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6 November 2014

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

We attach copy of slides being shown to analysts and investors during tours to South Australian aggregates quarries on 6 and 7 November 2014. Included in the 2014 outlook, is an update to profit guidance for 2014.

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Adelaide Brighton Ltd

**Analyst / Investor Tour:
South Australian
Aggregate Quarries**

6 and 7 November 2014

Disclaimer

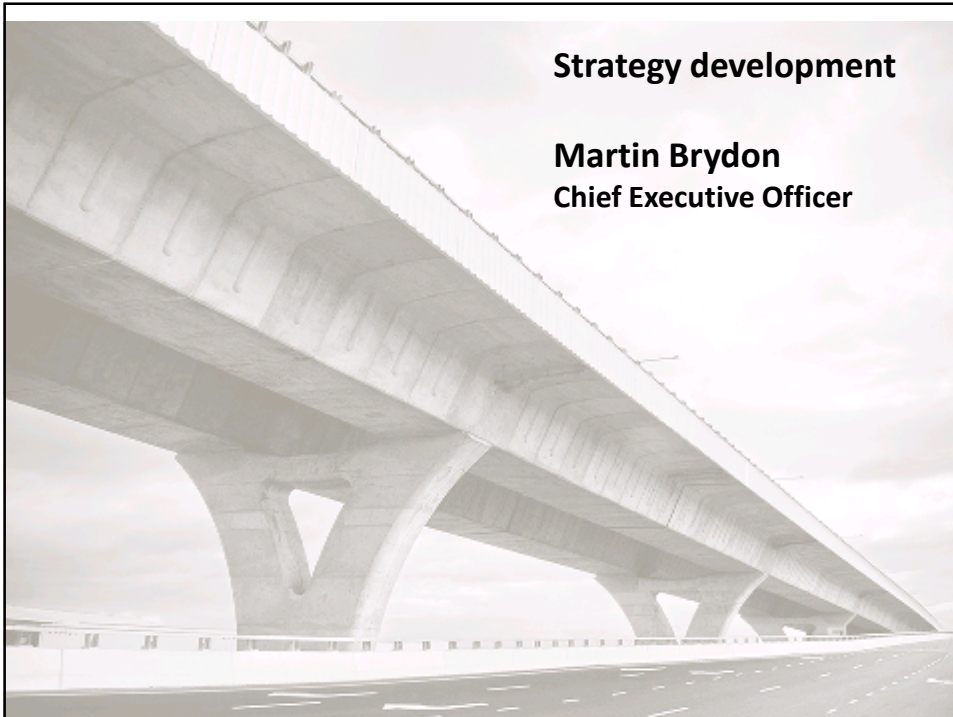
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Agenda

- **Welcome** **Martin Brydon**
- **Safety induction** **Michael Close**
- **Strategy development** **Martin Brydon**
- **Concrete and Aggregates** **George Agriogiannis**
- **Outlook** **Martin Brydon**

Strategy development

Martin Brydon
Chief Executive Officer



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; 1,500 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
- Our Concrete and Aggregates division holds the 4th position nationally in market share with aggregates sales in excess of 6 million tonnes and annualised premix concrete sales in excess of 1.5 million m³ per annum from 2015
- 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

