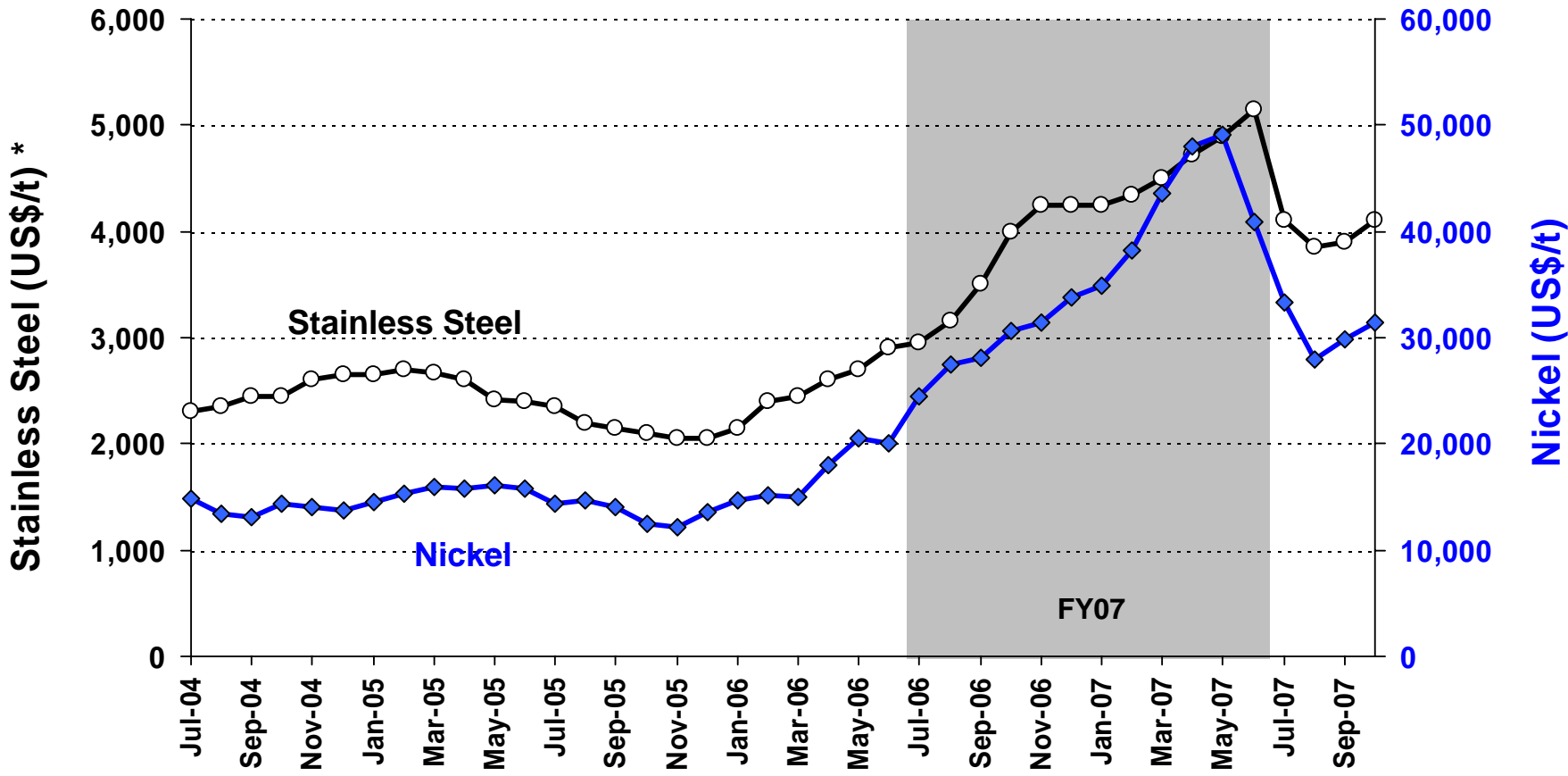


# Review of Operations

