



ANNUAL GENERAL MEETING 2005

Chairman's Address

The main highlights of 2004/2005 were:

- . Our earnings before interest & tax increased to \$26.6 million, a 33% increase over the previous year.
- . Earnings per share grew to 14.5 cents this year against 12.2 cents last year.
- . A fully franked final dividend of 5.1 cents per share making a total dividend payment for the year of 9 cents per share versus 7.8 cents last year.
- . Sales revenue increased by 31% to \$405 million and net profit attributable to members increased by 32% to \$13.2 million.
- . Further improvement in working capital management and reduction of balance sheet gearing continues.

In summary, the Directors were very pleased with the underlying performance of the Group for the year 2004/2005.

Since our last announcement in August where we stated that we expected double digit revenue and earnings growth for 2005/2006, we now expect it to be more likely single digit growth in earnings and revenue. This is principally due to the continued slowing of the economy in Australia and New Zealand.



Additionally, Nickel prices have fallen more than 29% since last May and this has a major influence over selling prices of stainless steel.

We expect these economic conditions to continue throughout this financial year.

In July 2005 the Board announced the appointment of our new Managing Director, Dr Martin Foreman. Whilst Martin has only been with us four months the Board is well pleased with his initial performance and we are looking forward to Martin's leadership of our business into the future. Martin will address the meeting next and I am sure he would be pleased to answer any questions shareholders have.

I, with the Board would like to take this opportunity of formally thanking Kym Godson for his excellent leadership of Atlas over the past three years. Kym has seen the re-emergence of Atlas as a listed vehicle and his contribution and effort has played a major role into what Atlas is today.

On behalf of the Board a very big thank you for your efforts Kym and importantly we welcome you back as a non-executive director to our Board. We are most fortunate to not be losing Kym's skill base and knowledge of this organisation.

Thank you.

I would like to thank my fellow directors for their great efforts this year.

On behalf of the Board we thank our Chief Executive, together with Malcolm Mitchell and all the management and staff of Atlas for their excellent contribution this year.



Managing Director's Address

Since July I have had the opportunity to review the business, visiting our operations and meeting with customers, suppliers and the stakeholders.

The Bisalloy business has consistently produced good results and we have committed to further expansion, increasing capacity by 30% at a cost of \$4 million. The installation of a second shotblaster will remove a significant bottleneck and allow greater utilisation of the furnace.

We would expect this to be commissioned in October 2006.

The distribution businesses, whilst enjoying strong market positions, are in need of improved customer focus, better supply chain performance and greater management discipline. We are accordingly restructuring and rationalising, delivering benefits in the 2nd half of the year. These restructuring costs will be absorbed in our half year results. Clearly over the next months my focus will be on this restructuring.

We are considering the sale of the Southward Automotive business. This will not have a material impact on the Group.

As the Chairman has stated, we now believe that we will achieve single digit growth for the year. We expect the second half to reflect the benefits from changes that we are currently implementing, supported by the continuing consistent performance from Bisalloy.