

ASX Appendix 4D

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

BRICKWORKS LIMITED

A.B.N. 17 000 028 526

Half Year Report Results for announcement to the market

Reporting period: 6 months ended 31 January, 2007

Previous corresponding period: 6 months ended 31 January, 2006

		CURRENT PERIOD 31 JAN 07	PREVIOUS PERIOD 31 JAN 06
Revenues from ordinary activities (\$000's)	UP 2% TO	263,877	258,853
Profit (loss) from ordinary activities after tax attributable to members (\$000's)	DOWN 20% TO	36,708	46,098
Net profit (loss) for the period attributable to members (\$000's)	DOWN 20% TO	36,708	46,098
Basic earnings per share (cents per share)	DOWN 20% TO	27.7	34.7
Net tangible assets per share (cents per share)	UP 8% TO	552.3	512.8

Comments on above results

HIGHLIGHTS

- ** Group EBIT down 3.6% to \$57.3 million
- ** NPAT down 20.4% to \$36.7 million
- ** Building products EBIT up 5.2% to \$33.2 million
- ** Land & Development EBIT decreased 19.9% to \$13.0 million
- ** Property Trust market value grows to \$58.4 million
- ** Property Trust value includes \$23.4 million unreported profit to date
- ** Associates EBIT up 0.5% to \$13.7 million
- ** Income tax expense up \$7.0 million to \$7.7 million
- ** Interim dividend up 9.1% to 12 cents fully franked

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

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

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

BRICKWORKS LIMITED

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ASX Appendix 4D Half Year Report

DIVIDENDS

	Cents per share (cents)	Franked amount per security (cents)	Total amount paid / payable (\$000's)	Foreign source dividend per security (cents)
ORDINARY SHARES				
Proposed interim ordinary dividend (payable 11 May 2007)	12.0	12.0	15,923	0.0
Record date for determining entitlements to the dividend			27 APRIL 2007	
Previous corresponding period (paid 11 May 2006)	11.0	11.0	14,596	0.0
There were no dividend reinvestment plans in operation at any time during or since the end of the financial year.				

	Percentage paid per security	Amount paid per security (cents)	Franking percentage per security	Total amount paid / payable
PREFERENCE SHARES (PAVERS)				
Proposed dividend (payable 1 June 2007)	6.565%	327.35	100%	5,401
Record date for determining entitlements to the dividend			18 MAY 2007	
Previous corresponding period (paid 1 June 2006)	6.565%	327.00	100%	5,396

BRICKWORKS

LIMITED

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

INTERIM FINANCIAL REPORT

HALF YEAR ENDED 31 JANUARY 2007

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

DIRECTORS' REPORT

Your directors submit the financial report of the economic entity for the half year ended 31 January 2007.

Directors

The names of the directors in office at any time during or since the end of the half year up to the date of this report are:

Robert D. Millner FAICD (Chairman)
Michael J. Millner
Lindsay R. Partridge BSc. Hons. Ceramic Eng; SFCDA; Dip. CD
Alan J. Bentley FAICD
Timothy V. Fairfax FAICD
David N. Gilham FCIT; FAIM; FAICD
The Hon. Robert J. Webster

REVIEW OF OPERATIONS

Overview

Net Profit After Tax in the six months to January 2007 of \$36.7 million was down 20.4% compared to \$46.1 million in the six months ending January 2006. The main factor contributing to the result was a significant increase in income tax expense of \$7.0 million to \$7.7 million. EBIT was \$57.3 million, down 3.6% on the previous year.

Earnings per share (EPS) decreased to 27.7 cents for the six months ending January 2007 (EPS was 34.7 cents for the six months ending January 2006).

Directors have declared a 9.1% increase in the interim dividend to 12 cents fully franked.

The record date for the interim ordinary dividend will be 27 April 2007 with payment being made on 11 May 2007.

The record date for the PAVERS dividend will be 18 May 2007, with payment being made on 1 June 2007.

Financial Analysis

Income tax expense increased to \$7.7 million in the half from \$0.7 million in the previous corresponding period which included a significant benefit from the accounting for the investment in Washington H. Soul Pattinson (WHSP). In this period the tax expense returned to more normal levels. The actual tax paid during the six months to January 2007 was \$11.6 million compared to \$12.4 million in the previous corresponding period.

The total free cash flow before capital expenditure and ordinary dividends was \$46.3 million, down from \$63.6 million in the corresponding half last year.

