BRICKWORKS LIMITED

Brickworks Limited
ABN. 17 000 028 526

738 - 780 Wallgrove Road
Horsley Park NSW 2175

PO Box 6550
Wetherill Park NSW 1851

Tel +61 2 9830 7800
Fax +61 2 9620 1328

info@brickworks.com.au
www.brickworks.com.au

27 March 2014

Australian Securities Exchange

Attention: **Companies Department**

BY ELECTRONIC LODGEMENT

Dear Sir/Madam,

Please find attached the Brickworks Ltd Appendix 4D for the half year ended 31 January 2014, incorporating the interim financial report for that period, for immediate release to the market.

Yours faithfully,

BRICKWORKS LIMITED

IAIN THOMPSON

COMPANY SECRETARY

ASX Appendix 4D

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

BRICKWORKS LIMITED

A.B.N. 17 000 028 526

Half Year Report
Results for announcement to the market

Reporting period:	**6 months ended 31 January, 2014**
Previous corresponding period:	6 months ended 31 January, 2013

		CURRENT PERIOD 31 JAN 14	PREVIOUS PERIOD 31 JAN 13
Revenues from ordinary activities ($000's)	UP 4.6% TO	325,622	311,276
Profit (loss) from ordinary activities before tax attributable to members ($000's)	UP 16.2% TO	68,158	58,659
Profit (loss) from ordinary activities after tax attributable to members ($000's)	UP 0.4% TO	56,302	56,082
Net profit (loss) for the period attributable to members ($000's)	UP 0.4% TO	56,302	56,082
Net profit after tax before significant items ($000's)	DOWN 4.5% TO	53,427	55,956
Normal earnings per share (cents per share)	DOWN 4.7% TO	36.1	37.9
Basic earnings per share (cents per share)	UP 0.3% TO	38.1	38.0
Net tangible assets per share (cents per share)	UP 3.2% TO	1,004.1	973.0

Comments on above results

HIGHLIGHTS

BUILDING PRODUCTS' MOMENTUM SIGNALS STRONG 2ND HALF

- Headline NPBT including significant items up 16.2% to $68.2 million
- Headline NPAT including significant items up 0.4% to $56.3 million
- Brickworks Normal NPAT before significant items down 4.5% to $53.4 million
- Building Products EBIT up 36.7% to $19.2 million
- Land and Development EBIT down 3.3% to $36.1 million
- Investments EBIT down 17.8% to $23.7 million
- Net debt/capital employed of 15.2%, Net Debt of $313.9 million
- Interim dividend up 3.7% to 14.0 cents per share, fully franked

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

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

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

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

ASX Appendix 4D
Half Year Report

DIVIDENDS

ORDINARY SHARES	Cents per share (cents)	Franked amount per security (cents)	Total amount paid / payable ($000's)	Foreign source dividend per security (cents)
Proposed interim ordinary dividend (payable 6 May 2014)	14.0	14.0	20,725	0.0
Record date for determining entitlements to the dividend			**15 APRIL 2014**	
Previous corresponding period (paid 7 May 2013)	13.5	13.5	19,955	0.0

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

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

INTERIM FINANCIAL REPORT

HALF YEAR ENDED 31 JANUARY 2014

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

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half year ended 31 January 2014.

Directors

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

Robert D. Millner FAICD (Chairman)
Michael J. Millner MAICD (Deputy Chairman)
Lindsay R. Partridge AM; BSc. Hons. Ceramic Eng; FAICD; Dip. CD (Managing Director)
Brendan P. Crotty LS, DQIT, Dip. Bus Admin, MAPI, FAICD, FRICS
David N. Gilham FCILT; FAIM; FAICD
The Hon. Robert J. Webster MAICD, MAIM, JP

Review of Operations

Highlights[1]

- Building products' momentum signals strong second half
- Headline NPBT including significant items up 16.2% to $68.2 million
- Headline NPAT including significant items up 0.4% to $56.3 million
- Brickworks Normal NPAT before significant items down 4.5% to $53.4 million
    - Building Products EBIT up 36.7% to $19.2 million
    - Land and Development EBIT down 3.3% to $36.1 million
    - Investments EBIT down 17.8% to $23.7 million
- Net debt/capital employed of 15.2%, Net Debt of $313.9 million
- Interim dividend up 3.7% to 14.0 cents per share, fully franked

Overview
Brickworks' (ASX: BKW) Headline Net Profit Before Tax ('**NPBT**') for the half year ended 31 January 2014 was $68.2 million, up 16.2% on the previous corresponding period, with the prior period being adversely impacted by $8.0 million in significant costs, before tax.

Headline Net Profit After Tax ('**NPAT**'), including significant items, was up 0.4% to $56.3 million. After excluding the impact of significant items, normal NPAT was $53.4 million, down 4.5% from $56.0 million for the previous corresponding period.

Building Products' earnings before interest and tax ('EBIT') was $19.2 million, up 36.7% on the previous corresponding period. Earnings across most divisions increased, through a combination of price increases and strategic initiatives undertaken over the past few years.

Land and Development EBIT was $36.1 million for the first half, driven primarily by the sale of "Rochedale North" for a profit of $16.1 million, and continued strong growth in the Joint Venture Industrial Property Trust[2] ('Property Trust').

Investment EBIT, including the contribution from Washington H Soul Pattinson ('WHSP'), was down 17.8% to $23.7 million due primarily to a reduction in earnings from New Hope Corporation.

Brickworks' continues to outperform the All Ordinaries Accumulation Index in terms of Total Shareholder Return ('**TSR**') over most time horizons. TSR for the year to 31 January 2014 was 15.7%, 5.0% higher than the index. Over 15 years, Brickworks has delivered returns of 14.1% per annum, 5.5% per annum above the index.

Normal earnings per share ('**EPS'**) were 36.1 cents, down 4.7% from 37.9 cents for the previous corresponding period.

