Capral Aluminium Limited

Analyst Presentation – February 2003

- Full Year Results
  31 December 2002
- Capral Strategy

Greg L'Estrange – Managing Director

Nigel Chalk – Finance Director

CAPRAL ALUMINIUM

Capral Aluminium Limited

Analyst Presentation

Full Year Results
31 December 2002

Earnings Summary

Full Year 31 December 2002

	000's	
	2002	2001
Revenue from operating activities	440,327	517,226
Revenue from outside the operating activities	36,177	52,948
Total Revenue	**476,504**	**570,174**
EBITDA	18,033	13,410
D&A	12,356	14,072
EBIT	5,677	(662)
Interest Expense	(2,141)	(1,855)
Profit Before Taxation	3,536	(2,517)
Taxation (Expense) / Benefit	3,586	2,618
Profit After Taxation	**7,122**	**101**

CAPRAL ALUMINIUM

Underlying Performance

Full Year 31 December 2002

	000's		
	2002	2001	Better / (Worse)
Revenue from operating activities			
Sales Revenue Australia - core business	374,375	364,260	10,115
Other (primarily scrap sales)	44,845	58,607	(13,762)
	419,220	**422,867**	**(3,647)**
Sales Revenue Australia - closed business	0	56,023	(56,023)
Sales Revenue New Zealand	21,107	38,336	(17,229)
	440,327	**517,226**	**(76,899)**

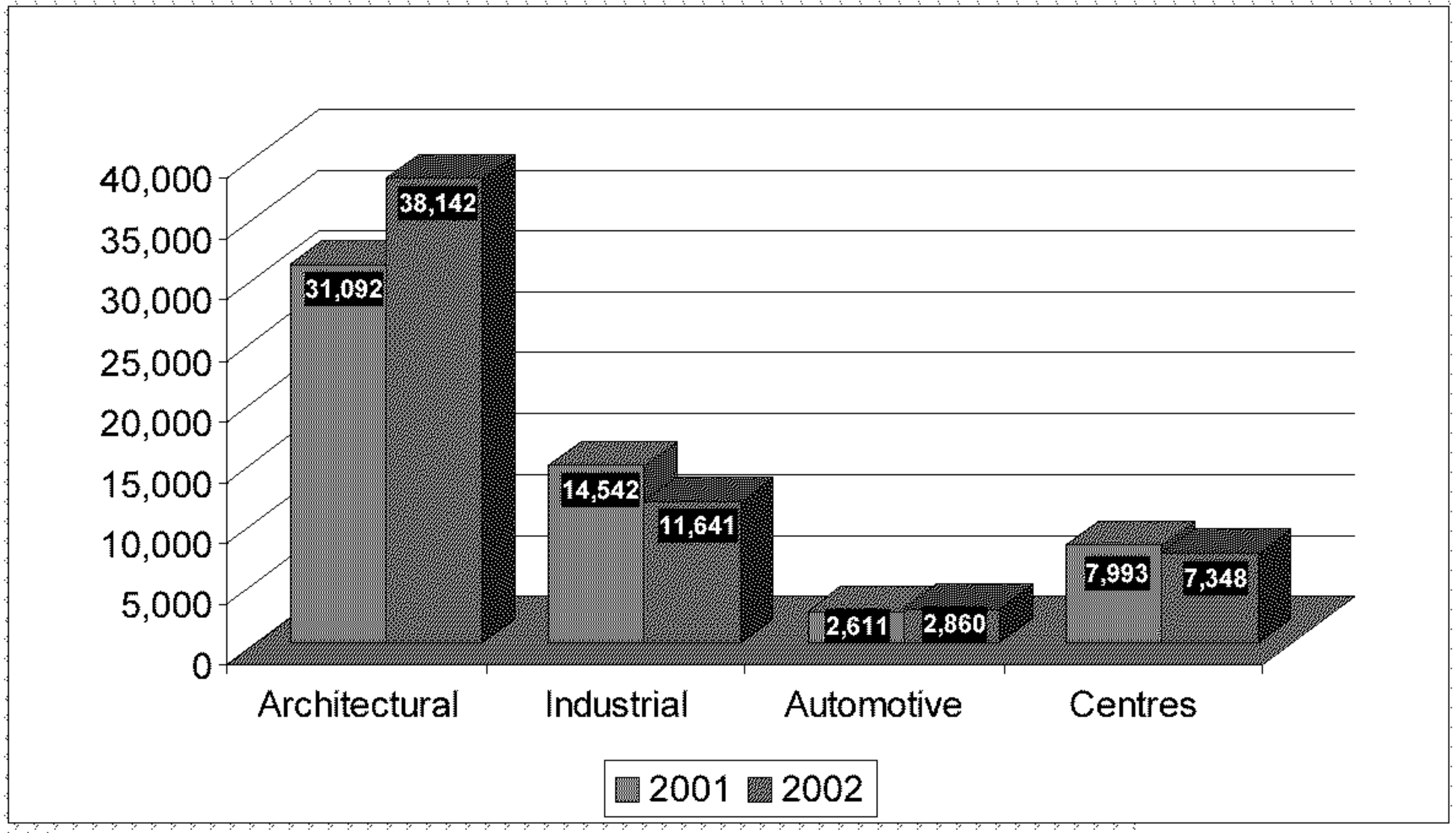
	000's		
	2002	2001	Better / (Worse)
EBIT	**5,677**	* **(662)**	**6,339**
Significant non operating items :			
Granville disposal	1,513	0	
Disposal of other properties	0	(1,827)	
Write down of plant & equipment	3,269	14,493	
Disposal of plant & equipment	(1,806)	(19,746)	
Restructuring cost	939	6,519	
Underlying EBIT performance	**9,592**	**(1,223)**	**10,815**

