



Interwaste Holdings Limited



Reviewed financial results
for the six months ended
30 June 2007



Abridged income statements

	Reviewed 6 months ended 30 June 2007 R'000	Pro forma Unaudited 6 months ended 30 June 2006 R'000
Revenue	144 259	103 844
Cost of sales	(66 131)	(54 031)
Gross profit	78 128	49 813
Other income	1 826	661
Administration expenses	(48 629)	(20 694)
Earnings before interest, tax, depreciation and amortisation	31 325	29 780
Depreciation	(9 863)	(8 681)
Profit before interest and taxation	21 462	21 099
Net interest paid	(4 266)	(3 069)
Profit before taxation	17 196	18 030
Taxation	(5 003)	(6 067)
Profit after taxation	12 193	11 963
Minority interests	(487)	(1 761)
Profit attributable to ordinary shareholders	11 706	10 202
Reconciliation of headline earnings:		
Profit attributable to ordinary shareholders	11 706	10 202
Adjusted for profit on disposal of property, plant and equipment	(663)	(296)
Headline earnings attributable to ordinary shareholders	11 043	9 906
Weighted average shares in issue on which earnings are based	259 771 880	254 579 551
Basic earnings per share (cents)	4.5	4.0
Adjusted for -		
Profit on disposal of property, plant and equipment (after tax) (cents)	(0.2)	(0.1)
Headline earnings per share (cents)	4.3	3.9
Weighted average shares in issue on which earnings are based	259 771 880	254 579 551
Share trust treasury shares	306 849	-
Fully diluted weighted average shares in issue	260 078 729	254 579 551
Fully diluted earnings per share (cents)	4.5	4.0
Fully diluted headline earnings per share (cents)	4.3	3.9

Notes: (1) The *pro forma* weighted average number of shares in issue for 30 June 2006 is based on the sub-division and increase of the ordinary shares in issue into 254 579 551 ordinary shares in issue on the last practicable date as set out in the detailed prospectus dated 5 June 2007 ("the detailed prospectus").

(2) The headline earnings attributable to ordinary shareholders for the six months ending 30 June 2006 includes a once-off non-recurring profit of R2.4 million as set out in the detailed prospectus.

(3) Interwaste Holdings acquired the entire issued share capital of Inter-Waste (Pty) Limited ("Inter-Waste") and Enviro-Fill (Pty) Limited ("Enviro-Fill") with effect from 1 January 2007 in terms of the group restructuring as set out in the detailed prospectus and as detailed further below under the heading Business Combinations.

Abridged balance sheets

	Reviewed 30 June 2007 R'000	Pro forma Unaudited 31 December 2006 R'000
ASSETS		
Non-current assets	208 210	171 860
Property, plant and equipment	152 955	126 283
Goodwill	47 464	45 577
Other financial assets	7 791	-
Current assets	144 189	70 494
Inventories	22 602	11 349
Trade and other receivables	54 311	54 102
Loans receivable	-	633
Bank and cash	67 276	4 410
Total assets	352 399	242 354

Abridged balance sheets

	Reviewed 30 June 2007 R'000	<i>Pro forma</i> Unaudited 31 December 2006 R'000
EQUITY AND LIABILITIES		
Equity	196 741	98 690
Issued capital	34	26
Share premium	183 048	97 001
Accumulated profits	11 605	-
Minority interest	2 054	1 663
Non-current liabilities	74 478	65 743
Other financial liabilities	1 414	-
Instalment sale creditors	53 444	48 047
Deferred taxation	19 620	17 696
Current liabilities	81 180	77 921
Loans payable	4 596	-
Trade and other payables	38 595	29 301
Current portion of non-current liabilities	37 648	28 671
Taxation	341	11 907
Bank overdraft	-	8 042
Total equity and liabilities	352 399	242 354
Number of shares in issue	336 979 551	254 579 551
Fully diluted number of shares in issue	343 979 551	254 579 551
Net asset value per share (cents)	57.8	38.1
Net tangible asset value per share (cents)	43.7	20.2

Notes: (1) The *pro forma* weighted average number of shares in issue for 30 June 2006 is based on the sub-division and increase of the ordinary shares in issue into 254 579 551 ordinary shares in issue on the last practicable date as set out in the detailed prospectus.
(2) The 7 000 000 ordinary shares issued to the Interwaste Holdings Incentive Scheme have been treated as "treasury" shares.

