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Adelaide Brighton Ltd
ACN 007 596 018

19 February 2009

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

Dear Sir/Madam

Adelaide Brighton Appendix 4E Preliminary final report December 2008

We attach the following documents:

- Media Release
- Preliminary Final Report – Appendix 4E
- Results announcement for the year ended 31 December 2008 and management discussion

Yours faithfully

MRD Clayton
Company Secretary

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ACN 007 596 018

MEDIA STATEMENT

19 February 2009

Adelaide Brighton announces record net profit of $120.8 million for 2008
Final fully franked dividend of 8.5 cents per share

Adelaide Brighton Ltd announced today a record net profit after tax of $120.8 million for the full year ended 31 December 2008, a 6.1% increase over the previous corresponding period. Earnings per share for the full year was 22 cents compared to 21 cents for the pcp..

A fully franked interim dividend of 8.5 cents, payable on 22 April 2008 has been declared. This brings the full year dividend to 15.0 centres per share, the same level as the pcp (before special dividend). The dividend reflects the need to sustain shareholder returns while managing the balance sheet and borrowings responsibly in the current business climate.

Commenting on Adelaide Brighton Ltd's 2008 result, Managing Director, Mark Chellew, said "This is a good result which is the outcome of growth in sales volumes and prices, together with sustained operating efficiency. Cement sales volumes increased by 9% and were particularly strong in Queensland and Victoria where increased demand was met by additional imported clinker and cement taken through the Sunstate Cement and Independent Cement and Lime joint ventures" said Mr Chellew.

"Robust growth in South Australia was driven by higher commercial and infrastructure expenditure together with increased sales of backfill finder to Olympic Dam, while demand in Western Australia peaked during the year with sales slightly ahead of 2007 levels" said Mr Chellew.

"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".

"Modest cement price increases in the Company's core markets of Western Australia, Northern Territory and South Australia were realised during the year."

"The growth in cement demand in Western Australia, Northern Territory, Queensland and Victoria was met by increased levels of imported cement and clinker. However, the weakness in the Australian dollar had a material impact on import margins from mid September."

"Lime demand was down 4.5% principally due to reduced customer demand from the gas supply constraints resulting from the Apache Energy Varanus Island explosion the closure of some smaller nickel and gold customers in the second half."

"Further, Mr Chellew said, "rising costs and security of supply of gas and electricity continue to be a key issue for the cement operations in South Australia and Western Australia. The Company met these challenges through effective electricity demand management at the Birkenhead and Angaston plants and the use of alternative fuels and fuel substitutes for natural gas at Birkenhead and Munster."

"The Hy-Tec Concrete and Aggregates operations had a further successful year improving their overall EBIT, predominantly in the strong concrete markets in Queensland and Victoria and the growth in internal and newly acquired business's aggregate sales in New South Wales."

"The Masonry Products Division doubled in size mid year following the acquisition of Hanson Building Products. This acquisition complements the existing C&M Brick operations and the combined business is now the Australian market leader in masonry products, supplying to all states except Western Australia. The integration of both businesses under the name Adbri Masonry Products is well advanced.

Improved performance from Independent Cement and Lime and first time contribution from Mawsons increased the contribution from joint ventures as a result of buoyant markets in Melbourne and northern Victoria.

Mr Chellew went on to say "the company projects weakening levels of demand for cement during 2009 driven by the decline in commercial and residential construction activity across all markets"

"Commenting on Adelaide Brighton's outlook for 2009, Mr Chellew said, "Construction activity is being constrained by tight credit markets, compounded in the residential sector by low levels of consumer confidence".

"At this stage it is not possible to predict the extent of this downturn. Historical cycles have seen declines in the range of 10% - 20%, though any impact on Adelaide Brighton cement sales demand will be managed through a reduction of its imported clinker and cement volumes, where we achieve our lowest margins".

