



Preliminary results for the year ended
31 December 2007

March 2008

Presented by:

Paul Blackler – Chief Executive

Peter Southby – Finance Director

Period highlights



- Commercial Director becomes CEO
 - Acquisition and integration of two strategic recycling and treatment businesses
 - Planning permission granted for Port Clarence Waste Recovery Park
- 
- The logo for Port Clarence Waste Recovery Park features a stylized circular arrow icon in shades of green and blue to the left of the text "Port Clarence" in a blue sans-serif font, with "WASTE RECOVERY PARK" in a smaller, grey sans-serif font below it.
- Approval for the construction of the most advanced in-vessel treatment facility at Cannock
 - Full IMS accreditation achieved across Group
 - Opening of Terramundo land remediation centre at Port Clarence, Teesside
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- The logo for Terramundo LTD features a stylized circular arrow icon in shades of green and blue to the left of the text "terramundo" in a green sans-serif font, with "LTD" in a smaller, grey sans-serif font to the right.
- Planning permission granted for second Terramundo facility at King's Cliffe (strategic importance)

Growth programme



- Sales Team focus - Discreet markets
 - UK Land Remediation Team - Contaminated land, construction markets and major remediation projects
 - Central Sales Team – portfolio of services across regional territories
 - National Key Accounts Team – historic trading development and framework agreements
 - Sales Champions – acquisitions – cross selling

- Strategy
 - New markets
 - Utilising strategic infrastructure to develop new services
 - Legislation development

UK hazardous waste market



3 years on from the Directive impacts:

- Complex sets of regulations
- Not fully implemented across all sectors
- Poor & inconsistent enforcement & policing (playing field symptoms)
- Hazardous waste statistics – not reliable

- Waste Strategy 2007 updated
- Landfill tax escalation implemented
- Landfill tax exemptions under review

Augean's market position

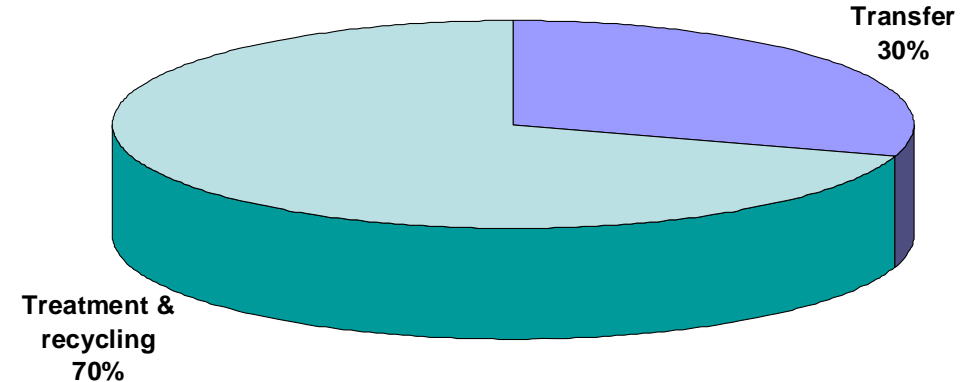


Landfill division

Site	Hazardous void capacity	Permit capacity (tpa)
King's Cliffe	700,000 m ³	250,000
Thornhaugh	600,000 m ³	175,000
Port Clarence	5,500,000 m ³	500,000

- 235,000 tonnes in 2007 from a market of circa 900,000 tonnes
- Current consented hazardous void of 6.8m m³
- Further land bank opportunities
- No new capacity on line elsewhere in market
- Competition's void space declining

Treatment division



- 6 integrated operating sites
- Asset development plans progressing to provide further capacity & new markets
- Focus on delivering broad range of solutions
- New branded collection systems under development

Financial highlights



- 5% increase in turnover excluding landfill tax to £22.6m
- 8% increase in operating profit before exceptional items to £4.9m
- 8% increase in profit before tax, JV and exceptional items to £3.8m
- Interest cover 4.9 times
- 2% increase in adjusted earnings per share to 5.7p
- 23% increase in cash flow from operations to £7.7m
- Exceptional goodwill impairment charge recognised of £26.8m
- Net debt at £20.2m and gearing of 24%

