



Our Ref: CO2 ASX Announce Media Release – Half-Year Results Broadcast (346)

16 May 2012

Company Announcements Office  
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Level 6  
20 Bridge Street  
SYDNEY NSW 2000

ANNOUNCEMENT 346

**By ASX Online**  
**Number of pages: 4**  
(including this page)

Dear Sir

## **CO2 Group Limited Half-Year 2012 Results - Broadcast**

**CO2 GROUP LIMITED (COZ)** provides the opportunity to view a webcast with **Mr Andrew Grant, CEO** in a presentation titled "**CO2 Group delivers revenue growth and half year profit**".

**To view**, copy the following details into your web browser: [www.brrmedia.com/event/98019](http://www.brrmedia.com/event/98019)

The presentation details are as follows:

- ***CO2 Group delivers revenue growth and half year profit***
- ***Presented by Mr Andrew Grant, CEO***
- ***Wednesday, 16 May 2012 10:00am AEST***

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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## TRANSCRIPT

Board Room Radio, Andrew Grant Interview

*'CO2 Group delivers revenue growth and half year profit'*

16 May 2012

**James:** Today on BRR, I'm joined by Mr. Andrew Grant, the chief executive officer of the CO2 Group. Andrew, thanks for your time and welcome back to BRR.

**Andrew Grant:** Thank you, James. Nice to be with you.

**James:** Thank you for taking the time out. Andrew, you have published the company's half year results for the period ending 31st of March, 2012. And we've seen that you've had some solid revenue growth pushing up towards 38 million dollars and a net profit after tax at 1.6 million.

Can I get you to start by talking through what the drivers for the revenue growth and profit have been?

**Andrew:** Yes, we've been continuing to implement major projects and deals that we've won over a number of years. As we work through those projects, that's growing our revenue. And combined with that, we've been able to diversify the business into new markets and new services consistent with our strategy. You're seeing the benefits of that reflected in the revenue growth, and most critically, in the growth of net profit.

So, diversification into other environmental services, carbon trading, environmental markets, trading in some international expansion, as well. And like all of those things, the initiatives take a couple of years before they start to present themselves.

**James:** Just on those points, could you give us a bit more information on how you've diversified the business?

**Andrew:** Yes. Particularly so in the last, really, in the last 18 months, but it's starting to reflect in this half yearly, is that we expanded into functioning as a, taking on a banking function with Carbon Banc, which is acting as a principal in all aspects of environmental markets, so renewable energy certificates, large and small energy efficiency certificates and the other related instruments.

We trade those as principal, we buy them, small parcels, aggregate them and sell them. So, it's been a very significant uplift in our revenues as a response of that early investment, and we're seeing the benefit of that.

More than two years ago, expanded into New Zealand and took a view that the market there, our skills were transferable and that's very much going to plan and we're seeing the benefit of that with some major projects having been announced and the revenue's kicking in.

We're continuing to look at what the opportunities elsewhere are in Australia. For example, we recently announced our Australian financial services sublicense with ValueStream which gives us the ability to, A, comply with the Corporations' Act and the ability to put forward funded proposals to large

organisations that have a liability under the clean energy legislation and also, to be able to trade in derivatives and carbon credits.

**James:** Andrew, there's plenty of commentary at the moment around the introduction of a carbon tax, which is imminent. And also, I guess, the prospect of it being abolished should there be a change of government next year. How are you managing the business given that both scenarios are potentially in play?

**Andrew:** Well, I think the key thing is that every dollar of revenue we've won today has been in the absence of national carbon trading schemes. So, the debate about what form and shape and how it might evolve over the time is actually the opportunity, not the threat in our business.

Today, we've been very successful in demonstrating that there are companies that have a need to reduce their greenhouse gas emissions from a range of drivers. Those needs don't change, they really are in substantial long term requirements, irrespective of political heat around this topic.

The other perplexing thing about the debate is that we've got legislation now, and then, we have some prospectivity of that being changed to modify it at some point of time in a fashion and a level of detail that's not clear to anyone.

So, while that's challenging, the fundamentals remain the same, and that is that, as a country, we're growing in our emissions. As a country, we have only a few known technologies that reduce that emissions profile. There's a market need for those technologies. There are organisations willing to invest in them and deploy them, and we've been basically successful in securing that.

The key is that we just have to make sure that we're nimble and highly adaptive and ensure that our core companies are deployed to the best possible aspect of that market. I think the revenues and the earnings speak for themselves in that respect.

**James:** Andrew, with regard to taking those skills into new markets, what opportunities do you see? What activities are you undertaking?

**Andrew:** This year we've moved into some other states, expanded with the planting into Queensland, and we're adding new species into our mix to get ongoing geographic diversification and new clients. And we're actively well advanced at looking at opportunities that are presenting themselves in the international market.

Some distressed assets offshore that are very, of great interest to us, having a very close look at those. And also, as new markets emerge with South Korea and the tightening up of the European market and even the US market, our skills are highly transferable. So, we're very actively engaged at looking at opportunities offshore.

**James:** Andrew, just a final point beyond these results. What is the outlook for the business?

**Andrew:** Well, I'm confident the second six months will build on the success of the first six months. So, it should be a strong year for the company.



Most critically, all of the projects we've delivered to date have been delivered on time, on budget, totally to specifications. So, we've built a very strong performance track record with our clients' areas of diversification, synergistic with the relationships that we have with our clients. Because as their needs evolve, our ability to service them and expand upon them are growing accordingly. And expansion into other markets to give diversification within the business the number one priority.

So as new markets evolve and emerge, the diversified environmental services company, which is what we've become and there's still tremendous opportunity to get even bigger and expand further. So, it's very much the priority of the company at the moment.

James: Well, Andrew, thank you very much for taking the time to talk us through some of the activities that are driving the revenue growth and the recent profit that you've announced. We look forward to following further progress as you move towards the full year.

**Andrew:** Thank you very much, my pleasure. And nice speaking to you.