BRICKWORKS
LIMITED

24 September 2009

Australian Securities Exchange
Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir/Madam,

Please find attached the Brickworks Ltd Appendix 4E for the year ended 31 July 2009, incorporating the annual financial report for that period, for immediate release to the market.

Yours faithfully,
BRICKWORKS LIMITED

IAIN THOMPSON
COMPANY SECRETARY

ASX Appendix 4E

Lodged with the ASX in accordance with Listing Rule 4.3A

BRICKWORKS LIMITED

A.B.N. 17 000 028 526

Preliminary Final Report
Results for announcement to the market

Reporting period: **12 months to 31 July 2009**

Previous corresponding period: 12 months to 31 July 2008

		CURRENT PERIOD 31 JULY 2009	PREVIOUS PERIOD 31 JULY 2008
Revenues from ordinary activities ($000's)	UP 7% TO	593,511	553,716
Profit (loss) from ordinary activities after tax attributable to members ($000's)	UP 201% TO	305,215	101,478
Net profit (loss) for the period attributable to members ($000's)	UP 201% TO	305,215	101,478
Normalised profit after tax before non-regular items ($000's)	**UP 5% TO**	**113,680**	**108,173**
Basic earnings per share (cents per share)	UP 200% TO	229.8	76.5
Net tangible assets per share (cents per share)	UP 30% TO	827.4	634.5

Comments on above results

BRICKWORKS DELIVERS RECORD RESULT

** **Brickworks Headline NPAT up 200.7% to $305.2 million**

** **Brickworks Normalised NPAT up 5.1% to $113.7 million**

** **Building products EBIT down 31.0% to $37.0 million**

** **Land & Development EBIT down 56.7% to $40.6 million**

** **Associates & Investments EBIT up 158.5% to $95.4 million**

** **Total Interest Bearing Debt reduced by 28.9% to $400.0 million**

** **Final dividend of 26.5 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 are currently subject to audit. There has been no dispute or qualification in relation to these accounts or report.

BRICKWORKS LIMITED

A.B.N. 17 000 028 526

ASX Appendix 4E
Preliminary Final Report

DIVIDENDS

ORDINARY SHARES	Amount per security (cents)	Franked amount per security (cents)	Total amount paid / payable ($000's)	Foreign source dividend per security (cents)
Proposed final ordinary dividend (payable 9 December 2009)	**26.5**	**26.5**	35,211	0.0
Record date for determining entitlements to the dividend		**25 NOVEMBER 2009**		
Previous corresponding period (paid 10 December 2008)	26.5	26.5	35,212	0.0
Interim ordinary dividend (paid 19 May 2009)	**12.5**	**12.5**	16,609	0.0
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.

BRICKWORKS LIMITED

A.B.N. 17 000 028 526

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 JULY 2009

BRICKWORKS LIMITED
A.B.N. 17 000 028 526

REGISTERED OFFICE:	738 - 780 Wallgrove Road Horsley Park NSW 2175 Telephone: (02) 9830 7800 Facsimile: (02) 9620 1328
DIRECTORS:	ROBERT D. MILLNER FAICD (Chairman) Director since 1997 MICHAEL J. MILLNER MAICD (Deputy Chairman) Director since 1998 BRENDAN P. CROTTY LS, DQIT, Dip.Bus Admin, FAPI, FAICD, FRICS Director since 2008 DAVID N. GILHAM FCILT; FAIM; FAICD Director since 2003 THE HON. ROBERT J. WEBSTER MAICD; MAIM; JP Director since 2001
MANAGING DIRECTOR:	LINDSAY R. PARTRIDGE BSc. Hons.Ceramic Eng; SFCDA; Dip.CD Joined the Company 1985 Director since 2000
CHIEF FINANCIAL OFFICER:	ALEXANDER J. PAYNE B.Comm; Dip CM; FCPA; FCIS; JP Joined the Company in 1985
COMPANY SECRETARY:	IAIN H. THOMPSON B.Ec; CA; Grad Dip CSP; FCIS Joined the Company in 1996
AUDITORS:	ERNST & YOUNG
BANKERS:	NATIONAL AUSTRALIA BANK
SHARE REGISTER:	COMPUTERSHARE INVESTOR SERVICES PTY. LIMITED GPO Box 7045 Sydney NSW 2001 Telephone: 1800 269 981 Facsimile: (02) 8234 5050
PRINCIPAL ADMINISTRATIVE OFFICE:	738 - 780 Wallgrove Road Horsley Park NSW 2175 Telephone: (02) 9830 7800 Facsimile: (02) 9620 1328

BRICKWORKS LIMITED
A.B.N. 17 000 028 526

DIRECTORS' REPORT

The Directors of Brickworks Limited present their report and the financial report of Brickworks Limited and its controlled entities (referred to as the Brickworks Group or the Group) for the financial year ended 31 July 2009.

Directors
The names of the Directors in office at any time during or since the end of the year are:

Robert D. Millner FAICD (Chairman)
Michael J. Millner MAICD (Deputy Chairman)
Lindsay R. Partridge BSc. Hons. Ceramic Eng; SFCDA; Dip. CD (Managing Director)
Brendan P. Crotty LS, DQIT, Dip.Bus Admin, FAPI, FAICD, FRICS
David N. Gilham FCILT; FAIM; FAICD
The Hon. Robert J. Webster MAICD; MAIM; JP
Alan J. Bentley FAICD (retired 25 November 2008)
Timothy V. Fairfax AM, FAICD (retired 25 September 2008)

All Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities
The principal activities of the Brickworks Group during the year were the manufacture of building products, property realisation and investment.

Result of operations
The consolidated net profit for the year ended 31 July 2009 of the Brickworks Group after income tax expense, amounted to $305,215,000 compared with $101,478,000 for the previous year.

Dividends – ordinary shares
The Directors recommend that the following final dividend be declared:

Ordinary shareholders – 26.5 cents per share (fully franked)

Dividends paid during the year under review were:

(a) Final ordinary of 26.5 cents per share (fully franked) out of profits for the year ended 31 July 2008 and referred to in the previous Directors' report;

(b) Interim ordinary of 12.5 cents per share (fully franked) paid 19 May 2009.

Dividends – Redeemable Preference Shares
A final PAVERS dividend was paid on 1 December 2008 for the period 1 June 2008 to 1 December 2008, calculated at 6.565% p.a. per PAVERS (fully franked). This equated to $3.31 per share.

BRICKWORKS LIMITED
A.B.N. 17 000 028 526

DIRECTORS' REPORT – REVIEW OF OPERATIONS

Highlights

- Brickworks Headline NPAT up 200.7% to $305.2 million
- Brickworks Normalised NPAT up 5.1% to $113.7 million
  - Building Products EBIT down 31.0% to $37.0 million
  - Land and Development EBIT down 56.7% to $40.6 million
  - Investments EBIT up 158.5% to $95.4 million
- Total Interest Bearing Debt reduced by 28.9% to $400.0 million
- Final dividend of 26.5 cents fully franked

Overview

Brickworks (ASX: BKW) posted a **Normalised** Net Profit After Tax ('NPAT') for the year ended 31 July 2009 up 5.1% to $113.7 million, compared to $108.2 million for the year ended 31 July 2008. After non-regular items, Brickworks' **Headline** NPAT was $305.2 million, 200.7% higher than the previous year.

This record result has again proven the effectiveness of the diversification of earnings provided by the Building Products, Land and Development and Investment divisions of Brickworks.

Normalised earnings per share ('EPS') were 85.6 cents per share, up from 81.5 cents per share for the previous year.

Directors have declared a final dividend of 26.5 cents fully franked, taking the full year dividend to 39.0 cents fully franked, in line with the dividends paid last year.

The record date for the ordinary dividend will be 25 November 2009, with payment being made on 9 December 2009.

Non-regular items

Brickworks result included non-regular items totalling $191.5 million after tax as follows:

An after tax non-regular profit of $275.0 million was recorded by Brickworks from Washington H. Soul Pattinson ('WHSP') (ASX Code: SOL), due to the sale of New Saraji for $2.45 billion by New Hope Corporation (ASX Code: NHC). A review of the company's assets was conducted during the year to satisfy AIFRS impairment testing requirements. Stock and manufacturing assets totalling $36.4 million after tax were written off, along with redundancy costs and a provision for remediation of $14.5 million after tax. An impairment charge of $23.3 million after tax was taken against property assets including the Property Trust investment.

Financial Analysis

Total Interest Bearing Debt ('TIBD'), including PAVERS, reduced by 28.9% to $400.0 million at 31 July 2009. This significant improvement was delivered without the need for an equity raising and consequent earnings dilution, boding well for future shareholder returns. The PAVERS were redeemed for their face value of $165.0 million during the year and replaced with bank debt. TIBD was reduced through the sale of land at Scoresby, Victoria for $93.7 million, the sale of Brickwork's interest in the Brickworks Investment Company Limited ('BICL') (ASX Code: BKI) for $44.0 million and the successful sale and leaseback of the Wollert, Victoria factory for $40.6 million.

Borrowing costs, including PAVERS dividends, decreased by 2.7% to $36.3 million from $37.3 million in the prior year due to lower interest rates. This included the mark to market write down of interest rate swaps of $3.0 million for the year.

Brickworks has no debt facilities due for renewal in the coming year, with the three-year debt facility due for maturity in July 2011.

Gearing (debt to equity) improved to 29.2% at 31 July 2009 from 50.6% at 31 July 2008. Net Debt to capital employed also improved to 21.8% from 32.0% at 31 July 2008. Brickworks met its banking covenants in the year ended 31 July 2009.

Total net cash flow from operating activities was $132.0 million, up 90.8% from $69.2 million in the previous year. The increase was mainly due to higher net proceeds from property sales of $76.9 million.

Capital and acquisitions expenditure was again well contained in response to the prevailing economic conditions with $17.4 million spent in the year ended 31 July 2009, down 73.4% from $65.1 million in the previous corresponding period. Dividends of $51.8 million were paid during the year.

Working capital, excluding assets held for resale decreased to $116.3 million from $150.1 million at 31 July 2008.

Finished goods inventory levels in the Building Products division increased to $110.6 million at 31 July 2009, positioning the business well for the forecast upturn in the housing cycle, after decreasing to $96.2 million at 31 January 2009.

Normalised tax expense reduced by 42.3% to $18.8 million.

Net Tangible Assets per share increased by 30.2% to $8.27 per share at 31 July 2009, up from $6.35 at 31 July 2008. Total shareholders equity increased by $257.9 million to $1,371.4 million at 31 July 2009.

Brickworks Building Products
Market conditions[1]
Total dwelling commencements for Australia fell 17.3% to 131,061 during the year ended 30 June 2009, compared to 158,536 for the year ended 30 June 2008.

While the First Home Owners Grant has been reasonably successful in providing a boost to building activity, high fall over rates prior to commencement combined with unusually long delays from enquiry to commencement stage have limited its impact. The increase in activity from the First Home Owners Grant has to date not outweighed the negative effects on the industry caused by the lack of availability of construction finance and the absence of second and third home buyers, as well as investors in the market.

During February 2009, the Federal Government announced its $42 billion *Nation Building and Jobs Plan*. This included two critical initiatives for the building industry, the $14.7 billion *Building the Education Revolution* package to schools for maintenance and construction work and the combined $6.7 billion packages for public and defence housing. While these initiatives are strong positives for Building Products, with product specifications achieved in most states, orders from these programs have only started to flow after the financial year end.

Dwelling commencements in **New South Wales** were down a further 25.7% to 23,357 from an already historically low base. This level of activity is 54.1% lower than the most recent peak of 50,907 during the year ended 30 June 2000.

Queensland experienced the largest and sharpest decline in building activity with a reduction in commencements of 35.7% to 28,819. The downturn in multi-unit residential construction activity during the year was particularly severe with commencements down 40.2% on the prior corresponding period.

Victorian commencements were steady at 41,818. Good forward planning and the release of affordable land positioned Victoria well to handle the economic downturn. Detached housing commencements declined by 1.1% and multi-unit residential commencements increased by 5.9% in the year ended 30 June 2009.

Western Australia experienced a decline in building activity with commencements of 18,376, down 18.1% from 22,448 in the prior year. Multi-unit residential construction was the weakest sector, down 33.1% to 3,580. The decline in Western Australia was not as severe as during previous downturns.

South Australia was the best performing state with an increase in commencements of 1.6% to 12,012.

Tasmanian commencements decreased by 0.5% to 2,888 in the year ended 30 June 2009.

New Zealand Market Conditions[2]
Building consents were down 39.1% for the year ended 30 June 2009 with the housing sector down 41.1% and apartments down 20.9%. The New Zealand economy has been in recession for five consecutive quarters.

Results in detail
Revenue for the year ended 31 July 2009 was down 5.9% to $489.3 million compared to $520.0 million for the year ended 31 July 2008. Revenue in the second half at $243.6 million was down 0.9% on the first half.

EBIT from the Building Products division was $37.0 million, down 31.0% on the prior year. EBIT in the second half of $20.6 million was 25.6% higher, than the first half of the year. Several manufacturing plants had extended closures during the first half in response to the weaker conditions. All operating plants were able to be run at close to capacity in the second half to ensure building of stock levels to coincide with the forecast increase in demand.

Unit manufacturing costs were higher than the previous year due to the extended plant shutdowns and increases in the price of inputs, in particular natural gas, electricity, manganese and diesel. Natural gas cost increases have been somewhat mitigated with long-term supply contracts extended to 31 December 2014 in most East Coast States. Manganese and diesel prices have eased from peak levels in recent months however remain at historically high levels.

Brickworks continued its commitment to reducing energy with greenhouse gas emissions being reduced by a further 8.1% during the year. A detailed assessment of the likely impact of the Carbon Pollution Reduction Scheme legislation in its current form has been carried out. Systems have been implemented to meet the National Greenhouse Emissions Reporting

1 Data sourced from ABS Cat. 8750.0 Dwelling Unit Commencements, Australia, Preliminary, June 2009
2 Building Consents data sourced from Statistics New Zealand – Building Consents, June 2009

Scheme requirements. The costs of complying with these reporting requirements have been significant and will only increase with the launch of a carbon trading scheme.

Wage costs across Building Products for non-staff employees were maintained to less than inflation and all staff salaries were frozen during the year.

Employee levels were reduced by a further 94, or 6.5% during the year, to 1,364 at 31 July 2009. This reduction was in response to market conditions, plant closures and efficiencies gained from completed capital projects.

The total number of work injuries has continued to decline with a significant improvement again in the Total Reportable Injury Frequency Rate ('TRIFR') at 180.5, some 20.0% lower than the previous year. Substantial work has been carried out to reinforce a safety conscious culture across the business and the company remains committed to continually reducing the rate of employee injuries.

Capital expenditure was 36.1% lower at $17.2 million, predominantly representing the completion of existing projects already underway. Projects completed during the year included kiln car, extruder and dehacker upgrades at Longford, Tasmania and Golden Grove, South Australia.

New major capital expenditure projects were halted in September 2007 in anticipation of a downturn in economic conditions. After two years of disciplined constraint the company is prepared to resume more normal capital expenditure levels. A number of worthwhile projects focusing on improved safety, energy efficiency, quality and environmental performance have been identified for delivery.

Brickworks' goal of being *Australia's Best Building Products Company* was supported by the reinvigoration of product lines and display centres across the country. This focus enabled the company to maintain its market leading status in the development and delivery of world-class stylish products.

The recent announcement that the Building Code of Australia will require six-star energy efficient housing from May 2011 is positive news for the clay brick industry[3]. Research has shown that clay brick as a building material has superior energy efficiency, acoustic performance, durability and low ongoing maintenance requirements[4]. In conjunction with the industry body, Think Brick, a number of eight-star rated homes have already been built across Australia. These projects showcase the sustainability and environmental credentials of clay bricks as a building product of the future.

Divisional Results

Austral Bricks™ overall brick sales volumes were down 11.0% in the year ended 31 July 2009 compared to the prior year, while net average selling prices were up 4.2%.

Production volumes were lower by 5.4% as several sites had extended closures to control stock levels during the year. The lower volumes combined with some significant input cost increases resulted in higher unit manufacturing costs.

Substantial work has been carried out in all States to position the business to take full advantage of the Federal Government's Building the Education Revolution package with the majority of bricks being specified from the Austral Bricks™ range.

Output from the New South Wales factories was controlled at a lower level to match the lower market demand. Extended closures of selected kilns allowed operating kilns to run at close to capacity, leading to lower manufacturing costs and improved profitability, particularly in the second half.

Austral Bricks™ Queensland had a difficult year with extended shut downs of the Rochedale and Riverview factories to control stock. During the shut down the opportunity was taken to carry out extensive upgrades to the Rochedale factory and the business is now in a position to take full advantage of any improvement in market conditions.

The market in Western Australia experienced a significant increase in competition as a result of reduced building activity and the entry of BGC into the brick market. Austral Bricks™ Western Australia still performed well due to its history of outstanding customer service and quality products. The old and inefficient plants at Cardup 2 and Waterloo were decommissioned during the year.

Austral Bricks™ Victoria delivered a steady result during the past year in line with the steady market conditions. The new Wollert factory is consistently operating in excess of design capacity and continues to deliver improved product quality and production efficiencies.

3 COAG National Strategy on Energy Efficiency May 2009

4 Research conducted by University of Newcastle commissioned by Think Brick

DIRECTORS' REPORT – REVIEW OF OPERATIONS

Austral Bricks™ South Australia delivered an increase in volumes and a strong performance for the year. This division also benefited from an improved manufacturing performance resulting from completed major capital works of previous years.

The final stage of the kiln car upgrade was completed at Longford in Tasmania in the second half of the year. The completed plant upgrades have already begun to deliver improved operational performance.

Austral Bricks™ New Zealand delivered a lower result as the country experienced a significant recession. The business has continued to invest in its national distribution network during the last year and is well placed for the eventual recovery in trading conditions.

Austral Masonry™ experienced severe weather and flooding across Queensland and a substantial reduction in commercial building activity. Sales volumes were up 7.0% over the previous corresponding period, in large part due to the contribution of the Yatala business acquired in July 2008. Like-for-like sales volumes excluding the Yatala business were down 18.2% compared to the prior corresponding period. Average selling prices increased by 3.1% for standard masonry and by 4.4% for premium masonry.

A combination of plant shutdowns and reduction in operating shifts were used to maintain inventory at acceptable levels, however this resulted in a lower total manufacturing volume and higher unit manufacturing costs.

Bristile Roofing™ increased average selling prices by 4.0% on the East Coast and 3.6% in Western Australia. Sales volumes decreased by 5.9% during the year, due to depressed trading conditions in Western Australia and Queensland. This was somewhat mitigated by the stronger performance of the Victorian business.

The stylish product range was extended with new colour ranges and the Lodge™, Monaco™ and Chateau™ profiles launched during the year.

Eureka Tiles™ average selling prices were increased by 10.5% in order to recover the higher cost of imported product due to the reduction in the value of the Australian dollar. Overall sales volumes for the division declined 17.8% during the year, with the import segment of the business facing increased competition.

Auswest Timbers™ produced a much improved result during the year as many long-term initiatives such as the investment in dry processing facilities in Bairnsdale, Victoria and Pemberton, Western Australia started to deliver returns. The higher result was also driven by an 8.6% improvement in average selling prices.

The Auswest Timbers™ hardwood operations underwent an arduous independent audit process to successfully achieve Chain of Custody Environmental Certification under the Australian Forestry Standard ('AFS') AS 4704-2006. This certification allows the business to market hardwood products with the claim that the timber is sourced from certified and sustainably managed forests.

Brickworks Land and Development
Land and Development produced an EBIT of $40.6 million, a decrease of 56.7% on the record EBIT achieved during the prior year of $93.7 million.

Property Sales contributed an EBIT of $29.9 million for the year ended 31 July 2009.

The settlement of the 56 hectare site at Scoresby, Victoria to Mirvac for $93.7 million was completed on 27 July 2009. The associated quarry at Campbellfield was also disposed of as part of the same strategy for $5.4 million. The total proceeds were used to reduce debt.

Other property sales for the year include the sale of five hectares of land at Wacol, Queensland to the JV Property Trust for $8.2 million.

