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Adelaide Brighton Ltd
ACN 007 596 018

31 August 2016

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

Dear Sir/Madam

Results for announcement to the market – half year ended 30 June 2016

We attach Appendix 4D Half Year Report in accordance with Listing Rule 4.2A and management discussion covering the half year ended 30 June 2016 for release to the market.

Yours faithfully

MRD Clayton
Company Secretary

For further information please contact:
Luba Alexander
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:	Half year ended 30 June 2016
Previous corresponding period:	Half year ended 30 June 2015
Release date:	31 August 2016

				A$m
Revenue from continuing operations	**up**	1.2%	**to**	686.0
Earnings before interest and tax (EBIT)	**down**	5.1%	**to**	110.8
Net profit for the period attributable to members	**down**	6.7%	**to**	77.1

Dividend	Amount per security		Franked amount per security
	Current period	Previous corresponding period	
Interim ordinary dividend	8.5¢	8.0¢	100%
Interim special dividend	4.0¢	4.0¢	100%

Record date for determining entitlements to the interim dividend	15 September 2016
Payment date for interim dividend	12 October 2016

	30 June 2016	30 June 2015
Net tangible asset backing per ordinary share	$1.41	$1.39

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

Key Points

- Revenue of $686.0 million, up 1.2% compared to previous corresponding period (pcp)
- EBIT down 5.1% to $110.8 million, due to lower profits from property sales
- Excluding property profits EBIT up 6.6% to $110.6 million
- Reported net profit (NPAT) down 6.7% to $77.1 million, due to lower property profits
- Excluding property profits, NPAT up 7.8% to $75.8 million
- Operating cash flow up 16.5% to $97.6 million
- Interim ordinary dividend of 8.5 cents per share, franked to 100%, up 0.5 cents
- Interim special dividend of 4.0 cents per share, franked to 100%, in line with the pcp
- Basic earnings per share declined 7.0% to 11.9 cents, due to lower property profits
- Excluding property profits, EPS up 7.6% to 11.7 cents
- Gearing[1] at 29.1% (29.8% at the pcp)

Financial Summary

Statutory basis	**6 months ended 30 June**		
($ million)	**2016**	**2015**	**% change pcp**
Revenue	**686.0**	**678.1**	**1.2**
Depreciation and amortisation	(40.1)	(37.9)	5.8
Earnings before interest and tax (“EBIT”)	**110.8**	**116.8**	**(5.1)**
Net finance cost[2]	(6.1)	(6.5)	(6.1)
Profit before tax	**104.7**	**110.3**	**(5.1)**
Tax expense	(27.6)	(27.7)	(0.4)
Net profit after tax	**77.1**	**82.6**	**(6.7)**
Non-controlling interests	–	–	–
Net profit attributable to members (“NPAT”)	**77.1**	**82.6**	**(6.7)**
Basic earnings per share (EPS) (cents)	11.9	12.8	(7.0)
Ordinary dividends per share – fully franked (cents)	8.5	8.0	
Special dividends per share – fully franked (cents)	4.0	4.0	
Net debt[3] ($ million)	345.4	346.1	
Gearing[1] (%)	29.1%	29.8%	

1 Net debt/equity
2 Net finance cost is the net of finance costs shown gross in the Income Statement with interest income included in revenue
3 Net debt is calculated as total borrowings less cash and cash equivalents

Summary of Results

Net profit after tax

Adelaide Brighton Limited net profit after tax (NPAT) for the half year ended 30 June 2016 declined 6.7% to $77.1 million due to lower property profits compared to the previous corresponding period. Property transactions contributed $1.3 million to NPAT in the half year, compared with $12.3 million in 1H15.

Excluding property transactions NPAT was up 7.8% to $75.8 million, reflecting revenue and margin growth in the wholly owned business and a stronger contribution from joint operations.

Revenue

Revenue of $686.0 million was up 1.2% on 1H15. Improved prices and strong demand in the New South Wales, Victoria, Queensland and South Australia partially offset slowing demand in Western Australia and the Northern Territory.

Earnings before interest and tax

Earnings before interest and tax (EBIT) declined 5.1% to $110.8 million. Excluding property, EBIT was up 6.6% to $110.6 million, representing an expansion in EBIT margin from 15.3% in 1H15 to 16.1% in 1H16.

Margins

Margins were assisted by price increases in all products and volume growth in concrete, aggregates and concrete products. Reduced energy costs in Western Australia and improved earnings from the joint operations in the eastern states were also positive for the group margin compared to 1H15. Total Group energy costs (including electricity, gas, coal, diesel and alternative fuels) are expected to be $9 million less than pcp.

These offset the impact of reduced cement volume in Western Australia and Northern Territory and higher import costs due to a weaker Australian Dollar.