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1 Unless otherwise stated all earnings measures exclude significant items
2 The Joint Venture Industrial Property Trust is a 50/50% partnership between Brickworks and Goodman Industrial Trust

DIRECTORS' REPORT

Directors have declared a fully franked interim **dividend** of 14.0 cents per share for the half year ended 31 January 2014, up 3.7% on the previous corresponding period. The record date for the interim dividend will be 15 April 2014, with payment on 6 May 2014.

Financial Analysis

Gearing (debt to equity) decreased to 18.8% at 31 January 2014 from 19.7% at 31 July 2013. Total interest bearing debt decreased to $330.0 million and Net Debt was $313.9 million at 31 January 2014. Net debt to capital employed decreased to 15.2% for the half.

Interest costs were down slightly to $9.9 million for the half. **Total borrowing costs** were $8.2 million, including the gain in mark to market valuation of swaps of $1.7 million. Interest cover was 7.5 times, up slightly compared to 31 July 2013.

Working capital, excluding land held for resale and short term debt, was $166.1 million at 31 January 2014, a decrease of $7.6 million compared to 31 July 2013. During the half **finished goods inventory** reduced by $2.3 million.

Total net **cash flow** from operating activities was $53.8 million, up from $26.6 million in the previous corresponding period. This primarily reflects the rebalancing of production and sales, with the prior period being adversely impacted by an increase in finished goods inventory.

Dividends of $40.0 million were paid in the half year ended 31 January 2014, in line with the previous corresponding period.

Building Products **capital expenditure** increased to $17.7 million in the half ended 31 January 2014, up significantly from $9.5 million for the previous corresponding period. This excludes an additional $5.4 million in capital expenditure that was covered by insurance, associated with repair work following prior period fires.

Stay in business capital expenditure was $14.7 million, representing 115.9% of depreciation. This level of stay in business capital spend is higher than normal and includes a number of important projects. A range of alternative fuels projects are being implemented at Horsley Park in New South Wales in order to mitigate the impact of increasing gas prices. In addition a plant refit was undertaken at Bellevue in Western Australia, following more than 20 years of service. A new setting machine has commenced being installed at Rochedale in Queensland and will be completed during the second half.

Growth capital expenditure was $3.0 million, comprising the installation of an automated mesh welding machine at the Wetherill Park precast facility.

There were no **acquisitions** during the period.

The normalised **income tax** expense for the period increased to $12.6 million compared to $10.7 million for the previous corresponding period, due to the increased earnings from the combined Building Products and Land and Development Groups.

Net tangible assets per share was $10.04 at 31 January 2014, up from $9.73 at 31 July 2013. Total shareholders equity was up 2.1% for the half, to $1.755 billion.

Return on equity for the half was 6.4%, broadly in line with the prior corresponding period. Over the longer term, Brickworks diversified corporate structure has provided stability of earnings and enabled prudent investments that have steadily built net asset value and underpinned superior total shareholder returns.

Significant items increased NPAT by $2.9 million for the half year, due primarily to significant items relating to WHSP, offset by costs associated with the restructuring proposal by Perpetual / Carnegie.

Significant Items ($m)	Gross	Tax	Net
Costs relating to Perpetual / Carnegie proposal	(1.8)	0.6	(1.2)
Significant items relating to WHSP	4.3	0.1	4.4
Other Building Products significant items	(0.4)	0.1	(0.3)
TOTAL	**2.1**	**0.8**	**2.9**

Brickworks Building Products
Summary of Residential Commencements

Estimated Starts[3]	Detached Houses			Other Res			Total		
	Dec 12	Dec 13	Change	Dec 12	Dec 13	Change	Dec 12	Dec 13	Change
New South Wales[4]	10,385	10,871	4.7%	11,943	13,775	15.3%	22,328	24,646	10.4%
Queensland	9,918	9,604	(3.2%)	5,061	6,944	37.2%	14,979	16,548	10.5%
Victoria	15,244	14,018	(8.0%)	13,188	9,605	(27.2%)	28,432	23,623	(16.9%)
Western Australia	9,309	11,433	22.8%	2,705	2,666	(1.4%)	12,014	14,099	17.4%
South Australia	3,358	3,861	15.0%	1,045	1,019	(2.5%)	4,403	4,880	10.8%
Tasmania	794	753	(5.2%)	193	110	(43.0%)	987	863	(12.6%)
Total Australia	**49,509**	**50,930**	**2.9%**	**34,926**	**34,729**	**(0.6%)**	**84,435**	**85,659**	**1.4%**
New Zealand[5]	8,189	10,107	23.4%	1,000	1,599	59.9%	9,189	11,706	27.4%

Estimated commencements for **Australia** were up 1.4% to 85,659 for the six months ended 31 December 2013, from 84,435 in the previous corresponding period. The increase was driven by a rise in detached housing commencements, up 2.9% for the period, offset by a decline in other residential commencements of 0.6%. Despite the gradual improvement, detached house building activity remains below historical average levels.

Conditions in **New South Wales** (including ACT) continue to improve, with total residential commencements up 10.4% on the prior period. New South Wales (excluding ACT) now rivals Victoria as the largest housing market in the country. This is a significant shift compared to just three years ago when total commencements in New South Wales were around half of Victoria.

Since the cyclical low point around four years ago, virtually all the growth in New South Wales has been driven by “high rise”[6] apartments, with these developments increasing over 300% whilst other dwelling types have remained relatively flat. During the first half, high rise approvals represented 47.2% of total dwelling approvals, compared to just 15.3% four years ago.

Queensland also experienced strong growth in total commencements, up 10.5%, albeit from a low base, driven by very strong growth in other residential construction. Contrary to the national trend, detached house commencements were down 3.2% compared to the prior period.

Victoria continues to suffer a major decline in detached housing commencements, down a further 8.0% from the previous corresponding period. Other residential activity was also weak, down 27.2%, albeit from a historically high level in the prior period.

Detached housing activity in **Western Australia** is now at record highs following an increase of 22.8% on the prior corresponding period. The relatively small other residential segment was flat, consolidating the significant gains made in the prior period.

