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31 May 2007

The Manager
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

We attach copy of presentation being made to Analysts/Investors today during a tour of Adelaide Brighton's Western Australian today and South Australian operations on Friday 1 June 2007.

Yours faithfully

Marcus Clayton
Company Secretary



Adelaide Brighton Ltd

Analyst/Investor Tour

31 May (Perth) – 1 June 2007 (Adelaide)



Agenda

- Profile and geographic presence
- Strategy overview
- Divisional review and markets
- Outlook



Our business

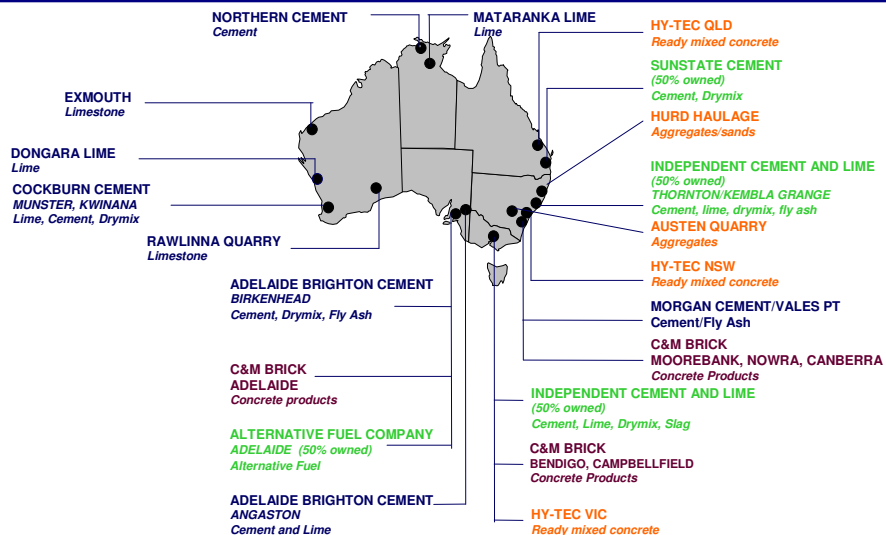
- Leading Australian integrated construction materials and lime producing company, heavily focussed on the growing resources, engineering and infrastructure sectors
- Well positioned to supply all mainland states from its domestic manufacturing base complemented by long term supply contracts for imported clinker and cementitious materials
- S&P/ASX 200 company with market capitalisation around \$2 billion
- 1,300 employees with operations in all mainland states and territories
- Market leader in lime manufacture in Australia, number two position in cement and concrete products and modest position in the ready mixed concrete market



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3

Adelaide Brighton geographic presence



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4

Strategy overview

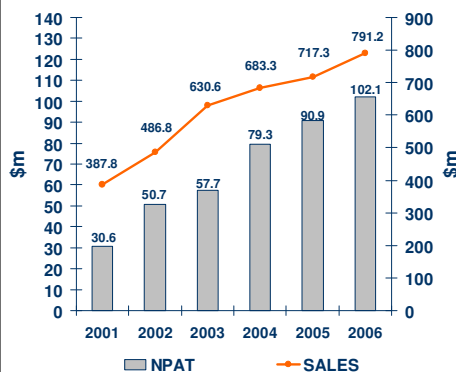
- **Focused and relevant vertical integration**
 - Downstream concrete – cement pull through
 - Concrete products – long term growth in higher margin market sectors
 - Upstream into aggregates and sand
- **Lime business development**
 - Alumina, steel, gold and other resources sector growth
- **Operational improvement programme**
 - \$25m EBIT cement and lime improvement over the next four years
 - Lime and cement reliability and process improvement plans



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5

Financial performance - six year trend



- Continued robust demand in core Adelaide Brighton markets
- Growth in cement and lime volume and price
- EBIT margins maintained despite acute energy cost increases in Western Australia
- 2007 includes \$2.1m final tax consolidation credit



