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Adelaide Brighton Ltd
ACN 007 596 018

21 August 2013

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 2013

We attach Appendix 4D and half year report to June 2013 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

Appendix 4D

Half year ended 30 June 2013

Adelaide Brighton Ltd

ACN 007 596 018

Results for announcement to the market

Company name:	Adelaide Brighton Ltd
ABN:	15 007 596 018
Reporting period:	Half year ended 30 June 2013
Previous corresponding period:	Half year ended 30 June 2012
Release date:	21 August 2013

				$m
Revenue from continuing operations	**up**	4.5%	**to**	579.3
Earnings before interest and tax	**down**	7.2%	**to**	89.6
Net profit for the period attributable to members	**down**	8.8%	**to**	60.9

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	**3 September 2013**
Payment date for the interim dividend	**9 October 2013**

	30 June 2013	30 June 2012
Net tangible asset backing per ordinary share	$1.30	$1.22

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 2013

KEY FEATURES OF INTERIM RESULT

- Revenue of $579.3 million – an increase of 4.5% over the previous corresponding period (pcp)
- Earnings before interest and tax (EBIT) of $89.6 million – a decrease of 7.2% over the pcp
- Profit before tax (PBT) of $84.2 million – a decrease of 5.6% over the pcp
- Net profit attributable to members (NPAT) of $60.9 million – a decrease of 8.8% over the pcp
- Excluding the prior period's favourable $7.6 million gain from fair value accounting on an acquisition, NPAT was $1.7 million higher than the pcp.
- Interim ordinary dividend 7.5 cents, franked to 100% (interim ordinary 7.5 cents, 100% franked in the pcp)
- Basic earnings per share of 9.6 cents – a decrease of 8.6% from the pcp (10.5 cents pcp)
- Operating cash flow of $89.3 million – an increase of 14.8% over the pcp
- Net debt[1] of $312.4 million ($285.1 million in the pcp)
- Gearing[2] at 30.8% (29.5% in the pcp)

FINANCIAL SUMMARY	6 months ended 30 June		
($m)	**2013**	**2012**	**% change pcp**
Revenue	**579.3**	**554.5**	**4.5**
Depreciation	(34.3)	(30.9)	11.0
Earnings before interest and tax	**89.6**	**96.6**	**(7.2)**
Net finance cost[3]	(5.4)	(7.4)	(27.0)
Profit before tax	**84.2**	**89.2**	**(5.6)**
Tax expense	(23.3)	(22.4)	4.0
Net profit after tax	**60.9**	**66.8**	**(8.8)**
Non-controlling interests	-	-	-
Net profit attributable to equity holders of the Company	**60.9**	**66.8**	**(8.8)**
Basic earnings per share (cents)	9.6	10.5	(8.6)
Dividends per share – fully franked (cents)	7.5	7.5	
Net debt[1] ($m)	312.4	285.1	
Net debt/equity (%)	30.8%	29.5%	

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

[2] *Net debt/equity*

[3] *Net finance cost is the net of finance costs shown gross in the Income Statement with interest income included in revenue*

Note: In line with changes to accounting polices effective 1 January 2013, comparative numbers for 2012 have been restated as detailed in note 8.

Summary

Adelaide Brighton Limited reported net profit after tax, for the half year ended 30 June 2013, of $60.9 million, down 8.8% compared with the previous corresponding period (pcp), which was favourably impacted by a $7.6 million gain from fair value accounting. The impact of the carbon tax in the first half of 2013 was $2 million after tax, net of mitigation.

Revenue of $579.3 million was 4.5% higher due to increased demand from major construction projects and the resources sector, offset by continued weakness in the residential and non-residential building sectors.

Earnings before interest and tax (EBIT) decreased 7.2% to $89.6 million. Redundancy costs were $3.0 million compared to $2.3 million in the pcp. The prior half year result also included a gain of $7.6 million relating to fair value accounting for a 2011 acquisition.

Profit before tax decreased 5.6% to $84.2 million. Despite higher average net debt in the period, net finance cost declined to $5.4 million supported by a reduction in market interest rates and a $2.2 million gain on foreign currency hedges.

First half 2013 basic earnings per share was 9.6 cents, down 8.6% from 10.5 cents in the pcp.

An interim ordinary dividend of 7.5 cents has been declared, franked to 100% (7.5 cents, 100% franked in the pcp). The Record Date for the dividend is 3 September 2013 and it will be paid on 9 October 2013.