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[3] Original data sourced from ABSCat. 8752.0 Number of Dwelling Unit Commencements by Sector, States & Territories (Sep 12, Dec 12 and Sep 13 quarters). Dec 13 quarter estimate from BIS Shrapnel.
[4] Includes ACT, to align with Brickworks divisional regions
[5] Building Consents data sourced from Statistics New Zealand – Building Consents.
[6] 4 storey or greater apartment blocks, as per ABS approvals categorisation

Momentum was maintained in **New Zealand,** with building consents for the six months ended 31 December 2013 increasing by 27.4% compared to the previous corresponding period.

The value of approvals in the **non residential** sector in Australia was up 21.7% to $19.164 billion for the six months to 31 December 2013, compared to the previous corresponding period. The **Commercial** building sector was up 47.7% to $8.522 billion for the period. **Industrial** building approvals decreased 10.4% to $2.604 billion. The **Educational** sub-sector was up 37.1% to $2.595 billion, reversing the declines in the previous corresponding period.

Building Products' Results in Detail

Half Year Ended January		**2013**	**2014**	**Change %**
Revenue	$mill	278.7	296.2	6.3
EBITDA	$mill	26.9	31.8	18.3
EBIT	$mill	14.0	19.2	36.7
Capital expenditure	$mill	9.5	23.1	143.1
EBITDA margin	%	9.6	10.7	11.5
EBIT margin	%	5.0	6.5	28.6
FTE employees (vs. Jul 13)		1,435	1,433	(0.1)
Safety (TRIFR)[7]		160.3	168.1	4.9
Safety (LTIFR)[8]		3.1	1.5	(50.6)

Revenue for the half year to 31 January 2014 was $296.2 million, up 6.3% from $278.7 million for the previous corresponding period.

EBIT was $19.2 million, up 36.7% on the prior corresponding period, and **EBITDA** was $31.8 million. Improved earnings were achieved on the back of restructuring initiatives implemented in prior periods, cost reduction initiatives and increased pricing in some divisions. All divisions other than Bristile Roofing achieved higher earnings, with this business having significant exposure to the declining detached housing market in Victoria.

Cost reduction initiatives delivered an estimated $4.3 million in savings compared to the prior corresponding period. These benefits arose from prior period restructuring, such as the consolidation of masonry operations in New South Wales to one site at Prospect, and a range of operational improvement and cost reduction projects that offset the increase in input costs, such as significantly higher energy prices.

The **EBIT margin** of 6.5% remains below acceptable levels, despite a significant increase compared to the prior period. It is important to note that this margin represents an average across all divisions, with the target varying by division. For example, the supply and install nature of the precast and roofing businesses have generally lower profit margins than bricks, however being less capital intensive, compensates with less funds employed.

Short term margins are being impacted by the presence of competitors in some businesses, who are operating unsustainable business models, not concerned with covering the cost of already employed capital and / or required future investments to maintain their operations.

Notwithstanding this issue, the significant increase in margin during the half demonstrates the high degree of operating leverage within the Building Products Group, given the relatively low increase in revenue.

The significant reduction in workforce over the past six years has slowed down during the first half, with production now stabilised and in balance with sales volume. Following the re-sizing of many production operations, productivity rates are much improved and it is unlikely that employee levels will need to be increased significantly if the market recovers.

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[7] Total Reportable Injury Frequency Rate (TRIFR) measures the total number of reportable injuries per million hours worked

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

Brickworks' ongoing commitment to providing a safe workplace has resulted in a substantial reduction in the Lost Time Injury Frequency Rate ('LTIFR') to 1.5 in the six months ended 31 January 2014, even though the Total Reportable Injury Frequency Rate ('TRIFR') increased slightly to 168.1.

Divisional Results

Austral Bricks™ delivered an increase in earnings for the six months ended 31 January 2014. Sales revenue was up 15.4% to $157.5 million, driven primarily by volume, up 13.9%. The increase in sales volume was due to three main factors: product "tolling" arrangements put in place in the 2^{nd} half of 2013, strong growth in export demand to New Zealand and a recovery in demand in Western Australia.

Excluding the impact of tolling arrangements and export sales to New Zealand, significant price increases were achieved across all states, with the exception of Western Australia and Victoria. Improved production efficiency and cost reduction initiatives, such as the implementation of alternative fuels projects, also supported the increase in earnings for the division.

Finished goods stock levels were reduced across all major markets, with production volumes across most operations being maintained at previous levels despite the increase in sales volumes.

New South Wales earnings improved, primarily as a result of strong price increases and improved production efficiency. An increase in sales volume was driven by the supply of general purpose common bricks to Boral, with little volume increase attributable to the improved market conditions.

The previously mothballed 2^{nd} kiln at Plant 3 recommenced production in December to meet the higher volume, following a significant reduction in inventory over the first 4 months of the period. It is anticipated that strong future demand will result in this kiln remaining in operation. An operations excellence program progressively implemented over two years is delivering good results with unit production costs well controlled, despite the impact of input cost increases.

A continued focus on developing premium products has resulted in securing brick supply to a number of prestigious projects, such as the Australian Embassy in Bangkok and the iconic Dr Chau Chuk building at the University of Technology Sydney. This building, designed by Frank Gehry, has utilised over 300,000 specially designed dry press bricks produced at Bowral.

The turn-around in **Queensland** continues, with a significantly improved result being achieved for the period, despite a decrease in local sales volume. The improvement has been driven by strong selling price increases and reduced overhead costs. In addition, production efficiency has benefited from an increase in demand from New Zealand Brick Distributors.

The sale of "Rochedale North", a 23.5 hectare site adjacent to the brick factory that is surplus to operational requirements, was completed during the period. This sale has released significant land value and enhanced returns on invested capital at the Rochedale site.

Work is now well underway to consolidate the brick operations onto a smaller site and undertake a staged refit of the factory. These upgrades will reduce the cost of manufacture and further enhance margins to ensure the viability of this business over the long term.

Earnings from **Victoria** were down on the prior corresponding period, as further reductions in building activity resulted in a highly competitive market. Pricing was flat, due in part to an increase in the proportion of sales volume to lower priced major builders. A price rise to trade buyers and retail customers was implemented late in the half, with increases to major customers being progressively applied as agreements are renewed.

