

BARRATT DEVELOPMENTS PLC

Preliminary Results

30 June 2004

Charles Toner



Barratt
Chairman

FINANCIAL HIGHLIGHTS

Turnover at £2,516m *up 16%*

Operating Profit at £375.6m *up 26%*

Pre-tax Profit at £367.7m *up 27%*

Earnings per share at 111.4p *up 25%*

Final dividend of 14.68p per share *up 19%*

Total of 21.58p per share *up 25%*

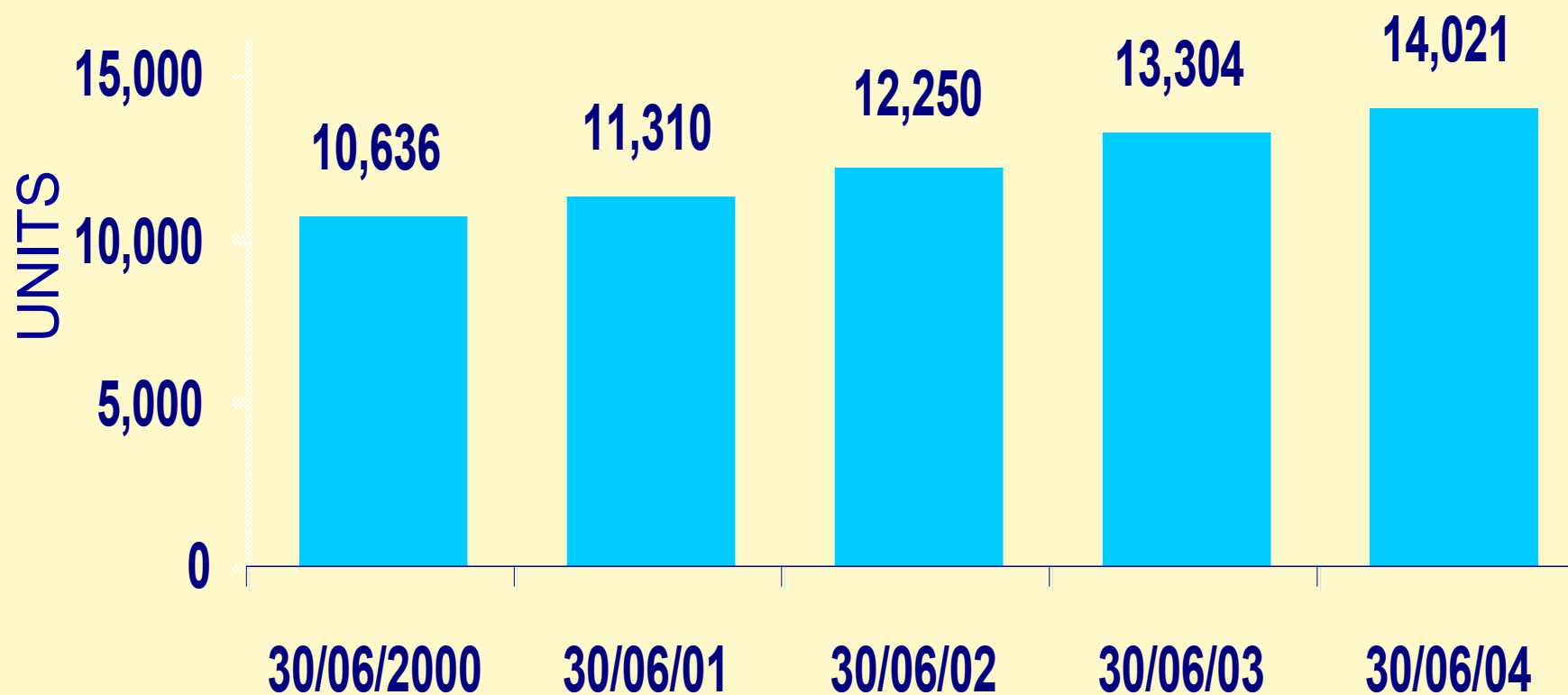
Colin Dearlove



Group
Finance
Director

BARRATT DEVELOPMENTS PLC

UK LEGAL COMPLETIONS



BARRATT DEVELOPMENTS PLC

UK LEGAL COMPLETIONS

YEAR ENDED

30.06.04 30.06.03

INCREASE

No.

%

Private

12713

12165

548

4.5

Housing

Assoc.

1308

1139

169

14.8

14021

13304

717

5.4

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USA LEGAL COMPLETIONS

YEAR ENDED

30.06.04 30.06.03 INCREASE

No.

No.

No.

