BRICKWORKS
LIMITED

19 September 2019

Australian Securities Exchange

Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir / Madam

Please find attached a presentation and additional comments to be presented to analysts today regarding Brickworks Limited's financial results for the year ended 31 July 2019, for immediate release to the market.

Yours faithfully

BRICKWORKS LIMITED

S Leppinus

Susan Leppinus

Company Secretary

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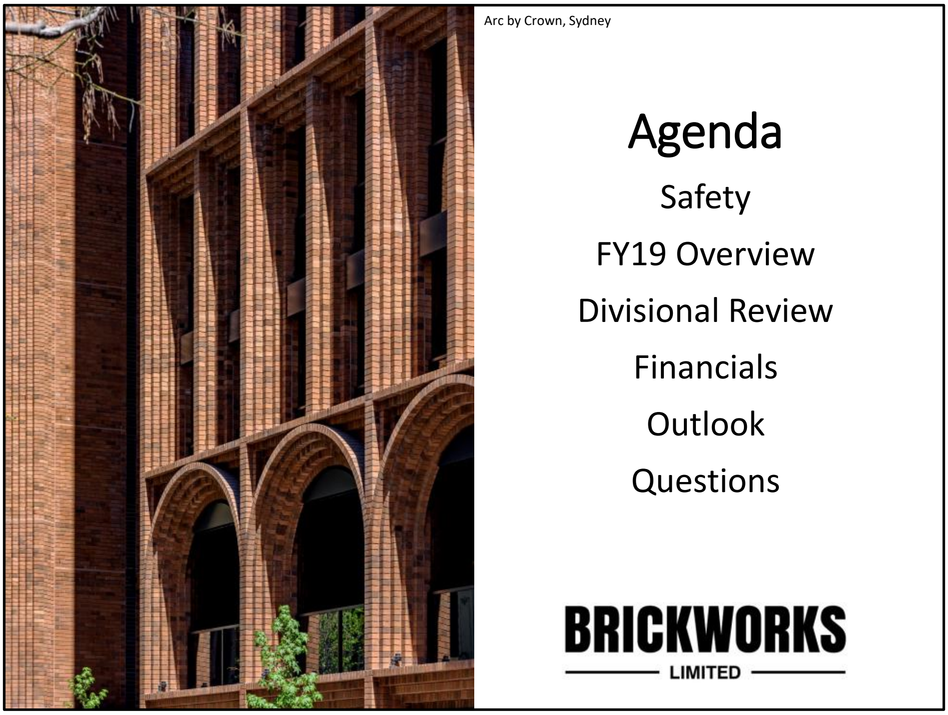
Financial results

Year ended 31 July 2019

Mr. Lindsay Partridge Managing Director

Mr. Robert Bakewell Chief Financial Officer

Oakdale Industrial Property Estate

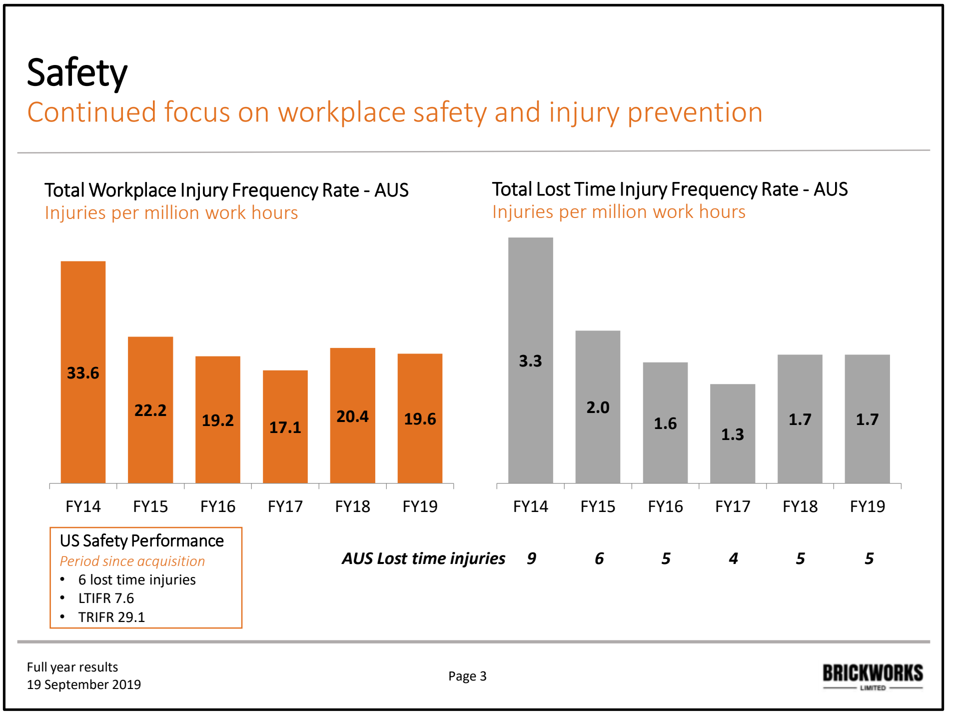


Good Afternoon Ladies and Gentlemen and welcome to the Brickworks analyst briefing for the year ended 31 July 2019.

Today I will provide an overview of our full year result, a review of divisional performance and discuss the outlook for Brickworks.

Robert Bakewell, our Chief Financial Officer, will take you through the financials in more detail.

We will then be happy to take any questions at the conclusion of the presentation.



But first, and most importantly, I will talk about safety.

The health and safety of our people is our number one priority, and the Company has made steady progress in reducing the number of workplace injuries over many years.

As shown, the number of lost time injuries sustained within our Australian operations has progressively decreased over the past five years.

There were 5 Lost Time Injuries during 2019. This translated into a Lost Time Injury Frequency Rate of 1.7 injuries per million hours worked, in line with the prior year.

In our newly acquired operations in the United States, there were 6 lost time injuries for the period since the acquisition of Glen-Gery in late November.

We are committed to rolling out best practice safety standards across all operations, and this will include a special focus on the newly acquired North American business, where workplace injury rates are significantly higher than Australia.

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FY19 Overview

Glen-Gery thin tech, New York City

Turning now to our financial year 2019 results highlights.

