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26 February 2015

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

Dear Sir/Madam

Results for announcement to the market – full year ended December 2014

We attached Preliminary Final Report (Appendix 4E) in accordance with Listing Rule 4.3A and management discussion covering the year ended 31 December 2014 for release to the market.

Yours faithfully

MRD Clayton
Company Secretary

For further information please contact:
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Group Corporate Affairs Adviser
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Results for announcement to the market

Company Name:	Adelaide Brighton Limited
ABN:	15 007 596 018
Reporting period:	Financial year ended 31 December 2014
Previous corresponding period:	Financial year ended 31 December 2013
Release date:	26 February 2015

				A$m
Revenue from continuing operations	**up**	8.9%	**to**	1,337.8
Earnings before interest and tax	**up**	11.1%	**to**	247.5
Net profit for the period attributable to members	**up**	14.3%	**to**	172.7

Dividends	Amount per security		Franked amount per security
	Current period	Previous corresponding period	
Final ordinary dividend	9.5¢	9.0¢	100%
Final special dividend	-	3.0¢	100%
Interim ordinary dividend	7.5¢	7.5¢	100%

Record date for determining entitlements to the final dividend	17 March 2015
Payment date for final dividend	16 April 2015

Annual General Meeting
Pursuant to listing rule 3.13.1 notice is hereby given that the 2014 Annual General Meeting of Adelaide Brighton Ltd will be held on Wednesday 27 May 2015 at the InterContinental Adelaide, North Terrace, Adelaide, SA, commencing at 10.00 am.

	31 Dec 2014	31 Dec 2013
Net tangible asset backing per ordinary share	$1.35	$1.38

Dividend Reinvestment Plan
The Adelaide Brighton Limited Board advises that the Company's Dividend Reinvestment Plan has been suspended until further notice.

KEY POINTS

- Full year 2014 revenue increased 8.9% to $1,337.8 million supported by acquisitions and growth in all construction markets except Victoria which declined and South Australia which was stable.
- Reported EBIT rose 11.1% to a record $247.5 million, assisted by profit growth in cement, concrete and aggregates, and concrete products.
- Excluding a number of one-off items, underlying EBIT increased 8.5% to $245.2 million.
- Reported NPAT increased 14.3% to a record $172.7 million, helped by the one-offs, while underlying NPAT[1] increased 8.5% to $166.5 million.
- Gearing[2] of 31.7% at year end was lower than expected, due to healthy cash flows.
- Final ordinary dividend increased 0.5 cents to 9.5 cents per share fully franked. Full year dividend of 17.0 cents per share representing payout of 63.0% on EPS of 26.9 cents.
- Removal of the carbon tax, lower transport fuel costs, restructuring benefits, and higher prices will more than offset higher gas prices and currency related import margin pressure in 2015.
- Price increases are anticipated in 2015 across all major products on stable cement, clinker and lime volumes.

FINANCIAL SUMMARY – Statutory basis	**12 months ended 31 December**		
($million)	**2014**	**2013**	**% change pcp**
Revenue	**1,337.8**	**1,228.0**	**8.9**
Depreciation, amortisation and impairments	(75.0)[3]	(70.6)	6.2
Earnings before interest and tax ("EBIT")	**247.5**	**222.7**	**11.1**
Net finance cost[4]	(15.0)	(14.1)	6.4
Profit before tax	**232.5**	**208.6**	**11.5**
Tax expense	(59.9)	(57.5)	4.2
Net profit after tax	**172.6**	**151.1**	**14.2**
Non-controlling interests	0.1	-	-
Net profit attributable to members ("NPAT")	**172.7**	**151.1**	**14.3**
Return on funds employed[5] (%)	17.7	17.0	
Basic earnings per share ("EPS") (cents)	26.9	23.7	13.5
Dividends per share – fully franked (cents)	17.0	19.5[6]	
Net debt[7] ($ million)	359.8	248.0	
Gearing (%)	31.7%	23.4%	

[1] Underlying results have been adjusted for significant items. An explanation of the adjustments and reconciliation to statutory results is provided on pages 10 and 11.
[2] Net debt/equity.
[3] Includes impairment charge of $2.0 million.
[4] Net finance cost is the net of finance costs shown gross in the Income Statement with interest income included in revenue.
[5] Return on funds employed = EBIT/average monthly funds employed.
[6] Includes special dividend of 3.0 cents per share in 2013.
[7] Net debt is calculated as total borrowings less cash and cash equivalents.

FINANCIAL SUMMARY – Underlying basis[1]	**12 months ended 31 December**		
($million)	**2014**	**2013**	**% change pcp**
Revenue	**1,337.8**	**1,228.0**	**8.9**
Underlying depreciation and amortisation	(73.0)	(70.6)	3.4
Underlying earnings before interest and tax	**245.2**	**226.0**	**8.5**
Net finance cost	(15.0)	(14.1)	6.4
Underlying profit before tax	**230.2**	**211.9**	**8.6**
Underlying tax expense	(63.8)	(58.5)	9.1
Underlying net profit after tax	**166.4**	**153.4**	**8.5**
Non-controlling interests	0.1	-	-
Underlying net profit attributable to members	**166.5**	**153.4**	**8.5**
Return on funds employed[2] (%)	17.5	17.2	
Underlying basic earnings per share (cents)	26.0	24.0	8.3

[1] Underlying results have been adjusted for significant items. An explanation of the adjustments and reconciliation to statutory results is provided on pages 10 and 11.

