Adelaide Brighton Ltd
Macquarie Australia Conference

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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
- Outlook

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

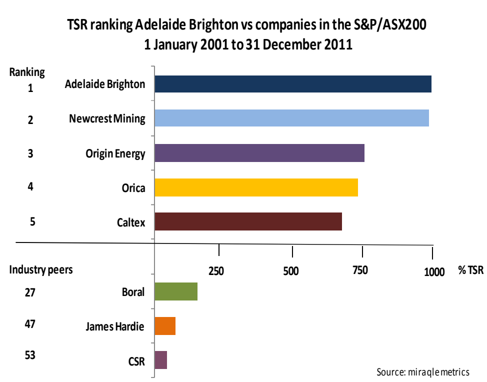
Leading market positions

- 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

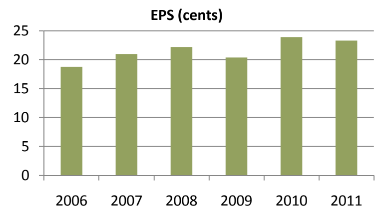
#1	• No. 1 lime producer leveraged to the minerals processing industry
#2	• No. 2 cement and clinker supplier to the Australian construction industry
#1	• No. 1 cement and clinker importer with unmatched route to market
#1	• No. 1 market share in concrete products
#4	• No. 4 market share in concrete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

Total shareholder return

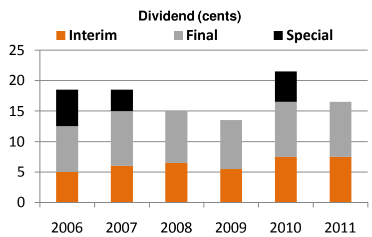
- A decade long transformation into national construction materials supplier and the leading supplier of lime to the resources sector
- Returns underpinned by the rationalisation of production capacity, reinvestment in cement and lime manufacturing and measured downstream growth
- Improved cost structure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

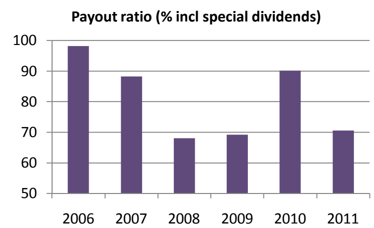


Shareholder returns



- 2011 marginal decline in EPS (down 2.2%), tax driven
- Total 2011 dividend of 16.5 cps, fully franked
- Continue to expect payout ratio of 65%-75%





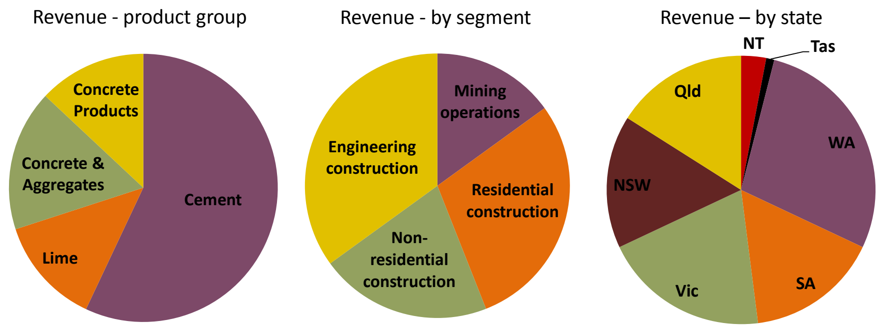
Performance highlights

$m	31 Dec 2011	31 Dec 2010	% change
Revenue	1,100.4	1,072.9	2.6
EBIT	223.4	216.2	3.3
PBT	206.4	202.2	2.1
NPAT attributable to members	148.4	151.5	(2.0)
Cents			
EPS	23.3	23.9	(2.2)
Final dividend	9.0	9.0	
Full year ordinary dividend	16.5	16.5	
Full year special dividends	-	5.0	
Gearing			
Net debt $m	248.4	148.4	
Gearing %	26.0	15.9	

- Current debt facilities total $500 million . Balance sheet strength and flexibility for further value enhancing organic and acquisitive growth

Adelaide Brighton revenue analysis

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



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 – $60 million investment to expand milling capacity at Birkenhead, South Australia. Subject to planning approvals and finalisation of supply agreements, annualised benefits of $10-$12 million from mid 2013
- Lime – investment of $34 million for two projects bringing environmental improvements and additional 100,000 tonnes per annum capacity at Munster, Western Australia
- Downstream acquisitions - four acquisitions in 2011 totaling $48 million at 7.3 times 2011 EBITDA

Operational improvement continues

- Cost Management Programs delivered benefits of $23 million in 2011, offsetting significant increases in energy (+9%) and labour (+4%)
  - Management of fuels and energy
    - Record use of alternative fuels at Birkenhead
    - Gas purchases on the spot market
    - Electricity demand management
  - Maintenance
    - Careful management of maintenance and shutdown programs
  - Raw materials
    - Increased use of supplementary cementitious materials
  - Labour
    - 3% Reduction in underlying employee numbers - overheads, sales, distribution, production

Contract renewal

- Cement supply agreement formalised with major cement customer:
  - Covers SA and WA cement supply until 31 Dec 2012
  - The customer has the option of extending supply in SA to 31 Dec 2013 – we remain cautiously confident of this option being exercised
- 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
  - Some of the contracted volume is not committed, which opens the possibility of imports from other suppliers
- Supply to ICL agreed in principle subject to ICL unit-holder approval
  - Cautiously confident that supply arrangements which expire mid 2013 will be renewed on not materially different terms

