22 March 2018

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 Limited's financial results for the half year ended 31 January 2018, for immediate release to the market.

The slide on page 7 has been updated with the change highlighted in yellow.

Yours faithfully

BRICKWORKS LIMITED

S Leppinus

Susan Leppinus

Company Secretary

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RESULTS
FOR THE HALF YEAR ENDED JANUARY 31 2018

Mr. Lindsay Partridge, Managing Director

BRICKWORKS LIMITED

[Picture: Planum solar roof tile, by Bristile Roofing]

PRESENTATION OUTLINE

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

[Picture: Brickworks Sydney Design Studio]

Good Afternoon Ladies and Gentlemen and welcome to the Brickworks analyst briefing for the half year ended 31 January 2018.

Today I will provide an overview of the Brickworks results, before providing more detail on the performance of each of our divisions.

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

The first half of financial year 2018 has been very successful for Brickworks.

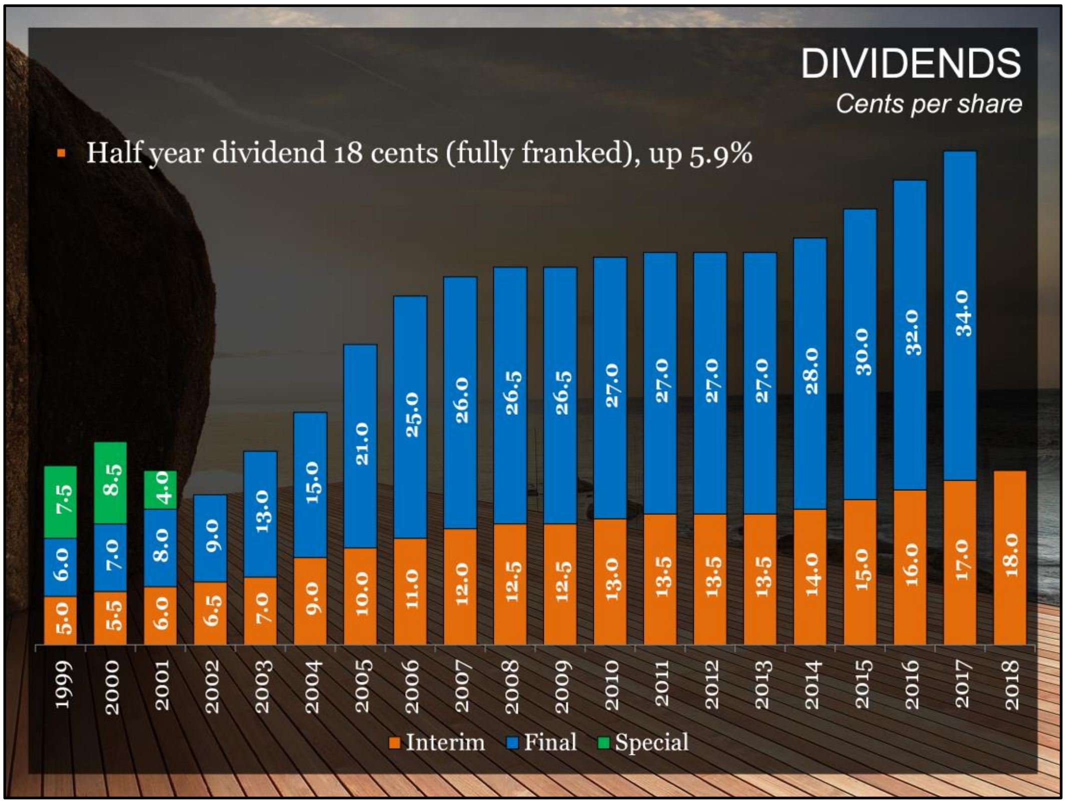
Increased earnings within Building Products, the Property Trust and Investments resulted in a total EBITDA of $157 million for the half.

A record underlying profit of $116 million was achieved, up 4% on the corresponding period last year.

This translates to normal earnings per share of 78 cents per share.

After including the impact of significant items, statutory NPAT for the period was $97 million, down 7%.

Total shareholders equity was up by around $50 million and now exceeds $2 billion. Net tangible assets per share was up 2% to $12.03 per share.



The Directors have resolved to increase the interim dividend by 1 cent per share to 18 cents fully franked.

The chart on the screen shows our dividend history going back 20 years. We recognise the importance of dividends to our shareholders and are proud of our strong and stable dividend history. We are one of only 6 current ASX200 companies who have a 20 year history of maintaining or increasing normal dividends to shareholders.