* Includes Superannuation holiday of $5,159k

CAPRAL ALUMINIUM

Capral Aluminium Limited

2001 vs 2002 Tonnes by Market Segment (Australia)



CAPRAL ALUMINIUM

Overhead Analysis

Full Year 31 December 2002

	000's	
	2002	2001
Warehouse Overheads	7,976	6,180
Selling Expenses	37,223	40,483
Total Sales & Distribution	45,199	46,663
Information Technology	9,685	7,714
Corporate Overheads	9,752	10,804
Total Overheads	64,636	65,181

CAPRAL ALUMINIUM

Balance Sheet

Full Year
31 December 2002

	000's	
	2002	2001
Current Assets & Liabilities		
Cash	5,249	7,510
Receivables	59,708	77,555
Inventories	47,797	63,594
Payables	(49,383)	(53,266)
Borrowings	(10,048)	(30,048)
Provisions	(10,412)	(12,314)
Other	3,328	3,084
Total	**46,239**	**56,115**
Long Term Assets & Liabilities		
Receivables	6,900	1,918
Tangible Fixed Assets	104,308	103,375
Intangible Assets	6,699	5,447
Deferred Tax Assets	28,750	22,726
New Zealand Investment	4,350	0
Deferred Tax Liabilities	(4,399)	(4,214)
Provisions	(1,084)	(2,502)
Other	5,963	1,514
Total	**151,487**	**128,264**
Net Assets	**197,726**	**184,379**
Contributed Equity	98,928	92,974
Reserves	40,957	37,874
Retained Profits	57,841	53,531
Total Equity	**197,726**	**184,379**

CAPRAL ALUMINIUM

Operating Working Capital Performance

(excluding Borrowings, Cash & Taxation)

	000's		
	2002	2001	2000
Current Assets			
Receivables	59,708	77,555	94,717
Inventories	47,797	63,594	97,725
Other Current Assets	3,361	3,993	704
Current Liabilites			
Payables	(49,383)	(53,266)	(65,975)
Other Provisions	(10,412)	(12,314)	(33,031)
Operating Working Capital	**51,071**	**79,562**	**94,140**
Ratio to Sales	**12.2%**	**17.3% ***	
Movement - Year on Year	***28,491***	***14,578***	

