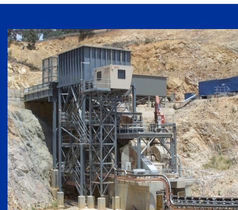
Adelaide Brighton Ltd

Macquarie Securities Group Australian Conference
7 May 2009



Presented by: Mark Chellew, Managing Director and CEO

Agenda

- ABL profile and geographic spread
- Australian cement industry structure
- ABL financial performance
- ABL strategy overview
- ABL divisional review and markets
- Outlook

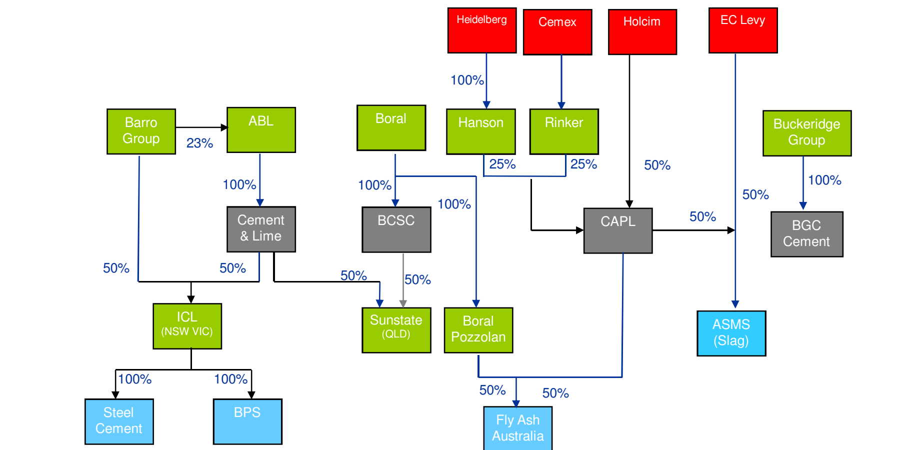
Adelaide Brighton profile

- ABL is a leading Australian integrated construction materials and lime producing company focussed on the engineering, infrastructure and resource sectors
- Well positioned to supply all mainland states from its domestic manufacturing base supplemented by long term supply contracts for imported clinker, cement and slag
- S&P/ASX 200 company
- 1,550 employees with operations in all states and territories
- Market leader in lime manufacture in Australia, and the second largest supplier of cement
- Market leader in masonry products and an emerging position in aggregates and ready mixed concrete

Key Adelaide Brighton market position

- Market leadership in cement and lime in SA, WA and NT
- Strategic cement positions in NSW, Qld and Vic
- Balanced construction sector sales
  - Residential, engineering and infrastructure
- Resource sector exposure to cement and lime
  - Mining sector cements in WA and SA
  - Stable lime demand from alumina and gold resource sectors
- Selective downstream positions in
  - Hy-Tec - concrete Qld, NSW and Vic
  - Austen Quarry and Hurd Haulage - aggregates NSW
  - Mawson Group - aggregates and concrete Vic

Australian cement industry ownership

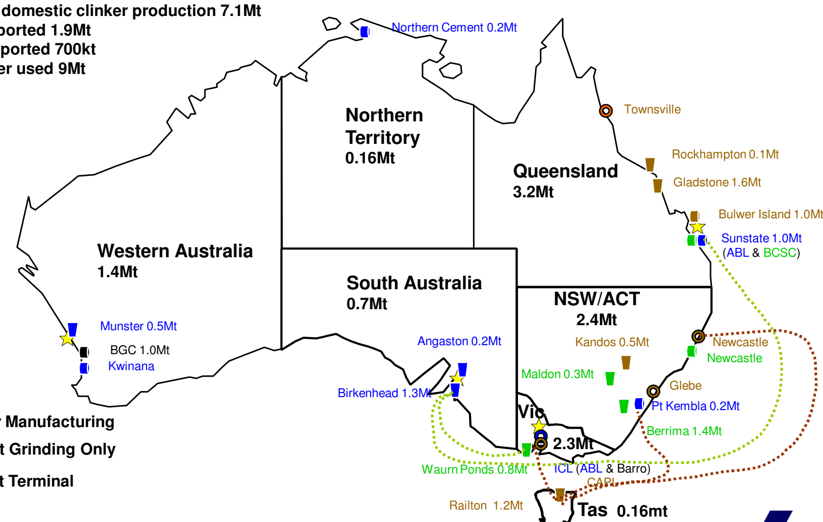


Glossary

ABL: Adelaide Brighton Ltd
BPS: Building Products Supplies
BCSC: Blue Circle Southern Cement
ASMS: Australian Steel Mill Services
ICL: Independent Cement & Lime
CAPL: Cement Australia Pty Ltd

