News release

9 March 2016

Breedon Aggregates Limited

('Breedon Aggregates' or 'the Group')

Annual Results 2015

Breedon Aggregates, the UK's leading independent aggregates business, today announces its audited annual results for the year ended 31 December 2015.

	2015	**2014**	**Change**
Revenue	**£318.5 million**	£269.7 million	+18.1%
Underlying EBIT†	**£37.8 million**	£24.3 million	+55.5%
Profit before tax	**£31.3 million**	£21.4 million	+46.4%
Underlying basic EPS†	**2.68 pence**	1.64 pence	+63.4%
Net cash/(debt)	**£10.3 million**	(£66.3) million	+£76.6m

† Underlying results are stated before acquisition related expenses, redundancy and reorganisation costs, property items, amortisation of acquisition intangibles and related tax items. References to an underlying profit measure throughout this Announcement are defined on this basis.

8.7 million tonnes of aggregates sold (2014: 7.7 million tonnes)

1.8 million tonnes of asphalt sold (2014: 1.5 million tonnes)

0.9 million cubic metres of ready-mixed concrete sold (2014: 0.8 million cubic metres)

Highlights

- Continued improvement in trading performance, with record results from both England and Scotland
- Underlying EBIT margin up 2.9ppt to 11.9%
- £20+ million invested in capital projects
- Our largest-ever contract finalised: £55 million contract on the Aberdeen Western Peripheral Route, in joint venture
- Performance of 2014 acquisitions ahead of our expectations, particularly the former Barr business
- Agreement to acquire Hope Construction Materials Limited for £336m, subject to CMA approval: our largest acquisition to date
- Outlook continues to be encouraging

Peter Tom, Executive Chairman, commented:

"2015 was another significant year for Breedon. Our trading performance continued to improve and we again reported record results. We finalised our largest ever contract win and announced the planned acquisition of Hope Construction Materials. We are tremendously excited by the future potential for this business.

"Early in 2016 we were joined by our new Group Chief Executive, Pat Ward, whom I would like to once again warmly welcome to Breedon Aggregates. He succeeded Simon Vivian, who oversaw the successful development of the Group during its first five years and will continue to serve as a non-executive director.

"The outlook for our business continues to be encouraging. The Government remains committed to infrastructure investment and all the relevant forecasting bodies predict modest but sustained growth in construction output over the next few years. This means a steady growth in demand for our products. Against this background, volumes are expected to recover gradually to pre-recession levels by 2020.

"We begin an exciting new era in 2016 with the planned acquisition of Hope and we look forward to the future with confidence."

- ends -

Breedon will host a meeting for invited analysts at 9.00am today and there will be a simultaneous dial-in broadcast of the meeting. Please call 0844 335 0993 to listen to the broadcast. The passcode is 79071269#. A recording of the meeting will be available to play or download from our website later today at http://www.breedonaggregatesir.com.

Enquiries:

Breedon Aggregates Limited Peter Tom, Executive Chairman Pat Ward, Group Chief Executive Rob Wood, Group Finance Director	Tel: 01332 694010
Stephen Jacobs, Head of Communications	Tel: 07831 764592
Cenkos Securities plc (Nomad & joint broker) Max Hartley/Ian Soanes	Tel: 020 7397 8900
Peel Hunt (joint broker) Justin Jones / Mike Bell	Tel: 020 7418 8900

Note to Editors

Breedon Aggregates is the leading independent aggregates business in the UK after the four global majors. It operates 53 quarries, 26 asphalt plants, 61 ready-mixed concrete plants and three concrete block plants in England and Scotland and employs around 1,250 people. The Group has strong asset backing, with over 500 million tonnes of mineral reserves and resources in the UK. Breedon Aggregates' strategy is to grow through consolidation of the UK heavyside building materials sector.

Breedon Aggregates Limited
Annual results for the year ended 31 December 2015

A Review of 2015

Introduction

2015 was another significant year for Breedon: our trading performance continued to improve and we again reported record results.

In November we announced the planned £336 million acquisition of Hope Construction Materials Limited ('Hope') and we are tremendously excited by the future potential for this business. Then, at the end of the year, we finalised our largest ever contract win (worth £55 million) to supply and lay asphalt for the Aberdeen Western Peripheral Route, the largest road improvement scheme in the UK, in partnership with Whitemountain Quarries Limited. This contract was awarded in early 2016 and will help to underpin the performance of the Scottish business for the next two years. Once again we would like to thank all our employees throughout the business, who have continued to contribute so enthusiastically to our success.

Early in 2016 we were joined by our new Group Chief Executive, Pat Ward, whom I would like to once again warmly welcome to Breedon Aggregates. He succeeded Simon Vivian, who oversaw the successful development of the Group during its first five years and will continue to serve as a non-executive director.

Trading performance

Group revenue increased by 18.1 per cent to £318.5 million as the UK construction sector continued to recover.

Trading conditions in England remained stronger than in Scotland, but both divisions delivered record results in 2015. Group underlying EBITDA increased to £54.9 million and our underlying EBITDA margin improved to 17.2 per cent compared to 14.3 per cent last year. This means that we have now achieved the medium-term margin target we set for the business back in 2010. We are now focusing on underlying EBIT margin as our principal performance measure and, during the year, we signalled our new medium-term underlying EBIT margin target of 15 per cent which we believe is achievable by 2020. Underlying EBIT margin for 2015 was 11.9 per cent compared to 9.0 per cent in 2014. We will provide updated guidance on our margin target following completion of the acquisition of Hope.

Once again we had a strong finish to the year, although wet weather and flooding in December impacted activity in Scotland, particularly in the Aberdeen area. Further declines in the price of fuel oil and related products also helped to reduce our cost base. The two acquisitions we made in 2014 performed well, with the former Barr business in particular significantly exceeding our expectations at acquisition. The performances of our two divisions are reviewed in more detail by their respective Chief Executives below.

