Ibstock PLC - interim results
Released 5 August 2016

Ibstock plc
Interim results for the six months ended 30 June 2016

Continued growth and investment in future competitiveness

Ibstock plc ('Ibstock' or the 'Group'), a leading manufacturer of clay bricks and concrete products with operations in the United Kingdom and the United States, announces its unaudited results for the six month period ended 30 June 2016.

Statutory results for the period:

- Group revenue for the six months ended 30 June 2016 was £210.0 million (1H 2015: £148.9 million includes four months' trading results only)
- Profit before taxation for the period of £37.9 million (1H 2015: £77.0 million including net exceptional benefits of £51.8 million, excluding these gives a comparable profit before taxation of £25.2 million)
- Earnings per share of 7.4p (1H 2015: 31.8p including net exceptional benefits and before increase in weighted average number of shares arising from pre-IPO share reorganisation)
- Interim dividend of 2.4p per share

Adjusted results for the period:

Half year to 30 June	*2016*	*2015*	*Change*
Revenue	£210.0m	£203.4m	+3.3%
Adjusted EBITDA[1]	£55.6m	£51.8m	+7.3%
Adjusted EPS[2]	8.2 pence		

The adjusted results for H1 2015 use the full six month trading period as comparative information, as set out in Note 4.

Financial Highlights:

- Trading for the first half in line with expectations set at the AGM in May
- Group revenue up 3.3% to £210.0 million
- Adjusted EBITDA up 7.3% to £55.6 million
- Net debt to EBITDA[3] remains at 1.4x after £21 million of capex on major projects
- Return on capital employed[4] remains at 20%

Operational Highlights

- UK Clay business sees benefits of good activity levels from new build housing sector more than offset by previously announced brick destocking by UK merchants/distributors

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- Concrete products have performed well, particularly in the domestic landscaping RMI sector
- Major UK capital projects progressing to schedule
- Unusually mild winter weather in the US gave Glen-Gery a strong start to the year, which has been maintained
- Following the EU Referendum, like-for-like July brick volumes at the same levels as 2015

Wayne Sheppard, Chief Executive Officer of Ibstock plc, commented:

"I am pleased to report another robust profit and cash generation performance by Ibstock, combined with excellent progress with our major UK investment projects."

"The EU Referendum result has added uncertainty to our outlook but, in advance of the important autumn period for new home sales, it remains too early to judge its full impact. It is reassuring however that, to date, current trading continues at normal seasonal levels. Contingency plans will enable us to balance production with sales volumes in the remainder of the year as necessary."

"The fundamentals supporting the UK housing market remain in place. The sector continues to receive focused government support, mortgage availability is good and there remains an undersupply of new homes. Our businesses are well prepared for the challenges and opportunities that our markets may present and we look to the future with confidence."

Results presentation

Ibstock is holding a presentation to analysts at 0900 today at the offices of UBS, 1 Finsbury Avenue, London EC2M 2PP. Analysts wishing to attend should contact ibstock@citigatedr.co.uk to register.

Analysts unable to attend in person may listen to the presentation live by using the details below:

Webcast link: http://edge.media-server.com/m/p/fu6xt932

Conference Call Dial-In Details:

Standard International Access: +44 (0) 20 8322 2210

Password: Ibstock

An archived version of today's webcast analyst presentation will be available on www.ibstockplc.com later today.

Enquiries

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Notes to Editors:

Ibstock plc is a leading manufacturer of clay bricks with a diversified range of clay and concrete products, and operations in the United Kingdom and the United States. Its principal products are clay bricks, brick components, concrete roof tiles, concrete substitutes for stone masonry, concrete fencing and pre-stressed concrete products.

The Group's four primary businesses are:

- **UK business:**
    - **Ibstock Brick:** The leading manufacturer by volume of clay bricks sold in the United Kingdom. With 19 manufacturing plants Ibstock Brick has the largest brick production capacity in the United Kingdom. It operates a network of 23 active quarries which are generally located close to its manufacturing plants. Ibstock Brick has commenced construction of a new soft mud brick manufacturing plant in Leicestershire that is expected to add approximately 100 million bricks (c13%) to its brick production capacity per annum. The new plant is expected to be commissioned in the second half of 2017.
    - **Supreme:** A leading manufacturer of concrete fencing products and concrete lintels and general concrete building products, with seven manufacturing plants in the United Kingdom.
    - **Forticrete:** A leading manufacturer of concrete substitutes for natural stone walling and dressings and concrete roof tiles, with seven manufacturing plants in the United Kingdom. Forticrete has a new concrete roof tile manufacturing line under development at its Leighton Buzzard facility, which is currently expected to be operational in the second half of 2016 and will facilitate Forticrete's expansion into the large format market making it a full range roofing supplier.
- **US business:**
    - **Glen-Gery:** A leading manufacturer of bricks by volume of despatches in the North East and Mid West regions of the United States, with a network of ten manufacturing plants, ten distribution centres and 29 active quarries, covered by 20 active quarry permits.

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[1] Adjusted EBITDA is defined as earnings before interest, taxation, depreciation and amortisation, and excludes exceptional items as set out in Note 6. This is reconciled on the face of the consolidated income statement.
[2] Adjusted EPS is defined as the basic earnings per share adjusted for exceptional items, amortisation and depreciation arising on fair value adjustments, as set out in Note 8.
[3] Net debt is defined as the sum of cash and total borrowings. The Net debt to EBITDA multiple is calculated using annualised adjusted EBITDA, calculated using the 2H 2015 and 1H 2016 results.
[4] Return on capital employed is defined as the 12 month rolling adjusted EBITDA (defined above) adding back depreciation pre fair value uplift, as a proportion of capital employed (defined as net debt plus equity)

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Chief Executive's review

Introduction

The Group has performed in line with expectations set at the time of our AGM trading statement in May, with continued growth in underlying revenue and profit. A solid overall performance from our UK operations has been supported by encouraging growth in revenue and profitability from our US business. We continue to invest in our manufacturing base and are progressing the major capital projects in our UK clay and concrete businesses which will position us to perform strongly in those markets as the investments are commissioned.

Performance overview

Revenue was £210.0 million and profit before tax was £37.9 million in the six month period to 30 June 2016. Adjusted EBITDA was £55.6 million (1H 2015: £51.8 million).

Due to the disposal from CRH plc and acquisition by Bain part way through the first half of 2015, presentation of the Group's statutory results for the comparative period are complicated. To assist shareholders in their analysis of the Group's performance, Ibstock is presenting its results for 1H 2015 on an adjusted basis (as if the CRH disposal had been on 1 January 2015). This presents a full six months' trading results for the period to 30 June 2015 – representing a more meaningful comparison.

Except where stated otherwise, commentary throughout these statements refers to these Adjusted Results.

