



Results for the 17 months ended
31st December 2005

March 2006

Presented by John Huntington, Chief Executive
& David Williams, Chairman

Period Overview



- Unexpected reduction in volumes which recovered towards the end of the financial period
- Delay in EA approval of monocells at Thornhaugh
- Operational management team now strengthened
- £8m acquisition of Proactive Waste Solutions Limited integrated as Augean Treatment and delivered anticipated profit
- Pricing remains stable
- New financial year started encouragingly

Overall Performance



- Turnover of £26.1 million
- Operating profit of £3.7 million before amortisation of £10.1 million
- Net cash inflow from operating activities of £ 7.3 m

Consolidated Profit & Loss Account



	17 months ended 31 December 2005 £'000	Year ended 31 December 2005 £'000
Turnover	26,113	25,235
Cost of Sales	(18,025)	(17,586)
Gross Profit	8,088	7,649
Administrative expenses	(4,400)	(3,755)
Operating Profit before Amortisation of Goodwill	3,688	3,894
Amortisation of Goodwill	(10,080)	(9,685)
Operating Loss	(6,392)	(5,791)
Interest Receivable	287	260
Interest Payable	(565)	(554)
Loss on Ordinary Activities before Taxation	(6,670)	(6,085)
Tax on Loss on Ordinary Activities	(1,380)	
Retained Loss for the period	(8,050)	
Loss per share (p)	(16.41)	

Consolidated Balance Sheet

	31 December 2005 £'000
Fixed Assets	
Intangible Assets	85,812
Tangible Assets	29,547
	115,359
Current Assets	
Stock	1
Debtors	6,870
	6,871
Creditors: amounts falling due within one year	(9,838)
Net Current Liabilities	(2,967)
Total Assets less Current Liabilities	112,392
Creditors: amounts fall due after one year	(335)
Provisions for Liabilities and Charges	(7,336)
Net Assets	104,721

Consolidated Cash Flow



	17 months ended 31 December 2005 £'000
Net Cash Inflow from Operating Activities	7,316
Net Cash Outflow from Return on Investments & Servicing of Finance	(278)
Net Cash Outflow from Capital Expenditure & Financial Investments	(4,589)
Acquisitions and Disposals	(64,674)
Financing	61,496
Decrease in cash	(729)
Net Debt at 31 December 2005	(3,591)

Landfill Division



- Augean Landfill made an operating profit of £ 3,327 m*
- Improved steadily throughout the second half of 2005
- Granted a Pollution Prevention Control permit to operate the SNRHW monocells at Thornhaugh
- Planning issues have been regularised at King's Cliffe
- Secured from the EA an increase in the annual licensed inputs for hazardous waste from 100,000 to 500,000 tonnes at Port Clarence
- Plant replacement programme worth a total of £1.6million

* Operating profit before the amortisation of goodwill and other intangible assets

- Acquisition of Proactive Waste Solutions Limited for £8 million
 - Licensed site covering approximately 4,500 square metres
 - Proactive has been re-branded Augean Treatment
 - Augean Treatment made an operating profit of £361,000*
- * Operating profit before the amortisation of goodwill and other intangible assets

Legislation driving market



- 16th July 2004, EU Landfill Directive Implemented into UK Law
 - Co-disposal of waste in the same landfill becomes illegal
 - Increased number of wastes deemed hazardous
 - Introduction of requirement to pre-treat waste unless this is of no practical environmental benefit

- 16th July 2005, implementation of the Waste Acceptance Criteria
 - Used by landfill operators to decide whether they can accept waste
 - Increased number of wastes deemed hazardous

- Other recent changes in legislation affecting hazardous waste:
 - Waste Oil Directive (WOD)
 - Waste Incineration Directive (WID)
 - End of Life Vehicle Legislation (ELV)
 - Agricultural Waste Regulations
 - Hazardous Waste Producers Registration

Management



- Operational management
 - Added a depth and experience of management to drive volumes - David Moore as Sales Director, Chris Page as head of sales for construction related wastes
 - Capacity to make further acquisitions and move the company forward - Dr Gene Wilson as the Company's Group Technical Director and Donald MacPhail as Group Operations Director

- At Board level
 - Andrew Bryce appointed as non-executive Director
 - Gary Downey left - interim finance director Clive Gilham immediately in place

CSR Report



- Augean issuing a Corporate Social Responsibility (CSR) report to all stakeholders
- Achieved most of its CSR targets for 2005
- Firm objectives set for 2006
- Invested in the communities in which the Company operates
- Local donations through the Landfill Tax Credit Scheme
- Open days at the landfill sites
- Local communities more supportive

Developments



- Opening of a purpose built laboratory at King's Cliffe
- Increasing throughput at the treatment facility in Cannock by the introduction of 24hour working
- Increasing types of waste handled at the treatment facility in Cannock by constructing a pilot plant to consolidate hazardous waste streams
- Developing treatment and pre-treatment facilities at our Port Clarence facility
- Developing a treatment facility at a third party facility in the Yorkshire region
- Introducing wharfage facilities at Port Clarence to enable us to capitalise on lack of hazardous facilities in southern England
- Closure on schedule of Marks Quarry in April 2006 – modest revenue streams from Landfill Gas Royalties

Outlook



- Trading in January and February 2006 has been encouraging
- Volumes of hazardous waste across our landfill and treatment businesses have been improved
- Market becoming more comfortable with the changes in legislation brought in during July 2005
- Monocells at Thornhaugh, which will come on-stream in the second quarter of 2006
- Consider EPS enhancing acquisitions to increase range of services
- Strong cash flows and experienced management team leaves us well positioned to take advantage of the opportunities in this fast developing market place



Results for the 17 months ended 31st December
2005

March 2006