%

702

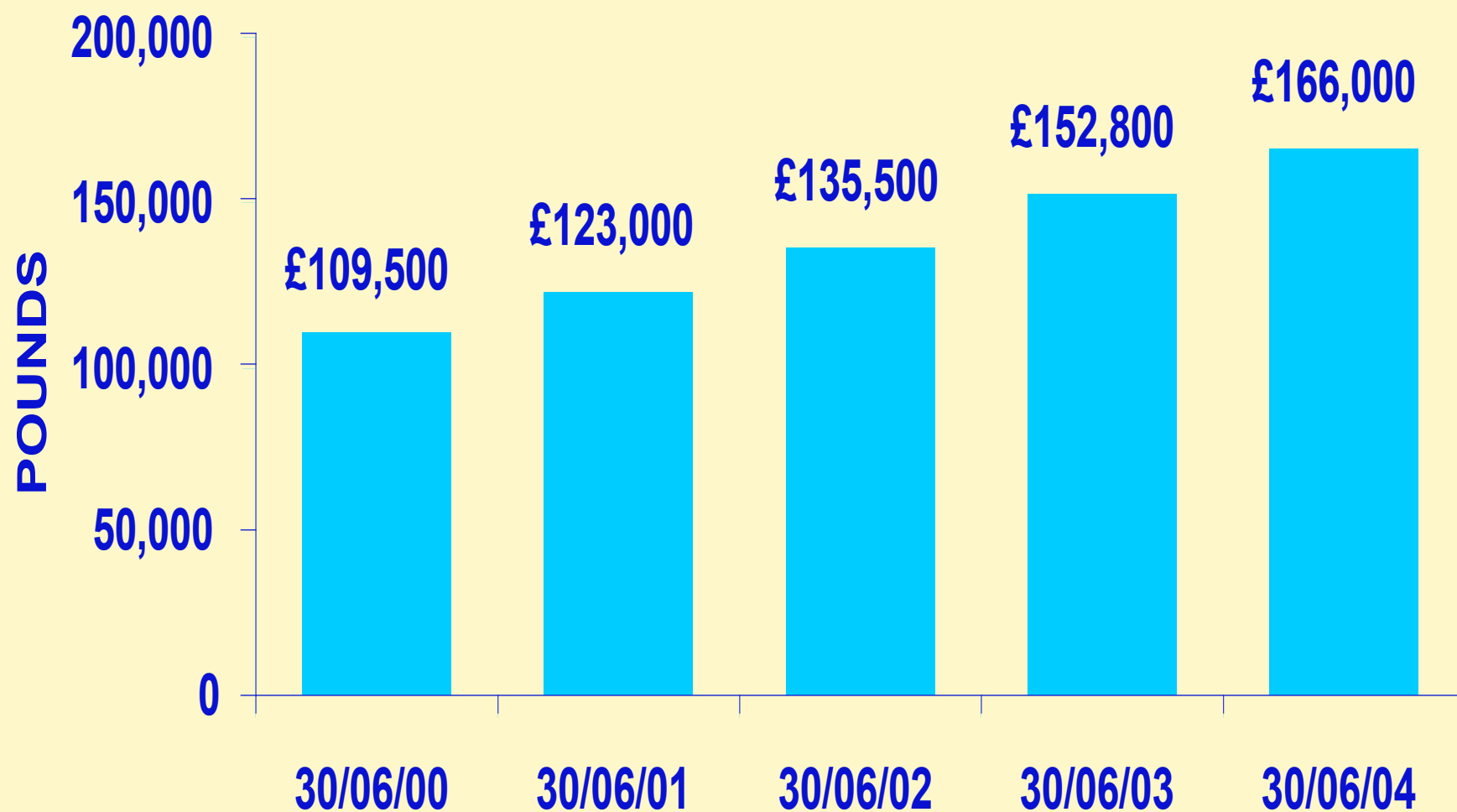
598

104

17.4

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UK AVERAGE SELLING PRICE



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UK AVERAGE SELLING PRICE

	YEAR ENDED		INCREASE/ (DECREASE)	
	30.06.04	30.06.03		
	£	£	£	%
Private	173,900	158,600	15,300	9.7
H.A.	89,400	90,600	(1,200)	(1.3)
	166,000	152,800	13,200	8.6

