

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

19 June 2003

ASX & MEDIA RELEASE

Adelaide Brighton acquires a number two position in the Australian concrete masonry products market

Acquisition of C&M Brick and Rocla Pavers and Masonry

Adelaide Brighton Ltd (ASX Code: ABC) announces that it has agreed to acquire 55% of the concrete masonry products company C&M Brick Pty Ltd (C&M) and 100% of the Rocla Pavers and Masonry (RPM) business of Rocla Pty Ltd, for a combined cash consideration of \$50.5m, plus the assumption of debt of approximately \$10m. Settlement of the acquisitions will be on 1 July 2003.

Adelaide Brighton has the option to acquire the remaining 45% of C&M in the future based upon the current business value. In addition C&M have a future performance incentive based on further value creation by 2007.

Based on current earnings, the acquisitions will be EPS positive in the year ending 31 December 2003. The combined acquisition EBITDA multiple is approximately 5.5 times current year (30 June 2003) forecast earnings, before synergies arising from the business combination.

The combined business management team will be led by Colin Kupke, the current managing director of C&M, supported by experienced management from Rocla. Both businesses have a proven track record in the development and marketing of concrete masonry products to the Australian construction industry. Management will also seek to deliver further early profit improvement arising from the merger of the two businesses.

Funding

The acquisition will be funded by debt facilities. On a pro forma basis, Adelaide Brighton's forecast gearing (debt to equity) as at 31 December 2003 will increase to approximately 40%.

Benefits to Adelaide Brighton

- The simultaneous acquisition of C&M and RPM enables Adelaide Brighton to enter the concrete products masonry market in a substantial manner taking an immediate number two market position nationally.
- Strong market presence in concrete masonry products in key markets - Victoria (No1), New South Wales (No2) and South Australia (No2).
- Management team with proven track record in the development and marketing of concrete masonry products.
- Immediately EPS accretive to Adelaide Brighton shareholders, before synergies.
- Increased exposure to the growing and less cyclical renovations segment.
- Synergies from the merger of the C&M and RPM operations will increase the competitive base of the combined business.

Commenting on the acquisition, Mark Chellew, the Managing Director of Adelaide Brighton said, "This combined acquisition is consistent with our continuing strategy of focused vertical integration, which is one of the fundamental elements of Adelaide Brighton's strategic plan."

"The acquisition of C&M and RPM gives Adelaide Brighton a strong entry into the Australian concrete masonry products market, creating a combined business with the second largest market share in Australia.

"The two businesses have a good geographic fit and expertise in the development, production and supply of concrete masonry products to the commercial, residential and renovations/alterations sectors.

"The entry into this market provides further stability to Adelaide Brighton through the demand for concrete masonry products. This sector is driven by both residential and commercial construction as well as the more stable domestic renovations segment which has shown sustained growth over the last decade.

"In addition to the strength of its combined market position, we conservatively forecast \$2m in synergies from this business combination in terms of product development, marketing, production expertise and procurement scale."

C&M and RPM

C&M manufactures and supplies concrete blocks, pavers and retaining walls to the construction industry in Victoria and New South Wales. It has a wide product range with a bias towards the residential market segment. C&M has three manufacturing facilities in Victoria and one in New South Wales.

RPM manufactures and supplies similar products to the New South Wales and South Australian markets with a product range biased towards the commercial sector. RPM has one manufacturing facility and five retail sales outlets in South Australia and three manufacturing facilities in New South Wales.

C&M and RPM are long established business, C&M being privately owned and RPM part of the Amatek group.

"The acquisition of C&M and RPM gives Adelaide Brighton increased scale as a consumer of cement and aggregates in the larger Australian markets of New South Wales and Victoria", Mr. Chellew said.

The other elements of Adelaide Brighton's strategic plan are a continued focus on cost reduction and development of the existing lime business. Adelaide Brighton continues to actively pursue these initiatives.

Mark Chellew

Managing Director

For further information contact:

Ms Luba Przedworski
Group Corporate Affairs Adviser
Telephone: 0418 535 636