PRESS RELEASE **5 DECEMBER 2014**

THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS ANNOUNCEMENT

The Berkeley Group Holdings plc ("Berkeley") today announces its unaudited interim results for the six months ended 31 October 2014:

Six months ended 31 October (unaudited)	2014 £'m	2013 £'m	Change £'m	Change %
Revenue	1,022.2	821.0	+201.2	+24.5%
Revenue from operations	922.4	821.0	+101.4	+12.4%
Revenue from sale of ground rent assets	99.8	-		
Gross profit	373.7	240.3	+133.4	+55.5%
Gross profit from operations	288.6	240.3	+48.3	+20.1%
Gross profit from sale of ground rent assets	85.1	-		
Operating expenses	(74.1)	(70.7)	-3.4	-4.8%
Operating profit	299.6	169.6	+130.0	+76.7%
Net finance costs	(4.0)	(3.0)	-1.0	
Share of joint ventures' results	9.3	2.9	+6.4	
Profit before tax	304.9	169.5	+135.4	+79.9%
Taxation	(63.2)	(38.5)	-24.7	
Profit after tax	241.7	131.0	+110.7	+84.5%
Earnings Per Share - Basic	178.6p	100.0p	+78.6p	+78.6%
Underlying Earnings Per Share – Basic *	128.9p	100.0p	+28.9p	+28.9%
Underlying Pre-Tax Return on Equity *	29.2%	25.0%	+4.2%	

OPERATIONAL HIGHLIGHTS

- 1,000 new jobs created in the period, with 12,000 now sustained across the business
- All sites with an implementable planning consent are in production, with 3 new sites started in the period in Wapping, Chiswick and Maidenhead
- Announced a joint venture with National Grid on 7 November 2014. An initial 10 sites targeted to deliver over 7,000 new homes
- Return to normal market conditions with good underlying demand, supporting expected full year earnings in line with current market consensus, ahead of previous guidance

PERFORMANCE

- Sale of a portfolio of ground rent assets for proceeds of £99.8 million and profit of £85.1 million
- Net cash of £148.4 million at 31 October (April 2014: £129.2 million)
- Net asset value per share up 8.8% to 1,160 pence (April 2014: 1,066 pence)

OUTLOOK

- Further interim dividend of 90 pence per share (2013: 90 pence per share) payable in January 2015
- Cash due over the next three years on forward sales of £2,693 million (April 2014: £2,274 million)
- Land holdings comprise 24,381 plots (April 2014: 24,006 plots) and future anticipated gross margin of £3,201 million (April 2014: £3,014 million)
- 11,000 plots with a potential gross margin of £1.5 billion in the pipeline of future land to be unlocked over the next five years
- Visibility of further land from St William joint venture with National Grid

* 'Underlying' statistics exclude £99.8 million of revenue and £85.1 million of profit from the sale of the ground rent asset portfolio.

Commenting on the results, Chairman A. W. Pidgley CBE said:

"I am pleased to report a further period of strong performance which underlines the benefit of having the right strategy to operate in a cyclical market.

Since 2008, Berkeley has increased its net assets by nearly £900 million. This has enabled it to acquire 87 new sites. The Group acquires sites which are complicated, require patience and a long-term strategy, and have a risk profile which would deter most other housebuilders. This counter-cyclical approach underpins today's results and gives us the confidence to take the business forward.

The Board has declared a further interim dividend of 90 pence per share (£121.7 million), payable in January 2015, which leaves a further 90 pence per share (£121.7 million) to pay in order to meet the first milestone of returning 434 pence per share by September 2015. The Board's view is that Berkeley is on course to meet this first milestone payment. Looking beyond September 2015, Berkeley is well positioned to meet the remaining milestone payments of 433 pence per share by September 2018 and a further 433 pence per share by September 2021. Whilst we have stated our intention to meet a proportion of the next milestone through regular dividends, the timing of dividend payments against both future milestones will be subject to prevailing market conditions. If any surplus capital is generated, it will either be reinvested in the business, or used to fund further dividend payments or share buybacks.

In terms of Berkeley's wider contribution to the economy, we have created over 1,000 new jobs in the last six months, now directly sustaining some 12,000 in London and the South of England, and we are providing structured training to over 700 young adults. We have built some 10% of all new housing and 10% of all affordable housing in London over the last five years. All of this demonstrates the significant contribution that a vibrant house-building industry can provide to the UK economy.

There is clear support from the main political parties for the construction of new homes, and this needs to be coupled with continued encouragement of inward investment to fund this construction. A transparent and stable political and economic operating environment and a consistent approach to property taxation in the new parliament are crucial to limiting any uncertainty and providing the platform for growth. This week's announcement on the changes to stamp duty have been well-received by the market generally, but is a further change and we are yet to see consensus from the parties on the likely shape of policy after the General Election, which means continuing uncertainty.

Further to our announcement on 7 October 2014, I am delighted that Richard Stearn will be re-joining the Group as Finance Director. The date that his appointment will become effective is yet to be finalised, but it will be on or before 30 April 2015.

