7 September 2016

2016 HALF YEAR RESULTS

Forterra PLC, a leading UK producer of manufactured masonry products, announces half year results for the six months ended 30 June 2016.

	Six months ended 30 June			Year ended 31 December
	2016 £m	2015 £m	Change %	2015 £m
Pro-forma basis*				
Revenue	146.0	150.8	(3.2)%	290.2
EBITDA before exceptionals**	39.5	40.1	(1.5)%	67.5
EBITDA margin	27.1%	26.6%	50 bps	23.3%
PBT before exceptionals	31.6	32.2	(1.9)%	52.3
EPS before exceptionals (pence)	12.5	12.7	(1.6)%	20.6
Operating cashflow before exceptionals	32.0	28.7	11.5%	53.8
Statutory basis				
Revenue	146.0	150.8		290.2
Operating profit	24.3	35.5		49.5
Profit before tax	13.0	24.3		22.2

*Pro-forma basis is stated after making the following adjustments:
(i) deducting an appropriate level of PLC and the standalone overheads in 2015 to make it comparable with the cost structure in 2016;
(ii) deducting finance charges in both 2015 and 2016 and recalculating assuming that the debt structure at IPO was in place throughout both years;
(iii) using the number of shares at 30 June 2016 for the EPS calculation in both years; and
(iv) excluding exceptional items.
Reconciliation from pro-forma basis to the statutory basis is included on page 10

**Stated before exceptional items which are detailed in note 7.

HIGHLIGHTS

- Double digit increase in direct brick sales to housebuilders with good levels of activity through the Spring, more than offset by reduced sales to merchants due to continued destocking
- EBITDA ahead of expectations at time of IPO
- Strong margin performance through tight control of cost base and overheads
- Net debt at 30 June 2016 better than expectations at £119m (1.8 times LTM EBITDA), reflecting strong cashflow performance
- Business established as a PLC following Initial Public Offering in April 2016
- Maiden interim dividend declared of 2.0 pence per share

CURRENT TRADING

- Trading in July and August overall has been in line with management expectations, with brick volumes in both months ahead of the corresponding period for 2015

Stephen Harrison, Chief Executive Officer, commented:

"We are pleased to report our inaugural results as a listed company, which show further progress on the delivery of our strategy. We aim to continue to capitalise on the attractive fundamentals in the UK housing industry and to grow our business in the medium term by utilising our existing, well-invested manufacturing facilities, available production capacity and inventories.

"Although there remains a degree of uncertainty through to the end of the year, trading in the first two months of the second half has been in line with our expectations, with brick volumes in both July and August ahead of the corresponding period for 2015. We will continue to be proactive and agile when dealing with any changes in market circumstances.

"The Group's leading positions in both clay bricks and concrete blocks, offering the broadest range of manufactured masonry products, place it in a strong position to benefit from attractive market fundamentals. With sound management of the cost base, ability to increase incremental capacity through low-cost projects and strong cash generation, the Board remains confident that Forterra's strategy will drive value for shareholders."

ENQUIRIES

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Stephen Harrison, Chief Executive Officer
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Richard Mountain / Nick Hasell

A presentation for analysts will be held today, 7 September 2016, at 10:30am at the offices of FTI Consulting. A recorded audiocast of the presentation will be available on the Investors section of our website (http://www.forterraplc.co.uk) later in the day.

NOTES TO EDITORS

Forterra is one of the leading manufacturers of building products for the UK construction industry. The Group's product range comprises of clay bricks, Thermalite blocks, aggregate blocks, Red Bank chimney, roofing and flue systems, precast concrete and flooring products and Formpave permeable block paving. The Group operates from 18 facilities in total and primarily targets the UK building and construction market.

The Group's three primary businesses are:

- Bricks: the Group is the second largest manufacturer of bricks in Great Britain and is the only manufacturer of the iconic and original Fletton brick sold under the London Brick® brand. The Group operates nine brick manufacturing facilities in the United Kingdom with a total production capacity of 570 million bricks per annum.
- Blocks: the Group is the second largest manufacturer of aircrete blocks in Great Britain which the Group sells under its Thermalite® brand. The Group also manufactures aggregate blocks, for which it enjoys strong sales in the East and South East of England. The Group operates four block manufacturing facilities in the UK, with a total annual production capacity of 825,000 m^3 of aircrete blocks and 275,000 m^3 of aggregate blocks.

- Bespoke Products: the Group’s bespoke products range comprises precast concrete, concrete block paving, chimney and roofing solutions and structural wall insulation, each of which is primarily specified, made to measure, or customised to meet the customer’s specific needs. The Group’s precast flooring products are complemented by the Group’s full design and nationwide installation services, while certain other products, including concrete block paving and chimney flues, are complemented by the specification and design services. The bespoke products business operates from five manufacturing facilities in the United Kingdom.

BUSINESS REVIEW

STRATEGY AND CURRENT PRIORITIES

The overall strategy of the Group is to capitalise on the attractive market fundamentals of the UK housing sector and to retain and grow market share in the short to medium term by utilising it's existing, well-invested manufacturing facilities, available production capacity and inventories. Over the medium term, the Board believes there are multiple levers to drive future growth.

The five pillars of Forterra's future strategy are set out below and are described in further detail in the Prospectus published in April 2016 at the time of the IPO:

- pursue manufacturing excellence
- align output to market conditions
- continue to focus on operational efficiency, health and safety and core sustainability values
- product and service innovation and enhancement
- product range additions, both organically and through selective acquisitions.

During the period, the project to increase capacity at the Group's Measham brick facility was successfully completed on schedule and under budget, resulting in annual capacity at the plant increasing by 19 million bricks to 105 million bricks with a capital spend of less than £4m.

In July 2016, the Group announced its intention to temporarily turn off the kilns at its facilities at Accrington and Claughton as customer demand could be met by the brick inventories already in place and by operating the other facilities at a higher level of utilisation. The Group has previously demonstrated its capability to bring these kilns back into production in a short period of time, and will keep the timing of this under review. In addition, there are debottlenecking and upgrade projects planned for both plants, and the intention is to carry them out prior to bringing the kilns online again.

