



20 January 2004

ABN 13 008 421 761

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The Manager, Listings
Australian Stock Exchange Limited
Company Announcements Office
Level 4
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Takeover Bid for Adelaide Brighton Limited

Pursuant to section 647(3)(b) of the *Corporations Act* 2001, we enclose by way of lodgement a supplementary bidder's statement in relation to Boral's takeover bid for all of the ordinary shares in Adelaide Brighton Limited

Yours faithfully

M.B. Scobie
Company Secretary



Supplementary Bidder's Statement
relating to a Cash Offer
from
Boral Limited, ABN 13 008 421 761
to acquire ordinary shares in
Adelaide Brighton Limited, ABN 15 007 596 018

1. Preliminary

1.1 Supplementary Bidder's Statement

This document is a supplementary bidder's statement given pursuant to Chapter 6 of the Corporations Act 2001 ("**Supplementary Bidder's Statement**").

It is the first Supplementary Bidder's Statement prepared by Boral Limited, ABN 13 008 421 761 ("**Boral**") in relation to a cash offer from Boral to acquire ordinary shares in Adelaide Brighton Limited, ABN 15 007 596 018 ("**ABC**") contained in section 6 of Boral's bidder's statement dated 23 December 2003 (the "**Original Bidder's Statement**"). This Supplementary Bidder's Statement supplements, and is to be read together with, the Original Bidder's Statement.

This Supplementary Bidder's Statement is given following an announcement by Boral that the Offer price will be increased to \$1.60 for each ABC Share if Boral obtains a relevant interest in at least 90% of ABC Shares and the Offer becomes unconditional, and an announcement by ABC that the independent directors of ABC (being Malcolm Kinnaird AO (Chairman), Chris Harris, Mark Chellew (Managing Director) and Les Hosking) intend to unanimously recommend that ABC shareholders accept the Offer, in the absence of a superior offer. The text of those announcements is set out in Annexure A to this Supplementary Bidder's Statement.

This Supplementary Bidder's Statement amends the Original Bidder's Statement in the manner described in section 2 below. Those amendments will be incorporated in a replacement bidder's statement (the "**Replacement Bidder's Statement**").

1.2 Defined Terms

A number of defined terms are used in this Supplementary Bidder's Statement. Terms which are not defined in this Supplementary Bidder's Statement have the meaning given to them in Section 10 of the Original Bidder's Statement.

2. Amendments to Original Bidder's Statement

2.1 Cover page of Original Bidder's Statement

On the cover page of the Original Bidder's Statement:

- (a) insert the word "**RECOMMENDED**" before the words "**CASH OFFER**" in the title;

and

- (b) delete the words "*The consideration offered is \$1.55 in cash for each Adelaide Brighton Limited share*", and replace them with the following:

"The consideration offered for each Adelaide Brighton Limited share is \$1.55 in cash which will be increased to \$1.60 in cash if Boral Limited obtains a relevant interest in at least 90% of the Adelaide Brighton Limited shares on issue and the Offer becomes unconditional.

Adelaide Brighton Limited's independent directors have announced that they intend to unanimously recommend that you accept the Offer, in the absence of a superior offer."

2.2 Letter from the Chairman of Boral Limited

In the Letter from the Chairman of Boral Limited contained in the Original Bidder's Statement:

- (a) insert at the end of the second paragraph as follows:

"which will be increased to \$1.60 in cash for each ABC Share if Boral obtains a relevant interest in at least 90% of ABC Shares and the Offer becomes unconditional.

The Independent Directors of ABC (being Malcolm Kinnaird AO (Chairman), Chris Harris, Mark Chellew (Managing Director) and Les Hosking) have announced that they intend to unanimously recommend that ABC shareholders accept the Offer, in the absence of a superior offer. They have also announced that they intend to accept the Offer in respect of their personal shareholdings in ABC, in the absence of a superior offer.";

- (b) insert a new paragraph after the paragraph beginning with the words "*The Offer price of \$1.55 per ABC Share...*" as follows:

"The Offer price will be increased to \$1.60 for each ABC Share if Boral obtains a relevant interest in at least 90% of ABC Shares and the Offer becomes unconditional. This would capitalise ABC at \$867 million and would represent a:

- *40% premium to the closing price of ABC Shares on 15 December 2003.*
- *33% premium to the volume-weighted average trading price of ABC Shares during the one month period up to and including 15 December 2003.";*

- (c) delete the paragraph beginning with the words "*The consideration of \$1.55 per ABC Share represents...*" and delete footnotes 1 and 2 referenced in that paragraph; and
- (d) delete the words "*the Offer price*" after the words "*Boral has acquired 19.9% of ABC Shares at...*", and replace them with the words "*\$1.55 per share*".

