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9 February 2004

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

RESULTS FOR YEAR ENDED 31 DECEMBER 2003

We attach copies of slides being shown by Mark Chellew, Managing Director of Adelaide Brighton, during briefings for analysts on the company's financial results for the year ended 31 December 2003.

Yours faithfully

MRD Clayton
Company Secretary



Adelaide Brighton Ltd

Full Year Results December 2003

9 February 2004



Adelaide Brighton Ltd

Overview

Mark Chellew
Managing Director



Agenda

- 2003 Results
- Strategic objectives
 - Focussed and relevant vertical integration
 - Lime business development
 - Cost reduction programme
- Acquisitions
- Operational review
 - Cement/Clinker
 - Lime
 - Concrete
 - Aggregates
 - Concrete Masonry Products
- Capital expenditure
- Financial results
- Outlook

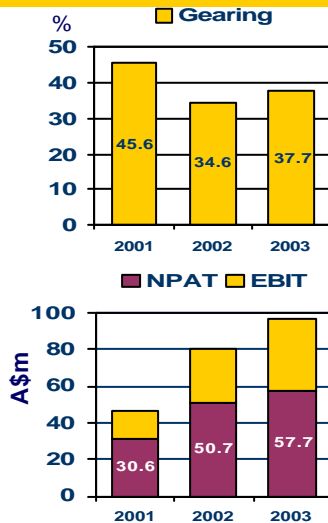


Results: Highlights

- Record net profit after tax and minorities of \$57.7m, an increase of 14%
- Earning per share increased to 10.7 cents
- Cement volumes up over 8% residential demand firm
- Lime volumes up approximately 2% from steady demand from resource sector
- Concrete volumes increase, full 12 month contribution from Hy-Tec operations
- Acquisition of C&M Brick and Rocla Masonry Products in July 2003 – 6 month contribution
- Safety programmes deliver significant improvement



Results: Earnings



- Sales revenue up 29.9% to \$619.6m
- EBIT increase 21.3% to \$97.0m
- NPAT increase 13.8% to \$57.7m
- EPS increase to 10.7 cents, up 8.1%
- Gearing 37.7% (net debt/equity)



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Full Year Results December 2003

Strategy: Overview

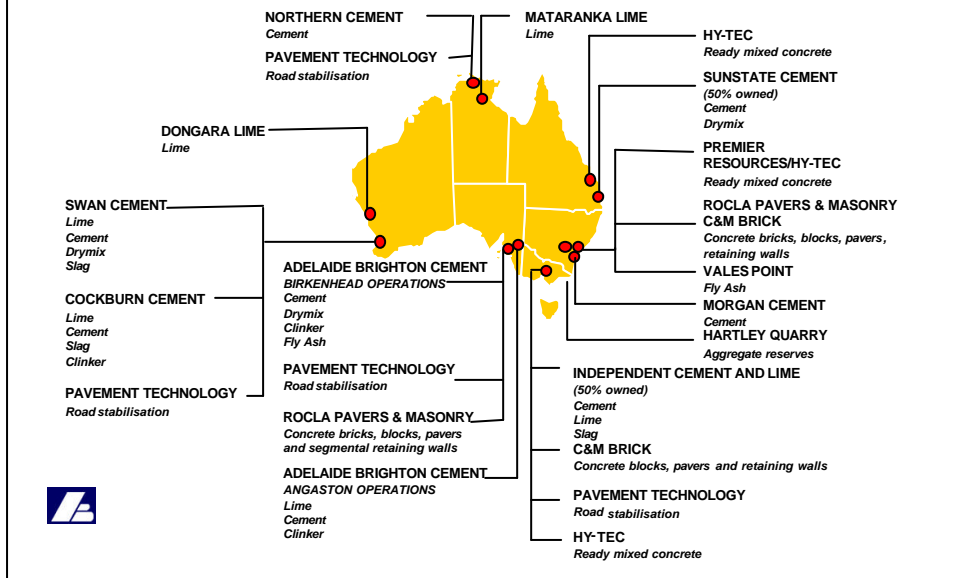
- **Focused and relevant vertical integration**
 - Concrete, Aggregates, Concrete Products
- **Lime business development**
 - Alumina and mining sector growth
- **Cost reduction programme**
 - Alternative fuels



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Full Year Results December 2003

