

BRICKWORKS LIMITED

AGM 2005



Robert Millner, Chairman
Lindsay Partridge, Managing Director

21 November 2005

Disclaimer

BRICKWORKS
LIMITED

IMPORTANT: The information in this document has been provided to you for information only by Brickworks Limited ("BKW") and is subject to change without notice. Nothing contained in this document constitutes investment, legal, tax or other advice. The information in this document does not take into account your investment objectives, financial situation or particular needs. Before making an investment decision, you should consider, with or without the assistance of professional securities adviser, whether an investment in BKW is appropriate in the light of your particular investment needs, objectives and financial circumstances.

Nothing in this document should be considered a solicitation, offer or invitation to buy, subscribe for or sell any security in the United States of America ("US") or in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. The distribution of this document outside Australia may be restricted by law. Persons who come into possession of this document who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Neither this document nor any copy hereof may be transmitted in the US or distributed, directly or indirectly, in the US or to any US person including (1) any US resident, (2) any partnership or corporation or other entity organised or incorporated under the laws of the US or any state thereof, (3) any trust of which any trustee is a US person, or (4) and agency or branch of a foreign entity located in the US.

By accepting this document you agree to be bound by these limitations. BKW has prepared this document based on information available to it. Although reasonable care has been taken to ensure that the facts stated and opinions given in this document are fair and accurate, the information provided in this document has not been independently verified. Accordingly, no representation or warranty, express or implied is made as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this document. To the fullest extent permitted by law, none of BKW, its directors, employees or agents or any other persons accepts any liability for any loss whatsoever arising from any use of this document or its contents, or otherwise arising in connection therewith.

Presentation Outline **BRICKWORKS**

| | |
|-------------------|------------------------------------|
| Chairman | ▪ Overview of Performance |
| Managing Director | ▪ Review of Results |
| Questions | ▪ Questions arising about business |
| Resolutions | ▪ As per notice of meeting |
| General Business | ▪ Further questions |



AGM 2005 3

Good afternoon Ladies and Gentlemen and welcome to the seventy-first Annual General Meeting of Brickworks Limited.

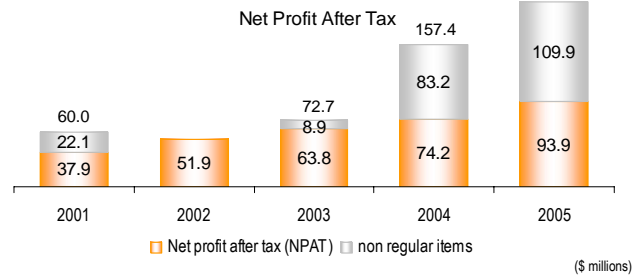
I'd like to begin with a brief overview of the Company's performance since the last AGM and then the Managing Director, Mr. Lindsay Partridge will give you a more detailed comment on the operational performance and the outlook.

After that we will conduct the formal business of the meeting.

Record result in challenging conditions

BRICKWORKS

- Record NPAT \$203.8 million up 30%
- Normalised NPAT \$93.9 million up 27%



AGM 2005

4

The past thirteen months have demonstrated the benefit of our increasing diversity. Net Profit After Tax increased to a record of \$203.8 million. Several one-off factors assisted the result.

The normalised profit was up \$19.7 million or 27% to a record \$93.9 million. The main factors contributing to the normalised result were a significant boost in profit from property development and investments offsetting reductions from Building Products.

Property and development contributed EBITA of \$25.2 million, up 162% from \$9.6 million last year. This more than compensated the \$7.6 million reduction in Building Products EBITA, down to \$87.1 million. The property division now has significant momentum and should be able to make a continued contribution over the coming years.

In our Building Products business we experienced softer market conditions overall, however the takeover of Bristle in 2003 has given the Building Products business greater geographic diversity and consequently greater capacity to cope with significant reductions in any particular market.

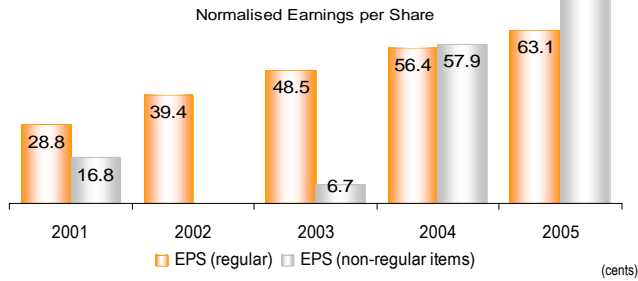
Investments in Washington H. Soul Pattinson (WHSP) and Brickworks Investment Company Limited (BICL) performed well.

In addition to the record profit, strong cash flows were achieved and were applied to reducing debt by \$71 million to \$205 million.

Normalised Earnings Per Share

BRICKWORKS

- Basic EPS 63.1 cents per share up 23% on pcp



AGM 2005

5

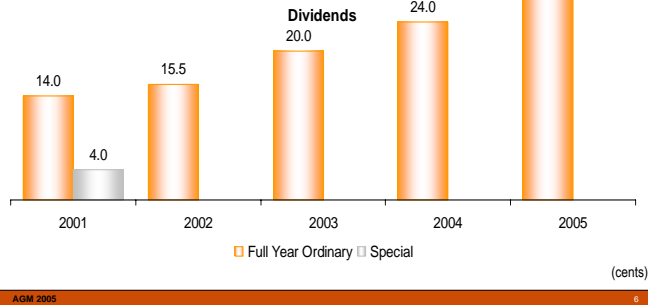
Total earnings per share also posted a record 146.5 cents in the year.

