



## KEY FEATURES

- Net profit after tax increased by 4.9% to \$30.6 million
- Earnings per share increased by 6.6% to 6.5 cents from 6.1 cents in pcp
- Final dividend of 2.0 cents, franked to 20%, giving full year dividend of 4.0 cents (vs 3.0 cents in pcp)
- Improved gearing<sup>1</sup> - reduced to 45.6%, down from 51.8%
- Lime volumes increased as a result of stronger demand from the resource sector and closure of Westlime
- Cement volumes increased in second half
- Modest price rises in both cement and lime
- Geelong Cement plant fully closed – benefits starting to be realised
- Foundations in place for continued improvements in operational efficiencies
- Record Birkenhead operations production of 1.2 million tonnes as a result of increased reliability
- Completion of strategic review

FINANCIAL SUMMARY (A\$millions)	12 Months ended 31 December		
	2001	2000 <sup>2</sup>	% change pcp
<b>Sales Revenue<sup>3</sup></b>	<b>393.2</b>	<b>411.0</b>	<b>(4.3)</b>
Depreciation	(26.3)	(31.3)	(16.0)
Goodwill Amortisation	(8.6)	(8.2)	4.9
<b>Earnings before Interest and Tax (“EBIT”)</b>	<b>46.9</b>	<b>48.6</b>	<b>(3.5)</b>
Net interest <sup>3</sup>	(16.3)	(19.5)	(16.4)
<b>Profit Before Tax</b>	<b>30.6</b>	<b>29.1</b>	<b>4.9</b>
Tax expense	-	-	-
<b>Net Profit After Tax (“NPAT”)</b>	<b>30.6</b>	<b>29.1</b>	<b>4.9</b>
Earnings per share (cents)	6.5	6.1	6.6
Dividends per share (cents)	4.0	3.0	33.3
Franking (%) - interim	13%	100%	(87.0)
- final	20%	100%	(80.0)
Net Debt (A\$millions)	207.0	227.7	(9.1)
Net Debt/Equity (%)	45.6%	51.8%	(6.2)

<sup>1</sup> Net Debt/Equity

<sup>2</sup> Proforma results for the twelve months ended 31 December 2000

<sup>3</sup> Interest charge shown gross in Appendix 4B with interest income included in sales revenue

## RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2001

Adelaide Brighton reported a net profit after tax ("NPAT") of \$30.6 million for year ended 31 December 2001 (tax – nil) compared with \$29.1 million for the previous corresponding period (tax – nil). This was derived from operating revenues of \$376.2 million (\$374.0 million for pcp).

Interest charges decreased by \$3.2 million, and with strong free cash flow of \$37.3 million, net debt was reduced by \$20.7 million, bringing gearing down to 45.6%.

12 Months to 31 December (A\$millions)	2001	2000 <sup>4</sup>	% change
Operating revenue – sale of goods	341.5	342.9	(0.4)
Operating revenue - services	34.7	31.1	11.4
<b>Operating revenue</b>	<b>376.2</b>	<b>374.0</b>	<b>0.6</b>
Revenue arising from swap arrangements <sup>5</sup>	11.6	27.9	(58.5)
Other revenue	5.4	9.1	(40.6)
<b>Sales Revenue</b>	<b>393.2</b>	<b>411.0</b>	<b>(4.3)</b>

<sup>4</sup> Proforma results for the twelve months ended 31 December 2000

<sup>5</sup> Relates to production swaps. The real underlying transaction is included in sale of goods.

This was a solid result in light of a very difficult first half due to weak market conditions, combined in the second half with the transitional cost issues concerned with the closure of the Geelong Cement plant and disruptions due to the major overhaul of the limestone supply ship to Birkenhead.

Second half NPAT increased to \$15.5 million from \$15.1 million in the first half, and compares with NPAT of \$11.8 million in the six months to December 2000.

Interest costs were lower due to lower interest rates, reduced debt and redemption of convertible notes near year-end. Depreciation charges were \$5 million lower due to the closure of the Geelong Cement plant.

