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27 September 2012

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

Dear Sir/Madam

We attach copy of presentation being delivered during investor tours at Adelaide Brighton's Western Australian and South Australian operations on Thursday 27 and Friday 28 September, 2012.

Yours faithfully

Marcus Clayton
Company Secretary

FOR FURTHER INFORMATION:

MS LUBA ALEXANDER, GROUP CORPORATE AFFAIRS ADVISER TELEPHONE 08 8223 8005 OR 0418 535 636



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Agenda

Western Australia

- **Business overview** **Mark Chellew**
- **Strategy development**
- **Performance overview**
- **Cement and Lime Division** **Martin Brydon**
- **WA and NT operations** **Michael Williams**
- **Outlook** **Mark Chellew**

South Australia

- **SA and NSW operations** **Michael Williams**



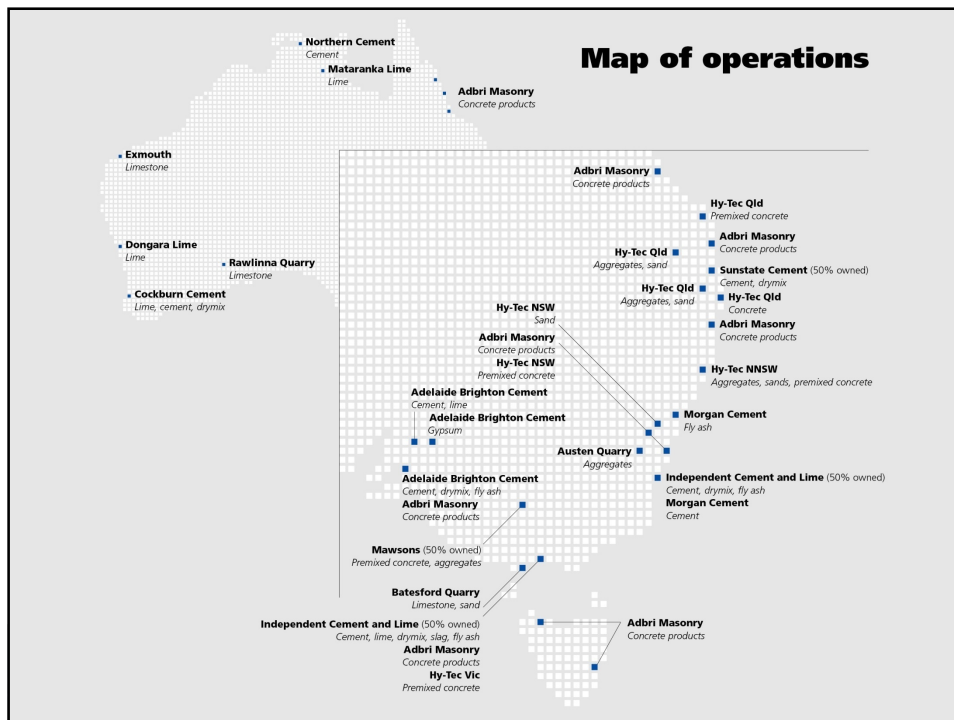
Overview

Mark Chellew
Managing Director and CEO



Our business

- A leading Australian integrated construction materials and lime producing company with balanced exposure across mining and all construction sectors
- An S&P/ASX200 company with operations in all states and territories; 1,600 employees; approximately AUD1.9 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



Divisional review

Concrete & Aggregates



Joint Ventures



Revenue 22%

Cement & Lime



Joint Ventures



Revenue 68%

Concrete Products

adbri MASONRY

Joint Ventures

Burrell Mining Services

Revenue 10%

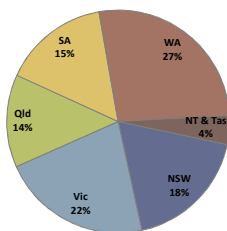
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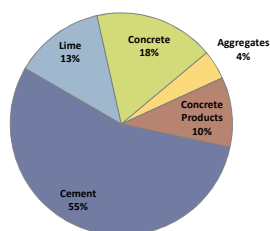
Adelaide Brighton revenue analysis

