

BRICKWORKS' ROBUST MODEL DELIVERS INCREASED HALF YEAR PROFIT

HALF YEAR	2008	2009	Variance %
Revenue (\$M)	275.3	248.2	-9.8
EBIT Normalised (\$M)	64.4	73.9	+14.8
NPAT Normalised (\$M)	40.3	50.8	+26.1
EPS Normalised (cents)	30.4	38.3	+26.0
Interim Div (cents)	12.5	12.5	-

- **Brickworks Headline NPAT including non-regular items up 534.0% to \$255.3 million**
- **Brickworks Normalised NPAT up 26.1% to \$50.8 million**
 - Building Products EBIT down 35.2% to \$16.4 million
 - Land and Development EBIT down 54.0 % to \$12.1 million
 - Associates and Investments EBIT up 186.5% to \$49.0 million
- Brickworks Property Trust market value down 4.0% to \$167.1 million
- Interim dividend steady at 12.5 cents fully franked

Brickworks Ltd (ASX: BKW) posted a **Headline** Net Profit After Tax ('NPAT') for the half year ended 31 January 2009 up 534.0% at \$255.3 million, compared to \$40.3 million for the half year ended 31 January 2008.

The result included non-regular items after tax totalling \$204.5 million, following a one-off contribution from the \$2.45 billion sale of New Saraji by New Hope Corporation (ASX: NHC) from Brickworks' associate, Washington H. Soul Pattinson ('WHSP') (ASX: SOL).

Brickworks' **Normalised** NPAT of \$50.8 million was 26.1% higher than the previous corresponding period as strong returns from its Investments division more than offset the weaker Building Products and Land and Development divisional results.

"The diversified nature of the Brickworks group has proven its strength in this current economic downturn. The strategic alliance with WHSP has brought stability, diversity and reliable earnings to the company in these uncertain times", said Mr Robert Millner, Chairman of Brickworks.

Directors have declared an interim dividend of 12.5 cents fully franked, in line with last year's interim dividend, to be paid on 19 May 2009 to shareholders registered on 5 May 2009.

The Building Products division recorded an EBIT of \$16.4 million, down 35.2% on the \$25.3 million from last year. While improved selling prices were achieved, the significantly weaker housing market resulted in lower sales volumes, prolonged production shutdowns, increased costs and margin compression.

The Land and Development division produced an EBIT of \$12.1 million for the six months ended 31 January 2009. Three new Trust facilities were completed during the half year. Previously completed Trust

properties were revalued to market value during the period based on higher capitalisation rates, resulting in a write down of \$2.7 million. At 31 January 2009 the Property Trust market value was \$167.1 million, 4.0% lower than at 31 July 2008.

Normalised EBIT from Investments rose by 186.5% to \$49.0 million, due to the much higher result from WHSP. The value of Brickworks' investment in WHSP at 31 January 2009 was \$879.4 million.

Lindsay Partridge, Managing Director of Brickworks, said: "Recent interest rate cuts and the increase in the first home owners grant has lead to an improvement in housing affordability. There have been anecdotal reports of significant increases in first home buyer activity. This is good news for those states with a high proportion of detached housing such as South Australia, Western Australia and particularly Victoria.

"The good news is balanced by the fact that market conditions in New South Wales and South East Queensland, where there are a larger percentage of high density dwellings, are unlikely to recover strongly until there is an improvement in the availability of construction finance and investors return to the market.

"We anticipate that the \$14.7 billion for construction of new school buildings and \$6.7 billion combined packages for social and defence housing recently announced as part of the Federal Government's 'Nation Building and Jobs Plan' will lead to an increase in demand for building products over the course of the year.

"Disciplined stock controls and plant closures in the first half has placed Brickworks in a good position to run our manufacturing facilities at least at the rate of sales for the second half.

"It is expected that the settlements of Scoresby, Victoria and Eastwood, New South Wales in the Land and Development division will be completed in the second half.

"Following the strong first half return from our Investments division we anticipate a record full year result, though Building Products and Property will be significantly down on last year", added Mr Partridge.

Results Briefing:

Robert Millner, Chairman and Lindsay Partridge, Managing Director will be presenting Brickworks' results with a Q&A session afterwards today at 12.15pm, for 12.30pm start, at the Wesley Centre, Lyceum Theatre, 220 Pitt Street, Sydney.

Brickworks Limited was listed on the ASX in 1962 and has paid a dividend every year since then. It has three divisions - Building Products, Land and Development and Investments. The Building Products division includes Australia's largest bricks producer Austral Bricks™, Austral Masonry™, Bristle Roofing™, Eureka Tiles™ 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.

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

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