



“I am pleased to report record results for the six months to 31 December 2006. We have successfully integrated Chartdale Homes and Morrison Construction, consolidated our position as a major force in the building and infrastructure markets in the UK, and are pushing forward with our strategy to expand our successful housebuilding business.”

Greg Fitzgerald
Chief Executive

CONTENTS

1 Highlights	8 Consolidated Cash Flow Statement
2 Chief Executive's Review	9 Notes to the Interim Report
6 Consolidated Income Statement	14 Independent Review Report
7 Consolidated Balance Sheet	15 Shareholder Information

HIGHLIGHTS for the six months to 31 December 2006



	2006 £m	2005 £m	Increase
Revenue	606.8	372.2	+63%
Profit before tax			
Pre exceptional *	20.7	14.0	+48%
Post exceptional	21.6	14.0	+54%
Earnings per share	pence	pence	
Pre exceptional *	5.3	4.4	+20%
Post exceptional	5.6	4.4	+27%
Dividend per share	0.8	0.7	+14%

- Chartdale Homes and Morrison Construction successfully integrated
- Construction order book £2.3 billion – 90% on non price competitive basis
- Housebuilding completions of 593 units, sales in hand for the full year of £212 million and landbank of 4,848 units all at record levels

- Net cash in hand of £26.6 million
- Proposed acquisition of Linden Holdings plc announced separately today

* An exceptional gain of £0.9 million (2005: nil) arises from a profit on the sale and leaseback of a group property.

CHIEF EXECUTIVE'S REVIEW

Overview

I am pleased to report record results for the six months to 31 December 2006. We have successfully integrated Chartdale Homes and Morrison Construction, consolidated our position as a major force in the building and infrastructure markets in the UK, and are pushing forward with our strategy to expand our successful housebuilding business. We have also announced separately today the proposed acquisition of Linden Holdings plc and an associated placing and open offer to shareholders.

Financial Results

Profit before tax was up 54% on last year to £21.6 million (2005: £14.0 million) with Group revenue up 63% at £606.8 million (2005: £372.2 million). These figures reflect the first full six months following the acquisitions of Morrison Construction and Chartdale Homes during the last financial year. Profit from operations, stated before finance costs, exceptional items, amortisation of intangible assets and share of joint ventures' interest and tax, was 46% ahead of the same period last year at £23.6 million (2005: £16.2 million).

Profit on our construction operations was up 75% to £9.8 million (2005: £5.6 million) with a combined margin for our building and infrastructure divisions of 2.1% (2005: 2.0%). As forecast, there were no PFI projects planned to reach financial close in the period and the costs of our PPP Investments business therefore exceeded income, resulting in a loss from operations of £1.6 million. Housebuilding profit from operations was a record £18.6 million with the margin at 14.1% (2005: 13.9%).

Taking advantage of the continued strong market for commercial property investments we entered into a sale and leaseback arrangement on a group property in High Wycombe, generating cash proceeds of £3.1 million and a one off exceptional profit of £0.9 million. Since the half year end we completed a further sale and leaseback arrangement on the Group's office and depot at Wolvey in Leicestershire, which will generate cash proceeds of £8.1 million and a one off exceptional profit of £4.0 million.

Earnings per share before the exceptional profit increased by 20% to 5.3 pence (2005: 4.4 pence). Post the exceptional profit the increase was 27% to 5.6 pence (2005: 4.4 pence).

Our trading results have been underpinned in the period by strong cash generation. Overall there was a £10.6 million inflow in the period resulting in a net cash balance of £26.6 million at 31 December 2006 (2005: £8.9 million net debt). Our construction activities, particularly within the building division, maintained strong cash balances in the period.

Dividend

The directors have declared an interim dividend of 0.8p per share, a 14% increase on last year, which will be paid on 12 April 2007 to shareholders on the register at 2 March 2007. The directors remain committed to a progressive dividend policy that takes into account both earnings growth and the need for continuing investment in the business.

Building

The division achieved a profit from operations of £5.7 million on revenue of £305.7 million, representing a margin of 1.9%. Cash generation has been particularly strong during the period. The order book at 31 December 2006 has been maintained at £1.1 billion, 89% of which has been secured on criteria other than on a purely price competitive basis.

