Envirozel Limited

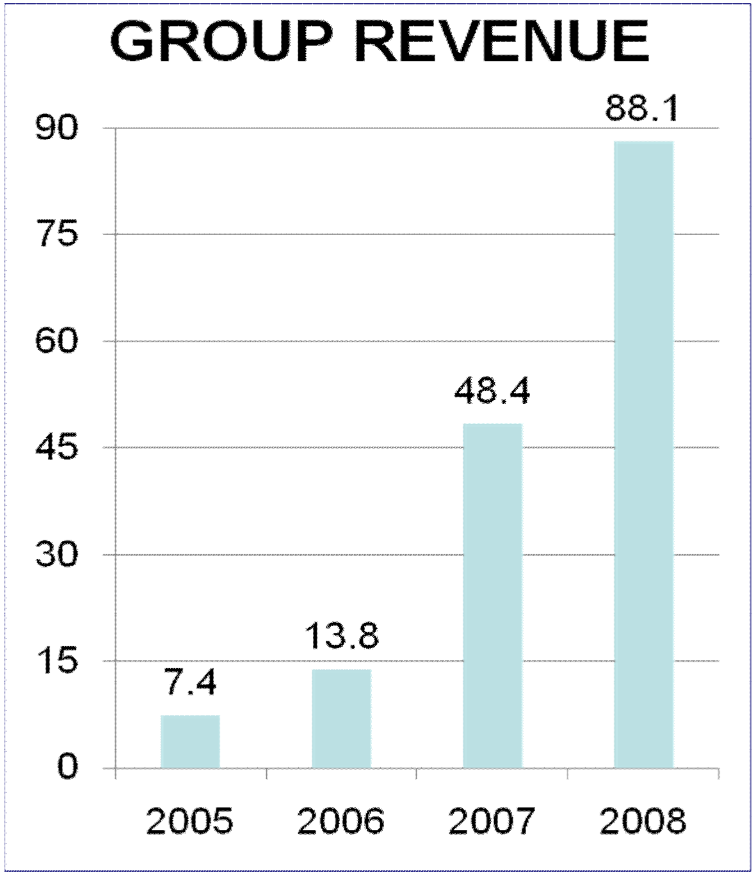
2007/2008 Presentation

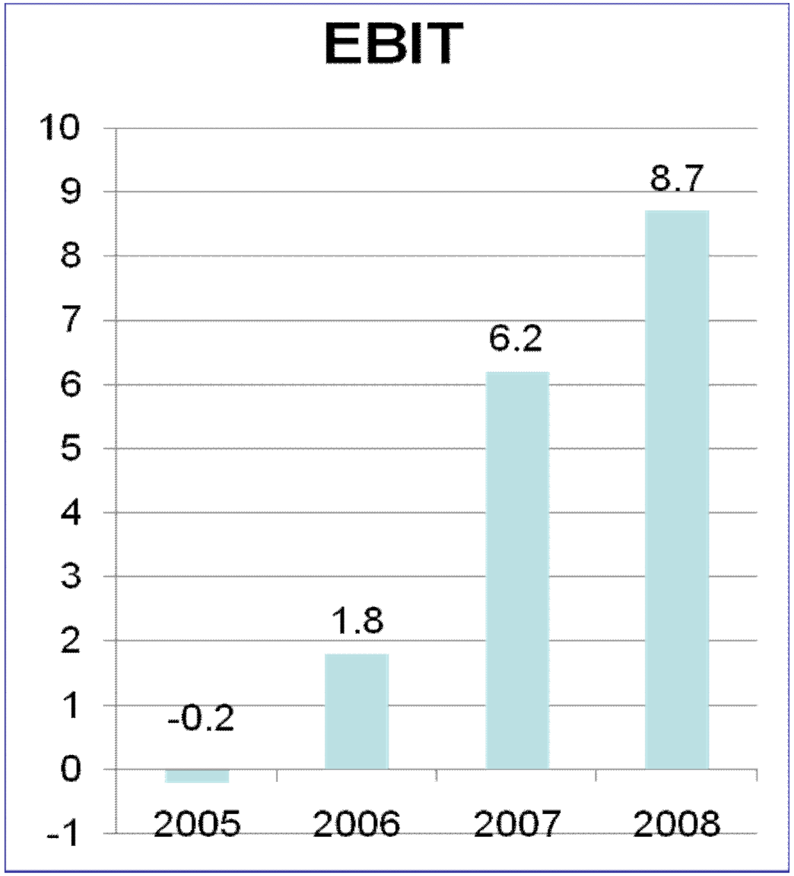
Presentation by:
Andrew Powis, CEO
Ian Wallace, CFO

