Brickworks Limited
ABN. 17 000 028 526

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25 October 2012

Australian Securities Exchange

Attention: **ASX Market Announcements**

BY ELECTRONIC LODGEMENT

Dear Sir/Madam,

Please find attached the Brickworks Ltd 2012 Annual Report which will be distributed to shareholders today.

Yours faithfully,

BRICKWORKS LIMITED

IAIN THOMPSON

COMPANY SECRETARY

BRICKWORKS LIMITED

ABN 17 000 028 526

ANNUAL REPORT 2012

BRICKWORKS LIMITED AND CONTROLLED ENTITIES

A.B.N. 17 000 028 526

FIVE YEAR SUMMARY

	2008 $000	2009 $000	2010 $000	2011 $000	2012 $000	% Growth
Total revenue	553,716	593,511	656,538	635,615	556,911	(12%)
Building Products revenue	519,986	489,253	580,283	604,915	547,590	(9%)
Earnings before interest tax and amortisation						
Building products	53,610	37,026	53,379	42,017	28,538	(32%)
Property	91,867	38,798	26,638	26,662	16,438	(38%)
Waste management	1,792	1,841	1,755	2,573	2,571	(0%)
Investments	681	1,268	2,434	1,713	1,081	(37%)
Associates	36,247	94,157	74,047	66,182	66,619	1%
Head office and other expenses	(6,135)	(7,271)	(7,729)	(7,148)	(6,796)	5%
Total EBITA	178,062	165,819	150,524	131,999	108,451	(18%)
Borrowing costs	(37,286)	(33,314)	(24,491)	(21,155)	(25,215)	(19%)
Income tax	(32,603)	(18,825)	(15,851)	(10,061)	(4,366)	57%
Net profit after income tax - normal	108,173	113,680	110,182	100,783	78,870	(22%)
Significant items						
Washington H Soul Pattinson & Co.	(9,563)	392,882	-	88,686	756	
Write down of assets to recoverable value						
- Property, plant & equipment	-	(43,779)	(2,728)	(14,021)	(4,169)	
- Investment property	-	(24,716)	-	-	-	
- Investment in associate (BKI)	-	(13,674)	-	-	-	
- Building products inventory	-	(8,171)	(4,750)	(1,084)	(4,192)	
Remediation provision recognised	-	(12,039)	-	-	-	
Borrowing costs	-	(3,036)	-	-	-	
Business acquisition costs	-	-	(2,826)	(2,751)	(1,947)	
Costs on closure of manufacturing facility	-	-	(3,482)	(8,651)	(6,927)	
Costs on start up of manufacturing facilities	-	-	-	-	(4,147)	
Impairment of goodwill	-	-	-	-	(31,627)	
Other significant items	-	(3,489)	(577)	(2,511)	(3,885)	
Tax on significant items	2,868	(92,443)	4,283	(17,900)	7,580	
One off tax items	-	-	38,688	-	12,992	
Net profit after income tax (incl significant items)	101,478	305,215	138,790	142,551	43,304	(70%)
Basic earnings per share (cents)	76.5	229.8	96.7	96.7	29.3	(70%)
Normalised earnings per share (cents)	81.5	85.6	76.7	68.3	53.4	(22%)
Dividends						
Ordinary dividends per share (cents)	39.0	39.0	40.0	40.5	40.5	0%
Ratios						
Net tangible assets per share	$6.35	$8.27	$9.28	$9.42	$9.44	0%
Return on shareholders equity	9.1%	22.3%	8.4%	8.5%	2.6%	(69%)
Interest cover ratio	4.8	4.6	6.5	6.4	5.2	(19%)
Net debt to capital employed	32.0%	21.8%	12.1%	13.0%	14.6%	12%

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ANNUAL REPORT 2012

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

BRICKWORKS LIMITED

A.B.N. 17 000 028 526

DIRECTORS' REPORT

The Directors of Brickworks Limited present their report and the financial report of Brickworks Limited and its controlled entities (referred to as the Brickworks Group or the Group) for the financial year ended 31 July 2012.

Directors

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

Robert D. Millner FAICD (Chairman)

Michael J. Millner MAICD (Deputy Chairman)

Lindsay R. Partridge AM; BSc. Hons. Ceramic Eng; SFCDA; Dip. CD (Managing Director)

Brendan P. Crotty LS; DQIT; Dip.Bus Admin; MAPI; FAICD; FRICS

David N. Gilham FCILT; FAIM; FAICD

The Hon. Robert J. Webster MAICD; MAIM; JP

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

Principal activities

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

Result of operations

The consolidated net profit for the year ended 31 July 2012 of the Brickworks Group after income tax expense, amounted to $43,304,000 compared with $142,551,000 for the previous year.

Dividends

The Directors recommend that the following final dividend be declared:

Ordinary shareholders – 27.0 cents per share (fully franked)

Dividends paid during the year under review were:

(a) Final ordinary of 27.0 cents per share (fully franked) out of profits for the year ended 31 July 2011 and referred to in the previous Directors' report;

(b) Interim ordinary of 13.5 cents per share (fully franked) paid 15 May 2012

REVIEW OF OPERATIONS

Highlights[1]

- Brickworks normalised NPAT before significant items down 21.8% to $78.9 million
  - Building Products EBIT down 32.1% to $28.5 million
  - Land and Development EBIT down 34.9% to $19.0 million
  - Investments EBIT down 0.3% to $67.7 million
- Headline NPAT including significant items down 69.6% to $43.3 million
- Goodwill impairment of $31.6 million within the Building Products Group
- Net debt/capital employed of 14.7%, net debt $285.4 million
- Final dividend of 27.0 cents fully franked

Overview

Brickworks (ASX: BKW) posted a **normalised** net profit after tax ('NPAT') for the year ended 31 July 2012 of $78.9 million, down 21.8% from $100.8 million for the year ended 31 July 2011. After significant items, Brickworks' **headline** NPAT was $43.3 million, down 69.6% from $142.6 million in the previous year.

Building Products earnings before interest, tax ('EBIT') and significant items was $28.5 million, down 32.1% on the prior year. EBIT in the second half was in line with the first half, despite a further deterioration in residential building activity. This was assisted by internal re-structuring activities and industry rationalisation.

Land and Development EBIT was down 34.9% to $19.0 million, as a result of a significant reduction in land sales. Earnings from the Property Trust were up 56.8% on the prior year.

Investment EBIT was relatively flat at $67.7 million.

Interest cost increased by 2.0% to $20.8 million. In addition the mark to market valuation of interest rate swaps adversely impacted the result by $4.4 million.

The impact of **significant items** was a net expense of $35.6 million, including the cost of re-structuring activities and a goodwill impairment of $31.6 million.

[1] Unless otherwise stated all earnings measures exclude significant items

Normal earnings per share (‘**EPS**’) were 53.4 cents, down from 68.3 cents per share for the prior year.

Directors have maintained the final **dividend** of 27.0 cents fully franked, taking the full year dividend to 40.5 cents fully franked, in line with last year.

The record date for the final ordinary dividend will be 8 November 2012, with payment being made on 29 November 2012.

Financial Analysis

Gearing (debt to equity) was 18.0% at 31 July 2012, relatively flat compared to 17.9% at 31 July 2011. Total interest bearing debt (‘TIBD’) was $300.0 million and Net Debt was $285.4 million at 31 July 2012. Net debt to capital employed rose to 14.7% from 13.0% the previous year on a $36.1 million reduction in cash holdings.

Brickworks has a working capital facility of $100.0 million that provides head room in the current unstable financial markets for additional financial capacity should an acquisition opportunity arise.

Total borrowing costs were $25.2 million, including the loss in mark to market valuation of interest rate swaps of $4.4 million and **interest costs** of $20.8 million. Interest cover decreased to 5.2 times at 31 July 2012, down from 6.4 times at 31 July 2011.

Total net **cash flow** from operating activities was $64.5 million, down from $89.0 million in the previous year. This was a result of decreased trading revenue from the Building Products business, reduced special dividends from WHSP and no proceeds from land sales.

Dividends of 40.5 cents per share, totalling $59.8 million were paid during the year, in line with the previous corresponding period.

Capital expenditure decreased to $28.9 million in the year ended 31 July 2012, excluding acquisitions. Stay in business capital expenditure was $14.3 million, representing 57.7% of depreciation. Growth capital expenditure was $13.8 million, including the batching plant for the Wetherill Park precast facility in New South Wales and final building work on the new Wollert West plant in Victoria.

Spending on **acquisitions** totalled $19.9 million for the year, comprising Gunns’ Western Australian Jarrah assets, Boral Masonry’s operation in Cairns, the remaining 50% share of Daniel Robertson Australia Pty Ltd and a small independent precast concrete business in Brisbane.

Working capital, excluding assets held for resale, decreased by $43.1 million to $160.7 million, primarily due to a reduction in cash assets.

Finished goods **inventory** increased by $6.5 million to $122.0 million during the year, including $5.5 million related to acquisitions over the period. Work in progress increased by $3.3 million, primarily due to the requirement to rebuild feedstock levels at the acquired Auswest Timbers operations.

Net tangible assets (‘NTA’) per share remained relatively flat at $9.44 and Total Shareholders’ Equity decreased $13.1 million to $1.663 billion.

Normal **tax expense** decreased 56.4% to $4.4 million during the year, on reduced Group EBIT.

Significant items reduced NPAT by $35.6 million for the full year, with significant restructuring activities undertaken in Austral Bricks’ Victorian, Queensland and Western Australian operations.

A non-cash **goodwill impairment** of $31.6 million is included in significant items, following a detailed bottom-up analysis of future cash flow forecasts across each division, incorporating conservative management projections. An impairment is deemed prudent due to the depressed state of residential building activity and the prospect of a slow recovery in future years.

The goodwill impairment includes $16.9 million in the Austral Bricks Western Australian division, where a significant new competitor, closure of manufacturing facilities and an inability to immediately recover the full impact of the carbon tax has resulted in reduced earnings forecasts. An additional $11.2 million impairment has been taken in the Austral Masonry division, where industry profitability has been impacted by excess capacity and extremely depressed conditions in South East Queensland.

A breakdown of significant items is shown in the following table.

Significant Items ($m)[2]	**Gross**	**Tax**	**Net**
Tax adjustment for the carrying value of WHSP	-	13.0	13.0
Significant transactions by WHSP, after tax	0.8	-	0.8
Austral Bricks Victoria restructuring	(8.8)	2.6	(6.2)
Austral Bricks Queensland restructuring	(5.2)	1.5	(3.6)
Austral Bricks Western Australia restructuring	(5.5)	1.7	(3.9)
Other businesses restructuring costs	(2.5)	0.7	(1.7)
Business acquisition costs	(1.9)	0.6	(1.4)
Corporate project costs	(1.3)	0.4	(0.9)
Impairment of goodwill in the Building Products Group	(31.6)	-	(31.6)
TOTAL	**(56.1)**	**20.6**	**(35.6)**

[2] “Other business restructuring costs” and “business acquisition” costs relate to the Building Products Group

Brickworks' Building Products Group

Market conditions [3]

Dwelling Commencements	**12 Mths to June 11**	**12 Mths to June 12**			**Variance % (Compared to prior year)**		
	Total	**Detached**	**Other Res**	**Total**	**Detached**	**Other Res**	**Total**
New South Wales	30,949	15,102	13,718	29,155	(2.5)	(8.9)	(5.8)
Queensland	26,683	17,340	8,851	26,311	0.2	(5.3)	(1.4)
Victoria	59,171	29,781	19,569	49,767	(14.6)	(17.8)	(15.9)
Western Australia	20,817	14,529	2,966	17,548	(14.1)	(22.6)	(15.7)
South Australia	10,559	6,687	1,980	8,688	(16.5)	(20.3)	(17.7)
Tasmania	2,998	1,692	482	2,197	(21.6)	(39.1)	(26.7)
ACT	5,105	1,671	2,738	4,420	(10.6)	(15.1)	(13.4)
Total Australia	**157,540**	**87,463**	**50,895**	**139,349**	**(9.9)**	**(14.2)**	**(11.5)**
New Zealand[4]	13,539	13,883	1,564	15,447	10.8	54.4	12.0

Total dwelling commencements for **Australia** were down 11.5% to 139,349 for the twelve months ended 30 June 2012, from 157,540 in the previous year. Detached houses were down 9.9% and other residential developments were down 14.2% on the 12 months ended 30 June 2011. The decline accelerated in the second half, with commencements for the six months to June 30 2012 of 64,026. At an annualised level of around 128,000, this is approaching historical cyclical low points over the past thirty years.

The annual decline was consistent across all regions, with each state experiencing a decline in dwelling commencements compared to the prior year.

New South Wales experienced a 5.8% decrease in total dwelling commencements to 29,155, driven by a 8.9% reduction in other residential dwellings and a 2.5% reduction in detached houses. The level of residential building activity remains significantly below the longer term average.

Queensland continues to experience declines in residential building activity, with total annualised commencements now at the lowest level since June 2001. A decline of 5.3% in other residential activity and flat detached house commencements resulted in only 26,311 commencements for the year.

Victoria suffered a major decline in housing activity, albeit from a record high in the previous corresponding year. Commencements of 49,767 was down 15.9%, with the decline particularly severe in the other residential segment, down 17.8%.

Following another decline, **Western Australia** housing commencements of 17,548 for the year ended 30 June 2012, are now at a ten year low. Detached housing commencements were down 14.1% and other residential commencements were down 22.6% compared to the prior year.

In light of record population growth since 2006 and low vacancy rates across most major capitals, the slow response to the Reserve Banks' move to expansionary monetary policy, commencing in November 2011, is a concern. It is revealing to note that the 1:1 relationship that previously existed between *total* employment growth and commencements has shifted to a 1:1 relationship between *full-time* employment growth and commencements since 2006. Furthermore, the latest census data reveals household occupancy has increased, albeit marginally, for the first time.

These trends support the view that consumers appear to be stuck in an extended period of pessimism[5], with the impact on housing investment perhaps accentuated by tighter lending criteria by banks since the Global Financial Crisis.

The value of approvals in the **non residential** sector in **Australia** increased by 11.3% to $32.499 billion for the twelve months to 31 July 2012, compared to the prior year. Within the non residential sector, **Commercial** building approvals decreased by 1.0% to $10.736 billion for the period and **Industrial** building approvals decreased 3.6% to $3.656 billion. The **Educational** sub-sector, an important driver for bricks and masonry demand, was down 23.1% to $4.133 billion, as the prior year included the tail end of the BER Program. The primary area of growth was the **Healthcare** sub-sector, up 81.0% to $5.867 billion for the twelve months to 31 July 2012.

The **New Zealand** housing market is emerging from record low levels, with consents up 12.0% for the year to 30 June 2012. However total consents of 15,447 remain well below the historical average.

Building Products' Results in Detail

Revenue for the year ended 31 July 2012 was down 9.5% to $547.6 million compared to $604.9 million for the prior year.

EBIT was $28.5 million, down 32.1% on the prior year. EBIT in the second half of $14.1 million was approximately in line with the first half EBIT of $14.4 million, despite the significant decrease in residential commencements.

3 Original data sourced from ABS Cat. 87500.0 Dwelling Unit Commencements, Australia, Preliminary, June 2012. Total data within table includes conversions.

4 Building Consents data sourced from Statistics New Zealand – Building Consents. Data shown is for the year to June 30.

5 The Westpac Melbourne Institute index of Consumer Confidence was 98.2 in September 2012, the seventh consecutive month below 100, the longest run of "sub 100" points since the early 1990's, excluding the Global Financial Crisis period

The second half performance in extremely subdued conditions, is a reflection of the restructuring activities completed during the year. These initiatives include substantial reductions in staff levels and manufacturing capacity in New South Wales, Victoria, Queensland and Western Australian brick operations.

Over the year, the majority of the EBIT decline was attributable to two key divisions, Austral Bricks Western Australia and Austral Bricks Victoria. Austral Bricks Western Australia continues to face very challenging conditions with a further deterioration of market activity and the increased competition in this market. Austral Bricks Victoria earnings were well down on the prior year due to the decline in market activity and interruptions related to the integration of the new Wollert plant.

The lower **EBIT to Sales Margin** was impacted by higher unit production costs as intermittent and extended shutdowns throughout the period adversely affected plant efficiency. Rising unit input costs such as gas and electricity placed additional pressure on margins, particularly in the Austral Bricks division. In most divisions, price increases were unable to fully offset the impact of rising costs, including the carbon tax.

The Building Products Group continues to evolve into a more diversified national building products business. Acquisitions in Auswest Timbers, Masonry and Precast, resulted in these divisions contributing 29.5% of total Building Products revenue for the year to 31 July 2012, up from 24.3% in the prior year. Over the long term this strategy will reduce exposure to the detached house building cycle, through decreased reliance on the traditional Austral Bricks and Bristile Roofing divisions.

