2017 PRELIMINARY RESULTS

Michael Stanley
Chief Executive
& Co-Founder

Tim Kenny
Group Finance
Director

Declan Murray
Head of Investor
Relations
1. Highlights

2. Financial

3. Land Bank

4. Outlook

5. Appendix incl.
   a) Cairn’s Sites
   b) Market Backdrop
Revenue: €150m  
(2016: €41m)  
418 completions (ASP - €315k) up from 105 completions (ASP - €295k) in 2016.

Gross Profit: €27m  
(2016: €7.1m)  
Gross Margin 18.2% (2016: 17.3%).

Inventories: €911m  
(2016: €727m)  
34 individual sites containing c.14,100 residential units.  
€807 million land held for development (including non-core assets).  
€104 million construction work in progress.

Operating Profit*: €15m  
(2016: €3.6m)  
* Pre exceptional items of €0.5m (2016: €1.4m).

Forward Sales: 383 units  
Forward sales pipeline of 383 units (sales value €143.2 million, at an ASP of €374k (all ex. VAT) with an expected gross margin of 19%.  
Four additional sales launches in H1 2018.

Revenue Outlook  
Forecast total revenue in excess of €350m (including c. 800+ unit sale completions) and a gross profit margin of c. 20% in 2018.  
We also expect our medium-term run-rate to deliver total revenue of c. €500m from between 1,300 and 1,400 sales completions annually from 2020 (IPO target was 1,000 unit sales completions).
**Operational Highlights**

**Land Acquisitions**

Cairn’s well located land bank has been acquired at a cost of 16% of estimated NDV (excl. HPI), comfortably ahead of IPO target of 20%.

2017 acquisitions were targeted towards specific city centre apartment sites.

Nama is the only remaining ‘unnatural owner’ with a significant land bank in a tightening land market and further JV opportunities may prove attractive.

**Enhancing Value in Unique Land Bank**

1,447 units granted planning permission since the start of 2017.

c. 1,900 incremental units granted planning permission or expected to be gained on existing sites through increased densities.

**Six Hanover Quay**

Due to significant demand from international capital, we have commenced a formal sales process to sell the entire development.

Construction well advanced with an expected transaction close date at the start of 2019, assuming a successful sales process.

**Shares Dual Listed**


Added to the FTSE Global Small Cap Index in Q3 2017 and the ISEQ-20 Index in Q4 2017.

**Customer - Product**

Business has been aligned operationally to manage the three elements of our construction activities – housing, apartments and student apartments - more efficiently.

Cairn today has a highly experienced and committed team of people to deliver our vision of building great homes and great places where our customers will love to live.

**11 Active Sites**

Active on 11 developments (5 at the end of 2016), which will deliver in excess of 3,650 new homes.

3 new site commencements planned for 2018.

Scale of land bank and planning maturity presents numerous site commencement options going forward.
Considerable Progress to Achieve Medium Term Objectives

Sales agreed, legal completions and forward sales by unit numbers and revenue

**Financial Highlights**

**Sales Agreed**
- 2016: 223 units
- 2017: 617 units

**Legal Completions**
- 2016: €65m
- 2017: €131.5m

**Forward Sales**
- 2016: 147 units
- 2017: 348 units

**Unit #**
- 2016: 223 units
- 2017: 617 units

**Revenue**
- 2016: €65m
- 2017: €209m
1. Highlights

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5. Appendix incl.
   a) Cairn’s Sites
   b) Market Backdrop
## Income Statement for the Year Ended 31 December 2017 (Preliminary)

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 December 2017 (Unaudited)</th>
<th>Year ended 31 December 2016 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before Exceptional Items</td>
<td>Exceptional Items</td>
</tr>
<tr>
<td>Revenue</td>
<td>€000</td>
<td>€000</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(122,325)</td>
<td>-</td>
</tr>
<tr>
<td>Gross profit</td>
<td>27,137</td>
<td>-</td>
</tr>
<tr>
<td>% margin</td>
<td>18.2%</td>
<td>-</td>
</tr>
<tr>
<td>Other income</td>
<td>258</td>
<td>-</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(12,414)</td>
<td>(497)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>14,981</td>
<td>(497)</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(8,516)</td>
<td>-</td>
</tr>
<tr>
<td>Profit/(loss) before tax</td>
<td>6,465</td>
<td>(497)</td>
</tr>
<tr>
<td>Tax (charge)/credit</td>
<td>-</td>
<td>(989)</td>
</tr>
<tr>
<td>Profit/(loss) for the year</td>
<td>4,979</td>
<td>-</td>
</tr>
</tbody>
</table>

### Commentary

- Revenue of €150m predominantly from the sale of 418 houses (€131m) and site sales (€17m).
- Gross profit margin of 18.2% and a gross profit of €27m, up from 17.3% and €7m in 2016.
- Administrative expenses of €12m reflect the development of our operational platform to support our growth plans and broadening mix.
- Operating profit (pre exceptional items) of €15m (2016: €3.6m).
- Exceptional costs of €0.5m in respect of Irish Stock Exchange listing.
- Finance costs consist of interest on the Group’s debt facilities including the €50m term loan facility (drawn in July 2017).
Balance Sheet at 31 December 2017 (Preliminary)

