PRESS RELEASE **THE BERKELEY GROUP HOLDINGS PLC** **4 DECEMBER 2015**

INTERIM RESULTS ANNOUNCEMENT

OUTSTANDING BALANCE SHEET STRENGTH – CASH DUE ON FORWARD SALES OF £3.1 BILLION, ESTIMATED FUTURE LAND BANK GROSS MARGIN OF £5.4 BILLION AND NET CASH OF £263 MILLION

ON TRACK TO DELIVER PRE-TAX PROFITS OF £2.0 BILLION IN AGGREGATE OVER THREE YEARS TO 30 APRIL 2018

DIVIDEND RETURN PROGRAMME ENHANCED BY £0.5 BILLION, FROM £13.00 PER SHARE TO £16.34 PER SHARE - FIRST £4.34 ALREADY DELIVERED ON SCHEDULE. REMAINING £12 PER SHARE TO BE DELIVERED EVENLY OVER NEXT 6 YEARS WITH FIRST £1 PER SHARE TO BE PAID IN JANUARY 2016

The Berkeley Group Holdings plc ("Berkeley") today announces its unaudited interim results for the six months ended 31 October 2015 together with the enhancement of its shareholder returns programme:

HIGHLIGHTS

- Adjusted profit before tax * — Up 10.2% to £242.3 million (2014: £219.8 million)
- Ground rent portfolio sale — £51.0 million of profit (2014: £85.1 million) from sale of ground rent portfolio
- Profit before tax — £293.3 million, down from £304.9 million due to impact of ground rent sales
- Net cash — £263.1 million (April 2015: £430.9 million)
- Net asset value per share — Up 7.5% to 1,289 pence (April 2015: 1,199 pence) following payment of £122.9 million (90 pence per share) dividend
- Forward sales — Increased to £3.1 billion (April 2015: £3.0 billion)
- Land bank — £5.4 billion of estimated future gross margin (April 2015: £5.3 billion) across 38,233 plots (April 2015: 37,473 plots)
- Market conditions — Good underlying demand in a stable operating environment
- Continued investment — Four schemes started and six sites acquired

* 'Adjusted' profit before tax excludes £51.0 million of profit (2014: £85.1 million) from the sale of ground rent assets.

ENHANCED SHAREHOLDER RETURNS PROGRAMME

The Board of Berkeley has reviewed the quantum and profile of the Company's dividend programme that was put in place in 2011 to deliver £13.00 per share to shareholders by 2021. This review took into account a number of factors, including: the Company's financial strength and its visibility over future earnings and cash generation; the current normal market conditions and stable operating environment; and the investment opportunities that continue to present themselves. Following the review, the Board has determined that it intends to enhance the dividend programme by £0.5 billion, increasing it from £13.00 per share to £16.34 per share.

	Current	**Proposed**
Paid to date	£4.34	£4.34
By September 2016	£1.44	£2.00
By September 2017	£1.44	£2.00
By September 2018	£1.45	£2.00
By September 2019	-	£2.00
By September 2020	-	£2.00
By September 2021	£4.33	£2.00
To come	£8.66	£12.00
Total	**£13.00**	**£16.34**

This enhances and gives visibility of returns to shareholders within the proven framework which allows Berkeley to operate at its natural size and to optimise returns to shareholders while managing the risks of a cyclical market.

CHAIRMAN'S STATEMENT

"I am pleased to announce pre-tax profits of £293.3 million for the six months ended 31 October 2015. Berkeley remains ungeared with £263.1 million of net cash and cash due on forward sales over the next three years of £3.1 billion and is on track to meet its three year earnings guidance.

With the strength of our recent performance and the visibility over future profitability and cash generation from our land bank and forward sales, I am delighted to confirm that we have today set out proposals to increase Berkeley's 2021 dividend return target from £13 per share to £16.34 per share. With £4.34 per share having already been paid, the remaining £12 per share is planned to be paid in annual dividends of £2 per share over the next six years. This gives a clear and steady dividend return plan for the next six years whilst also allowing for further investment in the business.

In light of this, the Board has declared a further interim dividend of 100 pence per share (£136.5 million), payable on 22 January 2016 to shareholders on the register on 18 December 2015.

Berkeley's contribution to housebuilding, job creation and the wider economy remains strong. Our contribution to UK GDP was £2.1 billion in 2015, up 40% from 2014 and the seventh consecutive year of growth. Over the last five years, Berkeley has built over 17,750 new homes and contributed a total of £1.8 billion to the Treasury through direct and wider taxation. We are now supporting 26,000 jobs in the business and our supply chain. Meanwhile, since its inception in 2011, the Berkeley Foundation has committed over £6.7 million to more than 70 charities, of which £2 million has been raised by Berkeley's staff.

We will continue to support growth in this way given sufficient political and economic stability. The construction industry relies on the mobility of labour and London's status as a great world city depends on effective integration with both domestic and international markets.

This week also sees 190 nations come together in Paris to tackle climate change. Berkeley was the first UK housebuilder to publish a climate change policy in 2007. As well as building low carbon homes, we focus on creating the kind of places where it is easy to live sustainably, close to public transport, with bike stores, vehicle charging points, public open space and good local facilities close at hand. Sustainability remains a long-term strategic priority for our business.