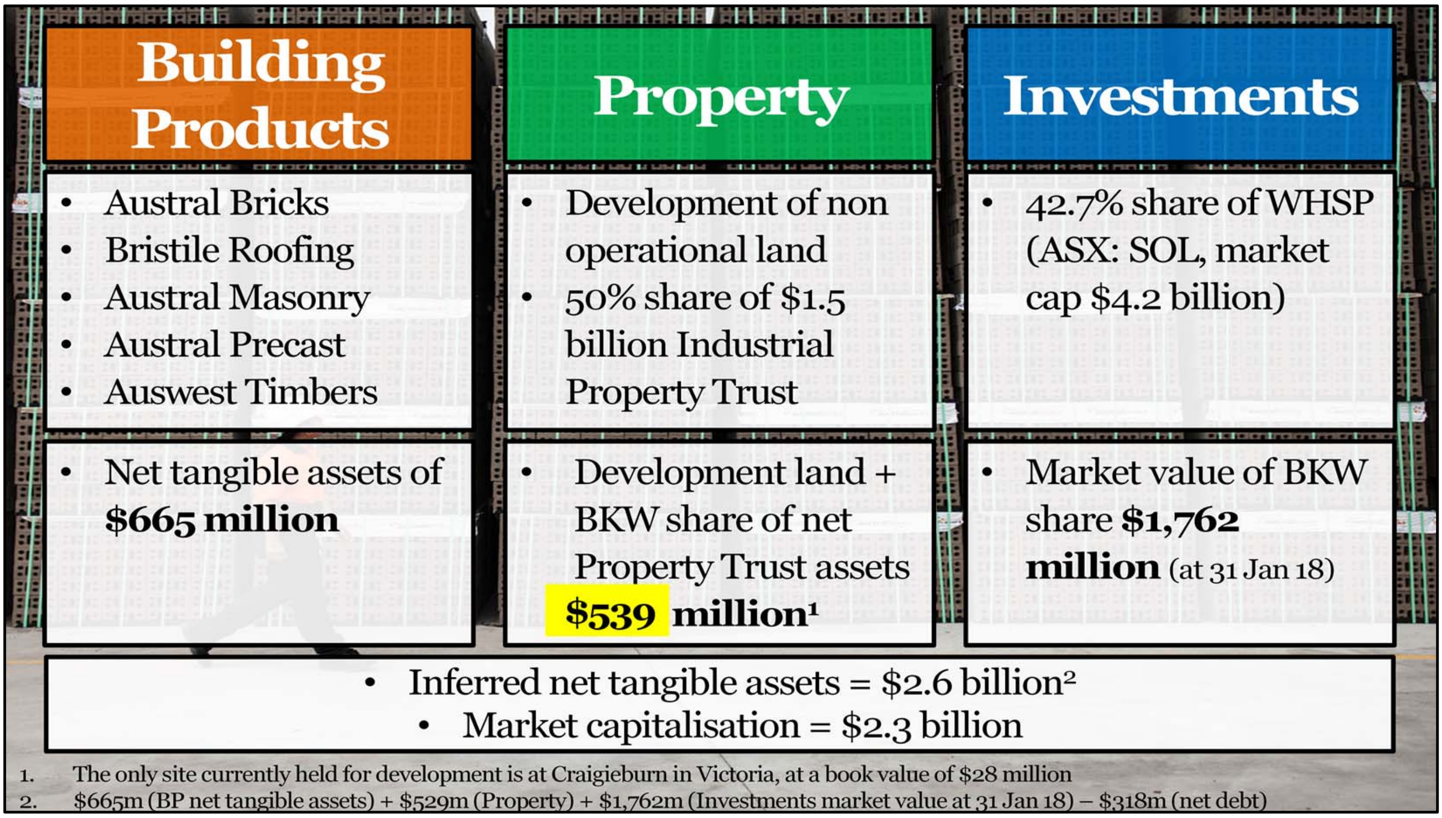
In fact since listing on the ASX in 1962, we have only reduced dividends once, in 1975.

Excellent shareholder returns have been achieved for the year to 31 January, at over 16%. Since the end of the period, the share price has risen a further 8%.

Longer term performance over ten and fifteen years has been broadly in line with the All Ordinaries Accumulation Index.

[Picture: Kensington St, Sydney. Featuring Hamlet Blue Pavers by Austral Bricks]

Now looking at the performance each of our divisions more closely.



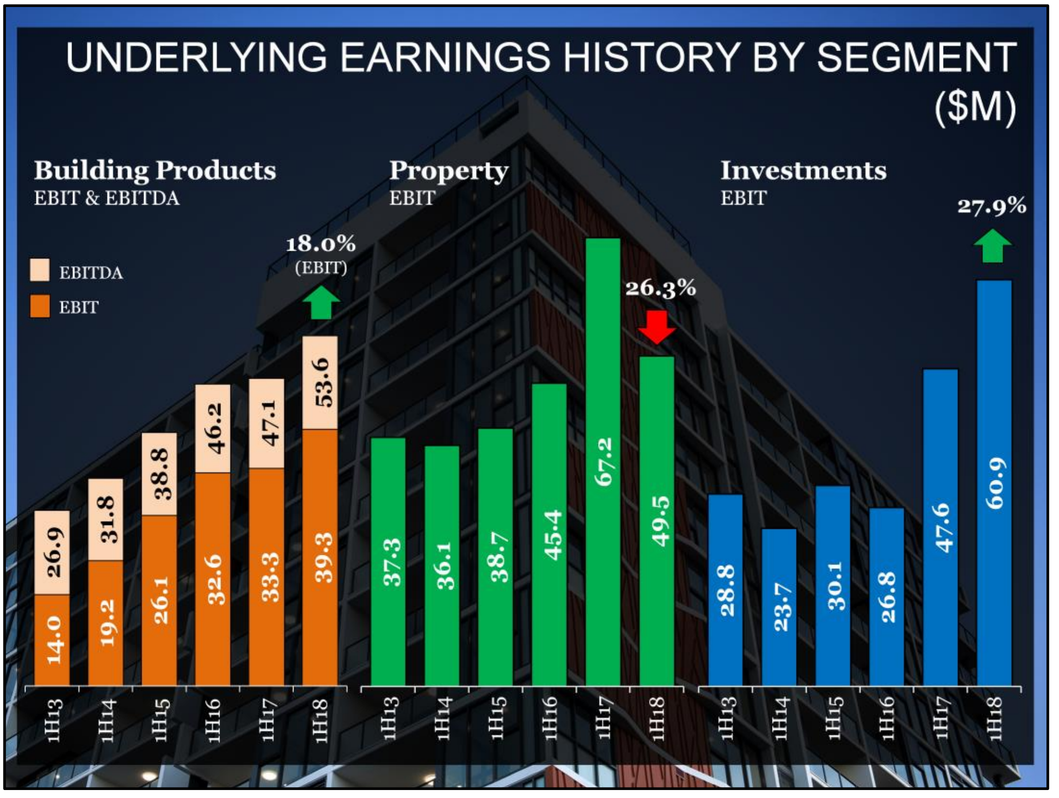
Brickworks has a diversified corporate structure comprising operating divisions in Building Products and Property and a strategic investment in Washington H. Soul Pattinson.

