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18 June 2008

The Manager
Company Announcement Office
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

We attach copy of presentation being shown by Mr Andrew Poulter, Chief Financial Officer, at the Merrill Lynch Emerging Companies Conference today for release to the market.

Yours faithfully

Marcus Clayton
Company Secretary



Adelaide Brighton Ltd

**Merrill Lynch Emerging Companies Conference
18 June 2008**



Presented by: Andrew Poulter, Chief Financial Officer



Agenda

- **ABL profile and geographic spread**
- **ABL financial performance**
- **Australian cement industry structure**
- **ABL strategy overview**
- **ABL divisional review and markets**
- **Financing update**
- **Outlook**

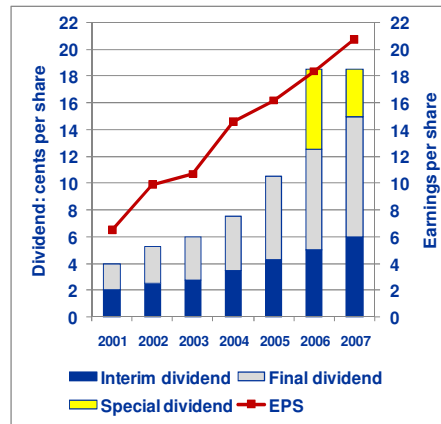
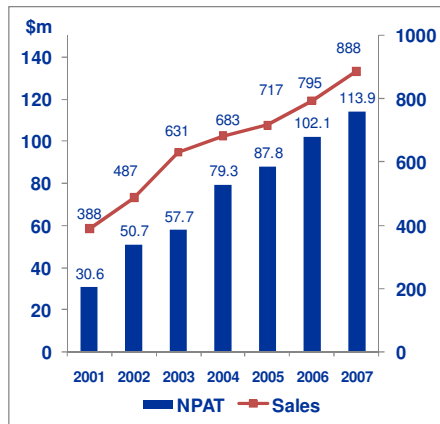
Adelaide Brighton profile

- ABL is a leading Australian integrated construction materials and lime producing company, heavily focussed on the growing resources, engineering and infrastructure sectors
- Well positioned to supply all mainland states from its domestic manufacturing base complemented by long term supply contracts for imported clinker and cementitious materials
- S&P/ASX 200 company with market capitalisation around \$2 billion
- 1,300 employees with operations in all mainland states and territories
- Market leader in lime manufacture in Australia, number two position in cement and concrete products and modest position in the aggregates and ready mixed concrete market

Key Adelaide Brighton market positions

- Market leadership in cement and lime in SA, WA and NT
- Strategic cement positions in NSW, QLD and VIC
- Higher exposure to the growth resources sector:
 - Residential, engineering, infrastructure and resource sectors
 - Resource sector expansion = increased cement and lime demand
- Focussed downstream positions in QLD, NSW and VIC
 - Hy-Tec concrete brand
 - Emerging aggregates positions:
 - NSW: Austen Quarry and Hurd Haulage
 - VIC: Mawson Group
 - ABL continues to evaluate smaller regional opportunities

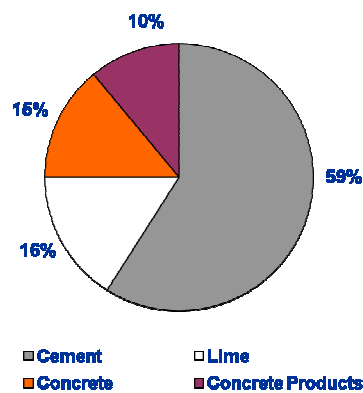
Financial performance – seven year trend



