PRESS RELEASE **2 DECEMBER 2016**

THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS ANNOUNCEMENT

OUTSTANDING BALANCE SHEET STRENGTH – CASH DUE ON FORWARD SALES OF £2.9 BILLION, ESTIMATED FUTURE LAND BANK GROSS MARGIN OF £5.9 BILLION AND NET CASH OF £208 MILLION

ON TARGET TO DELIVER 3-YEAR PRE-TAX PROFIT OF £2.0 BILLION FROM 1 MAY 2015 AND ANNOUNCEMENT OF NEW 5-YEAR TARGET TO DELIVER AT LEAST £3.0 BILLION OF PRE-TAX PROFIT IN FIVE YEARS BEGINNING 1 MAY 2016.

NEXT £1 OF £2 PER ANNUM SHAREHOLDER RETURNS ANNOUNCED – THIS AND FUTURE RETURNS PROPOSED TO BE MADE THROUGH DIVIDENDS OR SHARE BUYBACKS, NOT SOLELY DIVIDENDS

The Berkeley Group Holdings plc ("Berkeley") today announces its unaudited interim results for the six months ended 31 October 2016, together with an evolution of its shareholder returns programme:

HIGHLIGHTS

• Profit before tax	£392.7 million, up 33.9% from £293.3 million
• Net cash	£207.9 million (April 2016: £107.4 million) after dividend payments of £137.0 million and £20.1 million of share purchases
• Net asset value per share	Up 7.9% to 1,418 pence (April 2016: 1,314 pence)
• Forward sales	£2.90 billion (April 2016: £3.25 billion)
• Land bank	£5.9 billion of estimated future gross margin (April 2016: £6.1 billion) across 42,125 plots (April 2016: 42,858 plots)
• Market conditions	Excluding an hiatus around Brexit, reservations are 20% down on the same period last year, as a result of the market adjusting to increased stamp duty and the economic uncertainty arising from the result of the EU Referendum
• People	Over 15,000 people working across our sites, an increase of some 8.7% since April 2016, with 603 apprenticeships in the six months

SHAREHOLDER RETURNS PROGRAMME

The Board of Berkeley has reviewed the mechanism for making the remaining £10.00 per share payments under the Shareholder Returns Programme that was put in place in 2011, and enhanced this time last year from £13.00 per share to £16.34 per share. The current heightened macro uncertainty has led to significant market volatility and there is a dislocation between this and both underlying market conditions and the strength of Berkeley's operating model.

As a consequence, the Board is proposing to introduce flexibility such that the remaining £10.00 per share payments can be made through a combination of share buy-backs and dividends, as opposed to solely dividends. This recognises that, at certain price points, the Board is of the opinion that the Company is materially undervalued and share buy-backs will be in the best interests of all shareholders. In making this change, the Board is also proposing that the payments should be re-characterised from being a value per share, to be an absolute value per annum. This ensures that the same quantum of cash will be returned as previously anticipated, but on a smaller number of shares, to the extent share buy-backs occur. This absolute value will be increased appropriately for any new shares issued.

	£ per share	£'million
Paid to date	£6.34	£854.9
By 30 September 2017	£2.00	£277.7
By 30 September 2018	£2.00	£277.7
By 30 September 2019	£2.00	£277.7
By 30 September 2020	£2.00	£277.7
By 30 September 2021	£2.00	£277.7
To come *	£10.00	£1,388.5
Total	**£16.34**	**£2,243.4**

* based on a net 138.8 million shares in issue as at 31 October 2016

The Board believes that this change will ensure that Berkeley's shareholders fully benefit from the value embedded in the business. The Company will consult with Shareholders on consequential changes to the 2011 LTIP to ensure this reflects these changes, prior to a General Meeting of the Company in the New Year.

CHAIRMAN'S STATEMENT

Today's strong results reflect decisions made by Berkeley following the 2008 financial crisis to invest in land at the right time, made possible by Berkeley's cyclical operating model. Strong forward sales, coupled with the resilient current market conditions, have enabled the Board to announce a new five year target to deliver at least £3.0 billion of profit before tax in the five years beginning 1 May 2016.

At the same time the Board is proposing to introduce flexibility to the Shareholder Returns programme so that future returns can be made by either dividends or share buy backs, as opposed to solely dividends, to the extent the Board believes the prevailing share price materially undervalues the Company and that such purchases would be in the best interests of all shareholders. It remains the intention of the Board to return £2 per share per annum over the next five years under this new mechanism and, for the avoidance of doubt therefore, this is not a reduction in the overall returns allocated to shareholders.

In these proposals announced today, the Board confirms that the next £1 per share, equating to £138.8 million, will be returned by 31 March 2017 with the amount of this to be paid as a dividend to be announced in February, taking account of the cost of any share buy-backs made in the intervening period.

During a period of political upheaval around the world, which has affected the immediate economic outlook, Berkeley has focussed on its core business of regenerating run-down estates, transforming ex-industrial land, and creating successful places for people from all walks of life.

Good development benefits everyone. It makes an overwhelming contribution to jobs and the economy at every level from individual local sites to national GDP. Berkeley has sustained more than 30,000 jobs nationwide during 2016 and we have more than 1,000 people in apprenticeships and structured training across our business and sites. The housebuilding industry as a whole contributes over £19 billion each year to the UK economy.

Good development also supports social integration. It creates new communities and brings people together in places they feel proud of. This sense of social cohesion is under real pressure today. We can respond by building high quality homes in mixed communities and giving people a real stake in their neighbourhood. To that end, Berkeley continues to invest heavily in the quality of each development. Our real expertise lies in bringing forward complex sites that most other developers would not tackle and turning them into fantastic, low carbon environments.