Australian cement industry 2008

Australian domestic clinker production 7.1Mt
Clinker imported 1.9Mt
Cement imported 700kt
Total clinker used 9Mt



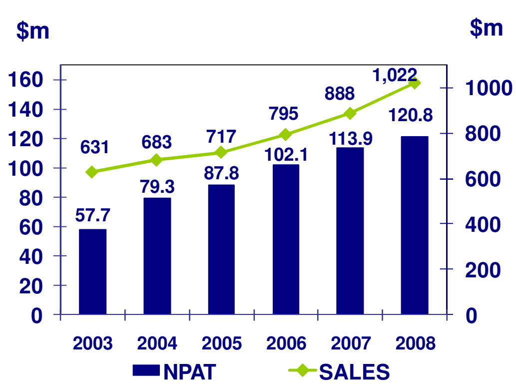
ABL
Boral
CAPL

Clinker Manufacturing
Cement Grinding Only
Cement Terminal

Summary earnings

Year to 31 December	2008 $m	2007 $m	*Change %*
Sales revenue	1,022.4	888.4	*15.1*
EBITDA	245.9	223.9	*9.8*
EBIT	189.1	171.3	*10.4*
Net interest	(33.8)	(21.7)	*(55.8)*
Profit before tax	155.3	149.6	*3.8*
Tax expense	(34.5)	(35.7)	*3.4*
Net profit attributable to members	120.8	113.9	*6.1*

ABL financial performance – seven year trend



- Seventh year of continued sales and earnings growth
- Continued growth in ABL's core cement markets
- Lime demand falls due to Varanus impacts and weaker resource sector demand
- Gas price escalation mitigated by coal fuel strategy in WA
- First time, second half contribution from Hanson Building Products

Key 2008 profit drivers

- Adelaide Brighton's geographic and industry spread in the construction and resource sectors
- Further growth in cement sales + 9%, peaking mid year
- Average cement price increases at circa CPI levels
- Lime average +7% price increases, non alumina sector driven
- Varanus Island explosion
  - Lime sales constraints
  - Electricity cost increase
- Management of gas price escalation in WA - coal switch
- Increased interest expense - cash rate and bank margins
- Australian dollar weakness - Q4 impact
- Resource sector weakening
- Hanson Building Products acquisition performing to forecasts

Borrowings and gearing

Gearing levels met target, increased over pcp due to 2008 special dividend and Hanson Building Products acquisition

		2008	2007
Net debt	($m)	387.8	323.3
Interest	($m)	(33.8)	(21.7)
Gearing - Net debt / equity		55.3%	48.4%
Net debt / EBITDA		1.6	1.4
Net tangible assets / share	(cents)	0.97	0.93
Return on capital employed		11.1%	11.5%

ABL borrowings covenants

ABL has identical borrowings covenants with its three principal lenders CBA, NAB and Westpac

The three key ratios are:

Ratio	Measure	2008	2009
Liquidity	EBIT / Interest	✓✓	✓✓✓✓
Leverage	Debt/ (Debt + equity)	✓✓	✓✓✓✓
Net Tangible assets		✓✓	✓✓

ABL continues to operate comfortably within all three ratios with improved measures forecast in 2009

ABL institutional equity placement and share purchase plan

- **Equity raising for approximately $100 million**
  - Institutional placement $65 million – completed 9 April 2009
  - Barro Group placement $20 million – completed 30 April 2009. Subject to sell down to eligible shareholders
  - Share purchase plan for eligible retail shareholders
- **Placement price $1.78 per share**
- **Prudent, proactive strategy:**
  - Strengthens balance sheet
  - Provides headroom to pursue accretive acquisitive and organic growth opportunities
  - Positions for cyclical upturn
- **ABL issued shares currently 611.4m, market cap $1.3bn**