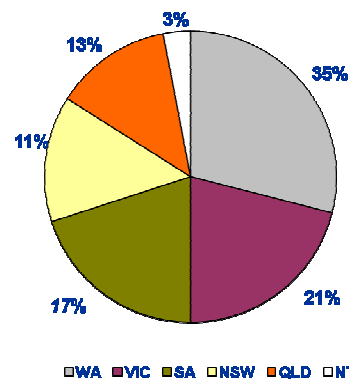
Product segmentation

Geographical segmentation

Sales to outside entities and to JV's



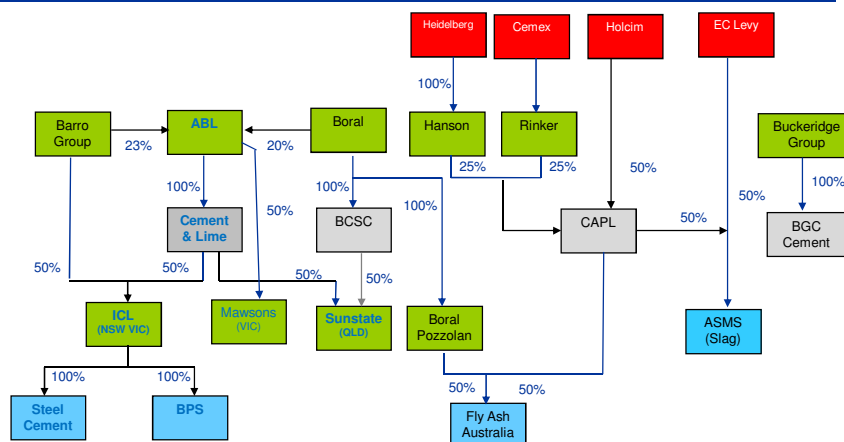
Sales by state including share through JV's



Financial performance overview

- Record result in 2007 as cement and lime volumes, pricing and operational improvements offset inflationary pressures
- Increased shareholder returns through increased fully franked dividends and share price growth
- Resource sector - lime demand increasing in line with projections and pricing targets progressively realised
- Cement and lime plant performance sustained at higher levels
- Hy-Tec concrete improved EBIT through internal operating efficiencies and increased demand in QLD and Vic
- NSW aggregates position now established and delivering positive earnings
- C&M Brick adversely impacted by NSW market. SA earnings increased

Australian cement industry ownership



Glossary

ABL: Adelaide Brighton Ltd
BPS: Building Products Supplies

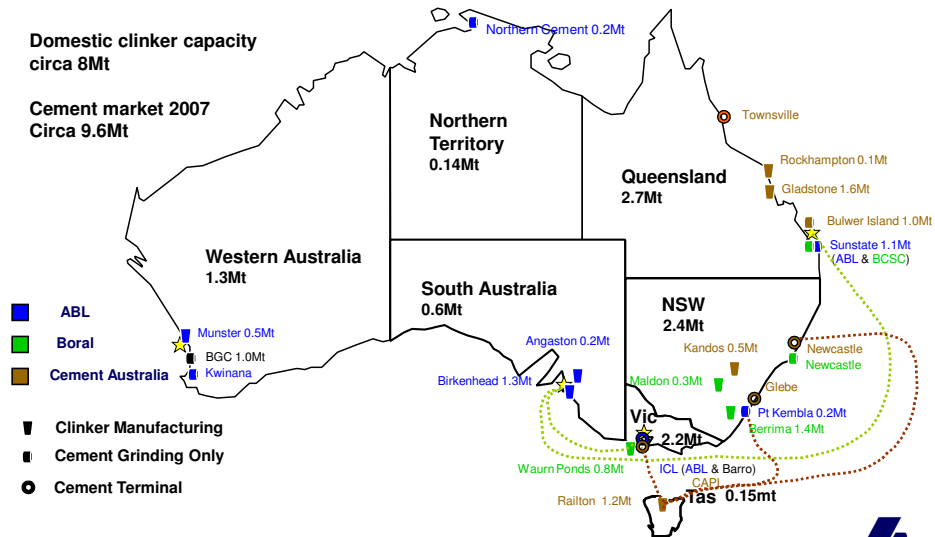
BCSC: Blue Circle Southern Cement
ASMS: Australian Steel Mill Services

