

BRICKWORKS

LIMITED

5 October 2006

Australian Stock Exchange (Sydney) Limited
Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir/Madam,

Please find attached a press release relating to the Brickworks Ltd financial results for the year ended 31 July 2006, for immediate release to the market.

Yours faithfully,
BRICKWORKS LIMITED



IAIN THOMPSON
COMPANY SECRETARY

BRICKWORKS LIMITED

ABN 17 000 028 526

738 – 780 Wallgrove Road, Horsley Park NSW 2175; PO Box 6550, Wetherill Park NSW 1851

Telephone: 61 2 9830 7700 Fax: 61 2 9620 1328

Internet Address: <http://www.brickworks.com.au> E.Mail Address: info@brickworks.com.au

BRICKWORKS LANDS RECORD \$102 MILLION PROFIT

FULL YEAR	2006	2005*
Sales (\$M)	532.1	565.3
EBITA (\$M)	149.2	157.9
Net (\$M)	101.9	87.4
EPS	76.8	108.5
Final div	25 cents	21 cents

* Comparative 2005 figures reported for 13 months.

- Record Normalised NPAT up 16.6 per cent to \$101.9 million
- Higher Land & Development profit offsets tough building market
- Reduced Income Tax Expense offsets lower Associates contribution
- Final dividend up 19.0 per cent to 25 cents fully franked

Record 2006 normalised net profit after tax for Brickworks Limited has again demonstrated the value of its business strategy, with a significant profit contribution from Land & Development offsetting a reduction from Building Products.

Normalised net profit after tax for the 12 months to July 2006 was up 16.6 per cent to \$101.9 million, compared to a normalised profit of \$87.4 million for the 13 months ending July 2005.

This has enabled directors to increase final dividend by 19 per cent to 25 cents a share fully franked, taking the full year dividend to 36 cents fully franked, up 16.1 per cent from 31 cents in the previous year.

The evolution of Brickworks business strategy has seen the Building Products contribution to EBITA at \$65.5 million move from just over 70 per cent in 2004 to just under 50 per cent in 2006, with Land & Development this year contributing approximately 36 per cent of EBITA, at \$55.2 million, compared with less than 10 per cent in 2004.

The other major contributor to EBITA, investments in associates, was significantly less in 2006 compared with the previous period, principally due to lower equity accounted earnings from 42.85 per cent owned associate, Washington H Soul Pattinson (WHSP).

This lower contribution was partially offset by a reduced income tax expense from a change to the tax cost base of the WHSP holding.

The EBITA contribution from WHSP in 2005 included a non-regular after tax profit of \$72.9 million from WHSP's share of profit from the sale by New Hope Corporation of its overseas operations.

According to Brickworks chairman, Mr Robert Millner, the long term approach adopted by Brickworks, across its structure and business model, meant that growth and consistent earnings would be perpetuated well into the future.

Managing director of Brickworks, Mr Lindsay Partridge, added that the quality and extent of the property asset base meant that it could provide short term development profits as well as long term assets for ownership to offset a well managed but cyclical building products business.

Mr Partridge said the downturn in the building products market was the longest since the late 1980's and had created a very tough operating environment, with less detached homes being built in NSW than at any time since WWII and less than in any of Western Australia, Victoria or Queensland.

In spite of these conditions, Brickworks Building Products experienced steady sales following some minor acquisitions but was down 5.7 per cent on a like for like basis.

While Western Australian operations and roof tiles performed well, they were unable to balance the reduced performances of the eastern states brick operations, resulting in lower earnings, with margins also affected by the impact of factory closures and refurbishment.

One advantage of the lull has been the opportunity to pursue capital expenditure to assist efficiency and provide new plant, with \$47.5 million expended, including \$21.1 million on the new Wollert (Vic) brick factory.

The recently acquired Auswest Timbers lifted sales and itself bought the remaining 58 per cent of Victorian added value timber business, Terra Timbers. The post balance date acquisition of GB Masonry for \$17.4 million was on the basis of being immediately earnings per share positive.

The main contributors to Land & Development profit were land sales in Sydney, principally from the M7 business hub property and also from selling the Mamre Road site to the newly created Brickworks/Macquarie Goodman property trust.

The trust will develop and own prime industrial facilities on land originally owned by Brickworks and two of its initial transactions are significant pre-commitments from Coles Myer and Toll Holdings.

The Mamre Road property comprises 33 hectares of developable land and is expected to accommodate 200,000 m² of new industrial facilities in the next few years with an estimated value of \$265 million.

While WHSP earnings were lower, the contribution from 20.7 per cent owned Brickworks Investment Company was higher at \$2.8 million.

Final dividend will be paid on December 1 to shareholders registered on November 17.

Brickworks, which is Australia's largest brick manufacturer with brands including Austral Bricks™, Bristile Roofing™, Eureka Tiles™ and Auswest Timbers, is 49.5 per cent owned by WHSP and has been listed on the ASX since 1962.

ISSUED FOR : **BRICKWORKS LIMITED (ASX CODE: BKW)** 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 WESTRBROOK, TEL (02) 9231 0922, MOBILE 0407 958 137