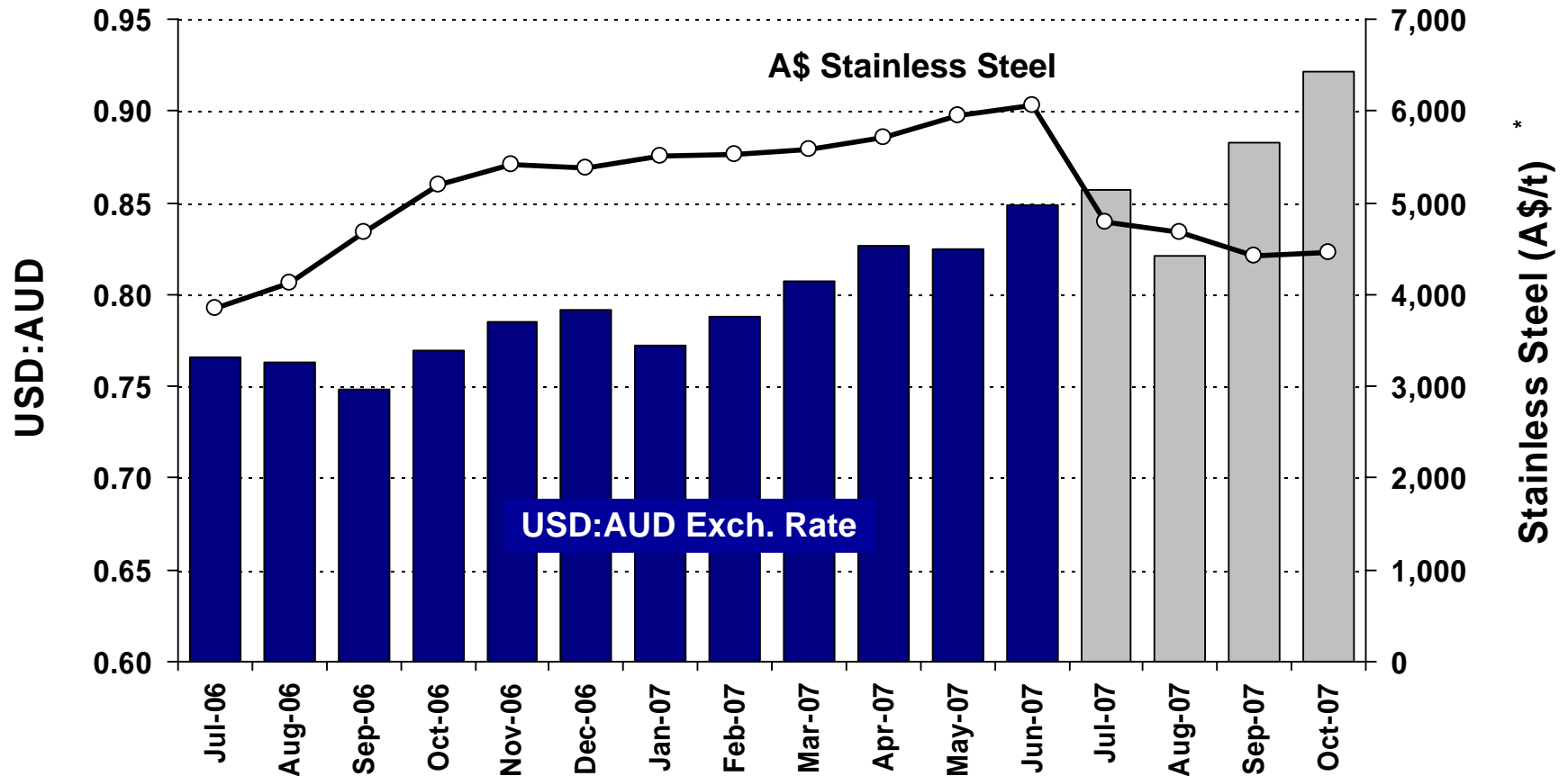
Annual General Meeting – 20 November 2007

