Level 1
157 Grenfell Street
Adelaide SA 5000

GPO Box 2155
Adelaide SA 5001

Telephone (08) 8223 8000
International +618 8223 8000
Facsimile (08) 8215 0030
www.adbri.com.au

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 half year report June 2013 – presentation

We attach copies of slides being shown by Mark Chellew, Managing Director of Adelaide Brighton, during briefings for analysts on the Company's financial result for the half year ended June 2013.

Yours faithfully

MRD Clayton
Company Secretary

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

Adelaide Brighton Ltd
June 2013 half year result

21 August 2013

Disclaimer

The following presentation has been prepared by Adelaide Brighton Limited ACN 007 596 018 for information purposes only. The presentation may contain forward looking statements or statements of opinion. No representation or warranty is made regarding the accuracy, completeness or reliability of the forward looking statements or opinion, or the assumptions on which either is based. All such information is, by its nature, subject to significant uncertainties outside of the control of the Company. To the maximum extent permitted by law, the Company and its officers do not accept any liability for any loss arising from the use of the information contained in this presentation. The information included in this presentation is not investment or financial product advice. Before making any investment decision, you should seek appropriate financial advice, which may take into account your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance.

Agenda

- Performance highlights
- Strategy development
- Divisional review
- Financials
- Outlook

Overview

Mark Chellew

Managing Director and CEO

Performance highlights

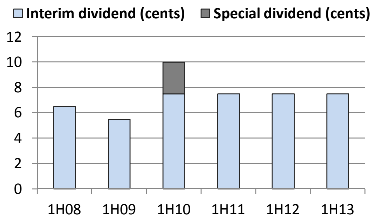
$m	30 June 2013	30 June 2012	% change
Revenue	579.3	554.5	4.5
EBIT	89.6	96.6	(7.2)
NPAT attributable to members	60.9	66.8	(8.8)
Operating cash flow	89.3	77.8	14.8
Cents			
EPS	9.6	10.5	(8.6)
Interim dividend	7.5	7.5	-

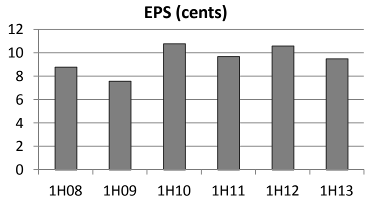
- Revenue up 4.5% as project demand offset residential and construction weakness
- NPAT down 8.8% by $5.9 million; Underlying profit and dividend stable
- Fair value accounting adjustment lifted EBIT, PBT and NPAT by $7.6 million in pcp
- Operating cash flow up 14.8% to $89.3 million

Key profit drivers

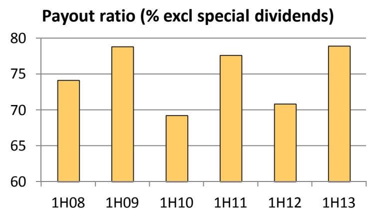
- Demand from resources and projects in SA, WA and NT offset weakness in the residential and non-residential building sectors
- Cement and clinker sales were marginally higher than pcp
- Cement selling prices increased at near CPI, but higher energy costs and carbon tax impacted cement margins
- Lime margins improved as a result of production efficiencies and higher plant utilisation
- Market weakness in south east Queensland and Victoria impacted joint venture returns
- Continued benefits from the Operational Improvement Program assisted to partly offset higher costs, subdued pricing and flat demand
- Australian dollar had a positive impact on import profitability, including $2.2 million mark-to-market gain on forward currency contracts

Shareholder returns





- Stable interim dividend of 7.5 cent, 100% franked
- EPS 9.6 cents, 10.5 cents in pcp
- Dividend payout ratio of 78.1%
- Slightly above long term target 65% - 75%
- Target gearing of 25%-45%



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
  - Focused and relevant vertical integration
- Cement:
  - Investment to expand cement milling capacity at Birkenhead, SA
  - Development of efficient and flexible import supply chain into major markets
  - Investment in Malaysian cement producer
- Lime:
  - Improvements in environmental performance and efficiency
  - Capacity expansion to meet increased resource sector demand

Operational Improvement continues

- Focus on cost management across the Group, with particular emphasis on energy efficiency and reduction of our carbon footprint
- $60 million expansion of Birkenhead cement milling capacity complete. Short term returns positive, but below earlier expectations due to Victorian downturn. Enhances long term returns
- The $52 million investment in the Munster lime kilns 5 and 6 is now completed. This underpins the long term position as key supplier to the WA resources sector
- Investment in blast furnace slag capacity to expand capability to manufacture 'green' cement products
- Considering rationalising domestic clinker capacity and enhancing import flexibility with potential EBIT benefits of $5-$10 million from 2015

