Level 1
157 Grenfell Street
Adelaide SA 5000

GPO Box 2155
Adelaide SA 5001

Adelaide Brighton Ltd
ACN 007 596 018

Telephone (08) 8223 8000
International +618 8223 8000
Facsimile (08) 8215 0030
www.adbri.com.au

25 May 2017

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

Dear Sir/Madam

Adelaide Brighton Limited – 2017 Annual General Meeting

In accordance with Listing Rule 3.13.3, I attach a copy of the prepared addresses and presentation to be given by the Chairman and CEO and Managing Director at the Annual General Meeting of the Company to be held at 10.00 am today.

Yours faithfully

Marcus Clayton
Company Secretary

FOR FURTHER INFORMATION: MS LUBA ALEXANDER
GROUP CORPORATE AFFAIRS ADVISER
TELEPHONE 08 8223 8005 OR 0418 535 636

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2017 Annual General Meeting
Thursday 25 May 2017
Chairman's Address – Mr Les Hosking

Year in review

The success of Adelaide Brighton's consistent long term strategy is reflected in solid financial results for 2016. These include increased shareholder returns and a strong balance sheet, providing a strong foundation to deliver further growth.

Thanks to our investment over the last decade in diversifying and improving the efficiency and flexibility of our business, the impact of demand weakness in some of our markets was moderated, while other areas of our business continued to enjoy growth.

While we reported a 10.4% decrease in Net Profit After Tax to $186.3 million, the decline was entirely due to lower profits from sale of surplus land, which were very strong in the previous year.

Excluding the impact of these property sales, our net profit increased 3.1% on the strong levels of 2015. We are very pleased with this result considering the headwinds we faced in several important markets.

Martin will take you through the operations in detail shortly but my overall comment is that the long term strategic positioning of the Company supported our efforts to grow value for shareholders in 2016.

Demand for cement, clinker, concrete and aggregates, and concrete products in New South Wales, Victoria, south east Queensland and South Australia was stronger in 2016. These markets offset reduced cement demand in Western Australia and the Northern Territory.

Lime demand was stable supported by the globally competitive alumina and gold sectors in Western Australia.

We made good progress during the year on our consistent long term strategy which focuses on improving the efficiency of our operations and growing organically and through carefully considered profitable acquisitions.
We believe Australia remains a great place to grow value for shareholders and we continue to examine new opportunities for growth.

Shareholder returns

I am pleased to report that the Board declared and paid an increased final ordinary dividend of 11.5 cents per share as well as a final special dividend of 4.0 cents per share. This took total 2016 dividends paid to 28.0 cents per share, fully franked, a one cent increase on the prior year.

Adelaide Brighton continues to maintain a strong balance sheet while at the same time retaining the flexibility to fund acquisitions and other growth initiatives.

When the Board determines that the Group has surplus capital, as a matter of policy we act to return it to shareholders. This may take the form of special dividends, as was the case for 2016.

Safety, sustainability and the environment

Adelaide Brighton is committed to maintaining a safe, productive and healthy work environment. We look to improve health and safety for all people on our sites or who operate under our instructions.

We believe safe businesses also deliver the best returns for shareholders and I'm pleased to report our safety performance improved in 2016.

A proactive approach to sustainability, which involves working with our local communities, government and regulatory bodies underpins the longevity of our businesses and optimises outcomes for the Company and its stakeholders.

In respect of environmental performance, we operate within our approval conditions but always aim to exceed these minimum expectations.

This effort is part of maintaining our social licence to operate and, as such, is important for our shareholders and other stakeholders.

Governance and Board

The Board is committed to conducting business ethically and in accordance with high standards of corporate governance.

Adelaide Brighton believes its policies and practices are consistent in all substantial respects with good corporate governance practice in Australia.

The Board also recognises the importance of Board renewal and maintaining an appropriate mix of skills, experience, and perspectives that aligns with corporate strategy and our governance.

In March 2017, Zlatko Todorcevski was appointed a non-executive Director. Mr Todorcevski is a valuable addition to the Board given he has more than 30 years finance, strategy and planning experience in the oil and gas, logistics and manufacturing sectors in Australia and overseas.

