



ADELAIDE BRIGHTON LTD ANNUAL REPORT 2002

Company profile Adelaide Brighton Ltd is strengthening its position as an integrated construction materials and lime producing company with operations in all mainland states and territories of Australia. Adelaide Brighton is a leading supplier of cement and lime with an emerging position in ready mixed concrete and strategic aggregate reserves. With origins dating back to 1882, the Company today has sales of \$489 million and employs around 1,000 people. Adelaide Brighton Ltd is listed on the Australian Stock Exchange and trades under the symbol “ABC”. The RMC Group p.l.c., a UK public company and a world leader in the supply of ready mixed concrete, cement, aggregates and concrete products to the construction industry is a 55% shareholder of Adelaide Brighton Ltd.



*100,000 tpa capacity
lime facility at Dongara*

Core business and markets

The principal activities of the Company are:

- > Production and marketing of clinker, cement and ready mixed concrete products;
- > The production and marketing of lime products;
- > Specialist cementitious products including grouts, mortars, instant concretes, renders and other engineering products;
- > Marketing of supplementary cementitious materials, such as fly ash and ground blast-furnace slag; and
- > The provision of specialised road construction, maintenance and rehabilitation services.

We have market leadership positions in cement and lime supply in Western Australia, Northern Territory and South Australia; a cement grinding facility in New South Wales and our 50% owned joint ventures hold strong positions in cement supply in Queensland and Victoria. We also have a modest position in the ready mixed concrete markets in Victoria, New South Wales and South East Queensland.

The major end-use markets of the Company’s products are residential and non-residential construction, engineering construction, mining, resources and road services.



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Year in review

- > **Substantial increase in net profit after tax - up 66% to \$50.7 million**
- > **Increased earnings per share of 9.9 cents - up 52% from 6.5 cents**
- > **Final dividend increased to 2.75 cents, franked 35% (2.0 cents in 2001). Total dividend for the year increased by 31% to 5.25 cents (4.0 cents in 2001)**
- > **1-for-7 Rights Issue completed in June raising approximately \$50 million**
- > **Improved gearing - reduced to 35%, down from 46%**
- > **First half cement sales volume increases sustained in second half**
- > **Increases in lime volumes year on year**
- > **Price rises across all products**
- > **Downstream acquisitions: Sydney - cement, concrete and aggregates (Premier Resources); Melbourne - concrete (Premier Resources); and South East Queensland - concrete (Neil Mansell Concrete)**
- > **Cost reduction programme on track**

Financial summary

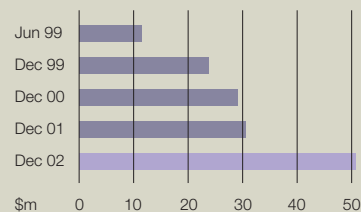
12 months ended 31 December

A\$ millions

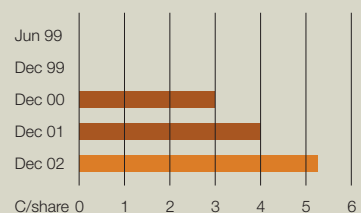
	2002	2001
Sales revenue	489.4	393.2
Depreciation	(29.3)	(26.3)
Goodwill amortisation	(8.4)	(8.6)
Earnings before interest and tax ("EBIT")	80.0	46.9
Net interest	(13.1)	(16.3)
Profit before tax	66.9	30.6
Tax expense	(16.2)	-
Net profit after tax ("NPAT")	50.7	30.6
Earnings per share (cents)	9.9	6.5
Dividends per share (cents)	5.25	4.0
Franking (%) - interim	20%	13%
- final	35%	20%
Net debt (A\$ millions)	181.8	207.0
Net debt/equity (%)	34.6%	45.6%

Profit after tax

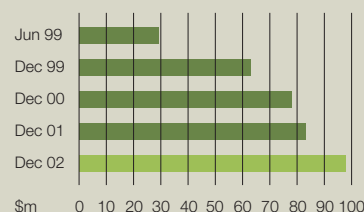
12 months ended



Dividends per share

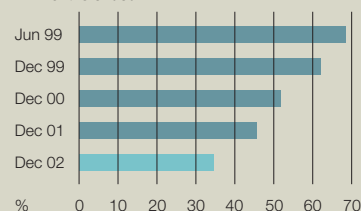


Cash flow from operations



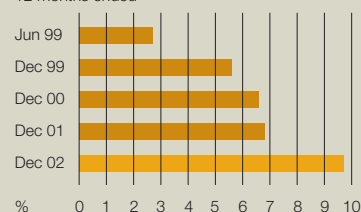
Gearing: net debt to total equity

12 months ended



Return on shareholders' funds

12 months ended



Return on shareholders' funds is calculated with reference to operating profit before abnormal items and extraordinary items, after tax and outside equity interest. Convertible Notes are treated as borrowings.

Chairman's review

Results

Adelaide Brighton delivered a record result for the year ended 31 December 2002 with a net profit after tax of \$50.7 million. This result was achieved from continued strong operational performance, combined with increased demand for all products, which led to higher sales volumes and prices.

The result included a first time contribution from our Hy-Tec ready mixed concrete operations in New South Wales, Queensland and Victoria.

Dividend

Final dividend declared was 2.75 cents per share, franked to 35%, making a total dividend for the year of 5.25 cents per share, a 31% increase over the previous year.

Strategy

2002 saw the implementation of a shift in the strategic direction of the business by adding downstream concrete operations. This has contributed to the delivery of improved performance and growth.

Our cost reduction program is well established and I am pleased to see the engagement of management in achieving results in this challenging and important area. A range of specific initiatives has been identified and progress with implementation is on track. An important aspect of this programme is the use of alternative fuels that provide both cost and important environmental benefits in conserving future reserves of natural gas supplies. Trials in South Australia are well advanced and we expect benefits to commence during this year.

During the year we acquired Premier Resources Ltd, a vertically integrated construction materials company and acquired the assets of ready mixed concrete manufacturer Neil Mansell Concrete. These acquisitions have given us a foothold in the important construction materials markets of New South Wales, Queensland and Victoria. These businesses trade under the name of Hy-Tec. We continue to seek relevant opportunities that will enhance our downstream position and increase shareholder value.

In our lime operations, we secured approval from the Western Australian government for long-term dredging of shellsand thus providing security of supply to our Munster cement and lime operations.

Financial position

The Company has continued to effectively manage its working capital, and delivered strong cash flows, allowing net debt to be further reduced.

In June 2002, Adelaide Brighton successfully completed a 1 for 7 Rights Issue at 75 cents, raising approximately



Malcolm Kinnaird AO
Chairman

A handwritten signature in blue ink that reads "Malcolm Kinnaird".

During the year we have brought about a significant change in the shape of our company. Sound progress was made with the implementation of Adelaide Brighton's strategy of selective vertical integration, while further progress was made in performance improvement and the expansion of our lime operations.

\$50 million, to strengthen the balance sheet and reduce gearing. The proceeds of this issue were used to fund two acquisitions during the year. Our balance sheet still provides the capacity for further acquisitions and we will continue to monitor potential growth opportunities.

RMC Group relationship

RMC Group p.l.c., the world's largest producer of ready mixed concrete, is our major shareholder with a 55% shareholding. RMC provides access to its technical expertise and specialist skills, which assist in our operational improvements. In addition, RMC provides valuable technical support with due diligence on acquisitions.

Board changes

Mr Graham Clark, RMC's Executive Director, International Cement, was replaced on our Board by Mr John McNerney, an Executive with Readymix plc (a publicly listed company incorporated in the Republic of Ireland in which RMC Group p.l.c. has a 62.5% shareholding). Mr McNerney brings with him over 35 years of experience in the construction materials industry.

We were saddened by the sudden death of Mr Harry Perkins in December 2002, following a brief illness. Mr Perkins served as a Director of Adelaide Brighton since 1999 and was also a member of the Board Remuneration Committee. Mr Perkins' broad industry knowledge and experience was immeasurable and his foresight during his service to the Company was significant.

People

I would like to thank all employees for their hard work and adaptability which has significantly contributed to our improved performance.

The year ahead

In the year ahead, we will continue to strive for further increased performance from our operations through the implementation of our operating improvement programme. We will continue to develop our cement, concrete and lime business, and seek growth opportunities through selective vertical integration. We expect continued firm demand for our products. I am confident that we are well placed to face the challenges of the future and to take advantage of opportunities as they occur.

Managing Director's review

Adelaide Brighton achieved a record result in 2002 due to increased margins and sales volumes, a stable operational performance, and the initial benefits flowing from the acquisition of Premier Resources.



Mark Chellev
Managing Director

A handwritten signature in blue ink, appearing to read 'M. Chellev', written in a cursive style.

Group EBIT increased to \$80.0 million from \$46.9 million in 2001, a 71% increase. NPAT increased to \$50.7 million from \$30.6 million, a 66% increase, after incurring a tax expense of \$16.2 million, an effective tax rate of 24% - previous year nil.

The Company benefited from increased demand for all products in all regions. This was underpinned by increased house building activity driven by consumer demand buoyed in part by the first time home owner's grant. The country also enjoyed almost perfect construction conditions with few weather related interruptions. The lime business also benefited from growth in the mining sector and our position of low cost supplier of a high quality, consistent product to our customers.

The Company continued to implement its strategy of focused and relevant vertical integration, expansion of its lime business and improved operational efficiencies and cost reductions.

In line with this strategy, in March 2002 we acquired the construction materials company Premier Resources Limited. In December 2002 we acquired the assets of ready mixed concrete manufacturer Neil Mansell Concrete. As a result, we now have a modest strategic downstream position in the important east coast markets of Sydney, Melbourne and South East Queensland.

Premier also brought additional grinding capacity at the Port Kembla plant that gave further flexibility to our seaborne cement supply chain. Premier's aggregate reserves at Hartley, near Lithgow, west of Sydney, also provide a strategic aggregate position for the future supply to the Sydney market.

Costs and operational performance

Continued focus on standardised operational performance resulted in sustained reliability of production of lime, clinker and cement at all plants.

Our cost reduction strategy is methodical and is well embedded in the organisation. A three-year program is underway, and this has delivered tangible results in 2002.

A major element of the program is workplace reform, and the new Enterprise Bargaining Agreement certified for Birkenhead was a major step forward. Regrettably the company suffered a five week strike at the Birkenhead plant, which was eventually settled amicably and efforts were then focused upon the implementation of the new agreement. The flexibility of our workforce remains a key element in achieving benchmark costs and thus the ability to remain competitive with Asian imports.

A second key element is the progressive use of alternative fuels to substitute our consumption of our primary fuel, natural gas. Trials are now underway in South Australia using inert materials that would otherwise be land filled.

The final element is cost reduction through improved efficiencies and performance improvement. A consistent tracking process has been implemented at all plants to manage and report progress against each component of this programme, while encouraging a culture of continuous improvement to embrace further initiatives as they arise. The Company continues to share best practice in all aspects of its operations to improve the quality and availability of products to the customer.

A further significant achievement in the year was to secure long term dredging rights to recover the shellsand reserves from Owen Anchorage in Western Australia. In addition to providing the security of lime supplies, a key raw material to the Australian mining industry, this dredging will provide the additional benefit of improving shipping access to Port Fremantle.

Outlook

During 2002 the Company was strengthened by strategic acquisitions and focused on operational improvements. Strong demand for our products delivered considerably improved margins. 2003 will benefit from a full year's ownership of our concrete business and the improved market outlook from its new plants in Sydney and Melbourne.

Financial results

Managing Director's review (continued)

We now have a more strategically and geographically balanced portfolio of assets in the construction materials and lime producing industries. We continue to examine opportunities to further develop our cement and lime businesses.

We believe that stronger cement and concrete demand from the non-residential and engineering sectors will offset the projected weakening in the residential sector in some regional markets in the second half of the year. 2003 demand is foreseen to be level or slightly higher as a result. We are now benefiting from price gains achieved during 2002 and expect further, though more modest, price increases during 2003. We expect consumption of lime by the mining and resource sectors to remain strong.

Overall, we are cautiously optimistic about the outlook for demand and prices in 2003. Ongoing operational improvements and our cost reduction programme are expected to deliver further benefits as we strive to deliver our performance targets.

In conclusion, our clear strategic direction and focus on operational performance places the Company in a strong position going forward.

People

I would like to thank all our people at Adelaide Brighton for their commitment and dedication during the year. The financial results reflect their achievements and I also thank them for their continuing support in 2003 as we implement our strategy to ensure the long-term success of the Company.

Adelaide Brighton reported a net profit after tax (NPAT) of \$50.7 million for the year ended 31 December 2002, an increase of 66% from \$30.6 million recorded in the previous year. The increased profit was largely achieved through sustained volume growth, price rises across all products in all states and a sound operational performance.

Sales revenue

The result was derived from a 25% increase in sales revenue to \$489.4 million (\$393.2 million in 2001). Increased revenues resulted from volume growth in cement and lime, the implementation of price increases across all products in all states and the inclusion of Premier Resources during the period. Supported by strong housing activity, demand for cement and concrete was robust, particularly in Queensland, Victoria and New South Wales. Demand for lime from the mining and resources sector continued to be strong.

Profitability

Pre-tax profit more than doubled to \$66.9 million for the year (\$30.6 million in 2001) as a result of revenue growth, the effects of cost reductions and operational efficiencies together with a reduced net interest charge. We are particularly pleased with the margin recovery following the contraction of margins in 2000.

The NPAT result was achieved despite a tax charge of \$16.2 million, compared with no tax expense in the previous year: an effective tax rate of 24%. A full tax expense is expected from 2003 onwards at an effective rate of approximately 31%.

Earnings per share increased by 52% from 6.5 cents to 9.9 cents.

Dividend

An interim dividend of 2.5 cents, franked to 20%, was paid to shareholders in October 2002. A final dividend of 2.75 cents, franked to 35%, will be paid on 16 April 2003 to shareholders registered on 25 March 2003.

The total dividend for the year of 5.25 cents represents a 31% increase over the previous year's total dividend and equates to a payout ratio of 56% of net profit after tax.

Franking is expected to increase as the Company returns to a tax-paying situation in 2003.

Cash flow

Free cash flow (i.e. cash surplus after capital expenditure that is available for dividends and debt repayment) increased to \$59.8 million for the year ended 31 December 2002 compared with \$37.3 million for the previous financial year. Active capital management helped to minimise the effect of the increase in working capital which resulted from the strong growth in revenue.

Interest hedging profile	Dec 2002 \$ millions	Dec 2001 \$ millions
Net external debt	181.8	207.0
Debt hedged (\$)	105.0	155.0
Debt hedged (%)	58%	75%

Capital expenditure

The combined cost of the Premier Resources and Neil Mansell acquisitions amounted to \$61.4 million.

Capital expenditure totalled \$39.8 million (\$45.7 in 2001). Management continued to control spending tightly. Capital expenditure for 2002 included a component for development of the Premier business. The largest single item here was the construction of Premier's Mascot concrete plant in Sydney. Once the North Melbourne concrete plant is built, scheduled for the first half of 2003, the development to which Adelaide Brighton committed when it acquired Premier will be completed.

A further payment to the vendors of Premier, contingent on performance, is expected to become payable in 2003.

Rights issue

On 18 June 2002, Adelaide Brighton completed a 1 for 7 Rights Issue at 75 cents per share, raising approximately \$50 million, net of issue costs. The proceeds were used to strengthen the Group's financial position and reduce gearing.

Debt and gearing

Net debt as at 31 December 2002 decreased by \$25.2 million compared with the previous year-end. Gearing (net debt as a percentage of total equity) was reduced to 35% at 31 December 2002, from 46% at the end of the previous year.

Gross debt at year-end was \$201.3 million, of which \$200.0 million was drawn down under the loan facility provided by RMC Group p.l.c., and is payable by June 2005. The Company's unutilised and available corporate funding facilities at year-end were \$164.0 million.

Interest Costs

Net interest charges fell by \$3.2 million compared with 2001 as a result of the reduced level of debt and the redemption of convertible notes in 2001. More expensive debt in Premier Resources Ltd was retired post acquisition and replaced with inter-company borrowings, leveraging Adelaide Brighton's superior credit profile.

As a result of reduced interest costs coupled with improved operational performance, net interest cover on an earnings before depreciation, amortisation of goodwill, interest and tax (EBITDA) basis has improved significantly from 5.0 times to 9.0 times.

The Company maintains a hedged interest rate position based on the forecast core debt expected to be in place in three years time. Policy benchmark and discretionary limits have been set and are regularly monitored by the Board.

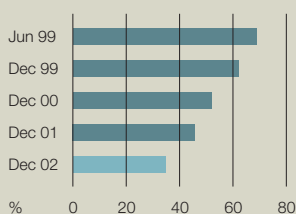
The average interest rate for debt at the year-end was 5.72%, with 58% of net borrowings hedged with an average maturity of 1.7 years.

Taxation

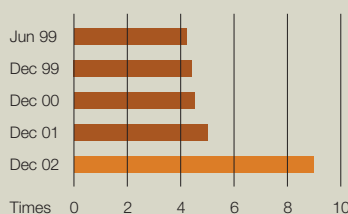
Carried forward losses remain available to offset against present and future taxable income. Given the increased level of profitability experienced in 2002, the payment of income tax is anticipated to commence during 2003, at significantly less than full rate.

The recognition of income tax losses not previously brought to account has resulted in no tax expense in 2001 and a partial tax expense in 2002 (an effective rate of 24%). The Company expects to incur a full income tax expense on 2003 profits.

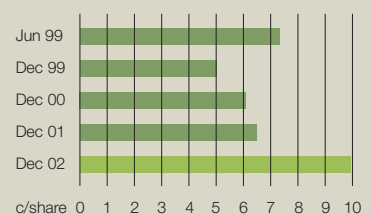
Gearing: net debt to equity



Interest cover (EBITDA basis)



Earnings per share



Strategic developments

Vertical integration of our cement business

In early 2002, the Company announced a key strategic plan of building a focused vertically integrated business both to provide further platforms for growth and to strengthen our position as a cement producer by providing security of outlets for cement and clinker.

We have made significant progress in implementing this strategy. During 2002 Adelaide Brighton established a modest but meaningful downstream footprint in the critical east coast markets. The acquisition of Premier Resources gave us a position in the Sydney and Melbourne concrete markets, while the acquisition of Neil Mansell Concrete gave us a position in the South East Queensland concrete market.

