26 March 2009

Australian Stock Exchange (Sydney) Limited
Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir/Madam,

Please find attached the Brickworks Ltd Appendix 4D for the half year ended 31 January 2009, incorporating the interim financial report for that period, for immediate release to the market.

Yours faithfully,
BRICKWORKS LIMITED

IAIN THOMPSON
COMPANY SECRETARY

ASX Appendix 4D

Lodged with the ASX in accordance with Listing Rule 4.2A.3

BRICKWORKS LIMITED

A.B.N. 17 000 028 526

Half Year Report
Results for announcement to the market

Reporting period: **6 months ended 31 January, 2009**

Previous corresponding period: 6 months ended 31 January, 2008

		CURRENT PERIOD 31 JAN 09	PREVIOUS PERIOD 31 JAN 08
Revenues from ordinary activities ($000's)	DOWN 9.8% TO	248,248	275,267
Profit (loss) from ordinary activities after tax attributable to members ($000's)	UP 534.0% TO	255,316	40,272
Net profit (loss) for the period attributable to members ($000's)	UP 534.0% TO	255,316	40,272
Basic earnings per share (cents per share)	UP 532.6% TO	192.3	30.4
Net tangible assets per share (cents per share)	UP 27.7% TO	756.9	592.7

Comments on above results

HIGHLIGHTS

BRICKWORKS' ROBUST MODEL DELIVERS INCREASED HALF YEAR PROFIT

** **Brickworks Headline NPAT including non-regular items up 534.0% to $255.3 million**

** **Brickworks Normalised NPAT up 26.1% to $50.8 million**

** **Building products EBIT down 35.2% to $16.4 million**

** **Land & Development EBIT down 54.0% to $12.1 million**

** **Associates & Investments EBIT up 186.5% to $49.0 million**

** **Brickworks Property Trust market value down 4.0% to $167.1 million**

** **Interim dividend steady at 12.5 cents fully franked**

For more detailed information please refer to attached review of operations.

This information should be read in conjunction with the most recent annual report.

This report is based on accounts which have been subject to review. There was no dispute or qualification in relation to these accounts or report.

BRICKWORKS LIMITED

A.B.N. 17 000 028 526

ASX Appendix 4D
Half Year Report

DIVIDENDS

ORDINARY SHARES	Cents per share (cents)	Franked amount per security (cents)	Total amount paid / payable ($000's)	Foreign source dividend per security (cents)
Proposed interim ordinary dividend (payable 19 May 2009)	12.5	12.5	16,609	0.0
Record date for determining entitlements to the dividend			**5 MAY 2009**	
Previous corresponding period (paid 12 May 2008)	12.5	12.5	16,587	0.0

There were no dividend reinvestment plans in operation at any time during or since the end of the financial year.

PREFERENCE SHARES (PAVERS)	Percentage paid per security	Amount paid per security (cents)	Franking percentage per security	Total amount paid / payable
Proposed dividend	n/a	n/a	n/a	n/a
Record date for determining entitlements to the dividend			**N/A**	
Previous corresponding period (paid 2 June 2008)	6.565%	327.35	100%	5,461

BRICKWORKS LIMITED

A.B.N. 17 000 028 526

INTERIM FINANCIAL REPORT

HALF YEAR ENDED 31 January 2009

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half year ended 31 January 2009.

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
Lindsay R. Partridge BSc. Hons. Ceramic Eng; SFCDA; Dip. CD
Brendan P. Crotty LS, DQIT, Dip.Bus Admin, FAPI, FAICD
David N. Gilham FCIT; FAIM; FAICD
The Hon. Robert J. Webster
Alan J. Bentley FAICD (retired 25 November 2008)
Timothy V. Fairfax FAICD (retired 25 September 2008)

REVIEW OF OPERATIONS

Overview

Brickworks Ltd (ASX: BKW) posted a **Headline** Net Profit After Tax ('NPAT') for the half year ended 31 January 2009 up 534.0% at $255.3 million, compared to $40.3 million for the half year ended 31 January 2008. This result included non-regular items after tax totalling $204.5 million.

Brickworks **Normalised** NPAT was $50.8 million, 26.1% higher than the previous corresponding period.

The result again highlights the strength and reliability of the robust Brickworks model, with earnings diversity from its three divisions of Building Products, Land and Development and Investments.

Normalised earnings per share ('EPS') increased 26.0% to 38.3 cents per share for the half year ended 31 January 2009, from 30.4 cents per share for the half year ended 31 January 2008.

Directors have declared an interim dividend of 12.5 cents fully franked, in line with the dividend paid during the same period last year.

The record date for the ordinary dividend will be 5 May 2009, with payment being made on 19 May 2009.

Non-regular items

Brickworks result included non-regular items totalling a net profit after tax of $204.5 million as follows:

$m	Gross	Tax	Net
WHSP Equity Accounting	$363.3m	($109.0m)	$254.3m
Write Down of P&E and Stock	($35.7m)	$10.7m	($25.0m)
Redundancy Costs and Provision for Remediation	($9.6m)	$0.5m	($9.1m)
BICL write down to market value	($11.6m)	$5.0m	($6.6m)
Mark to Market Derivatives (Interest Rate Swaps)	($9.7m)	$2.9m	($6.8m)
Land & Development and other	($3.3m)	$1.0m	($2.3m)
TOTAL	**$293.4m**	**($88.9m)**	**$204.5m**

Financial Analysis

The total net cash flows from operating and investing activities was $56.1 million, up 94.8% from $28.8 million during the previous corresponding period. This included net cash receipts of $45.0 million from the sale and lease back of depreciating assets including the new plant and equipment at Wollert, Victoria.

During the period significant cash outlays included ordinary dividends of $35.2 million and the final PAVERS dividend of $5.5 million. Building Products capital expenditure was reduced during the period by 43.1% to $8.2 million. No business acquisitions were completed.