United Kingdom

The UK businesses, which account for c. 82% of the Group, achieved stable revenues of £172.0 million in 1H 2016, a 0.1% reduction compared to 2015 (1H 2015: £172.2 million). Adjusted EBITDA in the UK increased to £51.2 million (1H 2015: £50.4 million) - a 1.5% increase on the prior year.

UK Clay product revenue reduced by 3.8% on the equivalent period in 2015 to £125.4 million (1H 2015: £130.4 million). Although sales grew into the housebuilding sector our total brick volumes declined slightly largely due to the industry wide destocking of brick within the builders merchant and distributor supply chain that we first identified back in March, which also impacted on the product and pricing mix. Despite achieving price increases by channel in line with expectations the change in channel and product mix reduced the overall price increase achieved to low single digits.

During 1H 2016 our trading performance benefited from energy costs which were lower than in 1H 2015. Energy costs are not expected to be as favourable in 2H 2016.

At Ibstock in Leicestershire, construction work on our major capital investment in a new soft mud brick manufacturing plant, which will add c100 million (c13%) to our current brick capacity, is progressing well. The new plant is scheduled to commission in the second half of 2017 and will provide a highly competitive facility with the process flexibility to manufacture products across the spectrum of the existing Ibstock Brick soft mud product range, as well as allowing the development of new products.

UK Concrete revenue of £46.6 million in 1H 2016 showed an increase of 11.6% (1H 2015: £41.8 million) with sales growth from both the Supreme and Forticrete businesses. Supreme benefited in particular from healthy demand for its products in the domestic landscaping RMI sector, whilst Forticrete continued to grow its sales into the new build housing sector.

Forticrete is currently progressing the construction of a new concrete roof tile line at Leighton Buzzard which is on schedule for commissioning to be completed in the second half of 2016. The line will manufacture a new range of concrete tiles to complete the Forticrete range and make the company a full range supplier to the new build housing sector. The new products will be manufactured on the most up to date and competitive roof tile line in the UK. These innovative new tiles have been designed to be aesthetically superior and will provide savings on installation costs against older competing designs. The full commercial launch of the new product range will take place in 1H 2017.

United States

Our US business, which accounts for c. 18% of the Group, performed strongly in 1H 2016 with an increase in revenue of 9.7% (in constant currency[v]) to £38.0 million. Adjusted EBITDA in the US increased to £4.4 million (a 182% improvement in constant currency) in the six months to 30 June 2016.

Unusually mild winter weather in the first quarter of 2016 enabled a strong start to the year which was maintained as the gradual recovery of activity levels in our key regional markets continued. With non-residential markets remaining steady, the growth in residential starts seen in 2015 has continued into 1H 2016. Our US business has also continued to benefit from improving operational leverage and price increases that reflect a favourable product mix.

Our US operations benefited from foreign exchange movements, which increased revenue by £3.8 million and Adjusted EBITDA by £0.4 million in 1H 2016 compared to 1H 2015.

Strategy

The Group continues to develop and invest in its market leading building products businesses to ensure it remains its customers' partner of choice by providing consistent high quality, reliable and innovative products with a constant focus on strong customer service and value. The Group also evaluates opportunities to add new complementary products to its ranges to broaden its portfolio. At all times the Group will work with employees to ensure a safe working environment. The four strands of our strategy continue to be:

Safety

We continue to focus on a safe working environment that has the development of employees and customer service at its core. The Group and all our employees work hard to successfully reduce the number of lost time accidents. Employees are at the heart of the Group's business and the Group is committed to providing continuous professional development and training, resulting in low turnover levels amongst its staff.

Invest

The Group is investing in new capacity, to optimise its output, improve efficiency and to take advantage of structural imbalances in its markets. Construction of our new soft mud brick manufacturing plant is currently underway in Leicestershire, as discussed above. The Group expects to invest £42 million in capital projects during FY 16, in line with previous guidance.

Innovation

The Group aims to increase its market penetration with innovative new products. Building on its track record of product innovation, our new roof tile line at Forticrete is soon to be completed, as discussed above.

Development

Management continue to evaluate opportunities to expand the existing product portfolio - either through organic investment or selective acquisitions.

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Current trading and outlook
The full implications of the EU referendum result are not yet clear and it is too early to gauge the likely impact on our UK operations. As a Group, we have limited direct exposure to trade with the European Union and any impacts will be largely indirect, reflecting potential changes to consumer confidence and any resultant impact on our residential housing markets, both new build and RMI, if any.

The fundamentals supporting the UK housing market remain in place. The sector continues to receive focused government support, mortgage availability is good and there remains an undersupply of new homes. We remain confident in the positive dynamics behind the UK housing sector and the long term prospects for a key marketplace.

While trading since the Referendum has continued broadly unchanged, the result has added uncertainty to our outlook and there is currently a lack of visibility on the trading outlook for the second half of 2016. Visibility is unlikely to improve until the important new home buying season in the autumn.

Against this backdrop, we have developed contingency plans across each of our UK businesses and our experienced management teams, with a proven track record over previous business cycles, will respond as appropriate. Our key focus will be the management of stock levels, and capacity will be flexed to balance production with sales levels as necessary. The Group will manage its cost base in response to the evolution of our markets as visibility improves.

In UK Clay a slight reduction in volume was evident in the weeks immediately leading up to the referendum however we have seen volumes return quickly to normal seasonal levels for the month of July and first days of August.

Our concrete products businesses in the UK have seen no changes to their activity levels post the referendum and we expect them to retain their first half gains in the balance of the year.

The major capital projects in both clay and concrete products that are currently underway will continue as planned as the additional efficiency and flexibility these bring will improve the long term competitiveness of the UK businesses.

In the US the positive start to the year has continued and we expect to show further progress in the second half.

The Group remains strongly cash generative and will continue to appraise opportunities for value creating organic or acquisitive investments as they arise.

With strong market positions, significant improvement projects underway and an experienced management team, the Group is in a strong position even in uncertain markets and we look to the future with confidence.

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[v] Constant currency figures used in this Statement represent amounts for our US segment translated using the US dollar exchange rates applicable for the six month period ended June 2015.

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Chief Financial Officer's report

Statutory revenue increased to £210.0 million compared to £148.9m in 1H 2015. Statutory profit before taxation in 1H 2016 was £37.9 million (1H 2015 restated: £77.0 million). See Note 2 for details of the restated comparative figures.

As noted in the Chief Executive's review, due to the transaction in 1H 2015 our statutory financial statements for the prior year period only contain four months of trading results. Therefore, in the following analysis, we have described the six months ended 30 June 2015 assuming that the acquisition had taken place at the beginning of 2015 as our comparative result, unless noted otherwise.

We believe this provides our shareholders with clearer information on the results of the operating entities and their relative performance in 1H 2015.

