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 February 2016

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

Dear Sir/Madam

Results for announcement to the market – full year ended 31 December 2015

We attached Preliminary Final Report (Appendix 4E) in accordance with Listing Rule 4.3A and management discussion covering the year ended 31 December 2015 for release to the market.

Yours faithfully

MRD Clayton
Company Secretary

For further information please contact:
Luba Alexander
Group Corporate Affairs Adviser
Telephone 0418 535 636
Email luba.alexander@adbri.com.au

Adelaide Brighton Limited

Preliminary final report – Appendix 4E
Year ended 31 December 2015

Results for announcement to the market

Company name:	Adelaide Brighton Limited
ABN:	15 007 596 018
Reporting period:	Financial year ended 31 December 2015
Previous corresponding period:	Financial year ended 31 December 2014
Release date:	25 February 2016

				A$m
Revenue from continuing operations	**up**	5.6%	**to**	1,413.1
Earnings before interest and tax	**up**	20.6%	**to**	298.6
Net profit for the period attributable to members	**up**	20.4%	**to**	207.9

Dividends	Amount per security		Franked amount per security
	Current period	Previous corresponding period	
Final ordinary dividend	11.0¢	9.5¢	100%
Final special dividend	4.0¢	-	100%
Interim ordinary dividend	8.0¢	7.5¢	100%
Interim special dividend	4.0¢	-	100%

Record date for determining entitlements to the final dividend	11 March 2016
Payment date for final dividend	12 April 2016

Annual General Meeting

Pursuant to listing rule 3.13.1 notice is hereby given that the 2016 Annual General Meeting of Adelaide Brighton Ltd will be held on Wednesday 25 May 2016 at the InterContinental Adelaide, North Terrace, Adelaide, SA, commencing at 10.00 am.

	31 Dec 2015	31 Dec 2014
Net tangible asset backing per ordinary share	$1.44	$1.34

Dividend Reinvestment Plan

The Adelaide Brighton Limited Board advises that the Company's Dividend Reinvestment Plan remains suspended until further notice.

KEY POINTS

- Revenue increased 5.6% to $1,413.1 million in 2015 assisted by healthy residential construction in east coast markets and the full year contribution from businesses acquired during 2014
- Record reported EBIT of $298.6 million, up 20.6%, including property profits of $45.0 million, improved efficiency and profit growth in concrete and aggregates, and concrete products
- Underlying EBIT[1] which excludes significant items, increased 22.5% to $300.3 million
- Excluding property profits underlying EBIT increased 4.5% to $255.3 million
- Reported NPAT increased 20.4% to a record $207.9 million, while underlying NPAT[1] increased 25.6% to $209.2 million
- Excluding $34.9 million after tax property profits, underlying NPAT rose 5.1% to $174.3 million
- Operating cash flow of $229.9 million – up 18.5% from the pcp
- Gearing[2] 24.6% at year end, assisted by operating cash flows and proceeds from property sales
- Final ordinary dividend of 11.0 cents per share fully franked, up 1.5 cents, plus final special dividend of 4.0 cents fully franked
- Total 2015 dividends 27.0 cents, representing payout of 84% on reported EPS

FINANCIAL SUMMARY – Statutory basis	**12 months ended 31 December**		
($million)	**2015**	**2014**	**% change pcp**
Revenue	**1,413.1**	**1,337.8**	**5.6**
Depreciation, amortisation and impairments	(77.8)	(75.0) [3]	3.7
Earnings before interest and tax (“EBIT”)	**298.6**	**247.5**	**20.6**
Net finance cost[4]	(13.0)	(15.0)	(13.3)
Profit before tax	**285.6**	**232.5**	**22.8**
Tax expense	(77.8)	(59.9)	29.9
Net profit after tax	**207.8**	**172.6**	**20.4**
Non-controlling interests	0.1	0.1	-
Net profit attributable to members (“NPAT”)	**207.9**	**172.7**	**20.4**
Return on funds employed[5] (%)	19.8	17.7	
Basic earnings per share (“EPS”) (cents)	32.0	26.9	19.0
Dividends per share – fully franked (cents)	27.0[6]	17.0	
Net debt[7] ($ million)	297.2	359.7	
Gearing (%)	24.6%	31.6%	

[1] Underlying results have been adjusted for significant items. An explanation of the adjustments and reconciliation to statutory results is provided on pages 10.
[2] Net debt/equity.
[3] Includes impairment charge of $2.0 million.
[4] Net finance cost is the net of finance costs shown gross in the Income Statement with interest income included in revenue.
[5] Return on funds employed = EBIT/average monthly funds employed.
[6] Includes special dividend of 8.0 cents per share in 2015.
[7] Net debt is calculated as total borrowings less cash and cash equivalents.

