PRESS RELEASE

THE BERKELEY GROUP HOLDINGS PLC

PRELIMINARY RESULTS ANNOUNCEMENT

29 JUNE 2012

PROFIT BEFORE TAX UP 57.7% FROM £136.2 MILLION TO £214.8 MILLION

PRE-TAX RETURN ON EQUITY INCREASED FROM 15.3% TO 21.2%

VALUE OF LAND BANK UP 12.0% TO £2.58 BILLION OF FUTURE GROSS MARGIN

The Berkeley Group Holdings plc ("Berkeley") today announces its unaudited preliminary results for the year ended 30 April 2012:

Year ended 30 April	2012 £'million	2011 £'million	Change £'million	%
Revenue	1,041.1	742.6	+298.5	+40.2%
Operating profit before exceptional item	195.7	135.7	+60.0	+44.2%
Exceptional profit on disposal of subsidiary	30.7	-	+30.7	
Operating profit	226.4	135.7	+90.7	+66.8%
Net finance costs	(9.4)	(1.5)	-7.9	
Share of joint ventures result	(2.2)	2.1	-4.3	
Profit before tax	214.8	136.2	+78.6	+57.7%
Taxation	(56.7)	(41.8)	-14.9	
Profit after tax	158.1	94.5	+63.6	+67.3%
EPS Basic	121.0p	72.1p	+48.9p	+67.8%
EPS Diluted	112.8p	70.3p	+42.5p	+60.5%
ROE	21.2%	15.3%	+5.9%	

PERFORMANCE

- Profit before tax up 57.7% to £214.8 million (2011: £136.2 million)
- Operating margin before exceptional item up 0.5% to 18.8% (2011: 18.3%)
- Pre-tax return on shareholders' equity of 21.2% (2011: 15.3%)
- £311 million invested in land in the year acquiring a further 2,444 residential plots
- £30.7 million exceptional profit from disposal of 51% interest in a student scheme at Clapham Junction in September 2011
- Basic earnings per share increased by 67.8% to 121.0 pence (2011: 72.1 pence)

BALANCE SHEET

- Net debt of £57.9 million (April 2011: net cash of £42.0 million)
- Cash due on forward sales of £1,055.7 million (April 2011: £813.5 million)
- Shareholders' equity up £170.4 million to £1,099.8 million (April 2011: £929.4 million)
- Net Asset Value per share up 18.3% to 839.3 pence (April 2011: 709.2 pence)
- 26,021 plots in land bank (April 2011: 27,026)
- Future anticipated gross margin in land bank up 12.0% to £2,580 million (April 2011: £2,304 million)

CHAIRMAN'S STATEMENT

"I am delighted to report a strong performance again this year. Basic earnings per share have increased by 67.8%, our balance sheet remains strong and forward sales stand at over £1 billion.

Last year Berkeley put in place a ten-year framework to return £13 per share by September 2021 with the overwhelming support of shareholders and has been laying the foundations to ensure that we retain a strong, sustainable business which can endure well beyond this period. This set of results demonstrates that we have embarked on this in the right way, delivering solid performance whilst remaining focused on the long-term success of the business.

Against a backdrop of a challenging economic outlook both in the UK and abroad, creating the conditions in which businesses can stimulate growth has become a political imperative. New housing is uniquely placed to deliver growth; it is a sector that delivers employment both during and after the development process and stimulates activity throughout the supply chain in manufacturing and service industries. Since repositioning its strategy in February 2009 following the collapse of Lehman Brothers and at the height of the banking crisis, Berkeley has invested over £1 billion in new land and a further £2 billion breathing new life into disconnected communities and delivering new homes. Over this same period, we have created over 6,000 new jobs in delivering new housing across our sites, a contribution to the economy which should not be overlooked.

We have achieved this over a period in which the industry has seen unprecedented change, with the removal of the South East Plan, the introduction of the National Planning Policy Framework and the implementation of changes to the way in which new housing contributes to local communities through the introduction of the Mayoral Community Infrastructure Levy alongside Section 106 contributions. Whilst I support the joint objective of these initiatives to increase local engagement and supply, the implementation of these new policies has created numerous practical issues that have yet to be resolved. These include the role that localism plays in development on a large scale and how to ensure that the delivery of new housing is commercially viable in an environment where planning authorities and government place ever increasing financial burdens on developers.

The decision for businesses such as Berkeley to invest is finely balanced despite the sound long term fundamentals for residential property in London and the South East of England. Growth requires a stable political and economic environment with well-considered policies that welcome inward investment and give businesses the confidence to invest and grow; it is essential that London's competitiveness on a world stage is preserved. Unnecessary bureaucracy, over-zealous regulation and taxation policy, and a negative rhetoric that undermines confidence, create barriers to the delivery of new housing which will pose an unwelcome drag on growth. Indeed, there are indications across the wider industry that the recent upturn in construction levels is beginning to stagnate.

To remain a truly successful and sustainable business, we must respect and impress our customers, investors, partners, contractors and the communities within which we operate. This can only be done with the right people working at the heart of any business, and I continue to admire the passion, dedication and hard work of all of our employees at Berkeley. I, along with the rest of the Board, am grateful above all for their loyalty, and the stability that this brings to the company.

The Board has positioned Berkeley to give it the best chance to prosper and thrive with a truly sustainable business model. With the right conditions, both economically and politically, I am confident that Berkeley will achieve this, but this confidence must inevitably be tempered by the need to react to prevailing market conditions however they develop."

Tony Pidgley
Chairman

MANAGING DIRECTOR'S STATEMENT

"It is pleasing to report a tremendous year of performance and growth for Berkeley. Profit before tax increased 57.7% to £214.8 million from £136.2 million the previous year and basic earnings per share are up 67.8% to 121.0 pence per share reflecting both underlying earnings growth and the reduction in the rate of corporation tax. Pre-tax return on shareholders' equity, one of Berkeley's two core performance targets, was 21.2% up from 15.3% a year earlier on shareholder's equity that increased by £170.4 million to £1,099.8 million in the period.

The second core annual performance target is growth in the value of the Group's land bank in line with our strategy to invest in land. The further investment of some £311 million in land acquisitions during the year contributed to growth of the potential gross margin in the land bank by 12.0% to £2,580 million and exceeds the targets set at the beginning of the year. This investment has continued into the new financial year with the acquisition of 15 acres in Zone 1 at Wapping for £150 million, payable in instalments, as announced in May 2012.

Importantly, the results also demonstrate the continued strengthening of the balance sheet and management of key operating risks, above all through an increase in cash due on forward sales to £1,056 million which underpins our investment in future delivery, an enhancement in the quality of our land bank in which some 84% is now fully consented and an increase in banking facilities to £525 million, extended until April 2017, providing financial security well beyond the first planned date of shareholder returns.

