Financial Results - First Half FY15

March 2015

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Agenda

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1H15 – Key Highlights

Safety

- Zero Lost time injuries
- Reduction in All Injury Frequency Rate of 5%

Financial

- Revenue up 14% on 2H14 and 10% on 1H14 to $207.3M
- Underlying EBITDA* up 17% on 2H14 and 7% on 1H14 to $37.3M
- Underlying NPAT* up 32% on 2H14 and comparable to 1H14 to $12.9M
- Statutory NPAT up 29% on 2H14 and in line 1H14 to $12.3M
- Dividend increased by 33% to 4 cents per share
- Net debt to equity of 42%

Operations and trading conditions

- Award of three year NSW Household Hazardous Waste Contract
- High level of diversification and recurring revenue
- Waste Services – Growth in commercial waste volumes
- Industrial Services - Improved conditions in civil infrastructure sector

** Non-IFRS financial information (refer Appendix 1 for detail)*

57 SITES NATIONALLY & OVER 1100 EMPLOYEES

1H15 - Result

- Strong revenue growth - up 14% on 2H14 and up 10% on 1H14
- Driven by increased commercial waste volumes in Queensland, Chevron contract transition, increased scope of services in Surat basin and Gladstone and significantly improved industrial services
- Underlying group EBITDA margin improved on 2H14 by 60 bps
- Cost cutting measures to leverage revenue growth have been undertaken – benefits have started to flow through
- Ongoing success in business development with $34 M of additional contracts awarded in period

** Non-IFRS financial information (refer Appendix 1 for detail)*

1H15 – Group Result

Group Results	1H FY15 ($'000)	2H FY14 ($'000)	% Change	1H FY14 ($'000)	% Change
Revenue	**207,287**	181,980	14%	188,017	10%
EBITDA*	**37,345**	31,840	17%	34,799	7%
Depreciation	**(14,430)**	(12,745)	13%	(12,001)	20%
Amortisation	**(1,219)**	(1,276)	(4)%	(1,420)	(14)%
EBIT*	**21,696**	17,819	22%	21,378	1%
Finance expenses	**(3,265)**	(3,237)	1%	(3,268)	(1)%
Profit before tax*	**18,431**	14,582	26%	18,110	2%
Income tax expense*	**(5,520)**	(4,765)	16%	(4,945)	12%
Underlying net profit after tax*	**12,911**	9,817	32%	13,165	(2)%
Statutory net profit after tax	**12,305**	9,542	29%	12,182	1%
Earnings per share (cents)*	**9.73**	7.38	32%	9.92	(2)%
Dividend per share (cents)*	**4**	3	33%	3	33%
Weighted average number of shares (million)	**133.8**	133.1	0.5%	132.8	0.7%

** Non-IFRS financial information (refer Appendix 1 for detail)*

1H15 – Waste Services

	1H15	2H14	1H14	1H15 vs 2H14	1H15 vs 1H14
Revenue ($M)	**127.3**	100.5	107.9	26.7%	18.0%
EBITDA* ($M)	**32.5**	25.1	27.9	29.6%	16.8%
EBITDA* margin	**25.6%**	25.0%	25.8%	60 bps	(20) bps
EBIT* ($M)	**24.0**	18.3	21.6	30.9%	11.5%
EBIT* margin	**18.9%**	18.3%	20.0%	60 bps	(110) bps

- Waste Services East Coast performing well - Wanless rebranding and integration complete. Growth in waste volumes and lower R&M costs from investment in new fleet
- Pilbara region continued its good performance – expansion of services with PLWA to Roy Hill and greater Port Hedland region – cost synergies to be progressed
- Successfully transitioned to new Chevron contract on 1 October 2014 – volumes of waste remain stable
- Margins improved by 60 bps on 2H14
- Depreciation increased through investment in new fleet to manage safety risk, improve service and reduce R&M – Toxfree's average fleet age is 6 years
- Kimberley region underperforming – Offshore oil and gas activity in Browse basin slow

