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Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

ATLAS GROUP COMPLETES FORMAL DOCUMENTATION TO SELL DISTRIBUTION BUSINESS

Atlas Group Holdings Limited (**Atlas Group** or the **Company**) announces that the formal documentation to sell the Company's distribution business (**Atlas Distribution**) to a consortium of investors comprising Balron Nominees Limited (a substantial shareholder in Atlas Group) and Greenstone Partners Private Capital, was completed today. The terms and conditions of the sale are consistent with those disclosed in the Company's market update announced on 24 June 2008, presentation to investors on 8 July 2008 and preliminary final report released on 28 August 2008.

Atlas Group now expects to realise approximately \$87 million payable in cash, subject to adjustment for changes in net assets at completion. The difference in the proceeds from the sale compared to the \$90 million announced on 24 June 2008 relates to changes in working capital in the ordinary course. The Company's expected residual debt after the sale remains at \$45 million.

The sale remains subject to certain conditions precedent which include:

- approval from FIRB in relation to certain of the investors in the consortium;
- consents to a change in control in relation to certain material contracts;
- final approval from financiers to both the consortium and Atlas Group; and
- approval from Atlas Group shareholders (not associated with Balron).

Atlas Group expects to distribute to shareholders shortly a notice of meeting and explanatory booklet to approve the sale. The explanatory booklet will include an independent expert's report and an investigating accountant's report. Atlas Group expects to hold the meeting on 30 October 2008 and to complete the sale, if approved by shareholders, on 31 October 2008.



The board of Atlas Group intends, subject to the independent expert's opinion, to recommend that shareholders approve the sale. The sale will improve the Company's reported profit and financial position and allow the Company to focus on the profitable Bisalloy Steels (**Bisalloy**) business. Bisalloy's trading results in the 2009 financial year to date are consistent with the guidance provided in the presentation to investors on 8 July 2008.

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