2.3 Table of contents

In the Section headed "*Table of Contents*" contained in the Original Bidder's Statement:

- (a) delete the title of Annexure A of the Original Bidder's Statement and replace it with the following:

"Certain announcements by Boral, RMC Group and ABC"; and

- (b) renumber the page numbers.

2.4 Important dates and notices (Section 1)

In Section 1 of the Original Bidder's Statement:

- (a) delete the date "23 December 2003" from the row titled "*BIDDER'S STATEMENT LODGED WITH ASIC AND DATED*" contained in the table and replace it with the date on which the Replacement Bidder's Statement is lodged with ASIC;
- (b) insert a new paragraph at the end of the sub-section headed "*BIDDER'S STATEMENT RELATING TO A CASH OFFER FROM BORAL LIMITED ABN 13 008 421 761 TO ACQUIRE ALL THE SHARES IN ADELAIDE BRIGHTON LIMITED ABN 15 007 596 018*" as follows;

"This Bidder's Statement is a replacement bidder's statement and replaces Boral Limited's original bidder's statement dated 23 December 2003 which was lodged with the Australian Securities and Investments Commission on 23 December 2003. This Bidder's Statement incorporates the changes made by Boral Limited's supplementary bidder's statement in respect of the Offer dated 20 January 2004.";
and
- (c) delete the date "23 December 2003" after the words ("*ASIC*") on..." from the sub-section headed "*AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION*" and replace it with the date on which the Replacement Bidder's Statement is lodged with ASIC.

2.5 Summary of the Offer (Section 2)

In Section 2 of the Original Bidder's Statement:

- (a) insert the words "*which will be increased to \$1.60 in cash for each of your ABC Shares if Boral obtains a relevant interest in at least 90% of ABC Shares and the Offer becomes unconditional.*" at the end of the sentence following the heading "*Offer price*";
- (b) delete the words "*(\$1.55 per ABC Share)*" after the words "*cash consideration by Boral for your ABC Shares*" following the heading "*Payment terms*"; and
- (c) insert the following paragraph at the end of the sub-section headed "*Payment terms*":

"If you have been paid under the Offer and Boral subsequently improves the consideration offered, you will be entitled to the improved consideration and Boral will pay it to you immediately."

2.6 Why you should accept the Offer (Section 3)

- (a) Insert a new Section 3.1 at the start of Section 3 of the Original Bidder's Statement entitled "*RECOMMENDATION BY INDEPENDENT DIRECTORS OF ABC*", containing the following:

"The Independent Directors of ABC (being Malcolm Kinnaird AO (Chairman), Chris Harris, Mark Chellew (Managing Director) and Les Hosking) have announced that they intend to unanimously recommend that you accept the Offer, in the absence of a superior offer. They have also announced that they intend to accept the Offer in respect of their personal shareholdings in ABC, in the absence of a superior offer."; and

- (b) renumber the sub-sections in Section 3 of the Original Bidder's Statement.

2.7 The Offer represents an attractive premium to recent trading prices (Section 3.1)

Insert the following paragraph at the end of Section 3.1 of the Original Bidder's Statement:

"If Boral obtains a relevant interest in at least 90% of ABC Shares and the Offer becomes unconditional, the Offer price will be increased to \$1.60 per ABC Share which would capitalise ABC at \$867 million and which would represent a premium of:

- *40% to the closing price of ABC Shares of \$1.14 on 15 December 2003, the day before the announcement of the Offer by Boral.*
- *33% to the volume-weighted average trading price of ABC Shares of \$1.20 during the one month period up to and including 15 December 2003.*
- *26% to the volume-weighted average trading price of ABC Shares of \$1.27 during the 12 month period up to and including 15 December 2003."*