- 70% of revenue from Cement and Lime operations
- Balanced exposure to mining and all construction sectors
- Exposure in all states with WA, SA and Vic being key geographic markets

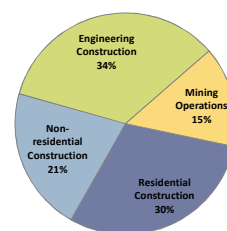
Revenue - by state



Revenue - by product group



Revenue split - by segment



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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
- Cement – investment to expand milling capacity
- Lime – capacity expansion and improvements in environmental performance



Contract renewal underpins utilisation

- Cement supply agreement with major cement customer:
 - Currently covers supply for WA to 31 Dec 2012 and SA to 31 Dec 2013
 - Following agreement in principle, cautiously confident of securing supply on not materially different terms for WA and SA to 31 Dec 2014
- Lime supply contract with major WA alumina producer formally executed:
 - Covers supply for periods ranging between five and ten years from 1 July 2011
 - 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
 - While negotiations have been protracted with some issues still unresolved, we are cautiously confident that supply arrangements which expire mid-2013 will be renewed on not materially different terms



Performance highlights

6 months ended		30 June 2012	30 June 2011	% change
Revenue	\$m	550.3	507.9	8.3
EBIT	\$m	98.5	92.4	6.6
EBITDA	\$m	129.4	119.3	8.5
NPAT attributable to members	\$m	67.5	61.5	9.8
EPS	Cents	10.6	9.7	9.3
Interim dividend	Cents	7.5	7.5	0.0

		As at 30 June 2012	As at 30 June 2011
Net debt	\$m	287.6	220.6
Gearing – net debt/equity	%	29.7	23.9

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



Performance overview

- Cement
 - Robust demand from resources and mining in WA and NT, and infrastructure projects in SA
 - Offset by weakness in the residential sector and east coast wet weather
 - Significant planned cyclical maintenance completed in first half
 - Price increases in line with expectations
- Lime
 - High plant utilisation at the Munster (WA) lime kilns and increased production at the Dongara (WA) lime facility
 - Lime sales volumes higher with strong demand from the resource sector
 - Prices improved due to price reset on supply contract with major alumina customer from 1 July 2011



Performance overview (continued)

- Concrete and Aggregates
 - Market weakness and unusually wet weather conditions in the eastern states impacted first half premix volumes in concrete and aggregates
 - Price benefit from 1 April 2012 helped to offset rising costs. Further progress expected to be realised from this price rise in 2H 2012

- Concrete Products
 - Soft demand from residential construction and slow retail activity
 - Development of innovative and lower cost products strengthened product range



EBIT Margins

Reported EBIT margin decreased from 18.2% to 17.9%

	Impact on EBIT margin %
Gain on acquisition reduces future tax payments by \$7.6 million	↑
Redundancy costs of \$2.3 million – savings from 2H 2012	↓
Improved lime prices and volumes	↑
Low margin transport revenue increased Group revenue by 3.6%	↓
Import profitability declined by approximately \$3 million	↓
JV equity accounted contribution reduced by \$2.2 million	↓
Depreciation increased by \$4 million	↓
Bad debt provision increased by \$1 million	↓



