

21 May 2014

**Michelmersh Brick Holdings PLC  
("MBH", the "Company" or the "Group")**

**AGM STATEMENT  
Exceeding Market Expectations & Positioned for Growth**

Michelmersh Brick Holdings PLC (AIM:MBH.L), the specialist brick, land development and landfill company, announces that, at its Annual General Meeting (AGM), which is to be held at 10.30 am today, Mr. Eric Gadsden, Chairman, will make the following statement:

"I am pleased to report that the long awaited recovery to the construction industry and demand for Michelmersh's products continued into the first quarter of 2014. Volumes for the brick industry increased by 26% against the backdrop of severe weather conditions in 2013.

More importantly, the industry achieved a long overdue average price increase of 13% for the quarter, as building materials generally, and bricks in particular, remain in very short supply. Michelmersh maintained its market premium and matched that percentage increase for the first quarter. The Board expects these trends in demand to continue into the peak trading season.

Despite political turmoil, energy prices have been more benign than in recent periods and the Group is managing its production costs within budget. The £2.3 million investment project to increase capacity at Freshfield Lane by 6 million bricks per annum is well progressed and is on schedule to start contributing to volumes in early 2015.

With the peak sales months still to come, the Board is forecasting continued strong trading and high demand for its premium product. Due to these circumstances, the Board expects the Company to exceed current market expectations for the year to 31 December 2014.

The Board continues to progress long term opportunities through the planning system including alternative development at the Charnwood quarry and the former Dunton brickworks site and to secure the future of operations at Michelmersh through extending clay reserves. The Group is uniquely placed in an industry with high barriers to entry. We remain well-financed and positioned to benefit from higher demand for bricks in the UK. Our market position, asset base and enhanced shareholder register gives the Board optimism about our future prospects."

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**About Michelmersh Brick Holdings PLC:**

Michelmersh Brick Holdings PLC is a business with five leading market brands: Blockleys, Charnwood, Freshfield Lane, Michelmersh and Hathern Terra Cotta. These divisions operate within a fully integrated business combining the manufacture of clay bricks, tiles and pavers. The Group also includes a landfill operator, New Acres Limited, and seeks to develop future landfill and development opportunities on ancillary land assets.

Established in 1997 the Company has grown through acquisition and organic growth into a profitable and asset rich business, producing approximately 70 million clay bricks, tiles and pavers per annum. MBH PLC currently owns most of the UK's premium manufacturing brands and is a leading specification brick and clay paving manufacturer.

Recently Michelmersh's products have been successfully used in prestigious projects such as the Nottingham Railway Station refurbishment, Manchester's Salford Quays regeneration project and the Lend Lease, Elephant and Castle redevelopment in London. We are also suppliers to high value housing developers such as Berkeley and St James Homes, delivering to key city regeneration projects such as Battersea Reach.

Please visit the Group's website at: [www.mbhplc.co.uk](http://www.mbhplc.co.uk)