



environCom

*A high tech vision of the recycling industry*

**Presentation to London Stock Exchange**

**March 2010**



# *CONTENT*

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- ❖ **Industry Background**
- ❖ **EnvironCom Today**
- ❖ **EnvironCom Tomorrow**
- ❖ **Industry Growth**



# Industry background



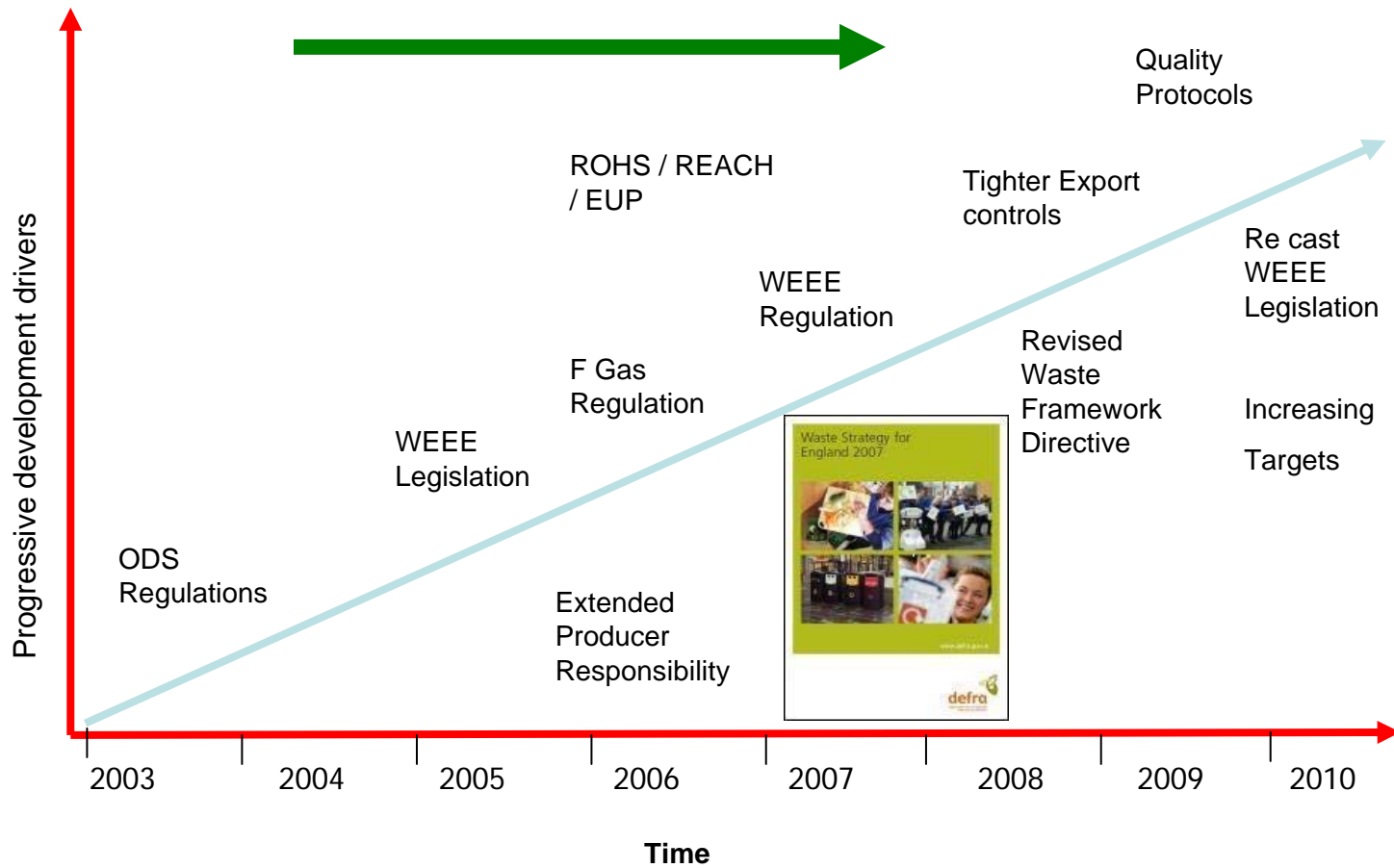
## *The WEEE directive*

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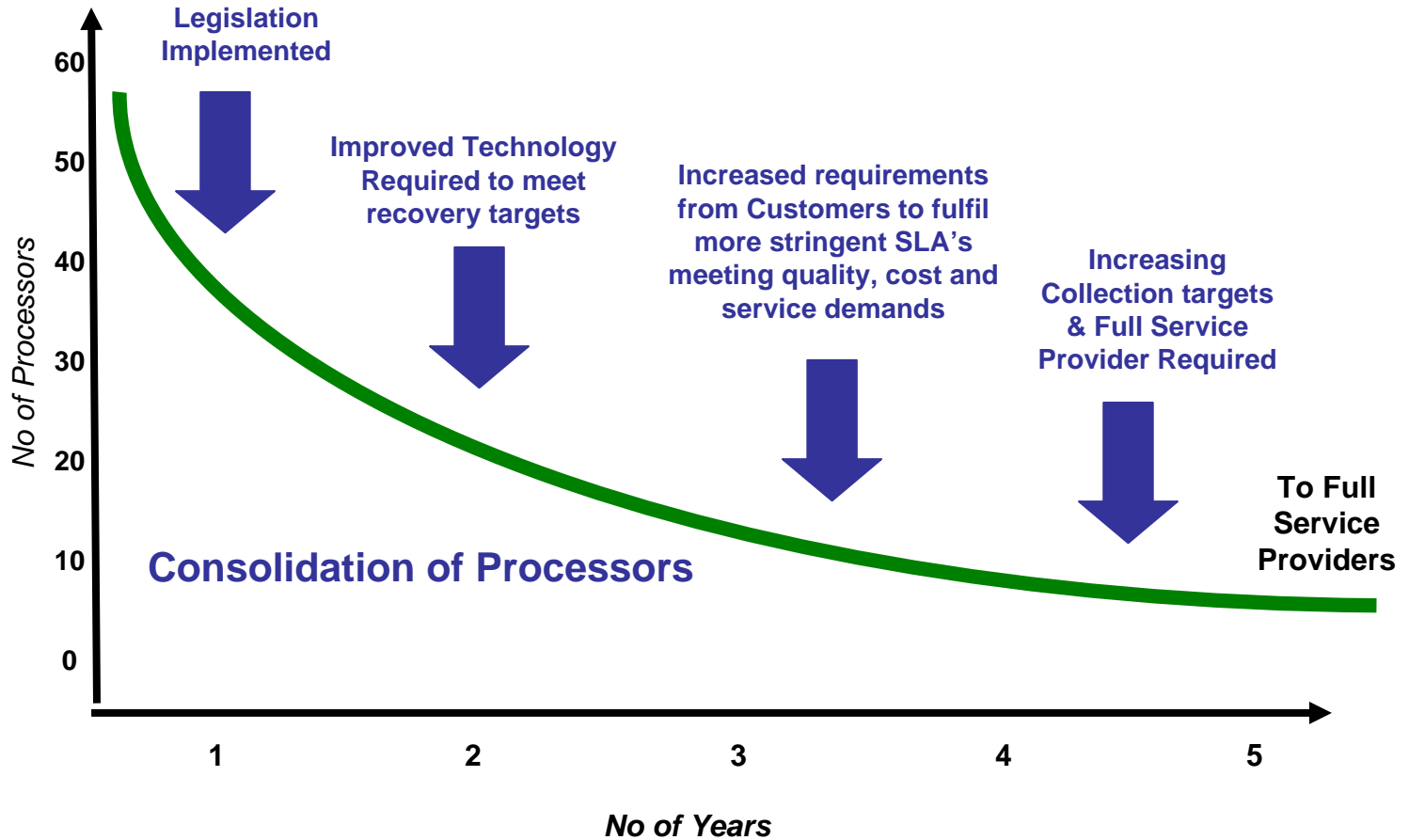
- ❑ The Waste Electrical and Electronic Equipment (WEEE) Directive is **European legislation** which came into force in the UK in June 2007
- ❑ It implements the principle of extended **producer responsibility**. Producers have an obligation to pay for the collection and processing of WEEE from private households
- ❑ A producer's obligation is proportionate to the amount of Electrical and Electronic Equipment that they sell into the market place. The medium term objective is a 65% collection rate
- ❑ The UK government on 18 March announced a consultation to consider a full ban of landfill of WEEE
- ❑ **DSGi** decided to create their own customer take back scheme to make best use of the reverse logistics network
- ❑ **EnvironCom** is working with DSGi, providing all the re-use and recycling capabilities required



