

27 November 2012

Australian Securities Exchange

Attention: **ASX Market Announcements**

BY ELECTRONIC LODGEMENT

Dear Sir/Madam,

Please find attached the presentation to be made at today's Brickworks Ltd Annual General Meeting, for immediate release to the market.

Yours faithfully,

BRICKWORKS LIMITED



IAIN THOMPSON

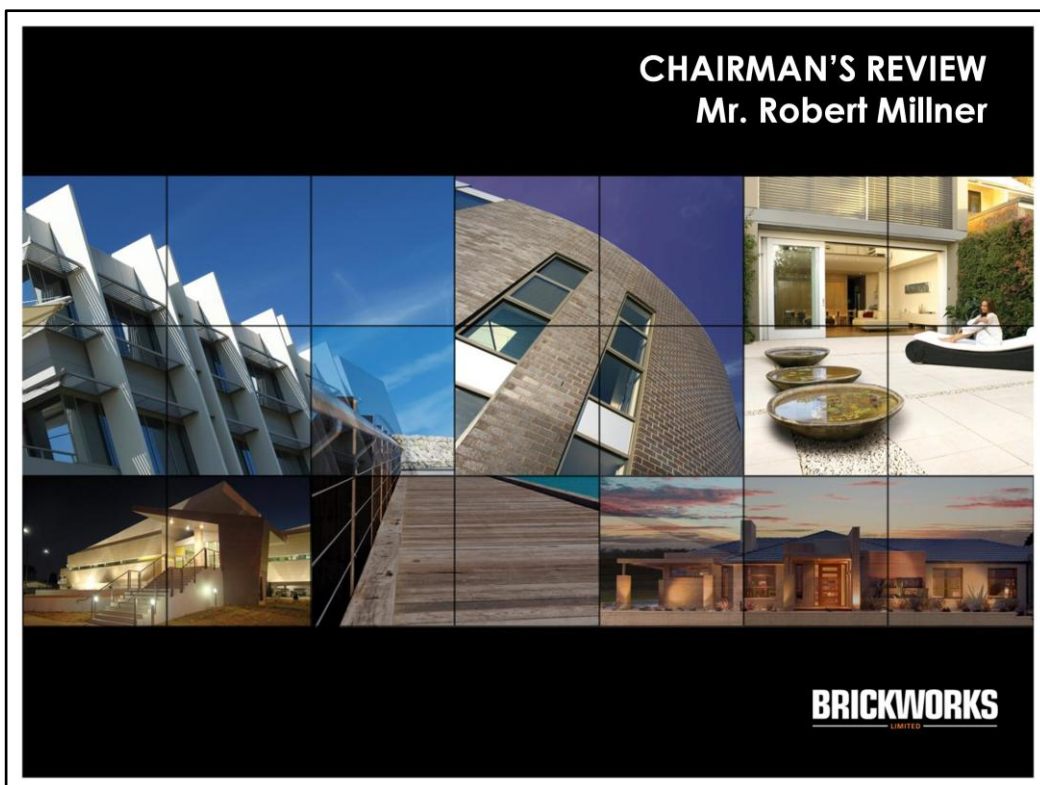
COMPANY SECRETARY

BRICKWORKS LIMITED
78th ANNUAL GENERAL MEETING



27th November 2012

BRICKWORKS
LIMITED



Present: Good afternoon ladies and gentlemen, my name is Robert Millner and I am Chairman of Brickworks Limited.

I would like to welcome all shareholders and visitors to the 78th annual general meeting of Brickworks Limited.

If you have not yet been issued with a voting, non-voting or visitors registration card, please see the representatives of Computershare at the registration desk just outside the function room.

Today's meeting has been convened in accordance with both the Corporations Act and the ASX Listing Rules. The Company Secretary has advised me that there is a quorum present and I therefore declare the meeting open.

Standing orders:

The standing orders (rules for discussion) will be as follows:-

(i) Questions will only be recognised from shareholders and proxies or attorneys of shareholders.

(ii) One question at a time per shareholder. Please raise your blue or orange admission card and a staff member will provide a microphone. Please identify yourself to the audience.

(iii) Please be ready to raise your blue admission cards when voting.

(iv) Would you please ensure that all mobile phones are now turned off.

Introduce directors:

Before we go further with the meeting I would like to introduce the gentlemen seated before you:

Mr Michael Millner, the Deputy Chairman;

Mr Lindsay Partridge, the Managing Director;

Mr Brendan Crotty;

Mr David Gilham;

Mr Robert Webster;

Mr Alex Payne, the Chief Financial Officer; and

Mr Iain Thompson, the Company Secretary.

Also here today is a representative of our external auditors, Ms Renay Robinson of Ernst & Young.

Notice of meeting:

I propose that the notice of meeting, mailed to all registered members on 25 October 2012 be taken as read. If anyone has any objection, please raise your hand.



Agenda

- Chairman's Review
 - Mr. Robert Millner
- Managing Director's Address
 - Mr. Lindsay Partridge
- Questions
- Resolutions

BRICKWORKS
LIMITED

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After I have completed my Overview, Mr. Lindsay Partridge will give the Managing Director's Address. Following this, shareholders will have the opportunity to ask questions. We will then proceed to the formal part of the meeting.

Brickworks - Overview

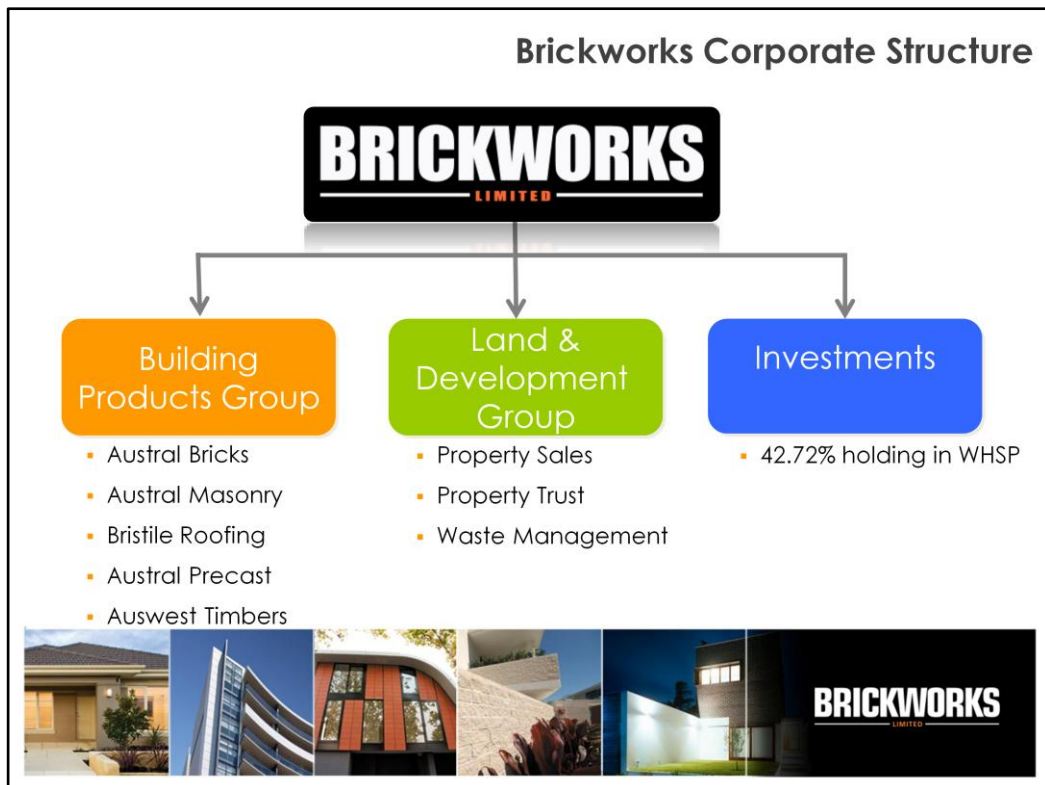
- Brickworks established in 1934
- Listed on ASX in 1962
- Market capitalisation approx. \$1.6 billion
- 7,660 shareholders
- 1,410 employees



Brickworks was formed in 1934 at the height of the Great Depression when manufacturers banded together to purchase the state Brickworks to ensure the ongoing viability of the local brick industry.

