

*Level 1
157 Grenfell Street
Adelaide SA 5000*

*GPO Box 2155
Adelaide SA 5001*



*Adelaide Brighton Ltd
ACN 007 596 018*

*Telephone (08) 8223 8000
International +618 8223 8000
Facsimile (08) 8215 0030
www.adbri.com.au*

17 October 2007

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

Dear Sir/Madam

We attach copy of presentation being shown by Mr Andrew Poulter, Chief Financial Officer, at the UBS Emerging Companies Conference today for release to the market.

Yours faithfully

Marcus Clayton
Company Secretary

For personal use only



 **Adelaide Brighton Ltd**

UBS Emerging Companies Conference
17 October 2007

Presented by: Andrew Poulter, Chief Financial Officer



Agenda

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

 Adelaide Brighton Ltd

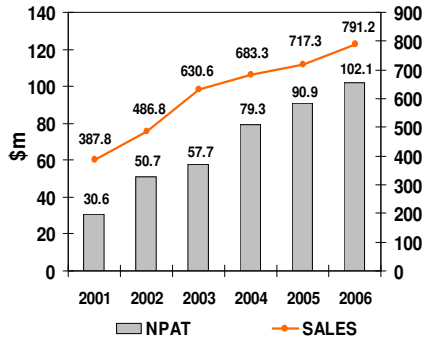
2007 UBS Emerging Companies Conference 2

Adelaide Brighton profile

- ABL is a leading Australian integrated construction materials and lime producing company, heavily focussed on the growing resources, engineering and infrastructure sectors
- Well positioned to supply all mainland states from its domestic manufacturing base complemented by long term supply contracts for imported clinker and cementitious materials
- S&P/ASX 200 company with market capitalisation around \$2 billion
- 1,300 employees with operations in all mainland states and territories
- Market leader in lime manufacture in Australia, number two position in cement and concrete products and modest position in the aggregates and ready mixed concrete market

ABL financial performance - six year trend

Sales and Net Profit

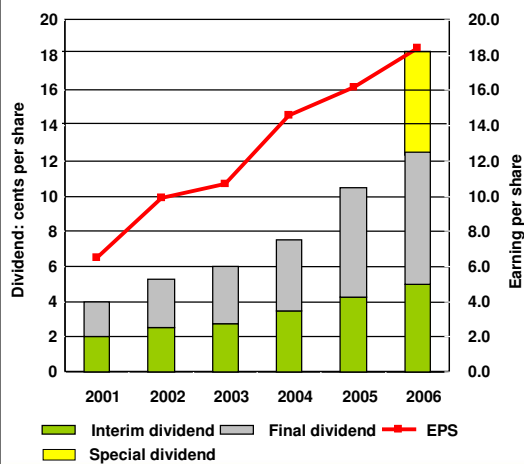


- Continued robust demand in core Adelaide Brighton markets
- Growth in cement and lime volume and price
- Operational and logistics improvement delivering returns
- No tax expense in 2001 utilising net operating losses
- 34% CAGR since 2000

