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Adelaide Brighton Ltd
ACN 007 596 018

21 February 2008

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Adelaide Brighton Appendix 4E Preliminary final report December 2007

We attach the following documents:

- ❑ Media Release
- ❑ Preliminary Final Report – Appendix 4E
- ❑ Results announcement for the year ended 31 December 2007 and management discussion

Yours faithfully

MRD Clayton
Company Secretary

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MEDIA STATEMENT

21 February 2008

Adelaide Brighton announces record net profit of $113.9 million for 2007
Final fully franked dividend of 12.5 cents per share including special dividend of 3.5 cents

Adelaide Brighton Ltd announced today a record net profit after tax of $113.9 million for the full year ended 31 December 2007, an 11.5% increase over the previous corresponding period. Directors have declared a final dividend of 9.0 cents and a fully franked, special dividend of 3.5 cents per share, making the total full year 2007 distribution 18.5 cents a share.

The final dividend is payable on 10 April 2008 and raises the 2007 full year dividend to 15.0 cents per share fully franked, up 20% over the previous year. The dividend reflects both improved profitability and continuing strong operating cash flows. The dividend payout ratio has been increased progressively over the past five years from a 47.3% base in 2003 to 71.5% for 2007.

The increase in dividend is backed by an 11.7% growth in earnings per share to 21.0 cents.

Commenting on Adelaide Brighton Ltd's 2007 result, Managing Director, Mark Chellew, said "The company's increased profit was due to growth in sales of cement, lime and aggregates with an 11.8% increase in revenues to $888.4 million."

"Cement demand in all markets except New South Wales showed fairly consistent growth throughout the year with regional weaknesses in residential construction being complemented by further growth in the engineering and infrastructure sectors" said Mr Chellew.

"Lime volumes increased by 6.5% during the year as a result of increased demand in the alumina and steel sectors"

Mr Chellew also commented that cement price increases were realised during the year at a level sufficient to recover cost increases overall. Lime price increases were realised at above inflationary levels through recovery within contract terms and re-negotiation of customer contracts.

"Birkenhead's performance, together with the management of the extended supply chain of cement to Adelaide Brighton's joint ventures Independent Cement and Lime in Victoria and Sunstate Cement in Queensland, continues to be a key component in overall profit growth."

"The Hy-Tec Concrete and Aggregates operations had a further successful year improving their overall EBIT to record levels through strong concrete markets in Queensland and Victoria and the growth in aggregate sales in New South Wales."

"The weakness in demand in New South Wales had a greater impact on C&M Brick with the depressed commercial block sector and a new market entrant contributing to volume and pricing pressures in the Sydney market."

"The company continues to execute its strategy of selective vertical integration demonstrated by the following acquisitions during 2007:

- Hurd Haulage and Kancon – northern New South Wales – aggregates, sands, ready mixed concrete
- Port Minimix – northern New South Wales – ready mixed concrete
- Mawsons – regional Victoria and southern New South Wales – ready mixed concrete and aggregates
- Blanchetown quarry – South Australia – gypsum"

Mr Chellew went on to say "the company projects sustained levels of demand for cement during 2008 and continuing steady increases in lime demand."

"Adelaide Brighton is forecasting further profit growth in 2008 based on the continued growth in its lime business, robust demand for cement and realisation of further benefits from its programme of operational improvement."

"The company's national geographic spread and higher exposure to the resources sector will continue to sustain its competitive position in the Australian construction materials and lime sectors."

Adelaide Brighton is a leading integrated supplier of cement and lime to the construction, engineering, infrastructure and resource industry sectors in Australia and trades under the symbol ABC on the Australian Securities Exchange.

