



**“Australasia’s Largest Distributor of Specialty Metals”**

**FY 2005 RESULTS AUGUST 2005**

Martin Foreman

Managing Director

Malcolm Mitchell

Deputy Managing Director

**Atlas Group**

AUSTRALIA, NEW ZEALAND, INDONESIA, THAILAND

STAINLESS STEEL, HARDENED STEEL, ALLOY STEEL, ALUMINIUM



# Full Year Results

## 30 June 2005



- Sales revenue increased by 31%, profit increased by 32%, and EPS increased by 19%.
- Strong resources sector demand underpinned performance.
- Successful implementation of new SAP information systems.
- Final dividend 5.1c fully franked, total dividends for the year 9.0c fully franked, compared to 7.8c in the previous year.



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# Outlook



- Outlook for Atlas remains positive, supported by continuing strong resources driven demand.
- Atlas expects to achieve double-digit revenue & earnings growth in FY06.
- Improved working capital management and reduction of balance sheet gearing.
- Vigilant for new growth opportunities.



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# Investment Key Points



- Historically stainless steel consumption grows faster than GDP. The outlook for stainless growth in Asia Pacific remains positive. Atlas established in growing and profitable Thai and Indonesian markets.
- Atlas maintains an Australia & New Zealand wide network of warehouses servicing a broad customer base over a wide range of industries. This network facilitates the opportunity to expand into additional metal products.
- Recent successful implementation of new SAP information systems will assist management to improve business processes and working capital management.
- Increased Bisalloy mill capacity opens opportunity to sustainably meet strong demand for hardened steel and deliver attractive returns.
- Continuing opportunity to grow sales to infrastructure projects.
- Focus on shareholder value metrics (ROFE, ROI) underpinned by low PE and high fully franked dividend yield.

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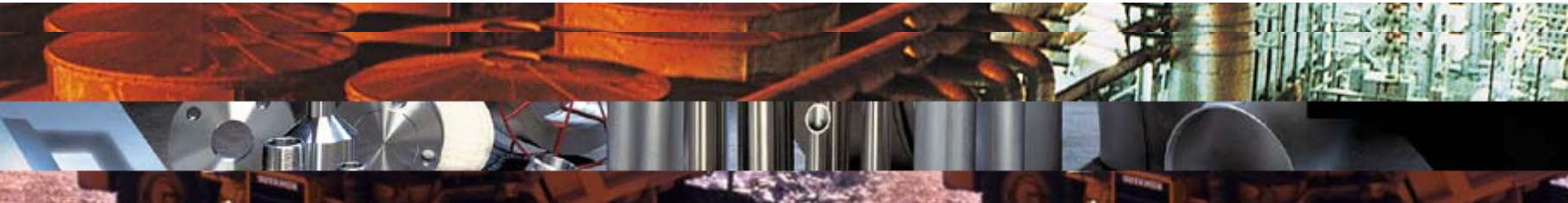
# Market Diversity



Large and diverse customer base across numerous industries and regions.



Core Product Category	Major Segments	Applications
<b>Stainless Steel Flat Products</b>	Food & Wine Storage Architectural & Household Automotive & Transport	Industry Storage Tanks Kitchen Sinks / Dishwashers Auto Components / Rail Freight Wagon
<b>Stainless Steel Sections</b>	Marine Automotive & Transport General Industry	Component parts Screws, Nails, Springs, Wire Mesh
<b>Stainless Steel Tubular</b>	Petrochemical Processing Automotive Structural Applications	Petrochemical Pipes Muffler Systems Street and Domestic Furniture
<b>Engineering Steels</b>	Engineering General Machines	Component Parts, e.g. Automotive Forgings, Axles, Shafts, Drill Bits
<b>Hardened Steel Plate</b>	Defence Earthmoving & Mining Transport /Structural	Armoured Vehicles High strength Blades / Chutes Truck Bodies / Dump Truck Chassis
<b>Aluminium Flat Rolled</b>	Marine Architectural & Construction Household Products	Marine Vessels Roofing Cladding
<b>Carbon Tubular</b>	Oil & Gas Mining Petrochemical Processing	Pipelines Minerals Processing Petrochemical Pipes



# Locations



- Regions: Australia, New Zealand & SE Asia
- Distribution: 20 sales/warehousing locations across AUS & NZ.
- Bisalloy: processing facility Wollongong, NSW
- Bisalloy Asia: Indonesia & Thailand.
- Southward: manufacturing Wellington & Auckland
- Coil processing facility, Warragamba, NSW