Total **Employee numbers** were increased by 15 over the year, however with an additional 107 employees joining the business due to acquisitions, a total of 92 staff, representing 6.6% of the workforce, left the business. This reduction in employee levels reflects the restructuring activities previously announced. In the second half, employee numbers in Austral Bricks Victoria increased as contractors were converted to full-time employees at Wollert, ahead of full speed production at this site. It was encouraging to note another year free from industrial disputes.

Brickworks' commitment to providing a safe workplace has seen Lost Time Injuries (LTI's) decrease to a record low of 8 for the year ended 31 July 2012. The Total Reportable **Injury Frequency Rate** ('TRIFR') decreased to 180.5 from 216.1 for the prior year. A particular focus for the Group is the roll-out of best practice national standard occupational health and safety procedures to improve standards across all operations.

Divisional Analysis

Austral Bricks result was significantly lower than the previous year as market conditions continued to deteriorate. Overall sales revenue for the year ended 31 July 2012 was $281.0 million, down 14.8% compared to the prior year, with most states suffering declines in line with reduced building activity.

The **rising prices of gas and electricity** has become a significant impost on the manufacturing cost of clay bricks. Including the impact of the carbon tax, Austral Bricks have experienced a doubling of gas prices since financial year 2008. Over the same period electricity prices have increased by around 70%. Gas and electricity prices combined now account for over 20% of the total manufacturing cost of clay bricks, up from around 15% in 2008.

The price of gas is expected to continue to increase substantially, particularly on the East Coast as increased export opportunities are made available for local LNG suppliers. Brickworks has a strong track record in reducing gas consumption, with investment in modern, energy efficient plants and product re-engineering initiatives placing it in relatively strong position compared to competitors to deal with the impact of rising prices.

To further decrease gas consumption Brickworks will implement a number of alternative fuel projects over the coming years. These projects will directly substitute the use of gas with alternative, low cost fuel sources such as landfill gas, sawdust and commercial and industrial waste streams. A number of these projects are well advanced, with implementation of planned projects forecast to partially offset the impact of gas price increases.

Restructuring activities have been completed across a number of states. Full speed production at Wollert West in Victoria, planned for the coming months, will mark the completion of a seven year business transition that has seen the closure of old, inefficient kilns at Scoresby, Summerhill and Craigieburn. The investment in new state of the art kilns on one site at Wollert places Austral Bricks Victoria in an excellent long term position.

In Queensland, the Riverview plant was closed and operations were consolidated to the more robust and flexible plant at Rochedale, whilst in Western Australia, Plant 3 at Cardup ceased operations in response to the structural changes in that market. The closure of Cardup and transfer of volume to the more modern Malaga manufacturing plant will increase the utilisation and efficiency of this operation. Once stock is depleted at Cardup, the reduced manufacturing footprint comprising Bellevue, Armadale and Malaga will provide a sustainable, efficient and appropriately sized manufacturing operation that will enhance returns in the Western Australian brick business.

During the year, **significant one-off costs** were incurred as a result of these restructuring activities. In Victoria these costs included the closure of Craigieburn, the remediation of Summerhill land and the commissioning of the new Wollert West kiln. There were significant redundancy and write-off costs in Austral Bricks Queensland and Western Australia due to the closure of the Riverview and Cardup plants respectively.

In addition to the capacity reduction by Austral Bricks, continued rationalisation of plant capacity by competitors provides some encouragement for an improved industry structure moving forward. The total capacity removed from service since 2009 now stands at an estimated 570 million standard brick equivalents (SBE). In most states industry capacity is now more closely matched with long term supply requirements and this should drive improved manufacturing efficiencies and increased earnings across the cycle.

Some progress was made in achieving **selling price increases**, up 4.0% compared to the prior year, however these were insufficient to cover the impact of the manufacturing slowdown and input cost increases. Most states have successfully implemented price rises, effective from 1 July 2012 with further increases planned throughout the year in an attempt to ensure that margins are not eroded as a result of rising gas prices and other input cost pressures, including the carbon tax.

Austral Bricks continues to focus on developing fashionable and market leading products to attract premium prices and consolidate the strong position that bricks hold as the material of choice in detached house walling.

Examples of this include the launch of product ranges such as Ultrasmooth in New South Wales, Metallix, Reveal and Luxe in Queensland and Colossus and Ceres in South Australia. In addition, the Daniel Robertson premium brick brand was successfully integrated into the Building Products portfolio in March 2012.

These initiatives have contributed to the strong trend back to face brick, as evidenced by face brick featuring in 85% of the 330 display homes built over the last two years in New South Wales, with Austral Bricks securing over 50% of all new display homes in that state. The renaissance of face brick is particularly encouraging for Austral Bricks as these products deliver higher margins than general purpose commons used for rendering, and the differentiated look and low maintenance finish combats the threat of alternative products.

Although clay brick continues to uphold its' dominant share of detached house walling, challenges remain in the multi-residential segment where market share of clay brick has been eroded over many years at the expense of alternatives such as precast concrete and lightweight inter-tenancy walling solutions. Encouragingly, face brick has maintained a strong presence in the lower storeys of high rise apartment developments, as part of the overall trend towards a low maintenance composite look.

New South Wales had a relatively strong year, with sales revenue stable compared to the prior year. Earnings were adversely impacted by lower volumes and extended plant shutdowns to reduce stock levels although strong price increases were able to offset these impacts to some extent. The three year retail upgrade strategy is now almost complete with the display centre at Beresfield opening early in financial year 2013.

Queensland delivered a negative contribution for the year, although performance improved significantly in the second half following the closure of the Riverview plant in January 2012. Significantly improved pricing outcomes were achieved, however required increases remain challenging, compromised by strong competition in the market.

Victoria had a particularly challenging year, as market activity declined sharply from the record high level of the previous year. Volume was also impacted as a result of interruptions in the integration of the new Wollert West plant. Commissioning of the new plant is now nearing completion, including the successful transition of the product range. An enhanced pressed brick product offering and the ramp up to full speed of the new kiln will significantly enhance the performance of Austral Bricks Victoria.

Western Australia suffered a significant fall in sales volume and profits as a result of the poor market conditions. In the last quarter in particular, changes to the Western Australian Building Act caused a significant reduction in residential approvals and Austral Bricks sales volume. These changes have meant that a strong increase in house sales has not yet been reflected in approvals data. Furthermore, strong competition in this market compromised the ability of the business to achieve target price increases, although progress has been made with major builders.

South Australia earnings were down on the prior period, with significantly lower volumes in line with market activity. Price growth of 5.4% compared to the prior year was unable to fully offset the impact of reduced volumes on manufacturing costs.

Tasmania delivered a lower EBIT result, on the back of lower sales revenue, down 15.0%. The exit of K&D Bricks from the Tasmanian market, announced in February, leaves Austral as the only remaining locally based manufacturer. Since the announcement, initiatives have been implemented to increase plant output to meet the expected increase in demand going forward.

New Zealand delivered a substantially improved result, driven by the uplift in building activity and increased market share. Results in the second half were particularly encouraging, with a strong position in the South Island allowing it to benefit from the Christchurch re-build.

Bristile Roofing earnings were down on the prior year, largely as a result of a decline in sales revenue of 15.7%, to $104.4 million. The exit of a major competitor in Queensland provided a significant boost to sales volume in that state.

The Western Australian business delivered a marginally improved result compared to the prior year despite the significant fall in housing starts, due to a re-structure of plant operations completed in the first half.

In July 2012 Bristile Roofing was appointed as an exclusive distributor for Spanish manufacturer La Escandella, to supply a premium range of terracotta tiles into the Australian and New Zealand market. On the East Coast, the La Escandella products will compliment the locally manufactured range and provides the business with significant growth opportunities at the higher margin premium end of the market.

In Western Australia the La Escandella relationship will facilitate a transition to imported roof tiles from local production. This transition is economical as a result of favourable exchange rates and the escalating costs of local terracotta rooftile manufacture. Local production costs have become uncompetitive due to the limitations of the Caversham plant, poor volumes and the sharp increase of gas and electricity price increases, exacerbated by the impost of the carbon tax.

Austral Masonry total sales revenue was down 3.3% to $53.4 million, primarily as a result of decreased volume. After a solid first half result, sales volume declined in the second half as wet weather and strong competition impacted deliveries along the East Coast.

The acquisition of the Cairns operation in March has enhanced Austral Masonry's position in Far North Queensland and together with the existing plant in Ayr, just south of Townsville, places the business in a leading position in this not only growing region, but dominant concrete block market.

Austral Masonry continues to expand its' product range, with the development of new products such as Magnumstone and Cornerestone allowing growth into the engineered retaining wall market.

Austral Precast delivered another increase in earnings on the back of a solid increase in sales revenue, up 20.3% to $68.1 million.

On the East Coast, the installation of a batching plant at the Wetherill Park in Sydney, enabling 24 hour operation, is nearing completion. This will allow the rationalisation of the current manufacturing footprint and further enhance manufacturing efficiencies.

In Queensland, the acquisition of an independent operator in March 2012 will deliver additional scale and manufacturing efficiencies following the consolidation of operations to one site in August.

Following a loss in the prior year, the Western Australian operation posted a positive result, on the back of solid price increases, together with improved manufacturing efficiencies resulting from plant upgrades and strong volume increases.

Auswest Timbers domestic sales revenue was up 12.4% on the prior year to $40.6 million, and earnings were up 29.4%, due in part to the integration of acquired operations in Western Australia. However export earnings were significantly lower than the prior year as the high Australian dollar adversely impacted demand from Asia.

The contribution from acquired assets in Western Australia was supported by another solid contribution from the roof tile batten operation in Fyshwick, where strong cost controls alleviated the impact of lower throughput caused by the current weakness in detached house construction activity.

Working capital was impacted by the requirement to re-build feedstock levels in the acquired Gunns business in Western Australia. Despite the short term impact of this stock re-build process, the substantial synergies that this acquisition brings to the Auswest operations in the Pemberton and Manjimup region delivered improved manufacturing efficiencies in the second half.

A long term log license agreement is in place in Western Australia, placing operations in that state in a secure position. However uncertainty remains over log supply for the Orbost mill in Victoria, with a final decision from VicForests on future supply arrangements in that state yet to be announced.

Land and Development

Land and Development produced an EBIT of $19.0 million for the year ended 31 July 2012, down 34.9% from $29.2 million in the prior year.

Property Sales were limited, contributing an EBIT of $0.7 million for the year, with the largest transaction being the sale of two hectares at the M7 Business Hub, Eastern Creek into the Property Trust to accommodate the expansion of the existing Toll facility.

The **Property Trust** generated an EBIT of $19.6 million, up from $12.5 million in the year ended 31 July 2011.

Net property income distributed from the Trust was $9.0 million for the year, up 26.8% on the prior year due to rental reviews, two new DHL facilities at Oakdale and the extension of the existing Linfox facility at Interlink, Erskine Park.

The revaluation profit of stabilised Trust assets totalled $5.3 million, up from $4.7 million in the previous year on flat capitalisation rates and increased income.

An EBIT of $4.5 million was contributed through the recognition of unrealised profit on the completion of two new DHL facilities on the Oakdale Estate. In addition, $0.8 million was contributed through the sale, above book value, of two vacant lots from the Heritage Trust.

The total value of the Property Trust assets as at 31 July 2012 was $655.4 million, with borrowings of $286.4 million, giving a total net value of $369.0 million. Brickworks share of the Trust's net asset value was $184.5 million up $0.5 million from $184.0 million at 31 July 2011. Revaluation uplift was offset by the sale of Lot 3 and Lot 5 from the Heritage Trust resulting in a capital distribution to Brickworks.

During the year, financing arrangements for the Trust were restructured and diversified, with significant headroom made available to fund additional growth opportunities.

Waste Management contributed a profit of $2.5 million from operations at Horsley Park in New South Wales, in line with the previous corresponding period.

Property administration **expenses** totalled $3.8 million for the year to 31 July 2012, significantly higher than the prior year due primarily to increased land tax on the remaining Oakdale property, due to its favourable zoning.

Investments

The EBIT from total investments was down 0.3% to $67.7 million in the year ended 31 July 2012.

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

The normalised profit from this investment was $66.6 million for the year, up marginally from $66.2 million in the year ended 31 July 2011.

The market value of Brickworks 42.72% shareholding in WHSP was $1.345 billion at 31 July 2012, up 1.7% on the value at 31 July 2011. This investment continues to provide diversity and stability to earnings, with cash dividends totalling $42.9 million received during the year.

WHSP has delivered outstanding returns over the short, medium and long term, outperforming the ASX All Ordinaries Accumulation Index by 12.4% p.a. over five years, 6.6% p.a. over ten years and 3.8% p.a. over fifteen years.

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

Items since Balance Date

On 1 August a fire at Auswest Timbers' Deanmill facility in Western Australia destroyed some of the product transfer infrastructure in part of the mill. Jarrah production has been temporarily transferred to Pemberton, whilst repair work is carried out at Deanmill. It is anticipated that Deanmill will return to production by Christmas.

On 15 August a fire in the new clay mill at Wollert resulted in a temporary slow down of production, with clay grinding shifted to the less efficient old mill. Repair work is now complete, following a round the clock effort by the Major Projects team to rebuild the mill and return it to full production on Saturday 15th September, exactly one month after the fire.

Whilst the Deanmill and Wollert fires are fully covered by insurance policies, additional measures and precautions are being instituted across all sites to reduce the likelihood of future fires.

Brickworks have signed a Heads of Agreement with CSR Building Products (NZ) Limited, outlining an intention to establish a Joint Venture arrangement for the sale and distribution of bricks in the New Zealand market. A submission to the New Zealand Commerce Commission was lodged on Monday 3rd September seeking approval for the Joint Venture.

Outlook

Building Products Group

Barring any unforseen external shocks, the latest forward indicators of housing activity indicate that we may be close to the bottom of the residential building cycle. However the recovery in building activity is likely to be patchy over the next twelve months with weak full-time employment growth, low confidence and poor affordability likely to eliminate any impact of cash rate reductions by the Reserve Bank of Australia. Furthermore, varying state government policies are expected to drive diverging outcomes across the major states.

The New South Wales government has taken unprecedented measures to revive building activity with extra resources made available to deal with development applications, and funds committed to build roads, sewerage and other infrastructure for new housing sites. The increase in the First Home Owners Grant from October 1, for properties up to $650,000 will also strongly assist.

The Victorian government on the other hand has cut the first home owners grant at a time when that state is in the midst of a significant decline in activity, albeit from record high levels. This is likely to result in a further decrease in demand, despite the release of significant parcels of land for development.

In Western Australia, a backlog of activity caused by changes to the Building Act in mid 2012, forecast robust employment growth and low vacancy rates support anecdotal evidence of a strong recovery in that state.

In Queensland, an increase in activity in the first half is expected as projects signed up prior to the expiry of the Building Boost grant on 30th April 2012 flow through. This work will be largely completed by December 2012. The government has now announced a new incentive for first home buyers, available from October 1, that should support building activity in the second half.

On balance, Brickworks anticipates a total of around 140,000 residential commencements for the year ending 31 July 2013, marginally up on the prior year, with increased activity in New South Wales and Western Australia likely to be offset by continuing declines in Victoria.

The outlook for the New Zealand market is positive, with the strong increase in building activity in the past six months expected to continue in the 2013 financial year, assisted by the Christchurch rebuild gathering momentum.

The majority of internal restructuring activities within the Building Products Group has now been completed, with all businesses now focussed on improving profitability with existing resources, and fully recovering cost imposts.

Land and Development

Two major **Property Trust** developments are currently under construction and due for completion in late calendar 2012. This comprises the Reedy Creek development on the M7 Business Hub in Sydney and Interlink, at Erskine Park in Sydney. The conclusion of these projects will provide additional rental returns and capital growth for the Property Trust.

The demand for new site developments is improving from a weak base across the broader market. DHL has pre-commited to a new 20,000m^2 facility at Oakdale in Sydney (DHL's third facility on this estate). Toll Holdings has also pre-committed to a 6,000m^2 expansion to its existing facility on the M7 Business Hub. Both of these projects are due for completion mid calendar 2013.

Land sales are expected to increase in the next twelve months with a strong pipeline of potential sales in place. Sales into the Property Trust during financial year 2013 are forecast to include a 60 hectare parcel of land at the Oakdale South site in Sydney and the first stage of the 30 hectare Rochedale site in Queensland, in both cases pending resolution of council and infrastructure issues.

In addition, following the closure of the Riverview brick operation in Queensland, the 12.2 hectare site will be developed, including refurbishment of the former factory building and the sub-division of vacant land, to occur in early calendar 2013.

Looking further ahead, a 120 hectare lot at Oakdale West in Sydney is also under review by the Department of Planning, to be rezoned from industrial to residential. If successful, this would bring forward the development of this land as well as increase its value. A response is expected by late calendar 2012.

Investments

The outlook for the Investments Group is clouded by continued volatility in global investment markets and commodity pricing. However on balance, the diversified nature of WHSP's investments should continue to deliver stable earnings to Brickworks.

