



Notice of Annual General Meeting

Notice is given that the 2010 Annual General Meeting of Adelaide Brighton Ltd (the Company) will be held at the Ballroom, Lower Level, InterContinental, North Terrace, Adelaide, South Australia 5000, on Wednesday 19 May 2010 at 11.00 am Adelaide time.

Ordinary business

1 Financial Report

To receive and consider the financial report of the Company and the reports of the Directors and auditors for the financial year ended 31 December 2009.

2 Election of Directors

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr G F Pettigrew, being a Director of the Company who retires by rotation under rule 7.1(d) of the Company's constitution, and being eligible, is re-elected as a Director of the Company."

Special business

3 Non-executive Director remuneration

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the maximum aggregate amount of remuneration which may be paid to Non-executive Directors in any year under rule 7.3(a) of the Company's constitution be increased by \$150,000 to \$1,100,000 with effect from 1 January 2010."

Voting restriction on resolution 3

The Company will disregard any votes cast on resolution 3 by any Director of the Company or any of their associates unless the vote is cast by:

- > a person as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form; or
- > the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4 Issue of Awards to the Managing Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.14 and section 200B of the Corporations Act, approval be given to the grant of 1,800,000 Awards to Mr Mark Chellew, the Managing Director of the Company, under the Adelaide Brighton Executive Performance Share Plan on the terms set out in the Explanatory Notes to this Notice of Annual General Meeting."

Voting restriction on resolution 4

The Company will disregard any votes cast on resolution 4 by the Managing Director or any of his associates unless the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form.

5 Remuneration Report

To adopt the Remuneration Report for the financial year ended 31 December 2009.

The Remuneration Report is set out on pages 39 to 47 of the 2009 Annual Report. Please note that the vote on this resolution is advisory only, and does not bind the Directors or the Company.

By order of the Board

Marcus Clayton
Company Secretary
9 April 2010

Annual report

Adelaide Brighton Ltd's 2009 annual report is now available at www.adbri.com.au/corporate/annualreports.html

Voting information

- 1 For the purposes of the meeting, shares will be taken to be held by the persons who are the registered holders at 10.00pm (Adelaide time) on Monday 17 May 2010. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.
 - 2 A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:
 - > appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act 2001 (Cth)*; and
 - > provides satisfactory evidence of the appointment of its corporate representative.If such evidence is not received at least 48 hours before the meeting, the body corporate (through its representative) will not be permitted to act as a proxy.
- A form of appointment of proxy is enclosed. To be effective, the document appointing the proxy (and a certified copy of the power of attorney, if any, under which it is signed) must be received by the Company at least 48 hours before the meeting. The documents should be lodged with the Company:
- > by delivery, or by mail, to the Company's registered office at:
Level 1
157 Grenfell Street
Adelaide SA 5000
or
 - > by facsimile to the Company on:
(08) 8215 0030
(international +(618) 8215 0030).
 - > **Vote online:** shareholders can also cast their votes online at www.investorvote.com.au and follow the prompts.
- To use this facility you will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN), postcode and control number as shown on the proxy form. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions on the website.
- > **Custodian voting** - for Intermediary Online subscribers only (custodians) please visit: www.intermediaryonline.com to submit your voting intentions.

- A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using the enclosed proxy form, an additional form of proxy is available on request from the Company.
- 3 A representative of a company attending the meeting must present satisfactory evidence of his or her appointment to attend on its behalf, unless previously lodged with the Company.
 - 4 Please refer to other notes appearing on the enclosed form of proxy.

Explanatory notes to shareholders

Resolution 2 Election of Directors

Mr G F Pettigrew retires by rotation and offers himself for re-election.

The experience, qualifications, competencies and other information about Mr Pettigrew appear below:

Mr G F Pettigrew *FPNA, FAIM, FAICD*

Mr Pettigrew, 61 years of age, joined the Board as an independent non-executive Director in August 2004. He is Chair of the Safety, Health and Environment Committee and a member of the Audit, Risk and Compliance Committee, Independent Directors' Committee and Nomination and Remuneration Committee.

