

26 March 2015

Australian Securities Exchange
Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir/Madam,

Please find attached a presentation to be made to analysts today regarding Brickworks' financial results for the half year ended 31 January 2015, for immediate release to the market.

Yours faithfully,

BRICKWORKS LIMITED



IAIN THOMPSON
COMPANY SECRETARY

Proudly supports



**RESULTS FOR THE HALF YEAR ENDED
31 JANUARY 2015**



26 March 2015

BRICKWORKS
LIMITED

OVERVIEW
Mr Robert Millner, Chairman

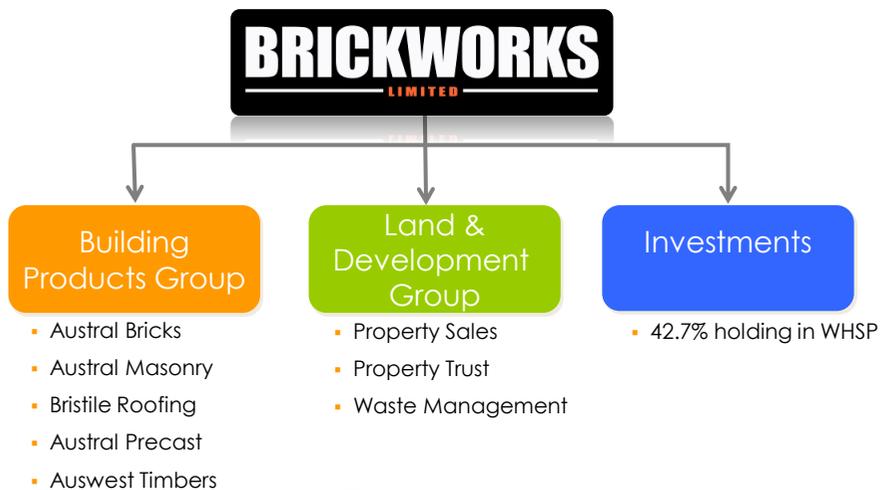


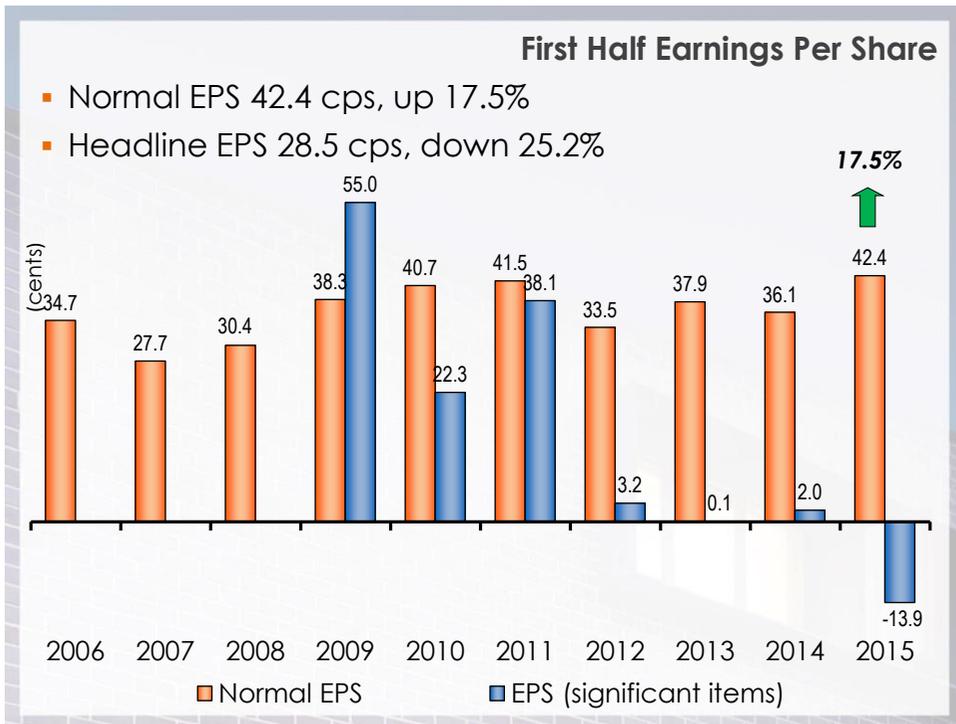
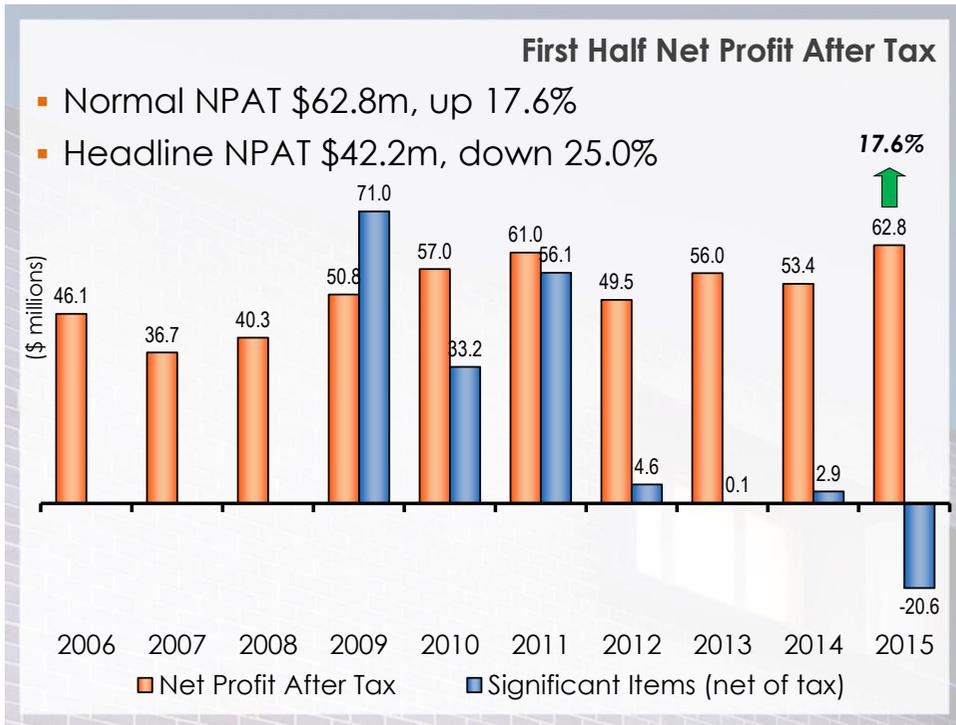


