

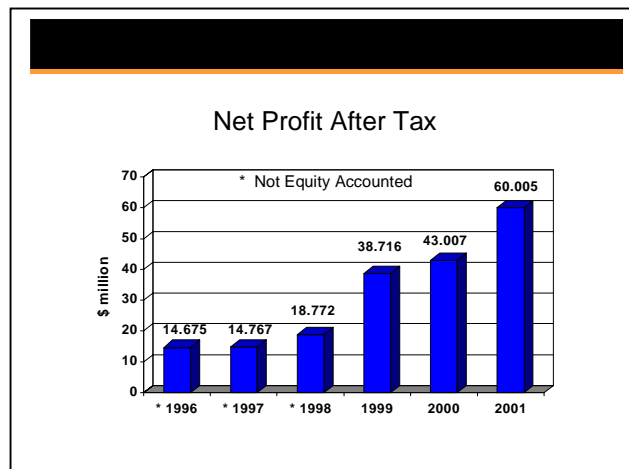
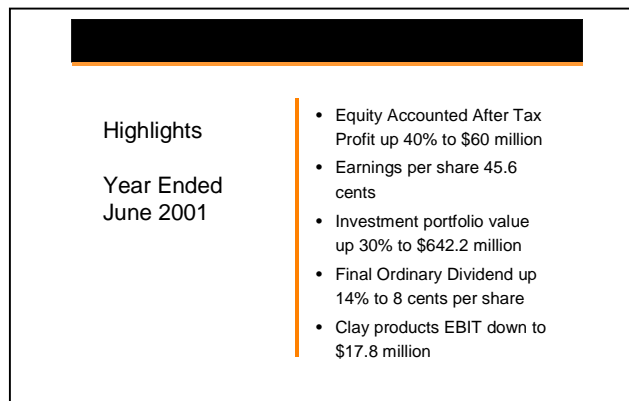
# BRICKWORKS LIMITED

## CHAIRMAN'S ADDRESS AGM 2001

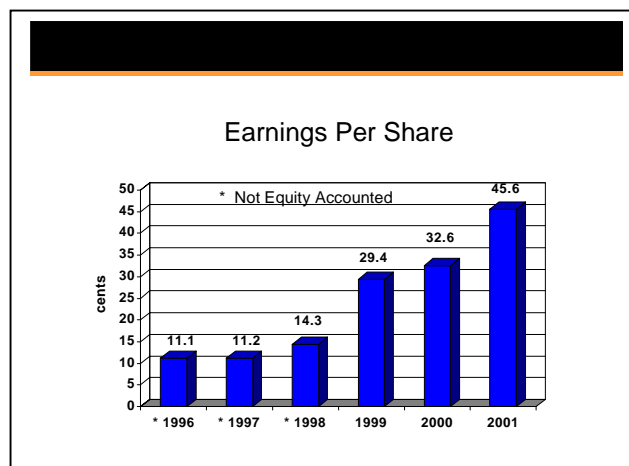
Ladies and Gentlemen,

Our record result for the year to June 2001 was our fifth increase in a row.

### HIGHLIGHTS



Profit on an equity accounted basis was up 40% to \$60 million and five years ago, as you can see on the screen, net profit after tax was \$14.767 million. This growth represents a compound average growth of 32%.

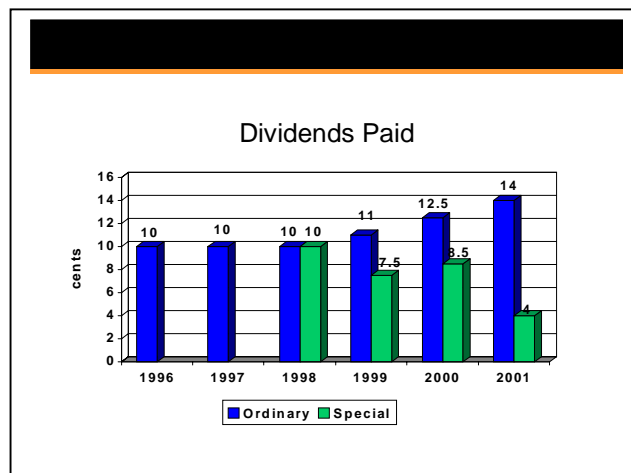


A similar pattern is reflected in earnings per share, which over the last five years, has increased from 11.1 cents to 45.6 cents. This is also compound growth of 32%.

