5 September 2017

Cairn Homes plc
Interim Results for the six months ended 30 June 2017
Considerable progress in scaling the business to achieve our long-term objectives

Dublin/London 5 September 2017: Cairn Homes Plc *(LSE/ISE: CRN)* ("Cairn", "the Company", or "the Group"), the Irish homebuilding company, today announced the Company's interim results for the six months ended 30 June 2017.

HIGHLIGHTS

- Revenues increased by €25.2 million (+157%) to €41.2 million.
- Gross profit up €5.1 million (+191%) to €7.7 million.
- Continued progression in gross profit margin, up to 18.7%, from 16.5% in H1 2016.
- Inventories of €766.4 million (as at 30 June 2017) comprising a core land bank of 33 separate sites, on which the Company will develop c. 12,700 units, with over 90% of those units located in the Greater Dublin Area (GDA).
- Active on nine developments compared to five developments at the end of 2016 (Parkside, Parkside – NAMA joint development, Albany, Marianella, Churchfields, Hanover Quay, Shackleton Park, Glenheron and Elsmore), which will deliver in excess of 3,250 new homes.
- Sales continue to progress very well, with 94 sales completions in the first six months of 2017 and a strong and growing pipeline of forward sales 474 units (€188 million, incl. VAT) in place.
- Equity placing concluded in May 2017 and a site specific debt facility put in place in July 2017, raising combined gross proceeds of in excess of €100 million.
- Listed on Irish Stock Exchange in July 2017 – increased retail and institutional reach.
- Acquisition of the RTÉ Montrose site in July 2017 for €107.5 million. This 8.64 acre prime residentially zoned site in Donnybrook, Dublin 4 is in a unique location and has strong potential for a premium apartment development. Recent acquisition strategy has served to improve the overall site mix in the Company's core land bank.
- Joint development agreement at Parkside with NAMA, announced earlier this year, continues to progress well with sales completions to start later this year.
- Continuing to invest in people, systems and agile but disciplined processes, all adding to our operational strength and supporting the scaling of the business.

Financial Highlights	**6 months ended June 2017 €'000**	**6 months ended June 2016 €'000**
Revenue	41,178	16,003
Gross Profit	7,703	2,643
Operating Profit[1]	2,534	1,631
Profit Before Taxation[2]	108	511
Loss Before Taxation[1]	(392)	(701)
Basic and Diluted Loss Per Share	€0.0004	€0.001

[1] After exceptional items
[2] Before exceptional items

Commenting on the results, Michael Stanley, CEO, said:

"We've made very good progress against our strategic objectives during the first half of 2017. We've invested well and the fruits of this are all the more apparent as we deliver enhanced value from our land bank. We're currently building on nine sites which will deliver 3,250 new homes. We're actively selling on seven sites, soon to be eight, with a very strong and growing forward sales pipeline of €188 million. The quality of our land bank and range of houses and apartments are meeting the needs of distinct segments of the market from first time buyers to people trading up or down-sizing. Our business model is designed to consistently deliver high quality homes in developments of scale and the market has been responding accordingly."

For further information, contact:
Cairn Homes plc **+353 1 696 4600**
Michael Stanley
Tim Kenny

Drury Communications **+353 1 260 5000**
Billy Murphy
Morwenna Rice

Powerscourt **+44 20 7250 1446**
Justin Griffiths
Jack Hickey

There will be an Analyst and Investor call today (5 September 2017) at 8.30am hosted by Michael Stanley, CEO and Tim Kenny, CFO. Please use the numbers below, quoting the following Conference ID: 73473268:

Ireland
- Toll free – 1800 932 187

UK
- Toll free – 0800 694 0257

US
- Toll free – 1866 966 9439

International
- Toll – +44 (0) 145 2555566

Notes to Editors
Cairn Homes plc is an Irish homebuilder committed to building high-quality sustainable homes in excellent locations and providing exceptional customer service at each stage of the home-buying journey. Cairn's highly experienced management team has a clear vision of delivering innovative and thoughtfully designed homes which meet market demand and enhance communities by placing home owners at the very centre of the design process. The Company owns 33 residential development sites with capacity for c. 12,700 new homes, with over 90% of those units located in the Greater Dublin Area (GDA) with excellent public transport and infrastructure links. Cairn is today building on nine development sites in the GDA, which will deliver in excess of 3,250 new homes.

Note regarding forward-looking statements
Some statements in this announcement are forward-looking. They represent our expectations for our business and involve risks and uncertainties. We have based these forward-looking statements on our current expectations and projections about future events. We believe that our expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve known and unknown risks, uncertainties and other factors, which are in some cases beyond our control, our actual results or performance may differ materially from those expressed or implied by such forward-looking statements. These forward-looking statements speak only as of the date of this document and no obligation is undertaken, save as required by law, by the Listing Rules of the Irish Stock Exchange or by the listing rules of the UK Listing Authority, to reflect new information, future events or otherwise.

CHIEF EXECUTIVE STATEMENT

Financial Review

Revenues in the first six months of the year increased by 157%, to €41.2 million (2016: €16.0 million). These revenues were principally from residential property sales (2017: €26.3 million, 2016: €15.4 million[3]) and non-core site sales (€14.1 million). The residential property sales revenue relates to the 94 completions in the first half of 2017 (2016: 39 completions).

Gross margins continued to progress into H1 2017 with a margin of 18.7% (H1 2016: 16.5%).

Operating profit was €2.5 million (2016: €1.6 million) after exceptional items of €0.5 million (2016: €1.2 million). Operating profit includes €0.5 million (2016: €3.5 million) of other income arising from the Project Clear loan portfolio. The increase in administrative costs is to support the scaling of the business to meet our long-term objectives.

Exceptional items in H1 2017 of €0.5 million relate to the costs incurred on the Company's recent listing on the Irish Stock Exchange, which has increased retail and institutional reach. The 2016 exceptional item of €1.2 million related to transaction costs on a business acquisition.

Net finance costs for the six months were €2.9 million (2016: €2.4 million).

Inventories as at 30 June 2017 were €766.4 million, comprised of land held for development of €606.8 million (31 December 2016: €559.0 million), €79.5 million of land in a foreclosure process (31 December 2016: €130.9 million) and construction work in progress of €80.1 million (31 December 2016: €37.3 million). The investment in work in progress reflects the increase in development activity during the period as the Company is now active on 9 developments (31 December 2016: 5 developments).

