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23 April 2015

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

We attach copies of slides being shown by Michael Kelly, Chief Financial Officer, to members of the investment community during the JP Morgan Building Forum today.

FOR FURTHER INFORMATION:

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JP Morgan Building Forum 23 April 2015

Michael Kelly
Chief Financial Officer

The Adelaide Brighton business



- A leading Australian integrated construction materials and lime producing company with balanced exposure across mining and construction sectors
- Commenced operation in 1882 in South Australia and today is an S&P/ASX100 company with operations in all states and territories
- 1,600 employees
- Market capitalisation approximately A\$3 billion
- Well positioned to supply cement to all mainland states from its domestic manufacturing base, coastal supply and import facilities
- Highly cash generative with low gearing

Market position

#1	Lime producer in the minerals processing industry
#2	Cement and clinker supplier to the Australian construction industry
#1	Cement and clinker importer with unmatched channels to market
#1	Market share in concrete products
#4	Market share in concrete and aggregates

The Adelaide Brighton brands



Concrete & Aggregates



Joint Ventures



Cement & Lime



Joint Ventures



Concrete Products



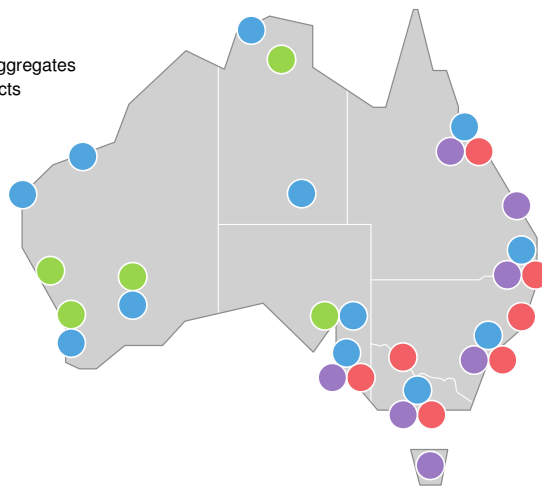
Joint Ventures



Adelaide Brighton operations



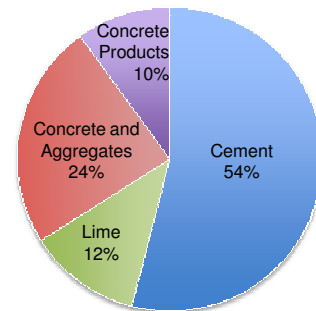
- Cement
- Lime
- Concrete and Aggregates
- Concrete Products