FY19 overview

Significant achievements across the Group in FY19

- Record underlying earnings from continuing operations
- International expansion, through the acquisition of Glen-Gery, provides a platform for long term growth
  - Subsequent bolt-on acquisition of Sioux City completed in August 2019
- Sale of 7.9 million WHSP shares
- Industrial property portfolio value increasing due to long term structural trends
  - $95 million increase in net value to Brickworks
  - Pre-commitment for highest value facility ever developed by the JV Property Trust, with anticipated value >$300 million at completion (66,000m^2, up to 34 metres high, 20 year lease to Coles Group)

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2019 has been another successful year for Brickworks. Not only has the Company delivered record underlying earnings, but we have also made significant progress on the implementation of a range of strategic initiatives to position the Company for long term growth.

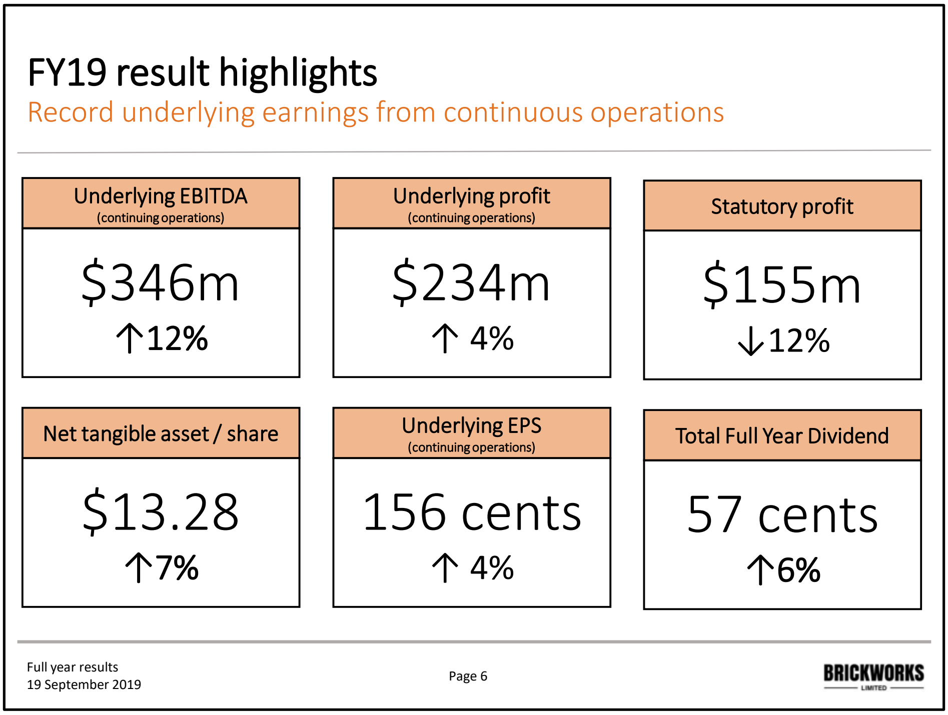
This was highlighted by our acquisition of Glen-Gery in November. As our first major international acquisition, this is an important milestone, and has transitioned Brickworks into a truly international Company.

As recently announced, the Glen-Gery purchase has been followed by the bolt-on acquisition of Sioux City Brick in August.

In November and December, Brickworks sold 7.9 million shares in WHSP, generating $208 million in cash proceeds. This was the first sale of WHSP shares by Brickworks since the initial investment in 1969.

The contribution from Property was a highlight in 2019. We are continuing to see a transition in valuations across the property sector, resulting in a significant increase in the value of prime industrial property assets such as ours.

This was highlighted in January, when a pre-commitment for the highest value facility ever developed by the Property Trust was secured. This 66,000m^2 facility, up to 34 metres high, is underpinned by a 20-year lease to the Coles Group and will have an anticipated value of more than $300 million at completion.



Turning to the financial results for 2019.

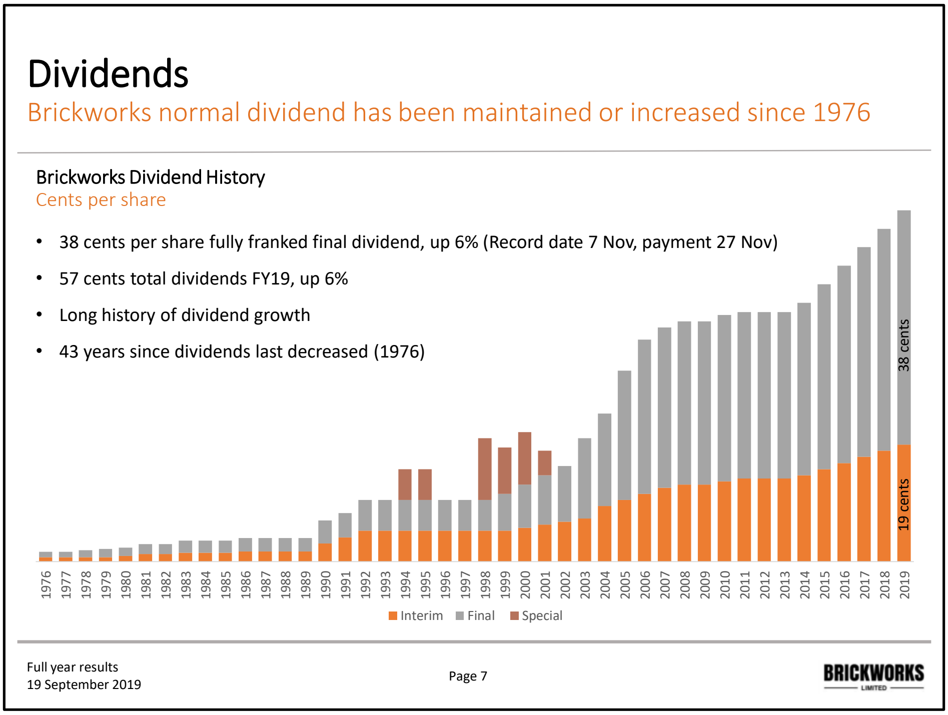
The company delivered a record full year EBITDA from continuing operations of $346 million, up 12% compared to the prior year.

Underlying net profit after tax from continuing operations was also a new record, up 4% to $234 million.

This translates to underlying earnings per share of 156 cents.