A final dividend of 2.0 cents has been declared (20% franked), bringing total dividends for the year to 4.0 cents. The improved dividend is a reflection of the Board's confidence in the improving operational and financial performance of the Company. As previously highlighted, franking will continue at a reduced level until the Company returns to a tax-paying situation. Based on current forecasts, tax is expected to be payable on 2004 profits.

### Australian Cement Market

In the first half weak demand from housing continued from the previous year. However, the second half demonstrated a recovery based on a rejuvenated housing industry buoyed by the introduction of the Federal Government's First Home Buyers scheme.

Consequently, concrete production in Australia was only 6% lower than for the previous year. The strongest results came from Victoria and South Australia where concrete production was marginally higher than the previous year in both States. However, this was offset by lower concrete production in WA and Queensland.

Total Australian cement production was estimated to be 6.8 million tonnes in 2001, down 12% year on year. This fall is attributed to reduced demand from housing in the first half and an easing in infrastructure projects in the major cement using States of NSW and Queensland and to a lesser extent Western Australia. Total cement production for the second half of the year increased to 3.5 million tonnes from 3.3 million tonnes in the first half, supporting our view that we have seen the bottom of the cycle.

## **ABL Cement Review**

- ***Sales***

Sales volumes for the Company were only marginally lower than in the previous year, reflecting the Company's lower exposure to the Queensland and NSW markets and the better than expected demand generated in Victoria and South Australia.

- ***Pricing***

During 2001 modest price rises were achieved in all States.

## **Cement Dumping Inquiry**

The Australian Customs Service has concluded that imports of cement from Indonesia, Malaysia and Thailand are being dumped and these imports have caused injury to the Australian cement industry. However, despite this conclusion Senator Ellison, Federal Minister for Customs, has been unable to reach any conclusions on cement from China being dumped in Australia. As a result Senator Ellison has terminated the inquiry.

This outcome confirmed our initial claims that cement from overseas countries was being dumped in Australia. We will continue to focus on our cost structures to ensure we remain competitive.

## **ABL Lime Review**

- ***Volumes***

Lime sales volumes were up significantly year on year. This reflects improvements in demand for lime in the markets serviced by the Company in Western Australia, South Australia and the Northern Territory. The major market for lime is in WA and the result was also influenced by an improvement in market share as a consequence of the closure of the Westlime operation during the year. As previously announced, Adelaide Brighton secured supply agreements with Iluka Resources Ltd for 30,000 tonnes of quicklime per annum. Supply under these agreements began in the second half of 2001.

- ***Pricing***

Modest price rises were achieved in the non-alumina sector and CPI based increases were applied to sales under our long-term supply contracts.

## **Costs and Operational Performance**

Following Geelong Cement's closure, supply of cement to Victoria has been sourced from Birkenhead. Some transitional issues associated with cement milling and ship loading were experienced and this was exacerbated by very high demand in Victoria in the second half. Increased costs resulted, but steps have been taken to resolve the issues, including further improvements to cement milling.

The foundations for improvement in operational efficiencies were laid in 2001, with consolidation of capacity being completed with the closure of Geelong Cement in mid 2001. A standard base for process control was established and this will provide the basis from which to focus on waste elimination, performance improvement and improved asset utilisation in 2002 and beyond.

In 2001 Birkenhead set new records in terms of continuous running and process stability. The number of kiln/calcliner stops per month was reduced significantly and the mean time between stops increased from eight to thirteen days. A record 1.2 million tonnes of clinker was produced in the year with plans for further increases in clinker and cement output for 2002.

## FINANCIAL REVIEW

### Cash Flow

Free cash flow for the year was \$37.3 million (\$44.2 million pcp), which was better than expected due to improved profitability and improved working capital control. Free cash flow was lower in 2001 than the prior year due to cash costs associated with the closure of the Geelong Cement plant. These primarily consisted of redundancy payments and were paid in July 2001.

