



Pre-close trading update

Financial Year Ending 31 December 2006



Presented by

Roger McDowell – Interim - CEO

Peter Southby – Finance Director

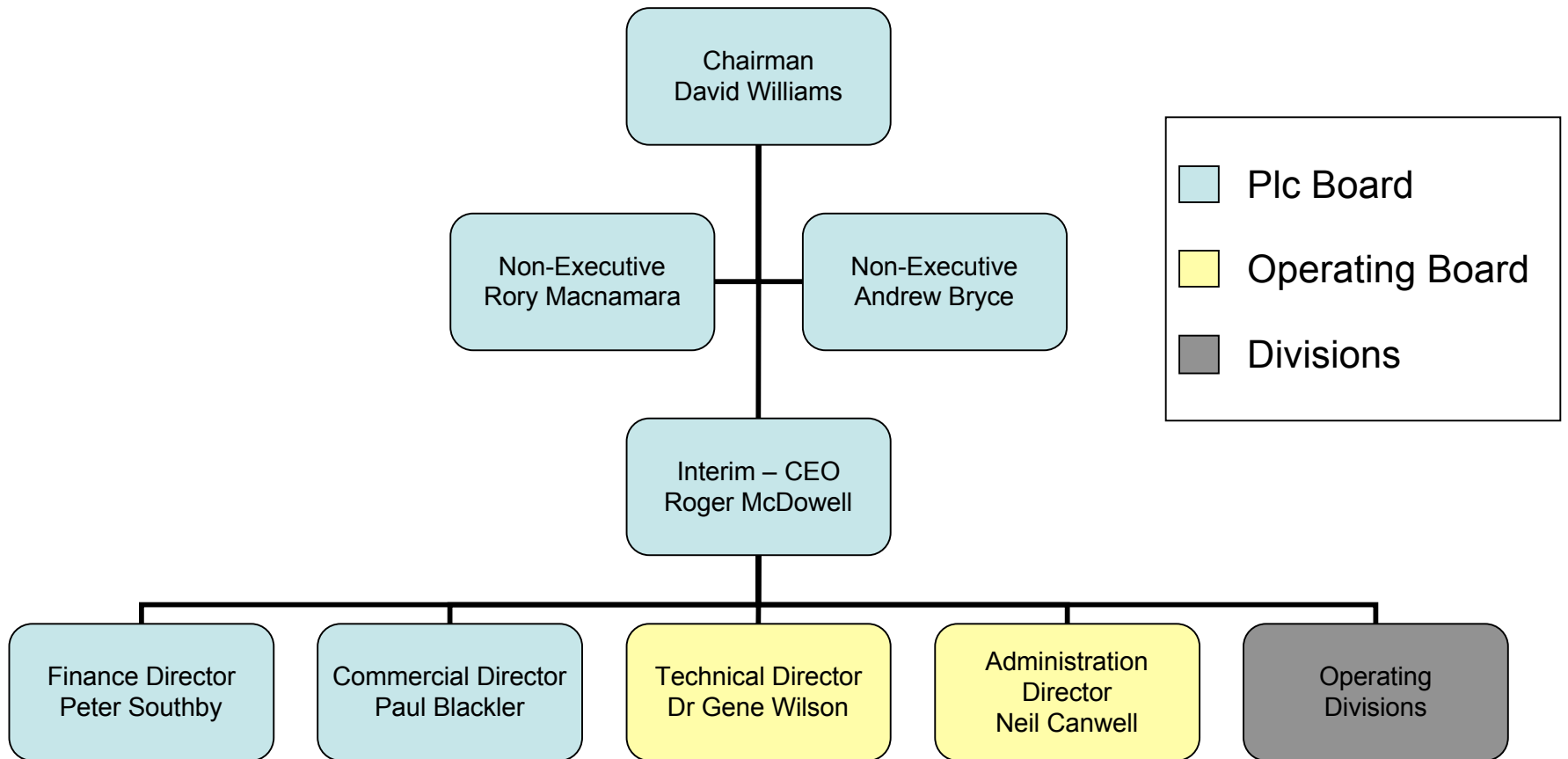
Paul Blackler – Commercial Director

History



- Established December 2004
- Largest hazardous waste landfill operator in the UK (3 hazardous landfills)
- Operator of hazardous treatment and transfer facilities (3 treatment & transfer facilities)
- Defined Development Strategy to achieve asset enhancement and strategic complementary acquisitions
- Specialist teams
- Legislation driven market with high barriers to entry
- Evolving markets
- Strong cash generative business with strong balance sheet

