

Cairn Homes plc

Preliminary Results for the period ended 31 December 2015

Dublin/London 29 February 2016: Cairn Homes Plc (LSE: CRN) (“Cairn” or “the Company”), the Irish homebuilding company, today announced the Company’s preliminary results for the period from incorporation on 12 November 2014 to 31 December 2015.

HIGHLIGHTS

- Successful capital raising of in excess of €642 million during 2015, comprised of:
 - the Company’s initial public offering (“IPO”) in June 2015, raising gross proceeds of in excess of €440 million;
 - a follow on share placing in December 2015, raising gross proceeds of €52.1 million; and
 - the securing of a €150 million senior debt facility with Allied Irish Banks p.l.c. on favourable terms
- €554 million (including €40 million invested post period end) now successfully deployed
- The successful acquisition of the Project Clear loan portfolio in December 2015 at cost of €378 million will ultimately provide the Company access to the largest residential land-bank available in Ireland, representing circa 20% of the available residentially zoned land in the greater Dublin area
- In addition to the above, a further total of nine sites, equating to 1,916 units have been acquired, at a total cost of €172 million (of which €40 million has been incurred in 2016), following the recent announcements of two new acquisitions in Dublin – at Cherrywood, South Dublin and Hanover Quay, Dublin City Centre. 91% of these units are located in the Company’s stated strategic priority areas, of Dublin and the Dublin commuter belt, in addition to well-located sites in Cork and Galway
- As a result of its activity to date, the Company now has a core land-bank portfolio consisting of 25 separate sites, with the potential to develop in excess of 11,000 units, with 89% of those units located in Dublin and the Dublin commuter belt
- Following a successful launch of the Company’s first site at Parkside in September 2015, 52 houses are now sale agreed, with very positive feedback from the Company’s first customers
- Construction will commence on the Company’s prime located site in Marianella, Rathgar, South Dublin in early Q2 2016
- Continued strong additions to the Company’s senior team, in line with its plans to be building homes on seven sites over the next year
- Increasingly favourable macro-economic backdrop, with improving GDP forecasts, increasing employment, wage inflation and a worsening housing shortage and escalating residential rents

Key Financial Highlights	2015
	€’000
Revenue	3,717
Gross Profit	702
Loss Before Tax (before exceptional items*)	(5,476)
Loss Before Tax (after exceptional items*)	(37,520)
Basic and Diluted Loss Per Share	15.9c

* Exceptional items principally reflect:

- (i) costs of €2.9 million related to the acquisition of Cairn Homes Holdings Limited (formerly Emerley Holdings Limited), which was acquired as part of the IPO; and
- (ii) a €29.1 million non-cash fair value once-off accounting charge relating to the Founder Share scheme, the full fair value cost of which must be recognised up front under the terms and conditions of the Founder Share scheme, regardless of whether or not the Founder Shares provide any value. No value has accrued to date to the Founders under the terms of the scheme and such value will only accrue on meeting the pre-agreed performance conditions attaching to the Founder Shares. This charge does not impact the net assets of the Company.

OUTLOOK

- Scaling of the Company's house-building operations, with an expanded team now in place to deliver on increased operational activity.
- Receivers have been appointed to take control of over 59% of the Company's recently acquired Project Clear loan portfolio and the Company is very confident of achieving its objective of moving sites into its direct control over the near term.
- The Company's planning and development teams continue to amend existing planning consents, where appropriate, and design new schemes, in order to ensure optimum delivery across the various schemes in the Company's portfolio
- We continue to assess strategic opportunities and are considering funding options in that regard, including further debt, joint ventures and equity funding.
- The Company's land-bank will benefit from some positive industry changes announced over recent months, including:
 - Reduction in the part V (social housing) requirement from 20% to 10% of units;
 - Development levy rebate on houses for first-time buyers priced below €300,000 in Dublin and €250,000 in Cork;
 - Reduction in development levies; and
 - Amended apartment regulations which will reduce development cost and enable the Company to deliver more affordable apartments.

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

"Following the successful acquisition of the Project Clear loan portfolio and the nine other individual sites acquisitions since our IPO, the Company now has access to an exceptionally well located and well-priced core land bank of in excess of 11,000 units. We are currently building in Parkside, North Dublin and Killiney, South Dublin. We will commence construction on 5 further schemes within the next twelve months and look forward to making a meaningful contribution to the much needed supply of quality new homes in Ireland over the coming years".

