



Adelaide Brighton Ltd
ACN 007 596 018

Adelaide Brighton Ltd
Half Year Profit Report
June 2001 Summary
Issued Adelaide Wednesday, 29 August 2001

Financial Summary	For the 6 months ended June		
<i>\$ millions</i>	2001	2000	Change%
Operating revenue - sale of goods	170.4	180.6	(5.6)
- swap arrangements ¹	7.4	16.3	
- services and other	23.2	19.3	
Sales Revenue	201.0	216.2	(7.0)
Depreciation	(13.2)	(15.6) ²	
Goodwill Amortisation	(4.1)	(4.1)	
Earnings before interest and tax ("EBIT")	24.1	26.8	(10.1)
Net interest	(9.0)	(10.1)	
Profit before tax	15.1	16.7³	(9.6)
Tax expense	-	-	-
Net profit after tax	15.1	16.7	(9.6)
Dividends per share (cents)	2.0	1.5	
Franking (%)	13%	100%	
Earnings per share (cents)	3.2	3.5	
Net debt (\$ millions)	208.5	233.8	
Net debt to equity (%)	46.5%	53.8%	

Significant Features

- Profit ahead of internal expectations owing to increased lime sales
- Cement prices increase
- Geelong Cement closed and Birkenhead supply to Victoria established
- All Merger benefits available from 1 July 2001
- Free cash flow⁴ remains strong at \$26.3 million for the first half year
- Gearing reduced sharply to 46.5%
- Interim dividend increased to 2 cents from 1.5 cents previously

Outlook

- Signs look positive for an improvement in the construction and housing market
- Strong lift in housing approvals is starting to translate into stronger offtake in Victoria and South Australia
- We remain cautious but, barring anything unforeseen, net profit this year should be close to last year's \$29.1 million

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

² Depreciation/depletion adjusted as noted in the 2000 Annual Report. These comparisons are like-for-like.

³ Includes an abnormal loss of (\$0.6 million).

⁴ Total operating cash flow less investing cash flow ie the cash surplus available for dividends and debt repayment.

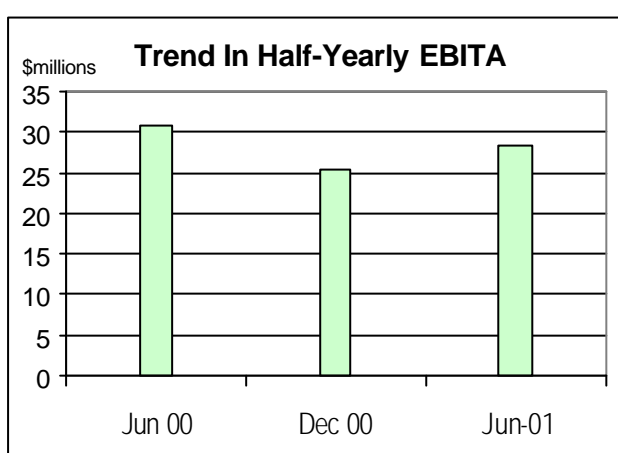
GROUP RESULTS AND DIVIDEND

OVERVIEW OF RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2001

Net profit after tax for the six months ended 30 June 2001 was \$15.1 million compared with \$16.7 million for the corresponding previous period. Free cash flow at \$26.3 million remained strong and net debt has reduced by a further \$19.2 million improving gearing to 46.5%.

Sales revenue was \$201.0 million, down 7% on the corresponding period last year and EBIT was down 10.1%. Operating revenue from sale of goods fell by 5.6% from \$180.6 million to \$170.4 million.

The reduction in sales and EBIT had been expected in view of the sharp falls in construction forecast post the GST introduction and the Olympics. What had not been expected was a significant improvement in lime sales in Western Australia and it was the strength of this that prompted a trading update to the market in June. The effect of this can be seen in the accompanying chart, which shows the trend in half-yearly earnings before interest, tax and amortisation ("EBITA"). We had expected EBITA to be marginally weaker than the December half year's result.



Trading conditions at the start of the half year were very difficult and all cement kilns closed for a period to avoid excess inventories. Australian housing commencements are estimated to have fallen by 30% to 40% in the six months to June 2001 compared with the same period last year. Concrete production was down over 20% and cement production down around 15% to 3.3 million tonnes for the six months to June 2001.

The Company's sales volumes in cement were down by only 9% in comparison to the market fall and were in-line with internal expectations.

