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**16 FEBRUARY 2006**

## **MEDIA RELEASE**

### **RESULTS FOR THE HALF-YEAR ENDING 31 DECEMBER 2005**

The Board of Brickworks Investment Company Limited is pleased to announce a consolidated operating profit after tax of \$ 7,697,000 for the half-year ended 31 December 2005. The profit result represents an increase of 31.48% when compared to the results achieved in the 6 months to 31 December 2004.

The ASX Appendix 4D and 2005 Half-Yearly Report for Brickworks Investment Company Limited is attached.

### **DIVIDEND**

A fully franked interim dividend of 2.5 cents per share has been declared and is to be paid on 10<sup>th</sup> March 2006. The dividend declared represents an increase of 13.6% on the previous corresponding interim dividend amount declared for the 6 months to 31 December 2004.

### **DIVIDEND REINVESTMENT PLAN (“DRP”)**

The company introduced a dividend reinvestment plan on 28<sup>th</sup> January 2005.

In order for shareholders to participate in the DRP as it relates to the current interim dividend referred to above, a completed election notice form must be received by Computershare Investor Services no later than 27 February 2006.

### **SHARE PURCHASE PLAN (“SPP”)**

Following the payment of the interim dividend on 10<sup>th</sup> March 2006, the company will again be inviting shareholders to participate in a share purchase plan. Under the plan shareholders can subscribe for new shares to the value of \$5,000. The new shares will be issued at a discount of 3% with no transaction costs to shareholders.

## SHAREHOLDER - SHARE PRICE PERFORMANCE

Since listing on the Australian Stock Exchange on 9 December 2003 at \$1.00 per share, the share price of Brickworks Investment Company has increased to \$1.34 (closing price at 15 February 2006) which when coupled with the final and interim dividends paid and payable since listing, represents a return in excess of 42% for the period.

## EPS PERFORMANCE

The earnings per share ("EPS") of 3.95 cents for the 6 months to December 2005 represents an increase of 19.7% on the previous EPS amount of 3.30 cents per share for the 6 months to 31 December 2004.

## NTA PERFORMANCE

Summary results of the monthly unaudited NTA announcements made to the Australian Stock Exchange for the half-year ending 31 December 2005 were as follows;

Month	NTA per share (before Tax)	NTA per share (after Tax)
June 2005	\$ 1.281	\$ 1.197
July 2005	\$ 1.300	\$ 1.211
August 2005	\$ 1.292	\$ 1.200
September 2005	\$ 1.362	\$ 1.253
October 2005	\$ 1.320	\$ 1.227
November 2005	\$ 1.350	\$ 1.254
<b>December 2005</b>	<b>\$ 1.379</b>	<b>\$ 1.275</b>

## FUTURE OUTLOOK

The consolidated entity will continue with its objective of investing in profitable well managed companies with dividend and performance growth.

**For further information please contact.**

**Mr Robert Millner**  
**Chairman**  
**Ph: 02 9232-7166**



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# Brickworks Investment Company Limited

## ASX Appendix 4D

## Half Year Financial Report

31 December 2005

*Lodged with the ASX under Listing Rule 4.2A*

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### **Reporting Period** *(Appendix 4D item 1)*

The reporting period is the half-year ended 31 December 2005 with the previous corresponding period to 31 December 2004.

## Results for Announcement to the Market

(Appendix 4D item 2)

### FINANCIAL HIGHLIGHTS

- **Consolidated profit after tax** of \$7.7 million for the 6 months to 31 December 2005 (2004: \$5.85 million)
- **Dividend Income**
  - Franked Ordinary Dividend Income received of \$5.031 million (2004: \$4.081 million)
  - Franked Special Dividend Income received of \$2.205 million (2004: \$0.081 million)
- **Earnings per share** for the 6 months of 3.95 cents (2004: 3.30 cents)
- **Fully franked interim dividend** of 2.5 cents per share (2004: 2.1 cents per share)
- **Net asset backing per share** at 31 December 2005 of \$ 1.379 per share before tax (2004: \$ 1.228 per share, before tax).
- **After tax NTA (Net Tangible Asset) backing per share** at 31 December 2005 of \$ 1.275 (2004: \$1.155)
- **Total portfolio value** as at 31 December 2005 of \$268.9 million (2004: \$233.5 million)