Looking forward, we have updated our operating guidance which is aligned to returning some £568.5 million to shareholders, equivalent to £4.34 per share, by September 2015 whilst maintaining our balance sheet at least at the current level. The Group is currently well positioned, with the land bank and planning consents now in place, to achieve this guidance assuming overall market conditions remain resilient.

The Board also believes that there remain opportunities to add further shareholder value over the long-term through additional land investment at this point in the cycle and has maintained its target for land bank growth in the next financial year at 10%. We will also aim to meet our objective to grow the value in the land bank to £3 billion, now by April 2014, one year earlier than originally intended.

The objective to return some £568.5 million in cash to shareholders by September 2015 places a responsibility on the Board to maintain strong discipline in its investment strategy. The challenge is to balance the return of £13 per share in cash to existing shareholders over the remaining nine years of the plan with our continued investment in land and construction. It is forecast that we will continue to invest retained profits into land and construction until 2014 before generating the cash flow to pay the first dividends. The Board is giving further consideration to ways in which share buybacks can be integrated into this overall framework where it believes that this can create additional long term shareholder value.

This is an exciting stage in the cycle for Berkeley. Our objectives are clear, and through the framework of Vision 2020 our stakeholders have specific, identifiable commitments which focus every area of the business; these commitments have been diligently and enthusiastically embraced by all. I firmly believe that we have the right strategy, and the right people to implement the operational plan, to give the company, our shareholders and our wider stakeholders confidence in Berkeley's ability to deliver its objectives over the long-term.

Our approach brings with it an appreciation that we are positioned well to outperform, with an unrivalled land bank, a strong balance sheet, a healthy forward sales position and a stable, experienced management team, but we recognise that we are operating in an uncertain market and must remain sensitive to changes in the market and the wider economy."

Rob Perrins
Managing Director

TRADING AND FINANCIAL REVIEW

Strategy

Berkeley is a developer of residential-led mixed-use schemes, with a history of delivering successful, sustainable places.

The Group will continue to focus on organic growth in its core markets of London and the South East of England. This is where its knowledge, experience and proven track record, with over thirty years of experience in this market, give it a competitive advantage in the planning and delivery of its schemes.

The business benefits from a strong balance sheet and good visibility over performance in the near term from cash due on forward sales of over £1 billion. Berkeley will continue to forward sell its developments wherever possible, keeping financial risk low to mitigate the operating risks of delivery, and carefully allocating capital to the right projects at the right time, matching supply to demand wherever it can.

Berkeley's strategy is dedicated to delivering its long-term corporate objectives, both to maximise shareholder value in a sustainable and safe way, returning £13 per share in cash to shareholders by 2021, and to retain a successful and sustainable business. The aim is to deliver the targeted shareholder returns by reinvesting earnings opportunistically in new sites and to optimise existing sites to underpin the business in the long-term.

The Board considers that the requirement to make returns to shareholders in cash, by agreed milestone dates, is aligned to ensuring that Berkeley operates at an optimal size in which returns must be matched with a disciplined approach to risk management over the long term. To deliver consistent earnings from an efficient balance sheet, whilst continuing to build the value of the business in the land bank, Berkeley's core performance targets of Return on Equity and Land Bank Growth will remain a focus over the next twelve months.

Berkeley has maintained its balance sheet strength throughout the challenging markets of recent years, and is committed to keeping flexibility at the heart of its business plan. This approach is intended to ensure that Berkeley can remain agile when faced with what it knows to be an inherently cyclical property market.

Trading performance

Berkeley's results for the year ended 30 April 2012 demonstrate a strong underlying operating performance which, along with further growth in forward sales, a strong balance sheet and a solid land bank, leaves Berkeley well-positioned to meet its previous target of doubling its profit before tax from £110 million to £220 million by 30 April 2013, some two years earlier than originally planned and to embrace its new operational targets as it heads towards the first targeted dividend repayment in September 2015.

The majority of the Group's underlying revenue arises from sales of residential homes across the Group's mixed-use schemes. Revenue for the Group was £1,041.1 million (2011: £742.6 million) comprising £1,021.7 million of residential revenue (2011: £721.4 million), of which £2.1 million was from land sales (2011: £13.8 million), and £19.4 million of commercial revenue (2011: £21.2 million).

Residential revenue, excluding land sales, arose principally from the sale of 3,565 homes (2011: 2,544) in the year at an average selling price of £280,000 (2011: £271,000). During the year new homes were delivered across Berkeley's portfolio of developments including the major regeneration schemes at Woodberry Park, Kidbrooke Village and Royal Arsenal Riverside, higher value riverside schemes at Chelsea Creek, Battersea Reach and Kew Riverside, and housing schemes outside London at Queen's Acre in Beaconsfield, King's Hill in Cirencester and Edenbrook in Fleet amongst others. The increase in average selling price predominantly reflects changes in the mix of homes delivered in the year compared to previous years.

Revenue from land sales comprises £2.1million (2011: £13.8 million) which includes the disposal of one site in the year (2011: three).

£19.4 million (2011: £21.2 million) of revenue from commercial activities includes the sale of 54,000 sqft of commercial space across a number of the Group's mixed-use developments. The most significant of these were the development and sale of a hotel at Blackheath, a storage facility at Royal Arsenal Riverside and a Community Centre at Woodberry Park.

Berkeley's gross margin has increased by 0.2% to 28.4% since last year. Overheads have increased by £26.1 million to £99.6 million, but reduced as a percentage of revenue from 9.9% to 9.6%. Pre-exceptional operating margin of 18.8% compares with 18.3% last year, reflecting both the underlying increase in gross margin and the lower percentage of operating costs expensed in the year. The operating margin is at the top of the range of levels reported in recent periods.

On 30 September 2011 Berkeley sold its 51% equity interest in a company co-owned with Imperial College. The company had developed the first phase of 452 post graduate student bedrooms at its scheme in Clapham Junction in London, let to post-graduate students of Imperial College, and the second phase of 114 rooms is expected to be delivered in September 2012. Berkeley's share of the proceeds of the sale of the company was £75.7 million and this resulted in an exceptional profit on disposal of £30.7 million.

Berkeley's share of the post-tax results of joint ventures was a loss of £2.2 million (2011: profit of £2.1 million) which reflects a combination of the timing of completions from St Edward's first scheme at Stanmore Place alongside investment in its delivery pipeline at 375 Kensington High Street and at 190 Strand.

Net finance costs have increased from £1.5 million to £9.4 million. The key reason for this is the change from a net cash to a net debt position over the course of the year as a result of the continued investment in the business.

