



Brickworks Limited
ABN 17 000 028 526

738 - 780 Wallgrove Road
Horsley Park NSW 2175

PO Box 6550
Wetherill Park NSW 1851

Tel +61 2 9830 7800

Fax +61 2 9830 1328

info@brickworks.com.au
www.brickworks.com.au

23 March 2016

Australian Securities Exchange
Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir / Madam

Please find attached a presentation to be made to analysts today regarding Brickworks Limited's financial results for the half year ended 31 January 2016, for immediate release to the market.

Yours faithfully

BRICKWORKS LIMITED

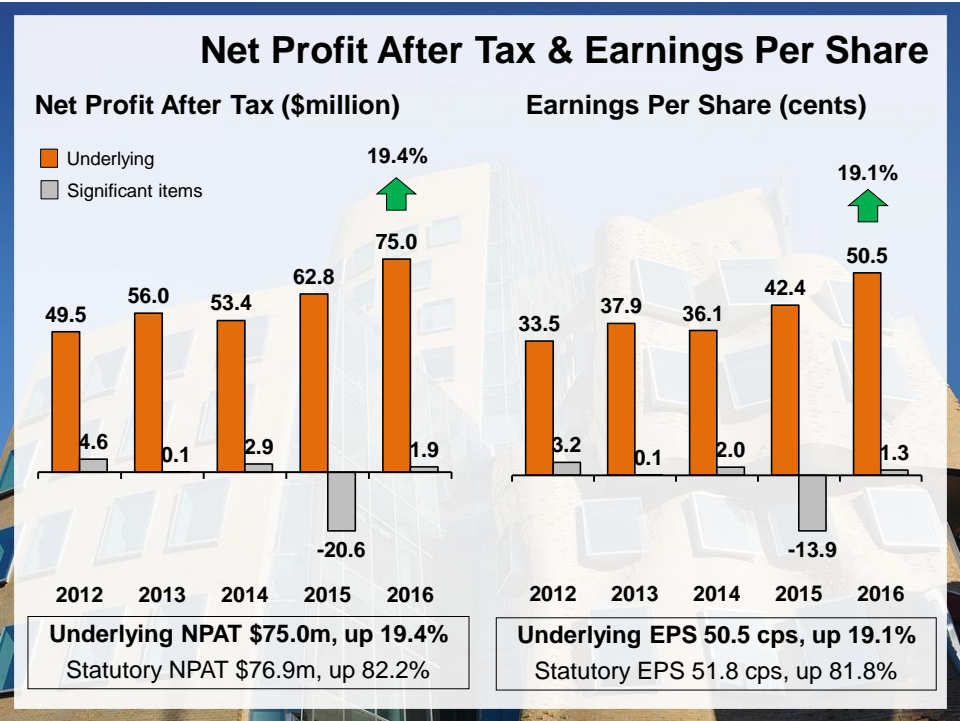
A handwritten signature in black ink, appearing to read "S. Leppinus", written in a cursive style.