<table>
<thead>
<tr>
<th></th>
<th>Unaudited 31 December 2017 €'000</th>
<th>Audited 31 December 2016 €'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>PP&amp;E and intangibles</td>
<td>2,193</td>
<td>1,379</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>17,002</td>
<td>27,000</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td><strong>19,195</strong></td>
<td><strong>28,379</strong></td>
</tr>
<tr>
<td>Loan assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>911,496</td>
<td>727,223</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>5,540</td>
<td>17,015</td>
</tr>
<tr>
<td>Cash</td>
<td>68,803</td>
<td>45,645</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td><strong>985,839</strong></td>
<td><strong>805,883</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>1,005,034</strong></td>
<td><strong>834,262</strong></td>
</tr>
<tr>
<td>Share capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share premium</td>
<td>749,616</td>
<td>697,733</td>
</tr>
<tr>
<td>Share-based payment reserve</td>
<td>14,222</td>
<td>24,779</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>(44,741)</td>
<td>(58,935)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>1,795</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>721,720</strong></td>
<td><strong>664,371</strong></td>
</tr>
<tr>
<td>Loans and borrowings</td>
<td>226,838</td>
<td>148,631</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>5,611</td>
<td>5,490</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td><strong>232,449</strong></td>
<td><strong>154,121</strong></td>
</tr>
<tr>
<td>Loans and borrowings</td>
<td>18,361</td>
<td>-</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>31,636</td>
<td>15,770</td>
</tr>
<tr>
<td>Current taxation</td>
<td>868</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td><strong>50,865</strong></td>
<td><strong>15,770</strong></td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>1,005,034</strong></td>
<td><strong>834,262</strong></td>
</tr>
</tbody>
</table>

**Commentary**

- Total assets of €1bn (2016: €834m).
- Total equity of €722m (2016: €664m).
- Inventories of €911m represents all owned sites, including construction work in progress spend to date (€104m) and development land collateral.
- Net debt €159m (2016: €76m) includes total cash of €86m (including restricted cash of €17m).
- Loans and borrowings represents amounts drawn under debt facilities of €195m plus €50m term loan – net of debt issue costs.
### EBITDA of €15.6m (2016: €2.5m).

- €184m increase in inventories represents 2017 site acquisitions plus spend on active developments, less sales releases and site sales.

- Decrease in loan assets relates to the repayment of the final Project Clear loan asset.

- May 2017 share placing raised net proceeds of €50m.

- Investment in subsidiary by non-controlling interest relates to the joint development with NAMA.

- Cash and cash equivalents of €69m at 31 December 2017.

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### Cash Flow Statement for the Year Ended 31 December 2017 (Preliminary)

<table>
<thead>
<tr>
<th>Description</th>
<th>Unaudited Year ended 31 December 2017</th>
<th>Audited Year ended 31 December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>15,582</td>
<td>2,466</td>
</tr>
<tr>
<td>Increase in inventories</td>
<td>(184,273)</td>
<td>(151,105)</td>
</tr>
<tr>
<td>Decrease in loan assets</td>
<td>16,000</td>
<td>26,768</td>
</tr>
<tr>
<td>Decrease/(increase) in receivables</td>
<td>11,475</td>
<td>(3,796)</td>
</tr>
<tr>
<td>Increase in payables</td>
<td>12,607</td>
<td>4,464</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(128,609)</td>
<td>(121,203)</td>
</tr>
<tr>
<td>Acquisition of Argentum</td>
<td>-</td>
<td>(86,074)</td>
</tr>
<tr>
<td>Cash acquired on acquisition of Argentum</td>
<td>-</td>
<td>818</td>
</tr>
<tr>
<td>Purchases of PP&amp;E and intangibles</td>
<td>(1,212)</td>
<td>(1,310)</td>
</tr>
<tr>
<td>Interest received</td>
<td>15</td>
<td>89</td>
</tr>
<tr>
<td>Transfer from restricted cash</td>
<td>10,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash from/(used in) investing activities</strong></td>
<td>8,803</td>
<td>(86,477)</td>
</tr>
<tr>
<td>Proceeds from issue of share capital, net of issue costs paid</td>
<td>50,402</td>
<td>167,716</td>
</tr>
<tr>
<td>Proceed from borrowings, net of debt issue costs</td>
<td>96,937</td>
<td>99,285</td>
</tr>
<tr>
<td>Repayment of loans</td>
<td>-</td>
<td>(15,500)</td>
</tr>
<tr>
<td>Investment in subsidiary by non-controlling interest</td>
<td>1,268</td>
<td>-</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(5,643)</td>
<td>(4,727)</td>
</tr>
<tr>
<td><strong>Net cash from financing activities</strong></td>
<td>142,964</td>
<td>246,774</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>23,158</td>
<td>39,094</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the year</strong></td>
<td>45,645</td>
<td>6,551</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td>68,803</td>
<td>45,645</td>
</tr>
</tbody>
</table>
1. Highlights

