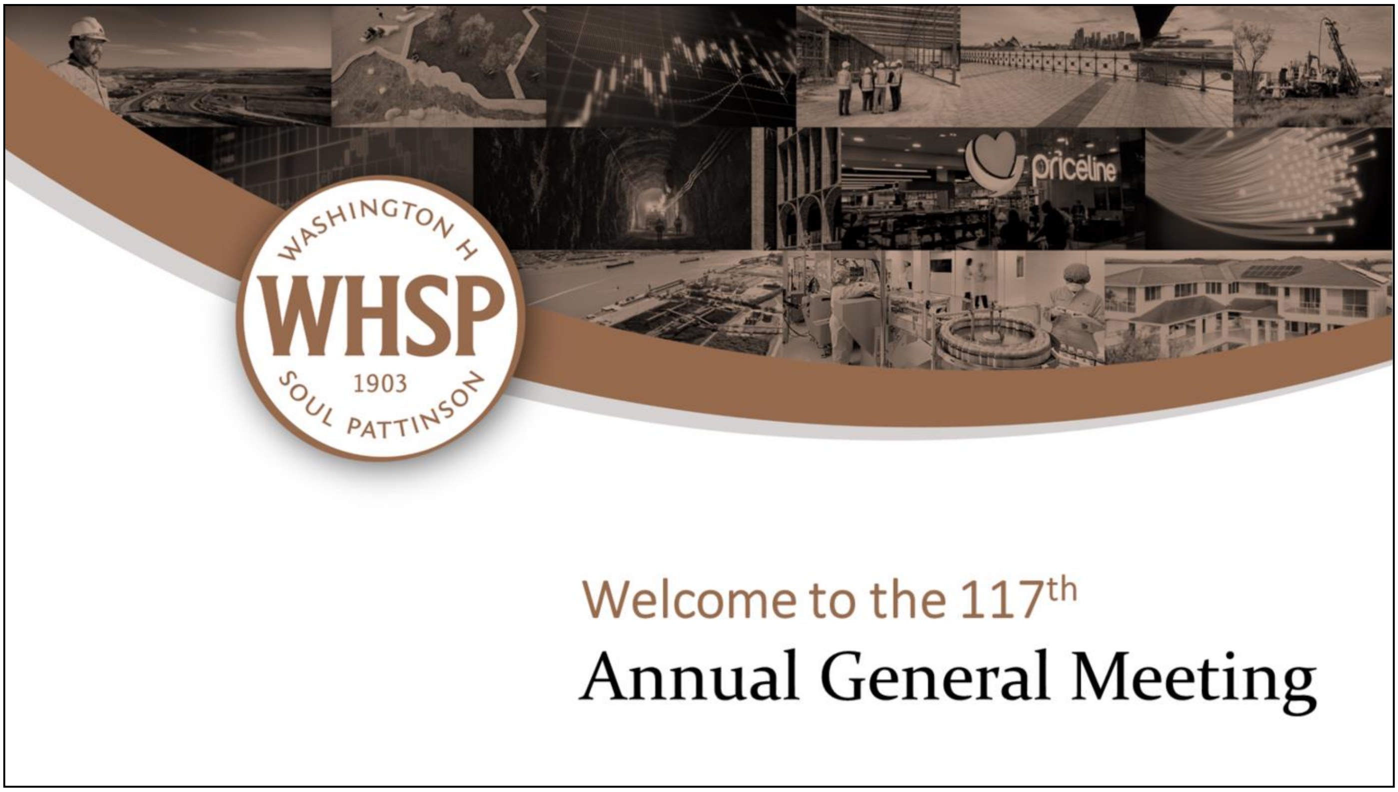


Good afternoon Ladies and Gentlemen, my name is Robert Millner, I am the Chairman of Washington H. Soul Pattinson and I would like to welcome you to the 117th Annual General Meeting of the Company.

I am advised that a quorum is present and therefore declare the Meeting open.

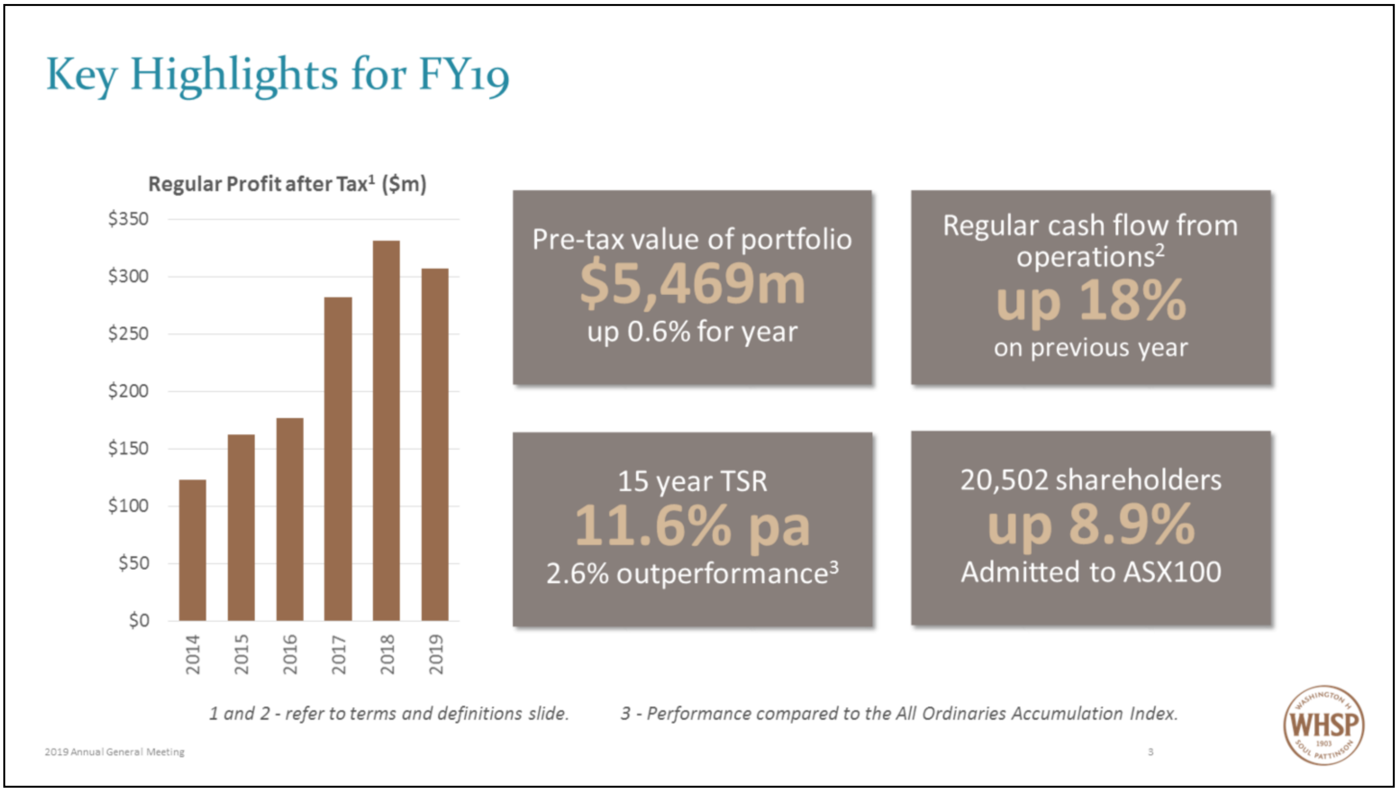
Before we proceed I would like to introduce to you my fellow Directors:-

Mr. Todd Barlow is our Managing Director.
Mrs. Tiffany Fuller – non-executive director,
Mr. Michael Hawker – non-executive and lead independent director,
Mr. Tom Millner – non-executive director,
Mr. Warwick Negus – non-executive director, and
Mr. Robert Westphal – non-executive director.