# A continuous tightening of the legislation



# *A continuous tightening of the legislation*



# *environCom Today*



## *Position in the market*

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In the first full year of processing at our Grantham Site environCom processed **43,000 Tons** of WEEE or over **10%** of all WEEE collected in the UK

Our objective is to increase our market share to over **30%** of a market where collection rate is increasing year on year (up from 31% to 37% in 2009)



# Background

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□ There are 4 main WEEE streams:

- **Large domestic appliances** (washing machines, cookers, tumble dryers)
- **Refrigeration** (fridges)
- **Display equipment** (television and monitors)
- **Mixed WEEE/small domestic appliances** (toasters, kettles, irons)

□ Using state of the art technology, environCom recycles and treats all these WEEE streams in a safe and environmentally sound manner, in line with the government regulations and best practices

□ Whole products that still have a viable life will be re-used

□ The product at the end of our recycling processes are recovered metals, plastics and glass which are sold back into the manufacturing of new products

□ We also have a fully secure separate process for **repairing and reusing** items such as **flat screens, laptops, desktops** and other IT equipment



## *Full service provider*

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- ✓ State of the Art 156.000 sq ft facility on a 10 acre site
- ✓ 100,000 tonnes per year of WEEE Recycling Capacity
- ✓ Largest dedicated WEEE processing site in the UK



- ✓ Refrigeration Plant, MEWA QZ 2500
- ✓ New Generation Technology
- ✓ Largest fridge recycling plant in the UK
- ✓ > 85% recycling rate



## *Full service provider*

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### CRT Processing Technology

- CRT & TV Dismantling & Processing
- Glass Cleaning
- >95% recycling rate



# Full service provider

## WEEE Recycling Technology

- **Large Domestic Appliance processing**  
(Ovens, cookers, washing machines, dryers)
- **Small Domestic Appliance processing**  
(kettles, hoovers, toasters etc)



## environCom Technology

- **Flat Panel Repair and Remarketing**
- **IT Recovery** (Laptop/Desktop Remarketing, Hardfile Wipe, And Re-imaging)
- **Reporting** (Waste Returns, Annual Audits, Quarterly AATF Reports, Evidence Posting)



# *Business Model*

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Any variation in metal markets will result in a variation in gate fees



Metal prices go down



Gate fees go up



# Management Team

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## **Joe Quigley (CEO)**

Joseph Quigley has a background in the high volume electronics manufacturing industry covering a wide range of disciplines in his 30 plus years with IBM UK Ltd including: Global Procurement, European Distribution and Logistics, Business Development, European Audit, Manufacturing and Fulfilment operations. Joseph was an Ernest & Young Entrepreneur of the Year Finalist (2009).



## **Robert Jackson (Finance Director)**

Prior to joining environCom, Mr Jackson was finance director at Dennis Eagle Ltd, the UK's leading manufacturer of refuse collection vehicles. As part of a four man management team, Mr Jackson helped grow the business's turnover from £55 million to £130 million with an increase in pre-tax profit from £2 million to £11 million. Mr Jackson has also worked for a number of major international groups including Lucas Plc, American Standard Inc and the Dennis Group Plc at senior director level.



## **Dave Newell (Operations Director)**

Mr Newell has 20 years experience in the waste management and recycling industry, specialising in the development and operation of large-scale materials recycling facilities. Most recently, Mr Newell was General Manager at Nordic Recycling, responsible for the paper processing operation (up to 200,000 tonnes per annum) as well as the design, development and management of a 100,000 tonne per annum materials recycling facility (MRF) at Tilbury Docks.



