BRICKWORKS LIMITED

A.B.N. 17 000 028 526

ASX Appendix 4D

Half Year ended 31 January 2021
Results for announcement to the market

	31 January 2021	31 January 2020	% Change
Revenues from continuing operations ($000's)	**431,707**	**448,622**	(3.77)
Net profit after tax from continuing operations before significant items ($000's)	**89,567**	**100,293**	(10.69)
Profit from ordinary activities before tax attributable to members ($000's)[1]	**98,214**	**68,169**	44.07
Profit from ordinary activities after tax attributable to members ($000's)[1]	**71,195**	**58,165**	22.40
Net profit for the period attributable to members ($000's)[1]	**71,195**	**58,165**	22.40
Basic earnings per share (cents per share)	**47.3**	**38.8**	21.80
Net tangible assets per share (dollars per share)[2]	**13.79**	**12.63**	9.20
Final dividend declared – 100% franked (cents per share) (Record date: 13 April 2021)	**21.0**	**20.0**	5.00

The Company has terminated the Dividend Reinvestment Plan (DRP) that was introduced in 2020, with effect from 26th March 2021. This DRP was a prudent but temporary measure, put in place to help preserve liquidity through a period of significant uncertainty around the global economic outlook. Accordingly, shareholders who have elected to participate in the DRP will not be receiving shares in respect of the forthcoming dividend or any future dividends.

BRICKWORKS DELIVERS SOLID 1H21 RESULT

- **Statutory NPAT** including significant items, up 22% to $71 million
- **Underlying NPAT from continuing operations** before significant items, down 10% to $90 million
- **Underlying EBIT from continuing operations** before significant items, down 6% to $127 million (EBITDA down 4% to $163 million)
  - **Building Products Australia EBIT** up 60% to $16 million (EBITDA $43 million)
  - **Building Products North America EBIT** down 33% to $4 million (EBITDA $13 million)
  - **Property EBIT** up 3% to $92 million, net Property Trust assets up $50 million, to $777 million
  - **Investments EBIT** down 36% to $25 million. BKW share of WHSP market value up $720 million during period, and currently valued at $2.903 billion[3]
- **Operating cashflow** of $76 million
- **Interim dividend** of 21 cents fully franked, up 1 cent or 5% (Record date 13 April 2021, payment date 28 April 2021)

For more detailed information please refer to attached annual report.
This information should be read in conjunction with the most recent annual report.
The report is based on accounts which have been subject to review. There was no dispute or qualification in relation to these accounts or report.

[1] Including discontinued operations in both periods
[2] The net tangible assets calculation excludes right-of-use assets. Lease liabilities are included and reduce the net tangible assets per share
[3] As at 23 March 2021

BRICKWORKS

A.B.N. 17 000 028 526

INTERIM FINANCIAL REPORT

HALF YEAR ENDED 31 JANUARY 2021

Directors'

Report

The Directors of Brickworks Limited present their report and the financial report of Brickworks Limited and its controlled entities (referred to as the Brickworks Group or the Group) for the half year ended 31 January 2021.

Directors

The names of the Directors in office at any time during or since the end of the half year up to the date of this report are:

- **Robert D. Millner** FAICD (Chairman)
- **Michael J. Millner** MAICD (Deputy Chairman)
- **Lindsay R. Partridge AM** BSc. Hons. Ceramic Eng; FAICD; Dip. CD (Managing Director)
- **Deborah R. Page AM** B.Ec; FCA; FAICD
- **The Hon. Robert J. Webster** MAICD
- **Malcolm P. Bundey** B.Bus (Accounting), GAICD
- **Robyn N. Stubbs** B.Bus M.Sc., GAICD
- **Brendan P. Crotty** LS; DQIT; Dip. Bus Admin (retired 24 November 2020)

Highlights

- **Statutory NPAT** including significant items, up 22% to $71 million
- **Underlying NPAT from continuing operations** before significant items, down 10% to $90 million
- **Underlying EBIT from continuing operations** before significant items, down 6% to $127 million (EBITDA down 4% to $163 million)
  - **Building Products Australia EBIT** up 60% to $16 million (EBITDA $43 million)
  - **Building Products North America EBIT** down 33% to $4 million (EBITDA $13 million)
  - **Property EBIT** up 3% to $92 million, net Property Trust assets up $50 million, to $777 million
  - **Investments EBIT** down 36% to $25 million. BKW share of WHSP market value up $720 million during period, and currently valued at $2.903 billion[1]
- **Operating cash flow** of $76 million
- **Interim dividend** of 21 cents fully franked, up 1 cent or 5% (Record date 13 April 2021, payment date 28 April 2021)

Earnings

Brickworks Group (ASX: BKW) posted a Statutory Net Profit After Tax (**'NPAT'**) of $71 million for the half year ended 31 January 2021, up 22% on the previous corresponding period. Underlying NPAT from continuing operations was $90 million, down 10% on the prior period.

On sales revenue of $330 million, **Building Products Australia** Earnings Before Interest and Tax from continuing operations ('**EBIT**') was $16 million, up 60% on the previous corresponding period (EBITDA was $43 million). The higher earnings were due to a broad-based reduction in operating costs that supported improved margins across all business units. Manufacturing operations in Australia were largely unaffected by the COVID-19 pandemic.

By contrast, operations in **Building Products North America** were significantly disrupted by the pandemic, resulting in EBIT decreasing by 33% to $4 million (EBITDA was $13 million). Building activity in Glen-Gery's key non-residential markets was significantly lower, with the disruption caused by the pandemic exacerbated by uncertainty in the lead-up to the US Presidential election in November, followed by severe winter weather from December. In addition, the financial difficulties of state and federal governments resulted in many major projects being delayed or withdrawn. The lower market activity resulted in reduced like-for-like sales volume and lower plant utilisation across the network, resulting in higher unit costs.

Property EBIT was up 3% to $92 million for the first half, driven primarily by a significant revaluation profit within the Joint Venture Industrial Property Trust[2] ('Property Trust') and the recognition of a land sales profit in relation to Oakdale West. Brickworks' share of the net asset value within the Property Trust increased by $50 million during the period and now stands at $777 million.

Investments EBIT was $25 million, down 36%, with WHSP earnings impacted by a decline in the contribution from New Hope Corporation and the telecommunications portfolio. However, the market value of Brickworks 39.4% shareholding in WHSP increased by $720 million during the period. Including a further $339 million gain since then, the current market value stands at $2.903 billion (at 23 March 2021).

The underlying **income tax** expense from continuing operations was $27 million, up from $22 million in the prior corresponding period.

Total borrowing costs decreased marginally to $10 million, including $2 million in interest costs on leases.

Significant items reduced NPAT from continuing operations by $17 million for the period. This comprised:

- Costs of $6 million in relation to WHSP significant items.
- A $3 million cost arising from the net impact of the income tax expense in respect of the equity accounted WHSP profit, offset by the impact of fully franked WHSP dividend income, adjusted for the movements in the franking account and the circular dividend impact.

[1] As at 23 March 2021

[2] The Joint Venture Industrial Property Trust is a 50/50% partnership between Brickworks and Goodman Industrial Trust

- Restructuring costs of $5 million (net of tax), primarily relating to the relocation of the Austral Masonry plant in Sydney, the post upgrade commissioning of the Austral Bricks plant in Cardup (Perth) and the closure of retail outlets in North America.
- COVID-19 related costs of $2 million (net of tax), reflecting primarily the unabsorbed fixed costs in relation to manufacturing plant slowdowns, as a result of COVID-19 absenteeism in North America.
- Other costs of $1 million (net of tax)

Significant Items ($m) – Continuous Operations	**Gross**	**Tax**	**Net**
Significant items relating to WHSP	(6)	-	(6)
Income tax from the carrying value of WHSP	-	(3)	(3)
Restructuring activities	(7)	2	(5)
COVID-19 costs	(3)	1	(2)
Other costs	(1)	0	(1)
Total (Continuing Operations)	**(17)**	**1**	**(17)**

Statutory Earnings Per Share ('**EPS**') was 47 cents, up 21% on the previous corresponding period. Underlying EPS from continuing operations was 59 cents, down 12%**.**

Cash Flow

Total **cash flow from operating activities** was $76 million, compared to an $18 million outflow in the previous corresponding period. The prior period was adversely impacted by $71 million in higher tax payments, including $54 million in tax on the December 2018 sale of 7.9 million WHSP shares.

Capital expenditure was $61 million during the period, with significant project spend including deployment of a new enterprise resource planning (ERP) system across Australia, a new masonry plant at Oakdale East in New South Wales, a new brick plant at Horsley Park in New South Wales and a major upgrade to the Hanley brick plant in Pennsylvania.

Balance Sheet

During the half **total shareholders' equity** was down $26 million to $2.378 billion. The decline was primarily due to a decrease in the market value of WHSP's listed investments. Excluding the WHSP impact, net assets across the Group increased by $61 million.

Net tangible assets ('NTA') per share was $13.79 at 31 January 2021, down from $14.08 at 31 July 2020, primarily due to the decrease in total shareholders' equity.

Total interest-bearing debt was $594 million at the end of the period. After including cash on hand, **net debt** was $479 million, an increase of $25 million during the half. **Gearing** (net debt to equity) was up marginally to 20%.

