



Preliminary results for the year ended
31 December 2006

March 2007

Presented by:

Roger McDowell – Acting CEO (Oct 2006 – Mar 2007)

Peter Southby – Finance Director

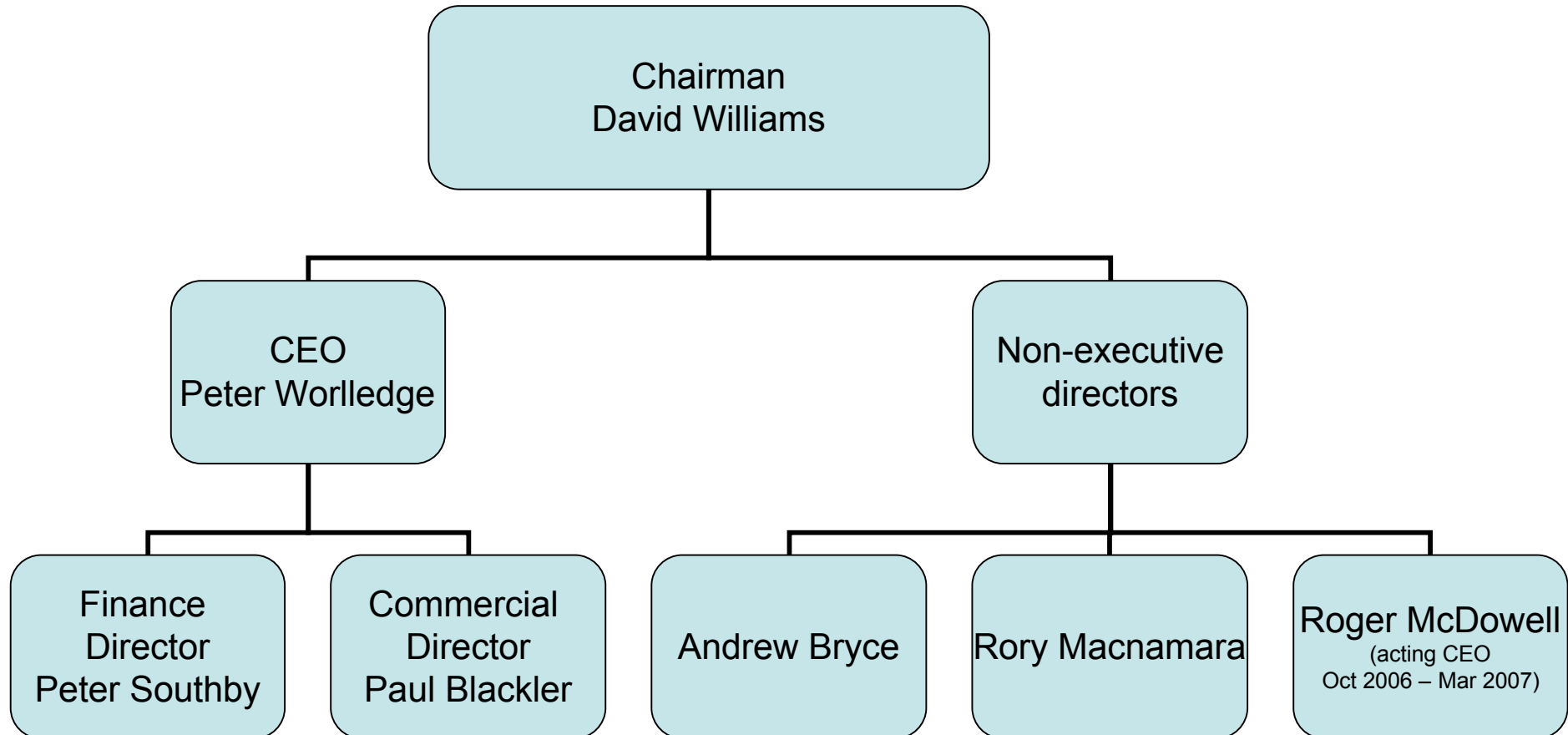
Peter Worlledge – CEO (appointed Mar 2007)

