

Investor Presentation

Henry Boot

Presented by

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Group Managing Director

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September 2014





This presentation contains forward looking statements. Although the Group believes that the estimates and assumptions on which such statements are based are reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond the Group's control. The Group does not make any representation or warranty that the results anticipated by such forward looking statements will be achieved and this presentation should not be relied upon as a guide to future performance.



Key Messages

Strong performance in period. All businesses trading well. Healthy outlook.

Economic recovery well established and now moving to the regions.

Land supply in line with demand from house builders. Pricing relatively stable in good market. House builder land banks are full.

Commercial development hitting hurdle returns more readily as yields firm up. 2014/15/16 look busier than previous five year period.

We continue to reinvest in new opportunities to create future profits and continue to see good deals available.

In period PBT **↑** 81%, EPS **↑** 106%, Dividend **↑** 8%, upgrade of year end forecasts with further review later in the year.

Investment in both land and development however, debt £33.0m is £3.0m lower than year end.



Henry Boot PLC – Financial Highlights

HALF YEAR

	2014	2013	2012
Turnover	£65.8	£81.8m	£43.3m
Trading Profit	£11.9m	£8.1m	£3.9m
Revaluation Surplus/(Deficit)	£1.9m	(£0.5m)	£1.8m
Profit/(Loss) before tax	£13.4m	£7.4m	£5.5m
EPS	7.4p	3.6p	2.2p
Interim Dividend	2.1p	1.95p	1.80p
Net Cash/(Debt)	(£33.1m)	(£36.1m)	(£22.0m)
Gearing	17%	19%	12%
NAV per share	149p	143p	135p

- Turnover higher in 2013 after land sales of £15.0m at York.
- Trading profits increased because of improved development activity. Land sale profits similar.
- Revaluation surplus across portfolio. Some down to fair value increase on developments in progress.
- EPS ↑ 106%,
- Interim dividend increased 8% to 2.10p. Confidence in expected returns going forward.
- Gearing 17%, as we reinvest in developments and land. Facilities renewal commenced, will be completed January 2015.
- NAV per share up to 149p.
- Total Net Assets £196.1m (December 2013: £193.5m).
- Dividends paid in period £5m.

Land Development

- The interest in land it acquires may be through outright purchase, option or as agent (10-20% interest).
- Operating nationwide through seven offices.
- In total 2,800 acres, 30% with permission or with allocation in plan, over 140 sites in portfolio.
- UK supply of land with permission is increasing – house builder land banks largely in equilibrium at circa five years supply.
- 2014/15/16 look active in sales terms and remain busy with applications.
- Election approaching!

Land Bank

	June 14 - acres	Dec 13 – acres	Dec 12 - acres
Total	9,512	9,723	9,011
Owned	1,788	1,791	1,765
Agency/Optioned	7,724	7,932	7,246

Investment in Land Holdings

	June 14		Dec 13		Dec 12	
	£m	Per acre /£'000	£m	Per acre /£'000	£m	Per acre /£'000
Owned	68.2	38	63.3	35	58.8	33
Agency/Optioned	23.9	3	20.6	3	16.6	2
Total	92.1	10	83.9	9	75.4	8

Sites in Planning Process

	June 14	Dec 13	Dec 12
Sites	70	65	45
Plots	21,112	19,925	11,497
of which permissioned	11,371	10,438	6,296



Land Development

KEY EVENTS IN THE PERIOD

- Over 40 sites with consent moving into selling phase.
- Completed six sales in the period, net profit margin 53%. Replenished portfolio with a similar number.
- Circa 10 sites being actively marketed. Timing of completions late second half 2014 or first half 2015.
- Planning framework remains favourable. Highly political process. Help to Buy has really helped first time buyer market.
- London and south east dynamic – UK regions sedate.