Brickworks Group

Building Products earnings are expected to recover in the 2013 financial year, following internal restructuring activities completed in 2012. In the medium term, industry rationalisation and improvements in building activity will provide additional impetus to Building Products earnings.

A significant increase in land sales is also expected to boost earnings, whilst Investment earnings are expected to remain stable.

Significant changes in state of affairs

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

After balance date events

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

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

Likely developments and expected results of operations

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

Safety

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

Brickworks are committed to the health and safety of its employees, contractors and general public. A Brickworks core value is that "We don't want to make a profit by hurting anybody" and earnestly believe that all injuries are preventable. A safety culture is crucial to our operation's ongoing OH&S performance.

The board of Directors and Senior Managers are fully aware of their responsibilities in the management of Occupational Health and Safety. The Managing Director is briefed weekly on OH&S matters and performance by the Divisional General Managers and issued a full report at the end of each month. An OH&S report is presented to the Board and is an agenda item discussed at each Board meeting.

Brickworks have developed robust OH&S management systems, complying with all relevant Australian standards and legal obligations. These systems are designed to meet the needs of its employees, contractors and general public, and are in a class that ably support the Workers Compensation self insurance models operating in New South Wales, Victoria and Western Australia divisions.

Brickworks reviews safety performance at all levels of the business, with a view to continuous improvement. Various management and supervisory levels are given responsibilities for safety performance, with relevant staff being held accountable for this.

The Group consolidated its safety performance over this last year, with half its divisions not having recorded a lost time injury. The lost time injury frequency rate (LTIFR) was 2.99 injuries per million hours worked, an improvement on last year's 3.46 and our best result. The number of medical treatments recorded also reduced by 14.2% year on year. Whilst these results are pleasing, and reflect the sustained commitment of all Brickworks personnel to safety issues, there is still further room for improvement, with our ultimate goal being no workplace injuries.

The standardisation of the OH&S management systems nationally is progressing well, with gap analysis being performed to identify the level of compliance. External audits are also conducted to ensure the system and meets all relevant legislative requirements.

The Environment

The Brickworks Group understands and accepts its responsibility for environmental protection which is integral to the conduct of its commercial operations. Brickworks' objective is to comply with all applicable environmental laws and regulations and community standards in a commercially effective way. We are committed to encouraging concern and respect for the environment and emphasising every employee's responsibility for environmental performance. During the year, in excess of $1.5 million was spent on capital projects aimed at improving our environmental performance or rehabilitating operational sites.

In addition, the new Wollert West factory, a $65.0 million state of the art manufacturing facility was commissioned, replacing two older manufacturing facilities, resulting in substantial energy and emission improvements. When fully operational, overall energy consumption and greenhouse gas emissions are expected to reduce by over 60% at Austral Bricks Victorian operations.

The Government legislated a price on carbon with a commencement date of 1 July 2012 via the introduction of a Carbon Tax. The price has been set at $23 per tonne of carbon dioxide for the first year of the scheme. Again preparing the company for the carbon constrained future has been a critical issue facing Brickworks this year. Unlike most energy intensive businesses, Brickworks will not receive compensation under the legislation. However some of its more emissions intensive competitors such as the steel, cement and glass industries will receive 94.5% of their carbon permits for free, distorting the market towards higher emissions products. As all commercial operations, Brickworks intends to fully offset the increased costs associated with operating the business through product price rises.

In preparing for the price on carbon, managing energy use, emissions and associated costs have been integral to our operations and reducing the impact of the Carbon tax. Brickworks has two facilities with emissions expected to exceed the 25kT CO_2e threshold which will be directly liable under the scheme, namely Wollert (Austral Bricks Vic) and Plant 3 (Austral Bricks NSW). These facilities will be required to surrender permits at $23 for each tonne of CO_2e emitted. All remaining facilities which are below the threshold will have the cost of carbon passed through by their suppliers.

Being a large natural gas consumer, Brickworks successfully applied for and received an Obligation Transfer Number (OTN) from the Clean Energy Regulator. The OTN provides Brickworks with cashflow incentive by enabling Brickworks to manage the impact of the Carbon Tax on its consumption of natural gas, and surrender its obligation in February 2014 for the first year of the Carbon Tax, rather than receive the pass through costs each month on its Natural Gas Bills at $1.18/GJ commencing on the 1st July 2012.

Through the collection of revenue under the carbon tax, the Government has introduced a number of grants aimed at assisting organisation in implementing energy efficiency projects and reducing greenhouse gas emissions.

Brickworks is preparing to take advantage of these opportunities, and as of the date of this report has already submitted one application for a fuel switching project that will reduce CO2 emissions by over 60,000t over a 10 year period and reduce operating costs.

Brickworks actively participates in energy efficiency and greenhouse gas reporting schemes which have assisted in reducing costs, energy consumption, and greenhouse gas emissions. The programs have also led to measurable improvements of systems and processes for data capture and storage, measuring and calculating emissions and implementing energy saving initiatives. These programs include:

- Energy Efficiency Opportunities (EEO) Act 2006 – this programme encourages large energy users to implement management systems aimed at measuring and analysing energy usage within their plants and identifying and implementing energy reduction strategies. All of the largest Brickworks sites covering over 90% of Brickworks total energy consumption have been assessed and had energy audits undertaken to Level 2 status.
- National Greenhouse and Energy Reporting (NGER) Act 2007 – this programme requires organisations to measure and report their energy consumption, production and greenhouse gas emissions under strict protocols. Brickworks has been measuring its energy consumption and emissions for some 15 years and this program has assisted Brickworks to streamline its processes for data capture, measuring, calculating and reporting energy and emissions. The data is subsequently collated and reported monthly to Senior Management and the Board.
- National Pollution Inventory (NPI) – The NPI provides the government, community and industry with information to substances and emissions estimates for 93 toxic substances. Brickworks have been fulfilling its mandatory reporting requirements under this scheme.
- Environment and Resource Efficiency Program (EREP) – this programme was established by the Environment Protection Act 2006 (Victoria only) to assist the state's largest energy and water users to achieve financial benefits by assessing their resource use efficiency (energy, water and materials use and waste generation). While many of the energy saving projects are already covered in Brickworks' EEO submission, water and resource saving and waste reduction initiatives have also been committed to.
- Energy Saving Action Plans (ESAP) – this program is administered by the NSW Office of Environment & Heritage and requires large energy users in NSW to submit a detailed energy efficiency plan and subsequent annual progress reports.

Brickworks are a Housing Industry Australia (HIA) Green Smart Leader and support research on Thermal Performance and Life Cycle Analysis of Australian Housing in association with the University of Newcastle. Brickworks has been actively promoting the benefits of Bricks over lightweight competing products since the release of a publication based on 8 years of research and development with the University of Newcastle which concluded that houses built with Bricks and their inherent thermal mass properties have far superior energy efficiency performance compared to housing constructed from lighter weight materials.

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

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

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

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

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

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

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

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

Audit and assurance programs are an integral aspect of Brickworks environment management systems assisting in measuring performance and mitigating environmental risks. A total of 20 independent annual audits were completed this year, which were supplemented by internal audits carried out by Brickworks environmental personnel. The independent environment auditors complete an environmental compliance audit of all factory sites every two years whilst internal environmental managers audit the sites every other year. The purpose of this is to ensure compliance with all current licences and regulations and identify risks of an adverse environmental event under any other relevant legislation.

During the year, results of our environmental management process indicated that some emissions were in excess of licence limits. The Company has investigated all these non-compliances, working closely with the relevant authorities to resolve these issues. There have been no prosecutions arising as a result of these.

Information on Directors

Robert D. Millner FAICD
Chairman

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

Other directorships:

Washington H. Soul Pattinson and Co. Ltd	Director since 1984
New Hope Corporation Ltd	Director since 1995
TPG Telecom Ltd	Director since 2000
BKI Investment Company Ltd	Director since 2003
Milton Group	Director since 1998
Australian Pharmaceutical Industries Ltd	Director since 2000
Souls Private Equity Ltd	Appointed 2004, Resigned 2012

Michael J. Millner MAICD
Deputy Chairman

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

Other directorships:

Washington H. Soul Pattinson & Co Ltd	Director since 1997
Ruralco Holdings Ltd	Director since 2007

Lindsay R. Partridge AM; BSc. Hons. Ceramic Eng; SFCDA; Dip CD
Managing Director

Mr Partridge is a Ceramic Engineer who worked extensively in all facets of the industry in Australia and the United States of America before joining The Austral Brick Company in 1985. He held various senior management positions at Austral before being appointed Chief Executive Officer in 1999, and was subsequently appointed to the Board in 2000. Since then, Brickworks has grown significantly in terms of size and profitability as its operations have become Australia-wide, with its product range extending beyond bricks to roof tiles, pavers, masonry and precast concrete, and activities expanding into property development. In 2008, Mr Partridge completed the Stanford University Executive Development Program. Mr Partridge has also had extensive industry involvement, and is currently a director of various industry bodies, including the Australian Brick and Blocklaying Training Foundation, and the Clay Brick and Paver Institute (Think Brick Australia). In 2012 he was awarded the Member of the Order of Australia for services to the Building and Construction Industry, particularly in the areas of industry training and career development, and to the community. He is a director of Children's Cancer Institute Australia.

Brendan P. Crotty LS; DQIT; Dip.Bus Admin; MAPI; FAICD; FRICS
Director

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

Other directorships:

Australand Funds Management Ltd	Director since 2007
GPT Group	Director since 2009

David N. Gilham FCILT; FAIM; FAICD
Director

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

The Hon. Robert J. Webster MAICD; MAIM; JP
Director

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

Other directorships:

Allianz Australia Insurance Ltd	Director since 1997
Viridis Investment Management Ltd	Appointed 2005, Resigned 2010

Information on Chief Financial Officer and Company Secretary

Alexander J. Payne B.Comm; Dip CM; FCPA; FCIS; FCSA; JP
Chief Financial Officer

Mr Payne is an accountant with significant financial experience, who joined The Austral Brick Company in 1985. In 1987 he was appointed Group Company Secretary, and was appointed Chief Financial Officer in 2003. He is a Director of BKI Investment Company Ltd. In 2011, Mr Payne completed the Stanford University Executive Development Program.

Iain H. Thompson B.Ec; CA; Grad Dip CSP; FCIS; FCSA
Company Secretary

Mr Thompson is a chartered accountant who joined The Austral Brick Company in 1996. He worked in various accounting roles within the Company before being appointed Group Company Secretary in 2003.

Meetings of Directors

As at the date of this report there is an Audit and Risk Committee and a Remuneration Committee. During the financial year, 15 meetings of Directors (including committees) were held. Attendances were:

	DIRECTORS' MEETINGS		REMUNERATION COMMITTEE MEETINGS		AUDIT AND RISK COMMITTEE MEETINGS	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
R.D. Millner	10	10	2	2	-	-
M.J. Millner	10	10	2	2	3	3
L.R. Partridge	10	10	-	-	-	-
B.P.Crotty	10	10	2	2	3	3
D.N. Gilham	10	10	2	2	-	-
R.J. Webster	10	10	2	2	3	3

Directors interests

As at 20 September 2012, Directors had the following relevant interests in Brickworks shares:

	Ordinary Shares
R.D. Millner	5,396,192
M.J. Millner	5,371,433
L.R. Partridge	251,917
B.P. Crotty	10,209
D.N. Gilham	102,268
R.J. Webster	15,922

As at 20 September 2012, no Director had relevant interests in debentures of, or interests in a registered scheme made available by Brickworks or a related body corporate.

As at 20 September 2012, no Director had any rights or options over shares in debentures of, or interests in a registered scheme made available by Brickworks or a related body corporate.

As at 20 September 2012, there were no contracts entered into by Brickworks or a related body corporate to which any Director is party, or under which any Director is entitled to benefit nor were there any contracts which confer any right for any Director to call for or deliver shares in, debentures of, or interests in a registered scheme made available by Brickworks or a related body corporate.

REMUNERATION REPORT

The remuneration report has been audited.

Remuneration committee

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

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

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

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

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

Non-executive Directors

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

The maximum aggregate level of fees which may be paid to non-executive Directors is required to be approved by shareholders in a general meeting. This figure is currently $800,000, and was approved by shareholders at the Annual General Meeting on 31 October 2003. It is not proposed to vary this amount at the 2012 Annual General Meeting.

For the year ended 31 July 2012, Brickworks paid non-executive Directors base fees of $100,000 per annum, with the chairman of the Board receiving $200,000 per annum, and the chairman of the Audit and Risk Committee receiving an additional $10,000 per annum. All Directors are entitled to receive superannuation contributions at the statutory rate (9%) on these amounts. The total aggregate fees paid to non-executive Directors during the year was within the maximum approved by shareholders.

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

Executive Directors and executives

Board policy for determining remuneration

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

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

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

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

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

Performance based remuneration

Brickworks Incentive Scheme has been designed to focus executives on the necessity to achieve a range of planned targets for their respective businesses. The variable remuneration program is structured around the achievement of annual performance criteria having regard to an individual's capacity to influence the area of responsibility, and is payable following recommendation by the Managing Director and approval by the Remuneration Committee. Funding for the Incentive Scheme accrues based on divisional and group earnings.

Variable remuneration available as a proportion of total salary for an employee increases as that employee gains greater responsibility and has greater capacity to influence the performance of the business as a whole. The proportion of remuneration related to performance for the Managing Director and Chief Financial Officer is at the discretion of the Remuneration Committee. For the other specified executives and senior managers covered by the Incentive Scheme, the potential variable component is up to 37.5% of base salary, adjusted up or down for performance compared against prior years.

Total variable remuneration payments for the 2012 financial year reduced further from 2011's low levels, with a number of senior executives, including the Managing Director and Chief Financial Officer, again receiving no variable remuneration for the year.

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

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

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

Brickworks Employee Share Plan

Brickworks Employee Share Plan operates as part of the remuneration structure of the group. All employees of Brickworks with a minimum 3 months service are eligible to join the plan, whereby the employee may salary sacrifice an amount toward the purchase of Brickworks Ordinary shares and the Company contributes a maximum of $3 per employee per week. The plans are aimed at encouraging employees to share in ownership of their Company, and help to align the interests of all employees with that of the shareholders.

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

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

Brickworks Employee Share Plan is seen as both an employee retention mechanism, due to the service criteria attaching to the vesting of the shares, and a method of aligning employee interests with those of external shareholders. At 31 July 2012, there were 716 employees participating in the share plans, holding 1,283,527 shares (0.87% of issued capital).

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

During the year, all monthly share purchases through the Brickworks Employee Share Plans were performed on market, as were all bonus shares granted through the Employee Share Plans.

Options

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

Superannuation

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

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

Company performance, shareholder wealth and remuneration

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

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

The Board and Senior Management accept that a number of factors have contributed to recent poor share price performance, however the Board is of the opinion that the strategies and efforts adopted by the Group are appropriate to provide long term results to shareholders. Performance based remuneration is tied to performance of the building products and property segments, interest and tax expenses, however the share price is also influenced by factors outside of management's control. Recent share price pressures have come from a range of sources, including building material stocks facing particularly challenging conditions, investors not giving any weight to the value of the Group's look-through exposure to the strong resources sector (through SOL and NHC), and broader economic issues such as the potential profit impact of the carbon tax, and uncertainty in global financial markets generally.

Whilst the share price does not currently reflect the efforts of the board and management, management have had performance based remuneration cut significantly to appropriate levels given current returns. The changes noted above indicate that the board is prepared to adjust remuneration levels to appropriately match company performance, and the board is satisfied that the previously described remuneration policies will lead to continued improvement to shareholder wealth over the long term.

	2008	**2009**	**2010**	**2011**	**2012**
Total revenue (millions)	$553.7	$593.5	$656.5	$635.6	$556.9
Net profit before significant items after tax (millions)	$108.2	$113.7	$110.2	$100.8	$78.9
Net profit after tax (millions)	$101.5	$305.2	$138.8	$142.6	$43.3
Share price at year end	$11.90	$12.85	$11.81	$9.90	$10.08
Dividends – ordinary shares (cents)	39.0	39.0	40.0	40.5	40.5

Details of Key Management Personnel

Directors

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

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

Executives

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

Mr A. Payne	Chief Financial Officer
Ms M. Kublins	Executive General Manager – Property & Development
Mr D. Fitzharris	Group General Manager Sales – Brickworks Building Products
Mr M. Finney	Group General Manager – Austral Bricks East Coast
Mr P. Scott	Group General Manager WA – Brickworks Building Products
Mr D. Millington	General Manager – Bristile Roofing East Coast

On 9 May 2011 Mr Mark Finney was appointed by the company and forms part of the Key Management Personnel disclosures from this date. From the same date, Messrs Caughey and Ellenor are no longer categorised as Key Management Personnel for financial reporting purposes, but remain in their same positions within the group.

