

22 March 2018

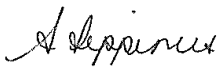
Australian Securities Exchange
Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir / Madam

Please find attached a presentation to be made to analysts today regarding Brickwork's financial results for the half year ended 31 January 2018, for immediate release to the market.

Yours faithfully
BRICKWORKS LIMITED



Susan Leppinus
Company Secretary

RESULTS

FOR THE HALF YEAR ENDED JANUARY 31 2018

Mr. Lindsay Partridge, Managing Director



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PRESENTATION OUTLINE

- Overview
- Operational Review
 - Building Products
 - Property
 - Investments
- Financials
- Outlook
- Questions



1H2018 HIGHLIGHTS

\$157m

Underlying EBITDA

↑1%

\$116m

Underlying profit

↑4%

\$97m

Statutory profit

↓7%

\$12.03

Net tangible assets / share

↑2%

78 cents

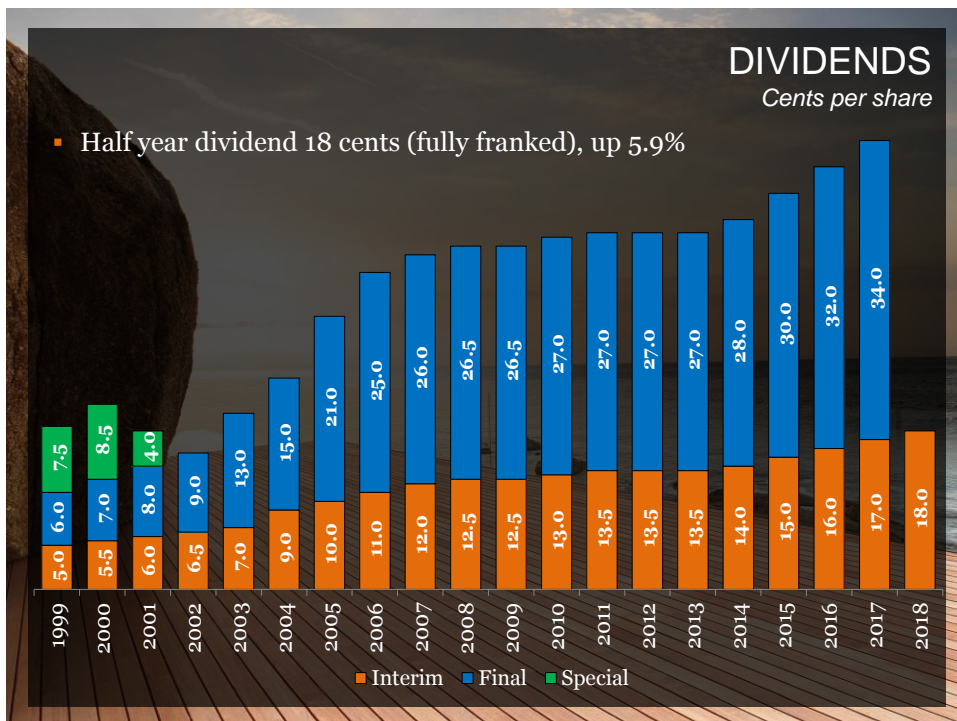
Underlying eps

↑4%

18 cents

Half year dividend

↑6%



SHAREHOLDER RETURNS (TO 31 JAN 18)