History



- Established two years ago
- Acquired landfill assets in December 2004
- Acquired treatment & transfer assets in August 2005 and May 2006
- Operating as two divisions but one integrated business offer
- Cash generative business with strong balance sheet
- Development programme to seek opportunities from the implementation of new legislation
- Impacts on sector significant
- Transitional market unstable
- Developed additional services

Plc board



UK hazardous waste market

- Full impact of regulatory changes concluded July 2006
- Hazardous market size from first set of statistics >4m tonnes p.a.; waste destined for hazardous landfill 1m tonnes p.a. (Augean estimate)
- Economic drivers providing stronger price policies
- Impacts from regulations demonstrating lack of immediate capacity for certain waste streams
- Regulator evaluating the market and setting timescales for alternative technology driven infrastructure to come online
- Further consolidation in market
- Hierarchy growth opportunities
- Stabilising effect in market

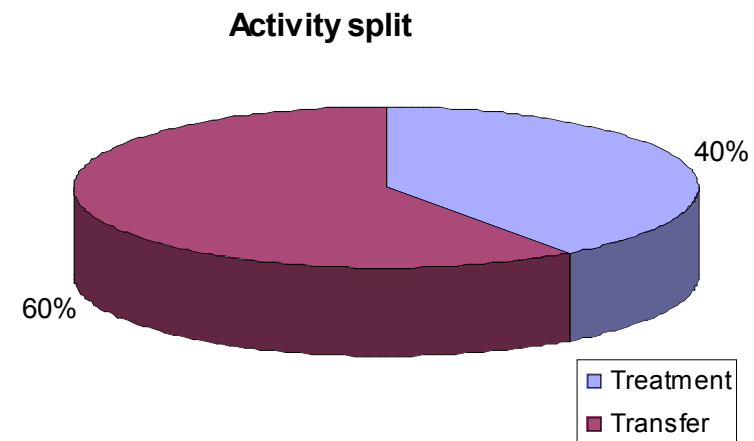
Augean's market position



Landfill division

Treatment division

Site	Hazardous void capacity	Permit capacity (tpa)
King's Cliffe	0.8m m ³	250,000
Thornhaugh	0.6m m ³	175,000
Port Clarence	5.6m m ³	500,000



- 241,000 tpa 2006 from a market of circa 1m tpa
- Conversion to hazardous creating 7m m³ consented void
- Further land bank opportunities
- No new capacity on line elsewhere in market
- Competition's void space declining

- 3 integrated operating sites
- Pilot plants increasing treatment capacity
- Outsourcing under review
- Opportunities in further treatment technologies
- Site expansion plans underway

Period overview



- Review of assets and strategy completed
- New management team appointed
- Transitional period characterised by market uncertainty
- Acquisition of Credential business
- Terramundo land remediation centre under construction at Port Clarence, Teesside
- Laboratory Services operational from April 2006
- Hazardous void increased to 7.0m m³ out of total void of 8.3 m³

Financial highlights



- 14% increase in turnover excluding landfill tax to £21.4m
- 2% increase in turnover to £26.6m
- 24% increase in operating profit before goodwill amortisation and exceptional items to £4.6m
- 4% increase in profit before tax, goodwill amortisation and exceptional items to £3.6m
- Interest cover 4.9 times
- 35% increase in adjusted earnings per share to 5.6p
- 37% increase in operating cash flow before provisions to £10.3m
- Net debt at £10.9m and gearing of 11%

Profit & loss account



		2006 £'000	2005 £'000
Turnover	+2%	26,561	26,113
Turnover excluding landfill tax	+14%	21,444	18,875
Gross profit	+19%	9,619	8,088
Operating profit pre goodwill amortisation & exceptionals	+24%	4,577	3,688
Exceptional items		(623)	-
Goodwill amortisation		(10,405)	(10,080)
Operating loss		(6,451)	(6,392)
Finance costs		(1,020)	(278)
Loss before tax		(7,471)	(6,670)
Profit before tax, goodwill amortisation & exceptionals	+4%	3,557	3,410
Tax		89	(1,380)
Retained loss		(7,382)	(8,050)
Basic and diluted loss per share	-31%	(11.3p)	(16.4p)
Adjusted earnings per share*	+35%	5.6p	4.1p

