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16 August 2012

The Manager
Market Announcements
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Adelaide Brighton Appendix 4D half year report June 2012

We attach Appendix 4D covering half year report to June 2012 for release to the market.

Yours faithfully

MRD Clayton
Company Secretary

FOR INFORMATION: MS LUBA ALEXANDER
GROUP CORPORATE AFFAIRS ADVISER
TELEPHONE 0418 535 636

Adelaide Brighton Ltd

ACN 007 596 018

Adelaide Brighton Ltd

Appendix 4D

Half year ended 30 June 2012

Results for announcement to the market

Company name:	Adelaide Brighton Ltd
ABN:	15 007 596 018
Reporting period:	Half year ended 30 June 2012
Previous corresponding period:	Half year ended 30 June 2011
Release date:	16 August 2012

				$m
Revenue from continuing operations	**up**	8.3%	**to**	550.3
Earnings before interest and tax	**up**	6.6%	**to**	98.5
Net profit for the period attributable to members	**up**	9.8%	**to**	67.5

Dividend	Amount per security		Franked amount per security
	Current period	Previous corresponding period	
Interim dividend	7.5c	7.5c	100%

Record date for determining entitlements to the interim dividend	**29 August 2012**
Payment date for the interim dividend	**8 October 2012**

	30 June 2012	30 June 2011
Net tangible asset backing per ordinary share	$1.23	$1.17

Dividend Reinvestment Plan

Adelaide Brighton advised in the Appendix 4E Preliminary Final Report Summary released to the Australian Securities Exchange on 18 February 2010, that the Board has suspended the Company's Dividend Reinvestment Plan until further notice. That suspension continues.

Adelaide Brighton Ltd

ACN 007 596 018

Adelaide Brighton Ltd

Interim results summary

Half year ended 30 June 2012

KEY FEATURES OF INTERIM RESULT

- Revenue of $550.3 million – an increase of 8.3% over the pcp
- Earnings before interest and tax (EBIT) of $98.5 million – an increase of 6.6% over the pcp
- EBIT includes a gain of $7.6 million relating to the finalisation of fair value accounting for a 2011 acquisition and redundancy costs of $2.3 million.
- Profit before tax of $90.2 million – an increase of 6.7% over pcp
- Net profit attributable to members of $67.5 million – an increase of 9.8% over the pcp
- Interim ordinary dividend 7.5 cents, franked to 100% (interim ordinary 7.5 cents 100% franked in pcp)
- Basic earnings per share of 10.6 cents – an increase of 9.3% over pcp (9.7 cents pcp)
- Operating cash flow was $80.2 million – an increase of 60.4% over the pcp
- Net debt of $287.6 million ($220.6 million in pcp)
- Gearing[1] at 29.7% (23.9% pcp)

FINANCIAL SUMMARY	6 months ended 30 June		
($m)	**2012**	**2011**	**% change pcp**
Revenue	**550.3**	**507.9**	**8.3**
Depreciation	(30.9)	(26.9)	14.9
Earnings before interest and tax	**98.5**	**92.4**	**6.6**
Net interest[2]	(8.3)	(7.9)	5.1
Profit before tax	**90.2**	**84.5**	**6.7**
Tax expense	(22.7)	(23.1)	(1.7)
Net profit after tax	**67.5**	**61.4**	**9.9**
Non-controlling interests	-	0.1	(100.0)
Net profit attributable to equity holders of the Company	**67.5**	**61.5**	**9.8**
Basic earnings per share (cents)	10.6	9.7	9.3
Dividends per share – fully franked (cents)	7.5	7.5	
Net debt[3] ($m)	287.6	220.6	
Net debt/equity (%)	29.7%	23.9%	

[1] *Net debt/equity*

[2] *Interest expense shown gross in the Income Statement with interest income included in revenue*

[3] *Net debt is calculated as total borrowings less cash and cash equivalents, and cash term deposits disclosed as other financial assets*

Summary

Adelaide Brighton reported net profit after tax attributable to members of $67.5 million, up 9.8% compared with the previous corresponding period (pcp).

