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26 August 2004

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

Dear Sir/Madam

RESULT FOR HALF YEAR ENDED JUNE 2004

We attach the following documents:

- Appendix 4D and management discussion.
- Half year report ended 30 June 2004.

Yours faithfully

MRD Clayton
Company Secretary



Adelaide Brighton Ltd

Appendix 4D (rule 4.2A)

Half year ended 30 June 2004

Adelaide Brighton Ltd

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Results for announcement to the market

Company Name: Adelaide Brighton Ltd
ABN: 15 007 596 018
Reporting period: Half year ended 30 June 2004
Previous corresponding period: Half year ended 30 June 2003

A\$'000

Revenue from ordinary activities	up	21.3%	to	331,313
Profit from ordinary activities after tax attributable to members	up	5.8%	to	27,718
Net profit for the period attributable to members	up	5.8%	to	27,718

Dividends/distributions	Amount per security	Franked amount per security
Interim dividend (current reporting period)	3.50¢	100%
Interim dividend (previous corresponding period)	2.75¢	60%

Record date for determining entitlements to the interim dividend	14 September 2004
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	30 June 2004	30 June 2003
Net tangible asset backing per ordinary share	\$0.78	\$0.72



Adelaide Brighton Ltd

Interim results summary

Half year ended 30 June 2004

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KEY FEATURES OF INTERIM RESULT

- Increase in sales revenue of 21% (12% on a like for like basis)
- Increase in net profit after tax to \$28.3 million
- Earnings per share increased to 5.1 cents (4.8 cents in pcp)
- Interim dividend increased to 3.5 cents, franked to 100% (vs 2.75 cents, 60% franked in pcp)
- Improved gearing¹, reduced to 31.6% (33.5% in pcp)
- Increase in free cash flow to \$32.3 million from \$18.3 million (operating cash flow less capex)
- Inclusion of C&M Brick and Rocla Masonry Products from 1 July 2003
- Divestment of Pavement Technology Ltd effective from 1 January 2004

FINANCIAL SUMMARY	6 months ended 30 June		
(A\$millions)	2004	2003	% change pcp
Sales Revenue²	330.4	272.5	21.2
Depreciation	(23.9)	(22.2)	7.7
Goodwill Amortisation	(5.1)	(4.7)	8.5
Earnings before Interest and Tax ("EBIT")	44.6	43.9	1.6
Net interest ³	(6.2)	(5.7)	8.8
Profit Before Tax	38.4	38.2	0.5
Tax expense	(10.1)	(12.0)	(15.8)
Net Profit After Tax ("NPAT")	28.3	26.2	8.0
Minority interest	(0.5)	(0.0)	
Net Profit Attributable to Members	27.7	26.2	5.7
Earnings per share (cents)	5.1	4.8	6.3
Dividends per share (cents)	3.5	2.75	27.3
Franking (%)	100%	60%	40.0
Net Debt (A\$millions)	185.1	184.9	0.1
Net Debt/Equity (%)	31.6%	33.5%	(1.9)

¹ Net Debt/Equity

² Sales revenue excludes interest revenue (included in revenue from ordinary activities in Appendix 4D)

³ Interest charge shown gross in Appendix 4D with interest income included in sales revenue



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REVIEW OF OPERATIONS

Demand for cement and lime continued to be buoyant in all markets and this demand, together with the first time incorporation of sales from C&M, underpinned the 21% increase in sales revenue. Sales on a like for like basis net of the C&M acquisition and Pavement Technology divestment increased by 12.1%. The underlying sales increase was driven principally by the demand for cement and to a lesser degree concrete.

6 months to 30 June (A\$millions)	2004	2003	% change
Operating revenue – sale of goods	321.1	247.9	29.5
Operating revenue – services	-	18.1	
Operating revenue	321.1	266.0	20.7
Revenue arising from swap arrangements ⁵	6.1	4.5	
Other revenue	3.2	2.0	
Sales Revenue	330.4	272.5	21.2

⁵ Relates to production swaps. The underlying transaction is included in sale of goods.

EBIT margins have reduced due to the change in mix of sales through the acquisition of C&M and the higher cost of imported cement and clinker. Margins have also been influenced in Western Australia through increased sales of lower margin backfill binder cements to the mining industry.