# Business Environment - Metal Prices



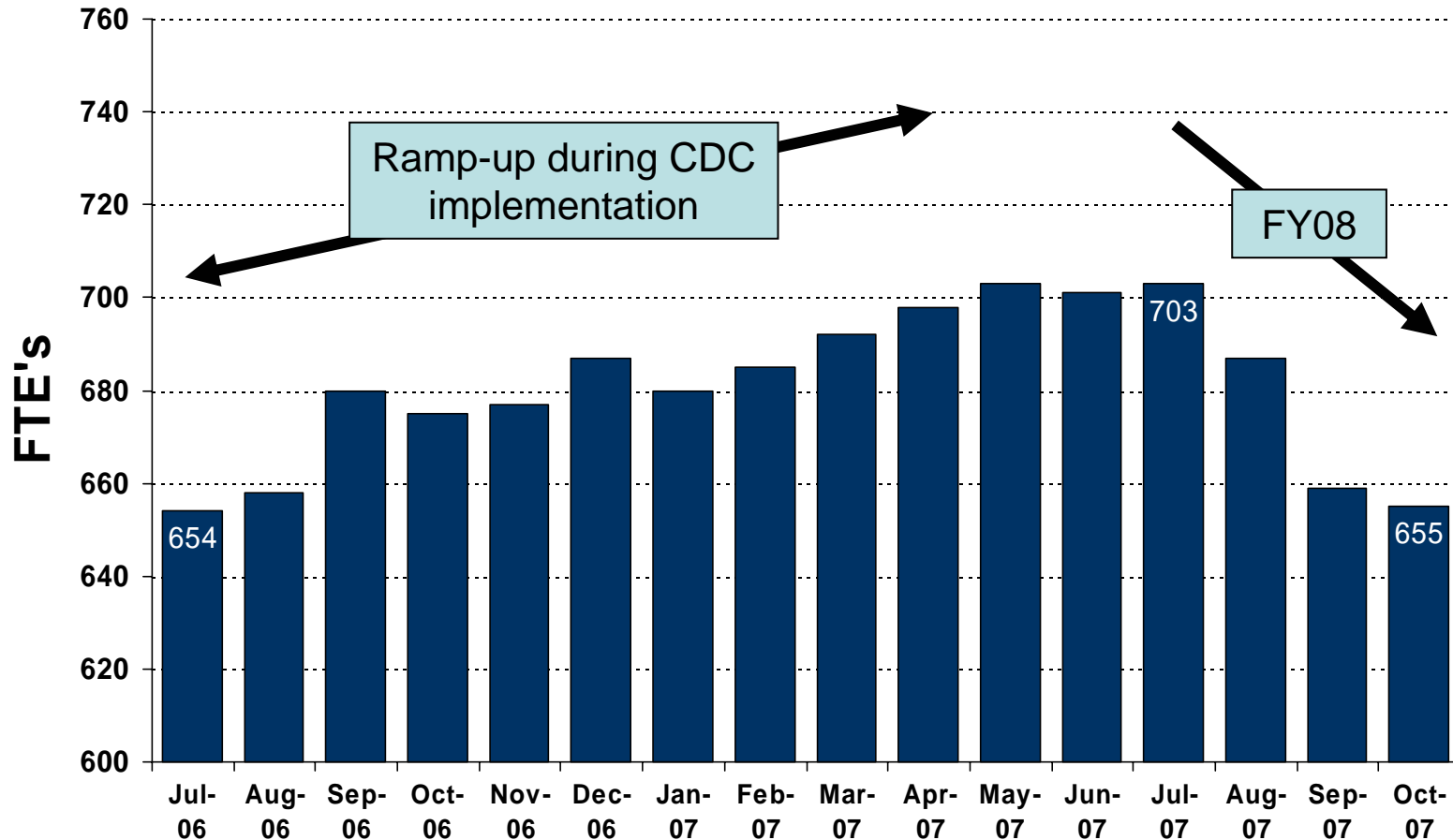
\* 304 2B 2mm exAsia.

# Business Environment – Exchange Rate



\* 304 2B 2mm exAsia.

# Headcount Reduction Program



# Product Development

## Rail Wagon Sheet / Plate

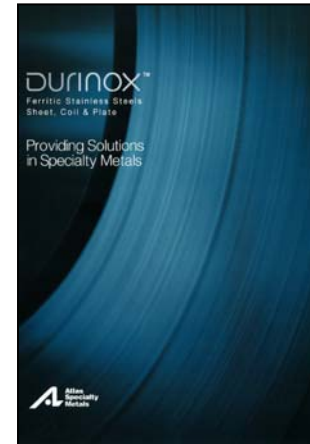
- 3 year collaboration - JFE & Tokyo Boeki
  - product development / certification
- Australian market ~10,000tpa
- Continued contract success



Coal wagons (Queensland Rail).