Markets for the Group's businesses in Scotland, central England and the south have been good with 79% of the order book in the public sector. We have a specific focus on education, with two of the largest PFI schools projects in Northamptonshire and the Highlands of Scotland, several Academies and a number of university and other further education contracts, as well as in health where we have a good track record in delivering Local Improvement Finance Trust (LIFT) projects for primary care trusts. In our other key sectors of commercial, interiors and leisure the business is carrying out a growing workload. We are working on a number of significant office and retail developments in Scotland and are expanding our operations in the North of England from our well established business in the Midlands.

We have strength and depth in our regional operations, demonstrated by the number of clients for whom we carry out repeat projects. Our objective is to build on this resource by growing both in our existing areas of operation and by extending our coverage.

Infrastructure

The division continues to build on its significant market presence in water, highways, rail, ground remediation, engineering and renewable energy. A profit from operations of £4.1 million on revenue of £166.2 million was achieved, representing a margin for the period of 2.4%.

88% of the division's £1.2 billion order book represents work secured under long-term frameworks and is in the public and regulated sector. As a market leader in the water sector we have also been successful in being awarded a number of additional contracts from our framework clients, such as the recently announced £32 million of work secured for Yorkshire Water outside our current AMP4 frameworks.

Our highways business carries out projects throughout the UK and has a number of good opportunities in the pipeline. We started on site last month with a £24 million scheme from Parton to Lilleyhall under the Highways Agency's "early contractor involvement" form of contract and have, in joint venture with three other contractors, been appointed preferred bidder on the proposed M74 extension in Glasgow, a project for the Scottish Executive with a total value of circa £300 million.

During the period we secured the £79 million contract to construct Europe's largest wind farm at Whitelee, south of Glasgow and started work on the Olympic Park remediation contract in East London. These awards demonstrate our growing track record and capability within these expanding markets.

PPP Investments

The Group has a strong presence in education, health and accommodation PFI projects. Work is currently progressing towards financial close on the LIFT framework for primary care trust projects in south east Essex, which is anticipated to provide £100 million of work.

We have carried out, for the first time, a directors' valuation of the Group's PFI / PPP portfolio. As at 31 December 2006, based on a discounted cash flow basis, the valuation was £16.3 million which compares to the net book value of £4 million. The Group's objective is to build up its portfolio of equity investments with a significant percentage holding in each project, in order to increase equity returns as well as providing long-term negotiated construction work.

Affordable Housing and Regeneration

We have made significant progress in growing our affordable housing and regeneration activities in both our building and housebuilding divisions. We are working on three major English Partnerships sites, in Camborne, Plymouth and in Colchester where we are preferred bidder on a 430 homes scheme. We aim to increase our penetration of the market across our areas of operation, basing our service on the combined expertise we can bring to schemes from both our housebuilding and contracting skills. In January we announced the award of a 440 homes regeneration scheme in Grimsby for Shoreline Housing, in which a key factor was our presence as a local housebuilder, established last year with the acquisition of Chartdale Homes.

We have recently secured two affordable housing contracts in our eastern area, at Skegness and Soham, totalling 132 units and have a long-term pipeline of projects, particularly in the south west and to the east of London, where there is good future potential.

CHIEF EXECUTIVE'S REVIEW cont

Housebuilding

Good sales rates were maintained throughout the first half of the financial year and the division achieved a profit from operations of £18.6 million on revenue of £131.4 million, representing a margin for the period of 14.1%. Completions were up 23% on last year at a record 593 units on an average selling price of £221,000, compared to £203,000 a year ago.

The market for the first few weeks of 2007 has remained stable, despite the increase in interest rates, with sales continuing to meet our targets. The division has currently reserved, contracted or completed sales with a record value of £212 million, 23% up on the same period last year, and in line with the progress required to meet our sales objectives for the full year to 30 June.

We are encouraged by the resilience of the market to short-term economic changes. With the fundamental economic factors underpinning the demand for housing unchanged, as well as the continuing housing shortage, we are pressing ahead with our expansion plans for the business. Achieving our growth targets depends on increasing the number of sites in our landbank as well as the average size of site, while maintaining our focus on individually designed developments and industry leading levels of customer satisfaction. Since the year end we have continued to secure good quality sites across our regions and currently our landbank stands at a record 4,848 units compared to 2,447 at the same point last year and 4,022 on 30 June 2006.

