BREEDON
AGGREGATES

INTERIM REPORT 2013

THE GROWTH STORY CONTINUES

OUR PEOPLE **THEIR STORY**

PHIL DUNCAN, EXCAVATOR OPERATOR, CRAIGENLOW

I excavate the primary crushed rock at the quarry face after the quarry wall has been blasted. I shift about 8,000 tonnes of rock each week - the quarry couldn't operate without the excavator doing its job.

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HIGHLIGHTS

Financial Highlights	30 June 2013	30 June 2012	Change
Revenue	**£100.2 million**	£83.0 million	+ 21%
Underlying EBITDA†	**£13.0 million**	£9.7 million	+ 34%
Underlying operating profit†	**£6.6 million**	£3.9 million	+ 69%
Underlying profit before tax†	**£5.3 million**	£2.2 million	
Underlying basic EPS†	**0.55 pence**	0.28 pence	
Total non-current assets	**£202.8 million**	£150.2 million	

Operational Highlights

- Underlying EBITDA margin improved to 12.9% (June 2012: 11.7%), reflecting continued downward pressure on costs, stable pricing and early benefit of acquisitions
- Successful £61 million share placing to fund acquisitions: net debt reduced to £72.2 million (June 2012: £81.8 million)
- Trading in line with expectations, despite continuing weak market conditions and poor weather in the first quarter
- Acquisitions of former Aggregate Industries and Marshalls operations completed on 30 April 2013
- Midlands holding up well and very good medium-term prospects in Scotland
- Acquisitions opening up new markets in Manchester, north Wales, Cheshire, Gloucestershire and the Scottish Hebrides; new product range added with concrete blocks in Scotland
- Group expects further progress in second half, with significant and improving contribution from acquisitions this year and next

† Underlying results are stated before acquisition-related expenses, redundancy and reorganisation costs, property items, impairments, amortisation of acquisition intangibles, changes in the fair value of financial instruments and related tax items. References to an underlying profit measure throughout this Interim Report are defined on this basis.

Front cover: Bill Ewen, Loading Shovel Driver at Craigenlow Quarry, Scotland

BUSINESS REVIEW

GROUP RESULTS

Breedon Aggregates Limited, the UK's largest independent aggregates business, today announces its results for the six months to 30 June 2013.

Group results include two months' contribution from the recent acquisitions of the former Marshalls quarries in England and the former Aggregate Industries operations in Scotland, which were completed on 30 April 2013. These businesses are both performing well and have made a positive contribution in the period. We are confident that both will be excellent acquisitions for Breedon and we expect to deliver significant performance improvements as the operations become fully integrated with our existing business.

Group revenue for the half-year was 21 per cent ahead of the same period in the previous year. Excluding the recent acquisitions revenue was 13 per cent ahead. Underlying Group EBITDA before our share of associated undertakings increased by 34 per cent to £13.0 million (30 June 2012: £9.7 million). Excluding acquisitions, underlying EBITDA increased by 18 per cent. Underlying EBITDA margin improved to 12.9 per cent (30 June 2012: 11.7 per cent). Underlying EBITDA margin, excluding acquisitions, improved to 12.2 per cent.

FINANCIAL HIGHLIGHTS

	6 months 30 June 2013 £'m	6 months 30 June 2012 £'m	Variance
Revenue			
England	50.8	44.1	+15%
Scotland	49.4	38.9	+27%
Total	**100.2**	**83.0**	**+21%**
Underlying EBITDA			
England	7.2	5.5	+31%
Scotland	7.3	5.7	+28%
Head Office	(1.5)	(1.5)	
Total	**13.0**	**9.7**	**+34%**
EBITDA Margin	12.9%	11.7%	

OPERATING PERFORMANCE

Trading during the first half was in line with expectations, despite continuing weak market conditions and poor weather during the first quarter which saw severe snow falls in the month of March. Activity picked up in the second quarter and recovered the earlier shortfalls.

The performance of the UK construction sector remains lacklustre: output fell by 4.7 per cent in the three months to April 2013, but the rate of decline has slowed significantly since April, providing some hope that the downward trend of the past few years might be coming to an end.

The Mineral Products Association reports that, in the first five months of the year, national product volumes were flat in aggregates, down eight per cent in asphalt and up four per cent in concrete compared to 2012. The moving annual trend continues to be negative for all products.

Sales volumes of aggregates and concrete, excluding acquisitions, were above last year while asphalt was flat. No major contracts were supplied and we continue to target smaller projects with our existing customers where we can expect repeat business at reasonable prices. Our 'self-help' approach continues to deliver benefits based on improved productivity, careful work selection and robust cost control.

On 10 April we announced a placing of £61 million to fund the acquisition of Aggregate Industries' operations in northern Scotland and Marshalls' construction aggregates business in England. These transactions have added ten active quarries, four asphalt plants, seven ready-mixed concrete plants and two concrete block plants to the Group's operations, together with significant additional mineral reserves. The Group's total mineral reserves and resources now stand at nearly 400 million tonnes, or enough to last 76 years at current production rates.

Having now owned these businesses for nearly three months, we are delighted with the assets we have acquired and the quality of the nearly 200 people who have joined us. We have recently held a series of roadshows to welcome them to the Breedon group.

During our due diligence investigation of these businesses, we identified that both had suffered from a period of significant under-investment over the past few years and we have moved quickly to replace vital equipment and to improve production efficiency, which will help drive an improved performance in the future.