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Our brands

Concrete & Aggregates



Joint Ventures



Cement & Lime



Joint Ventures



Concrete Products



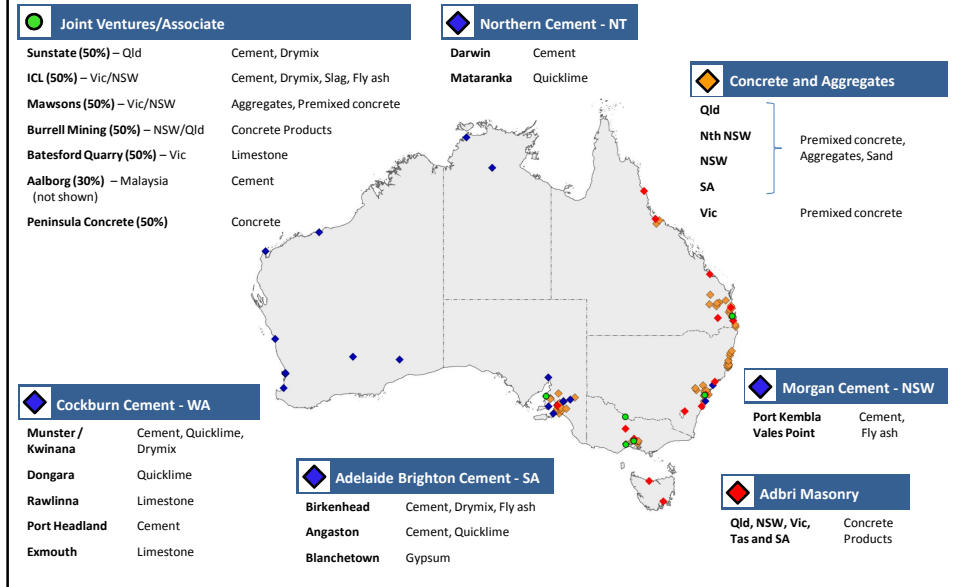
Joint Ventures



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Our footprint



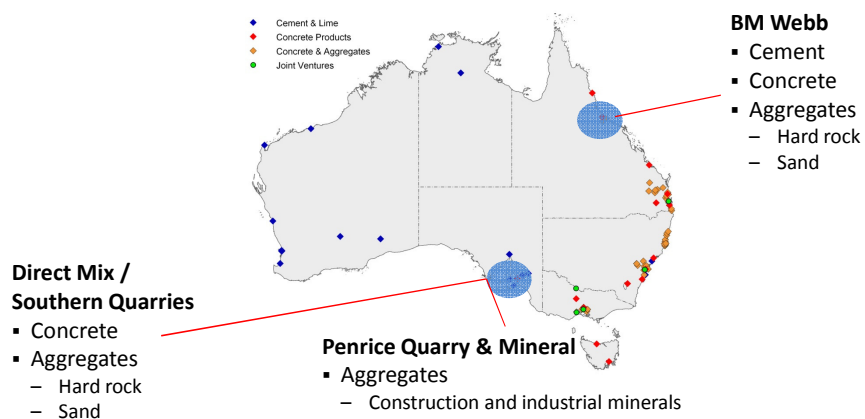
Consistent long term strategy

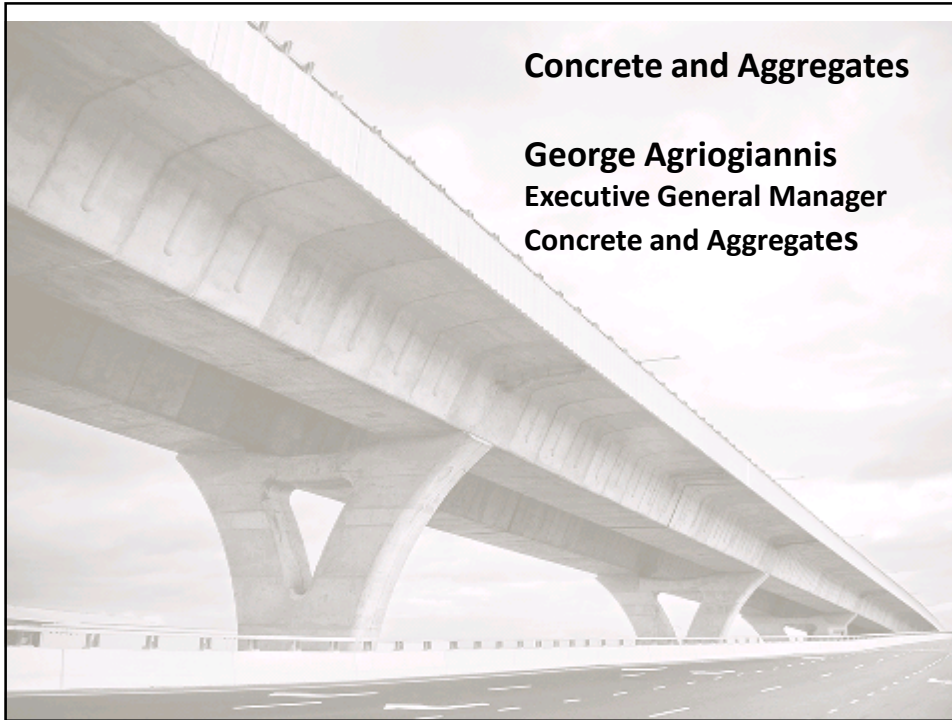
- Adelaide Brighton continues its strategy to deliver long term shareholder value through investment in three key areas:
 1. Cost reduction and operational improvement across the business
 2. Grow the lime business to supply the resources sector; and
 3. Focused and relevant vertical integration into downstream aggregates, concrete, logistics and masonry businesses
- Investments can be organic growth projects, greenfields or acquisitions
- Returns, growth and risk of investments assessed against internal financial hurdles
- Concrete and concrete products offer important distribution channels for cement and aggregates