Building Products consists of leading brands such as Austral Bricks, Bristile Roofing, Austral Masonry, Austral Precast and Auswest Timbers.

The Property business exists to maximise the value of land that is surplus to the Building Products business, and includes a 50% share in an Industrial Property Trust with the Goodman Group. At January, total Trust assets were over $1.5 billion.

The 42.7% interest in Washington H. Soul Pattinson, an ASX200 company with market capitalisation of $4.2 billion, provides a stable and diversified earnings stream that has created significant value for Brickworks over the long term.

Our strong financial performance during the first half has 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. The company’s market capitalisation of around $2.3 billion is well supported by the inferred net tangible asset backing of the Group, equating to around $2.6 billion. This includes Building Products net tangible assets, Brickworks’ share of net Property Trust assets, the book value of land held for development, and the market value of WHSP shares, offset by Group debt.



The charts on screen show the underlying earnings history of Building Products, Property and Investments over the past six years.

Since the cyclical low point in 2013, Building Products first half EBIT has almost tripled, from $14 million in 2013 to $39 million in 2018.

Property has delivered strong and consistent earnings over the past six corresponding periods, as a result of land sales, significant development activity within the Property Trust and compression of capitalisation rates. Since January 2013, Brickworks net asset value in the Property Trust has doubled, and now exceeds $500 million. Over the same time, net trust income to Brickworks has increased from $5.1 million to $10.7 million for the six month period.

The contribution from Investments has again benefited from an increase in coal prices after a number of years of difficult conditions. In addition to the earnings contribution from Investments, Brickworks stake in WHSP has increased in value by almost $400 million since January 2013, and $275 million in dividends have been received.

BUILDING PRODUCTS

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[Picture: QLD University of Technology. Featuring Natural Stone by UrbanStone]

Turning now to Building Products.

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

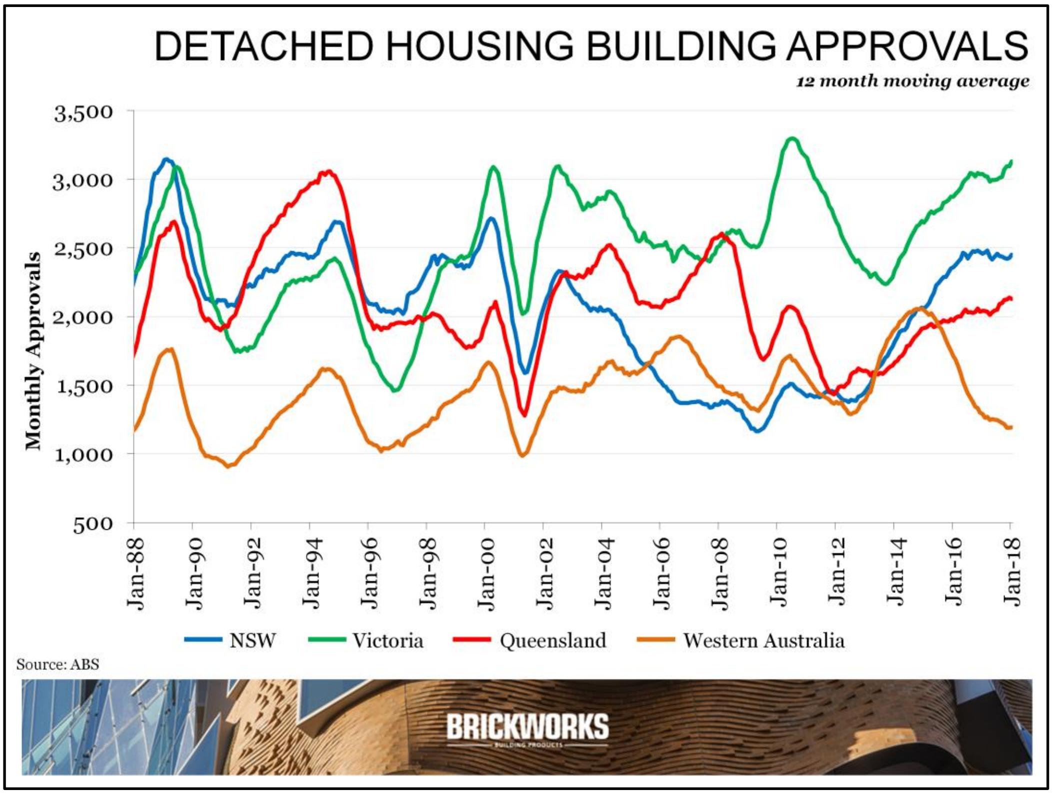
Revenue for the half year was up 7% to a record $395 million.

