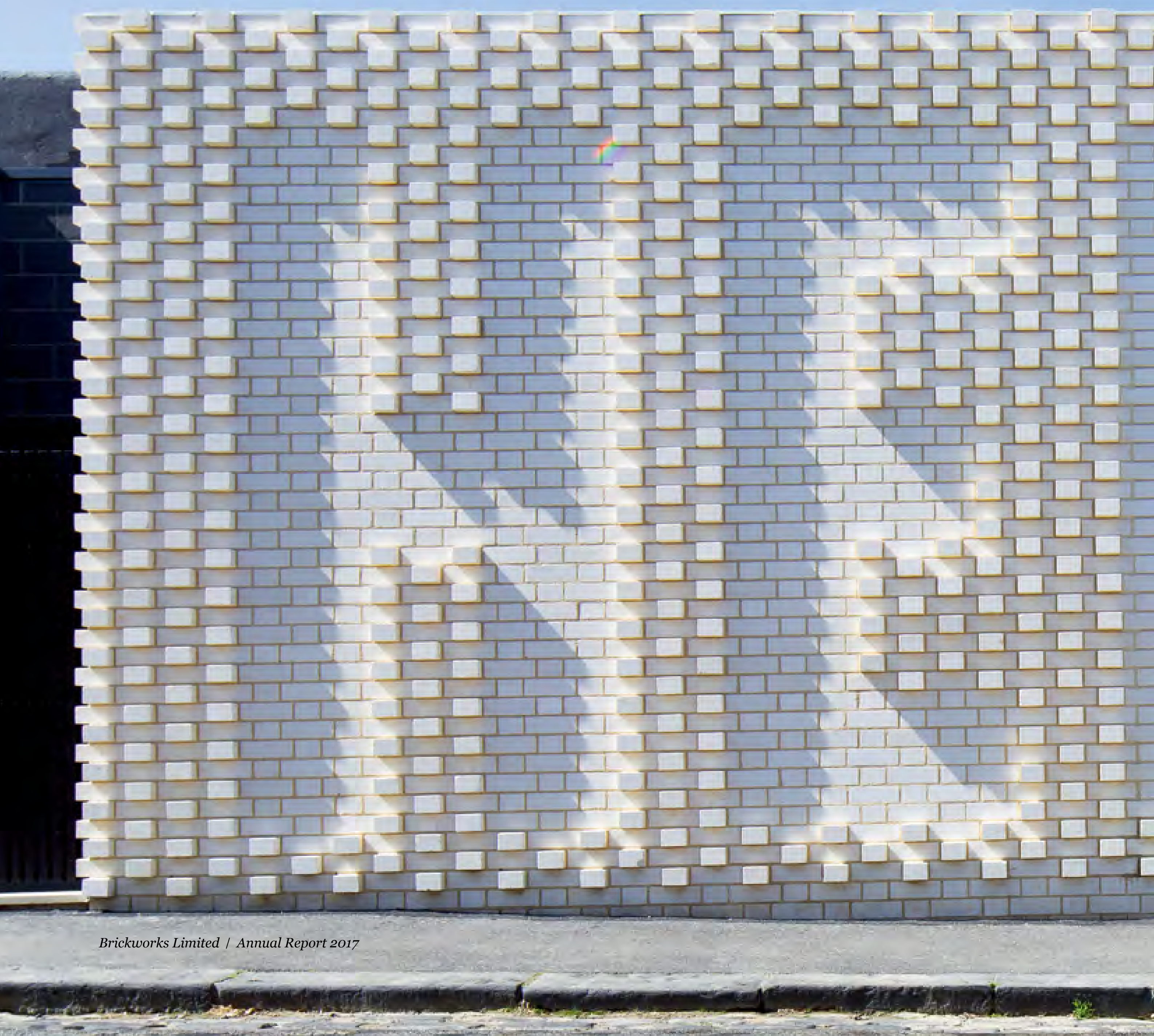
ANNUAL REPORT 2017

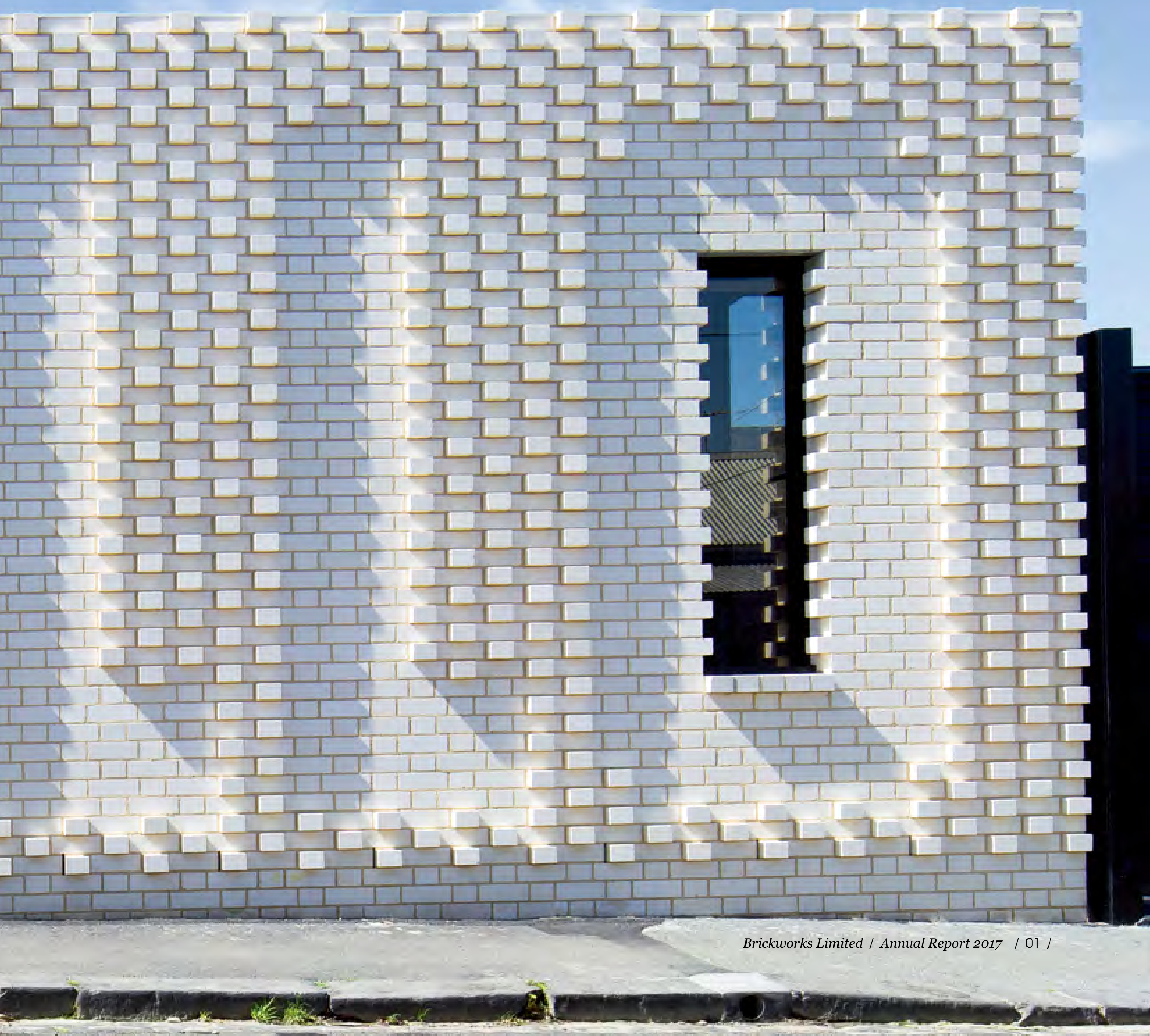
BRICKWORKS LIMITED

BRICKWORKS LIMITED

Table of CONTENTS



Hello House (VIC)
Charolais Cream brick by Bowral Bricks



BRICKWORKS LIMITED

Five Year

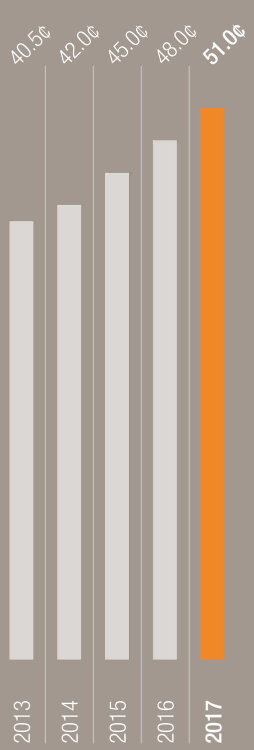
SUMMARY

Building Products revenue

Total Revenue

Total EBIT

Dividends



	2013 $000	2014 $000	2015 $000	2016 $000	2017 $000	Growth %
Total revenue	**606,509**	**670,268**	**723,611**	**750,985**	**841,816**	**12%**
Building Products revenue	568,654	636,895	700,871	748,128	763,338	2%
Earnings before interest and tax						
Building products	32,802	45,081	56,364	75,381	65,036	(14%)
Property	49,206	61,013	61,735	72,105	90,588	26%
Waste management	413	1,414	2,649	1,346	–	(100%)
Investments	493	262	280	442	224	(49%)
Associates	59,509	44,382	54,574	59,117	102,873	74%
Head office and other expenses	(7,384)	(8,945)	(9,699)	(12,479)	(12,432)	0%
Total EBIT	**135,039**	**143,207**	**165,903**	**195,912**	**246,289**	**26%**
Total EBITDA	**160,695**	**168,132**	**191,133**	**223,313**	**274,140**	**23%**
Finance costs	(18,800)	(18,073)	(19,482)	(14,080)	(12,436)	12%
Income tax	(16,191)	(23,845)	(26,122)	(34,753)	(37,428)	(8%)
Net profit after income tax (excluding significant items)[1]	**100,048**	**101,289**	**120,299**	**147,079**	**196,425**	**34%**
Significant items net of tax	(14,883)	1,466	(42,209)	(68,889)	(10,215)	
Net profit after income tax (including significant items)	**85,165**	**102,755**	**78,090**	**78,190**	**186,210**	**138%**
Per share earnings and dividends						
Basic earnings per share (cents)	57.6	69.4	52.6	52.6	124.9	138%
Underlying earnings per share (cents)[1]	67.7	68.4	81.1	98.9	131.8	33%
Ordinary dividends per share (cents)	**40.5**	**42.0**	**45.0**	**48.0**	**51.0**	**6%**
Ratios						
Net tangible assets per share	$9.82	$10.32	$10.59	$10.95	$11.77	7%
Return on shareholders equity	5.0%	5.7%	4.3%	4.3%	9.5%	122%
Underlying return on shareholders equity[1]	5.8%	5.6%	6.6%	8.0%	10.0%	25%
Interest cover ratio	6.6	7.3	9.7	14.4	16.7	17%
Net debt to capital employed	15.7%	14.5%	14.2%	12.8%	13.0%	2%

1 This is an alternative measure of earnings that excludes significant items, which are separately disclosed in the consolidated financial statements.

Carr Residence (WA)
Gertrudis Brown brick by Bowral Bricks

131.8¢
Underlying earnings per share [1]

↑33%

34.0¢
Final fully franked dividend per share

↑6.3%

51.0¢
Total full year dividend per share

↑6.3%

Chairman's

LETTER

On behalf of your Board of Directors, I am delighted to present Brickworks' Annual Report for the 2017 financial year. The strong financial and operational performance of the Company during the past year is extremely pleasing and another clear indicator that we have the right strategy and corporate structure in place to deliver earnings growth and strong shareholders returns.

2017 HIGHLIGHTS

Brickworks reported a statutory net profit after tax (NPAT) of $186.2 million, up 138.2% on the previous year. Excluding the impact of significant items, our underlying NPAT was a record $196.4 million, up 33.6%. This marks the fifth consecutive year of growth in underlying NPAT.

Each of the Company's three divisions made a significant contribution to the overall result. Building Products delivered earnings before interest and tax (EBIT) of $65.0 million. Property delivered a stellar result, with EBIT of $90.6 million, and EBIT from Investments was $103.1 million.

The Company continues to build considerable asset value for shareholders. Brickworks share of net asset value within the Property Trust[2] increased by $148 million to $480 million[3] in financial year 2017. In addition, the market value of Brickworks stake in Washington H. Soul Pattinson (WHSP) increased by over $20 million to $1.804 billion during the year.

The investment in WHSP has delivered outstanding performance over the long term, recording a total shareholder return of 12.8% per annum over the past 15 years, 3.9% ahead of the benchmark All Ordinaries Accumulation Index.

DIVIDENDS AND CAPITAL MANAGEMENT

Directors have declared a fully franked final dividend of 34 cents per share, up 6.3% on the prior year. This brings total dividends for the year to 51 cents per share, up 3 cents or 6.3% on the prior year.

We recognise the importance of dividends to our shareholders and are proud of our strong and stable dividend history. We are one of only a handful of companies who have a 20 year history of maintaining or increasing dividends to shareholders.

Our borrowing level remains conservative, with net debt to capital employed of 13.0%, reflecting a prudent approach to capital management. Net debt at the end of the year was relatively stable at $293.4 million.

1 This is an alternative measure of earnings that excludes significant items, which are separately disclosed in the consolidated financial statements.
2 The Joint Venture Industrial Property Trust is a 50/50% partnership between Brickworks and Goodman Industrial Trust.
3 Before consolidation eliminations and including unrealised profits on sale of land into the Property Trust. The equity accounted value of the Property Trust is $404 million.

CORPORATE STRUCTURE

Our strong financial performance during the year again reinforced the benefit of our diversification strategy which has consistently grown net asset value over the long term and helped to deliver solid returns and stability to our shareholders.

As a diversified business, we are less exposed to market volatility and are well placed to ride out the low points of business cycles. We take a long-term view of our operations, and our diversification strategy allows us to make investment decisions not for the short term, but across cycles, ensuring we are in the strongest possible position to continue to grow and succeed in the future.

As you are aware, in July the Federal Court of Australia rejected Perpetual's claim that Brickworks engaged in oppressive conduct, including by reason of the existence of Brickworks' cross-shareholding structure with WHSP.

This decision vindicated our very firm belief that our existing corporate structure benefits Brickworks' shareholders – a fact clearly demonstrated by Brickworks' superior performance compared to the All Ordinaries Accumulation Index since our investment in WHSP in 1969.

Although recent shareholder returns have been below our expectations, we are confident that we have the right strategy in place to deliver superior long term returns for our shareholders.

BOARD AND GOVERNANCE

Brickworks has a strong and stable Board that is committed to acting in the best interests of shareholders and ensuring that Brickworks is well positioned for future growth.

The Board regularly reviews its capabilities and composition to ensure an optimal mix of skills, knowledge, and experience to safeguard the continued and long-term success of the Company.

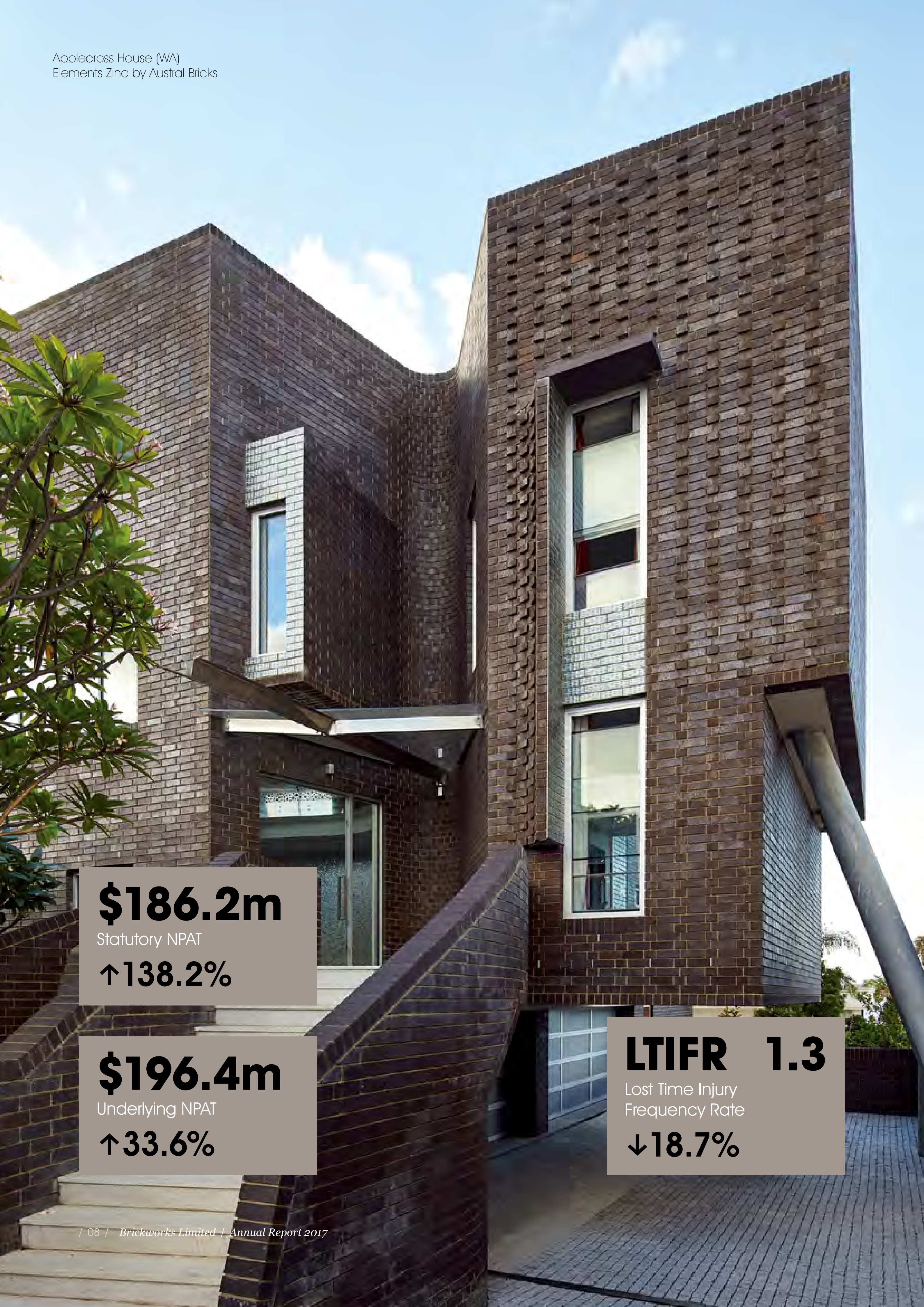
As advised to shareholders at the 2016 Annual General Meeting, Mr David Gilham will not seek re-election at the 2018 Annual General Meeting. As part of our succession plan, the Company will engage external consultants to assist with the appointment of an additional independent non-executive director during the course of the coming year.

IN CONCLUSION

The continued strong performance of the Company is a credit to our more than 1,500 staff. On behalf of the Board, I would like to thank all our staff and our executive management team for their ongoing efforts and commitment. I would also like to thank my fellow directors and our shareholders for your continued support.

ROBERT MILLNER
Chairman

Merhis Apartments (NSW)
Inex Boards panels



Applecross House (WA)
Elements Zinc by Austral Bricks

$186.2m
Statutory NPAT
↑138.2%

$196.4m
Underlying NPAT
↑33.6%

LTIFR 1.3
Lost Time Injury Frequency Rate
↓18.7%

Managing Director's

OVERVIEW

It gives me great pleasure to report that Brickworks has delivered another strong financial result in 2017. Across Building Products and Property, we have also made significant progress in the implementation of a range of strategic initiatives to position the company for further growth.

SAFETY

The health and safety of our people is our number one priority. During the year, our safety performance improved, with fewer injuries being recorded across the organisation. Our lost time and total recordable injury rates were both at new record lows.

However as I reported to you at our Annual General Meeting last year, these statistics are overshadowed by a fatal accident that occurred in October, when Austral Bricks truck driver Peter Cardilini, was an innocent bystander in a collision whilst delivering our bricks. As we look back on the year at Brickworks, our thoughts turn to Peter and his family, and this tragic accident reinforces our ultimate goal of zero harm across all of our operations.

TRIFR 17.1

Total Reportable Injury Frequency Rate

↓10.9%

BUILDING PRODUCTS PERFORMANCE

Building Products recorded an EBIT of $65.0 million in 2017, with the year being characterised by the stark contrast in conditions between the east and west coast of the country.

On the east coast, elevated levels of construction activity supported increased demand for our products and resulted in higher earnings. In total, earnings from our east coast operations were up $7.3 million compared to the prior year. The performance of Austral Bricks was particularly strong, with this business reaping the benefits of sustained investment in our facilities, product innovation and marketing initiatives over a number of years.

The improved earnings on the east coast were achieved despite the impact of Cyclone Debbie and the associated period of heavy rain throughout March and April. Over this period, reduced sales volume and disruption to our manufacturing operations, many of which were closed for extended periods, resulted in an adverse EBIT impact of approximately $5-6 million.

It has been an extremely challenging 12 months in Western Australia, where residential building starts were down a further 22% over the year, bringing the two year decline to almost 40%. This resulted in lower sales volume across all operations and earnings from Western Australia decreasing by $12.0 million compared to the prior year.

Eve Apartments (NSW)
La Paloma Miro by Austral Bricks
and Bowral Blue by Bowral Bricks

With the medium term outlook in Western Australia remaining challenging, we have taken a pro-active approach to right-sizing our operations to match demand. During the year we closed 4 plants permanently. Within Auswest Timbers we consolidated operations to one site, resulting in the closure of the Deanmill and Pemberton sawmills and the Manjimup processing centre. Within Austral Bricks, following the completion of upgrades to our Cardup plant, we closed the Malaga plant, and subsequently sold this site in July for $19.2 million. These initiatives are consistent with the Group's strategy of consolidating manufacturing operations, and releasing valuable land holdings for sale. Ultimately this strategy will deliver a higher return on the capital invested in our business.

In addition to these permanent plant closures we have also mothballed other operations indefinitely. The Austral Bricks plant at Armadale was mothballed in July, with the upgraded Cardup plant and the Bellevue plant providing enough capacity to meet demand for the foreseeable future. Within Bristile Roofing, the Caversham plant has been closed indefinitely, with the local market now being serviced exclusively by high quality imported terracotta tiles, a business model that provides greater flexibility to deal with uncertain demand.

The significant restructuring undertaken in Western Australia during 2017 has unfortunately resulted in the loss of 126 jobs across the business and one off costs of $15.9 million, reported as a significant item in our financial accounts. However we now enter 2018 in a much improved position, with a lower cost base and operating capacity in line with the expected demand, but with the flexibility to adapt to any change in conditions.

BUILDING PRODUCTS STRATEGY

We have made good progress on our strategic objectives during the past 12 months. I have already outlined the significant investments and restructuring undertaken in Western Australia. These initiatives support our objective of achieving the lowest cost manufacturing position.

We are also investing in growth. During the year we completed an acquisition in Victoria to further expand our position in metal roofing, fascia and gutter installation. This follows similar acquisitions in New South Wales and Queensland in recent years. We are now able to leverage our leading customer relationships and supply and install expertise, to offer an expanded range of roofing solutions, providing Bristile Roofing with a strong platform for future growth.

Developing industry leading customer relationships is an ongoing priority for Brickworks. During the year, our capital city design studios hosted hundreds of events, which attracted thousands of customers, architects and other key influencers. This strategy continues to deliver results, including increased penetration of Brickworks' products in several key markets such as high rise and commercial developments.

A great example of our success is the use of our products in a number of iconic and landmark projects including the Australian Embassy project in Bangkok, completed during 2017. And at the recent Horbury Hunt awards, which recognise excellence in the use of building products in architectural design, our products featured in three out of the five winning projects.

Earnings growth is also being delivered through our international partnerships with leading manufacturers, to offer our customers a wider range of unique and premium products. During the year, we entered into a new supply agreement with Italian manufacturer S. Anselmo for a unique range of sandstock bricks. This follows the success of our distribution arrangements for premium La Escandella roof tiles and La Paloma bricks from Spain.

PROPERTY PERFORMANCE

The continued strong performance of Property during 2017 was incredibly pleasing, delivering an EBIT of $90.6 million and recording a fifth consecutive year of earnings growth.

The sale of Oakdale West was a significant milestone during the year, generating a profit of $50.1 million to the Company. This sale, into our 50/50% Joint Venture Property Trust with the Goodman Group, also secures a strong future development pipeline for the Trust.

The key operational focus was the continued development activity within the Property Trust. New developments completed during the year at Rochedale in Queensland and Oakdale Central in New South Wales contributed to an increase in Property Trust distributions, up 19.6% to $18.3 million.

The Company is focused on continuing to build asset value in the Property Trust, and has re-invested cash proceeds received from land sales in recent years to support development activity. This has seen total assets within the Trust increase to $1.401 billion at the end of the year – a significant achievement given its inception just over 10 years ago.

INVESTMENTS PERFORMANCE

Investments consists primarily of a 42.7% stake in WHSP, a core asset of Brickworks that has brought diversity and reliable earnings to the Company for more than 40 years. Our investment in WHSP provides a cash flow stream via dividends that allows long term strategic decision making by sheltering the business during cyclical downturns.

Total EBIT from Investments was up 73.1% to $103.1 million in 2017, bolstered by improved earnings from New Hope Coal and TPG Telecom. In addition cash dividends of $54.2 million were received during the year, up 3.8% on the prior period.

BUILDING PRODUCTS	PROPERTY	INVESTMENTS
$65.0m	**$90.6m**	**$103.1m**
Segment EBIT	Segment EBIT	Segment EBIT
↓13.7%	↑23.3%	↑73.1%

GROUP OUTLOOK

As we move into the new financial year, the Building Products Group continues to face mixed market conditions across the country, with the elevated east coast demand being offset by the significant weakness in Western Australia. Our pipeline of work is extremely strong in the major east coast states. With the industry operating at full capacity in these areas, the delays caused by wet weather during the second half of financial year 2017 has meant that projects have been delayed and the already significant backlog of work has extended further.

In Western Australia we are confident the significant restructuring activities undertaken by the company during 2017 have positioned the business to deliver improved results in this region, despite our expectation of continued difficult conditions.

Whilst the Company has taken a pro-active approach to address its challenges, the same cannot be said about governments across the country. Due to a decade of ineffective or non existent policy and leadership, Australian manufacturers continue to experience rapidly increasing energy prices and unreliable supply.

Within Austral Bricks, energy prices represent almost 20% of total manufacturing costs and therefore any increase has a significant impact on margins.

As previously flagged, new gas and electricity contracts will take effect on the east coast from 1 January 2018. In total gas and electricity price increases will add around $20 million per annum to Brickworks' manufacturing costs by 2019, on a business as usual basis.

Ironically, this comes at a time when reliability of supply is increasingly uncertain, with our operations continuing to experience unexpected outages, and facing the prospect of black-outs and forced load sharing arrangements.

Brick price increases have already been implemented to offset the cost impact in financial year 2018 and we continue to investigate a range of mitigation strategies to minimise any further price increases to our customers. These include investments in new fuel-efficient kilns, the use of alternative fuel sources, increasing imports and offshore manufacturing.

Overall, we remain positive about the short to medium term outlook for Building Products, with price increases already implemented, the strong order book on the east coast, and the restructuring initiatives undertaken in the west expected to underpin 2018 earnings, despite the significant impost of higher energy costs in the second half.

Brickworks Design Studio Perth

Turning to Property, development activity within the Property Trust is currently at record levels, and the completion of further developments at Rochedale and Oakdale Central during the year will continue to increase rental income and asset value. Despite the strong prospects for the Property Trust, 2018 EBIT from Property will be lower than 2017, as we do not expect any significant land sales to occur within the period.

We are confident that WHSP will continue to deliver a stable and growing stream of earnings and dividends over the long term.

OUR PEOPLE

Finally, I'd like to thank our people – the key to our success. I am very proud that at Brickworks we have been able to maintain a stable and highly experienced workforce, and I believe this gives us a competitive edge.

During the year we launched "WE ARE BRICKWORKS", a values and behaviours framework that celebrates and re-enforces our strong culture, by embedding our core values within our talent acquisition, performance management and recognition programs.

We have established the Brickworks' Diversity Council, led by myself, to drive the Company's diversity and inclusion strategy, particularly in supporting gender diversity and leadership.

We also completed an organisational re-structure to create national reporting for Austral Bricks and Bristile Roofing, in line with our other major business units.