The PAVERS were redeemed for their face value of $165.0 million during the period, replaced with bank debt. Total Interest Bearing Liabilities decreased by $44.9 million from $562.9 million at 31 July 2008 to $518.0 at 31 January 2009.

Net Debt to Capital Employed decreased to 28.2% at 31 January 2009 from 32.0% at 31 July 2008. Gearing (debt to equity) also decreased to 40.6% at 31 January 2009 from 50.6% at 31 July 2008.

Working capital, excluding assets held for resale decreased to $117.5 million at 31 January 2009, compared to $150.1 million at 31 July 2008.

Total Building Products inventory levels decreased to $141.0 million. Finished Goods Inventory was also 4.1% lower at the half year at $96.2 million.

Borrowing expenses during the half year including the final PAVERS dividend were $21.2 million, an increase of 23.3% compared to the half year ended 31 January 2008. This increase was the result of higher interest rates combined with higher average debt levels. Brickworks also recorded a non-regular mark to market loss on derivative instruments of $6.8 million after tax.

The normalised tax expense decreased by 72.5% to $1.9 million for the half year ended 31 January 2009.

Brickworks Building Products

Australian Market conditions*

Market conditions deteriorated as total national dwelling commencements in the six months to 31 December 2008 were 71,989, a decrease of 12.9% on the commencements for the six months to 31 December 2007. Based on this trend, Brickworks forecast that commencements for the year ended 30 June 2009 will be between 132,000 to 135,000 dwellings, well down from 158,536 in the year ended 30 June 2008 and the estimated underlying demand of around 180,000 dwellings. The interest rate increases made during 2007 and 2008 caused severe damage to the market, with the more recent aggressive interest rate cuts still yet to unwind this damage.

The actual impact on Brickworks of lower commencements is dependant on the split between detached housing and higher density dwellings in each state. Those regions with a higher percentage of higher density dwellings are currently confronted with additional issues including lack of finance availability and a shortage of investors in the sector. Government stimulus such as the First Home Owners Grant provides targeted stimulus for the detached housing market. The stimulus has a greater effect in the regions that have an abundance of available and affordable land. Various other state government stimuli have provided a further boost to specific regional markets.

In **New South Wales** there were 13,916 dwellings commenced during the half year to 31 December 2008, a decrease of 17.8% on the previous corresponding period. The higher density dwelling segment declined by 19.9% to just 6,574.

Queensland commencements decreased by 28.1% to 17,134 dwellings during the half year to 31 December 2008, the lowest level of commencements for a half year since December 2000. The severity of

* Commencements data sourced from ABS Cat. 8750.0 Dwelling Unit Commencements, Australia, Preliminary, December 2008

the deterioration in market conditions was illustrated by a 30.6% decline in quarterly commencements from December 2008 compared to September 2008.

Victorian overall commencements were slightly lower, declining 1.5% to 22,122 dwellings. The new houses segment was steady, with slight weakness in the higher density dwelling segment.

Western Australian commencements again declined with a fall of 14.7% to 9,762 dwellings. Commencements have declined 27.6% in the six months to 31 December 2008 compared to the peak of the market in the six months to 31 December 2006.

South Australian commencements increased by 18.7% on the prior corresponding period to 6,869 dwellings, continuing the upward trend from the last half of the 2007/08 financial year.

Tasmanian commencements also increased by 3.0% to 1,549 dwellings during the half year to 31 December 2008.

New Zealand Market conditions#

Building consents in **New Zealand** for the half year ended 31 January 2009 declined by 40.9% to 7,243 consents. The housing market segment was lower by 43.3% at just 6,394 consents, compared to 11,280 consents for the previous corresponding period.

Results in detail

Sales for the half year ended 31 January 2009 were down 2.3% at $245.7 million compared to $251.5 million in the half year ended 31 January 2008. Sales volumes were lower however were supported by improved selling prices across all divisions and sales from the Austral Masonry business acquisitions completed during last year. Like for like sales revenue was down 4.0%.

Building Products EBIT for the half year ended 31 January 2009 was $16.4 million, down 35.2% on the $25.3 million in the half year ended 31 January 2008. This result was due mainly to the far weaker market conditions resulting in lower volumes, leading to prolonged production shutdowns, increased unit manufacturing costs and margin compression.

Several of Brickworks manufacturing sites experienced extended plant shutdowns during the period. These closures were required to control inventory levels, as sales volumes declined during the half year with the weaker market conditions. During the shutdowns, maintenance work was completed at sites to ensure all plants are in reliable operating condition.

The extended plant closures resulted in higher unit manufacturing costs. Factories were also impacted by significantly higher input costs across the board, including higher gas, electricity, manganese and diesel costs. Several of these input costs are now moving back towards historical levels.

Strategies have been implemented to ensure Brickworks continues to progress towards its goal of being ‘Australia’s Best Building Products Company’ and to maintain the company’s market leading position in regards to customer relationships and the development of stylish new products. This has been supported by the opening of new product displays and design centres in Lynbrook, Victoria and Richmond, South Australia. New product displays are currently under construction at many sites around Australia and when completed will further enhance the product and service offering by Brickworks.

Capital expenditure totalled $8.2 million in the half year ended 31 January 2009. The capital expenditure program was wound back in September 2007 as the company prepared for a deterioration in market conditions. The capital works currently being completed are only the tail of existing projects. Brickworks continues to investigate and evaluate many worthwhile capital projects however these projects will not be commenced until market conditions begin to improve. This program has and continues to deliver many benefits including improved product quality, production efficiency, safety and environmental performance improvements.