Presentation Outline

- Overview
- Results in Detail
- Building Products Results
- Building Products Outlook
- Land & Development
- Investments
- Group Outlook
- Questions

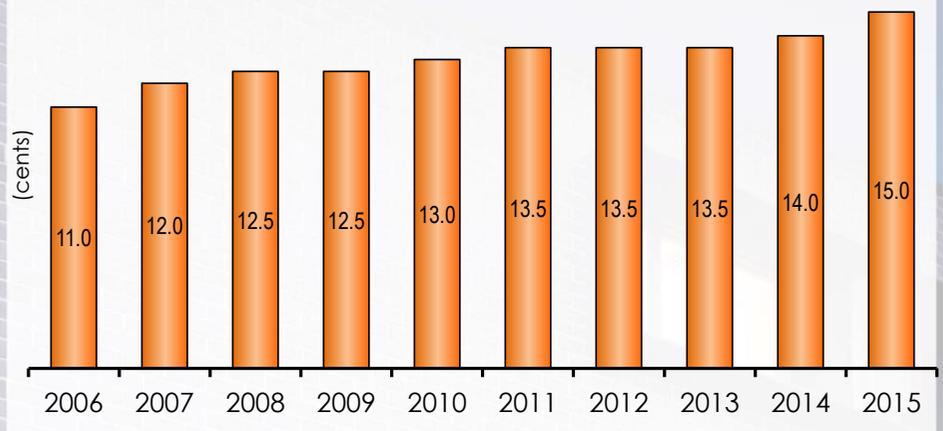
Brickworks Corporate Structure





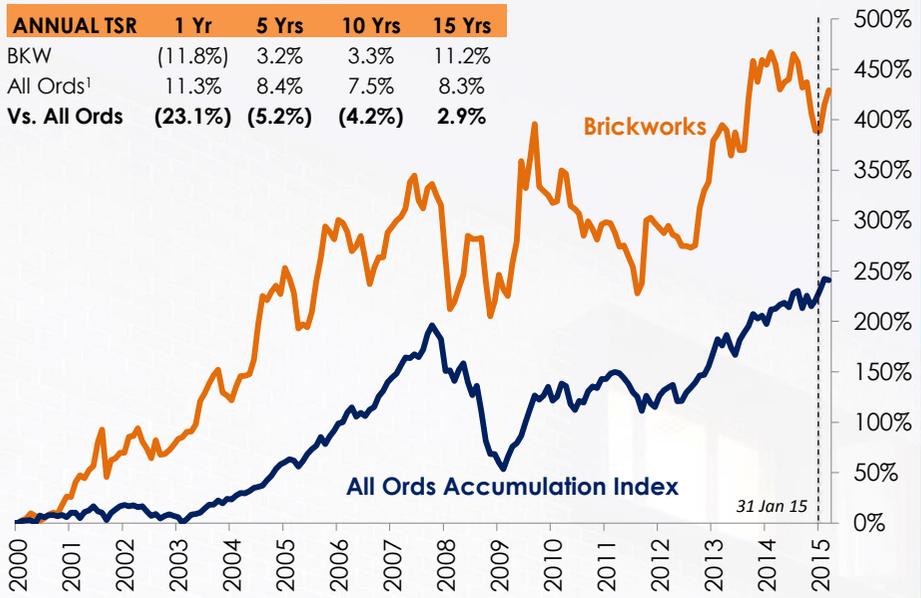
Interim Fully Franked Dividend

- The interim fully franked dividend 15.0 cents, up 7.1%



Total Shareholder Return (to 31 Jan 2015)

ANNUAL TSR	1 Yr	5 Yrs	10 Yrs	15 Yrs
BKW	(11.8%)	3.2%	3.3%	11.2%
All Ords ¹	11.3%	8.4%	7.5%	8.3%
Vs. All Ords	(23.1%)	(5.2%)	(4.2%)	2.9%



1. All ordinaries accumulation index
Source: IRESS

RESULTS IN DETAIL

Mr Lindsay Partridge AM, Managing Director



Financial Snapshot

	HY JAN 2015	HY JAN 2014	% Change
Building Products EBIT	\$26.1m	\$19.2m	↑ 35.9
Land and Development EBIT	\$38.7m	\$36.1m	↑ 7.2
Investments EBIT	\$30.1m	\$23.7m	↑ 27.0
Total EBIT	\$90.0m	\$74.3m	↑ 21.1
Total EBITDA	\$102.6m	\$87.0m	↑ 17.9
Interest cost	(\$9.4m)	(\$9.9m)	↓ 5.1
Mark to market valuation of swaps	(\$2.9m)	\$1.7m	↓ (270.6)
Income tax	(\$14.8m)	(\$12.6m)	↑ (17.5)
Net profit after tax (normal)	\$62.8m	\$53.4m	↑ 17.6
Significant items (after tax)	(\$20.6m)	\$2.9m	↓ (>500)
Net profit after tax and sig. items	\$42.2m	\$56.3m	↓ (25.0)

Significant Items

Significant Items	Gross	Tax	Net
