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20 September 2012

Australian Securities Exchange

Attention: **ASX Market Announcements**

BY ELECTRONIC LODGEMENT

Dear Sir/Madam,

Please find attached a presentation and additional comments to be presented to analysts today regarding Brickworks' financial results for the year ended 31 July 2012, for immediate release to the market.

Yours faithfully,

BRICKWORKS LIMITED

IAIN THOMPSON

COMPANY SECRETARY

RESULTS FOR THE YEAR ENDED 31 JULY 2012

20 September 2012

BRICKWORKS
LIMITED

OVERVIEW

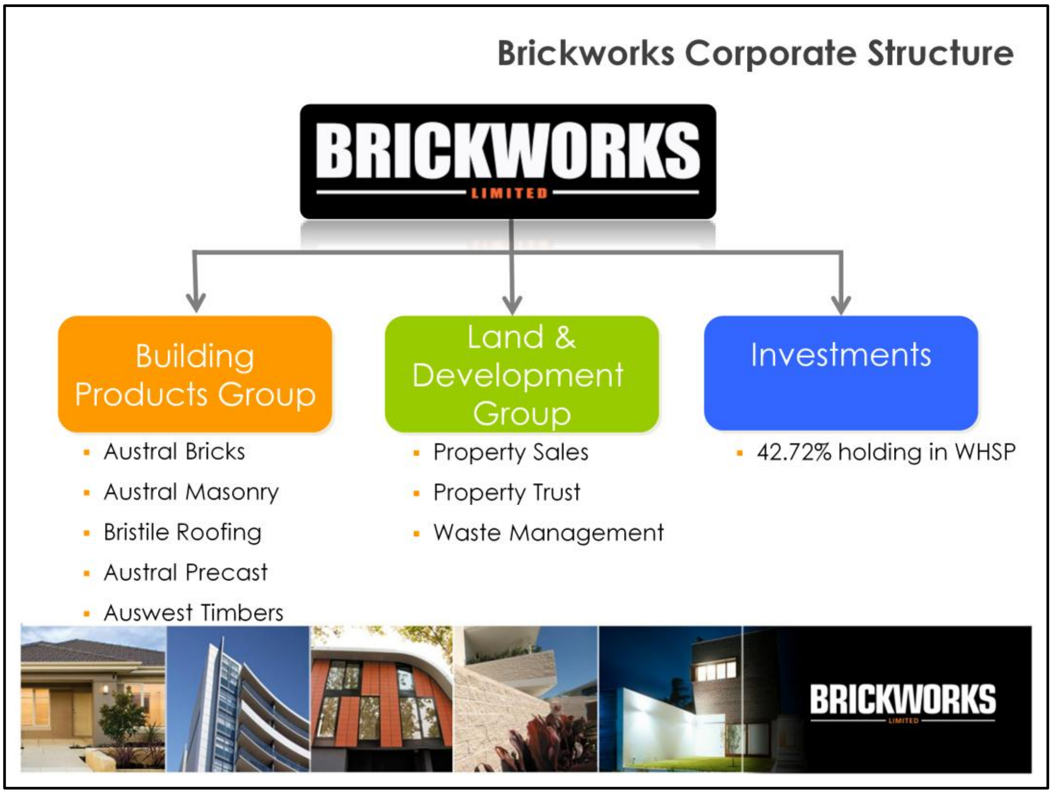
Mr Robert Millner, Chairman

BRICKWORKS LIMITED

Chairman: Good Afternoon Ladies and Gentlemen and welcome to the Brickworks analyst briefing for the year ended 31 July 2012.

Today I will provide an overview of the Brickworks results and then our Managing Director, Mr. Lindsay Partridge will take you through the results in more detail.

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



Brickworks corporate structure has provided diversity and stability of earnings over the long term.

There are three main parts to the Brickworks business model:

• The Building Products Group,

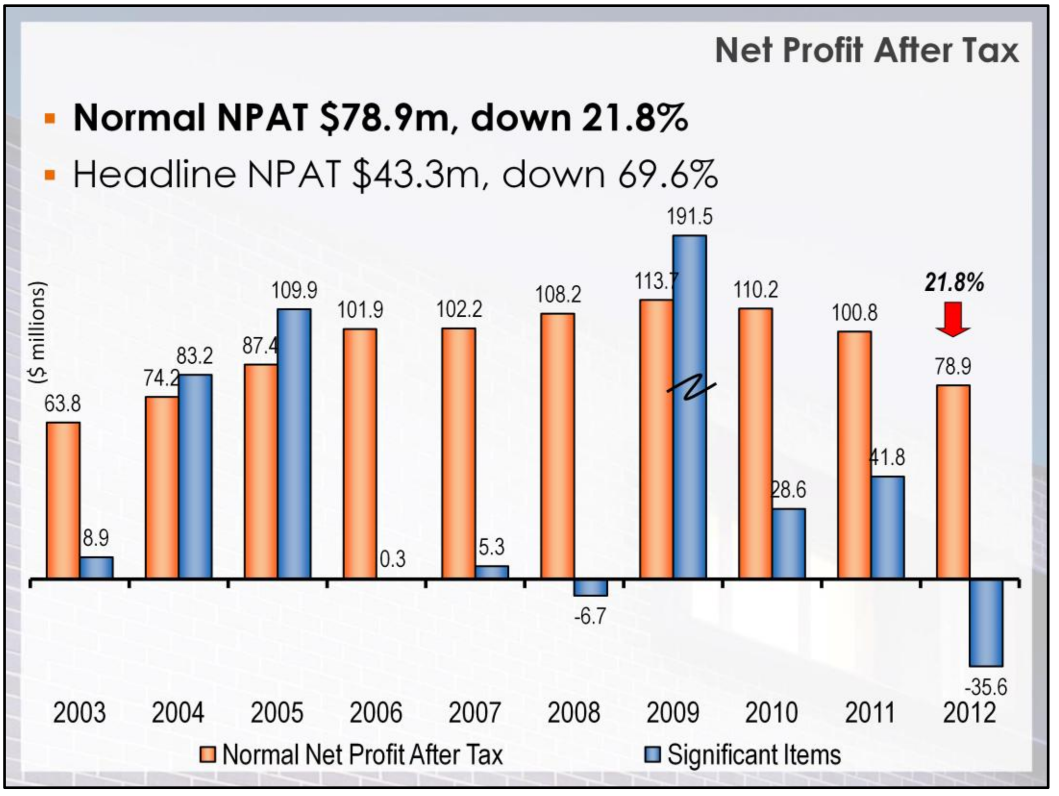
• Land & Development and

• Investments.

The Building Products Group consists of Austral Bricks™, Austral Masonry™, Bristile Roofing™, Austral Precast™ and Auswest Timbers ™.

The Land & Development business exists to maximise the value of surplus land created by the Building Products business.

The 42.72% interest in Washington H. Soul Pattinson provides a stable earnings stream and a superior return.



The Normal Net Profit After Tax decreased by 21.8% to $78.9 million for the year.

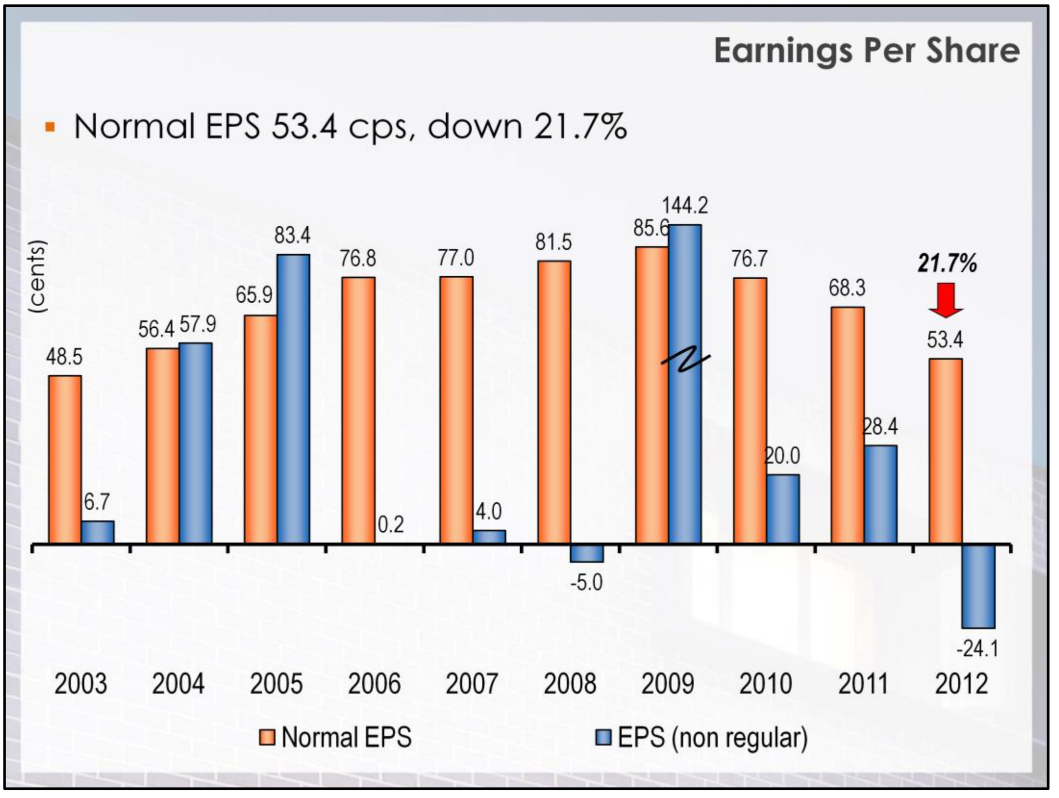
Earnings were adversely impacted by a poor result from the Building Products Group, with earnings down 32.1% on the back of continued declines in residential building activity.

In addition, a lack of land sales resulted in a significant decline in the Land and Development profit.

Investment EBIT was relatively stable compared to the prior year.

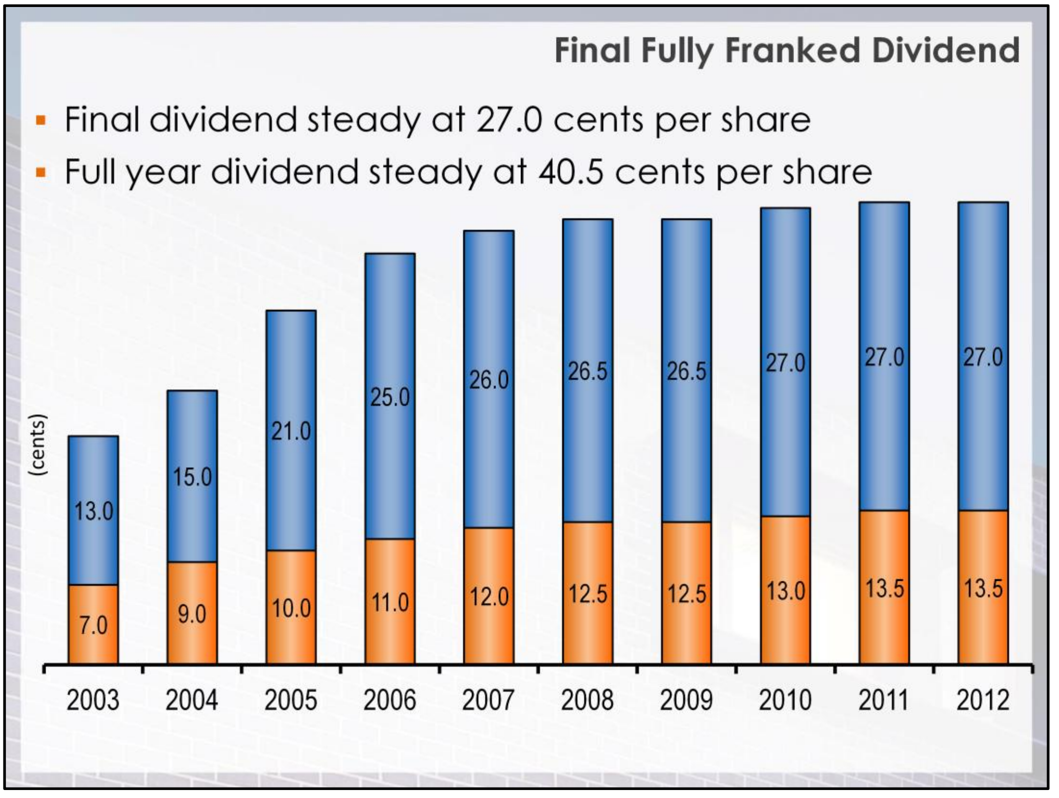
The Board have taken the prudent decision to write down the carrying value of some of our Building Products businesses by $31.6 million due to the lower residential building activity and the inability to immediately recover the full impact of the carbon tax.