As you can see, we have achieved a lot in 2017. I would like to take this opportunity to thank the Board of Directors, the executive team, and all our staff for their support and commitment during the year. Without your ongoing efforts, we would not be the successful company that we are today.

LINDSAY PARTRIDGE AM
Managing Director

La Paloma Gaudi by Austral Bricks

$293m
Net debt
↑13%

13%
Gearing
↑1.6%

$274m
Total EBITDA
↑23%

$246m
Total EBIT
↑26%

$115m
Cashflow from operating activities[1]
↓22%

FINANCIAL
Overview

HIGHLIGHTS

- **Statutory NPAT** including significant items, up 138.2% to $186.2 million
- **Underlying NPAT** before significant items up 33.6% to $196.4 million
  - **Building Products EBIT** down 13.7% to $65.0 million (EBITDA $92.9 million)
  - **Property EBIT** up 23.3% to $90.6 million
  - **Investments EBIT** up 73.1% to $103.1 million
- **Net debt/capital employed** of 13.0%, net debt $293.4 million
- **Final dividend** of 34 cents fully franked, up 2 cents or 6.3%
- **Total full year dividend** of 51 cents fully franked, up 3 cents or 6.3%

EARNINGS

Brickworks posted a statutory **Net Profit After Tax** for the year ended 31 July 2017 of $186.2 million, up 138.2% on the prior year. Record underlying NPAT of $196.4 million was up 33.6% from $147.1 million for the year ended 31 July 2016.

Statutory **Earnings Per Share** was 124.9 cents, up 137.6% on the prior year, and underlying EPS was 131.8 cents, up 33.2%.

Building Products' EBIT was $65.0 million, down 13.7% on the prior year. Earnings on the east coast were higher, despite the impact of Cyclone Debbie and associated period of heavy rain that had a significant impact on sales volume and manufacturing operations. This was offset by a decrease in earnings in Western Australia, as a result of the difficult market conditions and subsequent re-structuring activities in that state.

Property EBIT was $90.6 million for the 12 months to 31 July 2017, including the profit generated by the sale of Oakdale West into the Joint Venture Industrial Property Trust ('Property Trust') in December. Brickworks' share of the net asset value within the Property Trust increased by $148 million during the year.

Investments EBIT, including the contribution from Washington H. Soul Pattinson Limited ('WHSP'), was up 73.1% to $103.1 million. This was due primarily to improved earnings from New Hope Coal and TPG Telecom. During the year, the value of Brickworks stake in WHSP increased by $21.5 million to $1.804 billion.

Total **borrowing costs** were down 11.7% to $12.4 million, including the mark to market valuation of swaps. Underlying **interest cover** was a conservative 16.7 times at 31 July 2017.

Statutory **income tax** was $57.9 million for the year. The underlying income tax expense increased to $37.4 million compared to $34.8 million for the previous corresponding period, due to the higher earnings from the combined Building Products and Property Groups.

1 Excluding the net proceeds from the sale of the Coles CDC facility in the prior period ($46.1 million), operating cashflow was up by 12.7%.

Significant items reduced NPAT by $10.2 million for the year, and included the following:

- Impairment of property, plant and equipment at brick, timber and roof tile plants in Western Australia, totalling $3.0 million before tax.
- Restructuring activities within brick, timber and roof tile operations in Western Australia, totalling $12.9 million before tax. These costs include stock write-downs, staff redundancies and commissioning of the upgraded brick plant at Cardup and the new timber processing line at Greenbushes.
- A $0.1 million after tax benefit in relation to legal and advisory services. This includes a settlement payment of $2.7 million by Perpetual to cover legal costs incurred during proceedings associated with their cross claim against Brickworks and WHSP. The payment from Perpetual followed the conclusion of the case on 10 July 2017, when the judge ruled that, in summary, Perpetual failed on all elements of its case, and was ordered to pay both Brickworks and WHSP's costs of the claim as agreed or taxed. This payment is offset by $1.9 million in costs that were incurred by Brickworks during financial year 2017 in relation to this case, and various other advisory costs over the year.
- Significant items relating to WHSP resulted in a $0.9 million benefit, after tax. Profits on the sale of investments and associates, and a gain on the initial recognition of Pengana Capital as an associate were offset by a deferred tax expense of $25.3 million. This represents the prima facie income tax expense in respect of the equity accounted WHSP profit, less the franking credits associated with the WHSP dividends received during the year and adjusted for the movements in the WHSP franking account and the circular dividend impact.

Significant Items	Gross $m	Tax $m	Net $m
Impairment of PP&E	(3.0)	0.9	(2.1)
Restructuring and commissioning	(12.9)	3.9	(9.1)
Net legal and advisory cost (inc. Perpetual litigation)	0.1	–	0.1
Significant items relating to WHSP	26.1	(25.3)	0.9
Total	**10.3**	**(20.5)**	**(10.2)**

Clayfield House (QLD)
GB Honed Porcelain by Austral Masonry

BALANCE SHEET

Gearing (net debt to capital employed) was 13.0% at 31 July 2017, marginally higher than 12.8% at 31 July 2016. Total interest bearing debt decreased to $313.0 million and net debt increased to $293.4 million at 31 July 2017.

Net **working capital**, excluding land held for resale, was $197.5 million at 31 July 2017, up $8.4 million from the prior year, due primarily to an increase in inventory. **Finished goods inventory** was up by $5.1 million, due largely to the extended period of wet weather in March and April that resulted in lower than expected deliveries during that period. Finished goods inventory across the business represented 3.6 months sales at the end of the period.

Net tangible assets per share was $11.77 at 31 July 2017, up from $10.95 at 31 July 2016 and total shareholders' equity was up $129.4 million to $1.968 billion.

Return on equity of underlying earnings for the year was 10.0%. Over the longer term, Brickworks' diversified corporate structure has provided stability of earnings and enabled prudent investments that have steadily built net asset value.

CASH FLOW

Total **cash flow from operating activities** was $115.4 million, down from $148.5 million in the prior year. Excluding the net proceeds from the sale of the Coles CDC facility in the prior period ($46.1 million), operating cash flow was up by 12.7%.

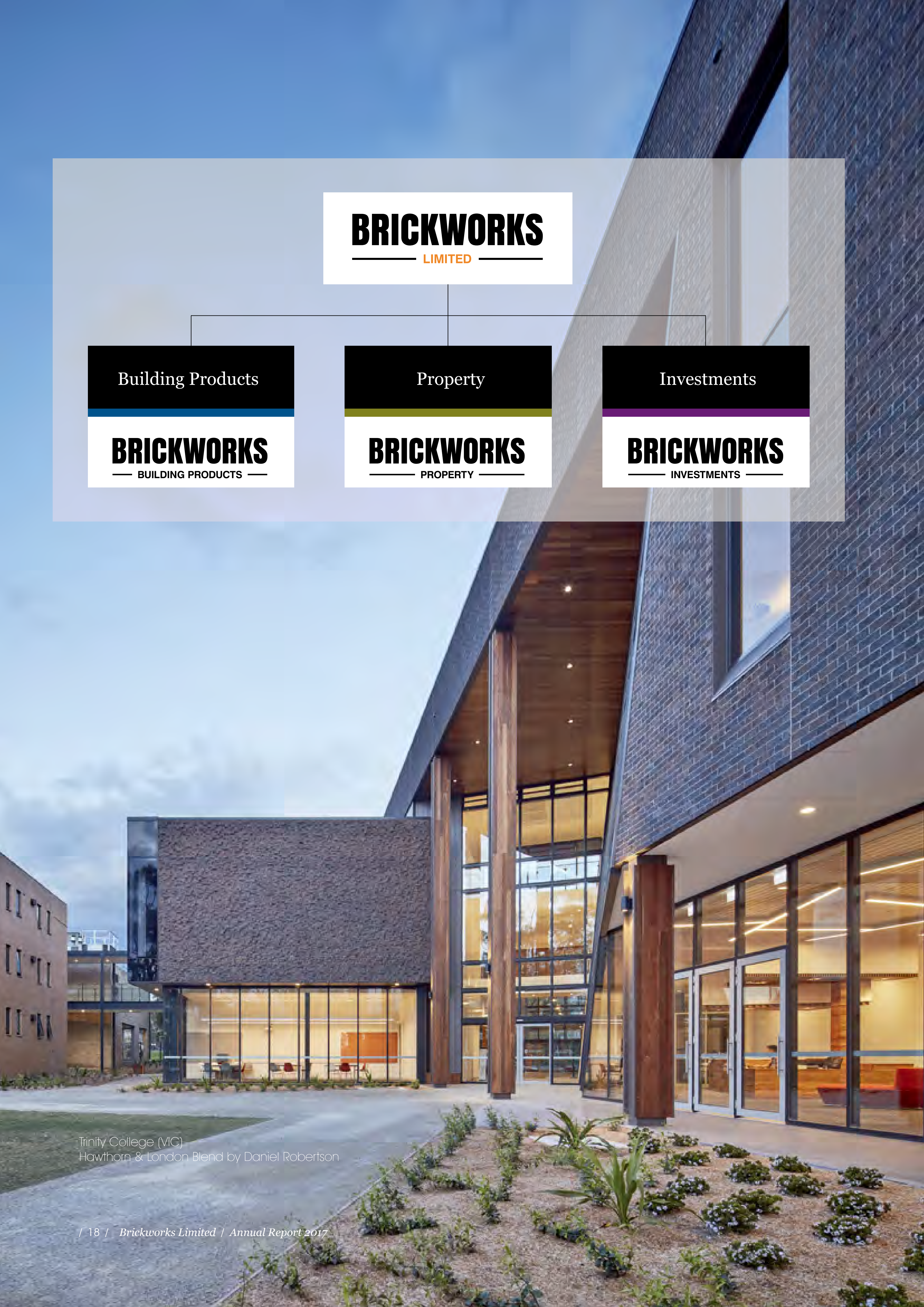
Building Products **capital expenditure** increased to $60.3 million, from $52.7 million in the prior year. Stay in business capital expenditure was $29.0 million, marginally higher than depreciation. Spend on major upgrade and growth projects totalled $31.3 million, primarily consisting of upgrades to the Cardup brick plant in Western Australia, the consolidation of Auswest Timbers operations to the Greenbushes site, also in Western Australia, and upgrades to the Rochedale brick plant in Queensland.

DIVIDENDS

Directors declared a fully franked final **dividend** of 34 cents per share for the year ended 31 July 2017, up 6.3% from 32 cents. Together with the interim dividend of 17 cents per share, this brings the total dividends paid for the year to 51 cents per share, up 3 cents or 6.3% on the prior year.

BRICKWORKS LIMITED

- Building Products — BRICKWORKS BUILDING PRODUCTS
- Property — BRICKWORKS PROPERTY
- Investments — BRICKWORKS INVESTMENTS



Trinity College (VIC)
Hawthorn & London Blend by Daniel Robertson

GROUP
Structure

Brickworks has a diversified corporate structure that has delivered stability of earnings over the long term. There are three divisions within the Brickworks Group structure:

BUILDING PRODUCTS

The Building Products division is a leading Australian manufacturer and distributor of building products. Since 2002, Building Products has grown from a two state brick manufacturer, in New South Wales and Queensland, to a diversified national building products business with significant sales and operations in all states.

In total Building Products comprises 33 manufacturing sites and more than 27 display centres and design studios across the country. This is complemented by an extensive reseller network that includes over 100 additional displays.

The portfolio includes:

- **Austral Bricks**: Australia's largest clay brick manufacturer with significant market positions in every state
- **Austral Masonry**: Australia's second largest masonry manufacturer with operations focused on the east coast
- **Bristile Roofing**: A "full service" roofing supplier with a strong presence in all major states, offering supply and install tiles (concrete or terracotta), metal roofing and fascia and guttering
- **Austral Precast**: A national supplier of precast walling and flooring products, with plants in Sydney, Brisbane and Perth
- **Auswest Timbers**: Operates sawmills and value adding facilities across the country, supplying roof tile battens, structural timber, pre finished flooring and various other timber products.

PROPERTY

The Property division was established to maximise the value of land that is surplus to the Building Products business. Operational land that becomes surplus to the business needs is transferred to the Property division where it is assessed for optimum land use. In some cases land is rezoned to residential and sold. Alternatively the land is rezoned industrial and transferred into the Property Trust and developed, creating a stable, growing annuity style income stream.

The Joint Venture Industrial Property Trust is a 50/50% partnership between Brickworks and Goodman Industrial Trust. Over the past decade it has grown significantly and now has a total asset value of over $1.4 billion. After including debt, Brickworks 50% share of the Property Trust has an equity value of $480 million.

In addition to the Property Trust, the Company holds around 3,750 hectares of operational land and 370 hectares of development land.

INVESTMENTS

Investments consists primarily of a 42.7% interest in Washington H. Soul Pattinson, an ASX listed company with market capitalisation of around $4.2 billion (market value of Brickworks share approximately $1.8 billion). This investment provides a stable and diversified earnings stream and has provided Brickworks with superior returns and security to weather periods of weaker building products demand.

BRICKWORKS
BUILDING PRODUCTS

Bricks and Pavers

BUILDING PRODUCTS

MARKET CONDITIONS

Total dwelling commencements for Australia were down 7.9% to 215,144 for the twelve months ended 30 June 2017. Despite the decline, this level of building activity remains elevated compared to historical averages, buoyed by a surge in other residential commencements over the past five years.

Detached housing commencements remained at near peak levels, buoyed by growth in New South Wales which partially offset the significant fall in Western Australia.

After years of unprecedented growth, other residential commencements decreased by 12.6% in the year to 30 June 2017, with all states except New South Wales experiencing falls.

Conditions in **New South Wales** (including ACT) continue to improve, with total residential commencements up 3.2% to 77,048 for the twelve months to 30 June 2017. Following five years of strong growth, total commencements in this region are at a new record peak. Over the past twelve months detached houses increased a further 6.5%, while other residential activity remained relatively steady.

In **Queensland** detached house commencements were approximately in line with the prior year. However there was a sharp fall in other residential commencements, resulting in total commencements declining 16.7% on the prior year.

In **Victoria** building activity remains elevated despite the decrease in total commencements for the 12 months to 30 June 2017.

Timber	Masonry	Roof Tiles	Precast	Specialised Building Systems
auswest timbers	austral masonry	bristile roofing	austral precast	Pronto Panel™
				terraçade™ TERRACOTTA FAÇADE SYSTEMS
				INEX›BOARDS™

Antica Restaurant (SA)
Simmental Silver by Bowral Bricks

SUMMARY OF HOUSING COMMENCEMENTS

	Detached Houses			Other Residential			Total		
Estimated Starts[1]	Jun 16	Jun 17	Change	Jun 16	Jun 17	Change	Jun 16	Jun 17	Change
New South Wales[2]	28,492	30,331	6.5%	46,182	46,717	1.2%	74,674	77,048	3.2%
Queensland	23,567	23,255	(1.3%)	25,864	17,922	(30.7%)	49,431	41,177	(16.7%)
Victoria	35,574	34,761	(2.3%)	33,098	29,284	(11.5%)	68,672	64,045	(6.7%)
Western Australia	18,098	14,522	(19.8%)	7,415	5,307	(28.4%)	25,513	19,829	(22.3%)
South Australia	7,687	7,478	(2.7%)	3,592	2,613	(27.3%)	11,279	10,091	(10.5%)
Tasmania	2,038	1,625	(20.3%)	400	379	(5.3%)	2,438	2,004	(17.8%)
Total Australia[3]	**116,344**	**112,695**	**(3.1%)**	**117,250**	**102,449**	**(12.6%)**	**233,594**	**215,144**	**(7.9%)**
New Zealand[4]	26,836	27,540	2.6%	2,261	2,913	28.8%	29,097	30,453	4.7%

Residential building activity in **Western Australia** experienced another sharp decline during the year. Total commencements were down a further 22.3% for the twelve months to 30 June 2017, bringing the cumulative two year decline in this market to 37.5%.

The value of approvals in the **non residential** sector in Australia increased by 14.4% to $42.3 billion for the twelve months to 31 July 2017. Within the non residential sector, Commercial building approvals increased by 39.1% to $16.9 billion for the period and Industrial building approvals increased 3.1% to $5.3 billion. The Educational sub-sector, an important driver for bricks and masonry demand, was up 2.3% to $5.6 billion.

Based on Australian Bureau of Statistics trend data, the total value of building approvals in Australia, across the combined residential and non residential sectors is currently at the highest level in over 12 months.

OVERVIEW OF FY2017 RESULTS

Revenue for the year ended 31 July 2017 was up 2.0% to a record $763.3 million, compared to $748.1 million for the prior year. Financial year 2017 saw continued growth in building materials demand on the east coast, offset by weakness in Western Australia.

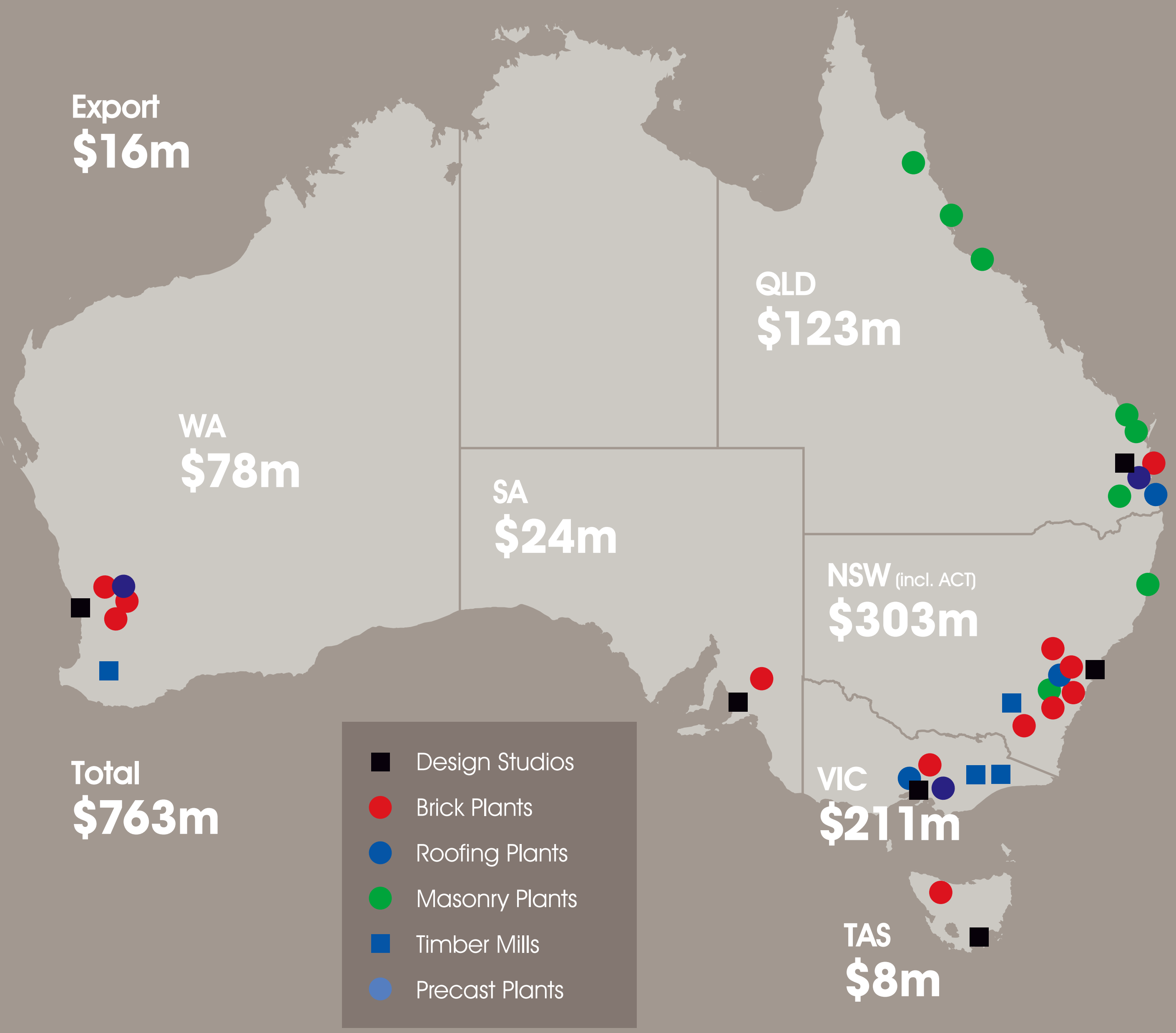
EBIT was $65.0 million, down 13.7% on the prior year, and **EBITDA** was $92.9 million. An improved result on the east coast was eroded by a significant decline in earnings in Western Australia, where the difficult market conditions impacted sales volumes and margins, and re-structuring in brick, roofing and timber businesses disrupted operations.

Although earnings on the east coast were up $7.3 million on the prior year, the extent of the uplift was limited by severe wet weather during March and April, resulting in reduced sales volume. The subsequent inventory build provided an opportunity to shut down a number of plants during the second half to complete maintenance works and to control stock levels. Despite a decrease in inventory late in the year once conditions had returned to normal, the year end inventory level was marginally higher than the prior year.

1 Original data sourced from ABSCat. 8752.0 Number of Dwelling Unit Commencements by Sector, States & Territories, except June 17 quarter estimate, from BIS Shrapnel.
2 Includes ACT, to align with Brickworks divisional regions.
3 Includes Northern Territory, not shown separately on table.
4 Building Consents data sourced from Statistics New Zealand – Building Consents.

BUILDING PRODUCTS REVENUE BY STATE

and location map



FY2017 RESULTS

Year Ended July	2016 $m	2017 $m	Change %
Revenue	748.1	763.3	2.0
EBITDA	102.8	92.9	(9.6)
EBIT	**75.4**	**65.0**	**(13.7)**
EBITDA margin	13.7%	12.2%	(11.4)
EBIT margin	10.1%	8.5%	(15.4)
Net Tangible Assets	620.0	606.8	(2.1)
Return on Net Tangible Assets	12.2%	10.7%	(12.6)
Full Time Equivalent Employees (#)[1]	1,598	1,511	(5.4)
Safety (TRIFR)[2]	19.2	17.1	(10.9)
Safety (LTIFR)[3]	1.6	1.3	(18.7)

With sales volume failing to keep pace with order intake, it is clear that the housing industry is operating at "natural capacity" on the east coast, limited primarily by trade availability and access to titled land. As a result, the lost sales volume due to wet weather delays was not able to be recovered in financial year 2017. Instead, projects have been delayed, resulting in the already significant pipeline of work growing further during the second half.

Earnings from Western Australian operations decreased by $12.0 million. In response to the challenging conditions, significant restructuring initiatives were undertaken in Austral Bricks, Auswest Timbers and Bristile Roofing, with a total of 6 plants being closed during the year, including 4 on a permanent basis.

The Company's investment in marketing and branding was further expanded during the year, with direct marketing costs increasing by around $3 million compared to the prior year, including a major television and radio advertising campaign. This sustained investment over many years to position Brickworks as the leading style brand in the industry has supported the growth of premium, higher priced products across all divisions.

The price and reliability of energy supply remains a major concern for the business. Although gas has now been secured for the east coast until the end of calendar 2019, prices will rise significantly. Despite the higher prices, reliability is a major issue in some regions. For example, operations at the Golden Grove brick plant in South Australia experienced a number of major electricity outages that caused operations to cease during the year. As a result, the Company has been forced to invest $1.5 million in generators as back up to ensure the continuous operation of this facility.

Full time equivalent **employees** decreased by 87 during the year, taking the total number to 1,511 at 31 July 2017. The decrease is primarily due to restructuring initiatives within Auswest Timbers and Austral Bricks Western Australia, offset by the addition of 15 employees as a result of the acquisition of Rix Roofing during the year.

There were 4 Lost Time Injuries ('LTIs') during the year, down from 5 in the prior year. This translated into a reduction in the Lost Time Injury Frequency Rate ('LTIFR') to 1.3, compared to 1.6 in the 2016 financial year. The Total Reportable Injury Frequency Rate ('TRIFR') decreased to 17.1 from 19.2 in the prior financial year.

1 Includes casuals.
2 Total Reportable Injury Frequency Rate (TRIFR) measures the total number of reportable injuries per million hours worked.
3 Lost Time Injury Frequency Rate (LTIFR) measures the number of lost time injuries per million hours worked.

BUILDING PRODUCTS

Highlights

$763m
Building Products Revenue
↑2%

1,511
Full Time Employees
↓5%

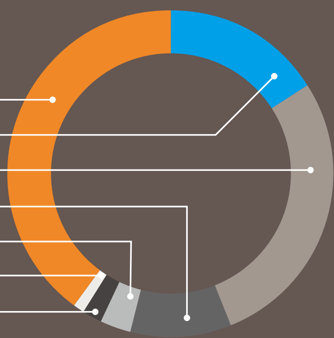
LTIFR 1.3
Safety
↓19%

Revenue by division

Austral Bricks	$414m	↑2%
Austral Masonry	$89m	↓2%
Bristile Roofing	$128m	↑3%
Austral Precast	$80m	↑9%
Auswest Timbers	$47m	↓11%

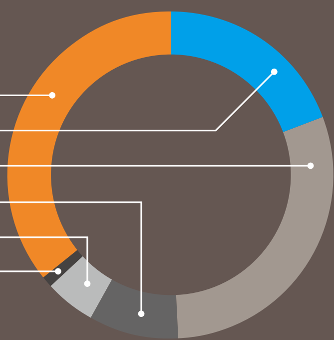
Revenue by State

NSW	40%
QLD	16%
VIC	28%
WA	10%
SA	3%
TAS	1%
Export	2%



Commencements by State

NSW	36%
QLD	19%
VIC	30%
WA	9%
SA	5%
TAS	1%



AUSTRAL BRICKS

Austral Bricks delivered a 7.3% increase in earnings for the twelve months ended 31 July 2017, with sales revenue up 2.0% to $413.9m.

A focus on unit margins has delivered pleasing results, with initiatives including:

- Innovation and development of premium products;
- Additional resources and new initiatives introduced to the product selection process, resulting in higher rates of "up-selling"; and
- Close collaboration with architects to develop bespoke and customised brickwork, especially in medium and higher density developments.

Unit manufacturing costs decreased compared to the previous corresponding period, primarily as a result of prior period plant upgrades.

Performance on the east coast was very strong, with all major states achieving higher earnings. Buoyant market conditions supported an increase in sales volume, particularly in Victoria. In this state the strong sales volume has necessitated an increase in supply from other states to satisfy demand.

Demand also remains extremely strong in New South Wales, where sales volume again increased, despite the adverse weather conditions in March and April. This period of reduced deliveries provided a rare opportunity to take all Horsley Park brick plants offline for important kiln maintenance, including Plant 1 which had been in continuous operation for almost a decade.

Significantly higher earnings in Queensland was particularly pleasing, and follows the completion of the first phase of the Rochedale plant upgrades, resulting in much improved product quality and lower unit production costs. The final phase of the refurbishment program will be completed during the first half of 2018.

The conditions on the east coast are in stark contrast to Western Australia, where the sharp downturn in building activity resulted in a significant decline in sales. In addition, unit margins deteriorated as a result of intense competition for sales.

In response to the difficult conditions in Western Australia, extensive restructuring initiatives were completed during the year. Following the closure of the high cost Malaga plant earlier in the year, production has now been transferred to the upgraded Cardup plant. Having sold the Malaga land in July, the business is now operating with lower production costs and lower real assets employed, and as a result is well placed to deliver a higher return on capital invested.

During the second half the Armadale brick plant was also closed indefinitely. With conditions not expected to improve in the foreseeable future, production at Bellevue and Cardup is sufficient to meet current market demand.

Revenue

$414m ↑2%

Carlton Residence (VIC)
Chapel Red by Nubrik

AUSTRAL MASONRY

Austral Masonry delivered marginally lower earnings on relatively stable sales revenue of $89.0 million.

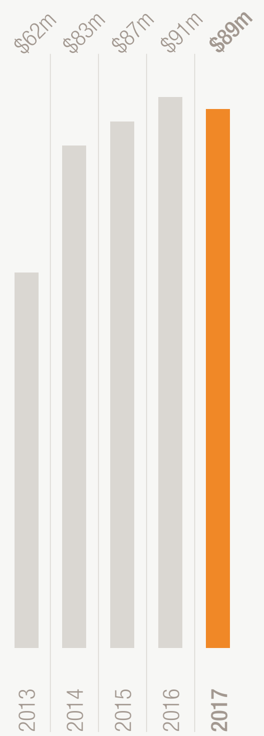
Sales revenue in New South Wales increased, buoyed by the elevated levels of multi-residential building, however this was offset by a decline in Queensland. This region was significantly impacted by Cyclone Debbie, resulting in the evacuation of 3 Austral Masonry factories in central and northern Queensland in late March. The ramifications of the cyclone continue to result in project delays in north Queensland, an important region for Austral Masonry due to the prevalence of masonry block construction.