Cement and Lime overview

Martin Brydon
Executive General Manager
Cement and Lime

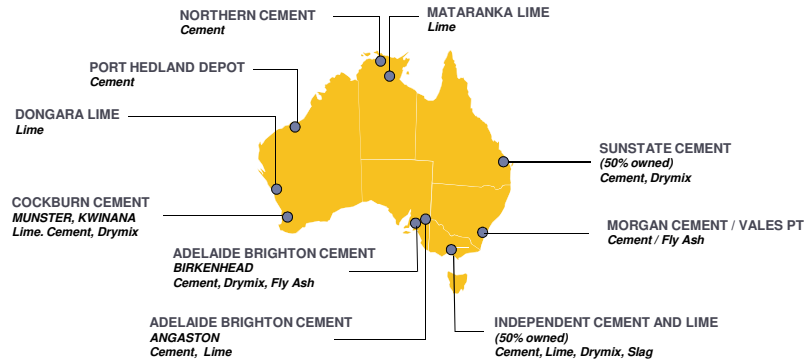


Cement and Lime Division

- Annual turnover: circa \$750 million
- Annual cement sales: 3.16mt
- Annual lime sales: 1.10mt
- Number of employees: 586 (FTEs)
- Safety performance: 3.8 LTIFR (end June 2012)



Cement and Lime Division



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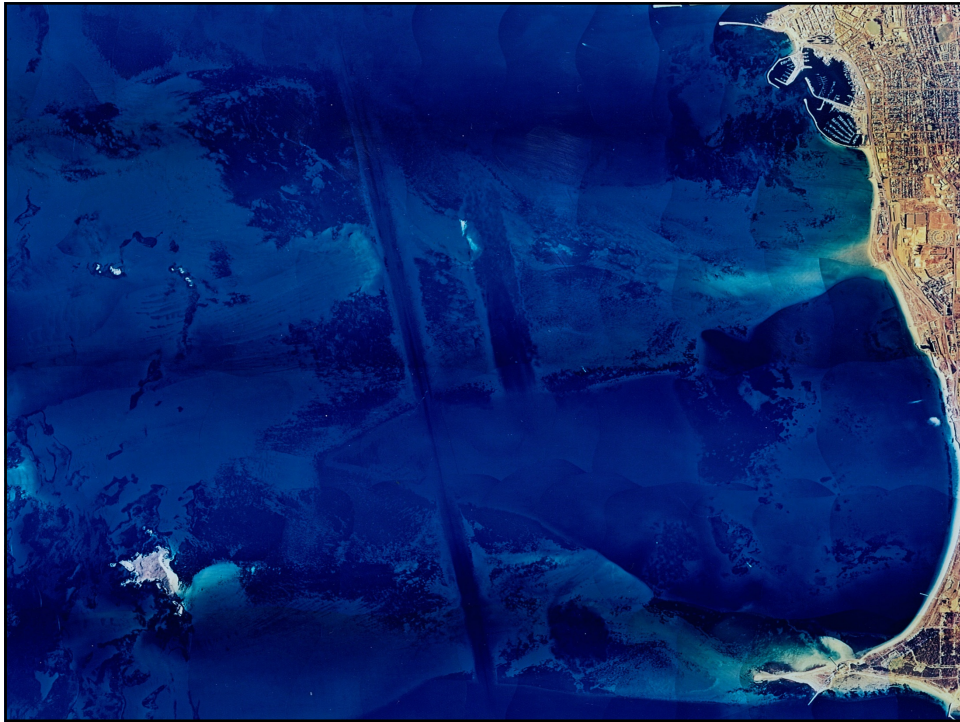
Cement and Lime Division - Imports

- Cement
 - Circa 430ktpa (Taiwan/Thailand/China)
- Clinker
 - Circa 725ktpa (Japan)
- Blast furnace slag
 - Circa 410ktpa (Japan)
- 2012 cementitious total: 1.56mtpa
- 2016 cementitious total: >2.00mtpa

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Cement and Lime WA and NT operations

Michael Williams
General Manager Operations –
Cement and Lime



Cockburn Cement

- World scale lime manufacturing facility at Munster
- Security of Munster shellsand supply through State Agreement Act (2031)
- Additional lime capacity at Dongara with ability to expand (large resource)
- Long term supply agreements in place with large alumina customers
- Clinker and cement footprint is flexible through utilisation of both Munster and Kwinana milling capacity and long term secure clinker imports
- Ability to substitute domestic clinker production with imported clinker to optimise energy and carbon cost
- Mitigated recent community dust and odour issues through Kiln 6 exhaust bag filter, upcoming Kiln 5 bag filter and other initiatives



