Press Release 27 August 2015

Cairn Homes plc

Results for the period ended 30 June 2015

Dublin/London 27 August 2015: Cairn Homes Plc (LSE: CRN), the Irish homebuilding company, today announced the Group's results for the period from incorporation on 9 November 2014 to 30 June 2015.

HIGHLIGHTS

- Successful IPO in June 2015, raising gross proceeds in excess of €440 million, principally comprising the initial public offering of €400m and the exercise of a €40 million over-allotment option
- Acquired, or contracted to acquire, nine prime development sites at a cost of €130 million, with an estimated NDV* of €568.9 million, including the recent acquisition of a site at Ard Na Glaise, Stillorgan for €5.45 million
- Developments progressing well, with full marketing launch on Parkside site scheduled for September 2015. The Albany development is scheduled for launch in Q1 2016
- Strong strategic pipeline in target areas, with land acquisition team carrying out detailed due diligence on 11 sites, with a total projected cost of c. €120 million and total potential units of approx. 1,600.
- A significant number of new site acquisition opportunities are expected to come to the market over coming months, following quieter Summer period
- Increasingly favourable macro-economic backdrop, with improving GDP forecasts, increasing employment, and a strengthening consumer economy

Key Financial Highlights	**2015**
	€'000
Revenue	**51**
Loss Before Tax (before exceptional items**)	**(1,048)**
Loss Before Tax (after exceptional items**)	**(33,092)**
Basic and Diluted Loss Per Share	**(€0.85)**
	€'000
Cash on Hand	**388,927**
Inventories***	**134,100**

* Net Development Value (development total sales proceeds less VAT)

** Exceptional items principally reflect:

(i) costs of €2.9 million related to the acquisition of Emerley Holdings Limited, which was acquired as part of the IPO: and

(ii) a €29.1 million non-cash fair value 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 derive 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 Group.

*** Represents inventories of €85.6 million at 30 June 2015, adjusted to take account of two sites, (value €48.5 million) where contract deposits have been paid, but the contracts had not yet closed as at 30 June 2015.

OUTLOOK

- The principal focus of the Group for the remainder of 2015 and H1 2016 remains the efficient deployment of the IPO proceeds, with a strong pipeline of sites under detailed due diligence currently.
- Ongoing recruitment of additional personnel also remains a key priority, in addition to the formal launch of the Parkside site over the coming weeks.

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

"Following on from our very successful IPO, Cairn Homes plc has progressed the acquisition, planning and development of premium sites in the Dublin, Galway and Meath regions. The availability of prime development lands continues to be a positive for Cairn Homes and the company is confident in its pipeline to deliver quality homes in a market where there is an acute shortage of supply."

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There will be an Analyst and Investor call today (27 August 2015) at 8.30am (BST) 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 an Irish homebuilder with a highly experienced management team. The Group is committed to constructing high quality new homes with an emphasis on design, innovation and customer service. The Group expects to acquire 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 Cork and Galway and other major urban centres, as appropriate.

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

Operational review

- The successful completion of the Group's initial public offering ("IPO"), raising gross proceeds of in excess of €440 million, including the exercise of a €40 million over-allotment option.
- Acquired a further three sites (two sites on Brennanstown Road, Carrickmines, Dublin and one at Ard Na Glaise, Stillorgan, Dublin), post IPO, to bring to nine (including the conditionally acquired Navan site) the total number of sites at various stages of development, planning and construction.
- Closing on the Marianella contract, is expected to take place in September 2015, with all relevant consents now obtained. The site is 8.11 acres in size, with a cost of €43 million, an estimated NDV of €135 million and total planned units of c. 238, subject to planning permission.
- The Group continues to develop its pipeline of potential acquisitions, across a range of different locations (but with a continued principal focus on Dublin and its environs), through a combination of on-market and off-market opportunities and joint venture discussions. The Group's land acquisitions team are carrying out detailed due diligence on 11 sites with a total projected cost of €120 million and total potential units of 1,600.
- The formal launch of our Parkside site planned for late September 2015, in order to maximise the variety of house types on view.
- Good progress continues to be made on our site at Albany in Killiney, South Dublin. The Group plans to launch this as a fully complete site in early 2016 in order to maximise sales.
- Ulster Bank and Nama releasing development land to the market – Q3/4 2015.
- The Group's planning and developing teams continue to work on new planning applications and/or revisions to existing planning permissions, where appropriate, in order to ensure optimum delivery across all sites

Economy

The Irish macro-economic picture continues to improve, with Irish GDP growth now accelerating, having surpassed its previous peak in Q3 2014. Recent forecasts (*source: Goodbody*) for the Irish economy now expect GDP growth of 5.5% in 2015 (previously 4.3%). 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. The most encouraging aspect of the recent economic trends has been that of consumer spending, which has continued to strengthen throughout 2015. Growth of 3.8% year-on-year in Q1 2015 is the fastest growth experienced since 2007. Underlying investment trends also continue to improve, with core business investment growing by 12% year on year in Q1 2015. Employment growth is now positive for 9 consecutive quarters since Q1 2013, with the annual rate accelerating to 2.2% year on year in Q1 2015, which has resulted in the unemployment rate falling from a high of 15% at the start of 2012 to 9.7% in July 2015, with the Irish economy creating c. 110,000 jobs in the past 2.5 years.