Delivering more homes of all tenures requires bold action with up to date Local Plans in place in every borough and a mechanism to bring large scale, complex sites into production more quickly. While the will is there, the process is slow and expensive and in this period of cuts, the role of the public sector needs to evolve so that it can become less risk averse and actively enable development. We welcome the political support for the housebuilding sector in the Chancellor's Autumn Statement but are concerned that the continued changes to property taxation may well result in unintended consequences on the market and not lead to the level of housebuilding required to meet the underlying demand.

The performance over the last six months is a direct result of the dedication, hard work and enthusiasm of all of my colleagues at Berkeley, and I would like to take this opportunity to thank each and every one of them.

I believe that Berkeley continues to operate the right strategy under its unique operating model of developing complex sites which others are not willing or able to take on, recognising the additional operational risk that comes with this strategy whilst maintaining the financial strength that it demands. The enhanced plan announced today balances both of these factors, enabling Berkeley to continue to invest in the business and manage the operational challenges carefully and intensively whilst creating consistent and sustainable added value returns."

Tony Pidgley CBE
Chairman

THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2015

MANAGING DIRECTOR'S STATEMENT

"A good period of trading in the first six months of the year has seen Berkeley report adjusted pre-tax earnings of £242.3 million for the period, an increase of 10.2% on the equivalent period last year. This is from the sale of 2,091 homes at an average selling price of £506,000. Together with a further £51.0 million of profit from the sale of ground rent assets, this represents total pre-tax earnings of £293.3 million.

Six months ended 31 October (unaudited)	**2015 £'m**	**2014 £'m**	**Change £'m**	**%**
Revenue	1,138.7	1,022.2	+116.5	+11.4%
- from operations	1,085.3	922.4	+162.9	+17.7%
- sale of ground rent assets	53.4	99.8		
Gross profit	391.4	373.7	+17.7	+4.7%
- from operations	340.4	288.6	+51.8	+17.9%
- sale of ground rent assets	51.0	85.1		
Operating expenses	(100.7)	(74.1)	-26.6	-35.9%
Operating profit	290.7	299.6	-8.9	-3.0%
Profit before tax	293.3	304.9	-11.6	-3.8%
Profit before tax – Adjusted*	242.3	219.8	+22.5	+10.2%
Earnings Per Share - Basic	166.9p	178.6p	-11.7p	-6.6%
Earnings Per Share – Adjusted*	137.9p	128.9p	+9.0p	+7.0%
Pre-Tax Return on Equity – Adjusted*	28.5%	29.2%	-0.7%	

* 'Adjusted' figures exclude £53.4 million of revenue (2014: £99.8 million) and £51.0 million of profit (2014: £85.1 million) from the sale of ground rent assets.

Stable market conditions have meant that cash due over the next three years on forward sales has risen by £137 million to £3,096 million as we continue to see strong demand for well designed homes in the right locations.

We remain on target to deliver pre-tax profits in the region of £2.0 billion over the three year period comprising 2015/16, 2016/17 and 2017/18. The scale of the key regeneration schemes from which we expect to generate these earnings makes the delivery of profit in specific periods sensitive to timing and we continue to prioritise quality ahead of individual period financial targets.

We have further enhanced our land holdings in the period, acquiring six new sites, including the 2.6 acre West End Green in Paddington and St William's acquisition of National Grid's former Gas Works in Fulham, securing 14 planning consents and moving four sites into construction.

Berkeley continues to prioritise customer service and is the first major housebuilder to join and be accredited by the Institute of Customer Service. Our Net Promoter Score, which measures the percentage of customers who are promoters of the company and subtracts the percentage who are detractors is 69.8. This places Berkeley amongst the highest scoring businesses in the UK in any sector and ahead of its industry peers.

Over the past six months, the Berkeley Group has won the Sunday Times Homebuilder of the Year award 2015 and been voted Britain's 5th Most Admired Company across all sectors by Management Today. Individual sites have also been widely recognised with 9 individual staff winning a Seal of Excellence at the NHBC awards and a BIG Challenge award for ecology at our Chiswick Gate development in West London.

Strategic Delivery

Focused on London and the South East, Berkeley has a clear strategy in place to meet the opportunities and challenges of a cyclical industry with financial strength and disciplined capital allocation at its heart. This is an added value model that allows Berkeley's management team to concentrate on maximising returns by creating individual development solutions for each of its sites, with a focus on optimising absolute value and cash generation, as opposed to traditional income statement measures. This strategy has seen Berkeley deliver a total shareholder return (TSR) in excess of 750% since it was put in place in 2004. This is more than twice that of any of its listed peers and compares to 113% for the FTSE 100 over the same period.

In 2011, Berkeley put in place a framework to deliver £13 per share to shareholders over a ten year period, as the market began to recover from the global financial crisis. At the time this challenging ambition represented 183% of the prevailing net asset value per share of £7.09. It was anticipated that the return would realise the significant majority of the value of the balance sheet and the potential within the land bank.

Berkeley is ahead of this plan in terms of profitability and cash generation and, with its results for the year ended 30 April 2015, announced a three year £2.0 billion cumulative profit ambition. This reflected three principal factors: firstly that London has emerged from the financial crisis firmly at the centre of the global economy, attracting both investment and talent to stimulate demand in the under-supplied Capital; secondly, that Berkeley's strategy had enabled it to acquire a number of outstanding sites in the period from 2009 to 2013 that are now being delivered; and, most recently, that the May 2015 General Election result has provided the ongoing stability that the business requires to make long-term investment decisions.