The Group continues to implement measures to improve service and relationships with customers. During the period, a new Commercial Director was appointed and a new sales structure introduced to give clear focus on critical market segments. The sales team has been reorganised from individuals selling either bricks or blocks to area teams selling both products into postcode territories, with an improvement in coverage. A new system to monitor sales activity on a real time basis has been implemented in order to increase customer service and improve market insight.

CURRENT TRADING & OUTLOOK

Trading in July and August overall has been in line with management expectations, with brick volumes in both months ahead of the corresponding period for 2015. There are signs that the excess inventory being carried by merchants is being worked through the supply chain and we anticipate that this will continue through to the end of the year. Whilst this is consistent with indications from our major customers, there remains a degree of uncertainty through to the end of the year, particularly around commencement of new housing projects, the pace of destocking in the merchant channel and the impact of consumer confidence on the repairs, maintenance & improvement market.

The Group has acted quickly to take measures to manage the cash cost base in the context of this uncertainty by temporarily shutting down the kilns at two brick plants. With the inventory on hand, the high capacity utilisation of the other kilns and our demonstrated ability to relight the cold kilns in a matter of weeks if required, we remain confident of our ability to meet market needs whilst operating efficiently.

The fundamentals supporting our markets and structural drivers of our business remain attractive. The UK housing market has experienced long-standing, structural undersupply with the rate of household formation outstripping new housebuilding. The UK government continues to support initiatives to make home ownership more attainable and the availability and cost of financing has improved greatly. The penetration of imported bricks into the UK market has reduced significantly in the last year, and recent movements in the exchange rate have accentuated the lower cost of domestic supply.

The Group's leading positions in both clay bricks and concrete blocks, offering the broadest range of manufactured masonry products, place it in a strong position to benefit from these attractive market fundamentals. With sound management of the cost base, ability to increase incremental capacity through low-cost projects and strong cash generation, the Board remains confident that Forterra's strategy will drive value for shareholders.

RESULTS FOR THE HALF YEAR

Sales in the first half were 3.2% below the comparative period for 2015, with strong brick volume growth into the housebuilding sector being more than offset by a decline in brick sales to builders' merchants and distributors as a result of their continued destocking of excess inventory. Direct sales to housebuilders increased by double digits in the period with good levels of activity through the spring. The Group achieved low single digit price increases at the start of the year as anticipated, but relatively higher sales to volume housebuilders led to an adverse mix variance. Sales of aircrete blocks were affected by the availability of raw materials during some weeks. The first half of 2015 provided a strong comparative period with the effect of the destocking not becoming apparent until later in 2015.

Whilst sales revenue was slightly behind management's expectations at the IPO as a result of the continued impact of the destocking, the EBITDA and margin performance for the first half were ahead of management's expectations due to tight control of costs and overheads.

Due to the Group listing on the London Stock Exchange's Main Market through an Initial Public Offering (IPO) in April 2016, coupled with a refinancing which significantly reduced indebtedness at the date of listing, a true comparison of performance with the prior periods is difficult. In order to make a comparison more meaningful, the EBITDA before exceptionals for 2015 has been shown on a pro-forma basis after adjusting for additional costs relating to being a stand-alone PLC. The finance charge for 2015 and the first half of 2016 has been calculated assuming that the debt structure at IPO was in place throughout the period, and the pro-forma profit before tax calculated on this basis. Similarly, the number of shares in issue in June 2016 has been used in calculating pro-forma earnings per share for comparative periods. Except where stated otherwise, commentary throughout these statements refers to the pro-forma results before exceptional items.

EBITDA before exceptionals of £39.5m for the six months ended 30 June 2016 was £0.6m lower than the comparable result in 2015, which is stated on a pro-forma basis after adjusting for additional costs related to being a stand-alone PLC. The reduction was due to lower sales volume, customer mix impact arising from higher brick volumes supplied to housebuilders and higher raw material costs, offset in part by lower energy costs and tight control of fixed costs and overheads. As a result, EBITDA margin of 27.1% was ahead of both the comparable 2015 first half margin (26.6%) and also the full year margin (23.3%).

The pro-forma profit before tax and exceptional items of £31.6m for first half of 2016 was down £0.6m compared to last year. The actual finance charge for both periods is higher due to the increased net debt and higher interest rate in place under the previous ownership structure.

Profit before tax on a statutory basis was £13.0m compared with £24.3m in the first half of 2015. Apart from the trading factors and higher finance charge described above, the other main change arose from the transaction costs relating to the IPO which are treated as exceptional.

EARNINGS PER SHARE AND DIVIDEND

Earnings per share before exceptionals has also been derived on a pro-forma basis using the profit before tax and exceptional items, effective tax rate for each period and the number of shares in place at the end of June 2016. On this basis, EPS is 1.6% lower than 2015 at 12.5 pence per share. EPS on a statutory basis has been calculated using the number of shares at the end of June 2016 as set out in note 10.

The Board has declared an interim dividend of 2.0 pence per share, to be paid on 19 October 2016 to shareholders on the register at 30 September 2016. It is intended that once aggregated with the final dividend for 2016 (to be paid in July 2017), the total dividend for the year will represent a pay-out of approximately 40% of earnings before exceptionals post the IPO. The Board intends to follow a progressive dividend policy from this base.

As envisaged at the time of the IPO, the court-approved reduction in capital was completed in June 2016, resulting in the creation of distributable reserves of over £300m in the parent company.

CASHFLOW, BORROWINGS AND FACILITIES

Operating cashflow before exceptionals for the half year of £32.0m was 11.5% higher than the first half of 2015, due mainly to a better working capital performance. Average debtor days reduced from 42 days at December 2015 to 35 days in June 2016. Brick inventories increased in the first half to meet anticipated customer demand and provide reassurance to our customers that we could service their requirements. Capital expenditure in the first half of 2016 was higher than first half of 2015 at £4.5m but below plan due to some expenditure being deferred.