Total Interest Bearing Liabilities including PAVERS has increased by \$94.3 million from \$375.6 million in July 2006 to \$469.9 million at 31 January 2007.

During the period significant cash outlays included ordinary dividends of \$33.2 and PAVERS dividend of \$5.4 million along with capital expenditure of \$25.7 million, acquisitions of \$30.5 million and resumption of control of the Eastwood site in Sydney for \$52.6 million, which included the return of amounts received in advance of actual land sales.

Borrowing expenses during the half, including PAVERS dividends, was \$12.9 million, up 1.6% on last half's \$12.7 million.

Net Debt (including PAVERS) to Capital Employed finished the half at 31.3% compared to 27.0% at July 2006.

Gearing (debt to equity) increased to 47.0% at 31 January 2007 from 38.5% at 31 July 2006 including PAVERS.

Interest Cover declined slightly to 5.9 times at 31 January 2007 (6.1 times in January 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 January 2007 was \$129.3 million compared to \$115.0 million at 31 July 2006. The increases were largely the result of increases in inventory of \$18.8 million. Land held for resale contributed \$4.6 million of this increase, being Eastwood and M7 Business Hub.

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Building Products inventory increased by \$14.2 million. Finished goods increased \$8.1 million, of which \$1.5 million was attributed to acquisitions. Raw materials increased \$2.6 million due to accelerated mining at Horsley Park to facilitate additional revenue from Collex. Work in progress increased \$3.5 million due to increased log processing stocks in value adding facilities and a seasonal build up of log stock.

Building Products

Market conditions*

Market conditions deteriorated through the period with dwelling approvals in the six months to 31 January 2007 down 5.3% to 74,095 compared to the six months to 31 July 2006. This was in line with expectations.

In New South Wales there were just 7,759 private houses approved in the half. This result is 6.9% lower than the previous low ever recorded in private house approvals, which occurred in the six months to January 1975 when 8,331 houses were approved. Overall 6.1% less dwellings were approved than in the previous corresponding period.

In Queensland more prosperous conditions lead to a 7.1% increase in approvals than for the same period last year.

In Western Australia the market maintained its strength from a year earlier, though softer than the second half of last year.

Victorian approvals were up 2.4% on a year earlier reflecting the generally better conditions enjoyed in that state compared to New South Wales.

Results

Sales for the half year ending January 2007 were up 5.3% at \$249.1 million compared to \$236.5 million in the six months ending January 2006. Sales were supported by acquisitions. On a like-for-like basis sales were up 3.0%.

EBIT in the six months to January 2007 was \$33.2 million, up 5.2% on the \$31.6 million in the six months to January 2006. On a like-for-like basis EBIT was up 0.6%.

Brickworks' focus is to maintain the EBIT to sales ratio and profitability despite the downturn and competitive environment. Building Products achieved a steady EBIT to sales ratio for the six months to January 2007 of 13.3%.

EBITDA was \$46.0 million (18.5% to sales) for the six months to January 2007. This compared to the \$45.3 million (19.2% to sales) in the six months to January 2006.

During the six months to January 2007, \$1.2 million was spent on redundancies which led to a reduction in employee numbers of 86. Building Products employee numbers reduced to 1,398 prior to the inclusion of the 68 net positions after acquisitions and divestments and now total 1,466. The relentless pursuit of the lowest cost base in the industry is underscored by employee productivity. Revenue of \$169,945 and EBIT of \$22,664 per employee compares favourably to our Australian building products peers.

Building Products continued to take advantage of the current housing lull on the east coast to complete an ambitious capital expenditure and maintenance program. To date, the program has achieved significant cost reductions and improvements in the group's safety and environmental performance.

The safety performance improved dramatically by 60.6% in the half with the investment in training and equipment showing results. Across the business a Lost Time Injury Frequency Rate¹ of 4.3 was recorded. Much work remains to be done to convert a solid six month result into an enduring safety record.

Capital expenditure totalled \$22.5 million in the six months to January 2007, compared to depreciation of \$12.6 million. Significant items during the half included the continued construction of the new brick plant in Wollert, Victoria and the upgrade of the existing brick plant in Golden Grove, South Australia.