Remuneration of Individual Key Management Personnel

Directors	Year	Short term employee benefits: Base salary / fees	Short term employee benefits: Short term bonus (1)	Short term employee benefits: Non-monetary benefits	Post employment (Super)	Share based payment (Long term incentive) (2)	Termination benefits	Total
R. Millner	2012	200,000	-	-	18,000	-	-	218,000
	2011	195,833	-	-	17,625	-	-	213,458
M. Millner	2012	100,000	-	-	9,000	-	-	109,000
	2011	97,917	-	-	8,813	-	-	106,730
B. Crotty	2012	100,000	-	-	9,000	-	-	109,000
	2011	97,917	-	-	8,813	-	-	106,730
D. Gilham	2012	100,000	-	-	9,000	-	-	109,000
	2011	97,917	-	-	8,813	-	-	106,730
R. Webster	2012	110,000	-	-	9,900	-	-	119,900
	2011	107,917	-	-	9,713	-	-	117, 630
L. Partridge	2012	1,079,146	-	66,777	15,833	217,500	-	1,379,256
	2011	1,060,063	-	60,088	49,998	436,693	-	1,606,842
Totals	2012	1,689,146	-	66,777	70,733	217,500	-	2,044,156
	2011	1,657,564	-	60,088	103,775	436,693	-	2,258,120

Other Key Management Personnel	Year	Short term employee benefits: Base salary / fees	Short term employee benefits: Short term bonus (1)	Short term employee benefits: Non-monetary benefits	Post employment (Super)	Share based payment (Long term incentive) (2)	Termination benefits	Total
A. Payne	2012	502,403	-	25,229	40,730	109,050	-	677,412
	2011	491,293	-	35,168	44,216	250,488	-	821,165
M. Kublins	2012	364,840	-	34,167	23,758	67,874	-	490,639
	2011	335,563	142,500	32,473	28,898	157,635	-	697,069
D. Fitzharris	2012	348,124	-	36,700	23,758	67,874	-	476,456
	2011	349,345	75,000	50,907	30,860	98,645	-	604,757
M. Finney (3)	2012	528,504	-	21,132	24,289	50,000	-	623,925
	2011	122,567	-	1,466	8,530	-	-	132,563
P. Scott	2012	351,952	-	22,039	15,833	67,874	-	457,698
	2011	379,806	-	31,007	15,186	148,628	-	574,627
P. Caughey (3)	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011	203,422	112,500	24,901	18,062	61,224	-	420,109
M. Ellenor (3)	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011	198,045	75,000	18,326	16,686	56,153	-	364,210
D. Millington	2012	261,567	-	16,955	29,202	48,187	-	355,911
	2011	254,427	106,875	24,480	22,898	90,368	-	499,048
I. Thompson (4)	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011	187,989	25,000	16,960	16,919	38,033	-	284,901
Totals	2012	2,357,390	-	156,222	157,570	410,859	-	3,082,041
	2011	2,522,458	536,875	235,688	202,255	901,174	-	4,398,449

Notes

(1) The short term bonus amounts disclosed were approved by the Remuneration Committee on 31July 2012, in relation to performance during the 2012 financial year (2011 granted on 29 August 2011). The short term bonus payments were made during the September following approval.

(2) Share rights are valued at their grant date and the values are allocated evenly over the period from grant date to vesting date. The amounts disclosed above relate to that portion of the period from grant date to vesting date that fall within the current financial period in accordance with AASB 2. On the same date as the Remuneration Committee approved the short term bonus, they also approved various long term incentive amounts for each of the employees listed above, to be granted as shares in the Deferred Employee Share Plan (as outlined in the section on the share plan above).

(3) On 9 May 2011 Mr M. Finney was appointed by the company and forms part of the KMP disclosures from this date. From the same date, Messrs Caughey and Ellenor are no longer categorised as KMP for financial reporting purposes, but remain in their same positions within the group.

(4) Mr I. Thompson is no longer categorised as KMP for financial reporting purposes, but remains in the same position within the group.

Discussion in relation to specific executives

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

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

In October 2011 Mr Finney was allocated $250,000 in Brickworks shares under his sign on agreement. These shares are subject to a progressive clawback condition if Mr Finney was to terminate within five years from his commencement date (9 May 2011).

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

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

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

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

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

Auditor's independence declaration

The Directors received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 19 of the report.

Provision of non-audit services by external auditor

During the year the external auditors, Ernst & Young, provided non-audit services to the Group, totalling $17,800. The Directors through the Audit and Risk Committee are of the opinion that the provision of non-audit services has not compromised the independence of the auditors.

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

The details of total amounts paid to the external auditors are included in note 6 to the financial statements.

Proceedings on behalf of the Company

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

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

Indemnification of Directors and Officers

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

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

Rounding of Amounts

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

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

Dated 20 September 2012.

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

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AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Brickworks Limited

In relation to our audit of the financial report of Brickworks Limited for the financial year ended 31 July 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

R Robinson

Renay Robinson
Partner
20 September 2012

BRICKWORKS LIMITED

A.B.N. 17 000 028 526

CORPORATE GOVERNANCE STATEMENT

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

This Corporate Governance statement has been summarised into sections in line with the 8 essential corporate governance principles as specified in the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations (2nd Edition)", as issued in June 2010.

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

Lay solid foundations for management and oversight

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

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

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

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

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

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

Structure the Board to add value

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

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

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

Brickworks does not have a separate nomination committee, however the non-executive members of the Board who are not up for re-election at the next AGM fulfil the role of a nomination committee. These non-executive

Directors are responsible for reviewing the composition of the Board to ensure that it comprises Directors with an appropriate mix of experience and expertise. Where a vacancy exists on the Board or where the non-executive Directors consider that the Board would benefit from the appointment of additional Directors with particular expertise or experience, the non-executive Directors, in conjunction with external advisors if appropriate, will select suitable candidates. Any Director appointed by the Board in this manner must be elected by shareholders at the next Annual General Meeting.

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

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

Promote ethical and responsible decision-making

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

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

A summary of the main principles of the Brickworks share trading policy are outlined below:

- Brickworks' Directors and employees are prohibited from trading in shares of Brickworks when in possession of price sensitive information about Brickworks Limited or its business and this information is not available to the public.
- Directors and employees are also prohibited from encouraging another person (for example, family members or business colleagues) to deal in Brickworks Shares when they have "inside information".
- Brickworks has established share trading windows during which employees or Directors of the Company may trade shares in the Company. These windows are each for a period of six (6) weeks duration commencing at:
    1. the announcement of the Yearly result to the ASX;
    2. the AGM date;
    3. the announcement of the half yearly result to the ASX; and
    4. the lodgement of a prospectus.
- Directors and employees are restricted from trading in Brickworks shares during these trading windows if they are in possession of price sensitive information.
- There is a absolute prohibition on the trading of shares between the end of a financial period and the release of results to the ASX relating to that period.
- In exceptional circumstances, senior management and Directors may trade outside these windows, providing they obtain written approval from the Managing Director or Chairman respectively prior to trading. Exceptional circumstances can include severe financial hardship and the requirement to comply with a legal or regulatory requirement.
- This restriction does not apply to a limited number of scenarios, including where there is a no change in the beneficial interest; where the trading is done through a fund or scheme where investment decisions are at the discretion of a third party; participation in an offer made to all or most Brickworks shareholders (such as a rights issue or dividend reinvestment plan); or monthly share purchases made by the Brickworks Employee Share Plans.

Brickworks' Equal Employment Opportunity policy can be summarised in the following extracts from the full policy:

"Brickworks is committed to a policy of equal employment opportunity (EEO) which aims to prevent the existence of discriminatory practices or measures which may hinder equitable selection, progress or access to benefits of all employees."

"Specifically, Brickworks aims to... objectively select people on merit, encompassing assessment of individual skills, qualifications, abilities and aptitudes" and to "not discriminate on the basis of characteristics which may include race, age, colour, national origin, sex, marital status, pregnancy, religion, political conviction, physical impairment or sexual preference"

Brickworks recognises it has legal and moral obligations not to discriminate on any basis, and is conscious of ensuring that its workforce reflects the diverse nature of the locations it operates in. Over time the company has improved its facilities in a number of its locations to promote opportunities for female operators and employees with physical disabilities. Brickworks is also committed to increasing the number of indigenous employees in the workforce. The company strives to improve shareholder value by ensuring the best candidate for any position is appointed.

As part of its ongoing obligations to comply with federal requirements, Brickworks reports annually under the

Equal Opportunity for Women in the Workplace Act. The EEO policy does not specifically require the Board to establish measurable objectives toward gender diversity, however the Board considers the following objectives to be appropriate:

Board membership: At the point at which a board vacancy arises, the nomination committee will ensure that the male and female candidates with the best skills and experience as required for the vacant position will be assessed for the role. Brickworks is committed to having the best director in the role, having regard to the skills and experience required. Due to the low number and turnover of directors, Brickworks has not set a defined target for female board representation.

Executive group: At the point at which a position on the Executive Group becomes available, the best internal candidates (male and female) will be assessed, along with (where applicable) the best male and female external candidates for the role (noting that Brickworks has a policy of promoting from within where possible). Brickworks goal is to have increased female executive representation to 25% by the year 2020. As a means of achieving this objective, all management positions should be advertised internally, with the best male and female candidates being assessed for the role.

Whole of organisation: Nearly 50% of Brickworks employees are in shop floor manufacturing roles, where it has traditionally been very difficult to attract and retain female employees. Women currently comprise only 3% of shop floor roles, and Brickworks is committed to increasing the shop floor female presence to 5% of employees by 2015. In less 'traditional' male areas such as sales and administration, Brickworks currently has a majority of female employees, with 59% representation in these areas, including a number in roles structured to suit flexible working hours. Overall, women currently comprise 18% of Brickworks total workforce. Brickworks goal is to increase this representation to 25% by the year 2020.

Each year the Board will report on these objectives and progress towards them as part of the Corporate Governance statement.

Safeguard integrity in financial reporting

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

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

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

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

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

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

Make timely and balanced disclosure

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

Respect the rights of shareholders

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

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

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

Recognise and manage risk

Brickworks is committed to the management of risks throughout our operations to protect our employees, shareholders, the environment, our assets, earnings, markets and reputation. Board responsibility for risk management resides with the Audit and Risk Committee.

Brickworks has implemented a risk management framework consistent with each element of the Australian Risk management Standard AS/NZS31000:2009. Key Elements of the comprehensive framework covered material Commercial, Business Process, Financial, Human Resources, Information, Property, Environmental, Health and Safety and Insurable Risks.

This risk initiative complements previous actions including the specific risk management policies contained within the Brickworks group policy manual, which are aimed at assisting the Board in the management of risk and legal matters. Certain risk management techniques, including foreign currency and interest rate hedging, may only be undertaken where approved by the full Board of Directors.

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

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

Remunerate fairly and responsibly

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

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

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

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

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

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

BRICKWORKS LIMITED
AND CONTROLLED ENTITIES A.B.N. 17 000 028 526
STATEMENT OF COMPREHENSIVE INCOME AS AT 31 JULY 2012

	NOTE	CONSOLIDATED 31 JULY 12 $000	CONSOLIDATED 31 JULY 11 $000
Revenue	3	556,911	635,615
Cost of sales		(405,334)	(467,338)
Gross profit		151,577	168,277
Other income	3	(60)	3,541
Distribution expenses		(50,758)	(56,058)
Administration expenses		(20,582)	(21,313)
Selling expenses		(55,526)	(59,959)
Borrowing costs expense	4	(25,215)	(21,155)
Other expenses		(59,205)	(11,338)
Share of net profits of associates and joint ventures accounted for using the equity method	25, 26	86,867	168,517
Profit from ordinary activities before income tax expense		27,098	170,512
Income tax attributable to profit from ordinary activities	5	16,206	(27,961)
Profit from ordinary activities after income tax expense		**43,304**	**142,551**
Other comprehensive income Foreign currency translation		(358)	(408)
Share of increments / (decrements) in reserves attributable to associates and joint ventures		(14,305)	(103,100)
Income tax on items of other comprehensive income		3,557	31,357
Other comprehensive income for the period, net of tax		**(11,106)**	**(72,151)**
Total comprehensive income for the period		**32,198**	**70,400**
Net profit attributable to members of the parent entity		43,304	142,551
Total comprehensive income for the period attributable to members of the parent entity		32,198	70,400
Basic earnings per share (cents per share)	8	29.3	96.7
Diluted earnings per share (cents per share)	8	29.3	96.7

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

BRICKWORKS LIMITED
AND CONTROLLED ENTITIES A.B.N. 17 000 028 526
STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2012

	NOTE	CONSOLIDATED 31 JULY 12 $000	CONSOLIDATED 31 JULY 11 $000
CURRENT ASSETS			
Cash assets	9	14,553	50,617
Receivables	10(a)	79,354	83,639
Held for trading financial assets	11	11	14
Inventories	12(a)	163,141	153,575
Land held for resale	13(a)	9,657	1,249
Tax receivable		1,370	3,606
Prepayments		7,442	5,864
Derivative financial instruments	19(a)	-	139
TOTAL CURRENT ASSETS		275,528	298,703
NON-CURRENT ASSETS			
Receivables	10(b)	-	201
Inventories	12(b)	8,301	8,372
Land held for resale	13(b)	14,742	23,742
Investments accounted for using the equity method	14	1,242,736	1,211,298
Property, plant and equipment	15	450,201	450,520
Intangible assets	16	269,486	285,650
TOTAL NON-CURRENT ASSETS		1,985,466	1,979,783
TOTAL ASSETS		2,260,994	2,278,486
CURRENT LIABILITIES			
Payables	17	73,024	58,863
Provisions	20(a)	32,144	34,755
TOTAL CURRENT LIABILITIES		105,168	93,618
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	18(a)	298,574	297,929
Derivative financial instruments	19(b)	5,958	1,755
Provisions	20(b)	22,973	25,397
Deferred taxes	21	165,713	184,041
TOTAL NON-CURRENT LIABILITIES		493,218	509,122
TOTAL LIABILITIES		598,386	602,740
NET ASSETS		1,662,608	1,675,746
EQUITY			
Contributed equity	22	325,802	325,018
Reserves	23	284,426	296,396
Retained profits		1,052,380	1,054,332
TOTAL EQUITY		1,662,608	1,675,746

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

BRICKWORKS LIMITED
AND CONTROLLED ENTITIES A.B.N. 17 000 028 526
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2012

	NOTE	Ordinary Shares $000	Treasury Stock $000	Capital Profits Reserve $000	Equity Adjustments Reserve $000	General Reserve $000	Foreign Currency Reserve $000	Share Based Payments Reserve $000	Associates & JV's Reserve $000	Retained Earnings $000	Total $000
Total equity as at 1 August 2010		329,047	(6,381)	88,102	(44,941)	36,125	(1,643)	1,024	288,550	960,051	1,649,934
Net profit for the year		-	-	-	-	-	-	-	-	142,551	142,551
Other comprehensive income for the year		-	-	-	31,357	-	(408)	-	(103,100)	-	(72,151)
Total comprehensive income for the year		-	-	-	31,357	-	(408)	-	(103,100)	142,551	70,400
Transactions with owners in their capacity as owners											
Dividends provided or paid during the year	7	-	-	-	-	-	-	-	-	(48,513)	(48,513)
Issue of shares	22(a)	3,769	-	-	-	-	-	-	-	-	3,769
Purchase / issue of shares through employee share plan	22(b)	-	(4,553)	-	-	-	-	-	-	-	(4,553)
Shares vested to employees	22(b)	-	3,136	-	-	-	-	-	-	-	3,136
Share of associates transfer to outside equity interests		-	-	-	-	-	-	-	-	152	152
Share of associates transfer from / (to) retained earnings									(91)	91	-
Share based payments		-	-	-	-	-	-	1,421	-	-	1,421
		3,769	(1,417)	-	-	-	-	1,421	(91)	(48,270)	(44,588)
Total equity as at 31 July 2011		332,816	(7,798)	88,102	(13,584)	36,125	(2,051)	2,445	185,359	1,054,332	1,675,746
Net profit for the year		-	-	-	-	-	-	-	-	43,304	43,304
Other comprehensive income for the year		-	-	-	4,333	-	(358)	-	(14,305)	-	(11,106)
Total comprehensive income for the year		-	-	-	4,333	-	(358)	-	(14,305)	43,304	32,198
Transactions with owners in their capacity as owners											
Dividends provided or paid during the year	7	-	-	-	-	-	-	-	-	(48,373)	(48,373)
Purchase of shares through employee share plan	22(b)	-	(2,882)	-	-	-	-	-	-	-	(2,882)
Shares vested to employees	22(b)	-	3,666	-	-	-	-	-	-	-	3,666
Share of associates transfer to outside										3,120	3,120
equity interests		-	-	-	-	-	-	-	3	(3)	-
Share based payments		-	-	-	-	-	-	943	-	-	943
		-	784	-	-	-	-	943	3	(45,256)	(43,526)
Total equity as at 31 July 2012		332,816	(7,014)	88,102	(9,251)	36,125	(2,409)	3,388	171,057	1,052,380	1,662,608

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2012

	NOTE	CONSOLIDATED 31 JULY 12 $000	CONSOLIDATED 31 JULY 11 $000
Cash flows from operating activities			
Receipts from customers		611,970	680,020
Payments to suppliers and employees		(582,581)	(647,630)
Proceeds from land held for resale		-	18,750
Interest received		1,083	1,717
Borrowing costs		(20,021)	(19,513)
Dividends and distributions received		52,584	57,113
Income tax paid		1,461	(1,435)
Net cash flows from / (used in) operating activities	24(a)	64,496	89,022
Cash flows from investing activities			
Purchases of investments		(78)	(3,153)
Proceeds from the sale or return of investments		3,800	6
Payment for business acquisition net of cash acquired	29(b)	(19,726)	(17,110)
Proceeds from sale of property, plant and equipment		3,920	4,644
Purchases of property, plant and equipment		(28,911)	(35,656)
Net cash flows from / (used in) investing activities		(40,995)	(51,269)
Cash flows from financing activities			
Proceeds from borrowings		49,000	70,000
Repayment of borrowings		(49,000)	(70,000)
Net proceeds from issue / (repayment) of shares		-	(10)
Loan (to) / from other entity		200	(714)
Dividends paid		(59,765)	(59,765)
Net cash flows from / (used in) financing activities		(59,565)	(60,489)
Net increase / (decrease) in cash held		(36,064)	(22,736)
Cash at beginning of year		50,617	73,353
Cash at end of year	9	14,553	50,617

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Brickworks Limited is a listed public company, incorporated and domiciled in Australia. These accounts were authorised for issue in accordance with a resolution of the directors on 20 September 2012.

