



Interim results for the six months ended 30<sup>th</sup>  
June 2006

**September 2006**

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

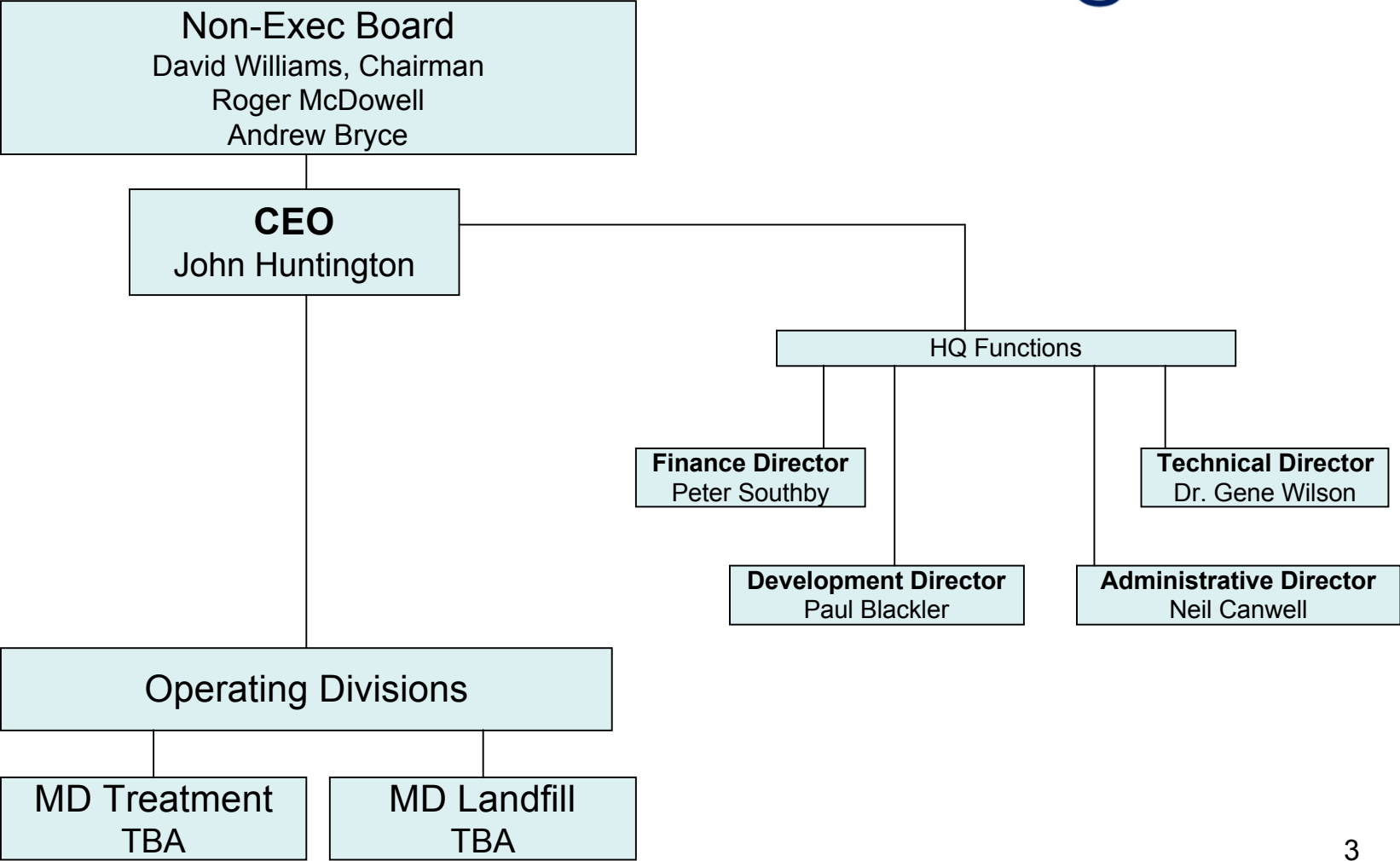
# History

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- Cash shell listed on AIM in September 2004
- Acquired Atlantic Waste and Zero Waste in December 2004
- Atlantic and Zero re-branded Augean
- Acquisition of proactive Waste Ltd in August 2005
- Augean Treatment formed in May 2006 following acquisition of Credential Hazardous business

