

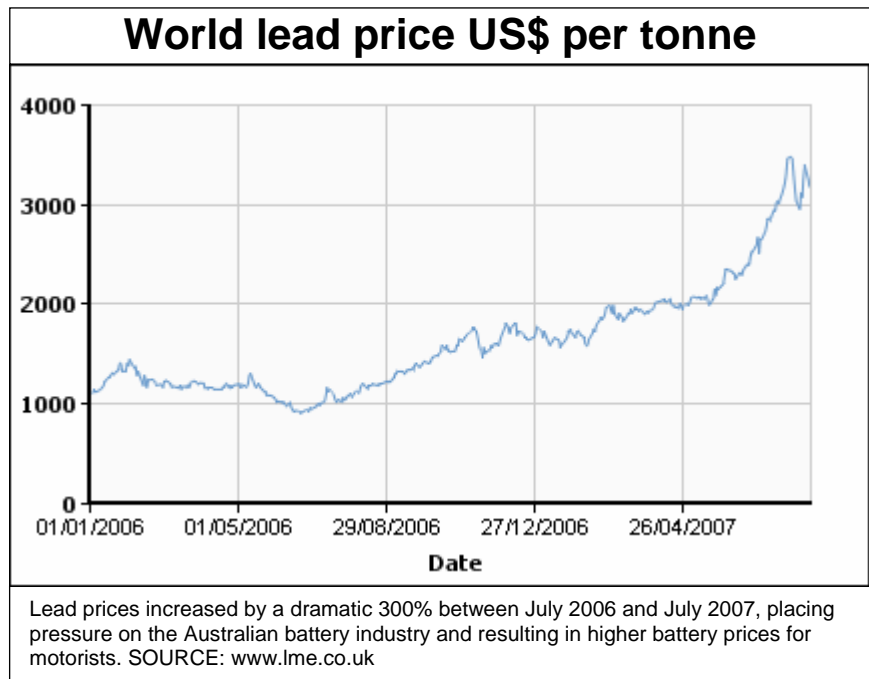
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## World lead price impacts on Australian motorists ...

*When you next purchase a battery for your car, motorcycle or boat, you may walk away feeling like you paid more this time compared to what you remembered paying last time . . .*

That's because lead, which is a major cost ingredient of a battery, has been increasing in price dramatically on the world market since 2006.

Since that time lead has increased a staggering 300% in value and continues to climb with no sign of relief in sight. Lead has always been a relatively stable commodity on the world market, and the price increase trend is forcing all manufacturers and resellers to constantly review their prices.



Lead, as with many other metals, is bought and sold on the London Metal Exchange in \$US per tonne. Until 2006, lead prices appeared to be steadily tracking at US\$1,000-1,200 per tonne. During the 12 months between July 2006 and July 2007 the metal increased dramatically and recently smashed through US\$3,000 per tonne for the first time ever.

As a result, Australian motorists may be left asking "Why has lead suddenly become a lot more expensive?" and "Why does this affect the price of batteries?"

During the last 12 months, demand from China and India has increased due to the growing car markets in those countries. On top of this, speculative buying by fund managers across

# Press Release

**Century Yuasa**

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the globe on a metal which many thought to be under valued has done nothing to improve the situation!

The main use of lead around the world is to manufacture batteries. Before the price hike, lead typically accounted for under half the cost of manufacturing a lead-acid battery. Now, under current lead prices, this cost component is closer to 60%. This percentage will increase as lead becomes more expensive.

Based on this it's no wonder that the increasing lead price is such a problem for battery retailers and manufacturers. With such global forces at play, and with no indication that prices will ease in the near future, battery retailers have had no choice but to pass on cost increases to consumers.

A spokesperson for leading Australian battery manufacturer, Century Yuasa Batteries, said that motorists should feel assured they are not being slugged with unnecessary price increases.

"The increasing price of lead is a world-wide problem that all manufacturers and resellers face. It doesn't matter who makes the battery or where it comes from, all parts of the battery supply chain will inevitably need to pass on these price increases to motorists. Unfortunately everyone is in the same boat on this one," said the spokesperson.

"Battery retailers have been forced to adjust their retail prices to recover their increased costs. It's not 'price gouging', rather it's in line with the global situation we're all in. In fact, many battery retailers are absorbing part of the costs by not passing on the full increases," he said.

Currently what we are seeing in the Australian market is that battery suppliers are adjusting prices at different times and by different percentages, a situation which could potentially create a lot of unnecessary confusion with motorists.

The Century Yuasa spokesperson said that the best way for motorists to feel comfortable through this market volatility is to choose reputable battery brands from reputable battery stockists.

"Resellers of our brands are kept up to date with the current situation and we supply Recommended Retail Prices to support any required price adjustments due to the rising cost of lead," he said.

For your nearest Century Yuasa brand stockist please call 132 287.