2007/08 Highlights

- **Set the Foundations for the next stage of growth**:
  - Board / Management Structure
  - Consolidation / Synergies
  - Strategic Plan
- **Revenue increased by 82% to $88.1 million**
- **EBITDA increased by 44% to $9.5 million**
- **EBIT increased by 40% to $8.7 million**
- **Maiden Dividend of 1.25 cents (52% of NPAT) pre-paid during year**
- **Acquisitions**
  - TSF Engineering & Maintenance – Difficult Integration
  - Cellular Beams Technology License
- **Geographic Expansion**
  - Brisbane & Singapore Offices
- **Economic Climate**
  - National Engineering / Retail Projects

4 Year Growth History





2007/08 Results - Comparison

	Consolidated	
	As at 30 June 2008 $'000	As at 30 June 2007 $'000
Total Revenue	88,141	48,362
Earnings before interest expense, tax, depreciation and amortization (EBITDA)	9,509	6,613
Earnings before interest expense and tax (EBIT)	8,703	6,217
Interest net	(788)	(360)
Non operating / non recurring	(759)	(356)
Employee share scheme	(303)	-
Net profit before tax	6,853	5,501
Income tax expense (*recognition of prior year tax losses)	1,848	(459)*
Net profit after tax	**5,005**	**5,960**
Earnings per Share – basic - cents	2.46	3.56
Dividend per Share – fully franked - cents	1.25	0

2007/08 Balance Sheet - Comparison

	June 2008 $'000	June 2007 $'000
Total Current Assets	24,025	23,859
Total Non-Current Assets	39,579	22,754
TOTAL ASSETS	**63,604**	**46,613**
Total Current Liabilities	13,700	18,337
Total Non-Current Liabilities	12,791	6,133
TOTAL LIABILITIES	**26,491**	**24,470**
NET ASSETS	**37,113**	**22,142**
FINANCIAL RATIOS		
Current Ratio [1]	1.75	1.30
Gearing Ratio [2]	0.26	0.22
Debt to Equity Ratio [3]	0.71	1.10

Note 1: The Current Ratio is Current Assets ÷ Current Liabilities
Note 2: The Gearing Ratio is Long Term Liabilities ÷ (Shareholders Equity + Long Term Liabilities)
Note 3: The Debt to Equity Ratio is Total Liabilities ÷ Shareholders Equity