Net debt at 30 June was £119.0m compared with £155.0m at IPO in April 2016. The larger than expected reduction in net debt is due to the following factors: good working capital performance; the timing of the IPO in the last week of April 2016 with good level of cash collections at the end of the month; lower than planned capital expenditure; and payment of approximately £3m of IPO-related expenses in July rather than the first half of the year. The Group will continue to focus on cash generation in the second half in order to build on the net debt improvement achieved to date.

Net debt to EBITDA (calculated with reference to the last twelve months of earnings before exceptionals) was 1.8 times at 30 June 2016 compared with 2.2 times at IPO. For this purpose, the net debt excludes capitalised finance costs in line with the calculation required by the banking covenant.

Committed borrowing facilities of £180m were agreed with a group of leading international banks at IPO, comprising a £150m Term facility and £30m Revolving Credit facility (RCF) expiring in April 2021. The initial drawdown of £10m on the RCF was repaid in June 2016, enabled by strong cash generation, and at 30 June 2016 borrowing on the facilities was just the £150m term loan. The financial covenants to be first tested are those at December 2016 which require interest cover to be greater than 4 times and net debt to adjusted EBITDA to be less than 3.5 times. The Group would meet these covenant tests comfortably at 30 June 2016 if they were in place.

The interest payable on the facilities is set at LIBOR plus a margin ranging from 150bps to 275bps dependent on leverage, with the margin set at 225bps initially.

The Group has no defined benefit pension scheme in place, with the legacy liabilities of the previous pension scheme left with the HeidelbergCement Group when the business was divested.

BRICKS AND BLOCKS

	Six months ended 30 June			Year ended 31 December
	2016 £m	2015 £m	Change %	2015 £m
Revenue	108.7	113.1	(3.9)%	218.0
EBITDA before exceptionals	35.7	38.0	(6.1)%	63.9
EBITDA before exceptionals (pro-forma)	35.7	36.8	(3.0)%	61.7
EBITDA margin (pro-forma)	32.8%	32.5%		28.3%

As noted previously, brick revenue in the first half was weighed towards direct sales to home builders, with sales to builders' merchants affected by excess inventory held by that channel. There are indications that this excess inventory is being worked through the supply chain and we anticipate this may take through to the end of the year. Sales of aircrete blocks were affected by production constraints in some weeks due to the availability of pulverised fuel ash (PFA), which is a by-product of coal-fired power stations. The Group is progressing a number of options to secure supplies of PFA and alternative materials as well as investing £0.5m at its Hams Hall facility to enable the use of conditioned (wet) PFA.

EBITDA before exceptionals for Bricks & Blocks was lower than the first half of 2015 due to the reduction in sales but the margin of 32.8% was higher than 2015 due our cost management initiatives.

The brick plants operated in the first half at a good level of capacity utilisation. As described previously, capacity at the Group's soft mud plant at Measham was successfully increased by 22% through an investment of less than £4m. The first phase to reintroduce the fourth kiln at the London Brick (Fletton) plant at King's Dyke near Peterborough was also completed, enabling a future increase in capacity. Both of the aggregate block plants recorded production ahead of target for the half year.

BESPOKE PRODUCTS

	Six months ended 30 June			Year ended 31 December
	2016 £m	2015 £m	Change %	2015 £m
Revenue	38.1	38.5	(1.0)%	73.7
EBITDA before exceptionals	3.8	3.8	-	6.6
EBITDA before exceptionals (pro-forma)	3.8	3.3	15.2%	5.8
EBITDA margin (pro-forma)	10.0%	8.6%		7.9%

The Precast Concrete business unit had a relatively good revenue performance with sales increasing by 2.4%, reflecting good levels of activity in the first quarter. It had a good uptake of the new format Jetfloor® (insulated ground floor) product and secured orders for the design, manufacture and supply of infrastructure and transport precast projects. A new Hollowcore casting machine was commissioned in the half with a target to reduce cement usage per cast by 20%.

Revenue at the Group's structural external wall insulation subsidiary, Structherm, was reduced due to delays in a number of local authority projects. Sales at both the concrete block paving (Formpave) and the chimney and roofing solutions (Red Bank) businesses were marginally lower than last year.

EBITDA before exceptionals for Bespoke Products increased on a like-for-like basis and EBITDA margin of 10.0% was ahead of last year due to favourable mix towards higher margin precast concrete products and strong cost control.

EXCEPTIONAL ITEMS

An exceptional charge of £10.3m has been recognised in the half year compared with £1.5m in the first half of 2015:

	Six months ended 30 June		Year ended 31 December
	2016	**2015**	**2015**
	£m	**£m**	**£m**
Transaction costs	(9.1)	(0.4)	(5.2)
Separation costs	(1.2)	(0.9)	(4.0)
Restructuring expense	-	(0.2)	-
Intangibles impairment expense	-	-	(2.4)
Total exceptional items	**(10.3)**	**(1.5)**	**(11.6)**

Transaction costs related to the Initial Public Offering (IPO) of the Group completed in April 2016. Separation costs arose from the setting up of the business as a standalone entity after divestment from HeidelbergCement and include rebranding, set up of standalone IT systems, staff recruitment and new office fit out costs.

SAFETY

The Board puts its highest priority on maintaining a safe workplace, and during the period a number of initiatives were taken to enhance health and safety at work. These focused on three strategic themes:

- acting together – promoting broader ownership of health and safety;
- tackling ill health – highlighting and tackling the cost of work-related ill health; and
- managing risk well – simplifying risk management and helping our business to grow.

The Group's 'Lost Time Injury Frequency Rate' (annual average) reduced by c30% versus corresponding period in 2015.

