

STATUTORY NPAT UP 138% TO \$186 MILLION
RECORD UNDERLYING NPAT - 5th CONSECUTIVE YEAR OF GROWTH

FULL YEAR	2016	2017	Variance %
Revenue (\$M)	751.0	841.8	↑ 12%
Underlying EBIT ¹ (\$M)	195.9	246.3	↑ 26%
Underlying EBITDA (\$M)	223.3	274.1	↑ 23%
Underlying NPAT (\$M)	147.1	196.4	↑ 34%
Statutory NPAT (\$M) <i>Inc. Significant Items</i>	78.2	186.2	↑ 138%
Underlying EPS (cents)	98.9	131.8	↑ 33%
Final Dividend (cents)	32.0	34.0	↑ 6%
Full Year Dividend (cents)	48.0	51.0	↑ 6%

Brickworks (ASX: BKW) today announced a record **underlying Net Profit After Tax (NPAT)** of \$196.4 million for the year ended 31 July 2017, up 33.6% from the prior year. This marks the fifth consecutive year of growth in underlying NPAT. The **statutory NPAT** was \$186.2 million, up 138.2% after including the impact of significant items.

Brickworks Chairman Mr Robert Millner said: “Our strong financial performance during the year again reinforced the benefit of our diversification strategy which has consistently grown net asset value over the long term and helped to deliver solid returns and stability to our shareholders.”

Underlying earnings were 131.8 cents per share for the year, up 33.2% from 98.9 cents for the prior year.

Directors have declared a fully franked final **dividend** of 34 cents per share, taking the full year dividend to 51 cents fully franked, an increase of 3 cents, or 6.3% on the prior year. The record date for the final dividend is 9 November 2017, with payment on 29 November 2017.

Building Products

Building Products sales revenue hit a record \$763.3 million, however Earnings Before Interest and Tax (EBIT) was down 13.7% to \$65.0 million.

Brickworks Managing Director Mr Lindsay Partridge said the year was characterised by the stark contrast in conditions between the east and west coast of the country. “In total, earnings from our east coast operations were up \$7.3 million compared to the prior year. This was achieved despite a \$5-6 million adverse EBIT impact associated with Cyclone Debbie and the extended period of heavy rain throughout March and April. The performance of Austral Bricks was particularly strong, with this business reaping the benefits of sustained investment in our facilities, product innovation and marketing initiatives over a number of years.”

“However it has been an extremely challenging period in Western Australia, with building starts down a further 22% over the year, bringing the two year decline to almost 40%. This has resulted in lower sales volumes across all operations and earnings from Western Australia decreasing by \$12.0 million compared to the prior year”, he said.

The company has taken a pro-active approach to right-sizing operations to match demand, closing 6 plants in Western Australia during the year, 4 of those on a permanent basis. The significant restructuring

¹ All Group underlying profit and earnings measures exclude significant items, unless otherwise stated

undertaken in Western Australia during 2017 has unfortunately resulted in the loss of 126 jobs across the business and additional one off costs of \$15.9 million.

“We now enter 2018 in a much improved position in Western Australia, with a lower cost base and operating capacity in line with the expected demand, but with the flexibility to adapt to any change in conditions,” Mr Partridge said.

Property

Property delivered a stellar result, with EBIT up 23.3% to \$90.6 million. The sale of Oakdale West into the 50/50% Brickworks and Goodman Joint Venture Property Trust was a significant milestone during the year, generating a profit of \$50.1 million to the company, and securing a strong future development pipeline for the Trust.

The company is focused on continuing to build asset value in the Trust, and has re-invested cash proceeds received from land sales in recent years to support development activity. This has seen total assets within the Trust increase to \$1.401 billion at the end of the year, with Brickworks share of net asset value increasing by \$148 million to \$480 million over the past 12 months.

Investments

EBIT from Investments increased 73.1% to \$103.1 million and cash dividends totalling \$54.2 million were received for the year ended 31 July 2017. The market value of Brickworks 42.72% shareholding in WHSP was \$1.804 billion at 31 July 2017, up \$22 million during the year.

