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Adelaide Brighton Ltd
ACN 007 596 018

23 August 2007

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

RESULTS FOR HALF YEAR TO 30 JUNE 2007

We attach copies of slides being shown by Mark Chellew, Managing Director of Adelaide Brighton Ltd today at an analysts briefing covering the half year result to 30 June 2007.

Yours faithfully

MRD Clayton
Company Secretary

Adelaide Brighton Ltd

June 2007 half year result

23 August 2007

Mark Chellew, Managing Director

Overview

Mark Chellew
Managing Director

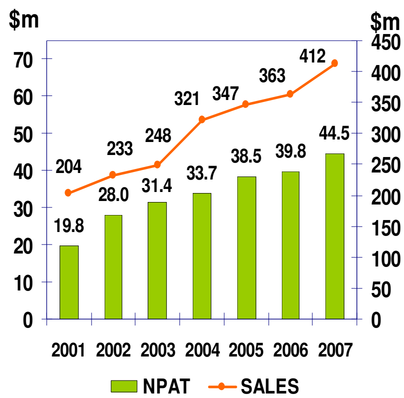
Agenda

- Performance highlights
- Divisional review
- Financials
- Strategic overview and outlook

Performance highlights - summary

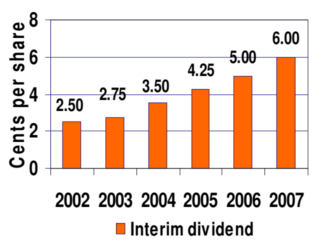
$m	30 June 2007	30 June 2006	% change
Sales	412.6	363.9	13.4
EBIT	71.1	59.4	19.7
NPAT	44.5	39.7	12.1
Cents			
EPS	8.2	7.3	12.3
Interim dividend	6.0	5.0	20.0

Performance highlights – sales and profitability

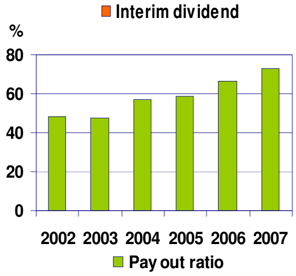


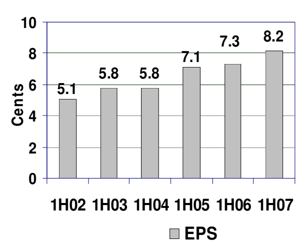
- Consistent six year growth in revenue and profit
- Increased demand in core cement and lime markets
- Cement and lime price increases recover higher input cost pressures
- Hy-Tec EBIT improvement on design mix and distribution costs
- C&M Brick decline on NSW and VIC market weakness. SA demand steady

Performance highlights – shareholder returns



- Continued growth in interim dividend
- Payout ratio increased to 73.2%
- Scope for full year special dividend





Key profit drivers

- Adelaide Brighton's geographic spread in the construction and resource sectors
- Improved product mix underpinning margin growth
- Lime volume and margin growth from Western Australian and South Australia +360kt by end 2012 on 2006 base
- Price rises recovering inflationary cost pressures
- Stable operating performance and improved output in the cement and lime operations
- Flexible import supply contracts with hedged freight and material costs
- Hy-Tec improved operating performance and record result
- C&M volume and contribution decline in New South Wales and Victoria

Cement / concrete volumes and pricing

State	Volume	Price
NSW	Continued decline impacts C&M Brick, Hy-Tec and ICL	Cement prices holding - await second half price outcome. Concrete prices CPI + April rise
VIC	Continued robust demand from engineering and infrastructure	Cement prices holding reviewing second half increases. Concrete prices CPI + April rise
QLD	Volume gains in Sunstate and Hy-Tec - strong market demand	Cement pricing - await second half outcomes. Concrete prices CPI + April rise
SA	Robust residential and engineering. Lower backfill binder to BHP	Price increases cover CPI + from Q2 2007
WA	Continued growth in resources and infrastructure sectors	Price increases cover CPI + from Q2 2007

Lime volumes and pricing

State	Volume	Price
WA	Increasing in line with five year predictions 2007 +9.0% over pcp	Ahead of CPI as short term contracts expire
SA	Level demand with growth potential	At inflationary levels
NT	Strong resources demand secondary supply from South Australia	At inflationary levels

Divisional Reviews

Cement and Lime

Increased sales volumes and pricing

- Increased cement demand met by higher production and imports
- Cement price rises recover inflationary cost increases
- Lime volumes increase in line with +360kt 2012 projection
  - Western Australia resource sector expansion - alumina and steel
  - Market exit of Loongana Lime - new customer base
  - South Australia: potential from mining development
- Lime margin growth as short term contracts expire
- Long term import clinker supply contract success
  - Flexible supply to Queensland, Northern Territory, New South Wales and Western Australia
  - In built hedge against shipping rate increases
  - Third party imports constrained by higher shipping costs
- Long term imported slag supply contract now in place