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USA AVERAGE SELLING PRICE

YEAR ENDED

30.06.04 30.06.03 INCREASE

%

£	246,300	211,200	£35,100	16.6
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\$	431,000	335,800	\$95,200	28.4
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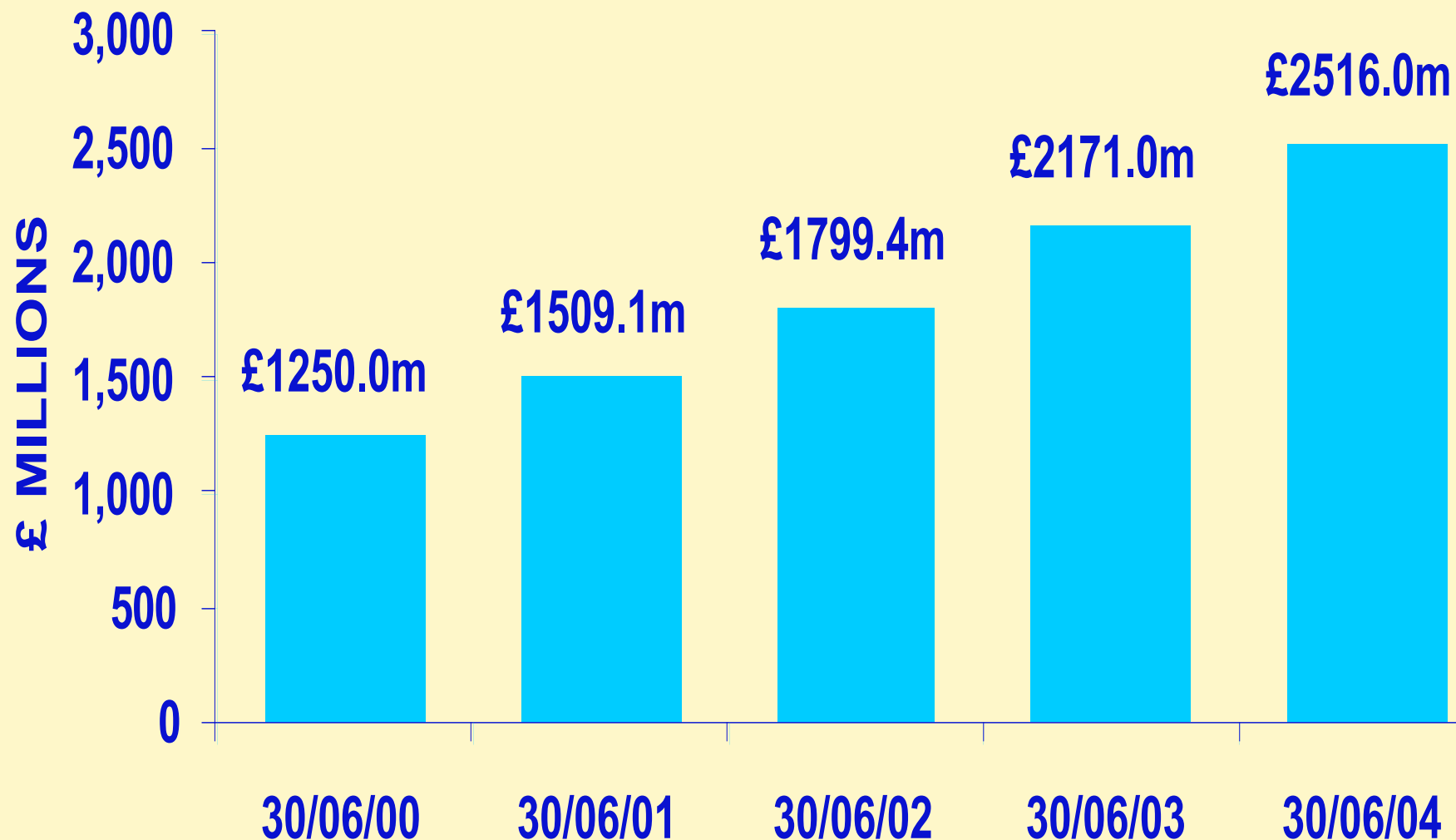
EXCHANGE
RATE

1.75

1.59

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TOTAL TURNOVER



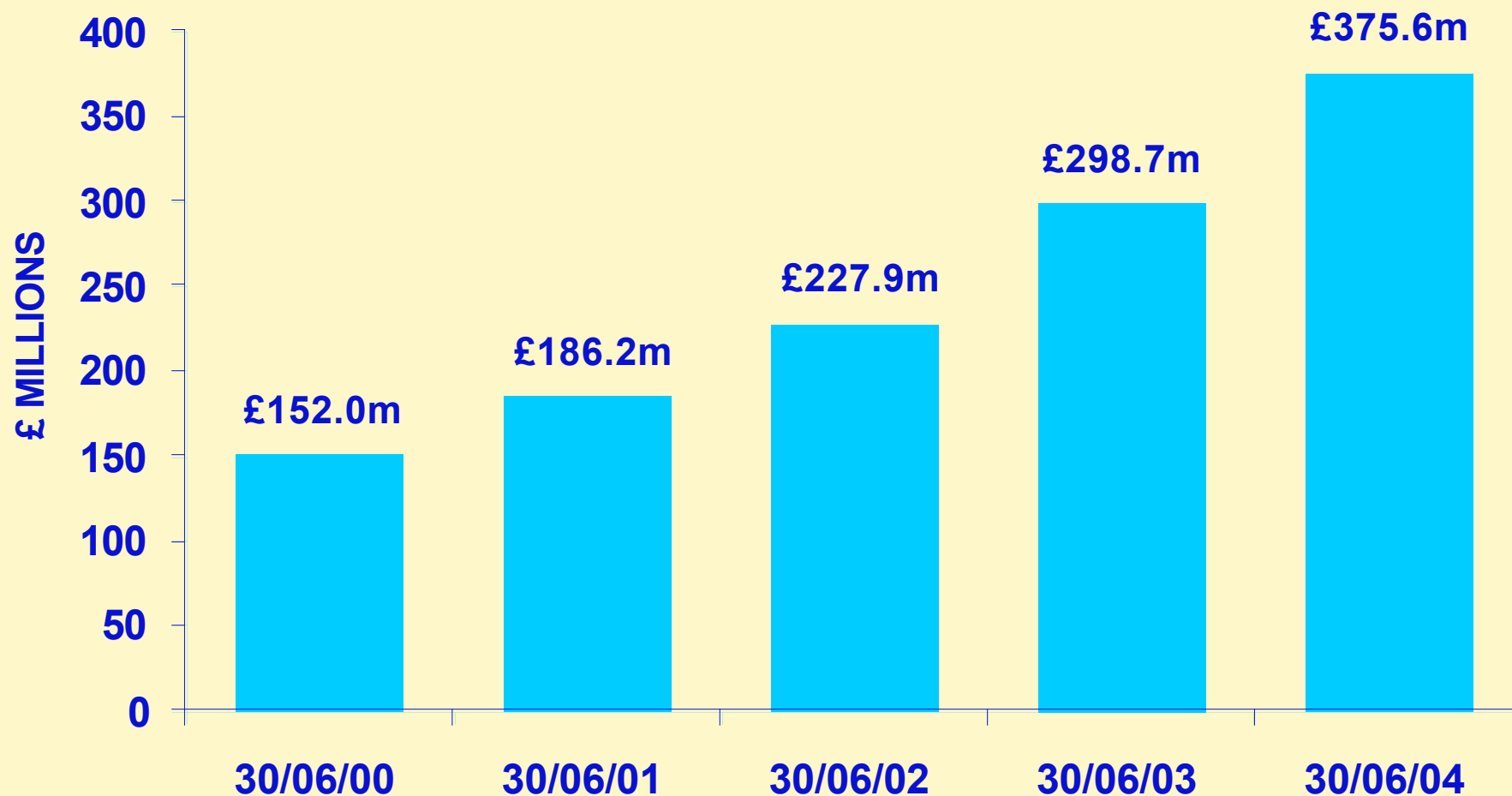
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GROUP TURNOVER

