

BRICKWORKS

LIMITED

27 September 2011

Australian Securities Exchange
Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir/Madam,

Please find attached a presentation to be given to analysts this morning, for immediate release to the market.

Yours faithfully,
BRICKWORKS LIMITED



IAIN THOMPSON
COMPANY SECRETARY

BRICKWORKS LIMITED


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BRICKWORKS VICTORIA
Mr Lindsay Partridge, Managing Director Brickworks
Mr Peter Caughey, General Manager Austral Bricks Victoria



27 September 2011


BRICKWORKS
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Presentation Outline

- Brickworks Overview
- Building Products - Victoria
- Austral Bricks (+ Strategy)
- Austral Masonry
- Bristile Roofing
- Auswest Timbers
- Questions

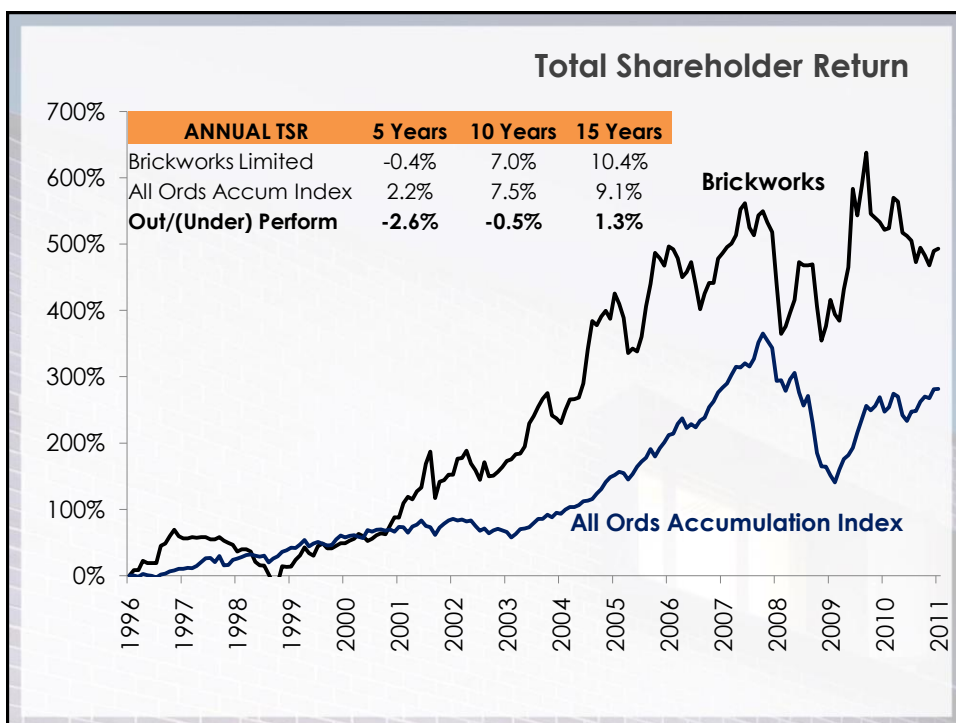


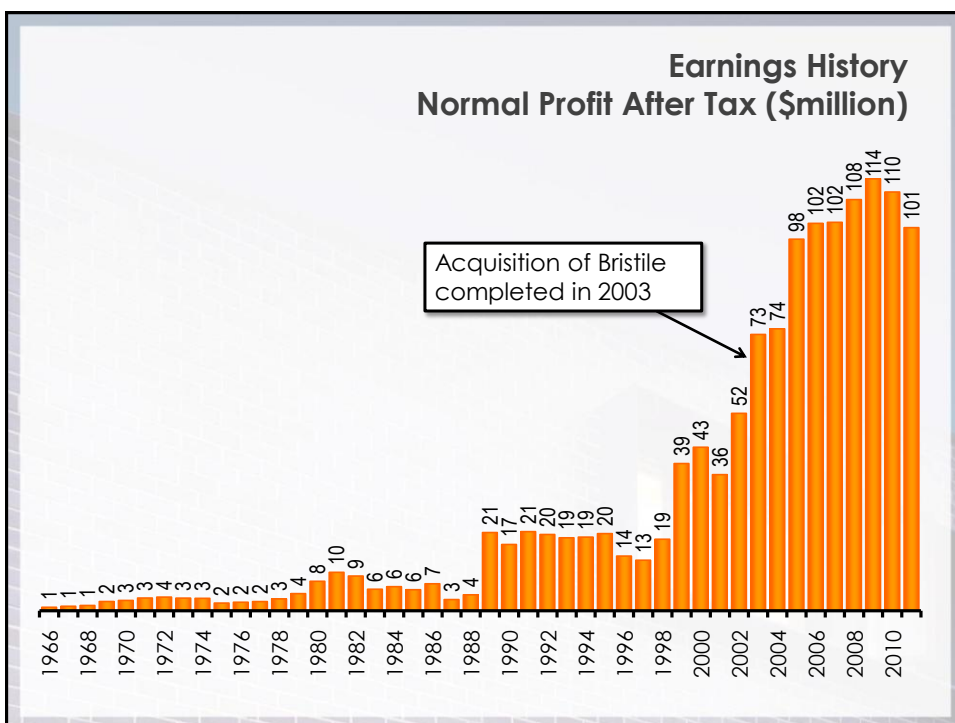
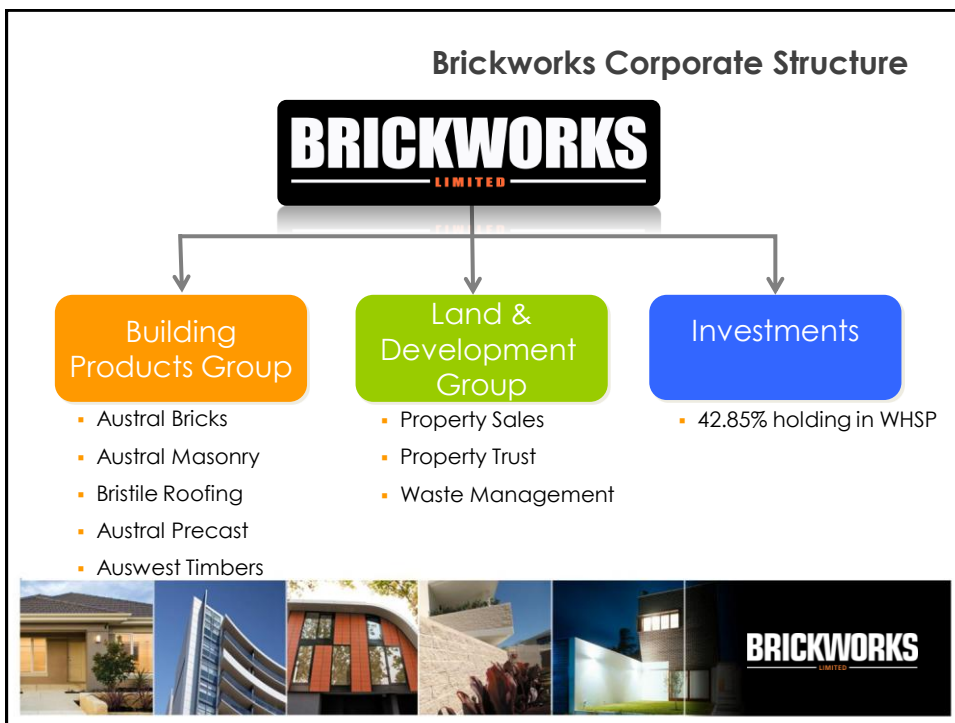
BRICKWORKS
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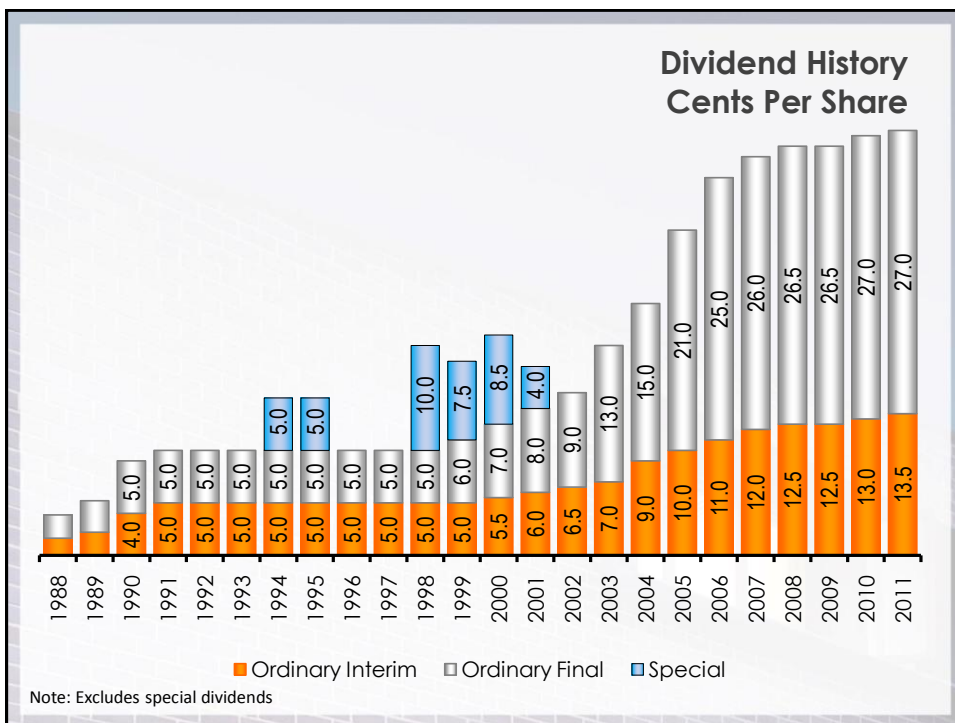