As a result of changes in accounting polices effective 1 January 2013, comparative numbers for 2012 have been restated. These changes have had a minor impact on balance sheet, cash flow and profit and loss figures for 2012, as detailed in note 8 to the financial report.

Cement

- ***Sales – Continued demand from mining and infrastructure***
  Cement and clinker sales volumes increased marginally versus the prior corresponding period. Demand was underpinned by resources and mining projects in Western Australia and Northern Territory, and infrastructure projects in South Australia. Sales to major projects in these areas currently represents approximately 5% of Group revenue. Activity in the residential and non-residential building sectors remains weak.

  Average cement selling prices increased at near CPI levels, however this was not sufficient to recover higher input costs, particularly energy and the impact of the carbon tax, resulting in a slight decline in margins.

- ***Operations – Stable production, major maintenance completed***
  Production volumes were similar to the pcp, as marginally higher volumes at Munster (Western Australia) offset slight declines at Birkenhead and Angaston (South Australia).

  Major planned maintenance was undertaken during the first half of 2013, including the Birkenhead cement works annual shutdown. Maintenance costs were generally in line with the prior corresponding period. In the second half of 2013, planned maintenance is expected to be in line with the prior corresponding period.

- ***Imports – Import earnings remain strong***
  Import profitability was similar to pcp with lower cement imports to Independent Cement and Lime being offset by increased clinker shipments to Sunstate and the strong Australian dollar. The strong currency had a positive impact of approximately $2.4 million versus the pcp, mostly from mark-to-market gains of $2.2 million relating to forward currency contracts for import shipments expected to occur in the second half of 2013.

Lime

- ***Sales – Higher lime demand from the resources sector***
  Lime sales volumes were 5% higher than the prior corresponding period due to demand from the resources sector. Average selling prices improved slightly, but increases were constrained by the continued threat of lime imports.

- ***Operations – Improved production performance***
  Production volumes increased in line with market demand with higher plant utilisation rates and production efficiencies leading to an improvement in margins versus pcp.

Concrete and Aggregates

- ***Sales – Slow demand across eastern states***
  Reduced demand across the eastern states resulted in a decline in concrete volumes, particularly in Victoria and Queensland. Despite some growth in the multi-residential sector, single dwelling construction remains subdued, resulting in an overall decline for residential construction. Aggregate volumes increased, supported by specific projects associated with flood rectification and highway upgrades.

  Despite competitive markets, average selling prices increased by more than CPI for both concrete and aggregates compared to the prior half year. Price rises effective 1 April 2013, should realise further increases in selling prices in the second half.

- ***Operations – Cost management***
  Despite declining demand in east coast markets, improved prices and a continued focus on control of quarry and concrete production costs, including raw materials, transport costs and overheads, resulted in a slight improvement in margins.

Concrete Masonry Products

- ***Sales – Soft demand***
  Concrete Masonry Products continues to face a difficult trading environment, with subdued residential activity and a declining commercial sector. Sales revenue declined 1.6% on the pcp as price increases were not sufficient to compensate for the weak market. Sales revenue in the second half of the year is expected to benefit from price increases effective 1 June 2013.

- ***Operations – Business rightsizing***
  The business improvement and rightsizing program that started in 2012 has continued into 2013, resulting in the matching of business requirements to market conditions, while maintaining flexibility to participate in a future market recovery. This has led to further restructuring within the operations, including the mothballing of excess production capacity and the redundancy of more than 40 staff.

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 $7.1 million to $6.9 million. Softening Victorian demand, combined with competitive pressures across the bulk and bagged markets affected profitability.

- ***Sunstate Cement Limited (Sunstate)***
  Earnings from Sunstate declined by $1.7 million to $2.4 million due to poor market conditions in south east Queensland. Competitive pressures in the market led to lower volumes and margins.

- ***Mawson Group (Mawsons)***
  Earnings from the Mawsons concrete and aggregates joint venture were slightly lower as demand declined following the completion of several major projects.

Carbon tax

The impact of the carbon tax in the first half of 2013 was $2 million after tax, net of mitigation. The impact for the full year is estimated to be $5 million after tax, net of expected mitigation.

