CAPRAL ALUMINIUM LIMITED

Analyst Presentation
August 2004

- Half Year Results
  - Half Year Ended 30 June 2004
- Bremer Park Update
- Strategic Imperatives

Half Year Results
Half Year Ended 30 June 2004

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Earnings Summary

Half Year 30 June 2004

	2004	2003
Revenue from operating activities	169,496	186,181
Revenue from outside the operating activities	1,790	483
Total Revenue	**171,286**	**186,664**
EBITDA	(14,264)	2,856
D&A	6,341	6,203
EBIT	(20,605)	(3,347)
Interest Expense	(395)	(350)
(Loss)/Profit Before Taxation	(21,000)	(3,697)
Taxation (Expense)/ Benefit	6,488	674
Profit After Taxation	**(14,512)**	**(3,023)**

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Underlying Performance

Half Year 30 June 2004

	2004	2003	Better / (Worse)
Revenue from operating activities	*	*	
Sales Revenue Australia - core business	151,991	168,186	(16,195)
Other (primarily scrap sales)	17,505	17,995	(490)
	169,496	**186,181**	**(16,685)**

* LME movement year on year represents a shift of approximately $99 per tonne generating a notional revenue decline of $2.5m in 2004.

	000's		
	2004	**2003**	**Better / (Worse)**
EBIT	**(20,605)**	**(3,347)**	**(17,258)**
Significant non operating items :			
Profit on sale of plant & equipment	(555)	(511)	
Employee redundancy entitlements	8,063	23	
Restructuring cost	2,591	743	
Underlying EBIT performance	**(10,506)**	**(3,092)**	**(7,414)**

