

BRICKWORKS

LIMITED

31 October 2007

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

BY ELECTRONIC LODGEMENT

Dear Sir/Madam,

Please find attached documents mailed to Brickworks shareholders in relation to the 2007 Full Year results and Annual General Meeting. Also included in this mailing is the Brickworks Ltd 2007 Annual Report, which has been lodged with ASX under separate cover.

Yours faithfully,
BRICKWORKS LIMITED



IAIN THOMPSON
COMPANY SECRETARY

BRICKWORKS LIMITED

ABN 17 000 028 526

738 – 780 Wallgrove Road, Horsley Park NSW 2175; PO Box 6550, Wetherill Park NSW 1851

Telephone: 61 2 9830 7800 Fax: 61 2 9620 1328

Internet Address: <http://www.brickworks.com.au> E.Mail Address: info@brickworks.com.au

BRICKWORKS

LIMITED

24 October 2007

Dear Shareholder

On behalf of your Board, I am pleased to invite you to attend the 73rd Annual General Meeting of Brickworks Limited on Tuesday 27 November 2007 at the Ballroom, Establishment, Level 2, 252 George Street, Sydney, NSW commencing at 12.00noon.

If you have elected to receive an Annual Report, you will find the 2007 report enclosed. Following the legislation recently enacted regarding the provision of hard copy annual reports, we are also enclosing a form to request shareholders to re-elect whether they receive a hard copy annual report. If you elect not to receive a printed annual report in future, or if you fail to send a response, you will be sent a smaller summary of results document in its place, an example of which is also enclosed.

For holders of ordinary shares, you will also receive a copy of the Notice of Meeting for the Annual General Meeting, and a personalised proxy form for those who may be unable to attend the meeting in person. This proxy form must be lodged in accordance with the instructions contained on that form.

For holders of the "PAVERS" redeemable preference shares, you will also receive a Notice of Meeting, however as the PAVERS do not hold any voting rights, you will not receive a proxy form. For those shareholders who are in Sydney on the day of the meeting, you are welcome to come along and hear some more about Brickworks and its results.

If you will be unable to attend the meeting, a copy of the addresses given by the Managing Director, Mr Lindsay Partridge, and myself, along with results of the voting on the various resolutions, will be posted both on the ASX website (www.asx.com.au) and on the Brickworks Ltd website (www.brickworks.com.au) following the meeting.

Once again, I look forward to meeting those shareholders able to attend in Sydney, and encourage all holders of ordinary shares to participate in voting on the resolutions as proposed.

Yours faithfully



Robert Millner
Chairman
Brickworks Limited

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NOTICE OF MEETING

NOTICE IS HEREBY given that the ANNUAL GENERAL MEETING of BRICKWORKS LIMITED, will be held at the Ballroom, Establishment, Level 2, 252 George St, Sydney, NSW, 2000 on Tuesday 27 November 2007 at 12.00 noon.

ORDINARY BUSINESS:

1. To receive and consider the Financial Report of Brickworks Ltd and the Brickworks Group, and the reports of the Directors and Auditors thereon, for the financial year ended 31 July 2007.

Note: The full year results of Brickworks Ltd are available either in the Directors' Annual Report sent to those shareholders who elected to receive the annual report, or on the Company's website (www.brickworks.com.au).

2. To adopt the remuneration report for the financial year ended 31 July 2007.

Note: The Corporations Act requires listed companies to present their remuneration report for adoption by shareholders at the Company's Annual General Meeting. The report can be found in the Annual Report of the Company as detailed in item 1 above.

Pursuant to section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the directors of the company.

3. To consider the declaration of the dividend on the terms recommended by the directors.

4. Re-election of directors:

The following resolutions will be proposed as ordinary resolutions:

- (i) That Mr. M.J. Millner, who retires as a Director in accordance with section 6.3 of the Company's Constitution and being eligible for re-election, be re-appointed as a Director.
- (ii) That The Honourable R.J. Webster, who retires as a Director in accordance with section 6.3 of the Company's Constitution and being eligible for re-election, be re-appointed as a Director.

BY ORDER OF THE BOARD
I.H. THOMPSON
Secretary

Registered Office: 738-780 Wallgrove Road, Horsley Park, NSW 2175

Facsimile Number: (02) 9620 1328

The transfer books and register of members of Brickworks Limited will be closed from 5.00p.m. 17 November 2007 to 5.00p.m. 3 December 2007 for the purpose of preparing and paying dividends

Entitlement to vote

The Board has determined that for the purpose of determining entitlements to attend and vote at the meeting, shares will be taken to be held by the persons who are the registered holders at 12.00noon (EST) on 25 November 2007. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

How to Vote

Shareholders may vote by either:

- attending the meeting in person or by attorney; or
- by proxy (see below); or
- by corporate representative in the case of corporate shareholders (see below).

Proxies

- (a) A member entitled to attend and vote is entitled to appoint not more than 2 proxies.
- (b) Where 2 proxies are appointed and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes.
- (c) A proxy need not be a member of the Company.
- (d) A proxy form must be signed by the member or his or her attorney. Proxies given by corporations must be signed under seal or under the hand of the authorised officer or attorney.
- (e) Proxy forms must be lodged with the Secretary, Brickworks Limited, in accordance with the instructions on the proxy form, not less than 48 hours before the time for holding the meeting. A proxy form accompanies this notice.

