Presentation to investors

Tuesday, 8 July 2008

Atlas Group Holdings Limited

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Presenters

- Kym Godson, Chief Executive Officer and Managing Director
- John Reid, Chief Financial Officer
- Robert Terpening, General Manager – Bisalloy Steels

Q&T plate processing at Bisalloy Australia

Armour plate "Bushmaster IMV"

New shot blaster

Ore dump truck made from Bisplate Q&T

1. Offer from Balron

Sale will reduce debt burden and switch focus to Bisalloy Steels

24 June 2008 announcement

- Atlas announced it had received an offer from a consortium of investors (“Balron”) for Atlas Distribution
- Distribution comprises:
  - ~ Australian & NZ Distribution
  - ~ AMP, Durinox and Schumag
  - ~ NZ Tube Mills
  - ~ Distribution support
- Sale price of $90m represents a discount to book value of net assets. Distribution expected to lose c. $17m in FY08
- Proceeds from the sale will initially help reduce net debt from c. $135m to $45m and subsequently facilitate growth of Bisalloy Steels
- Management can shift focus to profitable Bisalloy Steels

FY08 Pro forma Balance sheet	$m
Atlas Group net debt	135
Cash proceeds	(90)
Post transaction net debt	**45**

Planned next steps

- **July 08** – legal due diligence, formal documentation, final financing credit approval

  Balron is a substantial shareholder in Atlas – offer therefore subject to shareholder approval
- **August 08** – distribute explanatory memorandum including independent expert’s report to shareholders
- **September 08** – shareholders vote

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2. Atlas post transaction

Head office(1)

Bisalloy Steels

Bisalloy Australia	Bisalloy Asia

Bisalloy Australia

- Australia's only manufacturer of high strength structural and wear resistant Q&T steel plate (Bisplate) for Australian and international markets
- Purpose built facility at Unanderra, NSW

Bisalloy Asia

- Distribution in Thailand (85% owned) and Indonesia (60% owned) via joint venture arrangements
- Representative office in Vietnam

Atlas Distribution

Australia	New Zealand

To be sold
– offer received from Balron

Notes: (1) Comprises Corporate Services i.e. Board, senior management, listing costs etc.

2. Atlas post transaction

Major shareholders

- 16.0% – Balron Nominees Pty Limited
- 10.6% – Investors Mutual

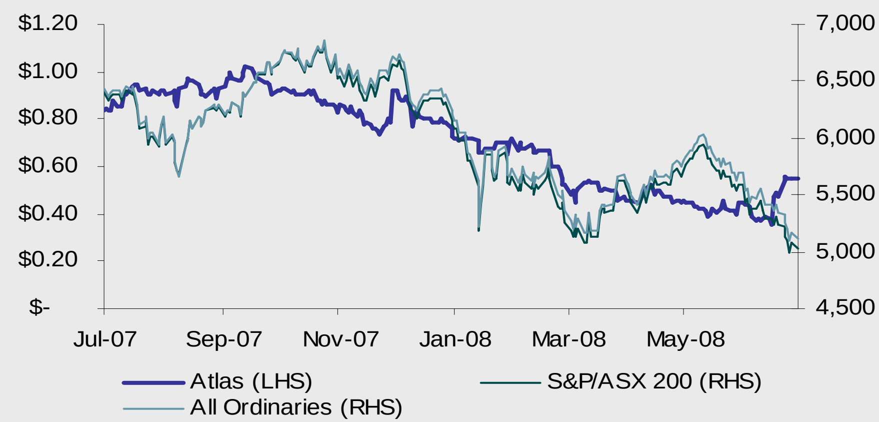
Board members

- Phillip Cave – Chairman (non-executive)
- Kym Godson – CEO and Managing Director
- Richard Grellman – Director (non-executive)
- Graeme Pettigrew – Director (non-executive)

Market data(1)

Share price (A$)	0.55
Shares on issue (m)	104.6
Market capitalisation (A$m)	57.5
Net debt (A$m)	135.0
Enterprise value (A$m)	192.5
Distribution value (A$m)	(90.0)
Implied Bisalloy value (A$m)	**102.5**
Implied EV / FY08F	**3.9x**

