

25 March 2020

### Market Update – Response to COVID-19

We are operating in unprecedented conditions with the situation surrounding Coronavirus (COVID-19) continuing to rapidly evolve. Capral is taking an informed and balanced approach guided by the expert medical advice of Australian government authorities.

All Capral manufacturing and distribution facilities continue to operate. We have applied a range of strict safety and operational measures to ensure the well-being of employees and communities in which we operate. These measures include:

- Enforcing strict protocols for hygiene, cleaning, and rules for personal interaction and distancing,
- Establishing clear protocols for employees returning from overseas, and also when an employee is presenting flu-like symptoms,
- Stopping business air travel,
- Restrictions on visitor access to sites,
- Applying rules for sales staff interacting with customers,
- Work from home arrangements where practical.

At this time, operating volumes are in line with forecast, however, it is too early to predict the extent of the flow on impact to the economy and to our business.

While it is hard to find positives in the current situation, there are a number of factors currently assisting Capral's business:

- Weaker AUD making local manufacturers much more competitive against imports,
- Some disruption to extrusion importers supply channels,
- Recent restructuring and rent reduction delivering lower cost base at Bremer Park,
- Recent automation and technology investments are delivering cost savings.

Due to the ever changing circumstances we find ourselves in, Capral is not in a position to provide an update on guidance at this time. However, we will update guidance as events develop and also plan to do so at our AGM on 29<sup>th</sup> April 2020.

Yours faithfully  
**CAPRAL LIMITED**



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