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6

Financial performance overview

- Adelaide Brighton has enhanced its status as a leading producer of construction materials and lime
- Record 2006 result as cement and lime volumes, pricing and operational improvements offset fundamental inflationary pressures
- Increased shareholder returns through both dividend and share price growth
- Cement and lime plant performance excels at near capacity levels
- Successful actions taken to mitigate acute Western Australian gas pricing and supply constraints
- Hy-Tec and C&M Brick operational improvements



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7

Divisional review

Cement and Lime



Northern Cement
UNITED

Concrete and Aggregates

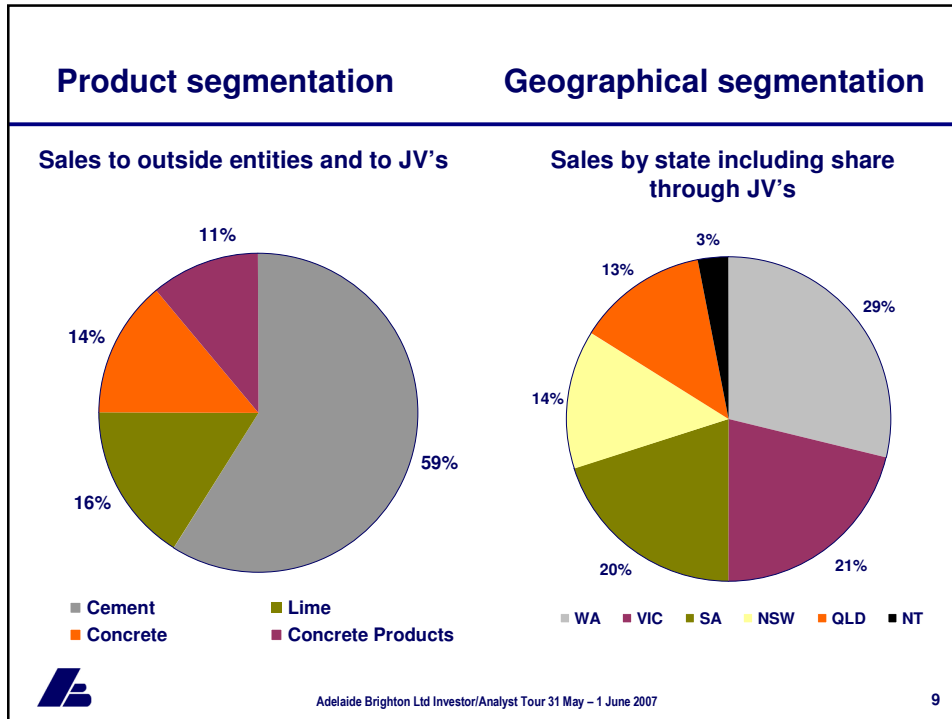


Concrete Products



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8



- ## Market overview
- **Cement**
 - South Australia and Western Australia: demand remains robust
 - Further growth in Queensland market
 - Strong demand from Victoria
 - New South Wales: Weaker 1Q demand
 - **Lime**
 - Forecast 320kt increase in demand by end 2012
 - Underlying strong demand continues from the mining and resource sectors
 - Expanded customer base in Kalgoorlie, Western Australia
 - **Concrete and aggregates**
 - Increasing demand in Queensland
 - Increased CBD work in Melbourne
 - New South Wales weakness continuing
 - **Concrete products**
 - Weaker demand in 1Q in New South Wales and Victoria, level demand South Australia
- Adelaide Brighton Ltd Investor/Analyst Tour 31 May – 1 June 2007 10

Cement and Lime

- All cement and lime manufacturing plants operating at, or close to capacity. Record production in 2006
- Cement capacity: 2.4 million tonnes per annum
- Lime capacity: 1.1 million tonnes per annum
- Adelaide Brighton has market leading positions in cement and lime in South Australia, Western Australia and Northern Territory and strategic cement positions in New South Wales, Queensland and Victoria
- End use markets:
 - Residential, engineering, infrastructure and resource sectors
 - Resource sector expansion driver in increased lime demand
- Long term flexible clinker and cement import supply contracts