Building consents data sourced from Statistics New Zealand - Building Consents, January 2009

The efficiencies from completed capital projects and plant closures resulted in 59 redundancies at a cost of $1.8 million. This combined with several vacated positions not being filled resulted in the number of employees reducing to 1,393 employees at 31 January 2009, 4.5% lower than at 31 July 2008.

Brickworks remains focused on improving workplace safety with its goal of no employees injured while at work. The substantial investment in safety training and equipment over the past several years has delivered an improved safety performance with the Total Reported Injury Frequency Rate[1] declining by 21.8% compared to the year ended 31 July 2008.

During the period Brickworks executed extensions to its supply agreements for its gas requirements in most East Coast Building Products divisions through to 2014.

Brickworks strong support of industry association ‘Think Brick’ continued during the period. For the past several years Brickworks and Think Brick have been working closely with the Australian Brick and Blocklaying Training Foundation (‘ABBTF’) to provide financial support to those employing apprentices in both the Brick and Blocklaying trades. This has been an extraordinarily successful scheme, with 1,457 apprentices currently supported out of a total of 2,752 Brick and Blocklaying apprentices nationally. This scheme has been and remains critical to ensuring the long term availability of skilled tradespeople in the Brick and Blocklaying industry.

The company remains committed to improving its energy use efficiency, having made many proactive investments during the past decade to upgrade plant and equipment that have resulted in a reduction of greenhouse gas emissions.

In December 2008 the Federal Government released its White Paper in relation its proposed Carbon Pollution Reduction Scheme (‘CPRS’). While the legislation remains in draft form, a detailed assessment of the likely impact of the CPRS is currently being undertaken. Systems and processes have been implemented to meet National Greenhouse Energy Reporting requirements, the first report due in October 2009. Additional compliance costs with this new legislation have been and will continue to be significant.

Due to the depressed state of the market, a thorough review of manufacturing assets and stock holdings was conducted to satisfy impairment testing requirements under AIFRS. Several manufacturing sites were deemed to have reached the end of their useful life and were written off. The non regular after tax write off totaled $34.1 million, including redundancy costs and a provision for remediation.

Divisional Results

Austral Bricks™ overall brick sales volumes were down approximately 5.4% compared to the previous corresponding period, while net average selling prices increased by 2.7%.

Manufacturing volumes were lower by 11.1% due to the extended closures of many manufacturing facilities to control inventory levels during the current half.

Despite the worst trading conditions the company has experienced for more than 60 years in New South Wales, the business remains in a good position to capitalise on a recovery in the market due to the early action taken during February 2008 to take two brick kilns off-line. Only one brick kiln in New South Wales operated throughout the entire half year, with the remaining operating kilns each having a shutdown of up to three months. A test run was completed on one of the mothballed kilns during the half year confirming its ability to come on-line within seven days. Recovery of the New South Wales market remains the key driver of profit growth in the Building Products division.

Trading conditions in the segmented Queensland market deteriorated rapidly during the half year. Conditions are particularly bad in the higher density dwelling markets of the Gold Coast and greater South East Queensland. The Central and North Queensland resource based regions also declined sharply during the period. The Rochedale, Queensland brick manufacturing facility was impacted by continued industrial action during the half year, leading to several interruptions to manufacturing on the site. Poor market conditions led to

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1 Total Reported Injury Frequency Rate (TRIFR) measures the total number of injuries per million hours worked

the Rochedale plant being placed on standby during December 2008.

Austral Bricks™ Western Australia again delivered a solid result in a declining market. The plant closures due to the Apache Gas supply interruption in mid-2008 was used at the Malaga factory to complete major capital works that extended through the majority of August 2008. During the mid-year plant closures sufficient stock run-off was achieved to allow all Western Australian factories to run through the traditional Christmas shutdown period.

The Victorian brick market remains the most resilient market in Australia at present, with volumes for the half year in line with the previous corresponding period. The Wollert manufacturing site is now operating at a speed exceeding its design capacity.

The South Australian operation again delivered improved results due to higher volumes in a relatively steady market. This operation is now seeing the full benefits of the successful plant upgrade completed during 2007. The final stage of the kiln car upgrade will be completed during the second half.

The Tasmanian business had a solid half year and is also well placed due to the completion of the plant refurbishment over the Christmas shutdown period. The final stage of the kiln car upgrade in this plant will also be completed during the second half.

Austral Bricks™ New Zealand delivered a lower result due to the depressed market trading conditions. A national selling and distribution network is now in place across New Zealand that will provide the platform for future sales growth as market conditions improve.

Austral Masonry™ continues to grow with a 10.7% growth in sales volume compared to the previous half year, mainly due to the acquisition of the Smart State Blocks business at Yatala, Queensland during July 2008. The Far North Queensland region experienced widespread flooding during January 2009, severely restricting market activity for several weeks. No manufacturing facilities were damaged by the floods.

While total manufacturing volume for the half year was in line with the prior corresponding period, the majority of manufacturing operations had extended closures during the period to control inventory levels.

Bristile Roofing™ sales volumes declined 8.5% during the half year, with average selling prices increasing by 1.6%. The roofing business suffered from lower trading conditions particularly in the Queensland and Western Australian markets, with unit manufacturing costs increasing due to the lower volumes.

Stylish new roof tile profiles were launched during the period, including a flat terracotta “Monaco” profile and a flat concrete “Prestige” profile. These exciting new products have already attracted significant interest in the market and are expected to drive increased sales during the coming years.

Eureka Tiles™ again achieved an improved result in its import business, with sales volumes increasing by a further 24.4% combined with higher average selling prices. However the overall volume of the division declined by 13.2% as locally manufactured product sales again decreased. The continuing weakness of the Australian Dollar over the past six months has now started to drive the cost of imported products higher. Recently implemented price increases as well as renegotiated supply agreements will somewhat mitigate the impact of the weaker dollar.