Debt was reduced by \$20.7 million compared with December 2000, and the Company's gearing has fallen from 51.8% to 45.6%. The 11% convertible notes were redeemed on 17 December 2001. The total redemption payment was \$45.6 million. This will significantly reduce interest costs going forward and interest cover will improve as a result.

The non-recurring cash costs in 2001 relating to the closure of the Geelong Cement plant were approximately \$10 million.

### Capital Expenditure

Capital expenditure for the period totaled \$22.5 million and was in line with expectations, with management continuing to tightly control spending. Major projects included:

- Upgrade of cement mill 6 at Birkenhead to cope with increased cement requirement from Birkenhead following the Geelong Cement closure;
- Upgrade of Birkenhead Customer Service Centre;
- Installation of new gantry crane at Munster, and;
- Acquisition of Westlime assets.

### Tax

There was no tax charge for 2001 due to recognition of previously unrecognised tax losses. As previously stated, the Company expects tax payments to recommence during 2004.

At 31 December 2001 unrecognised tax losses were \$6.8 million. We expect that these unrecognised tax losses will be exhausted in 2002 and as a result, will see an accounting tax charge on 2002 profits. Whilst this will impact on NPAT, there will be no effect on cash flows.

## STRATEGY

A strategic review has been undertaken by the Executive team and the Board of Adelaide Brighton. The outcome of that review is that the Company has committed to the following strategy to drive growth and deliver improved returns to shareholders:

- **Continued focus on improved operational efficiencies and cost reduction**

The achievement of cost reductions will assist in maximising margins and maintaining our competitive position. The key areas where improvements are intended to be made are in the use of alternative fuels, improved fuel efficiencies, improvement in purchasing through a range of procurement initiatives, improvements in logistics and a general focus on maximizing the utilisation of our existing assets;

- **Expansion of lime operations**

The Company considers lime a growth opportunity and is continuing to assess several market opportunities that potentially will allow us to develop and grow this part of our business; and,

- **Focused and relevant vertical integration**

The development of downstream positions is expected to provide further platforms for growth, provide security for cement and clinker outlets. The Company is actively reviewing opportunities for involvement in downstream positions which could in turn lead to improvements in industry structure in Australia.

## **OUTLOOK**

Annual demand for cement is expected to increase in 2002 due to a combination of the early pull through effect created by the housing market and a potential commencement of a synchronised upturn in engineering and non-residential work. This is being fuelled by low interest rates and the low A\$. We are confident of strong first half demand and cautiously optimistic that this will continue into the second half.

Lime volumes are also expected to increase as a result of increased activity in the resource sector.

We have embarked on a new round of operational improvements which are expected to result in a lower cost base over the coming years.

**M Chellew**  
Managing Director

6 March 2002

For further information contact:

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## Appendix 4B (rule 4.13(b))

# Preliminary Final Report

Name of entity

**Adelaide Brighton Ltd**

ACN, ARBN or ARSN

Half yearly

Preliminary  
final (*tick*)

Financial year ended ('current period')

007 596 018

✓

**31 December 2001**

### For announcement to the market

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

\$A'000

Revenues from ordinary activities ( <i>item 1.1</i> )  (see 1.24)	down	4.7%	to	394,950
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members ( <i>item</i> 1.20)	up	4.8%	to	39,210
Profit (loss) from ordinary activities after tax attributable to members ( <i>item 1.23</i> )	up	4.9%	to	30,593
Profit (loss) from extraordinary items after tax attributable to members ( <i>item 2.5(d)</i> )	gain (loss) of			N/A
Net profit (loss) for the period attributable to members ( <i>item 1.11</i> )	up	4.9%	to	30,593
<b>Dividends</b>		Amount per security		Franked amount per security
Final dividend ( <i>Preliminary final report only - item 15.4</i> )		2.0¢		0.4¢
Previous corresponding period ( <i>Preliminary final report - item 15.5</i> )		1.5¢		1.5¢
Date for determining entitlements to the dividend, (see <i>item 15.2</i> )		26 March 2002		