Revenue of $550.3 million was 8.3% higher as improved demand from the mining sector exceeded the combined impact of weak residential activity and wet weather across the eastern seaboard.

Earnings before interest and tax (EBIT) increased 6.6% to $98.5 million. This includes a gain of $7.6 million recognised as other income relating to the finalisation of fair value accounting for a 2011 acquisition and redundancy costs of $2.3 million.

Profit before tax increased 6.7% to $90.2 million. Net interest increased by $0.4 million to $8.3 million, largely due to increased net debt.

First half 2012 basic earnings per share was 10.6 cents, an increase from 9.7 cents.

An interim ordinary dividend for 2012 of 7.5 cents, franked to 100% (interim ordinary 7.5 cents, 100% franked in pcp), has been declared, payable on 8 October 2012.

Cement

- ***Sales – Market demand from mining and infrastructure***
  The volume of cement sold increased marginally versus the prior corresponding period. Demand was strong from the resources and mining sectors in Western Australia and the Northern Territory, and infrastructure projects in South Australia. This was offset by weakness in the residential sector and the negative effects of the wet weather in the eastern states. Clinker sales volumes declined due to reduced sales to Sunstate Cement. The average net selling price for cement increased over the prior half year.

  Transport revenue increased Group revenue from continuing operations by 3.6% versus the prior corresponding period. This increase was primarily due to an increase in product sales to resource projects in remote areas. The transport component of these sales is generally at low margins, therefore reducing the Group's average EBIT margin percentage achieved.

- ***Operations – Major planned maintenance completed in the first half***
  The first half of 2012 saw the completion of significant planned cyclical maintenance. The Birkenhead (South Australia) cement works underwent its annual shutdown during this period. First half 2012 maintenance costs were marginally lower than the prior corresponding period. In the second half of 2012, planned maintenance is expected to be in line with the prior corresponding period.

  Clinker production from the Munster (Western Australia) clinker kilns improved marginally versus the prior corresponding period. Production from the Group's largest clinker kiln at Birkenhead (South Australia) declined compared to the record levels achieved in the first half of 2011.

- ***Imports – Import earnings softer due to weak Queensland demand***
  Adelaide Brighton is Australia's largest importer of cement and clinker. The Company has an unmatched network of import terminals providing cost competitive access to every mainland capital city market.

Import profitability declined by approximately $3 million in the first half of 2012 versus the prior corresponding period. Import profitability and margins were negatively impacted by the higher cost of imported cement and a reduction in clinker imports to Sunstate Cement. This was partially offset by the impact of the higher Australian dollar which had a positive impact of approximately $1 million versus the first half of 2011.

Lime

- ***Sales – Lime demand from the resources sector***
  Lime sales volumes were higher than the prior corresponding period due to strong demand from the resources sector and a recovery in sales to a major customer in Northern Territory. Pricing improved due to the price reset on a supply contract with a major alumina customer in Western Australia, effective from 1 July 2011.

- ***Operations – Consistent production performance***
  Demand for lime saw production at a high utilisation rate at the key Munster (Western Australia) lime operation and increased production at the smaller Dongara (Western Australia) plant.

Concrete and Aggregates

- ***Sales – Weather impacted volumes, however price increases being realised***
  Excluding the impact of businesses acquired in 2011, premixed concrete volumes were lower than the prior half year due to the weak market demand and weather in the eastern States. Aggregate volumes were similarly impacted, although demand from the Pacific Highway upgrade resulted in strong volumes from the northern New South Wales quarries.

  Concrete and aggregate prices increased compared to the prior half year supported by price rises effective 1 April 2012. Further benefits should be realised from this in the second half of 2012.

- ***Operations – Efficiency improvements ongoing***
  Lower concrete volumes and cost inflation during the half year adversely affected unit costs. The business continues to focus on control of quarry and concrete production costs, including raw materials, transport costs and overheads.