"All Divisions have set in place specific profit optimisation plans to match capacity with forecast demand and to conduct a rigorous review of all costs in order to reduce their cost base and optimise 2009 performance, said Mr Chellew. "

"The company's national geographic spread will continue to sustain its competitive position in the Australian construction materials sector."

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

FOR FURTHER INFORMATION CONTACT: **LUBA ALEXANDER**
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 2008

Results for announcement to the market

Company Name:	Adelaide Brighton Ltd
ABN:	15 007 596 018
Reporting period:	Financial year ended 31 December 2008
Previous corresponding period:	Financial year ended 31 December 2007
Release date:	19 February 2009

				A$m
Revenue from continuing operations	**up**	15.1%	**to**	1,022.4
Earnings before interest and tax	**up**	10.4%	**to**	189.1
Net profit for the period attributable to members	**up**	6.1%	**to**	120.8

Dividends	Amount per security		Franked amount per security
	Current period	Previous corresponding period	
Final dividend	8.5¢	9.0¢	100%
Special dividend	-	3.5¢	100%
Interim dividend	6.5¢	6.0¢	100%

Record date for determining entitlements to the final dividend	11 March 2009

Annual General Meeting

Pursuant to listing rule 3.13.1 notice is hereby given that the 2009 Annual General Meeting of Adelaide Brighton Ltd will be held on Thursday 21 May 2009 at the Hyatt Regency Adelaide, North Terrace, Adelaide, SA, commencing at 11am.

	31 Dec 2008	31 Dec 2007
Net tangible asset backing per ordinary share	$0.97	$0.93

Adelaide Brighton Ltd

ACN 007 596 018

Adelaide Brighton Ltd

Preliminary final report summary

Year ended 31 December 2008

KEY FEATURES OF FULL YEAR RESULT

- Record revenue of $1,022.4 million - an increase of 15.1%
- Record net profit after tax of $120.8 million - an increase of 6.1%
- Total dividend maintained at 15 cents per share (before 2007 special)
- Earnings per share increased 4.8% to 22.0 cents (21.0 cents pcp)
- Operating cash flow increased 6.9% to $150.1 million
- Gearing[1] at 55.3% (48.4% pcp) rose due to the payment of the 2007 special dividend and acquisition outlay
- Interest cover decreased to 5.6 (7.9 pcp) due to the increased interest expense

FINANCIAL SUMMARY	**12 months ended 31 December**		
(A$ millions)	**2008**	**2007**	**% change pcp**
Sales revenue	**1,022.4**	**888.4**	**15.1**
Depreciation	(56.8)	(52.4)	(8.4)
Earnings before interest and tax ("EBIT")	**189.1**	**171.3**	**10.4**
Net interest [2]	(33.8)	(21.7)	(55.8)
Profit before tax	**155.3**	**149.6**	**3.8**
Tax expense	(34.5)	(35.7)	3.4
Net profit after tax	**120.8**	**113.9**	**6.1**
Minority interest	-	-	-
Net profit attributable to members	**120.8**	**113.9**	**6.1**
Earnings per share (cents)	22.0	21.0	
Dividends per share – fully franked (cents)	15.0	15.0	
Special dividend per share – fully franked (cents)	-	3.5	
Net debt (A$ millions)	387.8	323.3	
Net debt/equity (%)	55.3%	48.4%	

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

REVIEW OF OPERATIONS

Adelaide Brighton reported record sales and profit for the year ended 31 December 2008. Sales revenue increased by 15.1% over the pcp to $1,022.4 million as a result of continued growth in sales of cement and aggregates and the first half year contribution from the 1 July 2008 acquisition of Hanson Building Products. Net profit after tax increased by 6.1% to a record $120.8 million and earnings per share improved to 22 cents versus 21 cents in the pcp.

The growth in sales volumes and prices, together with sustained operating efficiency, were the key drivers behind the 10.4% increase in EBIT to $189.1 million ($171.3 million pcp). EBITDA increased by 9.8% to $245.9 million and the underlying EBITDA margin at 24.1% fell due to the higher cost of imports and the change in sales mix arising from the Hanson Building Products acquisition.

