

A low-angle photograph of a brick wall and a dark roof against a blue sky with white clouds. A large red rectangular box is overlaid on the left side of the image, containing the text "Designed for Living. Built for Life." in white.

Designed for Living.
Built for Life.

CAIRN HOMES PLC

2015 INTERIM RESULTS

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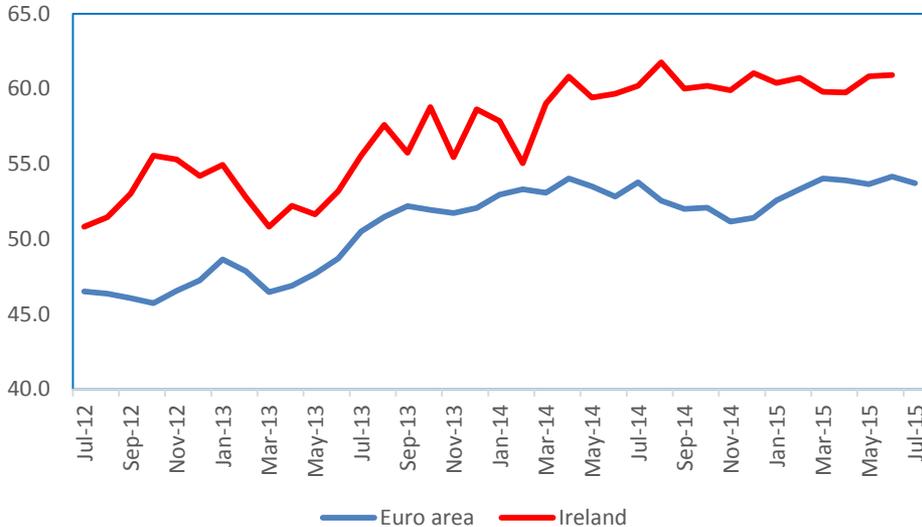
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1. Operations
2. Financial Summary
3. Conclusion
4. Appendices

- Successful IPO - raise of over €440m, including exercise of €40m over-allotment option
- Completed acquisition of/contracted to acquire 9 sites (cost c. €131m, NDV €568.9m), including the 5 sites conditionally acquired as part of the IPO
- Strong site pipeline, with detailed due diligence being carried out on 11 sites – projected cost c. €120m and potential units of c. 1,600
- Continued progress on our Parkside and Albany sites – with a formal launch of our Parkside site planned for September 2015 and Albany in Q1 2016
- Superior product offering a clear competitive advantage to the Group
- Irish economic backdrop continues to strengthen, with all indicators underlining strong growth
- Ulster Bank/NAMA releasing/expected to release development land to the market – Q3/4 2015
- Resolution to housing shortage a growing issue
- Substantial rent increases continue – now back above peak levels in certain parts of Dublin

Key Economic Indicators

PMI's indicated that the gap between Ireland the rest of the euro area has widened



Growth forecast changes

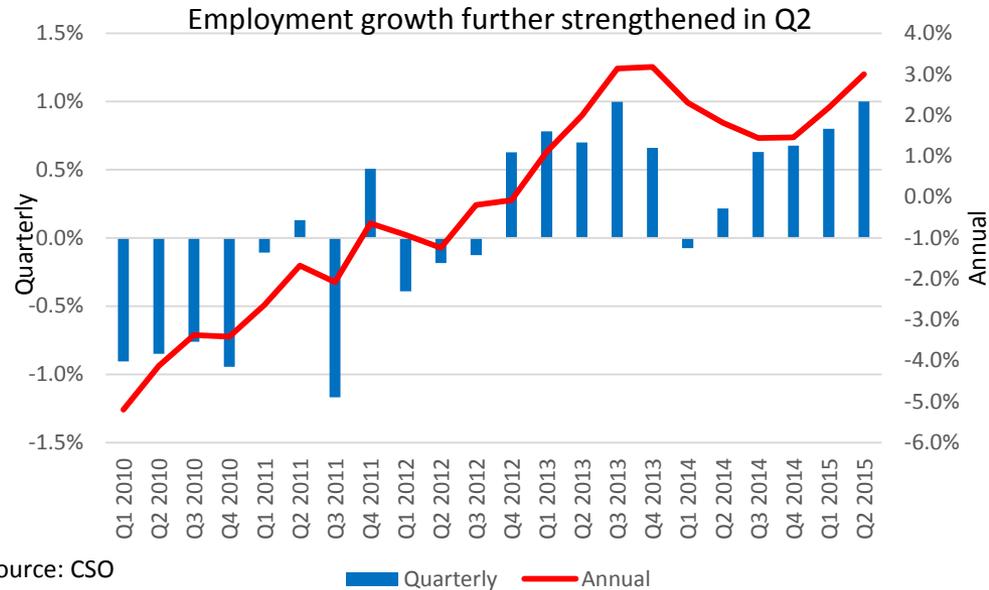
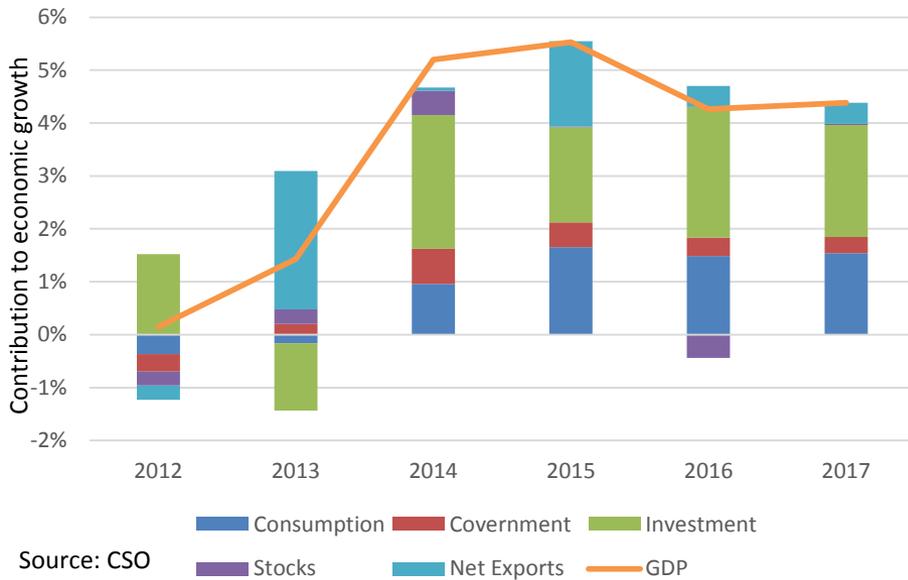
	2015		2016		2017
	Old	New	Old	New	New
Consumption	2.6%	3.6%	2.6%	3.1%	3.1%
Government	1.0%	3.2%	2.0%	2.3%	2.0%
Investment	12.5%	9.4%	14.0%	11.8%	9.0%
Dom Demand	4.4%	4.9%	5.1%	5.1%	4.5%
Exports	5.6%	10.5%	4.1%	5.1%	4.4%
Imports	5.4%	10.9%	4.9%	5.7%	4.8%
GDP	4.3%	5.5%	4.0%	4.0%	4.0%
GNP	4.5%	6.0%	4.1%	4.2%	4.1%

