APPENDIX 4D - HALF-YEAR REPORT FOR THE PERIOD ENDED 30 JUNE 2015

Name of Entity	**CAPRAL LIMITED**
A.B.N	**78 004 213 692**
Half-Year Ended	**30/06/2015**
Reporting Period	**1 January 2015 to 30 June 2015**
Previous Period	**1 January 2014 to 30 June 2014**

Results for announcement to the market

		30 June 2015 $'000	30 June 2014 $'000	**Change $'000**	**Change %**
2.1	**Revenues from ordinary activities**	**194,700**	176,296	18,404	10.4
2.2	**Loss from ordinary activities after tax attributable to members**	**(1,480)**	(2,100)	620	N/A
2.3	**Net loss for the period attributable to members**	**(1,480)**	(2,100)	620	N/A
2.4	**Interim dividends**	**30 June 2015**		30 June 2014	
		Amount per security	Imputed amount per security	Amount per security	Imputed amount per security
		no dividend declared for half year		no dividend declared for half year	

2.5 Record date for determining entitlements to and the date for payments of the dividends (if any)

Not Applicable

2.6 Explanation of 2.1 to 2.4

Please refer to the Director's Report (included with this Report) and its attachments.

3.0 Net Tangible Assets per security

	30 June 2015	30 June 2014
NTA (cents per share)	**22.8**	22.0
Number of shares	**474,684,577**	474,684,577

4.0 Entities over which control has been gained or lost

Not Applicable

5.0 Individual and total dividends

Not Applicable

6.0 Dividend or dividend reinvestment plans

Not Applicable

7.0 Associates and joint venture entities

Not Applicable

8.0 Foreign Entities

Not Applicable

9.0 Audit dispute or qualification

Not Applicable

CONTENTS

DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of Capral Limited (**Capral**) and the entities it controlled at the end of, or during, the half-year ended 30 June 2015 and the independent auditor's review report thereon.

Directors

The following persons were directors of Capral during the half-year and, except as indicated below, up to the date of this report:

Name	Period Office Held
R. L. Wood-Ward	6 November 2008 - Date of this report
A. M. Dragicevich	15 April 2013 – Date of this report
P. J. Jobe	24 April 2009 - Date of this report
I. B. Blair	23 May 2006 - Date of this report
G. F. Pettigrew	18 June 2010 - Date of this report

Review of operations and key results

Capral today announced a loss after tax of $1,480,000 for the half-year ended 30 June 2015, compared with a $2,100,000 loss after tax for the corresponding period last year.

No dividend has been declared for this half-year.

Results Overview

Please refer to the separate "2015 Half Yearly Results Presentation" dated 19 August 2015 for an explanation of the results for the half-year ended 30 June 2015.

Auditor's independence declaration

The auditors' independence declaration as required under section 307C of the Corporations Act is set out on page 2.

Rounding of amounts

Capral is a company of the kind referred to in Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' Report and the Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the directors

R. Wood-Ward	A. Dragicevich
Chairman	Managing Director

Sydney
19 August 2015

Deloitte Touche Tohmatsu
ABN: 74 490 121 060

Eclipse Tower
Level 19
60 Station Street
Parramatta NSW 2150
PO Box 38
Parramatta NSW 2124 Australia

DX 28485
Tel: +61 (0) 2 9840 7000
Fax: +61 (0) 2 9840 7001
www.deloitte.com.au

The Board of Directors
Capral Limited
Level 4
60 Phillip Street
PARRAMATTA NSW 2150

19 August 2015

Dear Board Members

Auditors Independence Declaration to Capral Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Capral Limited.

As lead audit partner for the review of the financial statements of Capral Limited for the half-year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D. Black

David Black
Partner
Chartered Accountants
Parramatta, 19 August 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 30 June 2015

	Note	**Consolidated Half-year ended 30 June 2015 $'000**	30 June 2014 $'000
Revenue		**194,700**	176,296
Other income	5	**88**	186
Changes in inventories of finished goods and work in progress		**(2,793)**	2,316
Raw materials and consumables used		**(116,929)**	(100,773)
Employee benefits expense		**(39,359)**	(40,852)
Depreciation and amortisation expense		**(3,471)**	(3,555)
Finance costs		**(637)**	(624)
Freight expenses		**(5,038)**	(5,521)
Occupancy costs		**(8,297)**	(8,931)
Repair and maintenance expense		**(3,232)**	(3,298)
Restructuring costs		**(266)**	(142)
Other expenses		**(16,246)**	(17,202)
Loss before income tax		**(1,480)**	(2,100)
Income tax benefit	2	**-**	-
Loss for the period		**(1,480)**	(2,100)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		**-**	-
Items that may be reclassified subsequently to profit or loss		**-**	-
Total comprehensive loss for the period		**(1,480)**	(2,100)
		2015	2014
Loss per share		**Cents per share**	Cents per share
Basic and Diluted (cents per share)		**(0.31)**	(0.44)

The weighted average number of ordinary shares on issue used in the calculation of basic and diluted loss per share was 474,703,161 (2014: 474,199,463).