Mr. David Grbin our Chief Financial Officer (CFO) and
Mr. Ian Bloodworth our Company Secretary.

Ms. Melissa Alexander from the Company's Auditors, is also present.

Chairman's Address



- The Statutory Profit and Regular Profit for the year were both about 7% lower that last year.
- However, as shown in the chart on the left, the Regular profit increased by 59% in 2017 and 17% in 2018 and this year's result is up on 2017.

- While profit is one measure of performance, our primary aims are to achieve capital growth and increasing cash generation.

- The pre-tax value of the portfolio was marginally up on last year, finishing just shy of $5.5 billion.

- On the other hand, cash generation from the portfolio was very strong, up 18%.
- This is an important measure because the cash we receive in dividends and interest from our investments is what we use to pay dividends to you.
- This growth in cash will facilitate continued higher dividends.

- The Total Shareholder Return over the long-term continues to be very positive.

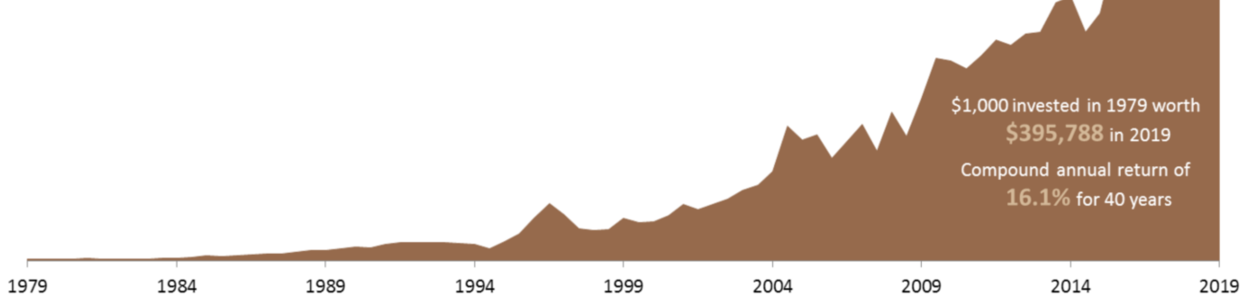
- During the year we welcomed over 1,600 additional shareholders to the Company. Since July another 3,800 shareholders have joined the register, which was very pleasing.

- We were also admitted to the ASX100 during the year which reflects the growing liquidity and interest in the Company's shares.

Total Shareholder Returns (TSR)

Long-term outperformance of the market. Growth of over 16% per annum for the last four decades.

Annualised TSRs	1 Year	2 Year	3 Year	5 Year	10 Year	15 Year
WHSP	**6.5%**	**16.5%**	**12.4%**	**11.8%**	**11.1%**	**11.6%**
All Ordinaries Accumulation Index	12.9%	13.9%	11.4%	8.7%	9.5%	9.0%
Out/(Under) Performance	(6.4%)	2.6%	1.0%	3.1%	1.6%	2.6%



Includes reinvestment of dividends

2019 Annual General Meeting

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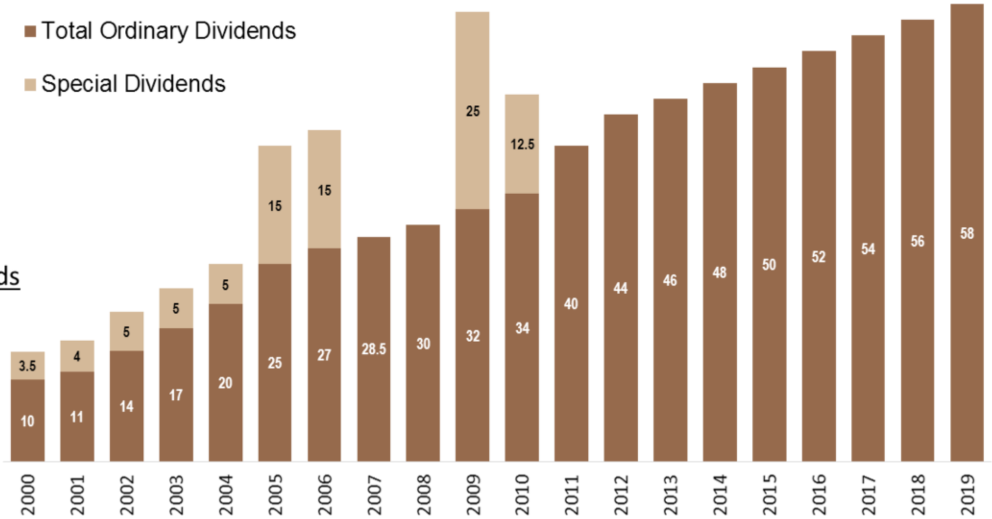
- Total Shareholder Return, or TSR, measures share price movement and assumes that all dividends are reinvested.
- Our TSR underperformed the market over the year but was still positive – returning 6.5%.
- We expect volatility from time to time and our aim is to outperform over the long-term.
- As you can see in this table, we have outperformed in all of the other periods shown, including over 15 years, where the annual TSR is 11.6% per annum, 2.6% above the All Ordinaries Accumulation Index.
- The chart shows the return over 40 years, where the average TSR has been over 16% per year.
- This means that an investment of $1,000 in WHSP in 1979 would have been worth just under $400,000 at the end of July.

Long-term dividend growth

WHSP has increased its dividend every year since 2000

Final Dividend
34 cents
Fully Franked
up 3.0%

Total FY19 Dividends
58 cents
Fully Franked
up 3.6%



- While an outperforming TSR is great for wealth generation we all need cash to live.
- WHSP has an excellent track record of paying dividends and actively manages its portfolio to achieve its goal of paying a steady and increasing dividend over time.
- WHSP has increased both its interim dividend and final dividend every year since 2000.
- We are one of only two companies to do this of the 500 odd companies in the All Ordinaries Index.
- Total ordinary dividends have increased from 10 cents per share in the year 2000 to 58 cents this year. The total dividends for the year are up 3.6% on last year.
- On Monday we will pay the final dividend of 34 cents per share which is fully franked as usual.
- Dividends are declared based on the Company's regular cash inflows less regular operating costs.
- This year we will pay out as dividends, 82% of the net regular cash inflows from operations.

Managing Director's Presentation

I'd like to begin my presentation with a little bit of history. As we come to the end of the second decade of the millennium, it is timely to reflect on how far the company has come in the last twenty years.

Two decades ago, the share price was $4.10 and the company had a market capitalisation of $978 million. At the end of FY19, the market capitalisation had multiplied by over 5.5 times to $5.4 billion.

In this time, dividends increased from 10 cps for the FY99 year to 58cps this financial year. That represents a compound annual growth rate of over 9% for 20 years.

Regular profit after tax in 1999 was $45 million and last year our profit had grown to $307 million, a compound annual growth rate of 10%.

The annual TSR over this period was 12.8% per annum - which represents a 3.8% outperformance against the All Ordinaries Accumulation Index. This means that an investment in WHSP where dividends were reinvested over the last two decades has multiplied over 10 times while an investment that performed in line with the Index multiplied just 3.6 times.