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11

Lime demand – major projects

Incremental volumes over 2006 - timing of projects key

Project	'000t	2007	2008	2009	2010	2011	2012	2013	2014	Total
Hlsmelt Stage 1		15	20							35
Alcoa Pinjarra Expansion		20								20
Alcoa Wagerup 3rd Train					40	45	20			105
Boddington Gold				10	5	3				18
BHP Ravensthorpe Nickel		8	15	10	5					38
Hlsmelt Stage 2								50	50	100
Worsley Expansion 1										0
Worsley Expansion 2 (feasibility)					10	20	20			50
Ranger					20	20				40
Loongana Customers		20								20
TOTAL		63	35	20	80	88	40	50	50	426
Incremental totals			98	118	198	286	326			



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12

Cement and Lime - key developments

- **Cement and lime contract discussions over next eighteen months**
 - Supply of cement to Rinker / Hanson following expiry of existing contracts at end of 2008
 - Supply of lime to major alumina customers as they reach upper volume limits of current contracts
 - Realised lime price increases on some smaller short term contracts - circa 20%
- **ABL is the major importer of cementitious materials in Australia**
 - The strength of the Australian dollar has reduced ABL's purchase costs but has also increased the potential for import competition



Selected major contracts timing

Product	Expiry	Approx Annual Volume '000t
Quicklime	2009	50
	2011	500
	2014	150
Cement	2008	450
	2011	80
	2012	800



Cement and Lime - key developments

- **2007 maintenance programmes largely completed in first half year**
 - Provides base for optimum production to meet second half market demand
 - As in 2006, this timing will suppress half year result
- **Operational improvement programme commenced in early 2007**
 - \$25 million additional EBIT benefit progressively from 2008 to 2012, assuming volume assumptions are realised
 - Core benefits from increased market demand satisfied by increased output versus imports
 - Includes \$6m from 'cost down' programme

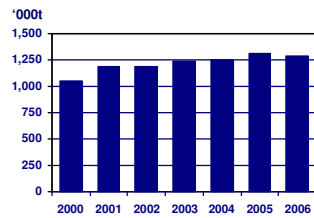


Cement and Lime 2007

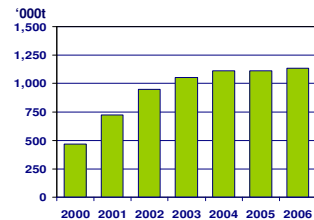
- **Cement price increases announced in SA and WA at circa inflationary levels**
- **Maintenance programmes predominantly undertaken in first half year, again suppressing first half result**
- **Emerging energy cost pressures electricity and gas**
- **Emerging trend in increasing cement intensity (sales mix) toward infrastructure and engineering sectors**



Birkenhead



■ Clinker output



■ Cement ground



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17

Birkenhead overview

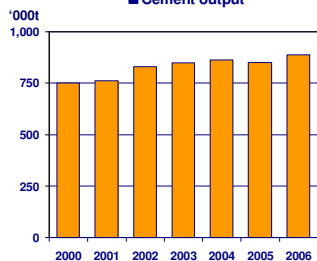
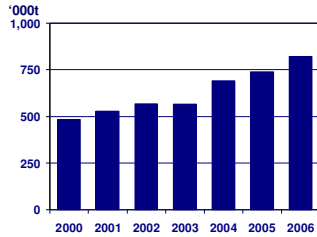
- Kiln upgraded in 1990 to 1.3mtpa by the addition of a separate line calciner
- Limestone, the key raw material for cement production, is sourced from ABL's quarry at Klein Point (Yorke Peninsula)
- This material is transported daily via *Accolade II* to the Birkenhead Works (7,500kt)
- Cement grinding capacity of 1.2mtpa
- Seaborne supply capability
 - Clinker to Sunstate in QLD and Morgan Cement at Pt Kembla, NSW
 - Cement to Independent Cement and Lime in Victoria
- Drypack bagged cement blending and packing facility



