PRESS RELEASE **3RD DECEMBER 2010**

The Berkeley Group Holdings plc

Interim Results 2010/11

Announcing the results of The Berkeley Group Holdings plc ("Berkeley" or "the Group") – the urban regenerator and residential property developer – for the six months ended 31 October 2010, Chairman, Tony Pidgley said:

"This strong set of results represents an excellent performance from Berkeley at a time when the economy is looking to find traction for what is proving an elusive sustained recovery. When coupled with Berkeley's strong balance sheet, its unrivalled land bank and the underlying demand for the well located, quality homes developed by Berkeley in London and the South East, the Group remains well positioned to deliver enhanced shareholder value. As always, it is only through the hard work and dedication of Berkeley's people that results such as these are possible."

HIGHLIGHTS OF THE PERIOD

• Earnings per Share	Up 19.2% to 33.5 pence (2009: 28.1 pence)
• Profit before Tax	Up 18.5% to £61.6 million (2009: £52.0 million)
• Operating Margin	17.4% (2009: 17.4%)
• Net Asset Value per Share	Up 4.9% to 667.6 pence (April 2010: 636.7 pence) following acquisition of 3.8 million shares for £30.0 million
• Net Cash	£252.7 million (April 2010: £316.9 million)
• Cash due on Forward Sales	Up 21.9% to £790.1 million (April 2010: £648.1 million)
• Land Bank	2,512 plots acquired and £263 million of future gross margin added in the period; an increase in value of 12.9% since 30 April 2010

Commenting on the results, Managing Director, Rob Perrins, said:

"Today's results, which show an increase in both earnings and sales reservations approaching 20%, demonstrate the underlying resilience of the housing market in London and the South East over the last six months. As a consequence, cash due on forward sales has increased by 21.9% over the period, providing forward visibility in a period which has seen Berkeley increase the number of sites from which it is selling.

Since the start of the year, Berkeley has acquired some 2,500 plots, including prime London sites in Westminster and on Hammersmith Embankment, both completing in the second half, and a site for 1,000 new homes in Horsham. Berkeley's strategy is based on identifying opportunities to acquire land in the right locations to which we can add value and these results highlight growth of 12.9% in the value of land bank future gross margin, from £2,038 million to £2,301 million, in the six months.

Overall, this strong performance provides the Board with confidence that Berkeley can outperform management's original expectations for the current year and is well placed for the following year.

Finally, I am delighted that Berkeley's Vision 2020 strategy, launched in June, has so quickly become part of the Group's culture and continues to place Berkeley at the forefront of the industry. For the fourth consecutive year Berkeley has ranked first in the NextGeneration Sustainability benchmark. In addition, St Edward's development at Stanmore has received a coveted Building for Life award. It is only by putting the customer and the communities we create at the heart of every decision that the challenges faced by the industry can be addressed."

Results

Berkeley is pleased to announce a pre-tax profit of £61.6 million for the six months ended 31 October 2010. This is an increase of 18.5% on the £52.0 million achieved in the same period last year, driven principally by an increase in revenue of 15.9% from £290.1 million to £336.2 million. Operating margin of 17.4% is at a similar level to the first half of last year, with net finance income of £1.8 million (2009: £3.0 million) and joint ventures contributing £1.2 million of profit (2009: £1.6 million loss). Basic earnings per share for the six months are 33.5 pence compared to 28.1 pence for the equivalent period last year; an increase of 19.2%.

Total equity attributable to shareholders increased by £16.2 million to £874.8 million (April 2010: £858.6 million) in the period which saw Berkeley acquire 3.6 million shares into treasury at a cost of £28.2 million and a further 0.2 million shares acquired by the Employee Benefit Trust. As a result, net assets per share increased by 31.1 pence to 667.6 pence at 31 October 2010 (April 2010: 636.7 pence) with 131.0 million shares in issue at 31 October 2010 (April 2010: 134.9 million).

Strategy

Berkeley's strategy has always reflected the cyclical nature of property development and was reviewed by the Board in March 2009 in response to the fundamental shift in market conditions. The result of this review was to ensure the Group was in a position to take full advantage of the prevailing market conditions by investing in land and its sites at the right point in the cycle, and making returns to shareholders through dividends or share buybacks. For as long as these market conditions prevail, the Board will continue to concentrate on investing in the business.

