

Full Year Results Presentation

Year ended 30 April 2011

24 June 2011

Format of presentation



Chairman

Finance Director

Managing Director

Tony Pidgley

Nick Simpkin

Rob Perrins

Questions

TONY PIDGLEY

CHAIRMAN

Proposed £13 per share cash return



	Dividend £/share
By 30 September 2015	4.34
By 30 September 2018	4.33
By 30 September 2021	<u>4.33</u>
	<u>13.00</u>
 Total return to existing shareholders	 <u>£1.7 billion</u>

NICK SIMPKIN

FINANCE DIRECTOR

Review of full year results

- Summary of performance
- Summary of financial position
- Banking facilities
- Income statement
- Homes completed and ASP
- Abridged cash flow
- Abridged balance sheet
 - Inventories
 - Creditors
- Land holdings

Summary of performance



	<u>Apr 2011</u>	<u>Apr 2010</u>	<u>Change</u>	
Operating profit	£135.7m	£106.2m	+ £29.5m	+ 27.8%
Operating margin	18.3%	17.3%		
Profit before tax	£136.2m	£110.3m	+ £25.9m	+ 23.5%
EPS – Basic	72.1p	60.0p	+ 12.1p	+ 20.2%
Weighted ave. no. of shares	132.0m	132.8m		
Cash (outflow)/inflow before financing	(£244.9m)	£57.5m		
Return on equity	15.3%	13.3%		

Summary of financial position



	<u>Apr 2011</u>	<u>Apr 2010</u>	<u>Change</u>	
Shareholders' funds	£929.4m	£858.6m	+ £70.8m	+ 8.2%
Net asset value per share	709.2p	636.7p	+ 72.5p	+ 11.4%
Shares in issue	131.0m	134.9m	- 3.9m	- 2.9%
Closing net cash	£42.0m	£316.9m	- £274.9m	
Land bank - Plots	27,026	28,099	- 1,073	
- Gross margin	£2,304m	£2,038m	+ £266m	+ 13.1%
Cash due on forward sales	£813.5m	£648.1m	+ £165.4m	+ 25.5%

Banking facilities

	<u>Maturity</u>	<u>Apr 2011</u> <u>Facility</u> <u>£m</u>	<u>Apr 2010</u> <u>Facility</u> <u>£m</u>
<u>Corporate:</u>			
Facility No.1	Nov 2013	200.0	300.0
Facility No.2	Apr 2016	250.0	-
		<u>450.0</u>	<u>300.0</u>
<u>Project:</u>			
Project specific	n/a	-	39.0
Winstanley Rd	Sep 2020	68.0	68.0
Total facilities		<u>518.0</u>	<u>407.0</u>
St Edward Homes	Apr 2016	60.0	-

Income statement



	<u>Apr 2011</u> <u>£m</u>		<u>Apr 2010</u> <u>£m</u>		<u>Change</u> <u>£m</u>	
Revenue	<u>742.6</u>		<u>615.3</u>		<u>+ 127.3</u>	+ 20.7%
Gross profit	209.1	28.2%	166.4	27.0%	+ 42.7	+ 25.7%
Overheads	(73.4)	9.9%	(60.2)	9.8%	- 13.2	+ 21.9%
Operating profit	<u>135.7</u>	18.3%	<u>106.2</u>	17.3%	<u>+ 29.5</u>	+ 27.8%
Net finance income/(costs)	(1.5)		4.4		- 5.9	
Joint ventures	2.0		(0.3)		+ 2.3	
Profit before tax	<u>136.2</u>		<u>110.3</u>		<u>+ 25.9</u>	+ 23.5%
Tax	(41.8)	30.7%	(30.8)	27.9%	- 11.0	
Profit after tax	<u>94.4</u>		<u>79.5</u>		<u>+ 14.9</u>	+ 18.7%
Minority interest - loss	<u>0.7</u>		<u>0.1</u>		<u>+ 0.6</u>	
Profit attrib. to shareholders	<u>95.1</u>		<u>79.6</u>		<u>+ 15.5</u>	+19.5%

Homes completed and ASP

	<u>Units</u>	<u>ASP</u>	<u>Units</u>	<u>ASP</u>
2010/11 HY02	1,295	£280,000	2,544	£271,000
2010/11 HY01	<u>1,249</u>	<u>£262,000</u>		
St Edward Homes			164	£251,000
2009/10 HY02	1,287	£238,000	2,201	£263,000
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>		