Following the Premier acquisition, we operate nine concrete plants in Sydney under the Hy-Tec banner, utilising cement from our own grinding facility at Port Kembla. We also have strategic quarry reserves at Hartley, capable of supplying our plants in the future. Our new Mascot plant, which supplies Sydney's CBD, was recently commissioned. Hy-Tec also operates six concrete plants in Melbourne, and a new plant to supply Melbourne CBD is due to be commissioned in 2003. Cement for the Melbourne operations is supplied from our Birkenhead plant via our joint venture company, Independent Cement and Lime.

Following the acquisition of the assets of Neil Mansell concrete, the Company operates four batching plants in the Sunshine Coast area of South East Queensland.

The Sunshine Coast is forecast to be one of the key growth areas in Australia and the Company expects the acquisition to be earnings per share accretive in 2003. Further benefits are expected to be derived through linkages with Adelaide Brighton's joint venture operations in Queensland.

Cement is a core activity and we are confident that our downstream activities will assist us in underpinning our market position and profitability in our cement business.

Our downstream move is particularly timely given ongoing industry consolidation among our competitors on the east coast. The combination of cement making and grinding assets gives us increased flexibility to supplement local production.

We will continue to review opportunities to enhance our integration strategy. However,

we apply a most stringent evaluation criteria, and will only make acquisitions and undertake capital investments that add shareholder value.

Lime business development

We continue to monitor opportunities to develop our lime business. During 2002, potential acquisitions were considered, but rejected as they did not meet our investment criteria.

Mining and other resource processing developments are expected to lead to increased lime demand. We will continue to maximise opportunities to supply growing lime markets in Western Australia, South Australia and Northern Territory from our existing assets, and will actively consider investment in new capacity if this will generate value to shareholders.



Leading edge technology has been incorporated into the recently commissioned Hy-Tec concrete plant at Mascot in Sydney

Our markets

Cement and concrete markets

Australian demand for cement and ready mixed concrete increased in 2002 compared with 2001 due primarily to increased housing activity.

Total demand for cement in Australia in 2002 was estimated to be 7.7 million tonnes, compared with 6.8 million tonnes in 2001, an increase of 14%.

Australian national concrete demand also increased by 14% on the previous year. Ready mixed concrete showed the largest growth in Queensland (up 19%), Victoria (up 15%) and New South Wales (up 11%).

The Company experienced increases in demand for its products proportionate to those in the markets in which it operates.

Lime market

Demand from the resources and mining sectors led to increased lime sales during 2002.

Our Cockburn Cement operation was called on to supply additional lime into the Kalgoorlie region as a result of the temporary closure of one of its competitors' kilns.

Outlook

Housing approvals data indicates that a gradual reduction in cement demand for housing will be experienced around the third quarter of 2003. However, we believe that demand from non-residential, infrastructure and resource projects will grow during 2003, and will offset weakening in the residential housing sector. We anticipate that overall cement demand will remain at, or slightly above, current strong levels.

Margins improved in cement and concrete in 2002. The rise in the Australian dollar is expected to constrain the magnitude of price gains in 2003, though tightening of cement supply in Asia and industry consolidation in Australia reduces the prospect of competition from low priced imports.

We expect consumption of lime by the mining and resource sectors to remain strong and the outlook for demand is encouraging. We recently commenced the sale of agricultural limestone from our Geelong quarry and expect the business to make a modest contribution to profit during 2003.

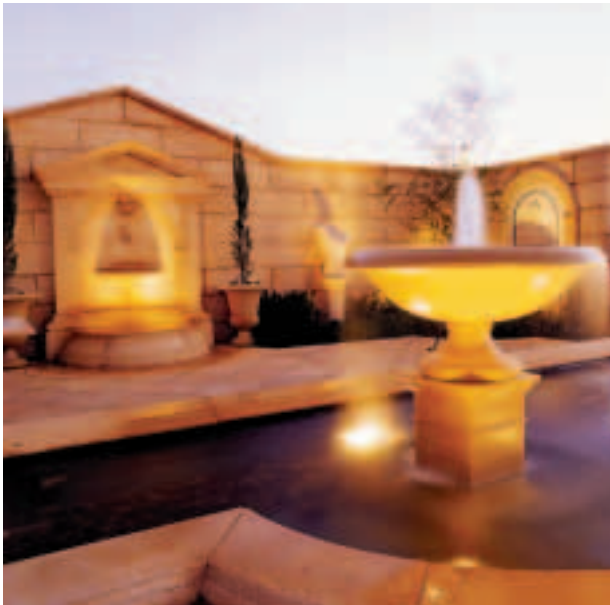
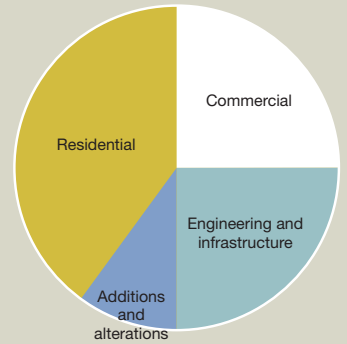


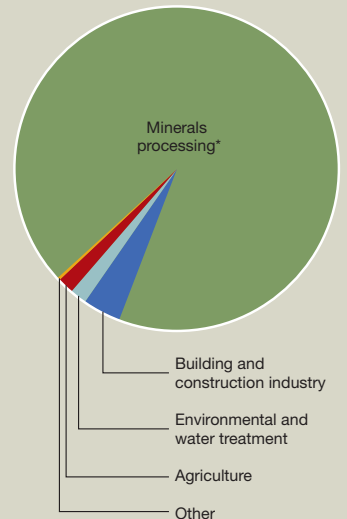
Photo courtesy Hewitstone Pty Ltd

Brightonlite cement and architectural stone combine to create a stunning Tuscan effect

Demand for Adelaide Brighton cement



Demand by industry for Adelaide Brighton lime products



*Includes alumina, gold mining, nickel, copper zinc and mineral sands industry

Continued focus on standardised operational performance has resulted in sustained reliability of production of lime, clinker and cement at all plants. In particular, significant progress was made on cement milling capability and ship loading at Birkenhead. Efforts will be concentrated on ensuring ongoing reliability, while at the same time working towards reducing production costs.

Review of operations



Results summary

12 months ended 31 December

	2002 \$ million	2001 \$ million	% change
Operating revenue - sale of goods	447.6	341.5	31.1
Operating revenue - services	29.5	34.7	(15.0)
Operating revenue	477.1	376.2	26.8
Revenue arising from swap arrangements ¹	9.7	11.6	(16.4)
Other revenue	2.6	5.4	(51.9)
Sales revenue	489.4	393.2	24.5

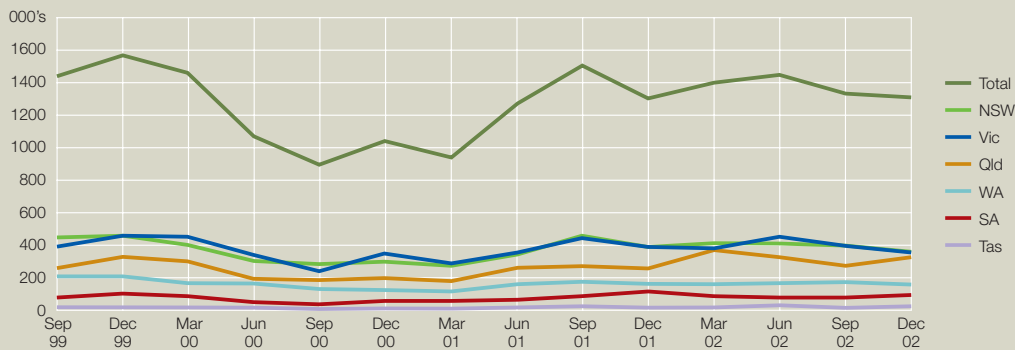
¹ Relates to production swaps. The real underlying transaction is included in sale of goods.

Construction and mining materials

Our cost reduction strategy is methodical and is well embedded in the organisation. A three-year program of continuous improvement is underway. Major elements of the program are use of alternative fuels, increased labour efficiencies, transport and procurement savings.

During 2002, as part of this program, we delivered cost reductions of around \$3 million. Major items included successful renegotiation of power costs for the Dongara and Munster operations in Western Australia, procurement savings, use of alternative raw materials, and workplace reforms at Birkenhead.

Dwelling units approved - seasonally adjusted



Source: Australian Bureau of Statistics



From far left:

Cockburn Cement bulk cement delivery

Sunstate Cement General Slag Blended cement was used in the construction of the elevated Airtrain City Link between Brisbane airport and Brisbane City

Concrete tilt up panels demonstrate the versatility of cement use for modern housing

Type LH cement from Cockburn Cement used in gravity anchors for the Woodside Energy Trunkline System Expansion Program at Burrup Peninsula in north west Western Australia

Additionally, a water injection process incorporated in kilns 5 and 6 has reduced stack emissions by 47% and 75% respectively.

Improvements in waste management at the Munster plant have resulted in a process to return kiln dust, a waste from the clinker manufacturing process, back into the manufacturing process. Fifty percent of the kiln 6 dust, which previously went to landfill, is returned to the manufacturing process.

Renegotiation of the power supply contract for the Munster and Dongara plants is expected to deliver significant savings.

Northern Cement and Lime: Progressive improvements in performance have resulted from the implementation of the standardisation of process management of cement and lime production operations.

Hy-Tec: Commissioning of a concrete batching plant located at Mascot was completed late in 2002. The Mascot facility incorporates leading edge technology

with its production processes designed to minimise waste and protect the local environment and community.

An additional plant to supply the Melbourne CBD is due to be commissioned in 2003.

Industrial action was taken at Birkenhead during the year, as a result of on-going negotiations over a new Enterprise Bargaining Agreement (EBA). During this industrial action, supply was maintained to all customers and essential maintenance work was carried out. Following the action, staff returned to work and a new EBA was certified for Birkenhead, which allows the necessary flexibility to achieve essential reforms.

We experienced some disruption due to gas outages in South Australia. We anticipate that the new pipeline being constructed between Victoria and South Australia will eliminate this problem by the end of 2003.

In July 2002 the Minister for Environment in Western Australia gave approval for the Munster operation's plan for long-term dredging of shellsand from Owen Anchorage. This provides on-going access to this key raw material for the production of cement and lime, well beyond the term of the current State Government Agreement Act.

Operational performance/highlights

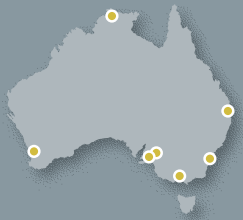
Angaston: Improved kiln reliability and environmental performance has been achieved following installation of a baghouse filter on kiln 3.

Birkenhead: Significantly increased packing capacity of grey cement powders and the added flexibility of handling different sizes and shapes of bags has been achieved following the installation of a new palletiser.

Efficiencies in the manufacture of the specially engineered Drypak range of products were achieved from the installation of a robotic packer. Added flexibility to handle a variety of bag designs has enabled closer matching of customer design requirements.

Munster/Dongara: Significant improvements in environmental performance at the Munster plant have resulted from capital projects to reduce particulates and fugitive dust impacts on the surrounding community.

Right: Blended cement from the Birkenhead operation in South Australia used in the construction of the high rise residential complex at the Docklands in Melbourne in Melbourne



Cement, clinker, slag and flyash

- Adelaide Brighton Cement
- Cockburn Cement
- Morgan Cement
- Northern Cement
- Swan Cement
- Independent Cement & Lime (50% owned)
- Sunstate Cement (50% owned)



Lime

- Adelaide Brighton Cement
- Cockburn Cement
- Northern Cement
- Independent Cement & Lime (50% owned)



Ready mixed concrete

- Hy-Tec Concrete



Pavement Technology

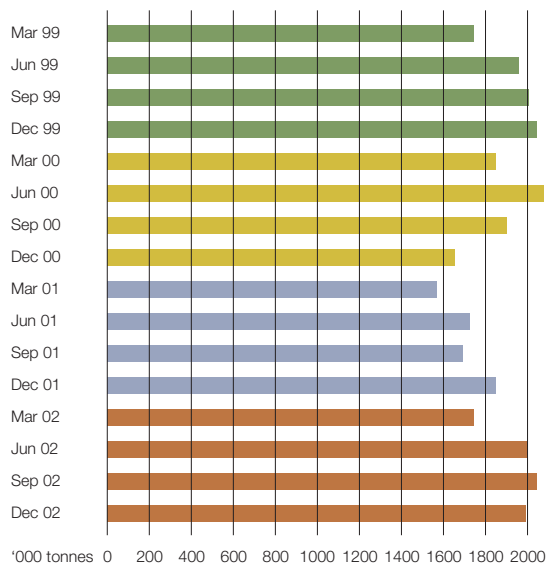
Other operations

Pavement Technology

Pavement Technology is a specialist provider of construction, maintenance and rehabilitation services to the road pavement industry, with operations in Victoria, South Australia, Northern Territory and Western Australia. Despite the decline in activity following changes in governments in South Australia and Northern Territory, the Pavement Technology business remained profitable and cash positive on a stand-alone basis.

Activity is expected to recover as a result of the forecast increase in infrastructure spending. As a valuable customer for the cement and lime operations, it contributes to our vertical integration model.

Portland Cement production



Source: Australian Bureau of Statistics

People, safety and health

Against a background of growth through strategic acquisition and a strong focus on cost reduction, significant achievements were delivered in the past 12 months including:

- > Successful renegotiation of a 3-year Enterprise Agreement at the Birkenhead operation.
- > Integration into Adelaide Brighton of the new acquisitions of Premier Resources and Neil Mansell Concrete realising cost savings in the human resources transactional areas.
- > Standardisation of national human resources policies and procedures to support our consolidated functional structure and consistently deliver our commitment to our employees and to legislative requirements across the Group.
- > Continued focus on employee development, in particular in the areas of employee diversity, executive and senior management development programs, and technical skills development for all employees. This with the support of our strong personal assessment and management system continues to deliver improved performance by employees to the business.

These achievements provide a strong platform for delivering the Company's vision of being a leading low cost producer of construction materials and lime in Australia and Oceania.



Extensive technical skills are applied to working with customers to develop new products and to apply existing products to solve process problems: (above) Hans Fairhurst preparing samples for wet chemical analysis, and (right) Dave White undertaking XRF sample preparation



Safety and health

The safety and well-being of our employees and contractors is paramount. We continue to strive to ensure that our people understand that we care for their safety and will continue to reduce incidents. We are committed to achieving a safe, productive and healthy work environment through responsible business management and in a manner designed to protect our employees.

In 2002, there was further advancement in the implementation of the ABL Group Safety and Health Management System, with each operating site setting specific targets for the development of site specific safety and health procedures.

Performance

Lag indicators: Safety performance has remained steady. Plant based teams are focused on addressing the cause of accidents in the work place and setting in place programmes and training to eliminate these events. The completion of our safety standards, training and the continued programme of risk assessments

attest to this commitment. Injuries are becoming less severe with employees and contractors returning to work sooner.

Lead indicators: This year, for the first time, each operating site has provided a measure of their "% Implementation" of their site Safety and Health Management System. This has increased the emphasis on injury prevention and proactive hazard management.

Self-exempt insurance: The Company retained its Exempt Insurance Status in both South Australia and Western Australia following audits by the State regulatory agencies. The efforts by all employees to achieve and retain exempt status is commendable and reflects both safety commitment and sound business management.

Safety initiatives

Initiatives and activities throughout 2002 include:

- > Safety workshops at all levels with specific goals on identifying the causes of injuries and strategies for improvement;
- > Electronic incident reporting for incident management;
- > Lead indicators based on the % Implementation of site based safety systems;
- > Increased emphasis on contractor inductions;
- > Focused and concentrated use of Job Safety Analysis as a hazard management tool; and
- > Increased worksite inspections, audits and follow-up actions.

Environment

Adelaide Brighton has invested significant efforts throughout 2002 in improving environmental performance and in building constructive and positive relationships with stakeholders at its product manufacturing sites.

Performance and highlights

The company's operations are subject to various Commonwealth, State and Territory laws governing the protection of the environment. Environmental operating licences govern the major plant operations and require us to operate within stringent and detailed performance parameters.

WA Shellsand approval

Approval was granted to Cockburn Cement by the Western Australian Minister for Environment to continue shellsand dredging in Owen Anchorage. This approval was the culmination of a number of years of detailed environmental investigations on seagrass rehabilitation, wave climate behaviour and beach and shoreline monitoring in areas adjacent to our dredging operations. The Minister's approval reflects the high quality of the Company's environmental research and management in Owen Anchorage.

Angaston emissions reduction

Improved environmental performance at the Angaston plant in South Australia's

Barossa Valley was achieved through the installation of a baghouse filter on number 3 kiln. The installation has resulted in reduced particulate emissions and improved production efficiencies through fewer shut-downs.

Alternative fuels and raw materials

Significant progress in trialing alternative fuels and raw materials in South Australia occurred during 2002. A detailed trial and performance protocol was negotiated with the South Australian Environment Protection Authority (EPA) and has been incorporated in the Birkenhead and Angaston environmental operating licences.

throughout the year. Community meetings are held regularly at the major manufacturing sites. Community relationships provide the important link between our environmental performance and the neighbourhoods in which we operate.

Emission levels below health guidelines

Testing, analysis and ground level modelling by independent experts at the Munster plant has demonstrated that air emissions from the plant are all well below relevant local, national and international health guidelines. Testing and modelling covered 66 compounds specifically selected from the National Pollutant

Inventory list of compounds and agreed with the Western Australian Department of Environmental Protection.

The company is committed to achieving a safe, productive and healthy work environment through responsible business management and in a manner designed to protect its employees, adjacent communities and the natural environment.

Trials were conducted for grape marc, carbon powder, black sand and recycled and demolition timber. Trials required stringent environmental emissions monitoring. Assessment of alternative fuels and raw materials trialed to date have successfully achieved the performance criteria set by the EPA.

Community consultation

Positive and constructive efforts in improving community relationships at our product manufacturing sites continued

Environmental reporting

During the year a number of complaints were received across the Group mainly for dust emissions and noise. These complaints reflect the close proximity of our major manufacturing sites to residential areas and underlines the importance of continually improving our environmental performance.



