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20 February 2014

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

Dear Sir/Madam

Presentation – financial result for full year ended 31 December 2013

We attach an investor presentation in respect of Adelaide Brighton's financial full year result ended 31 December 2013 for release to the market.

Yours faithfully

MRD Clayton
Company Secretary

For further information please contact:
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Disclaimer

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Overview

Mark Chellew

Managing Director and CEO

Agenda

Mark Chellew, Managing Director and CEO	Performance highlights	
	Strategy development	
	Divisional review:	Concrete and Aggregates
		Concrete Products
Martin Brydon, Deputy CEO	Divisional review:	Cement and Lime
	Joint Ventures and associates	
Michael Kelly, CFO	Financials	
Mark Chellew	Outlook	

Performance highlights

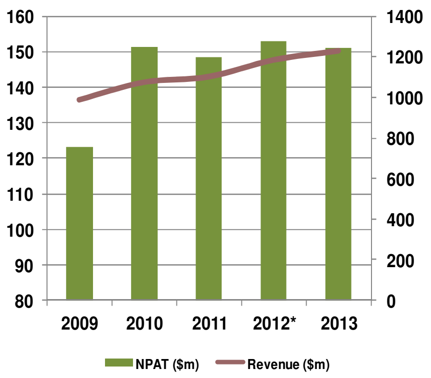
$m	31 Dec 2013	31 Dec 2012	% change
Revenue	1,228.0	1,183.1	3.8
EBIT	222.7	222.1	0.3
NPAT attributable to members	151.1	153.0	(1.2)
Operating cash flow			
Cents			
EPS	23.7	24.0	(1.3)
Final dividend	9.0	9.0	33.3
Special dividend	3.0	-	
Full year dividend	19.5	16.5	18.2

- Record revenue of $1,228 million supported by project and resources demand
- NPAT down 1.2%, however pcp included $7.6 million gain on fair value accounting
- Operating cash flow increased $40.4 million to $227.3 million

Key profit drivers

- Record revenue on SA projects, resources in WA and NT and a growing residential demand in major markets
- Non-residential building activity remained subdued
- Cement sales to Victoria declined while clinker to Queensland increased
- Energy costs up 10%, including $4.2 million after tax from carbon tax
- Earnings from joint ventures declined given geographic exposure
- Cement margins constrained by energy costs, competitive pressures and A$
- Modest growth in lime prices and efficiency improvements
- Operational improvements contributed $20.2 million to EBIT

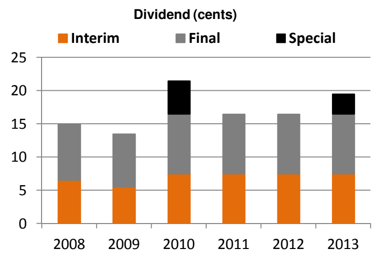
Revenue and earnings

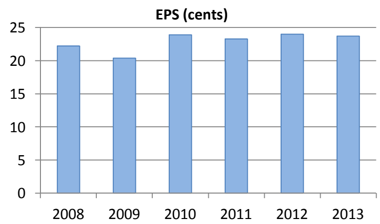


- Record revenue, up 3.8% to $1.23 billion
- NPAT up $5.8 million excluding 2012 gain on fair value accounting
- Revenue growth over the last decade has been supported by exposure to higher growth resource and projects markets
- In recent years the strong A$, rising energy costs, the carbon tax and a weak housing sector have held back returns
- Shareholder returns have also been supported by operational improvement, lime and downstream growth
- Increased residential demand and operational improvements assisted returns in the second half

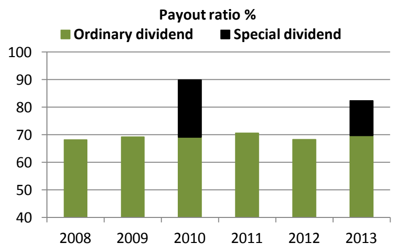
* In line with changes to accounting polices effective 1 January 2013, comparative numbers for 2012 have been restated

