For personal use only

Adelaide Brighton Ltd

Investor presentation – acquisitions

6 August 2014

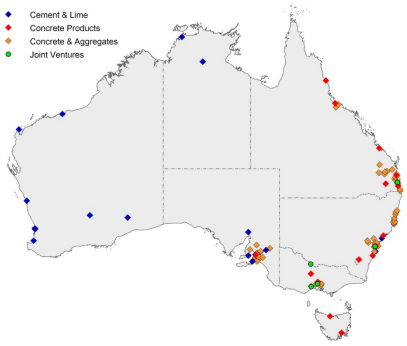
Disclaimer

The following presentation has been prepared by Adelaide Brighton Limited ACN 007 596 018 for information purposes only. The presentation may contain forward looking statements or statements of opinion. No representation or warranty is made regarding the accuracy, completeness or reliability of the forward looking statements or opinion, or the assumptions on which either is based. All such information is, by its nature, subject to significant uncertainties outside of the control of the Company. To the maximum extent permitted by law, the Company and its officers do not accept any liability for any loss arising from the use of the information contained in this presentation. The information included in this presentation is not investment or financial product advice. Before making any investment decision, you should seek appropriate financial advice, which may take into account your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance.

For personal use only

Adelaide Brighton operations and strategy

- Consistent strategy has supported shareholder returns:
  - Cost reduction and operational improvements across the business
  - Development of the lime business to supply the resource and mineral processing sectors in WA, SA and NT
  - Focused and relevant vertical integration into downstream concrete, aggregates and concrete products businesses



- Acquisitions have provided a strong market position in downstream concrete and aggregates

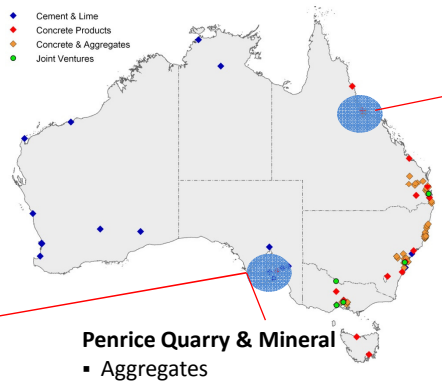
Expansion of downstream operations

Consistent with Adelaide Brighton's strategy of vertical integration into downstream markets, the following acquisitions, totalling a combined purchase price of $174 million (on a cash free, debt free basis) have been made:

- Direct Mix Concrete / Southern Quarries ("DMC")
- Penrice Quarry & Mineral ("Penrice Quarry")
- BM Webb Construction Materials ("Webb")

For personal use only

Downstream expansion: South Australia and North Queensland



BM Webb
- Cement
- Concrete
- Aggregates
  - Hard rock
  - Sand

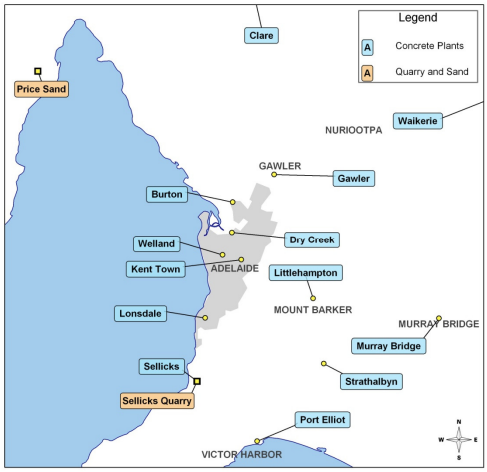
Direct Mix / Southern Quarries
- Concrete
- Aggregates
  - Hard rock
  - Sand

Penrice Quarry & Mineral
- Aggregates
  - Construction and industrial minerals

Overview Direct Mix Concrete/Southern Quarries (DMC)

Volumes (per annum)	
Aggregates: – Hard rock – Sand operations	>1,000,000t
Concrete	>200,000m^3

- DMC is the largest independent concrete and aggregates business in South Australia
- Operations cover metropolitan and regional areas
- Assets include concrete plants, a hard rock quarry, a sand extraction operation and transport operations

