

*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](http://www.adbri.com.au)*

20 August 2009

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

Dear Sir/Madam

**Adelaide Brighton Appendix 4D half year report June 2009**

We attach the following documents:

- Media Release
- Appendix 4D
- Results announcement for the year ended 30 June 2009 and management discussion

Yours faithfully

**MRD Clayton**  
Company Secretary

FOR INFORMATION:

MS LUBA ALEXANDER  
GROUP CORPORATE AFFAIRS ADVISER  
TELEPHONE 0418 535 636

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## MEDIA STATEMENT

20 August 2009

### **Adelaide Brighton announces June 2009 half year net profit of \$43.9 million Interim fully franked dividend of 5.5 cents per share**

Revenue	\$463.2 million (a decrease of 2.9%)
EBIT	\$71.3 million (down 8.0%)
Operating cash flow	\$59.2 million (an increase of 9.6%)
Net profit attributable to members	\$43.9 million (a decrease of 8.0%)
Earnings per share	7.6 cents
Interim dividend	5.5 cents

Leading Australian construction materials group Adelaide Brighton Ltd today announced a net profit attributable to equity holders of the Company of \$43.9 million for the half year ended 30 June 2009, a decrease of 8.0% over the prior corresponding period. As indicated earlier in the year, the first half earnings are lower, a measure of the decline in demand in our core cement, concrete and masonry products markets.

A fully franked interim dividend of 5.5 cents, payable on 19 October 2009 has been declared. A 2.5% discount will apply to the Dividend Reinvestment Plan. The dividend reflects an increase in first half 2009 payout ratio to 78.8% and the need to sustain shareholder returns while managing the balance sheet and borrowings prudently in the current business climate.

Revenue of \$463.2 million was 2.9% lower than the previous corresponding period, impacted by a circa 15% decline in cement demand and offset by the first time, first half contribution from the acquisition of the former Hanson Queensland and Tasmanian masonry businesses.

Earnings per share for the first half year were 7.6 cents, compared to 8.8 cents for the comparative period the previous year.

Adelaide Brighton's Managing Director and CEO, Mark Chellew, said market conditions have been less challenging than initially anticipated. Notwithstanding this, the fall in cement, concrete and masonry product demand has posed a major challenge in sustaining first half profitability.

"Lime demand has held level over the first months of the global recession due to stable off-take from the alumina and gold sectors."

The Masonry Products Division has been sized to meet future market demand and will return to positive earnings in the second half".

"In response to the projected shortfalls in demand, a focused cross divisional Profit Optimisation Programme was instigated in the final quarter of 2008. This programme will deliver the 2009 target \$15 million cost reduction over 2008 in key areas such as maintenance, contractor support, alternative raw materials and labour costs", said Mr Chellew.

Commenting on the outlook, Mr Chellew said “The Company projects a circa 15% decrease in demand for its cement in 2009 over last year as the uncertainties presented by the continued contraction in commercial construction sector are partly offset by increasing demand from the residential and resources sectors. The full benefits of the first homeowners grant and schools infrastructure sectors are not expected to gain full traction until mid 2010”

“Lime demand is expected to remain level for the year as demand from the alumina and gold sectors remain robust.”

“The early adoption of the profit optimisation programmes and the continued resilience of the resource sector demand, together with the flexibility provided by cement imports, have provided the base to optimise profitability in the current recessionary markets. The successful recovery of input cost pressures through realised sales price increases and the effective management of energy costs will continue to be key drivers in sustaining profit margins.”

“Adelaide Brighton reconfirms its prior guidance for the 2009 net profit after tax to be in the range of \$105 million - \$115 million.”

**FOR FURTHER INFORMATION CONTACT:**

**LUBA ALEXANDER  
GROUP CORPORATE AFFAIRS ADVISER  
TELEPHONE 0418 535 636**



Adelaide Brighton Ltd

ACN 007 596 018

Adelaide Brighton Ltd

Appendix 4D

Half year ended 30 June 2009

## Results for announcement to the market

Company Name: Adelaide Brighton Ltd  
ABN: 15 007 596 018  
Reporting period: Half year ended 30 June 2009  
Previous corresponding period: Half year ended 30 June 2008  
Release date: 20 August 2009

				A\$m
<b>Revenue</b> from continuing operations	<b>down</b>	2.9%	<b>to</b>	463.2
<b>Earnings</b> before interest and tax	<b>down</b>	8.0%	<b>to</b>	71.3
<b>Net profit</b> for the period attributable to members	<b>down</b>	8.0%	<b>to</b>	43.9

Dividend	Amount per security		Franked amount per security
	Current period	Previous corresponding period	
Interim dividend	5.5¢	6.5¢	100%

<b>Record date</b> for determining entitlements to the interim dividend	4 September 2009
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	30 June 2009	30 June 2008
<b>Net tangible asset backing</b> per ordinary share	\$1.15	\$0.88