Brickworks has $863 million in committed debt facilities, with significant headroom across all banking **covenants.** At the end of the period, bank gearing[3] as defined for covenant calculations was 16% (vs. a covenant of <40%), interest cover was 12x (vs. a covenant of >3.5x) and the leverage ratio was 1.9x (vs. a covenant of <3.5x).

Net working capital was $315 million at 31 January 2021, including **finished goods inventory** of $225 million. Finished goods inventory was up $7 million during the half, due primarily to Building Products North America inventory increasing over the winter period.

Dividends

Directors have declared a fully franked interim **dividend** of 21 cents per share for the half year ended 31 January 2021, up 5% from 20 cents. The record date for the interim dividend will be 13 April 2021, with payment on 28 April 2021.

[3] Gearing, interest cover and leverage ratio outlined here are based on the Group's banking covenant calculation (and differ from standard calculations used for these metrics, as quoted elsewhere in this report). Interest cover and leverage ratio covenants only apply if gearing exceeds 22.5%.

Sustainability

Our People

Full-time equivalent **employee** numbers were 1,937 at 31 January 2021, comprising 1,140 based in Australia and 797 in the United States.

The COVID-19 pandemic has had a significant impact on the way in which employees in large organisations such as Brickworks interact at work. Extended travel restrictions have reduced face-to-face meetings, on-site training and customer interactions. Offsetting these impacts, the transition to online communication, and the efficiency and ease of these interactions, has resulted in an increased frequency of management communications and online training.

Throughout the pandemic, Brickworks has maintained flexible workplace arrangements to ensure a range of individual employee circumstances could be accommodated. All sites have put in place strict guidelines to allow the safe return to the workplace for local employees, however the Company remains cognisant of situations where this may not be possible, such as when employees are caring for elderly or vulnerable family members.

North American operations have been particularly hard-hit by the pandemic, with around 90 COVID-19 cases amongst employees and more than half of the manufacturing workforce and other frontline staff being unable to work for various periods. Fortunately, no employees have lost their life, however many have been deeply impacted by the loss of family members and friends, and the Company passes on its condolences to all those affected.

Brickworks continues to focus on inclusion and diversity. At the end of the period, female employees made up approximately 21% of the workforce. At the Senior Executive level, female representation has increased significantly in recent years, and was 27% at the end of the period. This compares to 7% in 2015.

Safety

In Australia, there were no Lost Time **Injury** ('LTIs') during the half, and as such the Lost Time Injury Frequency Rate ('LTIFR') was 0. This pleasing performance follows the previous record low injury rate of 0.4 achieved in financial year 2020. The Total Reportable Injury Frequency Rate ('TRIFR') for the period was 13.7, down marginally from 14.0 in the prior year.

A sustained decrease in injuries across Australian operations has been achieved over the past decade, through disciplined implementation of safety management systems and procedures, together with behavioural leadership and safety training programs. These initiatives continue to be rolled out across our recently acquired operations in North America where injury rates are significantly higher than Australia.

In the North American operations, there were 5 LTI's during the half, translating to an LTIFR of 5.2, an increase from 4.2 in the prior year. The TRIFR for the period was 20.1, down from 24.3.

Environmental

Last year, Brickworks developed a new sustainability strategy, "Build for Living: Towards 2025". This strategy focuses on the opportunity to make buildings and cities safe, resilient and sustainable. It sets a clear pathway with 15 measurable targets and commitments across the pillars: Our People, Environment, Responsible Business and Community.

As part of the sustainability strategy, the Company is working towards meeting the recommendations set out by the Task Force on Climate-Related Financial Disclosures (TCFD) by FY2022.

A 'Sustainable Home Guide' is being prepared for launch in 2021, highlighting how Brickworks products offer a wide range of benefits for sustainable home design. For example, our products support energy efficient design, have low material toxicity and extreme weather resistance.

During the period Brickworks continued to roll out an enhanced Environmental Management System in Australia and the United States. This is focussed on key areas such as water pollution, air pollution and odours, dust emissions, noise emissions and waste management.

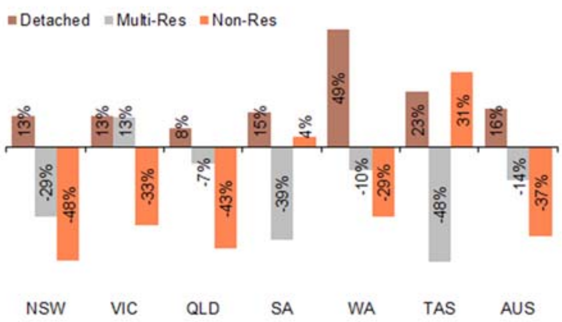
Over the next decade, the Company will continue to significantly reduce emissions through investment in modern, more fuel-efficient kilns across the network, including investigations into the potential use of hydrogen and green, synthetic natural gas.

Building Products

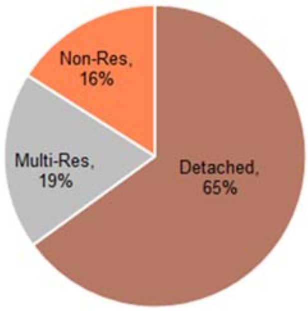
Australia

Market Conditions

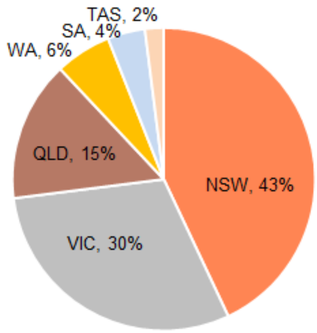
Building Activity by State[4]
6 months to Dec 20 vs 6 months to Dec 19



Sales by Segment



Sales by Region



Building activity in Australia was mixed during the 6 months to December 2020. Despite the impacts of the pandemic, detached housing activity was robust, with a 16% increase in commencements compared to the prior corresponding period. By contrast, multi-residential and non-residential building activity decreased 14% and 37% respectively.

The pandemic has resulted in increased consumer demand for lower density living, and this is resulting in a shift towards detached housing from multi-residential alternatives. This is favourable for Austral Bricks and Bristile Roofing, due to the relatively high usage of bricks and roof tiles in detached houses. However, the full impact of the increased detached housing activity was not felt during the period, with materials usage on site typically lagging a housing commencement by 3-6 months.

Detached housing commencements increased across all states, with annualised starts of 110,500 at December 2020. Western Australia was the standout, with a 49% increase vs the prior corresponding period, albeit this comes off a 30-year low point for activity in that state.

Annualised multi-residential commencements across the country were 64,500 at December 2020, the lowest level since 2012. Of the major states, New South Wales has been hardest hit, with a 29%. Victoria was the only state to post an increase in multi-residential starts, up by 13% for the half.

The increased consumer preference for lower density housing has also resulted in a surge in regional housing demand. Detached house approvals in regional areas across the country increased by 57% for the December 2020 quarter, compared to the prior corresponding period.

Non-residential building was significantly lower across all major states in the first half, with private investment in offices, accommodation and retail all scaled back in response to the pandemic.

Overview of Result

$million	1H2020	1H2021	Change
Revenue	338	**330**	(2%)
EBITDA	39	**43**	10%
EBIT	10	**16**	60%
EBITDA margin	12%	**13%**	8%
EBIT margin	3%	**5%**	67%

Revenue for the half year to 31 January 2021 was $330 million, down 2% on the prior corresponding period.

Early in the period, demand was relatively subdued, due in part to disruptions and uncertainty caused by the pandemic. However, demand steadily increased over the period, as consumer confidence recovered and building activity was buoyed by the various government stimulus measures put in place across the country.

EBIT was up 60% on the prior corresponding period to $16 million and **EBITDA** was $43 million. The higher earnings were due to a broad-based reduction in operating costs, supporting improved margins and earnings across all business units.

In addition to improved earnings, Building Products Australia has been proactive throughout the pandemic to accelerate several exciting initiatives and ensure it emerges in the strongest possible position. These initiatives have been focussed in the critical areas of new product development, capital projects, customer communications and staff training.

[4] Detached House and Multi-residential Commencements. Non-residential value of work done. Source: BIS Oxford Economics Dec 2020 forecast. Data shown for NSW also includes ACT, to align with Brickworks sales regions.

In September, “B20” was held, the biggest product launch event in the Company’s history, with an exciting range of over 100 innovative new bricks, roof tiles and masonry products being released. Customer feedback has been very positive and many of these products are already making a strong contribution to earnings.

A major capital investment program is underway to enhance our competitive position in key markets. Construction of a $75 million Austral Masonry plant in Sydney is well on track for commissioning later this year.

At Horsley Park, building works are now well underway for a new $130 million face brick plant at Plant 2. This facility, with a capacity of 130 million bricks per annum, will be the most advanced brick plant in the world.

In addition to investing in manufacturing operations, the Company is transforming the way it interacts with customers, with a new ERP system now rolled out in Victoria, South Australia and Tasmania. Other states will follow during the second half.

The Company has also launched a dedicated Content Channel that incorporates articles, films, podcasts, publications and an events portal to provide a better online experience for our target audiences and re-affirm Brickworks’ position as a leading voice within the building products industry.

During the pandemic, staff training has been prioritised, with extensive training programs completed across all functions of the business, using online channels.