FINANCIAL SUMMARY – Underlying basis[1]	12 months ended 31 December		
($million)	**2015**	**2014**	**% change pcp**
Revenue	**1,413.1**	**1,337.8**	**5.6**
Underlying depreciation and amortisation	(77.8)	(73.0)	6.6
Underlying earnings before interest and tax	**300.3**	**245.2**	**22.5**
Net finance cost	(13.0)	(15.0)	(13.3)
Underlying profit before tax	**287.3**	**230.2**	**24.8**
Underlying tax expense	(78.2)	(63.8)	22.6
Underlying net profit after tax	**209.1**	**166.4**	**25.7**
Non-controlling interests	0.1	0.1	-
Underlying net profit attributable to members	**209.2**	**166.5**	**25.6**
Underlying return on funds employed[2] (%)	19.9	17.5	
Underlying basic earnings per share (cents)	32.3	26.0	24.2

[1] *Underlying results have been adjusted for significant items. An explanation of the adjustments and reconciliation to statutory results is provided on pages 10.*

[2] *Underlying return on funds employed = underlying EBIT/average monthly funds employed*

Summary of Results

Adelaide Brighton Limited, a leading construction materials and lime producer, has reported record revenue of $1,413.1 million and net profit after tax attributable to members (NPAT) of $207.9 million for the year ended 31 December 2015.

Property contributed $34.9 million to NPAT (2014: $0.7 million), on cash proceeds of $47.9 million. The estimate of the sales value of the remaining property pipeline over the next decade has increased to $140 million.

Revenue of $1,413.1 million was 5.6% higher than 2014 supported by cement and lime volumes, improved prices and the contribution of acquisitions made in the second half of 2014.

Reported earnings before interest and tax (EBIT) increased 20.6% to a record $298.6 million on an EBIT margin of 21.1%. Underlying EBIT excluding property profits increased 4.5% to $255.3 million. Significant items of $1.7 million before tax related to corporate restructuring, acquisition costs and a fair value gain on acquisition.

Excluding property earnings, underlying EBIT margins were down slightly from 18.3% to 18.1%. A number of factors constrained margins including the geographic mix of cement sales, joint venture earnings, import costs (due to currency), and increased proportion of concrete revenue. Almost fully offsetting these were benefits from volume growth, price rises, operating efficiencies and reduced transport costs.

Strong residential demand in the eastern states improved demand for cement, clinker, concrete, aggregates and concrete products. This offset reduced sales in South Australia. Sales volumes increased for all products, assisted by demand in New South Wales, Victoria and Queensland and margins increased in concrete, aggregates and concrete products.

Earnings per share (EPS) increased 19.0% to 32.0 cents, while underlying EPS increased 24.2% to 32.3 cents. Excluding property profits, underlying EPS was 26.9 cents.

A final ordinary fully franked dividend of 11.0 cents per share and a fully franked special dividend of 4.0 cents per share were declared bringing total dividends for 2015 to 27.0 cents fully franked. The record date for the final 2015 dividend is 11 March 2016 with payment on 12 April 2016.

Review of Operations

Cement and clinker

Sales - Increased demand from east coast residential more than offsetting weaker resources

Cement and clinker sales volumes increased marginally in 2015. Strong demand in New South Wales, Victoria and south east Queensland, was primarily driven by residential construction. This demand more than offset the previously anticipated reduced sales to a major South Australian customer and lower sales to resource projects in Western Australia and the Northern Territory.

Residential demand continued to be a driver of activity in the eastern states, with a recovery in the south east Queensland market and strong housing commencements in New South Wales and Victoria. Residential markets in Western Australia and South Australia remained subdued.

Several major infrastructure projects in South Australia are expected to contribute to demand in 2016 and the outlook for infrastructure in New South Wales and Victoria remains healthy.

Despite price increases in the majority of cementitious (cement, clinker and slag) markets, the geographic mix impacted average realised prices, partly offsetting the benefits of volume increases.

Import volumes continued to grow as Adelaide Brighton took advantage of offshore supply to meet domestic demand while rationalising domestic manufacturing capacity in Western Australia. The volume of imported cementitious material sold by the Company exceeded 2.1 million tonnes in 2015, representing more than 20% of estimated industry demand.

Operations - Munster clinker rationalisation delivers further savings

Clinker production has ceased at the Munster site in Western Australia. Clinker is now imported and ground into cement at Munster to meet the local market demand. The rationalisation delivered cost savings of circa $10 million in 2015, which was an incremental $5 million over the savings delivered in 2014.

The Birkenhead cement works had a good year in 2015, with clinker capacity fully utilised by demand from South Australian and Victoria markets. This was despite a reduction in sales to a major cement customer in South Australia.

Birkenhead remains a high quality production facility with modern technology and a competitive low cost structure. The strengthening Victorian market has supported the optimisation of expanded grinding capacity at the plant, and this project has achieved the enhanced operating flexibility and returns forecast at the time of the investment.

The decline in the Australian dollar had an adverse effect totalling $6 million before tax in 2015.

Lime

Sales – Improved non-alumina market

Lime sales volume increased 2.3% in 2015 led by higher volumes to the gold sector and the recovery from a prior year customer disruption. Demand from the alumina sector was stable.

Average lime prices increased at approximately CPI. Despite the devaluation of the Australian dollar which increases the cost of competing imported products, competition from imported lime activity continues.

Operations – Short term energy cost increase

Operational benefits from the capital projects undertaken in 2011–2013 have delivered improved efficiencies. On the other hand, energy costs increased by $3.5 million due to a short term (now resolved) interruption to coal supply. A new lower priced gas contract effective 1 January 2016 and normalisation of coal supply is expected to reduce energy costs in Western Australia in 2016.

Concrete and Aggregates

Sales – residential demand improves volumes

Concrete volumes improved in 2015 due to increased residential demand in the eastern states and the 2014 acquisitions in South Australia.

Total aggregate volumes enjoyed strong "pull through" demand from the concrete operations as well as the Pacific Highway upgrade in New South Wales.