2.8 The offer represents an attractive multiple of earnings (Section 3.2)

In Section 3.2 of the Original Bidder's Statement:

- (a) renumber the footnotes;
- (b) insert the following after the words "*the Offer price*" in the renumbered footnotes 1 and 2:
- "(\$1.55 per ABC Share)";*
- (c) insert the following after the words "*\$184.9 million*" in the renumbered footnotes 1 and 2:
- ", minority equity interests at 30 June 2003 of \$3.0 million";*
- (d) delete the date "*22 December 2003*" from the renumbered footnote 3 and replace it with the date "*19 January 2004*";
- (e) delete the first two bar charts and replace them with the amended bar charts set out in Annexure B to this Supplementary Bidder's Statement;
- (f) insert a new paragraph at the end of the Section and before the footnotes as follows:
- "If Boral obtains a relevant interest in at least 90% of ABC Shares and the Offer becomes unconditional, the consideration will be increased to \$1.60 per ABC Share which would represent enhanced multiples of 9.0 times ABC's EBITDA for the year ended 31 December 2002⁵ and 11.9 times ABC's EBITA for the year ended 31 December 2002⁶, respectively."; and*
- (g) add new footnotes 5 and 6 as follows:
- "5. Based on capitalisation of ABC at the Offer price which may become payable by Boral (\$1.60 per ABC Share) of \$867 million, net debt at 30 June 2003 of \$184.9 million, minority equity interests at 30 June 2003 of \$3.0 million and EBITDA to 31 December 2002 of \$117.7 million.*
- 6. Based on capitalisation of ABC at the Offer price which may become payable by Boral (\$1.60 per ABC Share) of \$867 million, net debt at 30 June*

2003 of \$184.9 million, minority equity interests at 30 June 2003 of \$3.0 million and EBITA to 31 December 2002 of \$88.4 million."

2.9 ABC's major shareholder has sold 39.9% of ABC (Section 3.3)

In Section 3.3 of the Original Bidder's Statement:

- (a) insert the word "*FORMER*" after the word "*ABC's*" in the heading; and
- (b) delete all paragraphs and replace them with the following:

"RMC Group (formerly ABC's largest shareholder), on 16 December 2003 sold 107,830,340 ABC Shares to Boral for the price of \$1.55 per ABC Share.

Following that disposal, RMC Group announced that it held approximately 34.9% of ABC Shares and intends to sell the remainder of its stake. On 23 December 2003, RMC Group sold a further 20% shareholding in ABC at \$1.40 per ABC Share.

Boral considers that these sales by RMC Group indicate the attractiveness of the Offer price."

2.10 You will receive cash for your ABC shares (Section 3.4)

Insert the words "*which will be increased to \$1.60 cash per ABC Share if Boral obtains a relevant interest in at least 90% of ABC Shares and the Offer becomes unconditional.*" at the end of Section 3.4 of the Original Bidder's Statement.

2.11 No competing offer has been made and the likelihood of a competing offer is reduced by Boral's shareholding in ABC (Section 3.7)

Insert the following sentence at the end of the first paragraph in Section 3.7 of the Original Bidder's Statement:

"ABC has also entered into a no-solicitation agreement with Boral (the details of which are described in section 9.13(b))."

2.12 Boral (Section 4.1)

In the last paragraph of Section 4.1 of the Original Bidder's Statement:

- (a) delete the amount "*\$2.9 billion*" and replace it with the amount "*\$3.1 billion*"; and
- (b) delete the date "*22 December 2003*" and replace it with the date "*19 January 2004*".

2.13 Intentions upon ownership of 100% of ABC (Section 5.3)

In the last paragraph of Section 5.3(c) of the Original Bidder's Statement:

- (a) delete the words "*Boral expects that there may exist*" and replace them with the words "*Boral understands that there is*"; and
- (b) insert a new sentence at the end of the paragraph as follows:

"ABC has provided to Boral copies of certain material agreements, including agreements relating to ICL, in relation to which further information is set out in section 9.8(b) of this Bidder's Statement."

2.14 Consideration (Section 6.2)

Insert the following words at the end of Section 6.2 of the Original Bidder's Statement:

"which will be increased to \$1.60 cash for each ABC Share if Boral obtains a relevant interest in at least 90% of ABC Shares and the Offer becomes unconditional."

