

KILN 11 - the new plant

Midland Brick



Peter Hogan

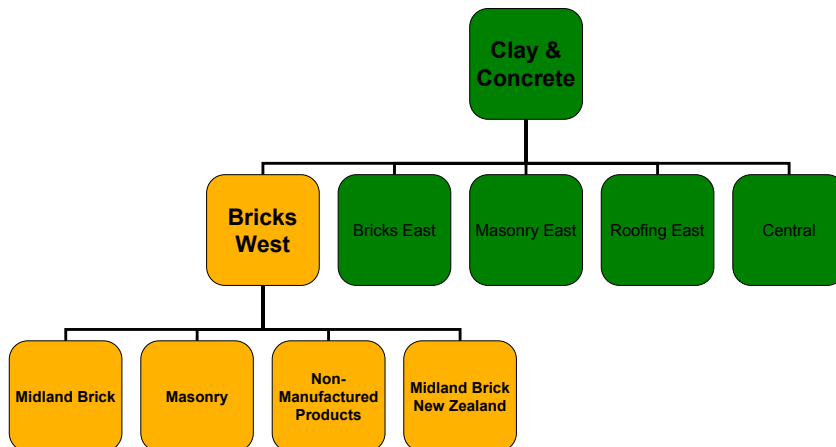
Perth Site Tour 6 July 2007

Midland Brick

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Midland Brick is part of the “Bricks West” business unit within C&C



Note: Midland Brick Company was established in 1946 and acquired by Boral Ltd in 1990

Midland Brick

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The Midland Brick Company was started by Ric and Gerry New in 1946

"If we can't get bricks, let's go out and make them" – Ric New.



Ric New started Midland Brick in 1946.

"And they said one to another, Go to, let us make brick. And they had brick for stone, and slime had they for mortar" Genesis 11:3 - The earliest written record of brick production.



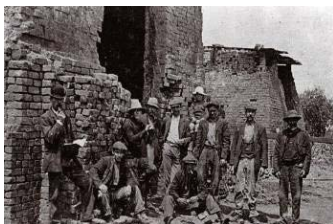
Gerry New in front of one of the original square updraft kilns.



Louis Whiteman and family c 1937. Lew Whiteman is sitting second from right.

....and over half a century, combined with Whiteman Brick to become the world's largest brickworks

"Midland Brick believes in maintaining control over the whole manufacturing, distribution and commercial process. We mine all our own clay and shale; truck it to the Middle Swan premises; make, market, sell and deliver the bricks and even run training courses to ensure the workforce has the best skills to do the job."



Balkan migrants at Whiteman Brick c 1910

"Never let anyone come between us and our customers, employees or major suppliers needed to manufacture and deliver our bricks" - Ric New

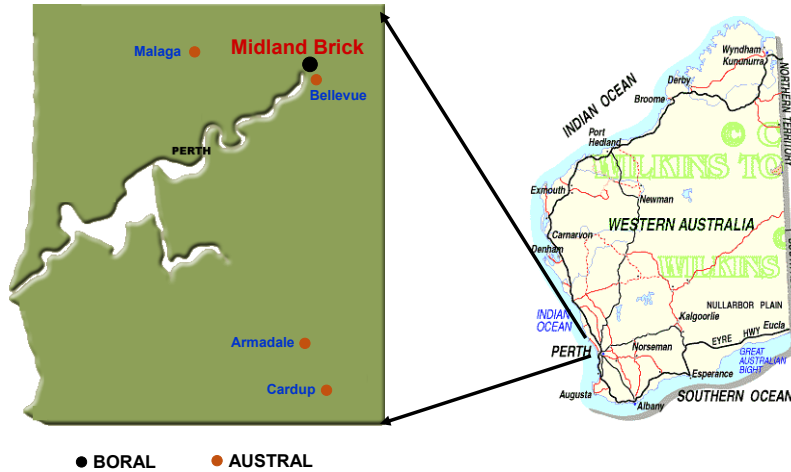


Snow Endersby shortly before joining Midland Brick as the first employee.



Dominic Stante on a forklift modified from a Bren gun carrier.

