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Adelaide Brighton Ltd
ACN 007 596 018

28 August 2014

The Manager
Market Announcements
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Re-activation of Dividend Reinvestment Plan (“DRP”)

Adelaide Brighton Ltd (ASX code: ABC) announced today that it will be paying an interim dividend of 7.5 cents per ordinary share (Interim Dividend) to all shareholders registered on the record date of Thursday 18 September 2014.

Adelaide Brighton advises that the Directors have decided to re-activate the DRP (which has been suspended since 2010), in time for the payment of the Interim Dividend. The DRP Terms and Conditions have also been updated.

In accordance with the amended DRP Terms and Conditions, the Directors have determined that DRP shares will be allocated at the average of the daily volume weighted average price of shares traded on the ASX (as determined by the Board) over the period from Monday 22 September 2014 to Friday 3 October 2014, less a 2.5% discount.

The elections of any shareholders who elected to participate in the DRP prior to its suspension in 2010 will continue to apply. Participating shareholders will be notified of their previous election, and provided with an opportunity to vary, or withdraw, their elections by Friday 19 September 2014. Shareholders who have not previously participated in the DRP will also have an opportunity to make an election to participate by this date.

Attached are copies of the following documents in relation to the Adelaide Brighton DRP:

- Amended DRP Terms and Conditions; and
- DRP Summary and Q & A fact sheet

The Company will send a letter to shareholders regarding the re-activation of the DRP and will release this letter when it is dispatched.

Further information regarding the Interim Dividend and the DRP is provided in the Adelaide Brighton Half Year Report for the period ending 30 June 2014.

FOR FURTHER INFORMATION:

MS LUBA ALEXANDER
GROUP CORPORATE AFFAIRS ADVISER
TELEPHONE 08 8223 8005 OR 0418 535



Adelaide Brighton Ltd

Dividend Reinvestment Plan

Terms and conditions

(As at 27 August 2014)

Adelaide Brighton Ltd

ABN 15 007 596 018

Adelaide Brighton Ltd

Dividend Reinvestment Plan

Terms and conditions

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Terms and conditions

1 Interpretation of the Plan

When used herein, unless the context indicates a contrary intention:

“**ABL**” means Adelaide Brighton Ltd;

“**Application Form**” means an application to participate in the Plan, or to vary or terminate participation in the Plan, in the form determined by ABL. Applications may be submitted electronically if permitted by ABL.

“**business day**” has the meaning given in the ASX Listing Rules, as they apply to ABL from time to time;

“**daily volume weighted average price**” or “**daily VWAP**” means the volume weighted average price of all ABL shares sold on the ASX (and any other market nominated by the Directors) on that particular day. The daily VWAP is to be determined by ABL and may exclude any sales that the Directors consider may not be fairly reflective of genuine supply and demand or which the Directors consider are not in the ordinary course of trading on the relevant market. The daily VWAP may also be adjusted as the Directors determine in order to ensure that to the extent reasonably possible, the calculation of entitlements is unaffected by the method of allocation, given that allocation of shares may occur by issue, purchase, or a combination of issue and purchase.

“**DRP price**” is the average of the daily VWAPs over the pricing period less a discount (if any) determined by the Directors from time to time (rounded to three decimal places);

“**last election date**” means the first business day after the record date for a particular dividend, or such other date as determined by the Directors to be the last date to elect to participate in the Plan for a particular dividend;

“**non-participating shares**” means shares which are not subject to the Plan and on which the dividend is paid in the normal way;

“**participating shares**” means shares which are subject to the Terms and Conditions of the Plan and the dividend on which is reinvested in shares;

“**the Plan**” means the Adelaide Brighton Ltd Dividend Reinvestment Plan and incorporates the Terms and Conditions of “the Plan”;

“**pricing period**” is the period determined by the Directors in their absolute discretion in respect of each dividend. The pricing period will be announced to the ASX when the relevant dividend is announced;

“**record date**” means the date and time, as determined by the Board and announced to the ASX, at which a person is taken to hold shares for the purpose of determining the entitlement of shareholders to dividends.

