

*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*

21 August 2008

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

Dear Sir/Madam

RESULTS FOR HALF YEAR TO 30 JUNE 2008

We attach copies of slides being shown by Mark Chellew, Managing Director of Adelaide Brighton Ltd today at an analysts briefing covering the half year result to 30 June 2008.

Yours faithfully

MRD Clayton
Company Secretary



Adelaide Brighton Ltd

June 2008 Half Year Result

21 August 2008

Mark Chellew, Managing Director



Agenda

- Performance highlights
- Divisional review
- Financials
- Strategic overview
- Outlook



Performance highlights - summary

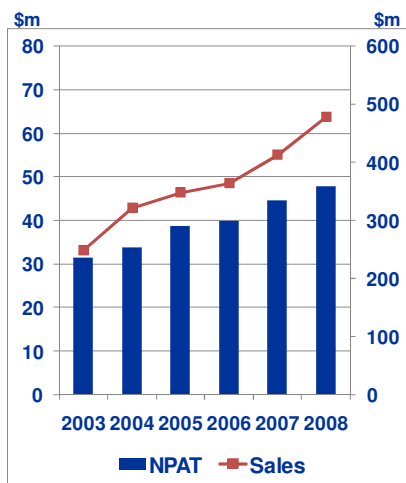
\$m	30 June 2008	30 June 2007	% change
Revenue	476.9	413.9	15.2
EBIT	77.5	71.1	9.0
NPAT	47.7	44.5	7.2
Cents			
EPS	8.8	8.2	7.3
Interim dividend	6.5	6.0	8.3

June 2008 half year result - 21 August 2008

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Performance highlights – Sales and earnings growth



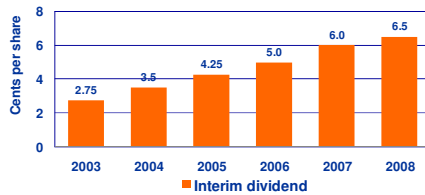
- Consistent seven year growth in revenue and profit
- Increased demand in core cement markets
- Cement and lime price increases recover higher input cost pressures
- Continued Hy-Tec growth – Austen Quarry and north east NSW
- C&M Brick - weaker NSW, level VIC & SA

June 2008 half year result - 21 August 2008

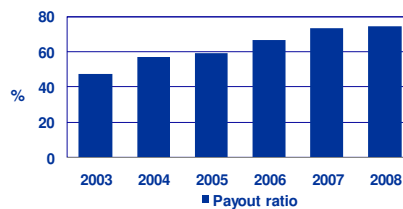
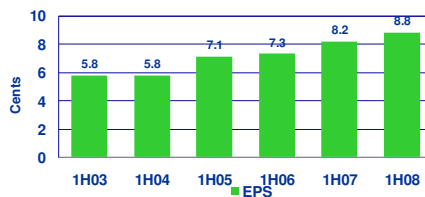
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Performance highlights – Increasing shareholder returns



- Continued growth in interim dividend and EPS
- Half year payout ratio increased to 74.1%



June 2008 half year result - 21 August 2008

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Key profit drivers

- Adelaide Brighton's geographic spread and exposure to the growing construction and resource sectors – WA, SA, NT and QLD
- Cement sales growth +8% - predominantly met by imports at lower margins
- Sunstate and ICL volume growth – ABL cement and clinker sales into JVs and JV profit share
- Cement price rises in WA and NT, SA planned Q3 2008 – ABL lead before recent rises in import clinker prices
- Realised cement price increases 3% – 5% over pcp
- Lime volumes level - Apache and Kalgoorlie nickel impacts
- Lime prices average 8% increase over pcp
- WA coal fuel strategy - 52% reduction in first half natural gas use
- Flexible, hedged import supply contracts, strength of Australian dollar
- Hy-Tec volume growth – Austen Quarry, north east NSW Hurd Haulage, Kancon, Hastings and Port Minimix acquisitions