Terraçade sales again increased during the half year with several completed iconic projects now driving market acceptance and appreciation of the product in both Australia and New Zealand.

Auswest Timbers delivered an improved result boosted by higher sales from its dry timber processing operations. The export sales of Auswest were higher during the half year, assisted by the declining Australian Dollar. The higher sales volumes allowed Auswest operations to run at closer to capacity delivering improved unit manufacturing costs and margins.

Brickworks Land and Development

Land and Development produced an EBIT of $12.1 million for the six months ended 31 January 2009. This represents a decrease of 54.0% over the record EBIT during the prior corresponding period of $26.3 million.

The **Property Trust** contributed the majority of the overall profit for the half, with a total net result of $11.1 million from Development Profit, Trust Income and Revaluations.

Three major facilities were completed in New South Wales during the half year by the Trust, comprising Capicure and Southridge Estates on M7 Business Hub and Ubecco at Interlink Distribution Estate. This provided the previously unrealised profit of $6.0 million and $3.3 million from Development Profit.

Previously completed Trust properties were revalued during the half year. Due to the depressed state of the market and increased capitalisation rates, a net write down of $2.7 million was recorded. This write down was 1.6% of the market value of the Trust.

Trust assets are valued on an annual basis in line with the current market. Future revaluations will coincide with yearly rent increases. This is expected to assist in reducing the impact of any future write downs caused by increasing capitalisation rates.

Trust Distributions increased over the period and provided a total of $4.4 million for the half year.

The Development Approval for Stage One of the Oakdale site has been received. Brickworks is currently seeking pre-commitments for the facilities to be constructed on this site.

At 31 January 2009 Brickworks share of the Property Trust assets was $305.4 million, with borrowings of $138.3 million, giving a net equity position of $167.1 million, down 4.0% on the value at 31 July 2008. This reduction in value was the result of booking mark to market valuations of the Interest Rate Swaps held by the Trust totalling $10.6 million.

No **Land Sales** transactions were completed during the half year.

The two land sales forecast for the half, being Stage 2 of Eastwood, NSW to AV Jennings and Lot 1 of Scoresby, Victoria to Mirvac, were delayed due to slower than expected rehabilitation works.

Settlement on Stage 2 of Eastwood was delayed due to wet weather and the construction of additional water detention basins. The filling of the Stage 2 and 3 areas were competed during the half. Fill monitoring is currently underway and both of these lots will be ready for settlement in the second half of the current financial year.

The sale of Lot 1 at Scoresby to Mirvac was delayed by planning issues. These issues were resolved allowing rehabilitation works to continue. Lot 1 rehabilitation works are expected to be completed shortly, with the site ready for settlement during the second half.

Rehabilitation of Lots 2 and 3 at Scoresby are on schedule and expected to be ready for settlement prior to July 2009.

Waste Management at Horsley Park, NSW and Bowral, NSW, contributed $1.2 million to profit in the half year to 31 January 2009.

Brickworks Investments

Washington H. Soul Pattinson Limited ("WHSP")
ASX Code: SOL

The contribution of WHSP, excluding non-regular items, in the half year to 31 January 2009 was $47.8 million, compared to $14.2 million in the half year ended 31 January 2008. This much improved result was mainly due to the stronger performance of New Hope Corporation ("New Hope"). WHSP is the majority shareholder of New Hope holding 60.9% of issued share capital.

An after tax non-regular profit of $254.3 million was recorded by Brickworks from WHSP, due to the sale of New Saraji for $2.450 billion by New Hope. New Hope announced its intention to pay a fully franked dividend to its shareholders totalling approximately $600 million in late 2009. This will result in WHSP receiving an estimated $365 million fully franked dividend from New Hope.

During the six months to 31 January 2009 the market value of Brickworks' 42.85% share of WHSP decreased by $189.6 million or 17.7% to $879.4 million. Fully franked ordinary dividends of $18.4 million were received during the half year, compared to $17.4 million during the prior corresponding period.

At 31 January 2009, WHSP held significant investments in Brickworks, New Hope, SP Telemedia, API, Clover, Ruralco Holdings, Pitt Capital Partners and Souls Private Equity. In addition to these cornerstone investments, WHSP maintains a substantial investment in a broad portfolio of blue chip companies listed on the Australian Stock Exchange.

The investment in WHSP has a compound annual Total Shareholder Return for 10 years of 15.1% compared to 5.9% for the ASX All Ordinary Accumulation Index.

Brickworks Investment Company Limited ("BICL")
ASX Code: BKI

BICL reported a Net Profit after Tax of $14.2 million for the half year to 31 December 2008, compared to $13.4 million in the half year to 31 December 2007, an increase of 6.2%.

Brickworks' equity accounted share of the BICL profit was $2.3 million, before impairment adjustments. The dividend received was $1.6 million for the half year.

Significant items after balance date
On 17 February 2009 Brickworks divested its entire holding in BICL through an institutional book build. The sale of the holding in BICL was executed as the investment in BICL was deemed to be non-core to operations and that in the current market it was more prudent to use the funds to reduce bank debt and further strengthen the balance sheet.

Net sales proceeds totalling $44.0 million were received from this transaction. An impairment charge of $6.6 million after tax was booked on this asset as a non-regular item in the first half. At 19 March 2009 Brickworks Net Debt had reduced to approximately $475 million, with Gearing also reducing to approximately 38%.

Outlook

Building Products
The aggressive interest rate cuts since August 2008 totalling 400 basis points and the Federal Government's increasing of its First Home Owners Grant to $21,000 have provided stimulus for the housing industry, with initial signs of increased display home traffic and increased housing finance positive lead indicators. These factors along with the lower cost of fuel and additional state government stimuli have led to improved housing affordability.