Perpetual Litigation

In July the Federal Court of Australia rejected Perpetual’s claim that Brickworks engaged in oppressive conduct, including by reason of the existence of Brickworks’ cross-shareholding structure with WHSP. In summary, the judge ruled that Perpetual failed on all elements of its case, and was ordered to pay both Brickworks and WHSP’s costs.

Outlook

Commenting on the prospects for Building Products, Mr. Partridge said: “Overall, we remain positive about the short to medium term outlook, with the strong order book on the east coast and the restructuring initiatives undertaken in the west expected to underpin 2018 earnings. This is reflected in year to date earnings within Building Products tracking higher than the previous corresponding period”.

Despite the positive outlook, the price and reliability of energy remains a major concern for the business. Mr Partridge said: “Whilst the significant impost of higher gas prices in 2018 has been offset by brick price increases already implemented, the company is less able to mitigate for supply risk.”

“Ironically, energy price increases have come at a time when reliability of supply is increasingly uncertain, with our operations continuing to experience unexpected outages, and facing the prospect of black-outs and forced load sharing arrangements. In South Australia we have been forced to invest \$1.5 million in generators as back up to ensure the continuous operations of this facility”, he said.

Turning to Property, development activity within the Trust is currently at record levels. Completion of developments at Rochedale and Oakdale Central during the year will increase leased asset value by around \$250 million and gross rent by \$15 million. Also within the Property Trust, the completion of infrastructure works at Oakdale South by April 2018 will trigger settlement on 30.3 hectares of land, providing \$100 million in gross receipts on sale.

Mr Partridge said: “The completion of developments and land sales will drive another strong result from the Property Trust. However in the absence of any significant land sales by the Brickworks Group, overall Property EBIT is expected to be lower in 2018.”

The diversified nature of Brickworks’ holding in WHSP is expected to continue delivering steadily increasing earnings and dividends to Brickworks over the long term.

Results briefing

Chairman Robert Millner and Managing Director Lindsay Partridge will present Brickworks' results at a briefing today at 12.15pm, for a 12.30pm start, at the Brickworks Sydney Design Studio, Ground Floor, 50 Carrington Street.

The briefing will be webcast live on the following link:

<http://www.streamgate.co/brickworks-full-year-results-2017>

End

Brickworks Limited was listed on the Australian Securities Exchange in 1962 and has paid a dividend every year since then. It has three Groups - Building Products, Land and Development and Investments. The Building Products Group includes Australia's largest bricks producer Austral Bricks, Austral Masonry, Bristle Roofing, Austral Precast, Auswest Timbers and Specialised Building Systems. The Property Group maximises value from surplus land and redundant building products sites. Investments include a 42.72% holding in Washington H. Soul Pattinson & Company.