Despite the decrease in building activity, sales volume increased compared to the prior period. Following the impact of a fire in the previous period and the re-establishment of a full product range, market share is now increasing back to historical levels. Production volume was reduced in order to avoid an increase in finished goods stock, with production and sales back in balance by the end of the period.

For the first time since it commenced operation six years ago, the Wollert East kiln was shutdown over the Christmas period, with minor repairs being completed during this period. This kiln remains in "as new" condition.

DIRECTORS' REPORT

Western Australia remains a difficult market, despite the significant increase in residential building activity. Sales volume increased in line with the uplift in detached housing commencements, however the average selling price was below the prior corresponding period resulting in relatively steady earnings. A significant reduction in inventory was achieved, with the rationalised plant footprint comprising Bellevue, Armadale and Malaga being maintained despite the significantly higher volume.

During the period the Bellevue plant was shut for an extended period to undertake a plant refit comprising the refurbishment of the kiln roof and burner plant, and upgrades to the setting machine and packaging plant. This refit, the first at Bellevue in around 20 years, will deliver a range of benefits such as increased output, reduced maintenance costs, lower gas consumption and improved product quality. Capital work was completed in March and the plant is now back in full production.

Planning work is underway to refit the Malaga plant to reduce costs and ensure margins are improved in this business over the long term. The work at Malaga will be staged over the next 2-3 years.

Earnings in **South Australia** were up significantly on the prior period, due largely to an increase in selling price, on steady local sales volume. Strong cost controls resulted in unit manufacturing costs decreasing, despite production volume being marginally below the prior year.

Tasmania delivered increased earnings, despite the deteriorating market conditions in that state. Both sales volume and average selling prices increased on the prior corresponding period. Austral Bricks is now the only remaining locally based manufacturer.

A strong performance from **New Zealand Brick Distributors** resulted in an increase in contribution from New Zealand operations. This business continues to benefit from a resurgence in residential building activity in New Zealand and improved margins.

Austral Masonry™ delivered a significant increase in earnings, up 91.1% compared to the previous corresponding period and is now the second most profitable division within the Building Products Group. Sales revenue was up 40.8% to $39.1 million. This outstanding result was achieved on the back of both external rationalisation and internal restructuring initiatives.

External rationalisation activities included the benefits associated with prior period acquisitions, including an expanded product range and an increase in sales volume of 32.7%. In addition, product “tolling” arrangements have delivered benefits in Cairns and Victoria. In Cairns, Austral Masonry is now the only significant masonry manufacturer, and has supply agreements for commodity grey block in place with other distributors in this region. In Victoria, Austral Masonry now source grey block from Adelaide Brighton, allowing the closure of the inefficient Dandenong plant.

A number of internal restructuring initiatives were also implemented. These included significant overhead cost reductions across many operations and the consolidation of operations in New South Wales to the Prospect site. Strong average selling price increases were also achieved, up 10.3% excluding the impact of tolling.

Bristile Roofing™ earnings decreased compared to the prior corresponding period, with sales volume down 11.3% and pricing relatively steady. Sales revenue was down 12.1% to $48.0 million for the half. On the East Coast earnings were flat, with improvements in New South Wales and Queensland being offset by declines in Victoria.

The contribution from Western Australia was lower, with the previous period benefitting from a major commercial project. The upturn in detached house commencements in this state is yet to translate to increased sales volumes, with a significant lag being experienced between a recorded “commencement” and the installation of roof tiles on site.

Austral Precast™ earnings increased, despite a 4.3% reduction in sales revenue to $31.9 million. A restructure was undertaken during the period to extract synergies from the sales and administration functions across the country. Improved earnings in New South Wales, Queensland and Western Australia were offset by a decline in Victoria.

A number of new products were launched during the period, aimed at offering a "whole of structure" building solution. These products included Austral Deck, a proprietary flooring system, and "PermaTech", a range of panels that feature various applied finishes.

A range of cost reduction initiatives are underway. A mobile crane was acquired in December to install panels in the Sydney region at lower cost, and a steel mesh plant is currently being installed at the Wetherill Park plant to automate the fabrication of steel reinforcement.

Auswest Timbers™ earnings increased on the prior corresponding period, with sales revenue up 4.3% to $21.8 million. There was a strong uplift in domestic activity in the latter stages of the period, particularly for joinery and furniture components from Western Australia. Export volume is also increasing, with particularly strong demand from China for furniture grade material. The uplift in export demand was partially offset by the impact of decreasing woodchip prices.

Operations in Western Australia are now back to normal, following the recommissioning of the Deanmill plant in July 2013, following an extensive rebuild of the facility after it was damaged by fire in August 2012.

A significant rationalisation of the Western Australian hardwood market in underway. Following the exit of Whittakers, a key competitor, Auswest Timbers' competitive position is much improved, and it now controls the vast majority of available Jarrah, Karri and Marri species.

The Orbost operation in Victoria has log supply licenses in place until 2017, with longer term supply currently being negotiated with VicForests. If a satisfactory outcome from these negotiations can be achieved, it will likely underpin plant upgrade works at the Victorian facilities, with current sales volumes constrained by production capacity.

Land and Development

Land and Development produced an EBIT of $36.1 million for the half year ended 31 January 2014, down 3.3% from $37.3 million for the previous corresponding period.

Property Sales contributed an EBIT of $20.4 million for the half year, down marginally from $23.4 million in the prior half. The main transaction for the period was the sale of the "Rochedale North" site in Brisbane, valued at $25.9 million, into the Property Trust. The 23.5 hectare site, located at the northern end of Gardner Road in Rochedale, will be developed into an industrial estate with over 125,000m^2 of gross lettable area. Other property sales included former quarries at Rhonda, in Queensland, sold for $2.0 million and Buninyong in Victoria, sold for $0.8 million.

The **Property Trust** generated an EBIT of $17.1 million, up 14.0% from $15.0 million in the previous corresponding period.

Net property income distributed from the Property Trust was $6.1 million for the half, up from $5.1 million in the half year ended 31 January 2013.