The traditional detached housing markets such as Victoria, South Australia and Western Australia will be the main beneficiaries of the increased first home owner grant. Brickworks will benefit from a recovery in the detached housing market segment as approximately 83% of external walls in detached housing in Australia are constructed using either full brick or brick veneer[2]. The growing trend back toward the use of face brick in housing is also a positive for Brickworks.

With regards to the higher density dwellings market segment, the lack of investors and lack of available construction finance must improve before this segment of the market can recover. As New South Wales and South East Queensland have a greater percentage of medium and high density dwellings relative to detached housing, these are the markets likely to be impacted by these negative forces.

On 3 February 2009, the Federal Government also announced its $42 billion “Nation Building and Jobs Plan”. This included two critical initiatives for the building industry, the $14.7 billion package to schools for maintenance and construction work and the combined $6.7 billion packages for public and defence housing. These initiatives are positives for the Building Products business and Brickworks anticipates increased demand for its products going into these buildings over the course of the year.

Following the extended shutdowns during the first half stock levels are in a balanced position, with all operational sites expected to run at the rate of anticipated sales during the second half.

A program of price rises has been put in place to ensure the significant input cost increases impacting the company are passed on to the market. This will continue during the second half in order to restore selling margins.

A key risk to the cost structure of the Brickworks Building Products business is a series of potential government induced cost increases including the proposed CPRS, increased land tax charges and the new industrial relations law.

Land and Development

Brickworks Land and Development continues to progress towards the staged property settlements of Scoresby, Victoria and Eastwood, New South Wales.

It is unlikely that any new Property Trust projects will commence during the current half year due to the uncertain global financial climate and lack of available construction and long term finance. The increase in capitalisation rates has driven increases in the rental rates per square metre for completed buildings.

Although this cyclical downturn has reduced the number of new site developments during the current period, Brickworks substantial land bank around Australia remains a highly valuable core asset that will underpin future profits of the Land and Development division for many years to come.

Investments

WHSP is in a strong position to take advantage of any opportunities that arise. The already solid cash position of WHSP will be further boosted in late 2009 by the special dividend from New Hope of an estimated $365 million.

Brickworks Group

Brickworks robust model has delivered a solid first half result despite of the extremely tough trading conditions faced by the Building Products and Land and Development divisions. The full year result will be strong due to the solid first half result and the continued higher contribution from Investments. The timing of the anticipated recovery in Building Products remains uncertain but will become clearer in the coming months.

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[2] Source - BIS Shrapnel Residential Builder Panel 2008, Volume 3: External Wall Cladding

Rounding of amounts

The consolidated entity has applied the relief available to it under ASIC Class Order 98/0100 and accordingly amounts in the financial report and the Directors' report have been rounded off to the nearest $1,000 where allowed under that class order.

Auditor's independence declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 10 for the half year ended 31 January 2009.

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

Dated 26 March 2009

R D MILLNER
Director

L R PARTRIDGE
Director

ERNST & YOUNG

Ernst & Young Centre
680 George Street
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Auditor's Independence Declaration to the Directors of Brickworks Limited

In relation to our review of the financial report of Brickworks Limited for the half-year ended 31 January 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Paul Flynn

Paul Flynn
Partner
Sydney
26 March 2009

Liability limited by a scheme approved
under Professional Standards Legislation

BRICKWORKS LIMITED AND CONTROLLED ENTITIES
A.B.N. 17 000 028 526

CONDENSED INCOME STATEMENT FOR THE HALF YEAR ENDED 31 JANUARY 2009

	NOTE	CONSOLIDATED 31 JAN 09 $000	31 JAN 08 $000
Revenue	2	248,248	275,267
Cost of sales		(178,040)	(186,260)
Gross profit		70,208	89,007
Other income		1,771	336
Distribution expenses		(22,883)	(21,932)
Administration expenses		(9,712)	(9,602)
Selling expenses		(26,171)	(25,206)
Finance costs	2	(30,921)	(17,212)
Other expenses	2	(47,697)	(5,154)
Share of net profits of associates and joint ventures accounted for using the equity method	2, 6, 7	411,554	36,890
Profit from ordinary activities before income tax expense		346,149	47,127
Income tax attributable to profit from ordinary activities	3	(90,833)	(6,855)
Profit from ordinary activities after related income tax expense		255,316	40,272
Net profit attributable to members of the parent entity		255,316	40,272
Basic earnings per share (cents per share)		192.3	30.4
Diluted earnings per share (cents per share)		173.6	30.4

Diluted earnings per share is equal to basic earnings per share in 2008 as the effect of conversion of the redeemable preference shares (PAVERS) was antidilutive (ie EPS positive).

These statements should be read in conjunction with the accompanying notes.

BRICKWORKS LIMITED AND CONTROLLED ENTITIES
A.B.N. 17 000 028 526

CONDENSED BALANCE SHEET AS AT 31 JANUARY 2009

		CONSOLIDATED	
		31 JAN 09	31 JULY 08
	NOTE	$000	$000
CURRENT ASSETS			
Cash assets		15,726	37,808
Receivables		58,325	83,428
Held for trading financial assets		18	30
Inventories		132,460	137,935
Land held for resale		113,167	95,108
Current assets held for sale	5	44,481	-
Other		5,205	4,497
TOTAL CURRENT ASSETS		369,382	358,806
NON-CURRENT ASSETS			
Receivables		201	200
Inventories		8,574	7,230
Land held for resale		23,742	34,649
Investments accounted for using the equity method	6, 7	1,002,503	740,255
Property, plant and equipment	8	419,906	500,203
Intangible assets		272,218	271,513
Other		1,065	1,792
TOTAL NON-CURRENT ASSETS		1,728,209	1,555,842
TOTAL ASSETS		2,097,591	1,914,648
CURRENT LIABILITIES			
Payables		66,902	73,071
Derivative financial instruments	9	858	(347)
Interest-bearing liabilities	10	108,000	262,865
Current tax liabilities		(4,546)	18,782
Provisions		30,972	22,095
TOTAL CURRENT LIABILITIES		202,186	376,466
NON-CURRENT LIABILITIES			
Payables		-	2,047
Derivative financial instruments	9	8,540	-
Interest-bearing liabilities	10	410,000	300,000
Provisions		13,682	13,560
Deferred tax items		185,196	109,106
TOTAL NON-CURRENT LIABILITIES		617,418	424,713
TOTAL LIABILITIES		819,604	801,179
NET ASSETS		1,277,987	1,113,469
EQUITY			
Contributed equity	11	145,572	144,892
Reserves		295,713	359,550
Retained profits		836,702	609,027
TOTAL EQUITY		1,277,987	1,113,469