FOR FURTHER INFORMATION CONTACT:

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GROUP CORPORATE AFFAIRS ADVISER
TELEPHONE 0418 535 636

Adelaide Brighton Ltd

ACN 007 596 018

Adelaide Brighton Ltd

Preliminary Final Report

Appendix 4E

Year ended 31 December 2007

Results for announcement to the market

Company Name:	Adelaide Brighton Ltd
ABN:	15 007 596 018
Reporting period:	Financial year ended 31 December 2007
Previous corresponding period:	Financial year ended 31 December 2006
Release date:	21 February 2008

				A$m
Revenue from continuing operations	**up**	11.8%	**to**	888.4
Earnings before interest and tax	**up**	15.1%	**to**	171.3
Net profit for the period attributable to members	**up**	11.5%	**to**	113.9

Dividends	Amount per security		Franked amount per security
	Current period	Previous corresponding period	
Special dividend	3.5¢	6.0¢	100%
Final dividend	9.0¢	7.5¢	100%
Interim dividend	6.0¢	5.0¢	100%

Record date for determining entitlements to the special and final dividend	13 March 2008

Annual General Meeting

Pursuant to listing rule 3.13.1 notice is hereby given that the 2008 Annual General Meeting of Adelaide Brighton Ltd will be held on Thursday 15 May 2008 in the Ballroom, Level 1, Sebel Playford, 120 North Terrace, Adelaide, SA commencing at 11am.

	31 Dec 2007	31 Dec 2006
Net tangible asset backing per ordinary share	$0.93	$0.94

Adelaide Brighton Ltd

ACN 007 596 018

Adelaide Brighton Ltd

Preliminary final report summary

Year ended 31 December 2007

KEY FEATURES OF FULL YEAR RESULT

- Record sales revenue of $888.4 million - an increase of 11.8%
- Record net profit after tax of $113.9 million - an increase of 11.5%
- 20.0% increase in the 2007 total dividend to 15.0 cents per share
- Special dividend of 3.5 cents per share, fully franked (6.0 cents pcp)
- Earnings per share increased 11.7% to 21.0 cents (18.8 cents pcp)
- Operating cash flow decreased 2.7% to $140.4 million primarily due to higher tax and interest payments
- Gearing[1] at 48.4% (33.6% pcp) rose due to the increased dividend payments and acquisition outlay
- Interest cover decreased to 7.9 (8.4 pcp)

FINANCIAL SUMMARY	12 months ended 31 December		
(A$ millions)	**2007**	**2006**	**% change pcp**
Sales revenue	**888.4**	**794.7**	**11.8**
Depreciation	(52.4)	(51.8)	(1.2)
Earnings before interest and tax ("EBIT")	**171.3**	**148.8**	**15.1**
Net interest [2]	(21.7)	(15.2)	(42.8)
Profit before tax	**149.6**	**133.6**	**12.0**
Tax expense on profit before tax	(35.7)	(31.0)	(15.2)
Net profit after tax before tax consolidation	**113.9**	**102.6**	**11.0**
Minority interest	-	(0.5)	-
Net profit attributable to members	**113.9**	**102.1**	**11.5**
Earnings per share (cents)	21.0	18.8	11.7
Dividends per share – fully franked (cents)	15.0	12.5	20.0
Special dividend per share – fully franked (cents)	3.5	6.0	
Net debt (A$ millions)	323.3	226.9	
Net debt/equity (%)	48.4%	33.6%	

[1] *Net debt/equity*
[2] *Interest charge shown gross in the Income Statement with interest income included in revenue*

REVIEW OF OPERATIONS

Operating revenue increased by 11.8% over the pcp to $888.4 million as a result of continued growth in sales of cement, lime and aggregates. Cement sales volumes grew in most states and reached further record levels for the company overall. Lime sales continued their predicted growth patterns in Western Australia and aggregate sales have now begun to deliver a material contribution in New South Wales from both the Austen Quarry and the Hurd Haulage operations.

Cement demand in all markets except New South Wales showed fairly consistent growth throughout the year with regional weaknesses in residential construction being offset by further growth in the engineering and infrastructure sectors. This increase in demand was met through further improvements in operating performance, complemented by additional clinker and cement imports from South East Asia.