Mr Pettigrew has extensive experience in the building materials industry and previously held the position of Chief Executive Officer of CSR Building Products. He has broad management experience gained in South East Asia and the United Kingdom through his former positions as Managing Director of Chubb Australia Limited and Wormald Security Australia Pty Ltd. Mr Pettigrew is a Director of Lafarge Plasterboard Pty Ltd and Bisalloy Steel Group Ltd.

The Board has reviewed the performance of Mr Pettigrew and confirmed its support for his re-election as a Director of the Company.

Special business

Resolution 3 Non-executive Director remuneration

Under the Company's constitution, the fees payable to non-executive Directors for their services as Directors are determined by the Board within a maximum aggregate amount approved by shareholders for that purpose. The present maximum aggregate amount of \$950,000 per annum was approved by shareholders at the May 2008 Annual General Meeting.

Details of non-executive Directors' remuneration are disclosed on page 47 of the 2009 Annual Report. The total aggregate amount of remuneration paid out of the funds of the Company to non-executive Directors for the financial year ended 31 December 2009 was \$822,761.

For the purposes of rule 7.3(a) of the Company's constitution and ASX Listing Rule 10.17, shareholder approval is sought to increase the maximum aggregate amount which can be paid as remuneration to the non-executive Directors, by \$150,000 from \$950,000 to \$1,100,000 per annum.

Adelaide Brighton undertakes regular reviews of the fees paid to non-executive Directors to ensure that they are competitive and enable the Company to attract and retain high calibre Directors. This review includes consideration of fees paid to non-executive Directors of comparable Australian listed companies. Director's performance, duties and responsibilities, the market comparison and independent advice are all considered as part of the review.

Increasing the maximum amount of remuneration payable does not mean that the whole of that amount will be used immediately, particularly in light of the retirement of the Chairman, Mr M A Kinnaird *AC*, at the conclusion of the AGM. This increase will allow the Board to continue its renewal process with the appointment of two or, possibly, more new Directors in the short to medium term and give further flexibility in respect of future non-executive Director remuneration.

Shareholders should note that the proposed increase in Directors' remuneration does not relate to salaries paid to executive Directors in their capacity as executives of the Company. Executive Directors do not receive remuneration in the form of Directors' fees in addition to their salaries.

**Resolution 4
Issue of Awards to the
Managing Director**

Under ASX Listing Rule 10.14, shareholder approval is required in order for a Director to be issued securities under an employee incentive scheme. Shareholder approval is sought for the grant of Awards to the Managing Director, Mr Mark Chellew, under the Adelaide Brighton Executive Performance Share Plan (Plan).

Approval is also sought under section 200B of the Corporations Act to the pro rata vesting of Awards in the event of cessation of Mr Chellew's employment in certain circumstances. This approval is sought on a voluntary basis, as the treatment of Awards upon termination of Mr Chellew's employment is dealt with under his service agreement, which pre-dates the recent changes to the termination payments provisions of the Corporations Act. It is, however, being presented to shareholders in the interests of good governance.

Details of Mr Chellew's remuneration package for the 2009 financial year are set out in the Remuneration Report on pages 42 to 46 of the 2009 Annual Report. A summary of the operation of the Plan is also set out in the Remuneration Report.

The Board considers that it is important that the remuneration of the Managing Director and members of the senior executive team, including any long term incentive, be on the same terms to ensure a co-ordinated and consistent effort to achieving the Company's goals. Following the meeting, the Company will issue Awards to members of the senior executive team on similar terms to those proposed for Mr Chellew. A brief overview of the details of the proposed grant is set out adjacent.