The financial report includes financial statements for the consolidated entity consisting of Brickworks Limited and its subsidiaries ("the Group").

(a) Basis of preparation and Statement of compliance

The financial statement is a general purpose financial statement that has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards.

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

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

(b) New accounting standards and interpretations

The principal accounting policies adopted in the preparation of the financial statement are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

There were no accounting standards that became effective during the year that impacted on the group's financial statements.

(c) Principles of consolidation

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

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

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

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

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

(d) Revenue

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

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

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

Revenue from construction contracts is recognised by reference to the stage of completion of a contract or contracts in progress at reporting date or at the time of completion of the contract and billing to the customer. Stage of completion is measured by reference to the number of units installed as a percentage of the number of units for the total contract, which is determined under the contract with the customer. As the number of units is defined in the contract, any level of judgement required is minimal.

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

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

Rental revenue from investment properties is accounted for on a straight line basis over the lease term.

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

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

(e) Finance costs

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

(f) Income tax

Current tax

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

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

(f) Income tax (cont)

Deferred tax

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

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

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

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

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

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

Tax consolidation

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

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

(g) Earnings per share

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

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

(h) Cash and cash equivalents

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

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

Cash and cash equivalents are stated at nominal value.

(i) Receivables

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

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

(j) Inventories

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

(k) Land held for resale

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

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

(l) Property, plant and equipment

Land is carried at cost less any impairment losses.

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

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

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

Depreciation

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

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

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

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

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

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

(m) Leases

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

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

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

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

(n) Financial assets

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

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

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

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

Held-to-maturity investments

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

Available-for-sale financial assets

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

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

Loans and Receivables

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

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

(n) Financial assets (cont)

Derecognition

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

Impairment

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

(o) Investments in associates

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

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

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

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

(p) Investments in joint ventures

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

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

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

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

(q) Investment property

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

(r) Intangibles

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets (including contingent liabilities) at the date of acquisition. Goodwill on acquisition of associates is included in investments in associates. Any goodwill acquired in a business combination is allocated to each of the cash generating units (CGU's) expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates. Where this recoverable amount is less than the carrying amount, an impairment loss is recognised. Impairment losses recognised for goodwill are not subsequently reversed.

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

Log licences

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

Brand names

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

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

(s) Acquisition of assets

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

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

(t) Impairment of assets

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

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

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

(u) Payables

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

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

(v) Provisions

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

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

(w) Employee benefits

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

Share-based payments

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

(x) Restoration and rehabilitation

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

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

(y) Interest bearing liabilities

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

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

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

(z) Financial instruments issued by the Company

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

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

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

(aa) Derivatives

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

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

Fair value hedge

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

Cash flow hedge

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

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

Derivatives that do not qualify for hedge accounting

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

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

(ab) Derecognition of financial liabilities

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

(ac) Government grants

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

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

(ad) Reserved shares

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

(ae) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments have been identified based on the information provided to the Managing Director.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products;
- Nature of the production process;
- Type or class of customer for the products;
- Methods used to distribute the products; and
- Nature of the regulatory environment.

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

(ae) Operating segments (cont.)

Management has determined that reportable segments are based around products. A number of identified operating segments have been aggregated to form both the Building Products segment and the Property segment.

The accounting policies used by the Group in reporting segments internally are the same as those used by the Group in these consolidated financial statements.

(af) Goods and Services Tax (GST)

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

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

(ag) Foreign currency transactions and balances

Functional and presentation currency

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

Transaction and balances

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

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

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

Group companies

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

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

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

(ah) Significant accounting estimates and assumptions

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

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

(ai) Accounting standards issued but not yet effective

A number of Australian accounting standards have been issued but have not been adopted for the financial year ended 31 July 2012.

The Group has assessed the impact of the following new or amended standards and interpretations which are effective for the group, and are of the opinion that there will not be any changes required to amounts recognised in the financial statements. It is anticipated that there will be some changes to information disclosures required:

Amendments to financial statements – 2011-9 (effective application for Brickworks 1 August 2012)

AASB 12: Disclosures of Interests in Other Entities (effective application for Brickworks 1 August 2013)

AASB 13: Fair Value Measurement (effective application for Brickworks 1 August 2013)

AASB 119: Employee Benefits (effective application for Brickworks 1 August 2013)

Annual improvements 2009-2011 cycle (IFRS amendment yet to be adopted by AASB) (effective application for Brickworks 1 August 2013)

The Group is still assessing the impact of the following new or amended standards:

AASB 9: Financial Instruments (effective application for Brickworks 1 August 2015)

AASB 10: Consolidated Financial Statements (effective application for Brickworks 1 August 2013)

AASB 11: Joint Arrangements (effective application for Brickworks 1 August 2013)

NOTE 2: PARENT ENTITY INFORMATION

	31 JULY 12 $000	31 JULY 11 $000
Information relating to Brickworks Ltd		
Current assets	2,070	26,817
Total assets	992,978	925,906
Current liabilities	2,353	2,523
Total liabilities	431,239	431,934
Issued capital	325,802	325,018
Reserves		
- capital profits	84,479	84,479
- equity adjustment	-	734
- general	11,645	11,645
- share based payments	3,388	2,445
Total reserves	99,512	99,303
Retained earnings	136,426	70,059
Total shareholders' equity	561,740	494,380
Net profit after income tax	126,540	34,008
Total comprehensive income	125,806	34,435

Information regarding guarantees entered into by the parent entity in relation to the debts of its subsidiaries are contained in note 29(d).

There are no contingent liabilities or contractual commitments for the acquisition of property, plant or equipment of the parent entity.

NOTE 3: REVENUE

	CONSOLIDATED 31 JULY 12 $000	CONSOLIDATED 31 JULY 11 $000
Trading revenue		
Sale of goods	547,548	606,125
Sale of current investments	-	6
Sale of land held for resale	2,779	21,623
	550,327	627,754
Other operating revenue		
Interest received - other corporations	1,083	1,717
Dividends received - other corporations	1	1
Rental revenue	1,499	1,156
Other	4,001	4,987
Total operating revenue	556,911	635,615
Other income		
Net gain on sale of property, plant and equipment	(61)	3,528
Other items	1	13
Total other income	(60)	3,541

	NOTE	CONSOLIDATED 31 JULY 12 $000	31 JULY 11 $000
NOTE 4: INCOME AND EXPENSES			
(a) Specific expense disclosures			
Depreciation and amortisation			
- Buildings		3,810	3,694
- Leasehold improvements		-	45
- Plant and equipment		20,808	22,531
Total depreciation		24,618	26,270
- Intangible assets		171	299
Total amortisation		171	299
Total depreciation and amortisation expense		24,789	26,569
Finance costs paid			
- Paid to other corporations		20,823	20,390
- Mark to market swap valuation		4,392	765
Total finance costs expensed		25,215	21,155
Finance costs capitalised		540	-
Total finance costs		25,755	21,155
Rental expense on operating leases			
- Minimum lease payments		18,324	13,382
Unrealised loss / (gain) on carrying value of held for trading financial assets		3	1
Employee benefit expense		100,091	100,853
Defined contribution superannuation expense		8,079	8,497
Research and development expenditure		1,353	386
Bad and doubtful debts - trade debtors		554	553
Write down of inventories to net realisable value		4,150	1,405
(b) Property related revenues			
The following items are relevant in explaining the financial performance for the year:			
Profit from sale of land held for resale		1,269	16,420
Development profits from joint ventures		-	-
Fair value adjustment on completion of developments		4,414	715
Fair value adjustment of properties		5,255	4,738
Property Trust rental profits		9,025	7,104
Total profits / (loss) from Property Trusts	26	18,694	12,557
(c) Significant items			
Significant one-off transactions of associate [(1)]		756	88,686
Write down of assets to recoverable value			
- Property, plant & equipment [(2)]		(4,169)	(14,021)
- Building products inventory [(3)]		(4,192)	(1,084)
Costs on closure of manufacturing facilities [(2)]		(6,927)	(8,651)
Costs on start up of manufacturing facilities [(3)]		(4,147)	-
Impairment of Goodwill [(2)]		(31,627)	-
Business acquisition costs [(2)]		(1,947)	(2,751)
Other significant items [(2)&(3)]		(3,885)	(2,511)
Significant items before income tax		(56,138)	59,668

	CONSOLIDATED	
	31 JULY 12	**31 JULY 11**
NOTE 4: INCOME AND EXPENSES (cont.)	**$000**	**$000**
Income tax benefit arising from WHSP carrying value [(4)] [(5)]	12,992	-
Income tax benefit / (expense) on significant items [(4)]	7,580	(17,900)
	(35,566)	41,768

[(1)] Disclosed in "Share of net profits of associates" line on Income Statement
[(2)] Disclosed in "Other expenses" line on Income Statement
[(3)] Disclosed in "Cost of Sales" line on Income Statement
[(4)] Disclosed in “Tax expense” line on Income Statement
[(5)] Prior year expense of $25.6 million not included in significant items

NOTE 5: INCOME TAX

	31 JULY 12 $000	31 JULY 11 $000
(a) Current Tax	(276)	688
Deferred Tax	(15,043)	27,416
Under / (over) provided in prior years	(887)	(143)
	(16,206)	27,961
(b) Reconciliation of income tax expense to prima facie tax payable		
Prima facie tax payable on profit / (loss) before income tax at 30%	8,130	51,154
Adjust for tax effect of:		
rebateable dividends	(12,885)	(14,572)
deferred tax items (recognised) / derecognised	75	(3,192)
share of net profits of associates	(20,320)	(6,242)
other non-allowable items	9,681	956
Overprovision for income tax in prior year	(887)	(143)
Income tax expense / (benefit) attributable to profit / (loss)	(16,206)	27,961
(c) Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss		
Current tax - debited / (credited) directly to equity	-	-
Share of increments / (decrements) in reserves attributable to associates	(5,067)	(30,930)
Deferred tax - debited / (credited) directly to equity	(5,067)	(30,930)
	(5,067)	(30,930)

NOTE 6: AUDITORS’ REMUNERATION

	31 JULY 12 $000	31 JULY 11 $000
Auditor of the parent entity		
Audit of the financial report	444	424
Other regulatory audits	9	8
Other assurance services	18	19
	471	451

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

	CONSOLIDATED	
	31 JULY 12	31 JULY 11
	$000	$000

NOTE 7: DIVIDENDS

Final ordinary dividend (prior year) of 27.0 cents per share paid 1/12/11 (2010 - 27.0c paid 01/12/10)	39,843	39,843
Interim ordinary dividend of 13.5 cents per share paid 15/05/12 (2011 - 13.5c paid 17/05/11)	19,922	19,922
Group's share of dividend received by associated company	(11,392)	(11,252)
	48,373	48,513
Proposed final ordinary dividend of 27 cents per share not recognised as a liability at year end (2011 27.0c)	39,843	39,843

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

Balance of franking account at year end adjusted for franking credits arising from payment of income tax payable and dividends recognised as receivables	151,391	159,909
Impact on franking account balance of dividends not recognised	(17,076)	(17,076)

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

NOTE 8: EARNINGS PER SHARE

(a) Reconciliation of earnings		
Net profit attributed to members of the parent entity	43,304	142,551
Earnings used in the calculation of basic EPS	43,304	142,551
Earnings used in the calculation of diluted EPS	43,304	142,551
	No.	**No.**
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	147,567,333	147,482,887
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS	147,567,333	147,482,887
	cents	**cents**
Basic earnings per share	29.3	96.7
Diluted earnings per share	29.3	96.7

NOTE 9: CASH ASSETS

	$000	$000
Cash on hand	14,003	28,335
Deposits at call	550	22,282
	14,553	50,617

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

	CONSOLIDATED	
	31 JULY 12	31 JULY 11
	$000	$000
NOTE 10: RECEIVABLES		
(a) Current		
Trade receivables	78,067	76,758
Less: provision for doubtful debts	668	890
	77,399	75,868
Less: advance payments by customers	1,794	2,719
Net trade receivables	75,605	73,149
Add: other debtors	3,749	10,490
	79,354	83,639
(b) Non-Current		
Amount receivable from associated companies	-	201
(c) Movement in provision for doubtful debts		
Balance at the beginning of the year	890	731
Additional provisions recognised	794	842
Trade debts written off	(776)	(394)
Reversals of provisions not required	(240)	(289)
Balance at the end of the year	668	890
(d) Receivables past due		
Receivables past due but not impaired		
Past due 0 - 30 days	3,267	3,639
Past due 30+ days	1,808	1,982
	5,075	5,621

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

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

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

NOTE 11: HELD FOR TRADING FINANCIAL ASSETS

Share trading portfolio at fair value	11	14

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

	NOTE	CONSOLIDATED 31 JULY 12 $000	31 JULY 11 $000
NOTE 12: INVENTORIES			
(a) Current			
Raw materials and stores at cost		28,884	29,158
Work in progress at cost		12,303	8,960
Finished goods at cost		121,431	114,595
		162,618	152,713
Finished goods at net realisable value		523	862
		163,141	153,575
(b) Non-Current			
Raw materials and stores at cost		8,301	8,372

NOTE 13: LAND HELD FOR RESALE

	NOTE	31 JULY 12 $000	31 JULY 11 $000
(a) Current		9,657	1,249
(b) Non-Current		14,742	23,742

Non-current land held for resale represents portions of properties which have been classified as ready for sale in accordance with the accounting policy note. Exact timing of these sales is unable to be reliably forecast and the sale of these specific blocks is not expected to occur within the following 12 months from balance date. These properties are disclosed in the Property segment of note 27.

NOTE 14: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	NOTE	31 JULY 12 $000	31 JULY 11 $000
Investment in associated entities - listed	25	1,086,474	1,059,241
Investment in jointly controlled entities	26	156,262	152,057
		1,242,736	1,211,298
Market value of listed associates		1,378,436	1,322,194

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

	NOTE	31 JULY 12 $000	31 JULY 11 $000
Land			
Freehold land at cost		174,605	175,298
Leasehold land at cost		235	235
		174,840	175,533
Buildings			
At cost		161,169	158,839
Accum depreciation and impairment writedowns		52,754	47,880
		108,415	110,959
Plant and equipment			
At cost		402,300	406,633
Accum depreciation and impairment writedowns		253,864	261,976
		148,436	144,657
Add: capital works in progress		18,510	19,371
Total plant and equipment		166,946	164,028
		450,201	450,520

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

(a) Impairment write-downs

During the period impairment losses totalling $4.2 million were recognised in relation to various assets. All impairment losses are shown in the 'Other Expenses' line on the Statement of Comprehensive Income, and all losses are included in the Building Products segment (refer note 27).

Significant impairment losses were recognised on the Cardup, Western Australia, brick making assets, following the mothballing of this production capacity to reflect the altered competitive landscape in the WA brick market.

The recoverable value of non-current assets has been assessed after considering the economic benefits to be derived over the remaining useful life, under a value in use assumption. The discount rates used in the estimate of value in use are consistent with those rates used for goodwill impairment testing as disclosed in note 16(b).

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

	CONSOLIDATED	
	31 JULY 12 $000	31 JULY 11 $000
Buildings		
Assets subject to write-downs	-	-
Assets not subject to write-downs	108,415	110,959
	108,415	110,959
Plant and equipment		
Assets subject to write-downs	-	622
Assets not subject to write-downs	166,946	163,406
	166,946	164,028

The carrying amount of temporarily idle buildings, plant and equipment at 31 July 2012 was Nil (2011 Nil).