While political uncertainty makes estimation of the impact on profit difficult, it is expected that the price on carbon in 2014 could lower net profit after tax by between $2 million and $6 million, prior to further mitigation. The upper end of this range assumes that the carbon tax applies for the whole of 2014, while the lower end assumes it applies only until 30 June 2014. Given the current policies of the major political parties, carbon pricing is unlikely to have any material impact on the long term growth strategy.

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 completed its current investment program, which is expected to improve efficiency, sustainability, environmental performance, and long term returns in the Cement and Lime Division. We continue to evaluate bolt-on acquisitions consistent with Adelaide Brighton's vertical integration strategy.

Cement – Import strategy, operational improvement
Adelaide Brighton is Australia's largest importer of cement, clinker and blast furnace slag. The Company has an unmatched network of import terminals providing cost competitive access to every mainland capital city market.

In 2012, Adelaide Brighton acquired 30% of Aalborg Portland Malaysia (APM) for $28.7 million and entered into an agreement with APM for supply of white clinker from Malaysia for 10 years from 2015 to replace Adelaide Brighton's domestic production. APM is performing in line with initial expectations and is progressing with the previously announced US$18.6 million self funded project to expand white clinker capacity from 2015.

In 2012, the Company supplemented its domestic clinker supplies by securing two supply agreements with Japanese clinker producers. These supply agreements have terms of 7 and 10 years.

Adelaide Brighton is considering further rationalisation of its domestic clinker manufacturing capacity. Increased clinker imports could allow significant cost savings with the potential to improve annual EBIT by between $5 million and $10 million from 2015.

The $60 million upgrade to the cement grinding and loading facilities at Birkenhead has now been completed. This investment enhances the Company's long term returns, although current returns are below earlier expectations due to lower than expected shipments of cement from Birkenhead to ICL.

We have now largely completed an upgrade of manufacturing facilities to enhance the use of blast furnace slag to manufacture 'green' cement. The installation of slag dryers at Birkenhead (South Australia) and Darwin (Northern Territory) was completed in 2012 and the Port Kembla (New South Wales) slag dryer is expected to be commissioned during the second half of 2013. 'Green' cement is a cementitious material that incorporates industrial by-products, reducing the use of natural raw materials, consumption of energy, and green house gas emissions.

Cement - Supply contract renewal

The supply contract with ICL was renewed at the end of 2012 on substantially similar commercial terms to those previously in operation, covering the supply of cement for 10 years from 1 January 2013 in Victoria and New South Wales.

We remain cautiously confident that supply to a major cement customer in South Australia and Western Australia through to the end of 2014 will be renewed on terms similar to the existing contracts.

Lime – Capacity and environmental projects completed

Major upgrades to both of the Munster (Western Australia) lime kilns were completed within budget during 2012 and the first half of 2013. This investment has increased production capacity, and improved efficiency and environmental performance. This will support expected growth in demand, which combined with the resulting improvements to operational efficiency, is anticipated to improve annual EBIT by $4 million to $8 million over 2013 and 2014. As pricing is reset on a long term supply contract expiring in mid 2014, the Company could achieve a further annualised lime EBIT improvement of $5 million from mid 2014.

Aggregates – Strategic position in the key Sydney market

The supply of aggregates into the Sydney market is transitioning following the exhaustion of reserves at existing competitor quarries. Adelaide Brighton's ownership of a well placed aggregate quarry with high quality reserves provides a strategic opportunity to benefit from the expected growth in prices and long term market demand, which combined could increase EBIT by $8 million to $10 million per annum over the next 3 to 5 years.

Property – Sale of surplus land

Rationalisation of the property portfolio through the sale of surplus land over the next 10 years has the potential to realise $130 million in sale proceeds. Proceeds from asset sales, including land, totalled $4 million in the first half of 2013. Sale proceeds over the next 12 months could be circa $9 million, with a property settlement likely in early 2014. While positive for cash flow, these sales are not expected to contribute materially to accounting profit.

Financial review

Cash flow and borrowings
Cash flow from operating activities in the first half increased by $11.5 million on the pcp to $89.3 million. Improved working capital combined with lower interest and tax payments offset a decline in distributions from Joint Ventures.

Working capital decreased $5.2 million versus 31 December 2012, primarily due to the timing of cash flow relating to the carbon tax. Inventory decreased by $2.8 million to $132 million. Receivables rose by $9.1 million to $179.3 million, offset by higher payables of $8.6 million. While outstanding debtor days grew by 2.4 days compared to December 2012, the result is in line with June 2012.