	YEAR ENDED		INCREASE	
	30.06.04	30.06.03		
	£M	£M	£M	%
UK HOUSEBUILD	2327.6	2032.8	294.8	14.5
UK NON-CORE	15.5	11.9	3.6	30.3
UK	2343.1	2044.7	298.4	14.6
USA	172.9	126.3	46.6	36.9
TOTAL	2516.0	2171.0	345.0	15.9

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GROUP OPERATING PROFIT



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OPERATING PROFIT / MARGIN

	YEAR ENDED			
	30.06.04	30.06.03	INCREASE	
	£M	£M	£M	%
UK HOUSEBUILD	366.4	290.5	75.9	26.1
USA	18.9	10.7	8.2	76.6
IMPAIRMENT PROVISION	(7.5)	-	(7.5)	-
NON-CORE/ CENTRAL O/H	(2.2)	(2.5)	0.3	12.0
TOTAL	375.6	298.7	76.9	25.7
UK HOUSEBUILD	15.7%	14.3%		1.4%
USA	10.9%	8.5%		2.4%
TOTAL	14.9%	13.8%		1.1%

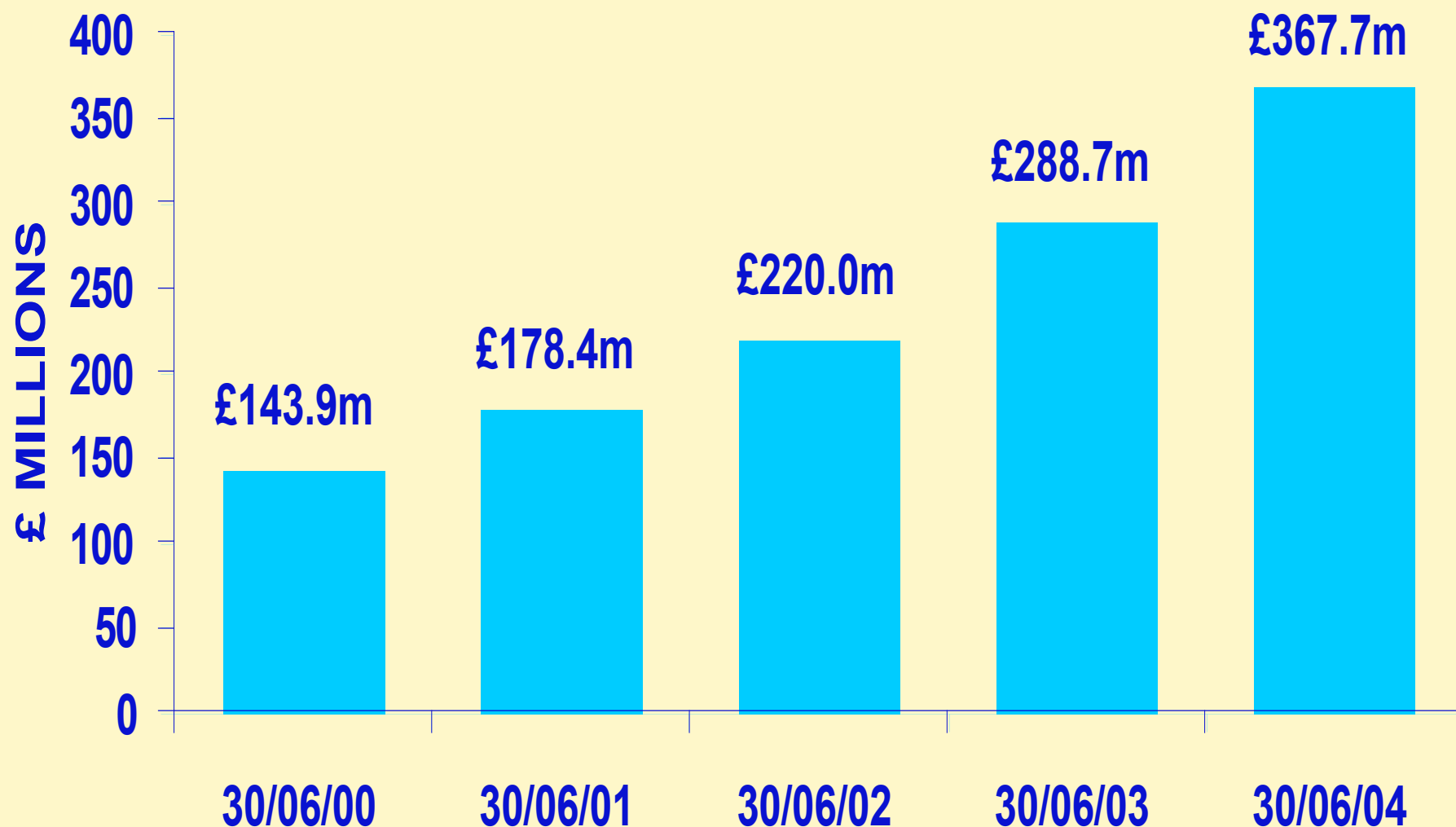
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FINANCE