Corporate representatives

A member that is a body corporate may appoint an individual to act as its representative at the meeting. Unless otherwise specified in the appointment, the representative may exercise, on the body corporate's behalf, all or any of the powers that the body corporate could exercise at the meeting or in voting on a resolution.

Appointments may be lodged in advance of the meeting at the Company's registered office or share registry (details on the proxy form), or handed in at the meeting when registering as a corporate representative.

BRICKWORKS

LIMITED

ABN 17 000 028 526

Proxy Form

All correspondence to:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 855 080
(outside Australia) 61 3 9415 4000
Facsimile 61 3 9473 2118
www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



000001 000 BKW
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890

I ND

Appointment of Proxy

I/We being a member/s of Brickworks Limited and entitled to attend and vote hereby appoint



the Chairman
of the Meeting
(mark with an 'X')

OR



If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Brickworks Limited to be held at the Ballroom, Establishment, Level 2, 252 George Street, Sydney NSW 2000 on Tuesday 27 November 2007 at 12.00 noon and at any adjournment of that meeting.

Voting directions to your proxy - please mark to indicate your directions

- 2 To adopt the remuneration report for the financial year ended 31 July 2007
- 3 To consider the declaration of the dividend on the terms recommended by the directors
- 4(i) To re-elect Mr. M. J. Millner as a Director
- 4(ii) To re-elect The Honourable R. J. Webster as a Director

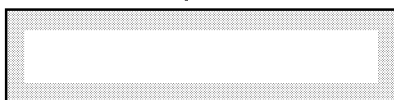
	For	Against	Abstain*
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4(i)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4(ii)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

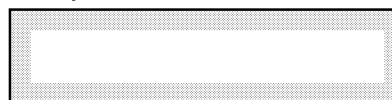
PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



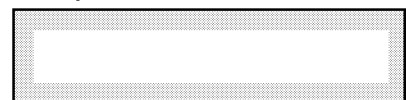
Sole Director and
Sole Company Secretary

Securityholder 2



Director

Securityholder 3



Director/Company Secretary

In addition to signing the Proxy Form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

/ /

B KW

1 3 P R



How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's Share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's Share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's Share registry or at www.computershare.com.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 12.00 noon on Tuesday 27 November 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

- IN PERSON Registered Office - 738-780 Wallgrove Road, Horsley Park NSW 2175 Australia
- BY MAIL Share Registry - Computershare Investor Services Pty Limited, Level 2, 60 Carrington Street, Sydney NSW 2000 Australia
Registered Office - PO Box 6550, Wetherill Park NSW 1851 Australia
- BY FAX Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia
61 3 9473 2118

BRICKWORKS

LIMITED

ABN 17 000 028 526

Full Year Results 31 July 2007

BRICKWORKS SOLID RESULT DEFIES A SOFT HOUSING MARKET

Highlights

- NPAT up 5.2% to \$107.5 million
- Normalised NPAT up 0.3% to \$102.2 million
- Building Products EBIT up 0.6% to \$65.9 million
- Land and Development EBIT up 9.2% to \$60.3 million
- Brickworks Property Trust market value up 117.9% to \$91.3 million
- Associates and Investments EBIT up 62.8% to \$46.4 million (including non-regular items)
- Value of WHSP investment during year up by 27.2% to \$1.014 billion
- Final dividend up 4.0% to 26.0 cents fully franked



BRICKWORKS LIMITED AND CONTROLLED ENTITIES ABN 17 000 028 526

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2007

	31 JUL 07 \$000	31 JUL 06 \$000
Cash flows from operating activities		
Receipts from customers	586,878	560,223
Payments to suppliers and employees	(527,201)	(467,703)
Interest received	646	539
Borrowing costs	(18,481)	(13,925)
PAVERS dividend	(10,846)	(10,832)
Dividends received	46,094	44,050
Income tax paid	(28,491)	(19,823)
Net cash flows from / (used in) operating activities	48,599	92,529
Cash flows from investing activities		
Proceeds from the sale of investments	–	3,094
Purchases of investments	(12,317)	(1,477)
Purchases of intangible assets	(5)	(2,609)
Payment for controlled entity net of cash acquired	(40,025)	(423)
Proceeds from sale of property, plant and equipment	8,929	859
Purchases of property, plant and equipment	(51,738)	(52,312)
Net cash flows from / (used in) investing activities	(95,156)	(52,868)
Cash flows from financing activities		
Proceeds from borrowings	246,000	147,000
Repayment of borrowings	(149,017)	(139,700)
Loan (to) / from controlled entity	–	–
Loan (to) / from other entity	(2,490)	(4,000)
Dividends paid	(49,096)	(42,461)
Net cash flows from / (used in) financing activities	45,397	(39,161)
Net increase / (decrease) in cash held	(1,160)	500
Cash at beginning of year	15,542	15,042
Cash at end of year	14,382	15,542

