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Agenda

- **Adelaide Brighton's competitive position**
- **Delivering strong shareholder returns**
- **Consistent long term growth strategy**
- **Key profit and operational challenges**
- **Carbon tax**
- **Outlook**

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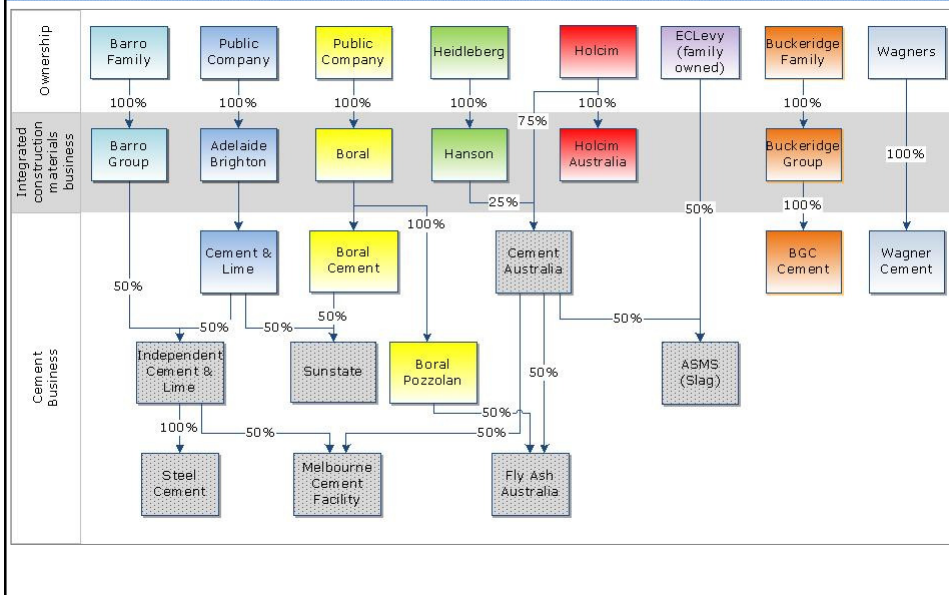
Competitive position

- **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**

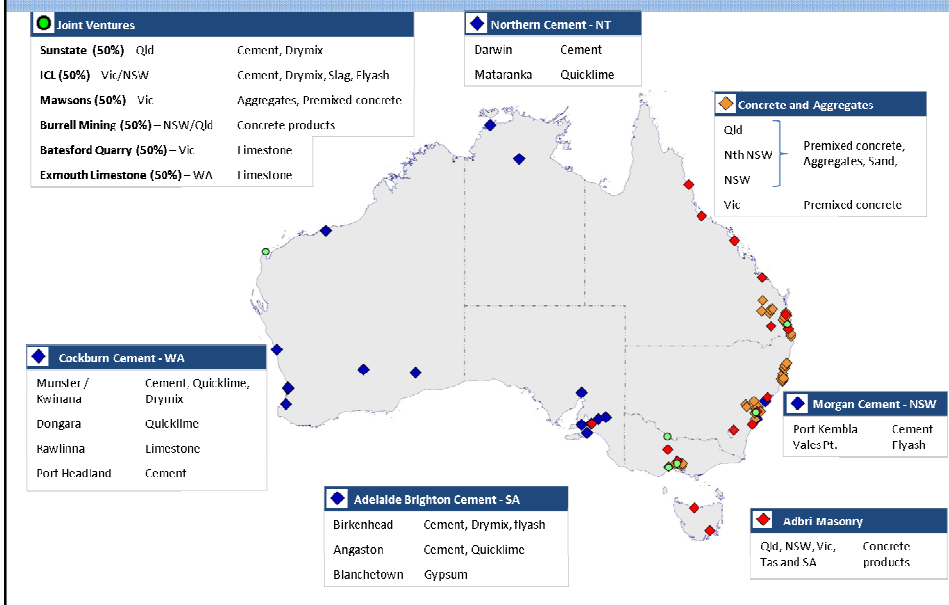
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Construction materials industry structure



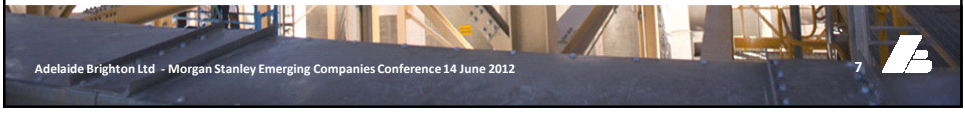
ABL snapshot



Competitive position

- 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

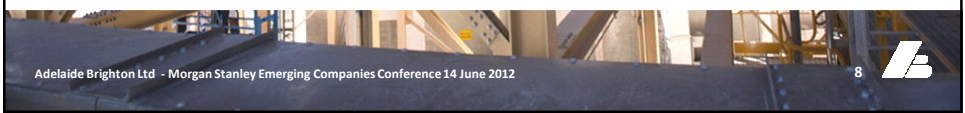
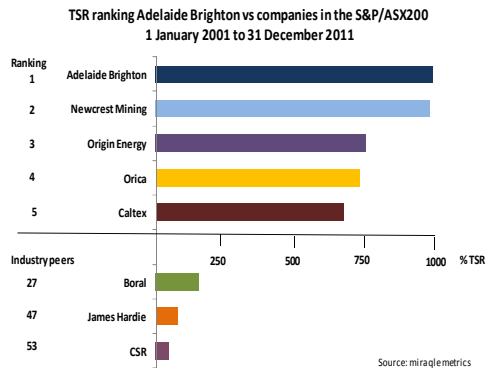