COMPOSITION OF THE BOARD

The PLC Board was formally constituted in April 2016 as follows:

- Paul Lester, Chairman
- Stephen Harrison, Chief Executive Officer
- Shatish Dasani, Chief Financial Officer
- Justin Atkinson, Senior Independent Non-Executive Director
- Divya Seshamani, Independent Non-Executive Director
- Bradley Boggess, Non-Executive Director (representing Lone Star Funds)
- Richard 'Chip' Cammerer Jr, Non-Executive Director (representing Lone Star Funds)

PRINCIPAL RISKS AND UNCERTAINTIES

The Group has established processes for identifying, evaluating and managing the key risks which could have an impact upon performance, and is formalising these under the direction of the newly established Board Risk Committee.

The principal risks and uncertainties facing the business are detailed in part 1, pages 16-33 of the prospectus published in April 2016, which is available on the group website (forterraplc.co.uk). The Group has reviewed these risks and concluded that they will continue to remain relevant for the second half of the financial year. It has also evaluated the implications of the result of UK referendum held in June 2016 and concluded that the main near-term risk for the group arises from broader uncertainty, which could inhibit investment and reduce expected demand. The Group has already taken measures in light of this increased uncertainty and will continue to monitor any additional exposure arising.

GOING CONCERN

Having made enquiries and reviewed the Group's plans and available financial facilities, the Board has a reasonable expectation that the group has adequate resources to continue in operation for the foreseeable future, being a period of not less than 12 months from the date of this report. Accordingly, it continues to adopt the going concern basis in preparing the interim statement.

PRO-FORMA ADJUSTMENTS

The following pro-forma adjustments have been made to enable a proper understanding of the result compared with prior periods:

	Six months ended 30 June		Year ended 31 December
	2016	2015	2015
	£m	£m	£m
Operating profit (statutory)	24.3	35.5	49.5
Exceptional items (add back)	10.3	1.5	11.6
Operating profit before exceptionals	34.6	37.0	61.1
Additional costs in 2016 as a stand-alone PLC	-	(1.7)	(3.0)
Operating profit before exceptionals (pro-forma basis)	34.6	35.3	58.1
Finance change (based on debt structure at IPO for full period)	(3.0)	(3.1)	(5.8)
PBT before exceptionals (pro-forma basis)	31.6	32.2	52.3
Tax charge at effective rate	(6.5)	(6.8)	(11.0)
Earnings before exceptionals (pro-forma basis)	25.1	25.4	41.3
Number of shares	200.4	200.4	200.4
EPS before exceptionals (pence)	12.5	12.7	20.6

EBITDA is calculated by adding back depreciation and amortisation shown in note 6 to operating profit.

FORWARD LOOKING STATEMENTS

Certain statements in this half yearly report are forward looking. Although the Group believes that the expectations reflected in these forward looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. Because these statements contain risks and uncertainties, actual results may differ materially from those expressed or implied by these forward looking statements.

We undertake no obligation to update any forward looking statements, whether as a result of new information, future events or otherwise.

DIRECTORS’ RESPONSIBILITY STATEMENT

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE INTERIM REPORT

We confirm 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 EU;
- 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 principle 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 in 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.

By order of the Board

Stephen Harrison
Chief Executive Officer

Shatish Dasani
Chief Financial Officer

7 September 2016

INDEPENDENT REVIEW REPORT TO FORTERRA PLC

INTRODUCTION

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 30 June 2016 which comprises the Condensed Consolidated interim Income Statement, the Condensed Consolidated interim Statement of Financial Position, the Condensed Consolidated interim Statement of Changes in Equity, the Condensed Consolidated interim Statement of Cash Flows and the related notes 1 to 16. We have read the other information contained in the interim 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 (UK and Ireland) 2410 '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 interim financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, 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 interim financial report has been prepared in accordance with IAS 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 interim 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 interim financial report for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority

Ernst & Young LLP
Bristol
7 September 2016

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2016 (UNAUDITED)

	Note	Six months ended 30 June 2016 Unaudited £m	Six months ended 30 June 2015 Unaudited £m	Year ended 31 December 2015 Audited £m
Revenue	6	146.0	150.8	290.2
Cost of sales		(81.8)	(83.4)	(167.7)
Gross profit		**64.2**	**67.4**	**122.5**
Distribution costs		(20.9)	(22.4)	(45.3)
Administrative expenses		(19.8)	(10.2)	(28.2)
Other operating income		0.8	0.7	0.5
Operating profit		**24.3**	**35.5**	**49.5**
Operating profit before exceptionals		**34.6**	**37.0**	**61.1**
Less exceptional items	7	(10.3)	(1.5)	(11.6)
Operating profit		**24.3**	**35.5**	**49.5**
Net finance expense	8	(11.3)	(11.2)	(27.3)
Profit before tax		**13.0**	**24.3**	**22.2**
Income tax expense	9	(4.2)	(3.3)	(4.2)
Profit for the financial period		**8.8**	**21.0**	**18.0**
Attributable to:				
Equity shareholders of the parent		8.8	21.0	18.0
Earnings per share:				
Basic (in pence per share)	10	4.4	10.5	9.0
Diluted (in pence per share)	10	4.4	10.4	8.9
Pro-forma EPS before exceptionals (in pence per share)	10	12.5	12.7	20.6

The notes on pages 17 to 25 are an integral part of these condensed consolidated financial statements.

All results relate to continuing operations.

