Half Year Results December 1999

13/14 March 2000

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Half Year Results December 1999

PRESENTED BY

Phil Wright - CEO
Chris Foll - CFO

13/14 March 2000

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Overview

PRESENTED BY

Phil Wright
Chief Executive

13/14 March 2000

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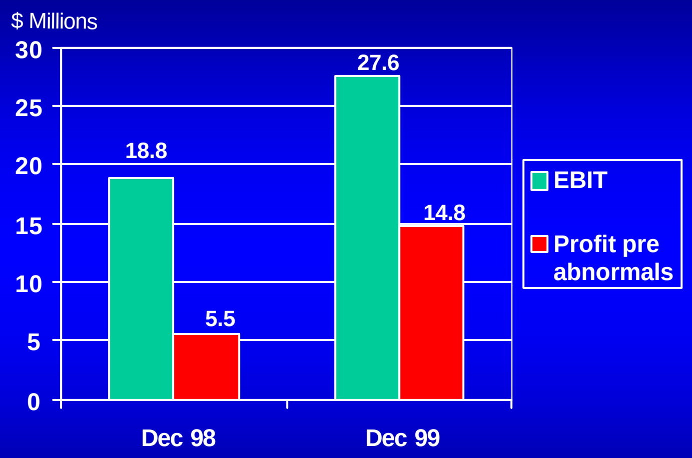
The Half In Review



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The Result

- Improved net profit after tax pre-abnormals of $14.8 million owing to inclusion of Cockburn Cement for the first time
- Abnormals of $8.1 million mainly related to disposal/write down of non-core businesses
- Strong cash flow from operations with borrowings reduced by $28 million in the last 6 months

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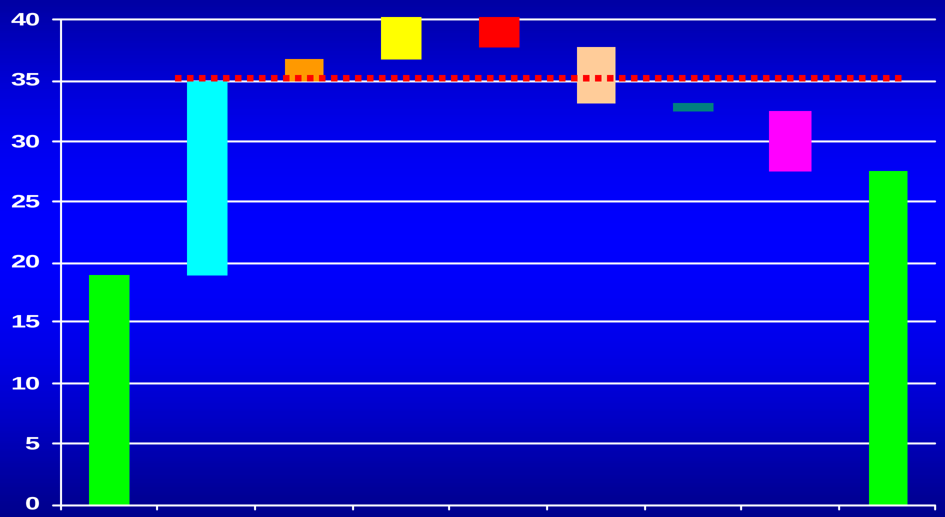
Price, Volume and Cost Effect on EBIT

$M



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Major Factors

Cockburn Cement included for the first time

UNDERLYING PRODUCTION:

	Dec 99	Dec 98
• Up on December 1998 half		
Clinker	1145	1086
Cement	988	853
Lime	454	438

UNDERLYING SALES:

- **Up on December 1998 half**

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Major Factors

PRICES:

- **Cement prices moving towards import parity**
- **Lime prices reduced but stable**

COSTS:

- **Merger benefits in West nearing full realisation**
- **Geelong to close April 2001. Some benefits already achieved, balance to come after closure**

