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ASX RELEASE

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ADELAIDE BRIGHTON ACQUIRES 30% STAKE IN MALAYSIAN WHITE CEMENT BUSINESS, STRENGTHENS IMPORT CAPABILITY AND CONFIRMS MAJOR CUSTOMER CONTRACTS

Acquisition of a 30% stake in Malaysian white clinker and white cement producer

Adelaide Brighton Limited (ASX code: ABC) has entered into an agreement to acquire 30% of Aalborg Portland Malaysia Sdn. Bhd. (APM), an integrated white clinker and white cement production facility situated in Ipoh, on the west coast of the Malaysian Peninsula, approximately 180 kilometres north of Kuala Lumpur.

The remaining 70% of APM is held by Aalborg Portland A/S, a wholly owned subsidiary of Cementir Holding SpA (ISE code: CEM) of Italy, an international manufacturer of grey and white cement, ready-mixed concrete and concrete products, with 3,200 employees and operations in 15 countries.

The acquisition price for the 30% equity stake in APM (subject to a completion balance sheet adjustment) is US\$29.7 million (estimated A\$28.5 million), including US\$2.3 million for 30% of the net cash on hand, plus transaction costs of about US\$0.4 million. Completion is expected to occur on 5 December 2012.

The plant is an integrated white clinker and white cement operation comprising a 180,000 tonne capacity per annum kiln, a circa 200,000 tonne capacity per annum grinding mill and a packaging plant.

APM will consider an expansion to increase white clinker capacity by 150,000 tonnes per annum from 2015 at a cost of US\$18.6 million. This will be funded through APM's existing cash balances, internal cash flow and a small increase in debt within the entity.

An agreement with APM for the supply of white clinker to Adelaide Brighton for a term of 10 years from 2015 provides further options for Adelaide Brighton around the efficient leveraging of the Company's Australian production footprint. In the context of raw material availability and domestic production cost pressure, including energy and the carbon tax, Adelaide Brighton continues to review its domestic manufacturing footprint to maximise shareholder returns.

The acquisition of the stake in APM will be funded from Adelaide Brighton's existing facilities. It is expected that on a standalone basis, returns will exceed the Company's cost of capital following completion of the capacity expansion in late 2014. In addition, the acquisition provides a strategic position in Asia and adds to the range of potential supply sources in a tightening regional cement market.

Long term supply agreements for grey clinker imports

Adelaide Brighton also confirms that it has entered into two other clinker supply agreements with Japanese suppliers which underpin the Company's long term position as Australia's largest importer of cementitious materials (cement, clinker and blast furnace slag).

These agreements secure a significant part of this requirement from the Japanese suppliers, with terms of seven and 10 years. The contracts represent the continuation of existing strong relationships and a diversified supply base, while at the same time reducing exposure to fluctuations in the exchange rate.

The Company's imports of cementitious products, including grey and white clinker, cement and blast furnace slag are expected to increase from approximately 1.6 million tonnes in 2012 to more than 2.0 million tonnes in 2016 continuing the successful import growth strategy.

Customer arrangements in cement and lime

WA and SA cement contracts

Adelaide Brighton has executed final agreements with a major cement customer in Western Australia and South Australia. These agreements are for the supply of cement through to 31 December 2014, on similar terms and volumes to those currently in operation.

WA lime contract

In lime, it is now expected that Adelaide Brighton will supply 100% of the requirements of a major customer in Western Australia in both 2012 and 2013, reflecting the Company's competitive offering in the Western Australian lime market.

ADELAIDE BRIGHTON IS A LEADING INTEGRATED CONSTRUCTION MATERIALS AND LIME PRODUCING COMPANY WITH BALANCED EXPOSURE ACROSS MINING AND ALL CONSTRUCTION SECTORS IN AUSTRALIA AND TRADES UNDER THE SYMBOL ABC ON THE AUSTRALIAN SECURITIES EXCHANGE.

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