Susan Leppinus

Company Secretary

Proudly supports





RESULTS FOR THE HALF YEAR ENDED January 31, 2016



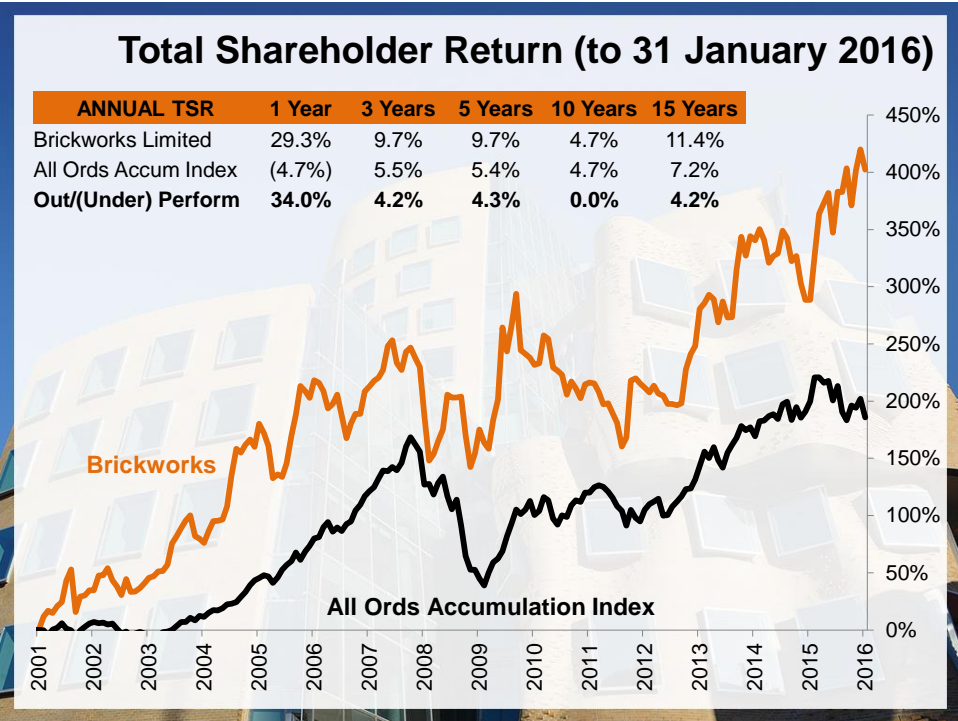
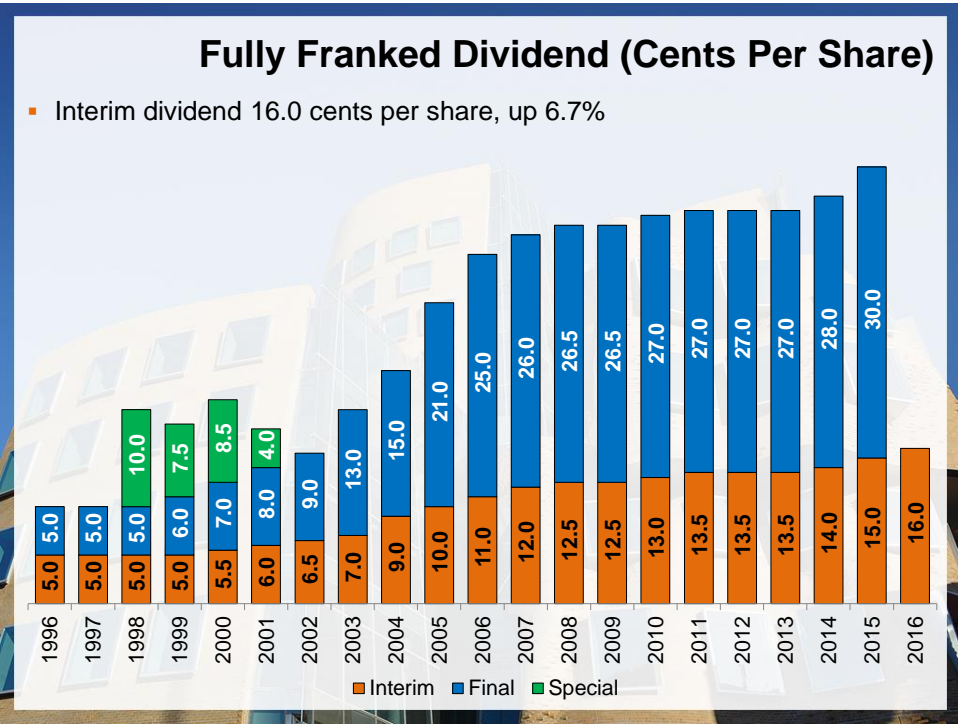
23 March 2016
Mr. Lindsay Partridge, Managing Director