All cement and lime plants continued to operate at capacity and clinker production was increased by 4.6% through continued improvement in operational efficiencies. However, increases in cement demand were also satisfied by increased cement and clinker imports, principally to our joint ventures in Queensland and Victoria.

Constrained by the JV fixed price supply contracts, import margins came under severe pressure in the first half due to our inability to quickly recover cost increases, significantly reducing overall import contribution margins. The key import cost increases were due to higher freight costs, a weakening in the Australian dollar and the overall tightening of availability of both cement and clinker in the world markets.

Further progress was made in improving operational output through the removal of key bottlenecks at Munster and additional upgrades at Birkenhead and Angaston. This expenditure resulted in a planned \$5.4 million increase in maintenance costs over the prior half year. These investments have placed us well to optimise output in the second half year with all significant plant maintenance work now completed.

One further key operational challenge impacted our first half performance. The Moomba explosion and gas outage in January caused a significant, short-term impact upon Birkenhead cement production and lowered the levels of cement inventory available for shipment. This in turn caused the despatch of several part loads of cement shipments to Independent Cement and Lime increasing sea freight costs in the first quarter of the year.



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The concrete operations continue to make good progress though the benefits of 2003 price increases have been offset by increased sand and aggregate pricing in certain markets. The Mascot plant is achieving its objective of becoming a reliable, quality supplier to the commercial sector and the North Melbourne plant, opened in January, is now providing a similar profile in the Melbourne commercial concrete sector.

The first half result included a \$4.1 million EBIT from C&M, which was in line with acquisition assumptions. Significant progress has been made in the upgrade of the former Rocla plants and the Nowra plant in Southern New South Wales was commissioned in July. These investments will optimise production between plants, reduce supply chain costs and progress the sale of the full C&M product range from all locations. The business is now well placed to supply anticipated seasonal demand increases in the second half.

BORAL TAKEOVER BID

The impact of the Boral bid did, understandably, have a direct impact on management focus in the first quarter due to increased workloads and uncertainties, which had a short-term impact upon performance. The first half EBIT was also directly impacted by the Boral takeover bid with \$3.1 million costs incurred for professional, advisory and other support costs.

In April this year the company was reorganised into four operating divisions: Cement and Lime, Concrete, Concrete Masonry Products and Aggregates and Recycling. This revised operating structure is now embedded in the organisation and the senior management team is now refocused to optimise future performance. The underlying EBIT performance, however, shows a continued improvement over 2003 and the Board is confident that the full year will be in line with internal targets.

STRATEGIC DEVELOPMENTS

Adelaide Brighton's strategy continues to be focused on selected vertical integration into downstream markets, operational improvement, cost reduction and the expansion of the lime operations. The first half of 2004 has seen a continuation of this strategy through further investment in the cement and lime operating capacity, improving both efficiency and output, and also through the investment in the concrete and concrete products operations to increase scale through the expansion of the product ranges.

The company is now moving into its second strategic phase, the selective integration into the upstream aggregates sector. In this regard, the company is in the final stages of the design and planning for the build and commissioning of the Hartley Quarry in New South Wales.

FINANCIAL REVIEW

Cash Flow

Cash flow from operations for the period amounted to \$56.3 million (\$50.3 million pcp). Net debt has been reduced by \$32.0 million from 31 December 2003 due to both strong operating cash flows, tight control over capital expenditure and the income from the divestment of Pavement Technology. Borrowings also took temporary benefit from the delayed \$17.6 million payment of the 2003 final dividend. At 30 June 2004 gearing was 31.6% (33.5% pcp).



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Half year ended 30 June 2004

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Dividend

An increased interim dividend for 2004 to 3.5 cents (2.75 cents pcp) has been declared, franked to 100% (60% pcp). During the period the Directors declared a final dividend of 3.25 cents (2.75 cents pcp), 100% franked (35% pcp) for the year ended 31 December 2003. The dividend was paid subsequent to the end of the period on 5 July 2004. This continued improvement in dividend distribution reflects the strong underlying result for the period and confidence in the company's prospects going forward. Franking of dividends will continue at 100% following the company's return to full tax payment in 2004.

