

Press Release

Eindhoven, 27 April 2010

Van Gansewinkel Groep full year results 2009

Stable business performance despite crisis

One-off costs pressure net result

- Revenue €1.1 billion (-5%)
- EBITDAE €259 million (-5%)
- EBITDAE margin stable at 22.8%
- Operating result excluding one-off costs €87 million (+7%)
- Net loss €188 million due to one-off costs
- Net profit expected in 2010
- Increased market share in Collection and Recycling

Despite difficult economic conditions, Van Gansewinkel Groep's business units (waste management services, raw materials and energy) showed stable operating results in 2009. Van Gansewinkel Groep earnings before interest, tax, depreciation, amortisation and exceptional items (EBITDAE) decreased by 5%, while the operating result, excluding one-off costs, increased by 7%. The one-off costs are mainly related to the closure of the incinerator in Rotterdam. The overall result was a net loss of €188 million. Van Gansewinkel Groep expects a net profit for 2010 if market conditions remain stable.

Ruud Sondag, Chairman of the Board of Management commented, *'In 2009, we were confronted by falling industrial output, a reduced volume of waste and extremely volatile raw material prices. The entire industry has been hit hard. In spite of that, Van Gansewinkel Groep's business units managed to achieve stable results. We were also the first, and so far only, company in the industry to adjust our incineration capacity to the structurally altered conditions in the waste processing market. With the closure of the Rotterdam waste-to-energy plant, our incinerators in Rozenburg and Duiven will at least be assured of a sufficient supply of waste for the next ten years. Our market share in Collection and Recycling increased, in a shrinking market, making our foundation for growth stronger.'*

Key Figures		
in € million	2009	2008
Revenue	1,137	1,2
EBITDAE	259	274
Operating result	-73	60
Operating result excluding one-off costs	87	81
Net income	-188	-103
Shareholders' equity	179	372
Operating cash flow	245	297
Cash flow before repayment of loans	72	56
Loan repayments	-62	-39
Net cash flow	10	17

Despite the difficult economic conditions, the drop in revenue and EBITDAE for Van Gansewinkel Groep was restricted to 5%. The EBITDAE margin remained unchanged at 22.8%, thanks to effective cost reduction measures. The operating result came in at €73 million negative, due to one-off costs, compared with an operating profit of €60 million in 2008. Excluding the one-off costs, the operating result increased by 7% to €87 million.

The non-recurring operating expenses amounted to €170 million, mainly connected with the closure of the Rotterdam incinerator. The costs relate to reorganisation (€29 million), provision for demolition costs and plant write-down (€71 million) and impairment of goodwill (€70 million). As a consequence, the net loss increased to €188 million.

The cash flow from operating activities decreased in 2009 by 18% to €245 million, but remained strong, owing to the retention of the maximum volume of existing business, a focus on working capital management and operational efficiency measures.

Cost savings and efficiency improvements

To address the economic realities, Van Gansewinkel Groep implemented cost savings in 2009. The fall in demand was initially matched by reducing the temporary workforce and those on temporary contracts but, ultimately, the job losses affected people with permanent contracts of employment, too. In total, Van Gansewinkel Groep shed the jobs of around 400 employees in 2009, including about 100 temporary staff.

Besides cost savings, the company also launched improvement programmes designed to lift the quality and efficiency of the services provided to an even higher standard. Capital expenditure in 2009 amounted to €82 million.

By 2012, Van Gansewinkel Groep aims to have reduced the structural cost base by at least €100 million by introducing onboard computers and automated route planning and centralising certain back-office operations, among other measures. Savings of €34 million have already been achieved in 2009.

The Benelux countries are Van Gansewinkel Groep's home market but the company is also active in France, the Czech Republic, Poland, Portugal and Hungary.

Geographical segmentation of revenue		
<i>In € million</i>	2009	2008
Netherlands	887	943
Belgium	187	191
Other countries	63	66
Total	1,137	1,200

In the Netherlands, sales fell by 6% while, in Belgium, the decrease was restricted to 2%. Revenue was also down in France and the Czech Republic but, in Poland, Van Gansewinkel Groep reported considerable growth during the year.

Activities

Segmentation of revenue and EBITDAE				
<i>In € million</i>	2009		2008	
	Revenue	EBITDAE	Revenue	EBITDAE
Collection	717	110	775	112
Recycling	76	11	83	9
Processing	330	170	325	169
Other	14	-32	17	-16
Total	1,137	259	1,200	274

Collection

Van Gansewinkel specialises in the area of waste management and the collection and processing of household, business and institutional waste streams and its transportation to processing sites.

In 2009, the economic downturn had a negative impact on the collection market. On the one hand there was less waste because of declining production in virtually all sectors and, on the other hand, prices came under pressure. Procurement agreements were tightened but the number of tenders for waste collection increased significantly – especially in the second half of the year. Van Gansewinkel gained market share in a shrinking market and saw a slight increase in customer numbers in 2009. The company won over 60% of the tenders for industrial waste that came onto the market.

Recycling

Coolrec and Maltha give waste a second life as raw material. Coolrec specialises in the recycling of metal and plastic combinations, including those from electric appliances and ICT devices. Maltha specialises in glass recycling.