In closing, I would like to express my thanks to my colleagues in Berkeley for their dedication and hard work in delivering this strong performance. I firmly believe that Berkeley has the right plan in place to deliver long-term sustainable success, a strategy which can adapt to any changes in the market to protect the business and continue to deliver value to shareholders and the community alike."

Tony Pidgley CBE
Chairman

Commenting on the results, Managing Director Rob Perrins said:

"The first six months of this year have seen a return to normal trading conditions from a high point in 2013, which has continued to provide a stable operating environment for the business. The demand for new homes, against the backdrop of a shortfall of new housing under construction, continues to underpin the market. In this context, the Board expects full year earnings to be in line with current market expectations, ahead of previous guidance, and for the following two years to remain in line with previous guidance.

We have made good progress on our land holdings in the period. We have acquired one new site in Sevenoaks, and have contracted two further sites into the pipeline in Kingston and Winchester; we have moved three sites at Wapping, Chiswick and Maidenhead into production; we have brought over 1,300 plots on two sites, in Bracknell and at Royal Arsenal Riverside, through from the pipeline into our land holdings; and, including further consents on new phases of existing schemes, have added around 10% of value through optimisation. 86% of our schemes now have an implementable planning consent and all such schemes are in construction. Taking into account three of our other sites on which we have secured a resolution to grant planning in the period, South Quay Plaza in Docklands, City Forum in Islington and Old Isleworth, this is in excess of 90%.

On 7 November 2014, we were delighted to announce the launch of St William, a new joint venture with National Grid plc. National Grid has a significant portfolio of surplus brownfield land which it is committed to releasing for development. This joint venture, initially focusing on ten sites with potential to provide over 7,000 new homes over the next 10-15 years, will provide the platform to use Berkeley's expertise to unlock this land for the benefit of both shareholders and provides a clear source of land for future development. One of the ten sites, Battersea Gas Holders, is already in the Group's pipeline.

Looking to the future, there will be a period of uncertainty, whether political in the run-up to a 2015 General Election, economic as the global recovery risks losing steam, or in terms of visibility over interest rates and monetary policy. Mindful of this uncertainty, Berkeley believes that it has the right developments, structure, operating model, financial strength and flexibility to achieve its targets and build a successful business which is sustainable for the long-term."

Rob Perrins
Managing Director

MANAGING DIRECTOR'S REPORT

Performance and Dividends

Berkeley has built and sold a further 1,372 new homes in London and the South of England in the period. Underlying profit before tax has risen by 29.7% to £219.8 million which, together with profit of £85.1 million from the sale of a portfolio of ground rent assets, has contributed to a rise in basic earnings per share from 100.0 pence to 178.6 pence.

The Group has continued to invest in the business in the period, with inventories rising by £130.0 million to £2,611.2 million, and net asset value per share now stands at 1,160 pence, up from 1,066 pence at 30 April 2014. Underlying pre-tax return on equity has risen from 25.0% to 29.2%, which follows the payment of £121.7 million of dividends (90 pence per share) in September 2014.

The Board has declared a further interim dividend of 90 pence per share (£121.7 million), payable on Friday 23 January 2015 to shareholders on the register on Friday 19 December 2014. This means that 344 pence per share has been paid or committed to date and leaves 90 pence per share in order to meet the first milestone of 434 pence per share by September 2015. The Board is confident that the Group is currently on track to meet this target and well positioned to meet the remaining milestones by September 2021.

Housing Market

The housing market has returned to normal transaction levels in the period from a high point in 2013. Domestic demand, above all for the right product with good design in the best locations, has remained resilient in London and the South of England. London benefits from a stable social and political environment, and so continues to attract inward investment from the UK and overseas. Its continued success is crucial to maintaining the pipeline of delivery of new private and affordable homes to meet the national housing shortfall, a matter of particular importance in the run-up to a General Election in 2015 and a London Mayoral election in 2016.

The first phase at London Dock, on the fringes of the City of London, was successfully launched in the period along with further phases on existing schemes. Prices have risen in the period in line with commentary in the wider market.

The Government's Help to Buy scheme continues to support the market across the country, contributing to 182 sales within Berkeley over the last eighteen months, albeit it is limited to those properties sold close to completion. Cancellation rates of 13% in the period are in line with the range of historical levels. The normal market has helped maintain stock at historically low levels, with 41 completed residential properties in inventories at 31 October 2014 (30 April 2014: 39).

Trading Analysis

Revenue of £1,022.2 million in the period (2013: £821.0 million) included £922.4 million of revenue from operations (2013: £821.0 million) and £99.8 million from the sale of a portfolio of ground rent assets (2013: £nil).

The £922.4 million of revenue from operations (2013: £821.0 million) included £901.0 million of residential revenue (2013: £815.3 million), £11.3 million of revenue from land sales on 3 sites (2013: £nil) and £10.1 million of commercial revenue (2013: £5.7 million).

The residential revenue arose from the sale of 1,372 new homes in London and the South of England at an average selling price of £649,000. These sales included the first completions at Ebury Square, Riverlight and Fulham Reach, all schemes which were acquired in 2009/10. The sale of 2,294 properties in the six months ended 31 October 2013 were at an average selling price of £350,000 which included the disposal of 534 properties, mainly outside London, from Berkeley's rental fund to M&G Investments at an average selling price of £197,000 and the sale of two student schemes.