Exports have suffered in Asia where exchange rates, fuel driven shipping charges (bunker surcharges) and aggressive Asian

* Approvals data sourced from ABS Cat. 8731.0 Building Approvals, Australia, Jan 2007

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

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competitors have all combined to make our products less attractive, resulting in lower exports to this region. Exports to New Zealand have continued strongly.

Divisional Results

Austral Bricks™ overall brick sales volumes and prices were steady compared to the previous corresponding period. Austral Bricks exposure to the moribund New South Wales residential market resulted in New South Wales falling to 24.3% of total brick sales.

Manufacturing volumes were up slightly as Western Australia squeezed more production from its factories and New South Wales factories began to supply into the West allowing most of the New South Wales factories to run through the December-January period without interruption. Capital expenditure driven efficiency improvements drove cost of manufacture lower on slightly higher volumes. Overall margin gains were recorded in all major markets except Western Australia where higher input costs, driven by the resources boom, eroded historical high margins experienced last year. At the same time marketing expenditure has been boosted by \$2.0 million in the half as part of a long term program to ensure bricks remains well positioned in an increasingly crowded market.

At Wollert, in Melbourne's north, construction of the most efficient brick factory in Australia was nearing completion at the end of January. Construction has subsequently been completed on budget and on time. Commissioning has commenced well and is expected to continue throughout the second half. It is pleasing to announce that as of today, the kiln has begun to push and is anticipated to be at full operating temperature by the weekend. This factory, when fully commissioned, is expected to produce 85 million bricks² per annum and will emit one-third less carbon dioxide than the factory it is replacing. All water and most clay will come from the Wollert site further improving the new factory's environmental performance and consequently will reduce the embodied energy of the bricks produced.

At Golden Grove in Adelaide construction of the upgraded brick factory was completed on budget and on time. The introduction of robotic unloading and loading equipment has greatly reduced the cost of manufacture and enhanced production flexibility. Work is ongoing on the kiln, kiln cars and final commissioning which will result in further performance improvements.

Masonry expanded during the year due to a number of acquisitions including GB Masonry (Gympie), Caloundra Block and Whitsunday Concrete and Block (Proserpine), all in Queensland. Ayr Masonry, south of Townsville, is under contract and expected to be completed in the second half. Whilst still being bedded down, the acquisitions are performing well, increasing exposure to the fast growing state of Queensland. Masonry products are branded separately as Austral Masonry™, though the business is operated under the Austral Bricks™ management structure.

Bristile Roofing™ continues to improve with slightly lower volumes more than offset by price increases achieved across all markets and products. Margins increased sharply compared to the same period last year. Bristile Roofing's low exposure to the disappointing New South Wales residential market has assisted the result but nonetheless substantial improvements in factory efficiency, product quality and service have had a measurable impact on profitability.

Auswest Timbers™ operates mills and value adding facilities in Western Australia, ACT and Victoria. The Western Australian operations are steadily improving, with the strategy of converting green timber to value added products such as flooring beginning to pay off. In Victoria modifications to the underperforming Bairnsdale mill are in progress that will significantly improve this production unit's performance. Consequently revenue is up but has not flowed through to the bottom line. The Canberra sawmill is a dedicated roof tile batten mill supplying the Melbourne, Canberra and Sydney markets and as such its performance has been solid. Overall, Auswest experienced a flat profit compared to the previous period.

Eureka Tiles™ increased sales of imported product and achieved a solid performance from traditional lines. Further production rationalisation to enable a significant lift in imports should see this division produce a viable profit performance.

Land and Development

The first half of 2006/07 produced EBIT of \$13.0 million compared to \$16.3 million in the same period last year. Land sales and development have irregular cash flow and profits due to the uncertainty surrounding timing issues on any transaction.

Land Sales generated a profit of \$10.5 million with sales recorded in the half including 14 Ha to the Property Trust for the Coles cold store development. The first six residential lots were sold at Eastwood for revenue of \$3.7 million. Control of the Eastwood site was returned via the acquisition of the outstanding 50% of Newthorpe from Investa Property Group.

² 85,000,000 standard brick equivalents (SBE)

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

During the half \$4.8 million was spent acquiring 165 Ha of land bringing total land holdings to approximately 4,570 Ha of which 900 Ha are considered surplus available for development and/or sale.

Property Trust³ activities during the half included securing pre-commitments from Kimberly Clarke and Woolworths for the Mamre Road (Sydney) site and securing development approval for the construction of the Coles cold store and Toll warehouse facilities in the M7 Business Hub (Sydney). Construction of these facilities commenced during the period.

