

BRICKWORKS INITIATES \$160 MILLION RESIDENTIAL DEVELOPMENT ON EASTWOOD SITE

Brickworks Limited's wholly owned subsidiary, Austral Bricks, has signed contracts for a residential development on its 14.7 hectare Eastwood brick factory site with joint venture partners, Clarendon Apartments and Boulderstone Hornibrook.

Austral will receive a guaranteed payment of \$41 million over four years under the arrangement, plus a share of any additional sales once a minimum sales level is achieved.

It is estimated up to 212 dwellings may be built providing approval of the development application for development and rehabilitation of the site is granted by Parramatta Council

Redevelopment of the site will require filling of the void, which is in excess of 1 million cubic metres of space.

The terms and conditions of the approval and the market strength when the development is ultimately sold, will determine the final profit outcome.

Brick manufacturing has been carried out at Eastwood since the late 1880's and the shale reserves are now nearing exhaustion.

After a satisfactory approval is granted, Austral's brick production will be transferred to Bowral Bricks, which was purchased earlier in the year.

According to Brickworks' managing director, Mr Lindsay Partridge, the joint venture would enable Brickworks to realise the value of the Eastwood site in keeping with the company's strategy of seeking better returns from its valuable property holdings.

"By transferring production from Eastwood to a Bowral, the combined production will operate more efficiently from a site which has ample clay reserves," he said.

Brickworks has eight brick and tile production operations at six locations in Sydney and Brisbane. Austral exports to New Zealand, Asia and the Pacific region.

ISSUED FOR : BRICKWORKS LIMITED (ASX CODE: BKW)

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