Management Team



- CEO recruitment update

2006 performance



- In-line with expectation (pre-exceptionals)
- Hazardous tonnes to landfill 240,000 (2005: 184,000)
- Treatment division integrating well
- Implementation year for full Landfill & Hazardous Waste Directive
 - ✓ Landfill Directive
 - Cessation of co-disposal
 - WAC, number of sites
 - Pre-treatment
 - ✓ Special Waste to new Hazardous Waste Regulation
 - New management system
 - Improved traceability
 - Further waste streams assigned as hazardous

The market - competition

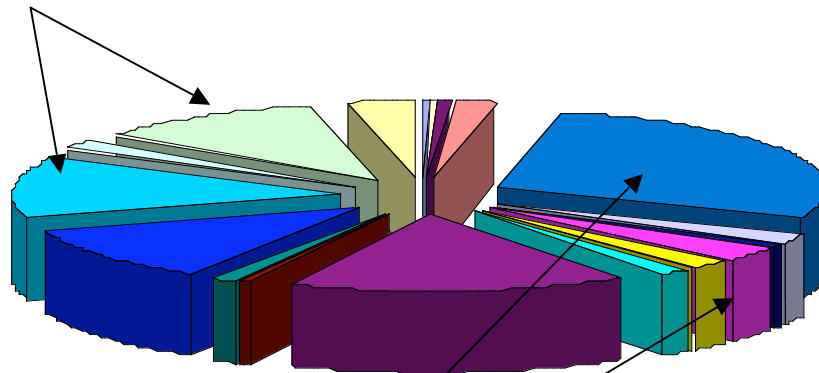


- Treatment market evolving quickly
- Opportunities arising as standards increased through permitting regime
- New statistics data base providing clearer market visibility
- Competition slow to react – domestic markets focus
- Hierarchy growth opportunities
- Major legislative impacts implemented
- Stabilising effect in the market
- Regulatory Authorities more focused on hazardous waste

Hazardous waste statistics

**Hazardous Waste July 05 - 06
by EWC Code**

Direct landfill markets

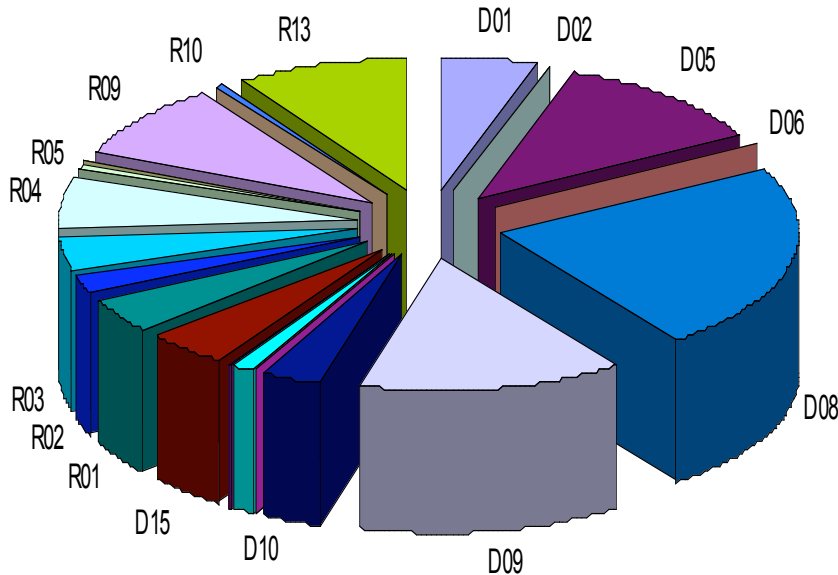


Growth markets
for example; Waste oil, organics & treatment residues

- Mining
- Agriculture
- Wood
- Textiles
- Petroleum refining
- Inorganic chemicals
- Organics
- Paints/varishes/sealants
- Photographic waste
- From thermal processes
- Surface treatment - metals/plastic
- Shaping/phy/mech surface treatment
- Waste Oils
- Waste solvents/refrigerants/propellants
- Packaging
- Waste not otherwise specified
- Contaminated Soil
- Health care & research
- Treatment residues (inc APCR)
- Municipal