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Total shareholder return

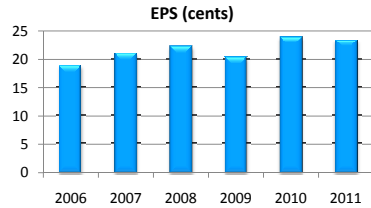
- A decade long transformation into national construction materials supplier and the leading supplier of lime to the resources sector
- Returns underpinned by the rationalisation of production capacity, reinvestment in cement and lime manufacturing and measured downstream growth
- Improved cost structure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



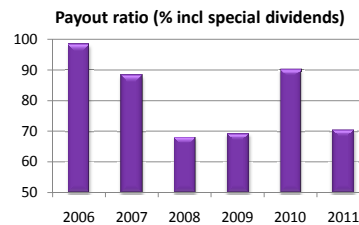
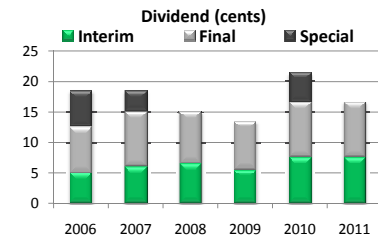
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Shareholder returns



- 2011 EPS 23.3 cps, down 2.2%, tax driven
- Total 2011 ordinary dividend of 16.5 cps, fully franked



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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

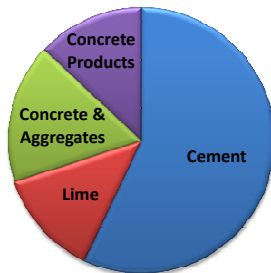
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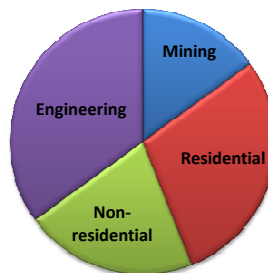
Adelaide Brighton revenue analysis

- 70% of revenue from Cement and Lime operations
- Exposure to engineering and mining sectors supporting demand
- WA and SA are key geographic markets

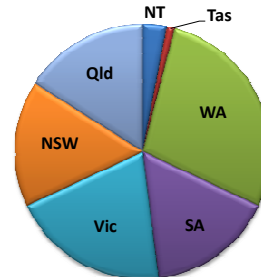
Revenue - product group



Revenue - by segment



Revenue - by state



Source: ABL estimates

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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
- Cost Management Programs – delivered \$23 million of benefits in 2011
- Cement - \$60 million investment to expand milling capacity by 750kt pa at Birkenhead, SA. Annualised benefits of \$10-\$12 million from mid 2013
- Lime – investment of \$34 million for two projects bringing environmental improvements and additional 100kt pa capacity at Munster, WA
- Downstream acquisitions – four acquisitions in 2011 totaling \$48 million at 7.3 times 2011 EBITDA
- Adelaide Brighton continues to evaluate potential acquisitions – aggregates expansion is a key factor in future strategic growth

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Contract renewal

- **Cement supply agreement formalised with major cement customer:**
 - » Covers SA and WA cement supply until 31 Dec 2012
 - » Cautiously confident of securing supply for SA and WA for 2013 and 2014, on not materially different terms
- **Lime supply contract with major WA alumina producer formally executed**
 - » 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
 - » We expect to supply circa 100% of the customer's requirements in 2012
- **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

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Market demand

M³sm³ Australian concrete demand (12 month moving total)



- Concrete market peaked in mid 2008 after seven years of growth
- Downturn of approximately 10% since peak in 2008
- Recovery plateaued in 2011
- Projects offsetting weakness in commercial and residential
- National concrete market expected to remain flat in 2012

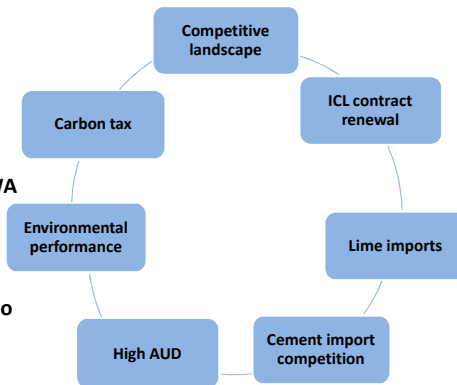
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Key profit and operational challenges

- 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 licence changes - kiln 5 bag house filter by mid 2013 – estimated spend of up to \$17 million
- Carbon tax impact on NPAT in 2012, circa \$2.7 million before mitigation



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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

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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 concrete 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)**

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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**

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Outlook

- Australian concrete market plateaued in 2011
- Concrete and aggregates pricing expected to improve – 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

