



7 February 2008

Australian Stock Exchange  
Attention: Companies Department

**BY ELECTRONIC LODGEMENT**

**BRICKWORKS REDUCES PRODUCTION CAPACITY IN NSW**

The Brickworks Ltd (ASX: BKW) Board of Directors today announced its decision to mothball two kilns at the Horsley Park complex in response to a reduction in demand for bricks in New South Wales.

Mr Lindsay Partridge, managing director of Brickworks stated, "The housing downturn in NSW is now of a duration and extent that it can only be compared to the downturns of WWII or the Great Depression. Further interest rate rises and poor weather have resulted in there being no signs of house sales improving in NSW".

One kiln at each of Plant 22 and Plant 23, out of a total of four kilns at the complex, will not recommence production on an indefinite basis. The Horsley Park plants along with the two other plants in NSW have been closed for maintenance and stock control since late December 2007 with a plan to recommence production in February.

Strong demand in the West Australian market for bricks delayed the closure of the plants, with significant quantities of bricks being shipped by sea to Perth during 2007.

"Unfortunately this is a decision that we could no longer avoid. The move will result in 36 long term employees being made redundant and will reduce our production capacity by 100 million units per annum, enough bricks to build 10,000 homes.

"It would seem inconsistent to most people that during a housing shortage and rising rents that construction of new houses in NSW is at record lows," Mr Partridge said.

Brickworks supports and urges the NSW government to press on with their reforms aimed at improving land supply, improving land affordability and speeding up the council approval process.

The plant shutdowns in NSW along with extensive rain on the East Coast, the recent gas shortage in Western Australia and the switch from Scoresby to Wollert in Victoria have, in combination, made a significant impact on the Building Products first half result, however management's focus on Land & Development has improved its contribution and will enable Brickworks first half result to remain close to last year.

**FOR FURTHER INFORMATION CONTACT:**  
**MR LINDSAY PARTRIDGE, MANAGING DIRECTOR, TEL: (02) 9830 7800**