The revaluation profit of stabilised Property Trust assets totalled $7.9 million, up significantly from $3.8 million in the previous corresponding period, due to a reduction in capitalisation rates in the last quarter of 2013.

An EBIT of $2.1 million was contributed through a revaluation on the completion of the DHL Canon development on the Oakdale Central Estate. In addition, a development profit of $1.0 million was achieved as a result of the sale of the Toll development and fees on other Property Trust developments. This sale provided $11.9 million in cash to Brickworks.

The total value of the Property Trust assets as at 31 January 2014 was $913.8 million, including borrowings of $343.5 million, giving a total net asset value of $570.3 million. Brickworks share of the Property Trust's net asset value was $285.1 million, up $26.2 million from $258.9 million at 31 July 2013. The increase in value was primarily due to the sale of Rochedale North into the Property Trust, in addition to the completion of the DHL Canon facility and revaluations of other properties. This was partially offset by the sale of the expanded Toll facility.

DIRECTORS' REPORT

During the half construction continued on two new Property Trust developments, including the expansion of the existing Coles cold store facility on the M7 Estate, and the fourth DHL facility on Oakdale Central. Both of these facilities are due for completion in July 2014.

The royalty free period at the Horsley Park Landfill ended in December 2013, enabling contributions to re-commence in January. **Waste Management** contributed a profit of $0.1 million for this period.

Property Group administration expenses totalled $1.5 million for the half year to 31 January 2014, in line with the prior corresponding period. These expenses include holding costs such as rates and taxes on properties awaiting development.

Investments
The EBIT from total investments was down 17.8% to $23.7 million in the half year ended 31 January 2014.

Washington H. Soul Pattinson Limited ('WHSP') *ASX Code: SOL*
Brickworks' investment in WHSP returned a normalised contribution of $23.6 million for the half year ended 31 January 2014, down 17.8% from $28.7 million in the previous corresponding period, due primarily to the impact of reduced earnings from New Hope Corporation Limited ('NHC').

The market value of Brickworks 42.72% share holding in WHSP was $1.543 billion, up 11.8% or $163.0 million, from $1.380 billion at 31 July 2013. This investment continues to provide diversity and stability to earnings, with cash dividends totalling $28.6 million received during the half, up 3.6% on the prior period.

WHSP has delivered outstanding returns over the short, medium and long term, outperforming the ASX All Ordinaries Accumulation Index by 2.6% p.a. over five years, 4.0% p.a. over ten years and 6.6% p.a. over fifteen years.

WHSP holds a significant investment portfolio in a number of listed companies including Brickworks, New Hope Corporation, TPG Telecom Limited, API, Clover, Ruralco Holdings and Copper Chem Limited.

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

Perpetual / M.H. Carnegie Proposal
A general meeting to consider Perpetual and Carnegie's proposals is currently scheduled for 5 May 2014. The meeting has been postponed on several occasions due to the unavailability of information, in particular an ATO ruling on the tax consequences of the proposal, that Brickworks Independent Directors consider vitally important to enable shareholders to properly evaluate and consider the resolutions.

The proposal from Perpetual and Carnegie has caused Brickworks to incur $1.8 million in costs during the six months to 31 January 2014. Of greater concern is the major distraction to management and staff, the full impact of which is difficult to quantify.

Outlook
Building Products
The current upturn in **housing activity** has been relatively slow to translate into increased building materials demand, with the notable exception of brick sales in Western Australia. However we are now experiencing a more broad based recovery in demand, with Austral Bricks sales volumes in March tracking more than 30% ahead of the prior year, building on momentum from February. If demand continues to build and stock holdings fall to unsustainable levels, Brickworks is well placed, with the flexibility to bring on kilns currently mothballed such as Plant 2 at Horsley Park and the second kilns at Rochedale and Golden Grove.

However the Building Products Group remains committed to increasing profit, as opposed to market share. **Price rises** have been implemented by a number of divisions in the first half, with the full impact of these increases yet to be realised. Over the remainder of the year, all divisions will continue to implement price rises as and when necessary to ensure margins and returns reach acceptable levels.

Brickworks is optimistic that changes in **government policy**, including the abolition of the carbon tax, will decrease the cost burden on Australian business. Of particular importance is a more balanced industrial relations system that facilitates flexibility and direct employee engagement. It is also essential that Australia's vast gas reserves are made available to local manufacturers at commercially viable prices, and a streamlined approvals process is implemented for utilisation of green, synthetic or alternative fuels.

Despite the lengthy and complicated approvals process, Brickworks is making good progress on a range of alternative fuels projects to offset the impact of **gas cost** increases over the coming years. For example, a significant portion of gas consumption at Plant 1 at Horsley Park in Sydney is now sourced from landfill gas. In addition Austral Bricks has signed an agreement with Strike Energy that provides an option for the supply of 12.5PJ of gas by Strike, should it become available, at a fixed price over a 10 year term from 2017.

If sales momentum is sustained, the Building Products Group is well placed to deliver significantly higher earnings in the second half, compared to the previous corresponding period. Final quarter earnings will also benefit from the completion of major capital projects such as the refit of the Bellevue brick plant in Western Australia and the automated mesh welding machine at the Wetherill Park precast facility in New South Wales.

In the medium term, industry rationalisation and internal restructuring completed in recent years, together with forecast improvements in detached house building activity will provide additional impetus to Building Products earnings.

Land and Development

A number of developments within the Property Trust will continue to deliver increased earnings over the medium term. The completion during the first half of the DHL Canon facility on the Oakdale Central Estate provides a further 20,170m^2 to the developed assets at this site. Also on Oakdale Central, construction is well underway on the fourth DHL facility, consisting of 31,745m^2, and this development is expected to be completed in July 2014.

The 12,420m^2 expansion of the existing Coles Cold Store facility at M7 Business Hub is also due for completion in July 2014. This extension will bring the total area to 55,490m^2 making it the largest and most valuable asset in the portfolio.

New pre-commitment enquiry has slowed in the last quarter of 2013. However the Trust is well placed to secure additional developments, particularly at Oakdale Central and South with these areas benefitting from the pending upgrade of Old Wallgrove Road, Eastern Creek.