Health, Safety & Environment

We remain committed to achieving continuing high standards of health and safety as an integral part of our business performance. For the 12 months to 31 December 2006 our accident incident rate of 7.21 per 1,000 people remained well below the industry average. During the period we have restructured our health, safety and environment team across the Group to match the needs of our significantly larger business and to ensure all our operations receive an appropriate level of service.

Board Structure

The board has decided to reorganise its structure with effect from 31 March 2007 to take account of the significant increase in the size of its business following the Morrison Construction and Chartdale Homes acquisitions last year together with the proposed acquisition of Linden Holdings plc separately announced today.

An executive board will be formed from the Group's existing executive committee and will be responsible to the main board for the executive management of the Group. It will be chaired by the Chief Executive and comprise:

Greg Fitzgerald, Chief Executive
 Frank Nelson, Finance Director
 Andy Sturgess, Managing Director Building Division
 Ken Gillespie, Managing Director Infrastructure Division
 Ian Baker, Managing Director Housebuilding Division
 Richard Barraclough, Company Secretary and Legal Director

Ian Baker joins the executive board having been Managing Director of Stamford Homes in the eastern counties since 2003 where he was responsible for the integration of Chartdale Homes. Ian, 36, originally joined the Group's south west housebuilding business, Midas Homes, in 1995.

Subject to completion of the proposed acquisition of Linden, Chris Coates, 41, currently the director of Linden responsible for its south east and Bristol regions, will join the executive board. He will be divisional housebuilding Managing Director responsible for the south east, with Ian Baker taking responsibility for all other areas of the enlarged housebuilding division.

The Board of Directors of Galliford Try plc will therefore comprise the four existing non-executive directors, David Calverley, Chairman; Chris Bucknall, Deputy Chairman; Jonathan Dawson and Amanda Burton together with the Chief Executive, Greg Fitzgerald, and Finance Director, Frank Nelson. Richard Barraclough continues as Company Secretary. The Group's Audit, Remuneration and Nomination Committees are unchanged.

Prospects

The Group is performing well across all its divisions. In building and infrastructure we have a significant presence in our key markets. Our affordable housing and regeneration activities have grown significantly due to our success in securing major regeneration schemes. Our track record in private finance initiative projects places us in a good position to secure attractive equity and construction returns.

We have embarked on a plan to build on our successful housebuilding model where there is significant scope to increase our penetration and coverage across markets in the south and east of England.

The Board is very confident of reporting further progress at the full year.

Greg Fitzgerald

Chief Executive
8 February 2007

CONSOLIDATED INCOME STATEMENT

for the half year ended 31 December 2006 (unaudited)

	Notes	Half year to 31 Dec 2006 £m	Half year to 31 Dec 2005 £m	Year to 30 June 2006 £m
Continuing operations				
Revenue	3	606.8	372.2	851.5
Cost of sales		(550.2)	(336.2)	(763.4)
Gross profit		56.6	36.0	88.1
Administrative expenses		(32.4)	(19.5)	(48.9)
Share of post tax (losses)/profit from joint ventures		(0.2)	(0.2)	0.3
Profit before finance costs	3	24.0	16.3	39.5
Profit before finance costs, amortisation and exceptional items				
Amortisation of intangibles		(0.3)	–	(0.5)
Exceptional items:				
Profit on sale and leaseback of property	2	0.9	–	3.9
Restructuring costs		–	–	(1.9)
Profit before finance costs		24.0	16.3	39.5
Interest receivable	4	0.5	0.3	0.7
Interest payable	4	(2.9)	(2.6)	(5.7)
Profit on ordinary activities before tax		21.6	14.0	34.5
Taxation	5	(6.3)	(4.1)	(9.1)
Profit for the financial period		15.3	9.9	25.4
Earnings per ordinary share				
– basic	6	5.6p	4.4p	10.8p
– diluted		5.5p	4.4p	10.6p
Dividend declared per share for the period	7	0.8p	0.7p	2.5p

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

for the half year ended 31 December 2006 (unaudited)

	Half year to 31 Dec 2006 £m	Half year to 31 Dec 2005 £m	Year to 30 June 2006 £m
Profit for the financial period	15.3	9.9	25.4
Actuarial losses in pension scheme	(3.5)	(3.2)	(5.1)
Deferred tax on items charged to equity	2.3	0.9	2.2
Current tax on items charged to equity	–	–	1.4
Net losses not recognised in the income statement	(1.2)	(2.3)	(1.5)
Total recognised income for the period	14.1	7.6	23.9