Capital Expenditure

Capital expenditure totalled \$24.5 million (\$32.2 million in the pcp). This reduction has been achieved through continued tight control over expenditure. In addition temporary delays in certain capital approvals resulting from the conditions of the Boral bid and the focus upon plant performance improvement and maintenance in the first half year reduced the available resources for capital investment. Major investments are, however, planned for the second half. Key investments will be made on the Birkenhead alternative fuels handling system, Munster raw materials receiving and handling, the C&M Adelaide plant upgrade and key environmental expenditures. Overall 2004 capital expenditure will, however, still fall below budgeted levels.

Tax and Interest

Increased tax payments of \$9.2 million were made in 2004 (\$1.9 million pcp) as the company returned to a full tax paying status. The result for the first half of 2004 includes a tax expense of \$10.1 million (\$12.0 million pcp), an effective tax rate of 27%, as the utilisation of prior year tax losses nears completion. Interest charges increased due to the higher average levels of borrowing, though this impact was mitigated by lower interest rates following the replacement of the former parent RMC's debt with local funding through the ANZ Bank. Acceptance has been given by ANZ to roll over this facility for a second six months term to February 2005.

OUTLOOK

We remain optimistic that continued robust demand for cement will continue for at least the next two years and foresee demand from the commercial, engineering and infrastructure sectors adequately compensating for any regional downturn in the residential sector. We have increased our cement prices in all regions by between \$5 and \$10 per tonne effective the third quarter 2004.

Rising shipping and distribution costs, increased demand in Asia and rising production costs within the Asian rim manufacturers, the latter due in part to higher coal prices, have led to cement price increases in most Asian markets over the last six months. These factors, together with tightening worldwide product availability, have significantly reduced the imported cement threat to Australia. We believe the future projected economic growth potential in China will continue to result in high levels of demand for cement for the foreseeable future. Demand from the emerging Indian economy may also become a significant factor in the Asian market.

Considering all of the above, we believe that there will be further capacity for cement price increases in the home market during 2005.



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The forward demand for lime is encouraging due to the commissioning of plant expansions at two of our major customers in Western Australia, Hismelt and Telfer. These expansions will be completed in the final quarter 2004 and first quarter 2005 respectively. These volumes together with other expansion plans in the alumina industry lead us to project for a steady increase in lime demand over the next five years. Our internal projections suggest we will be selling about 200,000 additional tonnes of lime in Western Australia by 2008. Price rises in the non-alumina sector at or ahead of inflationary levels are also projected over the same period.

The Hy-Tec operations continue to make progress in improving their operating cost base. Optimising throughputs at the Mascot and North Melbourne plants, together with a review of plant configurations, is now an important management focus and will be a key factor in maximising future profitability.

C&M is now well positioned to achieve wider coverage with its expanded product range giving opportunity for the concrete products sector to grow within the construction materials sector with a focus on higher value products.

The recently signed joint venture with Resourceco, the Alternative Fuel Company Pty Ltd, will gear up its fuel output from that of a pilot process into full stage production over the second half year in parallel with the investment in the automated fuel handling plant at Birkenhead. Full-scale operation of this fuel stream will begin in the first quarter 2005. The benefits to both ABL through reduced fuel costs and the environment through a reduction in landfill, lower greenhouse gas generation and reduced natural gas consumption will begin to accrue in the first half of 2005.

We are comfortable with the recent consensus NPAT projections within the range of \$62 to \$66 million for the full year. Assuming no unforeseen events, we remain encouraged and optimistic and look forward to increasing profitability and shareholder returns.

M Chellew

Managing Director

26th August 2004

FOR FURTHER INFORMATION CONTACT:

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CHIEF FINANCIAL OFFICER
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LUBA PRZEDWORSKI
GROUP CORPORATE AFFAIRS ADVISER
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Adelaide Brighton Ltd

Interim results summary

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Directors' report

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 2004.

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
CL Harris
D Barro AO
MP Chellew
JD McNerney
LV Hosking
JA Brooks (resigned 29 April 2004)

Review of operations

A review of the operations of the Group during the half year ended 30 June 2004 is set out on pages 3 to 6 of this report.

Events subsequent to the end of the reporting period

Events subsequent to 30 June 2004 are reported in Note 6 of the Half Year Report.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and, in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest one thousand dollars, unless otherwise indicated.

Dated at Sydney this 26th day of August 2004.