The sale of Rochedale North into the Trust will facilitate the development of infrastructure and services for the site and will release 23.5 hectares of developable land to the Brisbane market. The site's close proximity to Brisbane's airport and sea freight terminals makes it attractive as a key new industrial area. Initial enquiry into the property has been strong, with the site already shortlisted for review by two potential tenants.

Investments

The diversified nature of Washington H. Soul Pattinson's investments is expected to deliver increasing earnings to Brickworks over the long term.

Brickworks Group

Building Products earnings for the full year are expected to comfortably exceed the prior year. Continued growth of the Property Trust and the significant land sale reported in the first half will likely result in a marginally higher contribution over the full year. Investment earnings are difficult to predict in the short term.

The diversified nature of Brickworks earnings is likely to result in a solid performance for the 2014 financial year.

Rounding of amounts

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

Auditor's independence declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 11 for the half year ended 31 January 2014, and forms part of this report.

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

Dated 27 March 2014

R D MILLNER	L R PARTRIDGE AM
Director	Director

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

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

Auditor's Independence Declaration to the Directors of Brickworks Limited

In relation to our review of the financial report of Brickworks Limited for the half year ended 31 January 2014, 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

RRobinson

Renay Robinson
Partner
27 March 2014

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 JANUARY 2014

	NOTE	CONSOLIDATED 31 JAN 14 $000	 31 JAN 13 $000
Revenue	2	325,622	311,276
Cost of sales		(221,637)	(211,930)
Gross profit		103,985	99,346
Other income		2,351	492
Distribution expenses		(27,147)	(25,407)
Administration expenses		(10,984)	(10,757)
Selling expenses		(29,378)	(29,139)
Borrowing costs expense	2	(8,271)	(9,851)
Other expenses		(7,513)	(9,769)
Share of net profits of associates and joint ventures accounted for using the equity method	5, 6	45,115	43,744
Profit before income tax expense		68,158	58,659
Income tax attributable to profit	3	(11,856)	(2,577)
Profit after income tax expense		**56,302**	**56,082**
Other comprehensive income			
Items that may subsequently be reclassified to net profit			
Foreign currency translation		204	350
Share of increments / (decrements) in reserves attributable to associates and joint ventures		15,590	27,701
Income tax on items of other comprehensive income		(4,677)	(8,310)
Other comprehensive income for the period, net of tax		**11,117**	**19,741**
Total comprehensive income for the period		**67,419**	**75,823**
Net profit attributable to members of the parent entity		56,302	56,082
Total comprehensive income for the period attributable to members of the parent entity		67,419	75,823
Basic earnings per share (cents per share)		38.1	38.0
Diluted earnings per share (cents per share)		38.1	38.0

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 JANUARY 2014

	NOTE	CONSOLIDATED 31 JAN 14 $000	CONSOLIDATED 31 JULY 13 $000
CURRENT ASSETS			
Cash and cash equivalents		16,077	19,117
Receivables		75,275	86,631
Held for trading financial assets		32	29
Inventories		182,187	184,606
Land and buildings held for resale		6,084	5,939
Prepayments		8,517	8,611
TOTAL CURRENT ASSETS		288,172	304,933
NON-CURRENT ASSETS			
Receivables		464	-
Inventories		8,204	8,233
Land and buildings held for resale		18,991	18,991
Investments accounted for using the equity method		1,382,777	1,339,751
Property, plant and equipment		434,070	429,860
Intangible assets		269,041	269,028
TOTAL NON-CURRENT ASSETS		2,113,547	2,065,863
TOTAL ASSETS		2,401,719	2,370,796
CURRENT LIABILITIES			
Payables		66,474	73,809
Interest-bearing liabilities		29,783	38,505
Derivative financial instruments		1,327	395
Income tax provision		610	109
Provisions		47,754	51,467
TOTAL CURRENT LIABILITIES		145,948	164,285
NON-CURRENT LIABILITIES			
Interest-bearing liabilities		299,501	299,566
Derivative financial instruments		1,451	4,038
Provisions		12,490	11,787
Deferred tax items		186,861	171,221
TOTAL NON-CURRENT LIABILITIES		500,303	486,612
TOTAL LIABILITIES		646,251	650,897
NET ASSETS		1,755,468	1,719,899
EQUITY			
Contributed equity	7	328,152	328,720
Reserves		315,511	302,841
Retained profits		1,111,805	1,088,338
TOTAL EQUITY		1,755,468	1,719,899

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

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 JANUARY 2014

31 JANUARY 2014 ($000)	**NOTE**	Ordinary Share	Treasury Stock	Capital Profits Reserve	Equity Adjust's Reserve	General Reserve	Foreign Currency Reserve	Share Based Payments Reserve	Associates Reserve	Retained Earnings	Total
Total equity at beginning of the half year		335,341	(6,621)	88,102	(17,263)	36,125	(1,768)	3,085	194,560	1,088,338	1,719,899
Net profit for the half year		-	-	-	-	-	-	-	-	56,302	56,302
Other comprehensive income for the half year		-	-	-	(4,677)	-	204	-	15,590	-	11,117
Total comprehensive income for the half year		-	-	-	(4,677)	-	204	-	15,590	56,302	67,419
Transactions with owners in their capacity as owners											
Dividends provided or paid during the half year	4	-	-	-	-	-	-	-	-	(32,399)	(32,399)
Issue of shares	7	2,862	-	-	-	-	-	-	-	-	2,862
Purchase/Issue of shares through employee share plan	7	-	(3,441)	-	-	-	-	-	-	-	(3,441)
Shares vested to employees	7	-	11	-	-	-	-	-	-	-	11
Share of associates transfer to outside equity interests		-	-	-	-	-	-	-	-	(436)	(436)
Share of associates transfer from / (to) retained earnings		-	-	-	-	-	-	-	-	-	-
Share based payments		-	-	-	-	-	-	1,553	-	-	1,553
		2,862	(3,430)	-	-	-	-	1,553	-	(32,835)	(31,850)
Total equity at the end of the half year		338,203	(10,051)	88,102	(21,940)	36,125	(1,564)	4,638	210,150	1,111,805	1,755,468
31 JANUARY 2013											
Total equity at beginning of the half year		332,816	(7,014)	88,102	(9,251)	36,125	(2,409)	3,388	168,471	1,052,382	1,662,610
Net profit for the half year		-	-	-	-	-	-	-	-	56,082	56,082
Other comprehensive income for the half year		-	-	-	(8,310)	-	350	-	27,701	-	19,741
Total comprehensive income for the half year		-	-	-	(8,310)	-	350	-	27,701	56,082	75,823
Transactions with owners in their capacity as owners											
Dividends provided or paid during the half year		-	-	-	-	-	-	-	-	(32,339)	(32,339)
Issue of shares		2,525	-	-	-	-	-	-	-	-	2,525
Purchase/Issue of shares through employee share plan		-	(2,809)	-	-	-	-	-	-	-	(2,809)
Shares vested to employees		-	268	-	-	-	-	-	-	-	268
Share of associates transfer to outside equity interests		-	-	-	-	-	-	-	-	148	148
Share based payments		-	-	-	-	-	-	1,451	-	-	1,451
		2,525	(2,541)	-	-	-	-	1,451	-	(32,191)	(30,756)
Total equity at the end of the half year		335,341	(9,555)	88,102	(17,561)	36,125	(2,059)	4,839	196,172	1,076,273	1,707,677