* Adjusted for goodwill amortisation and exceptionals

Balance sheet



	2006 £'000	2005 £'000
Goodwill	84,390	85,812
Tangible fixed assets	28,963	29,547
Debtors	6,034	6,871
Creditors	(7,018)	(6,582)
Provisions	(4,084)	(7,336)
	108,285	108,312
Shareholders' funds	97,398	104,721
Net debt	10,887	3,591
	108,285	108,312

Gearing	11%
Interest cover	4.9 times
Facility	£29m

Cash flow

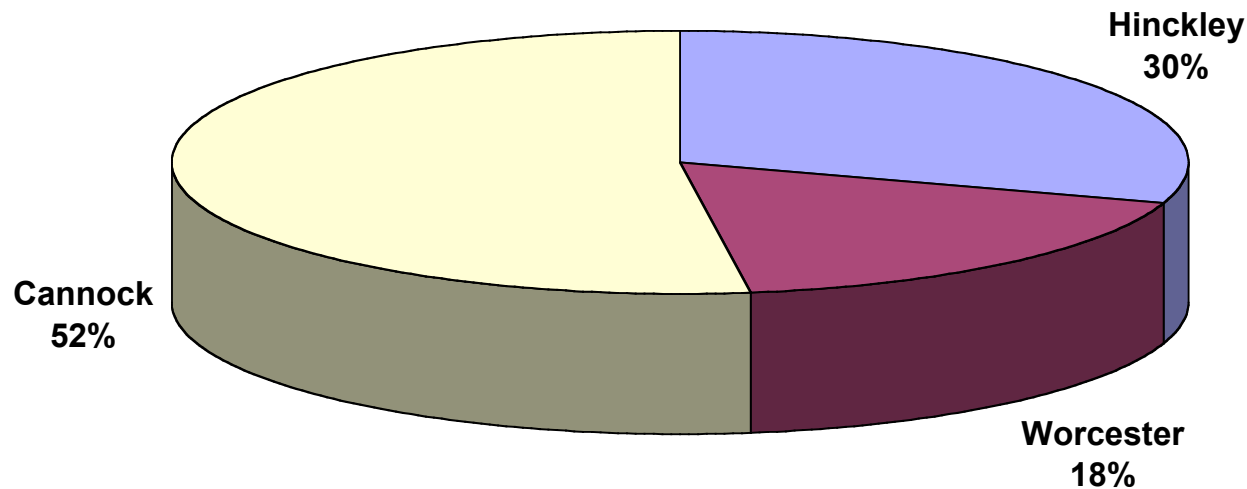


	2006 £'000	2005 £'000
EBITDA	8,696	8,909
Working capital	1,646	(1,358)
Operating cash flow before provisions	10,342	7,551
Provisions	(4,073)	(235)
Operating cash flow	6,269	7,316
Tax & interest	(1,108)	(278)
Capital expenditure	(1,345)	(4,589)
Free cash flow	3,816	2,449
Acquisitions	(11,112)	(103,748)
Shares issued	-	97,708
Movement in net debt	(7,296)	(3,591)

Treatment division



- Turnover of £8.1m, including acquisition contribution of £3.2m
- Operating profit of £1.4m, including acquisition contribution of £0.6m
- Credential acquisition completed in May 2006 for £10.7m



