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10 April 2008

The Manager  
Company Announcement Office  
Australian Stock Exchange Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

We attach copy of presentation being shown by Mr Mark Chellew, Managing Director and CEO, at the UBS Emerging Companies Conference today for release to the market.

Yours faithfully

**Marcus Clayton**  
Company Secretary



Adelaide Brighton Ltd

**UBS Emerging Companies Conference  
10 April 2008**



Presented by: **Mark Chellew, Managing Director and CEO**



## Agenda

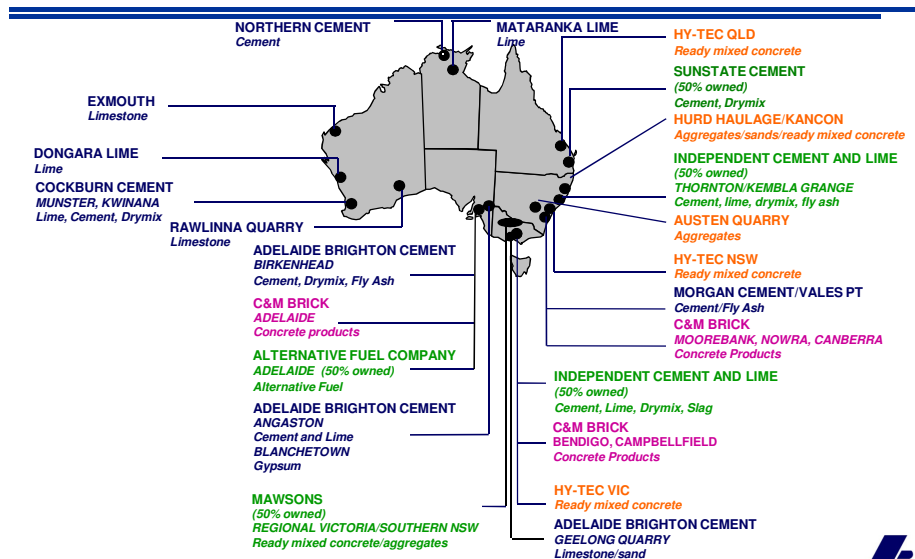
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- **ABL profile and geographic spread**
- **ABL financial performance**
- **Australian cement industry structure**
- **ABL strategy overview**
- **ABL divisional review and markets**
- **Outlook**

## 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 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 aggregates and ready mixed concrete market

## Adelaide Brighton's geographic spread

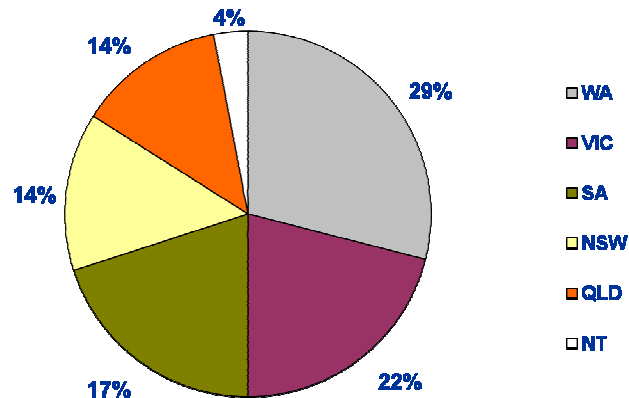


## Key Adelaide Brighton market position

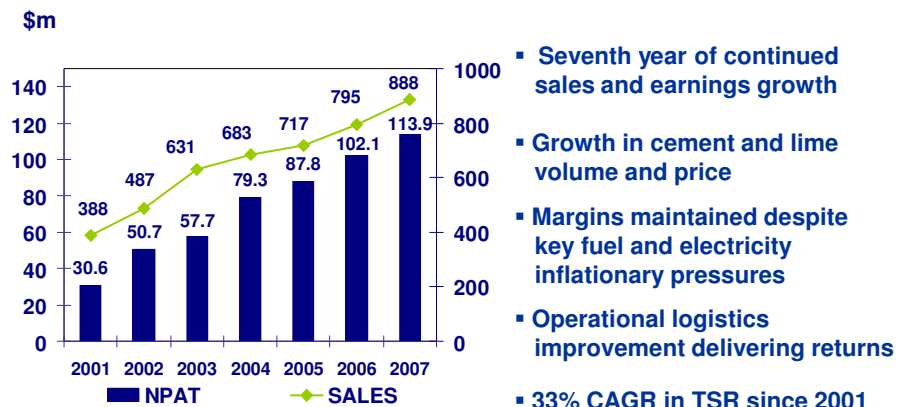
- Market leadership in cement and lime in SA, WA and NT
- Strategic cement positions in NSW, QLD and VIC
- Balanced sector sales with exposure to the growth resources sector:
  - Residential, engineering, infrastructure and resource sectors
  - Resource sector expansion = increased cement and lime demand
- Focussed downstream positions in QLD, NSW and VIC
  - Hy-Tec established brand and improved operational performance
  - Emerging aggregates positions:
    - NSW – Austen Quarry and Hurd Haulage
    - VIC – Mawsons Group
  - ABL continues to evaluate smaller regional opportunities

