

Envipco Holding N.V.

Innovative recycling systems
For a cleaner environment

Envipco Reports 2009 Audited Annual Results

Amsterdam, The Netherlands, 12 April 2010

All Figures in EURO thousands

Consolidated Statement of Comprehensive Income

| | Audited Year to 31/12/09 | Audited Year to 31/12/08 |
|--|-----------------------------|-----------------------------|
| Operating revenues | 33,092 | 41,717 |
| Cost of sales | (25,335) | (31,905) |
| Leasing depreciation | (1,207) | (1,229) |
| Gross profit | 6,550 | 8,583 |
| Operating expenses | (10,049) | (8,379) |
| Operating income | (3,499) | 204 |
| Net financial items | (326) | (399) |
| Other income | 203 | 103 |
| Loss before tax | (3,622) | (92) |
| Taxes | 798 | (215) |
| Net results from continuing operations | (2,824) | (307) |
| Net results from discontinued operations | - | (235) |
| Net results | (2,824) | (542) |
| Other comprehensive income | | |
| Exchange differences on translating foreign operations | (93) | (589) |
| Share options: value of employee services | 378 | 142 |
| Other movements / treasury shares | (12) | 73 |
| Cash flow hedges: gains / (losses) recognised on hedging instrument | 67 | (217) |
| Total other comprehensive income | 340 | (591) |
| Total comprehensive income | (2,484) | (1,133) |
| Net results attributable to : Owners of the parent | (2,788) | (541) |
| : Non-controlling interest | (36) | (1) |
| | (2,824) | (542) |
| EBITDA (earnings before interest, taxes, depreciation and amortisation) | (420) | 2,978 |
| Earnings/(loss) per share (EPS) | | |
| -continued operations | (€ 0.023) | (€ 0.003) |
| -discontinued operations | - | (€ 0.002) |
| -total operations | (€ 0.023) | (€ 0.005) |
| Number of outstanding shares used in calculation of EPS in thousands | 123,562 | 96,052 |
| Consolidated Balance Sheet | | |
| ASSETS | Audited 31/12/09 | Audited 31/12/08 |
| Fixed assets and investments | 13,162 | 14,202 |
| Cash and cash equivalents | 1,096 | 1,444 |
| Other current assets | 16,822 | 21,256 |
| TOTAL ASSETS | 31,080 | 36,902 |
| LIABILITIES & EQUITY | | |
| Shareholders equity | 15,552 | 18,000 |
| Non-controlling interest | 104 | 140 |
| Long term liabilities | 3,540 | 5,179 |
| Current liabilities | 11,884 | 13,583 |
| TOTAL LIABILITIES & EQUITY | 31,080 | 36,902 |

*Certain figures have been restated for comparative purposes.

Results

51% of the 2009 total revenues were generated from the Reverse Vending Machine and related materials handling business (RVM), and 49% from the plastic recycling unit. The RVM segment increased its revenue in Euro terms by 4%, but in dollar terms had a marginal decrease of 1%, whereas plastic recycling business revenues dropped by 36% in 2009 when compared to 2008 figures.

Net Group loss before taxes was €3,622,000 during 2009 against a loss of €92,000 in 2008, whereas the net loss after taxes was €2,824,000 and €542,000 for 2008, respectively. 2009 net loss was after expensing €1,293,000 of research and development costs and €378,000 for stock option charge, compared to a loss of €542,000 (research and development costs - €344,000 and stock option charge of €142,000) during 2008.

Of the 2009 Group losses, the plastics business accounted for about €2,299,000 of operating losses versus an operating profit of €941,000 in 2008. Net loss for the plastics business was reduced to €1,214,000, versus a profit of €190,000 in 2008, due to a tax credit of €690,000 and a claim award relating to a litigation of €395,000. Sorepla was severely impacted by the drop in selling price of its products and the collapse of the recycled PET market.

The RVM segment activities are mainly based in USA and show a profit of \$365,000 versus a profit of \$2,000 for the previous year. The consolidated net equity of the US operations at the balance sheet date was \$9,021,000 (2008 - \$8,559,000) with current ratio of 1.5 for 2009 and 1.4 for 2008.

No dividend is recommended and the results of 2009 are to be charged to the retained earnings, subject to the approval and adoption of the 2009 Annual Report by the shareholders at the annual general meeting.

Future Outlook

The Group is pursuing several initiatives in non-deposit markets where there are encouraging signs of a profitable business model based on advertising, couponing, sponsorship, promotions and sale of scrap value of materials collected. These opportunities are expected to generate significant growth in 2010 and beyond. Pilot programs have been tested in Greece, UK, Australia, and Ireland.

With the introduction of new technology platforms during 2010 we expect to increase our market share and become profitable, enhanced by the introduction of new laws to include water bottles as containers under deposits for refund. Such laws have already been passed in the US states of Connecticut and New York. Volumes of containers are expected to increase by 20-25% per annum.

While the plastic recycling business has been severely impacted by the collapse in prices of recycled PET, it is expected to recover in 2010. Sorepla is investing about €6.3 million on a process to create food grade recycled PET. This investment shall be mainly funded by way of long term bank loans and internally generated cash flow. This upgrade is expected to be completed by December 2010 and will also allow Sorepla to tap into wider markets for its products.

With the development and launch of new technology in existing and new markets, we have a very optimistic view of our future.

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