# Management team



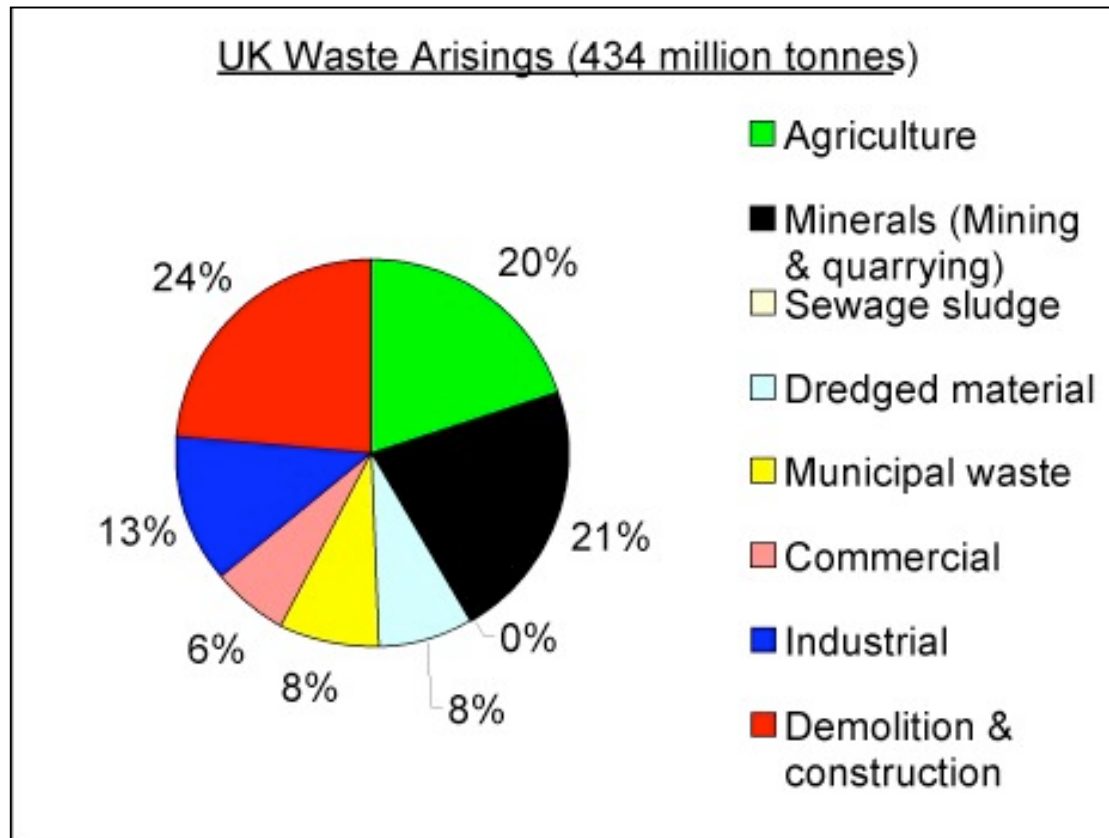
# Legislative drivers

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- 16<sup>th</sup> 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
  
- 16<sup>th</sup> 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

# Total UK waste market



# UK Haz waste market

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- UK Haz waste market in 2005 was 5 million tonnes
- 700,000 tonnes going 'missing'\*\*

*Source: Augean Plc*

**\*\*Source: ENDS REPORT**

# Augean's market position

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- Augean's total landfill capacity circa 900,000 tonnes per year
  - Port Clarence
    - Volume capacity per annum 500,000 tonnes
    - Void Capacity 8 million cubic metres
  - Kings Cliffe
    - Volume capacity per annum 250,000 tonnes
    - Void capacity 1 million cubic metres
  - Thornhaugh
    - Volume capacity per annum 150,000 tonnes
    - Void capacity 1 million cubic metres
- Potential market share of hazardous landfill market >30-35%
- Market share of treatment & transfer market currently 7%, increasing to 10% by end of 2006

# Augean's market position

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- Since IPO, no further major hazardous waste landfill sites permitted
- Barriers to entry high – planning permission, permits and capital expenditure
  - Hazardous waste treatment sector very fragmented
  - Augean the only major consolidator
- Estimated wide-range hazardous landfills (50kt-plus)