		% Change	Amount of Change \$'000		\$ '000
<b>Revenue</b> from ordinary activities <i>(Appendix 4D item 2.1)</i>	Up	10.76%	796	to	8,195
<b>Profit/(loss)</b> from ordinary activities after tax attributable to members <i>(Appendix 4D item 2.2)</i>	Up	31.48%	1,843	to	7,697
<b>Net profit/(loss)</b> for the period attributable to members <i>(Appendix 4D item 2.3)</i>	Up	31.48%	1,843	to	7,697

## Results for Announcement to the Market - Continued

<b>Dividends/distributions</b> <i>(Appendix 4D item 2.4)</i>	Amount per security	Franked amount per security
Final dividend – 30 June 2005	2.2 cents	100%
Interim dividend – 31 December 2005	2.5 cents	100%

**Day/Month/Year**

**Record date** for determining entitlements to the dividend:  
*(Appendix 4D item 2.5)*

**28<sup>th</sup> February 2006**

## Explanation of Operating Results *(Appendix 4D item 2.6)*

The reported consolidated profit for the half-year ended 31 December 2005 was \$7,697,000 and represents profits earned for the half-year period under review.

Refer to the attached Brickworks Investment Company Limited 31 December 2005 Half-Year Report for further information on the operating result.

## NTA Backing *(Appendix 4D item 3)*

	31/12/2005	31/12/2004
Net tangible asset backing per ordinary share after tax	<b>127.5 cents</b>	<b>115.5 cents</b>

## Controlled entities acquired or disposed of *(Appendix 4D item 4)*

### Disposed entities

No entity was disposed of during the half-year ended 31 December 2005.

### Acquired entities

No entity was acquired during the half-year ended 31 December 2005.

## Brickworks Investment Company Limited Half Year ended 31 December 2005

### **Additional dividend/distribution information** *(Appendix 4D item 5)*

Details of dividends/distributions declared or paid during or subsequent to the half-year ended 31 December are as follows:

Payment date	Type	Amount per security	Total dividend	Franked amount per security	Foreign sourced dividend amount per security
31 August 2005	Final – 30 June 2005	2.2 cents	\$4,276,644	100%	-
10 March 2006	Interim – 31 December 2005	2.5 cents	\$4,877,111	100%	

### **Dividend reinvestment plans (“DRP”)** *(Appendix 4D item 6)*

The company announced to ASX the introduction of a dividend reinvestment plan on 16 December 2004 and dispatched to shareholders a dividend reinvestment plan election form along with a booklet containing the plan rules on 28 January 2005.

The plan offers shareholders the opportunity to acquire further ordinary shares in Brickworks Investment Company Limited at a discount to the market price without paying any brokerage or other charges. The discount for calendar 2006 is 3.0%.

The current fully franked dividend payable for the half-year ending 31 December 2005 of 2.5 cents per share has a record date of 28 February 2006 and a payment date of 10 March 2006.

In order for shareholders to participate in the DRP as it relates to the current interim dividend payable for the half-year ending 31 December 2005, a properly executed notice of election must be received by Computershare Investor Services no later than 27 February 2006

### **Associates and Joint Venture entities** *(Appendix 4D item 7)*

N/A

### **Foreign Accounting Standards** *(Appendix 4D item 8)*

N/A

### **Auditors Review** *(Appendix 4D item 9)*

This report is based on accounts which have been reviewed.

Refer attached Brickworks Investment Company Limited 31 December 2005 Half-Year Report for complete review report.