Lime demand – major projects

Project ‘000t	2007	2008	2009	2010	2011	2012	2013	2014	Total
HIsmelt Stage 1	15	20							35
Alcoa Pinjarra Expansion	20								20
Alcoa Wagerup 3rd Train				40	45	20			105
Boddington Gold			10	5	3				18
BHP Ravensthorpe Nickel	8	15	10	5					38
HIsmelt Stage 2							50	50	100
Worsley Expansion 2 (feasibility)				10	20	20			50
Ranger				20	20				40
Loongana Customers	20								20
South Australian projects			2	3	8	24	29	36	102
TOTAL	63	35	22	83	96	64	79	86	528
Incremental totals		*98*	*120*	*203*	*299*	*363*	*442*	*528*	

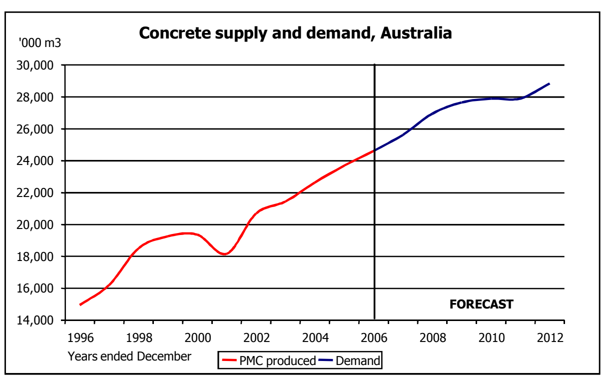
Cement and Lime

Operational improvement to offset rising input costs

- Plant output sustained at high levels
- Energy price increases average 11% over first half 2006
  - Electricity +26%
  - Gas +8%
  - Gas Western Australia, Electricity SA variances more acute
- Gas constraints in Western Australia impacting operating performance
  - Kiln 6 coal milling and firing on track for December 07 commissioning
- $25m OIP cost down programme engaged and on target
  - Efficiency and cost control focus
  - Delivery from Q4 2007

Concrete Demand

Australian concrete demand to increase by 10 – 15% by 2010 - 2012



Source: ABL

Concrete and Aggregates

Hy-Tec: improved margins deliver record half year EBIT

- Sales and marketing
  - NSW Continued weakness - pricing discipline maintained
    North east coast - growth market entry, Hurd Haulage and Kancon Group
  - QLD Strong demand and pricing
  - VIC Sales price improvement
- Operations
  - CBD capability established
  - Distribution efficiencies
    - Mixer truck utilisation and owner driver fleet balance
    - Hy-Tec Victoria - raw materials cartage brought in-house
  - Margin improvement - improved mix design
  - Austen Quarry fully operational

Concrete Products

C&M volume decline in New South Wales and Victoria

- Sales and marketing
  - New South Wales and Victoria market weakness – sales volumes decline circa 7% to 10%
  - $2.4m adverse EBIT contribution impact
  - Pricing maintained with some sector improvement
- Operations
  - Plant efficiencies held
  - Plant operating base maintained for future demand increase
- C&M well positioned for future market growth in New South Wales, Victoria and South Australia

2007 half year summary

- Record half year result
- Adelaide Brighton's geographic and sector spread continues to drive earnings growth
- Cement and lime pricing and operational improvements recover fundamental energy inflationary pressures
- Rinker / Hanson WA contract extension agreed in principle to the end of 2009 – preference expressed to enter into arrangements beyond this date
- Increased ocean freight costs restricting growth in cement imports, despite strong A$
- Modest progress in vertical integration strategy

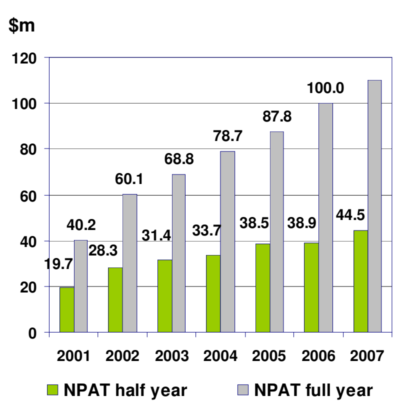
Financial Results

Andrew Poulter
Chief Financial Officer

Summary earnings

6 months ended 30 June	2007 $m	2006 $m	*Change %*
Sales revenue	412.6	363.3	*13.4*
EBITDA	96.1	85.2	*12.8*
EBIT	71.1	59.4	*19.7*
Net interest	(10.1)	(7.0)	*44.3*
Profit before tax	61.0	52.4	*16.4*
Tax expense	(16.5)	(12.4)	*33.1*
Net profit after tax	44.5	40.0	*11.3*
Minority interest C&M	-	(0.3)	
Net profit attributable to members	44.5	39.7	*12.1*