CONSOLIDATED BALANCE SHEET

at 31 December 2006 (unaudited)

	31 Dec 2006 £m	31 Dec 2005 £m	30 June 2006 £m
Non-current assets			
Intangible assets	2.0	–	2.3
Goodwill	57.2	0.6	57.2
Property, plant and equipment	7.3	11.6	8.0
Financial assets – Available for sale investments	1.2	0.5	1.2
Investments accounted for using equity method	5.5	1.9	3.3
Trade and other receivables	0.2	0.2	0.2
Deferred tax assets	18.7	16.4	15.7
Total non-current assets	92.1	31.2	87.9
Current assets			
Inventories	1.9	2.1	0.9
Developments	325.2	202.5	283.8
Trade and other receivables	180.7	93.1	184.1
Available for sale financial assets	–	4.8	–
Derivative financial assets	–	0.1	0.1
Cash and cash equivalents	34.0	3.7	21.7
Total current assets	541.8	306.3	490.6
Total assets	633.9	337.5	578.5
Current liabilities			
Financial liabilities – Borrowings	(6.3)	(16.4)	(3.8)
Trade and other payables	(391.6)	(195.3)	(344.5)
Current tax liabilities	(7.4)	(4.6)	(3.1)
Provisions	(1.0)	–	(2.0)
Total current liabilities	(406.3)	(216.3)	(353.4)
Non-current liabilities			
Financial liabilities – Borrowings	(1.1)	(1.0)	(1.9)
Retirement benefit obligations	(49.7)	(48.1)	(47.1)
Deferred tax liabilities	(13.5)	(3.2)	(13.5)
Other non-current liabilities	(34.2)	(10.7)	(42.1)
Provisions	(0.4)	–	(0.4)
Total non-current liabilities	(98.9)	(63.0)	(105.0)
Total liabilities	(505.2)	(279.3)	(458.4)
Net assets	128.7	58.2	120.1
Shareholders' equity			
Share capital	13.8	11.3	13.7
Share premium	49.0	2.3	48.7
Merger reserves	4.7	4.7	4.7
Retained earnings	61.2	39.9	53.0
Total shareholders' equity	128.7	58.2	120.1
Minority interest in equity	–	–	–
Total equity	128.7	58.2	120.1

CONSOLIDATED CASH FLOW STATEMENT

for the half year ended 31 December 2006 (unaudited)

	Notes	Half year to 31 Dec 2006 £m	Half year to 31 Dec 2005 £m	Year to 30 June 2006 £m
Cash flows from operating activities:				
Net cash from operations	9	25.6	14.2	18.2
Net interest paid		(1.1)	(2.6)	(4.6)
Tax paid		(2.8)	(3.0)	(10.3)
Net cash from operating activities		21.7	8.6	3.3
Cash flows from investing activities:				
Acquisition of subsidiaries (net of cash acquired)		(1.9)	(1.1)	(24.8)
Acquisition of investments in joint ventures and associates		(2.4)	–	(1.0)
Income from investments in joint ventures and associates		–	–	0.1
Acquisition of available for sale investments		–	–	(0.7)
Purchases of property, plant and equipment		(0.9)	(0.6)	(1.6)
Proceeds from sale of property, plant and equipment		–	–	11.1
Net cash used in investing activities		(5.2)	(1.7)	(16.9)
Cash flows from financing activities:				
Net proceeds from issue of ordinary share capital		0.4	–	48.8
Purchase of treasury shares		(1.3)	–	(1.9)
Repayment of borrowings		(0.9)	(0.1)	(0.1)
Borrowing acquired with subsidiary		–	(0.1)	–
Dividends paid to group shareholders		(5.0)	(3.3)	(4.9)
Available for sale financial assets		–	(1.4)	3.4
Net cash (used in)/from financing activities		(6.8)	(4.9)	45.3
Increase in net cash and cash equivalents		9.7	2.0	31.7
Net cash and cash equivalents at beginning of period		18.0	(13.7)	(13.7)
Net cash and cash equivalents at end of period	9	27.7	(11.7)	18.0

NOTES TO THE INTERIM REPORT

1 Basis of preparation

This financial information comprises the consolidated interim balance sheets as at 31 December 2006 and 31 December 2005 and related consolidated interim statements of income and cash flows and related notes for the six months then ended of Galliford Try plc (hereinafter referred to as the 'financial information'). This financial information has been prepared in accordance with the Listing Rules of the Financial Services Authority and is unaudited.