BRICKWORKS  
INVESTMENT  
COMPANY  
LIMITED

ABN 23 106 719 868

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HALF-YEAR REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2005

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**BRICKWORKS INVESTMENT COMPANY LIMITED  
CORPORATE DIRECTORY**

**Directors**

Robert Dobson Millner, Chairman

David Capp Hall, Non-Executive Director

Alexander James Payne, Non Executive Director

Geoffrey Guild Hill, Non Executive Director (appointed 14 December 2005)

**Secretary**

John de Gouveia

**Registered Office**

Level 2

160 Pitt Street Mall

Sydney 2000

NSW

Telephone: (02) 9210 7000

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GPO Box 5015

Sydney 2001

**Auditors**

Travis & Travis

1/114 Longueville Road

Lane Cove 2066

**Investment Manager**

Souls Funds Management Limited

Level 14

15 Castlereagh Street

Sydney 2000

**Share Registry**

Computershare Investor Services Pty Limited

Level 3

60 Carrington Street

Sydney 2000

**Australian Stock Exchange Code**

Ordinary Shares

BKI

## **DIRECTORS' REPORT**

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The directors of Brickworks Investment Company Limited (the Company) present the following report for the six months to 31 December 2005.

### **1. Directors**

The following persons were directors of the Company during the half-year to the date of this report:

Robert Dobson Millner, Chairman  
David Capp Hall, Non Executive Director  
Alexander James Payne, Non Executive Director  
Geoffrey Guild Hill, Non Executive Director (appointed 14 December 2005)

### **2. Review of the Company's operations and results**

#### **Corporate Objectives**

The Company aims to generate a positive income stream for distribution to its shareholders in the form of franked dividends, through long-term investment in a portfolio of assets that are also able to deliver long term capital growth to shareholders.

#### **Investment Strategy**

The Company is a long-term investor in companies, trusts and interest bearing securities with a focus on Australian entities. It primarily seeks to invest in well-managed businesses with a profitable history and with the expectation of sound dividend and distribution growth.

On 9<sup>th</sup> August 2004, Brickworks Investment Company Limited ("BKI") announced jointly with Pacific Strategic Investments Limited (PSI) that it would seek to acquire all the issued share capital of PSI. On 30 June 2005, the Company held 99.16% of the issued share capital of PSI and started compulsory acquisition for the remaining shares. PSI became a wholly owned controlled entity of the Company on 24 October 2005.

#### **Financial Performance**

The consolidated profit for the half year ending 31 December 2005 was \$7,697,000 (2004: \$5,854,000) derived primarily from dividend and interest income.

**DIRECTORS' REPORT (continued)**

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**3. Significant changes in the state of affairs**

Other than as stated above and in the Financial Report, there were no significant changes in the state of affairs of the Company during the reporting period.

**4. Auditor's Independence declaration**

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 27.

**5. Rounding**

The amounts contained in this report and in the half-year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

This report is made in accordance with a resolution of the directors.

**Robert D Millner**  
**Director**

**Sydney**  
**16 February 2006**

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**CONSOLIDATED PROFIT AND LOSS STATEMENT  
FOR THE HALF YEAR TO 31 DECEMBER 2005**

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	Note	31/12/05 \$'000	31/12/04 \$'000
Revenue from ordinary activities	3	8,195	7,399
Expenses from ordinary activities	3	<u>(763)</u>	<u>(1,416)</u>
Profit from ordinary activities before income tax expense		7,432	5,983
Income tax benefit/(expense) relating to ordinary activities		<u>(27)</u>	<u>(75)</u>
Operating profit after income tax		7,405	5,908
Net realised gains on investment portfolio		425	7
Income tax expense related to net realised gains on investment portfolio		<u>(127)</u>	<u>-</u>
Net profit from operating activities plus net realised gains on investment portfolio		7,703	5,915
Net profit attributable to outside equity interests		<u>6</u>	<u>61</u>
Net profit attributable to members of Brickworks Investment Company Limited		<u><b>7,697</b></u>	<u><b>5,854</b></u>
Basic earnings per share (cents per share) excluding net realised gains on investment portfolio		<b>3.80</b>	3.30
Basic earnings per share (cents per share) including net realised gains on investment portfolio		<b>3.95</b>	3.30

The accompanying notes form part of these financial statements.