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5. Appendix incl.
   a) Cairn’s Sites
   b) Market Backdrop
Core Land Bank – Timing and Location Key Drivers to Future Success

Investment in our Core Land Bank – Capital Allocations Timeline

- **Core land bank acquisition dates**
  - **€822m capital deployed on a land bank of c. 14,100 units**
  - Acquisitions in Period (€’m)
  - Cumulative Units Acquired

- **75%** of core land bank capital deployed in 2015 and early 2016
- **90%** of core land bank units acquired within 1 year of IPO
Core Land Bank – Timing and Location Key Drivers to Future Success

Investment in our Core Land Bank – Capital Allocations Geographical Split

Targeted Capital Allocation Focused on the GDA

- 18.2% Rest of Dublin  €150m
- 49.8% Dublin within M50  €409m
- 27.0% Greater Dublin Area  €222m
- 5.0% Regional  €41m

45% of all Cairn acquisitions, by value, were concluded through off market deals.
The Brands of our Current Developments

Housing

- Parkside
- Churchfields
- Shackleton Park
- Glenheron
- Elsmore
- Albany

High Density Apartments

- Six Hanover Quay
- Marianella
- Greenfields

Student Apartments

- Cork Street
- Stillorgan
- Maynooth
- Blackhall Place
- Galway
Core Land Bank – Enhancing Value

14,100 RESIDENTIAL UNITS ACROSS 34 CORE SITES

Unique Wholly Owned Land Bank with Inherent Planning Upside

<table>
<thead>
<tr>
<th>Housing # Units</th>
<th>High Density Apartment # Units</th>
<th>Student Apartment # Units</th>
<th>Total # Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Bank 1/1/17</td>
<td>9,900</td>
<td>1,618</td>
<td>11,918</td>
</tr>
<tr>
<td>Less: 2017 Unit Sales</td>
<td>(373)</td>
<td>(45)</td>
<td>(418)</td>
</tr>
<tr>
<td>Add: 2017 Acquisitions</td>
<td>71</td>
<td>596</td>
<td>700</td>
</tr>
<tr>
<td>2017 Planning Gains</td>
<td>902</td>
<td>931</td>
<td>67</td>
</tr>
<tr>
<td>Land Bank 31/12/17</td>
<td>10,500</td>
<td>3,100</td>
<td>14,100</td>
</tr>
</tbody>
</table>

Drivers Behind Planning Gains

- Ongoing enhancement of the value of our existing sites and overall land bank. Additional c. 1,900 units which we have or expect to gain by maximising densities through:
  - Continuing to amend existing planning consents – focus on converting historic densities into current, demand driven higher densities;
  - Strategic positioning of our land bank in response to:
    1. Government and the National Planning Authority looking for housebuilders to make more efficient use of residential land;
    2. Apartment design regulations relaxation (improving densities and efficiencies);
    3. Expected directive on increased building heights (due to be announced on 31 March 2018); and
    4. Response to increased demand for apartment living, changing lifestyle patterns and purchasers seeking homes close to employment and the city centre.

Land Market Transaction Value

<table>
<thead>
<tr>
<th>Development Land Sales</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>€1.4bn</td>
<td>€900m</td>
<td>€600m</td>
<td></td>
</tr>
</tbody>
</table>

Source: Cushman & Wakefield (incl. all Cairn land acquisitions)
Core Land Bank - Composition

Composition of c. 14,100 Units

**UNIT TYPE**
- Houses: 74%
- Apartments: 22%
- Student: 4%

**PLANNING STATUS**
- Full Planning Permission: 36%
- SDZ Effective FPP: 32%
- Zoned Residential: 28%
- Subject to Zoning: 4%

**BUYER PROFILE**
- FTB (from €250k): 10%
- Trade Up / Mover (up to €600k): 47%
- Premium (from €600k): 25%
- Social: 14%
- Student: 4%
Core Land Bank Analysis - Housing

22 well located HOUSING sites (c. 10,500 units) with excellent public transport links and no planning risk

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**Active**

1. Parkside, Malahide Road
2. Churchfields, Ashbourne, Co. Meath
3. Elsmore, Naas, Co. Kildare
4. Shackleton Park, Lucan
5. Glenheron, Greystones, Co. Wicklow
6. Parkside NAMA JV
7. Albany, Killiney

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>395</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>397</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>465</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>1,005</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>352</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>71</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>20</td>
</tr>
</tbody>
</table>

**Options for 2018/19 Commencements**

1. Craddockstown, Naas, Co. Kildare
2. Mariavilla, Maynooth, Co. Kildare
3. Clonburris, Dublin 22
4. Cherrywood, South Co. Dublin
5. Citywest, Dublin 24
6. Newcastle, Co. Dublin
7. Farrankelly, Delgany, Co. Wicklow
8. Swords, Co. Dublin
9. Enniskerry, Co. Wicklow
10. Rahoon, Galway
11. Ballymonee Road, Galway