The review of the Scottish acquisition by the Office of Fair Trading (OFT), announced on 30 April, is continuing and we have provided the information that they have requested. We continue to believe that there are no material issues affecting competition in these markets but full integration of the acquired units is on hold until the review is completed.

We continue to work hard to further improve the Group's safety performance. The situation today is very different to three years ago and we have made significant progress in embedding a strong safety culture within the business, although there remains much to do. In 2012 we reduced Lost Time Incidents (LTIs) by 50 per cent. In the first six months of 2013 we had only one LTI and we are therefore on target to reduce LTIs by a further 50 per cent this year.

Our associate company, BEAR Scotland, was awarded the North West trunk road maintenance contract by Transport Scotland and took over from Scotland TranServ at the beginning of April. This major success means that Breedon will continue to provide the materials and surfacing required under this contract for up to ten years.

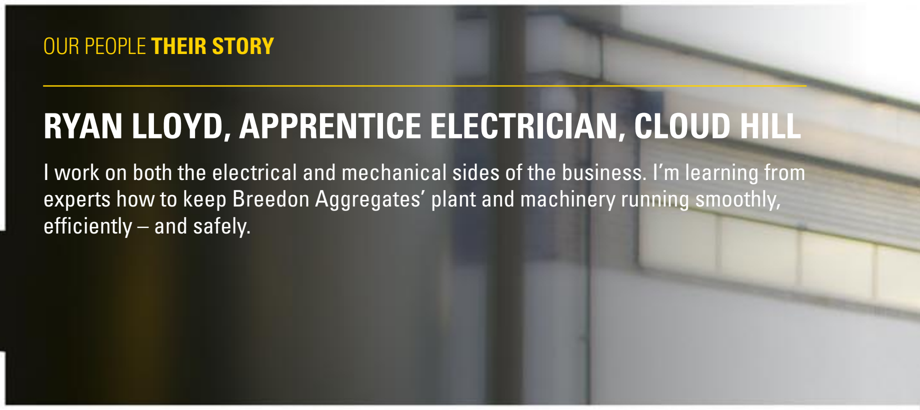
1stMix, our 'small load' ready-mixed concrete business established last year, continues to grow and is making a positive contribution to our concrete performance in England. Having started out with three mixer vehicles, the business now operates ten mixers from eight locations.

We continue to invest in the asset base of our business with over £6 million of capital expenditure during the first six months of 2013. Projects commissioned during the first half included refurbishment of the asphalt plant at Leaton quarry, investment in improved productivity at Cloud Hill quarry, a new mobile crushing train for Scotland and a major plant upgrade at Orrock quarry.

BALANCE SHEET AND CASH FLOW

Net assets at 30 June 2013 were £142.8 million compared to £79.3 million at 31 December 2012 and £75.6 million at 30 June 2012. During the first half the Company completed a placing of 290,476,190 new shares, raising £61.0 million, before expenses, to fund the acquisitions referred to above. In addition, 10,002,287 new shares were issued, raising £1.2 million, in settlement of the exercise of certain warrants issued in September 2010 as part of the reverse takeover of Breedon Holdings Limited.

Cash generated from operating activities was £2.7 million after an increase in working capital of £8.2 million as a result of the recent acquisitions and the seasonal requirements of the business. The Group spent £60.5 million on acquisitions and capital expenditure and received £2.0 million from asset disposals. It also repaid £2.5 million of finance leases. The net cash outflow for the period was £0.2 million and net debt at 30 June 2013 was £72.2 million compared to £74.1 million at 31 December 2012 and £81.8 million at 30 June 2012.



OUR PEOPLE **THEIR STORY**

RYAN LLOYD, APPRENTICE ELECTRICIAN, CLOUD HILL

I work on both the electrical and mechanical sides of the business. I'm learning from experts how to keep Breedon Aggregates' plant and machinery running smoothly, efficiently – and safely.

OUTLOOK

The general outlook for construction in the UK looks more positive than it did at this time last year. The decline in construction output appears to be levelling out and there is no doubt that a sustained recovery in the housing market is already underway. Fears about the economy sliding back into recession have receded and some confidence appears to be returning to the sector.

There is a growing recognition by Government that capital spending was cut too quickly at the onset of the downturn and that this contributed to the economic difficulties of the past few years. The recent Spending Review seeks to redress this and the Treasury has published a document entitled Investing in Britain's Future which outlines a pipeline of proposed infrastructure investments worth £100 billion between 2015 and 2020. As always, it is difficult to identify how much of this funding is new and how much had already been announced, but perhaps the more important point is the new political commitment to infrastructure investment and the recognition that this has an important part to play in any sustained economic recovery.

In England, our core markets in the Midlands have held up reasonably well, with continuing investment by several large manufacturers. Nottingham remains buoyant, thanks primarily to the tram project and further expansion at the university. The major A453 widening project is well underway and we have secured the aggregates and concrete supplies from our Cloud Hill quarry. Our recently-acquired quarries open up new markets for us in Manchester, north Wales, Cheshire and Gloucestershire.

In Scotland, the medium-term prospects look very good, with the £750 million Aberdeen ring road expected to start early next year and a £3 billion upgrade of the A9 planned over the next 12 years. We expect modest increases in spending by Transport Scotland on road maintenance as the election approaches and the anticipated approval of the main electricity connector to the Hebrides is expected to trigger a number of renewable energy projects there.