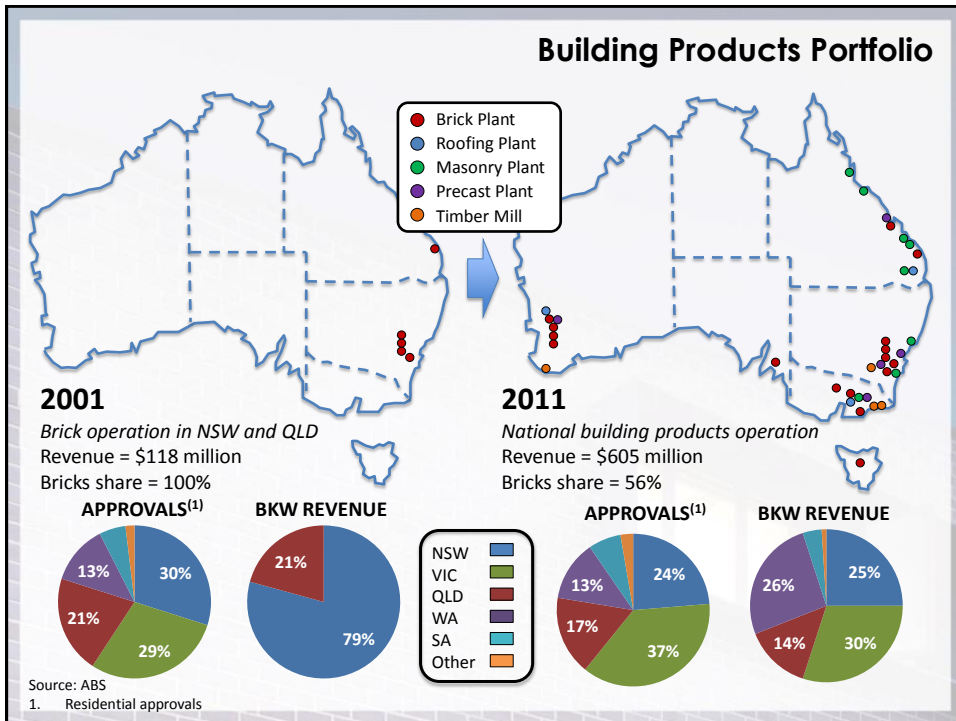
Brickworks Overview

- Established in 1934
- Listed on ASX in 1961
- Market capitalisation approx. \$1.4 billion
- 9,000 shareholders
- 1,400 employees







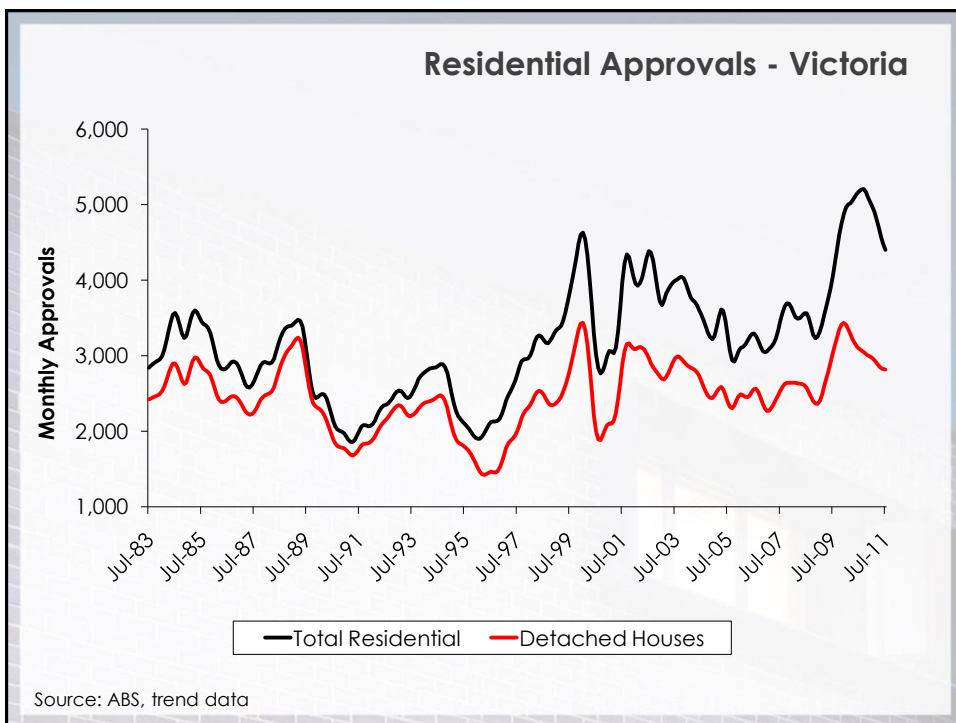
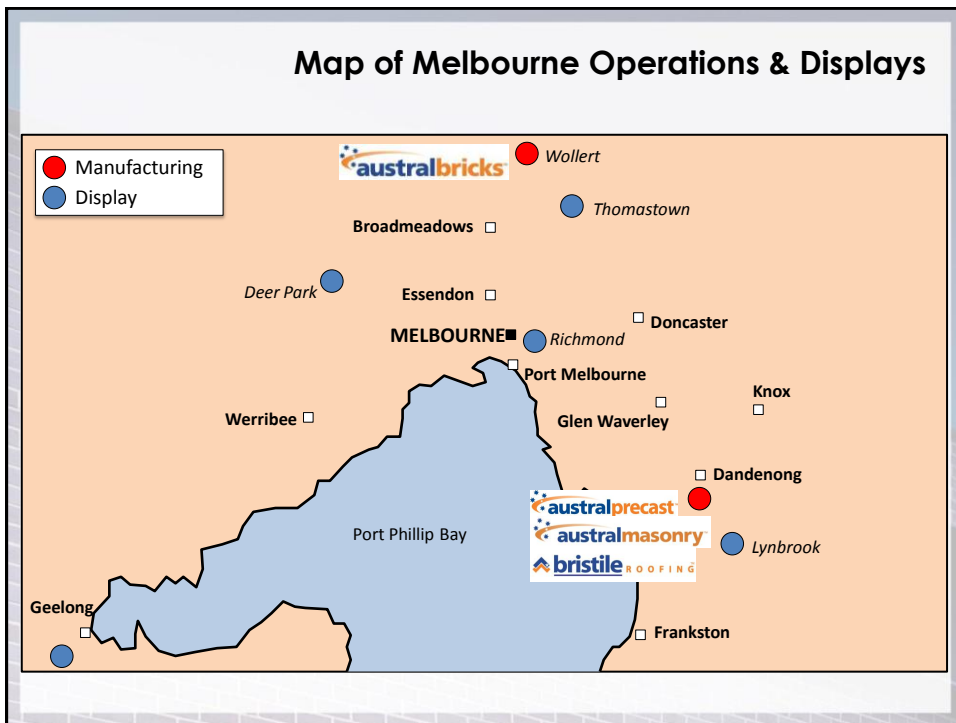