**Future**

1. Coolagad, Greystones, Co. Wicklow
2. Blessington, Co. Wicklow
3. Douglas, Cork
4. Callan Road, Kilkenny

---

**Cost per Site**

<table>
<thead>
<tr>
<th>Cost per Site</th>
<th>Average Estimated Selling Price per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>€41k</td>
<td>€335k (gross)</td>
</tr>
<tr>
<td>€295k (net)</td>
<td></td>
</tr>
</tbody>
</table>
Core Land Bank Analysis – High Density Apartments

14 prime APARTMENT Sites (c. 3,100 units) in and near Dublin City

Active

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Marianella, Rathgar, Dublin 6W</td>
<td>231</td>
</tr>
<tr>
<td>2. Hanover Quay, Dublin 2</td>
<td>120</td>
</tr>
<tr>
<td>3. Greenfields, Donnybrook, Dublin 4</td>
<td>86</td>
</tr>
</tbody>
</table>

Options for 2018/19 Commencements

1. Montrose, Dublin 4
2. Griffith Avenue, Dublin 9
3. Cross Avenue, Blackrock, Co. Dublin
4. Stillorgan, Co. Dublin
5. Parkside, Malahide Road
6. Swords, Co. Dublin
7. Shackleton Park, Lucan
8. Citywest, Dublin 24
9. Glenheron, Greystones, Co. Wicklow

Future

1. Barrington Tower, Carrickmines, Dublin 18
2. Glenamuck Road, Carrickmines, Dublin 18

Cost per Site | Average Estimated Selling Price per Unit
---|---
€105k | €586k (gross)
|  
| €516k (net)
Buyer profiles across core land bank continues to expand

<table>
<thead>
<tr>
<th>Housing - Existing Buyer Profile</th>
<th>High Density Apartments - Existing Buyer Profile</th>
<th>Broadening Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Time Buyers (&gt; €250k)</td>
<td>First Time Buyers (&gt; €250k)</td>
<td>International Institutional Investors</td>
</tr>
<tr>
<td>Trade-up/Down</td>
<td>Trade-down</td>
<td>PRS Operators</td>
</tr>
<tr>
<td>Social</td>
<td>Premium (&gt; €600k)</td>
<td>Brexit job-relocators</td>
</tr>
<tr>
<td>FDI Employees</td>
<td>Retail Investors</td>
<td>Domestic students</td>
</tr>
<tr>
<td></td>
<td>FDI Employees</td>
<td>International Students</td>
</tr>
</tbody>
</table>
Formal Sales Process Commenced

Background

- There are a large number of international institutional investors and PRS operators looking to own residential assets in Ireland, and particularly in Dublin.

- The Multi-Family / Build to Rent residential investment market in Dublin has seen investment of over €1 billion since 2015.

- Much of capital deployed into this sector in recent years, and particularly in 2015 and 2016, has been on stock which remained partially construction complete following the property crash. New product is now the only way for this capital to gain access to this market.

Six Hanover Quay

- We have received a number of direct enquiries in recent months from international institutional investors and PRS operators seeking to forward purchase a number of our current and future high density apartment developments.

- There has been specific recent interest in Six Hanover Quay given its location in an area of high and growing employment and the demand for prime rental properties in Dublin City Centre.

- We have commenced a formal sales process, through Savills, with a view to selling the entire development (comprising 120 apartments, a 5,000 sq. ft. restaurant and a 1,400 sq. ft. café).

- Construction well advanced with an expected transaction close date at the start of 2019, assuming a successful sales process.
Core Land Bank Analysis – Student Apartments

c. 1,717 STUDENT BED pipeline in close proximity to Ireland’s major universities

Under Construction

<table>
<thead>
<tr>
<th>Project</th>
<th>Student Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blackhall Place, Dublin 1</td>
<td>112</td>
</tr>
</tbody>
</table>

Full Planning Permission

<table>
<thead>
<tr>
<th>Project</th>
<th>Student Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eyre Square, Galway</td>
<td>147</td>
</tr>
<tr>
<td>Cork Street, Dublin 8</td>
<td>399</td>
</tr>
</tbody>
</table>

In Planning

<table>
<thead>
<tr>
<th>Project</th>
<th>Student Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stillorgan, Co. Dublin</td>
<td>576</td>
</tr>
<tr>
<td>Mariavilla, Maynooth, Co. Kildare</td>
<td>483</td>
</tr>
</tbody>
</table>
SIGNIFICANT SUPPLY AND DEMAND IMBALANCE

<table>
<thead>
<tr>
<th>Dublin, Kildare &amp; Galway</th>
<th>2018</th>
<th>2020</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply</td>
<td>19,177</td>
<td>27,067</td>
<td>30,901</td>
</tr>
<tr>
<td>Demand</td>
<td>37,493</td>
<td>41,062</td>
<td>44,864</td>
</tr>
<tr>
<td>Shortfall</td>
<td>18,316</td>
<td>13,995</td>
<td>13,963</td>
</tr>
</tbody>
</table>