At this point in the cycle, and with forward sales and the estimated future gross margin in the land bank in excess of £3.0 billion and £5.0 billion respectively, the Company has sufficient visibility to enhance the dividend return programme, while retaining sufficient capital to invest in opportunities that will add incremental value to the ongoing business.

Of the original £13 per share, £4.34 has been paid to date and the Company has committed to pay the next £4.33 in equal annual instalments of £1.44 to September 2018, with the final £4.33 to be paid prior to September 2021.

The Company is now proposing to increase the 2021 target from £13.00 per share to £16.34 per share, with the remaining £12 per share to be paid in annual dividends of £2 per share over the next six years (equating to 100% of Net Asset Value at the start of this year), with sufficient capital retained for incremental investment in the business. This increase of £3.34 per share adds £0.5 billion to the original £1.7 billion return programme.

It has always been the objective of the Company to align its remuneration policy with the corporate strategy and with this ambitious change in the quantum and profile of dividend commitment, the Remuneration Committee of the Company is proposing a number of changes to the 2011 LTIP which will be put to Shareholders at a General Meeting in the New Year, following a period of consultation with major shareholders. If approved, these changes, which do not affect the number of shares under option, will result in: (i) an increase in option price from £13 to £16.34 in line with the new dividend target, which will extend the effective term of the LTIP; (ii) phased vesting of the LTIP, beginning in 2016 with five annual vestings thereafter (in line with the new dividend profile), which will also phase the dilution impact; and (iii) annual dividend delivery dates, compared to the current three year range. All other material provisions, such as the 10% per annum sale restrictions on net vested shares remain in place. The Remuneration Committee believes that these proposals, which also require the agreement of participants, provide shareholders with greater value at a lower cost.

Housing Market

The first six months of this year have seen a stable operating environment, supported by the decisive General Election result in May 2015, in which normal transaction levels experienced are consistent with the equivalent period last year. Sales price increases have continued in line with those reported in the wider market and are generally matched by cost increases. In this environment, cash due on forward sales over the next three years has increased from £2,959 million to £3,096 million.

This period saw the successful launch of our new scheme at South Quay Plaza in Docklands, initially to the UK market, along with launches of new phases on a number of our other schemes. We continue to see good demand on both new and existing schemes, with domestic demand remaining strong and London continuing to attract inward investment from the UK and overseas because of its social diversity and political stability.

On the supply side, Government data shows a continued positive upward trend in the number of planning consents. Where local plans are in place, the National Planning Policy Framework provides a good framework for decision making and this needs to be consistently implemented. The principal challenge now lies in converting these consents into completions. Getting land into production remains a slow and expensive process. It can take up to two years to start building on a major site once a signed Section 106 agreement is in place, because of the difficulties in securing vacant possession, compulsory purchase orders and the provision of utilities amongst others. Better mechanisms are required to resolve these complex practical issues more quickly and we are very mindful of the pressures placed upon Local Authorities by public sector cuts as this exacerbates the delivery challenge.

However, the demand fundamentals remain strongly embedded in the substantial housing shortage evident across London and the South of England. Cancellation rates of around 10% remain below normal historic levels of 15% to

20% and completed stock remains at historically low levels, with 39 completed residential properties in inventories at 31 October 2015 (31 at 30 April 2015).

Apprentices, training and people

The shortage of skilled workers remains a key constraint to increased supply. We believe that this is primarily a challenge for the industry to address, not government. Berkeley now has 700 young people in structured training across the company and approximately 8% of our staff on-site are apprentices or in formal training.

Over the last six months, Berkeley has become the Construction Champion for the Mayor of London's HeadStart initiative, helping disadvantaged 16-18 year olds to develop their skills and gain employment. We have grown the Berkeley Apprenticeship Scheme, a six week, multi-skills training course and are now one of the leading employers working on the bid for a University Technical College (UTC) in south west London. We have also appointed a dedicated lead across the company to create an integrated strategy to support apprenticeships.

Berkeley is committed to paying at least the Living Wage as set by the Living Wage Foundation to all direct employees.

Customer Service

The customer experience is central to Berkeley's reputation and our ability to secure sales. Our performance is independently assessed using the Net Promoter Score. This takes the percentage of customers who are promoters of the company and subtracts the percentage who are detractors, leaving a score in a possible range of -100 to +100. Berkeley's Net Promoter Score for the year ended 30 April 2015 was 69.8.

During 2015, we have deepened our use of technology to drive customer satisfaction. Innovations such as *My Home+* now provide a digital interface throughout the customer journey. We have also started to roll out tablet-based applications that allow project teams to manage completions on site.

In addition, every one of our operating companies has now achieved the Service Mark accreditation. This is a national standard, assessed against customer feedback and employee engagement with your customer service strategy. Berkeley was the first major housebuilder to join and be accredited by the Institute of Customer Service.

Design and placemaking

Berkeley's approach to design continues to evolve. One of the key challenges is to make higher densities work. Sites such as Woodberry Down, where a new urban wetland centre will shortly open, 375 Kensington High Street, where we are building a primary school, and South Quay Plaza, where we will employ a professional events and community facilitator, illustrate how this can be done.