Revenue of £10.1 million from commercial activities (2013: £5.7 million) included the sale of some 25,000 sqft of office, retail and leisure space across a number of the Group's developments including Fulham Reach, Langham Square and Worcester.

During the period, the Group sold a portfolio of approximately 10,000 ground rent leases across 58 sites for proceeds of £99.8 million and a gross profit of £85.1 million. Income and expenses associated with this sale have been recognised in the income statement through revenue and gross profit.

The underlying gross margin percentage, excluding the profit from the sale of the ground rent assets, increased to 31.3% (2013: 29.3%) reflecting the mix of homes sold in the period. This change of mix, after allowing for a £3.4 million increase in overheads from £70.7 million to £74.1 million, is reflected in an increase in the underlying operating margin from 20.7% in 2013 to 23.3% this period.

Berkeley's share of the results of joint ventures was a profit of £9.3 million (2013: £2.9 million) which reflects further completions at 375 Kensington High Street and Stanmore Place.

The Group has remained cash positive throughout the period. Net finance costs of £4.0 million (2013: £3.0 million) include the amortisation of facility fees and imputed interest on land creditors, partly offset by income generated on cash holdings during the period.

Underlying pre-tax return on equity has increased from 25.0% to 29.2%. Underlying earnings per share, which exclude the profit from the sale of the portfolio of ground rent assets, have increased from 100.0 pence to 128.9 pence, with the impact of the issue of 4.3 million shares in the second half of last year mitigated by the reduction in the UK corporation tax rate from 23% to 21%.

Financial Position

Capital employed has increased by £109.0 million from £1,312.1 million at 30 April 2014 to £1,421.1 million at 31 October 2014.

Inventories have increased by £130.0 million from £2,481.2 million at 30 April 2014 to £2,611.2 million at 31 October 2014. Inventories include £379.2 million of land not under development (30 April 2014: £492.4 million), £2,199.0 million of work in progress (30 April 2014: £1,966.4 million) and £33.0 million of completed stock (30 April 2014: £22.4 million). The upward pressure on costs and the availability of skilled labour and materials within the supply chain has continued in a busy market, and remains a key risk for the Group to manage.

Trade and other payables of £1,491.6 million (30 April 2014: £1,367.2 million) include £835.2 million of on account receipts (30 April 2014: £741.6 million) and land creditors of £194.2 million (30 April 2014: £210.0 million). The Group also holds provisions of £61.9 million (30 April 2014: £57.1 million) which include £58.5 million in respect of post completion development obligations (30 April 2014: £53.3 million) and £3.4 million of other provisions arising in the ordinary course of business (30 April 2014: £3.8 million).

Investment properties of £2.1 million include 12 remaining properties from Berkeley's rental fund (30 April 2014: £7.2 million in respect of 54 properties), following the disposal of 42 properties in the period.

The Group ended the six months ungeared with net cash of £148.4 million, compared with net cash of £129.2 million at the start of the year. £302.9 million of cash was generated from operations (2013: £139.0 million) before a net investment in working capital of £122.4 million (2013: £92.5 million) and tax and other cash outflows of £161.3 million (2013: £12.3 million). The Group has good visibility over future cash flow with cash due on forward sales over the next three years having risen, albeit less markedly than last year, by £419 million to £2,693 million.

Committed corporate banking facilities remain at £525 million, of which £250 million matures in April 2018 and £275 million in May 2018, providing headroom within the Group's business plan.

St Edward

Investments accounted for using the equity method have decreased from £61.4 million at 30 April 2014 to £30.4 million at 31 October 2014 and relate almost exclusively to Berkeley's interest in St Edward.

The delivery pipeline at St Edward, a joint venture with Prudential, includes three schemes at Stanmore Place, 375 Kensington High Street and 190 Strand.

86 homes at 375 Kensington High Street and Stanmore Place were sold in St Edward in the first half of the year at an average selling price of £1,380,000 (2013: 72 homes at £810,000).

1,262 plots in Berkeley's land holdings are held in respect of St Edward schemes (30 April 2014: 1,389 plots), which also include 190 Strand. Berkeley's share of cash due over the next three years on forward sales in St Edward at 31 October 2014 is £205 million (30 April 2014: £206 million). The Group's land pipeline also includes a St Edward scheme in Westminster which is conditional on vacant possession.

Land

Berkeley has three sources of land for the business; firstly, its land holdings of over 24,381 plots on 72 sites which are normally unconditionally owned; secondly its pipeline of future land of over 11,000 plots which are schemes that are normally conditionally owned but which cannot be moved into development as they do not have an implementable planning consent and/or as there are practical technical constraints and challenges surrounding vacant possession which need to be resolved; and thirdly a strategic pipeline of long-term options for in excess of 5,000 plots. This is further supported by the announcement of the St William joint venture with National Grid which has the potential to deliver a further 7,000 plots from an initial ten sites into the business.

Land Holdings

The Group has made good progress in enhancing its land holdings during the period.

