



Adelaide Brighton Ltd
ACN 007 596 018

Adelaide Brighton Ltd
Half Year Profit Report
December 1999 Summary
Issued Adelaide
Monday, 13 March 2000

Media Release

ADELAIDE BRIGHTON PROFITS INCREASE AS A RESULT OF MERGER

Adelaide Brighton Ltd today reported a net profit after tax and before abnormal items for the six months ended 31 December 1999 of \$14.8 million.

The increase of \$9.3 million, compared to the corresponding previous period, was due to the inclusion for the first time of Cockburn Cement; the inclusion of the 49% of Adelaide Brighton Cement acquired last year; and a lower tax effect on profit.

Cockburn Cement and the 49% of Adelaide Brighton Cement not previously owned were both acquired with effect from 30 June 1999 in a complicated transaction. This transaction transformed Adelaide Brighton into Australia's largest cement and lime company.

Commenting on the result, Mr Phil Wright, Managing Director of Adelaide Brighton Ltd said, "Merger benefits and cost savings are being achieved.

"These have however been offset by a combination of lower cement prices, an unscheduled maintenance shut at Birkenhead, one of the Company's main production operations, and by a \$4.0 million write down of goodwill arising from the Merger".

The Company's earnings per share reduced from 3.5 cents in the six months to December 1998 to 3.1 cents. If the merger with Cockburn Cement were excluded, earnings per share would have increased. The initial dilutive effect on earnings per share of the merger with Cockburn Cement was forecast in a detailed memorandum issued at the time of the merger.

In commenting on the outlook Mr Wright said, "The Directors are of a view that the next 12 to 24 months will be a difficult trading period owing to import and domestic competition and forecast declines in construction activity.

"As a consequence, the results foreshadowed in the Explanatory Memorandum of April 1999 are unlikely to be achieved while these conditions last."

The Company advised that there are a number of factors that will partly offset the expected downturn and increased competition. These include an increase in lime sales associated with expansion of alumina facilities in Western Australia and lower costs as the company focuses on establishing internationally competitive operations.

"We have a clear focus on improving cost and customer satisfaction.

"At the same time we are carrying out a strategic review with a view to looking at all options to improve value" Mr Wright said.

Adelaide Brighton Ltd is Australia's leading producer of cement and lime with operations in all mainland States and trades under the symbol ABC on the Australian Stock Exchange.

During January 2000, RMC Group p.l.c. acquired The Rugby Group PLC's 55% shareholding in Adelaide Brighton. RMC are the world's largest producers of ready mixed cement, No. 5 in aggregates and No. 12 in cement.

For further information please contact:

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Media Release Attachment

RESULTS SUMMARY	Half Year Ended December		
	1999 \$m	1998 \$m	Change %
Sales	222.8	157.7	41%
Depreciation	(18.0)	(13.1)	(37%)
Amortisation	(4.8)	-	
Earnings before interest and tax	27.6	18.8	47%
Net interest	(10.0)	(7.7)	(30%)
Profit before tax and abnormal items	17.6	11.1	56%
Tax expense	(2.8)	(3.8)	26%
Outside equity interests	-	(1.8)	
Profit after tax and before abnormals	14.8	5.5	169%
Abnormal items (after tax and outside equity interests)	(8.1)	(8.4)	
Net profit(loss) after tax and abnormals	6.7	(2.9)	

EARNINGS PER SHARE & DIVIDENDS	Half Year Ended December	
	1999	1998
Earnings Per Share – cents (pre-abnormal)	3.1	3.5
Earnings Per Share – cents (post-abnormal)	1.4	(1.9)
Dividends Per Share – cents	Nil	2.5
Gearing (%) – (net debt/shareholders funds)	65%	73%
Gearing (%) – (net debt/net debt + shareholders funds)	39%	42%

SIGNIFICANT FEATURES

- \$9.3 million increase in profit after tax and before abnormals owing to the inclusion for the first time of Cockburn Cement; the inclusion of the 49% of Adelaide Brighton Cement acquired last year; and a lower tax effect on profit;
- Depreciation, interest and goodwill amortisation all increased owing to inclusion of Cockburn Cement;
- Merger benefits and cost savings are being offset by lower cement prices;
- Lower earnings from road stabilisation operations offset by increased earnings from joint ventures;
- Exit from Fuel and Combustion Technology business;
- New Chief Executive appointed 1 December 1999;
- RMC Group p.l.c. acquired The Rugby Group PLC's 55% shareholding in Adelaide Brighton. RMC are the world's largest producers of ready mixed cement, No. 5 in aggregates and No. 12 in cement. Operations in 27 countries and over 37,000 employees.