We are achieving our objectives of delivering growing earnings and dividends over the long term. The record net profit after tax drove normalised basic EPS to 63.1 cents per share for the 13 months ending July 2005.

Full Year Fully Franked Dividends

BRICKWORKS

- Final Dividend 21 cents per share up 40%
- Full year dividend 31 cents per share up 29%



Directors have recommended a 40% increase in the final dividend to 21 cents fully franked, taking the full year dividend to 31 cents fully franked, up 29% from 24 cents the previous year. The dividend payout now approximates 50% of the normalised earnings of the company, less the PAVERS dividend, and reflects the underlying strength of the business.

Ordinary dividends have now grown 18% per annum for the past seven years and four special dividends totalling 30 cents per share have also been paid during that period.

Change of Financial Year

- Caused by reporting of SOL result
- Once off impacts
 - Extra 6 months period of SOL
 - Extra month of Building products trading
 - Extra month of Land development trading

New Hope Ltd

- \$104.2m from WHSP from the sale of New Hope Limited's share in Indonesian Coal producer Adaro

Scoresby

- Write off of Scoresby and other plant in preparation for redevelopment totalling \$42.6m

As a consequence of AIFRS Brickworks' Financial Year has been changed to the 12 months ending 31 July each year commencing this year and resulting in a once off 13 month year.

The affect of this change was to equity account 18 months of WHSP results to 31 July 2005 in this year's results. In future periods, Brickworks will equity account WHSP results for each 12 months to 31 July.

During the period, non-regular earnings after tax of \$104.2 million were received from WHSP for the sale of New Hope Limited's share of the Adaro coal operations in Indonesia. WHSP has a 63.5% interest in New Hope.

In December 2004 the Board approved the construction of a new brick plant at Wollert in Victoria, paving the way for the sale of the Austral Bricks™ Scoresby site. The Board, subsequent to this approval, reassessed the useful life of the Scoresby factory and a number of other small items of plant in the group. Consequently buildings, plant and equipment have been written down and provisions for redundancies, demolition and rehabilitation of \$42.6 million have been made.

Performance

- Investment house – coal, pharmaceuticals, media, telecoms, food, industrial products
- Market Cap up 41% to \$2.29b (\$1.62b at 30 June 04)
- BKW owns 42.85% -value up \$286m to \$981m
- Regular Equity accounted contribution \$44.8m, up 89%
- Total equity accounted contribution \$197.4m (18 months)
- Dividends received \$32.7m, fully franked (incl spec)

Significant Events

- New Hope divestment of Adaro Coal mines

AGM 2005

8

The market value of Brickworks' 42.85% share of WHSP increased by \$286.0 million to \$981.0 million at year end. Fully franked dividends of \$32.7 million were also received and included a special dividend of 10 cents per share in November 2004.

WHSP has announced a 15 cent dividend to be paid in November 2005 in conjunction with an increased special dividend of 15 cents. In addition WHSP has announced their intention to pay another 15 cent special dividend next year.

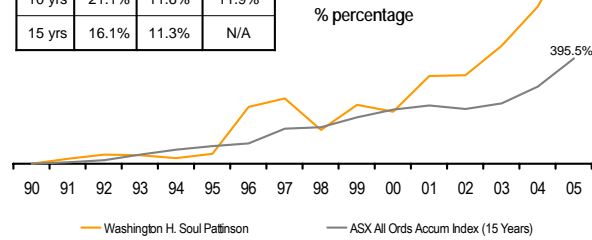
The current market value of Brickworks' WHSP holding as of 18 November was \$1.0 billion.

WHSP's long term out-performance

BRICKWORKS

Total Shareholder Return per annum

| | WHSP | ASX Accum | S&P ASX 200 |
|--------|-------|-----------|-------------|
| 5 yrs | 26.0% | 10.3% | 10.4% |
| 10 yrs | 21.1% | 11.6% | 11.9% |
| 15 yrs | 16.1% | 11.3% | N/A |



AGM 2005

9

The investment in WHSP has a 15 year compound annual return of 16.1% compared to 11.3% in the ASX All Ordinary Accumulation Index. The compound annual return for five years is 26.0% compared to 10.3% in the ASX All Ordinary Accumulation Index. A \$1,000 investment in 1990 would now be worth \$8,338 today.

| Brickworks Investment Company | | BRICKWORKS |
|-------------------------------|--|------------|
| NPAT | Up \$2.8m to \$2.4m (equity accounted) | |
| EPS | Up from 2.1 to 5.7 cents per share | |
| Dividend | 4.3 cents fully franked | |
| NTA | Up from \$1.08 to \$1.28 per share | |
| Market Value | Up from \$42.2m to \$50.4m | |
| Portfolio Value | Up 35% to \$248.3m | |

AGM 2005 10

The value the Brickworks Investment Company 22% holding increased 19% from \$42.2 million to \$50.4 million at 31 July 2005. The total dividend received was \$1.8 million fully franked, bringing total returns of 24% for the full year.

Net Asset backing per share before tax as at 30 June has also increased to \$1.28 per share from \$1.08 per share, an 18.5% improvement.

The BICL share price has increased from 98 cents per share at 30 June 2004 to \$1.17 per share at June 30 year end.

