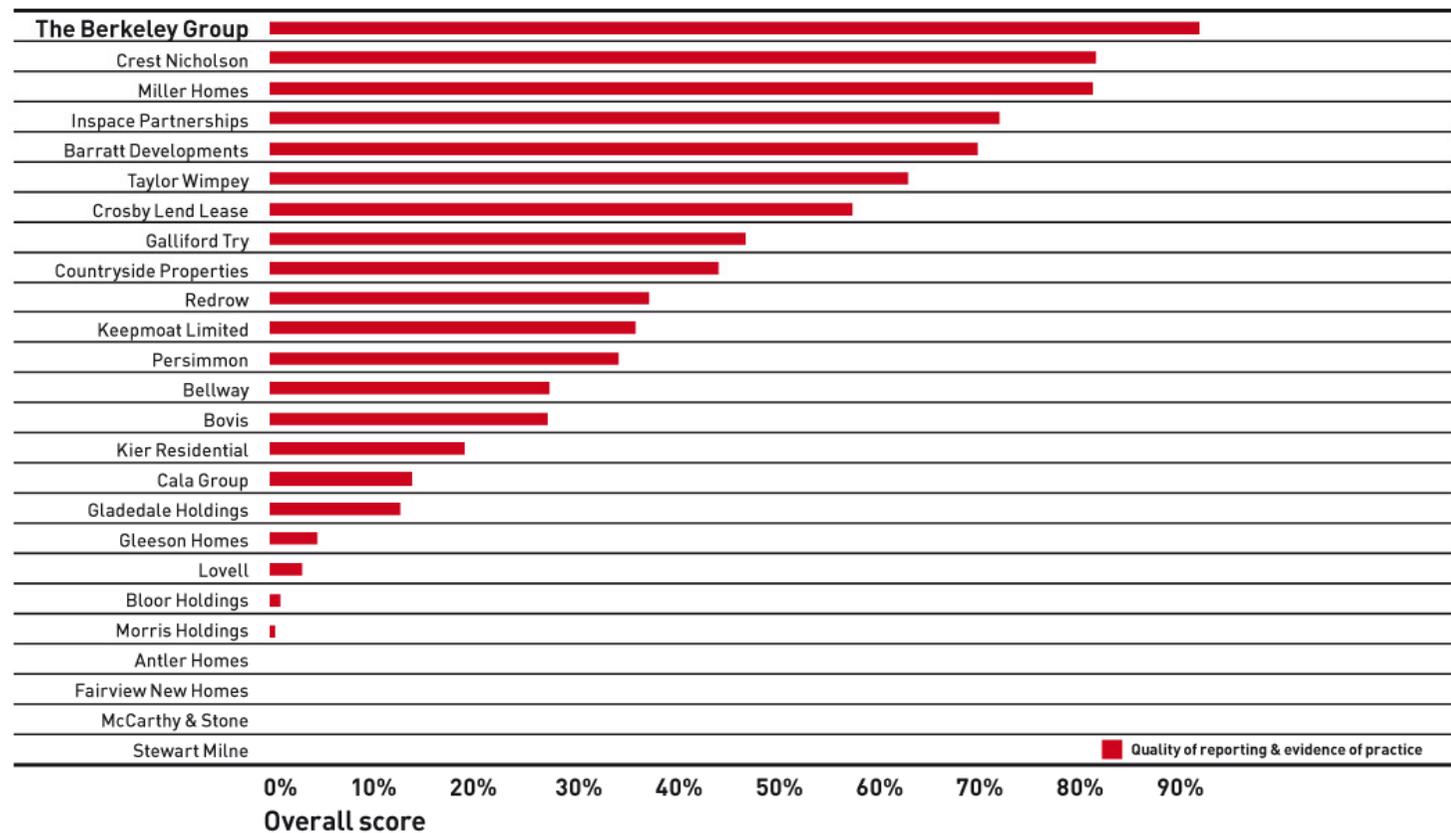
TONY PIDGLEY

CHAIRMAN

NEXTGENERATION SUSTAINABILITY BENCHMARK OF UK'S LARGEST HOME BUILDERS



NEXTGENERATION BENCHMARK 2009





ROB PERRINS

MANAGING DIRECTOR



Managing Director's Review



- **Introduction**
- **People – The Berkeley Difference**
- **Results**
- **The Market**
- **Land**
 - **New sites**
 - **Optimising existing sites**
 - **Strategic land**
 - **St Edward**
 - **Local authority partnerships**
- **Sustainability**
- **Planning**
- **Outlook**