Share price performance(1)



Notes: (1) As at 4 July 2008

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2. Atlas post transaction – profit & loss

Bisalloy Steels has quality earnings and a strong outlook

- Bisalloy Australia is Australia's only manufacturer of high-tensile and abrasion resistant quenched and tempered steel
- FY08 results have benefited from strong demand, especially for armoured plate
- Bisalloy Steels FY08 EBIT (after accounting for minority interests) is likely to be $27.7m
- FY08 EBIT up by two thirds compared with FY07
- Current month's run rate is in line with budget
- Management are providing guidance for FY09F EBIT of $30m EBIT[3]
- Given the current outlook, Atlas sees FY09 guidance as conservative

FY08 Pro forma P&L	$m
Sales ('000 tonnes)	51.0
Sales	138.7
Bisalloy Australia EBIT	24.5
Bisalloy Asia EBIT[1]	3.2
Bisalloy Total	27.7
Corporate costs[2]	(2.5)
Pro forma EBIT	**25.2**

Notes:

(1) Represents Atlas' share of non-100% owned Asian subsidiaries

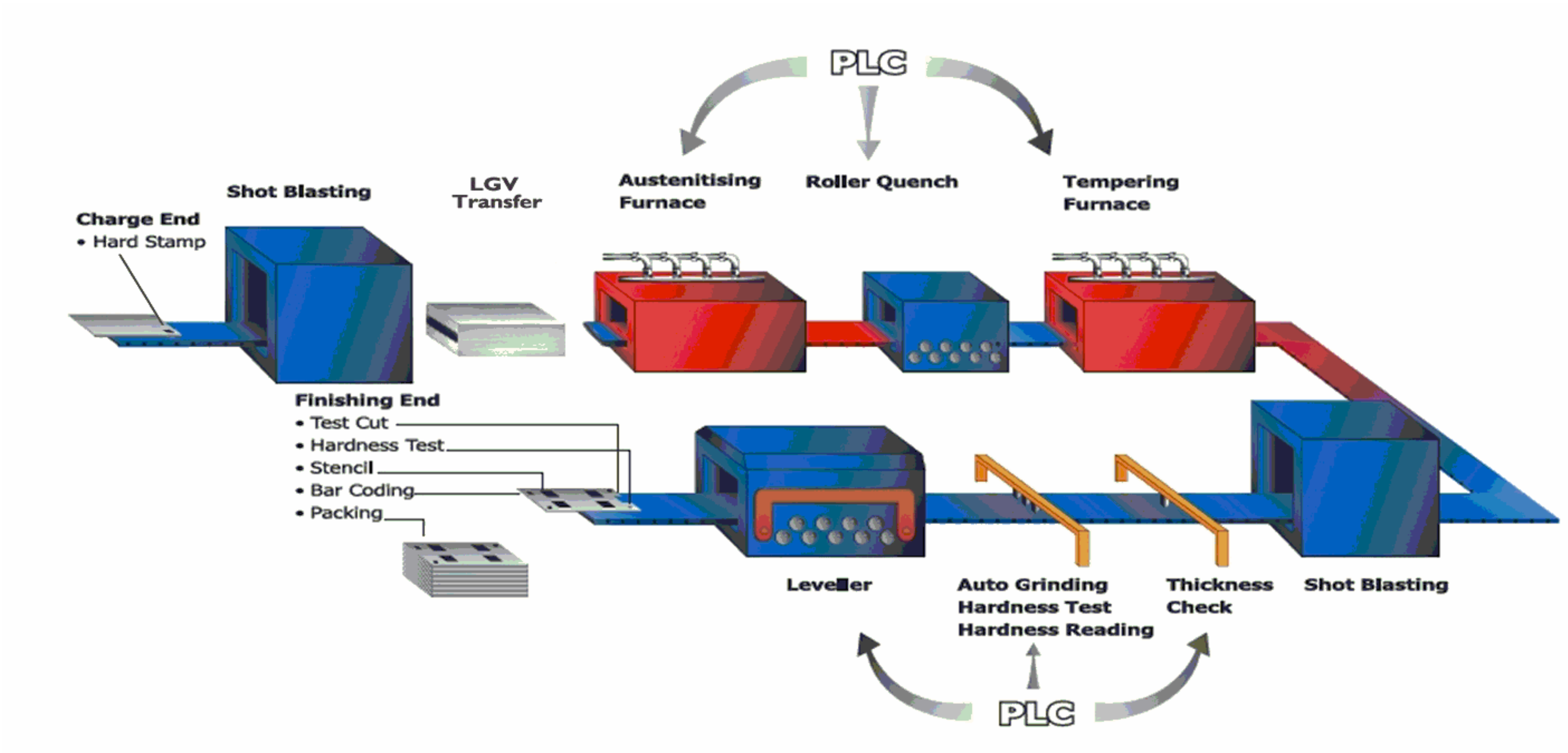
(2) Represents estimated annual costs. Actual costs for Atlas in FY08 will be c. $5.5m before transaction costs