Impairment of goodwill in Austral Precast	(\$10.0m)	-	(\$10.0m)
Impairment of Auswest Timbers' log licenses	(\$6.8m)	-	(\$6.8m)
Costs relating to Building Products acquisitions	(\$1.0m)	\$0.3m	(\$0.7m)
Costs relating to Perpetual / Carnegie proposal	(\$0.8m)	\$0.3m	(\$0.6m)
Significant items relating to WHSP	(\$3.7m)	\$1.1m	(\$2.6m)
Total	(\$22.3m)	\$1.7m	(\$20.6m)

Key Financial Indicators

	1H JAN 2015	FY JUL 2014	% Change
Net tangible assets (NTA) per share	\$10.41	\$10.32	↑ 0.9
Shareholders' equity	\$1,797m	\$1,796m	↑ 0.1
Shareholders' equity per share	\$12.12	\$12.14	↓ (0.2)
Return on shareholders equity (vs 1H14)	7.0%	6.1%	↑ 14.8
Cash flow from operations (vs. 1H14)	\$67.9m	\$53.8m	↑ 26.2
Net debt	\$314.6m	\$305.0m	↑ 3.1
Net debt/capital employed	14.9%	14.5%	↑ 2.8
Interest cover (normal/annualised)	9.5x	7.5x	↑ 26.7

Capital Expenditure¹

	1H JAN 2015	HY JAN 2014
S.I.B. plant and equipment	\$11.5m	\$14.7m
Major capital items	\$5.0m	\$3.0m
Building Products total	\$16.5m	\$17.7m
Depreciation and amortisation	\$12.7m	\$12.7m
Land and Development & rehabilitation	\$2.6m	\$0.2m
Business acquisitions	\$5.5m	-
Property acquisitions	\$9.1m	-

1. Excludes \$2.0 million in 1H15 and \$5.4 million in 1H14 in capital expenditure covered by insurance, associated with repair work following fire damage in prior periods