NICK SIMPKIN

FINANCE DIRECTOR



Review of Interim Results

Half year ended 31st October 2009



- **Summary of Performance**
- **Summary of Financial Position**
- **Cash Flow**
- **Homes Completed and ASP**
- **Income Statement**
- **Balance Sheet**
 - **Inventories**
 - **Creditors**
- **Land Holdings**



Summary of Performance



	<u>6 months to</u> <u>Oct 2009</u>	<u>6 months to</u> <u>Oct 2008</u>	<u>Change</u>	
Operating profit	£50.5m	£80.6m	- £30.1m	- 37.3%
Operating margin	17.4%	17.8%		
Profit before tax	£52.0m	£79.6m	- £27.6m	- 34.7%
EPS – Basic	28.1p	47.8p	- 19.7p	- 41.2%
Weighted ave. no. of shares	131.4m	119.2m	+ 12.2m	+10.2%
Cash generated	£59.9m	£142.7m		
Return on Capital Employed	19.3%	25.3%		



Summary of Financial Position



	<u>At 31 Oct</u> <u>2009</u>	<u>At 30 Apr</u> <u>2009</u>	<u>Change</u>	
Shareholders Funds	£839.7m	£801.3m	+ £38.4m	+ 4.8%
Net Asset Value per Share	625.7p	615.4p	+ 10.3p	+ 1.7%
Shares in issue	134.2m	130.2m	+ 4.0m	+ 3.1%
Closing Net Cash	£344.7m	£284.8m	+ £59.9m	
Land Bank - Plots	30,541	30,044	+ 497	
- Gross margin	£2,102m	£2,014m	+ £88m	
Cash due on Forward Sales	£635.4m	£619.8m	+ £15.6m	



Abridged Group Cash Flow



	<u>6 Months to</u> <u>Oct 2009</u>	<u>6 Months to</u> <u>Oct 2008</u>	<u>Change</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Profit before tax	52.0	79.6	(27.6)
Underlying working capital movements	33.7	75.9	(42.2)
Tax	(7.0)	11.7	(18.7)
Investing activities	(4.4)	(1.1)	(3.3)
Non-cash items and other movements	<u>3.3</u>	<u>5.0</u>	<u>(1.7)</u>
	77.6	171.1	(93.5)
Acquisition of Saad Berkeley joint ventures	(17.7)	-	(17.7)
Share purchases	-	(17.8)	17.8
Cash settlement of employee share scheme	-	<u>(10.6)</u>	<u>10.6</u>
Increase in net cash	59.9	142.7	(82.8)
Opening net (debt) / cash	<u>284.8</u>	<u>(4.5)</u>	<u>289.3</u>
Closing net cash / (debt)	<u>344.7</u>	<u>138.2</u>	<u>206.5</u>



Homes Completed and Average Selling Price



	<u>Units</u>	<u>ASP</u>	<u>Units</u>	<u>ASP</u>
2009/10 HY01	<u>914</u>	<u>£299,000</u>		
2008/09 HY02	533	£388,000	1,501	£395,000
2008/09 HY01	<u>968</u>	<u>£399,000</u>		
2007/08 HY02	1,537	£347,000	3,167	£295,000
2007/08 HY01	<u>1,630</u>	<u>£245,000</u>		
2006/07 HY02	1,556	£285,000	3,293	£291,000
2006/07 HY01	<u>1,737</u>	<u>£296,000</u>		
2005/06 HY02	1,907	£297,000	3,817	£310,000
2005/06 HY01	<u>1,910</u>	<u>£322,000</u>		



Abridged Group Income Statement (1)



	<u>6 Months to</u> <u>Oct 2009</u>		<u>6 Months to</u> <u>Oct 2008</u>		<u>Change</u>	
	<u>£m</u>		<u>£m</u>		<u>£m</u>	
House-building	281.8		402.4		- 120.6	- 30.0%
Land Sales	-		25.5		- 25.5	
Commercial	8.3		24.7		- 16.4	
Revenue	290.1		452.6		- 162.5	- 35.9%
Gross margin	76.2	26.3%	122.3	27.0%	- 46.1	- 37.7%
Overheads	(25.7)	8.8%	(41.7)	9.2%	- 16.0	- 38.4%
Operating profit	50.5	17.4%	80.6	17.8%	- 30.1	- 37.3%
Joint ventures	(1.5)		(1.3)		- 0.2	
Profit before interest and tax	49.0		79.3		- 30.3	- 38.2%