	YEAR ENDED		
	30.06.04	30.06.03	(DECREASE)
	£M	£M	£M
CHARGE	7.9	10.0	(2.1)
AVERAGE FUNDING	144.0	204.0	(60.0)
AVERAGE GEARING	14%	24%	

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PRE – TAX PROFIT



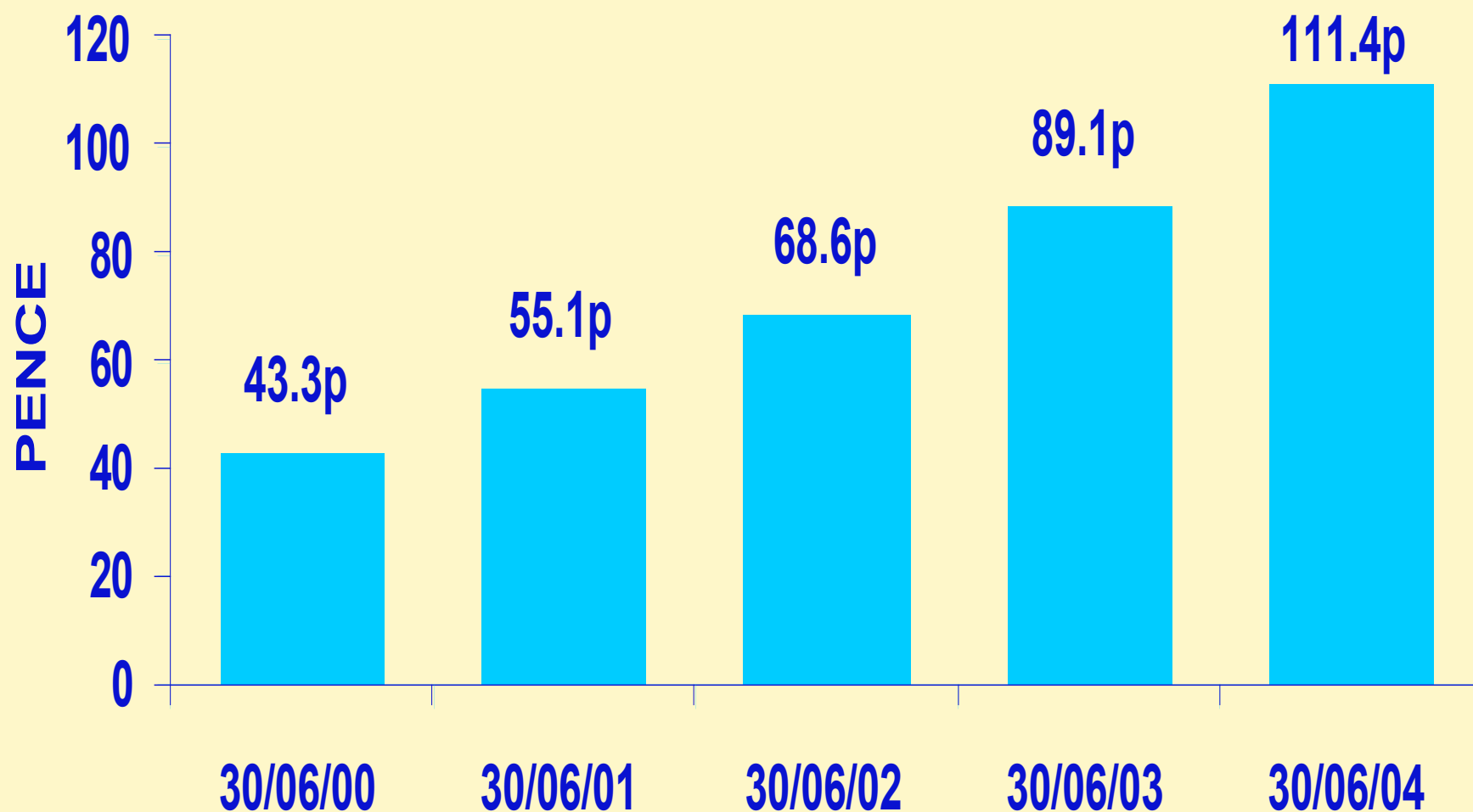
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EARNINGS