Cement sales volumes increased by 9% and reached record levels for the Company, exceeding three million tonnes for the year. Cement sales were particularly strong in Queensland and Victoria where increased demand was met by additional imported clinker and cement taken through the Sunstate Cement and Independent Cement and Lime (ICL) joint ventures respectively. Robust growth in South Australia was driven by higher commercial and infrastructure expenditure together with increased sales of backfill binder to Olympic Dam. Demand in Western Australia peaked during the year with sales slightly ahead of 2007 levels.

Lime sales fell by 4.5% over the pcp due to reduced off-take from the non alumina sector. This was a direct result of the gas and electricity constraints arising from the explosion at Apache Energy's Varanus Island gas distribution facility which adversely impacted customer production. Non alumina lime demand also softened in the second half as several smaller resource sector customers either scaled back or ceased operations due to the decline in global base metal demand and the subsequent price weakness. This was particularly evident in the nickel sector.

Modest cement price increases in the Company's core markets of Western Australia, Northern Territory and South Australia were realised during the year as Adelaide Brighton took a more cautious view of domestic pricing potential. Second half industry cement price increases, however, were markedly higher in Queensland, New South Wales and Victoria delivering progressive benefit to Sunstate and ICL respectively. Lime price increases continue to be realised in excess of CPI through the recovery of specific cost increases within sales contract escalation terms and the re-negotiation of customer contracts which expired during the year.

The growth in cement demand in Western Australia, Northern Territory, Queensland and Victoria was met by increased levels of imported cement and clinker. However, the weakness in the Australian dollar had a material impact on import margins from mid September and this was a key factor causing the reduction in earnings guidance over the final quarter.

Clinker output was sustained as the increased kiln run time benefits of the Birkenhead single shutdown strategy were partly offset by third quarter kiln operational constraints which were resolved in December.

2008 was, however, a challenging year as the profit growth arising from increases in sales revenue and first time contributions from business acquisitions was adversely impacted by several key factors. The gas supply constraints in Western Australia, the acute weakening of the Australian dollar in the second half year and higher interest expense having a material impact on the full year result.

The rising costs and security of supply of gas and electricity continue to be a key issue for the cement operations in Adelaide Brighton's core clinker production states, South Australia and Western Australia. The Company successfully met these challenges through effective electricity demand management at its Birkenhead and Angaston plants and the use of alternative fuels and fuel substitutes for natural gas at both Birkenhead and Munster.

In March 2008, South Australia experienced a record 17 day heat-wave with daily temperatures in excess of 35 degrees. Electricity price spikes to the maximum limits of $10,000 per MWh occurred frequently throughout this period and severely tested the electric power demand management processes at the Birkenhead and Angaston operations. These processes proved successful in mitigating the summer power price risk and benefits accrued in the second half year when power pricing ran at below our projected levels.

The Hy-Tec Concrete and Aggregates operations consolidated their position during the year improving their overall EBIT, after normalising for $1.4 million of prior year items. This result was based predominantly on the strong concrete markets in Queensland and Victoria and the growth in internal and newly acquired business's aggregate sales in New South Wales. The Division continues to monitor credit risk closely, though three key accounts under concern went into liquidation, incurring a $2.4 million bad debt expense during the final quarter.

Demand in New South Wales continued at cyclically low levels due to the continued depressed state of the residential sector. The new concrete batch plant at Glendenning, west Sydney, was opened in the third quarter allowing for the closure of two small inefficient plants at Seven Hills and Plumpton. The new plant will be well placed to serve the predicted increases in demand in western Sydney construction activity over the next five years.

The Masonry Products Division doubled in size mid year following the acquisition of Hanson Building Products. This acquisition complements the existing C&M Brick operations and the combined business is the Australian market leader in masonry products, supplying to all states except Western Australia.