Net debt of €69.1 million as at 30 June 2017 comprised of drawn debt of €171.2 million (net of unamortised arrangement fees and issue costs), available cash of €75.1 million and restricted cash of €27.0 million. Net debt at 31 December 2016 was €76.0 million. At 30 June 2017, the Company had undrawn revolving credit facilities of €37.8 million (31 December 2016: €50 million) and cash and cash equivalents of €75.1 million (31 December 2016: €45.6 million).

The balance sheet includes a €10.75 million deposit paid in June 2017 in respect of the acquisition of the RTÉ Montrose site in Donnybrook, Dublin 4 for €107.5 million. This transaction completed in July.

The Company announced the completion of the second founder share test period (1 March – 30 June 2017) on 21 July 2017 and confirmed that the founder share value created would be satisfied through the conversion of 38,685,292 founder shares into the same number of ordinary shares, which occurred on 18 August 2017. Under the approved terms of the Founder Share Scheme, the founders are entitled to 20% of total shareholder return generated each year up to and including 30 June 2022, subject to achieving a 12.5% annual compounding hurdle rate.

Operations Review

The period saw further acceleration in the Company's construction activities, with development activity commencing on four sites during the period: Glenheron (Greystones), Parkside – NAMA joint development, Shackleton Park (Lucan) and Elsmore (Naas). These four new developments increase the Company's active sites to nine, which will deliver in excess of 3,250 units over the coming years.

Cairn is now actively selling across seven separate developments and sales are progressing well across each of these schemes. The Company has a strong and growing pipeline with 474 forward sales (9 March 2017: 301 forward sales being the last date on which an update on forward sales was provided). These forward sales have a total sales value of €188 million[4] and an ASP (Average Selling Price) of €397,000 (9 March 2017: €403,000). The slight reduction in ASP in the six-month period across our forward sales pipeline is driven by the sales mix and continuing strong sales across our starter homes schemes in Parkside, Churchfields and Shackleton Park. Of these 474 forward sales, in excess of 200 units are expected to complete during H1 2018, which will represent a good start for the Company's next financial period.

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[3] Includes revenue of €3.8 million from the sale of residential properties acquired in Project Clear

[4] This represents the monetary value of all forward sales units, including VAT, as at 5 September 2017

Encouragingly, these forward sales are across the entire price spectrum, from three bedroom starter homes in Parkside, Ashbourne and Shackleton Park, to larger four bedroom homes in Glenheron and premium apartments and large homes in Marianella.

Sales levels have continued to progress well during the summer months, with a year-to-date sales rate of 13 units per week. In addition to over 110 unit forward sales achieved in Marianella from two private sales launches, we continue to see strong interest in both Parkside and Churchfields, while our off-plan sales launches in both Glenheron and Shackleton Park were also highly successful. Sales absorption rates at our starter home schemes have been assisted by the changes to the Central Bank of Ireland's macroprudential mortgage lending rules and first time buyers availing of the Government Help to Buy Scheme.

Cairn's operational activities will continue to accelerate over the coming months, with strong completion levels targeted for the last quarter of 2017 which support the Company's target of delivering at least 375 unit sales during 2017.

Cairn's non-core site disposal programme continued to progress well during the first six months of 2017, with total realised revenues of €14.1 million. In addition, the last remaining loan receivable asset on the balance sheet (€16.0 million at 30 June 2017) was received in full shortly after the period end.

Land and Planning

One of the Company's core strengths is to maximise returns through improving planning on our core land bank. We anticipate that a number of sites will achieve enhanced planning grants before the end of the year. The Company's planning and development team continue to move sites through the planning cycle, the efficiency of which we expect will improve following the recent enactment of legislation on fast-track planning for all sites delivering greater than 100 residential units. The planning and development team will continue to add value by amending existing planning consents, where appropriate, and designing new schemes, in order to ensure optimum delivery and enhanced returns across the core land bank.

Cairn has continued to add to its well located land bank, the majority of which was acquired in the nine month period after its June 2015 IPO, and has acquired additional sites in 2017 which add to the overall mix and quality of the land bank and improves the distribution of sites across the spectrum of locations and price points, particularly in the GDA. Following the acquisition of the RTÉ Montrose site in Donnybrook, Dublin 4 in July, the Company's planning and design team have commenced a thorough and detailed pre-planning and design phase in order to deliver a scheme befitting the unique and prime location of this 8.64 acre residentially zoned site. The Company also acquired land adjoining its Enniskerry site and land adjoining its Parkside site in conjunction with NAMA in the first six months of 2017.

MARKET CONDITIONS

Economy

The Irish macro-economic backdrop remains positive with Ireland continuing to be one of the fastest growing economies in Europe following a period of sustained growth which commenced at the start of 2013. Recent forecasts (source: Goodbody) for the Irish economy are predicting GDP growth of 4.6% in 2017, 4.7% in 2018 and 3.1% in 2019. Employment growth continues its strong upward trajectory, with 68,600 new jobs created in the year to March 2017, an increase of 3.5% (source: CSO), while unemployment has reduced to 6.4% in July 2017 (down from 8.1% in July 2016) (source: CSO). Consumer spending is forecast to grow by 3.0% in 2017 (source: Goodbody) driven by employment growth, tax cuts and positive wage growth ensuring that both demand, and importantly affordability, for new homes continues.

Brexit

While Brexit uncertainty remains for the broader Irish economy, the early signs for Dublin are positive and we have already witnessed a number of large international financial services firms announce job relocations from London to Dublin. This is likely to increase the demand for new homes.

Residential Property Market

The severe supply/demand imbalance in the Irish housing market is more extreme and pronounced today than at the time of our IPO. While the housebuilding sector is reacting positively to the continually improving macro-economic landscape, the supply of new homes, particularly in Dublin, is still significantly lagging demand which continues to be driven by an ever improving labour market and improved affordability, in addition to a growing population. The Company estimates that Dublin requires 18,000 new homes per annum, driven by 8 years of chronic under-supply, an increasing population and annual obsolescence.

The most reliable measure of new home sales is the Property Price Register, which records the sale of new homes based on stamp duty returns, and it indicates that 1,577 multi-unit scheme new homes were sold in Dublin in the first six months of 2017, compared to 893 units in the first six months of 2016. Supply is starting to increase from an extremely low base, however it is significantly behind any acceptable, normalised level.