More broadly, the persistent rainfall in March and early April on the east coast had a particularly adverse impact on Austral Masonry, with masonry products being popular in basements and civil works, applications which are most impacted by wet weather delays.

Higher average prices were achieved, supported by a continued focus on premium products, resulting in a gradual transition away from grey block to coloured block, pavers and retaining wall products.

Revenue

$89m **↓2%**



Club Armstrong (VIC)
GB Honed Poreclain by Austral Masonry

bristileroofing®

BRISTILE ROOFING

Bristile Roofing earnings decreased on the prior year, despite an increase in revenue, up 3.0% to $127.9 million.

Sales revenue on the east coast was higher, with a particularly strong increase in Victoria. However earnings were adversely impacted by poor plant performance at Wacol in Queensland leading up to planned upgrade works over the Christmas and New Year period.

The difficult conditions in Western Australia resulted in a significant decline in sales volume in this state, and making local production unviable. As a result, the Caversham plant was closed indefinitely in April, with this market now being serviced by locally produced stock in hand and high quality imported terracotta tiles from La Escandella in Spain.

On 3rd April, the Company completed the acquisition of Rix Roofing, a metal roofing and fascia and gutter installer, based in Victoria. This acquisition is consistent with Bristile Roofing's strategy to diversify its product offering, and follows the acquisition of similar installers in New South Wales and Queensland over the past 2 years. Following these acquisitions, metal sales now make up almost 20% of total Bristile Roofing revenue, and offers a significant growth opportunity in the years ahead.

Revenue
$128m **↑3%**

La Escandella Planum by Bristile Roofing australprecast®

AUSTRAL PRECAST

Austral Precast earnings were also lower, despite an 8.7% increase in revenue to $80.5 million.

An uplift in earnings was achieved in New South Wales, on the back of strong sales growth and continued operational improvements at the Wetherill Park facility. Further automation is planned in the first half of financial year 2018, with the installation of robotic shuttering and concrete distribution equipment.

The improved result in New South Wales was offset by weaker earnings in other states. Market conditions in Western Australia were particularly difficult, and Queensland also suffered from a significant slow down in high rise multi residential development activity in the second half.

Performance in Victoria was adversely impacted by delays in a number of large projects in Melbourne, resulting in reduced sales volume and production inefficiency. In addition, employee wage rates in this state are approximately double those elsewhere across the country, resulting in the business being uncommercial. With no prospect of change, the decision has been taken to close Austral Precast operations in Victoria, effective from October 2017.

Revenue

$80m **↑9%**

Beach City SurfLife Saving Club (WA)
Austral Precast panels

ausweswesttimbers®

AUSWEST TIMBERS

Auswest Timbers earnings reduced compared to the prior year, with a decrease in revenue of 11.4% to $46.6 million.

During the year significant rationalisation activities were completed in Western Australia to ensure operations were well equipped to meet changing demand requirements and log input characteristics. This re-structure included the consolidation of four manufacturing operations onto one site at Greenbushes.

Victorian operations were adversely impacted by operational issues caused by decreasing log input size. However on a positive note, following many years of negotiations a log supply agreement was reached with VicForests that has secured supply for at least seven years. This log contract necessitates investment in sawmilling equipment to process smaller logs, with investment options now being considered by the Company.

Softwood operations delivered improved earnings for the year, on the back of further efficiency gains at the Fyshwick batten mill and the strong demand for roof tile battens due to the strength in east coast housing activity.

Revenue

$47m **↓11%**

Elizabeth Quay (WA)
Coastal Decking by Auswest Timbers

PROPERTY

Property produced an EBIT before significant items of $90.6 million for the year ended 31 July 2017, up 23.3% from $73.5 million for the prior year.

OVERVIEW OF FY2017 RESULT

Year Ended July	2016 $m	2017 $m	Change %
Net Trust Income	15.3	18.3	19.6
Revaluation of properties	41.8	14.3	(65.8)
Development Profit	17.8	10.8	(39.3)
Sale of assets	–	1.0	N/A
Property Trust	**74.9**	**44.4**	(40.7)
Land Sales	1.4	50.3	N/A
Waste	1.3	–	N/A
Property Admin and Other	(4.2)	(4.1)	(2.4)
Total	**73.5**	**90.6**	23.3

The improved result was due primarily to the sale of Oakdale West into the Property Trust during the first half, which contributed an EBIT of $50.1 million. This 90 hectare site at Eastern Creek in New South Wales will be developed by the Property Trust as an industrial estate over the coming years. The remaining $0.3 million Land Sales profit was generated from the sale of non operational property at Pemberton in Western Australia.

On 27 July 2017, the former brick making site at Malaga in Western Australia was sold for $19.2 million, in line with book value.

The Property Trust generated an EBIT of $44.4 million, down 40.7% from $74.9 million in the prior year. The decrease was due primarily to lower revaluation profits as a result of capitalisation rates stabilising over the year. In total property

Artist's impression of the completed Rochedale Industrial Estate (QLD)

revaluations contributed a profit of $14.3 million, down significantly from $41.8 million in the prior year.

Net property income distributed from the Trust was $18.3 million, up 19.6% from $15.3 million in financial year 2016. In addition to annual rent increases on established properties, new developments at Rochedale and Oakdale Central contributed to this uplift.

A development profit on completion of facilities within the Property Trust generated $10.8 million EBIT.

Property administration expenses totalled $4.1 million, down slightly on the prior year. These expenses include holding costs such as rates and taxes on properties awaiting development.

PROPERTY TRUST ASSET VALUE

Year Ended July	2016 $m	2017 $m	Change %
Leased properties	711	878	23.5
Land to be developed	300	523	74.3
Total Property Trust assets	**1,011**	**1,401**	**38.6**
Borrowings on leased assets	(299)	(408)	(36.4)
Borrowings on developments	(49)	(34)	30.6
Net Property Trust assets	**664**	**960**	**44.6**
Brickworks 50% share	**332**	**480**	**44.6**
Gearing on leased assets[1]	42%	46%	9.5

PROPERTY TRUST – LEASED PROPERTIES

Estate	Asset Value $m	Gross Lettable Area m²	Gross Rental $m/year	WALE[2] years	Capital Rate %
M7 Hub	126	64,125	8.3	3.3	6.0%
Interlink	377	192,207	23.7	4.7	6.1%
Oakdale	309	162,231	19.4	6.6	6.0%
Rochedale	66	34,570	4.0	16.8	6.3%
Total	**878**	**453,133**	**55.4**	**6.0**	**6.1%**

PROPERTY TRUST – DEVELOPMENT PIPELINE

	Asset Value $m	Gross Lettable Area m²	Gross Rental $m/year	WALE[11] years	Capital Rate %
Current Leased Assets	878	453,133	55.4	6.0	6.1%
New – Oakdale Central	146	81,660	9.2	8.0	6.4%
New – Rochedale	103	61,020	6.1	15.0	5.9%
Future Leased Assets	**1,125**	**595,813**	**70.7**	**6.7**	**6.1%**

1 Borrowings on leased assets / total leased assets.
2 Weighted average lease expiry.

PROPERTY TRUST ASSET VALUE

The total value of assets held within the Property Trust at 31 July 2017 was $1.401 billion. This includes $878 million in leased properties and a further $523 million in land to be developed.

Borrowings of $441 million are held within the Property Trust, giving a total net asset value of $960 million. Brickworks' 50% share of net asset value was $480 million, up $148 million from $332 million at 31 July 2016. The increase in value during the year is primarily due to the sale of the Oakdale West land to the Property Trust.

The Property Trust gearing level was 46% at 31 July 2017, up from 42% a year earlier, with the increase reflecting the significant development currently underway within the Property Trust.

PROPERTY TRUST – LEASED PROPERTIES

The entire Property Trust portfolio consists of "A grade" facilities, each less than eight years old, with long lease terms and stable tenants. The annualised gross rent exceeds $55 million, capitalisation rates range from 6.0–6.3% and there are currently no vacancies.

PROPERTY TRUST – DEVELOPMENT PIPELINE

Development activity in the Property Trust is continuing at pace, with a number of new developments at both the Oakdale Central and Rochedale estates due for completion during financial year 2018. At Oakdale Central in New South Wales, a total of 81,660m^2 of new developments will be completed, with the Estate due to be built out by April 2018. At Rochedale in Queensland 61,020m^2 will be completed including a 50,585m^2 Super Amart building.

Once completed, these new developments will contribute in excess of $15 million[3] in gross rental income to the Property Trust, taking the forecast gross rental income to over $70 million at the end of financial year 2018.

The next twelve months will also see developments commence at Oakdale South, following completion of infrastructure works by April 2018. This will trigger settlement on 30.3 hectares of land (with sale contracts executed in financial year 2016) providing $100 million in gross receipts on sale.

Leasing activity at this estate has been strong with heads of agreement for two facilities totalling 34,000m^2 secured, and a submission having been lodged on a proposed 40,000m^2+ facility.

Looking further ahead, the State Significant Development Application for the 100 hectare (developable area) Oakdale West property has been put on public exhibition. Approval is expected to be achieved in calendar year 2018.

BRICKWORKS OPERATIONAL AND DEVELOPMENT LAND

Operational land is utilised in the day to day activities of Building Products. The total value of operational land decreased slightly during the year to around $357 million. The decrease was a result of the sale of the Malaga property and consolidation of brick manufacturing operations in Western Australia.

The largest site held for development is at Craigieburn in Victoria. Brickworks is currently collaborating with other local landowners to produce development concepts that may accelerate rezoning of this land to residential.

3 This increase in gross Trust rent equates to around $3.5-4.0 million in net trust income to Brickworks, based on current gearing.

INVESTMENTS

The EBIT from total Investments was up 73.1% to $103.1 million in the year ended 31 July 2017.

WASHINGTON H. SOUL PATTINSON LIMITED
ASX Code: SOL

Brickworks' investment in WHSP returned an underlying contribution of $102.9 million for the year ended 31 July 2017, up 74.0% from $59.1 million in the prior year. This was due primarily to increased earnings from New Hope Coal, as a result of higher coal prices and a full year contribution from the recently acquired Bengalla mine operations. In addition, the contribution from TPG Telecom was also significantly higher.

The market value of Brickworks 42.72% share holding in WHSP was $1.804 billion at 31 July 2017, up $21.5 million from $1.782 billion at 31 July 2016. This investment continues to provide diversity and stability to earnings, with cash dividends totalling $54.2 million received during the year, up 3.8% on the prior period.

WHSP has delivered outstanding returns over the long term, with fifteen year returns of 12.8% per annum to 31 July 2017 being 3.9% ahead of the All Ordinaries Accumulation Index.

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

The investment in WHSP has been an important contributor to Brickworks' success for more than four decades. Over this period it has delivered an uninterrupted dividend stream that reflects the earnings from WHSP's diversified investments. This dividend helps to balance the cyclical earnings from Brickworks' Building Products and Property divisions.

$103.1m

EBIT from
Total Investments

↑73.1%

LTIFR 1.3

Lost Time Injury Frequency Rate

↓18.7%

TRIFR 17.1

Total Recordable Injury Frequency Rate

↓10.9%

Health and SAFETY

There is no task that we undertake that is so important that we can't take the time to find a safe way to do it.

STRATEGY

Brickworks is committed to minimising risks to the health and safety of its employees, contractors and the general public and believes continual improvement in health and safety is a key requirement for a sustainable workplace. The Company's health and safety strategy sets the framework for the development and management of programs to improve safety performance year on year.

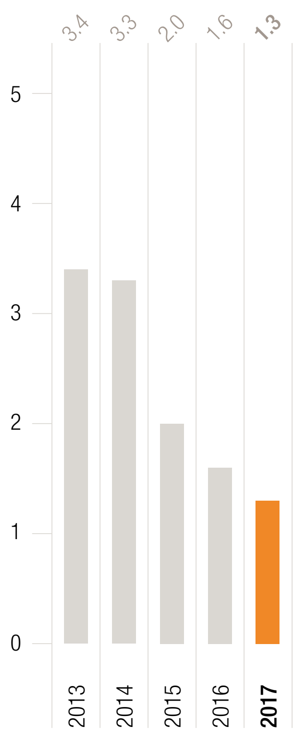
PERFORMANCE

Essential to Brickworks improved safety performance is the effective communication of safety performance and goals throughout all levels of the Brickworks business. Performance is measured utilising both lead and lag performance indicators. Brickworks benchmark its safety performance both internally and externally and this assists in driving improved safety performance.

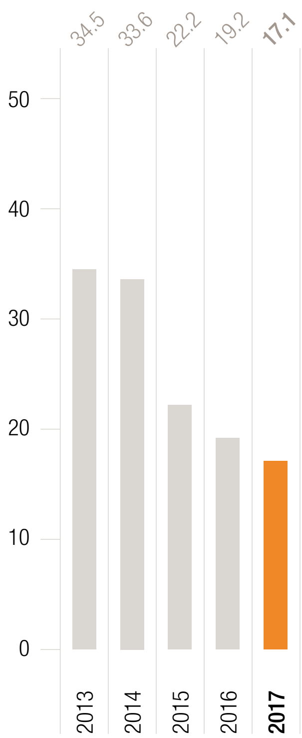
Brickworks safety performance continued to improve in financial year 2017. The lost time injury frequency rate (**LTIFR**) of 1.3 was down 18.7% on the prior year, and the total recordable injury frequency rate (**TRIFR**) of 17.1 was down 10.9%. The total workplace injury frequency rate (**TWIFR**) was also lower, recording a 25.2% reduction from the previous year.

Unfortunately the improvement safety performance was overshadowed by the tragic death of Austral Bricks truck driver Peter Cardilini, who was fatally injured in a bystander transport misadventure while delivering products in Sydney in October 2016. All Brickworks staff are deeply saddened by this incident.

Lost Time Injury Frequency Rate (LTIFR)



Total Recordable Injury Frequency Rate (TRIFR)



KEY INITATIVES

Fundamental to Brickworks work health and safety strategy are a number of key safety initiatives, supported by a robust safety culture. This is underpinned by a common work health and safety management system across all divisions of the Company, providing a consistent approach to managing health and safety within Brickworks.

Employee education and training is a key safety initiative and the number of training hours completed by each staff member is a lead indicator measured at Brickworks. On-line ELearning training is available for all Brickworks employees and educational courses in safety are assigned based on the requirements of individual roles. This has assisted in achieving the continued reduction in workplace injuries.

In order to ensure a safe work environment, Brickworks has implemented a structured program to eliminate hazards that risk worker injury and illness. Engaging employees and contractors through consultation, to identify physical hazards and effective controls has also proven to be another key activity in reducing workplace injury rates.

Brickworks believes a drug and alcohol free workplace is also essential for the welfare of employees, contractors and visitors and mandatory random testing has been implemented across the business nationally in 2017.

Safe environments and systems alone will not eliminate workplace injuries and having good general health is crucial in reducing injuries in the workplace. As such, employee health and wellbeing is another key focus area for the company.

Brickworks wellbeing program provides employees advice, education and professional assistance to improve their personal health. This includes on site physiotherapy sessions available at larger operational sites, undertaking workplace task assessments and treating employee ailments before they turn into injuries. In addition to this, diligent recruitment processes which include professional functional health assessments ensure that all new recruits are appropriately suited to the physical requirements of the position.

Environmental

SUSTAINABILITY

Brickworks is committed to managing our operations in an environmentally sustainable manner, whilst considering economic and social influences. Brickworks' aim is to reduce the environmental impact of our operations.

ENVIRONMENT

Brickworks is continuously implementing innovative processes to reduce its environmental footprint. The following technologies are currently being utilised at its manufacturing facilities:

Fuel substitution

Brickworks energy strategy entails the substitution of natural gas with clean renewable sources. Landfill gas is being used as a substitute for natural gas at two of our NSW operations; Biomass including sawdust and organic waste is used as a solid fuel to substitute natural gas at our sawmills and Tasmanian and Queensland brick operations. In 2016 Brickworks substituted over 465 TJ of natural gas with clean renewable sources which translates to a reduction of greenhouse gas emissions of approximately 24,000 t CO_2-e.

Energy efficiency

Each of the Company's facilities is in the process of upgrading its lighting to LED globes, replacing electric motors with super efficient types and variable speed drives where appropriate. Energy efficient plant is progressively replacing inefficient hydraulic systems. Solar PV systems are being considered and will be installed where economically viable. Heat recovery systems are utilised in all brick manufacturing facilities.

Water recycling

Many of the Brickworks facilities do not use town water for manufacturing purposes, rather they harvest rainwater and/or use treated waste water from industrial processes.

Beneficial re-use of raw materials

Austral Bricks source a portion of its clay requirements from infrastructure projects and uses this as a substitute for quarried clay, reducing the consumption of natural resources. For example, excavated material from the North-West Rail Link in NSW and the Elizabeth Quay project in WA has been utilised in brick manufacturing.

In addition, all damaged or rejected clay products are returned into the raw material mix.

Product development

Brickworks offers "colour for life" and product warranties of up to 100 years for some of its products.

Brickworks is constantly redesigning its products to reduce material requirements whilst maintaining structural integrity. Within Austral Bricks, core patterns deliver a reduction of up to 40% in the use of clay compared to solid bricks. This not only reduces consumption of raw materials, but also reduces fuel consumption associated with transport and kiln firing.

Material substitution

Materials such as fly ash from coal fired electricity generators and crushed concrete from building sites are used as substitutes for aggregates and cement in our concrete and masonry products, reducing our reliance on energy and resource intensive cement.

Bristile Roofing collects tile offcuts from building sites in WA and returns this material into the raw mix.

COMMUNICATIONS

Brickworks ensure that employees are informed of its environmental obligations through training sessions and toolbox meetings.

Brickworks representatives attend various community forums, including consultation in relation to various development applications.

COMLPIANCE & CERTIFICATES

Brickworks is subject to the National Greenhouse and Energy Reporting Scheme (**NGERS**). Its emissions for financial year 2016 (the latest available data) were:

Energy Consumed (GJ)	**Scope 1 Emissions** (t CO_2-e)	**Scope 2 Emissions** (t CO_2-e)	**Total Greenhouse Emissions** (t CO_2-e)
5,757,576	256,863	107,365	364,228

Brickworks hold the following environmental product certifications:

- Bricks manufactured at the Longford Tasmania facility hold Carbon Neutral Certification under the Australian Government's National Carbon Offset Scheme; and
- Auswest Timbers source Australian, sustainably grown hardwood timber, certified under the Australian Forestry Standard AFS/01-31-66 and the Program for the Endorsement of Forest Certification FEFC/21-31-66.

ENVIRONMENTAL AWARDS

Brickworks have recently been awarded:

- Winner of the WA Infinity Waste Award 2016 for a recycling programme introduced to our roofing division;
- Winner of the NSW GreenGlobe Award 2015 for Landfill Gas projects; and
- Five grants under the Federal Government's Clean Technology Investment Program.

Our

PEOPLE

WORKPLACE PROFILE

As at 31 July 2017, Brickworks employed 1,454 full-time equivalent employees across our Australian and New Zealand operations (permanent and part time employees, excluding casuals).

The average age of Brickworks employees is 43, with 31.5% aged 50 years and over. The average length of employee service at Brickworks is 8.2 years, which has decreased from 9.2 years for financial year 2016.

LEADERSHIP & CULTURE

At Brickworks, we recognise sustaining a strong culture driven by diverse and talented people is critical to our long-term success.

In financial year 2017, Brickworks focused on sustaining our strong culture by revitalising and strengthening our core values and behaviours in a simple, memorable and visual way.

The 'WE ARE BRICKWORKS' Values & Behaviours drive unity and focus across the organisation by providing a simple way for our people to understand what we stand for and how we achieve success at Brickworks. The campaign was created to share our culture with employees, customers, investors and with the communities within which Brickworks operates. This resulted in the creation of the ''We Are Brickworks' video, which has been viewed over 1,100 times over a four month period.

PEOPLE, SYSTEMS AND PROCESSES

Sustaining our strong culture was a key focus in financial year 2017, through the integration of Brickworks core values and behaviours in the following areas.

Talent Acquisition

Attracting the right people with the right skills is a strategic imperative for Brickworks to continue to innovate and grow. During financial year 2017, Brickworks evolved our talent acquisition strategy to attract the best people and strengthen our organisational talent and succession pipeline. Building Brickwork's employer brand on digital and social media platforms has been a key focus, with talent engagement with Brickworks brand on LinkedIn doubling over the past year. Furthermore, recruitment technology and processes were upgraded to improve speed of recruitment and streamline selection and on boarding of new employees.

Performance Management

Great achievements can come from cooperation and unity. Our ability to deliver the best possible building products relies on having a strong culture of high performing people who are aligned to deliver Brickworks strategy. In financial year 2017, Brickworks undertook a comprehensive review and re-design of performance management systems and processes. The focus of the review was to incorporate and reinforce employee performance expectations, by placing equal emphasis on *what is achieved* and *how the results are achieved*, through demonstrated values and behaviours.

Learning and Development

During financial year 2017, detailed scoping and design of national leadership and sales development pathways was initiated to support the business strategy. The objectives of these programs is to build organisational capability and sustain employee engagement by delivering tailored and consistent development pathways.

Rewards and Recognition

A strategic review and alignment of reward and recognition programs was undertaken to celebrate and reinforce our company culture. Existing programs were evolved and re-positioned to recognise and reward employees that demonstrate desired values and behaviours within the organisation.

Policies and Procedures

A comprehensive strategic review of key company wide policies and procedures was undertaken in financial year 2017. The aim of the review was to ensure legislative compliance and provide a solid foundation that is consistent with company values, positioning the organisation to be an employer of choice.

DIVERSITY AND INCLUSION

Brickworks is committed to an inclusive culture where all employees are treated with dignity and respect, and valued for their contributions and diverse backgrounds, experiences and perspectives.

Led by the Managing Director, the Brickworks Diversity Council drives the Diversity & Inclusion Strategy. During financial year 2017, the key focus has been on delivering a range of initiatives to:

- Improve decision-making processes through data driven metrics and leveraging diversity of thought.
- Provide gender neutral flexibility and entitlements to enable all employees to fully contribute to our success.
- Planning for long-term sustainable success through leadership development and talent/succession planning.
- Enable opportunities to celebrate success and form professional networks that span the organisation and industry.

During financial year 2017, a key outcome of the Diversity Council was the increase in gender diversity amongst leaders across the company, with female executive management representation being 22.7% (an increase from 19.1% last year) and female management representation being 20.3% (an increase from 18.8%).

Brickworks most recent Gender Equality Indicators can be found in the 2017 Brickworks Workplace Gender Equality Agency Annual Report located on the company website.

Antica Restaurant (SA)
Simmental Silver by Bowral Bricks

Board of

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 a member of the Remuneration Committee and the Nomination Committee.

LINDSAY R. PARTRIDGE AM

BSC. HONS. CERAMIC ENG; FAICD; DIP CD

MANAGING DIRECTOR

Mr Partridge graduated as a ceramic engineer from the University of New South Wales, and worked extensively in all facets of the clay products industry in Australia and the United States before joining the Austral Brick Company in 1985. In 2008, Mr Partridge completed the Stanford University Executive Development Program. He held various senior management positions at Austral before being appointed Managing Director of Brickworks 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.

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.

In 2012 he was awarded the Member of the Order of Australia for services to the Building and Construction Industry, particularly in the areas of industry training and career development, and to the community.

MICHAEL J. MILLNER

MAICD

DEPUTY CHAIRMAN

Mr M. Millner is a non-executive Director who was appointed to the Board in 1998. He is on the board and a councillor of the Royal Agricultural Society of NSW, including Chair of the RAS Foundation, and has extensive experience in the investment industry. Mr Millner is the deputy chairman of the Board, and a member of the Remuneration Committee and the Nomination Committee.

BRENDAN P. CROTTY

LS; DQIT; DIP.BUS ADMIN; MAPI; 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 a number of other entities that are involved in the property sector, including Chairman of Western Sydney Parklands Trust as well as being on the Macquarie University Council. He is the Chair of the Remuneration Committee, and a Member of the Audit and Risk Committee and the Nomination Committee.

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 and the Nomination Committee.

THE HON. ROBERT J. WEBSTER

MAICD

DIRECTOR

Mr Webster was appointed to the Board in 2001 and is a non-executive Director. He is Senior Client Partner in Korn Ferry's Sydney office. He is the Lead Independent Director, Chair of the Nomination Committee, a member of the Remuneration Committee and a member of the Audit and Risk Committee.

DEBORAH R. PAGE AM

B.EC; FCA; FAICD

DIRECTOR

Mrs Page was appointed to the Board in July 2014 and is a non executive Director. Mrs Page has extensive financial expertise, arising initially from her time at Touche Ross/KPMG Peat Marwick including as a partner, and subsequently from senior executive roles with the Lend Lease Group, Allen Allen and Hemsley and the Commonwealth Bank. She also has experience as a Director in a number of sectors, including Property, Energy & Renewables, Insurance, Funds Management, and Public Sector bodies. Mrs Page is the Chair of the Audit and Risk Committee, and a member of the Nomination Committee and the Remuneration Committee.

Company Secretary

SUSAN LEPPINUS

B.EC; LLB; GRAD DIP APP FIN

COMPANY SECRETARY AND GENERAL COUNSEL

Ms Leppinus was appointed Company Secretary and General Counsel in April 2015. She is admitted to practice in NSW and has over 12 years experience as a company secretary and general counsel. She has worked closely with boards and senior management in ASX 200 companies, and has significant experience in mergers and acquisitions, contract negotiation, corporate governance, corporate and commercial law. She is responsible for the legal governance and company secretarial functions of the Group, including liaising with the ASX, ASIC and other regulatory bodies.

Executive

MANAGEMENT

LINDSAY R. PARTRIDGE AM

BSC. HONS. CERAMIC ENG; FAICD; DIP CD

MANAGING DIRECTOR

Refer to Board of Directors, page 51.

ROBERT BAKEWELL

B.COMM; CA

CHIEF FINANCIAL OFFICER

Mr Bakewell was appointed Chief Financial Officer in June 2016. He is a chartered accountant with more than 30 years finance and commercial experience in listed Australian and international companies including significant experience in mergers and acquisitions, restructuring, balance sheet and capital management. He is responsible for all financial operations of the business including group accounting and taxation, treasury, banking and finance and investor relations.

MARK ELLENOR

B.BUS

GROUP GENERAL MANAGER – AUSTRAL BRICKS AUSTRALIA

Mr Ellenor was appointed Group General Manager Australia in April 2017. Mark started with Austral Bricks in the graduate program in 1999 and progressed through management and promoted to General Manager Eureka Tiles in 2006 then General Manager Austral Bricks NSW in 2009. Mark is responsible for setting and implementing the strategic plan for Austral Bricks Australia and the complete day to day safety, operational and financial performance. Mark is on the ATTBF and Think Brick Boards and has completed the Stanford Executive Program.

MEGAN KUBLINS

BS ARCH, B ARCH

EXECUTIVE GENERAL MANAGER – PROPERTY & DEVELOPMENT

Ms Kublins was appointed General Manager Property in November 2001 and became Executive General Manager Property & Development in 2006. She has over 20 years experience in the property industry gained in public and private organisations in the capacity of both landowner and developer. She manages all of Brickworks property assets, including over 3,500 hectares of land. Her primary focus is to identify value creation opportunities within this portfolio. She is responsible for the growth and management of the Goodman/Brickworks JV, which was established and grown under her direction. Megan has also completed the Stanford Executive Program.

DAVID FITZHARRIS

EXECUTIVE GENERAL MANAGER – SALES & EXPORT

Mr Fitzharris was employed by Brickworks in 1987 and for the past 30 years has held various senior executive positions. He was appointed to his current role of Group General Manager Sales in 2003. He is involved in the strategic direction of the Group and has responsibility for all sales, customer service, import/export activities across the Group and has actively developed key customer relationships across all business units. He is also a board member of New Zealand Brick Distributors and represents Brickworks at a number of industry associations.