Concrete Masonry Products

- ***Sales – Difficult market conditions, price increases announced***
  With softening demand from residential construction and generally slow reseller activity, trading conditions remain difficult. Demand weakness across most markets was exacerbated by wet weather. Despite these pressures, sales revenue increased 2.3% as increases in prices were achieved in the first half.

- ***Operations – Focus on costs and product development***
  Cost management programs resulted in savings in overheads and production costs and a slight improvement in margins compared to the prior corresponding period. The development of innovative and lower cost products with reduced carbon footprint has strengthened the concrete masonry offering.

Joint Ventures (ABL 50% owned)

- ***Independent Cement and Lime Pty Ltd (ICL)***
  Independent Cement and Lime reported a decline in contribution to net profit from $9.3 to $7.1 million. Volumes declined due to weakness in Victorian residential activity and the completion of key infrastructure projects. Cement margins declined due to competitive pressures in the bulk and bagged markets.

- ***Sunstate Cement Limited***
  Despite the poor market conditions in south east Queensland, Sunstate Cement reported flat earnings. Pressure on pricing continues in south east Queensland due to the impact of a new market entrant, exacerbated by weak residential and commercial construction activity throughout the region.

- ***Mawson Group***
  Earnings from the Mawsons concrete and aggregates joint venture declined on lower demand from flood restoration and water management projects.

Carbon tax

While not directly impacting first half earnings in 2012, the carbon tax became effective on 1 July 2012. In line with prior guidance, it is estimated that the impact on net profit after tax in the first full 12 months of the scheme (1 July 2012 to 30 June 2013) will be circa $5 million before mitigation. It is estimated that in the second half of 2012 the negative impact on net profit after tax will be approximately $2.7 million, before mitigation. In light of the carbon tax and the high strong Australian dollar, Adelaide Brighton will continue to evaluate its domestic footprint compared to the potential enhancement of import flexibility.

Strategic developments

Adelaide Brighton continues its successful long term strategy to grow shareholder returns through investment in three key areas:

1. Operational improvement
2. Growth in the lime business
3. Vertical integration into downstream markets

The Company has now spent approximately $58 million over 2011 and 2012 of the $94 million investment program which will improve efficiency, sustainability and environmental performance in the Cement and Lime Division. We continue to evaluate bolt-on acquisitions consistent with Adelaide Brighton's vertical integration strategy.

Cement - operational improvement and supply contract renewal

Supply negotiations with ICL have been agreed in principle and are now subject to ICL unit-holder approval. We remain cautiously confident that the supply arrangements which expire towards the middle of 2013, will be renewed on not materially different terms.

The previously announced $60 million upgrade to the Birkenhead (South Australia) cement milling capacity has progressed with foundations underway and the new ship loader completed. This expansion will increase milling capacity by 750,000 tonnes per annum, reducing the Group's reliance on imported cement and providing environmental benefits through improved dust collection. Depending on market demand in Victoria and South Australia, exchange rates, the landed cost for cement and clinker and finalisation of supply contracts with ICL, this project is expected to deliver EBIT of $10 – $12 million per annum from mid-2013.

We remain cautiously confident that supply to a major cement customer in South Australia and Western Australia for 2013 and 2014 will be renewed on not materially different terms.

Lime - capacity improvement and environmental expenditure

The $24 million bag house filter project at the Munster (Western Australia) lime kiln 6 was successfully commissioned within budget in 2012. It is expected that the $10 million cooler bag house will be commissioned within budget by the end of August 2012. These projects will increase lime production capacity by 100,000 tonnes per annum to meet expected future demand for lime from the resources sector in Western Australia and improve environmental performance of the operations.

Planning is underway for a bag filter to be installed on the second of the two Munster lime kilns (kiln 5) by the middle of 2013 at a cost of circa $18 million. This project is expected to improve dust emissions and satisfy changes to the operating licence required by the middle of 2013.