We expect product volumes in the second half of the year, on a like-for-like basis, to be slightly ahead of the comparable period last year, with the exception of asphalt which will continue to suffer from reduced local authority spending until recently allocated funding starts to come through.

The Group has performed well in the first six months of 2013 and we expect to make further progress in the second half. The recent acquisitions will benefit from the focus and direction we will apply and we are confident of a significant and improving contribution from them this year and next.

Finally, we would like to thank all of our 1,000 employees for their contribution to the success of the business in the first half of the year, as well as offering a warm welcome to those who have recently joined us.

Peter Tom CBE
Executive Chairman
18 July 2013

Simon Vivian
Group Chief Executive

Condensed Consolidated Income Statement

for the six months ended 30 June 2013

	Six months ended 30 June 2013 Underlying £'000	Six months ended 30 June 2013 Non-underlying* (note 5) £'000	Six months ended 30 June 2013 Total £'000	Six months ended 30 June 2012 Underlying £'000	Six months ended 30 June 2012 Non-underlying* (note 5) £'000	Six months ended 30 June 2012 Total £'000	Year ended 31 December 2012 Underlying £'000	Year ended 31 December 2012 Non-underlying* (note 5) £'000	Year ended 31 December 2012 Total £'000
Revenue	**100,205**	**-**	**100,205**	82,977	-	82,977	173,457	-	173,457
Cost of sales	**(73,300)**	**-**	**(73,300)**	(61,764)	-	(61,764)	(126,426)	-	(126,426)
Gross profit	**26,905**	**-**	**26,905**	21,213	-	21,213	47,031	-	47,031
Distribution expenses	**(13,960)**	**-**	**(13,960)**	(10,881)	-	(10,881)	(24,031)	-	(24,031)
Administrative expenses	**(6,301)**	**(976)**	**(7,277)**	(6,412)	570	(5,842)	(14,160)	195	(13,965)
Group operating profit	**6,644**	**(976)**	**5,668**	3,920	570	4,490	8,840	195	9,035
Share of profit of associated undertaking (net of tax)	**535**	**-**	**535**	497	-	497	1,033	-	1,033
Profit from operations	**7,179**	**(976)**	**6,203**	4,417	570	4,987	9,873	195	10,068
Financial income	**26**	**-**	**26**	2	-	2	5	-	5
Financial expense	**(1,863)**	**-**	**(1,863)**	(2,255)	-	(2,255)	(4,279)	-	(4,279)
Profit before taxation	**5,342**	**(976)**	**4,366**	2,164	570	2,734	5,599	195	5,794
Taxation	**(1,202)**	**206**	**(996)**	(492)	(140)	(632)	(1,392)	885	(507)
Profit for the period	**4,140**	**(770)**	**3,370**	1,672	430	2,102	4,207	1,080	5,287
Attributable to:									
Equity holders of the parent	**4,116**	**(770)**	**3,346**	1,648	430	2,078	4,176	1,080	5,256
Non-controlling interests	**24**	**-**	**24**	24	-	24	31	-	31
Profit for the period	**4,140**	**(770)**	**3,370**	1,672	430	2,102	4,207	1,080	5,287
Basic earnings per ordinary share	**0.55p**		**0.45p**	0.28p		0.35p	0.67p		0.85p
Diluted earnings per ordinary share	**0.48p**		**0.39p**	0.25p		0.31p	0.59p		0.75p

* Non-underlying items represent acquisition-related expenses, redundancy and reorganisation costs, property items, impairments, amortisation of acquisition intangibles, changes in the fair value of financial instruments and related tax items.

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2013

	Six months ended 30 June 2013 £'000	Six months ended 30 June 2012 £'000	Year ended 31 December 2012 £'000
Profit for the period	**3,370**	2,102	5,287
Other comprehensive income/(expense)			
Effective portion of changes in fair value of cash flow hedges	**21**	(96)	(107)
Taxation on items taken directly to other comprehensive income/(expense)	**(4)**	24	31
Other comprehensive income/(expense) for the period	**17**	(72)	(76)
Total comprehensive income for the period	**3,387**	2,030	5,211
Total comprehensive income for the period is attributable to:			
Equity holders of the parent	**3,363**	2,006	5,180
Non-controlling interests	**24**	24	31
	3,387	2,030	5,211

Condensed Consolidated Statement of Financial Position

at 30 June 2013

	30 June 2013 £'000	30 June 2012 £'000	31 December 2012 £'000
Non-current assets			
Property, plant and equipment	**187,198**	147,027	144,895
Intangible assets	**14,216**	2,305	2,295
Investment in associated undertaking	**1,422**	914	887
Total non-current assets	**202,836**	150,246	148,077
Current assets			
Inventories	**10,789**	9,240	8,048
Trade and other receivables	**52,921**	38,643	36,451
Cash and cash equivalents	**4,817**	712	5,048
Total current assets	**68,527**	48,595	49,547
Total assets	**271,363**	198,841	197,624
Current liabilities			
Interest-bearing loans and borrowings	**(4,642)**	(6,804)	(4,816)
Trade and other payables	**(38,820)**	(32,372)	(31,035)
Current tax payable	**-**	-	-
Provisions	**(232)**	(166)	(123)
Total current liabilities	**(43,694)**	(39,342)	(35,974)
Non-current liabilities			
Interest-bearing loans and borrowings	**(72,351)**	(75,717)	(74,290)
Provisions	**(9,240)**	(6,485)	(6,471)
Deferred tax liabilities	**(3,284)**	(1,667)	(1,540)
Total non-current liabilities	**(84,875)**	(83,869)	(82,301)
Total liabilities	**(128,569)**	(123,211)	(118,275)
Net assets	**142,794**	75,630	79,349
Equity attributable to equity holders of the parent			
Stated capital	**137,935**	77,109	77,586
Cash flow hedging reserve	**(154)**	(167)	(171)
Capital reserve	**1,516**	2,069	1,945
Retained earnings	**3,384**	(3,513)	(150)
Total equity attributable to equity holders of the parent	**142,681**	75,498	79,210
Non-controlling interests	**113**	132	139
Total equity	**142,794**	75,630	79,349