Lime volumes increased by 6.5% during the year as a result of increased capacity in the alumina and steel sectors partially offset by reduced off-take from one major customer in the nickel sector owing to changes in ore characteristics.

The recovery of acute inflationary pressures on electricity and natural gas were a key focus of product pricing strategies. Cement price increases were realised during the year at a level sufficient to recover cost increases overall. Lime price increases continue to be realised at above inflationary levels through the recovery of specific cost increases within contract terms and through the re-negotiation of customer contracts which expired during the year.

The growth in sales volumes and prices, together with a further improvement in operating efficiency, were the key drivers behind the 15.1% increase in EBIT to $171.3 million ($148.8 million pcp). EBITDA increased by 11.4% to $223.9 million and the underlying EBITDA margin at 25.3% was consistent with 2006 levels.

Clinker output fell below 2006, partly due to one off operating issues in the final quarter and partly due to the need to switch Munster cement kiln 3 over to lime manufacture in order to meet peak lime demand. Cement to lime 'campaign' switching of this nature will continue to be used periodically in order to meet spikes in lime demand until the operational improvement programmes, now underway, are fully embedded into the Munster lime production processes.

Birkenhead sustained its clinker output at consistently high levels and increased its cement output to record levels through further improvements in cement mill efficiency and uptime. Birkenhead's performance, together with the management of the extended supply chain of cement to Adelaide Brighton's joint ventures Independent Cement and Lime (ICL) in Victoria and Sunstate Cement in Queensland, continues to be a key component in overall profit growth.

In order to extend this supply chain flexibility, both joint ventures are increasing their storage capacities to provide the additional buffer stocks necessary to serve the growth in local market demand. The ICL silo C construction was completed in 2007 and this additional capacity will be particularly important for Birkenhead, reducing the need to make partial cement shipments when ICL inventories are low and avoiding mill downtime at Birkenhead when plant silo capacity is filled. The Sunstate clinker shed expansion is underway and this additional capacity will be important in managing both increased demand and the increasing constraints over Brisbane port access.

The rising costs of energy were a challenge for the company and also the national and international cement industry. In Adelaide Brighton's core clinker production states, South Australia and Western Australia, this cost escalation had been compounded by the supply risks to electricity and gas availability respectively. The company continues to meet these challenges successfully through effective electricity demand management at its Birkenhead and Angaston plants and through the use of alternative fuels and fuel substitutes for natural gas at both Birkenhead and Munster.

Adelaide Brighton supports the introduction of an Australian emissions trading scheme as a mechanism for future greenhouse gas reductions. Emissions trading is expected to provide incentives to the company to further reduce its greenhouse gas emissions through the use of alternative materials and potential investments in lower emissions technologies.

The part substitution of natural gas with demolition wood waste at Birkenhead, which will decrease overall carbon emission levels, increased further during 2007. Following the successful trialling of coal on Munster kiln 6, the $19 million coal milling, handling and firing project was successfully commissioned in late December. This latter investment will be critical in reducing the dependence on supply constrained natural gas in Western Australia and mitigating the impact of current and future increases in natural gas pricing.

The Hy-Tec Concrete and Aggregates operations had a further successful year improving their overall EBIT to record levels. This result was based predominantly on the strong concrete markets in Queensland and Victoria and the growth in internal aggregate sales in New South Wales. The latter has resulted from both the expansion of the Austen Quarry volumes and the acquisition of Hurd Haulage and its supply to the coastal North Eastern New South Wales markets. The pull through benefits of linking Hurd's quarries with the demand from the recently acquired Kancon, Port Minimix and Hastings Concrete ready mix businesses will provide a smaller but important platform for future growth in this emerging regional market.

Demand in New South Wales continued at cyclically low levels due to the continued depressed state of the residential sector. Hy-Tec has geared its operations accordingly through the transfer of surplus mixer trucks interstate and has put in place a plan for plant rationalisation and focus on future growth market sectors.