Supply is further impacted by a tight and illiquid second-hand market where the stock of second hand homes for sale remains at an all-time low, and the combined effect of the under-supply of new homes and the challenges with the second hand market continue to drive accelerated house price inflation at 11.6% nationally (Dublin – 11.1%; Rest of Ireland – 11.8%) in the year to June 2017 (*Source – CSO*). Dublin prices remain 29.9% behind peak 2007 levels, whilst rents are now 18.1% above their peak levels (*Source – Daft.ie Q2 2017 Rental Price Report*).

With the rental stock also at record low levels, rents continue to increase across the country, and in Dublin in particular (up 12.3% in the year to June 2017). The Company estimates that it is now more than 30% dearer to rent a traditional starter home rather than to own and finance a similar home in Dublin.

The Irish mortgage market has sustained its strong positive trend where the robust momentum in both approvals and drawdowns witnessed in 2016 has continued into the first half of 2017. The value of mortgage drawdowns rose by 28.1% year on year to June 2017, while mortgage approval values increased by 37.0% in the same period (*Source: BPFI Mortgage Approvals June 2017 and BPFI Mortgage Drawdowns Q2 2017*). The strength of approvals indicates that the value of mortgage drawdowns will continue to increase, however the continued shortage of housing for mortgage approved customers has seen the gap between mortgage approvals and drawdowns increase.

The relaxation of the CBI's macro-prudential mortgage lending rules relating to loan to value ratios for first time buyers and the introduction of the Government's Help to Buy income tax rebate scheme have contributed to these positive trends, and it is important to note that the 3.5 times loan to income cap ensures mortgage providers only approve mortgages for customers who meet stringent affordability criteria, which underpins the sustainability of the recovery in the mortgage market.

BOARD CHANGES

The Board was delighted to announce the appointment of Tim Kenny as its new Chief Financial Officer and Director on 24 April 2017. Mr Kenny joined Cairn on 22 August 2017 from Musgrave Group plc where he was Group Finance and Business Development Director for 12 years. Prior to this, Mr. Kenny was Finance Director with Dunloe Ewart plc and he brings a wealth of experience, both technical and commercial, to the role.

Eamonn O'Kennedy resigned from the Board on 22 August 2017 and the Board wishes to thank Mr. O'Kennedy for his valuable contribution to the business during his time with Cairn.

OUTLOOK

The overall economic environment continues to improve in Ireland, and the capacity for further growth is most evident in homebuilding where the recovery is still in its infancy. Cairn's substantial, well located land bank and scalable and flexible business model leaves the Company very well placed to meet the significant realisable demand that exists for new homes.

Cairn's strategic focus on large (average core site size 370 units), well located sites in the Greater Dublin Area with good public transport and infrastructure links, and its relationships with established subcontractors managed by experienced site management teams, enables the Company to react immediately to this significant realisable demand by accelerating construction activities and increasing output. This ability to meet market demand on large, wholly owned, multi-phase sites, will continue to be a core business strength going forward.

The Company's growing scale, which delivers procurement efficiencies, and its practice of entering into longer duration and larger contracts with its subcontractor base, enable it to achieve construction cost economies of scale which will drive shareholder value and returns as the business expands.

The Company's sales trajectory has continued its positive momentum throughout 2017 to date and the rate of forward sales has grown over the past six months. As a consequence of this the Company anticipates strong revenue growth throughout the remainder of the year.

Cairn continues to make significant progress in executing its strategy through the acquisition of exceptional sites in great locations, the disposal of non-core assets and its approach to design, planning and construction across its land bank. Importantly, the Company also continues to add to the team of talented people that are in Cairn today to deliver on its growth ambitions and long-term objectives.

Overall, Cairn looks forward to further progress throughout the remainder of 2017 and beyond.

CAIRN HOMES PLC
PRINCIPAL RISKS AND UNCERTAINTIES

The principal operating risks and our approach to mitigating those risks is set out in more detail below.

Risk Description	Mitigation
Economic Conditions Cairn's business is sensitive to the performance of the wider economy and particularly changes in interest rates, employment and general consumer confidence. Changes in economic conditions in Ireland (which are linked to the performance of the broader global economy, given Ireland's open economy) are likely to impact on house prices and house sales rates.	Cairn's business strategy reflects the cyclical nature of the industry. The Board and the management team closely monitor economic indicators for indications of weakness in the economy. Internal systems are in place to track the margin impact of reduction in sales prices/increased construction costs. Regular site appraisal reviews are undertaken to address any risk of impairment. The Company continues to monitor the potential impacts of Brexit.
Mortgage Availability & Affordability The availability of mortgage finance, particularly the deposit and income requirements set by the Regulator on mortgage lending, is fundamental to customer demand.	The Company monitors mortgage availability, including any impact from regulations on mortgage lending and rates on an ongoing basis and it is a standing item for discussion at Board meetings. The Company also monitors volumes of first time buyers, in order to quantify the impact of the recent changes to the Central Bank of Ireland Loan to Value (LTV) ratios and the recently introduced Government Help to Buy tax rebate scheme, as this results in more immediately realisable mortgage demand. The Company is monitoring the position on the possible changes to the Help to Buy income tax rebate scheme.
Health & Safety Health and safety breaches can result in injuries to Cairn staff or sub-contractors operating on Cairn sites and/or result in delays in construction or increased costs, in addition to reputational damage and potential litigation.	The Health and Safety department operates independently of the construction division and reports directly to senior management in order to maintain independence. Health and Safety is also a standing item on the Audit and Risk Committee agenda. Reportable and non-reportable incidents are measured across sites and reported to management and the Board on a regular basis in order to track trends across and within sites. A strong Health and Safety culture exists across the organisation. A formalised (industry standard) Safe-T Cert system has been implemented, which incorporates a robust management system and includes regular safety audits and scoring of results.
Availability and Strength of Sub-Contractors The risk that the Company is unable to attract the right quantity and quality of sub-contractors, which are critical to delivery of the Company's homes, due to the outsourced business model applied by the Company.	Supply agreements are fixed for all, or a significant portion of each scheme, in order to ensure that supply is guaranteed. Given the size of the Company's landbank and its position in the market-place, it is a very attractive client for sub-contractors. Senior and middle management have many years of experience in the industry and strong relationships with and knowledge of key suppliers. The Company ensures payments are made on time to suppliers in order to maximise their liquidity as they scale their operations in conjunction with the Company. A panel of approved sub-contractors is in place and circulated on all relevant tenders.