*Adelaide Brighton Ltd*

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## Adelaide Brighton Ltd

### Interim results summary

Half year ended 30 June 2009

#### KEY FEATURES OF INTERIM RESULT

- Revenue of \$463.2 million – a decrease of 2.9% over the pcp
- Profit before tax \$60.5 million – a 1.9% decrease over pcp
- Net profit attributable to members \$43.9 million – a decrease of 8.0% over the pcp
- Interim dividend 5.5 cents, franked to 100% (6.5 cents, 100% franked in pcp)
- Earnings per share decreased 13.4% to 7.6 cents (8.8 cents pcp)
- Operating cash flow increased to \$59.2 million – an increase of 9.6% over the pcp
- Gearing<sup>1</sup> at 31.4% (55.3% pcp) due to equity capital raising and tight cash management

FINANCIAL SUMMARY	6 months ended 30 June		
	2009	2008	% change pcp
(A\$ m)			
<b>Revenue</b>	<b>463.2</b>	<b>476.9</b>	<b>(2.9)</b>
Depreciation	(29.2)	(28.0)	(4.3)
<b>Earnings before interest and tax (“EBIT”)</b>	<b>71.3</b>	<b>77.5</b>	<b>(8.0)</b>
Net interest <sup>2</sup>	(10.8)	(15.8)	31.5
<b>Profit before tax</b>	<b>60.5</b>	<b>61.7</b>	<b>(1.9)</b>
Tax expense	(16.7)	(13.9)	(20.1)
<b>Net profit after tax</b>	<b>43.8</b>	<b>47.8</b>	<b>(8.3)</b>
Minority interest	0.1	(0.1)	-
<b>Net profit attributable to equity holders of the Company</b>	<b>43.9</b>	<b>47.7</b>	<b>(8.0)</b>
Earnings per share (cents)	7.6	8.8	(13.4)
Dividends per share – fully franked (cents)	5.5	6.5	(15.4)
Net debt (A\$ m)	261.4	358.5	
Net debt/equity (%)	31.4%	55.3%	

<sup>1</sup> Net debt/equity

<sup>2</sup> Interest shown gross in the Income Statement with interest income included in revenue



*Adelaide Brighton Ltd*

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## **Adelaide Brighton Ltd**

### **Interim results summary**

**Half year ended 30 June 2009**

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#### **REVIEW OF OPERATIONS**

Operating revenue fell by 2.9% over the pcp to \$463.2 million as a circa 15% decline in cement demand was offset by the first time, first half contribution from the former Hanson Queensland and Tasmanian masonry businesses which were acquired on 1 July 2008.

Gross profit decreased by 1.8% to \$94.5 million, however, the underlying gross profit margin increased from 20.2% to 20.4%. The key driver behind this change was an improved sales mix, where the decline in cement demand was met by reducing the lower margin imported cement and clinker based sales, and improved cement and lime pricing. The increase in gross margin was partially offset by the Hanson masonry business acquisition; margins in this sector being lower than those of the higher value added cement and lime manufacture.

Cement prices rose by circa 7% over the pcp in Adelaide Brighton's core markets in Western Australia, South Australia and Northern Territory as the first quarter price increases began to take effect. Lime prices also increased by circa 7% over pcp continuing the drive to recover input cost pressures and grow margins to levels which will justify future investment in lime capacity expansion.

Clinker sales fell by 16% as ABL's supply to Sunstate reverted to its base requirement to supply 50% of the joint venture's needs versus the 100% supplied in 2008 and also due to the underlying reduction in Sunstate's demand due to the decline in the Queensland market demand.

The fall in cement, concrete and masonry product demand has posed a major challenge in sustaining first half profitability. The recovery of input costs through sales price increases and the introduction of a profit optimisation programme in the final quarter of 2008 have been key factors in delivering a \$71.3 million EBIT for the first half year, an 8.0% reduction over the pcp.

The reduction in borrowings and cash rate, together with the two and three year borrowings facilities established through the early debt refinancing in June 2008, have been key contributors in the \$5 million (31.5%) reduction in net interest expense. As a result, the profit before tax at \$60.5 million fell just 1.9% below the pcp.

In response to the projected shortfalls in demand, a focused cross divisional Profit Optimisation Programme was instigated in the final quarter of 2008. This programme will deliver the 2009 target \$15 million cost reduction over 2008 in key areas such as maintenance, contractor support, alternative raw materials and labour costs.

Turning to operations, first half manufacturing output has been broadly consistent with the pcp. In meeting peak levels of lime demand, however, it was necessary to switch Munster cement kiln 3 over to lime production during the first half year. This, together with the four day unplanned kiln stoppage arising from a Birkenhead transformer fire, caused clinker output to dip 3% below pcp for the first half year.