Investment and Development

We continue to invest in our business to increase capacity, improve efficiency and replace plant and equipment.

During the year we approved projects in excess of £20 million, including the replacement of two asphalt plants in Scotland, a new crushing plant at our largest quarry in the Midlands and a new concrete plant at Tewkesbury. We also reached agreement to re-open a former quarry in north Wales and we expect to shortly commence production of sand and gravel at a new site near Northampton.

The UK construction market

Market conditions continued to be favourable during the year, although construction output growth of 3.4 per cent was lower than the 7.5 per cent achieved in 2014.

A slowdown in the third quarter proved to be temporary and demand recovered, with a positive finish to the year driven by infrastructure work. The labour market remained strong, with the number of people in employment growing to nearly 74 per cent, the highest since records began in 1971.

Despite the recovery, it is noteworthy that both construction output and product volumes still remain well below pre-recession levels.

A year of major investment

The former Barr business received significant additional investment following its acquisition in 2014 and this has already started to pay dividends in improved efficiency and cost reduction. Other significant investments during the year included a new crushing train and block production plant at Naunton and updates to our fleet with the purchase of a number of new mixers and tippers.

Whilst our short-term focus will be on integrating the Hope business and delivering the synergies we have identified, we continue to review a number of business development opportunities. Hope itself will significantly increase our geographic coverage and bring us a number of investment prospects, but we also see many other potential opportunities to further expand our business.

Hope Construction Materials

In November last year we reached agreement to acquire Hope, which was formed in 2013 out of the merger of Tarmac and Lafarge. The transaction is subject to the approval of the Competition and Markets Authority and we expect to secure this towards the middle of this year. The acquisition of Hope represents a major step forward for Breedon Aggregates, almost doubling the size of our business.

Hope's operations are centred on the large cement works at Hope Valley in Derbyshire and include a network of rail-linked depots, five quarries and 152 concrete plants. It has successfully established itself as a major UK supplier of heavy building materials in a short space of time and has values very similar to Breedon Aggregates, being sharply focused on customer service, operational excellence and strong employee engagement. We are tremendously excited about the prospects for the combined business.

Hope not only provides us with a new product, cement, but also a rail-linked aggregates quarry at Dowlow near Buxton in Derbyshire, together with an enthusiastic and highly motivated workforce.

Following completion of the transaction later this year, the current shareholders of Hope will retain a significant stake in the combined business and the current Chairman of Hope, Amit Bhatia, is expected to join the board of Breedon Aggregates as a non-executive director. We look forward to formally welcoming Amit in the near future.

Safety of employees

Our commitment to the highest standards of safety in our business is unequivocal and one of the cornerstones of our culture. We have made great strides in reducing the number and severity of accidents since we formed Breedon Aggregates in 2010, so it is therefore disappointing to report that in 2015 we incurred seven lost time injuries, one more than in the previous year. Despite this, because the business is larger than it was 12 months ago, our Lost Time Injury Frequency Rate ('LTIFR') – which measures accidents per hours worked – increased only slightly to 2.72. However, this is still the first time in five years that we have reported an increase.

Many of our accidents are caused by careless behaviour, but there is clearly more work to be done to improve employee awareness of personal safety. As the business grows, the challenge increases, but we are committed to continuous improvement and will again be targeting a 30 per cent reduction in LTIFR in 2016.

Outlook

The outlook for our business continues to be encouraging. Macroeconomic data remains positive, with GDP expected to grow by between 2.2 and 2.4 per cent and inflation at historically low levels.

The Government remains committed to infrastructure investment and all the relevant forecasting bodies predict modest but sustained growth of around 4 per cent in construction over the next few years. This means a steady growth in demand for our products, with the MPA forecasting growth in aggregates volumes this year of around 4 per cent, asphalt volumes up by around 1 per cent and concrete up by around 3 per cent. Against this background, volumes are expected to recover gradually to pre-recession levels by 2020.

While growth prospects remain positive in the UK, there is increasing concern that global growth could be negatively impacted by the Chinese economy and the general slowdown in the emerging markets. Domestically, the EU referendum could also have an adverse effect on growth.

Notwithstanding this, Breedon Aggregates begins an exciting new era in 2016 with the planned acquisition of Hope and we look forward to the future with confidence.

Peter Tom CBE	**Simon Vivian**
Executive Chairman	Group Chief Executive 2015

9 March 2016

Business Review: Breedon Aggregates England

Strong underlying trading

We experienced buoyant demand in all sectors of our business, helped by an open weather window which provided a good trading base. Aggregates volumes were up 2 per cent year-on-year and remained strong throughout the year, reflecting increased volumes from fixed outlets and a robust performance from our added-value products.

Asphalt volumes exceeded our expectations, ending the year 22 per cent ahead. This strong demand enabled us generally to hold prices against a backdrop of falling hydrocarbon prices, which was reflected in higher margins. Having said this, we did see price pressure in the final quarter, which led to lower prices in some of our markets.

Concrete volumes were again strong in all areas, ahead 8 per cent year-on-year, driven primarily by housing, and we expect this trend to continue throughout 2016.

Market conditions mixed

The third quarter saw two of the largest projects in our region – the widening of the A453 and the Nottingham Tramway – brought to completion. This, coupled with a slowdown in local authority work and the postponement of a number of projects by Highways England, inevitably drove some of our rivals to seek work elsewhere and to compete for it more aggressively. This was compounded by a slowdown in demand from the agricultural sector, as confidence was hit by falling commodity prices.

These trends accentuated the need for an even more disciplined focus on outstanding customer service, which increasingly distinguishes winners from losers in the smaller end of the heavyside materials market where we traditionally operate.

Ambitious capital expenditure programme

The major replant of Cloud Hill quarry started in 2015 and will be completed this year, while the purchase last year of mobile crushers to replace older units at both Cloud Hill and Breedon quarries are giving us much greater operational flexibility.