[2] Return on funds employed = underlying EBIT/average monthly funds employed

Summary of Results

Adelaide Brighton Limited, a leading construction materials and lime producer, is pleased to report record sales and net profit after tax (NPAT) of $1,337.8 million and $172.7 million respectively, for the year ended 31 December 2014.

Revenue increased 8.9% and NPAT increased 14.3% on the previous corresponding period (pcp). Adjusting for a number of one-off items, underlying NPAT of $166.5 million was 8.5% higher than 2013.

Reported earnings before interest and tax (EBIT) increased 11.1% to a record $247.5 million on an EBIT margin of 18.5%. Earnings were aided by net significant items of $2.3 million. Excluding these items underlying EBIT increased 8.5% to $245.2 million.

Significant items included: the cost of rationalisation of clinker production in Western Australia; corporate restructuring costs; and acquisition related costs. These were offset by a fair value acquisition gain and settlement of an outstanding claim against an equipment supplier.

In Western Australia, the Northern Territory, New South Wales and Queensland cement and clinker revenue was up. In addition the recent acquisitions in South Australia contributed to revenue in line with expectations. However, in Victoria and South Australia cement volume declined slightly and in Western Australia lime volume was down.

Higher volume, lower costs and improved prices lifted earnings in cement and clinker; concrete and aggregates; and concrete products. Lime volume to the higher margin gold sector declined impacting revenue and margin. The corporate restructuring and rationalisation of cement operations in Western Australia made a significant contribution to Group earnings.

Earnings per share (EPS) increased 13.5% to 26.9 cents, while underlying EPS increased 8.3% to 26.0 cents. The final ordinary dividend increased 0.5 cents to 9.5 cents per share, fully franked, taking total 2014 dividends to 17.0 cents fully franked. Fully franked dividends of 19.5 cents in 2013 included a 3.0 cent special dividend. The record date for the final 2014 dividend is 17 March 2015 with payment on 16 April 2015.

Review of Operations

Cement and clinker

Solid demand from residential, resources and projects

Cement and clinker sales volume increased 3% in 2014. The key growth markets were New South Wales and Queensland residential and resource projects in the Northern Territory and Western Australia. The general level of construction demand declined in Victoria. Sales volumes in South Australia declined on lower sales of back fill binder to the mining sector, while the construction market was stable with an increase in residential activity offsetting lower sales to major projects. Western Australian volume was affected in the first half by disruption to a significant customer.

Prices up, costs down in cement

Average cement and clinker selling prices increased by more than CPI. Energy costs continued to increase and production issues at the Birkenhead (South Australia) plant also affected first half earnings. However, production rationalisation and operational improvements made a significant contribution to margins and earnings in the year. The repeal of the carbon tax from July 2014 further assisted second half earnings.

Munster clinker rationalisation delivers significant savings

Rationalisation of clinker production at Munster (Western Australia) began in early 2014. While the manufacture of speciality products continued until December 2014, clinker manufacture largely ceased in the first half of the year. The rationalisation delivered cost savings of $5 million in 2014 with further savings anticipated in 2015.

Birkenhead cement

The $60 million investment to upgrade and expand cement milling capacity at Birkenhead (South Australia) delivered incremental benefits of $1.1 million in 2014 over and above the $8.0 million of benefits delivered in 2013 (the first year of the cement mill expansion). Total returns on the project in 2014 at $9.1 million (pre-tax) represent a return on funds employed of 15.3%, which exceeds the cost of capital.

Cement supply contracts secured in key markets

In March 2014, Adelaide Brighton announced the expected loss of supply of approximately 120,000 tonnes of cement per annum to a major South Australian customer. In line with guidance, this did not impact 2014 volumes.

As a result of Adelaide Brighton's capability to supply innovative alternative cementitious products, an agreement has now been reached with that customer to supply approximately 25% of their ongoing requirements for cementitious materials in South Australia. This new agreement is effective from 1 January 2015.

In Western Australia, a new contract was secured with the same major customer to supply at least 50% of their required volume in that state for an effective minimum period of three years until 31 December 2017, with a 12 month notice period.

Also in July 2014, Adelaide Brighton secured a contract with a major independent customer in South Australia and, in December 2014, a contract with another major customer in the same market for 12 months. These agreements and the integrated operations underpin the utilisation at the efficient Birkenhead cement works.

Import volumes up but currency devaluation constrained margins

Adelaide Brighton is Australia's largest importer of cement and clinker and holds an efficient and leading network of assets that supply competitively priced product into all major Australian markets.

Following the rationalisation of clinker manufacture at Munster, Adelaide Brighton's imports of cementitious products, including clinker, cement and blast furnace slag, increased to more than two million tonnes in 2014, representing approximately 20% of the Australian market.

Imports into Western Australia increased following the rationalisation of manufacturing at Munster during the year.

The acquisition of the BM Webb Construction Materials business, including its cement import operations, expands the Group's cement distribution footprint into north Queensland. Cement supply has been switched to a major domestic supplier.

The devaluation of the Australian Dollar against Adelaide Brighton's major trading currencies of the US Dollar and the Japanese Yen reduced import profitability by approximately $5 million in 2014 compared to 2013.

Lime

Volume decline in non-alumina sector, customer site issues

Lime sales volume declined approximately 7% in 2014. Demand from the non-alumina sector was lower due to the closure of some gold mines in 2013 and disruption to a customer's operations in the Northern Territory in the first half.

Contract prices to a major alumina customer in Western Australia increased in June 2014. Average lime selling prices increased at slightly less than CPI despite the drop in sales to the higher priced gold sector. Nonetheless, lower volume impeded fixed cost recovery, compressing full year margins and earnings in lime.