In preparing this financial information, management have used the principal accounting policies as set out on pages 37 to 39 of the Group's annual financial statements for the year ended 30 June 2006. These policies have been consistently applied to all the periods presented.

The Group has chosen not to adopt IAS 34, 'Interim financial statements', in preparing its 2006 interim statements and, therefore, this interim financial information is not in compliance with International Financial Reporting Standards (IFRS).

The comparative figures for the year ended 30 June 2006 do not constitute statutory accounts for the purposes of Section 240 of the Companies Act 1985. A copy of the statutory accounts for the year ended 30 June 2006, prepared in accordance with IFRS as detailed in the preceding annual accounts, has been delivered to the Registrar of Companies and contained an unqualified auditors' report in accordance with Section 235 of the Companies Act 1985.

2 Exceptional items

The profit on the sale and leaseback of one of the Group's properties has been treated as exceptional in accordance with the Group's accounting policy. The property had previously been held within developments.

3 Business segment reporting

Segment information is presented in the consolidated interim accounts in respect of the Group's business segments which are the primary basis of segment reporting. The business segment reporting reflects the Group's management and internal reporting structure. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. As explained in the financial statements for the year ended 30 June 2006, with effect from 1 July 2006 the Construction activities have been operating as two divisions, Building and Infrastructure, hence the business segments have been amended accordingly. Due to the complexity of the integration of the Morrison Construction and PFI divisions into the Group for part of the previous year, the comparative figures have not been restated as it is impracticable.

NOTES TO THE INTERIM REPORT

3 Business segment reporting continued

	Building £m	Infrastructure £m	Construction Total £m	PPP Investments £m	Housebuilding £m	Group £m	Total £m
Half year ended 31 December 2006							
Group revenue and share of joint venture revenue	306.6	171.4	478.0	0.2	131.4	3.3**	612.9
Share of joint ventures' revenue	(0.9)	(5.2)	(6.1)	–	–	–	(6.1)
Revenue	305.7	166.2	471.9	0.2	131.4	3.3	606.8
Segment result:							
Profit/(loss) before joint ventures	5.7	4.1	9.8	(1.6)	18.6	(3.2)	23.6
Share of joint ventures' profit	–	–	–	–	–	–	–
Profit/(loss) from operations *	5.7	4.1	9.8	(1.6)	18.6	(3.2)	23.6
Share of joint ventures' interest and tax	–	–	–	(0.1)	(0.1)	–	(0.2)
Profit/(loss) before finance costs, amortisation and exceptional items	5.7	4.1	9.8	(1.7)	18.5	(3.2)	23.4
Amortisation and exceptional items	(0.2)	(0.1)	(0.3)	–	–	0.9	0.6
Profit/(loss) before finance costs	5.5	4.0	9.5	(1.7)	18.5	(2.3)	24.0
Net finance costs							(2.4)
Profit before tax							21.6
Income taxes							(6.3)
Profit for the year from continuing operations							15.3

	Construction £m	PPP Investments £m	Housebuilding £m	Group £m	Total £m
Half year ended 31 December 2005					
Group revenue and share of joint venture revenue	274.2	0.7	98.5	0.3	373.7
Share of joint ventures' revenue	(1.4)	–	(0.1)	–	(1.5)
Revenue	272.8	0.7	98.4	0.3	372.2
Segment result:					
Profit/(loss) before joint ventures	5.5	(0.5)	14.1	(2.6)	16.5
Share of joint ventures' profit/(loss)	0.1	–	(0.4)	–	(0.3)
Profit/(loss) from operations *	5.6	(0.5)	13.7	(2.6)	16.2
Share of joint ventures' interest and tax	–	–	0.1	–	0.1
Profit/(loss) before finance costs, amortisation and exceptional items	5.6	(0.5)	13.8	(2.6)	16.3
Amortisation and exceptional items	–	–	–	–	–
Profit/(loss) before finance costs	5.6	(0.5)	13.8	(2.6)	16.3
Net finance costs					(2.3)
Profit before tax					14.0
Income taxes					(4.1)
Profit for the year from continuing operations					9.9

* Profit from operations is stated before finance costs, exceptional items, amortisation of intangible assets and share of joint ventures' interest and tax.

