

# Envipco Holding N.V.

Innovative recycling systems  
For a cleaner environment

## Envipco Reports Second-Quarter and 2004 Half Year Results

Amsterdam, The Netherlands, September 30, 2004

Envipco Holding N.V. (Euro.NM:ENV) today announced the financial results for its second quarter and half year ended June 30, 2004

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

	<b>Unaudited 2nd Quarter 2004</b>	Unaudited 2nd Quarter 2003	<b>Unaudited 6 Months to 30.6.04</b>	Unaudited 6 Months to 30.6.03
Operating revenues	10,290	11,414	20,838	22,116
Cost of sales	(6,874)	(8,507)	(14,537)	(16,181)
Leasing depreciation	(403)	(616)	(825)	(1,246)
Gross profit	3,013	2,291	5,476	4,689
Operating expenses	(2,868)	(2,494)	(5,440)	(5,179)
Depreciation - others	(459)	(216)	(845)	(930)
Operating income/(loss)	(314)	(419)	(809)	(1,420)
Net financial items	(274)	(219)	(680)	(461)
Other costs	(94)	(185)	(164)	(456)
Loss before tax	(682)	(823)	(1,653)	(2,337)
Taxes	24	18	29	46
Loss after tax	(658)	(805)	(1,624)	(2,291)
Minority	34	42	33	85
Net loss	(624)	(763)	(1,591)	(2,206)
<b>EBITDA</b>	466	299	512	498
<b>Net loss per share</b>	€ 0.03	€ 0.03	€ 0.07	€ 0.09

Despite reduction in revenues during the first half of 2004 by nearly 6% over the same period last year, the gross margins increased by about 5% due mainly to cost efficiencies and improved margins. Net loss for the period at €1.6m was substantially lower than the same period last year (2003 - loss €2.2m). The lower leasing depreciation charge is mainly due to the stronger Euro against the US Dollar and a decrease in depreciation charge as compared with 2003.

The stronger Euro also impacted the US revenues negatively by about 9%. The other reason for lower revenues in the US was the impact of the loss of a major contract (in 2003) and a severe and prolonged winter. The US subcontracted pickup and processing operation has turned around to be profitable and is performing as anticipated.

Sorepla, the French recycler improved its results significantly with a reduced loss of €0.08m (2003 – loss €0.4m). The plant is now operating at near full capacity and hence more efficiently (gross margin doubled to 33% compared to 16% last year), however, the virgin PET flakes prices have impacted negatively to result in a small loss. This operation is expected to turnaround by the end of 2004.

In Germany, the market opportunities are delayed and management views the losses as a cost of having a presence in the market. The loss for the half-year is lower at €0.1m (2003 loss - €0.25m).

The Canadian operation has incurred a significant market development cost in securing about 25% of the RVM market. The loss for the period was €0.07m (2003 loss – €0.04m).

The Posada group contributed positively at €0.28m (2003 profit – €0.25m). This operation is performing as expected.

The investment in research and development continues in Japan with the Joint Venture incurring a reduced loss of €0.15m (2003 loss €0.46m). Management believes that this market is more likely to materialize in the medium to long-term.

There are certain items, which have been restated for presentation and comparison purposes.

For further information please contact  
Mr Gool Santchurn, at +1-203-720 40 59  
or Patrick Valkenberg, Citigate, at +32-2-713 07 21

ENVIPCO HOLDING N.V.  
Board of Directors  
Rokin 55, 1012 KK Amsterdam  
Postbus 990  
1000 AZ-Amsterdam  
The Netherlands

Amsterdam, 30 September 2004  
Tel: +31 20 521 4777  
Fax: +31 20 521 4888  
Website: [www.envipco.com](http://www.envipco.com)  
E-mail: [gools@envipco.com](mailto:gools@envipco.com)