## Geographical segmentation

Sales by state including share through JV's



## ABL financial performance – seven year trend



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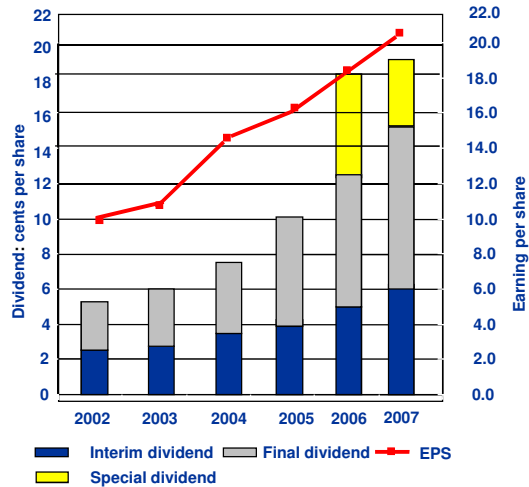
## ABL Summary earnings 2007

Year to 31 December	2007 \$m	2006 \$m	Change %
Sales revenue	888.4	794.7	11.8
EBITDA	223.9	201.0	11.4
EBIT	171.3	148.8	15.1
Net interest	(21.7)	(15.2)	(42.8)
Profit before tax	149.6	133.6	12.0
Tax expense	(35.7)	(31.0)	(15.6)
Net profit after tax	113.9	102.6	
Minority interest C&M	-	(0.5)	
Net profit attributable to members	113.9	102.1	11.5

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## ABL earnings and dividend per share



- Continued dividend growth and increase in EPS
- Payout ratio increased to 71.6% at full year.
- Effective use of franking credits

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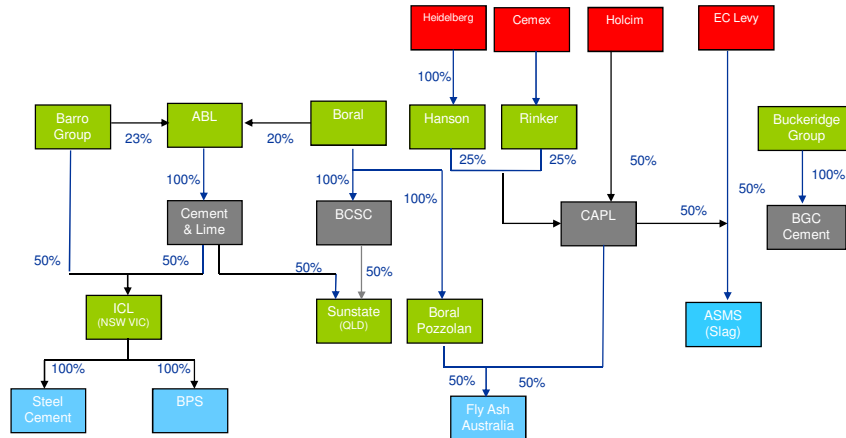
## Financial performance overview

- Adelaide Brighton continues to enhance its status as a leading producer of construction materials and lime
- Record result in 2007 as cement and lime volumes, pricing and operational improvements offset fundamental inflationary pressures
- Increased shareholder returns through increased dividend and share price growth
- Resource sector - lime demand increasing in line with projections and pricing targets being progressively realised
- Cement and lime plant performance excels at higher levels overall
- Successful actions taken to mitigate acute WA gas pricing and supply constraints
- Hy-Tec aggregates development underway

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# Australian cement industry ownership