** Included with Group revenue is £3.1 million in relation to the sale of the Group's property in High Wycombe, previously held within developments.

4 Finance costs

	Half year to 31 Dec 2006	Half year to 31 Dec 2005	Year to 30 June 2006
	£m	£m	£m
Bank interest	0.2	0.9	2.3
Interest on unwinding of discounted creditors	2.4	1.3	2.4
Net return on assets of pension fund	0.3	0.4	0.8
Other	–	–	0.2
Interest payable	2.9	2.6	5.7
Interest receivable	(0.5)	(0.3)	(0.7)
Net finance costs	2.4	2.3	5.0

5 Taxation

The tax charge for the period reflects the estimated effective rate for the full year to 30 June 2007 of 29% (30 June 2006: 26%).

6 Earnings per share

Basic earnings per share is calculated using the profit on ordinary activities after tax and the weighted average number of ordinary shares in issue during the year less the weighted average number of shares held by the Galliford Try Employee Share Trust which have not unconditionally vested in employees. For diluted earnings per share the weighted average number of ordinary shares is adjusted to assume conversion of all potentially dilutive ordinary shares.

	31 December 2006			31 December 2005		
	Earnings £m	Weighted average number of shares	Per share amount pence	Earnings £m	Weighted average number of shares	Per share amount pence
Basic						
Earnings attributable to ordinary shareholders	15.3	273,865,542	5.6p	9.9	222,802,899	4.4p
Effect of dilutive securities:						
Options		4,868,276			3,035,427	
Diluted	15.3	278,733,818	5.5p	9.9	225,838,326	4.4p

Earnings adjusted for post tax exceptional items of £0.7 million (Dec 2005: £Nil) amount to £14.6 million (Dec 2005: £9.9 million). The basic earnings per share calculated on this adjusted basis is 5.3p (Dec 2005: 4.4p) (diluted 5.2p (Dec 2005: 4.4p)).

NOTES TO THE INTERIM REPORT

7 Dividends

The following dividends were paid by the Company:

	Half year to 31 Dec 2006		Half year to 31 Dec 2005		Year to 30 June 2006	
	£m	Pence per share	£m	Pence per share	£m	Pence per share
Previous period final	5.0	1.8	3.3	1.5	3.3	1.5
Current period interim	–	–	–	–	1.6	0.7
	5.0	1.8	3.3	1.5	4.9	2.2

The following dividends were declared by the Company in respect of each accounting period presented:

	Half year to 31 Dec 2006		Half year to 31 Dec 2005		Year to 30 June 2006	
	£m	Pence per share	£m	Pence per share	£m	Pence per share
Interim	2.2	0.8	1.6	0.7	1.6	0.7
Final	–	–	–	–	5.0	1.8
	2.2	0.8	1.6	0.7	6.6	2.5

The interim dividend for 2007 of 0.8 pence per share was approved by the Board on 8 February 2007 and has not been included as a liability as at 31 December 2006. This interim dividend will be paid on 12 April 2007 to shareholders on the register at the close of business on 2 March 2007.

8 Consolidated statement of changes in shareholders' equity

	Half year to 31 Dec 2006	Half year to 31 Dec 2005	Year to 30 June 2006
	£m	£m	£m
Balance at start of period	120.1	53.7	53.7
Actuarial losses in pension scheme	(3.5)	(3.2)	(5.1)
Deferred tax on items charged to equity	2.3	0.9	2.2
Current tax on movement in equity	–	–	1.4
Net expense recognised directly in equity	(1.2)	(2.3)	(1.5)
Profit for the period	15.3	9.9	25.4
Dividends	(5.0)	(3.3)	(4.9)
Issue of shares	0.4	–	48.8
Purchase of own shares	(1.3)	–	(1.9)
Share based payments	0.4	0.2	0.5
Balance at end of period	128.7	58.2	120.1