Property Investment and Development

KEY EVENTS IN THE PERIOD

- Stoke - 69,000 industrial unit extension and re-gear to 20 year lease – GDV £4.0m/£5.0m.
- Huddersfield - 50,000 sq ft clinical facility in JV with NHS Trust – GDV £10.0m.
- Thorne - Land sale to Tesco, Marstons, KFC and future grant assisted industrial scheme – GDV £10.0m/£13.0m.
- Markham - Design and build units for two customers, 50,000 sq ft. Further 150,000 sq ft leasehold deals – GDV circa £10m.
- Richmond on Thames - 80 bed Travelodge – GDV £8.0m.
- Malvern - 66 Premier Inn – GDV £3.5m.
- Cumbria - 22,000 sq ft offices 100% pre-let to W S Atkins – GDV £3.5m.
- Nottingham - Retail refurbishment with part redevelopment - GDV circa £7.0m/£8.0m.
- 2015 onwards - Daventry, York, Aberdeen and other schemes at Livingston, Bodmin and Chesterfield.
- York planning proposals in and, if successful, 2015 development commencement. 150 flats plus extra care living facility and hotel site sales.
- Stonebridge Homes 18 completions in period, trading well, targeting 33-37 completions in year. Two large sites for over 220 units acquired.



Construction

KEY EVENTS IN THE PERIOD

- Full order book for 2014, beginning to build 2015.
- Increased number of tender opportunities, however pricing is still competitive.
- Private sector workload beginning to recover.
- We continue to have a good quality framework biased customer base.
- Stocksbridge contract £30.0m progressing satisfactorily.
- Plant utilisation and hire rates are improving through year. Increased plant investment. Incremental result in 2014.
- Road Link (A69) trading in line with previous years and expectations.