Today, WHSP is one of the top 100 companies on the ASX and I want to use this presentation to talk about how we go about investing your funds and why we are just as excited about the next twenty years as we are about the last twenty years of performance.

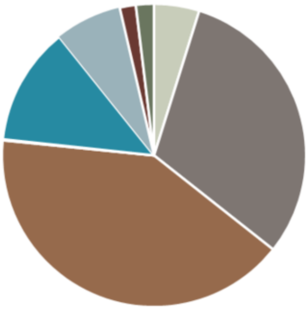
In this presentation I'll cover our approach to investing, governance, the cross-shareholding and sustainable investing. Then I'll talk about our major investments and finish off with some of the exciting new investments in our portfolio.

Investment approach

DIVERSIFIED & UNCORELLATED PORTFOLIO

LONG-TERM INVESTOR WITH BROAD MANDATE

VALUE FOCUSED AND TRUSTED PARTNER



- Diversified portfolio of uncorrelated investments across listed equities, private equity / venture capital, property, corporate loans, and cash
- Flexible mandate allows WHSP to back companies at an early stage and grow with them over the long-term
- Counter cyclical and value focussed approach
- Trusted partner that actively assists its portfolio companies in accessing growth capital and undertaking strategic M&A
- Track record of value creation over multiple decades
- Track record of dividend growth
- Long-term investing is sustainable investing

Over the past two decades, we have not really changed our fundamental philosophies on investing.

WHSP has a diversified portfolio of uncorrelated investments across listed equities, private equity / venture capital, property, corporate loans, and cash.

Our flexible mandate allows us to back companies at an early stage and grow with them over the long-term.

We aim to take a counter cyclical and value focussed approach and we aim to be a trusted partner that actively assists our portfolio companies in accessing growth capital and undertaking strategic mergers and acquisitions.

As the Chairman pointed out, WHSP has a very strong track record of value creation over multiple decades and a track record of dividend growth.

As long-term investors, we are sustainable investors which means we think about the long-term viability of the companies and industries in which we invest; we value our reputation; we build relationships with the customers and communities in which we operate; and we look after our people.

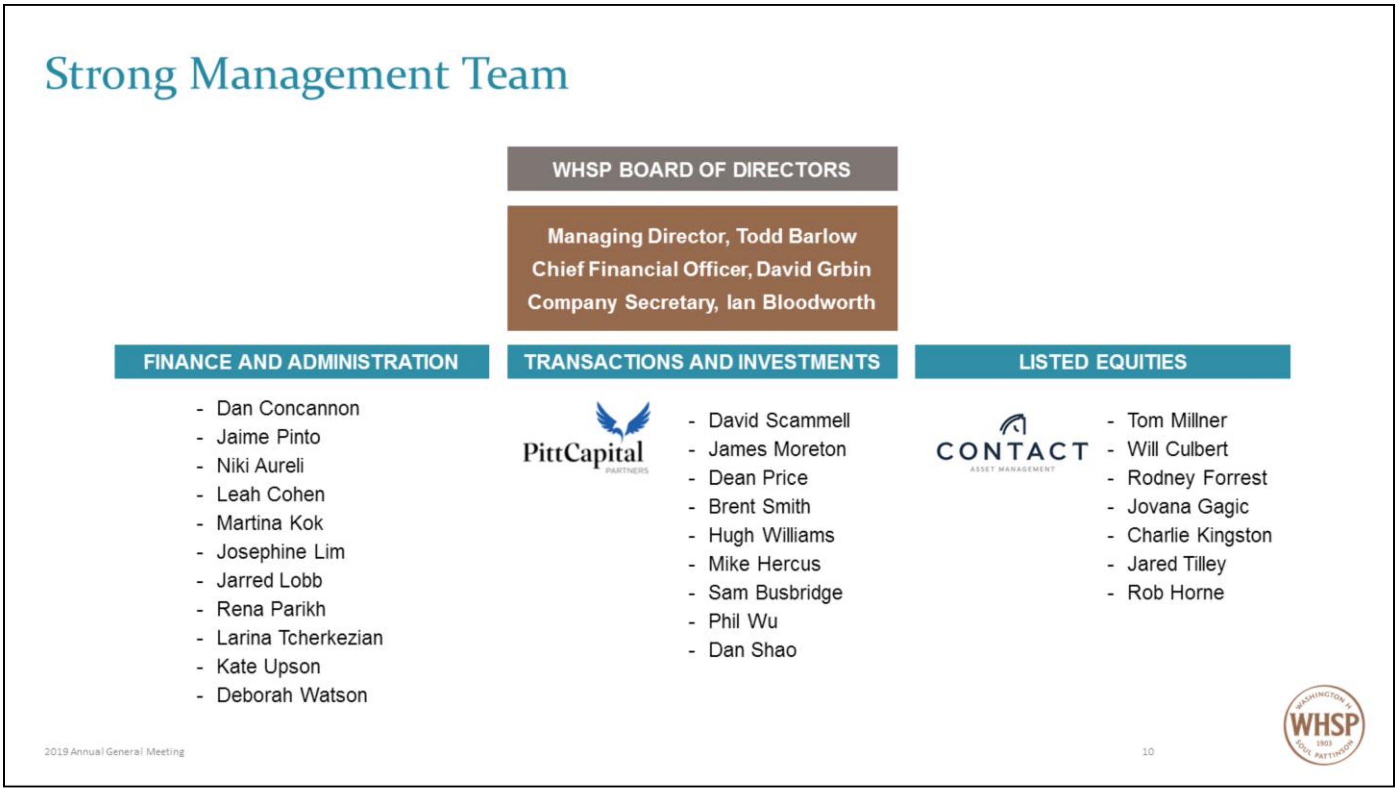
WHSP has a professional board of directors with deep experience across a range of industries and a good mix of skills.

The majority of the board are Independent Non-Executive Directors recruited through a process designed to select the best candidate available.

WHSP's governance is compliant with best practice recommendations other than the independence of the Chairman. The Chairman is not considered independent by virtue of his long tenure with the company and large shareholding. We believe there would be few people more experienced as a Chairman than Rob Millner and his skills, experience and shareholding are key assets of the company.

Rob has been Chair of WHSP since 1999 which makes today his 20th AGM in the role. Earlier I talked about the remarkable progress the company has made under his stewardship.

The Board has appointed Michael Hawker as a Lead Independent Director given the non-Independence of the Chairman.