Operating cash flow and debt

Operating cash flow was a positive feature, increasing by $13.8 million to $97.6 million due to revenue and margin growth, partially offset by higher income tax paid. Net debt to equity gearing was 29.1% at 30 June 2016.

Dividends

The Board declared an interim ordinary dividend of 8.5 cents per share and a special dividend of 4.0 cents per share, both franked to 100%. This is a 0.5 cent increase in ordinary dividend and an unchanged special dividend compared to 1H15.

The Record Date for the interim ordinary and special dividend is 15 September 2016 with payment on 12 October 2016.

The special dividend takes into consideration Adelaide Brighton's strong cash flow, low gearing, current capital expenditure outlook and availability of franking credits.

Review of Operations

Demand Overview

Strong demand continued on the east coast of Australia, particularly in Melbourne and Sydney. Residential activity remained favourable in Victoria, New South Wales and Queensland and returned to growth in South Australia. However, non-residential building and infrastructure[4] activity also made important contributions to demand and growth in these markets.

In New South Wales, strong residential activity was augmented by a number of significant non-residential building and transport infrastructure projects. In Victoria, multi-residential activity led demand and was supported by improved non-residential building activity.

South east Queensland demand continues to improve, particularly in the Gold Coast and Sunshine Coast markets. South Australian demand was supported by the commencement of several infrastructure projects and stronger mining demand.

Cement demand declined in Western Australia given weak residential and non-residential activity and lower resource project volumes. Western Australian lime demand declined marginally. Cement demand in the Northern Territory declined due to softer resource sector activity, while lime demand was stable.

Cement and Clinker

Sales – Strong residential demand

Total cement and clinker sales volumes decreased marginally versus the first half of 2015.

Volumes in Queensland, New South Wales, Victoria and South Australia improved. This was offset by a sales volume decline in Western Australia and the Northern Territory.

While selling prices showed encouraging increases in key markets, an increased proportion of sales to lower price east coast markets contributed to a slight decline in average realised cement and clinker prices for the Group. In addition, sales to Independent Cement and Lime (50% owned by Adelaide Brighton) in Victoria and New South Wales attracted a lower price under a “rise and fall” provision that follows production costs.

Operations – Focus on energy improvement opportunity

Cement and clinker margins were lower compared to 1H15, impacted by a reduced average selling price, slightly lower volumes, reduced import profitability and higher average costs for gas and electricity in South Australia.

Import profitability declined by approximately $4 million before tax compared to 1H15 with the lower Australian Dollar increasing the cost of imported product. This was partially offset by the reduced fuel component of freight costs for imported product of $1.5 million in 1H16.

Outside of freight costs on imported product there have been reductions in fuel costs in logistics operations in Australia. Improved efficiency in contractor and owned logistics operations also improved transport costs. Strategies for managing energy costs are discussed in more detail on page 7.

[4] Non-residential building includes education, health, office, retail, hotels and factories, while infrastructure includes roads, bridges and railways.

Lime

Sales – Recovery in gold sector continued

Lime sales volumes declined marginally compared to 1H15. Non-alumina demand continued to recover driven by the gold sector, however, alumina sector off take was softer after customer operational requirements delayed sales.

The average lime selling price increased in line with inflation. Some imports of lime have continued although the lower value of the Australian Dollar has reduced their competitiveness.

Operations – Margins assisted by further cost savings

Higher average selling prices and lower operating costs assisted margins significantly in lime despite a slight decline in volume. Cost savings were achieved in energy, maintenance and transport, with energy being the largest contributor. A small investment in loading capability delivered benefits through more efficient use of rail transport. Maintenance and transport costs have also benefited from renegotiation of a number of contractor agreements given increased contractor availability.

Concrete and Aggregates

Sales – Robust demand across Adelaide Brighton's markets

Concrete and aggregates volumes increased in all markets. Reflecting healthy demand, average concrete prices increased by 3.4% in 1H16. Aggregates prices increased by more than CPI and, as has been anticipated by Adelaide Brighton, were particularly strong in the Sydney market as supply tightened.

South Australian concrete and aggregates volumes enjoyed a return to growth. The outlook for demand in South Australia appears favourable given the pipeline of infrastructure projects.

Sales volumes were also strong in New South Wales, Victoria and Queensland.

Sydney aggregates markets appear to be developing in line with expectations given the depletion of traditional reserves and increasing reliance on product from further afield. The Company's New South Wales quarry operations are competitively positioned to supply demand growth in Sydney and generate attractive returns for shareholders.

Operations – Improved margins

Margins improved for both concrete and aggregates as a result of the higher volumes, increased selling prices and cost control. Delivery costs declined due to lower average diesel prices and operational focus on transportation efficiency. This has included improved management of the owned and contractor fleet.