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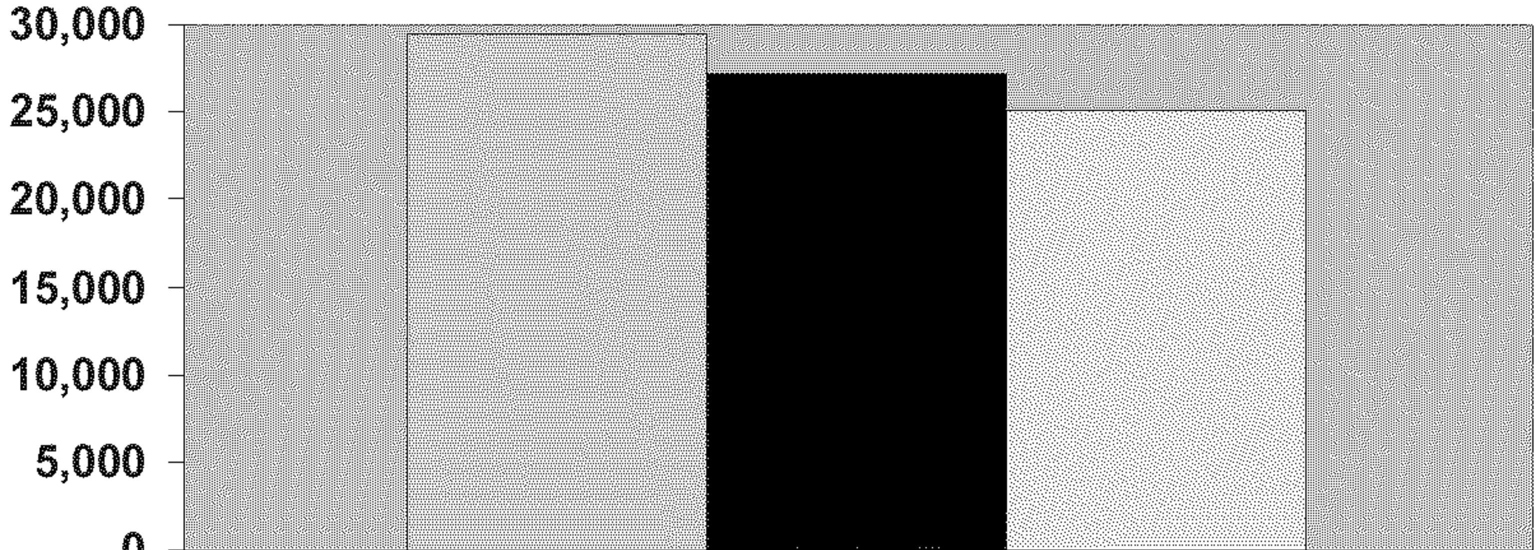
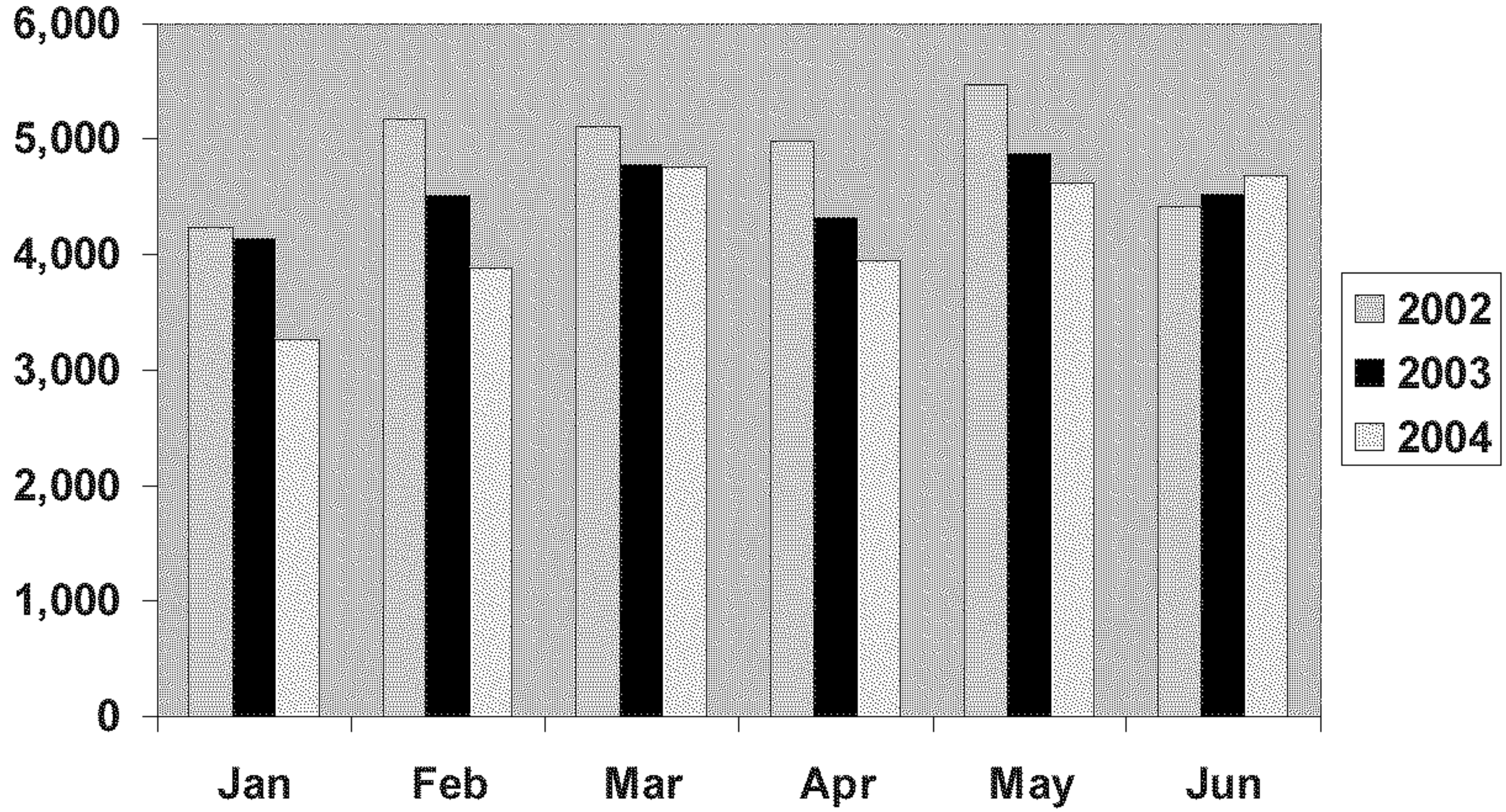
Half Year 02 to 04 Sales Tonnes by Segment



	Core Sales (Tonnes)
2002	29,415
2003	27,143
2004	25,169

Capral Monthly Tonnage



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Overhead Analysis

Half Year 30 June 2004

	000's		
	2004 HY	2003 FY	2003 HY
Warehouse Overheads	5,702	10,460	4,874
Selling Expenses	14,781	31,751	15,488
Information Technology	4,342	8,703	4,335
Corporate Overheads	5,426	13,006	6,017
Total Australia	30,251	63,920	30,714