BRICKWORKS
LIMITED

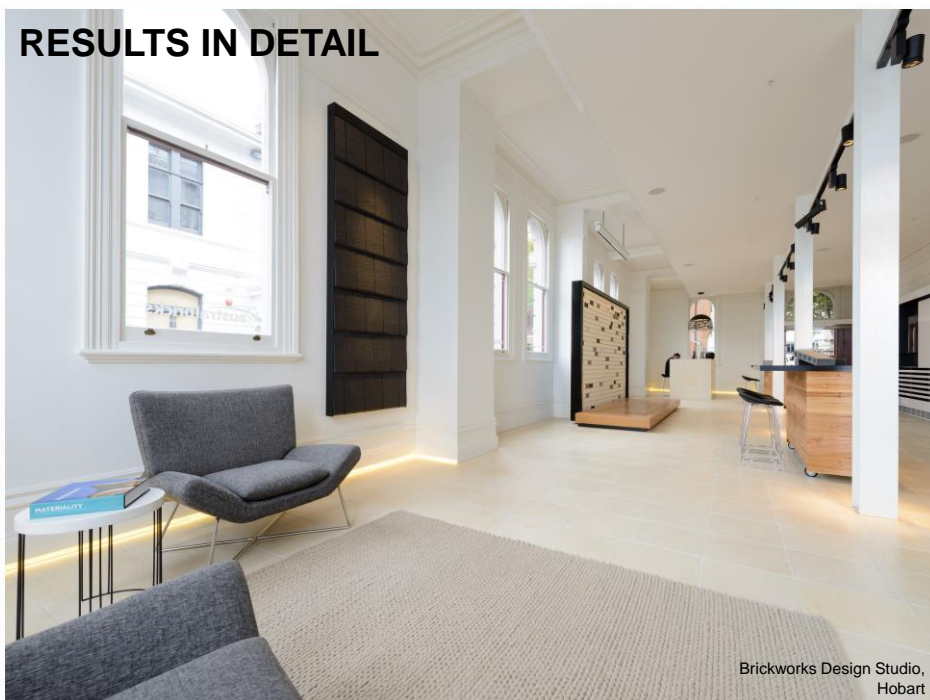


Presentation Outline

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

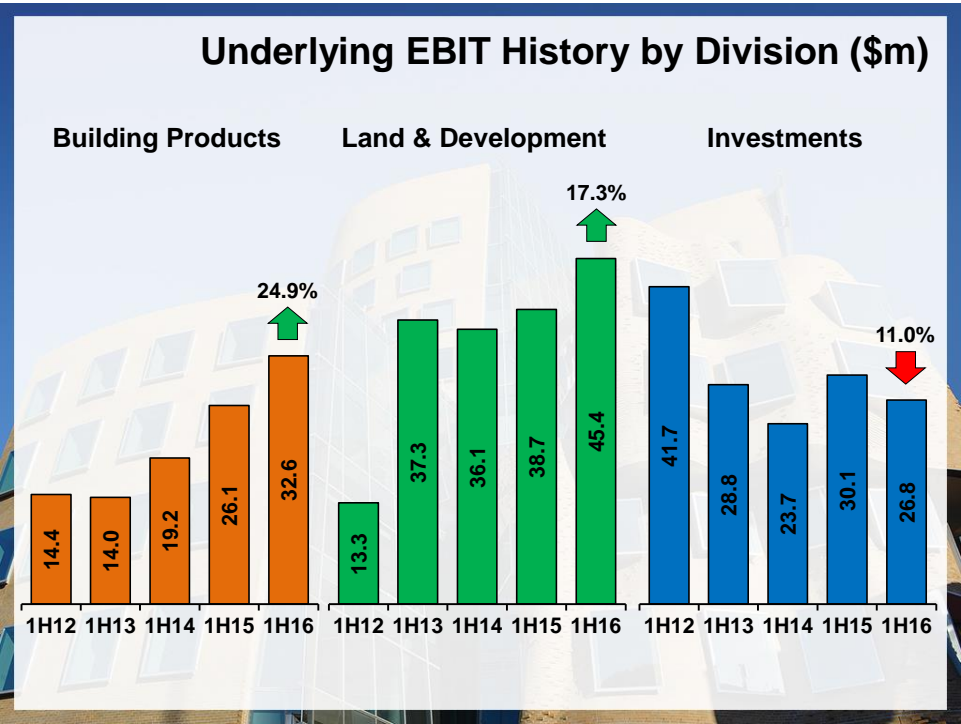


RESULTS IN DETAIL



Financial Snapshot

	1H2016	1H2015	1H16 % Change
Building Products EBIT	\$32.6m	\$26.1m	↑ 24.9
Land and Development EBIT	\$45.4m	\$38.7m	↑ 17.3
Investments EBIT	\$26.8m	\$30.1m	↓ (11.0)
Total EBIT	\$98.8m	\$90.0m	↑ 9.8
Interest cost	(\$7.0m)	(\$9.4m)	↓ 25.5
Mark to market valuation of interest rate swaps	\$0.2m	(\$2.9m)	↑ 106.9
Underlying income tax	(\$16.9m)	(\$14.8m)	↑ (14.2)
Underlying NPAT	\$75.0m	\$62.8m	↑ 19.4
Significant items (after tax)	\$1.9m	(\$20.6m)	↑ 109.2
Statutory NPAT	\$76.9m	\$42.2m	↑ 82.2



Significant Items

Significant Items	Gross	Tax	Net
Significant items relating to WHSP	\$6.4m	(\$1.4m)	\$5.0m
Site relocation	(\$1.2m)	\$0.4m	(\$0.8m)
Costs relating to Perpetual litigation	(\$0.7m)	\$0.2m	(\$0.5m)
Other Building Products significant items	(\$2.5m)	\$0.8m	(\$1.8m)
Total	\$1.9m	\$0.0m	\$1.9m

Key Financial Indicators

	1H 2016	FY 2015	% Change
Net tangible assets (NTA) per share	\$10.75	\$10.59	↑ 1.5
Shareholders' equity	\$1,852m	\$1,824m	↑ 1.5
Shareholders' equity per share	\$12.46	\$12.30	↑ 1.3
Underlying return on shareholders equity (vs 1H15)	8.1%	7.0%	↑ 15.7
Cash flow from operations (vs 1H15)	\$92.0m	\$67.9m	↑ 71.0
Net debt	\$264.3m	\$301.9m	↓ (12.2)
Net debt/capital employed	12.5%	14.2%	↓ (12.5)
Interest cover	14.2x	9.7x	↑ 46.4

