

6 November 2013

The Manager
ASX Market Announcements
Australian Securities Exchange
L10, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Capral Limited (ASX Code: CAA): Unmarketable Parcels Facility

The Board of Capral Limited (**Capral**) is pleased to announce that Capral will offer an unmarketable parcel sale facility (**UMP Facility**) in accordance with article 106 of its constitution and ASX Listing Rule 15.13, to shareholders who were registered holders of less than a marketable parcel of Capral shares (**Shares**) (being a holding with an aggregate value of less than \$500) as at 7pm (AEDT) on 31 October 2013 (being the **Record Date**).

Almost 75% of Capral's register consists of unmarketable parcel shareholders and therefore, the UMP Facility provides small shareholders with an easy and cost-effective way to dispose of their Shares as well as providing Capral with the opportunity to reduce administration costs and tidy up its register.

Further details of the UMP Facility are set out in the attached Divestment Notice, the Share Retention Form and Terms and Conditions being sent to eligible shareholders today.

Yours faithfully



Richard Rolfe
Company Secretary

┌ 000001 000 CAA
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

6 November 2013

Dear Shareholder

Capral Limited (ASX Code: CAA): Unmarketable Parcels Facility Divestment Notice

Capral Limited (**Capral**) is pleased to offer an unmarketable parcel sale facility (**UMP Facility**) to all shareholders who were registered holders of less than a marketable parcel of Capral shares (**Shares**) (being a holding with an aggregate value of less than \$500) (**Unmarketable Parcel**) as at 7pm (AEDT) on 31 October 2013 (**Record Date**). The UMP Facility is offered in accordance with article 106 of Capral's constitution and ASX Listing Rule 15.13.

At the Record Date:

- The closing Share price was \$0.20, meaning that shareholders with less than 2,500 Shares on that date are eligible to participate in the UMP Facility.
- There were 3,289 eligible shareholders, holding in aggregate 1,208,414 Shares.

Our records indicate that as at the Record Date you held an Unmarketable Parcel. Accordingly, Capral would like to provide you with the opportunity to sell your Shares through the UMP Facility without paying for the brokerage, handling and associated costs. If you wish to continue to hold your Shares you should return the enclosed Retention Form, otherwise they can be sold on your behalf.

Why is Capral offering the UMP Facility?

Capral has a very high percentage of Unmarketable Parcel shareholders (around 75% of all shareholders).

Capral recognises that you may have found it difficult or relatively expensive to sell your Shares. The UMP Facility provides you with an easy, convenient and effective way for you to sell your Shares.

The UMP Facility also provides Capral the opportunity to reduce costs and tidy up its share register given that the administrative costs (such as share registry and shareholder communication expenses) of maintaining small shareholder accounts is disproportionately high.

What do you have to do?

- If you wish to sell your Shares under the UMP Facility, **you do not need to take any action**. If you take no action, Capral intends to sell your Shares as soon as practicable after 19 December 2013, being at least 6 weeks from the Record Date. Sale proceeds will be paid to you in Australian dollars in accordance with your existing payment instructions by direct credit to your nominated bank account or by cheque.
- If you **do not wish to sell your Shares**, you should complete and return your enclosed Share Retention Form to Capral's Share Registry, Computershare Investor Services Pty Limited (**Computershare**), before 5pm (AEDT) on 19 December 2013.

You cannot sell part of your shareholding under the UMP Facility.

How will my Shares be sold?

Bell Potter Securities Limited (ABN 25 006 390 772), a licensed broker, will act as execution-only broker on behalf of shareholders to effect any sales under the UMP Facility. Capral will pay all brokerage and other transaction costs of the sale.

The price that you will receive for each of your Shares sold through the UMP Facility will be equal to the volume weighted average price for all Shares traded on the ASX over the 10 trading day period prior to, and including, 19 December 2013.

The sale of Shares is expected to take place as soon as practicable after 5pm (AEDT) on 19 December 2013. Computershare will send you a transaction confirmation statement notifying you of the number of Shares sold, the sale price and the total proceeds you have received.