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**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2005**

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	Note	31/12/05 \$'000	30/06/05 \$'000
<b>CURRENT ASSETS</b>			
Cash		19,222	17,401
Receivables		299	2,163
Financial assets	4	-	-
Prepayments		<u>61</u>	<u>21</u>
<b>TOTAL CURRENT ASSETS</b>		<b><u>19,582</u></b>	<b><u>19,585</u></b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	4	249,723	230,929
Deferred tax assets		<u>652</u>	<u>844</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>250,375</u></b>	<b><u>231,773</u></b>
<b>TOTAL ASSETS</b>		<b><u>269,957</u></b>	<b><u>251,358</u></b>
<b>CURRENT LIABILITIES</b>			
Payables		215	1,117
Current tax liabilities		<u>93</u>	<u>173</u>
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>308</u></b>	<b><u>1,290</u></b>
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liabilities		<u>20,312</u>	<u>16,227</u>
<b>TOTAL NON CURRENT LIABILITIES</b>		<b><u>20,312</u></b>	<b><u>16,227</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>20,620</u></b>	<b><u>17,517</u></b>
<b>NET ASSETS</b>		<b><u>249,337</u></b>	<b><u>233,841</u></b>
<b>EQUITY</b>			
Contributed equity		192,409	191,614
Reserves	5	47,139	35,332
Retained profits		<u>9,789</u>	<u>6,667</u>
<b>PARENT ENTITY INTEREST</b>		<b><u>249,337</u></b>	<b><u>233,613</u></b>
Outside Equity Interest		<u>-</u>	<u>228</u>
<b>TOTAL EQUITY</b>		<b><u>249,337</u></b>	<b><u>233,841</u></b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR TO 31 DECEMBER 2005**

	31/12/05 \$'000	31/12/04 \$'000
<b>Total equity at the beginning of the period</b>	<b>233,841</b>	182,411
Direct equity adjustments:		
Adjustment on adoption of AASB 132 and AASB 139:		
Decrease in value of investment portfolio, net of tax	(321)	-
Unrealised gains on investment portfolio for the period, net of tax	12,128	17,268
Transfer of net gains to capital profits reserve	(298)	(7)
<b>Change in asset revaluation reserve</b>	<b><u>11,509</u></b>	<b><u>17,261</u></b>
<b>Profit for the period (including realised gains)</b>	<b><u>7,697</u></b>	<b><u>5,854</u></b>
Transactions with shareholders:		
Dividends paid from retained earnings	(4,277)	(3,424)
Issue of shares	795	17,939
<b>Total transactions with shareholders</b>	<b><u>(3,482)</u></b>	<b><u>14,515</u></b>
Other adjustments:		
Increase/(decrease) in outside equity interest	(228)	4,705
<b>Total equity at the end of the period</b>	<b><u>249,337</u></b>	<b><u>224,746</u></b>

The accompanying notes form part of these financial statements

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR TO 31 DECEMBER 2005**

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	Consolidated Inflows (Outflows)	
	31/12/05 \$'000	31/12/04 \$'000
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(773)	(793)
Income tax paid	(882)	-
Dividends/distributions received	9,446	6,333
Other receipts in the course of operations	29	27
Proceeds on sale of current investments	-	577
Payments for current investments	-	(16)
Interest received	<u>423</u>	<u>266</u>
Net Cash Inflow/(Outflow) from operating activities	<u>8,243</u>	<u>6,394</u>
<b>Cash flows from investing activities</b>		
Proceeds on sale of investments	287	2,589
Payments for investments	(2,045)	(6,838)
Payment for controlled entity, net of cash acquired	<u>(1,182)</u>	<u>3,146</u>
Net Cash Inflow/(Outflow) from investing activities	<u>(2,940)</u>	<u>(1,103)</u>
<b>Cash flows from financing activities</b>		
Dividends paid	<u>(3,482)</u>	<u>(3,424)</u>
Net Cash Inflow/(Outflow) from financing activities	<u>(3,482)</u>	<u>(3,424)</u>
Net increase / (decrease) in cash held	1,821	1,867
Cash at the beginning of the period	<u>17,401</u>	<u>12,792</u>
<b>Cash at the end of the period</b>	<u>19,222</u>	<u>14,659</u>