EBIT was $39 million, up 18% on the prior corresponding period, and EBITDA was $54 million.

The EBITDA margin increased to 13.5% and Building Products' underlying Return on Net Tangible Assets was almost 12% for the period.

Full time equivalent employees was down slightly to 1,505 compared to 31 July 2017. The addition of 66 employees following the acquisition of UrbanStone was offset by a reduction in Austral Precast, following the closure of the Dandenong facility in Victoria, and a decrease in Austral Bricks Western Australia following restructuring initiatives.

There were 3 Lost Time Injuries during the half, unchanged from the prior corresponding period. This translated into a slight increase in the Lost Time Injury Frequency Rate to 2.1.



The chart on screen shows detached house building approvals across each of the four major states.

This clearly illustrates the different conditions currently faced across the country.

Each of the east coast states has experienced increased building activity in recent years.

Approvals in Victoria are approaching the previous peak in 2010.

New South Wales has experienced a prolonged period of growth after a decade of underbuilding, and conditions in Queensland continue to improve, albeit at a slower pace.

Meanwhile, on the other side of the country, detached housing approvals in Western Australia are now at their lowest level for over 15 years.

However as shown on the chart the rate of decline has slowed and it appears we are now close to the bottom in that state.

[Picture: Crescent House. Featuring Capital Red and Hereford Bronze, by Bowral Bricks]

Turning now to the divisional performance.

Austral Bricks delivered a 19% increase in earnings, with sales revenue up 8% to $215 million on relatively stable sales volume.

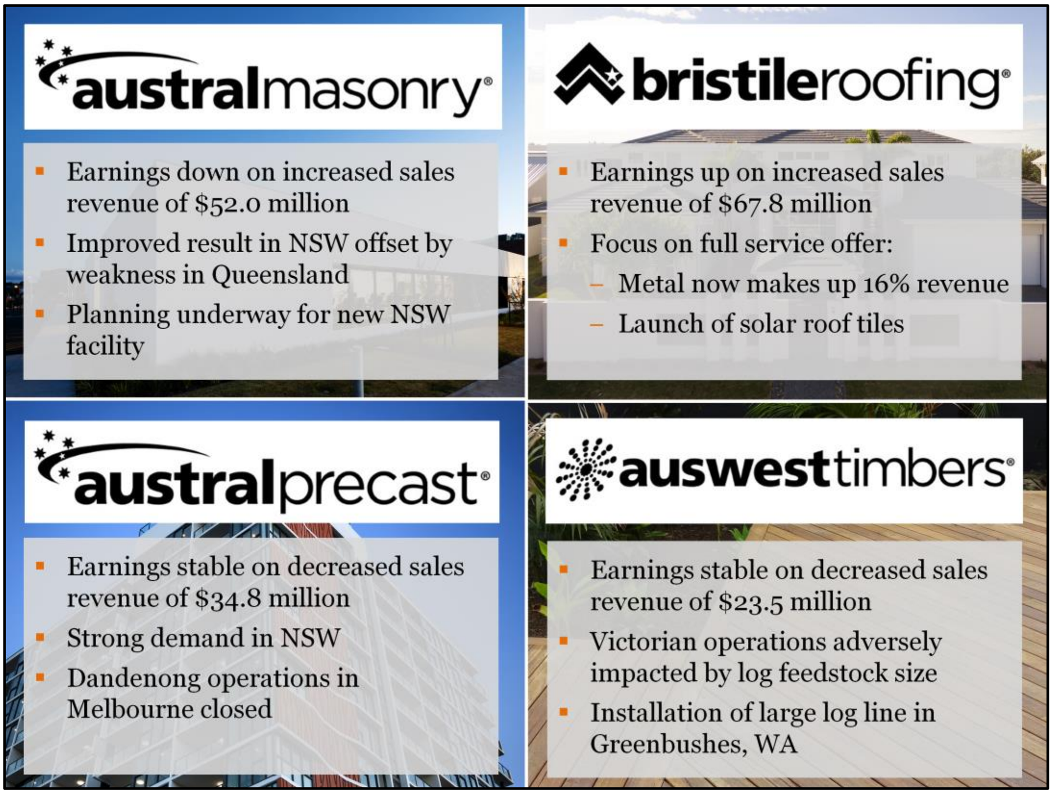
Performance was strong across all markets, particularly in the major east coast sates where buoyant market conditions continue to drive demand.

Western Australia produced a positive EBITDA result, despite the difficult conditions in this state, and further improvements are anticipated following the successful commissioning of the Cardup plant during the period.

