

21 September 2017

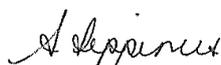
Australian Securities Exchange
Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir / Madam

Please find attached a presentation to be presented to analysts today regarding Brickworks Limited's financial results for the year ended 31 July 2017, for immediate release to the market.

Yours faithfully
BRICKWORKS LIMITED



Susan Leppinus
Company Secretary

RESULTS

FOR THE YEAR ENDED JULY 31 2017

Mr. Lindsay Partridge, Managing Director



BRICKWORKS
LIMITED

PRESENTATION OUTLINE

- Group Overview
- Results in Detail
- Building Products Results
- Building Products Outlook
- Property
- Investments
- Group Outlook
- Questions

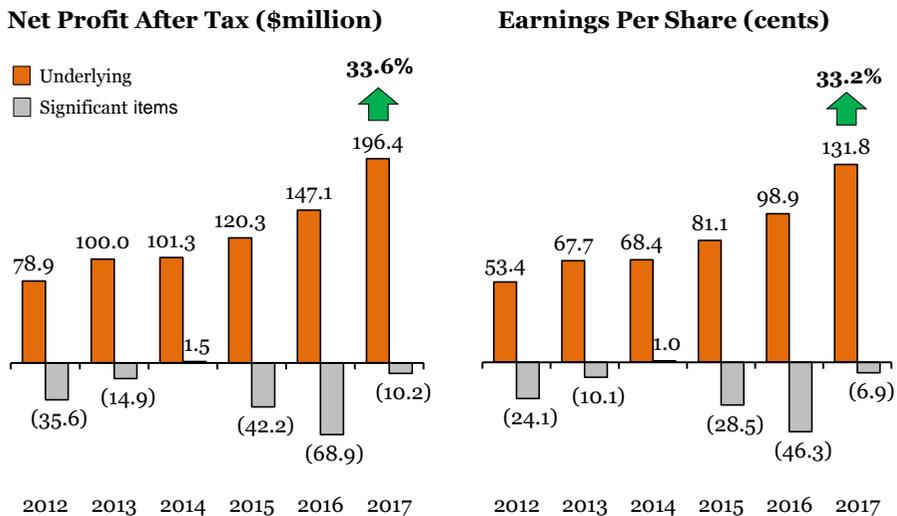


OVERVIEW OF BUSINESS UNITS

Building Products	Property	Investments
<ul style="list-style-type: none"> Austral Bricks Bristle Roofing Austral Masonry Austral Precast Auswest Timbers Net tangible assets of \$607 million 	<ul style="list-style-type: none"> Development of surplus Building Products land 50% share of \$1.4 billion Industrial Property Trust BKW share of net Property Trust assets \$480 million 	<ul style="list-style-type: none"> 42.7% share of WHSP (ASX: SOL, market cap \$4.2 billion) Market value of BKW share \$1,804 million

