



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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