# *environCom Tomorrow*



## *Corporate Strategy*

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- ✓ **Be the leading full service WEEE processor in the UK**
- ✓ **Expansion based on successful model implemented in existing plant**
- ✓ **Continuously aim to increase recovery rates and output quality**
- ✓ **Maintain highest Health, Safety & Environmental Standards**
- ✓ **Full Closed Loop recycling where possible (avoid down-cycling and landfill)**
- ✓ **Use Best Available Technology**
- ✓ **On site data monitoring to fulfil our customers reporting and Compliance obligations**

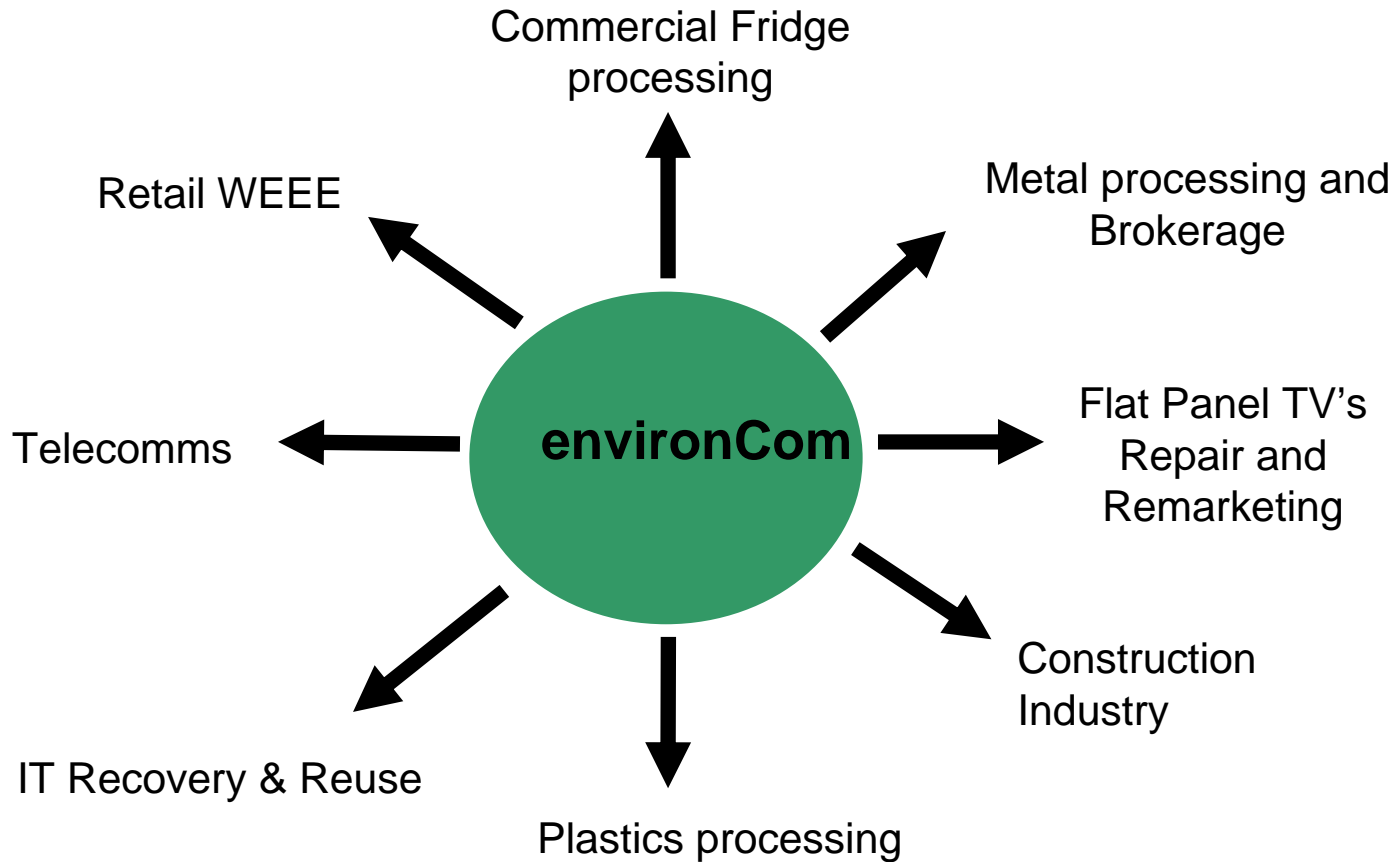
## *Future Growth*

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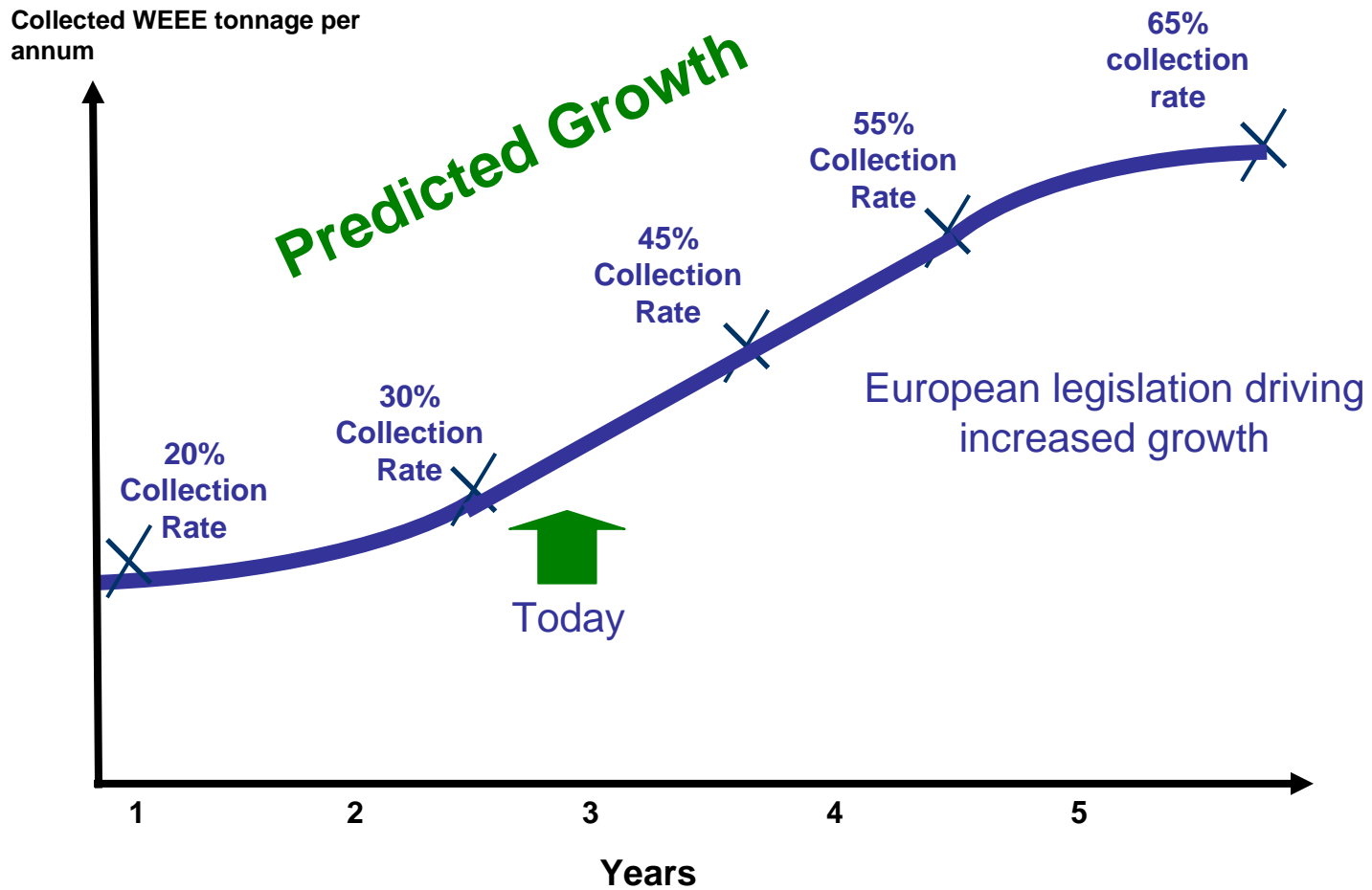
- ✓ **Establishment of further UK sites under review**
- ✓ **Also reviewing additional product lines**
- ✓ **European opportunities under review**