The Property Trust investments are included in Equity Accounted Investments on the Balance Sheet. The carrying value of these properties is \$34.1 million. The current market value of the Brickworks share of those sites is \$58.4 million.

The Development Approval for the Mamre Road site has been received subsequent to period end and will yield a further \$7.7 million in current market value and \$3.3 million additional profit.

Waste Management at the Horsley Park, NSW and Bowral, NSW waste facilities provided royalties totalling \$1.0 million over the first six months of the 2006/07 financial year. In addition to the normal operating profits, \$1.2 million was received as compensation from the M7 tollway construction.

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 the value of these long term investments. Increases in the value of investments are not booked to profit unless realised. There were no changes to Brickworks' holdings of major investments in Washington H. Soul Pattinson (WHSP) or Brickworks Investment Company Limited (BICL) during the period.

Washington H. Soul Pattinson Limited (WHSP)

ASX Code: SOL

During the half the market value of Brickworks' 42.85% share of WHSP increased \$125.8 million (15.8%) to \$923.4 million at 31 January 2007. Fully franked dividends of \$31.7 million (\$30.7 million last year) were also received and included a special dividend of 15 cents per share in November of both periods.

The total six month equity contribution of WHSP to 31 January 2007 was \$12.3 million compared to \$11.9 million in the same period last year.

At 31 January 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 listed entities.

During the period WHSP participated in a renounceable rights issue (underwritten by Pitt Capital Partners) 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 \$24.3 million. A new Managing Director, Mr Steve Roche, was appointed in September 2006. New Hope Coal announced in August that it had acquired a 18.8% shareholding in Arrow Energy N.L., a major coal seam gas group, continuing its stated strategy of diversification beyond its domestic coal energy business.

The investment in WHSP has a 15 year compound annual return of 14.2% compared to 13.1% in the ASX All Ordinary Accumulation Index. The compound annual return for five years is 19.5% compared to 15.7% in the ASX All Ordinary Accumulation Index.

Brickworks Investment Company Limited (BICL)

ASX Code: BKI

BICL has reported a Net Profit After Tax of \$6.5 million to 31 January 2007 compared to \$7.7 million in the six months to 31 January 2006.

Brickworks equity accounted share of BICL was \$1.3 million. At 31 January 2007 Brickworks held 20.6% of BICL issued share capital.

³ The Property Trust is a 50:50 joint venture between Brickworks and Macquarie Goodman Wholesale Property Trust

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A fully franked interim dividend of 2.6 cents per share was declared for the half year compared to 2.5 cents per share in the previous corresponding period.

The market value of Brickworks' investment in BICL increased 14.9% from \$57.8 million to \$66.4 million in the six months to 31 January 2007 and BICL's total portfolio value increased by 11.2% during the period to \$327.6 million from \$294.7 million.

BICL invests in equities traded on the Australian Stock Market (ASX). As at 31 January 2007, BICL's five largest investments were National Australia Bank, Commonwealth Bank, BHP Billiton, New Hope and St George Bank.

Net Asset backing per share before tax as at 31 January 2007 has also increased to \$1.57 per share from \$1.42 per share as at 31 July 2006, a 10.6% improvement.

The BICL share price has increased from \$1.34 per share at 31 July 2006 to \$1.54 per share at 31 January 2007, a 14.9% increase.

Since 31 January 2007 the Board of BICL has announced a 1:5 renounceable rights issue at \$1.35 per share. It is Brickworks intention to take up its full allocation.

Outlook

Building Commencements and Building Products

Brickworks estimate that residential dwelling commencements will fall 0.6% in 2006/07 to around 150,000. In this environment Building Products businesses will strive to maintain price momentum and match production to demand whilst driving productivity up and costs down to enhance margins.

In Western Australia building conditions would seem to have peaked though a substantial pipeline of work is likely to mask any reduction for some time. In New South Wales there is no recovery in sight, whilst Victoria and Queensland are expected to be relatively steady and the first states to show improvement. Brickworks will continue to develop and grow the masonry business in Queensland to leverage the growth of that state.

Brickworks does not anticipate any improvement in housing starts on the east coast until interest rates start falling and affordability and land supply, particularly in Sydney, improves.