A partnership between local community members and Birkenhead employees supported the Clean Up Australia Day campaign - pictured are (from left) Joseph Mazzone, Courtney and Dylan Beaton

Sustainability:

Our parent company, RMC Group p.l.c. together with nine other major world cement manufacturing companies and the World Business Council are signatories to the Cement Sustainability Initiative which commits the signatories to specific sustainability initiatives:

Climate protection

Fuels and raw materials

Employee health and safety

Emissions reduction

Local impacts and internal business processes

The Charter requires tracking and reporting of each initiative. This project provides a benchmark for our environmental performance with Adelaide Brighton already well advanced in the implementation of the initiatives.

Corporate governance

The Board of Directors is responsible for the performance of the Company and the consolidated entity and accordingly takes accountability for setting strategic direction, establishing policy, overseeing the financial position and monitoring the business and affairs on behalf of shareholders. To assist in this, the Board appoints a Managing Director and delegates responsibility to him for the day-to-day activities.

Composition of the Board

The composition of the Board is determined using the following principles:

- > The Board may comprise up to nine Directors. This may be increased when additional expertise is required.
- > The Chairman of the Board should be an independent non-executive Director.
- > The Board should comprise both independent non-executive Directors and executive Directors.
- > The Board should comprise Directors with a broad range of experience reflecting the national and international character of the Group's business.

The Board currently comprises six Directors: two non-executive independent Directors (including the Chairman), three non-executive representatives of substantial shareholders and the Managing Director.

The composition of the Board is consistently monitored to ensure the appropriate mix of expertise, experience and competence. When a vacancy exists, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board selects a panel of candidates with the appropriate expertise and experience. Potential candidates are identified by the Board with advice from external consultants. The Board then appoints the most suitable candidate, who must stand for election at the next annual general meeting of shareholders.

The Company's Constitution requires one third of the Directors to retire from office at the annual general meeting each year. Retiring Directors are eligible for re-election.

All Directors are required to own at least 1,000 ordinary shares in Adelaide Brighton Ltd, and the details of Directors' shareholdings are disclosed in the Directors' report.

Dealings in Adelaide Brighton Ltd shares by Directors

The Board has a policy that Adelaide Brighton Ltd Directors and employees may not buy or sell Adelaide Brighton Ltd shares except within a period of one month following the annual and half-yearly results announcements and from the release of the Company's annual report until one month after the annual general meeting. The policy supplements the Corporations Act provisions that preclude Directors and employees from trading in securities when they are in possession of "insider information".

Independent professional advice

Directors have the right, in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense, provided the costs are reasonable and the advice is specific. Prior approval from the Chairman is required, which will not be unreasonably withheld.

Committees of the Board

To assist the Board in fulfilling its responsibilities, the Board has established the Finance and Audit Committee and a Remuneration Committee with responsibility for these particular areas.

Finance and Audit Committee

The Finance and Audit Committee is made up of two non-executive Directors. The Managing Director and Chief Financial Officer attend Finance and Audit Committee meetings by invitation.

The Committee:

- > monitors compliance with statutory responsibilities relating to accounting policy and disclosure;
- > liaises with, assesses the quality and reviews the scope of work and reports of the internal and external auditors;
- > assesses the adequacy of accounting, financial and operating controls;
- > monitors the Company's performance, reviews valuation and hedging policies and considers asset underwriting proposals;
- > reviews broad financial issues and strategies and acts for the Board on financial matters as requested; and
- > reviews specific funding proposals.

Remuneration Committee

The Remuneration Committee is made up of two non-executive Directors.

The Committee:

- > determines the fees paid to non-executive Directors, within the limits approved by shareholders, and executive remuneration; and
- > establishes and reviews the compensation arrangements for the Managing Director and other senior executives taking into account performance evaluation and comparative remuneration.

Managing Risks

Management is responsible for identifying and managing risks to the consolidated entity's businesses. The Board, through the Finance and Audit Committee, monitors management of these risks.

Internal controls and framework

Procedures have been established at the Board and executive management levels that are designed to safeguard the assets and interests of the Company, and ensure the integrity of reporting. These include accounting, financial reporting and internal control policies and procedures.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework that can be described as follows:

- > *Financial reporting:* there is a comprehensive budgeting system with an annual budget approved by the Directors. Monthly actual results are reported against budget and revised forecasts for the year are prepared regularly. The consolidated entity reports to shareholders half-yearly. Procedures are also in place to ensure that price sensitive information is reported to the Australian Stock Exchange in accordance with continuous disclosure requirements.
- > *Operating unit controls:* financial controls and procedures including information systems controls are in operation throughout the consolidated entity. Operating units complete detailed questionnaires confirming compliance with these procedures.
- > *Functional speciality reporting:* the consolidated entity has identified a number of key areas which are subject to regular reporting to the Board, such as finance and administration, human resources, safety and environment.
- > *Investment appraisal:* the consolidated entity has clearly defined guidelines for capital expenditure. These include annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where businesses are being acquired or divested.
- > *Internal audit:* assists the Board in ensuring compliance with internal controls. The Finance and Audit Committee approves the internal audit program to be conducted each financial year, and the scope of the work to be performed at each location.

- > *Delegated authorities and restrictions:* there is a comprehensive procedure which provides a framework that enables employees to operate and act within clearly defined and communicated parameters.

Directors' meetings

The number of Directors' meetings and meetings of committees of Directors held during the financial year and the number of meetings attended by each Director are as follows:

Director	Board meetings		Finance and Audit Committee		Remuneration Committee	
	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held
MA Kinnaird	12	12	–	–	–	–
CL Harris	12	12	4	4	3	3
D Barro	11	12	–	–	–	–
JA Brooks	12	12	4	4	–	–
JD McNerney	5	5*	–	–	–	–
MP Chellew	12	12	–	–	–	–
CH Perkins†	9	12	–	–	2	3
GE Clark*	–	7*	–	–	–	–

* Number of meetings held while a Director or committee member

† Mr CH Perkins died on 14 December 2002

Ethical standards

In pursuing high standards of corporate governance and without adopting a formal code of ethics, all Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity.

Insurance

In order to protect shareholders' funds, the Company carries insurance which the Board considers is sufficient for the size and nature of the Company's business.

Compliance

The Company has adopted policies requiring compliance with occupational health and safety, environmental and trade practices law.

There are ongoing programs for audit of the Company's operations. Occupational health and safety, environmental, and other risks are covered by these audits.

Directors

MA Kinnaird AO, DUniv, BE, Hon FIEAust, FTS

Age 69

Director since September 1996

Appointed Chairman January 1997

Chairman, United Water International Pty Ltd

Chairman, Asia Pacific Transport Pty Ltd

Director, National Electricity Market

Management Company Ltd (NEMMCO)

Director, Adelaide Community Healthcare

Alliance Inc.



CL Harris BEc, FCPA, FAICD

Age 56

Director since March 1995

Chairman, Remuneration Committee

Chairman, Superannuation Policy Committee

Member, Finance and Audit Committee

Chairman, Argo Investments Limited

Director, McGuigan Simeon Wines Limited

Deputy Chairman, Adelaide Bank Limited

Director, United Water International Pty Ltd

Director, Motor Accident Commission (SA)



D Barro AO

Age 81

Director since November 1999

Chairman and Managing Director, Barro

Group of Companies



JA Brooks

Age 54

Director since March 2000

Chairman, Finance and Audit Committee

Director Asia Pacific, RMC Group

Services Ltd



JD McNerney BE, MEng Sc, MIE, MBA, CEng

Age 58

Director since June 2002

Managing Director, Readymix plc



MP Chellev BSc, ME, Grad Diploma Mgt

Age 46

Managing Director since September 2001

Shareholder information

Registered office

Level 1, 157 Grenfell Street
Adelaide, South Australia 5000
Telephone (08) 8223 8000
Facsimile (08) 8215 0030

Annual General Meeting

The annual general meeting of shareholders will be held at the Hyatt Regency Adelaide, North Terrace, Adelaide, South Australia on Wednesday 14 May 2003 at 11.00 am.

Stock exchange listing

Adelaide Brighton Ltd is listed on the Australian Stock Exchange and trades under the symbol "ABC". Adelaide is Adelaide Brighton Ltd's home exchange.

Inquiries about your shareholding

Please contact the share registry, Computershare, if you have a question about your shareholding, dividends, share transfers or monthly holdings statements.

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide, South Australia 5000
Telephone (08) 8236 2300
Facsimile (08) 8236 2305
Email web.queries@computershare.com.au

When communicating with the share registry, shareholders should quote their current address together with their Security Reference Number (SRN) or Holder Identification Number (HIN) as it appears on their Issuer Sponsored/CHES statement.

Direct credit of dividends

Dividends can be paid directly into a bank, building society or credit union account in Australia. Payments are electronically credited on the dividend payment day and subsequently confirmed by mailed payment advice. Application forms are available from our share registry, Computershare.

Combining multiple shareholdings

If you have multiple shareholding accounts that you want to consolidate into a single account, please advise the share registry, Computershare, in writing.

Change of address

Shareholders who are Issuer Sponsored should notify any change of address to the share registry promptly in writing quoting their security holder reference number, previous address and new address.

Broker Sponsored (CHES) holders should advise their sponsoring broker of the change.

Removal from mailing list

Should you not wish to receive the annual report by mail, please notify the share registry, Computershare, in writing.

Company Secretary

M Hoad (up to 7 March 2003)
MRD Clayton (from 7 March 2003)

Communications

www.adbri.com.au
Our internet site offers access to our ASX announcements and news releases as well as information about our operations.

Inquiries about Adelaide Brighton Ltd

Inquiries about Adelaide Brighton Ltd should be directed to:

Group Corporate Affairs Adviser
Adelaide Brighton Ltd
GPO Box 2155
Adelaide SA 5001
Telephone (08) 8223 8000
Facsimile (08) 8215 0030
Email adelaidebrighton@adbri.com.au

Top twenty largest shareholders as at 11 March 2003

Shareholder	No. of shares	% of total
Rugby Holdings Limited	297,142,858	54.89
Barro Properties Pty Ltd	54,178,090	10.01
National Nominees Limited	29,418,445	5.43
RBC Global Services Australia	16,614,069	3.07
JP Morgan Nominees Australia	15,816,753	2.92
Australian Mutual Provident	8,717,715	1.61
Westpac Custodian Nominees Ltd	8,491,241	1.57
Commonwealth Custodial Services Limited	6,302,958	1.16
MLC Limited	3,898,360	0.72
Citicorp Nominees Pty Limited	3,658,031	0.68
Cogent Nominees Pty Ltd	3,417,949	0.63
Permenent Trustee Australia	2,388,027	0.44
Gwynvill Trading Pty Ltd	2,386,858	0.44
Bond Street Custodian Limited	2,125,799	0.39
Argo Investments Ltd	1,762,558	0.33
Victorian Workcover Authority	1,693,446	0.31
ANZ Nominees Limited	1,533,214	0.28
CSS Board	1,244,603	0.23
Transport Accident Commission	1,236,558	0.23
PSS Board	1,142,610	0.21
Total top 20 shareholders	463,170,142	85.55

Substantial shareholders

The following interests are recorded in the Company's Register of Substantial Shareholders as at 11 March 2003

Shareholder	No. of ordinary shares held	% of issued capital
Rugby Holdings Limited	260,230,164	54.97
Barro Properties Pty Ltd	46,584,246	9.84

Return on shareholders' funds

Consolidated profit before abnormal items to shareholders' funds: 2002: 9.7% - 2001: 6.7%

Voting rights

All shares at 11 March 2003 were of one class with equal voting rights and rights to full dividend.

Shares held	No. of shareholders	% of ordinary shares
1 - 1,000	1,969	0.17
1,001 - 5,000	3,115	1.55
5,001 - 10,000	1,397	1.91
10,001 - 100,000	1,566	7.53
100,001 - over	115	88.83
Total shareholders	8,106	100.00
Less than a marketable parcel of 500	1,050	

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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 year ended 31 December 2002.

Directors

The Directors of the Company at any time during or since the end of the financial year and up to the date of this report are:

MA Kinnaird AO, DUniv, BE, Hon FIEAust, FTS

CL Harris BEc, FCPA, FAICD

D Barro AO

JA Brooks

JD Mc Nerney BE, MEng Sc, ME, MBA, CEng

MP Chellev BSc, ME, Grad Diploma Mgt

CH Perkins AO, FAICD, CitWA†

GE Clark

Directors' meetings

The number of Directors' meetings and meetings of committees of Directors held during the financial year and the number of meetings attended by each Director of the Company are set out in the statement of Corporate Governance practices on pages 13 and 14 of this report.

Principal activities

During the year, the principal activities of the consolidated entity consisted of the manufacture and distribution of cementitious, lime and ready mixed concrete products and materials.

Changes to the nature of activities of the consolidated entity occurred during the year, with new activity in the manufacture and supply of ready mixed concrete, resulting from the acquisition of controlled entities and operations.

Results

Net profit after tax for the financial year ended 31 December 2002 was \$50.7 million (tax - \$16.2 million) compared with \$30.6 million (tax - nil) for the previous financial year. This was derived from operating revenues of \$477.1 million (\$376.2 million for year ended 31 December 2001).

Financial summary

(A\$ million)	2002	2001
Sales revenue	489.4	393.2
Depreciation	(29.3)	(26.3)
Goodwill amortisation	(8.4)	(8.6)
Earnings before interest and tax ("EBIT")	80.0	46.9
Net interest	(13.1)	(16.3)
Profit before tax	66.9	30.6
Tax expense	(16.2)	-
Net profit after tax ("NPAT")	50.7	30.6
Earnings per share (cents)	9.9	6.5
Dividend per share (cents)	5.25	4.0
Franking (%) - interim	20%	13%
Franking (%) - final	35%	20%
Net debt (A\$ million)	181.8	207.0
Net debt/equity (%)	34.6%	45.6%

Interest charges decreased by \$3.2 million, and with strong free cash flow of \$59.8 million, net debt was reduced by \$25.2 million, bringing gearing down to 34.6%.

This excellent result was achieved due to sustained volume growth, price rises across all products in all States and a solid operational performance. Supply to customers and profitability were maintained despite industrial tensions mid-year surrounding shipping and industrial action at our Birkenhead plant.

Second half NPAT increased to \$27.1 million from \$23.6 million in the first half, and compares with a NPAT of \$15.5 million in the six months to December 2001.

Net interest charges were reduced by \$3.2 million following the redemption of the 11% convertible notes in December 2001, together with reduced debt. More expensive debt in Premier Resources Ltd was retired post acquisition and replaced with inter-company borrowings, leveraging Adelaide Brighton's superior credit profile.

Review of operations

A review of the operations of the Group during the financial year are set out in this annual report on pages 2 to 10.

Dividends paid or declared by the Company

In respect to the 2002 financial year, the following dividends were paid or have been provided:

- > An interim dividend of 2.5 cents per share, franked to 20%, was paid on 14 October 2002. This dividend totalled \$13,535,000.
- > On 5 March 2003 the Directors declared a dividend of 2.75 cents per share, franked to 35%, to be paid on 16 April 2003 to members registered in the books of the Company at close of business on 25 March 2003. This dividend totalled \$14,888,000.

State of affairs

Significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

- > On 18 June 2002, contributed equity was increased by \$49,737,000 as a result of a 1:7 Rights Issue (net of issue costs).
- > On 15 March 2002, the Group acquired Premier Resources Ltd, a vertically integrated construction materials company with activities in the Sydney and Melbourne metro markets.
- > On 13 December 2002, the Group acquired the assets of Neil Mansell Concrete Pty Ltd, a ready mixed concrete operation in the Sunshine Coast area of Queensland.

Environmental performance

The consolidated entity is subject to various Commonwealth, State and Territory laws concerning the environment. Management ensures that any licences or permits required for the Group's operations are obtained. A Group-wide Safety, Health and Environmental (SH&E) Management System is in place for monitoring, reporting and addressing SH&E matters. Two sites, Birkenhead and Angaston, are certified to the international environment standard ISO 14001. All sites have implemented their individual SH&E Management System based on the Group SH&E Standards.

All sites regularly report on the following, in addition to immediate reporting of specific SH&E incidents:

- > safety and health incidents (monthly);
- > environmental incidents (monthly);
- > % Implementation of SH&E site procedures (quarterly);
- > National Pollutant Inventory (annual);
- > Greenhouse Gas Reporting (annual) with external verification audits; and
- > various specific State regulatory reporting requirements based on site operating licences.

Specific incidents and any possible trends which appear from the reports are actively investigated. Where it is considered that changes are required, action plans are developed, implemented and the effect of the changes is monitored. Following the acquisition of Premier Resources Ltd in March 2002, the Group SH&E system is being actively extended to the acquired operations.

All sites have demonstrated a high degree of compliance with environmental regulation. However, there were some non-compliances with licence conditions. Premier Resources Hy-Tec business was prosecuted in NSW concerning a discharge of stormwater, which occurred pre-acquisition, and one potential discharge incident is being investigated by the EPA in Victoria. A report of an unauthorised discharge by the MV Accolade II is being investigated by the organisation and the South Australian EPA.

Directors are satisfied that the SH&E Management System is appropriate to proactively manage and to continuously improve the Group's performance concerning environmental regulation.

Events subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2002 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.

Directors' and senior executives' emoluments

The Remuneration Committee is responsible for making recommendations to the Board on the remuneration packages of non-executive Directors and senior executives of the consolidated entity. Performance, duties and responsibilities, market forecasts and independent advice are all considered as part of an annual review process.

Details of the nature and amount of each major element of the emoluments of each Director of the Company and each of the five named officers of companies within the consolidated entity receiving the highest emolument for the financial year ended 31 December 2002 are:

	Base emolument \$	Bonuses \$	Non-cash benefits \$	Super contributions \$	Total \$
Directors					
MA Kinnaird	138,750	-	-	13,875	152,625
CL Harris	62,750	-	-	6,275	69,025
CH Perkins	54,350	-	-	5,435	59,785
D Barro	43,500	-	-	-	43,500
MP Chellew	539,039	-	-	9,661	548,700
JA Brooks ¹	-	-	-	-	-
GE Clark ^{1,3}	-	-	-	-	-
JD Mc Nerney ^{1,2,3}	-	-	-	-	-
Officers					
M Brydon	293,778	81,555	8,000	9,661	392,994
MA Finney	296,672	-	-	28,760	325,432
M Hoad	283,146	-	24,000	17,746	324,892
T Douglas	230,965	-	-	31,081	262,046
I Rafidi ³	225,717	-	-	20,315	246,032

¹ Executive, RMC Group p.l.c.