ICL: Independent Cement & Lime
CAPL: Cement Australia Pty Ltd

Australian cement capacities

Domestic clinker capacity
circa 8Mt

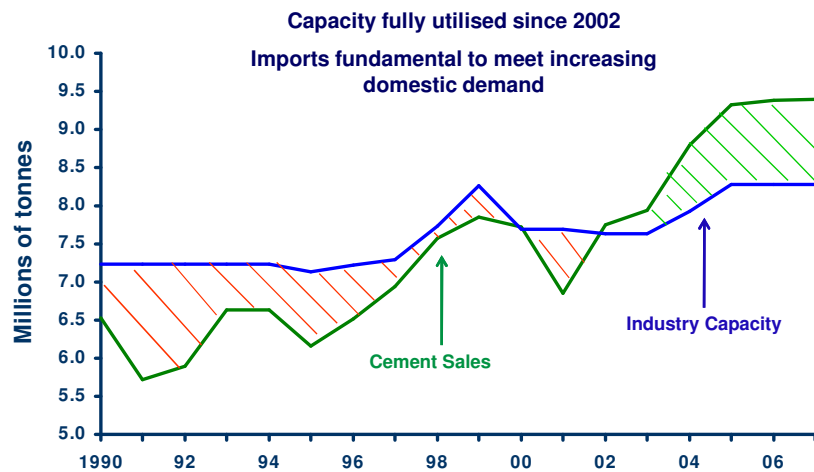
Cement market 2007
Circa 9.6Mt



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Australian cement capacity and demand

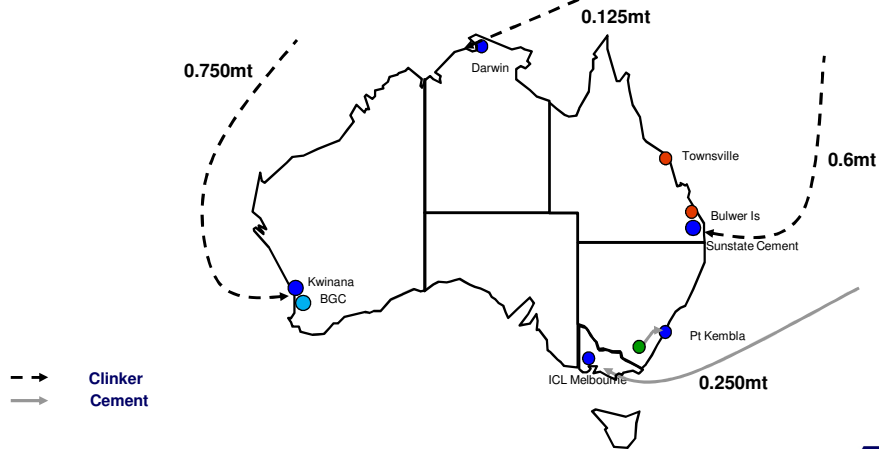


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Imported cement and clinker flows

- ABL and BGC the principal importers
- ABL Pt Kembla switched from imports to BCSC supply ex Berrima

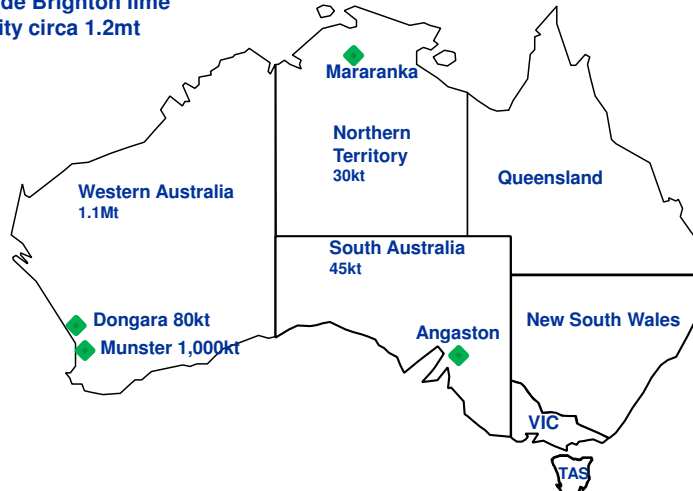


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ABL lime capacities

Adelaide Brighton lime capacity circa 1.2mt



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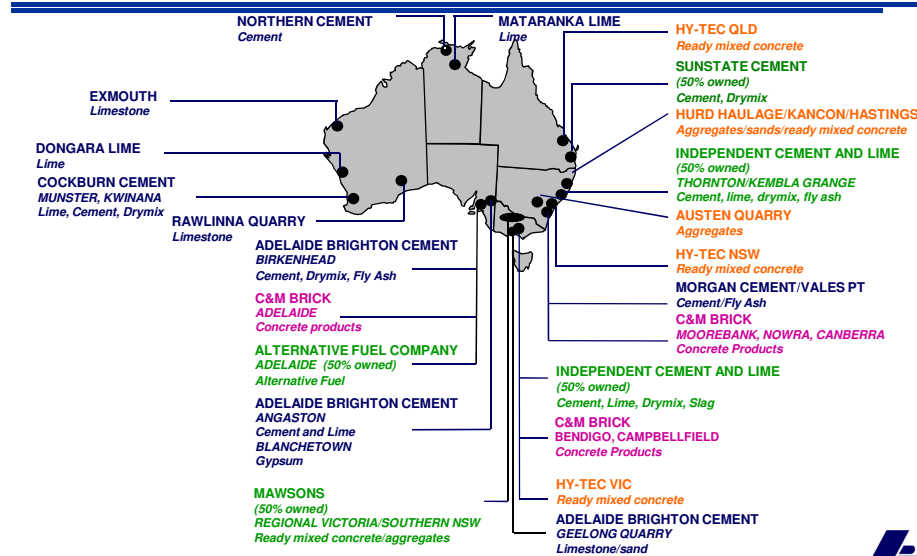
ABL strategy overview