(b) Reconciliations

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

Consolidated	**Land $000**	**Buildings $000**	**Plant & Equip. $000**	**Total $000**
At 1 August 2010				
Cost	161,411	154,571	466,036	782,018
Accumulated depreciation	-	(61,163)	(288,786)	(349,949)
Balance at 1 August 2010	161,411	93,408	177,250	432,069
Year ended 31 July 2011				
Additions	9,945	18,579	16,094	44,618
Assets acquired by purchase of subsidiary	4,750	2,898	7,592	15,240
Disposals	(573)	-	(542)	(1,115)
Impairment losses	-	(187)	(13,835)	(14,022)
Depreciation expense	-	(3,739)	(22,531)	(26,270)
Balance at 31 July 2011	175,533	110,959	164,028	450,520
Year ended 31 July 2012				
Additions	504	3,893	24,516	28,913
Assets acquired by acquisition of business	-	1,504	2,034	3,538
Disposals	(1,197)	(2,166)	(620)	(3,983)
Impairment losses	-	(1,965)	(2,204)	(4,169)
Depreciation expense	-	(3,810)	(20,808)	(24,618)
Balance at 31 July 2012	174,840	108,415	166,946	450,201

	CONSOLIDATED	
	31 JULY 12 $000	31 JULY 11 $000
NOTE 16: INTANGIBLE ASSETS		
Goodwill		
At cost	284,574	279,339
Less: impairment write-downs	31,627	-
	252,947	279,339
Timber access rights		
At cost	8,541	7,141
Less: accumulated amortisation	1,570	1,422
	6,971	5,719
Brand names		
At cost	14,300	5,300
Less: accumulated amortisation	5,300	5,300
	9,000	-
Other intangibles		
At cost	646	646
Less: accumulated amortisation	78	54
	568	592
	269,486	285,650

(a) Intangible assets with indefinite useful lives

Timber access rights with a carrying value of $6.2 million (2011 $4.8 million) have been assessed as having an indefinite useful life. The main reason for this assessment is that although licences are subject to periodic renewal, the cost of the licence renewal is not significant compared to the future economic benefits obtainable under the licence, there is a history of renewals which are arranged by management as part of the normal operations of the business, there is a realistic expectation that all conditions for renewal will be successfully achieved, and if the licence was not renewed or substantially varied, the issuing authority would be liable to pay compensation to the Company.

The remaining timber access rights with an initial cost of $2.3 million are amortised over the life of the supply agreement, which was extended during the period and expires in 2017.

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

Brand names with a carrying value of $9.0 million were acquired through a business combination during the year. This name (Daniel Robertson) has been assessed as having an indefinite useful life, as the brand has been part of the brick industry since 1853, and Brickworks intends to continue trading under this brand.

The brand names have been allocated to the Vic Bricks CGU, which forms part of the building products segment.

Management's assessment of the appropriateness of the carrying value of indefinite useful life intangibles is based on key assumptions which may vary. In addition to the projected cash flows to be generated by the ongoing use of these licences, these are the discount rate (WACC) and the long term growth rate (LTGR). The rates used in calculating the value in use are consistent with the rates outlined surrounding the impairment of goodwill below (note 16(b)). Given current volatility in financial markets generally, it is difficult to predict how these variables may move. At balance date, it is not expected that a reasonably foreseeable movement in the WACC or LTGR would result in an impairment to these assets.

(b) Impairment of Goodwill

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

Goodwill is allocated to the Group's cash generating units (CGUs) for impairment testing purposes. At 31 July 2012 the following CGU's have significant allocations of goodwill: Austral Bricks NSW $67.5 million, Austral Bricks WA $47.3 million Austral Bricks Vic $72.4 million, Bristile Roofing East Coast $25.9 million and Austral Masonry $18.7 million. Each of these CGU's have been valued based on value in use, using the assumptions outlined in point (iii) below.

The remainder of goodwill within the business ($21.1 million) and other intangible assets with indefinite useful lives of $15.2 million, is allocated across multiple CGU's, with no other individual CGU having an allocation that is significant compared to the total value of goodwill carried in the business. The carrying value of goodwill assessed in all these divisions is based on value in use, with the exception of the Austral Bricks Qld and Bristile Roofing West Coast CGU's which are based on fair value less cost to sell using an observable market price.

(ii) Impairment Charges

The Group tests goodwill and other intangible assets with indefinite useful lives at least annually for any impairment in accordance with the accounting policy stated in note 1(r).

NOTE 16: INTANGIBLE ASSETS (cont.)

(b) Impairment of Goodwill (cont)

(ii) Impairment Charges (cont)

At 31 July 2012, a total of $31.6 million of goodwill impairments were recognised due to the ongoing difficulties faced by the Australian building materials industry generally. Consideration was also given to the particularly poor state of the non-mining sectors of the Qld and WA economies, an additional manufacturer in the WA market, and an inability to immediately recover the full impact of the Carbon Tax through price movements. Impairments were recognised against Austral Bricks WA ($16.9 million), Austral Masonry ($11.2 million), Austral Bricks SA ($1.6 million) and Auswest Timbers ($1.9 million).

(iii) Key assumptions

The recoverable amount of each CGU is determined on the basis of value-in-use (VIU), unless there is evidence to support a higher fair value less cost to sell.

The valuations used to support the carrying amounts of intangible assets (above) and property, plant and equipment (note 15) are based on forward looking key assumptions that are by their nature uncertain. The nature and basis of the key assumptions used to estimate the future cash flows and discount rates, and on which the Company has based its projections when determining the recoverable value of each CGU, are set out below.

VIU calculations use pre-tax cash flows projections, inclusive of working capital movements, and are based on financial projections approved by the Board covering a five-year period. Estimates beyond five years are calculated with a growth rate that reflects the long term growth rate for the State (or States) that the CGU predominately operates in.

The basis of estimation uses the following key operating assumptions:

- Sales volumes are management forecasts, taking into account external forecasts of underlying economic activity for the market sectors and geographies in which each CGU operates. A major driver of sales volumes is housing approvals and commencements. Management has assessed the reported forecast housing approval data from sources such as BIS Shrapnel and the Housing Industry Association (HIA) over the budget period, and adopted a more conservative opinion overall than these independent forecasts.
- Costs are calculated taking into account historical gross margins, known cost increases, and estimated inflation rates over the period that are consistent with locations in which the CGU's operate.
- Management expects to obtain sales price growth over the budget period. The increases assumed differ between by CGU and between different states where the CGU operates. Price rises are considered inherently achievable in a rational market where supply of product approximates demand.
- Long term growth rates used in the cash flow valuation reflect the average 10 year historical growth rates for the states in which the CGU's operate (sourced from the Australian Bureau of Statistics). The long term growth rate applied to the significant divisions were Austral Bricks NSW 2.0% (2011: 2.5%), Austral Bricks WA 4.0% (2011: 4.0%), Austral Bricks Vic 3.1% (2011: 3.2%), Bristile Roofing East Coast 3.03% (2011: 3.23%) and Austral Masonry 3.03% (2011: 3.23%).
- Management uses an independent external advisor to calculate the appropriate discount rate, based on the weighted average cost of capital (WACC). For 2012, the discount rate was 14.18% (2011: 13.83%) and is applied consistently across all CGU's.

(iv) Sensitivity to changes in assumptions

For the CGU's which have had impairments, any adverse changes in assumptions which are not offset by a positive change in another assumption would lead to a reduced valuation on a value in use basis, and hence a potential impairment.

There are no CGU's which have not had an impairment where a reasonably foreseeable change in assumptions would result in a material impairment to the carrying value of goodwill or other indefinite useful life intangibles.

(c) Reconciliations

Consolidated	**Goodwill**	**Timber access rights**	**Brand Names**	**Other Intangibles**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**
At 1 August 2010					
Cost	277,310	7,141	5,300	646	290,397
Accumulated amortisation / impairment	-	(1,147)	(5,300)	(30)	(6,477)
Balance at 1 August 2010	277,310	5,994	-	616	283,920
Year ended 31 July 2011					
Additions	2,029	-	-	-	2,029
Amortisation / impairment charge	-	(275)	-	(24)	(299)
Balance at 31 July 2011	279,339	5,719	-	592	285,650
Year ended 31 July 2012					
Additions	5,235	-	-	-	5,235
Asset acquired through purchase of subsidiary	-	1,400	9,000	-	10,400
Amortisation / impairment charge	(31,627)	(147)	-	(24)	(31,798)
Balance at 31 July 2012	252,947	6,972	9,000	568	269,487

	NOTE	CONSOLIDATED 31 JULY 12 $000	CONSOLIDATED 31 JULY 11 $000

NOTE 17: PAYABLES

	NOTE	31 JULY 12 $000	31 JULY 11 $000
Current			
Trade payables and accruals		73,024	58,863

Payables have carrying amounts that reasonably approximate fair value.
Average terms on trade payables are 30 days from statement.

NOTE 18: INTEREST BEARING LIABILITIES

	NOTE	31 JULY 12 $000	31 JULY 11 $000
(a) Non-Current			
Commercial bills	28	300,000	300,000
Unamortised transaction costs		(1,426)	(2,071)
		298,574	297,929

(b) Commercial bills

Commercial bills are drawn under either a 12 month facility expiring in August 2012 or a 4 year facility, expiring in June 2015. More information on the Group's borrowing facilities can be found in note 28.

Interest is payable based on floating rates determined with reference to the BBSY bid rate at each maturity.

The fair value of non-current commercial bills is approximately $274.4 million (2011 $270.9 million).

A portion of the borrowings are hedged using a fixed interest rate swap contract, details of which can be found in notes 19 and 28.

NOTE 19: DERIVATIVE FINANCIAL INSTRUMENTS

	NOTE	31 JULY 12 $000	31 JULY 11 $000
(a) Current asset			
Interest rate swap contract	28	-	139
(b) Non-Current liability			
Interest rate swap contract	28	5,958	1,755

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

NOTE 20: PROVISIONS

	NOTE	31 JULY 12 $000	31 JULY 11 $000
(a) Current			
Employee benefits		19,360	19,757
Remediation		2,495	2,890
Infrastructure costs		665	4,709
Workers' compensation		4,634	4,642
Other		4,990	2,757
		32,144	34,755
(b) Non-current			
Employee benefits		13,018	13,994
Remediation		9,955	11,403
		22,973	25,397

NOTE 20: PROVISIONS (cont.)

(c) Reconciliations

Consolidated	**Remediation $000**	**Infrastructure Costs $000**	**Workers Compensation $000**	**Other $000**
Year ended 31 July 2012				
Balance at the beginning of the year	14,293	4,709	4,642	2,757
Amounts recognised on acquisition of subsidiary	-	-	-	-
Additional provisions recognised	1,065	-	2,437	3,675
Amounts used	(2,315)	(4,044)	(2,445)	(1,100)
Reversals of provisions	(593)	-	-	(342)
Balance at the end of the year	12,450	665	4,634	4,990
Current	2,495	665	4,634	4,990
Non-current	9,955	-	-	-
	12,450	665	4,634	4,990

(d) Descriptions

Provision for Remediation

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

Provision for infrastructure costs

A provision has been recognised for Brickworks obligation for the estimated costs of completed infrastructure works in relation to certain properties. The timing of future outflows is expected to occur within the next financial year.

Provision for workers compensation

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

Other provisions

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

	CONSOLIDATED 31 JULY 12 $000	**CONSOLIDATED 31 JULY 11 $000**
NOTE 21: NET DEFERRED TAXES		
Net deferred taxes	165,713	184,041
The balance comprises temporary differences attributable to:		
Equity accounted associates	175,157	186,599
Property, plant and equipment	11,783	10,135
Timber access rights	637	328
Provisions	(14,729)	(16,126)
Deposits received on land sale agreements	(423)	86
Land held for development and resale	1,774	2,050
Other sundry items	(8,486)	969
	165,713	184,041

	CONSOLIDATED	
	31 JULY 12	**31 JULY 11**
	$000	**$000**

NOTE 22: CONTRIBUTED EQUITY

Fully paid ordinary shares	332,816	332,816
Reserved shares	(7,014)	(7,798)
	325,802	325,018

	2012		2011	
	No. of Shares	**Value $000**	**No. of Shares**	**Value $000**
(a) Ordinary shares				
Opening balance	147,567,333	332,816	147,235,904	329,047
Shares issued during the year	-	-	331,429	3,779
Costs associated with shares issued	-	-	-	(10)
Balance at end of year	147,567,333	332,816	147,567,333	332,816

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

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

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

(b) Reserved Shares				
Opening balance	644,447	(7,798)	496,210	(6,381)
add: bonus shares purchased by share plan	278,083	(2,882)	396,509	(4,553)
less: bonus shares vested during period	(306,899)	3,666	(248,272)	3,136
Balance at end of period	615,631	(7,014)	644,447	(7,798)

Reserved shares are those shares held by the employee share plans that have not vested to the participant at balance date.

More information on the employee share plans is contained in note 32 of these financial statements.

	CONSOLIDATED	
	31 JULY 12	**31 JULY 11**
	$000	**$000**

NOTE 23: RESERVES

(a) Composition of reserves		
- capital profits	88,102	88,102
- equity adjustment	(9,251)	(13,584)
- general	36,125	36,125
- foreign currency translation	(2,409)	(2,051)
- share based payments	3,388	2,445
- associates & JV's	168,471	185,359
	284,426	296,396

NOTE 23: RESERVES (cont.)

(b) Descriptions

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

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

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

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

Share based payments reserve
The share based payments reserve represents the value of bonus shares (treasury stock) that have been expensed through profit and loss but are yet to vest to the employee.

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

		CONSOLIDATED	
NOTE 24: CASH FLOW INFORMATION	**NOTE**	**31 JULY 12 $000**	**31 JULY 11 $000**
(a) Reconciliation of cash flow from operations to net profit after tax			
Net profit after tax		43,304	142,551
Non-cash flows in net profit			
Amortisation of intangible assets		171	299
Amortisation of borrowing costs		680	1,240
Depreciation of non-current assets		24,618	26,270
Write down of property, plant & equipment to recoverable value		4,169	14,021
Write down of goodwill to recoverable value		31,627	-
(Profits) / losses on disposal of property, plant & equipment		61	(3,528)
(Profits) / losses on sale of investments		-	1
Non cash profit on sale of land held for resale		(2,189)	-
Share of profits of associates not received as dividends		(34,284)	(111,406)
Changes in assets and liabilities net of the effects of acquisitions of businesses			
(Increase) / decrease in trade and sundry debtors		6,955	6,160
(Increase) / decrease in inventories		(3,991)	(12,711)
(Increase) / decrease in land held for resale		-	5,092
(Increase) / decrease in prepayments		(1,466)	(2,896)
(Increase) / decrease in share trading portfolio		3	1
(Increase) / decrease in treasury stock		784	2,361
Increase / (decrease) in creditors and accruals		16,139	(7,270)
Increase / (decrease) in taxes payable		1,932	(188)
Increase / (decrease) in other current provisions		(4,918)	2,877
Increase / (decrease) in other non-current provisions		(2,423)	(567)
Increase / (decrease) in deferred tax liabilities		(16,676)	26,715
Net cash flows from / (used in) operating activities		64,496	89,022
(b) Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash	9	14,553	50,617

NOTE 25: ASSOCIATED COMPANIES

Information relating to significant associates:

Name	Ownership interest 2012 %	Ownership interest 2011 %	Carrying value 2012 $000	Carrying value 2011 $000	Profit contribution 2012 $000	Profit contribution 2011 $000
Washington H Soul Pattinson & Co Ltd	42.72	42.85	1,086,474	1,059,241	67,375	154,868

Washington H. Soul Pattinson & Co Ltd (WHSP) is involved in coal, pharmaceutical, telecommunications and investment. WHSP's balance date is 31 July annually. At balance date WHSP owned 44.48% (2011 44.48%) of issued ordinary shares of Brickworks Ltd. WHSP is incorporated in Australia.

	CONSOLIDATED 31 JULY 12 $000	CONSOLIDATED 31 JULY 11 $000
(a) Summarised share of associates financial information		
Current assets	840,300	984,007
Non-current assets	787,238	772,027
	1,627,538	1,756,034
Current liabilities	66,966	128,466
Non-current liabilities	81,606	94,637
	148,572	223,103
Net assets	1,478,966	1,532,931
Outside equity interest	389,215	471,782
	1,089,751	1,061,149
Revenue	390,216	324,969
Profit before income tax	95,547	338,230
Income tax expense	(14,579)	(100,071)
Outside equity interest	(19,811)	(83,291)
Profit after income tax	61,156	154,868
(b) Share of associates' expenditure commitments		
Capital commitments	- *	5,681
Lease commitments	- *	39,401
	-	45,082

The entity has no legal liability for any expenditure commitments incurred by associates.

* Note: Associated company (WHSP) figures for 2012 were not publicly available at the time of preparation of this report.