The weakness in demand in New South Wales has had a greater impact on C&M Brick which derives half of its revenues from this state. Both the depressed commercial block sector and a new market entrant has caused further volume and pricing pressures in the greater Sydney market. C&M Brick rationalised its management structure and inventory holdings in the final quarter taking an abnormal $2.2 million EBIT expense. These changes will provide the basis for performance improvement in 2008.

As a result of these one off costs, together with a 6.5% decline in sales revenue, C&M Brick reported a $6.8 million reduction in EBIT to $2.0 million. Management remain confident in the future performance of C&M Brick as presented by the South Australian operations which, through the delivery of further plant efficiencies, customer service and product quality, were able to grow EBIT for the third consecutive year. The recovery of the New South Wales market will, however, be a key factor in the timing of C&M's overall profit recovery.

STRATEGIC DEVELOPMENTS

The company continues to execute its strategy of selective downstream integration as demonstrated by the Hurd Haulage, Kancon and Port Minimix acquisitions which were concluded during the year. The entry into future growth markets through acquisition and the extraction of aggregate pull through supply benefits are key deliverables from this strategy.

In December, Adelaide Brighton made its first move into the Victorian aggregates market through the acquisition of a 50% interest of the Mawsons group of companies. Mawsons is one of the largest regional concrete and aggregate businesses in Victoria and operates in the north eastern region of the state. In addition to the projected organic growth in this market, Mawsons will also bring additional operational skills transfer to the existing Hy-Tec concrete and aggregates business and further scale leverage in purchasing materials and supplies.

The operational improvement programme in the Cement and Lime Division has now begun to achieve traction and has delivered benefits of $2.5 million at the EBIT level in 2007, principally through early delivery from the cost down programmes. Several capacity enhancing capital projects have also been approved, such as the lime kiln pre-calciner de-bottlenecking, which will deliver further improvements in lime output during 2008. The programme overall is on track to deliver $25 million of annual cost and volume benefits by the end of 2011.

Negotiations with Hanson and Rinker with regard to their long term supply arrangements have paused due to ownership changes, integration priorities and potential industry restructuring opportunities. Agreement, in principle, has been reached to extend supply arrangements to the end of 2009. Discussion on pricing will take place later in 2008 and will depend on a number of factors including, but not limited to, shipping rates, the Australian dollar and the supply situation out of Asia. Currently, the supply situation out of Asia is very tight.

The development of the lime business continues to be a fundamental part of ABL's medium term growth strategy. The growth in lime sales is forecast to follow the resources mining activity in Western Australia, South Australia and the Northern Territory. A key aspect of this strategy is to ensure Adelaide Brighton has the future capacity and flexibility to provide uninterrupted large scale supplies of consistent quality lime to the resource sector.

The growth projections for lime continue to evolve and current company estimates are consistent with previous guidance, for the Western Australia, South Australia and Northern Territory lime markets to grow by approximately 300k tonnes by the end of 2012.

The company continues to monitor lime pricing in the context of expiring longer term supply contracts and the cost of future lime capacity expansion and has been successful to date in increasing pricing toward the levels required to sustain future capacity investment. Adelaide Brighton will continue to seek to achieve future price increases which will both recover manufacturing cost inflation and improve margins to the levels required to sustain future long term capital investment in lime manufacture later next decade.

In late 2007 the opportunity arose to purchase the Blanchetown quarry in South Australia, a key supplier of low cost, high quality gypsum to the Birkenhead plant. This acquisition secures the future long term supply of this critical additive to the cement manufacturing process.

FINANCIAL REVIEW

Cash flow and borrowings

Operating cash flow decreased by 2.7% to $140.4 million ($144.3 million pcp) as improved profitability was primarily offset by tax and interest payments. Accounts receivable, while growing by 7.6% to $9.1 million, continues under tight credit control. The increase resulted from the 11.8% growth in sales, with the lower rate of growth in total receivables reflecting an underlying reduction in debtor days. Inventory levels increased by $3.5 million due to the need to build up operating scale tonnages at Austen Quarry and the take up of the Hurd Haulage and Kancon inventories.