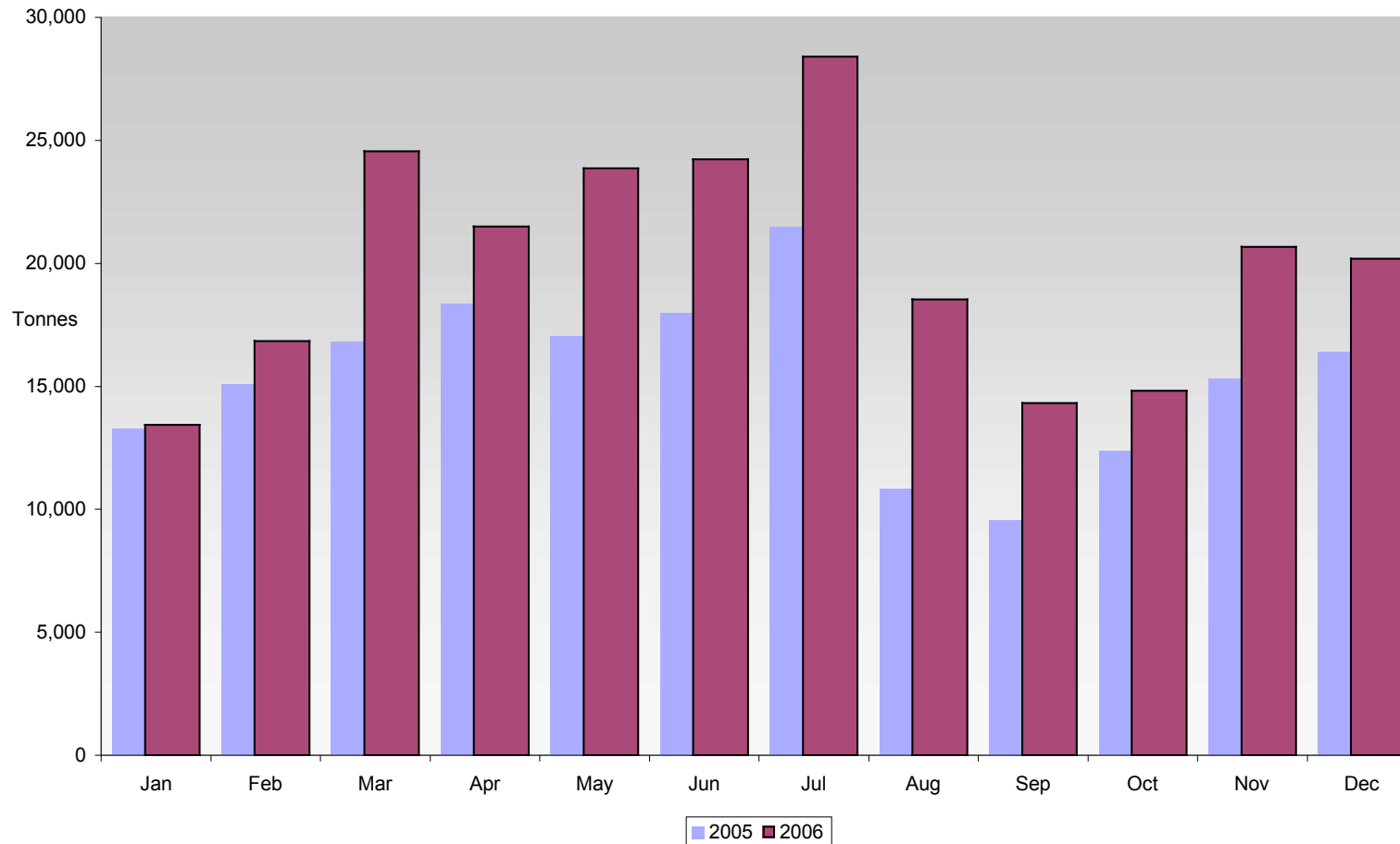
Landfill division



	2006 H1 Tonnes	2006 H2 Tonnes	2006 Tonnes	2005 Tonnes	
Hazardous	124,480	116,866	241,346	180,103	+34%
Non-hazardous	113,095	49,551	162,646	341,173	-52%
Total	237,575	166,417	403,992	521,276	-22%

