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21 August 2013

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

Dear Sir/Madam

**Adelaide Brighton half year report June 2013 – media statement**

We attach a media statement covering Adelaide Brighton's half year report to June 2013 for release to the market.

Yours faithfully

**MRD Clayton  
Company Secretary**

FOR INFORMATION:

MS LUBA ALEXANDER  
GROUP CORPORATE AFFAIRS ADVISER  
TELEPHONE 0418 535 636



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## MEDIA STATEMENT

21 August 2013

Six months to:	June 2013 (\$m)	June 2012 (\$m)	Change (%)
Revenue	579.3	554.5	4.5
Earnings before interest and tax ("EBIT")	89.6	96.6	(7.2)
NPAT attributable to members	60.9	66.8	(8.8)
Cash flow from operations	89.3	77.8	14.8
Earnings per share (cents)	9.6	10.5	(8.6)
Interim dividend – fully franked (cents/share)	7.5	7.5	0.0
Net debt/equity (%)	30.8%	29.5%	1.3
Interest cover (EBIT times)	16.6	13.1	26.7

### Record revenue and net profit supported by infrastructure and resource projects

- NPAT of \$60.9 million, down 8.8%
- Excluding a one-off gain of \$7.6 million in pcp, net profit up 2.9%
- Record half year revenue of \$579.3 million, up 4.5% supported by projects and lime demand
- Lime sales volume up more than 5% on alumina and gold sector demand
- Cement and clinker sales volumes increased marginally with projects balancing weak building activity
- Major \$112 million capex program is delivering benefits to efficiency and earnings
- First sale of surplus land completed and potential for further cash from land sales of \$130 million over 10 years
- Successful refinancing of debt facilities in June 2013 reduced risk and lowers cost

### Result discussion

Leading Australian construction materials and industrial lime producer Adelaide Brighton Limited (ASX code: ABC), has announced net profit for the half year ended 30 June 2013 of \$60.9 million.

Net profit attributable to members declined 8.8% and earnings per share decreased 8.6% on the previous corresponding period (pcp). Excluding the \$7.6 million one-off gain in the pcp, net profit was up 2.9% on sales growth of 4.5%. The dividend was maintained at 7.5 cents per share (fully franked) for the half year.

Managing Director of Adelaide Brighton, Mr Mark Chellew, said, "While headline earnings fell, modest growth in underlying net profit on healthy sales growth is encouraging.

"Adelaide Brighton's cement and lime exposure to resources and infrastructure again supported shareholder returns despite residential and commercial building activity remaining weak.

"Our investment program is maturing and we are starting to see the benefits to efficiency and margins, particularly in the lime business.

“Lime continues to enjoy sales volume growth of around 5%, supported by demand from alumina and gold producers. Our recent investment in the business underpins its long term competitive position and sustainability,” said Mr Chellew.

The pre-mixed concrete, aggregates and masonry businesses continue to be impacted by soft residential and commercial building activity on the east coast of Australia.

### **Strategic developments**

“Our growth strategy of lime investment, operational improvement and downstream growth has delivered attractive returns over the last decade and we see further significant opportunities to add value for our shareholders,” said Mr Chellew.

During the first half, Adelaide Brighton’s asset sales, including land, totalled \$4 million. Further sales of surplus land, have the potential to release \$130 million in capital over the next decade.

“Our strong cash flow and balance sheet, reflected in 31% net debt to equity, provides capacity to fund further growth initiatives in line with our well established strategy,” said Mr Chellew.

The impact of the carbon tax in the first half of 2013 was \$2 million after tax, net of mitigation and is now estimated to be \$5 million after tax, net of expected mitigation, for the 2013 full year. However, taking into account the policy statements of the major parties ahead of the upcoming Federal Election and our strategies to reduce our carbon footprint, carbon pricing is unlikely to have any material impact on our long term growth strategy.

### **Outlook**

“Adelaide Brighton anticipates 2013 cement and clinker sales volumes similar to 2012. Demand from projects in South Australia, Western Australia and the Northern Territory is expected to offset weakness in the residential and non-residential sectors,” said Mr Chellew.

“Lime sales volumes are anticipated to be 5% higher than 2012 supported by resource sector demand.”

“ICL and Sunstate 2013 earnings are expected to be lower than 2012 due to weak market demand and reduced margins in Victoria and south east Queensland.”

“Adelaide Brighton will continue the successful long term growth strategy with investment in cement, lime and downstream operations where attractive returns can be identified for our shareholders,” said Mr Chellew.

For the full year ending 31 December 2013, Adelaide Brighton expects a net profit after tax in the range of \$145 million to \$155 million.

### **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 1600 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.