The result is an increase of 57.7% in profit before tax from £136.2 million to £214.8 million. The reduction of the UK corporation tax rate has led to a decrease in the Group's effective tax rate from 31.1% to 26.1% and contributed to an overall 67.8% rise in basic earnings per share from 72.1 pence to 121.0 pence.

Financial Position

The strong underlying operating performance has been balanced with controlled investment in the future of the business. Shareholder equity has increased by £170.4 million to £1,099.8 million, while capital employed increased by £266.0 million to £1,157.7 million, some 29.8% higher than at the start of the year.

Investment properties represent 612 properties developed by the Group (30 April 2011: 215) which are included in Berkeley's private rental fund and have increased by £54.9 million to £83.5 million (30 April 2011: £28.6 million) at historic cost. The Homes and Communities Agency has committed £12.5 million, classified as debt, to fund 358 of these properties (30 April 2011: £6.5 million on 100 properties). The total number of properties expected to held by the fund is 802, leaving a further 190 to complete of which 176 will be subject to £4.9 million of further funding from the Homes and Communities Agency, taking their total planned investment to £17.4 million over 534 properties. Whilst it had originally been intended for the Group to hold some 896 properties, 94 have been marketed for sale opportunistically and so will no longer be held for investment.

Inventories have increased by £238.5 million to £1,851.7 million (30 April 2011: £1,613.2 million) and comprise land not under development of £360.5 million (30 April 2011: £316.6 million), work in progress of £1,422.6 million (30 April 2011: £1,247.6 million) and completed units of £68.6 million (30 April 2011: £49.0 million).

During the year, the Group acquired 20 new sites in good locations across London and the South East, and invested in the planning, optimisation and delivery of current schemes as production levels have increased over the course of the year.

Trade and other payables have increased by £54.9 million to £893.1 million (£30.4 million non-current and £862.7 million current) similarly reflecting the growth of the business. Included within trade creditors are £422.9 million of on account receipts (30 April 2011: £472.0), which, together with cash due on forward sales of £1,055.7 million at 30 April 2012 (30 April 2011: £813.5 million), matches the majority of the increased investment in inventory and provides a significant hedge against market risk.

A net cash outflow of £99.9 million in the year took the Group from a net cash position of £42.0 million at 30 April 2011 to a net debt position of £57.9 million at 30 April 2012. Key to this movement were cash generated from operations of £206.0 million (2011: £140.7 million) before a £314.9 million net investment in working capital (2011: £345.0 million), principally in inventories, along with net proceeds of £75.7 million (2011: nil) from the disposal of Berkeley's interest in the student scheme at Clapham Junction and £66.7 million of tax and other net cash outflows (2011: £70.5 million).

Return on equity, a core performance target for Berkeley, was 21.2% in 2012 (2011: 15.3%), reflecting a strong trading performance in the context of a controlled investment in balance sheet assets.

Banking facilities

The Group's financial position today is further supported by the re-negotiation of the Group's banking facilities since the year end. On 24 May 2012, Berkeley increased its committed corporate banking facilities from £450 million to £525 million, of which £250 million expires in April 2017 and £275 million in May 2017. With £200 million of the Group's £450 million having been due to expire in November 2013, the new facilities effectively provide clarity of financing at £525 million for five years through to April 2017. In addition, Berkeley has a further £60 million of banking facilities in St Edward Homes, of which £3 million was utilised at the year end, if required, to finance the delivery of its schemes.

Joint Ventures

St Edward Homes is Berkeley's joint venture with Prudential, which is developing Stanmore Place and 375 Kensington High Street, and which also now plans to develop a scheme at 190 Strand in London. During the year, 188 homes were sold at Stanmore Place at an average selling price of £170,000 (2011: 164 homes at £251,000). Berkeley's land bank includes some 1,658 plots in respect of St Edward Homes' schemes (2011: 1,548 plots), and Berkeley continues to work with Prudential to identify further sites to which St Edward Homes can add value.

Investments accounted for using the equity method of £46.5 million (30 April 2011: £38.7 million) relate to Berkeley's interest in these schemes.

Housing Market

Demand for residential property in good locations in London and the South East remained strong throughout the year, attracting interest from both UK domestic and international buyers, whether investors or owner-occupiers. This is consistent with recent data from the Office of National Statistics which recorded that prices in London rose by 4.9% in the year to April 2012 compared to 2.1% in the South East and 1.4% nationally in the same period.

This demand undoubtedly rests on London's pre-eminent position as one of the world's largest trading and financial centres and the benefits that this brings to the wider economy in the South East of England in terms of jobs and employment. Underlying domestic demand has remained resilient during the year, with visitor numbers across our sites remaining stable compared to last year, as has the ongoing demand for rental properties on our developments. For Berkeley's international customers, London continues to offer a unique combination of stability, access to some of the world's most prestigious addresses, including shops, restaurants and cultural amenities, a number of world class higher education establishments and a competitive exchange rate. Together with what has historically been a supportive taxation framework, these have made London the preferred choice, when compared to the world's other major cities, for major inward investment.

Outside London, where the market relies more on traditional owner-occupiers, forward selling is less prevalent as people tend to buy when product is completed and available for occupation. Sales levels have been consistent with last year and Berkeley has worked carefully to try to match supply to demand. Berkeley held 288 completed properties in stock at 30 April 2012 (30 April 2011: 238) which are available for immediate sale and which is in line with historic levels.

Compounding this demand, there is a shortage of supply of new homes, exacerbated by existing planning policy and restrictions on the availability of development finance, which continues to place a scarcity value on homes in good locations. In these conditions, Berkeley anticipates that demand will remain strong for property in the best locations in London and the South East.

These market conditions are reflected in Berkeley's sales reservations which were some 27% ahead of last year, supported by the launch of 23 new sites to the market. Cash due on forward sales stood at £1,055.7 million at 30 April 2012, an increase of 29.8% from £813.5 million at 30 April 2011. Cancellation rates which averaged 14.8% over the course of the year remained at levels consistent with a strong underlying market.

Government intervention to provide a solution to customer deposits and higher loan to value mortgages through the NewBuy scheme has been welcome. Whilst not necessarily expected to form a significant proportion of Berkeley sales, NewBuy is available on properties for sale under £500,000 and is a helpful enabler for those looking to step onto the housing ladder without access to a significant deposit.

The NewBuy scheme is expected to offer a more permanent replacement to the existing FirstBuy scheme when it comes to an end in December 2012. Under the government's FirstBuy initiative, some 60 customers have been helped to purchase their own Berkeley home during the year. Finding ways to continue to help individuals secure financing is important to ensure momentum and confidence in the housebuilding sector.