Subsequently the company listed on the Australian Stock Exchange in 1962 with an opening market capitalisation of 6½ million pounds.

Today Brickworks' market capitalisation is approximately \$1.6 billion with 7,660 shareholders and 1,410 employees.



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

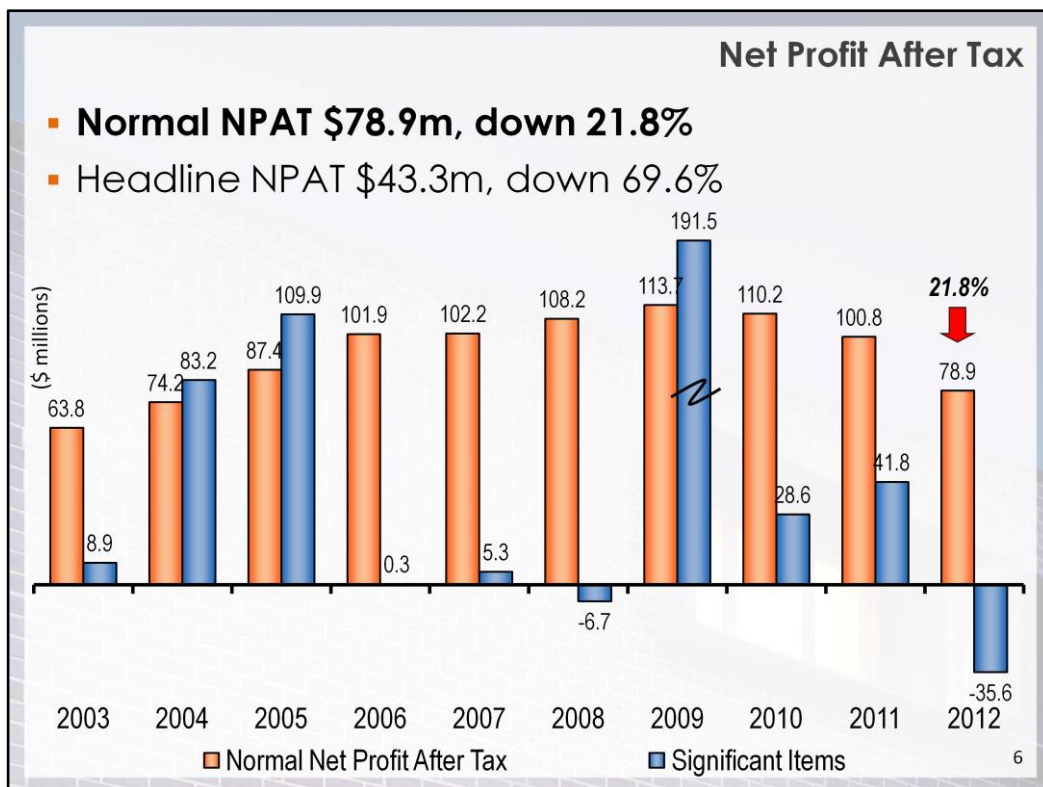
There are three main parts to the Brickworks business model:

- 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. Residential land is traditionally sold outright whilst industrial land is sold into the Property Trust. The Trust is now providing a stable long term income stream for Brickworks.

The 42.72% interest in Washington H. Soul Pattinson provides a stable earnings stream and a superior return. This “strategic alliance” with Washington H. Soul Pattinson dates back over 40 years and has provided Brickworks with superior returns and security to weather periods of weaker building products demand.



Turning now to our results for the 2012 financial year.

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

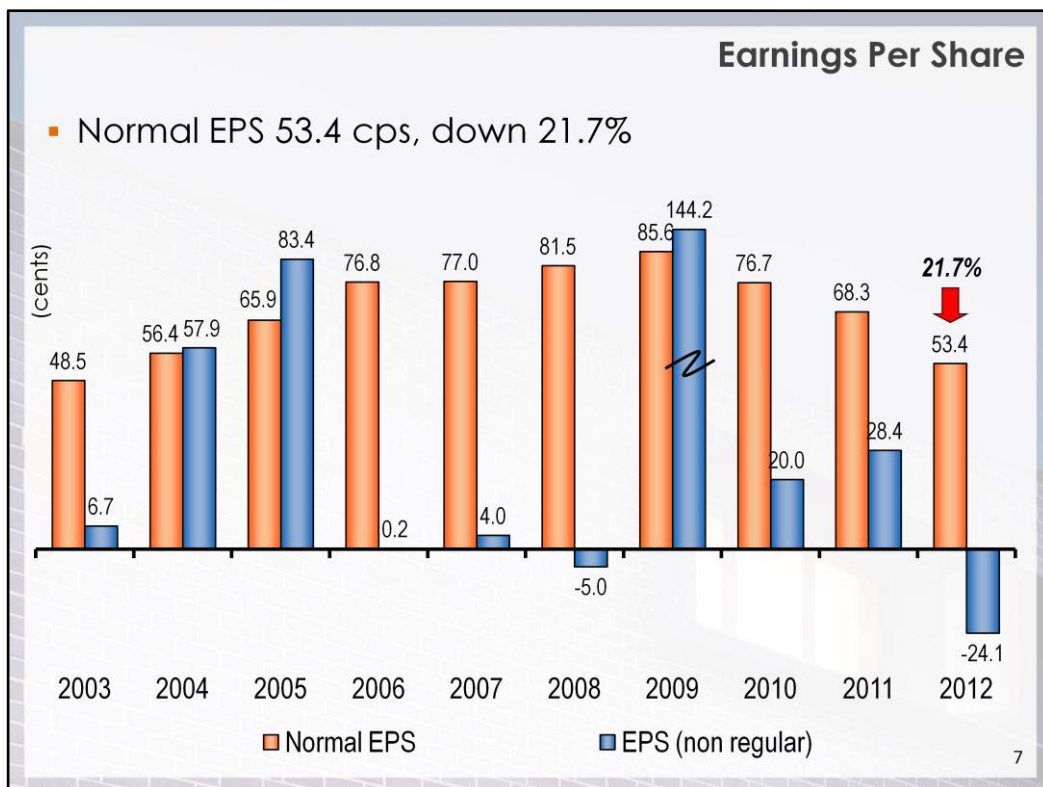
Earnings were adversely impacted by a poor result from the Building Products Group, with earnings down 32.1% on the back of continued declines in residential building activity.

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.

