

BRICKWORKS

LIMITED

25 August 2004

Lodged electronically

Australian Stock Exchange (Sydney) Limited
20 Bridge Street
SYDNEY NSW 2000

Attention: **Companies Department**

Dear Sir / Madam,

Subsequent to the release of Brickworks Limited's Preliminary final report, please find attached a media release.

Yours faithfully,
BRICKWORKS LIMITED



Iain Thompson
COMPANY SECRETARY

BRICKWORKS LIMITED

ABN 17 000 028 526

Wallgrove Road, Horsley Park NSW 2164; 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 BUILDS RECORD PROFIT, UP 116% TO \$157.4 MILLION

	Jun 04 (\$M)	Jun 03 (\$M)	Change (%)
PROFIT			
Net Profit After Tax (NPAT)	157.4	72.7	+116
NPAT excluding non-regular items	74.2	63.8	+16.3
TOTAL REVENUE	703.6	247.0	+184
Building Products Revenue	487.7	180.8	+170
Property & Waste Revenue	13.6	17.3	-21
EBITA			
Building Products EBITA	94.7	31.6	+200
Property EBITA	9.6	5.5	+75
Waste EBITA	1.6	1.2	+33
Investments	93.3	9.8	+852
Associates	36.7	35.3	+4
PER SHARE			
Earnings per Share (cents)	114.3	55.2	+107
Final Ordinary Dividend (cents)	15	13	+15
Full Year Dividend	24	20	+20
NTA/Share	\$4.91	\$4.61	+7

Highlights for the year to 30 June 2004 include:

- Profit up 116% to \$157.4 million
- Brickworks now Australia's largest brick manufacturer, with 67% of EBITA from building products
- Profit also from property, associates, waste management and investments
- Profit before non-regular items up 16.3% to \$74.2 million
- Final dividend of 15 cents takes full year dividend to 24 cents, up 20 per cent

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National building products company, Brickworks Limited, has lifted net profit after tax by 116 per cent to \$157.4 million, up from \$72.7 million for the year to June 30, 2004.

The main factors contributing to the result were the acquisition of Bristile Limited, which helped lift building products sales 170 per cent, higher contributions from property and associate, Washington H Soul Pattinson (WHSP), and sale of the investment portfolio to Brickworks Investment Company Limited (BKI).

With earnings per share up 107 per cent to 114.3 cents (55.2 cents previously), directors are recommending a final dividend of 15 cents fully franked, taking full year dividend to 24 cents fully franked, up 20 per cent from 20 cents in the previous year.

Excluding non-regular items such as sale of the investment portfolio and various one-off costs, net profit after tax was up 16.3 per cent to \$74.2 million.

Brickworks' acquisition of brick and tile manufacturer, Bristile Limited, in 2003, contributed to earnings for 11 months and lifted total assets 83 per cent to \$1.297 billion at June.

Brickworks is now Australia's largest brick manufacturer and a major roof and floor tile producer, with building products representing 67 per cent of earnings before interest, tax and amortisation.

The original level of borrowings to fund the Bristile acquisition was reduced by more than half during the year, decreasing from a peak of \$566 million to \$276 million, assisted by a successful \$165 million issue of reset preference shares called PAVERS.

Directors said that strong cash flow from property and associate, WHSP, positioned Brickworks for further strategic expansion should opportunities arise.

According to Brickworks managing director, Mr Lindsay Partridge, the past year had been a landmark for Brickworks as it made the transition from a state-based clay products and investment company to a national building products business with national branding and a presence in all Australian states.

"At the same time, while building products has become the majority contributor to recurring earnings, strong cash flows from property and associates provide a buffer of earnings against cyclical fluctuations and support future growth," Mr Partridge said.

"Bristile has been successfully integrated and proven to be a natural fit in terms of corporate culture, product lines and markets, giving us a strong and unified management team.

"This has meant that as a combined unit we are focused nationally on making the business work better, developing new products, investing to improve efficiency and building exports," Mr Partridge added.

With trading conditions being much stronger than many had forecast, Brickworks increased its EBITA to sales margin to 19.4 per cent from 17.5 per cent.

Brickworks also achieved record export sales which were up 137 per cent following the inclusion of Bristle's export sales, with unprecedented growth in New Zealand where demand stretched the ability to supply.

Capital expenditure amounted to \$40 million for the year with a number of worthwhile projects currently under consideration in Queensland, Victoria and Western Australia while the \$12 million upgrade of Bowral in New South Wales continues.

Brickworks program of realising property assets surplus to its building products business covers a variety of locations in New South Wales, South Australia, Victoria and Western Australia, with activities encompassing rezoning and development in partnership with other groups.

While long lead times delay recognition of profit from property, with, for example, one development at Horsley Park, west of Sydney, to deliver \$150 million over the next 10 to 12 years plus a profit share, Brickworks earned \$9.6 million from property disposal in the current year.

Conversion of one Sydney parcel of surplus land into a waste management operation delivered earnings before interest and tax of \$1.6 million.

Reduction in Brickworks borrowings has resulted in net debt to capital employed falling to 23.1 per cent, and interest cover at June was 5.0 times, after excluding investment gains and one off funding costs.

Regarding outlook, directors noted that Brickworks order book remained significant, sales were robust compared to historical levels and the outlook remained positive.

They also noted that while positive underlying economic conditions continued and forecast dwelling commencements were at historically high levels, the urgency of meeting demand had been removed from the market and a modest building slowdown was anticipated.

All Brickworks plants remain at full capacity although, with many having operated continually since 2000 or longer, major overhauls are planned for the Christmas/New Year period, which will affect unit production costs and total output in 2005.

With future cash flows combining operating revenues and contracted land sales, directors anticipate total ordinary dividends will continue to increase over coming years while at the same time allowing Brickworks to reduce debt further.

Final dividend will be paid on November 8 to shareholders registered on October 25.

ISSUED FOR : BRICKWORKS LIMITED (ASX CODE: BKW)

**FOR FURTHER INFORMATION : MR LINDSAY PARTRIDGE, MANAGING DIRECTOR, 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, MOBILE 0407 958 137

A copy of the 4E and this news release can be downloaded from www.westbrookfin.com.au