Profit for the financial period is equivalent to total comprehensive income for the financial period and therefore a statement of other comprehensive income has not been presented.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016 (UNAUDITED)

	Note	As at 30 June 2016 Unaudited £m	As at 30 June 2015 Unaudited £m	As at 31 December 2015 Audited £m
Assets				
Non-current assets				
Intangible assets		13.1	15.8	13.3
Property, plant and equipment		147.2	142.5	149.5
Deferred tax asset		1.6	1.7	1.8
		161.9	**160.0**	**164.6**
Current assets				
Inventories		44.5	36.1	40.9
Trade and other receivables		41.2	47.9	28.6
Trade and other receivables with related parties	15	-	1.3	23.0
Cash and cash equivalents		29.1	31.2	24.2
		114.8	**116.5**	**116.7**
Total assets		**276.7**	**276.5**	**281.3**
Current liabilities				
Trade and other payables		(55.0)	(59.4)	(55.6)
Trade and other payables to related parties	15	(0.7)	-	(13.9)
Income tax liabilities		(4.0)	(4.3)	(1.9)
Borrowings from related parties	13	-	(405.6)	(405.6)
Provisions for other liabilities and charges		(3.1)	(3.1)	(3.2)
		(62.8)	**(472.4)**	**(480.2)**
Non-current liabilities				
Provisions for other liabilities and charges		(11.7)	(11.7)	(11.7)
External borrowings		(148.1)	-	-
		(159.8)	**(11.7)**	**(11.7)**
Total liabilities		**(222.6)**	**(484.1)**	**(491.9)**
Net assets		**54.1**	**(207.6)**	**(210.6)**
Capital and reserves attributable to the equity shareholders of the parent				
Ordinary shares		2.0	0.1	0.1
Share premium		-	46.5	46.5
Accumulated surplus/(deficit)		52.1	(254.2)	(257.2)
Total equity		**54.1**	**(207.6)**	**(210.6)**

The notes of pages 17 to 25 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2016 (UNAUDITED)

	Attributable to equity holders of the Company				
	Share capital	**Share premium**	**Deferred share**	**Retained earnings**	**Total equity**
	£m	**£m**	**£m**	**£m**	**£m**
Current half year:					
Balance at 1 January 2016	**0.1**	**46.5**	**-**	**(257.2)**	**(210.6)**
Profit for the financial period attributable to equity shareholders of the parent	-	-	-	8.8	**8.8**
Total comprehensive income for the financial period	-	-	-	8.8	**8.8**
Share for share exchange/reorganisation:					
Adjustment to reserves arising from group reorganisation	(0.1)	(46.5)	-	-	**(46.6)**
Issue of share capital	2.2	44.4	-	-	**46.6**
Reclassification of ordinary shares to deferred shares	(0.2)	-	0.2	-	**-**
Capitalisation of shareholder loan note	-	255.8	-	-	**255.8**
Capital reduction	-	(300.2)	(0.2)	300.4	**-**
Share-based payments, net of tax	-	-	-	0.1	**0.1**
Balance at 30 June 2016	**2.0**	**-**	**-**	**52.1**	**54.1**
Prior half year:					
Balance at 1 January 2015	**0.1**	**46.5**	**-**	**(275.2)**	**(228.6)**
Profit for the financial period attributable to equity shareholders of the parent	-	-	-	21.0	**21.0**
Total comprehensive income for the financial period	-	-	-	21.0	**21.0**
Balance at 30 June 2015	**0.1**	**46.5**	**-**	**(254.2)**	**(207.6)**
Prior year:					
Balance at 1 January 2015	**0.1**	**46.5**	**-**	**(275.2)**	**(228.6)**
Profit for the financial year attributable to equity shareholders of the parent	-	-	-	18.0	**18.0**
Total comprehensive income for the financial year	-	-	-	18.0	**18.0**
Balance at 31 December 2015	**0.1**	**46.5**	**-**	**(257.2)**	**(210.6)**

The notes on pages 17 to 25 are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED HALF-YEARLY STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2016 (UNAUDITED)

	Six months ended 30 June 2016 Unaudited £m	Six months ended 30 June 2015 Unaudited £m	Year ended 31 December 2015 Audited £m
Cash flows from operating activities			
Operating profit before exceptional items	34.6	37.0	61.1
Adjustments for:			
Depreciation and amortisation	4.9	4.8	9.4
Non-cash movement on provisions	0.1	0.7	1.1
Other non-cash items	0.1	(0.4)	0.7
Changes in working capital:			
Inventories	(3.5)	(5.5)	(10.3)
Trade and other receivables	(5.6)	(20.9)	(23.3)
Trade and other payables	1.5	14.1	16.5
Cash movement on provisions	(0.1)	(1.1)	(1.4)
Operating cash flow before exceptional items	**32.0**	**28.7**	**53.8**
Cash flows relating to exceptional items	(11.0)	(1.4)	(3.8)
Cash generated from operations	**21.0**	**27.3**	**50.0**
Interest paid	(8.4)	(10.6)	(26.4)
Tax paid	(1.9)	-	(3.3)
Net cash inflow from operating activities	**10.7**	**16.7**	**20.3**
Cash flows from investing activities			
Purchase of property, plant and equipment	(4.5)	(1.9)	(12.5)
Proceeds from sale of property, plant and equipment	0.2	0.1	0.1
Other flows	(0.1)	-	-
Net cash outflow from investing activities	**(4.4)**	**(1.8)**	**(12.4)**
Cash flows from financing activities			
Proceeds from issue of share capital	-	-	-
Proceeds from borrowings	160.0	-	-
Repayment of borrowings	(158.4)	-	-
Financing fees paid	(3.0)	-	-
Capital distribution to parent	-	(4.7)	(4.7)
Net cash used in financing activities	**(1.4)**	**(4.7)**	**(4.7)**
Net increase in cash and cash equivalents	**4.9**	**10.2**	**3.2**
Cash and cash equivalents at beginning of the period	24.2	21.0	21.0
Cash and cash equivalents at the end of the period	**29.1**	**31.2**	**24.2**

The notes on pages 17 to 25 are an integral part of these condensed consolidated financial statements.

1. BASIS OF PREPARATION

Forterra PLC ("Forterra" or the "Company") and its subsidiaries (together referred to as the "Group") are domiciled in the United Kingdom. The condensed consolidated financial statements for half year ended 30 June 2016 have been prepared in accordance with the Disclosure and Transparency Rules of the UK Financial Conduct Authority ("DTR"), and the requirements of IAS 34 'Interim Financial Reporting'.

Forterra PLC was incorporated on 21 January 2016 for the purpose of listing the Group on the London Stock Exchange, which was effected on 26 April 2016. Forterra PLC acquired the shares of Forterra Building Products Limited which to that date held the Group's primary operating activities ("Forterra UK group"). Further details on the acquisition and Group restructuring activities are disclosed in note 12.