(3) Inclusive of Atlas' share of non-100% owned Asian subsidiaries and before corporate costs

Guidance for FY09F EBIT – $30m[3]



3. Bisalloy Australia – production process flow



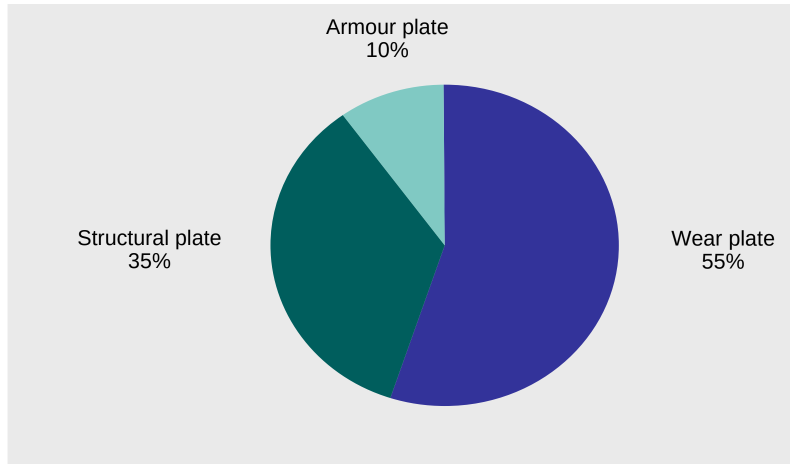
3. Bisalloy Australia – product

Diversified product base

Products – by tonnes

- Only Australian producer
- High barriers to entry
- Worldwide shortage of plate
- Wear plate – Bisplate 400, 450, 500 for mining applications such as dump trucks
- Structural plate – Bisplate 60, 70, 80, 80PV for applications including booms on cranes
- Armour plate – Bisplate HHA, HTA, UHTA, HIA Class 1 & 2 for applications including armoured personnel carriers

Product by tonnes



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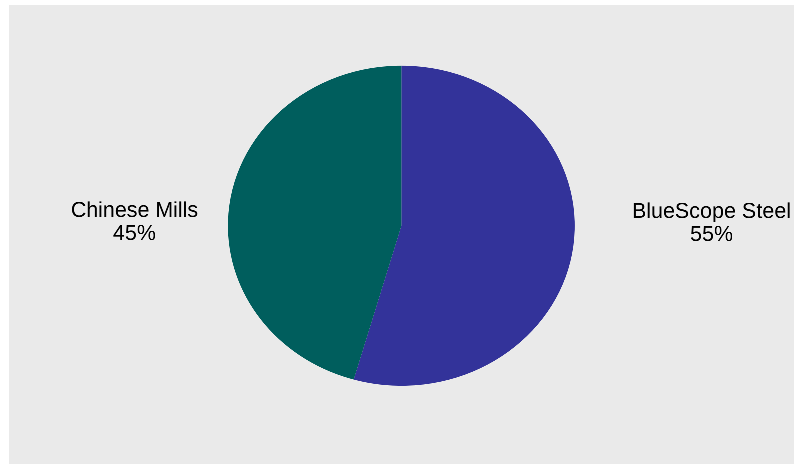
3. Bisalloy Australia – supply