During the period, progress has been made in reducing imports and, including action post-June, imports have now been eliminated for the time being from South Australia and Victoria. This however has come at a cost⁵ and the effect of dumped imports during the half year is estimated to have cost the Company \$19 million, a level similar to the last two half year periods.

Commenting on the result, Mr Phil Wright, Managing Director of Adelaide Brighton Ltd, said, "The result for the six months is better than we originally expected owing to a combination of stronger lime sales, improved cement prices, improved cost performance and lower borrowings.

"Trading conditions have been difficult with housing approvals in the 12 months to 30 June 2001 at the lowest level for 20 years.

"However we are starting to see signs of a pick-up as a result of the first home buyers grant and in some areas, in particular Victoria, demand has been running strongly in the last few months.

"We maintain a cautious stance and reiterate that, barring anything unforeseen, our results this year should be close to the level reported last year.

"This is a significant improvement on what we originally anticipated," Mr Wright said.

The Company had previously indicated a profit expectation of around \$23 million to \$24 million for the current year compared with the result for the previous year of \$29.1 million profit after tax.

Earnings per share for the current period are 3.2 cents, an improvement on the half year to December 2000 which was 2.6 cents but a reduction on the 3.5 cents for the half year to June 2000.

⁵ Losses are related to the combined effect of volume loss and price suppression

Dividend

An interim dividend of 2 cents per share, franked to 13%, has been declared. This compares with last year's interim dividend of 1.5 cents per share, fully franked.

CEMENT & LIME OPERATIONS

Results Summary	For the 6 months ended June	
\$ millions	2001	2000
Operating Revenue- sale of goods	170.4	180.6
EBITA – wholly owned operations	28.1	30.0
EBITA – joint ventures	2.2	3.0
EBITA – Total Cement & Lime	30.3	33.0

The Cement Market

Reduced housing starts and a post Olympic slow down in the construction market saw concrete production for the half year ended June 2001 fall by 21% from the previous year. The markets that have experienced the largest falls are Queensland (29%), NSW (24%), South Australia (23%), Tasmania (31%) and the Northern Territory (26%). Western Australia (17%) and Victoria (7%) were the least affected.

As a consequence, Australian cement production fell to an estimated 3.3 million tonnes for the half year ended June 2001 compared with an estimated 3.9 million tonnes for the previous half year. This fall has been widely anticipated.

We consider it likely that the market bottomed in the six months just ended. Demand is starting to pick up in certain States and should be more widespread by the last quarter of 2001 as a result of new housing starts encouraged by the Federal Government's first home buyer's grant.



Dwelling unit approvals in the 12 months to June 2001 are over 30% down on the 12 months to June 2000 and at the lowest level in 20 years.

Sales

Cement and lime operations constitute approximately 90% of the Company's turnover. These in turn are more or less equally divided between Cockburn Cement, in Western Australia, and Adelaide Brighton Cement, being the eastern operations including South Australia, Northern Territory, Victoria and Queensland. The Company has only a limited exposure to New South Wales.

Cement: ABL's domestic sales volumes were around 9% lower than in the previous half year reflecting the downturn in demand experienced in the Australian building market. During the period, significant progress has been made in reducing imports and, including action post-June, imports have now been eliminated for the time being from South Australia and Victoria.

Price suppression caused by dumped imports is still of concern, however, modest increases were applied in Western Australia, South Australia and Victoria in the June quarter of 2001. It is anticipated that prices will be increased in NSW and Queensland by the end of the September quarter of 2001. The price increases have all held, where introduced, and have been enabled by the low Australian dollar exchange rate.

The effect of dumped imports during the half is estimated to have cost the Company \$19 million, a level similar to the last two half year periods.

Lime: ABL's lime sales volumes were nearly 13% above the previous half year owing to stronger demand from the alumina market and a slight increase in market share in the resources sector.

The recently announced lime supply agreements with Iluka Resources Limited, following their decision to close their lime production facilities, should maintain first half lime sales levels for the remainder of the year. These agreements cover the supply of approximately 30,000 tonnes per annum.

Production and Costs

Adelaide Brighton Cement: The Birkenhead plant shut down on 1 July 2001 for refurbishment after 330 days of operation with a campaign record production of 1,093,000 tonnes. This is a significant improvement over our previous best of 228 days with 780,000 tonnes produced.

The improvements in Birkenhead's clinker production have shifted the production bottleneck onto other areas of the operation and these are progressively being addressed.

Angaston production optimisation continues.

