



PENRICE SODA HOLDINGS LIMITED

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Company Announcements
Australian Securities Exchange

Carbon Tax

Penrice Soda Holdings Limited (ASX: PSH) is disappointed with the Australian Government's carbon tax proposal, warning that it would damage Penrice's competitiveness and threaten jobs without reducing global carbon emissions.

Penrice Managing Director & CEO Guy Roberts said "the recent announcement is an unfair tax on Australian manufacturers and exporters. We are concerned that the proposed carbon tax fails to shield Australia's export sector and would leave Penrice at a disadvantage to international competitors."

"It is essential that Australia's contribution to the global effort to reducing greenhouse gas is proportionate to the action being taken by overseas competitors so as not to damage important trade exposed businesses such as Penrice's."

"Over the last ten years, Penrice has significantly reduced its carbon footprint through a variety of production efficiencies and by expanding its sodium bicarbonate plant operations, which effectively acts as a carbon sink. The company plans to continue to reduce its carbon footprint through further expansion of its sodium bicarbonate plant as market conditions permit."

In consideration of the announcement of a carbon tax effective from 1 July 2012, Penrice estimates the impact on Net Profit After Tax (NPAT) in the first year of the scheme would be about \$6M, without any assistance. No detail has been provided regarding assistance, however Penrice expects that it would receive the full assistance notionally being offered to emissions intensive trade exposed (EITE) entities. Penrice is recognised by the Australian Government as an EITE entity under its renewable energy target legislation. At the full assistance rate of 94.5%, the impact on NPAT would be \$0.5M per annum.

Mr Roberts commented "The timing of this proposed carbon tax is unfortunate, given the unprecedented 30% appreciation of the Australian dollar in the last 12 months, which has reduced Penrice's export revenues by a similar amount."

Mr Roberts said "It is essential that the Australian Government recognises that Penrice is exposed to international competition and Penrice must receive the full assistance being offered to trade exposed industry sectors."



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:

Guy Roberts, Managing Director & CEO

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