

RECORD BUILDING PRODUCTS SALES, DIVIDEND UP 7.1%

FULL YEAR	2015	2014	Variance %
Revenue (\$M)	723.6	670.3	8.0
Underlying EBIT ¹ (\$M)	165.9	143.2	15.8
Underlying NPAT (\$M)	120.3	101.3	18.8
Statutory NPAT (\$M) <i>Inc. Significant Items</i>	78.1	102.8	(24.0)
Underlying EPS (cents)	81.1	68.4	18.5
Final Dividend (cents)	30.0	28.0	7.1
Full Year Dividend (cents)	45.0	42.0	7.1

Brickworks (ASX: BKW) today announced a record **underlying Net Profit After Tax (NPAT)** before significant items of \$120.3 million for the year ended 31 July 2015, up 18.8% from the prior year. **Statutory NPAT** was \$78.1 million, down 24.0%, including non cash impairments in Austral Precast and Auswest Timbers, reported in the first half, and in Washington H Soul Pattinson's ('**WHSP**') subsidiary companies New Hope Corporation and CopperChem in the second half.

Managing Director Lindsay Partridge said: "This is an outstanding result for the Brickworks Group with Building Products, Land and Development and Investments all improving, to deliver a record underlying profit. Our balance sheet remains healthy with gearing continuing to fall, which will facilitate growth initiatives across the group in the years ahead."

Underlying earnings per share were 81.1 cents, up 18.5% from 68.4 cents for the prior year.

Directors have declared a fully franked final dividend of 30 cents per share, taking the full year dividend to 45 cents fully franked, an increase of 3 cents, or 7.1% on the prior year. The record date for the final dividend will be 5 November 2015, with payment to be made on 25 November 2015.

Despite the strong result and upbeat outlook, Brickworks' Chairman Mr Robert Millner added a note of caution. "Although housing activity is now taking up the slack in the broader Australian economy, if the country is to return to higher levels of economic growth over the long term, significant reform is required. Payroll tax is tantamount to a fine on employing people and should be abolished. Despite our significant investment in staff training and development programs, labour productivity continues to be stymied by inflexible workplace regulations".

Building Products Group

Building Products' underlying Earnings Before Interest and Tax (EBIT) grew 25.0% to \$56.4 million for the year to 31 July 2015. Revenue rose 10.0% to a record \$700.9 million, buoyed by continued momentum in Australian residential building activity.

Austral Bricks was a standout performer, delivering a 40.5% increase in earnings and record sales revenue of \$379.9 million. This result was achieved due to a 9.7% uplift in sales volume and strong selling price increases in most states. Excluding the impact of Western Australia where pricing was flat, the average selling price was up 6.1% on the prior year.

¹ All underlying profit and earnings measures exclude significant items, unless otherwise stated

Bristle Roofing earnings rose 19.8% driven by a strong performance in Queensland, and the continued growth of La Escandella terracotta tiles, now established as the premium roofing product in the market.

Meanwhile, Austral Masonry delivered another increase in earnings, up 9.6% on the prior year, whilst Austral Precast and Auswest Timbers posted a decline in earnings. In both of these divisions, significant restructuring was undertaken during the year, and a strong focus on improving productivity is now delivering improved performance.

Land and Development

Land and Development generated underlying EBIT of \$64.4 million for the year ended 31 July 2015, up 3.1% on the prior year, driven by a strong revaluation profit in the Property Trust and the \$253 million sale of the Coles Chilled Distribution Centre (Coles CDC). The sale of the Coles CDC facility at this time reflects Brickworks strategy of realising the maximum value possible from its portfolio of property assets. The current low capitalisation rates for industrial properties in the area, together with the long lease period and high quality tenant for this asset, created an ideal sale opportunity.

Investments

Underlying EBIT from investments rose 22.9% to \$54.9 million and cash dividends totalling \$50.1 million were received for the year ended 31 July 2015. The market value of Brickworks 42.72% shareholding in WHSP was \$1.401 billion at 31 July 2015.

Outlook

Brickworks Managing Director Lindsay Partridge said: "The outlook for Building Products is very positive. With a long pipeline of work and price rises successfully implemented in our major markets, earnings are expected to improve in 2016."

"In Austral Bricks, the current order bank along the east coast is extremely strong. Home builders in the major markets of Sydney and Melbourne are reporting strong demand and work in hand extending by up to one year. However government's across Australia need to do more to overcome land title bottlenecks, delays in building approvals and trade shortages", Mr Partridge said.

Demand in other divisions is also strong, exemplified by Austral Precast, where capacity in Queensland is sold out for almost the entire year and orders in New South Wales are increasing rapidly. In Bristle Roofing sales growth has continued in the first six weeks of the new financial year, supported by increased promotional activity.

Land and Development earnings for 2016 are expected to be approximately in line with 2015, subject to the timing and value of property transactions. Available industrial space for lease in western Sydney is now severely limited due to hail damage at nearby industrial areas. As a result, development activity is currently strong and there is significant potential to secure a number of additional pre-commitments and sales over the next 6-12 months. It is also anticipated that the first section of Oakdale West will be sold into the Property Trust during financial year 2016.

The diversified nature of Brickworks' holding in WHSP is expected to deliver steadily increasing earnings and dividends to Brickworks over the long term.

Following the Coles CDC sale Brickworks has an extremely strong balance sheet and is able to invest in strategic capital projects in its core business, and is exploring other opportunities to provide further earnings growth over the medium term.

Brickworks included in S&P/ASX 300

Brickworks' was included in the S&P ASX 300 Index as at close of trading on 18 September 2015. The improved liquidity and profile that will arise from being included in the index will be beneficial to all shareholders and reflects the significant level of investor support for the Group.

Results Briefing

Chairman Robert Millner and Managing Director Lindsay Partridge will present Brickworks' results at a briefing today at 12.15pm for a 12.30pm start at the Brickworks Sydney Design Studio, Ground Floor, 50 Carrington Street.

End

Brickworks Limited was listed on the Australian Securities Exchange in 1962 and has paid a dividend every year since then. It has three Groups - Building Products, Land and Development and Investments. The Building Products Group includes Australia's largest bricks producer Austral Bricks™, Austral Masonry™, Bristile Roofing™, Austral Precast™ and Auswest Timbers™. The Land and Development operation maximises value from surplus land and redundant building products sites. Investments include a 42.72% holding in Washington H. Soul Pattinson & Company.

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