BRICKWORKS LIMITED

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27 March 2014

Australian Securities Exchange

Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir/Madam,

Please find attached a presentation and additional comments to be presented to analysts today regarding Brickworks' financial results for the half year ended 31 January 2014, for immediate release to the market.

Yours faithfully,

BRICKWORKS LIMITED

IAIN THOMPSON

<u>COMPANY SECRETARY</u>

RESULTS FOR THE HALF YEAR ENDED 31 JANUARY 2014

27 March 2014

BRICKWORKS LIMITED

OVERVIEW

Mr Robert Millner, Chairman

BRICKWORKS
LIMITED

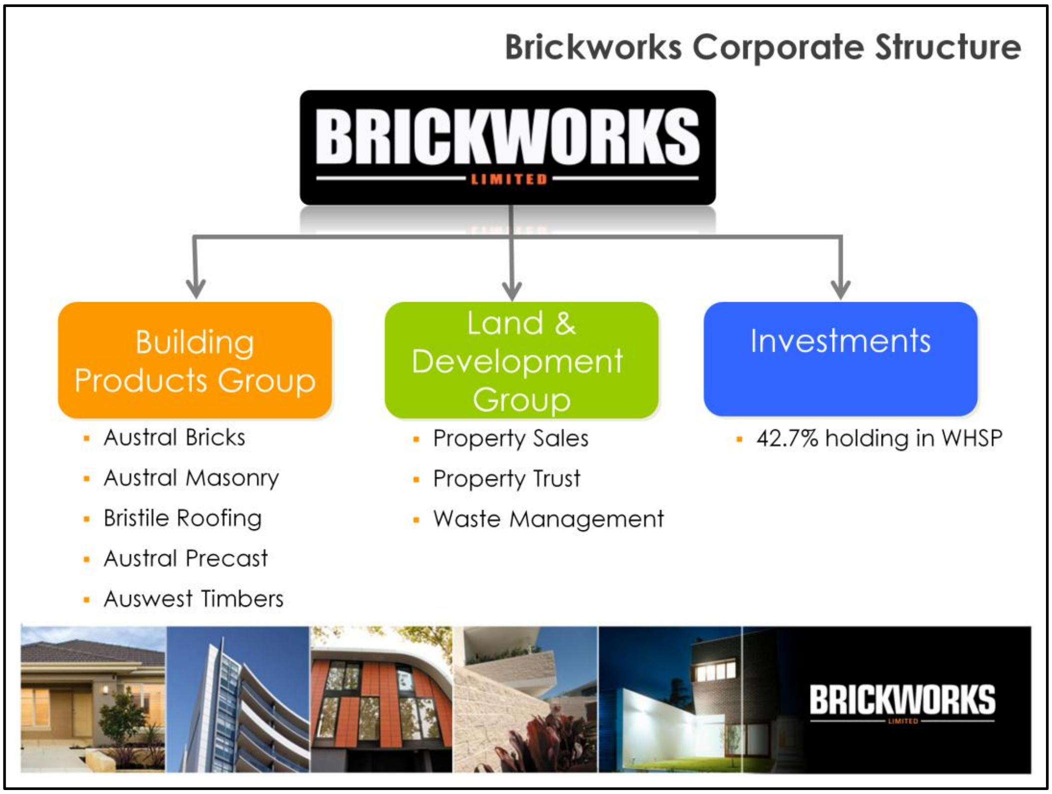
Presentation Outline

- Overview
- Results in Detail
- Building Products Results
- Building Products Outlook
- Land & Development
- Investments
- Perpetual / Carnegie Update
- Group Outlook
- Questions

Chairman: Good Afternoon Ladies and Gentlemen and welcome to the Brickworks analyst briefing for the half year ended 31 January 2014.

Today I will provide an overview of the Brickworks results and then our Managing Director, Mr. Lindsay Partridge will take you through the results in more detail.

Mr. Alex Payne, our Chief Financial Officer is also here to answer any questions at the conclusion of the presentation.



Brickworks corporate structure has provided diversity and stability of earnings over the long term.

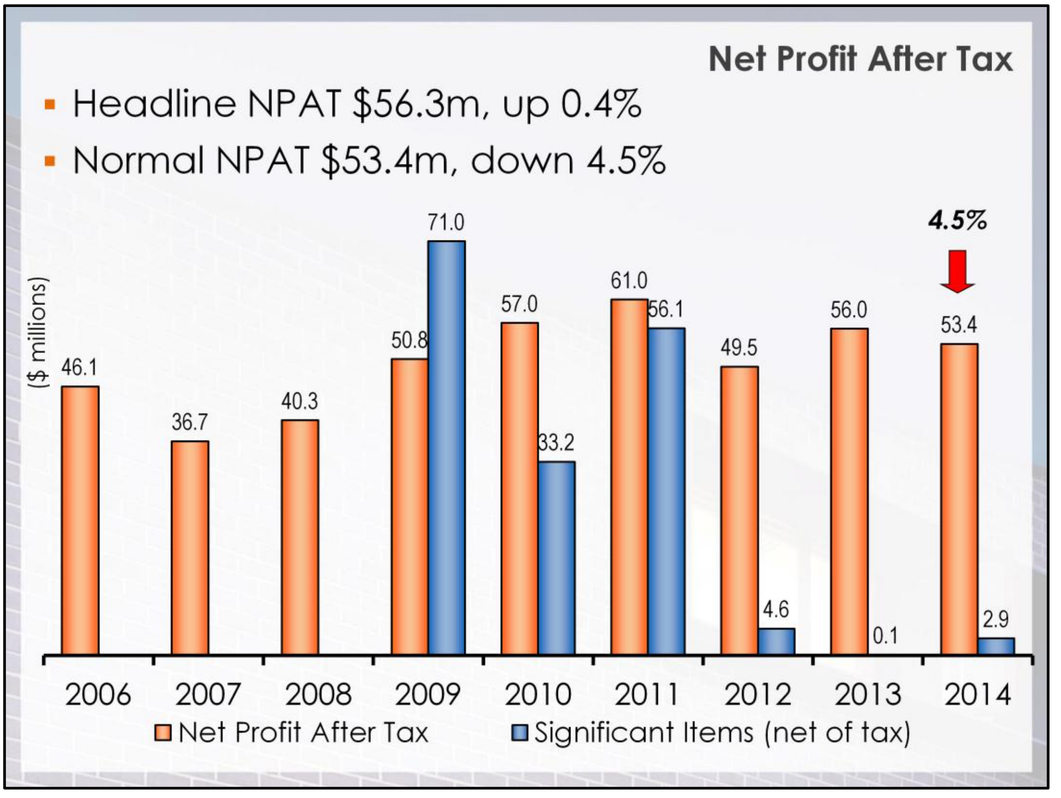
There are three main parts to the Brickworks business model:

- The Building Products Group,
- Land & Development and
- Investments.

The Building Products Group consists of Austral Bricks™, Austral Masonry™, Bristile Roofing™, Austral Precast™ and Auswest Timbers ™.

The Land & Development business exists to maximise the value of surplus land created by the Building Products business.

The 42.7% interest in Washington H. Soul Pattinson provides a stable earnings stream and a superior return.

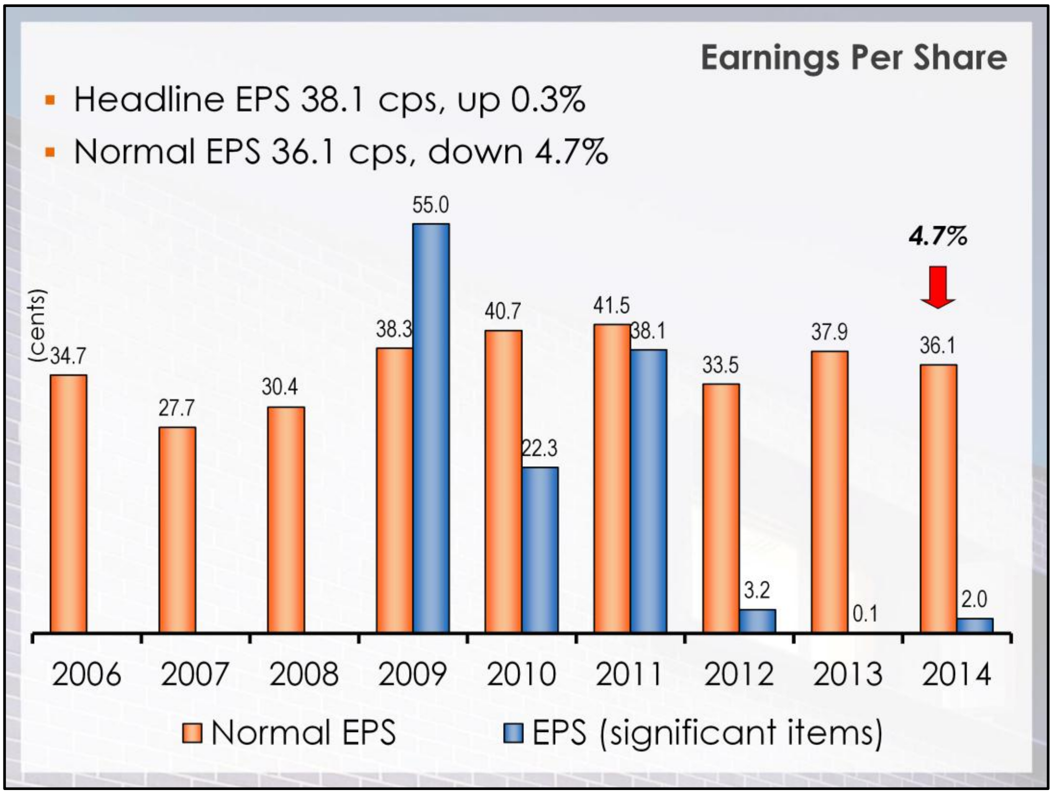


The **Headline Net Profit After Tax**, including significant items, was up 0.4% to $56.3 million for the first half, compared to the prior corresponding period.