Shareholder returns

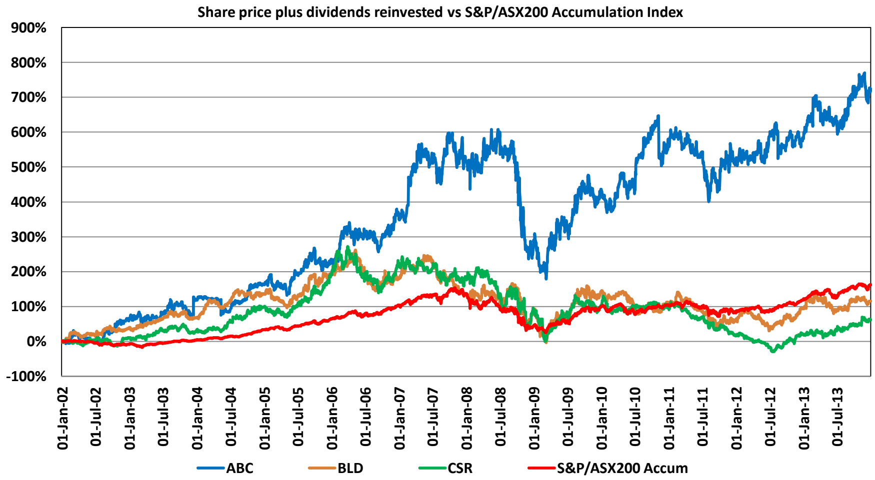




- EPS 23.7 cps, down 1.3%
- Final total dividend of 12.0 cps, including special dividend of 3.0 cps, fully franked
- Total 2013 dividend 19.5 cps, fully franked
- Payout ratio of 82.3% in 2013



Total shareholder return



Consistent long term strategy

- Consistent strategy over last decade has delivered strong 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 into downstream concrete, masonry and aggregates businesses
- Cement improvement and expansion:
  - 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
- Industrial lime improvement and expansion:
  - Improvements in environmental performance and efficiency
  - Capacity expansion to meet increased resource sector demand

Domestic clinker rationalisation

- It is proposed to reduce the production of clinker in kilns 3 and 4 at Munster, WA, during 2014
- Production of clinker to produce specialty cement will continue into 2014 and 2015
- Subject to obtaining the necessary consent, by 2016 all of the 400,000 tonnes of clinker previously produced at Munster will be replaced with imported clinker
- This clinker will be milled into cement utilising the Kwinana import facility and existing cement milling at Munster
- Rationalisation of clinker production expected to result in annualised EBIT improvement of circa $5 million
- In 2014, cement EBIT will be impacted by redundancy provision and asset write-off of approximately $8 million
- Subject to obtaining the necessary consent, over next 2-3 years expect to realise significant value from sale of quarry land at the Munster site

Import strategy

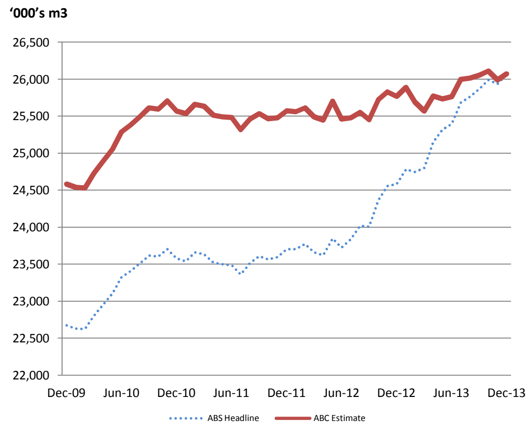
- Australia's largest importer of cementitious materials for the construction industry (cement, clinker and slag)
- Our imports are expected to increase from 1.6 mt in 2013 to more than 2.0 mt in 2016 due to rationalisation clinker production at Munster
- Import strategy is supported by long term supply agreements with two Japanese suppliers for grey clinker and Aalborg Portland Malaysia for white clinker
  - Clinker supply agreements with Japanese producers were secured in 2012 with terms of 7 and 10 years
    - Provides diversity of supply base
    - Reduced exposure to fluctuations in the exchange rate
    - Competitively priced product for supply into markets where demand exceeds domestic manufacturing capacity
  - Agreement with Aalborg Portland Malaysia for supply of white clinker from Malaysia for 10 years from 2015

Major customer contract renewal

- Agreement formalised with major cement customer securing supply in WA on similar terms until December 2016
- Adelaide Brighton supplies lime to two major alumina producers in WA:
  - During 2013, agreement executed with one of these major alumina producers for continued supply of their lime requirement for ten years. The new agreement, effective from 1 June 2014, is expected to deliver EBIT benefits of circa $5 million per annum
  - In 2013, an amendment was executed with the second major lime customer varying the terms of their lime supply agreement which expires in 2021. Adelaide Brighton now expects to supply circa 100% of the customers lime requirement during the contract term

Market demand

Australian concrete demand (12 month moving total)