Including the goodwill impairment and other significant items, the Headline net profit after tax was down 69.6% to $43.3 million.

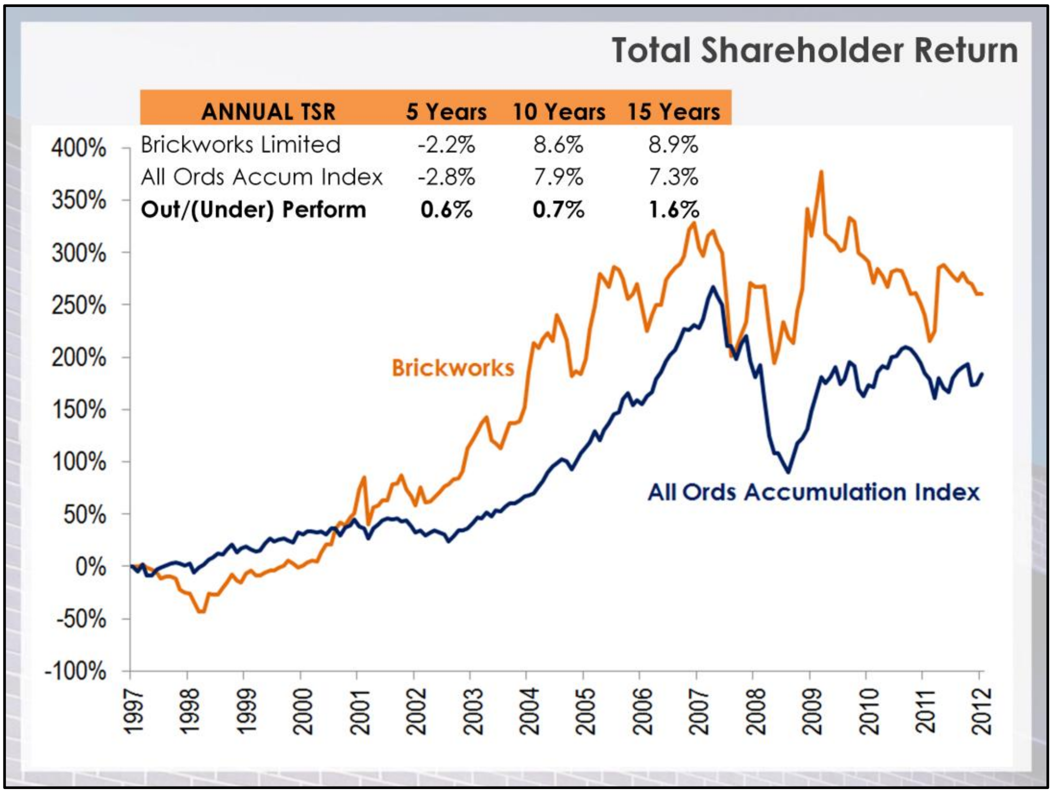


Normal Earnings Per Share decreased by 21.7% to 53.4 cents per share.

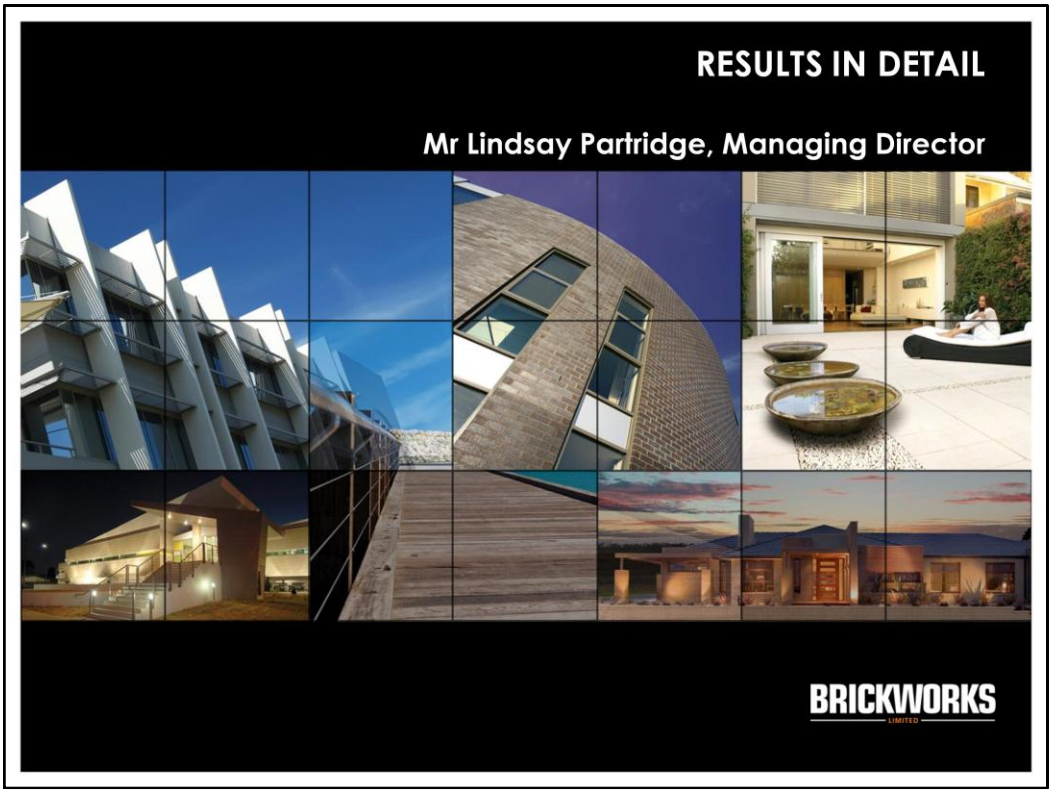
Headline Earnings Per Share was down by 69.7% to 29.3 cents per share.



The Directors have resolved to maintain the final fully franked dividend at 27.0 cents per share. This brings the full year dividend to 40.5 cents per share, in line with the prior year.



Brickworks has outperformed the All Ordinaries Accumulation Index in terms of Total Shareholder Return over the short, medium and long term. Returns to 31 July 2012 exceed the Index by 0.6% per annum over five years, 0.7% per annum over ten years and 1.6% per annum over fifteen years.



Thank you Chairman. Good afternoon ladies and gentlemen.

Financial Snapshot

	FY 2011	FY 2012	% Change
Building Products EBIT	$42.0m	$28.5m	↓ (32.1)
Land and Development EBIT	$29.2m	$19.0m	↓ (34.9)
Investments EBIT	$67.9m	$67.7m	↓ (0.3)
Total EBIT	**$132.0m**	**$108.5m**	↓ **(17.8)**
Interest cost	($20.4m)	($20.8m)	↑ (2.0)
Mark to market valuation of interest rate swaps	($0.8m)	($4.4m)	↑ (450.0)
Income tax	($10.1m)	($4.4m)	↓ 56.4
Net profit after tax (normal)	**$100.8m**	**$78.9m**	↓ **(21.8)**
Significant items (after tax)	$41.8m	($35.6m)	↓ (185.2)
Net profit after tax and sig. items	**$142.6m**	**$43.3m**	↓ **(69.6)**

The 2012 financial year was again challenging for the Building Products Group, with a further decline in residential building activity to cyclical low levels in the second half. As a result of this, **Building Products** EBIT declined to $28.5 million. It was pleasing to note that EBIT in the second half was in line with the first half, despite the deterioration in residential building activity. This was assisted by internal re-structuring activities that were largely completed in the first half and more broadly, industry rationalisation activities.

Land and Development EBIT was down 34.9% to $19.0 million due to a significant reduction in land sales, more than offsetting a solid increase in earnings from the Property Trust.

Investment EBIT was relatively stable at $67.7 million.

Lower income tax was offset by increased borrowing costs to deliver an overall Brickworks' NPAT result of $78.9 million, a drop of 21.8% on the prior year.

After adding Significant Items, including the goodwill impairment of $31.6 million, the Headline NPAT was down 69.6% to $43.3 million.

Significant Items

Significant Items	Gross	Tax	Net
Tax adjustment for the carrying value of WHSP	-	$13.0m	$13.0m
Significant transactions by WHSP, after tax	$0.8m	-	$0.8m
Austral Bricks Victoria restructuring	($8.8m)	$2.6m	($6.2m)
Austral Bricks Queensland restructuring	($5.2m)	$1.5m	($3.6m)
Austral Bricks Western Australia restructuring	($5.5m)	$1.7m	($3.9m)
Other business restructuring costs	($2.5m)	$0.7m	($1.7m)
Business acquisition costs	($1.9m)	$0.6m	($1.4m)
Corporate project costs	($1.3m)	$0.4m	($0.9m)
Goodwill impairment in Building Products	($31.6m)	-	($31.6m)
Total	**($56.1m)**	**$20.6m**	**($35.6m)**

Significant items reduced NPAT by $35.6 million for the full year.

A tax adjustment for the carrying value of WHSP resulted in a one-off benefit of $13.0 million.

In addition, significant one-off costs were incurred as a result of restructuring activities, primarily within Austral Bricks.

At Austral Bricks Victoria, costs associated with the closure of Craigieburn, remediation of Summerhill land and commissioning of the new Wollert West kiln were incurred during the year. There were also significant redundancy and write-off costs in Austral Bricks Queensland and Western Australia due to the closure of the Riverview and Cardup plants respectively.

I will provide more details on the restructuring activities completed within these businesses later.

Goodwill Impairment

Division	Write-Down
Austral Bricks Western Australia	$16.9m
Austral Masonry	$11.2m
Auswest Timbers	$1.9m
Austral Bricks South Australia	$1.6m
Total	**$31.6m**

- A detailed bottom up analysis of cash flow forecasts, incorporating conservative management projections has been undertaken
- A non-cash write-down of Goodwill is deemed prudent
- The write-down reflects the current depressed market conditions and the anticipated slow recovery
- Carbon tax impact

A decision to write down a total of $31.6 million of Goodwill has been taken and is included as a significant, non-cash item in the full year results.

A detailed bottom-up analysis of cash flow forecasts of each division, incorporating conservative management projections has been undertaken. An impairment is deemed to be prudent due to the depressed state of residential building activity and the prospect of a slow recovery in future years.

The impairment was compounded by the known and immediate cost impact of the carbon tax versus the unknown ability to fully recover the impost.

The total impairment of $31.6 million is comprised primarily of:

•$16.9 million in the Austral Bricks Western Australian division, where a significant new competitor and closure of manufacturing facilities has resulted in reduced earnings forecasts, and;

•$11.2 million in the Austral Masonry division, where industry profitability has been impacted by excess capacity and extremely depressed conditions in South East Queensland.

Key Financial Indicators

	FY 2011	FY 2012	% Change
Net tangible assets (NTA) per share	$9.42	$9.44	0.2
Shareholders' equity	$1,676m	$1,663m	(0.8)
Shareholders' equity per share	$11.36	$11.27	(0.8)
Return on shareholders equity	8.5%	2.6%	(69.4)
Cash flow from operations	$89.0m	$64.5m	(27.5)
Net debt	$249.4m	$285.4m	(14.5)
Net debt/capital employed	13.0%	14.7%	(13.1)
Interest cover (normal/annualised)	6.4x	5.2x	(18.8)

Looking at our Key Financial Indicators.