² Executive, Readymix plc (a publicly listed company incorporated in the Republic of Ireland in which RMC Group p.l.c. has a 62.5% shareholding)

³ Part year

Likely developments and expected results of operations

Likely developments in the operations of the consolidated entity, known at the date of this report, have been covered generally within the report.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Directors' interests

The relevant interest of each executive and non-executive Director in the share capital of the Company as notified by the Directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Ordinary shares

MA Kinnaird	74,286
CL Harris	110,001
D Barro	280,675
MP Chellew	49,143
JA Brooks	1,000
JD McNerney	1,000

Indemnification and insurance of officers

Under Article 193 of the Company's Constitution, each of the Company's Directors, Company Secretary and all other current and former Directors and officers of the consolidated entity including executive officers, are indemnified to the extent permitted by law when acting in those capacities in respect of:

- > liability to persons (other than entities within the consolidated entity) if the officer has acted in good faith; and
- > the cost and expenses of successfully defending legal proceedings.

Insurance cover for Directors' and officers' liability is included under a global policy of the RMC Group p.l.c. The Company's share of the premium paid during the year in respect of this global policy is \$78,849.

Proceedings on behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Ultimate parent company

RMC Group p.l.c., a company registered in the United Kingdom, is the ultimate parent company of Adelaide Brighton Ltd, controlling 55% of the issued shares.

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.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporation Act 2001.

Dated at Adelaide this 7th day of March 2003.

Signed in accordance with a resolution of the Directors:



M Chellew

Managing Director

Statements of financial performance

for the year ended 31 December 2002	Notes	Consolidated		The Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Revenues from sale of goods and services	2	486,831	387,801	-	-
Cost of sales (incl. freight and distribution costs)		(367,599)	(310,032)	-	-
Gross profit		119,232	77,769	-	-
Other revenues from ordinary activities	2	3,737	7,149	53,474	45,441
Other expenses from ordinary activities					
Marketing		(6,000)	(5,495)	-	-
Administration		(36,237)	(27,387)	(834)	(1,430)
Borrowing costs	3	(14,296)	(18,065)	(13,507)	(16,122)
Other		(10,754)	(8,617)	(7,957)	(6,775)
Share of net profits of joint venture entities accounted for using the equity method	39(b) & (d)	11,228	5,242	-	-
Profit from ordinary activities before income tax expense		66,910	30,596	31,176	21,114
Income tax expense	4	(16,202)	-	(9,476)	(5,385)
Net profit		50,708	30,596	21,700	15,729
Net (profit)/loss attributable to outside equity interests		(31)	(3)	-	-
Net profit attributable to members of Adelaide Brighton Ltd		50,677	30,593	21,700	15,729
Net exchange difference on translation of financial reports of foreign controlled entities	25(a)	(223)	45	-	-
Net movement in other reserves	25(a)	(53)	-	-	-
Total revenues, expenses and valuation adjustments attributable to members of Adelaide Brighton Ltd recognised directly in equity		(276)	45	-	-
Total changes in equity other than those resulting from transactions with owners as owners	27	50,401	30,638	21,700	15,729
Basic earnings per share	41	Cents 9.9	Cents 6.5		

Statements of financial position

as at 31 December 2002	Notes	Consolidated		The Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Current assets					
Cash assets	5	19,514	21,562	-	-
Receivables	6	73,593	55,912	166,582	84,895
Inventories	7	48,386	39,448	-	-
Other	8	1,847	2,098	-	-
Total current assets		143,340	119,020	166,582	84,895
Non-current assets					
Receivables	9	12,511	11,732	308,385	363,360
Investments accounted for using the equity method	10 & 39(a)(d) & (e)	30,806	27,588	-	-
Other financial assets	11	10	10	309,689	301,245
Property, plant and equipment	12	561,297	510,672	-	-
Deferred tax assets	13	28,417	37,013	206	483
Intangible assets	14	146,611	147,205	-	-
Total non-current assets		779,652	734,220	618,280	665,088
Total assets		922,992	853,240	784,862	749,983
Current liabilities					
Payables	15	57,834	49,914	53,822	54,263
Interest bearing liabilities	16	519	-	28,538	28,511
Current tax liabilities	17	240	9	6,825	5,385
Provisions	18	52,211	43,753	14,888	9,474
Other	19	2,398	-	425	-
Total current liabilities		113,202	93,676	104,498	97,633
Non-current liabilities					
Interest bearing liabilities	20	200,724	228,432	200,000	215,000
Deferred tax liabilities	21	66,274	60,409	-	-
Provisions	22	16,900	16,577	-	-
Other	23	102	102	-	-
Total non-current liabilities		284,000	305,520	200,000	215,000
Total liabilities		397,202	399,196	304,498	312,633
Net assets		525,790	454,044	480,364	437,350
Equity					
Parent entity interest					
Contributed equity	24(a) & (b)	512,104	462,367	504,975	455,238
Reserves	25(a)	30,628	30,904	-	-
Accumulated losses	25(b)	(19,947)	(42,201)	(24,611)	(17,888)
Total parent entity interest		522,785	451,070	480,364	437,350
Outside equity interest in controlled entities	26	3,005	2,974	-	-
Total equity	27	525,790	454,044	480,364	437,350

Statements of cash flows

for the year ended 31 December 2002	Notes	Consolidated		The Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		521,004	431,426	-	-
Payments to suppliers and employees (inclusive of goods and services tax)		(416,740)	(340,335)	(544)	(1,015)
Dividends received		8,010	4,586	31,452	10,216
Interest received		1,127	1,754	14,065	27,040
Other revenue		481	644	-	-
Borrowing costs		(14,493)	(17,738)	(13,409)	(16,122)
Income taxes paid		(1,214)	(847)	(6)	-
Income tax refunds		197	3,661	-	-
Net cash inflow from operating activities	40 (a)	98,372	83,151	31,558	20,119
Cash flows from investing activities					
Payments for property, plant and equipment		(25,659)	(22,498)	-	-
Payments for capitalised maintenance		(14,129)	(23,160)	-	-
Payments for controlled entities and operations	40 (b)	(20,856)	-	(8,555)	-
Loans to joint venture entities	36(e)(iii)	(778)	(793)	-	-
Proceeds from sale of property, plant and equipment		2,096	3,910	-	-
Net cash (outflow) from investing activities		(59,326)	(42,541)	(8,555)	-
Cash flows from financing activities					
Proceeds from issue of shares	27	49,737	-	49,737	-
Capital reduction payment to outside equity interests		-	(3,354)	-	-
Proceeds from borrowings	36(e)(iii)	58,476	73,432	52,954	215,000
Repayment of borrowings		(123,288)	(104,777)	(67,954)	(54,977)
Loans to controlled entities	36(e)(iii)	-	-	(168,212)	(215,000)
Loans repayments from controlled entities	36(e)(iii)	-	-	133,454	37,886
Dividends paid	28	(23,009)	(16,575)	(23,009)	(16,575)
Net cash inflow (outflow) from financing activities		(38,084)	(51,274)	(23,030)	(33,666)
Net increase (decrease) in cash held					
Cash at the beginning of the financial year	5	21,562	32,180	(28,511)	(14,964)
Cash balances in controlled entities acquired	40 (b)	(2,852)	-	-	-
Effects of exchange rate changes on cash		(158)	46	-	-
Cash at the end of the financial year	5	19,514	21,562	(28,538)	(28,511)

Notes to the financial statements

1 Summary of significant accounting policies

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001. It is prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous financial year.

The transitional provisions of AASB 1041 *Revaluation of Non Current Assets* have been applied to property, plant and equipment re-valued prior to 1 January 2001. These assets are now deemed to be carried at cost.

(a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Adelaide Brighton Ltd ("the Company") as at 31 December 2002 and the results of all controlled entities for the year then ended. The Company and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated statements of financial performance and statements of financial position respectively. Where control of an entity is obtained during a financial year, its results are included in the consolidated statements of financial performance from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the post acquisition profits or losses of joint ventures is recognised in the consolidated statements of financial performance, and its share of post acquisition movements in reserves is recognised in consolidated reserves. The cumulative post acquisition movements are adjusted against the cost of the investment. Details relating to the joint ventures are set out in note 39.

(b) Income tax

Tax effect accounting procedures are followed whereby the income tax expense in the statements of financial performance is matched with the accounting profit after allowing for permanent differences. The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing differences is set aside to the deferred income tax or the future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

No provision is made for additional taxes which could become payable if certain reserves of the foreign controlled entity were to be distributed as it is not expected that any substantial amount will be distributed from those reserves in the foreseeable future.

(c) Foreign currency translation

(i) Transactions

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. At balance date amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date. Resulting exchange differences are recognised in determining the profit or loss for the year.

(ii) Specific commitments

Hedging is undertaken in order to avoid or minimise possible adverse financial effects of movements in exchange rates. Gains or costs arising upon entry into a hedging transaction intended to hedge the purchase or sale of goods or services, together with subsequent exchange gains or losses resulting from those transactions are deferred up to the date of the purchase or sale and included in the measurement of the purchase or sale.

(iii) General commitments

Exchange gains or losses on other hedge transactions are brought to account in the statements of financial performance in the financial year in which the exchange rates change. Gains or costs arising on entry into hedges of general commitments are recognised as assets or liabilities at the time of entry into the hedges and are amortised over the lives of the hedges.

(iv) Foreign controlled entity

As foreign controlled entities are self-sustaining, assets and liabilities are translated into Australian currency at rates of exchange current at balance date, while revenues and expenses are translated at the average of rates ruling during the year. Exchange differences arising on translation are taken to the foreign currency translation reserve. Upon disposal or partial disposal of a self-sustaining foreign operation, the balance of the foreign currency translation reserve relating to the operation, or to the part disposed of, is transferred to retained profits.

(d) Acquisitions of assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

(e) Revenue recognition

(i) Sales revenue

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the provision of goods or services to entities outside the consolidated entity. Sales revenue is disclosed when the goods are provided, or when the fee in respect of services provided is receivable.

(ii) Interest income

Interest income is recognised as it accrues.

(iii) Other revenue

The revenue recognition policy for investments is described in accounting policy note 1(i).

(f) Receivables

All trade debtors are recognised at the amount receivable as they are due for settlement no more than 30 to 45 days from the end of the month of invoice.

The ability to collect trade debtors is reviewed on an ongoing basis. Any debt which is deemed unable to be collected is written off. A provision for doubtful debts is raised when some doubt as to collection exists.

- (g) **Inventories**
Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of stock on the basis of weighted average costs.
- (h) **Recoverable amount of non-current assets**
The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.
Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. Any decrement in the carrying amount is recognised as an expense in the statement of financial performance in the financial year in which the recoverable amount write-down occurs.
The expected net cash flows included in determining recoverable amounts of non-current assets are not discounted.
- (i) **Investments**
(i) *Controlled entities*
Investments in controlled entities are carried in the Company's financial statements at cost or Directors' valuation having regard to recoverable amounts. Dividends and distributions are brought to account in the statements of financial performance when they are receivable.
(ii) *Joint ventures*
In the consolidated financial statements, investments in joint ventures are accounted for using equity accounting principles. Investments in joint ventures are carried at the lower of the equity accounted amount and recoverable amount. The consolidated entity's share of a joint venture's net profit or loss after tax is recognised in the consolidated statements of financial performance after adjustments for: amortisation of goodwill arising from notional adjustments made as at the date of acquisition; dissimilar accounting policies; and the elimination of unrealised profits and losses on transactions between the joint venture and any entities in the consolidated entity or another joint venture of the consolidated entity.
- Other movements in reserves are recognised directly in consolidated reserves.
- (iii) *Other companies*
Investments in other companies are carried at cost or Directors' valuation having regard to recoverable amounts. Dividends are brought to account as they are received.
- (j) **Depreciation and amortisation of fixed assets**
(i) *Mineral reserves*
Mineral reserves are amortised based on annual extraction rates over the estimated life of the reserves, with the maximum period of amortisation capped at 50 years.
(ii) *Restoration and environmental rehabilitation*
A provision for reinstatement of operational quarries is made for the restoration of areas in which mineral reserves are extracted where there are known obligations under existing law. Where practical, restoration is performed progressively and charged to costs as a part of normal activity. The adequacy of the overall provision is reassessed each year based on current costs which are undiscounted.
(iii) *Major cyclical maintenance*
The costs of major cyclical maintenance capitalised are depreciated over the estimated useful life.
(iv) *Other fixed assets*
Fixed assets, including buildings and leasehold property but excluding freehold land, are depreciated or amortised over their estimated useful lives. The straight line method is used.
The average depreciation rates used for each class of asset are as follows:
Buildings 2.5%
Plant and equipment 3.3%
- (k) **Leased assets**
Leases of plant and equipment under which the Company or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.
Finance leases are capitalised. A lease asset and a liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Capitalised leased assets are amortised on a straight line basis over the term of the relevant lease or, where it is likely the consolidated entity will obtain ownership of the asset, the life of the asset.
Lease liabilities are reduced by repayments of principal. The interest component of the lease payments is charged to the statements of financial performance.
Operating lease costs are expensed as incurred.
- (l) **Non-current assets constructed by the consolidated entity**
The cost of non-current assets constructed by the consolidated entity includes the cost of all materials used in construction, direct labour on the project, borrowing costs incurred during construction and an appropriate proportion of variable and fixed overhead.
- (m) **Intangible assets and expenditure carried forward**
(i) *Goodwill*
Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired, including any liability for restructuring costs, is brought to account as goodwill and amortised on a straight line basis over twenty years, being the financial years during which the benefits are expected to arise.
(ii) *Convertible note issue costs*
Convertible note issue costs are amortised over a period corresponding to the issue period of the notes.
(iii) *Patents, trademarks and brand names*
Significant costs associated with patents, trademarks and brand names having a benefit or relationship to more than one accounting period are deferred and where applicable amortised over the period of their expected life.
- (n) **Trade and other creditors**
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30-60 days of recognition.
- (o) **Interest bearing liabilities**
Bank loans and other interest bearing loans are carried on the balance sheet at their principal amount. Interest expense is accrued at the contracted rate and included in 'other creditors and accruals' (note 15).
Convertible notes are recorded in the balance sheet at face value. Interest on the notes is recognised in the statements of financial performance as an expense.
- (p) **Derivative financial instruments**
The consolidated entity is exposed to changes in interest rates and foreign exchange rates from its activities. The consolidated entity's policy is to utilise derivative financial instruments to reduce these risks and not to enter, hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments that are designated and effective as hedges of underlying exposures are accounted for on the same basis as the underlying exposure. Where a hedge transaction is terminated early and the anticipated transaction is still expected to occur, the deferred gains and losses that arose on the hedge prior to its termination continue to be deferred and are accounted for on the same basis as the underlying exposure. Where a hedge transaction is terminated early because the anticipated transaction is no longer expected to occur, deferred gains and losses that arose on the hedge prior to its termination are included in the statements of financial performance for the financial year.

(c) Maintenance and repairs

Plant of the consolidated entity is required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged, as expenses, as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with note 1(j). Other routine operating maintenance, repair costs and minor renewals are also charged, as expenses, as incurred.

(r) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

(s) Employee entitlements

(i) Wages and salaries, annual leave and sick leave

The provisions for employee entitlements to wages, salaries, annual leave and sick leave represent the amount which the consolidated entity has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs.

(ii) Long service leave

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

(iii) Employee share plans

Certain employees are entitled to participate in share ownership schemes. Where shares are to be issued, or acquired on market, as remuneration for past services the expense, when it can be reliably quantified, is recognised in the financial year the services are performed. For Director and executive remuneration disclosures the shares are recognised in the financial year of issue or acquisition.

(t) Superannuation funds

The consolidated entity contributes to the Adelaide Brighton Group Superannuation Plan and to other pension funds in addition to contributions to the funds made by employees. All Group contributions are charged as an expense in the statement of financial performance.

(u) Borrowing costs

Borrowing costs are recognised as expenses in the year in which they are incurred, except where they are included in the costs of qualifying assets. No interest was capitalised in 2002 (2001: Nil).

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the year.

Borrowing costs include:

- > interest on bank overdrafts and on the principal balance drawn on the ultimate parent company funding arrangements;
- > interest arising from swap arrangements; and
- > interest on unsecured convertible notes.

(v) Debt defeasance

Net gains or losses on defeasances of debt are brought to account in the statements of financial performance at the date of entering into the defeasance arrangement. The net gain or loss is calculated as the difference between the carrying amount of assets given up and the carrying amount of the debt, and after taking into account costs associated with the defeasance.

(w) Cash

For purposes of the statements of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(x) Earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the year.

(y) Segment information

Segment information is prepared in conformity with the accounting policies of the Company and the revised AASB 1005, Segment Reporting, which has been applied for the first time in the year ended 31 December 2002. The comparative information has been restated to present the information on a consistent basis with the current year disclosures.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis.

(z) Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

	Consolidated		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
2 Revenue				
Revenue from operating activities				
Sale of goods	447,629	341,521	-	-
Product swap arrangements	9,718	11,588	-	-
Services	29,484	34,692	-	-
	486,831	387,801	-	-
Revenue from outside the operating activities				
Interest from controlled entities	-	-	14,065	27,040
Interest from related parties	549	595	-	-
Interest from other parties	608	1,127	-	-
Sub-lease rentals	-	170	-	-
Sale of non-current assets	2,096	4,782	-	-
Dividends - related parties	-	-	31,452	10,216
Other income	484	475	7,957	8,185
	3,737	7,149	53,474	45,441
Revenue from ordinary activities (excluding shares of equity accounted net profits of joint ventures)	490,568	394,950	53,474	45,441
Revenue from services includes construction contract revenue of:	29,484	34,692	-	-
3 Operating profit				
Net gains and expenses				
Profit from ordinary activities before income tax includes the following specific net gains and expenses:				
Expenses				
Depreciation				
Buildings	1,542	1,102	-	-
Plant and equipment	26,562	24,076	-	-
Mineral reserves	1,245	1,156	-	-
	29,349	26,334	-	-
Major cyclical maintenance	15,764	14,621	-	-
	45,113	40,955	-	-
Amortisation				
Goodwill	8,412	8,617	-	-
Convertible note costs	-	195	-	195
Other intangibles	49	163	-	-
Total amortisation	8,461	8,975	-	195
Other charges against assets				
Research and development costs written off	-	1,155	-	-
Write down of plant & equipment	866	-	-	-
Mineral royalties	1,198	736	-	-
Bad and doubtful debts - trade debtors	(1,875)	2,363	7,957 ¹	6,804 ¹
Borrowing costs				
Interest expense				
Interest and finance charges paid to direct parent	322	487	322	-
Interest and finance charges paid to ultimate parent	11,668	10,844	11,668	10,844
Interest and finance charges paid to other parties	2,306	6,734	1,517	5,278
Borrowing costs expensed	14,296	18,065	13,507	16,122

¹ The Company has made provision against a debt of \$7,957,000 (2001: \$6,775,000) due by a wholly owned entity. This debt was in respect of charges by the Company.