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

STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 JANUARY 2014

	NOTE	CONSOLIDATED 31 JAN 14 $000	CONSOLIDATED 31 JAN 13 $000
Cash flows from operating activities			
Receipts from customers		335,052	317,366
Payments to suppliers & employees		(308,262)	(314,045)
Interest received		140	167
Borrowing costs		(10,203)	(8,991)
Dividends and distributions received		37,319	32,506
Income tax paid		(206)	(376)
Net cash flows from / (used in) operating activities		53,840	26,627
Cash flows from investing activities			
Proceeds from sale of investments	6	11,289	-
Purchases of intangible assets		(100)	-
Purchases of investments		(78)	(450)
Proceeds from sale of property, plant & equipment		4,258	4,882
Purchases of property, plant & equipment		(23,278)	(9,658)
Net cash flows from / (used in) investing activities		(7,909)	(5,226)
Cash flows from financing activities			
Proceeds from borrowings		67,000	70,000
Repayment of borrowings		(76,000)	(55,000)
Loan (to) / from other entity		-	115
Dividends paid	4	(39,971)	(39,911)
Net cash flows from / (used in) financing activities		(48,971)	(24,796)
Net increase / (decrease) in cash held		(3,040)	(3,395)
Cash at beginning of half year		19,117	14,553
Cash at end of half year		16,077	11,158

NOTE 1: BASIS OF PREPARATION

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

The condensed half year general purpose financial report does not include full disclosures of the type normally included in an annual financial report, and as such this financial report should be read in conjunction with the annual financial report for the year ended 31 July 2013, and any public announcements made by Brickworks Limited and its controlled entities during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the group and are consistent with those of the most recent annual financial report for the year ended 31 July 2013, with the exception that the Group has adopted the following new accounting standards, which had no impact on the financial position or performance of the Group:

AASB 10: Consolidated Financial Statements
AASB 11: Joint Arrangements
AASB 12: Disclosures of Interests in Other Entities
AASB 13: Fair Value Measurement
AASB 119: Employee Benefits
AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (AASB 124)
AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13
AASB 2012-2: Amendments to Australian Accounting standards- Disclosures - Offsetting Financial Assets and Financial Liabilities.
AASB 2012-5: Amendments to Australian Accounting Standards Arising from Annual Improvements 2009 - 2011 Cycle
AASB 2012-10: Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments

NOTE 2: INCOME AND EXPENSES

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

	CONSOLIDATED	
	31 JAN 14 **$000**	**31 JAN 13** **$000**
REVENUES		
Building products	296,232	278,709
Property	29,249	32,399
Investments	141	168
Total revenue	325,622	311,276
BORROWING COSTS		
Interest and other borrowing costs	9,927	10,462
Mark to market derivatives	(1,656)	(611)
Total finance costs	8,271	9,851

NOTE 2: INCOME AND EXPENSES (cont.)

	CONSOLIDATED	
	31 JAN 14	**31 JAN 13**
	$000	**$000**
PROPERTY TRUST PROFITS		
Fair value adjustment of properties	10,056	3,827
Fair value adjustment on recognition as investment property	-	6,099
Property Trust rental profits	6,135	5,146
Total profits from Property Trusts	16,191	15,072
SIGNIFICANT ITEMS		
Business acquisition costs [(1)]	-	(235)
Costs on closure of manufacturing facilities [(1,3)]	(379)	(6,914)
Costs relating to Perpetual/Carnegie proposal [(1)]	(1,848)	-
Additional profit / (loss) due to significant one-off transactions of Washington H Soul Pattinson & Co Ltd [(2)]	4,312	-
Other significant items [(1)]	-	(852)
Total significant items	2,085	(8,001)
Tax effect of above transactions	668	2,400
Tax adjustment for WHSP equity accounting	122	5,727
Total significant items after income tax	2,875	126

(1) Disclosed in "Other expenses" line on Statement of Comprehensive Income
(2) Disclosed in "Share of net profits of associates" line on Statement of Comprehensive Income
(3) Disclosed in "Cost of goods sold" line on Statement of Comprehensive Income

NOTE 3: INCOME TAX EXPENSE

	31 JAN 14	31 JAN 13
Current Tax	(735)	153
Deferred Tax	12,925	2,478
Under / (over) provided in prior years	(334)	(54)
	11,856	2,577
Tax (benefit) / expense on significant items	(790)	(8,127)
Tax expense on underlying operations	12,646	10,704
	11,856	2,577