Income statement



		2007 £'000	2006 £'000
Revenue		26,302	26,561
Revenue excluding landfill tax	+5%	22,565	21,444
Underlying operating profit*	+8%	4,924	4,554
Exceptional items		(27,617)	(1,223)
Operating (loss) / profit		(22,693)	3,331
Finance charges		(1,096)	(1,020)
Share of loss of joint venture		(124)	-
(Loss) / profit before tax		(23,913)	2,311
Underlying profit before tax*	+8%	3,828	3,534
Tax		-	89
Retained (loss) / profit		(23,914)	2,400
Basic and diluted (loss) / earnings per share		(36.5p)	3.7p
Adjusted earnings per share (pre-exceptional items)	+2%	5.7p	5.5p

* Adjusted for exceptional items and joint venture

Balance sheet



	2007 £'000	2006 £'000
Goodwill and intangibles	77,610	94,296
Property, plant and equipment	31,500	28,839
Current assets	8,340	6,034
Current liabilities	(9,127)	(7,018)
Non-current liabilities	(4,762)	(4,084)
	103,561	118,067
Shareholders' equity	83,382	107,180
Net debt	20,179	10,887
	103,561	118,067

Gearing	24%
Interest cover	4.9 times
Facility	£42m

Cash flow

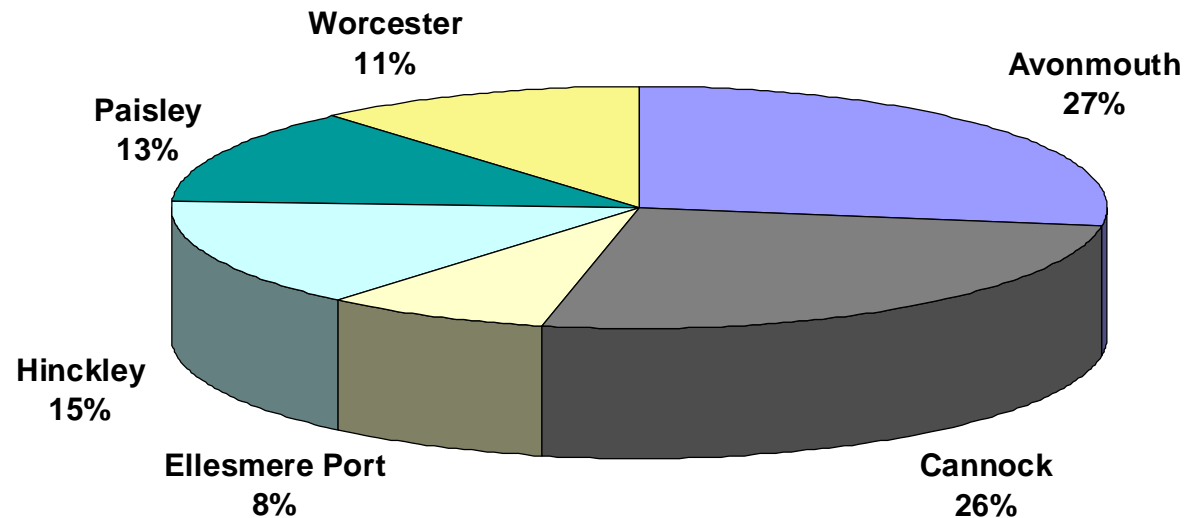


	2007 £'000	2006 £'000
EBITDA	8,331	8,696
Working capital	5	1,646
Operating cash flow before provisions	8,336	10,342
Provisions	(622)	(4,073)
Operating cash flow	7,714	6,269
Tax & interest	(968)	(1,108)
Capital expenditure	(3,537)	(1,345)
Free cash flow	3,209	3,816
Acquisitions	(11,708)	(11,112)
Finance leases acquired	(793)	-
Increase in net debt	(9,292)	(7,296)

