



**MEDIA RELEASE**

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## **BRICKWORKS ANTICIPATES SOLID PERFORMANCE IN FY2013**

Brickworks Limited (ASX: BKW) told its shareholders at its 78<sup>th</sup> Annual General Meeting today that its diversified model should deliver a solid performance in the coming year to July 31, 2013, underpinned by expectations for a steady result from the Building Products Group and improved earnings from Land and Development.

Chairman Mr Robert Millner said: "Brickworks' diversified portfolio that includes Building Products, Investments and Property has provided shareholders with returns that have outperformed the All Ordinaries Accumulation Index over the past five, ten and fifteen years."

### **First Quarter Trading Update**

Earnings in the Building Products Group have now stabilised following 18 months of decline. Despite slightly lower volumes, sales revenue for the first quarter of financial year 2013 was steady compared to the prior corresponding quarter, primarily as a result of solid price increases achieved across most divisions. In addition, the Austral Bricks and Bristle Roofing divisions benefited from significant restructures completed in FY2012 that have enhanced margins.

Operations have been significantly disrupted due to two fires, one at Auswest Timbers' Deanmill site in Western Australia and the other at the Wollert brick factory in Victoria, as well as flooding at the Wetherill Park precast plant in New South Wales. These events are covered by insurance policies and Brickworks expects to fully recover damaged plant and equipment and lost earnings.

### **Outlook**

Managing Director Mr Lindsay Partridge said he remains cautious about the outlook for building activity. "The easing of interest rates that commenced this time last year has yet to have any meaningful impact on detached housing approvals and construction. Although there is some anecdotal evidence that a recovery is imminent, it remains difficult to forecast when conditions might improve given the headwinds that still constrain a sustained recovery," he said.

Mr Partridge said that with the majority of internal restructuring activities within the Building Products Group having now been completed, the business is better equipped to handle the current depressed conditions. "All businesses are now focussed on improving profitability on a reduced cost base. On the back of these initiatives, we expect the Building Products Group to deliver steady earnings in financial year 2013," he said.

Land and Development earnings are expected to be higher in the current year, with rental returns from the Joint Venture Property Trust to be boosted by the recent completion of 50,000m<sup>2</sup> of new lettable area.