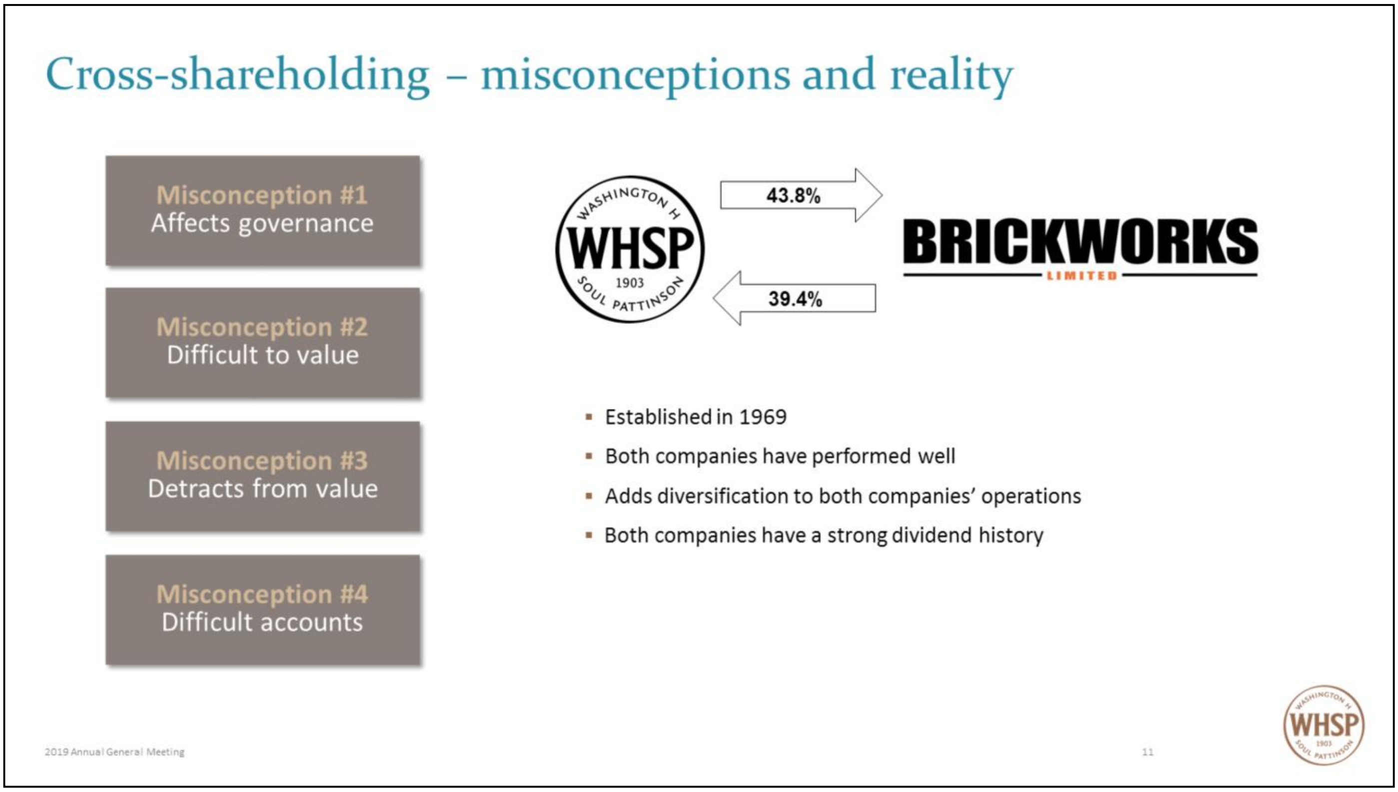


As you might expect, WHSP runs a lean management team. There are just ten direct employees of the company, predominately involved in Finance and Administration.

All of our transaction execution and strategic investments is carried out through our wholly owned investment bank, Pitt Capital Partners. Pitt Capital Partners is actually a profit centre and last year generated $6 million profit after tax.

The management of WHSP’s large cap equities portfolio is carried out by Contact Asset Management (in which WHSP has a 20% shareholding). The cost of outsourcing the large cap equities management function to an experienced team of seven people is just $330k per annum. WHSP could not employ one experienced person directly for that amount. More importantly, the management fee equates to less than 0.1% of funds under management which is significantly below the cost of any equivalent market provider.

WHSP is fortunate to be in a positon to attract such a group of talented and loyal people who are focused every day on delivering positive outcomes for our shareholders.



The cross-shareholding that exists between Brickworks and WHSP is unique in Australia. That does not make it a bad thing. We regularly review the cross-shareholding and believe the structure is working well for WHSP.

All of the evidence points to WHSP being well managed and governed with the company consistently outperforming the index since the creation of the cross shareholding in 1969. The cross-shareholding does not detract from performance and has facilitated a longer term investment culture which has contributed to our outperformance.

Despite all of this, there remain some common misconceptions about the cross-shareholding.

Firstly, there is a misconception that the cross-shareholding creates governance concerns. The reality is WHSP is governed by a Board comprising a majority independent, professional, external and highly experienced directors. Those that are not considered independent, Rob and Tom Millner have significant family shareholdings in the business which create alignment. And additionally represent the 4th and 5th generation of family members involved in the governance of the business. Having a material shareholding drives shareholder alignment and focuses the company on building a sustainable business.

Secondly, it is sometimes claimed that the cross-shareholding makes the company difficult to value. On the release of the half year results and full year results each year, we provide a simple table outlining the market valuations of each of our investments. Few companies in the ASX100 would make it easier to value their company than WHSP. The idea that the shareholdings each company has in the other are somehow illusory is wrong and that was proven last year when Brickworks sold eight million shares in WHSP for cash.

Thirdly, there is a misconception that the cross-shareholding creates a valuation gap. We monitor this closely and in recent years, there is a very close correlation between the value of our portfolio month to month and the company's share price.

And fourthly, there is a view that the cross-shareholding creates diffucult accounts. WHSP does have slightly complicated accounts but it has nothing to do with the cross-shareholding. Having a number of associates and controlled entities creates some complexity when reading our accounts, however, that would not change if the cross-shareholding was removed.

The relationship with Brickworks over the last 50 years has been a productive one. It has added diversification to our portfolio and consistency to our dividends.

WHSP has a proud history of focusing on our investors and delivering returns over the long-term.

Thinking, behaving and investing responsibly underpins this approach.

Our core values are aligned with sustainable investing:

- we believe we are custodians of our shareholders' wealth
- we are long term and disciplined investors; and
- we value our reputation

We believe that all of these values have contributed to the company's long-term performance.

We also recognise the evolving expectations of our stakeholders in considering relevant environmental, social and governance (or ESG) related factors when investing with us. For that reason, WHSP released in this year's Annual Report our first Sustainability Report.

While consideration of ESG factors has been a cornerstone of our investment approach and we also pride ourselves on the sustainable nature of our investments, we have captured these philosophies in the development of WHSP's inaugural Sustainable Investment, Climate Change and Human Rights Policies.

Sustainability - Investment principles

Long-term investing is sustainable investing

Our purpose is defined by five core principles which we believe are fundamental to achieving long-term sustainable returns. These are:

- **Make sensible decisions**: we bring an in-depth understanding of the sector in which capital is being deployed, including ESG factors, demand and supply dynamics, competitive environment and regulation; we evaluate opportunities based on facts and information; we focus on downside risks to any investment, but also look at avenues for mitigating these risks; we are active owners.
- **Think outside the box**: while WHSP has historically been an equity investor, our unconstrained mandate means that we can invest in anything; we look for value in sectors and/or asset classes which are not on the radar of other investors.
- **Have the courage to act**: we have confidence in WHSP's ability to make the right investments at the right time; we do not conform to the market's opinions.
- **Think long-term and have patience for the right opportunity**: WHSP can afford to take a long-term view as we do not need to deploy capital within a specified timeframe and we have a strong track record as a long-term investor.
- **Be different**: we leverage WHSP's reputation as an investor of choice and flexible source of capital to differentiate ourselves from other investors; we look for opportunities where these characteristics add value in any transaction.