The Birkenhead annual kiln shutdown was undertaken in February and completed within 20 days. This first time switch to a summer campaign was completed successfully and provided the added benefit of curtailing core electricity demand over a period of peak demand and price volatility. This change provided effective electricity price risk management and a material benefit to South Australian electricity supply at a time of peak consumer demand.

This strategy, together with effective peak period power demand management at Birkenhead, Angaston, Munster and Darwin, has allowed ABL to hold its overall electricity power costs at 2008 levels for the first half year.



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### **Interim results summary**

**Half year ended 30 June 2009**

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In addition to reducing the duration of the Birkenhead shutdown, a comprehensive review of maintenance cost management was undertaken throughout the Cement and Lime division. As a result, first half maintenance costs were held at similar levels to the pcp and a \$5 million reduction is forecast over the second half year.

Further progress was made in managing West Australian gas price escalation during the first half with the substitution of one third of the Dongara gas consumption with waste fuel oil. Overall, first half gas price increases were held to a 5% increase over the pcp.

The Concrete and Aggregates Division faced more acute market weakness in Queensland, Victoria and New South Wales with overall concrete volumes being circa 20% below pcp. Input cost increases were recovered through concrete price rises but the volume driven reduction in contribution resulted in a \$3 million adverse EBIT variance over pcp.

The Queensland volumes were particularly weak as the fall in underlying demand was exacerbated by heavy rainfall in the Sunshine coast market. Demand in the Port Macquarie region was likewise impacted with aggregate demand to the Pacific Highway development being further delayed. The Austen Quarry performance was maintained with sustained volumes complemented by an improved sales mix and this, together with improved operating efficiencies, delivered a further improvement in earnings for the quarry.

The integration of the former Hanson Building Products and C&M business is almost complete with the head office centralised in Stapylton, Queensland and the final phase of the SAP systems standardisation completed in mid August. This process has exceeded expectations and is delivering forecast synergies which are setting up the business to be well placed for the next stages of its growth.

Turning to earnings, the Masonry Products division made a \$0.8 million EBIT loss in the first half versus break even in the pcp despite the added scale of the Hanson Building Products business. Masonry products demand has been acutely affected by the current recession with demand in Queensland bearing the brunt of shortfall. Looking at proforma pcp earnings for the combined business, this volume shortfall has caused a \$4 million reduction in first half Divisional EBIT.

The Division has realised price increases in Q4 2008 and Q2 2009 and, in doing so, has successfully recovered raw material cost increases incurred over the first half year.

Anticipating the volume shortfalls, the Division has had to closely manage its variable cost base in order to optimise earnings. As a result, the plants at Nowra and Toowoomba have been mothballed and shifts laid off at other plants as market demand dictates. This, together with the closure of the former C&M Essendon head office, has resulted in a \$1.3 million one-off charge for redundancies in the first half.

Further progress was made in the first half in upgrading operational performance and efficiencies with particular success in Victoria and steady progress being made in New South Wales. South Australia continues to lead in managing both product quality and customer service and sustained margins and earnings over pcp.



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## **Adelaide Brighton Ltd**

### **Interim results summary**

**Half year ended 30 June 2009**

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#### **STRATEGIC DEVELOPMENTS**

##### **Relevant downstream integration**

The company continues to evaluate acquisition opportunities in sand and aggregates, however, as signalled in late 2008, this activity has been held back until vendor valuation expectations become more realistic.

In the current tight financial markets, Adelaide Brighton has focused on ensuring it builds maximum balance sheet flexibility. The continuation of the Dividend Reinvestment Plan, the May 2009 \$113.5 million institutional equity raising and Share Purchase Plan, continued focus on control over working capital and the restriction on capital expenditure have placed the company in a sound position to allow for future acquisitive growth opportunities as they arise.

##### **Lime business development**

The Operational Improvement Programme to develop existing lime production capacity was placed on hold in the final quarter 2008 due to the uncertainty of future lime developments and notably the mothballing of BHP's HIs melt steel operations and the closure of Ravensthorpe Nickel in Western Australia. The Munster kiln 6 raw material feed and lime emissions upgrade projects are the key investments in the next phases of this development. The timing of these projects will span the next two years.

Lime demand has held level over the first months of the global recession due to stable off-take from the alumina and gold sectors. Adelaide Brighton will continue to monitor the medium term resource sector lime demand projections and re-engage the second and third phases of the Operational Improvement Programme as necessary.

The company continues to monitor lime pricing in the context of expiring longer term supply contracts and to seek to achieve future price increases to recover both manufacturing cost inflation and improve margins to the levels required to sustain future long term capital investment in lime manufacture later next decade.

