

BRICKWORKS INCREASES FULL YEAR EARNINGS, UPLIFT IN BUILDING PRODUCTS AND PROPERTY DIVISIONS

FULL YEAR	2012	2013	Variance %
Revenue (\$M)	556.9	606.5	8.9
EBIT Normalised (\$M)	108.5	135.0	24.5
NPAT Normalised (\$M)	78.9	100.0	26.9
NPAT Inc. Significant Items (\$M)	43.3	85.2	96.7
EPS Normalised (cents)	53.4	67.7	26.7
Final Dividend (cents)	27.0	27.0	0.0

Brickworks (ASX: BKW) today announced its full year results, recording a **normalised net profit after tax (NPAT)** of \$100.0 million for the year ended 31 July 2013. The result is 26.9% higher than last year's result of \$78.9 million. After significant items, Brickworks' **headline NPAT** was \$85.2 million, up 96.7% from \$43.3 million recorded last year.

Brickworks' Chairman Mr Robert Millner said: "The past year has seen an improvement in the earnings of the Building Products Group. The Building Products' result, combined with a significant uplift in Property earnings, has more than offset a reduced contribution from Investments. This again illustrates the benefits of Brickworks diversified business model."

Normal earnings were 67.7 cents per share for the full year, up 26.7% from 53.4 cents for the prior year.

Directors have declared a final dividend of 27.0 cents fully franked, taking the full year dividend to 40.5 cents fully franked, in line with the prior year. The record date for the ordinary dividend will be 7 November 2013, with payment being made on 28 November 2013.

Building Products Group

The Building Products Group achieved earnings before interest, taxes and significant items (EBIT) of \$32.8 million for the year ended 31 July 2013, up 14.9% compared to \$28.5 million for the prior year.

Brickworks' Managing Director Mr Lindsay Partridge said: "This result was achieved through a combination of strong price increases and cost reduction initiatives, despite continued difficult market conditions and the impact of significant cost increases, including the carbon tax."

The improved result was driven primarily by a significant increase in earnings from Austral Bricks. Both Bristle Roofing and Austral Masonry also reported an increase in earnings on the previous year. However, earnings from Austral Precast were down, with costs in this division adversely impacted by flooding and delays in commissioning the new batch plant at the Wetherill Park facility in New South Wales.

Auswest Timbers' Deanmill facility suffered a major fire in August last year, with the site being out of operation for almost the entire year. This resulted in significant disruption to operations in Western Australia. The Deanmill plant has now been fully rebuilt, with operations resuming in August 2013.

Land and Development

Land and Development produced an EBIT of \$49.6 million for the year ended 31 July 2013, up 161.0% from \$19.0 million on the previous corresponding year. The increase in earnings was primarily due to the sale of "Oakdale South" into the Joint Venture Property Trust for a profit of \$23.4 million. Additionally, the Property Trust continued its strong growth, generating an EBIT of \$24.3 million, up 24.0% from \$19.6 million in the prior year.

Investments

EBIT from Investments for the year ended 31 July 2013 was \$60.0 million, down 11.4% from \$67.7 million for the prior year. The market value of Brickworks 42.72% shareholding in WHSP was \$1.380 billion at 31 July 2013, up 2.6% on the value at 31 July 2012.

Outlook

Mr Partridge said: "Most forward indicators point towards improving demand in the year ahead. Austral Bricks' year to date sales and order volumes are approximately 20% higher than the same period last year."

"Despite our optimism, we will again focus on cost reduction and business improvement strategies to boost margins with the assumption that challenging conditions will continue in the short-term," Mr Partridge added.

The Property Trust is expecting continued growth in the coming year with the completion of two new developments in August and a further two forecast to be completed late in financial year 2014.

Land sales in financial year 2014 are expected to include the sale of surplus land at Rochedale in Queensland into the Property Trust. The overall earnings from the Land and Development Group are forecast to be marginally lower.

The outlook for Investments continues to be impacted by volatile global investment markets and commodity prices, however the diversified nature of WHSP's investments should continue to deliver stable earnings to Brickworks over the long term.

Results briefing

Robert Millner, Chairman, and Lindsay Partridge, Managing Director, will be presenting the Brickworks results with a Q&A session afterwards today at 12.15pm, for 12.30pm start, at the Brickworks Sydney Design Studio, Ground Floor, 50 Carrington Street.

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™, Bristle Roofing™, Austral Precast™ and Auswest Timbers™. The Land and Development operation maximises value from surplus land and redundant building products sites. Investments include a 42.72% holding in Washington H. Soul Pattinson & Company.

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