Net Tangible Assets per share was in line with the prior year, at $9.44.

Shareholders Equity decreased to $1.663 billion at the end of the year which represents $11.27 per share.

Return on Shareholders Equity was down to 2.6% as a result of decreased earnings.

Total net **cash flow from operating activities** was $64.5 million, down from $89.0 million in the previous year. This was a result of decreased trading revenue from the Building Products business, reduced special dividends from WHSP and no proceeds from land sales.

Net debt increased by $36.1 million to $285.4 million with net debt to capital employed at 14.7% at the end of the period.

Interest cover was a conservative 5.2 times.

Capital Expenditure

	FY 2011	FY 2012
"Stay in Business" capital expenditure	$19.1m	$14.3m
Growth capital items	$15.7m	$13.8m
Building Products total	**$34.8m**	**$28.1m**
Depreciation and amortisation	$26.6m	$24.8m
Land and Development & rehabilitation	$0.9m	$0.8m
Business acquisitions	$17.1m	$19.9m

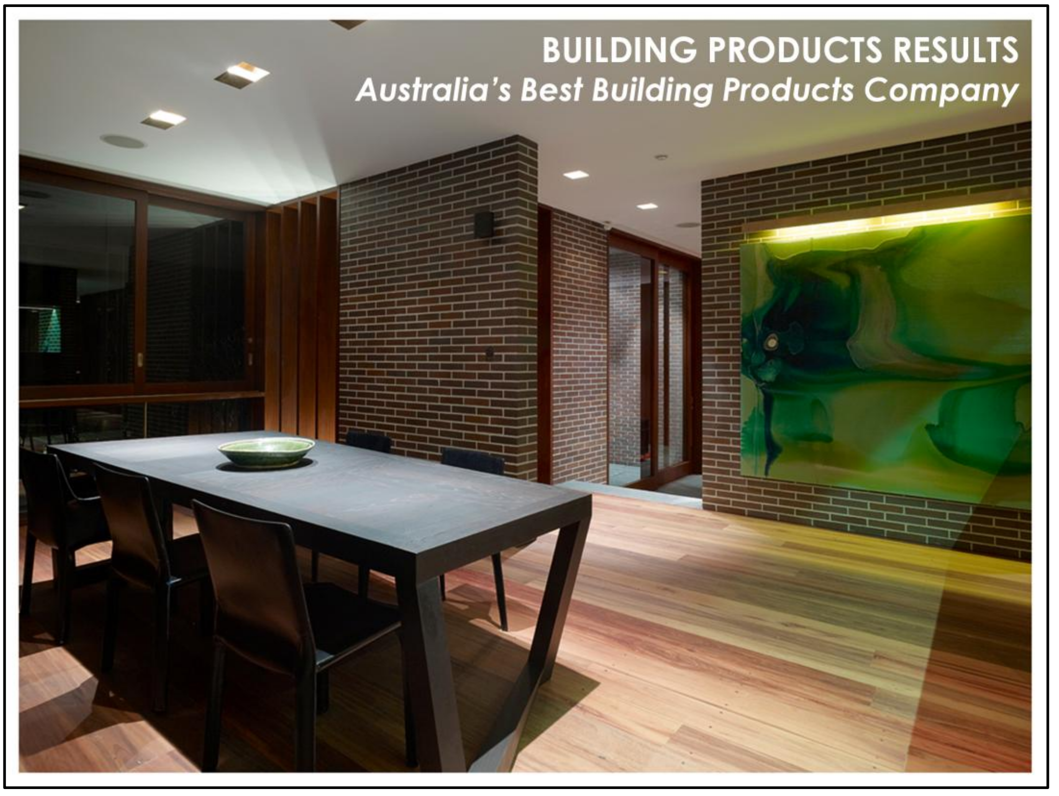
"Stay in Business" capital expenditure was $14.3 million, representing 57.7% of depreciation.

Growth capital expenditure was $13.8 million including the batching plant for the Wetherill Park precast facility in New South Wales and final building work on the new Wollert West plant in Victoria.

Building Products total capital expenditure decreased to $28.1 million for the year, excluding acquisitions.

Land and Development capital expenditure was $0.8 million.

Spending on **acquisitions** totaled $19.9 million for the year, up marginally on the prior year, comprising the Gunns Western Australian Jarrah assets, Boral Masonry's operation in Cairns, the remaining 50% share of Daniel Robertson Australia and a small independent precast concrete business in Brisbane.



Now looking at the Building Products result in more detail.

Building Products Result

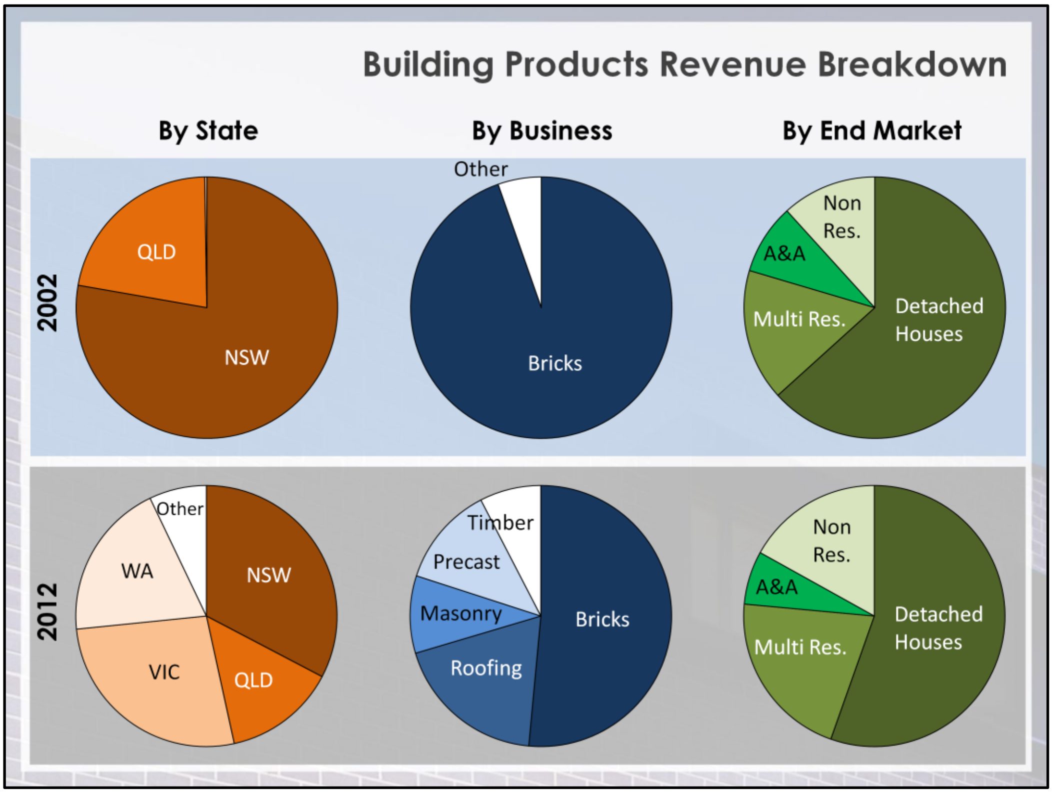
	FY 2011	FY 2012	% Change
Sales revenue	$604.9m	$547.6m	(9.4)
Like for Like sales revenue	$604.9m	$536.0m	(11.4)
EBITDA	$68.6m	$53.3m	(22.3)
Depreciation	$26.6m	$24.8m	6.8
EBIT[1]	**$42.0m**	**$28.5m**	**(32.1)**
EBITDA to sales	11.3%	9.7%	(1.6)
EBIT to sales	6.9%	5.2%	(1.7)

1. Pre significant items

Revenue for the year ended 31 July 2012 was down 9.4% to $547.6 million compared to $604.9 million for the prior year. Excluding the impact of acquisitions, like for like revenue was down 11.4%.

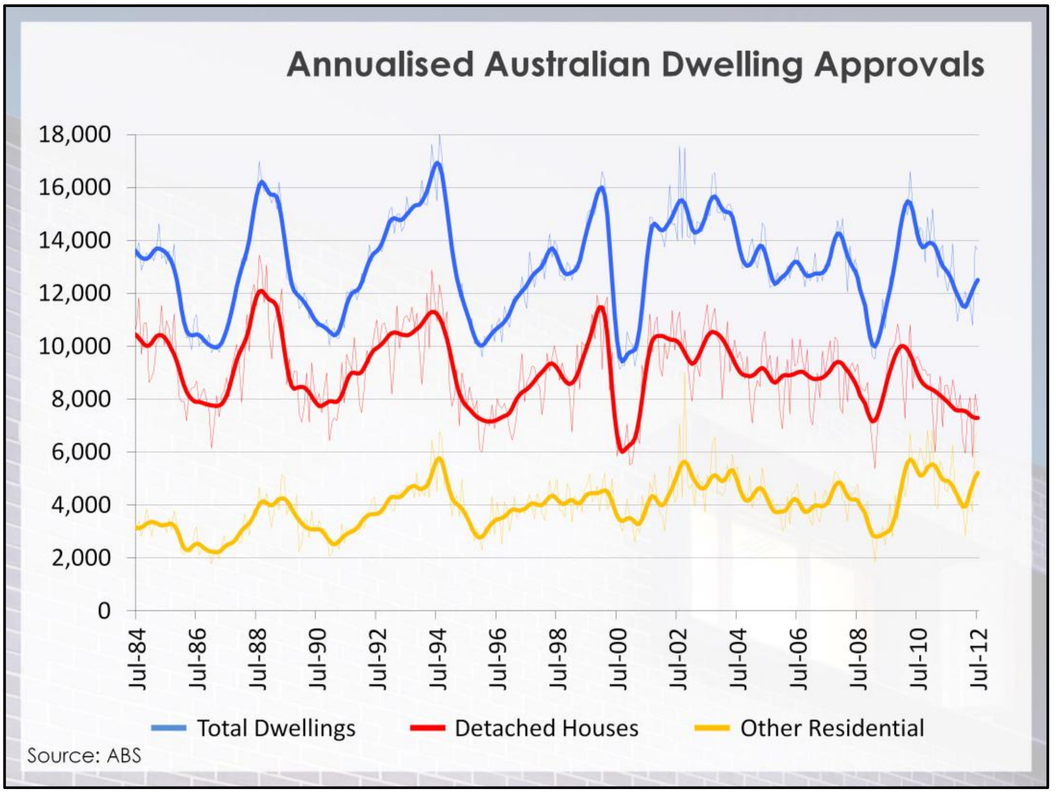
EBIT was $28.5 million pre significant items, down 32.1% on the prior year. The majority of the EBIT decline was attributable to two key divisions, Austral Bricks Western Australia and Austral Bricks Victoria. Austral Bricks Western Australia continues to face very challenging conditions with a further deterioration in market activity and the increased competition in this market. Austral Bricks Victoria earnings were well down on the prior year due to the decline in market activity and interruptions related to the integration of the new Wollert plant.

The lower EBIT to **Sales Margin** was impacted by higher input costs, particularly in gas and electricity, and intermittent and extended shutdowns throughout the period adversely affecting plant efficiency.



The Building Products Group continues to evolve into a more diversified national business. In the last 10 years the Building Products Group has grown from a two state brick manufacturer, in New South Wales and Queensland only, to a diversified national building products business with significant sales and operations in all states.

Expansion into new businesses such as Masonry, Precast and Timber has decreased exposure to the detached house market and increased exposure to the non residential and higher growth multi residential market.