Abridged cash flow



	<u>Apr 2011</u> <u>£m</u>	<u>Apr 2010</u> <u>£m</u>
Profit before tax	136.2	110.3
Increase in inventory – land	(207.4)	(85.2)
Increase in inventory – build WIP & stock	(151.7)	(25.9)
Transfer from inventory to rental fund	(28.6)	-
Net movement in JVs	(12.7)	(5.2)
Other working capital movements	46.8	88.0
Acquisition of Saad Berkeley	-	(17.7)
Non-cash movements	5.1	5.6
Tax paid	<u>(32.6)</u>	<u>(12.4)</u>
Cash (outflow)/inflow before financing	(244.9)	57.5
Financing activities	<u>(30.0)</u>	<u>(25.4)</u>
(Decrease)/increase in net cash	(274.9)	32.1
Opening net cash	<u>316.9</u>	<u>284.8</u>
Closing net cash	<u>42.0</u>	<u>316.9</u>

Abridged balance sheet



	<u>Apr 2011</u> £m	<u>Movements</u> £m	<u>Apr 2010</u> £m
Non-current assets			
- Intangible assets	17.2	-	17.2
- Investment properties	28.6	28.6	-
- Investment in JV's	38.7	12.7	26.0
- Other non-current assets	29.5	5.0	24.5
Inventories	1,613.2	359.1	1,254.1
Debtors	96.7	39.0	57.7
Creditors	<u>(932.1)</u>	<u>(98.0)</u>	<u>(834.1)</u>
Capital employed	891.8	346.4	545.4
Net cash	42.0	(274.9)	316.9
Net assets	<u>933.8</u>	<u>71.5</u>	<u>862.3</u>
Minority interest	<u>(4.4)</u>	<u>(0.7)</u>	<u>(3.7)</u>
Net assets attributable to shareholders	<u>929.4</u>	<u>70.8</u>	<u>858.6</u>

Inventories

	<u>Apr 2011</u> <u>£m</u>	<u>Movements</u> <u>£m</u>	<u>Apr 2010</u> <u>£m</u>
Land not under development	316.6	74.5	242.1
Work in progress: Land cost	<u>631.9</u>	<u>132.9</u>	<u>499.0</u>
	948.5	207.4	741.1
Work in progress: Build cost	615.7	169.0	446.7
Completed units	<u>49.0</u>	<u>(17.3)</u>	<u>66.3</u>
	<u>1,613.2</u>	<u>359.1</u>	<u>1,254.1</u>