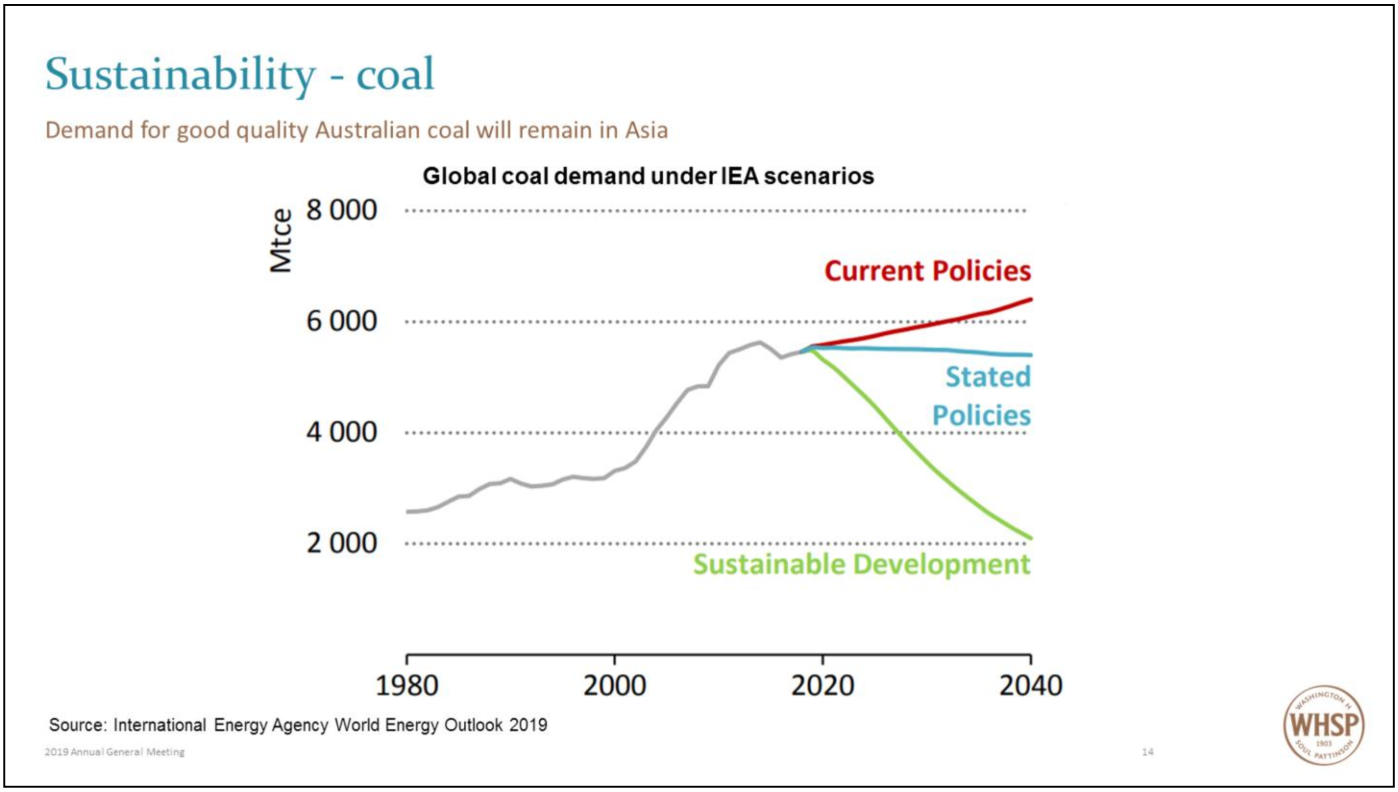
WHSP has been a long-term investor in companies long before the concept became fashionable. Long-term investing, by necessity, takes into account all sustainability risks.

We invest in companies where we believe there are long-term structural advantages and we encourage our investee companies to also invest for the long-term when considering capital expenditure or mergers and acquistions.

It is clear what our jobs are – we are here to maximise the investment returns on behalf of you, our shareholders.

That does not mean that we are blind to the concept of sustainable investing – in fact, we see sustainability as the single biggest driver of investment returns.

Investing sustainably for the long-term means caring about your people, the environment, your customers and the community in which you operate.



We are often told that investment in coal is a sustainability risk. We have considered this risk carefully.

As the global economy transitions towards lower emission energy sources, it is likely there will be an ongoing demand for high quality thermal coal to supply High Efficiency Low Emission coal fired power stations in order to generate affordable base load power. New Hope's high quality thermal coal reserves are ideally placed to meet that demand.

The International Energy Agency models three scenarios out to 2040 for global energy. The Current Policies Scenario shows what would happen if the world continues along its current path, without any additional changes in policy. Under this scenario, coal usage for power would increase 19% between 2018 and 2040 as the world population and GDP grows and the 1 billion people without electricity gain access.

The Stated Policies Scenario incorporates today's policy intentions and targets that have already been announced. Under this scenario, coal demand globally is essentially flat between now and 2040.

The Sustainable Development Scenario maps out a way to meet sustainable energy goals in full, requiring rapid and widespread changes across all parts of the energy system. Under this scenario, coal demand globally would fall at a compound annual rate of 6%.

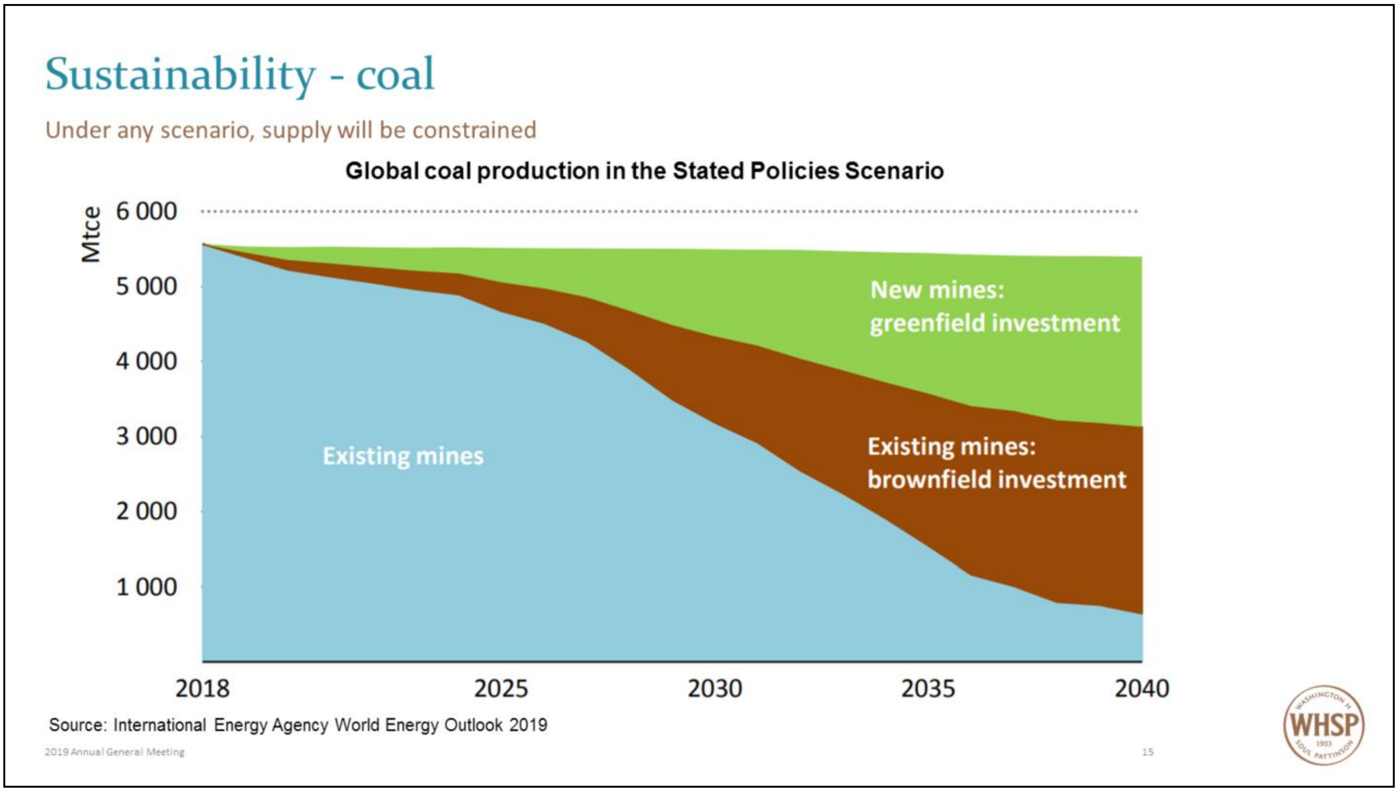
The enormity of the challenge to meet the Sustainable Development scenario cannot be understated. This scenario would require a concerted effort across the globe to decarbonise, utilising every bit of scientific and economic resources available. The most recent indications are that most of the world is not even meeting their commitments modelled in the Stated Policies scenario.