9 Notes to the cash flow statement

	Half year to 31 Dec 2006 £m	Half year to 31 Dec 2005 £m	Year to 30 June 2006 £m
Cash flows from operating activities:			
Net profit after income taxes	15.3	9.9	25.4
Adjustments for:			
Tax	6.3	4.1	9.1
Depreciation	1.4	0.8	1.5
Amortisation of intangibles	0.3	–	0.5
Profit on disposal of property, plant and equipment	–	–	(3.6)
Net finance costs	2.4	2.3	5.0
Share based payment charge	0.4	0.2	0.5
Movement in pension deficit	(0.8)	(1.1)	(4.2)
Share of post tax losses/(profits) from joint ventures	0.2	0.2	(0.3)
	25.5	16.4	33.9
Changes in working capital:			
(Increase)/decrease in inventories	(1.0)	(0.7)	0.5
(Increase)/decrease in developments	(40.0)	3.7	(1.2)
Decrease/(increase) in trade and other receivables	3.6	7.4	(0.2)
Increase/(decrease) in trade and other payables	38.5	(12.6)	(16.7)
(Decrease)/increase in provisions	(1.0)	–	1.9
Net cash from operations	25.6	14.2	18.2

	Half year to 31 Dec 2006 £m	Half year to 31 Dec 2005 £m	Year to 30 June 2006 £m
Cash and cash equivalents	34.0	3.7	21.7
Bank overdrafts	(6.3)	(15.4)	(3.7)
Net cash and cash equivalents	27.7	(11.7)	18.0

10 Net cash/(debt)

	Half year to 31 Dec 2006 £m	Half year to 31 Dec 2005 £m	Year to 30 June 2006 £m
Available for sale financial assets	–	4.8	–
Cash and cash equivalents	34.0	3.7	21.7
Financial liabilities:			
Bank overdrafts	(6.3)	(15.4)	(3.7)
Other current	–	(1.0)	(0.1)
Non current	(1.1)	(1.0)	(1.9)
Net cash/(debt)	26.6	(8.9)	16.0

INDEPENDENT REVIEW REPORT TO GALLIFORD TRY PLC

Introduction

We have been instructed by the company to review the financial information for the six months ended 31 December 2006 which comprises the consolidated interim balance sheet as at 31 December 2006 and the related consolidated interim statements of income, cash flows and recognised income and expense for the six months then ended and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The Listing Rules of the Financial Services Authority require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

This interim report has been prepared in accordance with the basis set out in Note 1.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the disclosed accounting policies have been applied. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Listing Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 December 2006.

PricewaterhouseCoopers LLP
Chartered Accountants
West London
8 February 2007

Notes:

- (a) The maintenance and integrity of the Galliford Try plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

SHAREHOLDER INFORMATION

Financial calendar 2007

Half year results to 31 December 2006:
Announcement 8 February

Interim dividend:
Ex dividend date 28 February
Record date 2 March
Payment date 12 April

Results for the year ended 30 June 2007:
Announcement September
Annual General Meeting November
Final dividend payment November

Shareholder enquiries

The Company's registrars are Lloyds TSB Registrars. They will be pleased to deal with any questions regarding your shareholding or dividends. Please notify them if you change your address or other personal information. Their address and contact details are:

Lloyds TSB Registrars
The Causeway
Worthing
West Sussex
BN99 6DA

Shareholder helpline

Telephone: 0870 600 3970

You can find a number of shareholder services online via the Registrars' website at www.shareview.co.uk, including the portfolio service which gives you access to more information on your investments such as balance movements, indicative share prices and information on recent dividends. You can also register your e-mail address to receive shareholder information and Annual Report & Accounts electronically.

Share dealing service

The Company has established an execution only share dealing service with Lloyds TSB Registrars for existing shareholders with a UK registered address. The facility enables shares to be bought or sold within minutes between the hours of 8.30am and 4.30pm, Monday to Friday. To deal log on to www.shareview.co.uk/dealing or telephone **0870 850 0852**. You should have your share certificate with you when you deal.

Company website

www.gallifordtry.co.uk

You can find out more about the Company on our website www.gallifordtry.co.uk which includes a section specifically prepared for investors. In this section you can check the Company's share price, find the latest Company news and look at the financial reports.

The Company's up-to-date share price can also be obtained by telephoning Financial Times Cityline on 0906 843 2653 (calls charged at 60p per minute).

Company contact

Contact with existing and prospective shareholders is welcomed by the Company. If you have any questions please contact the Company Secretary, Richard Barraclough, at the registered office, or via email (richard.barraclough@gallifordtry.co.uk).

Registered office

Galliford Try plc
Cowley Business Park
Cowley, Uxbridge
Middlesex UB8 2AL

Registration

England 836539



Cowley Business Park
Cowley, Uxbridge
Middlesex UB8 2AL

Tel: 01895 855001
Fax: 01895 855298
www.gallifordtry.co.uk