Across other areas of Berkeley's portfolio, there has remained strong interest in student accommodation, with a postgraduate scheme at Clapham Junction delivered during the year and four undergraduate schemes in the pipeline, underpinned by University and student demand in the locations identified. This is very much demand led, and the attraction of students to the world-class universities of London and the South East, who in turn demand world class accommodation, has supported this investment.

Despite the well-documented challenges in retailing in uncertain times, there continues to be good interest in commercial tenancies on Berkeley's mixed-use schemes, with nine major supermarket pre-lets secured over the last eighteen months and tenancies across other uses including restaurants, coffee shops and creches amongst others supporting the vibrancy of the places created.

New Land acquisition

In the year Berkeley secured 2,444 plots across 20 new sites, investing a further £311 million, which equates to an average plot cost of £127,000. The average plot cost reflects a concentration of land acquired in London, in line with the Group's strategy to invest in markets in which it has a competitive advantage and where the planning, political and market environment supports investment.

In Central London, the sites include a commercial property in EC1 which is currently tenanted until 2015 and has a planning consent for some 700 homes, two schemes on the Albert Embankment (Eastbury House and Hampton House) and a scheme at One Blackfriars which has an established consent for a 52 storey development. In Greater London they include a former monastery in Finchley and a Royal Mail sorting office in Twickenham. Outside London Berkeley has acquired a former hospital site in Tunbridge Wells, a housing scheme in Caterham, and a selection of boutique housing schemes each with fewer than 10 plots. Most of the sites were either acquired with a planning consent or conditional on a planning consent being secured. Berkeley's land holdings at 30 April 2012 do not include the acquisition of Wapping Village on which terms were agreed and the purchase completed in May 2012.

Planning and optimisation

The quality of Berkeley's land bank was enhanced this year following resolution to grant planning consent on some 36 schemes. These consents included some 750 new homes at Fulham Reach, 489 new homes at Chelsea Creek, 275 homes at Abell and Cleland House in Westminster and 144 homes at Thameside in Kew. At 30 April 2012, 84% of the 26,021 plots in Berkeley's land bank benefited from an implementable planning consent (2011: 77%), a statistic which gives strong visibility over the future viability of the land bank.

Optimising the value of the land bank through planning has traditionally offered Berkeley the opportunity to add value while maintaining an efficient balance sheet and minimising risk. Equally important is that the revision of planning consents often directly supports local communities by funding additional section 106 and community benefits that would not otherwise have been delivered and ensuring a sustainable use of land, a scarce resource, to build much needed homes. Optimisation is invariably demand led, whether this is meeting the need for more new homes, changing the mix of homes or changing planning uses to meet market requirements which evolve over time. In the year, Berkeley added approximately 6% of value to its opening land bank which is in line with historic levels and contributed to the outperformance in the growth in the land bank compared to its original target.

The planning outlook in London has been significantly aided by the London Plan which governs planning policy in the Capital. Outside London, where there is no common framework, planning remains more difficult due to a lack of certainty. This year Berkeley, whilst securing some nine new consents outside London, also had applications rejected on five sites acquired conditional on securing a planning consent, a rate which is unsustainable if it continues at this level.

The National Planning Policy Framework, published in March of this year, is a helpful step forward for the industry, providing a presumption in favour of sustainable development when such development will improve and enhance the places where people live. This is about developing in the right way, engaging with and for the benefit of local people and communities, and is a sensible platform from which the industry can work.

The engagement of developers with local communities is only part of the equation. Planning needs to be an effective and positive process with active engagement from all parties. Engagement with statutory consultees across a range of disciplines, whether the Highways Agency, the Environment Agency, English Heritage or Natural England to name but a few, needs to be swift and proactive, and this is not currently the case. This is in the spirit of the National Planning Policy Framework, and is key to satisfying continuing demand for new housing in this country.

With the introduction over recent years of a wide variety of consultees on every planning application, the positive input that this brings must be balanced with the increasing cost of securing planning consents. Berkeley works hard to meet the aspirations of all interested parties, but acknowledges that underlying financial viability, above all on the part of the developer that uses its balance sheet to support the delivery of each scheme, is the key to unlocking each of its sites. Swift, helpful and proactive engagement from all parties is needed to unlock successful development.

Land Bank

After taking account of homes completed in the year (including joint ventures and student rooms at Clapham Junction), and the net addition of further plots through replanning and optimisation, the Group (including joint ventures) controlled some 26,021 plots at 30 April 2012 with an estimated gross margin of £2,580 million. This compared to 27,026 plots and £2,304 million at 30 April 2011. The average selling price in the land bank increased from £301,000 to £345,000 over the year, primarily reflecting the land acquired in London which has a higher average selling price than the underlying land bank

Berkeley also holds approximately 10,000 further plots in its longer term pipeline, including strategic land under option which requires promotion through the planning system as well as long term regeneration land which is under contract. Delivery on this pipeline is constrained not just by planning, but other factors including viability and vacant possession which require Berkeley's expertise to unlock value in these plots and bring them into the longer term land bank.

Having added £276 million of potential gross margin in 2012 to £2,580 million, Berkeley is advancing its target to increase the value of its land bank, after allowing for completions over the period, to £3 billion by April 2014, against a previous target of April 2015.

Delivery of major projects

20 sites have moved from land not under development into production over the course of the year following planning consents and successful sales releases. These include St George's scheme at Fulham Reach on the river in Hammersmith and Berkeley's scheme at Goodmans Fields, where the first phase comprising the refurbishment of 75 Leman Street is underway.

The delivery of residential accommodation this year also included Griffon Studios, a post-graduate student scheme at Clapham Junction, complementing the student schemes in Acton and Aldgate in London and those in Oxford and Gillingham that are due for delivery for the start of the academic years in September 2012 and 2013.

Production levels are at their highest in London, where demand most supports this investment. Berkeley has delivered first occupations at Chelsea Creek this year in line with previous guidance, with further occupations at our major regeneration schemes at Woodberry Park, Kidbrooke Village and Royal Arsenal Riverside. At Grosvenor Waterside, where the Group is contracted to sell 334 properties to Project Red Limited, a company ultimately controlled by Qatari Diar, some 149 of these properties had been completed at 30 April 2012, leaving a balance of 185 properties to complete at such time as the purchaser, at its discretion, requests delivery. Payment has been received in full for all of these properties.

Berkeley has previously highlighted seven major projects which have planning consents and which are scheduled to commence completions over the next five years. These projects, in aggregate, comprise some 22% of the value of the current land bank, and whilst delivery will be phased over several years, may lead to an uneven distribution of earnings and increased average selling price over the medium term depending on the exact date of delivery.