Geelong Cement's closure reduces production capacity by an annualised rate of 600,000 tonnes keeping overall capacity in-line with falls in demand. The shipment of cement from Adelaide to Melbourne is proceeding with few teething problems and marks the successful start-up of the new Melbourne cement terminal.

Cockburn Cement: As previously advised, standardisation is being introduced, starting with lime production and bagging operations, and there is the potential for significant improvements in output and reductions in cost.

Merger Benefits

With the closure of Geelong Cement in June, all the final pieces are now in place for the full realisation of the \$23 million merger benefits spelt out in the 1999 merger Explanatory Memorandum. Of the \$23 million, it is estimated that the majority of this is now being achieved and the Geelong closure, which will finalise this, should contribute the remainder of some \$5 million to \$6 million. This represents a major milestone in the progress of the enlarged Group.

The three major projects associated with the Merger are near final completion, with the exception of the rehabilitation and subsequent disposal of the Geelong Cement land. Land sales to date have exceeded estimates and it is hoped to reduce further the previously announced \$5 million overrun on capital costs.

Customs Inquiry into Cement Dumping

After more than two years of analysis and investigation by the Australian Customs Service, a decision has still not yet been made in the Cement Dumping Inquiry. Imports of dumped cement continue to arrive in Australia and, despite the sustained low exchange rate, cement prices from importers of dumped cement have not increased.

On 22 December 2000, the Minister for Justice and Customs requested that Customs undertake a new analysis. In late June 2001, Customs finally produced an issues paper seeking responses on nine issues.

The Cement Industry has lodged a comprehensive submission for the re-examination of the case and it is expected that Customs will have a new recommendation to the Minister by the end of August. The nature of this recommendation and how the Minister will respond is unknown.

CASH FLOWS

Free cash flow of \$26.3 million for the latest half was stronger than expected. This is in part explained by Geelong Cement redundancies being paid out in July, rather than June as budgeted, and lower than expected capital expenditure. The lower capital expenditure is a timing issue and should remain on forecast for the full year.

Significantly, net debt has reduced by a further \$19.2 million in the latest half year and the Company's gearing⁶ has improved from 53.8% to 46.5% at June 2001.

Cash flow is expected to be near break even in the next six months owing to one-off factors related to redundancies and other costs associated with the Geelong Cement closure.

INTEREST COSTS

Net interest cover on earnings before depreciation, amortisation of goodwill, interest and tax (EBITDA) basis at 4.6 times is marginally improved on the 4.4 times reported at the December 2000 year end.

As we expected, interest costs improved, falling from \$10.1 million for the six months to 30 June 2000, to \$9.0 million in the latest six months. A further reduction in interest costs is anticipated following the redemption of the Convertible Notes in December of this year.

The Company announced an on-market buyback of its Convertible Notes in August 2000. During the half year to 30 June 2001 the Company purchased 4,133,569 notes.

TAXATION

There was no tax expense during the period as a result of utilisation of brought forward tax losses. Latest estimates by the Company's tax advisers indicate that the Company is likely to return to a tax-paying situation during 2004⁷.

ABNORMAL ITEMS

There are no abnormal items included in the results for the six months to June 2001 and only a cost of \$0.6 million in the corresponding period last year, related to the restructuring activities in Western Australia.

⁶ **Gearing** – the percentage of net debt to equity.

⁷ **Taxation** – these estimates are based on the Company's own internal profit projections for future periods and anticipates a change to a consolidated tax regime to be introduced with effect from 1 July 2002. This estimate is indicative and subject to risk.

DIVIDEND

The continued strength in profit and cash flow has enabled directors to declare an interim dividend of 2 cents per share, franked to the extent of 13%. This compares to last year's interim dividend of 1.5 cents per share, fully franked.

The interim dividend is payable on 15 October 2001 to shareholders registered on 18 September 2001. Shares will go ex dividend at close of business on 11 September 2001 and will start trading "ex" as of 12 September 2001.

It is expected that beyond 2001 franking will be approximately 20% based on a rate of dividend of 2 cents.

STRATEGY

Adelaide Brighton is focused on increasing returns to shareholders by improving the performance and efficiency of its businesses. It has also been an active participant in improving industry structure through mergers and acquisitions.

We are continuing to pursue our strategy based on:

- Developing strong management and operating capability (improving customer satisfaction and lowering costs);
- Reducing debt to provide capacity for new investment post 2001; and
- Remaining alert to opportunities for further improvements in industry structure in Australia believing such evolution is inevitable and desirable.