Source: EA hazardous waste data base – pre-qualified

Disposal & Recycling assignment



Total market for period 4.97M tpa

Source: EA hazardous waste data base – pre-qualified

R & D Code	Method of disposal	Total/ te
D08	Release into seas / oceans (including sea bed insertion)	1,139,132
D09	Biological treatment not specified elsewhere in this annex which results in final mixtures or compounds which are discarded by means of any of the operations numbered D01 – D12	722,369
D05	Specially engineered landfill	582,350
D01	Deposit into or onto land (e.g. landfill etc)	268,287
D15	Storage prior to submission to any of the operations numbered D1 – D13	213,070
D10	Incineration on land	155,698
D13	Blending or mixing prior to submission to any of the operations numbered D1 to D12	56,964
D14	Repackaging prior to submission to any of the operations numbered D1 – D12	14,274

What the statistics demonstrate





- Hazardous waste total market still circa 5M tpa post Directive implementation
- Disposal activities constitute circa 70% of waste routing
- Hazardous landfill market size circa 1,000,000 tpa (D01 + D05)
- Augean achieving circa 25% hazardous landfill market share
- Large opportunities in developing facilities to access further volumes from treatment, thermal and recycling activities

Strategy Review

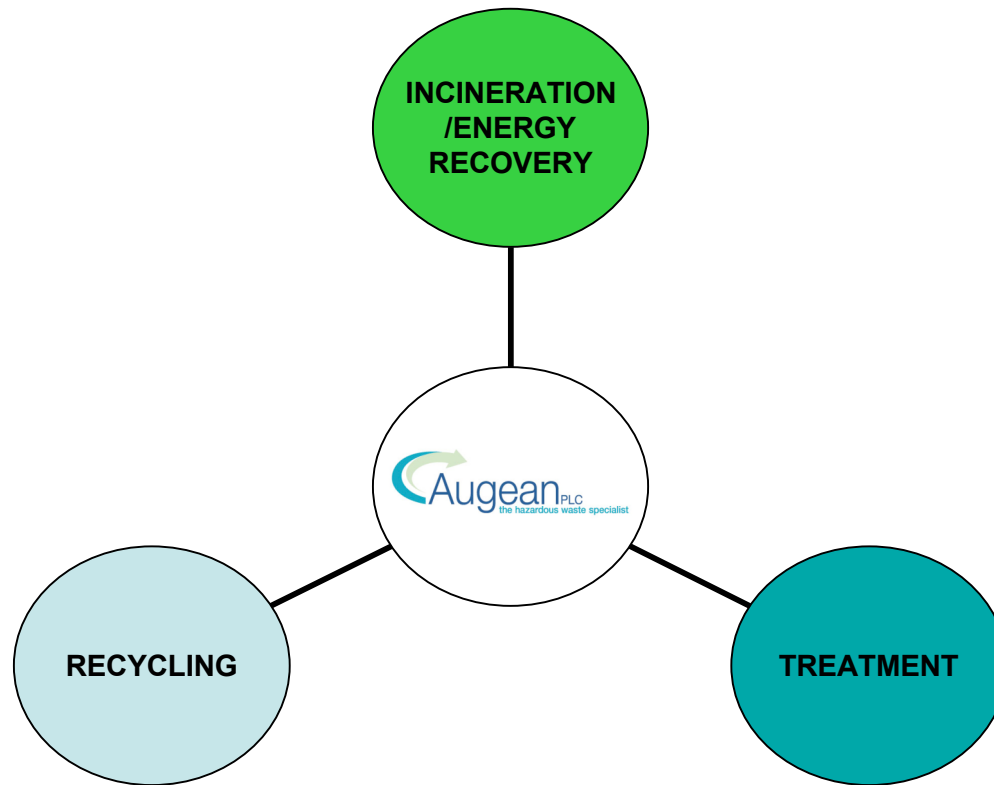


- Strategic review announced to the market 20th October 2006
- Review of asset valuation (including void) currently underway by MJCA
- Conclusions to be announced with final results

Opportunities

-  LONDON 2012
-  terramundo
- Buncefield
- Treatment consolidation
- Technologies review
- Visibility & pipeline
- Stabilising effect
- Strategic locations
- Specialisation

Growth Markets



Outlook



- Pricing firm but large land remediation projects may influence
- Slight weakening of sales mix post full Directive implementation
- Further consolidation in treatment
- New executive management team driving the business
- Hierarchy development strategy – value added