ABL Summary earnings H1 June 2007

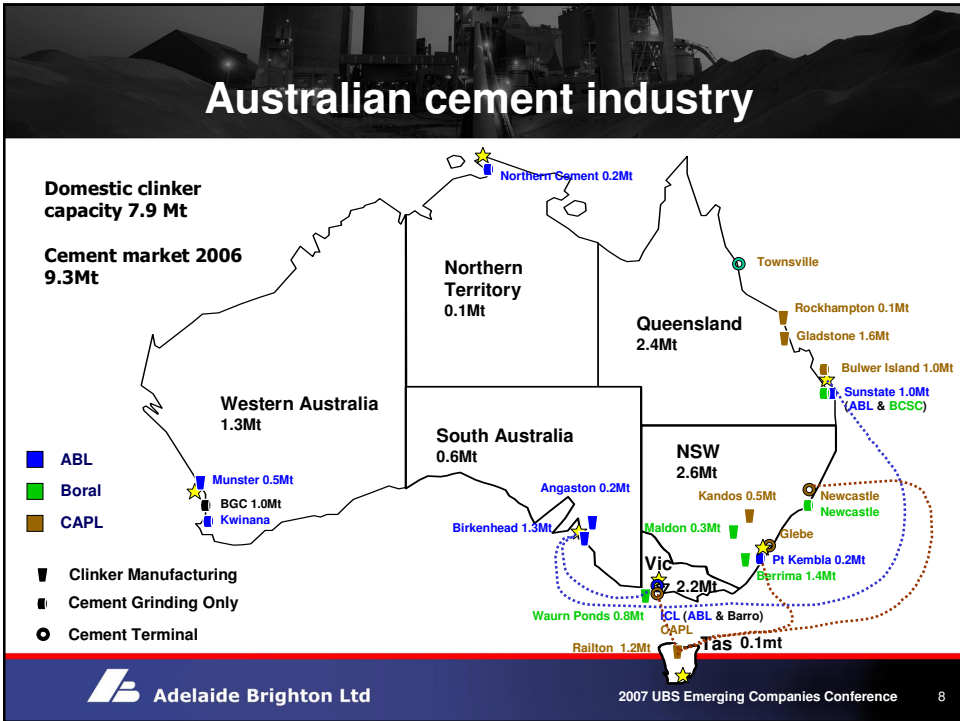
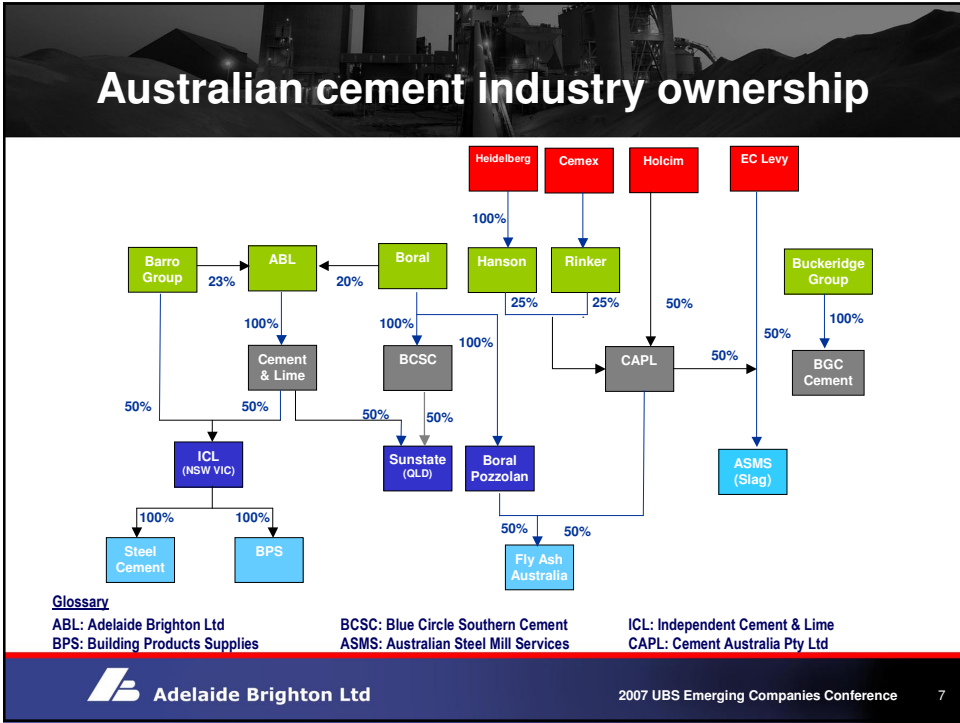
6 months ended 30 June	2007 \$m	2006 \$m	Change %
Sales revenue	412.6	363.3	13.4
EBITDA	96.1	85.2	12.8
EBIT	71.1	59.4	19.7
Net interest	(10.1)	(7.0)	44.3
Profit before tax	61.0	52.4	16.4
Tax expense	(16.5)	(12.4)	33.1
Net profit after tax	44.5	40.0	11.3
Minority interest C&M	-	(0.3)	
Net profit attributable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