Source: Goodbody

Positive report on Irish economy issued last week (source: Goodbody), with positive indicators across the economy:

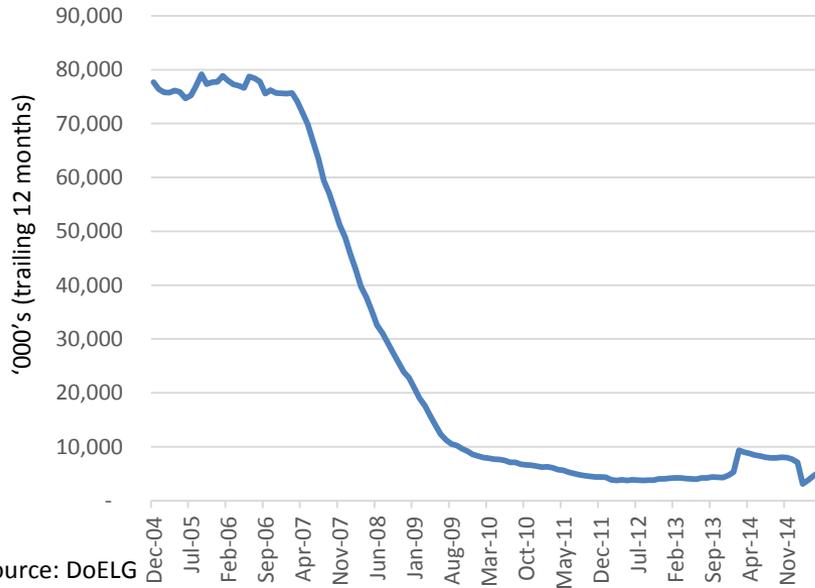
- Upgrade to their 2015 (and subsequent years) economic forecasts – GDP increased to 5.5%, from 4.3%
- Recent data not only confirms that Ireland is the fastest-growing economy in the euro area, but also suggests that the gap between Ireland and the rest of the euro area has widened
- Exceptional performance is taking place without either inflation or credit expansion – similar to the growth experience in late 1990's
- Underlying investment trends also improving, with core business investment growing by 12% yoy in Q1