The accompanying notes form part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR TO 31 DECEMBER 2005**

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**1. BASIS OF PREPARATION**

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations act 2001*, Australian Accounting Standard AASB 134: Interim Financial reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2005 and any public announcements made by Brickworks Investment Company Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Financial statements of the Company until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing financial statements for the period ended 31 December 2005, the Company has amended certain accounting and valuation methods applied in the AGAAP financial statements to comply with AIFRS. Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRS on the Company's equity and its net income are given in Note 2.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

**Accounting Policies**

**(a) Principles of Consolidation**

A controlled entity is any entity Brickworks Investment Company Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR TO 31 DECEMBER 2005 (continued)**

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**1. BASIS OF PREPARATION (continued)**

**(b) Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

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. 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.

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.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR TO 31 DECEMBER 2005 (continued)**

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**1. BASIS OF PREPARATION (continued)**

**(c) Investments**

Investments are classified as available-for-sale. After initial recognition at cost, investments are measured at fair value.

AIFRS define fair value for the purpose of valuing holdings of securities that are listed on an exchange to be based on quoted "bid" prices for securities prevailing at the close of business on the balance date.

Under AIFRS, revaluation adjustments relating to long-term investments standing in the Asset Revaluation Reserve at the time of realisation, which was previously transferred directly to Capital Profits Reserve, is now included in the net profit of the Company before being transferred to the Capital Profits Reserve. The effect of this change in accounting policy is that net realised gains after tax of \$298,000 (2004: \$7,000) are included in the Profit and loss statement before being transferred to Capital Profits Reserve.

**(d) Statement of Cash Flows**

The adoption of IFRS has not resulted in any material adjustments to the Statement of cash flows for the period ended 31 December 2005.

**(e) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Investments

Control of the right to equity has passed to the buyer.

Interest

Control of the right to receive the interest proceeds. Interest from cash on deposit is recognised in accordance with the terms and conditions that apply to the deposit.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR TO 31 DECEMBER 2005 (continued)**

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**1. BASIS OF PREPARATION (continued)**

**(e) Revenue recognition (continued)**

*Dividend*

Control of the right to receive the dividend proceeds. Dividends from listed entities is recognised as income on the date the shares are traded "ex-dividend". De-merger dividends arising from company de-consolidations are treated as a return of capital and not as a dividend.

**2. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS**

An explanation of how the transition from previous AGAAP to AIFRS has affected the entity's financial position, financial performance and cash flows is set out below.

**(a) AASB 1 Transitional Exemptions**

AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards requires prior period information to be presented as comparative information. However, the Company is applying the exemption allowed by AASB 1 which exempts an entity from the requirement to restate comparative information as if the requirements of AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement had always applied.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR TO 31 DECEMBER 2005 (continued)**

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**2. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS  
(continued)**

- (b) Reconciliation of total equity as presented under previous AGAAP to that under AIFRS, had the exemption under AASB 1 not been applied.

	Date of transition to AIFRS and Year Ended 30 June 2005 \$'000	Half-year ended 31 December 2004 \$'000
Total equity under AGAAP	233,841	224,746
Adjustments to equity:		
Decrease in value of investment portfolio by valuing investments using BID price rather than last sale price	(459)	(888)
Income tax effect on change in valuation	<u>138</u>	<u>266</u>
Total equity under AIFRS	<u>233,520</u>	<u>224,124</u>

- (c) Reconciliation of profit or loss reported under previous AGAAP to that under AIFRS, had the exemption under AASB 1 not been applied.