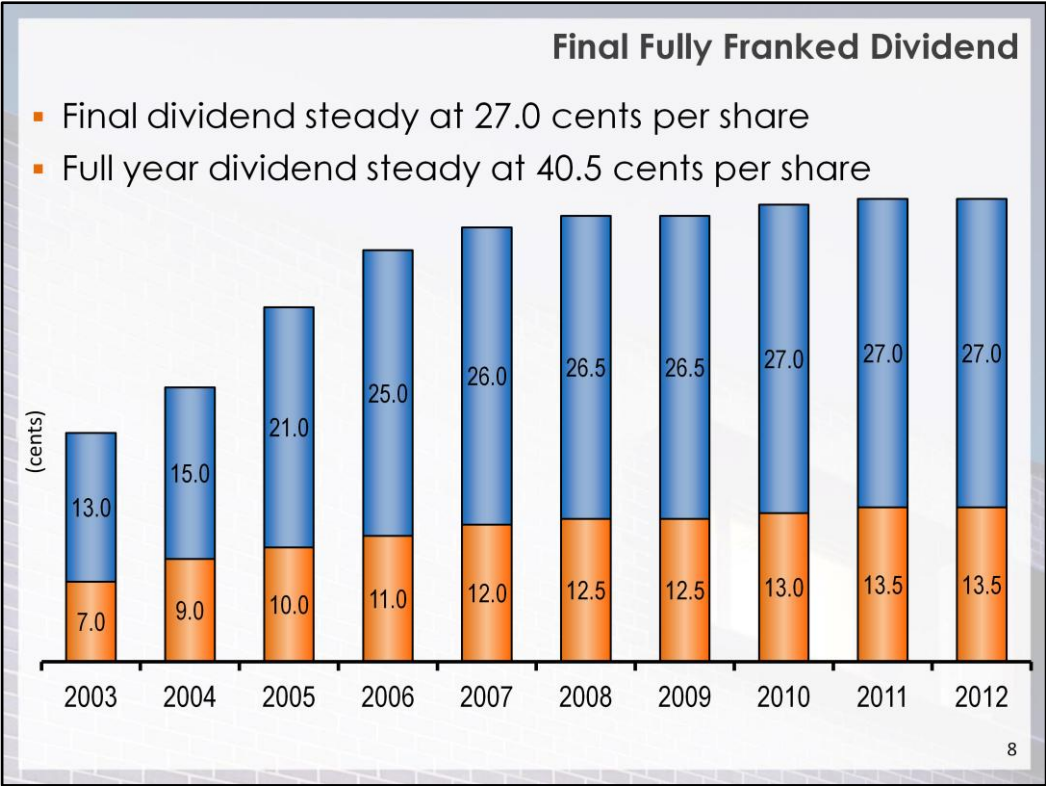
The Board took the prudent decision to write down the carrying value of some of our Building Products businesses by \$31.6 million due to the lower residential building activity and the inability to immediately recover the full impact of the carbon tax.

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

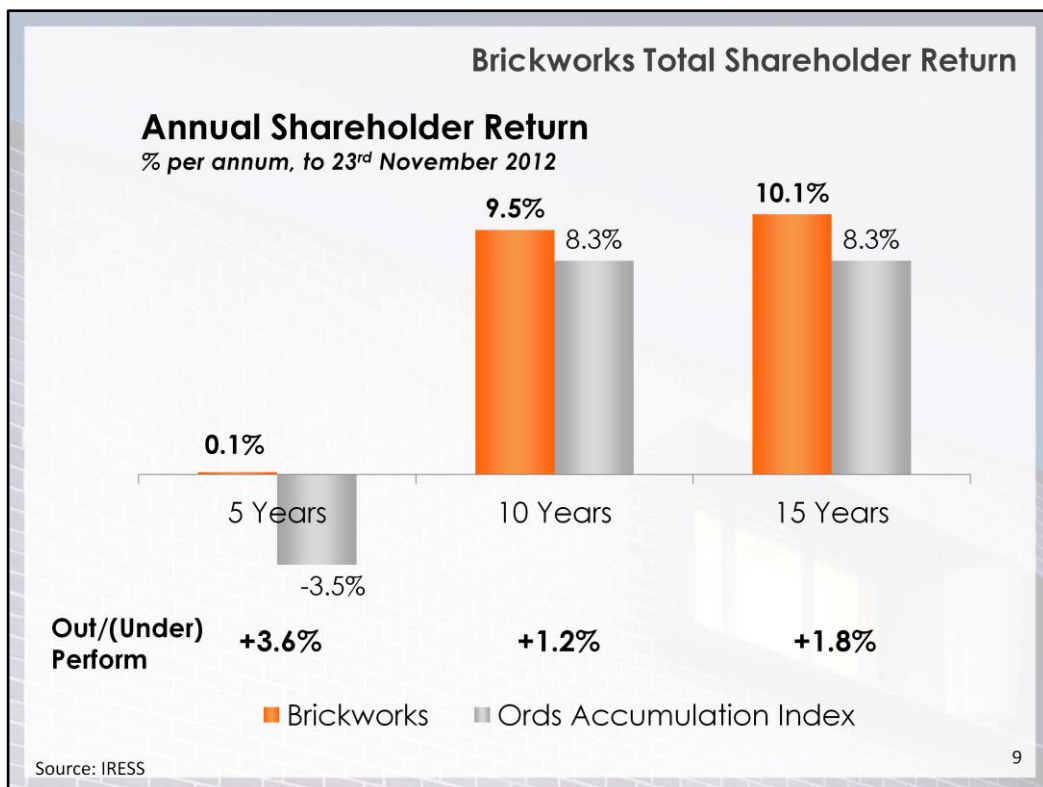


Normal Earnings Per Share decreased by 21.7% to 53.4 cents per share.

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 continues to outperform the All Ordinaries Accumulation Index in terms of Total Shareholder Return over the short, medium and long term. Over 5 years, Brickworks has outperformed the index by 3.6% per annum, over 10 years by 1.2% and over 15 years by 1.8%.

Major General Cedric “Sandy” Pearson



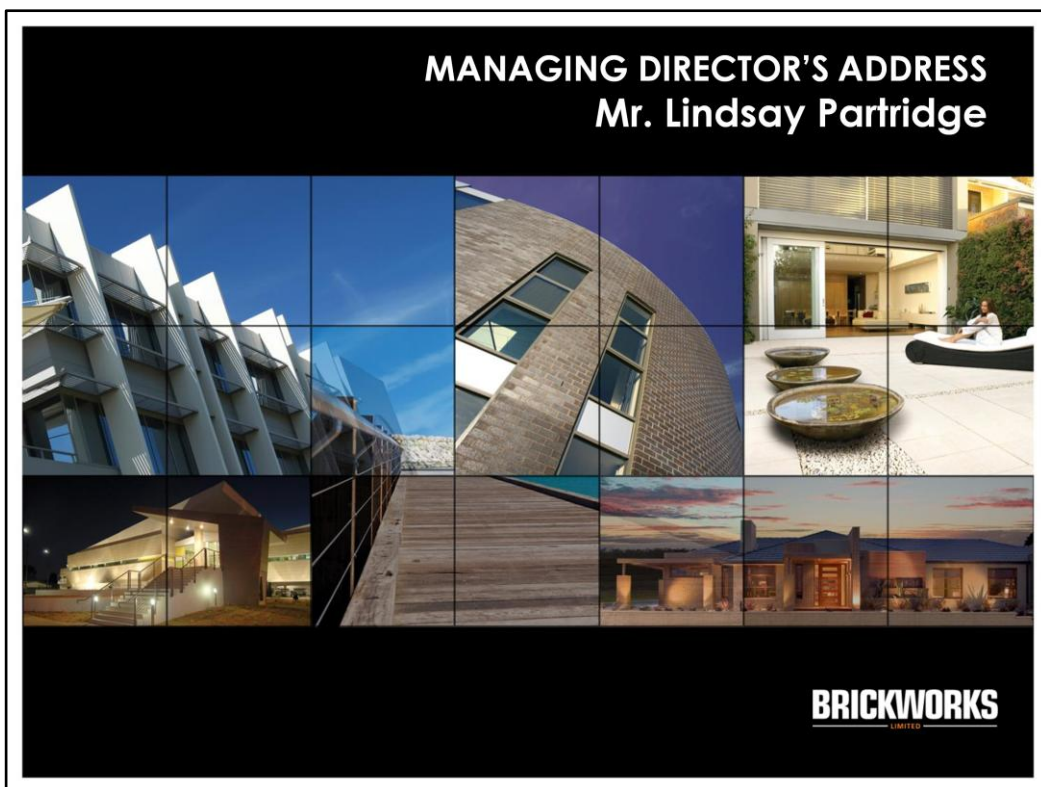
It is with great sadness that we advise Major General Cedric “Sandy” Pearson passed away on 7th November 2012. Mr Pearson was a Director of Brickworks for 14 years, between November 1983 and October 1997.

He also served in WW2 and later commanded the Australian Forces during the Vietnam War.

Major General Pearson was awarded the Military Cross, the Distinguished Service Order and was an Officer of the Order of the British Empire and the Order of Australia.

In his role as a Director of Brickworks, Sandy gained great insights into how a site operated, through simple means, such as always inspecting employee facilities whenever the opportunity arose. Importantly, he always considered the impact of the Boards decisions on the well being of the staff.