BUILDING PRODUCTS RESULTS

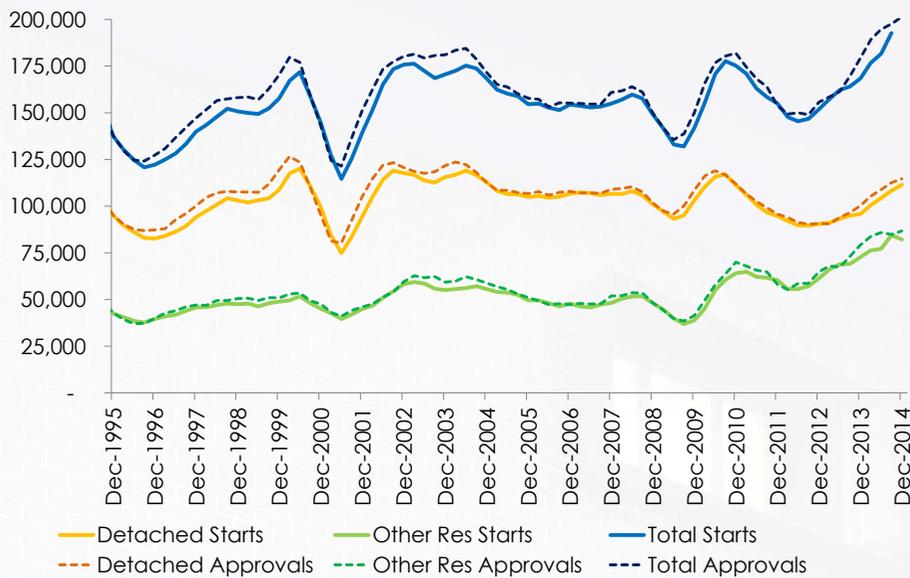


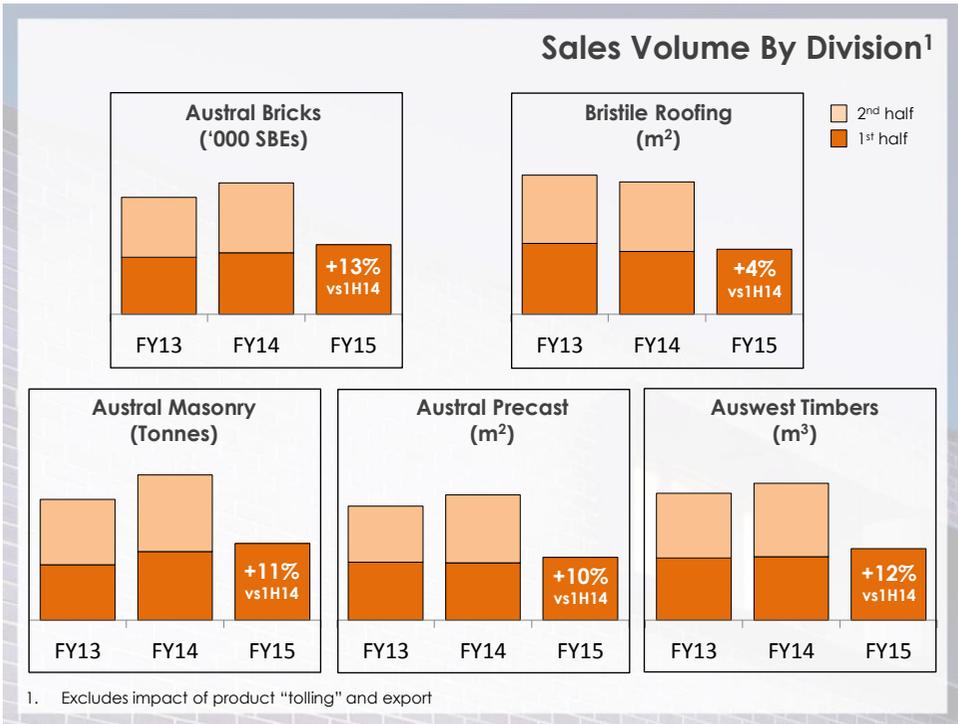
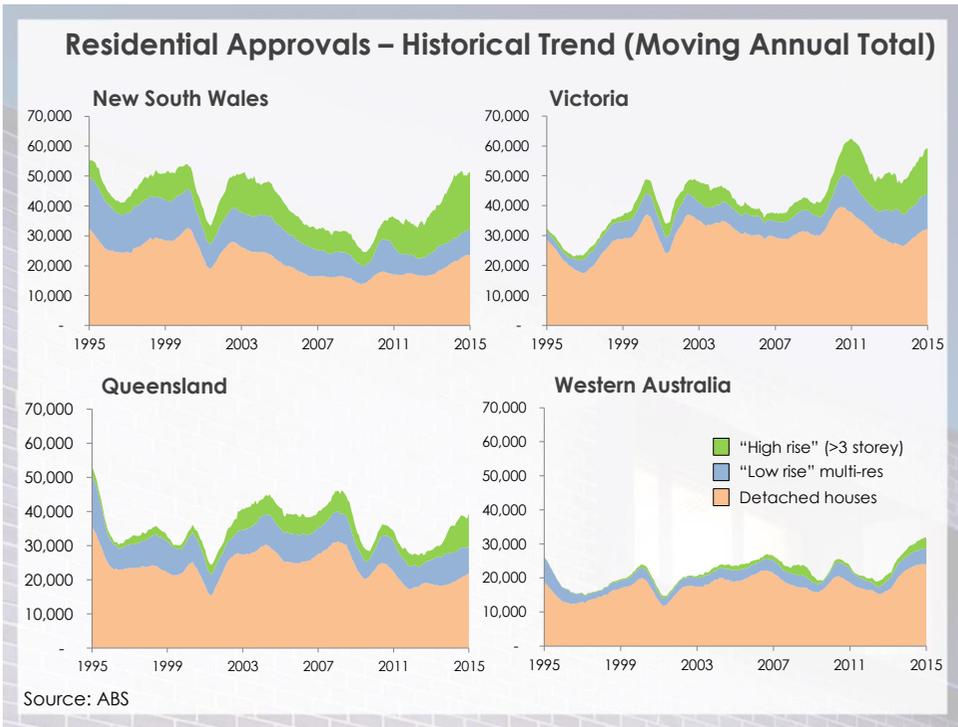
Building Products Result

