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18 February 2010

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

Dear Sir/Madam

RESULTS FOR YEAR ENDED 31 DECEMBER 2009

We attach copies of slides being shown by Mark Chellew, Managing Director of Adelaide Brighton, during briefings for analysts on the company's financial result for the year ended 31 December 2009.

Yours faithfully

MRD Clayton
Company Secretary

December 2009 full year result

18 February 2010



Agenda

- **Performance highlights**
- **Strategy development**
- **Divisional review**
- **Financials**
- **Outlook**

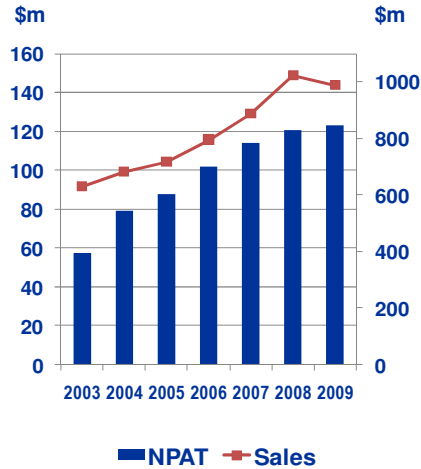
Overview

Mark Chellew
Managing Director and CEO

Performance highlights

Year ended 31 December \$m	2009	2008	% change
Revenue	987.2	1,022.4	(3.4)
EBIT	185.3	189.1	(2.0)
PBT	168.6	155.3	8.6
NPAT attributable to members	123.1	120.8	2.0
Cents			
EPS	20.4	22.2	(8.2)
Final dividend	8.0	8.5	
Full year dividend	13.5	15.0	

Performance highlights: sales and earnings

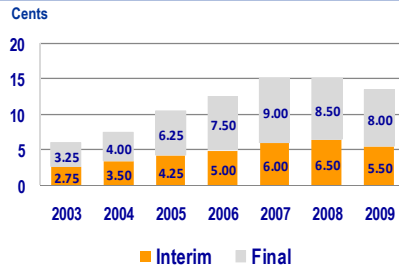


- Continued earnings growth despite weaker demand
- 3.4% decline in sales after first full year from Hanson Building Products acquisition
- Sales benefit from greater exposure to resource sector states and pricing
- Significant returns from internal Profit Optimisation Plans
- Lower finance expense underpins earnings

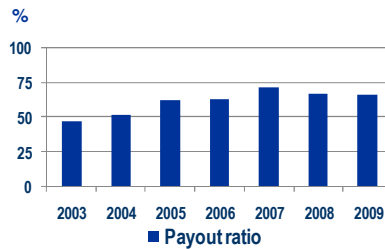
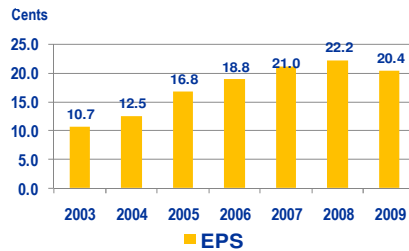
Adelaide Brighton Ltd Dec 2009 full year result



Performance highlights – shareholder returns



- Payout ratio consistent with prior guidance
- EPS decline due to equity issue



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Key 2009 profit drivers

- Adelaide Brighton's geographic and industry spread in the construction and resource sectors
- Sustained lime sales volumes to gold and alumina sectors
- 11% decline in cement sales offset by buoyant resource sector demand
- Cement and lime price increases recover inflationary cost pressures
- Achieved target EBIT delivery from Profit Optimisation Plans
- EBIT margin increased from 18.5% to 18.8%
- \$17.1m reduction in net interest
- \$8m unfavorable impact Australian dollar weakness versus 2008
- Effective management of insured risks
- Concrete Products integration benefits and Profit Optimisation Plans delivered second half earnings recovery

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Strategy overview

- **Focused and relevant vertical integration**
 - Concrete and Aggregates
 - Concrete Products
- **Lime development**
 - Current demand cycle level due to global recession
 - ABL assessing future demand growth projections
- **Cost reduction and operational improvement**
 - Profit Optimisation Plans
 - Retention of benefits to date

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Strategy overview – lime development

- **Lime volume development constrained**
 - Resource sector constrained - lime demand level over pcp
 - Solid average price increase - 6% over pcp
 - IPP may constrain potential future WA non alumina lime price increases – threat of imports emerging
 - Large alumina contracts expire 2012 and 2014
 - Australian alumina sector resilience on world scale
 - Resource sector growth will drive future lime demand
 - ABL assessing phases II and III of Munster kiln capacity increase