In consolidating both businesses under the name Adbri Masonry Products, the masonry business integration programme is now well advanced. This has entailed optimising the product range and supply channels, benchmarking operational measures to achieve manufacturing best practice across all plants and implementing systems standardisation and consolidation. Key management changes were made during the year within the C&M Brick operations and demonstrable progress is being made in improving the performance of the New South Wales and Victorian plants. South Australia continues to be the benchmark in terms of product cost, quality and customer service.

Masonry product pricing had not recovered key input cost increases over recent years and price increases were implemented across all regions in the fourth quarter 2008. These prices have held in the market place, an important step toward achieving sustainable masonry gross margins. A key business combination synergy has been the consolidation of the head office supporting roles in Stapylton, Queensland which will see the closure of the C&M Brick Essendon head office by mid 2009. The business is on track to deliver the $3 million integration synergies identified as part of the acquisition evaluation.

Improved performance from ICL and a first time contribution from Mawsons increased the contribution from joint ventures during the year as a result of buoyant markets in Melbourne and northern Victoria. Sunstate Cement held profits as higher demurrage charges and a weaker final quarter suppressed results after a strong first half. The combined contribution from these operations delivered a 15.9% increase in net profit to $30.6 million.

CARBON POLLUTION REDUCTION SCHEME

Adelaide Brighton supports the introduction of an Australian emissions trading scheme as a mechanism for the reduction of Australian greenhouse gas emissions. The proposed Carbon Pollution Reduction Scheme is expected to provide incentives to the Company to further reduce its greenhouse gas emissions. The Company has set in place an emissions reduction strategy in key areas embracing the use of alternative raw materials, the introduction of lower carbon products, the use of biomass fuels and the introduction of processes to seek continued efficiency improvements. The Company will also continue to review the potential for investment in lower emissions technologies.

The Government white paper released in December 2008 endorsed the key points of relevance to Adelaide Brighton from the earlier green paper. Subject to the final ratification of the qualifying data, Adelaide Brighton qualifies for the top tier of Emissions Intensive Trade Exposed status which will receive 90% free carbon credits on introduction of the scheme.

The part substitution of natural gas with recycled construction and demolition wood waste at Birkenhead, which will decrease overall carbon emission levels, increased further during the year with an additional 10k tonnes (16.7%) being used over 2007.

STRATEGIC DEVELOPMENTS

The Company continued to progress its strategy of selective downstream integration with the $84 million acquisition of Hanson Building Products on 1 July 2008. This masonry products business is predominantly based in Queensland and Tasmania having little overlap with the existing C&M Brick business. This acquisition places Adelaide Brighton as a clear market leader in the Australian masonry products market.

The Cement and Lime Division operational improvement programme continues to make steady progress. The key deliverable in 2008 was the conversion of Munster lime kiln 6 to coal firing. The resultant halving of the gas consumption at Munster delivered two fundamental benefits to operating performance - a cost reduction in the substitution of gas with lower cost coal and the securing of continuity of fuel supply to the site. This use of coal provided an important hedge against escalating gas prices and an evaluation of the extension of this fuel strategy for the whole site is now underway.

In addition to cost, a key driver behind the conversion to coal fuel was the constraints over the availability of gas due to rising demand in Western Australia. The halving of Munster's gas consumption and switch in gas supplier provided a further benefit in May as the plant was able to continue operation following the Varanus Island pipeline explosion in June 2008 which disrupted supplies to Apache Energy customers for three months.

The Division continues to progress its cost down strategies with particular focus on the reduction in plant leasing and contractor dependencies and strict control over discretionary cost expenditure.

The third part of the operational improvement strategy, the increase in capacity of the Munster lime kilns has been placed on hold until the medium to long term resource sector capacity developments are understood. Due to the uncertainties caused by the reduction in global demand for base metals, some smaller customer operations have been mothballed and larger strategic projects put on hold. As a result, the Munster lime capacity improvements realised to date will be sufficient to cover demand projections over the next two years, thereby allowing the deferral of the final phase of the lime Operational Improvement Programme.