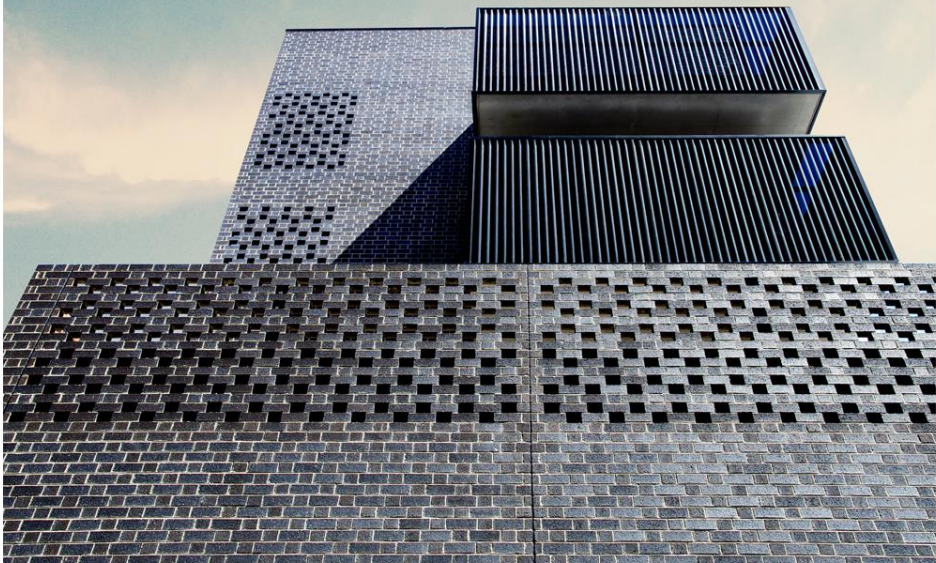
Capital Expenditure¹

	1H 2016	1H 2015
"Stay in Business" capital expenditure	\$13.7m	\$11.5m
Growth capital items	\$5.1m	\$5.0m
Building Products total	\$18.8m	\$16.5m
Depreciation and amortisation	\$13.6m	\$12.7m
Property and rehabilitation	\$1.0m	\$2.6m

1. Excludes capital costs associated with rebuilds covered by insurance (primarily Rochedale in Queensland in FY2014)

BUILDING PRODUCTS RESULTS

Ari Apartments,
Melbourne



Building Products Strategy

BELIEF

“To Create Beautiful Products that Last Forever”

GOAL

To Be Australia’s Best Building Products Company

STRATEGY

Strengthen the Core

- *Operations Excellence*
- *Consolidate and grow*
- *Customer Focus*
- *Style / Product Leadership*

