Adelaide Brighton Ltd

Analyst / Investor Tour - Austen Quarry

29 April 2013

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Agenda

- **Welcome** — **Mark Chellew**
- **Safety induction** — **Phil Calder**
- **Strategy development** — **Mark Chellew**
- **Performance overview** — **Mark Chellew**
- **Concrete and Aggregates** — **George Agriogiannis**
- **Outlook** — **Mark Chellew**

Overview

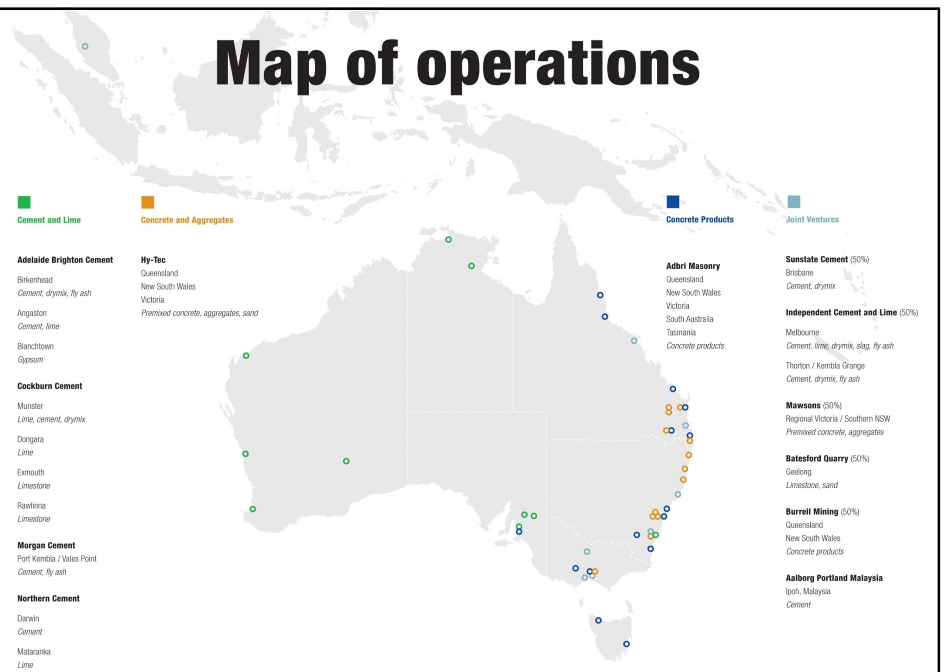
Mark Chellew

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/ASX 100 company with operations in all states and territories; 1,600 employees; approximately AUD2 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

Map of operations



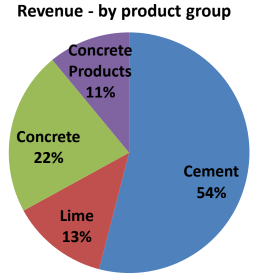
Divisional review

Concrete & Aggregates	Cement & Lime	Concrete Products
HY-TEC HAMMERCRETE	Adelaide Brighton Cement Ltd Swan Cement COCKBURN CEMENT Northern Cement MCI	adbri MASONRY
Joint Ventures	**Joint Ventures**	**Joint Ventures**
MAWSONS batesford quarry	Sunstate Cement Ltd. Independent Cement and Lime Pty. Ltd aalborgportland	Burrell Mining Services
Revenue 22%	**Revenue 68%**	**Revenue 10%**

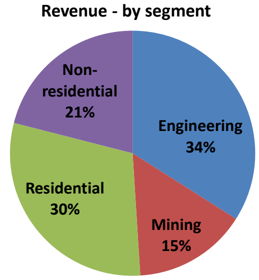
Adelaide Brighton revenue analysis

- 70% of revenue from Cement and Lime operations
- Major exposure to engineering construction and mining sectors
- Cement sales to projects in SA, WA and NT – 6% of group revenue
- WA, SA and NT are key geographic markets

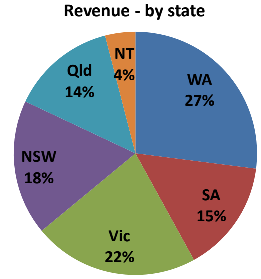
Revenue - by product group



Revenue - by segment



Revenue - by state



Consistent long term strategy

- Consistent strategy over the last decade has supported shareholder returns:
  - Cost reduction and operational improvement across the business
  - Development of the lime business to supply the resources sector in WA, SA and NT
  - Focused and relevant vertical integration into downstream concrete, masonry and aggregates businesses
- Cement:
  - Investment to expand cement milling capacity at Birkenhead, SA
  - Development of efficient and flexible import supply chain into major markets
- Industrial Lime:
  - Improvements in environmental performance and efficiency
  - Capacity expansion to meet increased resource sector demand

