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## **Atlas restructures its distribution businesses**

Dr Martin Foreman, Managing Director and Chief Executive Officer of Atlas Group Holdings Limited, today announced the restructuring of the Group's Australian and New Zealand specialty metals distribution businesses. "We will move to an organisation built around the customer and a central Group Supply Chain function to capture the efficiencies and competitiveness that best practice supply chain offers. Through vendor and product rationalization we will more effectively manage our inventory whilst improving service levels to our customers" Dr Foreman said today.

Following a comprehensive review of the distribution businesses this restructure will consolidate the Group's activities and focus on business excellence with clear accountability for performance. As a result of the restructuring around 80 positions will be made redundant across Australian and New Zealand operations and head-office, providing annualized pre-tax savings of \$4.5 million. A further pre-tax \$4 million annual benefit is expected to accrue from improved operational effectiveness. One time restructuring pre-tax costs are forecast at \$3 million in FY 06, however these costs are expected to be off-set within the financial year by the savings to be realized.

In FY 05 the Atlas Group generated a post-tax profit of \$13.190 million, providing a Basic EPS of 14.5 cents.

Dr Foreman stated "This move today enhances our supply chain competency and efficiency to support our 23 branches through Australia, New Zealand, Thailand and Indonesia, thereby delivering consistent performance and providing the foundation for growth."

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*The Atlas Group is Australasia's leading distributor of specialty metals with a growing presence in Asia-Pacific. It's Australian Bisalloy operation is the only local producer of wear resistant, structural and armour plate, supplying the resources, transport, construction and defence sectors.*

## **Competency, Consistency and Growth**

*Issued by Atlas Group Holdings Limited*

*For further information, please contact Martin Foreman on (03) 9272 9918*