- **Focused and relevant vertical integration**
 - Downstream concrete – cement pull through
 - Concrete products – long term growth in higher margin market sectors
 - Aggregates and sand – Austen Quarry plus future aligned acquisitions
 - Geographic and market spread – balanced portfolio and leverage
- **Lime development**
 - Resource sector growth +3.0% 2008
 - Projected volume increases of 295k tonne by 2012
 - Further potential for WA lime price increases over the next five years
 - Mataranka lime plant in Northern Territory at capacity
 - Feasibility study for \$30m expansion to meet future ERA demand
 - Angaston plant in SA covering NT peak demand

Lime development – major projects

Project	'000t	2008	2009	2010	2011	2012	2013	2014	Total
Hismelt Stage 1		20							20
Alcoa Wagerup 3rd Train				30	45	20	20		115
Boddington Gold			10	5					15
BHP Ravensthorpe Nickel		15	10	15					40
Hismelt Stage 2								50	50
Worsley Expansion 2					50	10			60
Ranger			10	20					30
Tiwest			5						5
South Australian projects				5	10	15	20	30	80
TOTAL		35	35	75	105	45	40	80	415
<i>Incremental totals</i>			70	145	250	295	335	415	

Adelaide Brighton's geographic spread



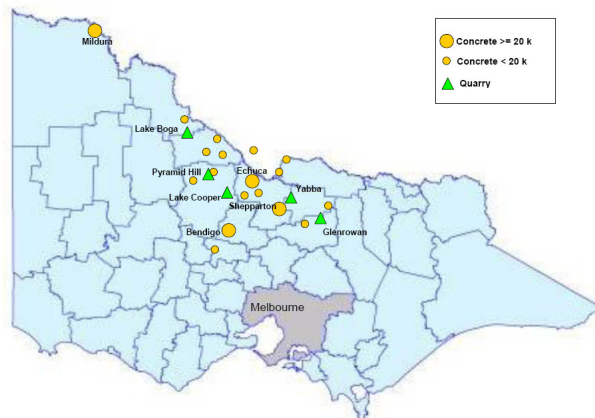
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Mawsons operations

Acquired 50% mid December 2007. Established business with strong regional presence in Northern Victoria



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ABL strategy overview

2007 – 2011 operational improvement - Cement and Lime

- \$2.5m cost down benefit delivered in 2007
- \$22.5m EBIT improvement over the next four years
- \$45m capital investment programme ongoing
- Reliability and process improvement
 - Raw material flow – shellsand conveying
 - Lime kiln 5 and 6 cyclone build up elimination
 - Coal firing Munster kiln 6 - feasibility to extend to cement kilns
- Defers need for permanent switch of 2 x 250kt cement kilns to lime production until 2012
- Maintains margins using own manufacture versus import
- Birkenhead shutdown strategy
 - Major - minor 24 month cycle
 - February major target to manage electricity demand risk
 - 2008 shutdown completed in May vs July 2007 – higher H1 2008 costs

ABL strategy overview

Emissions trading and climate change

- ABL has a higher carbon footprint than other construction materials companies due to intensity of upstream (cement and lime manufacture) in its business mix
- ABL pursuing Emissions Intensive Trade Exposed status for cement and lime through trade industry associations
 - Awaiting outcomes of Government green paper July 2008
 - Potential for allocation of free credits in first phases of scheme
- ABL is prepared for NGER reporting from July 2008 and is partnering with PwC for independent audit ratification
- ABL is progressing strategies to mitigate the future carbon risk
 - Optimising plant efficiency to benchmark standards
 - Substitution of cementitious additives and fillers
 - Securing long term supplies of slag and fly ash
 - Targeting carbon offsets such as increased use of biomass fuels