BRICKWORKS LIMITED AND CONTROLLED ENTITIES ABN 17 000 028 526

BALANCE SHEET AS AT 31 JULY 2007

	CONSOLIDATED	
	31 JUL 07 \$000	31 JUL 06 \$000
CURRENT ASSETS		
Cash assets	14,382	15,542
Receivables	98,969	88,552
Held for trading financial assets	87	91
Inventories	185,567	118,665
Prepayments	4,675	4,655
TOTAL CURRENT ASSETS	303,680	227,505
NON-CURRENT ASSETS		
Receivables	350	200
Inventories	21,755	26,801
Derivative financial instruments	731	316
Investments accounted for using the equity method	681,519	566,216
Property, plant and equipment	551,959	522,257
Deferred tax assets	39,216	38,122
Intangible assets	268,308	248,810
TOTAL NON-CURRENT ASSETS	1,563,838	1,402,722
TOTAL ASSETS	1,867,518	1,630,227
CURRENT LIABILITIES		
Payables	67,750	66,360
Interest-bearing liabilities	106,000	52,000
Current tax liabilities	8,335	14,311
Provisions	27,897	31,793
TOTAL CURRENT LIABILITIES	209,982	164,464
NON-CURRENT LIABILITIES		
Payables	–	29,040
Interest-bearing liabilities	414,225	323,585
Provisions	14,642	19,335
Deferred tax liabilities	155,714	128,855
Other non-current liabilities	240	1,320
TOTAL NON-CURRENT LIABILITIES	584,821	502,135
TOTAL LIABILITIES	794,803	666,599
NET ASSETS	1,072,715	963,628
EQUITY		
Contributed equity	145,426	146,387
Reserves	379,994	327,682
Retained profits	547,295	489,559
TOTAL EQUITY	1,072,715	963,628

Land and Development

The Brickworks land bank is in desirable locations and is expected to contribute strongly to future profits with a solid pipeline of developments.

Significant returns are expected during 2008 from both the M7 Business Hub and the Interlink Distribution Park as more projects are completed and further lease rentals commence. This will increase the annuity income stream coming from the Property Trust and gradually reduce the volatility of earnings.

Investments

Investments, along with Land and Development will continue to provide diversity to the fluctuating earnings from Building Products.

Robert Millner Chairman	Lindsay Partridge Managing Director
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BRICKWORKS LIMITED AND CONTROLLED ENTITIES ABN 17 000 028 526

REVIEW OF RESULTS JULY 2007

\$ MILLIONS	JUL 06 12 MTHS	JUL 07 12 MTHS	Variance %
REVENUE			
Building Products	483.1	516.8	+7.0
Property & Waste	48.2	41.4	-14.1
Other	0.8	0.7	-12.5
Total	532.1	558.9	+5.0
EBIT			
Building Products	65.5	65.9	+0.6
Land and Development	55.2	60.3	+9.2
Associates & Investments	33.3	32.5	-2.4
Other & H.O.	(4.8)	(5.8)	+20.8
Total EBIT	149.2	152.9	+2.5
Total Borrowing Cost (incl PAVERS)	(25.4)	(27.3)	+7.5
Tax Expense	(21.9)	(23.4)	+6.8
NPAT	101.9	102.2	+0.3
Non-regular adjustments			
WHSP (non-regular items) (pre-tax)	(4.8)	13.9	+389.6
Rehabilitation / Asset Write Off (pre-tax)	(3.1)	(3.5)	+12.9
Non-regular Tax expense	8.2	(5.1)	-162.2
NPAT (including non-regular items)	102.2	107.5	+5.2
Normalised Earnings per share (cents)	76.8	77.0	+0.3
Earnings per share (cents)	77.0	81.0	+5.2
Final Ordinary Dividend (cents)	25.0	26.0	+4.0
Total Full Year Dividend (cents)	36.0	38.0	+5.6
NTA/Share	\$5.39	\$6.06	+12.4

During the period WHSP participated in a renounceable rights issue in order to re-capitalise KH Foods. API was the subject of further substantial review which has revealed an additional non-regular write-off of \$30.5 million.

In July 2006 New Hope Coal ("NHC") acquired a substantial shareholding in Arrow Energy NL. This investment increased in value by \$231.6 million during the year ended 31 July 2007 and continues NHC's stated strategy of diversification beyond its domestic coal energy business.

The investment in WHSP has a 15 year compound annual return of 14.8% compared to 13.6% in the ASX All Ordinary Accumulation Index. The compound annual returns for five years is 19.6% compared to 19.9% in the ASX All Ordinary Accumulation Index.

Brickworks Investment Company Limited ("BICL") ASX Code: BKI
Brickworks' equity accounted share of the BICL profit was \$3.1 million. At 31 July 2007 Brickworks held 20.5% of BICL issued share capital.

BICL has reported a Net Profit after Tax of \$14.9 million to 30 June 2007 compared to \$12.8 million in the year to 30 June 2006.

