

BRICKWORKS

LIMITED

25 September 2008

Australian Securities Exchange
Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir/Madam,

Please find attached a press release relating to the Brickworks Ltd financial results for the year ended 31 July 2008, for immediate release to the market.

Yours faithfully,
BRICKWORKS LIMITED



IAIN THOMPSON
COMPANY SECRETARY

BRICKWORKS LIMITED

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BRICKWORKS INCREASES PROFIT AND DIVIDENDS AND FORECASTS SOLID YEAR AHEAD

The Austral Brick Co Pty Ltd Celebrates 100 Years Today

FULL YEAR	2007	2008	Variance %
Revenue (\$M)	558.9	553.7	-0.9
EBIT Normalised (\$M)	152.9	178.1	+16.5
NPAT Normalised (\$M)	102.2	108.2	+5.9
EPS Normalised (cents)	77.0	81.5	+5.9
Final Div (cents)	26.0	26.5	+1.9

- **Brickworks Normalised NPAT up 5.9% to \$108.2 million**
 - Building Products EBIT down 18.7% to \$53.6 million
 - Land and Development EBIT up 55.4% to \$93.7 million
 - Associates and Investments EBIT up 13.5% to \$36.9 million
- Brickworks Property Trust market value up 90.7% to \$174.1 million
- Value of WHSP investment up by 5.4% to \$1.069 billion
- Full Year dividend up 1.0 cent to 39.0 cents fully franked

Brickworks (ASX: BKW) today announced a solid financial result with a rise in **Normalised Net Profit After Tax (NPAT) up 5.9% to \$108.2 million** for the full year ended 31 July 2008, up from \$102.2 million on last year. The result continues to highlight the benefits of the growing diversification of Brickworks earnings from its three divisions - Building Products, Land and Development and Investments.

Directors have declared a 0.5 cent increase in the final dividend to 26.5 cents fully franked, taking the full year dividend to 39.0 cents fully franked, up from 38.0 cents in the previous year.

Total free cash flow before capital expenditure and ordinary dividends was \$98.0 million, up 78.2% from \$55.0 million the previous year. Total Interest Bearing Liabilities, including PAVERS, increased to \$562.9 million, up 8.2% from the \$520.2 million reported in the last fiscal year.

Chairman of Brickworks, Mr Robert Millner, said: "Brickworks strategic collection of assets has again proved itself with steady earnings in this volatile environment. Our continued focus on diversification has paid off and on behalf of the Board, I am pleased to announce an increase in the dividend for the tenth year in a row."

The Building Products division recorded an EBIT of \$53.6 million, down 18.7% on the \$65.9 million from last year.

Lower demand and extreme weather conditions impacted on brick and roof tile sales volumes. The resulting prolonged plant shutdowns to control stock were exacerbated by gas shortages while substantial input cost increases in diesel, gas and electricity also impacted on unit manufacturing costs and margins. Significant selling price increases are in train to recover the lost margins.

The Land and Development division produced a record EBIT of \$93.7 million for the fiscal year ending 31 July 2008, representing an increase of 55.4% from \$60.3 million last year. The result is the highest return provided to date and highlights the success of property strategy for Brickworks. Property sales in NSW include the first stage of the Oakdale property at Horsley Park and Eastwood, as well as the sale of a further 4.6 hectares of the M7 Business Hub and the completion of the JV Property Trust assets.

Normalised EBIT from Investments rose by 13.5% to \$36.9 million. The value of Brickworks Investment in WHSP increased 5.4% to \$1.069 billion.

During the period Brickworks acquired clay reserves in Berrima, NSW that, once approved, will supply the Austral Bricks™ Bowral operation for approximately fifty years. Brickworks also acquired the Bundaberg Clean Sands business to secure reserves that supply the GB Masonry™ business. Another acquisition concluded was Smart State Blocks, a substantial producer of concrete masonry based in South East Queensland.

“While in the coming year Victoria, South Australia and Tasmania are expected to remain solid, in New South Wales the conditions are equally as depressed as anything the company has experienced in the last one hundred years. The housing shortage and rental crisis is a direct result of inadequate dwelling construction. Inflation could be significantly reduced if the rental crisis was solved. Government policy at a State and Federal level should be directed at this,” stated Mr Lindsay Partridge, Managing Director of Brickworks.

“Looking forward; Building Products will be impacted by previous interest rate rises and factory closures, Land and Development will be significant but down on the record year, while Investments are anticipated to be very strong resulting in another solid year ahead for Brickworks,” he added.

Brickworks Limited has successfully completed its first syndicated borrowing, which was oversubscribed, securing a three-year \$600 million facility to July 2011. The net debt to capital employed was steady at 32.0%, well within our desired debt gearing band.

The record date for the ordinary dividend will be 26 November 2008, with payment being made on 10 December 2008. The record date for both the final PAVERS dividend and the PAVERS redemption will be 24 November 2008 with payment being made on 1 December 2008.

Results Briefing:

Robert Millner, Chairman and Lindsay Partridge, Managing Director will be presenting the Brickworks results with a Q&A session afterwards today at 12.15pm, for 12.30pm start, at the Sofitel Wentworth Sydney, Adelaide Room, Level 4, 61-101 Phillip Street, Sydney.

For participants unable to attend, you can dial in and ask questions via teleconference:

Dial In Number: 1800 148 258 / Conference ID: 61714139

The briefing will also be available to view via live webcast (and replay) at: <http://brickworks.com.au/annual-profit>

Brickworks Limited was listed on the ASX in 1962 and has paid a dividend every year since then. It has three divisions - Building Products, Land and Development and Investments. The Building Products division includes Australia's largest bricks producer Austral Bricks™, Austral Masonry™ and Bristile Roofing™. The Land and Development operation maximises value from surplus land and redundant building products sites. Investments include a 42.85% holding in Washington H. Soul Pattinson and 17.8% holding in Brickworks Investment Company.

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

FOR FURTHER INFORMATION CONTACT:

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