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

	Note	Consolidated 30 June 2015 $'000	31 December 2014 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**7,291**	16,502
Trade and other receivables		**63,409**	58,320
Inventories		**83,649**	82,272
Other financial assets		**514**	1,352
Prepayments		**2,363**	1,952
Total current assets		**157,226**	160,398
Non-current assets			
Other receivables		**74**	74
Deferred tax assets		**2,857**	2,857
Property, plant and equipment		**40,283**	42,547
Other intangible assets		**179**	195
Total non-current assets		**43,393**	45,673
Total assets		**200,619**	206,071
LIABILITIES			
Current liabilities			
Trade and other payables		**72,543**	76,484
Borrowings		**48**	48
Current provisions		**11,264**	11,091
Deferred income		**161**	214
Total current liabilities		**84,016**	87,837
Non-current liabilities			
Non-current provisions		**5,152**	5,366
Total non-current liabilities		**5,152**	5,366
Total liabilities		**89,168**	93,203
Net assets		**111,451**	112,868
EQUITY			
Issued capital		**425,745**	425,744
Reserves		**9,455**	9,393
Accumulated losses		**(323,749)**	(322,269)
Total equity		**111,451**	112,868

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 30 June 2015

	Note	Consolidated Half-year ended 30 June 2015 $'000	30 June 2014 $'000
Cash flows from operating activities			
Receipts from customers		**209,081**	188,423
Payments to suppliers and employees		**(216,105)**	(190,136)
Interest and other finance costs paid		**(613)**	(590)
Net cash flows used in operating activities		**(7,637)**	(2,303)
Cash flows from investing activities			
Interest received		**29**	16
Payments for property, plant and equipment		**(1,510)**	(1,597)
Payments for intangible assets		**(100)**	(109)
Payment for purchase of a business		**-**	(2,850)
Proceeds from sale of property, plant and equipment		**7**	16
Net cash flows used in investing activities		**(1,574)**	(4,524)
Net decrease in cash and cash equivalents		**(9,211)**	(6,827)
Cash and cash equivalents at the beginning of the half-year period		**16,502**	14,630
Cash and cash equivalents at end of the half-year period	12	**7,291**	7,803

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 30 June 2015

Consolidated	Issued capital	Equity-settled compensation reserve	Asset revaluation reserve	Accumulated losses	Total
	$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2014	425,430	8,789	221	(324,919)	109,521
Loss for the period	-	-	-	(2,100)	(2,100)
Total comprehensive loss for the period	-	-	-	(2,100)	(2,100)
Share-based payment expense	-	339	-	-	339
Share conversion from vested rights	314	(331)	-	-	(17)
Balance as at 30 June 2014	**425,744**	**8,797**	**221**	**(327,019)**	**107,743**
Balance as at 1 January 2015	425,744	9,172	221	(322,269)	112,868
Loss for the period	-	-	-	(1,480)	(1,480)
Total comprehensive loss for the period	-	-	-	(1,480)	(1,480)
Share-based payment expense	-	318	-	-	318
Share buy backs	(255)	-	-	-	(255)
Share conversion from vested rights	256	(256)	-	-	-
Balance as at 30 June 2015	**425,745**	**9,234**	**221**	**(323,749)**	**111,451**

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 30 June 2015

1 Significant accounting policies

Capral Limited (**Capral**) is a company domiciled in Australia. The consolidated half-year financial report of Capral for the half-year period ended 30 June 2015 comprises Capral and its subsidiaries (**consolidated entity**).

(a) Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting (which complies with the International Financial Reporting Standard IAS 34: Interim Financial Reporting), other mandatory professional reporting requirements and the Corporations Act 2001.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. This report is to be read in conjunction with the most recent annual financial report for the year ended 31 December 2014 and any public announcements made by Capral during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

(b) Basis of preparation

Capral is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' Report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The half-year financial report has been prepared on the basis of historical cost, except for the revaluation of certain financial assets and liabilities at fair value through profit and loss and certain classes of property, plant and equipment. Cost is based on the fair values of consideration given in exchange for assets. Except where indicated otherwise, all amounts are presented in Australian dollars.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in Capral's annual report for the financial year ended 31 December 2014.