Revenue
Group revenue in 1H 2016 grew by 3.3% to reach £210.0 million (1H 2015: £203.4 million). On a constant currency basis, revenue growth was 1.4%. The £55.6 million of adjusted EBITDA in 1H 2016 is stated after £0.9 million of share-based payment and associated National Insurance costs, which were excluded from the equivalent measure in the prior period.

Adjusted EBITDA
Management measure the Group's operating performance using adjusted EBITDA, which represents Earnings Before Interest, Taxation, Depreciation and Amortisation and exceptional items incurred in the period. A reconciliation of this measure to operating profit is included within the financial statements that follow, below the consolidated statement of comprehensive income.

Adjusted EBITDA improved by 7.3% from £51.8 million in 1H 2015 to £55.6 million in the six months ended 30 June 2016.

Cash flow and Net Debt
Cash generated from operations during 1H 2016, excluding the impact of the exceptional operating items is shown in the table, below:

	1H 2016 (£m)	1H 2015 (£m)	Change (£m)
Adjusted EBITDA	55.6	51.8	+3.8
Share-based payments	0.7	-	+0.7
Capex before major projects	(7.4)	(2.5)	(4.9)
Adjusted change in working capital	(17.9)	(25.4)	+7.5
Adjusted EBITDA – maintenance capex – change in WC	31.0	23.9	+7.1
Major project capex[1]	(21.3)	-	(21.3)
Cash flow from operating and investing activities[2]	9.7	23.9	(14.2)
Net interest[3]	(3.1)	(3.0)	(0.1)
Tax	(0.3)	(6.0)	+5.7
Post-employment benefits	(2.0)	(1.0)	(1.0)
Adjusted free cash flow	4.3	13.9	(9.6)
Cash conversion[4]	*55.8%*	*46.1%*	

1 Capex on major projects excludes expenditure in the period (£3.7m), which was included in the equivalent disclosure in our 2015 results as 2015 capex.

2 Cash flow from operating and investing activities is defined as EBITDA adjusted for changes in working capital less cash flows from capital expenditure.

3 Estimated on an indicative basis for 1H 2015.

4 Cash conversion is the ratio of adjusted EBITDA after movements in working capital less maintenance capex to adjusted EBITDA.

Our total working capital to sales level improved compared to 1H 2015, with cash generation in 1H 2016. Net working capital balances (inventory, debtors, creditors and provisions) at 30 June 2016 of £62.7 million compared with £39.0 million at 31 December 2015. This increase in working capital was as a result of an increase in inventories held and the rise in trade receivables due to the normally higher activity levels around the respective balance sheet dates. The movement excludes the impact of the £9 million Barber equalisation pension payment which was received in 1H 2016 and had been accounted for as an other debtor at 31 December 2015. Our cash conversion level improved in the year due to the improved performance and working capital management, with movement from the calendar year end reflecting normal activity cycles.

Net interest cash outflow in 1H 2016 was £3.1m (1H 2015: £3.0 million) was in line with our forecast following the commencement of new facilities entered into immediately prior to the Initial Public Offering (IPO) last year. The £3.0 million in 1H 2015 has been included as an indicative interest charge to exclude the exceptional cash outflows which arose last year following our divestment from CRH plc in anticipation of our IPO, based on 50% of the annual charge estimated for 2016 within our 2015 Annual report & accounts.

Net debt (term loan less cash) was £161.2 million at 30 June 2016 (31 December 2015: £144.7 million). The increase in debt during the six months resulted from the capital expenditure (including major projects) underway during the period, together with the payment of our 2015 final dividend paid in June 2016.

The £200 million senior facility in place on the five year term loan expiring in October 2020 has interest payable at LIBOR plus a margin of between 125bps and 250bps – the margin dependent on the Group's leverage ratio. The Group also holds a committed Revolving Credit Facility (RCF) of £40 million.

An amount of £7.5 million of our loan facilities was repaid early during 1H 2016 in advance of the first scheduled £15 million repayment due in October 2016. The RCF remained undrawn at 30 June 2016 and 31 December 2015. In July 2016, a total of £6 million was drawn, which was subsequently repaid in full.

The Group's debt is subject to financial covenants related to interest cover and debt leverage. At 30 June 2016, there is significant headroom on these requirements.

Exchange rates

The Group is exposed to movements in exchange rates when translating the results of the US operations from US Dollars to UK Sterling. Sterling depreciated against the Dollar during 1H 2016. The impact of this was a £0.4 million benefit to EBITDA in 2016.

Exceptional items

In line with our accounting policy for exceptional items, we have excluded certain items from our adjusted results to aid shareholders' understanding of our underlying financial performance.

Infrequent events, such as the redundancy costs of £0.4 million incurred in the period and the profit on disposal of property of £0.1 million (1H 2015: loss on disposal of £0.1 million), have been treated as exceptional in the current period. Exceptional items are analysed fully in Note 6.

The following commentary relates to our statutory performance for the period.

Taxation

The Group has recognised a tax charge of £8.0 million (1H 2015: credit of £6.7 million) on Group pre-tax profits of £37.9 million (1H 2015 restated: £77.0 million) resulting in an effective tax rate of 21.1% compared to the standard rate of UK corporation tax of 20% (1H 2015: (8.7%)). Negative goodwill and other exceptional items had a significant impact on the prior period profit before taxation and effective tax rate.

Earnings per share (EPS)

	1H 2016	1H 2015
Statutory Basic EPS	7.4p	31.8p
Adjusted Statutory Basic EPS	8.2p	8.7p

The adjusted EPS figures have been included to provide a clearer guide as to the underlying earnings performance of the Group. Our adjusted EPS metrics remove the impact of exceptional items, which included the exceptional non-trading gain (negative goodwill) relating to the transaction in 1H 2015. Additionally, amortisation and depreciation on fair value uplifts (resulting from the accounting around the Group's acquisition in February 2015) have been removed from the adjusted EPS calculations. The movement in adjusted EPS is a result of the adjusted earnings growth offset by an increase in the weighted average number of shares. A full reconciliation of our Adjusted EPS measure is included within Note 8.

Dividend

We have announced an interim dividend of 2.4 pence per share. This will be paid on 23 September 2016 to shareholders on the register at the close of business on 19 August 2016.

Our dividend policy is based on a pay-out ratio of 40-50% of adjusted profit after taxation over a business cycle. The directors intend that the Company will pay an interim dividend and a final dividend in respect of each financial year in the approximate proportions of one-third and two-thirds, respectively, of the total dividend.