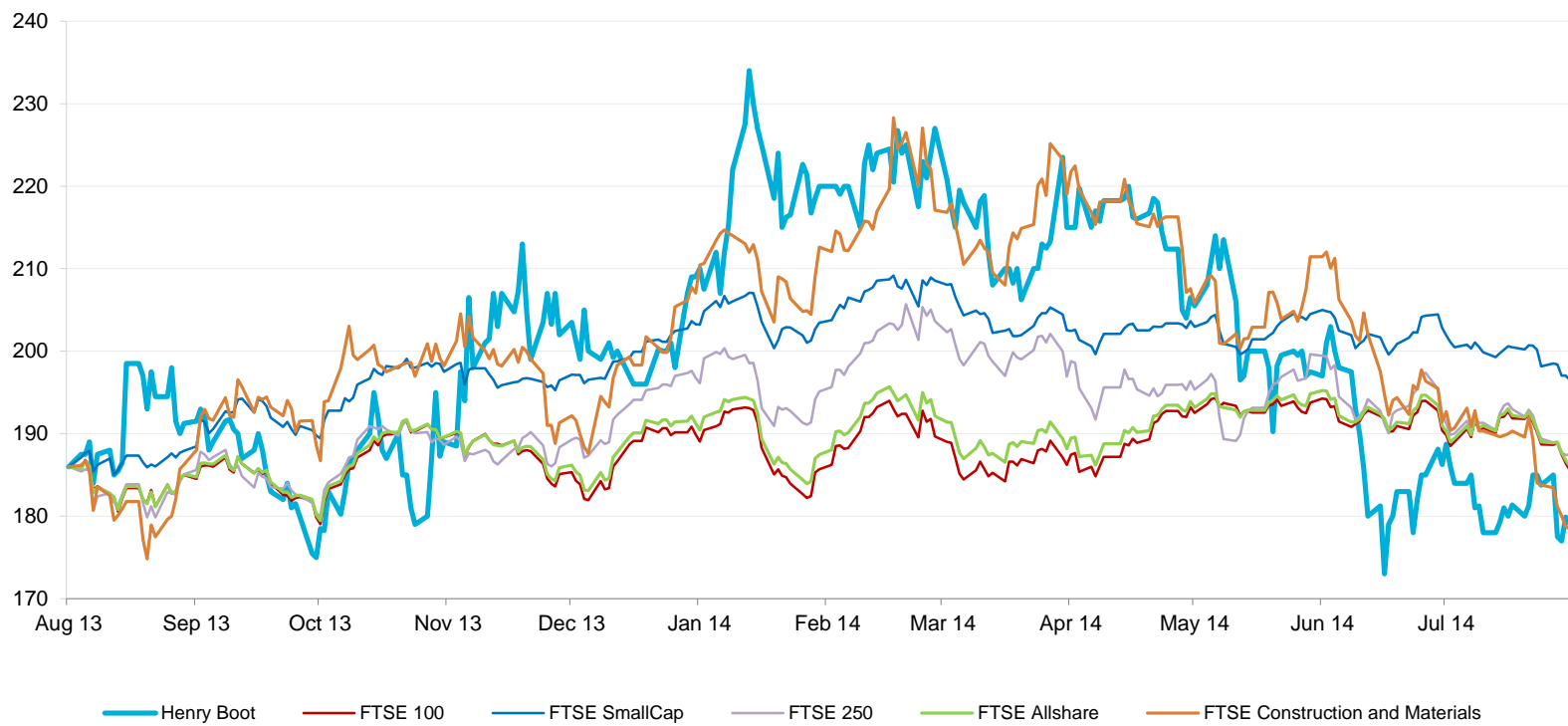


Top 10 Institutional Shareholders as at 1.8.14

• Standard Life	7,508,746
• Fidelity	6,787,316
• Schroder Investment Management	4,435,230
• Allianz Global Investors Europe (UK)	3,112,630
• Legal & General Investment Management	2,851,723
• Hermes Pensions Management	2,808,380
• Hargreave Hale Stockbrokers	2,071,700
• Dimensional Fund Advisors	2,064,344
• Moore Street Securities Limited (ESOP & Pension Scheme combined)	1,974,590
• Smith & Williamson	1,779,052



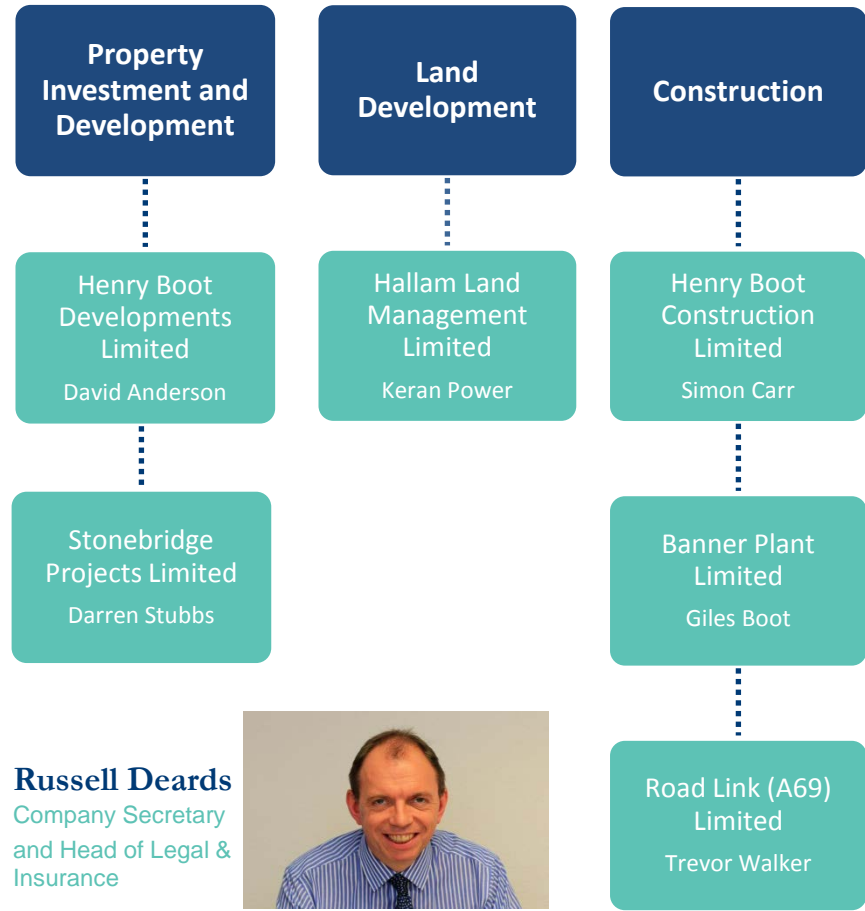
Henry Boot vs benchmark indices – Previous 12 months





Group Structure 2014

-  **John Brown**
Non-executive Chairman
Chair of Nomination Committee
-  **Jamie Boot**
Group Managing Director
-  **John Sutcliffe**
Group Finance Director
-  **Mike Gunston**
Non-executive Director
Chair of Remuneration Committee
-  **James Sykes**
Non-independent Non-executive Director
Chair of Audit Committee



Markham Vale / Derbyshire



200 acre business park, in partnership with Derbyshire County Council, to create 5,000 sustainable new jobs