The seven major projects are The Tower at St George Wharf, Riverlight, Chelsea Creek, One Tower Bridge, 375 Kensington High Street, Ebury Square and 190 Strand. The complex nature and size of these schemes means that it is inherently difficult to provide absolute certainty over the timing of delivery, which in some cases is up to five years away, as construction can frequently be affected by factors outside the direct control of management as well as the risk of any slowdown in sales. Delivery of each of these projects is currently at or within the timescales previously indicated and further updates will be made to the market in due course.

Outside London, construction has continued across Berkeley's portfolio. Apartments at Cambridge Riverside and Kingsbrook Park in Canterbury, as well as family housing at Edenbrook in Fleet, Queen's Acre in Beaconsfield and King's Hill in Cirencester, have been occupied in the current year and will benefit future years.

Running a Sustainable Business

Berkeley's corporate plan is to deliver £13 per share to shareholders by 2021 and to be one of the most successful and sustainable businesses in Britain.

The challenge for Berkeley is to ensure that all of its stakeholders understand and embrace the discipline of running a business for the long term, making the right choices to protect the Berkeley brand, reputation and operational performance, and acting with application and integrity.

This is the role of Vision 2020, a framework which sets out a series of specific operational commitments across four key areas: The Customer Experience; Delivering Sustainable Communities; Building Greener Homes and encapsulated by Running a Sustainable Business.

The commitments cover a number of disciplines, including customer satisfaction, environmental performance standards in completed homes, measures of longevity and flexibility of homes created, health and safety performance and carbon emission measurement amongst others. A new series of short-term commitments have been implemented across the business from May 2012, which will be explained in Berkeley's Sustainability Report 2012.

It is in this context that Berkeley is delighted to have secured a top ranking, for the sixth year running, in the NextGeneration index, which benchmarks the Top 25 UK home builders on sustainability. Similarly, recognition of Berkeley's striving for quality in the business has secured a number of industry awards including 12 awards at the 2011 What House? Awards, Housebuilder of the Year at the New Homes and Gardens Awards 2011 and Large Housebuilder of the Year at the RESI Awards 2012. The focus that Berkeley places on Health and Safety has also again been recognised through awards across its schemes from RoSPA, the NHBC and the Considerate Constructors Scheme. The accolade of being awarded Britain's Most Admired Company in 2011 by Management Today, voted for by its peers, is one which Berkeley is very proud to have achieved.

Berkeley Foundation

The Berkeley Foundation was launched in 2011. It works to improve the lives of young people and their communities in London and the South East.

The Foundation invests in three different ways: through a small group of major strategic partnerships; by supporting individual charities which matter to our local businesses; and by making one-off grants. Two strategic partnerships began in 2011. The first was with the Lord's Taverners, developing a sports-based training for a work programme called Street Elite. The second was with Shelter, supporting a complete range of housing advice services for young people.

The creation of apprenticeships across our developments, of which there have been some 100 to date, is also in line with Berkeley's aspiration to embed good corporate citizenship into the business model itself, recognising the capacity that a business with the skills and experience of the Berkeley workforce can give back in training a highly skilled workforce for the future.

Berkeley's intention is to make the Berkeley Foundation the most effective and distinctive Corporate Social Responsibility programme in the housebuilding and real estate sector. This will be built on a strategic approach to modelling new ways of changing young people's lives for the better, supported by the notion that everyone in Berkeley, however they may choose to do it, does something to support the Foundation every year.

Outlook

Berkeley is mindful that it continues to operate in an uncertain market, with a double-dip recession in the UK and continuing uncertainty across Europe.

It is, however, a market which creates opportunities for the Group. Land is scarce and there is a limited supply of new homes; the economy in London and the South East is strong relative to other parts of the UK and less reliant on Government spending; the planning regime in London is pro-active and in a region where Berkeley has a competitive advantage.

In the long-term, restricted supply alongside an increasing demand from a concentration of the UK's population growth in London and the South East is likely to ensure that the prospects for new housing in Berkeley's core market remain strong, and the purchase of a new home in the right location is still one of the best long-term investments that an individual can make as well as being a place in which to live.

The focus of the business is to return the first milestone of £4.34 per share in cash to shareholders by 30 September 2015 and the Board is confident that, subject only to the resilience of the wider market, this will be achieved. The success of Berkeley now and in the future is reliant on keeping the business agile and flexible to act and react quickly it what it knows to be a cyclical property market.

- End -

For further information please contact:

The Berkeley Group Holdings plc
A W Pidgley
R C Perrins
N G Simpkin
T: 01932 868555

Cardew Group
Tim Robertson
Georgina Hall
T: 020 7930 0777

Principal Risks and Uncertainties

Financial Risk

The Group finances its operations by a combination of shareholders' funds, non-controlling interest, deposits and on account receipts and borrowings where drawn.

As the Group's operations are in sterling there is no direct significant currency risk, and therefore the Group's main financial risks are primarily:

- Liquidity risk - the risk that suitable funding for the Group's activities may not be available.
- Market credit risk - the risk that a counterparty will default on their contractual obligations resulting in a loss to the Group. The Group's exposure to credit risk is comprised of the cash and cash equivalents and trade and other receivables held within current assets on the consolidated balance sheet.
- Market interest rate risk - the risk that Group financing activities are adversely affected by fluctuations in market interest rates.

The Board approves treasury policy and senior management control day-to-day operations. Relationships with banks and cash management are co-ordinated centrally. The objectives of the treasury policy are to maintain an appropriate capital structure and in doing so manage the financial risks identified above.

Operating Risk

All businesses are exposed to risk. Indeed, alongside risk comes opportunity and it is how such risks are managed that determines the success of the Group's strategy and, ultimately, its performance and results. Berkeley's strategy allows management to focus on creating sustainable long-term value for its shareholders, whilst taking advantage of opportunities as they arise in the short and medium-term.

Risk management is embedded in the organisation at operating company, divisional and Group levels, with different types of risk requiring different levels and types of management response.

The principal operating risks of the Group which have been considered by the Board include, but are not limited to the risks as set out overleaf.