The Company continues to progress its lime pricing strategy in seeking to improve lime margins through price increases as existing short to medium term contracts expire. Adelaide Brighton will continue to seek to achieve future price increases which will recover manufacturing cost inflation and improve margins to the levels required to sustain future long term capital investment in lime manufacture in Western Australia.

FINANCIAL REVIEW

Cash flow and borrowings

Operating cash flow increased by 6.9% to $150.1 million ($140.4 million pcp) as improved profitability was primarily offset by higher tax and interest payments. Accounts receivable, increased by 17.7% and $22.8 million, continues under tight credit control. The increase resulted from the 15.1% growth in sales, with the lower rate of growth in total receivables reflecting an underlying reduction in debtor days.

Inventory levels increased by $31.8 million due to the addition of the Hanson Building Products operations and the take on of spare parts inventories for the February 2009 Birkenhead maintenance shutdown.

Year end net borrowings increased to $387.8 million ($323.3 million pcp), principally due to the $86.9 million in business acquisitions, though this impact was partially offset by the underwritten Dividend Reinvestment Plan introduced for the 2008 interim dividend. Bank borrowing facility limits were extended and increased by $160 million during the year to $520 million, a necessary move in the current uncertain credit markets.

Cognisant of the rising costs of bank debt and broader market concerns over short term debt maturity, a decision was taken to refinance the Company's existing three year debt facilities expiring in 2009 some nine months early. In June 2008, the $520 million credit facilities were refinanced in two tranches with three leading Australian banks. Of these, $310 million will mature in June 2010 and $210 million in June 2011, leaving the Company with no short term debt on its balance sheet at 31 December 2008.

The Company continues to operate well within its bank covenants which are consistent across all three lenders. The key ratios are the Liquidity Ratio (EBIT/Interest expense), Leverage (Gearing: net debt/ net debt + equity) and net tangible assets. Adelaide Brighton's debt/EBITDA ratio at 31 December was 1.6, among the better of its global industry peers which averaged 3.0.

Year end gearing was 55.3%, within the Board's preferred 40% – 60% range. Gearing levels increased by 6.8% over the pcp due to the acquisition of Hanson Building Products and the payment of a final special dividend for 2007.

Capital expenditure

Capital expenditure was $56.0 million for the year, a $25.1 million reduction over the pcp. The key investment during the year was the Hy-Tec Glendenning plant. The balance of the capital expenditure was sustaining investment in the Cement and Lime and Concrete and Aggregates Divisions.

Dividends

A final fully franked dividend of 8.5 cents per share has been declared, bringing the full year dividend to 15.0 cents per share. In maintaining the dividend at the same level as the pcp (before specials as the 2007 total dividend included a 3.5 cent special dividend) and reducing the payout ratio to the lower end of the Board's preferred range, the Directors have recognised the need to sustain shareholder returns while managing the balance sheet and borrowings responsibly in the current business climate. Dividend cover, before the special dividend, at 1.5 compares with 1.4 for the pcp.

The record date for determining eligibility to the final dividend is 11 March 2009, and the payment date is 22 April 2009.

Interest and tax

Net finance expense rose by $12.1 million to $33.8 million during the year due to higher average borrowing levels and increases in the underlying interest rates. The latter resulted from the first half increases in the cash rate and the mid year refinancing of Adelaide Brighton's senior debt at an additional cost of 75 basis points. Interest cover remains strong, though reducing slightly to 5.6 from 7.9 over the pcp.

The underlying net tax expense is 22.2% compared with 23.9% in the pcp, as a result of the utilisation of some capital losses on asset sales, the completion of the C&M Brick entry into Adelaide Brighton's tax consolidation group and the continued realisation of research and development tax benefits.

OUTLOOK

The Company projects weakening levels of demand for cement during 2009 driven by the decline in commercial and residential construction activity across all markets. Construction activity is being constrained by tight credit markets, compounded in the residential sector by low levels of consumer confidence. Housing approvals for 2008 were 32.9% below the pcp with the largest falls apparent in Queensland, 55.4%, and New South Wales, 31.0%.