Investigations are well underway to ensure that future profits from both Land & Development and Building Products are maximised. Due to the dual benefits of lower production costs and cash flow from land sales it may be appropriate to accelerate the normal plant replacement program. With that in mind a number of investigations are underway.

Land and Development

The Brickworks land bank is in desirable locations and is expected to contribute strongly to future profits. As previously mentioned, the timing of sales is difficult to predict due to the vagaries of various approval processes. A number of potential clients are in discussion for future projects that would become part of the Property Trust.

Investments

Investments will continue to provide diversity to the income streams from Building Products and Land and Development.

Overall

Brickworks' continues to make progress on the stated goals of developing and growing the Building Products business and extracting value from extensive land holdings.

BRICKWORKS LIMITED AND CONTROLLED ENTITIES
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DIRECTORS' REPORT

Rounding of amounts

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

Auditor's declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 7 for the half year ended 31 January 2007.

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

Dated 29 March 2007

R D MILLNER
Director

R J WEBSTER
Director

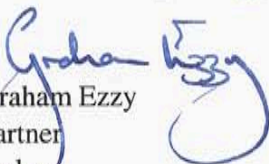
Auditor's Independence Declaration

To the Directors of Brickworks Limited

In relation to our review of the financial report of Brickworks Limited for the half year ended 31 January 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of conduct.



Ernst & Young



Graham Ezzy
Partner
Sydney
29 March 2006

BRICKWORKS LIMITED AND CONTROLLED ENTITIES
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CONDENSED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 JANUARY 2007

		CONSOLIDATED	
	NOTE	6 MTHS 31 JAN 07 \$000	6 MTHS 31 JAN 06 \$000
Revenue	2	263,877	258,853
Cost of sales		<u>(163,461)</u>	<u>(159,964)</u>
Gross profit		100,416	98,889
Other income		1,612	65
Distribution expenses		(21,214)	(20,595)
Administration expenses		(9,235)	(8,922)
Selling expenses		(25,261)	(20,970)
Finance costs	2	(12,948)	(12,745)
Other expenses		(3,315)	(2,456)
Share of net profits of associates accounted for using the equity method		<u>14,378</u>	<u>13,505</u>
Profit from ordinary activities before income tax expense		<u>44,433</u>	<u>46,771</u>
Income tax attributable to profit from ordinary activities	2	<u>(7,725)</u>	<u>(673)</u>
Profit from ordinary activities after related income tax expense		<u>36,708</u>	<u>46,098</u>
Net profit attributable to members of the parent entity		<u><u>36,708</u></u>	<u><u>46,098</u></u>
Basic earnings per share (cents per share)		27.7	34.7
Diluted earnings per share (cents per share)		27.7	34.7

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

The accompanying notes form part of these financial statements

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

CONDENSED BALANCE SHEET AS AT 31 JANUARY 2007

	NOTE	CONSOLIDATED	
		31 JAN 07 \$000	31 JULY 06 \$000
CURRENT ASSETS			
Cash assets		15,090	15,542
Receivables		69,517	88,552
Held for trading financial assets		95	91
Inventories		137,480	118,665
Other		5,715	4,655
TOTAL CURRENT ASSETS		<u>227,897</u>	<u>227,505</u>
NON-CURRENT ASSETS			
Receivables		350	200
Inventories		49,180	26,801
Derivative financial instruments		639	316
Investments accounted for using the equity method		603,395	584,213
Property, plant and equipment		547,140	522,257
Deferred tax assets		41,375	38,122
Intangible assets		266,333	248,810
Other		731	-
TOTAL NON-CURRENT ASSETS		<u>1,509,143</u>	<u>1,420,719</u>
TOTAL ASSETS		<u>1,737,040</u>	<u>1,648,224</u>
CURRENT LIABILITIES			
Payables		57,480	66,360
Interest-bearing liabilities		56,000	52,000
Current tax liabilities		13,104	14,311
Provisions		28,061	31,793
TOTAL CURRENT LIABILITIES		<u>154,645</u>	<u>164,464</u>
NON-CURRENT LIABILITIES			
Payables		7,276	29,040
Interest-bearing liabilities		413,906	323,585
Provisions		18,462	19,335
Deferred tax liabilities		142,497	135,344
Non interest-bearing liabilities		1,080	1,320
TOTAL NON-CURRENT LIABILITIES		<u>583,221</u>	<u>508,624</u>
TOTAL LIABILITIES		<u>737,866</u>	<u>673,088</u>
NET ASSETS		<u>999,174</u>	<u>975,136</u>
EQUITY			
Contributed equity	4	144,893	146,387
Reserves		341,698	327,682
Retained profits		512,583	501,067
TOTAL EQUITY		<u>999,174</u>	<u>975,136</u>