Balance Sheet

Half Year

30 June 2004

	000's		
	2004 HY	**2003 FY**	**2003 HY**
Current Assets & Liabilities			
Cash	15,428	2,646	3,442
Receivables	63,717	61,687	59,317
Inventories	44,037	48,132	49,390
Payables	(63,079)	(54,274)	(42,909)
Borrowings	(3,757)	(10,881)	(40,058)
Provisions	(3,510)	(3,656)	(11,374)
Other	4,031	4,313	2,566
Total	**56,867**	**47,967**	**20,374**
Long Term Assets & Liabilities			
Receivables	7,132	7,478	7,134
Tangible Fixed Assets	157,383	139,924	128,761
Intangible Assets	5,323	5,781	6,243
Deferred Tax Assets	37,932	31,024	29,014
Investments in associates	9,044	8,321	4,527
Deferred Tax Liabilities	(3,798)	(3,471)	(4,207)
Borrowings	(43,737)	(26,638)	(3,796)
Provisions	(723)	(1,104)	(1,044)
Total	**168,556**	**161,315**	**166,632**
Net Assets	**225,423**	**209,282**	**187,006**
Contributed Equity	156,446	124,664	99,747
Reserves	14,295	13,802	35,253
Retained Profits	54,682	70,816	52,006
Total Equity	**225,423**	**209,282**	**187,006**

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Operating Working Capital Performance

(excluding Borrowings, Cash & Taxation)

	000's		
	2004 HY	**2003 FY**	**2003 HY**
Current Assets			
Receivables	62,185	61,687	59,317
Inventories	44,037	48,132	49,390
Other Current Assets	4,139	4,313	2,484
Current Liabilites			
Payables	(61,547)	(54,274)	(42,909)
Other Provisions	(3,510)	(3,656)	(11,374)
Operating Working Capital	**45,304**	**56,202**	**56,908**
Movement - Year on Year	***10,898***	***706***	

Decrease / (Increase)

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Cash Flow

Half Year 30 June 2004

	000's		
	2004 HY	2003 FY	2003 HY
Net Cash Inflow /(Outflow) from Operating Activities	**(5,763)**	**(2,652)**	**(4,633)**
Cash Flows from Investing Activities			
Capital Expenditure	(24,163)	(64,977)	(28,632)
Proceeds from Sale of PP&E	2,297	19,720	514
Payments for Intangible Assets/ Investments	0	(2,000)	0
Other Items	0	856	0
Net Cash Inflow / (Outflow) from Investing Activities	**(21,866)**	**(46,401)**	**(28,118)**
Cash Flow from Financing Activities			
Proceeds / (Repayment) of Debt	11,478	21,632	33,807
Share Issue	27,836	24,917	0
Dividends Paid	(1,622)	(4,224)	(2,812)
Net Cash Inflow / (Outflow) from Financing Activities	**37,692**	**42,325**	**30,995**
Net Cash Flow	**10,063**	**(6,728)**	**(1,756)**

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Project Expenditure

Bremer Park

	Budget	Spent	To Spend
Bremer Park Capex	$91.4m	$81.9m	$9.5m
Operational Readiness Project	$3.4m	$1.1m	$2.3m

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Restructuring

	2004 HY Actual	2004 FY Forecast	2003 HY Actual
Redundancies	$8.1m	$11.0m	$0.0m
Restructuring Costs	$2.6m	$3.0m	$0.7m

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Renounceable Rights Issue

June 2004

Highlights

- 16,219,446 shares allotted @ $2.00
- 13,929,052 shares(being approximately 85.9%) were accepted
- 2,290,394 taken up by GPG – as underwriter

Summary

Shares issued @ $2.00	$32.4m
Costs associated with issue	$0.7m
Total share capital	$31.7m