Concrete Products

Sales – Demand improves

Concrete Products revenue grew 6.7% on 1H15 due to higher residential and commercial sales and selling price rises in line with CPI. Sales volume increased in all operating regions compared to 1H15.

Operations – Margin improvement

Concrete Products EBIT increased 18.8% on 1H15 to $3.8 million. EBIT margins were higher due to improved volumes, prices and operational efficiency.

Adelaide Brighton continues to focus on efficiency in the masonry business with further benefits expected to come from tolling arrangements, a range of operational improvements and transport efficiencies. In addition, the business has made a significant investment in product innovation to lift the presence of masonry within the building products industry, which offers exciting revenue opportunities for the business in the medium term.

The concrete products business is also an important and growing customer for the cement, aggregates and sand business, which offers vertical integration benefits for the Company.

Joint Arrangements and Associates

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

ICL is a specialist supplier of cement and cement blended products to a wide variety of industries and retail outlets throughout Victoria and New South Wales. Demand across Victoria and New South Wales remained strong, stretching supply capabilities. Margins improved due to price increases, strong demand in New South Wales, and a decrease in input costs. ICL's contribution increased 56.7% on pcp to $4.7 million.

Sunstate Cement Limited (Sunstate) (50%)

Sunstate is a joint venture with a cement milling, storage and distribution facility at Fisherman Islands, Port Brisbane. Improved volumes and price increases, despite the south east Queensland market remaining highly competitive, supported a 14% increase in net profit contribution from Sunstate to $5.0 million.

Mawson Group (Mawsons) (50%)

Mawsons is the largest premixed concrete and quarry operator in northern regional Victoria, and also operates in southern regional New South Wales. Mawsons is a significant aggregates producer in the region, holding number one and number two positions in the markets it serves. Earnings from the joint venture improved slightly due to higher margin sales of quarry products to infrastructure projects despite continued competitive pressures and generally softer demand in its regional markets.

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

Aalborg Portland Malaysia manufactures and sells white cement and clinker for the domestic Malaysian markets and exports to Australia and markets throughout south east Asia. Equity accounted earnings for APM increased $1.3 million. Volumes and costs improved as a result of the resolution of issues following the commissioning of the plant upgrade and the investment is on a pathway to meet returns expectations, while also supplying Adelaide Brighton's domestic cement operations.

Strategic Developments

Adelaide Brighton continues a successful long term strategy to grow shareholder returns through investment in three key areas:

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

Operational efficiency remains a key priority, with a particular focus on continuous improvement at the already globally competitive lime operations in Western Australia and cement production assets in South Australia and Western Australia. The drive for greater energy efficiency has delivered significant benefits over the last decade and offers further opportunities to improve shareholder value through reducing energy consumption and diversifying energy supply.

Transportation costs are an important element of energy efficiency. Meaningful transport cost advantages that underpin long term shareholder value are offered by the unique lime resource position in Western Australia, the unmatched distribution network in cement and clinker and the highly strategic locations of the Group's aggregates operations.

The major acquisitions in downstream pre-mixed concrete and upstream aggregate businesses that were completed in 2014 and 2015 added highly strategic positions and scale to Adelaide Brighton's operations. These acquisitions are now exceeding earnings expectations and their outlook appears positive. Adelaide Brighton continues to pursue downstream integration opportunities where it adds value for shareholders with a particular focus on strategic aggregate positions.

1 Cost reduction and operational improvement

Competitive import infrastructure

Adelaide Brighton is Australia's largest importer of cementitious materials (cement, clinker and blast furnace slag) utilising more than two million tonnes of imported product per annum.

This industry leading position enhances supply chain efficiency in procurement, transport, storage and distribution. The use of imported materials allows the supply of competitively priced product into a range of markets where demand exceeds the Company's manufacturing capacity. It enables Adelaide Brighton's domestic production assets to operate at full utilisation, which underpins its competitive position and shareholder returns.

The import strategy is supported by long term agreements with two Japanese suppliers for grey clinker, Aalborg Portland Malaysia Sdn. Bhd. for white clinker and a major Japanese trading house for the supply of granulated blast furnace slag.

Energy efficiency opportunity

Adelaide Brighton has a proactive strategy designed to manage energy costs and operating risks through measures that include:

- Reduced medium term energy consumption through operational improvement;
- Growing the use of alternative fuels to reduce reliance on traditional sources;
- Short term consumption management through operational adjustments;
- A portfolio approach to energy supply and procurement benefits; and
- Hedging and other financial strategies, where it adds value for shareholders.