The **Property Trust** generated a net result of $9.6 million from Development Profit, Trust Distributions and Revaluations.

A total of $10.8 million profit was realised from development activities during the year. Facilities at Capicure and Southridge Estate on the M7 Business Hub, Ubecco at Interlink Distribution Estate and Wacol in Queensland were completed.

Distributions from the Property Trust increased to $8.1 million for the year, up 406.3% from $1.6 million in the previous year.

Properties in the Trust were revalued during the year and a net write down of $9.3 million was recorded due to increased capitalisation rates. This write down was 1.7% of the market value of the Trust.

The total value of the Trust assets as at 31 July 2009 was $639.1 million, with borrowings of $272.5 million, which equates to gearing of 42.6%. Brickworks share of the Trust's net assets value was $183.3 million. Brickworks subsequently revalued its investment in the Property Trust to reflect its view of current market capitalisation rates, resulting in a non-regular impairment of $22.9 million reducing the carrying value to $160.4 million.

Waste Management contributed an EBIT of $1.8 million from operations at Horsley Park and Bowral in New South Wales, up 5.9% on the previous corresponding period.

Brickworks Investments
The normalised profit from Brickworks' Investments division in the year ended 31 July 2009 was $95.4 million.

Washington H. Soul Pattinson Limited ('WHSP')
ASX Code: SOL
The normalised profit from this investment was $91.8 million for the year, up from $32.1 million in the year ended 31 July 2008.

The market value of Brickworks 48.25% share holding in WHSP increased by $56.0 million to $1.125 billion in the year ended 31 July 2009. This investment continues to provide diversity and stability to earnings, with cash dividends totalling $31.7 million received during the year.

The strong returns from WHSP's largest investment, its 60.7% holding in New Hope Corporation, underpinned both the normalised and headline performance. WHSP has a compound annual Total Shareholder Return for the last 15 years of 16.9%, compared to 9.2% for the ASX All Ordinary Accumulation Index, an outperformance of 7.7% per annum.

WHSP maintains a substantial investment portfolio in a number of listed companies including significant holdings in Brickworks, New Hope Corporation, SP Telemedia, API, Clover, Ruralco Holdings and Souls Private Equity.

Brickworks Investment Company Limited ("BICL")
ASX Code: BKI
Brickworks' equity accounted share of the BICL profit was $2.3 million. Brickworks divested its entire holding in BICL in February 2009 with the $44.0 million sale proceeds used to reduce bank debt.

Outlook
Building Products
The economic downturn has not fully abated and it would be premature to conclude that a recovery is in full swing. The anticipated recovery in dwelling construction activity during the coming year is predicated on pent up demand for housing, the continuation of the FHOG in a reduced form, low interest rates, improved construction finance availability and a continuation of improved housing affordability.

The effect of the *Building the Education Revolution* and social housing programs is likely to be significant. These programs will provide an immediate boost in activity but will also underpin construction activity through to the 2011 financial year. Austral Bricks™ is well placed to take advantage of these initiatives with good inventory levels to meet the likely demand.

Strong rental yields combined with low interest rates may provide the basis for the return of investors to the residential market. Coming off generational lows of activity, a strong recovery is expected in New South Wales that will be assisted by the recent announcement of stamp duty relief for new dwellings under $600,000.

The strategy of increasing selling prices to ensure margins are at least maintained will continue.

Land and Development
Remediation works have now been completed on the Eastwood site and negotiations are continuing to finalise settlement with AV Jennings.

No new Property Trust projects are expected to commence during the coming year. Whilst demand for new site development work has slowed, a number of potential residential land sales and development opportunities are under assessment.

Rental returns from the Property Trust will again improve as all completed facilities are leased for the coming full year.

Investments
Returns from Investments will continue to provide diversity and stability to Brickworks' earnings and are expected to be solid in the coming year. Cash flow from Investments will be stronger in the coming year due to the special fully franked dividend of 25 cents per share, in addition to the higher ordinary full year dividend, declared by WHSP.

Brickworks Group
With a robust business model, low gearing and a strong balance sheet Brickworks is well placed to take advantage of the

DIRECTORS' REPORT – REVIEW OF OPERATIONS

expected economic recovery. The outlook for the coming year is for another solid result boosted by an expected recovery in Building Products and another solid return from Investments.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Brickworks Group during the year, other than those events referred to in the Review of Operations and the financial statements.

After balance date events

No matters or circumstances have arisen since the end of the financial year that have significantly affected the current financial year, or may significantly affect in subsequent financial years:

- the operations of the Brickworks Group;
- the results of those operations; or
- the state of affairs of the Brickworks Group.

Likely developments and expected results of operations

The review of operations gives an indication of likely developments and the expected results of operations in subsequent financial years. Further information as to likely developments in the operations of the Group, and the expected results of those operations in subsequent financial years, has not been included in this report because inclusion of such information would be likely to result in unreasonable prejudice to the Group.

The environment

The Brickworks Group understands and accepts its responsibility for environmental protection which is integral to the conduct of its commercial operations. Brickworks' objective is to comply with all applicable environmental laws and regulations and community standards in a commercially effective way. We are committed to encouraging concern and respect for the environment and emphasising every employee's responsibility for environmental performance. During the year, in excess of $23.5 million was spent on capital projects aimed at improving our environmental performance or rehabilitating operational sites.

The Brickwork Group currently participates in the Energy Efficiency Opportunities Scheme (EEO), the NSW Energy Savings Action Plan Scheme, the Victorian Environment and Resource Efficiency Plan (EREP) Scheme and the NSW Department of Environment and Climate Change Sustainability Advantage Program. Through these schemes, Brickworks have made significant reductions in energy consumption and have identified future energy reduction projects.

Managing energy use and cost is one of the key issues Brickworks will face to implement the requirements of two separate Federal Government Acts, namely The Energy Efficiency Opportunities (EEO) Act (2006) and The National Greenhouse and Energy Reporting Act 2007 (NGER). These Acts require a whole of business approach to identify, investigate and evaluate energy efficiency opportunities. These Acts also require us to publicly report this information.

One of Brickworks' continuing focal points this year is in water conservation. Facing water restrictions around the country, Brickworks has initiated water conservation projects such as the Water Recycling Program at its Horsley Park and Bowral plants in New South Wales, Rochedale and Riverview plants in Queensland, the installation of water tanks and piping to capture roof run offs and the widening of on site dams, has helped us achieve our aim of being 'Water Self Sufficient'.

In June 2009 Austral Bricks NSW received 'Bronze Level Recognition' for demonstrated commitment to sustainability and achieving environmental improvements through the Department of Environment and Climate Change's Sustainability Advantage Program. To achieve this the division had to demonstrate active participation in Sustainability Advantage, demonstrate leadership and commitment to sustainability, establish planning and management systems for environmental practice (including processes for continuous improvement), engage staff, suppliers customers and the industry in promoting sustainability activity, and demonstrate achievements and environmental outcomes in the last 12 months. To date, Bronze level recognition is the highest level achieved by any participant in the program, and Austral is one of only 13 companies awarded this level.

Austral Bricks was the recipient of the 2009 Strzelecki Award in the Large Earth Resource Operation category for the Scoresby rehabilitation project. The award, which is jointly administered by the Banksia Environmental Foundation and the Victorian Department of Primary Industries, recognises excellence and innovation in sustainable earth resource industries. The Scoresby rehabilitation involved converting the former quarry and brick manufacturing site into a high value residential subdivision, and was the largest and most complex rehabilitation and redevelopment project the company had ever undertaken.

Extensive studies into the NSW compressed air systems have been undertaken, identifying large opportunities to reduce energy consumption, namely at NSW Punchbowl Plant and Horsley Park Plant 21, through the efficient sizing and operation of compressors, and leak rectification. The NSW Punchbowl Plant and Horsley Park Plant 21 compressed air projects will result in savings by lower maintenance costs, reduced compressor wear, and reduction in electricity demand and consumption, and will also result in a reduction of 697 tonnes/annum of CO_2 emissions.

DIRECTORS' REPORT

In Western Australia, Austral Bricks operates 'best practice' scrubbing technology at our Bellevue and Malaga manufacturing facilities. Following the success of the Malaga scrubbing system which utilises a real time monitoring system to optimise efficiency, the Bellevue scrubbing system was installed and commissioned. The introduction of this scrubbing technology has resulted in significant reductions in emissions from the operations, which are well below the most stringent licence limits for Brickworks in WA. Austral Bricks has also developed associations with other industries for re-use of spent scrubber reactive material, which has resulted in the diversion of approximately 1300 tonnes of material from landfill per annum.

As a timber processor, Brickworks' wholly owned subsidiary Auswest Timbers recognises that it has environmental and social responsibilities in relation to its milling operations. Auswest source the majority of hardwood and pine timber under Supply Agreements with various state-based government departments. All State Forests are managed in line with internationally accepted principles of ecologically sustainable forest management, ensuring that these forests are conserved for current and future generations to use and enjoy. The majority of logs received are now taken from re-growth or plantation forests. This has resulted in much smaller logs being available, requiring continuous change and improvement of practices in an effort to maximise recoveries from the available log resource. Auswest is also very conscious of its responsibility in disposing of the by-products of the business in an environmentally friendly manner.

During the year, the four Auswest Timbers hardwood operations underwent an arduous independent audit process to achieve Chain of Custody Environmental Certification under the Australian Forestry Standard (AFS) AS 4704-2006. This certification allows the business to market hardwood products with the claim that our timber is sourced from certified and sustainably managed forests. The AFS is endorsed by the world's largest assessor of environmental and sustainable forest management, the Programme for Endorsement of Forest Certification (PEFC).

Brickworks is subject to significant environmental regulation in respect of its clay building products manufacturing and associated activities as set out below.

The Group has manufacturing facilities in each state of Australia. Each site holds a current licence and/or consent in consultation with the local environment protection authorities. Annual returns were completed where required for each licence stating the level of compliance with site operating conditions.

Queensland production facilities and mining leases operate and are licenced under the Environmental Protection Act 1994 and Regulations. Each site is regulated by Environmental Management Overview Strategy documentation or plans of operations. Various approvals have also been obtained from Brisbane City Council relating to the operation of the concrete roof tile facility at Wacol.

New South Wales production facilities and mine areas are administered under the Protection of the Environment Operations Act 1997, which licences organisations and regulates the level of all discharges into the environment. Load based licencing fees are determined by the Environmental Protection Authority based on the level of discharges. The Environmental Planning and Assessment Act 1979 applies to the approval conditions of the group's activities. Some sites also operate within additional requirements imposed by local government and NSW Department of Primary Industries.

Victorian production sites are licenced under the EPA Act 1970, including various state environmental protection policies and regulations. Mining leases operate under the Extractive Industries Development Act 1995.

South Australian production facilities are licenced under the EPA Act 1993, while mining and rehabilitation plans are approved in accordance with Regulations under the Mines and Works Inspection Act 1920.

Western Australian operations operate under the Environmental Protection Act 1986. They have licences issued from a number of government agencies, including the Department of Environment and the Department of Mines and Petroleum. A number of our sites also operate under additional requirements issued by local shires and councils.

Tasmanian operations and mining leases operate under the Environmental Protection Act of 1973.

Independent environment auditors complete an environmental compliance audit of all factory sites annually, while operational clay mining areas are audited at least every two years. The purpose of this is to ensure compliance with all current licences and regulations and identify risks of an adverse environmental event under any other relevant legislation.

Ongoing environmental monitoring is an integral part of the operations at all factories. During the year, results of this monitoring indicated that some emissions were in excess of EPA licence limits. The Company is investigating these non-compliances, and working closely with the EPA to resolve these issues. There have been no prosecutions arising as a result of these.

DIRECTORS' REPORT

Information on Directors
Robert D. Millner FAICD
Chairman
Mr R. Millner is the non-executive chairman of the Board. He first joined the Board in 1997 and was appointed chairman in 1999. Mr Millner has extensive corporate and investment experience. He is the Chairman of the Remuneration Committee.

Other directorships:

Washington H. Soul Pattinson and Co. Ltd	Director since 1984
New Hope Corporation Ltd	Director since 1995
SP Telemedia Ltd	Director since 2000
Brickworks Investment Company Ltd	Director since 2003
Choiseul Investments Ltd	Director since 1995
Milton Group	Director since 1998
Australian Pharmaceutical Industries Ltd	Director since 2000
Souls Private Equity Ltd	Director since 2004

Michael J. Millner MAICD
Deputy Chairman
Mr M. Millner is a non-executive Director who was appointed to the Board in 1998. He is a councillor of the Royal Agricultural Society of NSW, and has extensive experience in the investment industry. Mr Millner is the deputy chairman of the Board, and a member of the Audit and Remuneration Committees.

Other directorships:

Washington H. Soul Pattinson & Co Ltd	Director since 1997
Ruralco Holdings Ltd	Director since 2007
SP Telemedia Ltd	Appointed 2000, Resigned 2008
Choiseul Investments Ltd	Appointed 2001, Resigned 2008

Lindsay R. Partridge BSc. Hons. Ceramic Eng; SFCDA; Dip CD
Managing Director
Mr Partridge is a Ceramic Engineer who worked extensively in all facets of the industry in Australia and the United States of America before joining The Austral Brick Company in 1985. He held various senior management positions at Austral before being appointed Chief Executive Officer in 1999, and was subsequently appointed to the Board in 2000. Since then, Brickworks has grown significantly in terms of size and profitability as its operations have become Australia-wide, with its product range extending beyond bricks to tiles, pavers and masonry and activities expanding into property development. In 2008, Mr Partridge completed the Stanford University Executive Development Program. Mr Partridge has also had extensive industry involvement, and is currently a director of various industry bodies, including the Australian Brick and Blocklaying Training Foundation, and the Clay Brick and Paver Institute.

Brendan P. Crotty LS, DQIT, Dip.Bus Admin, FAPI, FAICD, FRICS
Director

Mr Crotty was appointed to the Board in June 2008 and is a non-executive Director. He brings extensive property industry expertise to the Board, including 17 years as Managing Director of Australand until his retirement in 2007. He is a director of four other entities that are involved in the property sector, a member of the National Housing Supply Council, Chairman of Western Sydney Parklands Trust and a director of Barangaroo Delivery Authority. He is a Member of the Audit and Remuneration Committees.

Other directorships:

Trafalgar Corporate Ltd	Appointed 2007
Australand Funds Management Ltd	Appointed 2007

David N. Gilham FCILT; FAIM; FAICD
Director
Mr Gilham was appointed to the Board of Brickworks in 2003. He has extensive experience in the building products and timber industries. He was previously General Manager of the Building Products Division of Futuris Corporation and Managing Director of Bristile Ltd from 1997 until its acquisition by Brickworks in 2003, and has been involved with various timber companies. He is a member of the Remuneration Committee.

DIRECTORS' REPORT

The Hon. Robert J. Webster MAICD; MAIM; JP
Director
Mr Webster was appointed to the Board in 2001 and is a non-executive Director. He is Senior Client Partner in Korn/Ferry International's Sydney office. He is the Chairman of the Audit Committee and a member of the Remuneration Committee.

Other directorships:

Allianz Australia Insurance Ltd	Director since 1997
Viridis Investment Management Ltd	Director since 2005
Investa Property Group Ltd	Appointed 2006, Resigned 2007

Information on Chief Financial Officer and Company Secretary
Alexander J. Payne B.Comm; Dip CM; FCPA; FCIS; JP
Chief Financial Officer
Mr Payne is an accountant with significant financial experience, who joined The Austral Brick Company in 1985. In 1987 he was appointed Group Company Secretary, and was appointed Chief Financial Officer in 2003. He is a Director of Brickworks Investment Company Ltd.

Iain H. Thompson B.Ec; CA; Grad Dip CSP; FCIS
Company Secretary
Mr Thompson is a chartered accountant who joined The Austral Brick Company in 1996. He worked in various accounting roles within the Company before being appointed Group Company Secretary in 2003.

Meetings of Directors
As at the date of this report there is an Audit Committee and a Remuneration Committee. During the financial year, 18 meetings of Directors (including committees) were held. Attendances were:

	DIRECTORS' MEETINGS		REMUNERATION COMMITTEE MEETINGS		AUDIT COMMITTEE MEETINGS	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
R.D. Millner	13	13	2	2	-	-
M.J. Millner	13	13	2	2	2	2
L.R. Partridge	13	13	-	-	-	-
A.J. Bentley	6	4	2	1	-	-
T.V. Fairfax	4	4	1	1	1	1
D.N. Gilham	13	11	2	2	-	-
R.J. Webster	13	13	2	2	2	2
B.P.Crotty	13	13	2	2	2	2

Directors interests
As at 24 September 2009, Directors had the following relevant interests in Brickworks shares:

	Ordinary shares
R.D. Millner	5,191,520
M.J. Millner	5,166,771
L.R. Partridge	160,019
B.P. Crotty	5,000
D.N. Gilham	99,850
R.J. Webster	14,713

As at 24 September 2009, no Director had relevant interests in debentures of, or interests in a registered scheme made available by Brickworks or a related body corporate.

As at 24 September 2009, no Director had any rights or options over shares in debentures of, or interests in a registered scheme made available by Brickworks or a related body corporate.

DIRECTORS' REPORT

As at 24 September 2009, there were no contracts entered into by Brickworks or a related body corporate to which any Director is party, or under which any Director is entitled to benefit nor were there any contracts which confer any right for any Director to call for or deliver shares in, debentures of, or interests in a registered scheme made available by Brickworks or a related body corporate.

DIRECTORS' REPORT – REMUNERATION REPORT

The remuneration report has been audited.

Remuneration committee
Brickworks Remuneration Committee operates under the delegated authority of Brickworks' Board of Directors. A summary of the Remuneration Committee charter is included on the Brickworks website (www.brickworks.com.au). All non-executive Directors of Brickworks are members of the Remuneration Committee.

The main functions of the Remuneration Committee are to assist the Board in fulfilling its responsibilities relating to:
- Ensuring remuneration policies and practices are consistent with Brickworks' strategic goals and human resources objectives and which enable Brickworks to attract and retain executives and Directors who will create value for shareholders;
- Equitably, consistently and responsibly rewarding executives having regard to the performance of Brickworks, the performance of the executive and the general pay environment; and
- Ensuring executive succession planning is adequate and appropriate.

Attendance details of the Remuneration committee are included in the Directors' report.

The Committee is authorised by the Board to obtain external professional advice, and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Non-executive Directors
Remuneration of non-executive Directors is determined by the full Board after consideration of Company performance and market rates for Directors' remuneration. Non-executive Director fees are fixed each year, and are not subject to performance based incentives. Brickworks' non-executive Directors are not employed under an employment contract.

The maximum aggregate level of fees which may be paid to non-executive Directors is required to be approved by shareholders in a general meeting. This figure is currently $800,000, and was approved by shareholders at the Annual General Meeting on 31 October 2003. It is not proposed to vary this amount at the 2009 Annual General Meeting.

For the year ended 31 July 2009, Brickworks paid non-executive Directors base fees of $80,000 per annum, with the chairman of the Board receiving $160,000 per annum, and the chairman of the audit committee receiving an additional $10,000 per annum. All Directors are entitled to receive superannuation contributions at the statutory rate (9%) on these amounts. The total aggregate fees paid to non-executive Directors during the year was within the maximum approved by shareholders.

Brickworks constitution requires that Directors must own a minimum of 500 shares in the Company within two months of their appointment. All Directors complied with this requirement during the year.

Executive Directors and executives
Board policy for determining remuneration
Board policy for determining the nature and amount of remuneration of the executive Director and senior managers (the executives) is set by the Remuneration Committee. This policy is applied consistently across all divisions within the Group. Brickworks' remuneration policy is to ensure that an executive's remuneration reflects their duties and responsibilities, as well as ensuring the Company is able to attract and retain key talent.

The Board of Brickworks recognises that the Group's performance is tied to its ability to attract, retain and develop highly skilled and motivated executives. Whilst remuneration is a key factor in achieving this, the Board recognises there are other factors that influence this ability, including the culture and reputation of the group and its employees, the general human resources policies, and professional development opportunities.

Executive remuneration is comprised of both fixed and variable remuneration components. The structure of the remuneration is designed to provide an appropriate balance between these components.

