

BRICKWORKS

LIMITED

29 September 2005

Australian Stock Exchange (Sydney) Limited
Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir/Madam,

Please find attached a presentation and additional comments to be presented to analysts today regarding the Brickworks' 2005 financial results, for immediate release to the market.

Yours faithfully,
BRICKWORKS LIMITED



IAIN THOMPSON
COMPANY SECRETARY

BRICKWORKS LIMITED

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ANALYST PRESENTATION Full Year Ending July 2005



Robert Millner, Chairman
Lindsay Partridge, Managing Director

29 September 2005

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Presentation Outline

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Chairman

- Overview of Performance

Managing Director

- Review of Results

Questions

- Questions



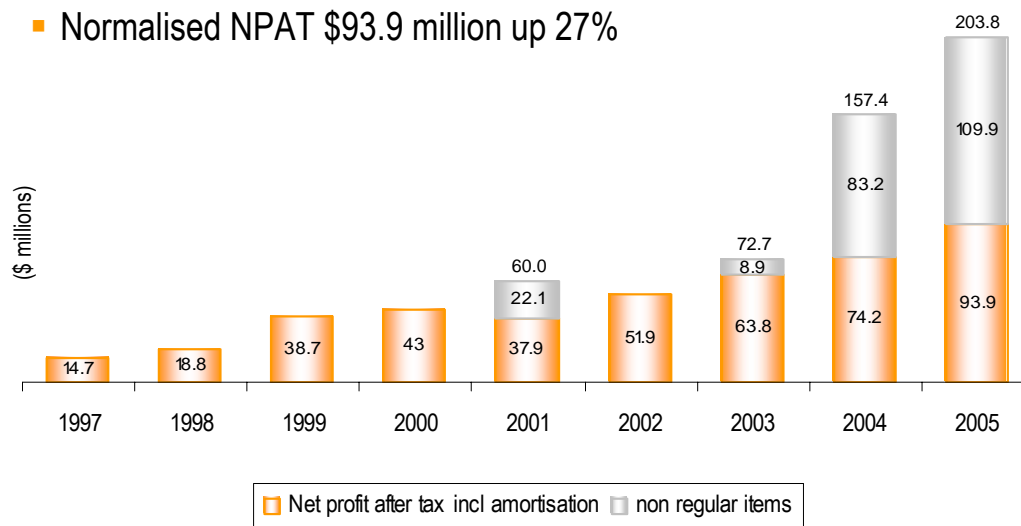
Full Year Ending July 2005

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Strong result in challenging conditions

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



Full Year Ending July 2005

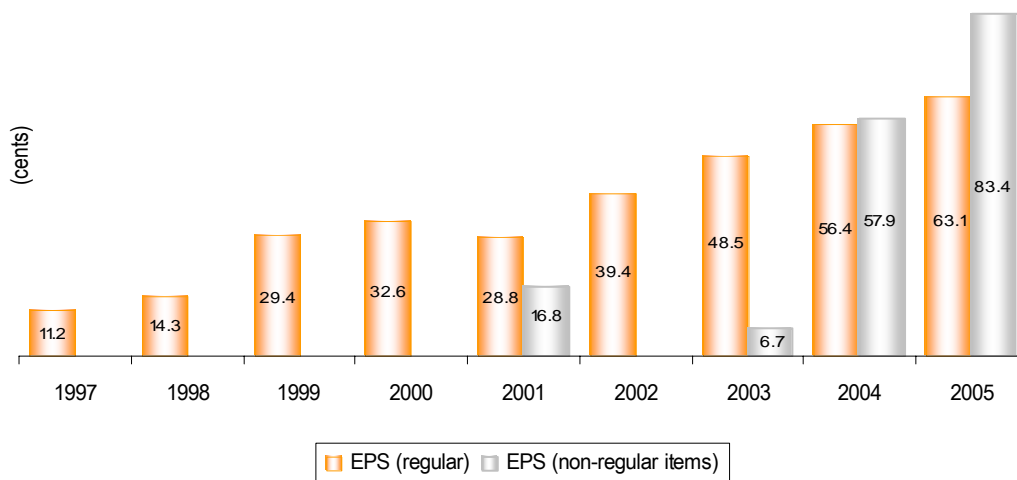
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2005 is 13 months to July 31

Normalised Earnings Per Share

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



Full Year Ending July 2005

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Normalised Basic EPS = $\frac{\text{Normalised NPAT less PAVERS dividend}}{\text{Weighted average number of ordinary shares}}$

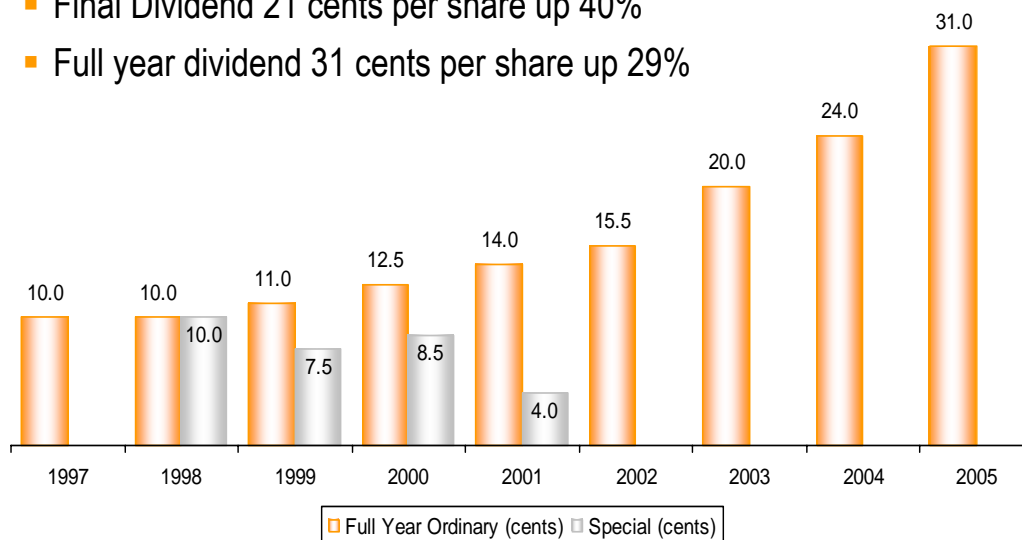
Diluted EPS is 139 cents per share up 32% from 105 cps in 2003/04

Basic EPS is 146.5 cents per share up 28% from 114.3 cps in 2003/04

Full Year Fully Franked Dividends

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



Full Year Ending July 2005

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Interim dividend was 10 cents up from 9 cents the previous year (11.1%).