Signed in accordance with a resolution of the Directors:

M Chellew
Managing Director

Consolidated statement of financial performance

For the half-year ended 30 June 2004

	Notes	June 2004 \$'000	June 2003 \$'000
Revenues from sale of goods and services		327,263	270,463
Cost of sales		(216,262)	(176,911)
Freight and distribution costs		(46,956)	(30,664)
Gross profit		64,045	62,888
Other revenues from ordinary activities		4,051	2,683
Other expenses from ordinary activities			
Marketing		(5,104)	(3,167)
Administration		(19,906)	(17,848)
Borrowing costs		(7,031)	(6,336)
Other		(5,129)	(5,157)
Share of net profits of joint venture entities accounted for using the equity method	9	7,472	5,154
Profit from ordinary activities before income tax expense		38,398	38,217
Income tax expense		(10,147)	(11,994)
Net profit		28,251	26,223
Net (profit)/loss attributable to outside equity interests		(533)	(35)
Net profit attributable to members of Adelaide Brighton Ltd		27,718	26,188
Net exchange difference on translation of financial reports of foreign controlled entities		57	(77)
Net movement in other reserves		(25)	-
Total revenues, expenses and valuation adjustments attributable to members of Adelaide Brighton Ltd recognised directly in equity		32	(77)
Total changes in equity other than those resulting from transactions with owners as owners		27,750	26,111
		Cents	Cents
Basic earnings per share	7	5.1	4.8

The above consolidated statement of financial performance should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2004

	Notes	30 Jun 2004 \$'000	31 Dec 2003 \$'000
Current assets			
Cash assets		41,752	14,167
Receivables		95,962	101,154
Inventories		58,903	56,241
Other		7,689	1,700
Total current assets		<u>204,306</u>	<u>173,262</u>
Non-current assets			
Receivables		13,601	12,189
Investments accounted for using the equity method		35,137	33,643
Other financial assets		32	32
Property, plant and equipment		615,547	620,064
Deferred tax assets		15,895	17,091
Intangible assets		161,232	166,442
Total non-current assets		<u>841,444</u>	<u>849,461</u>
Total assets		<u>1,045,750</u>	<u>1,022,723</u>
Current liabilities			
Payables		86,034	76,498
Interest bearing liabilities		225,620	229,840
Current tax liabilities		5,246	8,236
Provisions		46,791	30,421
Other		2,419	3,606
Total current liabilities		<u>366,110</u>	<u>348,601</u>
Non-current liabilities			
Payables		-	6,000
Interest bearing liabilities		1,125	1,360
Deferred tax liabilities		69,685	67,550
Provisions		10,860	11,177
Other		12,407	12,407
Total non-current liabilities		<u>94,077</u>	<u>98,494</u>
Total liabilities		<u>460,187</u>	<u>447,095</u>
Net assets		<u>585,563</u>	<u>575,628</u>
Equity			
Parent entity interest			
Contributed equity	3	512,775	512,775
Reserves		30,484	30,453
Retained profits		32,525	22,417
Total parent entity interest		<u>575,784</u>	<u>565,645</u>
Outside equity interest in controlled entities		9,779	9,983
Total equity		<u>585,563</u>	<u>575,628</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the half-year ended 30 June 2004

	June 2004 \$'000	June 2003 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	357,933	280,906
Payments to suppliers and employees (inclusive of goods and services tax)	(293,450)	(230,291)
Dividends received	5,977	5,474
Interest received	781	691
Other revenue	1,370	1,830
Borrowing costs	(7,177)	(6,439)
Income taxes paid	(9,169)	(1,876)
Net cash inflow from operating activities	56,265	50,295
Cash flows from investing activities		
Payments for property, plant and equipment	(24,453)	(32,153)
Payments for controlled entities and operations	(5,848)	(6,227)
Proceeds from sale of property, plant and equipment	349	180
Proceeds from sale of controlled entities	7,800	-
Loans to joint venture entities	(1,413)	-
Net cash (outflow) from investing activities	(23,565)	(38,200)
Cash flows from financing activities		
Proceeds from borrowings	240,000	55,407
Repayment of borrowings	(244,456)	(17,278)
Dividends paid	-	(14,888)
Dividends paid to outside equity interests in controlled entities	(736)	-
Net cash inflow (outflow) from financing activities	(5,192)	23,241
Net increase (decrease) in cash held	27,508	35,336
Cash at the beginning of the reporting period	14,167	19,514
Cash balances in controlled entities acquired or disposed	(30)	-
Effects of exchange rate changes on cash	107	(236)
Cash at the end of the reporting period	41,752	54,614

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 2004

1 Basis of preparation of the half-year financial report

This general purpose financial report for the interim half-year reporting period ended 30 June 2004 has been prepared in accordance with Accounting Standard AASB 1029 Interim Financial Reporting, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Urgent Issues Group Consensus Views and the Corporations Act 2001.