Risk and Impact	Mitigation
Economic Conditions As a property developer Berkeley's business, in the context of the wider Housing Market, is sensitive to changes in interest rates, unemployment and general consumer confidence. Significant economic uncertainty exists in the UK, Europe and worldwide and this may lead to a reduction in demand for housing which could impact on the Group's ability to deliver its corporate strategy.	Berkeley's business strategy reflects the cyclical nature of property development. Funds are carefully targeted at investing only in land which is underpinned by demand fundamentals that support a solid viability case even when markets are uncertain. Levels of committed expenditure are carefully monitored against sales secured and bank facilities available, with the objective of keeping financial risk low to mitigate the operating risks of delivery in uncertain markets. The business is committed to operating at an optimal size, with a strong balance sheet, to maintain the flexibility to react swiftly, when necessary, to changes in market conditions.
Regulation Adverse changes to government policy on areas such as taxation, housing and environmental matters could restrict the ability of the Group to deliver its strategy. Failure to comply with laws and regulations could expose the Group to penalties and reputational damage.	The effects of changes to government policies at all levels are closely monitored and representations made where necessary. Berkeley's experienced teams are well-placed to interpret and implement new regulation at the appropriate time through direct lines of communication across the Group. Detailed policies and procedures are in place and these are communicated to all staff.
Planning Delays or refusals in obtaining commercially viable planning permissions on the Group's land holdings could result in the Group being unable to develop the land it has purchased. This could have a direct impact on the Group's ability to deliver its product and on its profitability.	Full detailed planning and risk assessments are performed and monitored for each site without planning permission, both before and after purchase. The planning status of all sites is reviewed at monthly divisional Board meetings and bi-monthly Main Board meetings. The Group works closely with local communities in respect of planning proposals and strong local relationships are maintained with local authorities and planning officers. The Group is focused on the markets of London and the South East of England in planning regimes which it understands and where it believes it therefore has a competitive advantage.
People An inability to attract, develop, motivate and retain talented employees could have an impact on the Group's ability to delivery its strategic priorities. Failure to consider the retention and succession of key management could result in a loss of knowledge and competitive advantage.	Remuneration packages are constantly benchmarked against the industry to ensure they remain competitive. Succession planning is regularly reviewed at both divisional and Main Board level. Close relationships and dialogue are maintained with key personnel.

Risk and Impact	Mitigation
Sales An inability to match supply to demand in terms of product, location and price could result in missed sales targets and / or inefficient levels of completed stock which in turn could impact on the Group's ability to deliver its corporate strategy.	Detailed market demand assessments of each site are undertaken before acquisition, and regularly during delivery of each scheme, to ensure that supply is matched to demand in each location. Design, product type and product quality are all assessed on a site by site basis to ensure that they meet the target market and customer aspirations in that location. The Group has a diverse range of developments with homes available at a broad range of property prices to appeal to a wide market. Forward sales are used to take the risk out of the development cycle where possible, thereby justifying the financial investment in each of the Group's sites. Completed stock levels are reviewed and debated at monthly divisional board meetings and bi-monthly Main Board meetings.
Mortgage availability Mortgage providers have been negatively impacted by the financial crisis and this has reduced their ability to provide mortgages to potential purchasers. An inability of customers to secure sufficient mortgage finance could have a direct impact on the Group's transaction levels.	Berkeley has a broad product mix and customer base which reduces the reliance on mortgage availability across its portfolio. The Group is participating in the Government backed mortgage indemnity scheme, NewBuy, on a number of its schemes. Deposits are taken on all sales to mitigate the financial impact on the Group in the event that sales do not complete due to a lack of mortgage availability.
Sustainability Berkeley is hugely aware of the environmental impact of the homes and communities that it builds, both during the construction phase and on occupation by its customers. Failure to address sustainability issues could affect the Group's ability to acquire land, gain planning permission, manage sites effectively and respond to increasing customer demand for sustainable homes.	Vision 2020 provides the framework under which the Group's approach to running a sustainable business is formalised. This provides a series of over-arching areas of focus along with detailed commitments to be adopted and embraced by all staff. A Board level Sustainability and Health & Safety Governance Committee has the responsibility of setting the Group's direction in this area, to ensure that it is aligned with the Group's strategy. Specific commitments to deliver sustainable communities, minimise the impact of the homes that Berkeley builds and to manage the environmental impacts of Berkeley's business form the bedrock of this approach. Sustainability assessments are built into land purchases and planning applications. Sustainability commitments during delivery include the use of environmental performance methodology, a focus on brownfield development and the monitoring of carbon emissions, amongst others.

Risk and Impact	Mitigation
Health and Safety Berkeley's operations have a direct impact on the Health and Safety of its people, contractors and members of the public. Berkeley considers this to be an area of critical importance. A lack of adequate procedures and systems to reduce the dangers inherent in the construction process increases the risk of accidents or site related catastrophes, including fire and flood, which could result in serious injury or loss of life leading to reputational damage, financial penalties and disruption to operations.	A Board level Sustainability / Health & Safety Governance Committee has the responsibility of setting the Group's Health & Safety Strategy. Dedicated Health & Safety teams are in place in each division and at Head Office. Procedures, training and reporting are all regularly reviewed to ensure high standards are maintained, and comprehensive accident investigation procedures are in place. The Group has implemented a number of initiatives to improve Health & Safety standards on site, with workshops held with contractors during the year. Vision 2020 incorporates commitments in the area of Health & Safety which reinforce the Group's focus on this. Adequate insurance is held to cover the risks inherent in large-scale construction projects.
Land Availability An inability to source suitable land to maintain the Group's land bank at appropriate margins in a highly competitive market could impact on the Group's ability to deliver its corporate strategy.	Berkeley's strategy is to acquire land opportunistically, where it meets its internal criteria for purchase. Land acquisition is focused on Berkeley's core markets of London and the South East, markets which it understands and where it believes that the demand fundamentals are strong. Each land acquisition is subject to formal internal appraisal and approval processes both prior to the submission of a bid and again prior to exchange of contracts. The Group maintains a land bank to mitigate against significant impacts from market changes or delayed build activity. Berkeley has experienced land teams with strong market knowledge in its areas of focus.
Build cost and programme Build costs are affected by the availability of skilled labour and the price and availability of materials. Changes to these prices and availability could impact on the profitability of each scheme.	A procurement and programming strategy for each development is agreed by the divisional Board before site acquisition. A further assessment of procurement and programming is undertaken and agreed by the divisional Board prior to the commencement of construction. Build cost reconciliations and build programme dates are presented and reviewed in detail at divisional cost review meetings each month.
Product Quality Berkeley has a reputation for the high standards of quality of its product. If the Group fails to deliver against these standards, it could be exposed to reputational damage, as well as reduced sales and increased cost.	Detailed reviews are undertaken of the product on each scheme both during the acquisition of the site and throughout the build process to ensure that the quality of the product is maintained. Customer Satisfaction surveys are undertaken on the handover of all private apartments, and feedback incorporated in shaping the specification and quality of subsequent schemes.