The fruits of this strategy are expected by 2002 with the Company re-entering a growth phase in conjunction with an expected turn in the economic cycle.

OUTLOOK

While we maintain a cautious outlook, we believe that, barring anything unforeseen, our results this year should be close to the level reported last year.

The strong growth in housing approvals creates a more favourable outlook for the construction and housing market. We are maintaining a cautious approach until the forecast housing starts are translated into reality. Problems with builders in obtaining insurance coverage has lengthened the normal period between an increase in approvals and an increase in starts. However there are signs that this is now being overcome.

Recent sales successes in the non-housing market, namely the Alice Darwin railway (30,000 per annum of cement for two years), the Granites Gold Mine (30,000 tonnes per annum of cement for two years), the elimination of imports into South Australia (40,000 tonnes per annum of cement) and a contract with Iluka Resources for 30,000 tonnes per annum of lime, all give greater confidence for the future.

Closure of Geelong cement works, on-going improvement efforts and an improving outlook for the construction and housing market should result in improvement in 2002 and beyond. Further cement price increases and a favourable outcome to the long running Cement Dumping Inquiry provide some upside.

PJ Wright

Managing Director

29 August 2001

For a copy of this release and a slide presentation covering the half year result please refer to our web site: www.adbri.com.au

For further information contact:

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Appendix 4B (rule 4.13(a))

Half yearly report for the period ending 30 June 2001

Introduced 1/12/97. Origin: Appendices 3, 4. Amended 1/7/98, 1/9/99, 1/7/2000.

Name of entity

ADELAIDE BRIGHTON LIMITED

ACN, ARBN or ARSN

007 596 018

Equity accounted results for announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A'000

Sales (or equivalent operating) revenue (<i>item 1.1</i>)	Down	7%	to	200,954
Abnormal items after tax attributable to members (<i>item 2.5</i>)	(loss) of	-		-
+Operating profit (loss) after tax (before amortisation of goodwill) attributable to members (<i>item 1.26</i>)	Up	5%	to	19,220
+Operating profit (loss) after tax attributable to members (<i>item 1.10</i>)	Up	6%	to	15,122
Extraordinary items after tax attributable to members (<i>item 1.13</i>)	gain (loss) of	-		-
+Operating profit (loss) and extraordinary items after tax attributable to members (<i>item 1.16</i>)	Up	6%	to	15,122
Dividends (distributions)		Amount per security		Franked amount per security at 30% (34% until 30/06/01) tax
Final dividend (<i>Preliminary final report only - item 15.4</i>)				
Interim dividend (<i>Half yearly report only - item 15.6</i>)		2.0c		0.26c
Previous corresponding period (<i>Preliminary final report - item 15.5; half yearly report - item 15.7</i>)		1.5c		1.5c
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (<i>see item 15.2</i>)		18 September 2001		
Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

Consolidated profit and loss account

		Current period - \$A'000 1/1/01 – 30/6/01	Previous corresponding period - \$A'000 1/1/00 – 30/6/00
1.1	Sales (or equivalent operating) revenue		
	- sale of goods	170,413	180,554
	- swap arrangements**	7,335	16,306
	- services and other	23,206	19,314
1.2	Share of associates' "net profit (loss) attributable to members" (equal to item 16.7)	2,237	2,871
1.3	Other revenue	3,371	3,663
1.4	*Operating profit (loss) before abnormal items and tax	15,115	*14,241
1.5	Abnormal items before tax (detail in item 2.4)	-	-
1.6	+Operating profit (loss) before tax (items 1.4 + 1.5)	15,115	14,241
1.7	Less tax	-	-
1.8	+Operating profit (loss) after tax but before outside +equity interests	15,115	14,241
1.9	Less outside +equity interests	(7)	(5)
1.10	+Operating profit (loss) after tax attributable to members	15,122	14,246
1.11	Extraordinary items after tax (detail in item 2.6)	-	-
1.12	Less outside +equity interests	-	-
1.13	Extraordinary items after tax attributable to members	-	-
1.14	Total +operating profit (loss) and extraordinary items after tax (items 1.8 + 1.11)	15,115	14,241
1.15	+Operating profit (loss) and extraordinary items after tax attributable to outside +equity interests (items 1.9 + 1.12)	(7)	(5)
1.16	+Operating profit (loss) and extraordinary items after tax attributable to members (items 1.10 + 1.13)	15,122	14,246
1.17	Retained profits (accumulated losses) at beginning of financial period	(53,846)	(69,295)
1.18	If change in accounting policy as set out in clause 11 of AASB 1018 Profit and Loss Accounts, adjustments as required by that clause (include brief description)	-	-
1.19	Aggregate of amounts transferred from reserves	-	-
1.20	Total available for appropriation (<i>carried forward</i>)	(38,724)	(55,049)

* The financial effect, for the six months to June 2000, of the re-assessment of useful lives of certain non-current assets during the calendar year 2000 would have been to reduce the depreciation expense and increase operating profit by \$2,535,000 for that half year.