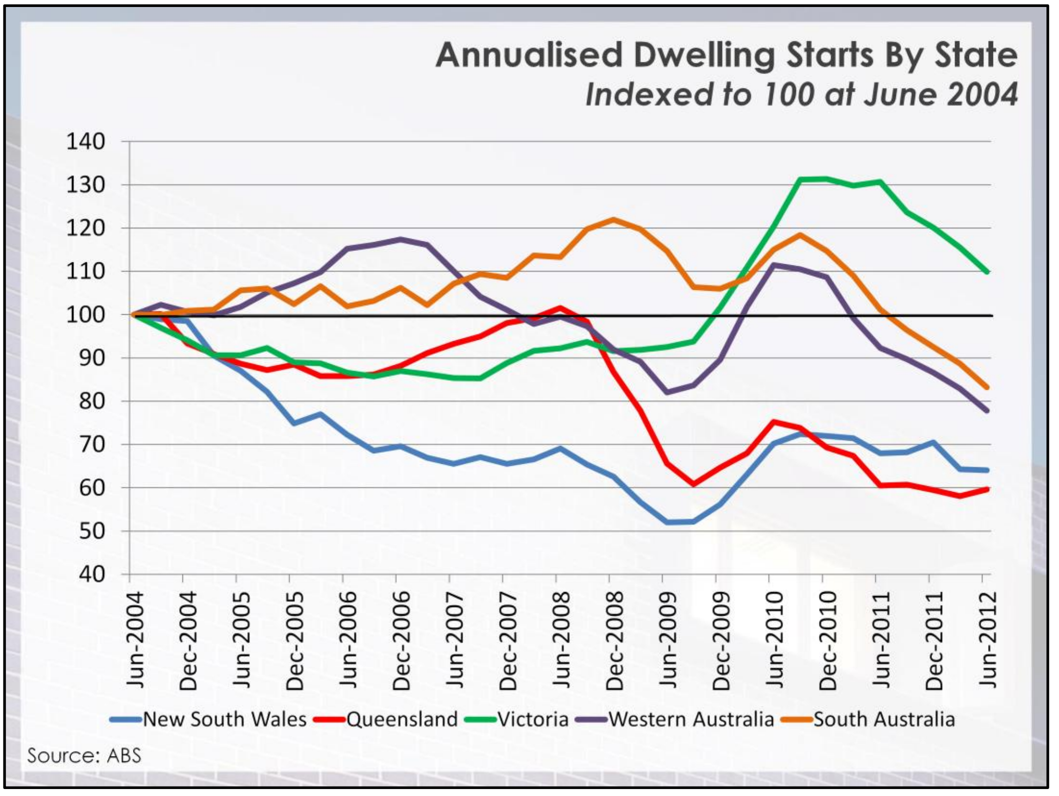


This chart shows **dwelling approvals** in Australia over the past 30 years. The blue line shows total dwellings, the red line shows detached houses and the yellow line shows other residential starts.

As can be seen, housing activity is currently in the midst of a cyclical low. One feature of the current cycle that has hit the building industry particularly hard, is the short time period between successive low points. The previous low in approvals, in 2009 is just three years ago. Never before have we experienced two low points in such a short period of time.

As mentioned previously, despite significant diversification over the past ten years, the key driver of Building Products revenue remains detached house construction. The chart shows that detached house construction is close to record lows over the past thirty years.

The gradual increase in other residential building re-enforces the brickworks strategy of increasing exposure to this segment.

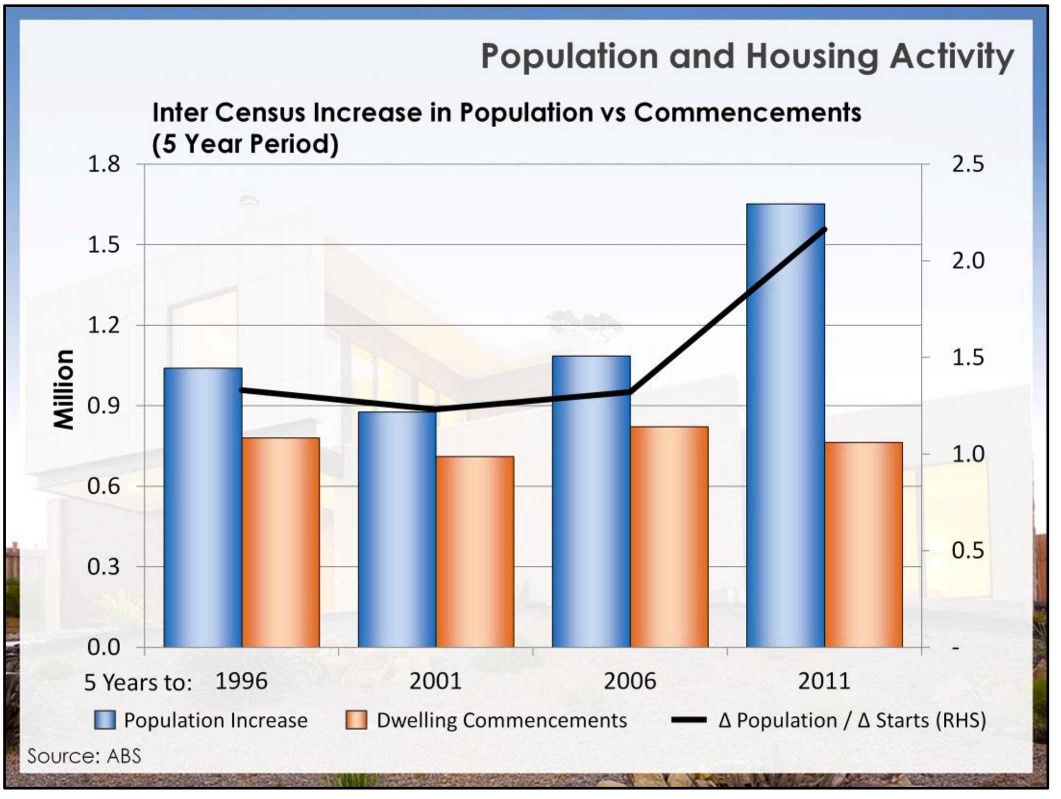


This chart shows the change in **total dwelling starts** by state since the market peak in June 2004.

As can be seen, total residential starts in New South Wales steadily declined for a number of years until the low point in June 2009, when starts were around 50% below the June 2004 level. Following a minor recovery, starts in New South Wales have been relatively flat in the past two years, but remain well below peak levels.

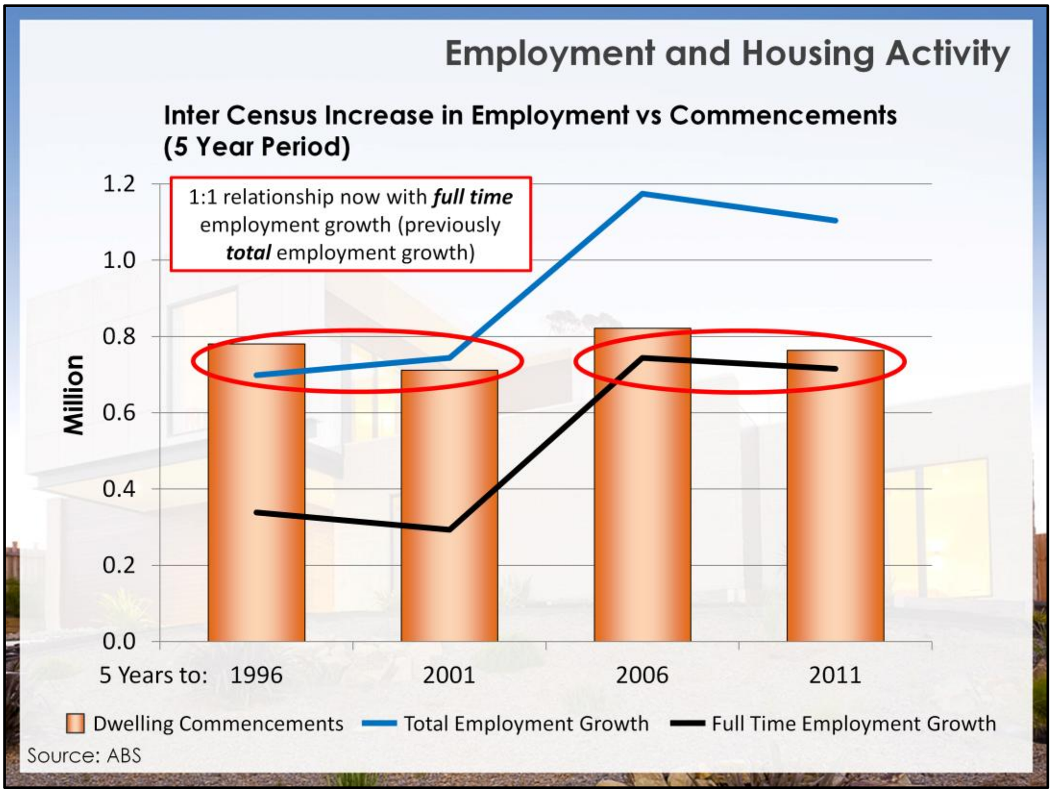
Starts in Queensland are also significantly depressed and are around the lowest level since 2001.

The issue that we have faced in the past year is the sharp declines in Victoria, Western Australia and South Australia. These states have been relatively strong performers since the peak of June 2004, so declines in these states, when compounded by the continued depressed conditions in Queensland and New South Wales has resulted in extremely challenging conditions experienced this year.



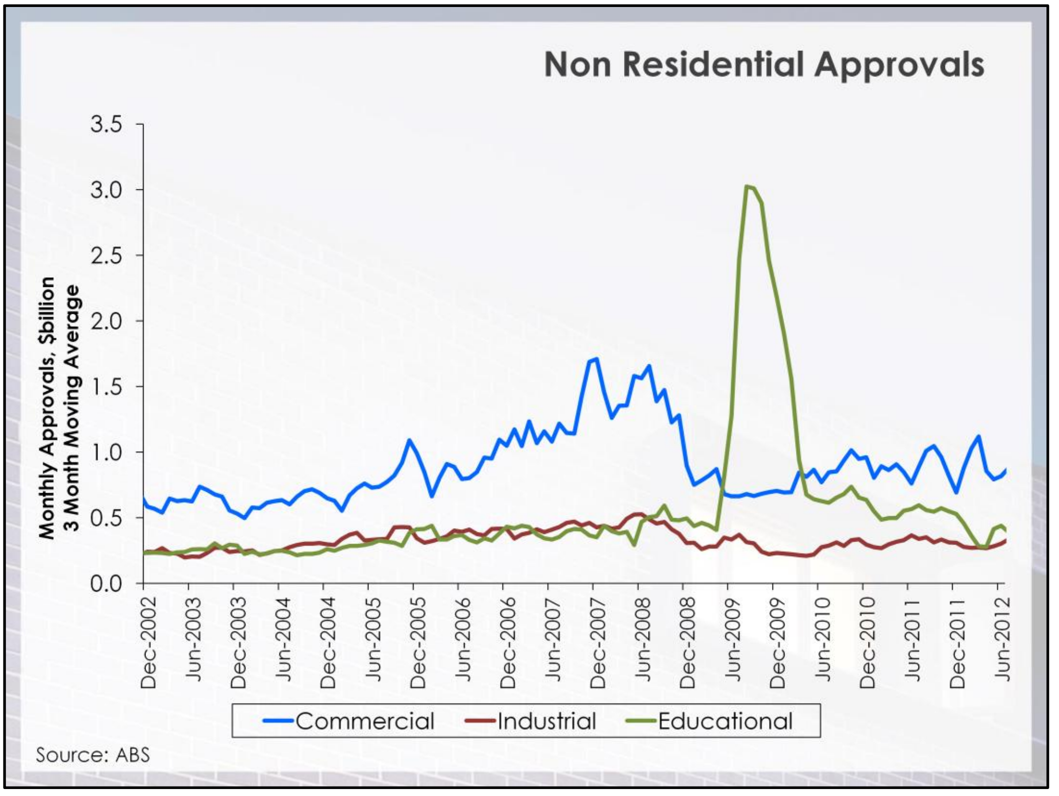
This chart shows the inter census **population increase** in blue compared to total **dwelling commencements** in Australia over the same five year period, shown in orange. The black line shows the relationship between population growth and dwelling commencements. As can be seen, during the five year period to 2011 Australia experienced record population growth, however this did not translate into a proportional increase in housing activity as the ratio of population increase to starts increased to 2.2 from the historical level around 1.3. This is partially explained by the latest census data that reveals household occupancy has increased, albeit marginally, for the first time.