After excluding significant items, the **Normal Net Profit After Tax** decreased by 4.5% to $53.4 million.

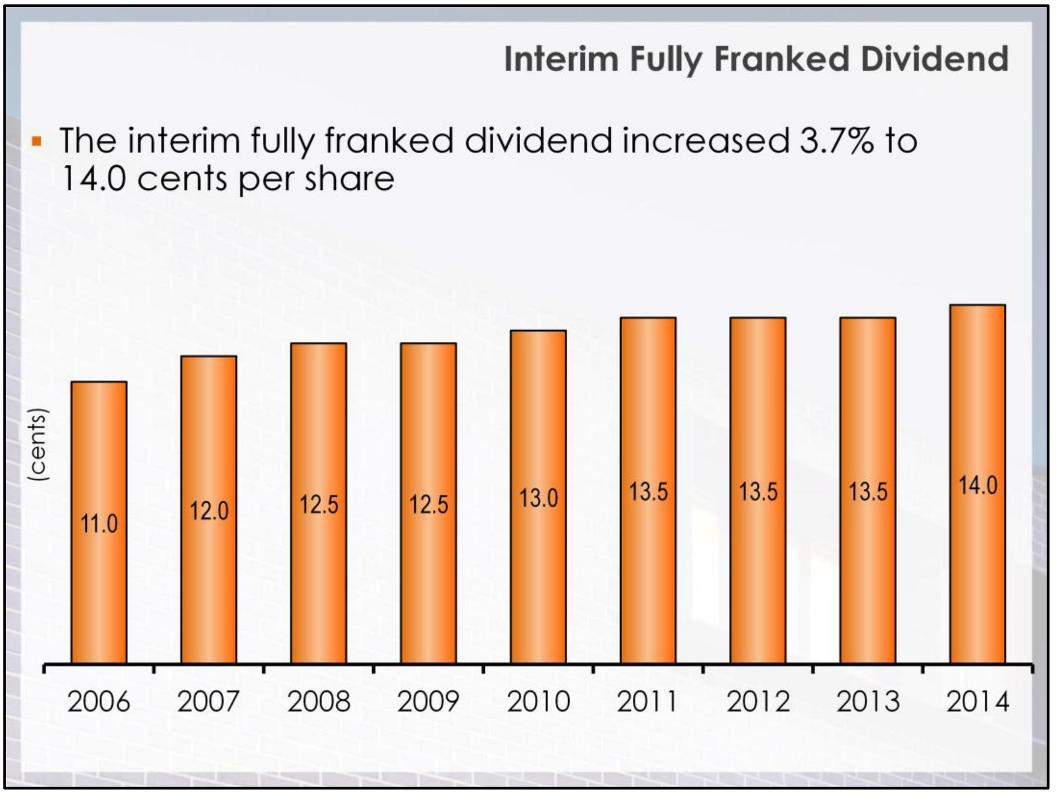
The decrease in normal earnings was a result of a reduction in earnings from Investments and higher tax. The impacts were offset by a strong increase in earnings from the Building products Group.

Property earnings were relatively stable compared to the previous corresponding period.

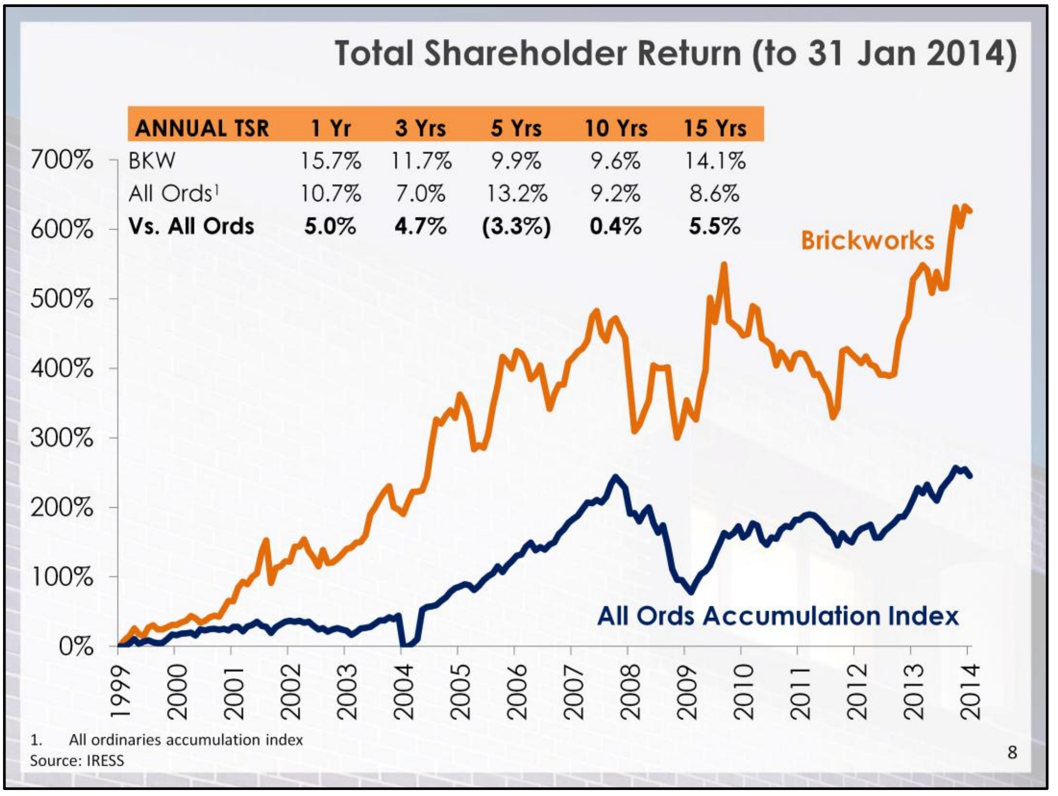


Headline Earnings Per Share was up by 0.3% to 38.1 cents per share.

Normal Earnings Per Share decreased by 4.7% to 36.1 cents per share.



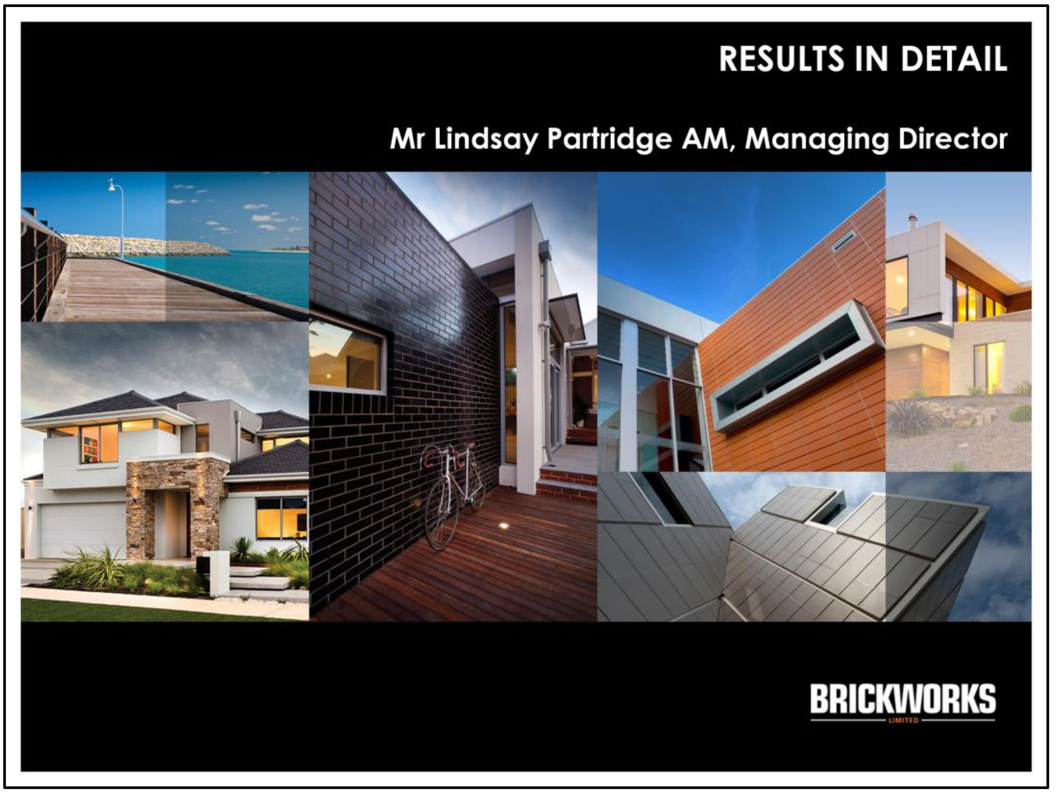
In light of our improved result and the positive outlook for the second half, the Directors have resolved to increase the interim fully franked dividend to 14.0 cents per share, up 3.7% on the first half of last financial year.



Brickworks continues to outperform the All Ordinaries Accumulation Index in terms of Total Shareholder Return over most time horizons. In the past year returns have been particularly strong, with a total return of 15.7% for the year to 31st January 2014, 5.0% higher than the index.

Over 15 years, Brickworks has delivered returns of 14.1% per annum. This exceeds the All Ordinaries Accumulation Index by 5.5% per annum.

I will now hand over to our Managing Director, Mr Lindsay Partridge to take you through the results in detail.



Thank you Chairman. Good afternoon ladies and gentlemen.

Financial Snapshot

	HY JAN 2013	HY JAN 2014	% Change
Building Products EBIT	$14.0m	$19.2m	36.7
Land and Development EBIT	$37.3m	$36.1m	(3.3)
Investments EBIT	$28.8m	$23.7m	(17.8)
Total EBIT	**$76.5m**	**$74.3m**	**(2.8)**
Total EBITDA	**$89.3m**	**$87.0m**	**(2.6)**
Interest cost	($10.5m)	($9.9m)	5.1
Mark to market valuation of swaps	$0.6m	$1.7m	171.0
Income tax	($10.7m)	($12.6m)	(18.1)
Net profit after tax (normal)	**$56.0m**	**$53.4m**	**(4.5)**
Significant items (after tax)	$0.1m	$2.9m	>500
Net profit after tax and sig. items	**$56.1m**	**$56.3m**	**0.4**

Looking first at the main financial components of our result, compared to July 2013.

