

# Envipco Holding N.V.

Innovative recycling systems  
For a cleaner environment

## Envipco Reports 1st Half Year 2010 Results

Amsterdam, The Netherlands, 30 August 2010

### Consolidated Income Statement (All Figures in EURO thousands)

	Unaudited 1HY to 30/06/10	*Unaudited 1HY to 30/06/09
Revenue	22,364	14,501
Cost of revenue	(16,655)	(11,723)
Leasing depreciation	(580)	(627)
Gross profit	5,129	2,151
Operating expenses	(5,759)	(4,919)
Operating income/(loss)	(630)	(2,768)
Net financial items	32	(127)
Other income	(18)	386
Profit before tax	(616)	(2,509)
Taxes	60	552
Net results after tax	(556)	(1,957)
Non-controlling interest	(2)	29
Net results from continuing and total operations	(558)	(1,928)
<b>EBITDA</b> (earnings before interest, taxes, depreciation and amortisation)	840	(810)
<b>Earnings/(loss) per share for profit attributable to the ordinary equity holders of the parent during the period</b> -continuing and total operations	(€0.005)	(€0.016)

Number of issued and outstanding shares

123,630,336      123,630,336

### Consolidated Balance Sheet (All figures in EURO thousands)

	Unaudited 30.06.10	Audited 31.12.09
<b>ASSETS</b>		
Fixed assets and investments	14,963	13,162
Cash and cash equivalents	1,159	1,096
Other current assets	21,746	16,822
<b>TOTAL ASSETS</b>	37,868	31,080
<b>LIABILITIES &amp; EQUITY</b>		
Group equity	16,222	15,552
Non-controlling interest	66	104
Non-current liabilities	3,377	3,540
Current liabilities	18,203	11,884
<b>TOTAL LIABILITIES &amp; EQUITY</b>	37,868	31,080

\* Certain figures have been restated for comparative purposes

## First Half Year Results 2010

- Group revenues increased to €22.3 million (2009 - €14.5 million) up by 54% of which plastic recycling contributed 28% increase and the balance 26% was from Reverse Vending Machine (RVM) operations. Gross margin of 22.9%, up from 14.8% in first half of 2009. The 17% increase in operating expenses consists of 13% increase in research and development (R & D) expenses and 4% increase in other administrative costs in preparation for new market opportunities. Net loss after tax of €0.6 million (2009 - €2.0 million) is after charging R & D expense of €1.0 million (2009 - €0.3 million). EBITDA shows an improvement of €1.6 million.
- RVM operation total revenues improved to €11.3 million (2009 - €7.6 million) due to strong machine sales and higher redemption volume of about 20% over same period last year. Successful integration of compaction technology developed by our German subsidiary and the successful launch of a new line of equipment for both deposit and non-deposit markets.
- Plastic recycling revenue recovered to €11 million from €6.9 million in first half of 2009. The investment program of the plastic recycling segment is on target, completion expected by end of this year.
- RVM operations:
  - Deposit markets - Revenues during the first half of 2010 for this segment increased by 46% to €10.4 million (2009 - €7.1 million). This increase is mainly attributable to increased machine sales and higher redemption volumes during the first half of 2010 as compared to same period last year. The higher redemption volumes resulted mainly due to the expansion of the deposit laws to include the PET water bottles in the states of Connecticut and New York. This expansion also positively impacted the materials handling operations.
  - Non-deposit markets – Nearly 100% increase in revenues to €1.0 million (2009 - €0.5 million) of this segment related to strong machine sales in non-deposit markets during the first half of 2010.
- Plastics recycling:
  - The market for PET improved considerably resulting in an increase in revenues by 59% to €11 million from €6.9 million in the same period last year. Gross margin also improved by 16% with an increase in EBITDA of €1.3 million for this segment. With the higher demand and recovery of the PET market this segment is expected to return to profitability by end of 2010.
  - The investment program in the new bottle to bottle technology announced earlier is progressing as expected. The new line should be operational by end of the year.

### Outlook

As a result of new innovative RVM technologies recently launched, we expect to show stronger and more profitable results during 2010 and years ahead. We have successfully introduced a more cost effective combi RVM (Can/PET) to serve the smaller retail market segment. This market has shown increased interest in RVM with the recent expansion of water bottles to deposit markets. Our new compactor technology is being tested by certain large retail groups in Germany. The results are encouraging and we see the potential for significant orders. These compactors incorporate new innovative designs which provide for longer life and reduced maintenance. The compactors can be retrofitted into competitor RVMs' and this represents an opportunity for Envipco to profitably participate in the large German market. We are planning to introduce additional new technologies to the market within the next twelve months, both in deposit and non-deposit markets.

Our non-deposit initiatives are showing positive momentum. We expect to make new announcements before the end of the year that will confirm the viability of our innovative technology and strategies for non-deposit markets.

Our plastics division has returned to profitability and Sorepla's expansion to incorporate bottle to bottle technology is on target for completion by December 2010. This new investment will also provide the group with further growth possibilities and higher returns.

We remain optimistic on our success.

The full half year report is available on our website.

For further information please contact : Gool Santchurn at +1-203-720 4059

ENVIPCO HOLDING N.V.  
Board of Directors  
Leliegracht 10  
1015 DE Amsterdam  
The Netherlands

Amsterdam, 30 August 2010  
Tel: +31 20 521 6344  
Fax: +31 20 521 6349  
Website: [www.envipco.com](http://www.envipco.com)  
E-mail: [gools@envipco.com](mailto:gools@envipco.com)