Creditors

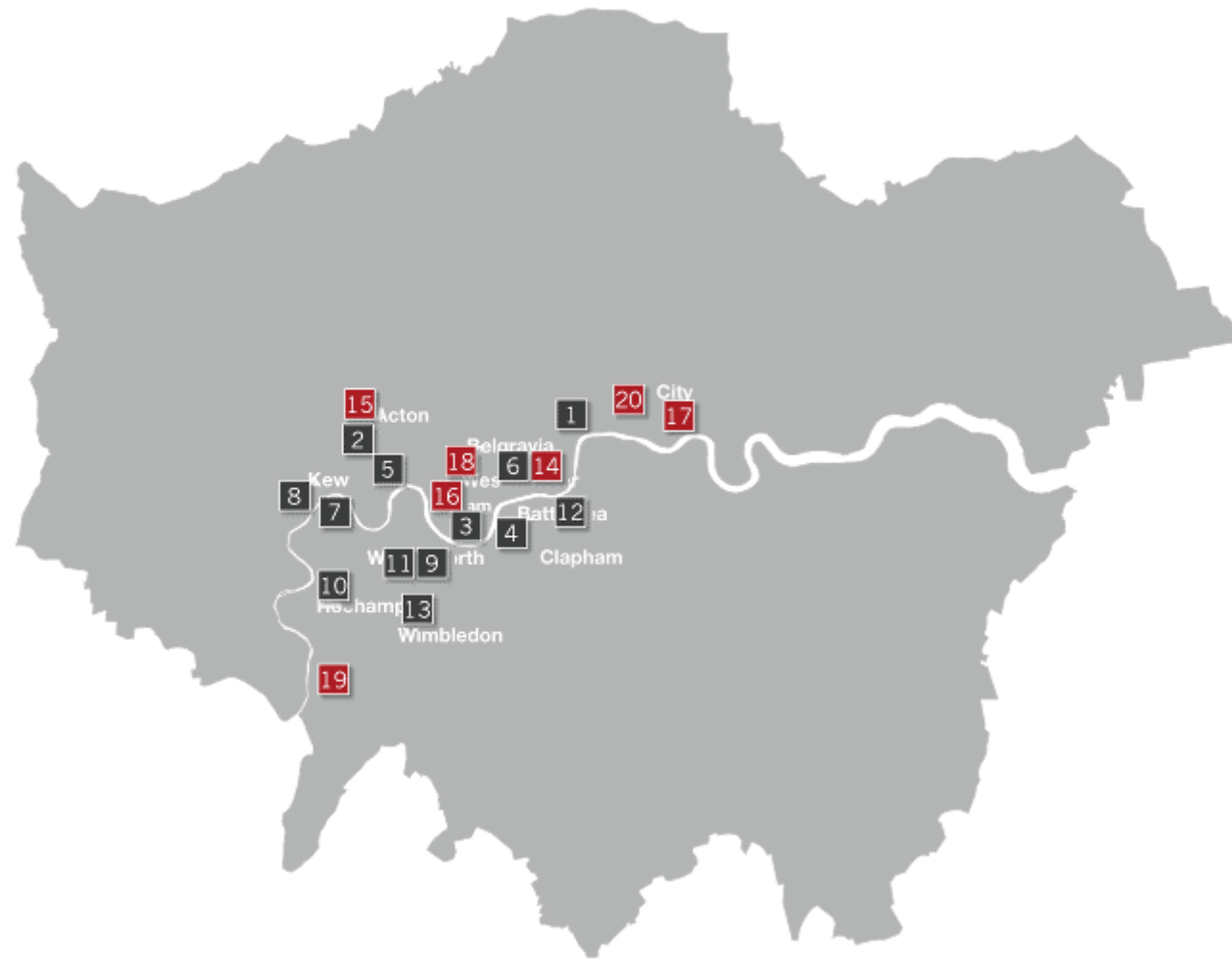
	<u>Apr 2011</u> £m	<u>Movements</u> £m	<u>Apr 2010</u> £m
Trade creditors and accruals	299.8	74.0	225.8
Deposits and on account receipts	472.0	10.4	461.6
Land creditors	66.4	2.6	63.8
Current tax liability	93.9	11.0	82.9
Total creditors	<u>932.1</u>	<u>98.0</u>	<u>834.1</u>
 <u>Land creditors</u>			
Land creditors < 12 months	15.4	3.4	12.0
Land creditors > 12 months	51.0	(0.8)	51.8
Total	<u>66.4</u>	<u>2.6</u>	<u>63.8</u>

Land holdings

	<u>Apr 2011</u>	<u>Variance</u>	<u>Apr 2010</u>
Owned	26,865	-229	27,094
Contracted	147	- 788	935
Agreed	14	-56	70
Plots *	<u>27,026</u>	<u>- 1,073</u>	<u>28,099</u>
Sales value	£8,135m	+ £915m	£7,220m
Average selling price	301k	+ £44k	£257k
Average plot cost	44k	+ £8k	£36k
Land cost %	14.6%	+ 0.6%	14.0%
Gross margin	£2,304m	+ £266m	£2,038m
GM%	28.3%	+0.1%	28.2%