A fully franked final dividend of 2.7 cents per share was declared bringing total ordinary dividends for the year to 5.3 cents per share compared to 5.0 cents per share in the previous corresponding period. Last year also included a 1.0 cent special dividend.

During the year BICL completed a 1 for 5 rights issue at \$1.35 per share and received additional funds of \$56.7 million. Brickworks invested \$11.6 million in this rights issue. Following the rights issue the BICL MER³ fell a further 17.9% to 0.46%.

The value of Brickworks' investment in BICL increased 35.1% from \$57.8 million to \$78.1 million in the twelve months to 31 July 2007 (including the rights issue). BICL's total portfolio value increased by 43.5% during the period to \$423.0 million from \$294.7 million.

BICL invests in equities traded on the Australian Stock Market (ASX). As at 31 July 2007, BICL's five largest investments were National Australia Bank, Commonwealth Bank, BHP Billiton, New Hope Corporation and St George Bank. The current share market volatility should provide opportunities to invest some of the funds raised in the rights issue.

Net Asset backing per share before tax as at 31 July 2007 has also increased to \$1.65 per share from \$1.42 per share as at 31 July 2006, a 16.2% improvement.

The BICL share price has increased from \$1.34 per share at 31 July 2006 to \$1.51 per share at 31 July 2007, a 12.7% increase.

Subsequent to end of the financial year, BICL made a share placement at \$1.45 per share to raise a further \$49.3 million. Brickworks share of BICL has reduced to 18.0% as a result.

OUTLOOK

Building Products

Housing construction affordability continues to decline with interest rates increasing and limited access to affordable land in many markets. It is expected the building industry will continue to face tough times until interest rates start trending down and affordability improves.

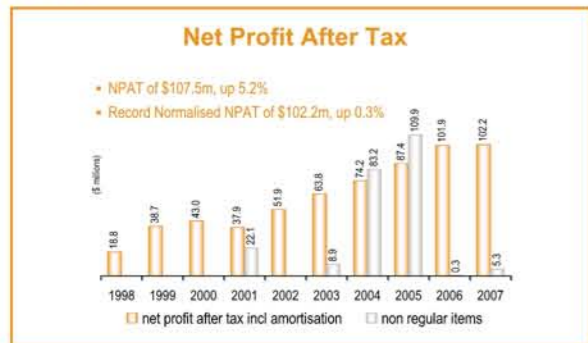
Brickworks estimate that residential dwelling commencements will fall from 151,000 in 2006/07 to between 148,000 and 150,000 in 2007/08.

Western Australian dwelling commencements are in decline. The remainder of Australia is expected to be relatively steady during the coming year. There is no sign of a recovery in New South Wales.

The impact from the recent interest rate rises in both Australia and New Zealand is yet to be seen.

³ 'MER' is Management Expense Ratio, which measures the total management expense against the average total assets under management for the period.

OVERVIEW



Normalised Net Profit after Tax for the year to July 2007 of \$102.2 million was up 0.3% compared to \$101.9 million in the year ending July 2006. The result was supported by a record EBIT from Land and Development of \$60.3 million and a steady Building Products EBIT of \$65.9 million.

Normalised earnings per share (EPS) increased to 77.0 cents for the year ending July 2007 (normalised EPS was 76.8 cents for the year ending July 2006).



Directors have declared a 4.0% increase in the final dividend to 26.0 cents fully franked, taking the full year dividend to 38.0 cents fully franked, up 5.6% from 36.0 cents the previous year.

The record date for both the final ordinary dividend and PAVERS dividend will be 16 November 2007 with payment being made on 3 December 2007.

FINANCIAL ANALYSIS

The total free cash flow before capital expenditure and ordinary dividends was \$55.0 million, down from \$92.5 million on the previous year.

Cash flow was low due to the non-cash nature of the trust transactions and deferred settlements on some of the property sales to improve returns. Cash flow is expected to return to more normal levels during the coming year.

Total Interest Bearing Liabilities including PAVERS has increased by \$144.6 million from \$375.6 million in July 2006 to \$520.2 million at 31 July 2007.

During the period significant cash outlays included ordinary dividends of \$49.1 million and PAVERS dividends of \$10.8 million, along with capital expenditure of \$51.7 million, acquisitions of \$40.0 million, investment in the BKI rights issue of \$11.6 million and re-purchase of the Eastwood site in New South Wales for \$52.8 million to improve the return from this investment.

Borrowing expenses during the year, including PAVERS dividends, was \$27.3 million, up 7.5% on last year's \$25.4 million.

Net Debt (including PAVERS) to Capital Employed was 32.0% at 31 July 2007 compared to 27.2% at July 2006.

Gearing (debt to equity) increased to 48.5% at 31 July 2007 from 39.0% at 31 July 2006 including PAVERS.

Interest Cover decreased slightly to 5.2 times at 31 July 2007 (6.3 times in July 2006) 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 2007 was \$199.7 million compared to \$115.0 million at 31 July 2006. The increase was largely the result of an increase in current inventory of \$66.9 million. Current land held for resale contributed \$42.8 million to this increase, being Eastwood, M7 Business Hub, Bolinda Road and Oxley.