	Year Ended 30 June 2005 \$'000	Half-year ended 31 December 2004 \$'000
Profit after tax reported under AGAAP	10,474	5,847
Net realised gains on investment portfolio	<u>1,444</u>	<u>7</u>
Profit after tax under AIFRS	<u>11,918</u>	<u>5,854</u>

- (d) **Cashflow statements**

There are no material differences between the cash flow statements presented under AIFRS and those presented under previous AGAAP.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR TO 31 DECEMBER 2005 (continued)**

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**3. PROFIT FROM ORDINARY ACTIVITIES**

	31/12/05	31/12/04
	\$'000	\$'000
Profit from ordinary activities before income tax expense includes the following revenues and expenses that are relevant in explaining the financial performance of the consolidated entity:		
<b>(i) Revenue from ordinary activities</b>		
Rebateable dividends received	5,031	4,081
Rebateable special dividends received	2,205	81
Non-rebateable dividends received	303	240
Trust distributions received	229	29
Interest received	414	265
Proceeds from sale of current investments	-	577
Unrealised gain on current investments	-	543
Discount on acquisition	13	1,583
	<u>8,195</u>	<u>7,399</u>
<b>(ii) Expenses</b>		
Carrying costs of current investments sold	-	687
Directors fees and related expenses	71	104
Management expenses	465	369
Professional costs	96	100
General expenses	131	156
	<u>763</u>	<u>1,416</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR TO 31 DECEMBER 2005 (continued)**

**4. FINANCIAL ASSETS**

	31/12/05 \$'000	30/06/05 \$'000
Investments listed on Australian Stock Exchange at fair value:		
- Current	-	-
- Non Current	<b>249,723</b>	230,929

List of securities held and their fair value at 31 December 2005 were:

Stock	No. of Shares Held	Fair Value (\$'000)	Portfolio Weight %
<b>NON CURRENT:</b>			
<b><u>Automobile &amp; Components</u></b>			
Coventry Group Limited	140,000	819	0.33
		<b>819</b>	<b>0.33</b>
<b><u>Banks</u></b>			
Australia and New Zealand Banking Group Limited	45,457	1,088	0.44
Bendigo Bank Limited	349,942	4,101	1.64
Bank of Queensland Limited	95,382	1,393	0.56
Commonwealth Bank of Australia	695,674	29,705	11.90
National Australia Bank Limited	1,573,690	50,909	20.39
St George Bank Limited	447,750	13,258	5.31
Westpac Banking Corporation	123,872	2,812	1.13
		<b>103,266</b>	<b>41.37</b>
<b><u>Capital Goods</u></b>			
Alesco Corporation Limited	158,980	1,572	0.63
GWA International Limited	468,128	1,400	0.56
Wesfarmers Limited	207,618	7,667	3.07
		<b>10,639</b>	<b>4.26</b>
<b><u>Commercial Services &amp; Supplies</u></b>			
Brambles Industries Limited	399,952	4,035	1.62
Coates Hire Limited	297,854	1,537	0.62
		<b>5,572</b>	<b>2.24</b>
<b><u>Consumer Durables &amp; Apparel</u></b>			
Gazal Corporation Limited	226,865	690	0.28
		<b>690</b>	<b>0.28</b>

**Brickworks Investment Company Limited**  
**Half Year ended 31 December 2005**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR TO 31 DECEMBER 2005 (continued)**

List of securities (continued)