Residential Property Market

Rent levels across the country and in Dublin in particular continue to rise strongly, illustrating the continued demand/supply imbalance. A recently published Government report identified "misalignments" in the Irish property market with a mismatch between housing supply and household formation resulting in price increases. The report says that low levels of housing supply are an "immediate issue of concern" and that "an important side effect is that a lack of housing and associated high prices and rental costs could affect Ireland's attractiveness for inward investment and skilled immigrants". This continued supply/demand imbalance and the Government concern about how this impacts on Ireland's competitiveness should result in further supply side response from the Government.

The impact of the Central Bank macro-prudential rules is now pointing toward a more normalised and sustainable property market into the future, with some moderation in price growth in recent months, which importantly has resulted in some easing in the current price expectations of land-owners, as the Group looks to efficiently deploy the IPO proceeds over the next 12 months.

Industry/Regulatory Developments

There have been a number of regulatory developments over recent months that are likely to have a positive impact on the broader industry and in particular on the Group's business, as outlined below:

- 3% vacant site levy – the Urban Regeneration and Housing Bill 2015 proposes that a levy based on 3% of a vacant sites market value will be imposed on the owners of such sites in January 2018. The vacant site list will be determined by local councils. This is likely to have a positive impact on land availability.
- The percentage of land/units that must be provided for social and affordable housing is reduced from 20% to 10%. The Urban Regeneration and Housing Bill 2015 discontinues the provision of allowing developers make cash payments in lieu of social housing, but does allow for the transfer of completed social housing units off-site, on other lands, in certain circumstances.
- Draft Dublin development plan contains a number of provisions in relation to apartment building that will make apartment building in the city much more viable and will positively impact on the Group, particularly on those sites where it is currently planning to build apartments.

Related Party Transactions

Related party transactions in the period materially affecting the financial position or performance of the Group are detailed in Note 18.

CAIRN HOMES PLC – PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have considered the principal risks and uncertainties that the Group is exposed to and which may impact performance in the remaining 6 months of its financial period, which are summarised as follows:

Economic environment, including housing demand and mortgage availability
Changes in the Irish and European macroeconomic environments, including unemployment, flat economic growth, buyer confidence, availability of mortgages, interest rates, competitor pricing, or falls in house prices or land values, may lead to a fall in the demand for houses which in turn could adversely impact the Group's results.

Ability to deploy the remaining IPO proceeds
There is strong competition for development land in geographic areas of focus of the Group, which may impact the rate at which the IPO proceeds or proceeds of any future equity issuance are deployed. There is an interim risk associated with holding the IPO proceeds in financial institutions in advance of deployment. This risk is mitigated by depositing funds with a number of Irish financial institutions and AAA rated international institutions.

Land purchasing
The ability to secure sufficient consented land at appropriate cost and quality to provide profitable growth.

Attracting and retaining high calibre employees
Inability to recruit and/or retain employees with appropriate skill sets or sufficient numbers of such employees.

Availability of raw materials, subcontractors and suppliers
Shortages or increased costs of materials and skilled labour, the failure of a key supplier or the inability to secure supplies upon appropriate credit terms could increase costs and delay construction.

Government regulation and planning policy
Inability to adhere to the increasingly stringent and complex regulatory environment, including planning and technical requirements affecting the housing market and regulatory requirements more generally.

Construction
Failure to identify and achieve key construction milestones, due to factors including the impact of adverse weather conditions, the failure to identify cost overruns promptly, design and construction defects, and exposure to environmental liabilities which could delay construction, increase costs, reduce selling prices and result in litigation and uninsured losses.

Health and safety
Health and safety breaches can result in injuries to employees, subcontractors and site visitors, delays in construction/increased costs, reputational damage, criminal prosecution and civil litigation.

Land and work in progress are illiquid assets
Development land and completed/semi-completed homes can be relatively illiquid assets, which could mean that such assets may not be easily sold and converted into cash, or a sale may not be completed quickly without accepting a lower price than may be otherwise offered.