## Durinox™ Range

- New low-nickel ferritic product range
- Buffer against nickel price movements
- Entry products sheet & coil



*Durinox™  
Product  
Catalogue*

# Bisalloy

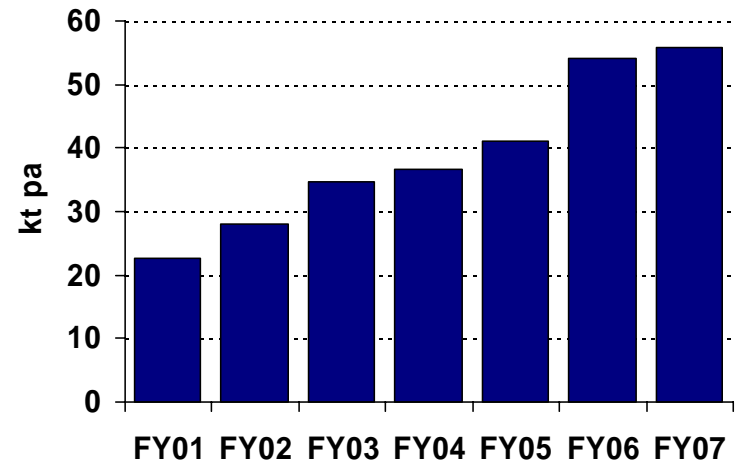
## Q&T Market

- Demand strong
  - y-o-y growth continues
- Resource sector exposure
- Multiple end-user applications
  - OEM / R&M

## Production

- Record FY07 production (42,800t)
- Expansion project completed
  - \$2m capex / high IRR
  - 30% capacity increase
- Greenfeed supply flexibility in place
  - domestic v import options

## Q&T Demand - Australia

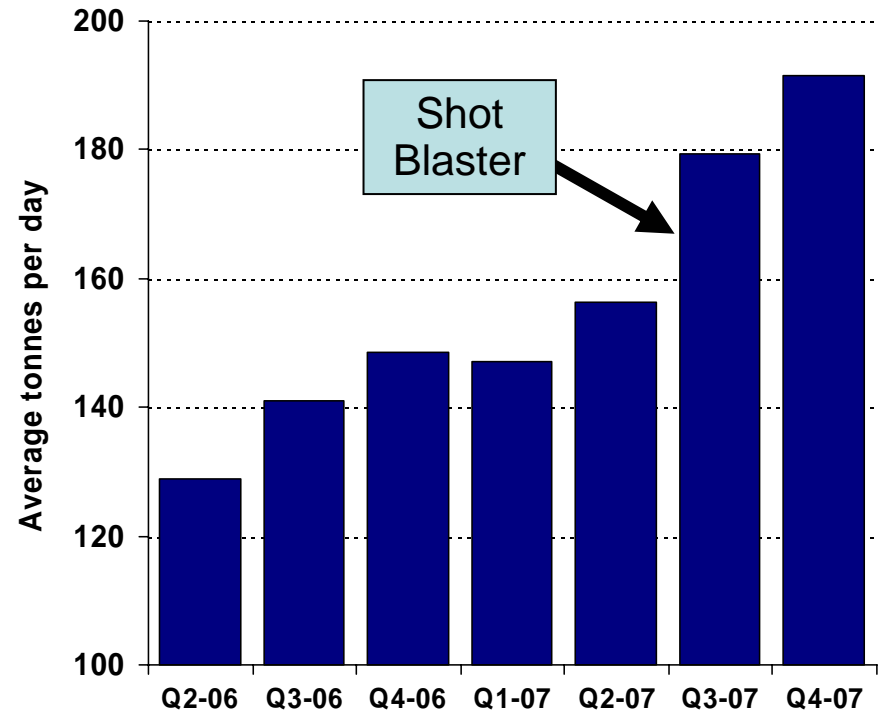


*New shot blaster*

# Bisalloy Outlook

- FY08 production target 50kt
  - 47.5kt Q&T plate
  - 2.5kt toll treatment
- Production efficiencies
  - laser-guided vehicle
- Capitalise on strong export demand, especially armour plate
- Capacity for further expansion subject to market demand

## Production Ramp-up (tpd)



# Focus for FY08

- Cost reduction program - Warehouse and Administration operations
- Continued expansion and progressive improvement in Bisalloy
- Increased market share for WA operations
- Continued improvement in NZ operations as a result of restructuring
- Diversification of the NZ Tube Mills product range
- Growth and delivery of shareholder value by maintaining a strategic focus on:
  - Expanding the revenue base
  - Broadening geographic coverage
  - Participating in down-stream value added processing