##### **Carbon emissions**

Adelaide Brighton continues to support the introduction of an appropriate emissions trading scheme. The company has actively participated in the important debate with Government to ensure the setting of the initial emissions cap and carbon reduction trajectory at levels that will not disadvantage the Australian cement and lime industries versus their regional overseas competitors in the formative years of the scheme.

Cement and lime industry sectors are still awaiting clarification as to the scope of the activity definition of the production process that will receive Emissions Intensive Trade Exposed (EITE) assistance. This will lead to the company being able to raise a formal application for EITE status later this year.

Following the publication of the Government's White Paper on the Carbon Pollution Reduction Scheme (CPRS), Adelaide Brighton has been completing the development of its internal data capture and reporting systems. It has also undertaken initial reviews with PricewaterhouseCoopers in preparation for the independent verification of the carbon emissions data which will be required to meet EITE status and NGER reporting.



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### **Interim results summary**

**Half year ended 30 June 2009**

Adelaide Brighton acknowledges the recent changes made by Government to ensure the stable introduction of a sustainable Australian CPRS. The deferral of the start of the scheme until July 2011 and the capping of the first year's carbon price at \$10/tonne together with increasing the support for EITE allocations from 90% to 94.5% will provide greater certainty that Australian industry will not be disadvantaged in terms of global competition in the early years of the scheme. Adelaide Brighton is seeking further refinement to the CPRS to minimise the impacts on the competitiveness of the Australian cement and lime industries.

#### **FINANCIAL REVIEW**

##### **Cash flow and borrowings**

Operating cash flow increased to \$59.2 million (\$54.0 million pcp). This improvement was principally due to a \$5.7 million favourable movement in the change in working capital versus pcp and a \$4.7 million reduction in net interest expense versus pcp. Partially offsetting this was a \$4.8 million reduction in joint venture dividends paid, the latter due to the change to Sunstate quarterly dividend payments in 2008 which resulted in nine month's dividends received in the first half of 2008.

Free cash flow increased by \$12.6 million (41.0%) to \$43.3 million over pcp due to a \$8 million reduction in capital expenditure reflecting the constraints the company imposed in late 2008 to optimise cash flow.

Half year net borrowings decreased by \$97.1 million to \$261.4 million due to the institutional equity raising, Share Purchase Plan and the increase in free cash flow. In summary, the equity raising, Dividend Reinvestment Plan and Executive Performance Share Plan created the issue of 74,982,665 shares raising an additional \$133.3 million of equity.

In addition to providing balance sheet flexibility and reduced interest expense, the equity raising has removed the need consider an early refinancing of the \$310 million, two year credit facilities which expire on 30 June 2010; at 30 June only \$60.3 million of borrowings were recognised as current. At the half year the reduction in borrowings has been the key driver in reducing gearing, net debt to equity, to 31.4% from 55.3% over the pcp.

##### **Capital expenditure**

Capital expenditure of \$18.7 million was \$8.0 million below pcp as investment was constrained to essential sustaining, stay in business projects. Key expenditures were \$4.2 million on major component assets replaced in the February Birkenhead shutdown, \$5.8 million on the construction of the Glendenning West Sydney concrete plant and \$2.3 million on the SAP systems implementations.

By mid August, the Masonry Products Division was running successfully on a common SAP systems base. The Cement and Lime Division went live on 1 August on a separate SAP instance in South Australia and New South Wales. The second phase for Western Australia is planned for 1 September go live date.

##### **Dividends**

An interim 2009 dividend of 5.5 cents, franked to 100%, payable on 19 October, has been declared (6.5 cents, franked 100% pcp) a 15.4% decrease over the pcp. During the period the Directors declared a fully franked final dividend of 8.5 cents (9.0 cents pcp), for the year ended 31 December 2008 paid on 22 April 2009.



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## **Adelaide Brighton Ltd**

### **Interim results summary**

**Half year ended 30 June 2009**

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#### **Interest and tax**

Net finance costs of \$10.8 million were \$5.0 million lower than the pcp due to lower borrowings and the lower underlying cash rate. Tax expense of \$16.7 million increased by \$2.8 million over pcp. The 2008 tax charge took benefit from the recovery of \$1.5 million in additional research and development tax credits and the recognition of the mining rights tax status of the Loongana Lime acquisition.

#### **OUTLOOK**

The company projects a circa 15% decrease in demand for its cement in 2009 over last year as the uncertainties presented by the continued contraction in the commercial construction sector are partly offset by increasing demand from the residential and resources sectors. Benefits have begun to flow through from the first homeowners grant and schools infrastructure sectors resulting from the Government's construction sector stimulus package. The full benefits of these initiatives are not expected to gain full traction until mid 2010.

Lime demand is expected to remain level for the year as demand from the alumina and gold sectors remains robust. The second half year will have a relative strength versus the pcp which was impacted by the gas and electricity supply constraints caused by the Varanus Island gas explosion.