These statements should be read in conjunction with the accompanying notes.

BRICKWORKS LIMITED AND CONTROLLED ENTITIES
A.B.N. 17 000 028 526

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 JANUARY 2009

	NOTE	CONSOLIDATED 31 JAN 09 $000	31 JAN 08 $000
Total equity at beginning of the half year		1,113,469	1,072,715
Cash flow hedges:			
Gain / (loss) taken to equity		83	58
Foreign currency translation		(128)	(286)
Share of increments / (decrements) in reserves attributable to associates		(87,911)	(41,189)
Tax on movement in equity accounted investment recognised directly in equity		24,235	12,627
Net income / (expense) recognised directly in equity		(63,721)	(28,790)
Net profit for the half year		255,316	40,272
Total recognised income and expense for the half year		191,595	11,482
Transactions with equity holders in their capacity as equity holders			
Issue of shares	11	2,049	-
Treasury stock:			
Purchase of shares through employee share plan	11	(2,374)	(2,436)
Shares vested to employees	11	1,005	1,010
Dividends provided or paid during the half year	4	(27,757)	(27,186)
Share of associates transfer to outside equity interests		-	-
		(27,077)	(28,612)
Total equity at the end of the half year		1,277,987	1,055,585

These statements should be read in conjunction with the accompanying notes.

CONDENSED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 JANUARY 2009

	NOTE	CONSOLIDATED 31 JAN 09 $000	31 JAN 08 $000
Cash flows from operating activities			
Receipts from customers		296,142	321,519
Payments to suppliers & employees		(277,779)	(266,229)
Interest received		2,414	409
Interest expense		(15,088)	(12,756)
PAVERS interest		(5,461)	(5,431)
Dividends received		24,027	19,539
Income tax paid		(10,789)	(11,527)
Net cash flows from / (used in) operating activities		13,466	45,524
Cash flows from investing activities			
Purchases of investments		-	-
Purchases of intangibles		(848)	(59)
Payment for controlled entity net of cash acquired		-	(6,025)
Proceeds from sale of property, plant & equipment		51,659	5,323
Purchases of property, plant & equipment		(8,197)	(15,935)
Net cash flows from / (used in) investing activities		42,614	(16,696)
Cash flows from financing activities			
Proceeds from borrowings		182,000	63,000
Repayment of borrowings		(62,000)	(64,000)
Proceeds from issue of shares	11	2,049	-
Buyback of shares	10	(165,000)	-
Loan (to) / from other entity		-	908
Dividends paid		(35,211)	(34,500)
Net cash flows from / (used in) financing activities		(78,162)	(34,592)
Net increase / (decrease) in cash held		(22,082)	(5,764)
Cash at beginning of half year		37,808	14,382
Cash at end of half year		15,726	8,618

These statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 January 2009

NOTE 1: BASIS OF PREPARATION

The half year consolidated financial report is a condensed general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, and AASB 134: Interim Financial Reporting, and other mandatory professional reporting requirements.

The condensed half year general purpose financial report does not include full disclosures of the type normally included in an annual financial report, and as such this financial report should be read in conjunction with the annual financial report for the year ended 31 July 2008, and any public announcements made by Brickworks Limited and its controlled entities during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the group and are consistent with those of the most recent annual financial report for the year ended 31 July 2008.

NOTE 2: SIGNIFICANT REVENUE AND EXPENSES

The following items are relevant to explaining the financial performance for the half year:

		CONSOLIDATED	
		31 JAN 09	**31 JAN 08**
	NOTE	**$000**	**$000**
REVENUES			
Building products		245,696	251,444
Property		1,656	23,375
Investments		896	448
Total revenue		248,248	275,267
FINANCE COSTS			
Interest cost		17,400	11,492
Mark to market derivatives		9,736	-
PAVERS interest		3,650	5,401
PAVERS amortisation		135	319
Total Finance costs expensed		30,921	17,212
Finance costs capitalised		646	1,420
Total finance costs		31,567	18,632
PROPERTY TRUST PROFITS			
Development profits from joint venture developments		3,349	4,569
Fair value adjustment of properties		(2,693)	8,317
Fair value adjustment on completion of developments		6,038	6,669
Property Trust rental profits		4,392	592
Total profits from Property Trusts		11,086	20,147

		CONSOLIDATED	
	NOTE	31 JAN 09 $000	31 JAN 08 $000
OTHER SIGNIFICANT ITEMS			
Write down assets to net realisable value			
Buildings, Plant & Equipment [1]	8	(30,181)	-
Inventories [2]		(5,508)	-
Land held for resale [1]		(1,700)	-
Current assets held for sale [3]	6	(11,622)	-
One off costs on closure of manufacturing facilities			
Redundancy costs [1]		(1,794)	-
Provision for demolition of buildings [1]	8	(7,779)	-
Mark to market of derivative financial instruments [4]	9	(9,736)	-
Additional profit due to significant one-off transactions of Washington H Soul Pattinson & Co Ltd [3]	6	363,340	-
Other non-regular items [1]		(1,624)	-
Total non-regular items		293,396	-
Tax effect of above transactions		(88,921)	
Total non-regular items after income tax		204,475	-