After including the impact of significant items and discontinued operations, statutory NPAT for the period was $155million.

Total shareholders equity was up by $96 million and now stands at almost $2.2 billion. Net tangible assets per share was up 7% to $13.28.

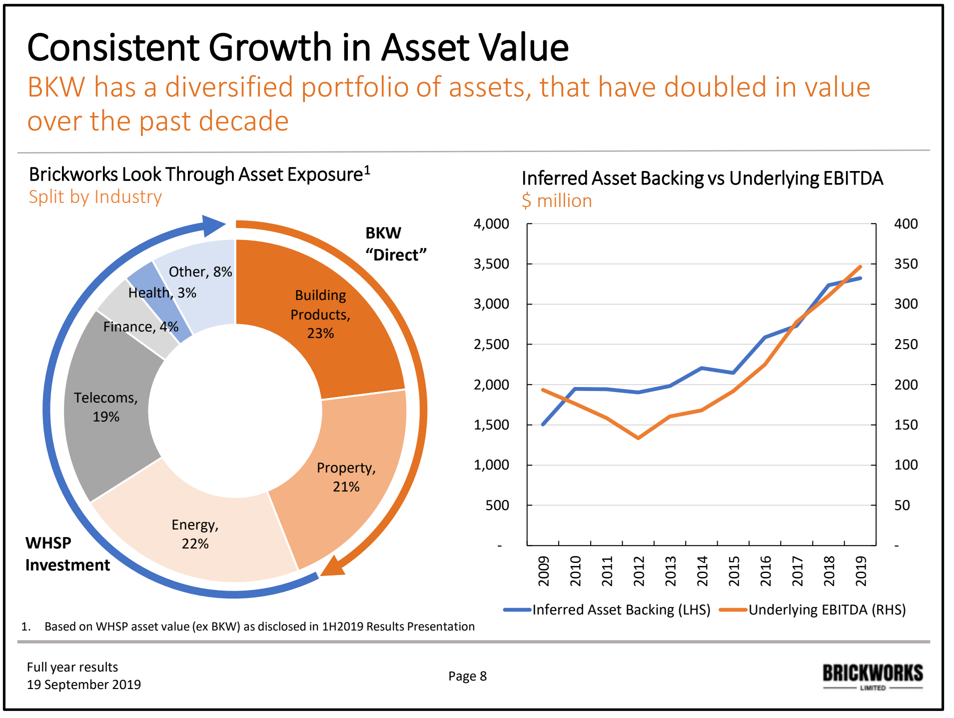


We are proud of our long history of dividend growth, and are happy to announce another dividend increase today, with the final dividend up 6% to 38 cents per share, fully franked.

This brings total dividends for the year to 57 cents per share, up 3 cents on the prior year.

The record date for the final dividend is 7 November, with payment on 27 November.

As shown on screen, we have now maintained or increased dividends for the last 43 years.



As well as delivering earnings and dividend growth, Brickworks continues to build considerable asset value for shareholders.

During financial year 2019, the inferred net tangible asset backing of the Group increased by $86 million, to more than $3.3 billion, equating to over $22 per share. This value comprises the net tangible assets held within Building Products Australia and North America ($765 million), Brickworks share of net asset value within the Property Trust ($633 million), surplus building products land held at book value ($35 million), and the market value of Brickworks' stake in WHSP ($2.1 billion), offset by net debt.

Over the past decade, the inferred net tangible asset backing of the Group has more than doubled, increasing at around 9% per annum during that period.

This steady asset growth is supported by the company's diversification strategy. This diversity provides earnings stability and the ability to invest for the long term, through cycles.

Brickworks look through asset exposure is shown on the chart, including the breakdown of the assets held by WHSP.

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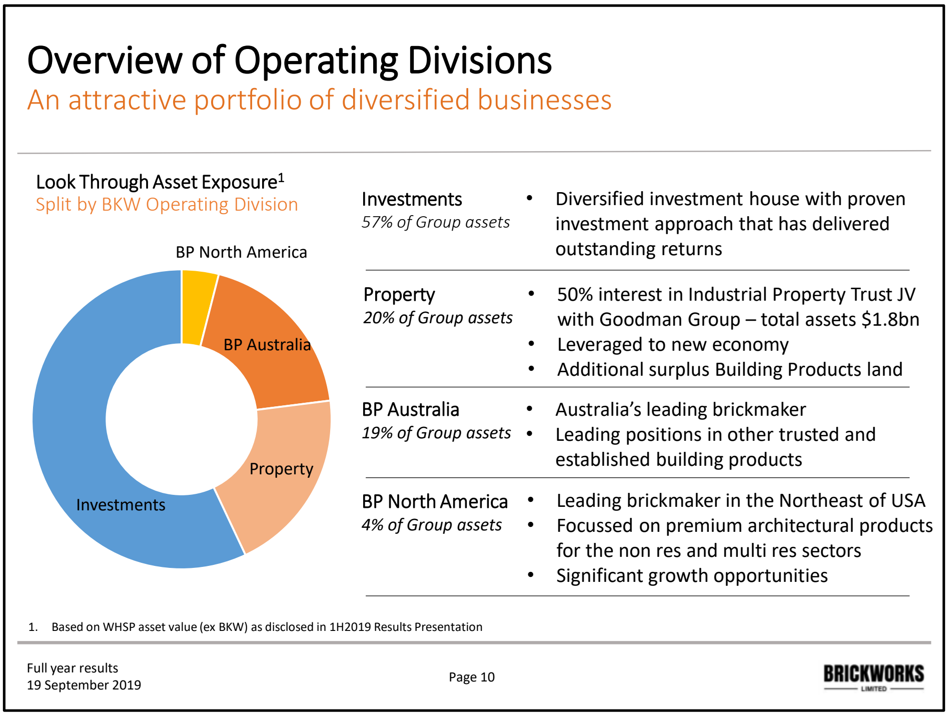
Divisional Review

Park Chelsea, Washington DC

Now looking at divisional performance.



Looking now at our operating divisions - we have a strong portfolio of businesses.

Our investment in WHSP makes up the largest component of Group assets. WHSP has a proven investment approach that has delivered outstanding returns over the long term.

