

Second quarter and half-year 2003 results

Envipco Holding NV (Euronext Brussels - symbol: ENV), a holding company that invests in companies active in the container waste recovery and recycling industry, announced today the results for the second quarter (3-month period ended June 30, 2003) and the first half-year 2003 (6-month period ended June 30, 2003).

Sales during the first half of 2003 decreased by €10.6m (32%) over the same period last year. The decrease was mainly attributable to lower sales in the helicopter maintenance division and the reduction in sales of our US operations. Despite this reduction the net loss for the period was €2.2m, marginally higher than the same period last year (2002 - loss €2.1m). The corresponding reduction in the operating expenses was around 27%.

The major reduction in sales of €7.0m in the helicopter group was due to a one-off order for parts and components from the US Army in 2002. However, the gross profit percentage in the remaining business increased due to the change in the product mix from low margin parts to higher margin repairs. The level of sales in the Posada Group is anticipated to increase during the second half of the year.

The other major reduction in revenue was from US operations mainly due to the loss of a major customer in the Pick-up business and further drop in the commodity volumes. However, due to restructuring of this operation the net loss reduced to €0.03m.

Sorepla, the French recycler improved its results for the first half with a reduced loss of €0.3m (2002 – loss €0.5m). The operations still have some technical problems with the new PET line, which are being resolved and this operation is expected to break-even by 2004.

In Germany the market continues to be in a state of suspense pending clarification as to which way the system for recycling will finally develop. The operations here suffered a loss of €0.24m in the first half. The management is of the view that any new business from this market will not materialise until 2004. However, Envipco remains prepared to capitalize on such opportunities.

The RVM market in Brazil is slow and still at a developing stage. The number of RVMs is expected to increase in 2004, when the operation is anticipated to become profitable. The PET recycling operations remain suspended and the management has decided to completely upgrade the PET plant and also to invest in the raw material accumulation to meet the processing capacity once the plant is operational in the 3rd quarter of 2004. The loss from Brazil operations for the period was around €0.1m.

The group acquired a small Canadian RVM operation with a view to gain a foothold in this emerging market and exploit the potential. The cost to develop this market is estimated to be around €0.25m. The operation is expected to break even by 2004.

The loss of €0.5m from Japanese joint venture was due mainly to research and development and market development costs. The benefits will begin to accrue from 2005 onwards.

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Note to the editor:

Envipco Holding NV (Euronext Brussels; symbol: ENV) is a holding company that invests in companies active in the container waste recovery and recycling industry. The company has a comprehensive product line of reverse vending systems, able to meet the needs of any market worldwide, and international plastics recycling operations with state-of-the-art technology for making high-quality recycled material used in closed-loop applications. Envipco is the world leader in the development of automated systems that collect and process empty beverage containers for recycling. Products include machines that identify and count each container returned by the customer.

Envipco Holding N.V.

Envipco Reports Second-Quarter and 2003 Half Year Results

Consolidated Income Statement

(All Figures in EURO thousands)

	Unaudited 2nd Quarter 2003	Unaudited 2nd Quarter 2002	Unaudited 6 Months to 30.6.03	Unaudited 6 Months to 30.6.02
Operating revenues	11.414	16.066	22.116	32.766
Cost of sales	(8.507)	(11.273)	(16.181)	(24.403)
Leasing depreciation	(616)	(865)	(1.246)	(1.773)
Gross profit	<u>2.291</u>	<u>3.928</u>	<u>4.689</u>	<u>6.590</u>
Operating expenses	(2.494)	(3.629)	(5.179)	(7.051)
Depreciation - others	(216)	(531)	(930)	(972)
Operating income/(loss)	(419)	(232)	(1.420)	(1.433)
Net financial items	(219)	(530)	(461)	(667)
Share of Joint Venture	(185)	(201)	(456)	(201)
Loss before tax	(823)	(963)	(2.337)	(2.301)
Taxes	18	(30)	46	(39)
Loss after tax	(805)	(993)	(2.291)	(2.340)
Minority	42	115	85	227
Net loss	<u>(763)</u>	<u>(878)</u>	<u>(2.206)</u>	<u>(2.113)</u>
E B I T D A	279	960	406	1.481
Net loss per share	€0,03	€0,04	€0,09	€0,09