I would like to conclude my remarks by taking this opportunity to thank our employees. The solid result in a challenging environment has been a credit to all staff and on behalf of the board I thank them for their efforts.

I would now like to invite the Managing Director, Mr. Lindsay Partridge, to report to you on the operating divisions of Brickworks.

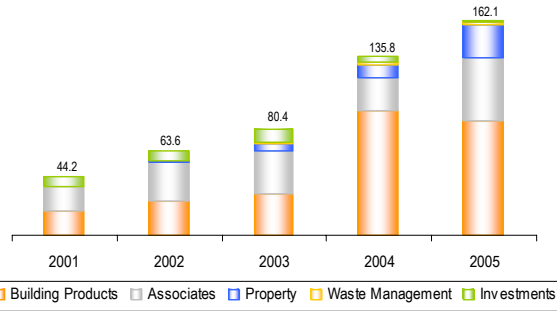


Thank you Chairman. Good afternoon Ladies and Gentlemen. I would also like to welcome you to the 71st AGM.

Initially I will cover our overall performance and then I will talk in detail about our Building Products and Land Development businesses. I will conclude with some comments on our outlook for the coming year.

Normalised EBITA

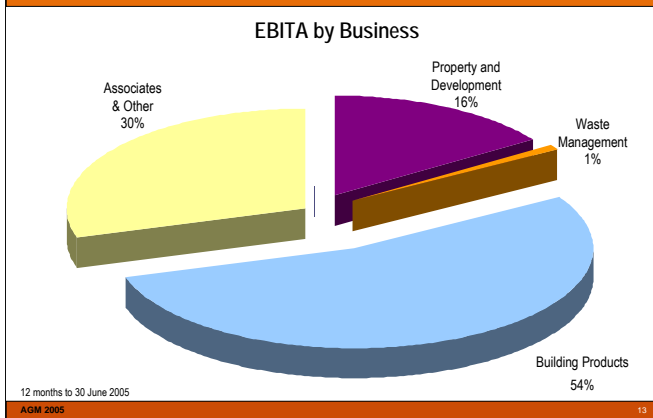
(\$millions)



(no overheads)

The normalised EBITA for the group has increased strongly over the last five years, up nearly four-fold and increasing 19% for the most recent period to \$162.1 million.

During the last five years we have seen a significant increase in Building Products following the Bristle acquisition and property has commenced contributing and grown strongly.



Combined with a strong contribution from associates this has resulted in more diverse and balanced earnings which we believe will be more robust to adversity, as they were in this period.

Finance: Strengthen strong balance sheet

BRICKWORKS

| | JUL 2005 | JUN 2004 |
|--------------------------------------|----------|----------|
| NTA | \$868m | \$647m |
| Shareholder's equity | \$1100m | \$895m |
| Return on equity | 18.5% | 17.6% |
| Free Cash Flow | \$188m | \$91m |
| Debt | \$205m | \$276m |
| Net debt/capital employed | 14.7% | 23.1% |
| Gearing (Debt/Equity) | 18.6% | 30.8% |
| Interest cover (normalised earnings) | 7.6 | 5.0 |

If we now turn to the major financial measures of Brickworks. Shareholders equity reflected the strong result and rose by \$205 million to \$1.1 billion dollars during the period.

Return on equity was a respectable 18.5% compared to last year's 17.6%.

The total free cash flow before capital expenditure and dividends was very strong at \$188.1 million up from \$91.3 million last year.

Strong cash generation from property, investments and Building Products has allowed debt to be reduced from \$276.0 million to \$204.7 million at 31 July 2005. This is a significant improvement from a peak of \$566 million in 2003 at the time of the Bristle acquisition.

The Debt reduction during the period occurred after paying Ordinary Dividends of \$33.0 million, PAVERS Dividends of \$10.8 million and Capital Expenditure of \$55.3 million.

Net Debt to Capital Employed also continues to improve, finishing the year at 15% down from 23% at June 2004.

Interest paid during the year was \$19.0 million, down 26% on last year's \$25.5 million.

The Interest Cover ratio was 7.6 times, 5.0 times in 2004, excluding non regular items and the non-cash portion of Equity Accounting.

The effective tax rate has increased, returning to normal levels in the normalised profit due to the inability to utilise accumulated tax losses to the same level as last year.

Working capital at 31 July 2005 was \$84.9 million compared to \$88.6 million at 1 July 2004. Stringent control of working capital resulted in this small improvement and included the acquisition of the Auswest timber business.



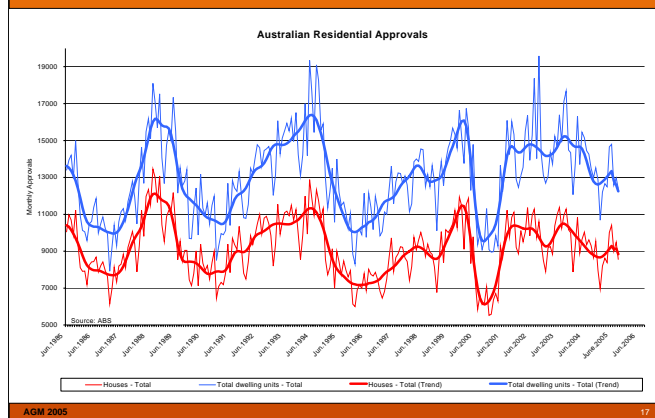
Brickworks strategy is based on three core businesses: Building Products, property development and investments. These complimentary businesses provide superior earnings and capital growth through diversity of revenue streams. Brickworks' investments provide reliable cash flow and enable a profit maximising long term view of cyclical building materials and property development businesses.