Strategy: Adelaide Brighton geography



Strategy: Vertical integration

- Strategic positioning improved through downstream acquisitions in concrete masonry products July 2003
- Achieving security of supply for clinker and cement
- Growth sector
 - Markets NSW & Victoria
 - Renovations

Strategy: Integration acquisitions

➤ Rocla Pozzolans

- Acquired Rocla Pozzolans in 2H 2003 for circa \$5m
- Provides ABL security of supply of fly ash in NSW and 10% of NSW fly ash market
- Other 90% controlled by Flyash Australia
- Provides growth options to supplement clinker as cement base
- Clinker capacity is potentially limited long term in NSW
- Distribution business on sold to Titan for circa \$2m



Strategy: Integration acquisitions

➤ 55% C&M Brick and 100% Rocla Pavers and Masonry

- Rocla merged into C&M giving Adelaide Brighton 70% ownership of combined business
- Call option to buy out minorities at entry cost
- Immediate, national number two position in CP Sector
- Vic (No 1), NSW (No 2) and SA (No 2)

➤ Key synergies

- Little market overlap NSW, VIC & SA
- Management expertise marketing and manufacturing
- Product range rationalisation & manufacturing synergies
- Production efficiencies plant upgrades



Strategy: Lime business development

- **Steady demand and growth from the resource sector**
- **Telfer gold mine contract**
- **Continuous monitoring of potential opportunities to develop our lime business**
- **Mining developments provide medium term opportunities**
- **Incremental capacity improvements through capital upgrades**



Strategy: Cost reduction & performance improvement

- **Cost reduction programme on track to deliver \$20m+ annual savings by end 2005**
 - \$10.2m gross savings 2002 - 2003
 - Workforce changes complete (Accolade)
 - Further consolidation of support systems
 - Alternative fuels now positioned as the future key driver
- **C&M Rocla will use similar approach**
 - \$2m acquisition synergies already ratified
 - Business combination under C&M brand
- **Hy-Tec Concrete**
 - Plant structure optimisation
 - Systems and support overhead reduction potential



Strategy: Alternative fuels & raw materials

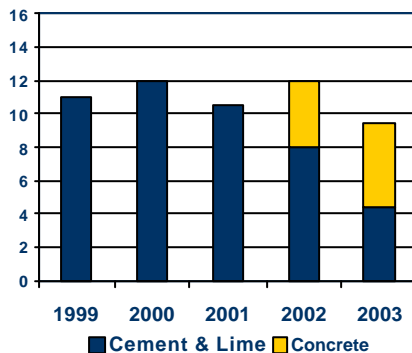
South Australian Environment Protection Authority agreement in principle for alternative fuels

- **Birkenhead**
 - Black Sand
 - Demolition Wood Waste
 - Carbon Powder
- **Angaston**
 - Carbon Powder – product impact under review
- **Annualised savings target \$8m over 2001 base**



Operational review: Improved safety performance 1999 - 2003

LOST TIME INJURY FREQUENCY RATE



- Strong focus on safety improvement
- Stringent systems implemented in all cement and lime sites
- Continuous training and risk assessment
- Accreditation for workers compensation self insurance in SA & WA
- Systems being implemented in Hy-Tec Concrete & C&M



Operational review: Cement / Clinker

- **2003 domestic cement volume increase over 8%**
- **Cement prices relatively stable in 2003**
- **Record production at Birkenhead and Munster in 2003**
- **Clinker shipments down 20%**
 - Lower sales to BGC in WA
 - January gas outage in SA deferred shipments to Sunstate 1H
- **Strong performance from JV's ICL and Sunstate Cement**
- **Evolving relationship with Global Cement**
 - Services remote markets in Australia
 - Expertise and facilities in bulk bag import market



Operational review: Lime

- **Steady volume increase over 2%**
- **Strong demand continues from mining and resource sectors**
- **Capital investment will be used to optimise existing capacity**
- **Continuing to review options for production base**
- **Environmental investment programme 2004 - 06**



Operational review: Lime use

- **Core commodity, its many uses form the base for future demand:**
 - **Stabilisation: road surfaces sub soil binder & workability**
 - **Water treatment: hardness reduction & sewage treatment**
 - **Steel production: flux combines with impurities to form slag**
 - **Metallurgical process: copper, alumina, magnesium, gold**
 - **Building and construction: mortars, plaster**
- **An important balance to ABL product portfolio**