The accompanying notes form part of these financial statements

BRICKWORKS LIMITED AND CONTROLLED ENTITIES
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CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 JANUARY 2007

	NOTE	CONSOLIDATED	
		6 MTHS 31 JAN 07 \$000	6 MTHS 31 JAN 06 \$000
Total equity at beginning of the half year		<u>975,136</u>	<u>893,411</u>
Available for sale investments:			
Gain / (loss) taken to equity		-	(41)
Cash flow hedges:			
Gain / (loss) taken to equity		139	606
Foreign currency translation		201	-
Share of increments in reserves attributable to associates		22,518	14,665
Tax on movement in equity accounted investment recognised directly in equity		<u>(6,268)</u>	<u>(4,399)</u>
Net income recognised directly in equity		<u>16,590</u>	<u>10,831</u>
Profit for the half year		<u>36,708</u>	<u>46,098</u>
Total recognised income and expense for the half year		<u>53,298</u>	<u>56,929</u>
Transactions with equity holders in their capacity as equity holders			
Share of associates transfer to outside equity interests		(1,625)	-
Dividends provided or paid during the half year		(26,141)	(21,958)
Treasury stock:			
Purchase of shares through employee share plan		(2,315)	(2,006)
Shares transferred to profit and loss on vesting		<u>821</u>	<u>442</u>
		<u>(29,260)</u>	<u>(23,522)</u>
Total equity at the end of the half year		<u><u>999,174</u></u>	<u><u>926,818</u></u>

The accompanying notes form part of these financial statements

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

CONDENSED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 JANUARY 2007

	NOTE	CONSOLIDATED	
		6 MTHS 31 JAN 07 \$000	6 MTHS 31 JAN 06 \$000
Cash flows from operating activities			
Receipts from customers		267,604	278,245
Proceeds from sale of land held for resale		18,794	17,449
Payments to suppliers & employees		(251,760)	(239,422)
Interest received		435	260
Interest expense		(7,909)	(7,482)
PAVERS interest		(5,445)	(5,429)
Dividends received		33,213	31,667
Income tax paid		<u>(11,560)</u>	<u>(12,434)</u>
Net cash flows from / (used in) operating activities		<u>43,372</u>	<u>62,854</u>
Cash flows from investing activities			
Proceeds from the sale of investments		-	444
Purchases of investments		(679)	(1,494)
Proceeds from disposal of controlled entity		-	-
Payment for controlled entity net of cash acquire	5	(30,452)	(397)
Proceeds from sale of property, plant & equipment		2,974	334
Purchases of property, plant & equipment		<u>(25,747)</u>	<u>(23,546)</u>
Net cash flows from / (used in) investing activities		<u>(53,904)</u>	<u>(24,659)</u>
Cash flows from financing activities			
Proceeds from borrowings		173,000	107,000
Repayment of borrowings		(126,017)	(111,700)
Proceeds from issue of shares		-	-
Loan (to) / from other entity		(3,730)	(3,292)
Dividends paid		<u>(33,173)</u>	<u>(27,865)</u>
Net cash flows from / (used in) financing activities		<u>10,080</u>	<u>(35,857)</u>
Net increase / (decrease) in cash held		(452)	2,338
Cash at beginning of half year		<u>15,542</u>	<u>15,042</u>
Cash at end of half year		<u><u>15,090</u></u>	<u><u>17,380</u></u>

The accompanying notes form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 JANUARY 2007**

NOTE 1: BASIS OF PREPARATION

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

The condensed half year general purpose report does not include full disclosures of the type normally included in an annual financial report, and as such this financial report should be read in conjunction with the annual financial report for the year ended 31 July 2006, and any public announcements made by Brickworks Limited and its controlled entities during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets at fair value through profit and loss and derivatives.

The accounting policies have been consistently applied by the entities in the group and are consistent with those of the most recent annual financial report for the year ended 31 July 2006.