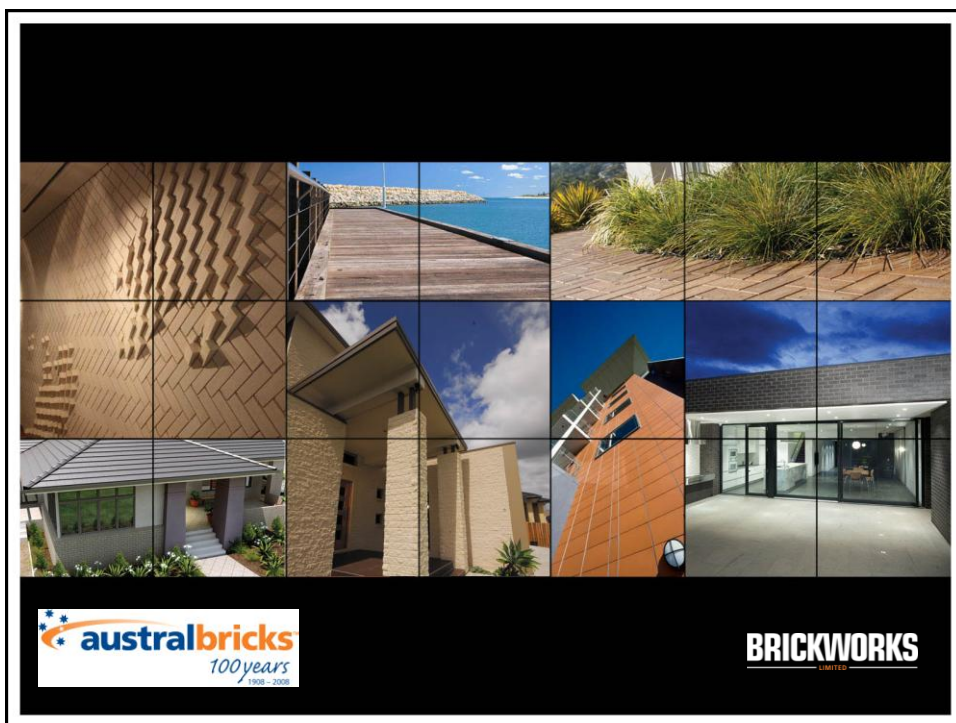
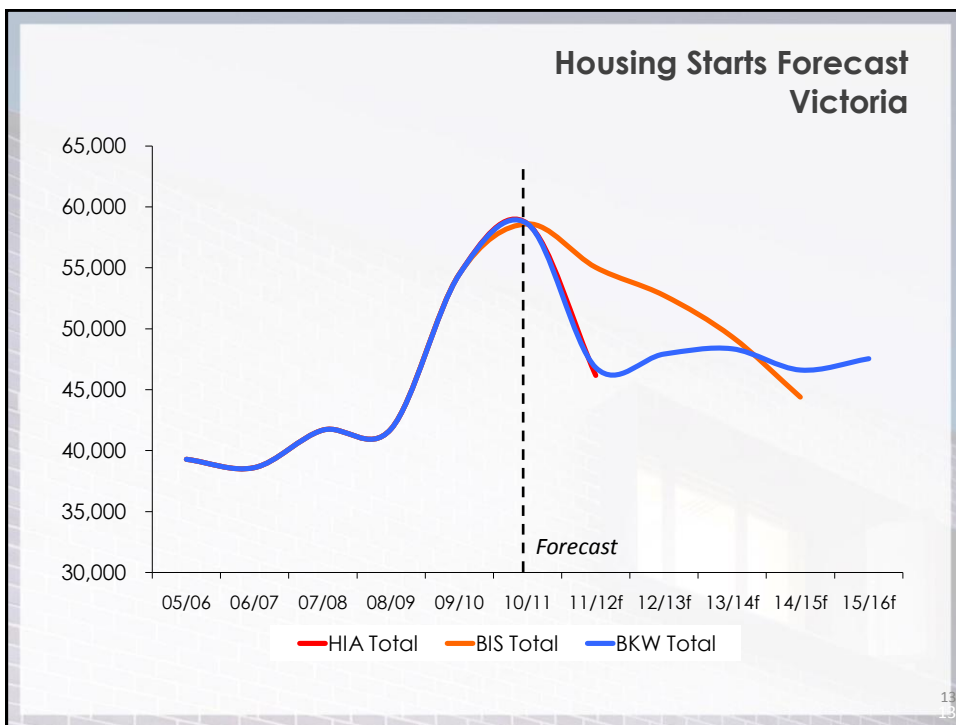
Building Products Portfolio


BUILDING PRODUCTS DIVISION
FY2011 REVENUE, \$604 million
Total employees, 1,400

AUSTRAL BRICKS	<ul style="list-style-type: none"> Australia's largest brick manufacturer with strong positions in all regions New Wollert kiln in Victoria lit on 1st July
AUSTRAL MASONRY	<ul style="list-style-type: none"> Rapidly grown through acquisition since 2006 to be Australia's third largest player
BRISTILE ROOFING	<ul style="list-style-type: none"> Concrete roofline plants in Queensland and Victoria and terracotta plant in Western Australia
AUSTRAL PRECAST	<ul style="list-style-type: none"> Rapid growth through acquisition to become the only national precast supplier High growth market
AUSWEST TIMBERS	<ul style="list-style-type: none"> Operates three sawmills and two value added facilities with distribution throughout Australia and a number of export markets

All divisions have a strong presence in Victoria







Austral Bricks™ Victoria Overview

- Predominantly a face brick market
- Rationalised production footprint
- Victorian plants running at capacity, plus drawing in significant interstate volume
- Volume up, particularly with Majors
- Brick and paver price increase followed by competitors. Constant price increases rather than large one-offs
- Focus on premium differentiated product

