



**toxfree**

**Morgan Stanley  
2012 Emerging Companies Conference  
June 2012**

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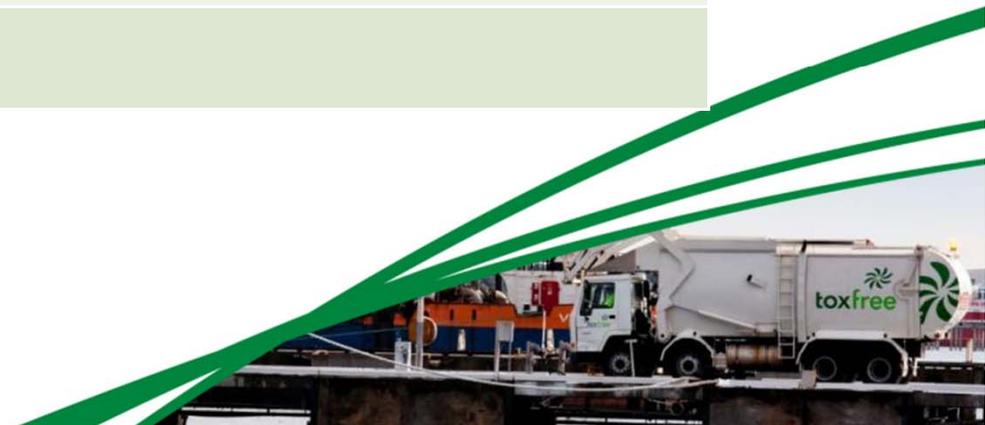
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# Agenda

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1	Capital Structure
2	Company Profile
3	Market Trends
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# Capital Structure

ASX CODE – TOX		
Shares on issue	114,948,108	
Unlisted employee options	3,463,500	
No. of shareholders	3,468 (approx)	
Market Capitalisation	\$260 m (approx)	
Substantial shareholders	Australian Foundation Investment Co	8.2%
	IOOF	7.7%
	Fisher Funds Management Ltd	7.3%