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There will be an Analyst and Investor call today (29 February 2016) at 8.30am hosted by Michael Stanley, CEO, Alan McIntosh, Co-Founder and Eamonn O’Kennedy, Finance Director.

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Notes to Editors

Cairn Homes plc is a well-capitalised Irish homebuilder, with an experienced management team, who are clearly focused on being a significant contributor in the delivery of much needed new homes in Ireland. The Company constructs high quality new houses and apartments with an emphasis on design, innovation and customer service. Cairn acquires greenfield or brownfield sites in Ireland that are suitable for residential development, with an emphasis on Dublin and the Dublin commuter belt, as well as in other major urban centres.

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 or by the Listing Rules of the UK Listing Authority, to reflect new information, future events or otherwise

Economy & Residential Property Market

The Irish macro-economic backdrop remains very strong, with GDP growth now accelerating and Ireland is now experiencing its fastest growth since the mid-2000s. Recent forecasts (*source: Goodbody*) for the Irish economy are now predicting GDP growth of 7.0% in 2015 (previously 6.6%) and growth of 5% in 2016, with further strong growth of 3.7% in 2017. Importantly, this performance is taking place without either inflation or credit expansion, the dynamics of which are similar to the strong growth period experienced by Ireland in the 1990s. Encouragingly, the consumer economy remains very strong, with the recovery in spend accelerating during 2015, with 3.5% growth in consumption expected for 2015, against a growth level of 2% in 2014. Consumer confidence is now at a 15 year high. The labour market in particular continues to improve, with unemployment down to 8.6% in January 2016, down from 10.1% in January 2015. More importantly, strong employment growth continues, with almost 56,000 new jobs created during the year to the end of Q3 2015, an increase of 2.9%. This strong employment market is leading to an expectation of a return to wage growth across the broader Irish economy during 2016, which is an important ingredient needed for a stronger residential property market.

The Central Bank macro-prudential rules introduced in the early part of 2015 led to a moderation in the growth of mortgage volumes and availability in the second half of 2015. The recently appointed Governor of the Central Bank has indicated that a review of the rules will be undertaken over the coming months, with the results of the review and any proposed change to the existing rules to be made public during November 2016.

Rising rent levels across the country and in Dublin in particular continue to be a strong feature of the residential housing market, illustrating the worsening demand/supply imbalance. A recent industry report highlighted the continued rise in rents across the country, with national rents up 9% and Dublin rents up 8.2% in 2015. Dublin rents are now up 43% against their 2010 low. These continued rent increases are directly related to an acute shortage of housing availability, which is evidenced by the fact that there was an average of almost 5,200 properties available to rent in Dublin between 2008 and 2012, whereas today there are only 1,400 houses to rent, in a city of almost half a million households.

Housing supply continues to fall well short of the accepted long-term requirement of 25,000 to 30,000 houses per annum nationally, with a requirement of 8,000 to 10,000 homes in Dublin. Against this Dublin requirement, it is estimated that just over 3,000 houses were completed in 2015, with a similar level expected for 2016, which underlines the worsening, rather than improving demand/supply imbalance.

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Consolidated Preliminary Statement of Profit or Loss and Other Comprehensive Income (unaudited)

For the period from incorporation on 12 November 2014 to 31 December 2015

	Note	Before Exceptional Items €'000	Exceptional Items (Notes 8 and 11) €'000	Total €'000
Continuing operations				
Revenue	2	3,717	-	3,717
Cost of sales		(3,015)	-	(3,015)
Gross profit		702	-	702
Administrative expenses		(4,492)	(1,086)	(5,578)
Fair value charge relating to Founder Shares	8	-	(29,100)	(29,100)
Operating loss		(3,790)	(30,186)	(33,976)
Finance income		114	-	114
Finance costs		(1,800)	(1,858)	(3,658)
Loss before taxation		(5,476)	(32,044)	(37,520)
Income tax credit				312
Loss for the period attributable to owners of the Company				(37,208)
Other comprehensive income				-
Total comprehensive loss for the period attributable to owners of the Company				(37,208)
Basic loss per share	10			15.9 cents
Diluted loss per share	10			15.9 cents

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Consolidated Preliminary Statement of Financial Position (unaudited)

