

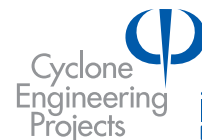


Interwaste Holdings Limited

Reviewed Group interim
results for the six months
ended 30 June 2008



expect extraordinary



Abridged income statement

	Reviewed 6 months ended June 2008 R'000	Restated ⁽¹⁾ Reviewed 6 months ended June 2007 R'000
Revenue	238 691	144 259
Cost of sales	(163 555)	(76 565)
Gross profit	75 136	67 694
Other income	863	1 826
Administration expenses	(39 043)	(38 195)
Earnings before interest, tax, depreciation and amortisation	36 956	31 325
Depreciation and amortisation	(7 411)	(9 863)
Profit before interest and taxation	29 545	21 462
Net interest paid	(7 403)	(4 266)
Profit before taxation	22 142	17 196
Taxation	(6 666)	(5 003)
Profit after taxation	15 476	12 193
Minority interests	(581)	(487)
Profit attributable to ordinary shareholders	14 895	11 706
Reconciliation of headline earnings:		
Profit attributable to ordinary shareholders	14 895	11 706
Profit on disposal of property, plant and equipment	(245)	(663)
Headline earnings attributable to ordinary shareholders	14 650	11 043
Weighted average number of shares in issue on which earnings are based ⁽²⁾	297 419 110	259 771 880
Basic earnings per share (cents)	5.0	4.5
Profit on disposal of property, plant and equipment (after tax) (cents)	(0.1)	(0.2)
Headline earnings per share (cents)	4.9	4.3
Weighted average number of shares in issue on which earnings per share are based	297 419 110	259 771 880
Share trust shares ⁽³⁾	-	306 849
Equity instrument	39 560 439	-
Fully diluted weighted average shares in issue ⁽⁴⁾	336 979 549	260 078 729
Fully diluted earnings per share (cents)	4.4	4.5
Fully diluted headline earnings per share (cents)	4.4	4.3

Notes:

(1) Certain reclassifications were made to gross profit and administrative expenses.

(2) The weighted average number of shares in issue includes a pro rata portion, namely 50 439 561 shares, of the 90 000 000 shares which were cancelled in terms of an agreement dated 11 April 2008. Ratification of the cancellation of the shares occurred subsequent to 30 June 2008, as detailed in the Post Balance Sheet Adjusting Event paragraph.

(3) 7 000 000 ordinary shares held by the Interwaste Holdings Share Incentive Scheme have been treated as treasury shares. The shares have not been added back in the current period as the fair value is less than the strike price.

(4) The fully diluted weighted average number of shares in issue includes the 90 000 000 shares referred to in note 2 above. Should the company's headline earnings for the year ending 31 December 2008 exceed R32,8 million the Inter-Waste (Pty) Limited ("Interwaste"), Enviro-Fill (Pty) Limited ("Envirofill") and Ex-Waste (Pty) Limited ("Ex-Waste") vendors will be entitled to a claw-back, pro-rata to where headline earnings fall in the range between R32,8 million and R43,3 million, of the 90 000 000 ordinary shares previously cancelled, in pursuance of which the relevant number of Interwaste Holdings ordinary shares will be re-issued.

Abridged balance sheet

	Reviewed June 2008 R'000	Reviewed June 2007 R'000
ASSETS		
Non-current assets	261 606	208 210
Property, plant and equipment	207 101	152 955
Goodwill	48 534	47 464
Intangible Assets	1 579	-
Other financial assets	1 845	7 791
Deferred Tax	2 547	-
Current assets	153 368	144 189
Inventories	35 182	22 602
Current tax receivable	2 938	-
Trade and other receivables	90 158	54 311
Bank and cash	25 090	67 276
Total assets	414 974	352 399
EQUITY AND LIABILITIES		
Equity	216 190	196 741
Issued capital	34	34
Share premium	99 568	183 048
Reserves	77 744	-
Retained earnings	35 926	11 605
Minority interest	2 918	2 054
Non-current liabilities	79 891	74 478
Other financial liabilities	59 002	54 858
Shareholder loan	150	-
Deferred taxation	20 739	19 620
Current liabilities	118 893	81 180
Loans payable	550	4 596
Trade and other payables	60 821	38 595
Current portion of non-current liabilities	46 307	37 648
Taxation	3 094	341
Bank overdraft	8 121	-
Total equity and liabilities	414 974	352 399
Number of shares in issue at period end ⁽¹⁾	246 979 551	336 979 551
Net asset value per share (cents)	86.4	57.8
Net tangible asset value per share (cents)	66.1	43.7
Adjusted number of shares in issue at period end ⁽²⁾	246 979 551	246 979 551
Adjusted net asset value per share (cents)	86.4	78.8
Adjusted net tangible asset value per share (cents)	66.1	59.6

Notes:

(1) 7 000 000 ordinary shares held by the Interwaste Holdings Share Incentive Scheme have been treated as treasury shares.