The barriers facing the industry in London and the South East do not relate solely to planning. They also centre on the challenge of getting land ready for development. In many instances, the issues which stop companies building more quickly are utilities, remediation, easements, compulsory purchase orders, as well as the discharge of planning conditions after a consent has been granted. This is a key area to address as it will reduce the barriers to entry for small housebuilders as well as increasing the pace of delivery. It cannot be right that so many sites are delayed by a combination of capacity, regulation and lack of priority once planning has been secured. I am pleased to see this is now receiving more focus from Government and I look forward to the Housing White Paper which I hope will overhaul this important constraint on delivery.

More widely, there remains a tension in the planning system between the Community Infrastructure Levy and the London Mayor's ambition for Affordable Homes. This affects investment decisions and needs to be resolved if new housing targets are to be met. We look forward to results of the CIL Review which we hope will address this issue. The new London Mayor is bringing a refreshing focus to the capital's housing challenge and we fully support his ambition to increase the supply of homes for everyone.

Berkeley's business model is unchanged with its focus on complex, long-term regeneration sites where we can use our expertise to add value over time. With a sound financial position we are well placed to deliver our current plan, creating exceptional value for our customers, shareholders and society. We remain indebted to our employees for their contribution to this business.

In closing, I would like to thank Greg Fry, who is retiring from the Board on 31 December 2016, for his loyal service to Berkeley, his integrity and his leadership of St George for more than 30 years. He has been a first class colleague and I wish him every happiness in the future.

Tony Pidgley CBE
Chairman

THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2016

CHIEF EXECUTIVE'S STATEMENT

Summary of Performance

Berkeley has delivered pre-tax earnings of £392.7 million for the six month period, an increase of 33.9% on the equivalent period last year. This is from the sale of 2,076 homes (2015: 2,091) at an average selling price of £655,000 (2015: £506,000), reflecting the mix of properties sold in the year.

Six months ended 31 October	2016 £'m	2015 £'m	Change £'m	Change %
Revenue	1,413.4	1,138.7	+274.7	+24.1%
Gross profit	503.6	391.4	+112.2	+28.7%
Operating expenses	(112.2)	(100.7)	-11.5	+11.4%
Operating profit	391.4	290.7	+100.7	+34.6%
Net finance costs	(3.2)	(1.0)	-2.2	
Share of joint ventures	4.5	3.6	+0.9	
Profit before tax	392.7	293.3	+99.4	+33.9%
Earnings Per Share – Basic	225.7	166.9p	+58.8p	+35.2%
Dividend Per Share	100p	90p	+10p	+11.1%
Pre-Tax Return on Equity	41.5%	34.5%	+7.0%	

Having delivered pre-tax profits of £0.5 billion for the year ended 30 April 2016, these results mean that the Company remains firmly on target to deliver pre-tax profits of £2.0 billion over the three year period ending 30 April 2018. The remaining 18 month period is underpinned by forward sales. In total, Berkeley has £2.9 billion of cash on exchanged sales contracts which is due over the next three years. As always, the scale of the regeneration schemes from which we expect to generate the remaining earnings makes the delivery of profit in specific annual periods sensitive to timing and we prioritise quality ahead of individual period financial targets. The strength of this position gives Berkeley confidence to announce a new five year target to deliver at least £3.0 billion of pre-tax profits in the five years beginning 1 May 2016.

Excluding an hiatus around Brexit, reservations for the six months remain in line with the beginning of the calendar year and are approximately 20% down on the same period last year as a result of the market adjusting to increased stamp duty and the economic uncertainty arising from the EU Referendum result. The underlying market has begun to adjust to these events and Berkeley plans to launch new product in the New Year which will be delivered in financial years beyond the period to April 2018.

We have made good progress with our land holdings having brought four new sites into the land bank in the period, securing five new planning consents and a number of revised planning consents. Notwithstanding this, the Group's estimated future gross margin in the land bank has reduced marginally as we have entered a two year period of enhanced delivery with more land used in production than added in the period. Plots in the land holdings at 31 October 2016 total 42,125 (30 April 2016: 42,858) and estimated future gross margin is some £5,896 million (30 April 2016: £6,146 million).

Berkeley's new five year plan assumes we continue to build a similar number of homes, noting that we have seen underlying demand some 20% lower than the same period last year. This fall in volume is due to higher stamp duty, the extraordinary attack on buy to let landlords – such an important part of sustaining the London market and increasing the supply of new homes – and the uncertainty caused by Brexit. The Company will continue to closely match its capital investment into new phases and developments to market demand, as it has always done.

Strategic Delivery

The current shareholder returns programme was established in 2011 as a framework through which Berkeley would return £13.00 per share to shareholders over a 10 year timeframe. At this time last year, with the forward sales and estimated future gross margin in the land bank in excess of £3.0 billion and £5.0 billion respectively, Berkeley had sufficient visibility to enhance the dividends return programme whilst retaining sufficient capital to invest in opportunities which would add incremental value to the on-going business. The total returns were increased by £3.34 per share to £16.34 per share with the remaining £12.00 per share, at the time, to be paid in equal annual dividends of £2.00 per share over 6 years. Berkeley paid £1.00 per share in each of January and September 2016 (totaling £276 million) and therefore there is currently £10.00 per share remaining.

The Board of Berkeley has now reviewed the mechanism for making the remaining £10.00 per share payments in light of its assessment that the current short-term macro volatility is preventing the long-term value of Berkeley being recognised by the market.