Import strategy

- Australia's largest importer of cement, clinker and blast furnace slag for construction
  - In late 2012, we secured two clinker supply agreements with Japanese producers with terms of 7 and 10 years
  - In December 2012, Adelaide Brighton acquired 30% of Aalborg Portland Malaysia (APM) for $28.7 million
  - APM is progressing a US$18.6 million self funded project to expand white clinker capacity from 2015
  - Agreement with Aalborg Portland Malaysia for supply of white clinker from Malaysia for 10 years from 2015 to potentially replace Adelaide Brighton's domestic production

Cement

- Cement and clinker sales volumes increased marginally - underpinned by resources and mining projects in WA and NT and infrastructure projects in SA
- Activity in the residential and non-residential sectors remains weak
- Slight decline in margins - price increased at near CPI, however not sufficient to recover higher input costs and impact of the carbon tax
- Overall production volumes similar to pcp – marginally higher volumes at Munster offset slight declines at Birkenhead and Angaston
- Major planned cyclical maintenance undertaken during 1H2013 with costs generally in line with pcp
- Import profitability similar to pcp:
  - Lower volumes of cement imports to ICL offset by
  - Increased clinker imports and a positive currency impact of $2.4 million versus pcp, including $2.2 million relating to forward currency contracts

Lime

- Lime sales volumes in the first half 2013 were 5% higher than pcp due to demand from the resource sector
- Margins improved versus pcp
- Average selling prices improved slightly, with increases being subdued as a result of continued threat of lime imports
- Benefits from:
  - Higher plant utilisation rates
  - Improved plant throughput and fuel efficiency as a result of investment programs over the last two years

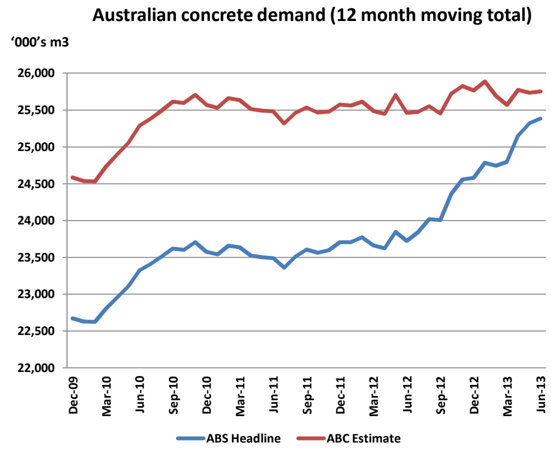
Concrete and Aggregates

- Concrete volumes lower than pcp as a result of subdued demand, particularly in Vic and Qld
- Aggregates volumes increased due to project work associated with flood rectification and highway upgrades
- Average selling prices increased by more than CPI for concrete and aggregates compared to the prior half year
- Further benefit expected from concrete and aggregate price increase effective from 1 April 2013
- Continued focus on control of aggregates and concrete production costs, including raw materials, transport costs and overheads resulted in a slight improvement in margins

Concrete Masonry Products

- Sales revenue declined 1.6%
- Reduced residential and commercial sector demand
- Price increases not sufficient to compensate for the weak market
- Business improvement program continues, matching business requirements to market conditions while maintaining flexibility to participate in a future market recovery
- Structural changes to production including care and maintenance of excess production capacity and redundancy of more than 40 staff

Market demand



- The 2010 recovery has plateaued
- 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 remain flat in 2013

Source: ABS and estimate by ABC

Financial results

Michael Kelly

Chief Financial Officer

Summary earnings

6 months ended 30 June	2013 $m	2012 $m	Change %
Revenue	579.3	554.5	4.5
EBITDA	123.9	127.5	(2.8)
EBIT	89.6	96.6	(7.2)
Net Finance Cost	(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 attributable to members	(60.9)	66.8	(8.8)

- In line with changes to accounting polices effective 1 January 2013, comparative numbers for 2012 have been restated

