



Interim results for the six months ended 30th
June 2005

7th September 2005

Presented by John Huntington, Chief Executive Officer
& David Williams, non-executive Chairman

Period Overview



- Atlantic Waste Holdings and Zero Waste Holdings successfully integrated as Augean
- Disappointing financial performance
 - Lower volumes of construction related waste
 - Delay in EA approval of monocells at Thornhaugh
- Volumes of chemical wastes improving
- Management focussed on driving volumes of construction related waste
- £8m acquisition of Proactive Waste Solutions Limited
- Pricing remains stable

Overall Performance



- Turnover of 12 million
- Operating profit before amortisation of £2.1 million
- Earnings per share before amortisation of 3 pence
- Loss per share of 1.5p
- Net cash inflow from operating activities of £2.5m

Consolidated Profit & Loss Account



	Six months ended 30 June 2005 £'000
Turnover	12,020
Cost of Sales	8,287
Gross Profit	3,733
Other Operating Charges	1,639
Operating Profit before Amortisation of Goodwill	2,094
Amortisation of Goodwill	3,129
Operating Loss	(1,035)
Interest Receivable	203
Interest Payable	(175)
Loss on Ordinary Activities before Taxation	(1,007)
Tax on Loss on Ordinary Activities	-
Retained Loss for the period	(1,007)
Loss per share	Pence
Basic and diluted	1.5

Consolidated Balance Sheet

	30 June 2005 £'000	31 December 2004 £'000
Fixed Assets		
Intangible Assets	50,048	51,614
Tangible Assets	59,566	59,491
	109,614	111,105
Current Assets		
Stock	1	1
Debtors	6,403	6,174
Cash	6,775	9,814
	13,179	15,989
Creditors: amounts falling due within one year	9,289	12,956
Net Current Assets	3,890	3,033
Total Assets less Current Liabilities	113,504	114,138
Creditors: amounts fall due after one year	290	379
	113,214	113,759
Provisions for Liabilities and Charges	1,742	1,430
Net Assets	111,472	112,329

Consolidated Cash Flow



	Six months ended 30 th June 2005 £'000	6 th August 2004 to 31 st December 2004 £'000
Net Cash Inflow/(Outflow) from Operating Activities	2,476	(444)
Net Cash inflow from Return on Investments & Servicing of Finance	28	16
Net Cash Outflow from Capital Expenditure & Financial Investments	(5,693)	(87,429)
Net Cash inflow from financing	150	97,671
(Decrease)/Increase in cash	(3,039)	9,814
Closing Net Funds	6,775	9,814

Divisional Analysis

Hazardous v's non-hazardous



For the six months ended 30th June 2005

	Volume/tonnes	Price £/tonne
Hazardous Waste	99,000	70.45
Non-hazardous waste	169,000	9.80

Legislation driving market



- 16th July 2004, EU Landfill Directive Implemented into UK Law
 - Special waste no longer able to be disposed of in open gate landfill
 - Co-disposal of waste becomes illegal
 - Increased number of wastes deemed hazardous
- 16th July 2005, implementation of the EU's Waste Acceptance Criteria
 - Requirement to treat waste prior to disposal at a hazardous landfill facility
 - Increased number of wastes deemed hazardous

Driving Volume



- Six seminars on the impact of WAC to hazardous Waste Producers
- Sales team established and trained - David Moore appointed Group Sales Director
- Augean testing laboratory
- Capacity at Port Clarence increased from 100,000 tonnes per annum to 500,000 tonnes
- £1.6m spent on cheaper, more efficient machinery
- Senior management focussed on driving volumes of construction waste

Strengthened team



- Andrew Bryce Non-Executive Director
- Denzil Baldwin Group Operations Director
- Gene Wilson Group Technical Director
- Paul Blackler Group Development Director
- David Moore Group Sales Director

Treatment



- In August 2004, we set out our strategy of complementary acquisitions
- 30th August 2005, £8million acquisition of Proactive Waste Solutions Limited
 - 2004 – turnover £4m
 - 2004 - EBITA £0.6m
- 2005 performance annualised EBITA of £1.0 million
- Introduction of WAC driving volume and prices
- Complementary to landfill businesses
- £1m capex to increase scope
- Board considering treatment and pre-treatment facility at Port Clarence
 - ~£5m of capex
 - Target completion Q3 2006

Outlook



- Volumes of chemical waste post WAC disruption
- Mono-cells at Thornhaugh update
- Several major construction waste jobs in pipeline
- Pricing visibility stable



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