Strategy – vertical integration

- Acquisition of three construction materials businesses during 2014 in SA and Qld for \$174 million is consistent with this vertical integration strategy
- Strategic quarrying positions with attractive concrete and logistics businesses consuming significant volumes of aggregates and cement
- Three aggregates quarries and two sand operations that produce in excess of 2.1 million tonnes and 14 concrete plants producing more than 250,000 m³
- ABL's competitive position in SA strengthened by these investments
- Depletion of competing reserves will support returns and the competitive position of the SA integrated business
- Extended a long term cement supply contract with the remaining major independent concrete and aggregates business in SA

Downstream expansion: South Australia and North Queensland





Concrete and Aggregates (including JV's)

- Aggregates sales in excess of 6 million tonnes per annum from 2015
- Annualised pre-mix concrete sales in excess of 1.5 million m³ from 2015
- Footprint covers SA, Vic, NSW and Qld
- 20 aggregate and sand quarries, and 70 premix plants
- More than 700 employees



Concrete and Aggregates key priorities

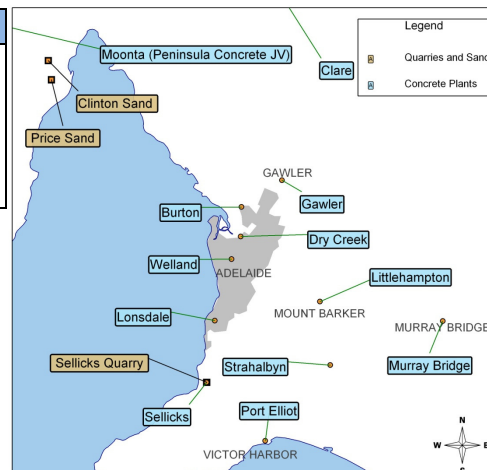
- Significant focus on integration of acquisitions in 2014
- Focus on returns from acquisitions – delivering synergies
- Quarry development
 - Increased exposure in aggregates
 - Secure development approvals for increases in tenure and reserves at existing aggregate operations
- Expansion of concrete footprint
 - Acquiring and securing development approval for concrete operations in locations that complement our current and proposed cement and/or aggregate footprint

Direct Mix Concrete/Southern Quarries (DMC)

Volumes (per annum)

- Aggregates: – Hard rock } >1,000,000t
- Sand operations } >1,000,000t
- Concrete >200,000m³
- Transport

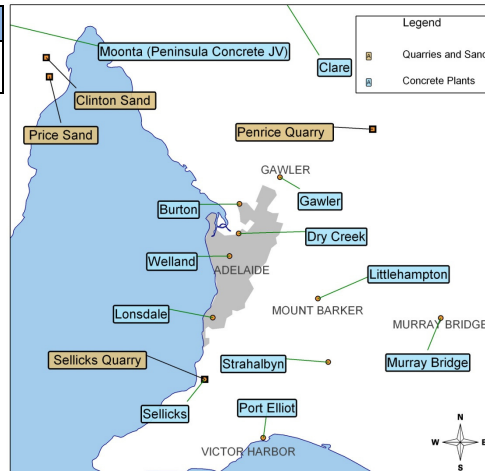
- DMC holds leading market positions in SA concrete and aggregates
- Operations cover metropolitan and regional areas
- Assets include concrete plants, a hard rock quarry, a sand extraction operation and transport operations