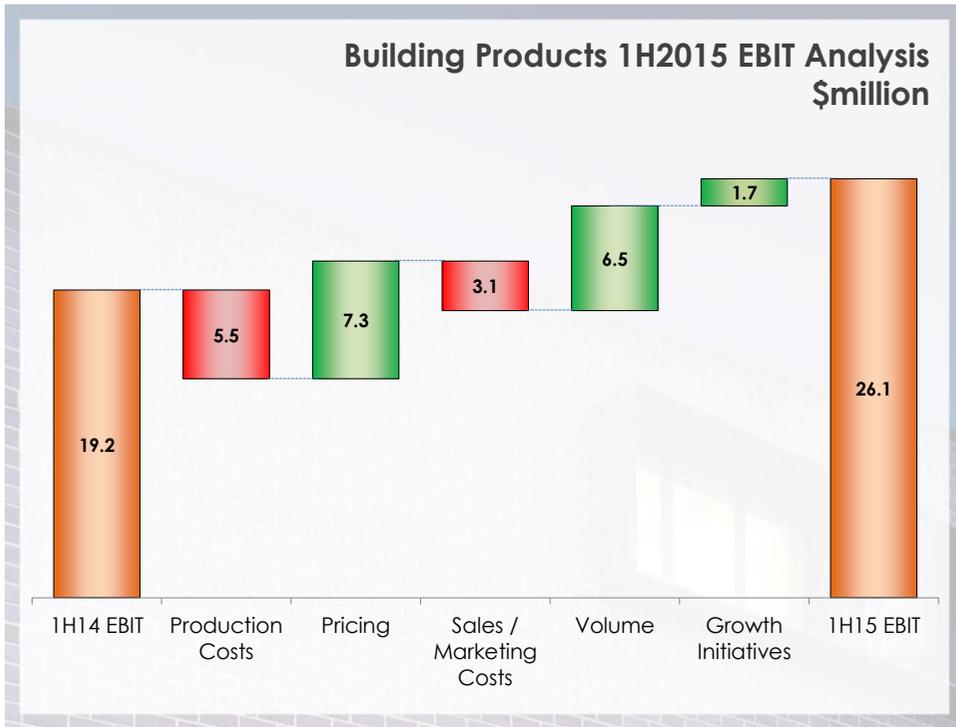
	1H 2015	1H 2014	% Change
Sales revenue	\$340.6m	\$296.2m	↑ 15.0
EBITDA	\$38.8m	\$31.8m	↑ 22.0
EBIT¹	\$26.1m	\$19.2m	↑ 35.9
EBITDA to sales	11.4%	10.7%	↑ 6.5
EBIT to sales	7.7%	6.5%	↑ 18.5
Return on Capital Employed	6.4%	4.7%	↑ 36.2
Return on Net Tangible Assets	9.2%	7.1%	↑ 29.6
FTE Employees ² (vs. Jul 14)	1,484	1,478	0.4
Safety (TRIFR) (vs. Jul 14)	107.2	161.7	↓ (33.7)
Safety (LTIFR) (vs. Jul 14)	2.8	3.3	↓ (15.2)

