



Envipco Holding N.V.

Innovative recycling systems
For a cleaner environment

Envipco Reports 1st Half Year 2011 Results

Amsterdam, The Netherlands, 22 August 2011

Consolidated income statement (all figures in euro thousands)

	Unaudited 1HY to 30/06/11	*Unaudited 1HY to 30/06/10
Revenue	27,105	22,364
Cost of revenue	(19,577)	(16,655)
Leasing depreciation	(522)	(580)
Gross profit	7,006	5,129
Operating expenses	(6,636)	(5,759)
Other income/ (expenses)	(7)	(18)
Operating income/(loss)	363	(648)
Net financial items	(157)	32
Profit before tax	206	(616)
Taxes	35	60
Net results after tax	241	(556)
Non-controlling interest	(16)	(2)
Net results	225	(558)
EBITDA (earnings before interest, taxes, depreciation and amortisation)	2,263	840

Earnings/(loss) per share for profit attributable to the ordinary equity holders of the parent during the period

-continuing and total operations	€ 0.002	(€ 0.005)
Number of issued and outstanding shares	123,630,336	123,630,336

Consolidated balance sheet (all figures in euro thousands)

	Unaudited 30.06.11	Unaudited 30.06.10
ASSETS		
Fixed assets and investments	20,103	14,963
Cash and cash equivalents	3,049	1,159
Other current assets	20,576	21,746
TOTAL ASSETS	43,728	37,868
LIABILITIES & EQUITY		
Group equity	16,369	16,222
Non-controlling interest	116	66
Non-current liabilities	8,701	3,377
Current liabilities	18,542	18,203
TOTAL LIABILITIES & EQUITY	43,728	37,868

* Certain figures have been restated for comparative purposes

First Half Year Results 2011

	6 months to		
	30/6/2011	30/6/2010	% Change
Revenues (in euro millions)	27.1	22.3	+ 21.5
Gross profit margin	25.8%	22.9%	+ 2.9
Net profit/(loss) after taxes (in euro millions)	0.2	(0.6)	+ 133
EBITDA (in euro millions) (Earnings before interest, tax, depreciation and amortisation)	2.3	0.8	+ 87.5
Earnings/(loss) per share	0.002	(0.005)	+ 140
Cash and cash equivalents (in euro millions)	2.1	0.1	+ 2000
Shareholders equity (in euro millions)	16.4	16.2	+ 1.23

- Revenues for first half of 2011 increased by 21% to €27.1 million
- Plastics recycling segment revenues up by 53% to €16.9 million
- Plastics recycling segment gross margin 21.8% up from 16.3%
- RVM revenues down by 6.2% in USD terms to \$13.8m
- Net profit €0.2 million up by €0.8 million from a 2010 loss of €0.6 million
- New credit facility for US based subsidiaries for \$7.5 million from TD Bank N.A.
- Phase I plant upgrade for Sorepla completed
- Successful OEM compactor tests with major German retail groups expected to provide significant market opportunities in Europe
- Satisfactory resolution of anti-trust complaint against Tomra
- Acquisition of CBSI RVMs in Michigan doubling our market placements

Business Review

Group revenues are up by 21% from €22.3 million to €27.1 million for the first half of 2011 when compared to the first half of 2010. Net Profit after taxes, during the first half of 2011 stands at €225,000 compare to a loss of €558,000 for the similar period last year. EBITDA also improved significantly to €2.3 million when compared to €0.8 million of last year's six month period. The net profit is arrived at after charging €0.3 million of research and development expenses and €0.2 million of non deposit market development costs.

The Plastics recycling segment of our business continues to show improvements. It shows an increase of 53.6% in revenues to €16.8 million when compared to revenues of €11.0 million for last year's similar period. Gross margin also improved to 21.8% from 16.3% mainly resulting from better market prices for recycled plastics. The first phase of the plant upgrade to produce food contact approved recycled PET has been completed with the second phase coming online by end of 2011.

The revenues of Reverse Vending segment were down 11.2% to €9.8 million. In US Dollar terms, 2011 revenues decreased by 6.2% to \$13.8 million from \$14.7 million in 2010. This decrease is largely attributable to reduced machines sales in non-deposit markets outside the US.

Outlook

We are generally satisfied with the results of the first six months showing consistent and significant improvements in line with management expectations. We continue with our market development initiatives in the non deposit markets under the pilot agreement with Coca Cola Recycling. We have 3 units of our Reimagine recycling centers (www.reimagine recycling.com) currently under test in Texas. The initial results are encouraging and we anticipate additional three units to be installed before year's end. Commercial roll out of Reimagine will depend upon the overall evaluation of the pilot program which is scheduled to be concluded in the first half of 2012.

We are also on target to launch our first phase of our new Reverse Vending technology platform by year end. With our aggressive sales and marketing campaign, we expect significant sales opportunities during 2012 based on a superior price / performance offering for the retailers.

The recent order from one major German retail chain of 500 compactors, the most significant part of an RVM, also provides us with an endorsement of our reputation as new innovators in this industry. We expect additional European business as an OEM supplier of compaction technology.

We also intend to expand our non-deposit European RVM market footprint, using our new technology during 2012.

The general economic and financial situation has slowed down the recovery of our plastics recycling business. The second half of 2011 may only show a modest gain.

As previously announced during our annual general meeting of the shareholders on 27 June 2011 we plan to have a reverse stock split of 50:1 and have all shares listed in the NYSE Euronext Brussels by the third quarter of 2011. A prospectus to this effect will be published shortly after its approval by the AFM (Authority for Financial Markets), the Dutch regulatory body. Management shall be actively promoting the company shares and demonstrating the company's commitments to growth and success.

The full half year report is available on our website.

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