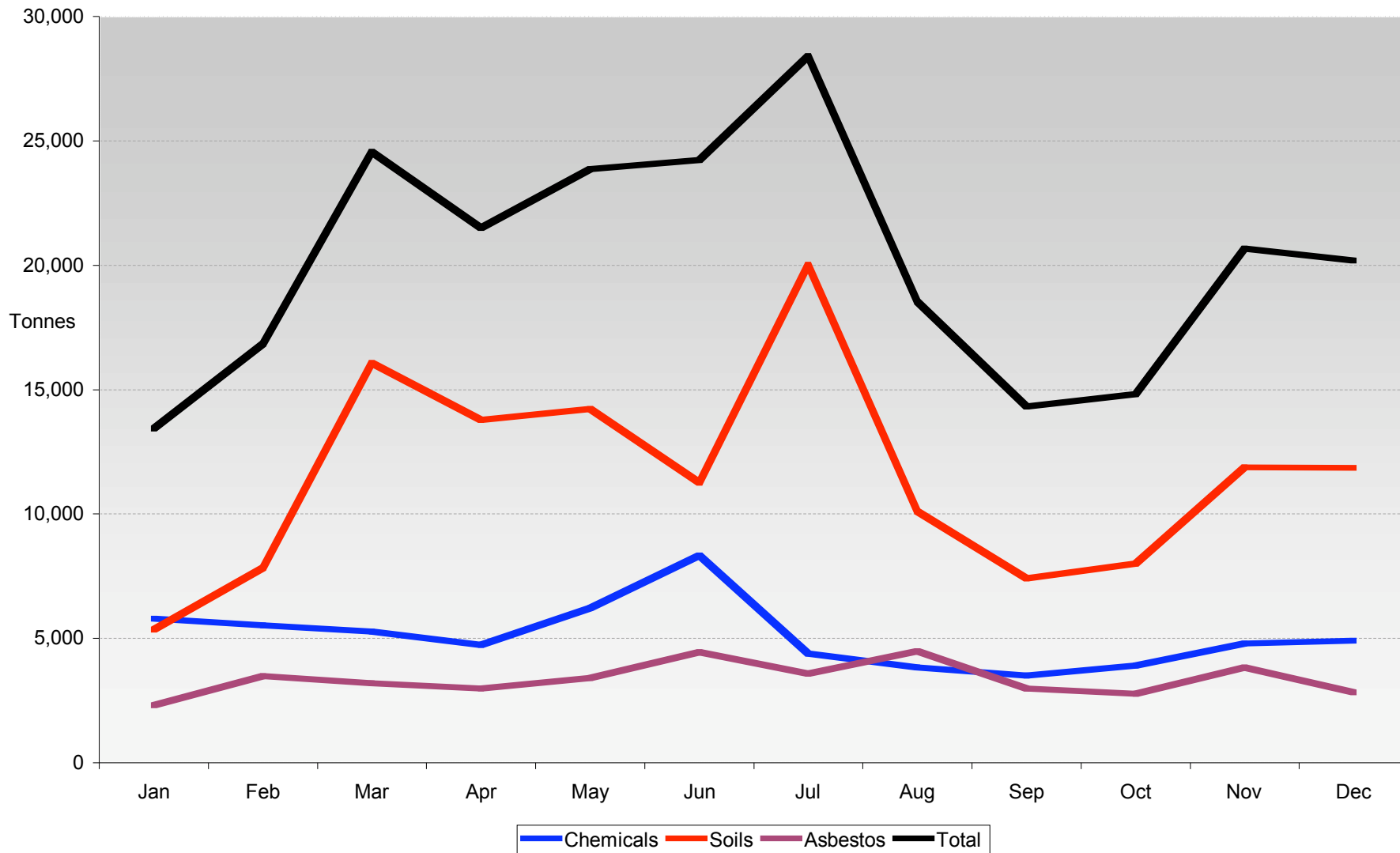
- Turnover net of landfill tax of £13.3m and operating profit of £3.2m
- Changing sales mix
 - focus on higher margin hazardous waste
 - disruption after WAC x 3 implementation in July 2006
- Recovery in late 2006
- Completion of Mark's Quarry on plan

Hazardous volume growth



- Impact of regulatory changes in July (none planned for 2007)
- Consistent year on year growth