As a consequence, the Board is proposing to introduce flexibility such that the remaining £10.00 per share payments can be made through a combination of share buy-backs and dividends, as opposed to solely dividends. This recognises that, at certain price points, the Board is of the opinion that the Company is materially undervalued and share buy-backs will be in the best interests of all shareholders. In making this change, the Board is also proposing that the payments should be re-characterised from being a value per share, to be an absolute value per annum. This ensures that the same amount of cash will be returned as previously anticipated, but on a smaller number of shares, to the extent share buy-backs occur. This absolute value will be increased appropriately for any new shares issued.

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The Board believes that this change will ensure that Berkeley's shareholders fully benefit from the value embedded in the business. These changes will require consequential amendments to the terms of the 2011 LTIP which the Remuneration Committee of Berkeley will propose to shareholders at a General Meeting in the New Year, following a period of consultation with major shareholders. These proposals will be set in the context of a new Remuneration Policy which will include annual caps for Executive Remuneration which will materially reduce the potential value vesting under the 2011 LTIP. Under these proposals, at the current share price, the reduction in the number of shares still to vest would be approximately 25%; the level of discount increasing as the share price increases. Taken together with the changes made earlier this year and reallocations since the inception of the plan, the maximum number of shares capable of vesting under the 2011 LTIP would be approximately 50% lower than originally anticipated when the plan was put in place.

In February and August each year, the Company will announce the dividend to be paid at the end of March and September, respectively. This will be calculated as the absolute value amount to be delivered in the six months (£138.8 million based on the current shares in issue), less the cost of any share buy-backs undertaken in the relevant period. Going forward each subsequent relevant period begins on the date of announcement of the dividend for the previous relevant period.

Housing Market

We are undoubtedly in a period of heightened global macro-economic and political uncertainty, most recently from results of the EU Referendum and US Election. Combined with the higher levels of property transaction costs, this has impacted transaction levels throughout 2016.

Berkeley has always recognised the market is cyclical and entered this period with an exceptional level of forward sales of over £3.0 billion. Berkeley has launched two new sites in the last six months, Prince of Wales Drive in Battersea and Queenshurst in Kingston, where both sales volumes and prices have been in line with expectations and business plan targets. Berkeley's sales continue to be split broadly evenly between owner-occupiers and investors, with demand from both domestic and international purchasers robust. Help to Buy reservations accounted for just 75 sales in the period.

Consequently, excluding an hiatus around Brexit, reservations for the period remain 20% down on the same period last year. The market has begun to adjust to the increased stamp duty and general market uncertainty and Berkeley plans to launch more new product in the first half of 2017. Pricing remains resilient and continues to be above business plan levels. In overall terms, we have seen prices move in line with the market. At higher price points, we have absorbed the impact of the SDLT increases but this has been more than offset by increases elsewhere. Reservation cancellation rates are at normal levels, following a temporary and expected increase after the EU Referendum result. Build cost inflation has continued to ease and is currently running at around 4% per annum.

Government Policy has generally sought to increase the level of home ownership, focusing on the demand side which has clearly been helpful outside of London, but has had a negative effect on the capital. High transaction costs are restricting both mobility in the second hand market as well as the pace of supply and delivery of new homes in London and the South East. This continues to embed the undersupply of new homes in these areas of high demand, at a time of low interest rates and good mortgage liquidity.

Customers

Customers remain central to Berkeley's "Our Vision" strategy and we continue to benchmark ourselves within and outside of the housing sector. Within the industry we aim to perform at least in the top quartile in all measures, including overall satisfaction, service, quality, design, least defects and recommend to a friend. We also use the Net Promoter score as a key benchmark and Berkeley today has a sector leading score of 69.2, which compares with other top performing companies such as John Lewis, Amazon and First Direct.

MyHome Plus is now being used across all divisions of Berkeley. This is an interactive online system that brings together all the information a customer needs in one place. It delivers better service as well as cost efficiencies and can be used by owner occupiers, investors and tenants. We are also developing new ways to obtain detailed feedback from our customers on their experience, the product and place-making so that we can continue to improve our overall offering.

Homes

Every home that Berkeley builds is individually designed and this bespoke approach to development is part of how we guarantee the quality of our product. It also produces some outstanding architecture and design. We have just launched the award-winning Grade II listed Chapel at Mill Hill. Originally conceived by Cardinal Vaughan 150 years ago, this is now the centrepiece of 49 new and converted homes at our St Joseph's Gate development in North London.

Meanwhile, the first factory built modular versions of the Urban House are under construction at Kidbrooke Village. This process cuts the production time from 40 to 10 weeks, delivering a product that achieves a 19 per cent reduction in carbon emissions and can work equally well as private or affordable housing.

Alongside these design innovations, we are providing for superfast, ultrafast or hyperfast fibre-based broadband on every phase of every new development. By 2020, over 18,000 of our homes will enjoy at least ultrafast broadband and every new home where we commence construction and marketing in 2017 will benefit from this level of connectivity. Customers have rapidly increasing levels of expectation about the digital capability of their home and we are working with Openreach and Hyperoptic to retrofit fibre-optic broadband to existing sites wherever it is viable. Our intention is to deliver connectivity from day 1 for all our customers.

The UK Green Building Council also released their Health and Wellbeing in Homes report during July at our Woodberry Down development, which demonstrates the emotional and financial value associated with quality homes and places. The Woodberry Wetlands, for example, provide residents with a fantastic natural amenity space right on their doorstep. Meanwhile, at One Blackfriars, we are using a unique façade with an inner and outer core which provides additional sound insulation and a tranquil home for our customers living in a dense inner city environment.

Places

In September, we launched the first development from St William. This brand has a unique portfolio of sites, all characterised by redundant gas works and years of separation from the surrounding neighbourhood. Our intention is to put the idea of landscape-led development at the heart of each scheme. This will help create places that are both more sociable and better adapted to a changing climate. We set out this approach in a new essay published this autumn entitled ‘First life, then spaces, then buildings’.