Statement of Directors' Responsibilities

The Directors' responsibility statements are made in respect of the full Annual Report financial statements not the condensed statements required to be set out in this unaudited Annual Results Announcement.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and have elected to prepare the parent company financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union and applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

Each of the Directors confirms that, to the best of each person's knowledge:

a. the Group financial statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and

b. the management report, which is incorporated into the Directors' report, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Consolidated Income Statement

For the year ended 30 April	Notes	2012 Unaudited £'000	2011 Audited £'000
Continuing operations			
Revenue		1,041,069	742,612
Cost of sales		(745,773)	(533,542)
Gross profit		295,296	209,070
Net operating expenses		(99,566)	(73,420)
Operating profit before exceptional item		195,730	135,650
Exceptional profit on disposal of subsidiary	5	30,695	-
Operating profit		226,425	135,650
Finance income	3	2,369	10,056
Finance costs	3	(11,781)	(11,520)
Share of post tax results of joint ventures using the equity method		(2,192)	2,059
Profit before taxation for the year		214,821	136,245
Income tax expense	4	(56,674)	(41,789)
Profit after taxation for the year		158,147	94,456
Profit attributable to:			
Shareholders		158,513	95,109
Non-controlling interest		(366)	(653)
		158,147	94,456
Earnings per share attributable to shareholders:			
Basic	6	121.0p	72.1p
Diluted	6	112.8p	70.3p

Consolidated Statement of Comprehensive Income

For the year ended 30 April	2012 Unaudited £'000	2011 Audited £'000
Profit after taxation for the year	158,147	94,456
Other comprehensive (expense) / income:		
Actuarial loss recognised in the pension scheme	(628)	(653)
Deferred tax on actuarial loss recognised in the pension scheme	151	170
Other comprehensive expense for the year	(477)	(483)
Total comprehensive income for the year	157,670	93,973
Attributable to:		
Shareholders	158,036	94,626
Non-controlling interest	(366)	(653)
	157,670	93,973

Consolidated Balance Sheet

As at 30 April	2012 Unaudited £'000	2011 Audited £'000
Assets		
Non-current assets		
Intangible assets	17,159	17,159
Property, plant and equipment	11,559	10,620
Investment properties	83,522	28,558
Investments accounted for using the equity method	46,481	38,675
Deferred tax assets	25,040	18,881
	183,761	113,893
Current assets		
Inventories	1,851,715	1,613,192
Trade and other receivables	115,210	96,725
Cash and cash equivalents	2,747	266,307
	1,969,672	1,976,224
Total assets	2,153,433	2,090,117
Liabilities		
Non-current liabilities		
Borrowings	(12,498)	(24,233)
Trade and other payables	(30,391)	(51,009)
	(42,889)	(75,242)
Current liabilities		
Borrowings	(48,130)	(200,029)
Trade and other payables	(862,707)	(787,204)
Current tax liabilities	(99,873)	(93,864)
	(1,010,710)	(1,081,097)
Total liabilities	(1,053,599)	(1,156,339)
Total net assets	1,099,834	933,778
Equity		
Shareholders' equity		
Share capital	6,743	6,743
Share premium	49,315	49,315
Capital redemption reserve	24,516	24,516
Other reserve	(961,299)	(961,299)
Revaluation reserve	3,375	3,435
Retained profit	1,977,184	1,806,704
	1,099,834	929,414
Non-controlling interest	-	4,364
Total equity	1,099,834	933,778

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 2011	6,743	49,315	24,516	(961,299)	3,435	1,806,704	929,414	4,364	933,778
Profit after taxation for the year	-	-	-	-	-	158,513	158,513	(366)	158,147
Other comprehensive expense for the year	-	-	-	-	-	(477)	(477)	-	(477)
Funding from non-controlling interest in subsidiary undertaking	-	-	-	-	-	-	-	65	65
Disposal of investment in subsidiary	-	-	-	-	-	-	-	(4,063)	(4,063)
Reserves transfer from revaluation reserve	-	-	-	-	(60)	60	-	-	-
Transactions with shareholders:									
Credit in respect of employee share schemes	-	-	-	-	-	8,212	8,212	-	8,212
Deferred tax in respect of employee share schemes	-	-	-	-	-	4,172	4,172	-	4,172
At 30 April 2012	6,743	49,315	24,516	(961,299)	3,375	1,977,184	1,099,834	-	1,099,834
Audited									
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 year	–	–	–	–	–	95,109	95,109	(653)	94,456
Other comprehensive expense for the year	–	–	–	–	–	(483)	(483)	–	(483)
Funding from non-controlling interest in subsidiary undertaking	–	–	–	–	–	–	–	1,297	1,297
Reserves transfer from revaluation reserve	–	–	–	–	(54)	54	–	–	–
Transactions with shareholders:									
Purchase of own shares	–	–	–	–	–	(30,002)	(30,002)	–	(30,002)
Credit in respect of employee share schemes	–	–	–	–	–	4,146	4,146	–	4,146
Deferred tax in respect of employee share schemes	–	–	–	–	–	2,048	2,048	–	2,048
At 30 April 2011	6,743	49,315	24,516	(961,299)	3,435	1,806,704	929,414	4,364	933,778

Consolidated Cash Flow Statement

For the year ended 30 April	Notes	2012 Unaudited £'000	2011 Audited £'000
Cash flows from operating activities			
Cash generated from operations	7	(108,936)	(204,266)
Interest received		5,463	9,416
Interest paid		(5,412)	(5,490)
Income tax paid		(53,673)	(32,631)
Net cash flow from operating activities		(162,558)	(232,971)
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,280)	(2,008)
Sale of property, plant and equipment		200	267
Funding from non-controlling interest in subsidiary undertaking		65	1,297
Disposal of subsidiary undertaking	5	75,668	-
Cash balance in subsidiary disposed		(208)	-
Purchase of shares in joint ventures		(9,997)	440
Movements in loans with joint ventures		-	(11,038)
Net cash flow from investing activities		63,448	(11,042)
Cash flows from financing activities			
Purchase of own shares		-	(30,002)
Expenses related to disposal of subsidiary undertaking		(816)	-
Repayment of loan stock		(20)	(19)
Repayment of borrowings		(163,614)	-
Proceeds from borrowings		-	191,222
Net cash flow from financing activities		(164,450)	161,201
Net decrease in cash and cash equivalents		(263,560)	(82,812)
Cash and cash equivalents, including bank overdraft, at the start of the financial year		266,307	349,119
Cash and cash equivalents at the end of the financial year		2,747	266,307

Notes to the 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.

The unaudited financial information for the year ended 30 April 2012 and the comparative audited information for the year ended 30 April 2011 does not constitute statutory accounts within the meaning of s434(3) and s435(3) of the Companies Act 2006. This information was approved by the Board on 29 June 2012, and has been extracted from the Group’s statutory accounts which have not yet been signed, nor have the auditors yet reported on them.