Western Australia operating sites



- Products
 - Clinker
 - Cement
 - Quicklime
 - Hydrated lime
 - Blended cement products

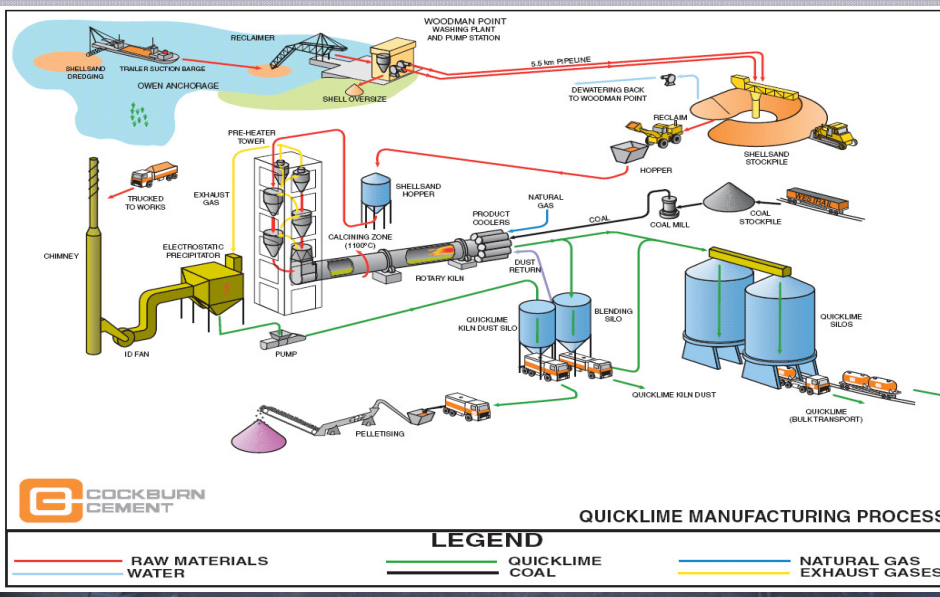


Munster site

- Cement
 - 2 wet process clinker kilns (total capacity 450ktpa)
 - 2 cement mills (total capacity 630ktpa)
- Quicklime
 - 2 lime kilns (total capacity 1.1mtpa)
- Raw materials and fuel
 - Limestone from adjacent freehold land
 - Shellsand dredged from Owen Anchorage
 - Other fringe raw materials purchased externally (gypsum own supply)
 - Fuels: coal and natural gas
- Woodman Point
 - Wash plant for dredged sand



Quicklime process



Kwinana site

- Cement production
 - 2 cement/slag mills (total capacity 360ktpa)
 - Cement blending, packing and distribution
 - » Slag dryer (capacity 175ktpa)
 - » Packaged product (capacity 200ktpa)
- Hydrated lime
 - 1 hydration plant (capacity 40ktpa)

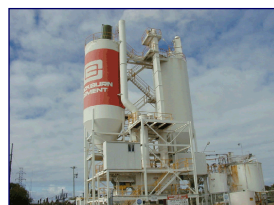


Other WA operational sites

- Dongara
 - 1 lime kiln (capacity 100Ktpa)
 - Lime sand raw material
 - Fuel is waste oil and gas
 - Supplies Murchison and North Eastern Goldfields (via Kalgoorlie depot)
- Kemerton
 - 1 lime hydration plant (capacity 18ktpa)
- Port Hedland
 - Cement Importing facility
 - Debagging bulker bags, storage and despatch



Dongara



Kemerton



Darwin and Mataranka sites

- Northern Cement, Darwin
 - 250ktpa capacity cement grinding mill
 - Newly commissioned slag dryer
 - Produces GP cement and slag blended cements
 - Bagging plant
 - Clinker imported from Japan
- Mataranka
 - Located 400km south of Darwin
 - 2 lime kilns – total 35ktpa capacity
 - Utilises waste oil as fuel
 - Limestone mined locally