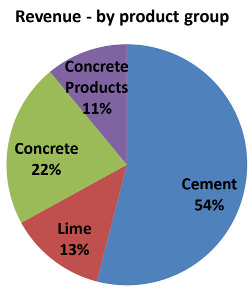
EBIT margins

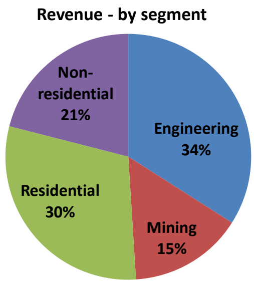
Reported EBIT margin decreased from 17.4% to 15.5%	Impact on EBIT margin %
Gain on acquisition in 1H 2012 benefits EBIT, PBT and NPAT by $7.6 million, accounting for 140bp of the 190bp margin contraction	↓
Depreciation increased by $3.4 million – completion of major organic capital expenditure programs	↓
Increased energy costs, including carbon tax	↓
Improved lime efficiency and volumes	↑
Joint venture equity accounted contribution reduced by $1.4 million	↓
Redundancy costs of $3.0 million, versus $2.3million in 1H 2012	↓

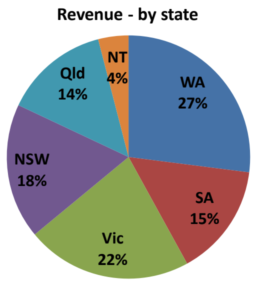
Note: Import profitability was similar to pcp, however $2.2 million mark-to-market benefits on forward currency contracts reduces net finance cost, benefiting PBT rather than EBIT

Adelaide Brighton revenue analysis

- Cement sales to major projects in SA, WA and NT in 2013 – estimated 5% of Group revenue in 2013







Joint ventures and associates

- ICL (50%) contribution to 1H2013 profit $6.9 million, a decline of $0.2 million:
  - Reduced demand from residential construction and completion of several major projects in Victoria
  - Competitive pressures across bulk and bagged markets
- Sunstate Cement (50%) contribution reduced by $1.7 million to $2.4 million:
  - Weakness in south east Queensland market
  - Reduced off-take from the joint venture's largest customer
- Mawsons (50%):
  - Decline in earnings to more normal trading following flood reconstruction
- Aalborg Portland Malaysia (APM) (30%):
  - 30% investment in APM December 2012
  - APM is progressing with a US$18.6 million self funded project to expand white clinker capacity from 2015
  - Returns in line with expectations

Operating cash flow 1H 2013

6 months ended 30 June	2013 $m	2012 $m
Net profit before tax	84.2	89.2
Depreciation and amortisation	34.3	30.9
Income tax	(20.9)	(22.9)
Change in working capital	5.2	(5.2)
Joint Venture equity profit less dividend received	(6.3)	(4.2)
Gain on fair value accounting	-	(7.6)
Capitalised interest	(1.0)	(1.0)
Other	(6.2)	(1.4)
Operating cash flow	89.3	77.8

Working capital

			June 2013	Dec 2012	Variance %
Trade and other receivables (including JV's)		$m	179.3	170.2	5.3
Days sales outstanding		Days	48.4	46.0	5.2
Inventories:	Cement and Lime	$m	74.1	77.1	(3.9)
	Concrete and Aggregates	$m	15.8	15.6	1.3
	Concrete Masonry Products	$m	42.1	42.1	-
Total inventory		$m	132.0	134.8	(2.1)

		June 2013	June 2012	Variance %
Bad debt expense	$m	0.3	1.0	(70.0)

Free cash flow and net debt

6 months ended 30 June	2013 $m	2012 $m
Operating cash flow	89.3	77.8
Capital expenditure – stay in business	(31.7)	(31.0)
Proceeds of sale of fixed assets	4.0	2.1
Free cash flow	61.6	48.9
Capital expenditure – acquisitions and investments	(0.4)	-
Capital expenditure – development	(8.9)	(33.5)
Joint Venture loans	0.3	0.3
Proceeds on issue of shares	3.6	3.3
Dividends paid – Company's shareholders	(57.4)	(57.3)
Dividends paid – outside equity interests	-	-
Net cash flow	(1.3)	(38.3)

Finance expense

6 months ended 30 June	2013 $m	2012 $m
Interest charged	8.9	9.5
Exchange (gains) / losses on foreign current forward contracts	(2.2)	-
Unwinding of the discount on restoration provisions and retirement benefit obligation	0.5	0.4
Interest capitalised in respect of qualifying assets	(1.0)	(1.0)
Total finance expense	6.2	8.9
Interest income	(0.8)	(1.5)
Net finance expense	5.4	7.4
Interest cover (EBIT times)	16.6	13.1