Capital spending on the Group's major organic growth capital expenditure projects totalling $112 million is now complete. This included the $60 million Birkenhead cement mill, ship loading and slag dryer, and the $52 million environmental and capacity spend on the two Munster lime kilns. Capital expenditure of $41.0 million in the first half of 2013 included the installation of a bag filter on kiln 5, which is the second of the two Munster (Western Australia) lime kilns. Full year 2013 capital expenditure (excluding acquisitions) is expected to be approximately $65 million.

Net debt increased by $27.3 million compared to 30 June 2012 to $312.4 million, representing net debt to book equity of 30.8%. This is at the lower end of the target range of 25% to 45%.

The Group's cash flow and balance sheet position provides flexibility to fund potential growth opportunities that enhance shareholder value. Capital management initiatives, including future special dividends will be considered, if gearing remains below the lower end of the target gearing range of 25%-45%.

Debt facilities
The Group refinanced all of its debt facilities in June 2013, taking advantage of lower financing margins which will reduce financing costs by circa $1 million from 2014 compared to the older facilities. Of the $500 million total facilities, $300 million now matures on 1 July 2015, and $200 million matures on 1 July 2016.

Finance cost and tax
Net finance cost of $5.4 million was $2.0 million lower than the first half of 2012. Despite higher average net debt, net finance cost declined as a result of lower interest rates and the recognition of the mark-to-market gain on foreign currency forward contracts. Tax expense increased by $0.9 million to $23.3 million. The effective tax rate was 27.7%.

Dividends
An interim 2013 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 2012 and represents a payout ratio for the first half of 78.9% which is slightly above the targeted dividend payout ratio of 65%-75%. The record date for determining eligibility to the interim dividend is 3 September 2013 and the payment date is 9 October 2013.

Outlook

For the full year 2013, Adelaide Brighton anticipates cement and clinker sales volumes similar to 2012.

Demand from projects in South Australia, Western Australia and Northern Territory is expected to partially offset weakness in the residential and non-residential sectors.

Lime sales volumes for 2013 are anticipated to be around 5% higher than 2012.

The Australian concrete market is likely to remain subdued through 2013, although concrete and aggregates pricing should improve with increases notified effective 1 April 2013.

Weakness in the concrete masonry market is expected to continue in 2013 due to difficult conditions in the east coast commercial and residential sectors. However, the housing market is now showing some signs of improvement.

Despite the recent fall in the Australian dollar, currency hedging of 2013 imports is expected to continue to support margins. Full year 2013 import profitability is forecast to be similar to 2012. While the Australian dollar remains well above the long term historical average, competitive pressures and risk of imports in some markets may limit scope for cement price increases.

ICL and Sunstate 2013 earnings are expected to be lower than 2012 due to weak market demand and reduced margins in Victoria and south east Queensland.

Cost pressures continue across the Company, including the carbon tax, which is expected to impact full year 2013 net profit after tax by about $5 million, net of expected mitigation, reducing full year 2013 net profit after tax by about $2 million compared to 2012.

Adelaide Brighton will continue the 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 to focus on cost management across the business, with particular emphasis on production costs, including energy efficiency and carbon footprint.

Adelaide Brighton expects a net profit after tax in the range of $145 million to $155 million for the full year ending 31 December 2013.

MP Chellew
Managing Director

21 August 2013

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 2013.

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:

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 2013 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 22.

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 21st day of August 2013.

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 2013

	Notes	2013 $m	2012 $m
Revenue from continuing operations	3	**579.3**	554.5
Cost of sales		**(368.8)**	(344.2)
Freight and distribution costs		**(90.6)**	(87.7)
Gross profit		**119.9**	122.6
Other income	3	**2.9**	8.5
Marketing costs		**(10.7)**	(12.9)
Administration costs		**(33.1)**	(32.9)
Finance costs	3	**(6.2)**	(8.9)
Share of net profits of joint ventures and associates accounted for using the equity method	6	**11.4**	12.8
Profit before income tax		**84.2**	89.2
Income tax expense		**(23.3)**	(22.4)
Profit for the half year		**60.9**	66.8
Profit is attributable to:			
Owners of the Company		**60.9**	66.8
Non-controlling interests		**-**	-
		60.9	66.8
Earnings per share for profit attributable to the ordinary equity holders of the Company:		**Cents**	Cents
Basic earnings per share		**9.6**	10.5
Diluted earnings per share		**9.5**	10.4