June 2008 half year result - 21 August 2008

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Key profit challenges

- **Apache, Veranus Island gas and electricity constraints:**
 - Lime volumes level due to natural gas supply interrupting customer off take (-10kt)
 - Some direct gas supply interruption – ABL Dongara lime plant
 - Munster cement kiln downtime, WA electricity on costs
- **Net first half impact \$3.0m EBIT, insurance recovery circa 80% after business interruption excess**
- **Additional import supplies secured to cover increased demand, but at higher cost**
- **Maintenance cost timing \$4.5m adverse to H1 2007, Birkenhead shutdown completed in May 2008 (July in 2007)**
- **Munster natural gas price increases +63%**
- **Coal strategy limits overall gas price impact to \$2m**
- **Continued weak C&M markets in NSW**
- **Higher interest expense due to increases in borrowing, underlying cash rate and bank margins**



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Divisional reviews



Cement - volumes and pricing

State	Volume	Price
NSW	Continued market weakness impacts C&M Brick, Hy-Tec and ICL	Cement prices holding – await Q3 2008 price outcome
VIC	Volume gains in ICL - robust demand from engineering and infrastructure sectors	Cement prices holding, await Q3 2008 pricing outcomes
QLD	Volume gains in Sunstate – strong market demand	Cement pricing – await Q3 pricing outcomes
SA	Robust residential and engineering. Increased backfill binder shipments to BHP	Price increases planned end Q3 2008
WA	Continued growth in resources and infrastructure sectors - softening residential	Price increases cover CPI from Q2 2008

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Lime – volume and pricing

State	Volume	Price
WA	Level for 2008. Underlying increase in line with five year predictions	Ahead of CPI as short term contracts expire. +8% over pcp
SA	Level demand with growth potential	At inflationary levels
NT	Strong resources demand. Secondary supply from South Australia	Above CPI increases to cover additional supply costs

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Cement and Lime operations

- Increased cement demand met by sustained production and increased imports
- Additional long term import clinker supply contracts in place but at higher cost. Current world clinker prices at US\$45
- Maintenance programmes largely completed in first half – sound base for second half performance
- Peak electricity pricing managed in SA during 17 day, March 2008 heatwave
- Munster kiln six coal firing performing beyond expectations giving confidence to extend coal firing strategy
- Northern Cement output increased to meet additional demand
- Mataranka Lime operating at capacity. Angaston volume used to meet additional Ranger demand
- Morgan Cement NSW operating at capacity



Lime demand – major projects

Project	'000t	2008	2009	2010	2011	2012	2013	2014	2015	Total
Hismelt Stage 1		10	10							20
Alcoa Wagerup T3					20	25	25	25		95
Boddington Gold			10	5						15
Ravensthorpe Nickel		15	10	15						40
Hismelt Stage 2								50		50
Worsley Expansion 2					60				40	100
Ranger			10	20						30
Tiwest Kwinana			5							5
South Australia				5	5	5	10		10	35
TOTAL		25	45	45	85	30	35	75	50	390

2008 H1 impacted by Varanus (-10kt) and Kalgoorlie Nickel (-15kt)



Cement and Lime - energy

Acute energy supply and cost pressures managed – Long term energy supplies secured

- **Energy price increases:**
 - Electricity: +6.4% (SA peak demand management effective)
 - Gas: +16.0% (WA operations 51% price increase)
 - Munster coal firing strategy halves the plant's first half gas consumption
 - Coal price advantage both substantial and sustainable
- **Gas - Apache supply constraints in - knock on impact to WA electricity generation costs and lime customer demand**
- **Long term energy supply contracts signed to secure certainty of supply and price:**
 - SA gas from 2010 commodity supply and pipeline capacity
 - WA electricity from 2010 load management to optimise off peak pricing



Concrete and Aggregates

- **Sales and marketing**
 - NSW Volumes stable - pricing CPI
 - QLD Stable demand and pricing CPI+
 - VIC Volume growth - CBD contracts, pricing CPI+
- **Operations**
 - Continued focus on mix designs to mitigate material cost increases
 - Austen Quarry volumes achieving budget levels
 - External sales growth – road base and aggregates
 - Quarry yield improving to >70%. In prior year overburden management need suppressed yields
 - Hurd Haulage delivering acquisition target EBIT