2014 Revenue by state

WA	25%
NSW	21%
VIC	17%
SA	16%
QLD	14%
Other	7%

2014 Revenue by product group¹



¹ Percentage of 2014 revenue of \$1,337.8 million

Adelaide Brighton capacity and import capability

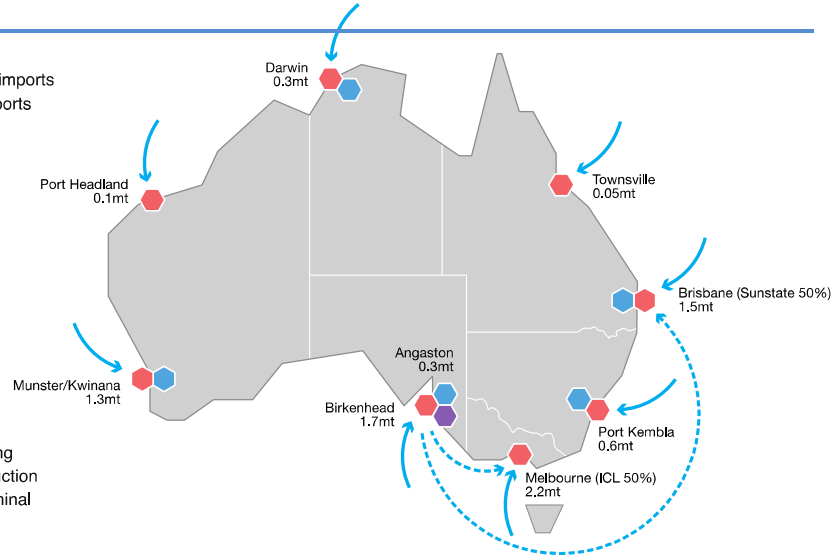


Estimated market size circa 10mt

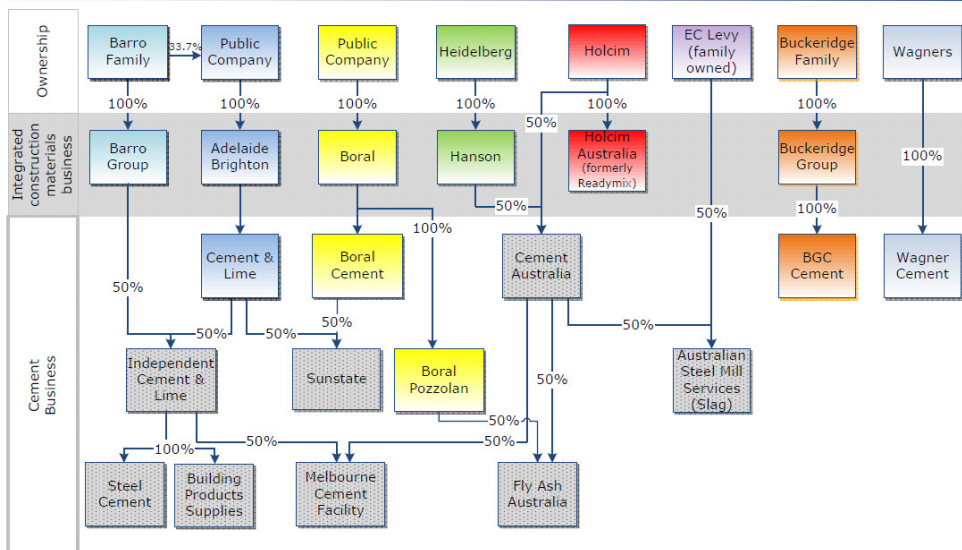
WA	1.8mt
NT	0.3mt
QLD	2.4mt
NSW	2.4mt
VIC	2.4mt
SA	0.8mt
TAS	0.1mt

→ International imports
 ⇨ Domestic imports

● Cement Milling
 ● Clinker production
 ● Cement Terminal



Australian cement industry



Performance highlights 2014



Revenue

\$1,337.8m ↑

2013: \$1,228.0m 8.9%

Underlying EBIT¹

\$245.2m ↑

2013: \$226.0m 8.5%

Underlying NPAT¹ attributable to members

\$166.5m ↑

2013: \$153.4m 8.5%

ROFE²

17.5% ↑

2013: 17.2% 0.3ppts

Basic EPS

26.9c ↑

2013: 23.7c 13.5%

Final ordinary dividend

9.5c ↑

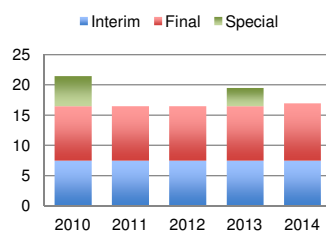
2013: 9.0c 5.6%

¹ Underlying results have been adjusted for significant items
² Return on funds employed = underlying EBIT/average monthly funds employed

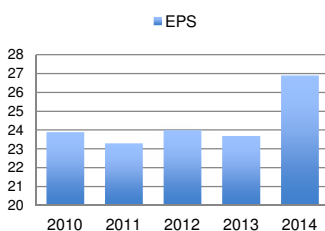
Shareholder returns



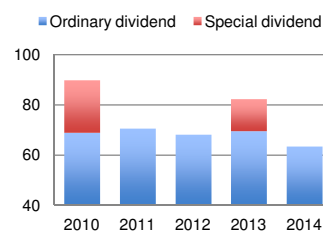
Dividend (cents)



EPS (cents)