Wormy Chestnut
by Auswest Timbers

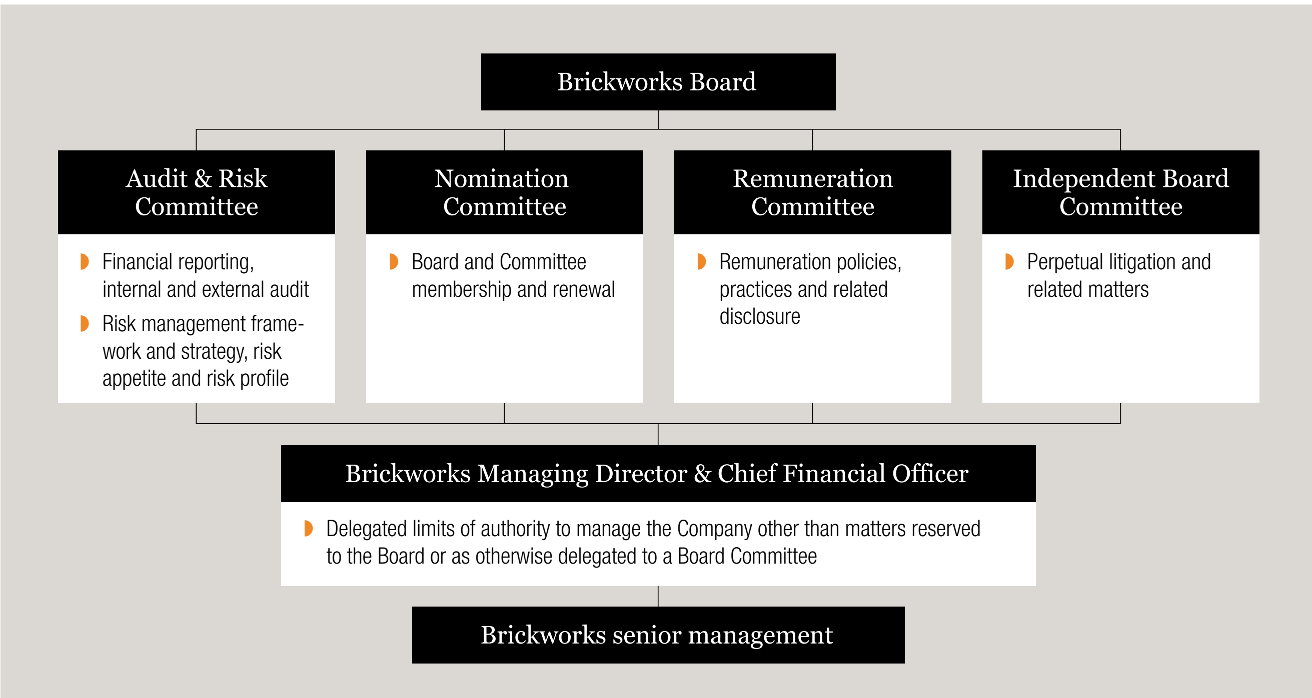
Corporate

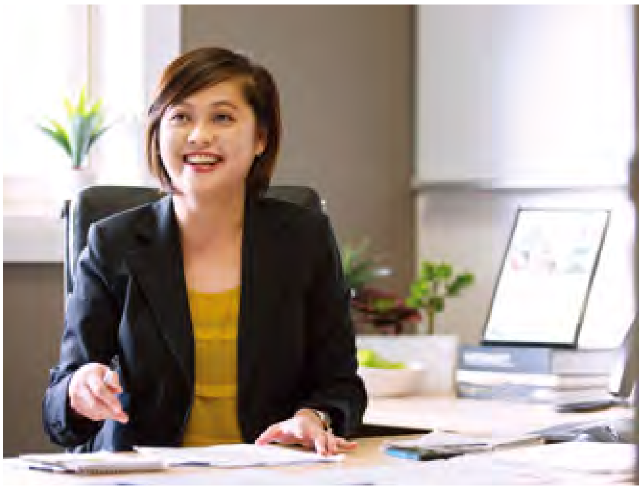
GOVERNANCE

The Brickworks Limited (Company) Board is committed to developing and maintaining good corporate governance and recognises that this is best achieved through its people and their actions. Brickworks Limited's 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. It is also critical to the success of the Company that an appropriate culture is nurtured and developed, starting from the Board itself.

Brickworks full Corporate Governance Statement which provides detailed information about governance at Brickworks' is available on Brickworks' website at www.brickworks.com.au.

BRICKWORKS GOVERNANCE FRAMEWORK





Management and oversight

- The Board provides leadership to the Company and its employees, oversees the development and implementation of corporate strategy and monitors performance of the Company and senior management.
- The Board comprises a majority of independent directors with a mix of skills and experience covering all aspects of the Company's operations and particularly the core businesses of building products manufacturing and property development.
- Day to day management of the Company and the implementation of strategy and policy initiatives is delegated by the Board to the Managing Director and senior executives.

Ethical and responsible decision making

- The Board aims to ensure the Company continually builds an honest and ethical culture.
- Brickworks has an established code of conduct which centres on the Company and all Directors, senior management and employees conducting themselves with integrity in all business dealings.

Timely and balanced disclosure

- Brickworks is committed to keeping its shareholders informed about the Company's activities.
- The Company aims to provide relevant information to shareholders in a timely manner which is supported by its continuous disclosure policy.

Safeguard integrity in financial reporting

- The Board through the Audit and Risk Management Committee:
  - monitors Company performance; and
  - ensures the proper external reporting of financial information.

Recognise and manage risk

- To ensure robust and effective risk management systems are in place and operating effectively, the Board through the Audit and Risk Management Committee:
  - determines the risk profile for the Company;
  - ensures that business initiatives are consistent with its risk appetite;
  - reviews the controls and systems in place to continually mitigate risk; and
  - oversees reporting and compliance requirements.
- Risk management is a priority for senior management.

Remunerate fairly and responsibly

- The Board through the Remuneration Committee ensures that remuneration policies and practices are consistent with strategic goals.
- The Company's remuneration policy is to:
  - equitably reward executives with a mix of fixed remuneration, short term and long term incentives aimed at attracting and retaining executives who will create value for shareholders; and
  - ensure appropriate succession planning is in place.
- Non-executive directors receive no incentive payments and there are no retirement benefits in place. Contributions to the retirement allowance plan for non-executive Directors were discontinued on 30 June 2003. Under legacy arrangements, non-executive Directors appointed prior to 30 June 2003 were entitled to receive benefits upon their retirement from office. These benefits were frozen with effect from 30 June 2003, and are not indexed. Since 30 June 2003 no new Directors have been entitled to join this plan.


australbricks

Wylde Street Apartments (NSW)
40mm Splits by Austral Masonry

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 2017.

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 AM** BSc. Hons. Ceramic Eng; FAICD; Dip. CD (Managing Director)
- **Brendan P. Crotty** LS; DQIT; Dip.Bus Admin; MAPI; FAICD; FRICS
- **David N. Gilham** FCILT; FAIM; FAICD
- **Deborah R. Page AM** B.Ec; FCA; FAICD
- **The Hon. Robert J. Webster** MAICD; MAIM

All Directors have been in office since the start of the financial year to the date of this report. Each Director's experience and special responsibilities are set out on pages 51 to 52 of this Annual Report.

Details for each Director's directorships of other listed companies held at any time in the three years before the end of the financial year and the period of which such directorships are held are:

Robert D. Millner

Washington H. Soul Pattinson and Co. Ltd	since 1984
New Hope Corporation Ltd	since 1995
TPG Telecom Ltd	since 2000
BKI Investment Company Ltd	since 2003
Milton Group	since 1998
Australian Pharmaceutical Industries Ltd	since 2000

Michael J. Millner

Ruralco Holdings Ltd	since 2007

Brendan P. Crotty

GPT Group	since 2009
Barangaroo Delivery Authority	Appointed 2009 Resigned 2014

Deborah R. Page AM

GBST Holdings Ltd	since 2016
BT Investment Management Ltd	since 2014
Service Stream Ltd	since 2010
Investa Listed Funds Management Ltd (RE of ASX listed Investa Office Fund)	Appointed 2011 Resigned 2016
Australian Renewable Fuels Ltd	Appointed 2012 Retired 2015

The Hon. Robert J. Webster

Endeavour Energy Limited	Appointed 2017

COMPANY SECRETARY

Susan L. Leppinus B.Ec; Llb; Grad Dip App Fin

PRINCIPAL ACTIVITIES

The Brickworks Group manufactures a diverse range of building products throughout Australia, engages in development and investment activities to realise surplus manufacturing property, and participates in diversified investments as an equity holder.

CONSOLIDATED RESULT OF OPERATIONS

The consolidated net profit for the year ended 31 July 2017 of the Brickworks Group after income tax expense, amounted to $186,210,000 compared with $78,190,000 for the previous year.

DIVIDENDS

The Directors recommend that the following final dividend be declared:

Ordinary shareholders – 34 cents per share (fully franked)

The record date for the final ordinary dividend will be 9 November 2017, with payment being made on 29 November 2017.

Dividends paid during the financial year ended 31 July 2017 were:

(a) Final ordinary dividend of 32 cents per share (fully franked) paid on 30 November 2016 (2016: 30 cents).

(b) Interim ordinary dividend of 17 cents per share (fully franked) paid on 2 May 2017 (2016: 16 cents).

REVIEW AND RESULTS OF OPERATIONS

A review of Brickworks Group operations and the results for the year is set out on pages 5 to 41 and forms part of the Director's Report.

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 Financial Performance and the Financial Statements.

AFTER BALANCE DATE EVENTS

No matter or circumstance has arisen since the end of the financial year that has 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.

ENVIRONMENTAL REGULATION

The Group is subject to various state and federal environmental regulations in Australia. A number of our sites also operate under additional requirements issued by local government.

There is significant environmental regulation requiring compliance for Brickworks' building products manufacturing and associated activities in each state of Australia.

The board places a high priority on environmental issues and is satisfied that adequate systems are in place for the management of Brickworks' compliance with applicable environmental regulations under the laws of the Commonwealth, States and Territories of Australia.

Each operational manufacturing and quarry site holds a current license and/or consent in consultation with the various regulatory authorities. Annual returns were completed where required for each license stating the level of compliance with site operating conditions.

Audit and assurance programs are an integral aspect of Brickworks' environment management systems assisting in measuring performance and mitigating environmental risks

During the year, results of our environmental management process indicated that some emissions were in excess of licence limits. The Group continues to investigate all these instances of non-compliances, working closely with the relevant authorities to resolve these issues. Chlorine and sulphur dioxide emission rates were exceeded at Austral Bricks Wollert, which was fined $7,800 by the Environmental Protection Authority. Stack extensions and a licence amendment are planned to address this issue to ensure ongoing compliance at Wollert. The Department of Environment and Heritage Protection (DEHP) fined Austral Bricks Queensland $23,600 for breaching rehabilitation conditions in the environmental authority following the construction of an industrial subdivision over a number of mining leases by the property joint venture. DEHP also issued a summons to Austral Masonry (Qld) regarding the unlicensed operation of a small and now rehabilitated sand quarry at Bundaberg and during the year the Court imposed a fine of $42,000 be paid with no conviction recorded.

Brickworks is not aware of any pending prosecutions relating to environmental issues.

The Directors are not aware of any material non compliance with environmental regulations pertaining to the operations or activities during the period covered by this Report which would materially affect the business as a whole.

Further information regarding Brickworks' approach to environmental and sustainability is set out on pages 45 to 46.

RISK MANAGEMENT

The Board of Brickworks has adopted a Risk Management framework that identifies Risk Tolerance and Risk Appetite for the Group and then considers how each identified risk is placed within that framework.

That framework involves assessment of the likelihood of an event occurring, the potential impact of each event and the controls and processes in place to continually mitigate each risk.

The significant risks that may impact the achievement of the Group's business strategies and financial prospects are:

Building Products

The achievement of business objectives in the Building Products Group may be impacted by the following significant risks:

Risk	Mitigation
Supply Risk – sources and cost of gas supply	The Group continues to review upstream investment options, and alternative sources of gas while leveraging supplier relationships to ensure long term supply.
Serious Safety Incidents	The Group has a strong safety culture and a well developed WHS system (refer further "***Safety***").
Environmental incident	The Group has a comprehensive environmental compliance system and strong commitment to environmental protection (refer further "***Environment***").
Alternative products	The Group has a strong focus on research and development, monitors market trends and has strategies to diversify its range of building products and its marketing approach.
Shift in housing trend	The movement away from detached housing threatens the Group's traditional market. The Group has strategies to diversify its range of building products and its marketing approach.
New competitor	Whilst barriers to entry are significant the Group monitors both domestic manufacturing and import competitors and has adopted a customer relationship and quality model, supported by investment in research and development.
Plant performance	All plants are subject to regular preventative maintenance programs and appropriately qualified staff are employed to monitor and oversee production activities. Plant performance is measured and monitored daily, weekly and monthly.
Production capacity	The Group manages production capacity by restarting, building and mothballing plant to adapt to cyclical market conditions. In the 2017 financial year, the Group commenced the recommissioning of the Cardup plant and announced the planned closure of the Malaga plant in WA.
Business Interruption	There are multiple facilities throughout Australia that can transport products between locations as and when required. The major facilities have rolling risk reviews and reporting by outside parties. The business also maintains significant insurance policies to manage the physical loss of assets and any loss of income due in an insurable interruption.
Asbestos Risk	There has been a comprehensive review of all locations for the presence of asbestos. Building cladding is regularly removed and replaced with non-asbestos based materials. Where any asbestos is found, either within a plant or during rehabilitation, it is immediately quarantined and removed by qualified reputable contractors, using the most diligent safety standards.
Market Risk – deteriorating market conditions	The Group is investing in geographic and product diversification, cost control and continuous improvement of business.

Property

The achievement of business objectives in Property may be impacted by the following significant risks:

Risk	Mitigation
Market Risk	The industrial property cycle may deteriorate, resulting in softening capitalisation rates and lack of growth. The Group manages the risk by monitoring the key economic drivers, employing property professionals who understand the property cycle and undertaking development in joint venture with Goodman Group. The Group regularly conducts hold/sell assessments.
Serious Safety Incidents	The Group has a strong safety culture and a well developed WHS system (refer further "***Safety***").
Property Trust Financing	The joint property trusts maintain facilities with multiple lenders with various tenors up to 7 years. In addition, gearing is maintained at prudent levels through the property cycles.
Rezoning Risk	The Group takes a long term, patient approach to achieving the highest and best use for each property. The rezoning process for a property usually commences prior to finalisation of its existing use.

Group

The achievement of business objectives in the Group activities may be impacted by the following significant risks:

Risk	Mitigation
Financing Risk	The Group maintains conservative gearing levels below 20% in recognition of its cyclical nature. Senior debt facilities are maintained with financial lenders with whom an open and transparent relationship is maintained. Facilities are maintained over various tenors ranging from 2 to 5 years, ensuring that a maximum of $200 million will expire at any one point in time.
Cyber Security Risk	The Group has assessed its main cyber security threat as phishing to obtain sensitive company information or a virus attack which compromises the system. Investment in technology has increased and risk controls include the use of a VPN and antivirus software to safeguard against incoming viruses from personal computers. Preventative measures include regular system penetration tests and employee training. New leading edge end-point protection software and firewall protection has been introduced. A disaster recovery plan is in place across the organisation

Investment

The achievement of business objectives in Investment activities may be impacted by the following significant risks:

Risk	Mitigation
Market Risk	The Group's investment in WHSP is subject to market movements and the underlying performance of WHSP. The WHSP investment is diversified across industries other than those in which the balance of Brickworks specialises, which provides a stable stream of dividends over the long term. The WHSP group may have significant exposure to the Coal and Telecommunications Markets.

MEETINGS OF DIRECTORS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director are set out below. All directors were eligible to attend all director and committee meetings held.

	Directors' Meeting	Audit & Risk Committee	Remuneration Committee	Nomination Committee	Independent Board Committee
Number of Meetings held:	**10**	**3**	**6**	**1**	**4**
Number attended:					
R D Millner	10	N/A	6	1	N/A
M J Millner	10	N/A	6	1	N/A
L R Partridge	10	N/A	N/A	N/A	4
B P Crotty	9	3	6	1	4
D N Gilham	10	N/A	6	1	4
D R Page	9	3	6	1	3
R J Webster	7	3	5	0	3

DIRECTORS INTERESTS

As at 19 September 2017, Directors had the following relevant interests in Brickworks shares:

Director	Ordinary Shares
R D Millner	5,039,980
M J Millner	5,014,023
L R Partridge	215,539
B P Crotty	15,209
D N Gilham	102,268
D R Page	6,500
R J Webster	15,922

As at 19 September 2017, 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.

Remuneration REPORT

The Remuneration Report has been audited in accordance with s300A of the Corporations Act 2001.

1 OVERVIEW

1.1 Executive Summary

The Brickworks Board of Directors is committed to ensuring that the remuneration framework is focused on driving a performance culture that is closely aligned to the achievement of the Company's strategy and business objectives as well as the retention of key members of the senior management team. During financial year 2017 the Board enhanced its disclosure of the Company's remuneration framework particularly regarding:

- the link between performance and payment of short term incentives (STI) to Key Management Personnel (KMP) including outcomes against various performance hurdles of the STI;
- the rationale behind the long term incentive (LTI) and selected TSR measure for the MD and CFO;
- enhanced disclosure regarding the pre-allocation performance measures for the LTI; and
- historical performance of the Brickworks share price against index returns.

Following the vote on the Remuneration Report at the Company's 2016 Annual General Meeting and a review of the relevant proxy advisor reports and consideration of the Company's circumstances the Board has made some changes to the Company's remuneration framework which will take place over FY 2017 and FY 2018 as follows:

- an increase in the fixed remuneration for the MD to more properly reflect market practice and peer benchmarks effective from 1 April 2017;
- a change in the remuneration mix for the MD and CFO for FY 2017 which includes:
  - an increase in the proportion of at risk remuneration in the form of STI for the MD and CFO on FY2017 performance from 50% to 60%; and
  - a reduction in the LTI opportunity for the MD and CFO from 50% to 40% for all allocations made following FY2017;
- for STI earned in relation to FY 2017 performance a new STI deferral for the MD and CFO of 33.33% for a period of 2 years as a retention mechanism; and
- for LTI rewards allocated in relation to results achieved during FY2017, a new relative TSR benchmark will be applied to 50% of LTI allocations so that 100% of shares allocated to the MD and CFO will have a TSR measure.

1.2 Details of Key Management Personnel

The following persons had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of that entity during the full financial year.

Directors

The following persons were directors of Brickworks Ltd during the full financial year:

Mr R Millner	Non-executive Chair
Mr M Millner	Non-executive Deputy Chair
Mr L Partridge	Executive Director (Managing Director)
Mr B Crotty	Non-executive Director
Mr D Gilham	Non-executive Director
Mrs D Page	Non-executive Director
The Hon. R Webster	Non-executive Director

Executives

Mr R Bakewell	Chief Financial Officer
Ms M Kublins	Executive General Manager – Property & Development
Mr M Ellenor	Appointed Group General Manager – Austral Bricks Australia on 1 May 2017
Mr D Fitzharris	Group General Manager – Sales & Export As of the appointment of Mr M Ellenor in the role of Group General Manager – Austral Bricks Australia on 1 May 2017 Mr D Fitzharris is no longer considered a KMP from this date.
Mr P Scott	Group General Manager – Operations As of 1 February 2017 Mr P Scotts role changed to Group General Manager – Operations. He is no longer considered a KMP from this date.
Mr A Payne	Chief Financial Officer until his retirement from the Company on 30 September 2016.

1.3 Remuneration Committee

The Board has an established Remuneration Committee which operates under the delegated authority of the 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 and the membership of the Remuneration Committee is as follows:

Mr B Crotty	Non-executive Chair (Committee Chair)
Mr D Gilham	Non-executive Director
Mr M Millner	Non-executive Director
Mr R Millner	Non-executive Director
Mrs D Page	Non-executive Director
The Hon. R Webster	Non-executive Director

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

- ensure that remuneration policies and practices are consistent with Brickworks' strategic goals and human resources objectives;
- enable Brickworks to attract and retain executives and Directors who will create value for shareholders;
- equitably, consistently and responsibly reward executives having regard to the performance of Brickworks, the performance of the executives and the general pay environment;
- ensure executive succession planning is adequate and appropriate; and
- retain key executives in the event that competitors attempt to recruit them.

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

1.4 Use of remuneration consultants

Where the Remuneration Committee will benefit from external advice, it will engage directly with a remuneration consultant, who reports directly to the Committee. In selecting a suitable consultant, the Committee considers potential conflicts of interest and requires independence from the Group's KMP as part of their terms of engagement.

- During the financial year, the Remuneration Committee appointed Guerdon & Associates (Guerdons) as the remuneration adviser to provide information regarding remuneration benchmarking for executives.
- The consideration paid for the remuneration benchmarking for executives provided by Guerdons was $85,116.
- Remuneration information was provided to the Remuneration Committee as an input into decision making only. The Remuneration Committee considered the information in conjunction with other factors in making its remuneration determinations.
- The Committee is satisfied the advice received from Guerdons is free from undue influence from the executives to whom the remuneration information applies, as Guerdons were engaged by, and reported to, the Chairman of the Remuneration Committee.
- During the year no remuneration recommendations, as defined by the Corporations Act, were provided.

1.5 Board Policies for determining remuneration

Policies for determining the nature and amount of remuneration for the executives are developed by the Remuneration Committee for approval by the Board. Once approved by the Board, these policies are applied consistently across all divisions within the Group.

2 REMUNERATION COMPONENTS

2.1 Group performance, shareholder wealth and remuneration

Executive remuneration is comprised of both fixed and performance-based 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 such as the provision of Company maintained motor vehicles (if provided). Fixed remuneration is approved by the Remuneration Committee based on data sourced from external providers, including independent remuneration data providers.

Performance-based remuneration is tied to the performance of the individual and the division and/or Group in which they work. Any such remuneration earned is available as a combination of Brickworks' shares purchased through the Brickworks Deferred Employee Share Plan and cash.

Brickworks uses Key Performance Indicators to ensure that its Executives:

- improve profit, cash flows, production and operational efficiencies;
- rationalise non-performing assets;
- retain key employees who have developed specialist skills and expertise in the industries in which the Group operates;
- ensure that the health and safety of employees has the highest priority; and
- provide demonstrated leadership in relation to environmental compliance.

Brickwork's short term performance incentive and its long term incentive scheme are designed to prioritise these corporate objectives.

The short term incentive program contains key performance measures for each executive which support its strategy as outlined further in section 2.4.

The primary purpose of Brickwork's LTI is retention, as many years may be required for an individual to develop a complete knowledge of the operating and manufacturing processes for building materials. An executive who knows the Company's clients extremely well and has a long history of successful negotiations with them will also be difficult to replace. The Board has developed an effective retention based long term incentive plan which operates over a series of rolling 5 year periods. In addition, for share allocations to the Managing Director and the Chief Financial Officer approved after 31 July 2017 a relative TSR measure has been introduced along with the absolute TSR performance measure already applicable. This enhances the alignment of executive interests with those of shareholders.

Brickworks' ongoing emphasis on aligning LTI outcomes with medium-long term financial performance has fostered the development and maintenance of an organisational culture that is characterised by co-operative endeavour and mutual respect which has contributed to the following outperformance:

- an increase in the annual EBIT (before significant items) generated by the Building Products and Property divisions from $82.4 million in the 2013 financial year to $155.6 million in the year to 31 July 2017;
- the Return on NTA for the Building Products and Property divisions demonstrate an increase from 9.9% in 2013 to 15.34% in 2017; and
- the Operating Cash Flows generated by the Building Products and Property divisions have demonstrated continuous improvement from $25.3 million for the year ending 31 July 2013 to $88.7 million for the year ending 31 July 2017.

The Board is of the opinion that the Company's current strategies and operational initiatives will deliver superior long term results to shareholders. While performance based remuneration is tied to the financial results delivered by the building products and property segments, Brickworks' share price may also be influenced by factors outside of management's control.

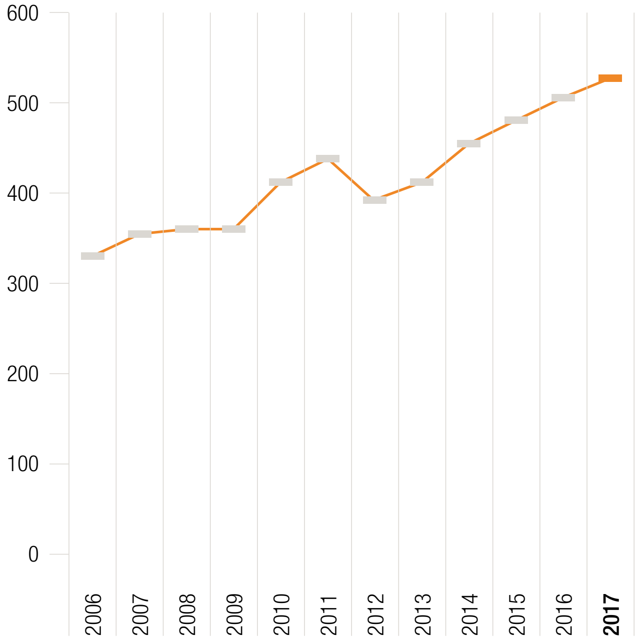
The following table shows a number of relevant measures of Group performance over the past five years. Although a detailed discussion on the current year results is included in the review of operations and is not duplicated in full here, an analysis of the figures below demonstrates dividend growth, and consistent performance in a difficult cyclical environment.

	2013	**2014**	**2015**	**2016**	**2017**
Total revenue (millions)	$606.5	$670.3	$723.6	$751.0	$841.8
Combined Building Products & Property EBIT before significant items (millions)	$82.4	$107.5	$120.7	$148.8	$155.6
Net profit before significant items after tax (millions)	$100.0	$101.3	$120.3	$147.1	$196.4
Net profit after tax (millions)	$85.2	$102.8	$78.1	$78.2	$186.2
Net Tangible Assets (millions)	$1,450.9	$1,516.8	$1,572.1	$1,628.9	$1,755.0
90 day VWAP for Brickworks shares at year end	$12.43	$13.74	$14.38	$15.11	$14.27
Dividends – ordinary shares (cents)	40.5	42.0	45.0	48.0	51.0

Employee Productivity

Brickworks productivity measures have also improved over time. The following graph shows historical revenue per employee. Despite having grown substantially employee productivity has not been compromised in the process.

Building Products Revenue per Employee ($'000)



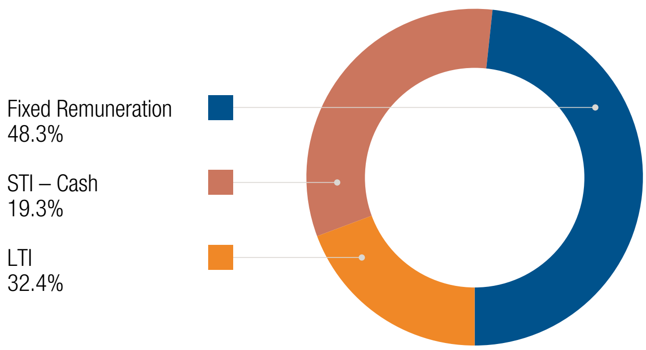
2.2 Potential Remuneration Mix

Total remuneration for the Managing Director (MD) and the other executives comprises both fixed remuneration and an at risk component (STI and LTI). The mix shown in the graph below is the potential remuneration based on the current remuneration at 31 July 2017 with STI and LTI based on maximum opportunities.

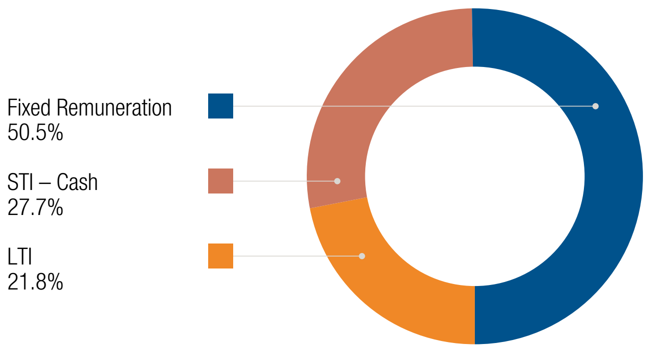
For the MD and CFO 33% of the STI awarded after 1 July 2017 (and based on performance in FY 2016) will be deferred for a period of 2 years. For STI awarded in FY 2017 based on FY 2016 performance as with other executives any excess STI earned above 50% of total fixed remuneration will not be paid as a cash bonus but will be added to the long term incentive share allocation for that year with deferral based on tenure over 5 years).

