

ADELAIDE BRIGHTON LTD NOTICE OF MEETING

Notice is given that the 2008 Annual General Meeting of Adelaide Brighton Ltd (the Company) will be held at the Ballroom, Level 1, Sebel Playford, 120 North Terrace, Adelaide, South Australia 5000, on Thursday 15 May 2008 at 11.00am.



Adelaide Brighton Ltd

ABN 15 007 596 018

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Ordinary business

Financial Report

- 1 To receive and consider the financial report of the Company and the reports of the Directors and auditors for the financial year ended 31 December 2007.

Election of Directors

To consider, and if thought fit, to pass the following resolutions as ordinary resolutions:

- 2 "That Mr J D McNerney, being a Director of the Company who retires by rotation under rule 7.1(d) of the Company's constitution and, being eligible, is re-elected as a director of the Company."
- 3 "That Mr G F Pettigrew, being a Director of the Company who retires by rotation under rule 7.1(d) of the Company's constitution and, being eligible, is re-elected as a director of the Company."

Special business

4 Directors' remuneration

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That the maximum aggregate amount of remuneration which may be paid out of the funds of the Company to the Directors (excluding a Managing Director or other Director in receipt of salary from the Company) for their services be increased by \$250,000 to a maximum sum of \$950,000 per annum with effect from 1 January 2008 to be divided among those Directors in such manner as they may determine."

Voting restriction on resolution 4

The Company will disregard any votes cast on resolution 4 by any Director of the Company or any of their associates unless the vote is cast by:

- a person as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form; or
- the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5 Remuneration Report

To adopt the Remuneration Report for the financial year ended 31 December 2007.

The Remuneration Report is set out on pages 38 to 48 of the 2007 Annual Report. Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

By order of the Board

Marcus Clayton
Company Secretary

10 April 2008

Voting information

- 1 For the purposes of the meeting, shares will be taken to be held by the persons who are the registered holders at 10.00pm (Adelaide time) on Tuesday 13 May 2008. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.
- 2 A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:
 - appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act 2001 (Cth)*; and
 - provides satisfactory evidence of the appointment of its corporate representative.If such evidence is not received at least 48 hours before the meeting, the body corporate (through its representative) will not be permitted to act as a proxy.

A form of appointment of proxy is enclosed. To be effective, the document appointing the proxy (and a certified copy of the power of attorney, if any, under which it is signed) must be received by the Company at least 48 hours before the meeting. The documents should be lodged with the Company:

 - by delivery, or by mail, to the Company's registered office at Level 1, 157 Grenfell Street, Adelaide, SA 5000;
 - or by facsimile to the Company on (08) 8215 0030 (international +(618) 8215 0030).

A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using the enclosed proxy form, an additional form of proxy is available on request from the Company.

- 3 A representative of a company attending the meeting must present satisfactory evidence of his or her appointment to attend on its behalf, unless previously lodged with the Company.
- 4 Please refer to other notes appearing on the enclosed form of proxy.

Explanatory notes to shareholders

Resolutions 2 and 3 Election of Directors

Mr J D McNerney and Mr G F Pettigrew retire by rotation and offer themselves for re-election.

The experience, qualifications, competencies and other information about the candidates appear below:

Mr J D McNerney *BE, MEng Sc, MIE, MBA, CEng, FIEI*

Mr McNerney, 63 years of age, joined the Board in June 2002 as an RMC Group plc nominee Director. Mr McNerney ceased to be a nominee of RMC Group plc at the end of April 2004 and continues as an independent non-executive Director. He is a member of the Independent Directors' Committee and Safety, Health and Environment Committee.

Mr McNerney has over 37 years experience in the construction materials industry and was formerly Managing Director and non-executive Director of Readymix plc, a listed construction materials company based in Ireland. He retired from Readymix plc as Managing Director at the end of 2003. Mr McNerney is a Director of Plato Ireland Ltd.

The Board has reviewed the performance of Mr McNerney and confirmed its support for his re-election as a Director of the Company.

Mr G F Pettigrew *FPNA, FAIM, FAICD*

Mr Pettigrew, 59 years of age, joined the Board as an independent non-executive Director in August 2004. He is Chair of the Safety, Health and Environment Committee and a member of the Audit, Risk and Compliance Committee, Independent Directors' Committee and Nomination and Remuneration Committee.

Mr Pettigrew has extensive experience in the building materials industry and previously held the position of Chief Executive Officer of CSR Building Products. He has broad management experience gained in South East Asia and the United Kingdom through his former positions as Managing Director of Chubb Australia Limited and Wormald Security Australia Pty Ltd. Mr Pettigrew is a Director of Lafarge Plasterboard Pty Ltd and Atlas Group Holdings Limited.

The Board has reviewed the performance of Mr Pettigrew and confirmed its support for his re-election as a Director of the Company.

Special business

Resolution 4 Directors' remuneration

Under the Company's constitution, the fees payable to non-executive Directors for their services as Directors are determined by the Board within a maximum aggregate amount approved by shareholders for that purpose. The present maximum of \$700,000 per annum was approved by shareholders at the May 2005 Annual General Meeting.

Details of non-executive Directors' remuneration are disclosed on page 39 of the 2007 annual report. The total aggregate amount of remuneration paid out of the funds of the Company to non-executive Directors for the financial year ended 31 December 2007 was \$643,250.

For the purposes of rule 7.3(a) of the Company's constitution and ASX Listing Rule 10.17, shareholder approval is sought to increase the maximum aggregate amount which can be paid as remuneration to the non-executive Directors, by \$250,000 from \$700,000 to \$950,000 per annum.

Adelaide Brighton undertakes regular reviews of the fees paid to non-executive Directors to ensure that the fees paid by Adelaide Brighton are competitive and enable the Company to attract and retain high calibre Directors. This review includes consideration of fees paid to non-executive Directors of comparable Australian listed companies. Particular Director's performance, duties and responsibilities, the market comparison and independent advice are all considered as part of the review process.

Increasing the maximum amount of non-executive Directors' remuneration payable does not mean that the whole of the new maximum aggregate will be used immediately. However, it will provide the Board with the ability over time to increase non-executive Directors' fees in line with market conditions, in order that the Company can continue to attract high quality Directors and if appropriate, modestly increase its number of Board members.

Shareholders should note that the proposed increase in Directors' remuneration does not relate to salaries paid to executive Directors in their capacity as executives of the Company. Executive Directors do not receive remuneration in the form of Directors' fees in addition to their salaries.

Resolution 5 Adoption of Remuneration Report - non-binding advisory vote

As required by the *Corporations Act*, the Board is presenting the Company's Remuneration Report to shareholders for consideration and adoption by a non-binding advisory vote. The Remuneration Report is set out on pages 38 to 48 of the 2007 annual report.

The Remuneration Report:

- describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of employees and the Company's performance;
- sets out the remuneration arrangements in place for each Director during the year and for certain key members of the senior management team, including performance conditions applicable to 'at risk' remuneration for certain senior executives;
- explains the differences in approach for remunerating non-executive Directors and executives of the Company, including the Managing Director.

A reasonable opportunity for discussion of the Remuneration Report will be provided at the Annual General Meeting. The vote on resolution 5 is advisory only and does not bind the Directors or the Company. Nevertheless, the Board will take into account the outcome of the vote when considering the future remuneration arrangements of the Company.

The Board recommends that shareholders vote in favour of resolution 5.