Building Products EBIT was $19.2 million, up 36.7% on the previous corresponding period. Improved earnings were achieved on the back of restructuring initiatives implemented in prior periods, cost reduction initiatives and increased pricing in some divisions.

Land and Development EBIT was relatively flat at $36.1 million. This includes earnings from the Property Trust of $17.1 million, up 14.0%. During the half, "Rochedale North" was sold into the JV Property Trust for a profit of $16.1 million.

Investment EBIT, including Washington H Soul Pattinson was down 17.8% to $23.7 million.

Total **EBIT** was $74.3 million for the half and EBITDA was $87.0 million.

Interest cost was marginally lower compared to the prior corresponding period.

After including higher income tax of $12.6 million, Brickworks' overall **normalised NPAT** result of $53.4 million was down 4.5% on the prior period.

The Headline NPAT was $56.3 million, including the impact of significant items.

Key Financial Indicators

	FY JUL 2013	HY JAN 2014	% Change
Net tangible assets (NTA) per share	$9.82	$10.04	↑ 2.2
Shareholders' equity	$1,720m	$1,756m	↑ 2.1
Shareholders' equity per share	$11.64	$11.86	↑ 1.9
Return on shareholders equity	5.0%	6.4%	↑ 29.5
Cash flow from operations (vs. HY13)	$26.6m	$53.8m	↑ 102.2
Net debt	$319.9m	$313.9m	↓ (1.9)
Net debt/capital employed	15.7%	15.2%	↓ (3.1)
Interest cover (normal/annualised)	6.6x	6.7x	↑ 1.5

Looking at our Key Financial Indicators.

Net Tangible Assets per share increased by 2.2% to $10.04.

Shareholders Equity increased to $1.756 billion at the end of the half which represents $11.86 per share.

Return on Shareholders Equity was up to 6.4% for the period, from 5.0% for 2013 full year.

Total net **cash flow from operating activities** was $53.8 million, up from $26.6 million in the previous corresponding period. This primarily reflects the rebalancing of production and sales, with the prior period being adversely impacted by an increase in finished goods inventory.

Net debt decreased by $6.0 million to $313.9 million, with net debt to capital employed being 15.2% at the end of the period.

Interest cover was up marginally to 6.7 times.

Capital Expenditure

	HY JAN 2013	HY JAN 2014[1]
S.I.B. plant and equipment	$8.1m	$14.7m
Growth capital items	$1.4m	$3.0m
Building Products total	**$9.5m**	**$17.7m**
Depreciation and amortisation	$12.8m	$12.7m
Land and Development & rehabilitation	$0.2m	$0.2m
Business acquisitions	-	-

1. Excludes $5.4 million in capital expenditure covered by insurance, associated with repair work following fire damage in prior periods

Building Products total **capital expenditure** increased to $17.7 million, up significantly from $9.5 million for the previous corresponding period.

"Stay in business" capital expenditure was $14.7 million, representing 115.9% of depreciation. This level of stay in business capital spend is higher than normal, with a number of important projects either completed or underway during the half such as:

- Alternative fuels projects at Horsley Park in New South Wales in order to mitigate the impact of increasing gas prices;
- A plant refit at Bellevue in Western Australia, the first significant capital investment in this plant after more than 20 years of service; and
- The installation of a setting machine at Rochedale in Queensland

Growth capital expenditure continues to be restrained and totalled $3.0 million for the half. The major growth project for the period was the installation of an automated mesh welding machine at the Wetherill Park precast facility.

There were no acquisitions during the period.

I'd like to mention the picture on the screen that shows an artists impression of the Australian Embassy project in Bangkok.

Austral Bricks will supply 370,000 bricks for this project including a range of customer made colours and shapes.

The Austral Bricks team has been working on this project for almost one year, in conjunction with architects and designers.

Our success in securing brick supply for this project is another example of our sustained focus on developing “up market” fashionable products across our portfolio.

Now looking at the Building Products result in more detail.

Building Products Result

	HY JAN 2013	HY JAN 2014	% Change
Sales revenue	$278.7m	$296.2m	↑ 6.3
EBITDA	$26.9m	$31.8m	↑ 18.5
Depreciation	$12.8m	$12.7m	↓ (1.4)
EBIT	**$14.0m**	**$19.2m**	↑ **36.7**
EBITDA to sales	9.6%	10.7%	↑ 11.5
EBIT to sales	**5.0%**	**6.5%**	↑ **28.6**
FTE employees (vs Jul 13)	1,434.8	1,433.0	(0.1)
Lost time injury frequency rate	**3.1**	**1.5**	↓ **(50.6)**

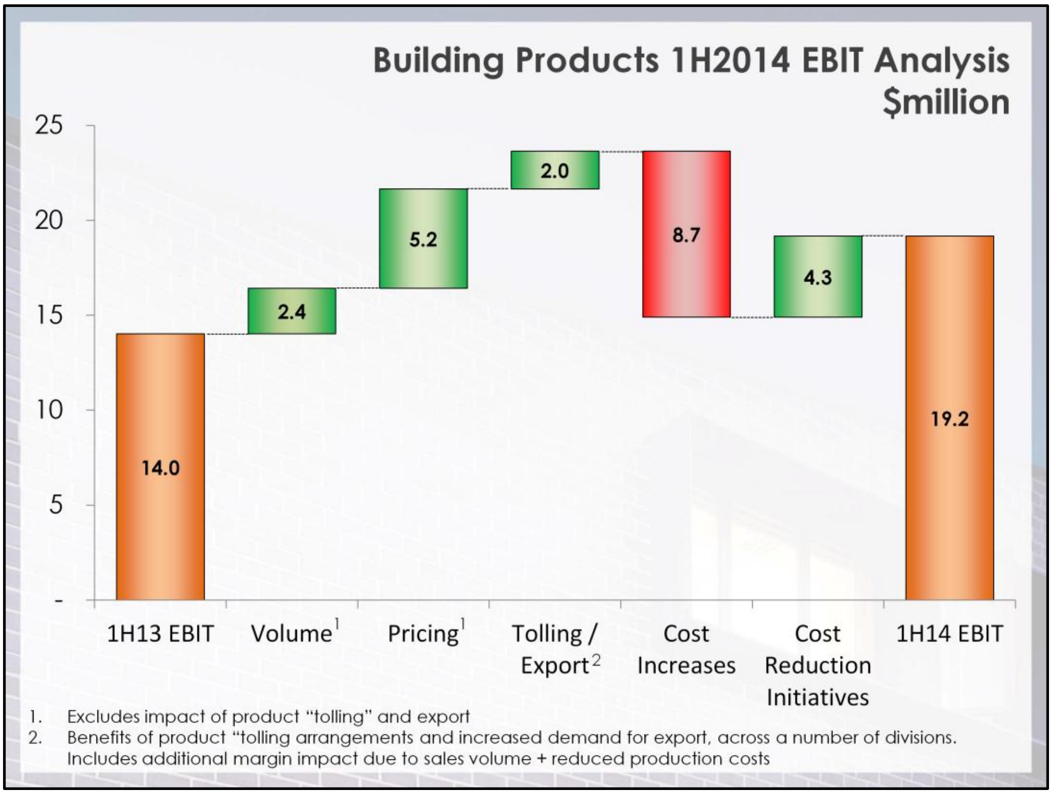
Revenue for the half was up 6.3% to $296.2 million compared to $278.7 million for the previous corresponding period.

EBITDA was up 18.3% on the prior period, to $31.8 million and **EBIT** was up 36.7% to$19.2 million.

The **EBIT margin** of 6.5% remains below acceptable levels, despite a significant increase compared to the prior period. Short term margins are being impacted by the presence competitors in some businesses who are operating unsustainable business models, not concerned with covering the cost of already employed capital and /or required future investments to maintain their operations.

The significant reduction in workforce over the past six years has now slowed with production stabilised and in balance with sales volume. Following downsizing of many operations, productivity rates are now much improved and it is unlikely that employee levels will need to be increased significantly if the market recovers.

Brickworks’ ongoing commitment to providing a safe workplace has resulted in a substantial reduction in the Lost Time Injury Frequency Rate to 1.5 in the six months ended 31 January 2014.



Now looking more closely at the drivers of the Building Products result. The chart on screen shows a breakdown of the key profit impacts during the first half, compared to the prior corresponding period.

