

DIVERSIFIED BUSINESS MODEL DELIVERS 13% PROFIT INCREASE DESPITE TOUGH BUILDING PRODUCTS MARKET & REDUCED INVESTMENT EARNINGS

HALF YEAR	2012	2013	Variance %
Revenue (\$M)	271.4	311.3	14.7
EBIT Normalised (\$M)	65.9	76.5	16.0
NPAT Normalised (\$M)	49.5	56.0	13.1
NPAT Inc. Significant Items (\$M)	54.1	56.1	3.7
EPS Normalised (cents)	33.5	37.9	12.9
Interim Dividend (cents)	13.5	13.5	0.0

Brickworks (ASX: BKW) today announced **normalised net profit after tax (NPAT)** of \$56.0 million for the half year ended 31 January 2013, up 13.1% compared to the previous corresponding period of \$49.5 million. After significant items, Brickworks' **headline NPAT** was \$56.1 million, up 3.7% from \$54.1 million recorded in the first half last year.

Brickworks Chairman Mr Robert Millner said: "The past six months again shows the strength of our diversification strategy, with stronger earnings from Land and Development offsetting the reduced earnings from Investments. The Building Products Group delivered a stable result, despite tough market conditions persisting in the Australian housing industry."

Normal earnings per share were 37.9 cents per share for the half year, up 12.9% from 33.5 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 16 April 2013, with payment being made on 7 May 2013.

Building Products Group

The Building Products Group achieved earnings before interest and taxes (EBIT) of \$14.0 million for the half year ended 31 January 2013, down 2.8% compared to \$14.4 million from the previous corresponding period.

Despite lower volumes, sales revenue was higher in the Austral Bricks and Bristle Roofing divisions for the first half, due to strong price increases. Earnings in these divisions were significantly higher when compared to the previous corresponding period. The earnings were assisted by strong cost controls and rationalisation activities completed in the year prior.

However, earnings from Austral Precast and Auswest Timbers were down, more than offsetting the gains in other divisions. The precast operation in New South Wales was disrupted by flooding at the Wetherill Park facility. In addition, delays in the commissioning process of the new batching plant adversely impacted the half year result.

Auswest Timbers' Deanmill facility suffered a major fire in August last year, resulting in no operations at the site for the entire first half. While the Deanmill facility is expected to re-commence activity in April, the disruption had a significant impact on profitability in Western Australia.

Land and Development

Land and Development recorded an EBIT of \$37.3 million for the half year ended 31 January 2013, up 180.4% from \$13.3 million for the prior corresponding period. The increase in earnings was primarily due

to the sale of "Oakdale South" into the Joint Venture Property Trust, for a profit of \$23.4 million. In addition, the Property Trust continued its strong growth, generating an EBIT of \$15.0 million, up 17.2% on the previous corresponding period.

Investments

EBIT from Investments for the half year ended 31 January 2013 was \$28.8 million, a decrease of 30.9% on the \$37.9 million for the previous corresponding period. The decrease was due primarily to the impact of reduced after tax earnings of New Hope Corporation Limited. The market value of Brickworks 42.72% share holding in WHSP was \$1.401 billion, up 4.2% or \$56.0 million, from \$1.345 billion at 31 July 2012.

Update on Corporate Restructure

Following the presentation of findings from the corporate structure review at the 2012 Annual General Meeting, more proposals relating to a change in Brickworks' corporate structure have been received. The Board has reviewed all of the restructuring proposals and believes that each is fundamentally flawed.

Lead Independent Director Mr Robert Webster said: "The Board is not prepared to compromise Brickworks' long-term strategy for value creation in order to address the short-term objectives of a small number of shareholders. In the future, we will continue to consider the full range of alternatives for the company's portfolio as part of the annual strategic review process; however we will not continue to allocate time, effort and resources to respond to short-term restructuring proposals."

Outlook

Brickworks Managing Director Mr Lindsay Partridge, said: "Despite significantly lower interest rates, the housing market continues to be patchy, with detached housing activity still weaker than in the same period last year. Looking ahead, anecdotal evidence suggests that a strong uplift in residential housing activity will occur in the fourth quarter of this financial year in New South Wales, Western Australia and South Australia."

"If these conditions materialise, the Building Products Group should expect a marginally improved 2013 full year result, when compared to the previous year. This will be assisted by ongoing benefits from internal restructuring activities and further price improvements."

The Land and Development Group will likely rely predominantly on earnings from the Trust in the second half, with no significant land sales expected.

The short-term outlook for Investments is clouded by volatility in commodity prices; however the diversified nature of WHSP's investments should continue to deliver stable earnings to Brickworks over the longer term.

Results briefing

Chairman Robert Millner and Managing Director Lindsay Partridge will be presenting the Brickworks results with a Q&A session afterwards today at 12.15pm, for 12.30pm start, at the Brickworks Sydney Design Studio, Ground Floor, 50 Carrington Street.

Brickworks Limited was listed on the Australian Securities Exchange in 1962 and has paid a dividend every year since then. It has three Groups - Building Products, Land and Development and Investments. The Building Products Group includes Australia's largest bricks producer Austral Bricks™, Austral Masonry™, Bristile Roofing™, Austral Precast™ and Auswest Timbers™. The Land and Development operation maximises value from surplus land and redundant building products sites. Investments include a 42.72% holding in Washington H. Soul Pattinson & Company.

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