Year end net borrowings increased to $323.3 million ($226.9 million pcp), principally due to the $45.2 million in business acquisitions and a $44.8 million increase in dividend payments. Bank borrowing facility limits were increased by $20 million during the year to $360 million, of which $300 million matures on 31 March 2009. The $60 million working capital facility has been rolled over for a further 364 days effective 1 April 2008.

Capital expenditure

Capital expenditure of $81.1 million for the year included $14.5 million of acquired business assets for Kancon, Port Minimix and the Blanchetown gypsum quarry. The underlying $66.6 million expenditure on existing operations was within prior guidance, of which $30.2 million was for sustaining and $36.4 million for development capital expenditure. The key investments during the year were the Munster kiln 6 coal handling, milling and firing plant, replacement of Birkenhead major component assets, Angaston kiln upgrades and the Morgan Cement material handling and finished product storage systems.

Business acquisitions

In addition to the business assets purchased during the year, $45.2 million was spent on the combined business acquisitions of Hurd Haulage, the 50% joint venture investment in Mawsons and purchase of the outstanding 30% minority interest in C&M Brick.

Dividends

The final fully franked dividend has been increased to 9.0 cents per share, raising the full year dividend to 15.0 cents per share, a 20% increase over 2006. This increased dividend reflects the improved profitability and the continuing strong cash flows of the company. Earnings per share increased to 21.0 cents (18.8 cents pcp). The payout ratio has been increased progressively over the last five years from 47.3% to 71.5%, in accordance with the company's previously stated intentions.

Given the strength of the company's balance sheet and strong operating cash flows and consistent with its declared capital management strategy, the Board has declared a fully franked, special dividend of 3.5 cents per share, bringing the total dividend distribution for 2007 to 18.5 cents per share.

Dividend cover, before the special dividend, at 1.4 compares with 1.5 for the pcp.

The record date for determining eligibility to the final and special dividends is 13 March 2008, and the payment date is 10 April 2008.

Interest and tax

Net interest expense before capitalisation on qualifying assets rose by $4.2m to $21.8m during the year due to higher average borrowing levels and increases in the underlying interest rates. Interest cover remains at comfortable levels however, reducing slightly to 7.9 from 8.4 over the pcp.

The company continued to progress its research and development project reviews and tax planning and this has resulted in an additional $2.9 million tax benefit versus 2006. This will in turn have a future equivalent benefit on income tax paid. This outcome has been driven by the recent increase in R&D activity which has now peaked and is not expected to continue at these levels in future years. The underlying net tax expense is 23.9% compared with 24.8% in the pcp.

OUTLOOK

The company projects sustained levels of demand for cement during 2008 and continuing steady increases in lime demand consistent with prior guidance. The levelling and potential softening of the Western Australia cement market during 2008 will be offset by further market growth in Queensland and South Australia and continued robust demand in Victoria.

There is no expectation of an improvement in the New South Wales market until 2009, although early leading indicators of rental costs, occupancy rates, and housing availability predict a future recovery in residential activity. The company also continues to monitor the potential for national infrastructure and engineering investment as manifested in the 2007 election campaigns.

The demand for cement continues to be driven by the underlying activity in the infrastructure and engineering sectors and from the resource sectors in Western Australia, South Australia, Northern Territory and Queensland.

Continued tightness in world cement supply, rising global energy input costs, and sustained high shipping costs will continue to put upward pressure on imported cement costs. Low levels of lesser quality bulk bag cements will continue to support some regional domestic demand without impacting local pricing due to high import parity costs.

The company will continue to seek domestic cement and lime price increases in order to recover the increasing costs of primary fuels, electricity and labour. The company will also continue to progress its fuel and energy demand and price mitigation strategies in order to manage these cost drivers.

