

18 August 2014

BRIERTY DELIVERS STABLE FY2014 EARNINGS, STRONG OUTLOOK FOR FY2015

HIGHLIGHTS

- Revenue of \$251.1 million.
- EBITDA of \$25.6 million.
- Net profit after tax of \$9.9 million.
- Maintained fully franked dividend of 1.75 cents per share for H2 FY2014, bringing FY2014 full year dividend to 3.0 cents per share, in line with FY2013.
- Cash on hand \$27.2 million, with negligible debt.
- Record current order book of \$570 million.

Diversified contractor Brierty Limited (ASX: BYL) has reported a net profit after tax of \$9.9 million for the full year ended 30 June 2014 (FY2013: \$10.2 million), enabling Brierty to maintain its full year dividend.

Revenue for the financial year was \$251.1 million, a reduction from FY2013 (\$292.4 million) due to the competitive conditions that prevailed throughout the year in the sector

Brierty responded to those conditions by focusing on factors within its control, including a disciplined approach to targeting quality contracts, actively managing costs, and continuing to perform contracts safely and efficiently for clients across a diverse range of projects.

Recognition of Brierty's strong reputation in project delivery has enabled the Company to enter FY2015 with a record order book of \$570 million. With this in place, combined with the Company's financial flexibility, Brierty expects to deliver an increase in revenue for FY2015 to at least \$300 million.

FY2014 review

As anticipated, in the civil division Brierty experienced a reduction in revenue and earnings due to increased competition, particularly for large projects. Pleasingly, Brierty continued to perform work for repeat clients and deliver on numerous smaller projects that the Company has consistently won and delivered efficiently.

Earnings from Brierty's mining division increased through sustained increased production from the Company's hematite mining contract for Karara. This contract is drawing to a close in FY2015, however, Brierty has already begun to transition personnel and equipment to its larger \$300 million contract at Rio Tinto's Western Turner Syncline Stage 2 project.

The land development division was in a transitional phase in FY2014 as work on the Bellamack development was completed, with work commenced at Stage 2 of the Zuccoli residential development in Darwin later in the financial year.

Brierty's focus on targeting quality projects, managing costs, and project delivery – coupled with reduced depreciation, interest, and tax charges – ensured earnings were relatively stable despite a fall in revenue.

Importantly, Brierty continued to generate strong cash flow from operations in FY2014. Cash generated was primarily used to reduce Brierty's debt.

Brierty Managing Director Peter McBain said "In 12 months Brierty more than doubled its cash on hand to \$27.2 million, while gross debt was cut by more than \$8 million. This prudent capital management allowed us to deliver value for shareholders, by comfortably maintaining our dividend payout ratio while providing us with a solid base to deliver on our record order book."

The Brierty Board of Directors has declared a fully franked dividend of 1.75 cents per share with record date of 18 September 2014 and a payment date of 2 October 2014.

Outlook

Brierty's reputation for high quality and safe project delivery helped the Company win a number of significant contracts in the 2014 calendar year, providing Brierty with a strong platform for FY2015 despite continuing competitive conditions.

Brierty's total order book stands at \$570 million, of which \$250 million relates to FY2015.

Brierty also expects to win ongoing smaller contracts throughout the year across a diverse range of projects, an area where the Company has a strong track record, particularly for repeat clients. Brierty is also continuing to target quality, large projects.

With this platform in place, Brierty expects to deliver revenue of at least \$300 million in FY2015.

Mr Peter McBain said Brierty had the resources and financial flexibility to deliver on its order book as well as win additional work.

"Brierty has entered the year with negligible debt, which provides significant flexibility to invest capital to fund both our current order book, particularly the Western Turner project for Rio Tinto and other new projects," Mr McBain said.

"Works have commenced on major civil projects for Main Roads Western Australia and Perth Airport, as well as on our major mining contract for Rio Tinto and our land development project at the Zuccoli Stage 2 development in the Northern Territory.

"Our priorities for the coming 12 months remain unchanged – we will focus on consistently delivering quality projects safely and cost efficiently for clients across our diverse range of services."

----- ENDS -----

CONTACT

Peter McBain (Managing Director)
Ph: 08 9267 8000

Adrian Watson
FTI Consulting
Ph: 08 9485 8888 or 0419 040 807

ABOUT BRIERTY

Brierty provides civil construction and mining services to government and private industry through three lines of business, which include:

- Urban Infrastructure – Construction of city and town infrastructure including land developments, roads and car parks.
- Civil – Highway and road construction, bulk earthworks, railways, airport runways, site-works, concrete and pavement works.
- Mining – Contract mining and mine maintenance.

For further information or news visit www.brierty.com.au where you can subscribe for news updates.