

BRICKWORKS

LIMITED

5 October 2006

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

BY ELECTRONIC LODGEMENT

Dear Sir/Madam,

Please find attached the Brickworks Ltd Appendix 4E and Review of Results for the 2006 financial year, for immediate release to the market.

Yours faithfully,
BRICKWORKS LIMITED



IAIN THOMPSON
COMPANY SECRETARY

BRICKWORKS LIMITED

ABN 17 000 028 526

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ASX Appendix 4E

Lodged with the ASX in accordance with Listing Rule 4.3A

BRICKWORKS LIMITED

A.B.N. 17 000 028 526

Preliminary Final Report Results for announcement to the market

Reporting period: 12 months ended 31 July, 2006

Previous corresponding period: 13 months ended 31 July, 2005

		CURRENT PERIOD 31 JULY 2006	PREVIOUS PERIOD 31 JULY 2005
Revenues from ordinary activities (\$000's)	DOWN 6% TO	532,068	565,296
Profit (loss) from ordinary activities after tax attributable to members (\$000's)	DOWN 28% TO	102,202	142,925 +
Net profit (loss) for the period attributable to members (\$000's)	DOWN 28% TO	102,202	142,925 +
Normalised profit after tax before non-regular items (\$000's)	UP 17% TO	101,921	87,354
Basic earnings per share (cents per share)	DOWN 29% TO	77.0	108.5
Net tangible assets per share (cents per share)	UP 11% TO	547.4	491.3

Comments on above results

BRICKWORKS LANDS RECORD \$102 MILLION PROFIT

** Record Normalised NPAT up 16.6% to \$101.9 million

** Building products EBITA down 18.2% to \$65.5 million (on pcp)

** Land & Development EBITA increased 107.5% to \$55.2 million

** Associates EBITA down 32.6% to \$32.1 million

** Normalised income tax expense down 39.7% to \$21.9 million

** Final dividend up 19.0% to 25 cents per share fully franked (full year dividend 36 cps)

+ In 2005 headline NPAT included a non regular profit after tax of \$72.9 million on the disposal of New Hope Corporation's Indonesian operation.

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

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

This report is based on accounts which are currently subject to audit. There has been no dispute or qualification in relation to these accounts or report.

BRICKWORKS LIMITED

A.B.N. 17 000 028 526

**ASX Appendix 4E
Preliminary Final Report****DIVIDENDS**

ORDINARY SHARES	Amount per security (cents)	Franked amount per security (cents)	Total amount paid / payable (\$000's)	Foreign source dividend per security (cents)
Proposed final ordinary dividend (payable 1 December 2006)	25.0	25.0	33,173	0.0
Record date for determining entitlements to the dividend	17 NOVEMBER 2006			
Previous corresponding period (paid 22 November 2005)	21.0	21.0	27,865	0.0
Interim ordinary dividend (paid 11 May 2006)	11.0	11.0	14,596	0.0
Previous corresponding period (paid 12 April 2005)	10.0	10.0	13,172	0.0
There were no dividend reinvestment plans in operation at any time during or since the end of the financial year.				

PREFERENCE SHARES (PAVERS)	Percentage paid per security	Franking percentage per security	Total amount paid / payable (\$000's)	Amount paid per security
Proposed half yearly dividend (payable 1 December 2006)	6.565%	100%	5,431	\$3.29
Record date for determining entitlements to the dividend	17 NOVEMBER 2006			
Previous corresponding period (paid 1 December 2005)	6.565%	100%	5,429	\$3.29
Dividend paid 1 June 2006	6.565%	100%	5,396	\$3.27
Previous corresponding period (paid 1 June 2005)	6.565%	100%	5,396	\$3.27



REVIEW OF RESULTS

JULY 2006

BRICKWORKS LIMITED

REVIEW OF RESULTS JULY 2006

“BRICKWORKS LANDS RECORD \$102 MILLION PROFIT”

\$ MILLIONS	AIFRS July 05 13 mths *	AIFRS July 06 12 mths
NORMALISED NPAT	87.4	101.9
REVENUE		
Total	565.3	532.1
Building Products	519.1	483.1
Property & Waste	45.3	48.2
Building Products EBITDA	116.1	92.0
EBITA		
Building Products	87.1	65.5
Land and Development	26.6	55.2
Investments	0.8	1.2
Associates	47.6	32.1
Other & H.O.	(4.2)	(4.8)
Total EBITA	157.9	149.2
Amortisation	(2.8)	-
Total Borrowing Cost (incl PAVERS)	(31.4)	(25.4)
TAX	(36.3)	(21.9)
NPAT (Normal)	87.4	101.9
Non-regular adjustments (Post-tax)		
WHSP (Non regular items)	92.0 [†]	(3.3)
Rehabilitation / Asset write off	(36.5)	(2.1)
Tax Adjustments	-	5.7
NPAT (incl. non-regular items)	142.9[†]	102.2
PER SHARE (cents)		
Normalised Earnings per share	65.9	76.8
Total Earnings per share	108.5	77.0
Final Ordinary Dividends	21.0	25.0
Full Year dividend	31.0	36.0
NTA/Share	\$4.91	\$5.47

* Brickworks' Financial Year was changed to the 12 months ending 31 July resulting in a once off 13 month year in 2004/05. This change was a consequence of the implementation of AIFRS, specifically AASB 128 Investments in Associates.

[†] In 2005 headline NPAT included a non regular after tax profit of \$72.9 million on the disposal of New Hope Corporation's Indonesian operation.

“BRICKWORKS LANDS RECORD \$102 MILLION PROFIT”

Highlights

- Record Normalised NPAT up 16.6% to \$101.9 million
- Building Products EBITA down 18.2% to \$65.5 million (on pcp)
- Land and Development EBITA increased 107.5% to \$55.2 million
- Associates EBITA down 32.6% to \$32.1 million
- Normalised Income Tax Expense down 39.7% to \$21.9 million
- Final dividend up 19.0% to 25 cents fully franked (full year dividend 36 cents)

Overview

Record Normalised Net Profit After Tax in the 12 months to July 2006 of \$101.9 million was up 16.6% compared to \$87.4 million in the 13 months ending July 2005. The main factors contributing to the normalised result were a significant boost in profit from Land and Development offsetting reductions from Building Products.

Lower tax offset reduced Associates contribution which last year included a non regular after tax profit of \$72.9 million on the disposal of New Hope Corporation's Indonesian operation.

Normalised, earnings per share increased to 76.8 cents per share for the 12 months ending July 2006 (normalised EPS were 65.9 cents for the 13 months ending July 2005).

