

NON-CONFIDENTIAL



COCKBURN CEMENT

Cockburn Cement



**Dumping Investigation
Quicklime from Thailand**



Cockburn Cement

- Capital intensive - circa \$xxxm invested in lime production facilities (3 kilns in WA)
- xxx direct employees + circa xxx indirect contractors
- Critical partner to WA industry – limited alternative options to lime
- Highly energy intensive / trade exposed
- Only remaining lime producer in WA (3 others have failed in last 10 years)
- Market share loss has materially impacted on production efficiencies, potentially forcing kiln closures / rationalisation



Dumping Time Line

Jan 2010	Dumped imported Quicklime entered WA
March – June 2010	Cockburn Cement reduced Quicklime selling prices to a large number of term contracted customers to compete with dumped imports which undercut Cockburn's selling prices
Oct 2011	Customs initiated a dumping investigation using an investigation period of July 2010 to June 2011 with knowledge of Cockburn's March-June 2010 price reductions due to the entry of dumped imports into the market – the grounds of the application
April 2012	Customs terminated their investigation after proving a high level of dumping (48%) and material injury (substantial profit reduction) on the ground that the material injury found could not be attributed to dumping as it occurred prior to the investigation period
June 2012	TMRO revoked Customs termination decision resulting in the investigation being reopened
May 2013	Customs terminated the investigation again suggesting even if injury during January-June 2010 could be linked to dumping, it was now deemed immaterial
August 2013	Anti Dumping Review Panel again revoked Custom's termination decision with the Anti Dumping Commission resuming the case