Abridged statement of changes in equity

	Reviewed 6 months ended 30 June 2007 R'000	
Balance at beginning of period	-	
Net profit for the period	11 706	
Issue of share capital	34	
Share premium	183 048	
Purchase of Earth 2 Earth (Pty) Limited minority interest	1 299	
Dividend paid ⁽¹⁾	(1 400)	
Minority Interests	2 054	
Balance at end of period	196 741	

Notes: (1) The dividend paid relates to a dividend declared by Enviro-Fill prior to the Group restructuring as set out in the detailed prospectus.

Abridged cash flow statement

Cash flow from operating activities	9 164	
Cash flow from investing activities	(142 995)	
Cash flow from financing activities	201 107	
Net increase in cash and cash equivalents	67 276	
Cash and cash equivalents at beginning of period	-	
Cash and cash equivalents at end of period	67 276	

Abridged segment report

	Reviewed 6 months ended 30 June 2007 R'000	<i>Pro forma</i> Unaudited 6 months ended 30 June 2006 R'000
Gross Revenue		
Waste management	93 405	75 197
Landfill management, construction and rehabilitation	50 854	28 647
	144 259	103 844
Profit before interest and taxation		
Waste management	11 054	17 182
Landfill management, construction and rehabilitation	10 408	3 917
	21 462	21 099
Depreciation		
Waste management	9 836	7 307
Landfill management, construction and rehabilitation	27	1 374
	9 863	8 681

Reviewed group interim results for the six months ended 30 June 2007

HIGHLIGHTS

- Revenue up 39%
- Attributable earnings up 15%
- EPS up 13%
- HEPS up 10%
- NAV per share up 52%
- Listing on ALT^X on 14 June 2007

No geographical segments are reported as the company operates mainly in South Africa and the international operations do not meet the thresholds for reportable segments as per IAS 14.

OVERVIEW

The directors of Interwaste Holdings are pleased to present the reviewed interim financial results for the six months ended 30 June 2007 ("the interim period"). Interwaste Holding's management team has positioned the subsidiaries to take advantage of the growth opportunities, presented by South Africa's current economic climate.

The unaudited, comparative pro forma results for the six months ended 30 June 2006 include once-off non-recurring profits of approximately R2.4 million, which relate to the once-off non-recurring profits disclosed in the detailed prospectus dated, 5 June 2007.

During the interim period, our waste management business incurred overhead expenses in advance of the profit curve in excess of R6.5 million. These expenses have been incurred to establish two transport depots in Durban and Kempton Park.

Our landfill management business performed exceptionally well during the interim period and was recently awarded the Ethekweni municipality landfill gas extraction tender which will further increase this subsidiary's profitability. As part of this project, Enviro-Fill have spent R4.5 million on the acquisition of gas turbines and stand to achieve a milestone for the group with the Cleaner Development Mechanism ("CDM") component of the bid.

BUSINESS COMBINATIONS

Interwaste Holdings acquired the entire issued share capital of, and a portion of all shareholders' claims on loan account against Inter-Waste and Enviro-Fill from the existing shareholders and Inter-Waste with effect from 1 January 2007 for an aggregate consideration in the sum of R102 107 047,50 discharged by Interwaste Holdings by the issue and allotment of 248 555 871 ordinary shares, credited as fully paid, at an issue price equal to the par value of such ordinary shares plus a premium of R96 750 994. The balance of the aforesaid consideration constitutes a claim on loan account owing by Interwaste Holdings to Inter-Waste, which claim is payable on demand.

