

BRICKWORKS REDUCES DEBT FURTHER WITH MACQUARIE GOODMAN PROPERTY AGREEMENT

Clay products and investment company, Brickworks Limited, has signed a heads of agreement with Macquarie Goodman to develop the 'Vineyard' property at Eastern Creek.

The agreement will see Brickworks receive a guaranteed commitment of approximately \$150 million from Macquarie Goodman Industrial Trust ("MGI") over eight years with an estimated \$120 million to be received within the first three years of the project.

In addition to these payments, Brickworks will also receive 50 per cent of any profits from the project.

Macquarie Goodman Management Limited ("MGM") will be the development and project managers for the development and responsible for the installation of all services to the site as well as sales and marketing of the project.

Funds from this transaction, together with the recent \$165 million PAVERS issue and \$120 million from the sale of the equities portfolio to Brickworks Investment Company Limited, reduces total debt from the acquisition of Bristle Limited by over 70 per cent.

According to Brickworks managing director, Mr Lindsay Partridge, the deal was part of Brickworks' corporate strategy of unlocking funds from surplus property assets for deployment in the core clay products business.

"Over time, Brickworks had accumulated substantial property holdings and in recent years we have looked for ways to extract value from these sites, such as our landfill operation with Collex and the residential development at Eastwood," Mr Partridge said.

"The combination of funds from this development and other property projects next year will see Brickworks' debt position substantially reduced.

"The involvement of Macquarie Goodman in this development underlines how valuable the site is and we anticipate the association to be mutually beneficial," Mr Partridge added.

The 150 hectare 'Vineyard' property was released for development as employment lands in March this year and has since attracted strong development and investment interest from several parties.

The site has close proximity to the M4 motorway with accessibility enhanced by construction of the Westlink M7 motorway which will run along the front of the property.

The agreement with Macquarie Goodman completes a five month competitive tender undertaken by Brickworks, with assistance from Pricewaterhouse Coopers, to select an appropriate party with whom to develop the property. Detailed documentation will be prepared early in 2004.

Brickworks had used the property as a clay quarry since the 1960s but with resources almost exhausted and clay reserves available elsewhere, the company has looked to unlock value through redevelopment.

Brickworks is Australia's largest clay brick and tile producer, with a market presence in all Australian states, and MGI is Australia's largest listed industrial trust.

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**