	YEAR ENDED			
	30.06.04	30.06.03	INCREASE	
	£M	£M	£M	%
PRE TAX PROFIT	367.7	288.7	79.0	27.4
TAX	107.2	82.3	24.9	30.3
EARNINGS	260.5	206.4	54.1	26.2
EPS - BASIC	111.4p	89.1p	22.3p	25.0

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BASIC EARNINGS PER SHARE



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USA : DISCONTINUED OPERATIONS

	TOTAL	USA	IMPAIRMENT PROVISION	UK CONTINUING
	£M	£M	£M	£M
TURNOVER				
CONTINUING OPERATIONS	2343.1	-	-	2343.1
DISCONTINUED OPERATIONS	172.9	(172.9)	-	-
	<u>2516.0</u>	<u>(172.9)</u>	<u>-</u>	<u>2343.1</u>
 OPERATING PROFIT				
CONTINUING OPERATIONS	364.2	-	-	364.2
DISCONTINUED OPERATIONS	11.4	(18.9)	7.5	-
	<u>375.6</u>	<u>(18.9)</u>	<u>7.5</u>	<u>364.2</u>
 FINANCE	<u>7.9</u>	<u>(2.0)</u>	<u>-</u>	<u>5.9</u>
PRE TAX PROFIT	<u>367.7</u>	<u>(16.9)</u>	<u>7.5</u>	<u>358.3</u>

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BALANCE SHEET

	30.06.04	30.06.03	INC/(DEC)
	£M	£M	£M
FIXED ASSETS	11.9	11.0	0.9
CURRENT ASSETS	2260.0	1897.3	362.7
CREDITORS < 1 YEAR	(1066.0)	(922.4)	(143.6)
NET CURRENT ASSETS	1194.0	974.9	219.1
CREDITORS > 1 YEAR	(89.8)	(77.0)	(12.8)
NET ASSETS	1116.1	908.9	207.2
NET ASSETS PER SHARE	465p	381p	

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STOCKS

		30.06.04	30.06.03	INC/(DEC)
		£M	£M	£M
LAND	UK	1355	1238	117
	USA	57	64	(7)
		1412	1302	110
WIP	UK	515	374	141
	USA	34	27	7
		549	401	148
PX	UK	16	28	(12)
	USA	-	-	-
		16	28	(12)
		1977	1731	246

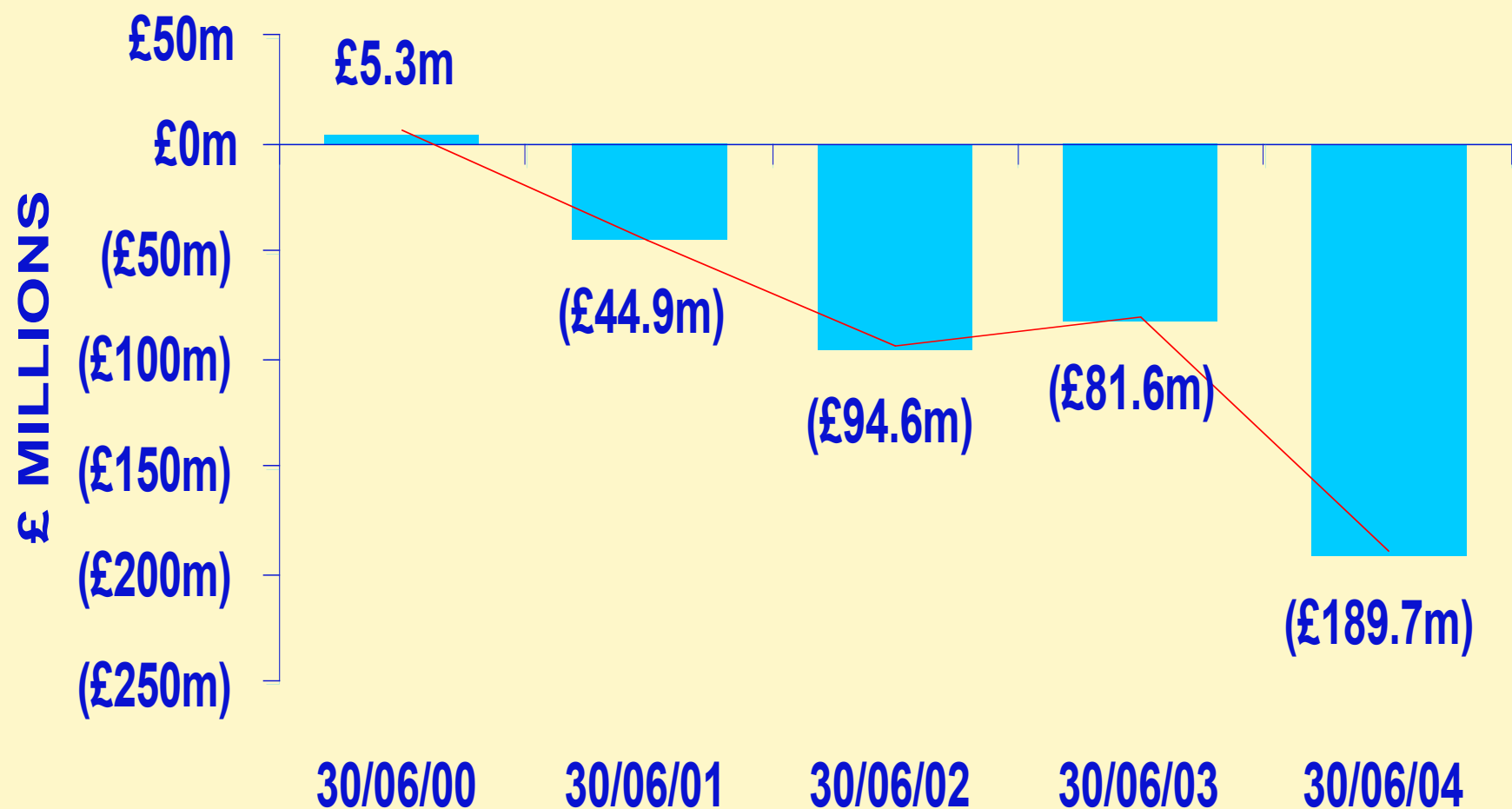
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LAND CREDITORS