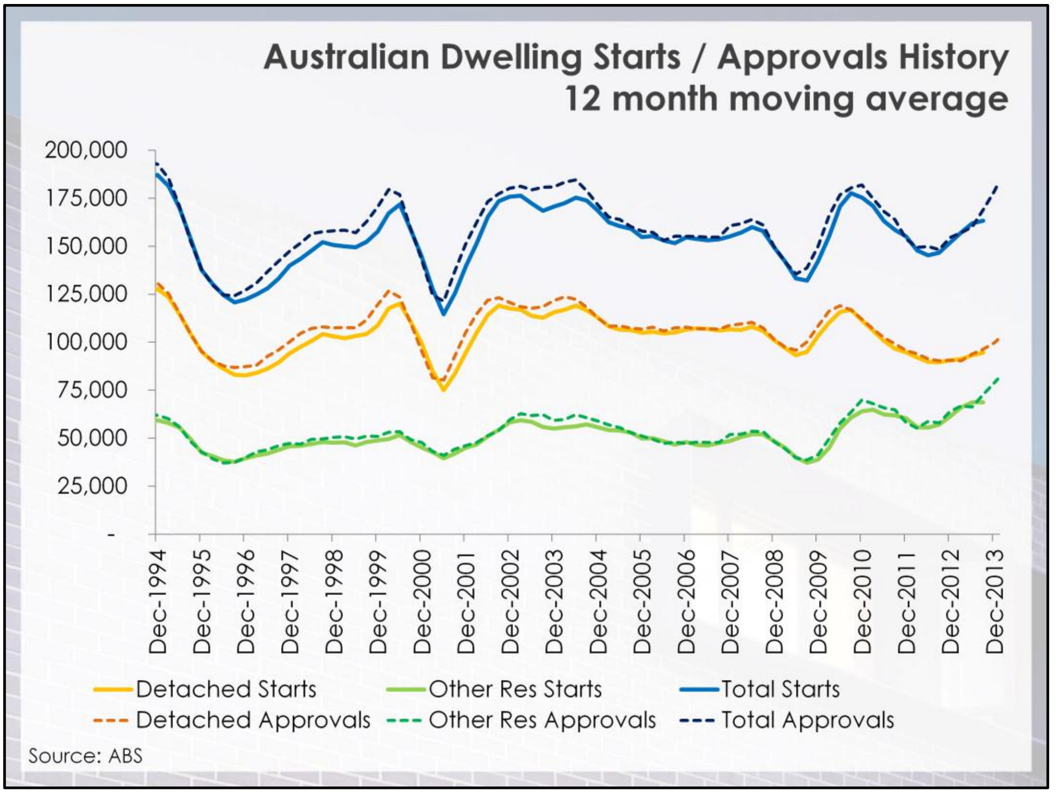
The impact of volume changes was relatively minor. The only divisions that experienced a significant lift in sales, excluding the impact of "product tolling and export volumes, were Austral Bricks WA and Austral Masonry, who benefited from a prior period acquisition.

Overall, pricing performance was mixed, with solid gains in many divisions being partially offset by reductions in Austral Bricks Western Australia and relatively flat pricing in Austral Bricks Victoria and Bristile Roofing. The net impact of pricing was an EBIT uplift of $5.2 million.

Product tolling initiatives in both Austral Bricks and Austral Masonry, together with increased export demand from New Zealand Brick Distributors delivered an estimated earnings uplift of $2.0 million, inclusive of production efficiencies that result from the increased volume throughput.

Offsetting estimated cost increases of around $8.7 million due to inflationary effects, cost reduction projects delivered an estimated $4.3 million in savings through initiatives such as:

- Rationalization of plant operations in Masonry NSW;
- A negotiated reduction in electricity costs ;
- Group wide sourcing of additives and packaging items in Austral Bricks;
- Benefits associated with operational excellence initiatives to increase up-time and plant efficiency; and
- The implementation of alternative fuels projects, albeit the first of these projects was implemented late in the period

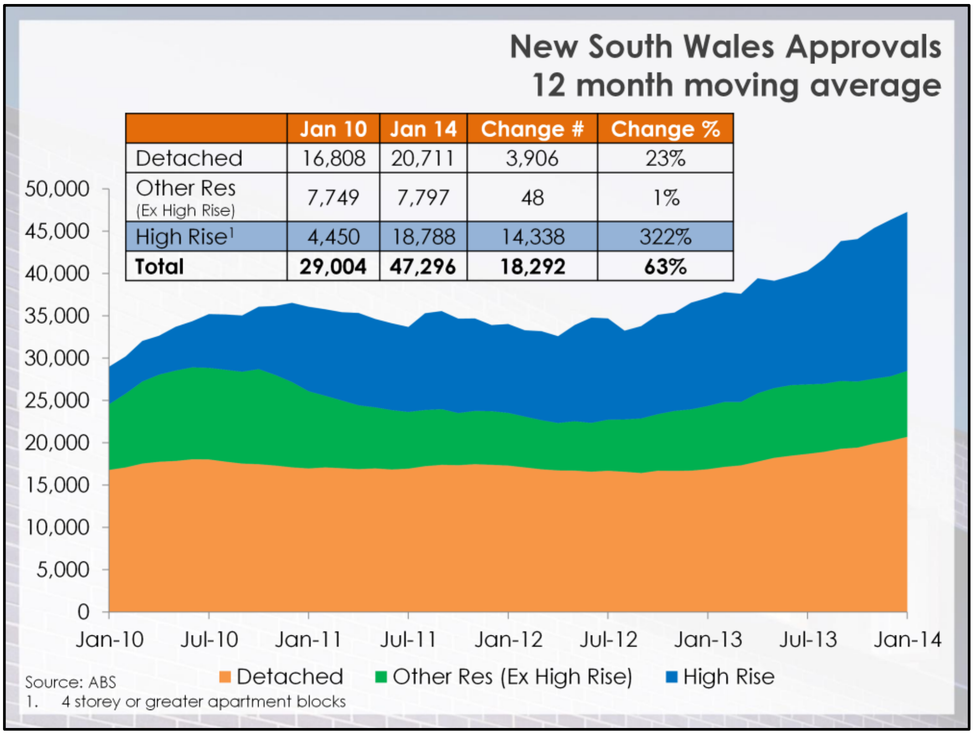


The chart on screen shows Australian dwelling starts and approvals for the past 20 years. The orange lines show detached houses, the green lines show other residential and the blue lines show the total. As can be seen by the blue line, overall housing starts have increased with total starts for the 12 months to December 2013 estimated at 163,000.

The dashed approvals lines on the chart show that significant further increases in starts can be expected in the second half. However it is our view that a gap may form between approvals and starts going forward, as a result of labour shortages that restrict the ability to meet demand for new housing.

As I mentioned during our full year results presentation in September, the overall level of building commencements masks some significant trends that have emerged with respect to housing types. Although it is pleasing to see some signs of a recovery in **detached house commencements**, the current rate of detached house building remains below the long term average of around 104,000 per annum.

By contrast **other residential** starts remain at peak levels.

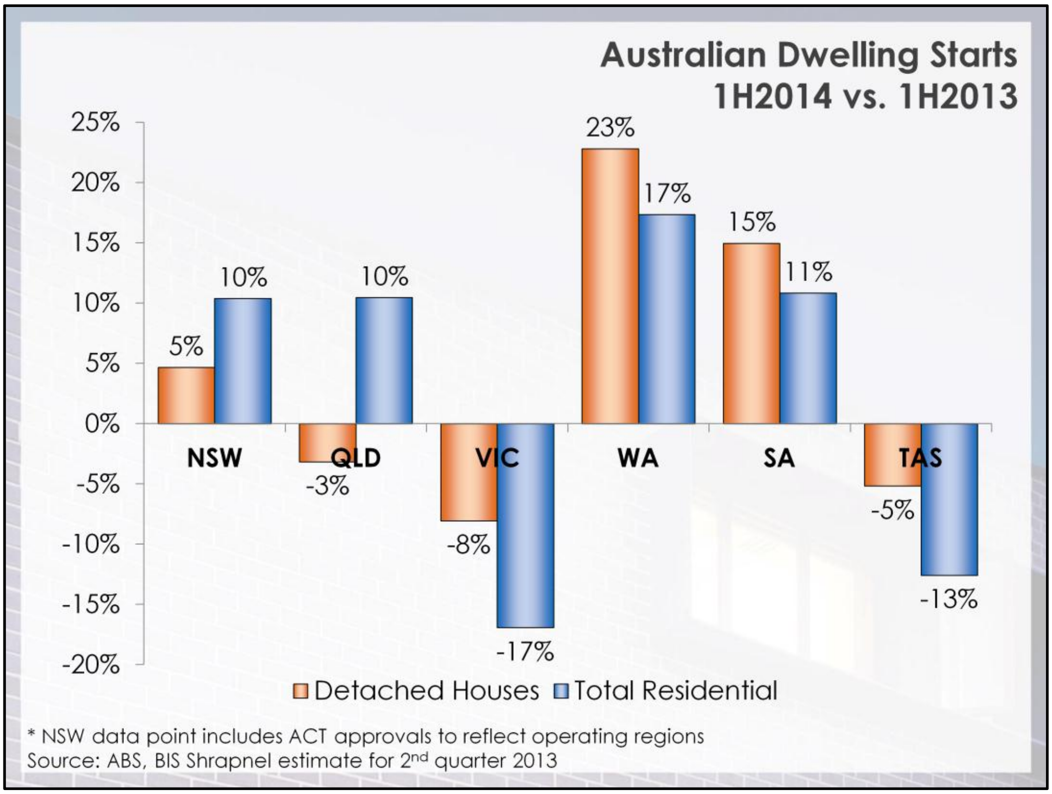


Digging deeper within the "other residential" segment reveals an even more important structural shift in housing types, best shown by considering New South Wales as an example.

The chart on screen shows approvals in that state since the cyclical low point four years ago. In that period virtually all the growth has been driven by "high rise" apartments, represented by the blue shading on the chart. These developments have increased by over 300% whilst other dwelling types have remained relatively flat by comparison. Since January 2010 the annualised rate of approvals for high rise apartments has increased from around 4,500 to almost 18,800. This increase of around 14,500 approvals accounts for the vast majority of the total increase of around 18,300 in that period.

During the first half, high rise approvals represented 47.2% of total dwelling approvals, compared to just 15.3% four years ago.

This significant shift in dwelling types has a major impact on both the quantity and type of building materials used. In general, high rise developments consume less building materials per start compared with detached dwellings. In addition they will have a greater proportion of products such as precast and masonry, compared with bricks and roof tiles.



Looking across the states now, the chart on screen summarises the change in dwelling starts the 6 months to December 31 2013, compared with the prior corresponding period.

As can be seen, activity in the first half across the states remained patchy, with increases in New South Wales, Queensland, Western Australia and South Australia offset by weakness in Victoria, Australia's largest housing state, and Tasmania. In Queensland, while total starts increased, the level of detached housing starts was down 3%.

Most encouraging during the half was the strong rebound in detached housing commencements that was recorded in Western Australia. The continued momentum in building activity in New South Wales is also encouraging, albeit impacted by the trends in building type outlined in the previous slide.

In summary for the six months ended 31 December 2013, estimated commencements for Australia were 85,659, up 1.4% on the previous corresponding period.

