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MEDIA RELEASE

Adelaide Brighton strengthens its position in the aggregates and premixed concrete market with acquisitions in South Australia and Queensland

Adelaide Brighton Limited (ASX: ABC) has acquired two integrated aggregates and premixed concrete businesses, one in South Australia and the second in Queensland, strengthening its market position and progressing its long term vertical integration strategy of buying downstream construction materials businesses.

In South Australia, in addition to the recently announced Penrice quarry acquisition, Adelaide Brighton has entered into a contract to purchase Direct Mix Concrete and Southern Quarries ("DMC"), the largest independent aggregates and premixed concrete supplier to the Adelaide building, construction and infrastructure market. In Queensland, the Company has purchased the concrete, quarry, sand, transport and cement operations of Townsville based BM Webb Construction Materials ("Webb").

Adelaide Brighton CEO Martin Brydon said the acquisitions, which will add to earnings per share from FY14, significantly strengthened the Company's position in the South Australian market and gave it an important staging post for cement distribution in north Queensland.

"The DMC business provides a large scale entry into the market as it is the number two player in South Australian concrete, hard rock and sand. DMC also offers a well located hard rock quarry resource with more than 50 years of reserves, protects the sales of cement supplied by Adelaide Brighton and provides overhead synergy benefits," Mr Brydon said.

"The Penrice Quarry acquisition secures long term reserves of high quality industrial minerals and aggregates in excess of 30 years and complements the DMC market position."

"The Webb acquisition offers the opportunity to expand into the promising north Queensland market now we have the ability to distribute cement into this market."

The total purchase price of \$174 million, including related transaction costs, represents an anticipated year one EV/EBITDA multiple of 9.8x. The DMC transaction is expected to be completed in August 2014 while the smaller Webb transaction was completed in May 2014.

Mr Brydon said the acquisitions follow the Company's recently completed \$112 million investment program to improve capacity, efficiency and sustainability in the Cement and Lime Division and recent downstream acquisitions which have established a strong market position in the eastern states in concrete and aggregates.

"Adelaide Brighton has had a consistent approach of investing for improvement and growth while returning surplus capital, a strategy which has supported strong total shareholder returns for more than a decade," he said.

The acquisitions will be funded with existing cash and available facilities. Pro forma post acquisition gearing (net debt to equity) will be at the upper end of the target range of 25%-45%.

Direct Mix Concrete / Southern Quarries, South Australia

DMC operates 13 concrete plants under its Direct Mix brand and operates a significant hard rock quarry and sand operations under its Southern Quarries brand. Southern Quarries enjoys a strong number two position in the Adelaide aggregates and sand market.

The business is well positioned with long term reserves and competitive supply costs into metropolitan and regional markets, underpinning the strategic attraction and long term value of the quarry assets.

The DMC Sellicks and Price quarries produce in excess of one million tonnes per annum of hard rock and sand and supply 100% of the concrete aggregates and manufactured sand requirement for the Direct Mix business. Direct Mix produces in excess of 200,000 cubic metres of premixed concrete from three metropolitan and ten regional plants.

Renewal of long term cement supply agreement – South Australia

In July 2014, Adelaide Brighton executed a long term supply agreement with the remaining major independent premixed concrete producer in South Australia. The agreement secures the cement supply to this long-standing customer until mid 2021 on similar terms to the previous supply agreement and underpins utilisation at the Birkenhead cement works.

BM Webb Construction Materials, Queensland

Adelaide Brighton acquired the concrete, quarry, sand, transport and cement operations of Webb in early May 2014. The operations are located in and around Townsville, and include a concrete plant, a limestone quarry, cement operation (importing bulker bagged GP cement and fly ash), a sand reserve and transport operations.

The acquisition establishes a fully vertically integrated construction materials position in the high growth north Queensland region. The business currently produces approximately 60,000 cubic metres of concrete per annum and has hard rock reserves in excess of 50 years as well as significant sand reserves.

The acquisition provides the opportunity for Adelaide Brighton to expand its cement distribution into the north Queensland market – a market in which it did not participate prior to the Webb acquisition.

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 PRODUCTS 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.

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