The Company has in recent years foreshadowed the tightening of the South Australian gas market and the prospect of increasing gas prices. Gas costs have increased in this market, albeit not yet to the full extent originally anticipated.

The outlook for South Australian gas prices is uncertain with the tightening of the local market in recent years contrasted by sharp declines in international and some interstate gas markets, such as Western Australia. Adelaide Brighton has sought to maintain diversity and flexibility in gas supply arrangements to take advantage of the evolving landscape and emerging opportunities to improve energy costs.

Alternative fuels have been a key focus for reducing reliance on traditional energy sources and lowering costs over the last decade. An upgrade of alternative fuel capacity at Birkenhead is now complete and ramping up with the potential to replace up to 30% of Adelaide Brighton's South Australian energy requirement of 6 petajoules per annum.

South Australian electricity spike in July 2016

In July 2016, the market was severely impacted by a price spike related to a temporary reduction in supply capacity through the Victoria/South Australia Interconnector during a capacity upgrade that was completed in late July 2016.

The upgrade project, strong winter demand, inconsistent renewable production and high gas prices combined in July 2016 to create a temporary local electricity price spike in the electricity spot market.

The price spike added approximately $3 million to Adelaide Brighton's costs, mainly at the Birkenhead plant, which grinds clinker[5] into cement for local and interstate markets. Adelaide Brighton significantly upgraded grinding capacity in 2014 to allow it to replace imported cement and generate a greater share of the grinding margin in South Australia.

The full impact of the electricity price spike was mitigated by the management of South Australian grinding activity and a temporary switch to imported product in certain markets. This highlights the operating flexibility afforded by the complementary industry leading import position.

[5] Clinker the primary product from the firing process, which is then ground to powder and mixed with additives, such as gypsum, to form the final cement products used in construction and binding applications.

Progression of land sales to realise capital

Adelaide Brighton has been actively engaged in selling and preparing for sale properties released by its operational rationalisation and improvement program. Since the beginning of 2013, proceeds from the property sale program have been $66 million.

In 1H16, property sales added $1.3 million to net profit after tax, most of which was the tax benefit on the recognition of capital losses ahead of an expected transaction in 2H16. For the full year 2016 property transactions are expected to deliver cash proceeds of $20 million and NPAT of $7 million.

Including these 2016 transactions, the portfolio of properties targeted for sale could realise in excess of $140 million in proceeds over the next 10 years. The EBIT margin on these sales is anticipated to be circa 85% with an effective tax rate of approximately 20%. Sale proceeds over the next two years could be in the range of $30 million to $40 million.

2 Lime growth

Efficient operations with strong competitive position

Adelaide Brighton's Munster, Western Australia, lime business is underpinned by low cost mineral resources secured by a State Agreement Act and long term statutory approvals. In the long term, demand growth in lime is driven by the globally competitive Western Australian resources sector.

The two lime kilns are among the largest globally and are currently at 80% operating capacity. Through the Munster plant's low cost position and reduction in the cost of energy in Western Australia, operating margins have improved significantly in 2016.

Lime volume has been held back in recent years by the non-alumina sector, which represents about 30% of Western Australian lime demand. The sector has improved in 2016, mainly due to increased production in the gold mining sector.

The Western Australian alumina sector remains among the lowest cost in the world, underpinning its long term growth. Given possible refinery expansions, there is medium term potential to add approximately 15% to alumina sector demand in Western Australia.

3 Downstream integration

Acquisitions delivering value

Industry consolidation remains a powerful long term trend influencing returns at the local, national and international level. This trend is expected to continue and Adelaide Brighton, as always, will look to participate where it adds value for shareholders.

Value adding acquisition opportunities continue to be assessed, with the Company looking to add to the $178 million of investment over 2014 and 2015 in concrete and aggregate operations in South Australia and Queensland.

Demand and profitability in the acquired businesses is ahead of Adelaide Brighton's estimates at the time of the acquisition and the outlook is positive.

These acquisitions provided access to strategically located assets across important markets for the Group, increasing exposure to concrete and quarrying operations. Adelaide Brighton will continue to pursue its strategy of acquiring quality concrete and aggregate businesses that deliver shareholder value.

Financial Review

Cash flow and borrowings – strong cash flow and balance sheet

Cash flow from operations increased by $13.8 million on 1H15 to $97.6 million as a result of the improvement in earnings and net cash collections, partially offset by higher income tax payments.

Net working capital increased marginally, as higher debtors and inventory balances were offset by a reduction in accounts payable balances. Income tax payments increased over the pcp by $8.3 million due to higher earnings in 2015 compared to 2014 resulting in a higher final tax payment.