Pensions

In the UK, the Group operates a defined benefit scheme, which is closed to new members, together with a number of defined contribution schemes. At 30 June 2016, the defined benefit scheme was in an actuarial accounting deficit position of £19.4 million (31 December 2015: restricted surplus of £0.3 million). At 31 December 2015, a corresponding £9.0 million asset in respect of the pension equalisation liability was recognised. This asset, due from CRH plc, was contributed directly to the Scheme by the former parent in 1H 2016.

The movement in our pension position as at 30 June 2016 is primarily as a result of reassessing the demographic assumptions, including the cash commutation and mortality estimates during 1H 2016, which has increased the scheme liabilities. Additionally, the deterioration in capital market conditions at the balance sheet date following the EU Referendum, has seen bond yields reduce faster than inflation leading to an increase in the pension liability, which has not been offset by the increase in asset values.

Within our US segment, the employees are members of two multi-employer post-employment schemes. At 30 June 2016, a liability of £9.8 million (31 December 2015: £8.0 million) has been recognised in relation to these schemes. The movement in the period relates to foreign currency balance translation and discounting adjustments following the significant movements in exchange rate and discount rates at the period end.

Going concern

The Group has maintained its positive cash position in the period. In order to ensure that the Group can maintain its strong liquidity, it has a £240 million committed debt facility of which the £200 million five-year term loan is drawn. The Group's forecast and projections, which allow for reasonably possible variations, show that the Group will continue to maintain its strong liquidity position, and therefore the Directors' view is that the Group has sufficient funds available to meet its foreseeable requirements. Additionally, the Group has significant headroom on each of its covenant requirements. The Directors have concluded therefore that the going concern basis remains appropriate.

Risks and Uncertainties

The Board continually assesses and monitors the key risks impacting the business. The Group's activities expose it to a variety of risks; economic conditions, government action and policy, government regulation and standards relating to the manufacture and use of building products, customer relationships and reputation, business disruption, recruitment and retention of key personnel, input prices, product quality, financial risk management and pension obligations.

The Group's risk management approach together with these principal risks and mitigating actions are unchanged from those set out on pages 30 to 34 of the 2015 Annual report and accounts, although the impact of the UK leaving the EU has been underscored within our wider list of principal risks and uncertainties. Although it is too soon to identify the full implications of the EU Referendum result, the Board is monitoring the latest economic developments, market trends and forecasts closely to assess the impact of this decision. Confidence in the housebuilding sector may be weakened, although the existing housing shortage and continued Government support may reduce or offset this impact.

Directors' responsibilities

Statement of directors' responsibilities in relation to the half-yearly financial report

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial reporting as adopted by the European Union
- The interim management report includes a fair review of the information required by:
    a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
    b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Wayne Sheppard	Kevin Sims
Chief Executive Officer	Chief Financial Officer
5 August 2016	5 August 2016

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Condensed consolidated income statement

	Notes	Unaudited H1 2016 £'000	Restated Unaudited H1 2015* £'000
Revenue		210,037	148,876
Cost of sales before exceptional items		(126,472)	(85,133)
Gross profit before exceptional items		**83,565**	**63,743**
Exceptional cost of sales	6	(353)	(15,430)
Gross profit		**83,212**	**48,313**
Distribution costs		(18,297)	(12,315)
Administrative expenses before exceptional items		(23,827)	(13,848)
Exceptional administrative items	6	-	(8,930)
Administrative expenses		(23,827)	(22,778)
Negative goodwill on acquisition	6	-	115,738
Profit/(loss) on disposal of property, plant and equipment	6	61	(87)
Other income		1,833	1,286
Other expenses		(398)	(307)
Operating profit		**42,584**	**129,850**
Finance costs before exceptional items		(5,571)	(13,481)
Exceptional finance costs	6	-	(39,494)
Finance costs		(5,571)	(52,975)
Finance income before exceptional items		325	166
Exceptional finance income	6	522	-
Finance income		847	166
Net finance cost		**(4,724)**	**(52,809)**
Profit before taxation		**37,860**	**77,041**
Taxation		(7,989)	6,736
Profit for the financial period		**29,871**	**83,777**
Profit attributable to:			
Owners of the parent		29,871	83,777

	Notes	Pence	Pence
Earnings per share			
Basic	8	7.36	31.78
Diluted	8	7.35	31.78

All amounts relate to continuing operations.

*The consolidated income statement for the six months ended 30 June 2015 only includes the result of trading activities from 26 February 2015, following the acquisition of the trading business. Note 4 includes a reconciliation of the Group's statutory results to the adjusted results for the six month period ended 30 June 2015 as if the trading business had been owned for a full six month period from 1 January 2015 to 30 June 2015. See Note 2 for details of the prior period restatement arising in the period.

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Condensed consolidated statement of comprehensive income

	Notes	Unaudited H1 2016 £'000	Restated Unaudited H1 2015* £'000
Profit for the financial period		29,871	83,777
Other comprehensive income/(expense):			
Items that will not be reclassified to the profit or loss			
Re-measurement of post-employment benefit assets and obligations		(39,265)	(17,777)
Re-measurement of post-employment benefits – surplus restriction		8,192	-
Related tax movements		6,199	3,556
		(24,874)	(14,221)
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		8,162	(2,175)
Other comprehensive income for the period net of tax		**(16,712)**	**(16,396)**
Total comprehensive income for the period, net of tax		**13,159**	**67,381**
Profit attributable to:			
Owners of the parent		13,159	67,381

Non-GAAP measure

Reconciliation of EBITDA before exceptional items to Operating profit for the financial period:

	Notes	Unaudited H1 2016 £000	Restated Unaudited H1 2015* £000
EBITDA before exceptional items		**55,603**	**47,104**
Add back exceptional items	6	(353)	91,378
Add profit/(less loss) on disposal of property, plant and equipment		61	(87)
Less depreciation and amortisation		(12,727)	(8,545)
Operating profit		**42,584**	**129,850**

*The consolidated statement of comprehensive income for the six months ended 30 June 2015 only includes the result of trading activities from 26 February 2015, following the acquisition of the trading business. Note 4 includes a reconciliation of the Group's statutory results to the adjusted results for the six month period ended 30 June 2015 as if the trading business had been owned for a full six month period from 1 January 2015 to 30 June 2015. See Note 2 for details of the prior period restatement arising in the period.