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 2013

	2013 $m	2012 $m
Profit for the half year	**60.9**	66.8
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit liability	**4.3**	(0.7)
Income tax relating to above components	**(1.3)**	0.2
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	**1.5**	(0.1)
Income tax relating to above components	**-**	-
Other comprehensive income for the half year, net of tax	**4.5**	(0.6)
Total comprehensive income for the half year	**65.4**	66.2
Total comprehensive income for the half year is attributable to:		
Owners holders of the Company	**65.4**	66.2
Non-controlling interests	**-**	-
Total comprehensive income for the half year	**65.4**	66.2

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

Consolidated balance sheet

As at 30 June 2013

	30 June 2013 $m	31 December 2012 $m	31 December 2011 $m
Current assets			
Cash and cash equivalents	**46.4**	8.8	13.1
Trade and other receivables	**179.3**	170.2	170.0
Inventories	**132.0**	134.8	123.9
Carbon units	**15.5**	48.0	-
Assets classified as held for sale	**7.9**	1.9	-
Other financial assets	**2.2**	-	-
Total current assets	**383.3**	363.7	307.0
Non-current assets			
Receivables	**29.2**	29.6	27.2
Investments accounted for using the equity method	**137.1**	129.0	94.3
Property, plant and equipment	**899.6**	902.5	851.4
Intangible assets	**184.6**	184.8	182.9
Carbon units	**-**	3.5	-
Total non-current assets	**1,250.5**	1,249.4	1,155.8
Total assets	**1,633.8**	1,613.1	1,462.8
Current liabilities			
Trade and other payables	**103.6**	95.0	99.2
Borrowings	**-**	20.0	0.7
Current tax liabilities	**6.7**	7.7	8.2
Provisions	**25.3**	26.1	21.8
Provision for carbon emissions	**15.3**	25.2	-
Other liabilities	**2.2**	19.5	4.6
Total current liabilities	**153.1**	193.5	134.5
Non-current liabilities			
Borrowings	**358.8**	299.3	258.7
Deferred tax liabilities	**70.7**	66.7	69.8
Provisions	**31.8**	31.2	35.0
Retirement benefit obligation	**3.6**	8.0	9.6
Provision for carbon emissions	**-**	8.4	-
Other non-current liabilities	**0.1**	0.1	0.1
Total non-current liabilities	**465.0**	413.7	373.2
Total liabilities	**618.1**	607.2	507.7
Net assets	**1,015.7**	1,005.9	955.1
Equity			
Contributed equity	**698.4**	696.6	694.6
Reserves	**3.6**	2.1	2.3
Retained profits	**310.9**	304.4	255.3
Total equity attributable to owners of the Company	**1,012.9**	1,003.1	952.2
Non-controlling interests	**2.8**	2.8	2.9
Total equity	**1,015.7**	1,005.9	955.1

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

Consolidated statement of changes in equity

For the half year ended 30 June 2013

		Attributable to owners of Adelaide Brighton Ltd					
		Contributed equity	**Reserves**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
	Notes	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
Balance at 1 January 2013		**696.6**	**2.1**	**306.6**	**1,005.3**	**2.8**	**1,008.1**
Adjustment on the change in accounting standards (net of tax)	8	-	-	(2.2)	(2.2)	-	(2.2)
Restated total equity at the beginning of the financial year		**696.6**	**2.1**	**304.4**	**1,003.1**	**2.8**	**1,005.9**
Profit for the half year		-	-	60.9	60.9	-	60.9
Other comprehensive income for the half year		-	1.5	3.0	4.5	-	4.5
Total comprehensive income for the half year		**-**	**1.5**	**63.9**	**65.4**	**-**	**65.4**
Transactions with owners in their capacity as owners:							
Dividends provided for or paid	4	-	-	(57.4)	(57.4)	-	(57.4)
Executive performance share plan		1.8	-	-	1.8	-	1.8
		1.8	-	(57.4)	(55.6)	-	(55.6)
Balance at 30 June 2013		**698.4**	**3.6**	**310.9**	**1,012.9**	**2.8**	**1,015.7**
Balance at 1 January 2012		**694.6**	**2.3**	**257.3**	**954.2**	**2.9**	**957.1**
Adjustment on the change in accounting standards (net of tax)	8	-	-	(2.0)	(2.0)	-	(2.0)
Restated total equity at the beginning of the financial year		**694.6**	**2.3**	**255.3**	**952.2**	**2.9**	**955.1**
Profit for the half year		-	-	66.8	66.8	-	66.8
Other comprehensive income for the half year		-	(0.1)	(0.5)	(0.6)	-	(0.6)
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**	**264.3**	**962.3**	**2.9**	**965.2**

