

PURPOSE AND VISION



JAMIE BOOT
Chairman

I am very pleased to report a 40% increase in profit before tax to £55m for the year ended 31 December 2017. These record results produced an earnings per share increase of 49% to 32.1p, and retained earnings, which benefited from a slightly lower pension deficit, resulted in our net asset value per share exceeding 200p for the first time. Total capital employed rose to £270m.

As an indication of the volume of activity undertaken in 2017, revenue exceeded £400m in the year, which is more than double that achieved two years ago in 2015, as we deliver projects such as the new Aberdeen Exhibition and Conference Centre, the residential conversion of the former Terry's Chocolate Factory and the extension of our Markham Vale industrial scheme. We also sold 15 strategic land sites, delivered over £60m of construction work, £17m of plant hire sales and almost £25m of new house sales through our joint venture house builder, Stonebridge Homes.

We were also successful in adding future opportunities into the Group's divisions, with the estimated value of the longer term, commercial development scheme pipeline now exceeding £1.0bn for the first time. Our strategic land acreage increased by over 10% to more than 13,000 acres, after taking account of the acreage sold during the year. We also added some 2,200 plots to our inventory of plots to sell, having obtained planning permission on some 4,500 plots during the year. The scale and number of these sites and schemes, held as inventory, are once again at record levels, giving us confidence that we can continue to deliver sustainable returns to our stakeholders well into the future.

Dividend

In view of the strong performance in the year, I am pleased to report that the Board is recommending a final dividend of 5.20p, giving a total for the year of 8.00p, an increase of 14% over the total paid for the 2016 year. Payment of the final dividend is subject to shareholder approval at the Annual General Meeting and will be paid on 30 May 2018 to shareholders on the register as at 27 April 2018.

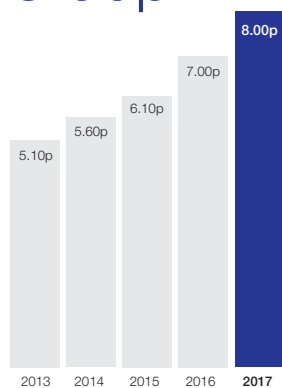
Profit before tax

£55.4m



Dividend per ordinary share

8.00p



Our People

The very successful operational and financial results achieved in 2017 are a direct reflection of all the people within Henry Boot whose skill, talent and hard work have once again delivered positive results for all our stakeholders. In last year's Annual Report, we highlighted that we had commenced a project called 'One Henry Boot'. Its purpose was to understand 'The Henry Boot Way' and our culture; and to focus on our Purpose, Vision and Values. We recognise that our people play, and will continue to play, a crucial role in our business success. Initiating this project demonstrates our commitment to the ongoing empowerment and development of them, our most valuable resource. On behalf of the Board, shareholders and other stakeholders, we thank all our people for their contribution and look forward to reporting on their success in the future.

Outlook

Our key strategic aim is to empower and develop our people to create long-term value and sustainable growth for our stakeholders. In 2017, we achieved a great financial result, whilst strengthening our ability to replicate this in future years. Our Group is focused on UK real estate and we are therefore very mindful of the cyclical nature of our marketplace and also the current background level of uncertainty regarding negotiations to leave the EU.

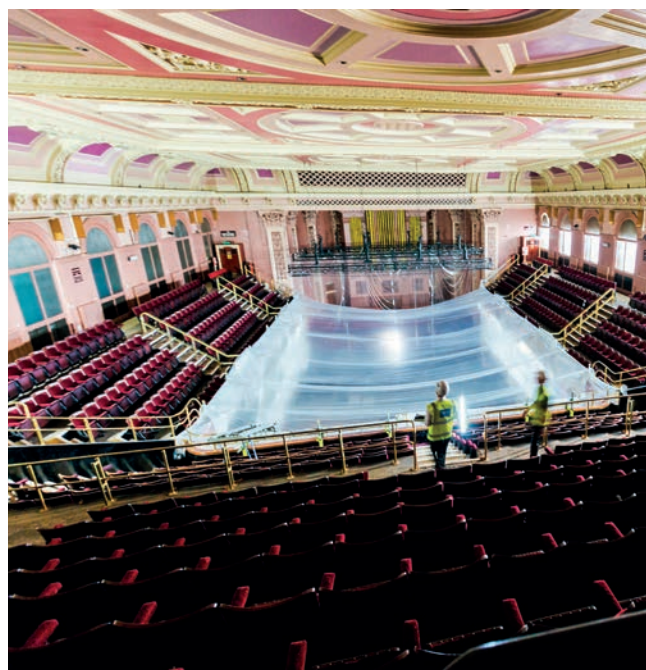
However, we take our lead from our customers who, in 2017, were very supportive and, whilst it is still early days, the new year indications are equally positive. In the wider marketplace, current expectations are that economic growth will be similar to 2017 for the next two years, supported by a generally strong global economy.

We have made a good start to the 2018 financial year, having already concluded a number of land sales. In addition, we have a strong pipeline of construction work, commercial development projects and strategic land sites working through the marketing process, on which to capitalise through the year. Our focus consequently continues to be on the profitable delivery of these schemes and the value they will create for all our stakeholders. I look forward to reporting on our success in doing this through 2018 and beyond.

JAMIE BOOT
Chairman
20 April 2018

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JAMIE BOOT
Chairman



Read about the **Board of Directors**
on pages 58 to 59

Pictured: St George's Hall, the Grade II listed building is being restored by Henry Boot Construction.