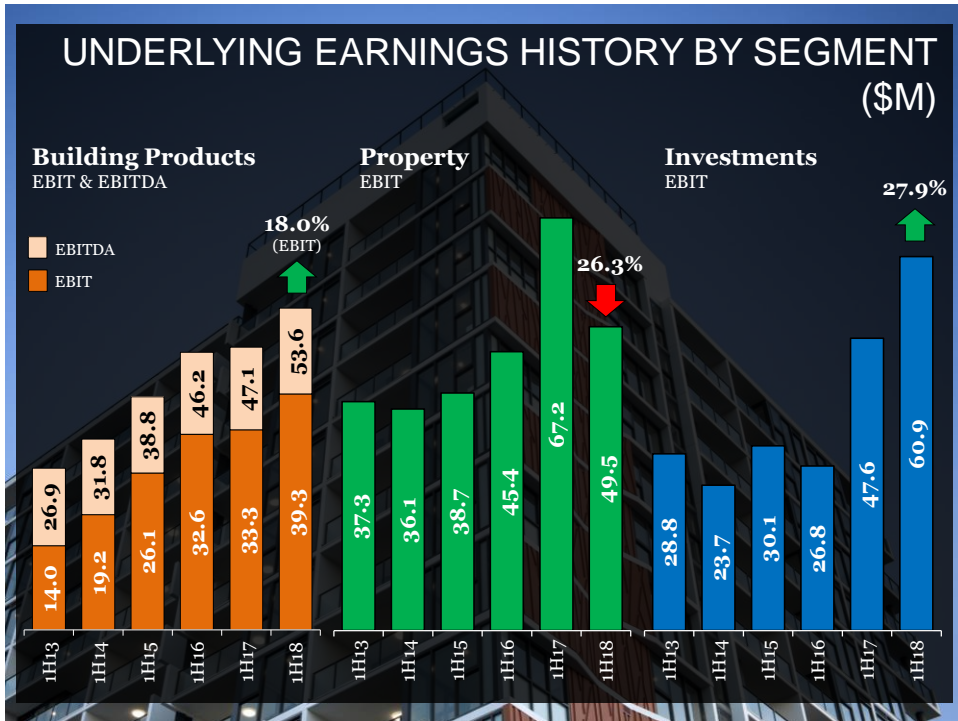


OPERATIONAL REVIEW



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Building Products	Property	Investments
<ul style="list-style-type: none"> Austral Bricks Bristle Roofing Austral Masonry Austral Precast Auswest Timbers 	<ul style="list-style-type: none"> Development of non operational land 50% share of \$1.5 billion Industrial Property Trust 	<ul style="list-style-type: none"> 42.7% share of WHSP (ASX: SOL, market cap \$4.2 billion)
<ul style="list-style-type: none"> Net tangible assets of \$665 million 	<ul style="list-style-type: none"> Development land + BKW share of net Property Trust assets \$529 million¹ 	<ul style="list-style-type: none"> Market value of BKW share \$1,762 million (at 31 Jan 18)
<ul style="list-style-type: none"> Inferred net tangible assets = \$2.6 billion² Market capitalisation = \$2.3 billion 		
<p>1. The only site currently held for development is at Craigieburn in Victoria, at a book value of \$28 million</p> <p>2. \$665m (BP net tangible assets) + \$529m (Property) + \$1,762m (Investments market value at 31 Jan 18) – \$318m (net debt)</p>		



BUILDING PRODUCTS



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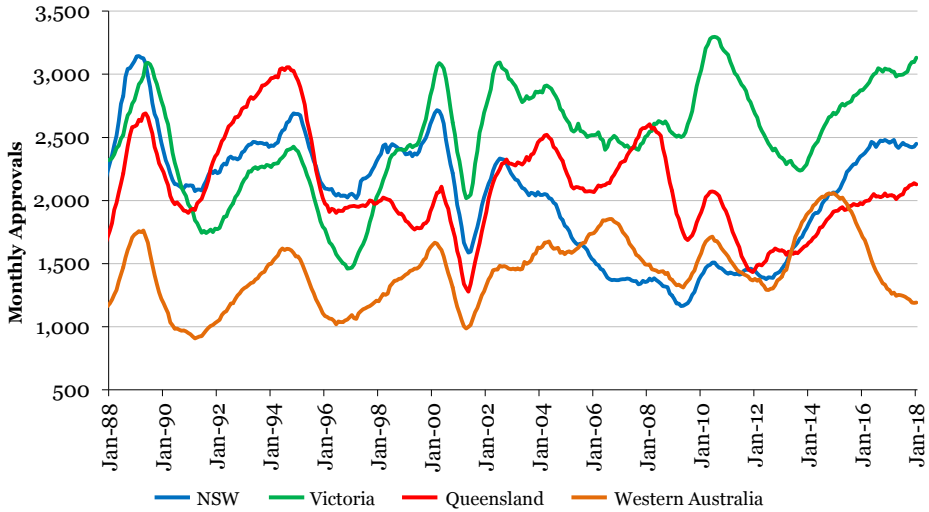
BUILDING PRODUCTS RESULT

	1H 2017	1H 2018	% Change
Sales revenue	\$370.2m	\$395.2m	↑ 6.8
EBITDA	\$47.1m	\$53.6m	↑ 13.8
EBIT	\$33.3m	\$39.3m	↑ 18.0
EBITDA to sales	12.7%	13.5%	↑ 6.3
EBIT to sales	9.0%	9.9%	↑ 10.0
Return on Net Tangible Assets	10.0%	11.8%	↑ 18.0
Full Time Employees (vs. FY18)	1,510	1,505	(0.4)
Injury Frequency (TRIFR)	16.9	20.7	↑ 22.5
Lost Time Injury Rate (LTIFR)	2.0	2.1	↑ 5.0