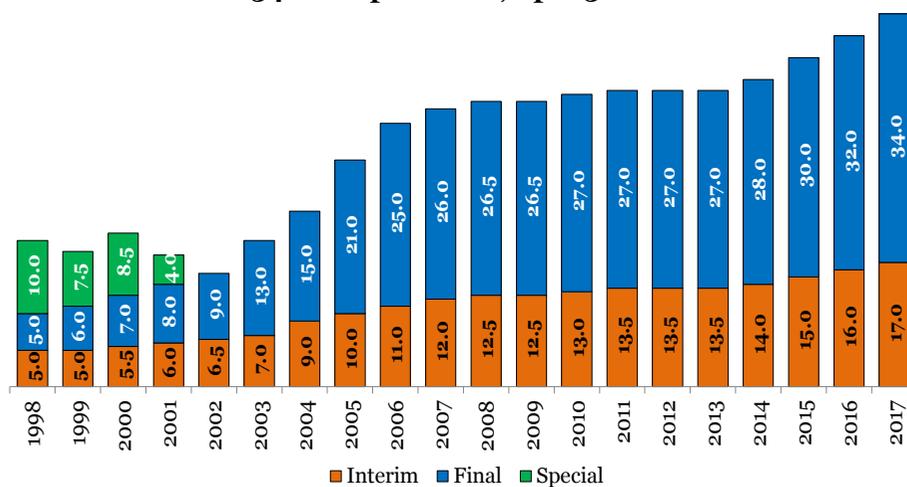
Barkers Road Townhouses
Bowral Bricks

Net Profit After Tax & Earnings Per Share



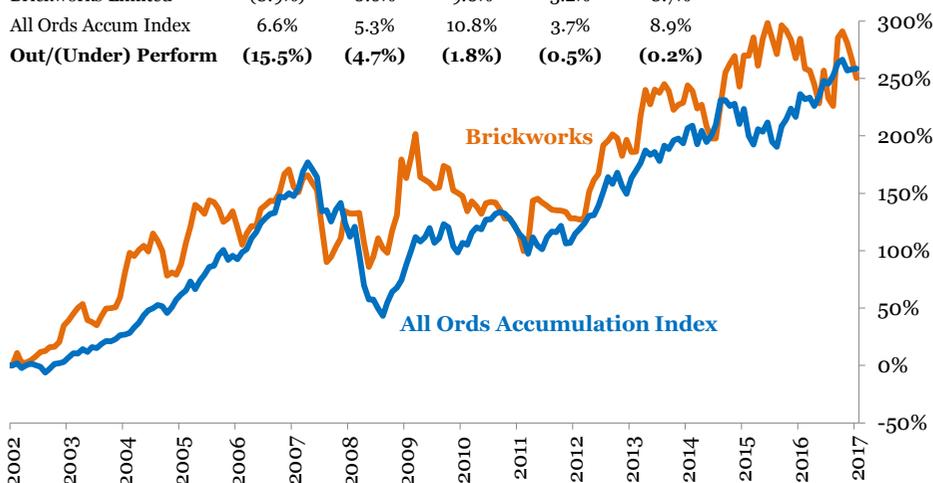
DIVIDENDS (CENTS PER SHARE)

- Final dividend 34 cents per share, up 6.3%



15 YEAR TOTAL SHAREHOLDER RETURN (TO 31 JUL 2017)

ANNUAL TSR	1 Year	3 Years	5 Years	10 Years	15 Years
Brickworks Limited	(8.9%)	0.6%	9.0%	3.2%	8.7%
All Ords Accum Index	6.6%	5.3%	10.8%	3.7%	8.9%
Out/(Under) Perform	(15.5%)	(4.7%)	(1.8%)	(0.5%)	(0.2%)



RESULTS IN DETAIL



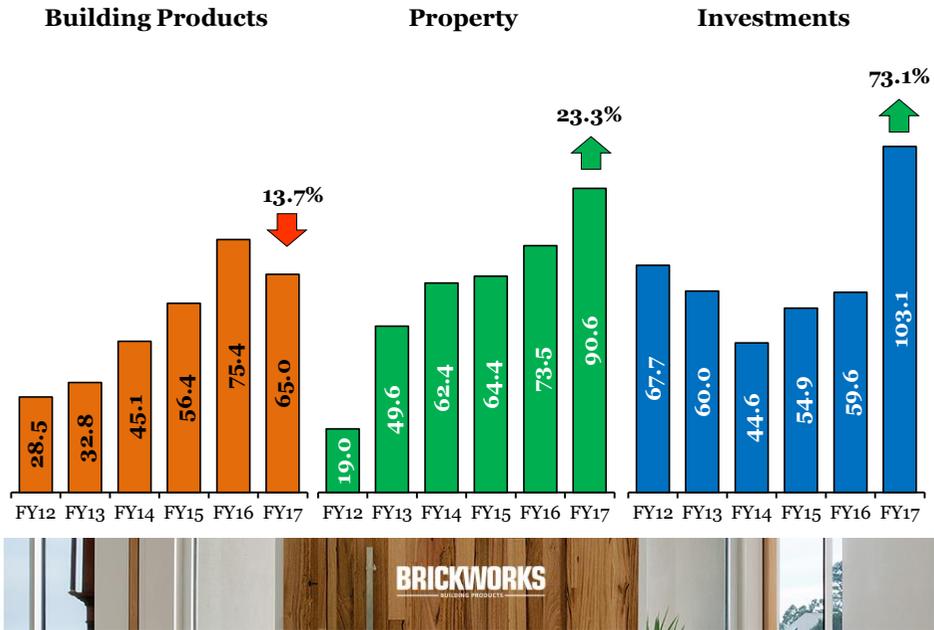
BRICKWORKS
— BUILDING PRODUCTS —

FINANCIAL SNAPSHOT

	FY2016	FY2017	% Change
Building Products segment EBIT	\$75.4m	\$65.0m	↓ (13.7)
Property segment EBIT	\$73.5m	\$90.6m	↑ 23.3
Investments segment EBIT	\$59.6m	\$103.1	↑ 73.1
Total EBIT	\$195.9m	\$246.3m	↑ 25.7
Borrowing costs	(\$14.1m)	(\$12.4m)	↓ 11.7
Underlying income tax	(\$34.8m)	(\$37.4m)	↑ (7.7)
Underlying NPAT	\$147.1m	\$196.4m	↑ 33.6
Significant items (after tax)	(\$68.9m)	(\$10.2m)	
Statutory NPAT	\$78.2m	\$186.2m	↑ 138.2