Key Adelaide Brighton performance drivers

- **Optimise capacity utilisation**
 - Increase plant capacities and maintain consistent output
 - Optimise intrastate logistic flexibility
- **Operating performance – mitigate rising energy costs**
 - Maximise plant efficiencies and deliver performance improvement programmes
 - Expand alternate fuels (wood, waste oil and coal) to supplement gas usage
- **Import supply chain flexibility to meet future demand increases**
 - Develop long term SE Asian relationships and additional supply contracts
 - Optimise import and domestic cement and clinker supply chains

Cement market position

- **Rising global clinker pricing (\$40+ US) and high freight costs (\$30+ US) have increased import parity pricing**
- **Inflationary cost inputs drive the need for domestic price increases**
- **Continued robust demand in all markets, but New South Wales remains weak**
- **ABL YTD volumes circa 5% above last year**
- **Increased cement sales volumes met by increased cement mill output using imported clinker**
- **Long term import clinker supply contract strategy**
 - Flexible supply to QLD, VIC, NT and WA
 - Additional long term clinker and slag supply contracts signed in 2008
 - Strength of AUS \$ has favoured import contract pricing
- **Western Australia and Queensland port constraints continue**

WA gas supply

- **WA gas supply constraints mitigated by coal fuel strategy**
- **Varanus gas supply curtailment drives short term electricity pricing**
- **WA gas supply and pricing**
 - **ABL coal strategy reduced Munster gas demand by 50%**
 - Kiln 6 coal milling and firing \$19m investment began 1 Jan 2008
 - Mitigated 2006 – 08 gas price increases
 - Secured gas supply for three year contract
 - Change in gas supplier fortunate, little impact from Varanus
- **Varanus Island gas curtailment**
 - **Secondary supply issues to electric power generation**
 - **ABL has secured full power needs at higher, but manageable prices**
 - **Can mitigate by managing peak period power demand**
 - **Limited downstream impact on lime demand from resource sector**

Concrete and Aggregates

- **Operations in QLD, NSW and Victoria under the Hy-Tec brand**
- **Total annual output 1m cubic metres of ready mixed concrete**
- **Service precast, civil projects, industrial, commercial, high rise – lower residential profile**
- **Improved operating costs delivered record 2007 EBIT**
- **Improved mix designs - use of alternate materials**
- **Established aggregates position in NSW**
 - **Self sufficient in New South Wales from Austen Quarry**
 - **Emerging position in northern NSW – Hurd Haulage**
- **Quarry development potential – three to ten year horizon**
 - **Feasibility study on Exmouth lime JV quarry in WA**
 - **Potential to serve Gorgon field pipeline development**
 - **Modest (circa \$5m) potential for a three year EBIT stream**

Concrete Products

- Number two position nationally in the concrete products market with C&M Brick operations in NSW, SA and Victoria
- New South Wales market remains depressed due to cyclically low demand and new market entrant
- Operational planning to match capacity with future demand
- Senior management capabilities strengthened to drive further performance improvement
- Campbellfield (VIC) wet cast plant and Moorebank (NSW) efficiencies improving
- Adelaide benchmark for plant efficiency and customer service
- C&M well positioned for future market growth in NSW, Victoria and SA



Financing update

- Tight credit markets prompted early refinancing negotiations
- Additional facilities secured in constrained debt markets
- Opening 2008 facilities:
 - \$60m working capital facility expiring March 2008
 - \$300m medium term expiring March 2009
- March 2008:
 - \$60m working capital facility extended March 2009
 - \$120m increase in facilities through March 2009
- June 2008 credit approval with CBA, NAB and Westpac:
 - \$310m 2 year facilities expiring June 2010
 - \$210m 3 year facilities expiring June 2011



Outlook

- 2008 cement demand forecast - circa 5% above 2007
- 2008 lime demand forecast - circa 3% above 2007
- International shipping rates remain very high. Cement supply is tight and international cement pricing remains very robust
- Acquisitions performing to plan – 2008 contribution
- First time contribution from Mawsons
- ABL's fully franked dividend growth will be sustained by earnings growth and strong operating cash flows
- \$8m increased interest expense due to higher borrowings, bank margins and cash rate increases
- Net profit after tax for 2008 expect to be between \$118m - \$125m