

## DIFFICULT MARKET CONDITIONS IMPACT BRICKWORKS' FIRST HALF RESULT, RESTRUCTURING ON TRACK

HALF YEAR	2011	2012	Variance %
Revenue (\$M)	327.7	271.4	(17.2)
EBIT Normalised (\$M)	77.0	65.9	(14.4)
NPAT Normalised (\$M)	61.0	49.5	(18.8)
NPAT Inc. Significant Items (\$M)	117.1	54.1	(53.8)
EPS Normalised (cents)	41.5	33.5	(19.3)
Interim Dividend (cents)	13.5	13.5	0.0

Brickworks (ASX: BKW) today announced **normalised net profit after tax (NPAT)** of \$49.5 million for the half year ended 31 January 2012, down 18.8% when compared to the prior corresponding period of \$61.0 million. After significant items, Brickworks' **headline NPAT** was \$54.1 million, down 53.8% from \$117.1 million recorded in the first half last year.

Brickworks Chairman Mr Robert Millner said: "The latest six months has been difficult, particularly for the Building Products Group, with the convergence of extremely challenging market conditions and significant restructuring activities. However, our diversification strategy meant that stronger earnings from Investments partially offset the reduced earnings from Building Products and Land and Development."

Normal earnings per share were 33.5 cents per share for the half year, down 19.3% from 41.5 cents for the corresponding period last year.

Directors have declared a steady interim dividend of 13.5 cents fully franked, for the half year. The record date for the interim dividend will be 20 April 2012, with payment being made on 15 May 2012.

### **Building Products Group**

The Building Products Group achieved earnings before interest and taxes (EBIT) of \$14.4 million for the half year ended 31 January 2012, down 35.6% compared to \$22.4 million from the previous corresponding period.

As foreshadowed at the company's AGM in November, this result reflects the further deterioration of housing activity during the half, with approvals for the six months to 31 January 2012 down 17.0% on the previous corresponding period. In addition, plant closures and restructuring activities across the Group resulted in a significant increase in per unit manufacturing costs. During the half, operations were consolidated to one site in both the Austral Bricks Queensland and Austral Bricks Victoria divisions, significantly simplifying these operations.

The strong momentum of Austral Precast continued, with earnings and revenue increasing compared to the prior corresponding period. Plant upgrades completed last year in Western Australia have begun to deliver improved results and the installation of a concrete batching plant at Wetherill Park in Sydney has commenced, to enable 24 hour operation of this facility.

The Auswest Timbers division completed the acquisition of Gunns Western Australian Jarrah assets for \$6.0 million in December 2011, delivering substantial synergies to existing operations in this state, and creating a market-leading range of high quality Australian hardwood timber.