Masonry Products

- **Sales and marketing**
 - NSW and VIC continued market weakness
 - QLD and SA markets level overall
 - Input costs will drive H2 sales price increases. Target 3% – 6%
- **Operations**
 - Management restructured to deliver operating efficiencies at Moorebank and Campbellfield
 - HBP/C&M benchmarking for performance improvement
- **Hanson Building Products (HBP) integration underway**
 - Product supply rationalisation
 - Product range extension
 - Overhead cost reduction
 - Systems support



Emissions trading scheme update

- **ABL supports the implementation of an Australian ETS**
 - Need for warm start so as not to disadvantage domestic industries
 - Government Green Paper - trade exposed recognition for cement and lime manufacture
- **ABL has a larger carbon footprint because**
 - Greater proportion of upstream business – cement and lime manufacture versus more diverse building material companies
 - Emissions intensive nature of cement and lime manufacture
- **ABL qualifies for 90% trade exposed recognition**
 - > 2,000t Co₂ per \$1m revenue
- **ABL progressing emissions reduction strategies**
 - Increased use of substitute alternative raw materials
 - Increased use of slag and fly ash in ground cements
 - Increased use of wood waste fuel



2008 half year summary

- Further record half year result in challenging cost climate
- Adelaide Brighton's geographic and sector spread continues to drive earnings growth
- Cement and lime pricing and operational improvements mitigate acute energy cost and gas availability pressures
- Rinker / Hanson WA two year contract extension agreed in principle to the end of 2010. Contracts close to finalisation
- Increased ocean freight costs and clinker pricing driving import costs despite strong AUS\$
- Further progress in vertical integration strategy
- Mawsons and Hurd Haulage performing to expectations



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Financial results

Andrew Poulter
Chief Financial Officer



Summary earnings

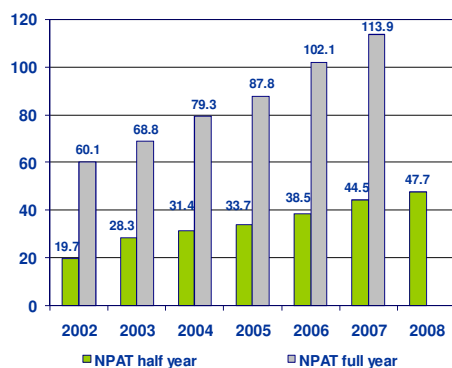
6 months ended 30 June	2008 \$m	2007 \$m	Change %
Revenue	476.9	413.9	15.2
EBITDA	105.5	96.1	9.8
EBIT	77.5	71.1	9.0
Net interest	(15.8)	(10.1)	(56.4)
Profit before tax	61.7	61.0	1.1
Tax expense	(13.9)	(16.5)	(15.8)
Net profit after tax	47.8	44.5	7.4
Minority interest	(0.1)	-	
Net profit attributable to members	47.7	44.5	7.2

June 2008 half year result - 21 August 2008

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Profit growth – half and full year



- 2008 NPAT first half up 7.2% on pcp
- First and second half variance due to maintenance timing and seasonality
- Apache energy gas constraints impact H1 2008 by \$3.0m
- Insurance recovery H2 probable
- \$1.5m one off costs booked to administration

June 2008 half year result - 21 August 2008

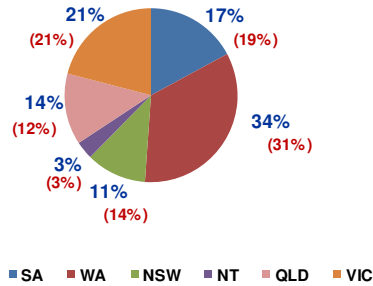
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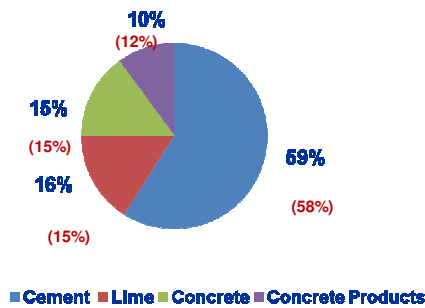
Turnover segmentation to June 2008