Treatment division



- Turnover of £10.5m, including acquisitions contribution of £0.9m
- Operating profit of £1.5m, including acquisitions contribution of £0.1m
- 2 acquisitions completed in Q4 for £12m



Treatment division turnover by site

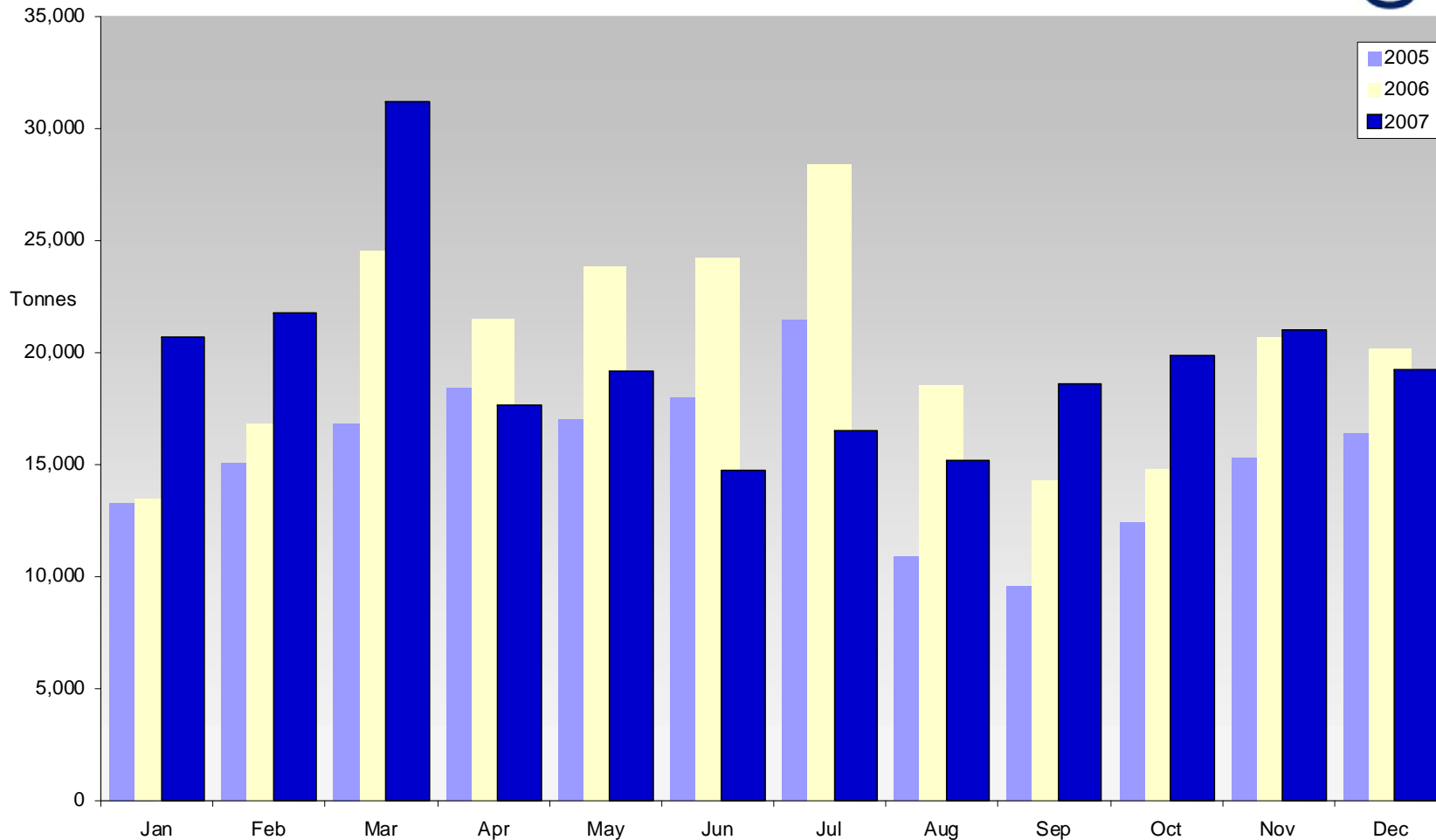
Landfill division



	2007 H1 Tonnes	2007 H2 Tonnes	2007 Tonnes	2006 Tonnes	
Hazardous	125,143	110,318	235,461	241,346	-2%
Non-hazardous	36,662	32,588	69,250	162,646	-57%
Total	161,805	142,906	304,711	403,992	-25%

- Turnover net of landfill tax of £13.8m and operating profit of £3.4m
- Changing sales mix
 - focus on higher margin hazardous waste after Mark's Quarry completion in 2006
 - increasing soils proportion after July 2006 regulatory change

Hazardous volumes