Key Economic Indicators

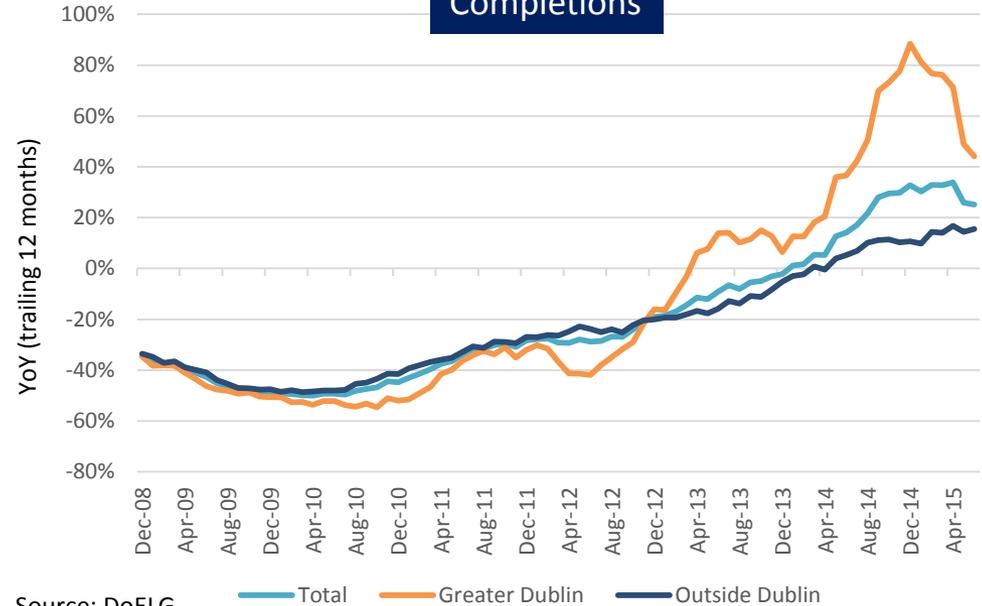


- Very broad economic growth – with all sectors contributing, with the consumer performance particularly strong
- Employment now positive for 10 consecutive quarters since Q1 2013 – annual rate accelerated to +3.0% yoy in Q2 2015 (+2.2% in Q1 2015)
- Unemployment now down to 9.5% (Dublin < 9%), from peak of 15% at the start of 2012
- 110,000 jobs created in Irish economy in last 2.5 years, with the construction sector the best performing (+18.4% yoy in Q2)

Commencements



Completions



- Housing shortage broadly recognised as a very significant challenge for Ireland
- Rent levels continue to grow – rental yields at 5%/6%, with rents at or above peak 2007 levels
- Household formations at 25,000 p.a., with ownership rate down to 65% (from 75% in 2006)
- National house prices are still up YoY (*Dublin +10.4%, National +6.1%*), but growth has slowed in recent months – House price growth ex-Dublin an indication of more broad based regional economic recovery
- Mortgage transaction activity and approvals, whilst still up yoy, have slowed in Q2

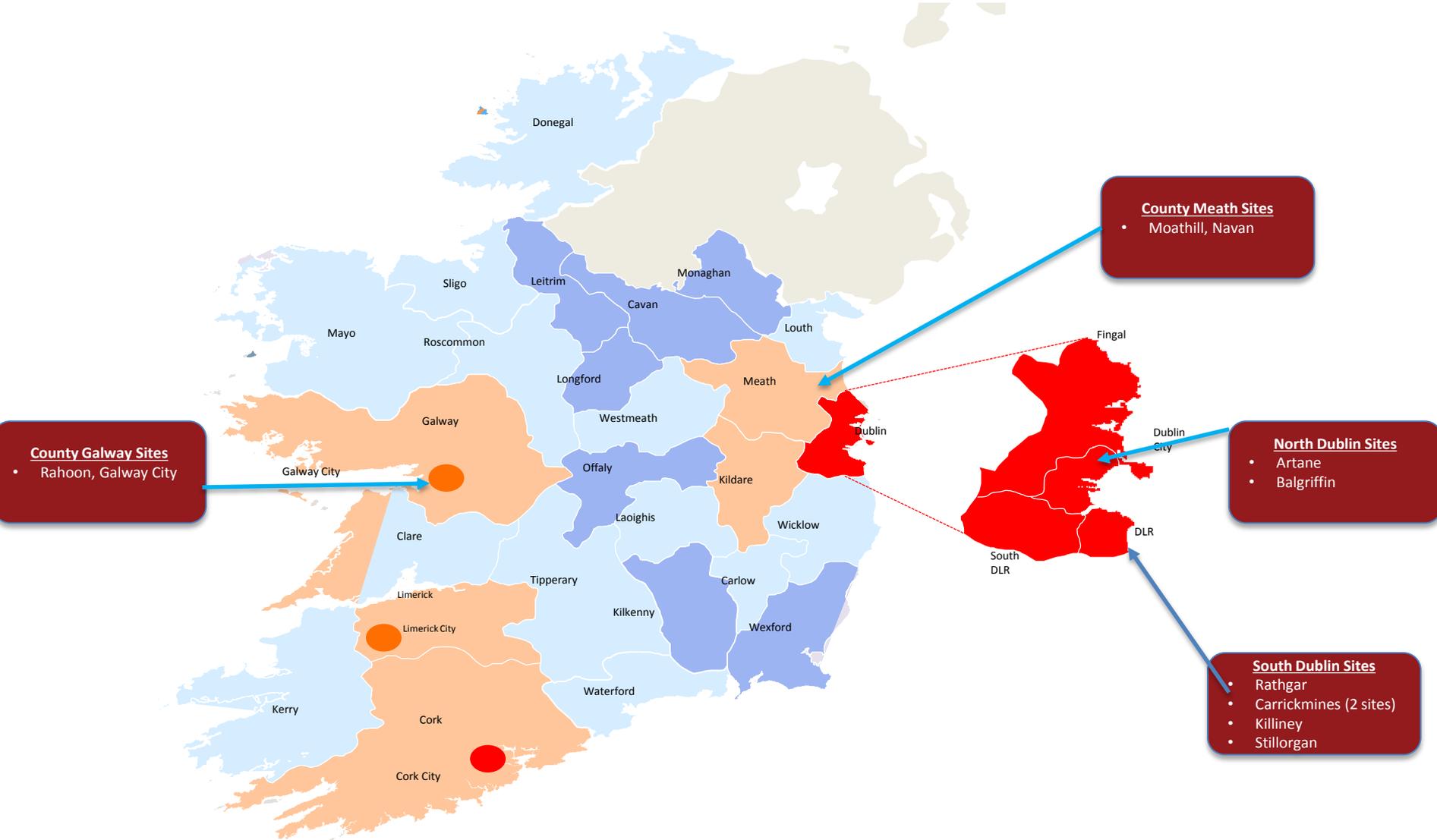
(Source: PPR, IBPF, DoELG, myhome.ie, Davy)