The statutory accounts for the year ended 30 April 2011 have been delivered to the Registrar of Companies. The report of the auditors on these financial statements was unqualified and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

2 Basis of preparation

This information, including the comparative information for the year ended 30 April 2011, has 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 and consistently in accordance with the accounting policies set out in the 2011 Annual Report.

There were no new standards, amendments and interpretations that were adopted by the Group and effective for the first time for the financial year beginning 1 May 2011 that were material to the Group. Furthermore, there are no standards, amendments or interpretations that are not yet effective that would be expected to have a material impact on the Group.

3 Net finance (costs) / income

For the year ended 30 April	**2012 Unaudited £’000**	**2011 Audited £’000**
Finance income	2,369	10,056
Finance costs		
Interest payable on use of bank facilities	(7,161)	(6,214)
Other finance costs	(4,620)	(5,306)
	(11,781)	(11,520)
Net finance costs	(9,412)	(1,464)

Finance income is predominantly interest earned on net cash balances.

Other finance costs represent imputed interest on taxation and on land purchased on deferred settlement terms.

The Berkeley Group Holdings plc

Notes to the consolidated financial information continued

4 Income tax expense

For the year ended 30 April	2012 Unaudited £'000	2011 Audited £'000
Current tax		
UK corporation tax payable	(65,481)	(44,767)
Adjustments in respect of previous periods	6,005	1,285
	(59,476)	(43,482)
Deferred tax	2,802	1,693
	(56,674)	(41,789)

5 Profit on disposal of subsidiary

On 30 September 2011, Berkeley disposed of its 51% shareholding in Winstanley 1 Limited, a company which was established in 2009 to develop a post graduate student scheme at Clapham Junction to be let to students from Imperial College London, who owned the remaining 49% of the company.

	2012 Unaudited £'000
Non-current assets	1,172
Current assets	47,052
Current liabilities	(4)
Non controlling interest	(4,063)
Net assets disposed	44,157
Expenses related to disposal	816
Profit on disposal	30,695
Consideration	75,668

Notes to the consolidated financial information continued

6 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.

For the year ended 30 April	2012 Unaudited	2011 Audited
Profit attributable to shareholders (£'000's)	158,513	95,109
Weighted average no. of shares (000's)	131,042	131,962
Basic earnings per share (p)	121.0	72.1

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 30 April 2012, the Company had four categories of potentially dilutive ordinary shares: 4.4 million £3.00 share options under the 2009 LTIP Part A; 6.3 million £8.40 share options under the 2009 LTIP Part B; 19.6 million £nil share options under the 2011 LTIP; and 0.5 million shares under the Bonus Plan.

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.

For the year ended 30 April	2012 Unaudited	2011 Audited
Profit used to determine diluted EPS (£'000's)	158,513	95,109
Weighted average no. of shares (000's)	131,042	131,962
Adjustments for:		
Share options - 2009 LTIP Part A	3,252	3,209
Share options - 2009 LTIP Part B	1,371	–
Share options - 2011 LTIP	4,613	–
Bonus plan shares	275	46
Shares used to determine diluted EPS (000's)	140,553	135,217
Diluted earnings per share (p)	112.8	70.3

Notes to the consolidated financial information continued

7 Notes to the Consolidated Cash Flow Statement

For the year ended 30 April	2012 Unaudited £'000	2011 Audited £'000
Net cash flows from operating activities		
Profit for the financial year	158,147	94,456
Adjustments for:		
Taxation	56,674	41,789
Depreciation	2,052	946
Loss / (profit) on sale of property, plant and equipment	14	(11)
Profit on sale of subsidiary	(30,695)	-
Finance income	(2,369)	(10,056)
Finance costs	11,781	11,520
Share of results of joint ventures after tax	2,192	(2,059)
Non-cash charge in respect of share awards	8,212	4,146
Changes in working capital:		
Increase in inventories	(341,256)	(387,745)
Increase in receivables	(23,423)	(38,418)
Increase in payables	50,310	81,766
Decrease in employee benefit obligations	(575)	(600)
Cash outflow from continuing operations	(108,936)	(204,266)

Reconciliation of net cash flow to net cash		
Net decrease in cash and cash equivalents, including bank overdraft	(263,560)	(82,812)
Net cash outflow from repayment of loan stock	20	19
Net decrease / (increase) in borrowings	163,614	(192,030)
Movement in net (debt) / cash in the financial year	(99,926)	(274,823)
Opening net cash	42,045	316,868
Closing net (debt) / cash	(57,881)	42,045

Net (debt) / cash		
Cash and cash equivalents	2,747	266,307
Non-current borrowings	(12,498)	(24,233)
Current borrowings	(48,130)	(200,029)
Net (debt) / cash	(57,881)	42,045

Notes to the consolidated financial information continued

8 Related party transactions

The Group has entered into the following related party transactions:

Transactions with Directors

i) During the financial year, Mr A W Pidgley and Mr S Ellis paid £47,771 and £143,442 respectively to Berkeley Homes plc for works carried out at their homes under the Group's own build scheme (2011: £452,458 and £nil respectively). 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 the year end.

ii) Mr A W Pidgley, a Director of the Company, contracted to purchase an apartment, including one parking space, at Ebury Square, London, SW1 on 20 March 2012 for £6,050,000 from Berkeley Homes (PCL) Limited, a wholly owned subsidiary of the Company. Mr Pidgley is also a Director of Berkeley Homes (PCL) Limited.

Mr G J Fry, a Director of the Company, contracted to purchase an apartment, including a right to park a single motor car, at Dockside House, Chelsea Creek, London, SW6 for £725,000 on 18 May 2012 from St George West London Limited, a wholly owned subsidiary of the Company. Mr Fry is also a Director of St George West London Limited.

As both transactions are in excess of £100,000, they each constitute a substantial property transaction with a Director of the Company under sections 190 and 191 of the Companies Act 2006 and are therefore conditional on the approval of shareholders, which will be sought at the forthcoming Annual General Meeting on 5 September 2012.

Both the agreement between Berkeley Homes (PCL) Limited and Mr Pidgley and the agreement between St George West London Limited and Mr Fry are a standard form sale and purchase agreement used by the respective companies on the respective developments, save that they are conditional upon the agreement of shareholders. In accordance with the terms of the agreements, Mr Pidgley and Mr Fry each paid a ten per cent. deposit on exchange of contracts which will only be returned to them in the event that shareholders do not approve the respective transactions.

Transactions with Joint Ventures

During the financial year there were no transactions with joint ventures. In 2009 inventory was sold to St Edward Homes Limited for £17,411,000 being the share of the transaction attributable to the other venturer in the joint venture. At 30 April 2012 an amount of £24,631,000 was outstanding and included within trade receivables (2011: £25,717,000).