Directors have recommended a 19.0% increase in the final dividend to 25 cents fully franked, taking the full year dividend to 36 cents fully franked, up 16.1% from 31 cents the previous year.

The record date for dividends will be 17 November 2006 with payment being made on 1 December 2006.

Financial Analysis

The Normalised Income Tax Expense of \$21.9 million was down 39.7% on the \$36.3 million for the 13 months to 31 July 2005. This includes a \$5.5 million normalised adjustment caused by the change in the tax cost base of Washington H. Soul Pattinson. Income tax paid for the year was \$19.8 million.

Free cash flow before capital expenditure and dividends was \$92.5 million down from \$177.4 million last year. Last year's result included substantial cash flow from land transactions that will be recognised as profit in future years.

Interest Bearing Liabilities increased from \$367.6 million at 31 July 2005 to \$375.6 million at 31 July 2006.

Borrowing expenses during the year, including PAVERS dividends, was \$25.4 million, down 19.1% on last year's \$31.4 million.

During the period Ordinary Dividends of \$42.5 million were paid along with Capital Expenditure of \$52.3 million.

Net Debt (including PAVERS) to Capital Employed also continues to improve, finishing the year at 27.0% down from 28.3% at July 2005.

Gearing (debt to equity) decreased from 41.2% at 31 July 2005 to 38.5% at 31 July 2006 including PAVERS.

Interest Cover improved significantly to 6.2 times at 31 July 2006 (4.6 times in 2005) excluding non regular items and the non-cash portion of Equity Accounted profits. Interest includes bank debt interest and the PAVERS dividend.

Working capital at 31 July 2006 was \$115.0 million compared to \$84.1 million at 31 July 2005. The increases were largely the result of an additional \$24.4 million of land transactions awaiting completion and a \$15.1 million increase in inventory in Building Products (including \$4.0 million of working capital added by acquisitions during the year).

Strategy Overview

Brickworks Limited consists of three core businesses: Building Products, Land and Development and Investments. These businesses have provided consistent earnings and capital growth through diversity of revenue streams.

The Building Products strategy is to maximise margin and subsequently return on funds by vigorous competition in product range and quality while offering superior service. Concurrently every effort is made to reduce costs including prudent capital expenditure. Building Products continues to pursue bolt on acquisitions that meet stringent investment criteria and enhance Building Products performance.

Land and Development maximises the use of property assets that are no longer required for the Building Products business and now consists of three main businesses: Land Sales, Property Trust and Waste Management. Profit is maximised through a timely change to highest and best use.

In order to maximise the long term profit potential of Brickworks' land assets an industrial property trust has been established in conjunction with Macquarie Goodman. Excess land that can be developed into industrial uses will be sold to and then developed by the trust. This will allow Brickworks to benefit from ongoing development profit, rental income and potential capital returns as well as the initial land sale into the trust. Excess land that is suitable for residential uses is to be sold at an appropriate point in its development. Waste management will continue to operate in former clay quarries that can not be immediately reclaimed to be sold as usable land.

Investments ensure that profits from the cyclical Building Products business and the volatile Land and Development business are balanced by consistent earnings. A significant part of that investment portfolio has long been Washington H. Soul Pattinson (WHSP). WHSP offers exposure to a diverse range of sectors including telecommunications and media, pharmaceuticals, mineral resources and investment management.

Building Products

Market conditions*

Starting in 1997, one of the longest national housing booms in recent history was briefly interrupted by the introduction of the GST in 2000 before peaking in December 2003 at 46,497 commencements for the quarter. Since the peak, the market has experienced one of the longest declines on record. Reduced commencements were caused by lower consumer confidence due primarily to higher interest rates and increased petrol prices. In the 12 months to June 2006 commencements fell 4.5% to 150,506. Whilst substantially lower than the previous three years it is still high by historical standards.

Building Products greatest exposure is in NSW where commencements fell 15.2% to 32,036 dwellings and fell 17.1% to 15,524 for single dwellings, the lowest number of single dwellings being commenced since records began. NSW built less single homes than Western Australia, Victoria or Queensland.

Building land remains in chronic short supply throughout Sydney and priced beyond the reach of most first homebuyers. Brickworks, along with the building industry, continues to urge the NSW government to remove the restrictions to supply and the substantial imposts on land for single dwellings.

In sharp contrast to NSW, Western Australian commencements increased 12.3% to 25,595 dwellings. Whilst there is currently considerable work in the construction pipeline, the industry is concerned that a critical land shortage is starting to emerge.

In Queensland overall commencements fell 3.4% to 37,394 dwellings however, the Queensland market is showing encouraging signs of recovery.

Victorian commencements softened 4.7% to 39,103 dwellings while in South Australia commencements were stable at 10,611.

Results

Sales for the year ending July 2006 were up 0.9% at \$483.1 million compared to \$479.0 million in the 12 months ending July 2005. Sales were supported by acquisitions. On a like-for-like basis sales were down 5.7%.

EBITA in the 12 months to July 2006 was \$65.5 million, down 18.2% on the \$80.1 million in the 12 months to July 2005.

Brickworks' focus is to maintain the EBITA to sales ratio and profitability despite the downturn and competitive environment. Building Products achieved an EBIT to sales ratio for the 12 months to July 2006 of 13.6% compared to 16.8% in the previous corresponding period.

EBITDA was \$92.0 million (19.0% to sales) for the 12 months to July 2006. This compared to the \$107.4 million (22.4% to sales) in the 12 months to July 2005.

During the period \$1.6 million was spent on redundancies which led to a reduction in employee numbers of 56. Employee numbers reduced to 1466 prior to the inclusion of the 28 net positions after acquisitions and divestments and now total 1494. The relentless pursuit of the lowest cost

* All commencements data sourced from ABS Cat. 8750.0 Dwelling Unit Commencements, Australia, Preliminary, June 2006

base in the industry is underscored by employee productivity. Revenue of \$324,000 and EBITA of \$45,100 per employee compares favourably to our Australian building products peers.

Brickworks continued to take advantage of the current housing lull on the east coast to complete an ambitious capital expenditure program. The focus of the program within Building Products is cost reduction and improvement in safety and environmental performance. Capital expenditure totalled \$47.5 million in the 12 months to July 2006, compared to depreciation of \$26.5 million.

As a result of substantial capital expenditure and greater management focus the safety performance improved substantially. The key safety measure is Lost Time Injury Frequency Rate (LTIFR) which measures the number of injuries that result in a lost shift per million hours worked. LTIFR improved 29% compared with the previous year.