Increasingly we are being asked to fund or build education facilities. Berkeley opened three primary schools in September alone: at Kensington High Street in London, Royal Wells Park in Kent, and Warfield in Berkshire. Schools clearly help to build a community and in May, Berkeley also announced its intention to create Community Plans for all our sites. This will ensure we take a rigorous, deliberate approach to ensuring that each neighbourhood we build thrives in the long term. Initially, 12 developments will pilot Community Plans. Each has now produced a strategy and implementation begins from January 2017.

Operations

The skills shortage in construction is well documented. Right now, there are more people leaving the industry than joining it. Berkeley has committed to have 1,500 people in apprenticeships or training by May 2018. We have already made real progress with 603 apprentices having worked across the business during the first half of this year. A key part of the challenge is to partner with and incentivise our sub-contractors and on 29 November, the first Berkeley Group Apprentice Awards were held at the Royal Arsenal in Woolwich to recognise the people championing this agenda.

Meanwhile, we are seeking to make Berkeley a carbon positive company. Over the next 18 months, we aim to deliver a 10% reduction in carbon emissions per person and set an internal carbon price, using the funds generated to offset more than all of the remaining carbon emissions. Minimum site set-up and operational standards are to be put into force to help us achieve this.

Our People

Investing in people is one of the 5 focus areas of Berkeley’s strategic plan. This work ranges from safety on site to talent development and community involvement. Our 12 month rolling Accident Incident Rate (AIR) is currently 1.78, the lowest ever recorded in our history, one of the best in the industry and well within our target of 3.00.

Separately, £10 million has now been committed through the Berkeley Foundation since its inception in 2011. Our staff alone have raised more than £3 million in this time. This has supported programmes like Creativity Works, an employment scheme helping young people find a foothold in the creative industries. This kind of community investment also develops the skills of our staff; more than 170 have so far been mentors on Creativity Works.

Outlook

Berkeley’s focus is on building a modern world-class business which is successful and sustainable in the long-term. Our business model recognises the complexity of delivering new homes and places on our regeneration schemes through market cycles and the financial agility required to mitigate the operational risks.

The prevailing environment is one of uncertainty and we expect this to continue with short-term fluctuations, both up and down, likely to be a reality. Our business is well set-up to perform strongly in these conditions and is centred around London and the South East. Notwithstanding the UK’s decision to leave the European Union, we believe that London will endure as a global financial centre and a place where people from all walks of life and corners of the world will continue to aspire to live and work.

We have a strong balance sheet with net assets of £2.0 billion and net cash of £207.9 million, some 42,125 plots in the land bank with risk adjusted estimated future gross margin of £5.9 billion and cash due on forward sales in the next three years of some £2.9 billion. However, underpinning this financial strength, we have highly skilled autonomous operational teams, an overriding framework of Our Vision which focuses our operations on continuing to deliver commitments which keep Berkeley ahead, as well as excellent brands and customer service. Berkeley is leading the way in creating desirable, modern, low carbon, high density places.

We have sought to adjust the mechanism for returning the remaining £10.00 per share to shareholders under the 2011 Shareholder Returns Programme, to ensure that Berkeley's shareholders fully benefit from the value already embedded in the business. At the same time we have in place a strong financing structure for the next five years and will continue to seek new investment opportunities to add incremental value to the business. Over this five year period to 30 April 2021, we are targeting to deliver at least £3.0 billion of pre-tax profit.

In the shorter-term we remain well positioned to deliver our existing earnings guidance for the three years ending 30 April 2018 of some £2.0 billion of pre-tax profits.

Rob Perrins
Chief Executive

TRADING AND FINANCIAL REVIEW

Trading performance

Revenue of £1,413.4 million in the period (2015: £1,138.7 million) arose mainly from the sale of new homes in London and the South East of England. This included £1,373.2 million of residential revenue (2015: £1,066.8 million), £27.2 million from the sale of ground rent assets (2015: £53.4 million), and £13.0 million of commercial revenue (2015: £18.5 million). There were no land sales in the period (2015: nil).

2,076 new homes (2015: 2,091) were sold across London and the South East of England at an average selling price of £655,000 (2015: £506,000). The changes to the average selling price are a result of mix, with Berkeley completing a number of sales on schemes in central London in the period.

In the previous two financial years, Berkeley completed the disposal of its historic ground rent asset portfolios. Ground rent assets now being sold are predominantly from current sites and, accordingly, such disposals are considered part of the ongoing core business and absorb an appropriate allocation of development costs.

Revenue of £13.0 million from commercial activities included the sale of some 37,000 sqft of office, retail and leisure space across a number of the Group's developments including Kew Bridge Road, Goodman's Fields in Aldgate, Royal Wells Park in Kent and Chelsea Creek in Fulham. The £18.5 million of revenue last year was from the sale of some 65,000 sqft of office, retail and leisure space.

The gross margin percentage has increased to 35.6% (2015: 34.4%), and reflects the mix of homes sold in the year.

Overheads of £112.2 million (2015: £100.7 million) increased by £11.5 million in the period. This includes a £5.9 million net increase in the charge to the income statement for the Group's share schemes. The Company cash settled the tax and National Insurance liabilities arising on the vesting of options for participants in the 2011 LTIP on 30 September 2016 in lieu of issuing shares. This has been partially offset by the impact on the charge of the reduction in the Company's share price from £29.95 at 30 April to £23.60 at 31 October. The residual increase in overheads is due to underlying headcount increases compared to last year.

The result is that the Group's operating margin has increased to 27.7% from 25.5% last year.