Austral Bricks™

- Increase in earnings
- Revenue of $157.5 million, up 15.4%
- Volume uplift driven by product "tolling", export demand and Western Australia
- Good price increases achieved in most states except WA and Victoria
- Improved production efficiency and cost reduction initiatives
- Finished goods stock levels were reduced across all major markets

Austral Bricks delivered an increase in earnings for the six months ended 31 January 2014. Sales revenue was up 15.4% to $157.5 million, driven primarily by volume, up 13.9%. The increase in sales volume was due to three main factors: product "tolling" arrangements put in place in the 2nd half of 2013, strong growth in export demand to New Zealand and a recovery in demand in Western Australia.

Excluding the impact of tolling arrangements and export sales to New Zealand, significant price increases were achieved in most states, with the exception of Western Australia and Victoria.

Improved production efficiency and cost reduction initiatives, such as the implementation of alternative fuels projects, also supported the increase in earnings for the division.

Finished goods stock levels were reduced in all major markets, with production volumes across most operations being maintained at previous levels, despite the increase in sales volumes.

Austral Masonry™

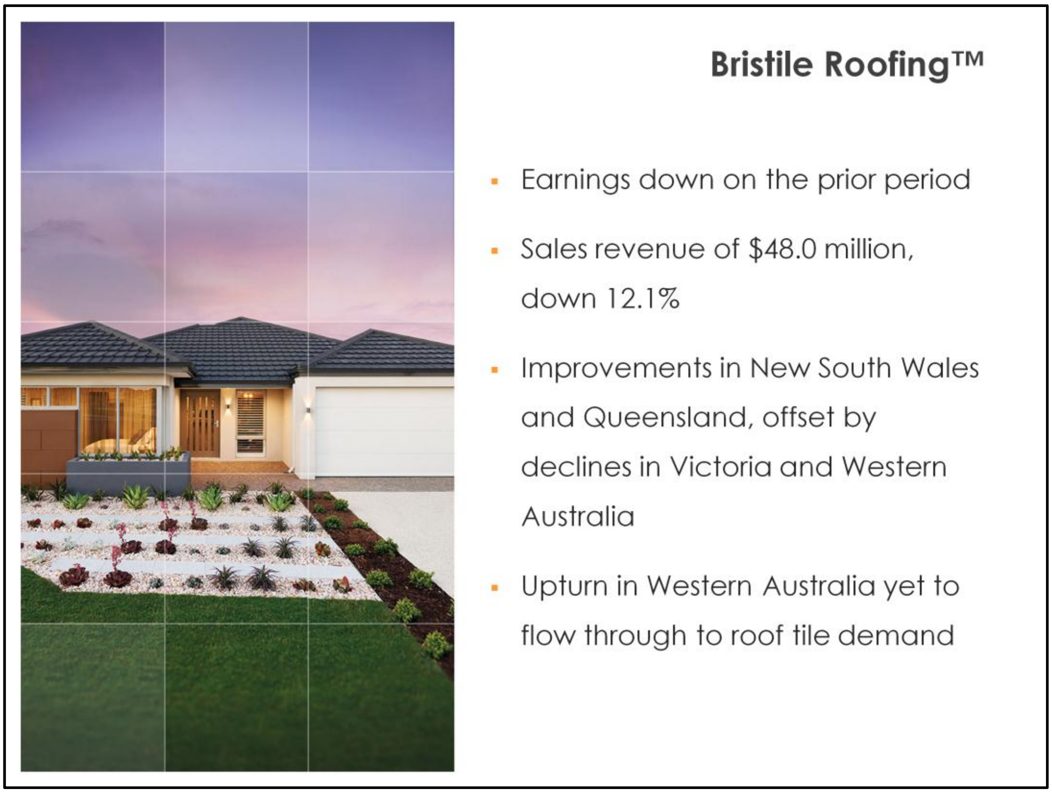
- Outstanding result, with earnings up 91.1% on the prior period
- Sales Revenue up 40.8%, to $39.1 million
- External rationalisation activities included prior period acquisition and product "tolling" arrangements
- Internal restructuring included overhead cost reductions and consolidation of facilities in NSW
- Average selling prices up 10.3%

Austral Masonry™ delivered a significant increase in earnings, up 91.1% compared to the previous corresponding period and is now the second most profitable division within the Building Products Group. Sales revenue was up 40.8% to $39.1 million.

This outstanding result was achieved on the back of both external rationalisation and internal restructuring initiatives.

External rationalisation activities included the benefits associated with prior period acquisitions, including an expanded product range and an increase in sales volume of 32.7%. In addition, product "tolling" arrangements have delivered benefits in Cairns and Victoria. In Cairns, Austral Masonry is now the only significant masonry manufacturer, and has supply agreements for commodity grey block in place with other distributors in this region. In Victoria, Austral Masonry now source grey block from Adelaide Brighton, allowing the closure of the inefficient Dandenong plant.

A number of internal restructuring initiatives were also implemented. These included significant overhead cost reductions across many operations and the consolidation of operations in New South Wales to the Prospect site. Strong average selling price increases were also achieved, up 10.3% excluding the impact of product "tolling".



Bristile Roofing earnings were down on the prior corresponding period, with sales volume down 11.3% and pricing relatively steady. Sales revenue was down 12.1% to $48.0 million for the half. On the East Coast, earnings were flat with improvements in New South Wales and Queensland being offset by declines in Victoria.

The contribution from Western Australia was lower, with the previous period benefitting from a major commercial project. The upturn in detached house commencements in this state is yet to translate to increased sales volumes, with a significant lag being experienced between a recorded “commencement” and use of roof tiles on site.

Austral Precast™

- Increase in earnings, despite a 4.3% decrease in sales revenue to $31.9 million
- Improved earnings in NSW, Queensland and WA offset by a decline in Victoria
- A number of new products launched, including Austral Deck and a range of applied architectural finishes
- A range of cost reduction initiatives are underway

Austral Precast™ earnings increased, despite a 4.3% reduction in sales revenue to $31.9 million. A restructure was undertaken during the period to extract synergies from the sales and administration functions across the country. Improved earnings in New South Wales, Queensland and Western Australia were offset by a decline in Victoria.

A number of new products were launched during the period, aimed at offering a "whole of structure" building solution. These products included Austral Deck, a proprietary flooring system, and "PermaTech", a range of panels that feature various applied finishes.

A range of cost reduction initiatives are underway. A mobile crane was acquired in December to install panels in the Sydney region at lower cost, and a steel mesh plant is currently being installed at the Wetherill Park plant to automate the fabrication of steel reinforcement.

Auswest Timbers™

- Increase in earnings, with sales revenue up 4.3% to $21.8 million
- Uplift in domestic sales late in period
- Export sales volume increasing, particularly to China
- Deanmill fully rebuilt and in full operation
- Significant rationalisation of hardwood market in WA
- Negotiations with VicForests over log supply in East Gippsland ongoing

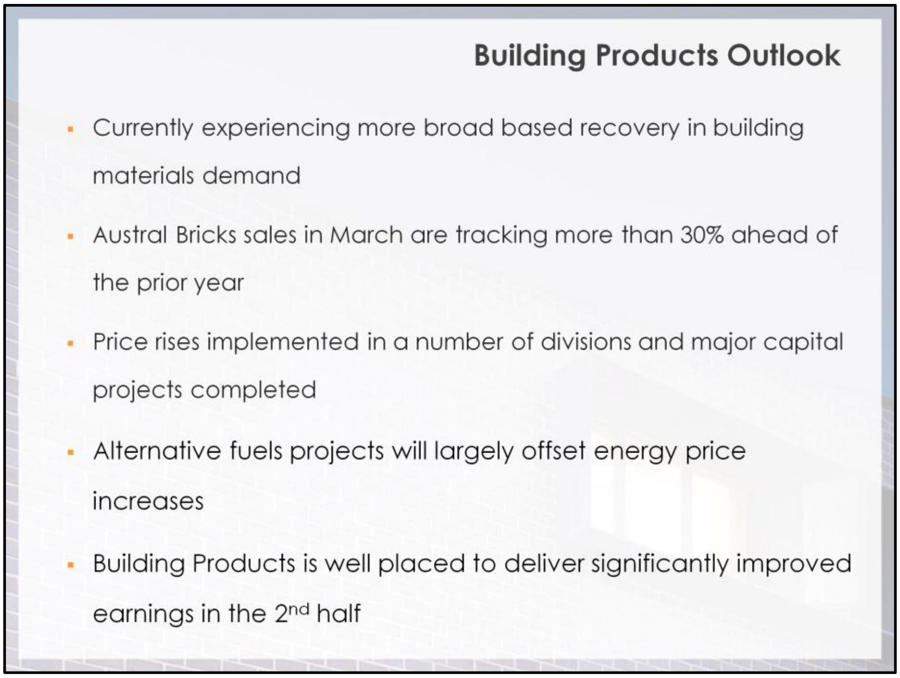
Auswest Timbers™ earnings increased significantly on the prior corresponding period, with sales revenue up 4.3% to $21.8 million. There was a strong uplift in domestic activity in the latter stages of the period, particularly for joinery and furniture components from Western Australia. Export volume is also increasing, with particularly strong demand from China for furniture grade material. The uplift in export demand was partially offset by the impact of decreasing woodchip prices.

Operations in Western Australia are now back to normal, following the recommissioning of the Deanmill plant in July 2013, following an extensive rebuild of the facility after it was fire damaged in August 2012.

A significant rationalisation of the Western Australian hardwood market in underway. Following the exit of Whittakers, a key competitor, Auswest Timbers' position is much improved, and it now controls the vast majority of available Jarrah, Karri and Marri species. As a result, demand for these products is expected to increase significantly in both domestic and export markets.

The Orbost operation in Victoria has log supply licenses in place until 2017, with longer term supply currently being negotiated with VicForests. If a satisfactory outcome from these negotiations is achieved it will likely underpin plant upgrade works at the Victorian facilities, with current sales volumes constrained by production capacity.

Turning now to the Building products outlook.