<b>Statements of financial performance</b>		Current period - \$A'000 1/1/01 – 31/12/01	Previous corresponding period - \$A'000 1/1/00 – 31/12/00
1.1	Revenues from ordinary activities	394,950	414,513
1.2	Expenses from ordinary activities ( <i>see items 1.24 + 12.5 + 12.6</i> )	(351,531)	(367,998)
1.3	Borrowing costs (gross)	(18,065)	(23,000)
1.4	Share of net profit (loss) of associates and joint venture entities ( <i>see item 16.7</i> )	5,242	5,645
<b>1.5</b>	<b>Profit (loss) from ordinary activities before tax</b>	<b>30,596</b>	<b>29,160</b>
1.6	Income tax on ordinary activities ( <i>see note 4</i> )	-	-
<b>1.7</b>	<b>Profit (loss) from ordinary activities after tax</b>	<b>30,596</b>	<b>29,160</b>
1.8	Profit (loss) from extraordinary items after tax ( <i>see item 2.5</i> )	-	-
<b>1.9</b>	<b>Net profit (loss)</b>	<b>30,596</b>	<b>29,160</b>
1.10	Net profit (loss) attributable to outside equity interests	3	(16)
<b>1.11</b>	<b>Net profit (loss) for the period attributable to members</b>	<b>30,593</b>	<b>29,176</b>

### Consolidated retained profits

1.12	Retained profits (accumulated losses) at the beginning of the financial period	(53,846)	(69,295)
1.13	Net profit (loss) attributable to members ( <i>item 1.11</i> )	30,593	29,176
1.14	Net transfers to and from reserves	-	475
1.15	Net effect of changes in accounting policies	-	-
1.16	Dividends and other equity distributions paid or payable	(18,948)	(14,202)
<b>1.17</b>	<b>Retained profits (accumulated losses) at end of financial period</b>	<b>(42,201)</b>	<b>(53,846)</b>

### Profit restated to exclude amortisation of goodwill

		Current period - \$A'000 1/1/01 – 31/12/01	Previous corresponding period - \$A'000 1/1/00 – 31/12/00
1.18	Profit (loss) from ordinary activities after tax before outside equity interests ( <i>items 1.7</i> ) and amortisation of goodwill	39,213	37,390
1.19	Less (plus) outside equity interests	3	(16)
<b>1.20</b>	<b>Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members</b>	<b>39,210</b>	<b>37,406</b>

<b>Profit (loss) from ordinary activities attributable to members</b>		Current period - \$A'000 1/1/01 – 31/12/01	Previous corresponding period - \$A'000 1/1/00 – 31/12/00
1.21	Profit (loss) from ordinary activities after tax ( <i>item 1.7</i> )	30,596	29,160
1.22	Less (plus) outside equity interests	3	(16)
<b>1.23</b>	<b>Profit (loss) from ordinary activities after tax, attributable to members</b>	<b>30,593</b>	<b>29,176</b>

### Earnings per security (EPS)

Calculation of the following in accordance with  
*AASB 1027: Earnings per Share*

Basic EPS

	Current period - \$A'000 1/1/01 – 31/12/01	Previous corresponding period - \$A'000 1/1/00 – 31/12/00
Basic EPS	6.5¢	6.1¢

### Revenue and expenses from ordinary activities

		Current period - \$A'000 1/1/01 – 31/12/01	Previous corresponding period - \$A'000 1/1/00 – 31/12/00
1.24	<b>Details of revenue and expenses</b>		
	<b>Revenues:</b>		
	Sales revenue		
	- sale of goods	341,521	342,853
	- swap arrangements	11,588	27,906
	- services	34,692	31,141
	Insurance claim	-	1,813
	Sale of investments	-	4,956
	Interest income	1,722	3,478
	Other revenues	5,427	2,366
		<b>394,950</b>	<b>414,513</b>
	<b>Expenses:</b>		
	Cost of sales (incl. Distribution and freight)	(310,032)	(328,236)
	Marketing	(5,495)	(5,061)
	Administration	(27,387)	(25,773)
	Other costs	(8,617)	(8,928)
		<b>(351,531)</b>	<b>(367,998)</b>