The strong performance of the group has enabled directors to recommend that the final ordinary dividend be increased 14% to 8 cents per share fully franked and payable on 5th November. Together with an interim ordinary dividend of 6 cents and a 4 cent special dividend, this brings the total dividend for the year to 18 cents per share.

Due to the lower tax rate and the funds required for expansion, there is no special dividend in the final dividend this year.

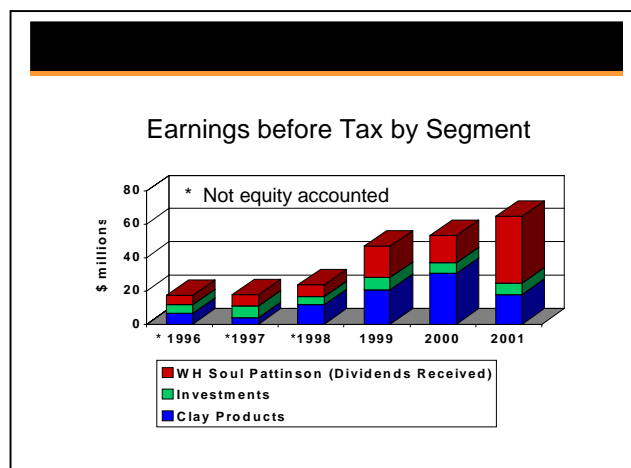
The following graph reflects the history of ordinary and special dividends. The dividends five years ago were a total of 10 cents and compares with this year's total of 18 cents.



Dividends have increased by a total of 80 % over the last five years and a total of seven special dividends have been paid.

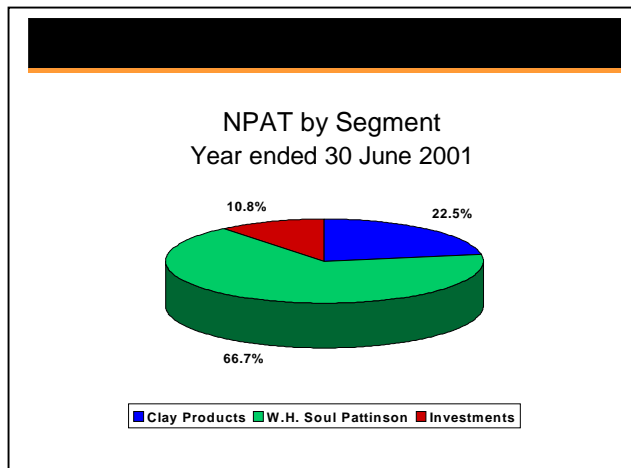
Total dividend payout this year was 67% of non-equity accounted earnings.

## SEGMENTAL EARNINGS



Brickworks' business consists of the two traditional areas of investments and clay products. These traditional areas are now being supplemented by property development of our extensive land holdings and waste management activities in our quarries.

This diversity has been proven successful once again with investment returns cushioning shareholders from a substantial downturn in the building industry.

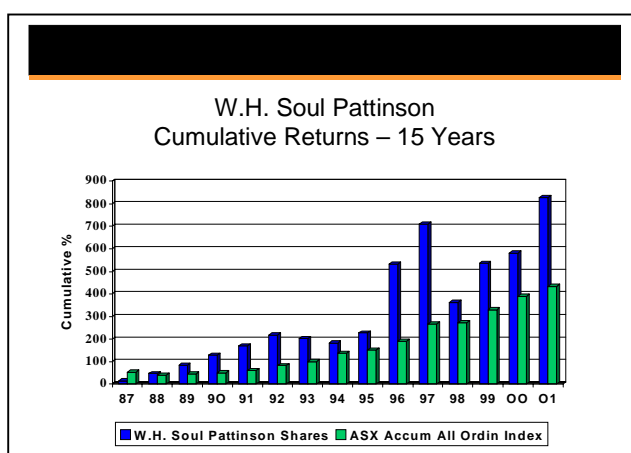


In the last year Washington H. Soul Pattinson contributed 66.7%, clay products 22.5% and investments 10.8%