This position may be mitigated in the second half of 2009 by the Federal and State infrastructure expenditure plans being put in place, the deployment of the Government's recently announced stimulus funds and, in the residential sector, through the tripling of the first home buyers grant. Housing affordability and hence demand will also be stimulated by the current and projected reductions in the cash rate, though it will take a reversal in the current low levels of consumer confidence for the full impacts of this change to take effect.

At this stage, it is not possible to predict the extent of this downturn. Historical cycles have seen declines in the range of 10% - 20%, though any impact on Adelaide Brighton cement sales demand will be managed through a reduction of its imported clinker and cement volumes, where we achieve our lowest margins.

Lime volumes are also predicted to show some softening in 2009, though core volumes will be underpinned by continued demand from the alumina sector, recognising the scale and low supply cost base of the Australian alumina industry. Demand from the gold sector will also be sustained with the recent rise in gold prices and strength of the US dollar improving producer margins. The ferrous and nickel sector will bear the majority of the impact of the closure and capacity reductions seen in 2008. There is also uncertainty regarding the future of the HIsmelt steel operations following the announcement by Rio Tinto that operations will be suspended for the first quarter 2009.

The weakness of the Australian dollar mitigated by substantial reductions in bulk shipping costs will, however, maintain import parity cement pricing and provide headroom for further domestic cement price increases in 2009. The Company will continue to seek cement and lime price increases in order to recover the increasing costs of imports, fuels, electricity and labour.

While the weaker Australian dollar will continue to adversely affect the Company's imported cement costs, the rapid reductions in the cash rate will have an immediate benefit on Adelaide Brighton's 2009 interest expense. This is due to the Company policy of utilising short term 30 day bill draw downs from its senior debt facilities and not hedging its interest rate risk.

Driven by the lower cement and lime demand and the higher cost of imports, the Company is currently forecasting a reduction in earnings for 2009. All Divisions have set in place specific profit optimisation plans to match capacity with forecast demand and to conduct a rigorous review of all costs in order to reduce their cost base and optimise 2009 performance. Until the timing and magnitude of the decline in construction activity is known, the Company is not in a position to give more precise guidance on a 2009 earnings range.

M Chellew
Managing Director

19 February 2009

FOR FURTHER INFORMATION CONTACT:

ANDREW POULTER	**CHIEF FINANCIAL OFFICER** **MOBILE: 0439 492 392**
LUBA ALEXANDER	**GROUP CORPORATE AFFAIRS ADVISER** **MOBILE: 0418 535 636**

Consolidated income statement

For the year ended 31 December 2008

	Notes	2008 $m	2007 $m
Revenue	3	1,022.4	888.4
Cost of sales		(658.8)	(573.2)
Freight and distribution costs		(138.7)	(121.3)
Gross profit		224.9	193.9
Other income	3	11.7	6.8
Marketing costs		(18.4)	(11.6)
Administration costs		(56.6)	(41.1)
Finance costs		(36.9)	(24.8)
Share of net profits of joint venture entities accounted for using the equity method	8	30.6	26.4
Profit before income tax		155.3	149.6
Income tax expense		(34.5)	(35.7)
Net profit		120.8	113.9
Net profit attributable to:			
Equity holders of the parent		120.8	113.9
Minority interest		-	-
		120.8	113.9
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	5	**22.0**	**21.0**
Diluted earnings per share	5	**21.8**	**20.8**

