



ROGER LEWIS

CHAIRMAN

The Berkeley Group plc



Format of Presentation

- **Introduction** **Roger Lewis**
- **Review of Results** **Rob Perrins**
- **Managing Director's Review** **Tony Pidgley**
- **Questions**



Financial Highlights Year to 30 April 2003

	<u>2003</u>	<u>2002</u>	<u>Increase</u>
Pre tax profits	£221.2m	£196.2m	+ 12.7%
Earnings per share	116.0p	105.3p	+ 10.2%
Shareholders' funds	£1,056.2m	£968.2m	+ 9.1%
Net asset value per share	829p	717p	+ 15.6%
Dividend	£24.9m	£22.0m	+ 13.2%
Dividends per share	19.2p	16.5p	+ 16.4%

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ROB PERRINS

FINANCE DIRECTOR

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Review of Results

- **Profit & loss account**
- **Cash flow**
- **Balance sheet**
- **Sales analysis**
- **Land holdings**



Abridged Group Profit and Loss Account

	<u>2003</u>	<u>2002</u>	<u>Change</u>	
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>%</u>
Turnover (excluding JV's)	<u>1,150.8</u>	<u>976.8</u>	<u>174.0</u>	+ 17.8
Operating profit	215.7	189.5	26.2	+13.8
Joint ventures	16.5	23.5	(7.0)	- 29.8
Net interest	(11.0)	(16.8)	5.8	- 34.5
Profit before tax	<u>221.2</u>	<u>196.2</u>	<u>25.0</u>	+ 12.7

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Interest Cover and EPS

	<u>2003</u>	<u>2002</u>	
Operating profit (inc. JVs)	<u>£232.2m</u>	<u>£213.0m</u>	+ 9.0%
Interest: Group	£8.0m	£13.7m	
JVs	<u>£3.0m</u>	<u>£3.1m</u>	
	£11.0m	£16.8m	- 34.5%
Cover	<u>21.1 times</u>	<u>12.7 times</u>	
Profit before tax	£221.2m	£196.2m	+ 12.7%
EPS	116.0p	105.3p	+ 10.2%



Profit Reconciliation

	<u>£m</u>	<u>£m</u>
2002 Profit before tax		196.2
Group		
Residential: - housebuilding	48.0	
- land	(17.4)	
Commercial	<u>(4.4)</u>	
		26.2
Joint ventures		
Residential: - housebuilding	(15.4)	
- land	12.1	
Commercial	<u>(3.7)</u>	
		(7.0)
Interest		<u>5.8</u>
2003 Profit before tax		<u>221.2</u>



Trading Account Profile - Percentages of Turnover

	<u>2003</u>	<u>2002</u>
	<u>%</u>	<u>%</u>
Turnover	100.0	100.0
Land	(21.5)	(22.7)
Build	(46.1)	(44.1)
Sales & marketing	<u>(5.0)</u>	<u>(4.9)</u>
Gross margin	27.4	28.3
Operating expenses	<u>(8.6)</u>	<u>(8.9)</u>
Operating profit	18.8	19.4
Joint ventures	1.4	2.4
Interest	<u>(1.0)</u>	<u>(1.7)</u>
Profit before tax	<u>19.2</u>	<u>20.1</u>



Profit Distribution

- **Tax rate of 30.1% down from 30.2%**
- **Dividends per share up 16.4% to 19.2p**
- **Dividend covered 6.2 times (2002: 6.2 times)**



Abridged Group Cash Flow

	<u>2003</u>	<u>2002</u>
	<u>£m</u>	<u>£m</u>
Operating profit	215.7	189.5
Non cash items	<u>3.9</u>	<u>5.5</u>
	219.6	195.0
Tax and dividends	(68.7)	(72.7)
Net interest	<u>(7.2)</u>	<u>(13.6)</u>
	143.7	108.7
Movement in working capital	(15.2)	(145.4)
Capex and financial investment	<u>13.7</u>	<u>(16.4)</u>
	142.2	(53.1)
Share buy-back	(42.0)	-
Shares issued	<u>0.2</u>	<u>48.6</u>
Decrease/(Increase) in net debt	<u>100.4</u>	<u>(4.5)</u>



Cash Due on Forward Sales

	<u>At 30 Apr</u> <u>2003</u> <u>£m</u>	<u>At 30 Apr</u> <u>2002</u> <u>£m</u>
Debtors taken to sales and due on completion	229.0	266.9
Due on units not yet taken to sales		
- Exchanged contracts	600.8	681.2
- Reserved units	91.1	103.5
Total cash due	<u>920.9</u>	<u>1,051.6</u>



Abridged Group Balance Sheet

	<u>At 30 April</u> <u>2003</u> <u>£m</u>	<u>At 30 April</u> <u>2002</u> <u>£m</u>	
Fixed assets and investments	77.4	80.7	
Stocks	1,151.1	1,118.2	
Debtors	247.5	280.9	
Investments	62.0	55.5	
Creditors < 1 year	(316.5)	(309.0)	
Creditors > 1 year	(22.2)	(14.6)	
Capital employed	<u>1,199.3</u>	<u>1,211.7</u>	
Net debt	<u>(143.1)</u>	<u>(243.5)</u>	
Net assets	<u>1,056.2</u>	<u>968.2</u>	+ 9.1%
Net asset value per share	<u>829p</u>	<u>717p</u>	+ 15.6%
Gearing	13.5%	25.1%	

