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## **Brierty issues updated guidance for FY11**

Civil and mining contractor Brierty Limited (ASX: BYL) has revised its earnings guidance for the financial year ended 30 June 2011.

Following a review of the Company's contracting book completed last week, Brierty now expects full year net profit after tax will be in the range of break even to \$750,000. This compares with previous guidance of \$5 million.

The key reasons for the earnings revision is a dispute over contract payments with two customers and write offs in work in progress on other projects.

As is routine with such issues, the disputes are set to be resolved at formal arbitration. However, the Brierty Board has elected to adopt a conservative position in relation to the payment issues and made appropriate write downs in the Company's accounts. Brierty believes that it is in a strong position in relation to the disputed amounts and will continue to pursue its full entitlements.

Brierty's recently appointed CEO Peter McBain said the revision of the earnings guidance was disappointing but it was appropriate to take a conservative approach to the issue.

"We are confident of a positive outcome in relation to the disputed amounts and we will be putting our case firmly and fully,"

Mr McBain said that Brierty was poised for very strong revenue and earnings growth in FY12, with budgeted revenue for the year of \$250 million.

This will include the full year impact of \$48 million from the \$185 million contract for mining and associated services for Karara Mining, announced on Monday this week.

"Brierty is moving towards the next financial year in its strongest ever position in terms of contracted revenue, with \$141 million of FY12 revenue already under contract and a total order book of \$335M,"

"Of the balance of the budgeted revenue for FY12, more than half of this revenue is expected from existing, long-standing clients.

"So, while the earnings revision for FY11 is disappointing, the outlook for FY12 is very strong and we look forward to delivering for Brierty shareholders a significant improvement in profitability."

Operating cash-flow in FY12 is expected to be significantly improved with new projects and increasing settlements of lots from the Bellamack Development in the Northern Territory. Over the course of the next seven months, Brierty is expecting 170 lots in the Bellamack Development to settle, delivering almost \$25 million in free cash flow. To date, there have been a total of 196 lots that have settled at Bellamack.

The Bellamack Development is extremely important in FY12 and beyond. The initial investment made over the previous two years will now provide the Company with significant cash flows demonstrating the value the project has delivered to Brierty.

"This has been an important project for Brierty and remains a great showcase for what we can do in the Northern Territory, a market experiencing very strong growth," he said.

Mr McBain said that Brierty under his leadership would build on its strengths and take a more targeted approach in its markets, concentrating on those areas that delivered scale, sound operating margins and the ability to build long-term, multi-contract relationships. Brierty will also employ additional risk management processes in tendering and project management.

“Brierty is very well positioned to capture significant new contracts from the growing demand for contracting services in resources and public infrastructure and mining,”

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#### ABOUT BRIERTY

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

- Transport Infrastructure - Urban and regional roads, highways, rail, port and airport infrastructure.
- Resources Infrastructure - Civil infrastructure works for mines, energy, utilities and pipelines.
- Land Development - Urban and regional land development.
- Mining - Contract mining and mine maintenance

For further information or news visit [www.brierty.com.au](http://www.brierty.com.au) where you can subscribe for news updates.