The current upturn in housing activity has been relatively slow to translate into increased building materials demand, with the notable exception of brick sales in Western Australia. However since the start of the second half we are now experiencing a more broad based recovery in demand. Austral Bricks sales volumes in March are tracking more than 30% ahead of the prior year, building on momentum from February. Sales across most other businesses are also tracking ahead of this time last year.

The Building Products Group remains committed to increasing profit, as opposed to market share. Price rises have been implemented by a number of divisions in the first half, with the full impact of these increases yet to be realised.

Brickworks is making good progress on a range of alternative fuels projects, to offset the impact of gas cost increases over the coming years. The first of these projects is now delivering benefits, with a significant portion of gas consumption at Plant 1 at Horsley Park now sourced from landfill gas.

Final quarter earnings will also benefit from the completion of major capital projects such as the refit of the Bellevue brick plant in Western Australia and the automated mesh welding machine at the Wetherill Park precast facility in New South Wales.

If sales momentum is sustained, the Building Products Group is well placed to deliver significantly increased earnings in the second half, compared to the prior corresponding period.

I will now go through our Property results.

Before I do so, I would like to take a moment to highlight the image on the slide, showing an artists impression of a planned development of our Rochedale site in Queensland. During the first half, the “Rochedale North” site, shown with a red border, was sold into the Goodman Joint Venture Industrial Property Trust, for a value of $25.9 million. The site will be developed by Goodman into an industrial estate with over 125,000m2 of gross lettable area. Once fully developed, it is expected to be valued at over $180 million and deliver in excess of $14 million in annual rent to the Joint Venture.

This development will continue to strengthen the Property Trust by increasing scale and providing greater geographic diversification.

The existing brick factory, shown in the in the middle of the picture will continue to operate as normal.

This land, together with additional non operational land further south, has the potential to be developed in the future.

Land & Development EBIT

$ millions	1H JAN 2013	1H JAN 2014	% Change
Property Trust	15.0	17.1	14.0%
Land Sales	23.4	20.4	(12.8%)
Waste	0.4	0.1	(75.0%)
Property Admin[1]	(1.6)	(1.5)	6.3%
Total	**37.3**	**36.1**	**(3.2%)**

1. Property administration includes the holding costs of surplus land

Land and Development delivered an EBIT of $36.1 million for the half year ended 31 January 2014, marginally below the previous corresponding period.

Property Sales contributed an EBIT of $20.4 million for the half year. Aside from the sale of the "Rochedale North", other sales included the Rhonda quarry at New Chum, Queensland and Buninyong quarry near Ballarat, Victoria.

The royalty free period at the Horsley Park Landfill ended in December 2013, enabling contributions to re-commence in January. **Waste Management** contributed a profit of $100,000 for this period.

Property administration costs were in line with the previous half.

I will now work through the Property Trust result in detail, before outlining the property pipeline and outlook.

Industrial Property Trust EBIT

$ millions (BKW share)	1H JAN 2013	1H JAN 2014	% Change
Net Trust Income	5.1	6.1	19.6%
Revaluation of established properties	3.8	7.9	107.9%
Revaluation on completion of new properties	6.1	3.1	(49.2%)
Total	**15.0**	**17.1**	**14.0%**

The Property Trust delivered an EBIT for the half of $17.1 million, up 14.0% from $15.0 million in the prior half.

The Net Trust Income of $6.1 million was up 19.6% from $5.1 million, primarily as a result of a decrease in funding costs. The impact of lower funding costs was partially offset by a small reduction in gross rent.

The revaluation profit on established properties of $7.9 million was up significantly due to a tightening in capitalisation rates in the last quarter of 2013.

An EBIT of $2.1 million was contributed through fair value adjustments on the completion of the DHL Canon development on the Oakdale Central Estate. In addition, a development profit of $1.0 million was achieved as a result of the sale of the Toll development and fees on other Trust developments.

During the half construction continued on two new Trust developments including the expansion of the existing Coles Cold Store facility on the M7 Estate and the fourth DHL facility on Oakdale Central. Both of these facilities are due for completion in early July 2014.

Industrial Property Trust Value

($ millions)	FY JUL 2013	1H JAN 2014	% Change
Leased properties	607.2	618.4	1.8%
Land to be developed	261.5	295.4	13.0%
Total	**868.7**	**913.8**	**5.2%**
Less borrowings	351.0	343.5	(2.1%)
Net trust assets (100%)	517.7	570.3	10.2%
Brickworks equity (50%)	**258.9**	**285.1**	**10.2%**
Return on Leased Properties (excluding revaluations)	7.0%	8.2%[1]	17.2%
Additional revaluation return[2]	4.2%	5.3%	28.6%
Total Return on Leased Properties	**11.2%**	**13.5%**	**21.4%**

1. Based on annualised 1H2014 net trust income
2. Based on revaluation of established properties only. Not annualised.

The total value of the Property Trust Assets rose to $913.8 million at 31 January 2014, primarily as a result of the sale of "Rochedale North" into the Property Trust. This sale increased the Trust Assets by $51.8 million. In addition, the completion of the DHL Canon facility, valued at $28.3 million and revaluations of other properties increased the total trust asset value. This was offset by the sale of the Toll property, reducing the leased properties by $35.5million. The sale of the Toll property allowed borrowings to be reduced to $343.5 million. Brickworks 50% share of the net asset value increased to $285.1 million.

The return on the developed properties in the Trust, excluding the revaluation profit, increased to 8.2% due to the increase in net trust income. Including the strong revaluation profit during the half, the total return on leased properties was 13.5%.

Industrial Property Trust Assets

Tenant / Asset	Location	Asset Value	Revaluation Profit	GLA (m²)	Gross Rental p.a.	WALE (yrs)	Cap. Rate
Coles CDC	Eastern Ck	$141.7m		43,070	$11.8m	8.6	7.50%
Capicure	Eastern Ck	$24.7m	$0.7m	16,809	$2.3m	2.1	8.00%
Southridge	Eastern Ck	$35.1m	$0.5m	24,357	$2.9m	2.1	8.00%
Linfox	Erskine Park	$76.4m		51,323	$5.9m	7.6	7.75%
Ubeeco	Erskine Park	$16.2m	$0.2m	10,865	$1.3m	5.4	8.00%
Kimberly Clark	Erskine Park	$65.5m	$2.8m	45,853	$4.9m	9.6	7.50%
Woolworths	Erskine Park	$76.0m	$2.7m	52,888	$5.8m	9.2	7.50%
Wacol	Wacol, QLD	$12.9m		10,384	$1.2m	5.1	8.25%
DHL Transport	Oakdale	$19.7m	$1.3m	10,390	$1.5m	7.2	7.75%
DHL J & J	Oakdale	$37.0m	$0.2m	26,161	$2.9m	7.5	7.75%
Reedy Creek	Eastern Ck	$35.7m	$2.4m	22,959	$2.7m	3.8	7.50%
Jeminex	Erskine Park	$49.2m	$3.7m	31,278	$3.6m	6.7	7.50%
DHL Canon	Oakdale	$28.3m	$1.2m	20,170	$2.2m	4.7	7.75%
Total (Jan 14)		**$618.4m**	**$15.7m**	**366,507**	**$49.0m**	**6.1**	
Total (Jul 13)		*$607.2m*	*$11.8m*	*363,098*	*$49.8m*	*6.6*	

Details on the leased property trust assets are outlined in the table shown on the screen. The total value of leased properties is $618.4 million, up from $607.2 million at 31 July 2013.

The entire portfolio consists of A grade stock which is under five and half years old, with long lease terms and strong tenants. There is one small vacancy in the portfolio, totaling 120m^2, in the Capicure Estate.

Annualised gross rental return is down slightly to $49.0 million, with the loss in rent from the sale of the Toll site in October, exceeding the additional rent received from the new DHL Canon facility.

Capitalisation rates are in the range 7.5 to 8.25%. This shows strong compression of rates by 0.3% to 0.5%. It is anticipated that capitalisation rates may fall further in the medium term.

Land Holdings

Operational Land[1]	Gross Land Area	Book Value	Most Recent Valuation
NSW	465ha	$52m	$166m
VIC	524ha	$22m	$23m
QLD	661ha	$19m	$27m
WA	1,792ha	$34m	$117m
SA & TAS	272ha	$7m	$13m
Total	**3,714ha**	**$134m**	**$346m**

Development Land	Gross Land Area	Development Area	Book Value	Current Value	Potential Value[2]
NSW	154ha	97 ha	$13m	$18m	$73m
VIC	332ha	196ha	$27m	$27m	$146m
QLD	49ha	26ha	$2m	$14m	$21m
WA	187ha	90ha	$5m	$5m	$21m
Total	**722ha**	**409ha**	**$47m**	**$64m**	**$261m**

- ***Changes to operational land - sale of New Chum and Buninyong quarries***
- ***Changes to development land - sale of Rochedale North into Trust***