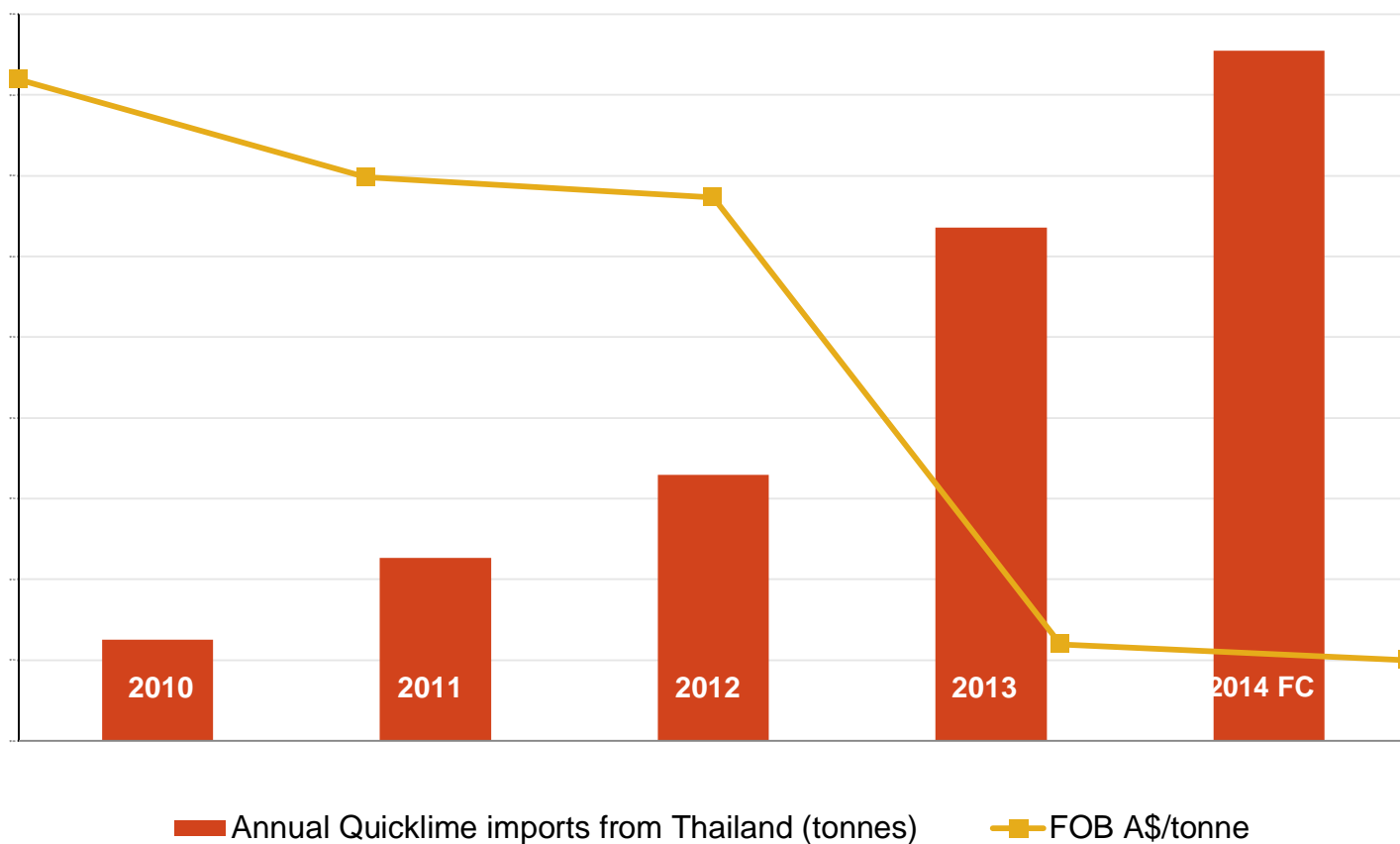


Key Facts

- Customs determined imports of quicklime from Thailand were dumped at a margin of 48%
- Customs determined that these imports had caused material injury to Cockburn Cement in the form of substantial profit reduction
- Despite these determinations, Customs chose to ignore the period March – June 2010, with the clear knowledge that this period was fundamental to the application
- Imports of quicklime from Thailand have grown by more than 500% since 2010, despite claims by Chememan to Customs of limited capacity
- The price of imports from Thailand has fallen by more than 10% since 2010, despite significant appreciation of the AUD
- 2014 Chememan sales represent ~20% of the WA non alumina market sector
- Chememan have now established long term quicklime contracts & have expanded their range to include hydrated lime
- The continued uncertainty and protracted period of the investigation has resulted in Cockburn Cement rationalising workforce numbers