CAIRN HOMES PLC – PRINCIPAL RISKS AND UNCERTAINTIES *(Continued)*

Net realisable value of the Group's land bank
The net realisable value of land owned by the Group may decline after purchase, as the valuation of property or land is inherently subjective, given the number of factors that can impact on its value.

Loan acquisitions may not result in the acquisition of the underlying land
If the Group purchases loan assets, it may not be able to access the underlying land if it is unable to enforce against the borrower whose loan the Group has acquired.

Due diligence may not identify all risks and liabilities in respect of an acquisition
The Group's due diligence process may not identify all of the risks and liabilities in relation to an asset that it has acquired, which could result in a material cost to the Group.

Changes in tax legislation
Changes in tax legislation could impact on the Group's profitability and prospects.

Construction defects could results in reputational damage
Construction defects may occur on projects and developments after completion of the project or development, which could give rise to reputational damage and/or a financial cost to the Group.

CAIRN HOMES PLC - STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE INTERIM FINANCIAL REPORT
For the period from incorporation on 12 November 2014 to 30 June 2015

Each of the directors, whose names and functions are listed in the Interim Management Report on page 31, confirm our responsibility for preparing the interim 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 interim consolidated financial statements comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, and related notes 1 to 25 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:

- Regulation 8(2) of the Transparency (Directive 2004/109/EC) Regulations 2007, being an indication of important events that have occurred during the period from incorporation on 12 November 2014 to 30 June 2015 and their impact on the consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- Regulation 8(3) of the Transparency (Directive 2004/109/EC) Regulations 2007, being related party transactions that have taken place during the period from incorporation on 12 November 2014 to 30 June 2015 and that have materially affected the financial position or performance of the entity during the period.

Signed on behalf of the Board

John Reynolds
Group Chairman

Michael Stanley
Chief Executive Officer

CAIRN HOMES PLC - UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period from incorporation on 12 November 2014 to 30 June 2015

	Note	Before Exceptional Items €'000	Exceptional items (Notes 14, 22) €'000	Total €'000
Continuing operations				
Revenue	6	51	-	**51**
Administration expenses	7	(948)	(1,086)	**(2,034)**
Fair value charge relating to Founder Shares	14	-	(29,100)	**(29,100)**
Operating loss		(897)	(30,186)	**(31,083)**
Finance income	8	8	-	**8**
Finance costs	8	(159)	(1,858)	**(2,017)**
Loss before taxation		(1,048)	(32,044)	**(33,092)**
Income tax credit	9			**213**
Loss for the period attributable to owners of the Company				**(32,879)**
Other comprehensive income				**-**
Total comprehensive loss for the period attributable to owners of the Company				**(32,879)**
Basic loss per share	21			**(€0.85)**
Diluted loss per share	21			**(€0.85)**

The notes to the interim Group financial statements on pages 12 to 28 form an integral part of this financial information.

CAIRN HOMES PLC -UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Note	€'000
Assets		
Non-current assets		
Property, plant & equipment		**3**
Current assets		
Inventories	10	**85,644**
Deposits paid	11	**5,095**
Trade and other receivables	11	**1,324**
Cash and cash equivalents	12	**388,927**
		480,990
Total assets		**480,993**
Equity		
Share capital	13	**590**
Share premium	13	**454,742**
Share-based payment reserve	14	**29,101**
Retained earnings		**(32,879)**
Total equity		**451,554**
Liabilities		
Non-current liabilities		
Borrowings	15	**18,130**
Deferred taxation	9	**914**
		19,044
Current liabilities		
Trade and other payables	16	**10,395**
Total liabilities		**29,439**
Total equity and liabilities		**480,993**

The notes to the interim consolidated financial statements on pages 12 to 28 form an integral part of this financial information.

CAIRN HOMES PLC – UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period from incorporation on 12 November 2014 to 30 June 2015

	Share capital					Share-based		
	Ordinary shares €'000	A Ordinary shares €'000	Deferred shares €'000	Founder shares €'000	Share premium €'000	payment reserve €'000	Retained earnings €'000	Total €'000
As at 12 November 2014	-	-	-	-	-	-	-	-
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	-	-	(32,879)	**(32,879)**
Other comprehensive income	-	-	-	-	-	-	-	**-**
	-	-	-	-	-	-	(32,879)	**(32,879)**
Transactions with owners of the company								
Issue of ordinary shares for cash	443	-	-	-	442,617	-	-	**443,060**
Share issue costs	-	-	-	-	(14,605)	-	-	**(14,605)**
Issue of founder shares for cash	-	-	-	100	100	-	-	**200**
Issue of ordinary shares for shares in Emerley Holdings Limited	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	-	-	-	-	-	29,101	-	**29,101**
	470	**-**	**20**	**100**	**454,742**	**29,101**	**-**	**455,567**
As at 30 June 2015	**470**	**-**	**20**	**100**	**454,742**	**29,101**	**(32,879)**	**451,554**

The notes to the interim consolidated financial statements on pages 12 to 28 form an integral part of this financial information.