	30.06.04	30.06.03	INC/(DEC)
	£M	£M	£M
UK	391.1	387.3	3.8
USA	5.4	0.4	5.0
	<hr/> 396.5	<hr/> 387.7	<hr/> 8.8
DUE WITHIN 1 YEAR	321.8	346.7	(24.9)
DUE AFTER 1 YEAR	74.7	41.0	33.7
	<hr/> 396.5	<hr/> 387.7	<hr/> 8.8

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FUNDING



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CASH FLOW

<u>YEAR ENDED 30.06.04</u>	£M	£M
OPERATING PROFIT		375.6
INCREASE IN LAND	(110.3)	
INCREASE IN WIP	(147.6)	
GROSS INVESTMENT IN LAND & WIP		(257.9)
INCREASE IN LAND CREDITORS	9.2	
DECREASE IN PART EXCHANGE	11.6	
INCREASE IN DEBTORS/ INCREASE IN CREDITORS	(123.4)	
OTHER NON CASH MOVEMENTS	0.8	
INVESTMENT IN WORKING CAPITAL		(112.9)
CASH FLOW FROM OPERATING ACTIVITIES		262.7
INTEREST, TAX, DIVIDENDS ETC		(160.6)
CASH INFLOW BEFORE FINANCING		102.1
FINANCING		(15.4)
INCREASE IN CASH		86.7