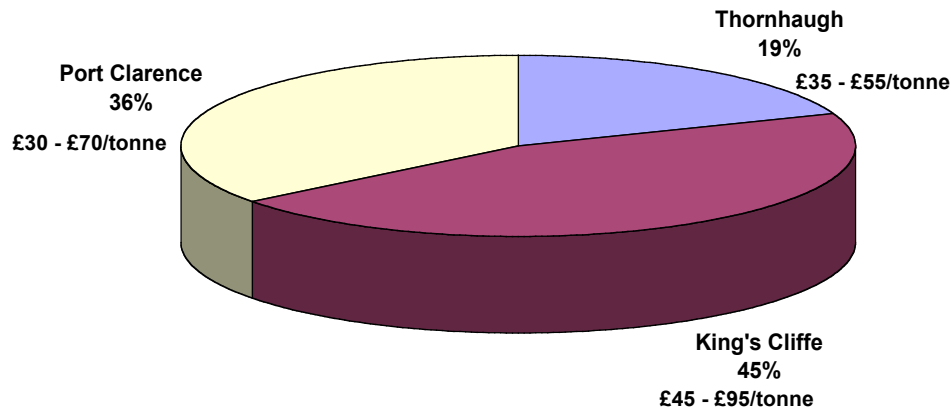
Monthly volumes by waste



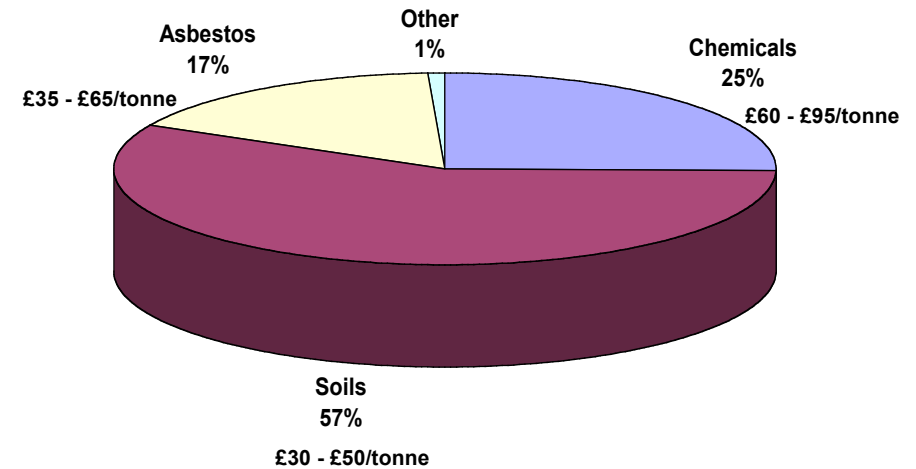
Volumes & prices



Volumes by site



Volumes by waste



- King's Cliffe site premium
- Chemicals & asbestos higher value than soils
- Prices steady
- Soils proportion increasing

Operational highlights



Treatment division

- Acquisition & integration of Credential business
- Appointment of Divisional Managing Director
- PPC permit regime for all sites
- Exclusivities established for thermal and chemical treatment and recycling technologies
- Cannock pilot plants upgraded
- Extension opportunities under review
- Treatment development primary focus



Terramundo



- First fixed site Ground Remediation Centre (GRC) in UK
- Phase 1 capacity 100,000 tpa
- Treatment and recycling technology in line with identified growth market
- Physico-chemical, biological and stabilisation technologies within the portfolio of services
- 20% concentrate residues to landfill
- Targeting higher value WAC failure waste streams
- Opening April 2007



Operational highlights



Landfill division

- Benchmark standard reflected in attainment of IMS accreditation
- Dynamics of landfill market changing
- Regulatory enforcement policy to further drive out mismanagement of wastes
- Hazardous void reviewed
- Land bank review
- Monocells at Thornhaugh on-stream
- New laboratory at King's Cliffe for testing and inspection of hazardous waste



Strategic review & opportunities

- Clarity of asset values
- External review confirms 8.3m m³ of void, of which 7.0m m³ hazardous
- Further potential to maximise value of landfill assets, including development of land banks
- Focus on treatment, thermal treatment & recycling to drive future growth
- Infrastructure and upgrades of existing sites to extend capacities
- Technology gap development
- Earnings enhancing acquisitions
- Strong management team with better market understanding

Outlook



- Well positioned in fast developing sector
- Quality of assets
- Improvement on 2006
- Current trading in line with management expectations





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