	CONSOLIDATED	
	6 MTHS	6 MTHS
	31 JAN 07	31 JAN 06
	\$000	\$000

NOTE 2: SIGNIFICANT REVENUE AND EXPENSES

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

Revenue – Building products	249,139	236,518
Revenue – Property	14,291	22,009
Revenue – Investments	447	326
	263,877	258,853
Borrowing costs - other corporations	7,161	6,961
Borrowing costs - PAVERS interest	5,466	5,461
Borrowing costs - PAVERS costs amortisation	321	323
	12,948	12,745
Finance costs capitalised	1,377	-
	14,325	12,745
Income tax expense		
Prima facie income tax on profit at 30%	13,330	14,031
Tax expense / (benefit) of equity accounting associate - WHSP	(4,213)	(9,340)
Net tax expense / (benefit) of other items	(1,392)	(4,018)
	7,725	673

NOTE 3: DIVIDENDS

Final ordinary dividend of 25.0 cents per share fully franked at the tax rate of 30% (2006 – 21.0 cents fully franked) not recognised as a liability in the previous period

Group's share of dividend received by associated company	33,173	27,865
	(7,032)	(5,907)
	26,141	21,958

Proposed interim ordinary dividend of 12.0 cents per share fully franked at the tax rate of 30% (2006 – 11.0 cents fully franked) and not recognised as a liability

	15,923	14,596
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BRICKWORKS LIMITED AND CONTROLLED ENTITIES
A.B.N. 17 000 028 526

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 JANUARY 2007**

NOTE 4: SHARE CAPITAL	CONSOLIDATED	
	31 JAN 07 \$000	31 JULY 06 \$000
Fully paid ordinary shares	149,046	149,046
Reserved shares	(4,153)	(2,659)
	144,893	146,387
	31 JAN 07	31 JAN 07
	No. of	Value
	shares	\$000
Reserved shares		
Opening balance	246,711	2,659
add: bonus shares purchased by share plan	200,349	2,315
less: bonus shares vested during period	(79,474)	(821)
Balance at end of period	367,586	4,153

NOTE 5: ACQUISITION OF ENTITIES

During the six months to 31 January 2007 the Brickworks Group acquired the net assets and operations of three independent concrete masonry businesses located in Queensland. Details of the net assets acquired under these transactions are set out below.

	GB Masonry	Caloundra Block	Whitsunday Block
Date of acquisition	1 Aug 06	17 Nov 06	8 Dec 06
	\$000	\$000	\$000
Cost of acquisition			
Cash paid	17,394	9,849	1,576
Direct costs relating to the acquisition	1,107	509	172
Total payments made on acquisition	18,501	10,358	1,748
Net assets acquired			
Inventory	1,082	522	113
Receivables	150	-	-
Other assets	-	100	1
Property, plant & equipment	4,113	6,041	700
Investments in unlisted entities	214	-	-
Goodwill	13,086	3,853	955
Employee entitlements assumed	(144)	(158)	(21)
Fair value of net assets acquired	18,501	10,358	1,748
Contribution to net profit before tax for the period ended 31 January 2007	1,478	445	(58)

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 JANUARY 2007**

NOTE 5: ACQUISITION OF ENTITIES (cont.)

On 22 December 2006 the Brickworks Group acquired the remaining 50% of Newthorpe Pty Ltd that it did not already own. Details of the net assets acquired under this transaction are as follows:

	\$000
Cost of acquisition	
Cash paid	306
Direct costs relating to the acquisition	72
	<hr/>
Total payments made on acquisition	<u>378</u>
Net assets acquired	
Cash at bank	533
Inventory (land held for resale)	27,650
Receivables	25,777
Other assets	65
Bank borrowings assumed	(47,017)
Loans to other entities	(5,751)
Deferred tax liability	(273)
Investment already held	(606)
	<hr/>
Fair value of net assets acquired	<u>378</u>
Contribution to net profit before tax for the period ended 31 January 2007	<hr/> <u>-</u>

These asset values equate to the carrying amounts of those assets immediately prior to the acquisition.

If the acquisition had taken place at the beginning of the period, the revenue for the group would have been \$263,877,000, and the profit before tax for the group would have been \$45,023,000.

The fair value of the assets and liabilities has been determined provisionally.