Fixed remuneration is made up of base salary, superannuation and other benefits (where taken). Fixed remuneration is approved by the Remuneration Committee based on data sourced from external sources, including independent salary survey providers.

Variable remuneration is tied to the performance of both the individual and the Company. Any such remuneration earned is available as Brickworks shares purchased through the Brickworks Deferred Employee Share Plan or as cash, at the discretion of the employee.

Performance based remuneration
Brickworks Incentive Scheme has been designed to focus executives on the necessity to achieve a range of planned targets for their respective businesses. The variable remuneration program is structured around the achievement of annual

performance criteria and is payable following recommendation by the Managing Director and approval by the Remuneration Committee. Funding for the Incentive Scheme accrues based on divisional and group earnings.

Variable remuneration available as a proportion of total salary for an employee increases as that employee gains greater responsibility and has greater capacity to influence the performance of the business as a whole. The proportion of remuneration related to performance for the Managing Director and Chief Financial Officer is at the discretion of the Remuneration Committee. For the other specified executives and senior managers covered by the Incentive Scheme, the potential variable component is up to 37.5% of base salary, adjusted up or down for performance compared against prior years. Total variable remuneration payments for the 2009 financial year were down on the prior year in line with divisional trading results, and neither the Managing Director nor Chief Financial Officer received any variable remuneration for the 2009 year, whilst for the 2008 financial year the variable remuneration exceeded the fixed component for both these individuals.

This scheme covers the Managing Director, Chief Financial Officer, General Managers, and various other senior managers within the group.

Seventy percent of variable remuneration is directly tied to achievement of divisional profit results against both prior year and budgeted performance. The Board considers this measure highly appropriate as it is directly linked to the Company's ability to generate profit and create value for shareholders. This is also appropriate from an executive's perspective as the executive is assessed against areas of direct responsibility and influence. Comparison of divisional profit is made against both prior year results and Board approved budgets for the current year. This criteria takes into account the aim of continual improvement in shareholders returns, whilst at the same time recognising that there are a number of external factors (such as the cyclical nature of the Australian Building industry) that are outside the control of the executive. Comparison against properly determined and approved budgets that take into account these external factors is aimed at rewarding executives for strong performance in a weaker environment, which assists in reducing the impact of any negative factors on the business as a whole.

The remaining thirty percent of variable remuneration is not directly tied to profit performance. The Board considers that there are a number of other areas of business performance that are critical to the success of the Company yet may not be reflected directly in divisional profits in the current year. These are areas of wider corporate responsibility that, if not achieved or improved, have the capacity to damage shareholder value, such as environmental compliance and performance, and occupational health and safety performance. Additionally, an executive's ability to train, develop and motivate staff, to maintain positive community relations, and to develop the industry we rely on, all have a major impact on the future profitability of the Company. These non-profit factors are assessed against internal targets set in advance and aimed at continual improvement in these areas.

Brickworks Employee Share Plan
Brickworks Employee Share Plan operates as part of the remuneration structure of the group. All employees of Brickworks with a minimum 3 months service are eligible to join the plan, whereby the employee may salary sacrifice an amount toward the purchase of Brickworks Ordinary shares. The plans are aimed at encouraging employees to share in ownership of their Company, and help to align the interests of all employees with that of the shareholders. Following the changes to the taxing of Employee Share Plans announced in the May 2009 Federal Budget, monthly contributions to the Brickworks Employee Share Plan were suspended. As legislative changes have become more certain, Brickworks is considering the reinstatement of the salary sacrifice portions of the Employee Share Plans.

In addition to the optional salary sacrifice portion of the plans, Brickworks has introduced an employee Alignment and Retention Scheme, whereby salaried staff are entitled to a value of shares each year through the Deferred Employee Share Plan. The value of shares granted is dependent upon the employees position within the group and their base salary, with staff being entitled to shares with a value up to 37.5% of base salary. Under the terms of the scheme, the employee will receive the voting rights and entitlement to any future dividends immediately upon purchase, however they are unable to access the shares to trade unless they satisfy vesting criteria. These shares will become available to the employee at 20% per annum at the end of each of the following five years, providing they continue to be employed by Brickworks. If the employee terminates their employment, they forfeit their entitlement to the unvested shares, except in limited circumstances, such as medical reasons or bona fide retirement.

An employee's right to transact the shares is governed by the trust deed for the Brickworks Employee Share Plans and the Company's policy regarding trading windows.

Brickworks Employee Share Plan is seen as both an employee retention mechanism, due to the service criteria attaching to the vesting of the shares, and a method of aligning employee interests with those of external shareholders. At 31 July 2009, there were 474 employees participating in the share plans, holding 904,945 shares (0.68% of issued capital).

In accordance with ASX Listing Rule 10.14, the Company contribution to the Brickworks Employee Share Plan is unavailable to Directors of Brickworks.

DIRECTORS' REPORT – REMUNERATION REPORT

During the year, all monthly share purchases through the Brickworks Employee Share Plans were performed on market, as were the bonus shares granted to the Managing Director. All other bonus shares granted through the Employee Share Plans were issued on 27 October 2008.

Options
No options over unissued shares or interests in Brickworks Limited or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report. No shares or interests have been issued during or since the end of the year as a result of the exercise of any option over unissued shares or interests in Brickworks or any controlled entity.

Superannuation
The Company contributes to a number of superannuation funds for its employees. Company superannuation contributions are as required under the relevant superannuation guarantee legislation, generally being 9% of salary. Employees are entitled to salary sacrifice additional amounts as superannuation contributions, provided any contributions comply with superannuation guarantee requirements.

Brickworks does not have any, or any interest in, defined benefit superannuation funds. All funds administered on behalf of the Company are accumulation funds, and as a result there is no ongoing liability to Brickworks for unfunded superannuation plans.

Company performance, shareholder wealth and remuneration
This remuneration policy has been tailored to help align Director and executive interests with those of shareholders. The main method of this is through the use of the variable remuneration component and the use of the Brickworks Deferred Employee Share Plan. The Company believes this policy has been effective in increasing shareholder wealth over the past five years, and will continue to be effective in creating additional shareholder value.

The following table shows a number of relevant measures of Company performance over the past five years. A detailed discussion on the current year results is included in the review of operations and is not duplicated here, however an analysis of the figures below demonstrates continued dividend growth, and consistent or improving revenues and normalised profits in a difficult cyclical environment. The Board is of the opinion that these results can be attributed in part to the previously described remuneration policies and is satisfied that this continued improvement has led to increased shareholder wealth over the past five years.

	2005(1)	**2006**	**2007**	**2008**	**2009**
Total revenue (millions)	$565.3	$532.1	$558.9	$553.7	$593.5
Net profit before non-regular items after tax (millions)	$84.5	$101.9	$102.2	$108.2	$113.7
Net profit after tax (millions)	$142.9	$102.2	$107.5	$101.5	$305.2
Share price at year end	$10.51	$11.99	$13.50	$11.90	$12.85
Dividends – ordinary shares (cents)	31.0	36.0	38.0	39.0	39.0

Notes
(1) 13 months 1 July 2004 to 31 July 2005

Details of Key Management Personnel
Directors
The following persons were directors of Brickworks Ltd during the financial year:

Mr R. Millner	Non-executive Chairman
Mr M. Millner	Non-executive Deputy Chairman
Mr L. Partridge	Executive director (Managing Director)
Mr B. Crotty	Non-executive director
Mr D. Gilham	Non-executive director
The Hon. R. Webster	Non-executive director
Mr A. Bentley	Non-executive director (retired 15 November 2008)
Mr T. Fairfax	Non-executive director (retired 25 September 2008)

DIRECTORS' REPORT – REMUNERATION REPORT

Executives
The following persons had authority and responsibility for planning, directing and controlling the activities of the Group during the financial year:

Mr A. Payne	Chief Financial Officer
Ms M. Kublins	Executive General Manager – Property & Development
Mr D. Fitzharris	Group General Manager – Sales & Marketing
Mr P. Scott	General Manager – Austral Bricks and Bristile Roofing Western Australia
Mr P. Caughey	General Manager – Austral Bricks Victoria
Mr M. Ellenor	General Manager – Austral Bricks New South Wales
Mr D. Millington	General Manager – Bristile Roofing East Coast
Mr I. Thompson	Group Company Secretary

Remuneration of individual key management personnel
Directors

($000's)	Year	Short term employee benefits			Post employment (Super)	Share based payment (Long term incentive) (4)	Termination benefits	Total
		Base salary / fees	Short term bonus (3)	Non-monetary benefits				
R. Millner	2009	160	-	-	14	-	-	174
	2008	160	-	-	14	-	-	174
M. Millner	2009	80	-	-	7	-	-	87
	2008	80	-	-	7	-	-	87
B. Crotty	2009	80	-	-	7	-	-	87
	2008	13	-	-	1	-	-	14
D. Gilham	2009	80	-	-	7	-	-	87
	2008	80	-	-	7	-	-	87
R. Webster	2009	90	-	-	8	-	-	98
	2008	90	-	-	8	-	-	98
L. Partridge	2009	818	-	47	95	402	-	1,332
	2008	806	504	53	68	336	-	1,767
A. Bentley	2009	27	-	-	2	-	150	179
	2008	80	-	-	7	-	-	87
T. Fairfax	2009	13	-	-	1	-	150	164
	2008	80	-	-	7	-	-	87
Totals	2009	1,348	-	47	141	402	300	2,208
	2008	1,389	504	53	119	336	-	2,401

DIRECTORS' REPORT – REMUNERATION REPORT

Other Key Management Personnel

($000's)	Year	Short term employee benefits: Base salary / fees	Short term employee benefits: Short term bonus (3)	Short term employee benefits: Non-monetary benefits	Post employment (Super)	Share based payment (Long term incentive) (4)	Termination benefits	Total
A. Payne (1), (2)	2009	400	-	21	35	249	-	705
	2008	400	305	13	34	208	-	960
M. Kublins (2)	2009	328	-	28	29	136	-	521
	2008	315	205	17	27	105	-	669
D. Fitzharris (2)	2009	326	-	14	29	108	-	477
	2008	316	-	39	28	106	-	489
P. Scott (2)	2009	325	-	31	14	147	-	517
	2008	533	-	29	13	147	-	722
P. Caughey (2)	2009	259	-	23	22	47	-	351
	2008	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M. Ellenor (2)	2009	224	-	32	17	41	-	314
	2008	n/a	n/a	n/a	n/a	n/a	n/a	n/a
D. Millington (2)	2009	216	90	14	25	54	-	399
	2008	216	100	23	25	34	-	398
I. Thompson (1)	2009	167	-	16	15	30	-	228
	2008	156	35	8	15	26	-	240
D. Willmot (5)	2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2008	87	-	51	15	20	246	419
Totals	2009	2,245	90	179	186	812	-	3,512
	2008	2,023	645	180	157	646	246	3,897

Notes

(1) Messrs Payne and Thompson are Company Executives as defined under s300A(1B) of the Corporations Act.

(2) Messrs Payne, Fitzharris, Scott, Caughey, Ellenor, and Millington, and Ms Kublins are Group Executives as defined under s300A(1B) of the Corporations Act, and Key Management Personnel (KMP) as defined in AASB124 Related Party Disclosures. Messrs Caughey and Ellenor were not KMP during 2008.

(3) The short term bonus amounts disclosed were approved by the Remuneration Committee on 25 August 2009, in relation to performance during the 2009 financial year (2008 granted on 27 August 2008). The short term bonus payments were made during the month following approval.

(4) The long term incentive amounts reflect the value of shares vested to the employee during the financial year that were granted in prior years. On the same date as the Remuneration Committee approved the short term bonus, they also approved various long term incentive amounts for each of the employees listed above, to be granted as shares in the Deferred Employee Share Plan (as outlined in the section on the share plan above).

(5) Mr Willmot resigned from his position on 29 February 2008.

Discussion in relation to specific executives

The Company has signed employment contracts with the Managing Director and other senior executives of the Brickworks group. There is no fixed termination date under the contract, however the terms allow for a review every five years, or in certain limited circumstances, such as a material change in the executives position.

If the executive resigns from their employment, they are entitled to their salary up to termination date plus any accrued leave provisions. They will also be entitled to a pro-rata portion of the average of the previous 3 years annual bonus.

If the Company terminates Mr Partridge (Managing Director) other than under immediate termination (as defined in his employment contract), he will receive six months notice (or a payment equivalent to this amount in lieu of notice), plus a termination benefit of twelve months base salary and the average of the previous three years annual bonus. In addition Mr Partridge will receive immediate access to all unvested shares held on his behalf by the Brickworks Deferred Employee Share Plan.

DIRECTORS' REPORT – REMUNERATION REPORT

If the Company terminates the specified executives other than under immediate termination (as defined in their employment contract), the executive will receive up to six months notice (or a payment equivalent to this amount in lieu of notice), plus a termination benefit of six months base salary and a pro-rata of the average of the previous three years annual bonus. In addition the executive will receive immediate access to all unvested shares held on their behalf by the Brickworks Deferred Employee Share Plan.

If the Managing Director or any executive is subject to immediate termination (as defined in their employment contract), Brickworks is not liable for any termination payments to the employee other than any outstanding base pay and accrued leave amounts. All unvested shares held on their behalf by the Brickworks Deferred Employee Share Plan will be forfeited.

All senior executives gain strategic business knowledge during the course of their employment. Brickworks will use any means available to it by law to ensure that this information is not used to the detriment of the Company by any staff member on termination. In order to protect the Group's interests, Brickworks has an enforceable restraint through the executive's employment contract to prevent executives either going to work for a competitor, or inducing other employees to leave the Company, for a specified period. In consideration of the restraint, executives will receive a monthly payment, equivalent to their existing base salary plus one twelfth of the average of the previous three annual bonuses, for a period of time. For the Managing Director this period is 12 months, and for other executives this period is up to 6 months.

The employment contracts referred to above have been prepared and reviewed by an external party. The Managing Director's salary package has also been reviewed by an external party and is considered to be fair and reasonable.

BRICKWORKS LIMITED
A.B.N. 17 000 028 526

DIRECTORS' REPORT

Auditor's independence declaration
The Directors received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 20 of the report.

Provision of non-audit services by external auditor
During the year the external auditors, Ernst & Young, provided non-audit services to the Group, totalling $138,874. The Directors through the Audit Committee are of the opinion that the provision of non-audit services has not compromised the independence of the auditors.

The non-audit services were all for the provision of accounting advice, which was general in nature, relating to the interpretation and potential application of accounting standards. Brickworks management has been responsible for selecting, applying and calculating all impacts of accounting standards on the Group's financial statements.

The details of total amounts paid to the external auditors are included in note 5 to the financial statements.

Proceedings on behalf of the Company
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Indemnification of Directors and officers
The Company's Rules provide for an indemnity of Directors, executive officers and secretaries where liability is incurred in connection with the performance of their duties in those roles other than as a result of their negligence, default, breach of duty or breach of trust in relation to the Company. The Rules further provide for an indemnity in respect of legal costs incurred by those persons in defending proceedings in which judgment is given in their favour, they are acquitted or the Court grants them relief.

Since the end of the previous financial year, the Company has paid insurance premiums in respect of Directors' and officers' liability. The insured persons under those policies are defined as all Directors (being the Directors named in this Report), executive officers and any employees who may be deemed to be officers for the purposes of the Corporations Act 2001.

Rounding of Amounts
The Company has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and Directors' report have been rounded off to the nearest $1,000 where allowed under that class order.

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

Dated 24 September 2009.

R.D. MILLNER	L.R. PARTRIDGE
Director	Director

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Auditor's Independence Declaration to the Directors of Brickworks Limited

In relation to our audit of the financial report of Brickworks Limited for the financial year ended 31 July 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

Paul Flynn
Partner
Sydney
24 September 2009

CORPORATE GOVERNANCE STATEMENT

The Brickworks Board is committed to developing and maintaining good corporate governance within the Company, and recognise that this is best achieved through its people and their actions. Brickworks' long term future is best served by ensuring that its employees have the highest levels of honesty and integrity and that these employees are retained and developed through fair remuneration, appropriate long term incentives and equity participation in the Company. It is also critical to the success of the Company that an appropriate culture is nurtured and developed, starting from the Board itself.

This Corporate Governance statement has been summarised into sections in line with the 8 essential corporate governance principles as specified in the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations", as issued in August 2007.

A summary of corporate governance information can be found on the Brickworks website at www.brickworks.com.au.

Lay solid foundations for management and oversight

The Board is ultimately responsible for all matters relating to the running of the Company, however that role is achieved mainly through governing the Company. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board, and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

Brickworks Board has the final responsibility for the successful operations of the Company. In general, it is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.

The principal functions and responsibilities of the Board include the following:

- Providing leadership to the Company and its employees;
- Overseeing the development and implementation of appropriate corporate strategies;
- Ensuring corporate accountability to shareholders;
- Overseeing the control and accountability systems within the Company;
- Ensuring robust and effective risk management, compliance and control systems are in place and operating effectively;
- Monitoring the performance and conduct of the Company;
- Monitoring the performance and conduct of senior management, and ensuring adequate succession plans are in place; and
- Ensuring the Company continually builds an honest and ethical culture.

All matters that are not specifically reserved for the board and are necessary for the daily management of the Company are delegated to senior executives and management, through the Managing Director.

In monitoring the performance and conduct of senior management, the Remuneration Committee formally reviews the performance of the Managing Director and senior executive staff at least annually. In addition to the formal evaluation procedures, senior executive performance is continually monitored by the Managing Director on behalf of the Board, and the Managing Director's performance is subject to continuous monitoring by the full Board. During the current year, the performance evaluations referred to above took place in accordance with the process as outlined.

Structure the Board to add value

It is Board policy that the majority of the Board should be non-executive Directors and the Chairman should be a non-executive Director. At the date of this report, the Board consists of five non-executive Directors listed in the Directors' Report and the Managing Director, Mr Lindsay Partridge. Specific details concerning each Director are contained in the Directors' Report.

Under the ASX Principles, Messrs Brendan Crotty, and Robert Webster are the only Directors considered independent. Mr David Gilham is not independent due to previous senior executive roles with Bristile Ltd, and Messrs Robert Millner and Michael Millner are not independent due to their directorial relationships with Washington H. Soul Pattinson, a major shareholder in Brickworks. Whilst the majority of Directors are not strictly considered 'independent' in accordance with the ASX Principles, the Brickworks Board feels that there is an appropriate blend of skills and experience covering all aspects of the Company's operations, particularly the core businesses of building products manufacturing and property development.

The Company considers both quantitative and qualitative elements in determining the materiality of any relationships between individual Directors and the Company. The Company uses the guidance contained in accounting standard AASB1031: Materiality to determine quantitative thresholds, whereby amounts less than 5% are considered immaterial and amounts greater than 10% are considered material, subject to the assessment of qualitative factors. Major qualitative factors include the strategic importance of any relationship and the nature of that relationship.

Brickworks does not have a separate nomination committee, however the non-executive members of the Board who are not up for re-election at the next AGM fulfil the role of a nomination committee. These non-executive Directors are responsible for reviewing the composition of the Board to ensure that it comprises Directors with an appropriate mix of experience and expertise. Where a vacancy exists on the Board or where the non-executive Directors consider that the Board would benefit from the appointment of additional Directors with particular expertise or experience, the non-executive Directors, in conjunction with external advisors if appropriate, will select suitable candidates. Any Director appointed by the Board in this manner must be elected by shareholders at the next Annual General Meeting.

Non-executive Director performance is reviewed by the Chairman. If the performance of any non-executive Director is considered unsatisfactory, the matter is referred to the remainder of the Board. The efficiency, effectiveness and operations of the Board are continuously subject to informal monitoring by the Chairman and the Board as a whole.

Individual Directors of Brickworks are entitled to seek independent professional advice in relation to their role as a Director, at the cost of Brickworks. Directors are required to advise the Chairman or full Board prior to engaging parties to provide this advice.

Promote ethical and responsible decision-making
Brickworks has an established code of conduct under which all Directors and employees are expected to operate. This code is centred on having the Company and its employees achieving the highest integrity in all its business dealings at all levels of the organisation. The code covers a number of areas, including ethical standards, conflicts of interest, excellence in performance, confidentiality, trading in Company securities, continuous disclosure and equal opportunity, anti-discrimination and harassment. All Directors and employees of Brickworks and its subsidiaries are expected to abide by the code of conduct and the comprehensive policy manual which covers a number of items in more detail.