Number of Awards and shares	<p>If approval is obtained, Mr Chellew will be issued with 1,800,000 Awards (at no cost to the Managing Director) under the Plan.</p> <p>Each Award is a right to a fully paid ordinary share in Adelaide Brighton. Accordingly, the maximum number of shares in respect of which the Awards may be exercised is 1,800,000, subject to the satisfaction of the performance conditions outlined below.</p>
Date of grant of Awards	<p>If shareholder approval is obtained, the Awards will be formally granted to Mr Chellew no later than one month after the date of the meeting.</p> <p>To coincide with the start of the performance period, the effective grant date of the Awards will be 1 January 2010.</p> <p>Any unexercised Awards will expire on 30 September 2014.</p>
Performance period and vesting	<p>The Awards will be divided into 3 tranches as follows:</p> <ul style="list-style-type: none">> Tranche 1: 30% of Award – earliest exercise date is 1 May 2012> Tranche 2: 30% of Award – earliest exercise date is 1 May 2013> Tranche 3: 40% of Award – earliest exercise date is 1 May 2014 <p>Each tranche will be tested against the performance conditions, described below.</p> <p>Any Awards which do not vest at the end of the applicable performance period will lapse.</p>
Performance hurdles	<p>The Awards are subject to two performance hurdles, which are independent and will be tested separately.</p> <p>The Board considers these performance hurdles to be appropriate as they link a proportion of the Managing Director's remuneration to Company performance and the generation of shareholder value.</p> <p>Total Shareholder Return (TSR) hurdle</p> <p>50% of each tranche of the Awards will be subject to the TSR hurdle. This hurdle requires the Company's total shareholder return over the relevant performance period to equal or exceed the growth in the median company of the S&P/ASX 200 Accumulation Index (excluding all GICS Financial companies and selected resources companies). This comparator group has been chosen because the Board believes it appropriately reflects the Company's current market positioning.</p> <p>If performance is in the 50th percentile, then 50% of Awards will vest. Full vesting will occur at the 75th percentile, with pro rata vesting on a straight line basis between these points. No Awards will vest if the Company's TSR performance over the relevant performance period is less than the 50th percentile.</p> <p>Earnings Per Share (EPS) hurdle</p> <p>50% of each tranche of the Awards will be subject to the EPS hurdle. The EPS hurdle requires growth in the Company's earnings per share (as disclosed in the audited accounts) from the base year to the financial year immediately preceding the earliest exercise date for the relevant tranche, to equal or exceed an external benchmark measure (being the Consumer Price Index (CPI) (All Cities) plus a percentage premium). The Board may adjust the EPS to exclude the effects of material business acquisitions or divestments and for certain one-off costs.</p> <p>The target growth rate over the applicable performance period for 50% vesting is CPI + 2.5% per annum growth, with full vesting occurring where the growth rate equals or exceeds CPI + 5% per annum. Again, the Awards will vest on a straight line basis between these points.</p>
Trading restrictions	<p>Following vesting of an Award, the Managing Director may exercise the Awards at any time prior to 30 September 2014. He may only dispose of the shares allocated on exercise of an Award pursuant to an approval under the terms of the Company's share trading policy.</p>