I will now hand over to our Managing Director, Mr. Lindsay Partridge to take you through the results in more detail.



Thank you Chairman. Good afternoon ladies and gentlemen.

I would like to join the Chairman in welcoming you here today to our 78th Annual General Meeting.

This year has most probably been the toughest year we have experienced since the bottom of the downturn in 1997, and much more difficult than the Global Financial Crisis in 2008.

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)

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The 2012 financial year was particularly 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.

Including the \$31.6 million goodwill impairment, the Headline NPAT was \$43.3 million.

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)

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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 July 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.

Net debt increased by \$36.1 million to \$285.4 million and the **interest cover** is 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

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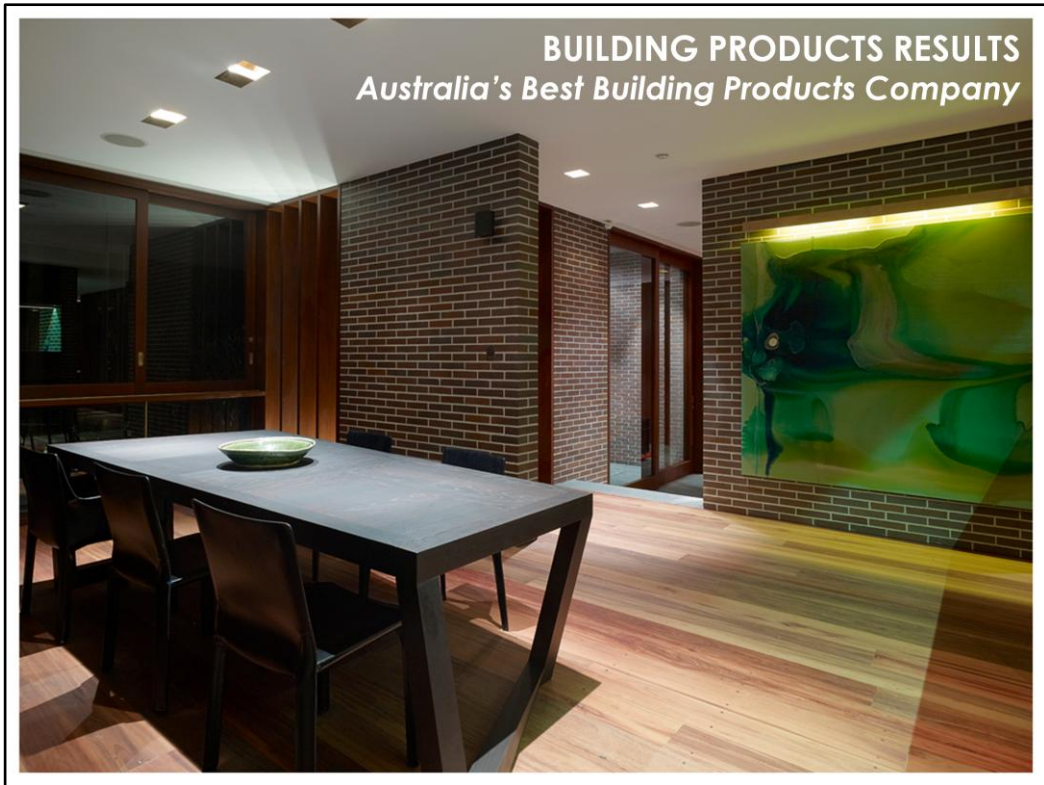
"Stay in Business" capital expenditure was \$14.3 million, representing 57.7% of depreciation.

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.

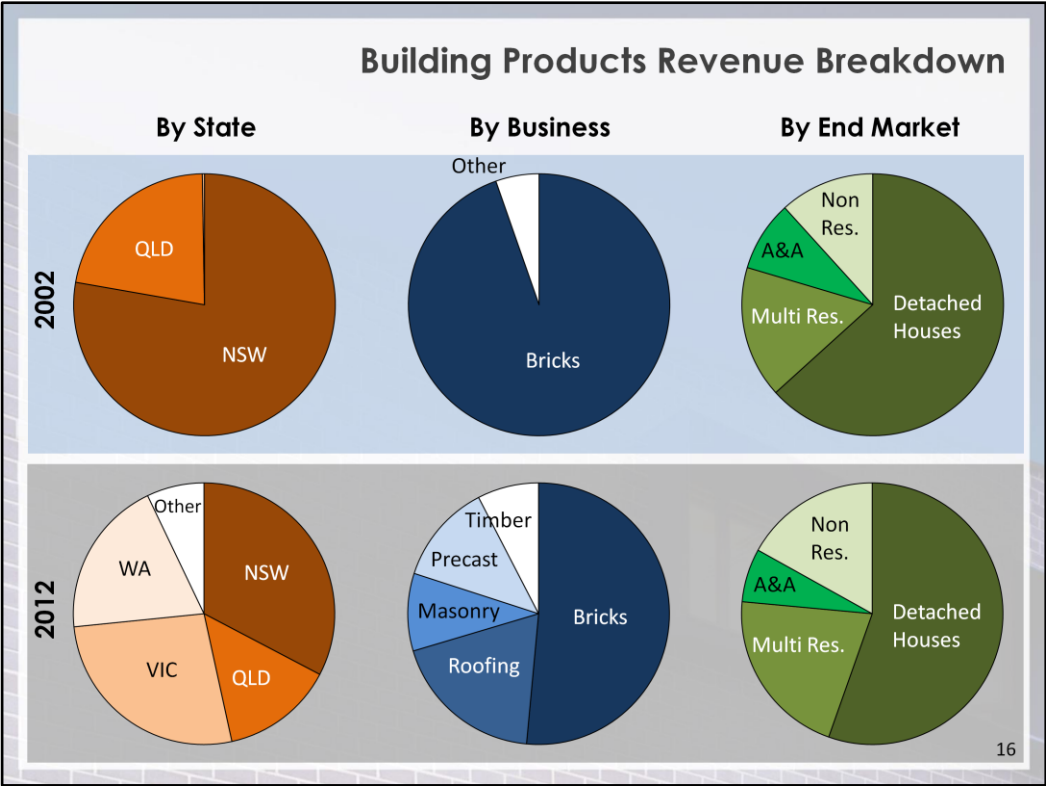
Spending on **acquisitions** totaled \$19.9 million for the year, up marginally on the prior year, comprising the Gunns Western Australian Jarrah assets, Boral Masonry's operation in Cairns, the remaining 50% share of Daniel Robertson Australia and a small independent precast concrete business in Brisbane.



Now looking at the Building Products Group in more detail.