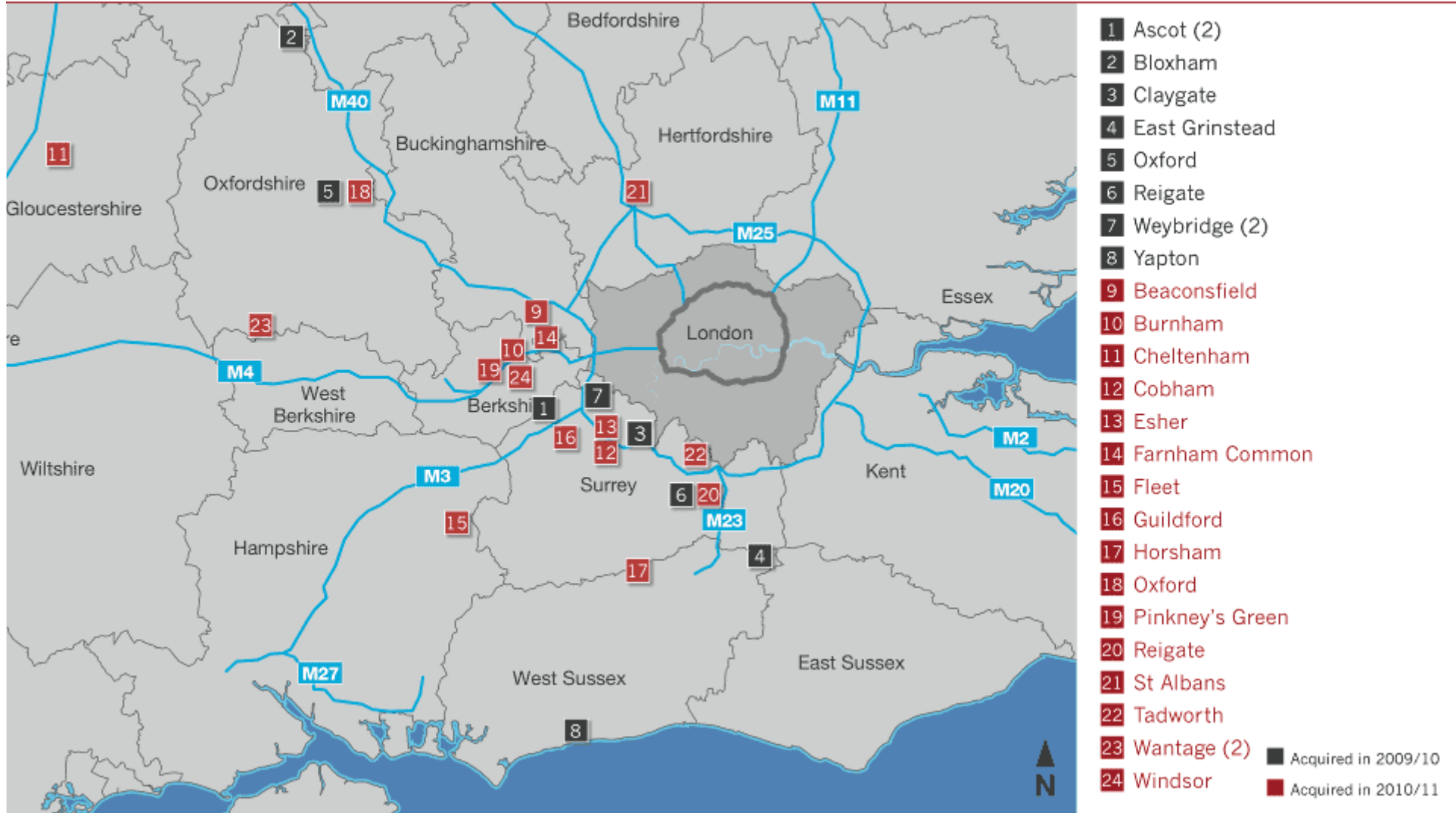
* Includes 1,548 plots within joint ventures at 30 Apr 2011 (30 Apr 2010: 1,500)

Sites acquired – London since March 2009



- 1 190 Strand
 - 2 Acton
 - 3 Carnwath Road, Fulham
 - 4 Clapham
 - 5 Hammersmith
 - 6 Johnson House, Belgravia
 - 7 Kew
 - 8 Kew Bridge Road, Brentford
 - 9 Putney
 - 10 Richmond
 - 11 Roehampton
 - 12 Tideway Wharf, Battersea
 - 13 Wimbledon
 - 14 Abell and Cleland House Westminster
 - 15 Acton
 - 16 Fulham Reach
 - 17 Goodman's Fields, London E1
 - 18 Kensington
 - 19 Kingston
 - 20 Roman House, City of London
- Acquired in 2009/10
 Acquired in 2010/11