Cockburn Cement - key initiatives

- Lime investment - expansion and environmental
 - Two recent projects delivered environmental improvements and 100ktpa additional capacity at Munster (to total of 1.1mtpa)
 - » The \$24 million bag filter on Kiln 6 to reduce dust emissions was successfully commissioned in March 2012 – has improved kiln stability and run time
 - » The \$10 million cooler bag house for Kiln 6 was commissioned early September 2012
 - Underway
 - » \$18 million for a bag filter on Kiln 5 (one of the 2 lime kilns at Munster) to improve dust emissions and satisfy changes to the operating licence required by mid 2013. This will also increase the kiln's output (circa 60ktpa)
- Woodman Point jetty upgrade – ensures long term life of jetty (completed August 2012)
- Environmental Improvement Plan
- Community consultation



Munster Quarry 9 – potential land realisation



- Munster limestone quarry – Quarry 9
- Quarry 9 is shown as the area marked in red on the aerial photograph opposite
- Economic reserves estimated at 5-10 years
- Approximately 25km south of Perth city centre – high growth corridor
- Surrounding area has a mix of residential, commercial, tip, market gardens and regional park
- Council tip is reaching capacity to the southern boundary
- Kwinana industrial area to the south
- Australian Marine Complex to the west
- Indicative developable area of 87ha

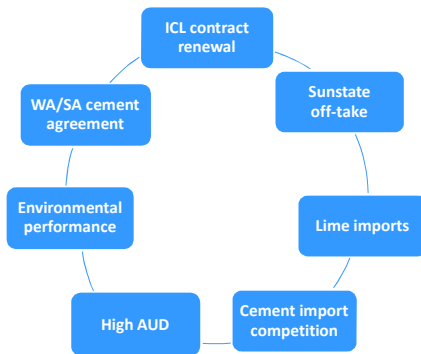


Mark Chellew
Managing Director and CEO



Key profit and operational challenges

- ICL contract renewal nearing completion - approval of both unit holders required prior to completion
- Sunstate Cement – risk of further reduction in shareholder off-take
- 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 – potential impact on bulk and bagged cement prices
- Munster licence changes – Kiln 5 bag house filter by mid 2013 – spend of circa \$18m
- Completion of a cement supply agreement for WA and SA to the end of 2014 - agreed in principle



Carbon tax implications

- Adelaide Brighton is committed to lowering its carbon emissions and has significantly reduced its carbon footprint in Australia over the last 10 years
- As the largest importer of cement and clinker into Australia, ABL is in a strong position relative to our domestic cement and clinker competitors to deal with the potentially rising cost of local production given the introduction of a carbon tax
- Considering the 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 circa \$2.7 million on net profit after tax, before mitigation (circa \$5 million, before mitigation in the first 12 months of the scheme)
- The carbon tax is unlikely to have any material impact on the long term growth strategy



2012 Outlook

- 2012 cement and clinker sales volumes to be similar to 2011
- Demand remains robust in SA due to projects, and in WA and NT demand driven by mining and resource projects
- Continued weakness in residential and non-residential sectors
- Full year lime sales volumes are expected to be higher than 2011
- Benefit from increased lime prices – due largely to improved pricing to major alumina customer in WA which was effective from 1 July 2011
- Australian concrete market expected to remain weak through 2012
- Concrete and aggregates pricing expected to improve – 1 April 2012 price rise
- Weakness in concrete masonry market expected to continue due to difficult conditions in the east coast commercial and multi-residential sectors



2012 Outlook

- 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
- Strong Australian dollar, competitive pressures and risk of imports in some markets may limit scope for cement price increases
- 2H 2012 imports hedged; forex outcome for 2012 expected to be similar to 2011
- Reduced off-take from Sunstate Cement 's 50% shareholder expected to reduce 2012 net profit after tax by approximately \$2 million
- Carbon tax impact on 2012 net profit after tax expected to be circa \$2.7million, before mitigation
- Cost management focus across the Group continues
- Subject to market conditions and the timing of cement sales to major projects, full year 2012 NPAT expected to be between \$145 and \$155 million