We have also recently completed the development of a brand new product called the Urban Family House. This is designed to make higher density urban living work for families and deliver 50% more homes per hectare than standard terraced housing. It maximises living space and provides every amenity that a modern family needs while making the very best use of land.

In addition, we have worked with the London School of Economics on fresh research into our residents' quality of life. This latest analysis looked at Saffron Square in Croydon, a development of 791 homes. It measured individual wellbeing and the quality of design and management, helping us better understand how to create a strong community on this and other sites.

Outlook

Berkeley understands the complexity of delivering new homes in London and the South of England and the financial flexibility needed to operate in this market is embedded in Berkeley's strategy.

We are mindful of the cyclical nature of the market with global political and financial uncertainty ever present. Continued GDP growth underpins the world economy but this remains patchy, especially as a result of the slowdown in emerging and European economies. London remains a destination of choice which it must cherish.

Today's normal market conditions provide Berkeley with the operating environment in which it can differentiate its performance through the quality of its locations, the homes it builds and the places it creates. It is also an environment in which we can continue to find suitable opportunities to invest in order to deliver further value for shareholders. One such opportunity is the former Parcelforce site at Stephenson Street, West Ham, where I am delighted that Berkeley has recently been selected as the GLA's preferred bidder. This important 27 acre site lies adjacent to West Ham station and offers real place-making potential to regenerate this area of East London. Berkeley's masterplan, on which we will be working closely with all stakeholders over the next few months, will deliver a significant number of homes (including homes for the private rented sector) and jobs, alongside retail, leisure and education spaces, all set around a major new park for London.

The Group is well-placed to meet its targets for the next three years and to meet its enhanced longer term commitment to return a further £12 per share to shareholders by 2021, given in particular the visibility afforded to it by its land bank and cash due on forward sales, and to provide a successful and sustainable business thereafter."

Rob Perrins
Managing Director

TRADING AND FINANCIAL REVIEW

Trading performance

Revenue of £1,138.7 million in the period (2014: £1,022.2 million) included £1,085.3 million from operations (2014: £922.4 million) and £53.4 million from the sale of a portfolio of ground rent assets (2014: £99.8 million).

The £1,085.3 million of revenue from operations included £1,066.8 million of residential revenue (2014: £901.0 million) and £18.5 million of commercial revenue (2014: £10.1 million). There were no land sales in the period (2014: £11.3 million on 3 sites).

2,091 new homes (2014: 1,372) were sold across London and the South of England at an average selling price of £506,000 (2014: £649,000). The reduction in average selling price reflects the mix of schemes completing in the period compared to the six months ended 31 October 2014. In the first six months of this year, the principal schemes contributing to these results were Riverlight and Goodmans Fields, whilst in the first half of last year these included first completions at Ebury Square where the average selling price was some £6.4 million.

Revenue of £18.5 million from commercial activities included the sale of some 65,000 sqft of office, retail and leisure space across a number of the Group's developments including Battersea Reach, Langham Square, Fulham Reach and Marine Wharf. The £10.1 million of revenue last year was mainly from the sale of some 25,000 sqft of office, retail and leisure space at Fulham Reach, Langham Square and Worcester amongst others.

During the year, the Group sold a portfolio of ground rent assets across some 43 sites for proceeds of £53.4 million and a gross profit of £51.0 million. This follows a similar sale in the six months ended 31 October 2014 which realised proceeds of £99.8 million and a profit of £85.1 million in that period. Income and expenses associated with this sale have been recognised in the income statement through revenue and gross profit. This latest sale completes the disposal of the Group's holdings of historic ground rent assets and there are no further assets which are currently ready for sale.

The adjusted gross margin percentage, excluding profit from the sale of ground rent assets, has risen marginally from 31.3% in 2014 to 31.4% and reflects the mix of homes sold in the period.

Overheads of £100.7 million (2014: £74.1 million) increased by £26.6 million in the period. This includes a £16.3 million increase in the charge to the income statement for the Group's share schemes. This is due to the mark to market impact of the rise in the Group's share price from £25.19 at 30 April 2015 to £33.18 at 31 October 2015 and the impact of the Company's decision to settle the tax and national insurance liabilities arising on the vesting of options for participants in Part B of the 2009 LTIP scheme on 15 April 2016, in lieu of issuing shares. The residual increase in overheads is due to underlying headcount increases compared to last year.

The result is that the Group's adjusted operating margin, excluding the profit from sale of the ground rent assets, has reduced from 23.3% to 22.1% this period, which is slightly above the 21.7% adjusted operating margin for the whole of last year.

Berkeley's share of the results of joint ventures was a profit of £3.6 million (2014: £9.3 million) which principally reflects a further 78 completions at 375 Kensington High Street and Stanmore Place.

Net finance costs of £1.0 million in the period (2014: £4.0 million) include £1.4 million in respect of facility commitment fees, the amortisation of ongoing facility fees and other finance income and costs including imputed interest on land creditors, which more than offset any interest income from cash holdings during the period.

Adjusted pre-tax return on equity, excluding profit from the sale of ground rent assets, has reduced marginally from 29.2% to 28.5%. Adjusted earnings per share has risen by 7.0% from 128.9 pence to 137.9 pence, which takes into account the 10.2% increase in adjusted profit before tax before allowing for the issue of 1.3 million shares issued in the second half of last year to satisfy share awards.