Capital expenditure of $54.8 million increased $25.9 million on 1H15. Stay in business capex was $30 million. Full year capital expenditure is currently expected to be circa $120 million, which includes approximately $60 million of development capex, to improve our concrete plant footprint, acquire quarry reserves and expand production of innovative supplementary cementitious products.

Proceeds from the sale of assets of $1.9 million is down significantly from the pcp of $17.6 million, due to reduced property transactions. Dividend payments increased by $35.7 million over 1H15 as a result of the payment of higher ordinary and special dividends.

Despite the significant increase in dividends and capital expenditure, strong operating cash flow meant that net debt of $345.4 million was largely stable compared to 30 June 2015. This represents a net debt to equity gearing ratio of 29.1%, which is within the Board's target range of 25% to 45%.

Funding facilities – financial flexibility

Adelaide Brighton has funding facilities with major lenders of $540 million, of which $150 million is unutilised. The facilities were renewed in 2014 to expand the facility limits, reduce borrowing margins and extend maturity. The Company's low gearing, strong cash flow and consistent returns provide it with considerable funding flexibility. Existing facilities have the following maturity:

Maturity	Limit
January 2018	$330 million
January 2019	$210 million

Finance cost and tax – lower effective tax rate

Net finance costs of $6.1 million were $0.4 million lower than the first half of 2015 as a result of low market interest rates and lower average net debt.

The effective tax rate increased from 25.1% to 26.4%, in part due to the reduced contribution from property, which brought down the average tax rate in 1H15. Utilisation of capital losses relating to land that is expected to be sold in 2H16 did however reduce the effective tax rate in 1H16. Adelaide Brighton continues to expect its effective tax rate to be in the range of 27% - 28%, although this will reduce in periods when capital losses related to property sales are recognised.

Dividends

The Board has declared an interim ordinary dividend of 8.5 cents per share (8.0 cents pcp) and a special dividend of 4.0 cents per share (4.0 cents pcp), both franked 100%. The ordinary dividend payout ratio is 71.4%.

The special dividend is consistent with Adelaide Brighton's long held strategy to distribute surplus capital to shareholders, where prudent to do so, while maintaining an efficient and resilient capital structure.

The payment of the special dividend reflects Adelaide Brighton's strong cash flows, current capex plans and low balance sheet gearing compared to the target range.

The record date for the interim ordinary and special dividend is 15 September 2016 with payment on 12 October 2016.

Outlook

In 2016, Adelaide Brighton expects sales volume of cement and clinker to be less than 2015, primarily due to weakness in the Western Australian cement market.

Premixed concrete and aggregates sales volumes are anticipated to be significantly higher than 2015 as a result of stronger east coast and South Australian markets. Sales of concrete products are also expected to increase on 2015.

Lime sales volume is likely to be similar to 2015, although cost reductions are anticipated to be positive for margins. The weaker Australian Dollar reduces the competitiveness of imports relative to Adelaide Brighton's low cost operations, but small scale lime imports in Western Australia and the Northern Territory remain a threat.

Price increases for all products were implemented in the first half of 2016, with outcomes in line with expectations. A number of factors are supportive of higher prices in certain markets, including strong demand and capacity utilisation. Further increases in cement prices are expected in 2H16.

Imports of cement, clinker and slag have been hedged through to December 2016. At current exchange rates it is estimated that import costs will increase by approximately $6 million in 2016.

Higher gas and electricity costs in South Australia have partially dampened the benefit of lower gas costs in Western Australia. Nonetheless, total Group energy costs (including electricity, gas, coal, diesel and alternative fuels), are expected to be $9 million less than pcp.

Efficiency remains a key operational priority as part a rolling program of cost reduction to sustain leading margins and shareholder returns.

Property sale proceeds of about $20 million are expected in 2016, with a profit after tax of approximately $7 million.

To maximise shareholder returns, Adelaide Brighton seeks to ensure the balance sheet is efficiently utilised while retaining the flexibility to fund long term growth as opportunities are identified. Prudent capital management remains an important part of this approach.

Given the strength in cash flow and current capital expenditure plans, year end gearing is expected to be at the lower end of the preferred range of 25% – 45%.

Adelaide Brighton expects full year NPAT will be in the range of $190 million to $200 million. This range includes an estimated $7 million net profit after tax from property transactions.

Martin Brydon
CEO and Managing Director
31 August 2016

For further information: Luba Alexander, Group Corporate Affairs Adviser
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The Directors present their report on the consolidated entity ("the Group") consisting of Adelaide Brighton Ltd ("the Company") and the entities it controlled at the end of, or during, the half year ended 30 June 2016.