	Consolidated		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
3 Operating profit (continued)				
Rental expense relating to operating leases	983	393	-	-
Other provisions				
Employee entitlements	4,895	2,975	-	-
Workers' compensation	3,071	1,202	-	-
Total other provisions	7,966	4,177	-	-
Net Gains				
Net profit on disposal				
Property, plant & equipment	620	940	-	-

4 Income tax

(a) The income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:

Profit from ordinary activities before income tax expense	66,910	30,596	31,176	21,114
Income tax calculated @ 30%	20,073	9,179	9,353	6,334
Tax effect of permanent differences:				
Non-deductible depreciation, amortisation and depletion	3,094	2,991	-	59
Non allowable expenses	86	53	17	-
Share of net profits of joint ventures	269	424	-	-
Rebateable dividends	(2,083)	(1,416)	(9,436)	(3,065)
Capital loss	(216)	-	-	-
Research and development allowance	(42)	(11)	-	-
Sundry items	(649)	(135)	4,816	2,057
Income tax adjusted for permanent differences	20,532	11,085	4,750	5,385
Benefit of tax losses of prior years recouped	(3,529)	(11,734)	-	-
Under / (over) provision in previous year	(801)	649	4,726	-
Aggregate income tax expense	16,202	-	9,476	5,385
Aggregate income tax expense comprises:				
Current taxation provision	18,114	-	4,875	5,385
Deferred income tax provision	5,443	-	-	-
Future income tax benefit	(6,554)	-	(125)	-
Under / (over) provision in prior year	(801)	-	4,726	-
	16,202	-	9,476	5,385

(b) The Directors estimate that the potential future income tax benefit at 31 December 2002 in respect of tax losses not brought to account is:

> Capital losses	22,554	47,889	10,997	10,997
> Tax losses carried forward	5,492	6,764	-	-

This benefit for tax losses will only be obtained if:

- (i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, or
- (ii) the losses are transferred to an eligible entity in the consolidated entity, and
- (iii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation, and
- (iv) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

The tax consolidation legislation has been substantively enacted. Whilst the consolidated entities intend to adopt the legislation, the transitional period and current group relief rules do not require a decision whether to consolidate until lodgement of income tax returns for 31 December 2004. The financial effect of the legislation has not been recognised in this financial report in accordance with UIG 39 Effect of Proposed Tax Consolidation Legislation on Deferred Tax Balances. It is not possible to disclose the financial effect of the legislation on the 2003 financial report as it cannot yet be reliably estimated.

	<i>Consolidated</i>		<i>The Company</i>	
	2002 \$'000	<i>2001</i> <i>\$'000</i>	2002 \$'000	<i>2001</i> <i>\$'000</i>
5 Current assets - Cash assets				
Cash at bank and on hand	19,514	21,562	-	-
The above figures are reconciled to cash at the end of the financial year as shown in the statements of cash flows as follows:				
Balances as above	19,514	21,562	-	-
Less: Bank overdrafts and advances (note 16)	-	-	(28,538)	(28,511)
Balances per statements of cash flows	19,514	21,562	(28,538)	(28,511)
6 Current assets - Receivables				
Trade debtors	72,832	57,968	-	-
Less: Provision for doubtful debts	(2,008)	(3,494)	-	-
	70,824	54,474	-	-
Amounts due by joint venture entity	310	298	-	-
Loans to controlled entities	-	-	166,582	84,895
Other debtors	2,459	1,140	-	-
	73,593	55,912	166,582	84,895
7 Current assets - Inventories				
Raw materials and stores - at cost	26,790	21,110	-	-
Work in progress - at cost	10,537	11,240	-	-
Finished goods - at cost	11,059	7,098	-	-
	48,386	39,448	-	-
8 Current assets - Other				
Prepayments	1,827	790	-	-
Other	20	1,308	-	-
	1,847	2,098	-	-
9 Non-current assets - Receivables				
Loans to controlled entities	-	-	308,385	363,360
Loans to joint venture entity	12,189	11,410	-	-
Other debtors	322	322	-	-
	12,511	11,732	308,385	363,360
10 Non-current assets - Investments accounted for using the equity method				
Interest in joint venture entities (note 39(a))	30,806	27,588	-	-

Interests in joint ventures

Interests in joint ventures are accounted for in the consolidated entity's financial statements using the equity method of accounting and are carried at cost by the respective parent entity (see note 39).

	<i>Consolidated</i>		<i>The Company</i>	
	2002 \$'000	<i>2001</i> <i>\$'000</i>	2002 \$'000	<i>2001</i> <i>\$'000</i>
11 Non-current assets - Other financial assets				
Other (non-traded) investments				
Shares in controlled entities - at cost	-	-	241,227	232,672
Shares in controlled entities - at Directors' valuation (1999)	-	-	68,462	68,573
Listed at cost	2	2	-	-
Unlisted shares at cost	8	8	-	-
	10	10	309,689	301,245

Controlled entities are listed at note 37(a).

12 Non-current assets - Property, plant and equipment

Land and buildings

Freehold land

At cost

51,658 44,999 - -

51,658 44,999 - -

Buildings

At cost

49,258 47,785 - -

Less: Accumulated depreciation

(22,515) (21,112) - -

26,743 26,673 - -

Mineral reserves

At cost

94,627 65,487 - -

Less: Accumulated depreciation

(3,785) (2,540) - -

90,842 62,947 - -

Leasehold property

At cost

2,862 63 - -

Less: Accumulated amortisation

(670) (62) - -

2,192 1 - -

Total land and buildings

171,435 134,620 - -

	<i>Consolidated</i>		<i>The Company</i>	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
12 Non-current assets - Property, plant and equipment <i>(continued)</i>				
Plant and equipment				
At cost	695,459	666,702	-	-
Less: Accumulated depreciation	(344,318)	(318,363)	-	-
	351,141	348,339	-	-
Leased plant and equipment				
At cost	4,170	-	-	-
Less: Accumulated depreciation	(2,071)	-	-	-
	2,099	-	-	-
Major cyclical maintenance capitalised				
At cost	41,116	39,238	-	-
Less: Accumulated amortisation	(27,138)	(23,625)	-	-
	13,978	15,613	-	-
Plant and equipment in the course of construction				
At cost	22,644	12,100	-	-
	22,644	12,100	-	-
Total plant and equipment	389,862	376,052	-	-
Total property, plant and equipment	561,297	510,672	-	-

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	<i>Freehold land</i> \$'000	<i>Buildings</i> \$'000	<i>Leasehold property</i> \$'000	<i>Plant & equipment</i> \$'000	<i>Leased assets</i> \$'000	<i>Cyclical main-tenance</i> \$'000	<i>Mineral reserves</i> \$'000	<i>In course of construction</i> \$'000	<i>Total</i> \$'000
Consolidated									
Carrying amount at									
1 January 2002	44,999	26,673	1	348,339	-	15,613	62,947	12,100	510,672
Additions	250	84	62	8,688	-	14,129	-	16,575	39,788
Additions: acquired entities / operations	6,928	1,258	2,413	16,351	2,153	-	29,140	50	58,293
Disposals	(519)	(119)	-	(628)	(211)	-	-	-	(1,477)
Reclassification	-	389	-	5,018	674	-	-	(6,081)	-
Write down to recoverable amount	-	-	-	(866)	-	-	-	-	(866)
Depreciation/ amortisation expense (note 3)	-	(1,542)	(284)	(25,761)	(517)	(15,764)	(1,245)	-	(45,113)
Carrying amount at									
31 December 2002	51,658	26,743	2,192	351,141	2,099	13,978	90,842	22,644	561,297

	<i>Consolidated</i>		<i>The Company</i>	
	2002 \$'000	<i>2001 \$'000</i>	2002 \$'000	<i>2001 \$'000</i>
13 Non-current assets - Deferred tax assets				
Future income tax benefit	28,417	37,013	206	483
14 Non-current assets - Intangible assets				
Goodwill	176,671	168,856	-	-
Less: Accumulated amortisation	(30,871)	(22,511)	-	-
	145,800	146,345	-	-
Patents, trademarks and brand names				
At cost	983	983	-	-
Less: Accumulated amortisation	(172)	(123)	-	-
	811	860	-	-
	146,611	147,205	-	-
15 Current liabilities - Payables				
Trade creditors	38,873	33,655	-	285
Other creditors and accruals	18,961	16,259	53,822	53,978
	57,834	49,914	53,822	54,263
16 Current liabilities - Interest bearing liabilities				
Unsecured				
Bank overdrafts and advances	-	-	28,538	28,511
Lease liabilities (note 34)	519	-	-	-
	519	-	28,538	28,511
17 Current liabilities - Current tax liabilities				
Income tax	240	9	6,825	5,385
18 Current liabilities - Provisions				
Dividends	14,888	9,474	14,888	9,474
Employee entitlements	14,939	12,486	-	-
Workers' compensation	2,981	1,880	-	-
Restructuring costs	19,403	19,913	-	-
	52,211	43,753	14,888	9,474
19 Current liabilities - Other				
Deferred income	1,751	-	-	-
Other	647	-	425	-
	2,398	-	425	-
20 Non-current liabilities - Interest bearing liabilities				
(a) Unsecured				
Ultimate parent entity	200,000	215,000	200,000	215,000
Direct parent entity	-	13,432	-	-
Lease liabilities (note 34)	724	-	-	-
Total non-current interest bearing liabilities	200,724	228,432	200,000	215,000

	Consolidated		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
20 Non-current liabilities - Interest bearing liabilities (continued)				
(b) Financing arrangements				
Unrestricted access was available at balance date to the following lines of credit:				
(i) Credit standby arrangements				
Total facilities				
Bank overdrafts	4,000	4,000	4,000	4,000
Unsecured bill acceptance facility	25,000	25,000	25,000	25,000
Advance facility - ultimate parent entity	350,000	350,000	350,000	350,000
Other loans	1,345	102	-	-
	380,345	379,102	379,000	379,000
Used at balance date				
Advance facility - ultimate parent entity	200,000	215,000	200,000	215,000
- direct parent entity	-	13,432	-	-
Unsecured bill facility	15,000	-	15,000	-
Other loans	1,345	102	-	-
	216,345	228,534	215,000	215,000
Unused at balance date				
Bank overdrafts	4,000	4,000	4,000	4,000
Bill acceptance facility	10,000	25,000	10,000	25,000
Advance facility - ultimate parent entity	150,000	121,568	150,000	121,568
	164,000	150,568	164,000	150,568

(ii) Ultimate parent entity

In June 2000, the Company entered into a five year arrangement with its ultimate parent company RMC Group p.l.c. for the provision of credit facilities to \$350 million. The Company is required to pay interest at the end of each quarter on the average balance used on that facility. On 30 September 2002 \$30 million of the facility used at that date was locked in at a fixed rate until 30 June 2005. For the year ended 31 December 2002, the weighted average interest rate applicable was 5.64% (note 29(d)).

(iii) Bank arrangements - multi-option facilities

Following the arrangement between the Company and its ultimate parent, RMC Group p.l.c., the Company arranged new facilities with its two primary banking institutions. The consolidated entity now has access to net bank overdraft facilities of \$4 million. Interest on bank overdrafts is charged at variable rates. The consolidated entity paid no overdraft interest in 2002.

The consolidated entity and the Company have available commercial bills and market rate advance facilities totalling \$25 million. At 31 December 2002, the total of the market rate advance facility drawn down was \$15 million (2001: Nil).

The weighted average effective interest rate chargeable on the market rate advances was 4.9% (2001: nil). The commercial bill facilities available to the Company are chargeable at bank bill reference bid rate (BBSY) plus a margin.

All facilities between the consolidated entity and its bankers are reviewed annually.

	Consolidated		The Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
21 Non-current liabilities - Deferred tax liabilities				
Provision for deferred income tax	66,274	60,409	-	-
22 Non-current liabilities - Provisions				
Employee entitlements	2,825	2,502	-	-
Limited recourse loan - direct parent entity	12,305	12,305	-	-
Reinstatement of operational quarries	1,770	1,770	-	-
	16,900	16,577	-	-
23 Non-current liabilities - Other				
Other loans	102	102	-	-

	<i>Consolidated</i>		<i>The Company</i>	
	2002 \$'000	<i>2001 \$'000</i>	2002 \$'000	<i>2001 \$'000</i>
24 Contributed equity				
(a) Share capital				
Issued and paid up capital				
541,386,007 (2001: 473,408,992) ordinary shares, fully paid	512,104	462,367	504,975	455,238
(b) Movements in ordinary share capital				
Balance at the beginning of the financial year	462,367	462,245	455,238	455,116
Shares issued				
67,677,015 shares issued under Rights Issue (i)	49,737	-	49,737	-
300,000 shares issued under Executive Performance Share Plan (ii)	-	122	-	122
Balance at the end of the financial year (iii)	512,104	462,367	504,975	455,238
(c) Other equity securities				
Former share premium account included in equity (iii)	82,522	82,522	75,393	75,393

(i) On 18 June 2002, the Company issued and allotted 67,677,015 ordinary shares at \$0.75 per share following the completion of a 1 for 7 renounceable Rights Issue announced on 29 April 2002.

(ii) Ordinary shares issued under the Adelaide Brighton Ltd Executive Performance Share Plan (refer note 36(b)).

(iii) The share premium reserve on consolidation has been higher than the Company's in prior years as a result of shares issued to a minority at a premium.

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

	<i>Consolidated</i>		<i>The Company</i>	
	2002 \$'000	<i>2001 \$'000</i>	2002 \$'000	<i>2001 \$'000</i>
25 Reserves and accumulated losses				
(a) Reserves				
Asset revaluation reserve	33,074	33,074	-	-
Capital profits	25	78	-	-
Foreign currency translation reserve	(2,471)	(2,248)	-	-
	30,628	30,904	-	-
Movements:				
Asset revaluation reserve				
Balance at the beginning of the financial year	33,074	33,074	-	-
Balance at the end of the financial year	33,074	33,074	-	-
Capital profits reserve				
Balance at the beginning of the financial year	78	78	-	-
Realised on liquidation of subsidiary	(53)	-	-	-
Balance at the end of the financial year	25	78	-	-
Foreign currency translation reserve				
Balance at the beginning of the financial year	(2,248)	(2,293)	-	-
Net exchange differences on translation of financial statements of foreign controlled entities	(223)	45	-	-
Balance at the end of the financial year	(2,471)	(2,248)	-	-

	<i>Consolidated</i>		<i>The Company</i>	
	2002 \$'000	<i>2001</i> <i>\$'000</i>	2002 \$'000	<i>2001</i> <i>\$'000</i>
25 Reserves and accumulated losses <i>(continued)</i>				
(b) Accumulated losses				
Accumulated losses at the beginning of the financial year	(42,201)	(53,846)	(17,888)	(14,669)
Net profit attributable to members of Adelaide Brighton Ltd	50,677	30,593	21,700	15,729
Dividends provided for or paid	(28,423)	(18,948)	(28,423)	(18,948)
Accumulated losses at the end of the financial year	(19,947)	(42,201)	(24,611)	(17,888)

(c) Nature and purpose of reserves

(i) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets which occurred before 1 January 2001. The balance standing to the credit of the reserve may be used to satisfy the distribution of bonus shares to shareholders and is only available for the payment of cash dividends in limited circumstances as permitted by law.

(ii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities viz Adelaide Brighton Cement Inc., Adelaide Brighton Cement (Netherlands) BV, Fuel and Combustion Technology Inc., and Fuel and Combustion Technology International Ltd are taken to the foreign currency translation reserve, as described in accounting policy note 1(c)(iv).

	<i>Consolidated</i>	
	2002 \$'000	<i>2001</i> <i>\$'000</i>
26 Outside equity interests in controlled entities		
Interest in:		
Share capital (refer note 37 (b))	4,880	4,880
Accumulated losses	(1,875)	(1,906)
Balance at the end of the financial year	3,005	2,974

	<i>Consolidated</i>		<i>The Company</i>	
	2002 \$'000	<i>2001</i> <i>\$'000</i>	2002 \$'000	<i>2001</i> <i>\$'000</i>
27 Equity				
Total equity at the beginning of the financial year	454,044	442,229	437,350	440,447
Total changes in equity recognised in the statements of financial performance	50,401	30,638	21,700	15,729
Transactions with owners as owners:				
Share issue under 1:7 Renounceable Rights Issue (i)	49,737	-	49,737	-
Share issue under Executive Performance Share Plan	-	122	-	122
Dividends provided for or paid	(28,423)	(18,948)	(28,423)	(18,948)
Total changes in outside equity interest	31	3	-	-
Total equity at the end of the financial year	525,790	454,044	480,364	437,350

(i) Net of transaction costs arising on share issue of \$1,021,147.

2002 \$'000	2001 \$'000
----------------	----------------

28 Dividends

Interim dividend of 2.5 cents (2001 - 2.0 cents) per fully paid share paid 14 October 2002 (2001 - 15 October 2000)

Franked @ 20% - 0.5 cents per share (2001 - 0.26 cents per share)	2,707	1,232
Unfranked - 2.0 cents per share (2001 1.74 cents per share)	10,828	8,242
	13,535	9,474

Final dividend of 2.75 cents (2001 - 2.0 cents) per fully paid share recognised as a liability and expected to be paid 16 April 2003 (2001 - 19 April 2002)

Franked @ 35% - 0.9625 cents per share (2001 - 0.4 cents per share)	5,211	1,895
Unfranked - 1.7875 cents per share (2001 - 1.6 cents per share)	9,677	7,579
	14,888	9,474

Total dividends provided for or paid

28,423	18,948
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Dividends paid in cash

23,009	16,575
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The franked portions of the dividends proposed as at 31 December 2002 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 31 December 2003.

Consolidated

The Company

2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
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Franking credits available for subsequent financial years based on a tax rate of 30%.

(514)	557	(514)	-
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The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that may arise from the payment of any current tax liability;
- franking debits that may arise from the payment of dividends recognised as a liability at the reporting date;
- franking credits that may arise from the receipt of dividends recognised as receivables at the reporting date; and
- franking credits that may be prevented from being distributed in subsequent financial years.