A range of initiatives to increase sales of premium, higher margin products delivered pleasing results.

Following the continuous operation of the Wollert “East” kiln in Victoria for almost a decade, a six week shutdown to undertake necessary maintenance and upgrade works was completed during January and February.

In addition, the final phase of upgrades at the Rochedale plant in Queensland was completed, concluding a multi-year refit program to significantly improve product quality and lower unit production costs.



Looking now at other divisions.

Austral Masonry earnings were lower, on sales revenue of $52 million, up 19% on the prior half. An improved result was delivered in New South Wales, due in part to a significant increase in sales of higher margin retaining wall products in both the residential and commercial sectors. However these gains were more than offset by a decline in earnings in Queensland, due to the slowdown in apartment construction in Brisbane and difficult conditions in North Queensland.

Bristile Roofing earnings increased on the prior half, with sales revenue up 14% to $67 million. This business continues to focus on expanding its product offering to include a full range of roofing solutions. Metal products now make up 16% of total Bristile Roofing revenue, and in August Bristile Solar was launched, offering premium solar roof-tiles. Through an exclusive agreement in place with Sonnen, the world's largest producer of battery and solar energy storage systems, Bristile Solar is also able to offer home owners a full energy management system.

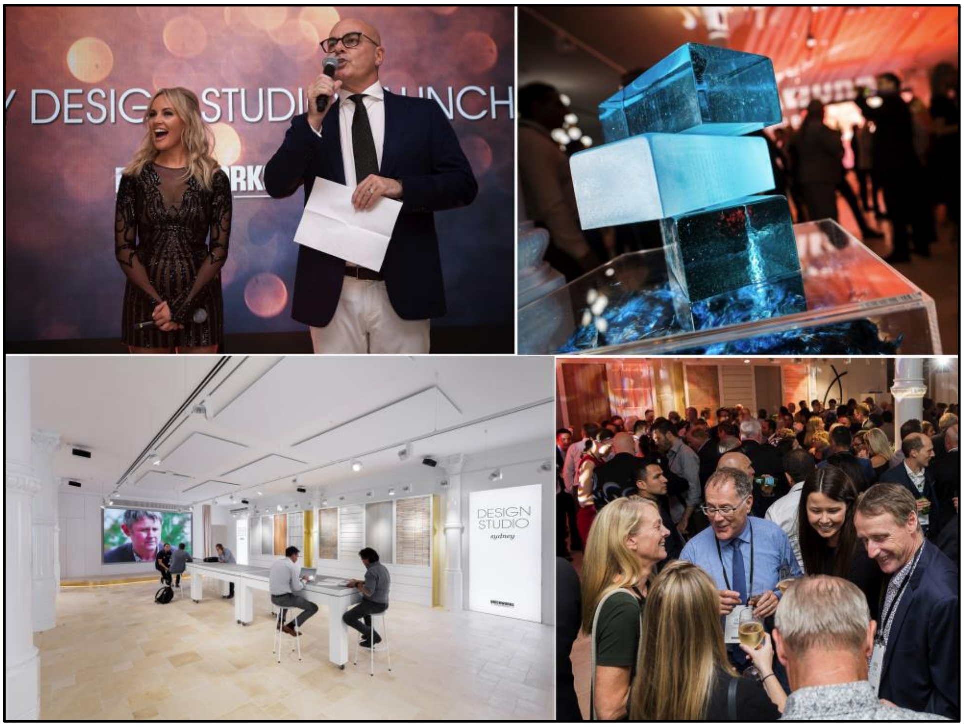
Austral Precast earnings were relatively stable, despite a decrease in revenue to $35 million for the period. The decline in revenue was due to the closure of the Victorian facility and the slow down in high rise multi residential development in Brisbane, significantly impacting sales in this market. Demand in New South Wales is particularly strong, with the order book at the end of the period equivalent to around 12 months sales.

Auswest Timbers earnings were also relatively stable, with revenue down 5% to $24 million. Improved earnings were recorded in Western Australia, following restructuring activities completed in the prior year. During the period, upgrade activities continued with the installation of a large log line at Greenbushes. Victorian operations were again hampered by operational issues caused by a decreasing log size, impacting recovery at Orbost and downstream processing at Bairnsdale.

Building Products has continued to make good progress on a range of strategic objectives during the period.

Construction of the Southern Cross Cement import terminal in Brisbane has now commenced and is expected to be fully installed and commissioned in financial year 2019. This strategic investment will strengthen Building Products core business, by securing high quality and cost effective raw material supply for our Austral Masonry, Bristile Roofing and Austral Precast operations, thereby underpinning our lowest cost objective in these businesses. Investment returns will be underpinned by the competitive cost structure of the facility and shareholder volume throughput of over 200,000 tonnes of cement per year.

The acquisition of UrbanStone in November was a logical bolt-on to our existing masonry business, providing additional scale and diversifying our product range and geographic exposure. Importantly, the acquisition also allows Building Products to expand its premium product offering, in line with Brickworks strategy to invest in style and product leadership.



[Picture: Brickworks Sydney Design Studio]

Developing industry leading customer relationships is an ongoing priority for Brickworks. Capital city design studios across the country have hosted hundreds of events, attracting thousands of customers, architects and other key influencers and have now become a focal point for the local architectural and design community.