## Intangible and extraordinary items

		<i>Consolidated - current period</i>			
		Before tax \$A'000  (a)	Related tax \$A'000  (b)	Related outside equity interests \$A'000  (c)	Amount (after tax) attributable to members \$A'000  (d)
2.1	Amortisation of goodwill	8,617	-	-	8,617
2.2	Amortisation of other intangibles	358	-	-	358
<b>2.3</b>	<b>Total amortisation of intangibles</b>	<b>8,975</b>	<b>-</b>	<b>-</b>	<b>8,975</b>
2.4	Extraordinary items (details)	-	-	-	-
<b>2.5</b>	<b>Total extraordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Comparison of half year profits

		Current year - \$A'000 1/1/01 – 31/12/01	Previous year - \$A'000 1/1/00 – 31/12/00
3.1	Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year (item 1.23 in the half yearly report)	15,122	14,246*
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	15,471	14,930*

\* *The proforma financial effect on the profits for the six months to June 2000 and six months to December 2000, of the re-assessment of the useful lives of certain non-current assets during the calendar year 2000 would have been to reduce profits in the second half year by \$2,535,000 and to increase the profits in the first half by a like amount.*

**Statements of financial position**

		At end of current period - \$A'000 As at 31/12/01	As shown in last annual report \$A'000 As at 31/12/00	As in last half yearly report \$A'000 As at 30/6/01
<b>Current assets</b>				
4.1	Cash	21,562	32,180	26,126
4.2	Receivables	55,912	56,999	56,097
4.3	Investments	-	-	-
4.4	Inventories	39,448	44,013	47,778
4.5	Other (provide details if material)	2,098	3,181	4,812
<b>4.6</b>	<b>Total current assets</b>	<b>119,020</b>	<b>136,373</b>	<b>134,813</b>
<b>Non-current assets</b>				
4.7	Receivables	11,732	10,939	10,617
4.8	Investments (equity accounted)	27,588	26,932	27,824
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)	510,672	509,090	499,311
4.14	Intangibles (net)	147,205	152,712	148,460
4.15	Other (provide details if material)	37,013	29,612	30,279
<b>4.16</b>	<b>Total non-current assets</b>	<b>734,220</b>	<b>729,295</b>	<b>716,501</b>
<b>4.17</b>	<b>Total assets</b>	<b>853,240</b>	<b>865,668</b>	<b>851,314</b>
<b>Current liabilities</b>				
4.18	Payables	49,914	44,388	47,527
4.19	Interest bearing liabilities	-	54,977	51,710
4.20	Provisions	43,762	52,218	52,497
4.21	Other (provide details if material)	-	-	-
<b>4.22</b>	<b>Total current liabilities</b>	<b>93,676</b>	<b>151,583</b>	<b>151,734</b>
<b>Non-current liabilities</b>				
4.23	Payables	-	-	-
4.24	Interest bearing liabilities	228,432	204,800	182,800
4.25	Provisions	76,986	66,954	67,888
4.26	Other (provide details if material)	102	102	102
<b>4.27</b>	<b>Total non-current liabilities</b>	<b>305,520</b>	<b>271,856</b>	<b>250,790</b>
<b>4.28</b>	<b>Total liabilities</b>	<b>399,196</b>	<b>423,439</b>	<b>402,524</b>
<b>4.29</b>	<b>Net assets</b>	<b>454,044</b>	<b>442,229</b>	<b>448,790</b>

