

30 September 2015

BRIERTY RELEASES FINAL AUDITED RESULTS FOR FY2015

Summary:

- Audited financial statements for FY2015 finalised
- NPAT of \$3.1 million
- Contract variation and insurance claims on Main Roads WA contract remain ongoing and final recoveries will now be reported in FY2016 financial results
- Direct negotiations with Main Roads WA progressing, insurers have accepted liability for insured component

Diversified contractor Brierty Limited (ASX: BYL) has finalised its audited financial statements for the year ended 30 June 2015. The Company reported a net profit after tax of \$3.1 million and revenue of \$293.2 million.

Lodgement of the 2015 financial statements follows release of the preliminary unaudited results on 31 August 2015 that disclosed a minimum NPAT of \$2.9 million with potential upside dependent on the resolution of a contract variation and insurance claim relating to a contract performed for Main Roads WA.

As previously disclosed there are two elements, firstly a variation being negotiated directly with Main Roads WA and secondly an insurance claim. The aggregate value is \$9.1 million pre-tax. Direct negotiations with Main Roads WA continue to progress, however were not completed prior to 30 September 2015 as anticipated. Insurers have accepted liability for the insurance events however the final quantum of the refund is also the subject of continuing discussion.

The amount ultimately recovered will be included in the FY2016 financial results. Brierty has recorded all costs associated with this variance in FY2015 and provisions against the likely recoveries.

Due to the contract variations not being resolved as anticipated, Brierty is now in breach of some of its banking covenants in relation to its working capital facility. Brierty has retained an active dialogue with its bank and the directors remain confident of the bank's ongoing support.

Brierty Managing Director Peter McBain said: "We certainly would have preferred to have these matters finalised in time to include them in our 2015 financial results however discussions haven't yet concluded."

"Our confidence that these matters will be resolved has not changed over the last month, however the timeframe has extended beyond our original thinking. The dialogue with our client remains open and productive and the insurers have accepted liability for the insurance related events. We would hope to finalise our recoveries in the near term."

"We have a strong order book which is now in excess of \$225 million for FY2016, after the Company secured an additional \$16.5 million in contracts in September, including a further stage of the Coalfields Highway."

Brierty will continue to keep the market informed as the contract variation and insurance process concludes.

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ABOUT BRIERTY

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

Civil

- Construction of city and town infrastructure including land developments, roads and car parks.
- 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.