# Outlook

- Distribution businesses will improve after a difficult first half
  - Margins / revenue to be suppressed as declining global metal prices flow through the supply chain
  - Management review of cost base to mitigate this impact
- Bisalloy outlook is for strong results
  - Increased capacity
  - Ongoing domestic demand
  - Increased export orders

# Questions

Annual General Meeting – 20 November 2007

# Formal Business

## Financial Statements

- To receive and consider the Financial Statements, Directors' Report and Auditor's Report.

## Resolutions

1. Re-election of Mr Phillip Cave AM as Director
2. Re-election of Mr Graeme Pettigrew as Director
3. Adoption of the Remuneration Report (non-binding)

# Proxy Results

# Contacts

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David Cleland  
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**Atlas Group Holdings Limited  
Annual General Meeting 2007**

**Chairman's Address**

Ladies and Gentlemen,

2006/2007 has been a very difficult year for the company.

Sales for the year increased by 9% principally due to a strong stainless steel price for most of the year and an excellent performance from Bisalloy which achieved record production levels and sales during FY07.

EBIT was affected by the poor performance of our distribution operation in New Zealand and our procurement and warehousing operations which added significantly to costs.

In the Annual Report, we made mention that our distribution operations were heading into a period of volatility, this has occurred particularly after July 2007.

The severe drop off in the nickel price after reaching a record high in May has led to an unprecedented fall in stainless steel pricing particularly in the Australasian region.

At the same time, there has been a rapid increase in the Australian dollar. Both these events occurred over a relatively short time period and at a time when our inventory (principally stainless steel) was at an all time high.

These events have had the severe affect of suppressing product margins in the distribution businesses, and the subsequent dramatic effect on profitability. A typical cycle of this nature will last at least six months before margins and profit return to normal.

Mr. Godson will elaborate on these events further.

I am however pleased to indicate that our Bisalloy operations continue to perform extremely well, achieving record sales and profitability. We see this trend continuing for the remainder of the financial year.

The new executive management team are moving quickly to remove costs from the business and rectify our procurement and warehousing systems.

The company in the last six months has responded to quickly changing market conditions and I thank the management team for their efforts in a very difficult period for the company.

As you know, we have a new major shareholder, Balron Nominees Pty Ltd, who has approached us with a conditional offer which was considered by the Board and rejected.

We continue to have discussions with several parties who have expressed interest in the Atlas Group.



**Atlas Group Holdings Limited  
Annual General Meeting 2007**

**Managing Director's Address**

Ladies and Gentlemen,

I would like to enlarge upon what has been said by the Chairman but before doing so I would like to introduce my executive team of management who are present today.

Our new Chief Financial Officer, Mr John Reid, who was appointed in February after the retirement of Mr Malcolm Mitchell.

Our new Chief Operating Officer - Distribution, Mr Andrew Luxton. Andrew was appointed to this role in July this year.

Our General Manager, Bisalloy Operations, Mr Robert Terpening, who has been in that role since 2001 and overseen the growth in this business.

General Counsel and Company Secretary, Mr David Cleland.

Our Group Manager, Marketing and Business Development, Mr Paul Norman, who has been with us since 1990.

Our new Group Manager Supply and Procurement, Mr Richard Spall.

Our new Group Manager Human Resources, Mr John McGrath.

Ladies and Gentlemen, these executives represent the future of Atlas; please feel free to talk to them at the conclusion of this meeting.

Looking to our operations they fall distinctly into two areas. The short term negative external market impacts which we are experiencing at the moment because of two events, largely outside of management control and the positive initiatives which reflect our response to these and where we are going in the future.

The Chairman has referred in his speech to the current volatility in the market place. I would like to elaborate on what has occurred and the affect it has had on our distribution businesses this year and which we expect will be substantially rectified by the fourth quarter.

Slide 1

The slide that you see behind me gives you a picture of what has occurred to both the nickel price and also to the stainless steel price in Australasia.

Nickel reached a record high approximately mid-May of around USD\$57,000 per tonne. It then collapsed rapidly to USD\$25,700 per tonne in August. Since then there has been a slow recovery back to around USD\$31,000 per tonne.