**Glossary**

ABL: Adelaide Brighton Ltd  
BPS: Building Products Supplies

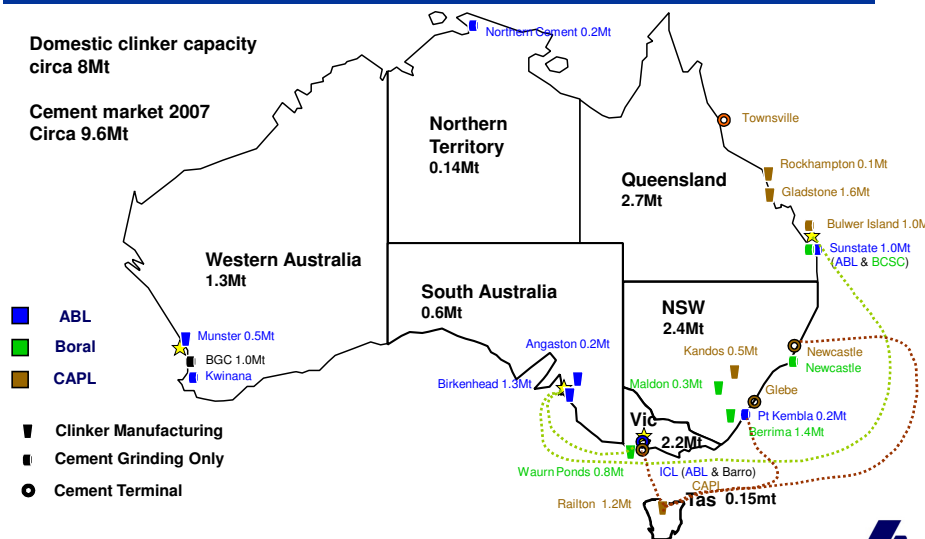
BCSC: Blue Circle Southern Cement  
ASMS: Australian Steel Mill Services

ICL: Independent Cement & Lime  
CAPL: Cement Australia Pty Ltd

# Australian cement industry

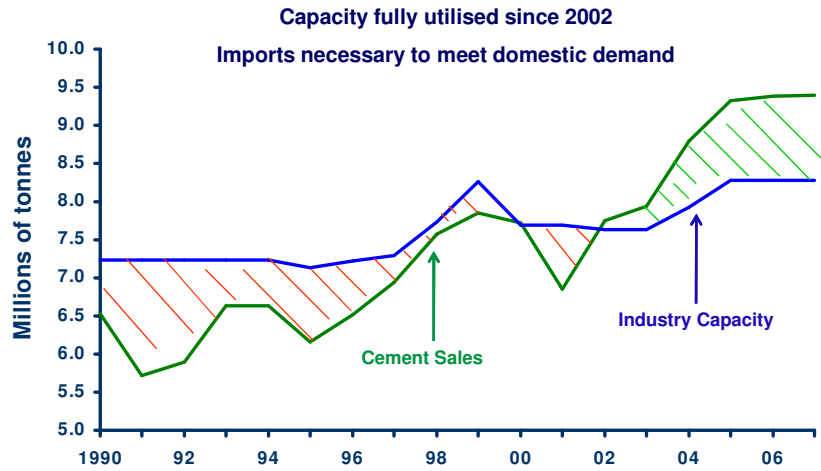
Domestic clinker capacity  
circa 8Mt

Cement market 2007  
Circa 9.6Mt



- ABL
- Boral
- CAPL
- Clinker Manufacturing
- Cement Grinding Only
- Cement Terminal

## Australian cement capacity and demand

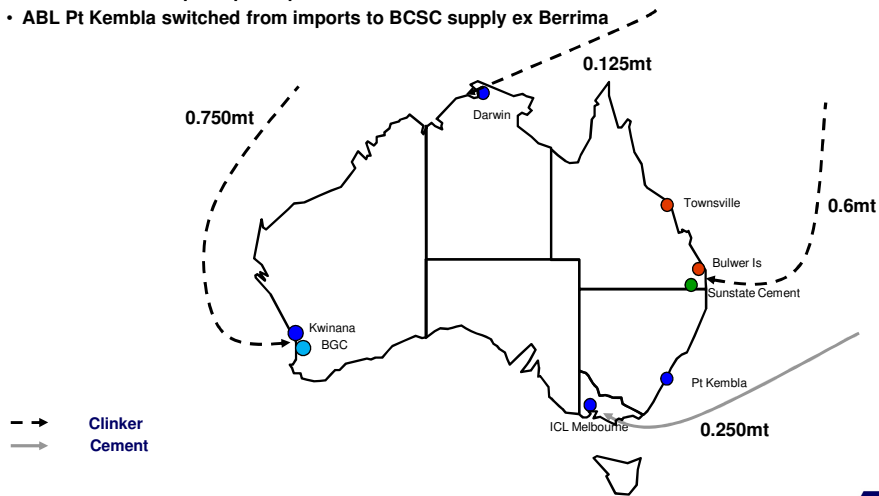


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## Imported cement and clinker flows