These figures look at the global demand, however, it is relevant to note that:

- firstly, demand in Asia (where Australia supplies its coal) will grow by much more than the aggregate as the Asian populations and electricity intensity grow while advanced countries switch to increased renewables; and
- secondly, demand for Australia's clean coal will outstrip demand for high emission coal from other jurisdictions.

As IU said, in the Stated Policies Scenario, global coal demand is essentially flat for the next two decades, however, demand in India increases 97% and South East Asia increases 90%.

Regional economic growth in Southeast Asia is forecast to triple in size by 2040 with energy demand predicted to grow by almost two thirds in the same timeframe. By the mid-2020s, India is projected to overtake China as the world's biggest importer of coal. In India, the expected increase in coal usage between now and 2040 is two to three times the total of Australia's current coal exports annually.



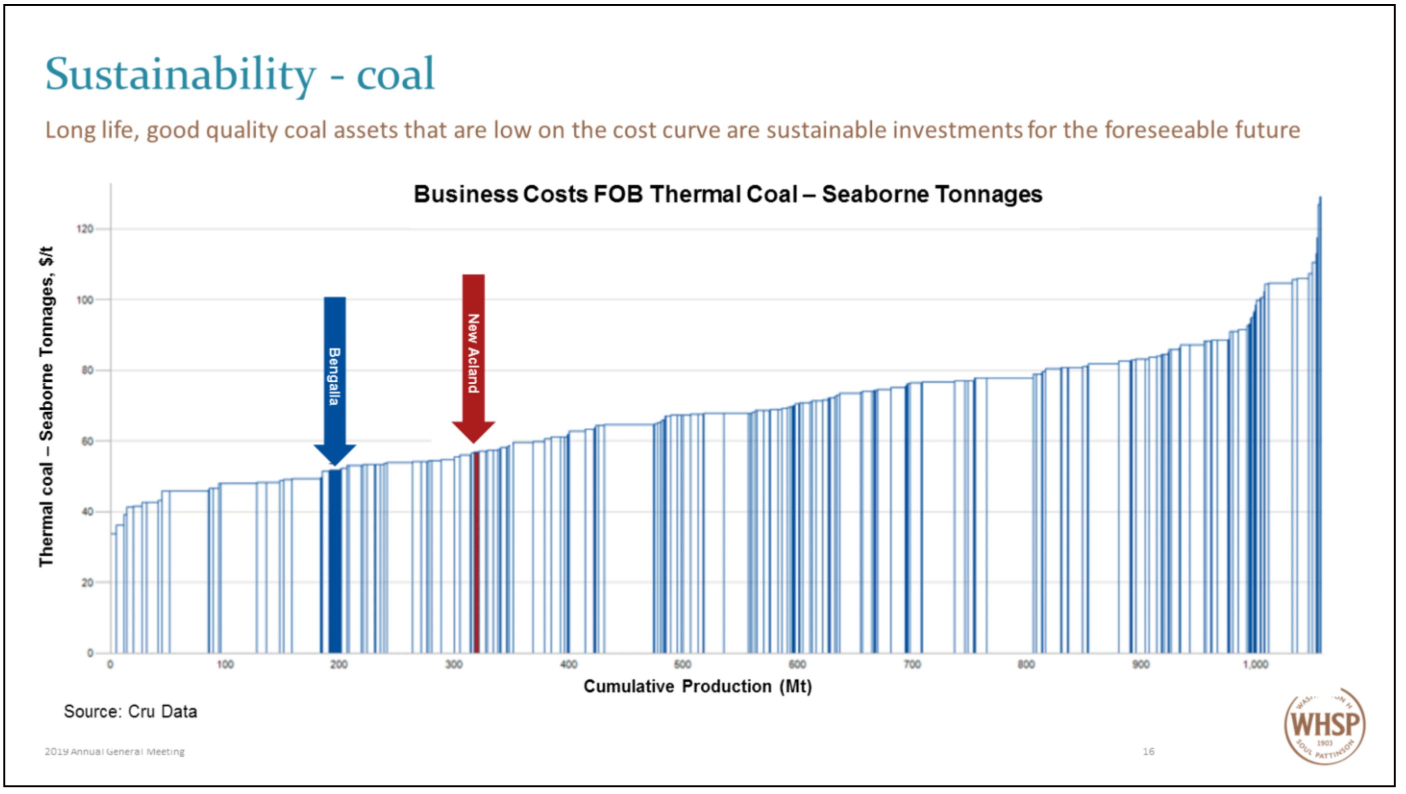
The other relevant factor in assessing the sustainability of coal production is availability of supply.

Existing mines will eventually deplete all of their economic coal reserves or will come to the end of their permitted lives.

In addition, new mine approvals and the capital required to invest in new mines are becoming increasingly more difficult. These factors are already having an impact on Australian coal supply.

Even in the Sustainable Development Target, where coal demand reduces significantly over the next 20 years, we predict that few mines (either brownfield or greenfield) would be developed. That would leave a scenario where demand for coal (particularly Australia's higher quality coal) will be greater than the existing supply.

Under any scenario, we therefore believe that Australia's coal exports will continue to receive strong pricing.



This is positive for any Australian supplier with low cost and long permitted mines. The higher cost and poorer quality coal mines will come offline first and thereby provide price support for the mines that remain.

You can see on this slide that New Hope's Bengalla mine is low cost versus the operating costs of all coal mines globally. Bengalla is also permitted and expected to operate until at least 2039.

New Acland is also low cost relative to global coal mines and we remain confident of receiving the Stage 3 approval.

In summary, our view on coal is that it will remain an important component of the global energy supply under any scenario over the next two decades. We expect coal prices to be supported in this time and Australian coal to fare better than the rest of the world given its proximity to the growth markets of Asia and its superior quality.

New Hope, has low cost, high quality, fully funded coal mines which we believe will perform well for the foreseeable future.

We believe that environmental management is a critical element of sustainability. As an example of the culture we promote in our investments, I will talk a little bit about New Hope's environmental management.

New Hope is an industry leader in rehabilitation of open-cut coal mines.

Having a strategically considered mine closure plan is just as important as operating the site in a sustainable manner during its productive life. By sustainable closure we mean leaving the area of our operations in a state that enables ongoing future viability. That covers not only environmental matters, but people, community and assets.

On this slide is a 2012 picture of the New Oakleigh mine when it was operational. Then 4.5 years later, the operations had concluded and New Hope's rehabilitation program has returned the area to its natural state.

Sustainability - Environment

Progressive rehabilitation at New Acland

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New Hope does not wait until mining completes to rehabilitate the land. It uses industry leading progressive rehabilitation techniques which have achieved considerable success in returning rehabilitated land to cattle grazing.