Directors

The Directors of the Company at any time during or since the end of the half year and up to the date of this report are:

LV Hosking
GF Pettigrew
RD Barro
KB Scott-Mackenzie
AM Tansey
M Brydon

Review of operations

A review of the operations of the Group during the half year ended 30 June 2016 is set out on pages 2 to 10 of this report.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 23.

Rounding off

The Company is of a kind referred to in Instrument 2016/191 issued by ASIC, relating to the "rounding off" of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and financial report have been rounded off to the nearest hundred thousand dollars in accordance with that Instrument.

Dated at Sydney this 31st day of August 2016.

This report is made in accordance with a resolution of the Directors.

M. Brydon.

M Brydon
CEO and Managing Director

Consolidated income statement

For the half year ended 30 June 2016

	Notes	2016 $m	2015 $m
Revenue from continuing operations	3	**686.0**	678.1
Cost of sales		**(446.0)**	(432.9)
Freight and distribution costs		**(99.7)**	(107.9)
Gross profit		**140.3**	137.3
Other income	3	**4.3**	16.1
Marketing costs		**(10.6)**	(10.3)
Administration costs		**(35.1)**	(34.1)
Finance costs		**(6.9)**	(7.3)
Share of net profits of joint venture and associate entities	6	**12.7**	8.6
Profit before income tax		**104.7**	110.3
Income tax expense		**(27.6)**	(27.7)
Net profit for the half year		**77.1**	82.6
Net profit attributable to:			
Equity holders of the Company		**77.1**	82.6
Non-controlling interests		**-**	-
		77.1	82.6
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per share		**11.9**	12.8
Diluted earnings per share		**11.8**	12.7

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

Consolidated statement of comprehensive income

For the half year ended 30 June 2016

	2016 $m	2015 $m
Net profit for the half year	**77.1**	82.6
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	**0.8**	-
Changes in the fair value of cash flow hedges	**(0.8)**	-
Income tax associated with these items	**0.2**	-
Items that will not be reclassified to profit or loss		
Actuarial gain / (losses) on retirement benefit obligation	**(1.6)**	5.4
Income tax associated with these items	**0.5**	(1.6)
Other comprehensive income for the half year, net of tax	**(0.9)**	3.8
Total comprehensive income for the half year	**76.2**	86.4
Total comprehensive income for the half year is attributable to:		
Equity holders of the Company	**76.2**	86.4
Non-controlling interests	**-**	-
Total comprehensive income for the half year	**76.2**	86.4

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

Consolidated balance sheet

As at 30 June 2016

	Notes	**30 June 2016 $m**	31 December 2015 $m
Current assets			
Cash and cash equivalents		**45.0**	33.3
Trade and other receivables		**202.4**	208.3
Inventories		**159.2**	161.5
Assets classified as held for sale		**8.1**	-
Total current assets		**414.7**	403.1
Non-current assets			
Receivables		**32.6**	32.9
Retirement benefit asset		**-**	1.3
Joint arrangements and associate		**149.0**	142.2
Property, plant and equipment		**992.6**	986.1
Intangible assets		**271.6**	272.9
Total non-current assets		**1,445.8**	1,435.4
Total assets		**1,860.5**	1,838.5
Current liabilities			
Trade and other payables		**116.3**	122.9
Borrowings		**1.4**	1.0
Current tax liabilities		**7.2**	15.0
Provisions		**30.3**	33.6
Other liabilities		**3.9**	6.8
Total current liabilities		**159.1**	179.3
Non-current liabilities			
Borrowings		**389.0**	329.5
Deferred tax liabilities		**82.0**	85.4
Provisions		**41.9**	36.9
Retirement benefit obligations		**0.8**	-
Other liabilities		**0.1**	0.1
Total non-current liabilities		**513.8**	451.9
Total liabilities		**672.9**	631.2
Net assets		**1,187.6**	1,207.3
Equity			
Contributed equity		**730.3**	729.2
Reserves		**1.7**	1.2
Retained profits		**453.0**	474.3
Total equity attributable to equity holders of the Company		**1,185.0**	1,204.7
Non-controlling interests		**2.6**	2.6
Total equity		**1,187.6**	1,207.3