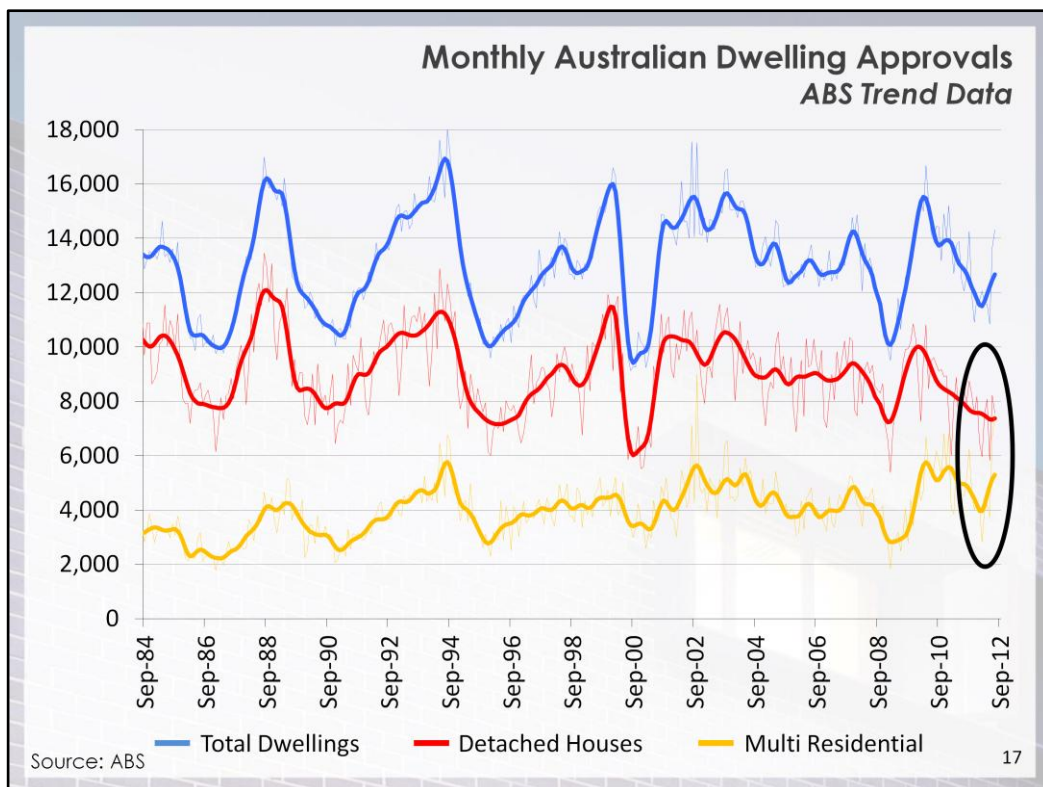
Brickworks' goal remains to be Australia's Best Building Products Company. This requires continued effort on being customer focused, striving for operational excellence, providing market leading products and services and investing in our people. We believe that we have made great strides towards achieving this goal, but there always remains work to be done.

Brickworks' long term view of the business is supported by a stable Board and management team. This has enabled the company to develop long term relationships with customers, suppliers, employees and the community while investing in manufacturing facilities and strategic raw material deposits vital for the long term competitive position of the business.



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, to a diversified national building products business with significant sales and operations in all states.

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



The higher growth of the multi-residential segment is highlighted in this chart that shows monthly **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 multi residential starts. Over the 30 year period the gradual convergence of the detached house and multi residential lines is clear.

It is also interesting that the mild upturn in total dwelling approvals since May has been driven by an increase in multi-residential approvals. Detached housing approvals on the other hand have failed to respond to lower interest and vacancy rates so far and remain close to historical lows.

Another feature of the current cycle that has hit the building industry particularly hard, is the short time period between successive low points. The impact of two lows in quick succession has resulted in significant capacity reductions across the industry, the outcome of which will be an improved industry structure going forward.

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
EBIT¹	\$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

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Turning now to the Building Products result in more detail.

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 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.



- Commenced operations in 1908
- Australia's largest brick manufacturer with strong positions in all regions
- Earnings decreased in FY2012 as market conditions continued to deteriorate
- Significant restructuring activities

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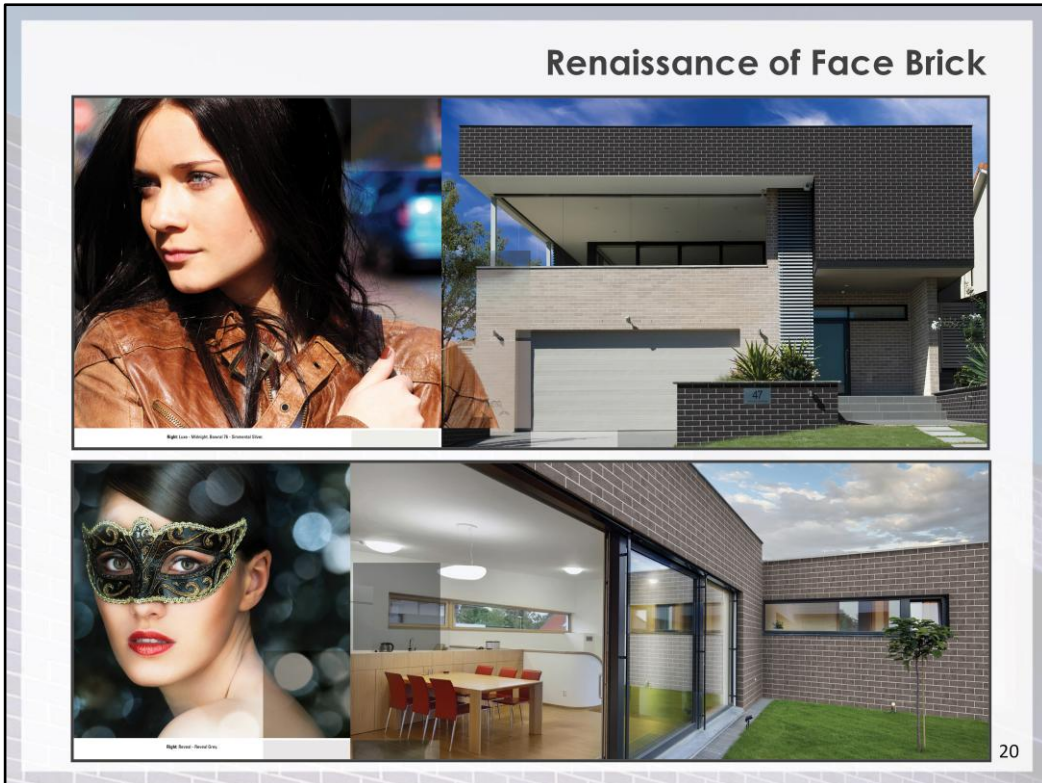
Austral Bricks commenced operations in 1908 and is Australia's largest clay brick manufacturer with significant market positions in every state.

Austral Bricks delivered lower earnings for the year, as market conditions continued to deteriorate. Conditions in Western Australia are particularly challenging as a result of depressed levels of activity and increased competition in this market. Earnings in Victoria 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.

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

The picture on the screen shows pressed red bricks from the Wollert factory in Victoria. This project recently won the Think Brick Horbury Hunt Award for excellence in brickwork in the residential category.

Renaissance of Face 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 general purpose commons used for rendering, and the modern look and low maintenance finish is effectively combating the threat of alternative products.



bristile ROOFING™

- Concrete rooftile plants in Queensland and Victoria
- Terracotta plant in Western Australia to be closed – transition to importation
- Sales revenue down 15.7%
- Reduced earnings with declines in detached house activity
- La Escandella distribution agreement

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Bristile Roofing is one of Australia's major manufacturers and installers of roof tiles. Bristile has two concrete roof tile plants, one at Wacol in Queensland and one at Dandenong in Victoria, that service the entire east coast. The terracotta tile plant at Caversham in Western Australia has historically supplied tiles to the local market and the east coast, however this plant will close at the end of this month as we transition to imported terracotta tiles.

Bristile Roofing also suffered from the decline in residential building activity, with total sales revenue down 15.7% on the prior year, to \$104 million. The exit of a major competitor in Queensland has provided a significant boost to sales in that state.

In July 2012 Bristile Roofing was appointed as an exclusive distributor of La Escandella premium terracotta roof tiles in Australia and New Zealand, providing an improved platform to further grow sales of this popular range.




- Rapidly grown through acquisition since 2006 to be Australia's third largest player
- Increases Brickworks exposure to other residential and non-residential markets
- Solid contribution from the acquired Cairns operation
- Sales Revenue down 3.3%

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Brickworks expanded into concrete masonry with the acquisition of a number of independents to form Austral Masonry. In 2006 Brickworks owned just one Masonry plant in Dandenong, Victoria. Since that time it has grown rapidly through the acquisition of a number of independent operators and is now established as one of Australia's largest masonry manufacturers.

This expansion into masonry provides Brickworks with increased exposure to the multi-residential and non-residential markets.

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 has reached an agreement with Boral to purchase its' masonry operation in New South Wales, subject to ACCC approval.

The picture on the screen shows split face Artique blocks in a residential project in Victoria.





- Rapid growth through acquisition to become the only national precast supplier
- High growth market
- Sales revenue up 20.3% to \$68 million
- Installation of concrete batching plant in NSW complete
- Consolidation to one site in Queensland following acquisition

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Austral Precast is the only truly national supplier of precast walling and flooring products. Austral has two of the three automated carousel plants in Australia, one at Wetherill Park in Sydney and one at Maddington in Perth. Precast is the fastest growing product in the external walling market in Australia and represents a significant growth opportunity for the Building Products Group.