DETACHED HOUSING BUILDING APPROVALS

12 month moving average

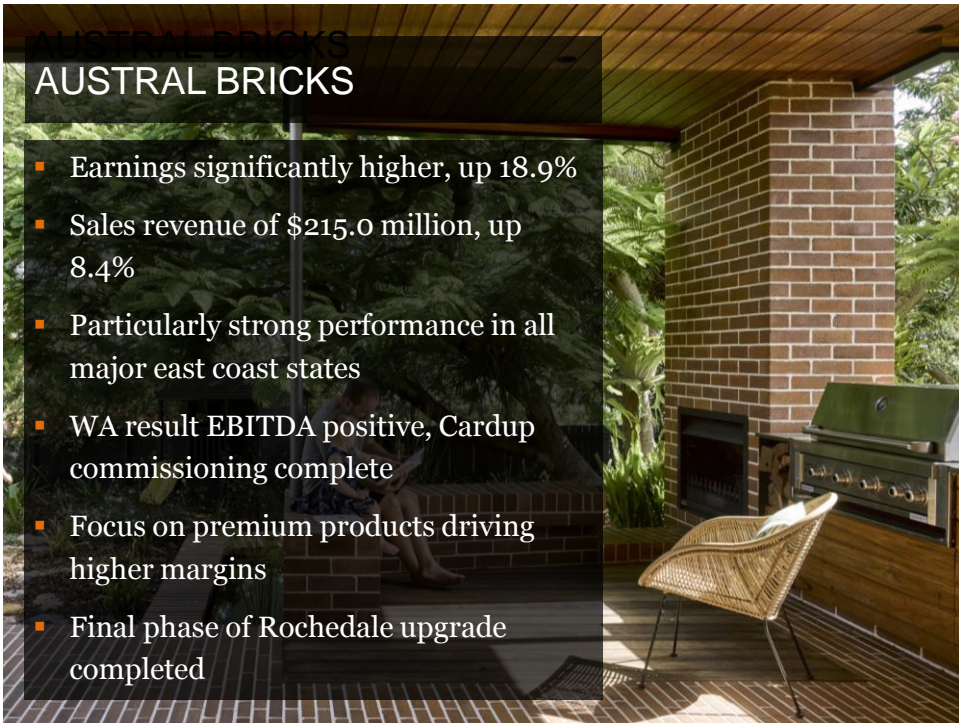


Source: ABS



AUSTRAL BRICKS

- Earnings significantly higher, up 18.9%
- Sales revenue of \$215.0 million, up 8.4%
- Particularly strong performance in all major east coast states
- WA result EBITDA positive, Cardup commissioning complete
- Focus on premium products driving higher margins
- Final phase of Rochedale upgrade completed





- Earnings down on increased sales revenue of \$52.0 million
- Improved result in NSW offset by weakness in Queensland
- Planning underway for new NSW facility



- Earnings up on increased sales revenue of \$67.8 million
- Focus on full service offer:
 - Metal now makes up 16% revenue
 - Launch of solar roof tiles



- Earnings stable on decreased sales revenue of \$34.8 million
- Strong demand in NSW
- Dandenong operations in Melbourne closed



- Earnings stable on decreased sales revenue of \$23.5 million
- Victorian operations adversely impacted by log feedstock size
- Installation of large log line in Greenbushes, WA

ACQUISITIONS AND STRATEGIC PROJECTS

Southern Cross Cement

- Construction of terminal in Brisbane commenced
- Due to be completed in financial year 2019
- Secures high quality and low cost cement for downstream operations
- Shareholder volume to underpin returns

UrbanStone

- Bolt-on to Austral Masonry
- Provides scale and geographic diversification
- Premium product positioning aligns with strategy