Berkeley's share of the results of joint ventures was a profit of £4.5 million (2015: £3.6 million) which reflects ongoing completions at 375 Kensington High Street and Stanmore Place, as well as the first completions at Green Park in Reading within St Edward, and pre-development costs within St William in the early stages of the joint venture.

The Group has remained cash positive throughout the period, with net finance costs totaling £3.2 million in the period (2015: £1.0 million). The increase reflects imputed interest on taxation and land purchased on deferred settlement terms.

Pre-tax return on equity has increased from 34.5% to 41.5%. Basic earnings per share has increased by 35.2% from 166.9 pence to 225.7 pence, which takes into account the issue of a further 1.8 million shares in September to satisfy share awards under the 2011 LTIP scheme.

Financial Position

Net assets increased over the six month period by £156.3 million, or 8.6%, to £1,969.1 million (30 April 2016: £1,812.8 million). This is after payment of £137.0 million of dividends and equates to a net asset value per share of 1,418 pence, up 7.9% from 1,314 pence at 30 April 2016.

Inventories have increased by £90.1 million from £3,256.1 million at 30 April 2016 to £3,346.2 million at 31 October 2016. Inventories include £466.4 million of land not under development (30 April 2016: £384.1 million), £2,845.1 million of work in progress (30 April 2016: £2,853.9 million) and £34.6 million of completed stock (30 April 2016: £18.1 million).

Trade and other payables are £1,839.5 million at 31 October 2016 (£1,858.9 million at 30 April 2016). These include £1,036.8 million of on account receipts from customers (30 April 2016: £1,105.8 million) and land creditors of £131.0 million (30 April 2016: £174.7 million). Provisions of £94.6 million (30 April 2016: £88.5 million) include post completion development obligations and other provisions.

The Group ended the period ungeared with net cash of £207.9 million (30 April 2016: £107.4 million). This is an increase of £100.5 million during the period (2015: decrease of £167.8 million) as a result of £402.2 million of cash generated from operations (2015: £294.0 million) and a net outflow of £118.8 million in working capital (2015: net outflow of £243.3 million), before tax and other net cash outflows of £25.9 million (2015: £90.8 million), dividends of £137.0 million (2015: £122.9 million) and share purchases of £20.1 million (2015: £4.8 million).

Banking

The Board of Berkeley has reviewed the Group's banking arrangements, having regard to the size of the business, with net assets now of some £2.0 billion, and the investment opportunities likely to emerge in the prevailing environment. As a consequence, Berkeley has increased its committed corporate banking facilities to £750 million from £575 million. A term loan of £300 million has been introduced and the revolving credit facility element reduced from £575m to £450m. The agreement was dated 25 November 2016 and has a five year term, which effectively extends the maturity date for the Group's facilities from March 2021 to November 2021. These arrangements provide clarity of financing for the next five years, with options over an additional two years, which also extends the benefit of the low ongoing costs associated with the facility.

Joint Ventures

Investments accounted for using the equity method have decreased from £150.0 million at 30 April 2016 to £117.6 million at 31 October 2016. Berkeley's joint ventures include St Edward, a joint venture with Prudential plc and St William, a joint venture with National Grid plc. The decrease in joint venture investments during the period principally reflects dividends received from St Edward which exceeded funding into the St William joint venture in the period.

St Edward has four schemes currently in development at Stanmore Place, 375 Kensington High Street, 190 Strand and Green Park in Reading. 61 homes were sold in the period at an average selling price of £702,000 (2015: 78 at £1,006,000), which reflects the mix of properties sold, predominantly at Stanmore Place in this period.

In total, 2,364 plots in Berkeley's land holdings relate to St Edward schemes. During the period a resolution to grant consent for a development in Wallingford has been obtained, which remains subject to a section 106 agreement. The site has come through strategic land holdings and is now included in the Group's land bank. St Edward also 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.

3,496 plots in Berkeley's land holdings relate to St William schemes, across six developments. Berkeley continues to work closely with National Grid to identify sites from across its portfolio to bring through into the joint venture. On 31 August 2016, St William entered into a £150 million facility agreement with Barclays, Lloyds, and HSBC for a term of three years with options over a further two years. At the same time the joint venture completed the acquisition of its first site, Prince of Wales Drive in Battersea which has now moved into production. Along with the joint venture partner funding already provided, St William has visibility over its financing arrangements as it continues to grow and develop its land bank.

Land

Berkeley's land bank comprises 42,125 plots (30 April 2016: 42,858 plots) at 31 October 2016. Of these land holdings, 33,457 plots (30 April 2016: 33,786) are owned and included on the balance sheet of the Group or joint ventures and 8,668 plots (30 April 2016: 9,072) are contracted sites. The plots in the land bank at 31 October 2016 have an estimated future gross margin of £5,896 million (30 April 2016: £6,146 million), which includes the Group's 50% share of the anticipated margin on any joint venture development. The Group also holds a strategic pipeline of long-term options for in excess of 5,000 plots.

Berkeley has remained selective in the land market, acquiring two new sites in the period, as well as bringing a further two new sites through the strategic pipeline of long-term options. The four new sites added to the land bank include three sites in the South East, in the high demand locations of Leatherhead and Cranleigh in Surrey as well as Wallingford in South Oxfordshire, the latter two being the option sites. In London, we have acquired a site in Ealing unconditionally on deferred terms.

Berkeley has secured five new planning consents and a number of revised consents in the period. The new consents include St Edward's Wallingford site, which remains subject to a section 106 agreement, along with St William's site at Rickmansworth, and developments in Blackheath, Wokingham and Kingston. The revised consents have sought to improve the development solution for each scheme to add value and/or reduce risk.