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

Installation of the concrete batching plant at Wetherill Park is now complete and commissioning is underway. A photo of the batching plant is shown on the screen. The batching plant will allow 24 hour operation and will enable the consolidation to one site in New South Wales. 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 will deliver additional scale and manufacturing efficiencies following the relocation of operations to the acquired company's site in August.



- Operates four sawmills and two value added facilities with distribution throughout Australia and a number of export markets
- Supports roofing business with battens
- Sales revenue up 12.4% to \$40.6 million, due in part to the acquisition of Western Australian Jarrah assets in December 2011

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Auswest Timbers operates four sawmills in Fyshwick in the ACT, Orbost in Victoria and Pemberton and Deanmill in Western Australia. Product is also processed at two value adding facilities, one in Bairnsdale in Victoria and one at Manjimup in Western Australia. Auswest supplies battens for our roof tile business as well as to other customers in the roofing market. The business also supplies structural timber, both green and dried, pre finished flooring and various other timber products. All timber sawn is provided from either Government State Forest or private plantations.

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.

The acquisition in Western Australia places operations in that state in a secure position for the long term. 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.

The picture on the screen is green structural Karri from Western Australia, used on the Mindarie Keys wharf in Western Australia.

Building Products First Quarter Update

- Revenue steady despite slight volume decreases in bricks, roofing and masonry
- Encouraging pricing outcomes in most businesses
- Bricks and roofing margins improved
- Unexpected disruptions in some operations
- Steady Building Products earnings anticipated in the current year



Despite slightly lower volumes in the bricks, roofing and masonry divisions, sales revenue for the first quarter of financial year 2013 was steady compared to the prior corresponding quarter, primarily as a result of solid price increases achieved across most divisions.

Some challenges remain, such as in Austral Bricks Western Australia where price increases have been difficult to achieve.

Margins in the Austral Bricks and Bristle Roofing divisions have benefited from significant restructures that were completed in the prior year.

Two fires, one at the Auswest Timbers Deanmill site in Western Australia and the other at the Wollert brick factory in Victoria, in addition to flooding at the Wetherill Park precast plant in New South Wales have significantly disrupted operations during the quarter.

These events are covered by insurance policies and Brickworks expect to fully recover damaged plant and equipment and lost earnings.

On balance, we anticipate that the Building Products Group will deliver stable earnings for the current year.



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. There is significant surplus land surrounding this facility. This land has recently been re-zoned Industrial, allowing it to 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

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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.

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%

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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.

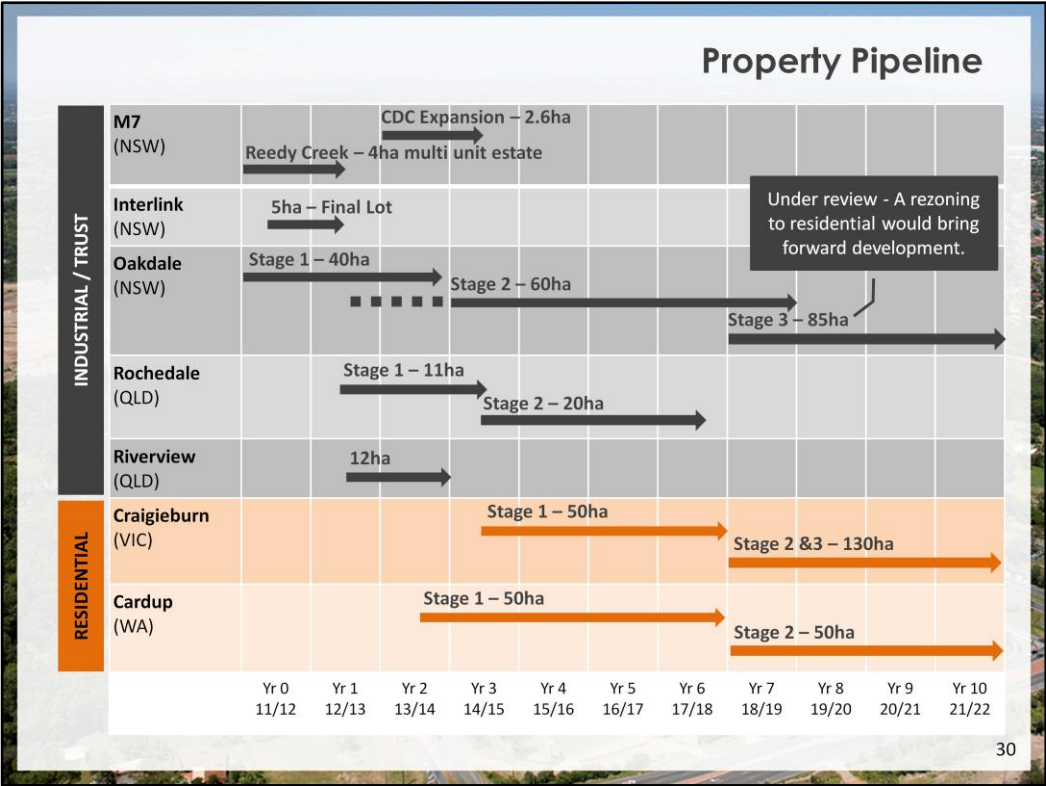
In addition, \$0.8 million was contributed through the sale, above book value, of two vacant lots from the Heritage Trust.

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%

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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%.



The properties shown in the table 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.

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.

Land & Development Outlook

- Demand for new site developments is improving from a weak base across the broader market
- Rental returns from the Property Trust to increase as development work is completed
- Land sales are expected to increase in FY2013 with sales into the Property Trust and to third parties
- Rezoning work continuing on Craigieburn in Victoria, Oakdale in New South Wales and Cardup in Western Australia



It is anticipated that rental returns and capital growth from the **Property Trust** will increase, assisted by the completion of a 23,000 square metre, five unit facility at Reedy Creek on the M7 Business Hub in Sydney and a 31,000 square metre, three unit estate on vacant land at Interlink in Sydney.

In addition, construction work will commence in January 2013 on the third DHL facility at Oakdale and expansion of the existing Toll Holdings facility on the M7 Estate.

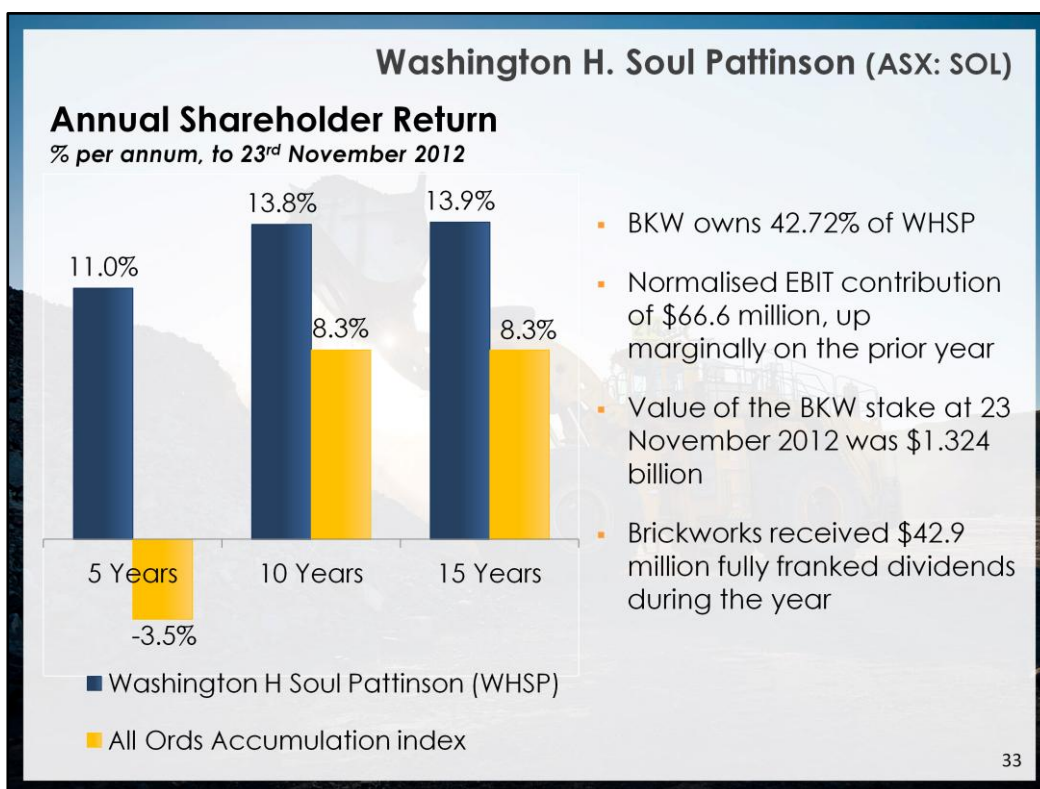
Land sales are expected to increase in the current year, with a strong pipeline of potential sales in place. Sales into the Property Trust during financial year 2013 are forecast to include a 60 hectare parcel of land at the Oakdale South site in Sydney.