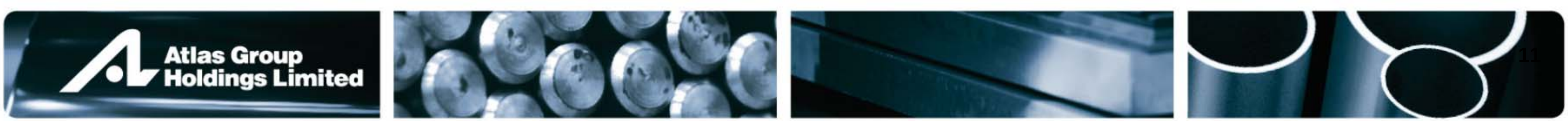
Diversified supplier base

Greenfeed supply (FY09F)

- BlueScope remains an important supplier of greenfeed
- Bisalloy Australia is diversifying its supplier base
- By FY09, expect c.45% of greenfeed to be sourced from Chinese mills
  - Budget purchases of greenfeed hedged at or above the FX rate
  - Falling AUD could reduce likelihood of foreign-sourced Q&T in Australian market
  - However, worldwide shortage of Q&T plate makes a significant increase in import competition unlikely

Source of greenfeed in FY09F





4. Bisalloy Australia – historic performance

Proven performer

- 24/5 production commenced in January 2007
- Impact of recent capital expenditure not yet fully reflected in results:
  - Second shot blaster fully operational (30% capacity increase) in Q307
  - Laser Guided Vehicle installed to remove production bottle neck in 2008
- Greenfeed supply from China significantly increased in FY08
- FY08 production is approximately 50,300 tonnes

Production ramp-up

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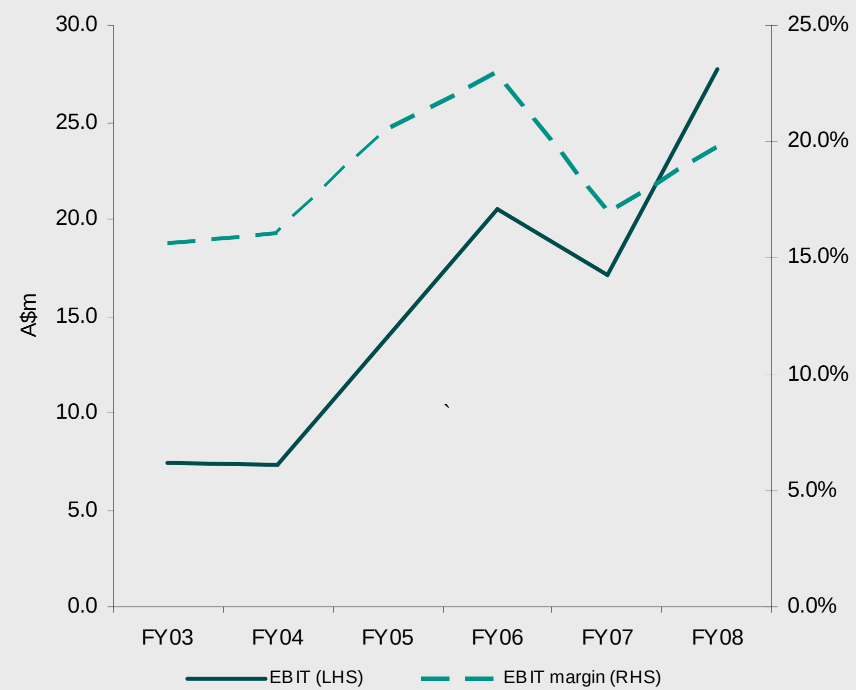
4. Bisalloy Australia – historic performance

Historic earnings



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5. Bisalloy Australia – market drivers