NOTE 4: DIVIDENDS

	CONSOLIDATED	
	31 JAN 14 $000	31 JAN 13 $000
Final ordinary dividend (prior year) of 27.0 cents per share paid 28/11/13 (2012 – 27.0c paid 28/11/12)	39,971	39,911
Group's share of dividend received by associated company	(7,572)	(7,572)
	32,399	32,339
Proposed interim ordinary dividend of 14.0 cents per share (2013 - 13.5c paid 7/05/13) not recognised as a liability	20,725	19,955

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

NOTE 5: ASSOCIATED ENTITIES

Information relating to significant associated entities is set out below:

	Ownership interest		Contribution to profit	
	31 JAN 14 %	31 JAN 13 %	31 JAN 14 $000	31 JAN 13 $000
Washington H Soul Pattinson & Co Ltd	42.72	42.72	27,871	28,672

NOTE 6: JOINTLY CONTROLLED ENTITIES

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

BGAI CDC Trust	50.00	50.00	1,606	1,417
BGAI Erskine Trust	50.00	50.00	6,883	3,142
BGAI TTP Trust	N/A	50.00	197	434
BGAI Capicure Trust	50.00	50.00	623	411
BGAI Heritage Trust	50.00	50.00	2,253	1,849
BGAI Oakdale Trust	50.00	50.00	4,365	1,266
BGAI Wacol Trust	50.00	50.00	265	454
BGAI Oakdale South Trust	50.00	50.00	-	-
BGMG 2 Rochedale Trust	50.00	N/A	-	-
New Zealand Brick Distributors	50.00	N/A	1,052	-
Fair value adjustments on recognition as investment property			-	6,099
			17,244	15,072

During the period the Group sold its investment in the BGAI TTP Trust for net proceeds of $11,288,802.

NOTE 7: CONTRIBUTED EQUITY

	CONSOLIDATED	
	31 JAN 14 $000	31 JULY 13 $000
Fully paid ordinary shares	338,203	335,341
Treasury stock	(10,051)	(6,621)
	328,152	328,720
ORDINARY SHARES		
Opening balance	335,341	332,816
Shares issued during the period	2,871	2,525
Costs associated with shares issued	(9)	-
Balance at end of period	338,203	335,341
	No. Shares	**No. Shares**
Opening balance	147,818,132	147,567,333
Shares issued during the period	220,864	250,799
Balance at end of period	148,038,996	147,818,132
	$000	**$000**
TREASURY STOCK		
Opening balance	(6,621)	(7,014)
Treasury stock acquired by share plan	(3,441)	(2,801)
Treasury stock vested during period	11	3,194
Balance at end of period	(10,051)	(6,621)
	No. Shares	**No. Shares**
Opening balance	613,891	615,631
Treasury stock acquired by share plan	264,710	278,107
Treasury stock vested during period	(10,295)	(279,847)
Balance at end of period	868,306	613,891

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 JANUARY 2014

NOTE 8: SEGMENT INFORMATION

	Building Products		**Property**		**Investments**		**Consolidated**	
	31 JAN 14 $000	**31 JAN 13 $000**	**31 JAN 14 $000**	**31 JAN 13 $000**	**31 JAN 14 $000**	**31 JAN 13 $000**	**31 JAN 14 $000**	**31 JAN 13 $000**
REVENUE								
Segment revenue	296,232	278,709	29,249	32,399	141	168	325,622	311,276
RESULT								
Segment EBITDA	31,824	26,865	36,079	37,296	23,703	28,846	91,606	93,007
Less depreciation and amortisation	(12,653)	(12,838)	-	-	-	-	(12,653)	(12,838)
Segment EBIT (before significant items)	**19,171**	**14,027**	**36,079**	**37,296**	**23,703**	**28,846**	**78,953**	**80,169**
Add / (less) significant items	(379)	(8,001)	-	-	4,312	-	3,933	(8,001)
Segment result	**18,792**	**6,026**	**36,079**	**37,296**	**28,015**	**28,846**	**82,886**	**72,168**
Unallocated expenses								
Finance costs							(8,271)	(9,851)
Significant items							(1,848)	-
Other unallocated expenses							(4,609)	(3,658)
Profit before income tax							68,158	58,659
Tax expense on underlying operations							(12,646)	(10,704)
Tax benefit / (expense) on significant items							790	8,127
Total tax benefit / (expense)							(11,856)	(2,577)
Profit after income tax							56,302	56,082

Building Products division manufactures vitrified clay, concrete and timber products used in the building industry.

Property division considers further opportunities to better utilise land owned by the Brickworks Group, including the sale of property and investment in property trusts.

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.

There are no inter-segment revenues within the group.

NOTE 9: FINANCIAL INSTRUMENTS

The financial instruments of the Group that are measured at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:
Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following financial instruments are carried at fair value in the statement of financial position:

	CONSOLIDATED	
	31 JAN 14	**31 JULY 13**
	$000	**$000**
Liabilities		
Derivative financial instruments – current	1,327	395
Derivative financial instruments – non-current	1,451	4,038
	2,778	4,433

The derivative financial instruments are interest rate swap contracts (hedges) which allow the Group to raise borrowings at floating rates and effectively swap them into a fixed rate. The hedges in place at 31 January 2014 are not hedge accounted, and the fair value movement of the hedges is recognised in the statement of comprehensive income. The fair value of these derivatives is calculated using market observable inputs, categorised as “Level 2” (above), which includes market interest spot rates as confirmed by the relevant financial institution as at balance date.

The carrying amount of all other financial instruments not listed in the table above approximates fair value.

NOTE 10: EVENTS OCCURRING AFTER BALANCE DATE

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

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

DIRECTORS' DECLARATION

The Directors' of the company declare that:

1. The financial statements and notes, as set out on pages 12 to 21, are in accordance with the Corporations Act 2001:

    a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

    b. give a true and fair view of the consolidated entity's financial position as at 31 January 2014 and of its performance for the half year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Dated 27 March 2014

R D MILLNER
Director

L R PARTRIDGE AM
Director

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

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

To the members of Brickworks Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Brickworks Limited ('the company'), which comprises the condensed statement of financial position as at 31 January 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, 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 half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 January 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* . As the auditor of Brickworks Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Brickworks Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 January 2014 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Renay Robinson
Partner
Sydney
27 March 2014