Conclusion

On behalf of the Board, I acknowledge the hard work and commitment of the executive management team, led by Martin Brydon, and of all employees over the last year.

Our employees have worked diligently to progress the growth strategy and deliver good results despite significant challenges faced in several markets during the year.

The Board is especially pleased that we have been able to further increase rewards to our loyal shareholders through the payment of higher dividends.

I thank our shareholders, our joint venture partners and of course our customers for their continuing support.

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2017 Annual General Meeting

Thursday 25 May 2017

CEO and Managing Director Address – Mr Martin Brydon

Good morning

It is a pleasure to address you at today's annual general meeting as Chief Executive Officer and Managing Director. I'm very happy to be able to echo the Chairman's sentiments that 2016 was a solid year for the Company.

Our business is in excellent shape to pursue the opportunities we see ahead of us as a focused Australian construction materials and lime business.

We are also in a strong position to meet the challenges that inevitably arise in our business to continue to deliver attractive growth and returns for our shareholders.

Performance highlights

It is pleasing to start my review of 2016 with a positive set of financials, which reflect the benefits of our consistent long term strategy.

Group revenue of $1.39 billion, was only 1.2% lower than the record level of 2015.

Earnings before interest and tax decreased 10.9% from the prior year to $266.1 million and net profit after tax declined 10.4% to $186.3 million.

After adjusting for property, 2016 net profit was up 3.1% on the prior year and earnings before interest and tax was up 1.6%.

We consider this a great outcome given the extent of the cement demand downturn in Western Australia and Northern Territory.

Profits improved across concrete, aggregates and concrete products and we saw a strong contribution from our joint ventures, which were up 44%.

Despite the impact of short term events in the South Australian electricity market, we still achieved an overall group wide reduction in energy costs.

As also noted by the Chairman, given strong cash flow and low debt, the Board rewarded shareholders by declaring fully franked ordinary and special dividends totaling 28 cents for the 2016 year. When we have surplus capital we will seek to prudently distribute it while maintaining flexibility for growth.

Strategy and operations

Adelaide Brighton's long term strategy has three areas of focus:

- Continuous operational improvement;
- Growth in lime - to take advantage of our unique resource position, and;
- Vertical integration in concrete, aggregates, concrete products and logistics operations.

Wherever we operate we seek to be a leading player to benefit from the efficiencies offered by having a business of scale relative to the competition.

Adelaide Brighton enjoys a broad based exposure to the Australian economy. The geographic spread of our operations allows us to take advantage of areas of strength and minimise the impact of downturns. We have seen the benefits of this in 2016.

The growth in lime and concrete and aggregates over the past decade has reduced our reliance on construction in South Australia and Western Australia and improved our exposure on the east coast. Today, we are a much more balanced Company with better growth opportunities, lower risk and less volatile returns.

Demand in east coast markets was strong in the second half of 2016. Residential activity was robust in Victoria, New South Wales and Queensland and, despite the electricity issues, South Australia returned to growth.

In New South Wales, non-residential building and transport infrastructure projects augmented residential activity. In Victoria, multi-residential projects were a key source of demand.

In south east Queensland, markets are improving, particularly in the Gold Coast and Sunshine Coast regions, and in South Australia demand was driven by several infrastructure projects and improved demand from several important mining customers.

Cement sales declined sharply in Western Australia and the Northern Territory because of weak residential and non-residential activity and lower volumes to resource construction projects.

On the other hand, lime sales volumes in Western Australia and the Northern Territory were similar to 2015 thanks to stable demand from the minerals processing sector. Demand from the non-alumina sector stabilised after a period of recovery and demand from the globally competitive alumina sector improving slightly in the second half.

Eastern states concrete and aggregate volumes were strong and the recovery in concrete and aggregate volumes in South Australia continued in the second half.

Cost reduction and continuous improvement

Adelaide Brighton's has a constant focus on cost reduction, efficiency and improved operational performance. We take a long term view of customer and market trends in order to match operational capacity with those trends.

