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26 October 2011

The Manager
Company Announcement Office
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
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Dear Sir/Madam

We attach copy of presentation being delivered by Mr Mark Chellew, Managing Director and CEO on Wednesday 26 October 2011 to the Citi Australian & New Zealand Investment Conference in Sydney.

Yours faithfully

Marcus Clayton
Company Secretary

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Adelaide Brighton Ltd

Citi Australian & New Zealand Investment Conference

26 October 2011

Presented by:

Mark Chellew - Managing Director and CEO

Adelaide Brighton Ltd

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Agenda

- Adelaide Brighton’s competitive position
- Delivering strong shareholder returns
- Consistent long term growth strategy
- Divisional review
- Key profit and operational challenges
- Carbon tax
- Full year 2011 earnings likely to be in range of $146-152 million

Competitive position

- A leading Australian integrated construction materials and lime producing company with high exposure to the engineering, infrastructure and resource sectors
- An S&P/ASX200 company with operations in all states and territories; 1,600 employees; AUD1.8 billion market capitalisation
- Well positioned to supply cement to all mainland states from its domestic manufacturing base, coastal supply and import facilities
- Market leader in lime in Australia, and 9th largest producer on world scale
- The second largest supplier of cement and clinker in Australia
- Market leader in concrete masonry products and an emerging position in aggregates and ready mixed concrete
- Adelaide Brighton is highly cash generative with low gearing and balance sheet capacity for organic and acquisitive growth

Leading market positions

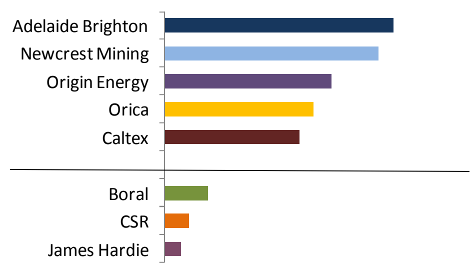
- A leading construction materials and lime producer for the construction and minerals processing industries
- Number 1 lime manufacturer positioned in key resources markets
- A leading cement supplier with access to major construction markets; healthy regional presence
- Number 1 cement importer with unmatched supply network
- Number 1 national market share in concrete products
- Strategic aggregates and premix business

#1	• No. 1 lime producer leveraged to the minerals processing industry
#2	• No. 2 cement and clinker supplier to the Australian construction industry
#1	• No. 1 cement and clinker importer with unmatched route to market
#1	• No. 1 market share in concrete products
#4	• No. 4 market share in concrete and aggregates

Total shareholder return

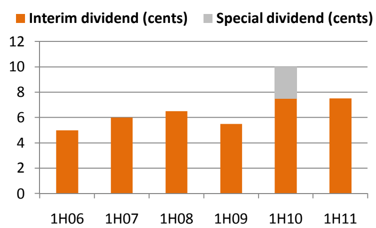
- A decade long transformation into national construction materials supplier and the leading supplier of lime to the resources sector
- Returns underpinned by the rationalisation of production capacity, reinvestment in cement and lime manufacturing and measured downstream growth
- Improved cost structure and competitive position have supported consistent growth in shareholder returns

S&P/ASX 200 Index TSR ranking
1 July 2001 to 31 December 2010

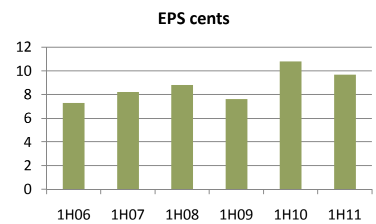


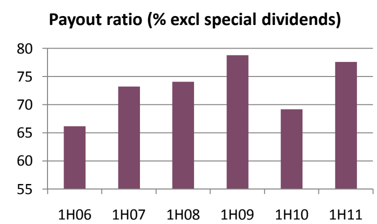
Source: eQuant. Includes ASX top 5 & industry peers

Shareholder returns



- 2011 interim dividend:
  - 7.5 cents, 100% franked
  - Dividend payout ratio of 77.6%
- 1H2011 EPS 9.7 cents, down from 10.8 cents
- Consideration of special dividends in future depending on circumstances at the time