In FY19 the Queensland State Government certified 349 hectares of rehabilitated land at New Acland Mine. This is the largest single area of certified rehabilitation for an open cut coal mine in the State.

New Hope runs pastoral operations on its rehabilitated land and conducted grazing and cropping trials. The results indicate that the rehabilitated land performs at least as well as undisturbed land in the local area.

Acland Pastoral continues to grow the size and quality of the herd with breeder numbers at 31 July 2019 of 2,585 head of cattle.

The New Acland Mine minimises its impact on the groundwater system by utilising recycled water from Toowoomba's Wetalla Waste Water Reclamation Facility for use in operations. This recycled water is the primary source of process water for the mine site as well as a water source for Acland Pastoral Company property operations around the mine.

New Hope's activities prove that mining and agriculture can co-exist and we as a society do not need to choose between agriculture and mining. Good environmental management is key to operating a sustainable mining operation.

As a long-term investor, we believe it is important to invest in the preservation of our reputation and the communities in which we operate.

Community and charity has been a continuous part of WHSP's culture since its inception. Lewy Pattinson, one of the Company's founders and Chairman from 1930 to 1944 donated the first aeroplane in the Royal Flying Doctor Service based in Broken Hill. Pictured here is the LM Pattinson Aerial Ambulance from 1940.

I'm proud to say that your company continues to provide financial assistance to the Royal Flying Doctor Service to this day and support to the Outback Car Trek. WHSP is also a financial supporter of the Salvation Army.

This community involvement has permeated through to WHSP's investments.

For example, Brickworks is a corporate partner of the Children's Cancer Institute and since 2012 Brickworks' staff have together raised over $2.4 million.

API has established the Priceline Sisterhood Foundation which in 2010 conducted Australia's Biggest Health Check for Women in which 25,000 women told Priceline what concerned them most about their health. Since that time, API has raised more than $4.5 million through the Sisterhood Foundation for various charities involved in helping women and their families through serious illness.

In the last 12 months alone, New Hope has provided approximately $2 million to local communities around the Bengalla and New Acland mines. And there is so much more than financial contributions with a large number of community initiatives supported by New Hope and its staff.

Over the last 6 years, New Hope has been the major corporate sponsor of the LifeFlight Foundation which provides medical evacuation services in Queensland. Over the last 6 months alone, New Hope has donated over $1.1 million to the operation of the LifeFlight helicopter which saves hundreds of lives every year.

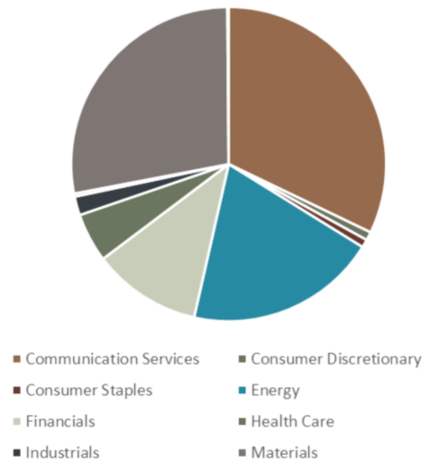
Portfolio overview

Pre-tax value of the portfolio as at 31 July 2019 was $5.5 billion, up 0.6% on previous year

As at 31 July 2019	WHSP's Holding %	Value of WHSP's Holding $m	12 month Movement $m	12 month Movement %
TPG Telecom[1]	25.3%	1,636	286	21.2%
Brickworks[1]	43.8%	1,100	77	7.5%
New Hope Corporation[1]	50.0%	1,043	(283)	(21.3%)
Financial Services Portfolio[1 & 2]	-	353	(61)	(14.7%)
Pharmaceutical Portfolio [1]	-	265	-	-
Round Oak Minerals[2]	100%	188	34	21.9%
Property Portfolio[2]		89	(93)	(51.1%)
Other Listed Investments Portfolio[1]		564	48	9.3%
Other Unlisted Investments Portfolio[2]		135	43	46.0%
Cash and other net assets (net of liabilities)		96	(20)	(17.3%)
Net asset value (pre-tax)		5,469	31	0.6%

[1] At market value

[2] At cost or Directors' valuations



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I'll now provide an overview of our portfolio as at 31 July, talk about our major investments and introduce some exciting new investments we have made since year end.

As at 31 July 2019, the value of the portfolio was just under $5.5 billion. The vast majority of assets in the portfolio have market values as a result of being listed on the stock market.

The private equity investments and property assets are valued by the Board, and we have been conservative in our approach. Many of the valuations are simply what we paid for the asset.

Over the year, the gross value of the assets grew by $31m, or 0.6%. The increase in the value of our holding in TPG Telecom was offset by a decrease in the value of our holding in New Hope.

The Round Oak Minerals asset increased in value as a result of continued investment rather than an increase in the valuation.

Similarly, our property portfolio decreased in value by $93 million as a result of the sale of assets, not because of decreases in values. The major sale that occurred during the year was the head office property at 160 Pitt Street.

TPG Telecom

Year Ended 31 July 2019

Associated entity	25.3% held
Value of WHSP's holding	$1.64 billion
Contribution to WHSP's regular NPAT	$95.0 million
Dividends paid to WHSP	$9.4 million

- EBITDA before impairment of $809.4m
- Business as Usual EBITDA $823.8m
- Statutory profit after tax $173.8m
- Earnings per share 18.7 cents
- Final Dividend of 2 cents per share fully franked

FY20 objectives

- Awaiting decision of Federal Court in relation to the proposed merger of TPG and Vodafone
- Singapore mobile rollout continuing
- Finding growth to offset the NBN margin declines

TELECOM

At 31 July, our investment in TPG was worth $1.64 billion. This has obviously been an excellent investment for us.

There is no doubt that the construction of the NBN, where the government has forced consumers to switch to the NBN, has impacted the company. Despite the migration in FY19 impacting TPG's EBITDA by around $60 million, TPG was able to grow other parts of its business to offset that lost margin.

In FY20, the migration of customers to the NBN will continue and for that reason, TPG has given guidance that its Business As Usual EBITDA for FY20 will be $735-750 million, which is 9-11% down on the FY19 number. Once that migration to the NBN is complete, TPG can begin growing again.

TPG applied to the Federal Court for approval to merge with Vodafone. We believe that a merger is very beneficial for shareholders because there are lots of synergies created and the two companies are very complementary. We also believe the merger is good for competition because the merged entity will be well placed to compete with the two dominant players in the market.

A decision from the Federal Court is expected sometime in the next few months.

New Hope

Year Ended 31 July 2019

Controlled entity	50.0% held
Value of WHSP's holding	$1.04 billion
Contribution to WHSP's regular NPAT	$134.3 million
Dividends paid to WHSP	$66.5 million

- Net Profit before tax and non-regular items was $384.3m, up 3%
- Statutory profit after tax $210.7m, up 41%
- Earnings per share:
  - Before non-regular items 32.3 cents ; and
  - After non-regular items 25.3 cents
- Final Dividend of 9 cents per share fully franked

FY20 objectives

- Awaiting approval from Queensland Government for New Acland Stage 3
- Managing the reduction in workforce and production at New Acland Stage 2 while awaiting approvals for Stage 3

NEW HOPE GROUP

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New Hope had a reasonably good year. Regular NPAT was up 3%, which was mainly due to an increase in volumes at Bengalla offset by falling volumes at Acland as we near the end of Stage 2.