Three sites within the Group's land holdings have moved into production in the period. These are London Dock in Wapping, with a planning consent for over 1,800 new homes and associated retail and office space, Chiswick Gate in West London, with over 170 homes including family houses, and Woolley Grange in Maidenhead. Together with the delivery of these new consents, the optimisation of future phases of existing schemes with revised planning consents to suit changes in market demand, and updating price and cost valuations with the market, have added some 10% of value during the period. This is ahead of our target range to add 5-10% of value through optimisation each year.

One new site in Sevenoaks, a 15,000 sqft office building, has been acquired into the land holdings. Some 1,300 plots on two sites have been unlocked and delivered into the land holdings from the pipeline of future land. These include a site in Warfield, near Bracknell, where a planning consent for some 750 new homes has been secured, and the detailed consent and land drawdown of the next phase of Royal Arsenal Riverside which has entered production in the period.

At 31 October 2014, 61 of Berkeley's 72 sites have an implementable planning consent and are in construction, whilst the remaining 11 are in the planning process. The Group's land holdings now stand at 24,381 plots (30 April 2014: 24,006 plots) with an estimated future gross margin of £3,201 million (30 April 2014: £3,014 million) and an average selling price of £438,000 (30 April 2014: £419,000).

Since 31 October, Berkeley has secured a resolution to grant planning at two further schemes, South Quay Plaza in Docklands and Old Isleworth. These are subject to the signing of Section 106 agreements.

Pipeline of Future Land

The Group's pipeline of future land comprises over 11,000 plots on 14 schemes with a potential gross margin of some £1.5 billion. Whilst the site in Bracknell has been delivered into the Group's land holdings in the period, two new sites have been contracted into the pipeline in the period. These are in Kingston, and Winchester. The Group also completed the purchase of the Southall site in the period, but this remains in the pipeline as there are still various barriers preventing Berkeley from commencing development.

This pipeline, which is not dependent on buying land in the open market and which the Group is aiming to unlock over the next five years, together with strategic land and the activities of St William, provides a transparent source of land for future development up to and beyond 2021.

Principal risks and uncertainties

The principal business risks and uncertainties facing Berkeley for the next six months are the same as those set out on pages 20 to 23 of the Annual Report for the year ended 30 April 2014. These comprise the prevailing economic conditions, the impact of regulation on the business and the wider industry, planning, people, sales, mortgage availability, environmental and social sustainability, health and safety, land availability, build costs, maintaining programmes and product quality. In preparing this interim report, full account has been taken of this risk profile and the future outlook for the Group's developments as embraced within the Group's strategy and outlook.

Outlook

Berkeley is well-placed to meet its targets with unrivalled land holdings acquired over the last five years and with sales demand continuing to outstrip supply. The Group is heavily focused on controlling the risks around the supply chain, including the shortage of skilled labour and the underlying increase in costs which are a feature of the current market.

The Board currently expects full year earnings to be in line with current market expectations, which is ahead of previous guidance, and for earnings for the following two years to remain in line with previous guidance. It has announced a dividend of 90 pence per share for payment in January 2015 and is on target to deliver the remaining 90 pence per share due to shareholders by September 2015. Berkeley has the land with planning in place to meet the September 2018 milestone of £4.33 per share and the September 2021 milestone of a further £4.33 per share. Unlocking the Group's land pipeline will provide the bedrock of a sustainable business after these returns are made.

The Group remains alert to the risks of the current operating environment, including political uncertainty which is heightened in the run-up to a 2015 General Election, a global economic recovery which appears at times to be faltering, and the direction of monetary policy and interest rates in the short to medium term, all of which create the inherent cyclicality of the property market.

The Board believes that Berkeley has the right strategy, people and framework to manage these risks, meet its commitment to return over £1.7 billion to shareholders by 2021 and provide a strong, sustainable business thereafter.

R C Perrins
Managing Director

- END -

For further information please contact:

The Berkeley Group Holdings plc	Novella Communications
R C Perrins	Tim Robertson
T: 01932 868 555	T: 020 7630 3843

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 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 these condensed set of interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The Directors of The Berkeley Group Holdings plc are listed in the Annual Report of The Berkeley Group Holdings plc for the year ended 30 April 2014, with the exception of the following changes in the period: Mr D Howell resigned on 1 September 2014 and Mr N Simpkin left the Company on 8 September 2014. A list of current Directors is maintained on The Berkeley Group Holdings plc's website.

On behalf of the Board

A W Pidgley
Chairman
4 December 2014

R C Perrins
Managing Director
4 December 2014

The Berkeley Group Holdings plc

Consolidated Income Statement

	Notes	Six months ended 31 October 2014 Unaudited £m	Six months ended 31 October 2013 Unaudited £m	Year ended 30 April 2014 Audited £m
Revenue		1,022.2	821.0	1,620.6
Revenue includes:				
Revenue from operations		922.4	821.0	1,620.6
Revenue from sale of ground rent assets	4	99.8	-	-
Cost of sales		(648.5)	(580.7)	(1,111.7)
Gross profit		373.7	240.3	508.9
Gross profit includes:				
Gross profit from operations		288.6	240.3	508.9
Gross profit from sale of ground rent assets	4	85.1	-	-
Net operating expenses		(74.1)	(70.7)	(134.1)
Operating profit		299.6	169.6	374.8
Finance income	5	1.3	1.8	3.4
Finance costs	5	(5.3)	(4.8)	(10.3)
Share of results of joint ventures using the equity method		9.3	2.9	12.1
Profit before taxation for the period	3	304.9	169.5	380.0
Income tax expense	6	(63.2)	(38.5)	(87.1)
Profit after taxation for the period		241.7	131.0	292.9
Earnings per share:				
Basic	7	178.6p	100.0p	221.8p
Diluted	7	158.8p	84.7p	188.4p