GROWING THIRD LEVEL STUDENT POPULATION

<table>
<thead>
<tr>
<th>Year</th>
<th>Full Time Third Level Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>115,000</td>
</tr>
<tr>
<td>2018</td>
<td>120,000</td>
</tr>
<tr>
<td>2019</td>
<td>125,000</td>
</tr>
<tr>
<td>2020</td>
<td>130,000</td>
</tr>
<tr>
<td>2021</td>
<td>135,000</td>
</tr>
<tr>
<td>2022</td>
<td>140,000</td>
</tr>
</tbody>
</table>

Note: 2007 – 2017 (Actual); 2018 – 2028 (Forecast)

LOW PROVISION RATE OF STUDENT ACCOMMODATION

<table>
<thead>
<tr>
<th></th>
<th>2017 (A)</th>
<th>2019 (F)</th>
<th>2020 (F)</th>
<th>2021 (F)</th>
<th>2022 (F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dublin &amp; Kildare</td>
<td>16%</td>
<td>17%</td>
<td>19%</td>
<td>22%</td>
<td>23%</td>
</tr>
<tr>
<td>Galway</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
<td>20%</td>
<td>21%</td>
</tr>
</tbody>
</table>

- The provision rate of student accommodation is the total number of purpose built student accommodation beds as a percentage of the total student population.
- Current and forecasted provision rates in Dublin, Kildare and Galway are behind UK comparables.

UK Comparables: 2016

- Edinburgh: 33%
- Manchester: 40%
- Liverpool: 51%
- Bristol: 35%
- London: 24%
- Leeds: 40%
- Oxford: 60%

Source: Internal Cairn Estimates, National Student Accommodation Strategy July 2017, Savills and GVA 2016, HEA and Department of Education and Skills
## Core Land Bank Analysis

### CORE LAND BANK – DEVELOPMENT METRICS

Key development metrics by construction activity

<table>
<thead>
<tr>
<th></th>
<th>Housing</th>
<th>High Density Apartments</th>
<th>Student Apartments</th>
<th>Overall Land Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Allocation</td>
<td>53%</td>
<td>41%</td>
<td>6%</td>
<td>100%</td>
</tr>
<tr>
<td>Total Units</td>
<td>10,500</td>
<td>3,100</td>
<td>500*</td>
<td>14,100</td>
</tr>
<tr>
<td>Average Unit Cost</td>
<td>€41k</td>
<td>€105k</td>
<td>€95k</td>
<td>€57k</td>
</tr>
<tr>
<td>Estimated ASP (ex. VAT)</td>
<td>€295k</td>
<td>€516k</td>
<td>€600k</td>
<td>€354k</td>
</tr>
<tr>
<td>Estimated NDV (no HPI)</td>
<td>€3.1bn</td>
<td>€1.6bn</td>
<td>€0.3bn</td>
<td>€5.0bn</td>
</tr>
<tr>
<td>Land (at historical cost) as a % of Estimated NDV</td>
<td>13.7%</td>
<td>20.3%</td>
<td>15.8%</td>
<td>16.0%</td>
</tr>
</tbody>
</table>

* Incorporating c. 1,717 student beds
Business Outlook

- Irish recovery complete – now in expansionary phase
- Supply / demand imbalance intensifying
- Clearly defined strategy across distinct product mixes
- Unique land bank with sites in the best locations
- Talented and experienced team of housebuilders in place
- 2020 medium-term run rate of c. €500m revenue, 1,300 to 1,400 units
- Strong forward sales pipeline and strengthening mortgage market

Positive outlook with continued significant growth in sales, profit and cash generation over the next three years
1. Highlights
2. Land Bank
3. Operations
4. Outlook
5. Appendix incl.
   a) Cairn’s Sites
   b) Market Backdrop
Housing - Selling Sites

PARKSIDE, MALAHIDE ROAD

Total Units: 395
Completions to FYE 17: 245

UPDATE:
Phase 1 (166 units) sold out. Phase 2 (141 units) sold out and nearing completion. Phase 3 (88 units) under construction with further sales launch in H1 2018. Phase 4 (205 units – high density) in design phase.

PARKSIDE NAMA JV

Total Units: 71
Completions to FYE 17: 32

UPDATE:
Sold out and remaining 39 completions scheduled during H1 2018.

CHURCHFIELDS, ASHBOURNE

Total Units: 397
Completions to FYE 17: 130

UPDATE:
Phase 1 (173 units) sold out and construction complete and completions ongoing. Phase 2 (224 units) construction underway, with completions commencing imminently. Most recent sales launch in February 2018.

SHACKLETON PARK, LUCAN

Total Units: 1,005
Completions to FYE 17: 29

UPDATE:
Construction of 199 houses and 68 apartments in Phase 1 at an advanced stage. Latest sales launch in February 2018 from completed show units (c. 130 units sold to date, including two off-plan launches).
### Housing - Selling Sites

#### GLENHERON, GREYSTONES
- **Total Units:** 352
- **Completions to FYE 17:** 11

**UPDATE:**
Construction of Phase 1 (50 units) nearing completion. 22 units sold off plans. First show unit will open in H1 2018. Construction underway on Phase 2 (192 units) with an initial sales launch in H1 2018.