Since commencing this strategy 20 months ago, Berkeley has acquired some 5,000 plots across 34 new sites; all in excellent locations in London and the South East where there is strong underlying demand and where Berkeley can add value through its development expertise. Over the same period Berkeley has obtained 49 new or improved planning consents across its sites. The strong trading performance and increased level of forward sales has enabled Berkeley to invest in work in progress and increase the level of production across its sites and to acquire shares.

This investment has resulted in a cash outflow which is anticipated to continue into the second half of the year. Investment decisions will be balanced between land, work in progress and shareholder returns, always ensuring that the strong balance sheet continues to provide the level of financial safety appropriate to the opportunities and operational risks in the business.

Housing Market

The first six months of 2010/11 has seen the overall level of Berkeley's sales reservations increase by approximately 20%, compared to 2009/10. The following factors are behind this increase. Firstly, having achieved new planning consents on over 30 sites last year, Berkeley has increased the number of sites from which it is selling by 30%, while private reservations per site have remained at similar levels. Secondly, and as anticipated, there has been a reduction in the level of affordable housing sales reservations. Private sales prices have remained broadly stable over the period and this is likely to continue to be the case until the underlying level of transactions per site increases. In addition, Berkeley has experienced strong demand for properties in good locations where homes are developed to a high quality and meet the local demand as there is fundamental under-supply of such housing in Berkeley's markets of London and the South-East. This is particularly the case in London where our Capital's status as a World City and business centre continues to attract customers from overseas who are looking either for a home in London or an investment.

As a result, Berkeley's cash due on forward sales has increased by 22% from £648.1 million at 30 April 2010 to £790.1 million at 31 October 2010. This provides the Group with the necessary confidence to invest in work in progress across its sites, ensuring there is sufficient finished product coming to market and meeting the demand from those customers buying later in the cycle when they have certainty over the availability of sufficient mortgage finance.

Looking forward, there are a number of industry issues to which solutions must be found if the under-supply of new homes in London and the South East is to be addressed. These fall into three categories: mortgages, building regulations and planning, which includes the provision of subsidised affordable housing.

Any regulation of mortgages to further restrict the banks' ability to lend at sensible loan to value levels must be introduced sensitively. Irresponsible lending must be prevented but there should be sufficient flexibility to allow hard-working people who are able to meet their mortgage commitments, and who are in the very substantial majority, to acquire their own home, while providing a support mechanism for those who do fall into difficulty. Excessive regulation would risk placing a severe break on recovery, which is already constrained by liquidity, with implications for the wider economy which is so dependent upon the housing market.

Building regulations are becoming increasingly exacting in the pursuit of zero-carbon. The industry has made huge strides in this area and continues to do so. Above all else, to create truly sustainable communities, we must build homes that are well designed, comfortable and affordable – in essence, places in which customers want to live. Further advances in building regulations at this time must take full account of these three fundamental requirements with involvement from the industry itself.

Achieving planning consents in the current market which are commercially viable is an industry wide challenge. While fully supporting local decision making, the lack of a common framework is creating uncertainty and delay which adds to the risk and cost of development and this unfortunately means that a number of new schemes cannot be brought forward. Following the Comprehensive Spending Review, there is less public sector funding available for the provision of subsidised affordable housing. With development finance and mortgage finance also constrained, imaginative solutions need to be found to deliver affordable housing. This requires real partnership between the public and private sector. This can work as Berkeley has demonstrated in establishing a private rental fund with support from the Homes & Communities Agency and in its development of extra-care homes on a number of its sites including Kidbrooke in London and Cirencester and Gillingham.

In broader terms, the principal business risks and uncertainties facing Berkeley are largely the same as those set out on pages 26 and 27 of the Annual Report for the year ended 30 April 2010 and comprise: the macro-economic climate, mortgages, sustainability, land availability, planning, sales price and volume, build cost and program, product quality, health and safety, people and Government policy. In preparing this interim report, full account has been taken of this risk profile and the future outlook for the Group's sites.

Trading Analysis and Cash Flow

Revenue for the Group was £336.2 million (2009: £290.1 million), comprising £333.1 million (2009: £281.8 million) of residential revenue and £3.1 million (2009: £8.3 million) of commercial revenue.