Location	Total Cost		Units	Cost as % of NDV	Expected
	(€'000)	NDV (€'000)			Construction
					Start Date
Parkside (Dublin North)	39,000	150,543	433	26%	On Site
Killiney (Dublin South)	5,800	16,868	20	34%	On Site
Butterly (Artane, Dublin North)	9,400	93,860	255	10%	Q3 2016
Galway (Rahoon)	5,000	44,728	170	11%	Q2 2016
Navan (Meath)	1,648	16,850	68	10%	Q1 2016
Ard na Glaise, Stillorgan Road (Dublin South)	5,450	22,026	50	25%	Q2 2016
Brennanstown Road (Carrickmines, Dublin South) x 2 sites	20,700	89,000	164	23%	Q1 2017
Marianella (Rathgar, Dublin South)	43,000	135,000	238	32%	Q1 2016
	129,998	568,874	1,398	23%	

- In addition to the above acquired sites, the Group continues to progress its site pipeline – land acquisitions team currently carrying out detailed DD on 11 sites, with a total projected cost of €120m and a pipeline of approx. 1,600 units

Note – 2 separate sites included above at Brennanstown Road, which brings to 9 the total Group sites acquired/conditionally acquired

Site Map



Parkside Update

- Acquired
- Site cost €39m
- Total area is c.50 acres
- Full Planning for 166 units
- Zoning potential for a total of 433 units
- Estimated NDV is €150.5m
- On-site - construction has commenced on Phase 1, with 36 units complete, 50 more under construction
- End September formal scheme launch
- Average SP - €315k to €395k



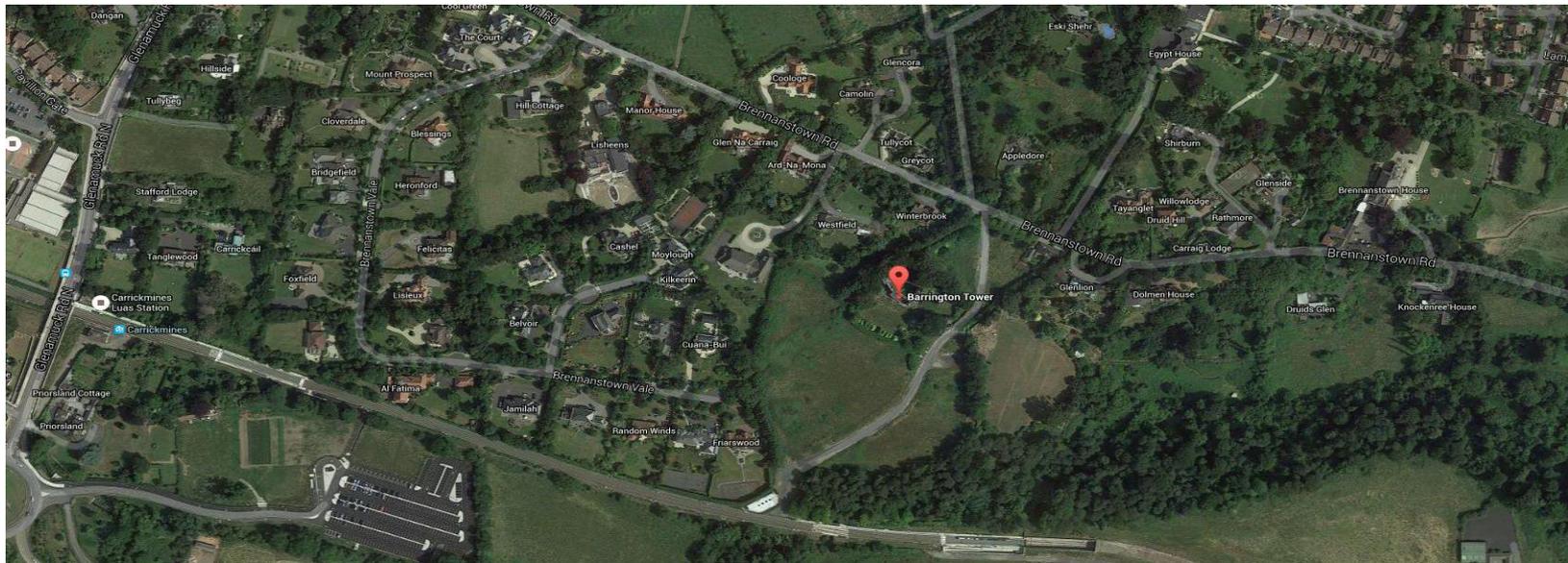
- Acquired
- Site cost €5.8m
- Size 2 acres
- Full Planning for 20 units
- Estimated NDV is €16.9m
- Construction is well advanced across the entire site
- Launched planned in Q1 2016 on full site completion



- Contracted – completion in Sept.
- Site cost €43m
- Size 8.1 acres
- Full planning for 211 units
- Potential for 240 to 270 units
- Estimated NDV is €135m
- Expected construction start date is H1 2016



