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## Agenda

- Welcome  
  Mark Chellew  
- Safety induction  
  Phil Calder  
- Strategy development  
  Mark Chellew  
- Performance overview  
  Mark Chellew  
- Concrete and Aggregates  
  George Agriogiannis  
- Outlook  
  Mark Chellew

## Overview

Mark Chellew  
Managing Director and CEO
Our business

- A leading Australian integrated construction materials and lime producing company with balanced exposure across mining and all construction sectors
- An S&P/ASX 100 company with operations in all states and territories; 1,600 employees; approximately AUD2 billion market capitalisation
- Well positioned to supply cement to all mainland states from its domestic manufacturing base, coastal supply and import facilities
- Market leader in lime in Australia, and 9th largest producer on world scale
- The second largest supplier of cement and clinker in Australia
- Market leader in concrete masonry products and an emerging position in aggregates and ready mixed concrete
- Adelaide Brighton is highly cash generative with low gearing and balance sheet capacity for organic and acquisitive growth
Adelaide Brighton revenue analysis

- 70% of revenue from Cement and Lime operations
- Major exposure to engineering construction and mining sectors
- Cement sales to projects in SA, WA and NT – 6% of group revenue
- WA, SA and NT are key geographic markets
Consistent long term strategy

- Consistent strategy over the last decade has supported shareholder returns:
  - Cost reduction and operational improvement across the business
  - Development of the lime business to supply the resources sector in WA, SA and NT
  - Focused and relevant vertical integration into downstream concrete, masonry and aggregates businesses
- Cement:
  - Investment to expand cement milling capacity at Birkenhead, SA
  - Development of efficient and flexible import supply chain into major markets
- Industrial Lime:
  - Improvements in environmental performance and efficiency
  - Capacity expansion to meet increased resource sector demand

Performance highlights

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2012</th>
<th>31 Dec 2011</th>
<th>% change</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>1,176.2</td>
<td>1,100.4</td>
<td>6.9</td>
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<tr>
<td>EBIT</td>
<td>225.6</td>
<td>223.4</td>
<td>1.0</td>
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<tr>
<td>PBT</td>
<td>209.2</td>
<td>206.4</td>
<td>1.4</td>
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<tr>
<td>NPAT attributable to members</td>
<td>154.2</td>
<td>148.4</td>
<td>3.9</td>
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<table>
<thead>
<tr>
<th></th>
<th>Cents</th>
<th>Cents</th>
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<tr>
<td>EPS</td>
<td>24.2</td>
<td>23.3</td>
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<tr>
<td>Final dividend</td>
<td>9.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Full year dividend</td>
<td>16.5</td>
<td>16.5</td>
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Key profit drivers

- Mining, resources and infrastructure projects in SA, WA and NT
- Weakness in residential and non-residential building
- Demand in Vic and Qld remained weak, affecting returns from joint ventures and sales into these markets
- Cement margins constrained by increasing costs and limited price growth
- Energy costs increased 8%, including the $3 million after tax impact of the carbon tax
- Clinker production issues at Birkenhead cost $6 million EBIT
- Lime margins helped by increased prices; volumes improved more than 5% from alumina and gold demand
- Cost savings of $8.5 million partly offset increasing energy and labour costs

Operational highlights

- Significant progress on capital program in cement and lime to enhance capacity and operational efficiency
- Major customer contract renewals in key cement markets of SA, WA and Vic
- Clinker import supply secured with major Japanese producers for long term requirements at competitive prices
- Acquisition of 30% stake in Malaysian white cement producer secures long term supply of important product
The 2010 recovery plateaued through 2011 and 2012
Projects and resources offsetting weakness in commercial and residential
Inclusion of previously unreported concrete producers in headline ABS figures from 1 Jul 2012 overstates improvement in 2H 2012
National concrete market expected to decline in 2013

Source: ABS and estimate by ABC

Concrete and Aggregates Overview

George Agriogiannis
Executive General Manager
Concrete and Aggregates
Concrete and Aggregates Division

- Annual turnover: greater than $200 million
- Annual concrete sales volumes: circa 1 million m³
- Annual aggregate sales volumes: circa 2 million tonnes
- Number of employees: 439 (FTEs, incl. 127 LOD’s)
- Safety performance: 2.53 LTIFR

Hy-Tec Sydney operations

[Map of Hy-Tec Sydney operations]

Adelaide Brighton Ltd – Analyst/Investor Tour Austen Quarry 29 April 2013
Sydney quarry operations
Austen (Hartley) Quarry