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18

Munster



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19

Munster/Kwinana overview

- Shellsand, the key raw material for lime manufacture, is dredged off Fremantle from 25 year permitted reserves
- Outsourced dredging supplies shellsand to Woodman Point wash plant
- Washed shellsand pumped 6km to Munster plant
- Two vertical preheater lime kilns: – kiln 5 - 450kt, kiln 6 - 500kt
- Limestone quarried from local land based reserves
- Three clinker kilns: Kiln 2 - 90kt, Kiln 3 and 4 - 250kt each
- Cement mills: Munster (2) and Kwinana (2)
- Kwinana is adjacent to a deep water port
- Kwinana cement packing facility



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20

Operational improvement – situational analysis

- Market demand is greater than ABL's current production capacity
- ABL is importing either clinker or cement into WA, VIC, QLD, NSW and NT
- Imported product is more costly than domestic production
- Market demand is forecast to grow further due to resource, engineering and infrastructure projects
- Capital cost of additional new kiln capacity does not justify investment at the present time
- However, incremental capacity is very cost effective
- An operational improvement review was instigated in Q3 2006 to identify incremental capacity opportunities



Operational improvement - summary

- Incremental capacity improvements 2008 - 2012
 - Clinker (+ 320kt) and quicklime (+280kt)
- Plant reliability improvements resulting in higher utilisation and daily outputs
- Complemented by a 'Cost Down' project review
- Net savings of \$25m assuming market growth through the avoidance of clinker imports
- Net incremental capital cost of \$45m

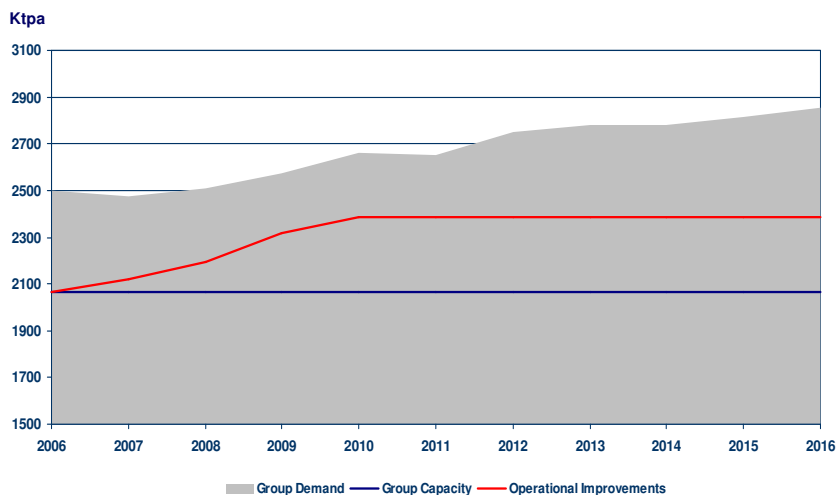


Operational improvement - the approach

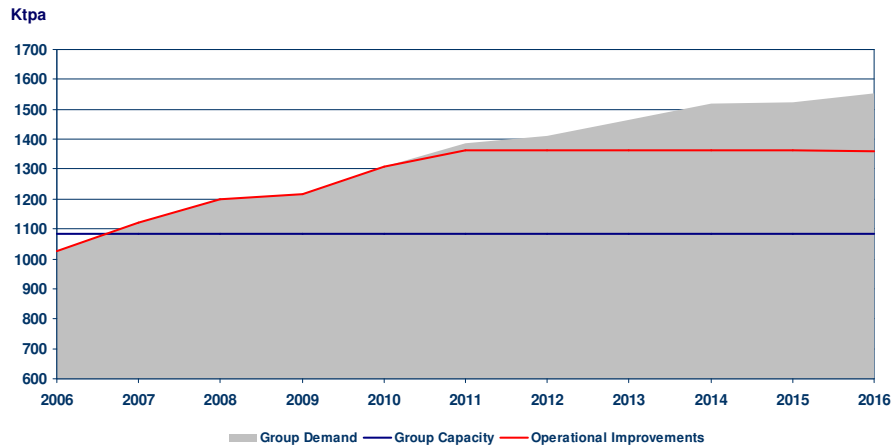
- Each key production asset was benchmarked with international equivalent plants
- 2006 used as base year
- Run time, run rates and run rate stability were analysed
- Projects were identified that would deliver realistic incremental improvements over the 2006 performance
- Capital cost per estimates were used to set priorities
- Improvement goals set over a three to four year improvement cycle
- Ensure sustainability was incorporated
- Results will be progressively realised from 2008 onwards