The company is on track to deliver its target net \$15 million EBIT improvement from its Divisional profit optimisation programmes. This will be a key attribute in mitigating the impact of the decline in cement and cementitious products demand and meeting earnings guidance. The integration plans for the Masonry Products division have been completed and are delivering projected synergies.

The early adoption of the profit optimisation programmes and the continued resilience of the resource sector demand, together with the flexibility provided by cement imports, have provided the base to optimise profitability in the current recessionary markets. The successful recovery of input cost pressures through realised sales price increases and the effective management of energy costs will continue to be key drivers in sustaining profit margins.

Adelaide Brighton reconfirms its prior guidance for the 2009 net profit after tax to be in the range of \$105 million - \$115 million.

#### **M Chellew**

Managing Director

20 August 2009

**FOR FURTHER INFORMATION CONTACT:**

**LUBA ALEXANDER  
GROUP CORPORATE AFFAIRS ADVISER  
MOBILE: 0418 535 636**

The Directors present their report on the consolidated entity (“the Group”) consisting of Adelaide Brighton Ltd (“the Company”) and the entities it controlled at the end of, or during, the half year ended 30 June 2009.

**Directors**

The Directors of the Company at any time during or since the end of the half year and up to the date of this report are:

**MA Kinnaird AO**  
**MP Chellew**  
**RD Barro**  
**CL Harris**  
**LV Hosking**  
**JD McNerney** (resigned 21 May 2009)  
**GF Pettigrew**

**Review of operations**

A review of the operations of the Group during the half year ended 30 June 2009 is set out on pages 3 to 7 of this report.

**Auditor’s independence declaration**

A copy of the auditor’s independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 20.

**Rounding off**

The Company is of a kind referred to in Class Order 98/100 issued by ASIC, relating to the “rounding off” of amounts in the Directors’ Report and financial report. Amounts in the Directors’ Report and financial report have been rounded off to the nearest hundred thousand dollars in accordance with that Class Order.

Dated at Sydney this 20th day of August 2009.

This report is made in accordance with a resolution of the Directors.



**MP Chellew**  
**Managing Director**

**Consolidated income statement**

For the half year ended 30 June 2009

	Notes	2009 \$m	2008 \$m
<b>Revenue from continuing operations</b>	3	463.2	476.9
Cost of sales		(304.3)	(313.5)
Freight and distribution costs		(64.4)	(67.2)
<b>Gross profit</b>		94.5	96.2
Other income	3	6.2	1.8
Marketing costs		(12.4)	(8.4)
Administration costs		(28.2)	(25.2)
Finance costs	3	(11.8)	(17.3)
Share of net profits of joint venture entities accounted for using the equity method	7	12.2	14.6
<b>Profit before income tax</b>		60.5	61.7
Income tax expense		(16.7)	(13.9)
<b>Net profit</b>		43.8	47.8
<b>Net profit is attributable to:</b>			
Equity holders of the Company		43.9	47.7
Minority interests		(0.1)	0.1
		43.8	47.8
<b>Earnings per share for profit attributable to the equity holders of the company:</b>			
Basic earnings per share		<b>7.6</b>	8.8
Diluted earnings per share		<b>7.6</b>	8.8

*The above consolidated income statement should be read in conjunction with the accompanying notes.*

**Consolidated statement of comprehensive income**

For the half year ended 30 June 2009

	2009	2008
	\$m	\$m
<b>Net Profit</b>	43.8	47.8
<b>Other comprehensive income</b>		
Actuarial gains/(losses) on retirement benefit obligation	3.4	(2.9)
Exchange differences on translation of foreign operations	-	0.6
Income tax relating to components of other comprehensive income	(1.0)	0.9
Other comprehensive income for the half-year, net of tax	2.4	(1.4)
<b>Total comprehensive income for the half-year</b>	46.2	46.4
 <b>Total comprehensive income is attributable to:</b>		
Equity holders of the Company	46.3	46.3
Minority interests	(0.1)	0.1
<b>Total comprehensive income for the half-year</b>	46.2	46.4

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Consolidated balance sheet**

