

Level 1  
157 Grenfell Street  
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G.P.O. Box 2155  
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**Adelaide Brighton Ltd**  
ACN 007 596 018  
*(Incorporated in South Australia)*

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**ADELAIDE BRIGHTON LTD**  
**DISPATCH OF CORRESPONDENCE TO SHAREHOLDER AND**  
**CONVERTIBLE NOTEHOLDERS NOT ELIGIBLE FOR RIGHTS**

The following letter and explanatory note will be dispatched on 31 May 1999 to Adelaide Brighton shareholders and convertible noteholders who are ineligible for the rights issue.

Signed



**R J B MOODY**  
Company Secretary

**31 May 1999**

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31 May 1999

[Name and address of shareholder/convertible noteholder]

Dear Shareholder/convertible noteholder

### **Renounceable Rights Issue**

On 30 March 1999, Adelaide Brighton announced a 3 for 10 renounceable Rights Issue.

Under the Rights Issue, shareholders and holders of convertible notes issued by Adelaide Brighton are given the right to subscribe for three new shares in Adelaide Brighton Ltd for every 10 shares or convertible notes held as at 27 May 1999, at an issue price of A\$0.70 per share. The Rights Issue is part of a restructuring of Adelaide Brighton, details of which are set out in the Explanatory Memorandum dated 6 April 1999 sent to all Adelaide Brighton shareholders and convertible noteholders.

In connection with the Rights Issue, a prospectus dated 18 May 1999 ('Prospectus') has been lodged with the Australian Securities and Investments Commission. For your information only, and as required by the Listing Rules of the Australian Stock Exchange, a summary of the main terms of the Rights Issue is set out in the enclosed Explanatory Note.

In accordance with the Listing Rules of the Australian Stock Exchange, the offer under the Prospectus will be made only to shareholders and convertible noteholders with registered addresses in Australia and New Zealand. The directors of Adelaide Brighton have decided that it would be unreasonable to make the offer to any shareholder or convertible noteholder with a registered address outside of Australia and New Zealand, having regard to

- the number of shareholders and convertible noteholders in each other place where the offer would be made,
- the number and value of the securities that such shareholders and convertible noteholders would be entitled to, and
- the cost of complying with the legal and regulatory requirements in each of those places.

Accordingly, we regret that it will not be possible for you to participate in the Rights Issue.

In accordance with the Listing Rules, Adelaide Brighton has appointed a nominee to arrange for the sale of the Rights to which you would otherwise have been entitled. If there is a viable market for the Rights, they will be sold and the net proceeds (in Australian dollars) of the sale will be forwarded to you. On 21 May 1999, the first day of Rights Trading on the Australian Stock Exchange, the volume of Rights traded was 79,114 with a closing price of 20 cents per Right.

Of course, if you wish to preserve your proportionate shareholding in Adelaide Brighton, you may purchase additional Shares on market at anytime.

Please contact me by telephone on + 61 8 8223 8039, or, by facsimile on + 61 8 8215 0030, if you have any questions.

Yours sincerely

**R J B Moody**  
Company Secretary

**ADELAIDE BRIGHTON LTD**

**EXPLANATORY NOTE - DETAILS OF THE RIGHTS ISSUE**

1. Persons with registered addresses in Australia or New Zealand who are registered as holders of Adelaide Brighton Shares or Convertible Notes at close of business on 27 May 1999, are offered renounceable entitlements to subscribe for three new Shares for every ten Shares or Convertible Notes then held, for an exercise price of A\$0.70 per Share ("Rights Issue"). The Rights Issue is fully underwritten by Salomon Smith Barney Australia Securities Pty Limited.
2. The capital raised pursuant to the Rights Issue (approximately A\$39.1 million), together with funds received from The Rugby Group PLC as consideration for a placement of Shares in Adelaide Brighton, will be used for the purpose of acquiring the 49% interest of Australian Cement Holdings Pty Ltd in Adelaide Brighton Cement Ltd, Adelaide Brighton's main operating subsidiary.
3. The Rights Issue is one element of the restructuring of Adelaide Brighton, details of which are set out in the Explanatory Memorandum dated 6 April 1999, which has been mailed to all Adelaide Brighton shareholders and convertible noteholders. Shares to be issued pursuant to the Rights Issue are expected to be allotted on 30 June 1999 in conjunction with completion of all of the restructuring transactions. Each element of the restructuring is dependent upon the other occurring. Accordingly, if any element of the restructuring does not occur, no Shares will be issued and applicants under the Rights Issue will be refunded their money. The conditions to completion include the approval, now obtained, of certain elements of the restructuring by Adelaide Brighton shareholders on 14 May 1999. It is also conditional upon The Rugby Group PLC shareholder approval in general meeting, expected to take place on 27 May 1999. That approval has now been given.
4. Shareholders and convertible noteholders with registered addresses in Australia or New Zealand may take up all or part of their entitlement or sell some or all of their entitlement.
5. If a shareholder or convertible noteholder with a registered address in Australia or New Zealand does not take up or sell any part of their entitlement, the underwriter, Salomon Smith Barney Australia Securities Pty Limited, will acquire the Shares arising from those rights.