Nickel is a major input in the manufacture of austenitic stainless steel. The stainless steel price after peaking in June, fell by USD\$1,600 per tonne approximately. Historically, this was unprecedented in that it occurred in a very short time span. The rapidity of the fall has caused significant stress on stainless margins which were felt in the market place from August onwards. As the Chairman has mentioned, such a cycle takes approximately six months to work through as all stainless steel traders, stockists and distributors work to sell their high priced inventory and

replace it with the now lower priced products. We do not believe this situation is unique to us.

## Slide 2

The second “event” was that as the nickel price stabilised around USD\$30,000 to USD\$32,000, the Australian dollar also increased with regards to the US dollar thus putting further pressure on stainless margins.

Unfortunately, Atlas steels distribution was caught with extremely high stainless steel inventory at the end of June 2007 because of a procurement and distribution system we had deployed. This has obviously impacted on our profit results severely this year and will continue to impact on distribution profit until we have sold through all high priced inventories.

This is also having a negative effect of constraints on our working capital in the short term.

The Central Distribution Centre model that was adopted from October 2006 onwards did not realise the benefits promised but, in fact, added considerably to freight and handling costs. This highly centralised network model has been aborted and we are reverting to a proven low cost distributed network model which we have previously operated successfully.

## Slide 3

The reduction of our labour and costs in our warehousing operations has been implemented and will reduce further as we move to our more efficient and proven model.

Our freight recovery levels have been lifted as we measure and manage this on each and every customer order through better visibility from our computer system.

Already phase one of our cost reduction program has taken effect in terms of reduced full time employees both in Australia and New Zealand in the first quarter of this financial year.

#### Slide 4

Distribution has continued to be successful in winning significant project work using a modified ferritic grade of stainless steel supply to the resources industry for coal wagons. Our last contract was won in October and was in excess of \$14 million. We have continued to increase our market share in this important sector and we have a strong order book on hand.

In October we also launched our new ferritic brochure which offers an alternative grade of stainless steel flat products without nickel. Our plan is to continue to increase this product offer and at the same time remove some of the influence of the erratic nature of nickel that influences Austenitic nickel grades of stainless steel.

We continue to expand our unique Durinox stainless reinforcing bar offer and we have been successful of late in winning further projects with this product. The Gateway Bridge expansion in Brisbane is being supplied with a lean duplex grade of stainless offering far greater corrosion resistance than normal carbon steel reinforcing bar.

#### Slide 5

Let me now draw your attention to Bisalloy which has performed extremely well in calendar 2007 with record production. The introduction of the new shotblaster in Bisalloy associated with a previous furnace extension has allowed this operation to increase its output tonnages significantly, particularly in the last quarter of 2007 after the successful commissioning of the shot blaster.

## Slide 6

In December, this year we will complete the installation of a laser guided vehicle between the shot blaster and the furnace. This will give us the capacity to further increase operational efficiency and tonnage output to meet growing demand.

The demand for quenched and tempered plate remains strong and the market for our amour grade of steel is growing both domestically and overseas.

Bisalloy continues to perform to expectations and will meet its profit targets this financial year.

## Slide 7

Our focus for full year 2008.

1. Phase one of the cost reduction program centred on overheads is already substantially complete. Phase two and phase three will be implemented before 1 January 2008.
2. The continued expansion and progressive improvement of Bisalloy. The completion of the laser guided vehicle project by 1 January 2008.
3. The push for greater penetration of the Western Australia market with the availability of increased tonnage of quenched and tempered plate.
4. The continued revitalisation and market share recovery of New Zealand distribution.
5. Diversification of New Zealand Tube Mills product offer.

6. In line with our strategic direction with expansion of our product offer and revenue base. Broadening of our geographic coverage and seeking to add value by further downstream processing, particularly leveraging off our Bisalloy operations in Australia and overseas.

Slide 8

Outlook

- Distribution businesses to continue to be temporarily affected into the third quarter of the financial year.
  - Margins/revenue suppression as declining global metal prices flow through the supply chain
  - Management continue to change the distribution cost base on a sustainable basis to improve our operational efficiency.
- Bisalloy outlook is for continuing strong results from
  - Increased capacity
  - Ongoing domestic demand; and
  - Increased export orders.

Ladies and gentlemen, that concludes my overview of operations.

Mr Chairman.