The dividend payout now approximates 50% of the normalised earnings (les PAVERS dividend) of the company and reflects the underlying strength of the business.

Other highlights

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Property & Investments

- Significant boost from property and investments
- More than offset reductions in building products

Diversity

- Geographic diversity in building products reduced impact of NSW slump

Debt Reduced

- Debt reduced by \$71.3m to \$204.7m

Gearing

- Gearing down from 31% to 19%

Managing Director's Review



Full Year Ending July 2005

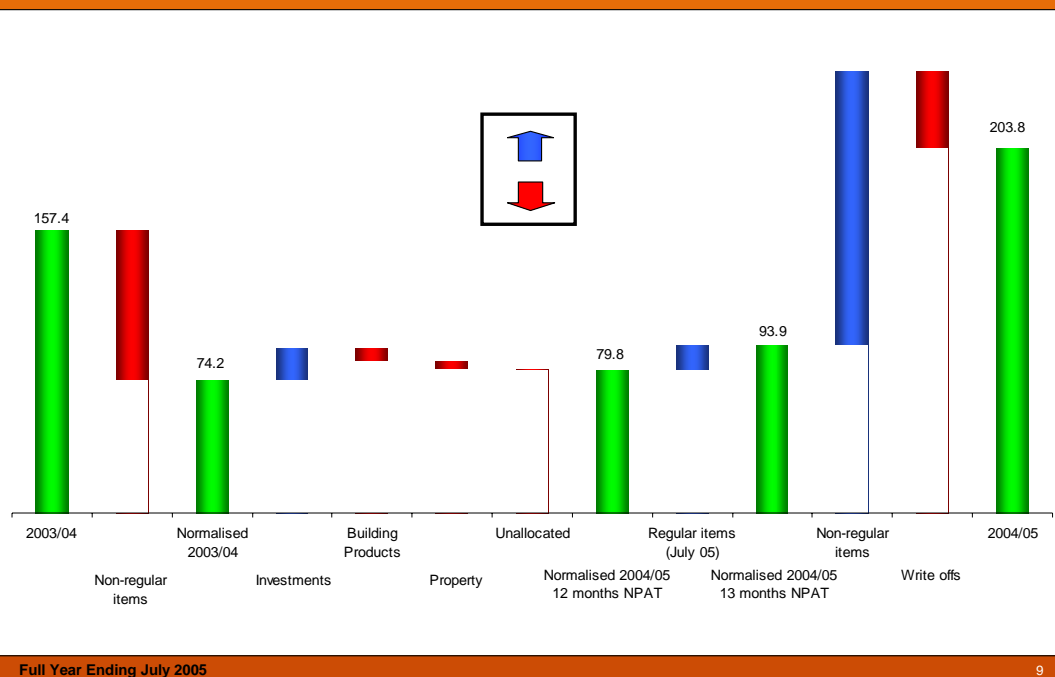
29 September 2005

Good afternoon ladies and gentlemen. The chairman has covered the major highlights, I will cover more of the detail.

However I will assume you have already read both the Review of Results and the presentation so I will talk about the slides, not go through them.

Favourable Full Year Comparison

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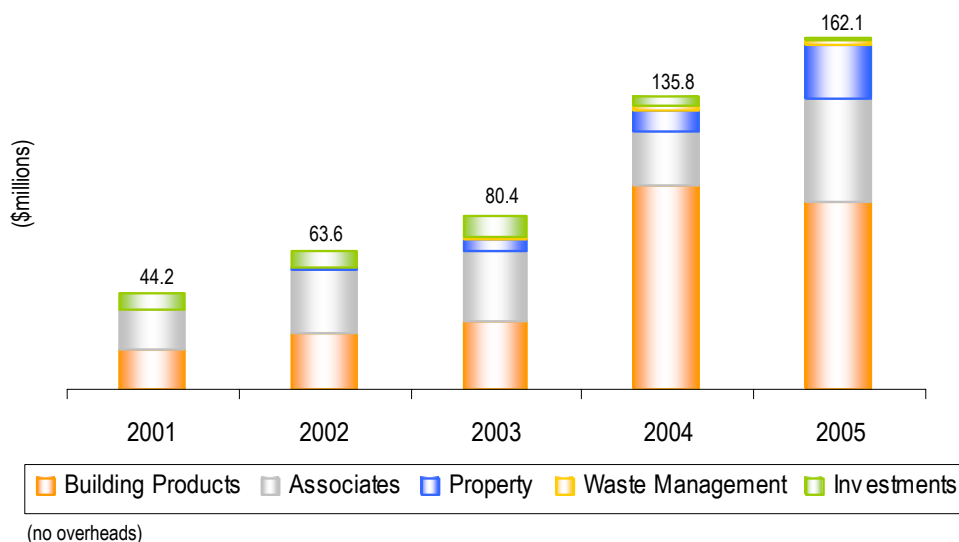


	2003/04 NPAT	\$157.4m
Subtract	Non-regular items (sale of investment portfolio)	\$83.2m
	Normalised 2003/04 NPAT	\$74.2m
Add	Increase in investments	\$18.0m
Subtract	Building products decline	(\$7.3m)
Subtract	Property and development	(\$4.4m)
Subtract	Other changes (Head office/marketing etc)	(\$0.7m)
	Normalised 2004/05 12mths NPAT	\$79.8m
Add	July trading result	\$14.1m
	Normalised 2004/05 13mths NPAT	\$93.9m
Add	Non-regular (WHSP, Adaro)	\$152.5m
Subtract	Write offs (post tax)	(\$42.6m)
	2004/05 NPAT	\$203.8m