Total Building Products inventory increased by \$26.4 million. Finished goods increased by \$18.8 million, of which \$2.9 million was attributed to acquisitions. Raw materials increased \$4.1 million due to accelerated mining at Horsley Park to facilitate additional revenue from Collex.

The tax expense has increased \$14.6 million to \$28.4 million for the year ended 31 July 2007 and is the result of non-regular tax adjustments in Accounting for Associates last year.

BRICKWORKS BUILDING PRODUCTS

Market conditions*

Market conditions were steady through the period with total national dwelling commencements in the year to June 2007 at 150,993. This is still significantly down on the estimated underlying demand for housing in Australia of around 175,000 dwellings. Low affordability caused mainly by increased interest rates and government taxes and charges, continues to depress construction of new dwellings.

In **New South Wales** there were just 29,315 dwellings commenced during the year, down a further 8.5% on last years very low levels. This is the fourth year of decline in succession and is the lowest level of housing starts on record. Single dwelling commencements remained steady this year at 15,565, in line with last year's record low result. The New South Wales residential market has fallen over 40% from the peak market experienced in 2003.

In **Queensland** more prosperous conditions led to a 9.4% increase in commencements for the year to 40,908 dwellings. Interestingly, South East Queensland which is predominantly a brick market only experienced growth in approvals of 4.2% during the year. The strong growth has been in Central and Far North Queensland, where approvals increased by 24.8% on the previous year. This is a market dominated by concrete block and was one of the reasons for the company's decision to acquire the four masonry businesses throughout Queensland during the year.

Western Australian commencements were down by 4.0% to 24,560 dwellings during the year. More of a concern was that commencements during the second half of the 2006/07 year were 12.4% lower than the same period during last year, resulting in the backlog of construction being eliminated by financial year end.

Victorian commencements were down 1.6% to 38,495 dwellings, reflecting the more stable conditions prevailing in that state.

South Australian commencements were up 4.8% on the prior year to 11,119 dwellings, with good trading conditions currently prevailing.

Tasmanian commencements were up by 11.8% to 2,865 dwellings during the year.

Results

Sales for the year ending July 2007 were up 7.0% at \$516.8 million compared to \$483.1 million in the year ending July 2006. Sales were supported by acquisitions. On a like-for-like basis sales were up 3.2%.

* Commencements data sourced from ABS Cat. 8750.0 Dwelling Unit Commencements, Australia, Preliminary, June 2007
 * Approvals data sourced from ABS Cat. 8731.0 Building Approvals, Australia, July 2007

Year Ending		2006	2007	Change %
31 July				
Revenue	\$mill	483.1	516.8	+7.0%
EBITDA	\$mill	92.0	92.3	+0.3%
EBIT	\$mill	65.5	65.9	+0.6%
Capital Expenditure	\$mill	47.5	48.3	+1.7%
EBITDA margin		19.0%	17.9%	-5.8%
EBIT margin		13.6%	12.8%	-5.9%
Employees		1,494	1,478	-1.1%
Safety (LTIFR)		10.9	5.9	-45.9%
Revenue per employee		323,000	350,000	+8.0%
EBIT per employee		43,800	44,600	+1.8%

EBIT for the year ending July 2007 was \$65.9 million, up 0.6% on the \$65.5 million in the year ended July 2006. On a like-for-like basis EBIT was down 5.0%.

Building products' focus is to maintain the EBIT to sales ratio and profitability despite the downturn and competitive environment. Building Products achieved an EBIT to sales ratio for the year ended July 2007 of 12.8%, down from 13.6% last year. EBITDA was \$92.3 million (17.9% to sales) for the year ended July 2007. This compared to the \$92.0 million (19.0% to sales) in the year ended July 2006. Both the EBIT and EBITDA to sales performance compare favourably to industry peers.

The company's extensive capital expenditure and maintenance program continued during the year. The program has delivered many real benefits including production cost reductions and improved product quality, along with safety and environmental performance improvements.

Productivity continued to improve with a reduction of 91 employees (6.1%). There were 1,478 employees at 31 July 2007 after allowing for acquisitions.

Capital expenditure totalled \$48.3 million in the year ended July 2007. Major projects during the year included the completed construction of the new brick plant at Wollert, Victoria and the upgrade of the existing brick plants at Golden Grove, South Australia and Bowral, New South Wales.

The business recorded a 'Lost Time Injury Frequency Rate' of 5.9. The substantial investment in safety training and equipment is showing results with this dramatically improved safety performance. While the result was satisfying, the company remains determined to continually improve workplace safety.

Exports have suffered in Asia where exchange rates, fuel driven shipping charges (bunker surcharges) and aggressive competitors have combined to make our products less attractive. Exports to New Zealand are now supported by a national distribution network. This has produced strong sales growth during the year and provides a platform for further growth in the future.

National marketing expenditure was boosted for the year as part of a long term program to increase understanding in the market of the benefits of brick and roof tiles. An extensive 'Think Brick' program was run in conjunction with the industry to promote the benefits of brick compared to alternative building products and improve the market perception of clay bricks.