2.15 Payment of Consideration (Section 6.8)

In Section 6.8 of the Original Bidder's Statement:

- (a) delete the words *"(ie a cash payment of \$1.55 for each ABC Share)"* after the words *"consideration due under the Offer"* in Section 6.8(a);
- (b) insert a new sentence paragraph after Section 6.8(a)(ii) as follows:

"If you have been paid under the Offer and Boral subsequently improves the consideration offered, you will be entitled to the improved consideration and Boral will pay it to you immediately."; and
- (c) delete the words *"(\$1.55 for each ABC Share)"* after the words *"Payment of the cash amount"* in Section 6.8(b).

2.16 Cash consideration (Section 7.1)

Delete the words *"(\$1.55 per ABC Share)"* from Section 7.1 of the Original Bidder's Statement.

2.17 Amount payable (Section 7.2)

Delete the amount *"\$673 million"* from Section 7.2 of the Original Bidder's Statement and replace it with the words *"\$694 million (based on the consideration which will become payable of \$1.60 cash per ABC Share if Boral obtains a relevant interest in at least 90% of ABC Shares and the Offer becomes unconditional)"*.

2.18 Capital gain or loss on disposal of ABC Shares (Section 8.2)

Delete the words *"namely \$1.55 per ABC Share"* after the words *"your ABC Shares"* from the second paragraph under the sub-section headed *"Capital gain"* in Section 8.2 of the Original Bidder's Statement.

2.19 Substantial shareholders (Section 9.3)

Delete all the words after *"is as follows:"* from Section 9.3 of the Original Bidder's Statement and replace them with the following:

<i>SUBSTANTIAL SHAREHOLDER</i>	<i>NUMBER OF ABC SHARES</i>	<i>VOTING POWER</i>
<i>RMC Group</i>	<i>80,940,316</i>	<i>14.9%⁷</i>
<i>Barro Properties Pty Ltd</i>	<i>54,178,090</i>	<i>10.0%⁸</i>

7. *Based on the notice of change of interests of substantial shareholder announced to the ASX on behalf of RMC Group on 31 December 2003.*

8. *Based on shareholder information in ABC's last annual report".*

2.20 Additional information about certain conditions (Section 9.8)

In Section 9.8 of the Original Bidder's Statement:

- (a) delete the words "*is providing*" from the second paragraph of Section 9.8(a) and replace them with the words "*has provided*";
- (b) delete the words "*does not know if*" from the third paragraph of Section 9.8(b) and replace them with the words "*they do not reveal that*";
- (c) insert the words "..., or other information provided," after the words "*Boral will need to review any public statements made*" in the fourth paragraph of Section 9.8(b); and
- (d) insert the following at the end of Section 9.8(b):

"ABC has provided to Boral summaries of certain material agreements which appear to fall within the ambit of the condition in section 6.4(a)(v) and Boral can confirm that the information in those summaries will not cause Boral to rely on the condition in section 6.4(a)(v).

Following provision of those summaries, ABC provided to Boral copies of certain material agreements. Boral has not been able to fully review those agreements and consider their implications in the time available prior to the lodgement with ASIC of Boral's supplementary bidder's statement dated 20 January 2004. Boral will complete its review of those agreements as soon as it is able to do so and when it has, it will provide additional information in a further supplementary bidder's statement."

2.21 Announcements in relation to the Offer (Section 9.10)

Delete all paragraphs from Section 9.10 of the Original Bidder's Statement and replace them with the following:

"Annexure A includes the texts of the announcements by:

- *Boral, RMC Group and ABC, in relation to the proposed Offer, made to ASX on the Announcement Date;*
- *ABC in relation to refinancing the RMC loan facility and the sale by RMC Group of a further 20% interest in ABC Shares; and*
- *Boral and ABC in relation to the Offer being increased to \$1.60 per ABC Share if Boral obtains a relevant interest in at least 90% of ABC Shares and the Offer becomes unconditional and the recommendation to accept the Offer by the Independent Directors of ABC."*

2.22 Agreement to co-operate between Boral and ABC (Section 9.13)

Insert a new Section 9.13 into the Original Bidder's Statement entitled "*AGREEMENT TO CO-OPERATE BETWEEN BORAL AND ABC*", containing the following:

"(a) PROVISION OF INFORMATION AND ASSISTANCE

ABC has agreed to provide Boral with certain information and assistance relevant to the conditions in sections 6.4(a)(i), (ii) and (v) of this Bidder's Statement as follows:

- (i) ABC will provide Boral with certain information about material*

agreements referred to in section 6.4(a)(v) of this Bidder's Statement. This information will assist Boral to determine the extent to which there exists material agreements, to which the ABC Group is a party, under which the other party to the agreement may exercise rights as a result of Boral making the Offer or acquiring ABC Shares pursuant to the Offer, or as a result of the ABC Group disposing of any asset or interest (or part thereof) or agreeing or proposing to do so, the effect of which may be to reduce the value of ABC to Boral;

- (ii) ABC will provide Boral with certain assistance in regard to the ACCC and to assist Boral in assessing how to implement its intentions described in the fourth dot point in section 5.3(c) of this Bidder's Statement and in assessing the value impact of the disposal of any of ABC Group's concrete masonry assets in South Australia, Victoria or New South Wales; and
- (iii) ABC will use its reasonable endeavours to assist Boral to obtain acceptances of the Offer so as to fulfil the minimum acceptance condition set out in section 6.4(a)(i) of this Bidder's Statement.

(b) **NO SOLICITATION**

ABC has agreed that between 7 January 2004 and 7 May 2004 (or the close of the Offer, if earlier), it will not solicit, encourage or invite any discussions or proposals, or initiate or continue any discussions or negotiations, disclose any information or enter into any agreement, arrangement or understanding, in relation to, or which may reasonably be expected to lead to, a proposal or offer by a third party to acquire a relevant interest in more than 5% of ABC, an interest in all or a substantial part of the business or assets of ABC or otherwise acquire control of or merge with ABC or under which ABC would issue a material amount of its share capital or effect any reorganisation, recapitalisation or dissolution (a "**Third Party Proposal**"), nor will ABC approve, recommend or endorse a Third Party Proposal. ABC will promptly advise Boral of any approach, enquiry or proposal made to ABC, any attempt to initiate negotiations or discussions with ABC or any requests for information relating to ABC or its businesses or operations which relates or may relate to a Third Party Proposal including the identity of the third party making the approach or request and the terms of any proposal put to ABC.

If ABC receives an unsolicited Third Party Proposal and the board of directors of ABC acting in good faith receives written advice from its external lawyers that failing to respond to the Third Party Proposal would constitute a breach of their fiduciary or statutory obligations, then ABC may respond to the Third Party Proposal.

ABC will not pursue any Third Party Proposal unless ABC has given Boral the opportunity to make a counterproposal, offer or transaction which provides financial benefits to ABC shareholders which are at least equal to such Third Party Proposal and Boral has not taken that opportunity."

2.23 Information provided to Boral (Section 9.14)

Insert a new Section 9.14 into the Original Bidder's Statement entitled "**INFORMATION PROVIDED TO BORAL**", containing the following:

"Boral has been provided certain limited information by ABC prior to the date of this Bidder's Statement which is information concerning ABC which has not been previously disclosed in detail or generally to ABC shareholders. The information was of a nature which confirmed publicly available information or was provided as described in section 9.13(a) above and

Boral did not seek to validate the information. Other than as disclosed in this Bidder's Statement, none of the information provided is of such a nature or character that, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of ABC Shares or that it would be material to the making of a decision by an ABC shareholder whether or not to accept the Offer. However, the fact that ABC provided such information may itself be regarded as information which is material to a decision whether or not to accept the Offer."

2.24 No other material information (Section 9.13 of the Original Bidder's Statement)

Renumber Section 9.13 of the Original Bidder's Statement as Section 9.15.