(2) 90 000 000 shares were cancelled in terms of an agreement dated 11 April 2008 which was ratified by shareholders on 25 August 2008. The adjusted number of shares in issue is provided for illustrative purposes and shows the effect of the cancellation.

As set out above there is a claw back of the cancelled shares if certain earnings conditions are met. The fair value of this equity instrument, R76,5 million is reflected against the treasury shares.

Abridged statement of changes in equity

	Reviewed 6 months ended June 2008 R'000	Reviewed 6 months ended June 2007 R'000
Balance at beginning of period	201 337	-
Net profit for the period	14 895	11 706
Issue of share capital	-	34
Share premium	(1 202)	183 048
Treasury shares	(76 500)	-
Equity instrument	76 500	-
Share based reserves	579	-
Purchase of Earth 2 Earth (Pty) Limited minority interest	-	1 299
Dividend paid	-	(1 400)
Minority Interests	581	2 054
Balance at end of period	216 190	196 741

Abridged cash flow statement

	Reviewed 6 months ended June 2008 R'000	Reviewed 6 months ended June 2007 R'000
Cash flow from operating activities	26 090	9 164
Cash flow from investing activities	(24 564)	(142 995)
Cash flow from financing activities	(7 923)	201 107
Net (decrease)/increase in cash and cash equivalents	(6 397)	67 276
Cash and cash equivalents at beginning of period	23 366	-
Cash and cash equivalents at end of period	16 969	67 276

Abridged segment report

	Reviewed 6 months ended June 2008 R'000	Reviewed 6 months ended June 2007 R'000
Gross Revenue		
Waste management	123 200	93 405
Metals recovery	36 546	-
Landfill management, construction and rehabilitation	78 945	50 854
	238 691	144 259
Profit before interest and taxation		
Waste management	13 737	11 054
Metals recovery	8 615	-
Landfill management, construction and rehabilitation	7 193	10 408
	29 545	21 462
Depreciation		
Waste management	6 882	9 836
Metals recovery	407	-
Landfill management, construction and rehabilitation	122	27
	7 411	9 863

Reviewed group interim results for the six months ended 30 June 2008

HIGHLIGHTS

- Revenue up 65%
- Attributable earnings up 27%
- Headline earnings up 33%
- Earnings per share up 11%
- Strong operating cash flow

Geographical segments are not reported as the company operates mainly in South Africa and its international operations do not meet the IAS 14 thresholds for reportable segments.

OVERVIEW

The directors of Interwaste Holdings are pleased to present the reviewed interim financial results for the six months ended 30 June 2008 ("the interim period"). While increasing inflation, high interest rates, the rising fuel prices, blackouts and the general tightening of conditions in the South African economy made the period difficult, the group performed well growing both revenue and earnings.

The Interwaste Waste Management division experienced excellent growth largely as a result of organic growth from existing clients and several major new contracts in the municipal, industrial and resources sectors. A Record of Decision was received to operate a hazardous waste treatment facility in Gauteng. This plant is expected to be operational in the second half of 2008 and will strengthen not only the division's earnings but also its strategic service offerings to its Gauteng customer base.

The Organics division, which forms part of the Waste Management division for segmental reporting purposes, consolidated its Mpumalanga manufacturing facilities which will result in long term cost-savings. Reasonable sales were experienced into the export markets and the division began to build inventory levels in anticipation of the significantly busier spring and summer seasons.

The Metals Recovery business unit was established towards the end of 2007 to expand the group's recycling offerings. Delays experienced in the importation of specialised equipment hampered initial growth, however since the commissioning of the equipment in mid-April 2008 the division's performance has been outstanding. An investment has been made to establish a metal recovery facility in the Western Cape.

The Landfill management, construction and rehabilitation division grew sales in the first half of the year as a result of short-term contracts for industry-related bulk earthworks activities. These projects were concluded but did not yield the desired returns and negatively affected the division's profitability. The division has refocused its efforts and anticipates a better second half.