SPP Record Date	7.00 pm (Adelaide time) Wednesday 6 May 2009
Offer and application documents mailed to shareholders eligible to participate in the SPP	Thursday 14 May 2009
SPP offer opens	Thursday 14 May 2009
SPP offer closes	7.00 pm (Adelaide time) Thursday 4 June 2009

Pro forma capital structure and gearing post equity raising

- Pro forma for $100 million placement, gearing restated at 36.3%
- Loan facilities successfully renegotiated in June 2008
  - $310 million expiring June 2010, $210 million expiring June 2011
- Placement allows proposed 2010 debt refinancing negotiations to be deferred until Q4 2009 - Q1 2010

		2008	2008 Pro forma
Net debt	($m)	387.8	290.3
Equity	($m)	(701.9)	(799.4)
Gearing - net debt/equity		55.3%	36.3%
Net debt/EBITDA		1.6	1.2

Strategy overview – vertical integration

- Selective and relevant downstream integration
  - Aggregates and Concrete – regional positions
    - Northern NSW growth: Hurd Haulage, Aggregates, Hy-Tec concrete
    - West Sydney aggregates: Austen Quarry
    - Regional Victoria: Mawson Group 50%
  - Masonry Products – Australian market leader
    - Hanson Building Products acquisition in July 2008
    - No presence in WA
- 2009 acquisition activity on hold until valuation expectations abate

Selective downstream integration strategy

- Concrete : Qld, NSW and Vic - Hy-Tec 1m m^3 concrete
  - Cement and aggregates pull through
  - Raw materials cost increase recovery through sales price
- Aggregates: NSW – Austen Quarry and Hurd Haulage;
  Vic – Mawsons
- Future aggregates value creation:
  - Permitting constraints will increase
  - Resource scarcity (Penrith)
- Competitive leverage versus industry majors

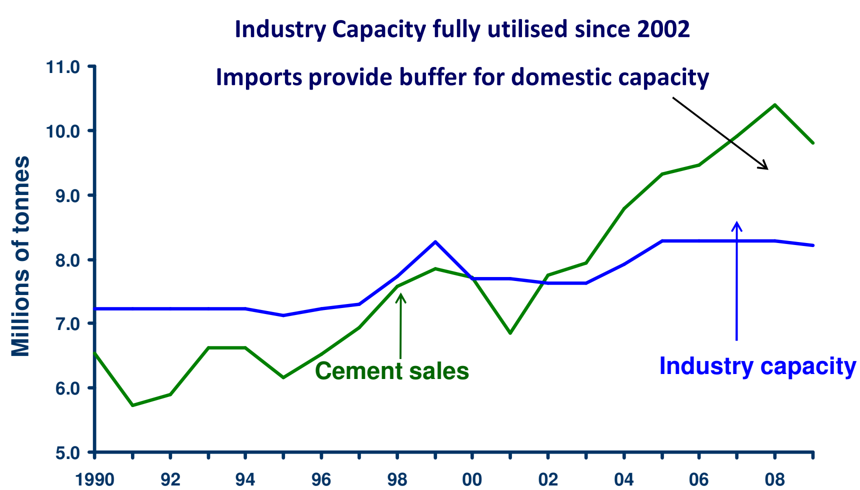
Strategy overview – Cement and Lime operational improvement

- WA fuel – strategic switch to coal to displace higher cost gas
  - $7.0m cost increase avoided in 2008
  - $3.5m cost saved lower coal price
  - Gas used cost $5.8m more than in 2007
- Increased use of alternative fuels to supplement natural gas
- Phases II and III of lime development plans deferred
- Increased cement output - Birkenhead shutdown strategy
  - 2009 annual shutdown reduced to 20 days v 28+ days
  - Re-scheduled in February 2009
  - Electricity price risk management benefits
- Focussed cost down reviews across all Divisions – target $15m cost reduction to mitigate sales volume weakness