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 2013

	Notes	**2013 $m**	2012 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**626.6**	598.8
Payments to suppliers and employees (inclusive of goods and services tax)		**(516.5)**	(500.5)
Joint venture distributions received		**5.1**	8.6
Interest received		**0.8**	1.5
Interest paid		**(8.2)**	(9.4)
Other revenue received		**2.4**	1.7
Income taxes paid		**(20.9)**	(22.9)
Net cash inflow from operating activities		**89.3**	77.8
Cash flows from investing activities			
Payments for property, plant, equipment and intangibles		**(40.6)**	(64.9)
Payments for acquisition of interest in associate		**(0.4)**	-
Proceeds from sale of property, plant and equipment		**4.0**	2.1
Proceeds from joint ventures and other related parties		**0.3**	0.3
Net cash (outflow) from investing activities		**(36.7)**	(62.5)
Cash flows from financing activities			
Proceeds from issuance of shares		**3.6**	3.3
Proceeds from borrowings		**38.8**	50.3
Repayment of borrowings		**-**	(0.1)
Dividends paid to Company's shareholders	4	**(57.4)**	(57.3)
Net cash (outflow) inflow from financing activities		**(15.0)**	(3.8)
Net increase in cash and cash equivalents		**37.6**	11.5
Cash and cash equivalents at the beginning of the half year		**8.8**	13.1
Cash and cash equivalents at the end of the half year		**46.4**	24.6

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 2013

1 Basis of preparation of half year report

This condensed consolidated interim financial report for the half year reporting period ended 30 June 2013 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 2012 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*.

Other than the changes to accounting policies disclosed in Note 8, 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 2013 is as follows:

Half year 2013	**Cement, Lime and Concrete $m**	**Concrete Products $m**	**All other segments $m**	**Total $m**
Total segment operating revenue	565.7	57.0	44.3	667.0
Inter-segment revenue	(10.5)	-	-	(10.5)
Revenue from external customers	**555.2**	**57.0**	**44.3**	**656.5**
Depreciation and amortisation	(27.5)	(3.7)	(3.1)	(34.3)
EBIT	**95.2**	**(1.5)**	**(4.1)**	**89.6**
Half year 2012				
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)**	**0.8**	**96.6**

2 Segment information (continued)

(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:

	2013 $m	2012 $m
Total segment operating revenue	**667.0**	644.1
Inter-segment revenue elimination	**(10.5)**	(17.4)
Freight revenue	**65.1**	65.8
Interest revenue	**0.8**	1.5
Royalties	**0.4**	-
Elimination of joint venture revenue	**(143.5)**	(139.5)
Revenue from continuing operations	**579.3**	554.5

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

	2013 $m	2012 $m
EBIT	**89.6**	96.6
Net finance cost	**(5.4)**	(7.4)
Profit before income tax	**84.2**	89.2

3 Profit for the half year

	2013 $m	2012 $m
Revenue from continuing operations		
Sale of goods	**578.1**	553.0
Interest revenue	**0.8**	1.5
Royalties	**0.4**	-
	579.3	554.5
Other income		
Fair value accounting gain on acquisition	**-**	7.6
Insurance proceeds	**-**	0.2
Miscellaneous income	**2.9**	0.7
Total other income	**2.9**	8.5
Revenue and other income	**582.2**	563.0
Finance cost		
Interest and finance charges	**8.9**	9.5
Unwinding of the discount on restoration provisions and retirement benefit obligation	**0.5**	0.4
Exchange gains on foreign currency forward contracts	**(2.2)**	-
Gross finance cost	**7.2**	9.9
Interest capitalised in respect of qualifying assets	**(1.0)**	(1.0)
Total finance cost recognised in the income statement	**6.2**	8.9
Less interest revenue	**(0.8)**	(1.5)
Net finance cost	**5.4**	7.4