Penrice Quarry

Volumes (per annum)

- Aggregates Approx. 1,000,000t
- Penrice Quarry represents a strong strategic fit for Adelaide Brighton – supplying raw materials for lime and white cement manufacture at the Group’s Angaston plant
- Significant source of aggregates for the premixed concrete and civil markets to Adelaide’s north
- Geographically complements the Direct Mix and Southern Quarries market positions resulting in logistical synergies
- Significant operational and procurement synergies



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Southern Quarries and Direct Mix strategic attraction

- High quality, strategically located assets with significant reserves of hard rock (greater than 50 years) and sand (greater than 30 years)
- Low cost supply into metropolitan and regional markets
- New plant at Sellicks hard rock quarry; \$50 million replacement value
- Recent acquisition and permitting of long term sand reserves
- Competitor aggregate sources expected to reach end of their economic life over next 5 – 10 years underpins value of reserves
- Permitting of new quarry reserves in South Australia is becoming increasingly difficult
- Leading market share in South Australian aggregates and premixed concrete market
- Downstream integration benefit of using Birkenhead cement, thereby underpinning plant utilisation

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Sellicks hard rock quarry

- Sellicks hard rock processing plant commissioned in 2010 (\$50 million replacement value) provides sufficient capacity to service long term market demand
- In excess of 50 years of proven reserves. Greater than 100 years inferred reserves
- Provides a full range of products – including concrete and asphalt aggregates, road base and fill



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Price sand

- Recent acquisition and permitting of additional long term sand reserves
- Simple process provides low cost supply into metropolitan markets
- Internal supply to all DMC premixed concrete plants



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Penrice Quarry strategic attraction

- Supplies approximately one million tonnes per annum of high quality industrial minerals and aggregates
- Major supplier of raw materials to Adelaide Brighton's Angaston plant for lime, oilwell and white cement manufacture
- Aggregates for the premixed and civil markets to Adelaide's north region, complementing Sellicks Hill quarry supply to the southern region
- Reserves in excess of 50 years useful life
- Significant synergies with Adelaide Brighton and Southern Quarries

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Penrice Quarry

- Focus on operations and logistics
- Potential to increase prices on unprofitable sales



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SA infrastructure projects

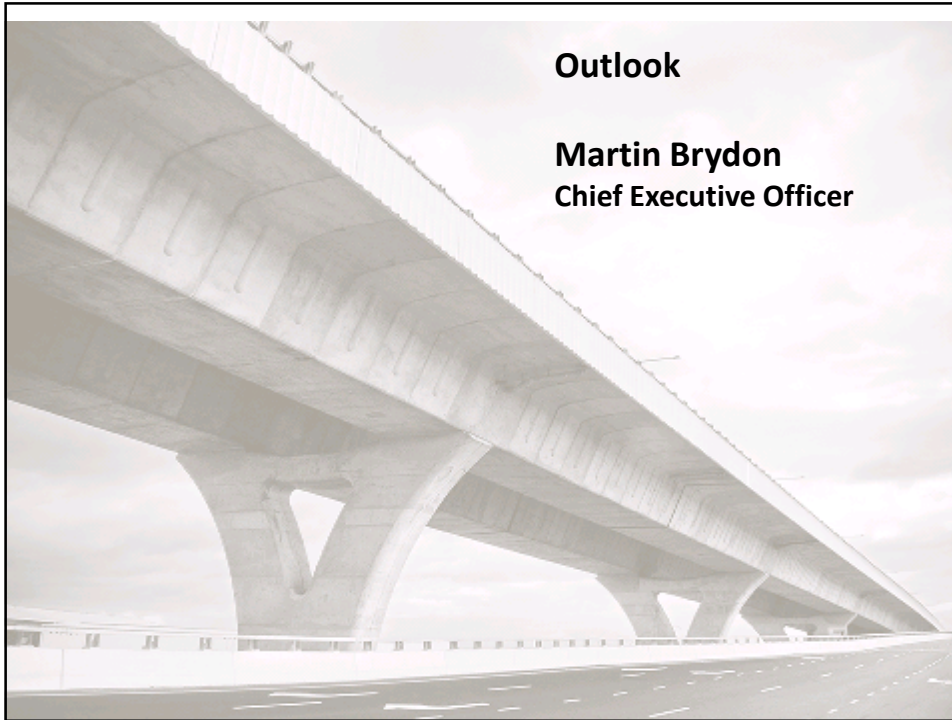
Resumption of infrastructure projects in SA over next 12 months will complement residential recovery underway