Diversity underpins growth

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Normalised EBITA



Full Year Ending July 2005

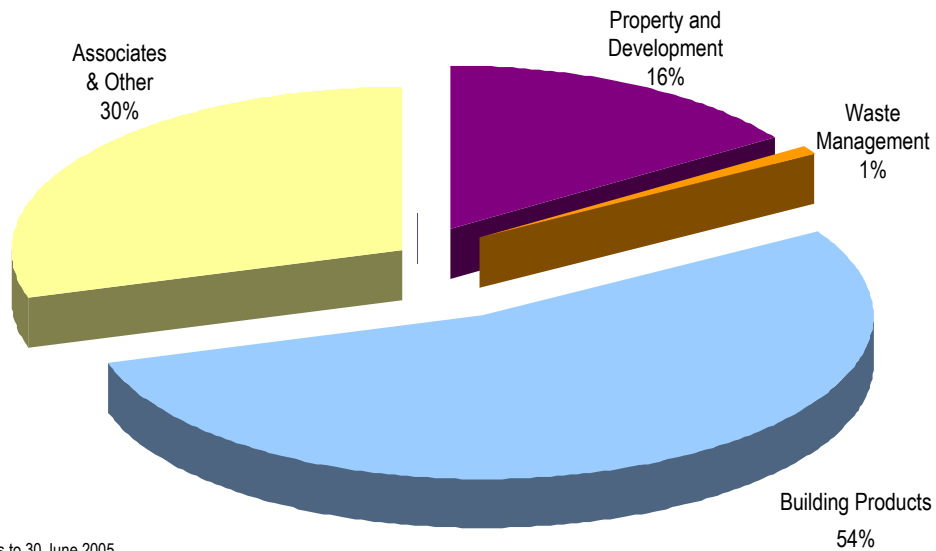
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The normalised EBITA for the group has increased strongly over the last five years up nearly four-fold and increasing 19% for the most recent period.

During the last five years we have seen a significant increase in Building Products following the Bristle acquisition.

Property has commenced contributing and grown strongly. This has resulted in more diverse earnings which we believe will be more robust as they were in this period.

EBITA by Business



12 months to 30 June 2005

Full Year Ending July 2005

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54% of our earnings came from building products this year.
30% from Associates and 16% from property and development.

Change of Financial Year

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

One of the impacts of AIFRS was that we could not report results of our associates more than 3 months old. The SOL's results we used has been 5 months old in the past. This was fixed by moving our end of financial year to the end of July and reporting simultaneously with SOL. The impact of this was:

- We picked up an extra period of SOL trading i.e. 18 months in total.
- There is one month extra of Building Products trading (even though I would not call July much of a month).
- There is an extra month of land and development which as it turned out was very significant this year following the Minister for Planning signing the DA for the M7 Business Hub on the 30th of June.

Non-regular items (post-tax)

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New Hope Ltd	▪ \$104.2m from WHSP from the sale of New Hope Limited's share in Indonesian Coal producer Adaro
WHSP	▪ Additional 6 month contribution from WHSP due to AIFRS of \$48.3m
Scoresby	▪ Write off of Scoresby and other plant in preparation for redevelopment totalling \$42.6m

Full Year Ending July 2005

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There were three major non-regular items:

1. The largest was the sale of the New Hope Adaro coal mine which created a \$104.2 million profit through WHSP.
2. The additional 6 months of SOL as I just mentioned - \$48.3 million.
3. The Board reassessment of the useful life of the Scoresby plant and some other minor plant, redundancies, rehabilitation and so on for \$42.6 million after tax.

	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

Full Year Ending July 2005

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The balance sheet strengthened considerably during the period:

- NTA up 34%
- Shareholders equity up 23%
- Return on equity was 18.5%
- Free cash flow was a massive \$188 million, up 104%
- Debt was reduced by 25% or \$71 million
- Net Debt to capital employed reduced to 14.7% and gearing to 18.6%
- Interest cover increased to 7.6 times

Investing capital to improve returns & safety

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Ongoing commitment

	YE July05*	YE June04
Plant & Equipment	\$48.6m	\$33.6m
Land acquisition & development	\$6.7m	\$6.8m
Total	\$55.3m	\$40.4m
Depreciation	\$29.0m	\$22.8m

* 13 months

Full Year Ending July 2005

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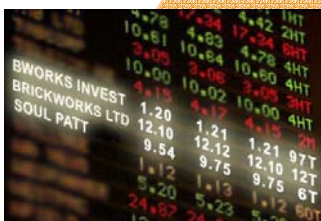
On the top of the massive debt reduction we carried out a record capex program totaling \$55.3 million.

This was almost twice the depreciation of \$29 million. These figures are for 13 months.

The land acquisition of \$3.1 million is for building products use and the balance for development.

INVESTMENTS

High growth investments create stable environment & long term view



LAND AND DEVELOPMENT

Profitable, lumpy cash flow from land sales to debt reduction



BUILDING PRODUCTS

Highly profitable building products businesses also establish land bank

Brickworks is a unique collection of assets that support each other.

Investments create a stable environment and long term view.

Building products is a long term prospect with product lines and plants lasting 40 years and more, which inevitably establishes a land bank.

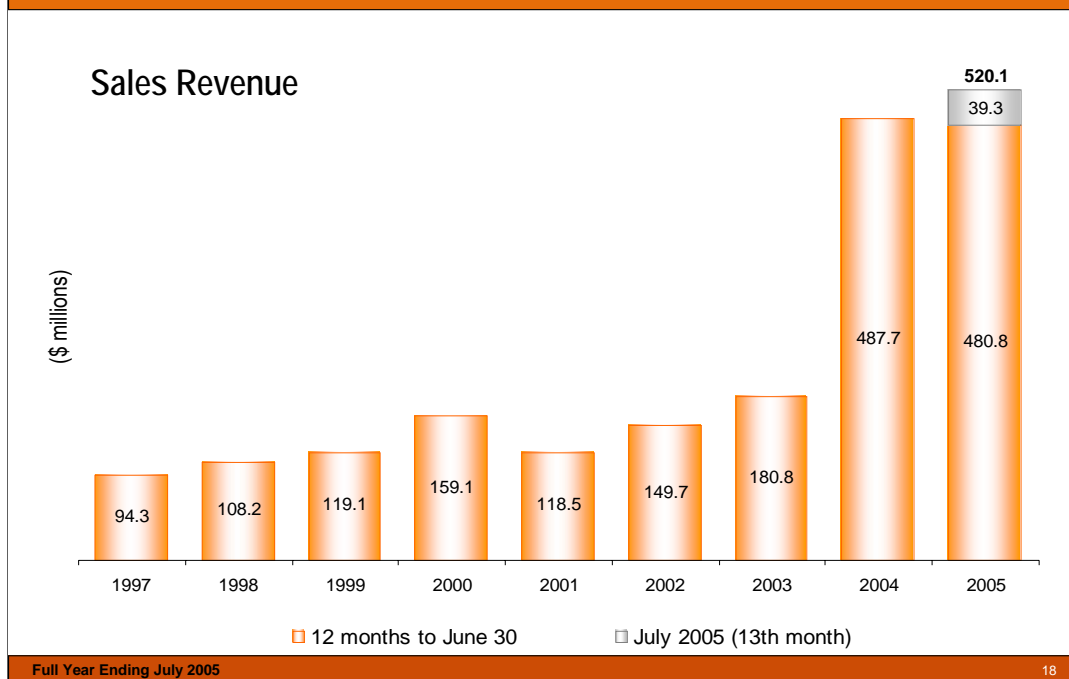
Land development is profitable but the cash flow can be lumpy.