The Building Products strategy is to maximise margin and subsequently return on funds. These objectives are achieved through vigorous competition in product range and quality while offering superior service. Concurrently every effort is made to reduce costs including prudent capital expenditure. The long term methodical focus on these objectives has led to Brickworks being the lowest cost producer in many businesses and achieving best in class margins in many markets that it operates.

Property and development maximises the use of property assets that are no longer required for the Building Products businesses. Profit is maximised through timely change to highest and best use. However, timing of approvals can be unpredictable and the various property segments have their own cycle making it difficult to predict the timing of cash flows and the recognition of profits.

WHSP has been a long term success story offering exposure to a diverse range of sectors including telecommunications and media, pharmaceuticals, mineral resources and investment management. Superior returns from WHSP have ensured that Brickworks has never missed paying a dividend. Brickworks Investment Company Limited (BICL) is also producing satisfactory earnings and capital growth

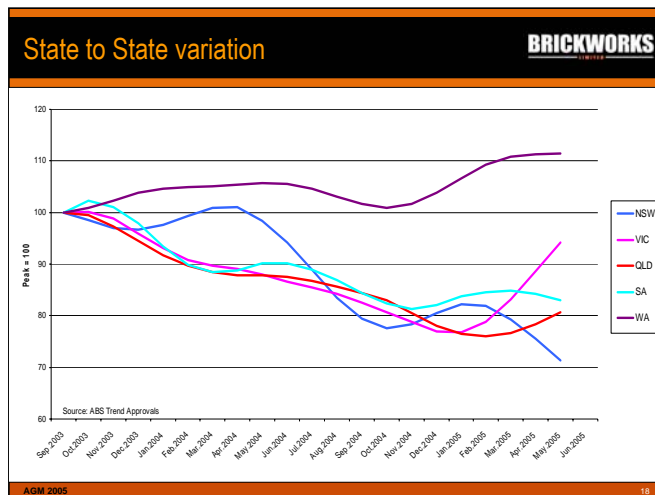
Building Products



Almost a year ago the current cycle emerged as the most benign in the past 40 years. This trend has continued throughout 2005.

During the year the Reserve Bank's concerns of a potential price bubble emerging in the housing market resulted in a 0.25% interest rate rise in March 2005.

Nationally, dwelling approvals peaked in September/October 2003 and have appeared to form a base in the second half some 20% lower on a seasonally adjusted basis.



During the course of the year Western Australia (WA) was the standout market and emphasised the value of Brickworks' recent steps toward greater geographic diversity. Approvals in WA remain close to the highest reached during this extended cycle.

New South Wales (NSW) generates the largest proportion of revenue and consequently this market's poor performance has had a significant impact. In addition to the Vendor Tax, suitable building land is in short supply throughout Sydney and priced beyond the reach of potential homebuyers due to State government imposts.

While the abolition of the Vendor Tax is encouraging and has raised confidence in the industry, this has not yet translated into increased approvals or sales. Consequently the two year 30% slide in trend dwelling approvals in NSW since the peak of August 2003 has continued, leaving the housing industry to search for signs that the bottom is near.

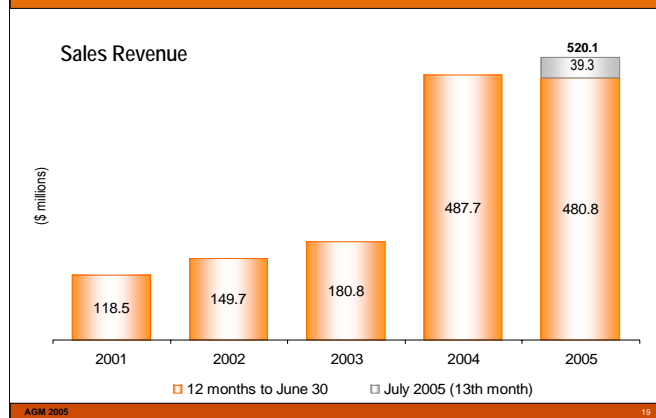
In Victoria the approval figures showed a significant spike at year's end as builders attempted to beat the introduction of a new "five star" energy rating system that was effective from 1 July 2005. According to the Housing Industry Association, the introduction of this system has increased the cost of a home in Victoria by 6% or up to \$18,000. Of greater long term concern is the State Government's 2030 policy which is likely to create an artificial contraction of land supply and combined with the energy rating system will put home ownership beyond the reach of many homebuyers.

The Queensland market was one of the first to start turning down in late 2003 due to affordability issues. Fortunately the Queensland market bottomed on trend estimates in February 2005 and it is anticipated it will lead the other markets into recovery due to strong local economy. High levels of population growth may taper in Queensland as housing affordability no longer holds a significant advantage over NSW and Victoria.

The South Australian market has remained quite resilient throughout the current downturn.