Adelaide Brighton is forecasting further profit growth in 2008 based on the continued growth in its lime business, robust demand for cement and the realisation of further benefits from its programme of operational improvement. The results from the downstream business acquisitions completed in 2007 will also make an important contribution to the 2008 result. The company's national geographic spread and higher exposure to the resources sector will continue to sustain its competitive position in the Australian construction materials and lime sectors.

M Chellew
Managing Director

21 February 2008

FOR FURTHER INFORMATION CONTACT:

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LUBA ALEXANDER	**GROUP CORPORATE AFFAIRS ADVISER** **MOBILE: 0418 535 636**

Consolidated income statement
For the year ended 31 December 2007

	Notes	2007 $m	2006 $m
Revenue	3	888.4	794.7
Cost of sales		(573.2)	(509.0)
Freight and distribution costs		(121.3)	(108.8)
Gross profit		193.9	176.9
Other income	3	6.8	4.8
Marketing costs		(11.6)	(11.0)
Administration costs		(41.1)	(40.7)
Finance costs		(24.8)	(17.9)
Share of net profits of joint venture entities accounted for using the equity method	8	26.4	21.5
Profit before income tax		149.6	133.6
Income tax expense		(35.7)	(31.0)
Net profit		113.9	102.6
Net profit attributable to:			
Equity holders of the parent		113.9	102.1
Minority interest		-	0.5
		113.9	102.6
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	5	**21.0**	**18.8**
Diluted earnings per share	5	**20.8**	**18.7**

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated balance sheet
As at 31 December 2007

	Notes	2007 $m	2006 $m
Current assets			
Cash assets		19.3	24.2
Receivables		128.8	119.7
Inventories		84.3	80.8
Derivative financial instruments		0.7	-
Total current assets		233.1	224.7
Non-current assets			
Receivables		29.5	27.5
Investments accounted for using the equity method		66.9	40.8
Property, plant and equipment		742.5	694.2
Intangible assets		164.4	164.6
Retirement benefit assets		2.7	0.1
Total non-current assets		1,006.0	927.2
Total assets		1,239.1	1,151.9
Current liabilities			
Payables		84.8	85.4
Borrowings		60.7	40.4
Current tax liabilities		9.2	15.4
Provisions		26.8	25.5
Other		13.5	13.2
Total current liabilities		195.0	179.9
Non-current liabilities			
Borrowings		281.9	210.7
Deferred tax liabilities		63.0	61.5
Provisions		31.2	24.7
Other		0.1	0.1
Total non-current liabilities		376.2	297.0
Total liabilities		571.2	476.9
Net assets		667.9	675.0
Equity			
Contributed equity		514.0	513.3
Reserves		14.5	13.3
Retained profits	6	136.4	139.8
Parent entity interest		664.9	666.4
Minority interests		3.0	8.6
Total equity		667.9	675.0

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of recognised income and expense

For the year ended 31 December 2007

	2007 $m	2006 $m
Exchange differences on translation of foreign operations, net of tax	(0.1)	(0.1)
Actuarial gain / (loss) on defined benefit plan, net of tax	0.7	0.3
Net income recognised directly in equity	0.6	0.2
Net profit for the period	113.9	102.6
Total recognised income and expense for the period	114.5	102.8
Attributable to:		
Members of Adelaide Brighton Ltd	114.5	102.3
Minority interests	-	0.5

The above consolidated statement of recognised income and expense should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 31 December 2007