Consolidated Statement of Comprehensive Income

	Six months ended 31 October 2014 Unaudited £m	Six months ended 31 October 2013 Unaudited £m	Year ended 30 April 2014 Audited £m
Profit after taxation for the period	241.7	131.0	292.9
Other comprehensive expense			
Items that will not be reclassified to profit or loss			
Remeasurements of the net defined benefit asset/liability	(0.3)	(0.3)	(0.6)
Deferred tax on remeasurements of the net defined benefit asset/liability	0.1	0.1	0.1
Total items that will not be reclassified to profit or loss	(0.2)	(0.2)	(0.5)
Items that may be reclassified subsequently to profit or loss			
Change in value of other investments	0.8	-	1.0
Total items that may be reclassified subsequently to profit or loss	0.8	-	1.0
Other comprehensive income/(expense) for the period	0.6	(0.2)	0.5
Total comprehensive income for the period	242.3	130.8	293.4

The Berkeley Group Holdings plc

Consolidated Statement of Financial Position

	Notes	At 31 October 2014 Unaudited £m	At 31 October 2013 Unaudited £m	At 30 April 2014 Audited £m
Assets				
Non-current assets				
Intangible assets		17.2	17.2	17.2
Property, plant and equipment		22.2	20.3	22.0
Investment properties		2.1	15.0	7.2
Investments accounted for using the equity method		30.4	52.3	61.4
Other investments	8	11.8	10.0	11.0
Deferred tax assets		53.2	68.2	61.1
		136.9	183.0	179.9
Current assets				
Inventories		2,611.2	2,376.5	2,481.2
Trade and other receivables		277.4	156.4	159.0
Cash and cash equivalents	9	153.5	80.2	130.2
		3,042.1	2,613.1	2,770.4
Total assets	3	3,179.0	2,796.1	2.950.3
Liabilities				
Non-current liabilities				
Trade and other payables		(135.0)	(145.2)	(148.6)
Provisions for other liabilities		(54.8)	(37.7)	(48.5)
		(189.8)	(182.9)	(197.1)
Current liabilities				
Borrowings	9	(5.1)	(1.3)	(1.0)
Trade and other payables		(1,356.6)	(1,114.1)	(1,218.6)
Current tax liabilities		(50.9)	(104.0)	(83.7)
Provisions for other liabilities		(7.1)	(2.4)	(8.6)
		(1,419.7)	(1,221.8)	(1,311.9)
Total liabilities		(1,609.5)	(1,404.7)	(1,509.0)
Total net assets		1,569.5	1,391.4	1,441.3
Equity				
Shareholders' equity				
Share capital		6.8	6.7	6.8
Share premium		49.3	49.3	49.3
Capital redemption reserve		24.5	24.5	24.5
Other reserve		(961.3)	(961.3)	(961.3)
Revaluation reserve		0.2	3.7	4.1
Retained profit		2,450.0	2,268.5	2,317.9
Total equity		1,569.5	1,391.4	1,441.3

The Berkeley Group Holdings plc

Consolidated Statement of Changes in Equity

	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserve £m	Revaluation reserve £m	Retained profit £m	Total equity £m
Unaudited							
At 1 May 2014	6.8	49.3	24.5	(961.3)	4.1	2,317.9	1,441.3
Profit after taxation for the period	-	-	-	-	-	241.7	241.7
Other comprehensive income for the period	-	-	-	-	-	0.6	0.6
Total comprehensive income	-	-	-	-	-	242.3	242.3
Reserves transfer from revaluation reserve	-	-	-	-	(3.9)	3.9	-
Transactions with shareholders:							
Credit in respect of employee share schemes	-	-	-	-	-	3.3	3.3
Deferred tax in respect of employee share schemes	-	-	-	-	-	4.3	4.3
Dividends to equity holders of the Company (note 11)	-	-	-	-	-	(121.7)	(121.7)
At 31 October 2014	6.8	49.3	24.5	(961.3)	0.2	2,450.0	1,569.5
Unaudited							
At 1 May 2013	6.7	49.3	24.5	(961.3)	4.0	2,199.2	1,322.4
Profit after taxation for the period	-	-	-	-	-	131.0	131.0
Other comprehensive expense for the period	-	-	-	-	-	(0.2)	(0.2)
Total comprehensive income	-	-	-	-	-	130.8	130.8
Reserves transfer from revaluation reserve	-	-	-	-	(0.3)	0.3	-
Transactions with shareholders:							
Credit in respect of employee share schemes	-	-	-	-	-	6.3	6.3
Deferred tax in respect of employee share schemes	-	-	-	-	-	9.2	9.2
Dividends to equity holders of the Company (note 11)	-	-	-	-	-	(77.3)	(77.3)
At 31 October 2013	6.7	49.3	24.5	(961.3)	3.7	2,268.5	1,391.4
Audited							
At 1 May 2013	6.7	49.3	24.5	(961.3)	4.0	2,199.2	1,322.4
Profit after taxation for the year	-	-	-	-	-	292.9	292.9
Other comprehensive expense for the year	-	-	-	-	-	0.5	0.5
Total comprehensive income	-	-	-	-	-	293.4	293.4
Reserves transfer from revaluation reserve	-	-	-	-	0.1	(0.1)	-
Equity settlement of employee share schemes	0.1	-	-	-	-	-	0.1
Transactions with shareholders:							
Credit in respect of employee share schemes	-	-	-	-	-	3.3	3.3
Deferred tax in respect of employee share schemes	-	-	-	-	-	17.3	17.3
Dividends to equity holders of the Company (note 11)	-	-	-	-	-	(195.2)	(195.2)
At 30 April 2014	6.8	49.3	24.5	(961.3)	4.1	2,317.9	1,441.3