CAIRN HOMES PLC – UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period from incorporation on 12 November 2014 to 30 June 2015

	Note	€'000
Cash flows from operating activities		
Loss for the period		**(32,879)**
Adjustments for:		
Share-based payments expense	14	**29,101**
Non-cash expense in relation to the acquisition of Emerley Holdings Limited	22	**2,944**
Other finance costs		**159**
Finance income		**(8)**
Taxation		**(213)**
		(896)
Increase in inventories		**(41,834)**
Increase in deposits paid		**(5,095)**
Increase in trade and other receivables		**(402)**
Increase in trade and other payables		**1,819**
Net cash outflow from operating activities		**(46,408)**
Cash flows from investing activities		
Cash acquired on acquisition of Emerley Holdings Limited	22	**1,963**
Purchases of property, plant and equipment		**(3)**
Net cash flows from investing activities		**1,960**
Cash flows from financing activities		
Proceeds from issue of share capital, net of issue costs paid		**433,375**
Net increase in cash and cash equivalents in the period		**388,927**
Cash and cash equivalents at incorporation		**-**
Cash and cash equivalents at 30 June 2015	12	**388,927**

The notes to the interim consolidated financial statements on pages 12 to 28 form an integral part of this financial information.

CAIRN HOMES PLC – NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

1. Basis of Preparation

Cairn Homes plc ("the Company") is a company domiciled in Ireland. These unaudited interim consolidated financial statements and the information set out in this report cover the period from incorporation on 12 November 2014 to 30 June 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 interim consolidated financial statements, from incorporation on 12 November 2014 to 30 June 2015, have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU. As permitted by that standard, the Company has prepared a full set of financial statements. Therefore these consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations issued by the International Accounting Standards Board (IASB), as adopted by the EU. The interim Group financial statements comply with the Transparency (Directive 2004/109/EC) Regulations 2007.

The *Annual Improvements to IFRS 2010-2012 Cycle* is available for early adoption in the EU (the mandatory effective date is for periods beginning 1 February 2015). It has not been early adopted by the Group and is under review. There are no other EU approved standards which may be relevant to the Group which are available for early adoption.

The directors consider that it is appropriate that this financial information has been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

The interim consolidated financial statements are not the statutory financial statements of the Company. The first statutory financial statements will be for the period from 12 November 2014 to 31 December 2015.

These interim 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 consolidated financial statements were approved by the Directors on 26 August 2015.

2. Key Judgements and Estimates

The preparation of interim 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.

The key judgements and estimates impacting these interim financial statements are:

- accounting for share-based payments (Note 14)
- accounting for acquisitions, including allocation of fair value of consideration (Note 22)
- presentation of exceptional items (Note 22).

3. Significant Accounting Policies

The accounting policies set out below have been applied in these financial statements.

Basis of consolidation
The interim consolidated financial statements include the results of Cairn Homes plc and all its subsidiary undertakings for the period to 30 June 2015. The financial statements of the subsidiary undertakings are consolidated from the date when control passes to the Group using the purchase method of accounting and up to the date control ceases.

Business combinations
The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Goodwill arising on consolidation represents the excess of the fair value of the consideration over the fair value of the separately identifiable net assets and liabilities acquired. Any goodwill that arises is capitalised and tested annually for impairment. Impairment arises when the carrying value of the Group's cash generating unit (residential property development) is greater than its fair value. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Property, plant and equipment
Property, plant and equipment are initially recognised at cost.

Depreciation is provided using the straight line method to write off the cost less any residual value over the estimated useful life of the asset on the following basis:

Plant & Equipment	3 to 5 years
Fixtures & Fittings	3 to 5 years

The assets' useful economic lives and residual values are reviewed and adjusted, if appropriate, at each financial reporting date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

3. Significant Accounting Policies *(Continued)*

Revenue
Revenue comprises the fair value of consideration received or receivable, net of value-added tax, rebates and discounts.

Revenue is recognised once the value of the transaction can be reliably measured and the significant risks and rewards of ownership have been transferred. Revenue is recognised on house sales at legal completion.

Booking and contract deposits on units sold by the Group are held by the Group's legal advisors, on behalf of the Group, until legal completion of the sale, at which point all such deposits are paid to the Group and recognised as revenue. Where a contract, on which a booking deposit has been paid, is not completed, the Group will recognise the forfeited deposit (arising in accordance with the contract's terms) as revenue.