Abridged Group Income Statement (2)



	<u>6 Months to</u> <u>Oct 2009</u>		<u>6 Months to</u> <u>Oct 2008</u>		<u>Change</u>	
	<u>£m</u>		<u>£m</u>		<u>£m</u>	
Profit before interest and tax	49.0		79.3		- 30.3	- 38.2%
- Bank interest	3.5		1.7		+ 1.8	
- Other	<u>(0.5)</u>		<u>(1.4)</u>		<u>+ 0.9</u>	
Net finance costs	<u>3.0</u>		<u>0.3</u>		<u>+ 2.7</u>	
Profit before tax	52.0	17.9%	79.6	17.6%	- 27.6	- 34.7%
Tax	<u>(15.0)</u>	28.8%	<u>(22.6)</u>	28.4%	<u>+ 7.6</u>	
Profit after tax	<u>37.0</u>		<u>57.0</u>		<u>- 20.0</u>	- 35.1%



Abridged Group Balance Sheet



	<u>At 31 Oct</u> <u>2009</u> <u>£m</u>	<u>Movements</u> <u>£m</u>	<u>At 30 Apr</u> <u>2009</u> <u>£m</u>
Non-current assets			
- Intangible assets	17.3	-	17.3
- Investment in JV's	23.5	1.0	22.5
- Deferred taxation	26.2	(11.7)	37.9
- PPE	3.3	(0.4)	3.7
Inventories	1,182.1	67.3	1,114.8
Debtors	51.7	0.7	51.0
Creditors	(809.1)	(78.4)	(730.7)
Capital employed	<u>495.0</u>	<u>(21.5)</u>	<u>516.5</u>
Net cash	<u>344.7</u>	<u>59.9</u>	<u>284.8</u>
Net assets	<u>839.7</u>	<u>38.4</u>	<u>801.3</u>
Net asset value per share	<u>626p</u>	<u>11p</u>	<u>615p</u>



Inventories



	<u>At 31 Oct</u> <u>2009</u> <u>£m</u>	<u>Underlying</u> <u>Movements</u> <u>£m</u>	<u>JV Assets</u> <u>Acquired</u> <u>£m</u>	<u>At 30 Apr</u> <u>2009</u> <u>£m</u>
Land not under development	165.4	30.3	10.5	124.6
Work in progress: Land cost	505.2	(15.6)	14.7	506.1
	<u>670.6</u>	<u>14.7</u>	<u>25.2</u>	<u>630.7</u>
Work in progress: Build cost	424.1	8.7	3.0	412.4
Completed units	87.4	15.7	-	71.7
Part Exchange units	-	-	-	-
	<u>1,182.1</u>	<u>39.1</u>	<u>28.2</u>	<u>1,114.8</u>



Creditors



	<u>At 31 Oct</u> <u>2009</u> <u>£m</u>	<u>Movements</u> <u>£m</u>	<u>At 30 Apr</u> <u>2009</u> <u>£m</u>
Trade creditors and accruals	226.9	(6.5)	233.4
Deposits and on account receipts	412.3	77.5	334.8
Short-term land creditors	25.1	6.5	18.6
Short-term creditors	<u>664.3</u>	<u>77.5</u>	<u>586.8</u>
Current tax liability	83.6	(2.7)	86.3
Long-term land creditors	61.2	3.6	57.6
Creditors	<u>809.1</u>	<u>78.4</u>	<u>730.7</u>
Total Land Creditors	<u>86.3</u>	<u>10.1</u>	<u>76.2</u>



Land Bank



	<u>At 31 Oct</u> <u>2009</u>	<u>Variance</u>	<u>At 30 Apr</u> <u>2009</u>
Owned	24,002	+ 430	23,572
Contracted	5,674	- 733	6,407
Agreed	<u>865</u>	<u>+ 800</u>	<u>65</u>
Plots *	30,541	+ 497	30,044
Sales value	£7,510m	+ £329m	£7,181m
Average selling price	£246k	+ £7k	£239k
Average plot cost	£35k	+ £2k	£33k
Land cost %	14.0%	+ 0.1%	13.9%
Gross margin	£2,102m	+ £88m	£2,014m
GM%	28.0%	-	28.0%

* Includes 2,354 plots within joint ventures at 31 October 2009 (30 Apr 2009: 2,354)



Questions



Tony Pidgley

Chairman

Rob Perrins

Managing Director

Nick Simpkin

Finance Director