On a like-for-like basis, average prices of concrete and aggregates increased in 2015 improving profitability. Price increases announced for 2016 are anticipated to further improve margins.

Acquisitions – delivery on expectations

In the second half of 2014 Adelaide Brighton acquired the Penrice, Direct Mix and Southern Quarries businesses in South Australia and the Webb business in Queensland. The acquired businesses added an estimated 5% to group revenue.

South Australian concrete volumes are slightly below acquisition forecasts due to subdued residential activity and delays to several major projects. However, prices for aggregates are better than anticipated.

In addition, while direct business overlap with the acquired operations was minimal, significant operating synergies in South Australia of $4.4 million have been delivered in line with pre-acquisition estimates. Synergies have included the reduction of overhead and improvements to systems, logistics and procurement.

It appears that South Australian demand has bottomed in 2015. Several major infrastructure projects have now commenced that are expected to drive growth in 2016 and beyond.

Concrete Products

Sales – residential exposure lifts volumes

Revenue increased 7.6% in 2015 to $147.8 million as a result of higher volumes and prices. Volumes increased as a result of improved residential demand in major markets, particularly in New South Wales and Queensland. Price growth was slightly ahead of CPI.

Operations – efficient production facilities allow scaling to demand

Concrete products EBIT grew 75.4% to $11.4 million in 2015, with second half EBIT rising to $8.2 million. Operational improvement initiatives have continued through the upgrading of plant capabilities, reducing product changeover times and removing inefficient processes across a number of sites.

As a result of these initiatives, the concrete products business is now well positioned to efficiently supply all major markets. These improvements, in addition to the price and volume increases, have led to an improvement in EBIT margins.

Joint arrangements and associates

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

ICL is a specialist supplier of cementitious products to a variety of industries throughout Victoria and New South Wales.

Demand in New South Wales and Victoria led to an overall increase in ICL's volumes, however, the impact of rising input costs and limited opportunity to recover those cost increases resulted in an overall decline in earnings from $9.1 million to $7.9 million in 2015. While the first half was weak, the profit contribution recovered in the second half to $4.9 million ($4.0 million in the pcp). Rising volumes, higher selling prices and lower input costs contributed to second half profitability.

Sunstate Cement Limited (Sunstate) (50%)

Sunstate is a joint venture between Adelaide Brighton (50%) and Boral Limited (50%) with a cement milling, storage and distribution facility at Fisherman Islands, Port Brisbane.

The recovery in demand in south east Queensland has resulted in contribution to Group EBIT from Sunstate increasing from $8.1 million to $8.3 million. Market dynamics in the region remain somewhat difficult.

While volumes, pricing and cost control contributed to improved earnings in 2015, second half earnings were affected by a reduction in shareholder off take volume.

Mawson Group (Mawsons) (50%)

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 aggregate producer in the region, holding either the number one or number two position in the markets it serves.

Earnings from Mawsons declined marginally from 2014 as a result of lower demand in regional Victoria and competitive pressures.

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.

The contribution to Group earnings from APM declined from $1.4 million to $0.9 million. Following the completion of the US$18.6 million capacity expansion in the second half of 2014, a longer than expected commissioning phase led to higher costs.

Production rates met expectations in the last quarter of the year resulting in an improvement in profitability over this period.

Strategic Developments

Adelaide Brighton remains a leading Australian integrated construction materials and lime producing company with balanced exposure across mining and construction sectors.

In this regard, the Company is the largest producer of lime in Australia, the number two supplier of cement and clinker, the leading importer of cement and clinker and the largest producer of concrete products. Adelaide Brighton holds leading market positions in many of its highly localised concrete and aggregates markets.

A number of strategic initiatives supported financial results and shareholder returns in 2015 and are expected to provide further benefits in the long term including: investment in downstream concrete and aggregates businesses; the rationalisation of clinker capacity; the sale of surplus land; and corporate restructuring.

Adelaide Brighton continues to explore alternatives to grow shareholder value through investment in three key areas of its long term strategy. This approach has delivered industry leading growth and shareholder returns:

1. Cost reduction and continuous improvement across the Company;
2. Growth of the lime business to supply the resources sector in WA, SA and NT; and
3. Vertical integration into quality aggregates, concrete, logistics and masonry businesses.

Growing shareholder value

In implementing this strategy Adelaide Brighton pays particular attention at the business and corporate level to certain important drivers of long term shareholder value:

- Financial performance – delivering attractive return on capital
- Market leadership – to maximise operating efficiencies in production, logistics and marketing
- Risk management – maintaining a strong balance sheet and minimising operational risks
- Capital management – efficient utilisation of capital and returns to shareholders
- Governance and social licence – our licence to operate on behalf of shareholders and other stakeholders

1 Cost reduction and continuous improvement

Operational improvement initiatives deliver

Adelaide Brighton took significant steps in 2014 to lower costs and delivered incremental benefits of $21 million pre-tax for the full 2015 year compared to 2014.

- Rationalisation of clinker manufacture at Munster, Western Australia

  The rationalisation of clinker production at Munster was largely completed in December 2014. The rationalisation leveraged Adelaide Brighton's industry leading import position and the investment in APM for white clinker production and supply. EBIT benefits of $5 million were realised in 2014, with full year savings of an additional $5 million in 2015.