1. Pre significant items
2. Includes casuals

Australian Dwelling Starts / Approvals History 12 month moving average







Austral Bricks™

- Significant increase in earnings
- Revenue of \$184.4 million, up 17.0%
- Local sales volume higher in all states
- Average selling prices up 3.8%
- Manufacturing costs up marginally, benefitting from increased throughput and cost reduction initiatives
- Finished goods stock levels declined in all states except Western Australia
- Recommissioning Plant 2 at Horsley Park in NSW to meet demand



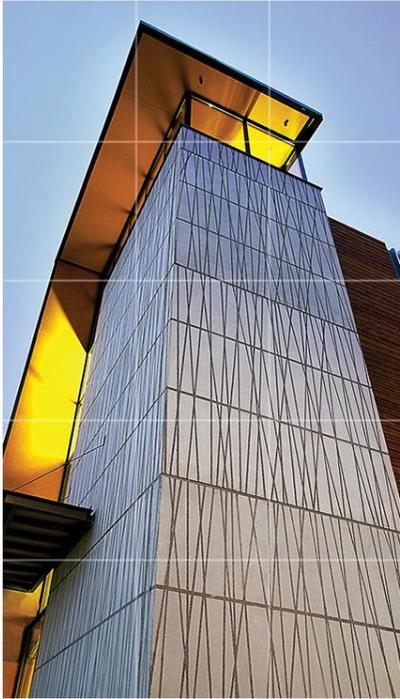
Austral Masonry™

- Another significant increase in earnings
- Revenue up 14.8%, to \$44.9 million
- Improved volumes, driven primarily by a sharp recovery in south east Queensland
- Average selling prices up 4.1%
- Acquired independent manufacturer in Central Queensland and now holds market leading positions in Central and North Queensland



Bristle Roofing™

- Increase in earnings, driven primarily by Queensland, Western Australia and strong demand for imported La Escandella terracotta tiles
- Revenue of \$51.9 million, up 8.1%
- Increased volumes in all states except Western Australia
- Market share loss to alternative roofing materials
- Average selling prices up 4.9%



Austral Precast™

- Strong sales growth continues
- Sales revenue up 7.0% to \$34.2 million
- Earnings were lower, with strong competition putting pressure on pricing in New South Wales and Victoria
- Challenging market in Victoria
- Cost reduction initiatives underway to enhance the efficiency of operations



Auswest Timbers™

- Sales revenue up 25.0% to \$27.2 million
- Record sales volume of 31,300m³
- Housing construction driving an increase in roof tile batten sales
- Earnings were lower, with the 1st quarter impacted by poor feedstock and operational issues at Deanmill
- Significant productivity improvements in the second half across all operations
- Shift towards higher value add product resulting in increased prices and production costs



Building Products Outlook

- The current upturn in housing activity shows no sign of easing with many customers reporting order banks of up to a year
- Austral Bricks order intake in New South Wales is at the highest level since the lead up to the Olympic Games in 2000
- All available east coast production capacity is urgently being brought back online
- Sales in some states likely to be restrained by trade shortages and inadequate supply of titled land
- Capital projects planned in Austral Bricks WA and Queensland
- Building Products is well placed to deliver significantly improved earnings in the second half, compared to the prior period



Land & Development EBIT			
\$ millions	1H2015	1H2014	% Change
Land Sales	0.3	20.4	(98.5%)
Property Trust	38.6	17.1	125.7%
Waste	1.2	0.1	>500%
Property Admin ¹	(1.3)	(1.5)	(13.3%)
Total²	38.7	36.1	7.2%

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

Industrial Property Trust EBIT

\$ millions (BKW share)	1H2015	1H2014	% Change
Net Trust Income	7.4	6.1	21.3%
Revaluation of established properties	26.6	7.9	236.7%
Other revaluations	1.9	3.1	(35.7%)
Development Profit	2.7	0.0	N/A
Total	38.6	17.1	125.7%

Industrial Property Trust Value

(\$ millions)	1H JAN 2015	FY JUL 2014	% Change
Leased properties ¹	792.8	733.2	8.1%
Land to be developed	251.4	245.8	2.3%
Total	1,044.2	979.0	6.7%
Less borrowings	402.3	381.5	5.5%
Net trust assets (100%)	641.9	597.5	7.4%
Brickworks equity (50%)	321.0	298.7	7.4%
Return on Leased Properties (excluding revaluations) ²	6.9%	7.4%	(6.8%)
Additional revaluation return ³	12.8%	6.5%	96.9%
Total Return on Leased Properties	19.7%	13.9%	41.7%