Performance highlights

$m	31 Dec 2012	31 Dec 2011	% change
Revenue	1,176.2	1,100.4	6.9
EBIT	225.6	223.4	1.0
PBT	209.2	206.4	1.4
NPAT attributable to members	154.2	148.4	3.9
Cents			
EPS	24.2	23.3	3.9
Final dividend	9.0	9.0	-
Full year dividend	16.5	16.5	-

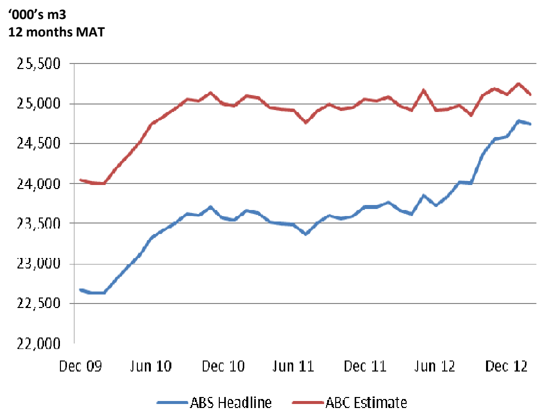
Key profit drivers

- Mining, resources and infrastructure projects in SA, WA and NT
- Weakness in residential and non-residential building
- Demand in Vic and Qld remained weak, affecting returns from joint ventures and sales into these markets
- Cement margins constrained by increasing costs and limited price growth
- Energy costs increased 8%, including the $3 million after tax impact of the carbon tax
- Clinker production issues at Birkenhead cost $6 million EBIT
- Lime margins helped by increased prices; volumes improved more than 5% from alumina and gold demand
- Cost savings of $8.5 million partly offset increasing energy and labour costs

Operational highlights

- Significant progress on capital program in cement and lime to enhance capacity and operational efficiency
- Major customer contract renewals in key cement markets of SA, WA and Vic
- Clinker import supply secured with major Japanese producers for long term requirements at competitive prices
- Acquisition of 30% stake in Malaysian white cement producer secures long term supply of important product

Market demand



- The 2010 recovery plateaued through 2011 and 2012
- Projects and resources offsetting weakness in commercial and residential
- Inclusion of previously unreported concrete producers in headline ABS figures from 1 Jul 2012 overstates improvement in 2H 2012
- National concrete market expected to decline in 2013

Source: ABS and estimate by ABC

Concrete and Aggregates Overview

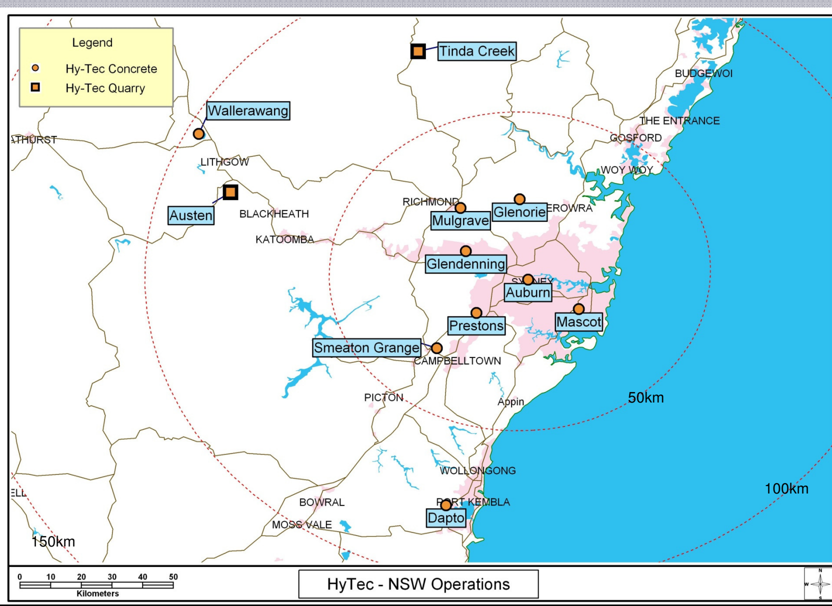
George Agriogiannis

Executive General Manager
Concrete and Aggregates

Concrete and Aggregates Division

- Annual turnover: greater than $200 million
- Annual concrete sales volumes: circa 1 million m^3
- Annual aggregate sales volumes: circa 2 million tonnes
- Number of employees: 439 (FTEs, incl. 127 LOD's)
- Safety performance: 2.53 LTIFR