At Naunton quarry a secondary crusher train was purchased which means we can now process more stone on site, replacing expensive contract crushing. The new block plant and T-beam plant production operation at Naunton also came on line during 2015 and both are already gaining traction in the market.

In late 2015 we made a substantial investment in replacement mobile plant, which will enhance productivity and reduce operational costs from this year. Work also commenced on our new concrete plant at Tewkesbury, which opened in February 2016.

Good progress on energy saving

Good husbandry of our resources and protection of the environment continue to be the mainstays of our social responsibility programmes.

These are typified by the further expansion of our solar energy initiatives at Naunton and most recently Breedon quarry. Late in 2015 we also placed our first order for eight hybrid cars, which were delivered early this year and we hope to gradually extend the use of these vehicles throughout our fleet in the coming years.

One of the year's most novel developments was the launch of The Breedon Energy Cup, which pitted our sites against one another to see which could make the greatest energy savings. After a highly competitive series of 'matches', Mansfield Asphalt plant was declared the winner in January of this year. This has proved to be a highly effective way of embedding a culture of energy conservation throughout the business.

We are also pleased to report that we achieved full compliance with Phase 1 of the Government's mandatory Energy Savings Opportunities Scheme, with at least 90 per cent of our total energy consumption officially audited and a number of energy-saving opportunities identified as a result.

Tim Hall
Chief Executive
Breedon Aggregates England
9 March 2016

Business Review: Breedon Aggregates Scotland

A challenging but successful year

We had a challenging but successful year in Scotland. In the first half we experienced strong demand for our products, but the second half became more difficult as we saw delays to larger projects and the significant effects of cuts in Scottish Executive and local authority spending – which also impacted our associate company, BEAR Scotland. These challenges drove us to look for new sources of business outside our mainstream markets and we succeeded in securing a number of high-profile concrete supply contracts and new customers for our high-value PSV and decorative stone.

Whilst up 12 per cent year-on-year, asphalt volumes were hit hardest by cuts in local authority spending and delays to major contracts such as the Forth Crossing and the widening of the A9, and so ended the year somewhat lower than our expectations. Fortunately, falling hydrocarbon prices helped mitigate the impact of lower volumes; however, this is unlikely to remain the case for very much longer as competition for available volumes becomes more pronounced.

Aggregates and concrete volumes held up at strong levels, despite further delays to major projects such as the widening of the A9 and construction of the Aberdeen Western Peripheral Route (‘AWPR’), and ended the year 32 per cent and 21 per cent respectively ahead of 2014.

A year of two halves

The market in Scotland was mixed. A strong first half was followed by a subdued, and weather impacted, end to the year, resulting in overall demand remaining generally flat over the year as a whole. Local authority cuts and delays to projects were recurring themes.

There were sharp regional variations, with competition particularly fierce in the Tayside and Fife markets and new challenges in and around Aberdeen, where the downturn in the oil industry severely impacted demand.

Despite the difficult market conditions, we secured several large projects which underpinned our performance in 2015 and in some cases carried over into 2016. We were also delighted that after many months of determined effort, early this year we secured supply and lay orders for the A9 Kincraig to Dalraddy project and, in joint venture with Whitemountain Quarries Limited (‘Whitemountain’), for the supply and lay of asphalt on the AWPR; the Group’s largest ever contract win.

Capital expenditure delivering savings

We focused significant capital expenditure during the year on modernising production equipment and investing in new mobile plant in all our units, particularly those acquired with Barr Quarries Limited in 2014, delivering substantial savings in plant hire and maintenance costs.

A new asphalt plant was erected at Daviot quarry to replace the 40-year-old plant on the site. It brings with it additional capacity, flexibility and cost-efficiency and is located strategically close to the A9 and A96 corridors which will see numerous infrastructure and dualling projects over the next decade.

In the south-west, a new mobile crushing train was purchased to improve productivity across several units in the former Barr business. This investment is delivering greater production capacity at a substantially lower cost and has helped us develop our high-PSV quarries at Barbae and Tongland to meet the current strong demand for these products throughout the UK.

We also invested heavily in our fleet of owned mixers and tippers, including the purchase of a number of innovative walking-floor articulated lorries which have greater carrying capacity, better fuel efficiency and marked safety improvements.

Wins for 2016

At the end of 2015 we finalised our largest ever contract: the £55 million contract to supply and lay asphalt on the £745 million Aberdeen Western Peripheral Route, in joint venture with Whitemountain. We announced this in January 2016, closely followed by a £10 million contract to supply material to the first stage of the £3 billion A9 dualling project.

Investment yielding energy savings

Our significant capital investment has focused on replacing older units with modern efficient plant and this has brought with it significant energy savings, with marked reductions in fuel and electricity consumption.

We achieved full compliance with Phase 1 of the Government's mandatory Energy Savings Opportunities Scheme. There have been a number of energy-saving opportunities identified through this scheme and progressing these will be a key focus in 2016.

Alan Mackenzie
Chief Executive
Breedon Aggregates Scotland
9 March 2016

Financial Review

Revenue and underlying operating profit

During the year we again delivered strong organic growth, particularly in England. Group aggregates volumes for the year were up 13.5 per cent at 8.7 million tonnes, asphalt volumes were up 18.3 per cent at 1.8 million tonnes and ready-mixed concrete volumes were up 13.3 per cent at 0.9 million cubic metres.

Revenue for the year at £318.5 million was 18.1 per cent ahead of 2014 (2014: £269.7 million). Underlying earnings before our share of associate and joint venture, interest, tax, depreciation and amortisation ('EBITDA') were £54.9 million, 42.6 per cent ahead of 2014 (2014: £38.5 million). Underlying results are stated before acquisition-related expenses, redundancy and reorganisation costs, property items, amortisation of acquisition intangibles and related tax items.

EBITDA margins across the business in England and Scotland improved year-on-year. Overall the EBITDA margin for the Group increased to 17.2 per cent from 14.3 per cent in 2014.