This structure is designed to retain and pay executives competitively based on their performance.

Potential Managing Director Remuneration Mix



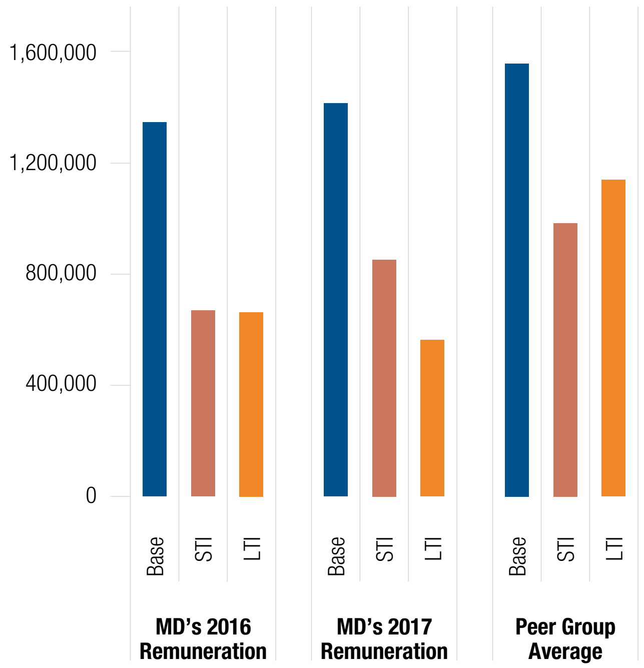
Average Potential Other Executive KMP Remuneration Mix



2.3 *Remuneration Component – Fixed Remuneration*

Following an independent benchmarking assessment of the fixed pay, cash STI, deferred STI and LTI was undertaken during the year, The level of peer MD remuneration opportunity at target and maximum levels was compared to the MD opportunity on the same basis.

Managing Director's Remuneration Position against peers



Following benchmarking of the fixed pay, cash STI, deferred STI and LTI it was observed that the Managing Director's remuneration was positioned below that of the market with respect to roles of comparable complexity and size.

The Board preference was for this deficit to be made up of a combination of performance pay and fixed pay.

The MD has been awarded an increase of 7.5% of base pay effective from 1 April 2017 to more fairly reflect his remuneration compared to the market and peers in ASX listed building products companies. The STI opportunity has been increased to 60% from 40% but for retention purposes 33.33% of any STI payment will be deferred for 2 years. In addition the 40% LTI opportunity reflects the Board's preference that all LTI grants be performance based with TSR performance measures being applied to 100% of each allocation with no LTI allocation having a sole tenure based performance measure.

There has been no material increase in total fixed remuneration for any other KMP or executives during the 2017 financial year.

2.4 *Remuneration Component – Short Term Incentives (STI)*

The information below outlines the STI Plan:

Purpose

The STI is an annual bonus designed to reward executives for meeting or exceeding financial and non financial objectives over a one year period.

Timing

For the MD and CFO the STI is awarded in cash up to a maximum of 72% of total fixed remuneration (including base salary, superannuation and car allowance) with 33.33% of STI awarded deferred for two years.

For all other executives the STI is awarded in cash up to a maximum of 50% of total fixed remuneration (including base salary, superannuation and car allowance).

Any excess STI earned above the maximum percentage of total fixed remuneration will not be paid as a cash bonus but will be added to the long term incentive share allocation for that year with deferral over 5 years.

Target Opportunities

The MD and CFO have a target STI opportunity of 60% of total fixed remuneration while other executives have a target STI opportunity of between 12.5% and 50% of base salary. STI as a proportion of base 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.

Performance measures

Each year the Remuneration Committee sets KPIs for the MD and CFO for the financial year, with a view to directly aligning the individuals' annual incentive opportunity to execution of the Group's business strategy.

The MD determines the KPIs which are aligned to the delivery of the strategy and performance of the business.

Payments under the STI are determined by performance against KPIs.

STI performance measures and weightings vary by executive depending on individual accountabilities for the financial year 2017. The metrics and their rationale for selection are as follows:

Rationale for selection

Financial measures

Divisional profit compared with the base target	Focus senior executive attention on results and performance for segments for which they have direct responsibility.
Cash generation	Managing cash to ensure cash and working capital is available whenever and wherever required by the business.

Non-financial measures

Quality of earnings	This measure considers the quality of the earnings result including goodwill, impairments and windfall gains.
Strategic	Focuses senior executives on strategic initiatives such as new product development, network strategy, rationalisation of surplus assets, restructuring and rationalisation of operations to deliver growth and improve business performance.
Operational	Key operational deliverables align management to the strategic initiatives of the Group with a focus on long-term sustainability of earnings such as production and returns on net tangible assets, efficiencies, operational and manufacturing improvements.
Safety, Health and Environment	Rewards employees for demonstrated leadership in enhancing workplace safety and taking a sustainable approach to operations through scientific innovation.
People	Effective leadership, talent development, retention and succession planning are critical to the success of the business and underpin financial performance.

Weighting of performance measures

MD and CFO

The potential STI for the MD and CFO at target is based on 60% of total fixed remuneration (including base salary, car allowance and superannuation). The payout schedule against the financial measures is outlined below:

Percentage of financial component of STI Award payable for the MD and CFO

Circumstance	Target	STI Award
Outperformance	110% of profit target	120% of potential STI
Meeting performance	Between 100% and 110% of profit target	Pro rata award on a straight line basis between 100% and 120% of potential STI
Sub-optimal performance	Between 80% and 100% of profit target	Pro rata award on a straight line basis between 60% and 100% of potential STI
Underperformance	Below 80% of profit target	No STI Award

The total STI Award calculated as set above is then considered against each performance measure component as follows:

- 37.5% of any STI Award is paid to reflect profit performance
- 37.5% of any STI Award is paid as set out below:

100% of budgeted operating cash flow	100% of 37.5%
Between 80% and 100% of budgeted operating cash flow	Pro rata award on a straight line basis between 60% and 100% of 37.5%
Below 80% of budgeted operating cash flow	100% of 37.5% forfeited

- The remaining 25% of any STI Award is payable on each non financial measure reached.

Other Executives

The STI for all other executives is weighted 75% for financial measures and 25% for non-financial measures.

Percentage of financial component payable for other executive KMP (ie. 75% of total STI)

% of profit target achieved	
Between base target and upper target	Straight line between 50% and 100%
> upper target	Pro rata equal to the percentage over budget to a maximum of 50% of total fixed remuneration
% of cash target achieved	
Between base target and upper target	Straight line between 50% and 100%

There is no upside available against cash and non-financial measures.

Performance assessment

MD and CFO

At the end of the financial year the Remuneration Committee assesses actual performance against their respective KPIs and recommends the STI quantum to be paid to the individuals for approval by the Board.

These assessment methods have been chosen as they provide the Remuneration Committee with an objective assessment of each individual's performance.

Other Executives

At the end of the financial year the MD assesses the actual performance against their respective KPIs and determines the STI quantum to be paid to the senior executives. The MD provides these assessments to the Remuneration Committee annually.

The Remuneration Committee and the MD have the discretion to take into account any significant non-cash items, for example acquisitions and divestments and one-off events/abnormal/non-recurring items in determining whether the financial KPIs have been achieved, wherever and whenever this is considered appropriate for linking remuneration reward to Company performance.

Other features

Clawback

There are currently no clawback clauses for STI payments.

Termination

Should the employment of either the MD or CFO be terminated other than for cause all outstanding STI payments the subject of deferral will be paid as if their employment had continued.

STI outcomes

The table below outlines the weighting of financial and non-financial KPIs in relation to each executive for financial year 2017 and the performance achieved. Unless otherwise stated all earnings measures exclude significant items.

Executive	FINANCIAL 75%		NON-FINANCIAL 25%	
	Measure(s)	Performance	Measures	Performance
MD & CFO	NPAT for Building Products and Property against target	106% achieved	A mixture of Quality of earnings, Strategic, Operational, Safety, Health and Environment and People including Succession Planning relevant to the executive	95% achievement of non-financial KPIs
	Operating cash flow for Building Products and Property against target	90% achieved		
EGM Property & Development	NPAT against target	131% achieved	Mixture of Strategic and Operational relevant to the executive	100% achievement of non-financial KPIs
	Divisional cash generation against target	122% achieved		
Group GM – Austral Bricks Australia	EBIT against target for Austral Bricks East Coast	110% achieved	Mixture of Strategic, Operational, Safety, Health and Environment and People relevant to the executive	60% achievement of non-financial KPIs
	Cash generation for Austral Bricks East Coast	108% achieved		

STI achieved

The table below outlines the weighting of financial and non-financial KPIs in relation to each executive for 2017 and the performance achieved.

The following table outlines the percentage of target STI achieved (and forfeited) in relation to financial and non-financial KPIs, and the total STI awarded, for each executive for 2017.

Executive	STI On Target Opportunity	FINANCIAL			NON-FINANCIAL			STI awarded $	STI over performance subject to LTI $
		Weighing %	Achieved %	Forfeited %	Weighing %	Achieved %	Forfeited %		
MD	944,300	75%	90%	10%	25%	95%	5%	859,385	–
CFO	503,716	75%	90%	10%	25%	95%	5%	458,417	–
EGM Property & Development	233,188	75%	116%	0%	25%	100%	0%	255,438	5,238
Group GM – Austral Bricks Australia	225,000	75%	105%	0%	25%	60%	40%	211,100	–

2.5 *Remuneration Component – Long Term incentives (LTI) for FY 2017*

What is the LTI?

The Group operates an LTI Plan through the Brickworks Deferred Employee Share Plan in which employees receive Brickworks Limited shares. No consideration is payable by participants for shares under the terms of the plan.

Scope

The LTI is a broad based employee share plan with 588 employees participating as at 31 July 2017 via 1,504,460 shares on allocation of which 50.98% remain unvested (and 49.02% vested). In addition 67,960 shares in the plan were forfeited during the year to 31 July 2017.

Purpose

The primary purpose of the LTI is the retention of the Company's senior executive team. For example, acquisition of the necessary knowledge to successfully manage the manufacturing processes for building materials usually requires an immersion period of at least 5 years and in some sectors, such as brick production, as much as 10 years. Similarly, an executive who knows the Company's clients extremely well and has a long history of successful negotiations with them will also be difficult to replace. Not surprisingly, Brickworks seeks to retain as many of its experienced executives as practically possible.

Opportunity

For the 2017 financial year, the value of shares granted was dependent upon the employee's position within the Group and their base salary. For the MD and all other executives, this STI entitlement was up to 50% of base salary for all executives. For the MD and CFO this STI entitlement will increase to 60% for allocations made after FY 2017.

However, the value of LTI shares may exceed these percentages as a consequence of STI cash payments being capped at 50% of fixed remuneration for all executives (and at 60% of fixed remuneration for the MD and CFO for allocations after FY 2017). Outperformance against the STI measures are recognised by the grant of additional LTI shares.

Pre-allocation performance measures that apply for allocations made in FY 2017

Performance criteria were considered by the Board for allocations made in FY 2017 before plan shares were allocated. This includes an assessment of the factors below and having regard to general market conditions that have an impact on demand for Brickworks products.

LTI allocations to executives reflect the level of performance achieved against these criteria. Unless otherwise stated all earnings measures exclude significant items.

Executive	Measure	Performance
MD & CFO	Quality of earnings over the past 3 years	Achieved
	Return on NTA Building Products and Property over past 3 years against target	Achieved
	NPAT for Building Products and Property over past 3 years against target	Achieved
	Operating cash flow for Building Products and Property against target over the past 3 years	
	Strategic goals including consolidation and growth, securing lowest cost manufacturing facilities and create better building solutions	Achieved
EGM Property & Development	Return on NTA Property over past 3 years against target	Achieved
	EBIT for Property over past 3 years against target	Achieved
	Divisional cash generation for Property against target over the past 3 years	Achieved
	Strategic goals including on-going rezoning of surplus land and its reallocation to the Property Trust	Achieved
Group GM – Austral Bricks Australia	Return on NTA for Austral Bricks over the past 3 years against target	Achieved
	EBIT for Austral Bricks over the past 3 years against target	Achieved
	Strategic goals including development and strengthening of customer relationships and channels to market with a focus on complementary products and securing lower cost manufacturing facilities across the Brick business	Achieved

Post-allocation performance measures for shares allocated in FY 2017 – absolute TSR

For allocations approved and made in 2015 and 2016, 50% of shares allocated to the MD and CFO will be assessed for vesting against an annual TSR target of 7.0% (before tax) (TSR Shares). A TSR based vesting test will not apply to any allocation made or agreed to be made before 31 July 2015 and not yet vested.

This is an absolute measure. The vesting schedule is:

Circumstances	Absolute before tax TSR Target over the performance period	Level of Vesting
Outperformance	7% or greater	100%
Meeting performance	6% to 7%	Pro rata vesting on a straight line basis between 50% and 100%
Sub-Optimal performance	6%	50% vesting
Underperformance	Less than 6%	No vesting

The assessment of TSR Shares against the absolute TSR target is undertaken progressively for 20% of the TSR Shares on 31 July for each of the 5 years following the allocation date. 50% of the shares allocated to the MD and the CFO in 2015 and 2016 will continue to vest progressively at 20% per year based on tenure.

The share price used at commencement of each tranche for assessing the TSR performance of Brickworks shares is the Volume Weighted Average Price (VWAP) for the 90 days prior to the allocation of TSR Shares. The actual share price used to compare to the TSR target share price is the 90 day VWAP prior to 31 July, in the year of testing.

In any one year up to five TSR Share tranches allocated will be tested. The absolute TSR performance target for each allocation in that year is the average of 5 Brickworks share prices calculated from 5 different commencement VWAPs on 5 different years (i.e. it will include the average of a Brickworks one year TSR, a two year TSR, a three year TSR, a four year TSR and a five year TSR).

To ensure a long term focus is maintained by the MD and CFO, to the extent that any tranche does not vest in one year it will be deferred and form part of the shares that are eligible for vesting in the following years. In other words, underperformance in one year can be made up by over performance in the following years, provided that underperformance may only be made up by outperformance by the end of the 6th year from the date of first allocation.

For example, if an absolute TSR of 8.0% is achieved, there will be an incremental vesting, of each prior year's entitlement, if any of these allocations did not vest. To ensure long term focus is maintained, by the MD and CFO this enables underperformance in previous years to be made up by over performance in this and the following years.

The cumulative vesting can reach a level that will be equivalent to but not more than the total number of shares originally allocated.

Aligned with shareholders' interests, for tranches of shares that are being tested for vesting in any particular year, an absolute TSR of at least 6.0% must be achieved for 50% of TSR Shares to vest.

In addition, the absolute TSR performance target for each allocation in any year is the average of 5 Brickworks share prices calculated from 5 different commencement VWAPs on 5 different years (i.e. it will include the average of a Brickworks one year TSR, a two year TSR, a three year TSR, a four year TSR and a five year TSR). The purpose of this is to average the share price calculation over a particular cycle to measure performance over a long period and smooth volatility to ensure a long term focus on the business by the MD and CFO.

Other features

Clawback
There are currently no clawback clauses for LTI payments.

Change of Control
If a change of control event occurs in relation to Brickworks Limited then any shares held by the employee share plan trust on behalf of a participant will vest immediately upon the announcement to ASX of a change of control event.

Treatment of Dividends
The employee receives the voting rights and any future dividends immediately upon the granting of shares. This reflects the relatively long term nature of the 5 year performance period and that the primary purpose of the LTI is one of retention. Executives' entitlements to dividends attributable to the unvested performance shares reflects the reality that if there is no dividend entitlement, the number of performance shares that would need to be granted to achieve the same retention impact, is likely to be approximately 10% to 15% greater than current allocations.

Sources of Shares
The Board has the discretion to either purchase shares on-market or to issue new shares for participants.

During the year shares granted to the MD through the LTI were purchased on market. Shares granted to employees other than the MD were issued as new shares.

Derivatives
Under the Company's Share Trading Policy Brickworks shares are not permitted to be used to secure any type of financial product such as margin loans or similar. Options, collars and/or other financial derivatives must not be used in respect of any Brickworks shares.

2.6 *New features of LTI to apply for FY 2017 and the years thereafter*

In order to address issues raised by Proxy Advisors regarding the performance measures in the LTI a new performance measure will apply to allocations made to the MD and CFO from 1 August 2017.

Additional relative LTI measure for MD and CFO

For performance securities granted after 1 August 2017 50% of the award is subject to Brickworks TSR compared to the companies in the S&P/ASX 200 Accumulation Index and 50% of the award is subject to an absolute TSR summarised below.

Relative TSR

This is a relative TSR measure. The vesting schedule is:

Circumstances	BKW's TSR inclusive of Grossed Dividends as a % of S&P/ASX 200 Accumulation Index	Level of Vesting
Outperformance	120%	100%
Meeting performance	80% to 100%	Pro rata vesting on a straight line basis between 90% to 100%
Sub-Optimal performance	50% to 80%	Pro rata vesting on a straight line basis between 50% to 90%
Underperformance	Below 50%	Nil

Absolute TSR

This is an absolute measure. The Absolute TSR is equivalent to the sum of the grossed up dividend yield plus or minus the movement in the 90 day VWAPs during the year under review. The vesting schedule is:

Circumstances	Absolute after tax (pre-tax with gross up for dividend component) TSR Target over the performance period	Level of Vesting
Outperformance	7% or greater	100%
Meeting performance	6% to 7%	Pro rata vesting on a straight line basis between 50% and 100%
Sub-Optimal performance	6%	50% vesting
Underperformance	Less than 6%	No vesting

The above performance hurdles were chosen for the LTI after a detailed review in 2016, including consultation with proxy advisors. The Board believes that these measures, when combined with the STI, the vesting period for deferred STI and LTI requirements provides the most suitable link to long term security holder value creation because:

- no shares allocated to the MD and the CFO will continue to vest progressively based only on tenure
- absolute TSR ensures vesting is commensurate with the Company's actual TSR, meaning there are no awards when TSR is negative and it also provides a good line of sight for the MD and CFO
- measuring TSR on a relative basis levels the playing field by removing overall market movements and industry economics for the evaluation of MD and CFO performance
- the use of relative TSR ensures that the MD and CFO are motivated to deliver returns that are superior to what a security holder could achieve in the broader market and ensures as the most senior management they maintain a strong focus on security holder outcomes
- the use of the S&P ASX 200 Accumulation Index was chosen as the relative performance target following testing of this group against a range of historical and future share price/payout scenarios to confirm that outcomes align with the Company's historical notion of superior long term performance. The S&P ASX 200 Accumulation Index measure is readily available and simple to use as a comparator for a Group that spans across the building materials and property development sectors. In addition Brickworks does not have to separately manage and adjust a custom peer group for changes among constituents. The hurdles are reviewed annually by the Board and the Board believes that the TSR measures will drive outperformance without incentivising excessive risk taking; and
- while the Board appreciates that there are at times different views held by different stakeholders, it considers that these measures provide the appropriate balance between market and non market measures.

The assessment of TSR Shares against each of the absolute and relative TSR targets is undertaken progressively for 20% of the TSR Shares on 31 July for each of the 5 years following the allocation date.

The share price used at commencement of each tranche for assessing both relative and absolute TSR performance of Brickworks shares is the 90 day Volume Weighted Average Price (VWAP) prior to the allocation of TSR Shares. The actual share price used to compare to the TSR target share price is the 90 day VWAP prior to testing.

In any one year up to five TSR Share tranches allocated will be tested. The TSR performance target for each allocation in that year is the average of 5 Brickworks share prices calculated from 5 different commencement VWAPs on 5 different years (i.e. it will include the average of a Brickworks one year TSR, a two year TSR, a three year TSR, a four year TSR and a five year TSR).

The level of vesting applicable to each tranche is outlined above. However, to ensure a long term focus is maintained by the MD and CFO, to the extent that any tranche does not vest in one year it will be deferred and form part of the shares that are eligible for vesting in the following years. In other words, underperformance in one year can be made up by over performance in the following years, provided that underperformance may only be made up by outperformance by the end of the 6th year from the date of first allocation.

For example, if the absolute TSR target of 8.0% or more is met, there will be an incremental vesting of, each prior year's entitlement, if any of these allocations did not vest. To ensure long term focus is maintained by the MD and CFO this enables underperformance in previous years to be partially made up by over performance in this and the following years.

The cumulative vesting can reach a level that will be equivalent to but not more than the total number of shares originally allocated.

Pre-allocation performance measures

As 100% of the LTI allocation will contain either a relative or absolute TSR measure for the MD and CFO the pre-allocation performance measures noted in paragraph 2.5 above will no longer apply to the LTI. Relevant pre-allocation measures to be considered by the Board will only relate to the immediate prior year.

When the business has experienced very difficult trading conditions in the past, the Board has usually determined that half the usual allocation be made to those members of the management team who have achieved their KPIs. In this situation it is expected that all shares allocated will be conditional on the tenure criterion and no shares will be TSR linked performance shares.

Other

All other terms relating to the LTI as set out in 2.5 above will continue to apply.

2.7 Other Company wide share plan

In addition to the Brickworks Deferred Employee Share Plan referred to above, Brickworks operates the Brickworks Exempt Employee Share Plan as part of the remuneration structure of the Group. All employees of Brickworks with a minimum 3 months service are eligible to join the Brickworks Exempt Employee Share Plan, whereby the employee may salary sacrifice an amount toward the purchase of Brickworks ordinary shares and the Company contributes a maximum of $3 per employee per week. 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.

2.8 Market purchases

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

An employee's right to transact shares in either share plan is governed by the trust deeds for those Plans and the Company's policy regarding trading windows.

At 31 July 2017, there were 711 employees participating in the Brickworks Deferred Employee Share Plan and the Brickworks Exempt Employee Share Plan, holding 1,616,128 shares (1.01% of issued capital).

During the year, all monthly share purchases through the Brickworks Employee Share Plans were performed on market, as were shares granted to the MD through the Deferred Employee Share Plan. Shares granted through the Deferred Employee Share Plan to employees other than the MD were issued as new shares.

3 EMPLOYMENT CONTRACTS

3.1 Termination payments

A payment will be made by the Company to an executive upon termination or bona-fide retirement, equivalent to a proportion (ranging from 50% to 100%) of each executive's average base pay for the previous 3 years, and any unvested shares held on behalf of the executive will remain within the Brickworks Deferred Employee Share Plan and retain their vesting criteria.

Brickworks does not have fixed term contracts with its executives. It can terminate an executive's employment on 2 months' notice (or payment in lieu of notice) and executives can terminate on 2 months' notice (apart from the CFO who must be given 3 months' notice, and the MD who must be given 6 months' notice).

If the MD or any other executives are subject to immediate termination (for cause 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.

3.2 Executive Restraint

All 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 employee following termination. In order to protect the Group's interests, Brickworks had an enforceable restraint through the executive's legacy employment contract to prevent executives from 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 would 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 up to twelve months.

Under the new arrangements, the terms of the restraint have been tightened to prevent employees from going to work for a competitor, customer or supplier for commensurate periods of between 6 and 12 months. A breach of the restraint conditions by an employee places at risk either any unvested shares held, or a potential monthly restraint payment at the discretion of the Company.

The termination payments referred to above, together with the fact that most executives generally will also have unvested shares with a value in excess of the base remuneration for the restraint period at any time, are intended to discourage executives with deep corporate knowledge and significant capacity to contribute to the profitability of the Company from seeking employment with competitors.

4 NON-EXECUTIVE DIRECTORS

The remuneration of non-executive Directors is determined by the full Board after consideration of Group 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 employment contracts.

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 $1,000,000, and was approved by shareholders at the 2014 Annual General Meeting. 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.

Under legacy arrangements, non-executive Directors appointed prior to 30 June 2003 were entitled to receive benefits upon their retirement from office. These benefits were frozen with effect from 30 June 2003, and are not indexed. The Company has obtained specific independent legal advice regarding the entitlements of the three non-executive Directors referred to below which has confirmed that the amounts listed in the table will be payable, as they have been grandfathered under the previous legislation relating to the retirement benefits of non-executive Directors. These benefits for the three participating Directors, which have been fully provided for in the Company's financial statements, are as follows:

Name	Benefit as at 30 June 2003
R. Millner	$300,000
M. Millner	$150,000
R. Webster	$93,750

5 REMUNERATION OF KEY MANAGEMENT PERSONNEL

5.1 Table of Remuneration to KMP

The fees payable to non-executive Directors and the remuneration payable to other KMP during the financial year ending 31 July 2017 are disclosed in the following table.

	Year	Base fees/ salary	Non-monetary benefits	Post Employment (Super)	Total fixed remuneration	Short Term Incentive	Long Term Incentive	Retirement benefit	Total
Directors									
R D Millner	2017	224,658	–	21,342	246,000	–	–	–	246,000
	2016	218,995	–	20,805	239,800	–	–	–	239,800
M J Millner	2017	112,329	–	10,671	123,000	–	–	–	123,000
	2016	109,589	–	10,411	120,000	–	–	–	120,000
B P Crotty	2017	123,836	–	11,764	135,600	–	–	–	135,600
	2016	120,776	–	11,474	132,250	–	–	–	132,250
D N Gilham	2017	112,329	–	10,671	123,000	–	–	–	123,000
	2016	109,589	–	10,411	120,000	–	–	–	120,000
D R Page	2017	123,836	–	11,764	135,600	–	–	–	135,600
	2016	120,776	–	11,474	132,250	–	–	–	132,250
R J Webster	2017	119,635	–	11,365	131,000	–	–	–	131,000
	2016	116,667	–	11,083	127,750	–	–	–	127,750
L R Partridge	2017	1,386,348	5,957	19,652	1,411,957	859,385	734,059[1]	–	3,005,401
	2016	1,318,667	5,965	19,333	1,343,965	669,000	658,072	–	2,671,037
Total	**2017**	**2,202,971**	**5,957**	**97,229**	**2,306,157**	**859,385**	**734,059**	**–**	**3,899,601**
	2016	2,115,059	5,965	94,991	2,216,015	669,000	658,072	–	3,543,087
Other Key Management Personnel									
R C Bakewell	2017	730,348	19,500	19,652	769,500	458,417	–	–	1,227,917
	2016	121,756	2,039	3,244	127,039	–	–	–	127,039
M Kublins	2017	491,223	6,034	19,652	516,909	255,438	277,892	–	1,050,239
	2016	480,167	5,728	19,333	505,228	239,045	244,317	–	988,590
M A Ellenor[2]	2017	117,810	2,708	4,940	125,458	211,100	145,716	–	482,274
D T Fitzharris[3]	2017	415,788	29,239	14,712	459,739	–	–	–	459,739
	2016	540,667	31,743	19,333	591,743	280,000	179,435	–	1,051,178
P G Scott[4]	2017	238,654	2,168	9,808	250,630	–	–	–	250,630
	2016	466,667	5,621	19,333	491,621	25,000	88,310	–	604,931
A J Payne[5]	2017	104,814	7,041	3,269	115,124	–	–	630,194	745,318
	2016	629,167	12,432	19,333	660,932	320,638	290,637	–	1,272,207
M Finney	2016	414,635	15,729	12,872	443,236	–	–	–	443,236
Total	**2017**	**2,098,637**	**66,690**	**72,033**	**2,237,360**	**924,955**	**423,608**	**630,194**	**4,216,117**
	2016	2,653,059	73,292	93,448	2,819,799	864,683	802,699	–	4,487,181

Notes: In addition to the total benefits above, these KMPs accrued leave entitlements during the year as follows:

- L R Partridge: net decrease of $24,670 in accrued leave entitlements (2016: $3,024 decrease)
- R C Bakewell: net increase of $29,437
- M Kublins: net decrease of $11,411 (2016: 16,522 increase)
- M A Ellenor: net increase of $12,078
- D T Fitzharris: net increase of $959 (2016: $8,016 increase)
- P G Scott: net decrease of $10,422 (2016: $20,502 decrease)
- A J Payne: $120,252 of accrued leave paid out following A Payne's retirement on 30 September 2017 (2016: net decrease of $16,229).

The profit (before tax and excluding significant items) generated by the Property division increased by 23% whereas the total remuneration paid to the Executive General Manager – Property and Development increased by 6%.