- Corporate restructure

  A Group wide review of operational, human resources, information technology and administration functions resulted in a restructuring of these areas. Following $4 million of pre-tax benefits in 2014, a further $3 million has been delivered in 2015. Adelaide Brighton continually assesses its operations to drive efficiency and to adapt to changes in the operating environment as new challenges emerge, with further efficiency measures undertaken in 2015.

- Energy

  Adelaide Brighton continues its focus on the management of energy costs. Incremental year on year benefits of $6 million were delivered during the year through a range of initiatives, including fuel switching, demand management and the increased use of alternative fuels.

- Synergies

  Synergies from the acquisitions completed in 2014 were $4.4 million in total, and contributed approximately $3 million incremental benefits to profit before tax in 2015.

- Other

  Benefits of $4 million were achieved through a range of other initiatives, including improved efficiency in transport and materials used.

Import strategy delivers competitive supply into key markets

Adelaide Brighton is Australia's largest importer of cementitious materials (cement, clinker and blast furnace slag) utilising more than two million tonnes of imported product in 2015.

This industry leading position underpins supply chain efficiency in procurement, transport, storage and distribution. The use of imported materials allows the supply of competitively priced product into a range of markets where demand exceeds the Company's manufacturing capacity.

The import strategy is supported by long term agreements with two Japanese suppliers for grey clinker, Aalborg Portland Malaysia Sdn. Bhd. for white clinker and a major Japanese trading house for the supply of granulated blast furnace slag.

Energy

Adelaide Brighton continues to be focused on managing its energy costs. The capital upgrade to the Birkenhead wood firing plant is nearing completion, more than doubling the use of alternative fuels. Savings in energy costs in Western Australia from 2016, due to declining gas costs, are expected to fully offset increasing gas costs in South Australia.

Land sales program estimates increased

Adelaide Brighton has been actively engaged in selling and preparing for sale properties released by the rationalisation and improvement program.

Since the beginning of 2013, cash proceeds from the property program have been $64 million. This includes transactions in 2015 that realised $47.9 million in cash proceeds and $34.9 million NPAT.

Development activities and increasing underlying land values have contributed to an upgrade of the Company's estimates of the pipeline of remaining land sales.

It is now estimated that the portfolio of properties targeted for sale could realise in excess of an additional $140 million in proceeds over the next 10 years with an expected EBIT margin on these sales of circa 85% and an effective tax rate of approximately 20%. Sale proceeds over the next two years could be in the range of $30 million to $40 million.

2 Lime growth

Positioned for demand growth

Adelaide Brighton's Munster, Western Australia, lime business is underpinned by low cost long term resource reserves secured by State Agreement and long term statutory approvals. Long term demand growth is driven by the globally competitive Western Australian resources sector.

The two lime kilns are amongst the largest globally and are currently at 80% operating capacity. Through the Munster plant's low cost position and reduction in the cost of gas in Western Australia, operating margins are expected to improve in 2016.

Lime volume has been held back in recent years by the non-alumina sector, which represents about 30% of WA lime demand and achieves higher selling prices. The sector appears to be improving, with increased demand in particular from gold projects.

The WA alumina sector remains among the lowest cost globally, underpinning its long term growth. Given possible refinery expansions, there is potential for growth in the alumina sector to increase demand for lime in WA by approximately 15% in the medium term.

3 Downstream integration

Acquisitions delivering value

The 2014 investment in concrete and aggregate operations in South Australia and north Queensland for an enterprise value of $172 million is delivering in line with expectations. This investment provided access to strategically located assets across important markets for the Group, increasing exposure to concrete and quarrying operations.

Operational performance has met expectations. Adelaide Brighton's systems and management processes allowed for rapid delivery of synergies in line with prior guidance. This has given Adelaide Brighton increased confidence to pursue its strategy of acquiring quality concrete and aggregate operations that deliver shareholder value.

Financial Review

Cash flow – cash generation improves

Operating cash flow increased by $35.9 million to $229.9 million in 2015. The increase was attributable to improvement in conversion of sales to cash and the return to more typical levels for instalments of income tax due to one-off items impacting payments in 2014. Higher cash flows from these items were partially offset by the reduction in proceeds from the sale of carbon units in the prior year of $20 million.

Working capital increased by $29.2 million, with the final payment in 2015 of the carbon tax liability of $14 million representing almost half of this increase. Inventory and trade debtors increased $6.6 million and $7.8 million respectively, increasing at rates less than the growth in revenue. Trade and other payables increased $0.8 million, while provisions decreased $5 million primarily as a result of rehabilitation activities undertaken by the Group. Outstanding debtor days averaged 45.6 days, an increase on 2014 average days of 44.3 days.

Capital expenditure totalled $74.3 million in 2015, broadly in line with depreciation of $77.8 million. Cash proceeds of $50.8 million from the sale of assets includes $47.9 million from the disposal of property. EBIT from disposal of property of $45 million includes non-cash proceeds of circa $7 million.

Dividends paid to shareholders increased 39% in 2015 to $139.5 million. Despite this, strong cash flow, which included property proceeds, reduced net debt by $62.5 million to $297.2 million. Net debt to equity gearing fell from 31.6% to 24.6% over the year.

Interest – benefit of new banking facilities

Net finance costs decreased from $15.0 million to $13.0 million in 2015 given lower average debt, reduced borrowing margins on the facilities and lower underlying market interest rates.