With our medium-term EBITDA margin target achieved, we are now focusing on underlying EBIT as our principal performance measure and have set a new medium-term underlying EBIT margin target of 15 per cent, which we believe is achievable by 2020.

Underlying EBIT for the year at £37.8 million was 55.5 per cent ahead of 2014 (2014: £24.3 million) and underlying EBIT margins increased to 11.9 per cent from 9.0 per cent in 2014. Underlying profit before taxation was £35.0 million, 66.7 per cent ahead of 2014 (2014: £21.0 million).

In November we announced the planned £336 million acquisition of Hope Construction Materials Limited ('Hope'), a leading independent producer of cement, concrete and aggregates. The transaction is subject to the approval of the Competition and Markets Authority and is expected to complete in mid-2016.

The consideration payable for Hope will be satisfied by the payment of £202 million in cash and the issue of 259,120,245 new shares (valued at £134 million at the time of the announcement of the acquisition). The cash consideration of £202 million will be primarily financed by a new £300 million revolving credit facility (see 'Bank facilities').

Associate and joint venture

Share of profit from associate and joint venture (net of tax) included BEAR Scotland Limited and Breedon Bowen Limited.

Interest

Net finance costs in the year totalled £2.8 million (2014: £3.3 million) and included interest on the Group's bank facilities, amortisation of bank arrangement fees and interest on finance leases. The lower costs in 2015 reflects the level of borrowings and finance leases and the lower costs under the new bank facility put in place in July 2014 (see 'Bank facilities').

Tax

An underlying tax charge of £6.3 million (2014: £4.3 million) was recorded in the year, resulting in an underlying effective tax rate for the full year of 18.1 per cent, reflecting the beneficial effect of the reduced future UK corporation tax rate on deferred tax liabilities and income from associates already being taxed, offset by costs incurred in Jersey for which no tax relief can be obtained.

The Group's tax strategy is to comply with all relevant regulations, whilst managing the total tax burden and seeking to maintain a stable effective tax rate. The Group seeks to achieve this through operating a simple Group structure.

The Group endeavours to structure its affairs in a tax-efficient manner where there is commercial benefit in doing so, with the aim of supporting investment in the business and its capital expenditure programmes. This takes into account utilisation of capital allowances and any historic losses in the business which can be offset against current-year profits. The Group seeks to ensure that its actions do not adversely impact its reputation as a responsible taxpayer in the following ways:

• it takes appropriate tax advice and support from reputable professional firms and the parameters which govern its approach are set by the Board, which regularly reviews the Group's tax strategy;

• it is open and transparent in its dealings with HM Revenue & Customs and deals with any queries in a timely and open manner and, in particular, responds to any tax queries quickly and on a full-disclosure basis;

• all tax affairs are administered in a lawful and responsible manner; and

• all its tax liabilities arise in the subsidiary companies in the UK and in terms of the UK corporation tax position, all years up to 2013 are agreed.

The Group makes a significant contribution to the economy through taxation, either borne by the Group or collected on behalf of, and paid to, HM Revenue & Customs. In 2015, the total taxes borne and collected by the Group amounted to over £50 million.

Non-underlying items

Non-underlying items in the year amounted to a net pre-tax cost of £3.8 million (2014: net income of £0.3 million), consisting mainly of acquisition-related costs. The net income in 2014 included a gain on the sale of property of £2.1 million offset by acquisition-related costs of £1.3 million.

Earnings per share

Basic earnings per share ('EPS') for the year were 2.33 pence (2014: 1.68 pence), reported after the non-underlying items mentioned above. Underlying basic EPS for the year totalled 2.68 pence (2014: 1.64 pence).

Dividends

Subject to availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and prudent to do so. However, at present the main focus of the Group will be on delivering continued capital growth for shareholders.

Statement of financial position

Net assets at 31 December 2015 were £233.2 million (2014: £167.2 million). The net assets are underpinned by the mineral reserves and resources of the Group, which at the end of December 2015 had a book value of £114.4 million (2014: £117.9 million).

Cash flow

Cash generated from operating activities was £62.1 million (2014: £40.6 million).

In addition to delivering short-term earnings growth and optimising working capital, we are positioning the Group for the longer term and, as part of that, we are investing in the business, adding acquisitions where these make sense both strategically and financially and investing further in plant and equipment.

During 2015 the Group made no acquisitions (2014: £33.4 million), but incurred a cash spend on capital expenditure projects of £14.4 million (2014: £11.9 million). The 2014 acquisitions comprised Huntsman's Quarries Limited and Barr Quarries Limited. Further details of these and the investment in capital expenditure can be found in the Business Reviews above.

Proceeds from the sale of property, plant and equipment totalled £4.5 million in 2015 (2014: £6.0 million) and included a further instalment of £2.8 million (2014: £2.8 million) from last year's sale of the 60-acre Doseley site near Telford in Shropshire for £11.0 million. The land is on the site of a former concrete products plant and has outline planning consent for 460 homes.

At the time of announcement of the planned Hope acquisition we also raised a net £39.1 million through the issue of shares which we intend to use to part-fund the cash consideration in respect of the acquisition of Hope. In addition, we raised £0.1 million (2014: £0.3 million) through the issue of shares in connection with the exercise of certain savings-related share options.

Net cash/debt

Net cash at 31 December 2015 was £10.3 million (2014: net debt £66.3 million).

Key movements include: EBITDA of £54.9 million (2014: £38.5 million); favourable, but partly unsustainable, working capital movements of £10.3 million (2014: £3.9 million); purchase of property, plant and equipment of £21.5 million (2014: £16.1 million), including £7.1 million (2014: £4.2 million) financed by way of new finance leases; and the net £39.2 million (2014: £0.3 million) raised from the issue of shares.

As a result of the movements in cash and debt, the Group at 31 December 2015 is temporarily in a net cash position until the expected completion of the planned Hope transaction in mid-2016.