Build Growth Businesses

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

Develop a Winning Culture

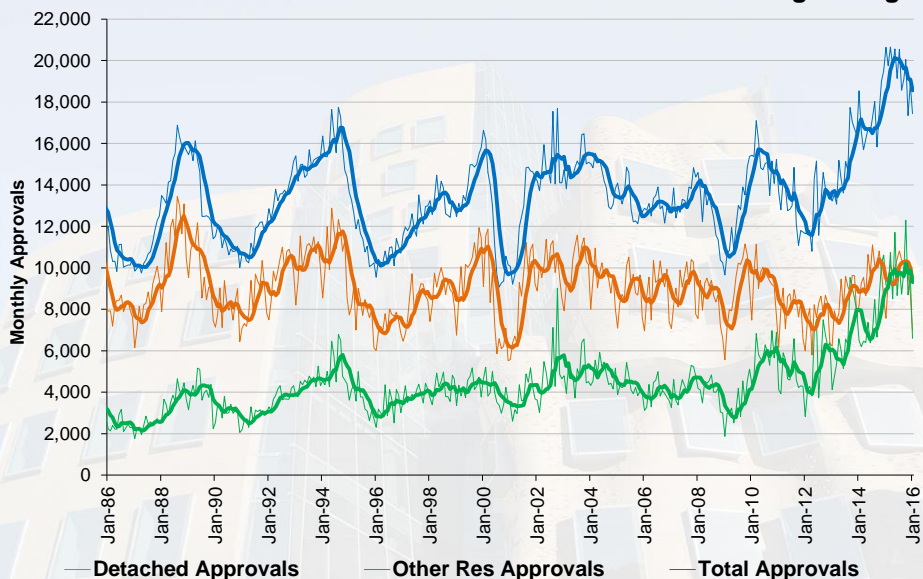
by embedding our values

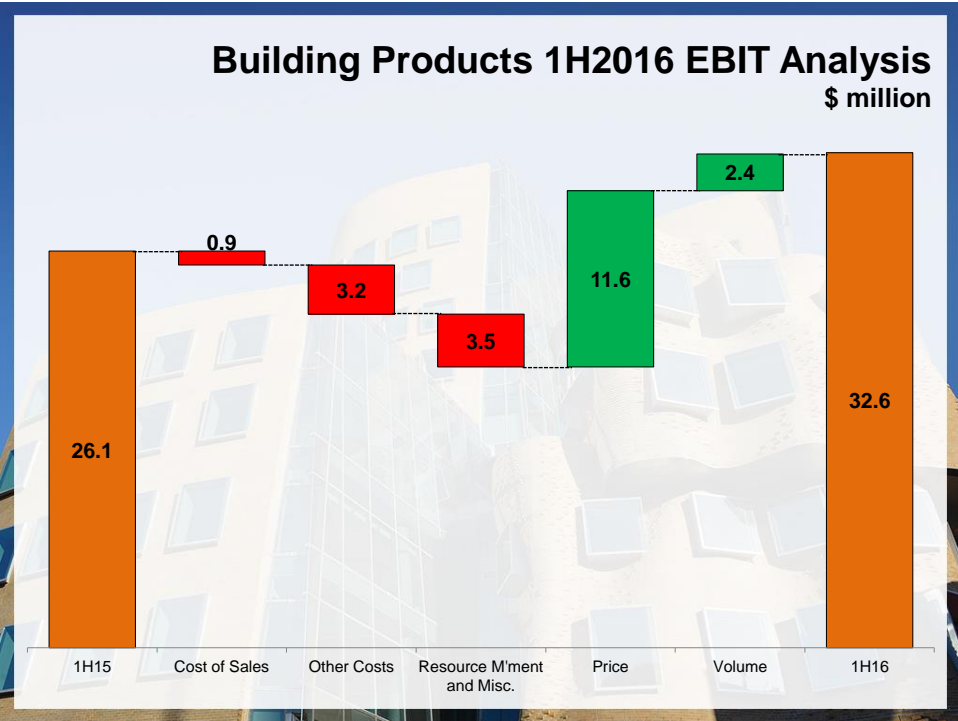
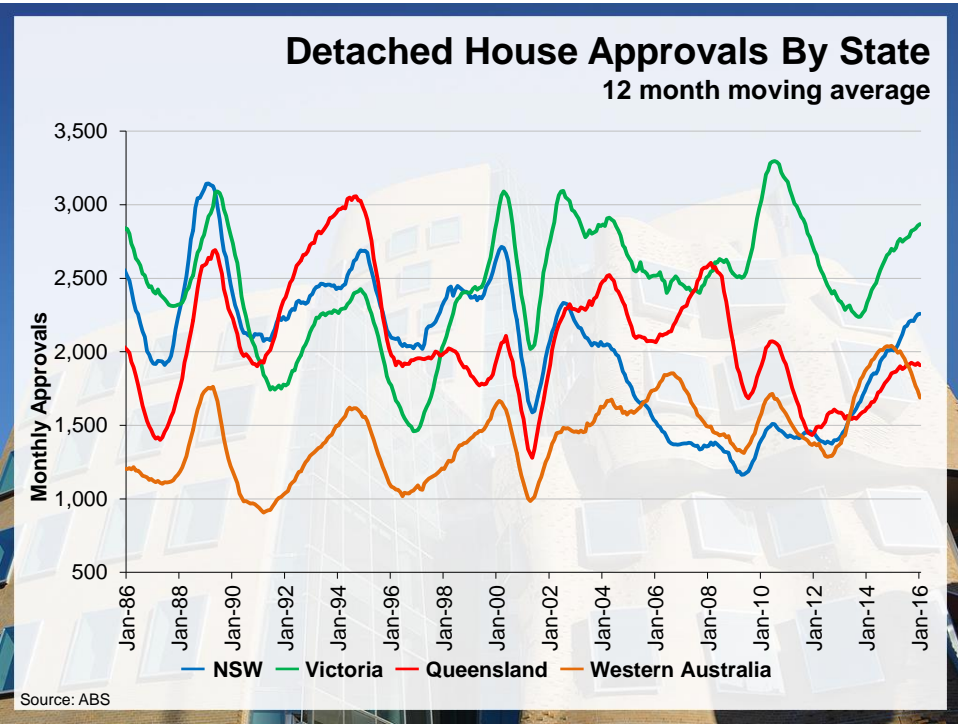
Building Products Result¹

	1H 2016	1H 2015	1H16 % Change
Sales revenue	\$358.0m	\$340.6m	↑ 5.1
EBITDA	\$46.2m	\$38.8m	↑ 19.1
EBIT	\$32.6m	\$26.1m	↑ 24.9
EBITDA to sales	12.9%	11.4%	↑ 13.2
EBIT to sales	9.1%	7.7%	↑ 18.2
Return on Capital Employed	7.5%	6.2%	↑ 21.0
Return on Net Tangible Assets	10.5%	9.2%	↑ 14.1
Full Time Employees (vs. FY15)	1,464	1,468	(0.3)
Injury Frequency (TRIFR) (vs. FY15)	19.7	22.5	↓ (12.4)
Lost Time Injury Rate (LTIFR) (vs. FY15)	1.4	2.0	↓ (32.0)

1. Underlying earnings, not including significant items

Australian Approvals History 6 month moving average







Austral Bricks

- Earnings significantly higher, up 18.4%
- Sales revenue of \$194.0 million, up 5.2%
- Strong operational performance delivered a decline in manufacturing cost
- Particularly strong performance on the east coast
- Significant success in securing sales into high rise developments
- Refit of Cardup plant in WA underway