Stock	No. of Shares Held	Fair Value (\$'000)	Portfolio Weight %
<b><u>Diversified Financials</u></b>			
Choiseul Investments Limited	1,081,253	5,806	2.32
Huntley Investment Company Limited	1,260,442	983	0.39
Macquarie Bank Limited	109,693	7,448	2.98
Milton Corporation Limited	105,849	2,039	0.82
Suncorp-Metway Limited	153,028	<u>3,062</u>	<u>1.23</u>
		<b>19,338</b>	<b>7.74</b>
<b><u>Energy</u></b>			
Santos Limited	70,000	845	0.34
Woodside Petroleum Limited	184,483	<u>7,217</u>	<u>2.89</u>
		<b>8,062</b>	<b>3.23</b>
<b><u>Food, Beverages &amp; Tobacco</u></b>			
Coca Cola Amatil Limited	127,000	973	0.39
Graincorp Limited	90,535	<u>978</u>	<u>0.39</u>
		<b>1,951</b>	<b>0.78</b>
<b><u>Food Staples &amp; Retailing</u></b>			
AWB Limited	240,000	1,476	0.59
Metcash Limited	77,700	346	0.14
Woolworths Limited	428,684	<u>7,202</u>	<u>2.88</u>
		<b>9,024</b>	<b>3.61</b>
<b><u>Health Care Equipment &amp; Services</u></b>			
Clover Corporation Limited	858,000	<u>142</u>	<u>0.06</u>
		<b>142</b>	<b>0.06</b>
<b><u>Insurance</u></b>			
AXA Asia Pacific Holdings Limited	341,000	1,732	0.69
Insurance Australia Group Limited	592,200	<u>3,204</u>	<u>1.28</u>
		<b>4,936</b>	<b>1.97</b>
<b><u>Materials</u></b>			
Alumina Limited	809,013	5,995	2.40
BHP Billiton Limited	833,836	18,961	7.59
Bluescope Steel Limited	137,568	956	0.38
Campbell Bros Limited	237,600	2,566	1.03
Illuka Resources Limited	340,000	2,655	1.06
New Hope Corporation Limited	14,060,452	17,365	6.95
Onesteel Limited	125,281	420	0.17
Wattyl Limited	673,881	<u>2,237</u>	<u>0.90</u>
		<b>51,155</b>	<b>20.48</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR TO 31 DECEMBER 2005 (continued)**

List of securities (continued)

Stock	No. of Shares Held	Fair Value (\$'000)	Portfolio Weight %
<b><u>Media</u></b>			
Fairfax (John) Holdings Limited	215,549	860	0.34
Publishing & Broadcasting Limited	115,000	1,892	0.76
Rural Press Limited	70,000	791	0.32
Rural Press Limited – Preferred Shares	321,800	3,797	1.52
Ten Network Holdings Limited	484,429	1,531	0.61
West Australian Newspapers Holdings Limited	231,000	<u>1,908</u>	<u>0.76</u>
		<b>10,779</b>	<b>4.31</b>
<b><u>Pharmaceuticals &amp; Biotechnology</u></b>			
Australian Pharmaceutical Industries Limited	248,738	<u>724</u>	<u>0.29</u>
		<b>724</b>	<b>0.29</b>
<b><u>Retailing</u></b>			
Angus & Coote (Holdings) Limited	65,000	504	0.20
Colorado Group Limited	200,000	<u>828</u>	<u>0.33</u>
		<b>1,332</b>	<b>0.53</b>
<b><u>Software &amp; Services</u></b>			
HPAL Limited	622,562	<u>1,077</u>	<u>0.43</u>
		<b>1,077</b>	<b>0.43</b>
<b><u>Telecommunications Services</u></b>			
B Digital Limited	3,000,000	660	0.26
SP Telemedia Limited	3,322,223	3,937	1.58
Telstra Corporation Limited	1,257,000	<u>4,927</u>	<u>1.97</u>
		<b>9,524</b>	<b>3.81</b>
<b><u>Transportation</u></b>			
Lindsay Australia Limited	1,868,000	346	0.14
Macquarie Infrastructure Group	762,329	2,699	1.08
Qantas Airways Limited	512,500	<u>2,035</u>	<u>0.81</u>
		<b>5,080</b>	<b>2.03</b>
<b><u>Utilities</u></b>			
Alinta Limited	132,860	1,481	0.59
Australian Gas Light Company	242,200	<u>4,132</u>	<u>1.66</u>
		<b>5,613</b>	<b>2.25</b>
<b>TOTAL PORTFOLIO</b>		<b><u>249,723</u></b>	<b><u>100.00</u></b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR TO 31 DECEMBER 2005 (continued)**