The major contract price reset in June 2014 and stabilisation of demand led to an improvement in margins in the second half of 2014 versus the second half of 2013.

Concrete and Aggregates

Sales – acquisition contribution and residential demand

Recent acquisitions and stronger residential demand in New South Wales and Queensland lifted concrete and aggregate volume in 2014. Excluding acquisitions, volumes increased led by the stronger residential market.

Demand for aggregate was assisted by the Pacific Highway upgrade and pull through demand growth from concrete operations.

Prices remained under pressure in some markets, particularly Victoria and south east Queensland. However, meaningful price increases were realised in New South Wales for both concrete and aggregates.

Acquisitions – integration of acquisitions completed and synergies identified

Full integration of the Webb, Penrice Quarry & Mineral, and Direct Mix / Southern Quarries acquisitions was completed during 2014. The integration encompassed governance, management, back office functions, accounting, information systems, and health, safety and environment processes.

Realisation of synergies from the acquisitions is well progressed and it is expected that the estimated annual benefit of $4.4 million will be achieved in 2015.The financial benefit of these acquisitions is in line with initial expectations.

Concrete Products

Sales – improved demand and benefit of production tolling

Higher volumes and prices lifted Concrete Product sales revenue by 10.5% in 2014. Price growth was slightly ahead of CPI. Sales volumes increased due to an improvement in demand across the majority of regions and an increase in toll production. Demand from the residential sector was strong and activity in the commercial sector also improved.

Operations – leverage of operational improvements

Mothballing of excess capacity and a simplified organisation structure delivered significant cost savings while maintaining flexibility to participate in the market recovery. Operational improvement combined with stronger revenue lifted Concrete Product EBIT 190% to $6.1 million in 2014.

Joint arrangements and associates

Independent Cement and Lime Pty Ltd (ICL) (50%)

ICL is a specialist supplier of cementitious products to a variety of industries throughout Victoria and New South Wales.

ICL's earnings declined in 2014 due to lower volume, rising input costs, and limited opportunity to recover those cost increases. Volume increased in New South Wales through the year, demand for slag-based products remained resilient and Victorian demand strengthened late in the second half. Despite this, contribution to EBIT was down from $13.1 million in 2013 to $9.1 million in 2014.

Sunstate Cement Limited (Sunstate) (50%)

Sunstate is a joint venture between Adelaide Brighton (50%) and Boral Limited (50%) with a cement milling, storage and distribution facility at Fisherman Islands, Port Brisbane.

Sunstate's contribution to Group EBIT increased from $6.7 million in 2013 to $8.1 million in 2014. Although the south east Queensland market remains competitive, improved demand in the region led to higher sales volume, margins and earnings in 2014.

Mawson Group (Mawsons) (50%)

Mawsons is the largest premixed concrete and quarry operator in northern regional Victoria, and also operates in southern New South Wales. Mawsons is a significant aggregate producer in the region, holding either the number one or number two position in the markets it serves.

Earnings from Mawsons have more than doubled since the 2007 acquisition of the 50% interest. Following a stronger second half, the 2014 EBIT contribution of $3.0 million was in line with 2013.

Aalborg Portland Malaysia Sdn. Bhd. (APM) (30%)

APM manufactures and sells white cement and clinker for the domestic Malaysian market and exports to Australia and markets throughout south east Asia.

Equity accounted earnings from APM were similar to the prior year and in line with expectations. The US$18.6 million capacity expansion was completed on budget in the second half of 2014. While demand for product was strong, the benefit from the capacity expansion was not available until late in the year. Shipment of white clinker to Adelaide Brighton's operations in Western Australia commenced late in 2014.

Strategic Developments

Adelaide Brighton continues its successful long term strategy of growing shareholder value through three key areas:

1. Cost reduction and continuous improvement across the Company;
2. Growth in the lime business to supply the resources sector in WA, SA and NT; and
3. Focused and relevant vertical integration into downstream aggregates, concrete and concrete products businesses.

During 2014, the Group delivered on a significant number of initiatives in line with its long term strategy.

1 Cost reduction and continuous improvement

Operational improvement

Operational improvement programs delivered benefits of $19.7 million in 2014. Key initiatives were a corporate restructure, Munster clinker rationalisation and energy efficiency programs.

- Corporate restructure delivers savings of $4.0 million

  During the first half, a group wide review of operational, human resources, information technology and administration functions was undertaken. This resulted in restructuring costs of $5.4 million for the year. Pre-tax benefits from the corporate restructure were $4.0 million in 2014 and are anticipated to be $6 million in 2015.

- Munster clinker rationalisation delivers savings of $5.0 million

  In line with the strategy to grow shareholder returns through improving efficiency and leveraging an industry leading import capability, Adelaide Brighton ceased the production of all clinker at Munster, Western Australia, in December 2014.

  The capacity rationalisation delivered EBIT improvements of $5.0 million in 2014 and a further $5 million is expected in 2015. Results for 2014 include redundancy costs of $5.6 million, related to the reduction of 42 full time equivalent positions at Munster, and an impairment charge of $2.0 million relating to plant and equipment associated with clinker production at the site.

- Energy efficiency programs benefit of $4.9 million

  Adelaide Brighton has an ongoing focus on the management of its power and fuel costs. Benefits of $4.9 million were delivered in 2014 through the increased use of alternative fuels, electricity demand management, fuel switching and plant efficiency.

- Other initiatives $5.8 million

  Further benefits of $5.8 million were delivered through a variety of other initiatives, including transport efficiencies, raw materials sourcing and a range of procurement initiatives.