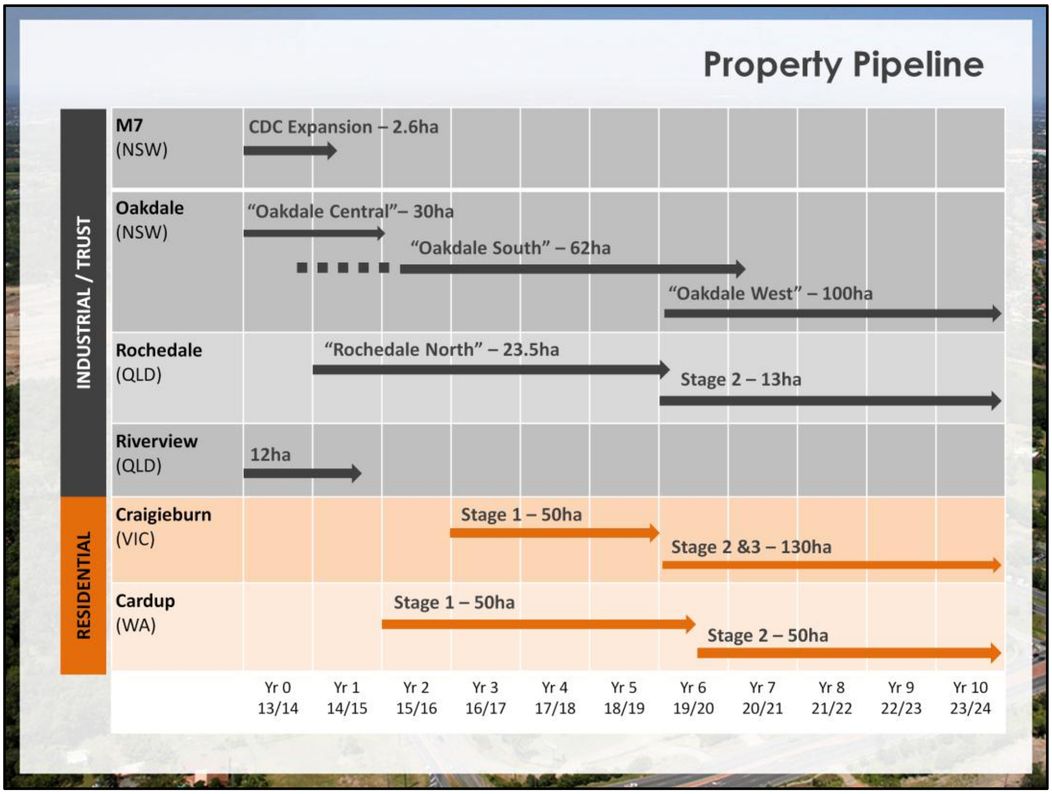
1. In additional to operational land values shown, book value of buildings is $102 million
2. Potential value assumes future land value if rezoned and rehabilitated but does not include development profit to BKW

Brickworks land holdings total around 4,400 hectares, split into operational and development land.

Operational land is currently valued at $346 million, whilst the **development land** has the potential to be worth at least $260 million, assuming rezoning and development approval of these properties. The value of operational land has decreased slightly during the period as a result of the sale of the Rhonda and Buninyong quarries.

The value of development land has also decreased due to the sale of "Rochedale North" into the Property Trust.

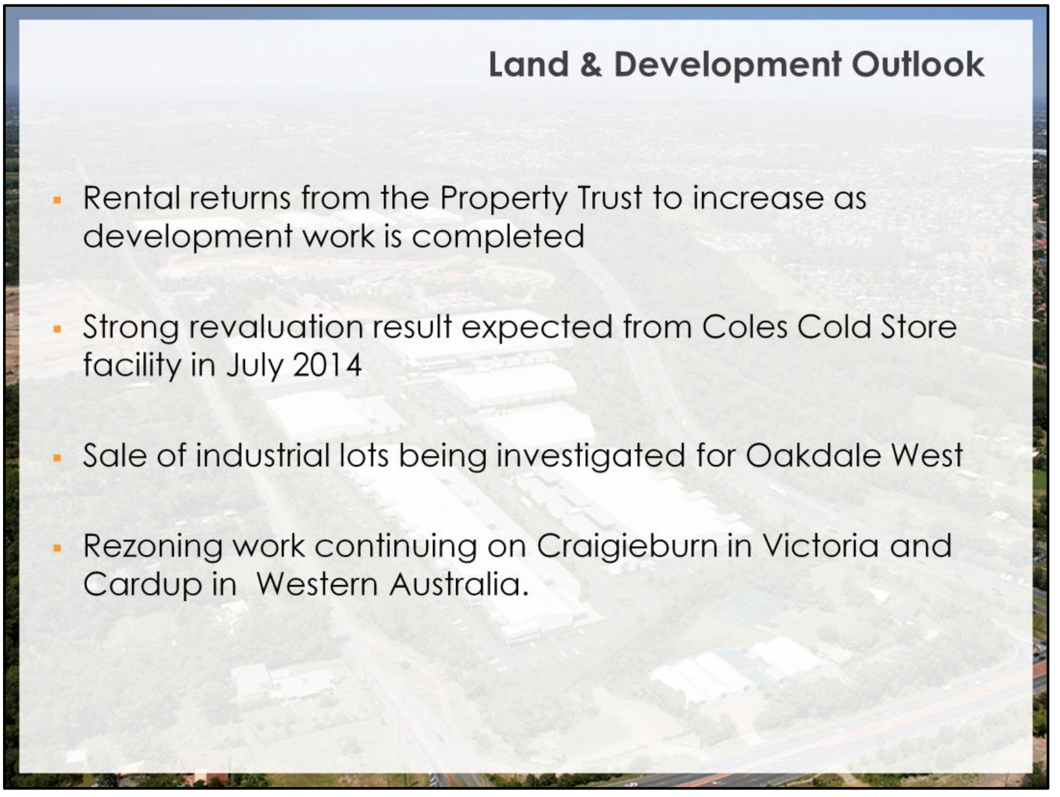
The majority of land held for development is located in Victoria and New South Wales.



These properties will provide a long pipeline of development which is expected to continue well into the future.

In the short term, the development work will continue to focus on Oakdale in New South Wales. The "Rochedale North" site will be developed over the next 5 to 7 years. The development or sale of Riverview is expected to occur within the next 12 months.

As can be seen from the property pipeline shown on screen, there are 3 stages of the Oakdale development in New South Wales totaling almost 200 hectares, 2 at Rochedale in Queensland totaling around 36 hectares, 1 at Craigieburn in Victoria totaling 180 hectares and 1 at Cardup in Western Australia totaling 100 hectares.



The strategic location of our **Property Trust** sites, at Eastern Creek in Sydney continues to attract new tenants. The recent completion of DHL Canon and the forecast completion of the fourth DHL facility and the expanded Coles Cold Store facility will increase Trust values and returns. The completion and revaluation of the Coles Cold Store in July 2014 is expected to provide a strong result for the Trust due to the 20 year lease term associated with this facility and recent capitalisation rate compression.

Whilst no major **Land Sales** are forecast in the next half, work is continuing on the development of Riverview and other assets for possible sale in FY15. This includes Oakdale West, where an increase in demand for industrial lots has resulted in this option being investigated to bring forward development of this 100 hectare property.

Work continues on rezoning numerous surplus sites already identified for development including Craigieburn in Victoria and Cardup in Western Australia.

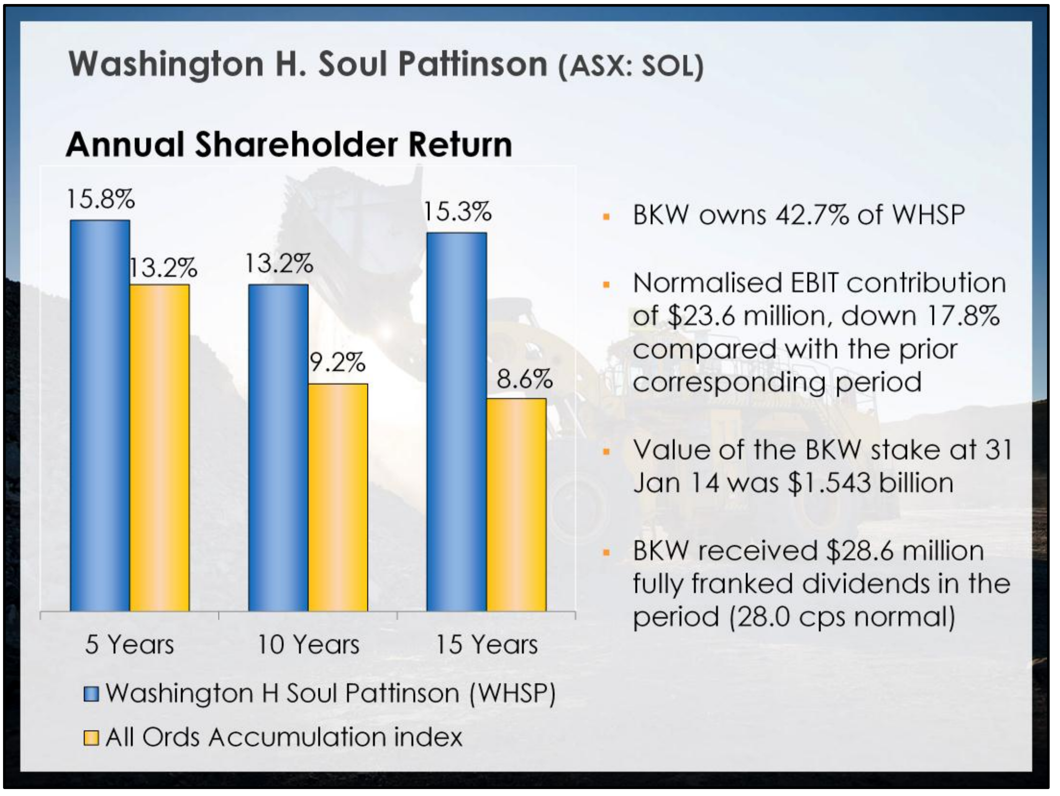
I will now go through our Investment results.

Brickworks Investments' Group consist primarily of a 42.7% stake in Washington H Soul Pattinson, a core asset of Brickworks that has brought diversity and reliable earnings to the company.

WHSP is a diversified investment house with interests in a wide range of companies. Some of these companies and their brands are shown on the screen.

WHSP's investments are primarily major listed companies, however it also holds investments in non listed companies. In some cases, WHSP owns a controlling stake in the company, or a significant share of over 20%. In other cases the holding is less than 1% of shares on issue.

Aside from its' 44.5% interest in Brickworks, SOL's largest two holding are New Hope Coal Corporation and TPG Telecom.