- Western Australia strength from cement and lime sales
- Queensland growth through sales to Sunstate
- South Australia lower rate of increase vs QLD and VIC
- New South Wales further % decline

Sales to outside entities and into JV's



Product segmentation to June 2008



Includes sales into JV's

- Cement and lime continued segment growth
- Masonry products static demand
- New South Wales concrete weakness offset by Queensland strength
- Concrete includes aggregate sales



Fuel prices and OIP strategy

Coal fired strategy benefits delivered first half 2008:

- ABL gas price increase over pcp 13%
 - WA gas price increase over pcp 51%
 - Munster plant gas price increase over pcp 63%
 - Munster gas price increases over 2006
(Munster fuel consumption at circa 4.2m GJ)
 - Munster 2008 cost exposure over 2007 pricing \$6.5m
 - Munster coal strategy reduced gas consumption by 52%
 - Munster fuel cost increase over 2007 \$2.0m
 - Future Munster benefit coal expansion (2009 – 2011) \$4.5m
- And most importantly: fuel supply was maintained to ABL's WA operations



Joint ventures: ICL and Sunstate Cement

**Sunstate Cement increase - sales volume and pricing
ICL improvement volume based and lower one off costs from pcp**

ABL 50% share 6 months ended 30 June	2008	2007	Variance %
\$m			
Sales	124.0	99.6	24.5
EBITDA	23.5	17.9	
NPAT	14.6	11.3	29.2
%			
Profit margin	11.8%	11.3%	



Cash flow

Strong, stable operating cash flows
Working capital increase due to sales growth

Six months to 30 June	2008 \$m	2007 \$m
Net profit before tax	61.7	61.0
Depreciation	28.0	25.0
Income Tax	(19.3)	(24.1)
Change in working capital	(14.3)	(8.0)
Other	(2.1)	(0.7)
Operating cash flow	\$54.0	\$53.2

June 2008 half year result - 21 August 2008

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Cash flow

Higher capital spend offset by lower investment
Net debt increase to fund the 2007 final & special dividends

Six months to 30 June	2008 \$m	2007 \$m
Operating cash flow	54.0	53.2
Capital expenditure	(26.7)	(20.4)
Proceeds on sale of fixed assets	3.4	0.7
Free cash flow	30.7	33.5
Investments and Joint Venture loans	1.9	(24.1)
Dividends paid	(67.9)	(73.2)
Impact on net debt	(35.3)	(63.8)

June 2008 half year result - 21 August 2008

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Capital expenditure

- **Capital expenditure** **\$26.7m (2007 \$20.4m)**
 - Cement OIP projects
 - Hastings Concrete acquisition
 - Plumpton (NSW) concrete plant
 - Port Hedland expansion
- **Depreciation** **\$28.0m (2007 \$25.0m)**
- **Planned capital H2 2008**
 - Cement and lime OIP
 - Full year forecast: \$60m v \$81.1m 2007
- **Sunstate \$84m clinker storage and No 3 mill on time and budget**
- **ICL Silo Expansion complete Q4 2008**



Balance sheet: borrowings and gearing

Higher levels of gearing - within ABL's 40% – 60% range

		June 08	June 07
Net debt	(\$m)	358.5	294.5
Interest	(\$m)	(15.8)	(10.1)
Gearing - Net debt / equity	%	55.3%	46.7%
Gearing - Net debt / debt + equity	%	35.6%	31.8%
Net debt / EBITDA		3.4	3.0
Interest cover (EBIT)	(times)	4.9	7.1
Net tangible assets / share	(cents)	0.88	0.86

\$81m Hanson Building Products (HBP) acquisition 1 July 2008



ABL refinancing

ABL Refinancing completed June 2008 \$180m increase in facilities

- ABL's 2006 \$340m 3 year senior debt was due to expire 31 March 2009
- Negotiations began with CBA, NAB and Westpac in late 2007
- \$520m medium term debt facilities now in place:
 - \$210m expiring June 2010, \$310m expiring in June 2011
 - Additional cost circa 65 basis points over 2006 facilities
- ABL will reintroduce a Dividend Reinvestment Plan for the 2008 interim
 - 2.5% discount, underwritten, with flexibility to terminate during pricing period
 - ABL full year gearing between 55% and 60% for a 0 – 100% take up