The consolidated interim financial statements of the Group for the six months ended 30 June 2016 and the comparatives for the six months ended 30 June 2015 and the 12 months ended 31 December 2015 have been prepared on the basis that Forterra PLC was in existence throughout these periods. The terms of the acquisition of the shares in Forterra Building Products Limited were such that the Group reconstruction should be accounted for as a continuance of the existing group rather than an acquisition. Accordingly the interim financial statements and all comparative periods have been prepared on that basis.

Forterra PLC has not previously prepared financial statements. The financial information for the year ended 31 December 2015 has been extracted from the consolidated statutory accounts of Forterra Building Products Limited, which are available from Companies House and include an explicit and unreserved statement of compliance with EU-adopted IFRS. The Auditor's report was (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 section 498 of the Companies Act 2006.

The condensed consolidated financial statements for the six months ended 30 June 2016 and comparative period have not been audited. The auditor has carried out a review for the financial information and their report is set out on page 12.

The condensed consolidated financial statements do not constitute financial statements and do not include all the information and disclosures required for the full annual financial statements. The condensed consolidated financial statements are not statutory accounts as defined by Section 434 of the Companies Act 2006.

The interim financial statements do not include all financial risk information and disclosures required in the annual financial statements and they should be read in conjunction with the financial information that is presented in the Forterra Building Products Limited Consolidated accounts as at 31 December 2015 or in the Company's Admission Documents dated 21 April 2016 and specifically the historical financial information ("HFI"), included in part 11 of the Forterra PLC prospectus, which is available on the Company's website (http://www.forterraplc.co.uk) under "investors", "IPO documents"

There has been no significant change in any risk management policies since the date of the Admission Document.

The accounting policies have been applied consistently throughout the Group.

The condensed consolidated financial statements are prepared on the historical cost basis.

The condensed consolidated financial statements were approved by the Board on 7 September 2016.

2. JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of Forterra Building Products Limited for the year ended 31 December 2015.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. ADOPTION OF NEW AND REVISED STANDARDS

There are no accounting standards or interpretations that have become effective in the current reporting period which have had a material effect on the net assets, results and disclosures of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued that is not yet effective

4. GOING CONCERN

Management forecasts and projections take account of reasonably possible changes in trading performance and provide comfort that the Group is able to operate within its current cash reserves, borrowings and committed facilities. The directors therefore have a reasonable expectation that the Group has sufficient resources to continue in existence for the foreseeable future, being a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.

5. SEASONALITY OF OPERATIONS

Sales of the Group's products are seasonal. Generally sales are somewhat higher from spring to autumn when construction activity is at its highest. Construction activity declines during the winter months due to inclement weather and shorter daylight hours. Management review the production cycle, order books, inventory levels, distribution management and cash flows in detail on a frequent basis. This allows management to plan appropriately to address the risks associated with a seasonal business. The impact of seasonality on sales in the condensed consolidated interim financial statements is considered to be balanced overall, based on the split of winter across the two half years. Higher repair and maintenance costs in the early winter makes profitability more weighted to the first half.

6. SEGMENTAL REPORTING

Management has determined the operating segments based on the operating reports reviewed by the Executive management committee that are used to assess both performance and strategic decisions. Management has identified that the Executive management committee is the chief operating decision maker in accordance with the requirements of IFRS 8 'Operating segments'.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2016 (UNAUDITED) (CONTINUED)

The Executive management committee considers the business to be split into 3 operating segments: Bricks; Blocks; and Bespoke Products. The principal activities of the operating segments are:

- Bricks – manufacture and sale of bricks to the building sector
- Blocks – manufacture and sale of concrete blocks to the building sector
- Bespoke products – manufacture of bespoke products to the building sector

The Executive management committee considers that for reporting purposes, the operating segments above can be aggregated into 2 reporting segments: Bricks & Blocks; and Bespoke products. The Executive management committee has chosen to organise the entity around differences in products and services. The aggregation of Bricks and Blocks is due to these operating segments having similar: long-term average margins; production process; suppliers; customers and distribution methods.

The Bespoke Products range includes precast concrete, permeable paving, chimney and roofing solutions, walling and cladding systems and structural external wall insulation, each of which are typically made-to-measure or customised to meet the customer's specific needs. The precast concrete flooring products are complemented by the Group's full design and nationwide installation services, while certain other bespoke products, including permeable paving and chimney flues, are complemented by the Group's bespoke specification and design service.

Costs which are incurred on behalf of both segments are held at the centre and these, together with general administrative expenses, have been allocated to the segments for reporting purposes using relative sales proportions. Management considers that this is an appropriate basis for the allocation.

Segment revenue and results:

	Note	Six months ended 30 June 2016 Bricks & Blocks £m	 Bespoke products £m	 Total £m
Segment revenue		108.7	38.1	146.8
Intercompany eliminations				(0.8)
Revenue				**146.0**
Operating profit before exceptionals		31.2	3.4	**34.6**
Unallocated exceptional items				(10.3)
Operating profit after exceptionals				**24.3**
Net finance expense	8			(11.3)
Profit before tax				**13.0**

	Note	Six months ended 30 June 2015 Bricks & Blocks £m	 Bespoke products £m	 Total £m
Segment revenue		113.1	38.5	151.6
Intercompany eliminations				(0.8)
Revenue				**150.8**
Operating profit before exceptionals		33.7	3.3	**37.0**
Unallocated exceptional items				(1.1)
Operating profit after exceptionals				**35.9**
Net finance expense	8			(11.2)
Profit before tax				**24.7**

	Note	Year ended 31 December 2015		
		Bricks & Blocks	**Bespoke products**	**Total**
		£m	**£m**	**£m**
Segment revenue		218.0	73.7	291.7
Intercompany eliminations				(1.5)
Revenue				**290.2**
Operating profit before exceptionals		55.4	5.7	**61.1**
Segment exceptional items	7	-	(2.4)	(2.4)
Unallocated exceptional items				(9.2)
Operating profit after exceptionals				**49.5**
Net finance expense	8			(27.3)
Profit before tax				**22.2**

The revenue recognised in the condensed consolidated interim income statement is all attributable to the principal activity of the manufacture and sale of bricks, both dense and lightweight blocks, precast concrete, concrete paving and other complimentary building products.