“**shareholder**” means a registered holder of shares at the record date for the relevant dividend;

“**Terms and Conditions**” means the terms, provisions and conditions of the Plan set out in this document as amended from time to time in accordance with Clause 13; and

words importing any gender include the other genders.

2 **Participation in the Plan**

Participation in the Plan:

- (i) shall be subject to the Terms and Conditions;
- (ii) is optional;
- (iii) will be extended to all shareholders with registered addresses in jurisdictions determined by the Board (at its absolute discretion having regard to, amongst other things, the number of shareholders registered in a jurisdiction and the relevant costs and time requirements of complying with local legal requirements) to be appropriate or desirable in respect of a specific dividend; and
- (iv) participation may be varied or terminated by a shareholder in accordance with Clauses 9 and 11.

3 Application to participate

An application to participate in the Plan may be made by completing and submitting an Application Form in accordance with the instructions provided with the Application Form.

If a duly completed Application Form is received on or before the last election date for a dividend, the shareholder's election will commence with effect for that dividend and for all subsequent dividends.

Application Forms received after the last election date for a dividend will not be effective for that dividend, but will be effective for subsequent dividends.

4 Degree of participation

A shareholder may participate in the Plan in respect of all the shares registered in his or her name (described as "full" participation), or in respect of part only of the shareholding registered in his or her name (described as "partial" participation). A shareholder, eligible to participate in the Plan, shall specify on the Application Form the degree to which he or she wishes to participate in the Plan by:

- (i) ticking the box marked "full participation" for full participation; or
- (ii) specifying how many shares he or she wishes to participate in the Plan for partial participation.

Under full participation, all shares registered in the participant's name from time to time, including shares allocated pursuant to the Plan, will be subject to the Plan.

Under partial participation, only that number of shares as specified by the participant will be subject to the Plan.

Signed Application Forms received by ABL which do not indicate the degree of participation will be deemed to be an application for full participation. ABL will not be liable to the shareholder for any loss, damage or claim with respect to either the shareholder's participation or non-participation (as the case may be) pursuant to the exercise by ABL of its discretion.

The Directors have an overriding discretion to refuse to accept shares for participation in the Plan and to suspend or withdraw shares from participation.

5. Operation of the Plan

Each dividend which is payable to a participant in respect of shares subject to the Plan and which is available for payment to the participant will be credited to the participant's DRP account with ABL and then be applied by ABL on the participant's behalf in acquiring additional ABL shares.

ABL will, in respect of each dividend payable to a participant:

- (i) determine the amount of the dividend payable in respect of that participant's shares subject to the Plan;
- (ii) credit such amount to the shareholder;
- (iii) deduct withholding tax, if any;
- (iv) determine the maximum whole number of additional ABL shares, priced in accordance with the Terms and Conditions of the Plan, to be acquired by reinvesting the amount credited to the participant by dividing the amount in the participant's DRP account by the DRP Price and rounding that number to the nearest whole number (noting that a fractional entitlement to 0.5 or more of a share will be rounded up and an entitlement to less than 0.5 of a share will be rounded down);
- (v) on behalf of, and in the name of, the participant, reinvest that amount in that number of additional ABL shares and debit the relevant amount from the participant;
- (v) allocate that number of additional shares to the participant; and
- (vi) forward to each participant a statement after each dividend is paid.

The shares will be allocated under the Plan at a discount to be determined by the Directors (if any) to the average of the daily volume weighted average price during the pricing period.

6 Shares allotted under the Plan

The Company may, in its discretion, issue new shares or allocate shares already on issue (whether acquired on ASX or otherwise) to participants to satisfy the Company's obligations under the Plan.

All shares newly issued under the Plan will rank equally in all respects with existing ABL shares. ABL will apply promptly for any new shares issued under the Plan to be listed for quotation on ASX.