Import strategy underpins competitive supply into key markets

Following the rationalisation of clinker manufacture at Munster, Adelaide Brighton's imports of cementitious products, including clinker, cement and blast furnace slag, increased to more than two million tonnes in 2014, which represents approximately 20% of Australian industry demand.

Since the mid-1990s, the growth of import capacity to replace ageing, less efficient domestic manufacturing has been a key element of Adelaide Brighton's strategy to secure its long term position in the Australian market and grow value for shareholders. The use of imported materials allows Adelaide Brighton to supply customers with competitively priced product into a range of markets where demand exceeds the Company's manufacturing capacity.

Today the Company is Australia's largest importer of cementitious materials (cement, clinker and blast furnace slag) and has an unmatched network of import terminals that provide highly competitive access to all mainland capital city markets as well as regional north Western Australia and north Queensland.

Adelaide Brighton's industry leading import scale delivers supply chain efficiencies in procurement, transport, storage and distribution. The strategy is supported by unique long term agreements with two Japanese suppliers for grey clinker; Aalborg Portland Malaysia (30% owned by Adelaide Brighton) for white clinker; and a major Japanese trading house for the supply of granulated blast furnace slag.

Given limited clinker capacity expansion by the Australian industry in the last two decades, cement and clinker demand growth has been largely met by increased imports. Imports are now estimated to represent more than 50% of the Australian market for cement and clinker and as such domestic prices can be influenced by import costs.

Land sales releasing capital

One of the benefits of the rationalisation and improvement program is the release of surplus land assets. Adelaide Brighton has a land portfolio that is expected to release a total of $130 million in cash in the medium to long term. The Group is actively engaged in preparing these properties for sale to maximise value. The program has delivered approximately $16 million in revenue since the beginning of 2013, including a sale that contributed $9 million in cash and $1 million profit before tax in 2014.

2 Lime growth

Efficient operations with strong competitive position

Following the completion of major upgrades to both Munster (Western Australia) kilns in 2013, improvements in production capacity, efficiency and environmental performance of the kilns have been realised.

Efficiency gains partially offset the impact of lower volumes and increased energy costs during 2014. Despite a decline in lime volumes in 2014, following the 2013 closure of some gold mines, the long term prospects for lime demand remain strong.

While the threat of imports remained, the falling Australian dollar increases the cost of imported product.

3 Downstream integration - Concrete and Aggregates

Acquisitions in South Australia and Queensland

In 2014, Adelaide Brighton acquired BM Webb Construction Materials in Queensland, and Penrice Quarry & Minerals and Direct Mix / Southern Quarries in South Australia at an overall enterprise value of $172 million. These acquisitions are consistent with the strategy of focused and relevant vertical integration. The overall year one acquisition multiple is 7.8 times EBITDA after synergies.

The assets acquired include strategic quarrying operations producing approximately 2 million tonnes per annum of aggregates. The acquired businesses also produce more than 250,000 cubic metres of concrete annually, securing a significant volume of the Company's cement sales in the South Australian market.

Integration of the acquisitions, including the information systems, has been completed on an accelerated time frame delivering synergy benefits in logistics operations, procurement and back office functions. The estimated $4.4 million synergies per annum are expected to be realised in 2015.

Earnings from the acquisitions were in line with expectations for the period to December 2014.

Strategic attractions of Sydney aggregates

Adelaide Brighton has a significant investment in aggregates in the Sydney market through its Austen Quarry at Hartley, New South Wales. Aggregates earnings increased in 2014 in New South Wales supported by a recovery in the Sydney construction materials market.

The Sydney market is transitioning to aggregate sources supplied from outside the metropolitan area, following the exhaustion of reserves at existing competitor quarries. Due to this structural change it is expected that Sydney aggregate prices will increase above the CPI rate in the short to medium term.

Emerging Concrete and Aggregates position

Adelaide Brighton continues to make progress on its downstream strategic plan. The Group now produces more than 1.5 million cubic metres per annum of pre-mix concrete and more than 6 million tonnes per annum of aggregates. The footprint of this business now reaches from South Australia through Victoria and New South Wales, to south east and northern Queensland.

Financial Review

Cash flow – strong cash generation

Operating cash flow declined by $33.3 million to $194.0 million in 2014. The decline was largely due to non-recurring items from an acceleration of the income tax payments system and carbon tax related payments. Excluding these items, cash flow was ahead of expectations in the second half.

Excluding acquisitions, working capital increased by $12.8 million or 6.0% which was less than revenue growth in 2014. Inventory and trade debtors increased $13.9 million and $9.5 million respectively, while trade and other payables increased $4.7 million. Outstanding debtor days averaged 44.3 days, compared to 47.6 days in 2013. Payments for the now repealed carbon tax increased $14.3 million in 2014.

Income tax paid increased $23.2 million primarily due to:

- The Federal Government's introduction of monthly tax instalments (previously quarterly), added $11 million to payments in 2014. Payments will revert to normal levels in 2015;
- The timing of payments related to the carbon tax which increased income tax payments in 2014 by $6 million. This will reverse in 2015 following the repeal of the carbon tax;
- Tax instalments related to revenue from the 2014 acquisitions of $1.5 million; and
- Increased tax instalments due to higher 2014 earnings.

Excluding acquisitions, capital expenditure totalled $60.4 million in 2014, a decline of $6.5 million from 2013 following the completion of organic growth projects. Cash proceeds from asset sales of $13.6 million primarily related to the sale of land in north Queensland. The profit impact of these sales was circa $1 million.

Due to strong second half cash flow net debt increased by a lower than expected $111.8 million to $359.8 million. Net debt to equity gearing of 31.7% at year end was well within the targeted range of 25% to 45%.