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2013

Six months ended 30 June 2013	**Stated capital**	**Cash flow hedging reserve**	**Capital reserve**	**Retained earnings**	**Attributable to equity holders of parent**	**Non-controlling interests**	**Total equity**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 31 December 2012	**77,586**	**(171)**	**1,945**	**(150)**	**79,210**	**139**	**79,349**
Shares issued	**62,629**	**-**	**(429)**	**-**	**62,200**	**-**	**62,200**
Expenses of share issue	**(2,280)**	**-**	**-**	**-**	**(2,280)**	**-**	**(2,280)**
Dividend to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**(50)**	**(50)**
Total comprehensive income for the period	**-**	**17**	**-**	**3,346**	**3,363**	**24**	**3,387**
Credit to equity of share based payments	**-**	**-**	**-**	**188**	**188**	**-**	**188**
Balance at 30 June 2013	**137,935**	**(154)**	**1,516**	**3,384**	**142,681**	**113**	**142,794**

Six months ended 30 June 2012	Stated capital	Cash flow hedging reserve	Capital reserve	Retained earnings	Attributable to equity holders of parent	Non-controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 December 2011	62,715	(95)	2,069	(5,765)	58,924	108	59,032
Shares issued	15,000	-	-	-	15,000	-	15,000
Expenses of share issue	(606)	-	-	-	(606)	-	(606)
Total comprehensive income for the period	-	(72)	-	2,078	2,006	24	2,030
Credit to equity of share based payments	-	-	-	174	174	-	174
Balance at 30 June 2012	77,109	(167)	2,069	(3,513)	75,498	132	75,630

Year ended 31 December 2012	Stated capital	Cash flow hedging reserve	Capital reserve	Retained earnings	Attributable to equity holders of parent	Non-controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 December 2011	62,715	(95)	2,069	(5,765)	58,924	108	59,032
Shares issued	15,477	-	(124)	-	15,353	-	15,353
Expenses of share issue	(606)	-	-	-	(606)	-	(606)
Total comprehensive income for the year	-	(76)	-	5,256	5,180	31	5,211
Credit to equity of share based payments	-	-	-	359	359	-	359
Balance at 31 December 2012	77,586	(171)	1,945	(150)	79,210	139	79,349

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2013

	Six months ended 30 June 2013 £'000	Six months ended 30 June 2012 £'000	Year ended 31 December 2012 £'000
Cash flows from operating activities			
Profit for the period	**3,370**	2,102	5,287
Adjustments for:			
Depreciation, amortisation and impairments	**6,342**	5,801	11,390
Financial income	**(26)**	(2)	(5)
Financial expense	**1,863**	2,255	4,279
Share of profit of associated undertaking (net of tax)	**(535)**	(497)	(1,033)
Gain on sale of property, plant and equipment	**(1,282)**	(719)	(1,084)
Equity settled share based payment expenses	**188**	174	359
Taxation	**996**	632	507
Operating cash flow before changes in working capital and provisions	**10,916**	9,746	19,700
Increase in trade and other receivables	**(16,449)**	(3,494)	(1,421)
Decrease/(increase) in inventories	**863**	(1,221)	111
Increase/(decrease) in trade and other payables	**7,795**	(1,597)	(2,982)
Decrease in provisions	**(425)**	(747)	(910)
Cash generated from operating activities	**2,700**	2,687	14,498
Interest paid	**(1,183)**	(1,549)	(2,668)
Interest element of finance lease payments	**(514)**	(618)	(1,207)
Dividend paid to non-controlling interest	**(50)**	-	-
Income taxes paid	**-**	-	-
Net cash from operating activities	**953**	520	10,623
Cash flows used in investing activities			
Acquisition of businesses	**(54,124)**	(847)	(1,546)
Purchase of property, plant and equipment	**(6,362)**	(2,959)	(7,323)
Proceeds from sale of property, plant and equipment	**2,025**	3,206	6,204
Interest received	**26**	2	5
Dividend from associated undertaking	**-**	375	938
Net cash used in investing activities	**(58,435)**	(223)	(1,722)
Cash flows from financing activities			
Proceeds from the issue of shares (net)	**59,920**	14,394	14,747
Proceeds from new loans raised	**-**	1,900	1,900
Repayment of loans	**(139)**	(11,450)	(11,789)
Repayment of finance lease obligations	**(2,530)**	(3,564)	(6,285)
Purchase of financial instrument – derivative	**-**	(232)	(232)
Net cash from financing activities	**57,251**	1,048	(1,659)
Net (decrease)/increase in cash and cash equivalents	**(231)**	1,345	7,242
Cash and cash equivalents at beginning of period	**5,048**	(2,194)	(2,194)
Cash and cash equivalents at end of period	**4,817**	(849)	5,048
Cash and cash equivalents	**4,817**	712	5,048
Bank overdraft	**-**	(1,561)	-
Cash and cash equivalents at end of period	**4,817**	(849)	5,048

Notes to the Condensed Consolidated Interim Financial Statements

1 Basis of preparation

Breedon Aggregates Limited is a company domiciled in Jersey.

