

22 May 2013

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

AGM Statement

Michelmersh Brick Holdings PLC (AIM: MBH), the specialist brick, land development and landfill company, announces that, at its AGM to be held at 11.00am today, Eric Gadsden, Chairman, will make the following statement:

"Trading results for the first quarter of 2013 show that, whilst volumes in the UK brick industry as a whole have fallen by 8.5%, the Group has increased despatch volumes over the same period in 2012 by 3%. The Company has also maintained its selling prices, while the UK brick industry has reported falling average prices. In the context of extended periods of cold weather, difficult construction industry conditions, and fewer trading days compared with the equivalent period last year, the Group's performance in the year to date is encouraging. Although energy price inflation has continued to put pressure on gross margins, the Board continues to seek operating efficiencies which, combined with a strong contribution from landfill activities in the period, have contributed to a first quarter result in line with management expectations.

Plant Closure

Following a detailed review of operations at the Group's Dunton brickworks, the Board has reluctantly decided to cease brickmaking activities from that site. The brickworks is the oldest and smallest plant within the Group, which in the year to 31 December 2012 manufactured 2 million bricks (2011: 3.5 million), contributed turnover of £1.5 million (2011: £1.8 million) and produced a loss on operations of £372,000 (2011: profit of £96,000). A combination of higher production costs, diminishing quality of mineral reserves and strong local competition resulted in a worsening outlook for the plant. As a result, the asset was revalued downwards by £800,000 in the Group's audited financial statements for the year to 31 December 2012. The first quarter of 2013 has seen continued losses.

While the cessation of brickmaking at Dunton will incur redundancy costs and a write down of plant and stock to realisable value, land assets will increase in value as landfill activities are brought forward. A provision will be made for these charges as well as a revaluation of the land in the Group's unaudited results for the six months to 30 June 2013, which will be announced in September. The combined effect of these adjustments is expected to reduce the Group's net assets by less than £250,000.

Dunton stands on a 26 acre site, near Chesham in Buckinghamshire, which has planning consent for landfill to a capacity of 550,000 tonnes. The Board is currently evaluating the options for the site.

Land Sales

The Company has been engaged in finalising planning conditions and S106 obligations with the local authority in order to be able to sell unconditionally its 15 acre former factory site adjacent to its brickworks in Telford, Shropshire. Discussions with a major residential developer have not as yet

resulted in a sale but the Board is confident that progress on the planning enhances the value of the asset. The property is being re-marketed with the benefit of now established planning obligations.

The Group's audited accounts for the year ended 31 December 2012 included this plot of land under "Current assets- land for sale" at a value of £3.35 million, being the estimated value net of the associated costs of reconfiguration of the continuing operational brickwork site.

The Group will now seek to bring to completion, the planning matters relating to the other 15 acres of land in Telford, ready for disposal under the Persimmon Option agreement, which should benefit from the precedent set in the sale of the former factory site."

For further information:

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Notes to Editors:

Michelmersh Brick Holdings PLC is the holding company for Michelmersh Brick UK Ltd, a business with five leading market brands: Michelmersh, Charnwood, Blockleys, Hathern Terra Cotta and Freshfield Lane. 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 by Martin Warner, Chief Executive and Eric Gadsden, Chairman, the Company has grown through acquisition and organic growth into a profitable, cash generative and asset rich business, producing approximately 70 million clay bricks, tiles and pavers per annum. MBH currently owns most of the UK's premium manufacturing brands and is a leading specification brick and clay paving manufacturer.

Recently MBH's products have been successfully used in projects such as the extension of the Lutyens-designed, Grade II Listed, Henrietta Barnett School in Hampstead Garden Suburb, the award-winning Holiday Inn Express in Manchester and the contemporary Falmer Academy building in Brighton. 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.

Further information on the Company can be found at www.mbhplc.co.uk