Risk Description	Mitigation
Succession Planning A risk that the loss of key staff will result in a loss of key corporate knowledge and consequential impact on operations.	"9 box" succession planning methodology in place, in order to identify succession gaps and actions to close any gaps identified. Performance management process ensures annual goal-setting and structured performance feedback with mid-year and year-end staff ratings. Ensuring that remuneration policy is robust enough to meet market demands. Succession planning actions will be directly linked to compensation outcomes to ensure reward and retention of best talent.
Recruitment and Retention of Key Personnel The risk that the Company does not have a sufficiently robust HR strategy in place in order to ensure the Company's recruitment policy/plans are delivered and that key staff are retained.	The Company's ambitious growth plans and plc status make it an attractive place of employment for high calibre staff. The Company ensures that it has a remuneration policy in place that is competitive in the market-place to retain key staff. The recently introduced LTIP plan will further incentivise and align staff to Company performance. Annual performance reviews in place to ensure that Company strategy and goals are communicated to key staff and to provide regular feedback to staff to ensure they are kept motivated. The Company utilises a talent acquisition recruitment specialist to ensure recruitment of high quality staff.
Financial Controls Framework The risk or failure to adhere to agreed policies, procedures and processes due to a lack of financial controls, leading to potential financial misstatement, fraudulent behaviour or a potential financial loss to the Company.	Financial controls and policies in place in order to manage risks across the key areas. Support Office personnel with direct site operational knowledge in place in order to monitor site activity and site cost. An outsourced internal audit function has been set up in order to test the Company's internal control framework and to suggest improvements where required. These improvements are presented to the Audit and Risk Committee and are reviewed periodically to assess implementation.
Liquidity Management The risk that the Company does not maintain sufficient liquidity headroom to ensure that it can always meet its working capital requirements as they fall due. Risk that slower than expected sales impact on the Company's liquidity position. The risk that failure to comply with the Company's banking covenants results in the withdrawal of funding lines.	The Company aims to ensure that it always has sufficient liquidity in place to meet its cash flow requirements for the next 3 years. The Company prepares regular forecasts that look at both its short-term and longer-term requirements. Regular monitoring, forecasting and reporting of banking covenants. Speed of delivery on individual schemes takes account of sales absorption rates across each individual scheme. An unforeseen stretch in liquidity can be managed through a reduction in the pace of build on one or more sites if necessary.

Risk Description	Mitigation
Loans in Foreclosure The risk that the Company does not adequately manage the remaining debtor relationships it has acquired through the acquisition of the Ulster Bank Project Clear loan portfolio, which could have legal, operational and/or financial implications for the Company.	At 30 June 2017, the Company has just €79.5 million remaining in the loans in foreclosure category, most of which is expected to convert to direct ownership by the 2017 year-end. The Company has business plans in place to ensure that it deals appropriately with each individual debtor. Hudson Advisors, an approved loan servicing agent, remain in place, to manage the relationship with all relevant debtors. Regular meetings with the Company's loan service agent and all relevant advisors in order to ensure that the Company is fully briefed on all interaction with debtors and on the implementation of its loan to own strategy.
Planning Regulations Inability to adhere to the complex and stringent regulatory environment that applies to the building industry. Risk that the Government will introduce new legislation that results in material cost, or time delays for the Company.	The Company monitors all policy changes through its planning department and the experienced team is well placed to interpret regulatory changes. The Company uses external advisors who advise on any changes to relevant legislation. Rigorous design standards in place for the homes that the Company develops. Participation in industry advocacy groups. The recent changes to the planning regime (involving a one step process with An Bord Pleanála for all sites delivering greater than 100 residential units), enacted into legislation in July 2017, should ensure that the timeframe to obtain planning permission on large sites is reduced.
Programme Risk/Project Planning The risk that the Company incurs costs which are higher than expected or experiences delays in construction due to poor planning.	Robust project plans and controls are in place. Monthly reporting of all project costs, with variances and explanations highlighted in monthly reports and discussed at monthly meetings. The construction programme is linked clearly to the sales programme, with regular analysis by site comparing sales status with forecast completion dates. Key oversight personnel in place across all projects.

CAIRN HOMES PLC
STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT
For the six month period ended 30 June 2017

Each of the directors, whose names and functions are listed in on page 29, confirm our responsibility for preparing the half year financial report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the Transparency Rules of the Central Bank of Ireland and with IAS 34 *Interim Financial Reporting*, as adopted by the EU, and to the best of each person's knowledge and belief:

(a) the condensed interim financial statements comprising the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and related notes 1 to 22 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

(b) the interim management report includes a fair review of the information required by:

(I) *Regulation 8(2) of the Transparency (Directive 2004/109/EC) Regulations 2007*, being an indication of important events that have occurred during the first six months of the financial year 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 year; and

(ii) *Regulation 8(3) of the Transparency (Directive 2004/109/EC) Regulations 2007*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Signed on behalf of the Board

John Reynolds	Michael Stanley
Chairman	Chief Executive Officer

CAIRN HOMES PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the six month period ended 30 June 2017

		For six month period ended 30 June 2017			For six month period ended 30 June 2016		
	Note	Before Exceptional Items €'000	Exceptional Items (Note 17) €'000	Total €'000	Before Exceptional Items €'000	Exceptional Items (Note 17) €'000	Total €'000
Continuing operations							
Revenue	2	41,178	-	**41,178**	16,003	-	**16,003**
Cost of sales		(33,475)	-	**(33,475)**	(13,360)	-	**(13,360)**
Gross profit		7,703	**-**	**7,703**	2,643	**-**	**2,643**
Other income	3	523	-	**523**	3,531	-	**3,531**
Administrative expenses		(5,192)	(500)	**(5,692)**	(3,331)	(1,212)	**(4,543)**
Operating profit		3,034	(500)	**2,534**	2,843	(1,212)	**1,631**
Finance income		12	-	**12**	21	-	**21**
Finance costs	4	(2,938)	-	**(2,938)**	(2,353)	-	**(2,353)**
(Loss)/Profit before taxation		108	(500)	**(392)**	511	(1,212)	**(701)**
Income tax credit	5			**120**			**122**
Loss for the period attributable to owners of the Company				**(272)**			**(579)**
Other comprehensive income				**-**			**-**
Total comprehensive loss for the period attributable to owners of the Company				**(272)**			**(579)**
Basic loss per share	15			**(€0.0004)**			**(€0.001)**
Diluted loss per share	15			**(€0.0004)**			**(€0.001)**