The 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 2003 and any public announcements made by Adelaide Brighton Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period. The report is prepared on a going concern basis despite the working capital deficit at year end which is a result of the changed status of the credit facility provided by the former majority shareholder (refer Interim Results Summary, Financial Review on page 5 of this report).

International Financial Reporting Standards (IFRS)

The AASB is adopting IFRS for application to reporting periods beginning on or after 1 January 2005. The AASB will issue Australian equivalents to IFRS, which will be first reflected in the consolidated entity's financial statements for the half-year ending 30 June 2005 and the year ending 31 December 2005. Compliance with IFRS for the first time will require restatement of comparative financial statements to reflect the application of IFRS. Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as at 1 January 2004.

The consolidated entity has appointed staff to manage the transition to IFRS. To date most of the Australian equivalents to IFRS have been analysed to identify accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under Pending Accounting Standard AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards. Some of these choices are still being analysed to determine the most appropriate accounting policy for the consolidated entity.

Major changes identified to date that will be required to the consolidated entity's existing accounting policies include the following:

- (i) **Income tax**
Under the Australian equivalent to IAS 12 Income Taxes, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the statement of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity. This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.
- (ii) **Intangible assets – goodwill**
Under the Australian equivalent to IFRS 3 Business Combinations, amortisation of goodwill will be prohibited, and will be replaced by annual impairment testing focusing on the cash flows of the related cash generating unit. This will result in a change to the current accounting policy, under which goodwill is amortised on a straight line basis over the period during which the benefits are expected to arise and not exceeding 20 years.
- (iii) **Financial instruments**
Under the Australian equivalent to IAS 39 Financial Instruments: Recognition and Measurement there may be major impacts as a result of foreign exchange contracts held for hedging purposes being accounted for as cash flow hedges. Changes in the fair value of those contracts will be recognised directly in equity until the hedged transaction occurs, in which case the amounts recognised in equity will be included in the initial cost of the assets acquired. Currently, the costs or gains arising under contracts together with any realised or unrealised gains from re-measurement are included in assets or liabilities as deferred losses or deferred gains.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to IFRS, as not all standards have been analysed and some decisions have not yet been made where choices of accounting policies are available. For these reasons it is not yet possible to quantify the impact of the transition to IFRS on the consolidated entity's financial position and reported results.

Notes to the financial statements (continued)

For the half-year ended 30 June 2004

2 Dividends

	June 2004 \$'000	June 2003 \$'000
Dividends provided or paid during the half-year		
Final dividend of 3.25 cents (2003 - 2.75 cents) per fully paid share	17,610	14,888

Dividends not recognised at the end of the half-year

Since the end of the half-year the Directors have recommended the payment of an interim dividend of 3.5 cents (2003 – 2.75 cents) per fully paid ordinary share, franked at 100% (2003 – 60%). The aggregate amount of the proposed interim dividend expected to be paid on 14 October 2004 (2003 – 8 October 2003), not recognised as a liability at the end of the reporting period, is

	18,965	14,888
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3 Equity securities issued

	June 2004 \$'000	June 2003 \$'000
Issued and paid up capital		
541,861,007 (2003: 541,386,007) ordinary shares, fully paid	512,775	512,104
Movements in ordinary share capital		
Balance at the beginning of the reporting period	512,775	512,104
Shares issued	-	-
Balance at the end of the reporting period	512,775	512,104

4 Discontinued operation

The consolidated group divested its interest in Pavement Technology Ltd, a controlled entity, effective 1 January 2004, resulting in the discontinuation of operations in specialised road construction, maintenance and rehabilitation services.

	June 2004 \$'000	June 2003 \$'000
Financial performance information		
Revenue from ordinary activities	-	18,172
Expenses from ordinary activities	-	(18,415)
Gain on sale of controlled entity	1,480	-
Profit from ordinary activities before income tax	1,480	(243)
Income tax expense	-	72
Net profit	1,480	(171)

5 Contingent liabilities

Details of changes in contingent liabilities since 31 December 2003 are as follows:

Dividends received by the Company from wholly owned controlled entities have been treated as non assessable. Should the Company not enter tax consolidations, the unfranked portion of such dividends received post 30 June 2003 (\$66,870,000) will be assessable resulting in a tax liability of \$20,061,000.