Continued overleaf

Price payable on grant or exercise of Awards	No amount is payable either on grant of the Awards or on exercise of any tranche of Awards.
Cessation of employment	<p>Pursuant to the terms of Mr Chellev's service agreement, if he ceases employment with the Company other than as a result of resignation or termination for cause before the earliest exercise date in respect of a tranche of Awards, those Awards will vest on a pro rata basis determined by reference to that part of the performance period elapsed at the date of cessation. Any Awards that vest are able to be exercised for six months post termination, after which time they will lapse.</p> <p>Unvested Awards will lapse if the Managing Director resigns or is terminated for cause.</p>
Change of control	In the event of a change of control (which includes where a person becomes entitled to more than 50% of the Company's shares whether under a takeover bid being made or other transaction), the Managing Director will, unless the Board determines otherwise, be entitled to exercise his unvested Awards.
Other required information - ASX Listing Rules	<p>Mr Chellev is the only Director of the Company entitled to participate in the Plan.</p> <p>Following shareholder approval granted on 10 May 2007, 1,305,000 Awards were granted to Mr Chellev. Since this approval, no other Awards have been made under the Plan to Mr Chellev or any other Director.</p>
Other required information - section 200E Corporations Act	<p>The value of the proposed Awards cannot currently be ascertained, as this benefit is dependent upon the Company's share price at the time the Awards vest (determined by multiplying the number of Awards which vest at the time of cessation of employment by the closing market price of the Company's shares on the ASX at that time).</p> <p>The circumstances which will affect the calculation of this value include:</p> <ul style="list-style-type: none"> > the number of unvested Awards held at the time employment ceases (given one or more of the tranches of Awards may have been tested and vested prior to that date); > the fraction of the performance period that has elapsed at the time employment ceases (as the number of Awards to vest are determined on a pro rata basis across the performance period); and > the market price of shares on the ASX at the relevant time.

The Board, excluding Mr Chellev, recommend shareholders vote in favour of resolution 4.

Resolution 5 Adoption of Remuneration Report - non-binding advisory vote

As required by the Corporations Act, the Board is presenting the Company's Remuneration Report to shareholders for consideration and adoption by a non-binding advisory vote. The Remuneration Report is set out on pages 39 to 47 of the 2009 Annual Report.

The Remuneration Report:

- > describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of employees and the Company's performance.

- > sets out the remuneration arrangements in place for each Director during the year and for certain key members of the senior management team, including performance conditions applicable to 'at risk' remuneration for certain senior executives.

- > explains the differences in approach for remunerating non-executive Directors and executives of the Company, including the Managing Director.

A reasonable opportunity for discussion of the Remuneration Report will be provided at the Annual General Meeting. The vote on resolution 5 is advisory only and does not bind the Directors or the Company. Nevertheless, the Board will take into account the outcome of the vote when considering the future remuneration arrangements of the Company.

The Board recommends that shareholders vote in favour of resolution 5.



Adelaide Brighton Ltd

Adelaide Brighton Ltd

ABN 15 007 596 018

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Adelaide Brighton Ltd
GPO Box 2155
Adelaide SA 5001

Alternatively you can fax your form to
(within Australia) 08 8215 0030
(outside Australia) +61 8 8215 0030

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1800 339 522
(outside Australia) +61 3 9415 4031

Proxy Form

 Vote online, 24 hours a day, 7 days a week: www.investorvote.com.au	Your secure access information is: Control Number: SRN/HIN:  PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.
<input checked="" type="checkbox"/> Cast your proxy vote <input checked="" type="checkbox"/> Review and update your securityholding	

 **For your vote to be effective it must be received by 11.00am Adelaide time Monday 17 May 2010**

How to vote on items of business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing instructions for postal forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments and questions

If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to vote on your behalf

I/We being a member/s of Adelaide Brighton Ltd hereby appoint

the Chairman of the meeting **OR**

PLEASE NOTE: leave this box blank if you have selected the Chairman of the meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Adelaide Brighton Ltd to be held at the Ballroom, Lower Level, InterContinental, North Terrace, Adelaide SA 5000, on Wednesday, 19 May 2010 at 11.00am Adelaide time and at any adjournment of that meeting.

Important for Item 3: If the Chairman of the meeting is your proxy and you have not directed him/her how to vote on Item 3 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your votes on Item 3 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the meeting intends to vote undirected proxies in favour of Item 3 of business.

I/We acknowledge that the Chairman of the meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary business

For Against Abstain

2	Re-election of GF Pettigrew as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Special business

3	Non-executive Director Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Issue of Awards to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Adoption of Remuneration Report for the financial year ended 31 December 2009	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____ / ____ / ____