** Non-IFRS financial information (refer Appendix 1 for detail)*

1H15 – Tech. & Env. Services

	1H15	2H14	1H14	1H15 vs 2H14	1H15 vs 1H14
Revenue ($M)	**28.2**	33.0	30.8	(14.5)%	(8.4)%
EBITDA* ($M)	**10.2**	11.9	10.5	(14.8)%	(3.5)%
EBITDA* margin	**36.0%**	36.2%	34.2%	(20) bps	180 bps
EBIT* ($M)	**7.7**	9.6	8.2	(20.0)%	(6.8)%
EBIT* margin	**27.2%**	29.1%	26.7%	(190) bps	50 bps

- Earnings lower than previous halves - less project work from offshore oil and gas development
- Volumes of waste from ongoing production sources remain stable
- Awarded 3 year contract with NSW EPA for household hazardous waste
- Expanded services in Central Australia to regional resource hubs in the Cooper Basin and mining areas of SA
- Technology selected for new thermal treatment facility in Karratha – Planning approval obtained, detailed design underway

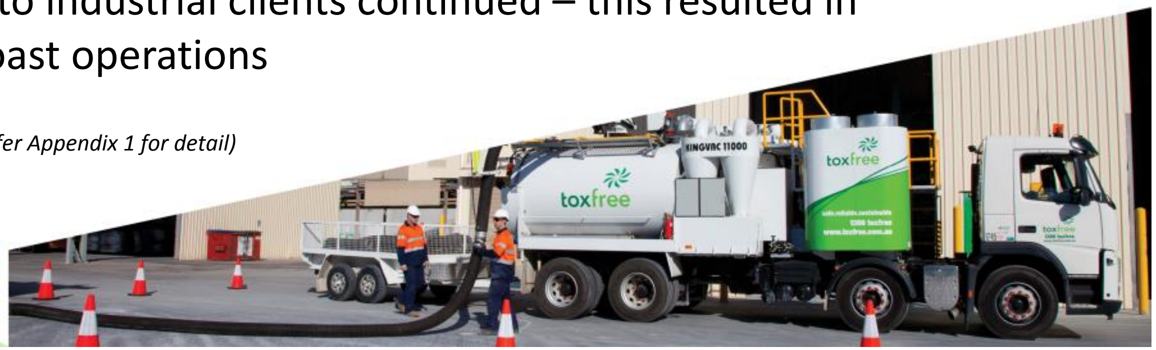
** Non-IFRS financial information (refer Appendix 1 for detail)*

1H15 – Industrial Services

	1H15	2H14	1H14	1H15 vs 2H14	1H15 vs 1H14
Revenue ($M)	**51.8**	48.5	49.3	6.6%	5.0%
EBITDA* ($M)	**9.1**	8.6	9.8	6.0%	(8.0)%
EBITDA* margin	**17.6%**	17.7%	20.0%	(10) bps	(240) bps
EBIT* ($M)	**4.9**	4.2	5.6	19.0%	(12.3)%
EBIT* margin	**9.6%**	8.6%	11.4%	100 bps	(180) bps

- Revenue increased by 6.6% on 2H14 and EBITDA* by 6.0% on 2H14
- EBIT margins improved by 100 bps on 2H14
- Industrial Services in Central Queensland and Gladstone were highlights - increased scope of services in Surat basin (Coal Seam Gas upstream)
- Much improved conditions in the civil infrastructure sector
- Major contracts with Origin, QAL and Murrin Murrin performing well
- Further diversification of services to industrial clients continued – this resulted in significant improvement in east coast operations

** Non-IFRS financial information (refer Appendix 1 for detail)*



Corporate

	1H15	2H14	1H14	1H15 vs 2H14	1H15 vs 1H14
EBITDA* ($M)	**(14,439)**	(13,764)	(13,468)	4.9%	7.2%
EBIT* ($M)	**(14,951)**	(14,300)	(14,044)	4.6%	6.5%
% EBITDA to revenue	**7.0%**	7.6%	7.2%	(60) bps	(20) bps