During the period, the Group sold 1,249 residential units at an average selling price of £262,000. This compares with 914 units at an average selling price of £299,000 for the first half of last year. Berkeley's average selling price always fluctuates due to sales mix and £262,000 is similar to the £263,000 average selling price reported for the full year ended 30 April 2010. This is towards the bottom of the normal range, reflecting a relative high proportion of sales of homes with a lower capital value, including a 374 room student scheme in Oxford, as opposed to a fluctuation in underlying sales prices. At £3.1 million, the Group's revenue from the sale of commercial properties represents the disposal of commercial units on four mixed-use sites in London (2009: £8.3 million from seven sites).

Berkeley's operating margin of 17.4% is similar to the same period last year and compares to 17.3% for the full year ended 30 April 2010. The Group's operating margin has fluctuated around this level in recent reporting periods, influenced largely by sales mix, as well as the prevailing market conditions.

During the period net cash has reduced by £64.2 million from £316.9 million at 30 April 2010 to £252.7 million at 31 October 2010. The reduction reflects the progress made by Berkeley in its strategy to invest in both new land and production on its existing sites, including the investment of a further £10.2 million into St Edward Homes, Berkeley's joint venture with Prudential. In addition, £30.0 million of the reduction is accounted for by the acquisition of shares.

The significant investment in land and work in progress in the period has resulted in the cost of inventory in the balance sheet increasing by £316.2 million to £1,570.3 million, with land creditors increasing by £171.1 million to £234.9 million as a result of the land acquired in the period. Of the land creditors, £164.4 million is due to be settled in the second half of the year, and the balance thereafter. In addition, the strong sales performance in the period has seen deposits and on account receipts increase by £20.9 million to £482.5 million.

Banking

Berkeley has in place a £300 million bank facility which is available until November 2013, which is commensurate with the current requirements and capital structure of the Group. This provides certainty of available finance for the next three years to underpin Berkeley's investment in land and work in progress. In addition, Berkeley has £49.0 million of site specific bank facilities, of which £31.1 million was drawn at 31 October 2010.

Land Holdings

At 31 October 2010, the Group (including joint ventures) controlled some 28,914 plots with an estimated gross margin of £2,301 million. This compares with 28,099 plots and an estimated gross margin of £2,038 million at 30 April 2010. Of the total 28,914 plots, 28,647 plots (April 2010: 27,094) are owned and included on the balance sheet. In addition, 226 plots (April 2010: 935) are contracted and 41 plots (April 2010: 70) have terms agreed. In excess of 95% of our holdings are on brown-field or recycled land.

The increase in the land bank is a result of new land acquisitions in the period which has seen Berkeley agree 13 new sites, covering some 2,500 plots. These new sites include prime London sites in Westminster and on Hammersmith Embankment, traditional sites in St Albans and Oxford and a site in Horsham for over 1,000 units acquired through strategic land in its long-term pipeline. All of the sites agreed are in excellent locations in London and the South East with strong underlying demand for quality new homes where Berkeley can create vibrant new communities and enhance value through its development expertise.

In addition to the 28,914 plots in its land bank, and after accounting for the transfer of the site at Horsham acquired in the period to the land bank, Berkeley continues to have approximately 10,000 plots in its long-term pipeline, which it envisages delivering over the next ten years. This includes the latter phases of Kidbrooke and Woodberry Down, strategic land and a number of sites being worked up within St Edward Homes, Berkeley's joint venture with Prudential. Of a more long-term nature; Berkeley hopes these sites will come through into the land bank but they currently have an uncertain outcome due to planning policy or vacant possession issues.

In terms of planning, Berkeley entered the year having achieved new or revised planning consents on 38 of its sites in the run up to the May Election. It is therefore very pleasing to have had a number of further notable successes in the first half of this year. These include sites in Belgravia, Westminster, Greenwich, Roehampton and Oxford, and revised consents for schemes in Battersea and Acton and the second phase of the student scheme being developed in Clapham for Imperial College. Through the ongoing re-planning and re-assessment process, the land bank includes a net reduction of approximately 400 plots due to a combination of re-planning densities and increasing individual unit sizes and removing plots that are no longer commercially viable.

St Edward Homes accounts for some 1,400 plots in the land bank across three sites. These include: Stanmore Place, where the first phase is selling well and development on later phases progressing and 375 Kensington High Street, which has been successfully launched to the market and where demolition work has begun. In addition, Berkeley continues to work with Prudential to identify further sites to which St Edward Homes can add value and three of these are in the long-term pipeline.