Financial Position

Net assets have increased in the period by 7.5%, to £1,760.0 million (30 April 2015: £1,637.9 million). This is after payment of £122.9 million of dividends and equates to a net asset value per share of 1,289 pence (30 April 2015: 1,199 pence).

Inventories have increased by £262.3 million to £2,916.4 million at 31 October 2015. Inventories include £522.2 million of land not under development (30 April 2015: £342.0 million), £2,375.5 million of work in progress (30 April 2015: £2,280.2 million) and £18.7 million of completed stock (30 April 2015: £31.9 million).

Trade and other payables are £1,738.5 million at 31 October 2015 (£1,635.5 million at 30 April 2015). These include £1,001.7 million of on account receipts from customers which have increased by £80.8 million as a result of trading in the period, and land creditors of £185.4 million, down £19.7 million since year end. Provisions of £85.8 million (30 April 2015: £75.1 million) include post completion development obligations and other provisions.

The Group ended the period ungeared with net cash of £263.1 million (30 April 2015: £430.9 million). This is a reduction of £167.8 million during the period (2014: increase of £19.2 million) as a result of £240.6 million of cash generated from operations (2014: £203.1 million), £53.4 million from the disposal of ground rent assets (2014: £99.8 million) before a net investment of £243.3 million in working capital (2014: £122.4 million), tax and other cash outflows, including dividends, of £218.5 million (2014: £161.3 million).

The Group's financial position is further supported by £575 million of banking facilities, which were undrawn at 31 October 2015 and mature in March 2020, which gives clarity of financing for over four years, with options over a further two years of extensions.

Joint Ventures

Investments accounted for using the equity method have increased from £50.1 million at 30 April 2015 to £108.1 million at 31 October 2015. This movement reflects profits in the period in St Edward, Berkeley's joint venture with Prudential plc, along with further investment into St William, Berkeley's joint venture with National Grid plc.

St Edward has four schemes currently in development at Stanmore Place, 375 Kensington High Street, 190 Strand and, launched this period, Green Park in Reading. 78 homes were sold in the period at an average selling price of £1,006,000 (2014: 86 at £1,380,000), which reflects the mix of properties sold, predominantly at 375 Kensington High Street.

2,038 plots in Berkeley's land holdings relate to St Edward schemes. St Edward is continuing to identify opportunities to develop the joint venture through further sites to which it can add value, and controls a commercial site in Westminster which has a detailed planning consent but will not move into development until the premises are vacated by the current tenant.

2,426 plots on three sites in Berkeley's land holdings relate to St William schemes. Berkeley is working closely with National Grid to identify sites from across its portfolio to bring through into its pipeline and land holdings. This joint venture has the potential to deliver some 7,000 plots from an initial 10 sites and is a clear source of future land. The sites in the land bank are at Battersea, Rickmansworth and Fulham, the latter having contracted in the period.

Land

Berkeley's land bank of 38,233 plots (30 April 2015: 37,473) is a combination of owned or contracted sites, most of which have a planning consent and are in construction, and the rest of 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, for example, vacant possession which need to be resolved. We also hold a strategic pipeline of long-term options for in excess of 5,000 plots.

Berkeley has secured 14 planning consents this year, 5 on schemes which did not previously have an implementable planning consent and 9 revised consents. The new consents include 73 homes at Latchmere House in Ham, some 1,400 homes at White City, 594 homes at Southwater in Sussex and 247 homes at Taplow in Berkshire, in addition to over 800 homes at St William's site in Battersea. The revised consents have improved the planning position on each of the schemes on which earlier phases are already in construction, and these include Royal Arsenal Riverside, Fleet, West Horsham, 190 Strand, Wimbledon Hill Park, Goodmans Fields, Royal Wells Park, Kingston Gas Works and Woodberry Down.

Four new sites have been acquired unconditionally during the year, West End Green in Paddington as well as sites in Wokingham, Cockfosters and Southwater, the latter having come through from our strategic land. Two have been acquired on a conditional basis, including a site in Blackheath and the Fulham Gas Works site which is contracted to St William.

At 31 October 2015, the Group has 75 sites in its land holdings, of which 56 (75%) have an implementable planning consent and are in construction. Of the remaining 19 sites, two have an implementable consent and will shortly move into construction and nine have at least a resolution to grant planning but the consent is not yet implementable. A further eight remain in the planning process, of which six are under conditional contracts. The Group's land holdings now stand at 38,233 plots (30 April 2015: 37,473) with an estimated future gross margin of £5,413 million (30 April 2015: £5,272 million) and an average selling price of £473,000 (30 April 2015: £456,000). This shows the underlying strength of the Group's land bank which will be developed over the next 20 years. The estimated future gross margin represents management's risk-adjusted assessment of the potential development outturn for each site, taking account of a wide range of factors, including: current sales and input prices; the political and economic backdrop; the planning regime; and other market forces; all of which could have a significant effect on the eventual outcome. The increase in gross margin is due to both acquisitions and value added through improvements secured both to current and future schemes, a core part of the Group's activities.

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 24 to 31 of the Annual Report for the year ended 30 April 2015. These comprise prevailing economic conditions, the impact of regulation on the business and the wider industry, the availability of land, the planning process, retention of our people, securing sales, mortgage availability, environmental and social sustainability, health and safety, control of build costs and maintaining programmes as well as 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.