		2007 $m	2006 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		960.0	859.8
Payments to suppliers and employees (inclusive of goods and services tax)		(779.6)	(694.8)
Joint venture distributions received		20.7	18.8
Interest received		3.1	2.6
Other revenue received		2.6	4.7
Interest paid		(21.9)	(12.6)
Income taxes paid		(44.5)	(34.2)
Net cash inflow from operating activities		140.4	144.3
Cash flows from investing activities			
Payments for property, plant and equipment		(81.1)	(81.5)
Payments for controlled entities and operations		(45.2)	-
Proceeds from sale of property, plant and equipment		1.8	2.5
Loans to joint ventures and other related parties		(2.0)	(4.1)
Net cash (outflow) from investing activities		(126.5)	(83.1)
Cash flows from financing activities			
Proceeds from borrowings		170.8	250.0
Repayment of borrowings		(81.4)	(250.3)
Dividends paid to company's shareholders	4	(105.8)	(61.0)
Dividends paid to minority interests in controlled entities		(0.2)	(0.2)
Net cash (outflow) from financing activities		(16.6)	(61.5)
Net (decrease) increase in cash held		(2.7)	(0.3)
Cash at the beginning of the reporting period		24.2	24.6
Cash balances in controlled entities acquired		(2.2)	-
Effects of exchange rate changes on cash and cash equivalents		-	(0.1)
Cash at the end of the reporting period		19.3	24.2

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements
For the year ended 31 December 2007

1 Accounting policies

This report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001. It has been prepared under the historical cost convention, except for derivative financial instruments that have been measured at fair value through profit or loss. The accounting policies adopted are consistent with those of the previous financial year.

2 Segment reporting

Year 2007	Construction and Mining Materials $m	Building Products $m	Total continuing operations $m
External sales revenue	802.0	82.5	884.5
Inter-segment sales	2.2	-	2.2
Interest revenue	0.8	0.2	1.0
Total segment revenue	805.0	82.7	887.7
Inter-segment elimination			(2.2)
Unallocated			2.9
Consolidated revenue			888.4
Segment result	156.0	1.8	157.8
Share of net profit of joint ventures	26.4	-	26.4
Unallocated			(12.9)
Net interest expense			(21.7)
Profit before income tax			149.6

Year 2006	Construction and Mining Materials $m	Building Products $m	Total continuing operations $m
External sales revenue	703.0	88.2	791.2
Inter-segment sales	4.5	-	4.5
Interest revenue	0.7	0.2	0.9
Total segment revenue	708.2	88.4	796.6
Inter-segment elimination			(4.5)
Unallocated			2.6
Consolidated revenue			794.7
Segment result	130.2	8.8	139.0
Share of net profit of joint ventures	21.5	-	21.5
Unallocated			(11.7)
Net interest expense			(15.2)
Profit before income tax			133.6

Notes to the financial statements
For the year ended 31 December 2007

3 Operating profit

	Consolidated 2007 $m	2006 $m
Revenue		
Sale of goods	884.5	791.2
Interest revenue	3.1	2.7
Royalties	0.8	0.8
	888.4	794.7
Other income	6.8	4.8
Revenue and other income	895.2	799.5

Net gains and expenses
Profit before income tax includes the following expenses:

	2007 $m	2006 $m
Depreciation		
Buildings	2.0	1.9
Plant and equipment	48.3	48.4
Mineral reserves	2.1	1.5
Total depreciation	52.4	51.8
Amortisation		
Other intangibles	0.2	0.4
Total amortisation	0.2	0.4
Finance costs		
Interest and finance charges paid / payable	23.1	17.3
Unwinding of the discount on restoration provisions and retirement benefit obligation	2.6	3.0
Exchange gains on foreign currency forward contracts	(0.8)	-
Less		
Interest capitalised in respect of qualifying assets	(0.1)	(2.4)
Total finance costs	24.8	17.9
Less interest income	(3.1)	(2.7)
Net finance expense	21.7	15.2

Items requiring specific disclosure
Net profit includes the following items and their disclosure is relevant in explaining the financial performance of the Group:

	2007 $m	2006 $m
Tax benefit resulting from adjustment to deferred tax balances on implementation of tax consolidation	-	2.1