To maximise shareholder returns, Adelaide Brighton seeks to ensure the balance sheet is efficiently utilised while retaining the flexibility to fund the long term growth strategy as opportunities are identified.

Funding facilities

The Company refinanced debt facilities during 2014, increasing the term and lowering borrowing costs. Total facilities were increased by $40 million to $540 million with the following maturity profile:

January 2018	January 2019
$330 million	$210 million

Interest – benefit of new banking facilities

Despite higher borrowings following the major acquisitions, net finance costs increased only modestly to $15.0 million in 2014. Interest costs benefited from lower borrowing margins on the new facilities and lower underlying interest rates. Capitalised interest was lower due to the completion of major capital expenditure projects.

Tax expense

Tax expense of $59.9 million, an increase of $2.4 million in 2014, represents an effective tax rate of 25.8% (2013 – 27.6%). The lower tax rate was largely due to a $17.8 million non-taxable gain on fair value accounting. Adjusting for the impact of this item, the effective tax rate of 27.9% was within the expected range of 27% to 28%.

Reconciliation of underlying profit

"Underlying" measures of profit exclude significant items of revenue and expenses, such as the costs related to restructuring, rationalisation and acquisitions, in order to highlight the underlying financial performance across reporting periods.

The following table reconciles underlying earnings measures to statutory results.

Year ended 31 December $ million	**2014**			2013		
	Profit before tax	**Income tax**	**Profit after tax**	Profit before tax	Income tax	Profit after tax
Statutory profit	**232.5**	**(59.9)**	**172.6**	208.6	(57.5)	151.1
Rationalisation of clinker production	**7.6**	**(2.3)**	**5.3**	-	-	-
Corporate restructuring costs	**5.4**	**(1.6)**	**3.8**	3.3	(1.0)	2.3
Acquisition expenses	**6.2**	**(1.1)**	**5.1**	-	-	-
Gain on bargain purchase	**(17.8)**	**-**	**(17.8)**	-	-	-
Claim settlement	**(3.7)**	**1.1**	**(2.6)**	-	-	-
Underlying profit	**230.2**	**(63.8)**	**166.4**	211.9	(58.5)	153.4

Rationalisation of clinker production

The Group announced the rationalisation of clinker production at the Munster site in February 2014. As part of the rationalisation, a number of employees were made redundant at a cost of $5.6 million. In addition, assets not required following the cessation of clinker manufacture at the site were considered impaired and an impairment charge of $2.0 million was recognised.

Corporate restructuring costs

Redundancies and one-off employment costs of $5.4 million for the year related to restructuring across the Company. Savings, in the form of reduced costs, were realised during the year.

Acquisition expenses

The costs associated with acquisitions, including stamp duty, legal and other consulting costs, fluctuate with transaction activity. External costs relating to acquisitions and potential acquisitions recognised as an expense in the income statement totalled $6.2 million during the year.

Acquisition fair value gain

A gain of $17.8 million relating to acquisition fair value accounting has been recognised as other income in the income statement.

Claim settlement

Adelaide Brighton settled a long standing litigation claim and received a payment of $4.7 million in the year, which has been recognised as other income. The settlement amount, less legal costs of $1.0 million, is included in the significant items.

Dividends – increase to ordinary dividend

A final ordinary dividend of 9.5 cents per share (fully franked) has been declared, an increase of 0.5 cents per share on the 2013 final ordinary dividend. Fully franked dividends totalled 17.0 cents per share in 2014 compared to 19.5 cents in 2013, which included a special dividend of 3.0 cents per share.

The record date for determining eligibility to the final ordinary dividend is 17 March 2015 and the payment date is 16 April 2015.

The Dividend Reinvestment Plan has been suspended given better than expected cash flow and gearing outcomes since the major acquisitions were completed.

Outlook

In 2015, Adelaide Brighton anticipates sales volume of cement and clinker to be similar to or greater than 2014. Reduced cement sales from January 2015 to a major customer in South Australia are expected to be offset by:

- sales of alternate cementitious products to that customer;
- increased sales in Western Australia; and
- improved demand in Victoria, New South Wales and Queensland.

Lime sales volume in 2015 is anticipated to be similar to, or slightly higher than 2014 and average realised prices are likely to increase. The threat of small scale lime imports in Western Australia and the Northern Territory remains, however the weaker Australian dollar is likely to reduce the competitiveness of imports relative to Adelaide Brighton’s low cost operations.

Price increases have been announced for March and April 2015 in cement, clinker, aggregates, concrete and concrete products.

Price increases achieved in 2015 are expected to exceed those achieved last year. A number of factors are supportive of higher prices including strengthening demand and capacity utilisation and the weakening Australian dollar, which increases the cost of import substitutes.

Aggregate prices are anticipated to increase significantly above CPI, particularly in Sydney where average delivered costs have increased significantly as the industry moves to supply from further afield as traditional sources have depleted.

First half 2015 imports have been fully hedged, however, the deterioration in the Australian dollar will increase the direct cost of imported materials for Adelaide Brighton. Assuming the Australian dollar remains at around Yen90 and USD0.75, costs are expected to increase by approximately $7 million in a full year, prior to mitigation through price increases. Gas related fuel costs in South Australia are now expected to increase by $2 million pre-tax in 2015.

There are a number of benefits which will flow through to 2015:

- the unwinding of the carbon tax to benefit circa $3 million compared to 2014;
- potential transport costs savings of $4 million from lower fuel costs assuming current oil prices and exchange rate;
- further Munster rationalisation benefits of $5 million; and
- full year benefits from the 2014 corporate rationalisation of $2 million.