Statements of financial position (continued)		At end of current period - \$A'000 As at 31/12/01	As shown in last annual report \$A'000 As at 31/12/00	As in last half yearly report \$A'000 As at 30/6/01
<b>Equity</b>				
4.30	Capital/contributed equity	462,367	462,245	462,245
4.31	Reserves	30,904	30,859	31,780
4.32	Retained profits (accumulated losses)	(42,201)	(53,846)	(48,198)
<b>4.33</b>	<b>Equity attributable to members of the parent entity</b>	<b>451,070</b>	<b>439,258</b>	<b>445,827</b>
4.34	Outside equity interests in controlled entities	2,974	2,971	2,963
<b>4.35</b>	<b>Total equity</b>	<b>454,044</b>	<b>442,229</b>	<b>448,790</b>
4.36	Preference capital included as part of 4.33	-	-	-

### Exploration and evaluation expenditure capitalised

		Current period - \$A'000 1/1/01 – 31/12/01	Previous corresponding period - \$A'000 1/1/00 – 31/12/00
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	-	-
<b>5.6</b>	<b>Closing balance as shown in the consolidated balance sheet (item 4.11)</b>	-	-

### Development properties

		Current period - \$A'000 1/1/01 – 31/12/01	Previous corresponding period - \$A'000 1/1/00 – 31/12/00
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	-	-
<b>6.7</b>	<b>Closing balance as shown in the consolidated balance sheet (item 4.12)</b>	-	-

<b>Statements of cash flows</b>		Current period - \$A'000 1/1/01 – 31/12/01	Previous corresponding period - \$A'000 1/1/00 – 31/12/00
<b>Cash flows related to operating activities</b>			
7.1	Receipts from customers	431,426	424,669
7.2	Payments to suppliers and employees	(340,335)	(341,202)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	4,586	10,087
7.5	Interest and other items of similar nature received	1,754	4,031
7.6	Interest and other costs of finance paid	(17,738)	(23,517)
7.7	Income taxes paid	2,814	(2,202)
7.8	Other (provide details if material)	644	5,801
<b>7.9</b>	<b>Net operating cash flows</b>	<b>83,151</b>	<b>77,667</b>
<b>Cash flows related to investing activities</b>			
7.10	Payment for purchases of property, plant and equipment	(22,498)	(24,711)
	Payments capitalised maintenance	(23,160)	(11,861)
7.11	Proceeds from sale of property, plant and equipment	3,910	3,613
7.12	Payment for purchases of equity investments	-	(1,380)
7.13	Proceeds from sale of equity investments	-	4,956
7.14	Loans to other entities	(793)	(5,116)
7.15	Loans repaid by other entities	-	400
7.16	Other (provide details if material)	-	756
<b>7.17</b>	<b>Net investing cash flows</b>	<b>(42,541)</b>	<b>(33,343)</b>
<b>Cash flows related to financing activities</b>			
7.18	Capital reduction payment to outside equity interests	(3,354)	-
7.19	Proceeds from borrowings	73,432	105,000
7.20	Repayment of borrowings	(104,777)	(132,740)
7.21	Dividends paid	(16,575)	(7,101)
7.22	Other (provide details if material)	-	(432)
<b>7.23</b>	<b>Net financing cash flows</b>	<b>(51,274)</b>	<b>(35,273)</b>
7.24	<b>Net increase (decrease) in cash held</b>	<b>(10,664)</b>	<b>9,051</b>
7.25	Cash at beginning of period <i>(see Reconciliation of cash)</i>	32,180	22,951
7.26	Exchange rate adjustments to item 7.25.	46	178
<b>7.27</b>	<b>Cash at end of period</b> <i>(see Reconciliation of cash)</i>	<b>21,562</b>	<b>32,180</b>

## Non-cash financing and investing activities

NIL
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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 As at 31/12/01	Previous corresponding period - \$A'000 As at 31/12/00
8.1	Cash on hand and at bank	21,562	32,180
8.2	Deposits at call	-	-
8.3	Bank overdraft	-	-
8.4	Other (provide details)	-	-
<b>8.5</b>	<b>Total cash at end of period (item 7.27)</b>	<b>21,562</b>	<b>32,180</b>