- The 2010 recovery plateaued over the 2011 to 2013 period
- Resource and infrastructure projects offset weakness in commercial and residential
- Inclusion in ABS data of previously unreported concrete producers from 1 Jul 2012 overstates current growth
- Demand from resource projects now plateauing, residential recovery underway
- National concrete market expected at similar levels in 2014

Source: ABS and estimate by ABC

Divisional reviews

Concrete and Aggregates

- Concrete volume growth in 2013 in line with market demand
- Volumes increased in NSW and Qld, offset by subdued conditions in Victoria
- Housing sector demand improved in most markets, led by multi-residential sector in Sydney
- Pricing pressure in concrete evident in Qld and Vic
- Aggregate volumes declined marginally with sales to the Pacific Highway upgrade delayed until late in 2013 and into 2014
- Austen Quarry, NSW, returns improved due to pricing and volume
- Improvement in profitability and margins driven by business restructuring and cost control

Concrete Masonry Products

- Full year EBIT of $2.1 million, up from $0.4 million in 2012
- Sales volume to the commercial sector declined, while the residential sector improved in the second half, led by NSW
- Despite difficult market, Adbri Masonry revenue increased marginally supported by improved prices and cost savings
- Further improvements in prices expected in 2014 with increases planned to recover costs and assist profitability
- Restructuring through the reduction of production capacity and workforce led to an improvement in profitability in the second half of 2013
- Further benefits from restructuring are expected in the current year

Cement and Lime and Joint Ventures

Martin Brydon

Deputy CEO

Cement and clinker

- Cement and clinker sales increased marginally from projects in SA and resources projects in WA and NT
- Residential construction recovered in the second half of 2013 while non-residential building activity remained subdued
- Despite an improvement in the second half of 2013, sales to ICL for the year declined, negatively impacted by the residential sector in Victoria
- Clinker sales to Sunstate improved with strengthening demand in south east Queensland in the second half of 2013
- Competitive pressures and the high A$ reduced ability to pass on input cost increases to customers
- The new cement mill at Birkenhead, SA, contributed $8.0 million to EBIT in 2013
- Cement and clinker production volumes and expenditure on major maintenance programs were similar to the previous year

Lime

- Lime sales volumes in 2013 were consistent with 2012
- Volumes to non-alumina sector declined in the second half as a result of gold mine closures offset by improved demand from the alumina sector
- Recent significant investments in the two lime kilns at Munster, WA, lifted production capacity by 25% and delivered important operational and environmental improvements
- Modest price growth and efficiency improvements of $3 million offset rising input costs including energy, labor and depreciation, resulting in improved EBIT and margins
- Threat of small scale opportunistic lime imports in the non-alumina sector in WA and NT
- Sales volumes with the two major alumina customers in WA secured by long term contracts running until 2021 and 2024

Sunstate Cement

Sunstate Cement is a joint venture between Adelaide Brighton and Boral Cement with
a clinker import and milling facility at Fisherman Islands, Port Brisbane.
Cement is milled on site, predominantly from clinker imported from Asia

- South east Queensland market remains challenging
- Sunstate Cement (50%) contribution reduced by $1.4 million to $6.7 million
- Competitive pressures limiting ability to recover increases to input costs
- Signs of recovery in demand in second half of 2013

Independent Cement and Lime

Independent Cement and Lime, a joint venture between Adelaide Brighton and Barro Group Pty Ltd, is a specialist supplier of cement throughout Victoria and New South Wales, and is the exclusive distributor of cement for Adelaide Brighton in these states

- ICL contribution to profit was $13.1 million, marginally down on $13.8 million in the previous year as a result of:
  - Victorian demand weakness
  - Higher input costs
  - Competitive pricing and volume pressures

Aalborg Portland Malaysia

- In December 2012, Adelaide Brighton acquired 30% of Aalborg Portland Malaysia (APM) for $28.7 million
- Equity accounted earnings in 2013 from Aalborg Portland Malaysia were better than expectations and broadly in line with 2012
- Integrated white clinker and white cement production facility in Malaysia - 180,000 tonne white clinker kiln and 200,000 tonne grinding mill
- Plan to expand white clinker capacity by 150,000 tonnes from 2015 at a cost to APM of US$18.6 million
- On a standalone basis, returns expected to exceed the cost of capital following completion of the capacity expansion
- Supply agreement for white clinker for 10 years from 2015
- Provides further options for Adelaide Brighton around the efficient leveraging of the Company's Australian production footprint