- ABL and BGC the principal importers
- ABL Pt Kembla switched from imports to BCSC supply ex Berrima



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## Strategy overview – vertical integration

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- **Focused and relevant vertical integration**
  - **Downstream concrete – cement pull through**
    - Kancon, Port Mini Mix, Hastings (Jan 2008)
  - **Concrete products – long term growth in higher margin market sectors**
    - SA progress, NSW challenges market and new entrant
  - **Aggregates and sand – Austen Quarry plus future aligned acquisitions**
    - Austen earnings positive 2008
    - Hurd Haulage – north east NSW
    - Mawsons – north east VIC
  - **Geographic and market spread – balanced portfolio and leverage**

## Strategy overview – lime development

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- **Lime earnings development**
  - Resource sector growth +6.5% 2007
  - Projected volume increases of 295k tonne by 2012
  - OIP programme to increase Munster kiln output
  - Further potential for WA lime price increases over the next five years
  - Mataranka in Northern Territory at capacity
  - Feasibility study for \$40m kiln expansion to meet future Ranger demand
  - Angaston SA covering NT peak demand

## Lime demand – major projects

Project	'000t	2008	2009	2010	2011	2012	2013	2014	Total
Hismelt Stage 1	20								20
Alcoa Wagerup 3rd Train				30	45	20	20		115
Boddington Gold			10	5					15
BHP Ravensthorpe Nickel	15	10	15						40
Hismelt Stage 2								50	50
Worsley Expansion 2					50	10			60
Ranger			10	20					30
Tiwest			5						5
South Australian projects				5	10	15	20	30	80
<b>TOTAL</b>		<b>35</b>	<b>35</b>	<b>75</b>	<b>105</b>	<b>45</b>	<b>40</b>	<b>80</b>	<b>415</b>
<i>Incremental totals</i>			<i>70</i>	<i>145</i>	<i>250</i>	<i>295</i>	<i>335</i>	<i>415</i>	

## Strategy overview – 2007 – 2011 operational improvement

- **Cement and lime**
  - \$2.5m cost down delivery in 2007
  - \$22.5m EBIT cement and lime improvement over the next four years
  - \$45m capital investment programme underway
  - Lime and cement reliability and process improvement plans in progress:
    - Raw material flow shellsand conveying
    - Lime kiln 5 and 6 cyclone build up
    - Coal firing Munster kiln 6 - feasibility to extend to cement kilns
  - Defers need for permanent switch of cement kilns to lime production until 2012
  - Maintains margins using own manufacture versus import

## Key Adelaide Brighton performance drivers

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- **Optimise capacity utilisation**
  - Increase plant capacities and maintain consistent output
  - Optimise intra state logistics
- **Operating performance - rising energy costs**
  - Maximise plant efficiencies & deliver performance improvement programmes
  - Expand alternate fuels (wood & coal) to supplement gas usage
- **Meet future demand increases**
  - Develop long term SE Asian relationships and additional supply contracts
  - Optimise imported and domestic cement and clinker supply chains

## Key Adelaide Brighton performance drivers

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- **Optimise domestic pricing**
  - Energy and materials cost recoveries
  - Imported cement availability tightening, freight at very high levels and international FOB prices increasing
  - Continued strength in AUS\$ \$US0.90+, YEN96+
- **Improved Hy-Tec operating performance and record result**
- **Emerging aggregates volumes through Austen Quarry and Hurd Haulage**
- **C&M volume and contribution decline in New South Wales**

## Cement and Lime

### Stable operating performance and logistics supply expertise key in meeting increased market demand

- **Sales and logistics**
  - Increased cement sales volumes met by increase in cement mill output using clinker imports
  - Cement and lime price rises recover inflationary cost increases (fuel, electricity, materials & labour)
  - Lime volumes increase
    - Resource sector expansion - alumina and steel
    - Loss of one 30kt account due to ore change
  - Long term import clinker supply contract success
    - Flexible supply to QLD, VIC, NT and WA
    - Additional long term clinker and slag supply contracts signed
    - Strength of AUS \$ has increased hedging horizon to 3 – 6 months
  - WA and QLD port constraints continuing