Following the re-zoning of the Rochedale site in Queensland, investigation into the provision of services is underway.

Work continues on rezoning surplus sites already identified for development including Craigieburn in Victoria 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, TPG Telecom, API, BKI Investment Company, Clover, Ruralco and Brickworks.

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 \$1.324 billion at 23 November 2012.

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 14.5% p.a. over five years, 5.5% p.a. over ten years and 5.6% p.a. over fifteen years.



In conclusion the outlook for the business is as follows

Brickworks Group Outlook

- Building Products earnings expected to be steady
- In the medium term, industry rationalisation and improvements in building activity will assist
- Land and Development earnings expected to increase, with a strong pipeline of potential land sales and continued growth of the Property Trust
- Investments should continue to deliver stable earnings



Building Products earnings are expected to be steady 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 **Investments** 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.

We have a number of our executive staff here today and I would like to introduce them.

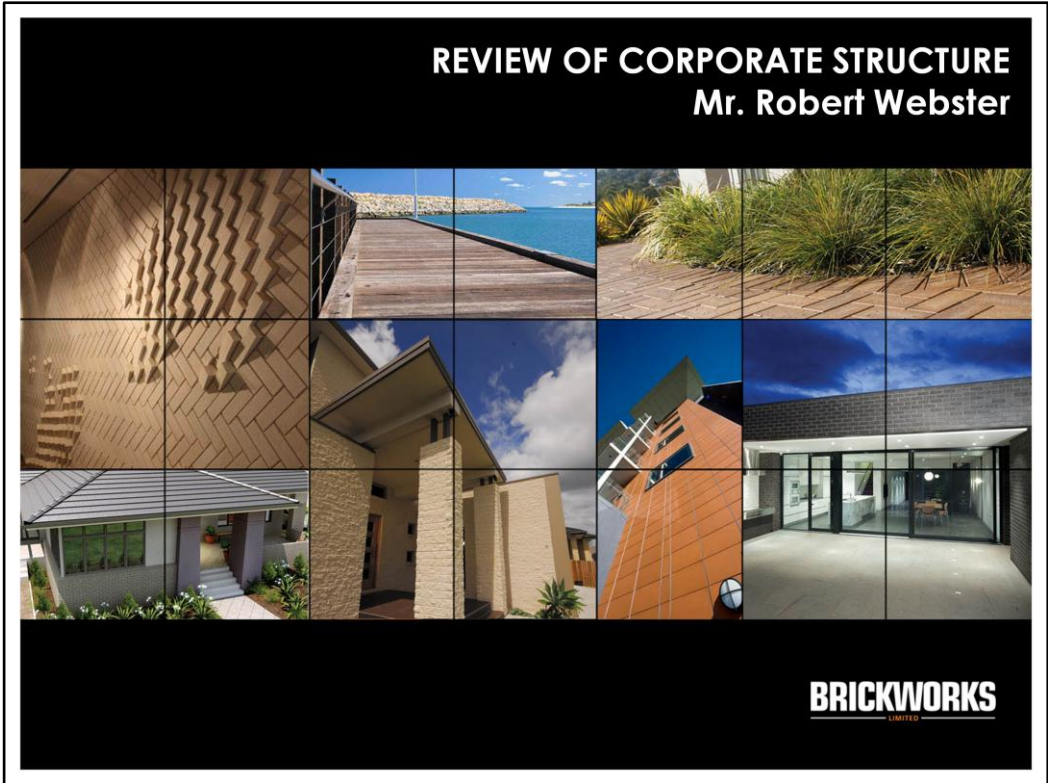
Mr. Mark Finney	Group General Manager Austral Bricks East Coast
Mrs. Megan Kublins	Executive General Manager Land & Development
Mr. David Fitzharris	Group General Manager Sales and Marketing
Mr. Mark Ellenor	General Manager Austral Bricks New South Wales
Mr. Mark Callagher	General Manager Corporate Development
Ms. Cathy Inglis	Group Technical Research and Engineering Manager
Mr Wally Kluktewicz	Group Human Resources Manager
Mr Brett Ward	General Manager Marketing

In addition we have several other staff members here today who have made an outstanding contribution to Brickworks over the year.

I'd also like to take this opportunity to thank the Directors for their guidance and support during this very difficult year.

Thank you for your attendance today and continued support of Brickworks Limited.

I will now hand over to Mr. Robert Webster who will provide an update on a review of the corporate structure, on behalf of the Independent Directors.



Thank you Lindsay. Good afternoon ladies and gentlemen.

Review of Corporate Structure Overview

- Over the last 12 months, Brickworks has undertaken a formal review ("Restructure Review") of the investment in Washington H. Soul Pattinson ("WHSP")
- Brickworks formed an Independent Committee to manage the Restructure Review
- Independent advice provided by experts in taxation, law and finance

BRICKWORKS
LIMITED

Independent Committee

The Hon. Robert Webster¹

Brendan Crotty


Robert Millner²
(Chairman)

David Gilham

Lindsay Partridge (MD)

Michael Millner³

Independent advisors

 **pwc**

**KING & WOOD
MALLESONS**

LION CAPITAL

1. Lead independent director

2. Chairman of Washington . H. Soul Pattinson (WHSP)

3. Michael Millner resigned from the Board of WHSP on 1 October 2012

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At the 2011 Annual General Meeting, the Chairman commented that Brickworks was reviewing its' corporate structure and in particular the investment that Brickworks has in Washington H. Soul Pattinson.

Brickworks owns 42.74% of WHSP and, in turn, WHSP owns 44.41% of Brickworks. This cross-shareholding structure has been in place for over forty years.

Over the last 12 months, Brickworks has invested significant time and resources undertaking a review of this structure.

An independent committee was formed to manage the process, led by myself as the Lead Independent Director.

This ensured there was no potential for any conflicts of interest.

We also received independent advice from expert advisers in the areas of taxation, law and finance.

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Review of Corporate Structure Key Issues Considered

- The Restructure Review assessed numerous potential structures
- The implications on shareholder value of each restructure were considered, including:
 - Brickworks' corporate strategy
 - Business outlook for each division
 - Approvals required
 - Timing
 - Ownership and control aspects
 - Implementation costs

Examples of restructures considered

1. **Distribution of shares** in WHSP to Brickworks shareholders
2. **Buyback** of shares held in each other by WHSP and Brickworks
3. **Corporate restructures** between Brickworks and WHSP
4. **Various combinations** of the above (including those proposed by Perpetual to Brickworks)

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The Restructure Review considered all realistic restructure options within the control of Brickworks.