At 31 December 2015

	Note	€'000
Assets		
Non-current assets		
Property, plant and equipment		130
Intangible assets		130
Restricted cash	6	27,000
		27,260
Current assets		
Loan assets	3	382,951
Inventories	4	149,331
Deposits paid	5	5,000
Trade and other receivables		2,962
Cash and cash equivalents	6	6,551
		546,795
Total Assets		574,055
Equity		
Share capital	7	637
Share premium	7	521,390
Share-based payment reserve	8	29,118
Retained earnings		(53,155)
Total equity		497,990
Liabilities		
Non-current liabilities		
Loans and borrowings	9	63,543
Derivative liability		514
Deferred taxation		815
		64,872
Current liabilities		
Trade and other payables		11,193
Total liabilities		76,065
Total equity and liabilities		574,055

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Consolidated Preliminary Statement of Changes in Equity (unaudited)

For the period from incorporation on 12 November 2014 to 31 December 2015

	Share Capital				Share Premium	Share-based payment Reserve	Retained Earnings	Total
	Ordinary Shares	A Ordinary Shares	Deferred Shares	Founder Shares				
	€'000	€'000	€'000	€'000				
As at 12 November 2014	-	-	-	-	-	-	-	-
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	-	-	(37,208)	(37,208)
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(37,208)	(37,208)
Transactions with owners of the company								
Issue of ordinary shares for cash	490	-	-	-	494,660	-	-	495,150
Share issue costs	-	-	-	-	-	-	(15,947)	(15,947)
Issue of founder shares for cash	-	-	-	100	100	-	-	200
Issue of ordinary shares for business combination	27	-	-	-	26,630	-	-	26,657
Issue of A ordinary shares for cash	-	20	-	-	-	-	-	20
Conversion of A ordinary shares to deferred shares	-	(20)	20	-	-	-	-	-
Equity-settled share-based payments	-	-	-	-	-	29,118	-	29,118
	517	-	20	100	521,390	29,118	(15,947)	535,198
As at 31 December 2015	517	-	20	100	521,390	29,118	(53,155)	497,990

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Consolidated Preliminary Statement of Cash Flows (unaudited)

For the period from incorporation on 12 November 2014 to 31 December 2015

	Note	€'000
Cash flows from operating activities		
Loss for the period		(37,208)
Adjustments for:		
Share-based payments expense		29,118
Non-cash expense in relation to the acquisition of Emerley Holdings Limited	11	2,944
Other finance costs		1,800
Finance income		(114)
Taxation		(312)
		<u>(3,772)</u>
Increase in inventories		(105,521)
Increase in loan assets	3	(382,951)
Increase in deposits paid	5	(5,000)
Increase in trade and other receivables		(2,048)
Increase in trade and other payables		8,186
		<u>8,186</u>
Net cash used in operating activities		(491,106)
Cash flows from investing activities		
Cash acquired on acquisition of Emerley Holdings Limited	11	1,963
Purchases of property, plant and equipment		(130)
Purchases of intangible assets		(83)
Interest received		114
Transfer to restricted cash	6	(27,000)
		<u>(27,000)</u>
Net cash used in investing activities		(25,136)
Cash flows from financing activities		
Proceeds from issue of share capital, net of issue costs paid		480,174
Proceeds from borrowings		64,375
Repayment of loans	9	(18,130)
Interest paid	9	(3,626)
		<u>(3,626)</u>
Net cash from financing activities		522,793
Net increase in cash and cash equivalents in the period		6,551
Cash and cash equivalents at incorporation		-
		<u>-</u>
Cash and cash equivalents at 31 December 2015		6,551
		<u>6,551</u>

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Notes

For the period from incorporation on 12 November 2014 to 31 December 2015

1. Basis of Preparation

Cairn Homes plc (“the Company”) is a company domiciled in Ireland.

The Company’s registered office is 3rd Floor, Block 7, Clanwilliam Court, Lower Grand Canal Street, Dublin 2.

The unaudited consolidated preliminary financial information covers the period from incorporation on 12 November 2014 to 31 December 2015 for the Company and its subsidiaries (together referred to as “the Group”).

The Group is predominantly involved in the development of residential property for sale.

The unaudited consolidated preliminary financial information which should be read in conjunction with the Interim Results announcement for the period ended 30 June 2015, issued on 27 August 2015, has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and their interpretations approved by the International Accounting Standards Board (IASB), as adopted by the European Union (EU). It does not include all of the information required for full statutory annual financial statements. The statutory consolidated financial statements of the Group as at and for the period ended 31 December 2015 will be published in March 2016 and will be available at www.cairnhomes.com.