Direct access off the M1, Junction 29A

The East Midlands most active development site

Enterprise Zone status granted

Industrial/Warehouse/Offices

Sustainable development with the benefit of 2 rail heads

Occupiers include Andrew Page, Chesterfield College, Euro Garages, Holdsworth Foods and Ready Egg Products

The Green Giant

585,000 sq ft distribution warehouse including 25,000 sq ft office

Available freehold / leasehold

Excellent BREAM Rating

Includes photo voltaic panels & rain water harvesting

Grade 'A' energy performance rating

50KN/m2 flooring loading laid to FM2 special tolerance

385 car parking spaces

The Courthouse, Deansgate – Mixed Use Development / Manchester



35,000 sq ft Grade II listed building

Prime city centre location

2 x units let to Handmade Burger Company & Steve Pilling Roast Restaurant & Oyster Bar

13,320 sq ft of Grade A office accommodation sold to the Oddfellows Society

Letting of final 6,800 sq ft leisure unit exchanged with Hawksmoor



The Pennine Property Partnership / Huddersfield



An innovative joint venture company set up in partnership with Calderdale & Huddersfield NHS Trust to realise the maximum value of surplus property assets and provide new accommodation for the Trust

First phase comprises 56,000 sq ft of new clinical and office accommodation within a converted listed mill

New accommodation to be leased to the Trust and retained by the partnership

Shell works completed Winter 2013

Fit out Works commenced - completion due Winter 2014

Second phase of development to comprise the mixed-use redevelopment of a 23 acre former hospital

Active appraisal of additional property development opportunities by the Partnership underway



The Chocolate Works / York



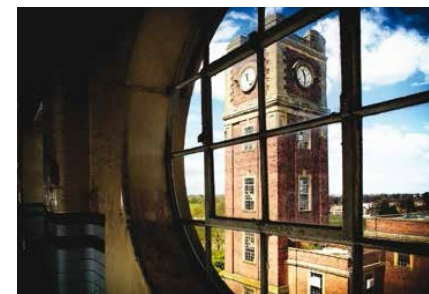
Acquisition of a 27 acre site, formerly Terry's Chocolate Factory

The site includes distinctive and iconic listed buildings totalling 236,806 sq ft plus cleared development land

Immediately adjacent to York Racecourse

Planning consent which secures a variety of uses across the site

David Wilson Homes have purchased 13.5 acres with plans to commence a 270 unit high quality residential scheme imminently.





Daventry Town Centre / Northamptonshire



Multi site town centre regeneration project in partnership with Daventry District Council

Planning permission granted for 80,000 sq ft foodstore

58,000 sq ft of traditional High Street retailing/restaurant space

40,000 sq ft of large format retailing

6 screen cinema

Replacement library facility

Terms agreed with major supermarket retailer



Meir Park - Recticel (UK) Ltd / Stoke on Trent



18 acre business park adjacent to A50 Highway

Recticel (UK) Ltd

123,519 sq ft purpose built production and warehouse facility

64,067 sq ft production hall

56,059 sq ft warehouse

Unconditional contracts exchanged for 69,000 sq ft warehouse extension

Regearing of lease to a new 20 year term



Meir Park
SPACE TO DEVELOP



Henry Boot
DEVELOPMENTS



Spire Walk / Chesterfield



Joint Venture with Lloyds Bank

6 acre gateway site to Chesterfield

Terms agreed for a new car showroom and public house



Westlakes Science Park / Cumbria



22,000 sq ft pre let unconditionally exchanged with Atkins Engineering Group

Bespoke scheme design to reflect specialist use

Regional Growth Fund Grant secured

Work commenced on site July 2014

Completion expected May 2015

Schemes currently in hand



Blaby, Leicester

A minded to grant resolution was secured for 4,250 homes in Spring 2013. We have a joint venture with two other developers and our consortium share is 1,593 properties. The scheme also consists of a 50 acre business park, a district centre, two local centres, a secondary school and two primary schools. In late 2013 we negotiated a highly complex S106 agreement which has recently been signed, confirming our largest ever single permission. There is still a good deal of preparatory work to be done but land sales are expected to come forward in 2015/16.