Substantially all revenue recognised in the condensed consolidated interim income statement arose within the United Kingdom.

Segment assets:

	As at 30 June 2016		
	Bricks & Blocks	**Bespoke products**	**Total**
	£m	**£m**	**£m**
Property, plant and equipment	131.9	15.3	147.2
Intangible assets	7.0	6.1	13.1
Inventories	40.2	4.3	44.5
Unallocated assets			71.9
Total assets			**276.7**

	As at 30 June 2015		
	Bricks & Blocks	**Bespoke products**	**Total**
	£m	**£m**	**£m**
Property, plant and equipment	127.3	15.2	142.5
Intangible assets	7.2	8.6	15.8
Inventories	32.5	3.6	36.1
Unallocated assets			82.1
Total assets			**276.5**

	As at 31 December 2015		
	Bricks & Blocks	**Bespoke products**	**Total**
	£m	**£m**	**£m**
Property, plant and equipment	134.5	15.0	149.5
Intangible assets	7.1	6.2	13.3
Inventories	36.1	4.8	40.9
Unallocated assets			77.6
Total assets			**281.3**

Other segment information:

	Six months ended 30 June 2016		
	Bricks & Blocks	**Bespoke products**	**Total**
	£m	**£m**	**£m**
Depreciation and amortisation	(4.5)	(0.4)	(4.9)
Fixed asset additions	2.3	0.2	2.5

	Six months ended 30 June 2015		
	Bricks & Blocks	**Bespoke products**	**Total**
	£m	**£m**	**£m**
Depreciation and amortisation	(4.3)	(0.5)	(4.8)
Fixed asset additions	1.0	0.1	1.1

	Year ended 31 December 2015		
	Bricks & Blocks	**Bespoke products**	**Total**
	£m	**£m**	**£m**
Depreciation and amortisation	(8.5)	(0.9)	(9.4)
Fixed asset additions	13.0	0.9	13.9

7. EXCEPTIONAL ITEMS

	Six months ended 30 June		**Year ended 31 December**
	2016	**2015**	**2015**
	£m	**£m**	**£m**
Transaction costs	(9.1)	(0.4)	(5.2)
Separation costs	(1.2)	(0.9)	(4.0)
Restructuring expense	-	(0.2)	-
Intangibles impairment expense	-	-	(2.4)
Total exceptional items	**(10.3)**	**(1.5)**	**(11.6)**

The Group reports non-trading income or expenditure as exceptional when the size, nature or function of an item, or aggregation of similar items, is such that separate presentation is relevant to an understanding of its financial position.

Transaction costs include all fees, consultancy costs, management incentives and other expenses incurred as part of the execution of the initial public offering of the Group. Management incentives related to the offering amounted to £1.1m.

Separation costs relate to the separation from the HeidelbergCement Group and include rebranding, set up of standalone IT operations, staff recruitment and new office fit out costs.

Restructuring expense in 2015 relates to severance and other contract termination costs incurred in connection with the programmes to reduce costs and improve operating effectiveness. These programs included the closing of plants and the termination of portions of the workforce.

An impairment review performed in late 2015 resulted in an impairment charge of £2.4m whereby the goodwill balance in relation to Structherm was fully impaired.

8. NET FINANCE EXPENSE

	Six months ended 30 June		Year ended 31 December
	2016	**2015**	**2015**
	£m	**£m**	**£m**
Interest payable on borrowings with related parties	10.2	11.1	27.5
Interest payable on external borrowings	1.1	-	-
Other finance expense	-	0.1	(0.2)
Net finance expense	**11.3**	**11.2**	**27.3**

9. INCOME TAX

Tax for the interim period is charged on profits before tax, based on the best estimate of the corporate tax rate for the full financial year.

The effective tax rate excluding exceptional items is 20.7% (effective rate excluding exceptional items for 2015 21.1%). The effective tax rate for the 6 months to 30 June 2016 is 32.4% due to exceptional items of £7.2m that are not deductible for tax purposes.

The tax charge for the 2015 full and half year included an exceptional credit of £1.9m in deferred tax due to market value uplift to the tax base of revalued non-depreciating land following the de-grouping from HeidelbergCement.

10. EARNINGS PER SHARE

The basic earnings per share figures are calculated by dividing the profit for the period attributable to shareholders of the parent by the number of ordinary shares in issue at the end of June 2016.

The diluted earnings per share figures allow for the dilutive effect of the conversion into ordinary shares of options and deferred shares outstanding at the end of June 2016.

	Six months ended 30 June		Year ended 31 December
	2016 (millions)	**2015 (millions)**	**2015 (millions)**
Basic number of shares	200.4	200.4	200.4
Effect of share incentive awards and options	0.8	0.8	0.8
Diluted weighted average number of ordinary shares	201.2	201.2	201.2

A pro-forma calculation of earnings per share before exceptionals is presented below as in the opinion of the Directors this is a more meaningful measure. Operating profit for 2015 has been adjusted by deducting additional costs relating to being a stand-alone PLC. Pro-forma profit before tax and exceptionals is derived by deducting 2015 and 2016 finance costs and recalculating assuming that the Company had the same capital structure as at the time of IPO. The number of shares used in the divisor is the actual number at 30 June 2016.