Our Property business consists primarily of an industrial property portfolio, held within a 50/50 joint venture property trust with the Goodman Group. As I mentioned this business is delivering strong growth, with our industrial property assets located in prime locations, and leveraged to the growth of the new economy.

Within Building Products Australia, our heritage Austral Bricks business is the country's leading brickmaker, and delivers strong returns on capital across the building cycle. We also have leading positions in other trusted and established building products, through brands such as Bristile Roofing, Austral Masonry and Austral Precast.

Within our North American brick business, we have quickly established a leadership position in the Northeast region of the country. As I will explain, our brick business is differentiated from other major players, with a focus on architectural products for the non-residential and multi-residential sectors.

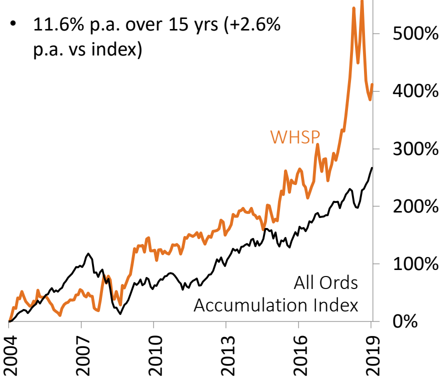
Investments
Long history of strong returns

$million	FY2019	FY2018	Change
Underlying earnings	**104**	123	(16%)
Dividends from WHSP	**56**	56	0%
WHSP Share price ($)	**22.71**	21.82	+4%
BKW Market Value	**2,142** (39.4% share)	2,231 (42.7% share)	(4%)

Sale of WHSP Shares

- 7.9 million shares sold at $26.37 / share
- Gross cash proceeds of $208 million
- 13.7% p.a. return since investment in 1969[1]
- Brickworks retains 94.3 million shares (39.4% share of WHSP)

WHSP Total Shareholder Return
15 years, cumulative



1. Total return assumes re-investment of dividends and other special shareholder distributions

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Investments delivered an underlying contribution of $104 million for 2019, down 16% on the prior year. The decline was due primarily to a decrease in contribution from Round Oak Minerals to WHSP earnings.

Although the WHSP share price was up compared to the prior year, the market value of Brickworks shareholding decreased by $89 million. This was due to the sale of WHSP shares in November and December reducing Brickworks shareholding to 39.4%, from 42.7%. As I mentioned, this sale delivered $208 million in proceeds.

During the period cash dividends of $56 million were received, in line with the prior year, with an increase in dividends per share offset by our lower shareholding.

WHSP has delivered outstanding returns over the long term, with annualised total returns of 11.6% per annum for the past 15 years. This represents an outperformance of 2.6% per annum versus the ASX All Ordinaries Accumulation Index.

The shareholding in WHSP is an important source of earnings and cashflow diversification for the company, and remains an important strategic asset of the company.

Property – FY19 result

Record full year profit, driven by Property Trust revaluations

$million	FY2019	FY2018	Change
Net Trust Income	26	22	+17%
Revaluations	70	24	+195%
Development Profit	19	26	(33%)
Sale of Assets	12	26	(53%)
Property Trust	**127**	**101**	+26%
Land Sales	35	(3)	N/A
Property Admin[1]	(4)	(4)	-
Total	**158**	**94**	**+68%**

- Net trust income higher, on rent reviews and addition of new developments
- Revaluation profit driven by 50 basis point reduction in cap rates in NSW
- 3 developments completed at Oakdale South
- Land sale: Completion of Punchbowl sale in August 2018 delivered earnings of $35 million (total sale proceeds $41 million)

1. Property administration includes the holding costs of surplus land

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Turning now to Property.

Property delivered a record EBIT of $158 million, up significantly on the prior year.

Net trust income was $26 million, an increase of 17%.

A revaluation profit of $70 million was recorded during the year. This was driven by continued industry-wide capitalisation rate compression for prime industrial property assets. A New South Wales portfolio review was completed, resulting in a 50-basis point reduction in capitalisation rates across the portfolio.

A $19 million development profit was also recorded, following the completion of three new assets at Oakdale South.

In total, the Property Trust delivered an EBIT of $127 million, up 26%.

In addition, the settlement of the Punchbowl property sale in August, resulted in a EBIT contribution from land sales of $35 million.

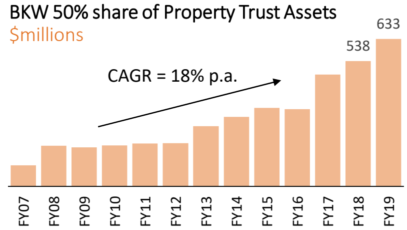
Property – JV Trust Asset Value

Joint Venture asset value continues to benefit from structural trends

$million	FY2019	FY2018	Change
Leased properties	1,411	1,167	+21%
Land to be developed	345	360	(4%)
Total Property Trust assets	**1,756**	**1,527**	+15%
Borrowings	(490)	(451)	(9%)
Net Property Trust assets	**1,266**	**1,076**	**+18%**
BKW 50% share	**633**	**538**	**+18%**

- Total leased properties $1.4 billion
  - 6 year weighted average lease expiry
  - "Blue chip" tenants
- Rental return on leased assets 6%[1]
- Revaluation return 15% during FY19[2]
- Gearing on leased assets 35%

BKW 50% share of Property Trust Assets
$millions



1. Based on Net Trust Income of $26m, divided by $460m. This represents Brickworks share of leased properties (net of borrowings on leased land of $490m)
2. Methodology as above, but applying revaluation profit of $70 million

The total value of leased assets held within the Property Trust was over $1.4 billion at the end of the year. Including $345 million worth of land to be developed, the total value of assets held within the Property Trust was close to $1.8 billion. Borrowings of $490 million are held within the Property Trust, giving a total net asset value of $1.3 billion. Brickworks' 50% share of net asset value was $633 million as at 31 July 2019, up by 18%, or $95 million during the year.

After a decade of methodical investment and development within the Property Trust, we are very pleased with the progress that has been achieved. Since its' inception in 2008, Brickworks net asset value has increased at 18% per annum, generating significant value for shareholders.

The total return on the leased property assets for the period was 21%, comprising a revaluation return of 15% and rental return of 6%.

As a result of the increased valuation, gearing on leased assets decreased to a conservative 35% at the end of the period.