These Condensed Consolidated Interim Financial Statements (the "Interim Financial Statements") consolidate the results of the Company and its subsidiary undertakings (collectively the "Group").

These Interim Financial Statements have been prepared in accordance with IAS 34: Interim Financial Reporting, as adopted by the EU. The Interim Financial Statements have been prepared under the historical cost convention except where the measurement of balances at fair value is required.

The Interim Financial Statements have been prepared applying the accounting policies and presentation that were applied in the presentation of the Company's Consolidated Financial Statements for the year ended 31 December 2012 except for the following which became effective and were adopted by the Group:

- Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income (effective for periods beginning on or after 1 July 2012)
- Amendments to IFRS 7 – Offsetting Financial Assets and Financial Liabilities (effective for periods beginning on or after 1 January 2013).
- IFRS 13 – Fair Value Measurement (effective for periods beginning on or after 1 January 2013)

The adoption of the above standards and amendments has not had a material effect on the result for the period.

These Interim Financial Statements have not been audited or reviewed by auditors pursuant to the Auditing Practices Board's guidance on the review of interim financial information. These statements do not include all of the information required for full annual financial statements and should be read in conjunction with the full annual report for the year ended 31 December 2012.

The comparative figures for the financial year ended 31 December 2012 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditor. The report of the auditor (i) was unqualified and (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report.

2 Going concern

The Group meets its day-to-day working capital and other funding requirements through its banking facility, which includes an overdraft facility, and which expires in September 2015.

The Group actively manages its financial risks and operates Board approved polices, including interest rate hedging policies, that are designed to ensure that the Group maintains an adequate level of headroom and effectively mitigates financial risks.

On the basis of current financial projections and facilities available, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing these Interim Financial Statements.

3 Financial risks, estimates, assumptions and judgements

In preparing these Interim Financial Statements, management have been required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and income and expense. Actual results may differ from estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the Consolidated Financial Statements for the year ended 31 December 2012 as set out in note 27 of the Annual Report and Accounts for that year.

Details of the main risks the Group faces are set out on pages 21 to 23 of the Group's Annual Report and Accounts for the year ended 31 December 2012. The Directors consider that these are the risks that could impact the performance of the Group in the remaining six months of the current financial year. As in the previous year, these risks are being managed and their anticipated impact mitigated.

Notes to the Interim Financial Statements
(continued)

4 Segmental analysis

Segmental information is presented in respect of the Group's business segments in line with IFRS 8 – Operating Segments which requires segmental information to be presented on the same basis as it is viewed internally. The Group's Board of Directors, considered as the Group's "Chief Operating Decision Maker", views the business on a geographical basis. As such, two operating segments (England and Scotland) have been identified as reportable segments. There are no other operating segments. The majority of revenues are earned from the sale of aggregates, related products and services.

		Six months ended 30 June 2013		Six months ended 30 June 2012		Year ended 31 December 2012
Income statement	**Revenue £'000**	**EBITDA* £'000**	Revenue £'000	EBITDA* £'000	Revenue £'000	EBITDA* £'000
England	**50,821**	**7,166**	44,043	5,451	91,278	11,562
Scotland	**49,384**	**7,317**	38,934	5,737	82,179	11,345
Central administration	**-**	**(1,510)**	-	(1,504)	-	(2,724)
Group	**100,205**	**12,973**	82,977	9,684	173,457	20,183

*EBITDA represents underlying EBITDA before share of profit from associated undertaking.

	Six months ended 30 June 2013	Six months ended 30 June 2012	Year ended 31 December 2012
Reconciliation to reported profit			
Group profit as above	**12,973**	9,684	20,183
Depreciation	**(6,329)**	(5,764)	(11,343)
Non-underlying items (note 5)	**(976)**	570	195
Group operating profit	**5,668**	4,490	9,035
Share of profit of associated undertaking	**535**	497	1,033
Net financial expense	**(1,837)**	(2,253)	(4,274)
Profit before taxation	**4,366**	2,734	5,794
Taxation	**(996)**	(632)	(507)
Profit for the period	**3,370**	2,102	5,287

5 Non-underlying items

As required by IFRS 3 – Business Combinations, acquisition costs have been expensed as incurred. Additionally, the Group incurred redundancy costs in respect of the reorganisation of parts of the businesses. Non-underlying items also include property items, impairments, the amortisation of acquisition intangible assets, changes in the fair value of financial instruments and related tax items.