Pro-forma basis	Six months ended 30 June 2016	2015	Year ended 31 December 2015
	£m	£m	£m
Operating profit (statutory)	24.3	35.5	49.5
Exceptional items (add back)	10.3	1.5	11.6
Operating profit before exceptionals	34.6	37.0	61.1
Additional costs in 2016 as a standalone PLC	-	(1.7)	(3.0)
Operating profit before exceptionals (pro-forma basis)	34.6	35.3	58.1
Finance charge (based on debt structure at IPO for full period)	(3.0)	(3.1)	(5.8)
PBT before exceptionals (pro-forma basis)	31.6	32.2	52.3
Tax charge at effective rate	(6.5)	(6.8)	(11.0)
Profit for the period attributable to ordinary shareholders on a pro-forma basis	25.1	25.4	41.3
Number of ordinary shares in issue (millions)	200.4	200.4	200.4
Earnings per share before exceptionals (in pence per share)	**12.5**	**12.7**	**20.6**

11. DIVIDENDS

No dividend has been paid in 2015 or the first half of 2016.

The interim 2016 dividend of 2.0 pence per share will be payable on 19 October 2016 to ordinary shareholders on the register at close of business on 30 September 2016.

12. CAPITAL REORGANISATION

On 21 January 2016 Starzone PLC (which subsequently changed its name to Forterra PLC) was incorporated, for the purpose of listing the UK operations of Forterra Building Products on the London Stock Exchange. On 2 February 2016 Starzone Holdings Limited (which subsequently changed its name to Forterra Holdings Limited) was incorporated and became Forterra PLC's immediate subsidiary undertaking. On 20 April 2016, by way of reorganisation the Company became the parent undertaking of the Forterra UK group.

The Company, its Group, parent and affiliates of its parent undertook a number of steps in preparation for the Company's listing on the London Stock Exchange.

- issue of 50,000 £1 ordinary shares by Forterra PLC on incorporation
- subsequent consolidation of 50,000 £1 ordinary shares into 2,000 £25 ordinary shares
- issuance of a further 87,627 £25 shares at £532.09 per share, creating a share premium amount of £44,435,000
- part capitalisation of £255,766,000 of loan notes outstanding in exchange for 2 £25 ordinary shares; bringing the total number of ordinary shares to 89,629
- set-off of intercompany payable and receivables
- subdivision of 89,629 £25 ordinary shares into 224,072,500 £0.01 ordinary shares
- designation of 24,072,500 £0.01 ordinary shares as 1 £240,725 deferred share
- exit of the Group from existing credit agreements and collateral pledges
- agreement of new facilities, as detailed in the 'borrowings' note, and use of the proceeds to settle existing loan notes and interest outstanding of £148,460,538.
- undertaking of a capital reduction and transfer of share premium of £300,200,786 and 1 deferred share of £240,725 into retained earnings

13. BORROWINGS

On 20 April 2016, LSF9 Concrete UK Limited and the Company entered into a sale and purchase agreement under which the Company agreed to purchase the entire issued share capital of Forterra Building Products Limited and the existing loan notes it owed. From this date Forterra Building Products Limited owed the Company rather than LSF9 Concrete UK Limited.

On 21 April 2016, the Company, Forterra Holdings, Forterra Building Products, the Selling Shareholder, LSF Concrete Midco and Stardust Finance, among others, entered into a reorganisation deed. This deed set out that immediately prior to Admission Group companies were released from their respective obligations under existing credit and security agreements and shall enter into a new facilities agreement.

On 22 April 2016, Forterra PLC capitalised £256,766,000 of the existing loan notes owed to LSF9 Concrete UK Limited and forgave Forterra Building Products Limited the equivalent amount that was receivable, after accounting for interest. This transaction resulted in the recognition of share premium of £256,766,000 and an increase in the cost of investment in subsidiary undertakings of £256,040,143.

On 26 April 2016, the Company and its subsidiaries entered into a New Facilities Agreement with a group of leading banks under which the Company has access to a £150,000,000 term loan facility and a £30,000,000 revolving credit facility for five years.

On 26 April 2016 Forterra Building Products Limited used the net term loan proceeds, after deduction of arrangement fees, made available under its New Facilities agreement to repay the remaining loan notes it owed to the Company, in turn Forterra PLC repaid the loan notes that it had acquired from LSF9 Concrete UK Limited. Interest is payable on amounts drawn down under the New Facilities Agreement at a rate of LIBOR plus a variable margin, set initially at 2.25%.

The fair value of borrowings from related parties approximates their carrying value as the impact of discounting is not significant.

14. NET DEBT

	Six months ended 30 June		Year ended 31 December
	2016	**2015**	**2015**
	£m	**£m**	**£m**
Cash and cash equivalents	29.1	31.2	24.2
Borrowings from related parties	-	(405.6)	(405.6)
External borrowings	(148.1)	-	-
Net debt	**(119.0)**	**(374.4)**	**(381.4)**

15. RELATED PARTY TRANSACTIONS

	Six months ended 30 June		Year ended 31 December
	2016	2015	2015
	£m	£m	£m
Receivables from related parties	-	1.3	23.0
Payables to related parties	(0.7)	-	(13.9)
Borrowings from related parties	-	(405.6)	(405.6)

Transactions and balances have been undertaken in the normal course of business and on an arm's length basis. Prior to IPO, Forterra Building Products Limited was controlled by Lone Star Funds, during which period the funding structure of the Company was significantly different. Under this, the Group loaned money to/from related parties controlled by Lone Star Funds.

In the process of listing on the London Stock Exchange, the Group undertook a reorganisation which eliminated these balances. These listing transactions resulted in all related party receivables and payables at that time being set-off, part of the borrowings from related parties being capitalised and the remaining borrowings being settled through entering into a term loan from a syndicate of leading international banks.

As at 30 June 2016, payables due to related parties relate to recharges for IT services and insurance costs. There were no other related party transactions requiring disclosure, other than compensation of executive directors, senior management and other selected employees disclosed in part 14 of the Forterra PLC prospectus.

16. POST BALANCE SHEET EVENTS

In July 2016, the Company announced that, in view of current economic uncertainty and sufficient brick inventory, it was entering into consultation with the workforce to temporarily turn off the kilns at its Accrington and Claughton brick making facilities.