



MEDIA RELEASE

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BRICKWORKS FORECASTS A POSITIVE YEAR AHEAD, FIRST QUARTER UP

Brickworks Limited (ASX: BKW) announced to shareholders at its 76th Annual General Meeting that its diversified model would deliver another solid performance in the coming year.

Chairman of Brickworks, Mr Robert Millner, said: "The diversified combination of Building Products, Investments and Property has successfully countered the cyclical nature of the Building Products business and provided a stable base of earnings.

"On behalf of the Board we are pleased to see that Brickworks has continued to outperform the S&P/ASX All Ordinaries Accumulation Index in terms of Shareholder Return over both the medium and longer term. Nothing demonstrates our focus on creating value for shareholders more clearly than the decision to increase the dividend again this year," Mr Millner added.

Strategy

Brickworks' strategy focuses on a combination of organic growth and complementary bolt-on acquisitions. This strategy has enabled Brickworks to expand into related markets – such as its recent product expansion into precast concrete – and grow into a diversified building products company.

FY2010 result

Brickworks' normal profit for the year ended 31 July 2010 was \$110.2 million. A final dividend of 27 cents per share fully franked is to be paid on 1 December 2010. The final dividend takes the full year dividend to 40 cents per share fully franked; an increase of 1 cent on the previous corresponding year.

Building Products result was positively impacted by the fiscal stimulus packages and improving demand with normal Earnings before Interest and Taxes (EBIT) up 44.3% to \$53.4 million. Investment EBIT of \$76.5 million was a 19.8% decrease on the prior year. The Land and Development result was down 30.0% to \$28.4 million due to depressed conditions in the industrial property market.

First quarter FY2011 trading update

Building Products sales revenue for the first quarter was \$160.0 million, up approximately 20% when compared to the soft first quarter of 2010. First quarter EBIT for the Building Products Group was \$13.2 million (unaudited), up approximately 17% when compared to the previous corresponding quarter.

Outlook

The diversified model of Brickworks is forecast to deliver another solid result for the company in the coming year.

Mr Lindsay Partridge, Managing Director of Brickworks, noted: "The long-term outlook for Building Products is positive. It has been supplemented by the Building the Education Revolution (BER) program. In New South Wales, while the peak has passed, there remains three to four months work where as in Victoria the program is yet to seriously get under way.

“There is no doubt, the increase in interest rates will have an knock-on effect with dwelling approvals, but at the moment we are still experiencing strong demand from the approvals authorised earlier in the year that were delayed by poor weather on the East Coast.

“We have been extremely happy with the performance of our recent acquisitions in the precast concrete panel market. Precast concrete is currently the fastest growing product segment of the walling market in Australia and while our new national business – Austral Precast – only contributed to seven weeks of the first quarter in 2011, the combined business has traded profitably from its first month.

“Our Land and Development arm will be steady in the coming year. The recent contract exchanges on the sale of the two lots in the M7 Business Hub will be realised in January 2011. Additionally, we expect to increase our Land and Development pipeline in line with our overall strategy. The Property Trust is now providing a stable and long-term income stream for Brickworks,” Mr Partridge added.

Investment returns from Brickworks’ 42.85% stake in Washington H. Soul Pattinson & Company (WHSP) are also expected to be solid in the coming year. WHSP will provide a substantial equity accounted non-regular profit following the completion of the Arrow Energy transaction in August 2010. The value of Brickworks’ shareholding in WHSP was \$1.288 billion at 26 November 2010.

BRICKWORKS LIMITED (ASX CODE: BKW) www.brickworks.com.au

Brickworks Limited was listed on the Australian Securities Exchange in 1962 and has paid a dividend every year since then. It has three Groups - Building Products, Land and Development and Investments. The Building Products Group includes Australia’s largest bricks producer Austral Bricks™, Austral Masonry™, Bristile Roofing™ and Austral Precast™. The Land and Development operation maximises value from surplus land and redundant building products sites. Investments include a 42.85% holding in Washington H. Soul Pattinson.

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