We have used cash flow to reduce debt in the last period.

Building Products

Building products sales steady

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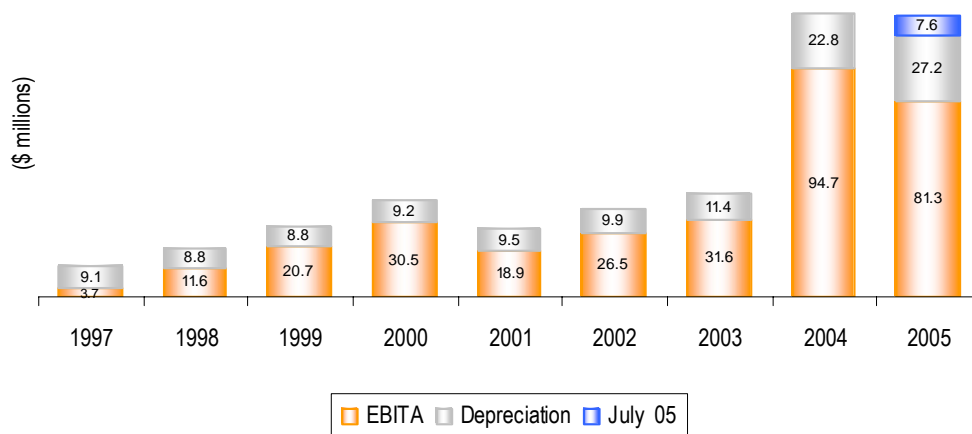
With the help of the 13th month sales were up slightly, in 12 months to June they were down 1.4%.

It has to be taken into account that 2004 had only 11 months Bristle trading. Sales were relatively strong because of the strong WA market and price rises achieved during the year.

July is a relatively weak month due to seasonal factors.

Building Products EBITDA Resilient

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(12 months to June 2005)

Full Year Ending July 2005

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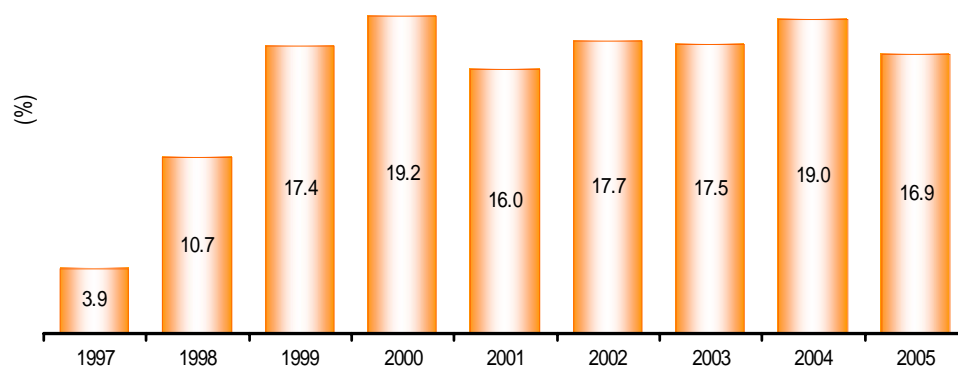
The EBITDA was more resilient than the EBIT due to the increased depreciation at \$27.2 million compared to \$22.8 million in the previous period.

The EBITA was down 14% on the previous period at \$81.3 million for the 12 months to June.

Building Products EBITA to Sales

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- Shutdowns & refurbishments weakens EBITA to Sales Ratio



(12 months to June 2005)

Full Year Ending July 2005

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The lower EBITA is reflected in the lower EBITA to Sales ratio being 16.9% compared to 19% in the previous period when all of our plants had run at absolute capacity.

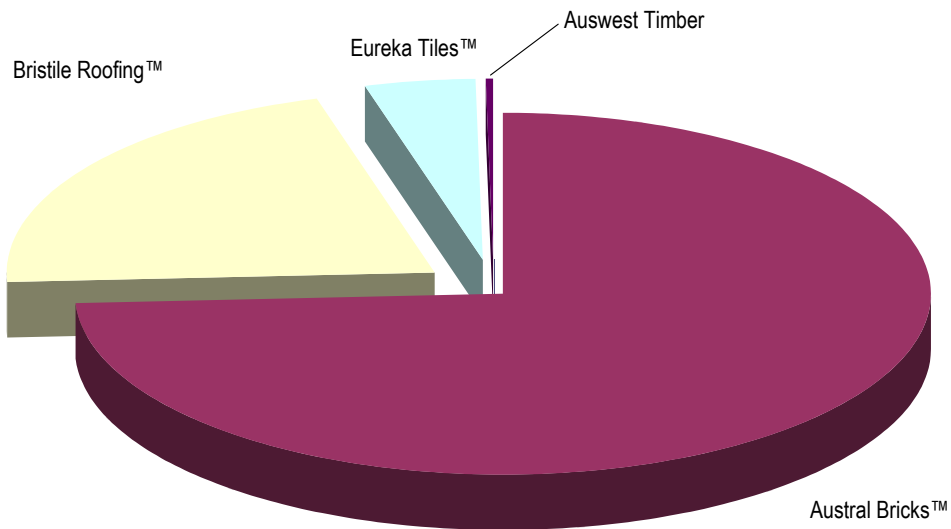
While down, it is still very respectable historically and compares favourably to our peers.

The biggest impact was from factory closures and additional maintenance expenses.

In addition, redundancy expenditure of \$1.7 million which reduced employee numbers by 75 had an impact.

Finally there is a significant difference in the various divisions ratios with Queensland bricks and Bristle East Coast having the largest reductions in the EBIT to Sales ratio.