Midland Brick has traditional market share of 55-60% from a single site in North-Eastern Perth



Midland Brick

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Midland Brick – 2007



Midland Brick

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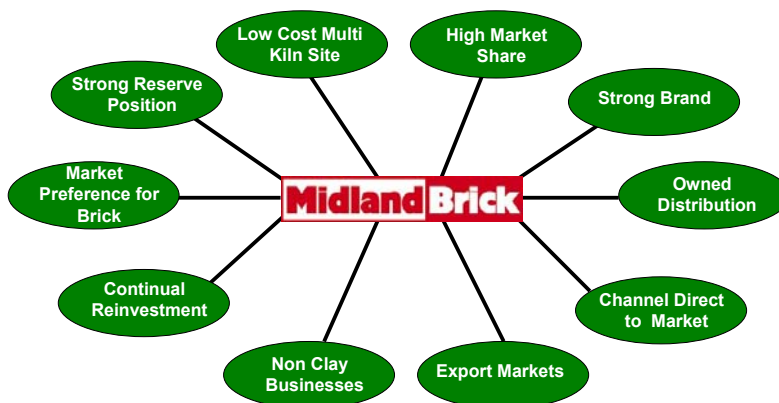


Midland Brick – key statistics

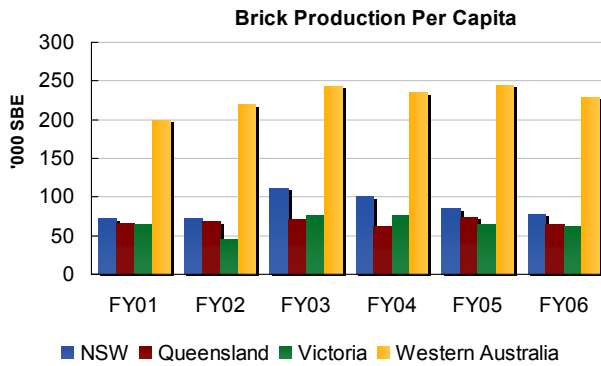
- 16 clay mines (<54 kms)
- 35 years+ clay reserves
- 7 operating kilns
- >600 employees and >70 contractors
- 1,800 clay products
- 12 retail outlets and Timber warehouse
- Sales to NSW / VIC / SA
- Exports to 8 countries
- 2 concrete masonry plants



The Midland Brick business has been sustained through a number of competitive advantages



Western Australia continues to have strong demand for clay products



Source: Australian Bureau of Statistics

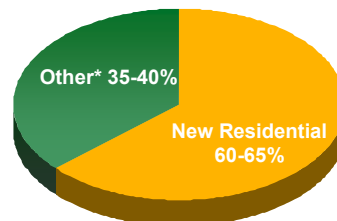


Midland Brick supplies 5 major product lines into 4 distinct segments

Product lines

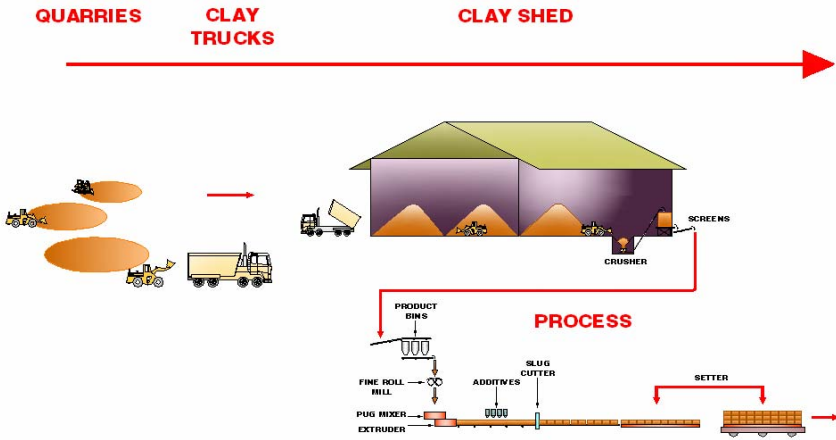
1. Face Brick
2. Face Block
3. Render Brick
4. Render Block
5. Pavers

Indicative segment split of revenues

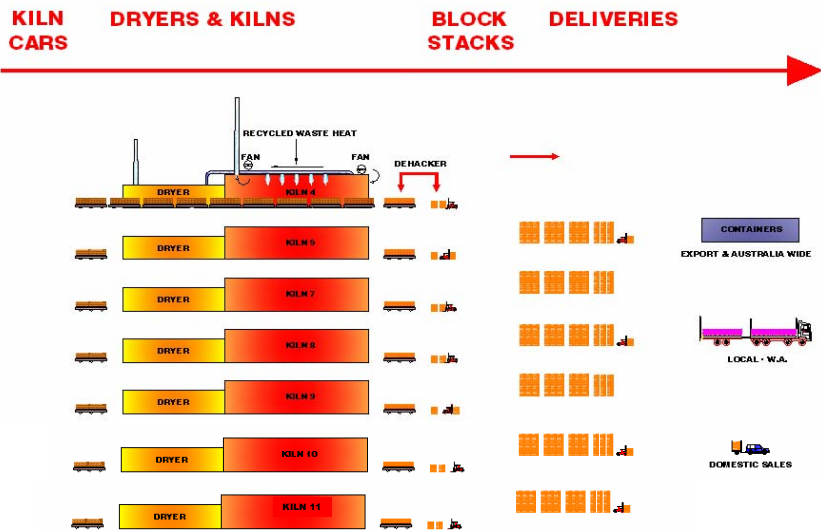


* Includes Commercial, Additions & Alterations, Export/Interstate

The end-to-end process is controlled in-house from mining...