Brickworks is committed to generating an environment whereby its employees are encouraged to advise senior management of breaches to its code of conduct and policy manual. To assist employees in this process, Brickworks has established a confidential whistleblower service utilising external consultants to facilitate the reporting and investigating of breaches to the code of conduct.

A summary of the main principles of the Brickworks share trading policy are outlined below:
- Brickworks' Directors and employees are prohibited from trading in shares of Brickworks when in possession of price sensitive information about Brickworks Limited or its business and this information is not available to the public.
- Directors and employees are also prohibited from encouraging another person (for example, family members or business colleagues) to deal in Brickworks Shares when they have "inside information".
- Brickworks has established share trading windows during which employees or Directors of the Company may trade shares in the Company. These windows are each for a period of six (6) weeks duration commencing at:
  1. the announcement of the Yearly result to the ASX;
  2. the AGM date;
  3. the announcement of the half yearly result to the ASX; and
  4. the lodgement of a prospectus.
- Directors and employees are restricted from trading in Brickworks shares during these trading windows if they are in possession of price sensitive information.
- In exceptional circumstances, senior management and Directors may trade outside these windows, providing they obtain approval from the Managing Director or Chairman respectively prior to trading.
- This restriction does not apply to normal fixed monthly share purchases made by the trustee through the Brickworks Employee Share Plans. More information on the employee share plans is available in the Remuneration Report.

Safeguard integrity in financial reporting
Brickworks has an established Audit Committee, which has its own charter outlining the committee's function, composition, authority, responsibilities and reporting. A summary of the charter is available on the Brickworks website. The composition required under the charter is consistent with the best practice guidelines specified by the ASX.

Current members of the Audit Committee are The Hon. Robert Webster (Chairman), Mr Michael Millner, and Mr Brendan Crotty. Details of these Directors' qualifications and experience are available in the Directors' Report. The other Board members have a right of attendance, however the Managing Director, along with the Chief Financial Officer, the Company Secretary, and other senior managers may attend by invitation only, to discuss issues on audit and internal control matters.

The committee also requests that representatives from the external auditors attend the Audit Committee meetings to report on the results of their work in the period under review. Representatives from both external and internal auditors have direct access to the Audit Committee if required.

Audit Committee attendance details are included in the Directors' report.

The function of the Audit Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- The external reporting of financial information, including the selection and application of accounting policies;
- The independence and effectiveness of the external auditors;
- The effectiveness of internal control processes and management information systems;
- Compliance with the Corporations Act, ASX Listing Rules and any other statutory requirements applicable to Brickworks Limited; and
- The application and adequacy of risk management systems within Brickworks Limited.

Make timely and balanced disclosure

As noted previously, the Company has a written policy dealing with its requirements under the Continuous Disclosure rules contained in ASX listing rule 3.1. Generally, this policy states that all employees have a responsibility to advise senior management of any information about Brickworks or its subsidiaries which could be considered price sensitive for Brickworks shares. Senior management will then consider, in consultation with the Directors, which information will be released to the ASX and what form this release will take. Senior Management are accountable to the Board for compliance with these policies.

Respect the rights of shareholders

Brickworks is committed to keeping its shareholders and other interested parties informed about the Company's activities, and to allow shareholders to effectively exercise those rights. This is achieved in a number of ways, including through information releases to the market via the ASX, through the Brickworks website, through shareholder mailings, and at any general meetings of the Company.

Shareholders are able to make enquiries of the Company via phone, fax, email or post, details of which can be found on the Brickworks website. Time is specifically allocated at general meetings for questions to be put to the Board of Directors.

In addition, the partner or delegate responsible for signing the audit report is expected to be at the annual general meeting of the Company to answer any questions raised in relation to the audit and the auditor's report. Attendees at that meeting are given an opportunity to ask questions of the auditors.

Recognise and manage risk

Brickworks is committed to the management of risks throughout our operations to protect our employees, shareholders, the environment, our assets, earnings, markets and reputation. The specific risk management policies are contained within the Brickworks group policy manual, and are aimed at assisting the Board in the management of risks in areas such as health and safety, environmental issues, industrial relations, insurance and legal matters. Certain risk management techniques, including foreign currency and interest rate hedging, may only be undertaken where approved by the full Board of Directors.

It is a requirement of the Board that the Managing Director and Chief Financial Officer sign off to the Board, via the Audit Committee, on the risk management and internal compliance and control systems implemented by the Board, and that these compliance and control systems are operating efficiently and effectively in all material respects.

It is a requirement of the Board that the Managing Director and Chief Financial Officer sign off to the Board, via the Audit Committee, on the content of the financial statements, and that these statements represent a true and fair view of the Company's operations and the financial position of the Company.

Remunerate fairly and responsibly

Brickworks has a Remuneration Committee with a membership of all non-executive Directors. The committee operates under the delegated authority of the Board, and has its own charter, a summary of which is available on the Brickworks website.

The main functions of the Remuneration Committee are to assist the Board in fulfilling its responsibilities relating to:

- Ensuring remuneration policies and practices are consistent with Brickworks' strategic goals and human resources objectives and which enable Brickworks to attract and retain executives and Directors who will create value for shareholders;
- Equitably, consistently and responsibly rewarding executives having regard to the performance of Brickworks, the performance of the executive and the general pay environment; and
- Ensuring executive succession planning is adequate and appropriate.

Remuneration Committee attendance details are included in the Directors' report.

This Committee is authorised by the Board to obtain external professional advice, and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

CORPORATE GOVERNANCE STATEMENT

The Remuneration Report contains detailed information relating to Director and Senior Executive remuneration, including the policy for determining remuneration, the use of fixed and variable remuneration, and the relationship between executive remuneration and Company performance.

BRICKWORKS LIMITED
A.B.N. 17 000 028 526

INCOME STATEMENT FOR THE YEAR ENDED 31 JULY 2009

	NOTE	CONSOLIDATED 31 JULY 09 $000	CONSOLIDATED 31 JULY 08 $000	PARENT ENTITY 31 JULY 09 $000	PARENT ENTITY 31 JULY 08 $000
Revenue	2	593,511	553,716	134,526	33,227
Cost of sales		(429,433)	(366,529)	-	-
Gross profit		164,078	187,187	134,526	33,227
Other income	2	1,805	34,329	-	-
Distribution expenses		(46,095)	(47,946)	-	-
Administration expenses		(18,479)	(19,654)	-	7
Selling expenses		(52,704)	(51,878)	-	-
Borrowing costs expense	3	(36,348)	(37,286)	(36,226)	(37,283)
Other expenses		(66,749)	(8,742)	(10,808)	-
Share of net profits of associates and joint ventures accounted for using the equity method	26, 27	470,977	75,203	-	-
Profit / (loss) before income tax expense		416,485	131,213	87,492	(4,049)
Income tax (expense) / benefit attributable to profit	4	(111,270)	(29,735)	14,053	11,673
Profit after related income tax expense		305,215	101,478	101,545	7,624
Net profit attributable to members of the parent entity		305,215	101,478	101,545	7,624
Basic earnings per share (cents per share)	7	229.8	76.5		
Diluted earnings per share (cents per share)	7	225.1	76.5		

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

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

BRICKWORKS LIMITED
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BALANCE SHEET AS AT 31 JULY 2009

	NOTE	CONSOLIDATED 31 JULY 09 $000	CONSOLIDATED 31 JULY 08 $000	PARENT ENTITY 31 JULY 09 $000	PARENT ENTITY 31 JULY 08 $000
CURRENT ASSETS					
Cash assets	8	17,916	37,808	1,361	15,852
Receivables	9(a)	68,747	83,428	-	-
Held for trading financial assets	10	23	30	-	-
Inventories	12(a)	147,292	137,935	-	-
Land held for resale	13(a)	50,461	95,108	-	-
Prepayments		5,020	4,497	1,138	878
TOTAL CURRENT ASSETS		289,459	358,806	2,499	16,730
NON-CURRENT ASSETS					
Receivables	9(b)	200	200	717,708	630,858
Other financial assets	11	-	-	193,698	248,437
Inventories	12(b)	8,699	7,230	-	-
Land held for resale	13(b)	30,722	34,649	-	-
Investments accounted for using the equity method	14	1,133,580	740,255	-	-
Property, plant and equipment	15	399,809	500,203	-	645
Intangible assets	16	272,099	271,513	-	-
Prepayments		704	1,792	704	1,792
TOTAL NON-CURRENT ASSETS		1,845,813	1,555,842	912,110	881,732
TOTAL ASSETS		2,135,272	1,914,648	914,609	898,462
CURRENT LIABILITIES					
Payables	17(a)	88,255	73,070	688	2,297
Interest-bearing liabilities	18(a)	67,000	262,865	67,000	262,865
Derivative financial instruments	19(a)	511	(347)	519	(486)
Current tax liabilities		8,620	18,782	5,728	19,049
Provisions	20(a)	25,348	22,095	-	300
TOTAL CURRENT LIABILITIES		189,734	376,465	73,935	284,025
NON-CURRENT LIABILITIES					
Payables	17(b)	-	2,047	152,992	511
Interest-bearing liabilities	18(b)	333,000	300,000	333,000	300,000
Derivative financial instruments	19(b)	517	-	517	-
Provisions	20(b)	25,059	13,560	544	544
Deferred taxes	21	215,514	109,107	899	11,858
TOTAL NON-CURRENT LIABILITIES		574,090	424,714	487,952	312,913
TOTAL LIABILITIES		763,824	801,179	561,887	596,938
NET ASSETS		1,371,448	1,113,469	352,722	301,524
EQUITY					
Contributed equity	22	146,521	144,892	146,521	144,892
Reserves	23	353,572	359,550	96,124	96,279
Retained profits	24	871,355	609,027	110,077	60,353
TOTAL EQUITY		1,371,448	1,113,469	352,722	301,524

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

BRICKWORKS LIMITED
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2009

		CONSOLIDATED		PARENT ENTITY	
	NOTE	31 JULY 09 $000	31 JULY 08 $000	31 JULY 09 $000	31 JULY 08 $000
Total equity at beginning of the year		1,113,469	1,072,715	301,524	345,404
Cash flow hedges:					
Gain / (loss) taken to equity	23(b)	(246)	(384)	(301)	(245)
Currency translation differences arising during the year	23(b)	(264)	(1,515)	-	-
Share of increments / (decrements) in reserves attributable to associates	23(b)	(6,338)	(27,718)	-	-
Write back to profit on disposal of investment	23(b)	(1,016)	-	-	-
Tax on movement in items recognised directly in equity	23(b)	2,002	8,719	146	362
Net income / (expense) recognised directly in equity		(5,862)	(20,898)	(155)	117
Net profit for the year	24	305,215	101,478	101,545	7,624
Total recognised income and expense for the year		299,353	80,580	101,390	7,741
Transactions with equity holders in their capacity as equity holders					
Share of associate's transfer to outside equity interests	24	-	-	-	-
Share of associate's increase / (decrease) in equity interests of controlled entities	24	(2,152)	965	-	-
Dividends provided or paid during the year	6	(40,851)	(40,257)	(51,821)	(51,087)
Shares issued		2,049	-	2,049	-
Treasury stock:					
Purchase of shares through employee share plan	22(b)	(2,374)	(2,498)	(2,374)	(2,498)
Shares vested to employees	22(b)	1,954	1,964	1,954	1,964
		(41,374)	(39,826)	(50,192)	(51,621)
Total equity at the end of the year		1,371,448	1,113,469	352,722	301,524

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

BRICKWORKS LIMITED
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2009

	NOTE	CONSOLIDATED 31 JULY 09 $000	CONSOLIDATED 31 JULY 08 $000	PARENT ENTITY 31 JULY 09 $000	PARENT ENTITY 31 JULY 08 $000
Cash flows from operating activities					
Receipts from customers		668,667	620,891	-	-
Payments to suppliers and employees		(531,899)	(523,536)	(689)	(434)
Interest received		3,772	707	1,260	625
Borrowing costs		(30,964)	(33,774)	(30,220)	(31,676)
PAVERS dividend		(5,461)	(10,832)	(5,461)	(10,832)
Dividends and distributions received		40,849	34,073	33,266	32,603
Income tax paid		(12,997)	(18,376)	(13,308)	(18,085)
Net cash flows from / (used in) operating activities	25(a)	131,967	69,153	(15,152)	(27,799)
Cash flows from investing activities					
Purchases of investments		(8,289)	(424)	-	-
Proceeds from the sale of investments		43,931		43,931	
Purchases of intangible assets		(878)	(466)	-	-
Payment for controlled entity net of cash acquired	30(b)	-	(16,909)	-	-
Proceeds from sale of property, plant and equipment		43,518	32,140	645	-
Purchases of property, plant and equipment		(17,369)	(47,707)	-	-
Net cash flows from / (used in) investing activities		60,913	(33,366)	44,576	-
Cash flows from financing activities					
Proceeds from borrowings		202,000	128,000	202,000	128,000
Repayment of borrowings		(200,000)	(86,000)	(200,000)	(86,000)
Net repayment of shares		(162,951)	-	(162,951)	-
Loan (to) / from controlled entity		-	-	168,857	52,569
Loan (to) / from other entity		-	(3,274)	-	-
Dividends paid		(51,821)	(51,087)	(51,821)	(51,087)
Net cash flows from / (used in) financing activities		(212,772)	(12,361)	(43,915)	43,482
Net increase / (decrease) in cash held		(19,892)	23,426	(14,491)	15,683
Cash at beginning of year		37,808	14,382	15,852	169
Cash at end of year	8	17,916	37,808	1,361	15,852

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Brickworks Limited is a listed public company, incorporated and domiciled in Australia. These accounts were authorised for issue in accordance with a resolution of the directors on 24 September 2009.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Brickworks Limited as an individual entity and the consolidated entity consisting of Brickworks Limited and its subsidiaries ("the Group").

(a) Basis of preparation and Statement of compliance
The financial report is a general purpose financial report that has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards.

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

These financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets, held for trading financial assets, derivatives and investment property, which have been measured at fair value.

(b) Principles of consolidation
The consolidated financial statements are those of the consolidated entity, comprising Brickworks Ltd (the parent entity) and all entities that Brickworks controlled from time to time during the period and at reporting date. Control exists where Brickworks has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Brickworks to achieve the objectives of Brickworks.

There are no dissimilarities in reporting periods or accounting policies between Brickworks or any of its controlled entities.

Investments in subsidiaries in the parent entity financial statements are shown at cost.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered or left the economic entity during the period, their operating results have been included from the date control was obtained or excluded from the date control ceased.

(c) Revenue
Sales revenue is recognised when the significant risks and rewards of ownership of the items sold have passed to the buyer, and the revenue is also able to be measured reliably.

For revenue from the sale of goods, this occurs upon the delivery of goods to customers.

For revenue from the sale of land held for resale, this is recognised at the point at which any contract of sale in relation to industrial land has become unconditional, and at which settlement has occurred for residential land.

Interest revenue is recognised on a time proportionate basis that takes into account the effective interest rate applicable to the net carrying amount of the financial asset.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Rental revenue is recognised on an accruals basis.

Profits on disposal of investments and property, plant and equipment are recognised at the point where title to the asset has passed.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Finance costs
Borrowing costs incurred for the construction of a qualifying asset are capitalised up to the point that the asset is ready for its intended use. Other finance costs are recognised as an expense over the period to which the expense relates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(e) Income tax
Current tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability or asset to the extent that it is unpaid or refundable.

Deferred tax
Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The tax cost base of assets is calculated based on managements intention for that asset on either use or sale as appropriate. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. In addition, no deferred income tax is recognised for a taxable temporary difference arising from an investment in a subsidiary, associate or joint venture where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. These amounts are reviewed at each balance date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation
Brickworks Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation regime. Brickworks is the head entity of that group. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable based on the current tax liability or current tax asset of the entity. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right. Such amounts are reflected in amounts receivable from or payable to other entities in the group. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote.

Tax expense, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group. Any current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the parent company (as head entity of the tax consolidated group).

(f) Earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the period.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Diluted earnings per share is shown as being equal to basic earnings per share if potential ordinary shares are non-dilutive to existing ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(g) Cash and cash equivalents

Cash and cash equivalents on the balance sheet includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Cash and cash equivalents for the cash flow statement are shown as a net of the cash assets and bank overdraft liability.

Cash and cash equivalents are stated at nominal value.

(h) Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. A provision for doubtful debts is established when there is existence of objective evidence that the Group may not be able to collect the debts. Bad debts are written off against the provision for doubtful debts as incurred, when there is objective evidence that the Group will not be able to recover the debt. Objective evidence of an impairment loss can include when a debtor is unable to be physically located, or when a report from a liquidator or administrator of a debtor indicates that recovery of any amounts outstanding is unlikely.

Receivables from related parties are recognised and carried at nominal amounts due.

(i) Inventories

Raw materials are measured at the lower of actual cost and net realisable value. Finished goods are measured at the lower of standard cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Land held for resale

Land held for development and resale is recognised when properties have been identified and incorporated into specific developments that have been approved by relevant planning authorities and commenced. These properties are valued at the lower of cost and fair value less costs to sell. Cost includes the cost of acquisition and development.

(k) Property, plant and equipment

Land is carried at cost less any impairment losses.

Plant and equipment (including buildings) are measured at cost, less depreciation and impairment losses.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell, and the value in use, assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts, using pre-tax discount rates.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Buildings	2.5% - 4.0% prime cost
Plant and equipment	4.0% - 33.0% prime cost; 7.5% - 22.5% diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(k) Property, plant and equipment (cont.)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds on disposal with the carrying amount of the asset at the time of disposal. These gains and losses are included in the income statement. When previously revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(l) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the term of the lease.

Leases of fixed assets are classified as finance leases where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the economic entity.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset, or over the term of the lease.

(m) Financial assets

Regular way purchases and sales of investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, net of transaction costs.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss (held for trading)

The Group has classified certain shares as financial assets at fair value through profit or loss. Financial assets held for trading purposes are classified as current assets and are stated at fair value (subsequent to initial recognition), with any resultant gain or loss recognised in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. These investments are carried at amortised cost using the effective interest method, with any gains or losses recognised in income when the investments are derecognised or impaired.

Available-for-sale financial assets

Certain shares held by the Group are classified as being available-for-sale and are stated at fair value (subsequent to initial recognition). Gains and losses arising from changes in fair value are recognised directly in reserves, until the investment is disposed of, at which time the cumulative gain or loss previously recognised in the reserve is included in profit or loss for the period.

The fair value of financial instruments traded in active markets is based on quoted market bid prices at the balance sheet date. Where shares are held in listed entities that are not actively traded on the market, quoted marked bid prices are used as the best information on the amount obtainable from an arms length transaction.

Loans and Receivables

Trade receivables, loans and other receivables are recorded at amortised cost less impairment.

Derecognition

Sales of investments are recognised on trade date – the date the Group commits to sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(m) Financial assets (cont.)

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(n) Investments in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

Under the equity method, the investment in the associate is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After applying the equity method, the Group determines whether it is necessary to recognise an additional impairment loss with respect to the net investment in the associate. The consolidated income statement reflects the Group's share of the results of operations of the associate.

Where there has been a change recognised directly in the associate's equity, the Group recognises its share of any changes and discloses this in the consolidated statement of movements in equity.

Where reporting dates of associates are not identical to the Group, the financial information used is the last publicly available information, but in any event is no older than 3 months from the Group's balance date. The associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

(o) Investments in joint ventures

Investments in joint ventures are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the joint venture. The consolidated income statement reflects the Group's share of the results of operations of the joint ventures.

Where reporting dates of joint ventures are not identical to the Group, the financial information used is the last publicly available information, but in any event is no older than 3 months from the Group's balance date.

Profits or losses on transactions with the joint venture are eliminated to the extent of the Group's ownership interest until such time as they are realised by the joint venture on sale.