CAIRN HOMES PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

Assets	Note	30 June 2017 Unaudited €'000	31 Dec 2016 Audited €'000
Non-current assets			
Property, plant and equipment		1,311	894
Intangible assets		710	485
Restricted cash	9	27,000	27,000
		29,021	**28,379**
Current assets			
Loan assets	6	16,000	16,000
Inventories	7	766,418	727,223
Deposits paid	8	10,750	-
Trade and other receivables	10	22,624	17,015
Cash and cash equivalents	9	75,127	45,645
		890,919	**805,883**
Total assets		**919,940**	**834,262**
Equity			
Share capital	11	828	794
Share premium	11	749,616	697,733
Share-based payment reserve		24,900	24,779
Retained earnings		(60,489)	(58,935)
Equity attributable to owners of the Company		**714,855**	**664,371**
Non-controlling interests	13	1,268	-
Total equity		**716,123**	**664,371**
Liabilities			
Non-current liabilities			
Loans and borrowings	12	171,178	148,631
Deferred taxation	5	5,370	5,490
		176,548	**154,121**
Current liabilities			
Trade and other payables	14	27,269	15,770
Total liabilities		**203,817**	**169,891**
Total equity and liabilities		**919,940**	**834,262**

CAIRN HOMES PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the six month period ended 30 June 2017

	Attributable to owners of the Company									
	Share Capital									
	Ordinary Shares	A Ordinary Shares	Deferred Shares	Founder Shares	Share Premium	Share-Based Payment Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
As at 1 January 2017	**689**	**-**	**20**	**85**	**697,733**	**24,779**	**(58,935)**	**664,371**	**-**	**664,371**
Total comprehensive loss for the period										
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	(272)	**(272)**	-	**(272)**
	-	**-**	**-**	**-**	**-**	**-**	**(272)**	**(272)**	-	**(272)**
Transactions with owners of the Company										
Issue of ordinary shares for cash	34	-	-	-	51,883	-	-	**51,917**	-	**51,917**
Share issue costs	-	-	-	-	-	-	(1,282)	**(1,282)**	-	**(1,282)**
Equity-settled share-based payments	-	-	-	-	-	121	-	**121**	-	**121**
	34	**-**	**-**	**-**	**51,883**	**121**	**(1,282)**	**50,756**	-	**50,756**
Changes in ownership interests										
Investment in subsidiary by non-controlling shareholders	-	-	-	-	-	-	-	-	1,268	**1,268**
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,268**	**1,268**
As at 30 June 2017	**723**	**-**	**20**	**85**	**749,616**	**24,900**	**(60,489)**	**714,855**	**1,268**	**716,123**

CAIRN HOMES PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the six month period ended 30 June 2016

	Attributable to owners of the Company							
	Share Capital							
	Ordinary Shares	A Ordinary Shares	Deferred Shares	Founder Shares	Share Premium	Share-Based Payment Reserve	Retained Earnings	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
As at 1 January 2016	**517**	**-**	**20**	**100**	**521,390**	**29,118**	**(53,155)**	**497,990**
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	-	-	(579)	**(579)**
	-	-	-	-	-	-	**(579)**	**(579)**
Transactions with owners of the Company								
Issue of ordinary shares for cash	157	-	-	-	176,343	-	-	**176,500**
Share issue costs	-	-	-	-	-	-	(7,867)	**(7,867)**
Equity-settled share-based payments	-	-	-	-	-	16	-	**16**
	157	**-**	**-**	**-**	**176,343**	**16**	**(7,867)**	**168,649**
As at 30 June 2016	**674**	**-**	**20**	**100**	**697,733**	**29,134**	**(61,601)**	**666,060**

CAIRN HOMES PLC
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the six month period ended 30 June 2017

	For the six month period ended 30 June 2017 €'000	For the six month period ended 30 June 2016 €'000
Cash flows from operating activities		
Loss for the period	(272)	(579)
Adjustments for:		
Share-based payments expense	121	16
Finance costs	2,938	2,353
Finance income	(12)	(21)
Depreciation and amortisation	178	37
Taxation	(120)	(122)
	2,833	**1,684**
Increase in inventories	(39,195)	(77,660)
Decrease in loan assets	-	26,768
Increase in deposits paid	(10,750)	(625)
Increase in trade and other receivables	(5,609)	(2,344)
Increase/(decrease) in trade and other payables	11,465	(1,469)
Net cash used in operating activities	**(41,256)**	**(53,646)**
Cash flows from investing activities		
Acquisition of Argentum	-	(86,074)
Cash acquired on acquisition of Argentum	-	818
Interest received	12	-
Purchases of property, plant and equipment	(559)	(410)
Purchases of intangible assets	(261)	(68)
Net cash used in investing activities	**(808)**	**(85,734)**
Cash flows from financing activities		
Proceeds from issue of share capital, net of issue costs paid	50,635	168,018
Proceeds from borrowings, net of debt issue costs	22,312	99,527
Repayment of loans	-	(15,500)
Investment in subsidiary by non-controlling interest	1,268	-
Interest paid	(2,669)	(2,134)
Net cash from financing activities	**71,546**	**249,911**
Net increase in cash and cash equivalents in the period	**29,482**	**110,531**
Cash and cash equivalents at beginning of period	**45,645**	**6,551**
Cash and cash equivalents at end of period	**75,127**	**117,082**

CAIRN HOMES PLC
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

1. Basis of Preparation

Cairn Homes plc ("the Company") is a company domiciled in Ireland. The Company's registered office is 7 Grand Canal, Grand Canal Street Lower, Dublin 2. The Company and its subsidiaries (together referred to as "the Group") is predominantly involved in the development of residential property for sale.

