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31 July 2019

REVISED 2019 EARNINGS GUIDANCE

Adelaide Brighton Limited (ASX: ABC, "Adelaide Brighton") advises that it expects underlying net profit after tax¹ (excluding property) for the year ended 31 December 2019 to be in the range of \$120-130 million.

The revised guidance is a consequence of a further softening of conditions in the residential and civil construction markets, continued competitive pressure in Queensland and South Australia, sustained increase in raw material costs and one-off shipping costs associated with the cancellation of import orders for cementitious materials given the softening volumes in Victoria.

As part of the Company's preparation for reporting its interim result, management has been undertaking a balance sheet review.

Based on current information, it is anticipated that the review will result in a non-cash impairment of no more than \$100 million (pre-tax) for the six months ended 30 June 2019, which would represent no more than 5% of Adelaide Brighton's total assets. These adjustments will not impact operational performance or the underlying profit of the business. The Company remains well within its banking covenants.

Further details will be provided when the Company reports its interim results on 28 August 2019.

In order to conserve capital and maintain balance sheet flexibility to pursue near term growth opportunities, the Board has determined not to declare an interim dividend for the period ending 30 June 2019.

Adelaide Brighton's priorities are to:

- Maintain market share;
- Strengthen the balance sheet;
- Prudently manage capital spend;
- Contain costs and right size the business to improve performance; and
- Pursue future growth and investment opportunities.

For further information please contact:

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¹ Underlying NPAT is profit excluding significant items of revenue and expenses, such as the costs related to restructuring, rationalisation and acquisitions.