ABL earnings and dividend per share



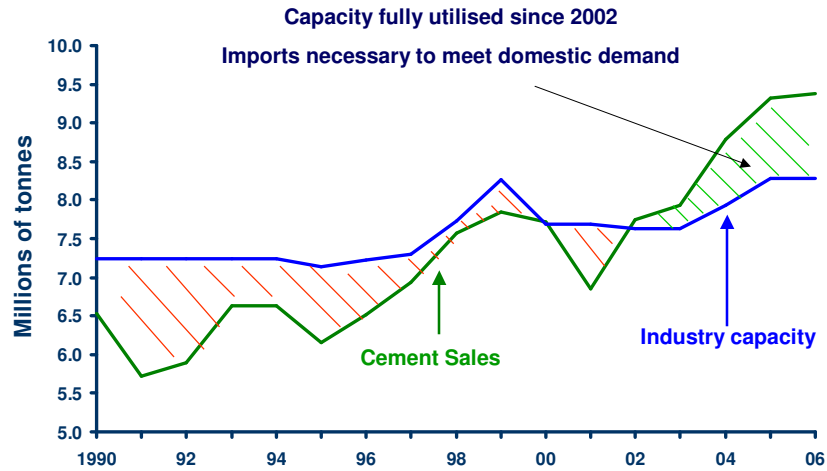
- Continued dividend growth and increase in EPS
- Payout ratio increased to 66.4% at full year. 73.2% payout interim 2007
- 2006 6.0 cents per share special dividend - near 100% payout ratio for 2006
- Effective use of franking credits
- 2007 interim 6cps 20% increase over pcip

For personal use only



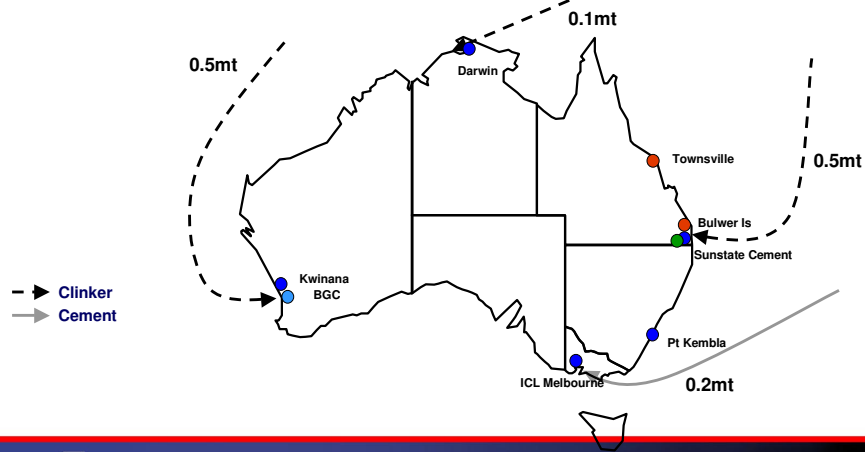
For personal use only

Australian cement capacity and demand



Imported cement and clinker flows

- ABL and BGC the principal importers
- ABL Pt Kembla switched from imports to BCSC supply ex Berrima



Adelaide Brighton strategic growth

- **Selective downstream integration - Aggregates and Concrete**
 - 2007 Hurd Haulage, Kancon Group acquisitions
 - NSW Austen Quarry fully commissioned H1 2007
- **Lime growth +360kt on 2006 base by 2012**
 - 9% growth realised in first half 2007, projections on track
 - Lime prices reviewed as contracts expire
 - Lime volume increases dependent on approval and timing of major projects
- **\$25m Operational Improvement 2008 - 2011**
 - Increased cement and lime output extending existing capacities
 - Cost down projects to deliver from second half 2007
- **Flexible, long term import contracts to meet market demand**
 - Clinker supply contracts success (freight and product)
 - Slag contracts now in place
 - Flexible logistics WA, NT, QLD NSW & VIC



Adelaide Brighton Ltd

2007 UBS Emerging Companies Conference

11

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 1										0
Worsley Expansion 2					10	20	20			50
Ranger					20	20				40
Loongana Customers		20								20
South Australia				2	3	8	24	29	36	102
TOTAL		63	35	22	83	96	64	79	86	528
<i>Incremental totals</i>			<i>98</i>	<i>120</i>	<i>203</i>	<i>299</i>	<i>363</i>	<i>442</i>	<i>528</i>	



Adelaide Brighton Ltd

2007 UBS Emerging Companies Conference

12

Key Adelaide Brighton performance drivers

- **Optimise capacity utilisation**
 - Increase plant capacities and maintain consistent output
 - Optimise intra state logistics
- **Operating performance - rising energy costs**
 - Maximise plant efficiencies & deliver performance improvement programmes
 - Expands alternate fuels (wood & coal) to supplement gas usage
- **Meet future demand increases**
 - Develop long term SE Asian relationships and additional supply contracts
 - Optimise imported and domestic cement and clinker supply chains
- **Optimise domestic pricing**
 - Energy and materials cost recoveries
 - Imported cement availability tightening, freight at record highs and international FOB prices increasing
 - Continued strength in AUS\$ \$US0.90+, YEN1.06+