In 2016, we saved $16 million by reducing expenses in a range of areas including a significant reduction in natural gas costs in Western Australia, reduced transport costs and other operational efficiencies.

The transformation of the cement business, which involved significant rationalisation and improvement, has been a key driver of our returns over the last 15 years.

We now operate a highly efficient cement production, import and distribution model that enables us to supply every major Australian market competitively.

Over the last year, Adelaide Brighton sold approximately 3.7 million tonnes of cement, clinker and blast furnace slag.

Our cement and clinker sales volume declined 4% in 2016 due to the more than 20% fall in sales in Western Australia and Northern Territory.

However, demand on the east coast was strong and in South Australia it returned to growth thanks to infrastructure projects.

We've recently announced a further rationalisation in respect to oilwell cement at Angaston in South Australia, which will see another expansion of our import and distribution operation.

Downstream integration

In our view, concrete and aggregates is the success story of 2016 for Adelaide Brighton. Through acquisitions and organic growth this business now contributes 35% of Group revenue, double the figure five years ago and is now making a significant contribution to profit.

Our investments in concrete and aggregates have delivered attractive returns, plus they also deliver diversification and integration benefits to the Company.

Demand is strong in New South Wales, Victoria and Queensland, and improving in South Australia. Prices are increasing at more than inflation due to strong demand and price leadership from Adelaide Brighton.

The earnings outlook is positive and we continue to look for opportunities for growth in this industry.

The $61 million acquisition of a Melbourne integrated concrete and aggregates operation, Central Pre-Mix Concrete (Central), was completed in March this year.

Central represents an appealing expansion of our concrete position in the Melbourne market and an entry into aggregates in that market.

Concrete products

Concrete Products is another success story for 2016. Through our investment in these businesses over the past decade, we have consolidated an oversupplied and unstable industry, dramatically improved efficiency and lifted product innovation to get the market growing again.

Excluding property profits, Concrete Products earnings increased 20% in 2016 and we remain confident this business can improve further.

This business is also an important and growing customer for the cement, aggregates and sand, which offers vertical integration benefits to Adelaide Brighton.

Unique lime business

We produce lime for the globally competitive Australian mineral processing industry, at our Munster plant near Perth.

At Munster in Western Australia we now have one of the largest and lowest cost lime operations in the world with capacity of 1.25 million tonnes per annum.

While lime accounts for only about 11% of our revenue, it makes a higher contribution to profit. The reduced cost of energy in 2016 and the Muster plant's low cost position delivered improved operating margins.

Around 70% of Western Australian lime goes to the alumina sector and another 20% to gold, into globally competitive operations.

Both commodities are enjoying improved fundamentals. The volume outlook right now is stable but there is scope for capacity expansion among alumina customers.

Strategy summary

Adelaide Brighton has a consistent long term strategy that has delivered very good returns for shareholders over a long period of time and which still offers further opportunities. Our return on funds employed (excluding property) improved to 16.9%.

Our strategy of product and geographic diversification has repositioned the Company to benefit from the strong infrastructure and residential market on the east coast of Australia.

This strategy includes vertical integration into premixed concrete and concrete products, the development of a meaningful quarry business and a focus on ongoing operational improvement.

This repositioning has sustained the Company to be resilient to the cyclical nature of construction markets.

Adelaide Brighton's diversified business model and focus on operational improvement supported the Group's long term growth strategy despite a decline in cement volumes in the key markets of Western Australia and Northern Territory.

We will continue to pursue both organic and acquisitive growth opportunities and, in line with our strategy of the last decade, we won't be shy about using our strong balance sheet to be an industry consolidator where it makes sense for shareholders.

Adelaide Brighton continues to sell, and prepare for sale, properties released by the rationalisation and improvement program. In many cases, this includes re-zoning to realise greater value over time.

In 2016, sales realised $20.6 million and added $7.9 million net profit after tax. Since 2013, property sales have realised $85 million and the sale of properties in the next 10 years could realise a further $120 million or more.

Shareholder returns remain our priority and if we generate surplus capital the Board will look to ensure shareholders benefit.