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

Consolidated profit and loss account continued

1.20	Total available for appropriation (<i>brought forward</i>)	(38,724)	(55,049)
1.21	Dividends provided for or paid	(9,474)	(7,101)
1.22	Aggregate of amounts transferred to reserves	-	-
1.23	Retained profits (accumulated losses) at end of financial period	(48,198)	(62,150)

Profit restated to exclude amortisation of goodwill		Current period \$A'000	Previous corresponding period \$A'000
1.24	+Operating profit (loss) after tax before outside equity interests (items 1.8) and amortisation of goodwill	19,213	18,372
1.25	Less (plus) outside +equity interests	(7)	(5)
1.26	+Operating profit (loss) after tax (before amortisation of goodwill) attributable to members	19,220	18,377

Intangible, abnormal and extraordinary items	<i>Consolidated - current period</i>			
	Before tax \$A'000	Related tax \$A'000	Related outside +equity interests \$A'000	Amount (after tax) attributable to members \$A'000
2.1	Amortisation of goodwill	(4,098)	-	(4,098)
2.2	Amortisation of other intangibles	(253)	-	(253)
2.3	Total amortisation of intangibles	(4,351)	-	(4,351)
2.4	Abnormal items	-	-	-
2.5	Total abnormal items	Nil	-	Nil
2.6	Extraordinary items	-	-	-
2.7	Total extraordinary items	Nil	-	Nil

Comparison of half year profits <i>(Preliminary final report only)</i>		Current Period - \$A'000	Previous year - \$A'000
3.1	Consolidated +operating profit (loss) after tax attributable to members reported for the <i>1st</i> half year (item 1.10 in the half yearly report)	15,122	*14,246
3.2	Consolidated +operating profit (loss) after tax attributable to members for the <i>2nd</i> half year	-	-

* The financial effect, for the six months to June 2000, of the re-assessment of useful lives of certain non-current assets during the calendar year 2000 would have been to reduce the depreciation expense and increase operating profit by \$2.5million for that half year.

Appendix 4B (equity accounted)
Half year report: 30 June 2001

Consolidated balance sheet <i>(See note 5)</i>		At end of current period \$A'000 30/6/01	As shown in last annual report \$A'000 31/12/00	As in last half yearly report \$A'000 30/6/00
Current assets				
4.1	Cash	26,126	32,180	29,299
4.2	Receivables	56,097	56,999	81,003
4.3	Investments	-	-	-
4.4	Inventories	47,778	44,013	42,856
4.5	Other (provide details if material)	4,812	3,181	4,449
4.6	Total current assets	134,813	136,373	157,607
Non-current assets				
4.7	Receivables	10,617	10,939	7,000
4.8	Investments in associates	27,824	26,932	30,127
4.9	Other investments	10	10	10
4.10	Inventories	-	-	-
4.11	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	-	-	-
4.12	Development properties (*mining entities)	-	-	-
4.13	Other property, plant and equipment (net)	499,311	509,090	501,161
4.14	Intangibles (net)	148,460	152,712	156,936
4.15	Other (provide details if material)	30,279	29,612	20,741
4.16	Total non-current assets	716,501	729,295	715,975
4.17	Total assets	851,314	865,668	873,582
Current liabilities				
4.18	Accounts payable	47,527	44,388	43,172
4.19	Borrowings	51,710	54,977	-
4.20	Provisions	52,497	52,218	44,098
4.21	Other (provide details if material)	-	-	-
4.22	Total current liabilities	151,734	151,583	87,270
Non-current liabilities				
4.23	Accounts payable	-	-	-
4.24	Borrowings	182,902	204,902	263,080
4.25	Provisions	67,888	66,954	88,820
4.26	Other (provide details if material)	-	-	-
4.27	Total non-current liabilities	250,790	271,856	351,900
4.28	Total liabilities	402,524	423,439	439,170
4.29	Net assets	448,790	442,229	434,412

Consolidated balance sheet continued

	Equity			
4.30	Capital	462,245	462,245	462,245
4.31	Reserves	31,780	30,859	31,336
4.32	Retained profits (accumulated losses)	(48,198)	(53,846)	(62,150)
4.33	Equity attributable to members of the parent entity	445,827	439,258	431,431
4.34	Outside *equity interests in controlled entities	2,963	2,971	2,981
4.35	Total equity	448,790	442,229	434,412
4.36	Preference capital included as part of 4.33	-	-	-

Exploration and evaluation expenditure capitalised

To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit.

