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## **1999 ANNUAL GENERAL MEETING**

### **ADDRESS BY THE MANAGING DIRECTOR, MR RICHARD HAMMOND**

Ladies and gentlemen,

The last year at Adelaide Brighton has been one of enormous challenge and considerable excitement which affected all levels of the organisation.

Once the restructure was announced, it was imperative to ensure it worked from July 1 this year – and it is this transition from the old to the new Adelaide Brighton which has been the focus of intense work since March this year.

I can say that we have managed the smooth and successful integration of two companies with different cultures and histories into one major player in the Australian industry. Much remains to be done to extract further benefits but we have got off to a good start.

Without wishing to single out any particular area of the company, it would be remiss of me not to acknowledge the effort of our accounting team. They have had to deal with significant changes in personnel and to implement the many changes required – systems, changes to reporting periods, the need to develop two budgets and two financial year ends within one cycle. This has all had to be done—while the rationalisation is being done to achieve merger savings.

There has been a particular focus on our Western Australian operations where we have combined the operations of two significant plants – the Cockburn Cement and Lime Plant at Munster and the Swan Cement Plant at Kwinana.

The other key rationalisation initiative announced was the closure of the Geelong plant towards the end of the year 2000.

I would like to acknowledge the professionalism of our Geelong employees since the restructure was approved. Few shareholders will forget their attendance at the Extraordinary General Meeting in May. They have accepted the inevitability of the decision, and have applied themselves with dignity and pride to maintaining the efficient operation of the plant. There has been no lost production and the plant is functioning well

There are many challenges ahead, but we remain confident that the projected savings will be achieved and the effects of these will become apparent over the next 18 months to two years.

Some of these savings may, unfortunately, be diluted by pricing pressures. Shareholders would be aware from statements contained in various documents such as the Annual Report of the increasing threat of imported cement, which has now affected every mainland state except Western Australia .

Your company has been a central part of strenuous efforts to impress upon the Federal Government the seriousness of this threat to the viability of the industry.

The Government accepts that dumping is taking place. Thus far we have had difficulty in persuading them that the industry has suffered material injury. We do however confidently expect, within a very short time, an announcement that a full dumping inquiry will commence.

Over the last ten years Adelaide Brighton has investigated every possible scenario to maximise the value of our assets and to grow our business. We have invested in new plant, we have diversified, we have explored new technologies.

We enter the twenty first century as we began it – a specialist producer of cement and lime.

We have emerged from this process as a larger, stronger company in the Australian industry. We have initiated industry rationalisation and have introduced a global partner into the company. The company and the Building Materials Industry faces ongoing challenges, but Adelaide Brighton is now financially stronger than ever before.

The company is now part of a global building materials Group, and I believe that history will show that we were the first, but certainly not the last, of the Australian owned Building materials companies to become part of the global industry.

I would like to express my thanks to the Board, the management team and all employees of Adelaide Brighton for their support over the last few years. I would also like to express my appreciation to shareholders who have suffered losses as the industry has changed, but who have maintained their loyalty and support.

Adelaide Brighton now has better quality businesses, a stronger financial base and a first class Board and Management team. The company is well positioned to face these challenges and start to return real value to shareholders once more.

I wish you all the best for a profitable and growing future.