1 Includes the benefit arising from TSR shares in respect of which the associated hurdles have been met at 31 July 2017. These shares become available subsequent to year-end following approval by the Remuneration Committee.
2 M A Ellenor is KMP from 1 May 2017 following his appointment as Group General Manager Austral Bricks Australia.
3 D T Fitzharris is no longer KMP from 1 May 2017 but still remains a senior Brickworks executive.
4 P G Scott is no longer KMP from 1 February 2017 but still remains a senior Brickworks executive.
5 A J Payne retired from the Company on 30 September 2017

5.2 Director and Key Management Personnel shareholdings

	Held 31 July 2016		Granted as Remuneration	Date Granted Remuneration	Purchases	Shares Disposed of	Held 31 July 2017	
Directors								
R D Millner	5,774,100		–	–	400,290	(1,134,410)	5,039,980	
M J Millner	5,748,142		–	–	400,291	(1,134,410)	5,014,023	
B P Crotty	15,209		–	–	–	–	15,209	
D N Gilham	102,268		–	–	–	–	102,268	
D R Page	4,800		–	–	1,700	–	6,500	
R J Webster	15,922		–	–	–	–	15,922	
	DESP*	**Other**					**DESP***	**Other**
L R Partridge	178,482	11,500	55,096	4 October 2016	20,000	(49,539)	184,039	31,500
Other Key Management Personnel								
R C Bakewell	–	200	–	–	–	–	–	200
M Kublins	102,653	3,750	17,563	4 October 2016	–	(2,750)	86,707	34,509
M A Ellenor	33,771	–	13,923	4 October 2016	–	(6,936)	40,758	–
D T Fitzharris	76,031	–	21,370	4 October 2016	–	–	97,401	–
P G Scott	29,814	21,626	6,024	4 October 2016	–	–	35,838	21,626

* These shareholdings are unvested shares held through the Brickworks Deferred Employee Share Plan which may not vest to the employee if they do not satisfy vesting criteria.

All share transactions by KMP were on normal terms and conditions on the Australian Securities Exchange.

No options over unissued shares or interests in Brickworks Limited or a controlled entity were granted or lapsed 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.

AUDITOR'S INDEPENDENCE DECLARATION

The Directors received an independence declaration from the auditor, EY. A copy has been included on page 77 of this report.

PROVISION OF NON-AUDIT SERVICES BY EXTERNAL AUDITOR

During the year the external auditors, EY, provided non-audit services to the Group, totalling $238,317. The non-audit services were for the provision of other assurance services, environmental sustainability advice, tax and accounting advice of a general nature relating to the interpretation and application of tax laws and accounting standards.

The Directors are satisfied that the provision of non-audit services is compatible with general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and the scope of each type of services provided means that auditor independence was not compromised.

The details of total amounts paid to the external auditors are included in note 7.3 to the financial statements.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, EY, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify EY during or since the financial year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the 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 Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, amounts in the financial report and Directors' report have been rounded off to the nearest $1,000 where allowed under that instrument.

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

Dated: 21 September 2017

R.D. MILLNER
Director

L.R. PARTRIDGE AM
Director

Building a better working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence DECLARATION

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF BRICKWORKS LIMITED

As lead auditor for the audit of Brickworks Limited for the financial year ended 31 July 2017, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

ANTHONY JONES
Partner

21 September 2017

Consolidated Financial
STATEMENTS

CONSOLIDATED INCOME STATEMENT

	Notes	2017 $000	2016 $000
Revenue	2.2	841,816	750,985
Cost of sales		(559,099)	(518,579)
Gross profit		**282,717**	**232,406**
Other income	2.2	1,758	2,128
Distribution expenses		(65,632)	(63,792)
Administration expenses		(28,948)	(27,880)
Selling expenses		(77,870)	(70,043)
Impairment of non-current assets	3.2	(3,046)	(62,185)
Other expenses		(25,631)	(23,577)
Share of net profits of associates and joint ventures	2.3	173,235	134,699
Profit before finance cost and income tax		**256,583**	**121,756**
Finance costs	2.2	(12,436)	(14,080)
Profit before income tax		**244,147**	**107,676**
Income tax expense	4.1	(57,937)	(29,486)
Profit after tax		**186,210**	**78,190**
Profit after tax attributable to:			
Shareholders of Brickworks Limited		186,210	78,190

		Cents	Cents
Earnings per share attributable to the shareholders of Brickworks Limited			
Basic (cents per share)	2.4	124.9	52.6
Diluted (cents per share)	2.4	124.9	52.6

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Notes	2017 $000	2016 $000
Profit after tax		**186,210**	**78,190**
Other comprehensive income, net of tax			
Items that may be subsequently reclassified to Income Statement			
Share of increments /(decrements) in reserves attributable to associates and joint ventures		(2,596)	(18,388)
Foreign currency translation		1	20
Income tax benefit relating to these items	4.1	779	5,517
Other comprehensive income, net of tax		**(1,816)**	**(12,851)**
Total comprehensive income		**184,394**	**65,339**
Total comprehensive income, attributable to:			
Shareholders of Brickworks Limited		184,394	65,339

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

CONSOLIDATED BALANCE SHEET

	Notes	2017 $000	2016 $000
Cash and cash equivalents	5.2	19,641	30,783
Receivables	3.1	133,225	106,558
Inventories	3.1	195,720	188,394
Land held for resale	3.3	–	9,652
Prepayments		8,393	8,781
Total current assets		**356,979**	**344,168**
Inventories	3.1	7,300	7,998
Land held for resale	3.3	–	4,137
Investments accounted for using the equity method	6.3	1,644,029	1,462,830
Property, plant and equipment	3.2	498,755	488,454
Intangible assets	3.2	212,840	209,624
Total non-current assets		**2,362,924**	**2,173,043**
TOTAL ASSETS		**2,719,903**	**2,517,211**
Payables	3.1	110,102	81,593
Derivative financial instruments	5.6	513	–
Current income tax liability	4.2	6,184	13,771
Provisions	3.4	43,416	50,134
Total current liabilities		**160,215**	**145,498**
Borrowings	5.3	311,977	299,224
Derivative financial instruments	5.3	3,549	5,820
Provisions	3.4	10,436	9,287
Deferred income tax liability	4.2	265,886	218,897
Total non-current liabilities		**591,848**	**533,228**
TOTAL LIABILITIES		**752,063**	**678,726**
NET ASSETS		**1,967,840**	**1,838,485**
Issued capital	5.4	340,814	336,905
Reserves	5.5	309,782	311,255
Retained profits		1,317,244	1,190,325
TOTAL EQUITY		**1,967,840**	**1,838,485**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Issued capital $000	Reserves $000	Retained profits $000	Total $000
For the year ended 31 July 2017					
Balance at 1 August 2016		336,905	311,255	1,190,325	1,838,485
Profit after tax		–	–	186,210	186,210
Total other comprehensive income – net of tax		–	(1,816)	–	(1,816)
Net dividends paid	2.5	194	–	(59,321)	(59,127)
Issue of shares through employee share plan	5.4	(15)	–	–	(15)
Purchase of shares through employee share plan	5.4	(750)	–	–	(750)
Shares vested to employees	5.4	4,480	(4,480)	–	–
Share of associates transferred to outside equity interests		–	–	30	30
Share based payments expense	7.1	–	4,823	–	4,823
Balance at 31 July 2017		**340,814**	**309,782**	**1,317,244**	**1,967,840**
For the year ended 31 July 2016					
Balance at 1 August 2015		334,165	322,444	1,167,641	1,824,250
Profit after tax		–	–	78,190	78,190
Total other comprehensive income – net of tax		–	(12,851)	–	(12,851)
Net dividends paid	2.5	–	–	(55,519)	(55,519)
Issue of shares through employee share plan	5.4	(13)	–	–	(13)
Purchase of shares through employee share plan	5.4	(1,151)	–	–	(1,151)
Shares vested to employees	5.4	3,904	(3,904)	–	–
Share of associates transfer to outside equity interests		–	–	13	13
Share based payments expense	7.1	–	5,566	–	5,566
Balance at 31 July 2016		**336,905**	**311,255**	**1,190,325**	**1,838,485**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2017 $000	2016 $000
Cash flows from operating activities			
Receipts from customers		811,393	815,781
Payments to suppliers and employees		(757,772)	(758,613)
Proceeds from land held for resale		20,994	–
Interest received		224	442
Interest and other finance costs paid		(15,222)	(13,405)
Dividends and distributions received		73,246	114,548
Income tax paid		(17,441)	(10,246)
Net cash from operating activities		**115,422**	**148,507**
Cash flows from investing activities			
Purchases of property, plant and equipment		(61,358)	(54,798)
Proceeds from sale of property, plant and equipment		1,555	3,241
Purchase of investments in joint ventures		(9,450)	(20,050)
Proceeds from sale or return of investments		5,750	27,572
Purchase of controlled entities, net of cash acquired		(3,195)	(3,321)
Net cash used in investing activities		**(66,698)**	**(47,356)**
Cash flows from financing activities			
Proceeds from borrowings		523,000	99,000
Repayments of borrowings		(510,000)	(124,000)
Dividends paid		(72,866)	(68,419)
Net cash used in financing activities		**(59,866)**	**(93,419)**
Net increase / (decrease) in cash held		**(11,142)**	**7,732**
Cash at the beginning of the financial year		30,783	23,051
Cash at the end of the financial year	**5.2**	**19,641**	**30,783**

Reconciliation of net profit attributable to shareholders of Brickworks Limited to net cash from operating activities			
Profit after tax		186,210	78,190
Adjustments for non-cash items			
Depreciation and amortisation		27,851	27,401
Non-cash amortisation of borrowing costs		(247)	540
Net fair value change on derivatives		(2,088)	434
Impairment of goodwill and intangibles		–	47,258
Impairment of property, plant and equipment		3,046	14,927
Non-cash profit on sale of land held for resale		(31,287)	–
Net gains on disposal of property, plant and equipment		(876)	(1,764)
Non-cash share based payment expense		4,059	4,403
Share of net profit of investments accounted for using the equity method		(99,989)	(20,151)
Net cash provided by operating activities before changes in assets and liabilities		**86,679**	**151,238**
Changes in assets and liabilities net of effects from business combinations			
(Increase)/decrease in receivables		(26,414)	(3,455)
(Increase)/decrease in inventories		(6,628)	(9,544)
(Increase)/decrease in prepayments		388	(2,245)
(Decrease)/increase in payables		26,804	(6,772)
(Decrease)/increase in provisions		(5,690)	(118)
(Decrease)/increase in current and deferred income tax		40,283	19,403
Net cash provided by operating activities		**115,422**	**148,507**

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

NOTES
to the Consolidated Financial Statements

1 ABOUT THIS REPORT

This section sets out the basis upon which the financial statements are prepared as a whole. Significant and other accounting policies underpinning the recognition and measurement basis of assets and liabilities are summarised throughout the notes to the financial statements. Other accounting policies are outlined in note 7.6.

1.1 Statement of compliance and basis of preparation

The financial statements comprise Brickworks Limited and its controlled entities (the "Group").

Brickworks Limited (ABN 17 000 028 526) is a for profit company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange (ASX code: BKW).

The nature of the operations and principal activities of the Group are described in note 2.1.

The Group's consolidated financial statements are general purpose financial statements which:

- have been prepared in accordance with Australian Accounting Standards (AASBs), other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001;
- comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB);
- incorporate the results of each controlled entity from the date Brickworks Limited obtains control and until such time as it ceases to control an entity;
- have been prepared on a historical cost basis, except for derivative financial instruments and investment property, which have been measured at fair value;
- are presented in Australian dollars, which is the Group's functional currency[1];
- adopt all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 August 2016;
- do not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective as disclosed in Note 7.6.

The financial statements were authorised for issue in accordance with a resolution of directors on 21 September 2017.

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

1.2 Key estimates or judgements

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the following areas:

Note	Judgement/Estimate
3.2(a)	Property, plant and equipment
3.2(c)	Non-current assets impairment assessment
6.3 (b)	Fair value – investment property

1.3 Comparative information

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

1.4 Notes to the consolidated financial statements

The notes are organised into the following sections:

2	**Financial Performance**	Provides the information that is considered most relevant to understanding the financial performance of the Group.
3	**Operating Assets and Liabilities**	Provides a breakdown of individual line items in the statement of financial position that are considered most relevant to users of the financial report.
4	**Income Tax**	Provides the information considered most relevant to understanding the taxation treatment adopted by the Group during the financial year.
5	**Capital and Risk Management**	Provides information about the capital management practices of the Group and its exposure to various financial risks.
6	**Group Structure**	Explains significant aspects of the Brickworks' group structure, including its controlled entities and equity accounted investments in which the Group has an interest. When applicable, it also provides information on business acquisitions made during the year.
7	**Other**	Provides information on items which require disclosure to comply with AASBs and other regulatory pronouncements and any other information that is considered relevant for the users of the financial report which has not been disclosed in other sections.

2 FINANCIAL PERFORMANCE

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

2.1 *Segment reporting*

The Group operates predominantly within Australia, with some clay and timber product exported to other countries. Total revenue from sales outside of Australia in the 12 months ended 31 July 2017 was $15.9 million (2016: $19.5 million). The carrying value of non-current assets held outside of Australia at 31 July 2017 was $7.4 million (2016: $6.9 million).

Management identified the following reportable business segments:

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

	BUILDING PRODUCTS		PROPERTY		INVESTMENTS		CONSOLIDATED	
	2017 $'000	**2016** $'000	**2017** $'000	**2016** $'000	**2017** $'000	**2016** $'000	**2017** $'000	**2016** $'000
REVENUE								
Revenue from sales to external customers	763,338	748,128	78,254	2,415	224	442	**841,816**	**750,985**
RESULT								
Segment EBITDA	92,887	102,782	90,588	73,451	103,097	59,559	286,572	235,792
Depreciation and amortisation	(27,851)	(27,401)	–	–	–	–	(27,851)	(27,401)
Segment EBIT	**65,036**	**75,381**	**90,588**	**73,451**	**103,097**	**59,559**	**258,721**	**208,391**
Unallocated expenses								
Significant items							10,294	(74,156)
Borrowing costs							(12,436)	(14,080)
Other unallocated expenses							(12,432)	(12,479)
Profit before income tax							**244,147**	**107,676**
Income tax expense[1]							(57,937)	(29,486)
Profit after income tax							**186,210**	**78,190**
ASSETS								
Segment assets	1,082,031	1,039,154	403,843	320,382	1,234,029	1,157,675	2,719,903	2,517,211
Unallocated assets							–	–
Total assets							**2,719,903**	**2,517,211**
LIABILITIES								
Segment liabilities	157,561	133,186	2,473	4,262	198,527	174,947	358,561	312,395
Borrowings							311,977	299,224
Other unallocated liabilities							81,525	67,107
Total liabilities							**752,063**	**678,726**

1 Included in the income tax expense is tax expense related to significant items amounting to $20,509,000 (2016: income tax benefit of $5,267,000).

	BUILDING PRODUCTS		PROPERTY		INVESTMENTS		CONSOLIDATED	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
OTHER								
Share of profit of an associate and a joint venture	629	531	43,598	74,922	129,008	59,246	173,235	134,699
Carrying value of investments accounted for by the equity method	6,997	6,598	403,843	305,989	1,233,189	1,150,243	1,644,029	1,462,830
Acquisition of non-current segment assets	62,949	54,430	11,054	23,739	–	–	74,003	78,169
Non-cash expenses other than depreciation and amortisation	58,316	101,779	–	–	–	–	58,316	101,779

The Group has a large number of customers to which it provides products, with no individual customers that account for more than 10% of external revenues.

RECOGNITION AND MEASUREMENT

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to effectively allocate Group resources and assess performance and for which discrete financial information is available.

Management identifies the Group's operating segments based on the internal reports that are reviewed and used by the board of directors in their role as the CODM. The operating segments are identified based on the consideration of the nature of products sold and services provided. Discrete information about each of these business divisions is presented to the board of directors on a recurring basis. A number of operating segments have been aggregated to form the Building Products segment. The accounting policies used by the Group in reporting segments internally are the same as those disclosed in the significant accounting policies, with the exception that significant items (i.e. those items which by their size and nature or incidence are relevant in explaining financial performance) are excluded from trading profits. This approach is consistent with the manner in which results are reported to the CODM.

Significant items	2017 $000	2016 $000
Significant one-off transactions of associate[1]	26,135	129
Restructuring activities[3]	(11,907)	(8,130)
Write-down of property, plant and equipment to recoverable value[2]	(3,039)	(14,523)
Costs on commissioning of manufacturing facilities[3]	(1,034)	(1,025)
Net legal and advisory costs (incl. Perpetual matter)[3 4]	139	(2,828)
Impairment of goodwill[2]	–	(47,258)
Costs related to business acquisitions[3]	–	(206)
Other significant items[3]	–	(315)
Significant items before income tax	**10,294**	**(74,156)**
Income tax benefit /(expense) on significant items	4,753	8,109
Income tax benefit/(expense) arising from the carrying value of the investment in the associate (WHSP)	(25,262)	(2,842)
Total income tax benefit / (expense) on significant items	**(20,509)**	**5,267**
Significant items after income tax	**(10,215)**	**(68,889)**

1 Disclosed in 'Share of net profits of associates' line on the Income Statement.
2 Disclosed in 'Impairment of non-current assets' line on the Income Statement.
3 Disclosed in 'Other expenses' line on the Income Statement.
4 Net of $2.7 million recovery of legal costs from Perpetual Limited.

2.1 Segment reporting (continued)

RECOGNITION AND MEASUREMENT

Significant items are those which by their size and nature or incidence are relevant in explaining the financial performance of the Group compared to the prior year.

2.2 Revenues and expenses

(a) Revenue and other income

Significant items	2017 $000	2016 $000
REVENUE		
Trading revenue		
Sale of goods	762,337	746,424
Sale of land held for resale	77,395	–
	839,732	**746,424**
Other operating revenue		
Interest received – other corporations	224	442
Rental revenue	1,338	1,496
Other	522	2,623
Total operating revenue	**841,816**	**750,985**
OTHER INCOME		
Net gain on disposal of property, plant and equipment	876	1,765
Property development income	808	–
Other items	74	363
Total other income	**1,758**	**2,128**

RECOGNITION AND MEASUREMENT

Revenue is recognised when the significant risks and rewards of ownership of the items sold have passed to the buyer and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable net of discounts, allowances and goods and services tax (GST).

Revenue from sale of goods is recognised upon delivery, unless a contract involves installation, in which case revenue is recognised by reference to the stage of completion of a contract in progress. Stage of completion is measured by reference to the number of units installed as a percentage of the total number of units determined under the contract with the customer.

Revenue from the sale of land held for resale 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.

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

Rental income from investment properties is accounted for on a straight line basis over the term of the rental contract.

Net gain on disposal of property, plant and equipment is recognised when the risks and rewards have been transferred and the Group does not retain either continuing managerial involvement to the degree usually associated with ownership, or effective control over the assets sold. The gain is measured as a difference between the amount receivable under the sale contract and the carrying value of the disposed asset.

(b) Expenses

Specific Expense Disclosures	Notes	2017 $000	2016 $000
Wages and salaries		155,896	155,094
Defined contribution superannuation expense		11,681	11,659
Share based payments expense		4,823	5,566
Other		7,572	7,042
Employee benefits expense		**179,972**	**179,361**
Research and development expenses		1,498	903
Operating lease expense		26,074	23,035
Depreciation	3.2	27,827	27,377
Amortisation	3.2	24	24
Depreciation and amortisation		**27,851**	**27,401**
Interest and finance charges paid/payable		14,707	13,646
Net fair value change on interest rate swaps	5.3	(2,271)	434
Total finance costs		**12,436**	**14,080**

RECOGNITION AND MEASUREMENT

Employee benefits expense includes salaries and wages, leave entitlements (refer note 3.4), share based payments and other employee entitlements. The expense is charged against profit in their respective expense categories when services are provided by employees, except for share based payment expense which is recognised based on the vesting period (refer note 7.1).

Operating lease expense payments made under operating leases (net of any incentives received by the lessor) are expensed on a straight-line basis over the period of the lease. Operating leases are those where the lessor effectively retains substantially all the risks and benefits incidental to ownership of the leased asset.

Finance costs expense relates primarily to the interest on interest bearing liabilities and is recognised in the period in which they are incurred, except when they are included in the costs of qualifying assets in which they are capitalised up to the point that the asset is ready for its intended use.

2.3 Share of net profits of associates and joint ventures

	Notes	2017 $000	2016 $000
Share of net of profits of associates	6.3 (a)	129,008	59,246
Share of net profits of joint ventures	6.3 (b)	44,227	75,453
		173,235	**134,699**

RECOGNITION AND MEASUREMENT

Share of net profits of associates and joint ventures is accounted for using the equity method. The consolidated income statement reflects the Group's share of the results of associates and joint ventures.

Accounting policies applied with respect to the Group's investments in associates and joint ventures are further outlined in Note 6.3.

2.4 *Earnings per share (EPS)*

	2017 $000	2016 $000
Profit after tax attributable to shareholders of Brickworks Limited ($'000)	186,210	78,190
Weighted average number of ordinary shares used in the calculation of basis and diluted EPS (thousand)[1]	149,040	148,674
	Cents	Cents
Basic EPS (cents per share)	124.9	52.6
Diluted EPS (cents per share)	124.9	52.6

RECOGNITION AND MEASUREMENT

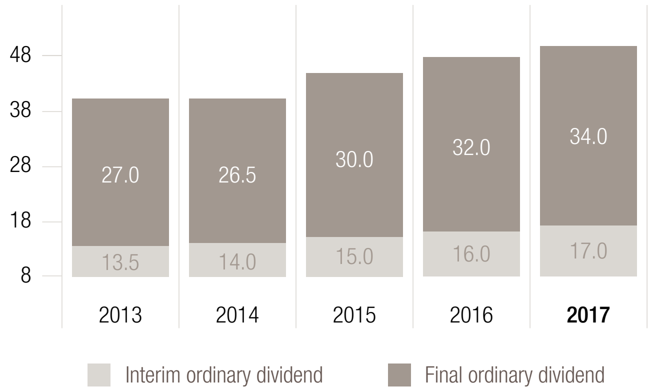
Basic earnings per share (EPS) is calculated by dividing the profit attributable to shareholders of Brickworks Limited, after eliminating the effect of earnings related to the parent entity's shareholding arrangements and excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS adjusts the figures used in the determination of basis EPS to reflect the after income tax effect of interest and other finance 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 these shares. Diluted earnings per share are shown as being equal to basic earnings per share if potential ordinary shares are non-dilutive to existing ordinary shares.

2.5 *Dividends and franking credits*

Type of dividend (fully franked)	Cents per share	Total amount $'000	Date paid/ payable
2015 Final	30.0	44,621	25 Nov 15
2016 Interim	16.0	23,798	3 May 16
2016 Final	32.0	47,714	30 Nov 16
2017 Interim	17.0	25,348	2 May 17
2017 Final[2]	34.0	50,696	29 Nov 17

Dividends declared in each financial year – cents per share



	2017 $000	2016 $000
2016 Final ordinary dividend (PY: 2015)	47,714	44,621
2017 Interim ordinary dividend (PY: 2016)	25,348	23,798
Group's share of dividend received by associated company	(13,741)	(12,900)
	59,321	**55,519**
Franking account balance on a tax paid basis	145,532	135,938

The impact on the franking account of dividends resolved to be paid after 31 July 2017, but not recognised as a liability, will be a reduction in the franking account of $21.7 million (2016: $20.4 million).

1 There were no dilutive potential ordinary shares as at 31 July 2017 (2016: nil).

2 The final dividend for the 2017 financial year has not been recognised as a liability in this financial report because it was resolved to be paid after 31 July 2017. The amounts disclosed as recognised in 2017 are the final dividend in respect of the 2016 financial year and the interim dividend in respect of the 2017 financial year.

3 OPERATING ASSETS AND LIABILITIES

This section provides further information about the Group's operating assets and liabilities, including its working capital, property, plant and equipment, intangible assets and provisions.

3.1 *Working capital*

(a) Receivables

	2017 $000	2016 $000
Trade receiva bles	113,978	94,441
Provision for doubtful debts	(804)	(856)
Net trade receivables	**113,174**	**93,585**
Other debtors	20,051	12,973
	133,225	**106,558**
Movement in provision for doubtful debts		
Opening balance	856	1,055
Trade debts provided	1,885	472
Trade debts written-off	(1,937)	(671)
Closing balance	**804**	**856**
Receivables past due		
Receivables past due but not impaired		
Past due 0-30 days	5,499	3,233
Past due 30+ days	5,432	2,106
	10,931	**5,339**

(b) Inventories

	2017 $000	2016 $000
Current		
Raw materials and stores	38,002	33,840
Work in progress	19,899	21,841
Finished goods	137,819	132,713
Total	**195,720**	**188,394**
Non-current		
Raw materials	7,300	7,998

Write-down of inventories recognised as an expense for the 2017 financial year amounted to $6.510 million (2016: 3.067 million).

(c) Current payables

Trade payables and accruals	110,102	81,593

Average terms on trade payables are 30 days from statement.

RECOGNITION AND MEASUREMENT

Trade receivables are initially recognised at the value of the invoice issued to the customer and subsequently at the amount considered recoverable from the customer (net of provisions for doubtful debts).

Inventories are measured at:

- Raw materials: the lower of actual cost and net realisable value
- Finished goods: 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. Fixed overheads are applied on the basis of normal production capacity.

Net realisable value represents the estimated selling price less all estimated costs of completion and the estimated costs necessary to make the sale.

Trade and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. Payables are stated at amortised cost.

3.2 Property, plant and equipment and intangible assets

(a) Property, plant and equipment

	LAND AND BUILDINGS		PLANT AND EQUIPMENT		TOTAL	
	2017 $000	**2016** $000	**2017** $000	**2016** $000	**2017** $000	**2016** $000
Cost	313,081	330,706	540,345	505,092	853,426	835,798
Accumulated depreciation and impairment losses	(50,548)	(52,008)	(304,123)	(295,336)	(354,671)	(347,344)
Net carrying amount 31 July	**262,533**	**278,698**	**236,222**	**209,756**	**498,755**	**488,454**
Net carrying amount at 1 August	278,698	274,087	209,756	203,483	488,454	477,570
Additions	7,153	11,457	54,205	43,341	61,358	54,798
Acquisitions through business combinations	–	–	40	19	40	19
Disposals	(28)	(1,320)	(651)	(157)	(679)	(1,477)
Transfers to land held for resale	(18,718)	–	(827)	(152)	(19,545)	(152)
Impairment losses	–	(1,317)	(3,046)	(13,610)	(3,046)	(14,927)
Depreciation expense	(4,572)	(4,209)	(23,255)	(23,168)	(27,827)	(27,377)
Net carrying amount 31 July	**262,533**	**278,698**	**236,222**	**209,756**	**498,755**	**488,454**

As at 31 July 2017 capital works in progress, disclosed as part of plant and equipment, amounted to $61.9 million (2016: $39.2 million).

RECOGNITION AND MEASUREMENT

Property, plant and equipment is measured at cost less depreciation and impairment losses. 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 reporting period in which they are incurred.

Depreciation commences on assets when it is deemed they are capable of operating in the manner intended by management. Assets are depreciated over their estimated useful lives, except for leasehold improvements which are depreciated over the shorter of their estimated useful life and the remaining lease period. Depreciation is charged to the income statement based on the rates indicated below.

Freehold land	not depreciated
Buildings	2.5%-4.0% prime cost
Plant and equipment	4.0%-33.0% prime cost, 7.5%-22.5% diminishing value

Carrying amounts are assessed for **impairment** whenever there is an indication they may be impaired. If the carrying amount of an asset is greater than its estimated recoverable amount, the carrying amount is written down to its recoverable amount.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Estimation of useful lives of assets has been based on historical experience. The condition of assets is assessed at least annually and considered against the remaining useful lives. Adjustments to useful lives are made when considered necessary.