Strong local and international market demand

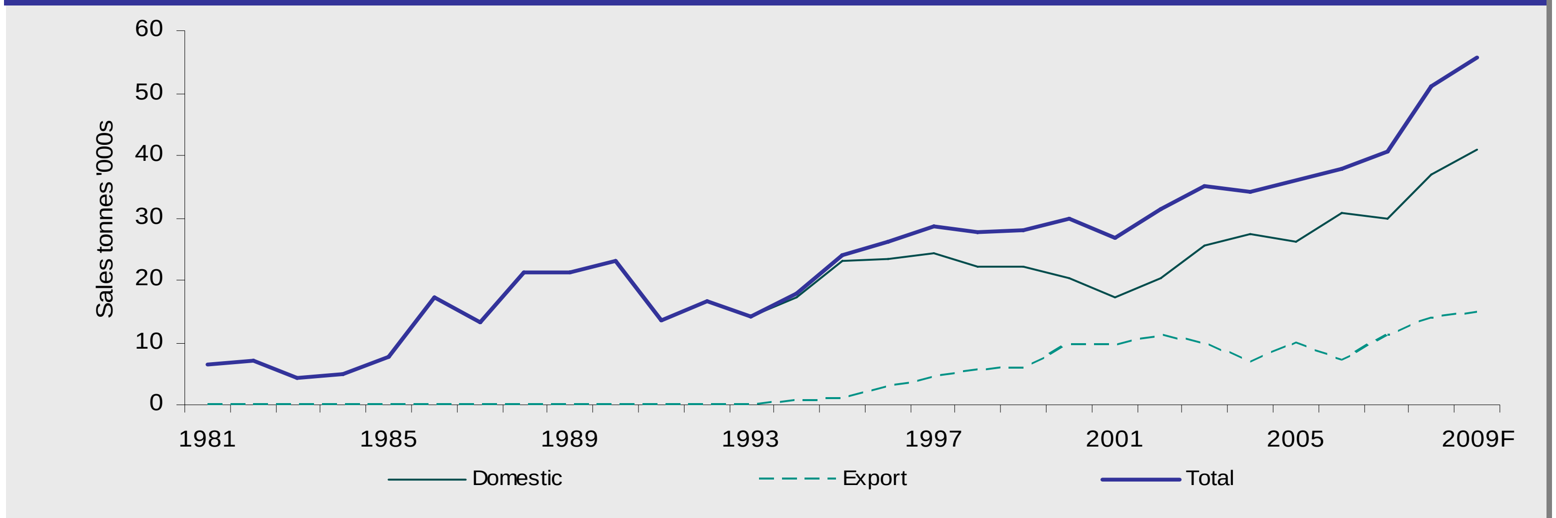
Domestic growth

- Regain domestic market position / share
- Unable to meet domestic demand with current facility

International growth

- Capitalise on strong export demand, especially in armoured plate
- Growing demand via Bisalloy's Asian distributors

Local and international demand



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5. Bisalloy Australia – market drivers

Exposure to growing markets and blue chip customers

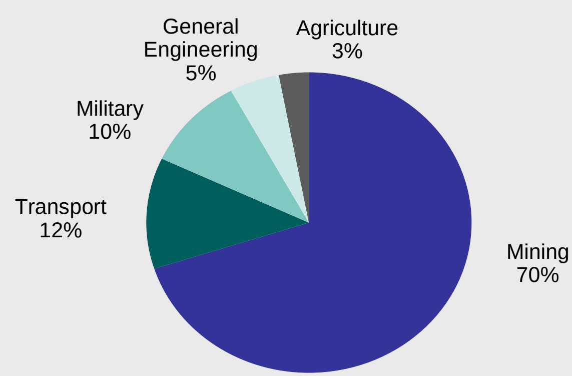
Market sectors

- Strong exposure to resources sector
- Domestic demand expected to increase by around 4-5% p.a. until at least 2010
- International demand driven by ongoing resources boom and military applications for armoured plate