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For further information please contact:

The Berkeley Group Holdings plc
R C Perrins
R J Stearn
T: 01932 868555

Novella Communications
Tim Robertson
T: 020 3151 7008

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 these 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 2015. A list of current Directors is maintained on The Berkeley Group Holdings plc's website.

On behalf of the Board

R C Perrins
Managing Director
3 December 2015

R J Stearn
Finance Director
3 December 2015

Consolidated Income Statement

	Notes	Six months ended 31 October 2015 Unaudited £m	Six months ended 31 October 2014 Unaudited £m	Year ended 30 April 2015 Audited £m
Revenue		1,138.7	1,022.2	2,120.0
Revenue includes:				
- from operations		1,085.3	922.4	2,020.2
- from sale of ground rent assets	4	53.4	99.8	99.8
Cost of sales		(747.3)	(648.5)	(1,403.2)
Gross profit		391.4	373.7	716.8
Gross profit includes:				
- from operations		340.4	288.6	631.7
- from sale of ground rent assets	4	51.0	85.1	85.1
Net operating expenses		(100.7)	(74.1)	(192.7)
Operating profit		290.7	299.6	524.1
Finance income	5	2.0	1.3	3.0
Finance costs	5	(3.0)	(5.3)	(15.7)
Share of results of joint ventures using the equity method		3.6	9.3	28.3
Profit before taxation for the period	3	293.3	304.9	539.7
Income tax expense	6	(65.5)	(63.2)	(116.2)
Profit after taxation for the period		227.8	241.7	423.5
Earnings per share:				
Basic	7	166.9p	178.6p	313.0p
Diluted	7	149.2p	158.8p	276.9p

Consolidated Statement of Comprehensive Income

	Six months ended 31 October 2015 Unaudited £m	Six months ended 31 October 2014 Unaudited £m	Year ended 30 April 2015 Audited £m
Profit after taxation for the period	227.8	241.7	423.5
Other comprehensive income/(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
Items reclassified to profit or loss			
Gain on value of other investments	(2.0)	-	-
Total items reclassified to profit or loss	(2.0)	-	-
Other comprehensive (expense)/ income for the period	(2.2)	0.6	0.5
Total comprehensive income for the period	225.6	242.3	424.0

Consolidated Statement of Financial Position

	Notes	At 31 October 2015 Unaudited £m	At 31 October 2014 Unaudited £m	At 30 April 2015 Audited £m
Assets				
Non-current assets				
Intangible assets		17.2	17.2	17.2
Property, plant and equipment		22.0	22.2	23.5
Investment properties		-	2.1	0.2
Investments accounted for using the equity method		108.1	30.4	50.1
Other investments	8	-	11.8	12.0
Deferred tax assets		60.1	53.2	72.7
		207.4	136.9	175.7
Current assets				
Inventories		2,916.4	2,611.2	2,654.1
Trade and other receivables		242.2	277.4	145.6
Cash and cash equivalents	9	263.1	153.5	430.9
		3,421.7	3,042.1	3,230.6
Total assets	3	3,629.1	3,179.0	3,406.3
Liabilities				
Non-current liabilities				
Trade and other payables		(88.2)	(135.0)	(131.7)
Provisions for other liabilities		(70.5)	(54.8)	(61.1)
		(158.7)	(189.8)	(192.8)
Current liabilities				
Borrowings	9	-	(5.1)	-
Trade and other payables		(1,650.3)	(1,356.6)	(1,503.8)
Current tax liabilities		(44.8)	(50.9)	(57.8)
Provisions for other liabilities		(15.3)	(7.1)	(14.0)
		(1,710.4)	(1,419.7)	(1,575.6)
Total liabilities		(1,869.1)	(1,609.5)	(1,768.4)
Total net assets		1,760.0	1,569.5	1,637.9
Equity				
Shareholders' equity				
Share capital		6.8	6.8	6.8
Share premium		49.6	49.3	49.6
Capital redemption reserve		24.5	24.5	24.5
Other reserve		(961.3)	(961.3)	(961.3)
Revaluation reserve		-	0.2	-
Retained profit		2,640.4	2,450.0	2,518.3
Total equity		1,760.0	1,569.5	1,637.9

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 2015	6.8	49.6	24.5	(961.3)	-	2,518.3	1,637.9
Profit after taxation for the period	-	-	-	-	-	227.8	227.8
Other comprehensive income/(expense) for the period	-	-	-	-	-	(2.2)	(2.2)
Total comprehensive income	-	-	-	-	-	225.6	225.6
Reserves transfer from revaluation reserve	-	-	-	-	-	-	-
Transactions with shareholders:							
- Purchase of own shares	-	-	-	-	-	(1.2)	(1.2)
- Credit in respect of employee share schemes	-	-	-	-	-	4.9	4.9
- Deferred tax in respect of employee share schemes	-	-	-	-	-	15.7	15.7
- Dividends to equity holders of the Company (note 11)	-	-	-	-	-	(122.9)	(122.9)
At 31 October 2015	6.8	49.6	24.5	(961.3)	-	2,640.4	1,760.0
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
Audited							
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 year	-	-	-	-	-	423.5	423.5
Other comprehensive income for the year	-	-	-	-	-	0.5	0.5
Total comprehensive income	-	-	-	-	-	424.0	424.0
Reserves transfer from revaluation reserve	-	-	-	-	(4.1)	4.1	-
Issue of ordinary shares	-	0.3	-	-	-	-	0.3
Transactions with shareholders:							
- Credit in respect of employee share schemes	-	-	-	-	-	2.7	2.7
- Deferred tax in respect of employee share schemes	-	-	-	-	-	13.1	13.1
- Dividends to equity holders of the Company (note 11)	-	-	-	-	-	(243.5)	(243.5)
At 30 April 2015	6.8	49.6	24.5	(961.3)	-	2,518.3	1,637.9