1. Includes asset values, cash and capital works in progress

2. Based on annualised Net Trust Income and BKW share of equity on leased properties of \$207.2 million

3. Based on revaluation of established properties only. Does not include revaluation on completions of new properties

Industrial Property Trust Assets

Tenant / Asset	Location	Asset Value	Revaluation Profit 1H15	GLA (m ²)	Gross Rental p.a.	WALE (yrs)	Cap. Rate
Coles CDC	Eastern Ck	\$221.0m	\$18.5m	55,389	\$15.1m	19.5	6.25%
Capicure	Eastern Ck	\$25.4m	\$0.6m	16,809	\$2.3m	1.8	7.87%
Southridge	Eastern Ck	\$36.6m	\$1.5m	24,357	\$2.9m	1.8	7.75%
Linfox	Erskine Park	\$85.0m	\$0.0m	51,323	\$5.9m	5.8	7.25%
Ubeeco	Erskine Park	\$17.2m	\$1.0m	10,865	\$1.3m	4.2	7.75%
Kimberly Clark	Erskine Park	\$71.2m	\$5.7m	45,853	\$5.0m	8.4	6.75%
Woolworths	Erskine Park	\$83.7m	\$7.7m	52,888	\$5.9m	8.0	6.75%
Wacol	Wacol, QLD	\$12.9m	\$0.0m	10,384	\$1.2m	3.9	8.25%
DHL Transport	Oakdale	\$22.4m	\$2.8m	10,390	\$1.5m	6.0	7.25%
DHL J & J	Oakdale	\$40.0m	\$3.0m	26,161	\$2.9m	6.3	7.25%
Reedy Creek	Eastern Ck	\$38.4m	\$2.7m	22,959	\$2.7m	2.6	7.00%
Jeminex	Erskine Park	\$52.9m	\$3.7m	31,278	\$3.6m	5.5	7.00%
DHL Canon	Oakdale	\$31.3m	\$3.0m	20,170	\$2.2m	3.5	7.25%
DHL #4	Oakdale	\$48.4m	\$3.0m	31,745	\$3.5m	4.4	7.25%
Total (Jan 15)		\$786.4m	\$53.2m	410,571	\$56.0m	5.8	

Land Holdings

Operational Land ¹	Gross Land Area	Book Value	Most Recent Valuation
NSW	435ha	\$45m	\$160m
VIC	524ha	\$22m	\$23m
QLD	667ha	\$30m	\$38m
WA	1,792ha	\$34m	\$117m
SA & TAS	272ha	\$7m	\$13m
Total	3,690ha	\$138m	\$351m

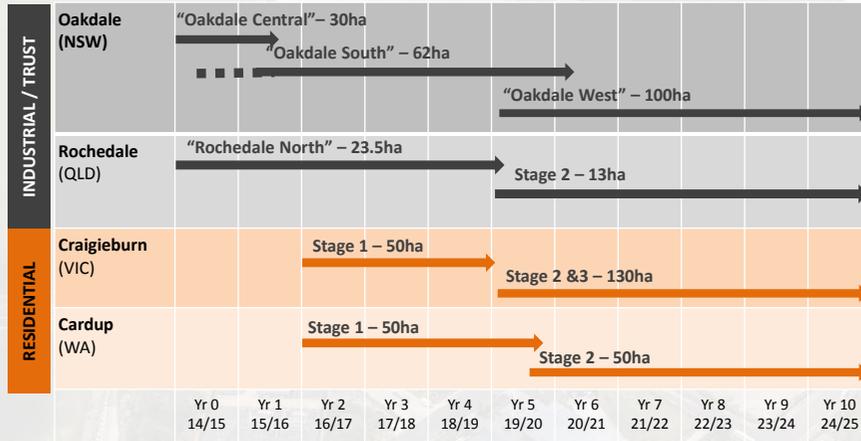
Development Land	Gross Land Area	Development Area	Book Value	Current Value	Potential Value ²
NSW	154ha	97 ha	\$13m	\$18m	\$73m
VIC	332ha	196ha	\$27m	\$27m	\$146m
QLD	49ha	26ha	\$2m	\$14m	\$21m
WA	187ha	90ha	\$5m	\$5m	\$21m
Total	722ha	409ha	\$47m	\$64m	\$261m



Changes to operational land – Purchases at Yalata and Rockhampton in QLD offset by sale at Port Kembla in NSW

1. In addition 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

Property Pipeline



Land & Development Outlook

- Capitalisation rate compression likely to slow in future years, resulting in reduced revaluation profits in Trust
- If Coles CDC is sold, loss in rental income will be partially offset by two new facilities at Eastern Creek
- Focus for FY15 will be securing tenants for Oakdale Central and opening up South (62ha) and West (100ha)
- Land Sales to include Riverview (Qld) and a compulsory acquisition of a small part of Bellevue (WA)
- Rezoning work continuing on Craigieburn in Victoria and Cardup in Western Australia.