Performance management

Performance management underpins 2009 earnings

- **Electricity and gas price/supply risk management**
 - SA electricity demand management
 - SA gas contracts - commodity and supply
 - WA coal fuel strategy - Griffin Coal administration
- **Birkenhead OIP shutdown strategy**
 - Major annual maintenance shutdown completed successfully Feb 2009
 - Timing of shutdown mitigates exposure to high SA energy costs
- **2009 ABL Performance Optimisation Plans**
 - Delivered on targeted benefits

Profit Optimisation Plans

A rigorous review of all Divisions costs undertaken with key focus on:

- **Cement and Lime**
 - Contractor utilisation
 - Key contract expenditures
 - Maintenance planning expenditure and control
- **Concrete and Aggregates**
 - Increased use of alternative materials
 - Matching operating capacity to meet market demand
- **Concrete Products**
 - Optimising integration synergies
 - Matching operating capacity to meet market demand

Capital management strategy

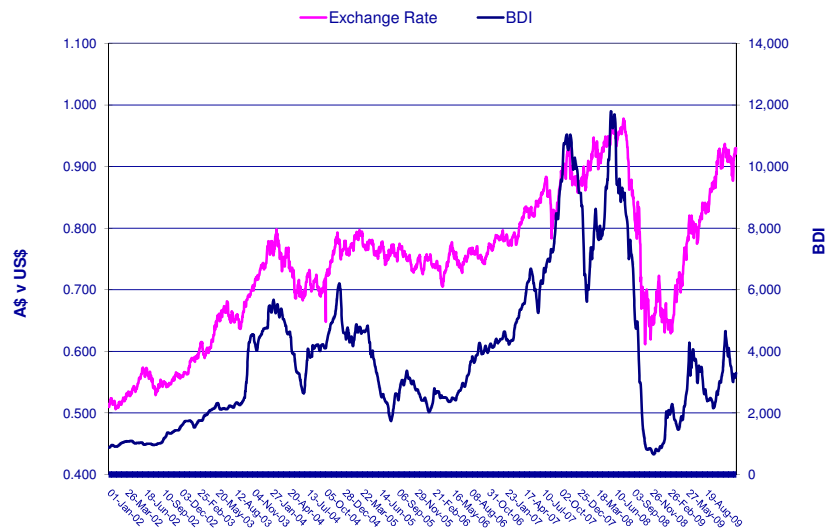
- **Balance sheet flexibility secured in uncertain credit markets**
- **Net debt \$175.4m - gearing 19.6%**
- **Institutional equity raising and Share Purchase Plan**
- **Dividend Reinvestment Plan**
- **51.8% increase in free cash flow**
- **Dividend Reinvestment Plan suspended for 2009 final**

Divisional reviews

Cement and concrete volumes and pricing

- 15% decline in Australian cement and concrete demand
- Federal stimulus programmes lead fourth quarter recovery in residential (first homeowner grant) and light commercial (schools)
- SA Q4 weaker due to Olympic Dam breakdown
- ABL achieved CPI+ price rises in WA, NT and SA
- Import Parity Pricing has begun to cap price potential in Q4 due to low shipping costs and strong AUD
- Negotiations ongoing for contracts expiring in 2010 and 2011

Australian dollar exchange rate v BDI



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Cement and Lime

Key energy supply and pricing challenges managed

- **Operational performance**
 - Birkenhead output dipped to 1.2mt due to 1H transformer fire and peak electricity demand operating constraints
 - Cost reduction from Profit Optimisation Plans
 - Successful management of *Accolade II* Klein Point jetty collision
 - No loss in output - higher raw material costs
 - Successful conclusion of insurance claim - \$2.6m excess cost impact
- **Energy costs managed**
 - Electricity and gas price impact below inflation
 - Munster coal strategy Griffin coal supply risk
 - Birkenhead alternative fuel use was 16% - anticipate increase in 2010

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Concrete and Aggregates

Increased EBIT from input cost recovery and cost reduction

- **Sales and marketing**
 - Concrete volumes weaker in all markets
 - Concrete price rises recovered raw material cost increases
 - Tight management of accounts receivable
 - Aggregate volume growth from regional demand
- **Operations**
 - Continued progress on concrete mix optimisation
 - Key contribution from fixed cost reduction
 - Ongoing optimisation of plant and mixer truck utilisation