(p) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

(q) Intangibles

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets (including contingent liabilities) at the date of acquisition. Goodwill on acquisition of associates is included in investments in associates. Any goodwill acquired in a business combination is allocated to each of the cash generating units (CGU's) expected to benefit from the combination's synergies, unless there is no reasonable and consistent basis to do so, in which case goodwill is allocated to groups of CGU's. Impairment is determined by assessing the recoverable amount of the CGU (or groups of units) to which the goodwill relates. Where this recoverable amount is less than the carrying amount, an impairment loss is recognised. Impairment losses recognised for goodwill are not subsequently reversed.

Goodwill is tested for impairment annually and when indicators of impairment exist, and following initial recognition is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(q) Intangibles (cont.)

Log licences

Timber access rights are valued at cost on acquisition. If the timber access right is considered to have an indefinite life, the right is carried at cost less any impairment write down required to ensure it is not carried in excess of recoverable amount. If the right has a definite life, it is amortised on a straight line basis over the expected future life of that right, which varies according to the term of the issue.

Brand names

Purchased brand names have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of brand names over their estimated useful lives.

(r) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price at the date of exchange.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

(s) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Non-financial assets other than goodwill that have had an impairment write-down are reviewed for possible reversal of the impairment at each subsequent reporting date.

(t) Payables

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

Deposits received on land sale agreements relate to amounts received as deposits on pending property transactions where the revenue and associated profit has not been brought to account due to uncertainty surrounding the completion of the transaction.

(u) Provisions

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a pre-tax discount rate that reflects the risks specific to the liability. Any increase in the provision due to the passage of time is recognised as a borrowing cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(v) Employee benefits
Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Consideration is made of expected future wage and salary levels, employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash flows.

Share-based payments
Share-based compensation benefits are provided to employees through the Brickworks Employee Share Plan, details of which can be found in the Remuneration Report in the director's report. Unvested shares are included in contributed equity as Reserved Shares. The fair value of the shares (market value at purchase date) is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

(w) Restoration and rehabilitation
The landfill opportunities created through the extraction of clay and shale is considered to be a valuable future resource. No provision is made for future rehabilitation costs when the rehabilitation process is expected to be cash flow positive.

Where the relevant site is identified as being unable to be used for landfill purposes once the clay and shale reserves are exhausted, a provision is generated. This provision is raised based on the expected net present value of future cash flows associated with the total rehabilitation cost of the site, and charged to expenses on a tonnes extracted basis.

(x) Interest bearing liabilities
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Where the Group expects that it will continue to satisfy the criteria under its banking agreement that ensures the financier is not entitled to call on the outstanding borrowings, and the term is greater than 12 months, the borrowings are classified as non-current.

(y) Financial instruments issued by the Company
Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction costs arising on the issue of financial instruments are recognised directly as a reduction, net of tax, of the proceeds of the financial instruments to which the costs relate. If the financial instrument has an identifiable lifespan, these costs are amortised in the income statement over the period of the instrument.

Interest and dividends are classified as expenses or as distributions of profit consistent with the classification of the related debt or equity instruments.

(z) Derivatives
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either fair value hedges or cash flow hedges.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedge items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(z) Derivatives (cont.)

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in reserves. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss.

When a hedging instrument expires or is terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is transferred to the income statement.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any such instrument are recognised immediately in the income statement.

Fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

(aa) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires, with any resulting gain or loss taken to the income statement.

(ab) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Grants relating to the purchase of fixed assets are included in non-current liabilities as deferred income and credited to the income statement on a straight-line basis over the expected lives of the related assets.

(ac) Reserved shares

Own equity instruments which are acquired for later payment as employee share-based payment awards are deducted from equity. These shares are held in trust by the trustee of the Brickworks Deferred Employee Share Plan and vest in accordance with the conditions attached to the granting of the shares, as outlined in the Remuneration Report. The fair value of the shares (market value at purchase date) is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares. No gain or loss is recognised in profit or loss on the purchase, sale or issue of the Group’s own equity instruments.

(ad) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(ae) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the group’s entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity’s functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. The balances of foreign currency monetary items are translated at the period end exchange rate. The balances of non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(ae) Foreign currency transactions and balances (cont.)

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at period end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(af) Significant accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future, and the resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Judgements that are made by management in the application of accounting standards that have significant effects on the financial statements, and estimates with a significant risk of material adjustments in the next year, are disclosed in the relevant notes to the financial statements, where applicable.

(ag) Accounting standards issued but not yet effective

Australian accounting standards that have been issued but have not been adopted for the financial year ended 31 July 2009 are as follows:

Amendments to financial statements – AASB 2007-3, 2007-6, 2007-8, 2007-10, 2008-1, 2008-2, 2008-3, 2008-5, 2008-6, 2008-7, 2008-8, 2009-2, 2009-4, 2009-5, 2009-7
AASB 3 (Revised): Business Combinations;
AASB 8: Operating Segments;
AASB 101(Revised): Presentation of Financial Statements;
AASB 123 (Revised): Borrowing Costs;
AASB 127 (Revised): Consolidated and Separate Financial Statements;
AASB Interpretation 15: Agreements for the Construction of Real Estate; and
AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation;
AASB Interpretation 17: Distributions of Non-cash Assets to Owners
AASB Interpretation 18: Transfers of Assets from Customers

The directors have assessed the impact of these new or amended standards and interpretations, and are of the opinion that there will not be any changes required to amounts recognised in the financial statements. However, it is anticipated that there will be some changes to information disclosures required.

The directors recognise that under some of these new or amended standards and interpretations there may be changes to accounting policies prospectively from the point of adoption, however the impact of these changes on the financial statements of the Group have not yet been determined.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

	CONSOLIDATED		PARENT ENTITY	
	31 JULY 09 $000	31 JULY 08 $000	31 JULY 09 $000	31 JULY 08 $000
NOTE 2: REVENUE				
Trading revenue				
Sale of goods	490,577	518,777	-	-
Sale of current investments	-	39	-	-
Sale of land held for resale	99,099	25,579	-	-
	589,676	544,395	-	-
Other operating revenue				
Interest received:				
- other corporations	2,240	3,771	1,260	625
Dividends received:				
- wholly owned subsidiaries	-	-	100,000	-
- associated companies	-	-	33,252	32,602
- other corporations	16	1	14	-
Rental revenue	830	729	-	-
Government grant revenue	-	240	-	-
Other	749	4,580	-	-
Total operating revenue	593,511	553,716	134,526	33,227
Other income				
Net gain on sale of:				
- property, plant and equipment	1,671	34,329	-	-
Other items	134	-	-	-
Total other income	1,805	34,329	-	-
NOTE 3: EXPENSES				
(a) Specific expense disclosures				
Depreciation and amortisation				
- Buildings	3,242	3,412	-	-
- Leasehold improvements	44	117	-	-
- Plant and equipment	24,078	26,487	-	-
Total depreciation	27,364	30,016	-	-
- Intangible assets	292	287	-	-
Total amortisation	292	287	-	-
Total depreciation and amortisation expense	27,656	30,303	-	-
Finance costs - other corporations	32,563	25,814	32,441	25,811
Finance costs - PAVERS interest	3,650	10,832	3,650	10,832
Finance costs - PAVERS amortisation	135	640	135	640
Total finance costs expensed	36,348	37,286	36,226	37,283
Finance costs capitalised	1,122	2,001	1,122	-
Total finance costs	37,470	39,287	37,348	37,283
Rental expense on operating leases				
- Minimum lease payments	8,782	2,331	-	-
Unrealised loss / (gain) on carrying value of held for trading financial assets	(7)	33	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

	NOTE	CONSOLIDATED 31 JULY 09 $000	CONSOLIDATED 31 JULY 08 $000	PARENT ENTITY 31 JULY 09 $000	PARENT ENTITY 31 JULY 08 $000
NOTE 3: EXPENSES (cont.)					
(a) Specific expense disclosures (cont.)					
Employee benefit expense		107,317	138,461	-	-
Defined contribution superannuation expense		7,213	7,940	-	-
Research and development expenditure		2,419	1,074	-	-
Bad and doubtful debts - trade debtors		1,417	1,554	-	-
Write down of inventories to net realisable value		8,611	985	-	-
(b) Significant Revenues and Expenses					
The following items are relevant in explaining the financial performance for the year:					
Profit from sale of land held for resale		24,129	9,136	-	-
Development profits from joint ventures		3,501	15,368	-	-
Fair value adjustment on completion of developments		7,277	23,137	-	-
Fair value adjustment of properties		(32,244)	7,685	-	-
Property Trust rental profits		8,108	1,607	-	-
Total profits from Property Trusts	27	(13,358)	47,797	-	-
Share of associates profit from discontinued operations		(248)	(5,652)	-	-
(c) Non-regular items					
Significant one-off transactions of associate (Washington H. Soul Pattinson & Co Ltd) (1)		392,882	(9,563)	-	-
Write down of assets to recoverable value					
- Property, plant & equipment (2)		(43,779)	-	-	-
- Investment property (1)		(24,716)	-	-	-
- Investment in associate (BKI) (2)		(13,674)	-	(10,808)	-
- Building products inventory (3)		(8,171)	-	-	-
Remediation provision recognised (2)		(12,039)	-	-	-
Borrowing costs (4)		(3,036)	-	(3,036)	-
Other non-regular items (2)		(3,489)	-	-	-
		283,978	(9,563)	(13,844)	-

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

NOTE 4: INCOME TAX EXPENSE

	CONSOLIDATED 31 JULY 09 $000	CONSOLIDATED 31 JULY 08 $000	PARENT ENTITY 31 JULY 09 $000	PARENT ENTITY 31 JULY 08 $000
(a) Current Tax	18,360	32,429	(3,252)	(8,138)
Deferred Tax	108,403	795	(10,813)	87
Under / (over) provided in prior years	(15,493)	(3,489)	12	(3,622)
	111,270	29,735	(14,053)	(11,673)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

	CONSOLIDATED		PARENT ENTITY	
	31 JULY 09 $000	31 JULY 08 $000	31 JULY 09 $000	31 JULY 08 $000
NOTE 4: INCOME TAX EXPENSE (cont.)				
(b) Reconciliation of income tax expense to prima facie tax payable				
Prima facie tax payable on profit / (loss) before income tax at 30%	124,946	39,364	26,247	(1,214)
Adjust for tax effect of:				
difference in foreign tax rates	(34)	2	-	-
non-allowable PAVERS dividend	1,095	3,250	1,095	3,250
rebateable dividends	(9,976)	(9,781)	(39,975)	(9,781)
capital losses recognised during year	(1,432)	-	(1,432)	-
deferred tax items derecognised	9,182	-	-	-
share of net profits of associates	(6,136)	(1,010)	-	-
other non-allowable items	740	375	-	(306)
overprovision for income tax in prior year	(7,115)	(2,465)	12	(3,622)
Income tax expense / (benefit) attributable to profit / (loss)	111,270	29,735	(14,053)	(11,673)
(c) Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss				
Current tax - debited / (credited) directly to equity	-	(209)	-	-
Deferred tax - debited / (credited) directly to equity	(2,002)	(8,510)	(146)	(362)
	(2,002)	(8,719)	(146)	(362)

NOTE 5: AUDITORS' REMUNERATION

Auditor of the parent entity				
Audit of the financial report	471	380	471	369
Other regulatory audits	5	4	3	4
Other assurance services	139	85	139	85
	615	469	613	458

The auditor of the Brickworks Ltd Group is Ernst & Young. Details of non-audit services provided by Ernst & Young are outlined in the Directors' Report.

NOTE 6: DIVIDENDS

Final ordinary dividend (prior year) of 26.5 cents per share paid 10/12/08 (2007 - 26.0c paid 3/12/07)	35,212	34,500	35,212	34,500
Interim ordinary dividend of 12.5 cents per share paid 19/05/09 (2008 - 12.5c paid 12/05/08)	16,609	16,587	16,609	16,587
Group's share of dividend received by associated company	(10,970)	(10,830)	-	-
	40,851	40,257	51,821	51,087
Proposed final ordinary dividend of 26.5 cents per share not recognised as a liability at year end (2008 26.5c)	35,211	35,163	35,211	35,163

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

Balance of franking account at year end adjusted for franking credits arising from payment of income tax payable and dividends recognised as receivables	152,663	162,978	152,663	162,978
Impact on franking account balance of dividends not recognised	(15,090)	(15,070)	(15,090)	(15,070)

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

	CONSOLIDATED		PARENT ENTITY	
	31 JULY 09 $000	31 JULY 08 $000	31 JULY 09 $000	31 JULY 08 $000

NOTE 7: EARNINGS PER SHARE

(a) Reconciliation of earnings		
Net profit	305,215	101,478
Earnings used in the calculation of basic EPS	305,215	101,478
add: redeemable preference share interest	3,785	11,472
Earnings used in the calculation of diluted EPS	309,000	112,950
	No.	**No.**
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	132,828,686	132,692,188
Number of potential ordinary shares from convertible redeemable preference shares (PAVERS) on issue	4,448,219	14,850,000
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS	137,276,905	147,542,188
	cents	**cents**
Basic earnings per share	229.8	76.5
Diluted earnings per share	225.1	76.5

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

NOTE: There were no dilutive shares on issue at 31 July 2009 as PAVERS had been repurchased in December 2008 (refer note 18(d)).

NOTE 8: CASH ASSETS

	$000	$000	$000	$000
Cash on hand	16,633	21,698	78	233
Deposits at call	1,283	16,110	1,283	15,619
	17,916	37,808	1,361	15,852

Deposits at call have carrying amounts that reasonably approximate fair value. Deposits are for periods of up to one month, and earn interest at the respective short term deposit rates.

NOTE 9: RECEIVABLES

(a) Current				
Trade receivables	68,344	70,579	-	-
Less: provision for doubtful debts	838	1,645	-	-
	67,506	68,934	-	-
Less: advance payments by customers	1,797	2,363	-	-
Net trade receivables	65,709	66,571	-	-
Add: other debtors	3,038	16,857	-	-
	68,747	83,428	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 9: RECEIVABLES (cont.)

	Note	CONSOLIDATED 31 JULY 09 $000	CONSOLIDATED 31 JULY 08 $000	PARENT ENTITY 31 JULY 09 $000	PARENT ENTITY 31 JULY 08 $000
(b) Non-Current					
Amount receivable from associated companies		200	200	-	-
Amount receivable from wholly owned subsidiaries	34	-	-	717,708	630,858
		200	200	717,708	630,858
(c) Movement in provision for doubtful debts					
Balance at the beginning of the year		1,645	686	-	-
Additional provisions recognised		1,562	1,632	-	-
Trade debts written off		(2,224)	(595)	-	-
Reversals of provisions not required		(145)	(78)	-	-
Balance at the end of the year		838	1,645	-	-
(d) Receivables past due					
Receivables past due but not impaired					
Past due 0 - 30 days		2,478	2,012	-	-
Past due 30+ days		982	412	-	-
		3,460	2,424	-	-

Trade receivables and other debtors have carrying amounts that reasonably approximate fair value. Average terms are 30 days from statement.

Before allowing new customers to trade on credit terms, an analysis of the potential customers credit quality is performed using external credit reporting agencies and internal reporting, to determine whether an account will be opened and the amount of the limit to be applied to that account. Various levels of management are required to approve progressively higher credit limits, with individual limits exceeding $1 million reported to the Board.

An analysis of trade receivable balances past due is performed constantly throughout the year, and an allowance is made for estimated irrecoverable trade receivables based on historical experience of default, and known information on individual debtors. In many instances security is held over individual debtors in the form of personal guarantees. All receivables not impaired are expected to be collected in full.

NOTE 10: HELD FOR TRADING FINANCIAL ASSETS

	CONSOLIDATED 31 JULY 09 $000	CONSOLIDATED 31 JULY 08 $000	PARENT ENTITY 31 JULY 09 $000	PARENT ENTITY 31 JULY 08 $000
Share trading portfolio at fair value	23	30	-	-

The share trading portfolio represents ordinary shares listed on the ASX, and hence have no maturity date.

NOTE 11: OTHER FINANCIAL ASSETS

	CONSOLIDATED 31 JULY 09 $000	CONSOLIDATED 31 JULY 08 $000	PARENT ENTITY 31 JULY 09 $000	PARENT ENTITY 31 JULY 08 $000
Unlisted investments, at cost				
- Shares in controlled entities	-	-	165,438	165,438
Listed investments, at cost				
- Shares in associated companies	-	-	28,260	82,999
	-	-	193,698	248,437
Market values of listed investments				
- Shares in associated companies	-	-	1,124,836	1,134,798

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

		CONSOLIDATED		PARENT ENTITY	
		31 JULY 09 $000	31 JULY 08 $000	31 JULY 09 $000	31 JULY 08 $000
NOTE 12: INVENTORIES					
(a) Current					
Raw materials and stores at cost		27,692	27,822	-	-
Work in progress at cost		8,970	9,855	-	-
Finished goods at cost		109,564	96,236	-	-
		146,226	133,913	-	-
Finished goods at net realisable value		1,066	4,022	-	-
		147,292	137,935	-	-
(b) Non-Current					
Raw materials and stores at cost		8,699	7,230	-	-
NOTE 13: LAND HELD FOR RESALE					
(a) Current		50,461	95,108	-	-
(b) Non-Current		30,722	34,649	-	-

Non-current land held for resale represents portions of properties which have been classified as ready for sale in accordance with the accounting policy note. Exact timing of these sales is unable to be reliably forecast, and the sale of these specific blocks is not expected to occur within the following 12 months from balance date. These properties are disclosed in the Property segment of note 28.

		CONSOLIDATED		PARENT ENTITY	
		31 JULY 09 $000	31 JULY 08 $000	31 JULY 09 $000	31 JULY 08 $000
NOTE 14: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD					
Investment in associated entities - listed	26	1,004,863	602,619	-	-
Investment in associated entities - unlisted		758	758	-	-
Investment in jointly controlled entities	27	127,959	136,878	-	-
		1,133,580	740,255	-	-
Market value of listed associates		1,124,836	1,134,798	-	-
NOTE 15: PROPERTY, PLANT AND EQUIPMENT					
Land					
Freehold land at cost		149,823	151,777	-	645
Leasehold land at cost		235	235	-	-
		150,058	152,012	-	645
Buildings					
At cost		122,638	139,587	-	-
Accum depreciation and impairment writedowns		40,777	36,730	-	-
		81,861	102,857	-	-
Plant and equipment					
At cost		374,366	444,210	-	-
Accum depreciation and impairment writedowns		216,678	214,202	-	-
		157,688	230,008	-	-
Add: capital works in progress		10,202	15,326	-	-
Total plant and equipment		167,890	245,334	-	-
		399,809	500,203	-	645

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (cont.)

The carrying value of assets that have been subject to recoverable amount write-downs, by class, are outlined below:

Buildings				
Assets subject to write-downs	2,784	-	-	-
Assets not subject to write-downs	79,077	102,857	-	-
	81,861	102,857	-	-
Plant and equipment				
Assets subject to write-downs	7,325	-	-	-
Assets not subject to write-downs	160,565	245,334	-	-
	167,890	245,334	-	-

The recoverable value of non-current assets has been assessed after considering the economic benefits to be derived over the remaining useful life.

The carrying amount of temporarily idle buildings, plant and equipment at 31 July 2009 was Nil (2008 $4.7 million).

(a) Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below.

Parent Entity

During the 2009 financial year, the sole block of land held by the parent entity valued at $645,000 was transferred to a wholly owned subsidiary at its book value.