Investments

New Hope Corporation Limited

TRG TELECOM

Telstra™

BKI INVESTMENT COMPANY LIMITED

CommonwealthBank

CLOVER CORPORATION

PCP PITT CAPITAL PARTNERS

BRICKWORKS LIMITED

EACO RESOURCES LTD

Wesfarmers

Soul Pattinson Chemist

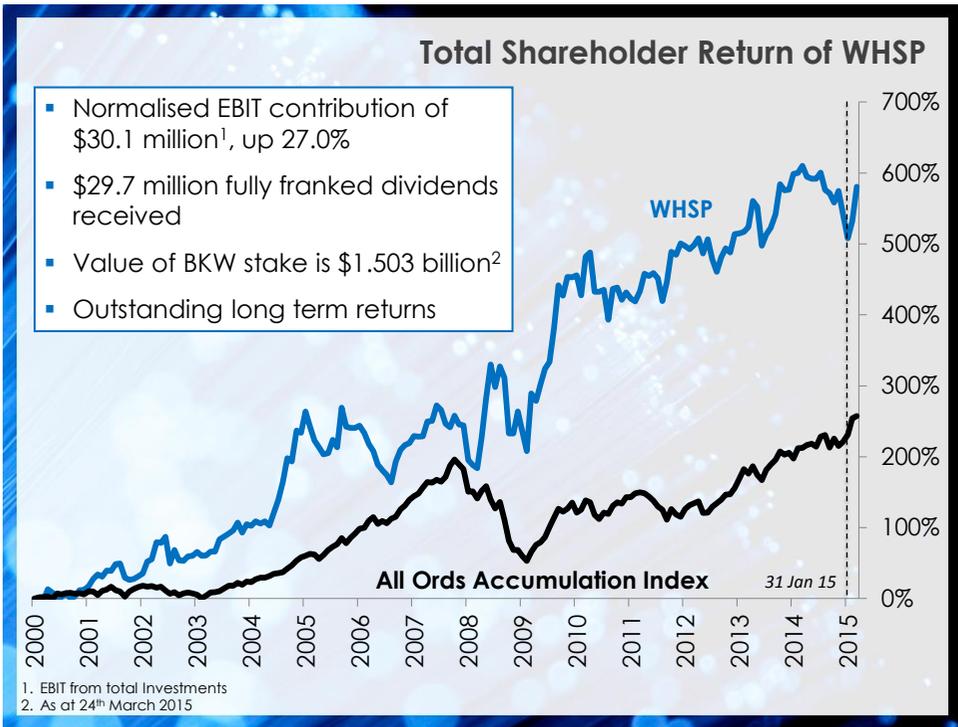
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Ruralco HOLDINGS LIMITED

priceline
beauty health wellbeing

bhpbilliton

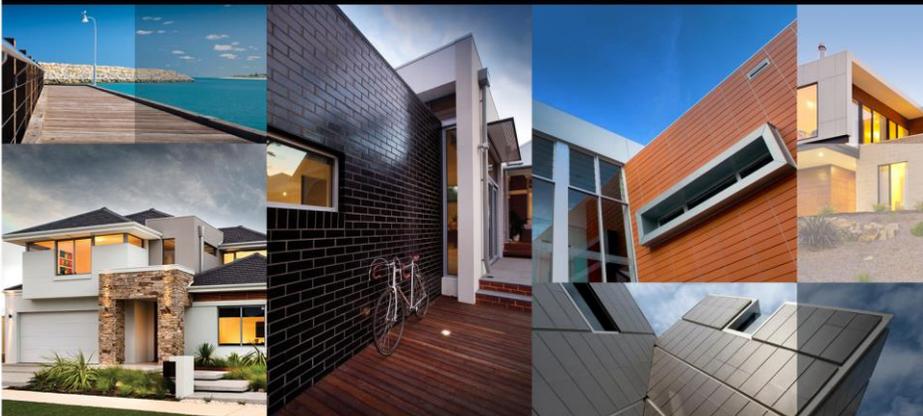
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Brickworks Group Outlook

- Building Products earnings in the 2nd half are expected to be significantly higher than the prior corresponding period
- Land and Development earnings are expected to be approximately in line with the prior year, subject to the timing and value of property transactions
- An increase in earnings from Investments is anticipated, following the stronger first half

Questions



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