The company is committed to achieving its business objectives in an environmentally sustainable and socially responsible manner. The reduction of its carbon footprint and water self-sufficiency is a primary focus for all business units. Historical data is being gathered to allow both forecasting of future emissions and to set internal emission reduction targets. Changes to internal processes are being made which will ensure that the company takes advantage of all opportunities from an increased community focus on sustainability and emissions.

1 Lost Time Injury Frequency Rate (LTIFR) measures the number of lost time injuries per million hours worked

DIVISIONAL RESULTS

Austral Bricks™ overall brick sales volumes were down approximately 2% compared to the previous corresponding period, while net average selling prices increased by around 3%. Austral Bricks™ sales in New South Wales have tracked the fall off in the residential market since 2003.

Manufacturing volumes were steady as New South Wales production was shipped to Western Australia. However, even after this significant positive impact, national brick kiln capacity utilisation averaged only 75%. The resources boom has resulted in increased input costs and a national skilled labour shortage that has required significant overtime to be worked in order to keep factories running at efficient levels. Despite this, capital expenditure driven efficiency improvements have resulted in stable group brick manufacturing costs during the year.

Construction of the most efficient brick factory in Australia at Wollert, Victoria was completed during the year. This plant is in the commissioning phase and is running exceptionally smoothly at 80% of capacity. The plants' performance trials are expected to be completed during the current first half of 2007/08. All water and most clay will come from the Wollert site, further improving the new factory's environmental performance and consequently reducing the embodied energy of the bricks produced. Wollert represents the future of low environmental impact plants.

Commissioning of the upgraded Golden Grove plant in South Australia was completed on budget and on time. The introduction of robotic brick handling equipment greatly reduced the cost of manufacture and enhanced production flexibility.

A new robotic packaging plant has been installed at the Bowral plant in New South Wales. This is the final stage of the plant upgrade at Bowral.

The company is now closer to achieving its goal of eliminating manual handling of bricks during the production process at all brick plants.

Austral Masonry™ expanded with acquisitions totalling \$40.0 million in Queensland. These included GB Masonry (Gympie), Caloundra Block, Whitsunday Concrete and Block (Proserpine) and Ayr Masonry (South of Townsville). The acquisitions are performing very well, successfully leveraging off the large sales infrastructure of the existing Austral Bricks™ business. These acquisitions have increased Brickworks' exposure to the fast growing state of Queensland and provide further diversification of earnings for the company.

Bristle Roofing™ continues to improve with higher quality product being the catalyst to drive price increases across all markets and products. Margins increased sharply compared to the same period last year. The low exposure of Bristle Roofing™ to the New South Wales residential market again assisted the result. Strong performances were also recorded in Queensland and Western Australia. Substantial improvements in factory efficiency, product quality and service have had a significant positive impact on profitability.

Eureka Tiles™ again significantly increased sales of imported product and achieved a solid performance from traditional lines. The Fast Fire production facility was decommissioned at the end of the year and has been written off. The increased focus on imported products will drive increased revenue and profits from this division.

Auswest Timbers™ operates mills and value adding facilities in Western Australia, ACT and Victoria. The successful commissioning of the Western Australian value adding facility and the upgrading of the Bairnsdale value adding facility during the year were highlights. This transformation of the business has resulted in higher selling prices, however it has also resulted in higher manufacturing costs and stock levels during the initial period of production. Overall, Auswest Timbers™ experienced a flat profit compared to the previous period.

BRICKWORKS LAND AND DEVELOPMENT

The year ended July 2007 produced a record EBIT of \$60.3 million, an increase of 9.2% on last year's result along with a significant increase in the value of the company's Property Trust investment to \$91.3 million.

Land and Development (excluding Waste Management) generated a total profit of \$58.2 million for the year.

Profit of \$10.3 million was realised from the sale of land in the eastern precinct of the M7 Business Hub to third parties. Other land sales to external parties generated a profit of \$16.1 million and included Hallam and Cranbourne in Victoria and Muchea in Western Australia.

The first six residential lots were sold at Eastwood, NSW for a profit of \$828,000. Re-purchase of the Eastwood site for \$52.8 million (excluding GST) was conducted to improve returns on the investment and was completed via the acquisition of the outstanding 50% of Newthorpe² from Investa Property Group.

Following further work on the Eastwood site, it was announced to the market on 24 September 2007, the property had been sold to AV Jennings Limited for \$70 million including GST.

Sales of land to the Property Trust at the M7 Business Hub, NSW in the year totalled 31.7 developable hectares for a total profit of \$24.6 million. The Property Trust also received a development approval for the Interlink Distribution Park (Erskine Park, NSW) which realised a greater developable area than expected and a further \$3.9 million profit to Brickworks.

Property Trust activities for the year included securing pre-committments from Kimberly Clarke, Woolworths and Ubecco for the Interlink Distribution Park site and commencement of construction of these facilities. Construction is progressing well for the Coles cold store facility in the M7 Business Hub.

Practical completion was reached in July 2007 for the Toll warehouse facilities in the M7 Business Hub providing a development profit. This has also resulted in the commencement of the first lease by the Property Trust.