2.25 Defined terms (Section 10.1)

In Section 10.1 of the Original Bidder's Statement, insert the following definitions:

- (a) *""Independent Directors of ABC" means Malcolm Kinnaird AO (Chairman), Chris Harris, Mark Chellev (Managing Director) and Les Hosking"; and*
- (b) *""Third Party Proposal" has the meaning given in section 9.13(b)".*

2.26 Interpretation (Section 10.2)

In Section 10.2 of the Original Bidder's Statement:

- (a) insert the word "and" at the end of Section 10.2(b)(vii); and
- (b) insert a new Section 10.2(b)(viii) as follows:

"the expression "Boral obtains a relevant interest in at least 90% of ABC Shares and the Offer becomes unconditional" means that:

- A. *during or at the end of the Offer Period, Boral and its associates have relevant interests in that number of ABC Shares which is equal to at least 90% of the number of ABC Shares then on issue; and*
- B. *Boral has declared all Offers to be free from the conditions in section 6.4(a) of this Bidder's Statement in accordance with, and before the date applicable under, section 650F(1) of the Corporations Act or such conditions have otherwise been fulfilled at the end of the Offer Period."*

2.27 Approval of Bidder's Statement (Section 11)

Delete the date "23 December 2003" in Section 11 of the Original Bidder's Statement and replace it with the date on which the Replacement Bidder's Statement is lodged with ASIC.

2.28 Annexure A

Delete the title of Annexure A of the Original Bidder's Statement and replace it with the following:

"Certain announcements by Boral, RMC Group and ABC".

2.29 Annexure B

In the table contained in Annexure B of the Original Bidder's Statement, insert the following

announcements:

<i>DATE</i>	<i>ANNOUNCEMENT</i>
<i>9 January 2004</i>	<i>Letter to shareholders from ABC in relation to the recommendation to accept the Offer by the Independent Directors of ABC.</i>
<i>7 January 2004</i>	<i>Independent Directors of ABC recommendation to accept the Offer.</i>
<i>7 January 2004</i>	<i>Boral announcement in relation to the Independent Directors of ABC recommending the Offer.</i>
<i>7 January 2004</i>	<i>Announcement of a trading halt.</i>
<i>31 December 2003</i>	<i>Notice of change of interests of substantial shareholder by RMC Group.</i>
<i>23 December 2003</i>	<i>Confirmation of receipt of Boral Bidder's Statement.</i>
<i>23 December 2003</i>	<i>Boral's Bidder's Statement.</i>

This Supplementary Bidder's Statement has been approved by a resolution passed by the directors of the bidder.

Dated: 20 January 2004

Signed on behalf of Boral Limited ABN 13 008 421 761
by Rod Pearce, director, who is authorised to sign this
Supplementary Bidder's Statement following a resolution
of the directors of Boral Limited



.....
Rod Pearce

Annexure A

**Announcements by Boral and ABC referred to in Section 1.1 of the
Supplementary Bidder's Statement**

Boral Limited



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7 January 2004

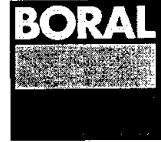
The Manager, Listings
Australian Stock Exchange Limited
Level 4
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

We enclose a copy of a Media Release titled "**Acceptance of Boral's takeover bid to be recommended by Independent Directors of Adelaide Brighton**" which is being issued today.

Yours faithfully

M.B. Scobie
Company Secretary



MEDIA RELEASE

7 January 2004

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Acceptance of Boral's takeover bid to be recommended by Independent Directors of Adelaide Brighton

Boral Limited ("Boral") announced today that the cash consideration under its off-market takeover offer for Adelaide Brighton Limited ("Adelaide Brighton") of \$1.55 per Adelaide Brighton share will be increased by 5c to \$1.60 per share in the event that Boral obtains a relevant interest in at least 90% of the Adelaide Brighton shares on issue and the offer becomes unconditional.

The Independent Directors of Adelaide Brighton (being Malcolm Kinnaird AO (Chairman), Chris Harris, Mark Chelley (Managing Director) and Les Hosking) have advised they will unanimously recommend that its shareholders accept Boral's offer, in the absence of a superior offer, and that the Independent Directors of Adelaide Brighton intend to accept the offer in respect of their personal shareholdings, in the absence of a superior offer.

Rod Pearse, Managing Director of Boral, said today: "It is pleasing to have secured the recommendation and support of the Independent Directors of Adelaide Brighton for Boral's proposal. It is now in the interest of all Adelaide Brighton shareholders to ensure that Boral acquires a relevant interest of at least 90% in Adelaide Brighton, in order that they have the opportunity to benefit from the higher cash consideration."

