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Adelaide Brighton Ltd
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Litigation Concluded with Australian Cement Holdings

Adelaide Brighton Ltd ("ABL") announces that the legal action initiated by Australian Cement Holdings Pty Limited ("ACH") concerning the acquisition by ABL of ACH's 49% shareholding in Adelaide Brighton Cement Limited in June 1999 has been concluded.

Adelaide Brighton Ltd will pay ACH an additional \$2.60 million in respect of the acquisition and \$0.76 million for legal costs and interest.

BACKGROUND

In June 1999, Adelaide Brighton Ltd acquired the outstanding 49% shareholding in its subsidiary Adelaide Brighton Cement Ltd from ACH for \$82.9 million. Subsequently, as noted in Adelaide Brighton's 2000 Annual Report, ACH initiated legal action against ABL seeking damages of \$9.5 million plus interest and costs.

The legal action has now been concluded in the Supreme Court of New South Wales. This settles all outstanding litigation with ACH on the acquisition. Adelaide Brighton has determined not to appeal the decision.

FINANCIAL IMPACT

The conclusion of the litigation will result in Adelaide Brighton Ltd making a one off cash outlay of approximately \$3.35 million (including legal costs and interest). This payment will be made before 31 December 2001.

The effect on the Group's accounts will be to increase the goodwill incurred in the acquisition of Adelaide Brighton Cement Ltd by \$3.35 million. This will be amortised over 20 years. The increase in the Group's amortisation charge for the year ended 31 December 2001 will be \$0.42 million reflecting the period from 1 July 1999 to 31 December 2001. In subsequent years, it will increase the Group's annual goodwill amortisation by \$0.17 million.

Adelaide Brighton's new Managing Director, Mr Mark Chellew said, "Adelaide Brighton is satisfied with the outcome of these legal proceedings. It allows us to put this outstanding issue with ACH behind us and focus on the future."

Adelaide Brighton Ltd is Australia's largest cement and lime company and has operations in all mainland States and trades under the symbol ABC on the Australian Stock Exchange.

For further information contact:

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