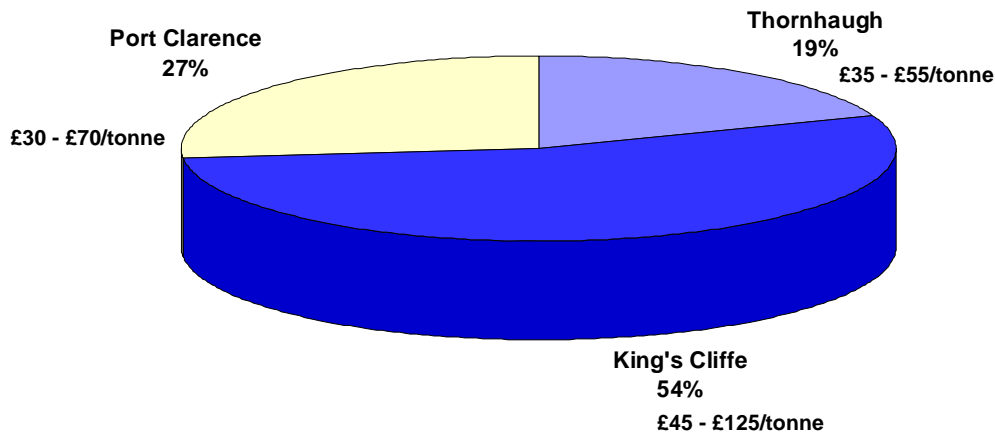


- Weak construction volumes over wet summer months
- Improvement in Q4 driven by Chemicals

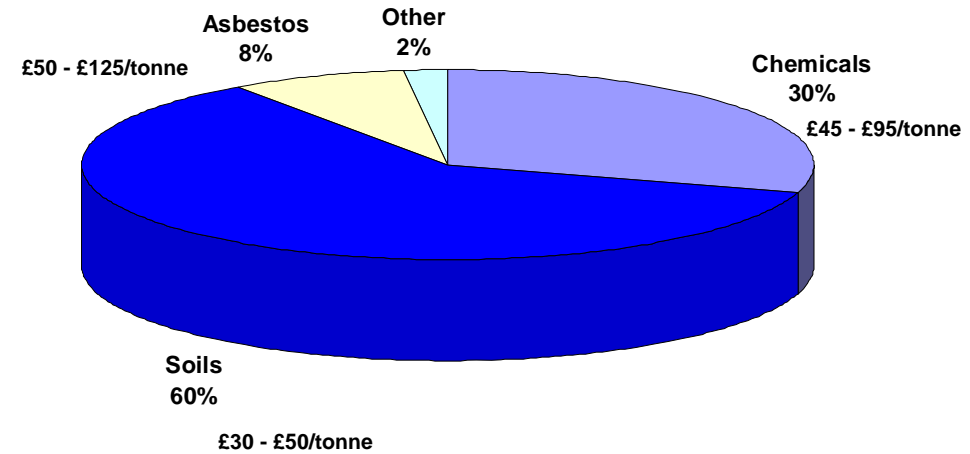
Volumes & prices



Volumes by site



Volumes by waste



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

Operational highlights



Treatment division

- Emerging division – significant growth markets
- Short term operations affected by inconsistent regulatory approach and management change
- Integration of Chemical Recoveries & Hitech businesses
- £1.5m Cannock site upgrade underway creating improved capacity and waste streams capability
- Treatment, recycling and energy recovery developments primary focus
- Port Clarence Waste Recovery Park - planning approved
- IMS accreditation achieved