6 Events occurring after reporting date

No matter or circumstance has arisen since 30 June 2004 that has significantly affected, or may significantly affect:

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

Notes to the financial statements (continued)

For the half-year ended 30 June 2004

7 Earnings per share

	June 2004 Cents	June 2003 Cents
Basic earnings per share	5.1	4.8
	June 2004 Number	June 2003 Number
Weighted average number of shares used as the denominator Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	541,861,007	541,386,007
	June 2004 \$'000	June 2003 \$'000
Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Net profit	28,251	26,223
Net profit attributable to outside equity interest	(533)	(35)
Earnings used in calculating basic earnings per share	27,718	26,188

8 Segment information

**Primary reporting
– business segments**

	30 June 2004 (\$'000)				
	Construction & Mining Materials	Building Products	Other	Elimination/ Unallocated	Consolidated
Sales – External	282,977	44,286	-	-	327,263
Inter-segment sales	-	-	-	-	-
Sales revenue	282,977	44,286	-	-	327,263
Other revenue	1,077	33	2,085	-	3,195
Revenue from ordinary activities	284,054	44,319	2,085	-	330,458
Share of net profit of joint ventures	7,472	-	-	-	7,472
Total segment revenue	291,526	44,319	2,085	-	337,930
Segment result	50,939	4,057	(5,340)	(5,084)	44,572
Net interest expense				(6,174)	(6,174)
Operating profit					38,398
Income tax expense				(10,147)	(10,147)
Net profit					28,251

Notes to the financial statements

For the half-year ended 30 June 2004

**Primary reporting
– business segments**

	30 June 2003 (\$'000)			
	Construction & Mining Materials	Other	Eliminations / Unallocated	Consolidated
Sales – External	252,325	18,138	-	270,463
Inter-segment sales	731	-	(731)	-
Sales revenue	253,056	18,138	(731)	270,463
Other revenue	2,062	621	-	2,683
Revenue from ordinary activities	255,118	18,759	(731)	273,146
Share of net profit of joint ventures	5,154	-	-	5,154
Total segment revenue	260,272	18,759	(731)	278,300
Segment result	52,326	(3,728)	(4,701)	43,897
Net interest expense			(5,680)	(5,680)
Operating profit				38,217
Income tax expense			(11,994)	(11,994)
Net profit				26,223

9 Investments in joint ventures and associates

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

Name of joint venture company	Ownership interest		Aggregate share of profits		Contribution to net profit	
	2004 %	2003 %	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Sunstate Cement Ltd	50	50	4,050	2,353	4,050	2,353
Independent Cement & Lime Pty Ltd	50	50	3,862	3,294	3,862	3,294
Amortisation of goodwill					(498)	(498)
Unrealised profit in inventory					58	(5)
Share of profits equity accounted					7,472	5,154

Directors' declaration

The Directors declare that the financial statements and notes set out on pages 8 to 14:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2004 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date.

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; 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.

M Chellew
Director

Dated at Sydney on the 26th day of August 2004.

Independent Review Report to the Members of Adelaide Brighton Limited

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Adelaide Brighton Limited:

- does not give a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of the Adelaide Brighton Limited Group as at 30 June 2004 and of its performance for the half-year ended on that date, and
- is not presented in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This statement must be read in conjunction with the rest of our review report.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for the Adelaide Brighton Limited Group (the consolidated entity), for the half-year ended 30 June 2004. The consolidated entity comprises both Adelaide Brighton Limited (the company) and the entities it controlled during that half-year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review in order for the company to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements.

**Independent Review Report to the Members of
Adelaide Brighton Limited**

We performed procedures in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly, in accordance with the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the consolidated entity's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which included:

- inquiries of company personnel, and
- analytical procedures applied to financial data.

When this review report is included in a document containing information in addition to the financial report, our procedures include reading the other information to determine whether it contains any material inconsistencies with the financial report.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and 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 management.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.



PricewaterhouseCoopers



DR Clark
Partner

Adelaide
26 August 2004