PROPERTY



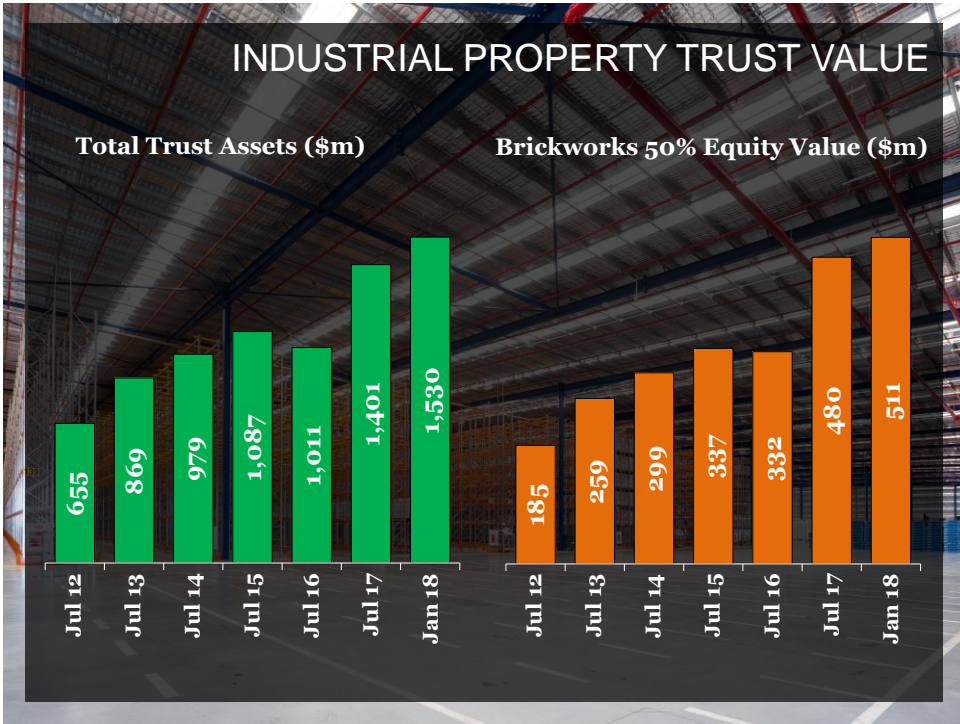
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PROPERTY SEGMENT EBIT (\$M)

\$ millions	1H2017	1H2018	% Change
Net Trust Income	8.9	10.7	20.1%
Revaluation of properties	6.8	7.1	4.7%
Development Profit	2.9	33.5	>500%
Sale of assets	0.3	-	N/A
Property Trust	18.8	51.2	171.9
Land Sales	50.1	-	N/A
Property Admin ¹	(1.8)	(1.7)	(1.3%)
Total²	67.2	49.5	(26.3%)

1. Property administration includes the holding costs of surplus land
2. Excluding significant items





INVESTMENTS



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INVESTMENT IN WHSP (ASX: SOL)

- BKW holds 42.7% stake in SOL
- SOL is a diversified investment house with interests in a wide range of companies such as TPG, New Hope, API and Brickworks
- 1H2018 underlying EBIT contribution from Investments of \$60.9 million, up 27.9%
- \$32.7 million fully franked dividends received by BKW during 1H2018
- Market value \$1.762 billion at 31 Jan 18

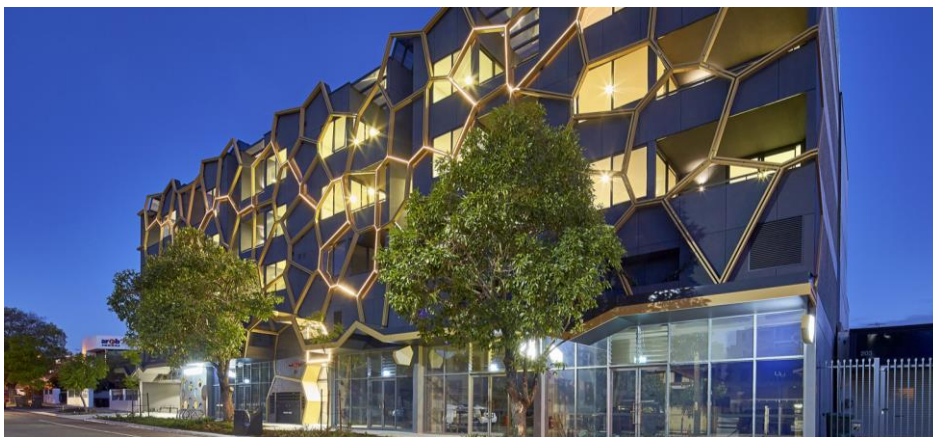


TOTAL SHAREHOLDER RETURN (TO 31 JAN 2018)