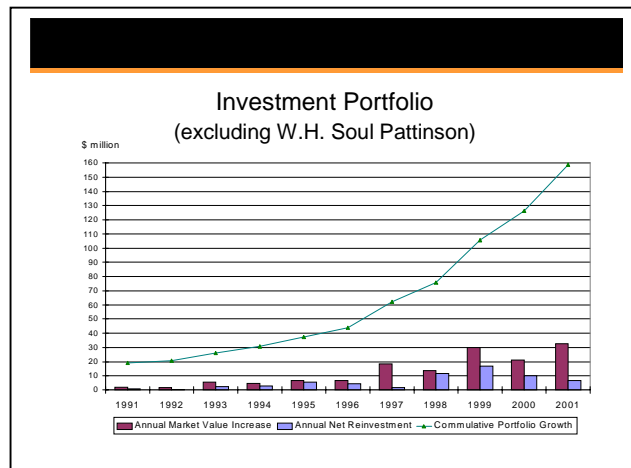
During the year a net \$6.5 million was added to the portfolio including purchase of Bank of Queensland Preference Shares, Campbell Bros Ltd, Choiseul Investments, Graincorp Ltd, NRMA Ltd, Telstra Ltd, Wesfarmers Ltd, Macquarie Infrastructure Trust, Woolworths Ltd and Paperlinx Ltd.

The abnormally high equity accounted profit of \$40 million from Washington H. Soul Pattinson came about due to the merger of Soul Pattinson's pharmaceutical business with Australian Pharmaceutical Industries (API). In addition the value of Washington H. Soul Pattinson shares held by Brickworks increased by \$115.1 million (31%) to \$483.3 million.

Over the last fifteen years W.H. Soul Pattinson has returned 16% per annum compared to the all ordinaries accumulation index of 11.8% increase per annum.

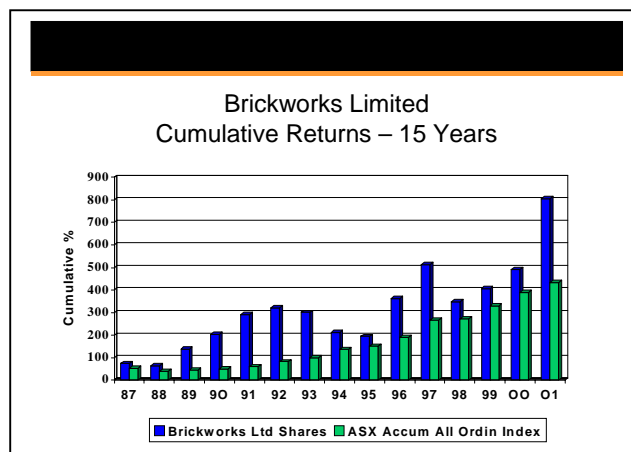


The balance of Brickworks' investments portfolio increased by \$32.5 million to \$158.9 million. Since 1991 the investment portfolio has increased from \$18.9 million.



## SHARE PRICE

On 18th December 2000 shareholders approved a ten for one share split. The share price increased 46% from \$4.01 to \$5.85 during the year and the number of shareholders increased to 1,900 from approximately 1,100.



Brickworks shares have had a compound return of 15.8% over the last fifteen years which compares favourably to the ASX's All Accumulation Index of 11.8% increase per annum.

## ACQUISITION OF STRATEGIC STAKE IN BRISTILE LTD



On 17th August 2001 Brickworks announced that it had acquired 29 million shares in Bristile Ltd (19.6%) from Futuris Ltd. These shares were purchased at \$2.46 each for a total consideration of \$71.7 million.

Bristile is the second largest clay brick and paver manufacturer in Australia with major market shares in Western Australia, Victoria, South Australia and Tasmania. Bristile also manufactures clay and concrete roof tiles and masonry products.

Bristile has appointed two nominees of Brickworks to join the Bristile Board. The nominees are Mr. Lindsay Partridge and myself.

The addition of Bristile Ltd to Brickworks' already extensive investment portfolio will have long-term strategic benefit. The Board and management of Brickworks Limited look forward to examining opportunities that will benefit the shareholders of both companies.

## **BOARD CHANGES**

Mr. Geoffrey Travis has announced that he does not intend to stand for re-election at this AGM. We would like to thank him for his valuable contribution since joining the Board in 1978.

The Board has appointed The Hon. Robert Webster, previously a Member of the Legislative Council, to fill this vacancy.

Mr. Webster will bring a wealth of experience to the company, having spent over ten years in State politics as MP for Goulburn and a Minister in the Greiner Government. His ministerial portfolios included Planning, Housing and Property Services, Family and Community Services, Energy, State Development, Tourism, Administrative Services and Transport. In addition he holds several corporate directorships.

Mr. Webster will stand for election today.

## **CONCLUSION**

In conclusion, I believe this past year has been one of considerable achievement and I would like to express my gratitude to all employees and management for their dedication and contribution. I would also like to thank shareholders for their loyalty and support.

Let me now introduce Mr. Lindsay Partridge to tell you a little more about the operations of our clay products business, Austral.