	Six months ended 30 June 2013 £'000	Six months ended 30 June 2012 £'000	Year ended 31 December 2012 £'000
Included in administrative expenses:			
Redundancy costs	**(184)**	(101)	(382)
Acquisition costs	**(1,338)**	(35)	(168)
Gain on property disposals	**559**	104	153
Release of provision for environmental and planning	**-**	639	639
Amortisation of other intangible assets	**(13)**	(37)	(47)
Total non-underlying items (pre-tax)	**(976)**	570	195
Non-underlying taxation	**206**	(140)	885
Total non-underlying items (after-tax)	**(770)**	430	1,080

6 Financial income and expense

	Six months ended 30 June 2013 £'000	Six months ended 30 June 2012 £'000	Year ended 31 December 2012 £'000
Interest income – bank deposits	**7**	2	5
Interest income – other	**19**	-	-
Financial income	**26**	2	5
Interest expense – bank loans and overdrafts	**(1,159)**	(1,523)	(2,778)
Amortisation of prepaid bank arrangement fee	**(64)**	(54)	(128)
Interest expense – finance leases	**(514)**	(618)	(1,207)
Unwinding of discount on provisions	**(126)**	(60)	(166)
Financial expense	**(1,863)**	(2,255)	(4,279)

7 Taxation

The Company is resident in Jersey which has a zero per cent tax rate. The tax charge for the six months ended 30 June 2013 has been based on the estimated effective blended rate applicable for existing operations for the full year. This is based on a zero per cent tax rate on profits arising in Jersey and an effective rate of 23.25% on profits arising in the Group's UK subsidiary undertakings.

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Group's future tax charge accordingly.

Notes to the Interim Financial Statements
(continued)

8 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings.

	Six months ended 30 June 2013 £'000	Six months ended 30 June 2012 £'000	Year ended 31 December 2012 £'000
Non-current liabilities			
Secured bank loans	**62,733**	63,111	62,822
Finance lease liabilities	**9,618**	12,606	11,468
	72,351	75,717	74,290
Current liabilities			
Secured overdrafts	**-**	1,561	-
Current portion of finance lease liabilities	**4,642**	5,243	4,816
	4,642	6,804	4,816

The bank loans and overdrafts carry a rate of interest of 3% above LIBOR and are secured on the freehold and leasehold properties and other assets of the Company and its subsidiary undertakings and have a final repayment date of 5 September 2015.

Net debt

Net debt comprises the following items:

	Six months ended 30 June 2013 £'000	Six months ended 30 June 2012 £'000	Year ended 31 December 2012 £'000
Cash and cash equivalents	**4,817**	712	5,048
Current borrowings	**(4,642)**	(6,804)	(4,816)
Non-current borrowings	**(72,351)**	(75,717)	(74,290)
	(72,176)	(81,809)	(74,058)

9 Earnings per share

The calculation of earnings per share is based on the profit for the period attributable to ordinary shareholders of £3,346,000 (30 June 2012: £2,078,000, 31 December 2012: £5,256,000) and on the weighted average number of ordinary shares in issue during the period of 751,125,117 (30 June 2012: 592,140,986, 31 December 2012: 619,801,185).

The calculation of underlying earnings per share is based on the profit for the period attributable to ordinary shareholders, adjusted to add back the non-underlying items, of £4,116,000 (30 June 2012: £1,648,000, 31 December 2012: £4,176,000) and on the weighted average number of ordinary shares in issue during the period as above.

Diluted earnings per ordinary share is based on 863,538,602 (30 June 2012: 667,980,463, 31 December 2012: 704,182,150) shares and reflects the effect of all dilutive potential ordinary shares.

10 Acquisitions

On 30 April 2013, the Group acquired certain trade and quarrying assets from Marshalls Mono Limited. This transaction has been accounted for as a business combination.

The fair value of the consideration paid and the consolidated net assets acquired, together with the goodwill arising in respect of this business combination, are as follows:

	Book value £'000	Fair value adjustments £'000	Fair value on acquisition £'000
Mineral reserves and resources	8,647	151	8,798
Land and buildings	1,500	-	1,500
Plant and equipment	3,099	270	3,369
Inventories	1,534	(659)	875
Provisions – Restoration	-	(2,088)	(2,088)
Deferred tax liabilities	-	(88)	(88)
Total	14,780	(2,414)	12,366
Consideration:			
Cash		17,891	
Deferred (held in escrow)		1,500	
Total			19,391
Goodwill			7,025

The provisional fair value adjustments comprise adjustments to mineral reserves and resources and plant and machinery to reflect fair value at the date of acquisition; to inventories to reflect fair value; to provisions to reflect restoration costs to comply with environmental, planning and other legislation; and to deferred tax balances.

During the period, this business contributed revenues of £2,056,000 and underlying EBITDA of £583,000 to the Group's results.

On 30 April 2013, the Group acquired certain Scottish trade and assets from Aggregate Industries UK Limited. This transaction has been accounted for as a business combination.

The fair value of the consideration paid and the consolidated net assets acquired, together with the goodwill arising in respect of this business combination, are as follows:

	Book value £'000	Fair value adjustments £'000	Fair value on acquisition £'000
Mineral reserves and resources	15,925	2,135	18,060
Land and buildings	4,810	969	5,779
Plant and equipment	5,300	(299)	5,001
Intangibles	-	305	305
Inventories	3,333	(604)	2,729
Provisions – Restoration	-	(1,089)	(1,089)
Deferred tax liabilities	-	(656)	(656)
Total	29,368	761	30,129
Consideration:			
Cash			34,733
Goodwill			4,604

Notes to the Interim Financial Statements
(continued)

10 Acquisitions (continued)

The provisional fair value adjustments comprise adjustments to mineral reserves and resources and plant and machinery to reflect fair value at the date of acquisition; to intangibles to reflect the fair value at acquisition; to inventories to reflect fair value; to provisions to reflect restoration costs to comply with environmental, planning and other legislation; and to deferred tax balances.

