

**HENRY BOOT PLC**  
(‘the Company’ or ‘the Group’)

**AGM TRADING UPDATE**

Henry Boot PLC will hold its Annual General Meeting at 12.30 p.m. today at which the Chairman will make the following statement regarding current trading and the outlook for the current financial year.

The statement covers the period from 1 January 2016 to date and supplements the update given with the 2015 results on 24 March 2016.

**TRADING AND OUTLOOK**

Trading since the beginning of 2016 has, once again, been encouraging; the Group’s three business segments, land development, property investment and development and construction, are all trading well. However, we may see some transactional uncertainty around the EU referendum. We do not anticipate this will last for long or have a detrimental effect on the year as a whole, and therefore we remain confident that trading will meet the Board’s expectations for the full year.

**KEY EVENTS IN THE PERIOD**

**LAND DEVELOPMENT**

Since the start of 2016 activity levels have been, and continue to be, strong.

- We have already concluded four land sales totalling over 450 units and have unconditionally exchanged on two further sites, with completion expected later in the year. In addition, we are in detailed sale discussions on ten other schemes; the majority of which should also complete before the year end.
- We have seen further success in our planning activities since December 2015, having obtained planning permission on five sites, for over 3,400 units. We now have 52 sites for sale with over 15,000 units and an additional 29 sites, over 13,000 units, either at appeal or as yet undetermined planning applications.
- Our land promotion portfolio now totals over 150 sites and 11,200 acres. Furthermore, we have board approval for some 30 new sites, for in excess of 2,000 acres, to replenish the portfolio for the future.
- House builders continue to report good progress with stable levels of demand for new homes and are replenishing their land banks as sales are made. We look forward to reporting further activity as sales complete throughout the rest of the year.

**PROPERTY INVESTMENT AND DEVELOPMENT**

- At Markham Vale, our 200 acre business park being developed in partnership with Derbyshire County Council, we are on track to develop over one million sq ft of distribution space by the end of the year. This follows the exchange of contracts for a 225,000 sq ft bespoke unit and agreement of terms for a further 480,000 sq ft of warehousing, in addition to the 480,000 sq ft of space already pre-let to Great Bear Distribution Limited. These three schemes, which are forward funded or pre-sold, are all expected to complete in late 2016 or early 2017.
- The 850,000 sq ft exhibition and conference centre in Aberdeen continues to move forward following the final approval of the scheme by the City Council. We are now working on the final terms with our construction partner and our funder and hope to be on site, as planned, in the second half of 2016.
- Contracts were exchanged early in the year with Atkins Limited on a site in Epsom, Surrey, to

develop 110,000 sq ft of high specification offices. With detailed planning permission already secured, initial enabling works will start this year and the development, which is forward funded, is expected to be completed towards the end of 2017.

- In Manchester city centre, contracts have been exchanged with U.S. Property Fund, Ares, to forward fund a 570 unit private rented apartment development on a 2.5 acre site which we hold under contract. A detailed planning application for the scheme was recently submitted; once secured, we expect to commence this £200m development in the first half of 2017.
- At the former Terry's chocolate factory in York, our development opened for apartment sales in April 2016. We already have reservations on over 40 luxury apartments at sales values above those originally envisaged. The first sales completions are expected in the second half of 2016 and current demand indicates that we should see further sales throughout this year and 2017.
- Elsewhere, a number of other smaller projects have commenced. These include retail warehouse developments in Livingston and Belper, a car dealership site on the edge of Chesterfield and an office refurbishment and extension in Uxbridge.
- Our jointly owned house builder, Stonebridge, started development on the 109 unit site in Leeds late in 2015 and recently began building out the 114 unit site in Stocksbridge. Sales have commenced on both sites with good initial interest. We expect these two sites to be the main areas of growth for Stonebridge supported by a growing site portfolio.

## CONSTRUCTION DIVISION

- Our Construction business continues to undertake projects across a wide range of sectors including industrial, residential housing, custodial, health, commercial, education, leisure, renewable energy and civil engineering. We have made a strong start to the year and expect to achieve targeted activity in 2016 and are already building the 2017 order book. Encouragingly, and contrary to certain press comment regarding parts of the UK construction market, we are seeing improvements in both construction activity and the size of opportunities coming to the market. As a consequence, we anticipate a small improvement in pricing levels associated with the growing workload in all our operating sectors.
- Our plant business is trading well and activity is ahead of the equivalent period last year. Encouragingly, we are currently seeing good demand for all parts of the hire fleet from a generally busy construction industry in the North of England.
- Road Link (A69) Limited, our PFI contract, continues to trade in line with previous years and management expectations.

### **For further information, please contact:**

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