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Adelaide Brighton announces potential change to its South Australian cement supply arrangements

In Adelaide Brighton Limited's Preliminary Final Report released in February 2013, Adelaide Brighton referred to agreements executed with a major cement customer in Western Australia and South Australia for the supply of cement through to 31 December 2014 on similar terms and volumes to those previously in operation.

Negotiations have been progressing with that customer for supply beyond 2014. However, Adelaide Brighton has been informed that the customer now proposes to construct facilities in Adelaide that will allow it to supply its own requirements for cement in South Australia. The customer currently buys circa 120,000 tonnes of cement from Adelaide Brighton in South Australia.

Due to the uncertainty regarding the time required to construct the facilities, the exact timing of the changes to the customer's cement requirements are unknown at this time. If Adelaide Brighton lost all of the volume currently associated with the customer in South Australia from 1 January 2016, it is estimated that Profit Before Tax would decline in 2016 by circa \$15 million.

Adelaide Brighton remains the sole manufacturer of clinker in South Australia at its world class manufacturing facilities at Birkenhead. This provides the Company with a highly competitive operation when compared to the cost of product imported from outside the State.

The Company has an unmatched network of import terminals around Australia, which provide an efficient and flexible supply chain into all major markets.

Adelaide Brighton has a long term consistent strategy of operational improvement, growth in the lime business and vertical integration into downstream markets.

FOR FURTHER INFORMATION CONTACT:

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