## Cement and Lime

### Key energy supply and pricing challenges managed

- **Operational performance**
  - Birkenhead output maintained at 1.3mt capacity
  - Lime output increased by 4.8%
  - Mataranka lime at capacity
  - Sunstate reaches capacity
  - ICL storage and Sunstate capacity expansions completed/underway
- **Cost inflation was a key challenge**
  - SA electricity prices rise by 40% (\$3.8m) despite peak price demand management
  - WA gas price rises by 10% (\$2.1m) - severe gas constraints
  - Munster \$19m coal mill investment commissioned 31 Dec 2007
  - Long term coal and rail freight contracts in place
- **Rising global clinker pricing and high freight costs drive up IPP**

## Concrete and Aggregates

- Operations in Queensland, New South Wales and Victoria under the Hy-Tec brand
- Total annual output one million cubic metres of ready mixed concrete
- Growing reputation - CBD capabilities
- Service precast, civil projects, industrial, commercial, high rise and residential
- Improved margins delivered record 2007 EBIT
- Improved mix designs - use of alternate materials
- Emerging aggregates position in NSW
  - Self sufficient in New South Wales from Austen Quarry
  - 2007 Hurd Haulage Pty Ltd and Kancon acquisitions - regional NSW

## Concrete and Aggregates

### Record earnings due to QLD growth and materials cost optimisation and aggregates development

- Sales and marketing
  - NSW: continued market weakness though pricing discipline maintained
  - QLD: strong demand from buoyant market
  - VIC: limited sales price recovery
- Operations
  - Established Hy-Tec CBD capabilities
  - Mixer truck fleet optimisation
  - Lorry owner drivers deliver distribution efficiencies
  - Margin improvement – further improvement in mix designs
  - Aggregates growth in NSW - Austen Quarry, Hurd Haulage

## Quarry development

### Quarry development potential in a three to ten year horizon

- **Feasibility study on Exmouth lime JV quarry**
  - Limestone reserves in Exmouth WA
  - Potential to serve Gorgon field pipeline development
  - Modest (circa \$5m) potential for a three year EBIT stream
  - Loading and docking facility development a key outcome
  
- **Quarry end use**
  - Long term planning potential for Geelong quarry development (JV partner participation)
  - Clean fill remediation potential versus expensive cut and fill
  - Current legal dispute on the variation to contract price on the cost of the Geelong factory site demolition / remediation

## 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 aggregate - 1mt annual capacity
- Road base approval from the Roads and Traffic Authority in NSW

## 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 achieving target benefits from production yields and manning
- Full product range production capability by state – concrete blocks, pavers, retaining walls and concrete bricks.
- New South Wales & Victoria markets depressed
- C&M well positioned for future market growth in New South Wales, Victoria and South Australia



## Concrete Products

### NSW volume decline and one off costs depress EBIT

- Sales and marketing
  - NSW market weakness – sales volume and price decline
  - VIC first half weakness, second half improvement
  - SA buoyant on commercial and consumer demand
- Operations
  - NSW overcapacity actions underway to address fixed cost base
  - \$2.2m of restructuring costs impact 2007 performance
  - \$1.1m prior year inventory overvaluation corrected in 2007
  - Rationalised management structure will provide the base for 2008 performance recovery

## Market demand 2008 update

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- **Cement**
  - South Australia and Western Australia remain robust
  - Further growth in Queensland
  - Continued strong demand from Victoria
  - New South Wales remains weak
- **Lime**
  - Expanded customer base in Western Australia. Some temporary problems in January in alumina refinery due to power shortage
  - Achieved 25% price increase with one customer using 30k tpa
- **Concrete and aggregates**
  - Infrastructure and residential
  - Melbourne CBD work underpins Hy-Tec volumes
  - New South Wales weakness continuing
- **Concrete products**
  - Weaker demand in New South Wales, Victoria and South Australia markets remain robust

## Outlook

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- 2008 cement demand forecast - expected to be about 3% above 2007 levels
- 2008 lime demand forecast - expected to be 3% above 2007 levels
- Sales price increases targeted to recover inflationary cost pressures
- Acquisitions performing to plan – 2008 contribution
- First time contribution from Mawsons
- Increased interest charges in 2008 circa \$8m above 2007 due to:
  - increased levels of gearing: special dividend, acquisition activity in 2007; and
  - increased cost of borrowing
- ABL's fully franked dividend growth will be sustained by earnings growth and strong operating cash flows
- Net profit after tax for 2008 expect to be between \$118m - \$125m