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Dividend

- No dividend declared
- While encouraged by the latest result, deferred consideration of interim dividend until after the next half year's result

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Overview

PRESENTED BY

Chris Foll
Chief Financial Officer

13/14 March 2000

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Financial Results

	Six months* to Dec 1999 $m	Six months to Dec 1998 $m
Sales	222.8	157.7
Group EBIT	27.6	18.8
Interest	(10.0)	(7.7)
Profit before tax	17.6	11.1
Tax	(2.8)	(3.8)
Outside equity	-	(1.8)
Core net profit after tax	14.8	5.5
Abnormals	(8.1)	(8.4)
Net profit after tax	6.7	(2.9)

** Includes Cockburn Cement for the first time*

Analysis of Group EBIT

	Six months to Dec 1999 $m	Six months to Dec 1998 $m
Group EBIT		
Cement and Lime	31.4	17.9
Other	(0.8)	-
Investments	5.7	4.3
Amortisation	(4.8)	-
Overheads	(3.9)	(3.4)
	27.6	18.8

Abnormal Items

	Six months to Dec 1999 $m	Six months to Dec 1998 $m
Rationalisation and restructuring	1.4	4.6
Write down of Investments		
- Pavement Technology Malaysia	1.0	-
- Stabilised Pavements of Australia	3.4	-
Exit from Fuel & Combustion Technology	4.4	-
Humes Steelpipe Claim	0.1	3.5
Gas outage Victoria	-	0.3
Profit on sale of land	(2.2)	-
	8.1	8.4

Abnormals shown after tax and outside equity interests

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Strong Cash Flow from Operations

	Six months to Dec 1999 $m	Six months to Dec 1998 $m
Cash flow from operating activities	41.2	5.5
Add : Net disposals	3.3	0.9
Total cash generated	44.5	6.4
Used for : Capital expenditure	(7.5)	(4.7)
: Loans (to)/repaid by other entities	(1.5)	0.1
Free cash flow	35.5	1.8
Less : Capital return/dividends paid	(5.5)	(11.1)
: Net increase (repayment) borrowing	(20.7)	2.4
Net increase (decrease) in cash held	9.3	(6.9)

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Gearing Improved

	As at Dec 1999 $m	As at Dec 1998 $m
Loan from parent	110	-
Bank debt	132	157
Convertible notes	58	58
	300	215
Less : cash	(23)	(5)
Net borrowing	277	210
Gearing (%) (net debt to equity)	65%	73%
Gearing (%) (net debt to equity plus net debt)	39%	42%

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Directions

PRESENTED BY

Phil Wright
Chief Executive

- Diagnosis - where are we?
- Directions - the future

13/14 March 2000

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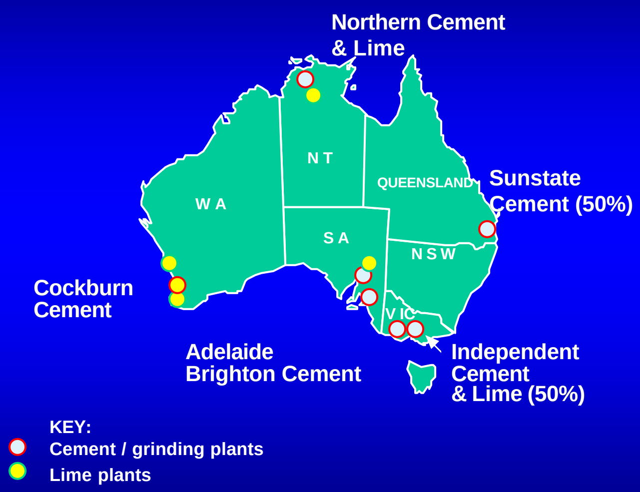
Group Overview



- No. 1 in Australian cement, with a capacity of 2.9 mtpa
- No. 1 in Australian lime, with market share of over 70%
- Long-term supply agreements with major customers
- Approx Ebit Contribution