Notes to the financial statements
For the year ended 31 December 2007

4 Dividends

	2007 $m	2006 $m
Dividends provided or paid during the year		
2007 interim dividend of 6.0 cents (2006 – 5.0 cents) per fully paid ordinary share, franked at 100% (2006 – 100%) paid on 11 October 2007.	32.6	27.1
2006 final dividend of 7.5 cents (2005 – 6.25 cents) per fully paid ordinary share, franked at 100% (2005 – 100%) paid on 12 April 2007.	40.7	33.9
2006 special dividend of 6.0 cents (2005 – nil) per fully paid ordinary share, franked at 100% (2005 – nil) paid on 12 April 2007.	32.5	-
	105.8	61.0

Dividends not recognised at the end of the year

	2007 $m	2006 $m
Since the end of the year the Directors have recommended the payment of a final dividend of 9.0 cents (2006 – 7.5 cents) per fully paid ordinary share, franked at 100% (2006 – 100%). The aggregate amount of the proposed final dividend expected to be paid on 10 April 2008, not recognised as a liability at the end of the reporting period.	48.9	40.7
In addition a special dividend of 3.5 cents (2006 – 6.0 cents) franked at 100% 2006 – 100%) was declared payable coincident with the final dividend. The aggregate amount of the proposed special dividend expected to be paid on 10 April 2008, not recognised as a liability at the end of the reporting period.	19.0	32.5

5 Earnings per share

	2007 Cents	2006 Cents
Basic earnings per share	21.0	18.8
Diluted earnings per share	20.8	18.7

	2007 Number	2006 Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	542,720,759	542,153,567
Adjustments for calculation of diluted earnings per share:		
Awards	4,035,000	3,190,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	546,755,759	545,343,567

6 Retained profits

	2007 $m	2006 $m
Retained profits at the beginning of the financial year	139.8	98.4
Net profit attributable to members of Adelaide Brighton Ltd	113.9	102.1
Actuarial gain/(loss) on defined benefit plan	0.7	0.3
Dividends provided for or paid (note 4)	(105.8)	(61.0)
Distribution to owners on acquisition of minority interest	(12.2)	-
Retained profits at the end of the financial year	136.4	139.8

Notes to the financial statements
For the year ended 31 December 2007

7 Details of entities over which control has been gained during the period

Entities over which control has been gained during the period
On 1 May 2007, Adelaide Brighton Management Limited acquired all the issued shares in Hurd Haulage Pty Limited for $7.4 million.

Other acquisitions
On 10 January 2007, Adelaide Brighton Limited exercised its call option to acquire the remaining 30% shareholding in C&M Brick Pty Ltd for $17.6 million, taking our overall ownership interest to 100%.

On 10 December 2007, Adelaide Brighton Management Limited acquired 100% of the ownership interest in KC Mawson Pty Ltd. KC Mawson Pty Ltd has 50% investments in EB Mawson & Sons Pty Ltd and Lake Boga Quarries Pty Ltd.

8 Investments in joint ventures

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting.

Name of joint venture company	Ownership interest 2007 %	2006 %
Sunstate Cement Ltd	50	50
Independent Cement & Lime Pty Ltd	50	50
Alternative Fuel Company Pty Ltd	50	50
EB Mawson & Sons Pty Ltd	50	-
Lake Boga Quarries Pty Ltd	50	-

Contribution to net profit	2007 $m	2006 $m
Sunstate Cement Ltd	16.2	12.9
Independent Cement & Lime Pty Ltd	10.2	8.7
Share of profits equity accounted	26.4	21.6

9 Events occurring after reporting date

No matter or circumstance has arisen since 31 December 2007 that has significantly affected, or may significantly affect:
(a) the Group's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future financial years.

Audit statement

This report is based on accounts to which one of the following applies.

- ☐ The accounts have been audited.
- ☐ The accounts have been subject to review.
- ☑ The accounts are in the process of being audited or subject to review.
- ☐ The accounts have not yet been audited or reviewed.