Revenue by Product

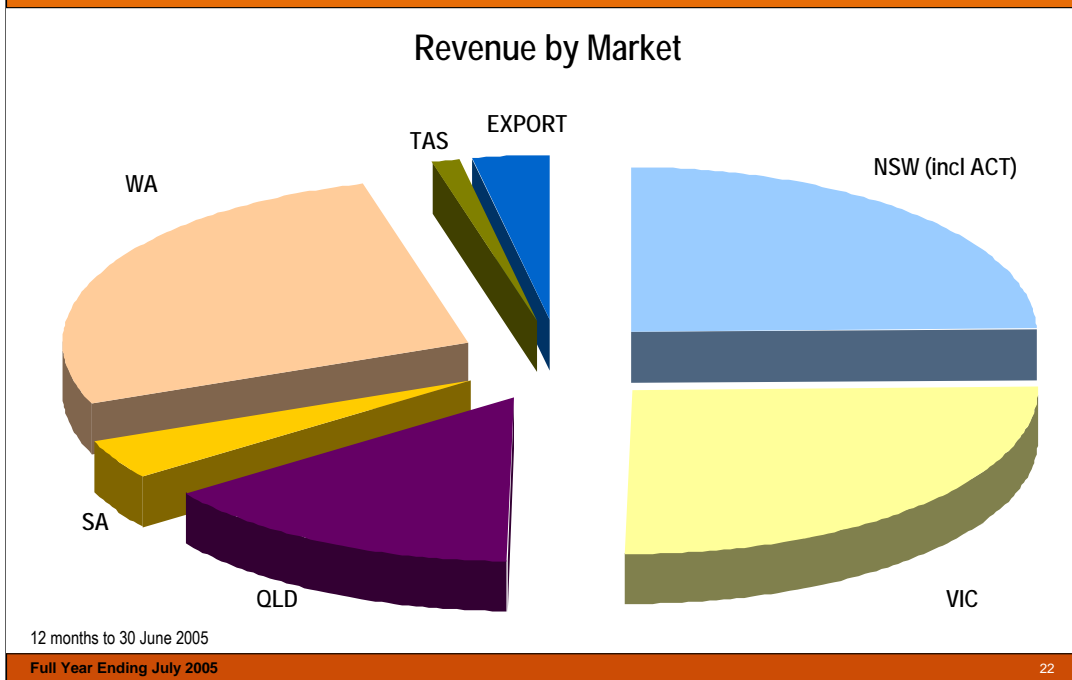


12 months to 30 June 2005

Full Year Ending July 2005

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As you can see from this pie chart we are still predominantly a brick company. However, in a years time Auswest Timber will be similar to Eureka Tiles and gradually our exposure to the brick business will reduce.

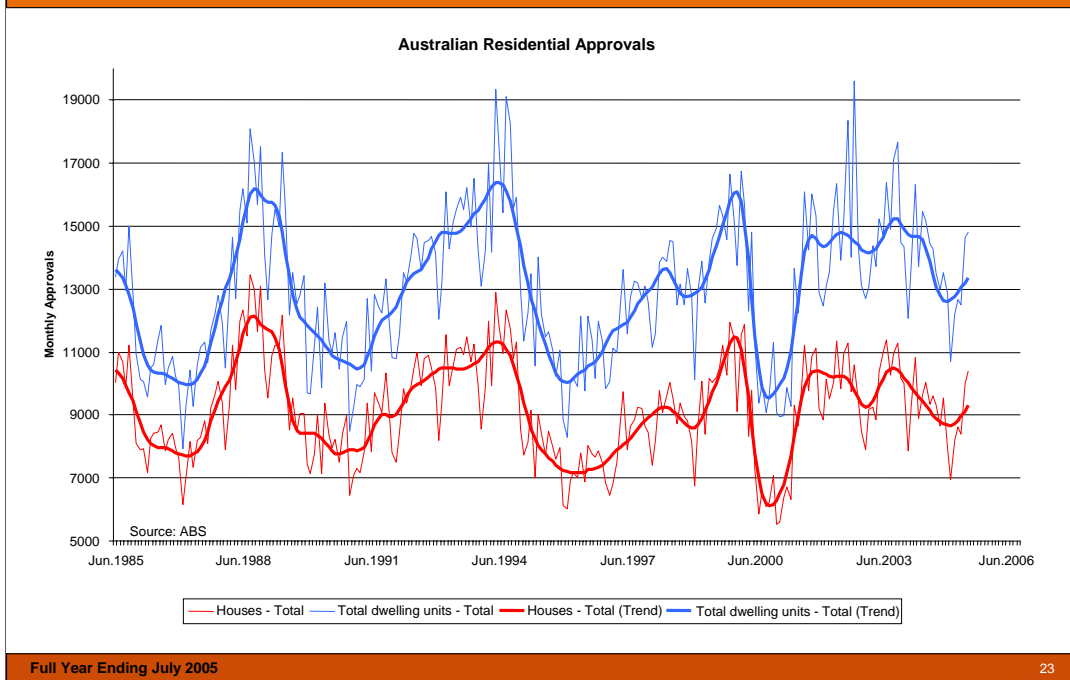


This pie chart shows our revenue by sales region. This is a dramatic change from when we were mainly based in NSW and Queensland. It will not be lost on you how important the Bristle acquisition was in the current cycle with WA and SA performing well.

It also shows the value of exports. Our exposure to any one market region has been reduced greatly.

Housing Cycle...at the bottom?

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This graph puts the current cycle in perspective:

- The fine lines are the monthly raw data, while the dark lines are the trend.
- The top blue lines are the total dwelling units approval.
- The red lines are the housing approvals.
- On both lines we are at the mid point of the previous cycles. Will it recover or will it turn down again?

No one knows and even the economists don't get it right most of the time.