Bank facilities

The Group's £100 million committed revolving credit facility, which includes an additional £50 million accordion option, is not due to expire until July 2018.

It is subject to a floating interest rate based on LIBOR plus margin. At 31 December 2015, the total undrawn facility available to the Group amounted to £98.5 million (2014: £29.0 million). The facility is subject to Group leverage and Group interest cover covenants which are tested half-yearly. At 31 December 2015, the Group comfortably complied with these two covenants. Based on our current estimates, we expect to comply with all our covenants for the foreseeable future.

The Group has in place an interest rate hedge which mitigates the risk of interest rate rises on the Group's bank loans.

At the time of signing the agreement for the planned acquisition of Hope, we entered into a new £300 million revolving credit facility agreement with Barclays Bank PLC, HSBC Bank plc, The Royal Bank of Scotland plc and Santander UK plc. This new facility will only become effective on completion of the planned Hope transaction and will replace the existing facility. It has a four-year term with an option to extend by one year and a £100 million accordion option. The pricing is in line with our existing facility, as are the covenants and testing regime.

Rob Wood
Group Finance Director

9 March 2016

Breedon Aggregates Limited

Annual results for the year ended 31 December 2015

Consolidated Income Statement
for the year ended 31 December 2015

	2015 Underlying £000	2015 Non-underlying* (note 3) £000	2015 Total £000	2014 Underlying £000	2014 Non-underlying* (note 3) £000	2014 Total £000
Revenue	**318,452**	**-**	**318,452**	269,657	-	269,657
Cost of sales	**(211,395)**	**-**	**(211,395)**	(189,098)	-	(189,098)
Gross profit	**107,057**	**-**	**107,057**	80,559	-	80,559
Distribution expenses	**(43,737)**	**-**	**(43,737)**	(35,584)	-	(35,584)
Administrative expenses	**(26,266)**	**(3,754)**	**(30,020)**	(21,827)	347	(21,480)
Group operating profit	**37,054**	**(3,754)**	**33,300**	23,148	347	23,495
Share of profit of associate and joint venture (net of tax)	**728**	**-**	**728**	1,147	-	1,147
Profit from operations	**37,782**	**(3,754)**	**34,028**	24,295	347	24,642
Financial income	**25**	**-**	**25**	39	-	39
Financial expense	**(2,776)**	**-**	**(2,776)**	(3,319)	-	(3,319)
Profit before taxation	**35,031**	**(3,754)**	**31,277**	21,015	347	21,362
Taxation	**(6,347)**	**33**	**(6,314)**	(4,312)	100	(4,212)
Profit for the year	**28,684**	**(3,721)**	**24,963**	16,703	447	17,150
Attributable to:						
Equity holders of the parent	**28,629**	**(3,721)**	**24,908**	16,622	447	17,069
Non-controlling interests	**55**	**-**	**55**	81	-	81
Profit for the year	**28,684**	**(3,721)**	**24,963**	16,703	447	17,150
Basic earnings per ordinary share	**2.68p**		**2.33p**	1.64p		1.68p
Diluted earnings per ordinary share	**2.59p**		**2.25p**	1.52p		1.56p

* Non-underlying items represent acquisition related expenses, redundancy and reorganisation costs, property items, amortisation of acquisition intangibles and related tax items.

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2015

	2015 £000	2014 £000
Profit for the year	**24,963**	17,150
Other comprehensive Income		
Items which may be reclassified subsequently to profit and loss:		
Effective portion of changes in fair value of cash flow hedges	**19**	135
Taxation on items taken directly to other comprehensive income	**(4)**	(14)
Other comprehensive income for the year	**15**	121
Total comprehensive income for the year	**24,978**	17,271
Total comprehensive income for the year is attributable to:		
Equity holders of the parent	**24,923**	17,190
Non-controlling interests	**55**	81
	24,978	17,271

Consolidated Statement of Financial Position
as at 31 December 2015

	2015	2014
	£000	£000
Non-current assets		
Property, plant and equipment	**210,858**	207,604
Intangible assets	**22,546**	22,583
Trade and other receivables	**-**	2,750
Investment in associate and joint venture	**5,078**	4,825
Total non-current assets	**238,482**	237,762
Current assets		
Inventories	**12,569**	13,027
Trade and other receivables	**58,779**	62,907
Cash and cash equivalents	**23,522**	15,785
Total current assets	**94,870**	91,719
Total assets	**333,352**	329,481
Current liabilities		
Interest-bearing loans and borrowings	**(5,338)**	(5,317)
Trade and other payables	**(65,110)**	(59,066)
Current tax payable	**(3,391)**	(2,636)
Provisions	**(184)**	(210)
Total current liabilities	**(74,023)**	(67,229)
Non-current liabilities		
Interest-bearing loans and borrowings	**(7,934)**	(76,814)
Provisions	**(11,141)**	(11,050)
Deferred tax liabilities	**(7,012)**	(7,216)
Total non-current liabilities	**(26,087)**	(95,080)
Total liabilities	**(100,110)**	(162,309)
Net assets	**233,242**	167,172
Equity attributable to equity holders of the parent		
Stated Capital	**178,637**	139,139
Cash flow hedging reserve	**(36)**	(51)
Capital reserve	**1,516**	1,516
Retained earnings	**52,958**	26,406
Total equity attributable to equity holders of the parent	**233,075**	167,010
Non-controlling interests	**167**	162
Total equity	**233,242**	167,172