During the period, this business contributed revenues of £4,835,000 and underlying EBITDA of £987,000 to the Group's results.

Prior year acquisitions

On 16 January 2012, the Group acquired the entire issued share capital of Nottingham Ready Mix Limited and on 16 July 2012, the Group acquired the trade and assets of Speyside Sand & Gravel Quarries Limited (comprising Rothes Glen Quarry). These transactions have been accounted for as acquisitions. Details of the fair value of consideration paid and the net assets acquired, together with the goodwill arising in respect of these acquisitions of £694,000, are given in note 26 on page 78 of the Group's Annual Report and Accounts for the year ended 31 December 2012. There have been no changes in the provisional fair value adjustments in the six months to 30 June 2013.

11 Related party transactions

Related parties are consistent with those disclosed in the Group's Annual Report and Accounts for the year ended 31 December 2012. All related party transactions are on an arm's length basis.

There have been no related party transactions in the first six months of the current financial year which have materially affected the financial position or performance of the Group.

12 Stated capital

	Ordinary Shares		
	Six months ended 30 June 2013 Number	Six months ended 30 June 2012 Number	Year ended 31 December 2012 Number
Issued ordinary shares at the beginning of the period	**647,270,914**	561,005,454	561,005,454
Issued in connection with:			
Placing	**290,476,190**	83,333,335	83,333,335
Exercise of savings related share options	**-**	-	40,699
Exercise of warrants	**10,002,287**	-	2,891,426
	947,749,391	644,338,789	647,270,914

On 7 January 2013, the Company issued 3,000,000 ordinary shares of no par value at 12 pence per share, raising £360,000, and on 23 May 2013, the Company issued 7,002,287 ordinary shares of no par value at 12 pence per share, raising £840,000. Both of these issues were in settlement of the exercise of certain warrants issued in September 2010 as part of the reverse takeover of Breedon Holdings Limited

On 29 April 2013, the Company issued 290,476,190 ordinary shares of no par value at 21 pence per share wholly for cash, raising a total of £61,000,000 before expenses.

Cautionary Statement
This announcement contains forward looking statements which are made in good faith based on the information available at the time of its approval. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a number of risks and uncertainties that are inherent in any forward looking statement which could cause actual results to differ from those currently anticipated.

SHAREHOLDER INFORMATION

REGISTRAR AND TRANSFER OFFICE

The Company's Registrar is Capita Registrars (Jersey) Limited. The address of the Company's Registrar, to which all enquires concerning shareholdings should be addressed, is Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Shareholder enquiries can also be made to 0871 664 0300. Calls cost 10p per minute plus network extras. Lines are open 8.30am to 5.30pm, Mondays to Fridays. Enquiries from outside the UK should be made to +44 208 639 3399.

Email: ssd@capitaregistrars.com
Website: www.capitaregistrars.com

CONTACT

If you require information regarding Breedon Aggregates, please contact:

BREEDON AGGREGATES

Breedon Quarry
Breedon-on-the-Hill
Derby DE73 8AP
Tel: 01332 694010
Fax: 01332 694445
E-mail: info@breedonaggregates.com
Website: www.breedonaggregates.com