In Sydney, a new design studio was launched in March, with an expanded showroom and event space to cater for the growing demand for speaking events and industry functions.

This strategy continues to deliver results, including increased penetration of Brickworks' products in several key markets such as high rise and commercial developments.

[Picture: Glass bricks, by Poesia]

Earnings growth is also being delivered through international partnerships with leading manufacturers, to offer customers a wider range of unique and premium products.

Sales of these products continue to increase, buoyed in the first half by a new supply agreement with Italian manufacturer S. Anselmo for a unique range of sandstock bricks.

In addition, a new range of ultra premium glass bricks was launched in March, through a partnership with Italian manufacturer Poesia.

PROPERTY

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[Picture: Rochedale Estate Development, Queensland]

I will now go through our Property results.

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%)
Total[2]	67.2	**49.5**	(26.3%)

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

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Property delivered an EBIT of $50 million for the half year.

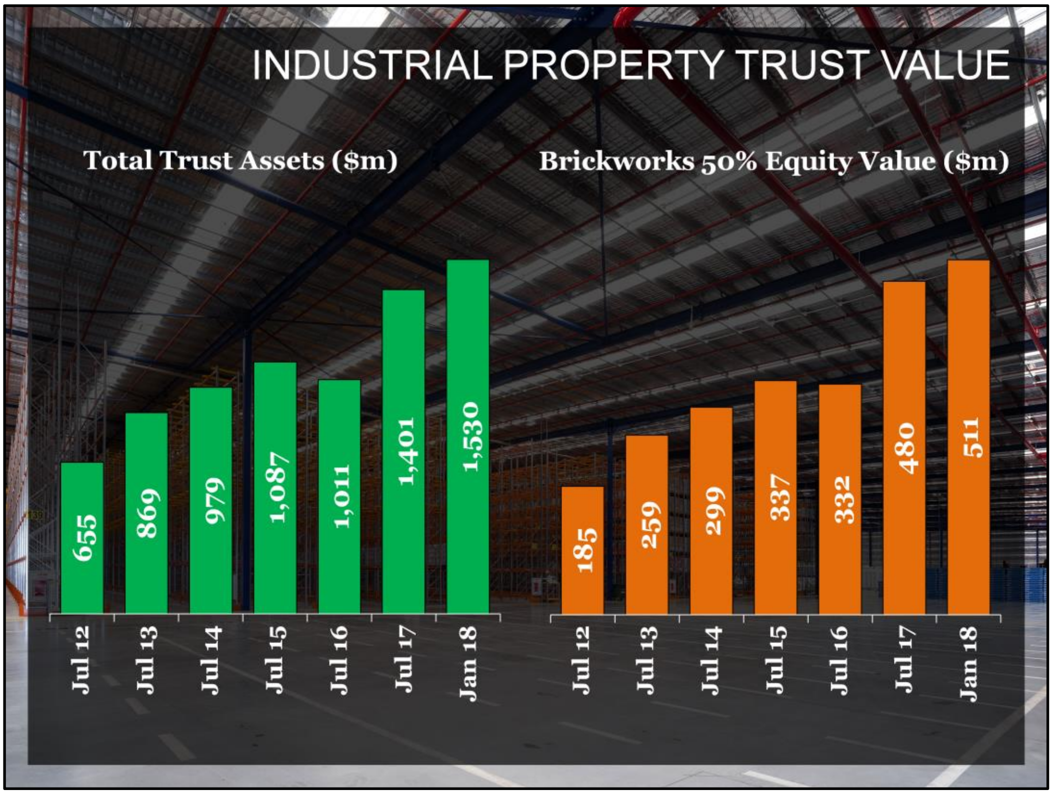
The decrease in earnings was due to no land sales being recorded during the period, compared to the prior corresponding period that included the sale of Oakdale West into the Property Trust.

The Property Trust delivered an EBIT of $51 million, up from $19 million in the prior corresponding period.

The increase was largely due to the development profit realised following the completion of three development projects, providing $34 million EBIT.