The Property Trust investments are included in Equity Accounted Investments on the Balance Sheet. The carrying value of these properties is \$56.4 million. The current market value of the Brickworks' share of those properties is \$91.3 million, up 117.9% on the market value at July 2006.

During the year 468 hectares of land were acquired by the group and a total of 177 hectares were sold.

Waste Management at the Horsley Park, NSW and Bowral, NSW waste facilities contributed \$2.1 million to profit over the 2006/07 financial year.

BRICKWORKS INVESTMENTS

Through its investments, Brickworks has a substantial exposure to the Australian equity markets. The buoyancy of these markets over the past four years has proven their value. Increases in the value of investments are not booked to profit unless realised.

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

The equity contribution of WHSP, including non-regular items, to 31 July 2007 was \$42.7 million compared to \$24.7 million in the same period last year.

During the year the market value of Brickworks' 42.85% share of WHSP increased \$216.8 million (27.2%) to \$1.014 billion at 31 July 2007. Fully franked dividends of \$43.5 million (\$41.9 million last year) were received, which included a special dividend of 15 cents per share in both years.

At 31 July 2007 WHSP held significant investments in Brickworks, New Hope Coal, SP Telemedia, API, KH Foods, Clover, Pitt Capital Partners and Souls Private Equity. In addition to these cornerstone investments, WHSP maintains a substantial investment in a broad portfolio of entities listed on the Australian Stock Exchange.

2 Newthorpe was the development vehicle formed to undertake the development of the site.

Minister Opens Austral Bricks Horsley Park Water Saving Plant

The Minister for Emergency Services and Minister for Water Utilities, The Hon. Nathan Rees M.P. and Austral Bricks NSW operations manager Steve Wall have officially opened a new water saving plant at Austral Bricks' Horsley Park plant 23.

The water saving system is designed to reduce the Horsley Park plant's consumption of town water by 90 per cent.

The system cost \$369,000 to build, with the State Government providing \$269,000 towards the project.

"Our current water usage at this site is approximately 30 million litres per year, so a cut of 90 per cent would see our usage of town water drop to just 3 million litres.

"The completion of the project means the only water drawn from the town's water supply will be used for staff amenities, bringing us as close as possible to water self-sufficiency," said Steve Wall.

The water saving system was created through a series of earthworks designed to divert the rainwater run-off into a disused quarry. The water is then pumped from the collection quarry to a holding dam where the sediment is allowed to separate.

After the water has had the sediment removed, it is moved to a 1.1 million litre holding tank. The water is then gravity fed to the plant where it is used by two clay brick extruders. These machines mix water with clay, and then push it through a die to form 20,000 bricks per hour.

"We have long been at the forefront of water saving developments. Although this water saving project is the largest so far for NSW, it follows a smaller project at the Bowral operation last year and is the forerunner to others at plants 21 and 22 proposed for later this year. Currently, plant 21 also recycles 13 million litres of water per year.

"Nationally, another example of Austral Bricks environmental commitment is the company's new \$45 million Wollet plant based in Victoria.

"The state-of-the-art Wollet factory might be new, but the site has been self-sufficient in water for many years. Rainwater run-off is captured from roofs and quarries and stored in deep reservoirs on the site for use in the brick making process." Steve Wall added.

Austral Bricks is currently involved in the Sustainability Advantage Program – another NSW Government initiative, is an HIA GreenSmart Leader and is committed to protecting the environment throughout its production facilities and to reducing water and energy usage. All Brickworks divisions have the same commitment.



Above and top images: The Hon. Nathan Rees, M.P. with Austral Bricks staff.

Fresh new location for Austral Bricks SA

An exciting new Austral Bricks Design Centre, located in Richmond South Australia, has been unveiled. The centre offers new home buyers/builders a fresh new source of brick and paving inspiration.

Centrally located at 392 South Road – the Design Centre is a one-stop-shop for people thinking of building, paving, or re-roofing. It also provides a contemporary space for professional builders and architects to inspire and introduce their clients to the company's building products.

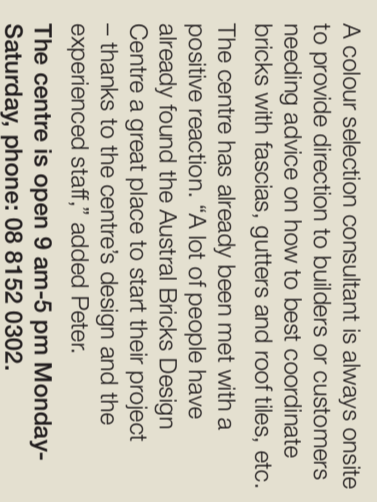
The Design Centre has a range of bricks, pavers and walling product on display – including information and displays from Bristle Roofing, Auswest Timber and Eureka Tiles. There are also creative examples of water features, retaining walls, and timber decking – providing inspiration for outdoor living areas.

Peter Baker, general manager Austral Bricks – SA, said "Architects and professional builders are already using the centre as an easy way to show clients what types of products, colours, styles and finishes are available.

"The atmosphere is welcoming, inspirational and comfortable – allowing people to view outdoor products inside the centre regardless of the weather.