Formal agreements were executed in 2011 with a major alumina producer for the continued supply of their lime requirements in Western Australia. The new agreement was effective from 1 July 2011 and covers supply for periods ranging between five and ten years. This contract underpins the long term positioning of the lime operations.

Financial review

Cash flow and borrowings

Cash flow from operating activities increased by $30.2 million to $80.2 million due to higher operating earnings and a decline in company tax payments. This was partially offset by an increase in interest payments due to higher average levels of net debt.

Working capital increased marginally compared with 31 December 2011. Inventory levels increased by $8.9 million to $136.8 million and receivables rose by $8.6 million to $177.5 million, offset by higher payables of $14.8 million. Outstanding debtor days grew marginally compared to December 2011, primarily due to the timing of receipts from customers.

Capital expenditure of $64.5 million included significant spending on the Birkenhead and Munster projects outlined above. Full year 2012 capital expenditure (excluding acquisitions) is expected to be $110 – $120 million.

Net debt increased by $67.0 million compared to 30 June 2011 to $287.6 million, representing net debt to equity of 29.7% which is within the targeted range of 25% to 45%.

The Company's cash flow and balance sheet position provides capacity to fund acquisitions and planned organic growth opportunities.

Debt facilities
The Group refinanced its debt facilities in 2011 and increased total facilities to $500 million, with $200 million maturing on 1 July 2013, $140 million maturing on 1 July 2014 and $160 million maturing 1 July 2015.

Dividends
An interim 2012 dividend of 7.5 cents, franked to 100%, has been declared. This dividend is in line with the ordinary interim dividend paid in the first half of 2011 and represents a payout ratio for the first half of 70.8%. The record date for determining eligibility to the interim dividend is 29 August 2012 and the payment date is 8 October 2012.

Other income – gain on acquisition
A gain of $7.6 million was recognised relating to the finalisation of the fair value accounting for a 2011 acquisition. This gain follows confirmation that tax deductions in relation to a quarry right acquired can be claimed over the life of the quarry. These deductions will reduce future tax payments by $7.6 million. The non-cash accounting gain has been recognised as other income and is non-taxable.

Interest and tax
Net interest of $8.3 million was $0.4 million higher than the first half of 2011, due to higher levels of net debt. Tax expense decreased by $0.4 million to $22.7 million. The effective tax rate was 25.2%, which is lower than the prior corresponding period largely due to the impact of the $7.6 million gain on acquisition.

Outlook

Adelaide Brighton expects 2012 total cement and clinker sales volumes to be similar to 2011.

Demand remains robust in South Australia due to projects and in Western Australia and Northern Territory as a result of mining and resource projects. Continued weakness in the residential and non-residential sectors is expected for the remainder of 2012.

Lime sales volumes for 2012 are expected to be higher than 2011.

Lime prices will improve in 2012 due largely to improved lime pricing to a major alumina customer in Western Australia, effective from 1 July 2011.

The Australian concrete market plateaued in 2011 and is expected to remain subdued through 2012. Concrete and aggregates pricing is expected to improve with increases notified effective 1 April 2012.

Weakness in the concrete masonry market is likely to continue in 2012 due to difficult conditions in the east coast commercial and multi-residential sectors.

As plants are rationalised and quarries reach the end of their useful life, it is possible to realise circa $100 million revenue over the next 2-10 years from the sale of surplus land

The Australian dollar is expected to continue to support import margins. Forecast imports to the end of 2012 have been hedged and it is expected that the impact of foreign currency on full year 2012 import margins will be similar to 2011. However, the strong Australian dollar, competitive pressures and risk of imports in some markets may limit scope for cement price increases.

Reduced off-take from Sunstate Cement's 50% shareholder is expected to reduce 2012 net profit after tax by approximately $2 million.

The carbon tax, which is effective from 1 July 2012, is expected to impact 2012 net profit after tax by circa $2.7 million, before mitigation.