Adelaide Brighton Ltd

2007 UBS Emerging Companies Conference 13

Key Adelaide Brighton market position

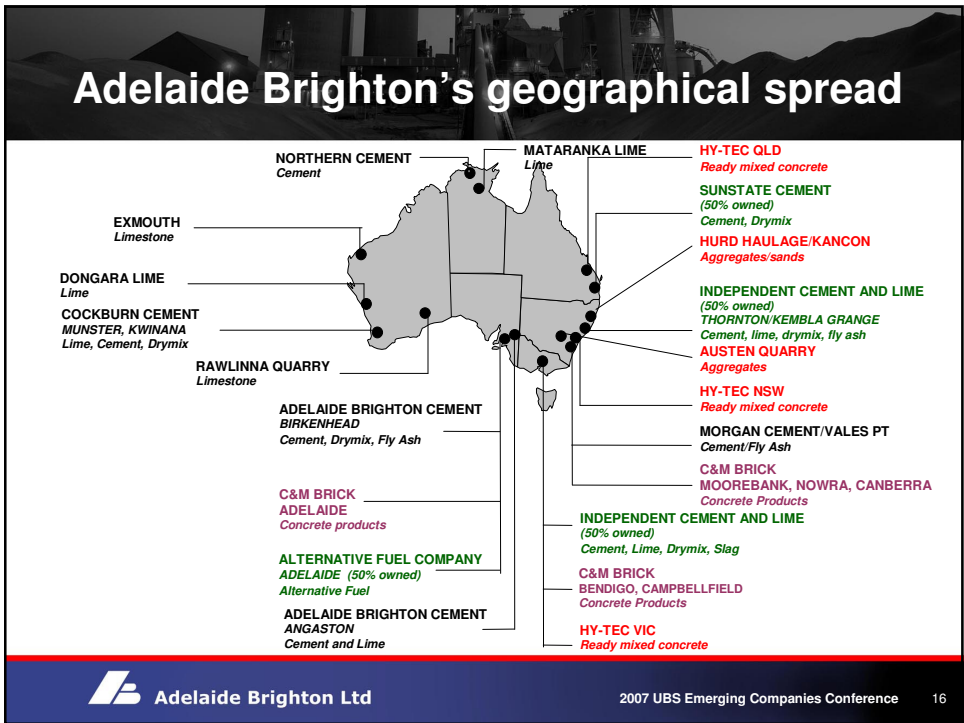
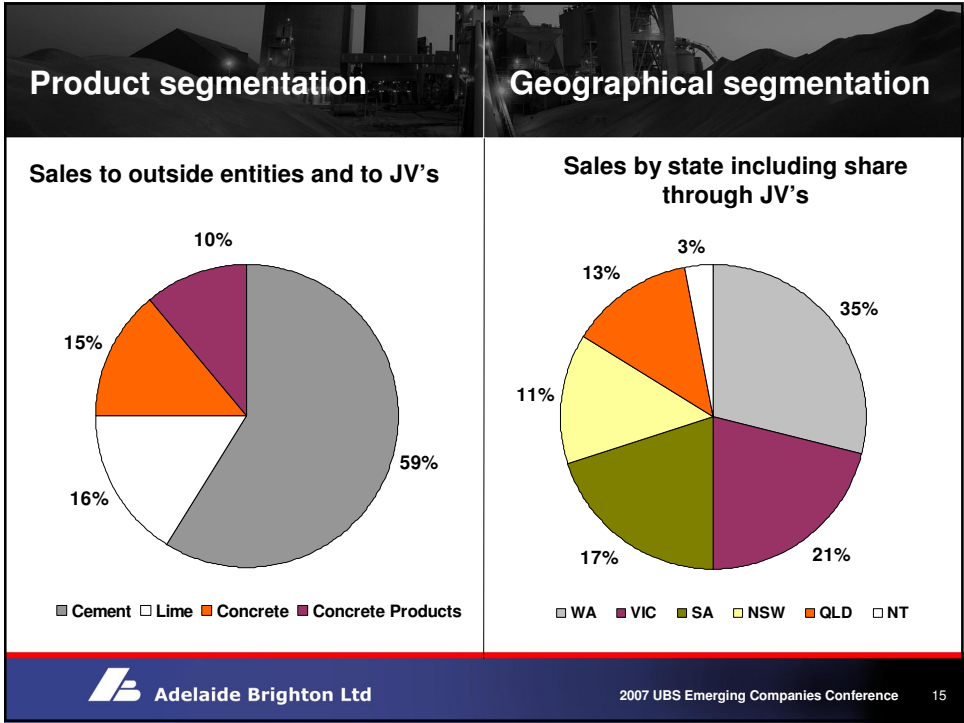
- **Market leadership in cement and lime in SA, WA and NT**
- **Strategic cement positions in NSW, QLD and VIC**
- **Balanced sector sales with exposure to the growth resources sector:**
 - Residential, engineering, infrastructure and resource sectors
 - Resource sector expansion = increased cement and lime demand
- **Focussed downstream positions in QLD, NSW and VIC**
 - Hy-Tec established brand and improved operational performance
 - Emerging NSW aggregates positions in Austen Quarry and Hurd Haulage
 - ABL continues to evaluate smaller regional opportunities