Rental income is recognised on a straight line basis over the life of the lease. Any lease incentives are recognised as an integral part of the total rental income.

Inventories
Units in the course of development and completed units are valued at the lower of cost and net realisable value. Cost includes the cost of land, raw materials, stamp duty, direct labour and development costs but excludes indirect overheads. Land purchased for development, including land in the course of development, is initially recorded at cost. For development property acquired through business combinations, cost is the sum of the fair value at acquisition plus subsequent development costs. The Group's developments can take place over several reporting periods and the Group has to allocate site-wide development costs between units built in the current year and in future years. It also has to estimate the costs to completion of such developments. In making these assessments there is a degree of inherent uncertainty. Inventories are carried at the lower of cost and net realisable value, such that provision is made, where appropriate, to reduce the value of inventories and work in progress to their net realisable value.

Where a site purchased for redevelopment includes existing rental properties which will be demolished as part of the planned redevelopment of the site, the full cost of the site is classified within inventory.

Contract deposits for purchases of development property are recognised as prepayments when paid and are transferred to inventory on legal completion of the contract when the remainder of the contract price is paid.

Share-based payments
The Group issues equity-settled share based payments to certain employees (share options) and founders (founder shares).

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amounts recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions, where applicable at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3. Significant Accounting Policies *(Continued)*

Taxation
Income tax comprises current tax and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised in other comprehensive income or equity.

Current tax is the expected tax payable on taxable profit or loss for the period and any adjustment to tax payable in respect of previous periods. It is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of temporary timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to cover or settle the carrying amounts of its assets and liabilities.

Pensions
The Group operates defined contribution schemes for certain employees. The Group's contributions to the schemes are charged to profit or loss in the period in which the contributions fall due.

Trade and other receivables
Trade and other receivables are stated at their fair value at the date of recognition and subsequently at amortised cost less impairment.

3. Significant Accounting Policies *(Continued)*

Cash and cash equivalents
Cash and cash equivalents include cash and bank balances in bank accounts with no notice or on short-term deposits which are subject to insignificant risk of changes in value.

Provisions
Provisions are recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated.

Trade and other payables
Trade and other payables are initially recognised at their fair value and subsequently at their amortised cost.

Ordinary shares
Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity through the share premium reserve account.

Interest-bearing loans and borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition interest-bearing borrowings are stated at amortised cost. Any difference between cost and redemption value is recognised in profit or loss over the period of the borrowings on an effective interest basis, or if appropriate, the Group capitalises borrowing costs directly attributable to the acquisition and development of a qualifying asset as part of the cost of that asset.

Exceptional items
Items that are material in size or unusual or infrequent are presented as exceptional items in the statement of comprehensive income. The Directors are of the opinion that the separate presentation of exceptional items provides helpful information about the Group's underlying business performance.

Segmental reporting
Operating segments are reported in a manner consistent with the internal organisational and management structure and the internal reporting information provided to the Chief Operating Decision Maker (Designated as the Board of Directors), who is responsible for allocating resources and assessing performance of operating segments.

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is defined in IFRS 13, Fair Value Measurement, as 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. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques, as follows:

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

- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further disclosure about the assumptions made in measuring fair values is included in the following notes:

- Note 10 - Inventories;
- Note 11 - Deposits paid, and Trade and other receivables;
- Note 12 - Cash and cash equivalents;
- Note 14 - Share-based payments;
- Note 15 - Borrowings;
- Note 16 - Trade and other payables;
- Note 22 - Business combination.

5. Segmental Information

Segmental information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The CODM has been identified as the Board of Directors of the Company.

Having considered the criteria in IFRS 8 *Operating Segments* and considering how the Group manages its business and allocates resources, the Group has determined that it has one reportable segment. In particular, the Group is managed as a single business unit, building and property development.

As the Group operates in a single geographic market, Ireland, no geographical segmentation is provided.

6. Revenue

	Before Exceptional items	Exceptional items	Total
	€'000	€'000	€'000
Income from property rental	51	-	**51**

7. Administration Costs

	Before Exceptional items	Exceptional items (Note 22)	Total
	€'000	€'000	€'000
Employee benefits expense	860	-	**860**
Other expenses	88	1,086	**1,174**
	948	1,086	**2,034**

8. Finance Income and Finance Cost

	Before Exceptional items	Exceptional items (Note 22)	Total
	€'000	€'000	€'000
Interest income on short term deposits	8	-	**8**
Finance cost on non-current borrowings	(159)	(1,858)	**(2,017)**

The above finance cost is entirely attributable to a loan which was acquired as part of the acquisition of Emerley Holdings Limited, see note 22. The amount treated as exceptional represents the pre-existing interest cost of Emerley Holdings Limited prior to acquisition that the Company assumed on acquisition of Emerley Holdings Limited as part of the Group's Initial Public Offering process.