...through to delivery to the customer



Midland Brick has tenure and security over availability and costs of key inputs

Costs	% of Total Costs ¹	Key Issues
Material Costs	15	Long term clay reserves (>35 years) close to Midland Brick site
Energy Costs	20	Long term gas and electricity supply contracts in place
Other Manufacturing	65	IR Platform built on AWA's since 2001 Performance focused culture continues to bring productivity enhancements Strong cost management focus delivering manufacturing cost reductions > inflation since 2000
Total	100	

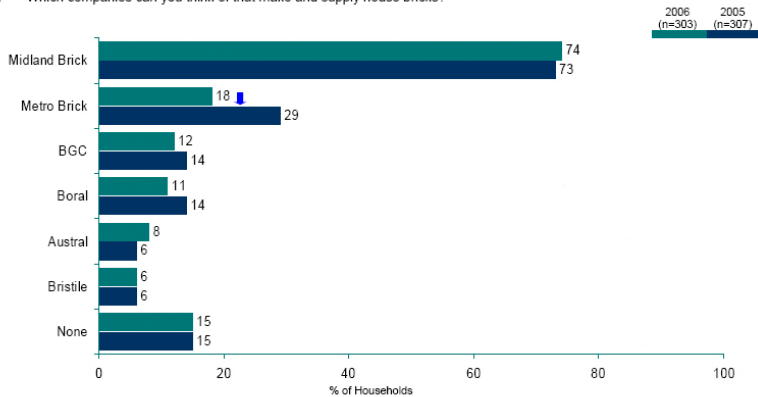
1. All figures rounded to nearest 5%

Midland Brick has commissioned Kiln 11 as a replacement kiln

Investment	<ul style="list-style-type: none"> ▪ \$53m (announced August 2003)
Approval Requirements	<ul style="list-style-type: none"> ▪ City of Swan – Development Approval ▪ Swan River Trust ▪ WA Planning Commission – Planning Consent ▪ DOE, EPA – Works Approval
Timing	<ul style="list-style-type: none"> ▪ Board approval - August 2003 ▪ External approvals - September 2004 ▪ Commissioning - June 2006 quarter
Products	<ul style="list-style-type: none"> ▪ Extruded Face Brick & Blocks ▪ Soft Mud Bricks ▪ Export Products / Tiles ▪ Pavers ▪ Render Bricks & Blocks <p style="text-align: right;">} 50M SBE</p>
Benefits	<ul style="list-style-type: none"> ▪ Reduction in labour costs ▪ Lower gas consumption & greenhouse emissions ▪ Higher first quality recovery ▪ Overall reduced cash cost

Midland Brick's strong brand recognition is a sustainable competitive advantage

Q: Which companies can you think of that make and supply house bricks?

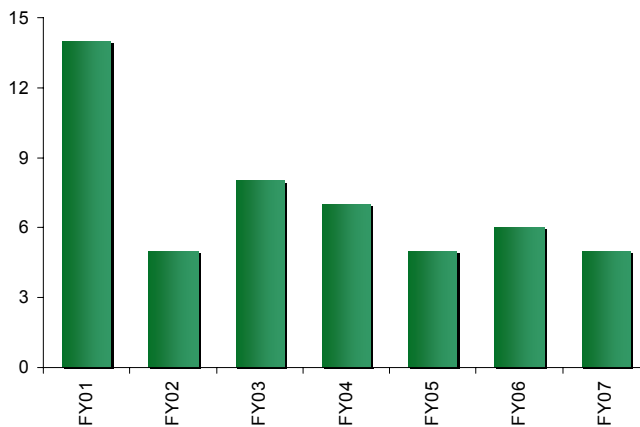


There has been little movement in unprompted brand awareness in the Perth market. Midland Brick has the highest unprompted brand recall in Perth and the South West. Unprompted brand recall of Metro Brick in the Perth market continues to decline.

Source: Market Equity

Midland Brick places a high priority on the safety and welfare of its staff, employees, contractors and visitors

Lost Time Injuries¹ - FY01 to FY07



1. Lost Time Injuries to Employees and Contractors