These unaudited condensed interim consolidated financial statements and the information set out in this report cover the six month period ended 30 June 2017 and have been prepared in accordance with *IAS 34 "Interim Financial Reporting"* as adopted by the European Union.

The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements prepared in accordance with IFRS as adopted by the European Union. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since 31 December 2016. They should be read in conjunction with the statutory consolidated financial statements of the Group, which were prepared in accordance with IFRS as adopted by the European Union, as at and for the year ended 31 December 2016. Those statutory financial statements have been filed with the Registrar of Companies and are available at www.cairnhomes.com. The audit opinion on those statutory financial statements was unqualified and did not contain any matters to which attention was drawn by way of emphasis.

The accounting policies, presentation and method of computations adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 31 December 2016.

The new IFRS standards, amendments to standards or interpretations that are effective for the first time in the financial year ending 31 December 2017 have not had a significant impact on the Group's reported profit or net assets in these interim financial statements.

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results could differ materially from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The key judgements and estimates impacting these interim financial statements are the carrying value of inventories and allocations from inventories to cost of sales (Note 7).

The interim condensed consolidated financial statements are presented in Euro, which is the functional currency of the Company and presentation currency of the Group, rounded to the nearest thousand.

The interim condensed consolidated financial statements were approved by the Directors on 4 September 2017.

2. Revenue

	For six month period ended 30 June 2017 €'000	**For six month period ended 30 June 2016 €'000**
Residential property sales	26,331	15,390
Residential site sales	14,147	-
Income from property rental	700	613
	41,178	**16,003**

In the prior period, residential property sales included €3.8 million from the sale of residential properties acquired in Project Clear.

3. Other Income

	For six month period ended 30 June 2017 €'000	For six month period ended 30 June 2016 €'000
Loan income	523	1,443
Other gains	-	2,088
	523	**3,531**

Loan income during the period represents net accrued income on certain loans originally acquired in the Project Clear loan portfolio.

In the prior period, loan income of €1.4 million arose primarily from the settlement of certain loans from the Project Clear loan portfolio, relating to development sites which the Group will not develop itself.

In the prior period, other gains included a benefit of €2.1 million relating to the release of a liability which had been assumed for certain expected payments to third parties, arising on the Project Clear loans acquisition, that were no longer payable.

4. Finance Costs

	For six month period ended 30 June 2017 €'000	For six month period ended 30 June 2016 €'000
Interest expense on financial liabilities measured at amortised cost	(2,938)	(2,226)
Other finance costs	-	(127)
	(2,938)	**(2,353)**

Finance costs for the period to 30 June 2017 comprise interest and amortised transaction costs on the drawn Term Loans and Revolving Credit Facility, plus commitment fees on the undrawn facility during the period.

5. Current and Deferred Taxation

	For six month period ended 30 June 2017 €'000	For six month period ended 30 June 2016 €'000
Current tax charge for the period	-	-
Deferred tax credit for the period	(120)	(122)
Total income tax credit	**(120)**	**(122)**

Deferred tax
The deferred tax liability is comprised of the following:

	Six month period ended 30 June 2017 €'000	Year ended 31 Dec 2016 €'000
Opening balance	5,490	815
Liability on acquisition of Argentum	-	5,427
Credited to profit or loss	(120)	(752)
As at period end	**5,370**	**5,490**

6. Loan Assets

	30 June 2017 €'000	31 Dec 2016 €'000
Loan receivables	16,000	16,000
	16,000	**16,000**

The loan receivables at 30 June 2017 were received in full on 6 July 2017.

7. Inventories

	30 June 2017 €'000	31 Dec 2016 €'000
Land held for development	606,829	559,032
Construction work in progress	80,102	37,277
Development land collateral (for loans in the foreclosure process)	79,487	130,914
	766,418	**727,223**

The directors consider that all inventories are essentially current in nature although the Group's operational cycle is such that a considerable proportion of inventories will not be realised within 12 months. It is not possible to determine with accuracy when specific inventories will be realised as this will be subject to a number of factors such as consumer demand and the timing of planning permissions.

Having considered the current market conditions and development potential, the directors do not consider there to be any factors that give rise to concern in relation to the net realisable value of the Group's inventories as at 30 June 2017. Consequently, the directors believe that the carrying value of inventories is stated at the lower of cost and net realisable value.

Development land collateral consists of the collateral property attached to loans acquired by the Group as part of the December 2015 Project Clear loan portfolio acquisition. The Group has commenced the foreclosure process of transferring development land collateral into its direct ownership. Consequently, the cost of the development land collateral attaching to the relevant Project Clear distressed loan assets is shown within inventories. The carrying value of this collateral property at 30 June 2017 was €79.5 million.

During the period, assets with a total cost of €43.9 million have transferred from development land collateral to directly owned land held for development.

8. Deposits Paid

	30 June 2017 €'000	31 Dec 2016 €'000
Deposits paid	10,750	-
	10,750	**-**

Deposits paid at 30 June 2017 represent the deposit paid in relation to the purchase agreement for the Montrose site acquisition, which completed in July 2017 (Note 21).

9. Restricted Cash and Cash and Cash Equivalents

	30 June 2017 €'000	31 Dec 2016 €'000
Non-current		
Restricted cash	27,000	27,000

€27 million is required to be maintained in an interest-bearing blocked deposit for the duration of the Group's senior debt facilities (Note 12), as part of the collateral for those facilities. The estimated fair value of this restricted cash at 30 June 2017 is €27 million.

	30 June 2017 €'000	31 Dec 2016 €'000
Current		
Cash and cash equivalents	75,127	45,645

Cash deposits are made for varying short-term periods depending on the immediate cash requirements of the Group. All deposits can be withdrawn without significant changes in value and accordingly the fair value of current cash and cash equivalents is identical to the carrying value.

10. Trade and Other Receivables

	30 June 2017 €'000	31 Dec 2016 €'000
VAT recoverable	10,223	6,888
Construction bonds	4,779	4,440
Other receivables	7,622	5,687
	22,624	**17,015**

Other receivables mainly represent amounts due from appointed receivers in relation to Project Clear assets and accrued loan income.

The carrying value of all trade and other receivables is approximate to their fair value.

