

Joint ventures



Adelaide Brighton's Joint Ventures, in conjunction with our own operations, provide an unmatched network for the efficient supply and distribution of products across Australia. The businesses delivered a strong improvement in profit contribution in 2016 with a positive outlook.

Independent Cement and Lime Pty Ltd (ICL) (50%)

ICL, a joint venture between Adelaide Brighton and Barro Group Pty Ltd, is a specialist supplier of cement and cement blended products throughout Victoria and New South Wales and is the exclusive distributor of cement for Adelaide Brighton and any related body corporate in these states.

ICL's sales volumes increased in 2016, reflecting continued strength in construction activity across the New South Wales and Victoria markets. Higher selling prices, strong demand and an easing of input cost pressures supported an increased contribution.

Burrell Mining Services (50%)

Burrell Mining Services is an unincorporated joint venture between Adelaide Brighton and Burrell Mining Products. With operations in New South Wales and Queensland, Burrell Mining Services manufactures a range of concrete products exclusively for the coal mining industry.

An improvement in the outlook for coal mines during the year combined with expansion of the product range led to an improvement in sales revenue and contribution to Group earnings.

Sunstate Cement Limited (Sunstate) (50%)

Sunstate is a joint venture between Adelaide Brighton and Boral Limited. A leading supplier to Queensland's construction industry, Sunstate has a cement milling, storage and distribution facility at Fisherman Islands, Port of Brisbane. Clinker is supplied to Sunstate via seaborne shipments from the Adelaide Brighton Angaston plant and imports from Asia.

Sunstate's contribution to Group earnings increased, assisted by improved residential demand across south east Queensland and projects, particularly in the Gold Coast and Sunshine Coast regions. Volumes, prices and margins were all higher than the prior corresponding period.

Batesford Quarry (50%)

Batesford Quarry is an unincorporated joint venture between Adelaide Brighton, E&P Partners and Geelong Lime Pty Ltd. Batesford Quarry, situated at Fyansford Quarry near Geelong in Victoria, undertakes quarrying and manufacturing, marketing and distribution of limestone and quarry products.

An increase in volumes due to strong demand for agricultural lime, higher average selling prices and control of production costs resulted in an improvement in contribution to Group earnings.

Mawson Group (Mawsons) (50%)

Mawsons is a joint venture between Adelaide Brighton and BA Mawson Pty Ltd. Mawsons is the largest premixed concrete and quarry operator in northern regional Victoria, and also operates in southern New South Wales. Mawsons is a significant aggregates producer in the region, generally holding the number one or number two position in the markets it serves.

Earnings improved driven largely by strong demand for higher margin quarry products supplied to major projects. Most of this demand occurred in the second half of the year. This was moderated by competitive pressure impacting premixed concrete margins.

Aalborg Portland Malaysia Sdn. Bhd. (APM) (30%)

APM manufactures and sells white cement and clinker for the domestic Malaysian market and exports to Australia and markets throughout south east Asia.

APM contribution to Group earnings significantly improved. A lift in production output following the full commissioning of the kiln upgrade led to higher sales volumes and better operating cost performance compared to 2015.



Michael Miller
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