- Acquired
- Site cost €20.7m
- Size 9.1 acres
- Existing planning for 158 units
- Potential for 160 to 190 units
- Estimated NDV is €89m
- Estimated construction start date is Q1 2017



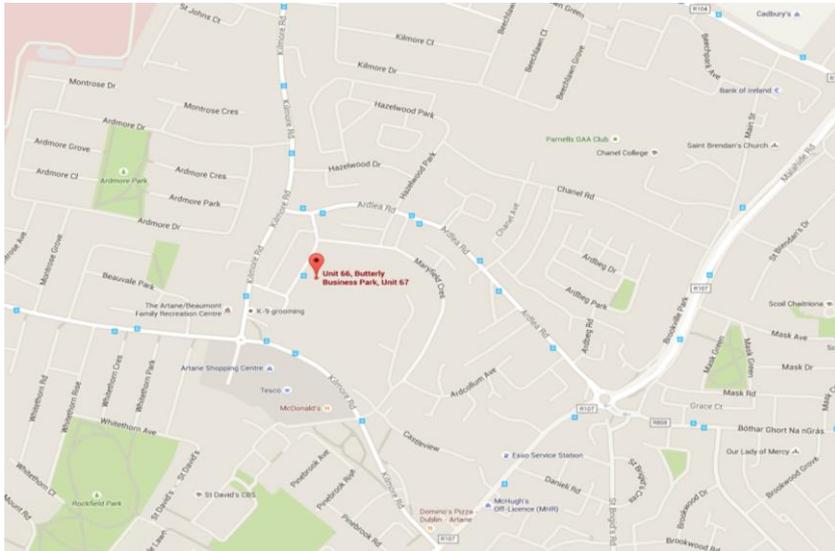
Ard na Glaise, Stillorgan, Co. Dublin

- Acquired
- Site cost €5.45m
- Size 2 acres
- Zoned for residential development
- Potential for 50 units
- Estimated NDV is €22m
- Expected construction start Q2 2016



Butterly, Artane, Dublin 5

- Acquired
- Site cost €9.4m
- Size c.8.2 acres
- Mixed use zoning
- Potential for 240 to 260 units
- Estimated NDV is €94m
- Expected construction start Q3 2016



- Acquired
- Site cost €5m
- Size 10 acres
- Zoned residential
- Potential for 160 to 180 units
- Estimated NDV is €44.7m
- Expected Construction start Q2 2016



Moathill, Navan, Co. Meath

- Acquired (subject to planning)
- Site cost €1.6m
- Size 10 acres
- Zoned residential
- Potential for 60 to 70 units
- Estimated NDV is €16.8m
- Expected construction start is Q1 2016



There have been a number of positive regulatory/industry developments over recent months:

- New vacant site levy of 3% on all vacant sites from 2018 – should have a positive impact on land availability
- Percentage of land that must be provided for social housing be reduced from 20% to 10%
- Draft Dublin development plan contains a number of provisions that will make apartment building in the city more viable and will positively impact on the Group
- Special Development Zones (SDZ) – fast track planning
- CIF pushing for introduction of Help to Buy Scheme



Key Financial Highlights

- Inventories c. €134 million – adjusted for the impact of 2 sites on which contracts have been signed/deposits, but not have not yet closed
- P&L Loss incurred to date principally reflects costs incurred as part of the acquisition of Emerley Holdings and limited salary/admin. costs to date
- Founder share – exceptional charge of €29.1m booked to income statement to reflect the non cash fair value 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 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 achieving the pre-agreed performance conditions attaching to the scheme. This charge has no net asset impact



HY 2015 Income Statement

From incorporation (12 Nov 2014) to 30 June 2015			
	Before		
	Exceptional	Exceptional	Total
	Items	Items	
	€'000	€'000	€'000
<u>Continuing Operations</u>			
Revenue	51	-	51
Administration Expenses	(948)	(1,086)	(2,034)
Founder share fair value charge	-	(29,100)	(29,100)
Operating Loss	(897)	(30,186)	(31,083)
Finance income	8	-	8
Finance costs	(159)	(1,858)	(2,017)
Loss before taxation	(1,048)	(32,044)	(33,092)
Taxation			213
Loss for the Period			(32,879)

Income Statement reflects limited trading history of Group since incorporation

- Revenue arises on short term school rental on Parkside site and rent from Butterly tenants
- Administration expenses arise principally on salaries, directors fees, share based charges and other costs
- Exceptional items represent the costs incurred as part of the acquisition of Emerley Holdings (as outlined in the prospectus)
- Founder share represents non cash fair value accounting charge for founder share scheme
- Ongoing interest charge relates to the Emerley Properties loan (will be repaid by year-end)
- Taxation represents deferred tax asset on losses incurred to date

From incorporation (12 Nov 2014) to 30 June 2015	
	Total
	€'000
Loss for the period	(32,879)
Share based payment expense	29,101
Non cash expense in relation to acquisition of Emerley Holdings	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 trade receivables	(402)
Increase in trade and trade payables	1,819
Cash generated by operating activities	(46,408)
Cash flows from investing activities	
Cash acquired on acquisition of Emerley Holdings	1,963
Purchases of property, plant and equipment	(3)
Cash generated by investing activities	1,960
Cash flows from financing activities	
Net proceeds from issue of share capital	433,375
Cash and cash equivalents as at 30 June 2015	388,927