Consolidated Statement of Changes in Equity
for the year ended 31 December 2015

	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 1 January 2014	138,005	(172)	1,516	9,513	148,862	131	148,993
Shares issued	1,134	-	-	(803)	331	-	331
Expenses of share issue	-	-	-	-	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	(50)	(50)
Total comprehensive income for the year	-	121	-	17,069	17,190	81	17,271
Credit to equity of share-based payments	-	-	-	627	627	-	627
Balance at 31 December 2014	139,139	(51)	1,516	26,406	167,010	162	167,172
Shares issued	41,194	-	-	(252)	40,942	-	40,942
Expenses of share issue	(1,696)	-	-	-	(1,696)	-	(1,696)
Dividend to non-controlling interests	-	-	-	-	-	(50)	(50)
Total comprehensive income for the year	-	15	-	24,908	24,923	55	24,978
Credit to equity of share-based payments	-	-	-	1,896	1,896	-	1,896
Balance at 31 December 2015	**178,637**	**(36)**	**1,516**	**52,958**	**233,075**	**167**	**233,242**

Breedon Aggregates Limited
Annual results for the year ended 31 December 2015

Consolidated Statement of Cash Flows
for the year ended 31 December 2015

	2015	2014
	£000	£000
Cash flows from operating activities		
Profit for the year	**24,963**	17,150
Adjustments for:		
Depreciation and amortisation	**17,898**	15,395
Financial income	**(25)**	(39)
Financial expense	**2,776**	3,319
Share of profit of associate and joint venture(net of tax)	**(728)**	(1,147)
Net gain on sale of property, plant and equipment	**(1,320)**	(2,779)
Equity settled share-based payment expenses	**1,896**	627
Taxation	**6,314**	4,212
Operating cash flow before changes in working capital and provisions	**51,774**	36,738
Decrease/(increase) in trade and other receivables	**4,187**	(4,708)
Decrease in inventories	**458**	71
Increase in trade and other payables	**5,959**	9,031
Decrease in provisions	**(264)**	(537)
Cash generated from operating activities	**62,114**	40,595
Interest paid	**(1,463)**	(1,688)
Interest element of finance lease payments	**(624)**	(694)
Dividend paid to non-controlling interest	**(50)**	(50)
Income taxes paid	**(5,767)**	(1,171)
Net cash from operating activities	**54,210**	36,992
Cash flows used in investing activities		
Acquisition of businesses	**-**	(33,429)
Purchase of interest in joint venture	**-**	(3,471)
Purchase of property, plant and equipment	**(14,447)**	(11,851)
Proceeds from sale of property, plant and equipment	**4,501**	6,027
Repayment of loan to joint venture	**100**	-
Interest received	**25**	39
Dividend from associate	**375**	1,125
Net cash used in investing activities	**(9,446)**	(41,560)
Cash flows (used in)/from financing activities		
Proceeds from the issue of shares (net)	**39,246**	331
Proceeds from new loans raised	**-**	79,675
Repayment of loans	**(69,000)**	(71,024)
Repayment of finance lease obligations	**(7,214)**	(6,079)
Purchase of financial instrument - derivative	**(59)**	-
Net cash (used in)/from financing activities	**(37,027)**	2,903
Net increase/(decrease) in cash and cash equivalents	**7,737**	(1,665)
Cash and cash equivalents at 1 January	**15,785**	17,450
Cash and cash equivalents at 31 December	**23,522**	15,785
Cash and cash equivalents	**23,522**	15,785
Bank overdraft	**-**	-
Cash and cash equivalents at 31 December	**23,522**	15,785

Notes to the financial statements

1 Basis of preparation

Breedon Aggregates Limited is a company domiciled in Jersey.

This financial information (see note 9) consolidates the results of the Company and its subsidiary undertakings and equity accounts for the Group's interest in its associate and joint venture (collectively the 'Group').

The consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ('Adopted IFRS's') and have been prepared under the historical cost convention except where the measurement of balances at fair value is required.

New IFRS standards and interpretations adopted during 2015

In 2015, no new standards and amendments became effective and required adoption by the Group.

New IFRS standards and interpretations not adopted

The IASB and IFRIC have issued additional standards and amendments which are effective for periods starting after the date of these Financial Statements. The following standards and amendments have not yet been adopted by the Group:

Effective for periods beginning on or after 1 February 2015.

- Amendments to IFRS 2 – Share Based Payments
- Amendments to IFRS 3 – Business Combinations
- Amendments to IFRS 8 – Operating Segments
- Amendments to IFRS 13 – Fair Value Measurement
- Amendments to IAS 16 – Property, Plant and Equipment
- Amendments to IAS 24 – Related Party Disclosures
- Amendments to IAS 38 – Intangible Assets

Effective for periods beginning on or after 1 January 2016.

- Amendments to IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations
- Amendments to IFRS 7 – Financial Instruments: Disclosures
- Amendments to IFRS 11 – Joint Arrangements
- Amendments to IAS 1 – Presentation of Financial Statements
- Amendments to IAS 19 – Employee Benefits
- Amendments to IAS 34 – Interim Financial Reporting

The Group does not anticipate that the adoption of the above standards and amendments will have a material effect on its financial statements on initial adoption.

2 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.

Notes to the financial statements *(continued)*

2 Segmental analysis *(continued)*

	2015		2014	
Income statement	**Revenue £000**	**EBITDA* £000**	Revenue £000	EBITDA* £000
England	**170,841**	**35,837**	144,949	23,714
Scotland	**147,611**	**25,092**	124,708	19,213
Central administration and Group properties	**-**	**(6,014)**	-	(4,422)
Group	**318,452**	**54,915**	269,657	38,505

*EBITDA represents underlying EBITDA before share of profit from associate and joint venture.

