



Envipco Holding N.V.

Innovative recycling systems
For a cleaner environment

Envipco Reports 2012 Audited Annual Results

Amersfoort, The Netherlands, 30 April 2013

All Figures in EURO thousands

Consolidated Statements of Comprehensive Income

	Audited Year to 31/12/12	*Audited Year to 31/12/11
Operating revenues	51,841	50,661
Cost of revenue	(41,914)	(38,411)
Leasing depreciation	(1,231)	(1,120)
Gross profit	8,696	11,130
Operating expenses	(12,764)	(11,250)
Gain / (loss) on disposal of a subsidiary	-	474
Other income	82	(105)
Operating results	(3,986)	249
Net financial items	(461)	(490)
Profit / (loss) before tax	(4,447)	(241)
Taxes	319	(296)
Profit / (loss) after tax	(4,128)	(537)
Other comprehensive income		
Exchange differences on translating foreign operations	(283)	417
Share options: value of employee services	-	(898)
Other movements / treasury shares / minority	16	(21)
Cash flow hedges: gains / (losses) recognised on hedging instrument	97	27
Total other comprehensive income	(170)	(475)
Total comprehensive income	(4,298)	(1,012)
Net results attributable to : Owners of the parent	(4,092)	(507)
: Non-controlling interest	(36)	(30)
	(4,128)	(537)
EBITDA (earnings before interest, taxes, depreciation and amortisation)	279	3,161
Earnings/(loss) per share (EPS) after reverse stock split	(€ 1.655)	(€ 0.205)
Number of outstanding shares used in calculation of EPS (in thousands)	2,473	2,473
After reverse stock split (excluding treasury shares)	2,473	2,473

Consolidated Balance Sheets

	Audited 31/12/12	Audited 31/12/11
ASSETS		
Fixed assets and investments	24,144	22,334
Cash and cash equivalents	714	1,684
Other current assets	15,673	21,145
TOTAL ASSETS	40,531	45,163
LIABILITIES & EQUITY		
Shareholders equity	11,462	15,654
Non-controlling interest	156	78
Long term liabilities	9,141	9,043
Current liabilities	19,772	20,388
TOTAL LIABILITIES & EQUITY	40,531	45,163

*Certain figures have been restated for comparative purposes.

Results

Envipco Holding N.V., a public company listed on the NYSE Euronext Brussels new symbol “ENVI” and a global provider of recycling systems and solutions to the beverage and retail industries, announces its audited 2012 results.

2012 has been a challenging year for the Envipco group, with a net loss of €4,092,000 compared to a loss of €507,000 in 2011. Revenue for 2012 increased 2.3% over 2011 to €51,841,000. EBITDA declined to €279,000 compared to €3,161,000 in 2011. Reverse Vending Machines (RVM) saw increasing revenues and profitability while plastics recycling experienced revenue declines and extraordinary losses. After due consideration, the Board has made the decision that the primary focus of the Group will be on the RVM segment going forward. Accordingly, activities have been initiated to consider strategic options for the plastic recycling segment.

Despite significant improvement in the RVM segment profitability to €2,194,000 (2011: €813,000), the overall Group loss increased substantially. This is entirely attributable to losses in the plastic recycling segment of €4,739,000 (2011: €547,000), and to increases in Holding and non-operating expenses to €1,547,000 (2011: €773,000). The Holding and non-operating expenses in 2011 were favourably impacted by €898,000 in reversal of stock option charges.

The RVM business segment revenues increased 16.4% to €25,865,000 from €22,230,000 in 2011. Machine and technology sales increased 21.7% to €3,669,000, service revenue increased 20.9% to €14,713,000 and leasing revenue increased 6.2% to €7,483,000. RVM profitability increased 170% to €2,194,000. EBITDA increased to €3,875,000 as compared to €2,772,000 in 2011. The positive results for the year reflect continued operational improvements in our North American business combined with early indications of the market potential for our new line of RVM technology. The results also include ongoing development cost related to our Closed Loop Recycling System (CLRS) of €449,000 (2011: €383,000).

The plastic recycling business in France (Sorepla) suffered heavy losses of €4,739,000 on an 8.6% sales decline to €25,976,000. The business continued to be negatively impacted by volatility in the PET supply and weakness in pricing for recycle PET products. Start-up of our investment in the bottle-to-bottle production line (€6,500,000) was delayed from 1 July 2012 until late summer. This delay affected our ability to secure customer commitments for RPET production in the latter part of 2012. The business further suffered a major setback in October due to a trade union employee strike which affected all production in the month. The striking employee demands for pay increases and benefits were far outside the Company's ability to address, which forced management to file for “procedure de sauvegarde” court protection on 31 October 2012. The company continues to operate under court administrator oversight, while a restructuring plan is worked out.

The following are the financial highlights:

Financial Highlights	2012	2011
Revenues	€51.84m	€50.66m
Gross Profit Margin	16.77%	21.97%
Net profit/(loss) before taxes	€(4.45m)	€(0.24m)
Net profit/(loss) after taxes	€(4.09m)	€ (0.51m)
EBITDA	€0.28m	€3.16m
Shareholder's equity	€11.46m	€15.65m
Earnings (loss) per share after reverse stock split	€(1.655)	€(0.205)
Liquidity ratio (current assets / current liabilities)	0.8	1.1
Total assets	€40.53m	€45.16m

Please refer to our web site www.envipco.com to download a full pdf version of our 2012 Annual Report inclusive of our Board of Directors report on the 2012 results and the future outlook.

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About Envipco Holding N.V.

Envipco Holding N.V. (Envipco), www.envipco.com, is a Netherlands-based holding company listed on NYSE Euronext Brussels (new Symbol ENVI). Envipco, with operations in several countries around the globe, is a recognised leader in the development and operation of reverse vending machines (RVMs), automated technological systems for the recovery of used beverage containers. Envipco's turnkey solutions cover all aspects of beverage container recycling - from recovery, validation, compaction, sorting, transportation and logistics, to accounting for every container, to recycling and processing used beverage containers to prepare for conversion into new containers and consumer products. Known for its innovative technology and market leadership, Envipco holds several intellectual property rights for RVM systems, including but not limited to beverage refund deposit markings, material type identification, compaction and accounting. It also owns and operates the largest independent bottle-to-bottle PET recycling plant in Europe.