The Group's land holdings at 31 October 2016 are across some 79 sites. Of these, 56 (71%) have an implementable planning consent and are in construction and a further 13 (16%) have at least a resolution to grant planning but the consent is not yet implementable; typically due to practical technical constraints and challenges surrounding, for example, vacant possession, CPO requirements or utilities provision. The remaining 10 (13%) are in the planning process with eight of these sites subject to conditional contracts.

The estimated future gross margin represents management's risk-adjusted assessment of the potential gross profit 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.

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 56 to 65 of the Annual Report for the year ended 30 April 2016. These comprise the economic and political outlook, 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 on the Group's developments, control of build costs and maintaining programmes, product quality and cyber and data risk. 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.

- End -

This announcement contains inside information in the section headed Strategic Delivery.

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 this condensed set of interim financial statements has 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 2016. A list of current Directors is maintained on The Berkeley Group Holdings plc's website.

On behalf of the Board

R C Perrins
Chief Executive
2 December 2016

R J Stearn
Finance Director
2 December 2016

THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2016

Consolidated Income Statement

	Notes	Six months ended 31 October 2016 Unaudited £m	Six months ended 31 October 2015 Unaudited £m	Year ended 30 April 2016 Audited £m
Revenue		1,413.4	1,138.7	2,047.5
Cost of sales		(909.8)	(747.3)	(1,345.8)
Gross profit		503.6	391.4	701.7
Net operating expenses		(112.2)	(100.7)	(199.8)
Operating profit		391.4	290.7	501.9
Finance income	3	0.9	2.0	3.1
Finance costs	3	(4.1)	(3.0)	(10.6)
Share of results of joint ventures using the equity method		4.5	3.6	36.5
Profit before taxation for the period		392.7	293.3	530.9
Income tax expense	4	(82.2)	(65.5)	(126.8)
Profit after taxation for the period		310.5	227.8	404.1
Earnings per share:				
Basic	5	225.7p	166.9p	295.8p
Diluted	5	209.6p	149.2p	268.7p

Consolidated Statement of Comprehensive Income

	Six months ended 31 October 2016 Unaudited £m	Six months ended 31 October 2015 Unaudited £m	Year ended 30 April 2016 Audited £m
Profit after taxation for the period	310.5	227.8	404.1
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Re-measurements of the net defined benefit asset/liability	(0.3)	(0.3)	(0.6)
Deferred tax on re-measurements of the net defined benefit asset/liability	-	0.1	0.1
Total items that will not be reclassified to profit or loss	(0.3)	(0.2)	(0.5)
Items that may be reclassified subsequently to profit or loss			
Total items that may be reclassified subsequently to profit or loss	-	-	-
Items reclassified to profit or loss			
Gain on value of other investments	-	(2.0)	(2.0)
Total items reclassified to profit or loss	-	(2.0)	(2.0)
Other comprehensive expense for the period	(0.3)	(2.2)	(2.5)
Total comprehensive income for the period	310.2	225.6	401.6

Consolidated Statement of Financial Position

	Notes	At 31 October 2016 Unaudited £m	At 31 October 2015 Unaudited £m	At 30 April 2016 Audited £m
Assets				
Non-current assets				
Intangible assets		17.2	17.2	17.2
Property, plant and equipment		21.8	22.0	23.5
Investments accounted for using the equity method		117.6	108.1	150.0
Deferred tax assets		59.9	60.1	71.9
		216.5	207.4	262.6
Current assets				
Inventories		3,346.2	2,916.4	3,256.1
Trade and other receivables		212.3	242.2	212.3
Cash and cash equivalents	6	207.9	263.1	107.4
		3,766.4	3,421.7	3,575.8
Total assets		3,982.9	3,629.1	3,838.4
Liabilities				
Non-current liabilities				
Trade and other payables		(69.5)	(88.2)	(90.3)
Provisions for other liabilities		(72.8)	(70.5)	(68.3)
		(142.3)	(158.7)	(158.6)
Current liabilities				
Trade and other payables		(1,770.0)	(1,650.3)	(1,768.6)
Current tax liabilities		(79.7)	(44.8)	(78.2)
Provisions for other liabilities		(21.8)	(15.3)	(20.2)
		(1,871.5)	(1,710.4)	(1,867.0)
Total liabilities		(2,013.8)	(1,869.1)	(2,025.6)
Total net assets		1,969.1	1,760.0	1,812.8
Equity				
Shareholders' equity				
Share capital		7.0	6.8	6.9
Share premium		49.8	49.6	49.8
Capital redemption reserve		24.5	24.5	24.5
Other reserve		(961.3)	(961.3)	(961.3)
Retained profit		2,849.1	2,640.4	2,692.9
Total equity		1,969.1	1,760.0	1,812.8

Consolidated Statement of Changes in Equity

	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserve £m	Retained profit £m	Total equity £m
Unaudited						
At 1 May 2016	6.9	49.8	24.5	(961.3)	2,692.9	1,812.8
Profit after taxation for the period	-	-	-	-	310.5	310.5
Other comprehensive income/(expense) for the period	-	-	-	-	(0.3)	(0.3)
Purchase of own shares	-	-	-	-	(20.1)	(20.1)
Issue of ordinary shares	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	-	-	-	-	6.4	6.4
- Dividends to equity holders of the Company	-	-	-	-	(137.0)	(137.0)
At 31 October 2016	7.0	49.8	24.5	(961.3)	2,849.1	1,969.1
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 expense for the period	-	-	-	-	(2.2)	(2.2)
Purchase of own shares	-	-	-	-	(1.2)	(1.2)
Transactions with shareholders:						
- 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	-	-	-	-	(122.9)	(122.9)
At 31 October 2015	6.8	49.6	24.5	(961.3)	2,640.4	1,760.0
Audited						
At 1 May 2015	6.8	49.6	24.5	(961.3)	2,518.3	1,637.9
Profit after taxation for the year	-	-	-	-	404.1	404.1
Other comprehensive income for the year	-	-	-	-	(2.5)	(2.5)
Purchase of own shares	-	-	-	-	(1.2)	(1.2)
Issue of ordinary shares	0.1	0.2	-	-	-	0.3
Transactions with shareholders:						
- Credit in respect of employee share schemes	-	-	-	-	28.8	28.8
- Deferred tax in respect of employee share schemes	-	-	-	-	4.9	4.9
- Dividends to equity holders of the Company	-	-	-	-	(259.5)	(259.5)
At 30 April 2016	6.9	49.8	24.5	(961.3)	2,692.9	1,812.8