	£000	£000
Reconciliation to reported profit		
Group EBITDA as above	**54,915**	38,505
Depreciation and mineral depletion	**(17,861)**	(15,357)
Underlying Operating Profit		
England	**26,997**	16,022
Scotland	**16,088**	11,552
Central administration and Group properties	**(6,031)**	(4,426)
	37,054	23,148
Share of profit of associate and joint venture	**728**	1,147
Underlying profit from operations(underlying EBIT)	**37,782**	24,295
Non-underlying items (note 3)	**(3,754)**	347
Profit from operations	**34,028**	24,642
Net financial expense	**(2,751)**	(3,280)
Profit before taxation	**31,277**	21,362
Taxation	**(6,314)**	(4,212)
Profit for the year	**24,963**	17,150

	2015		2014	
Statement of Financial Position	**Total assets £000**	**Total liabilities £000**	Total assets £000	Total liabilities £000
England	**152,685**	**(36,731)**	154,183	(32,964)
Scotland	**154,026**	**(28,993)**	153,889	(31,144)
Central administration and Group properties	**3,119**	**(10,711)**	5,624	(6,218)
Total operations	**309,830**	**(76,435)**	313,696	(70,326)
Current tax	**-**	**(3,391)**	-	(2,636)
Deferred tax	**-**	**(7,012)**	-	(7,216)
Net cash/(debt)	**23,522**	**(13,272)**	15,785	(82,131)
Total Group	**333,352**	**(100,110)**	329,481	(162,309)
Net assets		**233,242**		167,172

England total assets include £3,502,000 (2014: £3,483,000) and Scotland total assets include £1,576,000 (2014: £1,342,000) in respect of investments in a joint venture and an associate respectively.

2 Segmental analysis *(continued)*

Analysis of depletion, depreciation, amortisation and capital expenditure

	Mineral depletion	Depreciation	Amortisation of intangible assets	Additions to property, plant and equipment
	£000	£000	£000	£000
2015				
England	**2,803**	**6,037**	**2**	**8,716**
Scotland	**1,461**	**7,543**	**35**	**13,228**
Central administration and Group properties	**-**	**17**	**-**	**37**
Total	**4,264**	**13,597**	**37**	**21,981**
2014				
England	2,663	5,029	2	9,026
Scotland	998	6,663	36	7,006
Central administration and Group properties	-	4	-	40
Total	3,661	11,696	38	16,072

Additions to property, plant and equipment exclude additions in respect of business combinations (note 8).

3 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 business. Non-underlying items also include property items, the amortisation of acquisition intangible assets and related tax items.

	2015	2014
	£000	£000
Included in administrative expenses:		
Redundancy costs	**(306)**	(455)
Acquisition costs	**(3,837)**	(1,271)
Gain on property disposals	**426**	2,085
Net refinancing costs	**-**	26
Amortisation of other intangible assets	**(37)**	(38)
Total non-underlying items (pre-tax)	**(3,754)**	347
Non-underlying taxation	**33**	100
Total non-underlying items (after tax)	**(3,721)**	447

4 Financial income and expense

	2015	2014
	£000	£000
Interest income – bank deposits	**25**	39
Financial income	**25**	39
Interest expense – bank loans and overdrafts	**(1,567)**	(2,112)
Amortisation of prepaid bank arrangement fee	**(256)**	(203)
Interest expense – finance leases	**(624)**	(694)
Unwinding of discount on provisions	**(329)**	(310)
Financial expense	**(2,776)**	(3,319)

5 Taxation

Recognised in the Consolidated Income Statement

	2015 £000	2014 £000
Current tax expense	**6,894**	3,365
Adjustment in respect of prior years	**(372)**	(322)
Total current tax	**6,522**	3,043
Deferred tax expense		
Origination and reversal of temporary differences		
Current year	**(149)**	1,050
Prior year	**(59)**	119
Total deferred tax	**(208)**	1,169
Total tax charge in the Consolidated Income Statement	**6,314**	4,212

Taxation on items taken directly to Other Comprehensive Income

	2015 £000	2014 £000
Deferred tax expense		
Relating to cash flow hedges	**4**	14

Reconciliation of effective tax rate	2015 £000	2014 £000
Profit before taxation	**31,277**	21,362
Tax at the Company's domestic rate of 0%*	**-**	-
Effect of tax in UK at UK rate*	**7,307**	4,868
Expenses not deductible for tax purposes	**466**	743
Property sales	**-**	(133)
Unrecognised temporary differences utilised	**(51)**	(757)
Income from associate and joint venture already taxed	**(147)**	(246)
Effect of change in rate	**(830)**	(60)
Adjustment in respect of prior years	**(431)**	(203)
Total tax charge	**6,314**	4,212

* The Company is resident in Jersey and has a zero per cent tax rate. The Group has subsidiary operations in the UK which pay tax at a higher rate of 20.25 per cent (2014: 21.5 per cent).

Reductions in the UK corporation tax rate from 23 per cent to 21 per cent (effective from 1 April 2014) and 20 per cent (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19 per cent (effective from 1 April 2017) and 18 per cent (effective from 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the Group's future current tax charge accordingly. The deferred tax liability at 31 December 2015 and 31 December 2014 has been calculated based on these rates.

6 Interest-bearing loans and borrowings

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

	2015 £000	2014 £000
Non-current liabilities		
Secured bank loans	**359**	69,103
Finance lease liabilities	**7,575**	7,711
	7,934	76,814
Current liabilities		
Secured overdrafts	**-**	-
Current portion of finance lease liabilities	**5,338**	5,317
	5,338	5,317

6 Interest-bearing loans and borrowings (continued)

During the prior year, the Group refinanced its bank loans and overdrafts. The bank loans and overdrafts carried a rate of interest of 3.0 per cent above LIBOR prior to refinancing. Since July 2014 they have carried a rate of interest of between 1.7 per cent and 1.5 per cent above LIBOR and are secured by a floating charge over the assets of the Company and its subsidiary undertakings and have a final repayment date of 11 July 2018.

In November 2015, the Group entered into a new four year £300 million facility agreement to become effective on completion of the acquisition of Hope Construction Materials Limited and which will replace the existing facilities.