Property – Future growth

Industrial property portfolio leveraged to growth in new economy

- Portfolio has well-located industrial facilities, close to end-customers, which are critical in the supply chain of the new economy
- Industrial capitalisation rates compressing and industrial focussed stocks trading at premiums
- Pre-commitment for highest value facility ever developed by the JV Property Trust, with anticipated value >$300 million at completion (66,000m2, up to 34 metres high, 20 year lease to Coles Group)

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The strong demand for our industrial land reflects a wider structural change across the economy, as companies modernise their supply chains in response to consumer preferences, such as on-line shopping.

Well-located industrial facilities, close to consumers are increasing in value, as they are now a key component in the supply chain solution of our customers.

As a result we are seeing a shift in valuation across the property sector, with industrial capitalisation rates compressing, and industrial focussed stocks trading at a premium.

We expect this to continue, with tight supply of large industrial zoned land in prime areas, resulting in trends such as the increasing development of multi-level industrial facilities.

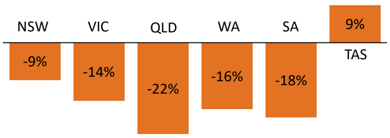
Our JV partner and manager, Goodman, is a world leader in multi-storey logistics, with scale and operational capacity to deliver, in response to this strong demand from blue chip tenants.

Building Products Australia – FY19 result

Resilient performance despite market headwinds and higher energy costs

$million *(Continuing operations)*	**FY2019**	**FY2018**	**Change**
Revenue	755	784	(4%)
EBITDA	88	107	(18%)
EBIT	**57**	**79**	**(27%)**
EBIT margin	8%	10%	(24%)
Capital expenditure	38	43	(12%)
Net tangible assets	626	667	(6%)
Return on net tangible assets	9%	12%	(23%)

Residential Housing Starts[1]
FY19 vs FY18



Earnings decline due primarily to:

- Lower residential construction activity across the country
- Increased energy prices increased costs by $12 million vs prior year
- Brick kilns taken offline to control inventory levels and complete necessary maintenance (some have operated continuously for up to 8 years)

1. For 12 months to June 2019 (vs June 2018). Source: HIA

Turning to Building Products Australia.

Revenue from continuing operations for the period was down 4%, to $755 million.

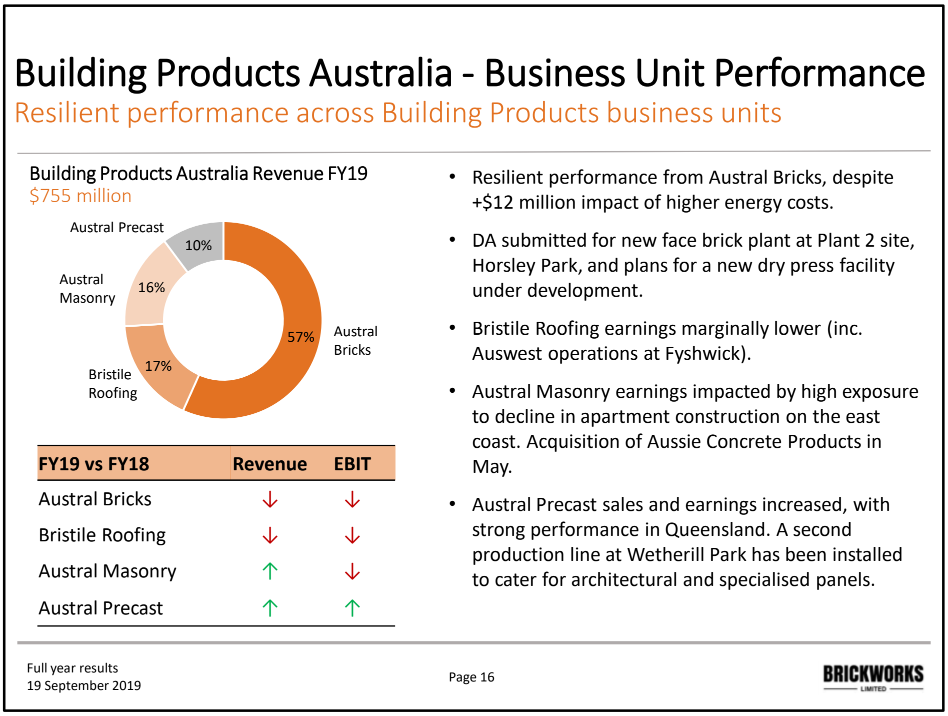
EBITDA from continuing operations of $88 million, was down by 18%.

Despite the lower earnings, operational performance across most divisions was encouraging, given the headwinds associated with declining market activity and significantly higher energy costs.

As shown on the chart, residential construction activity was down across all major states.

In Western Australia, market conditions remain extremely difficult. Within Austral Bricks, production is being progressively reduced to control inventory levels, and this had an adverse impact on manufacturing costs. This resulted in a significant decline in margins and earnings.

Gas price increases of between 29-45% across east coast states on 1 January 2019, resulted in a $12 million increase in costs within Austral Bricks compared to the prior year.



As I mentioned, Austral Bricks was particularly hard hit by the escalating energy costs.

The impact of higher energy costs is being partially mitigated by a sustained investment program, to replace older inefficient kilns, with modern plants. Following significant investments in Victoria, Western Australia and Queensland in recent years, the focus for capital investment has now turned to New South Wales, where there has been limited investment for three decades. A review of the future operational footprint within the Horsley Park precinct has been completed, and plans for a new face brick plant at the current Horsley Park Plant 2 site are being developed.

Across the other business units:

- Bristile Roofing earnings, now including Auswest softwood operations at Fyshwick, were down, due primarily to the decrease in detached house construction.
- Austral Masonry earnings were also down, despite a slight increase in sales revenue. In May, Austral Masonry completed the acquisition of Aussie Concrete Products, a leading concrete sleeper retaining wall manufacturer, based in Brisbane. This acquisition provides an immediate market leadership position in a fast-growing product category, and the opportunity to expand sales through Austral Masonry's nationwide distribution network.
- Austral Precast earnings were higher, due primarily to improved performance in Queensland, and continued strong demand in New South Wales. To meet the strong demand in New South Wales, and improve the efficiency of the automated plant, a second production line at Wetherill Park has been installed to cater for complex architectural and specialised panels.