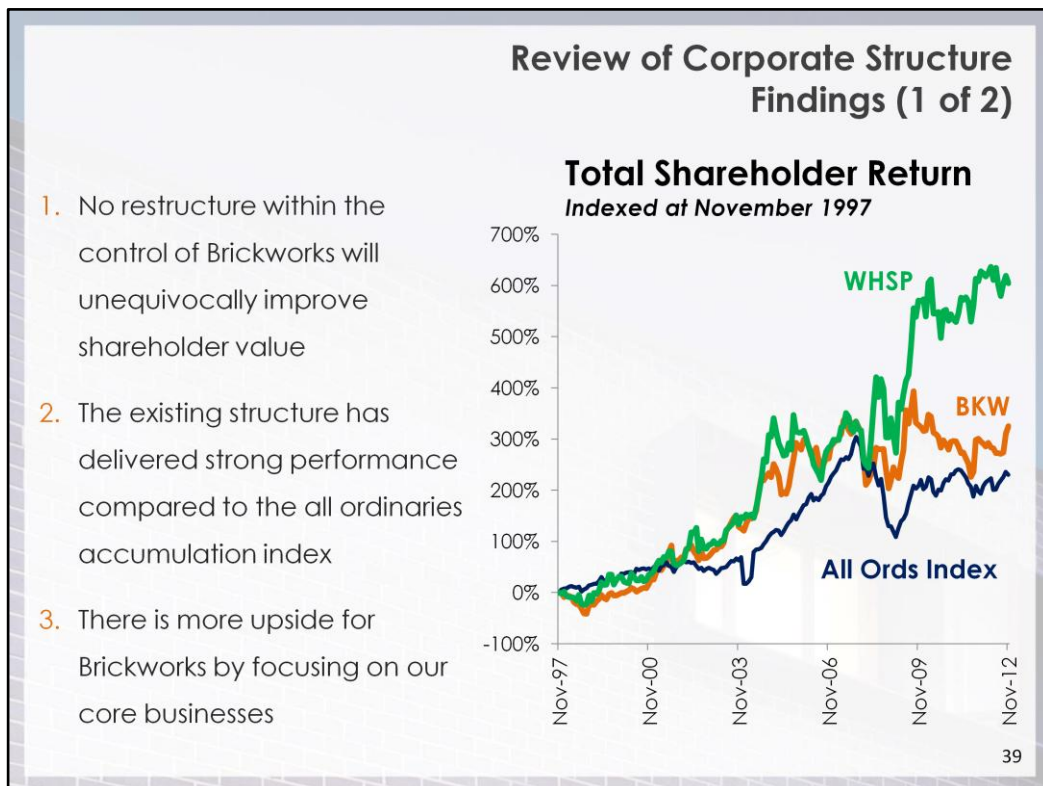
This includes some alternatives proposed by Brickworks' second largest shareholder, Perpetual.

The Independent Committee considered whether any restructure could create more value for all Brickworks shareholders compared with the current structure.

We also looked at how any restructure would impact on Brickworks – both in the short-term and long-term.

Without listing them all, the table on this page highlights some of the structures that were assessed such as:

- Distribution of shares in WHSP to Brickworks shareholders
- Buyback of shares held in each other by WHSP and Brickworks
- Corporate restructures between Brickworks and WHSP
- Various combinations of the above



As you can see, a comprehensive assessment of Brickworks' structure has been undertaken.

Following this, the Independent Committee reached 3 key findings:

Firstly, there is no realistic restructure within the control of Brickworks that will unequivocally improve shareholder value. In fact, many of the restructure alternatives would actually reduce value for Brickworks. This includes crystallising unrealised taxes that will unlikely be payable under the current structure.

Secondly, the existing structure has delivered strong shareholder returns compared to the all ordinaries accumulation index, as shown by the chart on the screen.

Thirdly, in the current economic environment, there is more upside for Brickworks shareholders from focusing on improving the performance of our core businesses.

These businesses are well positioned for growth, based on:

- Improved medium term expectations for a recovery in residential building activity; and
- A significant property portfolio that will increase in value over time

Review of Corporate Structure Findings (2 of 2)

- The Independent Committee concluded that retaining the current structure is the best alternative for shareholders at the current time
- The Brickworks Board unanimously agrees with this conclusion
- Brickworks remains focused on growing shareholder value by maintaining a long-term and strategic approach to all activities

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Based on our findings thus far, the Independent Committee has recommended to the Board that Brickworks retains the current structure.

Given the materiality of this recommendation, it has also been assessed by the full Brickworks Board, who unanimously endorsed the findings and conclusions reached by the Independent Committee.

The current structure of Brickworks, including its shareholding in WHSP, provides clear benefits for the company, including:

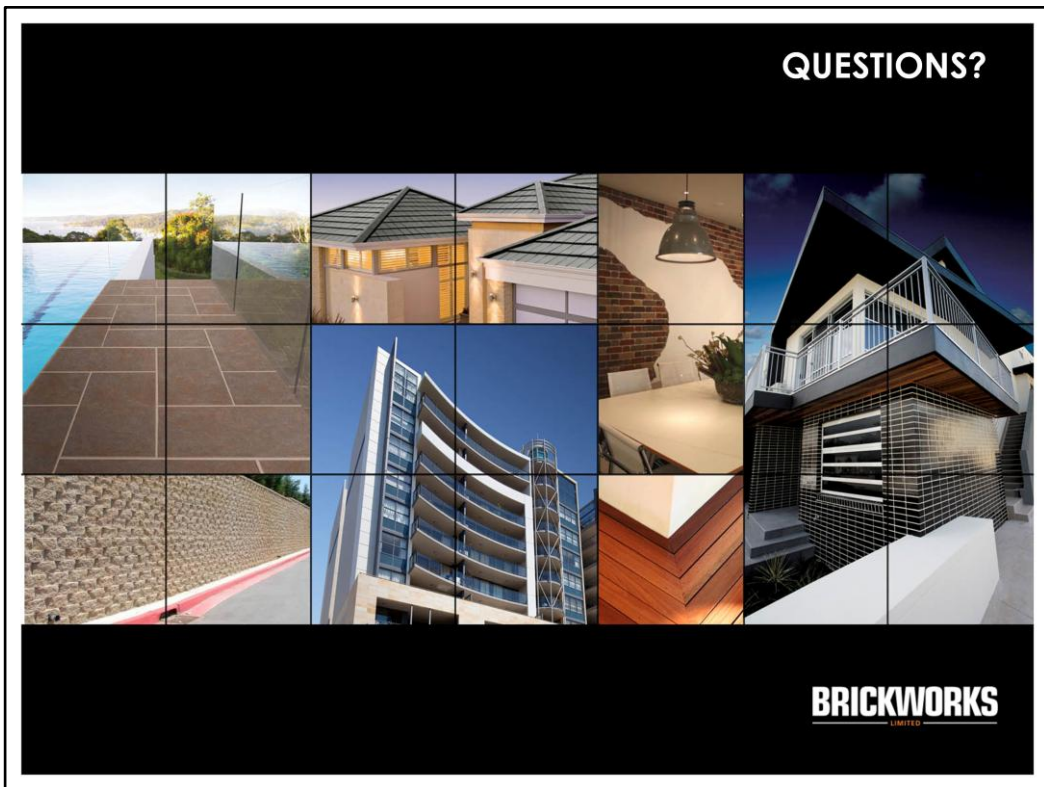
- WHSP has a large and diversified investment portfolio that has consistently delivered superior returns
- Counter-cyclical earnings compared to the Building Products and Property Groups.
- WHSP's 60% ownership of New Hope Coal provides Brickworks with participation in the resources industry, with New Hope Coal having increased in value significantly and paid \$1.3 billion in dividends over the past five years.

Our current structure has led to strong performance for Brickwork shareholders; including:

- Long-term outperformance of Brickworks versus most benchmarks;
- Much less volatile earnings (which means that we don't suffer the same volatility as if we were solely a building products and property company); and
- A long history of growing dividends.

Brickworks remains focused on continuing to grow value for all shareholders by maintaining the same long-term approach that has worked so well in the past, however we will continue to evaluate and consider any proposal that has the potential to add shareholder value.

I will now hand back to the Chairman.



Thank you Robert.

I will now take any questions?

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