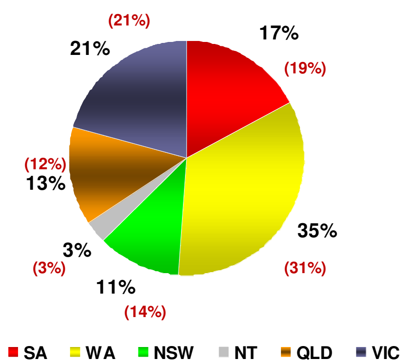
Profit growth – half and full year



- 2006 FY stated before $2.6m tax consolidation benefit
- 2007 first half provides base for H2 forecast growth
- Birkenhead shutdown in July 2007 benefits first half

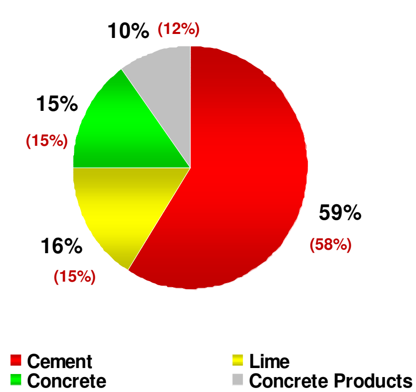
Turnover segmentation to June 2007

Sales to outside entities & to JV's



- Western Australia strength from cement and lime sales
- Queensland similar proportional growth
- South Australia lower backfill binder has material impact
- New South Wales further decline

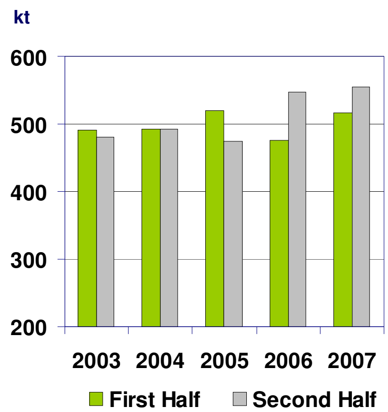
Product segmentation to June 2007



- Cement and lime segment growth
- Improved segmental sales mix
- New South Wales concrete weakness offset by Queensland strength
- Concrete includes small emerging aggregate sales

Lime production

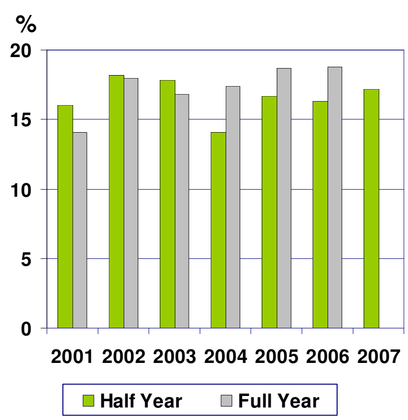
Increase in lime production is a key profit driver



- Higher lime output to meet increased market demand
- H2 2007 increase. Most major repairs completed H1
- Munster cement kiln 3 switch to lime probable Q4

EBIT margins

EBIT margin improvement from 2004



- Steady improvement from 2004
- Second half improvement due to volume increase - seasonality
- 2007 target exceeds 2006 FY EBIT margin

Joint ventures: ICL and Sunstate Cement

Sunstate Cement improvement - sales volume and pricing
ICL level - Victoria one off operational costs - NSW weakness

ABL 50% Share 6 months ended 30 June	2007	2006	*Variance* *%*
$m			
Sales	99.6	87.7	*13.5*
EBITDA	17.9	14.8	*20.9*
NPAT	11.4	10.4	*9.6*
%			
Profit margin	11.5%	11.9%	

Cash flow

Strong, stable operating cash flows
Working capital under control - sales drive increase

Six months to 30 June $m	2007	2006
Net profit before tax	61.0	52.4
Depreciation	25.0	25.7
Income Tax	(24.1)	(24.6)
Change in working capital	(6.7)	10.5
Movements in tax balances	(7.1)	(14.3)
JV equity profit less dividend received	(2.8)	(2.4)
Other provisions	2.1	(2.0)
Operating cash flow	$47.4	$45.3

Cash flow

Reduced capital spend offset by higher investment
Net debt increase funds the 2006 final & special dividend