OUR AREAS OF OPERATION

Scotland

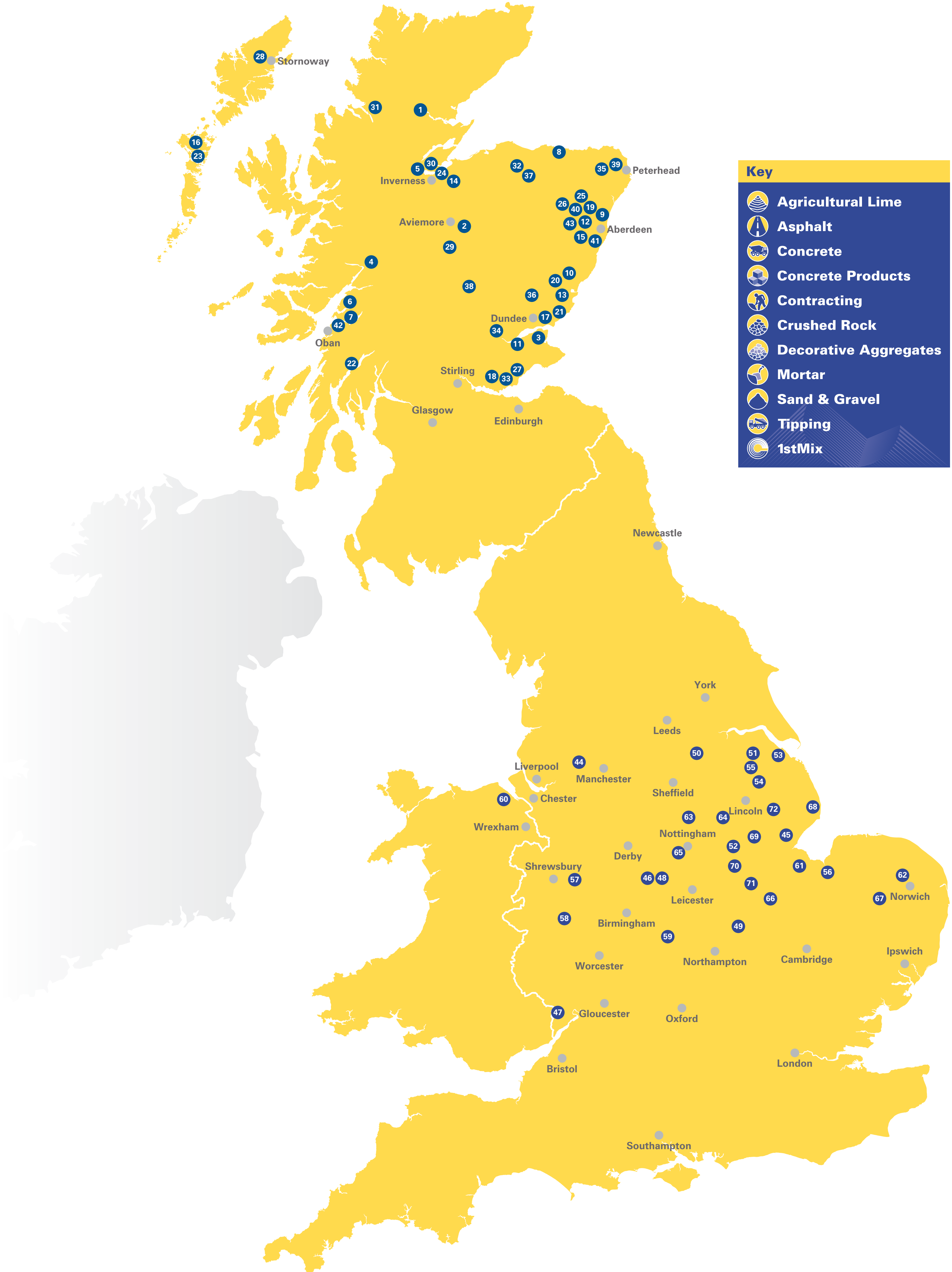
1 Ardchronie Quarry
2 Aviemore Concrete Plant
3 Balmullo Quarry
4 Banavie Quarry
5 Beauly Quarry
6 Benderloch Quarry*
7 Bonawe Quarry
8 Boyne Bay Quarry
9 Bridge of Don Concrete Plant
10 Capo Quarry*
11 Clatchard Craig Quarry
12 Craigenlow Quarry
13 Cunmont Quarry**
14 Daviot Asphalt Plant
15 Deeside Concrete Plant
16 Druim Reallasger Quarry
17 Dundee Concrete Plant
18 Dunfermline Concrete Plant
19 Dyce Concrete Plant
20 Edzell Quarry
21 Ethiebeaton Quarry
22 Furnace Quarry
23 Garbh Eilean Asphalt Plant
24 Inverness Concrete Plant
25 Inverurie Concrete Plant
26 Kemnay
27 Kirkcaldy Concrete Plant
28 Marybank Quarry
29 Meadowside Quarry
30 Mid Lairgs Asphalt Plant
31 Morefields Quarry
32 Netherglen Quarry
33 Orrock Quarry
34 Perth Concrete Plant
35 Peterhead Concrete Plant
36 Powmyre Quarry*
37 Rothes Glen Quarry
38 Shierglas Quarry
39 Stirlinghill Quarry
40 Tom's Forest Quarry
41 Tullos Concrete Plant
42 West Area Contracting
43 Westhill Concrete Plant

*Decorative Aggregates are also available bagged **Recycling available

England

44 Astley Moss Quarry
45 Boston Concrete Plant
46 Breedon Quarry*
47 Clearwell Quarry
48 Cloud Hill Quarry
49 Corby Asphalt & Concrete Plant
50 Dunsville Quarry
51 Elsham Concrete Plant
52 Grantham Concrete Plant
53 Grimsby Concrete Plant
54 Kelsey Road Quarry
55 Kettleby Quarry
56 King's Lynn Concrete Plant
57 Leaton Quarry
58 Leinthall Quarry
59 Ling Hall Asphalt & Concrete Plant
60 Lloyds Quarries
61 Long Sutton Concrete Plant
62 Longwater Asphalt Plant
63 Mansfield Asphalt Plant
64 Norton Bottoms Quarry
65 Nottingham Readymix
66 Peterborough Concrete Plant
67 Shropham Quarry**
68 Skegness Concrete Plant
69 Sleaford Concrete Plant
70 South Witham Quarry
71 Stamford Concrete Plant
72 Woodhall Spa Concrete Plant

*Decorative Aggregates are also available bagged **Recycling available


Stornoway
Inverness
Peterhead
Aviemore
Aberdeen
Dundee
Oban
Stirling
Glasgow
Edinburgh
Newcastle
York
Leeds
Liverpool
Manchester
Sheffield
Chester
Wrexham
Lincoln
Nottingham
Derby
Shrewsbury
Leicester
Norwich
Birmingham
Worcester
Northampton
Cambridge
Ipswich
Gloucester
Oxford
Bristol
London
Southampton
Key
Agricultural Lime
Asphalt
Concrete
Concrete Products
Contracting
Crushed Rock
Decorative Aggregates
Mortar
Sand & Gravel
Tipping
1stMix

BREEDON
AGGREGATES

Quality and Service. Delivered.

Breedon Aggregates Limited
Elizabeth House, 9 Castle Street, St Helier, Jersey JE2 3RT

Email: info@breedonaggregates.com
Website: www.breedonaggregates.com

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