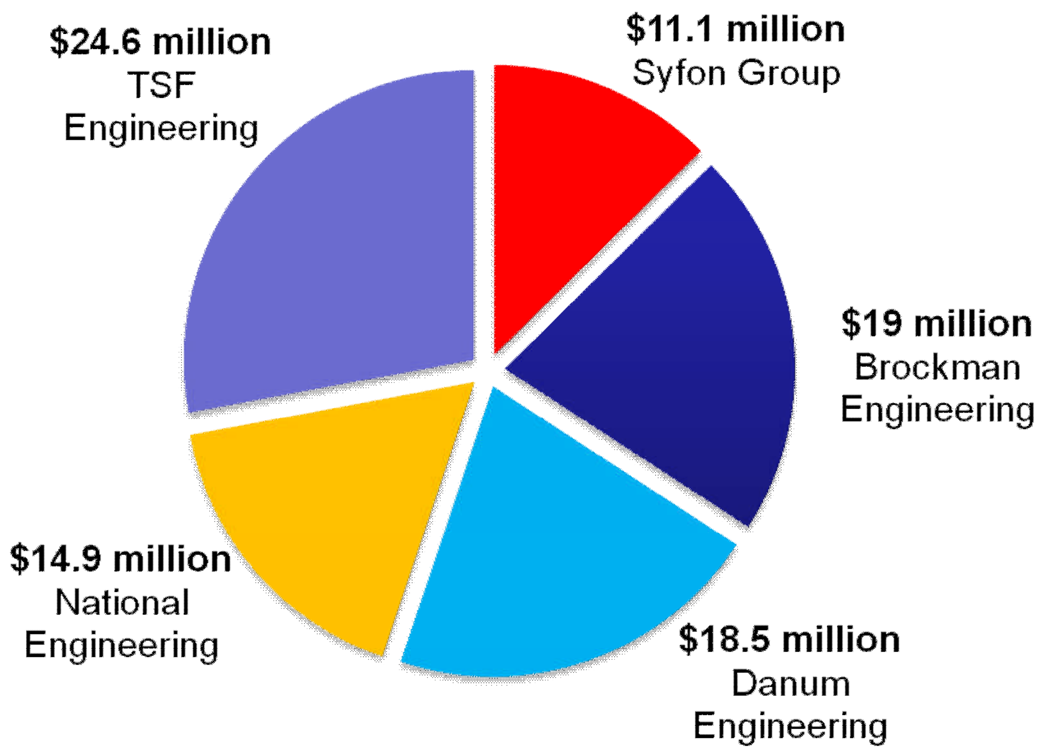
- These ratios compare favourably with peer companies

Cash Flows

	As at 30 June 2008 $'000	As at 30 June 2007 $'000
Net Cash provided by/(used in) Operating Activities	639	7,161
• Maiden tax payment		
• Cash outflow to complete acquired contracts - TSF		
• Reduction in trade payables – Danum		
• Forecast improved cash flow for operating activities in 2009		
Net Cash provided by/(used in) Investing Activities	(22,741)	(11,657)
• Acquisition of TSF		
• Settlement vendor payables – Danum & National		
• Capex		
Net Cash provided by/(used in) Financing Activities	16,115	10,014
• Maiden Dividend payment		
• Share issue to fund acquisition of TSF and settlement of vendor payables		
• Bank loans to fund acquisition of TSF and settlement of vendor payables		