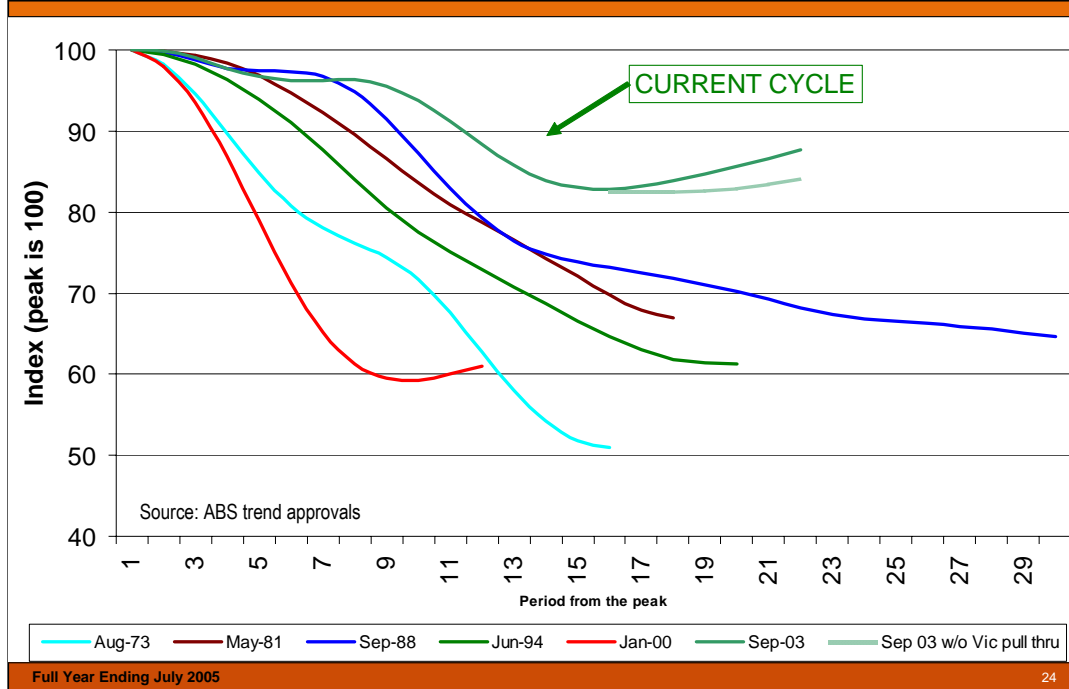
The last two cycles have been 6 years peak to peak. It could be argued it is 2 years, 4 years or 6 years since the last peak and it is both 5 years and 9 years since the last bottom as the previous slump was due to the GST draw forward.

So we will have to wait and see where it goes from here.

All we can say with certainty is last year was a down year and medium density has declined faster than houses. In total the market is down 20% from the peak.

Housing cycle downturn continues?

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I find this graph quite interesting. We showed it to you at the 6 month announcement.

After the GST it was fairly decisive in 2000.

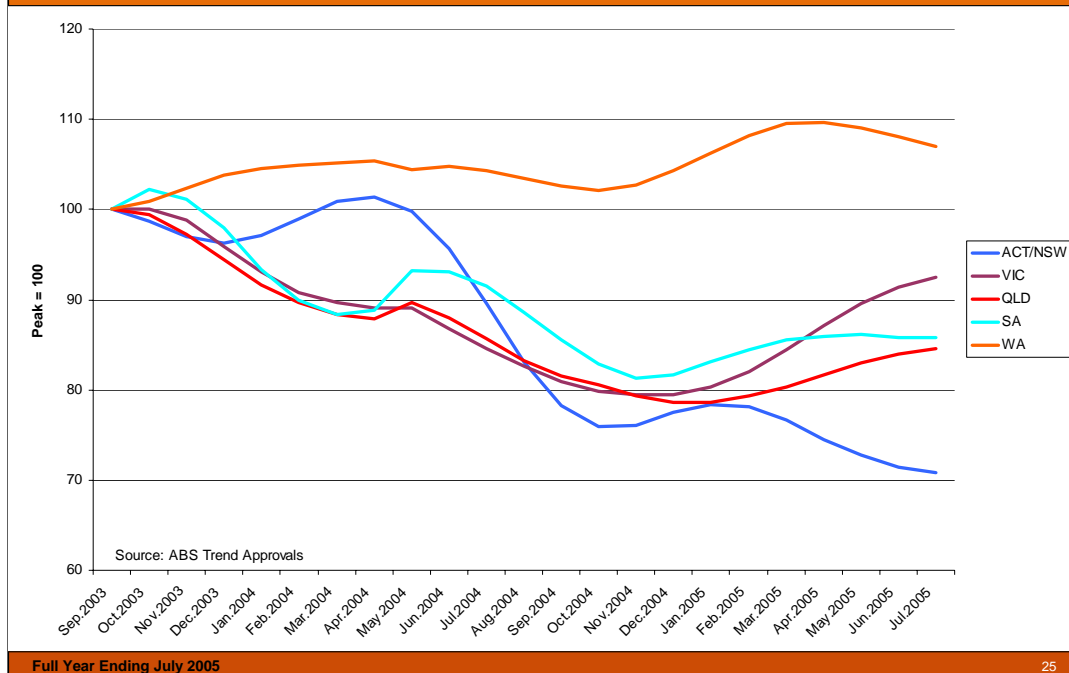
It was so down so far it only had one way to go from the bottom; up.

This time we have been coming down a long time and it is the flattest in recent times. After 21 months it is 20% down which makes it the mildest since at least 1973.

Without the Victorian aberration this line would be close to flat (note the pale green line).

State to State variation

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These lines are from the peak and once again they are trend approvals. They show the state by state variation.

- WA is the stand out, up 7 or 8% from the national peak.
- NSW is the horror story, almost 30% down from the peak.
- The NSW bubble was most probably the “Basix” introduction.
- Steep decline is the vendor tax. Unthinkable as it is, the current figures have the country area and medium density housing “Basix” draw forward.
- VIC is an aberration as home builders tried to beat the “five star” energy rating system that came into effect 1st July.
- Queensland has a reasonable chance of picking up and our anecdotal evidence suggests that.
- SA has had a good run and may soften a little.

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

There was quite a spread of pricing outcomes depending on local market demand and the level of competition:

- In WA last year prices and sales volume were up 4% and 5% respectively. We have in place a 5% price increase this year.
- In NSW we actually achieved price rises of 4% also. It shows the strength of the brand in NSW to do this in the soft market conditions where sales were down approximately 15%.
- In Queensland prices were flat but we achieved 27% over the previous two years which was excessive and moved us out of a number of markets. In volume terms we were down similar levels to NSW.
- In VIC we face tough competition and a significant housing builder consolidation as the market moves to fewer large house builders. However, prices were up slightly less than the national average of 3%.
- Nationally sales were down 6.5% and production was reduced 5.5% in concert to control stock.
- Production in each market was reduced in line with sales in that local market.
- Cutting back so heavy has controlled working capital and removed the pressure on the sales teams to discount.
- However, we have paid a heavy penalty in increased production costs.