(c) Significant accounting judgements, estimates and assumptions

In the application of Capral's accounting policies, Management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(d) Adoption of new and revised standards

Capral has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period. Adoption of these Standards and Interpretations did not have any material effect on the financial position or performance of the consolidated entity.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 30 June 2015

(e) Standards and interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. Other than in relation to AASB 15 the potential impact of which Management is currently assessing, their adoption is not expected to have any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	31 December 2018
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	31 December 2016
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018	31 December 2018
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	31 December 2016
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	31 December 2016
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	31 December 2016

(f) Impairment of non-current assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit (**CGU**) to which that asset belongs. Management views the Group as representing one CGU.

If there is an indication of impairment, the recoverable amount of property, plant & equipment and intangible assets will be determined by reference to a value in use discounted cash flow valuation of the Group, utilising financial forecasts and projections.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Cash flows that may result from prior period tax losses are not taken into account. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 30 June 2015

The result of Impairment assessment as at 30 June 2015
As a result of the non-current assets recoverable amount assessment performed, Capral has determined that no impairment write-down of non-current assets as at 30 June 2015 was necessary (2014: $Nil).

The key assumptions used in preparing the value in use cash flow valuation as at 30 June 2015 are as follows:
The table below shows key assumptions in the value in use calculation as at 30 June 2015 and value of the input to which the key assumption must change in isolation for the estimated recoverable amount to be equal to its carrying value.

	Input to the model	Breakeven input
WACC (Post-tax)	11.59%	11.99%
Average volumes increase 2016-19 p.a.	2.00%	1.91%
Long-term growth rate	2.00%	1.92%

The valuation is based on forecast and projected cash flows for a 4.5 year period commencing July 2015 with a terminal value being applied at the end of this period. The cash flow assumptions are based on Management approved forecast for the period from July 2015 to December 2015. Beyond this date cash flow projections until 31 December 2019 are based on projected volume growth and expected improvements in EBITDA per tonne (refer below). Sales volumes are projected to grow at 2.0% (2014: 2.0%) per annum. This growth rate corresponds with the average long-term growth rate based on external economic sources.

A discount rate of 11.59% (2014: 11.73%), representing the Company's post-tax weighted average cost of capital has been applied to the cash flow projections. The pre-tax discount rate equivalent to the post-tax discount rate used for the value in use calculation is 16.03% (2014: 16.48%).

Volumes
In determining assumptions in relation to sales volumes into the commercial and residential/domestic market, Capral have based these on reputable third party long term economic forecast reports with reference to historical performance and seasonal trends. The volume projections estimate the sales volumes at around 62,000 tonnes at the end of the 5 year period.

Margins
In setting price and margin assumptions, historical performance trends and the impact of previous price increases were reviewed in assessing the timing and quantum of future price increases.

Recent history in relation to direct costs and the impact of higher volumes on manufacturing variances were assessed in setting assumptions on absorbed conversion costs.

In forecasting the margin, Management has considered the production capacity of Capral compared to current volumes and concluded that increase in production volumes to satisfy demand expected by independent market predictions can be attained by predominately increasing variable cost with very limited additional fixed cost expenditure. This is reflected in the resultant average EBITDA per tonne increase of 3.05% per annum from 2016 to 2019.

Working Capital and Capital Expenditure
These assumptions were set in light of strategic initiatives and approved capital expenditure, with working capital flexed in relation to the assumed production capacity for volumes throughout the forecast period and historical performance and considering revisions to trading terms with key suppliers and customers.

Economic Factors
Assumptions including Gross Domestic Production (**GDP**), the Consumer Price Index (**CPI**), expected wage and salary increases, foreign exchange and the future impact of aluminium prices have been made with reference to third party economic forecasts and the Company's strategic plans and budgets.

Prior Period Tax Losses
Cash flows that may result from prior period tax losses are not taken into account in determining the recoverable amount of assets.

2 Income tax

(a) Tax reconciliation

The income tax expense for the half year differs from the prima facie amount calculated by reference to the pre-tax loss. The differences are reconciled as follows:

	Consolidated Half-year ended 30 June 2015 $'000	Consolidated Half-year ended 30 June 2014 $'000
Loss from continuing operations before income tax benefit	**(1,480)**	(2,100)
Income tax benefit calculated at 30%	**(444)**	(630)
Tax effect of non-assessable / non-deductible items:		
Effect of items that are temporary differences for which (decrease) / increase in deferred tax assets have not been recognised	**(1,525)**	(1,352)
Effect of items that are not deductible or taxable in determining taxable profit	**120**	122
Effect of unused tax losses not recognised as deferred tax assets	**1,849**	1,860
Income tax benefit recognised in profit or loss	**-**	-

(b) Tax losses

	30 June 2015 $'000	30 June 2014 $'000
Accumulated unused gross tax losses for which no deferred tax asset has been recognised.	**295,753**	289,590
Potential tax benefit @ 30%	**88,726**	86,877

All unused tax losses were incurred by Australian entities.

