

20 June 2016

BRIERTY EARNINGS UPDATE

Summary:

- Forecast underlying forecast net after tax loss for FY16 of \$10 to \$12 million
 - Forecast result primarily due to pre-tax loss associated with North West Coastal Highway (NWCH) Project increasing to \$22 million
 - NWCH Project due for completion in September 2016
 - Consistent and reliable performance at other major projects
 - Further impairment of approximately \$23 million related to the carrying value of equipment, following independent valuation
-

Diversified contractor Brierty Limited (ASX: BYL) provides an update to its previous earnings guidance for FY16, with the Company now expecting to report an underlying net loss after tax of \$10 to \$12 million.

The updated earnings guidance primarily relates to greater visibility on the previously advised loss on the NWCH Project. Brierty now anticipates a pre-tax loss of approximately \$22 million on the project.

Brierty Managing Director Peter McBain said: "Following the recent management changes, the NWCH Project was matching the revised work plan. Although progress has been impacted by an unseasonal major rainfall event, we now expect to complete the project in September 2016. The major rainfall event is the subject of a costs recovery insurance claim."

The revised guidance includes a warranty provision of \$1.5 million regarding the construction of 18 houses by third party builders in the Bellamack land development in the Northern Territory. Brierty will pursue the responsible parties for any costs incurred.

"Brierty has continued to perform well at the majority of its projects, including excellent progress on the \$300 million mining contract at Western Turner Syncline and land development project at Mitchell Creek Green, which are generating operating cashflow and profits" Mr McBain said.

"Importantly, over the past few months Brierty's expenditure review committee has identified and implemented cost efficiencies to deliver meaningful structural change across the business which ensure Brierty is in a stronger position to compete in the current market."

Brierty has also determined the previously flagged impairment expense relating to the carrying value of its equipment will be approximately \$25 million. This includes the \$2.2 million recorded in H1 FY16. The amount reflects the outcome of an independent valuation and is in line with the Company's policy to assess its assets for impairment whenever events or changes in circumstance indicate the carrying amount may not be recoverable. As the impairment is a non-cash item, it will not have an impact on Brierty's operations or cashflow. An exact figure will be provided in the Company's financial statements for FY16 once the audit process has been completed.

----- 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 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.