In summary, Adelaide Brighton has a consistent strategy that has delivered very good returns for shareholders over a long period of time and which offers further opportunities.

Outlook

In 2017, we expect sales volumes of cement and clinker to be higher than 2016. Stronger demand in South Australia and the east coast is expected to more than offset weaker markets in Western Australia and the Northern Territory. Lime sales volumes are expected to be higher in 2017.

Sales volumes of premixed concrete, concrete products and aggregates are expected to increase this year due to infrastructure projects on the east coast and South Australia. The Central acquisition will add further sales in Melbourne.

Prices are expected to increase, particularly in premixed concrete and aggregates. Lime prices are expected to decline slightly as lower costs from the prior year are reflected in the pricing formula to the alumina sector.

While cement prices are expected to improve, the average selling price achieved for the full year will be impacted by an increase in the proportion of lower priced sales to Victoria and New South Wales.

The contribution from Joint Venture operations is expected to continue to improve due to higher prices and better volumes on the east coast.

The previously announced rationalisation of South Australian cement operations is expected to reduce costs by $3 million pre-tax in 2017 and subsequent years.

A decline in shipping and materials procurement costs, and favourable foreign currency outcomes are expected to lower 2017 import costs by $10 million pre-tax.

Electricity prices are expected to be higher than 2016. Should electricity prices remain at current levels electricity costs are expected to be $8 million pre-tax higher than 2016.

Also in the first half, the forced relocation from our North Melbourne concrete plant site will incur estimated remediation costs of $2 million pre-tax, while a cement product quality issue in April at the Birkenhead plant will result in estimated net costs of $3 million pre-tax. In addition, unusually wet weather delayed sales on the east coast in a number of businesses.

Significant items of $7 million pre-tax are expected in the first half, including transaction costs on the Central acquisition and South Australian cement restructuring costs.

Total capital expenditure for the full year is expected to be circa $170 million, which includes a range of stay in business and growth projects. We still see plenty of opportunity to grow and improve the business through these types of incremental projects.

We are on track to realise $120 million over the next 10 years of the surplus land sales program and proceeds from property sales could be $10-15 million over 2017 and 2018.

Due to the factors I have outlined, first half 2017 underlying net profit after tax is expected to be lower than the prior corresponding period. However, second half 2017 underlying net profit after tax is anticipated to be stronger than the second half of the prior corresponding period

The second half will see the benefit of price increases, operational improvement and higher sales of cement, concrete and aggregates to infrastructure projects, including the initial stage of the Northern Connector project here in Adelaide.

We believe the underlying business is tracking very well and the demand environment remains supportive and as such we look forward to a solid finish to the year.

Finally, I thank Adelaide Brighton's senior management team, some of whom are with us today, and all employees for their hard work in the past year.

The whole Company is working very hard to implement our strategy and deliver growth and improved performance. We have come a long way but we have much more to do given the exciting opportunities before us.

Adelaide Brighton has a healthy, attractive and sustainable business and I look forward to your continuing support as we build a better future based on our demonstrated past successes.

Thank you.

Success of strategy evident in FY16 results

Revenue	NPAT attributable to members	NPAT ex-property attributable to members
$1,396m	$186.3m	$178.4m
▼ 1.2%	▼ 10.4%	▲ 3.1%

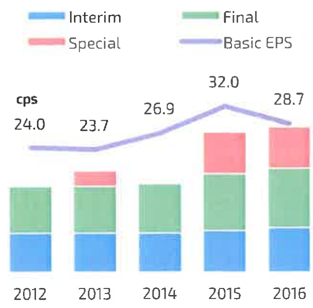
Basic EPS	Total dividends	ROFE excluding property
28.7c	28.0c	16.9%
▼ 10.3%	▲ 3.7%	▲

Results highlights 2016

- Increased NPAT (excluding property) despite weak cement demand in WA/NT and SA electricity disruptions
- Concrete and aggregates now 35% of revenue and significant earnings contributor
- Margins improved in lime, concrete and aggregates, concrete products and integrated joint venture operations
- Joint venture operations lifted earnings by 44%
- Operational improvement remains a focus – $16 million in savings delivered