New Brick Technology

- Brick kiln design has not changed in 30 years
- Direxa¹ have developed a revolutionary new concept in brick kiln design, referred to as a "Skate-Kiln"
- Removes requirement for kiln cars and delivers significant operating cost and capital cost savings
- Brickworks has an exclusive agreement to utilise technology in certain markets
- Initial planning underway for a new plant in WA, with a target commissioning date in the first quarter of FY2018

1. Direxa Engineering LLC, based in Colorado, USA



Austral Masonry

- Earnings increased on prior period
- Sales revenue flat, at \$44.5 million
- Strong momentum in south east Queensland and New South Wales
- Central Queensland market depressed due to mining exposure
- Tourist based economy in North Queensland is stable



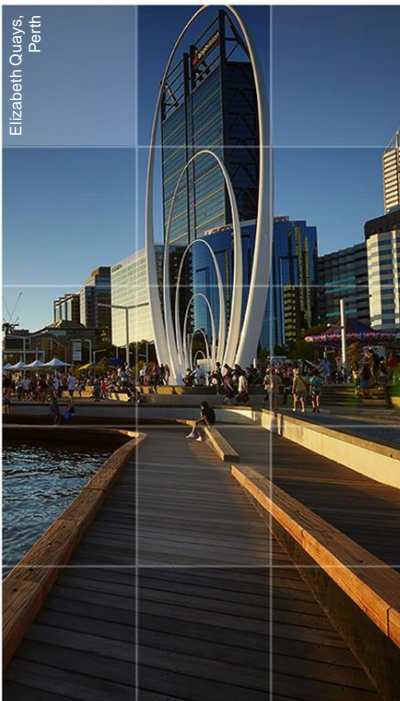
Bristle Roofing

- Earnings significantly higher, up 14.6%
- Revenue of \$57.5 million, up 10.9%
- Earnings improved in all major states
- Strong conditions on the east coast resulting in trade shortages – now at effective “installation capacity”
- Strong demand for La Escandella terracotta tiles, now established as the premium roofing product in the market



Austral Precast

- Earnings increased on prior period
- Sales revenue flat, at \$34.3 million
- Improved production efficiency and cost savings from restructuring initiatives
- Focus on consolidating back office functions
- Increased penetration into high rise market with 50% of sales now into this market



Auswest Timbers

- Earnings increased on prior period
- Sales revenue increased to \$27.5 million, on flat volume
- Significant productivity improvements achieved across all operations
- Purchased Whittakers timber mill in WA in February, resulting in transfer of Deanmill operations
- Victorian log supply remains unresolved



Specialised Building Systems

- New division established during the half
- Focused on developing and distributing market leading products
- Launched Pronto Panel in November, a lightweight non-load bearing panel for internal and external use
- Terracade terracotta façade system for residential and commercial applications
- INEX boards, a range of lightweight cementitious sheets for any building surface



SWIFTDECK,
by Auswest Timbers

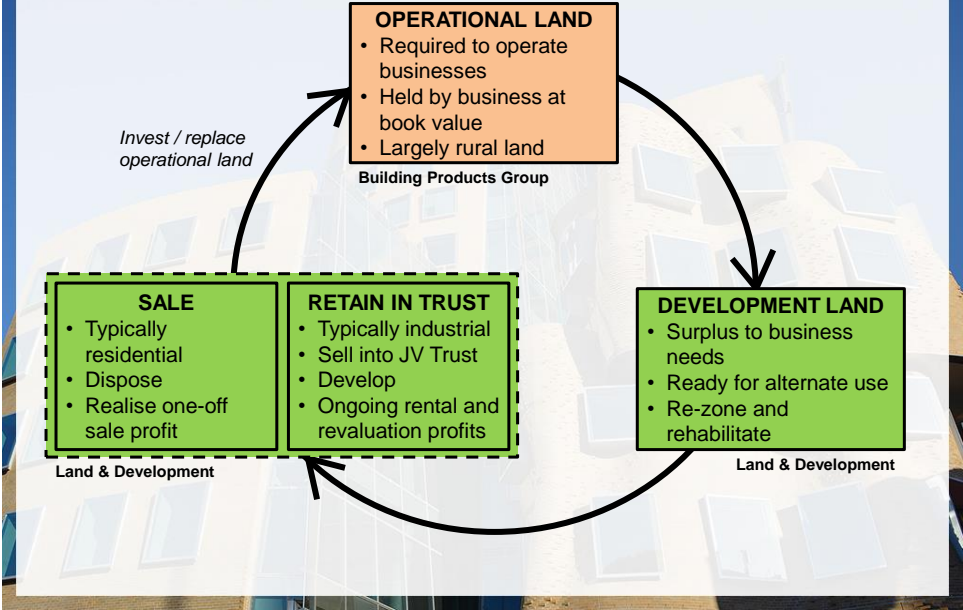
Building Products Outlook

- Record building activity across the major east coast markets is reflected in an extremely strong order book in these divisions
- The housing industry on the east coast has now effectively reached capacity due to bottlenecks caused by trade and product shortages
- By contrast, conditions in Western Australia are deteriorating
- Brickworks products are gaining penetration in a number of key markets, despite ongoing competition from alternatives
- The earnings uplift recorded in the first half is expected to be maintained over the full financial year