As at 30 June 2009

	30 June 2009 \$m	31 December 2008 \$m
<b>Current assets</b>		
Cash and cash equivalents	9.5	23.1
Trade and other receivables	149.8	151.6
Inventories	119.9	116.1
Current tax assets	5.6	-
	284.8	290.8
Non-current assets classified as held for sale	12.7	-
Total current assets	297.5	290.8
<b>Non-current assets</b>		
Receivables	27.3	28.4
Investments accounted for using the equity method	69.4	67.6
Property, plant and equipment	774.8	801.9
Intangible assets	169.0	169.4
Total non-current assets	1,040.5	1,067.3
<b>Total assets</b>	1,338.0	1,358.1
<b>Current liabilities</b>		
Trade and other payables	89.6	98.0
Borrowings	60.3	0.4
Current tax liabilities	-	5.7
Provisions	24.4	23.6
Derivative financial instruments	1.1	-
Other liabilities	14.8	15.2
Total current liabilities	190.2	142.9
<b>Non-current liabilities</b>		
Borrowings	210.6	410.5
Deferred tax liabilities	64.5	57.4
Provisions	31.8	32.7
Retirement benefit obligation	8.4	12.6
Other non-current liabilities	0.1	0.1
Total non-current liabilities	315.4	513.3
<b>Total liabilities</b>	505.6	656.2
<b>Net assets</b>	832.4	701.9
<b>Equity</b>		
Contributed equity	671.6	540.4
Reserves	3.6	3.5
Retained profits	154.3	155.0
Total equity attributable to equity holders of the Company	829.5	698.9
Minority interests	2.9	3.0
<b>Total equity</b>	832.4	701.9

*The above consolidated balance sheet should be read in conjunction with the accompanying notes.*

**Adelaide Brighton Ltd**  
**Half year financial report – 30 June 2009**

**Consolidated statement of changes in equity**

As at 30 June 2009

	Attributable to owners of Adelaide Brighton Ltd				Minority interest \$m	Total equity \$m
	Contributed equity \$m	Reserves \$m	Retained earnings \$m	Total \$m		
<b>Balance at 1 January 2009</b>	<b>540.4</b>	<b>3.5</b>	<b>155.0</b>	<b>698.9</b>	<b>3.0</b>	<b>701.9</b>
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>-</b>	<b>46.3</b>	<b>46.3</b>	<b>(0.1)</b>	<b>46.2</b>
<b>Transactions with owners in their capacity as owners:</b>						
Contributions of equity, net of transaction costs	111.4	-	-	111.4	-	111.4
Dividends provided for or paid	-	-	(47.0)	(47.0)	-	(47.0)
Dividend reinvestment plan	17.9	-	-	17.9	-	17.9
Executive performance share plan	1.9	0.1	-	2.0	-	2.0
	<b>131.2</b>	<b>0.1</b>	<b>(47.0)</b>	<b>84.3</b>	<b>-</b>	<b>84.3</b>
<b>Balance at 30 June 2009</b>	<b>671.6</b>	<b>3.6</b>	<b>154.3</b>	<b>829.5</b>	<b>2.9</b>	<b>832.4</b>
<b>Balance at 1 January 2008</b>	<b>514.0</b>	<b>14.5</b>	<b>136.4</b>	<b>664.9</b>	<b>2.8</b>	<b>667.7</b>
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>0.6</b>	<b>45.7</b>	<b>46.3</b>	<b>0.1</b>	<b>46.4</b>
<b>Transactions with owners in their capacity as owners:</b>						
Dividends provided for or paid	-	-	(67.9)	(67.9)	-	(67.9)
Executive performance share plan	1.4	0.4	0.4	2.2	-	2.2
	<b>1.4</b>	<b>0.4</b>	<b>(67.5)</b>	<b>(65.7)</b>	<b>-</b>	<b>(65.7)</b>
<b>Balance at 30 June 2008</b>	<b>515.4</b>	<b>15.5</b>	<b>114.6</b>	<b>645.5</b>	<b>2.9</b>	<b>648.4</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**Consolidated statement of cash flows**

For the half year ended 30 June 2009

	Notes	2009 \$m	2008 \$m
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		512.7	520.0
Payments to suppliers and employees (inclusive of goods and services tax)		(440.4)	(450.7)
Joint venture distributions received		10.4	15.0
Interest received		1.0	1.5
Other revenue received		4.0	1.4
Interest paid		(9.2)	(13.9)
Income taxes paid		(19.3)	(19.3)
<b>Net cash inflow from operating activities</b>		59.2	54.0
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(18.7)	(26.7)
Payments for controlled entities and operations		-	(1.3)
Proceeds from sale of property, plant and equipment		2.8	3.4
Loans to joint ventures and other related parties		1.0	3.2
<b>Net cash (outflow) from investing activities</b>		(14.9)	(21.4)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	75.0
Repayment of borrowings		(140.2)	(31.5)
Dividends paid to company's shareholders	4	(29.1)	(67.9)
Proceeds from issue of shares, net of transaction costs		111.4	-
<b>Net cash (outflow) from financing activities</b>		(57.9)	(24.4)
<b>Net (decrease) increase in cash held</b>		(13.6)	8.2
Cash at the beginning of the reporting period		23.1	19.3
<b>Cash at the end of the reporting period</b>		9.5	27.5

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## **Notes to the financial statements**

For the half year ended 30 June 2009

### **1 Basis of preparation of half year report**

This general purpose financial report for the interim half year reporting period ended 30 June 2009 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2008 and any public announcements made by Adelaide Brighton Ltd during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

Comparative information has been re-classified where appropriate to achieve consistency of presentation. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

#### **Changes in accounting policy**

Adelaide Brighton Ltd had to change some of its accounting policies as the result of new or revised accounting standards which became operative for the annual reporting period commencing 1 January 2009.

