

3 November 2020

MANAGING DIRECTOR'S ADDRESS

As stated in our ASX Announcement on 22 October 2020, Capral continues to experience a strong rebound in demand following the weak June quarter which was impacted by the global pandemic. Capral's manufacturing plants are currently operating at full available capacity and market conditions remain strong for the December quarter.

The Government housing stimulus packages continue to have a positive impact on new house sales and underpins recovery in the residential building market.

Following a period of import supply disruption, Capral is now benefitting from the trend towards "Australian Made" and is growing market share against imports.

The positive impact on earnings resulting from last year's restructure of Capral's Bremer Park operations continues to deliver improvements in earnings.

As a result of these factors, Capral is expecting a strong finish to the 2020 year and for this to continue into the first half of 2021. On this basis Capral advises that its FY20 earnings will likely be towards the upper end of the guidance range provided on 22 October 2020.

Yours faithfully
CAPRAL LIMITED



Tony Dragicevich
Managing Director