9. Current and deferred taxation

Current tax

There is no current tax payable at 30 June 2015.

Deferred tax

The deferred tax liability is comprised of the following:

	€'000
On incorporation – 12 November 2014	-
Liability on acquisition of Emerley Holdings Limited (Note 22)	1,127
Credited to profit and loss	(213)
As at 30 June 2015	**914**

10. Inventories

	€'000
Land held for development	79,995
Construction work in progress	5,649
	85,644

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 inventory will be realised as this will be subject to a number of issues such as consumer demand and the timing of planning permissions.

The directors do not consider that market conditions as at 30 June 2015 give rise to any concern in relation to the fair value of the Group's inventories. Consequently, no fair value exercise has been undertaken at 30 June 2015 as the directors believe that the carrying value of all land held for development and construction work in progress is approximate to fair value.

Inventories with a carrying value of €44.6 million are pledged as security for the Group's borrowings (see Note 15).

11. Deposits Paid, and Trade and Other Receivables

	€'000
Deposits paid	**5,095**
Trade and Other Receivables	
VAT recoverable	869
Other receivables	455
	1,324

Deposits paid represent amounts paid in June 2015 on purchase agreements relating to two separate development properties. As at 30 June 2015, these acquisitions had not closed. See note 20 for further detail on one of these properties.

The carrying value of deposits paid and trade and other receivables approximate to their fair value.

12. Cash and Cash Equivalents

	€'000
Cash and cash equivalents	**388,927**

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 cash and cash equivalents is €388.9 million. The Group had no undrawn borrowing facilities as at 30 June 2015.

13. Share Capital and Share Premium

Authorised	**Number**	**€'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**

13. Share Capital and Share Premium *(continued)*

Issued and fully paid	**Number**	**Share capital €'000**	**Share premium €'000**	**€'000**
Ordinary Shares of €0.001 each	469,737,228	470	469,247	469,717
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	-	-	-	-
Gross proceeds from issue of share capital		590	469,347	469,937
Costs associated with the issue of share capital		-	(14,605)	(14,605)
Net proceeds from issue of share capital		**590**	**454,472**	**455,332**

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 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 Admission of the Company's shares to the London Stock Exchange, subject to the satisfaction of the Performance Condition, being the achievement of a compound rate of return of 12.5 per cent. 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.

Share Issues

On incorporation, on 12 November 2014, the company issued 100 ordinary shares for consideration of €100. On 2 April 2015, the company passed a resolution whereby every one ordinary share of €1 each was sub-divided into 1,000 Ordinary Shares of €0.001 each.

On 2 April 2015, the company issued 100 ordinary shares for cash consideration of €100,000.

On 2 April 2015, 20,000 A ordinary shares were issued for cash consideration of €20,000.

13. Share Capital and Share Premium *(continued)*

On 2 April 2015, 100,000,000 Founder Shares of €0.001 each were issued for cash consideration of €200,000.

On 4 May 2015, the company issued 4 ordinary shares for cash consideration of €0.04.

On 9 June 2015, 20,000 A ordinary shares were converted to 20,000 ordinary shares of €0.001 each and 19,980,000 deferred shares of €0.001 each.

On 10 June 2015, the Company issued 400,000,000 ordinary shares at €1.00 each by way of an Initial Public Offering raising gross proceeds of €400 million.

On 10 June 2015, the Company issued 26,657,224 ordinary shares at €1.00 each in consideration for the transfer to the Company of the entire Share Capital of Emerley Holdings Limited (See Note 22).

On 10 June 2015, the Company issued 2,579,900 ordinary shares at €1.00 each as part of the Admission Founders Subscription raising proceeds of €2,579,900.

On 10 June 2015, the Company issued 380,000 ordinary shares at €1.00 each as part of the Additional Persons Subscription raising proceeds of €380,000.

On 23 June 2015, the Company issued 40,000,000 ordinary shares at €1.00 each by way of the exercise of an Over-Allotment Option raising gross proceeds of €40 million.

The proceeds of the share issues are to be used to develop the Group's business of property development and construction of residential units and for general corporate purposes.

14. Share-based payments

Founder Shares

A valuation exercise has been undertaken to fair value the founder shares (the terms of which are outlined in Note 13), which results in a non-cash charge in the period to 30 June 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 and 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.

14. Share-based payments *(continued)*

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 the period to 30 June 2015 of €0.001 million with a corresponding increase in the share-based payment reserve in equity.