Cement	80%
Lime	20%

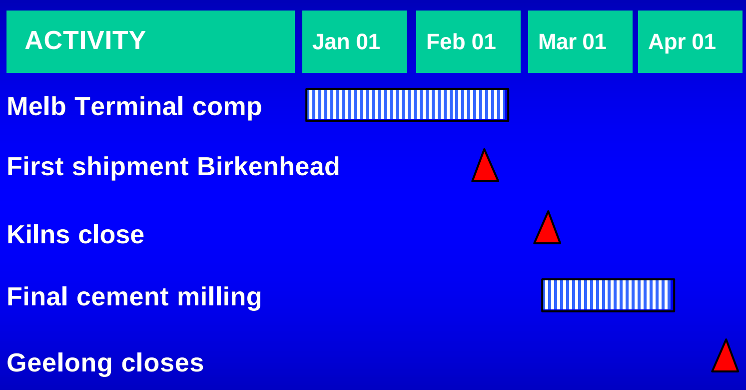
Merger Necessary

- Merger of Cockburn Cement and ABL was necessary - strengthened both parties
- Well positioned in all markets except NSW
- Merger benefits being achieved
- Capital to achieve merger benefits estimated to increase by $16 million from $40 million as estimated in the Explanatory Memorandum

Western Rationalisation - Achieved

- Annualised benefits of $6.5 million realised
- Full annualised benefit of $8.5 million by 3rd quarter 2000

Eastern Rationalisation - Planned



Some benefits already achieved. Balance will be achieved following closure.

Outlook

- Next 12 to 24 months will be a difficult trading period
- Results foreshadowed in Explanatory Memorandum (April 99) unlikely to be achieved while these conditions last

Offsetting Factors:

- Lime volume improving
- Considerable scope for further cost reduction
- Birkenhead - significant improvements expected

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Strong New Shareholder

RMC - a world leader

- World ranking:
  - No 1 in ready mix concrete
  - No 5 aggregates
  - No 12 cement producer (19.5 mtpa)
- Operations in 27 countries
- Over 37,000 employees worldwide

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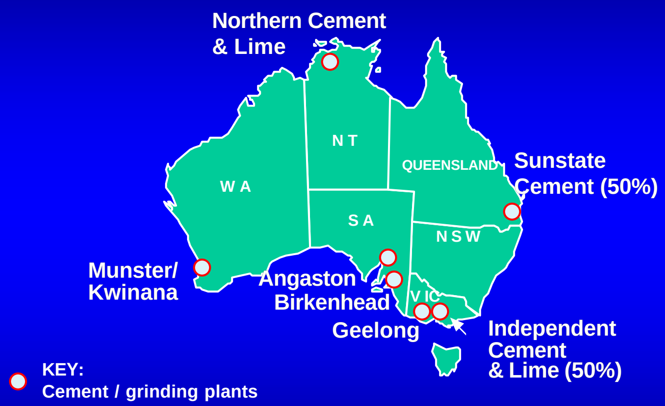
Cement Overview



- No. 1 in Australian cement, with a capacity of 2.9 mtpa
- Good terminal infrastructure and access to market
- Long-term supply agreements with major customers
- Geelong to close 4/2001
- Birkenhead fix underway
- Demand expected to peak this year
- Prices moving towards import parity

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Cement - Underway

Strategic review focussed on maximising value of cement operations:

- cost reduction;
- rationalisation; and
- selective growth

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World Class Lime Business

KEY:
Lime plants

- No. 1 in Australian lime, with market share of over 70%
- Long-term supply agreements with alumina industry
- Excellent resource
- Flexible upgrade options for anticipated growth
- Growth strategy being developed for lime.

Priorities

- Well run operation by June 2001
- Reduce cost to market $/t
- Measureable customer satisfaction improvement
- Safety, health & environment
- New management team being developed
- Strategic review underway

Goal

Internationally competitive operations