Warton, Lancashire

Hallam has two joint land interests in Warton, Fylde with another developer which total some 78 acres split between a planning promotion agreement and an option. An application for 360 houses and significant green space is expected to be taken to committee in May 2014 of which Hallam's share is 270 units. A further application currently being worked up on the remaining land for a further 280 units and a 4 acre local centre alongside significant green infrastructure, and a connecting link road in between the two parcels. Hallam's share is approximately 50% of this element, and an application is expected to be made in Autumn 2014.

Schemes currently in hand



Cranbrook, Devon

Hallam secured its interest in this shared site in 1999 and after much preparation work, the development is well underway. Currently we have planning permission for 3,500 homes which will probably rise to over 5,000 homes. 600 houses have now been built or are under construction and works have also been completed on the St Martin's Primary School (80 pupils to date), a community building, a combined heat and power energy centre, and the Clyst Honiton Bypass. Works are also underway on the Cranbrook Secondary School and the railway station (on the Exeter-Waterloo line).



Nuneaton, Warwickshire

An outline planning application has been approved on appeal on our optioned site of over 35 acres with over 27 acres developable. The approval is for 326 new homes with an affordable housing element of 25%. The site was sold in late 2013 to Davidson Homes. We have now obtained permission for a further 400 homes on an adjoining site and we are currently marketing this land.

Schemes currently in hand



Oulton & Rothwell, West Yorkshire

A site of 9 acres at Rothwell was bought into ownership, with another site in Leeds at Oulton, by Hallam and a development partner in December 2011. Hallam promoted both sites through the planning process and secured a permission for 90 homes at Rothwell and 80 homes at Oulton in June 2013. The Rothwell site was marketed during the Summer of 2013 and was sold to Taylor Wimpey in December of that year. The Oulton site has a sale agreement in place and will be disposed of to a national house builder in late Summer or early Autumn this year.



Haddington, East Lothian

A planning application was approved on appeal on part of Hallam's optioned site. The approved scheme is for 113 units and will include an affordable housing element of 25% with the site having a gross area of 16 acres with 11 acres developable. Also included as part of the Section 75 agreement are contributions towards the expansion of the nearby Secondary School as well as planning conditions that will see various transport improvements carried out. We are close to exchanging contracts with a national house builder and hope to complete this transaction in 2014 or early 2015.

Schemes currently in hand



Hailsham, East Sussex

We have a planning promotion agreement on 43 acres of land. An outline planning application for 240 units, a network of green infrastructure and open space, was submitted and registered in July 2013. This was considered by Committee in August 2013 and granted planning permission in October 2013. Marketing commenced early in 2014 and we hope to complete the sale in 2014.



Kettering, Northamptonshire

Hallam has a solely-owned site of 38 acres that forms part of the East Kettering Urban Extension area. A reserved matters approval for the first 325 new homes (including 20% affordable housing) of the 750 homes scheme was obtained in February. Work is now underway on discharging conditions, obtaining the necessary technical approvals and completing the sale to Barratt and David Wilson Homes in 2014.



Schemes currently in hand



Stone, Staffordshire

A planning promotion agreement was agreed in partnership with Davidson Homes on this land in 2009. A planning application for 500 dwellings was submitted in 2013 and the application went to planning committee in January 2014. The application was approved subject to the agreement of a section 106 agreement, which is currently being negotiated. We anticipate a sale in 2015.



Edenthorpe, South Yorkshire

Hallam has an option agreement on this 80 acre greenfield site in Edenthorpe, Doncaster and is currently promoting it for residential development. The site is located on the eastern edge of the Doncaster main urban area and has been promoted for development through the Local Development Framework since January 2013. We are currently preparing a planning application and it will be submitted during 2014.



Sites disposed of in the first half of 2014



Abingdon, Oxfordshire

Hallam took an interest in a 15 acre property at Drayton Road, Abingdon in the summer of 2012, and submitted an application for circa 160 dwellings that Autumn. Following a refusal by the Vale of White Horse Council, Hallam appealed and subsequent to an Inquiry in the Spring of 2013, secured planning consent. The site was marketed jointly with the owners in the Autumn of last year and the site sold to a national developer in March 2014.



East Leake, Nottinghamshire

A planning promotion agreement was completed in April 2012. Planning permission was granted for 170 dwellings and an annex to the local primary school in August 2013, of which 30% of the site being affordable housing. The site was marketed in the Autumn of 2013 and a sale was agreed and contracts exchanged with Barratt/David Wilson in February 2014. Legal completion took place in March 2014.