In light of this record population growth, in addition to low vacancy rates across most major capitals, the slow response to the Reserve Banks' recent move to expansionary monetary policy, commencing in November 2011, is a concern.



This chart compares inter census commencements against employment growth over the same five year period. Total employment growth is shown in blue and full time employment growth is shown in the black line. It is revealing to note that the 1:1 relationship that previously existed between ***total employment*** growth and commencements has shifted to a 1:1 relationship between ***full-time employment*** growth and commencements since 2006.

This trend, along with the increased occupancy rates described previously, support the view that consumers appear to be stuck in an extended period of pessimism, with the impact on housing investment perhaps accentuated by tighter lending criteria by banks since the Global Financial Crisis.



Masonry and Precast also have significant exposure to the **non residential** market.

This chart shows monthly value of Non Residential Approvals back to 2002.

The value of approvals in the non residential sector in Australia increased by 11.3% to $32.5 billion for the year to 31 July 2012, compared to the prior year.

However this increase was largely driven by the Healthcare sub-sector, up 81.0%. The primary drivers for the masonry and precast divisions were all subdued, with:

• Commercial building approvals decreasing by 1.0% to $10.7 billion;

• Industrial building approvals decreasing by 3.6% to $3.7 billion, and;

• Educational building approvals decreasing by 23.1% to $4.1 billion.

Austral Bricks delivered a lower earnings for the year, as market conditions continued to deteriorate.

Nationally sales revenue was $281 million, down 14.8% compared to the prior year.

Rising unit input costs such as gas and electricity placed pressure on margins. Extended shutdown in states such as Western Australia and Queensland, predominantly in the first half prior to plant closures, also impacted production efficiency.

Significant restructuring activities have been completed across many states, and I will now take a moment to update you on our progress in this area.

Update on Austral Bricks Restructuring Activities

Division	Restructuring Activities	Status
Austral Bricks New South Wales	• One kiln at Horsley Park Plant 3 placed on standby • Rationalisation of sales and distribution	✓
Austral Bricks Victoria	• Rationalisation of 7 old kilns on three sites to two state of the art kilns at Wollert • Commissioning almost complete • Grinding mill fire delayed completion	✓
Austral Bricks Queensland	• Rationalisation to one site at Rochedale • One kiln on standby at Rochedale • Planning underway for plant refit • Redeveloping Riverview site	✓
Austral Bricks Western Australia	• Cardup plant closed • Volume transferred to more modern Malaga plant	✓

Austral Bricks New South Wales placed one of two kilns at Horsley Park Plant 3 on standby in November. In addition the business undertook a significant rationalisation of sales and distribution. A total of 31 people were removed from the business during the year.

Full speed production at Wollert in Victoria is planned for the coming months. This will mark the completion of a seven year business transition that has seen the closure of old, inefficient kilns at Scoresby, Summerhill and Craigieburn. The investment in new state of the art kilns on one site at Wollert places Austral Bricks Victoria in an excellent long term position.

In Queensland, the Riverview plant was closed and operations were consolidated to the more robust and flexible plant at Rochedale in January.

Finally, in Western Australia, Plant 3 at Cardup ceased operations in response to the structural changes in that market. The closure of Cardup and transfer of volume to the more modern Malaga manufacturing plant will increase the utilisation and efficiency of this operation. Once stock is depleted at Cardup, the reduced manufacturing footprint, comprising Bellevue, Armadale and Malaga will provide a sustainable, efficient and appropriately sized manufacturing operation that will enhance returns in the Western Australian brick business.

Although the benefits of this restructuring work were evident in the second half result, it is important to note that the full benefit of these activities may not be realised for some time, as the rationalisation process generally requires a period of sub-optimal production as stock transition plans are implemented.

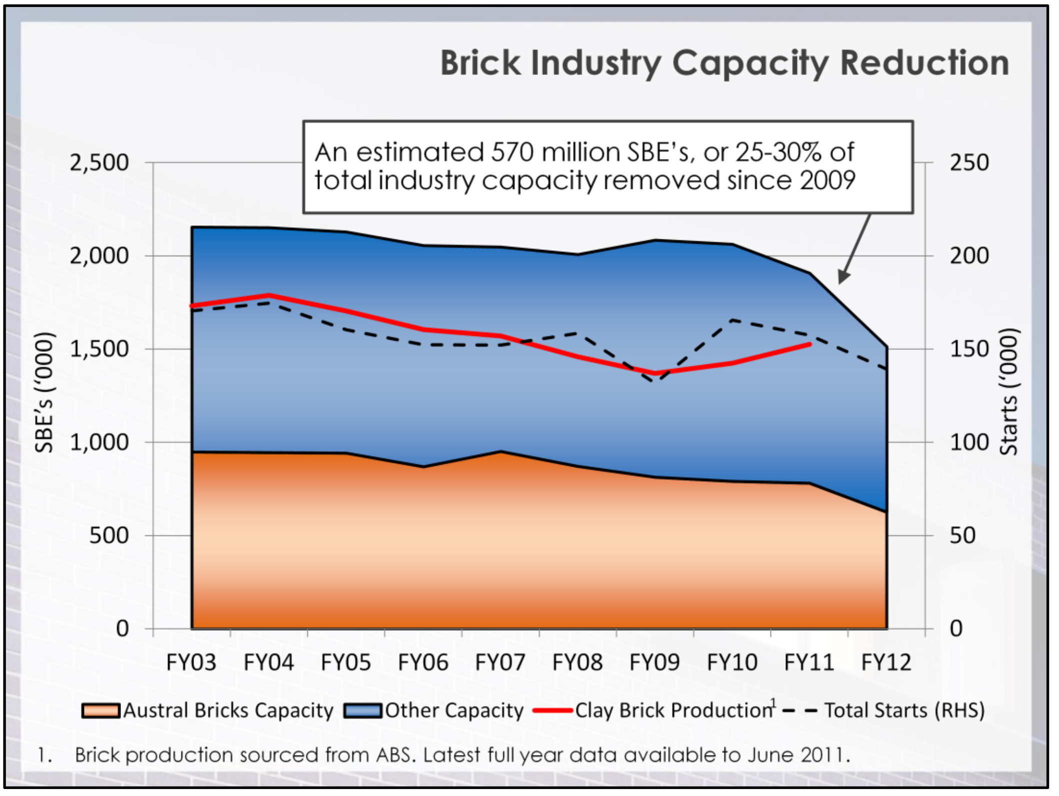
As I mentioned a moment ago, gas and electricity price increases are a significant impost on the cost of manufacturing bricks. Including the impact of the carbon tax, Austral Bricks have experienced a doubling of gas prices since financial year 2008. Over the same period electricity prices have increased by around 70%. Gas and electricity prices combined now account for over 20% of the total manufacturing cost of clay bricks, up from around 15% in 2008. Brickworks has a strong track record in reducing gas consumption, with a four pronged strategy in place to mitigate the expected further price increases.

• Firstly, we are improving manufacturing inputs through our investment in modern, energy efficient plants. For example, the new Wollert kilns use 65% less energy than the previous plants in Victoria;

• Secondly, we continue to improve our manufacturing processes, for example in the development of less energy intensive processes to achieve fashion products with the desired finish (e.g. eliminating flashing);

• Thirdly, we dedicate significant time and resources to product development and re-engineering, resulting in new products such as high void and lightweight bricks and;

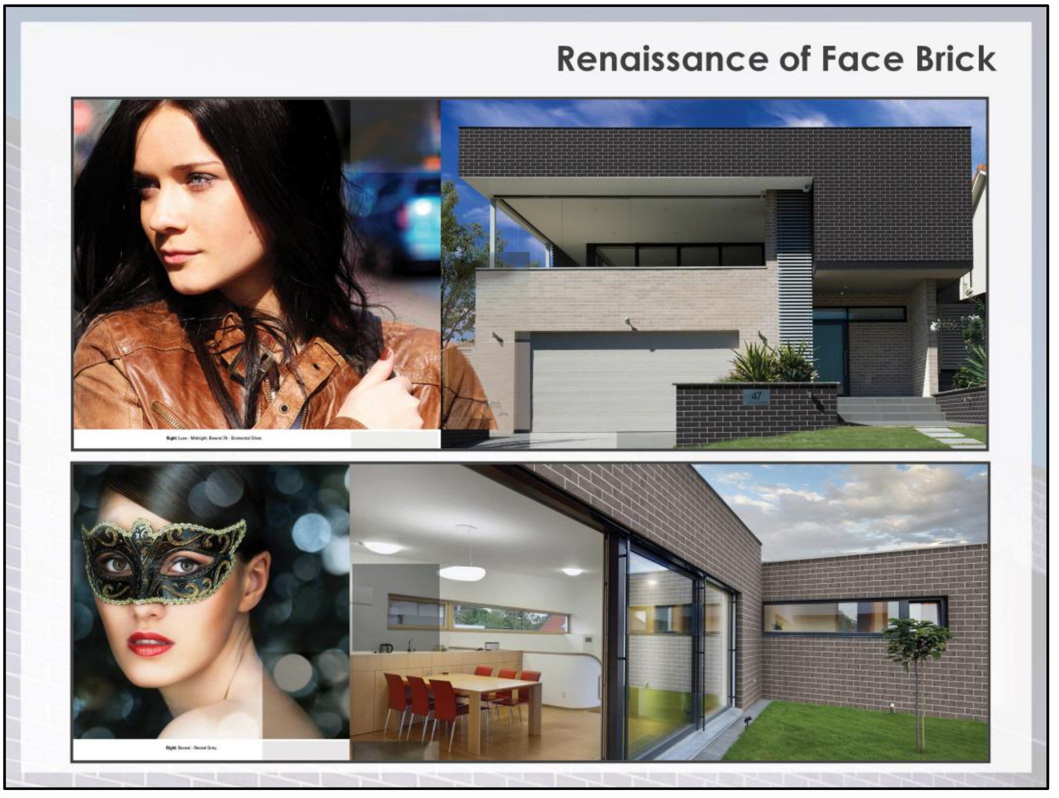
• Finally, we are focused on implementing a range of alternative fuel projects over the coming years. These projects will directly substitute the use of gas with alternative, low cost fuel sources such as landfill gas, sawdust and commercial and industrial waste streams. Our Longford plant in Tasmania for example uses sawdust to fire the kiln and produces the lowest energy intensive bricks in Australia.



In addition to the capacity reduction by Austral Bricks, continued rationalisation of plant capacity by competitors provides some encouragement for an improved industry structure moving forward. The total capacity removed from service since 2009 now stands at an estimated 570 million standard brick equivalents.

As can be seen from the chart, these capacity reductions have reduced the total industry capacity to around 1.5 billion standard brick equivalents per annum. In most states industry capacity is now more closely matched with long term supply requirements and this should drive improved manufacturing efficiencies and increased earnings across the cycle.

It is also interesting to note the close correlation between starts and clay brick production, further evidence that the key issue faced by Austral Bricks is the low level of starts rather than the demise of brick.



Austral Bricks continues to focus on developing fashionable and market leading products to attract premium prices and consolidate the strong position that bricks hold as the material of choice in detached house walling. Examples of this include the launch of product ranges such as Ultrasmooth in New South Wales, Metallix, Reveal and Luxe in Queensland and Colossus and Ceres in South Australia. In addition, the Daniel Robertson premium brick brand was successfully integrated into the Building Products portfolio in March 2012.

These initiatives have contributed to the strong trend back to face brick, as evidenced by face brick featuring in 85% of the 330 display homes built over the last two years in New South Wales, with Austral Bricks securing over 50% of all new display homes in that state. The renaissance of face brick is particularly encouraging for Austral Bricks as these products deliver higher margins than standard bricks used for rendering, and the differentiated look and low maintenance finish combats the threat of alternative products.