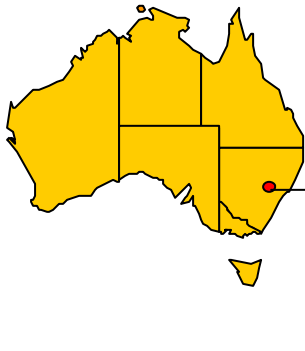


Operational review: Concrete

- **Volume increases in all markets**
- **Sales margins maintained**
- **North Melbourne plant commissioned in Q4 2003**
- **Hy-Tec meeting strategic objectives**
 - **Cement pull through in Victoria**
 - **NSW & QLD market growth**
- **Queensland performance exceeding expectations**



Operational review: Aggregates



HARTLEY QUARRY
Aggregate reserves

- Hartley Quarry estimated 200 million tonnes reserves
- Penrith Lakes Scheme depletion end of 2010
- Downstream position significant use of aggregates in Qld, Vic, SA and NSW
- Strategic sand reserves in WA – currently considering market entry methodology

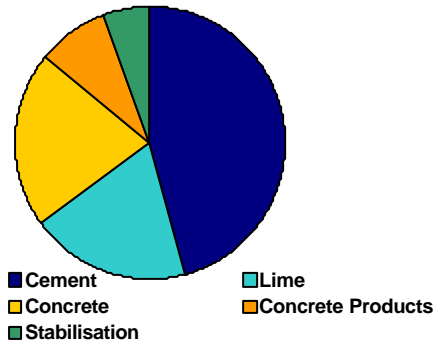


Operational review: Concrete masonry products - C&M Rocla

- C&M Rocla performing above expectations
- Management integration of C&M Rocla complete
- \$2m+ synergy benefits confirmed
- Nowra NSW plant due for completion Q1 2004
- Program underway to upgrade operational performance of plants in NSW & SA
- Capacity enhancements expected from improved plant product mix
- Potential to increase concrete products share of the construction sector
- New product development ongoing



Revenue segmentation 2003



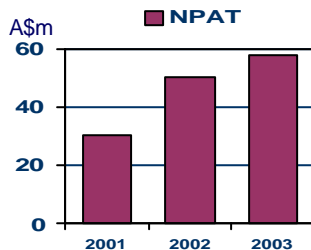
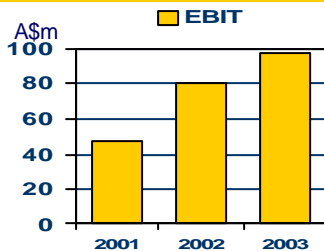
- Emerging downstream scale
- 2003 growth in cement, loss in clinker
- Future growth in lime



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Full Year Results December 2003

EBIT growth



- Cement & lime volume growth, clinker sales decline
- Some pricing benefit 02 - 03
- Benefits from cost reduction programme
- Full year contribution from Hy-Tec Concrete
- Half year contribution from C&M Rocla
- Improved contribution from Joint Ventures



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Full Year Results December 2003

Key EBIT variances 2002 - 2003

	\$m	
EBIT 2002	80.0	
Sales volume and price	14.6	
Acquisitions	7.8	
Cost reduction and perf improvement	10.2	
Redundancy cost 2002	1.5	\$2.9m spent 2003
Gross benefit	114.1	
Shutdown costs cement	(6.0)	Cost and amortisation
Cost inflation	(4.8)	Wages and materials
Accounting policy standardisation	(1.7)	Inventory obsolescence
Admin overhead	(1.9)	Advisory and legal costs
Amortisation	(1.4)	Premier earn out C&M
Prior year expenses	(1.3)	Balance sheet write downs
EBIT 2003	97.0	

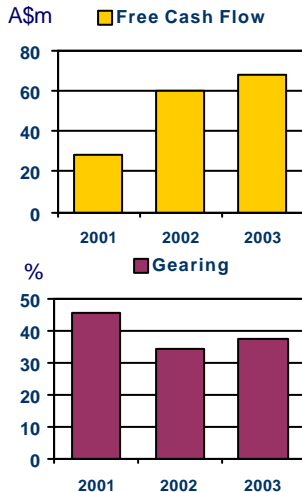


Tax

- Full tax charge in 2003 effective rate 31%
- Partial tax payable on 2003 profits
- Net operating losses utilised
- Tax Consolidation in 2004
 - Simplifies tax filing
 - Significant potential to increase tax asset base
 - Increase tax depreciation & lower future tax charge