#### ELSMORE, NAAS
- **Total Units:** 465
- **Completions to FYE 17:** -

**UPDATE:**
Construction of Phase 1 (117 units) advanced with first occupations scheduled in H1 2018. 20 units sold off plans with balance of Phase 1 units to be released from completed show units in Q2 2018.

#### ALBANY, KILLINEY
- **Total Units:** 20
- **Completions to FYE 17:** 5

**UPDATE:**
## Housing – Options for 2018/2019 Site Commencements

<table>
<thead>
<tr>
<th>Location</th>
<th>Size</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MARIAVILLA, MAYNOOTH</strong></td>
<td>49 acres</td>
<td>462</td>
</tr>
<tr>
<td><strong>CRADDOCKSTOWN, NAAS</strong></td>
<td>30 acres</td>
<td>251</td>
</tr>
<tr>
<td><strong>CHERRYWOOD, DUBLIN</strong></td>
<td>10.5 acres</td>
<td>294</td>
</tr>
<tr>
<td><strong>CLONBURRIS, DUBLIN 22</strong></td>
<td>177 acres</td>
<td>Up to 3,086</td>
</tr>
</tbody>
</table>

### UPDATE:
- MARIAVILLA, MAYNOOTH: Planning application (462 units – 320 houses, 81 apartments and 56 duplex units) expected to be lodged through the Strategic Housing Development process in Q1 2018.
- CRADDOCKSTOWN, NAAS: Full planning permission received for 251 houses in Q4 2017.
- CHERRYWOOD, DUBLIN: Infrastructure works and completion of public parks progressing. Phasing within SDZ being reviewed and fast-track SDZ planning application to be submitted during 2018.
- CLONBURRIS, DUBLIN 22: Enlarged 280 hectare SDZ expected to be approved by South Dublin County Council in H1 2018. Anticipate full An Bord Pleanála approval by the end of H2 2018 which will facilitate a fast-track (8 week) planning application at that time.
# Housing – Options for 2018/2019 Site Commencements

<table>
<thead>
<tr>
<th>Location</th>
<th>Size</th>
<th>Total Units</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farrankelly, Delgany</td>
<td>21.5 acres</td>
<td>440</td>
<td>Currently in detailed design stage with a view to lodging a planning application through the Strategic Housing Development process in H2 2018.</td>
</tr>
<tr>
<td>Citywest, Dublin 24</td>
<td>20 acres</td>
<td>354</td>
<td>Currently in detailed design stage with a view to lodging a planning application through the Strategic Housing Development process in H2 2018.</td>
</tr>
<tr>
<td>Swords, Co. Dublin</td>
<td>28 acres</td>
<td>500</td>
<td>Currently in detailed design stage. Well located site within 1km of proposed Metro North, where a focus will be on higher density development.</td>
</tr>
<tr>
<td>Rahoon, Galway</td>
<td>21 acres</td>
<td>220</td>
<td>Currently in detailed design stage.</td>
</tr>
</tbody>
</table>

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### MARIANELLA, RATHGAR

**Total Units:** 231  
**Completions to FYE 17:** 45

**UPDATE:**  
Completions in Block A started in Q4 2017. Strong forward sales and demand for this product. Next sales launch scheduled for March 2018 with penthouse apartments to launch in Q2 2018. ASPs ahead of target.

### HANOVER QUAY, DUBLIN 2

**Total Units:** 120  
**Completions to FYE 17:** -

**UPDATE:**  
Construction at roof level (eighth floor) and internal first fix commenced. Formal sales process commenced with a view to selling the entire development with a scheduled completion date of Q1 2019.

### GREENFIELD PARK, DUBLIN 4

**Total Units:** 86  
**Completions to FYE 17:** -

**UPDATE:**  
Site clearance works commenced at the end of 2017 and construction commenced in Q1 2018. Development consists of 68 two-bedroom and 18 three-bedroom large apartments across five individual blocks.
High Density Apartments – Options for 2018/2019 Site Commencements

MONTROSE, DUBLIN 4
Size: 8.6 acres
Total Units: TBC

UPDATE:
Site being master-planned presently with a full design team retained ahead of pre-planning consultation with Dublin City Council.

GRIFFITH AVENUE, DUBLIN 9
Size: 7.5 acres
Total Units: TBC

UPDATE:
In detailed pre-planning, design and local authority consultation with a Strategic Housing Development planning application to be submitted in H1 2018.

CROSS AVENUE, BLACKROCK
Size: 8.0 acres
Total Units: TBC

UPDATE:
In detailed pre-planning, design and local authority consultation with a Strategic Housing Development planning application to be submitted in Q1 2018.