Boral's offer will provide substantial value to the shareholders in Adelaide Brighton, with the maximum consideration of \$1.60 representing:

- A 40.4% premium to the closing price of Adelaide Brighton on 15 December 2003
- A 33.2% premium to the 1 month volume-weighted average price of Adelaide Brighton shares up to and including 15 December 2003.

Mr Pearse said: "The acquisition would provide Boral with additional long-term and value-adding assets, benefits of scale and an enhanced national presence, and is consistent with Boral's 'perform and grow' strategy. At the maximum consideration of \$1.60 the acquisition is expected to be earnings per share accretive in the first full financial year after the acquisition."

Adelaide Brighton has also agreed with Boral to provide certain information and assistance in relation to the offer and has entered into a non-solicitation agreement.

Boral's offer remains subject to all conditions set out in Section 6.4(a) of Boral's Bidder's Statement dated 23 December 2003. In particular, there are competition law considerations and Boral's takeover offer for Adelaide Brighton remains conditional on these being satisfactorily resolved.

Boral's replacement Bidder's Statement and Adelaide Brighton's Target's Statement are expected to be despatched to Adelaide Brighton shareholders during January.

Contact details:

Rod Pearce
CEO and Managing Director,
Boral Limited
Telephone 02 9220 6490

Investor Enquiries:
Ken Barton
Chief Financial Officer,
Boral Limited
Telephone 02 9220 6385

Media and Investor Enquiries:
Kylie FitzGerald
General Manager, Corporate Affairs & Investor Relations,
Boral Limited
Telephone 02 9220 6390 or 0401 895 894

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7 January 2004

ASX AND MEDIA RELEASE

**Independent Directors of Adelaide Brighton recommend acceptance
of increased offer by Boral, in the absence of a superior proposal**

Adelaide Brighton Ltd (Adelaide Brighton) announced today that it has reached agreement with Boral Limited (Boral) whereby Boral has agreed to increase the value of its offer for Adelaide Brighton shares by 5 cents to \$1.60 per Adelaide Brighton share upon obtaining a relevant interest in at least 90% of the shares in Adelaide Brighton and Boral's offer becoming unconditional.

The Independent Directors of Adelaide Brighton (being Malcolm Kinnaird AO (Chairman), Chris Harris, Mark Chelley (Managing Director) and Les Hosking) also announced today that they intend to unanimously recommend acceptance of Boral's offer, in the absence of a superior offer. All Independent Directors intend accepting Boral's offer in respect of their personal shareholdings, in the absence of a superior offer.

Boral's increased offer represents a significant premium to Adelaide Brighton's recent trading price and is above the highest price that Adelaide Brighton shares have traded at since the company's restructuring in March 1999.

The increased offer capitalises Adelaide Brighton at \$867m and represents a premium of:

- 40.4% to the closing price of Adelaide Brighton shares on 15 December 2003, the day before the announcement of the offer by Boral; and
- 33.2% to the volume weighted average trading price of Adelaide Brighton shares for the month ending on 15 December 2003.

Adelaide Brighton has also agreed with Boral to provide certain information and assistance in relation to the offer and has entered into a non-solicitation agreement.

The Chairman of Adelaide Brighton, Mr Malcolm Kinnaird AO said:

"The Independent Directors of Adelaide Brighton and our advisers have negotiated an improved offer which we believe is in the best interests of Adelaide Brighton's shareholders, in the absence of a superior offer."

Mr Mark Chelley, Managing Director of Adelaide Brighton, said:

"Boral's offer recognises the growth that Adelaide Brighton's Board and management has achieved in the last few years for our shareholders. It confirms the soundness and success of our corporate strategy and its implementation. The increased offer provides a good result for our shareholders."

The Target's Statement is expected to be despatched to shareholders later in January.

Adelaide Brighton is being advised by Caliburn Partnership as financial adviser and Freehills as legal adviser.

Mark Chellew
Managing Director

For further information: Ms Luba Przedworski
Group Corporate Affairs Adviser
Telephone 08 8223 8005 or 0418 535 636

Annexure B

Amended Bar Charts referred in Section 2.8(e) of the Supplementary Bidder's Statement.