15. Borrowings

	€'000
Current	-
Non-Current	18,130
	18,130

The above loan is 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 22). The loan is repayable on 30 June 2018 but the Group has the right to repay the loan at any time. If all or any part of the loan is repaid by 31 December 2015, a minimum interest amount of €3.6m is payable and thereafter interest accrues at a coupon of 20 per cent. per annum. The Group intends to repay the loan by 31 December 2015, and the fair value of the loan approximates to its carrying value. The loan is secured by a fixed and floating charge over the assets of Emerley Properties Limited.

16. Trade and Other Payables

	€'000
Trade payables	343
Accruals	10,052
	10,395

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

Accruals include €4.7 million in relation to accrued share issue costs.

17. 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.

18. Related Party Transactions

For the period from incorporation on 12 November 2014 to 30 June 2015 the following related party transactions have taken place requiring disclosure:

- On 15 June 2015, 100% of the share capital of Emerley Holdings Limited was acquired by the Company from Everleigh Investment Partners Limited (an entity, in which the ultimate beneficiaries are Alan McIntosh, a director, and his spouse) and Stanbro Property Holdings Limited (a company, of which over 96 per cent. of the ultimate beneficial interest is held by Michael Stanley, a director, together with family members) for €26.7 million, the consideration for which was satisfied by the issue of 26,657,224 Ordinary Shares of €0.001 each in the Company (see Note 22);

- As part of the acquisition of Emerley Holdings Limited, a loan of €18.1million due to Northern Trust Fiduciary Services Ireland Limited (acting in its capacity as trustee to the Emerald QIAIF, the ultimate beneficiaries of which are Alan McIntosh, a director, and his spouse) was acquired. The loan is secured by a fixed and floating charge over the assets of Emerley Properties Limited. If all of any part of the loan is repaid by 31 December 2015, a minimum interest amount of €3.6 million is payable and thereafter interest accrues at a rate of 20 per cent per annum. A balance of €18.1 million, plus accrued interest of €2.0 million was owed on this loan at 30 June 2015;

- Butterly Business Park, Kilmore Road, Artane, Dublin 5 was acquired by Cairn Homes Butterly Limited, a 100% subsidiary of the Company from Butterly Capital Investments Limited an entity in which the ultimate economic interest is indirectly held by Alan McIntosh, a director, and his spouse, for cash consideration of €9.2 million;

- Development land at Letteragh Road, Rahoon, Galway was acquired by Cairn Homes Galway Limited, a 100% subsidiary of the Company from Emerald Opportunity Investment (Galway) Limited, an entity in which the ultimate economic interest is indirectly held by Alan McIntosh and his spouse, for cash consideration of €4.9 million;

- Development land at Albany House, Shanganagh Road, Ballybrack, Co. Dublin was acquired by Cairn Homes Killiney Limited, a 100% subsidiary of the Company from Albany House Investments Limited, an entity in which the ultimate economic interest is indirectly held by Alan McIntosh and his spouse, for cash consideration of €5.7 million;

- Development land at Moathill, Navan, Co Meath was agreed to be conditionally acquired by Cairn Homes Navan Limited, a 100% subsidiary of the Company from Sonbrook Property Moathill Limited, an entity in which the ultimate economic interest is held by Kevin Stanley, a member of key management, and his spouse. The consideration for the acquisition, which has not been completed, will be 80% of a Red Book valuation of the land to be carried out by an appropriate valuer when appropriate planning has been granted.

- Emerald Investment Partners, an entity directly held by Alan McIntosh, a director, incurred €0.48 million in the period to be recharged to the Group for professional services and expenses directly attributable to the Initial Public Offering of the Group. This amount was outstanding at 30 June 2015.

18. Related Party Transactions *(continued)*

- The remuneration of key management personnel (which comprise the Board of Directors of the Company and senior management) during the period from incorporation on 12 November 2014 to 30 June 2015 was as follows:

	€'000
Short-term employee benefits	759
Post-employment benefits (pension contributions)	47
Fair value charge for Share Options	1
Total remuneration of key management personnel	**807**
Fair value charge relating to Founder Shares of key management personnel (Note 14)	**29,100**

19. Group Entities

The Company's subsidiaries are set out below. All of the Company's subsidiaries are resident in Ireland, with their registered address at 15 Upper Mount Street, Dublin 2. All group entities trade and operate in Ireland only.