Adelaide Brighton will continue its successful long term growth strategy with investment in cement, lime and downstream operations where attractive returns can be identified for our shareholders.

The Company continues its focus on cost management across the Group, with particular emphasis on production costs, including energy efficiency and carbon footprint.

Subject to the timing of cement sales to major projects and if market conditions are sustained during the second half of 2012, Adelaide Brighton expects a net profit after tax in the range of $145 to $155 million for the full 12 month period to 31 December 2012.

MP Chellew
Managing Director

16 August 2012

FOR FURTHER INFORMATION CONTACT: **LUBA ALEXANDER**
GROUP CORPORATE AFFAIRS ADVISER
MOBILE: 0418 535 636

The Directors present their report on the consolidated entity ("the Group") consisting of Adelaide Brighton Ltd ("the Company") and the entities it controlled at the end of, or during, the half year ended 30 June 2012.

Directors

The Directors of the Company at any time during or since the end of the half year and up to the date of this report are:

CL Harris (retired 17 May 2012)
LV Hosking
GF Pettigrew
RD Barro
KB Scott-Mackenzie
AM Tansey
MP Chellew

Review of operations

A review of the operations of the Group during the half year ended 30 June 2012 is set out on pages 3 to 8 of this report.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 20.

Rounding off

The Company is of a kind referred to in Class Order 98/100 issued by ASIC, relating to the "rounding off" of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and financial report have been rounded off to the nearest hundred thousand dollars in accordance with that Class Order.

Dated at Sydney this 16th day of August 2012.

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

MP Chellew
Managing Director

Consolidated income statement

For the half year ended 30 June 2012

	Notes	**2012 $m**	2011 $m
Revenue from continuing operations	3	**550.3**	507.9
Cost of sales		**(341.0)**	(327.7)
Freight and distribution costs		**(86.6)**	(69.0)
Gross profit		**122.7**	111.2
Other income	3	**9.0**	4.2
Marketing costs		**(12.0)**	(11.9)
Administration costs		**(34.1)**	(26.6)
Finance costs	3	**(9.8)**	(9.0)
Share of net profits of joint venture entities accounted for using the equity method	6	**14.4**	16.6
Profit before income tax		**90.2**	84.5
Income tax expense		**(22.7)**	(23.1)
Profit for the half year		**67.5**	61.4
Profit is attributable to:			
Equity holders of the Company		**67.5**	61.5
Non-controlling interests		**-**	(0.1)
		67.5	61.4
Earnings per share for profit attributable to the equity holders of the Company:		**Cents**	Cents
Basic earnings per share		**10.6**	9.7
Diluted earnings per share		**10.5**	9.6

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income

For the half year ended 30 June 2012

	2012 $m	2011 $m
Profit for the half year	**67.5**	61.4
Other comprehensive income		
Actuarial (losses) on retirement benefit obligation	**(1.7)**	(0.6)
Exchange differences on translation of foreign operations	**(0.1)**	0.1
Income tax relating to components of other comprehensive income	**0.5**	0.2
Other comprehensive income for the half year, net of tax	**(1.3)**	(0.3)
Total comprehensive income for the half year	**66.2**	61.1
Total comprehensive income for the half year is attributable to:		
Equity holders of the Company	**66.2**	61.2
Non-controlling interests	**-**	(0.1)
Total comprehensive income for the half year	**66.2**	61.1