BRICKWORKS LIMITED (ASX CODE: BKW) www.brickworks.com.au

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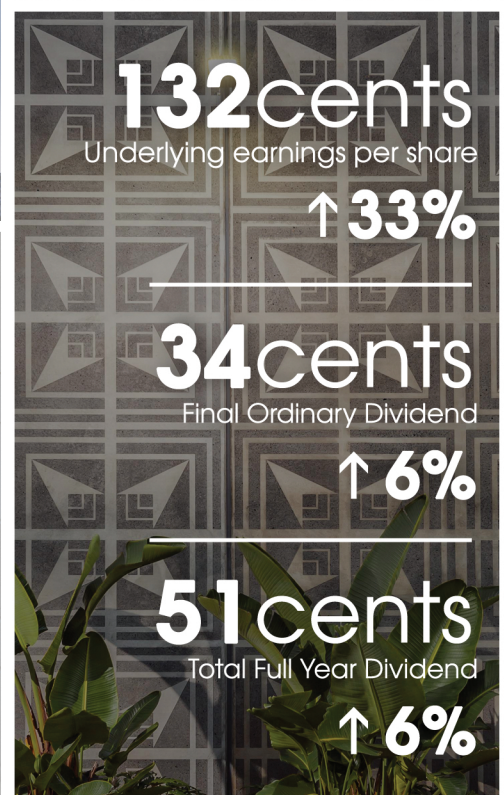
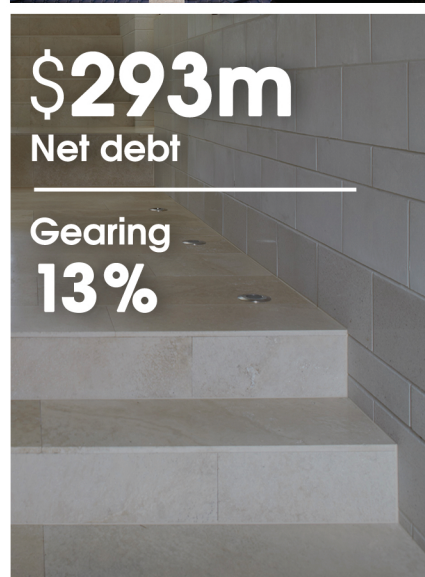
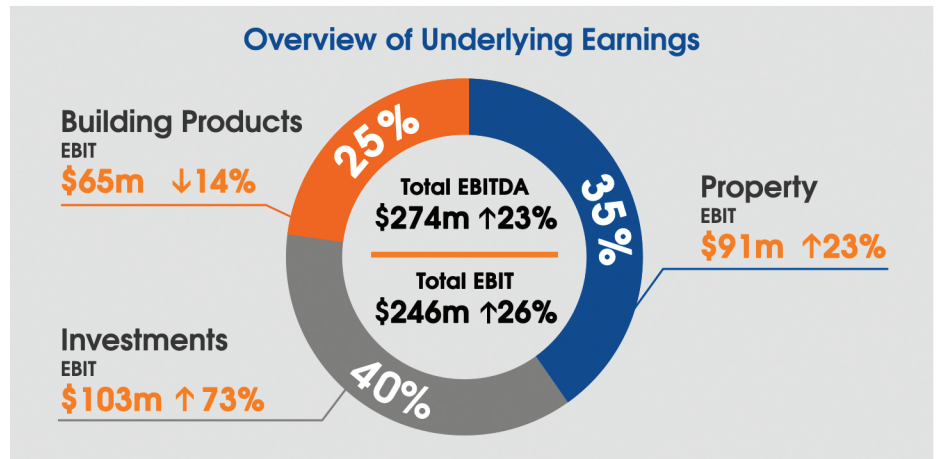
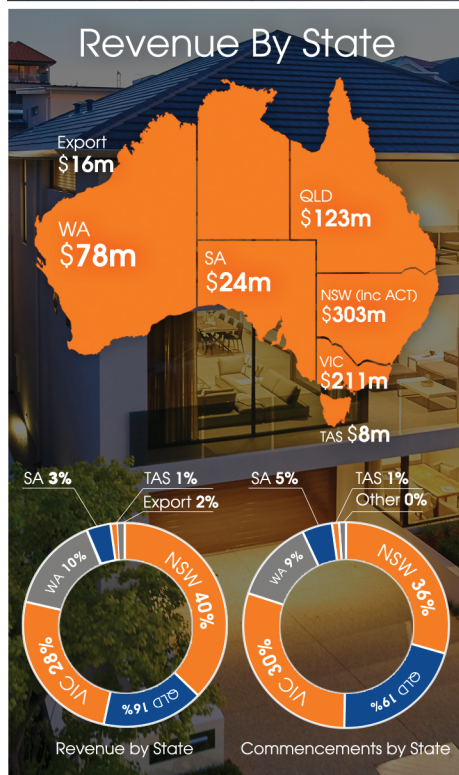
Robert Millner, Chairman

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Brickworks Products (Revenue by division)		
Austral Bricks	\$414m	↑2%
Austral Masonry	\$89m	↓2%
Bristle Roofing	\$128m	↑3%
Austral Precast	\$80m	↑9%
Auswest Timbers	\$47m	↓11%
Full Time Employees	1,511	↓5%
Safety	LTIFR 1.3	↓19%