Consolidated	**Land $000**	**Buildings $000**	**Plant & Equip. $000**	**Total $000**
At 1 August 2007				
Cost	205,912	130,364	449,924	786,200
Accumulated depreciation	-	(33,517)	(200,724)	(234,241)
Balance at 1 August 2007	205,912	96,847	249,200	551,959
Year ended 31 July 2008				
Additions	7,549	10,725	29,511	47,785
Assets acquired by purchase of subsidiary	3,627	-	9,878	13,505
Assets transferred to inventory	(57,324)	-	(15,634)	(72,958)
Disposals	(7,752)	(1,185)	(1,135)	(10,072)
Depreciation expense	-	(3,530)	(26,486)	(30,016)
Balance at 31 July 2008	152,012	102,857	245,334	500,203
Year ended 31 July 2009				
Additions	-	1,120	16,249	17,369
Assets transferred to inventory	165	(94)	191	262
Disposals	(2,119)	(968)	(43,795)	(46,882)
Impairment losses	-	(17,769)	(26,010)	(43,779)
Depreciation expense	-	(3,285)	(24,079)	(27,364)
Balance at 31 July 2009	150,058	81,861	167,890	399,809

NOTE 16: INTANGIBLE ASSETS

	CONSOLIDATED 31 JULY 09 $000	CONSOLIDATED 31 JULY 08 $000	PARENT ENTITY 31 JULY 09 $000	PARENT ENTITY 31 JULY 08 $000
Goodwill				
At cost	265,178	264,535	-	-
Less: impairment write-downs	-	-	-	-
	265,178	264,535	-	-
Timber access rights				
At cost	7,141	7,141	-	-
Less: accumulated amortisation	860	574	-	-
	6,281	6,567	-	-
Other intangibles				
At cost	5,946	5,711	-	-
Less: accumulated amortisation	5,306	5,300	-	-
	640	411	-	-
	272,099	271,513	-	-

(a) Reconciliations

Consolidated	Goodwill $000	Timber access rights $000	Other Intangibles $000	Total $000
At 1 August 2007				
Cost	261,454	7,141	5,300	273,895
Accumulated amortisation and impairment	-	(287)	(5,300)	(5,587)
Balance at 1 August 2007	261,454	6,854	-	268,308
Year ended 31 July 2008				
Additions	3,081	-	411	3,492
Amortisation / impairment charge	-	(287)	-	(287)
Balance at 31 July 2008	264,535	6,567	411	271,513
Year ended 31 July 2009				
Additions	643	-	235	878
Amortisation / impairment charge	-	(286)	(6)	(292)
Balance at 31 July 2009	265,178	6,281	640	272,099

(b) Intangible assets with indefinite useful lives

Timber access rights with a carrying value of $4.8 million (2008 $4.8 million) have been assessed as having an indefinite useful life. The main reason for this assessment is that although licences are subject to periodic renewal, the cost of the licence renewal is not significant compared to the future economic benefits obtainable under the licence, there is a history of renewals which are arranged by management as part of the normal operations of the business, there is a realistic expectation that all conditions for renewal will be successfully achieved, and if the licence was not renewed or substantially varied, the issuing authority would be liable to pay compensation to the Company.

The remaining timber access rights with an initial cost of $2.3 million are amortised over the life of the supply agreement, which was 8 years from acquisition.

The timber access rights have been allocated to the timber products Cash Generating Unit (CGU), which forms part of the building products segment.

NOTE 16: INTANGIBLE ASSETS (cont.)

(c) Impairment of Goodwill

Goodwill has been allocated for impairment testing purposes to the timber products CGU, and to a group of CGU's comprising the clay and concrete products operations. Combined, these CGUs represent the building products segment. The carrying amount of goodwill allocated to the clay and concrete products group of CGUs is significant, representing $263.3 million of the total balance of $265.2 million.

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five year period. These budgets use a combination of historical weighted average growth rates and externally sourced forecast housing approval data to project revenue. Costs are calculated taking into account historical gross margins, known cost increases (such as negotiated wage increases) as well as estimated weighted average inflation rates over the period that are consistent with inflation rates applicable to the locations in which the segments operate. Estimates beyond five years are calculated with a growth rate of 2.5% (2008 3.5%). This growth rate is considered reasonable having regard to current inflation rates, and the position in the building materials and construction cycle. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment. For the 2009 financial year the discount rate was 14.36% (2008 12.84%).

Management's assessment of the appropriateness of the carrying value of goodwill is based on key assumptions which may vary. Specifically, these are the discount rate (WACC) and the long term growth rate (LTGR). Given current volatility within financial markets generally, and the state of the Australian building industry, it is difficult to predict how these variables may move. At balance date, if the WACC was to increase by 0.52%, or the LTGR was to reduce by 0.47%, the carrying amount would equal its recoverable value.

		CONSOLIDATED		PARENT ENTITY	
		31 JULY 09 $000	31 JULY 08 $000	31 JULY 09 $000	31 JULY 08 $000
NOTE 17: PAYABLES					
(a) Current					
Trade payables and accruals		70,655	56,051	688	2,297
Deposits received on land sale agreements		17,600	17,019	-	-
		88,255	73,070	688	2,297
(b) Non-Current					
Deposits received on land sale agreements		-	2,047	-	-
Amounts owing to wholly owned subsidiaries	34	-	-	152,992	511
		-	2,047	152,992	511

Payables have carrying amounts that reasonably approximate fair value. Average terms on trade payables are 30 days from statement. Terms on land deposits generally match settlement terms on final sale.

NOTE 18: INTEREST BEARING LIABILITIES

(a) Current					
Commercial bills	29	67,000	98,000	67,000	98,000
Redeemable preference shares		-	164,865	-	164,865
		67,000	262,865	67,000	262,865
(b) Non-current					
Commercial bills	29	333,000	300,000	333,000	300,000

NOTE 18: INTEREST BEARING LIABILITIES (cont.)

(c) Commercial bills

Commercial bills are drawn under either a 12 month facility expiring in August 2010 or a 3 year facility, expiring in July 2011. The individual bills are drawn for periods of up to three months. Interest is payable based on floating rates determined with reference to the BBSY bid rate at each maturity.

The fair value of non-current commercial bills is approximately $303.9 million (2008 $275.2 million).

A portion of the borrowings are hedged using a fixed interest rate swap contract, details of which can be found in notes 19 and 29.

(d) Redeemable preference shares (PAVERS)

The PAVERS were bought back from the holders on the reset date of 1 December 2008, at their face value of $100 per PAVERS. The total amount paid to PAVERS holders was $165.0 million.

		CONSOLIDATED		PARENT ENTITY	
		31 JULY 09 $000	31 JULY 08 $000	31 JULY 09 $000	31 JULY 08 $000
NOTE 19: DERIVATIVE FINANCIAL INSTRUMENTS					
(a) Current					
Interest rate swap contract	29(h)	519	(486)	519	(486)
Forward exchange contracts		(8)	139	-	-
		511	(347)	519	(486)
(b) Non-Current					
Interest rate swap contract	29(h)	517	-	517	-

The interest rate swap is being used to hedge the exposure to changes in the interest rate payable on its commercial bills (refer note 18).

The forward exchange contracts are used to hedge exposure to changes in exchange rates on foreign currency purchases of goods and services.

NOTE 20: PROVISIONS

	CONSOLIDATED 31 JULY 09 $000	CONSOLIDATED 31 JULY 08 $000	PARENT ENTITY 31 JULY 09 $000	PARENT ENTITY 31 JULY 08 $000
(a) Current				
Employee benefits	15,565	14,976	-	300
Remediation	1,960	500	-	-
Product claims	478	613	-	-
Workers compensation	5,040	3,899	-	-
Other	2,305	2,107	-	-
	25,348	22,095	-	300
(b) Non-current				
Employee benefits	13,333	12,285	544	544
Remediation	11,726	1,275	-	-
	25,059	13,560	544	544

(c) Reconciliations

Consolidated	**Remediation**	**Product Claims**	**Workers Comp.**	**Other**
Year ended 31 July 2009				
Balance at the beginning of the year	1,775	613	3,899	2,107
Additional provisions recognised	12,041	384	3,517	198
Amounts used	(25)	(225)	(2,024)	-
Reversals of provisions	(105)	(294)	(352)	-
Balance at the end of the year	13,686	478	5,040	2,305
Current	1,960	478	5,040	2,305
Non-current	11,726	-	-	-
	13,686	478	5,040	2,305

NOTE 20: PROVISIONS (cont.)

(d) Descriptions

Provision for Remediation

A provision has been recognised for the estimated costs of restoring operational and quarry sites to their original state in accordance with relevant approvals. The settlement of this provision will occur as the operational site nears the end of its useful like, or once the resource allocation within the quarry is exhausted, which varies based on the size of the resource and the usage rate of the extracted material. In some cases this may extend decades into the future.

Provision for product claims

A provision has been recognised for estimated claims in respect of products sold. The provision has been based upon product rectification or replacement requests made known to the Group as at the end of the financial year. It is expected that this provision will be satisfied during the next financial year.

Provision for workers compensation

The Brickworks group self-insures for workers compensation in certain states. The provision has been based on independent actuarial calculations based on incidents reported before year end. The timing of the future outflows is dependant upon the notification and acceptance of relevant claims, and would be expected to be satisfied over a number of future financial periods.

Other provisions

Other provisions are made up from a number of sundry items.

	CONSOLIDATED		PARENT ENTITY	
	31 JULY 09 $000	31 JULY 08 $000	31 JULY 09 $000	31 JULY 08 $000
NOTE 21: NET DEFERRED TAXES				
Net deferred taxes	215,514	109,107	899	11,858
The balance comprises temporary differences attributable to:				
Equity accounted associates	223,710	115,811	-	10,678
Property, plant and equipment	12,704	23,661	-	-
Timber access rights	622	516	-	-
Provisions	(13,776)	(10,942)	(163)	(253)
Deposits received on land sale agreements	(5,107)	(5,684)	-	-
Land held for development and resale	(1,984)	(6,401)	-	-
Equity accounted joint ventures	-	(8,752)	-	-
Other sundry items	(655)	898	1,062	1,433
	215,514	109,107	899	11,858
NOTE 22: CONTRIBUTED EQUITY				
Fully paid ordinary shares	151,095	149,046	151,095	149,046
Reserved shares	(4,574)	(4,154)	(4,574)	(4,154)
	146,521	144,892	146,521	144,892

(a) Ordinary shares

	2009		2008	
	No. of Shares	Value $000	No. of Shares	Value $000
Opening balance	132,692,188	149,046	132,692,188	149,046
Shares issued during the year	179,862	2,049	-	-
Balance at end of year	132,872,050	151,095	132,692,188	149,046

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholder's meetings each share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 22: CONTRIBUTED EQUITY (cont.)

(a) Ordinary shares (cont.)

There have been no options issued or on issue at any time during or since the end of the financial year.

The parent does not have authorised capital nor par value in respect of its issued shares.

(b) Reserved Shares

	2009		2008	
	No. of Shares	Value $000	No. of Shares	Value $000
Opening balance	332,279	4,154	314,961	3,620
add: bonus shares purchased by share plan	211,445	2,374	182,383	2,498
less: bonus shares vested or forfeited during period	(166,689)	(1,954)	(165,065)	(1,964)
Balance at end of period	377,035	4,574	332,279	4,154

Reserved shares are those shares held by the employee share plans that have not vested to the participant at balance date. More information on the employee share plans is contained in note 33 of these financial statements.

NOTE 23: RESERVES

	CONSOLIDATED		PARENT ENTITY	
	31 JULY 09 $000	31 JULY 08 $000	31 JULY 09 $000	31 JULY 08 $000
(a) Composition of reserves				
- capital profits	88,102	88,102	84,479	84,479
- cash flow hedge	8	254	-	301
- equity adjustment	(39,964)	(41,067)	-	(146)
- general	36,125	36,125	11,645	11,645
- foreign currency translation	(1,624)	(1,360)	-	-
- associates	270,925	277,496	-	-
	353,572	359,550	96,124	96,279
(b) Reconciliations				
Capital profits reserve				
Balance at beginning of year	88,102	88,102	84,479	84,479
Transfer from / (to) retained earnings	-	-	-	-
Balance at end of year	88,102	88,102	84,479	84,479
Cash flow hedge reserve				
Balance at beginning of year	254	546	301	546
Transfer to balance sheet / income statement	(246)	(384)	(301)	(245)
Transfer from / (to) other reserves	-	92	-	-
Balance at end of year	8	254	-	301
Equity adjustments reserve				
Balance at beginning of year	(41,067)	(49,786)	(146)	(508)
Write back to profit on disposal of investment	(899)	-	-	-
Net adjustment to tax directly through equity	2,002	8,719	146	362
Balance at end of year	(39,964)	(41,067)	-	(146)
General reserve				
Balance at beginning of year	36,125	36,125	11,645	11,645
Transfer from / (to) retained earnings	-	-	-	-
Balance at end of year	36,125	36,125	11,645	11,645

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

	NOTE	CONSOLIDATED 31 JULY 09 $000	CONSOLIDATED 31 JULY 08 $000	PARENT ENTITY 31 JULY 09 $000	PARENT ENTITY 31 JULY 08 $000
NOTE 23: RESERVES (cont.)					
(b) Reconciliations (cont.)					
Foreign currency translation reserve					
Balance at beginning of year		(1,360)	155	-	-
Currency translation differences arising during the year		(264)	(1,515)	-	-
Balance at end of year		(1,624)	(1,360)	-	-
Associates reserve					
Balance at beginning of year		277,496	304,852	-	-
Share of associates transfer from / (to) retained earnings		(116)	454	-	-
Write back to profit on disposal of investment		(117)	-	-	-
Transfer from / (to) other reserves		-	(92)	-	-
Share of associates increment / (decrement) in reserve		(6,338)	(27,718)	-	-
Balance at end of year		270,925	277,496	-	-

(c) Descriptions

Capital profits reserve
The Capital profits reserve represents amounts allocated from Retained Profits that were profits of a capital nature.

Cash flow hedge reserve
The Cash flow hedge reserve includes the movements in fair values of derivatives.

Equity adjustments reserve
Equity adjustments reserve includes amounts for tax adjustments posted direct to equity.

General reserve
The General reserve represents amounts reserved for the future general needs of the operations of the entity.

Foreign currency translation reserve
The Foreign currency translation reserve represents differences on translation of foreign entity financial statements.

Associates reserve
The associates reserve represents Brickworks share of its associate's reserve balances. The Company is unable to control this reserve in any way, and does not have any ability or entitlement to distribute this reserve, unless it is received from its associates in the form of dividends.

NOTE 24: RETAINED PROFITS

	NOTE	CONSOLIDATED 31 JULY 09 $000	CONSOLIDATED 31 JULY 08 $000	PARENT ENTITY 31 JULY 09 $000	PARENT ENTITY 31 JULY 08 $000
Retained profits at the beginning of the year		609,027	547,295	60,353	103,816
Net profit after related income tax expense		305,215	101,478	101,545	7,624
Dividends paid	6	(40,851)	(40,257)	(51,821)	(51,087)
Aggregate of amounts transferred to reserves		116	(454)	-	-
Share of associate's increase in equity interests of controlled entities		-	965	-	-
Share of associate's transfer to outside equity interests		(2,152)	-	-	-
Retained profits at the end of the year		871,355	609,027	110,077	60,353

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 25: CASH FLOW INFORMATION

	Note	CONSOLIDATED 31 JULY 09 $000	CONSOLIDATED 31 JULY 08 $000	PARENT ENTITY 31 JULY 09 $000	PARENT ENTITY 31 JULY 08 $000
(a) Reconciliation of cash flow from operations to net profit after tax					
Net profit after tax		305,215	101,478	101,545	7,624
Non-cash flows in net profit					
Amortisation of intangible assets		292	287	-	-
Amortisation of borrowing costs		135	640	135	640
Depreciation of non-current assets		27,364	30,016	-	-
Write down of property, plant and equipment to recoverable value		43,779	-	-	-
(Profits) / losses on disposal of property, plant and equipment		(2,131)	(35,029)	-	-
(Profits) / losses on sale of investments		10,808	-	10,808	-
Non cash profit on sale of land held for resale		-	14,728	-	-
Share of profits of associates not received as dividends		(431,937)	(41,131)	-	-
Changes in assets and liabilities net of the effects of purchase of subsidiaries					
(Increase) / decrease in trade and sundry debtors		11,983	(638)	-	94
(Increase) / decrease in inventories		(10,827)	(3,857)	-	-
(Increase) / decrease in land held for resale		48,311	6,360	-	-
(Increase) / decrease in prepayments		567	(1,614)	828	(2,670)
(Increase) / decrease in share trading portfolio		7	58	-	-
(Increase) / decrease in treasury stock		(420)	(534)	(420)	(534)
Increase / (decrease) in creditors and accruals		14,001	(5,823)	(100,387)	(3,194)
Increase / (decrease) in taxes payable		(13,754)	10,446	(16,548)	(30,207)
Increase / (decrease) in other current provisions		3,254	(5,824)	(300)	300
Increase / (decrease) in other non-current provisions		11,499	(1,082)	-	(300)
Increase / (decrease) in other non-current liabilities		-	(240)	-	-
Increase / (decrease) in deferred tax liabilities		113,821	912	(10,813)	448
Net cash flows from / (used in) operating activities		131,967	69,153	(15,152)	(27,799)
(b) Reconciliation of cash Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:					
Cash	8	17,916	37,808	1,361	15,852
Bank overdraft		-	-	-	-
		17,916	37,808	1,361	15,852

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 26: ASSOCIATED COMPANIES

Information relating to significant associates:

	Ownership interest		Carrying value		Profit contribution	
Name	**2009 %**	**2008 %**	**2009 $000**	**2008 $000**	**2009 $000**	**2008 $000**
Washington H Soul Pattinson & Co Ltd	42.85	42.85	1,004,863	531,520	484,700	22,583
Brickworks Investment Company Ltd	-	17.78	-	71,099	(527)	4,100
			1,004,863	602,619	484,173	26,683

Washington H. Soul Pattinson & Co Ltd (WHSP) is involved in coal, pharmaceutical, telecommunications and investment. WHSP's balance date is 31 July annually. At balance date WHSP owned 49.40% (2008 49.47%) of issued ordinary shares of Brickworks Ltd. WHSP is incorporated in Australia.

Brickworks Investment Co Ltd (BKI) is a listed investment company. It has a reporting date of 30 June, and information for this entity is based on the reported financial information for the year ended 30 June 2009 by that entity. Brickworks Ltd sold its shareholding in BKI on 17 February 2009.

	CONSOLIDATED	
	31 JULY 09 $000	**31 JULY 08 $000**
(a) Summarised share of associates financial information		
Current assets	1,286,293	211,441
Non-current assets	698,833	712,320
	1,985,126	923,761
Current liabilities	361,375	39,933
Non-current liabilities	109,091	86,523
	470,466	126,456
Net assets	1,514,660	797,305
Outside equity interest	507,495	190,757
	1,007,165	606,548
Revenue	332,067	296,081
Profit before income tax	1,142,807	46,447
Income tax expense	(339,278)	(15,919)
Outside equity interest	(316,491)	(3,845)
Profit after income tax	487,038	26,683
(b) Share of associates' expenditure commitments		
Capital commitments	- *	7,415
Lease commitments	- *	31,858
	-	39,273

The entity has no legal liability for any expenditure commitments incurred by associates.
* Note: Associated company (WHSP) figures for 2009 were not publicly available at the time of preparation of this report.

(c) Contingent liabilities of associates		
Share of contingent liabilities incurred jointly with other investors	- *	6,827

The entity has no legal liability for any contingent liabilities incurred by associates.
* Note: Associated company (WHSP) figures for 2009 were not publicly available at the time of preparation of this report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 27: JOINTLY CONTROLLED ENTITIES

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

Name	Ownership interest 2009 %	Ownership interest 2008 %	Carrying value 2009 $000	Carrying value 2008 $000	Profit contribution 2009 $000	Profit contribution 2008 $000
BGAI CDC Trust	50.00	50.00	18,440	27,799	(11,297)	13,492
BGAI Erskine Trust	50.00	50.00	47,077	54,347	(5,155)	9,639
BGAI TTP Trust	50.00	50.00	7,684	9,610	(2,358)	1,529
BGAI Capicure Trust	50.00	50.00	4,183	2,462	389	-
BGAI Heritage Trust	50.00	50.00	12,453	10,878	(960)	-
BGAI Oakdale Trust	50.00	50.00	30,978	30,978	-	-
BGAI Wacol Trust	50.00	n/a	6,158	n/a	(1,253)	-
Other jointly controlled entities			986	804	161	723
Fair value adjustments on completion of developments					7,277	23,137
			127,959	136,878	(13,196)	48,520

The principal activity of each of the above JV's is property management and leasing. They all have balance dates of 30 June, as the other partner in the JV has this balance date. Each of the above entities are incorporated in Australia.