The affected policies and standards are:

- Segments – new AASB 8 *Operating Segments*

#### **Segment reporting**

Adelaide Brighton Ltd has applied AASB 8 *Operating Segments* from 1 January 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in a change to the reportable segments presented, as quarry products which were previously included within the construction and mining materials segment do not meet quantitative thresholds therefore are disclosed within 'other segments'.

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the managing director.

Comparatives for 2008 have been restated.

### **2 Segment reporting**

#### **(a) Description of segments**

Management has determined the operating segments based on the reports reviewed by the managing director. These reports are evaluated regularly in deciding how to allocate resources and in assessing performance.

The two reportable segments have been identified as follows;

- Cement, Lime and Concrete
- Masonry products

The three operating segments, consisting of Cement, Lime and Concrete, all individually meet the quantitative thresholds required by AASB 8 as well as meeting the aggregation criteria allowing them to be reported as one segment. Masonry products meets the quantitative threshold however the economic characteristics of this segment are not similar to the other segments in all respects, therefore must be disclosed as a separate segment.

The major end-use markets of Adelaide Brighton's products include residential and non-residential construction, engineering construction, alumina and steel production and mining.

**(b) Segment information provided to the managing director**

The segment information provided to the managing director for the reportable segments for the half-year ended 30 June 2009 is as follows:

<b>Half-year 2009</b>	<b>Cement, Lime and Concrete</b>	<b>Masonry Products</b>	<b>All other segments</b>	<b>Total</b>
	\$m	\$m	\$m	\$m
Total segment operating revenue	361.0	63.0	8.8	432.8
Inter-segment revenue	(13.2)	-	-	(13.2)
Revenue from external customers	347.8	63.0	8.8	419.6
Depreciation and amortisation	22.9	4.1	2.2	29.2
EBIT	65.4	(0.8)	6.7	71.3

<b>Half-year 2008</b>				
Total segment operating revenue	399.0	39.5	7.7	446.2
Inter-segment revenue	(14.4)	-	-	(14.4)
Revenue from external customers	384.6	39.5	7.7	431.8
Depreciation and amortisation	23.9	2.2	1.8	27.9
EBIT	68.1	-	9.4	77.5

<b>Total segment assets</b>				
30 June 2009	651.2	228.7	970.8	1,850.7
31 December 2008	590.1	209.7	1,052.3	1,852.1

The operating revenue assessed by the managing director excludes freight revenue, interest revenue and royalties. A reconciliation of segment operating revenue to revenue from continuing operations is provided as follows:

	Consolidated	
	2009	2008
	\$m	\$m
Revenue from external customers	<b>432.8</b>	446.3
Inter-segment revenue elimination	<b>(13.2)</b>	(14.4)
Freight revenue	<b>44.6</b>	47.3
Interest revenue	<b>1.0</b>	1.5
Royalties	<b>0.6</b>	0.4
Consolidation adjustments	<b>(2.6)</b>	(4.2)
Revenue from continuing operations	<b>463.2</b>	476.9

The managing director assesses the performance of the operating segments based on a measure of EBIT. This measurement basis excludes the effect of net interest. A reconciliation of the EBIT to operating profit before income tax is provided as follows:

	Consolidated	
	2009	2008
	\$m	\$m
EBIT	<b>71.3</b>	77.5
Net interest	<b>(10.8)</b>	(15.8)
Profit before income tax from continuing operations	<b>60.5</b>	61.7

**(b) Segment information provided to the managing director** (continued)

A reconciliation of the total assets to consolidated total assets is provided as follows:

	Consolidated	
	2009	2008
	\$m	\$m
Total segment assets	<b>1,850.7</b>	1,852.1
Consolidation adjustments	<b>(512.7)</b>	(494.0)
Total consolidated assets	<b>1,338.0</b>	1,358.1

**3 Operating profit**

	Consolidated	
	2009	2008
	\$m	\$m
<b>Revenue</b>		
Sale of goods	461.6	475.0
Interest revenue	1.0	1.5
Royalties	0.6	0.4
	<u>463.2</u>	<u>476.9</u>
Other income	6.2	1.8
Revenue and other income	<u>469.4</u>	<u>478.7</u>
<b>Finance costs</b>		
Interest and finance charges	9.2	14.6
Unwinding of the discount on restoration provisions and retirement benefit obligation	1.5	1.9
Exchange losses on foreign currency forward contracts	1.1	0.8
Total finance costs	<u>11.8</u>	<u>17.3</u>
Less interest revenue	<u>(1.0)</u>	<u>(1.5)</u>
Net finance costs	<u>10.8</u>	<u>15.8</u>