Austral Bricks earnings increased by 4% for the six months ended 31 January 2021, with sales revenue flat at $193 million.

The result in Queensland was particularly encouraging, with an increase in sales and strong operational performance. Margins were significantly improved, following the completion of upgrade works at the Rochedale plant in the prior year. Following these upgrades, plant performance is exceeding expectations, particularly in relation to fuel efficiency and product quality. The capital investment in this business has resulted in a return to a market leading position in Queensland.

In Western Australia, the acquisition of Midland brick assets by BGC, approved by the ACCC in December, provides improved clarity in relation to the competitive environment, after many years of corporate restructuring and industry uncertainty. That said, the market remains challenging, and the competitive dynamic remains under constant review. Brickworks will not hesitate to take decisive steps to improve its position should circumstances justify.

The significant increase in housing approval data in Western Australia, dating back around 6 months, is only now translating to a strong increase in demand for bricks. During the period, upgrade works have been completed at the Cardup plant, to allow quality products to be produced at this dedicated face brick and block facility. In addition, minor upgrades to the currently mothballed Armadale plant will soon commence, with this plant dedicated to commodity internal block products. Completion of the Armadale works will allow the transition to a two-plant operating model, with each plant having a dedicated product range, and overall capacity aligned with expected market demand.

With demand across the country ramping up in recent months, all east coast manufacturing plants are now operating at capacity. Supply into Victoria is particularly tight, with other plants across the network, most notably the Golden Grove facility in South Australia, supporting supply into that state.

In February, the spare kiln at Plant 3, Horsley Park (New South Wales) was re-started, having been moth-balled throughout the recent downturn. This plant will service the local Sydney market and also alleviate some of the supply chain pressures that are building all along the east coast.

Bristile Roofing earnings were up on the prior corresponding period, despite a 4% decrease in revenue to $52 million for the half. This includes sales from the Fyshwick roof tile batten mill, operating as “Capital Battens”.

Roof tile sales volume across the country was relatively steady, with an increase in Victoria, the largest market for Bristile Roofing, offset by a decline in New South Wales. In Queensland, major hail storms in October and November resulted in increased demand in the following months. This has been followed by another major storm in south east Queensland in March.

The business has implemented a refocussed and simplified business strategy, with an emphasis on the core roof tile range. A reduction in unit manufacturing costs and prior period restructuring initiatives, resulted in improved margins during the half. In addition, improved product quality from both the Wacol and Dandenong production plants has gained positive market feedback.

In recent months, as sales volume has increased, trade shortages across the country have become an increasing issue for tile and metal roof installations. With demand expected to increase further over the second half, these constraints are likely to result in a cap on industry installation capacity and therefore sales volume.

Capital Battens recorded increased revenue and earnings, with the mill operating at capacity for the entire period.

Austral Masonry earnings were also higher, on relatively steady sales revenue of $62 million for the half.

Improved margins were driven by cost reduction initiatives, productivity improvement programs and the continued growth of premium paving and retaining wall products. The business continues to pursue diversification from traditional grey block products, and the appeal of this broader market offer has improved the competitive position within the home building, trade and retail segment.

In December operations ceased at the Prospect plant in Sydney, to be replaced by a new facility on Property Trust land at Oakdale East. Construction of the new facility continued at pace during the period, albeit the pandemic caused some on site disruptions and delays, with travel restrictions impacting the availability of trades and engineering crews, particularly those from overseas suppliers. The overall project timeline remains on track, with commissioning expected to commence in the coming months.

The new facility will be one of the most advanced masonry plants in the world. Whilst there has been some disruption and increased costs during the transition phase, once complete the new plant will deliver lower costs and a broader product range, placing the business in a very strong competitive position in this key market.

Austral Precast earnings improved on the prior corresponding period, despite a significant decline in revenue to $19 million for the half. The decrease in revenue was primarily due to the exit from operations in Western Australia. In addition, sales in New South Wales were lower, as a result of the sharp decline in multi-residential and commercial building in Sydney.

Earnings were higher on the lower revenue base, due to improved manufacturing efficiency and lower overhead costs.

Austral Precast continues to focus on a range of product development initiatives such as “Double Wall”, a cost-effective product that offers significant advantages over alternative systems such as lightweight permanent formwork solutions. Sales of this product increased significantly over the period and continues to gain market acceptance in a range of applications.

Southern Cross Cement is now providing quality, cost effective cement to Austral Masonry and Bristile Roofing operations in Brisbane, as well as to other Joint Venture shareholders.

Since commissioning last financial year, well over 200,000 tonnes of cement has been received by the facility and operational performance has consistently improved. Unloading rates for recent cement shipments have exceeded the original design capacity. In addition, the higher Australian currency and lower bulk cement prices have contributed to higher returns than initial forecasts.

Building Products

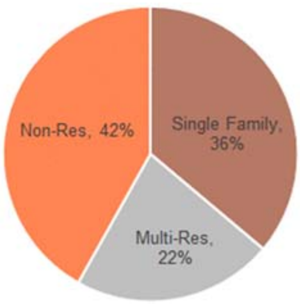
North America

Market Conditions

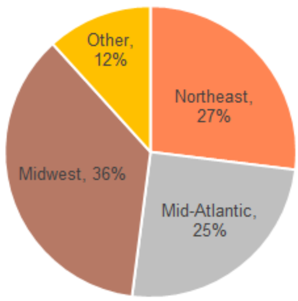
Building Activity by Region[5]

6 months to Dec 20 vs 6 months to Dec 19

Glen-Gery Sales by Segment



Glen-Gery Sales by Region



The COVID-19 pandemic has had a significant impact on building activity across the United States, with wide ranging implications across building segments and regions. Across the country, the total value of building activity commenced for the 6 months to December 2020 was down 10% compared to the prior corresponding period. A 24% increase in single family residential commencements was offset by a 9% reduction in multi-residential commencements and a 30% reduction in non-residential activity.

Glen-Gery's primary exposure is the non-residential building segment in the Northeast, Mid-Atlantic and Midwest regions. Activity in these markets was down 24%, 23% and 36% respectively, with many major projects delayed or cancelled by state authorities due to financing concerns, as a result of the COVID-19 pandemic. In addition, approvals for new projects slowed significantly in the lead-up to the US presidential election in November.

By contrast, the single-family home segment, which accounts for 36% of Glen-Gery volume, was more robust. In this segment, building activity was up 13% in the Northeast, 29% in the Mid-Atlantic and 22% in the Midwest.

Overview of Result[6]

$million	1H2020	1H2021	Change
Revenue ($US)	75	**75**	-
EBITDA ($US)	9	**9**	-
EBIT ($US)	4	**3**	(25%)
Revenue ($AU)	110	**102**	(7%)
EBITDA ($AU)	13	**13**	-
EBIT ($AU)	6	**4**	(33%)
EBITDA margin	12%	**12%**	-
EBIT margin	6%	**3%**	(50%)

Building Products North America **revenue** was US$75 million (AU$102 million) for the six months to 31 January 2021, in line with the prior corresponding period.

The impact of the acquisition of Redland Brick assets in February 2020 was offset by the sharp decline in building activity in Glen-Gery's core markets, with the effects of the pandemic being compounded by severe winter weather conditions.

In response to the pandemic, various local and state government restrictions were intermittently imposed throughout the half. This included shutdowns or limitations on trades at building sites in New York, New Jersey, Massachusetts and Pennsylvania. Riots and civil unrest also had an impact in some regions, such as Minnesota.

[5] Single Family and Multi-residential Commencements. Non-residential value of work done. Source: Dodge Data & Analytics.
[6] An average exchange rate of 1AUD=0.73 USD has been used to convert earnings in 1H21 (1AUD=0.68 USD in 1H20)

EBITDA for the period was US$9 million (AU$13 million) and **EBIT** was US$3 million (AU$4 million). Earnings were impacted by lower plant utilisation and the workforce challenges associated with maintaining safe working practices in the midst of the pandemic. This challenge is highlighted by the fact that during the period there were around 90 COVID-19 cases amongst employees, and more than half of all staff were unable to work for various periods. As such, operations at many plants were impacted by staffing issues during the period.

Despite the challenges faced in the first half, the business has made strong progress on key strategic priorities over the period. In August, a new design studio in central Philadelphia was officially opened, and a number of COVID safe events have been held since the opening.

An additional studio is under construction in New York City, and is scheduled for opening in the second half. These studios will further enhance Glen-Gery's strong reputation for premium products and competitive position in the high value architectural segment.

Significant plant rationalisation activities were accelerated through the pandemic, with a total of 16 manufacturing plants transitioning to 10. This process has involved the transfer of almost 200 products to new plants and required a significant effort from technical staff across the business.

This smaller network of more efficient, modern plants also offers production flexibility, with three facilities having mothballed kilns with additional capacity. This production flexibility has long been an important competitive advantage in our Australian operations and is critical to meet market cycles and fluctuations in demand.

The plant rationalisation activities have also allowed for a more focussed capital spend program. Significant upgrade works are ongoing at the Hanley plant in Pennsylvania. Improvements to the clay preparation areas were successfully commissioned in November 2020 and will deliver improved product quality and plant efficiency. Work on the extruder and the setting line has also been completed and is currently in the commissioning phase. Upgrade works are also planned for Sergeant Bluff in Iowa and Lawrenceville in Virginia.