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

Consolidated balance sheet
As at 31 December 2008

	Notes	2008 $m	2007 $m
Current assets			
Cash assets		23.1	19.3
Receivables		151.6	128.8
Inventories		116.1	84.3
Financial assets at fair value through profit and loss		-	0.7
Total current assets		290.8	233.1
Non-current assets			
Receivables		28.4	29.5
Investments accounted for using the equity method		67.6	66.9
Property, plant and equipment		801.9	742.5
Intangible assets		169.4	164.4
Retirement benefit assets		-	2.7
Total non-current assets		1,067.3	1,006.0
Total assets		1,358.1	1,239.1
Current liabilities			
Payables		98.0	84.8
Borrowings		0.4	60.7
Current tax liabilities		5.7	9.2
Provisions		23.6	26.8
Other		15.2	13.5
Total current liabilities		142.9	195.0
Non-current liabilities			
Borrowings		410.5	281.9
Deferred tax liabilities		57.4	63.0
Provisions		32.7	31.2
Retirement benefit liability		12.6	-
Other		0.1	0.1
Total non-current liabilities		513.3	376.2
Total liabilities		656.2	571.2
Net assets		701.9	667.9
Equity			
Contributed equity		540.4	514.0
Reserves		3.5	14.5
Retained profits	6	155.0	136.4
Total equity attributable to equity holders of the Company		698.9	664.9
Minority interest		3.0	3.0
Total equity		701.9	667.9

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 2008

	2008 $m	2007 $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	(11.4)	0.7
Net income recognised directly in equity	(11.3)	0.6
Net profit for the period	120.8	113.9
Total recognised income and expense for the period	109.5	114.5
Attributable to:		
Equity holders of the parent	109.5	114.5
Minority interest	-	-

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 2008

	Notes	2008 $m	2007 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		1,108.1	960.0
Payments to suppliers and employees (inclusive of goods and services tax)		(930.1)	(779.6)
Joint venture distributions received		30.6	20.7
Interest received		2.9	3.1
Other revenue received		11.8	2.6
Interest paid		(32.4)	(21.9)
Income taxes paid		(40.8)	(44.5)
Net cash inflow from operating activities		150.1	140.4
Cash flows from investing activities			
Payments for property, plant and equipment		(56.0)	(81.1)
Payments for controlled entities and operations, net of cash acquired		(86.9)	(47.4)
Proceeds from sale of property, plant and equipment		4.1	1.8
Loans to joint ventures and other related parties		1.2	(2.0)
Net cash (outflow) from investing activities		(137.6)	(128.7)
Cash flows from financing activities			
Proceeds from borrowings		210.0	170.8
Repayment of borrowings		(142.4)	(81.4)
Dividends paid to Company's shareholders	4	(76.3)	(105.8)
Dividends paid to minority interests in controlled entities		-	(0.2)
Net cash (outflow) from financing activities		(8.7)	(16.6)
Net increase (decrease) in cash held		3.8	(4.9)
Cash at the beginning of the reporting period		19.3	24.2
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash at the end of the reporting period		23.1	19.3

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

Notes to the financial statements
For the year ended 31 December 2008

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 2008	Construction and mining materials $m	Building products $m	Total continuing operations $m
External sales revenue	895.4	122.9	1,018.3
Inter-segment sales	5.4	-	5.4
Interest revenue	0.5	0.1	0.6
Total segment revenue	901.3	123.0	1,024.3
Inter-segment elimination			(5.4)
Unallocated			3.5
Consolidated revenue			1,022.4
Segment result	166.6	8.0	174.6
Share of net profit of joint ventures	30.6	-	30.6
Unallocated			(16.1)
Net interest expense			(33.8)
Profit before income tax			155.3

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

Notes to the financial statements
For the year ended 31 December 2008

3 Operating profit

	Consolidated 2008 $m	Consolidated 2007 $m
Revenue		
Sale of goods	1,018.3	884.5
Interest revenue	3.1	3.1
Royalties	1.0	0.8
	1,022.4	888.4
Other income	11.7	6.8
Revenue and other income	1,034.1	895.2