- Upgrade to the new ERP continues – TE&S, Corporate and Ind. Services complete with Waste Services to be complete by end of FY15
- Established shared services to improve administration efficiencies, reduce waste and cost
- Capital expenditure of $24 M (including ERP of $6M) – higher first half spend to reduce R&M costs, improve service, reduce risk and lower fleet age profile - forecast $40 M for the full year FY
- Strong cash flows in second half will be used to pay down debt
- Increased dividend of 4 cents per share reflects the strong balance sheet position of the Company

** Non-IFRS financial information (refer Appendix 1 for detail)*

57 SITES NATIONALLY
& OVER 1100 EMPLOYEES

Group Cash Flow

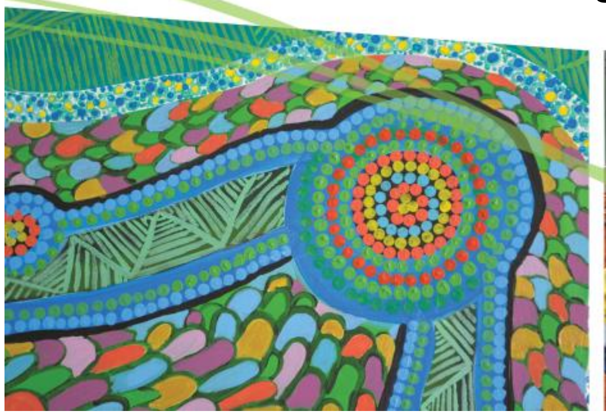
	1H FY15 ($'000)	1H FY14 ($'000)	% Change
Gross operating cash flow	23,485	34,703	(32)%
Net interest paid	(2,291)	(3,067)	(25)%
Income taxes paid	(3,383)	(6,666)	(49)%
Net operating cash flows	**17,811**	**24,970**	**(29)%**
Net purchases of PP&E	(24,244)	(11,402)	113%
Payments for acquisitions – net of cash acquired	(5,169)	(911)	467%
Net investing cash flows	**(29,413)**	**(12,313)**	**139%**
Net proceeds from borrowings/(repayment of borrowings)	19,424	(10,780)	280%
Payments for shares acquired by Employee Share Trust	(775)	-	100%
Dividends paid	(4,013)	(6,626)	(40)%
Dividends paid to non-controlling interests	(2,240)	-	100%
Proceeds from the issue of share capital	-	24	(100)%
Net financing cash flows	**12,396**	**(17,382)**	**171%**
Net increase/(decrease) in cash	**794**	**(4,725)**	**117%**
Cash at the beginning of the half year	16,168	22,736	(29)%
Cash at the end of the half year	**16,962**	**18,011**	**(6)%**

Balance Sheet

	31 Dec 2014 ($'000)	30 June 2014 ($'000)	% Change
Cash	16,962	16,168	5%
Trade and other receivables	103,812	81,633	27%
Inventories	172	296	(42%)
Tax assets	8,612	8,167	5%
Property, plant and equipment	151,944	134,858	13%
Intangibles	150,899	149,572	1%
Total assets	**432,401**	**390,694**	**11%**
Trade and other payables	43,827	38,076	15%
Loans and borrowings	119,555	97,463	23%
Employee benefits	8,829	7,430	19%
Tax liabilities	5,280	2,674	98%
Provisions	7,269	6,971	4%
Derivatives	1,984	1,098	81%
Total liabilities	**186,744**	**153,712**	**21%**
Total equity	**245,657**	**236,982**	**4%**
NET DEBT TO EQUITY	**42%**	**34%**	

Safety & Our People

- Zero Lost Time Injuries
- Reduction in All Injury Frequency Rate of 5%
- Achieved national ISO triple certification for Safety, Quality and the Environment
- Winner for Innovation in the Australian Business Awards 2014
- Toxfree supports gender equality – number of female employees increased from 15.7% to 20% within the period
- Toxfree have an endorsed Indigenous Reconciliation Action Plan - Indigenous Australian employees increased by 100% from 24 to 48 employees, bringing our number of indigenous employees to 4.5% of our total workforce.
- Toxfree's Indigenous trainee programme continued its momentum with further employees from the Thalangi group from the Ashburton region of Western Australia commencing work.



