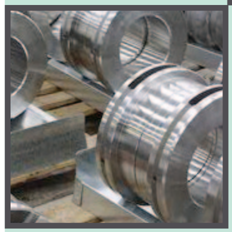
2010 Half Year Results Presentation

24th August 2010

CAPRAL LIMITED FIRST HALF 2010 RESULT



AGENDA

- Profile
- Performance Highlights
- Key Profit Drivers
- Anti Dumping Update
- Strategy & Business Development
- Outlook

CAPRAL PROFILE

- Australia's largest manufacturer and distributor of aluminium profiles.
- A National footprint of world class extrusion plants.

  8 operating presses with annual capacity of 75KT.
- A network of 5 major distribution facilities, 6 regional centres and 12 metropolitan trade centres with an extensive range of products and logistics capabilities.
- Market leader in supply to fabricators and distributors, focussing on the Residential, Commercial and Industrial segments.
- Over 900 employees, with significant industry skills and expertise.
- Innovative R&D capability, well positioned to take advantage of changing building regulations in Australia.
- A listed ASX company, started almost 75 years ago.

FIRST HALF PERFORMANCE HIGHLIGHTS



	1H10	1H09	% CHANGE
Sales Volumes - External (‘000 tonnes)	28.5	24.8	15.0
	$m	**$m**	
Sales Revenue	204.5	177	15.5
EBITDA	**8.5**	**(9.2)**	
Depreciation	(6.0)	(8.5)	29.4
EBIT	**2.5**	**(6.8)**	
Interest	(1.4)	(6.8)	79.4
Tax	-	-	-
NPAT	**1.1**	**(24.6)**	

FINANCIALS:

A Positive Underlying Cash Flow

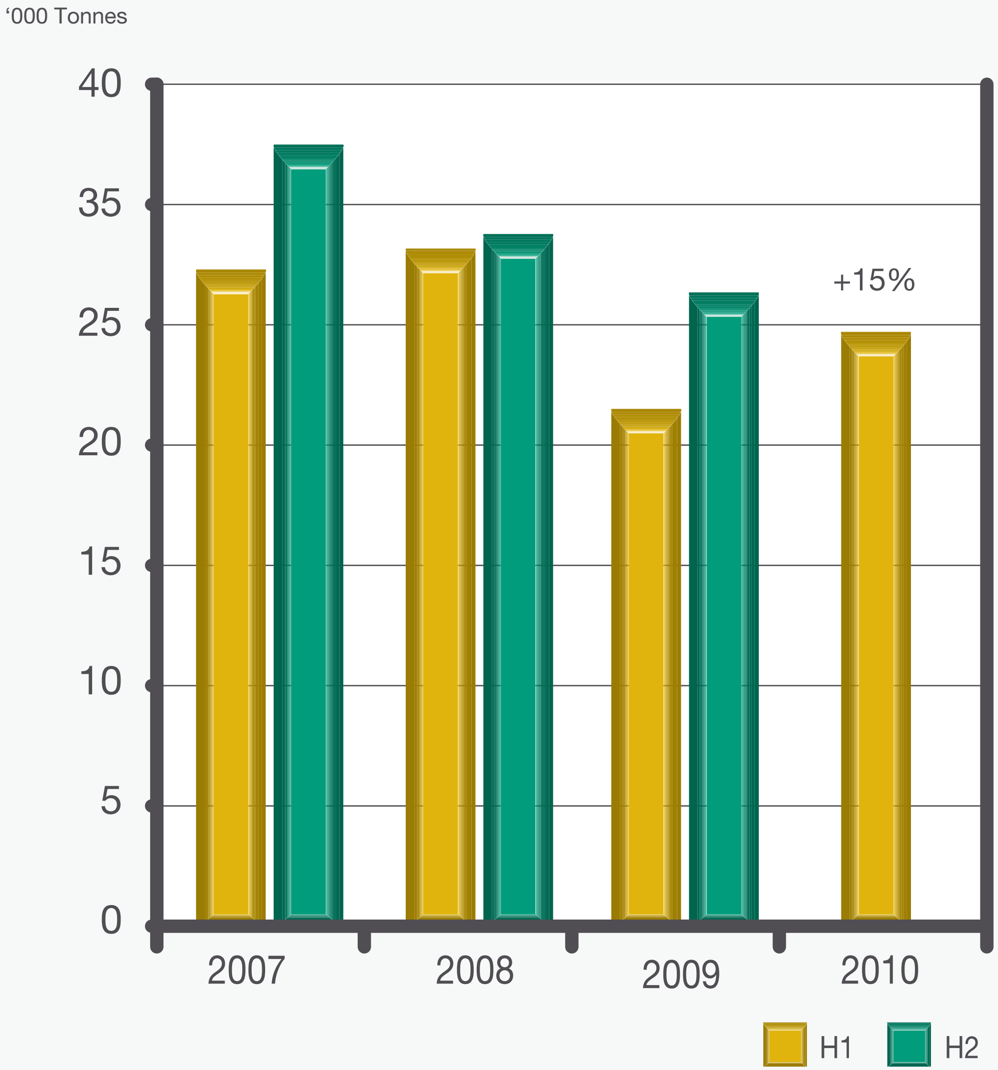
	$m	$m June 10
EBITDA		**8.5**
Working Capital (Normalised)	(1.8)	
Interest Paid	(1.4)	
Equity Compensation Amortisation	2.1	(1.1)
Underlying Cash Flow		**7.4**
Less: Additional Log Stock*	(10.3)	
Other	2.6	(7.7)
Reported Net Operating Cash Flow		**(0.3)**