# Our Vision

*“To be the leading Industrial Services and Waste Management Company”*

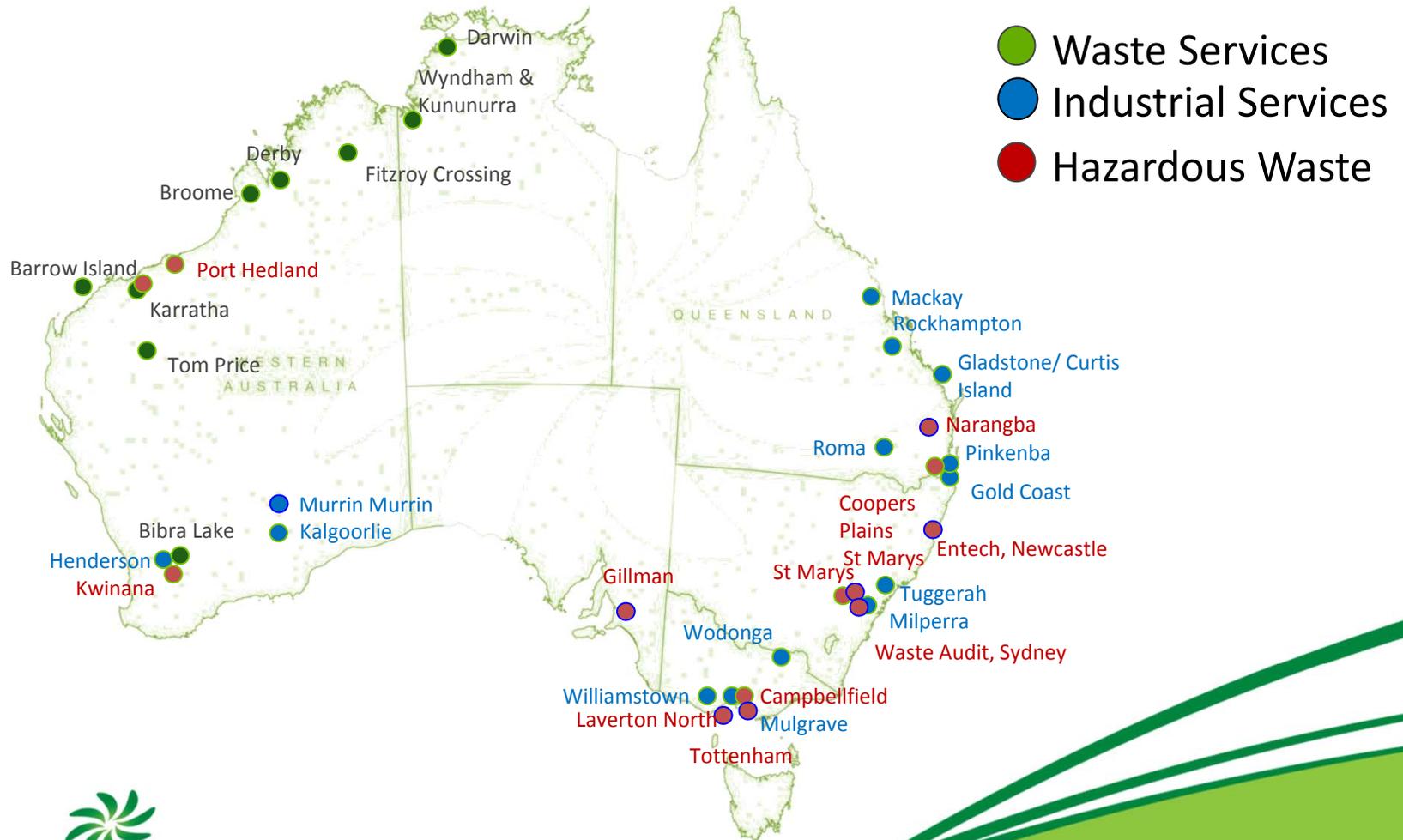


# Company Profile

- One of the largest industrial service and waste management businesses in Australia
- Strategically located facilities
- Unique licenses and specialist technologies
- Provide diverse number of industrial and waste services to all market sectors
- Resource sector and hazardous waste focus
- Focus on competitive advantage through safety, service delivery, sustainable waste management practices, treatment licenses and technologies
- Growth - combination of acquisition, green field development, organic and contract growth