* *Includes NZ Revenue & Working Capital*

CAPRAL ALUMINIUM

Cash Flow

Full Year 31 December 2002

	000's	
	2002	2001
Net Cash Inflow /(Outflow) from Operating Activities	**45,652**	**(24,533)**
Cash Flows from Investing Activities		
Expenditure on Information Systems	(4,414)	(287)
Capital Expenditure	(36,637)	(21,429)
Proceeds from Sale of Businesses	0	11,488
Proceeds from Sale of PP&E	19,050	35,226
Payments for Intangible Assets	(2,164)	(5,035)
Other Items	460	(1,283)
Net Cash Inflow / (Outflow) from Investing Activities	**(23,705)**	**18,680**
Cash Flow from Financing Activities		
Proceeds / (Repayment) of Debt	(20,000)	30,028
Share Buy-Back	0	(304,944)
Dividends Paid	(4,846)	(26,007)
Net Cash Inflow / (Outflow) from Financing Activities	**(24,846)**	**(300,923)**
Net Cash Flow	**(2,899)**	**(306,776)**

CAPRAL ALUMINIUM

Progress on December 2001 Undertakings for 2002

Subject	Measure	Status
1) Property Sales	$21m	Achieved
2) Working Capital	$25m	$28.5m achieved
3) Headcount	161	169 achieved
4) One System	In place	Pilot site operational; to be implemented by mid 2003
5) New Zealand	Path forward	JV in place, ahead of plan
6) Pricing	Margin	Culture change continuing
7) Warehouses	Consolidated	2003 in line with new site
8) Modernisation	June 2003	Up to 6 month delay due to NSW approval process

CAPRAL ALUMINIUM

Capral Aluminium Limited

Analyst Presentation

Capral Strategy

CAPRAL ALUMINIUM

Vision

"Liberate the Potential of Capral"

A work in progress.

Strategy

To create competitive advantage by creating low cost facilities for manufacturing of aluminium extrusions and flat products at short lead times.

How:

- Focused sites
- Leading technology
- Low overhead environment

Cost Leadership

- **Operations**
  - Perth Operations
  - New Architectural Facility
  - New Industrial Facility
  - Reduced Regional warehouse costs
    closure of Murrarie (Qld), Homebush (NSW)
- **Overhead**
  - Corporate 2 year target from $20.6m to $14.5m
  - Sales and Distribution 10.4% of sales to 6.5%
  - Three year target of 10% total overhead to sales

CAPRAL ALUMINIUM

Smeaton Grange Site

- In mid 2002 NSW Government declared the project "State Significant"
- Capral lodged Planning Application on 16 October 2002, after extensive consultation with Government departments to ensure full disclosure.
- The approval process was to be completed by 18 December 2002.
- In early December 2002 the NSW Government initiated a "Commission of Inquiry" to ensure that the project would be judged on its merits.
- The first sitting of the "Commission of Inquiry" was conducted between 12-14th February 2003.
- The second sitting is set for late March 2003. The Commission will then consider the evidence and make a recommendation to the NSW Planning Minister.
- The determination of the NSW Planning Minister is not subject to appeal.

CAPRAL ALUMINIUM

Alternative Options

Create two focused manufacturing operations:

- Industrial Products in Melbourne
- Architectural Products in either Smeaton Grange or Ipswich

Advantages

- Industrial Products could be fully operational in third quarter 2003
- Existing press in Melbourne could be upgraded in 2004 to provide a low cost alternative to imports
- Architectural plant could be expanded by up to 50% with marginal capital as service offer improves to take share from imports

Disadvantages

- Higher transitional costs of Ipswich over Smeaton Grange

Capral Aluminium

Focus for 2003

Execution

- New Sites
- Warehouse Consolidation
- One System Implementation
- Overhead Reduction
- Customer – In full, on time, to specification

CAPRAL ALUMINIUM