The Audit Committee, upon delegation of authority by the Board of Directors, approved the preliminary financial information for the year ended 31 December 2015 on February 25 2016.

2. Revenue

	Total €'000
Residential property sales	3,401
Income from property rental	316
	3,717

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Notes (continued)

For the period from incorporation on 12 November 2014 to 31 December 2015

3. Loan Assets

	31 Dec 2015 €'000
Loan receivables	378,681
Construction bonds	4,270
Total loan assets	382,951

Loan receivables on the Group's Statement of Financial Position at the period end were purchased as a portfolio acquisition on 11 December 2015, subject to a sub participation period. Under the terms of the sub participation and related agreements, the original lender continued to administer the loans for a short period until formal legal transfer to the Group on 19 February 2016, however, the Group had effective control over these loan assets from 11 December 2015. This portfolio of loans is secured on real estate collateral all of which is located in the Republic of Ireland.

The nominal value outstanding on the loans at year end is €1.7 billion. The loans were acquired at a substantial discount to their nominal value reflecting their distressed state at the time of acquisition. Direct transaction costs incurred relating to the acquisition of these loans have been capitalised.

Construction bonds associated with the underlying real estate collateral were also acquired as part of the portfolio and the value of these bonds is due to be recovered on either completion of the site development or expiry of the related planning permission.

All of the loans are past due and in default and hence fall due for immediate repayment and are classified as current assets. Limited income is expected to be generated on some of the underlying collateral assets. A very limited number of the loans are expected to be repaid by recourse to the original borrower.

€197.9 million of the purchase price relates to loans which were the subject of a receivership when acquired.

The objective in purchasing the portfolio of loans was to generate future returns for the Group in the following ways:

- acquisition of collateral assets by the Group for inclusion as inventory in its development portfolio subject to compliance with the Group's development strategy;
- disposal of collateral assets over time to achieve a redemption of the loan at a value greater than the acquisition cost; and
- income from the underlying portfolio.

The fair value of the loan receivables was based on the value of the secured real estate collateral.

The Directors do not consider further impairment allowances are required against these loans as they expect that the loans will be resolved at least at their carrying value due to the value of the collateral on which they are secured.

The Group expects to recover these loans within a two year period. It is not possible to determine with accuracy the specific amount of loan assets that will be recovered within 12 months of the reporting date.

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Notes (continued)

For the period from incorporation on 12 November 2014 to 31 December 2015

4. Inventories

	31 Dec 2015
	€'000
Land held for development	132,074
Construction work in progress	17,257
	149,331

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 of the reporting date. It is not possible to determine with accuracy when specific inventory will be realised as this will be subject to a number of issues such as consumer demand and the timing of planning permissions.

Having considered the current market conditions compared to the market conditions when the Group's various development sites were acquired, 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 31 December 2015. Consequently, the directors believe that the carrying value of all land held for development and construction in progress is stated at the lower of cost and net realisable value.

5. Deposits Paid

	31 Dec 2015
	€'000
Exclusivity deposit	5,000
	5,000

The deposit of €5 million ("Exclusivity Deposit") represents a payment made by the Group in December 2015 to give it the ability to contract to acquire a business ("Business") by 28 February 2016 (this date was subsequently extended, see Note 13). The Business owns five sites (one of which has commenced construction) and has a conditional contract to acquire a sixth site, located in Dublin and the Dublin commuter belt. In the event that the Group acquires the Business, the Exclusivity Deposit will be re-categorised as part of the consideration for the acquisition of the Business. In the event that the Group decides not to proceed with the transaction, it will forfeit the Exclusivity Deposit. In the event that the vendor decides not to proceed with the transaction, the Exclusivity Deposit will be returned to the Group. See note 13 (Events after the Reporting Period) for further detail on this payment.

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Notes (continued)

For the period from incorporation on 12 November 2014 to 31 December 2015

6. Restricted Cash and Cash and Cash Equivalents

	31 Dec 2015 €'000
Non-current	
Restricted cash	27,000
€27 million of restricted cash is required to be maintained in an interest-bearing blocked deposit for the duration of the Group's senior debt facilities (Note 9), as part of the collateral for those facilities. The estimated fair value of restricted cash at 31 December 2015 is €27 million.	
Current	
Cash and cash equivalents	6,551

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.