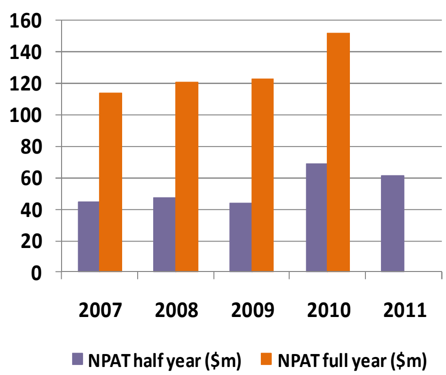


Performance highlights

$m	30 June 2011	30 June 2010	% change
Revenue	507.9	519.4	(2.2)
EBIT	92.4	98.7	(6.4)
PBT	84.5	92.1	(8.3)
NPAT attributable to members	61.5	68.8	(10.6)
Cents			
EPS	9.7	10.8	(10.2)
Interim dividend	7.5	7.5	
Special dividend	-	2.5	
Gearing			
Net debt $m	220.6	180.9	
Gearing %	23.9	19.8	

- Current debt facilities total $360 million . Balance sheet strength and flexibility for further value enhancing organic and acquisitive growth

NPAT

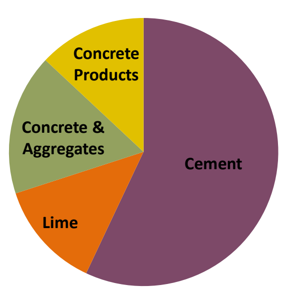


- Profit typically higher in second half:
  - Seasonal variation in sales
  - Shutdown expenditure usually weighted to first half
- 2H2011 earnings expected to be higher than the first half boosted by:
  - Resumption of sales to lime customer in NT in late June
  - Increased prices to a major lime customer in WA
  - The timing of infrastructure and resource projects in SA and WA
  - Strong AUD supporting import margins

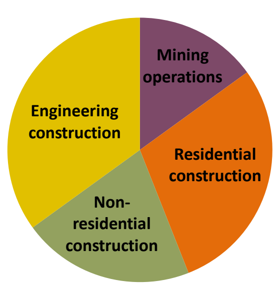
Adelaide Brighton revenue analysis

- 70% of revenue from Cement and Lime operations
- Major exposure to engineering construction and mining sectors
- WA, SA and Victoria are key geographic markets

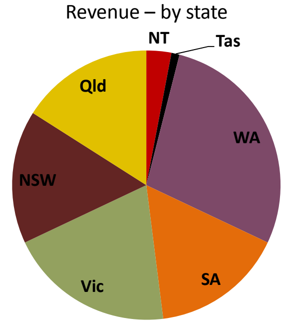
Revenue - product group



Revenue - by segment



Revenue – by state



Source: estimated by ABL

Consistent long term strategy

- Consistent strategy over the last decade has supported long term shareholder returns:
  - Cost reduction and operational improvement
  - Lime development
  - Focused and relevant vertical integration
- Cement – investment to expand milling capacity
- Lime – capacity expansion and improvements in environmental performance
- Downstream acquisitions - four acquisitions year to date

Operational improvement continues

- Operational improvement
  - Adelaide Brighton has an ongoing focus on cost management across the Group, with particular emphasis on energy efficiency and reduction of its carbon footprint
  - The company will continue to evaluate its domestic footprint compared to the potential enhancement of import flexibility
  - Clinker and lime manufacturing facilities running at capacity
  - Expansion of Birkenhead cement milling capacity
  - Investment in Munster lime Kiln 6 brings capacity benefits and environmental improvements

Operational improvement in cement

- Expansion of Birkenhead (South Australia) cement milling capacity
  - $60 million for the expansion of cement milling capacity by 750,000 tpa
  - Little carbon impact – clinker capacity maintained
  - Reduce group reliance on imported cement
  - Environmental benefits through improved dust collection from the upgrade of ship loading facilities
  - Expected to improve EBIT by $10–$12 million per annum when completed in early 2013
  - Project is subject to planning approvals and renewal of long term supply contracts with ICL
  - Investment over 2011 and 2012

Lime development

- Lime capacity expansion
  - Approved $34 million for two projects bringing environmental improvements and 100,000 tonnes per annum capacity at Munster, Western Australia
    - $24 million to replace the kiln 6 electrostatic precipitator with a heat exchanger and bag filter to reduce dust emissions
    - $10 million for a new cooler bag house to meet expected future demand from the resources sector in WA
    - Investment will occur over 2011 and 2012