(c) Contingent liabilities of associates		
Share of contingent liabilities incurred jointly with other investors	- *	14,095

The entity has no legal liability for any contingent liabilities incurred by associates.

* Note: Associated company (WHSP) figures for 2012 were not publicly available at the time of preparation of this report.

NOTE 26: JOINTLY CONTROLLED ENTITIES

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

Name	Ownership interest 2012 %	Ownership interest 2011 %	Carrying value 2012 $000	Carrying value 2011 $000	Profit contribution 2012 $000	Profit contribution 2011 $000
BGAI CDC Trust	50.00	50.00	29,612	30,807	2,382	3,293
BGAI Erskine Trust	50.00	50.00	52,800	50,354	7,903	5,101
BGAI TTP Trust	50.00	50.00	9,578	8,394	635	1,085
BGAI Capicure Trust	50.00	50.00	6,417	6,402	767	710
BGAI Heritage Trust	50.00	50.00	15,280	17,853	1,171	1,382
BGAI Oakdale Trust	50.00	50.00	38,695	33,728	1,114	-
BGAI Wacol Trust	50.00	50.00	3,879	3,795	308	271
Other jointly controlled entities			1	724	798	1,092
Fair value adjustments on completion of developments					4,414	715
			156,262	152,057	19,492	13,649

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

The profit contribution includes all fair value adjustments (including impairments) to Investment properties totalling $5.3 million (2011 $4.8 million). Refer note 4(b) for more detail on these profits.

	CONSOLIDATED 31 JULY 12 $000	CONSOLIDATED 31 JULY 11 $000
(a) Summarised share of JV's financial information		
Current assets	5,904	4,907
Non-current assets	343,095	314,913
	348,999	319,820
Current liabilities	56,572	12,470
Non-current liabilities	154,987	178,624
	211,559	191,094
Net assets	137,440*	128,726*
Revenues	20,561	21,345
Profit before income tax	15,078	12,934
Income tax expense	-	-
Profit after income tax	15,078	12,934

* Note: Carrying value of Property Trusts exceeds net assets as the Group makes an adjustment to bring the accounting policies of the Trust in line with those of the Group resulting in a higher net asset position

	CONSOLIDATED 31 JULY 12 $000	CONSOLIDATED 31 JULY 11 $000
(b) Share of JV's expenditure commitments		
Capital commitments	14,815	5,795
Lease commitments	-	-
	14,815	5,795

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

	CONSOLIDATED 31 JULY 12 $000	CONSOLIDATED 31 JULY 11 $000
(c) Contingent liabilities of JV's		
Share of contingent liabilities incurred jointly with other investors	-	-

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

NOTE 27: SEGMENT INFORMATION

	Building Products		Property		Investments		Consolidated	
	31 JULY 12 $000	31 JULY 11 $000	31 JULY 12 $000	31 JULY 11 $000	31 JULY 12 $000	31 JULY 11 $000	31 JULY 12 $000	31 JULY 11 $000
REVENUE								
Segment revenue from sales to external customers	547,590	604,915	8,237	28,987	1,084	1,713	556,911	635,615
RESULT								
Segment EBITDA	53,327	68,586	19,009	29,235	67,700	67,895	140,036	165,716
Less depreciation and amortisation	(24,789)	(26,569)	-	-	-	-	(24,789)	(26,569)
Segment EBIT (before significant items)	**28,538**	**42,017**	**19,009**	**29,235**	**67,700**	**67,895**	**115,247**	**139,147**
(Less) / add significant items	(56,894)	(29,018)	-	-	756	88,686	(56,138)	59,668
Segment result	**(28,356)**	**12,999**	**19,009**	**29,235**	**68,456**	**156,581**	**59,109**	**198,815**
Unallocated expenses								
Finance costs							(25,215)	(21,155)
Other unallocated expenses							(6,796)	(7,148)
Profit before income tax							27,098	170,512
Income tax benefit / (expense)							16,206	(27,961)
Profit after income tax							43,304	142,551
ASSETS								
Segment assets	991,898	1,016,979	180,661	176,325	1,087,065	1,081,577	2,259,624	2,274,881
Unallocated assets							1,370	3,605
Total assets							2,260,994	2,278,486
LIABILITIES								
Segment liabilities	124,579	110,942	665	5,146	180,868	196,436	306,112	312,524
Unallocated liabilities								
Borrowings							298,574	297,929
Other							(6,300)	(7,713)
Total unallocated liabilities							292,274	290,216
Total liabilities							598,386	602,740
OTHER								
Aggregate share of the profit of investments accounted for using the equity method	798	1,092	18,694	12,557	67,375	154,868	86,867	168,517
Aggregate carrying amount of investments accounted for using the equity method	-	723	156,261	151,334	1,086,475	1,059,241	1,242,736	1,211,298
Acquisition of non-current segment assets	37,685	61,888	-	-	-	-	37,685	61,888
Non-cash expenses other than depreciation & amortisation	43,173	35,518	-	-	-	-	43,173	35,518

NOTE 27: SEGMENT INFORMATION (cont.)

The economic entity has the following business segments:

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

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

Investment division holds investments in the Australian share market, both for dividend income and capital growth, and includes the Group's investment in Washington H Soul Pattinson and Co. Ltd.

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

The Group operates predominantly within Australia, with some product manufactured by the clay products division exported to other countries, particularly New Zealand. Total revenue from sales outside of Australia in the 12 months ended 31 July 2012 was $15.9 million (2011 $13.1 million). The carrying value of non-current assets held outside of Australia at 31 July 2012 was $0.8 million (2011 $0.8 million).

NOTE 28: FINANCIAL INSTRUMENTS

(a) Capital Management

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

Brickworks capital structure is regularly measured using net debt to capital employed, calculated as net debt divided by (net debt plus total equity). Net debt is calculated as total borrowings (note 18) less cash and cash equivalents (note 9), and total equity of the parent entity includes issued capital (note 22), reserves (note 23) and retained earnings.

The Group's strategy during the year was to maintain the net debt to capital employed (at the consolidated level) below a target limit of 45% which is consistent with prior years.

	CONSOLIDATED	
	31 JULY 12	**31 JULY 11**
	$000	**$000**
Net debt to capital employed		
Net debt	285,447	249,383
Total equity	1,662,608	1,675,746
Net debt to capital employed	14.6%	13.0%

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

(b) Financial Risk Management

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

(c) Terms, conditions and accounting policies

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

NOTE 28: FINANCIAL INSTRUMENTS (cont.)

(d) Financial assets and liabilities by category

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

	NOTE	CONSOLIDATED 31 JULY 12 $000	CONSOLIDATED 31 JULY 11 $000
Financial assets and liabilities by category			
Financial Assets			
Cash and cash equivalents	9	14,553	50,617
Loans and receivables - current	10(a)	79,354	83,639
Loans and receivables - non-current	10(b)	-	201
Total Loans and receivables		79,354	83,840
Derivative financial instruments - current	19(a)	-	139
Held for trading assets at fair value through profit and loss	11	11	14
Total financial assets		93,918	134,610
Financial Liabilities			
Other financial liabilities			
Payables - current	17	73,024	58,863
Interest bearing liabilities - non-current	18(a)	300,000	300,000
Derivative financial instruments - non-current	19(b)	5,958	1,755
Total other financial liabilities		378,982	360,618
Total financial liabilities		378,982	360,618

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

(e) Credit risk

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

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

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

(f) Liquidity risk

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

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

	31 JULY 12 $000	31 JULY 11 $000
Unused credit facilities		
Credit facilities	400,000	400,000
Amount utilised	300,000	300,000
Unused credit facility	100,000	100,000

NOTE 28: FINANCIAL INSTRUMENTS (cont.)

(f) Liquidity risk (cont.)

The Group has a $300.0 million (2011 $300 million) unsecured variable interest rate facility (fully drawn) in place with a syndicate of Australian and overseas banks. The facility is in a single tranche which expires in June 2015.

- In addition, the Group has a $100 million 364 day working capital facility with an Australian Bank, which was undrawn at balance date (2011 undrawn). Subsequent to balance date this facility was extended for a further 12 months to August 2013.

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

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

		CONSOLIDATED	
	NOTE	31 JULY 12 $000	31 JULY 11 $000
Liquidity risk maturity analysis			
1 year or less			
Trade and other payables	17	73,024	58,863
Total 1 year or less		73,024	58,863
1 to 5 years			
Commercial bills		352,650	375,150
Derivatives	19(b)	5,958	1,755
Total 1 to 5 years		358,608	376,905

(g) Currency risk

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

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

(h) Interest rate risk

Brickworks' significant interest rate risk arises from fluctuations in the BBSY bid rate relating to Brickworks long and short term borrowings. Primarily, the exposure to interest rate risk is on the variable interest rate facility referred to in note 28 (f) above.

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

At balance date, Brickworks had $175.0 million of bank borrowings unhedged (2011 $50.0 million).

The Brickworks group variable interest rate facility currently drawn to $300.0 million (2011 $300.0 million) is a floating rate facility determined with reference to the BBSY bid rate at each bill maturity date. The effective weighted interest rate current on the bills borrowed under this facility at balance date is 6.14% (2011 6.80%).

- At 31 July 2012, if interest rates had been +/- 1% per annum throughout the year, with all other variables being held constant, the operating profit after income tax for the year would have been $1.4 million higher or lower respectively (2011 $0.10 million higher / lower). There would not have been any other significant impacts on equity.

Interest rate swaps

The Brickworks group has entered into interest rate swaps contracts which allow the Group to raise borrowings at floating rates and effectively swap them into a fixed rate (average rate 5.41%, 2011 5.06%). The contracts require settlement of net interest receivable or payable usually around 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying long term debt and are brought to account as an adjustment to borrowing costs.

NOTE 28: FINANCIAL INSTRUMENTS (cont.)

(h) Interest rate risk (cont.)

The notional principal amounts reduce from $125.0 million over the next five years (2011 $250.0 million over five years) as detailed below:

Settlement	2012 Avg %	2011 Avg %	2012 $000	2011 $000
Less than 1 year	-	5.41	-	125,000
1 to 3 years	5.27	6.15	100,000	50,000
3 to 5 years	5.96	5.96	25,000	75,000
Over 5 years	-	-	-	-
Total notional principal at balance date			125,000	250,000

The hedges in place at 31 July 2012 are not hedge accounted, and the fair value movement of the hedges is recognised in the statement of comprehensive income.

The financial instruments of the Group that are measured at fair value are grouped into Levels 1 to 3 based in the degree to which the fair value is observable.

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

The fair value of these derivatives are calculated using market observable inputs, categorised as "Level 2".

Financial Assets

Interest rates on money market instruments (deposits) vary with current short term bank bill rate movements. At balance date, the effective weighted interest rates on these financial assets was 2.95% (2011 5.47%).

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

(i) Other price risk

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

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

At the time of preparing this report, there was no publicly available information regarding the effects of any reasonably foreseeable fluctuations in equity values on net profit or equity of WHSP at 31 July 2012.

NOTE 29: CONTROLLED ENTITIES AND BUSINESS ACQUISITIONS

(a) List of significant controlled entities

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

Controlled entities incorporated in Australia	**ABN**	**Group's Interest**	
		2012 %	**2011 %**
A.C.N. 000 012 340 Pty Ltd	38 000 012 340	100.0	100.0
A.C.N. 074 202 592 Pty Ltd	82 074 202 592	100.0	100.0
Austral Bricks (NSW) Pty Ltd	60 125 934 849	100.0	100.0
Austral Bricks (Qld) Pty Ltd	62 125 934 858	100.0	100.0
Austral Bricks (SA) Pty Ltd	66 125 934 876	100.0	100.0
Austral Bricks (Tas) Pty Ltd	83 125 934 947	100.0	100.0
Austral Bricks (Tasmania) Pty Ltd	14 009 501 053	100.0	100.0
Austral Bricks (Vic) Pty Ltd	64 125 934 867	100.0	100.0
Austral Bricks (WA) Pty Ltd	34 079 711 603	100.0	100.0
Austral Bricks Holdings Pty Ltd	55 120 364 365	100.0	100.0
Austral Facades Pty Ltd	63 144 804 553	100.0	100.0
Austral Masonry (NSW) Pty Ltd	45 141 647 092	100.0	100.0
Austral Masonry (Qld) Pty Ltd	30 000 646 695	100.0	100.0

NOTE 29: CONTROLLED ENTITIES AND BUSINESS ACQUISITIONS (cont.)

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

Controlled entities incorporated in Australia	ABN	Group's Interest 2012 %	Group's Interest 2011 %
Austral Masonry (Vic) Pty Ltd	53 120 364 356	100.0	100.0
Austral Masonry Holdings Pty Ltd	97 141 629 996	100.0	100.0
Austral Precast (NSW) Pty Ltd	81 125 934 938	100.0	100.0
Austral Precast (Qld) Pty Ltd	20 145 070 855	100.0	100.0
Austral Precast (Vic) Pty Ltd	16 145 070 837	100.0	100.0
Austral Precast (WA) Pty Ltd	22 145 070 884	100.0	100.0
Austral Precast Holdings Pty Ltd	88 140 573 646	100.0	100.0
Austral Roof Tiles (WA) Pty Ltd	61 144 804 544	100.0	100.0
Austral Roof Tiles Pty Ltd	67 144 804 571	100.0	100.0
Auswest Timbers (ACT) Pty Ltd	34 087 808 811	100.0	100.0
Auswest Timbers Finance Pty Ltd (in liquidation)	53 108 239 925	100.0	100.0
Auswest Timbers Holdings Pty Ltd	51 120 364 347	100.0	100.0
Auswest Timbers Pty Ltd	28 071 093 591	100.0	100.0
Bowral Brickworks Pty Ltd	39 000 165 579	100.0	100.0
Brickworks Building Products Pty Ltd	63 119 059 513	100.0	100.0
Brickworks Building Products (NZ) Pty Ltd	64 076 976 880	100.0	100.0
Brickworks Head Holding Co Pty Ltd	95 120 360 036	100.0	100.0
Brickworks Industrial Developments Pty Ltd	47 120 364 329	100.0	100.0
Brickworks Properties Pty Ltd	12 094 905 996	100.0	100.0
Brickworks Property Finance Co Pty Ltd	28 158 536 353	100.0	100.0
Brickworks Sub Holding Co No. 1 Pty Ltd	89 120 360 009	100.0	100.0
Brickworks Sub Holding Co No. 2 Pty Ltd	61 120 364 392	100.0	100.0
Brickworks Sub Holding Co No. 3 Pty Ltd	59 120 364 383	100.0	100.0
Brickworks Sub Holding Co No. 4 Pty Ltd	57 120 364 374	100.0	100.0
Brickworks Sub Holding Co No. 5 Pty Ltd	16 125 922 821	100.0	100.0
Brickworks Sub Holding Co No. 6 Pty Ltd	18 125 922 830	100.0	100.0
Brickworks Sub Holding Co No. 7 Pty Ltd	97 125 922 849	100.0	100.0
Brickworks Sub Holding Co No. 8 Pty Ltd	99 125 922 858	100.0	100.0
Bristile Guardians Pty Ltd	40 079 711 630	100.0	100.0
Bristile Holdings Pty Ltd	32 008 668 540	100.0	100.0
Bristile Pty Ltd	19 056 541 096	100.0	100.0
Bristile Roofing (East Coast) Pty Ltd	77 090 775 634	100.0	100.0
Bristile Roofing Holdings Pty Ltd	49 120 364 338	100.0	100.0
Christies Sands Pty Ltd	63 007 635 529	100.0	100.0
Clifton Brick (Queanbeyan) Pty Ltd (in liquidation)	52 000 602 531	100.0	100.0
Clifton Brick Holdings Pty Ltd	83 004 493 181	100.0	100.0
Clifton Brick Manufacturers Pty Ltd	63 004 529 104	100.0	100.0
Daniel Robertson Australia Pty Ltd	53 087 575 611	100.0	50.0
Davman Builders Pty Ltd	66 004 434 342	100.0	100.0
Dry Press Publishing Pty Ltd	93 000 002 979	100.0	100.0
Evans Brothers (Bricks) Pty Ltd (in liquidation)	76 004 372 454	100.0	100.0
Evans Brothers Pty Ltd (in liquidation)	51 004 096 137	100.0	100.0
Hallett Brick Pty Ltd	20 007 622 317	100.0	100.0
Hallett Roofing Services Pty Ltd	93 007 880 220	100.0	100.0
Horsley Park Holdings Pty Ltd	65 008 392 014	100.0	100.0
Hutton's Bricks (Manufacturers) Pty Ltd (in liquidation)	58 009 477 463	100.0	100.0
International Brick & Tile Pty Ltd	31 003 281 123	100.0	100.0
J. Hallett & Son Pty Ltd	40 007 870 779	100.0	100.0
Metropolitan Brick Company Pty Ltd	13 008 666 840	100.0	100.0
N.R.T. Pty Ltd (in liquidation)	22 004 047 849	100.0	100.0
Newthorpe Pty Ltd (in liquidation)	34 111 744 640	100.0	100.0
Nubrik (NRT) Pty Ltd (in liquidation)	18 000 041 485	100.0	100.0
Nubrik Concrete Masonry Pty Ltd	29 004 767 113	100.0	100.0
Nubrik Pty Ltd	59 004 028 559	100.0	100.0
Pilsley Investments Pty Ltd	70 008 768 330	100.0	100.0
Prestige Brick Pty Ltd	24 009 266 273	100.0	100.0
Prestige Equipment Pty Ltd	68 006 727 920	100.0	100.0
Ralph Brittain & Company Pty Ltd (in liquidation)	61 009 687 709	100.0	100.0
Southern Bricks Pty Ltd	83 007 749 840	100.0	100.0
Team Securities Pty Ltd (in liquidation)	65 005 079 167	100.0	100.0
Terra Timbers Pty Ltd	93 091 183 050	100.0	100.0
The Austral Brick Co Pty Ltd	52 000 005 550	100.0	100.0
The Warren Brick Co Pty Ltd	24 000 006 682	100.0	100.0
Triffid Investments Pty Ltd (in liquidation)	41 065 439 045	100.0	100.0
Visigoth Pty Ltd	72 076 286 710	100.0	100.0
Vitclay Pipes Pty Ltd (in liquidation)	98 004 209 732	100.0	100.0

NOTE 29: CONTROLLED ENTITIES AND BUSINESS ACQUISITIONS (cont.)

