

ADELAIDE BRIGHTON LTD COMPLETES RESTRUCTURING

The Directors of Adelaide Brighton Ltd are pleased to announce that settlement has occurred in relation to the restructuring of the company involving a merger with Cockburn Cement Ltd, a subsidiary of The Rugby Group PLC, which was approved by shareholders at a meeting held on 14 May 1999.

The Adelaide Brighton Board met in Sydney today to finalise formal documentation and effect the settlement of the transactions. As a result Adelaide Brighton has formally:

- acquired all of the shares in Cockburn Cement Ltd for a price of \$230 million which has been funded by the issue of 200 million shares to the Rugby Group at \$1.15 per share.
- acquired the 49% interest in Adelaide Brighton Cement Ltd previously held by Australian Cement Holdings for \$82.9 million. This was funded by:
 - the successful completion of a rights issue raising \$39.2 million, of which 92.93% was provided by investors under the Prospectus (the remainder coming from the Underwriter of the issue), and
 - a further placement of shares to The Rugby Group PLC raising \$42.0 million.
- Entered into cement supply agreements with Australian Cement Holdings, CSR and Pioneer.

Speaking after the Board meeting, the Chairman of Adelaide Brighton Ltd, Mr Malcolm Kinnaird said he was delighted that the transaction is now complete.

“Whilst today marks the formal completion of the transaction, management of both Adelaide Brighton and the Rugby Group have already developed plans to give immediate effect to the rationalisation benefits which are an integral part of the restructuring. I have been pleased at the endeavour of all parties to pursue these efficiencies for the benefit of shareholders.”

Mr Kinnaird said that shareholders will receive an immediate benefit in the form of a capital distribution of 3.5 cents per share to be paid on 5 July, and further benefits over the longer term.

Mr Kinnaird confirmed that the newly structured Board will be in place as from tomorrow. Mr Richard England and Mr Neil Hamilton have retired and three new members have been appointed to the Board, effective 1 July 1999. They are:

- Mr Peter Crowley, Executive Director Cement and Lime of The Rugby Group PLC;
- Mr David Harding, Group Finance Director of The Rugby Group PLC; and
- Mr Harry Perkins, a Western Australian who is Chairman of Wesfarmers Limited and Director of a number of other companies.

Mr Kinnaird remains on the Board as Chairman along with Mr Chris Harris and Mr Richard Hammond, Managing Director of Adelaide Brighton.

Mr Kinnaird also announced that Mr Chris Foll has been appointed Group General Manager, Corporate Services which incorporates the roles of Chief Financial Officer and Company Secretary. Mr Foll has most recently held the position of Managing Director at QNI Resources Pty Ltd and prior to that he spent 3 years as General Manager Finance and Corporate Services at Queensland Cement Ltd.

Yours sincerely

R W HAMMOND
Managing Director

30 June 1999

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