Free cash flow & gearing



- Cash flow from operations \$127.9m (2002 \$98.4m)
- Free cash flow \$68.2m (2002 \$60.7m) due to increased capital expenditure
- Continued focus on working capital control, inventory & AR
- Interest cover 7.7 times v 6.1 times in 2002
- Accounting gearing reduced to 37.7% at 31 Dec (2002 34.6%)



Performance measures

12 Months (A\$ million)	Dec 03	Dec 02
Sales	630.6	486.8
Gross profit	142.7	119.2
Administration	45.4	36.2
NOPAT	57.7	50.7
Net Assets	575.6	525.8
Gross profit margin	29.2%	24.5%
Return on Net Assets	10.0%	9.6%
Admin / Sales %	7.2%	7.4%



Cash flow

12 Months (A\$ million)	Dec 03	Dec 02
Cash flow from operations	127.9	98.4
Capital expenditure	(60.7)	(39.8)
Proceeds from asset sales	1.0	2.1
Free cash flow	68.2	60.7
Acquisitions	(63.1)	(20.9)
Equity raising	0.7	49.7
Dividends paid	(29.8)	(23.0)
Net debt inflow (outflow)	(24.0)	66.5



Capital investment

- Capital expenditure \$60.7m (2002 \$38.8m)
- Depreciation \$52.3m (2002 \$45.1m)
- Significant investments to improve operating capacity
 - Birkenhead cooler upgrade
 - Alternative fuels handling
 - Angaston raw materials & dispatch
 - Kwinana packing plant expansion
 - North Melbourne ready mixed concrete
 - Hy-Tec NSW & Queensland mixer trucks
 - C&M Nowra plant and Rocla upgrades
- Munster environmental programme



Balance sheet: Key indicators

		Dec 03	Dec 02
Net debt	(\$m)	217.1	181.8
Interest	(\$m)	(12.6)	(13.1)
Gearing (Net debt/equity)		37.7%	34.6%
Interest cover	(times)	7.7	6.1
NTA/share	(cents)	75.5	70.0



Adelaide Brighton Ltd

Summary

Mark Chellew
Managing Director



Achievements

- **Strategy definition**
- **Strategy implementation**
- **\$50m Rights Issue at \$0.75 per share**
- **Successful acquisitions**
 - Premier Resources (Hy-Tec Concrete)
 - Neil Mansell Concrete
 - C&M Brick
 - Rocla Pavers and Masonry
 - Rocal Pozzolans
- **Capacity improvement: Birkenhead, Munster and Angaston**



Achievements

- **Workplace reforms**
 - Birkenhead EBA
 - Accolade manning
 - Angaston EBA
- **Sales price improvements and stability**
- **Safety, management systems and performance improvement**
- **Leader in power management in South Australia**
- **Environmental management improvements**
- **Long-term shellsand dredging approval WA**



Achievements

- **Alternate fuels programme well advanced**
 - **Birkenhead: black sand, demolition wood waste and carbon powder**
 - **Angaston: carbon powder**
 - **Waste stream sourcing well advanced**
- **Boral revised offer price of \$1.60 per ABL share – an attractive premium on last share trading price pre takeover announcement**



Boral takeover offer

- **Boral acquired 19.9% of ABL shares on 16 December 2003**
- **Boral announced conditional takeover offer of \$1.55 per ABL share**
- **On 7 January 2004 ABL Independent Directors recommend increased offer by Boral of \$1.60 per share, in the absence of a superior offer**
- **Boral Bidder's Statement dispatched on 30 January 2004**
- **ABL's Target's Statement dispatched on 6 February 2004**
- **Boral's offer closes 10 March 2004**
- **The offer by Boral to acquire all of the shares in ABL remains subject to a number of conditions**



Outlook: Market conditions

- **Market conditions to remain at current robust levels in cement for 1H 2004**
- **Demand from engineering and non-residential sectors expected to offset potential lower activity in residential sector**
- **Demand from mining and resource sectors should continue to be show steady growth**
- **Steady growth in lime from resources sector**
- **Rising shipping freight charges from Asia has ameliorated the effect of the strong A\$**



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