7 Cost to participants

No brokerage, commission, stamp duty, or other transaction costs will be payable by the participant in respect of any allotment of shares under the Plan.

8 Statements to participants

After each dividend payment, ABL will forward to each participant a statement that may include:

- (i) the number of the participant's shares subject to the Plan as at the record date;
- (ii) the amount of dividend payable to the participant in respect of his or her participating shares;
- (iii) the amount of withholding tax, if any;
- (iv) the number of shares allocated under the Terms and Conditions of the Plan; and
- (v) the franked amount (if any) of the dividend payment and the franking credit (if any) attached to the dividend.

9 Variation to or termination of participation

Subject to Clause 11, a participant may at any time:

- (i) increase or decrease the number of shares subject to the Plan; or
- (ii) terminate his or her participation in the Plan,

by completing and submitting an Application Form in accordance with the instructions provided with the Application Form.

Any instruction set out in a duly completed Application Form submitted pursuant to this Clause becomes effective in accordance with the timeframe for participation set out in Clause 3.

If a participant dies, participation in the Plan terminates upon receipt by the Company of written notice of death. If a participant is declared bankrupt or is wound up, participation in the Plan terminates upon receipt by the Company of a notification of bankruptcy or winding up from the participant or participant's trustee in bankruptcy or liquidator (as the case may be). The death, bankruptcy or winding up of one or more joint holders does not automatically terminate participation, provided the remaining holder or holders are eligible to participate in the Plan.

10 Reduction or termination where no notice is given

Where a participant disposes of part of his or her holding of ABL shares and does not give notice otherwise:

- (i) if the number of shares disposed of is less than the number of non-participating shares held by the participant, then the shares disposed of will be deemed to be non-participating shares; and
- (ii) if the number of shares disposed of is greater than the number of non-participating shares held by the participant, then the shares disposed of will be deemed to be all the participant's non-participating shares plus such additional number of his or her participating shares as may be necessary to aggregate the total number of shares disposed of.

11 Applications and notices

Applications and notices shall be in writing and in such form (including electronic form) as ABL may from time to time require. Such application and notices will be effective on receipt by ABL subject to:

- (i) these Terms and Conditions;
- (ii) in the case of applications, acceptance by ABL; and
- (iii) receipt by ABL on or before the record date to which the application or notice relates, or, in the case of an application to participate under Clause 3 or a variation or termination under Clause 9, on or before the relevant last election date. Applications and notices, including notices of death, received after such date will not be effective for that dividend but will be effective for dividends thereafter.

12 Modification and termination of the Plan

The Plan may be modified, suspended or terminated by the Directors at any time by notification on the Company's website and by notice to ASX.

13 Delegation

The Directors may delegate any of their powers, discretions or functions under the Plan to any person including the Share Registry.



Adelaide Brighton Ltd

Dividend Reinvestment Plan (“Plan”) (As at 27 August 2014)

Summary of the Plan

THE PLAN

The Adelaide Brighton Ltd Dividend Reinvestment Plan is an optional and convenient way of increasing your holding in Adelaide Brighton shares by reinvesting all or part of your dividend in additional Adelaide Brighton Ltd shares.

NO FEES

You do not pay brokerage or other transaction costs on shares allocated under the Plan.

PARTICIPATION IS OPTIONAL

You may participate in the Plan for all or part of your shareholding, vary your participation or withdraw from the Plan at any time.

SHARES RANK EQUALLY

Shares allocated under the Plan are fully paid and rank equally with existing shares in Adelaide Brighton.

STATEMENT

You will receive a dividend statement giving details of any shares allocated under the Plan shortly after the payment of dividends.

DISCOUNT ON MARKET PRICE

Shares are usually allocated under the Plan at a discount of between 0% and 5% of the average market price of Adelaide Brighton Ltd’s shares during the pricing period. The actual rate of discount (if any) will be notified by the Directors at the time the dividend is announced.

Questions and answers

WHAT IS THE PLAN?