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Bremer Park Update

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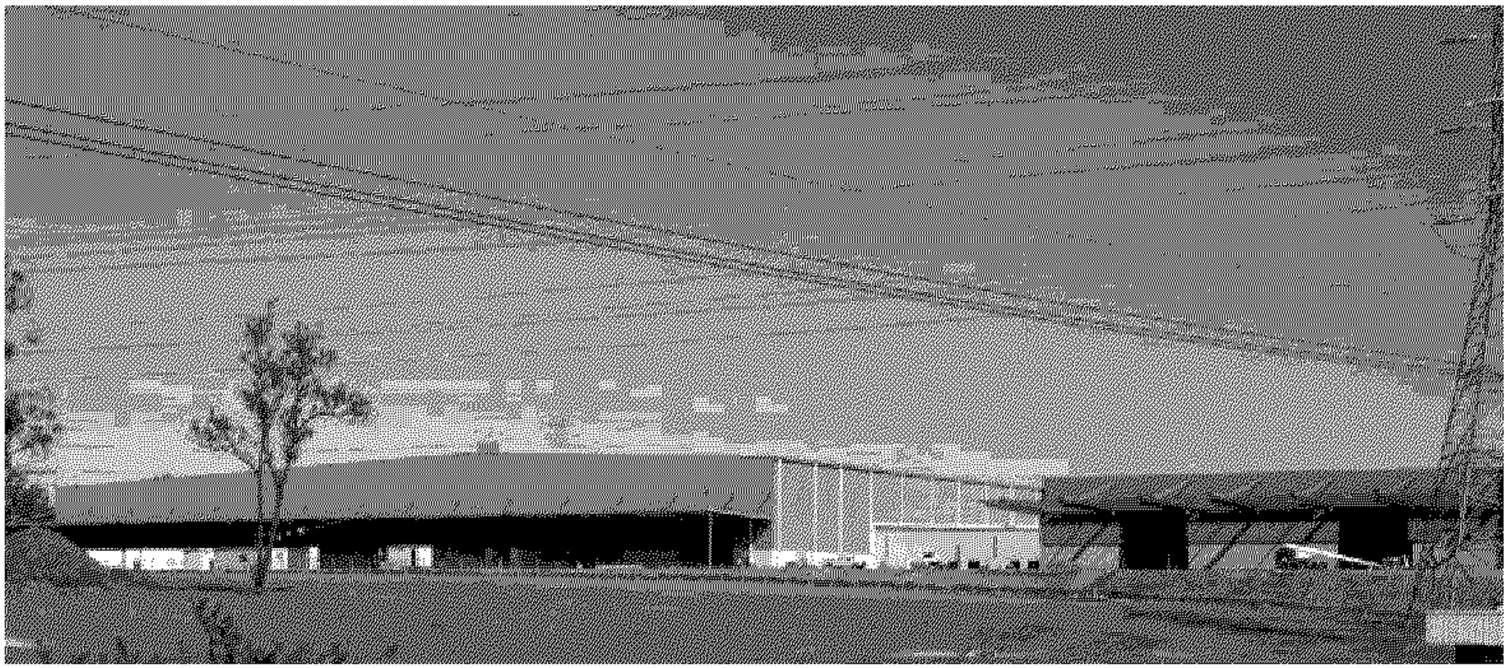
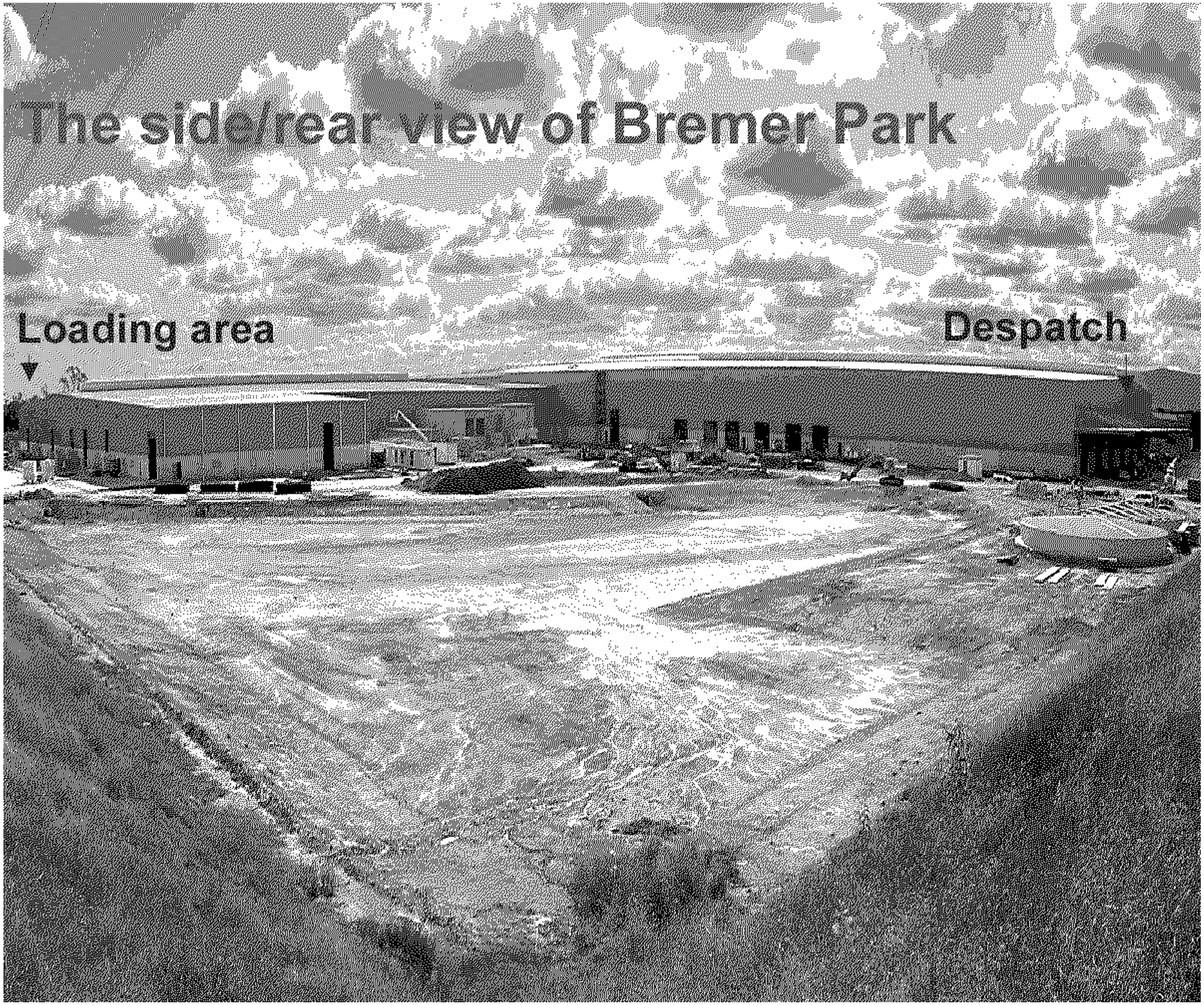
Bremer Park Aerial ~ 30 June 2004