Building Products Australia – Innovation & Projects

New projects and innovation will support growth

Fastbrick Australia

Southern Cross Cement

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Special projects, product development and innovation remains a key focus, with a number of initiatives well advanced and offering exciting growth opportunities.

In May 2019, the company formed the 50/50 joint venture company Fastbrick Australia, with FBR Limited (FBR), to consider whether FBR’s innovative robotic bricklaying technology can be commercialised in Australia. Since then, a building pilot program has been commenced with Archistruct Builders and Designers.

Construction of the Southern Cross Cement terminal has progressed well during the year, and we also look forward to commissioning the Southern Cross Cement facility in the coming months. This project will provide a reliable, cost effective source of cement for our Austral Masonry and Bristile Roofing businesses in Brisbane, and is expected to deliver solid returns on invested capital.

Building failures in Australia and overseas have shone a spotlight on non-conforming materials and poor construction practices within the construction industry. Over the past decade, I have never seen a combination of such poor-quality building products and sub-standard construction practices, and this is placing consumers at serious risk.

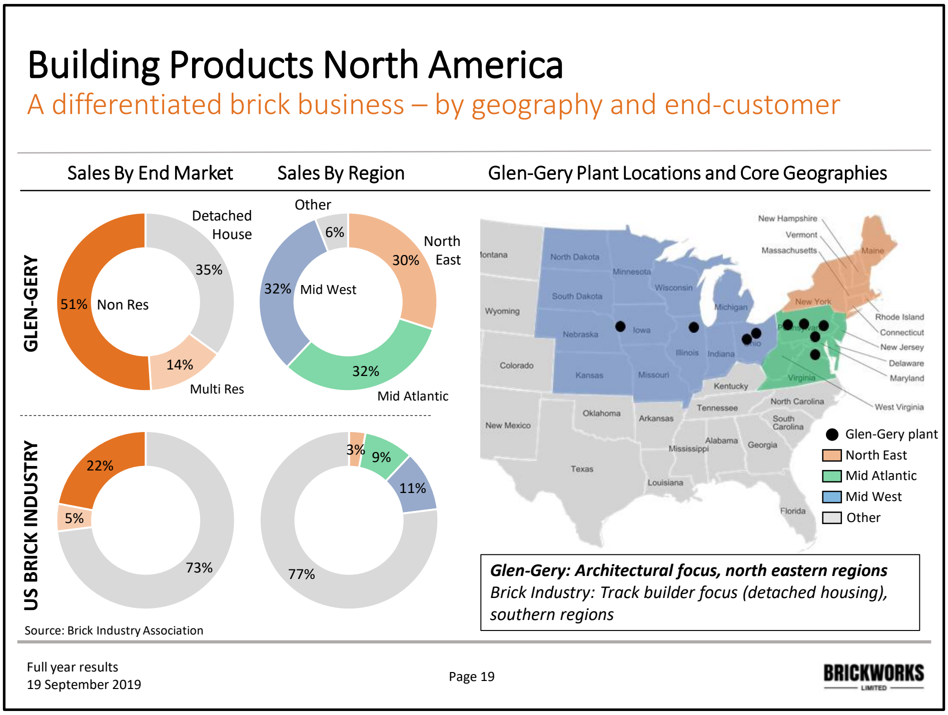
Today I have called for three straight forward changes to building regulations that should be implemented immediately.

First, all buildings constructed using lightweight permanent formwork should be inspected by x-ray or other legitimate method, prior to a certificate of occupation being issued. This will identify air voids caused by inadequate concrete filling, hidden behind the non-structural skin. These voids can severely impact structural integrity and fire resistance.

Second, some products such as fibre cement are not required to be tested, and are granted special exemptions within the National Construction Code, for use in applications where non-combustible materials are required. If we are serious about fire safety, these exemptions should be removed. Most commonly used fibre cement sheeting disintegrates in a fire, and external cladding on high-rise buildings should not include aluminum composite panels, fibre cement or any other product that fails AS5113.2016.

Third, all exterior cladding on residential houses should be made from non-combustible, fire resistant building materials. Products such as polystyrene panels have no place being used as an external cladding material.

At Brickworks, we take pride in the timeless appeal and durability of our products, all of which are stringently tested, fully accredited and compliant.



Turning now to our North American brick business.

Firstly, it is important to note that our brick operations are differentiated compared to the other major brick companies in the United States.

Glen-Gery holds a leading position in the Northeast, Mid-Atlantic and Midwest regions, an area where other major players have minimal presence. This region, incorporates major cities such as New York, Washington DC, Boston, Philadelphia, Baltimore, Pittsburgh, Chicago and Detroit, each with a long heritage of brick construction in commercial and residential buildings.

Glen-Gery's product mix reflects the traditional building styles of this region, with higher margin architectural products into the non-residential and multi-residential segments making up 65% of sales. This compares to the wider US brick industry, where sales into these sectors make up only 27% of the total.

So, whereas the industry as a whole has a majority of sales to home builders in southern regions, such as Texas, Glen-Gery's focus is on higher margin architectural bricks, in the major cities of the Northeast.

Building Products North America - Performance

Performance ahead of expectation, integration proceeding well

$million *(Continuing operations)*	$US	$AU
Revenue	80	121
EBITDA	8	12
EBIT	**4**	**6**
EBIT margin		5%

Market Conditions

- US non-residential construction activity up 5% on the prior year
- Offset by mild decline in residential construction in key Glen-Gery regions (circa 6%)

For Period 23 Nov 18 – 31 Jul 19

- Performance ahead of expectations, for ~ 8 month period
- Significant seasonal impact on earnings
  - EBITDA neutral during initial winter period (Dec – Feb) due to extended plant shutdowns and low sales volume
  - Strong earnings momentum through March – July period
- Integration activities largely completed
- Exclusive supply agreements with Brickworks European partners for supply of premium imported bricks
- Philadelphia design studio under construction

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Financial performance since the acquisition has been ahead of expectations. Sales revenue for the initial 8 month period was $121 million.

EBITDA for the period was $12 million, and EBIT was $6 million.

Following the harsh winter conditions from December to February, when plants were shut down and EBITDA was break-even, earnings momentum has been strong in the final five months of the period.

