



Adelaide Brighton Ltd

Acquisition of C&M Brick and Rocla Pavers and Masonry

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Agenda



- Transaction
- Synergies
- C&M Brick and Rocla Pavers and Masonry Profiles
- Markets
- Summary



Transaction



- Acquisition of 55% of C&M Brick (C&M), option on balance based on current business value
- Outright purchase of 100% Rocla Pavers and Masonry (RPM)
- Total consideration of \$50.5m 1 July 2003, excluding option on balance of C&M
- In addition C&M debt assumed of approx \$10m
- Acquisitions funded through debt
- Forecast ABL pro forma gearing of 40% at 31 December 2003
- EPS positive contribution for year ending 31 December 2003
- The EBITDA multiple for the combined acquisition is approximately 5.5



Why C&M and RPM



- Acquisitions in line with ABL's strategy to develop downstream positions
- Immediate significant market presence
- Concrete products second largest sector utilising cement – accounts for approximately 20%
- Alterations and additions segment is less cyclical and growing each year
- Platform for growth – new geographic markets and aligned industry sectors
- Synergies from business consolidation



Synergies



- C&M and RPM will be amalgamated
 - Administration and management
 - Optimisation of production facilities
- Transfer of updated technology to RPM
 - Improved plant efficiencies
 - Shared technology base
- Products
 - C&M strengths in product development and marketing
 - Improve product range
- Synergies in excess of \$2m pa



People



- Management have a proven track record in the concrete masonry products sector
- Combined business will be managed by Colin Kupke, Managing Director C&M
- Skilled, experienced employee base from both businesses
- Innovative product development and marketing expertise
- 300 employees in total



Financials



- Proforma turnover of the combined business circa \$85m
- EPS positive contribution for year ending 31 December 2003
- Forecast ABL pro forma gearing of 40% at 31 December 2003
- The EBITDA multiple for the combined acquisition is approximately 5.5



C&M profile



- C&M is a private Australian company founded in 1972
- Manufactures concrete blocks, pavers and retaining walls
- Product range bias towards residential market segment
- Four manufacturing facilities in Victoria and one in New South Wales
- Cement currently sourced from ICL
- Strong focus on licensed products unique to C&M and new product innovation



RPM profile



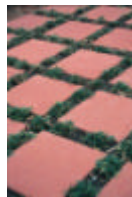
- RPM manufactures concrete bricks, blocks, pavers and segmental retaining walls
- Product range bias towards the commercial sector
- One manufacturing facility and five retail sales outlets in South Australia
- Three manufacturing facilities in New South Wales
- Strong brand identity



Product range



Bricks



Concrete Blocks

Blocks

Stone products



Pavers



Retaining walls and fence systems

Segmental retaining walls



Plant locations



C&M Brick		Rocla Pavers & Masonry	
VIC:	Bendigo (2) Campbellfield Horsham	NSW:	Moorebank Sandgate
NSW:	Nowra	ACT:	Fyshwick
		SA:	Rosewater 5 retail sales outlets

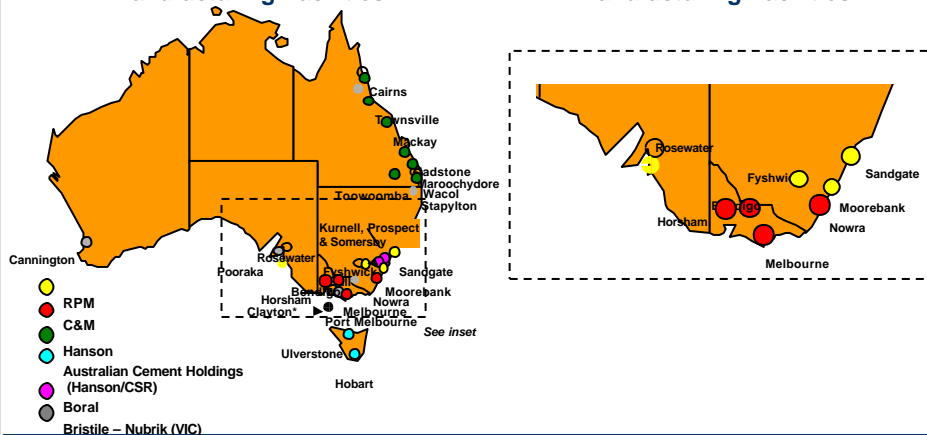


Manufacturing facilities



National Concrete Products Manufacturing Facilities

RPM and C&M Manufacturing Facilities



Markets



- C&M well established in new dwellings/renovations segment. Has strong reputation with landscapers, layers and resellers
- RPM focused on commercial segment. Enjoys good reputation with specifiers
- C&M has broader sales mix, anchored by high margin pavers and retaining walls. RPM is strong in masonry bricks and blocks
- C&M market leaders in VIC with emerging position in NSW and small foothold in SA. RPM major force in SA and well-established in NSW



Market position



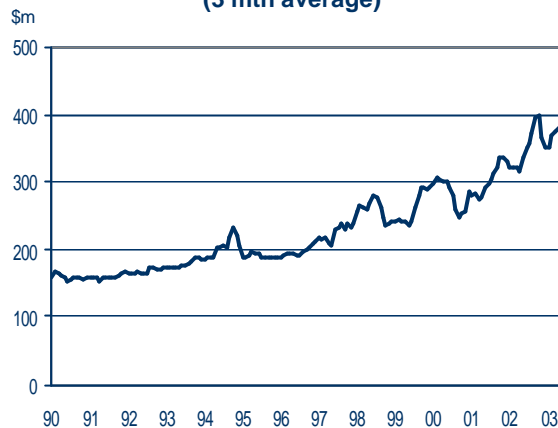
- The combined business is number two in the national masonry products segment
- Good combined geographic spread NSW, VIC & SA
 - C&M has a strong market position in VIC and recently entered NSW market
 - RPM is currently number two in NSW and has strong market position in SA
- Future growth potential in Queensland



Renovations approvals



Approvals for renovations to existing homes
(3 mth average)



- Consistent growth
- Increased exposure to renovations and alterations segment
- Less volatility

Source: ABS

Retaining Wall Systems

Stone Products

Fence Systems

Summary



- Acquisitions are consistent with ABL's strategy of selective vertical integration
- Synergies from integration of C&M and RPM
- Proven and experienced management team
- Market leading product range
- Substantial technical, engineering and manufacturing expertise
- Broad understanding of commercial and retail sectors
- Adelaide Brighton has an increasingly strategic and geographically balanced portfolio of assets

Retaining Wall Systems

Stone Products

Fence Systems



Adelaide Brighton Ltd

A leading integrated construction materials
and lime producer