Bristile Roofing™

- Earnings down on the East Coast in line with market activity declines
- Improved result in Western Australia following restructuring of plant operations in the first half
- Sales revenue of $104 million, down 15.7%
- The exit of a major competitor in Queensland provided a significant boost to sales in the final months of the year
- Exclusive agreement for supply of La Escandella tiles in Australia and NZ

Bristile Roofing also suffered from the decline in residential building activity, with earnings on the East Coast down significantly compared to the prior year.

The Western Australian business delivered a marginally improved result compared to the prior year despite the significant fall in housing starts, due to a re-structure of plant operations completed in the first half.

Total sales revenue of $104 million was down 15.7% compared to the prior year.

The exit of a major competitor in Queensland provided a significant boost to sales in the final months of the year.

In July 2012 Bristile Roofing was appointed as an exclusive distributor of La Escandella premium terracotta roof tile in Australia and New Zealand. I'd now like to tell you a little more about La Escandella and our partnership.

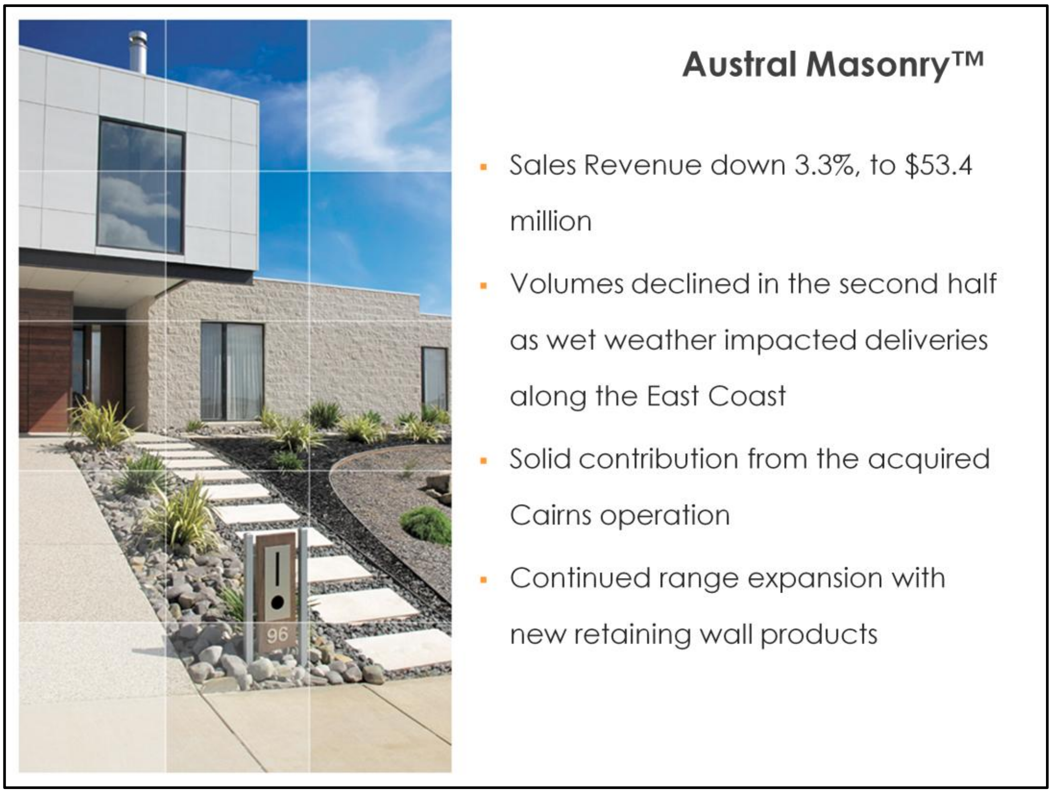
Based near Valencia in the south east of Spain, La Escandella has a production capacity of 100 million tiles per year at one plant, making their production facility one of the world's largest terracotta roof tile plants .

This agreement re-enforces the existing relationship between the two companies that commenced with the launch of a premium range of La Escandella roof tile profiles in 2007. These products have proven to be very popular in the market, with positive customer feedback and strong sales volumes.

The new direct and exclusive supply arrangement provides an improved platform to further grow sales of the La Escandella range.

On the East Coast, the La Escandella products will compliment the locally manufactured range and provides the business with significant growth opportunities at the higher margin premium end of the market.

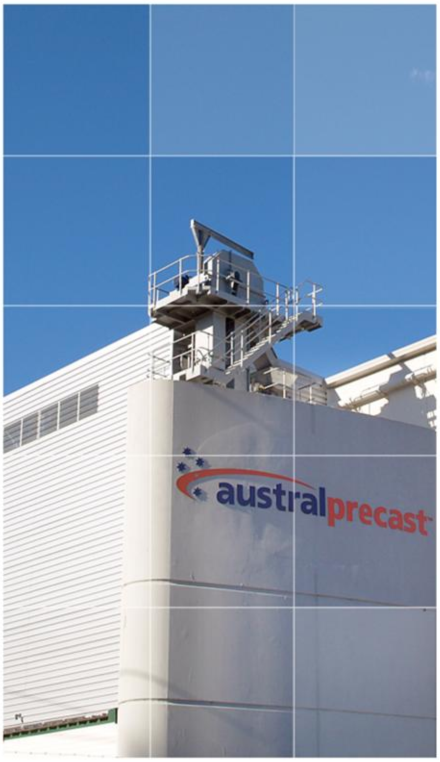
In Western Australia the La Escandella relationship will facilitate a transition to imported roof tiles from local production. This transition is economical as a result of favourable exchange rates and the escalating costs of local terracotta rooftile manufacture. Local production costs have become uncompetitive due to the limitations of the Caversham plant, poor volumes and the sharp increase of gas and electricity price increases, exacerbated by the impost of the carbon tax.



Austral Masonry sales revenue was down 3.3% to $53.4 million, as volume declined in the second half, due in part to wet weather along the East Coast.

The acquisition of the Cairns operation in March has enhanced Austral Masonry's position in Far North Queensland and together with the existing plant in Ayr, just south of Townsville, places the business in a leading position in this growing, pro-block region.

Austral Masonry continues to expand its' product range, with the development of new products such as Magnumstone and Cornerestone allowing growth into the engineered retaining wall market.



Austral Precast™

- Delivered another increase in earnings
- Sales revenue up 20.3% to $68.1 million
- Installation of a batching plant at Wetherill Park nearing completion, allowing the consolidation of operations
- Integration of acquired Queensland business proceeding to plan following relocation to new site
- Significantly improved result in Western Australia following plant upgrade in the prior year

Austral Precast delivered another solid increase in earnings, with sales up 20.3% to $68.1 million.

On the East Coast, installation of a concrete batching plant at Wetherill Park is almost complete. Once fully commissioned, the batching plant will allow 24 hour operation at Wetherill Park and will enable the consolidation of current operations in New South Wales onto one site. Manufacturing savings, through reduced raw materials cost and improved efficiencies will place this business in an extremely strong position in the years ahead, enabling it to take full advantage of the expected growth in the precast market.

In Queensland, the acquisition of an independent operator in March 2012 will deliver additional scale and manufacturing efficiencies following the relocation of operations to the acquired site in August.

Following a loss in the prior year, the Western Australian operation posted a positive result, on the back of solid price increases, together with improved manufacturing efficiencies resulting from plant upgrades and strong volume increases.

Auswest Timbers™

- Domestic earnings up on the prior year, however export earnings were down
- Sales revenue up 12.4% to $40.6 million, due in part to the acquisition of Western Australian Jarrah assets in December 2011
- Increased working capital due to requirement to re-build feedstock levels in the acquired businesses
- Fire at Deanmill in August resulting in extended shutdown
- Uncertainty over Victorian log license

Domestic Auswest Timbers sales revenue was up 12.4% on the prior year to $40.6 million, due in part to the integration of acquired operations in Western Australia. Export earnings were significantly lower than the prior year as the high Australian dollar adversely impacted demand from Asia.

The domestic result was supported by the integration of the acquired Western Australian Jarrah operations and another strong contribution from the roof tile batten operation in Fyshwick, where strong cost controls alleviated the impact of lower throughput caused by the current weakness in detached house construction activity.

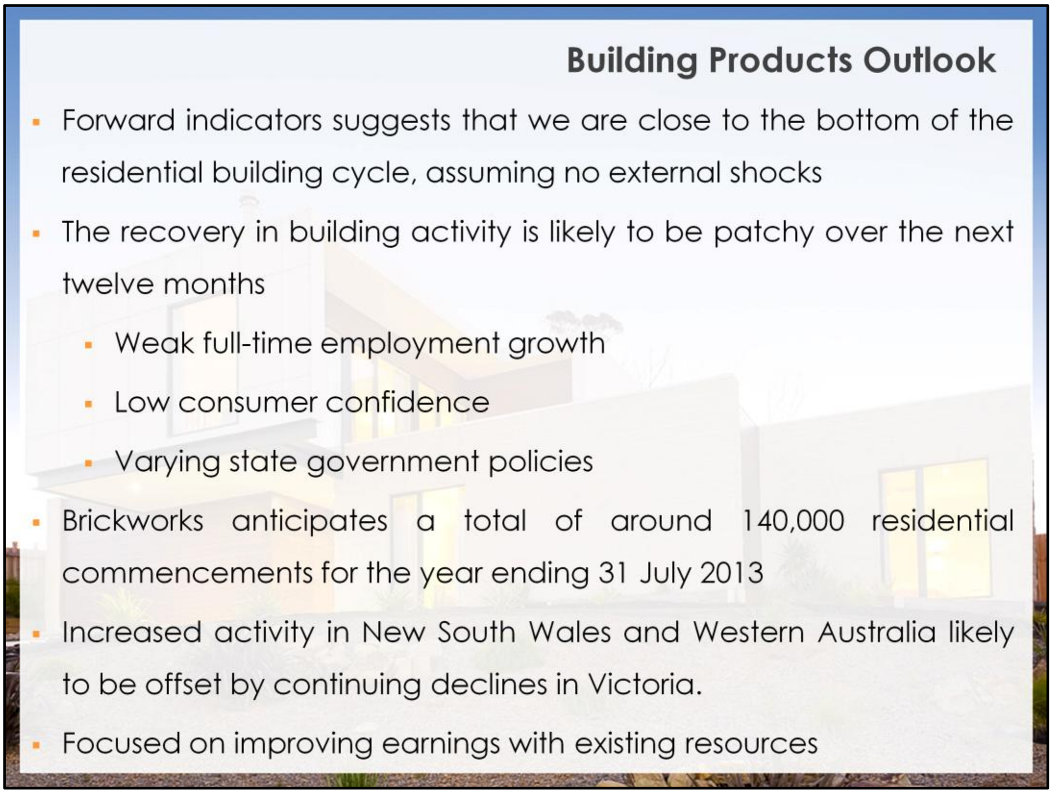
However working capital was impacted by the requirement to re-build feedstock levels in the acquired businesses.

Unfortunately the acquired Deanmill suffered a fire on 1 August, post year-end, destroying part of the product transfer infrastructure in the mill. Jarrah production has been transferred to Pemberton, with Deanmill expected to return to production by Christmas.

Despite the short term impact of the stock re-build process, and the fire at Deanmill, the substantial synergies that the acquired assets bring to the Auswest operations in the Pemberton and Manjimup region, together with a long term log license agreement, places operations in Western Australia in a secure position.

However uncertainty remains over log supply for the Orbost mill in Victoria, with a final decision from VicForests on future supply arrangements in that state yet to be announced.


Building Products Outlook



Barring any unforseen macro economic shocks, the latest forward indicators of housing activity indicate that we are close to the bottom of the residential building cycle. However, the recovery in building activity is likely to be patchy over the next twelve months, with weak full-time employment growth and low consumer confidence, both key drivers of residential building activity, diluting the impact of cash rate reductions by the Reserve Bank of Australia. Furthermore, varying state government policies are expected to drive diverging outcomes across the major states.