BARRINGTON, CARRICKMINES
Size: 12 acres
Total Units: TBC

UPDATE:
Currently in detailed design stage.
Blackhall Place, Dublin 8

| Total Units:     | 29  |
| Total Beds:      | 112 |
| Size:            | 2,800 sq.m. |
| Target Colleges: | TCD, DIT |

**UPDATE:**
Refurbishment underway ahead of completion and letting for the summer student market and the start of the new academic year in September 2018.
### Student Apartments – Future Sites

#### STILLORGAN, DUBLIN
- **Units:** 215
- **Total Beds:** 576
- **Size:** 19,400 sq.m.
- **Universities:** UCD, IAD

**UPDATE:**
Planning application submitted through the Strategic Housing Development process in December 2018 with a decision expected on or before 19 April 2018.

#### CORK STREET, DUBLIN 8
- **Units:** 90
- **Total Beds:** 399
- **Size:** 13,000 sq.m.
- **Universities:** TCD, DIT, Griffith College

**UPDATE:**
Full planning permission received through the Strategic Housing Development process in February 2018 for 399 student beds.

#### MARIAVILLA, MAYNOOTH
- **Units:** 179
- **Total Beds:** 483
- **Size:** 19,600 sq.m.
- **Universities:** NUI, Maynooth

**UPDATE:**
Planning application expected to be lodged through the Strategic Housing Development process in Q1 2018.

#### EYRE SQUARE, GALWAY
- **Units:** 22
- **Total Beds:** 147
- **Size:** 5,750 sq.m.
- **Universities:** GMIT, NUIG

**UPDATE:**
Full planning permission in place.
1. Highlights
2. Land Bank
3. Operations
4. Outlook
5. Appendix incl.
   a) Cairn’s Sites
   b) Market Backdrop
## Market Backdrop – Supporting The Continuing Maturing of Cairn

### 2017 – Irish Macro Environment

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>+8.1%</td>
<td>+5.4%</td>
</tr>
<tr>
<td>Employment</td>
<td>+3.8%</td>
<td>+5.4%</td>
</tr>
<tr>
<td>Core Domestic Demand</td>
<td>+6.7%</td>
<td>+5.4%</td>
</tr>
<tr>
<td>Gross Disposable Income</td>
<td>+5.1%</td>
<td>+5.4%</td>
</tr>
</tbody>
</table>

### 2017 – Irish Housing Market

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage Drawdowns</td>
<td>+ 29%</td>
<td></td>
</tr>
<tr>
<td>HPI</td>
<td>+ 12.3%</td>
<td>(new homes 5.9%)</td>
</tr>
<tr>
<td>Supply / Demand</td>
<td>9,251 / 30,000+</td>
<td></td>
</tr>
<tr>
<td>Home Ownership</td>
<td>68%</td>
<td>(70% in 2011)</td>
</tr>
<tr>
<td>New Builds per ‘000</td>
<td>0.2 (UK: 0.33)</td>
<td></td>
</tr>
<tr>
<td>Available Dublin Rental Properties</td>
<td>1,300 (0.3% of housing stock)</td>
<td></td>
</tr>
<tr>
<td>Transactions</td>
<td>54,092 (2.7% of housing stock)</td>
<td></td>
</tr>
</tbody>
</table>
Key Drivers Boosting Affordability

WAGE INFLATION OUTSTRIPPING CONSUMER PRICE INDEX

STRENGTHENING IRISH LABOUR MARKET

MORTGAGE RATES FALLING

IMPACT OF EXPANSIONARY BUDGETS – HIGHER TAKE HOME PAY

Source: CSO, Goodbody, CBI, TaxCalc.ie
PRIVATE RENTS 19% ABOVE PEAK, DUBLIN HOUSE PRICES STILL 24% BELOW PEAK

- Dublin average house price €344,125 as at December 2017, 24% below €453,638 peak in February 2007.
- The National Rental Index reached 133.5 in December 2017, 19% above April 2008 peak.
- The Daft.ie Q4 2017 Rental Price Report identifies that rents in Dublin are now 19% above their previous 2008 peak, following annual rental inflation in excess of 10% in every year since 2013.

- Residential property prices increased by 12.3% in the year to December 2017:
  - Dublin + 11.6%
  - Rest of Ireland + 13.2%
- Eurostat, the statistical office of the EU, report that 12% national HPI in the year to September 2017 was split 5.9% new homes and 13.1% existing homes.

Source: CSO, Goodbody
**Owing v’s Renting**

**THE FIRST TIME BUYER DECISION TREE – COST OF RENTING IS NOW 37.3% DEARER THAN OWNING AND FINANCING A STARTER HOME, AN INCREASE OF 4.8% SINCE SEPTEMBER 2017**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>Sep-17</th>
<th>Mar-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>€80,000</td>
<td>€83,983</td>
<td>€86,082</td>
</tr>
<tr>
<td>Annual After-tax Income</td>
<td>€60,138</td>
<td>€63,874</td>
<td>€65,317</td>
</tr>
<tr>
<td>Monthly After-tax Income</td>
<td>€5,012</td>
<td>€5,323</td>
<td>€5,443</td>
</tr>
<tr>
<td>Standard Variable Rate (per CBI)</td>
<td>4.20%</td>
<td>3.35%</td>
<td>3.32%</td>
</tr>
<tr>
<td>Monthly Mortgage Repayments</td>
<td>€1,344</td>
<td>€1,290</td>
<td>€1,323</td>
</tr>
<tr>
<td>Monthly Pay after Tax and Mortgage</td>
<td>€3,668</td>
<td>€4,033</td>
<td>€4,120</td>
</tr>
<tr>
<td>3 Bed Rental - Monthly Cost</td>
<td>€1,232</td>
<td>€1,709</td>
<td>€1,817</td>
</tr>
<tr>
<td>Monthly Pay after Tax and Rent</td>
<td>€3,780</td>
<td>€3,614</td>
<td>€3,626</td>
</tr>
<tr>
<td>Difference between Renting and Owning</td>
<td><strong>€112</strong></td>
<td><strong>-€419</strong></td>
<td><strong>-€494</strong></td>
</tr>
</tbody>
</table>

