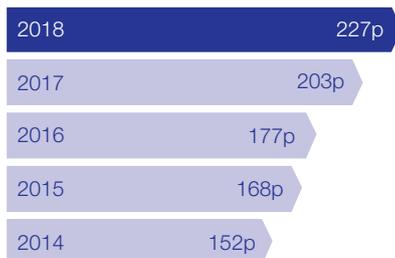


Chairman's Statement

Exceeding expectations.

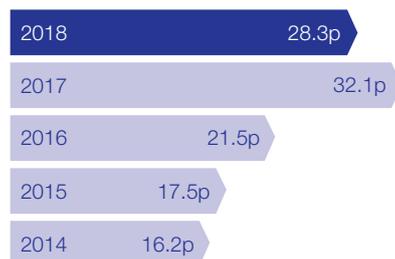
Net asset value per ordinary share

227p



Earnings per ordinary share

28.3p



I am pleased to report that Henry Boot PLC achieved a profit before tax of £48.6m, another strong performance, in a year that was typified by higher levels of economic uncertainty and global political tension.

This is the second-best result in our 133-year history, and, excluding a one-off unexpected pension scheme provision of £1.5m in relation to Guaranteed Minimum Pensions, this performance exceeded our expectations.

Earnings per share were 28.3p covering our proposed dividend over three times. Net assets rose to over £300m with NAV per share at 227p, an increase of 12%. Gearing, as we move into a potentially challenging year, was very prudent at 6%.

The two key profit drivers within the Group are: Hallam Land and Henry Boot Developments. In 2018, Hallam Land, our land promotion business, performed exceptionally well, selling over 3,500 units on 24 sites to help replenish the UK housebuilder's development land inventory. It retains a site portfolio of 14,325 acres and still holds 16,489 units with planning permission, held at cost with no planning gain value recognition, that are working through the sale

process. Henry Boot Developments, our property investment and development business, performed well but was not able to progress certain schemes as quickly as it had originally anticipated. This was due to a combination of planning delays and the higher levels of due diligence that now accompany real estate transactions. Furthermore, the 2017 results of this business benefited from the rapid sales of 164 apartments at the former Terry's Chocolate Factory which brought profit forward from 2018.

Stonebridge Homes, our jointly owned Leeds-based housebuilder, achieved 145 completions, up 84% on the 79 units completed in 2017. Once again, planning permission delays have affected the speed at which Stonebridge Homes was able to replenish its land portfolio. However, its proven ability to deliver much needed housing will result in more opportunities to buy land. We delivered £71m of construction activity in the year,

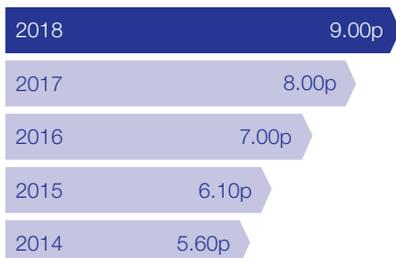
Jamie Boot
Chairman



Chairman's Statement

Dividends per Ordinary Share

9.00p



I remain confident that the skilled, experienced and dedicated teams in each of our businesses will achieve sector-leading results, despite the challenges we face.

Jamie Boot, Chairman



up from £60m in 2017 and, given levels of already confirmed contract work and the number of opportunities open to us, we anticipate further growth in 2019. Banner Plant and Road Link A69, where we own a 61% share through to 2026, performed in line with expectations.

Dividend

I am pleased to report to shareholders that the Board is recommending a final dividend of 5.8p which, together with the interim of 3.2p, gives a total of 9.0p for the year, an increase of 13% over the 8.0p paid in 2017. Payment of the final dividend is subject to shareholder approval at the Annual General Meeting and will be paid on 29 May 2019 to shareholders on the register as at 26 April 2019.

Our People

The successful results in 2018 were achieved against a more challenging economic and political backdrop with the markets in which we operated being affected by a higher level of uncertainty. Against this background, our most valuable resource – our people – performed exceptionally well. We continue to empower our teams, both financially and through training initiatives, to acquire new opportunities and deliver profitable outcomes for our schemes. On behalf of the Board, our shareholders and other stakeholders, I salute our people for their resilience, skill and hard work in 2018. I am sure they will deal with the challenges that 2019 brings by using that same approach.

Outlook

The key strategic ethos of Henry Boot is to create long-term value and sustainable growth for our stakeholders by financially empowering and commercially developing our people. 2018 continued this journey as we delivered yet another strong financial performance, while replenishing the longer-term property investment and development opportunities within the business.

We anticipate that 2019 will be a challenging year, as the UK real estate sector adapts to the marketplace in anticipation of the UK's departure from the EU. In advance of this, we have taken the opportunity to reduce gearing through 2018 to take advantage of any opportunities which may arise through 2019. Henry Boot Construction has started the year with a strong committed order book, certain commercial developments anticipated to start during 2018 have now commenced and one sale expected to complete in 2018 completed in January 2019.

We remain committed to our chosen sectors of strategic land, commercial and residential property investment and development and construction. I remain confident that the skilled, experienced and dedicated teams in each of our businesses will achieve sector-leading results, despite the challenges we face. As reported before, we retain and continue to build an extensive pipeline of opportunities in each of our businesses. The Group's annual results are driven by the profitable delivery of schemes for that year but, rest assured that our teams are committed to the long-term financial success of each site we hold, irrespective of which financial period the profit ultimately arises in. It is through this attention to detail, on a site-by-site basis, that we ultimately achieve long-term value creation for all our stakeholders which is what we are resolutely committed to. Despite the macro uncertainty in the UK real estate market, the new year has started well and the Board's expectations for the current financial year remain unchanged.

Jamie Boot
Chairman
11 April 2019