Exports have suffered in Asia where exchange rates, fuel driven shipping charges (bunker surcharges) and aggressive Asian competitors have all combined to make our products less attractive resulting in lower exports to this region.

Segment Results

Austral Bricks™

Impacted by the large exposure to the New South Wales market, national sales of Austral Bricks™ and pavers for the 12 months to July 2006 dropped 5.6% by volume.

Unit brick prices increased by 0.8% in line with expectations. Managing the lower demand to maintain efficient factories has been difficult. To avoid excessive increases in inventory, substantial reductions in production were achieved by mothballing one kiln at Rochedale in Brisbane and carrying out extensive shutdowns and slowdowns at two of three Horsley Park plants in Sydney and at Summerhill and Craigieburn in Melbourne. Overall, production output was reduced by 6.7%. Combined with cost increases and east coast factory refurbishment costs, unit costs increased 4.4%.

On 1 August 2006 Brickworks completed the \$17.4 million acquisition of GB Masonry. The initial phase of the integration into Austral Bricks™ has been successfully completed. GB Masonry has a capacity of 75,000 tonnes and produces Australia's most sought after range of landscape and block products, including retaining walls. Situated in Gympie, 160 kilometres North of Brisbane the plant operates three production lines and sells products from Cairns to Sydney.

In New Zealand arrangements are being made for the establishment of a distribution centre in Auckland following the acquisition of key distributors on both North and South Islands.

North of Melbourne at Wollert, Austral Bricks™ is building a new brick plant at a cost of \$44.0 million, of which \$21.1 million was spent this year. This plant will replace the aging Scoresby brick plant and free 56 hectares of residential land for sale at Scoresby as well as 19 hectares of industrial land at Hallam. Wollert is on schedule to be completed by February 2007 and is expected to be the lowest cost plant in Australia with design capacity of 85 million standard brick equivalents (SBE).

The capital program for the Austral Bricks™ Riverview plant in Queensland at a cost of \$2.4 million, of which \$1.3 million was spent this year, was completed on time and on budget. The capital program will substantially increase efficiency and allow a small capacity increase.

The Austral Bricks™ plant in Golden Grove, South Australia was upgraded at a cost of \$5.5 million, of which \$3.3 million was spent this year. Whilst capacity will remain the same, the introduction of robotic unloading and loading equipment will greatly reduce the cost of manufacture and enhance production flexibility once fully commissioned in the first quarter of 2006/07.

During the year the Punchbowl facility, which had previously manufactured floor tiles for Eureka Tiles™ was transferred to the Austral Bricks™ business in order to facilitate the full time manufacture of Australia's biggest selling large format clay pavers. This product range will be further enhanced with the recent release of Freedom® series stain resistant pavers.

A major television campaign promoting Austral Bricks™ was launched 2005/06. The "It's a fashion thing™" campaign, featuring Nicky Buckley, has had an immediate impact on brand awareness. Supporting the campaign is a significant revamp of displays. Major new displays have been built or are underway at Malaga (W.A.) Golden Grove (S.A.), Hobart (Tas.), Rochedale (Qld.), Craigieburn (Vic.) and Scoresby (Vic.).

Austral Bricks™, as Australia's largest brick company, contributed significantly to the industry programs and campaigns that are addressing bricklayer shortages, sustainability and environmental issues.

Bristile Roofing™

Sales of Bristile roof tiles for the 12 months to 31 July 2006 declined 4.6% by volume.

The strong increase in EBIT reported in the first half continued through the balance of the year driven by a 4.8% increase in price and significantly lower costs as a result of the previous year's capital program.

In 2005 a major upgrade was undertaken at both Queensland and Victorian manufacturing facilities. These upgrades were completed on budget and on time and continue to drive lower production costs, lower transport costs and higher quality.

Eureka Tiles™

Sales of floor tiles for the 12 months to 31 July 2006 declined 7.3% by volume.

Selling prices increased 1.7% in the face of domestic and import competition.

Strong import and domestic competition requires further adjustment to the business model. This period of transition is difficult but substantial progress has been made with sales of traditional terracotta tiles and tile imports recording strong volume increases. This has resulted in the mix between domestically produced and imported tiles moving towards imported.

On 30 June 2006 the bathroom fittings business was divested. This small activity was proving to be a distraction leading to its divestment in excess of book value.

Auswest Timbers

Sales of timber for the 12 months to 31 July 2006 increase 6.3% by volume.

Selling prices decreased 4.1%.

The hardwood timber industry continues to shift emphasis from low value products such as structural timber towards high value added product such as floor boards and furniture grade timber. Despite some challenges in the current period, signs of a favourable shift in product mix are beginning to emerge.

During the year Auswest acquired the remaining 58% of Terra Timbers, a value added producer in Bairnsdale, Victoria. At the same time the Victorian roof tile industry has been encouraged to move from hardwood battens to pine battens produced in Auswest's dedicated pine batten mill in Canberra. Each of these three initiatives drives Auswest to a sustainable future.

Adding to the sustainable future has been the securing of considerable log licenses for Victoria. The East Gippsland business now has licences and contracts extending eight years to 2014 and combined with Pemberton's 17 year log contract, puts Auswest in a strong position.

Auswest Timbers completed a \$3.2 million value adding facility in Pemberton, WA. The upgraded Pemberton plant will be capable of completing most of its own 'value adding' on site, including the production of flooring products. Wet weather and difficulties obtaining skilled trades in WA's overheated labour market contributed to delays in the project. The project, whilst completed, is now expected to be commissioned in the first half of 2006/07.

Land and Development

The 2005/06 financial year has seen the highest return to date from the Brickworks property realisation program for surplus land holdings. Normalised profit before tax totalled \$55.2 million, an increase of \$28.6 million from 2004/05.

Land and Development now consists of three main businesses: Land Sales, Property Trust and Waste Management.

Capital expenditure of \$4.8 million was required for land purchases, planning and site preparation. In the 2005/06 period 59.9 Ha of land was sold and 120.0 Ha of land was acquired for the Building Products businesses resulting in a net increase in land holdings of 60.1 Ha.

Land Sales

The development of the M7 Business Hub with Macquarie Goodman has continued strongly and underpinned the profit in 2005/06. Profit came largely from land sales in the Eastern Precinct of the M7 Business Hub. The site is valued for its proximity to Sydney's newly created transport hub, the intersection of the M7 and M4 freeways from where most of Sydney is readily accessible.

Completion of major services to the site and internal infrastructure works to the Eastern Precinct of the M7 Business Hub secured sub-division approval of this area in June 2006. This allowed 17 sale contracts already signed on the site to be exchanged. Very few lots now remain unsold for this precinct.