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

As at 30 June 2012

	30 June 2012 $m	31 December 2011 $m
Current assets		
Cash and cash equivalents	**20.1**	10.0
Trade and other receivables	**177.5**	168.9
Inventories	**136.8**	127.9
Other financial assets	**1.9**	1.0
Total current assets	**336.3**	307.8
Non-current assets		
Receivables	**26.8**	27.2
Investments accounted for using the equity method	**102.2**	97.2
Property, plant and equipment	**880.7**	851.0
Intangible assets	**185.0**	183.0
Total non-current assets	**1,194.7**	1,158.4
Total assets	**1,531.0**	1,466.2
Current liabilities		
Trade and other payables	**113.3**	98.5
Borrowings	**0.6**	0.7
Current tax liabilities	**3.5**	8.2
Provisions	**24.5**	21.7
Other liabilities	**1.6**	4.6
Total current liabilities	**143.5**	133.7
Non-current liabilities		
Borrowings	**309.0**	258.7
Deferred tax liabilities	**66.4**	70.7
Provisions	**33.1**	35.0
Retirement benefit obligation	**11.7**	10.9
Other non-current liabilities	**0.1**	0.1
Total non-current liabilities	**420.3**	375.4
Total liabilities	**563.8**	509.1
Net assets	**967.2**	957.1
Equity		
Contributed equity	**696.6**	694.6
Reserves	**1.4**	2.3
Retained profits	**266.3**	257.3
Total equity attributable to equity holders of the Company	**964.3**	954.2
Non-controlling interests	**2.9**	2.9
Total equity	**967.2**	957.1

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

As at 30 June 2012

	Notes	Attributable to owners of Adelaide Brighton Ltd					
		Contributed equity	**Reserves**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
		$m	**$m**	**$m**	**$m**	**$m**	**$m**
Balance at 1 January 2012		**694.6**	**2.3**	**257.3**	**954.2**	**2.9**	**957.1**
Profit for the half year		-	-	67.5	67.5	-	67.5
Other comprehensive income for the half year		-	(0.1)	(1.2)	(1.3)	-	(1.3)
Total comprehensive income for the half year		**-**	**(0.1)**	**66.3**	**66.2**	**-**	**66.2**
Transactions with owners in their capacity as owners:							
Dividends provided for or paid	4	-	-	(57.3)	(57.3)	-	(57.3)
Executive performance share plan		2.0	(0.8)	-	1.2	-	1.2
		2.0	(0.8)	(57.3)	(56.1)	-	(56.1)
Balance at 30 June 2012		**696.6**	**1.4**	**266.3**	**964.3**	**2.9**	**967.2**
Balance at 1 January 2011		**692.7**	**2.6**	**236.0**	**931.3**	**3.0**	**934.3**
Profit for the half year		-	-	61.5	61.5	(0.1)	61.4
Other comprehensive income for the half year		-	0.1	(0.4)	(0.3)	-	(0.3)
Total comprehensive income for the half year		**-**	**0.1**	**61.1**	**61.2**	**(0.1)**	**61.1**
Transactions with owners in their capacity as owners:							
Dividends provided for or paid	4	-	-	(73.1)	(73.1)	(0.2)	(73.3)
Executive performance share plan		1.7	(1.0)	-	0.7	-	0.7
		1.7	(1.0)	(73.1)	(72.4)	(0.2)	(72.6)
Balance at 30 June 2011		**694.4**	**1.7**	**224.0**	**920.1**	**2.7**	**922.8**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
For the half year ended 30 June 2012

	Notes	**2012 $m**	2011 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**594.2**	553.9
Payments to suppliers and employees (inclusive of goods and services tax)		**(494.2)**	(473.4)
Joint venture distributions received		**9.4**	9.5
Interest received		**1.5**	1.1
Interest paid		**(9.4)**	(7.3)
Other revenue received		**1.7**	4.8
Income taxes paid		**(23.0)**	(38.6)
Net cash inflow from operating activities		**80.2**	50.0
Cash flows from investing activities			
Payments for property, plant and equipment		**(64.5)**	(51.9)
Proceeds from sale of property, plant and equipment		**2.1**	0.5
Proceeds from joint ventures and other related parties		**0.3**	7.8
Loans to other parties		**-**	(5.3)
Investment of cash in short term investments – Financial Assets		**(0.9)**	-
Net cash (outflow) from investing activities		**(63.0)**	(48.9)
Cash flows from financing activities			
Proceeds from borrowings		**50.3**	109.4
Repayment of borrowings		**(0.1)**	(0.1)
Dividends paid to Company's shareholders	4	**(57.3)**	(73.1)
Dividends paid to non-controlling interests		**-**	(0.2)
Net cash (outflow) inflow from financing activities		**(7.1)**	36.0
Net increase in cash and cash equivalents		**10.1**	37.1
Cash and cash equivalents at the beginning of the half year		**10.0**	2.0
Cash and cash equivalents at the end of the half year		**20.1**	39.1