Property

Overview of Property Result

$million	1H2020	1H2021	Change
Net Trust Income	15	16	7%
Revaluations	52	40	(23%)
Development Profit	24	0	NA
Property Trust	**90**	**56**	**(38%)**
Property Sales	0	38	NA
Admin and Other	(2)	(2)	-
Total	**89**	**92**	**3%**

Property delivered EBIT of $92 million for the first half, up 3% on the prior corresponding period.

The **Property Trust** delivered an EBIT contribution of $56 million, down 38% on the prior period.

Net trust income was up 7% to $16 million for the half. This reflects the rental contribution from one new facility at Oakdale South and rent increases across the balance of the portfolio.

Property Trust assets were revalued during the period and this resulted in another strong revaluation profit on established assets of $40 million. This reflects an approximate 25-basis point compression across the portfolio and follows the 25-50 basis point tightening that occurred in the prior year. This continued capitalisation rate compression over many years has crystallised the value that the Property Trust was specifically set-up to capture.

Construction of the state-of-the-art Amazon facility continued during the period. In total, the facility has a total floor area of 190,000m^2, across multiple levels, on a base floor area of 53,500m^2.

Major infrastructure works, including a roadway and bridge to access the estate were also completed during the period, allowing construction of the Coles distribution warehouse to commence in January.

In addition, development of the first stage of Oakdale East, including construction of the Austral Masonry plant, is well advanced and expected to be completed during financial year 2021.

Property sales contributed a $38 million profit during the half, primarily relating to the recognition of a portion of the previously unrealised profits associated with the prior sale of Oakdale West into the Property Trust. This follows a reclassification of several precincts within the Estate to "investment property", following the Coles and Amazon lease arrangements becoming unconditional and additional pre-lease commitments being secured.

Property administration expenses totalled $2 million, in line with the prior half. These expenses include holding costs, such as rates and taxes on properties awaiting development.

Property Trust Assets

Estate	Currently Leased					Additional	
	Asset Value ($m)	Gross Rental ($m p.a.)	WALE[7] (yrs)	Cap. Rate	GLA[8] (m^2)	Pre-Committed GLA (m^2)	Additional GLA (m^2)
M7 Hub (NSW)	167	8	2.7	5.0%	64,200	*Fully developed*	
Interlink Park (NSW)	459	26	3.0	4.8%	192,200	*Fully developed*	
Oak. Central (NSW)	633	31	4.6	4.6%	245,200	*Fully developed*	
Oak. South (NSW)	279	13	7.5	4.6%	111,300	25,100	40,000
Rochedale (QLD)	211	11	10.8	5.1%	95,600	10,600	19,600
Oak. West (NSW)	-	-	-	-	-	119,500	257,600
Oak. East (NSW)	-	-	-	-	-	16,100	19,700
Total	**1,749**	**88**	**5.1**	**4.8%**	**708,500**	**171,300**	**336,900**

[7] Weighted average lease expiry (by income)
[8] Gross Lettable Area

As at 31 January 2021, the total value of leased assets held within the Property Trust was $1.749 billion. The annualised gross rent generated from the Property Trust is $88 million, the weighted average lease expiry is 5.1 years and the average capitalisation rate is 4.8%. There are currently no vacancies in the portfolio.

Including $410 million worth of land to be developed, the total value of assets held within the Property Trust was $2.159 billion at the end of the period. Borrowings of $605 million are held within the Property Trust, giving a total net asset value of $1.554 billion. Brickworks' 50% share of net asset value is $777 million, up by $50 million during the half. The increase in value is primarily due to the property revaluations reported during the half.

Gearing on leased assets was 35% at the end of the period and the total return on the leased property assets in the Trust, including revaluation profit, was 13% during the half.

$million	Jul 2020	Jan 2021	Change
Leased properties	1,663	1,749	5%
Land to be developed	397	410	3%
Total Property Trust assets	**2,060**	**2,159**	**5%**
Borrowings on leased properties	(606)	(605)	-
Net Property Trust assets	**1,455**	**1,554**	**7%**
Brickworks 50% share	**727**	**777**	**7%**
Rental return on leased assets[9]	6%	6%	-
Reval. return on leased assets[10]	10%	7%	(30%)
Total return on leased assets (annualised)	**16%**	**13%**	**(19%)**
Gearing on leased assets[11]	36%	35%	(3%)

[9] Based on annualised Net Trust Income of $32m (2 x 1H21), divided by $572m (representing Brickworks share of leased properties, net of borrowings)
[10] Methodology as above, but assuming annualised revaluation profit of $40 million (in line with 1H21)
[11] Borrowings on leased assets / total leased assets

Investments

The EBIT from Investments was $25 million in the half year ended 31 January 2021, down 36% on the prior corresponding period. Investments consists primarily of Brickworks shareholding in WHSP, in addition to interest income on cash holdings.

Washington H. Soul Pattinson Limited ('WHSP')

ASX Code: SOL

Brickworks holds 94.3 million WHSP shares, equivalent to a 39.4% ownership interest. This shareholding in WHSP is an important source of earnings and cash flow diversification for the Company and has been a key contributor to Brickworks' success for more than four decades.

WHSP holds a significant investment portfolio in a number of listed companies including Brickworks, TPG Telecom, New Hope Corporation and Australian Pharmaceutical Industries.

The market value of Brickworks shareholding in WHSP was $2.563 billion at 31 January 2021, up $720 million for the half. Since then, the market value has risen a further $339 million and stood at $2.903 billion on 23 March 2021.

WHSP has delivered strong returns to Brickworks, with 20-year total shareholder return of 13.6% per annum (to 31 January 2021), 5.6% per annum ahead of the All Ordinaries Accumulation Index. Shareholder returns comfortably exceed the benchmark over one, three, five, ten and fifteen years periods.

The investment in WHSP returned an underlying contribution of $24 million for the half year ended 31 January 2021, down from $38 million in the previous corresponding period. The decline was driven by lower earnings from New Hope Corporation, and a reduced contribution from the telecommunications portfolio, due to the derecognition of TPG as an associate and start-up losses at Tuas Limited.

During the period cash dividends of $33 million were received, up 3% on the prior period.

Outlook

Building Products Australia

Detached house building approvals across the country have surged in recent months, with December quarter approvals for Australia being the highest on record. This is being driven by a range of factors including low interest rates, an increase in household savings and a range of government stimulus measures in response to the COVID-19 pandemic.

Reflecting this, our home builder customers are reporting a significant inflow of work entering the pipeline, and in recent months this has translated into a strong increase in orders for our bricks, roof tiles and paving products.

In contrast to the buoyant short-term outlook for detached housing, the level of activity in medium and high-rise developments continues to decrease, particularly in Sydney and Melbourne. Whilst this may have some impact on demand for products such as masonry blocks, this is more than offset by orders secured for major infrastructure projects such as the Sydney Metro and the Sydney Football Stadium.

Looking across the states, the largest percentage increase in demand is expected to come in Western Australia, Queensland and Tasmania, where the growth in approvals is most pronounced. In the case of Western Australia, approvals for the December 2020 quarter were up by more than 100% compared to the prior corresponding period. It is anticipated that demand will remain strong in regional areas across all major states over the medium term.

All brick and roof tile plants on the east coast are expected to run at capacity during the second half, in order to meet the increase in demand. With the potential for demand to exceed available capacity, contingency plans are also being developed to allow the supply of products from Brickworks plants in the United States.

As demand increases, it is anticipated that the growth in sales volume will be limited by the availability of trades, with brick layers in Western Australia and roof tilers across all regions, in particularly short supply. These supply chain issues are likely to have the effect of extending the existing pipeline of work, resulting in an elevated period of activity for at least a year.

However, looking beyond the current stimulus induced surge in activity, significant uncertainty remains. Whilst conditions are currently supportive for housing investment, inflationary pressures and the subsequent risk of higher interest rates appear to be increasing. In addition, fundamental questions remain in relation to the effectiveness of the vaccine roll-out, and the timing and extent of a return to immigration and full employment. It is also clear that government stimulus has brought forward a large volume of work that has the potential to leave a void once the existing pipeline is exhausted.

The ongoing completion of major projects and upgrade works will support earnings over the medium and longer term. This includes the new Austral Masonry plant at Oakdale East, to be completed in the second half, with this plant set to deliver lower unit costs and significantly broaden the product range.

Building Products North America

In the short term, mixed market conditions are expected to persist in North America. Like in Australia, there has been a strong increase in single family residential approvals across the country. Offsetting this, the key non-residential building segment is expected to remain relatively subdued in the second half.

The severe winter conditions across the northern regions of the United States persisted through February and had an adverse impact on sales volume and operations. However, there has been a strong recovery in demand during March, with improved weather and increased optimism of a stimulus led post-pandemic recovery. Daily order intake is now at pre-pandemic levels.

With extensive plant rationalisation activities undertaken to increase utilisation, and upgrades being completed at Lawrenceville and Hanley to improve efficiency, significant manufacturing cost reductions are anticipated once production volumes normalise at these plants.

In addition, price rises have been successfully implemented in February, with the increases achieved expected to exceed cost inflation and therefore contribute to improved margins.