Hy-Tec Sydney operations



Sydney quarry operations
Austen (Hartley) Quarry

- Acquired as part of the acquisition of Hy-Tec from Premier Resources
- Commissioned at a capital cost of approximately $32 million
- Commenced operation in 2007

Austen Quarry

Reserves

- Aggregate source is commonly known as Rhyolite
- Probable reserves in excess of 35 million tonnes

Consent

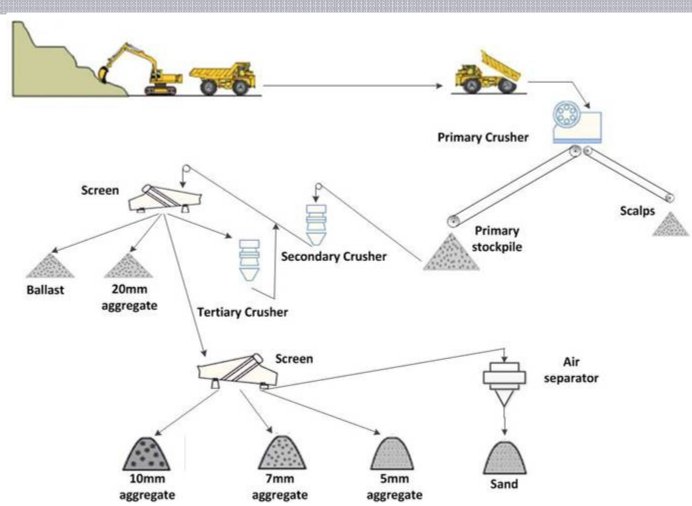
- Approval in excess of 1.1 million tonnes per year
- Current extraction volumes circa >500,000 tonnes per year

Austen Quarry

Operations

- All material transported by road haulage to greater Sydney area
- Primary jaw crusher commissioned June 2006, with secondary/tertiary plant commissioned April 2007
- Wide range of high quality quarry products
  - Concrete aggregates
  - Asphalt aggregates
  - RMS specified road base materials
  - Manufactured sand suitable as a substitute for coarse sand in concrete
  - Range of fill products