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

Consolidated statement of changes in equity

For the half year ended 30 June 2016

	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 2016	**729.2**	**1.2**	**474.3**	**1,204.7**	**2.6**	**1,207.3**
Profit for the half year	-	-	77.1	77.1	-	77.1
Other comprehensive income for the half year	-	0.2	(1.1)	(0.9)	-	(0.9)
Total comprehensive income for the half year	**-**	**0.2**	**76.0**	**76.2**	**-**	**76.2**
Deferred hedging gains and losses and costs of hedging transferred to the carrying value of inventory purchased in the period	-	0.6	-	0.6	-	0.6
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	-	-	(97.3)	(97.3)	-	(97.3)
Executive Performance Share Plan	1.1	(0.3)	-	0.8	-	0.8
	1.1	(0.3)	(97.3)	(96.5)	-	(96.5)
Balance at 30 June 2016	**730.3**	**1.7**	**453.0**	**1,185.0**	**2.6**	**1,187.6**
Balance at 1 January 2015	**727.9**	**3.3**	**402.8**	**1,134.0**	**2.7**	**1,136.7**
Profit for the half year	-	-	82.6	82.6	-	82.6
Other comprehensive income for the half year	-	-	3.8	3.8	-	3.8
Total comprehensive income for the half year	**-**	**-**	**86.4**	**86.4**	**-**	**86.4**
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	-	-	(61.6)	(61.6)	-	(61.6)
Executive Performance Share Plan	1.2	-	-	1.2	-	1.2
	1.2	-	(61.6)	(60.4)	-	(60.4)
Balance at 30 June 2015	**729.1**	**3.3**	**427.6**	**1,160.0**	**2.7**	**1,162.7**

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

Consolidated statement of cash flows

For the half year ended 30 June 2016

	Notes	**2016 $m**	2015 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**758.4**	741.9
Payments to suppliers and employees (inclusive of goods and services tax)		**(627.7)**	(631.8)
Joint venture distributions received		**6.7**	7.1
Interest received		**0.4**	0.8
Interest paid		**(6.3)**	(7.1)
Other income and receipts		**4.3**	2.8
Income taxes paid		**(38.2)**	(29.9)
Net cash inflow from operating activities		**97.6**	83.8
Cash flows from investing activities			
Payments for property, plant, equipment and intangibles		**(54.8)**	(28.9)
Proceeds from sale of property, plant and equipment		**1.9**	17.6
Loans to joint ventures and other related parties		**0.3**	-
Repayment of loans from other parties		**0.3**	0.2
Net cash (outflow) from investing activities		**(52.3)**	(11.1)
Cash flows from financing activities			
Proceeds from issue of shares		**4.0**	2.8
Proceeds from borrowings		**59.7**	-
Repayment of borrowings		**-**	(0.8)
Dividends paid to Company's shareholders	4	**(97.3)**	(61.6)
Net cash (outflow)/inflow from financing activities		**(33.6)**	(59.6)
Net increase in cash and cash equivalents held		**11.7**	13.1
Cash and cash equivalents at the beginning of the half year		**33.3**	31.7
Net impact of foreign exchange on cash		**-**	0.1
Cash and cash equivalents at the end of the half year		**45.0**	44.9

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

Notes to the financial statements

For the half year ended 30 June 2016

1 Basis of preparation of half year report

This condensed consolidated interim financial report for the half year reporting period ended 30 June 2016 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2015 and any public announcements made by Adelaide Brighton Ltd during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2 Segment reporting

(a) Description of segments

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

The two reportable segments have been identified as follows:

- Cement, Lime, 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.

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 half year ended 30 June 2016

2 Segment reporting (continued)

(b) Segment information provided to the CEO and Managing Director

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

Half year 2016	Cement, Lime, Concrete and Aggregates $m	Concrete Products $m	Unallocated $m	Total $m
Total segment operating revenue	**764.7**	**71.8**	**-**	**836.5**
Inter-segment revenue	**(37.1)**	**-**	**-**	**(37.1)**
Revenue from external customers	**727.6**	**71.8**	**-**	**799.4**
Depreciation and amortisation	**(33.8)**	**(4.2)**	**(1.8)**	**(39.8)**
EBIT	**124.5**	**3.8**	**(17.5)**	**110.8**
Share of net profits of joint venture and associate entities	**12.7**	**-**	**-**	**12.7**
Half year 2015				
Total segment operating revenue	735.4	67.3	-	802.7
Inter-segment revenue	(31.0)	-	-	(31.0)
Revenue from external customers	704.4	67.3	-	771.7
Depreciation and amortisation	(32.0)	(4.1)	(2.0)	(38.1)
EBIT	131.3	3.2	(17.7)	116.8
Share of net profits of joint venture and associate entities	8.6	-	-	8.6

Sales between segments are carried out at arm's length and are eliminated on consolidation.