- Reported NPAT impacted by reduced property sales but ex-property NPAT up 3.1%
- Strong cash flow; low gearing, flexible balance sheet and distributing surplus capital
- Total dividends of 28.0 cents, including 8.0 cents of special dividends
- Dividends have been a key driver of strong shareholder returns over long term

Dividends and EPS



- Total 2016 dividends 28.0 cents (fully franked)
- Target payout ratio remains 65% – 75% of basic EPS
- Gearing target 25% – 45% net debt to equity

Adelaide Brighton's highly focused strategy

Consistent long term strategy delivering returns

1	Cost reduction and operational improvement across the business	• Best practice operational performance • Import strategy to maximise asset utilisation • Focus on energy usage and procurement
2	Grow the lime business to supply the resources sector	• Unique resource and cost position • Long term customer contracts and growth • Continuous improvement to maintain cost leadership
3	Focused and relevant vertical integration	• Operational performance to realise long term value • Targeting strategic aggregates positions • Strong emphasis on shareholder value creation

Adelaide Brighton is a highly focused construction materials and lime business

Australian industry position

#1

- **Cement and clinker importer** *in Australia supplying all major markets*
- **Cement supplier** *in the resource rich states WA, SA and NT*
- **Lime producer** *in Australia*
- **Concrete products** *manufacturer*

#2

- **Cement and clinker supplier** *to the Australian construction industry*

#4

- **Concrete and aggregates producer** *building presence in major markets*

FY2016
Revenue by market

- 34% Engineering
- 31% Residential
- 22% Non-residential
- 13% Mining operations

Geographic and economic diversification supports returns

Operations

- Cement
- Lime
- Concrete and Aggregates
- Concrete Products

FY2016 Revenue by state*

WA	22%
NSW	21%
VIC	21%
SA	14%
QLD	17%
Other	5%

FY2016 Revenue by product group*

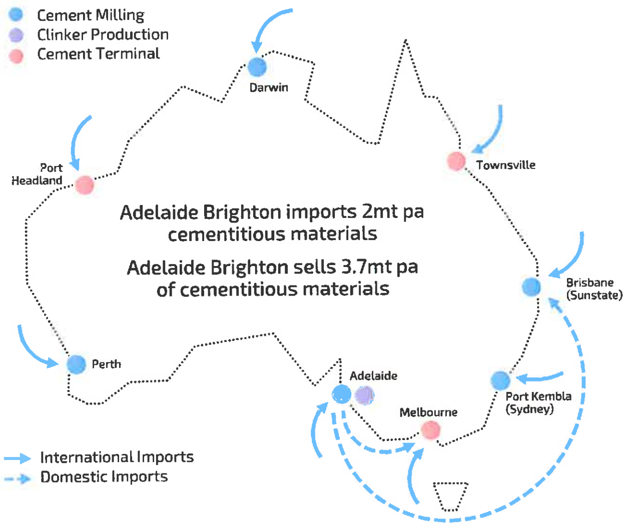
- 45% Cement
- 11% Lime
- 35% Concrete and Aggregates
- 9% Concrete Products

* Percentage of FY2016 revenue of $1,396.2 million

Leading cement production, import and distribution

Manufacture and import model

- World class South Australian production
- Model – supply flexibility; minimise fixed cost; release surplus capital
- Cement and clinker sales volume declined 4%
- Continued strong east coast demand and return to growth in South Australia
- Demand declined more than 20% in Western Australia and the Northern Territory
- Lower average price, reduced volume, import costs due to A$ and SA electricity impacted margins
- Angaston rationalisation in 2017 to leverage import capability and improve returns
- Import and other costs expected to decline in 2017 while average prices should improve



Concrete and Aggregates – success story of 2016

- Vertical integration strategy – share of revenue doubled in 5 years to 35%
- Attractive returns on quarry investments plus vertical integration benefits
- Demand strong in New South Wales, Victoria and Queensland, and improving in South Australia
- Prices increasing at more than CPI due to strong demand and leadership from Adelaide Brighton
- Focus on efficiency, logistics, vertical integration benefits and margin improvement
- South Australia and Queensland acquisitions made in 2014 and 2015 performing ahead of expectations
- Continue to examine opportunities for growth with preference for strategic aggregates positions
- Earnings outlook positive given demand