Source of Revenue – 2007/08

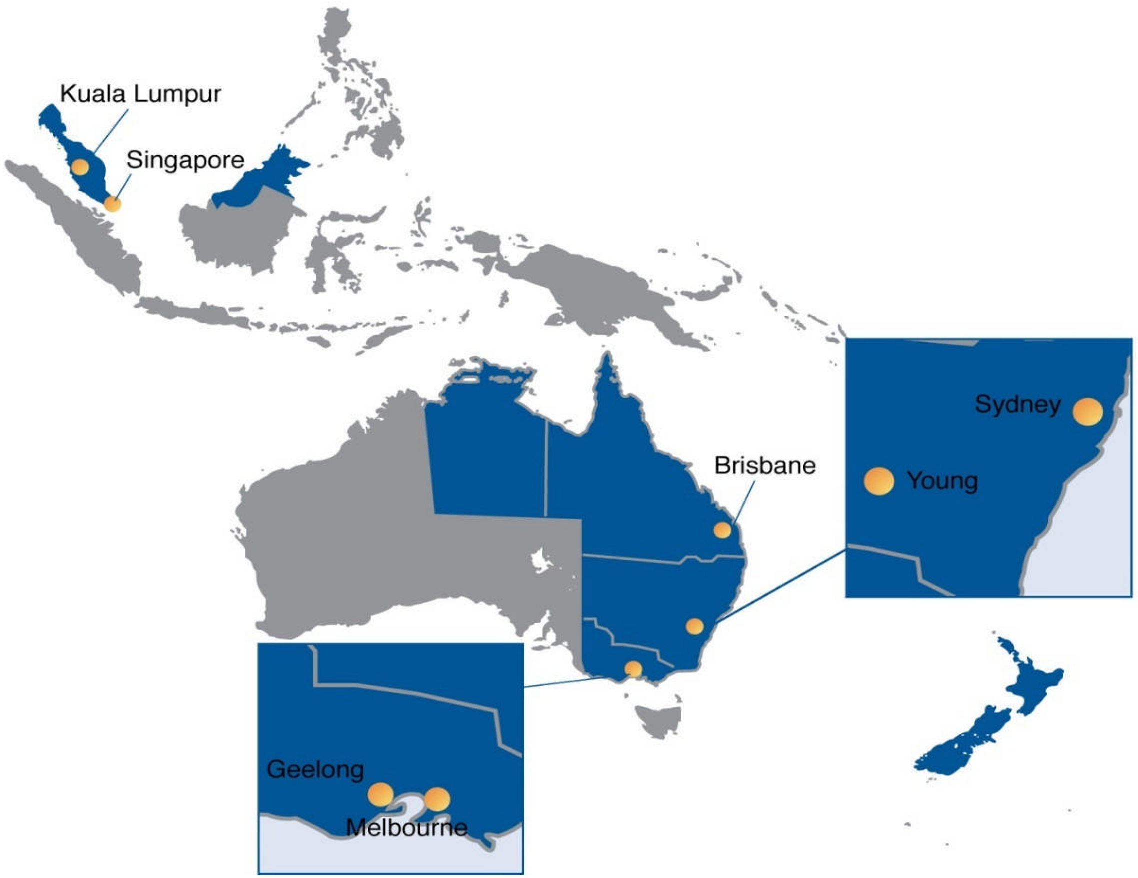
As a proportion of total revenue for 2007/08 = **$88.1 million**



Shareholder Value

- Forward orders in excess of A$60M+ (includes term maintenance contracts)
- Dividends
  - 1.25 cents maiden dividend **paid** in financial year
  - Future dividends declared in line with profit announcement
- Capital Management
  - Net debt is comfortable at $9.6M.
  - Net Debt to Equity ratio of 21% is low by Industry Standards

Location of Operations



Highlights / Major Projects

SYFON SYSTEMS

- Opened Brisbane Office – recently awarded Gold Coast Airport Project
- Opened Singapore Office – received undertaking for Marina Bay Sands (MICE) Project
- Continued strong organic growth in Australia & Asia

BROCKMAN ENGINEERING

- L.O.I. received on Shell / Corio contract for minimum 2½ years
- Geographic diversification - Moree Standpipes
  - Interstate Tenders
- Customer base diversification

Highlights / Major Projects

DANUM ENGINEERING

- Significant progress in replacement of Shell (Corio) Contract
  - Midway Woodchip Plant – Portland
  - Mobil / Transfield – Altona
  - Shell – Newport
- Customer base diversification – Business Strength

NATIONAL ENGINEERING

- Ability to manufacture Cellular Beams
- Successfully completed
  - DFO
  - Coca Cola
  - Linfox
- Difficult Market / Credit Squeeze / Retail Projects

Highlights / Major Projects

TSF ENGINEERING

- Successful Integration completed
- Geographical diversification
- Co / Tri Generation opportunities
- Telstra
- TSF Maintenance – recurring income

CELLULAR BEAMS

- Exclusive Australian License
- Competitive advantage in continually rising steel price market

