

MEDIA RELEASE

25 NOVEMBER 2008

BRICKWORKS DIVERSIFICATION TO DELIVER SOLID PROFITS

Brickworks Limited (ASX: BKW) told shareholders at its 74th Annual General Meeting that its diversification strategy would continue to deliver solid profits in the coming year.

Building Products weaker, FHOG should be extended

Brickworks' Building Products division experienced weaker trading conditions in most States, with extended plant closures to be taken in the current half to control stock levels. Managing Director of Brickworks, Mr Lindsay Partridge noted that both the increasing of the Federal Government's First Home Owners Grant to \$21,000 and the recent interest rate cuts are positives for the building industry. While there are patchy reports of increased house sales, these are unlikely to provide a real stimulus for recovery until the second half of 2009, by which time the current increase to the First Home Owners Grant will have ended. "The extension of the increased First Home Owners Grant out to at least 2010 would assist in the sustained recovery of the housing market in the medium term" added Mr Partridge.

Positive outlook for 2009

Brickworks' outlook for 2009 is positive, with an improved performance from Investments to offset the decline in Building Products and Land & Development, carrying the diversified group to a solid result.

Chairman of Brickworks, Mr Robert Millner pointed out to shareholders that the strategy of combining non-cyclical income from both Investments and Land & Development with a cyclical Building Products business had enabled Brickworks to out-perform the ASX over the last 10 years.

Brickworks' commentary on the Carbon Pollution Reduction Scheme

Mr Partridge also said that: "While Brickworks supported a long term and risk management approach to Climate Change policy; the company had four main concerns in regards to the Federal Government's proposed Carbon Pollution Reduction Scheme in its current draft form.

"Firstly, the 'whole of life analysis' of building materials has proven conclusively that bricks have lower carbon footprints than alternate building materials, despite some lightweight alternatives having lower carbon emissions during manufacture. Long term solutions must be put in place, rather than short term reductions with long term consequences.

Secondly, we believe the proposed scheme will impact on company balance sheets and cash flows, reducing their ability to invest in emission reducing technologies. Thirdly, Brickworks are of the firm belief that bricks and other heavy building products are 'trade exposed'. Without protection brick and building product manufacture will be transferred overseas to countries that do not adopt a similar scheme. Lastly, we consider it vital that a level playing field is maintained for all Building Products. The proposed scheme may result in market distortions, with bricks potentially at an unfair cost disadvantage compared to other 'higher environmental impact' Building Products."

Brickworks' normalised final year profit for 2007-08 was \$108.2 million, up 5.9% with the increased final dividend of 26.5 cents per share fully franked to be paid on 10 December 2008.

Brickworks, Australia's largest brick manufacturer has brands including Austral Bricks™, Austral Masonry™, Bristle Roofing™, Eureka Tiles™ and Auswest Timbers™. Brickworks has paid a dividend every year since listing on the ASX in 1961.

BRICKWORKS LIMITED (ASX CODE: **BKW**) www.brickworks.com.au

FOR FURTHER INFORMATION CONTACT:

MR LINDSAY PARTRIDGE, MANAGING DIRECTOR TEL: **(02) 9830 7800**

MR ROBERT MILLNER, CHAIRMAN, BRICKWORKS LIMITED TEL: **(02) 9232 7166**