Concrete and aggregates growth – vertical integration continues

Concrete and aggregates acquisition

- Acquired Central Pre-Mix Concrete in March 2017 for $61 million
- Integrated concrete and aggregates – five concrete plants and a hard rock aggregate quarry serving metropolitan Melbourne
- Provides entry into Melbourne aggregates and increases the downstream concrete presence in the attractive Melbourne market
- High quality operation offers an industry consolidation opportunity and potential for bolt-on investments
- Purchase 7.0 times 2016 EBITDA with earnings growth expected in 2017

Central Campbellfield site

Concrete Products – turnaround gains momentum

- EBIT (excluding property sales) increased 20% on FY15 with margins higher on prices and operational efficiency
- Further efficiency in medium term from tolling, general improvements, transport efficiencies
- Product innovation offers exciting new revenue opportunities
- Actively managing price for margin not market share
- Growing customer for the cement, sand and aggregates businesses
- Optimistic about outlook given further business improvement

Unique lime business – one of largest in the world

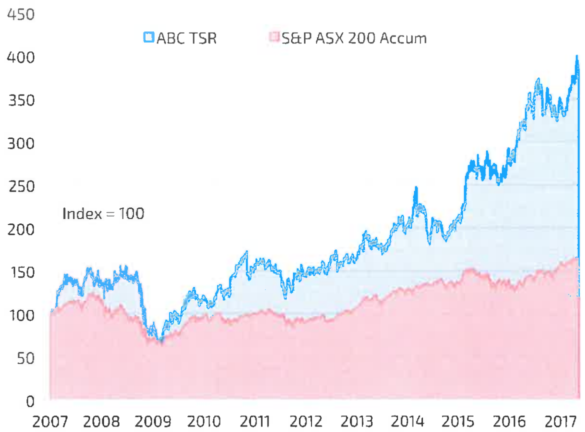
- One of largest & lowest cost operations globally – total capacity 1.5 million tonnes per annum
- Only WA producer – low cost long term resource
- Key supplier to minerals processing sector
- WA alumina sector 70% of lime demand
- Gold and other minerals better although more vulnerable to imports, which hold 7% of market
- Improved returns and added value through significant efficiency and environmental projects
- Further margin growth expected on lower costs
- Reduced cost of gas in WA further improves competitiveness
- Alumina expansions could add 15% to WA lime demand