7. Share Capital and Share Premium

Authorised	Number	31 Dec 2015 €'000
Ordinary Shares of €0.001 each	1,000,000,000	1,000
Founder Shares of €0.001 each	100,000,000	100
Deferred Shares of €0.001 each	120,000,000	120
A Ordinary Shares of €1.00 each	20,000	20
Total Authorised Share Capital		1,240

Issued and fully paid	Number	Share Capital €'000	Share Premium €'000	Total €'000
Ordinary Shares of €0.001 each	516,663,977	517	521,290	521,807
Founder Shares of €0.001 each	100,000,000	100	100	200
Deferred Shares of €0.001 each	19,980,000	20	-	20
A Ordinary Shares of €1.00 each	-	-	-	-
		637	521,390	522,027

Cairn Homes plc

Notes (continued)

For the period from incorporation on 12 November 2014 to 31 December 2015

7. Share Capital and Share Premium (continued)

The company has four authorised classes of shares: Ordinary Shares; A Ordinary Shares; Founder Shares; and Deferred Shares.

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per Ordinary Share at meetings of the Company.

The holders of Founder Shares are not entitled to receive dividends and do not have voting rights at meetings of the Company save in relation to a resolution to wind up the Company or to authorise the directors to issue further Founder Shares. Founder Shares entitle New Emerald LP (the sole limited partner and economic beneficiary of which is the Emerald QIAIF, the ultimate beneficiaries of which are Alan McIntosh, a director, and his spouse), Michael Stanley and Kevin Stanley to receive 20% of the Total Shareholder Return over the seven years following first admission of the Company's Ordinary Shares to trading on the London Stock Exchange, in June 2015, subject to the satisfaction of the Performance Condition, being the achievement of a compound rate of return of 12.5% per annum in the Company's Share price. The Founder Shares will be converted into Ordinary Shares or paid out in cash, at the option of the Company, in an amount equal to the return earned by the Founders, if any. The Company intends to settle the return earned by the Founders, if any, in Ordinary Shares.

The holders of Deferred Shares do not have voting rights at meetings and are not entitled to receive dividends except for the right to receive €1 in aggregate for every €100,000,000,000 paid to the holders of Ordinary Shares.

The holders of A Ordinary Shares are not entitled to receive dividends and do not have voting rights at meetings of the Company.

Issue costs of €15.9 million in relation to Ordinary Shares issued have been charged directly in equity to retained earnings.

8. Share-Based Payments

Founder Shares

A valuation exercise was undertaken to fair value the Founder Shares (the terms of which are outlined in Note 7), which results in a non-cash charge in the period to 31 December 2015 of €29.1 million, with a corresponding increase in the share-based payment reserve in equity such that there is no overall impact on total equity. This non-cash charge to profit or loss for the period is for the full fair value of the award relating to the Founder Shares, all of which must be recognised up front under the terms and conditions of the Founder Share agreement. No charge will be recognised in subsequent years.

The valuation exercise was completed using the "Monte Carlo" simulation methodology using the following key assumptions:

- Share price volatility of 25% per annum, based on a basket of comparative UK listed entities;
- Risk free rate of 0.1% per annum;
- Dividend yield of 3% per annum, effective from 2018;
- 15% discount based on restrictions on sale once Founder Shares convert to Ordinary Shares.

Share Options

500,000 Ordinary Share options were issued in the period, to a director. 250,000 of these options vest during 2018 and the remaining 250,000 vest during 2019. The exercise price of each Ordinary Share option is €1.00. The fair value of the options that vest during 2018 is €0.219 per share while the fair value of options that vest in 2019 is €0.220 per share. A valuation exercise has been undertaken to fair value the share options, which results a non-cash charge in administrative expenses in the period to 31 December 2015 of €0.018 million with a corresponding increase in the share-based payment reserve in equity.

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Notes (continued)

For the period from incorporation on 12 November 2014 to 31 December 2015

9. Loans and Borrowings

	31 Dec 2015
	€'000
Non-current liabilities	
Bank loans	
Repayable as follows:	
Between one and two years	-
Between two and five years	63,543
Total Borrowings	63,543

On 30 November 2015, the Group entered into a €150 million Term Loan and Revolving Credit Facility with AIB for a term of 4 years from initial drawdown at an interest rate of Euribor (subject to a 0% floor) plus margin ranging from 2.5%-3%. The first drawdown by the Group in December 2015 amounted to €65.5 million (gross). Undrawn facilities of €84.5 million were available as at 31 December 2015.