3 Dividends

Fully paid ordinary shares

	30 June 2015 $'000	30 June 2014 $'000
Interim dividend and final dividend	**-**	-

4 Segment information

The information reported to the consolidated entity's chief financial operating decision maker for the purposes of resource allocation and assessment of performance is focused on the type of goods supplied, being aluminium products. As such, in 2015 and 2014, the consolidated entity operated in one reportable segment under AASB 8.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 30 June 2015

	Consolidated Half-year ended	
	30 June 2015 $'000	30 June 2014 $'000
5 Other income		
Royalties	**88**	107
Other	**-**	79
	88	186

6 Issuance of equity securities

Performance Rights - Managing Director

During the half-year, 2,500,000 performance rights were issued to Mr Dragicevich under the Long Term Incentive Plan (**LTIP**) pursuant to shareholder approval at Capral's AGM in April 2015. These rights were issued subject to the achievement of performance conditions and have been independently valued as follows:

- Tranche 1 – 416,750 rights at $0.160 per right;
- Tranche 2 – 416,750 rights at $0.160 per right;
- Tranche 3 – 416,500 rights at $0.160 per right; and
- Tranche 4 – 1,250,000 rights at $0.132 per right

During the half-year, 1,100,000 performance rights granted to Mr Dragicevich as part of the 2013 and 2014 LTIP awards vested and converted on a 1 on 1 basis to Capral ordinary shares on 4 March 2015.

During the half-year, 900,000 performance rights granted to Mr Dragicevich as part of the 2013 and 2014 LTIP awards lapsed.

The total number of these performance rights outstanding as at 30 June 2015 is 3,500,000 (31 December 2014: 3,000,000).

Performance Rights - Executive and Senior Management

During the half-year, 4,500,000 performance rights were issued under the LTIP of which 4,250,000 remain as at 30 June 2015. The new rights were issued subject to the achievement of performance conditions.
These rights have been independently valued as follows:

- Tranche 1 – 750,150 rights at $0.160 per right;
- Tranche 2 – 750,150 rights at $0.160 per right;
- Tranche 3 – 749,700 rights at $0.160 per right; and
- Tranche 4 – 2,250,000 rights at $0.132 per right

During the half-year, 581,829 rights granted as part of the 2012 LTIP award vested and converted on a 1 on 1 basis to Capral ordinary shares on 4 March 2015.

During the half-year 1,230,348 performance rights granted as part of the 2012 LTIP award lapsed.

During the half-year 1,065,962 performance rights were forfeited due to the departure of two senior managers.

The total number of these performance rights outstanding to other managers as at 30 June 2015 is 10,947,199 (31 December 2014: 9,325,338).

Options

No options were issued during the half-year.

The total number of options outstanding as at 30 June 2015 is 4,300,000 (31 December 2014: 4,300,000).

6 Issuance of equity securities (continued)

Ordinary Shares

During the half-year, 1,681,829 performance rights granted to Capral's Managing Director, executives and senior management vested and converted on a 1 on 1 basis to Capral ordinary shares.

Capral purchased 1,681,829 of its ordinary shares to satisfy the obligation to deliver shares resulting from the conversion of those vested performance rights.

7 Contingent liabilities

Claims and possible claims, indeterminable in amount, have arisen in the ordinary course of business against Capral entities. Capral has fully provided for all known and determinable claims. Based on legal advice obtained, the directors believe that any resulting liability will not materially affect Capral's financial position.

Capral's bankers have issued guarantees in respect of rental obligations on lease commitments, use of utilities infrastructure, specialised trade facilities and corporate credit cards. These guarantees total $15,889,684 (31 December 2014: $16,327,934).

	Consolidated	
	30 June 2015 $'000	31 December 2014 $'000
8 Capital commitments		
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities payable:		
Not longer than 1 year	**1,060**	639
9 Lease commitments		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not longer than 1 year	**20,098**	18,224
Longer than 1 year and not longer than 5 years	**50,653**	48,197
Longer than 5 years	**33,578**	36,606
	104,329	103,027

Operating leases relate to properties, vehicles and equipment with unexpired lease terms of up to 10 years, with options to extend for varying periods of up to 10 years.