Martin Brydon
Chief Executive Officer

26 February 2015

For further information contact:

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Consolidated income statement

For the year ended 31 December 2014

	Notes	2014 $m	2013 $m
Revenue from continuing operations	3	**1,337.8**	1,228.0
Cost of sales		**(823.5)**	(745.6)
Freight and distribution costs		**(217.0)**	(196.1)
Gross profit		**297.3**	286.3
Other income	3	**26.1**	4.7
Marketing costs		**(20.2)**	(21.3)
Administration costs		**(75.6)**	(69.4)
Finance costs		**(16.8)**	(15.9)
Share of net profits of joint venture and associate entities accounted for using the equity method	7	**21.7**	24.2
Profit before income tax		**232.5**	208.6
Income tax expense		**(59.9)**	(57.5)
Net profit		**172.6**	151.1
Net profit attributable to:			
Equity holders of the Company		**172.7**	151.1
Non-controlling interests		**(0.1)**	-
		172.6	151.1
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per share	5	**26.9**	23.7
Diluted earnings per share	5	**26.8**	23.4

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

Consolidated statement of comprehensive income

For the year ended 31 December 2014

	2014 $m	2013 $m
Net Profit	**172.6**	151.1
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	**0.5**	1.0
Income tax associated with these items	**-**	-
Items that will not be reclassified to profit or loss		
Actuarial (losses) / gain on retirement benefit obligation	**(1.2)**	7.6
Income tax associated with these items	**0.4**	(2.3)
Other comprehensive income, net of tax	**(0.3)**	6.3
Total comprehensive income	**172.3**	157.4
Total comprehensive income is attributable to:		
Equity holders of the Company	**172.4**	157.4
Non-controlling interests	**(0.1)**	-
Total comprehensive income	**172.3**	157.4

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

Consolidated balance sheet

As at 31 December 2014

	Notes	2014 $m	2013 $m
Current assets			
Cash and cash equivalents		**31.7**	11.1
Trade and other receivables		**199.3**	182.4
Inventories		**154.7**	136.3
Carbon units		**-**	52.5
		385.7	382.3
Assets classified as held for sale		**1.5**	7.9
Total current assets		**387.2**	390.2
Non-current assets			
Receivables		**32.7**	31.4
Joint arrangements and associate		**139.9**	138.5
Property, plant and equipment		**989.6**	889.7
Intangible assets		**263.9**	183.9
Total non-current assets		**1,426.1**	1,243.5
Total assets		**1,813.3**	1,633.7
Current liabilities			
Trade and other payables		**120.4**	105.4
Borrowings		**1.4**	-
Current tax liabilities		**1.3**	19.0
Provisions		**24.7**	26.7
Provision for carbon emissions		**14.0**	39.7
Other liabilities		**4.2**	20.4
Total current liabilities		**166.0**	211.2
Non-current liabilities			
Borrowings		**390.1**	259.1
Deferred tax liabilities		**76.8**	64.3
Provisions		**41.4**	28.5
Retirement benefit obligations		**2.2**	0.5
Provision for carbon emissions		**-**	8.2
Other liabilities		**0.1**	0.1
Total non-current liabilities		**510.6**	360.7
Total liabilities		**676.6**	571.9
Net assets		**1,136.7**	1,061.8
Equity			
Contributed equity		**727.9**	699.1
Reserves		**3.3**	4.3
Retained profits		**402.8**	355.6
Total equity attributable to equity holders of the Company		**1,134.0**	1,059.0
Non-controlling interests		**2.7**	2.8
Total equity		**1,136.7**	1,061.8

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

Consolidated statement of changes in equity

For the year ended 31 December 2014

	Attributable to owners of Adelaide Brighton Ltd				**Non-controlling interests**	**Total equity**
	Contributed equity $m	**Reserves $m**	**Retained earnings $m**	**Total $m**	**$m**	**$m**
Balance at 1 January 2014	**699.1**	**4.3**	**355.6**	**1,059.0**	**2.8**	**1,061.8**
Profit for the year	-	-	172.7	172.7	(0.1)	172.6
Other comprehensive income	-	0.5	(0.8)	(0.3)	-	(0.3)
Total comprehensive income for the year	**-**	**0.5**	**171.9**	**172.4**	**(0.1)**	**172.3**
Transactions with owners in their capacity as owners:						
Dividend reinvestment plan share issues	24.6	-	-	24.6	-	24.6
Dividends provided for or paid	-	-	(124.7)	(124.7)	-	(124.7)
Executive Performance Share Plan	4.2	(1.5)	-	2.7	-	2.7
	28.8	(1.5)	(124.7)	(97.4)	-	(97.4)
Balance at 31 December 2014	**727.9**	**3.3**	**402.8**	**1,134.0**	**2.7**	**1,136.7**
Balance at 1 January 2013	**696.6**	**2.1**	**304.4**	**1,003.1**	**2.8**	**1,005.9**
Profit for the year	-	-	151.1	151.1	-	151.1
Other comprehensive income	-	1.0	5.3	6.3	-	6.3
Total comprehensive income for the year	**-**	**1.0**	**156.4**	**157.4**	**-**	**157.4**
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	-	-	(105.2)	(105.2)	-	(105.2)
Executive Performance Share Plan	2.5	1.2	-	3.7	-	3.7
	2.5	1.2	(105.2)	(101.5)	-	(101.5)
Balance at 31 December 2013	**699.1**	**4.3**	**355.6**	**1,059.0**	**2.8**	**1,061.8**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 31 December 2014