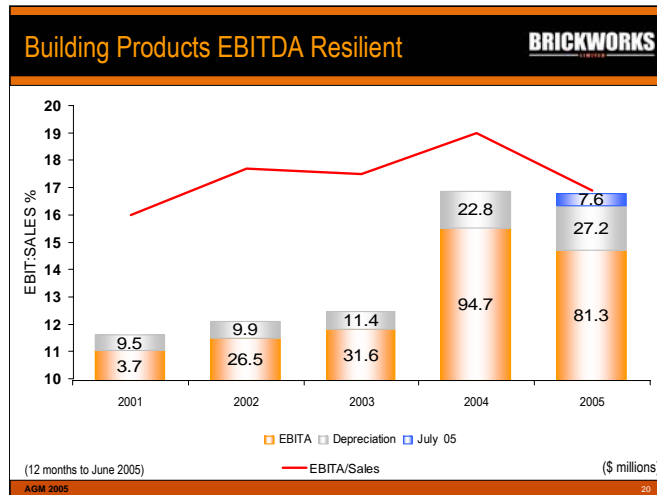
Building products sales steady

BRICKWORKS



During the year trading conditions and profitability reduced from the peak experienced in the previous years. For the year ending June 2005, sales were down 1.4% at \$480.8 million compared to \$487.7 million in the year ending June 2004. In the thirteen months to July 2005 sales were \$520.1 million.

EBITA in the 12 months to June 2005 was \$81.3 million, down 14.1% on the \$94.7 million on the 12 months to June 2004. In the 13 months to July 2005 EBIT was \$87.1 million.



Brickworks faces numerous competitive pressures not only from incumbent players but also new products and building systems. Brickworks' focus however is to maintain the EBIT and EBITDA to sales ratio and profitability.

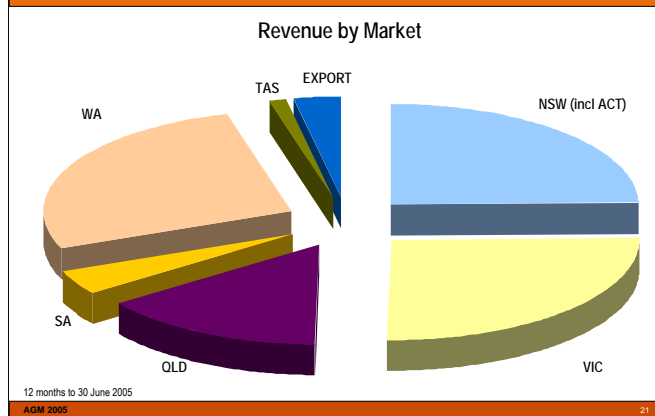
Despite the downturn, Building Products achieved an EBIT to sales ratio for the 12 months to June 2005 of 16.9% compared to 19.4% in the previous corresponding period.

While down, it is still very respectable historically and compares favourably to our peers.

The biggest impact on this ratio was from factory closures and additional maintenance expenses which are expected to continue during 2005/06.

EBITDA was more resilient at \$108.5 million for the 12 months to June 2005. This compared to the \$117.5 million in the 12 months to June 2004.

The relentless pursuit of the lowest cost base in the industry is underscored by employee productivity. During the period \$1.7 million was spent on redundancies which led to a reduction in employee numbers of 78. Employee numbers reduced to 1397 prior to the inclusion of the 125 Auswest Timbers employees and now total 1522. Revenue of \$344,000 and EBITA of \$58,200 per employee compares favourably to Australian Building Products peers.



While Building Products is still dominated by bricks with approximately three quarters of our Building Products sales and 90% of earnings, the acquisition of company's like Auswest Timbers will over time reduce our exposure to this very good but mature business.

Over the past three years Brickworks has completed a dramatic change from a predominantly NSW and Queensland based operation. The importance of the Bristle acquisition is clear in the current housing construction cycle with our exposure to any one market being reduced greatly.

Sales

- Sales down 6.5% in 12 months to June 30
- Largest declines in NSW and Qld
- Prices up 3.0% nationally

Production

- Production reduced 5.5% to control working capital
- Refurbishment program underway during market lull
- Nationally production costs up 5.4%

Refurbishment

- Most kilns except WA have been taken off line for refurbishment and stock control

Sales of Austral Bricks™ and pavers for the 12 months to June 2005 dropped 6.5% by volume with the largest declines experienced in NSW and Queensland. As WA operations were already at full capacity, increased sales volumes were insufficient to offset reductions in the softer eastern states.

Unit brick prices increased by 3% in line with expectations. Production output was reduced by 5.5% to avoid excessive increases in inventory. This reduced volume, combined with factory refurbishment costs, produced an uncharacteristic increase in unit cost.

At Rochedale, Queensland, one complete base load production line was closed for refurbishment in March 2005 to allow for a major overhaul of the dryers, kilns, kiln cars and other support equipment. It was returned to production in October 2005.

In all other states except WA most kilns have now been taken off line for maintenance and stock control. By the completion of the 2005/06 Christmas maintenance period all plants will be in excellent condition. While this has resulted in higher production costs in the short term it is a proven way to manage this cyclical business and hopefully avoid costly equipment failures while under peak demand conditions during the next upturn.