Key integration activities are now largely completed, including the transition of critical IT infrastructure to Brickworks systems, the roll-out of financial reporting processes and the implementation of a range of branding and marketing initiatives.

Most importantly, as I have travelled around our operations, I have been encouraged by the level of skill and motivation across the workforce.

Significant progress has also been made on key strategic initiatives.

In July an exclusive supply agreement was executed with Italian manufacturer San Selmo, for the supply of premium imported products into the United States. San Selmo products will compliment other imported ranges introduced since the acquisition, including La Paloma and ultra-premium glass bricks.

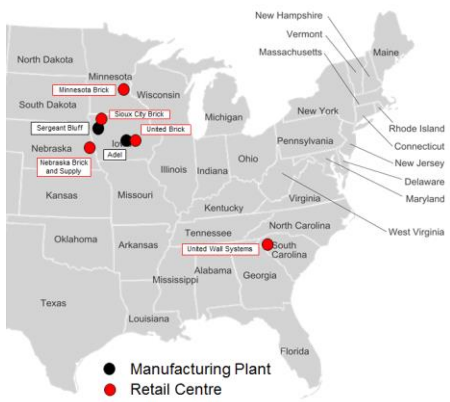
A new design studio site has been secured in central Philadelphia, with a ten-year lease executed. A design has been completed and a builder appointed, with opening expected before the end of calendar 2019. Renovations have also been completed at the existing New York showroom.

Building Products North America – Sioux City Brick

In August, Brickworks acquired Sioux City, a leading US brickmaker, with manufacturing operations based in Iowa

- Completed the acquisition of Sioux City Brick (Sioux City) for US$32 million (AU$47 million) on 27th August 2019
- Sioux City has two modern manufacturing plants in Iowa, and has a leading position in the Midwest of the United States
- Strong reputation for premium architectural products – in line with Brickworks focus
- Significantly strengthens Brickworks North America:
  - Sioux City has delivered consistent earnings for several years
  - Significant cost savings will be generated from operational and administrative synergies
  - Strengthens position in target region

Map of Sioux City Brick Operations



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Post year end, in August, we completed another acquisition in the United States, Sioux City Brick.

Sioux City Brick has a leading market position in the Midwest region of the United States. It has 3 modern production lines with a total capacity of around 160 million bricks per year, located at 2 manufacturing plants, both in Iowa.

Sioux City Brick offers a vast range of products, selling around 90 million bricks per year through direct sales to builders and resellers, and through 5 company-operated retail distribution outlets. It has broad end market exposure, with a strong reputation for premium architectural products, servicing the non-residential and multi-residential segments.

The acquisition will strengthen Brickworks' position in a key target market and will deliver significant efficiency benefits when operations are rationalised with existing Glen-Gery facilities.

Our investment in North America followed a thorough strategic review, where the North American brick industry was identified as a highly attractive long-term growth opportunity for Brickworks.

Our Company has established a competitive advantage within the brick industry that can be applied in the United States. We have unrivalled technical expertise, strong relationships with key suppliers and partners, and a unique market strategy focussed on style and a premium product positioning.

In addition, due to the fragmented nature of the North American brick market, there is an opportunity to participate in the ongoing industry rationalisation that is underway, increasing plant utilisation and improving production efficiency.

As a result, targeted bolt-on acquisitions in North America will allow plant utilisation and production efficiency to increase significantly, as operations are integrated.

More generally, the United States has supportive policy settings for business, abundant cheap energy and a strong construction activity outlook, all of which support our investment.

Performance so far has been strong, and we are encouraged by the growth opportunities available in North America. Through a prudent and targeted investment approach, and application of our operational expertise, we are confident that attractive returns will be achieved on our ongoing investment in this region.

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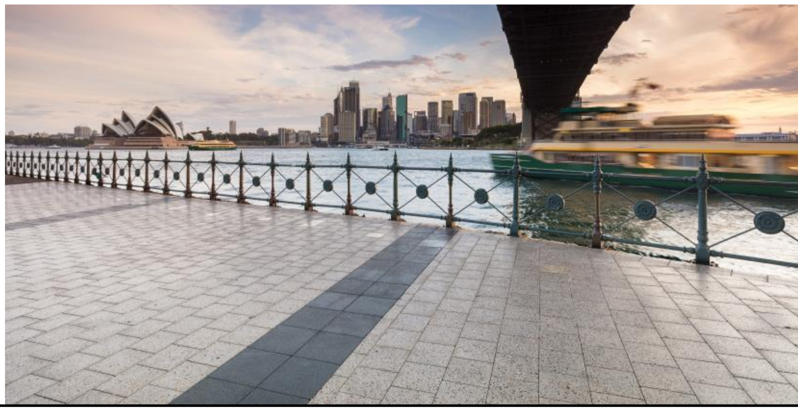
Financials

Urbanstone engineered stone, Sydney



I will now hand over to Robert, to review the financials in more detail.

Financials – FY19 Overview

Record underlying earnings from continuing operations

$million	FY2019	FY2018	Change
Total EBITDA	346	311	+12%
Depreciation	36	29	+24%
Total EBIT	**310**	**282**	**+10%**
Borrowing costs	(24)	(15)	(65%)
Underlying income tax	(52)	(42)	(22%)
Underlying NPAT (From continuing operations)	**234**	**226**	**4%**
Significant items	(37)	(47)	NA
NPAT (From continuing operations)	**197**	**179**	**+10%**
Discontinued operations	(42)	(3)	NA
Statutory NPAT	**155**	**175**	**(12%)**

- Earnings higher on strong Property result, contribution from Building Products North America
- Borrowing costs up due to non-cash mark to market loss on interest rate swaps (vs gain in prior period)
- Underlying tax increased due to higher earnings
- Significant items contributed net -$37 million to NPAT from continuing operations
- Auswest hardwood operations at Greenbushes (WA) and East Gippsland (Victoria) classified as held for sale during the half ($35 million impairment, and $7 million operating loss)

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Thankyou Lindsay.

As Lindsay mentioned, total underlying Group EBITDA for the year was $346 million.

After depreciation of $36 million, the underlying Group EBIT was up 10% to $310 million.

Total borrowing costs were $24 million, including a $7 million mark-to-market movement on interest rate swaps, and tax was $52 million, resulting in the underlying net profit after tax from continuing operations of $234 million, up 4%.