Austral Bricks™ Capital Expenditure

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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

Full Year Ending July 2005

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Most of the capital works is underway in Austral bricks.

At Wollert we will stand up the first building column any day now and will progress quickly from here. At a capital cost of just over 50 cents a brick and super low unit production cost, it will guarantee we maintain our pre-eminence in the Victorian market.

Bowral is a wonderful story. We brought it for now a very low p/e. The capex has transformed this plant, and the quality is superb. You could shave from the arisses on these bricks. The significant delays on blue bricks is being hauled in. We are now regularly sending these bricks to Brisbane and Melbourne.

At Rochedale one kiln and dryer was in very poor condition with heavy corrosion in the dryers after running almost non stop for 10 years. It will be back in production in the next week. The complete project will be ongoing for some time until this plant is completely refitted.

Golden Grove is on schedule and should be completed in 6 months.

Riverview is also on schedule and will put this plant back to being equal most efficient in Australia.

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

Full Year Ending July 2005

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Roof Tiles is also a story of two different markets East and West.

In the West it was constrained by the lack of installation trades.

Bristile terracotta tiles are the premium product in WA.

We achieved significant price rises and have covered the substantial roof tiler increases of last year.

Production was maintained at 100% other than a short maintenance stop.

On the East Coast sales volumes of Bristile cement tiles were down due to the lower housing starts, increasing market share of painted steel and a glut of terracotta tiles being sold at cement tile prices. Increasing dominance of the major builders also created price resistance. Even so, prices were up.

On the East Coast both plants had numerous stops at various stages of the upgrades.

These upgrades have lifted the quality, improved reliability, reduced production costs and laid the foundation for future development and cost reductions. Capex spent during the year was \$2.7 million.

With painted steel up to \$3,000 a roof more expensive on the East Coast it would appear there is good opportunity for price rises and/or stop the growth of painted steel.

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

Eureka has been a classic turnaround story.

While we are not making the returns we would like from Eureka we are very happy with the last 12 months progress.

We face stiff competition from import and a new floor tile works in the Hunter Valley.

This last year has seen significant cost reduction and rapid product development.

The new products like the Riviera paver are less prone to import competition and are most probably the best large format pavers made anywhere in the world anyhow.

At the same time we are importing ourselves and using our distribution channel, our 500 tile merchant customers nationally.

We have excessive stock which we are now running off but anticipate further improvement once this is done.

Acquisition

- Acquired remaining two-thirds of Auswest effective 28 June 2005
- Consideration of \$9.8m paid as 968,588 shares

Revenue

- Revenue c\$25m

Employees

- 125 Employees

Mills

- Pemberton, WA: Hardwood and softwood sawmilling and value add
- Orbost, VIC: Hardwood sawmilling
- Fyshwick, ACT: Softwood sawmilling

Auswest joined us for the last month in entirety before that we owned 1/3.

The timber industry is going through rapid transition and Auswest was not capable of effectively competing for opportunities as was indicated when we lost the bid for the Sotico operation in WA to Gunns.

This acquisition has given us, with a relatively small investment, an eye into this industry which we are now learning about.

- Successful products launched in the past 12 months include

TerraÇade®



Riviera®



Elements™



- Latest release is TerraÇade® XL

We have had 3 great successes this year:

- Elements – glazed bricks
- Riviera – large format pavers
- TerraÇade – the original is now designated XP. This is a photo of the new Blacktown library.

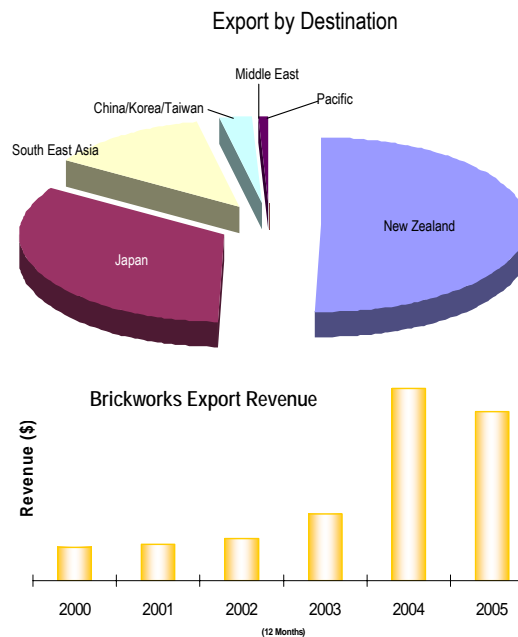
Today we now launch the XL TerraÇade and join only one other company world wide using this hybrid technology.

With all these products we have subsequent development and upgrades that will be realised during the year.

Exports remain strong

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- Prices steady in AUD
- Higher prices in domestic currency
- Higher shipping costs
- Shipping capacity tight
- Volumes down slightly



Full Year Ending July 2005

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Focus on new markets:

- Middle East
- China
- USA

Now exporting timber and hope to rapidly expand the value of these exports.

**Property & Development
Waste Management**

Full Year Ending July 2005

29 September 2005

Property Development Highlights

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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

Full Year Ending July 2005

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Property was a star performer with a strong performance in the last month of the year.

\$82.1 million cash received and \$25.2 million in EBIT.