Over the long term, North American operations are expected to deliver improved earnings and growth for many years to come, with Brickworks focussed on implementing our proven market strategy focussed on style and premium product positioning.

Property Trust

The continuing strong demand for industrial land reflects structural changes across the industry, as companies modernise their supply chains in response to consumer preferences, such as on-line shopping.

The Property Trust is ideally placed to take advantage of these trends, with well-located prime industrial land on large lot sizes. Current development activity at Oakdale in New South Wales and Rochedale in Queensland will drive growth in rent and asset value over both the short and medium term.

At **Oakdale South**, construction has commenced on a 25,100m^2 pre-committed facility ("Site 1C"), with completion expected in the current financial year. Amber Tiles will occupy approximately half of this facility. Following this, a further 40,000m^2 of gross lettable area ("GLA") will be available for development at this site.

With the four-lane access roadway to **Oakdale West** handed over to Penrith Council in January 2021, construction activity at this site will continue at unprecedented scale over the next six months. The Amazon facility is expected to be completed in September 2021, followed by the Coles facility in July 2022. Combined, these facilities will occupy 119,500m^2 of GLA. Enquiry for the remaining 257,600m^2 of GLA on the Estate has been strong, and is expected to increase further, now that civil works are well underway.

At **Oakdale East**, a 10-hectare development sold into the Property Trust in 2020, the Austral Masonry plant and additional warehouse facilities are expected to reach practical completion by the end of the current financial year. This development has a total GLA of 35,800m^2, with 16,100m^2 already pre-committed.

At **Rochedale**, approval has been secured for the development of the remaining 30,200m^2 of GLA, with Woolworths pre-committing to a 10,600m^2 facility. Construction will commence in the coming months, with practical completion expected midway through financial year 2022.

In total, there is 171,300m^2 of pre-committed GLA across the various Property Trust Estates. The completion of these facilities over the next two years will result in gross rent within the Property Trust increasing by around $38 million, representing an uplift of over 40% from the current level.

The rental income per GLA achieved for these developments is significantly greater than the current leased portfolio. This reflects the evolution towards more sophisticated and specialised facilities, incorporating features such as robotics, automation and multi-storey warehousing. The development of these advanced facilities has become a critical competitive advantage for many businesses in the new economy and will continue to support the increasing value of the Property Trust's prime industrial land.

In addition to the pre-committed facilities, a further 336,900m^2 of GLA remains available for development within the Trust and will provide further opportunity for growth in the years ahead.

Outside of the Trust, Brickworks retains other significant parcels of surplus land, suitable for development in the future. The largest site held for development is at Craigieburn in Victoria. Brickworks is currently reviewing the option of an industrial development on this land, given recent strong land growth in the Melbourne industrial market.

Investments

The diversified nature of WHSP's investments is expected to deliver steadily increasing earnings and dividends to Brickworks over the long term.

Rounding of amounts

The amounts contained in this interim financial report have been rounded to the nearest thousand (unless otherwise stated) under the option available to the Company under *ASIC Corporations Instrument 2016/191*. The Company is an entity to which the legislative instrument applies.

Auditor's independence declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 14 for the half year ended 31 January 2021, and forms part of this report.

Made in accordance with a resolution of the Directors at Sydney.

Dated 25 March 2021

R.D. MILLNER

Director

L.R. PARTRIDGE AM

Director

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Auditor's Independence Declaration to the Directors of Brickworks Limited

As lead auditor for the review of Brickworks Limited for the half year ended 31 January 2021, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Brickworks Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Jodie Inglis

Jodie Inglis
Partner
25 March 2021

Half-Year

Financial Statements

Consolidated Income Statement

	Note	31 January 2021 $'000	31 January 2020 $'000
Continuing operations			
Revenue	2.2	431,707	448,622
Cost of sales		(311,477)	(329,213)
Gross profit		**120,230**	**119,409**
Other income	2.2	3,050	593
Distribution expenses		(31,894)	(32,578)
Administration expenses		(26,982)	(24,545)
Selling expenses		(49,347)	(51,250)
Business acquisition costs	2.1	(951)	(8,074)
Other expenses		(15,679)	(12,686)
Gain on bargain purchase	2.1	-	3,776
Share of net profits of associates and joint ventures	2.3	112,615	96,162
Profit from continuing operations before finance cost and income tax		**111,042**	**90,807**
Finance costs	2.2	(11,494)	(12,452)
Profit from continuing operations before income tax		**99,548**	**78,355**
Income tax expense	2.4	(27,419)	(13,531)
Profit from continuing operations after tax		**72,129**	**64,824**
Discontinued operations			
Loss from discontinued operations, net of income tax benefit	2.1	(934)	(6,659)
Profit after tax		**71,195**	**58,165**
Profit after tax attributable to:			
Shareholders of Brickworks Limited		71,195	58,165
		Cents	Cents
Earnings per share attributable to the shareholders of Brickworks Limited			
Basic (cents per share)		47.3	38.8
Diluted (cents per share)		47.2	38.8
Basic (cents per share) from continuing operations		47.9	43.3
Diluted (cents per share) from continuing operations		47.8	43.2

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Other Comprehensive Income

	Note	31 January 2021 $'000	31 January 2020 $'000
Profit after tax		**71,195**	**58,165**
Other comprehensive income, net of tax			
Items that may be subsequently reclassified to Income Statement			
Share of increments/(decrements) in reserves attributable to associates and joint ventures		4,333	9,459
Foreign currency translation		(319)	619
Income tax expense relating to these items		(1,300)	(2,837)
Net other comprehensive (loss)/profit that may be reclassified to Income Statement		**2,714**	**7,241**
Items not to be subsequently reclassified to Income Statement			
Net fair value gain/(loss) on financial assets at fair value through other comprehensive income		(239)	(28)
Share of increments/(decrements) in reserves attributable to associates and joint ventures		(95,748)	-
Income tax benefit relating to these items		28,796	8
Net other comprehensive loss not to be reclassified to Income Statement		**(67,191)**	**(20)**
Other comprehensive (loss)/ income, net of tax	4.4	**(64,477)**	**7,221**
Total comprehensive income		**6,718**	**65,386**
Total comprehensive income, attributable to:			
Shareholders of Brickworks Limited		6,718	65,386

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

	Note	31 January 2021 $'000	31 July 2020 $'000
Cash and cash equivalents		115,132	187,109
Receivables		84,276	129,024
Inventories		284,512	278,148
Prepayments		10,360	8,510
Contract assets		6,769	8,001
Current income tax asset		13,411	26,624
Total current assets		**514,460**	**637,416**
Inventories		5,936	7,029
Financial assets at fair value through other comprehensive income	4.2	1,553	1,792
Investments accounted for using the equity method	3.1	2,214,789	2,244,629
Property, plant and equipment		686,430	657,328
Right-of-use assets		99,982	106,216
Intangible assets		180,263	178,523
Total non-current assets		**3,188,953**	**3,195,517**
TOTAL ASSETS		**3,703,413**	**3,832,933**
Payables		101,398	128,466
Borrowings	4.1	34,595	-
Derivative financial liabilities	4.2	17	134
Post-employment liabilities		681	696
Contract liabilities		5,232	6,712
Lease liabilities		28,036	29,535
Other financial liabilities		1,308	1,698
Provisions		63,049	65,641
Total current liabilities		**234,316**	**232,882**
Borrowings	4.1	556,194	638,688
Derivative financial liabilities	4.2	8,455	9,633
Post-employment liabilities		17,968	18,606
Lease liabilities		79,407	82,984
Other financial liabilities		13,132	13,761
Provisions		14,061	14,881
Deferred income tax liability		401,686	417,487
Total non-current liabilities		**1,090,903**	**1,196,040**
TOTAL LIABILITIES		**1,325,219**	**1,428,922**
NET ASSETS		**2,378,194**	**2,404,011**
Issued capital	4.3	382,063	356,015
Reserves	4.4	232,458	293,344
Retained profits		1,763,673	1,754,652
TOTAL EQUITY		**2,378,194**	**2,404,011**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Note	Issued capital $'000	Reserves $'000	Retained profits $'000	Total $'000
For the period ended 31 January 2021					
Balance at 1 August 2020		356,015	293,344	1,754,652	2,404,011
Profit after tax		-	-	71,195	71,195
Other comprehensive income – net of tax		-	(64,477)	-	(64,477)
Net dividends paid	2.5	-	-	(48,477)	(48,477)
Share issue costs	4.3	(139)	-	-	(139)
Issue of shares through employee share plan	4.3, 4.4	462	(462)	-	-
Dividend Reinvestment Plan	4.3	26,466	-	-	26,466
Shares vested to employees	4.3, 4.4	62	(62)	-	-
Shares purchased under Short-term incentive (STI) scheme	4.3, 4.4	(803)	803	-	-
Share of associates transfer to outside equity interests	4.4	-	(153)	(13,697)	(13,850)
Share based payments expense	4.4	-	3,465	-	3,465
Balance at 31 January 2021		**382,063**	**232,458**	**1,763,673**	**2,378,194**
For the period ended 31 January 2020					
Balance at 1 August 2019		351,229	283,357	1,532,772	2,167,358
Adjustment on the adoption of AASB 16 (net of tax)		-	-	(4,491)	(4,491)
Restated balance at 1 August 2019		351,229	283,357	1,528,281	2,162,867
Profit after tax		-	-	58,165	58,165
Other comprehensive income – net of tax		-	7,221	-	7,221
Net dividends paid	2.5	-	-	(47,148)	(47,148)
Issue of shares through employee share plan	4.3	(10)	-	-	(10)
Net movement in associate reserve		-	(997)	997	-
Shares vested to employees	4.3, 4.4	164	(164)	-	-
Share based payments expense	4.4	-	2,830	-	2,830
Balance at 31 January 2020		**351,383**	**292,247**	**1,540,295**	**2,183,925**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Note	31 January 2021 $'000	31 January 2020 $'000
Cash flows from operating activities			
Receipts from customers		509,117	524,943
Payments to suppliers and employees		(474,058)	(506,132)
Interest received		244	216
Interest and other finance costs paid		(12,191)	(11,643)
Dividends and distributions received		49,389	46,156
Income tax refunded/(paid)		3,558	(71,167)
Net cash from/(used in) operating activities		**76,059**	**(17,627)**
Cash flows from investing activities			
Purchases of property, plant and equipment		(61,297)	(57,453)
Proceeds from sale of property, plant and equipment		3,139	1,083
Purchases of intangible assets		(2,727)	-
Purchase of investments in joint ventures		(8,050)	(111)
Proceeds from sale of subsidiary		1,493	3,543
Purchase of controlled entities, net of cash acquired		(327)	(63,203)
Net cash used in investing activities		**(67,769)**	**(116,141)**
Cash flows from financing activities			
Proceeds from borrowings		12,134	204,240
Repayments of borrowings		(45,000)	(37,000)
Payment of principal portion of lease liabilities		(14,043)	(13,869)
Proceeds from underwriter of Dividend Reinvestment Plan (DRP)		20,000	-
Share issue costs		(126)	-
Dividends paid net of Dividend Reinvestment Plan (DRP)		(52,096)	(56,976)
Net cash (used in)/provided by financing activities		**(79,131)**	**96,395**
Net decrease in cash held		**(70,841)**	**(37,373)**
Effects of exchange rate changes on cash		(1,136)	1,438
Cash at the beginning of the period		187,109	74,881
Cash at the end of the period		**115,132**	**38,946**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes