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Condensed consolidated balance sheet

	Notes	Unaudited 30 June 2016 £'000	Restated 31 December 2015* £'000
Assets			
Non-current assets			
Intangible assets		125,442	127,803
Property, plant and equipment		370,995	346,885
Post-employment benefit asset	10	-	331
		496,437	475,019
Current assets			
Inventories		93,617	83,057
Trade and other receivables		68,095	58,623
Current tax recoverable		-	918
Cash and cash equivalents		26,953	51,024
		188,665	193,622
Total assets		**685,102**	**668,641**
Current liabilities			
Trade and other payables		(84,405)	(79,236)
Borrowings		(5,638)	(14,097)
Current tax payable		(5,891)	-
Provisions		(571)	(1,291)
		(96,505)	(94,624)
Net current assets		**92,160**	**98,998**
Total assets less current liabilities		**588,597**	**574,017**
Non-current liabilities			
Borrowings		(182,546)	(181,658)
Post-employment benefit obligations	10	(29,228)	(8,007)
Deferred tax liabilities		(57,904)	(62,269)
Provisions		(14,010)	(13,182)
		(283,688)	**(265,116)**
Net assets		**304,909**	**308,901**
Equity			
Share capital		4,061	4,055
Retained earnings		659,599	671,759
Merger reserve		(369,119)	(369,119)
Other reserves		1,109	1,109
Currency translation reserve		9,259	1,097
Total equity		**304,909**	**308,901**

* See Note 2 for details of the prior period restatement arising in the period.

Condensed consolidated statement of changes in equity (unaudited) for six months ended 30 June 2016

	Share capital £'000	Share premium £'000	Retained earnings £'000	Merger reserve £'000	Other reserves £'000	Currency translation reserve £'000	Total equity attributable to owners £'000
Balance at 1 January 2016 as previously reported (restated)	**4,055**	**-**	**679,366**	**(369,119)**	**1,109**	**1,097**	**316,508**
Prior year adjustment (See Note 2)	-	-	(7,607)	-	-	-	(7,607)
Balance at 1 January 2016 (restated)	**4,055**	**-**	**671,759**	**(369,119)**	**1,109**	**1,097**	**308,901**
Profit for the period	-	-	29,871	-	-	-	**29,871**
Other comprehensive income	-	-	(24,874)	-	-	8,162	**(16,712)**
Total comprehensive income for the period	**-**	**-**	**4,997**	**-**	**-**	**8,162**	**13,159**
Transactions with owners:							
Issue of share capital	6	-	(6)	-	-	-	**-**
Share based payments	-	-	704	-	-	-	**704**
Deferred tax on share based payment	-	-	14	-	-	-	**14**
Equity dividend paid	-	-	(17,869)	-	-	-	**(17,869)**
Balance at 30 June 2016	**4,061**	**-**	**659,599**	**(369,119)**	**1,109**	**9,259**	**304,909**

Condensed consolidated statement of changes in equity (unaudited) for six months ended 30 June 2015 (restated)*

	Share capital £'000	Share premium £'000	Retained earnings £'000	Merger reserve £'000	Other reserves £'000	Currency translation reserve £'000	Total equity attributable to owners £'000
Balance at 1 January 2015	**10**	**9,990**	**(571)**	**-**	**-**	**-**	**9,429**
Profit for the period previously recognised	-	-	92,230	-	-	-	**92,230**
Prior year adjustment (see Note 2)	-	-	(8,453)	-	-	-	**(8,453)**
Profit for the period as restated	-	-	83,777	-	-	-	**83,777**
Other comprehensive income	-	-	(14,221)	-	-	(2,175)	**(16,396)**
Total comprehensive income for the period as restated	**-**	**-**	**69,556**	**-**	**-**	**(2,175)**	**67,381**
Transactions with owners:							
Issue of Figgs Topco Limited share capital	80	524	-	-	-	-	**604**
Contingent consideration on acquisition	-		-	-	1,109	-	**1,109**
Share based payments	-	-	215	-	-	-	**215**
Deferred tax on share based payment	-	-	(72)	-	-	-	**(72)**
Balance at 30 June 2015 as restated	**90**	**10,514**	**69,128**	**-**	**1,109**	**(2,175)**	**78,666**

See Note 2 for details of the prior period restatement arising in the period.

Condensed consolidated cash flow statement

	Note	Unaudited H1 2016 £'000	Unaudited H1 2015* £'000
Cash flow from operating activities			
Cash generated from operations	11	**35,996**	**37,780**
Interest paid		(3,072)	-
Tax paid		(263)	-
Net cash inflow from operating activities		**32,661**	**37,780**
Cash flows from investing activities			
Purchase of property, plant and equipment		(32,446)	(758)
Proceeds from sale of property plant and equipment		64	-
Acquisition of subsidiaries, net of cash acquired		-	(365,384)
Interest received		5	8
Net cash (outflow) from investing activities		**(32,377)**	**(366,134)**
Cash flows from financing activities			
Proceeds from issuance of equity shares		-	10,604
Payments to former owner		-	(3,543)
Dividends paid		(17,869)	-
Drawdown of borrowings		-	369,000
Repayment of borrowings		(7,500)	-
Debt issue costs		-	(14,205)
Net cash (outflow)/inflow from financing activities		**(25,369)**	**361,856**
Net (decrease)/increase in cash and cash equivalents		**(25,085)**	**33,502**
Cash and cash equivalents at beginning of the period		51,024	-
Exchange gains on cash and cash equivalents		1,014	185
Cash and cash equivalents at end of period		**26,953**	**33,687**

*The consolidated cash flow statement for the six months ended 30 June 2015 only includes the cash flows of trading activities from 26 February 2015, following the acquisition of the trading business. Note 4 includes a reconciliation of the Group's statutory results to the adjusted results for the six month period ended 30 June 2015 as if the trading business had been owned for a full six month period from 1 January 2015 to 30 June 2015. See Note 2 for details of the prior period restatement arising in the period.

Notes to the condensed consolidated financial statements

1. Corporate information
Ibstock plc ('Ibstock' or the 'Group') is a manufacturer of clay bricks and concrete products with operations in the United Kingdom and the United States. Ibstock plc public limited company incorporated and domiciled in England. The address of its registered office is Leicester Road, Ibstock, Leicestershire LE67 6HS.

The interim condensed consolidated financial statements of Ibstock plc for the six months ended 30 June 2016 were authorised for issue in accordance with a resolution of the Directors on 5 August 2016.

Publication of non-statutory accounts
The financial information contained in the interim statement does not constitute the Group's statutory accounts as defined in section 435 of the Companies Act 2006. The comparative figures for the financial period ended 31 December 2015, which have been extracted from the statutory accounts for that period, are not the company's statutory accounts for that financial period. Statutory accounts for the period ended 31 December 2015 were approved by the Board of Directors on 10 March 2016. Those accounts have been reported on by the company's auditor and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis of matter without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

2. Basis of preparation
The interim condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted by the European Union ('EU').

They do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's Annual report and account as at 31 December 2015 which have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU.

Management has identified a misstatement related to information presented within the 2015 Annual report and accounts and has restated the comparative amounts for the prior period presented. The misstatement related to the non-recognition of a deferred taxation liability in respect of mineral land held by the Group due to the incorrect determination of the related tax base.