The Government introduced legislation into Parliament on 28 June 2001 which required companies to convert their existing Class C franking account balances from an underlying tax rate of 34% to an underlying tax rate of 30% on 1 July 2001.

This had the effect of increasing the consolidated entity's and the Company's available franking account by \$935,433 and \$570,662 respectively.

29 Financial instruments**Off-balance sheet derivative instruments**

Adelaide Brighton Ltd and certain of its controlled entities are parties to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates and to trade.

(a) Interest rate risk management

The consolidated entity may enter into interest rate swaps, forward rate agreements and futures interest rate options to manage funding costs. During the current year interest rate swaps were used as the primary tool.

Interest rate swaps and forward rate agreements

Interest rate swaps allow the consolidated entity to raise long term borrowings at floating rates and swap them into fixed rates. Maturity of swap contracts is principally between 1 and 3 years.

Each contract involves quarterly payment or receipt of the net amount of interest. At 31 December 2002, the fixed rates varied from 5.45% to 6.05% (2001: 5.45% to 6.52%) and the floating rates were at bank bill rates. The weighted average effective interest rate for the year ended 31 December 2002, including hedging costs was 5.75% (2001: 6.43%).

No forward rate agreements were outstanding at year end (2001: Nil).

Interest rate options

From time to time, the consolidated entity enters into interest rate options to reduce the impact of changes in interest rates on floating rate long-term debt. The option contracts have repricing terms up to five years.

No interest rate options were contracted at 31 December 2002 (2001: Nil).

29 Financial instruments (continued)

(b) Foreign exchange risk

The consolidated entity enters into forward exchange contracts and futures options to hedge certain firm purchase and sale commitments denominated in foreign currencies (principally US dollars and Euros). The term of these derivatives and commitments is rarely more than 1 year.

The Group's policy is to enter into forward foreign exchange contracts to hedge foreign currency purchases and sales in excess of \$50,000.

The following table sets out the gross value to be received under foreign currency contracts, the weighted average contracted exchange rates and the settlement periods of outstanding contracts for the consolidated entity.

At balance date, the details of outstanding contracts are:

	Consolidated			
	Sell Australian dollars		Average exchange rate	
	2002 \$'000	2001 \$'000	2002	2001
Buy US dollars				
Maturity				
0 - 12 months	3,748	214	0.56	0.51
Buy Euros				
Maturity				
0 - 12 months	430	454	0.57	0.56

As these contracts are hedging anticipated future purchases, any unrealised gains and losses on the contracts, together with the cost of the contracts, are deferred and will be recognised in the measurement of the underlying transaction provided the underlying transaction is still expected to occur as originally designated. Included in the amounts deferred are any gains and losses on hedging contracts terminated prior to maturity where the related hedged transaction is still expected to occur as designated.

The following gains, losses and costs have been deferred at 31 December 2002:

	Consolidated	
	2002 \$'000	2001 \$'000
Unrealised gains	27	-
Total gains	27	-
Unrealised losses	(10)	(9)
Total losses and costs	(10)	(9)
Net losses and costs	17	(9)

(c) Credit risk exposures

Credit risk represents the accounting loss that would be recognised if counterparties failed to perform as contracted.

On-balance sheet financial instruments

The credit risk on financial assets recognised on the balance sheet of the consolidated entity, excluding investments, is the carrying amount, net of any provision for doubtful debts.

The consolidated entity minimises concentrations of credit risk by undertaking transactions with a large number of customers.

The consolidated entity is not materially exposed to any individual overseas country or individual customer. Concentrations of credit risk on trade debtors due from customers are: Manufacturing, Building & Construction - 76% (2001: 75%), Retail - 6% (2001: 6%) and Mining -18% (2001: 19%).

Off-balance sheet financial instruments

Credit risk on off-balance sheet derivative contracts is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

Swap and foreign exchange contracts are subject to credit risk in relation to the relevant counterparties, which are principally large banks. The maximum credit risk exposure on foreign currency contracts is the full amount of the foreign currency the consolidated entity pays when settlement occurs, should the counterparty fail to pay the amount which it is committed to pay the consolidated entity. The full amount of the exposure is disclosed at note 29(b) above.

The credit risk on swap contracts is limited to the next amount to be received from counterparties on contracts that are favourable to the consolidated entity. No amounts are due to the consolidated entity at 31 December 2002 (2001: Nil) as the consolidated entity is in a net payable position. The accrued liability to counterparties has been included in accounts payable at balance date.

29 Financial instruments (continued)

(d) Interest rate risk exposures

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to financial statements. Exposures arise predominantly from assets and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

2002	Fixed interest maturing in:						Total \$'000
	Weighted average interest rate	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	
Financial assets							
Cash and deposits - note 5	4.50%	16,550	2,930	-	-	34	19,514
Receivables - note 6 & 9	4.76%	12,189	-	-	-	73,915	86,104
Other debtors - note 8	-	-	-	-	-	1,847	1,847
Other financial investments - note 11	-	-	-	-	-	10	10
		28,739	2,930	-	-	75,806	107,475
Financial liabilities							
Borrowings - note 20 & 23	5.64%	200,000	-	-	-	102	200,102
Trade and other creditors - note 15	-	-	-	-	-	57,834	57,834
Lease liabilities - note 16 & 20	6.50%	-	519	724	-	-	1,243
Limited recourse loan - note 22	-	-	-	-	-	12,305	12,305
Interest rate swaps*	5.79%	(105,000)	50,000	55,000	-	-	-
		95,000	50,519	55,724	-	70,241	271,484
Net financial assets (liabilities)		(66,261)	(47,589)	(55,724)	-	5,565	(164,009)

2001	Fixed interest maturing in:						Total \$'000
	Weighted average interest rate	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	
Financial assets							
Cash and deposits - note 5	5.01%	18,616	2,907	-	-	39	21,562
Receivables - note 6 & 9	5.60%	11,410	-	-	-	56,234	67,644
Other debtors - note 8	-	-	-	-	-	2,098	2,098
Other financial investments - note 11	-	-	-	-	-	10	10
		30,026	2,907	-	-	58,381	91,314
Financial liabilities							
Borrowings - note 20 & 23	5.88%	228,432	-	-	-	102	228,534
Trade and other creditors - note 15	-	-	-	-	-	49,914	49,914
Limited recourse loan - note 22	-	-	-	-	-	12,305	12,305
Interest rate swaps*	5.80%	(155,000)	-	155,000	-	-	-
		73,432	-	155,000	-	62,321	290,753
Net financial assets (liabilities)		(43,406)	2,907	(155,000)	-	(3,940)	(199,439)

* Notional principal amounts.

(e) Net fair values of financial assets and liabilities

Valuation Approach

Net fair values of financial assets and liabilities are determined by the consolidated entity on the following basis:

(i) On-balance sheet financial instruments

Convertible notes are traded in an organised financial market. The net fair value of convertible notes is determined by valuing them at the current quoted market offer price, adjusted for transaction costs necessary to settle the liability. Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. Cash flows are discounted using the standard valuation techniques at the applicable market yield having regard to the timing of the cash flows. The carrying amounts of bank term deposits, accounts receivable, accounts payable, employee entitlements, bank loans and dividends payable approximate net fair value. The net fair value of investments in unlisted shares in other corporations is determined by reference to underlying net assets of the respective corporations.

30 Remuneration of Directors

Directors' income

The number of Directors of the Company, including executive Directors, whose income from the Company or any related party, falls within the following bands:

\$	The Company	
	2002	2001
0 - 9,999	3	2
40,000 - 49,999	1	1
50,000 - 59,999	1	1
60,000 - 69,999	1	1
140,000 - 149,999	-	1
150,000 - 159,999	1	-
170,000 - 179,999	-	1
540,000 - 549,999	1	-
990,000 - 999,999	-	1*

* Remuneration includes lump sum termination payments

The remuneration bands for executive Directors are not consistent with the emoluments disclosed in the Directors' report as the basis of calculation differs due to the differing requirements of the Corporations Act 2001 and the Accounting Standards.

	Directors of entities of the consolidated entity**		Directors of the Company	
	2002 \$	2001 \$	2002 \$	2001 \$
Total income paid or payable, or otherwise made available, to Directors by entities in the consolidated entity and related parties.	916,070	1,482,115	873,635	1,482,115
Company Directors' fees included above	324,935	313,714	324,935	313,714
Voted limit on Company Directors' fees	400,000	325,000	400,000	325,000

** Excluding executives of the parent entity who are only directors of wholly-owned Australian entities.

Directors' income does not include amounts paid by the Company during the financial year to indemnify Directors, nor does it include an allocation of insurance premiums paid by the Company or related parties in respect of Directors' and officers' liabilities and legal expenses insurance contracts.

In order to protect shareholders' funds, the Company carries insurance which the Board considers is sufficient for the size and nature of the Company's business.

31 Remuneration of executives

Executive officers are those officers involved in the strategic direction, general management or control of business at a Company or operating division level.

The number of executive officers of the Company and of controlled entities, whose remuneration from the Company or related parties, and from entities in the consolidated entity, falls within the following bands:

\$	Executive officers of the consolidated entity		Executive officers of the Company	
	2002	2001	2002	2001
130,000 - 139,999	-	1 ^{1,2}	-	1 ^{1,2}
160,000 - 169,999	-	1	-	-
170,000 - 179,999	-	2	-	1 ²
200,000 - 209,999	1	-	-	-
210,000 - 219,999	1	-	-	-
220,000 - 229,999	-	1 ²	-	1 ²
230,000 - 239,999	-	1	-	-
240,000 - 249,999	1 ²	-	-	-
260,000 - 269,999	1	-	-	-
280,000 - 289,999	-	1	-	-
320,000 - 329,999	2	-	1	-
390,000 - 399,999	1	-	-	-
540,000 - 549,999	1	-	1	-
990,000 - 999,000	-	1 ^{1,2}	-	1 ^{1,2}

¹ Remuneration includes lump sum redundancy payments

² Part year

31 Remuneration of executives (continued)

Remuneration received, or due and receivable, from entities in the consolidated entity and related parties by Australian based executives (including executive Directors) whose remuneration was at least \$100,000:

	<i>Executive officers of the consolidated entity</i>		<i>Executive officers of the Company</i>	
	2002 \$	2001 \$	2002 \$	2001 \$
Executive officers of the Company	873,592	1,521,940	873,592	1,521,940
Executive officers of other entities of the consolidated entity	1,642,637	860,925	-	-
	2,516,229	2,382,865	873,592	1,521,940

Executives' remuneration does not include amounts paid by the consolidated entity during the financial year to indemnify executive officers, nor does it include an allocation of insurance premiums paid by the consolidated entity or related parties in respect of executive officers' liabilities and legal expenses.

Insurance cover for executive officers liability is extended to the consolidated entity under a global policy effected by RMC Group p.l.c. under its insurance portfolio.

	<i>Consolidated</i>		<i>The Company</i>	
	2002 \$	2001 \$	2002 \$	2001 \$

32 Remuneration of auditors

Remuneration for audit or review of the financial reports of the parent entity or any entity of the consolidated entity:

Auditor of the parent entity -

PricewaterhouseCoopers Australian firm

300,000 304,500 **30,000** 66,000

Other auditors of controlled entities

117,803 - - -

Related practices of the auditor of the parent entity -

PricewaterhouseCoopers overseas firms

- 5,310 - -

417,803 309,810 **30,000** 66,000

Remuneration for other services:

Auditor of the parent entity -

PricewaterhouseCoopers Australian firm

40,000 14,600 - -

33 Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

	<i>Consolidated</i>		<i>The Company</i>	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(a) Guarantees				
Bank guarantees	7,702	3,754	-	-

(b) Litigation

Lime Industry Nominees Pty Ltd has made an application to the Supreme Court of Western Australia to re-register Swan Portland Cement Ltd. Swan Portland Cement Ltd, prior to its liquidation, was a subsidiary of Adelaide Brighton Cement Ltd and Adelaide Brighton Ltd only acquired full control on 30 June 1999. Lime Industry Nominees Pty Ltd are seeking to re-register the Company in order to pursue an action against the Company for alleged breaches of undertakings made in respect of limestone quarries in Western Australia. An agreement has been reached to settle the matter out of court with no material loss expected.

(c) Contingent payments

The consideration payable for controlled entities acquired during the financial year includes an element contingent on future events (refer note 37(c)(i)).

No material losses are anticipated in respect of any of the above contingent liabilities.

	<i>Consolidated</i>		<i>The Company</i>	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
34 Commitments for expenditure				
Capital commitments				
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	6,014	1,994	-	-
Finance leases				
Commitments in relation to finance leases payable:				
Within one year	659	-	-	-
Later than one year but not later than 5 years	800	-	-	-
Later than 5 years	-	-	-	-
Minimum lease payments	1,459	-	-	-
Less: Future finance charges	216	-	-	-
Recognised as a liability	1,243	-	-	-
Representing lease liabilities:				
Current (note 16)	519	-	-	-
Non-current (note 20)	724	-	-	-
	1,243	-	-	-
Operating leases				
Commitments in relation to operating leases contracted for at the reporting date, but not recognised as liabilities, payables:				
Within one year	3,876	435	-	-
Later than one year but not later than 5 years	15,060	1,343	-	-
Later than 5 years	34,599	763	-	-
	53,535	2,541	-	-
Commitments for operating lease payments relate mainly to rental leases on property.				
35 Employee entitlements				
Employee entitlement liabilities				
Provision for employee entitlements				
Current (note 18)	14,939	12,486	-	-
Non-current (note 22)	2,825	2,502	-	-
Aggregate employee entitlement liability	17,764	14,988	-	-
Employee numbers				
Average number of employees during the financial year	915	723	-	-
As explained in note 1(s)(ii), the liability for long service leave is measured at its present value. The following assumptions were adopted in measuring present values:				
	<i>Consolidated</i>		<i>The Company</i>	
	2002	2001	2002	2001
Long service leave				
Weighted average rates of increase in annual employee entitlements to settlement of the liabilities	2.8%	2.8%	-	-
Weighted average discount rates	5.4%	5.9%	-	-
Weighted average years to settlement of the liabilities	10	10	-	-

35 Employee entitlements (continued)

Employee Share Plan

The establishment of the Adelaide Brighton Ltd Employee Share Plan was approved by special resolution at the Annual General Meeting of the Company held on 19 November 1997. All full time employees (including executive Directors) of the Company and its controlled entities who have been continuously employed by the Company or a controlled entity for a period of one year are eligible to participate in the plan. Casual employees and contractors are not eligible to participate in the plan. The number of shares issued during this year was Nil (2001 - Nil).

In subsequent years, the Board will decide whether, considering the profitability of the Company and the demands of the business, further invitations to take up grants of shares should be made.

Executive Performance Share Plan

The Adelaide Brighton Ltd Executive Performance Share Plan ("the Plan") was approved by the shareholders at the Annual General Meeting held on 19 November 1997. During the year, five executives of the Company have been invited to participate in the Plan.

The participants are invited to apply to take up an award under the Plan up to a maximum number of shares, in three equal tranches exercisable no earlier than 1 May 2003, 1 May 2004 and 1 May 2005 respectively. The award of rights to shares expires on 28 May 2005.

A tranche may be exercised only if the performance conditions prescribed in the Plan rules are achieved. These performance conditions relate to a Total Shareholders Return hurdle and/or an Earnings per Share hurdle. The achievement of the performance conditions is to be evaluated by the Board. If the performance conditions are met for a particular tranche then on exercise of the award the relevant number of shares will be issued to the participants for no payment.

The total number of shares under the Plan as at 31 December 2002, to be granted in three tranches, is 1,560,000 which includes an allocation of 750,000 shares in relation to the Managing Director, Mr MP Chellev. An ordinary resolution was passed at the Annual General Meeting held on 29 May 2002 inviting Mr MP Chellev to participate in the Plan.

The market value of the shares under the Plan as at 31 December 2002 was \$1.17. No shares were issued under the Plan and no tranches have expired during the year.

The Plan does not entitle the participation in any other share issues of the Company and the unissued shares do not attract dividend or voting rights. Other than outlined above, there are no other rights to apply for an award of shares under the Plan. The Plan is accounted for by the Company in accordance with note 1(s)(iii).

Superannuation

The majority of Adelaide Brighton Ltd employees are now members of the consolidated superannuation entity being the Adelaide Brighton Group Superannuation Plan ("the Fund"), a sub-plan of the Mercer Super Trust ("MST"). The MST is a superannuation master trust arrangement governed by an independent trustee; Mercer Investment Nominees Limited.

The Fund commenced in the MST on 1 August 2001.

Membership is in either the Defined Benefit or Accumulation categories of the Fund, with the membership distribution as at December 2002 being:

Defined Benefit (including Hybrid members)	366
Accumulation	407

Total membership	773
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An actuarial update as at December 2002 has concluded that the value of Fund assets are sufficient to meet the liabilities of the Fund with respect to vested and accrued liabilities in the event of the Fund's termination, or the voluntary or compulsory termination of employment of each Defined Benefit member of the Fund. Current employer contribution rates for Defined Benefit members are in accordance with actuarial recommendations.

All new employees, including those recently joining Adelaide Brighton Limited as a result of the acquisition of Premier Resources Ltd and Neil Mansell Concrete Pty Ltd, have become members of the accumulation category of the Fund.

The limited numbers of employees that are not members of the Fund are in complying superannuation funds as specified by the Enterprise Bargaining Agreements (WA and Victoria award covered employees) that cover their employment.

The latest financial statements for the Fund are as at 30 June 2002, with the latest actuarial valuation completed as at 1 August 2001. The next actuarial valuation is due as at 1 July 2004.

Adelaide Brighton Group Superannuation Plan
\$'000

Fund assets at 1 August 2001	36,946
Accrued benefits at 1 August 2001	35,560
Excess of fund assets over accrued benefits	1,386

Fund assets at 30 June 2002	38,931
Vested benefits at 30 June 2002	35,966
Employer contributions to the fund (1 August 2001 to 30 June 2002)	2,500
Employer contributions payable to the Fund ¹	n/a

¹ The Fund assets are measured on a "cash" basis in the Mercer Super Trust.

36 Related parties

(a) Directors

The names of each person holding the position of Director of the Company during the year are Messrs MA Kinnaird AO, CL Harris, CH Perkins AO, D Barro AO, JA Brooks, GE Clark, MP Chellew and JD Mc Nerney.

