

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

20 February 2014

The Manager
Market Announcements
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Media statement – financial result for full year ended 31 December 2013

We attach a media statement covering the Company's financial result for the full year ended 31 December 2013 for release to the market.

Yours faithfully

MRD Clayton
Company Secretary

For further information please contact:

Luba Alexander
Group Corporate Affairs Adviser
Telephone 0418 535 636
Email luba.alexander@adbri.com.au

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MEDIA STATEMENT

20 February 2014

Year to:	Dec 2013 (\$m)	Dec 2012 (\$m)	Change (%)
Revenue	1,228.0	1,183.1	3.8
Earnings before interest and tax ("EBIT")	222.7	222.1	0.3
NPAT attributable to members	151.1	153.0	(1.2)
Cash flow from operations	227.3	186.9	21.6
Earnings per share (cents)	23.7	24.0	(1.3)
Total dividends – fully franked (cents/share)	19.5	16.5	18.2
Net debt/equity (%)	23.4%	30.9%	
Interest cover (EBIT times)	15.8	15.2	3.9

Record sales and cash flow supported by projects and operational improvement

- Net profit after tax of \$151.1 million, down 1.2%
- Excluding one-off gain in pcp, net profit up 3.9%
- Record revenue of \$1,228.0 million, up 3.8%, supported by projects and resources sector
- Cement sales volumes up marginally with a late improvement in residential demand
- Operational improvement programs delivered benefits of \$20.2 million
- First sales from the 10 year \$130 million surplus land sale program over
- Final dividend of 9.0 cents plus special 3.0 cents (total 2013 dividends 19.5c fully franked)

Result discussion

Australian construction materials and industrial lime producer Adelaide Brighton Limited (ASX code: ABC), has announced net profit for the full year ended 31 December 2013 of \$151.1 million.

Net profit after tax and earnings per share were marginally lower on the previous corresponding period (pcp). Excluding the \$7.6 million one-off gain in the pcp, net profit was up 3.9% on sales growth of 3.8%. The final dividend of 12.0 cents included a special dividend of 3.0 cents per share (fully franked).

Managing Director of Adelaide Brighton, Mr Mark Chellew, said, "Modest growth in underlying net profit on healthy sales is encouraging given we are yet to see the full benefit to revenue and margins of our major capex program and the recovery of residential demand has only just begun.

"Adelaide Brighton's cement and lime exposure to resources and infrastructure again supported shareholder returns despite commercial and residential building activity being weak for much of the year.

"We are starting to see returns from our capex program in cement and lime although, given subdued volume growth in 2013, we are yet to realise the full benefits of this investment.

"Lime volume growth was held back by the weak gold sector and import pressures. However, margins strengthened and our recent investment in the business underpins its long term competitive position and sustainability."

The cement distribution, pre-mixed concrete, aggregates and masonry businesses were impacted through most of the year by soft building activity on the east coast of Australia and cost pressures.

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Strategic developments

“Our consistent strategy of capacity expansion, operational improvement and downstream growth has delivered attractive returns and we see further opportunities to add shareholder value,” said Mr Chellew.

The Company’s \$112 million investment program to improve efficiency, sustainability and environmental performance in the cement and lime business made a significant contribution to the \$20.2 million in operational improvements delivered in 2013. During the year, Adelaide Brighton achieved \$6.5 million in surplus land sales from a 10 year program expected to release \$130 million in shareholder value.

“Our record cash flow in 2013 was reflected in a decline in gearing to 23.4%. Our strong balance sheet provides capacity to fund value enhancing acquisitions, organic growth opportunities and for the Board to consider, subject to capital requirements of the business, efficient capital management to maximise shareholder returns,” said Mr Chellew.

Outlook

“Adelaide Brighton anticipates demand for cement and clinker in 2014 to be similar to 2013 levels. Demand from projects in Western Australia and the Northern Territory, and a recovery in the residential sector is expected to balance continued weakness in the non-residential sector and a decline in project demand in South Australia,” said Mr Chellew.

“The operational improvement program and extracting further benefits from the recently commissioned capital upgrades and enhancements will be a particular focus to support margins in the current financial year. In particular, we hope to consolidate returns from the cement mill upgrade at Birkenhead in South Australia, which were only partly realised in 2013.

“Lime sales volumes are expected to be similar to 2013 with increased demand from the alumina sector expected to offset weakness in demand from gold producers. The threat of small scale lime imports in Western Australia and the Northern Territory remains but further price increases are expected from major contracts.

“The impact of the carbon tax in 2013 was \$4.2 million after tax. The removal of the carbon tax by 1 July 2014 could provide an after tax benefit of circa \$2 million compared to 2013. However there is political uncertainty around the repeal process and a significant component of these savings are dependent on a reduction in energy costs from suppliers.

“The rationalisation of clinker production is expected to result in an annualised EBIT improvement of circa \$5 million. In 2014, cement EBIT will also be impacted by a redundancy and asset provision of approximately \$8 million.

“Management will continue to focus on efficiency across all product groups as demand improves due to an anticipated recovery in residential construction”, said Mr Chellew.

For further information please contact:

Luba Alexander, Group Corporate Affairs Adviser

Telephone: +61 (0) 418 535 636

Email: luba.alexander@adbri.com.au

ABOUT ADELAIDE BRIGHTON

ADELAIDE BRIGHTON LIMITED (ASX CODE: ABC) IS A LEADING CONSTRUCTION MATERIALS AND LIME PRODUCING GROUP OF COMPANIES WHICH SUPPLIES THE AUSTRALIAN INFRASTRUCTURE, BUILDING AND RESOURCES INDUSTRIES. THE COMPANY HAS 1600 EMPLOYEES AND MARKET LEADING POSITIONS IN CEMENT AND CLINKER, LIME AND CONCRETE MASONRY AND IS AN EMERGING FORCE IN PRE-MIXED CONCRETE AND AGGREGATES. ADELAIDE BRIGHTON IS THE LARGEST IMPORTER OF CEMENTITIOUS MATERIALS INTO AUSTRALIA AND THROUGH ITS EFFICIENT IMPORT SUPPLY CHAIN HAS ACCESS TO EVERY MAINLAND CAPITAL CITY MARKET.