Inter-Waste acquired the business of Ex-Waste (Pty) Ltd ("Ex-Waste") from Ex-Waste with effect from 1 January 2007 for a consideration of R251 184. The aforesaid consideration was discharged by Interwaste Holdings on behalf of Inter-Waste by the issue and allotment of 5 023 680 ordinary shares, credited as fully paid, at an issue price equal to the par value of such shares plus a premium of R250 681.

FINANCIAL RESULTS

Group revenue increased by 39% to R144 million. Within the subsidiaries, the Inter-Waste group grew turnover by 24% and the Enviro-Fill group grew turnover by 79%.

Gross profit increased to R78 million for the interim period, 57% higher than the comparative interim period. EBITDA only grew by 5% to R31.3 million due to the fact that Inter-Waste incurred overhead expenses in advance of the profit curve in excess of R6.5 million.

Headline earnings of R11 million was achieved against R9.9 million for the comparative interim period (which included a once-off non-recurring profit of R2.4 million for the six months ending June 2006) while profit attributable to ordinary shareholders rose 15% to R11.7 million. Taking into account the once off non-recurring profit of R2.4 million for the six month period ending June 2006, the profit attributable to ordinary shareholders increased with 50%.

PROSPECTS

In light of favorable market conditions and our current order book, the group remains confident that it will achieve its profit forecast as set out in the detailed prospectus. The second half of the financial reporting period is traditionally stronger than the first half.

The group's organics business has large volumes of high value stock at the end of June, in preparation for the busy sales season. July marks the start of the gardening season, with August to October being the peak seasons of the organics business.

SHARE CAPITAL

Prior to the date of listing on ALT^X, an offer was made to the group's employees to acquire shares in the company through the Share Incentive Trust. The 7 000 000 shares have been treated as "treasury" shares in the share capital of the company and deducted from equity.

DIVIDEND POLICY

It is the intention of the company to reconsider its dividend policy once the group has achieved mature growth and periodically thereafter to take account of prevailing circumstances and future cash requirements. Initially all earnings generated by the group will be utilised to fund future growth and development.

BASIS OF PREPARATION

The interim results have been prepared in accordance with IAS 34 (Interim Financial Reporting). The accounting policies used to prepare these interim financial statements are consistent with those applied in the prior interim period and at previous year-end and are in accordance with International Financial Reporting Standards.

These consolidated interim financial statements incorporate the financial statements of the company, its subsidiaries and special purpose entities that, in substance, are controlled by the group. Results of subsidiaries are included from the effective date of acquisition or up to the effective date of disposal. All significant transactions and balances between group enterprises are eliminated on consolidation.

This announcement has been prepared in accordance with the Listings Requirements of the JSE Limited.

AUDITORS' REVIEW

The auditors, RSM Betty & Dickson (Johannesburg), have reviewed these interim results. A copy of their unqualified review opinion is available for inspection at the company's registered office.

By order of the Board
21 September 2007

WAH Willcocks
Chief Executive Officer

CR Venter
Chief Financial Officer

Interwaste Holdings Limited
(formerly *Mentor Trading and Investment 66 (Pty) Limited*)
(Incorporated in the Republic of South Africa)
(Registration number: 2006/037223/06)
(JSE code: IWE ISN: ZAE000097903)
("Interwaste Holdings" or "the company" or "the group")

CORPORATE INFORMATION

Non executive directors:

EG Dube (Chairperson), S M Jewaskiewitz

Executive directors:

WAH Willcocks (CEO); CR Venter (CFO); LC Grobbelaar; BL Willcocks

Registration number: 2006/037223/06

Registered address:

Corner of Avocet and Bronhof Roads, Bromhof, 2154

Postal address: PO Box 73503, Fairlands, 2030

Company secretary: Genesis Chartered Accountants

Telephone: (011) 792 9330

Facsimile: (011) 792 8998

Transfer secretaries:

Computershare Investor Services 2004 (Pty) Limited

Designated Adviser: Exchange Sponsors (Pty) Limited