Financial results

Michael Kelly

Chief Financial Officer

Summary earnings

12 months ended 31 December	2013 $m	2012* $m	Change %
Revenue	1,228.0	1,183.1	3.8
EBITDA	293.3	287.3	2.1
EBIT	222.7	222.1	0.3
Net finance cost	(14.1)	(14.6)	(3.4)
Profit before tax	208.6	207.5	0.5
Tax expense	(57.5)	(54.6)	5.3
Non-controlling interests	-	0.1	
Net profit attributable to members	151.1	153.0	(1.2)

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

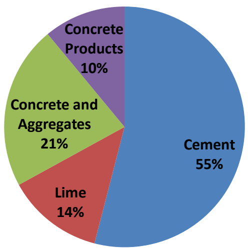
EBIT Margin

EBIT margin of 18.1%, compared to 18.8% in 2012 2012 EBIT margin of 18.1% excluding $7.6 m fair value gain	Impact on EBIT margin %
Fair value gain on acquisition of $7.6m in 2012 improved 2012 margin by 0.7ppts	⬇
Equity accounted Joint Ventures contribution reduced by $3.5m	⬇
Increased energy costs including carbon tax - $10m	⬇
Depreciation increased $5.4m - completion of major capital projects	⬇
Operational Improvement benefits of $20 m › Birkenhead cement mill $8m › Lime efficiency $3m › Energy $5m › Labour $3m	⬆

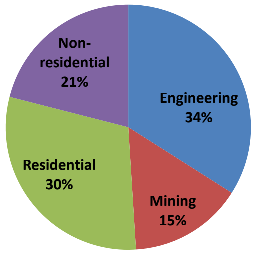
Adelaide Brighton revenue analysis

- Almost 70% of 2013 revenue from Cement and Lime operations
- Major exposure to engineering construction and mining sectors
- Cement sales to projects in SA, WA and NT – 5% of group revenue
- WA, SA and NT are key geographic markets

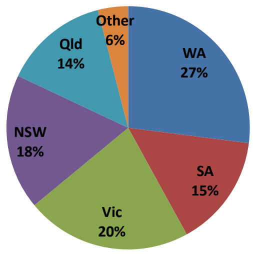
Revenue - by product group



Revenue - by segment



Revenue - by state



Operating cash flow

12 months ended 31 December	2013 $m	2012 $m
Net profit before tax	208.6	207.5
Depreciation and amortisation	70.6	65.2
Income tax	(49.3)	(50.2)
Change in working capital	0.3	(17.7)
Joint Venture equity profit less dividend received	(7.8)	(6.2)
Gain on fair value accounting	-	(7.6)
Capitalised interest	(1.2)	(2.4)
Other	6.1	(1.8)
Operating cash flow	227.3	186.9

- Operating cash flow improved by $40.4 million due to a stronger underlying performance and management of working capital

Working capital

Year ended 31 December		2013	2012	Variance %
Trade and other receivables (including JV's)	$m	182.4	170.2	7.2
Days sales outstanding	Days	47.6	46.0	3.5
Inventories: Cement and Lime	$m	78.9	77.1	2.3
Concrete and Aggregates	$m	17.8	15.6	14.1
Concrete Masonry Products	$m	39.6	42.1	(5.9)
Total inventory	$m	136.3	134.8	1.1

		2013	2012	Variance %
Bad debt expense	$m	1.5	1.1	36.4

Free cash flow and net debt

12 months ended 31 December	2013 $m	2012 $m
Operating cash flow	227.3	186.9
Capital expenditure – stay in business	(52.3)	(59.4)
Proceeds of sale of assets	6.5	3.2
Free cash flow	181.5	130.7
Capital expenditure – acquisitions and investments	(1.0)	(28.7)
Capital expenditure – development	(14.6)	(61.9)
Joint Venture and other loans	(1.8)	(2.4)
Dividends paid – Company's shareholders	(105.2)	(105.1)
Dividends paid – outside equity interests	-	-
Proceeds on issue of shares	3.7	3.3
Net cash flow	62.6	(64.1)

Total capital expenditure in 2013 of $67.9 million (2012 $150.0 million)

Finance expense

12 months ended 31 December	2013 $m	2012 $m
Interest charged	16.0	18.7
Exchange (gains) / losses on foreign current forward contracts	(0.1)	-
Unwinding of the discount on restoration provisions and retirement benefit obligation	1.2	0.8
Interest capitalised in respect of qualifying assets	(1.2)	(2.4)
Total finance expense	15.9	17.1
Interest income	(1.8)	(2.5)
Net finance expense	14.1	14.6
Interest cover (EBIT times)	15.8	15.2