- Non cash expense relates to Emerley Holdings acquisition as per Income Statement
- Share based payments represents the non-cash charge included in the Income Statement (see slide 20) principally relating to founder shares
- Increase in deposits represents Marianella and Stillorgan
- Net proceeds from share issue represents the net proceeds from the IPO, less IPO related costs paid by June 30 2015

Conclusion

- Economic factors continue to move in favour
- Availability of development land improving
- Strong pipeline
- Competition remains severely restricted – NAMA, funding constraints, etc.
 - Cairn in direct negotiation with PE land owners
- Advancing JV opportunities
- Recognised need for more housing commencements



Appendices

Balance Sheet

	30-Jun-15
	€'000
Tangible Assets	3
Inventories	85,644
Deposits paid	5,095
Trade & Other Receivables	1,324
Cash and Cash Equivalents	388,927
Borrowings	(18,130)
Deferred Taxation	(914)
Trade and Other Payables	(10,395)
Net Assets	<u>451,554</u>

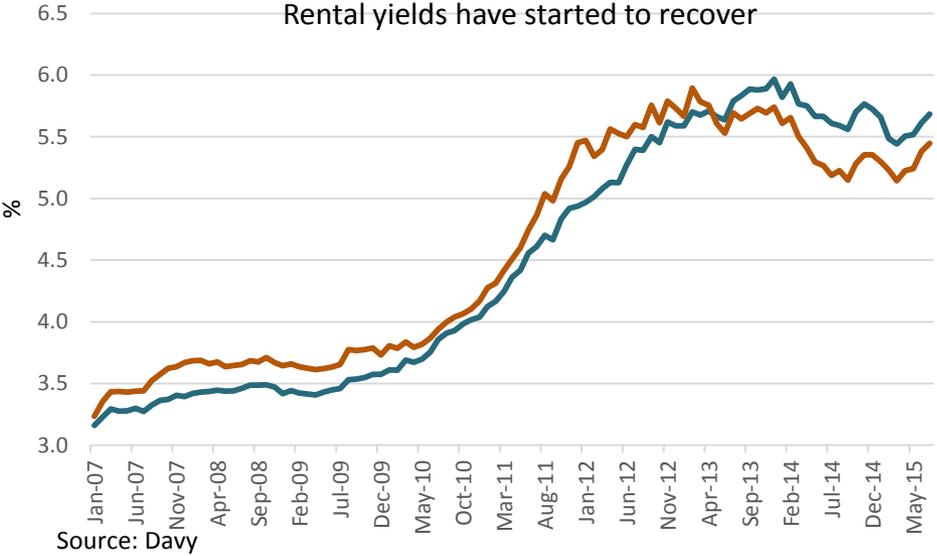
- Inventories represents 6 sites that have closed at Balance Sheet date
- Trade & Other Receivables principally represents VAT recoverable
- Deposits paid represent contract deposits paid on Marianella and Stillorgan sites
- Borrowing represents the Emerley Properties loan acquired on IPO on acquisition of Emerley Holdings – will be repaid by 31 December 2015
- Deferred taxation principally represents a liability acquired as part of Emerley Holdings acquisition
- Trade and other payables principally represents VAT, construction costs and IPO related costs

Other Economic Indicators

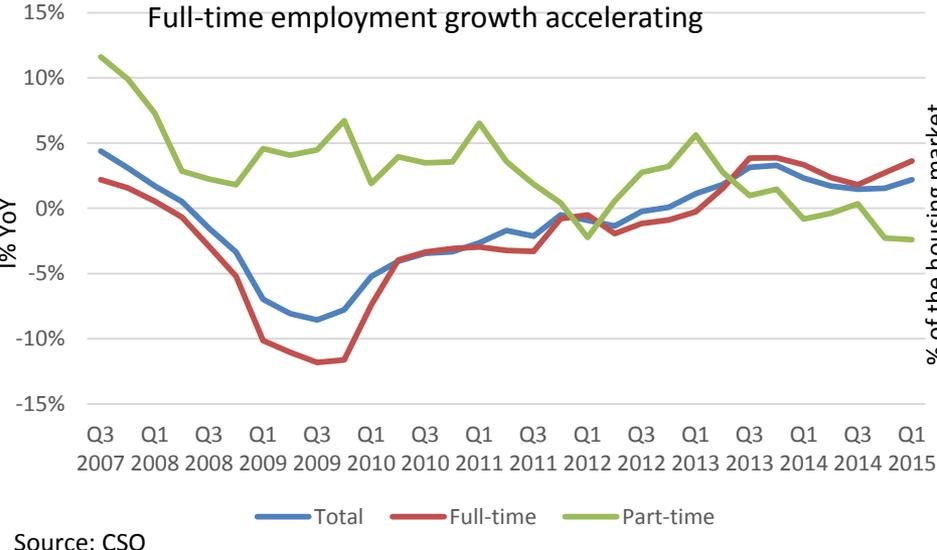
Core retail sales volumes are now accelerating