The Plan enables you, as a shareholder in Adelaide Brighton Ltd to reinvest all or part of any dividend paid on your shares in additional Adelaide Brighton Ltd shares instead of receiving that dividend in cash.

AM I ELIGIBLE TO PARTICIPATE?

All shareholders with registered addresses in Australia are eligible to participate in the Plan. In respect of the 2014 interim dividend, the Board has determined that shareholders with registered addresses in New Zealand are also eligible to participate in the Plan.

Shareholders with registered addresses in other jurisdictions, including the United States of America are not, at this time, able to participate because of the cost or difficulty of satisfying regulatory requirements in those jurisdictions.

IS PARTICIPATION OPTIONAL?

Yes. Participation in the Plan is entirely optional.

HOW DO I JOIN THE PLAN?

You can elect to participate or vary your election details by submitting an Application Form online at: www.computershare.com.au - by clicking on “Investor Centre/Reinvestment Plans” and following the prompts.

Alternatively, if you do not have internet access, please call 1300 339 522 (within Australia) or +61 3 9415 4031 (outside Australia) and follow the voice instructions to provide your shareholder information over the phone and to receive any necessary forms to your registered address.

WHEN WILL MY PARTICIPATION START?

Your participation in the Plan will generally commence with the first dividend payment after receipt of the Application Form provided that it is received on or before the first business day after the “record date” for that dividend (or such other date determined by the Board). If your Application Form is received after this date, it will not be effective until the next dividend.

I WAS A PARTICIPANT IN THE PLAN BEFORE IT WAS SUSPENDED IN 2010. HOW IS MY PREVIOUS ELECTION AFFECTED BY THE RE-ACTIVATION OF THE PLAN?

The Board has determined to re-activate the Plan, which was suspended in 2010, with effect from the 2014 interim dividend.

If you elected to participate in the Plan prior to the suspension in 2010, your previous election will continue to apply. All shareholders will be separately notified of their previous election. If you wish to vary your election, you must do so by 18 September 2014. In order to vary your election, please log in at the following website: www.computershare.com.au/easyupdate/abc and follow the instructions set out in your letter. Alternatively, please call the Share Registry on 1300 339 522 (within Australia) or +61 3 9415 4031 (outside Australia), and an Application Form will be provided to you, which you can use to vary or withdraw your previous election.

IF I PARTICIPATE, DO ALL MY SHARES PARTICIPATE IN THE PLAN?

There are two types of participation:

- (i) **Full Participation.** Full participation is where the dividend on all shares held by you on the “record date” for the relevant dividend is reinvested in additional shares. Dividends on any shares you may acquire in the future will also be reinvested in this way. Please note that if the Application Form does not clearly indicate the level of participation in the Plan, it will be deemed to be an application for full participation.
- (ii) **Partial Participation.** Partial participation is where the dividend on a nominated number of shares, being part only of your holding of Adelaide Brighton Ltd shares, is reinvested in additional shares. Under this option, you will receive cash dividends on the shares not participating in the Plan.

If you buy more shares, those shares will **NOT** participate in the Plan unless you lodge an Application Form specifically in relation to those shares.

If you hold less shares than the number of shares you have specified in the Application Form, then only the Dividends on the shares that you actually hold will be reinvested.

WHAT IF I HAVE MORE THAN ONE ADELAIDE BRIGHTON LTD SHAREHOLDING?

If you have more than one shareholding in Adelaide Brighton Ltd, you must lodge an Application Form for each shareholding that is to participate in the Plan.

CAN I CHANGE MY PARTICIPATION?

Yes. You may vary your level of participation or withdraw from the Plan at any time by completing and submitting an Application Form. The Application Form can be submitted online or a hard copy can be obtained from the Company's Share Registry, Computershare Investor Services Pty Ltd. The variation or withdrawal will be effective in relation to a dividend if your Application Form is received on or before the first business day after the "record date" for that dividend.

WHAT TYPE OF SHARES WILL I GET UNDER THE PLAN?