to the Half-Year Financial Statements

This section sets out the basis upon which the half year financial report is prepared as a whole.

1. About this Report

1.1. Basis of preparation

This half year consolidated financial report for Brickworks Limited and its controlled entities (the "Group") is a condensed general purpose financial report prepared in accordance with the accounting standard AASB 134 *Interim Financial Reporting*, the requirements of the *Corporations Act 2001* and other mandatory professional reporting requirements.

The half year report does not include all the disclosures normally included in an annual report. Accordingly, it is recommended that this report be read in conjunction with the Brickworks Annual Report for the year ended 31 July 2020 and any announcements to the market made during the financial half year in accordance with the Group's continuous disclosure obligations under the *Corporations Act 2001*.

The accounting policies and measurement bases adopted in this report are consistent with those applied in the Brickworks Annual Report for the year ended 31 July 2020, except for the adoption of new and amended standards set out in note 5.3. New accounting standards. The Group has not early adopted any other standard, interpretation or amendments that has been issued but not yet effective.

The half year report is presented in Australian dollars, which is the Group's functional currency[1].

1.2. Key estimates or judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities. The significant judgements made by management in applying the Group's accounting policies are the same as those applied to the annual financial statements as at and for the year ended 31 July 2020.

1.3. Comparative information

Certain comparative information was amended in these financial statements to conform to the current year presentation. These amendments do not impact the Group's financial result and do not have any significant impact on the Group's statement of financial position.

1.4. Notes to the half year financial report

The notes are organised into the following sections:

2. Financial Performance	Provides the information that is considered most relevant to understanding the financial performance of the Group.
3. Investments Accounted for using the Equity Method	Provides the information that is considered relevant to understand the Group's investments in Washington H. Soul Pattinson and Company Limited (associated company) and joint venture arrangements, including Property Trusts.
4. Capital Structure and Risk Management	Provides the information about the capital and risk management practices of the Group, including its borrowings, derivative financial instruments and equity.
5. Other	Provides information on items which require disclosure to comply with Australian Accounting Standards ("AASBs") and other regulatory pronouncements and any other information that is considered relevant for the users of the financial report which has not been disclosed in other sections.

[1] All values are rounded to the nearest thousand dollars or in certain cases, the nearest dollar, in accordance with the Australian Securities and Investments Commission (ASIC) Corporations Instrument 2016/191.

2. Financial Performance

This section provides the information that is considered most relevant to understanding the financial performance of the Group, including profitability of its operating segments, significant items, nature of its revenues and expenses and dividends paid to the shareholders.

2.1. Segment reporting

Management identified the following reportable business segments:

Building Products Australia	Manufacture of vitrified clay and concrete products used in the building industry. Major product lines include bricks, masonry blocks, pavers, roof tiles, floor tiles, precast walling and flooring panels and fibre cement walling panels used in the building industry.
Building Products North America	Manufacture of vitrified clay and concrete products used in the building industry. Major product lines include bricks and masonry blocks used in the building industry.
Property	Utilisation of opportunities associated with land owned by the Group, including the sale of property and investment in Property Trusts.
Investments	Holds investments in the Australian share market, both for dividend income and capital growth, and includes the investment in Washington H. Soul Pattinson and Company Limited (WHSP).

31 January 2021	Building Products Australia	Building Products North America	Property	Investments	Continuing operations	Discontinued operations	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
REVENUE							
Sale of goods	279,873	101,343	-	-	381,216	-	381,216
Revenue from supply and install contracts	49,479	-	-	-	49,479	-	49,479
Interest received	-	-	-	244	244	-	244
Rental revenue	84	-	37	-	121	-	121
Other operating revenue	375	247	25	-	647	-	647
Revenue	**329,811**	**101,590**	**62**	**244**	**431,707**	**-**	**431,707**
RESULT							
Segment EBITDA	43,129	12,536	92,099	24,599	172,363	-	172,363
Amortisation of right-of-use assets	(12,639)	(2,121)	-	-	(14,760)	-	(14,760)
Depreciation and amortisation	(14,145)	(6,872)	-	-	(21,017)	-	(21,017)
Segment EBIT	**16,345**	**3,543**	**92,099**	**24,599**	**136,586**	**-**	**136,586**
Unallocated expenses							
• Significant items					(17,366)	(1,334)	(18,700)
• Borrowing costs[1]					(10,011)	-	(10,011)
• Other unallocated expenses					(9,661)	-	(9,661)
Profit/ (loss) before income tax					**99,548**	**(1,334)**	**98,214**
Income tax (expense)/benefit[2]					(27,419)	400	(27,019)
Profit/ (loss) after income tax					**72,129**	**(934)**	**71,195**

[1]Borrowing costs are net of fair value change on derivatives ($1,295,000) and exclude the unwind of discounting deferred consideration related to the Redland Brick acquisition ($188,000) which is disclosed in the “Significant items” line.

[2]Included in the income tax expense is a tax benefit related to significant items amounting to $328,000.

31 January 2020	Building Products Australia	Building Products North America	Property	Investments	Continuing operations	Discontinued operations	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
REVENUE							
Sale of goods	281,443	109,996	-	-	391,439	8,022	399,461
Revenue from supply and install contracts	56,296	-	-	-	56,296	-	56,296
Interest received	-	-	-	216	216	-	216
Rental revenue	45	14	107	-	166	98	264
Other operating revenue	291	214	-	-	505	-	505
Revenue	**338,075**	**110,224**	**107**	**216**	**448,622**	**8,120**	**456,742**
RESULT							
Segment EBITDA	38,791	12,947	88,522	38,878	179,138	(1,633)	177,505
Amortisation of right-of-use assets	(12,671)	(1,017)	-	-	(13,688)	-	(13,688)
Depreciation and amortisation	(16,028)	(5,725)	-	-	(21,753)	-	(21,753)
Segment EBIT	**10,092**	**6,205**	**88,522**	**38,878**	**143,697**	**(1,633)**	**142,064**
Unallocated expenses							
• Significant items					(43,963)	(8,553)	(52,516)
• Borrowing costs					(12,453)	-	(12,453)
• Other unallocated expenses					(8,926)	-	(8,926)
Profit/ (loss) before income tax					**78,355**	**(10,186)**	**68,169**
Income tax (expense)/benefit [2]					(13,531)	3,527	(10,004)
Profit/ (loss) after income tax					**64,824**	**(6,659)**	**58,165**

Significant items

	Note	31 January 2021	31 January 2020
		$'000	$'000
Restructuring activities [3]		(7,112)	(6,727)
COVID-19 - unabsorbed costs[4]		(2,208)	-
Business acquisition costs[5]		(1,139)	(8,074)
COVID-19 - incremental costs[6]		(1,133)	-
Gain on bargain purchase[7]		-	3,776
Significant items from continuing operations before income tax (excluding associates)		**(11,592)**	**(11,025)**
Income tax benefit/(expense) on other significant items (excluding associates)		3,311	2,067
Significant items from continuing operations after income tax (excluding associates)		**(8,281)**	**(8,958)**
Significant one-off transactions of associate [8]		(5,774)	(32,938)
Income tax benefit/(expense) arising from the carrying value of the investment in the associates (WHSP)		(3,383)	6,427
Significant items after income tax (associates)		**(9,157)**	**(26,511)**
Significant items from continuing operations after income tax (including associates)		**(17,438)**	**(35,469)**
Loss on disposal of business [9]		-	(6,567)
Other significant items [9]		(1,334)	(1,986)
Significant items from discontinued operations before income tax		**(1,334)**	**(8,553)**
Income tax benefit [9]	2.4	400	2,798
Significant items from discontinued operations after income tax		**(934)**	**(5,755)**

[2] Included in the income tax expense is a tax benefit related to significant items amounting to $11,292,000.
[3] Disclosed in 'Other expenses' line on the Income Statement.
[4] Disclosed in 'Cost of sales' line on the Income Statement.
[5] Disclosed in 'Business acquisition costs' ($951,000) and 'Finance costs' ($188,000) lines on the Income Statement.
[6] Disclosed in 'Other expenses' line on the Income Statement.
[7] Disclosed in 'Gain of bargain purchase' line on the Income Statement.
[8] Disclosed in 'Share of net profits of associates and joint ventures' line on the Income Statement.
[9] Disclosed in 'Losses from discontinued operations' line on the Income Statement.