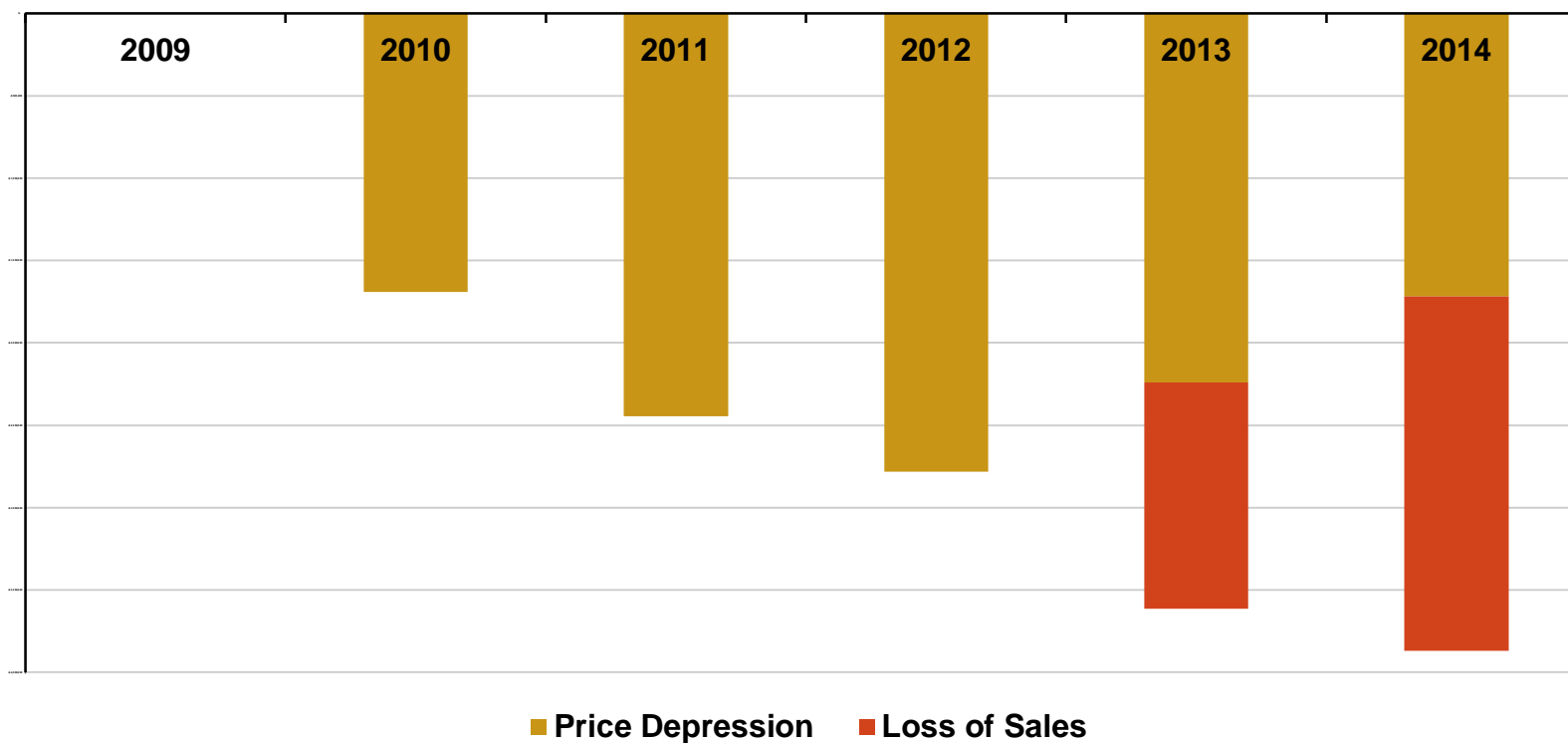


Quicklime Imports





Injury to Cockburn's EBIT





Cockburn Cement Dongara



Circa \$xxxm Capital Investment

400km North of Perth WA

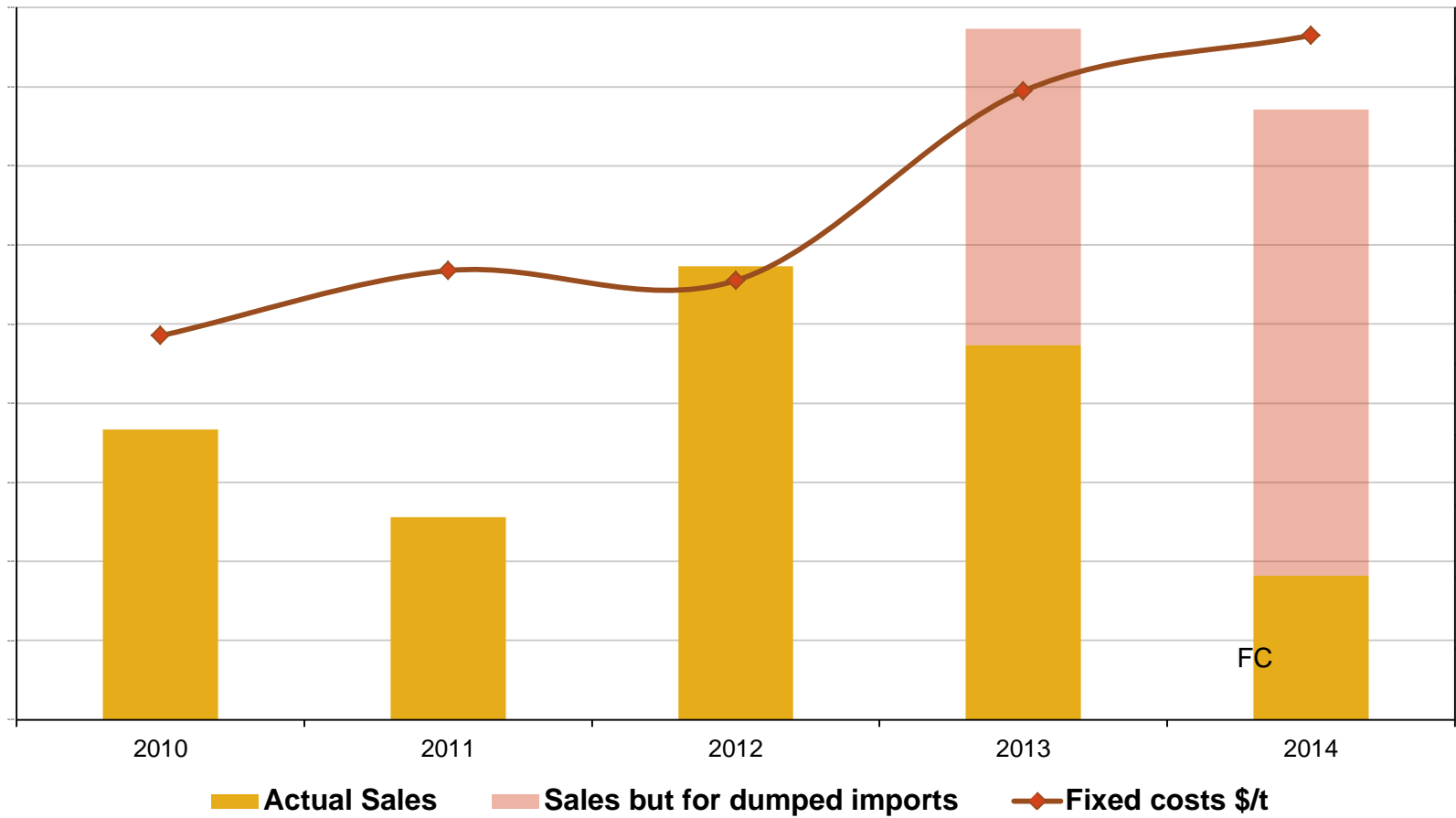
120,000 tonne per annum capacity

xxx local direct employees + contractors

Volume sensitive due to fixed costs



Dongara – Sales vs. Costs





Summary

- **Cockburn Cement has successfully operated in Western Australia for in excess of 55 years. Despite being a low cost producer, Cockburn is in an industry that is highly capital intensive, energy intensive, labor intensive, heavily environmentally regulated and volume sensitive.**
- **Cockburn Cement is not in any way anti fair competition from imported quicklime and does not seek any form of subsidy or special treatment from government. It does however firmly believe that existing Australian Customs laws, designed to protect domestic industry from dumped imports should be enforced as it has been established by this investigation that Cockburn has suffered material injury because of dumped imports.**