Project	Value	Commencement
▪ South Road North-South Corridor "Torrens to Torrens"	\$896m	Late 2015
▪ Darlington Interchange	\$620m	Late 2015
▪ Nyrstar Port Pirie Transformation Project	\$514m	Late 2014
▪ SA Health and Medical Research Institute SAHMRI 2	\$200m	Early 2016
▪ University of SA Health Innovation Building	\$100m	Mid 2015
▪ ALDI Distribution Warehouse	\$70m	Late 2014
▪ Gilberton Apartments	\$50m	Late 2014
▪ VUE Apartments – Adelaide city	\$30m	Late 2014

Synergies

- Identified cost synergies add \$4.4 million to EDITDA

\$000's	Annualised EBITDA (estimate)	2014	2015	2016
Administration	830	165	830	830
Logistics/operations	780	37	730	780
Procurement	2,790	627	2,790	2,790
Total	4,400	828	4,350	4,400



Outlook

Martin Brydon
Chief Executive Officer

Summary of 2014 acquisitions

- Acquisition of three construction materials businesses in SA and Qld for \$174 million
- Leading market position in South Australia – cement, concrete and aggregate
- On base case projections, acquisitions meet internal hurdles; positive NPV and accretive to shareholder value
- Strategic long term quarry assets with quarries representing approximately 80% of our valuation of acquired businesses
- Purchase price represents 9.8 times year one EBITDA excluding synergies, and 7.9 times including synergies
- Funded with cash and available facilities; gearing to be within the Board's target range of 25%-45% on completion
- Group production of aggregates to exceed 6mtpa
- Nationally no.4 aggregate and pre-mix concrete supplier
- Acquisitions complementary to the cement businesses



2014 Outlook

- Cement and clinker volumes in 2014 expected to be 1% higher than 2013
- Strength in residential sector led by NSW and Qld
- Resource projects driving demand in WA and NT
- Demand in Victoria stable
- Infrastructure projects will drive medium to long term demand
- Lime sales for 2014 are likely to be down circa 6% on last year although prices to improve due to long term contracts
- The lower value of the Australian dollar is expected to reduce 2014 full year profit before tax by \$5 million
- The carbon tax repeal is anticipated to provide an after tax benefit of \$2 million in 2014 compared to 2013
- Cost savings from restructuring is expected to be greater than \$8 million pre-tax in 2014

2014 Outlook

- One-off significant items for the year expected to be:

	PBT \$millions	PAT \$ millions
Rationalisation, corporate restructuring and acquisition costs	(19)	(13)
Settlement of legal claim	4	3
Fair value gain on acquisition – Penrice (preliminary estimate)	18	18
Total benefit	3	8

- It is expected that 2014 full year statutory NPAT will be approximately \$8 million higher than underlying
- Anticipated that the total 2014 ordinary dividend will be maintained at 16.5 cents fully franked
- Due to improved operational performance, Adelaide Brighton expects 2014 full year underlying net profit after tax will be towards the upper end of the \$153 million to \$163 million guidance range, compared to 2013 underlying NPAT of \$153 million