	Current period \$A'000	Previous corresponding period - \$A'000
5.1	Opening balance	
5.2	Expenditure incurred during current period	
5.3	Expenditure written off during current period	
5.4	Acquisitions, disposals, revaluation increments, etc.	
5.5	Expenditure transferred to Development Properties	
5.6	Closing balance as shown in the consolidated balance sheet (item 4.11)	NIL

Development properties

(To be completed only by entities with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period - \$A'000
6.1	Opening balance	
6.2	Expenditure incurred during current period	
6.3	Expenditure transferred from exploration and evaluation	
6.4	Expenditure written off during current period	
6.5	Acquisitions, disposals, revaluation increments, etc.	
6.6	Expenditure transferred to mine properties	
6.7	Closing balance as shown in the consolidated balance sheet (item 4.12)	NIL

Consolidated statement of cash flows

(See note 6)

		Current period \$A'000 30/6/01	Previous corresponding period - \$A'000 30/6/00
Cash flows related to operating activities			
7.1	Receipts from customers	203,240	222,428
7.2	Payments to suppliers and employees	(160,151)	(185,050)
7.3	Dividends received from associates	1,344	2,697
7.4	Other dividends received – distribution from associate	-	-
7.5	Interest and other items of similar nature received	850	1,048
7.6	Interest and other costs of finance paid	(9,769)	(10,652)
7.7	Income taxes paid	(1,804)	196
7.8	Other (provide details if material)	1,930	1,677
7.9	Net operating cash flows	35,640	32,344
Cash flows related to investing activities			
7.10	(i) Payment for purchases of property, plant and equipment	(7,982)	(3,840)
	(ii) Payments for capitalised maintenance	(3,588)	(3,164)
7.11	Proceeds from sale of property, plant and equipment	2,228	1,121
7.12	Payment for purchases of equity investments	-	-
7.13	(i) Proceeds from sale of equity investments	-	4,000
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	400
7.16	Other (provide details if material)	(98)	(699)
7.17	Net investing cash flows	(9,440)	(2,182)
Cash flows related to financing activities			
7.18	Proceeds from issues of securities (shares, options, etc.)	-	-
7.19	Proceeds from borrowings	12,800	109,896
7.20	Repayment of borrowings	(38,067)	(134,625)
7.21	Dividends paid		
	(i) Final (2000)	(7,101)	-
7.22	Other (provide details if material)	-	839
7.23	Net financing cash flows	(32,368)	(23,890)
7.24	Net increase (decrease) in cash held	(6,168)	6,272
7.25	Cash at beginning of period (see Reconciliation of cash)	32,180	22,951
	Cash balances acquired	-	-
7.26	Exchange rate adjustments to item 7.25	114	76
7.27	Cash at end of period (see Reconciliation of cash)	26,126	29,299

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

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Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous Corresponding period - \$A'000
8.1 Cash on hand and at bank	26,126	29,299
8.2 Deposits at call	-	-
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.27)	26,126	29,299

Ratios	Current period	Previous corresponding Period
9.1 Profit before abnormals and tax / sales		
Consolidated +operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)	7.5%	6.6%
9.2 Profit after tax / +equity interests		
Consolidated +operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.33)	3.4%	3.3%

Earnings per security (EPS)	Current period	Previous corresponding period
10.1 Calculation of the following in accordance with AASB 1027: <i>Earnings per Share</i>		
(a) Basic EPS	3.2c	3.0c
(b) Diluted EPS (if materially different from (a))	N/A	N/A
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	473,408,992	473,408,594

NTA backing <i>(see note 7)</i>	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	0.63	0.59