Commodity prices picked up again in mid-2009. The prices of non-ferrous metals (aluminium, copper) and plastics increased. Steel prices stabilised. Market volumes declined due to the economic crisis and the related drop in consumer spending. Prompted by the difficult market conditions, the focus of Van Gansewinkel Groep's recycling operations in 2009 was on 'lean & mean' operations and doing more with fewer sites.

At Coolrec, a redistribution of activities took place after closure of sites in the United Kingdom and Eindhoven. Despite a shrinking market, the company processed more volume with fewer sites in 2009. Maltha Glasrecycling responded to the decrease in demand by reducing the number of teams at the various sites. The EBITDAE result of the recycling activities increased from €9 million to €11 million.

Processing

AVR is a 'waste-to-energy' generator, sustainably converting waste into energy through incineration.

In 2009, AVR operated in a market with declining volumes, strong price pressures and falling energy and commodity prices. The EBITDAE result held up well, however, owing to an effective cost savings programme amongst other things. The fact that Biomass Energy Plant became fully operational also contributed to the EBITDAE result.

Several processing contracts in the Netherlands, all originally secured by AVR, came up for tender in 2009. In total, AVR lost an annual volume of 260,000 t but retained 630,000 t, although at much lower prices.

Strategy: Second skin, Second life

Van Gansewinkel Groep offers high quality solutions for clients' waste and environmental management issues. Underpinning this service is a comprehensive understanding of business processes; clients' materials consumption in different stages of the production process; knowledge of relevant primary and secondary legislation and the ability to offer clients security in their duty of care. Consequently, we wrap our service like a second skin, as it were, around our customers' production processes. This makes it possible to give a second life to waste as a raw material or in the form of energy.

Van Gansewinkel Groep is looking to develop its proposition further for a second 'sustainable' skin for its clients, a second life for raw materials and optimum energy production. To grow its operations, Van Gansewinkel Groep is focusing on expanding its position in services and renewables.

Van Gansewinkel Groep aims to position itself as an effective customer-focused and knowledge-driven matchmaker between companies and organisations and as an efficient operator in the fields of logistics, the recovery of raw materials and the production of energy from waste. The existing portfolio and geographical spread form the platform for growth, which will be achieved both organically and through acquisitions. In addition to the Benelux, Van Gansewinkel Groep aims to build a second home market in Central and Eastern Europe.

Sustainability

Van Gansewinkel Groep adopts a twin-track approach to sustainability. The primary focus is on waste prevention and recovery of raw materials. As a derivative of this, the company aims to reduce CO₂ emissions. Cradle to cradle – the philosophy whereby products are designed and assembled in such a way that materials, after use, can be reused for the same or another product – plays an important role in the company strategy. By upcycling and recycling and by preventing something turning into waste, natural resources can remain in the environment. Raw material scarcity and the CO₂ problem are thus addressed simultaneously, because smart recovery of raw materials

will lead almost by definition to lower use of fossil fuels and hence to lower CO₂ emissions.

With the introduction of the first 100% electric waste collection truck in the spring of 2009, Van Gansewinkel Groep achieved a world first. In 2010, the company plans to deploy another eight of these electric waste collection vehicles in the Netherlands and Belgium. Health and safety performance in 2009 was also better than the previous year. The number of accidents fell by 20%.

In 2009, Van Gansewinkel Groep rose sharply in the Transparency Benchmark of the Ministry of Economic Affairs. With its GRI B+ status the company was among the top five climbers in the list of companies with the most transparent corporate social responsibility reporting. In 2010, the company is aiming for GRI A+ status.

Outlook in 2010

Given unchanged market conditions, Van Gansewinkel Groep expects stable results in 2010 from the Recycling and Collection business units. The financial results of the Waste Processing business unit will decrease compared with 2009 as a result of the closure of the Rotterdam waste-to-energy plant.

Through effective cost savings, a focus on cash flow and efficiency improvements, Van Gansewinkel Groep expects stable revenue and a positive net result, based on existing circumstances. The company plans another foray on the acquisition market in 2010.

Financial statements 2009

This press release is based on the 2009 financial statements adopted by the General Meeting of Shareholders of Van Gansewinkel Groep bv. The full set of financial statements is available on the company's website (www.vangansewinkelgroep.com). The external auditors (PricewaterhouseCoopers Accountants NV) have issued an unqualified report on the 2009 financial statements, which were prepared on the basis of IFRS accounting policies. In addition, verification of the sustainability information in the annual report has resulted in B+ certification.

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About Van Gansewinkel Groep

Van Gansewinkel Groep is not only a waste service provider but is also active as a raw material and energy supplier. The waste and environmental management group operates in eight countries (the three Benelux countries, Poland, the Czech Republic, Hungary, France and Portugal). With its subsidiaries – Van Gansewinkel, Coolrec, Maltha and AVR – Van Gansewinkel Groep is active across the entire waste chain. The organisation employs over 5,800 people, together generating annual revenue of €1.1 billion.

'Waste no more'. That is the credo of Van Gansewinkel Groep. The company's philosophy is that waste products should serve as raw material for new products.