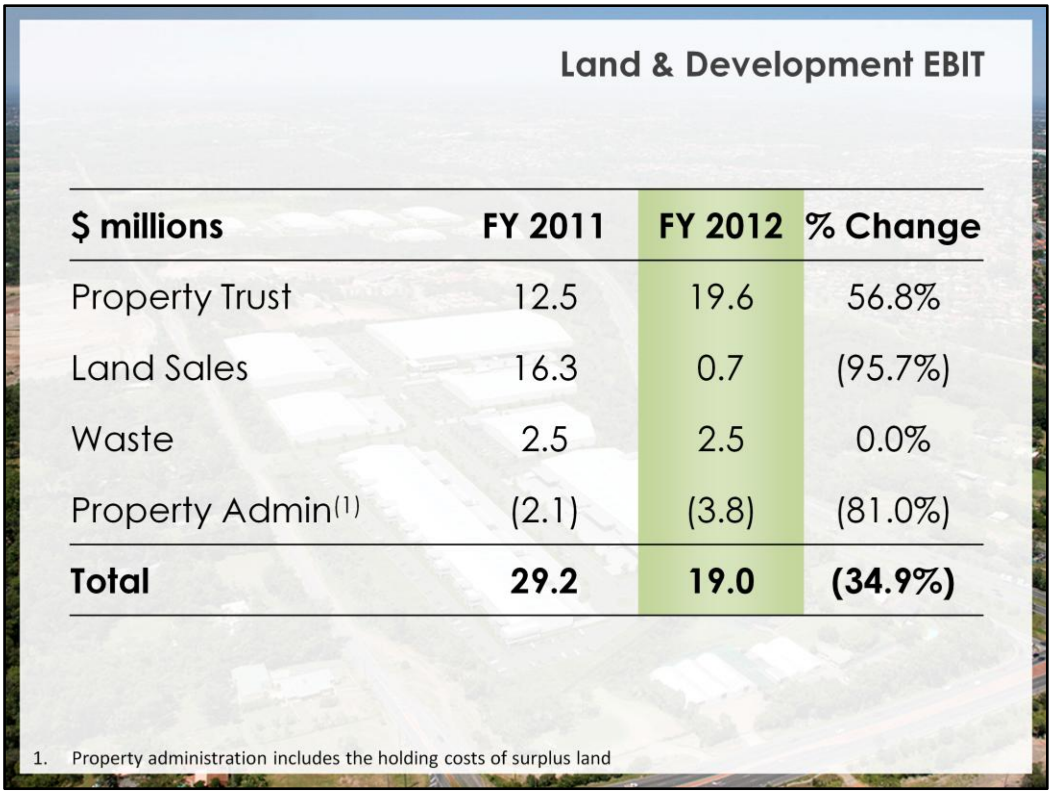
On balance, Brickworks anticipates a total of around 140,000 residential commencements for the year ending 31 July 2013, with increased activity in New South Wales and Western Australia likely to be offset by continuing declines in Victoria.

The outlook for the New Zealand market is positive, with a strong increase in building activity in the past six months expected to continue in the 2013 financial year, assisted by the Christchurch rebuild gathering momentum.

The majority of internal restructuring activities within the Building Products Group has now been completed, with all businesses now focussed on improving profitability with existing resources.

I will now go through our Property results.

Before I do so, I would like to take a moment to highlight the image on the slide, showing an artists impression of a potential future development of our Rochedale site in Queensland. The Rochedale brick plant is shown in the middle of the image. As can be seen, there is significant surplus land surrounding this facility. Pending rezoning to Industrial, this land will be redeveloped over a five to seven year period.



Land & Development EBIT

$ millions	FY 2011	FY 2012	% Change
Property Trust	12.5	19.6	56.8%
Land Sales	16.3	0.7	(95.7%)
Waste	2.5	2.5	0.0%
Property Admin[1]	(2.1)	(3.8)	(81.0%)
Total	**29.2**	**19.0**	**(34.9%)**

1. Property administration includes the holding costs of surplus land

Land and Development delivered an EBIT of $19.0 million for the year ended 31 July 2012, a decrease of 34.9% from $29.2 million for the prior year.

Property sales were limited, contributing an EBIT of just $0.7 million, the largest transaction being the sale of a two hectare block at the M7 Business Hub in Sydney into the Trust to accommodate the expansion of the existing Toll Holdings facility. The prior corresponding period included the sale of two lots on the M7 Business Hub Estate for a combined EBIT of $14.9 million.

Property administration costs were well up on the prior year, due to increased land tax on the remaining Oakdale property as a result of its favourable zoning.

I will now work through the Property Trust result in detail, before outlining the property pipeline and outlook.

Industrial Property Trust EBIT

$ millions (BKW share)	FY 2011	FY 2012	% Change
Rent	7.1	9.0	26.8%
Revaluation of established properties	4.7	5.3	12.8%
Revaluation on completion of new properties		4.5	N/A
Sales of vacant lots	0.7	0.8	14.3%
Total	**12.5**	**19.6**	**56.8%**

The Property Trust delivered an EBIT of $19.6 million, up 56.8% from $12.5m in the prior year.

Rental Distribution profit of $9.0 million was up 26.8% from $7.1 million, on rental reviews, two new DHL facilities at Oakdale in Sydney and the extension of the existing Linfox facility at Interlink, also in Sydney.

Revaluation profit on established properties of $5.3 million was up 12.8% from $4.7 million on flat capitalisation rates and increased rent.

An EBIT of $4.5 million was contributed through the valuation uplift resulting from the completion of the DHL facilities on the Oakdale Estate.

In addition, $0.8 million was contributed through the sale, above book value, of two vacant lots from the Heritage Trust.

Two major developments are currently under construction:

- A 31,000 square metre, three unit estate on vacant land at Interlink in Sydney and;
- A 23,000 square metre, five unit facility at Reedy Creek on the M7 Business Hub, also in Sydney.

These projects are due for completion in late calendar 2012 and will provide additional rental returns and capital growth for the Property Trust.

Looking further ahead, the Property Trust has also secured pre-commitments from DHL and Toll Holdings for significant expansions. These projects are due for completion late in Calendar 2013.

Industrial Property Trust Value

($ millions)	FY 2011	FY 2012	% Change
Leased properties	445.8	518.4	16.3%
Land to be developed	165.6	137.0	(17.3%)
Total	**611.4**	**655.4**	**7.2%**
Less borrowings	243.5	286.4	17.6%
Net trust assets (100%)	367.9	369.0	0.3%
Brickworks equity (50%)	**184.0**	**184.5**	**0.3%**
Return	**11.7%**	**12.3%**	**0.7%**

The total value of the Property Trust Assets rose to $655.4 million at 31 July 2012, as a result of the completion of the new facilities. Borrowings also increased to $286.4m which gives a total net value of $369.0 million. Brickworks 50% share of the net asset value is relatively stable at $184.5 million, including the sale of land from the Heritage Trust and the redistribution of cash proceeds back to Brickworks.

The return on the developed properties in the Trust was 12.3%.

Industrial Property Trust Assets

Tenant / Asset	Location	Asset Value	Revaluation Profit	GLA (m^2)	Gross Rental p.a.	WALE (yrs)	Cap. Rate
Coles CDC	Eastern Ck	$139m	$0.2m	43,070	$11.1m	10.4	8.0%
Toll	Eastern Ck	$35.5m		16,761	$3.0m	5.2	8.2%
Capicure	Eastern Ck	$24m		16,809	$2.3m	2.0	8.5%
Southridge	Eastern Ck	$34.6m	$0.6m	24,357	$2.9m	2.6	8.5%
Linfox	Erskine Park	$72m	$5.9m	51,323	$5.9m	9.4	8.0%
Ubeeco	Erskine Park	$16m		10,865	$1.3m	7.2	8.0%
Kimberly Clark	Erskine Park	$60.3m	$1.0m	45,853	$4.7m	11	7.8%
Woolworths	Erskine Park	$73m	$2.0m	52,888	$5.7m	11	7.8%
Wacol	Wacol, QLD	$10.3m		10,384	$1.1m*	6.9	8.5%
DHL Transport	Oakdale	$18.4m	$0.9m	10,390	$1.5m	9	8.3%
DHL J & J	Oakdale	$35.3m		26,161	$2.8m	9.3	8.0%
Total		**$518.4m**	**$10.6m**	**308,861**	**$42.3m**	**7.6**	

* Includes hardstand rent on adjoining land

Details on the leased property trust assets are outlined in this table. The total value of leased properties is $518.4 million, with a gross letable area in excess of 300,000 square metres.

The entire portfolio consists of A grade stock which is under four years old, with long lease terms and strong tenants. There is no vacancy in the portfolio.

Annualised gross rental return is $42.3 million.

Capitalisation rates are in the range 7.8-8.5%

Land Holdings

Operational Land[1]	Gross Land Area	Book Value	Most Recent Valuation
NSW	465ha	$52m	$166m
VIC	567ha	$22m	$24m
QLD	747ha	$20m	$28m
WA	1,792ha	$34m	$117m
SA & TAS	272ha	$7m	$13m
Total	**3,843ha**	**$135m**	**$348m**

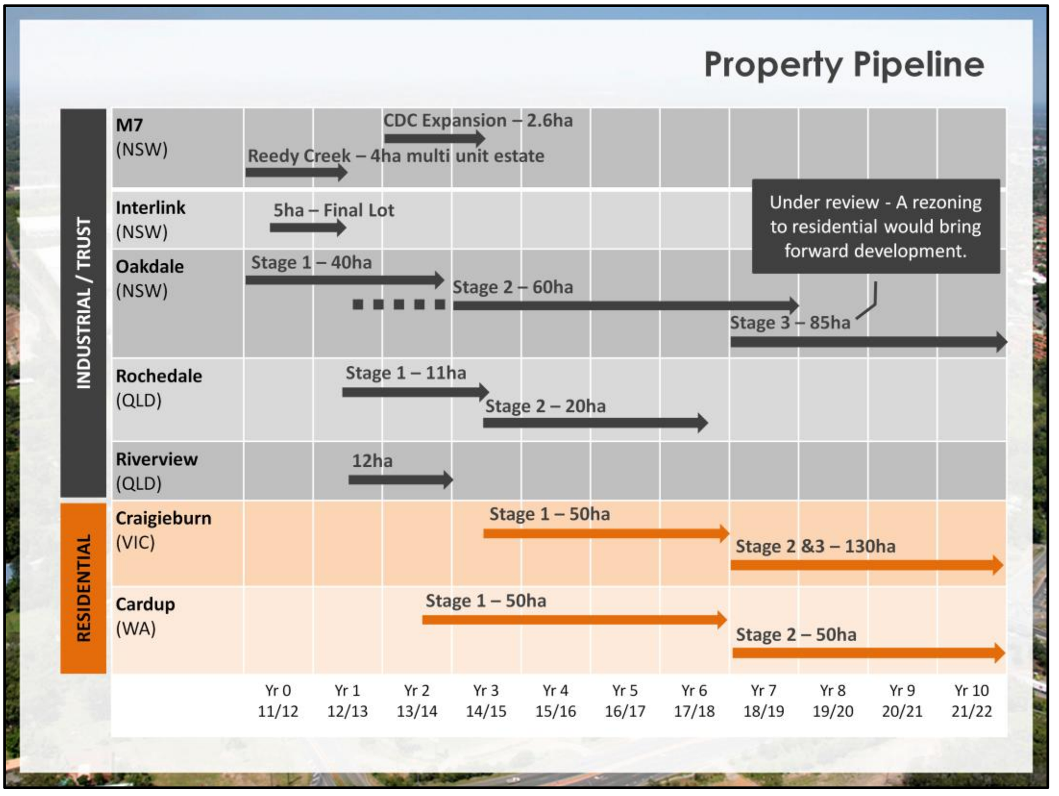
Development Land	Gross Land Area	Development Area	Book Value	Current Value	Potential Value[2]
NSW	300ha	182ha	$25m	$81m	$137m
VIC	369ha	233ha	$28m	$28m	$147m
QLD	169ha	130ha	$4m	$22m	$34m
WA	187ha	90ha	$5m	$5m	$21m
SA & TAS	44ha	44ha	$1m	$1m	$1m
Total	**1,069ha**	**679ha**	**$63m**	**$137m**	**$340m**

1. In additional to operational land values shown, book value of buildings is $78 million
2. Potential value assumes future land value if rezoned and rehabilitated but does not include development profit to BKW

Brickworks land holdings total around 4,900hectares, split into operational and development land.