The Berkeley Group Holdings plc

Consolidated Cash Flow Statement

	Notes	Six months ended 31 October 2014 Unaudited £m	Six months ended 31 October 2013 Unaudited £m	Year ended 30 April 2014 Audited £m
Cash flows from operating activities				
Cash generated from operations	9	180.5	46.5	259.7
Interest received		1.3	1.4	2.7
Interest paid		(2.3)	(2.5)	(5.0)
Income tax paid		(83.7)	(38.9)	(92.4)
Net cash flow from operating activities		95.8	6.5	165.0
Cash flows from investing activities				
Purchase of property, plant and equipment		(1.8)	(5.9)	(8.9)
Purchase of financial assets		-	(10.0)	(10.0)
Dividends from investments		12.3	-	-
Proceeds on disposal of property, plant and equipment		0.2	0.2	0.6
Proceeds from sale of investment properties		6.4	126.0	138.2
Movements in loans with joint ventures		28.0	(5.3)	(5.2)
Net cash flow from investing activities		45.1	105.0	114.7
Cash flows from financing activities				
Increased/(Repayment) of borrowings		4.1	(20.8)	(21.1)
Dividends paid to Company’s shareholders		(121.7)	(77.3)	(195.2)
Net cash flow from financing activities		(117.6)	(98.1)	(216.3)
Net increase in cash and cash equivalents		23.3	13.4	63.4
Cash and cash equivalents at the start of the financial period		130.2	66.8	66.8
Cash and cash equivalents at the end of the financial period	9	153.5	80.2	130.2

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 5 December 2014. It does not comprise statutory accounts within the meaning of Section 434(3) of the Companies Act 2006. Statutory accounts for the year ended 30 April 2014 were approved by the Board of Directors on 11 July 2014 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not include reference to any matters to which the auditor drew attention by way of emphasis without qualifying their audit report, and did not contain a statement under Section 237(2) or (3) of the Companies Act 2006.

2 Basis of preparation

The half year report has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs) and the disclosure requirements of the Listing Rules.

This condensed consolidated half-yearly financial information for the six months ended 31 October 2014 has been prepared in accordance with the Disclosure and Transparency Rules of Financial Services Authority and with IAS 34 "interim financial reporting" as adopted by the European Union.

The comparative figures for the year ended 30 April 2014 do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Sections 498 (2) or (3) respectively of the Companies Act 2006.

The accounting policies, presentation and method of computations adopted in the preparation of the half year 2014 condensed and consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 April 2014 except in respect of taxation which is based on the expected effective tax rate for the year ending 30 April 2015.

The following new standards, amendments to standards and interpretations are applicable to the Group and are mandatory for the first time for the financial year beginning 1 May 2014: IFRS 10 Consolidated financial statements; IFRS 11 Joint arrangements; IFRS 12 Disclosure of interests in other entities; IAS 27 (amendment), Consolidated and separate financial statements; IAS 28 (amendment), Investments in associates and joint ventures; IAS 32 (amendment), Financial instruments; IAS 36 (amendment), Impairment of assets; IAS 39 (amendment), Financial instruments.

The adoption of these standards has not had a material impact on the Group. There are no standards, amendments or interpretations that are not yet effective that would be expected to have a material impact on the Group.

The Group has significant financial resources and the Directors have assessed the future funding requirements of the Group and compared this to the level of committed loan facilities and cash resources over the medium term. In making this assessment consideration has been given to the uncertainty inherent in future financial forecasts and where applicable reasonable sensitivities have been applied to the key factors affecting the financial performance of the Group. The Directors have a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing its consolidated interim financial statements.

During the period the Company dismissed its finance director, Mr Nicolas Simpkin, who is currently on fully paid garden leave until the 23 September 2015. Mr Simpkin issued legal proceedings against the Company on the 28 November 2014. These legal proceedings will be assessed with the assistance of external professional advisers once served on the Company.

Notes to the Condensed Consolidated Financial Information

3 Operating segments

The Group is engaged in residential-led, mixed-use property development, comprising residential revenue, revenue from land sales and commercial revenue.

For the purposes of determining its operating 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 that 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 development in the United Kingdom and, having regard to the aggregation criteria in IFRS 8, the Group has one reportable operating segment.