Six months to 30 June $m	2007	2006
Operating cash flow	47.4	45.3
Capital expenditure	(20.8)	(41.1)
Proceeds on sale of fixed assets	0.7	0.1
Free cash flow	27.3	4.3
Investments and Joint Venture loans	(24.3)	(2.0)
Dividends paid	(73.2)	(33.9)
Net debt increase	(70.2)	(31.6)

Capital and investment

Tight capital expenditure control in advance of Operational Improvement Programme priorities

- Capital expenditure $20.8m (2006 $41.1m)
  - Austen Quarry Phase II completion
  - Munster kiln six coal mill
  - Underlying sustaining expenditure
- Depreciation $25.0m (2006 $25.7m)
- Investments $24.5m
- Planned capital H2 2007
  - Munster kiln six coal mill completion
  - Commencement operational improvement investments
  - Full year forecast reduced to $55m v $63m budget

Balance sheet: borrowings and gearing

Comfortable levels of gearing and balance sheet leverage

		June 07	June 06
Net debt	($m)	294.5	258.3
Interest	($m)	(10.1)	(7.0)
Gearing - Net debt / equity	%	46.7%	40.4%
Gearing - Net debt / debt + equity	%	31.8%	28.8%
Net debt / EBITDA		3.0	3.1
Interest cover (EBIT)	(times)	7.1	8.7
Net tangible assets / share	(cents)	0.86	0.87

Finance expense

Increase in average net borrowings and interest rates
2006 Austen Quarry capitalisation effect

	$m	$m
Bank interest charged	9.9	8.0
Joint venture loans interest income	(1.4)	(1.2)
AIFRS interest charge on defined benefit super plan and remediation provisions	1.7	1.5
Interest capitalised on Austen Quarry	(0.1)	(1.3)
Total finance expense	10.1	7.0

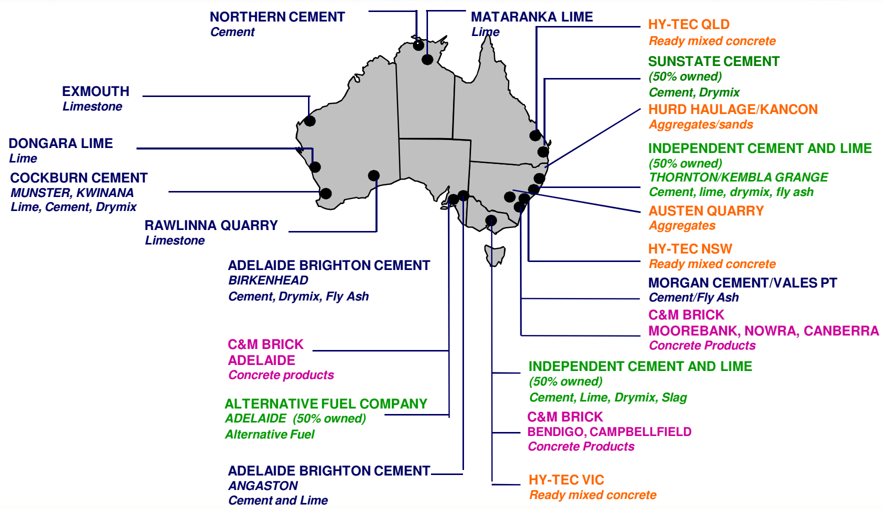
Strategic overview and 2007 outlook

Mark Chellew
Managing Director

Strategic overview

- **Selective downstream integration - Aggregates and Concrete**
  - 2007 Hurd Haulage, Kancon Group acquisitions
  - Austen Quarry fully commissioned
- **Lime growth +360kt on 2006 base by 2012**
  - 9% growth realised first half 2007, projections on track
  - Lime prices reviewed as contracts expire
- **Operational improvement - volume and costs**
  - Increased lime output to meet projected demand
  - Cost down project to deliver from second half 2007
- **Flexible, long term import contracts to meet peak demand**
  - Clinker supply contract success
  - Slag contract now in place
  - Flexible logistic supply to all states

Adelaide Brighton's geographic spread



Outlook – market and profitability

- Cement demand expected to grow by 10 – 15% cumulative by 2010 - 2012 driven by infrastructure, engineering demand and housing recovery
- NSW recovery predicted from mid 2008 on increased residential and infrastructure demand
- Cement pricing continues positive momentum
- Demand for lime from mining and resource sectors will continue along forecast growth patterns
- Lime price increases realised as contracts expire - margins increasing
- Continued improvement in Hy-Tec EBIT from Queensland demand and operational improvements across all states
- Quarry end use potential being reviewed for longer term profit growth
- Increased 2007 NPAT guidance to $107m - $112m