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Adelaide Brighton Ltd
ACN 007 596 018

21 February 2013

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

Dear Sir

Media statement - financial result for the full year ended 31 December 2012

We attach a media statement covering the Company's financial result for the full year ended 31 December 2012 for release to the market..

Yours faithfully

Marcus Clayton
Company Secretary

For further information please contact:
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MEDIA STATEMENT

21 February 2013

($ millions)	December 2012	December 2011	% change
Revenue	1,176.2	1,100.4	6.9
Earnings before interest and tax ("EBIT")	225.6	223.4	1.0
Net profit attributable to members	154.2	148.4	3.9
Cash flow from operations	186.5	151.3	23.3
Earnings per share (cents)	24.2	23.3	3.9
Ordinary dividends – fully franked (cents/share)	16.5	16.5	0.0
Net debt/equity (%)	31.0%	26.0%	
Interest cover (times)	13.8	13.1	

Record revenue and net profit supported by infrastructure and resource projects

- Record net profit of $154.2 million, up 3.9%, on record revenue of $1,176.2 million, up 6.9%
- Growth supported by infrastructure and resources in key markets of SA, WA and NT
- Lime sales volume up more than 5%, supported by alumina and gold sector demand
- Progress on investment program to enhance operational efficiency and returns
- Acquisition of 30% stake in Malaysian white cement producer secures long term supply
- Major customer contract renewals in key markets of SA, WA, NSW and Vic
- Import supply contracts with major Japanese producers for long term requirements
- Cost savings in cement supporting margins amid rising costs and limited price growth

Result discussion

Leading Australian construction materials and industrial lime producer Adelaide Brighton Limited (ASX code: ABC), has announced record net profit for the full year ended 31 December 2012 of $154.2 million.

Both net profit attributable to members and earnings per share increased 3.9% on 2011. Dividends were maintained at 16.5 cents per share (fully franked) for the year.

Managing Director of Adelaide Brighton, Mr Mark Chellew, said, "While net profit increased only modestly in 2012, we see this as a good result considering the challenges facing the industry."

"Adelaide Brighton's cement and lime exposure to resources and infrastructure helped us deliver a record result despite residential and commercial building activity remaining weak."

"We also made significant progress on our investment program and secured important customer and supplier contracts that underpin the utilisation and efficiency of our production and distribution network."

"Strength in the lime business, which enjoyed sales volume growth of more than 5%, supported by demand from alumina and gold producers, validates our focus on this business over the last decade as a key driver of shareholder value. We continue to invest in the business to maintain our strong competitive position and meet long term demand."

The downstream pre-mixed concrete, aggregates and masonry businesses, however, have been impacted by weak residential and commercial building activity on the east coast of Australia as well as cost pressures.

"Across the Group, energy costs are increasing much faster than inflation but given the strong Australian dollar and subdued building demand, product price rises have not been keeping pace. Our employees worked hard to achieve $8.5 million in cost savings for the year but this only partially offset rising costs," said Mr Chellew.

Strategic developments

"In this mixed environment, Adelaide Brighton continues to identify attractive bolt-on investments to support our long term position and shareholder returns," said Mr Chellew.

During the year, Adelaide Brighton invested $90.6 million in operational improvement and growth projects, up from $84.4 million in 2011. The Company has now completed most of the planned $112 million investment to improve efficiency, sustainability and environmental performance in the cement and lime business.

In December 2012, Adelaide Brighton acquired 30% of an integrated white clinker and cement production facility in Malaysia for $28.7 million. The investment is expected to generate acceptable returns and secure long term supply for Australian markets.

"Our strong cash flow and balance sheet, reflected in 31% net debt to equity, provides capacity for Adelaide Brighton to continue its well-established strategy of investing in cement and lime capacity and efficiency as well as sensible downstream integration," said Mr Chellew.

Adelaide Brighton believes there is scope to continue to improve efficiency. It expects to significantly mitigate the impact of the carbon tax over the next five years by enhancing import flexibility, reducing reliance on domestic manufacture and increasing the use of alternative fuels and cementitious substitutes. The carbon tax is anticipated to cost $6 million after tax in 2013.

As previously advised, Adelaide Brighton expects to realise approximately $100 million from its significant land bank over the next decade. This will be supported by the rationalisation of operating assets, such as depleted quarries.

Outlook

"Adelaide Brighton anticipates 2013 cement and clinker sales volumes to be similar to 2012. Demand from projects in South Australia, Western Australia and the Northern Territory is expected to balance continued weakness in the residential and non-residential sectors," said Mr Chellew.

"In lime, sales volumes are anticipated to be marginally higher than 2012 supported by resource sector demand."

"Adelaide Brighton will focus on efficiency, growth in lime and downstream integration in a measured and low risk manner to maximise shareholder value", said Mr Chellew.

For further information please contact:
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About Adelaide Brighton

Adelaide Brighton Limited (ASX code: ABC) is a leading construction materials and lime producing Group of companies which supplies the Australian infrastructure, building and resources industries. The Company has 1600 employees and market leading positions in cement and clinker, lime and concrete masonry and is an emerging force in pre-mixed concrete and aggregates. Adelaide Brighton is the largest importer of cementitious materials into Australia and through its efficient import supply chain has access to every mainland capital city market.

Over the long term, Adelaide Brighton has consistently delivered top quartile total shareholder returns of all companies on the S&P ASX200[1], supported by a consistent strategy of operational improvement, investment in lime and focused downstream integration. The current market capitalisation is approximately A$2 billion.

1 Source miraqle metrics