EBIT HISTORY BY SEGMENT (\$M)



SIGNIFICANT ITEMS

Significant Items	Gross	Tax	Net
Impairment of PP&E	(\$3.0m)	\$0.9m	(\$2.1m)
Restructuring and commissioning costs	(\$12.9m)	\$3.9m	(\$9.1m)
Net legal and advisory costs	\$0.1m	-	\$0.1m
Significant items relating to WHSP	\$26.1m	(\$25.3m)	\$0.9m
Total	\$10.3m	(\$20.5m)	(\$10.2m)



KEY FINANCIAL INDICATORS

	FY 2016	FY 2017	% Change
Net tangible assets (NTA) per share	\$10.95	\$11.77	↑ 7.4
Shareholders' equity	\$1,838m	\$1,968m	↑ 7.0
Shareholders' equity per share	\$12.37	\$13.20	↑ 6.8
Underlying return on shareholders equity	8.0%	10.0%	↑ 24.8
Cash flow from operations	\$148.5m	\$115.4m	↓ (22.3)
Net debt	\$269.2m	\$293.4m	↑ 9.0
Net debt/capital employed	12.8%	13.0%	↑ 1.6
Interest cover	14.4x	16.7x	↑ 16.6



CAPITAL EXPENDITURE

	FY 2016	FY 2017
"Stay in Business" capital expenditure	\$23.5m	\$29.0m
Growth items and major projects	\$29.2m	\$31.3m
Building Products total	\$52.7m	\$60.3m
Depreciation and amortisation	\$27.4m	\$27.9m
Property	\$5.4m	\$2.7m



BUILDING PRODUCTS RESULTS



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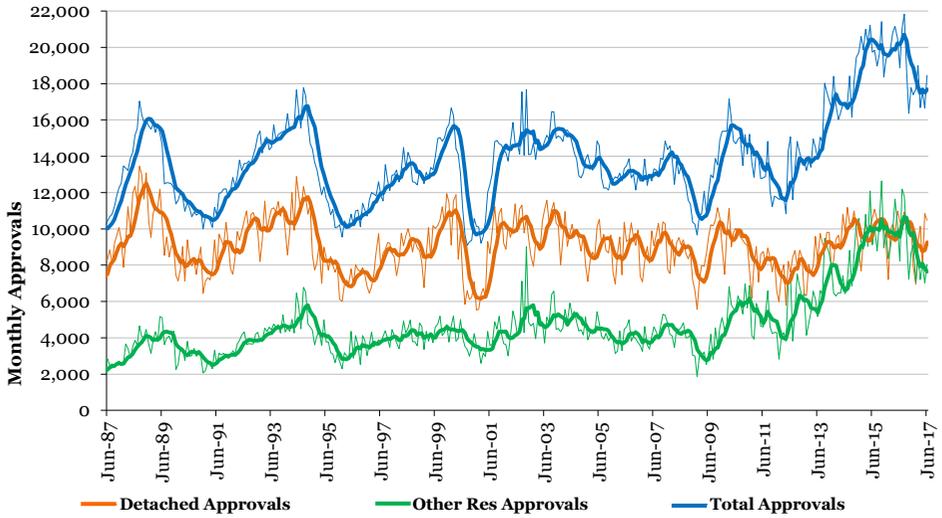
BUILDING PRODUCTS SEGMENT RESULT

	FY 2016	FY 2017	% Change
Sales revenue	\$748.1m	\$763.3m	↑ 2.0
EBITDA	\$102.8m	\$92.9m	↓ (9.6)
EBIT	\$75.4m	\$65.0m	↓ (13.7)
EBITDA to sales	13.7%	12.2%	↓ (11.4)
EBIT to sales	10.1%	8.5%	↓ (15.4)
Return on Net Tangible Assets	12.2%	10.7%	↓ (12.6)
Full Time Employees	1,598	1,511	(5.4)
Injury Frequency (TRIFR)	19.2	17.1	↓ (10.9)
Lost Time Injury Rate (LTIFR)	1.6	1.3	↓ (18.7)