Building Products Strategy

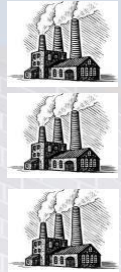
“To be Australia’s Best Building Products Company”
“Iconic brand with superior and sustainable market position, returns, customer satisfaction and employee engagement”

PORTFOLIO STRATEGY	ASSET MANAGEMENT	BUSINESS PERFORMANCE
<ul style="list-style-type: none"> ▪ Market Diversification: Reduce exposure to the detached house market ▪ Geographic Diversification: balance sales to building activity across Australia ▪ Growth: Invest in Precast to be new earnings driver for Building Products 	<ul style="list-style-type: none"> ▪ “Quarry to end-use” ownership of assets ▪ Optimal land usage (in conjunction with Property division) ▪ Optimal capex solutions ▪ Lease when advantageous: align financing with asset life 	<ul style="list-style-type: none"> ▪ Customer focused: be the “easiest to do business with” ▪ Market leading products and services, to attract premium prices ▪ Operational excellence ▪ Align employees with strategy
<i>Earnings stability</i>	<i>Superior manufacturing and property returns</i>	<i>High margins</i>
<p>= Superior shareholder performance</p>		

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Asset Management Wollert

- PREVIOUS**
- SCORESBY
SOLD
 - CRAIGIEBURN
PREPARED FOR SALE
 - SUMMERHILL / WOLLERT



Land sale proceeds = \$117m

Additional land release of 210ha¹ (Book value \$28m)
Est. value \$105m

Operational land 278 ha to be kept, book value \$15m

2012



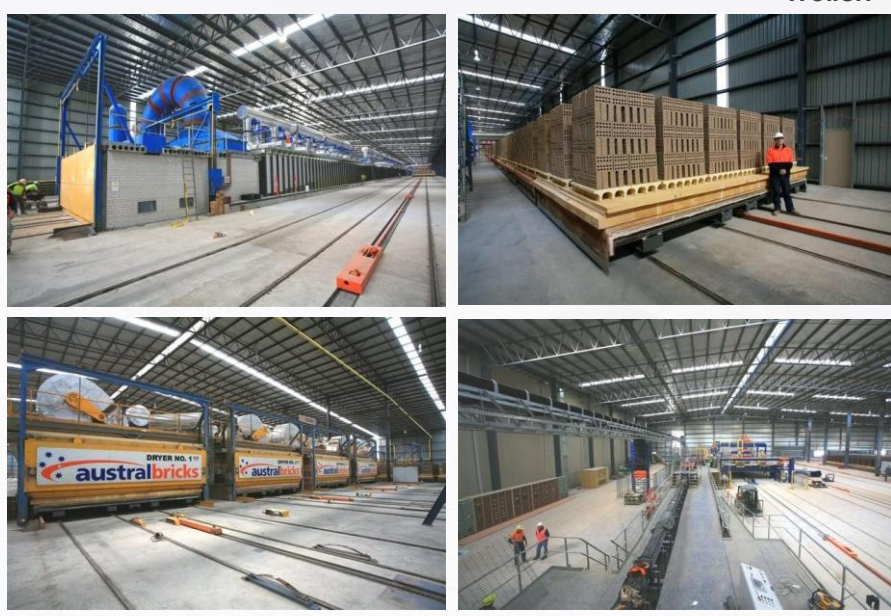
WOLLERT

Plant leased²: Total project \$130m;
\$100m leased over 20 year term

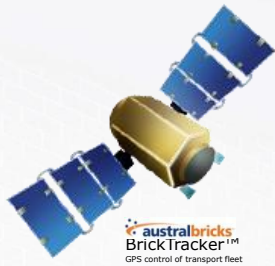
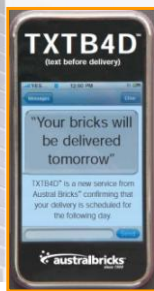
Sites / Kilns	3 / 7	➔	1 / 2	
Capacity	225m SBE		170m SBE	
First quality recovery	75%		99%+	➕ 65%
Production employees	170		59	➕ 67%
Real capital deployed	\$388 m		\$129 m	➕ 64%
Emissions (CO ₂ Tonnes)	179,900		64,900	
Real production cost				Down 22%
Real return on capital				Above 20%

1. Land available for sale /development at Craigieburn

Asset Management Wollert



Business Performance Customer Focused – “Easiest to do Business With”



Powered by...



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Business Performance Customer Focused – “Easiest to do Business With”

- Display Centres located at:
 - Scoresby replaced by Lynbrook (2009)
 - New displays at Geelong & Ballarat (2010)
 - Thomastown and Deer Park refurbished (2011)
 - Richmond opened in September
 - Albury/Wadonga opening in October
- All displays feature masonry, roof tiles, timber and pre-cast
- Moving displays to high growth areas
- Changing display emphasis into direct sales outlets
 - Cost centre to profit centre