Sustainability

Berkeley has always adopted a holistic approach to sustainability and this was encapsulated earlier this year in the launch of the Group's Vision 2020 strategy which sets ambitious, sector-leading objectives in the following four areas: The Customer Experience; Delivering Sustainable Communities; Building Greener Homes; and Running a Sustainable Business. In essence, Vision 2020 is designed to drive the sustainability agenda forward over the next decade for the benefit of Berkeley's customers, the communities in which it operates and the environment. As a result, it is pleasing that this commitment has been recognised by Berkeley ranking first, for the fourth year running, in the NextGeneration benchmark, the leading sustainability benchmark for the Top 25 UK home builders. Noting the significant progress made by the industry over recent years on the environmental issues associated with sustainability, such as energy and carbon reduction, this year's benchmark focused on the wider role that developers play in addressing social and economic issues through the creation of sustainable communities. Berkeley was also delighted to win PwC's Building Public Trust Award for its Sustainability Report and remains honoured to hold a Queen's Award for Enterprise in the Sustainable Development category.

Awards

At the heart of Vision 2020 is Berkeley's commitment to quality and creating places in which people aspire to live, providing them with the best customer experience. Berkeley is therefore delighted that it was recognised as: House-builder of the Year at the 2010 Building Awards, organised by Building Magazine; Sustainable Housebuilder of the Year at the 2010 HBF Housebuilder Awards and, most recently, Large Housebuilder of the Year and Sustainable Developer of the Year at the 2010 What House? Awards. In addition, five of the Group's developments have achieved a Building for Life standard in the period with St Edward receiving a Building for Life Gold Award for its Stanmore Place development. Berkeley has committed to adopting the Building for Life "Silver Standard" for all planning applications submitted after 1 May 2010.

Our People

Producing such strong results in an environment that remains extremely challenging is credit to the dedication, innovation and expertise of Berkeley's people. It is hugely reassuring that addressing the challenges faced by the industry today is in such capable hands. Their contribution should not be underestimated and, on behalf of the Shareholders and Directors of Berkeley, I would like to take this opportunity to thank our people and recognise their exceptional efforts and achievements.

Outlook

The housing market in London and the South East is characterised by an imbalance of demand for new homes in excess of supply. The sites recently acquired by Berkeley are in excellent locations where this imbalance has traditionally been most acute. For the time being therefore, and in the absence of any external shocks to the economy, Berkeley believes the current market in terms of prices and transaction levels should remain stable.

Longer term, Berkeley's outlook remains closely aligned to the success of London in attracting investment, employment and of course, retaining its status as the premier World City. Outside London, which is more closely aligned with the UK domestic economy, the lack of liquidity and the absence of the feel-good factor remain constraints to an increase in transaction volumes on each site.

With these challenging market conditions presenting opportunities for those with access to capital, Berkeley will enter 2011 in a strong position and with an increased level of confidence to deliver the new homes and places in which our customers aspire to live.

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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
V M Mitchell
D Howell
A C Coppin
J Armitt

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

3 December 2010

The Berkeley Group Holdings plc

Consolidated Income Statement

	Notes	Six months ended 31 October 2010 Unaudited £'000	Six months ended 31 October 2009 Unaudited £'000	Year ended 30 April 2010 Audited £'000
Revenue		336,151	290,136	615,303
Cost of sales		(242,829)	(213,925)	(448,939)
Gross profit		93,322	76,211	166,364
Net operating expenses		(34,692)	(25,662)	(60,145)
Operating profit		58,630	50,549	106,219
Finance income	5	5,484	4,958	9,498
Finance costs	5	(3,690)	(1,983)	(5,115)
Share of post tax results of joint ventures using the equity method		1,155	(1,568)	(261)
Profit before taxation for the period		61,579	51,956	110,341
Income tax expense	6	(17,336)	(14,989)	(30,816)
Profit after taxation for the period		44,243	36,967	79,525
Profit attributable to:				
Shareholders		44,490	36,967	79,674
Non-controlling interest		(247)	–	(149)
		44,243	36,967	79,525
Earnings per share attributable to shareholders:				
Basic	7	33.5p	28.1p	60.0p
Diluted	7	32.8p	26.7p	58.7p