Borrowings and gearing

Year ended 31 December		2013 $m	2012 $m
Net debt	$m	248.0	310.5
Net interest	$m	(14.1)	(14.6)
Gearing – net debt/equity	%	23.4	30.9
Net debt/EBITDA[1]	Multiple	0.8	1.1
Net tangible assets/share	Cents	138	129
Return on funds employed[2]	%	17.0	18.0

[1] Net debt at 31 December 2013/EBITDA for 12 months to 31 December 2013

[2] EBIT for 12 months to 31 December 2013/Average funds employed over the 12 months to 31 December 2013

- During the year the Company refinanced its existing $500 million debt facilities which will result in a reduction of finance margins paid

Mark Chellew

Managing Director and CEO

Carbon implications

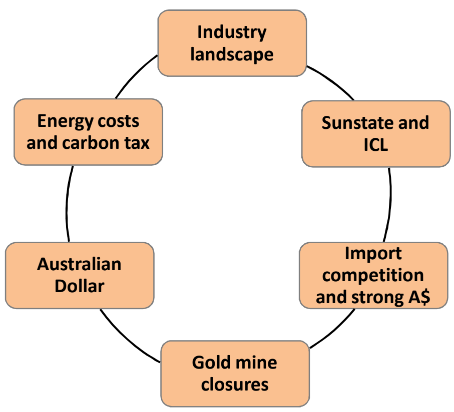
- Adelaide Brighton is committed to reducing its carbon footprint in Australia through the use of:
  - Imported materials
  - Supplementary cementitious materials, such as fly ash and slag
  - Alternative fuels
  - Changes to the cement standards
- Investment in import supply chain over the last 20 years, has made us the largest importer of cement and clinker into Australia
- Impact of carbon tax in 2013 was $4.2 million after tax
- We estimate the carbon tax will impact 2014 NPAT by between $2 million and $4 million prior to further mitigation
- At this stage the design of the Government's Direct Action Plan is highly uncertain. However, the Direct Action Plan is unlikely to have a material impact on Adelaide Brighton's long term growth strategy

Opportunities

Lime pricing	• Anticipated improvement in lime margins of $5 million per annum from mid 2014
Clinker rationalisation	• Reduction in Munster clinker production in 2014 expected to improve WA cement margins by $5 million per annum • 2014 will also be impacted by redundancy provision and asset write-off of approximately $8 million
Carbon tax	• Removal of carbon tax by 1 July 2014 could improve EBIT by $3 million (NPAT by $2 million)
Sydney aggregates	• Improved prices and demand could increase EBIT by $8-$10 million per annum over the next 3-5 years
Property	• Further proceeds from the 10 year $130 million land sales program

Key profit and operational challenges

- Industry remains competitive - continuing risk of potential new import facilities
- Margin pressure impacting ICL and Sunstate, and demand weakness in Vic
- Threat of small-scale lime imports in WA and NT, and cement imports in NT and north west WA
- Gold mine closures – estimated 30,000 tonnes pa reduction in lime sales
- Weaker AUD expected to increase import costs by $6 million
- AUD remains at historically high levels limiting the scope for cost recovery for any domestic manufacturer
- Estimated increase of up to $12 million in gas cost pa over the next 3-5 years. Current SA supply contract expires in Dec 2014 – increased use of alternative fuels to significantly mitigate



2014 Outlook

- Cement and clinker sales volumes in 2014 expected to be similar to 2013
- Demand from projects in WA and NT and recovery in residential sector expected to balance weakness in non-residential sector and decline in project demand in SA
- Lime volumes in 2014 expected to be similar to 2013 with increased demand from the alumina sector expected to offset reduced demand from gold producers
- Focus on efficiency in masonry, pre-mixed concrete and aggregates as demand improves due to anticipated recovery in residential construction
- Concrete and aggregates and concrete masonry price rises notified for 1 April 2014
- Consolidation of returns from cement mill upgrade at Birkenhead, SA, which were only partially realised in 2013

2014 Outlook

- Costs pressures continue across the Company, especially from energy, the carbon tax and environmental requirements
- Carbon tax impact in 2014 expected to be between $2 million and $4 million after tax, before mitigation
- Deterioration in Australian dollar will increase direct cost of imported materials. Australian dollar at Yen90 and US$0.90 expected to increase costs by circa $6 million, prior to mitigation through price increases
- Munster rationalisation expected to result in redundancy provision and asset write-off in 2014 of approximately $8 million offset by annualised EBIT improvement of circa $5 million
- Plant and quarry rationalisation may realise circa $130 million in surplus land over the next 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