Key Initiatives – FY15

Revenue growth

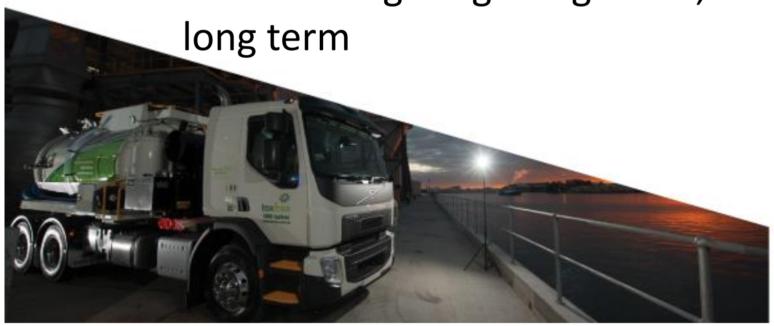
- Targeting $50 M pa of new total waste management and industrial services contracts to targeted blue chip clients
- New technologies and projects to manage our current clients problematic waste streams
- New greenfield sites and strategic acquisitions in geographic areas linked to our target markets

Reducing Costs

- Reducing Costs and improving efficiencies through our Centre of Excellence project within TE&S
- Focus on reorganising and reducing labour and overhead costs – 40 employees have been made redundant since 1 July 2014. Redundancy costs of $492K incurred in 1H15
- Reducing waste disposal costs – diverting waste from landfill and reducing third party disposal
- New ERP upgrade and shared service centralisation to improve back end efficiencies and reduce cost – $8M capital cost to be completed within FY15.

Outlook

- Toxfree has a high level of recurring revenue
  - 60% of revenue contracted
  - waste disposal is an essential service
- Toxfree will continue to demonstrate value to our clients through improved efficiencies, investment in new sustainable treatment technologies and corporate sustainability
- Awarded 5 + 5 year contract with Chevron Australia – Gorgon waste volumes expected to remain stable for the remainder of this year
- Industrial services momentum in civil infrastructure sector expected to continue
- Queensland - Surat basin and Gladstone expected to continue to perform strongly
- North West – increasing production of iron ore provides opportunities for growth, however waste volumes from offshore oil & gas are uncertain
- Hazardous waste volumes expected to remain stable – further treatment efficiencies to be the focus
- Available waste market is large and Toxfree is confident on continuing to build its market share through organic growth, contract award and strategic acquisition over the medium to long term