2.2. Revenues and expenses

	31 January 2021	31 January 2020
	$'000	$'000
REVENUE		
Revenue from contracts with customers		
Sale of goods	381,216	391,439
Revenue from supply and install contracts	49,479	56,296
	430,695	**447,735**
Other operating revenue		
Interest received – other corporations	244	216
Rental revenue	121	166
Other	647	505
Total operating revenue from continuing operations	**431,707**	**448,622**
OTHER INCOME		
Net gain on disposal of property, plant and equipment	1,337	174
Net fair value change on derivatives	1,295	-
Property development profits	358	-
Recovery of legal costs	-	415
Other items	60	4
Total other income from continuing operations	**3,050**	**593**
FINANCE COSTS		
Interest and finance charges paid/payable	9,328	10,399
Net fair value change on derivatives	-	57
Unwind of discounting deferred consideration - Redland Brick acquisition	188	-
Interest on lease liabilities	1,978	1,996
Total finance costs from continuing operations	**11,494**	**12,452**

2.3. Share of net profits of associates and joint ventures

	Note	31 January 2021	31 January 2020
		$'000	$'000
Share of net of profits of associates	3.2	18,581	5,724
Share of net profits of joint ventures	3.3	94,034	90,438
		112,615	**96,162**

2.4. Income tax expense

	Note	31 January 2021	31 January 2020
		$'000	$'000
Profit from continuing operations before income tax		99,548	78,355
Loss from discontinued operations before income tax benefit	2.1	(1,334)	(10,186)
Profit before income tax for the period		**98,214**	**68,169**
Prima facie tax expense calculated at 30%		29,464	20,451
(Decrease)/increase in income tax expense due to:			
Franked dividend income		(9,903)	(9,620)
Share of net profits of associates		7,712	1,475
Research and development tax incentive		(1,533)	(2,171)
Tax rate differences in overseas entities		51	(165)
Other non-allowable items		1,228	758
Gain on bargain purchase		-	(995)
Business acquisition costs		-	1,320
Disposal of subsidiary		-	(232)
Overprovided in prior years		-	(567)
Utilisation of carried forward capital losses		-	(250)
Income tax expense attributable to profit		**27,019**	**10,004**
Current tax income		(2,239)	(2,449)
Deferred tax expense relating to movements in deferred tax balances		29,258	21,761
Disposal of subsidiary		-	(8,491)
Overprovided in prior years		-	(567)
Utilisation of carried forward capital losses		-	(250)
Total income tax expense on profit		**27,019**	**10,004**
Income tax expense/(benefit) attributable to:			
Profit from continuing operations		27,419	13,531
Loss from discontinued operations	2.1	(400)	(3,527)
Income tax expense attributable to profit		**27,019**	**10,004**

2.5. Dividends and franking credits

	31 January 2021	31 January 2020
	$'000	$'000
2020 Final ordinary dividend – 39.0 cents per share paid on 25/11/2020 (PY: 38.0 cents paid on 27/11/2019)	58,563	56,976
Group's share of dividend received by associated company	(10,086)	(9,828)
	48,477	**47,148**
2021 Proposed interim ordinary dividend 21.0 cents per share not recognised as a liability (PY: 20.0 cents paid on 5/5/2020)	31,835	29,988

All dividends paid and proposed have been or will be fully franked at the rate of 30%.

3. Investments accounted for using the Equity Method

3.1. Investments accounted for using the equity method

This section provides the information that is considered relevant to understand the Group's investments in associated company (Washington H. Soul Pattinson and Company Limited) and joint venture arrangements, including Property Trusts.

	31 January 2021	31 July 2020
	$'000	$'000
Associated companies	1,432,038	1,549,220
Joint ventures	782,751	695,409
Total investments accounted for using the equity method	**2,214,789**	**2,244,629**

3.2. Associated company

	Group's interest		Contribution to Group profit before tax		Carrying value		Market value of shares	
	31 Jan 2021	31 Jul 2020	31 Jan 2021	31 Jan 2020	31 Jan 2021	31 Jul 2020	31 Jan 2021	31 Jul 2020
	%	%	$'000	$'000	$'000	$'000	$'000	$'000
Washington H. Soul Pattinson and Company Limited	39.40	39.40	18,581	5,724	1,432,038	1,549,220	2,563,478	1,843,855

In addition to the Group owning 39.40% (2020: 39.40%) of issued ordinary shares of WHSP, at 31 January 2021 WHSP owned 43.30% (2020: 43.78%) of issued ordinary shares of Brickworks Limited.

3.3. Joint ventures

Information relating to joint ventures is outlined below.

	Group's interest		Contribution to Group profit before tax		Carrying value		Principal activity
	31 Jan 2021 %	31 Jul 2020 %	31 Jan 2021 $'000	31 Jan 2020 $'000	31 Jan 2021 $'000	31 Jul 2020 $'000	
Domiciled in Australia							
BGAI CDC Trust	50.00	50.00	425	-	-	266	Property development, management and leasing
BGAI Erskine Trust	50.00	50.00	11,994	17,459	138,650	128,894	As above
BGAI Capicure Trust	50.00	50.00	2,348	1,763	14,199	12,267	As above
BGAI Heritage Trust	50.00	50.00	1,783	6,076	38,788	37,983	As above
BGAI Oakdale Trust	50.00	50.00	23,157	20,717	203,568	186,400	As above
BGAI Oakdale East Trust	50.00	50.00	-	-	35,140	35,140	As above
BGAI Oakdale South Trust	50.00	50.00	7,658	34,572	110,172	104,576	As above
BGAI Rochedale BT Trust	50.00	50.00	1,267	1,091	10,428	9,508	As above
BMGW Rochedale Trust	50.00	50.00	7,567	8,631	63,269	57,489	As above
BMGW Rochedale North Trust	50.00	50.00	-	-	8,117	8,002	As above
BMGW Oakdale West Trust	50.00	50.00	-	-	142,148	96,840	As above
Fair value adjustment on recognition as investment property			37,372	-			
Property trusts			93,571	90,309	764,479	677,365	
Southern Cross Cement	33.33	33.33	111	(41)	11,161	11,050	Import of cement
Domiciled in New Zealand							
NZ Brick Distributors	50.00	50.00	352	170	7,111	6,994	Import and distribution of building products
Total			94,034	90,438	782,751	695,409	

Contribution to Group profit before tax from Property Trusts is set out below.

	31 January 2021 $'000	31 January 2020 $'000
Share of fair value adjustment of properties held by joint venture	40,220	75,757
Share of joint venture property rental profits	15,979	14,552
Fair value adjustment on recognition as investment property	37,372	-
Total equity accounted profit from Property Trusts	**93,571**	**90,309**

Profits or losses on transactions with joint ventures are deferred to the extent of the Group's ownership interest where properties remain classified as inventory by the joint venture, until such time as they are either realised by the joint venture on reclassification to investment property or on sale. $37.4 million of previously unrealised profits were recognised in the period on reclassification of a portion of Oakdale West to investment property following the change in use as evidenced by the progress made in respect of lease arrangements and lease pre-commitments becoming binding. Total unrealised eliminated profits as at 31 January 2021 amounted to $12.7 million (30 July 2020: $50.1 million). Investment property held by the joint venture represents property held to earn rentals and/or for capital appreciation.

4. Capital Structure and Risk Management

4.1. Borrowings

This section provides the information about the capital and risk management practices of the Group, including its borrowings, derivative financial instruments and equity.

	31 January 2021	31 July 2020
	$'000	$'000
Current		
Interest-bearing loans	34,595	-
Unamortised borrowing costs	-	-
	34,595	**-**
Non-current		
Interest-bearing loans	559,372	641,169
Unamortised borrowing costs	(3,178)	(2,481)
	556,194	**638,688**

In December 2020 the Group extended its $100.0 million working capital facility to 11 December 2022.