The restatement results in the recognition of an additional deferred taxation liability of £8,453,000 at the date of acquisition (26 February 2015) in the comparative period and a reduction to negative goodwill of the same amount. In the comparative interim period, the taxation credit is unaffected and at 30 June 2015, the deferred taxation balance has been restated to £60,049,000. Negative goodwill and statutory profit for the six months ended 30 June 2015 are reduced by £8,453,000. Basic and diluted earnings per share are reduced by 3.21 pence per share to 31.78 pence per share in the comparative period, although the previously reported adjusted EBITDA and EPS measures are unaffected by this restatement. The deferred tax liability as at 31 December 2015 is increased by £7,607,000 with a related taxation credit recognised in the income statement in the accounting period to 31 December 2015 of £846,000.

The accounting policies applied by the Group, and the critical accounting estimates and judgements within the interim condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the period ended 31 December 2015, except for the adoption of new standards and interpretations as of 1 January 2016, which did not have any impact on the accounting policies, financial position or performance of the Group.

IFRS 16 - In January 2016 the IASB issued IFRS 16 on accounting for leases which is yet to be endorsed by the European Union. This standard will have a material effect on the Group because of the operating leases it has entered into. The Group is in the process of determining the effect of the standard.

3. Going concern
The Group has maintained its positive cash position in the period. In order to ensure that the Group can maintain its strong liquidity, it has a £240 million committed facility of which the five-year term loan is drawn. The Group's forecast and projections, which allow for reasonably possible variations show that the Group will continue to maintain its strong liquidity position, and therefore the Directors' view that the Group has sufficient funds available to meet its foreseeable requirements. Additionally, the Group has significant headroom on each of its covenant requirements. The Directors have concluded therefore that the going concern basis remains appropriate.

4. Reconciliation of statutory result to adjusted results
The Group's trading operations when assessed on a half yearly basis are mainly unaffected by seasonal factors. In 2015, the period to 30 June accounted for 49% of the Group's annual revenue.

Ibstock PLC - interim results

Released 5 August 2016

The Group acquired the trading entities of Ibstock Building Products Limited in the UK and Glen-Gery Corporation in the US, and their respective subsidiaries on 26 February 2015, hence only four months of trading performance is included within the statutory results for the period ended 30 June 2015. Due to the unusual nature of this comparative financial information within the statutory results, management has provided adjusted results for the period assuming the acquisition had arisen on 1 January 2015. Management believes this provides shareholders with clearer information on the results of the operating entities relative performance in 2015. A reconciliation to the statutory information for the six month period ended 30 June 2015 and the 12-month period ended 31 December 2015 are shown in the tables, below.

Six months ended 30 June 2015 (£000s) (unaudited)

	Revenue	**EBITDA before exceptional items**	**Operating profit**
Reported result for the six-month period ended 30 June 2015	148,876	47,104	129,850
Operating result for period from 1 January 2015 to 26 February 2015[1]	54,497	4,715	1,259
Adjustment to operating result assuming acquisition took place on 1 January 2015[2]	-	-	(1,490)
6 month trading result for the period ended 30 June 2015	**203,373**	**51,819**	**129,619**
UK segment	**172,178**	**50,411**	
US segment	**31,195**	**1,408**	

12-months ended 31 December 2015 (£000s) (restated)

	Revenue	**EBITDA before exceptional items**	**Operating profit**
Statutory reported result for the period from 28 November 2014 (incorporation) to 31 December 2015	358,331	102,299	155,195
Pre-acquisition costs in the period from 28 November 2014 (incorporation) to 31 December 2014	-	-	571
Operating result for period from 1 January 2015 to 26 February 2015[1]	54,497	4,715	1,259
Adjustment to operating result assuming acquisition took place on 1 January 2015[2]	-	-	(1,490)
12 months trading result for the period ended 31 December 2015	**412,828**	**107,014**	**155,535**
UK segment	**336,290**	**99,023**	
US segment	**76,538**	**7,991**	

1. Due to the normal seasonality of our industry, the operating results in the first two months of 2015 were lower than the remainder of the year.
2. Depreciation and amortisation on the fair value uplift on acquisition and borrowing costs relating to the new financing structure for the period from 1 January 2015 to 26 February 2015, assuming the transaction took place on 1 January 2015.

5. Segment reporting

The management team considers the reportable segments to be the UK and the US. The key Group performance measure is Adjusted EBITDA, as detailed below, which is profit before net finance cost, tax, exceptional items, depreciation and amortisation and other non-underlying items. Transactions between segments are carried out at arms' length.

Six months ended 30 June 2016 (unaudited)

	UK £'000	US £'000	**Total £'000**
Clay revenue	125,374	38,028	**163,402**
Concrete revenue	46,635	-	**46,635**
Total revenue from external customers	**172,009**	**38,028**	**210,037**
EBITDA before exceptional items	**51,176**	**4,427**	**55,603**
Exceptional items	(353)	-	**(353)**
Profit on disposal of property, plant and equipment	3	58	**61**
EBITDA after exceptional items	**50,826**	**4,485**	**55,311**
Depreciation and amortisation pre fair value uplift	(6,308)	(1,916)	**(8,224)**

Incremental depreciation and amortisation following fair value uplift	(4,390)	(113)	**(4,503)**
Net finance costs	(2,849)	(1,875)	**(4,724)**
Profit before tax	**37,279**	**581**	**37,860**
Total assets	575,546	109,556	**685,102**
Total liabilities	(348,354)	(31,839)	**(380,193)**
Non-current assets			
Intangible assets	114,827	10,615	**125,442**
Property, plant and equipment	319,189	51,806	**370,995**
Total	434,016	62,421	**496,437**

Six months ended 30 June 2015 – includes 4 months' trading results (unaudited)

	UK £'000	US £'000	Negative goodwill on acquisition (restated) £'000	**Total £'000**
Clay revenue	93,386	25,171	-	118,557
Concrete revenue	30,319	-	-	30,319
Total revenue from external customers	**123,705**	**25,171**	**-**	**148,876**
EBITDA before exceptional items	**42,571**	**4,533**	**-**	**47,104**
Acquisition costs: Transaction costs	(7,972)	-	-	(7,972)
Acquisition costs: Retention and compensation payments	(310)	(207)	-	(517)
Other exceptional items	(441)	-	-	(441)
Loss on disposal of fixed assets	(87)	-	-	(87)
Exceptional cost of sales	(13,491)	(1,939)	-	(15,430)
EBITDA after exceptional items	**20,270**	**2,387**	**-**	**22,657**
Depreciation and amortisation pre fair value uplift	(4,370)	(1,189)	-	(5,559)
Incremental depreciation and amortisation following fair value uplift	(2,922)	(64)	-	(2,986)
Negative goodwill on acquisition			115,738	115,738
Net finance costs	(52,982)	173	-	(52,809)
(Loss)/profit before tax	**(40,004)**	**1,307**	**115,738**	**77,041**
Total assets at 31 December 2015	**566,236**	**102,405**		**668,641**
Total liabilities at 31 December 2015 (restated)	**(335,759)**	**(23,981)**		**(359,740)**
Non-current assets at 31 December 2015				
Intangible assets	118,127	9,676		127,803
Property, plant and equipment	299,280	47,605		346,885
Post-employment benefit asset	331	-		331
Total	**417,738**	**57,281**		**475,019**