Cement

- Excluding loss of circa 50% cement supplied to major WA customer, sales of cement increased marginally in 2011
- Increased demand from mining, resources and projects in WA, SA and Vic, offset reduced residential activity
- Marginal increases in average cement net selling price
- Cement margins improved as benefits from cost management helped offset labour and fuels/energy costs
- Clinker kiln capacity fully utilised, with our largest clinker kiln at Birkenhead, SA running at close to record production levels while utilising a record quantity of alternative fuels
- Sales volumes in excess of domestic production met through successful long term import strategy
- Strong Australian dollar improved import margins by circa $4 million versus pcp

Lime

- Overall, lime demand generally in line with prior year
- Margins improved as price increases and efficiency improvements more than covered input cost pressures
- Lime kilns fully utilised at Munster WA and Angaston SA
- Threat of small scale lime imports into WA remains
- Cautiously confident of long term position given low cost structure

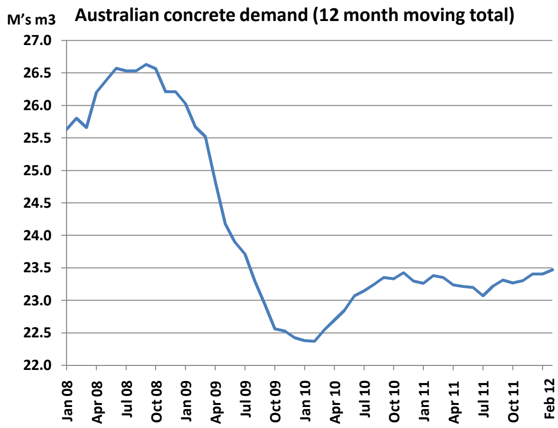
Concrete and Aggregates

- Premixed concrete and aggregates volumes increased, largely as a result of four acquisitions completed during 2011
- Aggregate sales benefited from supply to the Pacific Highway upgrade
- Aggregate profit growth supported by higher plant throughput
- Use of alternative raw materials, management of mix designs and mixer truck utilisation underpinned control of concrete production costs
- Concrete and aggregate pricing increased in line with expectations

Concrete Masonry Products

- Adbri Masonry revenue down by 9%
- Full year EBIT of $1.8 million down from $3.8 million
- Trading conditions remain difficult in all masonry markets due to soft housing and commercial activity
- Continued weakness in the Queensland market and wet weather on the east coast in 2011
- Overhead and production cost savings and adjustments to plant output helped offset the decline in sales volumes
- Excess capacity in the industry
- Programs to achieve further savings in costs and develop innovative and lower cost products

Market demand

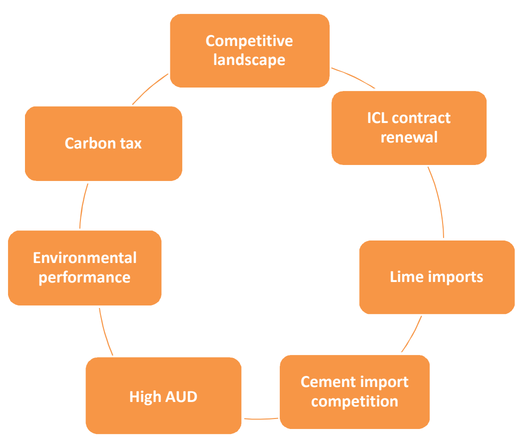


- Concrete market peaked in mid 2008 after seven years of growth
- Downturn of about 15% over approximately 18 months
- Recovery plateaued in 2011
- Projects offsetting weakness in commercial and residential
- National concrete market expected to remain flat in 2012

Source: ABS

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 pricing and potentially volume. Dumping case against WA lime importer initiated
- Cement import risk in NT and north west WA
- High AUD limits the scope for cost recovery for any domestic manufacturer
- Munster license changes - kiln 5 bag house filter by mid 2013 - spend of $10 to $15 million
- Carbon tax impact on NPAT in 2012, circa $2.7 million before mitigation



Carbon tax implications

- Adelaide Brighton is committed to lowering its carbon emissions and has significantly reduced its carbon footprint in Australia by:
  - Using supplementary cementitious materials such as fly ash and slag
  - Using alternative fuels and raw materials
  - Implementing changes to cement standards
  - Closing 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

- The carbon tax is unlikely to have any material 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
- 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
- Due to timing of contractual pricing clauses and planning for changes to import facilities, significant mitigation expected in 2013/2014
- Estimated impact of carbon tax in 2012 of circa $2.7 million profit after tax, before mitigation (circa $5 million, before mitigation in the first 12 months of the scheme)

Outlook

- 2012 cementitious volumes expected to be marginally higher than 2011
- Demand remains robust in South Australia due to infrastructure and non residential projects, and in Western Australia as a result of mining and resource projects
- Further weakening in residential and non-residential sectors
- Strong Australian dollar, competitive pressures and risk of imports in some markets may limit scope for price increases
- In 2012, lime sales volumes are expected to be marginally higher than 2011
- Benefit of improved lime pricing to major alumina customer in Western Australia, effective from 1 July 2011
- The threat of small scale cement and lime imports in Western Australia and the Northern Territory remains

Outlook

- Australian concrete market plateaued in 2011
- Concrete and aggregates pricing expected to improve further – increases notified effective 1 April 2012
- Weakness in the concrete masonry market is expected to continue in 2012 due to difficult conditions in the commercial and multi-residential sectors
- Significant land bank in WA, SA and Vic – over 2-10 years it is possible to realise circa $100 million
- Continuation of successful long term growth strategy with investment in cement, lime and downstream operations
- Carbon tax impact on 2012 NPAT expected to be circa $2.7 million, before mitigation
- Ongoing focus on cost management across the Group