View of Bremer Park from Warrago Highway



The side/rear view of Bremer Park



What is the current Bremer Park rollout plan?

Extrusion

The first new press (8") became operational on Monday 16th August.

A second 7" press (old QL2) will commence on Monday 30th August.

Once these two presses are extruding **quality** product **at a rate that exceeds the current Minto presses**, MT1 and MT2 will be closed and relocated. The current plan is to close these two presses at the end of October.

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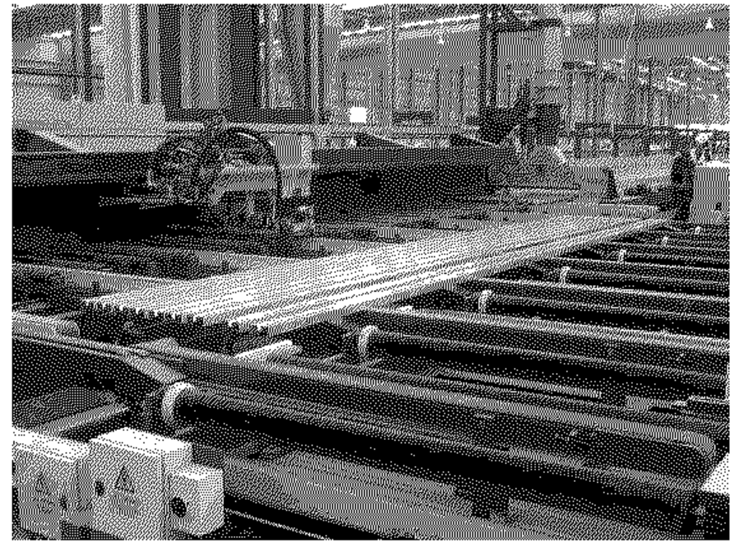
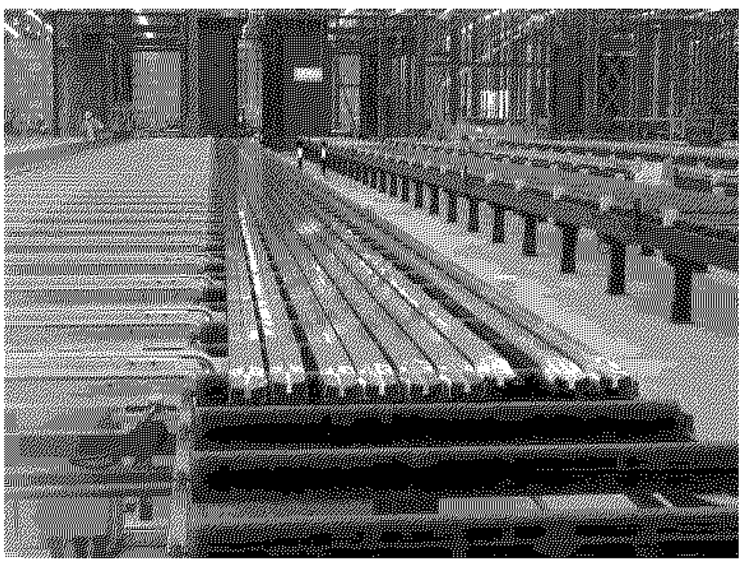
First Extrusion from New Press
~ 16th August 2004 ~