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# Market Leadership (Australasia)



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<b>Core Product Category</b>	<b>Market Position</b>
Stainless Steel Flat Products	1
Stainless Steel Sections	1
Stainless Steel Tubular Products	1
Engineering Steels	1
Hardened Steel Plate	1
Aluminium Flat Rolled Products	5
Carbon Tubular (growth product)	Low

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Atlas is the market leader in specialty metal products

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Sales Revenue (\$'m)	Jun 2005	Jun 2004	Chg%
	\$'m	\$'m	
Stainless steel flat products	108.6	98.6	+10%
Stainless steel sections	39.1	33.5	+17%
Hardened steel plate	68.3	52.8	+29%
Aluminium flat products	30.3	22.7	+33%
Tubular products	96.8	58.0	+67%
Engineering steels	41.3	38.6	+7%
Other products (inc Auto)	18.9	3.1	
Other sales	2.1	2.9	
	<b>405.4</b>	<b>310.2</b>	<b>31%</b>

Sales increase 31%, led by growth of tubular products and hardened steel.

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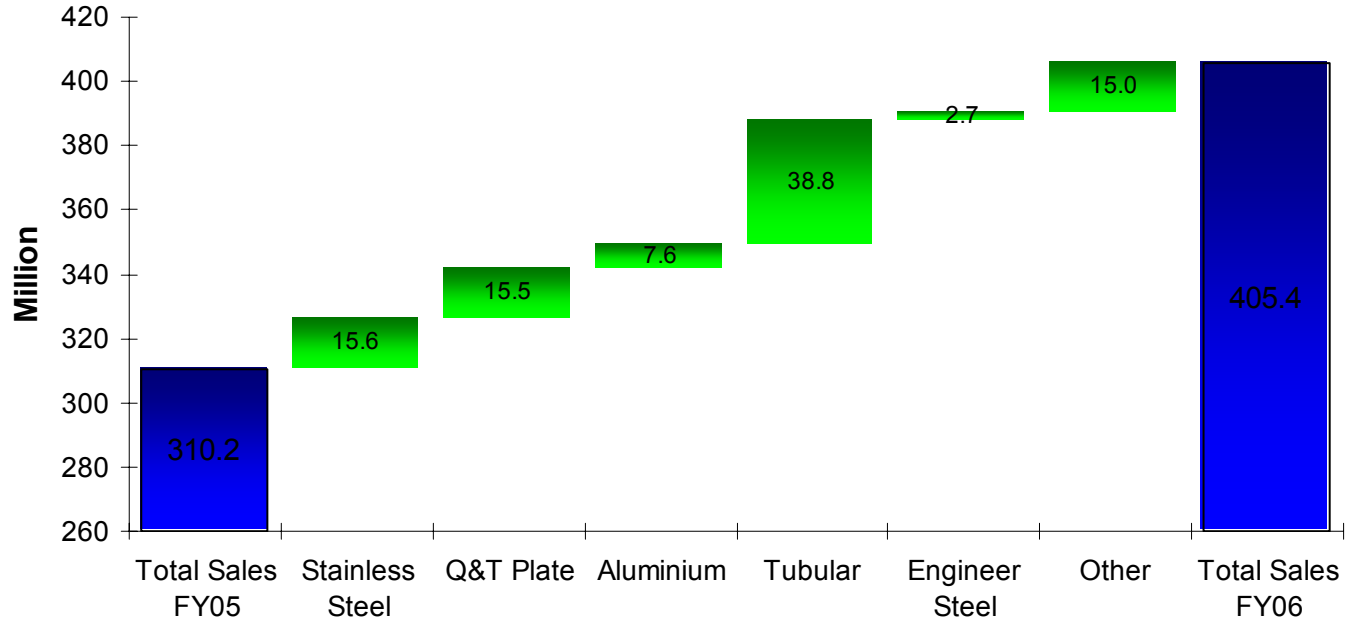