Freight and Transport

Freight and distribution costs declined by $2.6 million. Despite increased deliveries of premix concrete (due to acquisitions) and stronger residential demand on the east coast, transport costs declined. This was due to lower oil prices which delivered savings in excess of $4 million and a slow down in remote area resource projects, which also lowered freight revenue in the income statement.

Premixed concrete is sold on a delivered basis and as such concrete freight revenue is included in total segment operating revenue and not identified separately as freight revenue.

Tax expense

Tax expense of $77.8 million increased $17.9 million in 2015, which represents an effective tax rate of 27.2% (2014: 25.8%). The increase in tax expense is the result of higher earnings. The low effective tax rate in 2015 is due to the impact of equity accounted joint ventures in the Group's profit before tax and the recognition of $3.3 million of tax losses relating to property disposals. In 2014, the tax rate was low largely due to a $17.8 million non-taxable gain on fair value accounting. The tax rate is normally expected be in the range of 27% to 28%.

Reconciliation of underlying profit

"Underlying" measures of profit exclude significant items of revenue and expenses, such as the costs related to restructuring, rationalisation and acquisitions, in order to highlight the underlying financial performance across reporting periods. The following table reconciles underlying earnings measures to statutory results.

Year ended 31 December $ million	**2015**			2014		
	Profit before tax	**Income tax**	**Profit after tax**	Profit before tax	Income tax	Profit after tax
Statutory profit	**285.6**	**(77.8)**	**207.8**	232.5	(59.9)	172.6
Rationalisation of clinker production	**-**	**-**	**-**	7.6	(2.3)	5.3
Corporate restructuring costs	**1.3**	**(0.4)**	**0.9**	5.4	(1.6)	3.8
Acquisition expenses	**0.6**	**-**	**0.6**	6.2	(1.1)	5.1
Fair value gain on acquisition	**(0.2)**	**-**	**(0.2)**	(17.8)	-	(17.8)
Claim settlement	**-**	**-**	**-**	(3.7)	1.1	(2.6)
Underlying profit	**287.3**	**(78.2)**	**209.1**	230.2	(63.8)	166.4

Rationalisation of clinker production

The Group announced the rationalisation of clinker production at the Munster site in February 2014. As part of the rationalisation, a number of employees were made redundant at a cost of $5.6 million. In addition, assets not required following the cessation of clinker manufacture at the site were considered impaired and an impairment charge of $2.0 million was recognised.

Corporate restructuring costs

Redundancies and one off employment costs of $1.3 million (2014: $5.4 million) for the year related to restructuring across the Company. Reduced costs were realised during the year.

Acquisition expenses

The costs associated with acquisitions, including stamp duty, legal and other costs, fluctuate with transaction activity. External costs relating to acquisitions and potential acquisitions recognised as an expense in the income statement totalled $0.6 million (2014: $6.2 million) during the year.

Dividends – increased ordinary dividend and special dividend declared

A final ordinary dividend of 11.0 cents per share (fully franked) and a final special dividend of 4.0 cents per share (fully franked) has been declared. The full year fully franked dividend of 27.0 cents is 59% higher than 2014. The special dividend increases the full year dividend payout ratio to 84% compared to 63% in 2014.

The record date for determining eligibility to the final ordinary dividend is 11 March 2016 and the payment date is 12 April 2016.

Outlook

In 2016, Adelaide Brighton anticipates sales volume of cement and clinker to be slightly higher than 2015 and sales volumes of premixed concrete, aggregates and concrete products are also expected to increase.

Price increases have been announced for March and April 2016 in cement, clinker, aggregates, concrete and concrete products. Price increases achieved in 2016 are expected to exceed those achieved last year.

A number of factors are supportive of higher prices including strengthening demand and capacity utilisation and the weakening Australian dollar, which increases the cost of import substitutes.

Aggregate prices are anticipated to increase significantly above CPI, particularly in Sydney where average delivered costs have risen substantially as the industry moves to supply from further afield as traditional sources have depleted.

Lime sales volumes are expected to be slightly higher and average realised prices are likely to increase. The weaker Australian dollar reduces the competitiveness of imports relative to Adelaide Brighton's low cost operations, however the threat of small scale lime imports in Western Australia and the Northern Territory remains.

Imports of cement, clinker and slag have been hedged through to November 2016. At current exchange rates it is estimated that import costs will increase by approximately $8 million.

This will be more than offset by cost reductions mainly due to reduced gas costs in Western Australia. Efficiency remains a key operational priority as part the rolling program of cost reduction to sustain leading margins and shareholder returns.

Property sale proceeds over the next two years could be in the range of $30 million to $40 million.

Adelaide Brighton will, as always, look to participate in industry consolidation where it adds value to shareholders.

To maximise shareholder returns, Adelaide Brighton seeks to ensure the balance sheet is efficiently utilised while retaining the flexibility to fund long term growth as opportunities are identified. Prudent capital management remains an important part of this approach.