11. Share Capital and Share Premium

	30 June 2017 Number	30 June 2017 €'000	31 Dec 2016 Number	31 Dec 2016 €'000
Authorised				
Ordinary Shares of €0.001 each	1,000,000,000	1,000	1,000,000,000	1,000
Founder Shares of €0.001 each	100,000,000	100	100,000,000	100
Deferred Shares of €0.001 each	120,000,000	120	120,000,000	120
A Ordinary Shares of €1.00 each	20,000	20	20,000	20
		1,240		**1,240**

As at 30 June 2017	**Number**	**Share Capital €'000**	**Share Premium €'000**	**Total €'000**
Issued and fully paid				
Ordinary Shares of €0.001 each	722,987,257	723	749,531	750,254
Founder Shares of €0.001 each	84,978,063	85	85	170
Deferred Shares of €0.001 each	19,980,000	20	-	20
A Ordinary Shares of €1.00 each	-	-	-	-
		828	**749,616**	**750,444**

As at 31 December 2016	**Number**	**Share Capital €'000**	**Share Premium €'000**	**Total €'000**
Issued and fully paid				
Ordinary Shares of €0.001 each	689,274,623	689	697,648	698,337
Founder Shares of €0.001 each	84,978,063	85	85	170
Deferred Shares of €0.001 each	19,980,000	20	-	20
A Ordinary Shares of €1.00 each	-	-	-	-
		794	**697,733**	**698,527**

Share Issues

On 16 May 2017, the Company issued 33,712,634 Ordinary Shares at €1.54 each through a share placing, raising gross proceeds of €51.9 million.

Share issue costs of €1.3 million have been charged directly in equity to retained earnings.

Long Term Incentive Plan

The Group operates an equity settled Long Term Incentive Plan (LTIP), which was approved at its May 2017 AGM, under which a conditional award of 950,658 shares has been made to senior executives. The shares will vest on satisfaction of service and performance conditions attaching to the LTIP. Vesting of 80% of the awards will be based on Earnings per Share (EPS) performance and 20% will be based on Total Shareholder Return (TSR) over the 3 years 2017, 2018 and 2019. The Group recognised an expense of €0.1m related to equity-settled share based payment transactions (both the LTIP and the Group's existing share options) in the Consolidated Statement of Comprehensive Income during the first six months of 2017.

12. Loans and Borrowings

	30 June 2017 €'000	31 Dec 2016 €'000
Non-current liabilities		
Bank loans		
Repayable as follows:		
Between one and two years	2,312	-
Between two and five years	168,866	148,631
Total Borrowings	**171,178**	**148,631**

On 31 March 2017, €20 million was drawn down on the Revolving Credit Facility by the Group. The Group has an undrawn Revolving Credit Facility of €30 million available as at 30 June 2017.

On 31 May 2017, a subsidiary entity (see Note 13) entered into a Revolving Credit Facility of €10.1 million with AIB for a term of 18 months, to finance a joint development with National Asset Management Agency ("NAMA"). At 30 June 2017, €2.3 million was drawn down, leaving an undrawn facility of €7.8 million.

The amount presented in the financial statements is net of related unamortised arrangement fees and transaction costs.

13. Non-Controlling Interest

The non-controlling interest at 30 June 2017 of €1.3 million relates to the 35% share of the net assets of a subsidiary entity which is held by National Asset Management Agency ("NAMA"). Cairn Homes plc holds 65% of the equity share capital in this subsidiary which is involved in the development of residential property.

14. Trade and Other Payables

	30 June 2017 €'000	31 Dec 2016 €'000
Trade payables	16,413	7,659
Accruals	7,832	6,945
Other creditors	3,024	1,166
	27,269	**15,770**

Other creditors represent amounts due for payroll taxes and Relevant Contracts Tax.

The carrying value of all trade and other payables is approximate to their fair value.

15. Earnings per Share

The basic loss per share for the period ended 30 June 2017 is based on the loss attributable to ordinary shareholders of €0.272 million and the weighted average number of ordinary shares outstanding for the period. There is no difference between basic and diluted loss per share. The potential ordinary shares from share-based payment arrangements are not dilutive in view of the loss made in the period.

	30 June 2017	**30 June 2016**
Loss attributable to ordinary shareholders (€'000)	(272)	(579)
Weighted average number of ordinary shares for period	697,890,074	579,351,198
Basic and diluted loss per share	€0.0004	€0.001

16. Dividends

There were no dividends declared and paid by the Company during the reporting period and there were no dividends proposed by the directors in respect of the reporting period up to the date of authorisation of these interim financial statements.

17. Exceptional Items

Exceptional items of €0.5 million relates to costs incurred during the period in connection with the Irish Stock Exchange Listing which was completed in July 2017. As the listing of the Group is a non-routine transaction, these costs have been classified as an exceptional item.

In the prior period, transaction costs of €1.2 million were charged to profit or loss in accordance with IFRS 3. As the acquisition of a business is a non-routine transaction, these costs were classified as an exceptional item.

18. Related Party Transactions

There were no related party transactions during the period other than directors' remuneration.

19. Financial Risk Management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, and the Group's objectives, policies and processes for measuring and managing risk.

Risk management framework
The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loan assets, trade and other receivables and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

Exposure to credit risk
The Group's principal financial assets comprise cash and short term deposits. Group management in conjunction with the Board manage risk associated with cash and short term deposits by depositing funds with a number of Irish financial institutions and AAA rated international institutions. At 30 June 2017, the Group's deposits were held in three Irish financial institutions with a minimum credit rating of BBB-.

	30 June 2017 €'000	31 Dec 2016 €'000
Carrying amount		
Loan receivables (Note 6)	16,000	16,000
Construction bonds and other receivables **	12,401	10,127
Restricted cash - non-current	27,000	27,000
Cash and cash equivalents - current	75,127	45,645
	130,528	**98,772**

**Other receivables exclude VAT receivables.

19. Financial Risk Management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables and commitments. All trade and other payables (€27.3 million) at 30 June 2017 are considered current with the expected cash outflow equivalent to their carrying value.

Management monitors the adequacy of the Group's liquidity reserves (comprising undrawn borrowing facilities as detailed in note 12 and cash and cash equivalents as detailed in note 9) against rolling cash flow forecasts. In addition, the Group's liquidity risk management policy involves monitoring short term and long term cash flow forecasts.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is not exposed to currency risk. The Group operates only in the Republic of Ireland.