## Ratios

		Current period 1/1/01 – 31/12/01	Previous corresponding period 1/1/00 – 31/12/00
9.1	<b>Profit before tax / revenue</b> Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	7.7	7.0
9.2	<b>Profit after tax / equity interests</b> Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.9) as a percentage of equity (similarly attributable) at the end of the period (item 4.33)	6.8	6.6

## Earnings per security (EPS)

		Current period 1/1/01 – 31/12/01	Previous corresponding period 1/1/00 – 31/12/00
10.1	Calculation of the following in accordance with AASB 1027: <i>Earnings per Share</i>		
	(a) Basic EPS	6.5¢	6.1¢
	(b) Diluted EPS (if materially different from (a))	-	-
	(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	473,556,937	473,408,615

## NTA backing

(see note 7)

		Current period As at 31/12/01	Previous corresponding period As at 31/12/00
11.1	Net tangible asset backing per ordinary security	65¢	61¢

**Details of specific receipts/outlays, revenues/expenses**

	Current period 1/1/01 – 31/12/01	Previous corresponding period 1/1/00 – 31/12/00
12.1 Interest revenue included in determining item 1.5	1,722	3,478
12.2 Interest revenue included in item 12.1 but not yet received (if material)	298	330
12.3 Interest costs excluded from borrowing costs, capitalised in asset values	-	-
12.4 Outlays (except those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.5 Depreciation and amortisation (excluding amortisation of intangibles)		
(i) Amortisation of capitalised cyclical maintenance	14,621	11,944
(ii) Depreciation and other amortisation	26,334	31,271
12.6 Other specific relevant items not shown in item 1.24 (see note 15)	-	-

**Control gained over entities having material effect**

13.1 Name of entity (or group of entities)	N/A
13.2 Consolidated profit (loss) from ordinary activities 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	N/A
13.4 Profit (loss) from ordinary activities 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**

14.1 Name of entity (or group of entities)	N/A
14.2 Consolidated profit (loss) from ordinary activities 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	N/A
14.4 Consolidated profit (loss) from ordinary activities 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 profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	N/A

## Reports for industry and geographical segments

Not Applicable for this period

### Dividends (in the case of a trust, distributions)

15.1 Date the dividend (distribution) is payable

19 April 2002

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 CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHES approved)

26 March 2002

15.3 If it is a final dividend, has it been declared?

Yes

### 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	<b>Final dividend:</b> Current year	2.0¢	0.4¢	NIL
15.5	Previous year	1.5¢	1.5¢	NIL
15.6	<b>Interim dividend:</b> Current year	2.0¢	0.26¢	NIL
15.7	Previous year	1.5¢	1.5¢	NIL

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

	Current period 1/1/01 – 31/12/01	Previous corresponding period 1/1/00 – 31/12/00
15.8 Ordinary securities	4.0¢	3.0¢
15.9 Preference securities	NIL	NIL

### Preliminary final report - final dividend on all securities

	Current period 1/1/01 – 31/12/01	Previous corresponding period 1/1/00 – 31/12/00
15.10 Ordinary securities	9,474	7,101
15.11 Preference securities	NIL	NIL
15.12 Other equity instruments	NIL	NIL
15.13 <b>Total</b>	<b>9,474</b>	<b>7,101</b>

The dividend or distribution plans shown below are in operation.

N/A

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

26 March 2002

Any other disclosures in relation to dividends (distributions)

NIL

### Details of aggregate share of profits (losses) of associates and joint venture entities

		Current period \$A'000 1/1/01 – 31/12/01	Previous corresponding period \$A'000 1/1/00 – 31/12/00
16.1	Profit (loss) from ordinary activities before income tax	6,757	7,254
16.2	Income tax on ordinary activities	(1,515)	(1,609)
<b>16.3</b>	<b>Profit (loss) from ordinary activities after income tax</b>	<b>5,242</b>	<b>5,645</b>
16.4	Extraordinary items net of tax	-	-
<b>16.5</b>	<b>Net profit (loss)</b>	<b>5,242</b>	<b>5,645</b>
16.6	Outside equity interests	-	-
<b>16.7</b>	<b>Net profit (loss) attributable to members</b>	<b>5,242</b>	<b>5,645</b>