	Notes	**2014 $m**	2013 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**1,460.1**	1,334.0
Payments to suppliers and employees (inclusive of goods and services tax)		**(1,227.1)**	(1,084.6)
Joint venture distributions received		**21.0**	16.4
Interest received		**1.8**	1.8
Interest paid		**(16.0)**	(16.0)
Receipts from sale of carbon units		**20.0**	20.0
Other income and receipts		**7.1**	5.0
Income taxes paid		**(72.9)**	(49.7)
Income taxes refunded		**-**	0.4
Net cash inflow from operating activities		**194.0**	227.3
Cash flows from investing activities			
Payments for property, plant and equipment		**(60.4)**	(66.9)
Payments for acquisition of businesses, net of cash acquired		**(155.6)**	(0.6)
Payments for investment in associates		**-**	(0.4)
Proceeds from sale of property, plant and equipment		**13.6**	6.5
Loans to joint ventures and other related parties		**(1.9)**	(1.9)
Repayment of loans from other parties		**0.6**	0.1
Net cash (outflow) from investing activities		**(203.7)**	(63.2)
Cash flows from financing activities			
Proceeds from issue of shares		**8.1**	3.7
Proceeds from borrowings		**122.2**	-
Repayment of borrowings		**-**	(60.2)
Dividends paid to Company's shareholders	4	**(100.1)**	(105.2)
Net cash inflow/(outflow) from financing activities		**30.2**	(161.7)
Net increase in cash and cash equivalents held		**20.5**	2.4
Cash and cash equivalents at the beginning of the reporting period		**11.1**	8.8
Net impact of foreign exchange on cash		**0.1**	(0.1)
Cash and cash equivalents at the end of the reporting period		**31.7**	11.1

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 31 December 2014

1 Accounting policies

This report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. It has been prepared under the historical cost convention, except for derivative financial instruments that have been measured at fair value through profit or loss.

The accounting policies adopted are consistent with those of the previous financial year.

2 Segment reporting

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer. These reports are evaluated regularly in deciding how to allocate resources and in assessing performance.

The following two reportable segments have been identified:

- Cement, Lime, Concrete and Aggregates
- Concrete Products

The operating segments Cement, Lime, Concrete and Aggregates 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 and is therefore reported as a separate segment. Joint arrangements and associates related to the reportable segments form part of the above two reportable segments.

During 2014, the Aggregates segment met the quantitative threshold for disclosure required by AASB 8 and is now incorporated into the Cement, Lime, Concrete and Aggregates segment. In accordance with the standard, comparative information has been restated to reflect this change.

The major end-use markets of Adelaide Brighton's products include residential and non-residential construction, engineering construction, alumina and steel production and mining.

Notes to the financial statements

For the year ended 31 December 2014

2 Segment reporting (continued)

(b) Segment information provided to the Chief Executive Officer

The segment information provided to the Chief Executive Officer for the reportable segments is as follows:

31 December 2014	**Cement, Lime, Concrete and Aggregates $m**	**Concrete Products $m**	**Unallocated $m**	**Total $m**
Total segment operating revenue	**1,411.2**	**137.4**	**-**	**1,548.6**
Inter-segment revenue	**(40.8)**	**-**	**-**	**(40.8)**
Revenue from external customers	**1,370.4**	**137.4**	**-**	**1,507.8**
Depreciation and amortisation	**(62.1)**	**(7.7)**	**(3.2)**	**(73.0)**
Impairment	**(2.0)**	**-**	**-**	**(2.0)**
EBIT	**271.4**	**6.1**	**(30.0)**	**247.5**
Share of net profits of joint venture and associate entities accounted for using the equity method	**21.7**	**-**	**-**	**21.7**
31 December 2013				
Total segment operating revenue	1,291.2	124.4	-	1,415.6
Inter-segment revenue	(25.7)	-	-	(25.7)
Revenue from external customers	1,265.5	124.4	-	1,389.9
Depreciation and amortisation	(60.0)	(7.4)	(3.2)	(70.6)
EBIT	240.8	2.1	(20.2)	222.7
Share of net profits of joint venture and associate entities accounted for using the equity method	24.2	-	-	24.2

Sales between segments are carried out at arms length and are eliminated on consolidation.

The operating revenue assessed by the Chief Executive Officer includes revenue from external customers and a share of revenue from the joint ventures and associate in proportion to the Group's ownership interest, excluding freight, interest and royalty revenue. A reconciliation of segment operating revenue to revenue from continuing operations is provided as follows:

	Consolidated	
	2014 $m	2013 $m
Total segment operating revenue	**1,548.6**	1,415.6
Inter-segment revenue elimination	**(40.8)**	(25.7)
Freight revenue	**139.4**	128.3
Interest revenue	**1.8**	1.8
Royalties	**0.4**	0.7
Elimination of joint venture and associate revenue	**(311.6)**	(292.7)
Revenue from continuing operations	**1,337.8**	1,228.0

Notes to the financial statements

For the year ended 31 December 2014

2 Segment reporting (continued)

(b) Segment information provided to the Chief Executive Officer (continued)

The Chief Executive Officer assesses the performance of the operating segments based on a measure of EBIT. This measurement basis excludes the effect of net interest. A reconciliation of the EBIT to operating profit before income tax is provided as follows:

	Consolidated	
	2014	2013
	$m	$m
EBIT	**247.5**	222.7
Net interest	**(15.0)**	(14.1)
Profit before income tax	**232.5**	208.6