Operational land is currently valued at $348 million, whilst the **development land** has the potential to be worth at least $340 million on rezoning and development approval of these properties.

The majority of land held for development is located in Victoria and New South Wales.



These properties will provide a long pipeline of development which is expected to continue well into the future.

In the short term, the development work is focused on the Industrial land to be transferred into the Trust.

As can be seen from the property pipeline shown on screen, there are 3 stages of the Oakdale development in New South Wales totaling almost 200 hectares, 1 in Queensland at Rochedale totaling around 30 hectares, 1 in Victoria at Craigieburn totaling 180 hectares and 1 in Western Australia at Cardup totaling 100 hectares.

The strategic location of our **Property Trust** sites, at Eastern Creek in Sydney continues to attract new tenants. It is also encouraging that a number of existing tenants are opting to expand their facilities and this is testament to the quality of the Property Trust sites.

Rental returns will continue to increase as developments conclude over the next twelve months and beyond.

Land sales are expected to increase in the next twelve months with a strong pipeline of potential sales in place. Sales into the Property Trust during financial year 2013 are forecast to include:

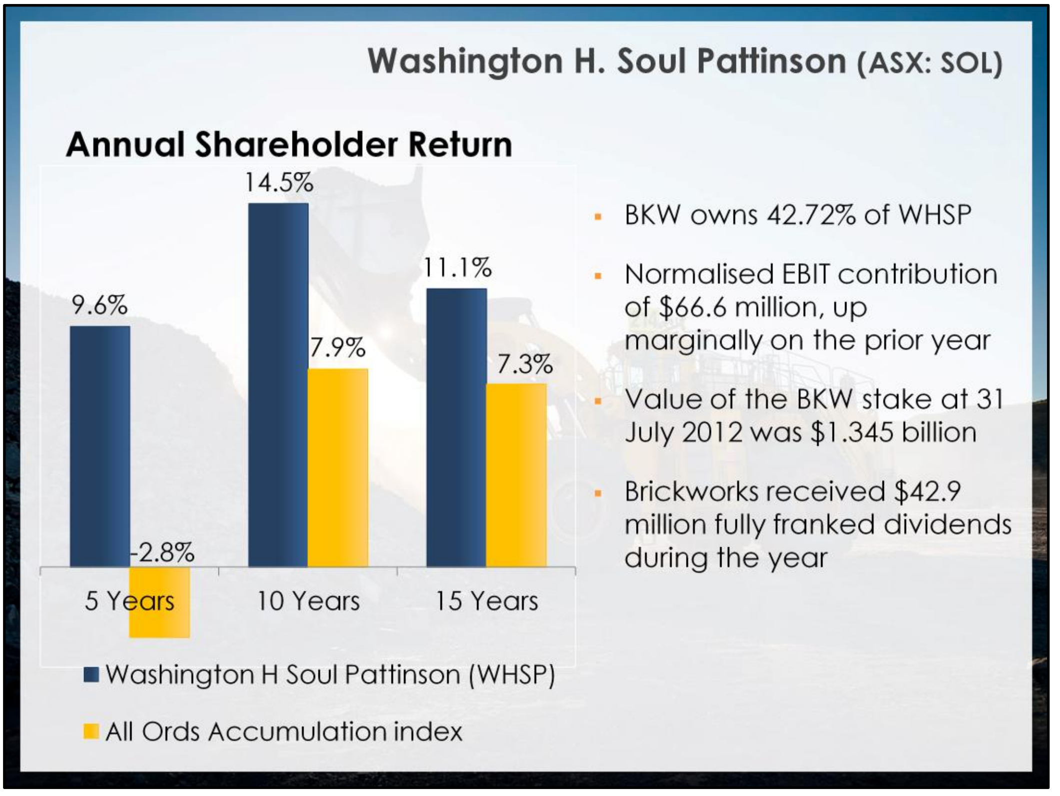
• A 60 hectare parcel of land at the Oakdale South site in Sydney, and;

• The first stage of the 30 hectare Rochedale site in Queensland, pending re-zoning to industrial and subsequent sub-division.

In addition, following the closure of the Riverview brick operation in Queensland, the 12.2 hectare site will be developed, including refurbishment of the former factory building and the sub-division of vacant land, to occur in early calendar 2013.

Work continues on rezoning numerous surplus sites already identified for development including Craigieburn in Victoria, Rochedale in Queensland and Cardup in Western Australia. The NSW Department of Planning and Infrastructure has agreed to further evaluate the suitability of the Oakdale West site for housing development, having met the initial screening criteria. A rezoning to residential (from the current Industrial) would bring forward the development of this site significantly.

I will now go through our Investment results.



Brickworks owns 42.72% of WHSP, a core asset of Brickworks that has brought diversity and reliable earnings to the company. The main investments of WHSP are the holdings in New Hope Corporation, Brickworks, TPG Telecom, API, BKI Investment Company, Clover and Ruralco.

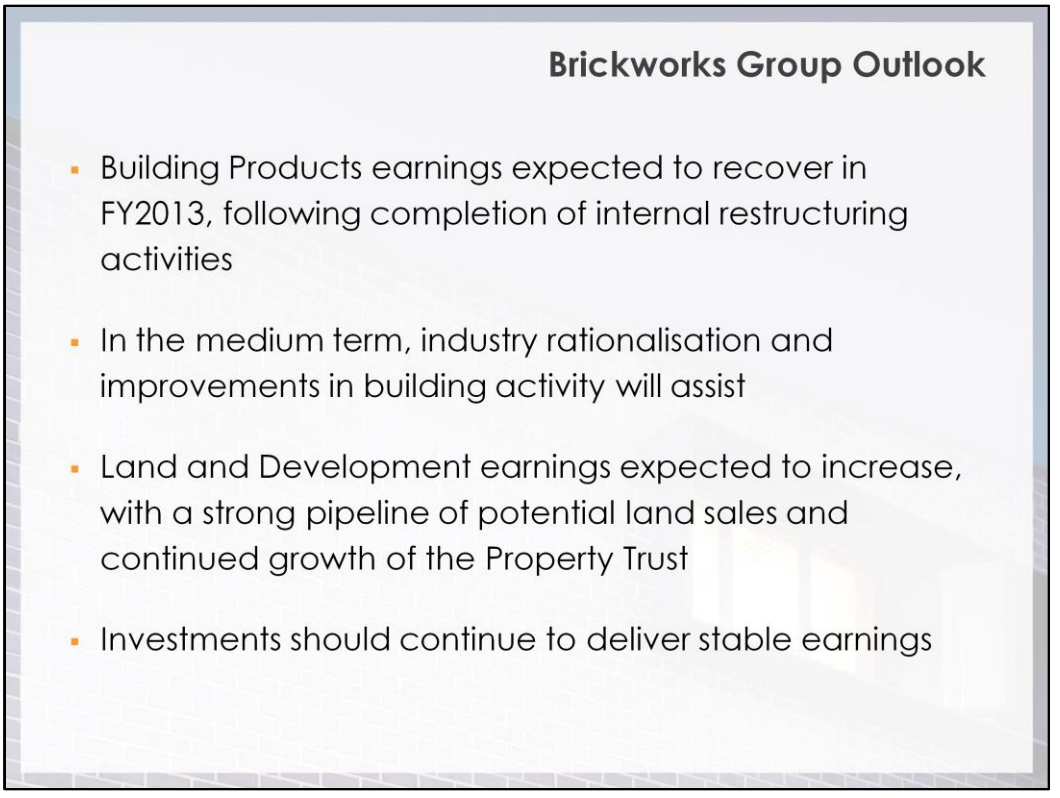
The Normal equity accounted contribution was up marginally to $66.6 million for the year.

The market value of Brickworks 42.72% shareholding in WHSP was $1.345 billion at 31 July 2012, up 1.7% on the value at 31 July 2011.

Brickworks received normal fully franked dividends totaling $42.9 million from WHSP during the year.

WHSP has delivered outstanding returns to its shareholders over the short, medium and long term, outperforming the ASX All Ordinaries Accumulation Index by 12.4% p.a. over five years, 6.6% p.a. over ten years and 3.8% p.a. over fifteen years.

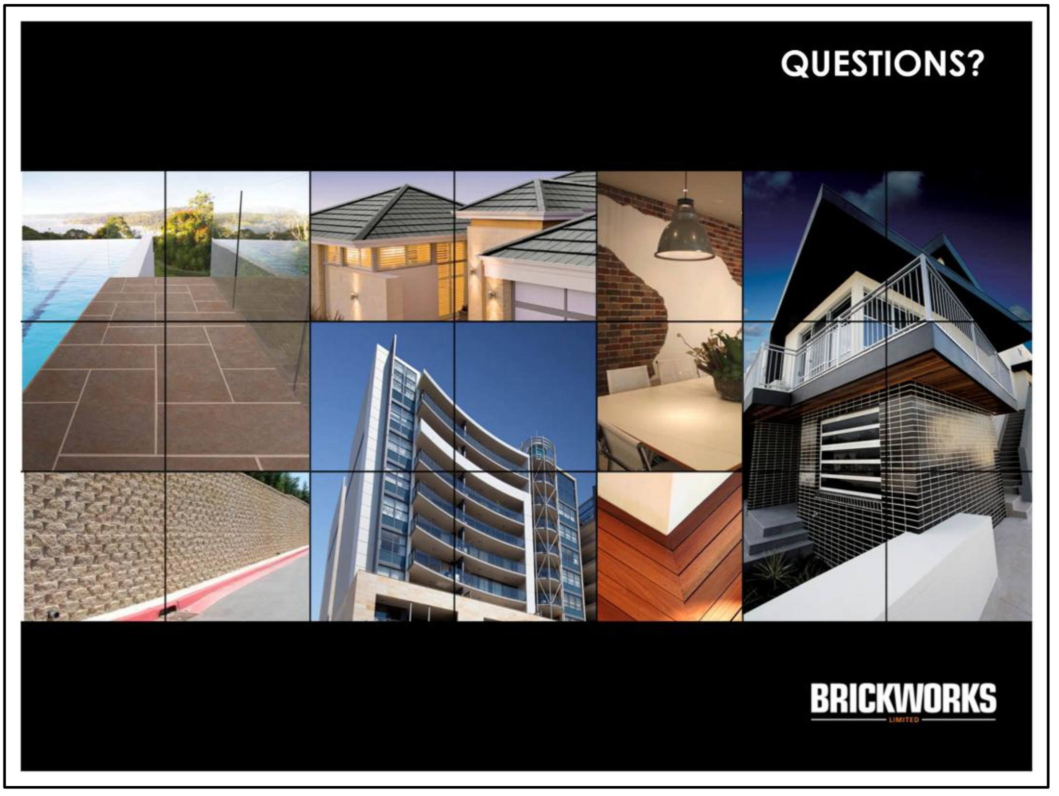
Turning to the outlook



Building Products earnings are expected to recover in the 2013 financial year, following internal restructuring activities completed in 2012. In the medium term, industry rationalisation and improvements in building activity will provide additional impetus to Building Products earnings.

Land and Development earnings are expected to increase, with a strong pipeline of potential land sales and continued growth of the Property Trust

The outlook for the I**nvestments** Group is clouded by continued volatility in global investment markets and commodity pricing. However on balance, the diversified nature of Washington H. Soul Pattinson's portfolio should continue to deliver stable earnings to Brickworks.



I will now take any questions.

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