The Interwaste Holdings board was strengthened during the period with the appointment of Ivan John as the new group financial director and Gavin Tipper as a non executive director.

FINANCIAL RESULTS

Group revenue increased by 65% to R238.7 million (2007: R144.3 million). The Interwaste group grew turnover by 71% and the Enviro-Fill group by 55%.

Gross profit increased by 11% to R75.1 million (2007: R67.7 million). EBITDA grew by 18% to R36.9 million (2007: R31.3 million).

Rising input costs, particularly fuel costs, reduced margins during the first part of the period. Steps were taken to manage this and normal operating margins were substantially restored by the latter part of the period.

Headline earnings of R14.7 million were achieved against R11.0 million for the comparative interim period, while profit attributable to ordinary shareholders rose 27% to R14.9 million (2007: R11.7 million).

Had the 90 million shares referred to above not been cancelled, the group's earnings per share would have been fractionally down and its headline earnings per share fractionally up.

Operating activities were strongly cash generative and the resultant cash flow was reinvested to support the growth in the business.

The group has a number of exciting opportunities for growth and considerable attention is being paid to gearing and working capital levels and the optimal use of capital.

PROSPECTS

Growth prospects remain strong for the remainder of 2008.

The imminent advent of the Waste Bill will present growth opportunities for the Waste Management division which is well placed in terms of geographic footprint, expertise, resources, high operating standards and a 20 year track record. The division has solid long-term relationships with many of its clients and these, together with its ability to continually innovate, bode well for future growth.

We anticipate strong revenue growth in the organics division in the second half which should establish this division as a dominant player in the industry.

Additional metal recovery facilities will be established in both Gauteng and Mpumalanga in the near future and continued strong growth in revenue and earnings from this area is expected.

The Landfill Management, Construction and Rehabilitation division has been awarded several major landfill management contracts at good margins. These will come into effect in the second half of the year. The division has also acquired access to, but in accordance with its policy not ownership of, 3.5 million cubic metres of landfill space at a centralised facility in Gauteng, which will facilitate the group's disposal needs for the medium term at very competitive rates. The division continues to focus on Waste-to-Energy projects and has been awarded landfill gas installations at three major landfill facilities in Gauteng and the operation and management thereof for five years. The construction and rehabilitation of mine tailings dams was previously identified as a growth area and an associate has won two large management contracts for these services.

The recent decreases in the fuel price will affect the group positively. A number of small acquisitions are being considered and other acquisition opportunities will be contemplated.

DIVIDEND POLICY

All earnings generated by the group are currently utilised to fund growth. The company will reconsider its dividend policy on an annual basis as the business matures.

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.

POST BALANCE SHEET ADJUSTING EVENT

An agreement was entered into on 11 April 2008, and ratified by shareholders on 25 August 2008, with the original Inter-Waste, Enviro-Fill and Ex-Waste vendors, being the Wilco Family Trust, GL Share Trust, Kusasa Trust, Tibiyo Ta Mbuyze Trust, Filima Family Trust and Ex-Waste, which had the effect that 90 000 000 Interwaste Holdings ordinary shares previously issued to the vendors were cancelled.

If the company's headline earnings for the year ending 31 December 2008 exceed R32.8 million the vendors will be entitled to a pro rata claw-back of the cancelled ordinary shares, in pursuance of which the relevant number of Interwaste Holdings ordinary shares will be re-issued. The pro rata claw-back is based on the original profit forecast for the period ending 31 December 2008 as set out in the prospectus and will be based on headline earnings achieved in excess of R 32.8 million and up to R43.3 million.

As the transaction was ratified on 25 August 2008, it has been accounted for in these interim results as an adjusting post balance sheet event.

STATEMENT ON GOING CONCERN

The financial statements have been prepared on the going-concern basis as the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

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.

APPRECIATION

The directors would like to thank our staff for their extended efforts and our clients for their support during the period. The growth in revenue we achieved has made the group one of the largest waste management companies in southern Africa, a position of which we are proud.

On behalf of the Board
18 September 2008

WAH Willcocks
Managing Director

I John
Financial Director

Interwaste Holdings 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), G Tipper
Executive directors: WAH Willcocks (MD); I John (FD); LC Grobbelaar; BL Willcocks; S M Jewaskiewitz
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Transfer secretaries: Computershare Investor Services (Pty) Limited
Designated Adviser: Vunani Corporate Finance