Acquisition – Chemrec



- Located in Avonmouth, providing new regional markets on 3.4 acre facility
- Handles circa 70,000 tonnes of waste per annum, primarily waste oils, solvents and waste effluents
- New processes – distillation, biological treatment, dewatering (transferable technologies)
- Full PPC permit
- Significant development opportunities – thermal treatment upgrades underway
- Management retained and integrating well
- Historic turnover of £5m and PBT of £0.6m
- Consideration £6m in cash



Acquisition – Hitech



- Located in Paisley and Ellesmere Port
- Full hazardous waste treatment and recycling facility
- Scottish transfer station – application in
- Industrial services division and branded collection systems
- Full PPC permit
- Management retained and integrating into group (18 month earnout)
- Historic turnover of £4m and PBT of £0.6m
- Initial consideration of £6m in cash



- First fixed site Ground Remediation Centre (GRC) in UK
- Opened in June 2007 and took 12,000 tonnes in 2007
- 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
- Planning permission granted for second facility at King's Cliffe in January 2008 (Landfill tax targets)



Operational highlights



Landfill division

- Benchmark standard reflected in attainment of PAS 99 accreditation
- Dynamics of landfill market changing – target markets
- Hazardous void reviewed and confirmed at 6.8m m³
- Laboratory at King's Cliffe for testing and inspection of hazardous waste significantly extended to develop new services



Strategic opportunities

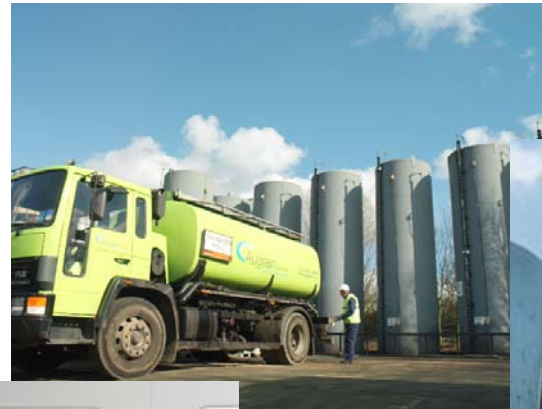


- Market development with focused sales teams
- Further potential to maximise value of landfill assets, including development of land banks
- Focus on treatment, thermal treatment & recycling to drive future growth in line with Waste Strategy 2007
- Infrastructure upgrades of existing sites to extend capacities and range of transferrable services
- Technology gap development including energy markets
- Earnings enhancing acquisitions
- Strengthened management team with better market understanding

Outlook



- Well positioned in fast developing sector
- Quality of assets and operations
- Bench position – significant upside as market matures





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History



- Established in 2004
- Acquired landfill assets in December 2004
- Acquired treatment & transfer assets in August 2005 (Cannock), May 2006 (Hinckley & Worcester), October 2007 (Avonmouth) and December 2007 (Paisley & Ellesmere Port)
- Operating as two divisions but one integrated business offer
- Cash generative business with strong balance sheet
- Transitional market unstable
- Developed additional services
- Appointed Paul Blackler as CEO in November 2007

Augean locations



Treatment division

- Paisley
- Ellesmere Port
- Avonmouth
- Cannock
- Hinckley
- Worcester

Terramundo

- Port Clarence

Landfill division

- King's Cliffe
- Thornhaugh
- Port Clarence

Head office

- Wetherby

Plc board