**Material interests in entities which are not controlled entities**

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) <i>(item 1.9)</i>	
	Current period	Previous corresponding period	Current period \$A'000 1/1/01 – 31/12/01	Previous corresponding period - \$A'000 1/1/00 – 31/12/00
<b>17.1 Equity accounted associates and joint venture entities</b>				
Independent Cement & Lime	50%	50%	2,934	3,532
Sunstate Cement Ltd	50%	50%	3,306	3,302
Stabilised Pavements of Australia *	NIL	50%	-	(82)
Pavement Technology (M) Sdn Bhd **	NIL	40%	-	163
Less: Amortisation and other adjustments	-	-	(998)	(1,270)
<b>17.2 Total</b>			<b>5,242</b>	<b>5,645</b>
17.3 Other material interests	-	-	-	-
<b>17.4 Total</b>	-	-	-	-

\* *Stabilised Pavements of Australia Pty Ltd - 50% shareholding disposed of on 1 Feb 2000*

\*\* *Pavement Technology (M) Sdn Bhd - 40% shareholding disposed of on 6 Oct 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 14) (A\$)	Amount paid up per security (see note 14) (A\$)
<b>18.1</b>	<b>Preference securities</b>	N/A	N/A	N/A	N/A
18.2	Changes during current period				
	(a) Increases through issues	N/A	N/A	N/A	N/A
	(b) Decreases through returns of capital, buybacks, redemptions	N/A	N/A	N/A	N/A
<b>18.3</b>	<b>Ordinary securities</b>	473,708,992	473,708,992	N/A	N/A
18.4	Changes during current period				
	(a) Increases through issues	300,000	300,000	0.405	0.405
	(b) Decreases through returns of capital, buybacks	-	-	-	-
<b>18.5</b>	<b>Convertible debt securities</b> (Unsecured convertible 11% notes)	-	-	-	-
18.6	Changes during current period				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities buyback and redemption. (Redemption completed on 17 December 2001)*	(27,488,613)	(27,488,613)	2.00	2.00
<b>18.7</b>	<b>Options</b>	N/A	N/A	<i>Exercise price</i>	<i>Expiry date</i>
18.8	Issued during current period	N/A	N/A	N/A	N/A
18.9	Exercised during current period	N/A	N/A	N/A	N/A
18.10	Expired during current period	N/A	N/A	N/A	N/A
<b>18.11</b>	<b>Debentures (totals only)</b>	N/A	N/A		
<b>18.12</b>	<b>Unsecured notes (totals only)</b>	N/A	N/A		

\* This date was the first business day that followed the nominated redemption date of 15 December 2001.

## Comments by directors

NIL

## Basis of accounts preparation

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.

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

N/A
N/A

## Annual meeting

The annual meeting will be held as follows:

Place

Ballroom, Hyatt Regency, North Terrace, Adelaide SA

Date

Wednesday 29 May 2002

Time

11.00 am

Approximate date the annual report will be available

24 April 2002

## Compliance statement

- 1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 12).

Identify other standards used

N/A

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

Sign here: .....  
(Company Secretary)

Date: .....

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 “revenue” and an explanation of “ordinary activities” are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of financial performance*.
- Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (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: Half-Year Accounts and Consolidated Accounts*, and *AASB 1040: Statement of Financial Position*. 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. **Consolidated 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. **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 Act must also be given to ASX. For example, a directors' report and declaration, if lodged with the ASIC, must be given to ASX.
12. **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.
13. **Corporations Act financial statements** As at 1/7/96, this report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
14. **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.
15. **Relevant Items** AASB 1018 requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. the term "relevance" is defined in AASB 1018. For foreign entities, there are similar requirements in other accounting standards normally accepted by ASX.
16. **\$ Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.