6. Exceptional items

	Unaudited H1 2016 £'000	Restated Unaudited H1 2015 £'000
Exceptional cost of sales	**353**	**15,430**

Exceptional administrative expenses:		
Acquisition costs – Transaction costs	-	7,972
Acquisition costs – Retention and compensation payments	-	517
Other	-	441
Total exceptional administrative expenses	**-**	**8,930**
Negative goodwill	-	(115,738)
(Profit)/loss on disposal of property, plant and equipment	(61)	87
	292	**(91,291)**
Exceptional finance income	(522)	-
Exceptional finance costs	-	39,494
Total exceptional items	**(230)**	**(51,797)**

In the period ended 30 June 2016
Exceptional cost of sales represented redundancy costs associated with restructuring of the Group's operations in Ravenhead. Similar activities resulting in these costs are only expected to arise infrequently.

Exceptional finance income in the period resulted from gains made on foreign currency contracts around the date of the UK's EU Referendum. Similar gains are not expected to recur.

The redundancy costs of £353,000 are tax deductible and finance income of £522,000 is taxable in the period ended 30 June 2016. The £61,000 accounting profit on disposal of property, plant and equipment is non-taxable.

In the period ended 30 June 2015
Exceptional cost of sales resulted from the inventory fair value uplift arising on acquisition. Administrative expenses arose due to the acquisition and subsequent Initial Public Offering. Negative goodwill has been restated as described in Note 2. Exceptional finance expenses incurred related to the extinguishment of secured borrowings and loss on early settlement of our revolving credit facility prior to our IPO.

Further detail relating to the nature of exceptional items arising in 1H 2015 is described in Note 4 of the 2015 Annual report and accounts.

7. Taxation
The taxation expense for the interim period is an estimate based on the expected full year effective tax rate on full year profits. The effective tax rate for the interim period ended 30 June 2015 was significantly impacted by negative goodwill and other exceptional items as explained in Note 6.

8. Earnings per share

The basic earnings per share figures are calculated by dividing the profit for the period attributable to parent shareholders by the weighted average number of ordinary shares in issue during the period.

The diluted earnings per share figures allow for the dilutive effect of the conversion into ordinary shares of the weighted average number of options outstanding during the period. Where the average share price for the period is lower than the option price the options become anti-dilutive and are excluded from the calculation.

The number of shares used for the earnings per share calculations are as follows:

	Unaudited H1 2016 (million)	Unaudited H1 2015 (million)
Basic weighted average number of shares	**405,909**	263,626
Effect of share incentive awards and options	**367**	-
Diluted weighted average number of ordinary shares	**406,276**	263,626

Adjusted earnings per share figures are calculated as the Basic earnings per share adjusted for exceptional items, amortisation and depreciation of fair value uplifted assets. A reconciliation of the statutory profit to that used in the adjusted earnings per share calculation is as follows:

	Unaudited H1 2016 £'000	Unaudited H1 2015 £'000
Profit for the period attributable to the parent shareholders	**29,871**	83,777
Add back exceptional items	**(230)**	(51,797)
Add back tax credit on exceptional items (H1 2015 restated)	**34**	(11,504)
Add back fair value adjustments	**4,503**	2,986
Add back tax credit on fair value adjustments	**(921)**	(616)
Adjusted profit for the period attributable to the parent shareholders	**33,257**	22,846

	Unaudited H1 2016 pence	Unaudited H1 2015 pence
Basic EPS on profit for the period (H1 2015 restated)	**7.36**	31.78
Diluted EPS on profit for the period (H1 2015 restated)	**7.35**	31.78
Adjusted EPS on profit for the period	**8.19**	8.67

9. Business combinations

On 26 February 2015, Figgs Topco Limited acquired 100% of the voting shares of Ibstock Group Limited and its subsidiaries, and Glen-Gery Corporation and its subsidiaries. The entities acquired specialise in the manufacture of clay and concrete building products. The acquisition of these entities establishes the Group as a leading building products manufacturer in the UK and in the North East and Mid West regions of the US. As disclosed in Note 2, a prior year adjustment has been made to amend the acquisition balance sheet to incorporate a deferred taxation liability of £8,453,000. This has resulted in a restated negative goodwill arising on acquisition of £115,738,000. All other book and fair values of the net assets acquired and liabilities assumed, which are disclosed in note 24 of the 2015 Annual Report and Accounts, are now final and are unchanged.

10. Post-employment benefit obligations

The Group participates in the Ibstock Pension Scheme (the 'Scheme'), a defined benefit pension scheme in the UK. During the six month period to 30 June 2016, the opening pension surplus has moved to a deficit position - from a £331,000 surplus recorded at 31 December 2015 to a deficit of £19,373,000. The main movements are as follows:

	£'000
Pension surplus at 31 December 2015	**331**
Re-measurement due to:	
Changes in financial assumptions	(66,866)
Changes in demographic assumptions	(27,802)
Experience adjustments	190
Return on plan assets	55,213
Release of restriction on plan surplus	8,192
Employer contributions	6,569
Additional contribution - equalisation payment	9,000
Net interest on pension liability	321
Administration costs, including current service cost	(4,521)
Pension deficit at 30 June 2016	**(19,373)**

The movement in the pension position as at 30 June 2016 is primarily as a result of reassessing the demographic assumptions, including the cash commutation and mortality estimates during 1H 2016, which has increased the scheme liabilities. Additionally, the worsened market conditions at the balance sheet date following the EU Referendum has seen bond yields reduce faster than inflation leading to an increase in the pension liability, which has not been offset by the increase in asset values. Also during 1H 2016, the reimbursement asset recognised within trade and other receivables at 31 December 2015 was contributed directly to the scheme.

The financial assumptions used by the actuary have been derived using a methodology consistent with the approach used to prepare the accounting disclosures at 31 December 2015. The assumptions have been updated based on market conditions at 30 June 2016:

Assumption	**30 June 2016**	31 December 2015
Discount rate	**3.15%**	3.85%
RPI inflation	**2.85%**	3.10%
CPI inflation	**1.85%**	2.10%
Salary increases	**2.85%**	3.10%

The Group also participates in two multi-employer defined benefit pension schemes in the US. The liability recognised in respect of these schemes at 30 June 2016 of £9,855,000 (31 December 2015: £8,007,000), which other than adjustment for exchange rate and discount rate movements in the period, remains largely unchanged since the prior period end. The movement in the period relates to foreign currency balance translation adjustment and discounting following the significant movements in exchange rate and discount rates as we approached the period end date.