Austral Bricks™ Capital Expenditure

BRICKWORKS

| | |
|----------------------|--|
| Austral Wollert | <ul style="list-style-type: none">Construction of 85m p.a. brick capacity underwayOperational by February 2007 for \$44m |
| Austral Bowral | <ul style="list-style-type: none">Completed & commissioned for \$12mRecord production and outstanding qualityWaiting lists eliminated shortlyOpportunity for further cost reduction |
| Austral Rochedale | <ul style="list-style-type: none">Rochedale refit project at cost of \$1.9m |
| Austral Golden Grove | <ul style="list-style-type: none">Cost of \$5.5m and progressing well |
| Austral Riverview | <ul style="list-style-type: none">Stage 1: Efficiency project underway (Cost: \$2.4m)Stage 2: Capacity expansion postponed indefinitely |

AGM 2005

23

Brickworks' capital expenditure program continued strongly during the period. The focus of the program within Building Products was cost reduction and improvement in safety and environmental performance. Capital expenditure, primarily in the Austral Bricks™ business totalled \$55.3 million in the 13 months to July 2005, including \$6.7 million for property development. This compared to depreciation of \$29 million during the same period.

The upgrade of the Austral Bricks™ Bowral plant in NSW at a cost of \$12.0 million was successfully completed. The improved quality has been well accepted by the NSW market. The Board is currently considering whether opportunities for further cost reductions exist for this specialised plant.

Stage One of the capital program for the Austral Bricks™ Riverview plant in Queensland at a cost of \$2.4 million is nearing completion and will significantly increase efficiency. The planned Stage Two expansion of Riverview which was to double the capacity has been postponed indefinitely due to the poor trading conditions and the substantial over capacity in this market.



North of Melbourne at Wollert, Austral Bricks™ is building a new brick plant at a cost of \$44.0 million. This plant will replace the aging Scoresby brick plant. Wollert is on schedule to be completed by February 2007 and is expected to be the lowest cost plant in Australia with design capacity of 85 million standard brick equivalents (SBE).

The Austral Bricks™ plant in Golden Grove, South Australia is in the process of being upgraded at a cost of \$5.5 million. Whilst capacity will remain the same, the introduction of robotic unloading and loading equipment will greatly reduce the cost of manufacture and enhance production flexibility.

A new brick plant remains under consideration for WA. Attention is still focused on the best long term solution for the WA market and community with there being no need for additional capacity until the market reaches its next cyclical peak, anticipated to be in 2010. As the company is fully occupied building the new brick plant at Wollert it is likely to be one or two years before a final determination is made.

Bristile Roofing™ Clay and Concrete Roof Tiles **BRICKWORKS**

- Sales Volume**
 - Sales volume decreased in eastern states
 - Sales volume constrained by lack of trades in WA
 - Nationally prices increased by 5%
- Production**
 - Production down 16% for upgrades and working capital control
 - Nationally production costs up by 5%
- Capital Works**
 - Extensive upgrades at Wacol and Dandenong
 - Cost of \$3.1m
- Pricing**
 - Opportunity for further price gains in the coming year

AGM 2005 25

Roof tile sales decreased in eastern states and were constrained by the availability of installation trades in WA. Nationally, selling prices increased by 5% as substantially higher installation rates were partially recovered. This was achieved even though sales volumes nationally fell by 10%.

Nationally, Bristile Roofing™ roof tile production reduced by 16%. Production volume in WA was maintained to meet market requirements. Output on the East Coast was reduced to control stock and allow a complete refurbishment of both concrete roof tile plants.

These upgrades at both Dandenong in Victoria and Wacol in Queensland included new tile machines and packaging equipment, and new curing chambers which improved quality and unit costs. The total cost of the project was \$3.1 million.

The improvements in the production performance of these plants subsequent to the refurbishment in the last quarter restricted unit costs increases to 5% for the year

Eureka Tiles™ Ceramic Floor Tiles **BRICKWORKS**

Floor Tile Volume

- Floor tile volumes down due to Chinese imports and local start-up
- Overall volume up due to the success of Riviera® pavers sold under the Austral Bricks™ brand
- Prices up by 5.5%

Production

- Unit production cost fell 10% due to significant cost reduction
- Production volume static

Future strategy

- Build on import business to replace some local tile production
- Alter local production to products where imports can't compete

AGM 2005 26

Floor tile sales volumes reduced due to stiff competition from Chinese imports and a new local manufacturer. In addition, the renovation market was down nationally but it was particularly affected in NSW which is the most significant floor tile market for Eureka Tiles™. It is estimated approximately half of all floor tile sales are destined for the renovation market.

The overall sales volume increased with the outstanding success of Riviera® pavers which are produced in the state-of-the-art Punchbowl works. Significant increase in EBIT was achieved due to tight cost controls with unit production costs falling by 10%.

The competitive flooring market is expected to remain unchanged for the foreseeable future. A series of new product launches in the coming year are expected to further differentiate the Eureka Tiles™ offering, improving volume and price in the process.

Over time this division will concentrate on products not affected significantly by imports while developing an import and distribution business to replace the current production lines.

Auswest Timbers **BRICKWORKS**

| | |
|--------------------|---|
| Acquisition | <ul style="list-style-type: none"> ▪ Acquired remaining two-thirds of Auswest effective 28 June 2005 ▪ Consideration of \$9.8m paid as 968,588 shares |
| Revenue | <ul style="list-style-type: none"> ▪ Revenue c\$25m |
| Employees | <ul style="list-style-type: none"> ▪ 125 Employees |
| Mills | <ul style="list-style-type: none"> ▪ Pemberton, WA: Hardwood and softwood sawmilling and value add ▪ Orbost, VIC: Hardwood sawmilling ▪ Fyshwick, ACT: Softwood sawmilling |

AGM 2005 27

Auswest Timbers Pty. Ltd. was fully acquired on 28 June 2005. Brickworks had owned 33% of Auswest since the Bristile acquisition in July 2003.