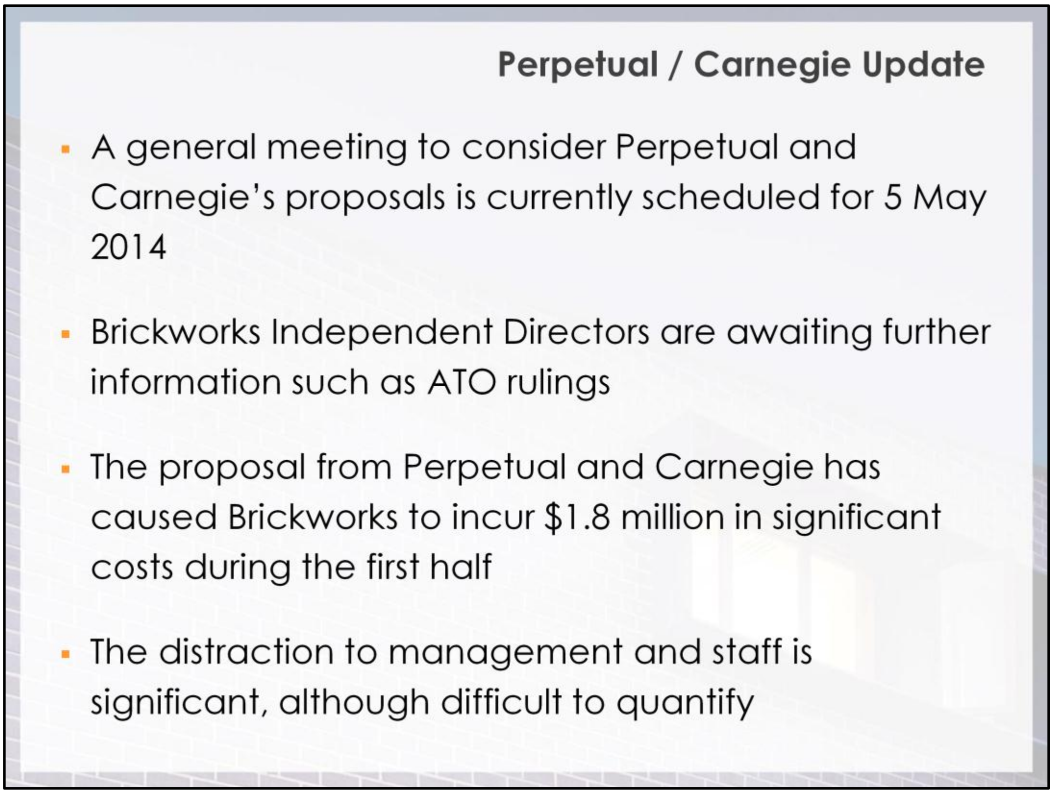
The Normal equity accounted contribution from WHSP was down 17.8% to $23.6 million for the first half.

The market value of Brickworks investment in WHSP was $1.543billion at 31 January 2014, up 11.8% or $163.0 million compared to the market value at 31 July 2013.

Brickworks received normal fully franked dividends totaling $28.6 million from WHSP during the half.

WHSP has delivered outstanding returns to its shareholders over the short, medium and long term, outperforming the ASX All Ordinaries Accumulation Index by 2.6% p.a. over five years, 4.0% p.a. over ten years and 6.6% p.a. over fifteen years.

I will now provide a brief update in relation to the Perpetual and Carnegie Proposal



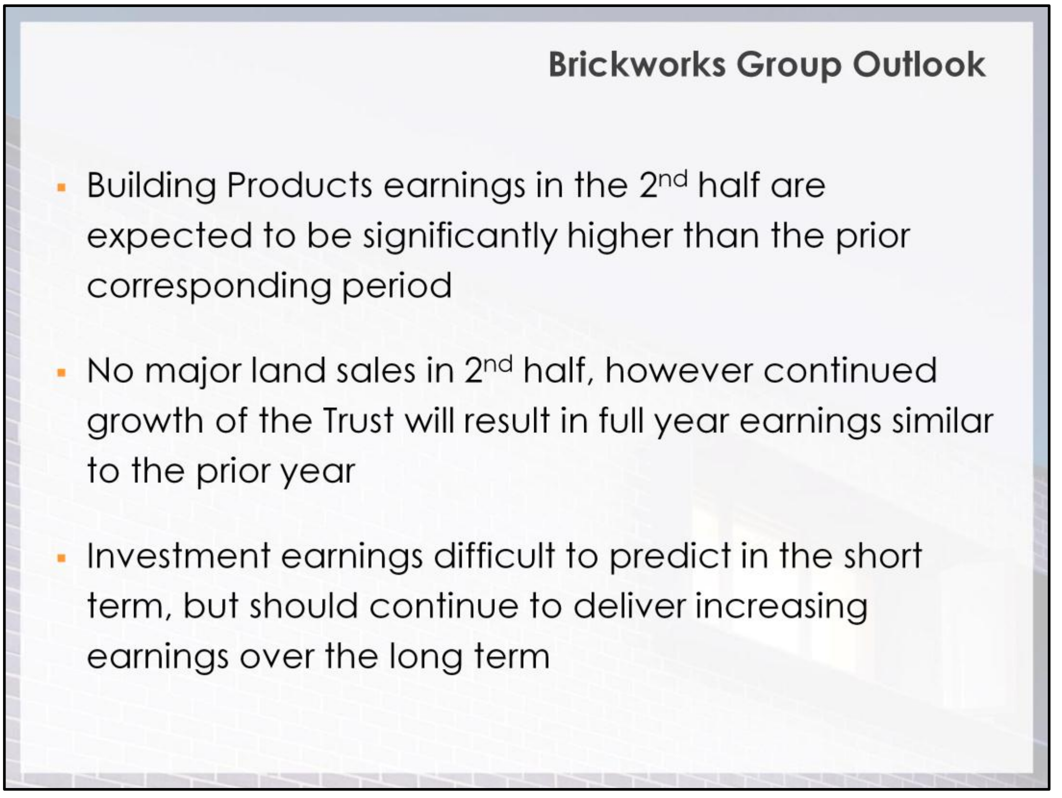
As you would no doubt be aware, on 23 October last year Perpetual Investment Management and M.H. Carnegie & Co requisitioned a general meeting of Brickworks shareholders to consider and vote on two transactions to be undertaken by Washington H. Soul Pattinson, and the election of an additional director to the Board.

The meeting has been postponed on several occasions due to the unavailability of information, in particular an ATO ruling on the tax consequences of the proposal, that Brickworks Independent Directors consider vitally important to properly evaluate the resolutions.

A general meeting to consider Perpetual and Carnegie's proposals is currently scheduled for 5 May 2014.

The proposal from Perpetual and Carnegie has caused Brickworks to incur $1.8 million in significant costs during the six months to 31 January 2014. Of greater concern is the major distraction to management and staff, the full impact of which is difficult to quantify.

Turning now to the outlook.

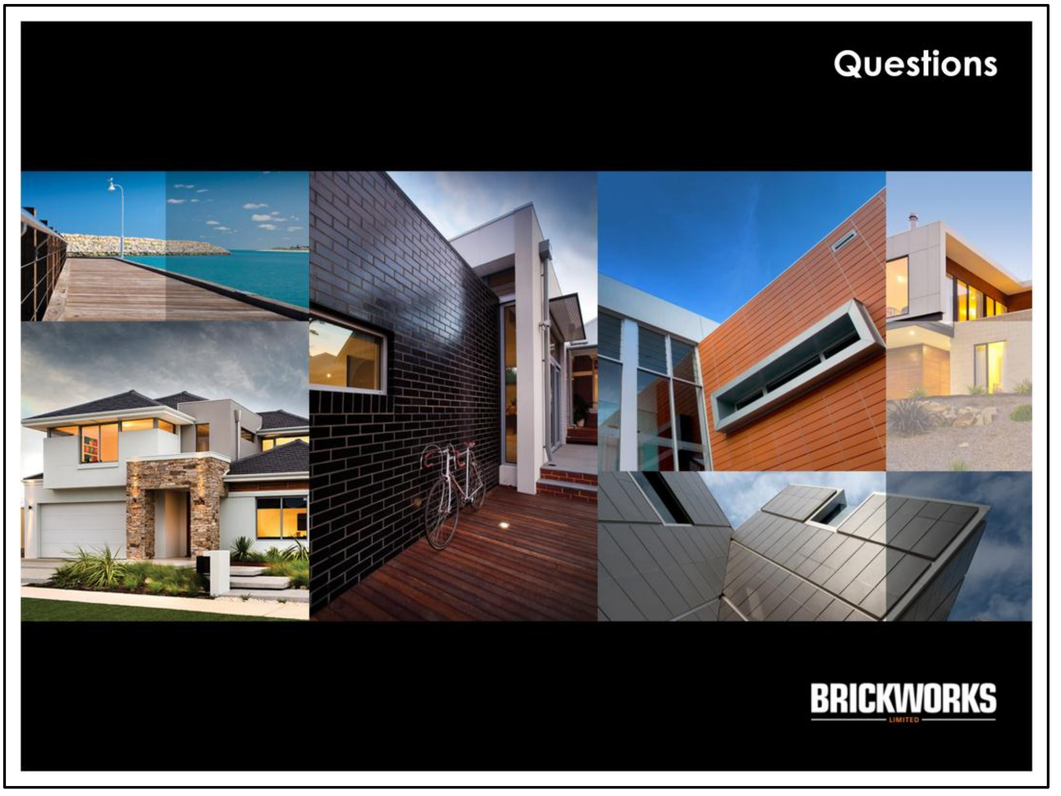


Barring any unforseen economic shocks, earnings from the Building Products Group are expected to gather momentum in the second half, on the back of increased volumes and the implementation of price rises. Building Products earnings in the second half are expected to be significantly higher than the prior corresponding period.

There are no major land sales planned for the second half, and therefore earnings from Land and Development will be driven by the Property Trust. The Trust is expected to deliver continued growth, resulting in relatively flat Property earnings for financial year 2014 compared to the prior year.

The short term outlook for Investments is difficult to predict, however the diversified nature of Washington H Soul Pattinson's investments should continue to deliver increasing earnings to Brickworks over the long term.

The diversified nature of Brickworks earnings is likely to result in a solid performance for the 2014 financial year.



I will now take any questions.

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