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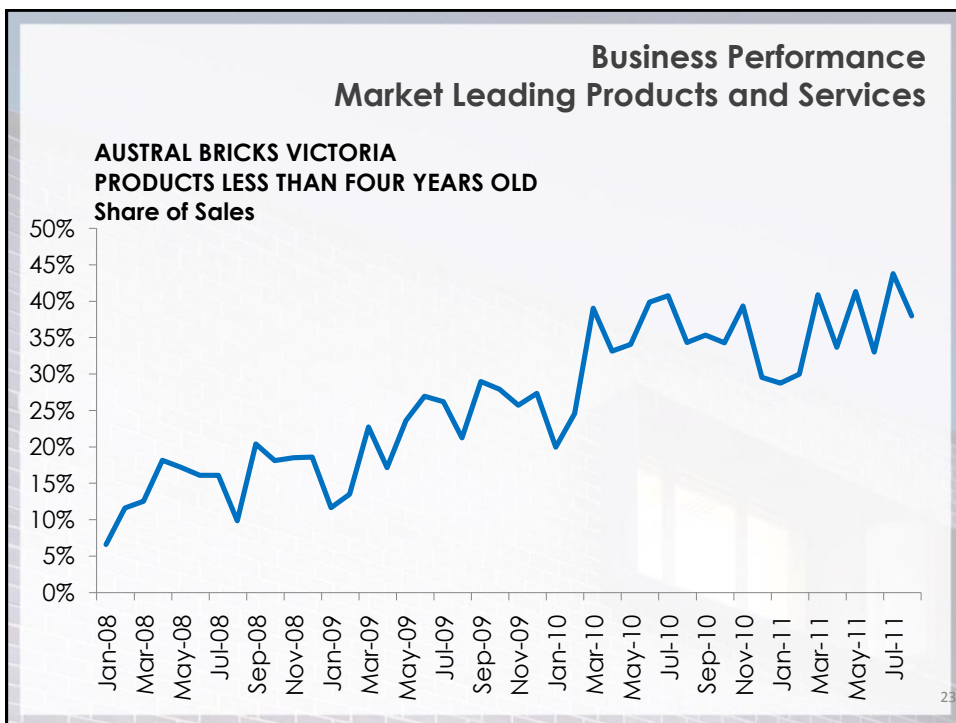
Business Performance
Customer Focused: "Easiest to do business with"



Richmond, Victoria Design Studio

Business Performance
Market Leading Products and Services







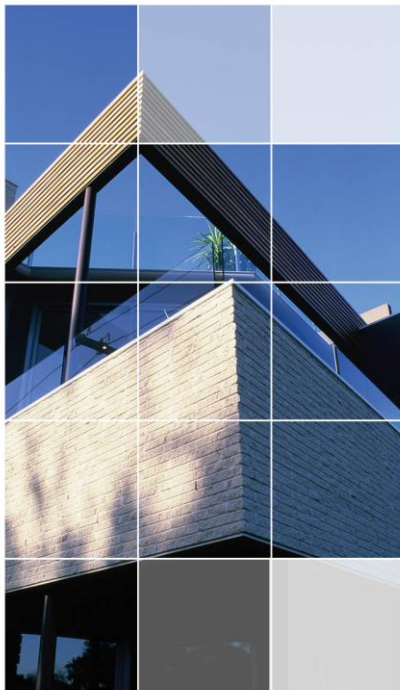
Austral Precast™ Victoria Overview

- Austral Precast operations commenced in Victoria in September 2010 as part of the acquisition of Giroto from Boral
- Manual plant located in Dandenong, producing walling and flooring panels
- Investigating automated plant
- Services the multi-residential, industrial and commercial segments



Austral Precast™ Victoria FY2011⁽¹⁾

- Sales revenue up to \$11.3m (11 months to 31 July 2011)
- Sales volume up to 3,700 panels
- Net average selling price up 9.3%
- Average production cost up 4.2%
- Significant reduction in overhead costs
- Business turnaround from loss maker to solid profitability



Austral Masonry™ Victoria Overview

- Factory relocated to Dandenong during 2003
- Two Besser 3 Block Machines
- Product mix comprises:
 - Standard Grey Block
 - Premium Coloured Block
 - Concrete Pavers
 - Dry Stack Retaining Walls



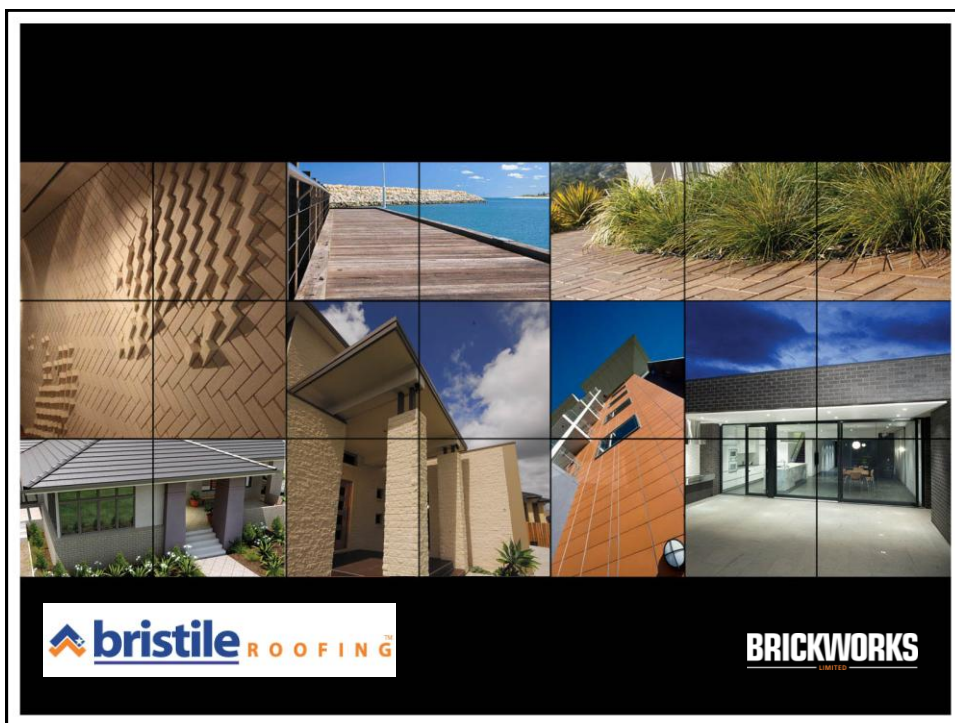
Austral Masonry™ Victoria FY 2011

- Sales Revenue up on prior year
- Sales Volume up on prior year
- Net Average Selling Prices up 4.4%
- Manufacturing costs up 2.2%
- Factory currently running at approximately 75% of installed capacity