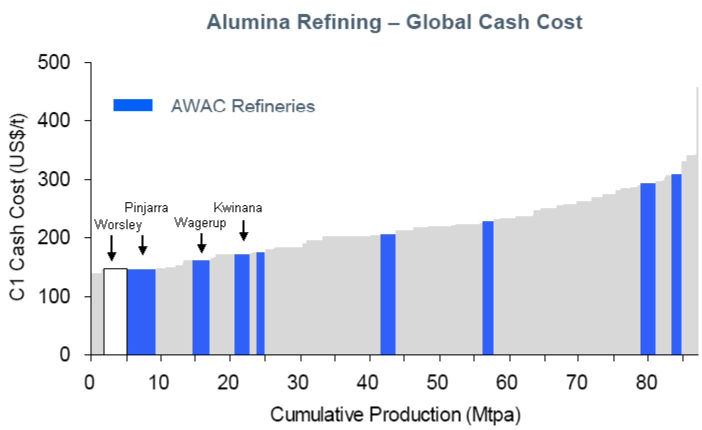
Cement and Lime contracts

- Long import term contract position
  - Clinker and freight price advantage
  - Lower price escalators in later contract years
- Import scale protects manufacturing base
  - Imports 1.5m tonnes in 2008 - cement, clinker and slag
  - Slag supply constraints possible in 2009
- Weakening of the Australian dollar has impacted import pricing - increasing IPP but reducing ABL margins
- Long term WA and SA cement supply contracts with Cement Australia signed. Expire end 2010
- Key WA alumina contracts expire mid 2012 and 2014

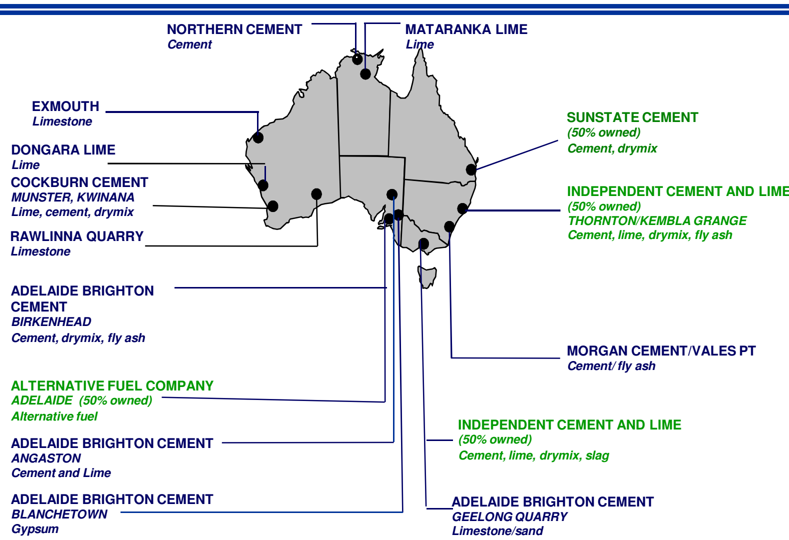
Australian cement capacity and demand



Australian alumina sector resilience



Adelaide Brighton's Cement and Lime geographical spread

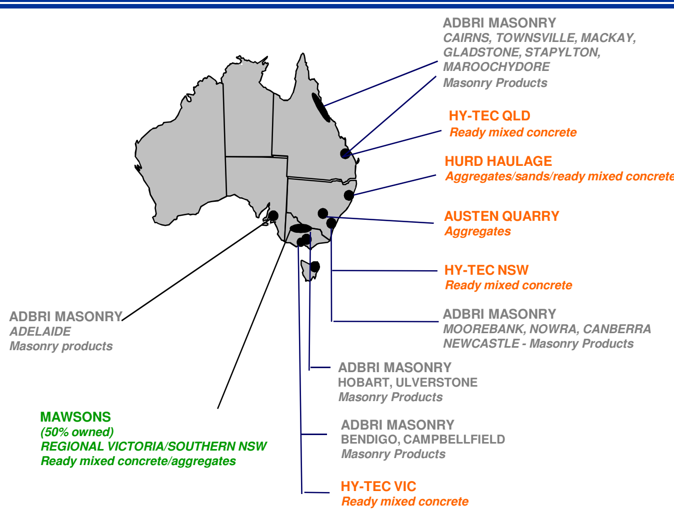


Masonry Products

- Market leader in masonry products - Queensland, New South Wales, South Australia, Victoria and Tasmania
- Acquired Hanson Building Products July 2008 – $3m EBIT benefit from integration with C&M Brick 2009 -2010
- Acquisition synergies on track and restructuring underway
- Potential for excess land divestments i.e. Essendon office
- Production capacity sized to meet future market demand
- Brand – Adbri Masonry