The facility is repayable in December 2019 and is secured by way of a floating charge over the assets of the Company and its subsidiaries. The Directors confirm that all covenants have been complied with and are kept under regular review.

The amount presented in the financial statements is net of related unamortised arrangement fees and transaction costs. In addition, the fair value of an embedded derivative (interest-rate floor) was deducted and separated from the fair value of the host loan at inception.

During the year, the Group held a loan of €18.1 million due from Emerley Properties Limited to Northern Trust Fiduciary Services Limited (acting in its capacity as trustee to the Emerald QIAIF, the ultimate beneficiaries of which are Alan McIntosh, a director, and his spouse). The loan was acquired as part of the acquisition of Emerley Holdings Limited (see Note 11). The loan was repaid in full together with the minimum interest amount payable under the loan agreement of €3.6m on 3 December 2015.

10. Earnings Per Share

The basic loss per share for the period ended 31 December 2015 is based on the loss attributable to ordinary shareholders of €37.2 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.

	31 Dec 2015
Loss for the period attributable to ordinary shareholders (€'000)	(37,208)
Weighted average number of Ordinary Shares for period	233,546,612
Basic and diluted loss per share	15.9 cents

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Notes (continued)

For the period from incorporation on 12 November 2014 to 31 December 2015

11. Business Combination

On 15 June 2015, the Group acquired 100% of the share capital of Emerley Holdings Limited (subsequently renamed Cairn Homes Holdings Limited), for a consideration of €26.7 million, all of which was satisfied by the issue of 26,657,224 Ordinary Shares in the Company. This acquisition had been conditional on successful completion of the Company's IPO. The fair value of the consideration was €26.7 million based on the Group's IPO Ordinary Share issue price of €1.00 per share. The purpose of the acquisition was to acquire Emerley Holdings Limited's business of the development of residential property at Parkside, Dublin.

The fair value of recognised amounts of assets acquired and liabilities assumed were as follows:

	€'000
Inventories	43,810
Cash and cash equivalents	1,963
VAT recoverable	369
Other receivables	545
Trade payables	(60)
Accruals	(3,658)
Borrowings	(18,130)
Deferred tax liability	(1,127)
Net assets acquired	23,713
Charge to profit or loss - exceptional item	2,944
Consideration - fair value of shares issued	26,657

The fair value of consideration exceeded the fair value of net assets and liabilities acquired by €2.94 million. The directors believed that certain expenses incurred directly by Emerley Holdings Limited in advance of the acquisition were incurred for the benefit of the Group and its shareholders and the Group assumed these pre-existing costs at its own expense. The costs assumed were as follows:

- €0.94 million of certain costs relating to the restructuring of the Emerley Holdings Limited Group prior to its acquisition by the Group as part of the IPO and €0.15 million of other administrative expenses;
- €1.86 million in accrued interest in relation to the Emerley Properties Loan (see Note 9 for further details on the loan);

The above costs have been expensed to profit or loss and disclosed as exceptional items.

From the acquisition date to 31 December 2015, this acquisition contributed revenue of €3.6 million and a loss of €1.9 million to the consolidated results of the Group. If the acquisition had occurred with effect from the beginning of the period, it would have contributed revenue of €3.6 million and a loss of €4.8 million to the consolidated results of the Group for the period (including the impact of the €2.9 million exceptional costs noted above).

12. 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 financial statements.

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Notes (continued)

For the period from incorporation on 12 November 2014 to 31 December 2015

13. Events after the Reporting Period

On 4 January 2016, the Group contracted to acquire a 2 acre site in Hanover Quay, Dublin 2 at a cost of €18 million. The contract is expected to complete in the coming weeks.

On 11 February 2016, the Group contracted to acquire a site in Cherrywood, Dublin 18 at a cost of €21.5 million and conditionally contracted to acquire a second site at the same location, on the receipt of planning permission, at a cost of €9.5 million.

On 16 February 2016, on payment of a further €2.5 million, the Group extended the exclusivity agreement relating to the agreement to purchase the Business referred to in Note 5.

On 19 February 2016, the sub participation period relating to residential land loan portfolio acquired by the Company (Note 3) ended and all loans, with some limited exceptions, were legally transferred to the Group.