With a Robust Balance Sheet

		June 10	Dec 09	June 09
Net Assets	($m)	154.9	151.6	70.7
Net Debt	($m)	6.5	5.3	112.9
Gearing - Net Debt/(Debt + Equity)	%	4.0	3.4	61.5

***net of creditors**

SALES VOLUMES OF 28.5 KT WERE 15.0% HIGHER THAN THE 1ST HALF 2009, BUT STILL NOT BACK TO PRE GLOBAL CRISIS LEVELS



Sales Volumes

- Capral sales volumes grew by 15.0% year on year.
- Stronger in the large fabricator customer group, benefiting from the first home owner stimulus.
- Industrial sales were mixed.
- Commercial and upper end residential were subdued.
- Clear softening in the 2nd quarter including destocking (again).
- Expect an increased level of market activity in the 4th quarter 2010. 2nd half volumes 2010 are expected to be ~ 30,000T.
- Market growth resuming in 2011.

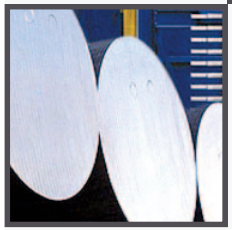
KEY PROFIT DRIVERS

TRADING EBITDA INCREASED BY $18.5m IN THE FIRST HALF 2010 COMPARED TO FIRST HALF 2009

CAPRAL

ANTI DUMPING UPDATE

CAPRAL HAS PROVEN ITS CASE

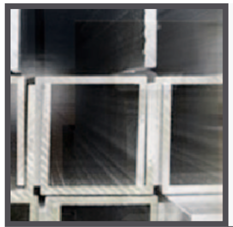


1. There is an Australian Industry producing like goods ✓
2. Certain extrusions were dumped ✓
3. Countervailing subsidies exist in China ✓
4. The Australian Industry producing like goods experienced injury ✓
5. Dumping and subsidisation caused material injury to the Australian Industry ✓

Based on these findings Customs has recommended to the Minister that dumping duty notice and countervailing duty notice be published in respect of aluminium extrusions exported from China to Australia (SEF Pg 8 March 2010).

ANTI DUMPING UPDATE

BUT - THE PROPOSED AUSTRALIAN MEASURES, AT THIS POINT ARE LOW



	Estimated Australian Measures	Canada	USA
To largest Exporters	~ 5% weighted average	~ 33%	Due Sept '10 Seeking ~ 33%

Next Steps:

- Capral has lodged an appeal against an aspect of Customs' findings. The Trade Measures Review Officer (TMRO) is scheduled to make a decision on the appeal in late August 2010.
- The USA preliminary decision is due early September 2010 (but may be delayed).
- The final decision is with the relevant Federal Minister. The timing is still uncertain.

STRATEGY & BUSINESS TURNAROUND

The First Phase has been completed:

- **Stabilise the Business**
  - Recapitalise the Balance Sheet
  - Introduce a new operating philosophy
  - Implement a new management structure and accountability
  - Realise significant cost savings
  - Launch an Anti Dumping Case
  - Achieve positive underlying cash flow and profitability.

The Second Phase is underway:

- **Optimise Business Performance “Project Relaunch”**

Extrusion

- Transition to a state based manufacturing approach.
- Fix or exit unprofitable “value adding” activities.
- Consolidate space requirements at the Bremer facility.

Distribution

- Lift underperforming state operations
- Optimise the supply chain
- Pursue strategic growth options

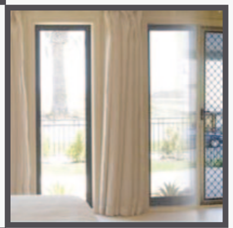
Corporate

- Continue to right size

General

- “Fair” anti dumping resolution.

OUTLOOK



Market

- Residential market to resume in 2011 after stalling.
- Commercial to remain subdued.
- Industrial mixed but growing with GDP.

Pricing

- Under pressure as a consequence of soft market conditions, continued influx of low priced imported products and some likely increases in domestic extrusion capacity.

Costs

- “Project Relaunch” to deliver business improvements and effectiveness.

Capral expects to continue to make progress as the Turnaround strategy is implemented.

ANTI DUMPING - APPENDIX

Background

- The Australian aluminium industry has suffered material injury from the effects of price undercutting from Chinese extrusion imports. Capral believes that this pricing reflects dumping and Chinese Government subsidy effects.
- During the last decade, Chinese extrusion imports have risen from 7,000 tonnes to over 60,000 tonnes (or 34% of the Australian market).

Australian Case

- On 24 June 2009, Australian Customs initiated an investigation into the alleged dumping and subsidisation of certain aluminium extrusions exported to Australia from China. This followed an application by Capral, supported by G James, Australia's second largest aluminium extruder.

Preliminary Affirmative Determination

- On 3 November 2009, Australian Customs gave notice that exports to Australia of certain aluminium extrusions from China would be subject to a provisional dumping duty rate of 16% in respect of goods entered into Australia on or after 6 November 2009. This was amended in April 2010 to specific interim duties by company believed to range from 0% to 18.1%, with an average ~ 5% for the volume importers.

Update

- Minimal market impact to this point as interested parties await final determination.
- Capral continues to believe strongly in the merits of the case and remains actively engaged.
- Capral has lodged an appeal against an aspect of Customs' findings and the Trade Measures Review Officer (TMRO) is scheduled to make a decision in late August 2010.
- The USA has now also lodged an anti dumping case on aluminium extrusion and a preliminary finding is due in early September 2010.
- The final determination is still with the relevant Minister and the timing of the decision is uncertain.

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