4 Dividends

	2013 $m	2012 $m
Dividends provided or paid during the half year		
2012 final dividend of 9.0 cents (2011 – 9.0 cents) per fully paid ordinary share, franked at 100% (2011 – 100%) paid on 16 April 2013	**57.4**	57.3
Total dividends paid in cash	**57.4**	57.3
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 2012 – 7.5 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 9 October 2013 out of retained profits, but not recognised as a liability at the end of the half year, is:	**47.9**	47.8

5 Equity

Securities issued	**Half year June 2013 Shares**	Half year June 2012 Shares	**Half year June 2013 $m**	Half year June 2012 $m
Issue of ordinary shares during the half year				
Shares issued under the Adelaide Brighton Ltd Executive Performance Share Plan	**1,069,200**	1,109,678	**1.8**	2.0
	1,069,200	1,109,678	**1.8**	2.0

6 Investments in joint arrangements and associates

Investments in joint arrangements are classified into Joint Ventures, which are accounted for in the consolidated financial statements using the equity method of accounting, and Joint Operations, which are accounted using the proportional consolidation method. Associates are accounted using the equity method.

		Ownership interest	
Name of joint arrangement / associate	**Method of accounting**	**2013 %**	2012 %
Sunstate Cement Ltd	Equity	**50**	50
Independent Cement & Lime Pty Ltd	Equity	**50**	50
EB Mawson & Sons Pty Ltd	Equity	**50**	50
Lake Boga Quarries Pty Ltd	Equity	**50**	50
Burrell Mining Services JV	Proportional	**50**	50
Batesford Quarry	Proportional	**50**	50
Aalborg Portland Malaysia Sdn Bhd	Equity	**30**	-

Contribution to net profit	**2013 $m**	2012 $m
Sunstate Cement Ltd	**2.4**	4.1
Independent Cement & Lime Pty Ltd	**6.9**	7.1
Other Joint Ventures and Associates	**2.1**	1.6
Share of profits equity accounted	**11.4**	12.8
Profit from Joint Operations	**1.5**	1.6
Total profit from joint arrangements and associates	**12.9**	14.4

7 Contingencies

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

Guarantees	**2013 $m**	2012 $m
Bank guarantees	**14.6**	14.3

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

8 Accounting policies

a) Changes in accounting policies

The Group has adopted Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that have mandatory application from 1 January 2013. The nature and effect of the changes in accounting policies are further explained below.

i) Stripping costs

Interpretation 20 requires the cost of removing overburden from a surface mine, commonly referred to as stripping costs, to be recognised as an asset if the costs can be attributed to an identifiable component of the ore body (reserve), the costs relate to the improved access to that component can be measured reliably and it is probable that future economic benefits associated with the stripping activity (improved access to the reserve) will flow to the entity.

The Group previously recognised an asset for stripping costs on a total site basis, recognising an expense in the profit or loss as reserves were extracted. A site by site review of previously deferred stripping costs indicated that the majority of stripping costs deferred as an asset by the Group were not able to be attributed to identifiable components of the reserve and consequently did not meet the initial recognition criteria of Interpretation 20. In accordance with the transitional requirements of the Interpretation, the Group has retrospectively applied the policy resulting in the carrying value of the deferred stripping asset of $4.2 million that did not meet the initial recognition criteria to be recognised in retained earnings, net of tax expense.

ii) Employee benefits

The AASB released a revised standard on the accounting for employee benefits (AASB 119 Employee Benefits) which requires the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called “corridor” method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and guidance on the timing of the recognition of termination benefits.

As this accounting standard is operative from 1 January 2013, the Group has retrospectively applied the requirements of the standard.

iii) Joint arrangements

AASB 11 introduces a principles based approach to joint arrangements. This standard classifies joint arrangements into two categories, Joint Ventures or Joint Operations, depending upon the exposure the investor has to the ownership in the underlying assets and obligation for liabilities of the joint arrangement. Joint Ventures are equity accounted, while Joint Operations are proportionally consolidated.

The Group has previously recognised all joint ventures using the equity method of accounting. Two joint ventures, Burrell Mining Services JV and Batesford Quarry, qualify as Joint Operations, while the remainder meet the criteria as a Joint Venture and continue to be equity accounted.

Due to the nature of the two entities, the change in accounting method for the Joint Operations does not impact on the Net Assets in the Consolidated Balance Sheet, nor the Profit after tax in the Consolidated Income Statement.