Consolidated Statement of Comprehensive Income

	Six months ended 31 October 2010 Unaudited £'000	Six months ended 31 October 2009 Unaudited £'000	Year ended 30 April 2010 Audited £'000
Profit after taxation for the period	44,243	36,967	79,525
Other comprehensive (expense) / income:			
Actuarial loss recognised in the pension scheme	(322)	(299)	(604)
Deferred tax on actuarial loss recognised in the pension scheme	90	84	169
Other comprehensive expense for the period	(232)	(215)	(435)
Total comprehensive income for the period	44,011	36,752	79,090
Attributable to:			
Shareholders	44,258	36,752	79,239
Non-controlling interest	(247)	–	(149)
	44,011	36,752	79,090

The Berkeley Group Holdings plc

Consolidated Statement of Financial Position

	Notes	At 31 October 2010 Unaudited £'000	At 31 October 2009 Unaudited £'000	At 30 April 2010 Audited £'000
Assets				
Non-current assets				
Intangible assets		17,159	17,315	17,159
Property, plant and equipment		9,676	3,339	9,687
Investments accounted for using the equity method		37,387	23,536	26,018
Deferred tax assets		14,570	26,206	14,857
		78,792	70,396	67,721
Current assets				
Inventories		1,570,252	1,182,143	1,254,127
Trade and other receivables		68,349	51,662	57,720
Cash and cash equivalents	8	283,869	360,995	349,119
		1,922,470	1,594,800	1,660,966
Total assets		2,001,262	1,665,196	1,728,687
Liabilities				
Non-current liabilities				
Borrowings	8	(28,092)	–	(25,203)
Trade and other payables		(69,268)	(61,226)	(51,848)
		(97,360)	(61,226)	(77,051)
Current liabilities				
Borrowings	8	(3,029)	(16,263)	(7,048)
Trade and other payables		(931,630)	(664,362)	(699,377)
Current tax liabilities		(90,959)	(83,632)	(82,895)
		(1,025,618)	(764,257)	(789,320)
Total liabilities		(1,122,978)	(825,483)	(866,371)
Total net assets		878,284	839,713	862,316
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		3,008	4,082	3,489
Retained profit		1,752,528	1,716,356	1,735,832
		874,811	839,713	858,596
Non-controlling interest		3,473	–	3,720
Total equity		878,284	839,713	862,316

The Berkeley Group Holdings plc

Consolidated Statement of Changes in Equity

	Attributable to shareholders								
	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Revaluation reserve £'000	Retained profit £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
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
Unaudited									
At 1 May 2009	6,543	49,315	24,516	(961,299)	4,166	1,678,055	801,296		801,296
Profit after taxation for the period	–	–	–	–	–	36,967	36,967	–	36,967
Other comprehensive expense for the period	–	–	–	–	–	(215)	(215)	–	(215)
Reserves transfer from revaluation reserve	–	–	–	–	(644)	644	–	–	–
Acquisition of subsidiary	–	–	–	–	560	–	560	–	560
Transactions with shareholders:									
Equity settlement of employee share schemes	200	–	–	–	–	(200)	–	–	–
Credit in respect of employee share schemes	–	–	–	–	–	2,355	2,355	–	2,355
Deferred tax in respect of employee share schemes	–	–	–	–	–	(1,250)	(1,250)	–	(1,250)
At 31 October 2009	6,743	49,315	24,516	(961,299)	4,082	1,716,356	839,713	–	839,713
Audited									
At 1 May 2009	6,543	49,315	24,516	(961,299)	4,166	1,678,055	801,296	–	801,296
Profit after taxation for the year	–	–	–	–	–	79,674	79,674	(149)	79,525
Other comprehensive expense for the year	–	–	–	–	–	(435)	(435)	–	(435)
Acquisition of subsidiary	–	–	–	–	560	–	560	–	560
Disposal of non-controlling interest in subsidiary undertaking	–	–	–	–	–	–	–	3,869	3,869
Reserves transfer from revaluation reserve	–	–	–	–	(1,237)	1,237	–	–	–
Transactions with shareholders:									
Purchase of own shares	–	–	–	–	–	(12,812)	(12,812)	–	(12,812)
Cash settlement of employee share schemes	–	–	–	–	–	(12,650)	(12,650)	–	(12,650)
Equity settlement of employee share schemes	200	–	–	–	–	(200)	–	–	–
Credit in respect of employee share schemes	–	–	–	–	–	4,491	4,491	–	4,491
Deferred tax in respect of employee share schemes	–	–	–	–	–	(1,528)	(1,528)	–	(1,528)
At 30 April 2010	6,743	49,315	24,516	(961,299)	3,489	1,735,832	858,596	3,720	862,316