Cement and Lime SA and WA operations

Michael Williams General Manager Operations – Cement and Lime

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South Australia and New South Wales operating sites

- Products
 - Clinker
 - Cement
 - Quicklime and hydrated lime
 - Blended cement products
 - Fly ash



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Birkenhead site

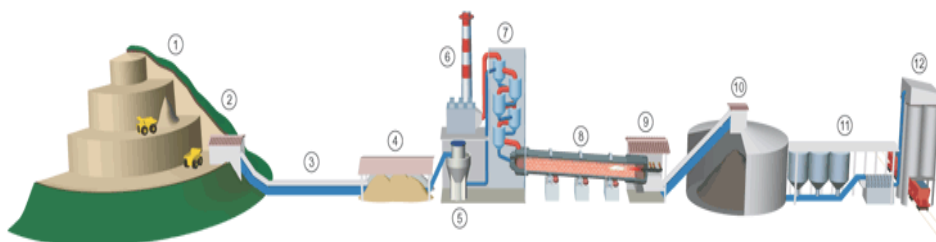
- Birkenhead capacity:
1.3mtpa of clinker, 1.2mtonnes pa of cement (1.95mt in 2013)
- Supplies the South Australian and Victorian markets with bulk and bagged cement products
- Limestone sourced from ABL's quarry at Klein Point (Yorke Peninsula)
- 7,500kt of limestone transport daily via *Accolade II* to Birkenhead
- Seaborne supply capability:
 - Clinker to Sunstate in Qld
 - Cement to Independent Cement and Lime in Victoria
- Cement packaging facility for GP and blended cement products
- Drypack bagged cement blending and packing facility
- Fuels used – natural gas, waste wood (biofuel), carbon waste
- Environmental Improvement Program and Community Liaison Group

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Dry cement making process



1. Raw materials – limestone/shale/iron ore/clay

2. Individual raw materials homogenised

3. Raw materials transported to cement plant

4. Raw materials proportioned

5. Raw mill – materials finely ground, dried and blended

6. Dust filter

7. Preheater – raw materials heated to 900 °C

8. Kiln – raw materials heated to 1450 °C in rotary kiln

9. Clinker cooler

10. Clinker stored until required for blending

11. Clinker is ground to form cement

12. Cement distributed by road, rail and sea

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Angaston and Port Kembla sites

Angaston

- Clinker: 2 kilns(one semi-dry and one wet) – 230kt pa capacity
- Lime: 1 kiln – 50ktpa capacity
- Cement: 2 cement mills – total 260kt pa capacity
- Bagging plant (Brightonlite, Hydrated lime)
- Raw materials sourced locally from Penrice (limestone) and own quarries (clay, shale, soapstone)
- Speciality products: off white cement, oil well cement, backfill binder, lime
- Fuel used: natural gas

Port Kembla

- Cement: 3 mills – 700ktpa capacity
- Clinker sourced from Boral and/or imports



Birkenhead operational improvement

- \$60 million Birkenhead expansion
 - A new fully enclosed ship loading facility incorporating best available dust collection technology - improved environmental performance (completed June 2012)
 - A new cement mill (CM 7) which will increase cement milling capacity by about 50% to 750kt of cement pa
 - An upgrade of the raw materials handling system for cement milling. This will allow the relocation of raw material open stockpiles to an undercover storage facility improving environmental performance
 - Installation of a slag dryer and product silo to enable the introduction of granulated blast furnace slag blended cement to the South Australian market – reduces the greenhouse footprint per tonne of cement
 - Reduces Group's reliance on imported cement
 - Granulated Blast Furnace Slag replaces proportion of clinker
 - Little total carbon impact – clinker capacity maintained but tCO₂/t product decreases
 - Expected to improve EBIT by \$10-\$12 million per annum from mid 2013, subject to market demand





Birkenhead shiploader



Birkenhead CM7 construction