Concrete Products

Second half recovery delivered \$4.4m EBIT

- **Sales and marketing**
 - Volumes down 25%. Some Queensland regions saw a 40% to 50% reduction
 - Price increases recover input cost escalation
 - Product range integration (Hanson – C&M)
 - Enhanced price control through SAP
- **Operations**
 - Integration synergies delivered from mid year. \$3m annual benefit
 - Profit Optimisation Plans return key fixed cost reductions
 - Plant configuration and capacity reduced to meet predicted market demand

Adelaide Brighton emissions update

Emissions trading and climate change

- ABL supports an Australian emissions trading scheme which does not jeopardise the competitiveness of domestic industry
- At \$40/tonne cost of carbon, ABL's direct emissions costs would be about \$5m by 2016
- Indirect electricity cost pass through at 85% and \$40/tonne would, however, cost about \$14m per annum
- ABL would encourage further focus on direct action and adaptation to the effects of climate change
- ABL has met National Greenhouse Energy Reporting deadline
- ABL continues to progress strategies to mitigate the future carbon risk
 - Optimising plant efficiency to benchmark standards
 - Substitution of cementitious additives and limestone filler
 - Targeting carbon offsets such as increased use of biomass fuels

2009 summary

- Eighth consecutive year of earnings growth despite demanding market conditions
- Input cost recovery from sales price increases
- Key delivery from self help cost reduction programmes
- Key operational challenges overcome
- Import Parity Pricing begins to impact sales price potential
- Resource sector cycle poised for a return to growth
- Effective capital management achieved balance sheet flexibility
- All operations sized to benefit from market recovery



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Financial results

Michael Kelly
Chief Financial Officer

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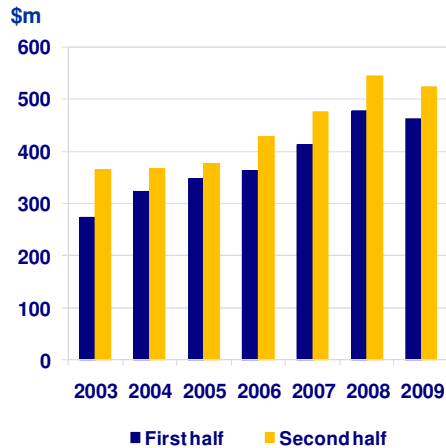
Summary earnings

12 months ended 31 December \$m	2009	2008	Change %
Revenue	987.2	1,022.4	(3.4)
EBITDA	242.1	245.9	(1.5)
EBIT	185.3	189.1	(2.0)
Net interest	(16.7)	(33.8)	50.7
Profit before tax	168.6	155.3	8.6
Tax expense	(45.4)	(34.5)	(31.5)
Minority interest	(0.1)	-	-
Net profit attributable to members	123.1	120.8	1.9

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Half year sales

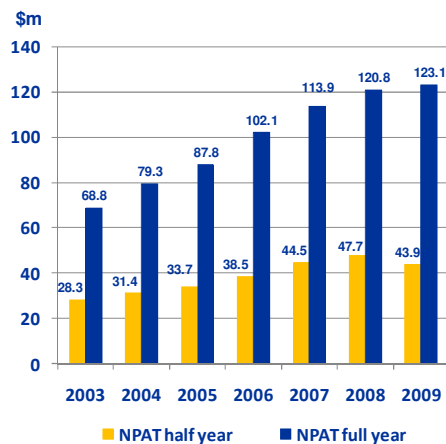


- First half sales decline continued into second half
- No Hanson Building Products sales in first half 2008
- Some optimism from final quarter cement demand

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Profit – half and full year



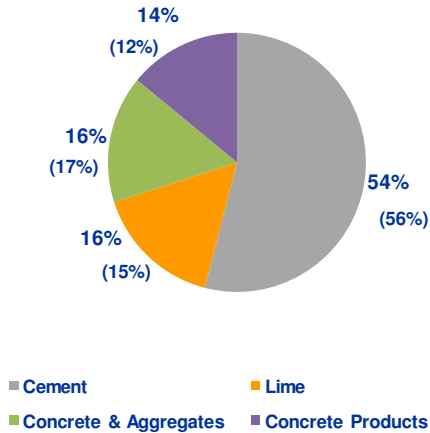
- Further increase in first half second half earnings spread
- H2 has full impact of sales price increases
- Additional H2 delivery from Profit Optimisation plans
- Concrete Products H2 profitability recovery
- Benefit from high Australian dollar in Q4
- Lower interest expense due to equity raising and cash rate reduction