The sale of the Mamre Road site into the newly created Brickworks/Macquarie Goodman property trust also contributed significant profit.

The 2005/06 period saw the Eastwood, NSW site enter an important phase, with the completion of infrastructure and servicing works to the first stage of the residential development near Skenes Avenue. The first six lots were offered to the market in April 2006 and all were under contract by July 2006. Titles for these lots have now been secured which will allow the sales to settle early in the 2006/07 financial year. The first major stage of development, consisting of 20 lots and six terraces, is scheduled to be offered to the market in late 2006 or early 2007.

Work on the redevelopment of the Scoresby, Victoria site has continued over the 2005/06 financial year. Approval to fill the Scoresby site was received from Knox Council in early 2006 and the rezoning application, lodged in October 2005, was put on public exhibition in March 2006. No major objections were made to the rezoning and Council is expected to make a decision on the application by the end of 2006. This will allow the property to be offered to the market for redevelopment in early 2007.

The Bolinda Road site (5Ha) in Melbourne's north is also under consideration for sale as a land fill site.

Property Trust

The future development of the remaining sections of the M7 Business Hub property and several other properties has been secured by the establishment of the property trust, to be owned in equal interests by Brickworks and Macquarie Goodman Wholesale Fund. The Trust will develop and own prime industrial facilities on land already owned by Brickworks.

The Trust's initial transactions on the M7 Business Hub site include development pre-commitments for a new 49,000 m² Chilled Distribution Facility for Coles Myer and 16,500 m² Logistics/Fleet Facility for Toll Holdings with an estimated on-completion value of \$177.6 million. These transactions are conditional on development approvals, which are expected to be secured in the late 2006. Other land on the M7 Business Hub has also been set aside for development by the Trust in the future.

The Mamre Road, NSW site currently consists of 33 hectares of developable land. Pre-commitment interest in the site has been strong with negotiations well advanced with a number of prominent Australian and international corporations. In total the site should accommodate up to 200,000 m² of new industrial facilities over the next few years with an estimated value of \$265 million.

On 19 September 2006 a Heads of Agreement was signed between Brickworks and the Brickworks/Macquarie Goodman property trust granting a six month exclusive period for the trust to evaluate Brickworks industrial properties. Properties under consideration include Oakdale, NSW (333 Ha), Hallam, Vic. (19 Ha) and a portion of Craigieburn, Vic. (83Ha). The Oakdale property was declared "state significant employment lands" in November 2005.

Waste Management

The Horsley Park and Bowral waste facilities provided royalties totalling \$1.9 million in the 2005/06 financial year. The royalties from the Horsley Park facility, operated by Collex, have continued to be well over the minimum requirement and forecasted amount. An agreement with Collex, which will provide an additional payment for providing airspace earlier than initially contemplated, was signed in April 2006.

Investments

Washington H. Soul Pattinson Limited (WHSP)

ASX Code: SOL

The market value of Brickworks' 42.85% share of WHSP decreased \$183.4 million (18.7%) to \$797.6 million at year end. In the previous year the value increased by \$286.0 million. Fully franked dividends of \$41.9 million (\$32.7 million last year) were also received and included a special dividend of 15 cents per share in November 2005.

The total 12 month normalised equity contribution of WHSP to 31 July 2006 was \$29.5 million (\$176.1 million last year which included a NPAT non-regular contribution from the sale of the New Hope Corporation's Indonesian operation for \$72.9 million and an additional six month period due to the change in reporting period of \$19.2 million).

The investment in WHSP has a 15 year compound annual return of 13.5% compared to 12.2% in the ASX All Ordinary Accumulation Index. The compound annual return for five years is 13.1% compared to 13.1% in the ASX All Ordinary Accumulation Index.

Brickworks Investment Company Limited (BICL)

ASX Code: BKI

BICL has reported a Net Profit After Tax of \$12.8 million to 30 June 2006 compared to \$10.5 million in the 12 months to 30 June 2005.

Brickworks equity accounted share of BICL was \$2.8 million. At 31 July Brickworks held 20.7% of BICL issued share capital.

The fully franked dividend of 2.5 cents per share and an additional 1 cent per share special dividend has been declared bringing the total to 6.0 cents (fully franked) per share for the year compared to 4.3 cents per share last year. This dividend of \$1.5 million was received on 31 August 2006.

The value of Brickworks' investment in BICL increased 14.7% from \$50.4 million to \$57.8 million at 31 July 2006 however the total portfolio value of the BICL increased by 18.7% during the period to \$294.7 million from \$248.3 million.

Net Asset backing per share before tax as at 30 July has also increased to \$1.41 per share from \$1.30 per share, an 8% improvement.

The BICL share price has increased from \$1.17 per share at 31 July 2005 to \$1.34 per share at 31 July 2006.

Outlook

Building Commencements and Building Products

Brickworks estimate that Building commencements will fall a further 7% in 2006/07 to around 140,000.

In Western Australia healthy economic conditions are expected to continue though land availability will be closely monitored. New South Wales is likely to decline throughout the coming year and a recovery seems some time away under the current circumstances. Queensland is anticipated to have similar trading conditions to 2005/06 whilst South Australia and Victoria are predicted to drift downwards slightly.

The Building Products businesses will attempt to maintain price momentum and match production to demand.

Land and Development

Brickworks excess land is in desirable locations and is expected to continue contributing strongly to profit. As always, the timing of sales is difficult to predict due to the vagaries of various approval processes.

The Property Trust expects to continue to develop land already acquired.

Investments

Investments are expected to provide diversity to the income streams from Building Products and Land and Development.

Overall

Brickworks overall financial position continues to strengthen despite weaker building products markets.