Adelaide Brighton Ltd

2007 UBS Emerging Companies Conference 14

For personal use only



Market demand 2007 update

- **Cement**
 - South Australia and Western Australia remain robust
 - Further growth in Queensland
 - Continued strong demand from Victoria
 - New South Wales weakened further in first half
- **Lime**
 - Continued growth first half
 - Continued strong demand from the mining and resource sectors
 - Expanded customer base in Kalgoorlie, Western Australia
- **Concrete and aggregates**
 - Continued strong demand in Queensland resources infrastructure and residential
 - Melbourne CDB work underpins Hy-Tec volumes
 - New South Wales weakness continuing
- **Concrete products**
 - Weaker demand in first half in New South Wales and Victoria, level demand South Australia



Energy cost pressures

Resource sector demand and water shortages drive fundamental increases in energy costs

- **Electricity price pressures**
 - QLD coal generator constrained by cooling water shortages
 - hydro power losses
 - ABL H1 costs \$4.5m, 20% increase over 2006
 - SA peak pricing increases
- **Gas price increases in Western Australia**
 - supply / demand pressures
 - ABL 20% increase in Western Australia – circa \$5m
 - ABL overall 10% H1 increase over 2006
 - reinforces the importance of the \$18m Munster coal mill investment - on track for December 2007 start up
- **Energy cost escalation pressures will continue into 2008**



Concrete and Aggregates

- Operations in Queensland, New South Wales and Victoria under the Hy-Tec brand
- Total annual output one million cubic metres of ready mixed concrete
- Growing reputation - CBD capabilities
- Service precast, civil projects, industrial, commercial, high rise and residential
- Improved margins delivered record 2006 EBIT & 2007 H1
- Improved mix designs - use of alternate materials
- Emerging aggregates position in NSW
 - Self sufficient in New South Wales from Austen Quarry
 - 2007 Hurd Haulage Pty Ltd and Kancon acquisitions - regional NSW



Adelaide Brighton Ltd

2007 UBS Emerging Companies Conference 19

Austen Quarry



- 200 million tonnes aggregates potential reserves. 120 km west of Sydney
- Important future strategic supply of aggregates to the western Sydney market
- High quality aggregate - 1mt annual capacity
- Road base approval from the Roads and Traffic Authority in NSW
- Phase 2 – tertiary crushing and screening plant commissioned end 1Q 2007

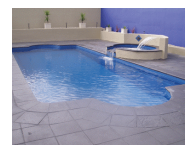


Adelaide Brighton Ltd

2007 UBS Emerging Companies Conference 20

Concrete Products

- Number two position nationally in the concrete products market with C&M operations in New South Wales, South Australia and Victoria
- Plant upgrades completed and achieving target benefits from production yields and manning
- Full product range production capability by state – concrete blocks, pavers, retaining walls and concrete bricks.
- NSW & VIC markets depressed, suppressing 2006 & 07 results
- C&M well positioned for future market growth in New South Wales, Victoria and South Australia



Adelaide Brighton Ltd

2007 UBS Emerging Companies Conference

21

Financial performance overview

- Adelaide Brighton has enhanced its status as a leading producer of construction materials and lime
- Record 2006 full and 2007 half year results as cement and lime volumes, pricing and operational improvements offset energy and fuel inflationary pressures
- Increased shareholder returns through both dividend and share price growth
- Cement and lime plant output at near capacity levels
- Operational improvement programme embedded and beginning to deliver results from H2 2007
- Actions taken to mitigate energy cost increases



Adelaide Brighton Ltd

2007 UBS Emerging Companies Conference

22

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



Adelaide Brighton Ltd

Cement and Lime



Concrete and Aggregates



Concrete Products