LAND & DEVELOPMENT



Land & Development Strategy & Cycle



Land & Development EBIT

\$ millions	1H2016	1H2015	% Change
Property Trust	45.1	38.4	17.4%
Land Sales	1.1	0.5	>100%
Waste	1.0	1.1	(9.0%)
Property Admin ¹	(1.8)	(1.3)	(38.5%)
Total²	45.4	38.7	17.3%

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

Industrial Property Trust EBIT

\$ millions (BKW share)	1H2016	1H2015	% Change
Net Trust Income	6.4	7.1	(9.9%)
Revaluation of properties	30.3	26.6	13.9%
Development Profit	8.4	2.0	>100%
Sale of assets	-	2.7	N/A
Total	45.1	38.4	17.4%

Industrial Property Trust Value

(\$ millions)	1H2016	FY2015	% Change
Leased properties	637.4	828.5	(23.1%)
Land to be developed	296.1	258.5	14.5%
Total	933.5	1,087.0	(14.1%)
Less borrowings	309.4	413.0	(25.1%)
Net trust assets (100%)	624.1	674.0	(7.4%)
Brickworks equity (50%)	312.1	337.0	(7.4%)
Return on Leased Properties (excluding revaluations)	7.0%	6.9%	1.4%
Additional revaluation return	16.6%	13.0%	27.7%
Total Return on Leased Properties	23.6%	19.9%	18.6%

Industrial Property Trust Assets

Tenant / Asset	Location	Asset Value	Revaluation Profit 1H16	GLA (m²)	Gross Rental p.a.	WALE (yrs)	Cap. Rate
Capicure	Eastern Ck	\$29.0m	\$3.6m	16,809	\$2.3m	3.2	6.75%
Southridge	Eastern Ck	\$42.4m	\$5.8m	24,357	\$3.0m	3.5	6.50%
Linfox	Erskine Park	\$91.2m	-	51,323	\$6.6m	4.6	6.75%
Ubeeco	Erskine Park	\$19.6m	\$1.6m	10,865	\$1.3m	4.2	7.25%
Kimberly Clark	Erskine Park	\$84.5m	\$11.6m	45,853	\$5.3m	7.2	6.25%
Woolworths	Erskine Park	\$96.5m	\$11.7m	52,888	\$6.0m	6.8	6.25%
Wacol	Wacol, QLD	\$12.9m	-	10,384	\$1.2m	2.7	8.25%
DHL Transport	Oakdale	\$25.4m	\$3.0m	10,390	\$1.7m	5.4	6.50%
DHL J & J	Oakdale	\$45.3m	\$5.3m	26,161	\$3.0m	5.7	6.50%
Reedy Creek	Eastern Ck	\$41.6m	\$2.6m	22,959	\$2.7m	3.0	6.50%
Jeminex	Erskine Park	\$57.8m	\$4.9m	31,278	\$3.7m	4.3	6.50%
DHL Canon	Oakdale	\$36.4m	\$5.1m	20,170	\$2.3m	2.9	6.50%
DHL #4	Oakdale	\$54.8m	\$5.4m	31,745	\$3.6m	3.8	6.50%
Total (Jan 16)		\$637.4m	\$60.6m	355,182	\$42.7m	4.4	

Land Holdings

Operational Land ¹	Gross Land Area (ha)			Book Value	Recent Valuation
	FY15	1H16	Change		
NSW	435	486	51	\$47m	\$163m
VIC	567	567	-	\$22m	\$23m
QLD	475	475	-	\$29m	\$41m
WA	1,781	1,968	187	\$40m	\$137m
SA & TAS	272	272	-	\$7m	\$13m
Total	3,530	3,768	238	\$145m	\$377m

Development Land	Gross Land Area (ha)			Development Area (ha)	Book Value	Potential Value ²
	FY15	1H16	Change			
NSW	154	154	-	97	\$14m	\$73m
VIC	332	332	-	196	\$28m	\$146m
QLD	36	36	-	14	\$2m	\$11m
WA	187	0	(187)	0	\$0m	\$0m
Total	709	522	(187)	307	\$44m	\$230m

- Key changes – Purchase of 51ha of rural land at Bowral, and re-classification of Cardup site from development land to operational land

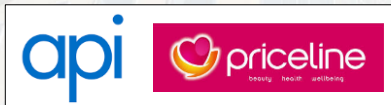
1. In addition to operational land values shown, book value of buildings is \$102 million