Cash generation from operations was strong, up 17% to $510 million. That led to higher dividends and the dividend contribution to WHSP was up 22% on last year.

During the year, New Hope acquired a further 40% stake in Bengalla bringing their ownership to 80% and gaining operational management. Bengalla is a long life, low cost and high quality coal asset. It has the longest permitted mine life in NSW out to 2039.

After 12 years, we still await approval for the New Acland extension. There are no impediments to the Queensland government giving the final approvals, however, their delay unfortunately has meant that New Hope has ramped down production and made 150 New Acland employees redundant.

Activist groups have challenged New Hope in the courts at every stage. The engagement of "lawfare" as a tactic is an unfortunate reality of the approval process for resource companies. New Hope's opponents are committed to causing maximum delay and increasing the costs of the approval process.

These tactics have resulted in the loss of 150 peoples' jobs, reduced economic activity in the region and created a huge amount of uncertainty and anxiety for shareholders, employees, contractors, customers and those in the local community who rely on New Hope.

New Hope is confident it will ultimately prevail in receiving approvals for Stage 3.

Brickworks

Year Ended 31 July 2019

Associated entity	43.8% held
Value of WHSP's holding	$1.10 billion
Contribution to WHSP's regular NPAT	$54.7 million
Dividends paid to WHSP	$36.1 million

- Record underlying NPAT from continuing operations $234m, up 4%
- Building Products Australia impacted by:
  - Increasing energy prices; and
  - Downturn in construction
- Building Products US exceeded expectations
- Property EBIT before significant items $158m, up 68%
- Final Dividend of 38 cents per share fully franked

FY20 objectives

- Consolidation of Brickworks' entry into the US brick market
- Reduction in energy prices
- Continued development of the land bank in Western Sydney in the Goodman/Brickworks Industrial Trust

BRICKWORKS LIMITED

Brickworks had a record underlying profit in FY19. This strong result was driven by strong profitability in the Property division where revaluations on the industrial property assets and land sales contributed to a 68% increase in EBIT to $158 million.

The FY19 Building Products division was impacted by increasing energy prices and a downturn in construction activity across all states (except Tasmania).

As a result of shortages of domestic gas supply, Brickworks' cost of gas has increased by approximately $25 million per annum over the past couple of years. However, in FY20 Brickworks has entered into wholesale gas arrangements which should see a material reduction in the price of its gas.

The strong demand for Brickworks' industrial land reflects a wider structural change across the economy, as companies modernise their supply chains. Well located industrial facilities, close to consumers are increasing in value, as they are now key components in the supply chain solution.

The Brickworks Industrial Trust joint venture has large parcels of undeveloped land which are in high demand and should provide continued development opportunities for years to come.

In FY19, Brickworks entered the US brick market with the acquisition of Glen-Gery bricks. They then followed that acquisition with Sioux City Brick and Redlands Brick which has strengthened their presence in that market. The growth prospects in the US market are very strong and this strategy represents an exciting new opportunity for Brickworks.

Round Oak Minerals

Year Ended 31 July 2019

Controlled entity	100% held
Value of WHSP's holding	$188 million
Contribution to WHSP's Regular NPAT	($54.1 million)

- Regular after tax loss of $54.1m for the year (previous year loss was $9.7m)
- Result was impacted by:
  - start-up development expenses for new projects and increased corporate overhead
  - delays at all NW Qld operations caused by extreme weather and flooding
  - reduction in production volumes and increased operating costs at Jaguar to realign legacy mining sequence and open up new mining fronts

FY20 objectives

- Execute on mine plans for operating assets in Queensland
- Extend life of Jaguar asset in Western Australia with new mining fronts
- Progress mine planning of Stockman asset in Victoria and look to investment decision

Round Oak
MINERALS

We spent a lot of money at Round Oak during the year and its losses impacted our results for the year.

The regular loss of $54 million was a result of:

- start up development expenses at new projects
- delays at North Queensland assets caused by some extreme weather in the wet season; and
- a reduction in volumes at Jaguar in Western Australia as we realigned the mining sequence and opened up new mining fronts

Some parts of the business have underperformed expectations and commodity prices were not as high as we expected in the year. The threat of trade wars and falling global GDP growth has weighed on copper and zinc prices throughout the year. We continue to believe that the supply/demand characteristics of the copper market should increase prices.

In FY20, we will see production commence at Mount Colin and Barbara in Queensland. We are continuing to produce at Jaguar in Western Australia and actively seeking to extend the mine life by opening up new underground mining fronts.

We will also be progressing our mine planning at Stockman in Victoria which is a long life, high quality asset.

New investment – Agriculture

Citrus Aggregation (Mildura)

Macadamias (Fitzroy)

AG ARGYLE GROUP

- Invested ~$100m to acquire a high quality, diversified portfolio of land and water based agricultural assets
- Portfolio produces a range of commodities including citrus, macadamias and cotton
- Redevelopment plan is expected to result in a material lift in productivity, profitability and value
- Entered into an arrangement with Argyle Capital Partners to manage the assets
- WHSP will continue to explore opportunities to deploy further capital in the sector

Since 31 July, WHSP has entered into a couple of new investments in industries where we see attractive fundamentals and where we can partner with good operators to expand with further investment.

We have acquired a high quality, diversified portfolio of land and water based agricultural assets across Australia. The portfolio produces a range of commodities including citrus, macadamias and cotton all of which are commodities where Australia has a global competitive advantage stemming from its low cost of production, high product quality and ability to deliver counter seasonal production.

The portfolio is in the process of a comprehensive redevelopment plan which is expected to result in a material lift in productivity, profitability and value.

WHSP has entered into an arrangement with Argyle Capital Partners to manage these assets on its behalf. Argyle is a leading agricultural asset manager with a strong track record of delivering value in a diverse range of agricultural enterprises. WHSP has invested approximately $100m to acquire the portfolio and will continue to explore opportunities to deploy further capital in the sector.

WHSP has recently formed a new joint venture to build and operate luxury independent living accommodation for retirees.

Our joint venture partner, Provectus Care, was established by Dr Shane Moran who is one of Australia's most respected aged care and retirement living operators.

Provectus Care was established in 2001 and has rapidly expanded its Residential Aged Care facilities and Independent Living residences throughout Australia. And in recent years, Provectus Care has expanded its expertise in the development, management and operation of luxury residential aged care facilities in China.

The pictures on the left of this slide show an example of the quality of the product being offered by Provectus Care. These are pictures of the recently completed project in Wahroonga called The Rose by Moran. Not only are the apartments finished to a very high standard, the development offers residents access to facilities such as a pool, gymnasium, cinema and wine cellar room.

WHSP and Provectus Care will work together to acquire new sites to develop and manage premium independent living residences. The first site we have acquired is a block opposite the beach in Cronulla to be called Sage by Moran. The concept drawing is pictured on the right of this slide.

We believe there is strong demand for this product and are excited to be partnering with Provectus Care on this strategy.

Terms and Definitions

1	Regular Profit after Tax	Regular profit after tax is a non-statutory profit measure and represents profit from continuing operations before non-regular items. A reconciliation to statutory profit is included in the Consolidated Financial Statements – Note 4, Segment information.
2	Regular cash flow from operations	Net regular cash includes dividends received, net interest received, other income and realised gains and losses from assets held for trading and, deducts regular cash corporate expenses and cash tax paid. Special dividends received from controlled entities and associates are excluded.

Disclaimer

This document has been prepared by Washington H. Soul Pattinson and Company Limited ('WHSP').