Capacity v demand - clinker



Capacity v demand - quicklime



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25

Benchmarking study conclusions

- **Reliability strategy improvement is critical to achieve benchmark run time levels:**
 - 40% of potential additional clinker capacity is as a result of run time improvements
 - 50% of potential additional lime capacity is as a result of run time improvements
 - ‘Reliability’ not just engineering but process operation
- **Kiln feed design and preparation, process control and managing burning zone temperature is critical**
- **Fuels and fuel combustion systems are sub optimal**
- **Process standardisation has delivered some good results but also locked in some sub optimal burning practices**



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26

Cockburn kiln 6 example

2006 performance

- | | | | |
|-------------------------|-------------|--------|----------|
| ▪ % RT | 75.9% | Target | 85.9% |
| ▪ Rate | 1828 tpd | Target | 2157 tpd |
| ▪ Extra lime production | 170,000 tpa | | |

Key projects

- Install tower blasters
- Install new shellsand feed conveyor
- Upgrade tower feed elevator
- Upgrade cooler bag filter
- Upgrade lime handling facilities
- Reliability strategy

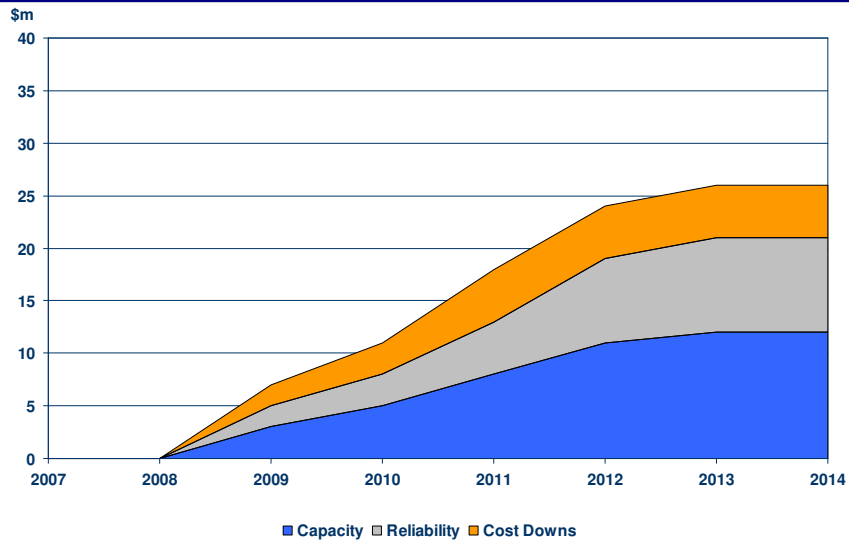


Cost down projects

- Energy and other cost inflation may not be fully recovered through future sales price increases
- Further focus on operating cost is needed to help maintain margins
- A range of 'cost down' initiatives have been identified at Birkenhead, Angaston and Munster
- Savings are based on 2006 costs
- Savings are high level estimates
- Completion of projects anticipated to take approximately three to four years
- New initiatives will surface over this period and some may not be achievable - so it will be a continuous rolling plan
- Target \$6m savings with limited capital investment