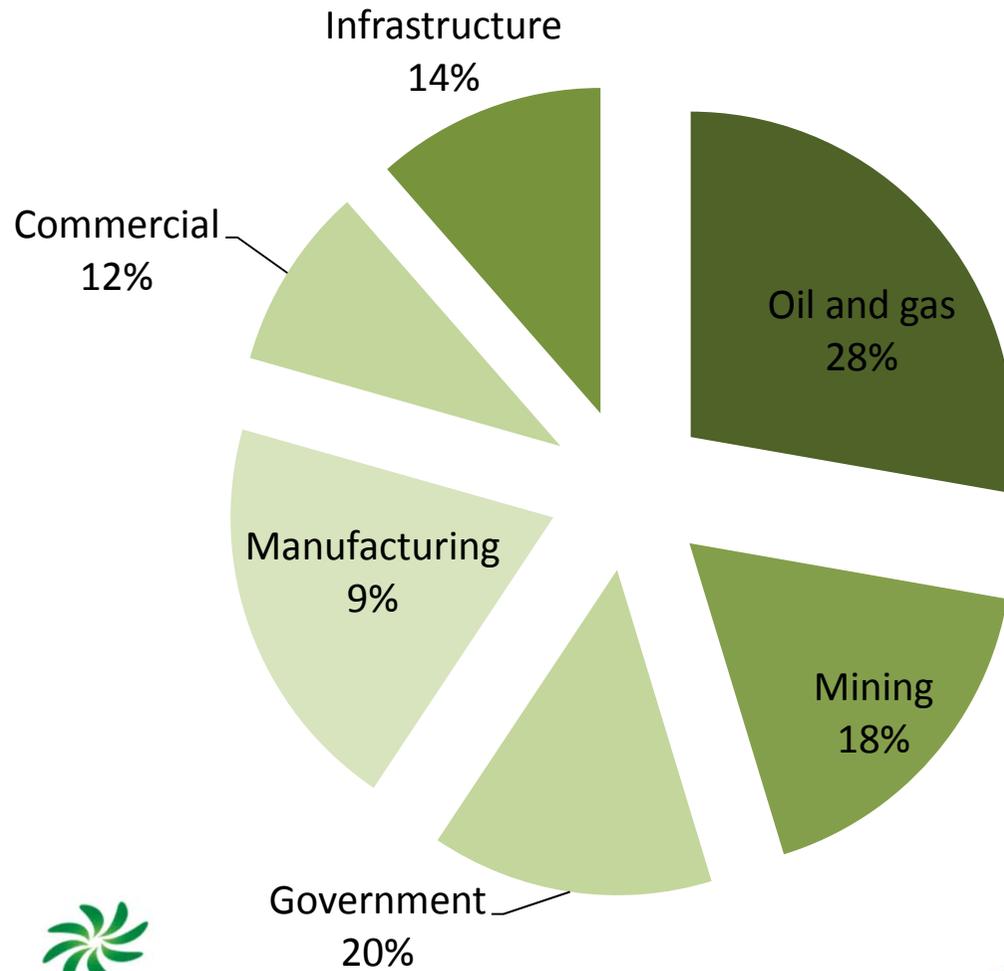
# Service Locations



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# A Diversified Business

## Toxfree Market Sector Analysis by Revenue



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# Australian Waste Market by Waste Type

	Industry Revenue (\$Bn)	Competitive Intensity	Industry Profits (\$)	Margins	Industry Attractiveness	Toxfree Share % FY11
Commercial	3.2	Medium - High	290	9%	Medium	0
Construction	2.7	High	190	7%	Low	0
Municipal	2.0	High	120	6%	Low	1%
Industrial	1.9	Low - Medium	240	12%	Med High	3%
Hazardous	1.2	Low	150	12.5%	High	5%
Total	11		990	9%		1.4%

- Hazardous waste is a low volume, high margin niche sector
- Industrial markets have lower capital and competitive intensity and moderately attractive margins
- With DMX addition Toxfree has changed its mix, now deriving more revenue from more attractive Industrial & Hazardous sectors compared to the Municipal, C&D and Commercial sectors

Source: National Waste Report 2010, Review of Waste Strategy in NSW 2010, IBIS – Waste Disposal Services in Australia 2012.

# Market Trends – Environmental and regulatory

- Australia is the 2nd highest producers of waste per capita behind USA at 2.1 tonnes per head p.a.
- Increasing government landfill levies and disposal costs will continue to drive recycling and divert waste from landfill
- Carbon tax will further promote reuse, recycling, treatment and landfill avoidance
- Government regulation and environmental sustainability is driving the transition from landfill to recycling and recovery
- Large clients are aggregating procurement and increasing numbers seek a “One Stop Shop” solution
- At 50m tonnes and \$11.9Bn, the market is large, and growing around 5% p.a.
- Highly competitive, and fragmented, with the top 5 industry players having less than 50% market share



Source: IBIS Waste Report 2012

A decorative graphic consisting of several overlapping, upward-sloping green lines that create a sense of growth and movement, positioned in the bottom right corner of the slide.

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# Corporate Strategy

1. Leader in Hazardous Waste Management Nationally

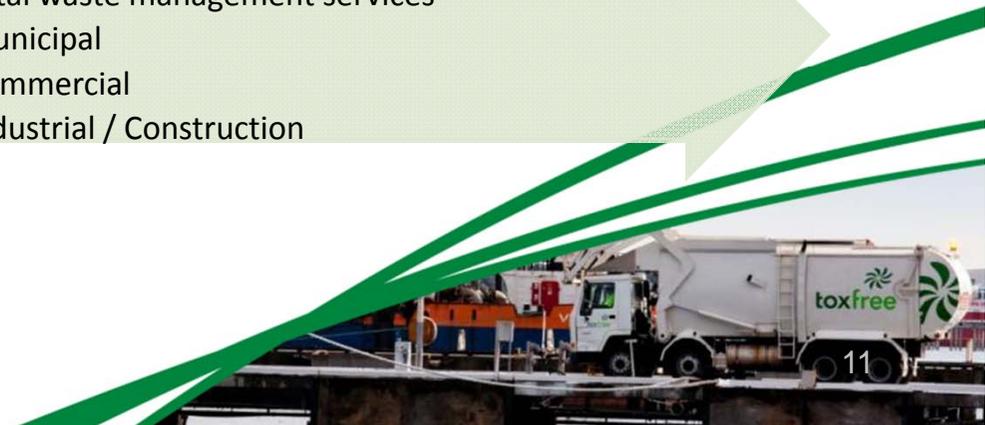
- Best Technologies
- Best Licences
- Best People
- High barriers to entry
- Servicing all industry sectors