(b) Business acquisitions

On 2 December 2011 the Group acquired the business and assets of Gunns Ltd's Jarrah saw milling, processing and retail business in Western Australia. The acquisition created a market-leading range of Australia hardwood timber, and provides synergies with the existing Auswest Timber operations in Western Australia. Details of the net assets acquired under this transaction are set out below, with all values determined provisionally at balance date.

	$000
Cost of acquisition	
Cash paid	6,006
Net assets acquired:	
Inventory	4,100
Property, plant & equipment	1,850
Intangibles	1,400
Employee entitlements assumed	(1,204)
Other liabilities	(140)
Fair value of net assets acquired	6,006
Direct costs relating to the acquisition	(994)

On 6 March 2012 the Group completed the acquisition of the remaining 50% equity not already held in Daniel Robertson Australia Pty Ltd for $10.1 million. The company had been operating as a joint venture for six years, with Austral manufacturing the product following the closure of the original Daniel Robertson manufacturing plant. The acquisition will enable the bricks businesses on the East Coast of Australia to continue to manufacture this premium iconic brand. Details of the net assets acquired under this transaction are set out below, with all values determined provisionally at balance date.

	$000
Cost of acquisition	
Cash paid	10,092
Cash acquired through purchase	(1,265)
Net cash paid for business	8,827
Net assets acquired:	
Receivables	817
Property, plant & equipment	127
Prepayments	40
Intangibles	9,000
Trade creditors and accruals	(884)
Employee entitlements assumed	(435)
Income tax provision	(304)
Deferred tax liability	(1,220)
Other liabilities	(1,110)
Fair value of net assets acquired	6,031
Goodwill arising on acquisition	2,796
Net cash paid for business	8,827
Direct costs relating to the acquisition	(393)
Contribution to net profit before tax for the year ended 31 July 2012	1,713
Contribution to revenue for the year ended 31 July 2012	4,241

NOTE 29: CONTROLLED ENTITIES AND BUSINESS ACQUISITIONS (cont.)

(b) Business acquisitions (cont)

On 9 March 2012 the Group acquired the business and assets of Boral Masonry's Cairns, Queensland, operations for $3.2 million. The acquisition provides the Group with additional manufacturing capacity in far North Queensland, and provides significant synergies and savings for the Austral Masonry operations in Queensland. Details of the net assets acquired under this transaction are set out below, with all values determined provisionally at balance date.

	$000
Cost of acquisition	
Cash Paid	3,216
Net assets acquired:	
Inventory	877
Property, plant & equipment	1,141
Other assets	119
Employee entitlements assumed	(54)
Other liabilities	(751)
Fair value of net assets acquired	1,332
Goodwill arising on acquisition	1,884
Net cash paid for business	3,216
Direct costs relating to the acquisition	(255)

On 23 March 2012 the Group acquired the business and assets of CPS's Queensland precast concrete panel operations for $1.7 million. The acquisition provides the group with additional precast concrete panel manufacturing capacity in South East Queensland, and will provide significant synergies and savings for the Austral Precast operations in Queensland. Details of the net assets acquired under this transaction are set out below, with all values determined provisionally at balance date.

	$000
Cost of acquisition	
Cash paid	1,677
Net assets acquired:	
Inventory	528
Property, plant & equipment	420
Other current assets	329
Fair value of net assets acquired	1,277
Goodwill arising on acquisition	400
Net cash paid for business	1,677
Direct costs relating to the acquisition	(200)

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

It is impracticable 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 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 we cannot disclose the carrying amounts of those assets immediately prior to the acquisition.

All acquisitions disclosed in the prior period which had been provisionally accounted for at 31 July 2011 were finalised during the current year with no change to the acquisition values.

NOTE 29: CONTROLLED ENTITIES AND BUSINESS ACQUISITIONS (cont.)

(c) Controlled entities disposed of

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

(d) Closed group

A deed of cross-guarantee between Brickworks Ltd and a number of its subsidiaries (the "closed group") was enacted during the 2010 financial year and relief was obtained from preparing a financial statement for those subsidiaries under an ASIC instrument of relief under subsection 340(i) of the Corporations Act 2001. Under the deed, Brickworks guarantees to support the liabilities and obligations of those subsidiaries. The controlled entities have also given a similar guarantee. For details of those entities covered under the deed, refer to note 29(a). The members of the closed group and the parties to the deed of cross guarantee are identical. The following are the aggregate totals, for each category, relieved under the deed.

	CLOSED GROUP	
	31 JULY 12 $000	**31 JULY 11 $000**
INCOME STATEMENT		
Profit before income tax expense	9,832	159,423
Income tax (benefit) / expense	(21,789)	27,981
Profit after income tax expense	31,621	131,442
RETAINED PROFITS		
Retained profits at the beginning of the year	1,041,229	958,148
Profit after income tax expense	31,621	131,442
Dividends paid	(48,373)	(48,513)
Share of associate's transfer to outside equity interests	3,121	152
Retained profits at the end of the year	1,027,598	1,041,229

NOTE 29: CONTROLLED ENTITIES AND BUSINESS ACQUISITIONS (cont.)

(d) Closed group (cont)

	CLOSED GROUP	
	31 JULY 12	**31 JULY 11**
	$000	**$000**
BALANCE SHEET		
CURRENT ASSETS		
Cash assets	14,552	50,617
Receivables	78,263	81,114
Held for trading financial assets	11	14
Inventories	155,086	146,479
Land held for resale	9,657	1,249
Tax receivable	1,971	3,606
Prepayments	6,978	5,524
Derivative financial instruments	0	139
TOTAL CURRENT ASSETS	266,518	288,742
NON-CURRENT ASSETS		
Receivables	158,540	159,192
Other financial assets	10,000	10,000
Inventories	8,301	8,372
Land held for resale	14,742	23,742
Investments accounted for using the equity method	1,086,474	1,059,964
Property, plant and equipment	440,770	438,641
Intangibles	269,486	285,650
TOTAL NON-CURRENT ASSETS	1,988,313	1,985,561
TOTAL ASSETS	2,254,831	2,274,303
CURRENT LIABILITIES		
Payables	71,472	56,124
Provisions	31,990	34,589
TOTAL CURRENT LIABILITIES	103,462	90,713
NON-CURRENT LIABILITIES		
Payables	9,867	-
Interest-bearing liabilities	298,574	297,929
Derivative financial instruments	5,958	1,755
Provisions	22,973	25,397
Deferred tax liabilities	171,796	194,181
TOTAL NON-CURRENT LIABILITIES	509,168	519,262
TOTAL LIABILITIES	612,630	609,975
NET ASSETS	1,642,201	1,664,328
EQUITY		
Contributed equity	325,802	325,018
Reserves	288,801	298,081
Retained profits	1,027,598	1,041,229
TOTAL EQUITY	1,642,201	1,664,328

NOTE 30: CONTINGENT LIABILITIES

	CONSOLIDATED	
	31 JULY 12	31 JULY 11
	$000	$000
Contingent liabilities at balance date not provided for in these financial statements:		
Bank guarantees issued in the ordinary course of business	19,863	19,007

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

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

NOTE 31: CAPITAL AND LEASING EXPENDITURE COMMITMENTS

Capital projects contracted for but not provided for at balance date		
Payable not later than one year	7,273	45,595

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

Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements	110,189	54,599
Payable		
- not later than one year	20,952	11,640
- later than one year but not later than five years	63,526	34,107
- later than five years	25,711	8,852
	110,189	54,599

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

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

NOTE 32: EMPLOYEE SHARE PLANS

(a) Salary sacrifice arrangements

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

At 31 July 2012, the Brickworks Employee Share Plans had 716 members taking part who owned a combined 1,283,527 shares or 0.83% of issued ordinary capital (2011 751 members, 1,305,709 shares, 0.88%). This represented shares purchased under the salary sacrifice arrangements described above, as well as shares held as part of the Brickworks equity based compensation plans shown below. The reduction in employee shareholder numbers reflects an overall reduction in eligible employee numbers during the financial year.

(b) Equity-based compensation plans

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

Unvested	Opening Balance	Granted	Vested	Forfeited / Withdrawn	Closing Balance
Granted Sept 07	30,697	-	(28,828)	(1,869)	-
Granted Sept 08	75,163	-	(35,734)	(3,558)	35,871
Granted Sept 09	167,313	-	(49,671)	(17,610)	100,032
Granted Sept 10	344,758	-	(77,180)	(35,192)	232,386
Granted Sept 11	-	289,425	(55,410)	(11,395)	222,620
Total Unvested	617,931	289,425	(246,823)	(69,624)	590,909
Vested	500,373	-	246,823	(196,900)	550,296
Total	1,118,304	289,425	-	(266,524)	1,141,205

NOTE 32: EMPLOYEE SHARE PLANS (cont)

(b) Equity-based compensation plans (cont)

The amount recognised in the Income Statement in relation to equity based compensation arrangements for the year ended 31 July 2012 was $4,608,556 (2011 $4,556,943).

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

The fair value of vested shares held by the share plan at 31 July 2012 was $6,158,316 (2011 $5,750,385), based on the closing share price at 31 July 2012 ($10.08 per share) (2011 $9.90 per share). The fair value of shares granted during the period was $2,882,175 (2011 $4,552,722), based on the price paid for these shares when they were acquired on market.

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

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

NOTE 33: RELATED PARTIES

(a) Key management personnel shareholdings

DIRECTORS	**Held 31 July 2011**	**Granted as Remuneration**	**Purchases**	**Shares Disposed of**	**Held 31 July 2012**
Mr R. Millner	5,396,192	-	-	-	5,396,192
Mr M. Millner	5,371,433	-	-	-	5,371,433
Mr L. Partridge	227,011	24,906	-	-	251,917
Mr B. Crotty	10,209	-	-	-	10,209
Mr D. Gilham	102,268	-	-	-	102,268
The Hon. R. Webster	15,922	-	-	-	15,922
OTHER KEY MANAGEMENT PERSONNEL					
Mr A. Payne	167,838	12,453	-	-	180,291
Ms M. Kublins	42,053	6,891	-	(4,355)	44,589
Mr D. Fitzharris	75,709	6,891	-	-	82,600
Mr P. Scott	59,211	6,891	-	-	66,102
Mr D. Millington	23,039	5,168	-	(7,444)	20,763
Mr M. Finney	-	24,181	-	-	24,181

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

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

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

	CONSOLIDATED	
	31 JULY 12	**31 JULY 11**
	$000	**$000**
Short term employee benefits	4,270	5,012
Post-employment benefits	228	306
Other long-term employee benefits	-	-
Termination benefits	-	-
Share based payment benefits	628	1,338
	5,126	6,656

(c) Other related party transactions

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

Various intercompany loans are in existence between the Parent entity and some of its wholly owned subsidiaries. The loans are unsecured, interest free and have no fixed terms for repayment. The loans are a net asset to the Parent entity of $667.8 million.

Property transactions with various trusts (listed in note 26) which are jointly owned by the Brickworks Group and Goodman Australia Industrial Fund, an unlisted property trust. The sale of land held for resale by the Brickworks Group to these trusts resulted in revenue of $2.4 million and profit of $0.9 million. All transactions with the property trusts are at arm's length values.

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

NOTE 34: EVENTS OCCURING AFTER BALANCE DATE

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

DIRECTOR'S DECLARATION

In the opinion of the Directors:

1. the complete set of the financial statements and notes of the consolidated entity, as set out on pages 26 to 61, and the additional disclosures included in the Remuneration Report section of the Directors' Report designated as audited, are in accordance with the Corporations Act 2001:
   (a) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
   (b) give a true and fair view of the financial position as at 31 July 2012 and of the performance for the year ended on that date of the consolidated entity;
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board;
3. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
4. as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 29(a) will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee.

This declaration is made after receiving the declaration required to be made to the Directors in accordance with s295A of the Corporations Act 2001 for the financial year ended 31 July 2012.

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

Dated 20 September 2012

R.D. MILLNER
Director

L.R. PARTRIDGE AM
Director

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRICKWORKS LIMITED

Report on the financial report

We have audited the accompanying financial report of Brickworks Limited, which comprises the consolidated statement of financial position as at 31 July 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

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

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

Independence

In conducting our audit we have 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.

ERNST & YOUNG

Opinion

In our opinion:

a. the financial report of Brickworks Limited is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 31 July 2012 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in the directors' report for the year ended 31 July 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Brickworks Limited for the year ended 31 July 2012, complies with section 300A of the Corporations Act 2001.

Ernst & Young

Ernst & Young

R Robinson

Renay Robinson
Partner
Sydney
20 September 2012

STATEMENT OF SHAREHOLDERS

ORDINARY SHARES AT 31 AUGUST 2012

Number of holders	7,696
Voting entitlement is one vote per fully paid ordinary share	
% of total holdings by or on behalf of twenty largest shareholders	81.27%

Distribution of shareholdings:

1 - 1,000	3,260
1,001 - 5,000	3,510
5,001 - 10,000	459
10,000 - 100,000	423
100,001 and over	44
	7,696

Holdings of less than marketable parcel of 50 shares	715

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

Shareholder	Number of shares
Washington H Soul Pattinson & Co. Ltd	70,896,583
Perpetual Ltd and subsidiaries	17,710,519
IOOF Holdings Ltd	8,744,153
Permanent Trustee Company Ltd	7,111,550

20 LARGEST SHAREHOLDERS AS DISCLOSED ON THE SHARE REGISTER AS AT 31 AUGUST 2012

		Number of Shares	%
1.	Washington H Soul Pattinson & Company Limited	65,645,140	44.48
2.	RBC Investor Services Australia Nominees Pty Limited <PIPOOLED A/C>	12,144,323	8.23
3.	National Nominees Limited	7,339,208	4.97
4.	J P Morgan Nominees Australia Limited	5,102,052	3.46
5.	Citicorp Nominees Pty Limited <Colonial First State Inv A/C	3,811,377	2.58
6.	Milton Corporation Limited	3,224,567	2.19
7.	BNP Paribas Noms Pty Ltd <Master Cust DRP>	3,172,695	2.15
8.	J S Millner Holdings Pty Limited	2,717,137	1.84
9.	RBC Investor Services Australia Nominees Pty Limited <MBA A/C>	2,509,779	1.70
10.	HSBC Custody Nominees (Australia) Limited	2,189,122	1.48
11.	Mr K S Baker	1,873,698	1.27
12.	RBC Dexia Investor Services Australia Nominees Pty Limited <PIIC A/C>	1,747,647	1.18
13.	Australian Foundation Investment Company Limited	1,477,970	1.00
14.	Citicorp Nominees Pty Limited	1,407,213	0.95
15.	Mr R D Millner & Mr M J Millner <est James S Millner A/C>	1,361,292	0.92
16.	J P Morgan Nominees Australia Limited <Cash Income A/C>	1,332,167	0.90
17.	CPU Share Plans Pty Ltd	1,180,503	0.80
18.	T G Millner Holdings Pty Limited	608,509	0.41
19.	Argo Investments Limited	574,960	0.39
20.	Warbont Nominees Pty Ltd <Accumulation Entrepot A/C>	509,339	0.35
		119,928,698	81.27

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TABLE OF IMPORTANT DATES

2012 annual result released	20 September 2012
Record date for final ordinary dividend	8 November 2012
Annual General Meeting	27 November 2012
Payment date for final ordinary dividend	29 November 2012
2013 half-year end	31 January 2013
2013 half-year result announced	21 March 2013
Record date for interim ordinary dividend	16 April 2013
Payment date for interim ordinary dividend	7 May 2013
2013 financial year end	31 July 2013
2013 annual result released	19 September 2013

The above dates are indicative only and are subject to change