8 Accounting policies (continued)

b) Impact on financial statements

The restatement of the affected financial statement line items for the prior periods is as follows:

Balance sheet 2012 (extract)

	31 December 2012	Increase/ (Decrease)	31 December 2012 (Restated)
	$m	$m	$m
Cash and cash equivalents	7.0	1.8	8.8
Trade and other receivables	169.6	0.6	170.2
Inventories	138.7	(3.9)	134.8
Investments accounted for using the equity method	132.1	(3.1)	129.0
Property, plant & equipment	901.4	1.1	902.5
Intangible assets	184.9	(0.1)	184.8
Total assets	**1,616.7**	**(3.6)**	**1,613.1**
Trade and other payables	94.5	0.5	95.0
Provisions	26.0	0.1	26.1
Deferred tax liabilities	67.7	(1.0)	66.7
Retirement benefit obligations	9.0	(1.0)	8.0
Total liabilities	**608.6**	**(1.4)**	**607.2**
Net assets	1,008.1	(2.2)	1,005.9
Retained earnings	306.6	(2.2)	304.4
Total equity	**1,008.1**	**(2.2)**	**1,005.9**

Balance sheet 2011 (extract)

	31 December 2011	Increase/ (Decrease)	31 December 2011 (Restated)
	$m	$m	$m
Cash and cash equivalents	11.0	2.1	13.1
Trade and other receivables	168.9	1.1	170.0
Inventories	127.9	(4.0)	123.9
Investments accounted for using the equity method	97.2	(2.9)	94.3
Property, plant & equipment	851.0	0.4	851.4
Intangible assets	183.0	(0.1)	182.9
Total assets	**1,466.2**	**(3.4)**	**1,462.8**
Trade and other payables	98.5	0.7	99.2
Provisions	21.7	0.1	21.8
Deferred tax liabilities	70.7	(0.9)	69.8
Retirement benefit obligations	10.9	(1.3)	9.6
Total liabilities	**509.1**	**(1.4)**	**507.7**
Net assets	957.1	(2.0)	955.1
Retained earnings	257.3	(2.0)	255.3
Total equity	**957.1**	**(2.0)**	**955.1**

8 Accounting policies (continued)

b) Impact on financial statements (continued)

Income statement (extract)

	2012 $m	Profit Increase/ (Decrease) $m	2012 (Restated) $m
Revenue from continuing operations	550.3	4.2	554.5
Cost of sales	(341.0)	(3.2)	(344.2)
Freight and distribution costs	(86.6)	(1.1)	(87.7)
Other income	9.0	(0.5)	8.5
Marketing costs	(12.0)	(0.9)	(12.9)
Administration costs	(34.1)	1.2	(32.9)
Finance costs	(9.8)	0.9	(8.9)
Share of net profits of joint venture entities accounted for using the equity method	14.4	(1.6)	12.8
Profit before income tax	**90.2**	**(1.0)**	**89.2**
Income tax expense	(22.7)	0.3	(22.4)
Profit for the half year	**67.5**	**(0.7)**	**66.8**
Profit is attributable to:			
Equity holders of the Company	67.5	(0.7)	66.8
Non-controlling interests	-	-	-
	67.5	(0.7)	66.8

Statement of comprehensive income (extract)

Profit for the half year	67.5	(0.7)	66.8
Actuarial (losses) on retirement benefit obligation	(1.7)	1.0	(0.7)
Income tax relating to components of other comprehensive income	0.5	(0.3)	0.2
Other comprehensive income for the half year, net of tax	(1.3)	0.7	(0.6)
Total comprehensive income for the half year	66.2	-	66.2
Total comprehensive income for the half year is attributable to:			
Equity holders of the Company	66.2	-	66.2
Non-controlling interests	-	-	-
Total comprehensive income for the half year	66.2	-	66.2

Basic and diluted earnings per share for the prior year have also been restated. The amount of the correction for both basic and diluted earnings per share was a decrease of 0.1 cents per share.

9 Events occurring after reporting date

No matter or circumstance has arisen since 30 June 2013 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 9 to 20 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 2013 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.

MP Chellew
Director

Dated at Sydney on the 21st day of August 2013

Auditor’s Independence Declaration

As lead auditor for the review of Adelaide Brighton Limited for the half year ended 30 June 2013, 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.

Kevin Reid
Partner
PricewaterhouseCoopers

Adelaide
21 August 2013

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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 consolidated balance sheet as at 30 June 2013, and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 2013 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 2013 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

Kevin Reid
Partner

Adelaide
21 August 2013