ANNUAL TSR	1 Year	3 Years	5 Years	10 Years	15 Years
WHSP	13.9%	13.6%	8.1%	11.9%	12.0%
All Ords Accum Index	13.0%	8.0%	9.2%	5.2%	9.6%
Out/(Under) Perform	0.9%	5.6%	(1.1%)	6.7%	2.4%



FINANCIALS



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FINANCIAL OVERVIEW

	1H2017	1H2018	% Change
Total EBITDA	\$156.1m	\$157.1m	↑ 0.6
Depreciation	\$13.9m	\$14.3m	↑ 2.9
Total EBIT	\$142.2m	\$142.8m	↑ 0.4
Borrowing costs	(\$5.8m)	(\$6.0m)	↑ (3.4)
Underlying income tax	(\$25.3m)	(\$21.1m)	↓ 16.6
Underlying NPAT	\$111.2m	\$115.6m	↑ 4.0
Significant items (after tax)	(\$7.2m)	(\$18.6m)	
Statutory NPAT	\$104.1m	\$97.0m	↓ (6.8)



SIGNIFICANT ITEMS

Significant Items	Gross	Tax	Net
Deferred tax on WHSP holding	-	(\$9.2m)	(\$9.2m)
Significant items relating to WHSP	(\$6.3m)	-	(\$6.3m)
Commissioning of manufacturing facilities	(\$1.7m)	\$0.5m	(\$1.2m)
Restructuring activities	(\$1.6m)	\$0.5m	(\$1.1m)
Business acquisition, legal & advisory costs	(\$1.2m)	\$0.4m	(\$0.8m)
TOTAL	(\$10.8m)	(\$7.8m)	(\$18.6m)



KEY FINANCIAL INDICATORS

	FY 2017	1H 2018	% Change
Net tangible assets (NTA) per share	\$11.77	\$12.03	↑ 2.2
Shareholders' equity	\$1,968m	\$2,014	↑ 2.3
Shareholders' equity per share	\$13.20	\$13.49	↑ 2.3
Underlying return on shareholders equity (vs 1H17)	11.7%	11.5%	↓ (1.7)
Cash flow from operations (vs 1H17)	\$49.8m	\$74.2m	↑ 49.0
Net debt	\$292.3m	\$317.5m	↑ 8.6
Gearing (net debt / equity)	14.9%	15.8%	↑ 6.0
Interest cover	16.7x	20.0x	↑ 19.8



CASH FLOW RECONCILIATION

\$million	1H2017	1H2018
Statutory net profit after tax	\$104.1m	\$97.0m
Depreciation, amortisation, impairment	\$13.9m	\$14.3 m
Share of profits of associates not received as dividend	(\$32.0m)	(\$62.4m)
Non cash profit on land sale	(\$50.1m)	-
Changes in tax provisions	\$19.7m	\$21.4m
Changes in working capital and other non cash items	(\$5.8m)	\$4.0m
Operating cash flow	\$49.8m	\$74.2m
Capital expenditure	(\$36.6m)	(\$25.8m)
Free cash flow	\$13.3m	\$48.5m
Acquisitions and investments	(\$2.7m)	(\$22.6m)
Dividends paid	(\$47.6m)	(\$50.8m)



CAPITAL EXPENDITURE & ACQUISITIONS

	1H 2017	1H 2018
“Stay in Business” capital expenditure	\$15.2m	\$13.3m
Growth items and major projects	\$20.5m	\$12.5m
Building Products total	\$35.9m	\$25.8m
Property capital expenditure	\$0.9m	-
Total capital expenditure	\$36.6m	\$25.8m
<i>Depreciation and amortisation</i>	<i>\$13.9m</i>	<i>\$14.3m</i>



OUTLOOK



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BUILDING PRODUCTS OUTLOOK

- Continued momentum on east coast, and long pipeline of work remains in place
- Western Australia remains difficult, but restructure delivering improved performance
- Energy cost increase in 2nd half expected to be fully mitigated, further gas cost increases on 1 January 2019
- Overall, the short to medium term outlook remains strong

Oakdale South Site
Artistic Impression

Property Outlook



GROUP OUTLOOK

- Building Products outlook remains strong
- Property Trust activity is very strong and will continue to drive an increase in asset value and net rental income
- Aside from the Punchbowl site, there will be limited additional major land sales opportunities in the short term
- The WHSP investment is expected to deliver steadily increasing earnings and dividends over the long term

THANKYOU



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