What is the current Bremer Park rollout plan?

Paint

Bremer Park will have two state of the art vertical paint lines.

The first will be operational on 13th September with the second to follow on 18th October.

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What is the current Bremer Park rollout plan?

Anodising

The Bremer Park anodising facility comes on line week commencing 8th November

What is the current Bremer Park rollout plan?

Warehouse

The new Bremer Park automated warehouse will be in operation during December

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What are the plant capabilities?

Dies:

We have a die warehouse with an automatic retrieval and put away process.

This warehouse holds 18,000 dies with room to expand to 27,000 dies.

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What are the plant capabilities?

Extrusion:

Capacity of 59,000 tonnes per year with 4 presses.

We have two additional press bays that allows us to expand our capacity to 88,000 tonnes.

What are the plant capabilities?

Paint:

Capacity of 47,000 tonnes per year.

Wood grain and marble finishing coming on line in 2005.

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What are the plant capabilities?

Anodising:

Capacity of 8,700 tonnes per year with capability to add an additional tank, increasing capacity to 12,000 tonnes per year.

- Standard finishes
- Bright
- Interference colour range comes on line in 2005

What are the plant capabilities?

Packing:

Packing is an automated process designed to give major protection to our product

Extrusion will be sub bundled then fed through a spiral wrapper before being packed in to a master bundle.

The automated process ensures tight, secure bundles reducing risk of damage due to movement while being transported

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What are the plant capabilities?

Warehouse:

The automated Bremer warehouse has holding capacity for 2,280 sku's

There is capability to expand this warehouse to 6,840 sku's

The Hub

Strategic Initiatives

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Critical Success Factors

- That Bremer Park is commissioned on schedule and achieves the projected efficiency levels.
- That the reconfiguration of the supply chain and warehouses provides the service and cost outcomes.
- That Capral develops a flat products value adding centre in each Capital City.
- That the benefits of the "One System" platform are enhanced through Business Warehouse (BW), Customer Relationship Management (CRM) and Advanced Production Optimisation (APO).
- That the sales team focuses on selling more product and allows all service issues to be dealt with by the NCCC and site logistics.
- That Capral reverses the trend on imported product.
- The capacity is available through the cycle to maintain lead times at or below 7 days.
- That the proposed stage 2 automation at Bremer Park will allow a 50% reduction in labour.

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Capral Through Three Phases

DOING THE BASICS

- Overhead Reduction
- Warehouse Consolidation
- Customer Relationship Management (CRM)
- Advanced Planning & Optimisation (APO)
- Business Warehouse (BW)
- Electronic Data Interface (EDI)

YEAR 1
2004

EXPANDING THE BASE

- Stage 2 Bremer Park Automation
- 40% Improvement in Volume
- Industrial Products Value Adding
- New Building System Range
- Flat Products Fabrication

YEARS 0-2
2004-2005

GROWTH

- Growth - Step Out Opportunity

YEARS 3-5
2006-2008

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Capral's Model for Success

Capral Supporting Shareholder	+	Capral Capable People	+	Capral Excellent Operation	=	Capral Satisfied Customer
• Reward with strong dividend and share growth. • Sees sales growth of 15% per annum. • Sees profit growth of 20% per annum.		• Small company mindset. • Low overhead. • Users of technology in manufacture, supply chain and IT to drive low costs. • Focus on winning customer confidence. • Constantly looking for growth opportunities. • Leaders In Product Development. • Energised and proud of their successes.		• Low cost. • Innovators and users of technology. • Supply chain experts. • Provides innovative places to work. • Experts at handling and freighting small, fragile bundles at low cost.		• Gets value • Exceptional service. • Recognises Capral as easy to do business with. • Relies on Capral to provide information to improve their business. • Recognises Capral as Solution Providers.

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