Interest rate risk

At 30 June 2017, the Group had Term Loan and Revolving Credit facilities with AIB and Ulster Bank that had a principal drawn balance of €170 million, with a variable interest rate of Euribor (with a 0% floor), plus a margin of 3%. The Group has an exposure to cash flow interest rate risk where there are changes in Euribor rates.

At 30 June 2017, the Group had an additional Term Loan facility with AIB in relation to the joint development with NAMA (Note 13) with a drawn balance of €2.3 million, with a margin of 4.25% above 3 month Euribor. The Group has an exposure to cash flow interest rate risk where there are changes in Euribor rates.

Fair value of financial assets and financial liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: valuation techniques for which the lowest level of inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: valuation techniques for which the lowest level of inputs that have a significant effect on the recorded fair value are not based on observable market data.

The following table shows the Group's financial assets and liabilities and the methods used to calculate fair value.

Asset/ Liability	Carrying value	Level	Method	Assumptions
Loan assets	Amortised cost	2	Discounted Cash Flow	Valuation based on discounted cash flows from expected settlement proceeds.
Borrowings	Amortised cost	2	Discounted Cash Flow	Valuation based on future repayment and interest cash flows discounted at period end market interest rates.

19. Financial Risk Management (continued)

Fair value of financial assets and financial liabilities (continued)

The following table shows the carrying values of financial assets and liabilities including their values in the fair value hierarchy. The table does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	30 June 2017	Fair Value		
	Carrying Value	Level 1	Level 2	Level 3
	€'000	€'000	€'000	€'000
Financial assets measured at amortised cost				
Loan assets	16,000		16,000	
Other receivables	12,401			
Cash and cash equivalents - current	75,127			
Restricted cash - non-current	27,000			
	130,528			
Financial liabilities measured at amortised cost				
Trade payables and accruals	24,245			
Borrowings	171,178		171,178	
	195,423			

	31 Dec 2016	Fair Value		
	Carrying Value	Level 1	Level 2	Level 3
	€'000	€'000	€'000	€'000
Financial assets measured at amortised cost				
Loan assets	16,000		16,000	
Other receivables	10,127			
Cash and cash equivalents - current	45,645			
Restricted cash - non-current	27,000			
	98,772			
Financial liabilities measured at amortised cost				
Trade payables and accruals	14,604			
Borrowings	148,631		148,631	
	163,235			

20. Commitments and Contingent Liabilities

In relation to the Group's Cherrywood site, on the grant of planning consent for that site, there is a conditional contract to acquire a directly adjoining site at a cost of €9.2 million.

The Group has contracted to pay the vendors a further €8.75 million in the event that the Group's Swords site (acquired as part of the Argentum transaction in 2016), is successfully rezoned as residential by 25 February 2019.

The Group has also contractually committed to acquiring the remainder of a site in Delgany, Co. Wicklow in May 2018, at a cost of €14.25 million.

21. Events after the Reporting Period

On 5 July 2017, the Group agreed a new €50 million term loan facility with Activate Capital.

On 6 July 2017, the Group's remaining loan assets (see Note 6) were received in full.

On 17 July 2017, the Group completed the acquisition of 8.64 acres of land from RTÉ at its Montrose campus in Donnybrook, Dublin 4 for a total consideration of €107.5 million, including the deposit paid in the period (see Note 8).

On 18 August 2017, the Company issued 38,685,292 Ordinary Shares (through the conversion of 38,685,292 Founder Shares) to the Founder Group of Michael Stanley, Alan McIntosh and Kevin Stanley.

22. Approval of Financial Statements

These financial statements were approved by the Board on 4 September 2017.

Independent Review Report to Cairn Homes plc

Introduction

We have been engaged by the Company to review the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2017 which comprises the condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and the related explanatory notes. Our review was conducted having regard to the Financial Reporting Council's ("FRC's") International Standard on Review Engagements ("ISRE") (UK and Ireland) 2410, *'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.*

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly report for the six months ended 30 June 2017 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU, the TD Regulations and the Transparency Rules of the Central Bank of Ireland, and the Disclosure and Transparency Rules of the UK's Financial Conduct Authority.

Basis of our report, responsibilities and restriction on use

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 TD Regulations and the Transparency Rules of the Central Bank of Ireland, and the Disclosure and Transparency Rules of the UK's Financial Conduct Authority. As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRS as adopted by the EU. The directors are responsible for ensuring that 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 is to express to the Company a conclusion on the condensed set of consolidated financial statements in the half-yearly financial report based on our review.

We conducted our review having regard to the Financial Reporting Council's International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. 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 (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.

We read the other information contained in the half-yearly financial report to identify material inconsistencies with the information in the condensed set of consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the review. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 Transparency (Directive 2004/109/EC) Regulations 2007 as amended ("the TD Regulations") and the Transparency Rules of the Central Bank of Ireland, and the Disclosure and Transparency Rules of the UK's Financial Conduct Authority. 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.

KPMG 4 September 2017
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

CAIRN HOMES PLC
COMPANY INFORMATION

Directors
John Reynolds (Non-Executive Chairman)
Michael Stanley (Chief Executive Officer)
Andrew Bernhardt (Non-Executive, British)
Gary Britton (Non-Executive)
Giles Davies (Non-Executive, British)
Alan McIntosh (Executive, British)
Tim Kenny (Chief Financial Officer)

Secretary and Registered Office
Susan O'Connor
7 Grand Canal
Grand Canal Street Lower
Dublin 2

Registrars
Computershare Investor Services (Ireland) Limited
Herron House
Corrig Road
Sandyford Industrial Estate
Dublin 18

Auditors
KPMG
Chartered Accountants
1 Stokes Place
St. Stephens Green
Dublin 2

Website
www.cairnhomes.com

Solicitors
A&L Goodbody
IFSC
North Wall Quay
Dublin 1

Eversheds-Sutherland
One Earlsfort Centre
Earlsfort Terrace
Dublin 2

Pinsent Masons LLP
30 Crown Place
Earl Street
London EC2A 4ES

Beauchamps
Riverside Two
Sir John Rogerson's Quay
Dublin 2

Principal Bankers
Allied Irish Banks plc
Bankcentre
Ballsbridge
Dublin 4

Bank of Ireland plc
87-89 Pembroke Road
Ballsbridge
Dublin 4

Ulster Bank Ireland DAC
33 College Green
Dublin 2