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25 February 2016

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

Dear Sir/Madam

**Adelaide Brighton full year result to 31 December 2015 – media statement**

We attach a media statement covering Adelaide Brighton's full year result to 31 December 2015 for release to the market.

Yours faithfully

**MRD Clayton**  
**Company Secretary**

For further information please contact:

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## MEDIA STATEMENT

25 February 2016

### ADELAIDE BRIGHTON REPORTS 20.4% INCREASE IN NET PROFIT AND ANNOUNCES FINAL SPECIAL DIVIDEND

Leading construction materials and lime producer Adelaide Brighton (ASX: ABC) today reported a 20.4% increase in statutory net profit after tax (NPAT) to a record \$207.9 million as the Company benefited from strong east coast residential construction markets, property sales and the full year contribution from recent acquisitions.

Earnings before interest and tax (EBIT) rose 20.6% to \$298.6 million on a 5.6% increase in revenue to \$1,413.1 million. The Company also announced a final special dividend of 4.0 cents per share on top of the 11.0 cents a share final ordinary dividend (up 1.5 cents), both fully franked.

<b>FINANCIAL SUMMARY – Statutory basis</b>	<b>12 months ended 31 December</b>		
(\$million)	<b>2015</b>	<b>2014</b>	<b>% change pcp</b>
<b>Revenue</b>	<b>1,413.1</b>	<b>1,337.8</b>	<b>5.6</b>
Depreciation, amortisation and impairments	(77.8)	(75.0) <sup>3</sup>	3.7
<b>Earnings before interest and tax (“EBIT”)</b>	<b>298.6</b>	<b>247.5</b>	<b>20.6</b>
Net finance cost <sup>4</sup>	(13.0)	(15.0)	(13.3)
<b>Profit before tax</b>	<b>285.6</b>	<b>232.5</b>	<b>22.8</b>
Tax expense	(77.8)	(59.9)	29.9
<b>Net profit after tax</b>	<b>207.8</b>	<b>172.6</b>	<b>20.4</b>
Non-controlling interests	0.1	0.1	-
<b>Net profit attributable to members (“NPAT”)</b>	<b>207.9</b>	<b>172.7</b>	<b>20.4</b>
Return on funds employed <sup>5</sup> (%)	19.8	17.7	
Basic earnings per share (“EPS”) (cents)	32.0	26.9	19.0
Dividends per share – fully franked (cents)	27.0	17.0	
Net debt <sup>7</sup> (\$ million)	297.2	359.7	
Gearing (%)	24.6%	31.6%	

### RESULTS SUMMARY

- Revenue up 5.6% to \$1,413.1 million on healthy residential construction and full year contribution from the 2014 acquisitions
- Underlying NPAT up 25.6%, assisted by \$34.9 million profit from property transactions
- Excluding property profits, underlying NPAT up 5.1% to \$174.3 million on slightly lower margins
- Gearing 24.6% at year end, assisted by strong operating cash flows and property sales
- Increased final ordinary dividend to 11.0 cents and final special dividend of 4.0 cents, fully franked
- Positive outlook supported by market demand, cost initiatives and further property sales

Record revenue of \$1,413.1 million for the year ended 31 December 2015 was 5.6% higher than 2014, supported by stronger cement and lime volumes, improved prices and the full year contribution of acquisitions made in the second half of 2014. Net profit after tax attributable to members was also a record, at \$207.9 million.

Property sales contributed \$34.9 million to NPAT. Strategic sales of excess land are an important contributor to the Company's efforts to maximise rewards for shareholders. The estimate of the sales value of the remaining property pipeline over the next decade has increased to \$140 million.

Underlying EBIT, excluding property profits, increased 4.5% to \$255.3 million.

The headline EBIT margin was 21.1%, but excluding property earnings, underlying EBIT margins were down slightly, from 18.3% to 18.1%. A number of factors constrained margins including the geographic mix of cement sales, joint venture earnings, import costs (due to currency movements), and an increased proportion of concrete revenue.

Almost fully offsetting these were benefits from volume growth, price rises, operating efficiencies and reduced transport costs.

The strong residential construction market in the eastern states improved demand for cement, clinker, concrete, aggregates and concrete products. This offset reduced sales in South Australia. Sales volumes increased for all products, assisted by demand in New South Wales, Victoria and Queensland and margins increased in concrete, aggregates and concrete products.

Lime sales volume increased 2.3% in 2015 led by higher volumes to the gold sector.

Earnings per share (EPS) increased 19.0% to 32.0 cents. Excluding property profits, underlying EPS was 26.9 cents.

Adelaide Brighton Managing Director and Chief Executive Officer Martin Brydon said it was pleasing that, over and above the contribution from stronger demand, the Company's long term strategy continued to boost its financial performance.

"This is a very satisfying result," Mr Brydon said.

"Our financial performance in 2015 has improved not just because of healthy market conditions but also due to the ongoing benefits of Adelaide Brighton's strategy of operational improvement, growth in our lime business and vertical integration."

### **Strategic developments**

A number of recent strategic initiatives continued to support the Company's financial results and shareholder returns in 2015 and are expected to provide ongoing benefits:

1. The 2014 acquisitions added an estimated 5% to group revenue in 2015
2. Rationalisation of clinker manufacture in Western Australia added a further \$5 million in EBIT benefits in 2015
3. Corporate restructuring delivered an additional \$3 million of pre-tax benefits in 2015
4. Cash proceeds from land sales of \$47.9 million in 2015, generating net profit after tax of \$34.9 million

"Adelaide Brighton's long term strategy delivered industry leading growth and shareholder returns and the company continues to explore alternatives to grow shareholder value," Mr Brydon said.

"We are the largest lime producer in Australia, the number two supplier of cement and clinker, the leading importer of cement and clinker and the largest producer of concrete products. Adelaide Brighton also holds leading market positions in many of its highly localised concrete and aggregates markets."

**Outlook**

Mr Brydon said the Company expects sales volume of cement and clinker to be slightly higher in 2016. Sales volumes of premixed concrete, aggregates, concrete products and lime are also expected to increase.

Prices rises are expected for all of Adelaide Brighton's products in 2016 and increases are expected to exceed those achieved last year in cement, clinker, aggregates, concrete and concrete products.

Efficiency remains a key operational priority as part of the rolling program of cost reduction to sustain leading margins and shareholder returns.

It is now estimated that remaining land parcels could realise in excess of \$140 million in proceeds over the next decade and \$30-40 million in the next two years.

Adelaide Brighton, as always, will look to participate in industry consolidation where it adds value for shareholders.

"Our business and our strategy are sound and we will strive to maintain attractive growth and returns to our shareholders while retaining a strong balance sheet," he said.

**For further information please contact:**

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**About Adelaide Brighton**

Adelaide Brighton Limited (ASX code: ABC) is a leading construction materials and lime producing Group of companies which supplies the Australian infrastructure, building and resources industries. The Company has 1400 employees and market leading positions in cement and clinker, lime and concrete masonry and is an emerging force in pre-mixed concrete and aggregates. Adelaide Brighton is the largest importer of cementitious materials into Australia and through its efficient import supply chain has access to every mainland capital city market.