AUSTRALIAN BUILDING APPROVALS

6 month moving average

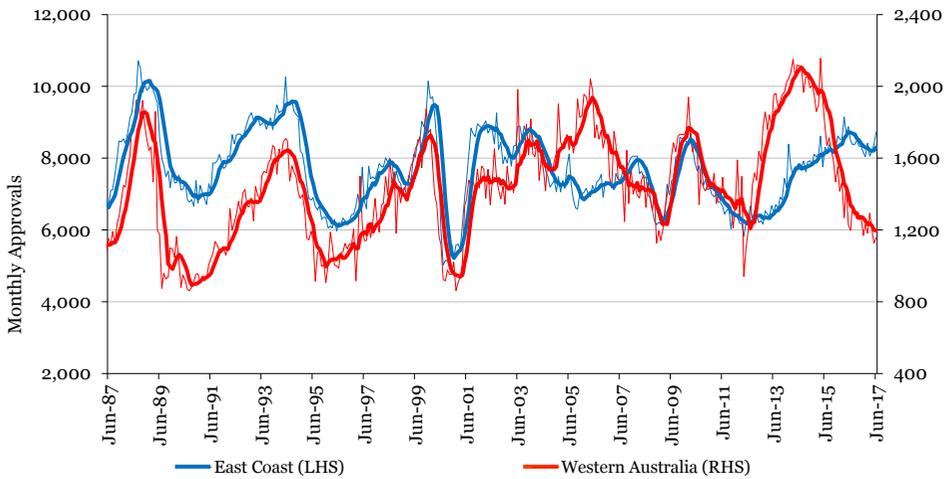


Source: ABS



DETACHED HOUSING APPROVALS – EAST¹ VS WEST

6 month moving average

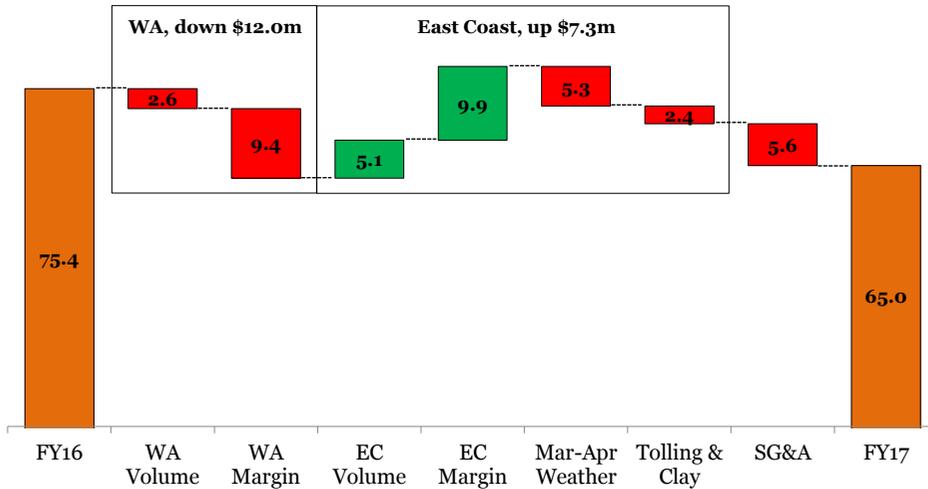


1. NSW, ACT, VIC, QLD, SA, TAS

Source: ABS



BUILDING PRODUCTS FY2017 EBIT ANALYSIS (\$M)



WA RESTRUCTURING

Business	Plant	Status
Bricks	Malaga	Closed – sold
	Bellevue	In operation
	Cardup	Upgraded
	Armadale	Mothballed
Timber	Deanmill	Closed
	Pemberton	Closed
	Manjimup	Closed
	Greenbushes	Upgraded
Roofing	Caversham	Mothballed

- Extensive restructuring in WA
 - Austral Bricks
 - Auswest Timbers
 - Bristle Roofing
- 6 plants shut (4 permanent)
- \$15.9 million one-off costs
- 126 jobs lost



Much improved position with lower costs and increased flexibility



AUSTRAL BRICKS

- Earnings higher, up 7.3%
- Sales revenue of \$413.9 million, up 2.0%
- Continued focus on premium products driving higher margins
- Particularly strong performance in all major east coast states
- Gains on the east coast offset by decline in WA
- Transition to Cardup plant in WA complete