(b) Intangible assets

	Notes	Goodwill $'000	Timber access rights $'000	Brand names $'000	Other $'000	Total $'000
Cost		292,609	8,656	9,000	646	310,911
Accumulated amortisation and impairment losses		(89,216)	(8,656)	–	(199)	(98,071)
Net carrying amount 31 July 2017		**203,393**	**–**	**9,000**	**447**	**212,840**
Net carrying amount 1 August 2016		200,153	–	9,000	471	209,624
Additions	6.5	3,240	–	–	–	3,240
Impairment losses		–	–	–	–	–
Amortisation expense		–	–	–	(24)	(24)
Net carrying amount 31 July 2017		**203,393**	**–**	**9,000**	**447**	**212,840**
Cost		289,369	8,656	14,300	646	312,971
Accumulated amortisation and impairment losses		(89,216)	(8,656)	(5,300)	(175)	(103,347)
Net carrying amount 31 July 2016		**200,153**	**–**	**9,000**	**471**	**209,624**
Net carrying amount 1 August 2015		243,966	–	9,000	495	253,461
Additions	6.5	3,445	–	–	–	3,445
Impairment losses		(47,258)	–	–	–	(47,258)
Amortisation expense		–	–	–	(24)	(24)
Balance at 31 July 2016		**200,153**	**–**	**9,000**	**471**	**209,624**

RECOGNITION AND MEASUREMENT

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities acquired. Goodwill is not amortised, but tested annually and whenever there is an indicator of impairment.

Brand names obtained through acquiring businesses are measured at fair value at the date of acquisition. The brand names have been assessed as having an indefinite useful life, as the brand has been part of the brick industry since 1853 and the Group intends to continue trading under this brand.

Other intangible assets are valued at cost on acquisition. If the intangible is considered to have an indefinite useful life, it is carried at cost less any impairment write-downs. If the intangible has a definite life, it is amortised on a straight line basis over the expected future life of that right.

Goodwill and intangible assets with indefinite useful lives are tested for **impairment** annually and whenever there is an indicator of impairment. For impairment testing purposes, these assets are allocated to the Group's Cash Generating Units ('CGUs'). Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates.

3.2 Property, plant and equipment and intangible assets (continued)

(c) Impairment assessment

(i) Allocation of goodwill and intangible assets with indefinite useful lives to cash generating units

Goodwill is allocated to the Group's CGUs for impairment testing purposes. During the year ended 31 July 2017 the Group reorganised its reporting structure within the Building Products operating segment with Austral Bricks and Bristile Roofing results reported on a national level following the change.

As a result of the restructure, national divisions within the Building Products operating segment are CGUs which represent the lowest level at which the goodwill is monitored for internal reporting purposes. At 31 July 2017 the following CGUs representing business operations have significant allocations of goodwill:

- Austral Bricks: $152.0 million (2016: $152.0 million)
- Bristile Roofing: $32.1 million (2016: $29.3 million)
- Austral Masonry: $18.7 million (2016: $18.7million)

For the purpose of impairment assessment outlined below brand names with indefinite useful lives with a carrying value of $9.0 million (2016: $9.0 million) have been allocated to the Austral Bricks CGU, which forms part of the Building Products segment.

Each of these CGUs have been valued based on value-in-use methodology, using the assumptions outlined in point (iii) below.

(ii) Recognised impairment losses

In the prior year, the Group recognised an impairment loss against the carrying value of goodwill for its full amount of $47.3 million in relation to Austral Bricks in Western Australia. The impairment loss reflected the significant decline in building activity and strong competition on the west coast of Australia. The Austral Bricks CGU forms part of the Building products operating segment.

(iii) Key assumptions

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Management is required to make significant estimates and judgements in assessing the carrying amount of non-financial assets for impairment. The valuations used to support the carrying amounts of each CGU (including goodwill, other intangible assets and property, plant and equipment) are based on forward-looking assumptions that are by their nature uncertain. The nature and basis of the key assumptions used to estimate the future cash flows and discount rates, and on which the Group has based its projections when determining the recoverable value of each CGU, are set out below.

Calculation method	The recoverable amount of each CGU is determined on the basis of value-in-use (VIU), unless there is evidence to support a higher fair value less cost to sell. VIU calculations use cash flows projections, inclusive of working capital movements, and are based on financial projections approved by the Board covering a five-year period. Estimates beyond five years are calculated with a growth rate that reflects the long-term growth rate for the State (or States) that the CGU predominantly operates in.
Sales volumes	Sales volumes are management forecasts reflecting independent external forecasts of underlying economic activity for the market sectors and geographies in which each CGU operates. A major driver of sales volumes is housing approvals and commencements. Management has assessed the reported forecast housing construction activity data from sources such as BIS Shrapnel and Housing Industry Association (HIA) over the budget period.
Sales prices	Management expects to obtain price growth over the budget period. The assumed increases differ by CGU and between different states where the CGU operates. Price increases are considered inherently achievable in a rational market where the supply of product approximates demand.
Costs	Costs are calculated taking into account historical gross margins, known cost increases, and estimated inflation rates over the period that are consistent with the locations in which the CGUs operate.
Terminal value earnings	Terminal value earnings are based on average earnings over the 5 year forecast period moderated to reflect management's view of long-term earnings across the cycle.
Long-term growth rates	Long-term growth rates used in cash flow valuation reflect the lower of 2.5% (2016: 2.5%) and the average 10 year historical growth rates for states in which CGUs operate (sourced from the Australian Bureau of Statistics). The long-term growth rates applied in VIU calculations are outlined below. • Austral Bricks : 2.50% (2016: tested on a state level) • Bristile Roofing: 2.50% (2016: 2.50%) • Austral Masonry 2.50% (2016: 2.50%)

Discount rate	Management uses an independent external advisor to calculate the appropriate discount rate applied consistently across all CGUs. For 2017, the pre-tax discount rate was 12.13% (2016: 11.75%).

Sensitivity to key assumptions

In respect of the Bristile Roofing CGU, the recoverable amount exceeds its carrying amount by $3.5 million. The table below illustrates the impact of key assumptions on the goodwill impairment assessment.

	Change in the assumption required for the model to break even
Reduction in average EBIT growth FY18-FY22 required for the model to break even	64 basis points
Reduction in long-term growth rate (LTGR) for the model to break even	42 basis points
Increase in post-tax WACC required for the model to break even	33 basis points

There are no other CGUs where a reasonably possible change in a key assumption would result in an impairment to the carrying value of goodwill or other indefinite useful life intangibles.

3.3 Land held for resale

	2017 $000	**2016** $000
Current		
Land held for resale	–	9,652
Non-current		
Land held for resale	–	4,137

RECOGNITION AND MEASUREMENT

Land is classified as land held for resale 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 cost of acquisition and development.

3.4 Provisions

	Notes	Employee benefits $'000	Remediation $'000	Infrastructure costs $'000	Workers compensation $'000	Other $'000	Total $'000
Opening balance 1 August 2016		41,574	5,354	4,262	3,693	4,538	59,421
Recognised / (reversed)		35,191	675	–	2,786	1,476	40,128
Business combinations	6.5	121	–	–	–	–	121
Settled		(36,461)	(2,149)	(2,701)	(3,833)	(674)	(45,818)
Closing balance 31 July 2017		**40,425**	**3,880**	**1,561**	**2,646**	**5,340**	**53,852**
Current		36,418	932	1,561	2,646	1,859	43,416
Non-current		4,007	2,948	–	–	3,481	10,436
Total		**40,425**	**3,880**	**1,561**	**2,646**	**5,340**	**53,852**
Opening balance 1 August 2015		39,112	6,520	4,764	4,578	4,413	59,387
Recognised / (reversed)		32,051	758	–	3,398	456	36,663
Business combinations	6.5	150	–	–	–	–	150
Settled		(29,739)	(1,924)	(502)	(4,283)	(331)	(36,779)
Closing balance 31 July 2016		**41,574**	**5,354**	**4,262**	**3,693**	**4,538**	**59,421**
Current		38,008	3,014	4,262	3,693	1,157	50,134
Non-current		3,566	2,340	–	–	3,381	9,287
Total		**41,574**	**5,354**	**4,262**	**3,693**	**4,538**	**59,421**

RECOGNITION AND MEASUREMENT

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that settlement will be required and the obligation can be reliably measured. The amount recognised as a provision represents the best estimate of the consideration required to settle the present obligation at reporting date and uncertainties surrounding the obligation.

Provision for employee benefits is recognised in respect of the 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. Estimated future payments include related on-costs, reflect assumptions regarding future wage and salary levels, employee departures and periods of service, and have been discounted using market yields on Australian high quality corporate bond rates.

Provision for remediation is 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 life, 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. 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.

Provision for infrastructure costs is recognised for the Group's obligation for the estimated costs of completed infrastructure works in relation to certain properties. The timing of the future outflows is expected to occur within the next financial year.

Provision for workers compensation relates to the Group's self insurance for workers compensation program. The subsidiaries of the Group are licenced self insurers in New South Wales, Victoria, Western Australia and Australian Capital Territory for workers compensation insurance. The provision is determined with reference to independent actuarial calculations provided annually based on incidents reported before year end. The timing of the future outflows is dependent upon the notification and acceptance of relevant claims, and would be satisfied over a number of future financial periods.

4 INCOME TAX

This section provides the information considered most relevant to understanding the taxation treatment adopted by the Group during the financial year.

TAX CONSOLIDATION

Brickworks Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group (Tax Group) under the Tax Consolidation regime. Brickworks Limited is the head entity of that group.

The Tax Group has entered into 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 standalone taxpayer in its own right. Such amounts are reflected in amounts receivable from or payable to other entities in the Tax 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 considered remote.

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

4.1 Income tax expense

	Notes	**2017** $000	**2016** $000
Profit before income tax		**244,147**	**107,676**
Prima facie tax expense calculated at 30%		73,244	32,303
(Decrease) / increase in income tax expense due to:			
Franked dividend income		(16,259)	(15,645)
Goodwill and intangibles impairment losses		–	14,177
Share of net profits of associates		2,857	655
Other non-allowable items		909	2,021
Overprovided in prior years		(2,801)	(2,766)
Utilisation of carried forward capital losses		(13)	(1,259)
Income tax expense attributable to profit		**57,937**	**29,486**
Current tax expense		17,439	14,727
Deferred tax expense relating to movements in deferred tax balances	4.2	43,312	18,784
Overprovided in prior years		(2,801)	(2,766)
Utilisation of carried forward capital losses		(13)	(1,259)
Total income tax expense on profit		**57,937**	**29,486**
Income tax benefit recognised in other comprehensive income			
Tax effect on movements in reserves attributable to equity accounted investments		(779)	(5,517)
Income tax expense / (benefit) recognised directly in equity		**(779)**	**(5,517)**

4.2 Income tax assets and liabilities

(a) Current income tax liability

	2017 $000	**2016** $000
Profit before income tax	6,184	13,771

4.2 Income tax assets and liabilities (continued)

RECOGNITION AND MEASUREMENT

Current tax represents the amount expected to be paid or recovered in relation to taxable income for the financial year measured using 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 it is unpaid (or refundable).

(b) Deferred income tax liability

	BALANCE SHEET		MOVEMENT THROUGH INCOME STATEMENT	
	2017 $000	**2016** $000	**2017** $000	**2016** $000
Equity accounted investments in associated and joint ventures	271,561	223,581	44,327	23,249
Property, plant and equipment	7,046	10,366	(3,287)	(3,517)
Provisions	(15,490)	(17,256)	1,802	(670)
Tax losses and rebates	(193)	(286)	–	–
Intangibles	3,086	3,047	49	40
Other	(124)	(555)	421	(318)
Net deferred income tax liability	**265,886**	**218,897**	**43,312**	**18,784**

RECOGNITION AND MEASUREMENT

Deferred tax is recognised based on the amounts calculated using the balance sheet liability method in respect of temporary differences between the carrying values of assets and liabilities for financial reporting and tax purposes. The tax cost base of assets is determined based on management's intention for that asset on either use or sale as appropriate. No deferred income tax is recognised for a taxable temporary difference arising from an investment in a subsidiary, associate or a 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 income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset or liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by reporting date.

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. The amount of benefit brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax 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.

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

Deferred income 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.

5 CAPITAL AND RISK MANAGEMENT

This section provides information about the Group's capital management and its exposure to various financial risks.

The Group's activities expose it to a variety of financial risks: liquidity risk, market risk (including interest rate risk and foreign exchange risk) and credit risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance where the Group's exposure is material.

The Board approves written principles for overall risk management, as well as policies covering specific areas such as interest rate risk, foreign exchange risk, credit risk and the use of derivative financial instruments. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group holds the following financial assets and liabilities at balance date:

	Notes	**2017** $000	**2016** $000
Financial assets			
Cash and cash equivalents	5.2	19,641	30,783
Loans and receivables	3.1(a)	133,225	106,558
Total financial assets		**152,866**	**137,341**
Financial liabilities			
Trade and other payables	3.1(c)	110,102	81,593
Borrowings	5.3(a)	313,000	300,000
Derivative financial instruments	5.3(c), 5.6(a)	4,062	5,820
Total financial liabilities		**427,164**	**387,413**

RECOGNITION AND MEASUREMENT

Assets and liabilities of the Group that are measured at **fair value** are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

All assets and liabilities measured at fair value are identified in the relevant notes to the financial statements, and are either categorised as Level 1 or Level 2. There are no Level 3 categorised items in the Group. There were no transfers between category levels during the current or prior financial year.

A financial liability is derecognised when the obligation under the liability has been discharged, cancelled or expires, with any resulting gain recognised in the income statement.

5.1 Capital management

The Group manages its capital to ensure that all entities in the Group can continue as going concerns while maximising the return to shareholders through an appropriate balance of net debt and total equity.

The Group's capital structure consists of debt disclosed in note 5.3, cash and cash equivalents (refer note 5.2), issued capital (note 5.4), reserves (note 5.5) and retained profits. The capital structure can be influenced by the level of dividends paid, issuance of new shares, returns of capital to shareholders, or adjustments in the level of borrowings through the acquisition or sale of assets.

The Group's capital structure is regularly measured using net debt to capital employed, calculated as net debt divided by a sum of net debt and total equity. Net debt represents total drawn at the reporting date (refer note 5.3) less cash and cash equivalents (note 5.2) and total equity includes contributed equity (note 5.4), reserves (note 5.5) and retained earnings.

The Group's strategy during the year was to maintain the total debt to capital employed (at a consolidated level) below a loan facilities banking covenant limit of 40% imposed per the syndicated loan facility agreement disclosed in note 5.3 (2016: 40%).

5.1 Capital management (continued)

	2017 $000	2016 $000
Net debt	293,359	269,217
Total equity	1,967,840	1,838,485
Capital employed	**2,261,199**	**2,107,702**
Net debt to capital employed	13.0%	12.8%

5.2 Cash and cash equivalents

	2017 $000	2016 $000
Cash on hand	19,641	30,783

RECOGNITION AND MEASUREMENT

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits. For the purpose of the statement of cash flows, cash and cash equivalents is equal to the balance disclosed in the balance sheet.

5.3 Borrowings

(a) Available loan facilities

	2017 $000	2016 $000
Current		
Interest-bearing loans	–	–
Unamortised borrowing costs	–	–
	–	**–**
Non-current		
Interest-bearing loans	313,000	300,000
Unamortised borrowing costs	(1,023)	(776)
	311,977	**299,224**

An unsecured $355 million variable interest rate syndicated loan facility was established in December 2016. As at 31 July 2017 the facility was drawn to $275.0 million (2016: $300.0 million).

In addition, the Group has a $100.0 million working capital facility which at 31 July 2017 was drawn to $38.0 million (2016: nil).

Interest on the Group's loan facilities is payable based on floating rates determined with reference to the BBSY[1] bid rate at each maturity. Further information with regards to management of the Group's interest rate risk is disclosed in Note 5.3(c).

The fair value of interest-bearing loans at 31 July 2017 approximated their carrying amount (2016: carrying amount).

1 The Bank Bill Swap Bid Rate (BBSY) is a benchmark interest rate quoted by Reuters Information Service.

RECOGNITION AND MEASUREMENT

Borrowings are recorded initially at fair value of the consideration received, net of transaction costs. Subsequent to initial recognition, borrowings are 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 reporting date. When 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.

(b) Management of liquidity risk

The 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. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due. At 31 July 2017 the Group had $142.0 million of unused bank facilities (2016: $150.0 million).

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.

The maturity profile of the Group's loan facilities at 31 July 2017 is outlined below.

Facility	Limit ($m)	Drawn ($m)	Available ($m)	Maturity date
Tranche A	140.0	140.0	–	December 2020
Tranche B	129.0	49.0	80.0	December 2021
Tranche C	86.0	86.0	–	December 2019
Syndicated loan facility	**355.0**	**275.0**	**80.0**	
Working capital facility	100.0	38.0	62.0	December 2018
Total loan facilities	**455.0**	**313.0**	**142.0**	

The table below analyses the undiscounted value of the Group's financial liabilities and derivatives based on the remaining period at the reporting date to maturity. For bank facilities the cash flows have been estimated using interest rates applicable at the end of the reporting period.

	1 year or less $'000	1 to 5 years $'000	Total $'000
31 July 2017			
Trade and other payables	110,102	–	110,102
Syndicated facility loan	13,905	347,480	361,385
Derivatives	513	3,549	4,062
	124,520	**351,029**	**475,549**
31 July 2016			
Trade and other payables	81,593	–	81,593
Syndicated facility loan	11,170	317,005	328,175
Derivatives	–	5,820	5,820
	92,763	**322,825**	**415,588**

5.3 Borrowings (continued)

(c) Management of interest rate risk

The Group's main interest rate risk arises from fluctuations in the BBSY bid rate relating to bank borrowings. Where appropriate, the Group uses interest rate derivatives to eliminate some of the risk of movements in interest rates on borrowings, and increase certainty around the cost of borrowed funds.

Interest rate swaps

The Group has entered into interest rate swaps contracts which allow the Group to swap floating rates into an average fixed rate of 3.47% (2016: 3.45%). The contracts require settlement of net interest receivable or payable usually around every 90 days. The settlement dates are aligned with the dates on which interest is payable on the underlying bank borrowings and are brought to account as an adjustment to borrowing costs.

The fair value of interest rate swaps is outlined below. The notional principal amounts reduce from $125.0 million over the next three years.

	NOTIONAL PRINCIPAL AMOUNT		AVERAGE INTEREST RATE		FAIR VALUE	
	2017 $000	**2016** $000	**2017** %	**2016** %	**2017** $000	**2016** $000
Less than 1 year	–	–	–	–	–	–
1 to 3 years	125,000	75,000	3.47	3.47	3,549	3,052
3 to 5 years	–	50,000	–	3.43	–	2,768
Total	**125,000**	**125,000**			**3,549**	**5,820**

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

RECOGNITION AND MEASUREMENT

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 the nature of the item being hedged. The Group designates certain derivatives as either fair value or cash flow hedges.

Changes in the fair value of derivatives that are designated as qualifying 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.

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

Changes in the fair value of **derivatives which do not qualify for hedge accounting** are recognised immediately in the income statement.

Sensitivity analysis

At 31 July 2017, if interest rates had been +/- 1% per annum throughout the year, with all other variables being held constant, the profit after income tax for the year would have been $1.36 million higher or lower respectively (2016: $1.26 million higher/lower). There would not have been any other significant impacts on equity.

5.4 *Contributed equity*

	2017 Number of shares	2016 Number of shares	2017 $'000	2016 $'000
Contributed equity				
Ordinary shares, fully paid	149,105,838	148,737,138	353,234	348,231
Treasury shares	(869,044)	(805,912)	(12,420)	(11,326)
			340,814	**336,905**
Movement in ordinary issued capital				
Opening balance 1 August	148,737,138	148,403,478	348,231	343,108
Issue of shares through employee share plan	368,700	333,660	5,018	5,136
Share issue costs			(15)	(13)
Closing balance 31 July	**149,105,838**	**148,737,138**	**353,234**	**348,231**
Movement in treasury shares				
Opening balance 1 August	(805,912)	(708,241)	(11,326)	(8,943)
Issue of shares through employee share plan	(368,700)	(333,660)	(5,018)	(5,136)
Purchase of shares through employee share plan	(55,096)	(74,805)	(750)	(1,151)
Shares allocated as part of Dividend Election Plan	14,402	–	194	–
Shares vested to employees	346,262	310,794	4,480	3,904
Closing balance 31 July	**(869,044)**	**(805,912)**	**(12,420)**	**(11,326)**

RECOGNITION AND MEASUREMENT

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares represent own equity instruments which are issued or acquired for later payment as part of employee share-based payment arrangements and 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. The accounting policy applied in respect of share-based payments is disclosed in Note 7.1.

5.5 *Reserves*

	Notes	Capital Profits Reserve $'000	Equity Adjustments Reserve $'000	General Reserve $'000	Foreign Currency Reserve $'000	Share-based Payments Reserve $'000	Associates and JVs Reserve $'000	Total $'000
Balance at 1 August 2016		88,102	(19,799)	36,125	(1,496)	5,352	202,971	311,255
Other comprehensive income for the year		–	779	–	1	–	(2,596)	(1,816)
Shares vested to employees	7.1	–	–	–	–	(4,480)	–	(4,480)
Share based payments expense	7.1	–	–	–	–	4,823	–	4,823
Balance at 31 July 2017		**88,102**	**(19,020)**	**36,125**	**(1,495)**	**5,695**	**200,375**	**309,782**
Balance at 1 August 2015		88,102	(25,316)	36,125	(1,516)	3,690	221,359	322,444
Other comprehensive income for the year		–	5,517	–	20	–	(18,388)	(12,851)
Shares vested to employees	7.1	–	–	–	–	(3,904)	–	(3,904)
Share based payments expense	7.1	–	–	–	–	5,566		5,566
Balance at 31 July 2016		**88,102**	**(19,799)**	**36,125**	**(1,496)**	**5,352**	**202,971**	**311,255**

NATURE AND PURPOSE OF RESERVES

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

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

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

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

Share-based payments reserve represents the value of bonus shares granted to employees that have been recognised as an expense in the income statement but are yet to vest to employees.

Associates and JVs reserve represents the Group's share of its associates and joint ventures reserves 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 or joint ventures in the form of dividends or trust distributions.

5.6 *Management of other risks*

(a) Foreign exchange risk

The 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 NZD would not have a material impact on either profit after tax or equity of the 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) and Euros (EUR). It is the policy of the Group to enter into forward foreign exchange contracts to cover specific currency payments, as well as covering anticipated purchases for up to 12 months in advance.

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

	FAIR VALUE	
	2017 $000	**2016** $000
USD forward contracts	516	–
EUR forward contracts	(3)	–
Net derivative liability	**513**	**–**

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 and EUR would not have a material impact on either profit after tax or equity of the Group.

(b) 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 statement of financial position and notes to the financial statements. The Group's 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 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.

(c) Equity price risk

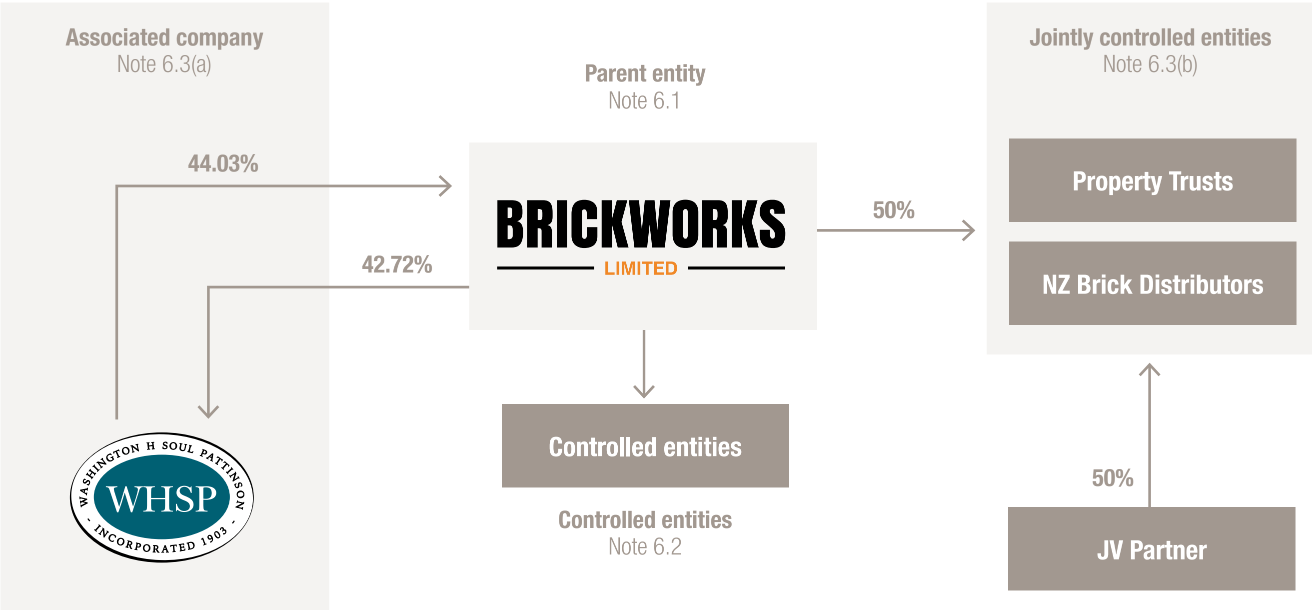
The Group does not have material direct exposure to equity price risk, as the value of its share trading portfolio is insignificant, and hence any fluctuations in equity prices would not be material to either profit after tax or equity of the Group.

The Group has significant indirect exposure to equity price risk through its investment in Washington H Soul Pattinson Co Ltd (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 the Group's 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 2017.

6 GROUP STRUCTURE

This section explains significant aspects of Brickworks' group structure, including equity accounted investments that the Group has an interest in and its controlled entities. When applicable, it also provides information on business acquisitions made during the financial year.



6.1 Parent entity disclosures

	2017 $000	2016 $000
Statement of financial position		
Current assets	6,152	7,436
Non-current assets	1,118,282	1,071,831
Current liabilities	(9,020)	(18,103)
Non-current liabilities	(585,361)	(589,048)
Net assets	**530,053**	**472,116**
Equity		
Issued capital	340,814	336,906
Reserves	101,819	101,474
Retained earnings	87,420	33,736
Total equity	**530,053**	**472,116**
Statement of financial performance		
Profit after tax	48,746	40,664
Total comprehensive income	48,746	40,664

Various intercompany loans are in existence between the parent entity and some of its controlled entities. The loans are unsecured, interest free and have no fixed terms of repayment. The loans are a net asset to the parent entity of $655.7 million (2016: $572.6 million).

Parent entity's contingent liabilities of $8.818 million (2016: $7.870 million) were associated with bank guarantees issued in the ordinary course of business.

There are no contractual commitments for the acquisition of property, plant and equipment of the parent entity (2016: nil).

6.2 Controlled entities

Details of wholly owned entities within the Brickworks Group of companies are as follows.