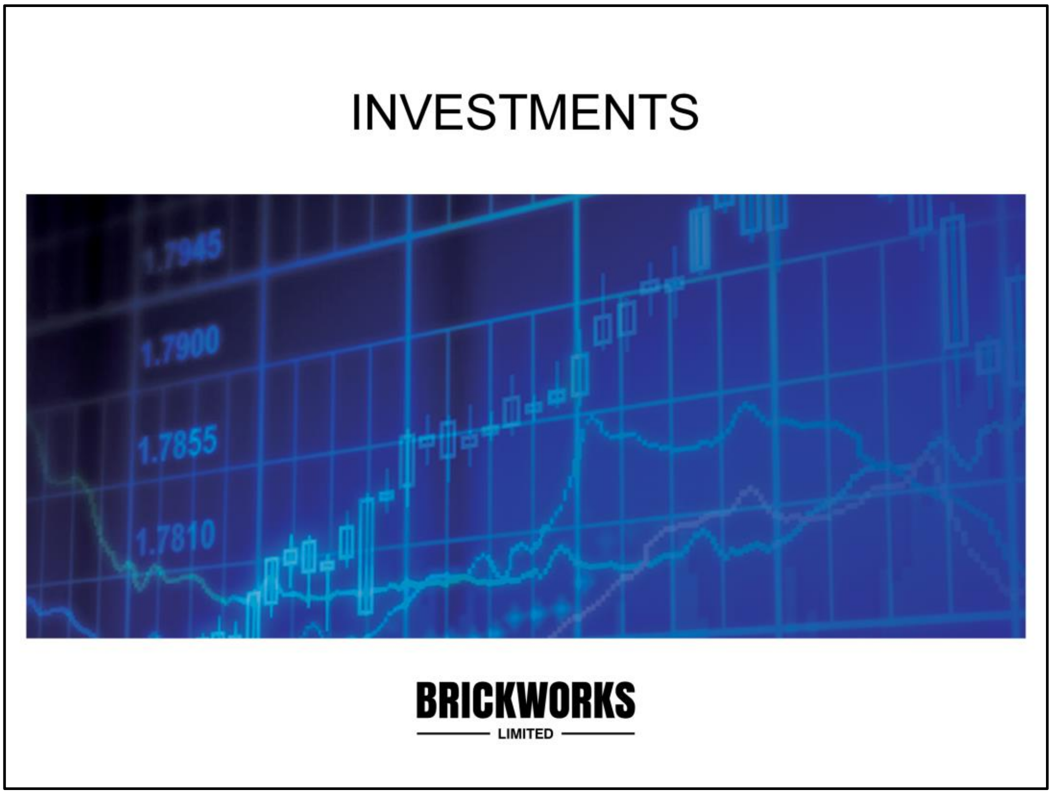
The Net Trust Income was $11 million, an increase of 20% on the prior period, primarily as a result of new facilities completed.

Revaluation profit contributed EBIT of $7 million.



The total value of assets held within the Property Trust at 31 January 2018 was over $1.5 billion. This includes $1.1 billion in leased properties and a further $443 million in land to be developed.

Borrowings of $510 million are held within the Property Trust, giving a total net asset value of just over $1 billion. Brickworks share of net asset value is $511 million, up $31 million from 31 July 2017.



I will now go through our Investment results.

Investments consists 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, including TPG Telecom and New Hope Corporation.

The underlying EBIT from Investments was $61 million for the half, up by 28%. This was due primarily to an increase in earnings from New Hope Corporation.

$33 million in fully franked dividends were received from WHSP during the first half.

The investment in WHSP has created significant value for shareholders over the long term. The market value of Brickworks' holding in WHSP has grown from $30 million in 1983, when Brickworks last acquired shares, to $1.8 billion at the end of January 2018.

WHSP has outperformed the ASX All Ordinaries Accumulation Index by 2.4% p.a. over fifteen years and 6.7% p.a. over 10 years.

FINANCIALS

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[Picture: Carr Place. Permatint, by Austral Precast]

Looking now at our financials for the first half in more detail.

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)

As outlined already, total underlying Group EBITDA for the first half was $157 million.

Including depreciation of $14 million, the Group EBIT was up slightly to $143 million.

Total borrowing costs were $6 million and tax was $21 million, resulting in the underlying net profit after tax of $116 million, up 4% on the prior period.

Significant items reduced NPAT by $19 million for the half year.

Therefore statutory net profit after tax was $97 million, down 6%.

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)**

The table on the screen shows the significant items in more detail. In summary, they comprise:

- A $9.2 million cost related to deferred taxes on the WHSP holding;
- A $6.3 million cost based on Brickworks share of reported WHSP significant items. This is made up primarily of tax on equity accounted associates, partially offset by a profit on Investment Portfolio sales; and
- $3.1 million in after tax costs relating to Building Products, including commissioning costs on new and upgraded plants, restructuring activities within Austral Bricks Western Australia and Auswest Timbers, and business acquisition and advisory costs

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

Looking at a range of key financial indicators.

Net tangible assets per share was up 2% to $12.03.

Shareholders equity increased to just over $2 billion at the end of the year which represents $13.49 per share.

Underlying return on shareholders equity was relatively flat at just under 12%.

Total net cash flow from operating activities was up 49% to $74 million.

Net debt increased to $318 million with gearing at 16% at the end of the period.

Interest cover increased to a conservative 20 times.

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)

As mentioned, the total operating cash flow for the half was $74 million, up $24 million on the prior period. This increase was primarily the result of an increase in EBITDA in Building Products plus the increased dividend from WHSP.

After capital expenditure of $26 million, largely spent on upgrades to plant and equipment, free cash flow in the half was $49 million, more than 3 times higher than the prior corresponding period.

Growth investments of $23 million were also made during the half, including the acquisition of UrbanStone and the investment in Southern Cross Cement.

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**
Depreciation and amortisation	*$13.9m*	*$14.3m*

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Looking more closely at capital expenditure.

Stay in business capital expenditure was $13 million, approximately in line with depreciation.

Spend on growth items and major projects was also $13 million. This included the final stage of upgrades to the Rochedale brick plant in Queensland, the new Cardup brick plant in Western Australia, and the installation of a large log line at the Greenbushes timber mill, also in Western Australia.