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Turnover segmentation 2009

- Concrete Products growth due to Hanson Building Products acquisition
- Cement 11% volume decline
- Level lime demand
- Concrete increased - aggregates offset weaker concrete



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Concrete Products

Second half forecast earnings recovery achieved

12 months ended 31 December	2009	2008
\$m		
Sales	132.8	122.2
EBITDA	12.5	14.9
EBIT	4.4	8.5
EBIT margin	3.3%	7.0%

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Joint ventures

ICL, Sunstate Cement and others

12 months ended 31 December ABL 50% Share \$m	2009	2008	Variance %
EBITDA	42.7	46.2	(7.6)
NPAT	27.6	30.6	(9.8)

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Operating cash flow 2009

Strong growth in operating cash flow

12 months ended 31 December \$m	2009	2008
Net profit before tax	168.6	155.3
Depreciation and amortisation	56.8	56.8
Income tax	(30.9)	(40.8)
Change in working capital	4.1	(21.0)
Non cash items	(3.7)	6.3
JV equity profit less dividend received	(4.8)	-
Other provisions	(2.0)	(6.5)
Operating cash flow	188.1	150.1

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Working capital

Effective control over working capital

Year ended 31 December		2009	2008	Variance %
Trade and other receivables	\$m	162.8	151.6	7.4
Days sales outstanding	Days	47.6	48.7	2.3
Bad debt expense	\$m	(1.1)	(2.5)	16.0
Inventories: Cement and Lime	\$m	63.5	68.7	(7.6)
Concrete Products	\$m	35.2	36.9	(4.6)
Concrete and Aggregates	\$m	9.1	10.5	(13.3)
Total inventory	\$m	107.8	116.1	(7.1)

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Free cash flow and net debt 2009

\$50.9m - 51% growth in free cash flow

Year ended 31 December	2009	2008
\$m		
Operating cash flow	188.1	150.1
Capital expenditure	(43.1)	(56.0)
Proceeds on sale of fixed assets	4.1	4.1
Free cash flow	149.1	98.2
Investments and Joint Venture loans	(2.1)	0.5
Dividends paid	(45.6)	(76.3)
Proceeds from equity raising	111.0	-
Payments for controlled entities	-	(86.9)
Net debt (increase)/decrease	212.4	(64.5)

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Finance expense

**Reduced borrowings and lower cash rates deliver
50% reduction in total finance expense**

12 months ended 31 December \$m	2009	2008
Bank interest charged	15.7	32.2
Unwinding of discount on defined benefit super plan & remediation provisions	2.6	3.9
Exchange gains on foreign currency forward contracts	-	0.8
Total finance expense	18.3	36.9
Interest income	(1.6)	(3.1)
Net finance expense	16.7	33.8
Interest cover (EBIT times)	11.1	5.6

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Tax expense

- 2009 effective tax rate 26.9% (2008 22.2%)
- 2008 benefited from \$3.5m of one off tax credits
- Q4 \$7m tax refund benefit to 2009 cash flow

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Borrowings and gearing

Low debt and gearing gives balance sheet strength

Year end 31 December		2009	2008
Net debt	(\$m)	175.4	387.8
Net interest	(\$m)	(16.7)	(33.8)
Gearing - Net debt / equity		19.6%	55.3%
Net debt / EBITDA		0.7	1.6
Net tangible assets / share	(cents)	1.21	0.97
Return on capital employed		20.7%	26.9%



Adelaide Brighton Ltd

Outlook

Mark Chellew
Managing Director and CEO

Outlook

- Adelaide Brighton anticipates a 5% weakening in cement demand in 2010
- Continued weakness in commercial construction
- Lime demand level with possible resource sector upside
- Cement and lime price increases constrained by continued strength of Australian dollar and weaker IPP
- Threat of lime imports emerging
- Energy costs increase
 - Impact of higher energy prices is estimated to increase energy costs by \$8-\$10 million in 2010
 - SA gas - five year contract
- Import costs will continue at lower levels seen in Q4 2009
- Decline in NPAT for 2010 due to Adelaide Brighton's assumptions on the timing of market recovery, potential pricing constraint due to high Australian dollar and impact of increased energy costs