11. Notes to the Group cash flow statement

	Unaudited H1 2016 £'000	Restated Unaudited H1 2015 £'000
Cash flow from operating activities		
Profit before taxation	**37,860**	**77,041**
Adjustments for:		
Depreciation of property, plant and equipment	9,424	6,372
Amortisation of intangible assets	3,303	2,173
Negative goodwill on acquisition	-	(115,738)
Unwind of inventory fair value	-	15,430
Exceptional finance income	(522)	-
Finance costs	5,246	52,809
(Profit)/loss on disposal of property, plant and equipment	(61)	87
Other	-	243
Share-based payments	704	215
Settlement of employee share options	-	(1,274)
Deferred income	2	(72)
Post-employment benefits	(2,048)	(316)
	53,908	**36,970**
(Increase) in inventory	(7,844)	(5,392)
(Increase) in debtors	(17,327)	(445)
Increase in creditors	7,898	6,347
(Decrease)/increase in provisions	(639)	300
Cash generated from operations	**35,996**	**37,780**

12. Related party transactions

	Transaction amount	
	Six months ended	Six months ended

	30 June 2016 £'000	30 June 2015 £'000
Purchase of services:		
Bain Capital Partners LLC	-	4,366

Diamond (BC) S.a.r.l., owned a majority shareholding of the Group prior to completion of the IPO transaction. Diamond (BC) S.a.r.l., a wholly owned subsidiary of Bain Capital Partners LLC, was therefore the immediate parent of the Group and Bain Capital Partners LLC was the ultimate parent and ultimate controlling party of the Group prior to the IPO transaction. On 27 October 2015, its shareholding reduced to 53.03% and on 4 November 2015, its shareholding reduced to 47.03% following the exercise of an over-allotment option in respect of 24,330,000 ordinary shares. Further shares issued during 2016 have reduced the Bain shareholding to 46.96% as at 30 June 2016.

Subsequent to 4 November 2015 and as at 30 June 2016, the board of directors of the Company consider, based on the facts and circumstances, that Diamond (BC) S.a.r.l. has significant influence over, but does not control, the Group.

There are no balances with Bain Capital Partners LLC at the current or prior period end date.

Key management personnel and their connected persons received equity dividends totalling £1,245,000 in the period to 30 June 2016 (2015: nil) and were granted options over 596,209 shares under the Ibstock plc Long Term Incentive Plan(LTIP), details of which are provided in Note 14, below.

Further details of related party transactions arising in the period ended 30 June 2015 are set out in Note 29 of the 2015 Annual report and accounts.

13. Dividends paid and proposed

A final dividend for 2015 of 4.4 pence per ordinary share was paid on 3 June 2016. An interim dividend of 2.4p per share in respect of 2016, amounting to a dividend of £9.7m, was declared by the Directors at their meeting on 4 August 2016. The expected payment date for the dividend declared is 23 September 2016. These condensed consolidated financial statements do not reflect this interim dividend payable.

14. Share based payments

In April 2016, 755,311 and 360,423 share options were granted to senior executives under the LTIP and Company's Share Option Plan (CSOP), respectively. The exercise price of the CSOP was 195.4 pence being equal to the market price of shares on the date of grant. The LTIP, which has a nil exercise price, contains Total Shareholder Return (TSR) and EPS performance conditions. There are no performance conditions associated with the CSOP. Both plans contain a three year service period. The fair value at the grant date is estimated using a binomial pricing model, taking into account the terms and condition upon which the options were granted. The fair value of options granted during the six months ended 30 June 2016 was estimated on the date of grant using the following assumptions:

	LTIP	**CSOP**
Dividend yield (%)	N/A	3.98
Expected volatility (%)	28.1	31.8
Risk-free interest rate (%)	0.44	1.03
Expected life of the share options (years)	3.0	6.5
Weighted average fair value at grant(£)	1.57	0.42

For the six months ended 30 June 2016, the Group has recognised £704,000 of share-based payments expense in the condensed consolidated income statement (30 June 2015: £215,000).

15. Movements in cash and net debt

The Group has a five-year £200 million facility entered into in September 2015, together with its Revolving Credit Facility (RCF) of £40 million. An amount of £7.5 million was repaid during 1H 2016 in advance of the scheduled £15 million repayment due in October 2016.

The RCF remained undrawn at 30 June 2016 and 31 December 2015. In July 2016, a total of £6 million was drawn, which was subsequently repaid in full.

	30 June 2016 £'000	31 December 2015 £'000
Cash and cash equivalents	**26,953**	**51,024**
Current		
Bank borrowings	(5,638)	(14,097)
Non-current		
Revolving credit facility	-	-
Bank borrowings	(182,546)	(181,658)
	(182,546)	(181,658)
Total borrowings	**(188,184)**	**(195,755)**
Net debt	**(161,231)**	**(144,731)**

16. Financial instruments

IFRS 13 requires that the classification of financial instruments measured at fair value be determined by references to the source of inputs used to derive the fair value. The classification uses the following three-level hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Other techniques for which all inputs, which have a significant effect on the recorded fair value, are observable, either directly or indirectly.

Level 3 – Techniques which use inputs, which have a significant effect on the recorded fair value, that are not based on observable market data.

Associated with the business combination disclosed in Note 24 of the 2015 Annual report and accounts, half of any tax relief, over a contracted amount, received by the acquired business as a result of the one-off pension payment, shall be payable to the seller. At 31 December 2015, management estimated the fair value of the future obligation of contingent consideration at £4,000,000, with a range being nil to £4,000,000. No amounts have been recognised as gains or losses within profit and loss during the period to 30 June 2016 relating to this contingent consideration and the valuations derived using Level 3 techniques are unchanged.

There were no transfers between levels during any period disclosed.

At 30 June 2016 and 31 December 2015, the Group held no significant derivative financial instruments.

The carrying value of the Group's short-term receivables and payables is a reasonable approximation of their fair values. The fair value of all other financial instruments carried within the Group's financial statements is not materially different from their carrying amount.

17. Capital expenditure commitments

Capital expenditure commitments for which no provision has been made are set out in the table below:

	30 June 2016 (£'000)	31 December 2015 (£'000)
Property, plant and equipment	**40,914**	64,553

Ibstock PLC - interim results

Released 5 August 2016

Independent review report to Ibstock plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2016 which comprises the Condensed Consolidated Income Statement, Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Balance Sheet, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Cash Flow Statement and the related explanatory notes 1 to 17. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP

Birmingham

5 August 2016