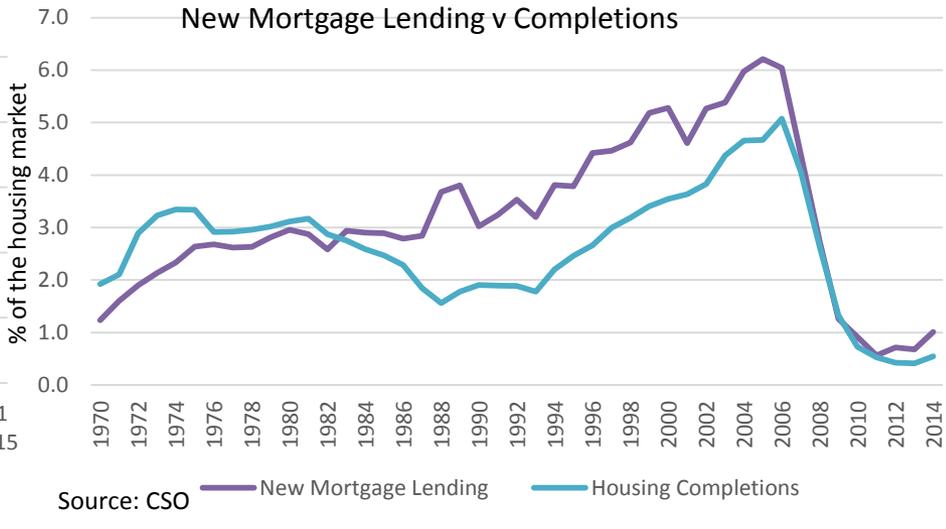
Rental yields have started to recover



Full-time employment growth accelerating



New Mortgage Lending v Completions



Alan McIntosh – Founder & Director of Business Development

- Alan was a founder and director of Sun Capital Partners, a leading London private investment firm
- In 2011, Alan left Sun Capital and subsequently founded Emerald Investment Partners
- Alan led or invested in a wide range of real estate backed businesses and transactions, including Punch Taverns, Wellington Pub Group, Spirit Group and Center Parcs

Michael Stanley – Founder & Chief Executive Officer

- Following the demerger of Shannon Homes in 2005, Michael was appointed CEO of Stanley Holdings
- As part of the demerger, the assets were equally split between Stanley Holdings and its partner in Shannon Homes. Stanley Holdings subsequently completed a further 450 units between 2005 and 2007 and disposed of a major portion of its remaining land bank in 2007
- Over the past 15 years Michael has been involved in other successful property ventures in Ireland and the UK, including residential and commercial projects in London and Belfast
- Michael was Managing Director of NPP, a provider of plastic packaging solutions, until 2003

Eamonn O'Kennedy – Finance Director

- Previously CFO of Independent News & Media Plc, an international news and media group based in Ireland
 - Dual listing in Dublin and London, with over 1,000 members of staff and a peak market cap of €2,967m
 - Whilst CFO, oversaw an extensive financial and balance sheet restructuring as well a subsidiary disposal, a €142.0m debt write off, €111.4m pension fund liability reduction and an equity raise of more than €40m
- Has held a variety of key leadership roles over the past 15 years at Independent News & Media, including FD for Ireland (2008-2012) Group Finance Manager (2003-2007) and Group Accountant from 1999-2002
- Qualified with an ACA whilst at PwC from '94-'97

Key Management (ctd.)

Liam O'Brien – Chief Operating Officer

- Liam was the Director of Development and Construction at Menolly Homes Dublin from 2002 to 2009, one of the largest housebuilders in Ireland
- At its peak, Menolly achieved up to 1,500 completions per year, and during Liam's time with the Company, Menolly built over 10,000 homes in Ireland
- Since then he has operated his own Quantity Surveying and Project Management firm
- Previously he was a Senior Quantity Surveyor for Ascon, a leading civil engineering and contracting firm in Ireland

Kevin Stanley – Chief Commercial Officer

- Kevin was Sales & Marketing Director for Hooke & MacDonald, one of Ireland's largest new homes estate sales agents, from 1999 to 2001. Kevin sold over 2,000 residential units in a six-year period with the firm
- Together with Michael, Kevin formed Coastland Partnership, a partnership focusing on property development in Dublin and London, which operated between 2001 and 2009. He led the acquisition, planning process and disposal of a number of development sites in Ireland and the UK
- Between 2005 and 2009, Kevin led the acquisition and the development of two significant Belfast city centre residential projects totalling 309 apartments and commercial space, with an estimated GDV of £77 million

Brian Carey – Senior Acquisition Manager

- From October 2012 to April 2015, Brian was a senior asset recovery manager within NAMA's residential division.
- During his time at NAMA, Brian was involved in restructuring complex and high profile asset sales, including a €100m debt and land restructure and a €365 million syndicated loan sale secured by UK and Irish assets
- Prior to joining NAMA in 2012, Brian was an assistant manager at MKO Chartered Accountants from January 2009 to October 2012, where he completed a secondment to the corporate finance banking division of Ulster Bank and provided audit, accounting and tax advisory services to a portfolio of clients
- Brian qualified as a chartered accountant in 2011