The Berkeley Group Holdings plc

Consolidated Cash Flow Statement

	Notes	Six months ended 31 October 2010 Unaudited £'000	Six months ended 31 October 2009 Unaudited £'000	Year ended 30 April 2010 Audited £'000
Cash flows from operating activities				
Cash generated from operations	8	(19,617)	87,015	92,847
Dividends from joint ventures		–	108	108
Interest received		6,347	2,476	5,265
Interest paid		(1,582)	(587)	(2,132)
Income tax paid		(8,629)	(6,972)	(12,380)
Net cash flow from operating activities		(23,481)	82,040	83,708
Cash flows from investing activities				
Purchase of property, plant and equipment		(549)	(84)	(6,939)
Sale of property, plant and equipment		126	43	133
Disposal of non-controlling interest in subsidiary undertaking		–	–	3,869
Acquisition of subsidiary undertaking		–	(1,473)	(1,473)
Purchase of shares in joint ventures		–	(540)	(996)
Movements in loans with joint ventures		(10,214)	(3,815)	(4,533)
Net cash flow from investing activities		(10,637)	(5,869)	(9,939)
Cash flows from financing activities				
Purchase of own shares		(30,002)	–	(12,812)
Cash settlement of employee share scheme		–	–	(12,650)
Repayment of loan stock		(19)	(18)	(18)
Repayment of borrowings		(1,111)	–	–
Proceeds from borrowings		–	–	15,988
Net cash flow from financing activities		(31,132)	(18)	(9,492)
Net (decrease) / increase in cash and cash equivalents		(65,250)	76,153	64,277
Cash and cash equivalents at the start of the financial year		349,119	284,842	284,842
Cash and cash equivalents at the end of the financial period	8	283,869	360,995	349,119

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 3 December 2010. 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 2010 were approved by the Board of Directors on 27 July 2010 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 2010 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 2010, 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 2010, 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 2010, but have had no impact on the consolidated financial statements:

- IFRS 1 (Revised), "First-time adoption"
- IFRS 3 (Revised), "Business combinations"
- IAS 27 (Revised), "Consolidated and separate financial statements"
- IAS 32 (Amendment), "Financial instruments: Presentation"
- IAS 39 (Amendment), "Financial instruments: Recognition and measurement"
- IFRS 2 (Amendment), "Share-based payment"
- IFRS 5 (Amendment), "Non-current assets held for sale and discontinued operations"
- IFRIC16 "Hedges of a net investment in a foreign operation"
- IFRIC17 "Distribution of non-cash assets to owners"
- IFRIC18 "Transfer of assets from customers"

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 May 2010 and have not been adopted early:

- IAS 1 (Amendment), "Presentation of financial statements"
- IAS 34 (Amendment), "Interim financial reporting"
- IAS 24 (Amendment), "Related party disclosures"
- IFRS 2 (Amendment), "Group cash-settled share-based payment transactions"
- IFRS 7 "Financial Instruments"
- IFRIC14 (Amendment), "Prepayments of minimum funding requirement"
- IFRIC19 "Extinguishing financial liabilities with equity instruments"

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

Notes to the condensed consolidated financial information continued

4 Operating segments

The Group is engaged in residential-led, mixed-use property development.

For the purposes of determining its reportable 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 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 property development in the United Kingdom and, having regard to the aggregation criteria in IFRS 8, the Group has one reportable operating segment and thus no separate financial information is disclosed.

5 Net finance income

	Six months ended 31 October 2010 Unaudited £'000	Six months ended 31 October 2009 Unaudited £'000	Year ended 30 April 2010 Audited £'000
Finance income	5,484	4,958	9,498
Finance costs			
Interest payable on bank loans and non-utilisation fees	(1,305)	(772)	(1,623)
Amortisation of facility fees	(416)	–	(598)
Other finance costs	(1,969)	(1,211)	(2,894)
	(3,690)	(1,983)	(5,115)
Net finance income	1,794	2,975	4,383

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.