In addition to its development activities, the Group holds certain residential properties for investment purposes. These investment activities represent a separate segment which is included within other activities as it does not meet the size thresholds to be disclosed as separate reportable segments. The operating profit for the six month period to 31 October 2013 and for the year ended 30 April 2014 included £29.6 million on the sale of 534 properties to M&G Investments.

	Six months ended 31 October 2014 Unaudited £m	Six months ended 31 October 2013 Unaudited £m	Year ended 30 April 2014 Audited £m
Segment results			
Residential-led mixed-use development	304.8	169.4	379.7
Other activities	0.1	0.1	0.3
Profit before tax	304.9	169.5	380.0

Segment profit before tax represents the profit before tax allocated to each segment. This is the measure reported to the Executive Committee of the Board for the purpose of resource allocation and assessment of segment performance. Segmental profit before tax on other activities is stated after charging external and intercompany interest and depreciation.

	At 31 October 2014 Unaudited £m	At 31 October 2013 Unaudited £m	At 30 April 2014 Audited £m
Segment assets			
Residential-led mixed-use development	3,176.9	2,781.1	2,943.1
Other activities	2.1	15.0	7.2
Total assets	3,179.0	2,796.1	2,950.3

For the purpose of monitoring segment performance and allocating resources between segments all assets are considered to be attributable to residential-led mixed-use development with the exception of investment properties which are held for the Group's investing activities and have therefore been allocated to other activities.

Notes to the Condensed Consolidated Financial Information

4 Profit on disposal of ground rent assets

During the current six month period ended 31 October 2014, the Group sold a portfolio of ground rent assets for consideration of £99.8 million and a gross profit of £85.1 million. Income and expenses associated with this sale have been recognised in the income statement through revenue and gross profit in accordance with the Group's accounting policy for revenue and expenditure.

5 Net finance costs

	Six months ended 31 October 2014 Unaudited £m	Six months ended 31 October 2013 Unaudited £m	Year ended 30 April 2014 Audited £m
Finance income	1.3	1.8	3.4
Finance costs			
Interest payable on bank loans and non-utilisation fees	(2.5)	(2.5)	(5.1)
Amortisation of facility fees	(0.7)	(0.7)	(1.3)
Other finance costs	(2.1)	(1.6)	(3.9)
	(5.3)	(4.8)	(10.3)
Net finance costs	(4.0)	(3.0)	(6.9)

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 2014 Unaudited £m	Six months ended 31 October 2013 Unaudited £m	Year ended 30 April 2014 Audited £m
Current tax			
UK corporation tax payable	(66.1)	(37.5)	(94.3)
Adjustments in respect of previous periods	7.1	(3.4)	(4.0)
	(59.0)	(40.9)	(98.3)
Deferred tax			
Deferred tax at 20% (31 October 2013: 23%; 30 April 2014: 20%)	(4.2)	5.7	16.5
Deferred tax adjustment in respect of change in tax rate	-	(3.3)	(5.3)
	(63.2)	(38.5)	(87.1)

Notes to the Condensed Consolidated Financial Information

7 Earnings per share

Basic earnings per share are calculated as the profit for the financial period attributable to shareholders of the Group divided by the weighted average number of shares in issue during the period.

	Six months ended 31 October 2014 Unaudited	Six months ended 31 October 2013 Unaudited	Year ended 30 April 2014 Audited
Profit attributable to shareholders (£m)	241.7	131.0	292.9
Weighted average no. of shares (m)	135.3	131.0	132.1
Basic earnings per share (p)	178.6p	100.0p	221.8p

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 2014, the Company had two categories of potentially dilutive ordinary shares: 6.1 million £8.40 share options under the 2009 LTIP Part B and 19.6 million £nil share options under the 2011 LTIP.

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 2014 Unaudited	Six months ended 31 October 2013 Unaudited	Year ended 30 April 2014 Audited
Profit used to determine diluted EPS (£m)	241.7	131.0	292.9
Weighted average no. of shares (m)	135.3	131.0	132.1
Adjustments for:			
Share options - 2009 LTIP Part A	-	4.0	3.0
Share options - 2009 LTIP Part B	4.4	3.7	4.0
Share options - 2011 LTIP	12.5	15.7	16.4
Bonus plan shares	-	0.3	-
Shares used to determine diluted EPS (m)	152.2	154.7	155.5
Diluted earnings per share (p)	158.8p	84.7p	188.4p

8 Other investments

Other investments comprise available for sale financial assets. These relate to the Group's investment in a fund into which in 2014 the Group sold 534 rental properties. In accordance with IFRS 7 'Financial Instruments: Disclosures', these financial assets have been classified as Level 2 within the fair value hierarchy.