OIP savings - timing



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29

Energy cost pressures

- **Electricity price pressures due to water constraints**
 - coal generator constraints
 - hydro power losses
 - circa \$4.5m 20% increase over 2006
- **Gas price increases in Western Australia**
 - supply / demand pressures
 - 20% increases in WA – circa \$5m, 10% company average
 - reinforces the importance of the Munster coal mill investment (\$18m)
 - on schedule for Dec 2007 commissioning
- **Underpins the rationale for the Munster kiln 6 coal and Birkenhead alternative fuel investments**



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30

Alternative Fuel Company

- Joint venture with Resourceco, an Adelaide based waste recycling company
- Receives demolition waste from Resourceco for a defined gate fee
- Screens waste from metals and minerals and shreds wood content
- Birkenhead \$7m investment in fuel storage, handling and firing plant
- Fuel blown into calciner as a substitute for natural gas
- Environmental benefits saving a biomass waste from landfill and generation of landfill gases



Alternative Fuel Company

- Established in June 04
- Pilot plant operational June 05
- Full scale operations August 06
- Target gas substitution 50% Birkenhead calciner fuel
 - 15 tph, currently achieving 10 tph
 - gas price increase hedge
- Key challenges
 - Alternative Fuel Company and firing plant uptime - progressive improvements
 - Demolition waste supply (2007 landfill levy increase)



Concrete and Aggregates

- Operations in Queensland, New South Wales and Victoria under the Hy-Tec brand
- Total output one million cubic metres of ready mixed concrete annually
- Growing reputation - CBD capabilities
- Service precast, civil projects, industrial, commercial, high rise and residential
- Improved margins delivered record EBIT performance in 2006
- Improved mix designs - use of alternate materials
- Experienced management with industry expertise
- Emerging aggregates position in NSW
 - Self sufficiency in New South Wales – Austen Quarry
 - Hurd Haulage Pty Ltd acquisition



Austen Quarry



- 200 million tonnes aggregates potential reserves. 120 km west of Sydney
- Important future strategic supply of aggregates to the western Sydney market
- High quality aggregates
- Road base approval from the Roads and Traffic Authority in NSW
- Phase 2 – tertiary crushing and screening plant commissioned April 2007
- Designated capacity between 1 – 1.5mtpa. Potential discussions with other construction materials companies to take equity in quarry



Concrete Products

- **Number two position nationally in the concrete products market with C&M operations in New South Wales, South Australia and Victoria**
- **Plant upgrades completed and exceeding target benefits from production yields and manning**
- **Full product range production capability by state – concrete blocks, pavers, retaining walls, concrete bricks and segmental retaining walls**
- **Solid improvement in safety – bottom line benefit**
- **C&M well positioned for future market growth in New South Wales, Victoria and South Australia**



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35

Interest and tax

- **2007 interest charge increase over 2006**
 - \$2.4m capitalised interest on qualifying assets in 2006 (1H 2006 41.3m)
 - impact of three rate rises in 2006; 75 basis points
 - higher borrowings due to increase in 2006 dividend
 - interest charge for 2007 - circa \$18m
- **2007 tax charge within 26 – 27% range**
 - 2006 included \$2.1m net tax consolidation credit (1H 2006 \$1.0m)
 - 2007 renewed focus on R&D projects
 - 25% additional tax depreciation



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36

Outlook

- Adelaide Brighton has greater exposure to the growth resource, engineering and infrastructure sectors than its peers
- Forecast for 2007 is level cement demand and continued growth in lime from the resource sector
- 2007 price increases necessary to recover inflationary cost increases, and specifically energy
- Adelaide Brighton has high growth potential in both volume and margins in the lime business over the next five years
- 1H 2007 EBIT will show improvement over 2006 - NPAT will be similar to the return to the underlying interest and tax expense
- Adelaide Brighton expects further 2007 full year earnings growth
 - EBIT range \$160 – \$168m
 - NPAT range \$104 – \$110m