Board of Directors

Chairman – Max Findlay
Appointed 14 May 2008
Appointed Chairman 1 July 2008

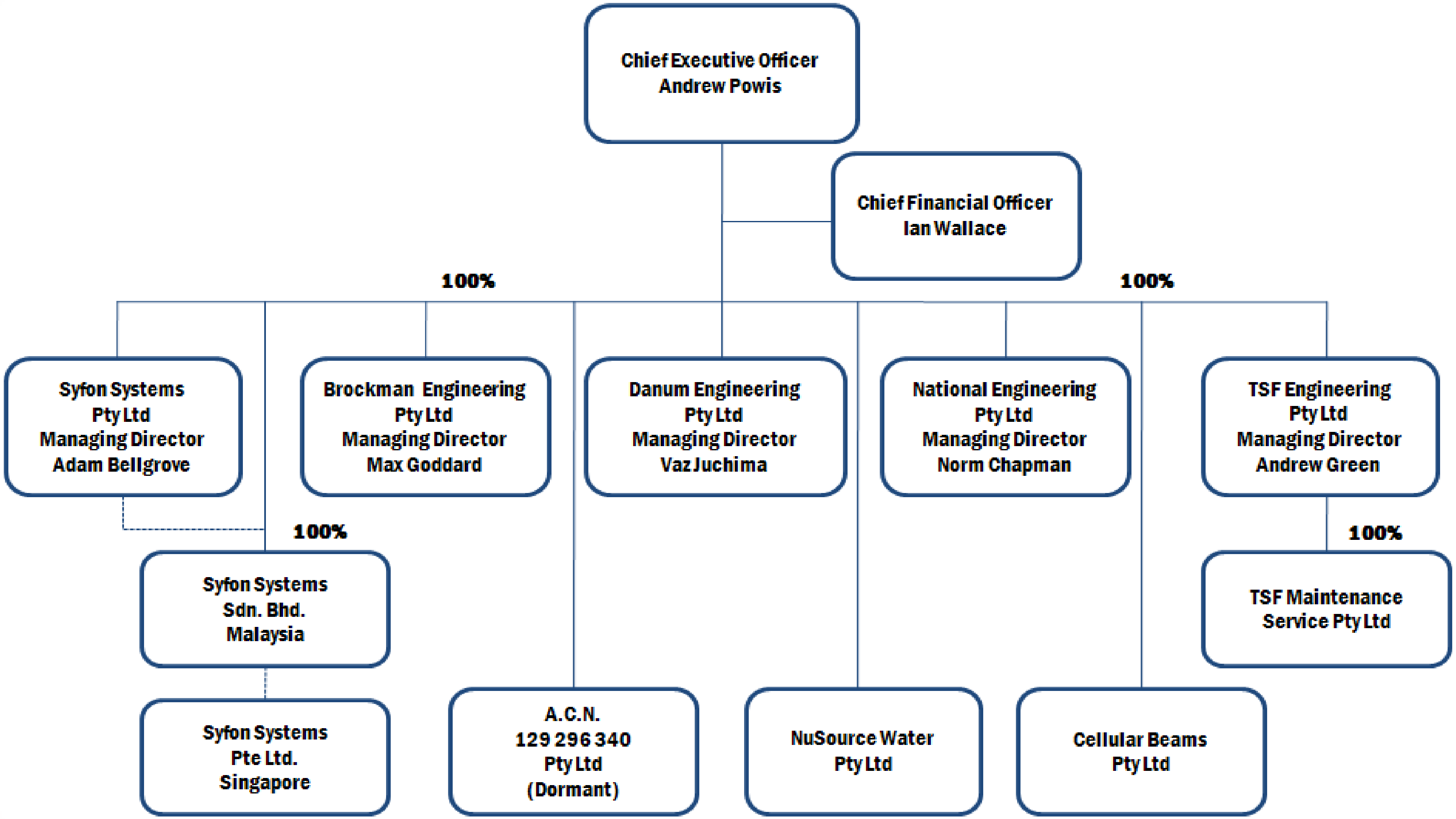
Deputy Chairman – Gordon McKern
Appointed 15 December 2003
Appointed Deputy Chairman 1 July 2008

Non-Executive Director – Peter Jones
Appointed 29 March 2004

Non-Executive Director – Keith Fagg
Appointed 20 December 2005

Non-Executive Director – Graham Burns
Appointed 1 February 2008

Management Structure – Envirozel Limited



Strategic Outlook

- Consolidation and continuous review of existing business
  - Culture
  - Comprehensive Safety Management
  - Reporting
  - Capability Matrix
- Comprehensive Strategic Plan adopted
  - Organic growth
  - Geographic expansion
  - Market diversification
  - Market consolidation
- Business Development – increased resources