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the half year ended 30 June 2012

1 Basis of preparation of half year report

This condensed consolidated interim financial report for the half year reporting period ended 30 June 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2011 and any public announcements made by Adelaide Brighton Ltd during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2 Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Managing Director. These reports are evaluated regularly in deciding how to allocate resources and in assessing performance.

The two reportable segments have been identified as follows:

- Cement, Lime and Concrete
- Concrete Products

The operating segments, Cement, Lime and Concrete, all individually meet the quantitative thresholds required by AASB 8 as well as meeting the aggregation criteria allowing them to be reported as one segment. Concrete Products meets the quantitative threshold therefore is reported as a separate segment. The Cement, Lime and Concrete Products Joint Ventures form part of the above two reportable segments as they meet the aggregation criteria.

The major end use markets of Adelaide Brighton's products include residential and non-residential construction, engineering construction, alumina and steel production and mining.

(b) Segment information provided to the Managing Director

The segment information provided to the Managing Director for the reportable segments for the half year ended 30 June 2012 is as follows:

Half year 2012	**Cement, Lime and Concrete $m**	**Concrete Products $m**	**All other segments $m**	**Total $m**
Total segment operating revenue	543.9	58.5	41.7	644.1
Inter-segment revenue	(17.4)	-	-	(17.4)
Revenue from external customers	**526.5**	**58.5**	**41.7**	**626.7**
Depreciation and amortisation	(24.1)	(4.0)	(2.8)	(30.9)
EBIT	**96.3**	**(0.5)**	**2.7**	**98.5**
Half year 2011				
Total segment operating revenue	525.7	57.2	35.0	617.9
Inter-segment revenue	(18.1)	-	-	(18.1)
Revenue from external customers	**507.6**	**57.2**	**35.0**	**599.8**
Depreciation and amortisation	(20.1)	(3.9)	(2.9)	(26.9)
EBIT	**95.5**	**(1.2)**	**(1.9)**	**92.4**

(b) Segment information provided to the Managing Director (continued)

The operating revenue assessed by the Managing Director includes Joint Venture revenue, but excludes freight revenue, interest revenue and royalties. A reconciliation of segment operating revenue to revenue from continuing operations is provided as follows:

	2012 $m	2011 $m
Revenue from external customers	**644.1**	617.9
Inter-segment revenue elimination	**(17.4)**	(18.1)
Freight revenue	**65.8**	47.2
Interest revenue	**1.5**	1.1
Royalties	**-**	0.8
Elimination of joint venture revenue	**(143.7)**	(141.0)
Revenue from continuing operations	**550.3**	507.9

The Managing Director assesses the performance of the operating segments based on a measure of EBIT. This measurement basis excludes the effect of net interest. A reconciliation of the EBIT to profit before income tax is provided as follows:

	2012 $m	2011 $m
EBIT	**98.5**	92.4
Net interest	**(8.3)**	(7.9)
Profit before income tax	**90.2**	84.5

