



PENRICE SODA HOLDINGS LIMITED

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Penrice reaffirms 2010 guidance

- **FY2010 underlying profit and cash flow in line with guidance**
- **Chemicals demand recovers in June quarter**
- **New mine plan delivers less inventory build**

Penrice Soda Holdings Limited (ASX:PSH) today announced that its preliminary unaudited accounts for the year ended 30 June 2010 show an underlying net profit after tax of \$5.3 million, in line with guidance provided in April 2010 of \$5 million to \$6 million and compares to \$9.0 million in the previous year.

As previously announced in April, Chemicals business demand was negatively impacted in the March quarter when reduced soda ash volumes were caused by unexpected, extended destocking by Penrice's principal glass manufacturing customers. Soda ash sales volumes are recovering to more normal levels. Bicarb sales volumes, negatively impacted in the March quarter by unseasonal wet weather reducing demand from Penrice's principal stockfeed customers, are also recovering. Penrice is well placed to capitalise on the market recovery, based on its customers' plans.

Net free cash flow for the year was negative \$7.4 million, which is a significant improvement on negative \$22 million in 2009. The result is consistent with recent guidance of negative \$7 million to negative \$9 million. The positive trend is expected to continue in 2011.

Quarry & Mineral Business inventory build in 2010 was \$6.4 million, in line with recent guidance and well down on the previous year's \$12.6 million. This reflects reduced overburden extraction and higher sales into civil markets. Overburden extraction rates are set to fall further from 2011 under a new five-year mine plan, with consequent increase in cash flow.

The Company is pleased to confirm that Penrice's mining operations will not be covered by the Federal Government's revised Minerals Resource Rent Tax scheme.

Following its capital raising in 2009, the Company had been in discussion with its banks regarding future funding arrangements. The Company has secured the in-principle support of its banking syndicate for an extension of its banking facilities for a further year until March 2013 and expects its revised banking agreements to be finalised in the near future.

The Company's full year audited results and a market update will be released on 26 August 2010.



About Penrice

Penrice Soda Holdings Limited (ASX code: PSH) is Australia's only manufacturer of soda ash and sodium bicarbonate and one of the world's largest sodium bicarbonate marketing companies. It also operates a limestone mine and is a significant supplier of industrial minerals and civil products.

The Company is committed to driving shareholder value through the manufacture and supply of a range of world-class products across a variety of industries and countries including packaging, building and construction, mining, detergents, food and personal care, stockfeed and environmental control/water purification.

For further information regarding Penrice Soda Holdings' Australian operations go to our website at www.penrice.com.au or contact:

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