Net cash/(debt)

Net cash/(debt) comprises the following items:

	2015	2014
	£000	£000
Cash and cash equivalents	**23,522**	15,785
Current borrowings	**(5,338)**	(5,317)
Non-current borrowings	**(7,934)**	(76,814)
	10,250	(66,346)

7 Earnings per share

The calculation of earnings per share is based on the profit for the year attributable to ordinary shareholders of £24,908,000 (2014: £17,069,000) and on the weighted average number of ordinary shares in issue during the year of 1,069,794,307 (2014: 1,013,408,839).

The calculation of underlying earnings per share is based on the profit for the year attributable to ordinary shareholders, adjusted to add back the non-underlying items, of £28,629,000 (2014: £16,622,000) and on the weighted average number of ordinary shares in issue during the year as above.

Diluted earnings per ordinary share is based on 1,106,582,360 (2014: 1,090,713,822) shares and reflects the effect of all dilutive potential ordinary shares.

8 Acquisitions

There have been no acquisitions in the year ended 31 December 2015.

Prior year acquisitions

Huntsman's Quarries Limited

On 1 June 2014, the Group acquired the entire issued share capital of Huntsman's Quarries Limited. This transaction was 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, were as follows:

	Book value	Fair value adjustments	Fair value on acquisition
	£'000	£'000	£'000
Mineral reserves and resources	2,661	6,620	9,281
Land and buildings	518	-	518
Plant and equipment	2,472	-	2,472
Investments	2	(2)	-
Inventories	105	14	119
Trade and other receivables	1,653	-	1,653
Cash	707	-	707
Trade and other payables	(1,584)	-	(1,584)
Current tax payable	(381)	(127)	(508)
Current interest bearing loans and borrowings	(652)	-	(652)
Non-current interest bearing loans and borrowings	(1,117)	-	(1,117)
Provisions – restoration	(408)	(375)	(783)
Deferred tax liabilities	(250)	(1,344)	(1,594)
Total	3,726	4,786	8,512
Consideration – cash			15,246
Goodwill arising			6,734

Notes to the financial statements *(continued)*

8 Acquisitions *(continued)*

Huntsman's Quarries Limited (continued)

The fair value adjustments comprised adjustments to:

- Revalue certain mineral reserves and resources to reflect fair value at the date of acquisition;
- Inventories to reflect fair/net realisable value;
- Current tax payable to reflect tax liabilities at acquisition
- Provisions to reflect costs to comply with environmental, planning and other legislation;
- Deferred tax balances.

The goodwill arising represents the geographic location of the assets acquired and the skills of the existing workforce. Following careful consideration, in the view of the Directors, no intangible assets arose in respect of this acquisition.

The Group incurred acquisition related costs of £213,000 relating principally to external professional fees and due diligence costs which have been included as non-underlying administrative costs.

During the prior year, this business contributed revenues of £6,609,000 and underlying EBITDA of £1,440,000 to the Group's results.

Barr Quarries Limited

On 31 October 2014, the Group acquired the entire share capital of Barr Quarries Limited. This transaction was 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, were as follows:

	Book value £'000	Fair value adjustments £'000	Fair value on acquisition £'000
Mineral reserves and resources	17,999	(1,789)	16,210
Land and buildings	1,003	(642)	361
Plant and equipment	3,260	(197)	3,063
Inventories	1,802	(54)	1,748
Trade and other receivables	5,557	(273)	5,284
Cash	483	-	483
Trade and other payables	(4,767)	(421)	(5,188)
Current tax payable	(286)	(60)	(346)
Current interest bearing loans and borrowings	(1,409)	-	(1,409)
Provisions – restoration	(126)	(682)	(808)
– other	(346)	(24)	(370)
Deferred tax liabilities	-	(466)	(466)
Total	23,170	(4,608)	18,562
Consideration – cash			19,373
Goodwill arising			811

The fair value adjustments comprised adjustments to:

- Revalue certain mineral reserves and resources, land and buildings and plant and equipment to reflect fair value at the date of acquisition;
- Inventories to reflect fair/net realisable value;
- Trade and other receivables to reflect recoverable amounts
- Trade and other payables to reflect contractual liabilities
- Current tax payable to reflect tax liabilities at acquisition
- Provisions to reflect costs to comply with environmental, planning and other legislation;
- Deferred tax balances.

Notes to the financial statements *(continued)*

8 Acquisitions *(continued)*

Barr Quarries Limited (continued)

The goodwill arising represents the geographic location of the assets acquired and the skills of the existing workforce. Following careful consideration, in the view of the Directors, no intangible assets arose in respect of this acquisition.

The Group incurred acquisition related costs of £458,000 relating principally to external professional fees and due diligence costs which were included as non-underlying administrative costs. During the prior year, this business contributed revenues of £2,752,000 and underlying EBITDA of £90,000 to the Group's results.

If both this acquisition and the acquisition of Huntsman's Quarries Limited had occurred on 1 January 2014, the results of the Group for the year ended 31 December 2014 would have shown revenue of £300,383,000, underlying EBITDA, before share of associated undertaking, of £42,845,000 and underlying operating profit for the year of £26,070,000.

Cash flow effect

The cash flow effect of the above two acquisitions can be summarised as follows:

	£000
Huntsman's Quarries Limited consideration	15,246
Barr Quarries Limited consideration	19,373
Cash acquired with the businesses	(1,190)
Net cash consideration shown in the Consolidated Statement of Cash Flows	33,429

9 Financial Information

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2015 or 2014 but is derived from those accounts. Statutory accounts for 2014 have been delivered to the registrar of companies, and those for 2015 will be delivered in due course. The Auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Article 113B(3) or Article 113B(6) of the Companies (Jersey) Law 1991.

The Annual Report and Accounts will be posted to shareholders on or before 23 March 2016 and will be displayed on the Company's website, www.breedonaggregates.com. Copies of the Annual Report and Accounts will be available from the Company's Registered Office, Elizabeth House, 9 Castle Street, St Helier, Jersey, JE2 3RT.

This Announcement of results for the year ended 31 December 2015 was approved by the Directors on 9 March 2016.

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.