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**Adelaide Brighton Ltd**  
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9 January 2004

The Manager  
Company Announcement Office  
Australian Stock Exchange Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

We enclose a copy of a letter titled "Independent Directors of Adelaide Brighton recommend acceptance of increased offer by Boral, in the absence of a superior proposal" which was dispatched to shareholders today.

Yours faithfully

**Marcus Clayton**  
Company Secretary

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7 January 2004

Dear Shareholder

**Independent Directors of Adelaide Brighton recommend acceptance  
of increased offer by Boral, in the absence of a superior proposal**

Adelaide Brighton Ltd (Adelaide Brighton) announced today that it has reached agreement with Boral Limited (Boral) whereby Boral has agreed to increase the value of its offer for Adelaide Brighton shares by 5 cents to \$1.60 per Adelaide Brighton share upon obtaining a relevant interest in at least 90% of the shares in Adelaide Brighton and Boral's offer becoming unconditional.

The Independent Directors of Adelaide Brighton (being Malcolm Kinnaird AO (Chairman), Chris Harris, Mark Chellew (Managing Director) and Les Hosking) also announced today that they intend to unanimously recommend acceptance of Boral's offer, in the absence of a superior offer. All Independent Directors intend accepting Boral's offer in respect of their personal shareholdings, in the absence of a superior offer.

Boral's increased offer represents a significant premium to Adelaide Brighton's recent trading price and is above the highest price that Adelaide Brighton shares have traded at since the company's restructuring in March 1999.

The increased offer capitalises Adelaide Brighton at \$867m and represents a premium of:

- 40.4% to the closing price of Adelaide Brighton shares on 15 December 2003, the day before the announcement of the offer by Boral; and
- 33.2% to the volume weighted average trading price of Adelaide Brighton shares for the month ending on 15 December 2003.

Adelaide Brighton has also agreed with Boral to provide certain information and assistance in relation to the offer and has entered into a non-solicitation agreement.

The Independent Directors of Adelaide Brighton and our advisers have negotiated an improved offer which we believe is in the best interests of Adelaide Brighton's shareholders, in the absence of a superior offer.

The Independent Directors believe that Boral's offer recognises the growth that Adelaide Brighton has achieved in the last few years for our shareholders and this confirms the soundness and success of our corporate strategy and its implementation.

We all believe that the increased offer provides a good result for our shareholders.

The Target's Statement is expected to be despatched to shareholders later in January.

Adelaide Brighton is being advised by Caliburn Partnership as financial adviser and Freehills as legal adviser.

If you have any questions in relation to the Boral takeover offer, please call our shareholder information service on 1800 339 522.

Yours sincerely

A handwritten signature in black ink that reads "Malcolm Kinnaird". The signature is written in a cursive style with a clear, legible font.

**Malcolm Kinnaird AO**

Chairman