Consolidated Cash Flow Statement

	Notes	Six months ended 31 October 2015 Unaudited £m	Six months ended 31 October 2014 Unaudited £m	Year ended 30 April 2015 Audited £m
Cash flows from operating activities				
Cash generated from operations	9	50.7	180.5	643.6
Proceeds from sale of investment properties		0.2	6.4	8.3
Interest received		2.0	1.3	3.2
Interest paid		(1.5)	(2.3)	(5.4)
Income tax paid		(50.1)	(83.7)	(140.5)
Net cash flow from operating activities		1.3	102.2	509.2
Cash flows from investing activities				
Purchase of property, plant and equipment		(1.7)	(1.8)	(4.6)
Proceeds on disposal of financial assets		12.8	-	-
Dividends from investments		-	12.3	12.3
Proceeds on disposal of property, plant and equipment		1.9	0.2	0.6
Movements in loans with joint ventures		(54.4)	28.0	27.3
Net cash flow from investing activities		(41.4)	38.7	35.6
Cash flows from financing activities				
Proceeds from issue of shares		-	-	0.4
Purchase of own shares		(4.8)	-	-
Increased/(Repayment of) borrowings		-	4.1	(1.0)
Dividends paid to Company's shareholders		(122.9)	(121.7)	(243.5)
Net cash flow from financing activities		(127.7)	(117.6)	(244.1)
Net (decrease)/increase in cash and cash equivalents		(167.8)	23.3	300.7
Cash and cash equivalents at the start of the financial period		430.9	130.2	130.2
Cash and cash equivalents at the end of the financial period	9	263.1	153.5	430.9

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 4 December 2015. 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 2015 were approved by the Board of Directors on 30 June 2015 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) as adopted by the European Union and the disclosure requirements of the Listing Rules.

This condensed consolidated half-yearly financial information for the six months ended 31 October 2015 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 2015 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 2015 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 2015 except in respect of taxation which is based on the expected effective tax rate for the year ending 30 April 2016.

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 2015: IAS 19 Defined Benefit Plans Employee Contributions (Amendment).

The adoption of this amendment 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.

In the year ended 30 April 2015 the Company dismissed its finance director, Mr Nicolas Simpkin, who was on full paid garden leave until 23 September 2015. Mr Simpkin issued legal proceedings in the Employment Tribunal against the Company which were received on 12 December 2014 and 25 June 2015 and issued proceedings in the High Court which were received on 20 November 2015, which the Company is defending with the assistance of external professional advisors.

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 held certain residential properties for investment purposes. These investment activities represent a separate segment which is included within other activities as they do not meet the size thresholds to be disclosed as separate reportable segments.

	Six months ended 31 October 2015 Unaudited £m	Six months ended 31 October 2014 Unaudited £m	Year ended 30 April 2015 Audited £m
Segment results			
Residential-led mixed-use development	293.3	304.8	539.4
Other activities	-	0.1	0.3
Profit before tax	293.3	304.9	539.7

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 2015 Unaudited £m	At 31 October 2014 Unaudited £m	At 30 April 2015 Audited £m
Segment assets			
Residential-led mixed-use development	3,629.1	3,176.9	3,406.1
Other activities	-	2.1	0.2
Total assets	3,629.1	3,179.0	3,406.3

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.

All remaining investment properties held at 30 April 2015 have now been sold by the Group, with the final sale taking place in the six months ended 31 October 2015.

4 Profit on disposal of ground rent assets

During the current six month period ended 31 October 2015, the Group sold a portfolio of ground rent assets for consideration of £53.4 million and a gross profit of £51.0 million. In the equivalent period last year, the Group sold a previous portfolio for consideration of £99.8 million and a gross profit of £85.1 million. Income and expenses associated with these sales have been recognised in the income statement through revenue and gross profit in the respective periods in accordance with the Group's accounting policy for revenue and expenditure.

5 Net finance costs

	Six months ended 31 October 2015 Unaudited £m	Six months ended 31 October 2014 Unaudited £m	Year ended 30 April 2015 Audited £m
Finance income	2.0	1.3	3.0
Finance costs			
Interest payable on bank loans and non-utilisation fees	(1.4)	(2.5)	(4.8)
Amortisation of facility fees	(0.5)	(0.7)	(5.7)
Other finance costs	(1.1)	(2.1)	(5.2)
	(3.0)	(5.3)	(15.7)
Net finance costs	(1.0)	(4.0)	(12.7)