Details of specific receipts/outlays, revenues/ expenses

	Current period \$A'000	Previous corresponding period - \$A'000
12.1 Interest revenue included in determining item 1.4	1,160	877
12.2 Interest revenue included in item 12.1 but not yet received (if material)	-	-
12.3 Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	10,156	10,928
12.4 Interest costs excluded from item 12.3 and capitalised in asset values (if material)	-	-
12.5 Outlays (except those arising from the +acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.6 (i) Depreciation on capitalised cyclical maintenance (ii) Depreciation and amortisation (excluding amortisation of intangibles) * The financial effect for the six months to June 2000 of the re-assessment of useful lives of certain non-current assets in calendar year 2000 would have been to reduce the depreciation expense by \$2,535,000 for that half year.	5,756 13,199	5,735 *18,133

Control gained over entities having material effect

(See note 8)

13.1 Name of entity (or group of entities)	N/A
13.2 Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was +acquired	N/A
13.3 Date from which such profit has been calculated	
13.4 +Operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

(See note 8)

14.1	Name of entity (or group of entities)	N/A
14.2	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	N/A
14.3	Date to which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
14.5	Contribution to consolidated +operating profit (loss) and extraordinary items from sale of interest leading to loss of control	N/A

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this report. However, the following is the presentation adopted in the Appendices to AASB 1005 and indicates which amounts should agree with items included elsewhere in this report.

Segments

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue

Segment result (including abnormal items where relevant)

Unallocated expenses

Consolidated +operating profit before tax (equal to item 1.6)

Segment assets)	Comparative data for segment assets should be
Unallocated assets)	as at
Total assets (equal to item 4.17))	the end of the previous corresponding period.

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	15 October 2001
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfers received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	18 September 2001
15.3	If it is a final dividend, has it been declared? <i>(Preliminary final report only)</i>	

Amount per security

		Amount per security	Franked amount per security at 30% (34% until 30/06/01) tax	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	N/A	N/A	N/A
15.5	Previous year	N/A	N/A	N/A
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	2.0c	0.26c	N/A
15.7	Previous year	1.5c	1.5c	N/A

Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	N/A	N/A
15.9 Preference +securities	N/A	N/A

Half yearly report - interim dividend (distribution) on all securities or Preliminary final report - final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
15.10 +Ordinary securities	9,474	7,101
15.11 Preference +securities	N/A	N/A
15.12 Total	9,474	7,101

The +dividend or distribution plans shown below are in operation.

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The last date(s) for receipt of election notices for the +dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions)

NIL

Details of aggregate share of profits (losses) of associates

Entity's share of associates'	Current period \$A'000	Previous corresponding period - \$A'000
16.1 Operating profit (loss) before income tax	2,750	3,787
16.2 Income tax expense	(513)	(916)
16.3 Operating profit (loss) after income tax	2,237	2,871
16.4 Extraordinary items net of tax	-	-
16.5 Net profit (loss)	2,237	2,871
16.6 Outside equity interests	-	-
16.7 Net profit (loss) attributable to members	2,237	2,871

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from xx/xx/xx") or disposal ("to xx/xx/xx").

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to *operating profit (loss) and extraordinary items after tax (item 1.14)	
	Current period	Previous corresponding period	Current period - \$A'000	Previous corresponding period- \$A'000
17.1 Equity accounted associates				
Independent Cement & Lime Pty Ltd	50%	50%	*1,441	2,044
Sunstate Cement Ltd	50%	50%	*1,294	*1,325
Stabilised Pavements of Australia Pty Ltd	Nil	** 50%	-	-
Pavement Technology (M) Sdn Bhd	Nil	40%	-	-
Less: Amortisation			(498)	(498)
17.2 Total			2,237	2,871
17.3 Other material interests	NIL	NIL	NIL	NIL
17.4 Total			2,237	2,871

* Adjusted to recognise profits in inventories sourced from Group companies.

** Stabilised Pavements of Australia Pty Ltd – 50% shareholding sold 1 February 2000

Issued and quoted securities at end of current period

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of *securities	Total number	Number quoted	Issue price per security (see note 15) (cents)	Amount paid up per security (see note 15) (cents)
18.1 Preference *securities <i>(description)</i>	N/A			
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	N/A N/A			
18.3 *Ordinary securities	473,408,992	473,408,992	N/A	N/A
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	NIL NIL	NIL NIL		
18.5 *Convertible debt securities Unsecured Convertible Notes	23,355,044	23,355,044	\$2.00	\$2.00
18.6 Changes during current period (a) Buy-backs (1/01/01-30/06/01)	(4,133,569)	(4,133,569)		
18.7 Options <i>(description and conversion factor)</i>	N/A	N/A		<i>Expiry date (if any)</i>
18.8 Issued during current period	N/A	N/A		
18.9 Exercised during current period	N/A	N/A		
18.10 Expired during current period	N/A	N/A		
18.11 Debentures <i>(totals only)</i>	N/A	N/A		
18.12 Unsecured notes <i>(totals only)</i>	N/A	N/A		

Comments by directors

Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Law) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.