Notes to the Condensed Consolidated Financial Information

9 Notes to the Consolidated Cash Flow Statement

	Six months ended 31 October 2014 Unaudited £m	Six months ended 31 October 2013 Unaudited £m	Year ended 30 April 2014 Audited £m
Net cash flows from operating activities			
Profit after taxation for the period	241.7	131.0	292.9
Adjustments for:			
Taxation	63.2	38.5	87.1
Depreciation	1.0	0.9	2.0
Loss on sale of fixed assets	-	-	0.7
Profit on sale of investment properties	(1.0)	(37.8)	(43.2)
Finance income	(1.3)	(1.8)	(3.4)
Finance costs	5.3	4.8	10.3
Share of results of joint ventures after tax	(9.3)	(2.9)	(12.1)
Non-cash charge in respect of share-based payments	3.3	6.3	3.3
Changes in working capital:			
Increase in inventories	(130.0)	(309.8)	(414.5)
Increase in trade and other receivables	(118.9)	(30.1)	(33.6)
Increase in trade and other payables	126.8	247.7	370.8
Decrease in employee benefit obligations	(0.3)	(0.3)	(0.6)
Cash generated from operations	180.5	46.5	259.7
Reconciliation of net cash flow to net cash			
Net increase in cash and cash equivalents, including bank overdraft	23.3	13.4	63.4
Net cash (inflow)/outflow from (increase)/decrease in borrowings	(4.1)	20.8	21.1
Movement in net cash in the financial period	19.2	34.2	84.5
Opening net cash	129.2	44.7	44.7
Closing net cash	148.4	78.9	129.2
Net cash			
Cash and cash equivalents	153.5	80.2	130.2
Current borrowings	(5.1)	(1.3)	(1.0)
Net cash	148.4	78.9	129.2

10 Related party transactions

The Group has entered into the following related party transactions:

Transactions with Directors

i) During the financial period, Mr A W Pidgley paid £22,717 (2013: £274,224) to Berkeley Homes plc for works carried out at his home under the Group's own build scheme. 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 period end.

ii) Berkeley Homes plc has entered into an agreement with Langham Homes, a company controlled by Mr T K Pidgley who is the son of the Group's Chairman, under which Langham Homes will be paid a fee for a land introduction on an arm's length basis. No payments have been made under this agreement in the period and there was no outstanding balances at 31 October 2014. It is anticipated that £173,000 in respect of this agreement will be paid in the event that the acquisition of the land becomes unconditional. Langham Homes continues to introduce land to the Group and in the event that any further land purchases are agreed, further fees may be payable to Langham Homes in future periods. In prior periods, £1,274,000 has been paid to Langham Homes in respect of two sites acquired by the Group, also on an arm's length basis.

iii) Mr G J Fry, a Director of the Company, contracted to purchase an apartment at Brewery Wharf, London and a car parking space for £565,000 on 21 August 2014 from St James Group Limited, a wholly owned subsidiary of the Company.

Ms D Brightmore-Armour, on 14 April 2014 prior to becoming a Director of the Company, contracted to purchase an apartment at 190 Strand, London for £2,985,000 from St Edward Homes Limited, a joint venture of the Company, for which shareholder approval was not required. Subsequent to this purchase, and having been appointed a Director of the Company, Ms Brightmore-Armour received Board approval to purchase a storage room at the property for £101,200.

The agreements between St James Group Limited and Mr Fry and St Edward Homes Limited and Ms Brightmore-Armour are standard form sale and purchase agreements used by the Company on its developments, save that Mr Fry's purchase of his apartment and Ms Brightmore-Armour's purchase of the storage room are conditional upon the agreement of shareholders.

As these transactions are in excess of £100,000, they 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 Annual General Meeting in September 2015.

Mr Fry paid a ten per cent deposit on exchange of contracts which will only be returned to him in the event that shareholders do not approve the transaction. Ms Brightmore-Armour has already paid a 10% deposit on exchange of contracts for the apartment and no further deposit is payable on purchase of the storage room, with payment due on completion.

In terms of transactions previously disclosed, the purchases of an apartment by Mr G Fry at Chelsea Creek for £725,000 in 2012 and at Sovereign Court for £819,950 in 2014 and by Mr R C Perrins at 190 Strand for £2,100,000 in 2013 all received shareholder approval. At 31 October 2014, any contractual deposit due to date had been paid to the Group, there were no current balances outstanding and the properties were still under construction and so the sales had not yet completed. The purchase of an apartment by Mr A W Pidgley at Ebury Square in 2013 for £10,500,000 completed and the balance of monies were fully settled in the period, along with a further £1,330,000 for enhancements to specification.

Transactions with joint ventures

i) During the financial period there were no transactions with joint ventures other than movements in loans of £28.0 million. 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 31 October 2014 an amount of £15,998,000 was outstanding and included within trade receivables (30 April 2014: £16,219,000).

11 Dividends per Share

The dividends paid in the period were £121.7 million (90 pence per share). Dividends paid in the year ended 30 April 2014 were a total of £195.2 million, £77.2 million paid in September 2013 (59 pence per share) and £118.0 million paid in January 2014 (90 pence per share). A further interim dividend of £121.7 million (90 pence per share) has been declared for payment on Friday 23 January 2014. These accounts do not reflect this further interim dividend.

INDEPENDENT REVIEW REPORT TO THE BERKELEY GROUP HOLDINGS PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2014 which comprises the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, the consolidated cash flow statement and the related explanatory 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 set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

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 DTR of the UK FCA.

The annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

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 UK. 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 set of financial statements in the half-yearly financial report for the six months ended 31 October 2014 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Sean McCallion
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL
4 December 2014