Consolidated Cash Flow Statement

	Notes	Six months ended 31 October 2016 Unaudited £m	Six months ended 31 October 2015 Unaudited £m	Year ended 30 April 2016 Audited £m
Cash flows from operating activities				
Cash generated from operations	6	283.7	50.7	94.0
Proceeds from sale of investment properties		-	0.2	0.2
Interest received		0.8	2.0	3.0
Interest paid		(1.5)	(1.5)	(2.7)
Income tax paid		(62.2)	(50.1)	(100.8)
Net cash flow from operating activities		220.8	1.3	(6.3)
Cash flows from investing activities				
Purchase of property, plant and equipment		(0.7)	(1.7)	(4.9)
Proceeds on disposal of financial assets		0.5	12.8	12.8
Dividends from investments		40.0	-	-
Proceeds on disposal of property, plant and equipment		-	1.9	2.1
Movements in loans with joint ventures		(3.1)	(54.4)	(63.2)
Net cash flow from investing activities		36.7	(41.4)	(53.2)
Cash flows from financing activities				
Proceeds from issue of shares		0.1	-	0.3
Purchase of own shares		(20.1)	(4.8)	(4.8)
Dividends paid to Company's shareholders		(137.0)	(122.9)	(259.5)
Net cash flow from financing activities		(157.0)	(127.7)	(264.0)
Net increase/(decrease) in cash and cash equivalents		100.5	(167.8)	(323.5)
Cash and cash equivalents at the start of the financial period		107.4	430.9	430.9
Cash and cash equivalents at the end of the financial period	6	207.9	263.1	107.4

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 2 December 2016. 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 2016 were approved by the Board of Directors on 21 June 2016 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 498 (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 2016 has been prepared in accordance with the Disclosure Guidance 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 2016 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 2016 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 2016 except in respect of taxation which is based on the expected effective tax rate for the year ending 30 April 2017.

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 2016: Annual Improvements to IFRSs – 2012-2014 Cycle; IFRS 11 Joint Arrangements (Amendment); IAS 16 Property, Plant and Equipment (Amendment); IAS 27 Consolidated and Separate Financial Statements (Amendment); IFRS 10 Consolidated Financial Statements (Amendment); IFRS 12 Disclosure of Interest in Other Entities (Amendment); IAS 28 Investments in Joint Ventures and Associates (Amendment) and IAS 1 Presentation of Financial Statements (Amendment).

These Standards have not had a material impact on the results of the Company for the six months ended 31 October 2016.

The following new standards, amendments to standards and interpretations have been issued, but are not yet effective for the financial year ending 30 April 2017 and have not been adopted early: IAS 12 Income Taxes (Amendment); IAS 7 Cashflow Statements (Amendment); IFRS 9 Financial Instruments; IFRS 2 Share Based Payments (Amendment); IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases.

The Group will continue to consider the impact of relevant forthcoming standards.

Notes to the Condensed Consolidated Financial Information

2 Basis of preparation continued

During the 2014/15 financial year, the Company dismissed its finance director, Mr Simpkin, who issued legal proceedings in the Employment Tribunal against the Company on the 28 November 2014. On the 20 November 2015 Mr Simpkin served High Court proceedings on the Company. There is a preliminary High Court hearing in July 2017 to consider the way in which the Remuneration Committee and the Board exercised their respective discretions not to permit Mr Simpkin to retain awards otherwise lost under various remuneration schemes. The reasons for Mr Simpkin's dismissal are expected to be dealt with at a later hearing. The proceedings are being robustly defended by the Company with the assistance of external professional advisers.

3 Net finance costs

	Six months ended 31 October 2016 Unaudited £m	Six months ended 31 October 2015 Unaudited £m	Year ended 30 April 2016 Audited £m
Finance income	0.9	2.0	3.1
Finance costs			
Interest payable on bank loans and non-utilisation fees	(1.4)	(1.4)	(2.8)
Amortisation of facility fees	(0.6)	(0.5)	(1.0)
Other finance costs	(2.1)	(1.1)	(6.8)
	(4.1)	(3.0)	(10.6)
Net finance costs	(3.2)	(1.0)	(7.5)

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.

4 Income tax expense

	Six months ended 31 October 2016 Unaudited £m	Six months ended 31 October 2015 Unaudited £m	Year ended 30 April 2016 Audited £m
Current tax			
UK corporation tax payable	(73.2)	(45.6)	(107.5)
Adjustments in respect of previous periods	(2.5)	(5.5)	(14.9)
	(75.7)	(51.1)	(122.4)
Deferred tax			
Deferred tax at 19% / 20% / 19%	(6.5)	(12.7)	(4.4)
Deferred tax adjustment in respect of change in tax rate	-	(1.7)	-
	(82.2)	(65.5)	(126.8)

Notes to the Condensed Consolidated Financial Information

5 Earnings per share

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

	Six months ended 31 October 2016 Unaudited	Six months ended 31 October 2015 Unaudited	Year ended 30 April 2016 Audited
Profit attributable to shareholders (£m)	310.5	227.8	404.1
Weighted average no. of shares (m)	137.6	136.5	136.6
Basic earnings per share (p)	225.7	166.9	295.8

For diluted earnings per ordinary share, the weighted average number of shares in issue is adjusted to assume the conversion of all potentially dilutive ordinary shares.