# Strategy

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- Focus on “hazardous” waste from third party treatment plants
- Target 3 to 5 year contracts with civil contractors, waste producers, and waste management collection companies
- Development of existing treatment assets over the next two years:
  - Cannock- full scale plant
  - Hinckley- hazardous MRF
  - Worcester-increased process capacity
- Trans frontier shipment through treatment divisions and Terramundo
- Alternative waste treatment technologies as and when they become viable

# Period Overview

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- Period of expansion for Group
- Sound financial performance
  - Strong volumes of construction related waste
  - Volumes of chemical wastes set to improve
- Operational management structure and team in place
- Acquisition of Credential Hazardous Waste for £8.13m
- Proactive Waste and Credential Waste integrated as Augean Treatment
- Pricing remained stable

# Overall Performance

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- Turnover of £13.9million
- Operating profit before amortisation of £1.9million
- Earnings per share before amortisation of 2.31pence
- Loss per share of 5.69 pence
- Net cash inflow from operating activities of £1.7m
- Hazardous waste tonnage: 124,480t

# Consolidated Profit & Loss Account



	Six months to 30 <sup>th</sup> June 2006 £000	6 August 2004 to 30 June 2005 £000
<b>Turnover</b>	13,868	12,898
<b>Cost of Sales</b>	(9,368)	(8,726)
<b>Gross Profit</b>	4,500	4,172
<b>Other Operating Charges</b>	(2,561)	(2,284)
<b>Operating Profit before Amortisation of Intangible Assets</b>	1,939	1,888
Amortisation of Intangible Assets	(5,244)	(3,367)
<b>Operating Loss</b>	(3,305)	(1,479)
Interest Receivable	-	230
Interest Payable	(424)	(186)
<b>Loss on Ordinary Activities before Taxation</b>	(3,729)	(1,435)
Tax on Loss on Ordinary Activities	-	-
<b>Retained Loss for the period</b>	(3,729)	(1,435)
<b>Earnings per share before amortisation</b>	2.31Pence	4.82Pence
Basic and diluted	(5.69)Pence	(3.60)Pence

# Consolidated Balance Sheet

	30 <sup>th</sup> June 2006 £'000	31 <sup>st</sup> December 2005 £'000
<b>Fixed Assets</b>		
Intangible Assets	89,467	86,488
Tangible Assets	29,386	29,547
	<b>118,853</b>	<b>116,035</b>
<b>Current Assets</b>		
Stock	1	1
Debtors	7,158	6,870
	<b>7,159</b>	<b>6,871</b>
<b>Creditors: amounts falling due within one year</b>	(10,136)	(9,838)
<b>Net Current liabilities</b>	<b>(2,977)</b>	<b>(2,967)</b>
<b>Total Assets less Current Liabilities</b>	<b>115,876</b>	<b>113,068</b>
<b>Creditors: amounts fall due after one year</b>	(8,350)	(335)
<b>Provisions for Liabilities and Charges</b>	(5,822)	(7,336)
<b>Net Assets</b>	<b>101,704</b>	<b>105,397</b>

# Consolidated Cash Flow



	Six months ended 30 <sup>th</sup> June 2006 £'000
Net Cash Inflow from Operating Activities	1,674
Return on Investments & Servicing of Finance	(443)
Taxation	(131)
Capital Expenditure & Financial Investments	(2,239)
Acquisitions and Disposals	(8,515)
Net Cash inflow from financing	10,000
(Decrease)/Increase in cash	346
Net Debt	(13,362)

# Analysis of Debt

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	<b>30<sup>th</sup> June 2006</b> <b>£'000</b>
<b>Term loan</b>	(10,000)
<b>Bank overdraft</b>	(1,155)
<b>Debt factor advances</b>	(1,785)
<b>Hire purchase</b>	(422)
	(13,362)