OUTLOOK

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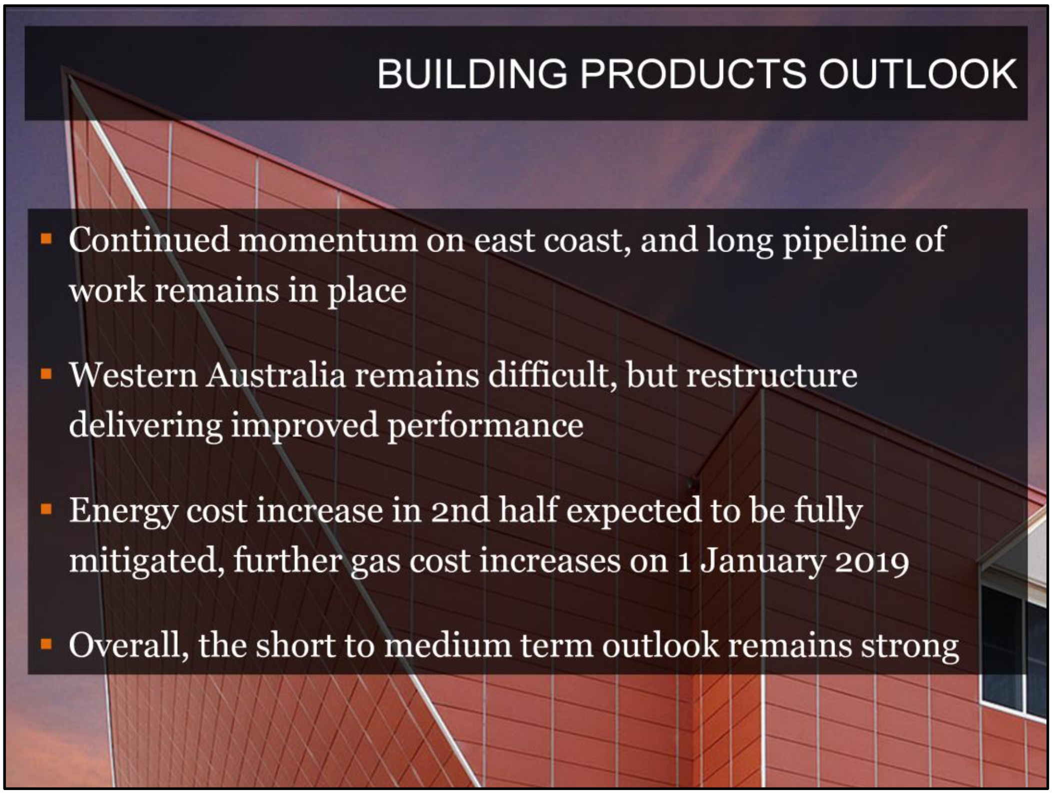
[Picture: Yagan Square, Perth. Featuring Natural Stone by UrbanStone]

Turning now to the outlook, starting with Building Products.



Building activity across the east coast remains at elevated levels and continues to drive strong demand. In New South Wales and Victoria there remains a significant pipeline of work that has translated to a very strong order book in these states.

Conditions in Western Australia remain difficult, although they appear to have bottomed, and restructuring initiatives undertaken last year has resulted in improved performance that is expected to continue in the second half.

New energy contracts on the east coast at significantly higher prices came into force on 1 January 2018. Price rises and efficiency improvements will fully offset this additional cost impost in the second half. However further gas price increases on 1 January 2019 will result in an additional $9 million cost increase.

The company continues to investigate a range of cost mitigation strategies to minimise any further flow on price increases to our customers.

Overall the short to medium term outlook for Building Products remains strong, with price increases already implemented, the strong order book on the east coast, and the restructuring initiatives undertaken in the west expected to underpin 2018 earnings, despite the significant impost of higher energy costs in the second half.

The outlook for the Property Trust is also strong, with developments at Oakdale in New South Wales and Rochedale in Queensland expected to drive growth in rent and asset value over both the short and longer term.

The Oakdale Central Estate will be fully completed in April 2018 following the delivery of a 37,000 square metre facility for Reckitt Benckissor.

Completion of infrastructure works at Oakdale South during the 2nd half of the financial year will trigger settlement on 30.3 hectares of land, providing $100 million in gross receipts to the Property Trust on sale. Construction work has already commenced at this Estate, with two facilities well underway and due for completion at the end of 2018.

At Rochedale, the southern section of the Estate is now fully occupied. Activity is now focussed on the remaining 6 hectare lot where over 35,000m square metres of mixed use buildings will be developed.

Last year's sale of Oakdale West into the Property Trust provides medium and longer term growth potential. The development approval for the site was lodged in late 2017 and has now come off exhibition and is under assessment. Once development approval is achieved, expected in mid 2018, development of this site is likely to extend for up to a decade.

Meanwhile, expressions of interest are currently being sought in respect of the Punchbowl brick manufacturing site in New South Wales, on a long term lease-back basis to Austral Bricks. Pending satisfactory offers on this 9 hectare site, a sale may occur later this calendar year.

In summary, looking at the overall outlook for the Group:

- The 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;
- The overall Property EBIT will depend on the timing and outcome of any potential land sales. However it is important to note that aside from the Punchbowl site there will be limited additional major land sales opportunities for Brickworks in the short term; and
- The WHSP investment is expected to continue to deliver steadily increasing earnings and dividends over the long term

THANKYOU

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I will now take any questions.

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