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 2015 Unaudited £m	Six months ended 31 October 2014 Unaudited £m	Year ended 30 April 2015 Audited £m
Current tax			
UK corporation tax payable	(45.6)	(66.1)	(130.2)
Adjustments in respect of previous periods	(5.5)	7.1	4.8
	(51.1)	(59.0)	(125.4)
Deferred tax			
Deferred tax at 20% (31 October 2014 and 30 April 2015: 20%)	(12.7)	(4.2)	9.2
Deferred tax adjustment in respect of change in tax rate	(1.7)	-	-
	(65.5)	(63.2)	(116.2)

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 2015 Unaudited	Six months ended 31 October 2014 Unaudited	Year ended 30 April 2015 Audited
Profit attributable to shareholders (£m)	227.8	241.7	423.5
Weighted average no. of shares (m)	136.5	135.3	135.3
Basic earnings per share (p)	166.9	178.6	313.0

For diluted earnings per share, the weighted average number of shares in issue is adjusted to assume the conversion of all potentially dilutive ordinary shares. At 31 October 2015, the Company had two categories of potentially dilutive ordinary shares: 2.8 million £4.06 share options under the 2009 LTIP Part B and 16.8 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 2015 Unaudited	Six months ended 31 October 2014 Unaudited	Year ended 30 April 2015 Audited
Profit used to determine diluted EPS (£m)	227.8	241.7	423.5
Weighted average no. of shares (m)	136.5	135.3	135.3
Adjustments for:			
Share options - 2009 LTIP Part B	1.3	4.4	3.5
Share options - 2011 LTIP	14.9	12.5	13.6
Bonus plan shares	-	-	0.5
Shares used to determine diluted EPS (m)	152.7	152.2	152.9
Diluted earnings per share (p)	149.2	158.8	276.9

8 Other investments

Other investments comprise available for sale financial assets. These related to the Group's investment in 100,000 units 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 and were held at £12.0 million at 30 April 2015.

In the six months ended 31 October 2015, the Group completed the sale of this investment for proceeds of £12.8 million which realised a profit on disposal of £2.8 million of which £2.0 million had been previously recognised in the Consolidated Statement of Comprehensive Income and has therefore been recycled through the Consolidated Income Statement within operating expenses in the current period.

9 Notes to the Consolidated Cash Flow Statement

	Six months ended 31 October 2015 Unaudited £m	Six months ended 31 October 2014 Unaudited £m	Year ended 30 April 2015 Audited £m
Net cash flows from operating activities			
Profit after taxation for the period	227.8	241.7	423.5
Adjustments for:			
-Taxation	65.5	63.2	116.2
-Depreciation	1.5	1.0	2.7
-Profit on sale of financial assets	(2.8)	-	-
-(Profit)/Loss on sale of property, plant and equipment	(0.3)	-	0.2
-Profit on sale of investment properties	-	(1.0)	(1.3)
-Finance income	(2.0)	(1.3)	(3.0)
-Finance costs	3.0	5.3	15.7
-Share of results of joint ventures after tax	(3.6)	(9.3)	(28.3)
-Non-cash charge in respect of share-based payments	4.9	3.3	2.7
Changes in working capital:			
-Increase in inventories	(262.3)	(130.0)	(172.9)
-(Increase)/decrease in trade and other receivables	(97.1)	(118.9)	7.6
-Increase in trade and other payables	116.4	126.8	281.1
-Decrease in employee benefit obligations	(0.3)	(0.3)	(0.6)
Cash generated from operations	50.7	180.5	643.6
Reconciliation of net cash flow to net cash			
Net (decrease)/increase in cash and cash equivalents, including bank overdraft	(167.8)	23.3	300.7
Net cash (inflow)/outflow from (increase)/decrease in borrowings	-	(4.1)	1.0
Movement in net cash in the financial period	(167.8)	19.2	301.7
Opening net cash	430.9	129.2	129.2
Closing net cash	263.1	148.4	430.9
Net cash			
Cash and cash equivalents	263.1	153.5	430.9
Current borrowings	-	(5.1)	-
Net cash	263.1	148.4	430.9

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 £334,000 (2014: £23,000) and Mr R C Perrins paid £127,000 (2014: £nil) to the Group in connection with works carried out at their respective homes at commercial rates in accordance with the relevant policies of the Group. 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 were no outstanding balances at the period end. In the year ended 30 April 2015, a fee of £173,000 was paid under this agreement when an associated land purchase became 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.

iii) In terms of Director property purchases previously disclosed, the purchases of an apartment by Mr G Fry at Sovereign Court for £819,950 in 2014 and Brewery Wharf for £565,000 in 2015, by Mr R C Perrins at 190 Strand for £2,100,000 in 2013 and by Ms D Brightmore Armour at 190 Strand for £2,985,000 in 2014 along with a storage room at the property for £101,200 in 2015 all received shareholder approval where required. At 31 October 2015, 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.

Transactions with joint ventures

i) During the financial period there were no transactions with joint ventures other than movements in loans of £54.4 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 2015 an amount of £9,696,000 was outstanding and included within trade receivables (30 April 2015: £14,449,000).

11 Dividends per Share

The dividends paid in the period were £122.9 million (90 pence per share). Dividends paid in the year ended 30 April 2015 were a total of £243.5 million, £121.75 million paid in September 2014 (90 pence per share) and £121.75 million paid in January 2015 (90 pence per share). A further interim dividend of £136.5 million (100 pence per share) has been declared for payment on 22 January 2016. 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 2015 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 2015 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
3 December 2015