Leading integrated construction materials and lime company

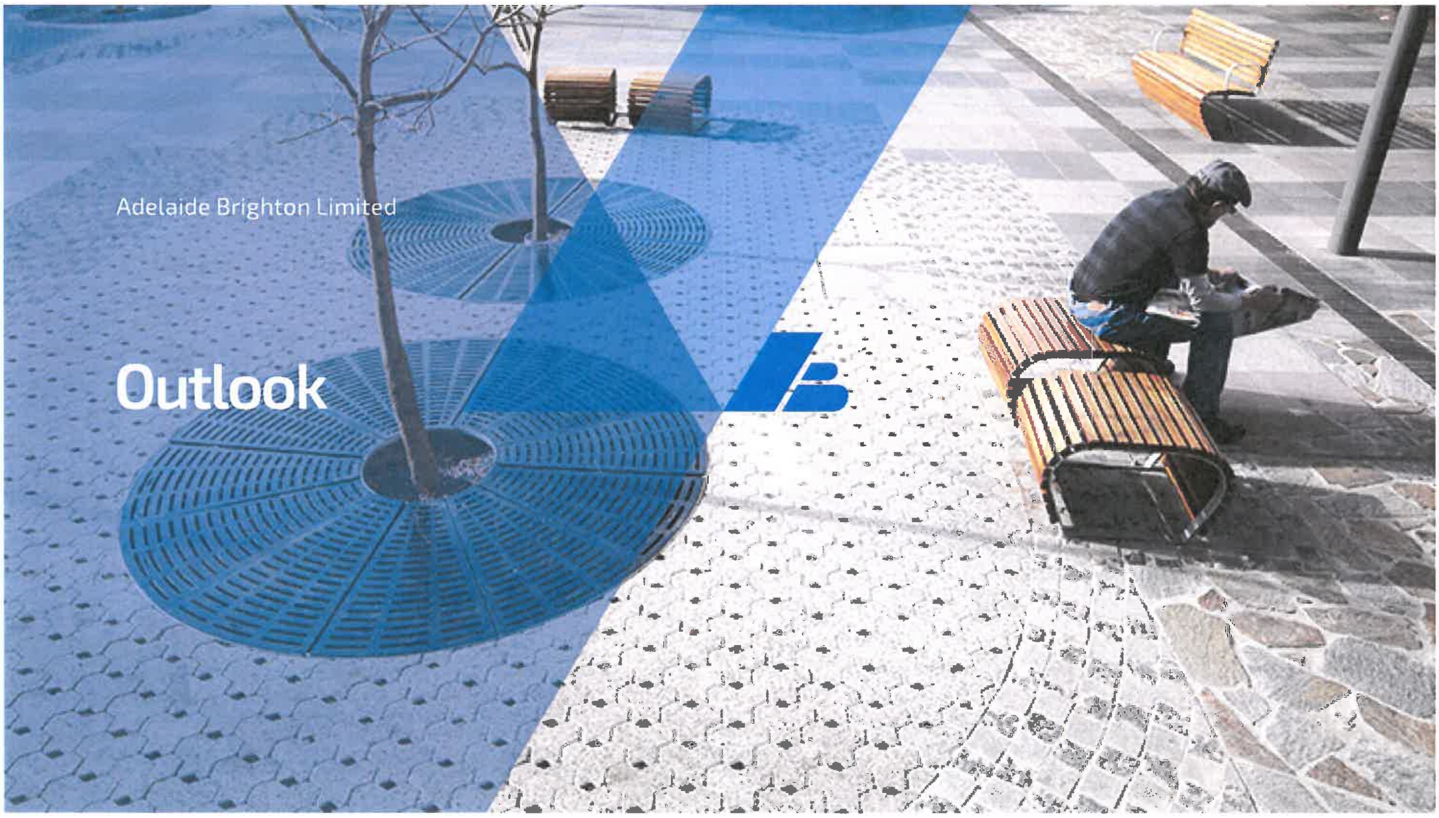
Consistent strategy – strong returns

- Successful long term strategy – ROFE (excluding property) improved to 16.9%
- Product and geographic diversification has repositioned the Company to benefit from strong infrastructure and residential market on east coast of Australia
- Vertical integration into premixed concrete and concrete products, development of quarry business and focus on ongoing operational improvement
- Resilient to the cyclical nature of construction markets
- Pursuing both organic and acquisitive growth opportunities
- Balance sheet efficiently utilised while retaining flexibility to fund growth
- Where Board identifies surplus capital, shareholder returns remain a priority

Total shareholder return accumulation — dividend reinvestment



Source: Factset



Outlook

Sales

- Sales volume of cement and clinker expected to increase in 2017
- SA and east coast to more than offset weaker WA and NT
- Lime sales volumes expected to increase in 2017, although prices slightly lower
- Premixed concrete and aggregates sales volumes to increase in 2017 due to infrastructure projects in SA and east coast
- Central concrete and aggregates acquisition to contribute to sales
- Price rises in premixed concrete, concrete products, aggregates and cement

Earnings

- Earnings growth expected to continue in joint ventures
- Rationalisation of Angaston cement operations expected to reduce costs by $3 million in 2017 and subsequent years
- Shipping, materials purchasing and favourable foreign exchange expected to reduce import costs by $10 million pre-tax in 2017
- First half 2017 underlying NPAT expected to be lower than pcp
- Second half 2017 underlying NPAT expected to be stronger than second half of pcp, driven by price increases, operational improvement and sales to infrastructure projects
- Property sale proceeds $10-15 million over 2017 and 2018

Disclaimer

Head office

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Australia

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