



**ASX & MEDIA RELEASE**

**21 NOVEMBER 2005**

**BRICKWORKS STRENGTHENS DESPITE WEAKER BUILDING PRODUCTS MARKETS**

The overall position of national building products and investments company, Brickworks Limited, continued to strengthen despite weaker building products markets.

This was the positive outlook described today for Brickworks shareholders at the 71<sup>st</sup> annual general meeting, with the view supported by the company's diversity of earnings across building products, investments and property development.

Chairman of Brickworks, Mr Robert Millner, attributed performance for the 2005 financial year to the benefits of increasing diversity within the company.

Brickworks managing director, Mr Lindsay Partridge, said the performance of associate companies and a significant pipeline of property projects should see the diversity of income streams continue, making earnings more robust to adversity.

The evolution of Brickworks into a national building products business over the past three years has also been helpful in the current housing cycle, with exposure to any one market reduced greatly.

Just over half of Brickworks earning before interest, tax, depreciation and amortisation were from building products for the 13 months to July 2005, and this has offset the impact of the weaker housing market.

Brickworks considers the current downturn in housing approvals has been the mildest on record to date and expects the lowest point in the cycle in the coming year.

Brickworks building products sales for the first quarter of 2005/06 are down 3 per cent on the same months last year. With conditions varying in each state rigorous inventory management has been necessary in the weakest market.

The Western Australian market has been very strong, requiring stock shortages to be met by shipping bricks from NSW.

This WA performance has partially offset that of the NSW business which has been hardest hit by the market downturn, while Queensland and Victoria, which were also down in the first quarter, were showing signs of firming.

Other components of Brickworks earnings are principally unaffected by these cyclical trends.

While profit from property and development would depend on the timing of approvals and completions, Mr Partridge said a number of contracts in hand should enable several transactions to be completed in both halves of the 2005/06 year.

The imminent completion of the M7 in Sydney's West would ensure demand for land at the M7 Business Hub remained robust.

Brickworks also receives earnings contributions from 42.85 per cent owned Washington H Soul Pattinson and Company Limited and 22.17 per cent owned Brickworks Investment Company Limited.

Mr Partridge said continued strong performance from these companies was expected in 2005/06 as they were likely to outperform the market as they have done in the past.

The annual meeting was also advised that implementation of the Australian version of the International Financial Reporting Standards in future reporting periods would have an impact, with intangible assets no longer being amortised and dividends on PAVERS securities being recognised as a borrowing cost.

With the change of Brickworks financial year to July 31, the planned January factory closures would be included in the first half of the 2005/06, year reducing building products' historical first half bias.

Typically this would move Brickworks' building products division from recording 60 per cent of its earnings in the first half to approximately 50 per cent.

Shareholders approved payment of final dividend of 21 cents fully franked which will be paid on November 22.

Over the past five years, total return for Brickworks shareholders has averaged 24.2 per cent per annum compared with the ASX Accumulation index of 10.3 per cent per annum.

---

**ISSUED FOR** : **BRICKWORKS LIMITED (ASX CODE: BKW), [www.brickworks.com.au](http://www.brickworks.com.au)**

**FOR FURTHER INFORMATION** : **MR LINDSAY PARTRIDGE, MANAGING DIRECTOR, BRICKWORKS LIMITED, TEL: (02) 9830 7700 OR MR ROBERT MILLNER, CHAIRMAN, BRICKWORKS LIMITED, TEL: (02) 9232 7166**

ISSUED BY : WESTBROOK COMMUNICATIONS, CONTACT: IAN WESTBROOK, TEL (02) 9231 0922 OR 0407 958 137

*A copy of this news release can be downloaded from [www.westbrookfin.com.au](http://www.westbrookfin.com.au)*