Non-cancellable operating lease receivable

Not longer than 1 year	**1,665**	1,532
Longer than 1 year and not longer than 5 years	**5,199**	5,403
	6,864	6,935

10 Related parties

Refer to Note 6 above in relation to equity securities granted, lapsed and converted to Capral ordinary shares during the half year under the Long Term Incentive Plan that include rights granted to Capral's Managing Director, Chief Financial Officer, General Manager - Operations and Company Secretary (who are key management personnel).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 30 June 2015

11 Borrowings

As at 30 June 2015, the following facilities were in place:

				Amortised cost (carrying value)	
Facility	Balance as at 30 June 2015 ($'000)	Unused ($'000)	Unamortised borrowing costs ($'000)	Repayment not longer than 1 year ($'000)	Repayment longer than 1 year ($'000)
GE Revolver facility	-	49,910	-	-	-
Loans from other entities	48	-	-	48	-
Total Balance	**48**	**49,910**	**-**	**48**	**-**

The Company cancelled the $30,000,000 term loan facility with GE Commercial Corporation (Australia) Pty Ltd (GE) on 30 April 2015.

The GE revolver facility balance was offset with GE controlled cash at 30 June 2015 (see note 12 below). The expiry date of the facility is 30 June 2017.

12 Cash and cash equivalents

Reconciliation of cash and cash equivalents
For the purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand and at bank and short term deposits at call net of bank overdrafts and GE revolver facility balance. Cash as at the end of the half year as shown in the Cash Flow Statement is reconciled to the related items in the Condensed Consolidated Statement of Financial Position as follows:

	Consolidated Half-year ended 30 June 2015 $'000	30 June 2014 $'000
Cash at bank and on hand	**7,291**	7,803
Cash and cash equivalents at end of the half-year period	**7,291**	7,803

The ANZ receipt account of $14,090,000 is restricted cash as the amount in this account can only be used to repay debt. Access to cash held in the ANZ receipt account is via a request to draw down amounts from the GE revolver facility account.

13 Deed of Cross Guarantee

Pursuant to ASIC Class Order 98/1418, the wholly owned subsidiary, Aluminium Extrusion and Distribution Pty Limited (**AED**) is relieved from the Corporations Act 2001 requirement for the preparation, audit and lodgement of financial reports.

It is a condition of that class order that Capral and AED enter into a Deed of Cross Guarantee (**Deed**). Under the Deed, Capral guarantees the payment of all debts of AED in full, in the event of a winding up. AED in turn has guaranteed the payment of the debts of Capral in full in the event that it is wound up.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 30 June 2015

14 Key management personnel

Remuneration arrangements of key management personnel are disclosed in the 2014 annual financial report. In addition, refer to Notes 6 and 10 in relation to changes during the half year; performance rights granted to Capral's current Managing Director, conversion of performance rights to ordinary shares to Capral's Managing Director and executives, and securities granted and expired under the Long Term Incentive Plan.

15 Subsequent events

No matter or circumstance has arisen since the end of the half-year that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

DIRECTORS' DECLARATION

The directors declare that:

a) in the directors' opinion, there are reasonable grounds to believe that Capral will be able to pay its debts as and when they become due and payable; and

b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

At the date of this declaration, Capral is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed, guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the director's opinion, there are reasonable grounds to believe that Capral and the companies to which the ASIC Class Order applies, as detailed in Note 13 of the half-year report will, as a group, be able to meet any obligations or liabilities to which they are, or may become, liable by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.303 (5) of the Corporations Act 2001.

On behalf of the directors

R. Wood-Ward	A. Dragicevich
Chairman	Managing Director

Sydney
19 August 2015

Deloitte.

Deloitte Touche Tohmatsu
ABN: 74 490 121 060

Eclipse Tower
Level 19
60 Station Street
Parramatta NSW 2150
PO Box 38
Parramatta NSW 2124 Australia

DX 28485
Tel: +61 (0) 2 9840 7000
Fax: +61 (0) 2 9840 7001
www.deloitte.com.au

Independent Auditor's Review Report to the members of Capral Limited

We have reviewed the accompanying half-year financial report of Capral Limited, which comprises the condensed consolidated statement of financial position as at 30 June 2015, and the condensed consolidated statement of profit and loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising Capral Limited and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 3 to 15.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Capral Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Capral Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Capral Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU

David Black
Partner
Chartered Accountants
Parramatta, 19 August 2015