**RENTING VS OWNING…**

- 2014: 8.3% CHEAPER IN 2014
- 2017: 32.5% DEARER IN 2017
- 2018: 37.3% DEARER IN 2018

**ASSUMPTIONS**

- **2014**: Couple, both working, earning €40,000 each.
- **First time buyers**, purchased a three bedroom house for €295,000 in Dublin 13 (equivalent to Parkside launch price) and obtained a €271,000 mortgage (92% LTV – maximum LTV available at the time) on a 4.20% standard variable rate (SVR) with capital and interest repayments over 30 years.
- Balance of purchase price, €23,600, paid from personal resources.
- **2017**: Same couple benefitted from wage inflation of 1.8% in 2015, 1.1% in 2016, 2.2% in 2017. Purchased similar three bedroom house for €325,000 (allowing for 10% HPI in period) in Dublin 13 and obtained a €293,000 (90% LTV) mortgage on a 3.35% SVR with capital and interest repayments over 30 years.
- As first time buyers, they are in receipt of the Help to Buy income tax rebate, reducing their contribution to the purchase price to 5% or €16,250.
- **2018**: Same couple benefitted from wage inflation of 2.5% in 2018 and additional 3% HPI increases the purchase price of the same house to €334,750 (applying Eurostat September 2017 Irish new homes HPI for a further period of 6 months).

The mortgage market continues its strong growth trend in 2017 with competition intensifying amongst mortgage providers:

- Mortgage drawdowns + 29% in value terms (€7.3bn) and + 18% in volume terms;
- Mortgage approvals + 34% in value terms (€9.3bn) and + 23% in volume terms.

The mortgage approvals trend has continued as the volume of mortgage approvals grew by 12% (year-on-year) in January 2018. Goodbody forecast continued mortgage drawdown growth in 2018 (c. €8.6bn) and 2019 (€10.1bn) as the mortgage market continues its recovery and moves towards more normalised levels of €12bn - €15bn annual drawdowns, all of which support Cairns growth trajectory.

Source: Banking Payments Federation of Ireland, Goodbody, Davy, Investec
Mortgage Market Trends

MORTGAGE APPROVED BORROWERS CANNOT FIND HOUSES

- The number of individual mortgage approved loans converting to mortgage drawdown loans deteriorated significantly in 2017.
- The average conversion rate since Q2 2015 is 83%, however this fell back to 80% in 2017.
- In the 12 months to December 2017, there were 43,546 mortgage approvals for transaction purposes, compared to 34,793 mortgages that were drawn down.
- This suggests 20% of mortgage approved customers cannot source product with which to convert their approval into a house purchase.

Source: Banking Payments Federation of Ireland
2017 SUPPLY LESS THAN ONE THIRD OF MEDIUM TERM DEMAND LEVEL

The Department of Housing, Planning & Local Government completion statistics indicate that the level of under-supply, based on ESRI medium term demand forecasts, is 87,566 units since the start of 2012.

These government statistics are based on connections to the electricity grid, however it is accepted that this is not a reliable measurement metric.

The Property Price Register, which records the sale of new homes based on stamp duty returns, and the Goodbody BER Housebuilding Tracker, which measures completion activity through the issuance of build energy ratings, provide a more reliable measurement of supply:

- The Property Price Register indicates that the actual level of under-supply is actually 118,333 units since the start of 2012, while the BER Tracker indicates a short-fall of 128,590 units (both exclude one-off housing).

- The Property Price Register indicates that the actual level of under-supply is actually 118,333 units since the start of 2012, while the BER Tracker indicates a short-fall of 128,580 units (both exclude one-off housing).

- The Property Price Register return for 2017 reflects total new home sales of 9,251 units, of which 4,026 units were sold in Dublin.

- We estimate that Dublin requires 20,000 new home units per annum into the medium term to meet demographically driven demand, annual obsolescence and catch-up on the level of under-supply witnessed since 2009.


Source: Department of Housing, Planning, Community and Local Government, The Property Price Register, CSO
<table>
<thead>
<tr>
<th>LOCAL INFRASTRUCTURE HOUSING ACTIVATION FUND (LIHAF)</th>
<th>PROJECT IRELAND 2040</th>
</tr>
</thead>
</table>

Source: CSO
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