NOTE 6: ASSOCIATED ENTITIES

Information relating to significant associated entities is set out below:

	Ownership interest		Contribution to profit	
	31 JAN 07	31 JAN 06	6 MTHS	6 MTHS
	%	%	31 JAN 07	31 JAN 06
			\$000	\$000
Brickworks Investment Co Ltd	20.59	22.09	1,344	1,702
Washington H Soul Pattinson & Co Ltd	42.85	42.82	12,343	11,915

NOTE 7: JOINTLY CONTROLLED ENTITIES

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

	Ownership interest		Contribution to profit	
	31 JAN 07	31 JAN 06	6 MTHS	6 MTHS
	%	%	31 JAN 07	31 JAN 06
			\$000	\$000
Newthorpe Pty Ltd	100.00	50.00	591	-

BRICKWORKS LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 JANUARY 2007

NOTE 8: SEGMENT INFORMATION

(a) Business segments

	Building Products		Property		Investments		Consolidated	
	6 MTHS 31 JAN 07 \$000	6 MTHS 31 JAN 06 \$000	6 MTHS 31 JAN 07 \$000	6 MTHS 31 JAN 06 \$000	6 MTHS 31 JAN 07 \$000	6 MTHS 31 JAN 06 \$000	6 MTHS 31 JAN 07 \$000	6 MTHS 31 JAN 06 \$000
REVENUE								
Segment revenue	249,139	236,518	14,291	22,009	447	326	263,877	258,853
RESULT								
Segment EBITDA	45,992	45,349	13,032	16,264	14,137	13,813	73,161	75,426
Less depreciation and amortisation	<u>(12,767)</u>	<u>(13,777)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,767)</u>	<u>(13,777)</u>
Segment result	<u>33,225</u>	<u>31,572</u>	<u>13,032</u>	<u>16,264</u>	<u>14,137</u>	<u>13,813</u>	<u>60,394</u>	<u>61,649</u>
Unallocated expenses								
Finance costs							(12,948)	(12,745)
Other unallocated expenses							<u>(3,013)</u>	<u>(2,133)</u>
Profit from ordinary activities before income tax expense							44,433	46,771
Income tax expense							<u>(7,725)</u>	<u>(673)</u>
Profit from ordinary activities after income tax expense							<u>36,708</u>	<u>46,098</u>

NOTE 9: EVENTS OCCURRING AFTER BALANCE DATE

Subsequent to balance date the Group received a development approval for the Mamre Rd (Sydney) site. This has released an additional \$7.7 million of market value on this site into the Mamre Rd property trust, along with an additional \$3.3 million profit on sale (after equity accounting). This transaction has not been reflected in the accounts as at 31 January 2007.

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

NOTE 10: CONTINGENT ASSETS AND LIABILITIES

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

BRICKWORKS LIMITED AND CONTROLLED ENTITIES

A.B.N. 17 000 028 526

DIRECTORS' DECLARATION

The Directors' of the company declare that:

1. The financial statements and notes, as set out on pages 8 to 15, are in accordance with the Corporations Act 2001:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. give a true and fair view of the economic entity's financial position as at 31 January 2007 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Dated 29 March 2007

R D MILLNER
Director

R J WEBSTER
Director

Independent review report to members of Brickworks Limited

We have reviewed the accompanying 31 January 2007 financial report of Brickworks Limited and the entities it controlled during the six months, which comprises the balance sheet as at 31 January, and the income statement, statement of changes in equity and condensed cash flow statement for the six months ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors Responsibility for the 31 January 2007 Financial Report

The directors of the company are responsible for the preparation and fair presentation of the 31 January 2007 financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the 31 January 2007 financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the 31 January 2007 financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 January 2007 and its performance for the six months ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory financial reporting requirements in Australia. As the auditor of Brickworks Limited and the entities it controlled during the six months to 31 January 2007, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a six month financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

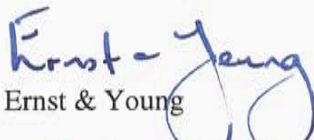
Independence

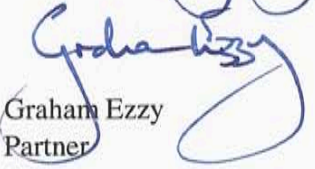
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is referred to in the Directors' Report. In addition to our review of the financial report, we were engaged to undertake other non-audit services. The provision of these services has not impaired our independence.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Brickworks Limited and the entities it controlled during the six months ended 31 January 2007 is not in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 January 2007 and of its performance for the six months ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.


Ernst & Young


Graham Ezzy
Partner
Sydney
29 March 2007