Austral Masonry™ Victoria Future Growth


- Organic growth in market share
- New retaining wall products launched during 2011
 - Heron™
 - Coolum™
- Retail Selling Price increase of 5% implemented during August 2011
- Leveraging off strong customer relationships in sister brick, roofing and precast concrete divisions





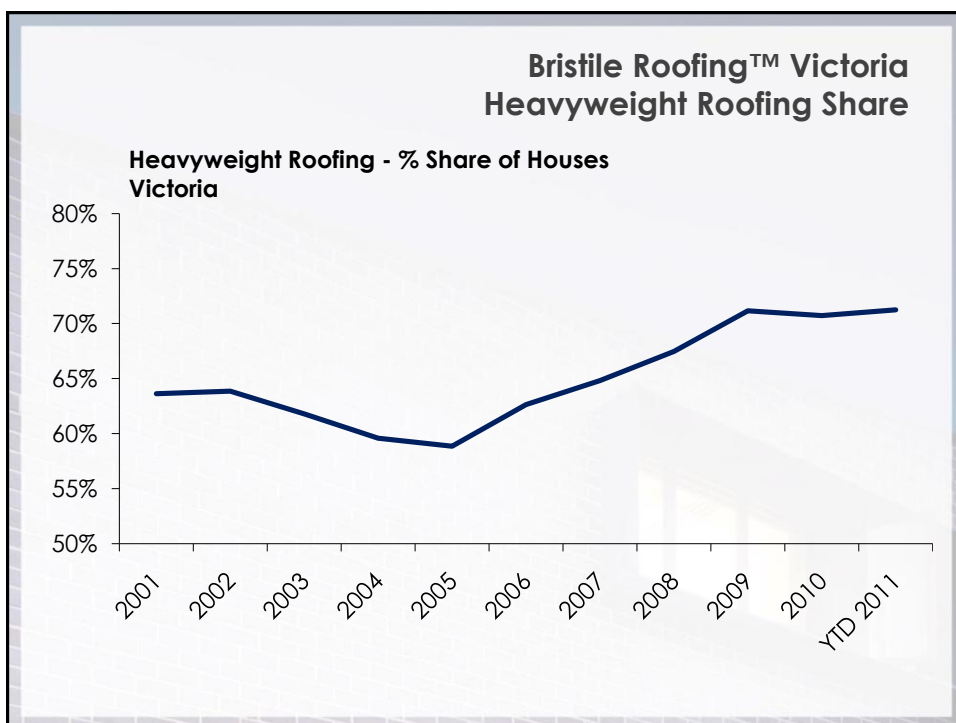
Bristile Roofing™ Victoria Overview

- Major upgrades to factory at Dandenong since 2004
- Strong supply only distributor network
- Specialised roof contracting services to major builders
- Quality concrete roof tiles in six profiles
- Bristile WA terracotta roof tiles in three profiles
- Premium imported Spanish “La Escandella” terracotta roof tiles