Sale proceeds will be deposited into your bank account if you have previously provided banking details to Computershare or alternatively, will be paid to you by cheque as soon as practicable following the sale of your Shares. Payment is expected to be remitted within 30 days after the closing date of 19 December 2013.

If your Shares are held in a CHESS holding, Capral may initiate a holding adjustment to move your Shares to the issuer sponsored sub-register for the purposes of the UMP Facility, in accordance with the ASX Rules.

Important Information

Capral reserves the right at any time to vary, delay or terminate the process of sale of your Shares.

Capral makes no recommendation as to whether you should use the UMP Facility. It is important that you read and understand the enclosed Terms and Conditions. Any taxation consequences arising from the sale of your Shares will be your responsibility. **You should seek independent financial and tax advice particular to your circumstances when determining whether or not to participate in the UMP Facility.**

Please find enclosed the Share Retention Form and Terms and Conditions for further information.

If you have any questions concerning the contents of this letter, please contact Computershare on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia).

Yours sincerely



Rex Wood-Ward
Chairman

**Capral Limited (ABN 78 004 213 692)
Unmarketable Parcels Facility
Terms and Conditions**

1. What is the Capral Share Sale Facility for Unmarketable Parcels?

Capral Limited (ABN 78 004 213 692) (**Capral**) is offering an unmarketable parcel sale facility (**UMP Facility**) in accordance with article 106 of Capral's constitution and ASX Listing Rule 15.13.

The UMP Facility provides you with an easy and cost-effective way to dispose of all of your fully paid ordinary shares in Capral (**Shares**).

These Terms and Conditions, together with the attached letter from the Chairman (**Notice**) and the Share Retention Form, satisfy the notice requirements detailed in Capral's constitution.

If you wish to sell your Shares under the UMP Facility, you do not need to take any further action. You should, however, check that your address details held by Computershare Investor Services Pty Limited (**Capral's Share Registry**) are correct.

If you are a holder of an Unmarketable Parcel (see section 2 below) and you **do not** wish to sell your Shares, you must return your Share Retention Form by **5pm (AEDT) on Thursday 19 December 2013 (Closing Date)** (see section 6 below).

The Capral Board makes no recommendation as to whether you should use the UMP Facility.

Capral will pay the brokerage and handling fees (if any) in relation to the sale of Shares under the UMP Facility.

You should seek independent financial and tax advice particular to your circumstances when determining whether or not to participate in the UMP Facility.

2. What is an Unmarketable Parcel?

The ASX Listing Rules provides that a marketable parcel is a parcel of shares with a value of at least \$500 (determined by reference to the closing price of Shares on the ASX) at the relevant record date (**Marketable Parcel**). For the purpose of the UMP Facility, an Unmarketable Parcel is a holding of Shares which is less than a Marketable Parcel as at 7pm (AEDT) on 31 October 2013 (**Record Date**). Based on the closing price of \$0.20 per Share on the ASX on the Record Date, an **Unmarketable Parcel** is any holding of less than 2,500 Shares.

3. Why is Capral offering the UMP Facility?

Capral has a very high percentage of shareholders with Unmarketable Parcels (around 75% of Capral's total shareholders). Capral recognises that small shareholders may have found it difficult and relatively expensive to dispose of their Shares. Furthermore, the administrative costs (such as share registry and shareholder communication expenses) of maintaining small shareholder accounts are disproportionately high. Accordingly, the UMP Facility provides small shareholders with an easy and cost-effective way to sell all of your Shares whilst enabling Capral the opportunity to reduce costs and tidy up its register.

4. Who can use the UMP Facility?

Any Capral shareholder who is the registered holder of an Unmarketable Parcel as at 7pm (AEDT) on the Record Date is eligible to participate in the UMP Facility. These eligible shareholders will receive a Notice advising them of their eligibility to participate, together with a copy of these Terms and Conditions and the Share Retention Form.