BARRATT DEVELOPMENTS PLC

RETURN ON AVERAGE CAPITAL EMPLOYED

ROACE

37%

David Pretty



Group Chief
Executive

UK completions 14,021

11,000⁺ brownfield

1992 - 2004

tripled production
& market share all from
organic growth

2003 - 2004

more homes in total

more homes on brownfields

than **any other** housebuilder

HOUSING MARKET

Market moderated

Welcome **stability**

More **sustainable** market

Sufficient to **achieve** objectives

Prices to **rise** about **4%** in 04/05

HOUSING MARKET DEMAND

Supported by **low** interest rates

Good employment levels

Low stock & availability

Serious planning delays

HOUSING MARKET - P.X. USEAGE

Demand remains **low**

Only 5% of buyers

30/6/04 : 110 units & **£16m** stock

Now : 84 units & **£13m** stock

MARKET IS SOUND

We also have **core** strengths

Boost our performance

Give **added** protection

GEOGRAPHIC & PRODUCT DIVERSITY

£80k to £1.7m

Affordable av. price: £166k

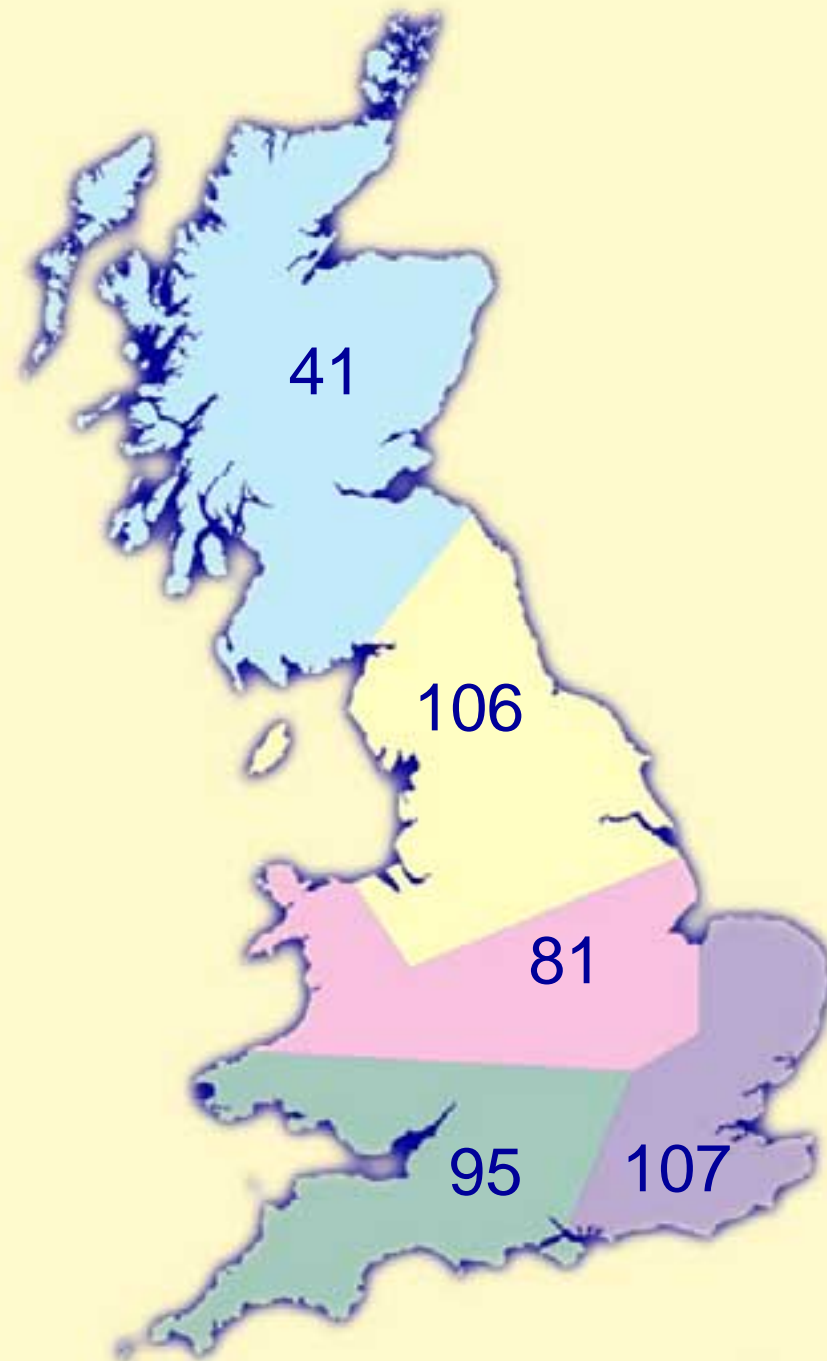
GEOGRAPHIC & PRODUCT DIVERSITY

South East: 4% over £400k

...falling to **2%** nationally

TOTAL
GEOGRAPHIC
SPREAD

430 SITES
NATIONWIDE



GEOGRAPHIC & PRODUCT DIVERSITY

Central London: 2 sites

URBAN REGENERATION

Remain industry **leaders**

25 year track record

82% brownfield - Nationally

95% brownfield – South East

URBAN REGENERATION

(Homes on Brownfield sites)

220 each week

11,500 in the year

SOCIAL HOUSING PARTNERSHIPS

1,308 units

9% of total

250% up in 6 years

79 partnerships underway

77 in the pipeline

LAND & PLANNING

Prudence in the land market

Acquired **18,076** plots

UK land stocks of **49,335**

7,000 further plots agreed

Total UK land bank of **56,335**

Equivalent to **4 yrs** supply

LAND & PLANNING

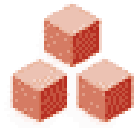
High quality land bank

Won approval for **15,500** plots

All in place for **04/05**

90% owned/contracted for **05/06**

60% for **06/07**

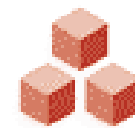


Barker Review
of Housing Supply

Excellent analysis

We're very **well placed** to build more

No improvements in short term



Barker Review
of Housing Supply

FURTHER OPPORTUNITIES TO GROW

Strengthening land & planning functions

Brownfield emphasis in **all** divisions

Controlled expansion of **10 super** divisions
(700+ each pa)

4 new divisions in growth areas
(over 2 years)



















Conceptual computer-generated image shown









SKILLS TRAINING

530 APPRENTICES

55 GRADUATES



A green swoosh graphic arching over the text.
Advance
Housing Limited



MAJOR INITIATIVE



IMPROVED
SATISFACTION
LEVELS







**BEST LARGE
HOUSEBUILDER**

BEST BROWNFIELD DEVELOPMENT



THE YEAR AHEAD & LOOKING FORWARD

THE YEAR AHEAD & LOOKING FORWARD

Record results

Record forward sales

Housing market **stable**

Financially **strong**

Spread & diversity

Urban regeneration **skills**

2004/2005

Confident of
year of progress

13th

THE YEARS AHEAD

Housing market fundamentally
sound

Pent up demand
will increase

THE YEARS AHEAD

We have the... capacity

expertise

resources

...for further growth

Controlled & steady

Strengthening
teams at all levels

Plan **£5 billion** for urban regeneration
over next 3 yrs

Inc. **£500m** for social

THE YEARS AHEAD

Capacity to **increase**
production towards **20,000** homes
p.a. by 2010