LINDSAY PARTRIDGE
MANAGING DIRECTOR

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

INCOME STATEMENT FOR THE YEAR ENDED 31 JULY 2006

	CONSOLIDATED	
	12 MTHS	13 MTHS
	31 JULY 06	31 JULY 05
	\$000	\$000
Revenue	532,068	565,296
Cost of sales	<u>(323,258)</u>	<u>(345,280)</u>
Gross profit	208,810	220,016
Other income	18,035	-
Distribution expenses	(44,256)	(44,576)
Administration expenses	(17,311)	(18,810)
Selling expenses	(43,489)	(42,745)
Borrowing costs expense	(25,398)	(31,426)
Other expenses	(7,708)	(58,603)
Share of net profits of associates accounted for using the equity method	<u>27,341</u>	<u>179,188</u>
Profit before income tax expense	116,024	203,044
Income tax (expense) / benefit attributable to profit	<u>(13,822)</u>	<u>(60,119)</u>
Profit after related income tax expense	<u>102,202</u>	<u>142,925</u>
Net profit attributable to members of the parent entity	<u><u>102,202</u></u>	<u><u>142,925</u></u>
Basic earnings per share (cents per share)	77.0	108.5
Diluted earnings per share (cents per share)	77.0	106.0

BRICKWORKS LIMITED AND CONTROLLED ENTITIES

A.B.N. 17 000 028 526

BALANCE SHEET AS AT 31 JULY 200€

	CONSOLIDATED	
	31 JULY 06	31 JULY 05
	\$000	\$000
CURRENT ASSETS		
Cash assets	15,542	15,042
Receivables	88,552	73,084
Held for trading financial assets	91	223
Inventories	118,665	100,640
Prepayments	4,655	3,681
	<u>227,505</u>	<u>192,670</u>
TOTAL CURRENT ASSETS		
	<u>227,505</u>	<u>192,670</u>
NON-CURRENT ASSETS		
Receivables	200	1,018
Other financial assets	-	-
Available for sale financial assets	-	1,108
Inventories	26,801	34,697
Derivative financial instruments	316	(1,674)
Investments accounted for using the equity method	584,213	549,691
Property, plant and equipment	522,257	502,651
Deferred tax assets	38,122	42,940
Intangible assets	248,810	246,202
	<u>1,420,719</u>	<u>1,376,633</u>
TOTAL NON-CURRENT ASSETS		
	<u>1,420,719</u>	<u>1,376,633</u>
TOTAL ASSETS	<u>1,648,224</u>	<u>1,569,303</u>
CURRENT LIABILITIES		
Payables	66,360	61,500
Interest-bearing liabilities	52,000	4,700
Current tax liabilities	14,311	16,227
Provisions	31,793	30,860
	<u>164,464</u>	<u>113,287</u>
TOTAL CURRENT LIABILITIES		
	<u>164,464</u>	<u>113,287</u>
NON-CURRENT LIABILITIES		
Payables	29,040	43,117
Interest-bearing liabilities	323,585	362,945
Provisions	19,335	17,067
Deferred tax liabilities	135,344	138,156
Other non-current liabilities	1,320	1,320
	<u>508,624</u>	<u>562,605</u>
TOTAL NON-CURRENT LIABILITIES		
	<u>508,624</u>	<u>562,605</u>
TOTAL LIABILITIES	<u>673,088</u>	<u>675,892</u>
NET ASSETS	<u>975,136</u>	<u>893,411</u>
EQUITY		
Contributed equity	146,387	147,500
Reserves	327,668	314,401
Retained profits	501,081	431,510
	<u>975,136</u>	<u>893,411</u>
TOTAL EQUITY	<u>975,136</u>	<u>893,411</u>

BRICKWORKS LIMITED AND CONTROLLED ENTITIES

A.B.N. 17 000 028 526

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 200€

	CONSOLIDATED	
	12 MTHS	13 MTHS
	31 JULY 06	31 JULY 05
	\$000	\$000
Total equity at beginning of the year	<u>893,411</u>	<u>747,906</u>
Available for sale investments:		
Gain / (loss) taken to equity	-	(2)
Cash flow hedges:		
Gain / (loss) taken to equity	1,992	(566)
Share of increments in reserves attributable to associates	17,367	24,427
Tax on movement in equity accounted investment recognised directly in equity	<u>(6,053)</u>	<u>(6,920)</u>
Net income recognised directly in equity	<u>13,306</u>	<u>16,939</u>
Profit for the year	<u>102,202</u>	<u>142,925</u>
Total recognised income and expense for the year	<u>115,508</u>	<u>159,864</u>
Transactions with equity holders in their capacity as equity holders		
Ordinary shares issued during the year	-	9,637
Dividends provided or paid during the year	(33,460)	(23,367)
Treasury stock:		
Purchase of shares through employee share plan	(2,031)	(1,103)
Shares transferred to profit and loss on vesting	918	474
	<u>(34,573)</u>	<u>(14,359)</u>
Total equity at the end of the year	<u><u>974,346</u></u>	<u><u>893,411</u></u>

BRICKWORKS LIMITED AND CONTROLLED ENTITIES

A.B.N. 17 000 028 526

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2006

	CONSOLIDATED	
	12 MTHS	13 MTHS
	31 JULY 06	31 JULY 05
	\$000	\$000
Cash flows from operating activities		
Receipts from customers	560,223	621,315
Payments to suppliers and employees	(467,703)	(464,638)
Interest received	539	1,726
Borrowing costs	(13,925)	(18,011)
PAVERS dividend	(10,832)	(10,826)
Dividends received	44,050	34,689
Income tax paid	(19,823)	(27,838)
Net cash flows from operating activities	<u>92,529</u>	<u>136,417</u>
Cash flows from investing activities		
Proceeds from the sale of investments	3,094	208
Purchases of investments	(1,477)	(1,110)
Purchases of intangible assets	(2,609)	-
Payment for controlled entity net of cash acquired	(423)	78
Proceeds from sale of property, plant and equipment	859	9,902
Purchases of property, plant and equipment	(52,312)	(55,260)
Net cash flows from / (used in) investing activities	<u>(52,868)</u>	<u>(46,182)</u>
Cash flows from financing activities		
Proceeds from borrowings	147,000	60,500
Repayment of borrowings	(139,700)	(139,950)
Proceeds from issue of shares	-	-
Loan (to) / from controlled entity	-	-
Loan (to) / from other entity	(4,000)	30,762
Dividends paid	(42,461)	(32,931)
Net cash flows from / (used in) financing activities	<u>(39,161)</u>	<u>(81,619)</u>
Net increase / (decrease) in cash held	500	8,616
Cash at beginning of year	<u>15,042</u>	<u>6,426</u>
Cash at end of year	<u><u>15,542</u></u>	<u><u>15,042</u></u>

BRICKWORKS LIMITED AND CONTROLLED ENTITIES
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NOTES TO APPENDIX 4E FOR THE YEAR ENDED 31 JULY 2006

NOTE 1: BASIS OF PREPARATION

This financial report for the year ended 31 July 2006 is a general purpose financial report that has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 July 2006 and any public announcements made by Brickworks Limited and its controlled entities during the year in accordance with continuous disclosure requirements arising under the Corporations Act 2001. The accounting policies have been applied in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS). This financial report does not include full disclosures of the type normally included in an annual financial report.

NOTE 2: IMPACTS OF THE ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS.