Auswest has three sawmills nationally, with mills at Fyshwick in the ACT, Orbost in Victoria and Pemberton in WA. Auswest produces a diverse range of timber products from heavy structural to floor boards.

The newly acquired Auswest business is undertaking a significant capacity and capability upgrade at Pemberton in WA. Underpinned by lengthy log licences, the upgraded Pemberton plant will be capable of completing most of its own 'value adding' on site, including the production of flooring products.

- Successful products launched in the past 12 months include

TerraÇade®



Riviera®



Elements™



- Latest release is TerraÇade® TL

All divisions continued to develop new products. Successful new products in the past 12 months include TerraÇade® cladding, Riviera® pavers and the Elements™ range of bricks.

New products will continue to grow revenues and prices in the year to come with several new products scheduled to be launched.

A new generation of TerraÇade® has been developed and recently launched to compliment the existing TerraÇade® XP system. Manufactured at Eureka Tiles in Ballarat, the large format façade will soon be available in a range of glazed and unglazed colours.

TerraÇade® TL is a lightweight façade system supported using a vertical suspension rail to provide a rear ventilated façade which minimises thermal transfer to the building structure improving comfort and providing energy savings. The TerraÇade® TL system is easy to install and suitable for installation on timber or metal frames, masonry and concrete buildings for both the residential and commercial markets.

Property & Development

Property Development Highlights **BRICKWORKS**

Performance

- Revenue up \$32.0m to \$43.8m
- EBIT up \$15.6m to \$25.2m
- \$82.1m cash received (\$20.7m last year)

Major transactions

- M7 Business Hub, Horsley Park, NSW
- Golden Grove, SA
- Eastwood, NSW

Future transactions

- Mamre Road, Erskine Park, NSW
- Scoresby, Vic
- Hallam, Vic

AGM 2005 30

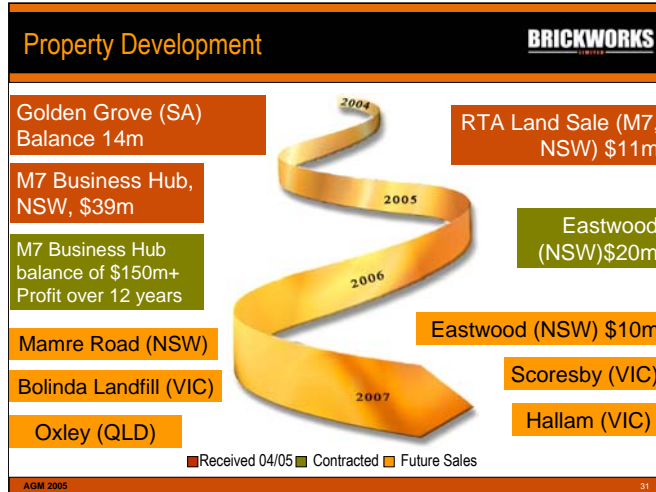
The 2004/05 financial year has seen substantial advances in relation to the Brickworks property realisation program for surplus property holdings.

Property and development EBIT was \$25.2 million in the 13 months to 31 July 2005, up from \$9.6 million last year. Cash flow was \$82.1 million for the same period.

The sale of Crouch Road, Golden Grove for \$22.0 million including \$1.0 million interest was completed.

The most significant progress in the 2004/05 year was the approval of the Precinct Plan for Brickworks SEPP 59 property, now known as the M7 Business Hub at Horsley Park in NSW. This resulted in the Joint Venture agreement with Macquarie Goodman to develop the property becoming unconditional and a commencement payment of \$20.5 million being received. The approval also allowed Brickworks to settle on the sale of a portion of the property to Macquarie Goodman for the construction of the regional distribution facility for Coles Myer for \$18.3 million.

Contracts for the sale of a large portion of the eastern section of the site, which has already been signed including Coca Cola Amatil for \$16.5 million and are due to settle in the 2005/06 financial year. These sales will provide a strong impetus for the development of the remainder of the site.



Development of the Eastwood site in NSW over the 2004/05 financial year has continued well after the restructuring of the development agreement in late 2004. Civil works have commenced on Stage One of the development and lots are due to be ready for sale in late 2005. The sale of lots will be a significant milestone, as it will allow Brickworks to realise profits on these lots in the 2005/06 year. During the year \$20.5 million was received from the development joint venture. Profit on this transaction has been deferred until the sale of the lots commences.

Positive progress has been made on the sub-division of the Mamre Road site at Erskine Park in NSW. An in-principle agreement has been reached with the Department of Environment and Conservation (DEC) and Penrith Council.

Work on the redevelopment of the 56 Hectare Scoresby and 18 Hectare Hallam sites in Melbourne commenced in late 2004 and is progressing well.

The slide features a background image of a waste management facility with a large pile of waste and a green vehicle. The slide is titled 'Waste Management' and includes the 'BRICKWORKS' logo. It contains two sections: 'Performance' and 'Outlook', each with a list of bullet points. The footer includes 'AGM 2005' and the number '32'.

Waste Management **BRICKWORKS**

Performance

- EBIT down \$0.2m to \$1.4m

Outlook

- Faster than expected filling
- Void reducing faster than mining rate
- Fill volumes to slow in 05/06

AGM 2005 32

The Horsley Park and Bowral waste facilities provided royalties totaling \$1.4 million over the 2004/05 period.