2. Provide a broad range of Industrial Services to Blue Chip clients under long term contract

- Mining
- Oil and Gas
- Infrastructure
- Heavy manufacturing
- Government

3. Provide all waste services in all regional resource hubs of Australia

- Resource focus - WA, QLD and NT
- Total waste management services
- Municipal
- Commercial
- Industrial / Construction



# Toxfree's Target Industry Sectors

	Industry Revenue (\$Bn)	Industry profits (\$)	Margins	Target Revenue (\$'Bn)	Target Profits (\$'m)	20% of Target Revenue (\$m)	20% of Target Profit (\$m)
Commercial	3.2	290	9%	1.0	90	200	18
Construction	2.7	190	7%	0.6	40	120	8
Municipal	2.0	120	6%	0.4	25	80	5
Industrial	1.9	240	12%	1.6	195	320	39
Hazardous	1.2	150	12.5%	1.2	150	240	30
Total	11	990	9%	4.8	500	960M	\$100m

## FY12 – Highlights so far

- Zero Lost Time Injuries
- Expansion of services in Gladstone, Mackay, Roma, Port Hedland and Darwin
- Acquisition of MMS Enterprises (Dec 2011) and Pilbara Waste (Sept 2011)
- Acquisition of DMX assets on 15 Feb 2012
- Commencement of indigenous JV and award by the JV of a waste services contract with Fortescue Metals Group (Feb 2012)
- Extension of existing Woodside contract and commencement of Pluto (March 2012)



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## FY12 - Highlights so far (cont)

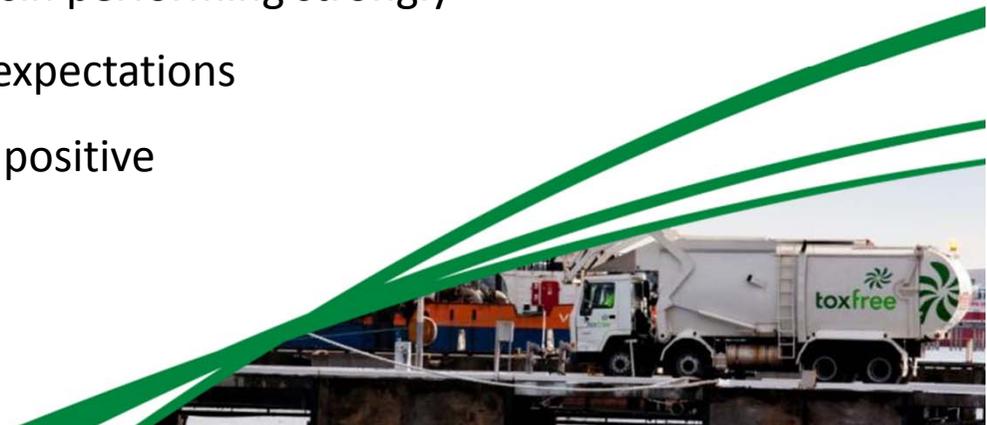
- Awarded the National Safety Council of Australia / GIO National Safety Award of Excellence (October 2011)
- Brand refresh and national branding to “Toxfree” - complete at a cost of \$500 K
- Wastefree tracking system development and roll out of electronics in the field
- Kimberley Resource Recovery Centre opening in June 2012
- Recycling Warriors school recycling program with Rio Tinto launched



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# Operational update

- DMX operational integration complete :
  - Amalgamated Toxfree Hazardous Waste sites in NSW and Vic with Chemsal
  - Diverting waste to where it is most efficiently treated
  - National hazardous waste service line created to maintain focus
- North West recovering well from weakness during cyclone season
- Queensland – Surat and Bowen basin performing strongly
- East Coast infrastructure meeting expectations
- APLNG / Gladstone – outlook very positive



# Outlook

- Focus on integration of DMX and development of operational synergies
- One off costs in FY12 from DMX acquisition and integration (\$2.3 M) as well as national rebranding programme (\$0.5 M)
- Commencement of services to Fortescue Metals Group by the Toxfree JV
- FY13 contribution from acquisitions of DMX, MMS and Pilbara Waste
- Organic growth of core business - Economic activity stimulated by Western Australian and Queensland resource projects and Environmental drivers
- Award of further contracts throughout Australia
- Positive medium to long term outlook through market drivers



# Questions

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