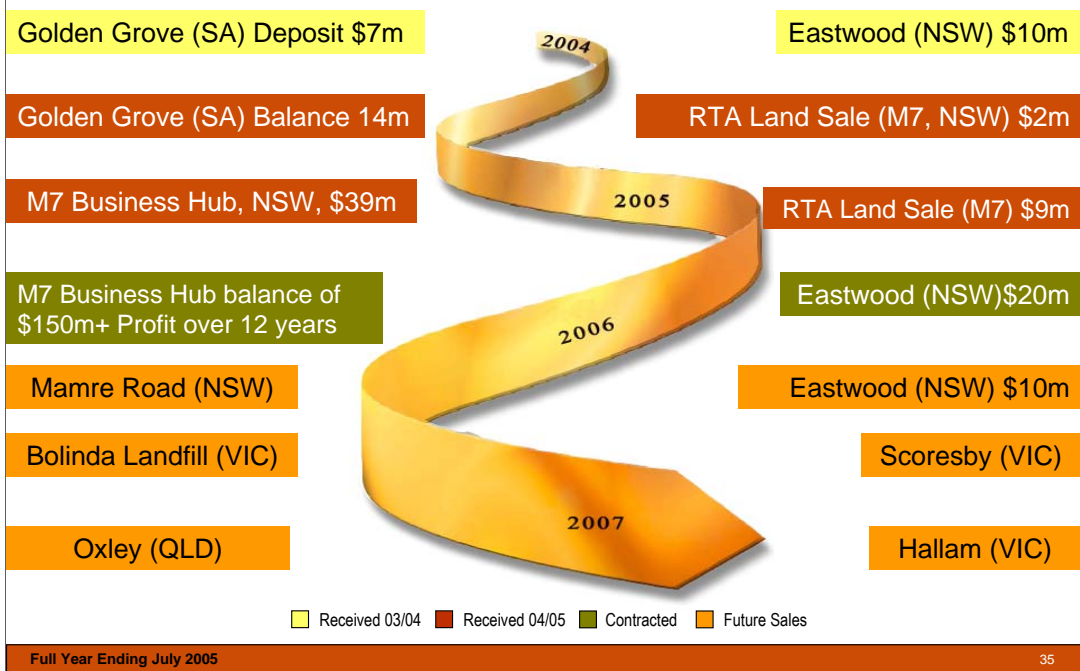
The most significant event was the DA approval of the M7 Business Hub allowing this property to fill a void in the industrial market.

It will no doubt be our focus with two first class base tenants Coles Myer and Coca Cola Amatil to continue maximising our return on this large project.

The Golden Grove sale was finally completed and Eastwood is progressing even if a little slower than we would like.

Property Development

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This slide gives you some idea of the future potential with 5 sites currently identified to add to the development list.

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



Investments

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

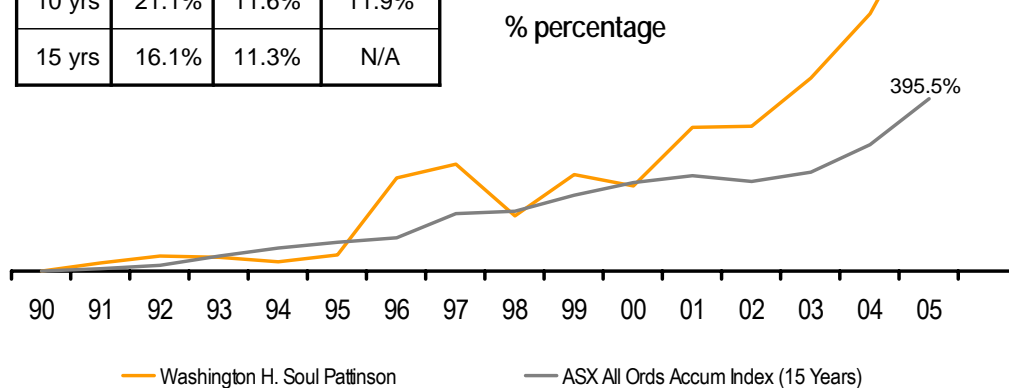
- New Hope divestment of Adaro Coal mines

WHSP's long term out-performance



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



Performance

- Equity accounted NPAT up \$2.8m to \$2.4m
- EPS up from 2.1 to 5.7 cents per share
- 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

Significant Events

- Acquisition of Pacific Strategic Investments

Economy

- Fundamentals remain robust
- WA & Qld fuelled by resources boom
- Shortage of trades and higher fuel prices a concern

Approvals

- Historically modest slow down to date
- Expecting 140 145,000 dwelling starts

First Half 2005/06

- New financial year will reduce first half bias
- Rigorously manage inventory levels

Last year the first half accounted for almost 60% of our earnings, this year it is expected to be closer to half as the first half will include January – the weakest trading month of the year.

Land & Development

- Fundamentals remain encouraging
- Timing is dependent on approvals and completions
- Significant number of contracts in hand

Investments

- Continued strong performance expected

AIFRS

- Goodwill no longer amortised (impairment test)
- Tax charge for any increase in carrying value of investments in associates
- Recognition of the PAVERS dividend as a borrowing cost has been delayed until FY2007

Total intangible amortisation: \$16.409

PAVERS dividend in 2005: \$10.827m

Goodwill - no longer written off over 20 years.
 - now impairment tested.

PAVERS - Introduction of change in reporting is deferred.

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

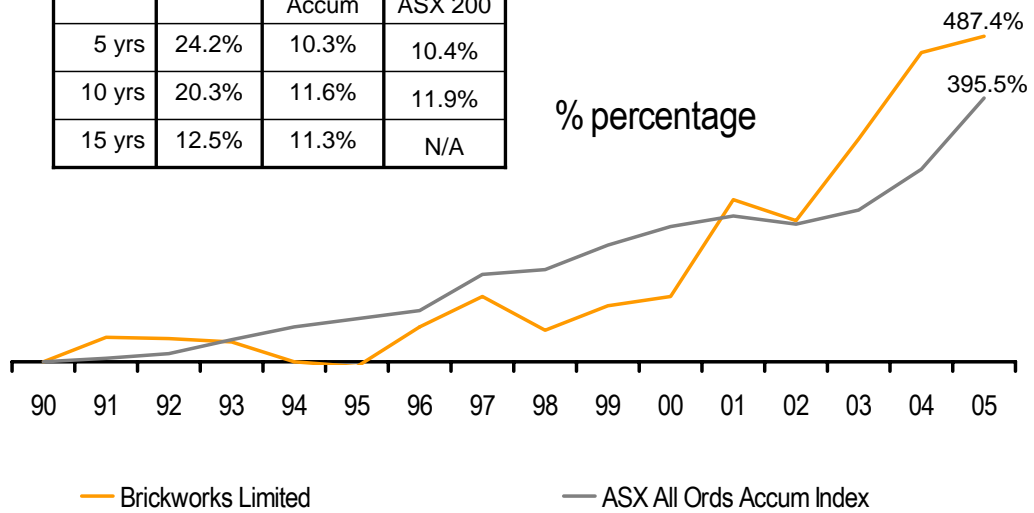
Future

- Positioned for expansion should opportunities arise

Total Shareholder Return



	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



Questions

BRICKWORKS

LIMITED

ANALYST PRESENTATION Full Year Ending July 2005



Robert Millner, Chairman
Lindsay Partridge, Managing Director