Significant items reduced NPAT by $37 million, and I will discuss these in a moment.

As a result, net profit after tax from continuing operations was $197 million, up 10% on the prior year.

As announced at the half year results, following a strategic review, the company determined that further investment in Auswest Timbers hardwood assets is not justified given other capital priorities across the Group. As such, these assets have been reclassified as discontinued operations.

The after tax loss on these operations of $42 million comprises a non-cash impairment of $35 million and operating losses of $7 million.

Including these operations, statutory NPAT was $155 million, down 12% on the prior year.

Financials – Significant items

Net impact of significant items ($37 million)

$million	Gross	Tax	Net
Gain on sale of WHSP Shares	110	(38)	71
Bristile Roofing and Austral Masonry goodwill impairment	(52)	-	(52)
Acquisition costs	(15)	1	(14)
Restructuring activities	(10)	3	(7)
Significant items relating to WHSP	(28)	-	(28)
Income tax arising from the carrying value of WHSP	-	(8)	(8)
Total (Continuing Operations)	**5**	**(42)**	**(37)**

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The table on the screen shows the significant items in more detail. In summary, they comprise:

- A $71 million gain on the sale of WHSP shares;
- A non-cash goodwill impairment of $52 million in relation to Bristile Roofing and Austral Masonry, recorded in the first half;
- After tax transaction costs of $14 million, primarily related to the Glen-Gery and Sioux City acquisitions;
- After tax restructuring costs of $7 million, primarily associated with the mothballing of Horsley Park Plant 2 in New South Wales;
- Significant items relating to WHSP of -$28 million (1st half -$10m); and
- An $8 million cost related to deferred taxes on the WHSP holding.

Financials – Cash flow reconciliation

Operating cash flow down, on lower Building Products Australia earnings and Property Trust distributions

$million	FY2019	FY2018
Statutory net profit after tax	**155**	**175**
Depreciation, amortisation	37	29
Non cash revaluations within Property Trust	(89)	(40)
Share of profits of associates not received as dividend	(18)	(44)
Non cash impairments	56	-
Non cash losses on discontinued operations	49	-
Gain on sale of WHSP shares (investing activity)	(109)	-
Changes in tax provisions	53	43
Other items	(11)	8
Operating cash flow	**123**	**171**
Proceeds received from WHSP share sale	208	
Acquisitions (net of cash)	(143)	(13)
Capital Expenditure	(49)	(43)
Dividends paid	(82)	(78)

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Turning to cashflow.

The total operating cash flow for the year was $123 million. The decrease on the prior year was primarily related to:

- Lower Building Products Australia earnings ($88 million FY19 EBITDA vs $107 million FY18 EBITDA);
- Lower Property Trust distributions, which included proceeds from the disposal of Oakdale South properties in the prior year; and
- Higher income tax payments.

The gain on sale of WHSP shares is classified as an investing cash flow, and gives rise to increased tax provisions.

As mentioned earlier, cash proceeds from the sale of WHSP shares more than offset the total Glen-Gery acquisition costs.

Capital expenditure of $49 million was incurred, and dividends of $82 million were paid during the period.

Financials – Key Indicators

Conservative balance sheet maintained post Glen-Gery acquisition

	FY2019	FY2018	Change
NTA per share	$13.28	$12.42	+7%
Shareholder's equity	$2,167m	$2,071m	+5%
Shareholder's equity per share	$14.48	$13.87	+4%
Return on shareholders equity	11%	11%	-
Operating cash flow	$123m	$171m	(28%)
Net debt	$253m	$304m	(17%)
Gearing (net debt / equity)	12%	15%	(21%)
Interest cover	18x	18x	-

- Total shareholder's equity increased by $96 million during the period, or 61 cents per share
- Decrease in operating cash flow, primarily due to lower Building Products earnings and Property Trust distributions
- Net debt reduced, with proceeds from WHSP sale more than offsetting Glen-Gery acquisition costs
- Gearing decreased to a conservative 12%

Looking now at a range of key financial indicators.

Net tangible assets per share was up 7% over the year, to $13.28.

Shareholders equity increased by $96 million to almost $2.2 billion, which represents $14.48 per share.

Underlying return on shareholders equity was steady at 11%.

Net debt reduced to $253 million.

Gearing was down to 12% and interest cover remained at a conservative 18 times.

I will now hand back to Lindsay to discuss the outlook.

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Outlook

La paloma bricks, The Calile, Melbourne

Thankyou Robert.

Outlook

The outlook varies across each division within the Group

Investments *57% of Group assets*	• Earnings, dividends and market value of WHSP are expected to grow over the long term, albeit the contribution to Brickworks will be impacted by the reduced shareholding
Property *20% of Group assets*	• Strong outlook for Property Trust earnings and valuation, due to significant development pipeline • Likely sale of 10 hectares at Oakdale East into the Trust in late calendar 2019
Building Products Australia *19% of Group assets*	• Although orders and sales are currently steady in most divisions, a soft first half is anticipated • In the second half, we expect the market to strengthen, based on the current level of home builder sales • The transition to wholesale gas supply on 1 January 2020 will provide some relief from rising gas prices
Building Products North America *4% of Group assets*	• Sioux City acquisition, completed in August, will provide significant efficiency benefits when operations are rationalised with existing Glen-Gery facilities • Significant opportunities for growth

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Turning now to the outlook.

- Earnings, dividends and the value of WHSP are expected to continue to grow over the long term, albeit the contribution to Brickworks will be impacted by the reduced shareholding
- There is a strong outlook for the Property Trust, with significant demand a development pipeline in place that will provide growth in rent and asset value for up to a decade. Also within Property, the sale of 10 hectares at Oakdale East into the Trust is anticipated in late calendar 2019
- Within Building Products Australia, whilst orders and sales are currently steady in most divisions, a soft first half is anticipated. In the second half, we expect the market to strengthen, based on the current level of home builder sales. In addition, our transition to the wholesale gas market on 1 January 2020 will reduce costs and finally provide some relief from rising energy costs.
- As I have mentioned, growth prospects for Building Products North America are strong. The recent acquisition of Sioux City Brick strengthens our leadership position and will provide significant cost synergies once fully integrated.

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Questions

GB Masonry Smooth

I will now take any questions.