Consistent long term strategy

- Focused and relevant vertical integration to underpin cement asset utilisation and drive returns through the value chain
  - » Four transactions completed year to date 2011 for a total consideration of $47 million, which represents a multiple of 7.3 times estimated annualised 2011 EBITDA
    1. *KMM,* Kingaroy Qld
       - Concrete and aggregate business acquired in January 2011 expected to benefit from infrastructure and resource projects
    2. *Mundubbera,* Queensland concrete business acquired in August 2011
    3. *South Coast Equipment ,* south of Wollongong NSW
       - Concrete business acquired in March 2011
       - Well positioned to benefit from long term population growth in this region
       - Secures cement sales from Port Kembla operations

Consistent long term strategy

4. *Hammercrete*, south east Qld and northern NSW
   - Purchase of high quality assets, completed in July 2011
   - Hard rock quarry with approved volume limit of 500,000 tpa and reserves in excess of 20 years – services Gold Coast, southern Brisbane and northern NSW
   - Three concrete plants - Gold Coast, Brisbane and Toowoomba
   - Well positioned to benefit from projects and long term population growth

» Adelaide Brighton continues to evaluate potential acquisitions, with the expansion of our aggregates position being a key factor in future strategic growth

Contract renewal

- Cement supply agreement formalised with major cement customer:
  - SA cement supply until 31 Dec 2012 (with a further one year option exercisable by customer)
  - WA cement supply until 31 Dec 2012
- Lime supply contract with major WA alumina producer formally executed (in line with Heads of Agreement)
  - Effective from 1 July 2011 and covers supply for periods ranging between five and ten years
- Supply to ICL agreed in principle subject to ICL unit-holder approval
  - Cautiously confident that supply arrangements which expire towards the end of 2012, will be renewed on not materially different terms

Cement

- Loss of sales in 1H of circa 100,000 tonnes to a major customer in WA
- Mining sector partially offset residential activity and lull in SA infrastructure
- Victorian market was strong with sales in line with the pcp
- Cement net selling prices were in line with the prior year
- 1H2011 successful completion of significant planned cyclical maintenance
  - Limestone transport vessel, *MV Accolade II*, dry-dock
  - Birkenhead annual maintenance shutdown
- Major clinker kilns operated at capacity; production augmented by imports
- Stronger Australian dollar in first half 2011 supported import margins

Birkenhead limestone pre-blending

Lime

- Temporary suspension of operations at a major NT customer (sales resumed in June 2011)
- Excluding this temporary shutdown, lime volumes were in line with pcp
- Lime kiln production fully utilised at Munster WA. Smaller Dongara (WA) plant and Munster clinker kilns provide flexibility to supply peak demand
- Threat of small scale lime imports into WA remains
- Cautiously confident of long term position given low cost structure

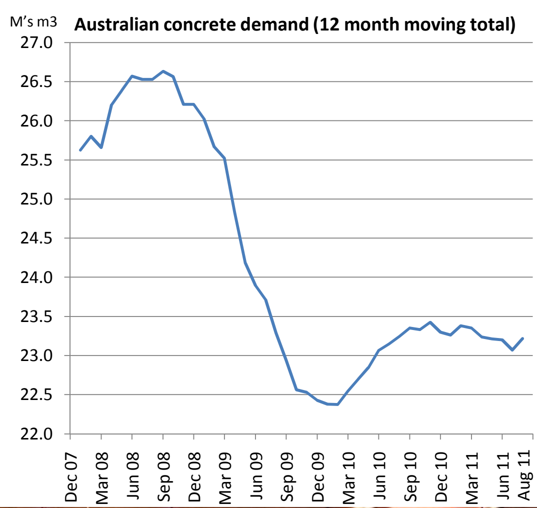
Concrete and Aggregates

- Premixed concrete volumes in line with improving east coast market
- Austen Quarry (west of Sydney) volumes were in line with pcp
- After a slow start to the year, sales of quarry products to the Pacific Highway upgrade in northern NSW improved later in the first half
- Concrete and aggregate prices increased; further benefits being realised in second half
- Continued focus on control of quarry and concrete production costs, including raw materials and transport costs

Concrete Masonry Products

- First half revenue down 9% versus pcp
- Difficult trading conditions - soft housing and retail activity
- Continued weakness in Qld market made worse by very wet weather
- Price increases notified across all states with increases ranging from 5% to 7% in September 2011 and again in February 2012
- Programs to achieve savings in overheads and production costs and develop innovative and lower cost products
- Output volumes have been adjusted to meet market demand
- Concrete Products first half EBIT of ($1.2) million down by $2.0 million due to market weakness