Finance expense

Increase in average net borrowings and interest rates

\$m	2008	2007
Bank interest charged	14.6	9.3
Joint venture loans interest income	(1.5)	(1.4)
AIFRS interest charge on defined benefit super plan and remediation provisions	1.9	1.7
Net change on foreign currency contracts	0.8	0.6
Interest capitalised on Austen Quarry	-	(0.1)
Total net finance expense	15.8	10.1





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Strategic overview and 2008 outlook

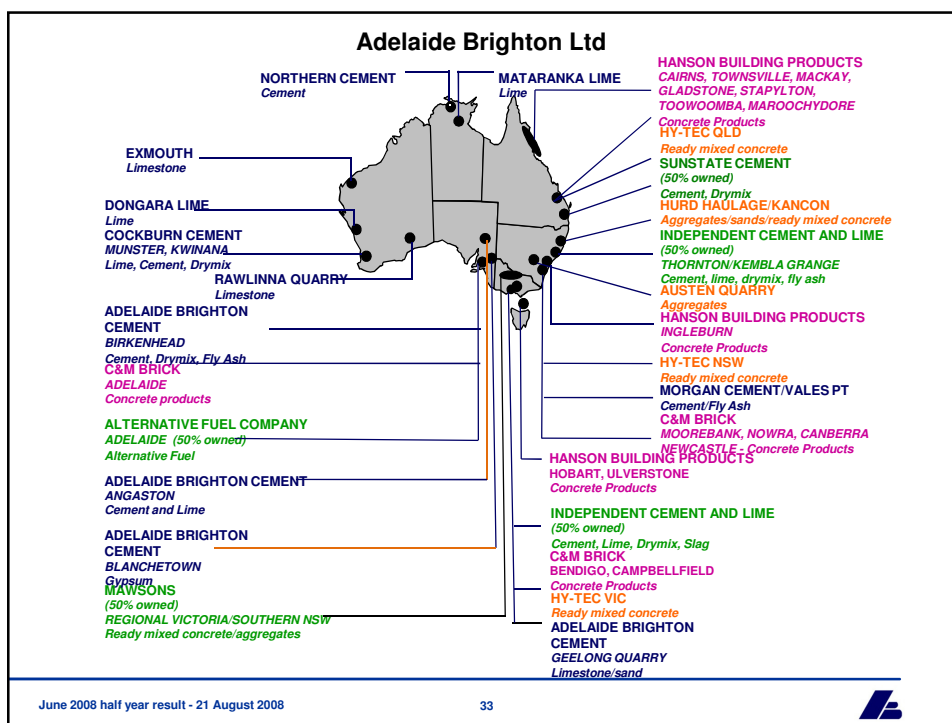
Mark Chellew
Managing Director



Strategic overview

- **Continued downstream integration – Concrete and Aggregates**
 - Hanson Building Products
 - Hastings Concrete
- **Lime volumes level**
 - Kalgoorlie ore switch and Apache gas constraints offset underlying first half growth
 - Continued focus on price realisation +8% over pcp
- **Operational improvement – volume and costs**
 - Munster OIP kiln 6 capital investments
 - Munster coal firing strategy – total plant conversion by 2011
 - Birkenhead shutdown strategy
- **Flexible, long term import contracts to meet peak demand**
 - Strong AUS\$ hedges increases in cash rate





Outlook – market and profitability

- Cement demand expected to grow by 5%- 8% in 2008 and plateau in 2009 – longer term growth 2.5% pa through 2012
- Regional weakening in residential demand offset by engineering and infrastructure growth
- Cement pricing - ABL seeks further growth above CPI in H1 2009 to recover input costs
- Demand for lime from mining and resource sectors will continue along forecast growth patterns
- Lime price increases to be realised as longer term contracts expire
- Masonry products contribution from C&M and HBP – benefits of synergies and scale
- 2008 NPAT guidance \$120m - \$126m including HBP