Refinancing

- In June 2013, the Company refinanced its existing bank debt facilities with three of Australia's major trading banks
- The $500 million bank debt facilities effectively rollover and replace all previously existing bank debt facilities
- New facilities will reduce financing costs by circa $1 million from 2014 compared to old facilities
- The maturity profile of facilities is now:

Debt facility maturity dates ($m)		
1 July 2015	1 July 2016	Total
300	200	500

Borrowings and gearing

		30 June 2013 $m	30 June 2012 $m
Net debt	$m	312.4	285.1
Net Finance Costs	$m	(5.4)	(7.4)
Gearing – net debt/equity	%	30.8	29.5
Net debt/EBITDA[1]	Multiple	1.1	1.0
Net tangible assets/share	Cents	1.30	1.22
Return on funds employed[2]	%	16.5	18.6

[1] Net debt at 30 June 2013/EBITDA for 12 months to 30 June 2013

[2] EBIT for 12 months to 30 June 2013/Average funds employed over the 12 months to 30 June 2013

Outlook 2013

Mark Chellew

Managing Director and CEO

Carbon pricing implications

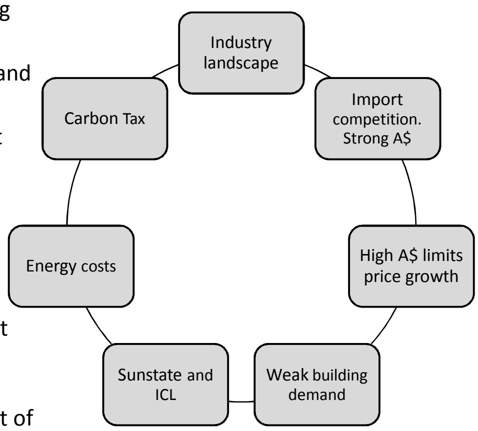
- Considering the high AUD and the carbon tax (or any potential future carbon pricing scheme), Adelaide Brighton expects it will significantly mitigate the impact of the carbon tax by:
  - Enhancing its import flexibility
  - Reducing reliance on domestic manufacture
  - Increasing the use of alternative fuels and cementitious substitutes
- Due to timing of changes to import capability, significant mitigation expected by 2015
- Carbon pricing is unlikely to have any material impact on the Group's long term growth strategy of investment in cement, lime and downstream operations
- The estimated impact of the carbon tax in 2013 is circa $5 million, net of mitigation

Opportunities

Lime volumes and efficiency	• Potential volume growth of 5% per annum over 2013 and 2014 could improve EBIT by $4-$8 million
Lime pricing	• Potential improvement in lime margins of $5 million per annum from mid 2014
Clinker rationalisation	• Rationalisation of clinker capacity by 2015 could improve WA cement margins by $5-$10 million per annum
Sydney aggregates	• Improved prices and demand could increase EBIT by $8-$10 million per annum over the next 3-5 years
Property	• Plant and quarry rationalisation may realise circa $130 million in surplus land over next 10 years

Key profit and operational challenges

- Industry remains competitive – continuing risk of potential new import facilities
- Threat of small-scale imports - lime (WA and NT) and cement (NT and north west WA)
- Historically high AUD limits scope for cost recovery for domestic manufacturers
- Residential and commercial building demand remains weak
- Sunstate and ICL earnings lower in 2013
- Estimated $2-$10 million pa increase in gas costs when current SA supply contract expires Dec 14 – increased use of alternative fuels to significantly mitigate
- Expected full year 2013 carbon tax impact of circa $5 million after tax, net of mitigation



2013 Outlook

- Cement and clinker sales volumes in 2013 expected to be similar to 2012
- Demand from projects in SA, WA and NT likely to partially offset weakness in residential and non-residential building
- Demand in Victoria and south east Queensland expected to be less than 2012
- Lime volumes expected to be circa 5% higher in 2013
- Concrete and aggregates price rises notified for 1 April 2013 and masonry price rises 1 June 2013
- Cost pressures continue across the Company, especially from energy, including the carbon tax
- Full year import profitability will be supported by currency hedging in place for remaining 2013 imports
- Strong Australian dollar and competitive pressures may limit scope for cement price increases

2013 Outlook

- Adelaide Brighton will continue to pursue growth in shareholder returns through projects that:
  - Improve efficiency; and
  - Capitalise on long term demand growth in key markets
- Adelaide Brighton expects 2013 net profit after tax to be in the range of $145 - $155 million