(1) Disclosed in "Other expenses" line on Income Statement
(2) Disclosed in "Cost of Sales" line on Income Statement
(3) Disclosed in "Share of net profits of associates" line on Income Statement
(4) Disclosed in "Finance costs" line on Income Statement

NOTE 3: INCOME TAX EXPENSE

	31 JAN 09 $000	31 JAN 08 $000
Current Tax	2,348	3,138
Deferred Tax	103,235	6,191
Under / (over) provided in prior years	(14,750)	(2,474)
	90,833	6,855

NOTE 4: DIVIDENDS

	31 JAN 09 $000	31 JAN 08 $000
Final ordinary dividend of 26.5 cents per share fully franked at the tax rate of 30% (2008 - 26.0 cents fully franked) not recognised as a liability in the previous period	35,211	34,500
Group's share of dividend received by associated company	(7,454)	(7,314)
	27,757	27,186
Proposed interim ordinary dividend of 12.5 cents per share fully franked at the tax rate of 30% (2008 - 12.5 cents fully franked) and recognised as a liability	16,609	16,587

NOTE 5: CURRENT ASSETS HELD FOR SALE

	CONSOLIDATED	
	31 JAN 09 $000	31 JULY 08 $000
Shares in Listed Corporations	44,481	-

During the period the company made the decision to sell its shareholding in the ASX listed Brickworks Investment Company Ltd (BKI). In prior periods this investment was accounted for as an Equity Accounted Investment. At balance date an impairment write down totalling $11.6 million was taken against the carrying value of this investment, to bring the carrying value to its net realisable value, with reference to an active market. This impairment is recorded against the Investments segment of the Group.

NOTE 6: ASSOCIATED ENTITIES

Information relating to significant associated entities is set out below:

	Ownership interest		Contribution to profit	
	31 JAN 09 %	31 JAN 08 %	31 JAN 09 $000	31 JAN 08 $000
Washington H Soul Pattinson & Co Ltd	42.85	42.85	411,187	14,195
Brickworks Investment Company Ltd	13.21	18.01	(10,786)	2,476
			400,401	16,671

At 31 January 2009, BKI was reclassified in the balance sheet to current assets held for sale.

Included in the BKI contribution for 2009 is a writedown to net realisable value of $11.6 million.

NOTE 7: JOINTLY CONTROLLED ENTITIES

Information relating to significant jointly controlled entities (JV's) is set out below:

BGAI CDC Trust	50.00	50.00	(2,837)	11,594
BGAI Erskine Trust	50.00	50.00	5,243	-
BGAI TTP Trust	50.00	50.00	(394)	1,883
BGAI Capicure Trust	50.00	50.00	1,467	-
BGAI Heritage Trust	50.00	50.00	1,569	-
BGAI Oakdale Trust	50.00	-	-	-
Other jointly controlled entities			67	73
Fair value adjustments on completion of developments			6,038	6,669
			11,153	20,219

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

During the period ended 31 January 2009, the Group entered into a sale and leaseback transaction for the Wollert, Victoria manufacturing plant. The plant and equipment was sold for $40.6 million, with the proceeds being used to retire debt. This plant and equipment was subsequently leased back on a 10 year operating lease with two five year options.

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (cont.)

During the period ended 31 January 2009, the Group assessed the carrying value of all property, plant and equipment. With the prolonged downturn in the domestic housing market, and the impacts of the global financial crisis, a number of manufacturing facilities have either closed, or will be closed within the next few months. As a result, impairment write downs totalling $11.8 million on buildings and $18.4 million on plant and equipment were incurred. The remaining recoverable value of these assets is based on the asset's value in use. All write downs of property, plant and equipment related to items belonging to the Building Products segment.

With the closure of these manufacturing facilities, provisions have increased by $7.8 million for the demolition, remediation and reconstruction of the buildings and plant.

The Australian Federal Government has proposed introducing a Carbon Pollution Reduction Scheme (CPRS) by 2010. The introduction of the CPRS has the potential to significantly impact the assumptions used to determine the future cash flows generated from the continuing use of the Group's assets for the purpose of value-in-use calculations in impairment testing. The assets most likely to be impacted include property, plant and equipment, and intangible assets. The Group has not yet incorporated the impact of CPRS into their assumptions at 31 January 2009 as significant uncertainty exists around a number of areas associated with CPRS and insufficient market information existed.

NOTE 9: DERIVATIVE FINANCIAL INSTRUMENTS

At balance date, the Group has $325.0 million of bank borrowings hedged using four interest rate swap contracts, in accordance with the Group's hedging policy. The swaps, valued at $9.7 million, have not been designated as effective hedges, and hence the fair value is recognised through profit and loss.

NOTE 10: INTEREST BEARING LIABILITIES

On 1 December 2008, the Company bought back all of the Preferred Adjustable Variable Exchangeable Resettable Shares (PAVERS) on issue, at their issue price of $100 per PAVERS. The total amount of the buyback was $165.0 million in accordance with the terms of issue of the PAVERS.

The buyback was funded primarily using the third tranche of the unsecured variable interest rate facility, as entered in note 31 (f) of the Brickworks Ltd 2008 Annual Report. Under the terms of this facility, this tranche had an initial expiry date in July 2009, with an option to extend this facility by a further 2 years to July 2011. It is the intention of the Company to seek this extension. The amount of this tranche outstanding at balance date was $110.0 million.

