

1998/99 SAW THE COMPLETION OF THE MAJOR STRATEGIC REVIEW OF ADELAIDE BRIGHTON LTD.

THIS REVIEW CULMINATED IN A MERGER OF ADELAIDE BRIGHTON'S OPERATIONS WITH THOSE OF THE AUSTRALIAN CEMENT AND LIME OPERATIONS OF THE BRITISH BUILDING MATERIALS COMPANY, THE RUGBY GROUP PLC. THE TRANSACTION WAS ANNOUNCED IN THE FINAL QUARTER OF THE YEAR AND WAS COMPLETED ON 30 JUNE 1999.

COMPLETION OF THE RESTRUCTURE WAS A MAJOR FOCUS OF 1998/99.

THE OTHER FOCUS WAS THE CONDUCT AND IMPLEMENTATION OF A RIGOROUS REVIEW OF THE COMPANY'S OPERATIONS. THIS BUSINESS IMPROVEMENT PROGRAMME HAS TARGETED COST SAVINGS OF OVER \$20 MILLION TO BE ACHIEVED OVER A THREE-YEAR PERIOD.

BOTH THESE INITIATIVES HAVE REQUIRED THE UNDERSTANDING AND PERSISTENCE OF STAFF AND THE LOYALTY OF OUR SHAREHOLDERS AND CUSTOMERS.

THE RESULTS FOR THE YEAR BEFORE ABNORMALS SHOWED A MODEST IMPROVEMENT.

AS THE COMPANY MOVES INTO THE YEAR 2000, THE ONUS IS ON THE BOARD AND MANAGEMENT TO PURSUE THE LONG-TERM SAVINGS AND EFFICIENCIES THAT HAVE BEEN CREATED AND TO ENSURE THAT THESE ARE TRANSLATED INTO IMPROVED RETURNS FOR SHAREHOLDERS.