- Acquired as part of the acquisition of Hy-Tec from Premier Resources
- Commissioned at a capital cost of approximately $32 million
- Commenced operation in 2007

Austen Quarry

Reserves
- Aggregate source is commonly known as Rhyolite
- Probable reserves in excess of 35 million tonnes

Consent
- Approval in excess of 1.1 million tonnes per year
- Current extraction volumes circa >500,000 tonnes per year
**Austen Quarry**

**Operations**
- All material transported by road haulage to greater Sydney area
- Primary jaw crusher commissioned June 2006, with secondary/tertiary plant commissioned April 2007
- Wide range of high quality quarry products
  - Concrete aggregates
  - Asphalt aggregates
  - RMS specified road base materials
  - Manufactured sand suitable as a substitute for coarse sand in concrete
  - Range of fill products

**Austen Quarry process**

[Diagram showing the process of quarrying and processing materials]
Austen Quarry process

- Primary Crusher
- Crushed aggregate
- Screens
- Scalps
- Primary stockpile
- Secondary and tertiary crushers

Austen Quarry – air separator

- Prior to the commissioning of the air separator, the manufactured sand contained a significant proportion of very fine sand, limiting its usability in the manufacture of concrete.
- The air separator was commissioned in August 2012 at a total capital cost of approximately $1 million.
- Since installation, the quality of manufactured sand has improved markedly, allowing for the volume of this sand used in the manufacture of concrete to more than double.
- The improved quality of this manufactured sand has increased the ability to sell into other markets.
Sydney hard rock market

- Delivered costs (including capital charge) of new capacity, estimated to increase by more than $10/tonne

Northern New South Wales
Pacific Highway opportunities

- Upcoming stages of Pacific Highway upgrade: Kundabung to Kempsey, Frederickton to Eungai, Nambucca Heads to Urunga
- Yarrabee Road Quarry: well positioned to supply upcoming Pacific Highway upgrades, approval recently granted to increase volume from 500kt to 800kt pa, reserves in excess of 20 million tonne, consent in place to 2020
Concrete and Aggregates Division - Key priorities

Price
- Concrete price increase 1 April 2013 of $10-$14/m³

Cost initiatives
- Standardising back and front end processes within division
- Leverage off the smooth implementation of SAP
- Further efficiencies from businesses acquired in last two years

Concrete and Aggregates Division - Key priorities

Quarry development
- Increase exposure in aggregates
  - Greenfield site sourcing and development
  - Acquisition of existing quarry operations
- Secure development approvals for increases in tenure and reserves at existing aggregate operations

Expansion of concrete footprint
- Acquiring and securing development approval for concrete operations in locations that compliment our current and proposed cement and/or aggregate footprint
Mark Chellew  
Managing Director and CEO

Key profit and operational challenges

- Industry remains highly competitive while residential and commercial building demand remains weak
- Demand weakness - Sunstate and ICL
- Threat of small-scale imports - lime (WA and NT) and cement (NT and north west WA)
- High AUD limits the scope for cost recovery for any domestic manufacturer
- Estimated $2m to $10m increase in gas costs when current SA supply contract expires 31 Dec 14 - concentrating on increased use of alternative fuels to significantly mitigate any impact
- Birkenhead upgrade and reliability focus
2013 Outlook

- Cement and clinker sales volumes in 2013 expected to be marginally lower than 2012
- Demand from projects in SA, WA and NT likely to partially offset weakness in residential and non-residential building
- Demand in Vic expected to be less than 2012
- Returns from Birkenhead, SA, cement mill 7 lower than previously estimated due to weaker Victorian market demand
- Lime volumes could be marginally higher in 2013 - threat of small scale imports remains
- Completion of Munster, WA, kiln 5 bag house filter expected mid 2013
- Focus on efficiency in masonry, pre-mixed concrete and aggregates, where markets remain subdued
- Concrete and aggregates price rises notified for 1 April 2013 and masonry prices rises 1 June 2013

Costs pressures continue across the Company, especially from energy, the carbon tax and environmental requirements

- Strong Australian dollar and competitive pressures may limit scope for cement price increases
- Plant and quarry rationalisation may realise circa $100 million in surplus land over the next 2-10 years
- Adelaide Brighton will pursue growth in shareholder returns through projects that improve efficiency and capitalise on long term demand growth in key markets
- Adelaide Brighton expects 2013 profit to be similar to, or less than 2012, due to:
  - Carbon tax impact on 2013 expected to be circa $6 million after tax, before mitigation
  - Weakness in Vic residential demand and the south east Qld market
  - A decline in earnings from JVs