5. What do I have to do to use the UMP Facility?

If you wish to sell your Shares under the UMP Facility, you do not need to take any further action. However, you should ensure your address details held by Capral's Share Registry are correct (see section 16 below).

6. What do I have to do to retain my Shares?

If you wish to retain your Shares, you must complete and return your enclosed Share Retention Form to Capral's Share Registry to the address detailed on the form, before 5pm (AEDT) on the Closing Date.

7. What happens if I do not return my Share Retention Form by 5pm (AEDT) on the Closing Date?

In accordance with its constitution and the ASX Listing Rules, Capral will be entitled to sell your Shares under the UMP Facility.

8. Can I withdraw my Share Retention Form?

Yes, provided that you send a written request that:

- details your name, address and shareholder reference number (SRN) or holder identification number (HIN);
- states that you would like to withdraw your Share Retention Form; and
- is signed by all shareholders, if your holding is in more than one name,

to Capral's Share Registry, Computershare Investor Services Pty Limited, GPO Box 2115, Melbourne, VIC 3001, Australia, with such request to be received before 5pm (AEDT) on the Closing Date in order to be effective.

9. What costs will I incur?

Capral will be responsible for the costs of sale of your Shares under the UMP Facility. This includes any stamp duty, brokerage, share registry and government taxes and charges (but expressly excludes any tax on income or capital gains).

Tax may be payable by you on any gains you make on the sale of the Shares. This will depend on your personal taxation circumstances. **If you are in doubt, or if you require further information regarding possible taxation implications from participating in the UMP Facility, please consult your legal, financial or taxation adviser.**

10. Can I sell some but not all of my Shares in the UMP Facility?

No. You cannot sell part of your Shares under the UMP Facility.

11. I received two letters inviting me to sell my Shares through the UMP Facility, why is that?

You may have two separate holdings of Shares. If that is the case, the UMP Facility will apply to each holding separately.

To provide instruction in relation to more than one holding you will need to provide a Share Retention Form for each of those holdings.

If the sum of your separate share holdings equates to more than an Unmarketable Parcel and the Shares are in the same name, you may create a Marketable Parcel by merging your holdings. You will need to complete a "Request to Consolidate Holdings" form and return it to Capral's Share Registry by no later than 5pm (AEDT) on the Closing Date. You can obtain this form by contacting Capral's Share Registry.

12. What happens if I buy more Shares so that I have a Marketable Parcel?

If your holding increases and you have a Marketable Parcel (i.e. more than an Unmarketable Parcel), between the Record Date and the Closing Date, your Shares the subject to the Notice will still be sold under the UMP Facility unless you return your Share Retention Form by the Closing Date.

13. What if I hold my Shares in a CHESS sponsored holding?

You can still participate in the UMP Facility if you hold Shares in a CHESS sponsored holding. Shares remaining in a CHESS sponsored holding as at the Closing Date (without further notice and in accordance with ASX Settlement Operating Rule 5.12.2) will be removed to an issuer sponsored holding and sold under the UMP Facility.

14. When and how will my Shares be sold?

The sale of Shares under the UMP Facility is expected to occur as soon as practicable after the Closing Date. If your Shares are not sold within 6 weeks of the Closing Date, Capral's right to sell your Shares lapses and Capral will advise you if this occurs.

Bell Potter Securities Limited (ABN 25 006 390 772) (or its nominee) (**Broker**), a licensed broker, will act as execution-only broker on behalf of shareholders to effect any sales under the UMP Facility. The Broker will effect sales by placing the Shares off-market.

Capral reserves the right at any time to vary, delay or terminate the process of sale of your Shares.

Neither these Terms and Conditions nor any correspondence with Capral, its agents or employees will constitute advice or a recommendation to sell or retain your Shares or that the UMP Facility is the best way to sell your Shares.