AUSTRAL MASONRY

- Earnings marginally lower
- Sales revenue of \$89.0 million, stable
- Focus on premium products delivered higher average selling prices
- Strong performance in NSW, with sales and earnings higher
- Qld operations significantly impacted by Cyclone Debbie



BRISTILE ROOFING

- Earnings down on the prior year
- Sales revenue of \$127.9 million, up 3.0%
- Earnings impacted by difficult conditions in WA and plant upgrades at Wacol plant in Qld
- Caversham plant in WA mothballed
- Completion of metal roofing, fascia and gutter acquisition in VIC
- More diversified product offer and growth opportunities



AUSTRAL PRECAST

- Earnings down on the prior period
- Sales revenue of \$80.5 million, up 8.7%
- Excellent performance in NSW, benefitting from production scale and automated manufacturing plant
- Challenging conditions in WA and Qld
- Victorian operations closed, effective October 2017



AUSWEST TIMBERS

- Earnings down on the prior period
- Sales revenue of \$46.6 million, down 11.4%
- Fyshwick batten mill earnings improved on east coast housing strength
- Rationalisation of Western Australian operations completed
- Victorian operations adversely impacted by decreasing log feedstock size
- Log supply now secured in East Gippsland



BUILDING PRODUCTS STRATEGY & OUTLOOK



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BUILDING PRODUCTS STRATEGY

We Believe In Making Beautiful Products That Last Forever.



Strengthen the Core.

- **Operations excellence**, to secure lowest cost manufacturing positions
- **Consolidate and grow** our position in existing business units when opportunities exist
- Build **industry leading customer relationships**
- Invest in **style and product leadership**



Build Growth Businesses.

- **Invest in affiliated businesses**
- **Distribute market leading products**
- **Create better building solutions**



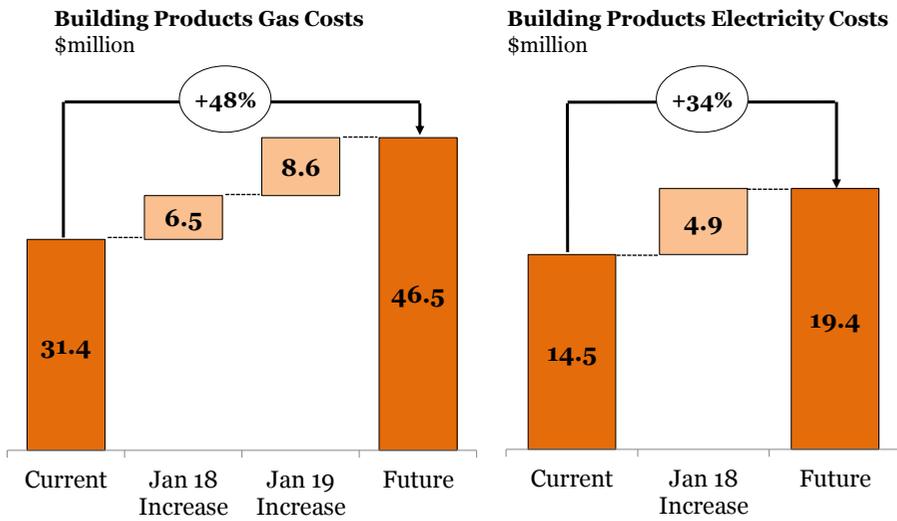
Sustaining Our Strong Culture.

BUILDING PRODUCTS OUTLOOK

- East coast demand remains elevated resulting in a strong order book
- Continued challenging conditions in Western Australia are expected
- Overall, the short to medium term outlook for Building Products remains positive:
 - Price rises already implemented in major divisions
 - Long pipeline of work in major east coast states
 - Re-structuring activities in Western Australia completed in financial year 2017 have improved position in that state
- Earnings currently tracking above the prior corresponding period



INCREASING ENERGY COSTS



PROPERTY



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PROPERTY SEGMENT EBIT (\$M)

\$ millions	FY2016	FY2017	% Change
Property Trust	74.9	44.4	(40.7%)
Land Sales	1.4	50.3	>100%
Waste	1.3	-	N/A
Property Admin ¹	(4.2)	(4.1)	(2.4%)
Total	73.5	90.6	23.3%

1. Property administration includes the holding costs of surplus land



INDUSTRIAL PROPERTY TRUST EBIT (\$M)