NOTE 11: SHARE CAPITAL

	CONSOLIDATED	
	31 JAN 09	31 JULY 08
	$000	$000
Fully paid ordinary shares	151,095	149,046
Reserved shares	(5,523)	(4,154)
	145,572	144,892
ORDINARY SHARES		
Opening balance	149,046	149,046
Shares issued during the period	2,049	-
Balance at end of period	151,095	149,046
	No.	No.
Opening balance	132,692,188	132,692,188
Shares issued during the period	179,862	-
Balance at end of period	132,872,050	132,692,188
	$000	$000
RESERVED SHARES		
Opening balance	(4,154)	(3,620)
add: bonus shares acquired by share plan	(2,374)	(2,498)
less: bonus shares vested during period	1,005	1,964
Balance at end of period	(5,523)	(4,154)
	No.	No.
Opening balance	332,279	314,961
add: bonus shares acquired by share plan	211,445	182,383
less: bonus shares vested during period	(87,629)	(165,065)
Balance at end of period	456,095	332,279

NOTE 12: SEGMENT INFORMATION

Business segments

	Building Products		Property		Investments		Consolidated	
	31 JAN 09 $000	31 JAN 08 $000	31 JAN 09 $000	31 JAN 08 $000	31 JAN 09 $000	31 JAN 08 $000	31 JAN 09 $000	31 JAN 08 $000
REVENUE								
Segment revenue	245,696	251,444	1,656	23,375	896	448	248,248	275,267
RESULT								
Segment EBITDA	31,385	40,191	12,123	26,277	49,002	17,071	92,510	83,539
Less depreciation and amortisation	(14,962)	(14,896)	-	-	-	-	(14,962)	(14,896)
Segment EBIT	**16,423**	**25,295**	**12,123**	**26,277**	**49,002**	**17,071**	**77,548**	**68,643**
Less non-regular items	(46,886)	-	(1,700)	-	351,718	-	303,132	-
Segment result	(30,463)	25,295	10,423	26,277	400,720	17,071	380,680	68,643
Unallocated expenses								
Finance costs							(21,185)	(17,212)
Non regular finance costs							(9,736)	-
Other unallocated expenses							(3,610)	(4,304)
Profit from ordinary activities before income tax expense							346,149	47,127
Income tax expense							(90,833)	(6,855)
Profit from ordinary activities after income tax expense							255,316	40,272

Building products division manufactures vitrified clay, concrete and timber products used in the building industry.

Property division considers further opportunities to better utilise land owned by the Brickworks Group, including the sale of property and investment in property trusts.

Investment division holds investments in the Australian share market, both for dividend income and capital growth, and includes the Group's investment in Washington H Soul Pattinson and Co. Ltd & Brickworks Investment Company Ltd.

NOTE 13: EVENTS OCCURING AFTER BALANCE DATE

On 17 February 2009 Brickworks sold its investment in Brickworks Investment Company Ltd, for $44.5 million, less costs. The carrying value of the investment at 31 January 2009 reflected this sale price (refer note 5), and hence there will be minimal profit recognised on disposal. The proceeds of this disposal were used to reduce debt.

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

NOTE 14: ACQUISITIONS

There were no acquisitions by the group during the half year ended 31 January 2009.

During the six months to 31 January 2008 the Brickworks Group acquired the net assets and operations of Bundaberg Clean Sands (10 November 2007) and NQ Blox (11 January 2008), two independent concrete masonry businesses located in Queensland. Details of the net assets acquired under these transactions are set out below.

	31 JAN 08 $000
Cost of acquisition	
Cash paid	5,356
Direct costs relating to the acquisition	669
Total payments made on acquisition	6,025
Value of investments surrendered	356
Total cost of acquisition	6,381
Net assets acquired	
Inventory	177
Purchased intangibles	285
Property, plant & equipment	5,265
Goodwill	675
Employee entitlements assumed	(21)
Fair value of net assets acquired	6,381
Contribution to net profit before tax for the period ended 31 January 2008	120

It is not practical to restate the revenue or profit of the combined entity for the period as if the acquisition date for these business combinations effected during the period had been at the beginning of the period, as the legal entities that had been operating those masonry businesses were not acquired, and the financial information of those entities provided to the Group to allow consideration of the purchase of those businesses is subject to signed confidentiality agreements. For the same reason it is not practical to disclose the carrying amounts of those assets immediately prior to the acquisition.

The acquisition of these businesses has resulted in the recognition of goodwill. The key factors contributing to the goodwill on these businesses are the strength of the companies acquired, due to their product ranges and exposure to growing markets, and the synergies presented from combining these similar businesses with the existing building product businesses within the Group.

NOTE 15: CONTINGENT LIABILITIES

There has been no material change of any contingent assets or contingent liabilities since the last annual reporting date.

BRICKWORKS LIMITED AND CONTROLLED ENTITIES
A.B.N. 17 000 028 526

DIRECTORS' DECLARATION

The Directors' of the company declare that:

1. The financial statements and notes, as set out on pages 11 to 21, are in accordance with the Corporations Act 2001:

   a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

   b. give a true and fair view of the economic entity's financial position as at 31 January 2009 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 26 March 2009

R D MILLNER
Director

L R PARTRIDGE
Director

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To the members of Brickworks Limited

Report on the condensed half-year financial report

We have reviewed the accompanying half-year financial report of Brickworks Limited, which comprises the condensed balance sheet as at 31 January 2009, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 January 2009 and its 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 Brickworks Limited and the entities it controlled during the half-year, 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the financial report.

Liability limited by a scheme approved
under Professional Standards Legislation

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Brickworks Limited is not in accordance with the *Corporations Act 2001*, including:

i) giving a true and fair view of the consolidated entity's financial position as at 31 January 2009 and of its performance for the half-year ended on that date; and

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

Ernst & Young

Ernst & Young

Paul Flynn
Partner
Sydney
26 March 2009