

ASX/MEDIA RELEASE 22 SEPTEMBER 2011

BRICKWORKS DELIVERS ROBUST FULL YEAR PROFIT RESULT

| FULL YEAR | 2010 | 2011 | Variance % |
|-----------------------------------|-------|-------|------------|
| Revenue (\$M) | 656.5 | 635.6 | (3.2) |
| EBIT Normalised (\$M) | 150.5 | 132.0 | (12.3) |
| NPAT Normalised (\$M) | 110.2 | 100.8 | (8.5) |
| NPAT Inc. Significant Items (\$M) | 138.8 | 142.6 | 2.7 |
| EPS Normalised (cents) | 76.7 | 68.3 | (11.0) |
| Final Dividend (cents) | 27.0 | 27.0 | _ |

Brickworks (ASX: BKW) today announced a solid financial result with **normalised net profit after tax** (NPAT) of \$100.8 million for the full year ended 31 July 2011, down 8.5% when compared to last year's result of \$110.2 million. After significant items, Brickworks' **headline NPAT** was \$142.6 million, up 2.7% from \$138.8 million recorded last year.

Directors have declared a final dividend of 27.0 cents fully franked, taking the full year dividend to 40.5 cents fully franked; an increase of 0.5 cents on the previous corresponding year. The record date for the ordinary dividend will be 23 November 2011, with payment being made on 1 December 2011.

"Again, the diversified business model has enabled our business to deliver a solid result, despite the challenging conditions faced by the Building Products Group and Investments. The underlying strength of the business has given the Board the confidence to maintain the final dividend, delivering an increase in dividends for the full year" Mr Robert Millner, Chairman of Brickworks said.

Building Products Group

The Building Products Group achieved earnings before interest and taxes (EBIT) of \$42.0 million for the year ended 31 July 2011, down 21.3% from the \$53.4 million recorded in the previous year.

This result was achieved despite challenging conditions with the conclusion of the Federal government's stimulus programs, extreme weather events and a significant drop in detached housing commencements in all states.

Throughout the year Brickworks' Building Products Group has expanded. It now includes a national precast concrete operation (Austral Precast) and has strengthened in masonry (Austral Masonry). The diversified offering has reduced the performance risk of the Group, by increasing exposure to the rapidly growing precast business.

Land and Development

Land and Development recorded an EBIT of \$29.2 million for the year ended 31 July 2011, up 2.8% from \$28.4 million last year, primarily due to an increased contribution from the Property Trust. The major property transaction for the year was the sale of land on the M7 Business Hub Estate to Hewlett Packard for gross proceeds of \$18.8 million.

Investments

Investments' EBIT for the year ended 31 July 2011 was \$67.9 million, a decrease of 11.2% on the \$76.5 million delivered last year. This was largely due to the impact of flooding in Queensland on the result of New Hope Coal. The market value of Brickworks' 42.85% shareholding in Washington H. Soul Pattinson & Company remained steady at \$1.322 billion for the year ended 31 July 2011.

Outlook

Managing Director of Brickworks, Mr Lindsay Partridge, said: "Increased interest rates and the underlying uncertainty affecting investor confidence have caused a severe housing downturn in Australia. Without a move to less restrictive monetary policy, we are unlikely to see an improvement in the short term.

"Of particular concern is the high level of taxation on new housing in Australia, exacerbating affordability issues and resulting in construction activity being well below underlying demand. Due to the ongoing subdued conditions in Queensland and Western Australia, and an expected slowdown in Victoria in the second half, Brickworks is estimating 141,000 housing starts for FY2012. This is a further 10% reduction on last year.

In response to these challenging conditions, Brickworks has restructured its operations to improve profitability. An aggressive expenditure reduction program has identified savings of almost \$32 million, including the loss of 239 people, representing approximately 17 percent of the total workforce, over the past twelve months.

"It is extremely distressing to lose so many valued and long serving employees due to the failure of the federal government to act in response to the dire condition of the housing industry. With no short term signs of improvement, the timing of the carbon tax impost could not be more inopportune" Mr Partridge said.

In the coming year, Brickworks expects solid contributions from both Land and Development and Investments to largely offset any further weakness in Building Products' earnings.

Results briefing

Robert Millner, Chairman and Lindsay Partridge, Managing Director will be presenting the Brickworks results with a Q&A session afterwards <u>today</u> at 12.15pm, for 12.30pm start, at the Hilton Sydney, Room 1, Level 4, 488 George 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[™], Bristile Roofing[™], Austral Precast[™] and Auswest Timbers[™]. The Land and Development operation maximises value from surplus land and redundant building products sites. Investments include a 42.85% holding in Washington H. Soul Pattinson & Company.

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

For further information:

Lindsay Partridge, Managing Director Tel: (02) 9830 7800

Robert Millner, Chairman Tel: (02) 9232 7166

Media inquiries:

Rebecca Piercy, Kreab Gavin Anderson Mobile: 0422 916 422