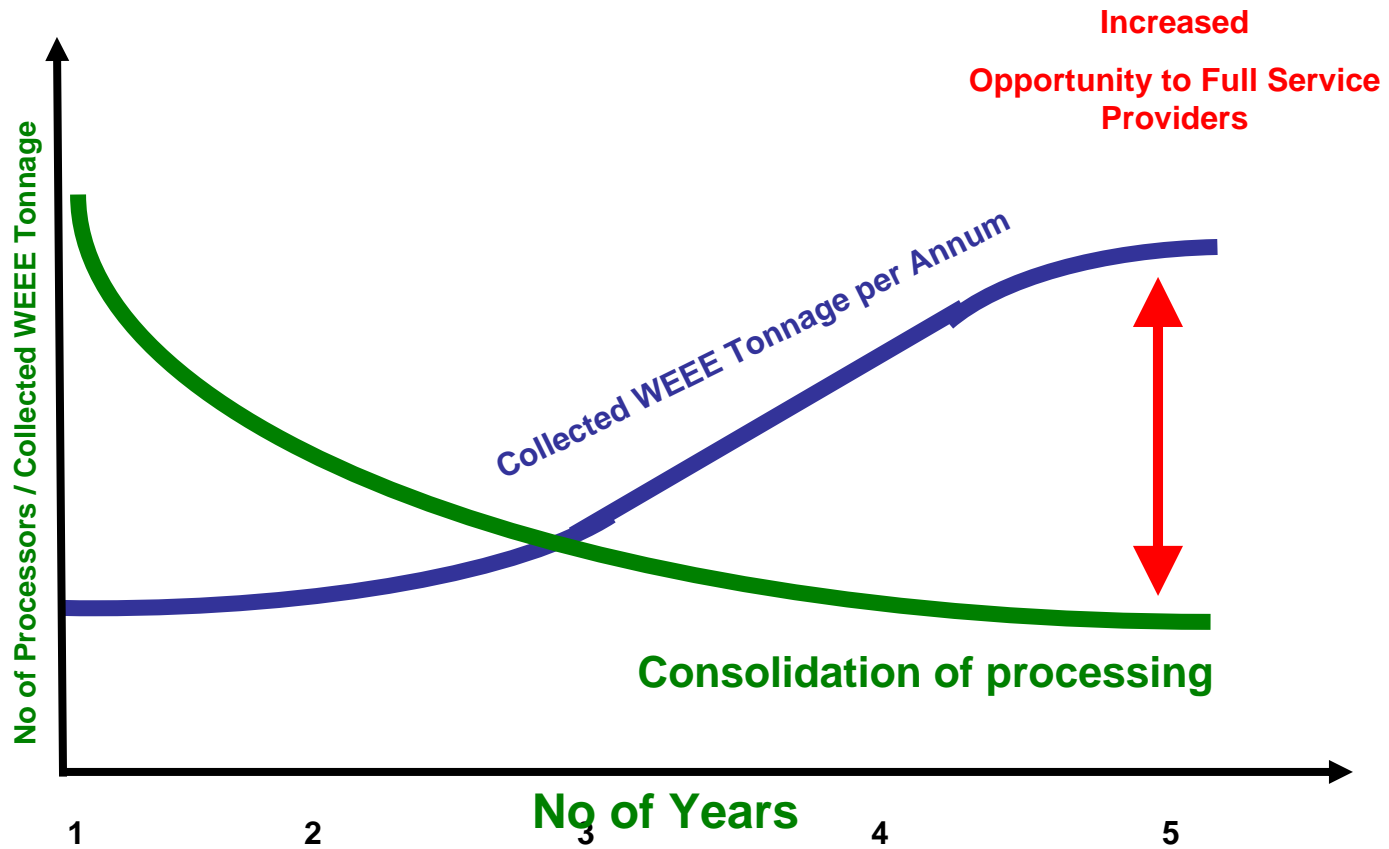
*Key areas of growth in processing, reuse and remarketing*



*Increased collection rates will drive the growth*



*An increased opportunity to full services providers*



## Conclusions

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- ✓ WEEE is one of the **fastest growing waste streams across Europe** and the developing world. Tighter regulations have been introduced in many countries within Europe, and other countries such as the US, India and China are now very involved in addressing the problem too.
- ✓ EU Market – WEEE Management Services will become a **13 billion euro market** in the next five years and will grow to a 25 billion euro market in 10 years.
- ✓ With the Grantham site **the largest site of it's kind in the UK** and now fully operational, environCom has established a model that will shape the future of WEEE processing.

*Thank You*

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