



ASX ANNOUNCEMENT AND MEDIA RELEASE - 4 MARCH 2003

BRICKWORKS MAKES TAKEOVER OFFER FOR BRISTILE LTD

Brickworks Limited announces that its wholly owned subsidiary, The Austral Brick Co Pty Limited ("**Austral**"), intends to make a takeover offer of \$3.15 per share in cash for all of the issued capital of Bristile Limited. Accepting shareholders will receive the interim dividend of 9.0 cents per share announced by Bristile on 11 February 2003. The offer is conditional on Austral acquiring at least 50.1% of Bristile's issued capital and other conditions, a summary of which is attached.

Mr Robert Millner, Chairman of Brickworks Limited, said the offer is attractively priced and at an historically high level. The offer is being made to all Bristile shareholders and would lead to increased investment in Western Australia.

"Our offer provides an opportunity for Bristile's shareholders to realise a premium price for their shares at a time when the residential building cycle has shown signs of peaking and a downturn in building approval statistics has already occurred." Mr Millner said.

Brickworks intends to preserve Bristile's head office at Caversham, Perth, as the operational administration centre for the current Bristile operations. Mr Millner added Brickworks expects to work with the current Bristile management team, so there would be minimal changes to Bristile employees and no disruption to Bristile's operations. Brickworks also plans to immediately investigate building a large new plant at Cardup, Western Australia, to produce Brickworks's leading technology products such as Slick Bricks.

The offer price of \$3.15 per share values Bristile at \$473 million, an 11.9 times multiple of earnings per share for the year ended 30 June 2002 and a premium of 8.6% to yesterday's closing price on the ASX. Brickworks is already Bristile's largest shareholder with a relevant interest in 22.7% of its capital. Brickworks has two directors on Bristile's board.

Brickworks is a major listed company with a market capitalisation of \$875 million. Brickworks owns the Austral group, which is a leading brick maker operating in New South Wales and Queensland only, while Bristile owns brick operations in Victoria, South Australia, Western Australia and Tasmania. Brickworks also owns Eureka Tiles Australia, Australia's largest floor tile producer while Bristile produces clay roof tiles in Western Australia and Victoria and cement roof tiles in Victoria and Queensland. Brickworks also owns a large investment portfolio.

The combined group would be one of the largest brick manufacturers in Australia with operations in every state. Brickworks has informed the ACCC of its intention to make the

offer and is confident the offer will not be constrained by the ACCC as Brickworks does not have any significant competing operations in the States where Bristle operates.

Brickworks' strong financial position will enable the combined group to equip its brick factories to meet future market challenges and to produce leading technology products such as "claylinks", "mighty bricks" and "slick bricks".

The merged group's national presence and greater scale will increase its potential to pursue export opportunities, enhance research and development programmes and enable it to promote a national industry funded bricklayer apprenticeship training scheme with more resources and vigour.

Documentation setting out the offer will be sent to Bristle shareholders in approximately 2 to 3 weeks.

SUMMARY OF OFFER CONDITIONS

In summary form, the conditions to the Offer are:

- Austral and its associates having a relevant interest in at least 50.1% of the aggregate of the number of Bristile Shares on issue and the number of Bristile Shares issuable on exercise of Bristile Options at the end of the Offer Period;
 - no orders made by, or applications made to, a Public Authority which restrain or prohibit, or otherwise materially adversely impact upon the Offer or the completion of any transaction contemplated by the Offer;
 - no dividend or other distribution being made or declared by Bristile other than the interim dividend of 9 cents per Bristile Share announced on 11 February 2003;
 - no Prescribed Occurrence occurring in relation to Bristile; and
 - no change occurring which has had or is reasonably likely to have a material adverse effect on the operations, assets, material contracts, business or condition (financial or otherwise) of the Bristile Group.
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