The profit contribution includes all fair value adjustments (including impairments) to Investment properties totalling $32.2 million. Refer note 3(b) for more detail on these profits.

	CONSOLIDATED 31 JULY 09 $000	CONSOLIDATED 31 JULY 08 $000
(a) Summarised share of JV's financial information		
Current assets	3,976	2,537
Non-current assets	319,187	316,589
	323,163	319,126
Current liabilities	2,244	23,776
Non-current liabilities	203,246	165,824
	205,490	189,600
Net assets	117,673	129,526
Revenues	4,143	4,143
Profit before income tax	(20,472)	25,383
Income tax expense	-	-
Profit after income tax	(20,472)	25,383
(b) Share of JV's expenditure commitments		
Capital commitments	694	34,353
Lease commitments	-	-
	694	34,353

The entity has no legal liability for any expenditure commitments incurred by JV's.

(c) Contingent liabilities of JV's		
Share of contingent liabilities incurred jointly with other investors	-	-

The entity has no legal liability for any contingent liabilities incurred by JV's.

NOTE 28: SEGMENT INFORMATION

(a) Business segments

The business segments are the primary reporting segments.

	Building Products		Property		Investments		Consolidated	
	31 JULY 09 $000	31 JULY 08 $000	31 JULY 09 $000	31 JULY 08 $000	31 JULY 09 $000	31 JULY 08 $000	31 JULY 09 $000	31 JULY 08 $000
REVENUE								
Segment revenue from sales to external customers	489,253	519,986	102,982	32,983	1,276	747	593,511	553,716
RESULT								
Segment EBITDA	64,682	83,913	40,639	93,659	95,425	36,928	200,746	214,500
Less depreciation and amortisation	(27,656)	(30,303)	-	-	-	-	(27,656)	(30,303)
Segment EBIT	**37,026**	**53,610**	**40,639**	**93,659**	**95,425**	**36,928**	**173,090**	**184,197**
(Less) / add non-regular items	(67,478)	-	(24,716)	-	379,208	(9,563)	287,014	(9,563)
Segment result	(30,452)	53,610	15,923	93,659	474,633	27,365	460,104	174,634
Unallocated expenses								
Finance costs							(36,348)	(37,286)
Other unallocated expenses							(7,271)	(6,135)
Profit before income tax							416,485	131,213
Income tax expense							(111,270)	(29,735)
Profit after income tax							305,215	101,478
ASSETS								
Segment assets	918,135	1,013,636	209,048	279,697	1,006,248	618,506	2,133,431	1,911,839
Unallocated assets							1,841	3,156
Total assets							2,135,272	1,914,995
LIABILITIES								
Segment liabilities	117,517	87,093	19,904	20,540	-	-	137,421	107,633
Unallocated liabilities							626,403	693,893
Total liabilities							763,824	801,526
OTHER								
Aggregate share of the profit of investments accounted for using the equity method	164	185	(13,360)	48,335	484,173	26,683	470,977	75,203
Aggregate carrying amount of investments accounted for using the equity method	1,744	1,562	126,973	136,074	1,004,863	602,619	1,133,580	740,255
Acquisition of non-current segment assets	18,012	64,373	1,920	2,166	-	-	19,932	66,539
Non-cash expenses other than depreciation & amortisation	90,447	17,733	-	-	-	-	90,447	17,733

NOTE 28: SEGMENT INFORMATION (cont.)

(a) Business Segments (cont.)

The economic entity has the following three business segments:

Building products division manufactures vitrified clay, concrete and timber products used in the building industry. Major product lines include bricks, blocks, pavers, roof tiles, floor tiles, and timber products used in the building industry.

Property division considers further opportunities to better utilise land owned by the Brickworks Group.

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.

Geographical Segments

The Group has one geographical business segment, Australia, with some product manufactured by the clay products division exported to countries within South-East Asia and New Zealand. Total revenue from sales outside of Australia in the 12 months ended 31 July 2009 was $10.7 million (2008 $17.1 million).

NOTE 29: FINANCIAL INSTRUMENTS

(a) Capital Management

The Brickworks Group manages its capital to ensure that all entities in the Group can continue as going concerns, while striving to maximise returns to shareholders through an appropriate balance of net debt and total equity. The balance of capital can be influenced by the level of dividends paid, the issuance of new shares, returns of capital to shareholders, or adjustments in the level of borrowings through the acquisition or sale of assets.

Brickworks capital structure is regularly measured using the gearing ratio, calculated as net debt divided by (net debt plus total equity). Net debt is calculated as total borrowings (note 18) less cash and cash equivalents (note 8), and total equity of the parent entity includes issued capital (note 22), reserves (note 23) and retained earnings (note 24).

The Group's strategy during the year was to maintain the gearing ratio (at the consolidated level) within a target range of 20% to 45%. These targets are the same as in prior years.

	CONSOLIDATED	
	31 JULY 09 $000	**31 JULY 08 $000**
Gearing ratio calculation		
Net debt	382,084	525,057
Total equity	1,371,448	1,113,469
Gearing ratio	21.8%	32.0%

The group is not subject to any externally imposed capital requirements.

(b) Financial Risk Management

The Group's activities expose it to a variety of financial risks, primarily to the risk of changes in interest rates, but also, to a lesser extent, credit risk of third parties with which the group trades and fluctuations in foreign currency exchange rates. The Group's overall risk management program seeks to minimise any significant potential adverse effects on the financial performance of the Group. Where approved by the Board, certain derivative financial instruments such as interest rate swaps or foreign exchange contracts may be used to hedge certain risk exposures. The Brickworks Group derivative policy prohibits the use of derivative financial instruments for speculative purposes.

(c) Terms, conditions and accounting policies

Details of the accounting policies adopted in relation to financial instruments are included in the summary of significant accounting policies to the accounts. Information regarding the significant terms and conditions of each significant category of financial instruments are included within the relevant note for that category.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 29: FINANCIAL INSTRUMENTS (cont.)

(d) Financial assets and liabilities by category

Details of financial assets and liabilities as contained in the annual report are as follows:

		CONSOLIDATED		PARENT ENTITY	
		31 JULY 09 $000	31 JULY 08 $000	31 JULY 09 $000	31 JULY 08 $000
Financial assets and liabilities by category					
Financial Assets					
Cash and cash equivalents	8	17,916	37,808	1,361	15,852
Loans and receivables - current	9(a)	68,747	83,428	-	-
Loans and receivables - non-current	9(b)	200	200	717,708	630,858
Total Loans and receivables		68,947	83,628	717,708	630,858
Held for trading assets at fair value through profit and loss	10	23	30	-	-
Other financial assets	11	-	-	193,698	248,437
Derivative financial assets	19	1,028	(347)	1,036	(486)
Total financial assets		87,914	121,119	913,803	894,661
Financial Liabilities					
Other financial liabilities					
Payables - current	17(a)	88,255	73,070	688	2,297
Payables - non-current	17(b)	-	2,047	152,992	511
Interest bearing liabilities - current	18(a)	67,000	262,865	67,000	262,865
Interest bearing liabilities - non-current	18(b)	333,000	300,000	333,000	300,000
Total other financial liabilities		488,255	637,982	553,680	565,673
Total financial liabilities		488,255	637,982	553,680	565,673

Fair values of financial assets and liabilities are disclosed in the notes to the accounts where those items are listed.

(e) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The credit risk on liquid funds and derivative financial instruments is considered low because these assets are held with banks with high credit ratings assigned by international credit-rating agencies.

The maximum exposure to trade credit risk at balance date to recognised financial assets is the carrying amount net of provision for doubtful debts, as disclosed in the balance sheet and notes to the financial statements. The Brickworks Group debtors are based in the building and construction industry, however the Group minimises its concentration of credit risk by undertaking transactions with a large number of customers. The Group ensures there is not a material credit risk exposure to any single debtor.

The Group holds no significant collateral as security, and there are no other significant credit enhancements in respect of these financial assets. The credit quality of financial assets that are neither past due nor impaired is appropriate, and is reviewed regularly to identify any potential deterioration in the credit quality. There are no significant financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

(f) Liquidity risk

The Brickworks Group manages liquidity risk by maintaining a combination of adequate cash reserves, bank facilities and reserve borrowing facilities, continuously monitored through forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities.

Details of credit facilities available to the Group, and the amounts utilised under those facilities, are as follows:

Unused credit facilities				
Credit facilities	483,000	600,000	483,000	600,000
Amount utilised	400,000	398,000	400,000	398,000
Unused credit facility	83,000	202,000	83,000	202,000

NOTE 29: FINANCIAL INSTRUMENTS (cont.)

(f) Liquidity risk (cont.)

The Group has a $483.0 million (2008 $600.0 million) unsecured variable interest rate facility in place with a syndicate of Australian and overseas banks. The facility is made up of three tranches: a $150.0 million 364 day revolving tranche (classified as current on the balance sheet); a $300.0 million term tranche (fully drawn) which expires in July 2011; and a $33.0 million tranche (fully drawn) which expires in July 2011 (2008 $150.0 million expiring July 2009 not drawn). The $300.0 million tranche and $33.0 million tranche are both classified as non-current on the balance sheet.

These facilities are subject to various terms and conditions, including various negative pledges regarding the operations of the Group, and covenants that must be satisfied at specific measurement dates. A critical judgement is that the Group will continue to meet its criteria under these banking covenants to ensure that there is no right for the banking syndicate to require settlement of the facility in the next 12 months. Accordingly, the tranche expiry in July 2011 is classified as non-current in the balance sheet.

An analysis of the maturity profiles of the Group's undiscounted financial liabilities, based on contractual maturity and obligated payments, is as follows:

		CONSOLIDATED		PARENT ENTITY	
		31 JULY 09 $000	31 JULY 08 $000	31 JULY 09 $000	31 JULY 08 $000
Liquidity risk maturity analysis					
1 year or less					
Trade and other payables	17(a)	88,255	73,070	688	2,297
Commercial bills	18(a)	69,131	105,605	69,131	105,605
Redeemable preference shares	18(a)	-	170,461	-	170,461
Total 1 year or less		157,386	349,136	69,819	278,363
1 to 5 years					
Trade and other payables	17(b)	-	2,047	152,992	511
Commercial bills	18(b)	354,179	369,840	354,179	369,840
Total 1 to 5 years		354,179	371,887	507,171	370,351

(g) Currency risk

The Brickworks group does not have any material exposure to unhedged foreign currency receivables. Export sales are all made through Australian agents or direct to overseas customers using Australian Dollars or letters of credit denominated in Australian Dollars. The trading of the Group's foreign subsidiary, which is in New Zealand dollars (NZD) is not material to the Group as a whole. Accordingly, any reasonably foreseeable fluctuation in the exchange rate of the NZD would not have a material impact on either profit after tax or equity of the Brickworks group.

The group has a limited exposure to foreign currency fluctuations due to its importation of goods. The main exposure is to US dollars (USD). It is the policy of the group to enter into forward foreign exchange contracts to cover specific currency payments, as well as covering anticipated purchases for up to 12 months in advance. The overall level of exposure to foreign currency purchases is not material to the group. Accordingly, any reasonably foreseeable fluctuation in the exchange rate of the USD would not have a material impact on either profit after tax or equity of the Brickworks group.

(h) Interest rate risk

Brickworks' significant interest rate risk arises from fluctuations in the BBSY bid rate relating to Brickworks long and short term borrowings. Primarily, the exposure to interest rate risk is on the variable interest rate facility referred to in note 29 (f) above.

The Brickworks Group manages its exposure to interest rate risk within the Group's derivative policy. The Group uses interest rate derivatives, where appropriate, to eliminate some of the risk of movements in interest rates on borrowings, and increase certainty around the cost of borrowed funds. The policy has target ranges for fixed interest rate borrowings.

At balance date, approximately 12.5% ($50.0 million) of Brickworks total bank borrowings was at risk from fluctuations in interest rates (2008 84.9%, $338.0 million).

The Brickworks group variable interest rate facility currently drawn to $400.0 million (2008 $398.0 million) is a floating rate facility determined with reference to the BBSY bid rate at each bill maturity date. The effective weighted interest rate current on the bills borrowed under this facility at balance date is 4.66% (2008 7.71%).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 29: FINANCIAL INSTRUMENTS (cont.)

(h) Interest rate risk (cont.)

At 31 July 2009, if interest rates had been +/- 1% per annum throughout the year, with all other variables being held constant, the operating profit after income tax for the year would have been $2.4 million higher or lower respectively (2008 $3.1 million higher / lower). There would not have been any other significant impacts on equity. As all borrowings in the Group are held by the Parent Entity, the impact would be the same for Brickworks Ltd as for the Group.

Cash flow hedge

The Brickworks group has entered into interest rate swaps contracts which allow the Group to raise borrowings at floating rates and effectively swap them into a fixed rate (average rate 4.54%, 2008 6.16%). The contracts require settlement of net interest receivable or payable usually around 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying long term debt and are brought to account as an adjustment to borrowing costs.

The notional principal amounts reduce from $350.0 million over the next five years (2008 $60.0 million over one year) as detailed below:

Settlement	2009 Avg %	2008 Avg %	2009 $000	2008 $000
Less than 1 year	4.54	6.16	75,000	60,000
1 to 3 years	5.28	-	175,000	-
3 to 5 years	5.20	-	50,000	-
Over 5 years	6.10		50,000	-
Total notional principal at balance date			350,000	60,000

The hedge at 31 July 2008 was designated as an effective cash flow hedge, and as a result the fair value of the hedge was recognised directly in equity through the cash flow hedge reserve. The hedges in place at 31 July 2009 are not hedge accounted, and the fair value of the hedges is recognised in profit.

Financial Assets

Interest rates on money market instruments (deposits) vary with current short term bank bill rate movements. At balance date, the effective weighted interest rates on these financial assets was 2.77% (2008 7.08%).

There are no other financial assets with exposure to interest rate risk.

(i) Other price risk

The Brickworks group does not have material direct exposure to equity price risk, as the value of the share trading portfolio is insignificant, and hence any fluctuation in equity prices would not be material to either profit after tax or equity of the Brickworks group.

Brickworks has significant indirect exposure to equity price risk through its investment in WHSP. Although this investment is accounted for as an equity accounted investment, WHSP has a significant listed investment portfolio which is accounted for at fair value through equity, and contribute to the profit on subsequent disposal. As a result, fluctuations in equity prices would potentially impact on both net profit after tax (where portions of the portfolios are traded) and equity (for balances held at the end of the period) which would result in adjustments to Brickworks net profit after tax and equity.

At the time of preparing this report, there was no publicly available information regarding the effects of any reasonably foreseeable fluctuations in equity values on net profit or equity of WHSP at 31 July 2009.

NOTE 30: CONTROLLED ENTITIES

(a) List of significant controlled entities

Details of the significant wholly owned entities within the Brickworks Group of companies is as follows. There are other wholly owned subsidiaries not included in this list as they are individually insignificant to the Group. All wholly owned entities within the Group have been consolidated into these financial statements.

Controlled entities incorporated in Australia	**ABN**	**Parent Entity's Interest**	
		2009	**2008**
		%	**%**
A.C.N. 125 934 938 Pty Ltd	81 125 934 938	100.0	100.0
A.C.N. 125 934 947 Pty Ltd	83 125 934 947	100.0	100.0
Austral Bricks (NSW) Pty Ltd	60 125 934 849	100.0	100.0
Austral Bricks (QLD) Pty Ltd	62 125 934 858	100.0	100.0
Austral Bricks (SA) Pty Ltd	66 125 934 876	100.0	100.0
Austral Bricks (Tasmania) Pty Ltd	14 009 501 053	100.0	100.0
Austral Bricks (VIC) Pty Ltd	64 125 934 867	100.0	100.0
Austral Bricks (WA) Pty Ltd	34 079 711 603	100.0	100.0
Austral Bricks Holdings Pty Ltd	55 120 364 365	100.0	100.0
Austral Masonry (QLD) Pty Ltd	30 000 646 695	100.0	100.0
Auswest Timbers (ACT) Pty Ltd	34 087 808 811	100.0	100.0
Auswest Timbers Finance Pty Ltd	53 108 239 925	100.0	100.0
Auswest Timbers Holdings Pty Ltd	51 120 364 347	100.0	100.0
Auswest Timbers Pty Ltd	28 071 093 591	100.0	100.0
Bowral Brickworks Pty Ltd	39 000 165 579	100.0	100.0
Brickworks Building Products Pty Ltd	63 119 059 513	100.0	100.0
Brickworks Building Products (NZ) Pty Ltd	64 076 976 880	100.0	100.0
Brickworks Head Holding Co Pty Ltd	95 120 360 036	100.0	100.0
Brickworks Industrial Developments Pty Ltd	47 120 364 329	100.0	100.0
Brickworks Properties Pty Ltd	12 094 905 996	100.0	100.0
Brickworks Sub Holding Co No. 1 Pty Ltd	89 120 360 009	100.0	100.0
Brickworks Sub Holding Co No. 2 Pty Ltd	61 120 364 392	100.0	100.0
Brickworks Sub Holding Co No. 3 Pty Ltd	59 120 364 383	100.0	100.0
Brickworks Sub Holding Co No. 4 Pty Ltd	57 120 364 374	100.0	100.0
Brickworks Sub Holding Co No. 5 Pty Ltd	16 125 922 821	100.0	100.0
Brickworks Sub Holding Co No. 6 Pty Ltd	18 125 922 830	100.0	100.0
Brickworks Sub Holding Co No. 7 Pty Ltd	97 125 922 849	100.0	100.0
Brickworks Sub Holding Co No. 8 Pty Ltd	99 125 922 858	100.0	100.0
Bristile Guardians Pty Ltd	40 079 711 630	100.0	100.0
Bristile Holdings Pty Ltd	32 008 668 540	100.0	100.0
Bristile Pty Ltd	19 056 541 096	100.0	100.0
Bristile Roofing (East Coast) Pty Ltd	77 090 775 634	100.0	100.0
Bristile Roofing Holdings Pty Ltd	49 120 364 338	100.0	100.0
Christies Sands Pty Ltd	63 007 635 529	100.0	100.0
Clifton Brick (Queanbeyan) Pty Ltd	52 000 602 531	100.0	100.0
Clifton Brick Holdings Pty Ltd	83 004 493 181	100.0	100.0
Clifton Brick Manufacturers Pty Ltd	63 004 529 104	100.0	100.0
Davman Builders Pty Ltd	66 004 434 342	100.0	100.0
Dry Press Publishing Pty Ltd	93 000 002 979	100.0	100.0
Eureka Tiles Australia Pty Ltd	38 000 012 340	100.0	100.0
Eureka Tiles Holdings Pty Ltd	53 120 364 356	100.0	100.0
Eureka Tiles Pty Ltd	82 074 202 592	100.0	100.0
Evans Brothers (Bricks) Pty Ltd	76 004 372 454	100.0	100.0
Evans Brothers Pty Ltd	51 004 096 137	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 30: CONTROLLED ENTITIES (cont.)

(a) List of significant controlled entities (cont.)

Controlled entities incorporated in Australia	ABN	Parent Entity's Interest 2009 %	Parent Entity's Interest 2008 %
Hallett Brick Pty Ltd	20 007 622 317	100.0	100.0
Hallett Roofing Services Pty Ltd	93 007 880 220	100.0	100.0
Horsley Park Holdings Pty Ltd	65 008 392 014	100.0	100.0
Hutton's Bricks (Manufacturers) Pty Ltd	58 009 477 463	100.0	100.0
International Brick & Tile Pty Ltd	31 003 281 123	100.0	100.0
J. Hallett & Son Pty Ltd	40 007 870 779	100.0	100.0
Metropolitan Brick Company Pty Ltd	13 008 666 840	100.0	100.0
N.R.T. Pty Ltd	22 004 047 849	100.0	100.0
Newthorpe Pty Ltd	34 111 744 640	100.0	100.0
Nubrik (NRT) Pty Ltd	18 000 041 485	100.0	100.0
Nubrik Concrete Masonry Pty Ltd	29 004 767 113	100.0	100.0
Nubrik Pty Ltd	59 004 028 559	100.0	100.0
Pilsley Investments Pty Ltd	70 008 768 330	100.0	100.0
Prestige Brick Pty Ltd	24 009 266 273	100.0	100.0
Prestige Equipment Pty Ltd	68 006 727 920	100.0	100.0
Ralph Brittain & Company Pty Ltd	61 009 687 709	100.0	100.0
Southern Bricks Pty Ltd	83 007 749 840	100.0	100.0
Team Securities Pty Ltd	65 005 079 167	100.0	100.0
Terra Timbers Pty Ltd	93 091 183 050	100.0	100.0
The Austral Brick Co Pty Ltd	52 000 005 550	100.0	100.0
The Warren Brick Co Pty Ltd	24 000 006 682	100.0	100.0
Triffid Investments Pty Ltd	41 065 439 045	100.0	100.0
Visigoth Pty Ltd	72 076 286 710	100.0	100.0
Vitclay Pipes Pty Ltd	98 004 209 732	100.0	100.0

(b) Controlled entities acquired

There were no entities acquired during the 2009 financial year.