Group Company	*Principal Activity*	*Company's direct holding*
Cairn Homes Holdings Limited (formerly Emerley Holdings Limited)	Holding company	100%
Cairn Homes Properties Limited (formerly Emerley Properties Limited)	Holding of property	100%
Cairn Homes Construction Limited (formerly Emerley Construction Limited)	Construction company	100%
Cairn Homes Butterly Limited	Holding of property	100%
Cairn Homes Galway Limited	Holding of property	100%
Cairn Homes Killiney Limited	Holding of property	100%
Cairn Homes Navan Limited	No activity in period	100%

20. Subsequent Events

On 30 July 2015, the Company completed the purchase of development land at Ard Na Glaise, Stillorgan Park Road, Co Dublin for a total purchase price of €5.45 million. A deposit of €0.8 million, included in trade and other receivables, had been paid previously in respect of this purchase on 26 June 2015.

21. Earnings per Share

The basic loss per share for the period ended 30 June 2015 is based on the loss attributable to ordinary shareholders of €32.879 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.

	€'000
Loss for the period attributable to ordinary shareholders	(32,879)
Weighted average number of ordinary shares for period	38,677,150
Basic and diluted loss per share	(€0.85)

22. Business Combination

On 15 June 2015, the Company acquired 100% of the share capital of Emerley Holdings Limited for a consideration of €26.657 million, all of which was satisfied by the issue of 26,657,224 ordinary shares in the Company (Note 13). This acquisition had been conditional on successful completion of the Company's IPO. The fair value of the consideration was €26.657 million based on the Company's IPO 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	(59)
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**

22. Business Combination *(continued)*

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 Company and its shareholders and the Group assumed these pre-existing costs at its own expense. The costs assumed were as follows:

- €0.94 million in certain costs relating to the restructuring of the Emerley Holdings Limited Group prior to its acquisition by the Group as part of the Initial Public Offering;
- €1.86 million in accrued interest in relation to the Emerley Properties Loan (see Note 15);
- €0.15 million in administration expenses.

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

Other than the exceptional item noted above, the acquisition did not have a material impact on profit or loss in the period from acquisition to 30 June 2015. If the acquisition had occurred with effect from the beginning of the period, there would have been no significant impact on the Group loss as reported for the period.

23. Financial Risk Management

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework
The Company'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 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 2015, the Group's deposits were held in two Irish financial institutions with a minimum credit rating of BBB-.

	€'000
Carrying amount	
Other receivables – current	455
Cash and cash equivalents	388,927
	389,382

23. 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 another 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 has significant cash balances to enable it to meet its obligations.

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 (€10.4 million) at 30 June 2015 are considered current with the expected cash outflow equivalent to their carrying value.

As detailed in Note 15, the Group has borrowings at 30 June 2015 with a principal amount of €18.1 million, which it intends to repay by 31 December 2015, and a minimum amount of interest of €3.6 million (including the portion arising pre acquisition (see Note 22)) is payable of which €2.0 million is accrued at 30 June 2015.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will effect 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

The Group is not exposed to interest rate risk. All Group borrowings are fixed at a coupon of 20 per cent. per annum. The Group intends to repay this loan by 31 December 2015.

Capital management

The Board's policy is to maintain a strong capital base (defined as shareholders' equity) so as to maintain investor, creditor and market confidence and to sustain future development of the business.

24. Material Commitments

All necessary conditions outstanding at 30 June 2015 in respect or the acquisition of the development site at Marianella, Orwell Road, Rathgar, Dublin 6 have since been satisfied. The Group expects to finalise the acquisition in September 2015 for a consideration of €43.0 million, including the deposit of €4.3 million paid in June 2015, which is included in trade and other receivables in Note 11.

25. Approval of Financial Statements

These financial statements were approved by the Board on 26 August 2015.

Independent Review Report to Cairn Homes plc

Introduction

We have been engaged by the Company to review the interim consolidated financial statements in the interim financial report for the period from incorporation on 12 November 2014 to 30 June 2015, which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, and the related explanatory notes. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim consolidated financial statements.

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 as amended ("the TD Regulations") and the Transparency Rules of the Central Bank of Ireland. 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.

Directors' responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors.

The directors are responsible for ensuring that the interim consolidated financial statements included in this interim financial report are prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU. As the Company is preparing a full set of consolidated financial statements in its interim financial report, the directors are responsible for ensuring the consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

The directors are responsible for preparing the interim financial report in accordance with the TD Regulations and the Transparency Rules of the Central Bank of Ireland.

Our responsibility

Our responsibility is to express to the Company a conclusion on the interim consolidated financial statements in the interim financial report based on our review.

Scope of review

We conducted our review in accordance with 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 (UK and 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements in the interim financial report for the period from incorporation on 12 November 2014 to 30 June 2015 are 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.

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

26 August 2015

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)
Aidan O'Hogan (Non-Executive)
Eamonn O'Kennedy (Group Finance Director)

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