Austen Quarry process



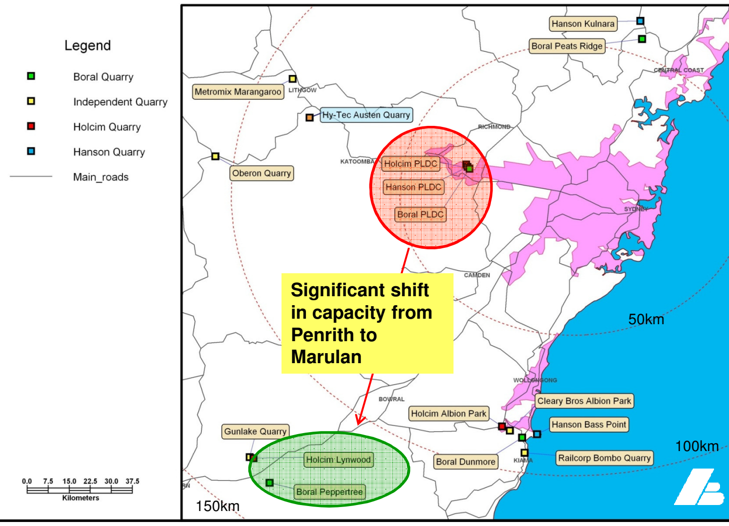
Austen Quarry process

Austen Quarry – air separator

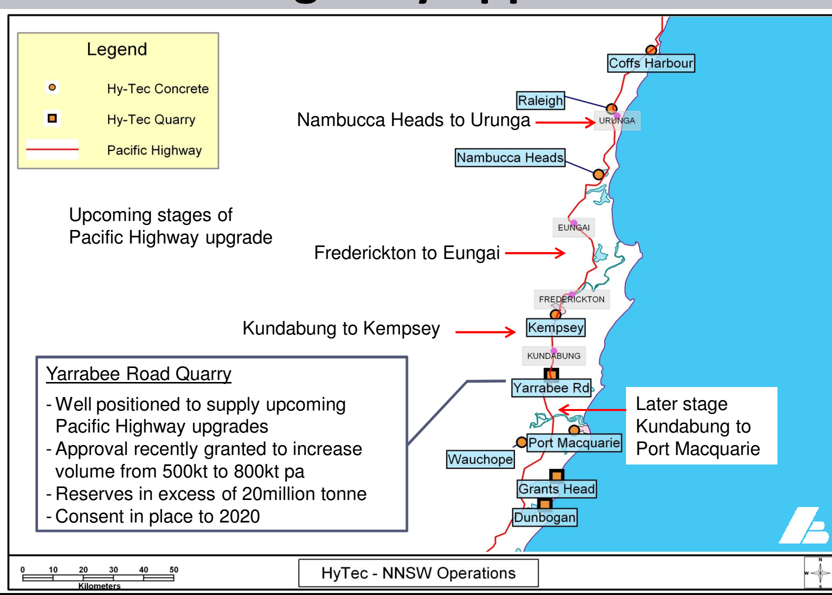
- Prior to the commissioning of the air separator, the manufactured sand contained a significant proportion of very fine sand, limiting its usability in the manufacture of concrete
- The air separator was commissioned in August 2012 at a total capital cost of approximately $1 million
- Since installation, the quality of manufactured sand has improved markedly, allowing for the volume of this sand used in the manufacture of concrete to more than double
- The improved quality of this manufactured sand has increased the ability to sell into other markets

Sydney hard rock market

- Delivered costs (including capital charge) of new capacity, estimated to increase by more than $10/tonne



Northern New South Wales Pacific Highway opportunities



Concrete and Aggregates Division - Key priorities

Price

- Concrete price increase 1 April 2013 of $10-$14/m^3

Cost initiatives

- Standardising back and front end processes within division
- Leverage off the smooth implementation of SAP
- Further efficiencies from businesses acquired in last two years

Concrete and Aggregates Division - Key priorities

Quarry development

- Increase exposure in aggregates
  - Greenfield site sourcing and development
  - Acquisition of existing quarry operations
- Secure development approvals for increases in tenure and reserves at existing aggregate operations

Expansion of concrete footprint

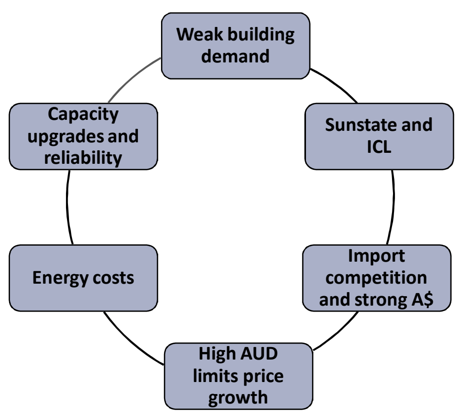
- Acquiring and securing development approval for concrete operations in locations that compliment our current and proposed cement and/or aggregate footprint

Mark Chellew

Managing Director and CEO

Key profit and operational challenges

- Industry remains highly competitive while residential and commercial building demand remains weak
- Demand weakness - Sunstate and ICL
- Threat of small-scale imports - lime (WA and NT) and cement (NT and north west WA)
- High AUD limits the scope for cost recovery for any domestic manufacturer
- Estimated $2m to $10m increase in gas costs when current SA supply contract expires 31 Dec 14 - concentrating on increased use of alternative fuels to significantly mitigate any impact
- Birkenhead upgrade and reliability focus



2013 Outlook

- Cement and clinker sales volumes in 2013 expected to be marginally lower than 2012
- Demand from projects in SA, WA and NT likely to partially offset weakness in residential and non-residential building
- Demand in Vic expected to be less than 2012
- Returns from Birkenhead, SA, cement mill 7 lower than previously estimated due to weaker Victorian market demand
- Lime volumes could be marginally higher in 2013 - threat of small scale imports remains
- Completion of Munster, WA, kiln 5 bag house filter expected mid 2013
- Focus on efficiency in masonry, pre-mixed concrete and aggregates, where markets remain subdued
- Concrete and aggregates price rises notified for 1 April 2013 and masonry prices rises 1 June 2013

2013 Outlook

- Costs pressures continue across the Company, especially from energy, the carbon tax and environmental requirements
- Strong Australian dollar and competitive pressures may limit scope for cement price increases
- Plant and quarry rationalisation may realise circa $100 million in surplus land over the next 2-10 years
- Adelaide Brighton will pursue growth in shareholder returns through projects that improve efficiency and capitalise on long term demand growth in key markets
- Adelaide Brighton expects 2013 profit to be similar to, or less than 2012, due to:
  - Carbon tax impact on 2013 expected to be circa $6 million after tax, before mitigation
  - Weakness in Vic residential demand and the south east Qld market
  - A decline in earnings from JVs