2. Potential value assumes future land value if rezoned and rehabilitated but does not include development profit to BKW



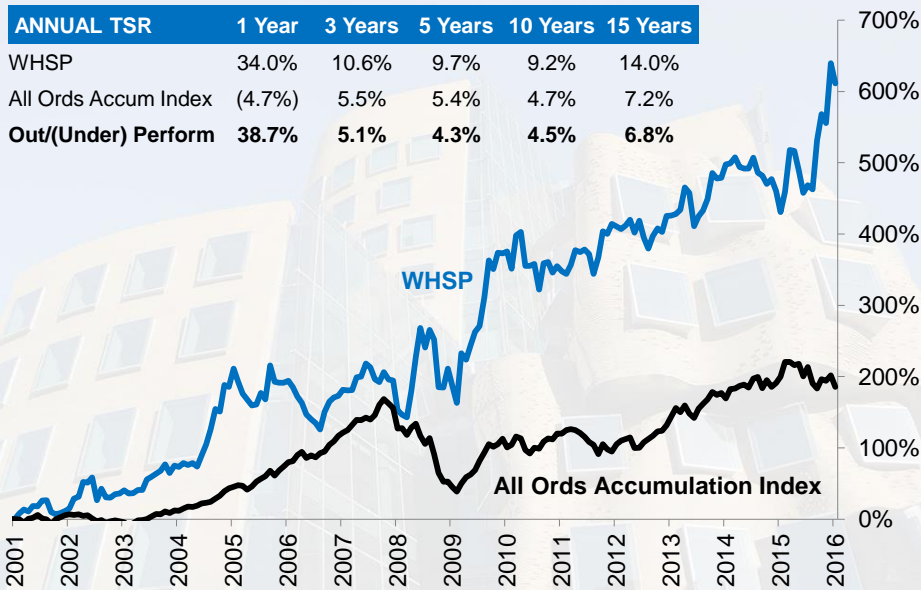


Investment in WHSP (ASX: SOL)

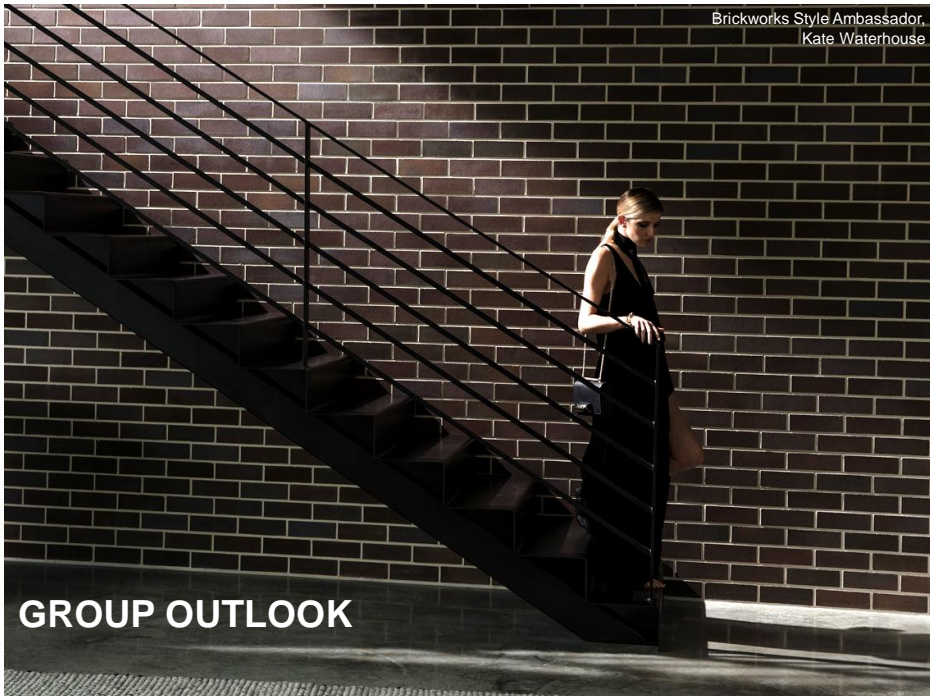


- BKW holds 42.7% stake in SOL
- SOL is a diversified investment house with interests in a wide range of companies such as TPG, New Hope, API BKI and Brickworks
- 1H2016 underlying EBIT contribution from Investments of \$26.8 million, down 11.0%
- \$30.7 million fully franked dividends received by BKW
- Market value up \$318 million to \$1.719 billion

Total Shareholder Return (to 31 January 2016)



1. EBIT from total Investments



Brickworks Group Outlook

- The Building Products earnings uplift recorded in the first half is expected to be maintained over the full financial year
- Improved full year earnings anticipated from Land & Development
- The diversified nature of our holding in WHSP's investments is expected to deliver steadily increasing earnings and dividends to Brickworks over the long term
- Improved earnings anticipated from the Brickworks Group in FY2016



Disclaimer

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 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 a 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 any jurisdiction. 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 United States of America ("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) an 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, expressed or implied is made as to the reliability, 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 related bodies corporate, directors, employees or agents nor any other person accepts any liability for any loss whatsoever arising from any use of this document or its contents, or otherwise arising in connection therewith.