The royalties from the Horsley Park facility, operated by Collex has continued to be well over the minimum requirement.

The accelerated rate of filling, however has now resulted in Collex catching up to the mining being undertaken by Brickworks. Efforts will be made to avoid a slowdown of works in the coming financial year.

- | | |
|--------------------|---|
| Economy | <ul style="list-style-type: none"> - Fundamentals remain robust - WA & Qld fuelled by resources boom - Shortage of trades and higher fuel prices a concern |
| Approvals | <ul style="list-style-type: none"> - Historically modest slow down to date - Expecting 140-145,000 dwelling starts |
| First Half 2005/06 | <ul style="list-style-type: none"> - New financial year will reduce first half bias - Rigorously manage inventory levels |

The downturn to date in dwelling approvals nationally has been the mildest on record. Emerging data suggests the lowest commencements of this cycle may be encountered at 140,000 to 145,000 in the coming year. Due to this cautious outlook, management will continue to rigorously manage inventory levels.

Even though the number of dwellings built has declined over the previous year many fundamentals in the economy remain robust. The impact of higher fuel prices on housing affordability is yet to be fully assessed, though it is of some concern that the past 5 months have posted falls in trended dwelling approvals. Nonetheless, affordability is now improving as demand abates, with the cost of land and trades improving noticeably. These competing forces will play out over the coming year with the outcome uncertain at this time.

In the first quarter of 2005/06 sales have been down approximately 3% on the same months last year.

NSW has been particularly hard hit and sales and profits are down significantly. Queensland and Victoria whilst down for the first quarter have been firming and show some promise going forward.

WA has been very strong with stock shortages and cost increases impeding our ability to take full advantage of the strong market conditions, consequently holding back our profit performance. In late October we commenced shipping bricks from NSW to WA in an attempt to maintain supply to our customer base.

With the changed financial year the planned January factory closures will be included in the first half of the 2005/06 year reducing Building Products' historical first half bias. Typically this will move Building Products from recording 60% of EBIT in the first half to approximately 50%.

| Outlook – Other | | BRICKWORKS |
|--------------------|--|------------|
| Land & Development | <ul style="list-style-type: none"> – Fundamentals remain encouraging – Timing is dependent on approvals and completions – Significant number of contracts in hand | |
| Investments | <ul style="list-style-type: none"> – Continued strong performance expected | |
| AIFRS | <ul style="list-style-type: none"> – Goodwill no longer amortised (impairment test) – Tax charge for any increase in carrying value of investments in associates – PAVERS dividend will be a borrowing cost in FY2006 | |

Profit from property and development will depend on the timing of approvals and completions as in the past. A significant number of contracts in hand should enable several transactions to be completed in both halves of the 2005/06 year.

The imminent completion of the M7 in Sydney’s West, will ensure demand for land at the M7 Business Hub remains robust.

Continued strong performance from WHSP and BICL is expected as they outperform the market as they have done in the past.

The AIFRS in future reporting periods will have a significant impact in a number of areas.

In 2004/05 \$15.3 million of Intangible Assets were amortised. In the future, Intangible Assets will no longer be amortised, instead they will be subject to an annual impairment test. In addition, a tax charge will also be booked against profit for any increase in the carrying value of investments.

The PAVERS dividend, which amounted to \$10.8 million in 2004/05, will be recognised as a borrowing cost, thereby reducing profit.

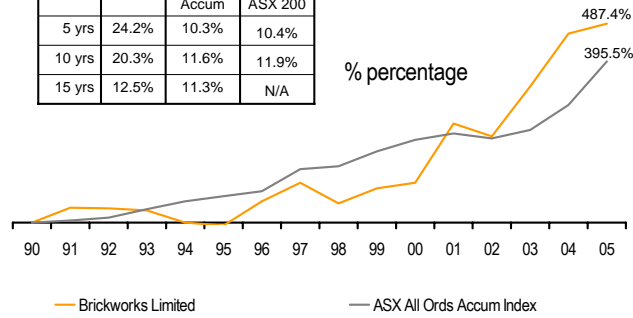
- Balance Sheet**
 - Balance sheet to continue to improve
 - Strong operating cash flow
- Dividends**
 - Increase reflects underlying strength
- Management**
 - Strong and experienced team
 - 37% of employees are shareholders
- Future**
 - Positioned for expansion should opportunities arise

Brickworks overall position continues to strengthen despite weaker Building Products markets. The diversity offered by investment and property development is likely to assist Brickworks through the current housing downturn and the outlook for the company remains positive.

Total Shareholder Return

BRICKWORKS

| | BKW | ASX Accum | S&P ASX 200 |
|--------|-------|-----------|-------------|
| 5 yrs | 24.2% | 10.3% | 10.4% |
| 10 yrs | 20.3% | 11.6% | 11.9% |
| 15 yrs | 12.5% | 11.3% | N/A |



AGM 2005

38

Brickworks has continued to outperform the benchmark ASX Accumulation Index and the S&P/ASX 200 Index. Over the past five years Total Shareholder Returns have been 24.2% compared to the ASX Accumulation Index of just 10.3% and in the last 12 months the Volume Weighted Average Price (VWAP) increased by 31%.

In closing I would like to join the Chairman in thanking all staff for the contribution to achieving this excellent result.