In March 2020 the Group entered into a construction facility agreement with a facility limit of $46.0 million to fund the construction of the Austral Masonry Oakdale East plant in New South Wales. The construction facility will mature at the earlier of the practical completion date and September 2021. Upon completion of the construction the lender agreed to acquire the plant and lease it to the Group under a lease agreement with an initial lease period of up to 10 years. At 31 January 2021, the construction facility is classified as current liability.

There were no other changes to the Group's loan facilities in the current period.

The maturity profile of the Group's loan facilities at 31 January 2021 is outlined below.

Facility	Currency	Limit ($m)	Drawn ($m)	Available ($m)	Maturity date
Tranche A	AUD	100	90	10	August 2023
Tranche B	AUD	175	-	175	August 2024
Tranche C	AUD	80	80	-	August 2022
Syndicated loan facility	AUD	355	170	185	
Tranche A1	USD	100	100	-	August 2023
Tranche B1	USD	100	83	17	August 2024
Syndicated loan facility	USD	200	183	17	
Facility A-ITL	AUD	25	25	-	February 2028
Facility B-ITL	AUD	35	35	-	February 2026
Facility C-ITL	AUD	40	40	-	February 2026
Syndicated ITL facility	AUD	100	100	-	
Working capital facility	AUD	100	50	50	December 2022
Construction facility	AUD	46	35	11	September 2021

The Group designated its USD unsecured debt facilities as a hedging instrument to hedge the currency risk associated with translation of the Group's net investment in the US operations into the Group's functional currency (AUD).

4.2. Financial instruments

Financial instruments of the Group that are measured at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(a) Financial assets at fair value through other comprehensive income

The Group's financial assets at fair value through other comprehensive income represent listed equities publicly traded on the Australian Stock Exchange. The fair value of these investments is based on quoted market prices, being the last sale price, at the reporting date. These are categorised as "Level 1" in the fair value hierarchy.

	Market value	
	31 Jan 2021	31 Jul 2020
		$'000
Equities - Listed	1,553	1,792
Total	1,553	1,792

(b) Derivative financial instruments

Interest rate swaps

The Group has entered into interest rate swaps contracts which allow the Group to swap floating rates into an average fixed rate of 2.76% (2020: 2.66%). The contracts require settlement of net interest receivable or payable usually around every 90 days. The settlement dates are aligned with the dates on which interest is payable on the underlying bank borrowings and are brought to account as an adjustment to borrowing costs.

The fair value of interest rate swaps is outlined below.

	Notional Principal Amount		Average Interest Rate		Fair value liability	
	31 Jan 2021	31 Jul 2020	31 Jan 2021	31 Jul 2020	31 Jan 2021	31 Jul 2020
	$'000	$'000	%	%	$'000	$'000
Less than 1 year	-	25,000	-	2.27	-	134
1 to 3 years	100,000	100,000	2.76	2.76	8,455	9,633
3 to 5 years	-	-	-	-	-	-
Total	100,000	125,000	2.76	2.66	8,455	9,767

The fair value of these derivatives is calculated using market observable inputs, including projected forward interest rates for the period of the derivative. These are categorised as "Level 2" in the fair value hierarchy.

Foreign currency forward contracts

The Group has a limited exposure to foreign currency fluctuations due to its importation of goods. The main exposure is to US dollars (USD) and Euros (EUR). It is the policy of the Group to enter into forward foreign exchange contracts to cover specific currency payments, as well as covering anticipated purchases for up to 12 months in advance.

The fair value of foreign currency forward contracts is outlined below:

	Fair value	
	31 Jan 2021	31 Jul 2020
	$'000	$'000
EUR forward contracts	17	-
Derivative liability	17	-

The fair value of these derivatives is calculated using market observable inputs, including projected forward interest rates for the period of the derivative. These are categorised as "Level 2" in the fair value hierarchy.

4.3. Contributed equity

	31 January 2021 Number of shares	31 January 2020 Number of shares	31 January 2021 $'000	31 January 2020 $'000
Contributed equity				
Ordinary shares, fully paid	151,595,152	149,937,589	396,956	366,455
Treasury shares	(883,394)	(960,697)	(14,893)	(15,072)
			382,063	**351,383**
Movement in ordinary issued capital				
Opening balance 1 August	149,937,589	149,771,794	366,455	363,515
Issue of shares through employee share plans	221,692	165,795	4,174	2,950
Dividend Reinvestment Plan (DRP) underwriting agreement	1,080,001	-	20,000	-
Dividend Reinvestment Plan (DRP)	355,870	-	6,466	-
Share issue costs	-	-	(139)	(10)
Closing balance	**151,595,152**	**149,937,589**	**396,956**	**366,455**
Movement in treasury shares				
Opening balance 1 August	(660,758)	(810,821)	(10,440)	(12,286)
Bonus shares issued to the Group's employees	(190,403)	(165,795)	(3,712)	(2,950)
Shares purchased under Short-term incentive (STI) scheme	(41,054)	-	(803)	-
Shares vested to employees	8,821	15,919	62	164
Closing balance	**(883,394)**	**(960,697)**	**(14,893)**	**(15,072)**

4.4. Reserves

	Capital Profits Reserve	General Reserve	Foreign Currency Reserve	Share-based Payments Reserve	Investments revaluation reserve	Associates and JVs Reserve	Equity Adjustments Reserve	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 August 2020	88,102	36,125	(1,131)	6,482	1,792	177,258	(15,284)	293,344
Other comprehensive income for the year	-	-	(319)	-	(239)	(91,415)	27,496	(64,477)
Share of associates transfer to outside equity interests	-	-	-	-	-	(220)	67	(153)
Shares purchased under Short-term incentive (STI) scheme	-	-	-	803	-	-	-	803
Shares vested to employees	-	-	-	(524)	-	-	-	(524)
Share based payments expense	-	-	-	3,465	-	-	-	3,465
Balance at 31 January 2021	**88,102**	**36,125**	**(1,450)**	**10,226**	**1,553**	**85,623**	**12,279**	**232,458**
Balance at 1 August 2019	88,102	36,125	(657)	5,532	1,461	164,397	(11,603)	283,357
Other comprehensive income for the year	-	-	619	-	(28)	9,459	(2,829)	7,221
Net movement in associate reserve	-	-	-	-	-	(997)	-	(997)
Shares vested to employees	-	-	-	(164)	-	-	-	(164)
Share based payments expense	-	-	-	2,830	-	-	-	2,830
Balance at 31 January 2020	**88,102**	**36,125**	**(38)**	**8,198**	**1,433**	**172,859**	**(14,432)**	**292,247**

4.4. Reserves (continued)

As a result of adjustments identified within the WHSP 31 July 2020 financial statements, the Brickworks investment in WHSP at that date was overstated by $56.6 million, deferred tax liabilities by $16.9 million and other comprehensive income by $40.9 million net of taxation and reserves by $1.2 million, representing the equity accounted share of the adjustment. This has been adjusted in the current period and $40.9 million reflected within Other Comprehensive Income. This adjustment had no impact on profit after taxation.

5. Other Disclosures

This section provides information on items which require disclosure to comply with AASBs and other regulatory pronouncements and any other information that is considered relevant for the users of the financial report which has not been disclosed in other sections.

5.1. Commitments and contingencies

(a) Commitments

	31 January 2021	31 July 2020
	$'000	$'000
Contracted capital expenditure		
Within one year	29,940	54,902

Contracted capital expenditure relates to contracts to supply or construct buildings or various items of plant and equipment for use in the Building Products operating segment. These have not been provided for at balance date.

(b) Contingencies

	31 January 2021	31 July 2020
	$'000	$'000
Bank guarantees issued in the ordinary course of business	49,812	48,718

The entities forming the Group are parties to various legal actions against them that are not provided for in the financial statements. These actions are being defended and the Group does not anticipate that any of these actions will result in material adverse consequences for the Group.

5.2. Events occurring after balance date

There have been no other events subsequent to balance date that could materially affect the financial position and performance of Brickworks Limited or any of its controlled entities.

5.3. New accounting standards

(a) New standards, interpretations and amendments adopted by the Group

There were no new accounting standards, interpretations and amendments adopted by the Group in the period ended 31 January 2021.

(b) New standards not yet applicable

Certain new accounting standards, amendments and interpretations have been issued that are not yet effective for the period ended 31 January 2021. However, the Group intends to adopt the following new or amended standards and interpretations, if applicable, when they become effective with no significant impact being expected on the Consolidated Financial Statements of the Group:

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to AASB 3 *Business Combinations*)
- Definition of Material (Amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*).

Directors'

Declaration

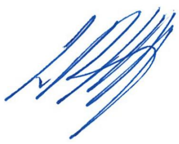
The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 15 to 31, are in accordance with the Corporations Act 2001:
    a. comply with accounting standards and the Corporations Regulations 2001; and
    b. give a true and fair view of the Group's financial position as at 31 January 2021 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated 25 March 2021

R.D. MILLNER
Director



L.R. PARTRIDGE AM
Director

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Independent Auditor's Review Report to the Members of Brickworks Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Brickworks Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 31 January 2021, the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 January 2021 and of its consolidated financial performance for the half year ended on that date; and

b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Directors' Responsibility for the Half Year Financial Report

The directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 January 2021 and its consolidated financial performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Jodie Inglis
Partner
Sydney
25 March 2021