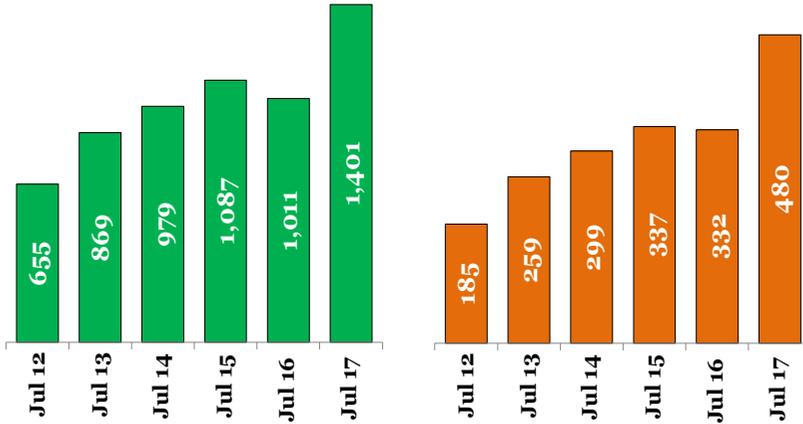
\$ millions (BKW share)	FY2016	FY2017	% Change
Net Trust Income	15.3	18.3	19.6%
Revaluation of properties	41.8	14.3	(65.8%)
Development Profit	17.8	10.8	(39.3%)
Sale of assets	-	1.0	N/A
Total	74.9	44.4	(40.7%)



INDUSTRIAL PROPERTY TRUST VALUE

Total Trust Assets (\$m)

Brickworks 50% Equity Value (\$m)



INVESTMENTS



Ivanhoe House
La Paloma, by Austral Bricks

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INVESTMENT IN WHSP (ASX: SOL)

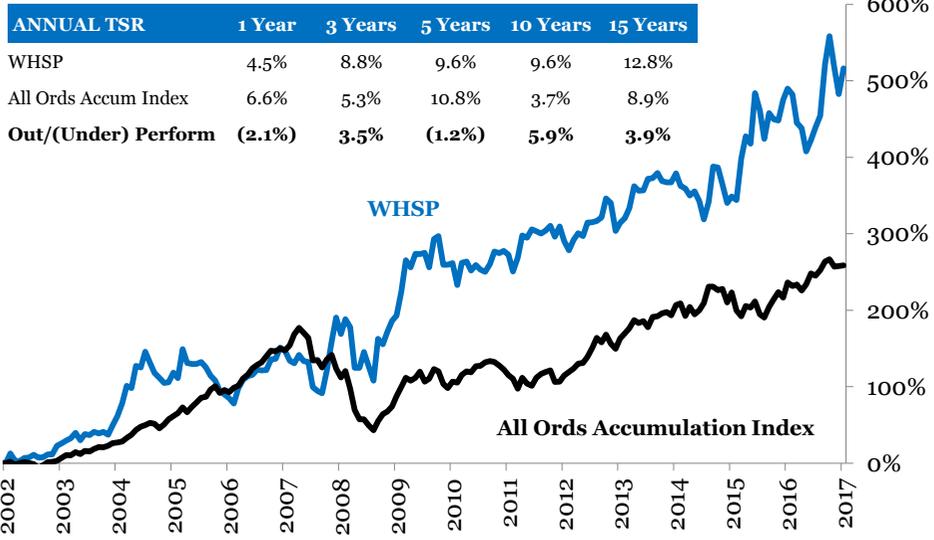
- BKW holds 42.7% stake in SOL
- SOL is a diversified investment house with interests in a wide range of companies such as TPG, New Hope, API and Brickworks
- FY2017 underlying EBIT contribution from Investments of \$103.1 million, up 73.1%¹
- \$54.2 million fully franked dividends received by BKW during FY2017
- Market value \$1.804 billion at 31 Jul 17, up \$21.5 million vs prior year



1. Includes interest revenue of \$0.2 million



TOTAL SHAREHOLDER RETURN (TO 31 JUL 2017)



GROUP OUTLOOK



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GROUP OUTLOOK

- **Building Products** earnings for the 2018 financial year will be underpinned by the strong order book in major east coast divisions, and re-structuring activities undertaken in Western Australia
- Despite strong development activity in the Trust, **Property** earnings in 2018 are expected to be lower due to no major land sales
- The diversified nature of our holding in WHSP's **investments** is expected to deliver steadily increasing earnings and dividends to Brickworks over the long term



THANKYOU



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