Entity	% GROUP'S INTEREST 2017	% GROUP'S INTEREST 2016
Incorporated in Australia		
A.C.N. 000 012 340 Pty Ltd	100	100
A.C.N. 074 202 592 Pty Ltd[1]	100	100
AP Installations (NSW) Pty Ltd[1]	100	100
AP Installations (Qld) Pty Ltd[1]	100	100
Austral Bricks (NSW) Pty Ltd[1]	100	100
Austral Bricks (Qld) Pty Ltd[1]	100	100
Austral Bricks (SA) Pty Ltd[1]	100	100
Austral Bricks (Tas) Pty Ltd[1]	100	100
Austral Bricks (Tasmania) Pty Ltd[1]	100	100
Austral Bricks (Vic) Pty Ltd[1]	100	100
Austral Bricks (WA) Pty Ltd[1]	100	100
Austral Bricks Holdings Pty Ltd[1]	100	100
Austral Facades Pty Ltd[1]	100	100
Austral Masonry (NSW) Pty Ltd[1]	100	100
Austral Masonry (Qld) Pty Ltd[1]	100	100
Austral Masonry (Vic) Pty Ltd[1]	100	100
Austral Masonry Holdings Pty Ltd[1]	100	100
Austral Precast (NSW) Pty Ltd[1]	100	100
Austral Precast (Qld) Pty Ltd[1]	100	100
Austral Precast (Vic) Pty Ltd[1]	100	100
Austral Precast (WA) Pty Ltd[1]	100	100
Austral Precast Holdings Pty Ltd[1]	100	100
Austral Roof Tiles Pty Ltd[1]	100	100
Auswest Timbers (ACT) Pty Ltd[1]	100	100
Auswest Timbers Holdings Pty Ltd[1]	100	100
Auswest Timbers Pty Ltd[1]	100	100
Bowral Brickworks Pty Ltd[1]	100	100
Brickworks Building Products Pty Ltd[1]	100	100
Brickworks Building Products (NZ) Pty Ltd[1]	100	100
Brickworks Cement Pty Limited[1]	100	100
Brickworks Construction Materials Pty Limited[1]	100	100
Brickworks Head Holding Co Pty Ltd[1]	100	100
Brickworks Industrial Developments Pty Ltd[1]	100	100
Brickworks Properties Pty Ltd[1]	100	100
Brickworks Property Finance Co Pty Ltd	100	100
Brickworks Specialised Building Systems Pty Ltd[1]	100	100
Brickworks Sub Holding Co No.1 Pty Ltd[1]	100	100

Entity	% GROUP'S INTEREST 2017	% GROUP'S INTEREST 2016
Incorporated in Australia		
Brickworks Sub Holding Co No. 2 Pty Ltd[1]	100	100
Brickworks Sub Holding Co No. 3 Pty Ltd[1]	100	100
Brickworks Sub Holding Co No. 4 Pty Ltd[1]	100	100
Brickworks Sub Holding Co No. 5 Pty Ltd[1]	100	100
Brickworks Sub Holding Co No. 6 Pty Ltd[1]	100	100
Brickworks Sub Holding Co No. 7 Pty Ltd[1]	100	100
Brickworks Sub Holding Co No. 8 Pty Ltd[1]	100	100
Bristile Guardians Pty Ltd[1]	100	100
Bristile Holdings Pty Ltd[1]	100	100
Bristile Pty Ltd[1]	100	100
Bristile Roofing (East Coast) Pty Ltd[1]	100	100
Bristile Roofing Holdings Pty Ltd[1]	100	100
Christies Sands Pty Ltd[1]	100	100
Clifton Brick Holdings Pty Ltd[1]	100	100
Clifton Brick Manufacturers Pty Ltd[1]	100	100
Daniel Robertson Australia Pty Ltd[1]	100	100
Davman Builders Pty Ltd[1]	100	100
Dry Press Publishing Pty Ltd[1]	100	100
Hallett Brick Pty Ltd[1]	100	100
Hallett Roofing Services Pty Ltd[1]	100	100
Horsley Park Holdings Pty Ltd[1]	100	100
International Brick & Tile Pty Ltd[1]	100	100
J. Hallett & Son Pty Ltd[1]	100	100
Lumetum Pty Ltd[1]	100	100
Metropolitan Brick Company Pty Ltd[1]	100	100
Nubrik Concrete Masonry Pty Ltd[1]	100	100
Nubrik Pty Ltd[1]	100	100
Pilsley Investments Pty Ltd[1]	100	100
Prestige Brick Pty Ltd[1]	100	100
Prestige Equipment Pty Ltd[1]	100	100
Southern Bricks Pty Ltd[1]	100	100
Southern Cross Cement Pty Ltd (formerly Falcon CP Pty Ltd)	100	–
Terra Timbers Pty Ltd[1]	100	100
The Austral Brick Co Pty Ltd[1]	100	100
The Warren Brick Co Pty Ltd[1]	100	100
Visigoth Pty Ltd[1]	100	100

RECOGNITION AND MEASUREMENT

Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements have been prepared by consolidating the financial statements of Brickworks Limited and its controlled entities. All inter-entity balances and transactions are eliminated. All wholly owned entities within the Group have been consolidated in these financial statements.

[1] The entity is party to a deed of cross guarantee (refer note 6.4).

6.3 Investments accounted for using the equity method

	Notes	2017 $000	2016 $000
Associated companies	6.3(a)	1,233,189	1,150,243
Joint ventures	6.3(b)	410,840	312,587
Total investments accounted for using the equity method		**1,644,029**	**1,462,830**

RECOGNITION AND MEASUREMENT

Under the **equity method**, the investments are carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of an associate or a joint venture.

After applying the equity method of accounting, the Group determines whether it is necessary to recognise an additional impairment loss with respect to its investment in an associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as a difference between the recoverable amount of the associate or joint venture and its carrying amount, and the recognises the loss as 'Share of net profits of associates and joint ventures' in the income statement.

The consolidated income statement reflects the Group's share of the results of operations of the associate/jointly controlled entity.

(a) Associated company

	GROUP'S INTEREST		CONTRIBUTION TO GROUP PROFIT AFTER TAX		CARRYING VALUE		MARKET VALUE OF SHARES	
	2017 %	**2016** %	**2017** $'000	**2016** $'000	**2017** $'000	**2016** $'000	**2017** $'000	**2016** $'000
Washington H. Soul Pattinson and Company Limited	42.72	42.72	129,008	59,246	1,233,189	1,150,243	1,803,828	1,782,354

Washington H. Soul Pattinson and Company Limited's (WHSP) shares are publicly traded on the Australian Stock Exchange (ASX code: SOL). The nature of WHSP's activities is outlined below:

Investing	Investments in cash, term deposits and equity investments (including investments in telecommunications, pharmaceutical, property and agriculture businesses listed on the Australian Stock Exchange)
Energy	Coal, oil and gas activities
Copper and gold operations	Copper and gold mining activities

In addition to the Group owning 42.72% (2016: 42.72%) of issued ordinary shares of WHSP, at 31 July 2017 WHSP owned 44.03% (2016: 44.14%) of issued ordinary shares of Brickworks Limited.

The information disclosed below reflects the total amounts reported in the financial statements of WHSP amended to reflect adjustments made by the Group in applying the equity method of accounting.

	2017 $000	2016 $000
Current assets	555,149	405,587
Non-current assets	3,765,815	3,496,439
Current liabilities	(169,372)	(179,908)
Non-current liabilities	(484,248)	(322,334)
Outside equity interest (OEI)	(780,666)	(707,268)
Net assets	**2,886,678**	**2,692,516**
Equity accounted carrying value	**1,233,189**	**1,150,243**
Revenue	967,570	620,661
Profit after tax attributable to members	333,611	149,420
Other comprehensive income	(13,997)	(38,563)
Total comprehensive income	**319,614**	**110,857**
Dividends received by Brickworks Limited from the associate	**54,197**	**52,151**

WHSP's lease commitments and contractual commitments for the acquisition of property, plant and equipment were not publicly available at the time of preparation of this report (2016: $62.2 million and $8.7 million, respectively). The Group has no legal liability for any expenditure commitments incurred by associates.

WHSP's contingent liabilities were not publicly available at the time of preparation of this report (2016: $31.8 million). The Group has no legal liability for any contingent liabilities incurred by its associate.

RECOGNITION AND MEASUREMENT

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.

The associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

The consolidated financial statements include eliminations related to the cross share-holding arrangement between the Group and the associate.

6.3 *Investments accounted for using the equity method (continued)*

(b) Joint ventures

Information relating to joint ventures is outlined below.

	GROUP'S INTEREST		CONTRIBUTION TO GROUP PROFIT AFTER TAX		CARRYING VALUE		PRINCIPAL ACTIVITY
	2017 %	2016 %	2017 $'000	2016 $'000	2017 $'000	2016 $'000	
Domiciled in Australia							
BGAI CDC Trust	50.00	50.00	–	–	280	554	Property development, management and leasing
BGAI Erskine Trust	50.00	50.00	17,059	24,813	104,285	91,189	As above
BGAI1 Capicure Trust	50.00	50.00	1,682	3,230	10,309	9,512	As above
BGAI1 Heritage Trust	50.00	50.00	5,593	7,013	31,537	28,317	As above
BGAI1 Oakdale Trust	50.00	50.00	10,482	27,620	104,652	98,996	As above
BGAI2 Wacol Trust	50.00	50.00	464	590	218	5,743	As above
BGMG1 Oakdale South Trust	50.00	50.00	–	–	45,221	41,721	As above
BGMG2 Rochedale Trust	50.00	50.00	5,869	3,217	41,018	29,957	As above
BGMG1 Oakdale West Trust	50.00	50.00	–	–	66,323	–	As above
Gain recognised on recognition as investment property			2,450	8,439	–	–	
Property trusts			**43,599**	**74,922**	**403,843**	**305,989**	
Domiciled in NZ							
NZ Brick Distributors	50.00	50.00	628	531	6,997	6,598	Import and distribution of building products
Total			**44,227**	**75,453**	**410,840**	**312,587**	

All joint ventures have balance dates of 30 June, as other partners in joint ventures have these dates.

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

	2017 $000	2016 $000
Share of fair value adjustment of properties held by joint venture	22,112	51,220
Share of joint venture property rental profits	18,263	15,263
Gain recognised on recognition as investment property	2,450	8,439
Share of profit on disposal of investment property held by joint venture	774	–
Total equity accounted profit from Property Trusts	**43,599**	**74,922**

The information disclosed below reflects the total amounts reported in the financial statements of joint ventures amended to reflect adjustments made by the Group in applying the equity method of accounting. This information has been aggregated due to the similarity of the risk and return characteristics.

	2017 $000	2016 $000
Current assets	28,216	34,383
Non-current assets	1,249,797	957,784
Current liabilities	(12,632)	(18,024)
Non-current liabilities	(443,701)	(348,969)
Net assets	**821,680**	**625,174**
Equity accounted carrying value (50% of net assets)	**410,840**	**312,587**
Other balance sheet disclosures		
Cash and cash equivalents	8,781	15,164
Current financial liabilities	(6,385)	(20,900)
Non-current financial liabilities	(443,701)	(348,969)
Revenue	64,419	57,818
Depreciation and amortisation	(44)	(40)
Interest income	103	124
Interest expense	(14,265)	(19,079)
Profit after tax	83,555	134,028
Other comprehensive income	4,274	(2,318)
Total comprehensive income	**87,829**	**131,710**
Dividends received by Brickworks Limited from the joint ventures	**19,049**	**61,896**
Joint ventures' expenditure commitments		
Capital commitments	163,688	26,365
Lease commitments	–	–
Contingent liabilities of joint ventures		
Contingent liabilities incurred jointly with other investors	–	–
The entity has no legal liability for any contingent liabilities incurred by joint ventures		

RECOGNITION AND MEASUREMENT

A **joint venture** is a type of arrangement whereby the parties that have joint control of the arrangement have rights to net assets of the joint venture. Joint control is the contractually agreed sharing of control arrangement, which exists only when the decisions about relevant activities require unanimous consent of the parties sharing control.

The joint venture's accounting policies conform to those used by the Group. When reporting dates of joint ventures are not identical to the Group and the joint venture is not a disclosing entity, the financial information used is internal management reports for the same period as the Group's financial year.

Profits or losses on transactions with the joint venture are deferred to the extent of the Group's ownership interest where properties remain classified as inventory by the joint venture until such time as they realised by the joint venture on sale. During the year 50% of the gain on sale of the Oakdale West land was eliminated.

Investment property held by the joint venture, which is property held to earn rentals and/or for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in fair value of investment property are included in the equity accounted share of the joint venture's profit and recognised in the income statement of the Group in the period in which they arise.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Management is required to make significant estimates and judgements in assessing the fair value of investment property. An independent valuation specialist was engaged to assess the fair value of investment properties held by the joint venture. The fair value of investment properties is determined using recognised valuation techniques such as the capitalisation of net income method and discounted cash flow method.

6.4 *Deed of cross guarantee*

Brickworks Limited and a number of its subsidiaries ("Closed Group") are parties to a deed of cross guarantee under which each company, including Brickworks Limited, supports liabilities and obligations of other members of the Closed Group. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) by the ASIC. The entities covered in the deed are listed in Note 6.2. Members of the Closed Group and parties to the deed of cross guarantee are identical.

Set out below is a consolidated balance sheet, consolidated income statement and a summary of movements in consolidated retained profits of the Closed Group.

	2017 $000	**2016** $000
Consolidated Balance Sheet		
Current assets		
Cash and cash equivalents	19,641	30,783
Receivables	132,648	104,916
Inventories	189,278	181,434
Land held for resale	–	9,652
Prepayments	8,091	8,599
Total current assets	**349,658**	**335,384**
Non-current assets		
Receivables	199,327	122,396
Other financial assets	10,000	10,000
Inventories	7,300	7,998
Land held for resale	–	4,137
Investments accounted for using the equity method	1,240,187	1,156,841
Property, plant and equipment	492,749	480,323
Intangibles	212,840	208,275
Total non-current assets	**2,162,403**	**1,989,970**
Total assets	**2,512,061**	**2,325,354**
Current liabilities		
Trade and other payables	108,481	80,163
Derivative financial instruments	513	–
Income tax payable	7,741	13,771
Provisions	43,386	50,006
Total current liabilities	**160,121**	**143,940**
Non-current liabilities		
Borrowings	311,977	299,224
Derivative financial instruments	3,549	5,820
Provisions	10,436	9,287
Deferred income tax liabilities	193,095	169,172
Total non-current liabilities	**519,057**	**483,503**
Total liabilities	**679,178**	**627,443**
Net assets	**1,832,883**	**1,697,911**
Equity		
Contributed equity	340,814	336,906
Reserves	313,357	316,967
Retained profits	1,178,712	1,044,038
Total equity	**1,832,883**	**1,697,911**

	2017 $000	2016 $000
Consolidated Income Statement		
Profit before income tax	254,997	32,266
Income tax (expense)/benefit	(61,032)	(7,206)
Profit after income tax expense	**193,965**	**25,060**
Movement in Consolidated Retained Earnings		
Retained profits at the beginning of the year	1,044,038	1,074,484
Profit after income tax expense	193,965	25,060
Dividends paid	(59,321)	(55,519)
Share of associate's transfer to outside equity interests	30	13
Retained profits at the end of the year	**1,178,712**	**1,044,038**

6.5 Business combinations

During the financial year ended 31 July 2017 the Group acquired the full ownership of the following:

- Assets and businesses of Rix Roofing, a metal roofing and fascia and gutter installation business based in Victoria. Together with similar acquisitions made in the prior year, this acquisition provides diversification and earnings growth opportunities, allowing the Group's Building Products segment to offer an all inclusive product range of roofing products.
- Share capital of Falcon CP Pty Limited (subsequently renamed to Southern Cross Cement Pty Limited).

Business acquired	Rix Roofing	Falcon CP	Total 2017
Date acquired	3 April 2017	24 August 2016	
Consideration			
Cash paid ($'000)	2,695	500	3,195
Total consideration ($'000)	**2,695**	**500**	**3,195**
Assets acquired and liabilities assumed			
Property, plant and equipment ($'000)	40	–	40
Deferred tax assets ($'000)	36	–	36
Provisions ($'000)	(121)	–	(121)
Fair value of net assets ($'000)	**(45)**	**–**	**(45)**
Goodwill arising on acquisition ($'000)	**2,740**	**500**	**3,240**
Direct costs relating to acquisition	–	–	–

6.5 *Business combinations (continued)*

In the prior year, the Group acquired three metal roofing and fascia and gutter installation businesses.

Business acquired	**MFS**	**Adams Direct**	**CJM**	**Total 2016**
Date acquired	7 March 2016	15 February 2016	31 August 2015	
Consideration				
Cash paid ($'000)	2,083	850	388	3,321
Total consideration ($'000)	**2,083**	**850**	**388**	**3,321**
Assets acquired and liabilities assumed				
Inventories ($'000)	–	–	12	12
Property, plant and equipment ($'000)	19	–	–	19
Deferred tax assets ($'000)	19	12	14	45
Trade and other payables ($'000)	–	–	(50)	(50)
Provisions ($'000)	(65)	(40)	(45)	(150)
Fair value of net assets ($'000)	**(27)**	**(28)**	**(69)**	**(124)**
Goodwill arising on acquisition ($'000)	**2,110**	**878**	**457**	**3,445**
Direct costs relating to acquisition	(109)	(34)	(15)	(158)

Upon acquisition these businesses were integrated into the existing business and systems of the Group. As a result, specific financial information relating to the acquired businesses is not available and therefore it is impracticable to disclose the revenue and profit or loss of the acquirees since the acquisition date.

RECOGNITION AND MEASUREMENT

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. Costs directly attributable to business combinations are expensed in the period in which the acquisition is settled. When 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 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.

7 OTHER DISCLOSURES

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

7.1 Share based payments

At 31 July 2017, the Brickworks Employee Share Plans had 711 members taking part who owned a combined 1,616,128 shares or 1.08% of issued ordinary share capital (2016:722 members, 1,508,253 shares, 1.01%). These figures exclude shares held by employees outside the Brickworks Employee Share Plans. This represented shares purchased under the salary sacrifice arrangements, as well as shares held as part of the Brickworks equity compensation plan shown below. The reduction in employee shareholder numbers reflects an overall reduction in eligible employee numbers during the financial year.

(a) Salary sacrifice arrangements

Brickworks Limited has an employee share ownership plan, which allows all employees who have achieved 3 months service with the Group to purchase Brickworks Limited shares, using their own funds plus a contribution of up to $156 per annum from the Group. All shares acquired under salary sacrifice arrangements are fully paid ordinary shares, purchased on-market under an independent trust deed.

(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.

	Unvested No. of shares	**Vested** No. of shares	**Total** No. of shares
Opening balance	709,391	673,090	1,382,481
Granted	463,849	–	463,849
Vested	(332,345)	332,345	–
Forfeited / withdrawn	(59,255)	(315,542)	(374,797)
Closing balance	**781,640**	**689,893**	**1,471,533**

The unvested shares vest to employees at 20% per year for each of the following 5 years, provided ongoing employment is maintained. In addition, a performance hurdle related to the Group's Total Shareholder Return (TSR) is applicable to the unvested shares granted to the Managing Director and Chief Financial Officer. Unvested shares are unavailable for trading by the employees. All shares granted to employees provide dividend and voting rights to the employee.

	2017 $	**2016** $
Expense arising from share-based payment transactions	4,823,363	5,566,605
Fair value of vested shares held by the plan at the end of the year (based on 31 July share price)	9,106,588	10,552,262
Fair value of shares granted during the year	6,266,600	6,287,339

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

RECOGNITION AND MEASUREMENT

The fair value determined at the grant date of the equity-settled **share based payments** is expensed over the vesting period, with a corresponding increase to the employee share reserve.

Unvested shares are included in the Contributed Equity as Treasury Shares (refer note 5.4).

7.2 Related party transactions

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

- Property transactions with various trusts (listed in note 6.3) which are jointly owned by the Group and Goodman Australia Industrial Fund, an unlisted property trust. In December 2016 the Group completed the sale of the Oakdale West land into the Property Trust. The profit on the disposal of the land held for resale amounted to $50,066,000 (2016: nil). All transactions with the property trusts are at arm's length values.
- During the year the Group engaged Korn/Ferry International and Korn Ferry Hay Group Pty Limited, entities which employ The Hon. Robert Webster, to provide consulting services regarding executive evaluation and development. The total value of services provided was $199,437 (2016: $526,533).
- Directors and their direct-related entities are able, with all staff members, to purchase goods produced by the Group on terms and conditions no more favourable than those available to other customers.
- There were no other transactions with key management personnel during the period (2016: Nil).

7.3 Auditor's remuneration

	2017 $	2016 $
Audit of the financial report	549,000	490,000
Other regulatory audits	30,900	25,000
Accounting advice	77,196	–
Taxation services	49,321	26,000
Environmental sustainability advice	30,900	–
Other assurance services	50,000	37,000
Total	**787,317**	**578,000**

The financial statements of the Group are audited by EY. Details of non-audit services provided by EY are outlined in the Directors' Report.

7.4 Commitments and contingencies

(a) Commitments

	2017 $'000	2016 $'000
Contracted capital expenditure		
Within one year	10,178	14,268
Operating lease commitments		
Within one year	23,938	24,788
Between one year and five years	56,828	50,775
Later than five years	4,861	6,112
Total	**85,627**	**81,675**

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

Operating lease commitments 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 between 3 and 10 years, with renewal options of similar lengths.

(b) Contingencies

	2017 $'000	2016 $'000
Bank guarantees issued in the ordinary course of business	28,184	26,836

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

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

7.5 Events occurring after balance date

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

7.6 Other accounting policies

(a) Other accounting policies

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

Revenues, expenses and assets are recognised net of **goods and services tax (GST)**, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable or payable to the taxation authority is included as a current asset or liability.

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

Government grants 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 the attached conditions. Grants relating to costs are deferred and recognised in income statement over the period necessary to match them with the costs that they intend to compensate. Grants relating to the purchase of fixed assets are deducted from the carrying amount of the asset, and recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

(b) New standards not yet applicable

- **AASB 16** ***Leases*****:** The standard will be first applicable for the year commencing 1 August 2019. The Group is a lessee under a number of arrangements currently classified as operating leases. These arrangements relate predominantly to major plant and equipment, property and mobile plant. The Group has commenced a review of underlying lease arrangements to understand the implications of the new standard. Based on the current profile of the Group's leases a material increase in total assets, total liabilities and EBITDA is expected following the adoption of the new standard.
- **AASB 15** ***Revenue from contracts with customers:*** The standard will be first applicable for the year commencing 1 August 2018. The Group has commenced a project to understand and evaluate the implications of the new standard for Brickworks. To-date the project team has:
  - identified significant revenue streams across its various business for consideration;
  - identified key revenue contracts for review; and
  - commenced review of these contracts.
- Based on the preliminary assessment, the impact of the new standard is not expected to be material to the Group's revenue. The Group is not in a position to assess the impact of AASB 15 on equity accounted profit from its investments in associates.
- **AASB 9** ***Financial instruments:*** The standard introduces changes to hedge accounting, classification, measurement of financial and impairment of assets/ liabilities. The standard will be first applicable for the year commencing 1 August 2018. The impact of the standard is not expected to be material to the Group.

Directors'

DECLARATION

In the opinion of the Directors:

1. the complete set of the financial statements and notes of the consolidated entity, as set out on pages 78 to 117, 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 Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
   (b) give a true and fair view of the financial position as at 31 July 2017 and of the performance for the year ended on that date of the consolidated entity;
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board;
3. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
4. as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 6.4 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 2017.

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

Dated 21 September 2017

R.D. MILLNER
Director

L.R. PARTRIDGE AM
Director

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRICKWORKS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Brickworks Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 31 July 2017, the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements which comprise the significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the financial position of the Group as at 31 July 2017 and of its financial performance for the year ended on that date; and
b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Transfer of land into property trusts

Why significant	How our audit addressed the key audit matter
During the year the Group recognised a $50.1 million gain on sale of the Oakdale West land to the property trust in accordance with the Group's policy as outlined in Note 6.3(b) to the financial report. In accordance with the Group's accounting policy elections, an additional $50.1 million gain was deferred on the basis that the property was classified as inventory in accordance with Australian Accounting Standard – AASB 102 Inventories both before and after transfer rather than as an investment property under AASB 140 Investment Properties. This is explained in Note 6.3(b). This is a key audit matter due to the quantum of the gain recorded and the application of judgment related to the classification of the property as inventory.	In performing our procedures: • We agreed the fair value of the land sold to commercial agreements entered into between the Group and Goodman Property Services (Aust) Pty Limited. • We assessed whether the classification of the land meets the definition of inventories in accordance with AASB 102 Inventories by reviewing board minutes, enquiring with executive management and reviewing the Trust deed. • We assessed the accuracy of the Group's accounting for the amount of the gain recognised during the year and the amount of the gain deferred. • We evaluated the adequacy of the financial report disclosures made in respect to this transaction.

2. Accounting for investment properties

Why significant	How our audit addressed the key audit matter
During the year the Group recorded a gain of $22.1 million relating to its share of changes in the fair value of investment properties. As disclosed in Note 6.3(b) to the financial report, investment properties are accounted for in accordance with Australian Accounting Standard - AASB 140 Investment Property, with changes in fair value recorded in the income statement. The fair value of properties held within the property trusts are assessed by the directors with reference to either external independent property valuations or market conditions existing at reporting date. This is a key audit matter as judgment is required to determine whether the properties meet the definition of investment properties in accordance with AASB 140 and to measure the fair value of those properties. The key assumptions that underpin valuation outcomes include capitalisation rates, discount rates, market and contractual rents and occupancy levels. Changes in these assumptions can lead to significant changes in fair value.	In performing our procedures: • We involved our real estate specialists in our assessment of the valuation methodology adopted and the assumptions used in the valuations. We assessed the accuracy of the key assumptions used by reference to external market data. • We assessed the extent to which we could use the work performed by the third party experts by considering their independence, objectivity and competence as well as the instructions they received. We assessed the information provided by the Group to the third party experts, including contractual rent. • We assessed the classification as investment properties. In doing so, we considered the Group's intentions underpinning the classification of properties by reviewing board minutes, enquiring with executive management and considering commercial agreements executed by the trustee on behalf of the Trusts. • We assessed the accuracy of the Group's equity accounted result and the Group's share of movements in the property revaluations.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2017 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE AUDIT OF THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 63 to 75 of the directors' report for the year ended 31 July 2017.

In our opinion, the Remuneration Report of Brickworks Limited for the year ended 31 July 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

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.

Ernst & Young

Ernst & Young

ANTHONY JONES
Partner

Sydney, 21 September 2017

House Au Yeung (NSW)
Hereford Bronze by Bowral Bricks

Statement of

SHAREHOLDERS

ORDINARY SHARES

at 31 August 2017

Shareholders

Number of holders	**9,394**

Voting entitlement is one vote per fully paid ordinary share % of total holdings by or on behalf of 20 largest shareholders 78.86%

Distribution of shareholdings:

1 – 1,000	4,719
1,001 – 5,000	3,624
5,001 – 10,000	542
10,001 – 100,000	457
100,001 and over	52
	9,394
Holdings of less than marketable parcel of 38 shares	647

Substantial Shareholders

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

Shareholder	Number of Shares
Washington H Soul Pattinson and Company Limited	65,645,140
Perpetual Ltd and its subsidiaries	9,437,917

20 LARGEST SHAREHOLDERS

as disclosed on the Share Register as at 31 August 2017

		Number of Shares	%
1	WASHINGTON H SOUL PATTINSON & COMPANY LIMITED	65,645,140	44.03
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,639,052	11.16
3	CITICORP NOMINEES PTY LIMITED	7,158,968	4.80
4	J P MORGAN NOMINEES AUSTRALIA LIMITED	5,760,130	3.86
5	MILTON CORPORATION LIMITED	3,234,567	2.17
6	J S MILLNER HOLDINGS PTY LIMITED	3,018,836	2.02
7	NATIONAL NOMINEES LIMITED	2,714,409	1.82
8	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	1,825,697	1.22
9	UBS NOMINEES PTY LTD	1,607,612	1.08
10	AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	1,502,970	1.01
11	MRS MARGARET DOROTHY STONIER	1,498,743	1.01
12	CPU SHARE PLANS PTY LTD	1,473,996	0.99
13	BNP PARIBAS NOMS PTY LTD <DRP>	1,466,002	0.98
14	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	930,807	0.62
15	T G MILLNER HOLDINGS PTY LIMITED	698,509	0.47
16	ARGO INVESTMENTS LIMITED	584,009	0.39
17	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <MBA A/C>	548,993	0.37
18	DIVERSIFIED UNITED INVESTMENT LIMITED	500,000	0.34
19	BKI INVESTMENT COMPANY LIMITED	436,209	0.29
20	MILLANE PTY LIMITED	341,349	0.23
		117,585,998	**78.86**

CORPORATE
information

REGISTERED OFFICE

738–780 Wallgrove Road
Horsley Park NSW 2175
Telephone: (02) 9830 7800
Website: www.brickworks.com.au
Email: info@brickworks.com.au

AUDITORS

EY

BANKERS

National Australia Bank

SHARE REGISTER

Computershare Investor Services Pty. Limited

GPO Box 2975
Melbourne Victoria 3001
Telephone: 1300 855 080 (within Australia)
+61 3 9415 4000 (International)

PRINCIPAL ADMINISTRATIVE OFFICE

738–780 Wallgrove Road
Horsley Park NSW 2175
Telephone: (02) 9830 7800
Email: info@brickworks.com.au

IMPORTANT DATES

2017 annual result released	21 September 2017
Record date for final ordinary dividend	9 November 2017
Annual General Meeting	28 November 2017
Payment date for final ordinary dividend	29 November 2017
2018 half-year end	31 January 2018
2018 half-year result announced	22 March 2018
Record date for interim ordinary dividend	10 April 2018
Payment date for interim ordinary dividend	1 May 2018
2018 financial year end	31 July 2018
2018 annual result released	20 September 2018

The above dates are indicative only and are subject to change

Produced by **APM Graphics Management** › apmgraphics.com.au › 1800 806 930

BRICKWORKS

LIMITED