Mr D Barro AO, a Director of Adelaide Brighton Ltd, is a Director of Barro Group Pty Ltd, a company in which he has significant influence. Barro Group Pty Ltd and Adelaide Brighton Ltd through its 100% owned subsidiary, Adelaide Brighton Management Ltd, each control 50% of Independent Cement and Lime Pty Ltd, a distributor of cement and lime in Victoria and New South Wales. Mr Barro was a Director of Steel Cement Ltd and Building Products Supplies Pty Ltd (resigned 27 November 2002). Both companies are 100% owned subsidiaries of Independent Cement and Lime Pty Ltd.

During the year, the Barro Group of Companies purchased goods and materials from and sold goods, materials and services to Independent Cement and Lime Pty Ltd. The Barro Group of Companies also purchased goods and materials from Sunstate Cement Ltd, a company in which the consolidated entity has a 50% share.

Mr MP Chellew, a Director of Adelaide Brighton Ltd, is also a Director of Sunstate Cement Ltd and was a Director of Independent Cement and Lime Pty Ltd (resigned 16 September 2002). During the year, the consolidated entity traded significantly with both Independent Cement and Lime Pty Ltd and Sunstate Cement Ltd.

All transactions involving the Barro Group Pty Ltd and Adelaide Brighton Ltd and its subsidiaries and Independent Cement and Lime Pty Ltd and its subsidiaries and Sunstate Cement Ltd were conducted on standard commercial terms.

From time to time Directors of the Company or its controlled entities, or their Director-related entities, may purchase goods from the consolidated entity. These purchases are on the same terms and conditions as those entered into by other consolidated entity employees. These transactions are conducted on standard commercial terms.

Aggregate amounts of the above transactions with the Directors and their Director-related entities:	<i>Consolidated</i>		<i>The Company</i>	
	2002 \$	2001 \$	2002 \$	2001 \$
Sales to Director-related entities	19,807,625	16,617,404	-	-
Purchases from Director-related entities	3,653,117	3,897,021	-	-

(b) Directors' shareholdings

The shareholdings in the Company of Directors and their Director-related entities at the end of the financial year were:

	2002 <i>Number</i>	2001 <i>Number</i>
Ordinary shares held	55,626,608	48,556,732

Mr D Barro AO and members of his family are Directors of Barro Properties Pty Ltd and have the capacity to significantly influence the decisions of that company. As at 31 December 2002, Barro Properties Pty Ltd had relevant interests in 55,369,804 shares in Adelaide Brighton Ltd.

All share transactions with Directors and their Director-related entities are on normal commercial terms and conditions.

Acquisitions	2002 <i>Number</i>	2001 <i>Number</i>
Ordinary shares issued under Rights Issue	6,946,714	-
Ordinary shares purchased on market	162,848	-
Ordinary shares awarded pursuant to Executive Performance Share Plan	(i) -	300,000

- (i) On 26 February 2001, Mr Philip Wright, former Managing Director, was awarded 300,000 ordinary shares at the price of 40.5c per share being the closing price of shares on that date. The award is pursuant to the Adelaide Brighton Ltd Executive Performance Share Plan and was approved by shareholders at the November 1999 Annual General Meeting (refer note 24(b)).

(d) Wholly-owned group

Details of interests in wholly owned controlled entities are set out in note 37(a). Details of the Company's dealings with these wholly owned entities are set out below.

(i) Loans

A loan to Adelaide Brighton Cement Ltd of \$82,860,247 funds a capital reduction payment. The loan is subordinated and is only repayable after full repayment of external borrowings. Interest is charged quarterly at the 90 day BBSW market rate at the beginning of each quarter plus 5.5% premium on the outstanding balance.

A subordinated loan to Adelaide Brighton Cement Ltd of \$65,500,000 was repaid on 15 December 2002.

A loan to Adelaide Brighton Management Ltd of \$200,000,000 represents the level of directly drawn down funds from the Advance Facility with RMC Group p.l.c. Interest on this loan is the same as that payable by the Company to the ultimate parent entity. All other loans to and from group entities are repayable at call.

2002 \$'000	2001 \$'000
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36 Related parties (continued)

- (ii) Interest revenue and expense brought to account by the Company in relation to these loans during the year was:

Interest revenue	14,065	27,040
Interest expense	11,668	10,844

Interest expense represents interest paid to the ultimate parent entity in relation to the advance facility drawn down.

- (iii) *Dividends*

Dividends received or due and receivable by the Company from wholly owned controlled entities	31,452	10,216
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- (iv) *Other transactions*

Tax losses are transferred between companies within the consolidated entity at cost, in accordance with Division 170 of the Income Tax Assessment Act 1997. The Company will acquire tax losses to the value of \$6,824,722 (2001: \$5,384,669) from Mataranka Lime Pty Ltd in 2003 to extinguish its income tax provision in the statements of financial position.

- (v) *Balances with entities within the wholly owned group*

The aggregate amounts receivable from, and payable to, wholly owned controlled entities by the Company at balance date were:

Receivables		
Other loans - current	166,582	84,895
Other loans - non-current	303,385	363,360
Payables		
Other loans - current	(53,259)	(53,978)

(e) Other related parties

- (i) The aggregate amounts included in the determination of operating profit before income tax that resulted from transactions with other related parties.

	<i>Consolidated</i>		<i>The Company</i>	
	2002 \$'000	<i>2001 \$'000</i>	2002 \$'000	<i>2001 \$'000</i>
Share of profits				
- Joint venture entities	11,228	5,242	-	-
Interest income				
- Joint venture entity	549	595	-	-
Interest expense				
- Ultimate parent entity	11,668	10,844	11,668	10,844
- Direct parent entity	322	487	322	-

- (ii) Aggregate amounts brought to account in relation to other transactions with other related parties were:

- Adelaide Brighton Cement Ltd and Cockburn Cement Ltd supplied finished products and raw materials to Sunstate Cement Ltd and Independent Cement and Lime Pty Ltd; and
- Pavement Technology purchased raw materials from Independent Cement and Lime Pty Ltd, Adelaide Brighton Cement Ltd and Cockburn Cement Ltd.

All transactions are on normal commercial terms and conditions and transactions for the supply of raw materials and finished products are covered by shareholder agreements.

The value of transactions for the year was:

	<i>Consolidated</i>		<i>The Company</i>	
	2002 \$'000	<i>2001 \$'000</i>	2002 \$'000	<i>2001 \$'000</i>
Sales	59,258	37,048	-	-
Purchases	14,459	2,668	-	-

<i>Consolidated</i>		<i>The Company</i>	
2002	<i>2001</i>	2002	<i>2001</i>
\$'000	<i>\$'000</i>	\$'000	<i>\$'000</i>

36 Related parties *(continued)*

- (iii) Other amounts brought to account in relation to other transactions by the Company and the consolidated entity and the Company with other related parties were:

Loans advanced to:

- Joint venture	778	793	-	-
- Wholly owned subsidiary	-	-	168,212	215,000

Loans advanced from:

- Ultimate parent entity	52,954	60,000	52,954	215,000
- Direct parent entity	5,522	13,432	-	-

Loan repayments to:

- Ultimate parent entity	67,954	49,800	67,954	-
- Direct parent entity	18,954	-	-	-

Loan repayments from:

- Wholly owned subsidiary	-	-	133,454	37,886
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Loans from and repayments to the ultimate parent entity are in line with terms of the advance facility referred to in note 20(b)(ii).

- (iv) Balances with other related parties

The aggregate amounts receivable from and payable to associated companies and joint ventures by the Company and the consolidated entity are:

Current receivables

- Joint venture entity (interest)	310	298	-	-
- Joint venture entity (trade)	7,439	8,171	-	-

Non-current receivables

- Joint venture entity (loan)	12,189	11,410	-	-
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Current payables

- Joint venture entity (trade)	-	727	-	-
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Non-current interest bearing liabilities

- Ultimate parent entity	200,000	215,000	200,000	215,000
- Direct parent entity	-	13,432	-	-

Non-current provisions

- Direct parent entity	12,305	12,305	-	-
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These amounts include trade debtors, trade creditors, loans and other distributions.

- (f) **Loans**

Loans to joint venture entity: A loan to Independent Cement and Lime Pty Ltd has interest charged at the ruling commercial rates on the outstanding balance. Interest revenue brought to account by the consolidated entity during the reporting year on this loan was \$548,710 (2001: \$595,044).

- (g) **Controlling entity**

Rugby Holdings Limited acquired a 55% interest in Adelaide Brighton Ltd on 30 June 1999 and became the direct parent company of Adelaide Brighton Ltd.

Balances with controlling entity

- (i) A limited recourse loan of \$12,305,000 was owing to Rugby Holdings Limited at 31 December 2002 (2001: \$12,305,000) by Cockburn Cement Ltd, a subsidiary of Adelaide Brighton Ltd. This is in respect of real property belonging to Rugby Holdings Limited on loan to Cockburn Cement Ltd. The loan is non-interest bearing.
- (ii) In April 2002, \$5,200,000 was advanced by Rugby Holdings Limited to Adelaide Brighton Management Ltd. This and other existing advances were interest bearing at the same rate as the primary funding to Adelaide Brighton Ltd from the ultimate parent entity, RMC Group p.l.c. All advances from the direct parent entity were repaid in full in May 2002.

- (h) **Ultimate parent entity**

The ultimate parent entity, RMC Group p.l.c. is the primary source of funding to Adelaide Brighton Ltd via a \$350 million advance facility set up in June 2000 for a period of five years.

At 31 December 2002, the consolidated entity had drawn down \$200 million of the total advance facility.

37 Investments in controlled entities

(a) Particulars in relation to controlled entities

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2002 %	2001 %
Adelaide Brighton Ltd				
Adelaide Brighton Cement Ltd	South Aust ⁶	Ord	100	100
Adelaide Brighton Cement Inc	Washington State USA ²	Ord	80	80
Adelaide Brighton Cement Investments Pty Ltd	South Aust ^{1,6}	Ord	100	100
Adelaide Brighton Cement Research (No 1) Pty Ltd	South Aust ^{1,4}	Ord	-	100
Adelaide Brighton Management Ltd	South Aust ⁶	Ord	100	100
Abcem Pty Ltd	South Aust ^{1,4}	Ord	-	100
Adelaide Brighton Cement International Pty Ltd	South Aust ¹	Ord	100	100
Adelaide Brighton Intellectual Property Pty Ltd (formerly FCT Intellectual Property Pty Ltd)	South Aust ¹	Ord	100	100
Northern Cement Ltd	Northern Territory ⁶	Ord	100	100
Cockburn Cement Ltd	Western Aust ⁶	Ord	100	100
Premier Resources Ltd	NSW ⁶	Ord	100	-
Cement Resources Consolidated Pty Ltd	South Aust ¹	Ord	100	-
Hy-Tec Industries (Queensland) Pty Ltd	South Aust ⁶	Ord	100	-
Adelaide Brighton Cement Ltd				
Acco Transport Pty Ltd	South Aust ^{1,4}	Ord	-	100
SRC Investment Pty Ltd	Western Aust ^{1,4}	Ord	-	100
Ready Lime Putty Pty Ltd	Western Aust ^{1,4}	Ord	-	100
Exmouth Limestone Pty Ltd	Western Aust ¹	Ord	51	51
Adelaide Brighton Cement Inc				
Adelaide Brighton Cement (Florida) Inc	Florida USA ²	Ord	100	100
Adelaide Brighton Cement (Hawaii) Inc	Hawaii USA ²	Ord	100	100
Hileah (Florida) Management Inc	Florida USA ²	Ord	100	100
Adelaide Brighton Management Ltd				
Pavement Technology Ltd	South Aust ⁶	Ord	100	100
Advanced Cement Technologies Pty Ltd	South Aust ^{1,4}	Ord	-	100
Adelaide Brighton Cement (Netherlands) BV	Netherlands ²	Ord	100	100
Accendo Pty Ltd	South Aust ¹	Ord	50	-
Pavement Technology Ltd				
Accendo Pty Ltd	South Aust ¹	Ord	50	50
Advanced Cement Technologies Pty Ltd				
Accendo Pty Ltd	South Aust ¹	Ord	-	50
Adelaide Brighton Cement Investments Pty Ltd				
Adjuto Pty Ltd	South Aust ^{1,4,6}	Ord	-	100
Adjuto Pty Ltd				
PQ Ltd	South Aust ^{1,4,6}	Ord	-	100
Fuel & Combustion Technology International Ltd				
Fuel & Combustion Technology International Inc	USA ^{2,5}	Ord	100	100
Adelaide Brighton Cement International Pty Ltd				
Adelaide Brighton Cement Inc	Wash. State USA ²	Ord	20	20
Fuel & Combustion Technology International Ltd	United Kingdom ^{2,5}	Ord	100	100
Northern Cement Ltd				
Northern Cement Nominees Pty Ltd	Northern Territory ^{1,4}	Ord	-	100
Mataranka Lime Pty Ltd	South Aust ¹	Ord	100	100
Cockburn Cement Ltd				
Cockburn Waters Pty Ltd	Western Aust ^{1,5}	Ord	100	100
Hydrated Lime Pty Ltd	Western Aust ^{1,5}	Ord	100	100
Chemical Unit Trust	Western Aust ^{1,5}	Units	100	100
Kalgoorlie Lime & Chemical Company Pty Ltd	Western Aust ^{1,5}	Ord	100	100
Premier Resources Ltd				
Hy-Tec Industries Pty Ltd	NSW ⁶	Ord	100	100
Hy-Tec Industries (Victoria) Pty Ltd	NSW ⁶	Ord	100	-
Bonfoal Pty Ltd	NSW ¹	Ord	100	100
Aus-10 Rhyolite Pty Ltd	NSW ¹	Ord	100	100
Morgan Cement International Pty Ltd	NSW ⁶	Ord	100	100
Hy-Tec Industries (Victoria) Pty Ltd				
Hy-Tec Industries (Victoria) No 1 Pty Ltd	NSW ¹	Ord	100	100
Hy-Tec Industries (Victoria) No 2 Pty Ltd	NSW ¹	Ord	100	100
Sheltacrete Pty Ltd	NSW ¹	Ord	100	100

1 Small proprietary company as defined by the Corporation Law and is not required to be audited for statutory purposes

2 Controlled entities of which PricewaterhouseCoopers has not acted as auditor

3 Audited by other member firms of PricewaterhouseCoopers

4 Voluntarily liquidated

5 Liquidation process underway

6 These controlled entities have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities & Investments Commission. For further information see note 38.

37 Investments in controlled entities (continued)

(b) Outside equity interest in controlled entities

The following controlled entities have issued ordinary shares to outside equity interests:

Name	Total issued and paid-up capital		Shares held by outside interests		Equity holdings of outside interests	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 %	2001 %
Exmouth Limestone Pty Ltd	9,960	9,960	4,880	4,880	49	49

(c) Acquisition of controlled entities or operations

- (i) On 15 March 2002, the consolidated entity acquired 100% of the issued capital of Premier Resources Ltd. The operating results of this newly controlled entity have been included in the consolidated statement of financial performance since the date of acquisition. In the event that certain pre-determined performance measures are achieved by the controlled entity, additional consideration of up to \$19 million may be payable in cash. At the date of this report, the full amount of the additional payment cannot be reliably estimated. Should consideration be payable it will be brought to account as goodwill acquired.
- (ii) On 13 December 2002, the consolidated entity acquired the operating assets of Neil Mansell Concrete Pty Ltd, including property, plant and equipment, inventory and employee leave entitlements. The operating results of the acquired operations have been included in the consolidated statement of financial performance since the date of acquisition.

38 Deed of cross guarantee

As at the date of this report, Adelaide Brighton Ltd, Adelaide Brighton Cement Ltd, Cockburn Cement Ltd, Adelaide Brighton Cement Investments Pty Ltd, Adelaide Brighton Management Ltd, Northern Cement Ltd, Pavement Technology Ltd, Premier Resources Ltd, Hy-Tec Industries Pty Ltd, Hy-Tec Industries (Victoria) Pty Ltd, Hy-Tec Industries (Queensland) Pty Ltd and Morgan Cement International Pty Ltd are parties to a Deed of Cross Guarantee (the Deed) under which each company guarantees the debts of the others. By entering into the Deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and Directors' report under Class Order 98/1418 (as amended by Class Orders 98/2017 and 00/0321) issued by the Australian Securities & Investments Commission.

The above companies represent a "Closed Group" for the purposes of the Class Order, and as there are no other parties to the Deed that are controlled by the Company, they also represent the "Extended Closed Group".

Premier Resources Ltd, Hy-Tec Industries Pty Ltd, Hy-Tec Industries (Victoria) Pty Ltd, Hy-Tec Industries (Queensland) Pty Ltd and Morgan Cement International Pty Ltd became parties to the Deed and the Closed Group during 2002. PQ Ltd and Adjuto Ltd were removed from the Deed and the Closed Group during 2002 following the voluntary liquidation of these entities.

Set out below is a consolidated statements of financial performance for the year ended 31 December 2002 of the Closed Group.

	2002 \$'000	2001 \$'000
Revenues from sale of goods and services	486,831	387,801
Cost of sales (incl. freight and distribution costs)	(367,398)	(310,032)
Gross profit	119,433	77,769
Other revenues from ordinary activities	3,533	13,924
Other expenses from ordinary activities		
Marketing	(6,000)	(5,495)
Administration	(36,020)	(23,834)
Borrowing costs	(14,310)	(18,065)
Other	(10,754)	(8,617)
Shares of net profits of joint venture entities accounted for using the equity method	11,228	5,242
Profit from ordinary activities before income tax expense	67,110	40,924
Income tax expense	(18,438)	(13,615)
Profit from ordinary activities after income tax expense	48,672	27,309
Aggregate of amounts transferred from reserves	-	-
Total changes in equity other than those resulting from transactions with owners as owners	48,672	27,309

	2002 \$'000	2001 \$'000
38 Deed of cross guarantee (continued)		
Set out below is a consolidated statements of financial position as at 31 December 2002 of the Closed Group.		
Current assets		
Cash assets	14,815	16,780
Receivables	112,498	173,670
Inventories	48,382	39,443
Other	1,792	2,038
Total current assets	177,487	231,931
Non-current assets		
Receivables	12,756	11,732
Investments accounted for using the equity method	30,806	27,588
Property, plant and equipment	511,131	501,830
Deferred tax assets	13,406	22,151
Intangible assets	146,611	147,009
Other	6,402	10
Total non-current assets	721,112	710,320
Total assets	898,599	942,251
Current liabilities		
Payables	84,589	94,098
Interest bearing liabilities	519	-
Current tax liabilities	274	13,615
Provisions	36,999	43,253
Other	2,397	-
Total current liabilities	124,778	150,966
Non-current liabilities		
Interest bearing liabilities	200,724	228,432
Deferred tax liabilities	65,658	60,057
Provisions	16,803	16,577
Other	102	102
Total non-current liabilities	283,287	305,168
Total liabilities	408,065	456,134
Net assets	490,534	486,117
Equity		
Contributed equity	512,104	462,367
Reserves	33,099	31,729
Retained profits	(54,669)	(7,979)
Total equity	490,534	486,117

39 Investments in joint ventures and associates

(a) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost by the parent entity (see note 10).