3 Profit for the half year

	2012 $m	2011 $m
Revenue from continuing operations		
Sale of goods	**548.8**	506.0
Interest revenue	**1.5**	1.1
Royalties	**-**	0.8
	550.3	507.9
Other income		
Gain on bargain purchase	**7.6**	-
Insurance proceeds	**0.2**	2.3
Miscellaneous income	**1.2**	1.9
Total other income	**9.0**	4.2
Revenue and other income	**559.3**	512.1
Finance costs		
Interest and finance charges	**9.5**	7.3
Unwinding of the discount on restoration provisions and retirement benefit obligation	**1.3**	1.5
Exchange losses on foreign currency forward contracts	**-**	0.4
Interest capitalised in respect of qualifying assets	**(1.0)**	(0.2)
Total finance costs	**9.8**	9.0
Less interest revenue	**(1.5)**	(1.1)
Net interest	**8.3**	7.9

4 Dividends

	2012 $m	2011 $m
Dividends provided or paid during the half year		
2011 final dividend of 9.0 cents (2010 – 9.0 cents) per fully paid ordinary share, franked at 100% (2010 – 100%) paid on 10 April 2012	**57.3**	57.2
2010 final special dividend of 2.5 cents per fully paid ordinary share, franked at 100%. No special dividends were declared or paid in respect of the 2011 year.	**-**	15.9
Total dividends paid in cash	**57.3**	73.1
Dividends not recognised at the end of the half year		
In addition to the above dividends, since the end of the half year the Directors have recommended the payment of an interim dividend of 7.5 cents per fully paid ordinary share (June 2011 – 7.5 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 8 October 2012 out of retained profits, but not recognised as a liability at the end of the half year, is:	**47.8**	47.7

5 Equity

Securities issued	**Half year June 2012 Shares**	Half year June 2011 Shares	**Half year June 2012 $m**	Half year June 2011 $m
Issue of ordinary shares during the half year				
Shares issued under the Adelaide Brighton Ltd Executive Performance Share Plan	**1,109,678**	1,145,000	**2.0**	1.7
	1,109,678	1,145,000	**2.0**	1.7

6 Investments in joint ventures

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting.

Name of joint venture	**Ownership interest 2012 %**	2011 %
Sunstate Cement Ltd	**50**	50
Independent Cement & Lime Pty Ltd	**50**	50
EB Mawson & Sons Pty Ltd	**50**	50
Lake Boga Quarries Pty Ltd	**50**	50
Burrell Mining Services JV	**50**	50
Batesford Quarry	**50**	50

Contribution to net profit	**2012 $m**	2011 $m
Sunstate Cement Ltd	**4.1**	4.1
Independent Cement & Lime Pty Ltd	**7.1**	9.3
Other	**3.2**	3.2
Share of profits equity accounted	**14.4**	16.6

7 Contingencies

Details and estimates of maximum amounts of contingent liabilities are as follows:

Guarantees	**2012 $m**	2011 $m
Bank guarantees	**14.3**	14.7

No material losses are anticipated in respect of the above contingent liabilities.

8 Events occurring after reporting date

No matter or circumstance has arisen since 30 June 2012 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future financial years.

In the Directors' opinion:

(a) the financial statements and notes set out on pages 10 to 18 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   (ii) giving a true and fair view of the Group's financial position as at 30 June 2012 and of its performance for the half year ended on that date; 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; and

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

M. Chellew

MP Chellew
Director

Dated at Sydney on the 16th day of August 2012 pwc

Auditor's Independence Declaration

As lead auditor for the review of Adelaide Brighton Limited for the half year ended 30 June 2012, 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 Adelaide Brighton Limited and the entities it controlled during the period.

KR Reid
Partner
PricewaterhouseCoopers

Adelaide
16 August 2012

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Independent auditor's review report to the members of Adelaide Brighton Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Adelaide Brighton Limited, which comprises the balance sheet as at 30 June 2012, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Adelaide Brighton Limited Group (the consolidated entity). The consolidated entity comprises both Adelaide Brighton Limited (the company) and the entities it controlled during that 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 (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is 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 30 June 2012 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 Adelaide Brighton Limited, 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*.

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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 Adelaide Brighton 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 30 June 2012 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*.

PricewaterhouseCoopers

PricewaterhouseCoopers

KR Reid
Partner

Adelaide
16 August 2012