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**5. RESERVES**

	31/12/05 \$'000	30/06/05 \$'000
Asset revaluation reserve	45,397	33,888
Capital profits reserve	<u>1,742</u>	<u>1,444</u>
	<u>47,139</u>	<u>35,332</u>

**6. DIVIDENDS**

	2005		2004	
	Cents	\$000	Cents	\$000
Final dividend for the year ended 30 June 2005, fully franked, paid during the half-year on 194,392,926 (2004: 171,226,981) ordinary fully paid shares	<u>2.2</u>	<u>4,277</u>	<u>2.0</u>	<u>3,424</u>

**7. ACQUISITION**

On 9<sup>th</sup> August 2004, Brickworks Investment Company Limited ("BKI") announced jointly with Pacific Strategic Investments Limited ("PSI") that it would seek to acquire all the issued share capital of PSI. On 30 June 2005, the Company held 99.16% of the issued share capital of PSI and started compulsory acquisition for the remaining shares. PSI became a wholly owned controlled entity of the Company on 24 October 2005.

**8. EVENTS SUBSEQUENT TO BALANCE DATE**

Since 31 December 2005 to the date of this report there has been no event of which the directors are aware which has had a material effect on the Company or its financial position.

**9. FINANCIAL REPORTING BY SEGMENTS**

The Company operates predominately in the securities industry in Australia.

**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Brickworks Investment Company Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity as set out on pages 9 to 22 are in accordance with the Corporations Act 2001, including:
  - 1. giving a true and fair view of the consolidated entity's financial position as at 31 December 2005 and of its performance for the half year ended on that date; and
  - 2. complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

**Robert D Millner  
Director**

**Sydney  
16 February 2006**

# **TRAVIS & TRAVIS** CHARTERED ACCOUNTANTS

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## **BRICKWORKS INVESTMENT COMPANY LIMITED AND CONTROLLED ENTITIES**

### **INDEPENDENT REVIEW REPORT TO THE MEMBERS OF BRICKWORKS INVESTMENT COMPANY LIMITED**

#### **Scope**

##### **The financial report and directors' responsibility**

The financial report comprises the balance sheet, profit and loss statement, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Brickworks Investment Company Limited and its controlled entities ("the consolidated entity"), for the half-year ended 31 December 2005. The consolidated entity comprises both Brickworks Investment Company Limited and the entities it controlled during the half-year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report of the consolidated entity in accordance with Accounting Standard AASB 134: Interim Financial Reporting, and the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

# TRAVIS & TRAVIS CHARTERED ACCOUNTANTS

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## Review approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything had come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 134: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which included:

- inquiries of company personnel, and
- analytical procedures applied to financial data.

When this review report is included in a document containing information in addition to the financial report, our procedures include reading the other information to determine whether it contains any material inconsistencies with the financial report.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve any analysis of the prudence of business decisions made by directors or management.

# TRAVIS & TRAVIS CHARTERED ACCOUNTANTS

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## INDEPENDENCE

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

## STATEMENT

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 Investment Company Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2005 and of its performance for the period ended on that date; and
  - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

## TRAVIS & TRAVIS

**A.J. FAIRALL**  
**Partner**

16 February, 2006  
1/114 Longueville Road, Lane Cove, NSW

# **TRAVIS & TRAVIS** CHARTERED ACCOUNTANTS

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## **BRICKWORKS INVESTMENT COMPANY LIMITED AND CONTROLLED ENTITIES**

### **AUDITORS' INDEPENDENCE DECLARATION**

As auditor for the review of Brickworks Investment Company Limited for the half-year ended 31 December, 2005, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Brickworks Investment Company Limited and the entities it controlled during the period.

**TRAVIS & TRAVIS**

**A.J. FAIRALL**  
**Partner**

16 February, 2006  
1/114 Longueville Road, Lane Cove, NSW