Capral is irrevocably authorised, without further notice, by each participating shareholder in the UMP Facility to do all things to facilitate the sale of the Shares under the UMP Facility (including to engage any third party (including brokers) and execute all documents, including to effect any holding adjustment, securities transformation, securities transfer or other transmission, in relation to an eligible shareholder's Unmarketable Parcel, such as converting a CHESS holding to an issuer sponsored holding).

15. What price will I receive?

The price that you will receive for each of your Shares sold through the UMP Facility (**Sale Price**) will be equal to the volume weighted average price (VWAP) for all Shares traded on the ASX over the 10 trading day period prior to, and including, the Closing Date.

If you use the UMP Facility, you cannot specify the process by which, or the price at which, your Shares will be sold. The market price of Shares changes from time to time. The Sale Price may be more or less than the actual market price at the time of sale and may not be the best price obtainable on the day on which your Shares are sold or over the period in which Capral may sell your Shares. Neither Capral, its agents nor employees will provide any assurance as to what the price of the Shares on the ASX will be or what price you will receive for your Shares if you use the UMP Facility. Information on the price of Shares may be obtained through the ASX website (www.asx.com.au) by looking up Capral's code: CAA.

The Sale Price of the Shares will be calculated by Capral or a third party appointed by Capral and may not be challenged in the absence of manifest error.

Capral's Share Registry will send you a transaction confirmation statement notifying you of the number of your Shares sold through the UMP Facility, the Sale Price and the total sale proceeds you have received. You will not receive any interest on the sale proceeds.

16. How and when will I receive the proceeds from the sale of my Shares?

Sale proceeds will be transferred to you within 30 days after the settlement of the sale of your Shares under the UMP Facility.

Sale proceeds will be paid to you in Australian dollars in accordance with your existing payment instructions. If you have nominated a bank account then payment will be made by direct debit to that account. Otherwise, payment will be made by cheque and the cheque will be mailed to the address set out on the Notice (being your address shown on Capral's share register). An Issuer Sponsored Holder or CHES statement will be sent to you at the end of the month in which your Shares are sold.

17. What happens to the UMP Facility if there is a takeover bid for Capral?

In accordance with Capral's Constitution, the UMP Facility will become unavailable following the announcement of a takeover bid for Capral. However, the UMP Facility may be recommenced after the close of the offers made under any takeover.

✉ **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 2115 Melbourne
Victoria 3001 Australia

For all enquiries:

☎ **Phone:**
(within Australia) 1300 855 080
(outside Australia) +61 3 9415 4000

┌ 000001 000 CAA
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

SHARE RETENTION FORM

 **If you wish to retain your securities, your form must be received by 5pm (AEDT) 19 December 2013**

This is an important document that requires your immediate attention. It can only be used in relation to the securityholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Securityholder Details

Use this form if you wish to retain your securities in Capral Limited. If you have recently bought or sold securities your holding may differ from that shown. If you have already sold all your securities in Capral Limited, do not complete or return this form. If you have more than one holding on Capral Limited's register and you do not sell your securities under the Small Securityholding Sale Facility, you should consider consolidating them. For further advice on how to do this, contact Computershare Investor Services Pty Limited ("CIS") on the number above.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect. If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

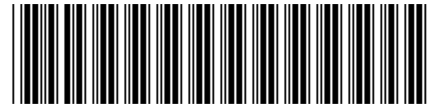
- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of the Death Certificate and Will must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →



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IND

STEP 1 Securityholder Details

For your security keep your SRN/HIN confidential.

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001



Change of Address
If incorrect, mark this box and make the correction in the space to the left.

Securities held as at 7pm (AEDT) on Thursday, 31 October 2013:

2000

STEP 2 Signature of Securityholder(s) *This section must be completed.*

By signing and returning this form, I/we confirm that I/we understand that my/our securities will NOT be sold under the Small Securityholding Sale Facility

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact Name _____

Contact Daytime Telephone _____

Date / /

Email Address _____

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (CIS) as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS using the details provided above or email privacy@computershare.com.au