At 31 October 2016, the Group had two (2015: two) categories of potentially dilutive ordinary shares: 11.4 million (2015: 16.8 million) £nil share options under the 2011 LTIP and 18,221 (2015: nil) share options under the 2015 Bonus Banking plan. At 31 October 2015 the Group had 2.8 million £4.06 share options under the 2009 LTIP Part B. These options vested on 15 April 2016.

A calculation is undertaken 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 Group 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 2016 Unaudited	Six months ended 31 October 2015 Unaudited	Year ended 30 April 2016 Audited
Profit used to determine diluted EPS (£m)	310.5	227.8	404.1
Weighted average no. of shares (m)	137.6	136.5	136.6
Adjustments for:			
Share options - 2009 LTIP Part B	-	1.3	1.3
Share options - 2011 LTIP	10.5	14.9	12.5
Bonus plan shares	-	-	-
Shares used to determine diluted EPS (m)	148.1	152.7	150.4
Diluted earnings per share (p)	209.6	149.2	268.7

Notes to the Condensed Consolidated Financial Information

6 Notes to the Consolidated Cash Flow Statement

	Six months ended 31 October 2016 Unaudited £m	Six months ended 31 October 2015 Unaudited £m	Year ended 30 April 2016 Audited £m
Net cash flows from operating activities			
Profit after taxation for the period	310.5	227.8	404.1
Adjustments for:			
- Taxation	82.2	65.5	126.8
- Depreciation	2.0	1.5	3.1
- Profit on sale of financial assets	-	(2.8)	(2.8)
- (Profit)/Loss on sale of property, plant and equipment	0.1	(0.3)	(0.2)
- Finance income	(0.9)	(2.0)	(3.1)
- Finance costs	4.1	3.0	10.6
- Share of results of joint ventures after tax	(4.5)	(3.6)	(36.5)
- Non-cash charge in respect of share-based payments	9.0	4.9	28.8
Changes in working capital:			
- Increase in inventories	(90.1)	(262.3)	(602.0)
- (Increase)/decrease in trade and other receivables	(0.5)	(97.1)	(67.8)
- Increase in trade and other payables	(27.9)	116.4	233.6
- Decrease in employee benefit obligations	(0.3)	(0.3)	(0.6)
Cash generated from operations	283.7	50.7	94.0
Reconciliation of net cash flow to net cash			
Net increase/(decrease) in cash and cash equivalents, including bank overdraft	100.5	(167.8)	(323.5)
Net cash (inflow)/outflow from (increase)/decrease in borrowings	-	-	-
Movement in net cash in the financial period	100.5	(167.8)	(323.5)
Opening net cash	107.4	430.9	430.9
Closing net cash	207.9	263.1	107.4
Net cash			
Cash and cash equivalents	207.9	263.1	107.4
Current borrowings	-	-	-
Net cash	207.9	263.1	107.4

6 Related party transactions

The Group has entered into the following related party transactions:

Transactions with Directors

During the period, Mr A W Pidgley paid £23,490 (2015: £334,000) and Mr S Ellis paid £90,924 (2015: 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. In the prior financial period Mr R C Perrins paid £127,000 to the Group. There were no balances outstanding at the period end.

During the period, shareholder approval was obtained at the Company's Annual General Meeting held in September 2016 for the purchase by Mr K Whiteman, a Director of the Company, of an apartment at Royal Arsenal Riverside for £650,000 on 12 April 2016 from Berkeley Homes plc, a wholly owned subsidiary of the Company. Mr K Whiteman paid a contractual deposit on account of £65,000 during the period. This was in addition to a contractual deposit on account of £65,000 paid in April 2016 on exchange of contracts.

Director property purchases previously disclosed, which have all received shareholder approval, include:

- Mr G J Fry - purchase of an apartment at Brewery Wharf for £565,000 in 2015. During the financial period, Mr G J Fry legally completed on the purchase of the apartment. All contractual amounts have been paid to the Group.
- Mr G J Fry – purchase of an apartment at Sovereign Court for £819,950 in 2014.
- Mr R C Perrins – purchase of an apartment at 190 Strand for £2,100,000 in 2013; and
- Ms D Brightmore Armour – purchase of an apartment at 190 Strand for £2,985,000 in 2014 along with a storage room at the property for £101,200 in 2015.

At 31 October 2016, for the Director property purchases yet to legally complete, the contractual deposits due to date had all been paid to the Group, there were no current balances outstanding and the properties were still under construction.

Berkeley Homes plc has 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 (2015: nil) and there were no outstanding balances at the period end (2015: nil). 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.

Transactions with Joint Ventures

During the financial period there were no transactions with joint ventures other than movements in loans and receipt of a dividend from St Edward of £40,000,000 (2015: nil). The outstanding loan balances with joint ventures at 31 October 2016 total £92,900,000 (30 April 2016: £89,800,000).

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 2016 an amount of £4,948,197 was outstanding and included within trade receivables (30 April 2016: £8,091,000).

7 Post balance sheet event

As set out in the Trading and Financial Review, the Group have increased its committed corporate banking facilities subsequent to the balance sheet date. No adjustment is required in these interim financial statements in respect of this.

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 2016 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 Guidance 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 2016 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
2 December 2016