Basis of accounts preparation

If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last + annual report and any announcements to the market made by the entity during the period. [Delete if preliminary final statement.]

Material factors affecting the revenues and expenses of the economic entity for the current period

NIL

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

NIL

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Dividends will be declared in the future subject to the level of distributable reserves, profits (after goodwill amortisation), operating cash flows, capital expenditure and working capital requirements and other demands on cash flows, taking into account the amount of franking credits available to the Company.

Changes in accounting policies since the last annual report are disclosed as follows.

(Disclose changes in the half yearly report in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure.)

NIL

Additional disclosure for trusts

19.1 Number of units held by the management company or responsible entity or their related parties.

19.2 A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- initial service charges
- management fees
- other fees

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	N/A
Date	N/A
Time	N/A
Approximate date the +annual report will be available	N/A

Compliance statement

1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 13).

Identify other standards used

2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does/does not* (*delete one*) give a true and fair view of the matters disclosed (see note 2).

4 This report is based on +accounts to which one of the following applies.

(Tick one)

The +accounts have been audited.

The +accounts have been subject to review.

The +accounts are in the process of being audited or subject to review.

The +accounts have *not* yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Law.*)

6 The entity has/does not have* (*delete one*) a formally constituted audit committee.

Sign here:

Date: 29 August 2001

Company Secretary

Print name: Mark Hoad

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section.
2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated profit and loss account**
 - Item 1.1 The definition of "operating revenue" and an explanation of "sales revenue" (or its equivalent) and "other revenue" are set out in *AASB 1004: Disclosure of Operating Revenue*.
 - Item 1.2 'Share of associates' "net profit (loss) attributable to members" would form part of "other revenue" in *AASB 1004* to the extent that a profit is to be reported. ASX has elected to require disclosure of a share of a loss in the same location for consistency of presentation.
 - Item 1.4 "+operating profit (loss) before abnormal items and tax" is calculated before dealing with outside +equity interests and extraordinary items, but after deducting interest on borrowings, depreciation and amortisation.
 - Item 1.7 This item refers to the total tax attributable to the amount shown in item 1.6. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as operating expenses (eg, fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

5. **Consolidated balance sheet**

Format The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029* and *AASB 1034*. Banking institutions, trusts and financial institutions identified in an ASIC Class Order dated 2 September 1997 may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last ⁺annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of *AASB 1029* and paragraph 11 of *AASB 1030: Application of Accounting Standards etc.*
6. **Statement of cash flows** For definitions of "cash" and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. ⁺Mining exploration entities may use the form of cash flow statement in Appendix 5B.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ⁺ordinary securities (ie, all liabilities, preference shares, outside ⁺equity interests etc). ⁺Mining entities are *not* required to state a net tangible asset backing per ⁺ordinary security.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the ⁺accounts. Details must include the contribution for each gain or loss that increased or decreased the entity's consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. However, an entity may report exact figures, if the \$A'000 headings are amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
10. **Comparative figures** Comparative figures are the unadjusted figures from the previous corresponding period. However, if there is a lack of comparability, a note explaining the position should be attached.
11. **Comparative figures when equity accounted information first included in the accounts** There will be a lack of comparability in the figures for the previous corresponding period when equity accounted information is first included if this information has a material effect on the consolidated accounts. If it does have a material effect, attach a note providing a better comparison by restating "Operating profit (loss) after tax attributable to members" (item 1.10) and "Investments in associates" (item 4.8) for the previous corresponding period to incorporate equity accounted information. In addition, as required by Note 1, no directional or percentage changes in profit are to be reported in the "For announcement to the market" section. Where the disclosures were not previously required in Appendix 4B, no comparatives need be shown.
12. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the ⁺ASIC under the Corporations Law must also be given to ASX. For example, a directors' report and statement, if lodged with the ⁺ASIC, must be given to ASX.
13. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one) must be complied with.

14. **Corporations Law financial statements** As at 1/7/96, this report may be able to be used by an entity required to comply with the Corporations Law as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
15. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.