"From backyard landscapers to professional architects, there is something at the Design Centre for everyone. It's a beautiful fashion parade of our latest colours, styles and product innovation.

"Design centre staff are all experienced in helping people work through their new home plans, and offering suggestions which might best suit the desired style and finish of the project," said Peter Baker.



A colour selection consultant is always onsite to provide direction to builders or customers needing advice on how to best coordinate bricks with fascias, gutters and roof tiles, etc.

The centre has already been met with a positive reaction. "A lot of people have already found the Austral Bricks Design Centre a great place to start their project – thanks to the centre's design and the experienced staff," added Peter.

The centre is open 9 am-5 pm Monday-Saturday, phone: 08 8152 0302.

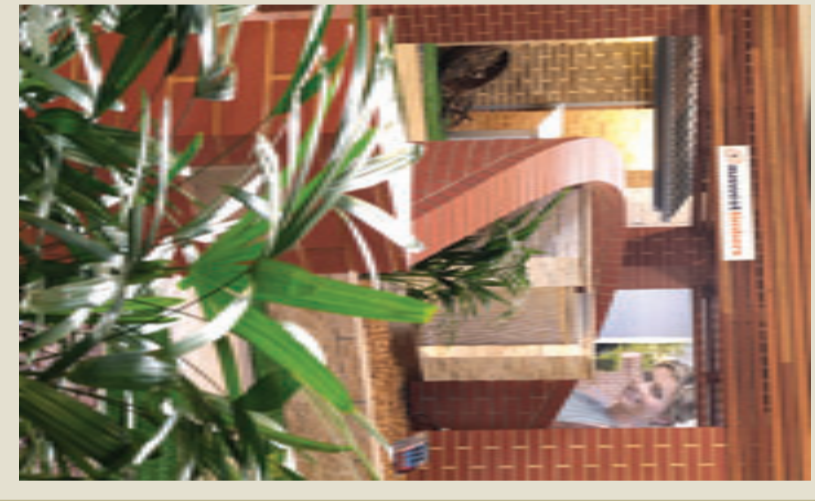
Brickworks Board Visits Austral Masonry Qld.

The Brickworks board has visited the Austral Masonry plants at Caloundra and Gympie to see the operation of the plants and to meet staff at the two sites.

In a first time visit since Austral Masonry was brought into the group, the board was introduced to plant staff by Ross Dallimore, general manager Queensland, Austral Masonry, GB Masonry.

The recently completed Austral Masonry display at Gympie, proudly exhibiting the attractive range of products, was inspected by the board members.

Visiting various manufacturing sites around the group provides the board with the opportunity to talk with company employees and to see, first hand, progress of various projects.



Pictured from Left to right: Lindsay Partridge – Managing Director Brickworks, Ross Dallimore – General Manager Austral Masonry Queensland, Chris Soppa – Plant Manager Austral Masonry Caloundra, Anthony Melville – SEO Sales Manager Austral Masonry, Ian Thompson – Company Secretary Brickworks, Hon. Robert Webster – Director, Michael Milner – Deputy Chairman, Alan Bentley – Director, Robert Miller – Chairman, Alex Payne – Chief Financial Officer Brickworks, Richard Toms (front) – State Operations Manager Austral Masonry

VIC Minister For Agriculture Visits Auswest Timbers

The Auswest Timbers Baimsdale processing site was the setting for a recent meeting between the Hon Joe Harper, Victorian Minister for Agriculture, and Gary Addison, managing director – Auswest Timbers.

The meeting – held in July – was part of a tour of East Gippsland designed to give the Minister a better understanding of the needs of the local timber industry, following the disastrous floods which hit the area in June.

The Minister and his entourage – which included the Hon Craig Ingram, Independent Member for East Gippsland, and Barry Vaughan, Regional Manager Victorian Forests – were advised of issues affecting the company.

"The Minister pledged his support to work constructively with Auswest Timbers"

Following the presentation, discussions centred on two main areas of interest - the log auction system & small log resource, and the business exit program that has allowed exit beneficiaries and/or new owners of the exit sawmill assets back into the auction system.

"As a result of the meeting, I am confident the Minister has a better understanding of the industry, the challenges we face and the opportunities we can offer.

"In fact, the Minister pledged his support to work constructively with Auswest Timbers in the ongoing development of value added timber production in East Gippsland," Gary said.

"The Minister has a better understanding of the industry, the challenges we face and the opportunities we can offer"

"Overall, the Minister was engaging and genuinely interested in our business and the issues affecting Auswest Timbers. We look forward to working with the Minister and his department to deliver outcomes that meet the needs of Auswest



Timbers, while contributing to the economic development of East Gippsland." Scheduled to spend only an hour on site, the Minister's interest in the company saw him spend almost two hours exploring the plant – making him 45 minutes late for his next appointment.

Top image: (l-r) Hon. Joe Ingram, independent member for East Gippsland, Gary Addison – Managing Director Auswest Timbers and Bill Cullen – Production Manager Auswest Timbers. Above: Surveying some of Auswest Timber's product in storage.