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Stocks

	<u>At 30 Apr</u> <u>2003</u> <u>£m</u>	<u>At 30 Apr</u> <u>2002</u> <u>£m</u>
Land not under development	135.2	188.3
Work in progress: Land cost	746.2	681.9
Build cost	187.1	201.0
Completed units	71.5	40.7
Part exchanges	11.1	6.3
	<u>1,151.1</u>	<u>1,118.2</u>



Geographical Analysis of Residential Units Sold

	<u>2003</u>		<u>2002</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
London	1,321	37	985	31
South East	1,160	33	1,032	32
North West and Yorkshire	328	9	528	17
Midlands, West England and Wales	735	21	637	20
	<u>3,544</u>	<u>100</u>	<u>3,182</u>	<u>100</u>
Joint ventures	<u>637</u>		<u>773</u>	



Geographical Analysis of Residential Turnover

	<u>2003</u>			<u>2002</u>		
	<u>£m</u>	<u>%</u>	<u>ASP</u> <u>£'k</u>	<u>£m</u>	<u>%</u>	<u>ASP</u> <u>£'k</u>
London	521.6	46	381	405.5	43	371
South East	373.9	33	323	295.2	32	265
North West and Yorkshire	87.0	8	259	105.3	11	193
Midlands, West England and Wales	147.6	13	200	121.7	14	202
	<u>1,130.1</u>	<u>100</u>	<u>315</u>	<u>927.7</u>	<u>100</u>	<u>273</u>
Joint ventures	<u>91.5</u>		<u>211</u>	<u>98.2</u>		<u>278</u>



Land Bank

	<u>At 30 Apr</u> <u>2003</u>	<u>At 30 Apr</u> <u>2002</u>
Owned	19,459	16,014
Contracted	3,358	2,612
Agreed	<u>3,033</u>	<u>1,800</u>
Plots	25,850	20,426
Sales value	£7,044m	£5,995m
Average selling price	£272k	£293k
Average plot cost	£40k	£52k
Land cost %	14.5%	17.8%
Gross margin	£2,005m	£1,708m
GM%	28.5%	28.5%

Includes joint venture land holdings



Group Land Holdings by Division

	<u>At 30 Apr</u> <u>2003</u> <u>No.</u>	<u>At 30 Apr</u> <u>2002</u> <u>No.</u>
Berkeley Homes (London)	6,361	3,755
Berkeley Homes (Home Counties)	4,216	4,814
St George	6,638	4,426
Crosby Homes	4,815	4,998
College Homes	700	219
St James Group	3,120	2,214
	<u>25,850</u>	<u>20,426</u>

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15 Largest London Sites Released to Market

	<u>Total</u>	<u>Complete</u>	<u>Exchanged</u>	<u>Resv'd</u>	<u>Available</u>	<u>Not Released</u>
Imperial Wharf	1,694	61	360	9	40	1,224
Woolwich Arsenal	917	60	318	3	12	524
St George Wharf	766	335	118	1	7	305
Chelsea Bridge Wharf	686	40	315	9	10	312
Battersea Reach	660	0	23	13	7	617
Deptford	636	255	199	2	59	121
Kew Riverside	536	188	219	0	20	109
Riverside West	533	467	66	0	0	0
Worcester Park	480	0	9	20	0	451
Royal Quarter	428	0	102	14	8	304
Kensington Westside	292	281	7	1	3	0
Allied Domecq	266	44	164	8	50	0
Feltham	244	8	145	10	81	0
Paddington Central	219	0	202	15	2	0
Salamanca Street	198	4	110	4	60	20
	<u>8,555</u>	<u>1,743</u>	<u>2,357</u>	<u>109</u>	<u>359</u>	<u>3,987</u>

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15 Largest Non-London Sites Released to Market

	<u>Total</u>	<u>Complete</u>	<u>Exchanged</u>	<u>Resv'd</u>	<u>Available</u>	<u>Not Released</u>
Clarence Dock, Leeds	623	0	126	10	44	443
Knowle Village, Hampshire	497	173	43	14	19	248
Unipart, Oxford	468	223	51	3	8	183
Gunwharf Quays, Portsmouth	364	233	21	3	18	89
Royal Clarence Yard, Gosport	332	43	48	2	4	235
Leybourne Lakes, Larkfield	325	103	14	7	23	178
Landmark Place, Cardiff	285	191	67	0	27	0
Sheepcote Street, Birmingham	250	159	43	1	27	20
Go Ahead, Oxford	229	0	36	0	21	172
Beaufort House, Bristol	178	135	22	1	20	0
Morland Brewery, Abingdon	168	131	8	1	6	22
Hacienda, Manchester	164	1	42	8	50	63
Browning Street, Birmingham	161	77	47	0	22	15
Great Park, Warlingham	146	121	6	3	16	0
The Point, Bristol	115	103	0	0	12	0
	<u>4,305</u>	<u>1,693</u>	<u>574</u>	<u>53</u>	<u>317</u>	<u>1,668</u>



TONY PIDGLEY

MANAGING DIRECTOR

The Berkeley Group plc



Managing Director's Review

- **Berkeley Group**
- **Financial strength**
- **Current trading and the housing market**
- **Land holdings and strategy**
- **Joint ventures**
- **Berkeley's consistent strategy**



Questions

Roger Lewis

Chairman

Tony Pidgley

Managing Director

Rob Perrins

Finance Director

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