Sites acquired – South East since March 2009



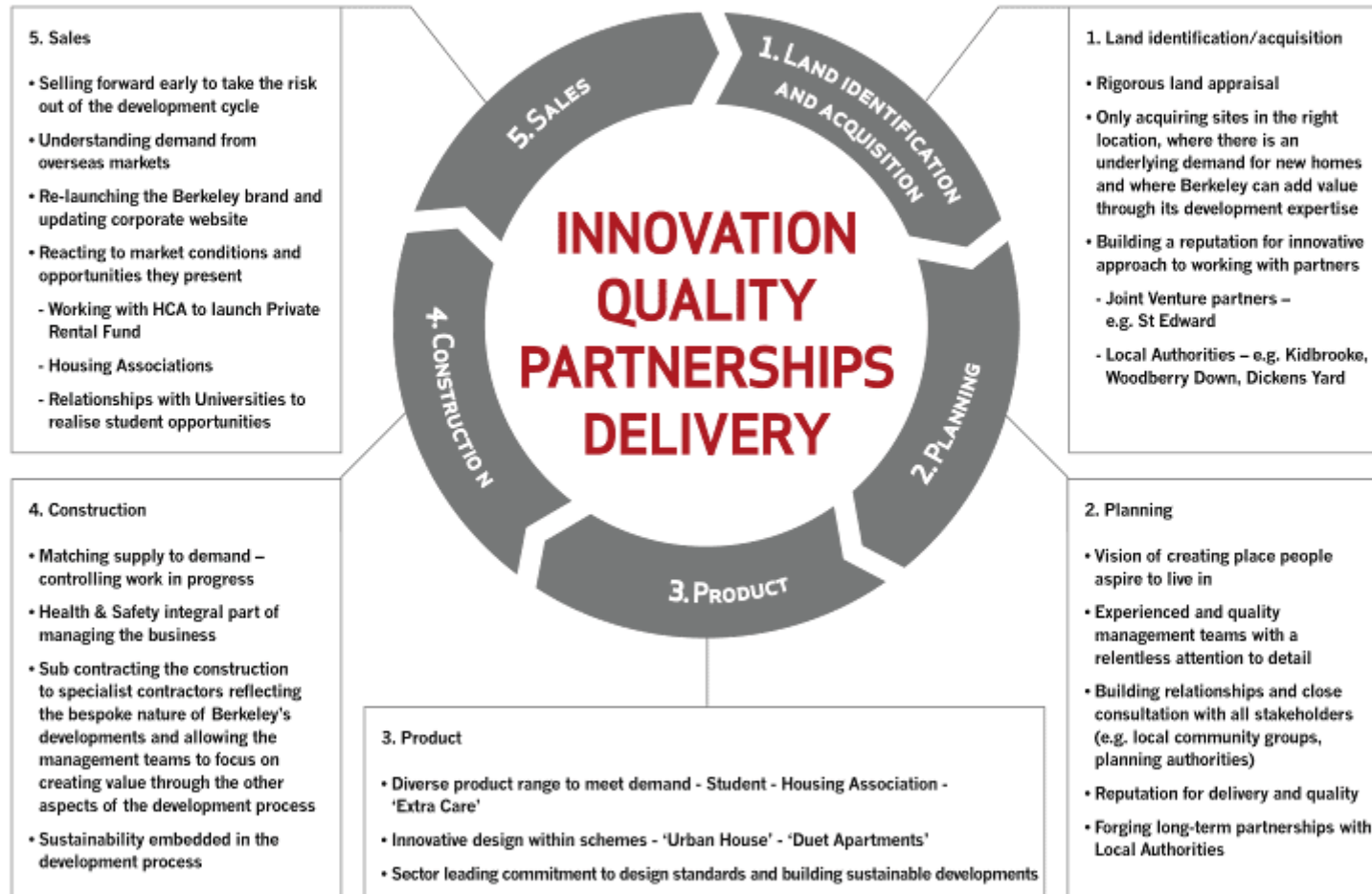
ROB PERRINS

MANAGING DIRECTOR

- 1. Performance**
- 2. Rationale for long-term strategic plan**
- 3. Outlook**

Performance – Operating model

The key principles of the Berkeley model apply to all stages of the development cycle:



Rationale for long-term strategic plan



- 1. Framework for managing risk**
- 2. Clarity over return for shareholders**
- 3. Discipline for investment allocation**
- 4. Aligns management and shareholder over the long term**
- 5. Ensures Berkeley remains at its natural size**
- 6. Financial risk is limited**

Outlook

- 1. Strength from land bank and forward sales**
- 2. Selective land acquisition**
- 3. Further investment in work in progress**
- 4. Utilisation of bank facilities**
- 5. Adding value throughout the development cycle**

Questions



Tony Pidgley

Chairman

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