The operating revenue assessed by the CEO and Managing Director 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	
	2016 **$m**	2015 $m
Total segment operating revenue	**836.5**	802.7
Inter-segment revenue elimination	**(37.1)**	(31.0)
Freight revenue	**60.1**	66.7
Interest revenue	**0.8**	0.8
Royalties	**0.4**	0.3
Elimination of joint venture and associate revenue	**(174.7)**	(161.4)
Revenue from continuing operations	**686.0**	678.1

Notes to the financial statements

For the half year ended 30 June 2016

2 Segment reporting (continued)

(b) Segment information provided to the CEO and Managing Director (continued)

The CEO and Managing Director 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	
	2016	2015
	$m	$m
EBIT	**110.8**	116.8
Net finance cost	**(6.1)**	(6.5)
Profit before income tax	**104.7**	110.3

3 Operating profit

Revenue from continuing operations		
Sale of goods	**684.8**	677.0
Interest revenue	**0.8**	0.8
Royalties	**0.4**	0.3
	686.0	678.1
Other income		
Net (loss)/gain related to sale of property, plant and equipment	**(0.1)**	13.3
Rental income	**1.5**	1.4
Miscellaneous income	**2.9**	1.4
Total other income	**4.3**	16.1
Revenue and other income	**690.3**	694.2
Finance cost		
Interest and finance charges	**6.4**	7.5
Unwinding of the discount on restoration provisions and retirement benefit obligation	**0.5**	0.4
Exchange loss/(gain) on foreign exchange contracts	**0.2**	(0.3)
Gross finance cost	**7.1**	7.6
Interest capitalised in respect of qualifying assets	**(0.2)**	(0.3)
Total finance cost recognised in the income statement	**6.9**	7.3
Less interest revenue	**(0.8)**	(0.8)
Net finance cost	**6.1**	6.5

Notes to the financial statements

For the half year ended 30 June 2016

4 Dividends

	2016 $m	2015 $m
Dividends provided or paid during the half year		
2015 final dividend of 15.0 cents (2014 – 9.5 cents) per fully paid ordinary share, franked at 100% (2014 – 100%) paid on 12 April 2016	**97.3**	61.6
Total dividends paid in cash	**97.3**	61.6

Dividends not recognised at the end of the half year

Since the end of the half year the Directors have declared the payment of an interim ordinary dividend of 8.5 cents and special dividend of 4.0 cents (June 2015 – ordinary dividend of 8.0 cents and special dividend of 4.0 cents) per fully paid ordinary share per fully paid ordinary share franked at 100% (June 2015 – 100%). The aggregate amount of the proposed dividend expected to be paid on 12 October 2016, not recognised as a liability at the end of the half year, is	**81.2**	**77.9**

5 Equity

Securities issued – Issue of ordinary shares during the half year

	2016 Shares	2015 Shares	**2016 $m**	2015 $m
Shares issued under the Adelaide Brighton Ltd Executive Performance Share Plan	**768,352**	618,080	**1.1**	1.2

Notes to the financial statements

For the year half year ended 30 June 2016

6 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	Nature of relationship	Ownership interest 2016 %	2015 %
Aalborg Portland Malaysia Sdn Bhd	Associate	**30**	30
Batesford Quarry	Joint operation	**50**	50
Burrell Mining Services JV	Joint operation	**50**	50
EB Mawson & Sons Pty Ltd and Lake Boga Quarries Pty Ltd	Joint venture	**50**	50
Independent Cement & Lime Pty Ltd	Joint venture	**50**	50
Peninsula Concrete Pty Ltd	Joint venture	**50**	50
Sunstate Cement Ltd	Joint venture	**50**	50

Contribution to net profit

	2016 $m	2015 $m
Sunstate Cement Ltd	**5.0**	4.4
Independent Cement & Lime Pty Ltd	**4.7**	3.0
Other joint ventures and associates	**3.0**	1.2
Share of net profits of joint venture and associate entities	**12.7**	8.6
Profit from joint operations	**1.8**	1.2
Total profit from joint arrangements and associates	**14.5**	9.8

7 Contingencies

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

Guarantees		
Bank guarantees	**24.9**	23.0

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

8 Events occurring after reporting date

No matter or circumstance has arisen since 30 June 2016 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.

In the Directors' opinion:

(a) The financial statements and notes set out on pages 11 to 21 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
(ii) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the half year ended on that date; and

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

This declaration is made in accordance with a resolution of the Directors.

M. Bryd...

M Brydon
CEO and Managing Director

Dated at Sydney on the 31st day of August 2016

Auditor's Independence Declaration

As lead auditor for the review of Adelaide Brighton Limited for the half-year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

2. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Adelaide Brighton Limited and the entities it controlled during the period.

Kevin Reid
Partner
PricewaterhouseCoopers

Adelaide
31 August 2016

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Independent auditor's review report to the members of Adelaide Brighton Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Adelaide Brighton Limited (the company), which comprises the consolidated balance sheet as at 30 June 2016, the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Adelaide Brighton Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Adelaide Brighton Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Adelaide Brighton Limited is not in accordance with the *Corporations Act 2001* including:

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1. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date;

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Kevin Reid
Partner

Adelaide
31 August 2016