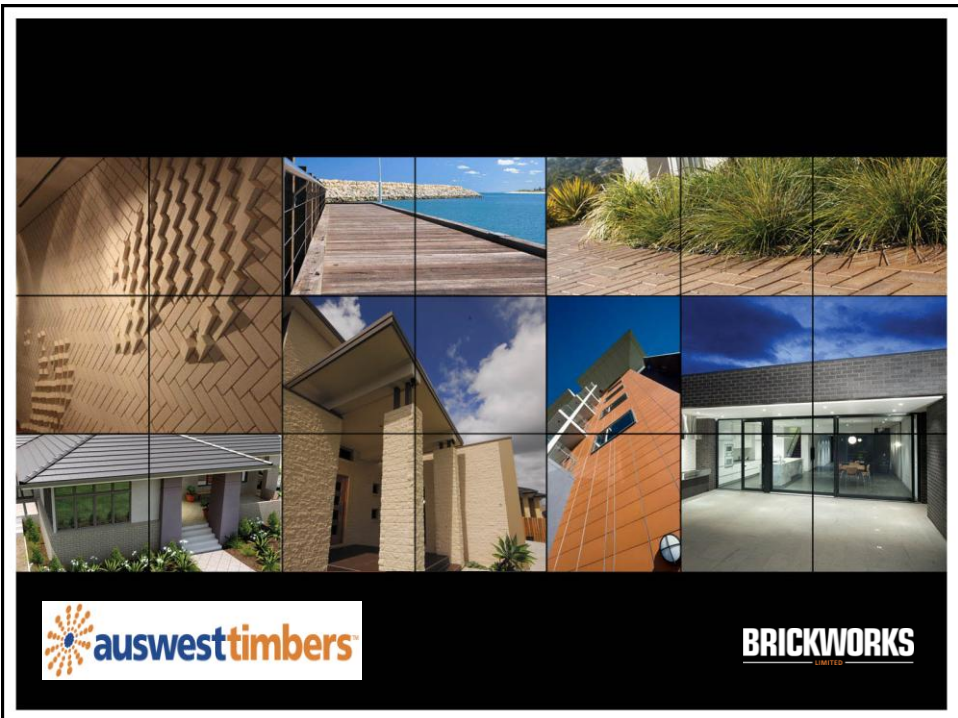
Bristile Roofing™ Victoria FY2011

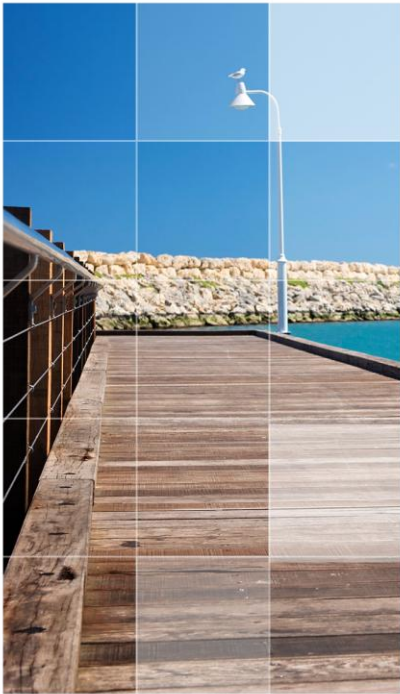
- Sales Revenue down
- Sales Volume down
- Average Selling Prices up 4.7%
- Manufacturing Costs up 5.1%
- Factory currently running at near full capacity
- Accessories imported from Queensland



Austral Roofing™ Victoria Future Growth

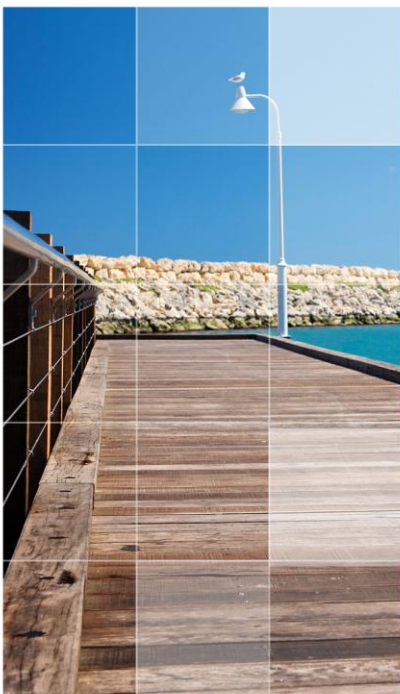
- Growth in market share due to superior quality and service
- New products and colours
 - Prestige flat concrete roof tiles
 - Planum™ and Visum3™ flat terracotta roof tiles
- Selling Price increase from August 2011 or as contracts expire
- Bristile is well positioned to leveraging off strong customer relationships in sister divisions





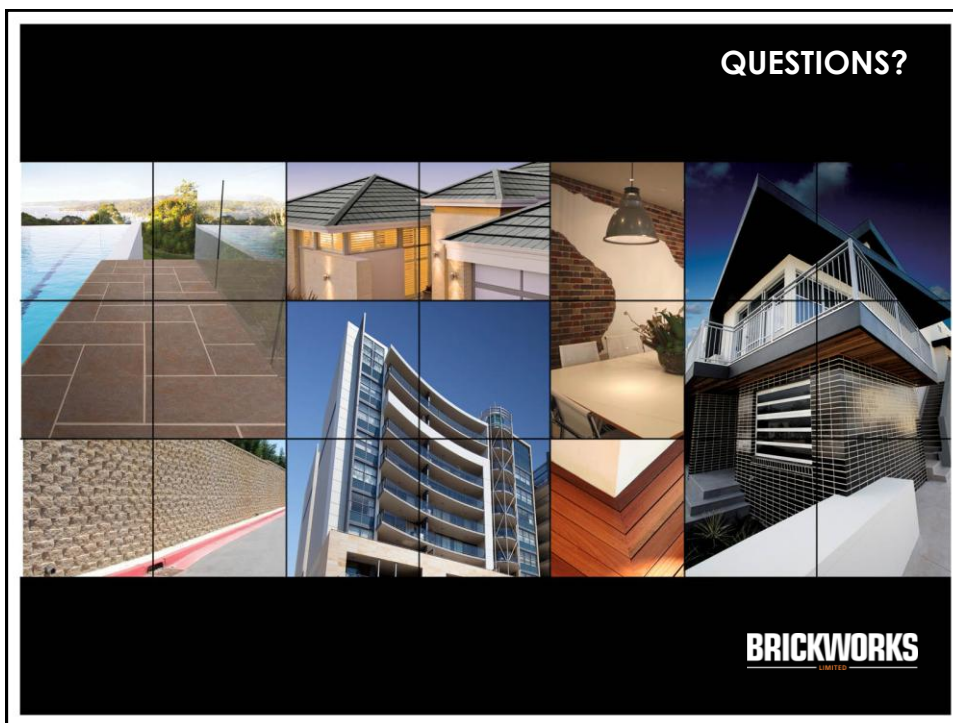
Auswest Timbers™ Victoria Overview

- Orbost saw mill employs 35 people:
 - Processes mixed species hardwood
 - VicForest log allocation 35,000m³ p.a. to 2017/18
 - Produces a mix of green structural products and value adding feedstock
- Bairnsdale Processing Centre employs 20 people:
 - Processes green hardwood into high valued kiln dried products
 - Product lines include flooring, decking and furniture timbers
 - Feedstock supplied from Orbost and others
 - Exports to Asia, USA and South Africa



Auswest Timbers™ Victoria Overview

- Three core market segments:
 - The roof batten business
 - Structural products
 - Value adding business
- Key Sales Platform:
 - Environmental – Australian Forestry Standards – Chain of Custody Certification
 - Unique value adding branding – “Wormy Chestnut”
 - Quality, service and integrity
- Growth Priorities:
 - Build on Asian export success
 - Expand the value adding business



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