The consolidated entity changed its accounting policies on 1 August 2005 to comply with Australian equivalents to International Financial Reporting Standards (AIFRS). The transition to AIFRS is accounted for in accordance with Accounting Standard AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards, with 1 July 2004 as the date of transition. An explanation of how the transition from superseded policies to AIFRS has materially affected the consolidated entity's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

(a) Effect of AIFRS on the balance sheet as at 1 July 2004

	Note	AGAAP \$'000	Effect of Transition to AIFRS \$'000	AIFRS \$'000
CURRENT ASSETS				
Cash		6,426	-	6,426
Receivables		81,317	-	81,317
Other financial assets	(l)	364	(364)	-
Held for trading financial assets	(l)	-	364	364
Inventories		78,008	-	78,008
Other		1,901	-	1,901
TOTAL CURRENT ASSETS		168,016	-	168,016
NON-CURRENT ASSETS				
Inventories		31,804	-	31,804
Equity accounted investments	(d) (e)	289,694	16,409	372,722
Property, plant and equipment		541,684	-	541,684
Deferred tax assets	(j)	18,693	11,876	30,569
Intangibles		247,311	-	247,311
TOTAL NON-CURRENT ASSETS		1,129,186	94,904	1,224,090
TOTAL ASSETS		1,297,202	94,904	1,392,106
CURRENT LIABILITIES				
Payables	(g)	45,522	891	46,413
Current interest-bearing liabilities		76,000	-	76,000
Current tax liabilities		8,233	-	8,233
Provisions	(h)	30,232	(1,174)	29,058
TOTAL CURRENT LIABILITIES		159,987	(283)	159,704
NON-CURRENT LIABILITIES				
Payables		10,250	-	10,250
Non-Current interest-bearing liabilities	(g)	200,000	162,250	362,250
Derivative financial instruments	(i)	-	1,108	1,108
Provisions		10,887	-	10,887
Deferred tax liabilities	(j)	21,362	78,639	100,001
TOTAL NON-CURRENT LIABILITIES		242,499	241,997	484,496
TOTAL LIABILITIES		402,486	241,714	644,200
NET ASSETS		894,716	(146,810)	747,906

BRICKWORKS LIMITED AND CONTROLLED ENTITIES
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NOTES TO APPENDIX 4E FOR THE YEAR ENDED 31 JULY 2006

NOTE 2: IMPACTS OF THE ADOPTION OF AIFRS (cont.)

(a) Effect of AIFRS on the balance sheet as at 1 July 2004 (cont.)

SHAREHOLDERS' EQUITY	Note	AGAAP \$'000	Effect of Transition to AIFRS \$'000	AIFRS \$'000
Contributed Equity	(g), (h)	302,168	(163,678)	138,490
Reserves	(e), (i)	255,822	37,810	293,632
Retained Profits	(d),(e),(g),(h),(j)	336,726	(20,942)	315,784
TOTAL SHAREHOLDERS EQUITY		894,716	(146,810)	747,906

(b) Effect of AIFRS on the balance sheet as at 31 July 2005

CURRENT ASSETS	Note	AGAAP \$'000	Effect of Transition to AIFRS \$'000	AIFRS \$'000
Cash		15,042	-	15,042
Receivables		73,084	-	73,084
Other financial assets	(l)	223	(223)	-
Held for trading financial assets	(l)	-	223	223
Inventories		100,640	-	100,640
Other		3,681	-	3,681
TOTAL CURRENT ASSETS		192,670	-	192,670
NON-CURRENT ASSETS				
Receivables		1,018	-	1,018
Other financial assets	(l)	1,110	(1,110)	-
Available for sale financial assets	(l)	-	1,108	1,108
Inventories		34,697	-	34,697
Equity accounted investments	(e)	489,258	60,433	549,691
Property, plant and equipment		502,651	-	502,651
Deferred tax assets	(j)	32,028	10,912	42,940
Intangibles	(f)	232,547	13,655	246,202
TOTAL NON-CURRENT ASSETS		1,293,309	84,998	1,378,307
TOTAL ASSETS		1,485,979	84,998	1,570,977
CURRENT LIABILITIES				
Payables	(g)	59,687	1,813	61,500
Current interest-bearing liabilities		4,700	-	4,700
Current tax liabilities		16,227	-	16,227
Provisions	(h)	32,637	(1,777)	30,860
TOTAL CURRENT LIABILITIES		113,251	36	113,287
NON-CURRENT LIABILITIES				
Payables		43,117	-	43,117
Non-Current interest-bearing liabilities	(g)	200,000	162,945	362,945
Derivative financial instruments	(i)	-	1,674	1,674
Provisions		17,067	-	17,067
Deferred tax liabilities	(j)	11,149	127,007	138,156
Other		1,320	-	1,320
TOTAL NON-CURRENT LIABILITIES		272,653	291,626	564,279
TOTAL LIABILITIES		385,904	291,662	677,566
NET ASSETS		1,100,075	(206,664)	893,411
SHAREHOLDERS' EQUITY				
Contributed Equity	(g), (h)	311,805	(164,305)	147,500
Reserves	(e), (i)	287,360	27,041	314,401
Retained Profits	(e),(f),(g), (h),(j)	500,910	(69,400)	431,510
TOTAL SHAREHOLDERS EQUITY		1,100,075	(206,664)	893,411

BRICKWORKS LIMITED AND CONTROLLED ENTITIES
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NOTES TO APPENDIX 4E FOR THE YEAR ENDED 31 JULY 2006

NOTE 2: IMPACTS OF THE ADOPTION OF AIFRS (cont.)

(c) Effect of AIFRS on the income statement for the 13 month year ended 31 July 2005

		AGAAP	Effect of Transition to AIFRS	AIFRS
	Note	\$'000	\$'000	\$'000
Revenue		519,032	46,264	565,296
Cost of sales		(327,157)	(18,123)	(345,280)
Gross profit		191,875	28,141	220,016
Other income	(k)	47,266	(47,266)	-
Distribution expenses		(44,576)	-	(44,576)
Administration expenses		(18,810)	-	(18,810)
Selling expenses		(42,745)	-	(42,745)
Borrowing costs expense	(g)	(18,985)	(12,441)	(31,426)
Other expenses	(f), (h), (k)	(92,613)	34,010	(58,603)
Share of net profits of associates accounted for using the equity method	(d), (e)	200,120	(20,932)	179,188
Profit before income tax expense		221,532	(18,488)	203,044
Income tax attributable to profit	(j)	(17,706)	(42,413)	(60,119)
Profit after related income tax expense		203,826	(60,901)	142,925

(d) Re-allocation of associates profit to prior year

Under AASB128: Investments in Associates, Brickworks is required to use information that is current to within 3 months of Brickworks' reporting date. Historically under AGAAP, Brickworks had used the last publicly available information which, for Washington H. Soul Pattinson & Co Ltd (SOL) for reporting periods ended on or before 30 June 2004, were prepared by SOL 5 months prior to Brickworks' reporting date. To align SOL's results with Brickworks accounting periods, an adjustment was required to opening retained earnings at transition date and profit for the 13 months to 31 July 2005, with a corresponding adjustment to the balance sheet at the end of each period.

