

*Level 1
157 Grenfell Street
Adelaide SA 5000*

*GPO Box 2155
Adelaide SA 5001*



*Adelaide Brighton Ltd
ACN 007 596 018*

*Telephone (08) 8223 8000
International +618 8223 8000
Facsimile (08) 8215 0030
www.adbri.com.au*

1 July 2008

Company Announcement Office
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

We enclose a presentation in relation to Adelaide Brighton's acquisition of Hanson Building Products Pty Ltd being delivered to analysts today for release to the market.

Yours faithfully

Marcus Clayton
Company Secretary



Adelaide Brighton Ltd

Acquisition of Hanson Building Products Pty Ltd

1 July 2008



Agenda

- **ABL strategy**
- **Strategic rationale**
- **Market share**
- **Transaction details**
- **Business description**
- **Synergies**
- **Transaction summary**

Adelaide Brighton profile

- ABL is a leading Australian integrated construction materials and lime producing company, heavily focussed on the growing resources, engineering and infrastructure sectors
- Well positioned to supply all mainland states from its domestic manufacturing base complemented by long term supply contracts for imported clinker and cementitious materials
- S&P/ASX 200 company with market capitalisation around \$2 bn
- 1,550 employees with operations in all states and territories
- Market leader in lime manufacture in Australia; number two in cement; market leader in concrete products and a modest position in the aggregates and ready mixed concrete market

Adelaide Brighton's strategy overview

- Vertical integration – develop downstream positions in ready mixed concrete, aggregates and concrete products to:
 - provide a platform for growth; and
 - provide security of outlets for cement and clinker
- Lime business – identify opportunities to expand the lime business and leverage market position in WA, SA & NT to improve margins
- Progress operational improvement – improve operating capacity from existing cement & lime assets and cost down reduction programme

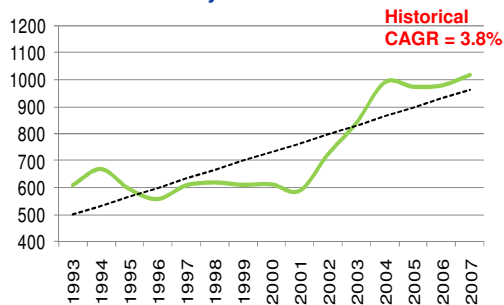
HBP strategic rationale

- HBP acquisition is consistent with Adelaide Brighton's strategy of developing downstream positions in concrete products
- It establishes Adelaide Brighton as the number one player in the Australian masonry market with > 1.1mt annual sales
- HBP was determined to be the preferred option for Adelaide Brighton to enter the Queensland masonry market, which is the largest and fastest growing in Australia
- The combination of C&M with HBP is projected to result in firm synergies of approximately \$3.0m per annum:
 - consolidation of back office functions
 - operational efficiencies through capacity utilisation
 - procurement leverage and inter plant logistics

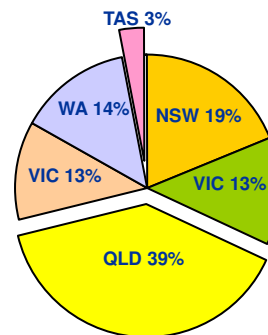
Australian masonry market

Queensland masonry market is the fastest growing and largest in Australia

Queensland masonry historical volume 1993-2007



Source: ABS — Historical — Trendline



Masonry competitors by state

The combined business will hold the number one market position

	NSW	VIC	QLD	SA	WA	TAS	Australia
<u>HBP / C&M</u>	<u>#2</u>	<u>#1</u>	<u>#1</u>	<u>#2</u>		<u>#1</u>	<u>#1</u>
<u>Boral</u>	<u>#1</u>	<u>#2</u>	<u>#2</u>	<u>#1</u>	<u>#2</u>		<u>#2</u>
<u>Austral</u>		<u>#3</u>	<u>#3</u>				<u>#3</u>
<u>BCG</u>					<u>#1</u>		<u>#4</u>

HBP transaction details

The transaction will be EPS accretive from 2008 and debt funded within existing facilities

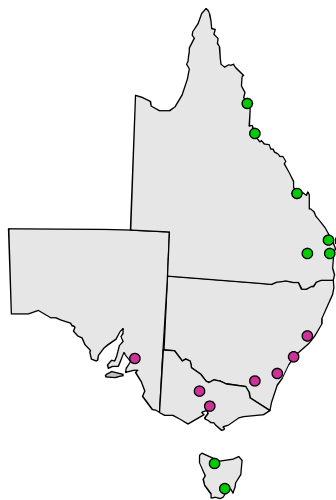
- Purchase price \$81.0m
- Post transaction gearing will be at upper end of Company's 40%-60% preferred target gearing range
- ABL will reinstate the Dividend Reinvestment Plan from the interim dividend
- High quality assets – minimum transactional goodwill
- CY07 earnings
 - EBITDA \$11.6m
 - EBIT \$8.0m
- Synergies \$3.0m by end 2010
- Multiples

	Pre synergies	After synergies
– EBITDA	7.0	5.6
– EBIT	10.1	7.2

HBP business description

- Hanson Building Products Pty Ltd in Australia operates six concrete masonry plants in Queensland and two in Tasmania
- HBP plants are well invested and maintained to high standards
- The business holds number one market positions in the Queensland and Tasmanian masonry markets
- 90% of HBP sales are from Queensland
- Queensland market long term growth based on infrastructure, resource sectors and long term population growth above the Australian average

ABL's concrete products facilities



Hanson

QLD: Cairns
Townsville
Gladstone
Maroochydore
Toowoomba
Staplyton

TAS: Ulverston
Hobart

C&M

SA: Ottoway
VIC: Bendigo
Campbellfield
NSW: Nowra
Moorebank
Newcastle

Business synergies

- Integration planned over 2008 – 2010
- Reduction in head office and support staff through the consolidation of the C&M and HBP head office functions
- Optimisation of logistics between Queensland and New South Wales
- Potential for future procurement scale
- IT systems consolidation. HBP advanced SAP ERP business systems base utilised for the combined concrete products businesses
- Operational improvements – benchmark and utilise the best practices from both business to improve operational efficiencies
- Branding – right to use the Hanson name for six months. In that time we will announce and roll out a new concrete products brand

Transaction summary

- Acquisition consistent with Adelaide Brighton's strategy
- \$81.0m transaction – earnings accretive from 2008 (before synergies)
- Managed within Adelaide Brighton's 40% - 60% gearing range
- Complementary geographic and product fit
- Realistic 5.6 times multiple after synergies
- Synergies delivered over 2008 – 2010
- High quality assets; minimal transactional goodwill
- Leverage through people skills – technical and operational
- Endorses Adelaide Brighton's commitment to concrete products masonry