6 Income tax expense

	Six months ended 31 October 2010 Unaudited £'000	Six months ended 31 October 2009 Unaudited £'000	Year ended 30 April 2010 Audited £'000
Current tax			
UK corporation tax payable	(16,737)	(11,347)	(23,424)
Adjustments in respect of previous periods	151	(1,243)	(656)
	(16,586)	(12,590)	(24,080)
Deferred tax	(750)	(2,399)	(6,736)
	(17,336)	(14,989)	(30,816)

7 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.

Notes to the condensed consolidated financial information continued

7 Earnings per share continued

	Six months ended 31 October 2010 Unaudited £'000	Six months ended 31 October 2009 Unaudited £'000	Year ended 30 April 2010 Audited £'000
Profit attributable to shareholders (£'000's)	44,490	36,967	79,674
Weighted average no. of shares (000's)	132,868	131,339	132,824
Basic earnings per share (p)	33.5	28.1	60.0

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 2010, the Company had two categories of potentially dilutive ordinary shares: 5.3 million £3.00 share options under the 2009 LTIP Part A and 7.1 million £8.40 share options under the 2009 LTIP Part B.

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 2010 Unaudited £'000	Six months ended 31 October 2009 Unaudited £'000	Year ended 30 April 2010 Audited £'000
Profit used to determine diluted EPS (£'000's)	44,490	36,967	79,674
Weighted average no. of shares (000's)	132,868	131,339	132,824
Adjustments for:			
Share options - 2004(b) LTIP Element 1D	–	3,950	–
Share options - 2009 LTIP Part A	2,977	3,024	3,004
Share options - 2009 LTIP Part B	–	–	–
Shares used to determine diluted EPS (000's)	135,845	138,313	135,828
Diluted earnings per share (p)	32.8	26.7	58.7

Notes to the condensed consolidated financial information continued

8 Notes to the Consolidated Cash Flow Statement

	Six months ended 31 October 2010 Unaudited £'000	Six months ended 31 October 2009 Unaudited £'000	Year ended 30 April 2010 Audited £'000
Net cash flows from operating activities			
Profit after taxation for the period	44,243	36,967	79,525
Adjustments for:			
Taxation	17,336	14,989	30,816
Depreciation	452	412	804
Amortisation of intangible assets	–	–	156
(Profit) / loss on sale of property, plant and equipment	(18)	15	40
Finance income	(5,484)	(4,958)	(9,498)
Finance costs	3,690	1,983	5,115
Share of results of joint ventures after tax	(1,155)	1,568	261
Non-cash charge in respect of share awards	1,705	2,355	4,491
Changes in working capital:			
Increase in inventories	(316,125)	(39,070)	(111,055)
(Increase) / decrease in receivables	(11,514)	1,928	(2,383)
Increase in payables	247,553	71,126	95,175
Decrease in employee benefit obligations	(300)	(300)	(600)
Cash generated from operations	(19,617)	87,015	92,847
Reconciliation of net cash flow to net cash			
Net (decrease) / increase in cash and cash equivalents	(65,250)	76,153	64,277
Debt acquired on acquisition of subsidiary	–	(16,215)	(16,215)
Net cash outflow from repayment of loan stock	19	18	18
Net cash outflow from repayment of borrowings	1,111	–	–
Net cash inflow from increase in borrowings	–	–	(15,988)
Movement in net cash in the financial period	(64,120)	59,956	32,092
Opening net cash	316,868	284,776	284,776
Closing net cash	252,748	344,732	316,868
Net cash			
Cash and cash equivalents	283,869	360,995	349,119
Non-current borrowings	(28,092)	–	(25,203)
Current borrowings	(3,029)	(16,263)	(7,048)
Net cash	252,748	344,732	316,868

9 Related party transactions

During the financial period, Mr A W Pidgley paid £415,230 to Berkeley Homes Public Limited Company for works carried out at his home under the Group's own build scheme (2009: £432,044). 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 2010.

The Berkeley Group Holdings plc

Independent review report of the condensed consolidated financial information to The Berkeley Group Holdings plc

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 2010, which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity 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 2010 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
3 December 2010
London