# Full Year Results

## 30 June 2005



### Sales Waterfall



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# Full Year Results

## 30 June 2005



\$'m	Jun 2005	Jun 2004	Increase
<b>Sales Revenue</b>	<b>405.4</b>	310.2	+31%
<b>EBIT</b>	<b>26.6</b>	19.9	+34%
<b>EBIT%</b>	<b>6.6%</b>	6.4%	
<b>Net Interest</b>	<b>10.3</b>	6.4	
<b>Net profit before Tax</b>	<b>16.3</b>	13.5	+20%
<b>Tax</b>	<b>2.6</b>	3.4	
<b>Net Profit after Tax</b>	<b>13.7</b>	10.1	+36%
<b>Minority</b>	<b>0.5</b>	0.1	
<b>Net Profit attributable to Members</b>	<b>13.2</b>	10.0	+32%
<b>EPS</b>	<b>14.5c</b>	12.2c	+19%

Profit increased 32%

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## 30 June 2005



	Jun-05	Jun-04	Chg%
<b>Sales Revenues</b>			
Distribution	<b>336.3</b>	276.3	+22%
Manufacturing	<b>96.7</b>	51.2	+89%
Eliminations	<b>(27.6)</b>	(17.3)	
	<b>405.4</b>	310.2	+31%
<b>Profit Before Tax</b>			
Distribution	<b>6.9</b>	6.8	+1%
Manufacturing	<b>9.3</b>	6.8	+37%
	<b>16.2</b>	13.5	+20%

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# Full Year Results

## 30 June 2005



\$'m	Jun 2005	Jun 2004
<b>Net Profit after Tax</b>	<b>13.2m</b>	\$10.0m
<b>Weighted No. Shares on Issue</b>	<b>91.1mil</b>	82.2mil
<b>Earnings per Share</b>	<b>14.5c</b>	12.2c
<b>Return on Avg Investment (PBT/Equity)</b>	<b>27.5%</b>	30.8%
<b>Return on Avg Funds Employed (EBIT/OCE)</b>	<b>16.3%</b>	16.0%
<b>Interest Cover</b>	<b>2.6x</b>	3.1x
<b>Dividend per Share (annual)</b>	<b>9.0c</b>	7.8c

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## 30 June 2005



<b>Balance Sheet \$'m</b>	<b>Jun 2005</b>	<b>Dec 2004</b>	<b>Jun 2004</b>
Receivables	91.3	70.7	74.6
Inventory	109.4	122.3	103.6
Property, Plant & Equipment	36.9	36.8	26.6
Other Assets	8.3	8.7	8.2
Payables & Provisions	(66.7)	(62.6)	(65.5)
<b>Funds Employed</b>	<b>175.2</b>	<b>175.9</b>	<b>147.5</b>
<b>Net Borrowings</b>	<b>109.0</b>	<b>109.8</b>	<b>99.6</b>
<b>Shareholder's Equity</b>	<b>70.2</b>	<b>66.1</b>	<b>47.9</b>
Net Debt/ Equity Gearing	155%	166%	208%

Funds employed to grow more slowly than sales

Gearing to continue significant lowering.

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## 30 June 2005



Capital Expenditure & Depreciation \$'m	Actual Year ended Jun 2005
Normal replacement expenditure	3.1
Disposals	(0.8)
SAP implementation	2.3
Bisalloy mill upgrade	1.8
Southward upgrade	0.8
<b>Total Capital Expenditure</b>	<b>7.2</b>
<b>Depreciation</b>	<b>4.8</b>

New capital projects have short payback periods.

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# Board



## **Executive Directors:**

Martin Foreman – Managing Director  
Malcolm Mitchell - Deputy Managing Director

## **Non-Executive Directors:**

Phillip Cave - Chairman  
Richard Grellman  
Bill Wavish  
Kym Godson

## **Ownership:**

Atlas Directors, Management & Staff have approximately 17% of the shares of the company.

## **Incentives:**

Executive Directors and Management participate in a performance rights incentive scheme, over unissued shares representing 6% of the equity of the company. Management and Staff participate in performance based annual bonus arrangements.



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# Contact Details



-  Website [www.atlasgroup.com.au](http://www.atlasgroup.com.au)
-  Head Office  
Lynch Road  
Altona North, VIC 3025  
Tel: (03) 9272 9999  
Fax: (03) 9272 9965
-  Managing Director  
Martin Foreman  
[foremanm@atlasmetals.com.au](mailto:foremanm@atlasmetals.com.au)
-  Deputy Managing Director  
Malcolm Mitchell (Mobile: 0412 766 996)  
[mitchelm@atlasmetals.com.au](mailto:mitchelm@atlasmetals.com.au)
-  Company Secretary  
David Cleland  
[clelandd@atlasmetals.com.au](mailto:clelandd@atlasmetals.com.au)

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**Competent, consistent, and growing**