Payout ratio %



• Final ordinary dividend up 0.5 cents to 9.5 cents (fully franked)

• Basic EPS 26.9 cents, underlying EPS 26.0 cents

• Target payout remains 65% - 75% of basic EPS

Consistent long term strategy



Strategy has delivered strong shareholder returns

- | | |
|--|---|
| 1 Cost reduction and improvement across the business | <ul style="list-style-type: none">• Corporate restructure• Rationalisation of inefficient production• Import strategy |
| 2 Grow the lime business to supply the resources sector | <ul style="list-style-type: none">• Environmental and capacity upgrades• Lowest cost producer• Long term customer contracts |
| 3 Focused and relevant vertical integration | <ul style="list-style-type: none">• Acquisitions in Queensland and South Australia• Sydney aggregates investment driving returns |

Operational improvement – ongoing focus



Total benefits of \$19.7 million in 2014

Corporate restructure \$4.0 million 2015: \$2.0m further benefits	Energy efficiency programs \$4.9 million 2015: continued focus
Munster rationalisation EBIT benefit \$5.0 million 2015: \$5.0m additional	Other initiatives \$5.8 million 2015: ongoing focus

Lime growth and improvement



- Significant investment in environmental performance has been completed, which also lifted lime capacity by 250,000 tonnes per annum and is delivering operating cost savings
- Further savings following rationalisation of cement manufacturing at the Munster site
- Focus on continuous improvement to maintain cost leadership in WA lime market
- Long term outlook for alumina demand remains attractive and well positioned for any recovery in non-alumina demand

Capacity up
250,000
tonnes per annum

Vertical integration



- 2014 acquisitions:
 - BM Webb (QLD)
 - Penrice Quarry (SA)
 - Direct Mix/Southern Quarries (SA)
- Strategic quarries and major concrete business consuming large volumes of aggregates and cement
- Performing in line with expectations
- Accelerated integration to deliver \$4.4 million synergies in logistics, procurement and administration in 2015
- Tightening of Sydney aggregates market due to depletion of traditional sources
- Sydney aggregates could increase EBIT \$8-10 million over three to five years

Enterprise value
\$172 million

Year one multiple
7.8 x EBITDA
after synergies

Synergies
\$4.4 million
per annum

Update on cement contracts



- Reduced cement sales from Jan 2015 to a major customer in SA are expected to be offset by:
 - sales of alternate cementitious products to that customer;
 - increased sales in WA; and
 - improved demand in VIC, NSW and QLD
- Secured supply to a major customer
 - contract to supply at least 50% of requirements in WA for three years – 12 months notice
 - secured supply for 25% of SA requirements – innovative product offering
- In July 2014 secured supply to major independent in SA for seven years
- In Dec 2014 confirmed supply to another major in SA until 31 Dec 2015. Supply in WA to this major customer also contracted until 31 Dec 2016

2015 outlook



- Sales volume of cement and clinker to be similar to, or slightly higher than 2014
- Reduced cement sales from Jan 2015 in SA are expected to be offset by new contracts and improving demand
- Lime sales volume anticipated to be similar to, or slightly higher in 2015 with average prices likely to increase
- Price increases announced for March and April 2015 in cement, clinker, aggregates, concrete and concrete products; increases in 2015 are expected to exceed last year
- Earnings in Concrete and Aggregates and Concrete Products expected to improve; acquisitions, improved demand and pricing
- At Yen90 and USD0.75, import costs could increase by approximately \$7 million in a full year, prior to mitigation through price increases

2015 outlook



A number of items are anticipated to support EBIT:

- the unwinding of the carbon tax to benefit circa \$3 million pre-tax compared to 2014
- potential transport costs savings in excess of \$4 million from lower fuel costs
- further Munster rationalisation savings of \$5 million; and
- further corporate rationalisation savings of \$2 million

Subject to the completion of satisfactory due diligence, contract negotiations and any applicable approvals, there is the potential for two land sales to be completed in 2015, which would deliver:

- Cash proceeds of circa \$44 million
- NPAT of circa \$31 million



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