Martin Brydon
Managing Director and CEO

25 February 2016

For further information contact:

Luba Alexander

Group Corporate Affairs Adviser
Mobile: 0418 535 636
Email: luba.alexander@adbri.com.au

Income statement

For the year ended 31 December 2015

	Notes	Consolidated 2015 $m	2014 $m
Revenue from continuing operations	3	**1,413.1**	1,337.8
Cost of sales		**(884.1)**	(826.7)
Freight and distribution costs		**(211.2)**	(213.8)
Gross profit		**317.8**	297.3
Other income	3	**51.4**	26.1
Marketing costs		**(20.7)**	(20.2)
Administration costs		**(68.1)**	(75.6)
Finance costs		**(14.7)**	(16.8)
Share of net profits of joint ventures and associate accounted for using the equity method	7	**19.9**	21.7
Profit before income tax		**285.6**	232.5
Income tax expense		**(77.8)**	(59.9)
Profit for the year		**207.8**	172.6
Profit attributable to:			
Owners of the Company		**207.9**	172.7
Non-controlling interests		**(0.1)**	(0.1)
		207.8	172.6
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per share	5	**32.0**	26.9
Diluted earnings per share	5	**31.9**	26.8

The above income statement should be read in conjunction with the accompanying notes.

Statement of comprehensive income

For the year ended 31 December 2015

	Consolidated 2015 $m	Consolidated 2014 $m
Profit for the year	**207.8**	172.6
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	**(1.3)**	0.5
Changes in the fair value of cash flow hedges	**(1.3)**	-
Income tax relating to these items	**0.4**	-
Items that will not be reclassified to profit or loss		
Actuarial gain / (loss) on retirement benefit obligation	**4.5**	(1.2)
Income tax relating to these items	**(1.4)**	0.4
Other comprehensive income for the year, net of tax	**0.9**	(0.3)
Total comprehensive income for the year	**208.7**	172.3
Total comprehensive income for the year attributable to:		
Owners of the Company	**208.8**	172.4
Non-controlling interests	**(0.1)**	(0.1)
Total comprehensive income for the year	**208.7**	172.3

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Balance sheet
As at 31 December 2015

	Consolidated	
	2015	2014
	$m	$m
Current assets		
Cash and cash equivalents	**33.3**	31.8
Trade and other receivables	**208.3**	199.7
Inventories	**161.5**	154.4
Assets classified as held for sale	**-**	1.5
Total current assets	**403.1**	387.4
Non-current assets		
Receivables	**32.9**	32.7
Retirement benefit asset	**1.3**	-
Joint arrangements and associate	**142.2**	139.9
Property, plant and equipment	**986.1**	994.2
Intangible assets	**272.9**	266.4
Total non-current assets	**1,435.4**	1,433.2
Total assets	**1,838.5**	1,820.6
Current liabilities		
Trade and other payables	**122.9**	121.3
Borrowings	**1.0**	1.4
Current tax liabilities	**15.0**	1.3
Provisions	**33.6**	24.7
Provision for carbon emissions	**-**	14.0
Other liabilities	**6.8**	4.2
Total current liabilities	**179.3**	166.9
Non-current liabilities		
Borrowings	**329.5**	390.1
Deferred tax liabilities	**85.4**	74.7
Provisions	**36.9**	49.9
Retirement benefit obligations	**-**	2.2
Other liabilities	**0.1**	0.1
Total non-current liabilities	**451.9**	517.0
Total liabilities	**631.2**	683.9
Net assets	**1,207.3**	1,136.7
Equity		
Contributed equity	**729.2**	727.9
Reserves	**1.2**	3.3
Retained profits	**474.3**	402.8
Capital and reserves attributable to owners of the Company	**1,204.7**	1,134.0
Non-controlling interests	**2.6**	2.7
Total equity	**1,207.3**	1,136.7

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 31 December 2015
Consolidated

	Attributable to owners of Adelaide Brighton Ltd				Non-controlling interests	Total equity
	Contributed equity $m	**Reserves $m**	**Retained earnings $m**	**Total $m**	**$m**	**$m**
Balance at 1 January 2015	**727.9**	**3.3**	**402.8**	**1,134.0**	**2.7**	**1,136.7**
Profit for the year	-	-	207.9	207.9	(0.1)	207.8
Other comprehensive income	-	(2.2)	3.1	0.9	-	0.9
Total comprehensive income for the year	**-**	**(2.2)**	**211.0**	**208.8**	**(0.1)**	**208.7**
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	-	-	(139.5)	(139.5)	-	(139.5)
Executive Performance Share Plan	1.3	0.1	-	1.4	-	1.4
	1.3	**0.1**	**(139.5)**	**(138.1)**	**-**	**(138.1)**
Balance at 31 December 2015	**729.2**	**1.2**	**474.3**	**1,204.7**	**2.6**	**1,207.3**
Balance at 1 January 2014	699.1	4.3	355.6	1,059.0	2.8	1,061.8
Profit for the year	-	-	172.7	172.7	(0.1)	172.6
Other comprehensive income	-	0.5	(0.8)	(0.3)	-	(0.3)
Total comprehensive income for the year	-	0.5	171.9	172.4	(0.1)	172.3
Transactions with owners in their capacity as owners:						
Dividend reinvestment plan share issues	24.6	-	-	24.6	-	24.6
Dividends provided for or paid	-	-	(124.7)	(124.7)	-	(124.7)
Executive Performance Share Plan	4.2	(1.5)	-	2.7	-	2.7
	28.8	(1.5)	(124.7)	(97.4)	-	(97.4)
Balance at 31 December 2014	727.9	3.3	402.8	1,134.0	2.7	1,136.7