**4 Dividends**

	2009	2008
	\$m	\$m
<b>Dividends provided or paid during the half year</b>		
2008 final dividend of 8.5 cents (2007 – 9.0 cents) per fully paid ordinary share, franked at 100% (2007 – 100%) paid on 22 April 2009.	47.0	48.9
2007 special dividend of – 3.5 cents per fully paid ordinary share, franked at 100% paid on 10 April 2008.	-	19.0
Total dividends	<u>47.0</u>	<u>67.9</u>
Paid in cash	29.1	67.9
Satisfied by issue of shares under the Dividend Reinvestment Plan	17.9	-

**Dividends not recognised at the end of the year**

In addition to the above dividends, since the end of the half year the directors have recommended the payment of an interim dividend of 5.5 cents per fully paid ordinary share (June 2008 – 6.5 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 19 October 2009 out of retained profits, but not recognised as a liability at the end of the half year, is

34.5	35.4
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## 5 Business combinations

During the period, the accounting entry for the 2008 acquisition of Hanson Building Products was finalised. The effect in the current period was a decrease in goodwill of \$0.5 and an increase in profit on acquisition of \$0.6 million.

## 6 Equity

<b>Securities issued</b>	<b>Half year June 2009 Shares</b>	Half year June 2008 Shares	<b>Half year June 2009 \$ m</b>	Half year June 2008 \$ m
<b>Issues of ordinary shares during the half year</b>				
Shares issued under the Adelaide Brighton Ltd Executive Performance Share Plan	<b>1,130,000</b>	930,000	<b>1.9</b>	1.4
Shares issued under the institutional placement, excluding shares issued to Barro Group Pty Ltd	<b>36,716,713</b>	-	<b>65.4</b>	-
Shares issued under the institutional placement to Barro Group Pty Ltd	<b>11,036,096</b>	-	<b>19.6</b>	-
Shares issued under the Adelaide Brighton 2009 Share purchase plan	<b>16,031,235</b>	-	<b>28.5</b>	-
Dividend reinvestment plan issues	<b>10,068,621</b>	-	<b>17.9</b>	-
	<b>74,982,665</b>	930,000	<b>133.3</b>	1.4

## 7 Investments in joint ventures

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting.

<b>Name of joint venture company</b>	Ownership interest	
	2009 %	2008 %
Sunstate Cement Ltd	50	50
Independent Cement & Lime Pty Ltd	50	50
Alternative Fuel Company Pty Ltd	50	50
EB Mawson & Sons Pty Ltd	50	50
Lake Boga Quarries Pty Ltd	50	50
Burrell Mining Services JV	50	-
<b>Contribution to net profit</b>	2009 \$m	2008 \$m
Sunstate Cement Ltd	5.3	8.1
Independent Cement & Lime Pty Ltd	5.2	6.1
Other	1.7	0.4
Share of profits equity accounted	<b>12.2</b>	<b>14.6</b>

## **8 Contingencies**

No significant changes occurred in contingent liabilities or contingent assets since the last annual reporting date.

## **9 Events occurring after reporting date**

No matter or circumstance has arisen since 30 June 2009 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in future financial years.

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 9 to 18 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Group's financial position as at 30 June 2009 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half year ended on that date; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



**MP Chellew**  
**Director**

Dated at Sydney on the 20th day of August 2009

PricewaterhouseCoopers  
ABN 52 780 433 757

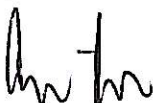
91 King William Street  
ADELAIDE SA 5000  
GPO Box 418  
ADELAIDE SA 5001  
DX 77 Adelaide  
Australia  
Telephone +61 8 8218 7000  
Facsimile +61 8 8218 7999  
[www.pwc.com/au](http://www.pwc.com/au)

### Auditor's Independence Declaration

As lead auditor for the review of Adelaide Brighton Limited for the half year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Adelaide Brighton Limited and the entities it controlled during the period.



A G Forman  
Partner  
PricewaterhouseCoopers

Adelaide  
20 August 2009

## Independent auditor's review report to the members of Adelaide Brighton Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial statements of Adelaide Brighton Limited, which comprise the consolidated balance sheet as at 30 June 2009, the consolidated income statement, the statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Adelaide Brighton Limited Group (the consolidated entity). The consolidated entity comprises both Adelaide Brighton Limited (the company) and the entities it controlled during that half-year.

#### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Adelaide Brighton Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or

**Independent auditor's review report to the members of  
Adelaide Brighton Limited (continued)**

management.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Adelaide Brighton Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



A G Forman  
Partner

Adelaide  
20 August 2009