



Our Ref: CO2 ASX Announce Media Release – 2011 Full Year Report Media Release (331)

28 November 2011

ANNOUNCEMENT 331

Company Announcements Office
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SYDNEY NSW 2000

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Dear Sir

CO2 Full Year Report Media Release

Enclosed is CO2 Group's media release outlining the highlights of the Final Report for the Full Year Ended 30 September 2011 released to the ASX earlier today.

Contact details for media are included at the end of the media release.

Yours faithfully
CO2 Group Limited

A handwritten signature in black ink, appearing to read 'Harley Whitcombe'.

Harley Whitcombe
Company Secretary

CO2 Group Limited

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CO2 Group well placed for growth with RECORD full year REVENUE AND EARNINGS

- Record revenue of \$35 million - up from \$27 million for 2010/11 (15 month period)
- NPAT of \$1.5 million
- EBIT of \$2.2 million
- Record cash position as at November 2011 - \$35 million and no debt
- Business successfully diversified with new trading and environmental services added
- Solid pipeline of new business opportunities being pursued

Melbourne, 28 November 2011: Environmental services company CO2 Group Limited ("CO2" ASX:COZ) today reported record full year net profit after tax (NPAT) of \$1.5 million for the full year ended 30 September 2011. This compares to a loss of \$3.34 million for the previous reporting period and represents a \$4.8 million turnaround in profit performance. Earnings before interest and tax (EBIT) was \$2.2 million.

CO2 took the decision to change its reporting period in FY2010, and as such, the FY2011 results compare to a 15 month period for the 2010 financial year. CO2's results for this year are therefore benchmarked against financial performance in the prior year that includes another quarter of trading.

Revenue of \$35 million was a record for the company (\$27 million FY2011) and the revenue growth was driven by a combination of increased demand for carbon forest projects and a diversification of CO2's activities into broader environmental and financial services, most notably through the launch of the carbon credits and renewable energy certificates trading business Carbon Banc™.

During the year the business successfully diversified its operations and this has transformed the company into a broader-based environmental services business with multiple revenue streams and growth platforms. These new service lines include the carbon credit trading business Carbon Banc™, forestry mapping and consulting services, carbon accounting, and site rehabilitation activities.

CO2 also successfully expanded the company's carbon sequestration operations with new projects secured in Australia and New Zealand. CO2 now has a total of 22,300 hectares of plantings being managed on behalf of clients, up from 17,900 hectares in the prior year and this will further expand with the 2012 contracted planting program. All customers remain supportive of and committed to their projects.

CO2's Chief Executive Officer Mr Andrew Grant said: "This has been a transformational year for CO2 Group – one in which we cemented our position as the leading Australian carbon and environmental services business with a range of complementary products and services.

"Whilst the Federal Government's legislation on the pricing of carbon has been a pleasing development, CO2's growth has been achieved prior to the passage of the carbon pricing legislation. Our growth to



date has been driven by servicing the needs of governments and blue chip organisations to assist them achieve their carbon offset strategies.

“Our revenue growth is particularly encouraging. This, and the conversion of listed options into shares this month, means CO2 now has cash on hand of \$35 million and no debt. This places us in a very strong position and gives us the flexibility to invest in our growth.”

Outlook

Andrew Grant added: “CO2 is in a strong position and our expanded range of services, our stable cost base and expanding blue chip customer base, supported by an enviable balance sheet, gives us the platform to deliver further growth rates FY2012.

“We have an active pipeline of new business opportunities across all our service lines, carbon plantings will definitely expand and we are reviewing other growth opportunities and potential acquisitions that complement CO2’s operations. With over 500 large carbon emitters in Australia looking at carbon offset strategies, we are very well placed to tap what is now a large, proven and established industry.”

-ENDS-

Issued by:

Andrew Grant: CEO, CO2 Group Limited

MEDIA CONTACTS

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