

**HENRY BOOT PLC**  
(‘the Group’)

**TRADING UPDATE FOR THE YEAR ENDED 31 DECEMBER 2018**

The Board of Henry Boot PLC issues the following trading update for the year ended 31 December 2018 ahead of its full year results which will be announced on Friday 22 March 2019.

Henry Boot’s real estate focused activities traded in line with the Board’s expectations for the year ended 31 December 2018, after including the “one-off” GMP pension provision noted below; without which we would have slightly exceeded expectations. This was despite trading conditions becoming more challenging through the year, as negotiations around the UK’s departure from the EU served to increase the level of uncertainty within the UK real estate market.

Hallam Land Management performed exceptionally well, helping to replenish the UK house builders land banks following their house sales in 2018, and identifying new site opportunities to replace those sold. Stonebridge Homes, our jointly owned house builder, achieved 145 sales (2017: 79 sales), producing turnover of £35m. Activity within our construction segment held up well and Henry Boot Construction started this year with a strong committed order book and, in addition, is expected to agree a number of contracts in the first half of 2019, further increasing workloads. Banner Plant and Road Link A69 both performed in line with management expectations.

Henry Boot Developments’ results were affected by the aforementioned macro uncertainty, with prospective developments held back by a combination of client uncertainty or planning delays, which affected the timing of starts on site at certain projects. The draft full year valuation of the Group’s investment property portfolio was broadly neutral, unwinding gains seen at the half year, as increases in the value of the Group’s logistics and industrial assets were offset by deficits on retail investments. Henry Boot Developments’ largest development project, ‘The Event Complex Aberdeen’, continues to progress well and is expected to conclude mid-2019.

We anticipate that a provision of circa £1.5m will be included in profit before tax for the year ended 31 December 2018. This is as a result of the recent UK High Court ruling in respect of the Equalisation of Guaranteed Minimum Pensions handed down on 26 October 2018, and advice that any one-off charge should be taken to profit and loss, rather than through other comprehensive income (as with changes in the Pension Deficit).

The Group’s balance sheet remains strong. Gearing at 31 December 2018 was circa 7%, as we position ourselves to be able to react to whatever challenges and opportunities arise through 2019.

Commenting on the positive trading result, John Sutcliffe, Chief Executive Officer, said:

“2018 proved to be another successful year for Henry Boot. It is always difficult to finalise deals or new developments in a specific financial period and, as noted above, three commercial developments anticipated to start during 2018 will now commence in 2019, and one sale expected to complete in 2018 completed on the 4<sup>th</sup> January 2019.

“Although we remain mindful of some uncertainty in the UK real estate market, these transactions, added to the already committed and contracted activity for 2019, give us a good start to the year.”

**For further information, please contact:**

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**About Henry Boot PLC**

Henry Boot PLC (BOOT.L) was established over 130 years ago and is one of the UK's leading and long-standing property investment and development, land promotion and construction companies. Based in Sheffield, the Group is comprised of the following three segments:

Land Promotion:

[Hallam Land Management Limited](#)

Property Investment & Development:

[Henry Boot Developments Limited](#), [Stonebridge Homes Limited](#)

Construction:

[Henry Boot Construction Limited](#), [Banner Plant Limited](#), [Road Link \(A69\) Limited](#)

The Group possess a high-quality strategic land portfolio, an enviable reputation in the property development market backed by a substantial investment property portfolio and an expanding, jointly owned, house building business. It has a construction specialism in both the public and private sectors, a growing plant hire business, and generates strong cash flows from its PFI contract through Road Link (A69) Limited.

[www.henryboot.co.uk](http://www.henryboot.co.uk)