3 Operating profit

	2014 $m	2013 $m
Revenue from continuing operations		
Sale of goods	**1,335.6**	1,225.5
Interest revenue	**1.8**	1.8
Royalties	**0.4**	0.7
	1,337.8	1,228.0
Other income		
Fair value accounting gain on business acquisition	**17.8**	-
Insurance proceeds	**4.9**	-
Rental income	**2.0**	2.9
Miscellaneous income	**1.4**	1.8
Total other income	**26.1**	4.7
Revenue and other income	**1,363.9**	1,232.7

Finance cost		
Interest and finance charges	**16.2**	16.0
Unwinding of the discount on restoration provisions and retirement benefit obligation	**1.2**	1.2
Exchange gain on foreign exchange contracts	**-**	(0.1)
Gross finance cost	**17.4**	17.1
Interest capitalised in respect of qualifying assets	**(0.6)**	(1.2)
Total finance cost recognised in the income statement	**16.8**	15.9
Less interest revenue	**(1.8)**	(1.8)
Net finance cost	**15.0**	14.1

Impairment

An impairment charge against plant and equipment of $2.0 million (2013: $nil) was recognised in cost of sales in the income statement for the year relating to the cement segment of the Group. As a result of the rationalisation of clinker production at the Munster site, an impairment charge was recognised for the excess of the written down value compared to the recoverable amount of the assets impacted by the rationalisation.

Notes to the financial statements
For the year ended 31 December 2014

4 Dividends

	2014 $m	2013 $m
Dividends provided or paid during the year		
2013 final ordinary dividend of 9.0 cents (2012 – 9.0 cents) per fully paid ordinary share, franked at 100% (2012 – 100%) paid on 15 April 2014	**57.5**	57.4
2013 final special dividend of 3.0 cents (2012 – nil cents) per fully paid ordinary share, franked at 100% (2012 – n/a) paid on 15 April 2014	**19.1**	-
2014 interim dividend of 7.5 cents (2013 – 7.5 cents) per fully paid ordinary share, franked at 100% (2013 – 100%) paid on 20 October 2014	**48.1**	47.8
Total dividends	**124.7**	105.2
Dividends paid:		
In cash	**100.1**	105.2
Issue of shares through dividend reinvestment plan	**24.6**	-
Total dividends	**124.7**	105.2
Dividends not recognised at the end of the year Since the end of the year the Directors have recommended the payment of a final dividend of 9.5 cents (2013 – 12.0 cents) per fully paid ordinary share, franked at 100% (2013 – 100%). The aggregate amount of the proposed final dividend expected to be paid on 16 April 2015, not recognised as a liability at the end of the reporting period, is	**61.6**	76.6

5 Earnings per share

	2014 Cents	2013 Cents
Basic earnings per share	**26.9**	23.7
Diluted earnings per share	**26.8**	23.4

	2014 Number	2013 Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**641,365,689**	638,099,312
Adjustments for calculation of diluted earnings per share:		
Awards	**3,319,603**	6,262,180
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**644,685,292**	644,361,492

Notes to the financial statements

For the year ended 31 December 2014

6 Contingencies

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

	2014 $m	2013 $m
Guarantees		
Bank guarantees	**19.8**	15.6

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

7 Investments in joint arrangements and associate

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 for using the proportional consolidation method. Associates are accounted for using the equity method.

Name of joint arrangement / associate	Method of accounting	Ownership interest 2014 %	2013 %
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	30
Peninsula Concrete Pty Ltd	Equity	50	-

Contribution to net profit

	2014 $m	2013 $m
Sunstate Cement Ltd	**8.1**	6.7
Independent Cement & Lime Pty Ltd	**9.1**	13.1
Other Joint Ventures and Associates	**4.5**	4.4
Share of profits equity accounted	**21.7**	24.2
Profit from Joint Operations	**2.0**	2.3
Total profit from joint arrangements and associates	**23.7**	26.5

Notes to the financial statements

For the year ended 31 December 2014

8 Acquisition of businesses

During 2014, the company acquired the following businesses:

- Direct Mix / Southern Quarries, an integrated aggregate and premixed concrete business to the Adelaide building and construction materials market. The Company acquired the business from 1 October 2014 through the acquisition of a 100% interest in the entities associated with the construction materials business.
- BM Webb construction materials is an integrated concrete, quarry, sand, transport and cement import business located in and around Townsville. The business was acquired from 6 May 2014, with the Group acquiring 100% of the operating assets of the business.
- Penrice Minerals & Quarry, a quarry business located in the Barossa Valley of South Australia. The business was acquired from 31 July 2014, with the Group acquiring 100% of the operating assets of the business.

The acquired businesses contributed net profit before tax, excluding the gain on acquisitions and acquisition related expenses, of $0.3 million.

The entities acquired as a result of the above acquisitions are:

Screenings Pty Ltd
Lonsdale Sand & Metal Pty Ltd
Agripeta Pty Ltd
Productivex Pty Ltd
Southern Quarries Holdings Pty Ltd
Direct-Mix Holdings Pty Ltd
Direct-Screens Holdings Pty Ltd
Southern Lime Pty Ltd
Southern Quarries Pty Ltd
Peninsula Mixed Concrete Supplies Pty Ltd
Direct-Mix Concrete Pty Ltd
Direct-Mix Concrete (Products) Pty Ltd
Adelaide Concrete Recylcers Pty Ltd

9 Events occurring after reporting date

No matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect:

(a) the Group's (consolidated entity) 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.

Audit statement

This report is based on accounts to which one of the following applies.

☐	The accounts have been audited.	☐	The accounts have been subject to review.
☑	The accounts are in the process of being audited or subject to review.	☐	The accounts have not yet been audited or reviewed.