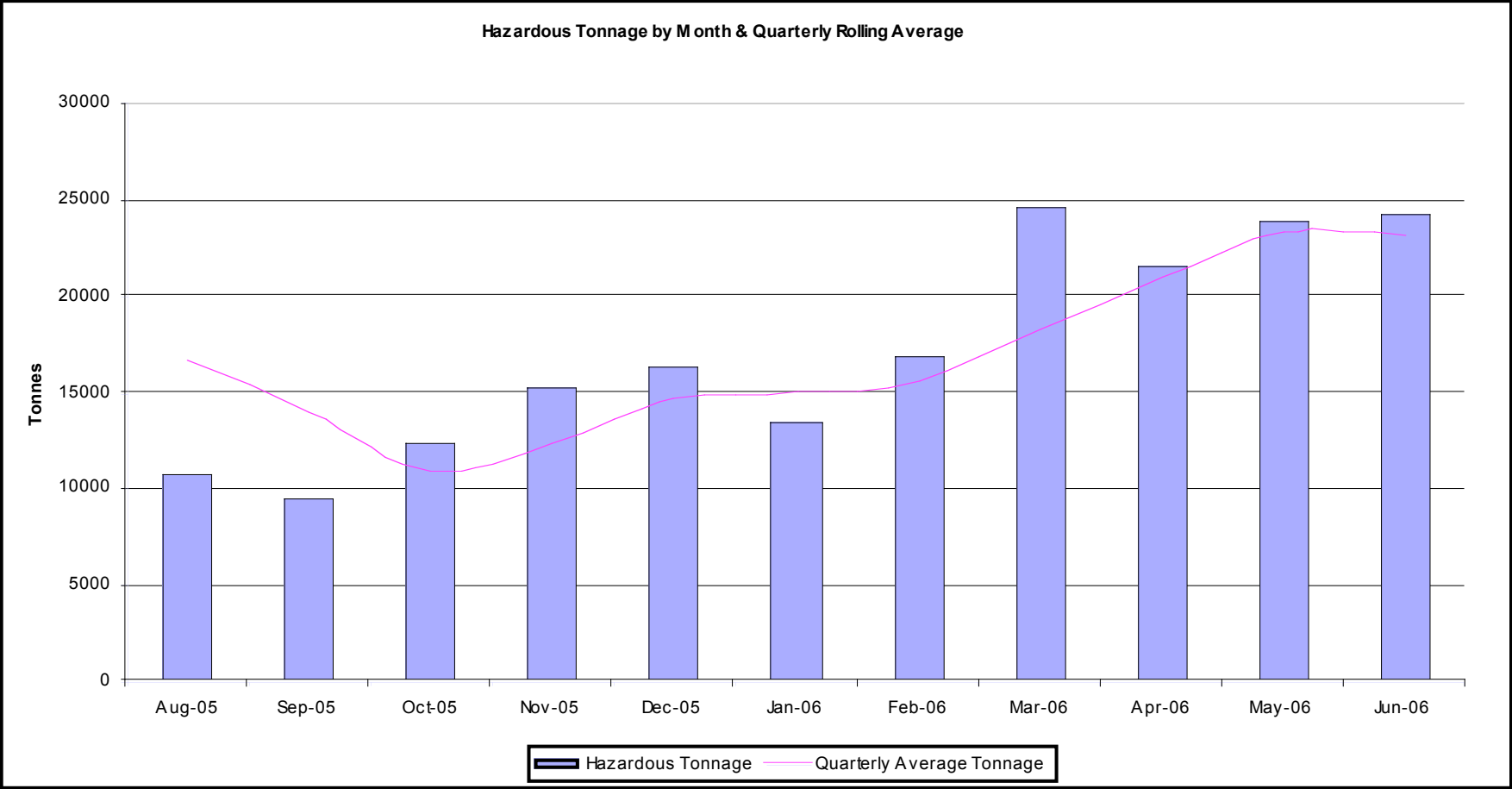
# Volume growth

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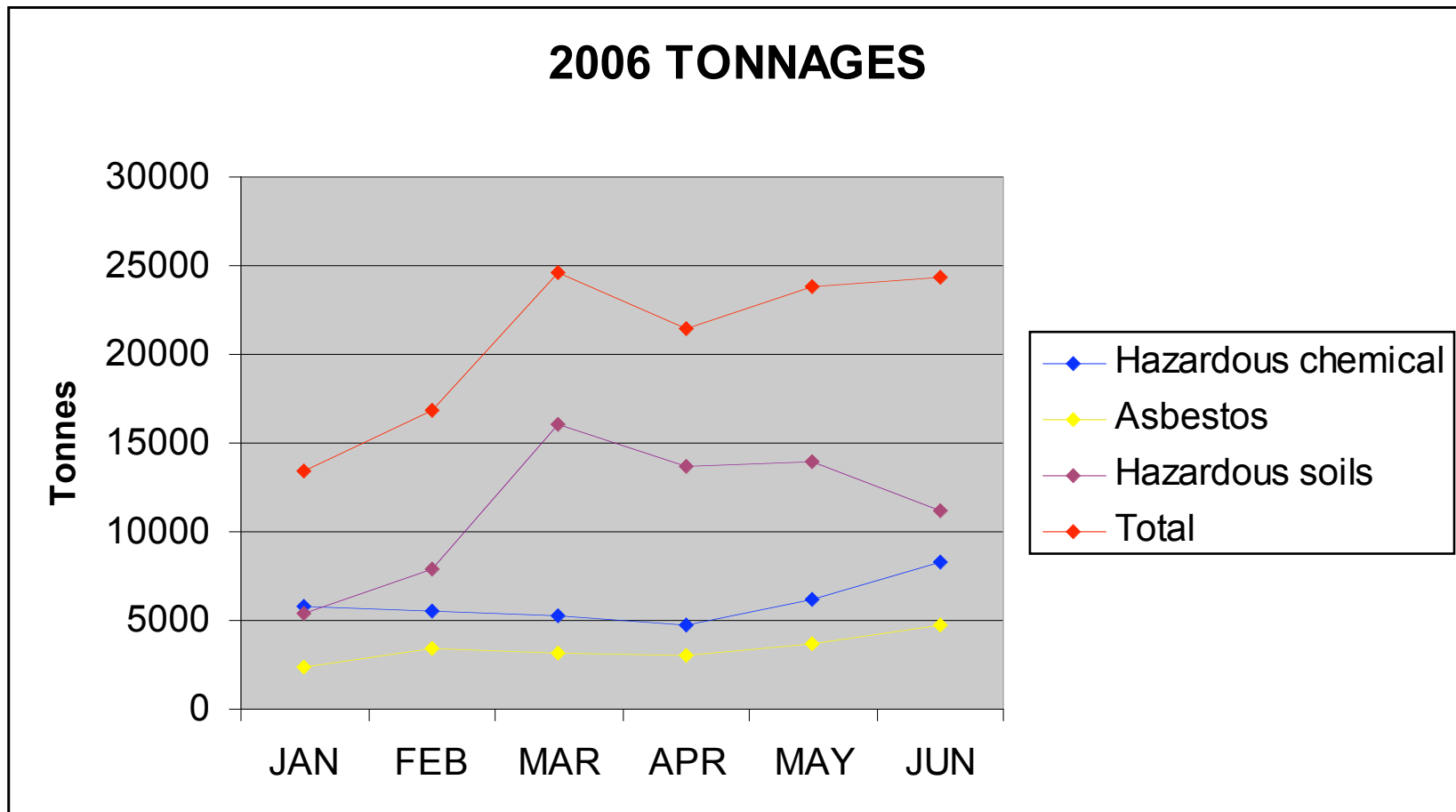




# Monthly volumes



# Volumes per waste stream



# Landfill Division

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- Augean Landfill made an operating profit of £ 1.4 m in H1 2006
- Improved steadily throughout H1
- Monocells at Thornhaugh on-stream
- New input facility at King's Cliffe for the testing and inspection of hazardous waste streams

# Treatment Division

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- Augean Treatment made an operating profit of £ 0.54 m in H1 2006
- Successful integration of Proactive Waste Solutions Limited
- Acquisition of Credential Hazardous Waste - collection and transfer for £8.13 million
- Early synergies with Proactive Waste Solutions identified
- Terramundo JV announced with Netherlands based DEC

# Opportunities

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- Buncefield
- Olympic site
- Further consolidation of the treatment market
- Further leveraging existing landfill assets
- Terramundo

# Outlook

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- Visibility of contaminated soil sales in H2 2006 and H1 2007
- Volumes of hazardous waste across our landfill and treatment businesses have been encouraging
- Terramundo to begin trading in January 2007
- Consider further 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