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

	2008 $000
Cost of acquisition	
Cash paid	16,093
Direct costs relating to the acquisition	816
Total payments made on acquisition	16,909
Value of investments surrendered	356
Total cost of acquisition	17,265
Net assets acquired	
Inventory	756
Purchased intangibles	285
Property, plant & equipment	13,505
Goodwill	2,740
Employee entitlements assumed	(21)
Fair value of net assets acquired	17,265
Contribution to net profit before tax for the year ended 31 July 2008	510

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 30: CONTROLLED ENTITIES (cont.)

(c) Controlled entities disposed of
There were no controlled entities within the Group that were disposed of during the period.

(d) Closed group
A deed of cross-guarantee between Brickworks Ltd and a number of its subsidiaries (the "closed group") was enacted during the 2007 financial year and relief was obtained from preparing a financial report for those subsidiaries under an ASIC instrument of relief under subsection 340(i) of the Corporations Act 2001. Under the deed, Brickworks guarantees to support the liabilities and obligations of those subsidiaries. The controlled entities have also given a similar guarantee. For details of those entities covered under the deed, refer to note 30 (a). The members of the closed group and the parties to the deed of cross guarantee are identical. The following are the aggregate totals, for each category, relieved under the deed.

	CLOSED GROUP	
	31 JULY 2009	**31 JULY 2008**
	$000	**$000**
CONSOLIDATED INCOME STATEMENT		
Profit before income tax expense	432,872	108,024
Income tax expense	(110,282)	(22,777)
Profit after income tax expense	322,590	85,247
RETAINED PROFITS		
Retained profits at the beginning of the year	598,746	553,245
Profit after income tax expense	322,590	85,247
Dividends paid	(40,850)	(40,257)
Share of associate’s increase in equity interests of controlled entities	-	965
Share of associate’s transfer to outside equity interests	(2,152)	-
Aggregate of amounts transferred to reserves	116	(454)
Retained profits at the end of the year	878,450	598,746

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 30: CONTROLLED ENTITIES (cont.)
(d) Closed group (cont.)

	CLOSED GROUP	
	31 JULY 2009	31 JULY 08
	$000	$000
CONSOLIDATED BALANCE SHEET		
CURRENT ASSETS		
Cash assets	17,916	37,808
Receivables	66,933	80,781
Held for trading financial assets	23	30
Inventories	142,519	134,573
Land held for resale	50,461	95,108
Prepayments	4,737	4,314
TOTAL CURRENT ASSETS	282,589	352,614
NON-CURRENT ASSETS		
Receivables	150,487	144,425
Other financial assets	10,000	10,000
Inventories	8,699	7,230
Land held for resale	30,722	34,649
Investments accounted for using the equity method	1,006,607	603,412
Property, plant and equipment	386,549	481,945
Intangibles	272,099	271,514
Other	704	1,792
TOTAL NON-CURRENT ASSETS	1,865,867	1,554,967
TOTAL ASSETS	2,148,456	1,907,581
CURRENT LIABILITIES		
Payables	85,848	70,550
Interest-bearing liabilities	67,000	262,865
Derivative financial instruments	511	-
Current tax liabilities	5,728	18,526
Provisions	25,160	21,837
TOTAL CURRENT LIABILITIES	184,247	373,778
NON-CURRENT LIABILITIES		
Payables	-	2,047
Interest-bearing liabilities	333,000	300,000
Derivative financial instruments	517	(347)
Provisions	25,059	13,314
Deferred tax liabilities	225,910	117,656
TOTAL NON-CURRENT LIABILITIES	584,486	432,670
TOTAL LIABILITIES	768,733	806,448
NET ASSETS	1,379,723	1,101,133
EQUITY		
Contributed equity	146,521	144,892
Reserves	354,752	357,495
Retained profits	878,450	598,746
TOTAL EQUITY	1,379,723	1,101,133

NOTE 31: CONTINGENT LIABILITIES

Contingent liabilities at balance date not provided for in these financial statements:

	CONSOLIDATED		PARENT ENTITY	
	31 JULY 09	31 JULY 08	31 JULY 09	31 JULY 08
	$000	$000	$000	$000
Bank guarantees issued in the ordinary course of business	16,906	16,971	6,834	10,824

The Directors do not anticipate that any of the bank guarantees issued on behalf of the Group will be called upon.

Members of the economic entity are parties to various legal actions against them that are not provided for in the financial statements. These actions are being defended and the directors do not anticipate that any of these actions will result in material adverse consequences for the Company or the Consolidated Entity.

NOTE 32: CAPITAL AND LEASING EXPENDITURE COMMITMENTS

Capital projects contracted for but not provided for at balance date				
Payable not later than one year	5,977	17,043	-	-

The capital commitments relate to contracts to supply or construct buildings or various items of plant and equipment for use in the building products segment of the business.

Operating lease commitments				
Non-cancellable operating leases contracted for but not capitalised in the financial statements	67,438	10,780	-	-
Payable				
- not later than one year	14,459	3,095	-	-
- later than one year but not later than five years	30,061	6,273	-	-
- later than five years	22,918	1,412	-	-
	67,438	10,780	-	-

Operating leases are for the rental of land (used for sales and display centres), manufacturing equipment and motor vehicles. The leases are non-cancellable with rent payable monthly in advance.

Leases for properties are on terms of between 3 and 10 years, with renewal options of similar lengths. Some of the operating leases contain contingent rental provisions that state the minimum lease payments shall be increased by the higher of CPI or a given percentage per annum. The highest such percentage increase is 5%.

NOTE 33: EMPLOYEE SHARE PLANS

(a) Salary sacrifice arrangements
Brickworks Ltd has an employee share ownership plan, which allows all employees who have achieved 3 months service with the Group to purchase Brickworks Ltd shares, using their own funds plus a contribution of up to $500 from the Company. Following the changes to the taxing of Employee Share Plans announced in the May 2009 Federal Budget, monthly contributions to the Brickworks Employee Share Plan were suspended. As legislative changes have become more certain, Brickworks is considering the reinstatement of the salary sacrifice portions of the Employee Share Plans. All shares acquired under salary sacrifice arrangements are fully paid ordinary shares, purchased on-market under an independent trust deed.

At 31 July 2009, the Brickworks Employee Share Plans had 474 members taking part who owned a combined 904,945 shares or 0.68% of issued ordinary capital (2008 469 members, 817,744 shares, 0.55%). This represented shares purchased under the salary sacrifice arrangements described above, as well as shares held as part of the Brickworks equity based compensation plans shown below.

(b) Equity-based compensation plans
The following table shows the number of fully paid ordinary shares held by the Brickworks Deferred Employee Share Plan that had been granted as remuneration. This table does not include any shares held in the plan that were purchased by the employee under the salary sacrifice arrangements described above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

NOTE 33 EMPLOYEE SHARE PLANS (cont.)

(b) Equity-based compensation plans (cont.)

	Opening Balance	Granted	Vested	Forfeited / Withdrawn	Closing Balance
Unvested					
Granted Sept 04	16,212	-	(15,747)	(465)	-
Granted Sept 05	56,939	-	(27,483)	(1,864)	27,592
Granted Sept 06	111,235	-	(32,650)	(8,489)	70,096
Granted Sept 07	143,641	-	(34,966)	(3,679)	104,996
Granted Sept 08	-	211,445	(42,170)	(394)	168,881
Total unvested	328,027	211,445	(153,016)	(14,891)	371,565
Vested	263,981	-	153,016	(139,331)	277,666
Total	592,008	211,445	-	(154,222)	649,231

The amount recognised in the Income Statement in relation to equity based compensation arrangements for the year ended 31 July 2009 was $1,953,897 (2008 $1,964,380).

The unvested shares vest to employees at 20% per year for each of the following 5 years, provided ongoing employment is maintained. Unvested shares are unavailable for trading by the employee.

The fair value of vested shares held by the share plan at 31 July 2009 was $5,270,350 (2008 $3,141,374), based on the closing share price at 31 July 2009 ($12.85 per share) (2008 $11.90 per share). The fair value of shares granted during the period was $2,423,844 (2008 $2,503,713), based on the price paid for these shares when they were acquired on market.

All shares granted by the Company provide dividend and voting rights to the employee.

More information regarding the Brickworks Employee Share Plans is outlined in the Remuneration Report included in the Director's Report.

NOTE 34: RELATED PARTIES

(a) Key management personnel shareholdings

Directors

	Held 31 July 2008	Granted as Remuneration	Net change Other	Shares Disposed of	Held 31 July 2009
ORDINARY SHARES					
Mr R. Millner	5,161,520	-	30,000	-	5,191,520
Mr M. Millner	5,136,771	-	30,000	-	5,166,771
Mr L. Partridge	133,126	42,893		(16,000)	160,019
Mr B. Crotty	-	-	5,000	-	5,000
Mr D. Gilham	99,850	-		-	99,850
The Hon. R. Webster	14,713	-		-	14,713
Mr A. Bentley	22,840	-	(22,840) (1)	-	-
Mr T. Fairfax	42,000	-	(42,000) (1)	-	-
PREFERENCE SHARES (2)					
Mr M. Millner	300	-	(300)	-	-
Mr T. Fairfax	174	-	(174) (1)	-	-
Mr D. Gilham	40,000	-	(40,000)	-	-

(1) Derecognition of shareholding on retirement of Director

(2) Preference shares (PAVERS) were bought back by the Company during the year. Refer note 18(d)

NOTE 34 RELATED PARTIES (cont.)

(a) Key management personnel shareholdings (cont.)

Other Key Management Personnel

	Held 31 July 2008	Granted as Remuneration	Net change Other	Shares Disposed of	Held 31 July 2009
ORDINARY SHARES					
Mr A. Payne	122,973	26,739	967	(20,000)	130,679
Ms M. Kublins	51,806	18,001	271	(19,932)	50,146
Mr D. Fitzharris	57,153	6,585	193	-	63,931
Mr P. Scott	51,443	8,781	-	(24,000)	36,224
Mr P. Caughey	18,869	4,390	232	-	23,491
Mr M. Ellenor	14,014	2,195	426	-	16,635
Mr D. Millington	14,369	8,781	5,462	(5,066)	23,546
Mr I. Thompson	7,756	3,073	193	(2,435)	8,587

Shareholdings shown above reflect all direct, indirect and beneficial holdings by key management personnel.

All share transactions by key management personnel were on normal terms and conditions on the Australian Stock Exchange.

There were no other transactions with key management personnel during the period.

(b) Summary of key management personnel remuneration

	CONSOLIDATED		PARENT ENTITY	
	31 JULY 09	**31 JULY 08**	**31 JULY 09**	**31 JULY 08**
	$000	**$000**	**$000**	**$000**
Short term employee benefits	3,908	4,794	1,999	2,863
Post-employment benefits	298	276	161	168
Other long-term employee benefits	-	-	-	-
Termination benefits	300	246	300	-
Share based payment benefits	1,214	982	681	570
	5,720	6,298	3,141	3,601

(c) Other related party transactions

During the year material transactions took place with the following related parties:

Various intercompany loans are in existence between the Parent entity and some of its wholly owned subsidiaries. The carrying value of these loans in the Parent is identified in note 9 (Receivables) and note 17 (Payables). The loans are unsecured, interest free and have no fixed terms for repayment.

Property transactions with various trusts (listed in note 27) which are jointly owned by the Brickworks Group and Goodman Australia Industrial Fund, an unlisted property trust. The sale of land held for resale by the Brickworks Group to these trusts resulted in revenue of $4.1 million and profit of $3.0 million. All transactions were at arms length values.

Purchase of telecommunications services from SP Telemedia Ltd (SOT), an associated entity of Washington H Soul Pattinson & Co. Ltd, on terms no more favourable than to unrelated parties, totalling $1.2 million (2008 $1.3 million). Mr R.D. Millner is a director of SOT.

Directors and their director-related entities are able, with all staff members, to purchase goods produced by the Brickworks group on terms and conditions no more favourable than those available to other customers.

NOTE 35: EVENTS OCCURING AFTER BALANCE DATE

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

BRICKWORKS LIMITED
A.B.N. 17 000 028 526

DIRECTORS' DECLARATION

In the opinion of the Directors:

1. the financial statements and notes of the Company and the consolidated entity, as set out on pages 25 to 65, and the additional disclosures included in the Remuneration Report section of the Directors' Report designated as audited, are in accordance with the Corporations Act 2001:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 31 July 2009 and of the performance for the year ended on that date of the Company and the Brickworks Group;

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 32(a) will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee.

This declaration is made after receiving the declaration required to be made to the Directors in accordance with s295A of the Corporations Act 2001 for the financial year ended 31 July 2009.

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

Dated 24 September 2009

R.D. MILLNER
Director

L.R. PARTRIDGE
Director

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Independent audit report to members of Brickworks Limited

Report on the Financial Report

We have audited the accompanying financial report of Brickworks Limited, which comprises the balance sheet as at 31 July 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the 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 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. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met 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 referred to in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. the financial report of Brickworks Limited is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the financial position of Brickworks Limited and the consolidated entity at 31 July 2009 and of their performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 18 of the directors' report for the year ended 31 July 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Brickworks Limited for the year ended 31 July 2009, complies with section 300A of the Corporations Act 2001.

Ernst & Young

Paul Flynn
Partner
Sydney
24 September 2009

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

STATEMENT OF SHAREHOLDERS

ORDINARY SHARES AT 31 AUGUST 2009

Number of holders	3,174
Voting entitlement is one vote per fully paid ordinary share	
% of total holdings by or on behalf of twenty largest shareholders	85.55%
Distribution of shareholdings:	
1 - 1,000	1,316
1,001 - 5,000	1,200
5,001 - 10,000	309
10,000 - 100,000	305
100,001 and over	44
	3,174
Holdings of less than marketable parcel of 37 shares	38

The names of the substantial shareholders as disclosed in substantial shareholder notices received by the Company:

Shareholder	**Number of Shares**
Washington H Soul Pattinson & Co. Ltd	65,645,140
Perpetual Ltd and subsidiaries	17,710,519
Perennial Value Management Ltd	10,888,621
Permanent Trustee Company Ltd	7,111,550
Commonwealth Bank of Australia and subsidiaries	6,858,144

	20 LARGEST SHAREHOLDERS AS DISCLOSED ON THE SHARE REGISTER AS AT 31 AUGUST 2009	**Number of Shares**	**%**
1.	Washington H Soul Pattinson & Company Limited	65,645,140	49.40
2.	RBC Dexia Investor Services Australia Nominees Pty Limited <PIPOOLED A/C>	12,309,462	9.26
3.	National Nominees Limited	7,078,809	5.33
4.	J P Morgan Nominees Australia Limited	4,600,671	3.46
5.	J S Millner Holdings Pty Limited	2,620,928	1.97
6.	RBC Dexia Investor Services Australia Nominees Pty Limited <PIIC A/C>	2,429,310	1.83
7.	Cogent Nominees Pty Limited	2,392,795	1.80
8.	Citicorp Nominees Pty Limited <CFSIL CWLTH AUST SHS 4 A/C>	2,160,374	1.63
9.	Milton Corporation Limited	2,019,580	1.52
10.	Mr K S Baker & Mrs M I Baker	1,922,041	1.45
11.	HSBC Custody Nominees (Australia) Limited	1,787,982	1.35
12.	Australian Foundation Investment Company Limited	1,477,970	1.11
13.	Mr R D Millner & Mr M J Millner <est James S Millner A/C>	1,360,083	1.02
14.	Citicorp Nominees Pty Limited <CFSIL CWLTH AUST SHS 18 A/C>	1,028,740	0.77
15.	Choiseul Investments Limited	1,014,360	0.76
16.	Citicorp Nominees Pty Limited <CFS WSLE 452 AUST SHARE A/C>	956,817	0.72
17.	Citicorp Nominees Pty Limited	929,263	0.70
18.	CPU Share Plans Pty Ltd	779,658	0.59
19.	T G Millner Holdings Pty Limited	607,300	0.46
20.	Argo Investments Limited	554,960	0.42
		113,676,243	85.55

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

FIVE YEAR SUMMARY

	2005 $000	2006 $000	2007 $000	2008 $000	2009 $000	% Growth
Total revenue	565,296	532,068	558,936	553,716	593,511	7%
Building Products revenue	519,122	483,083	516,851	519,986	489,253	(6%)
Earnings before interest tax and amortisation						
Building products	87,133	65,529	65,919	53,610	37,026	(31%)
Property	25,156	53,269	58,168	91,867	38,798	(58%)
Waste management	1,428	1,936	2,115	1,792	1,841	3%
Investments	795	1,206	655	681	1,268	86%
Associates	47,603	32,110	31,837	36,247	94,157	160%
Head office and other expenses	(4,277)	(4,817)	(5,807)	(6,135)	(7,271)	19%
Total EBITA	157,838	149,233	152,887	178,062	165,819	(7%)
Amortisation of goodwill	(2,754)	-	-	-	-	
Borrowing costs	(31,426)	(25,398)	(27,305)	(37,286)	(33,314)	(11%)
Income tax	(36,304)	(21,914)	(23,385)	(32,603)	(18,825)	(42%)
Net profit after income tax - normal	87,354	101,921	102,197	108,173	113,680	5%
Non-regular items (after tax)						
Washington H Soul Pattinson & Co.	92,110	(3,333)	9,724	(6,695)	275,017	
Write down of assets to recoverable value						
- Property, plant & equipment	(36,539)	(2,135)	-	-	(30,645)	
- Investment property	-	-	-	-	(23,307)	
- Investment in associate (BKI)	-	-	-	-	(7,206)	
- Building products inventory	-	-	-	-	(5,720)	
Remediation provision recognised	-	-	-	-	(12,039)	
Borrowing costs	-	-	-	-	(2,124)	
Costs associated with decommissioning of fast fire production line	-	-	(2,449)	-	-	
One off tax items	-	5,749	(1,939)	-	-	
Other non-regular items	-	-	-	-	(2,441)	
Net profit after income tax (incl non-regular items)	142,925	102,202	107,533	101,478	305,215	201%
Basic earnings per share (cents)	108.5	77.0	81.0	76.5	229.8	200%
Dividends						
Ordinary dividends per share (cents)	31.0	36.0	38.0	39.0	39.0	0%
Ratios						
Net tangible assets per share	$4.91	$5.39	$6.06	$6.35	$8.27	30%
Return on shareholders equity	17.6%	10.0%	10.0%	9.1%	22.3%	144%
Interest cover ratio	5.0	6.3	4.8	4.8	4.6	(4%)
Net debt to capital employed	28.3%	27.2%	32.0%	32.0%	21.8%	(32%)

Note: Figures for 2005 represent 13 months. All other periods are 12 months.

TABLE OF IMPORTANT DATES

2009 annual result released	24 September 2009
Annual General Meeting	24 November 2009
Share Purchase Plan – Offer opening date	1 October 2009
Share Purchase Plan – Offer closing date	23 October 2009
Share Purchase Plan – Allotment date	2 November 2009
Record date for final ordinary dividend	25 November 2009
Payment date for final ordinary dividend	9 December 2009
2010 half-year end	31 January 2010
2010 half-year result announced	25 March 2010
Record date for interim ordinary dividend	30 April 2010
Payment date for interim ordinary dividend	20 May 2010
2010 financial year end	31 July 2010
2010 annual result released	23 September 2010

The above dates are indicative only and are subject to change