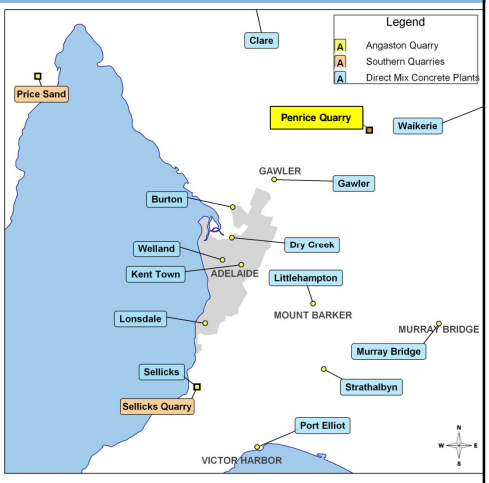


For personal use only

Overview
Penrice Quarry & Mineral (Penrice Quarry)

Volumes (per annum)	
▪ Aggregates	Approx. 1,000,000t

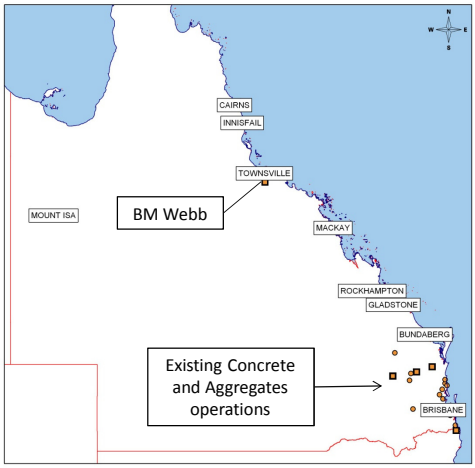
- Penrice Quarry represents a strong strategic fit for Adelaide Brighton – supplying raw materials for lime and white cement manufacture at the Group's Angaston plant
- Highly complementary to the Direct Mix and Southern Quarries market positions
- Significant source of aggregates for the premixed concrete and civil markets to Adelaide's north



Overview
BM Webb Construction Materials (Webb)

Volumes (per annum)	
▪ Aggregates: – Hard rock – Sand operations	>100,000t
▪ Concrete	>50,000m^3

- Webb is a independent concrete and aggregates business based in Townsville
- Assets include a concrete plant, hard rock quarry, a sand extraction operation, transport operations and a cement import facility
- Provides opportunity for Adelaide Brighton to expand its cement distribution into the high growth north Queensland market



For personal use only

Strategic rationale

Direct Mix Concrete (DMC)

- Premixed concrete
  - Strong number 2 market position in South Australia
- Strategic aggregates position
  - Significant hard rock and sand operations
  - Over 50 years of hard rock and 30 years of sand reserves
  - Strong number 2 position covering the South Australian market
- Downstream integration benefits
  - Cement supplied by Adelaide Brighton
  - Underpins Birkenhead plant utilisation
- Cost synergies
  - Overhead synergy benefits

Strategic rationale

Penrice Quarry

- Major supplier of raw materials for lime and white cement manufacture to the Adelaide Brighton Angaston plant
- Supplies approximately one million tonnes per annum of high quality industrial minerals and aggregates - in excess of 30 years of useful life
- Complementary to DMC; aggregates for the premixed concrete and civil markets

Contract renewal – long term cement supply agreement

- Long term supply agreement with another major independent premixed concrete customer in South Australia. Secures cement supply until mid 2021 on similar terms to previous agreement

Webb

- Expansion into the north Queensland market with the ability to import and distribute cement into this market
- Established concrete business with long term hard rock and sand reserves

For personal use only

Financial summary

Funding

- Total acquisition purchase price of $174 million including related transaction costs will be funded with existing cash and available facilities

Valuation

- The purchase price represents a year one EV/EBITDA multiple of 9.8x

Financial impact

- EPS accretive[1] from FY14
- Pro forma gearing at upper end of the target range 25%-45%

Timing

- Penrice – completed
- Webb – completed
- DMC – completion expected August 2014

[1] Based on the expected operating results for the businesses being acquired, excluding the impact of transaction costs