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

	2008 $m	2007 $m
Depreciation		
Buildings	2.6	2.0
Plant and equipment	52.3	48.3
Mineral reserves	1.9	2.1
Total depreciation	56.8	52.4
Amortisation		
Other intangibles	-	0.2
Total amortisation	-	0.2
Finance costs		
Interest and finance charges paid / payable	32.2	22.2
Unwinding of the discount on restoration provisions and retirement benefit obligation	3.9	3.5
Exchange gains/(losses) on foreign currency forward contracts	0.8	(0.8)
Less		
Interest capitalised in respect of qualifying assets	-	(0.1)
Total finance costs	36.9	24.8
Less interest income	(3.1)	(3.1)
Net finance expense	33.8	21.7

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

	2008 $m	2007 $m
Tax benefit resulting from adjustment to deferred tax balances on C&M Brick's inclusion in Adelaide Brighton's tax consolidated group	3.5	-

Notes to the financial statements
For the year ended 31 December 2008

4 Dividends

	2008 $m	2007 $m
Dividends provided or paid during the year		
2008 interim dividend of 6.5 cents (2007 – 6.0 cents) per fully paid ordinary share, franked at 100% (2007 – 100%) paid on 11 October 2008.	35.3	32.6
2007 final dividend of 9.0 cents (2006 – 7.5 cents) per fully paid ordinary share, franked at 100% (2006 – 100%) paid on 10 April 2008.	48.9	40.7
2007 special dividend of 3.5 cents (2006 – 6.0 cents) per fully paid ordinary share, franked at 100% (2006 – 100%) paid on 10 April 2008.	19.0	32.5
	103.2	105.8

	2008 $m	2007 $m
Dividends not recognised at the end of the year Since the end of the year the Directors have recommended the payment of a final dividend of 8.5 cents (2007 – 9.0 cents) per fully paid ordinary share, franked at 100% (2007 – 100%). The aggregate amount of the proposed final dividend expected to be paid on 22 April 2009, not recognised as a liability at the end of the reporting period.	47.0	48.9
In the prior year a special dividend of 3.5 cents franked at 100% was declared payable coincident with the final dividend.	-	19.0

5 Earnings per share

	2008 Cents	2007 Cents
Basic earnings per share	22.0	21.0
Diluted earnings per share	21.8	20.8

	2008 Number	2007 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	549,351,493	542,720,759
Adjustments for calculation of diluted earnings per share:		
Awards	3,590,000	4,035,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	552,941,143	546,755,759

6 Retained profits

	2008 $m	2007 $m
Retained profits at the beginning of the financial year	136.4	139.8
Net profit attributable to members of Adelaide Brighton Ltd	120.8	113.9
Actuarial gain/(loss) on defined benefit plan	(11.4)	0.7
Dividends paid (note 4)	(103.2)	(105.8)
Transfer from reserves	12.4	-
Distribution to owners on acquisition of minority interest	-	(12.2)
Retained profits at the end of the financial year	155.0	136.4

Notes to the financial statements
For the year ended 31 December 2008

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 July 2008, C&M Brick Pty Ltd purchased 100% of the shares in Adbri Masonry Pty Ltd (previously Hanson Building Products Pty Ltd) for $84.8 million. It has a 100% subsidiary, Adbri Mining Products Pty Ltd (previously Hanson Mining Products Pty Ltd), which has a 50% interest in a joint venture, Burrell Mining Services (previously Hanson Burrell Mining Services JV).

Other acquisitions
On 1 February 2008, Hurd Haulage Pty Ltd purchased the assets of Hastings Concrete for $1.3 million. The effect in the financial year was an increase to property, plant and equipment of $0.3 million and increase to goodwill of $1 million.

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 2008 %	2007 %
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	50
Lake Boga Quarries Pty Ltd	50	50
Burrell Mining Services	50	-

Contribution to net profit	2008 $m	2007 $m
Sunstate Cement Ltd	16.2	16.2
Independent Cement & Lime Pty Ltd	13.1	10.2
Other	1.3	-
Share of profits equity accounted	30.6	26.4

9 Events occurring after reporting date

No matter or circumstance has arisen since 31 December 2008 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.