ABL downstream geographical spread



Emissions update - ETS

ABL supports the implementation of an Australian emissions trading scheme

- 'Warm' start critical to manage commercial and social impacts
- Concern over rushed 2010 implementation date
- Free carbon allocations for trade exposed emissions intensive industries (EITE)
- Realistic allocation decay to match international ETS progress
- Carbon price ceiling to manage unforseen impacts
- Government announcement this week consistent with ABL
  - Top tier EITE cover increased to 95%
  - 2011 revised implementation $10/t carbon price ceiling Yr 1

Emissions update – ABL Position

- ABL has a higher carbon intensity due to high primary material production (cement and lime manufacture)
- Government White Paper Dec 2008 recognises cement and lime as Energy Intensive Trade Exposed status
- ABL is engaged in National Greenhouse Energy Reporting July 2008
- ABL has held back on EITE accreditation until measures and timing certain (1 May 2009 initial deadline)
- ABL is progressing strategies to mitigate the future carbon risk
  - Optimising plant efficiency to benchmark standards
  - Substitution of cementitious additives and limestone fillers
  - Targeting carbon offsets such as increased use of biomass fuels

ABL profit optimisation plans

- The eight year construction sector growth cycle peaked during 2008
- ABL has implemented Divisional profit optimisation plans beginning Q4 2008
- Rigorous review of all input costs undertaken with focus on:
  – Cement and Lime $10m target:
    - Contractor utilisation
    - Key contract pricing and sourcing
    - Maintenance planning expenditure and control
  – Concrete and Aggregates $3.0m target
    - Increased use of alternative cementitious materials
    - Matching operating capacity to meet market demand
  – Masonry Products $2.0m
    - Matching operating capacity to meet market demand $3.0m
    - Circa $1m cost of retrenchment

ABL key performance drivers

- Operating performance:
  – Maximise plant efficiencies
  – Deliver on Divisional Profit Optimisation Plans
  – Expand alternative/switch fuels (wood, waste oil/coal)
- Sustain Q1 cement price increases
  – Energy and raw materials cost recoveries
  – Imported cement IPP leveling
- Continued development of lime pricing/margin recovery
- Achieve ready mix pricing to recover raw material cost increases
- Matching masonry production to meet market demand

Accolade II update

- The *Accolade II* collided with the Klein Point Jetty on Monday 4 May
- The *Accolade II* ships limestone daily from the ABL quarry at Klein Point to Birkenhead
- The vessel suffered minor damage and has sailed back to Port Adelaide
- The jetty and loading equipment suffered more extensive damage which is being evaluated
- Birkenhead holds clinker stocks and limestone reserves and will continue to supply clinker and cement to the SA, Vic and Qld markets
- Insurance coverage in place

2009 Cash flow optimisation

- Working capital management, tightening and strict customer adherence to trading terms
- Resistance to customers seeking to extend trading terms
- Inventory management focus on cement spare parts, masonry finished goods
- Capital expenditure constrained to essential, sustaining and 2009 payback only
- Continuation of Dividend Reinvestment Plan - 38% acceptances for 2008 final dividend
- Dividend guidance at lower end of Board's preferred payout ratio range of 65% - 75%
- 2009 gearing guidance circa 30% (following completion of equity raising)

2009 Outlook

- Based on previous recessionary cycles, ABL is planning for a one to two year decline in Australian construction activity of between 10% and 20%
- First homeowner stimulus working - post June 2009 support anticipated
- Upside regarding Government infrastructure stimuli, though timing is uncertain - estimated Q4 2009
- Cement sales down circa 10%, lime circa 4%
- Lime weakness - non alumina, (nickel and steel)
- Lime strength - alumina and gold sectors
- Focused profit optimisation plans are now engaged by all Divisions - target 2009 reduction $15m
- Immediate benefits from lower cash rates and placement – finance expense circa $10m below 2008