Name of joint venture company	Principal activity	Ownership interest		Consolidated carrying amount		The Company carrying amount	
		2002 %	2001 %	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Sunstate Cement Ltd	Cement manufacture	50	50	13,329	11,280	-	-
Independent Cement and Lime Pty Ltd	Cement distribution	50	50	17,477	16,308	-	-
				30,806	27,588	-	-

The annual balance date of the above joint venture entities is 30 June.

	Consolidated	
	2002 \$'000	2001 \$'000

(b) Results of joint ventures

Share of joint ventures operating profit before tax	15,862	7,739
Share of joint ventures income tax expense attributable to operating profit	(3,927)	(1,515)
Share of joint ventures net profit - as disclosed by joint ventures	11,935	6,224
Adjustments:		
Amortisation of goodwill arising from investment in joint ventures	(996)	(998)
Unrealised profit in inventory	289	16
Share of joint ventures net profit - equity accounted	11,228	5,242

(c) Share of post-acquisition retained profits and reserves attributable to joint ventures

Share of joint ventures retained profits at the beginning of the financial year	(6,393)	(7,049)
Share of net profit of joint ventures	11,228	5,242
Dividends and distribution from joint ventures	(8,010)	(4,586)
Share of joint ventures retained profits at the end of the reporting year	(3,175)	(6,393)

(d) Summary performance and financial position of joint ventures

The consolidated entity's share of profits, aggregate assets and liabilities of joint ventures is as follows:

Net profit - as reported by joint ventures	11,935	6,224
Adjustments arising from equity accounting	(707)	(982)
Net profit - equity accounted	11,228	5,242
Total assets	113,026	107,766
Total liabilities	(67,884)	(71,565)
Net assets - as reported by joint ventures	45,142	36,201
Consolidated entity's share of joint ventures net assets	22,571	18,100
Adjustments arising from equity accounting:		
Goodwill (net of amortisation)	8,433	9,429
Unrealised profit in inventory	(198)	59
Net assets - equity adjusted	30,806	27,588

Consolidated

2002	2001
\$'000	\$'000

39 Investments in joint ventures and associates *(continued)*

(e) **Movements in carrying amount of investments**

Carrying amount of investments in joint ventures and associates at the beginning of the financial year	27,588	26,932
Share of joint ventures net profit	11,228	5,242
Dividends received from joint ventures	(8,010)	(4,586)
<hr/>		
Carrying amount of investments in joint ventures at the end of the financial year	30,806	27,588

(f) **Share of joint venture entities' revenues, expenses and results before tax**

Revenues	131,481	84,233
Expenses	(115,619)	(76,478)
<hr/>		
Profit before tax	15,862	7,755
<hr/>		
Contingent liabilities	63	388

40 Reconciliation of profit from ordinary activities after income tax to net cash inflow from operating activities

(a) **Reconciliation of operating profit after income tax to net cash provided by operating activities**

	<i>Consolidated</i>		<i>The Company</i>	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Operating profit after income tax	50,708	30,596	21,700	15,729
Add non-cash items:				
Transfer to provisions:				
Doubtful debts	(1,875)	2,363	-	6,804
Depreciation and amortisation	53,375	49,930	-	195
Add(less) items classified as investing / financing activities:				
(Profit) on sale of non-current assets	(620)	(940)	-	-
Share of joint venture entities' net profit	(3,218)	(5,242)	-	-
Other	814	3,558	7,863	(29)
<hr/>				
Net cash provided by operating activities before change in assets and liabilities	99,184	80,265	29,563	22,699
Changes in assets and liabilities adjusted for effects of purchase and disposal of controlled entities during the financial year:				
(Increase)/decrease in inventories	(6,522)	4,565	-	-
(Increase)/decrease in prepayments	(1,037)	1,067	-	-
(Increase)/decrease in trade/term debtors	(11,109)	2,088	-	-
(Increase) in inter-company debtors	-	-	-	(7,965)
Increase/(decrease) in trade creditors	(2,862)	5,616	278	-
Increase/(decrease) in provisions	5,533	(10,272)	-	-
Increase/(decrease) in taxes payable	231	(178)	1,440	5,385
Increase in deferred taxes payable	14,954	-	277	-
<hr/>				
Net cash provided by operating activities	98,372	83,151	31,558	20,119

	<i>Consolidated</i>	
	2002	<i>2001</i>
	\$'000	\$'000
40 Reconciliation of profit from ordinary activities after income tax to net cash inflow from operating activities <i>(continued)</i>		
(b) Acquisition of controlled entities or operations		
Details of the acquisitions are as follows:		
Fair value of identifiable net assets acquired		
Net cash acquired	(2,852)	-
Trade debtors	3,799	-
Inventories	2,587	-
Deferred tax	492	-
Property, plant and equipment	58,293	-
Trade creditors	(11,390)	-
Provisions	(232)	-
Lease liabilities	(1,900)	-
Other loans	(35,807)	-
	12,990	-
Goodwill on consolidation	7,866	-
	20,856	-
Cash consideration	20,856	-
Add: net overdraft acquired	2,852	-
	23,708	-
Outflow of cash	23,708	-
41 Earnings per share		
Basic earnings per share	9.9	6.5
<i>The Company</i>		
	2001	<i>2000</i>
	Number	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	510,236,038	473,556,937
<i>Consolidated</i>		
	2002	<i>2001</i>
	\$'000	\$'000
Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Net profit	50,708	30,596
Net profit attributable to outside equity interest	(31)	(3)
Earnings used in calculating basic earnings per share	50,677	30,593

42 Segment information

Business segments

The consolidated entity is organised into the following divisions by product and service type:

Construction and mining materials

Production and sale of clinker, cement, lime and ready mixed concrete products and supplementary cementitious materials. The major end-use markets for these products are the Australian residential and non-residential construction, engineering construction and mining markets.

Other

The provision of specialised road construction, maintenance and rehabilitation services and other group management activities. None of these activities constitutes a separately reportable segment.

Geographical segments

All of the consolidated entity's divisions operate in Australia. The major end-use markets for these products are the Australian construction and mining markets.

	2002 \$'000			
	<i>Construction and mining materials</i>	<i>Other</i>	<i>Eliminations/ unallocated</i>	<i>Consolidated</i>
Primary reporting - business segments				
Sales - External	457,348	29,483	-	486,831
Inter-segment sales	1,499	-	(1,499)	-
Sales revenue	458,847	29,483	(1,499)	486,831
Other revenue	2,355	331	(106)	2,580
Revenue from ordinary activities	461,202	29,814	(1,605)	489,411
Share of net profits of joint ventures	11,228	-	-	11,228
Total segment revenue	472,430	29,814	(1,605)	500,639
Segment result	94,951	(6,490)	(8,412)	80,049
Net interest expense			(13,139)	(13,139)
Operating profit				66,910
Income tax expense			(16,202)	(16,202)
Net profit				50,708
Segment assets	830,656	806,404	(714,068)	922,992
Segment liabilities	640,322	482,637	(725,757)	397,202
Investments in joint venture entities	30,806	-	-	30,806
Acquisitions of fixed assets	37,575	2,213	-	39,788
Depreciation and amortisation	42,568	2,594	8,412	53,574

2001
\$'000

	Construction and mining materials	Other	Eliminations/ unallocated	Consolidated
42 Segment information (continued)				
Primary reporting - business segments				
Sales - External	353,109	34,692	-	387,801
Inter-segment sales	2,153	-	(2,153)	-
Sales revenue	355,262	34,692	(2,153)	387,801
Other revenue	5,019	494	(86)	5,427
Revenue from ordinary activities	360,281	35,186	(2,239)	393,228
Share of net profits of joint ventures	5,242	-	-	5,242
Total segment revenue	365,523	35,186	(2,239)	398,470
Segment result	61,113	(5,557)	(8,617)	46,939
Net interest expense			(16,343)	(16,343)
Operating profit				30,596
Income tax expense			-	-
Net profit				30,596
Segment assets	667,061	821,832	(635,653)	853,240
Segment liabilities	524,578	401,298	(526,680)	399,196
Investments in joint venture entities	27,588	-	-	27,588
Acquisitions of fixed assets	42,128	4,251	-	46,379
Depreciation and amortisation	38,912	2,401	8,617	49,930

Secondary reporting - geographical segments

	Segment revenues - external		Segment assets		Acquisitions of fixed assets	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Australia	486,831	387,801	921,295	851,365	39,788	46,379
Other countries	-	-	1,697	1,875	-	-
	486,831	387,801	922,992	853,240	39,788	46,379

Directors' declaration

The Directors declare that the financial statements and notes set out on pages 21 to 54:

- (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 Company's and consolidated entity's financial position as at 31 December 2002 and of their performance, as represented by the results of their operations and their cash flows, for the financial 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; and
- (c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in note 38 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee described in note 38. This declaration is made in accordance with a resolution of the Directors.



M Chellev
Director

Dated at Adelaide on the 7th day
of March 2003.

Independent audit report

Audit opinion

In our opinion, the financial report, set out on pages 21 to 55:

- > presents a true and fair view, as required by the Corporations Act 2001 in Australia, of the financial position of Adelaide Brighton Ltd and the Adelaide Brighton Ltd Group (defined below) as at 31 December 2002 and of their performance for the year ended on that date
 - > is presented in accordance with Corporations Act 2001, Accounting Standards and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001.
- This opinion must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

Scope and summary of our role

The financial report - responsibility and content

The preparation of the financial report for the year ended 31 December 2002 is the responsibility of the directors of Adelaide Brighton Ltd. It includes the financial statements for Adelaide Brighton Ltd (the Company) and for the Adelaide Brighton Limited Group (the Group), which incorporates Adelaide Brighton Ltd and the entities it controlled during the year ended 31 December 2002.

The auditor's role and work

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company. Our role was to conduct the audit in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our audit did not involve an analysis of the prudence of business decisions made by the directors or management.

In conducting the audit, we carried out a number of procedures to assess whether in all material respects the financial report presents fairly a view in accordance with the Corporations Act 2001, Accounting Standards and other mandatory reporting requirements in Australia, the Corporations Regulations 2001, which is consistent with our understanding of the Company's and

the Group's financial position, and their performance as represented by the results of their operations and cash flows.

The procedures included:

- > selecting and examining evidence, on a test basis, to support amounts and disclosures in the financial report. This included testing, as required by auditing standards, certain internal controls, transactions and individual items. We did not examine every item of available evidence
 - > evaluating the accounting policies applied and significant accounting estimates made by the directors in their preparation of the financial report
 - > obtaining written confirmation regarding material representations made to us in connection with the audit
 - > reviewing the overall presentation of information in the financial report.
- Our audit opinion was formed on the basis of these procedures.

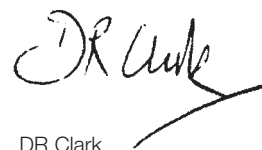
Independence

As auditor, we are required to be independent of the Group and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia, the Corporations Act 2001 and the Auditing and Assurance Standards Board.

In addition to our statutory work, we were engaged to undertake other services for the Group. These services are disclosed in note 32 to the financial statements. In our opinion the provision of these services has not impaired our independence.



PricewaterhouseCoopers



DR Clark
Partner

Adelaide 7 March 2003

Ten year financial summary

Year ended (\$ million unless stated)	Dec 2002	Dec 2001	Dec ¹² 2000	Dec ¹² 1999	Jun 1999	Jun 1998	Jun 1997	Jun 1996	Jun 1995	Jun 1994
Statements of financial performance										
Sales revenue	486.8	387.8	401.9	378.7	313.6	318.2	368.5	404.9	397.9	354.1
Depreciation	29.3	26.3	31.3	27.2	25.7	23.0	23.0	24.4	25.6	22.1
Earnings before interest and tax	80.0	46.9	48.6	48.3	35.1	39.1	52.5	49.1	56.4	54.7
Net interest earned (paid)	(13.1)	(16.3)	(19.5)	(18.3)	(14.6)	(14.8)	(20.2)	(23.1)	(20.6)	(18.7)
Profit before tax, abnormal and extraordinary items	66.9	30.6	29.1	30.0	20.5	24.3	32.3	26.0	35.8	36.0
Tax expense ¹	16.2	-	-	3.0	4.0	6.3	9.9	8.0	9.7	9.8
Minority interest ¹	-	-	-	3.2	5.0	6.0	6.7	4.4	6.7	8.7
Net profit after tax and outside equity interest before abnormal and extraordinary items¹	50.7	30.6	29.1	23.8	11.5	12.0	15.7	13.6	19.4	17.5
Abnormal and extraordinary items after tax and outside equity interest	-	-	-	(49.1)	(49.4)	0.3	(8.1)	(62.9)	(50.8)	-
Net profit (loss) after tax, abnormal and extraordinary items	50.7	30.6	29.1	(25.3)	(37.9)	12.3	7.6	(43.9)	(31.4)	17.5
Group balance sheet										
Current assets	143.3	119.0	136.4	167.9	154.0	117.2	174.0	145.3	173.5	161.7
Property, plant and equipment	561.3	510.7	509.1	514.7	527.6	405.4	391.9	376.6	413.8	426.5
Receivables	12.5	11.7	10.9	-	15.3	14.5	14.2	14.5	0.2	0.3
Investments	30.8	27.6	26.9	34.0	33.3	62.5	62.6	106.5	117.7	135.5
Intangibles	146.6	147.2	152.7	159.9	163.9	12.5	11.6	14.7	15.3	14.7
Other non-current assets	28.5	37.0	29.6	26.0	31.5	23.4	20.0	20.0	18.1	13.0
Total assets	923.0	853.2	865.6	902.5	925.6	635.5	674.3	677.6	738.6	751.7
Current borrowings and creditors	58.3	49.9	99.4 ³	54.6	59.5	43.9	78.4	44.0	60.4	46.1
Current provisions	54.8	43.8	52.2	37.7	26.6	25.6	27.0	24.6	27.5	27.6
Non-current borrowings	200.8	228.5	204.9	300.1 ³	309.5 ³	208.4 ³	177.6	226.3	206.6	186.6
Deferred income tax and other non-current provisions	83.3	77.0	66.9	83.0	103.8	59.3	51.7	48.6	37.4	30.4
Total liabilities	397.2	399.2	423.4	475.4	499.4	337.2	334.7	343.5	331.9	290.7
Net assets	525.8	454.0	442.2	427.1	426.2	298.3	339.6	334.1	406.7	461.0
Share capital	512.1	462.3	462.2	462.2	467.7	78.7 ¹¹	136.8 ³	136.8 ³	135.6 ³	133.5 ³
Reserves	30.6	30.9	30.8	31.2	31.5	140.1	144.6	141.7	163.0	172.0
Retained profits	(19.9)	(42.2)	(53.8)	(69.3)	(76.0)	(32.5)	(41.5)	(40.1)	11.0	58.6
Shareholders' equity attributable to members of the company	522.8	451.0	439.2	424.1	423.2	186.3	239.9	238.4	309.6	364.1
Outside equity interest	3.0	3.0	3.0	3.0	3.0	112.0	99.7	95.8	97.1	96.9
Total shareholders funds	525.8	454.0	442.2	427.1	426.2	298.3	339.6	334.2	406.7	461.0
Share information										
Asset backing (\$/share)	0.70	0.65	0.61	0.56	0.56	1.10	1.22	1.20	1.68	2.04
Return on shareholders' funds (%)	9.7	6.8	6.6	5.6	2.7	6.4	8.6	7.5	7.7	5.7
Basic earnings per share (¢/share)	9.9	6.5	6.1	(5.3)	(24.1)	7.8	4.8	(0.9)	5.6	11.7
Alternative earnings (¢/share)	9.9	6.5	6.1	5.0	7.3	7.6	10.0	8.7	12.7	11.7
Total dividend (¢/share)	5.25	4.0	3.0	-	-	5.0	5.0	5.0	10.0	10.0
Interim dividend (¢/share)	2.5 ⁹	2.0 ¹⁰	1.5 ²	-	-	2.5 ⁷	2.5 ⁶	2.5 ⁴	5.0 ²	5.0 ²
Final dividend (¢/share)	2.75 ⁸	2.0 ⁹	1.5 ²	-	-	2.5 ⁹	2.5 ⁵	2.5 ⁵	5.0 ²	5.0 ²

1 Excluding extraordinary items

2 Fully franked

3 Includes convertible notes

4 60% franked

5 80% franked

6 Unfranked

7 75% franked

8 35% franked

9 20% franked

10 13% franked

11 In accordance within AASB1033 Presentation and Disclosure of Financial Instruments

Convertible Notes of \$58.2 million have been reclassified from share capital to non-current borrowings as at 1 July 1997

12 Proforma 12 month period

Company details

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Cement and lime operations

Adelaide Brighton Cement

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Facsimile (08) 8341 1591

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Northern Cement

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Winnellie NT 0821
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Facsimile (08) 8975 4752

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Hamilton Hill WA 6963
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Dongara Lime

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Dongara WA 6525
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Facsimile (02) 9647 2924

Hy-Tec

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Facsimile (03) 9328 5200

Hy-Tec

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Facsimile (07) 5443 6618

Other businesses

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Facsimile (08) 8341 2567

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Canning Vale WA 6970
Telephone (08) 9456 0333
Facsimile (08) 9456 0344

1 Colemans Road
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PO Box 4259
Dandenong South VIC 3164
Telephone (03) 9706 6100
Facsimile (03) 9706 6911

Joint ventures

Independent Cement & Lime (50%)

Steel Cement
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Port Melbourne VIC 3207
Telephone (03) 9676 0000
Facsimile (03) 9646 4954

Sunstate Cement (50%)

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Wynnum QLD 4178
Telephone (07) 3895 1199
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