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 31 December 2015

	Notes	Consolidated 2015 $m	2014 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**1,545.8**	1,460.1
Payments to suppliers and employees (inclusive of goods and services tax)		**(1,272.1)**	(1,227.1)
Joint venture distributions received		**16.2**	21.0
Interest received		**1.7**	1.8
Interest paid		**(13.0)**	(16.0)
Receipts from sale of carbon units		**-**	20.0
Other income and receipts		**5.6**	7.1
Income taxes paid		**(58.5)**	(72.9)
Income taxes refunded		**4.2**	-
Net cash inflow from operating activities		**229.9**	194.0
Cash flows from investing activities			
Payments for property, plant and equipment		**(74.3)**	(60.4)
Payments for acquisition of businesses, net of cash acquired		**(6.5)**	(155.5)
Proceeds from sale of property, plant and equipment		**50.8**	13.6
Loans to joint ventures and other related parties		**(0.9)**	(1.9)
Repayment of loans from other parties		**0.6**	0.6
Net cash (outflow) from investing activities		**(30.3)**	(203.6)
Cash flows from financing activities			
Proceeds from issue of shares		**2.8**	8.1
Proceeds from borrowings		**-**	122.2
Repayment of borrowings		**(61.5)**	-
Dividends paid to Company's shareholders	4	**(139.5)**	(100.1)
Net cash (outflow)/inflow from financing activities		**(198.2)**	30.2
Net increase in cash and cash equivalents		**1.4**	20.6
Cash and cash equivalents at the beginning of the year		**31.8**	11.1
Net impact of foreign exchange on cash and cash equivalents		**0.1**	0.1
Cash and cash equivalents at the end of the year		**33.3**	31.8

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 31 December 2015

1 Accounting policies

This report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. It has been prepared under the historical cost convention, except for derivative financial instruments that have been measured.

The accounting policies adopted are consistent with those of the previous financial year except for the early adoption of AASB 9 Financial Instruments. The Group early adopted this standard and implemented hedge accounting from August 2015.

2 Segment reporting

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Managing Director. These reports are evaluated regularly in deciding how to allocate resources and in assessing performance.

The following two reportable segments have been identified:

- Cement, Lime, Concrete and Aggregates
- Concrete Products

The operating segments Cement, Lime, Concrete and Aggregates individually meet the quantitative thresholds required by AASB 8 as well as meeting the aggregation criteria allowing them to be reported as one segment. Concrete Products meets the quantitative threshold and is therefore reported as a separate segment. Joint arrangements and associates related to the reportable segments form part of the above two reportable segments.

The major end-use markets of Adelaide Brighton's products include residential and non-residential construction, engineering construction, alumina and steel production and mining.

Notes to the financial statements

For the year ended 31 December 2015

2 Segment reporting (continued)

(b) Segment information provided to the Managing Director

The segment information provided to the Managing Director for the reportable segments is as follows:

31 December 2015	**Cement, Lime, Concrete and Aggregates $m**	**Concrete Products $m**	**Unallocated $m**	**Total $m**
Total segment operating revenue	**1,536.7**	**147.8**	**-**	**1,684.5**
Inter-segment revenue	**(64.0)**	**-**	**-**	**(64.0)**
Revenue from external customers	**1,472.7**	**147.8**	**-**	**1,620.5**
Depreciation and amortisation	**(65.6)**	**(8.3)**	**(3.9)**	**(77.8)**
Impairment	**-**	**-**	**-**	**-**
EBIT	**321.7**	**11.4**	**(34.5)**	**298.6**
Share of net profits of joint venture and associate entities accounted for using the equity method	**19.9**	**-**	**-**	**19.9**
31 December 2014				
Total segment operating revenue	1,411.2	137.4	-	1,548.6
Inter-segment revenue	(40.8)	-	-	(40.8)
Revenue from external customers	1,370.4	137.4	-	1,507.8
Depreciation and amortisation	(62.1)	(7.7)	(3.2)	(73.0)
Impairment	(2.0)	-	-	(2.0)
EBIT	277.0	6.5	(36.0)	247.5
Share of net profits of joint venture and associate entities accounted for using the equity method	21.7	-	-	21.7

The comparative information has been restated to reflect a reallocation of costs between segments to match current year reporting lines. The comparative information in reports provided to the Managing Director in 2015 were similarly restated to maintain consistency.

Sales between segments are carried out at arms length and are eliminated on consolidation.

The operating revenue assessed by the Managing Director includes revenue from external customers and a share of revenue from the joint ventures and associate in proportion to the Group's ownership interest, excluding freight, interest and royalty revenue. A reconciliation of segment operating revenue to revenue from continuing operations is provided as follows:

	Consolidated **2015 $m**	2014 $m
Total segment operating revenue	**1,684.5**	1,548.6
Inter-segment revenue elimination	**(64.0)**	(40.8)
Freight revenue	**125.8**	139.4
Interest revenue	**1.7**	1.8
Royalties	**0.4**	0.4
Elimination of joint venture and associate revenue	**(335.3)**	(311.6)
Revenue from continuing operations	**1,413.1**	1,337.8

Notes to the financial statements

For the year ended 31 December 2015

2 Segment reporting (continued)

(b) Segment information provided to the Managing Director (continued)

The Managing Director assesses the performance of the operating segments based on a measure of EBIT. This measurement basis excludes the effect of net interest. A reconciliation of the EBIT to operating profit before income tax is provided as follows:

	Consolidated	
	2015	2014
	$m	$m
EBIT	**298.6**	247.0
Net finance cost	**(13.0)**	(15.0)
Profit before income tax	**285.6**	232.0

3 Operating profit

Revenue from continuing operations		
Sales revenue	**1,411.0**	1,335.6
Interest revenue	**1.7**	1.8
Royalties	**0.4**	0.4
	1,413.1	1,337.8
Other income		
Net gain related to sale of property, plant and equipment	**45.9**	1.2
Fair value accounting gain on business acquisition	**0.2**	17.8
Claim settlement	**-**	4.7
Rental income	**3.0**	2.0
Miscellaneous income	**2.3**	0.4
Total other income	**51.4**	26.1
Revenue and other income	**1,464.5**	1,363.9
Finance cost		
Interest and finance charges paid/payable	**14.5**	16.2
Unwinding of the discount on restoration provisions and retirement benefit obligation	**0.9**	1.2
Fair value (gain) on forward foreign exchange contracts at fair value through profit or loss	**(0.2)**	-
Total finance costs	**15.2**	17.4
Interest capitalised in respect of qualifying assets	**(0.5)**	(0.6)
Finance costs expensed	**14.7**	16.8
Less interest revenue	**(1.7)**	(1.8)
Net finance cost	**13.0**	15.0

The Group has a strategy of divesting of properties that are released from operational activities as a result a rationalisation and improvement program. During the year the Group realised a net gain on sale of properties of $45.0 million (2014: $1.0 million) which is recognised in other income.

Impairment

An impairment charge against plant and equipment of $nil million (2014: $2.0 million) was recognised in cost of sales in the income statement for the year relating to the cement segment of the Group. As a result of the rationalisation of clinker production at the Munster site, an impairment charge was recognised for the excess of the written down value compared to the recoverable amount of the assets impacted by the rationalisation.

Notes to the financial statements

For the year ended 31 December 2015

4 Dividends

	The Company	
	2015	2014
	$m	$m
Dividends provided or paid during the year		
2014 final dividend of 9.5 cents (2013 – 12.0 cents) per fully paid ordinary share, franked at 100% (2013 – 100%) paid on 16 April 2015	**61.6**	76.6
2015 interim dividend of 12.0 cents (2014 – 7.5 cents) per fully paid ordinary share, franked at 100% (2014 – 100%) paid on 9 October 2015	**77.9**	48.1
Total dividends	**139.5**	124.7
Dividends paid:		
In cash	**139.5**	100.1
Issue of shares through dividend reinvestment plan	**-**	24.6
Total dividends	**139.5**	124.7
Dividends not recognised at the end of the year Since the end of the year the Directors have recommended the payment of a final dividend of 15.0 cents (2014 – 9.5 cents) per fully paid ordinary share, franked at 100% (2014 – 100%). The aggregate amount of the proposed final dividend expected to be paid on 12 April 2016, not recognised as a liability at the end of the reporting period, is	**97.3**	61.6

5 Earnings per share

	Consolidated	
	2015	2014
	Cents	Cents
Basic earnings per share	**32.0**	26.9
Diluted earnings per share	**31.9**	26.8

	Consolidated	
	2015	2014
	Number	Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**648,680,849**	641,365,689
Adjustments for calculation of diluted earnings per share:		
Awards	**2,986,287**	3,319,603
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**651,667,136**	644,685,292

Notes to the financial statements

For the year ended 31 December 2015

6 Contingencies

Details and estimates of maximum amounts of contingent liabilities are as follows:

	Consolidated 2015 $m	2014 $m
Guarantees		
Bank guarantees	**22.3**	19.8

No material losses are anticipated in respect of the above contingent liabilities.

7 Investments in joint arrangements and associate

Investments in joint arrangements are classified into Joint Ventures, which are accounted for in the consolidated financial statements using the equity method of accounting, and Joint Operations, which are accounted for using the proportional consolidation method. Associates are accounted for using the equity method.

Name of joint arrangement / associate	Nature of relationship	Ownership interest 2015 %	2014 %
Aalborg Portland Malaysia Sdn Bhd	Associate	30	30
Batesford Quarry	Joint operation	50	50
Burrell Mining Services JV	Joint operation	50	50
EB Mawson & Sons Pty Ltd	Joint venture	50	50
Independent Cement & Lime Pty Ltd	Joint venture	50	50
Lake Boga Quarries Pty Ltd	Joint venture	50	50
Peninsula Concrete Pty Ltd	Joint venture	50	50
Sunstate Cement Ltd	Joint venture	50	50

Contribution to net profit

	Consolidated 2015 $m	2014 $m
Sunstate Cement Ltd	**8.3**	8.1
Independent Cement & Lime Pty Ltd	**7.9**	9.1
Other Joint Ventures and Associates	**3.7**	4.5
Share of profits equity accounted	**19.9**	21.7
Profit from Joint Operations	**1.6**	2.0
Total profit from joint arrangements and associates	**21.5**	23.7

Notes to the financial statements

For the year ended 31 December 2015

8 Events occurring after reporting date

No matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect:

(a) the Group's (consolidated entity) operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future financial years.

Audit statement

This report is based on accounts to which one of the following applies.

☐	The accounts have been audited.	☐	The accounts have been subject to review.
☑	The accounts are in the process of being audited or subject to review.	☐	The accounts have not yet been audited or reviewed.