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Adelaide Brighton Ltd
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28 September 2004

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

Dear Sir/Madam

We enclose a letter from the Chairman of Adelaide Brighton Ltd to shareholders for release to the market.

Yours faithfully

MRD Clayton
Company Secretary

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Dear Shareholder

Boral not to proceed with Adelaide Brighton takeover bid

Yesterday Boral announced that it will not extend its takeover offer for Adelaide Brighton. Their offer will close on 8 October and Adelaide Brighton shares accepted into the offer will be returned to shareholders. Boral also stated that it has no intention of relaunching an offer for Adelaide Brighton or seeking representation on the Adelaide Brighton Board.

The Adelaide Brighton Directors welcome this decision in that it brings to an end a considerable period of uncertainty for our employees, customers and shareholders. This decision also removes the potential for future protracted legal proceedings that would have further impeded the ability of both your Directors and management to deliver the strategic objectives of the company.

This decision is particularly important for our Hy-Tec Concrete businesses in Queensland, New South Wales and Victoria and the C&M Brick business in New South Wales, Victoria and South Australia, all of which have operated over the last nine months under the real threat of divestment had the bid progressed. These are key strategic assets to Adelaide Brighton in terms of both their position in growth markets and their downstream integration benefits.

I believe this decision is equally important to our joint venture partners Independent Cement and Lime, Sunstate Cement, Resourceco and our many raw material and service suppliers as we continue to build long term commercial relationships.

In making this decision Boral announced that they will retain their 19.9% shareholding in Adelaide Brighton thus making a significant contribution to our shareholder base. Adelaide Brighton is now an independent company for the first time since 1999. It has a strong balance sheet and is well positioned to progress its plans for further increasing shareholder value.

As I mentioned in my last update, the Company is now moving into its second strategic phase, the selective integration into the upstream aggregates sector. The Board is moving into the final stages of approval of \$24 million expenditure for the construction and commissioning of the Hartley Quarry in New South Wales. This investment will give us a significant entry into the New South Wales aggregate market and will underpin supplies both to our Hy-Tec Concrete business and to the Sydney aggregate markets.

Over the coming weeks the Board and management will review Adelaide Brighton's business options. Our independence strengthens our drive to build upon our proven record of performance improvement. This we believe will be reinforced by the continuing demand in 2005 from the Australian construction and resource industry sectors.

Yours sincerely

Malcolm Kinnaird AO
Chairman