(e) Share of Associates AIFRS adjustments

Brickworks' associates have reported net changes to equity as a result of the adoption of AIFRS. As a result of these changes, Brickworks is required to show its share of these adjustments to the relevant category of equity, with a corresponding net movement to the carrying value of investments in associates. Where these adjustments have impacted on the associates profit for a particular period Brickworks is required to show its share of that adjustment in profit for that period. Both SOL and Brickworks Investment Company Ltd (BKI), Brickworks two associates listed on the ASX, have released details of their adjustments to equity as a result of the adoption of AIFRS, and specific details on the causes of these changes can be obtained from these company's reports.

(f) Goodwill

Under AASB3: Business Combinations, goodwill is not permitted to be amortised, but is subject to annual impairment testing under AASB136: Impairment of Assets. The policy under AGAAP is that goodwill is amortised over its useful life, but not exceeding 20 years. Under AASB136 amortisation will no longer be charged, but goodwill will be written down to the extent that it becomes impaired. As a result, goodwill amortisation subsequent to transition date has been reversed against retained earnings.

(g) Redeemable Preference Shares (PAVERS)

Under AASB132: Financial Instruments – Disclosure and Presentation, Brickworks redeemable preference shares (PAVERS) no longer meet the definition of equity, and hence are classified as a financial liability in the balance sheet. With this reclassification, the issue costs of these shares are amortised in the income statement over the term of the shares (5 years from issue date), whereas under AGAAP these costs were not expensed on an annual basis. Further, the payments classified as dividends under AGAAP, and recognised in accordance with the relevant Provisions accounting standard, will now be classified as a borrowing cost, calculated on an amortised cost basis using the effective interest method.

BRICKWORKS LIMITED AND CONTROLLED ENTITIES
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NOTES TO APPENDIX 4E FOR THE YEAR ENDED 31 JULY 2006

NOTE 2: IMPACTS OF THE ADOPTION OF AIFRS (cont.)

(h) Share based payments

Under AASB2: Share Based Payments, Brickworks is required to recognise the fair value of the shares granted to employees as remuneration as an expense, on a pro-rata basis, over the vesting period in the Income Statement, with a corresponding adjustment to equity via Reserved Shares. These shares relate to purchases under the long-term incentive plan. Under AGAAP, Brickworks' had accrued and expensed the cost of the long term bonus in the year to which the performance relates.

(i) Hedge accounting

Under AASB139: Financial Instruments – Recognition and Measurement, Brickworks is required to recognise an asset or liability in its balance sheet for the fair value of derivatives which are classified as effective (cash flow) hedges. The other side to this entry is carried in reserves, and released against the liability as the valuation of this instrument varies. Under AGAAP, these amounts were not recorded on the balance sheet of the Group.

(j) Income tax expense

Under AASB112: Income Taxes, the Group is required to use a Balance Sheet approach to calculate deferred tax assets and liabilities, rather than the income statement method used under AGAAP. This approach has seen deferred tax balances recognised for the first time on some items, such as land, buildings, and the carrying value of equity accounted investments. Any subsequent movement in either the book carrying value or the tax base of these balance sheet items will be reflected in the tax expense (for those movements which are reflected in the income statement) or directly in equity (for those movements which are reflected directly through equity) for that year.

(k) Revenue recognition

Under AASB118: Revenue, profit on disposal of fixed assets will be disclosed as other income from ordinary activities, whereas under AGAAP the proceeds on disposal and the cost of the asset were disclosed separately as other income and other expenses respectively. There is no net adjustment to profit as a result of this change.

(l) Reclassification of financial assets

Under AASB139: Financial Instruments – Recognition and Measurement, various investments that had been recorded in other financial assets under AGAAP are required to be reclassified, and are shown under AIFRS as available for sale financial assets or held for trading financial assets.

(m) Cash flows

The Group's adoption of AIFRS has had no effect on net cash flows, however with the reclassification of PAVERS from equity to debt, the interest paid has been reclassified within the statement of cash flows from a financing cash flow to an operating cash flow.

NOTE 3: EVENTS OCCURRING AFTER BALANCE DATE

On 18 July 2006 Brickworks announced that it was to acquire the assets of GB Masonry Pty Ltd for \$17.394 million. The transaction was settled on 1 August 2006, and therefore no impact of this acquisition has been reflected in the financial statements for the year ended 31 July 2006.

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

NOTE 4: CONTROLLED ENTITIES

(a) Controlled entities acquired

On 29 November 2005 the Group acquired the remaining issued capital of Terra Timbers Pty Limited (Terra) that it did not already hold, for cash consideration of \$550,000. Terra has been included in the consolidated results of the Brickworks Group from that date.

(b) Controlled entities disposed of

There were no controlled entities within the Group that were disposed of during the period.

BRICKWORKS LIMITED AND CONTROLLED ENTITIES

A.B.N. 17 000 028 526

NOTES TO APPENDIX 4E FOR THE YEAR ENDED 31 JULY 2006

	CONSOLIDATED	
	12 MTHS	13 MTHS
	31 JULY 06	31 JULY 05
	\$000	\$000
NOTE 5: REVENUE		
Trading revenue		
Sale of goods	484,372	518,824
Sale of land held for resale	45,559	42,434
Net gain on sale of property, plant & equipment	17,707	-
Depreciation and amortisation	26,456	31,730
Finance costs		
Other corporations	13,926	18,986
PAVERS interest	10,832	11,746
PAVERS amortisation	640	694
	<u>25,398</u>	<u>31,426</u>
Non-regular items after tax		
Share of associates non-regular items - WHSP	(3,333)	92,111
Tax credit arising from associates special dividends	3,649	-
Capital losses utilised (tax effect)	2,100	-
Impairment loss - property	-	(12,513)
Impairment loss - plant and equipment	-	(14,807)
Net loss on disposal of property, plant and equipment	-	(4,028)
Rehabilitation, demolition and redundancy costs	(2,135)	(5,191)
Additional profit after tax due to non-regular items	<u>281</u>	<u>55,571</u>
NOTE 6: EARNINGS PER SHARE		
(a) Reconciliation of earnings		
Net profit	<u>102,202</u>	<u>142,925</u>
Earnings used in the calculation of basic EPS	102,202	142,925
add redeemable preference share interest	<u>11,472</u>	<u>12,447</u>
Earnings used in the calculation of diluted EPS	<u>113,674</u>	<u>155,372</u>
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	132,692,188	131,784,748
Weighted average number of convertible redeemable preference shares on issue	<u>13,200,000</u>	<u>14,850,000</u>
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS	<u>145,892,188</u>	<u>146,634,748</u>
Basic earnings per share	77.0	108.5
Diluted earnings per share	77.0	106.0