Market demand

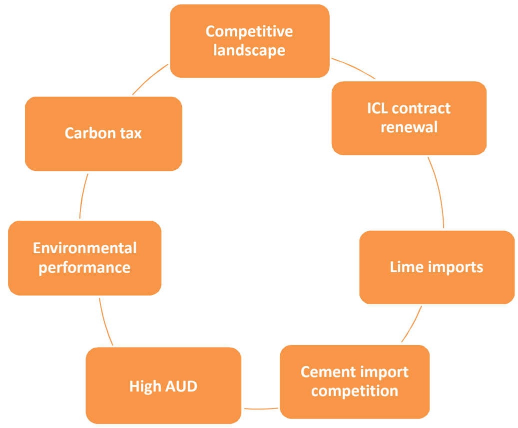


- Concrete market peaked in mid 2008 after seven years of growth
- Downturn of about 15% over approximately 18 months
- National concrete market flat in 2011
- Recovery now appears to be plateauing
  - Soft residential market
  - Continued weakness in commercial
  - Declining government stimulus spend
  - End of some major infrastructure projects

Source: ABS and estimate by ABL

Key profit and operational challenges

- Industry remains highly competitive
- ICL contract renewal nearing completion
- Threat of small scale opportunistic lime imports in WA and strong AUD impacting non-alumina pricing
- Cement import risk in NT and north west WA
- High AUD limits the scope for cost recovery for any domestic manufacturer
- Munster potential license changes (EPA license renewal 30 March 2012) and possible spend of up to $25 million for kiln 5 bag house filter
- Carbon tax $5 million impact on PAT in first 12 months, before mitigation



Carbon tax implications

- Adelaide Brighton is committed to lowering its carbon emissions and has significantly reduced its carbon footprint in Australia by:
  - Use of supplementary cementitious materials such as fly ash and slag
  - Use of alternative fuels and raw materials
  - Changes to cement standards
  - Closure of less efficient clinker facilities
  - Developing its capability to import cementitious materials
- As a result of investment in import supply chain over the last 20 years, Adelaide Brighton is now the largest importer of cement and clinker into Australia
- This places the company in a strong position relative to our domestic cement and clinker competitors to deal with the potentially rising cost of local production given the proposed introduction of a carbon tax

Carbon tax implications

- Adelaide Brighton estimates that the impact of carbon tax effective 1 July 2012 to be circa $5 million on profit after tax, before mitigation, in the first full 12 months of the scheme
- Considering proposed carbon tax and high AUD, Adelaide Brighton expects it will significantly mitigate the impact of the carbon tax over the next five years by:
  - Enhancing its import flexibility
  - Reducing reliance on domestic manufacture
  - Increasing the use of alternative fuels and cementitious substitutes
- The carbon tax as proposed is unlikely to have any significant impact on the long term growth strategy:
  - Operational improvement and asset utilisation
  - Meeting the significant growth in lime demand from the resources sector
  - Vertical integration into downstream concrete, aggregates and products markets

2011 Outlook

- National demand for cement in 2011 to be similar to 2010 levels
- Cement volumes are expected to be higher in the second half of 2011 than the first half – infrastructure and resource projects
- Excluding the temporary shutdown of a major customer in the Northern Territory in the first half of 2011, full year lime sales volumes are expected to be approximately the same as 2010 levels
- Strong AUD also increases risk of import competition and presents pricing challenges in non-alumina (mostly spot) lime business
- Strength of the AUD supports import margins – 2H imports hedged
- Lime price increases to a major alumina customer in Western Australia, effective from 1 July 2011, are expected to improve 2H2011 EBIT by $6 million compared to 2H2010 EBIT

2011 Outlook

- Further improvements in prices of premix concrete and aggregate products are expected as the full benefit of 1 April 2011 prices increases are realised in 2H2011
- Concrete products to remain weak due to soft housing and retail activity
- Concrete products price increases have been notified to the market across all states with increases ranging from 5% to 7% in September 2011 and again in February 2012
- In the second half of 2011 shutdown costs are expected to be in line with pcp
- Cost management focus across the Group, with particular emphasis on energy efficiency and reduction of the company's carbon footprint
- Capital expenditure for FY2011 expected to be in the range of $130 to $140 million
- Significant land bank in WA, SA and Vic – over 5-10 years it is possible to realise circa $100 million
- Continuation of successful long term growth strategy with investment in cement, lime and downstream operations
- Full year 2011 NPAT expected to be between $146 and $152 million