

THE RESTRUCTURE ACHIEVED

THE FOLLOWING:

- Adelaide Brighton Ltd acquired 49% of Adelaide Brighton Cement Ltd, previously held by Australian Cement Holdings Pty Ltd
- Adelaide Brighton Ltd acquired Cockburn Cement Ltd, Rugby Group's Australian subsidiary
- In exchange, The Rugby Group PLC was issued with Adelaide Brighton Ltd shares and emerged with a 55% interest in Adelaide Brighton Ltd

IMPLICATIONS OF THE RESTRUCTURE

- Geelong Cement plant to close in December 2000
- Labour force reductions in Western Australia as Swan Cement and Cockburn Cement plants merge
- Head office functions to be rationalised
- Capital works at Birkenhead and the Melbourne Cement Facility to facilitate closure of Geelong Cement
- All operations to be reviewed

BENEFITS OF THE RESTRUCTURE:

- Rationalisation savings of \$23 million per annum by 2001
- Control of the core business
- Diversification into the lime business, with reduced exposure to the building cycle
- Greater financial strength
- Partnership with a global building materials group