Non – Executive Directors

- Independent Non-executive Directors comprise more than half of the Board seats

John Reynolds <i>Chairman</i>	<ul style="list-style-type: none"> Non-executive Director of Computershare Investor Services (Ireland) Ltd Chief Executive of KBC Bank Ireland Plc from 2009 until 2013 President of the Irish Banking Federation for a two year term ending December 2013 during which time he was also a board member of the European Banking Federation
Gary Britton <i>Independent Non-executive Director</i>	<ul style="list-style-type: none"> Appointed as a Non-executive Director of KBC Bank Ireland Plc in January 2012 Previously worked for KPMG and served in a number of senior positions including the firm’s Board, Risk Committee and Audit Practice Currently a member of the Board of the Irish Stock Exchange
Andrew Bernhardt <i>Independent Non-executive Director</i>	<ul style="list-style-type: none"> Considerable experience in managing a widely diversified portfolio of assets, over the last seven years at ALMC as CEO and more recently as a Non-executive Director Currently on the board of ALMC Prior to joining ALMC, Andrew Bernhardt had a 29 year career in commercial banking at Barclays Bank and GE Capital. He was heavily involved in supporting the growth of a number of well-known property companies (e.g. Canary Wharf or Hammerson)
Giles Davies <i>Independent Non-executive Director</i>	<ul style="list-style-type: none"> Qualified as a chartered accountant with PwC in London before spending five years with the firm’s management consultancy in both London and New York Founded Conservation Capital which is a leading practice in the emerging field of conservation finance and enterprise Currently a Non-executive Director of Algeco Scotsman Group, a leading provider of modular space, secure portable storage solutions and remote workforce accommodation management (close to \$2bn revenue)
Aidan O’Hogan <i>Independent Non-executive Director</i>	<ul style="list-style-type: none"> Fellow of the Society of Chartered Surveyors Ireland and past president of the Irish Association of Valuers Institute In 2009, retired as Chairman of Savills Ireland after 40 years as a real estate professional Currently Chairman of Property Industry Ireland and a Non-executive Director of Irish Residential Properties REIT Previously Managing Director and chairman of Hamilton Osborne King

Strong, majority independent Board in compliance with UK Corporate Governance Code

Key team members

Michael Stanley <i>Founder & Chief Executive Officer</i>	Eamonn O’Kennedy <i>Finance Director</i>	Liam O’Brien <i>Chief Operating Officer</i>	Alan McIntosh <i>Founder & Director of Business Development</i>	Kevin Stanley <i>Chief Commercial Officer</i>	Brian Carey <i>Senior Acquisition Manager</i>
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The Founders together invested assets of €19m^(1,3) and cash of €10m^(2,3) into Cairn Homes Plc

(1) Equity value of the Parkside site (Dublin North) acquired by Cairn upon Admission based on third party valuation performed by Knight Frank.
 (2) Total Founder cash investment of €10m, on identical terms to new investors.
 (3) Investment made by the Founders either directly or through entities affiliated with the Founders.

Demand / supply imbalance is at extreme levels and becoming more evident as economy recovers

Demand

- It is estimated that c. 10,500 houses per year were completed in Ireland in 2014 vs. current demand of 22,000 – 27,000⁽¹⁾ per annum.
- In Dublin, there were c. 3,000 new build completions⁽²⁾ in 2014 compared to demand of 8,000 – 10,000⁽¹⁾. These build rates are unsustainably low for an area with a population of 1.8m⁽³⁾ in the Greater Dublin area

Supply

- As well as specific land opportunities in key regions, large asset sales by NAMA and financial institutions present a compelling opportunity to control primary landbanks in major population centres

Cairn Homes Plc is well placed to capitalise on this opportunity

(1) Goodbody Equity Research – Irish Property, September 2014.

(2) Department of Environment – Housing Completion Stats.

(3) CSO.

Founder investment

- The Founders invested c.€29m⁽¹⁾ in the Company
 - €19m⁽²⁾ from equity value of the Parkside site (€39m site value and €20m of debt and other adjustments⁽³⁾), based on independent valuation performed by Knight Frank
 - Cash investment of €10m⁽⁴⁾
- The investment was made on identical terms to all of the institutions that participated in the IPO
- Shares owned by the Founders are subject to a 1 year lock-up post IPO

Founder incentive

- No founder incentive awarded unless Total Shareholder Return is in excess of an annually compounding rate of 12.5%
- On achieving the Performance Condition, founder incentive award of 20% of Total Shareholder Return
 - Performance condition must be met for 15 consecutive days during the Test Period, being the 4 months to 30 June each year
 - Incentive amount is paid in shares, subject to a staggered 2 year lock-up with 50% released after the first and second anniversaries following the award (cash alternative may be paid at the Board's discretion)
 - High watermark
 - Founder incentive active until 2022 (up to 7 awards)
- Additional LTIP scheme will be put in place for executives not involved in the founder share scheme to ensure appropriate incentivisation to promote long-term shareholder return

(1) These investments were made by the Founders either directly or through entities affiliated with the Founders.

(2) Estimated equity value of the Parkside site (Dublin North) acquired by Cairn Homes upon Admission based on third party valuation performed by Knight Frank.

(3) Comprises €18m of debt and €2m of adjustments for deferred tax, other creditors and rounding differences. On acquisition, the debt attaching to this site, which is owed to a fund related to one of the Founders, was assumed by the Company. The rate of interest on this loan is 20% p.a. with a 1 year make-whole clause. The Company intends to repay the loan and any associated interest by 31 December 2015.

(4) Total Founder cash investment of €10m, on identical terms to new investors. €7.3m of this was invested to fund the development of the Parkside site (Dublin North), €0.1 invested pre-Admission with the remaining €2.6m invested on Admission.