BRICKWORKS LIMITED AND CONTROLLED ENTITIES

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NOTES TO APPENDIX 4E FOR THE YEAR ENDED 31 JULY 2006

	CONSOLIDATED	
	12 MTHS	13 MTHS
	31 JULY 06	31 JULY 05
	\$000	\$000
NOTE 7: CONTRIBUTED EQUITY		
132,692,188 fully paid ordinary shares	149,046	149,046
Reserved shares	<u>(2,659)</u>	<u>(1,546)</u>
	<u>146,387</u>	<u>147,500</u>
 (a) Ordinary shares		
	No. of	Value
	Shares	\$000
Balance at 1 July 2004	131,723,600	139,409
Shares issued during the year	<u>968,588</u>	<u>9,637</u>
Balance at 31 July 2005	<u>132,692,188</u>	<u>149,046</u>
Shares issued during the year	<u>-</u>	<u>-</u>
Balance at 31 July 2006	<u>132,692,188</u>	<u>149,046</u>
 (b) Reserved Shares		
Balance at 1 July 2004	123,793	918
add: bonus shares purchased by share plan	98,802	1,102
less: bonus shares vested during period	<u>(53,780)</u>	<u>(474)</u>
Balance at 31 July 2005	<u>168,815</u>	<u>1,546</u>
add: bonus shares purchased by share plan	173,209	2,031
less: bonus shares vested during period	<u>(95,313)</u>	<u>(918)</u>
Balance at 31 July 2006	<u>246,711</u>	<u>2,659</u>
	\$000	\$000
NOTE 8: RETAINED PROFITS		
Retained profits at the beginning of the year	431,510	315,783
Net profit after related income tax expense	102,202	142,925
Dividends paid	(33,460)	(23,367)
Aggregate of amounts transferred to reserves	<u>829</u>	<u>(3,831)</u>
Retained profits at the end of the year	<u>501,081</u>	<u>431,510</u>

BRICKWORKS LIMITED AND CONTROLLED ENTITIES

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NOTES TO APPENDIX 4E FOR THE YEAR ENDED 31 JULY 2006**NOTE 9: ASSOCIATES AND JOINT VENTURES**

The following entities are material associates and joint ventures for the group:

Associates*Washington H Soul Pattinson & Co Ltd*

Ownership interest	42.85%	42.85%
Carrying value (\$000)	503,472	497,671
Contribution to profit (\$000)	24,711	218,628

Brickworks Investment Co Ltd

Ownership interest	20.69%	22.17%
Carrying value (\$000)	56,214	51,306
Contribution to profit (\$000)	2,792	2,785

Terra Timbers Pty Ltd

Ownership interest	100.00%	41.27%
Carrying value (\$000)	n/a	714
Contribution to profit (as an associate) (\$000)	(154)	-

Joint Ventures*Newthorpe Pty Ltd*

Ownership interest	50.00%	50.00%
Carrying value (\$000)	(76)	-
Contribution to profit (\$000)	(76)	-

BMGW Erskine Trust

Ownership interest	50.00%	n/a
Carrying value (\$000)	24,318	n/a
Contribution to profit (\$000)	-	n/a

BRICKWORKS LIMITED AND CONTROLLED ENTITIES

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NOTES TO APPENDIX 4E FOR THE YEAR ENDED 31 JULY 2006

NOTE 10: SEGMENT INFORMATION

(a) Business segments

The business segments are the primary reporting segments.

	Building Products		Property		Investments		Consolidated	
	12 MTHS 31 JULY 06 \$000	13 MTHS 31 JULY 05 \$000	12 MTHS 31 JULY 06 \$000	13 MTHS 31 JULY 05 \$000	12 MTHS 31 JULY 06 \$000	13 MTHS 31 JULY 05 \$000	12 MTHS 31 JULY 06 \$000	13 MTHS 31 JULY 05 \$000
REVENUE								
Segment revenue from sales to external customers	483,083	519,122	48,172	45,259	813	915	532,068	565,296
RESULT								
Segment EBITDA	91,985	116,109	55,205	26,584	33,316	48,398	180,506	191,091
Less depreciation	(26,456)	(28,976)	-	-	-	-	(26,456)	(28,976)
Segment EBITA	65,529	87,133	55,205	26,584	33,316	48,398	154,050	162,115
(Less) / add non-regular items	-	(52,199)	(3,050)	-	(4,761)	131,585	(7,811)	79,386
Less amortisation of intangibles	-	(2,754)	-	-	-	-	-	(2,754)
Segment result	65,529	32,180	52,155	26,584	28,555	179,983	146,239	238,747
Unallocated expenses								
Finance costs							(25,398)	(31,426)
Other unallocated expenses							(4,817)	(4,277)
Profit before income tax							116,024	203,044
Income tax expense							(13,822)	(60,119)
Profit after income tax							102,202	142,925
ASSETS								
Segment assets	1,005,599	937,607	80,968	79,667	560,403	550,643	1,646,970	1,567,917
Unallocated assets							1,254	1,386
Total assets							1,648,224	1,569,303
LIABILITIES								
Segment liabilities	134,227	128,663	39,554	52,371	104,049	106,624	277,830	287,658
Unallocated liabilities							395,258	388,234
Total liabilities							673,088	675,892
OTHER								
Aggregate share of the profit of investments accounted for using the equity method	(8)	-	-	-	27,349	179,188	27,341	179,188
Aggregate carrying amount of investments accounted for using the equity method	268	-	3,287	-	580,658	549,691	584,213	549,691
Acquisition of non-current segment assets	53,756	51,841	1,560	3,340	1,477	1,110	56,793	56,291
Impairment losses included in segment result	-	39,029	-	-	-	-	-	39,029
Depreciation & amortisation	26,456	31,730	-	-	-	-	26,456	31,730
Non-cash expenses other than depreciation & amortisation	22,901	73,509	-	-	-	-	22,901	73,509