You will be allocated fully paid ordinary shares in Adelaide Brighton Ltd, which will rank equally in all respects with existing shares.

AT WHAT PRICE WILL THE SHARES BE ALLOCATED?

Shares will be allocated under the Plan at the DRP Price, which is based on the average market price (determined in accordance with the Terms and Conditions) of Adelaide Brighton Ltd shares during the pricing period. The Board may in its absolute discretion determine to apply a discount. The actual rate of discount (if any) and the pricing period will be notified by the Directors at the time the dividend is announced. The actual DRP Price that is used to determine DRP allocations is usually announced to the ASX shortly after the end of the pricing period.

The number of shares to be allocated to you under the Plan will be determined by dividing the amount in your DRP account (less any withholding tax) by the DRP Price and rounding that number to the nearest whole number (noting that a fractional entitlement to 0.5 or more of a share will be rounded up and an entitlement to less than 0.5 of a share will be rounded down).

WHAT DOES IT COST TO PARTICIPATE?

Nothing. You will not be charged brokerage or other transaction costs on shares allocated under the Plan.

CAN I SELL MY SHARES ALLOCATED UNDER THE PLAN?

Yes, at any time.

WHAT IF I SELL A PORTION OF MY SHARES?

If you sell only some of your shares then, unless you advise Adelaide Brighton Ltd to the contrary, the shares sold will be taken to reduce firstly, your non-participating shares and secondly, your participating shares.

CAN THE PLAN BE CHANGED OR CANCELLED?

Yes. Adelaide Brighton Ltd may at any time vary, suspend or terminate the Plan by giving notice on the Company's website and on the ASX.

WHAT ARE THE TAXATION IMPLICATIONS OF PARTICIPATING?

The application of the taxation laws may differ markedly between shareholders depending on their own circumstances. For this reason **the Company does not and cannot provide taxation advice to shareholders and takes no responsibility for the interpretation or application of this general information.** If shareholders are in doubt as to the taxation implications they should seek their own taxation advice before deciding on participation in the Plan.

The following notes are for the general information of shareholders and are not intended to be used by shareholders as advice of the taxation consequences of participating in the Plan.

The following information applies only to Australian resident shareholders. Shareholders resident in other participating countries should seek their own tax advice in relation to the implications of participating in the Plan.

Income Tax

- Dividends that are reinvested under the Plan will be assessable for income tax of the shareholder and will carry franking credits to the same extent as any cash dividend.
- Shareholders who are entitled to franking credits will be entitled to a tax offset for the amount of the dividend that is “franked”. Generally, to qualify for franking credits on the dividend, the 45-day rule requires that the shareholder must hold the shares “at risk” for a period of at least 45 days within a period beginning on the day after those shares were acquired.

Taxation on Capital Gains

- Shares allocated under the Plan will have a cost base for capital gains tax purposes equal to the amount of the dividend applied in purchasing the shares.
- Upon sale of the shares, a participant may be subject to capital gains tax on any difference between the price received for the shares and the cost base for those shares. Shares held for more than 12 months may qualify for concessional capital gains tax treatment for certain shareholders.

Tax File Numbers (TFN)

- Shareholders who have already quoted their TFNs or exemption to the Company’s Share Registry are not required to provide file numbers in respect of the additional Plan shares.
- Shareholders who have not quoted a TFN or exemption may have tax withheld from any unfranked dividends paid.

WHAT IF I HAVE ANY ENQUIRIES?

If you have any further questions (other than taxation) about how the Plan operates and how you can participate, please contact:

Adelaide Brighton Ltd Share Registry

C/- Computershare Investor Services Pty Ltd

Within Australia 1800 339 522

Outside of Australia 61 3 9415 4031

Facsimile 61 8 8236 2305

Email: web.queries@computershare.com.au

The content of this booklet does not constitute financial product advice provided by Adelaide Brighton Ltd. If you are considering participating in the Plan, you should obtain independent advice before deciding whether or not to participate.