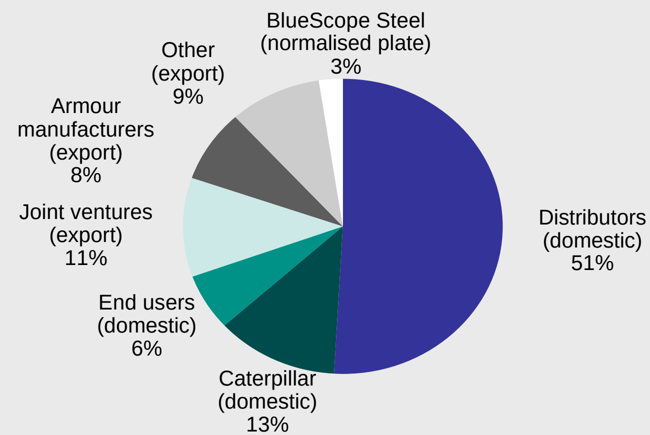
Customers

- Domestic customers (c. 70% of FY08 tonnes) include Caterpillar and local distributors (e.g. OneSteel, BlueScope Steel and Atlas Distribution)
- Exports (c. 28%) include Bisalloy Asia
- Normalised plate (2.5% of tonnes) for BlueScope Steel

Market sector (tonnes)



Customers (tonnes)

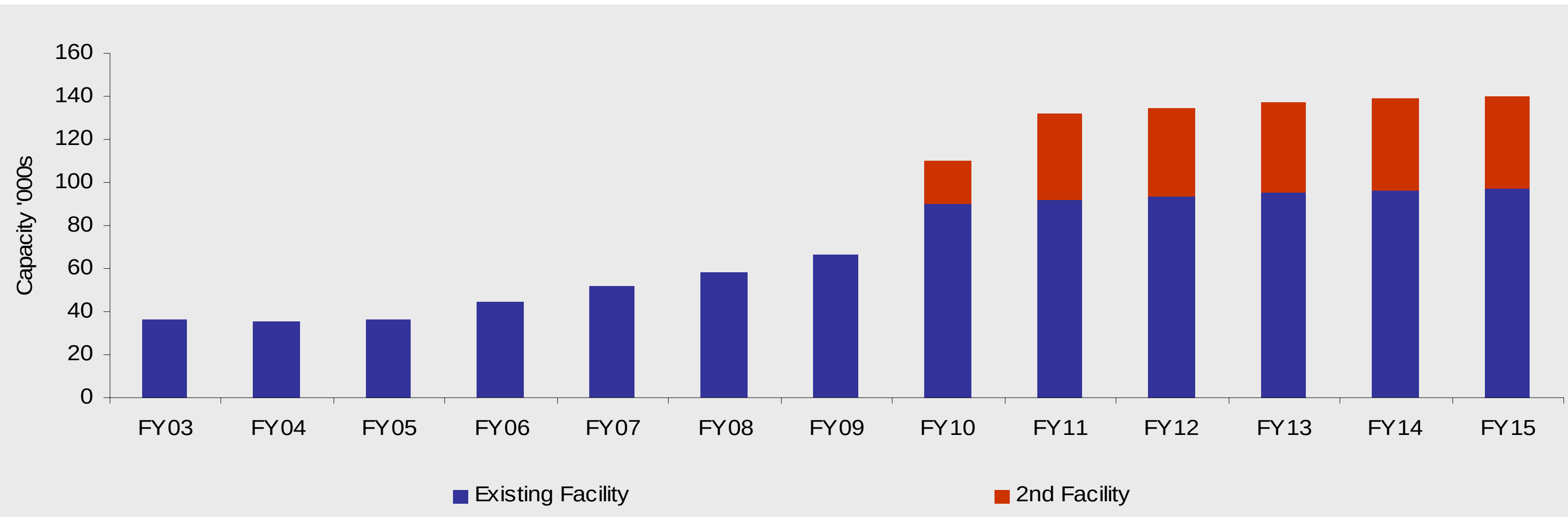


6. Bisalloy Steels – 5 year business plan

Bisalloy Steels growth underpinned by expansion into Asia

- Granowski shot blaster to be replaced 1H09
- 24/7 production by FY10
- Q&T customer demand profile will move toward thin gauge plate
- Increase greenfeed from China
- Opportunity for second Q&T production facility in China
- This will enable Unanderra to optimise production by focusing on heavy gauge plate and source thin gauge plate for Bisalloy Asia

Production – 5 year plan



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