57 SITES NATIONALLY & OVER 1100 EMPLOYEES

Corporate Strategy

– ***Our business***

– ***Our target markets***

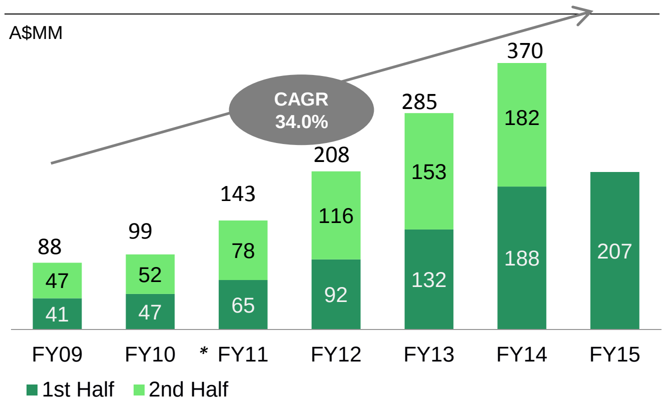
– ***Our market drivers***

Vision & Service Locations

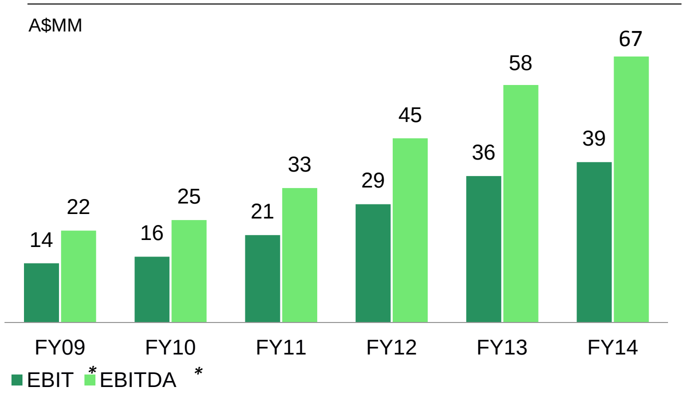
To be the leading provider of safe, reliable and sustainable waste management and industrial services in our targeted markets

Our Track Record

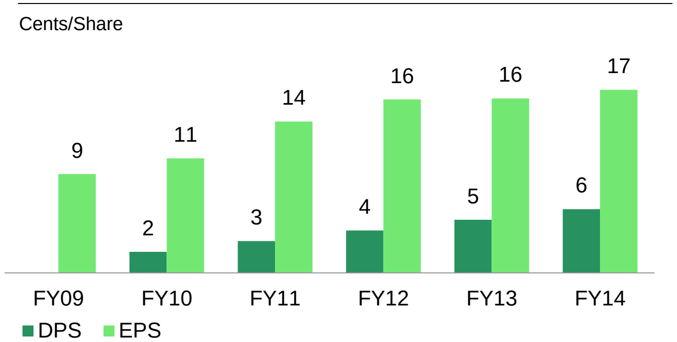
Revenue



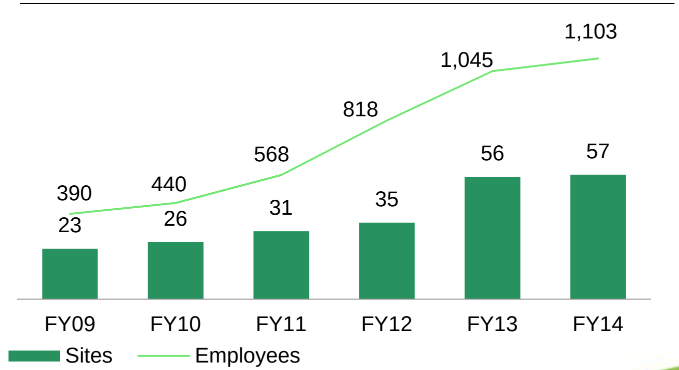
Underlying EBITDA and EBIT



Underlying EPS and DPS



Sites and Employees



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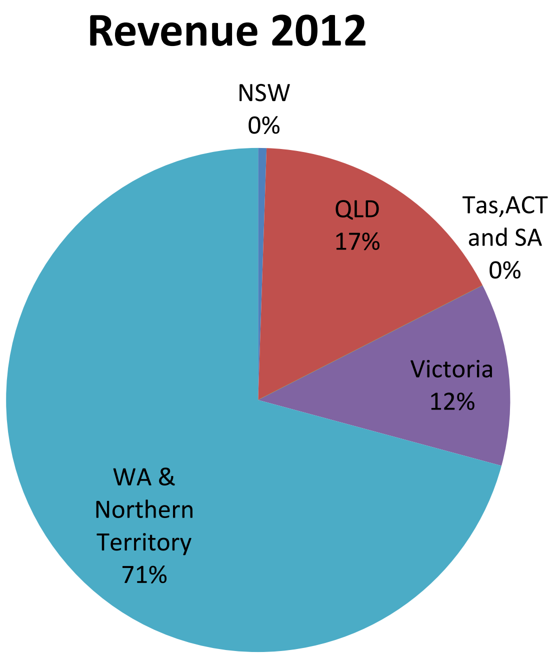
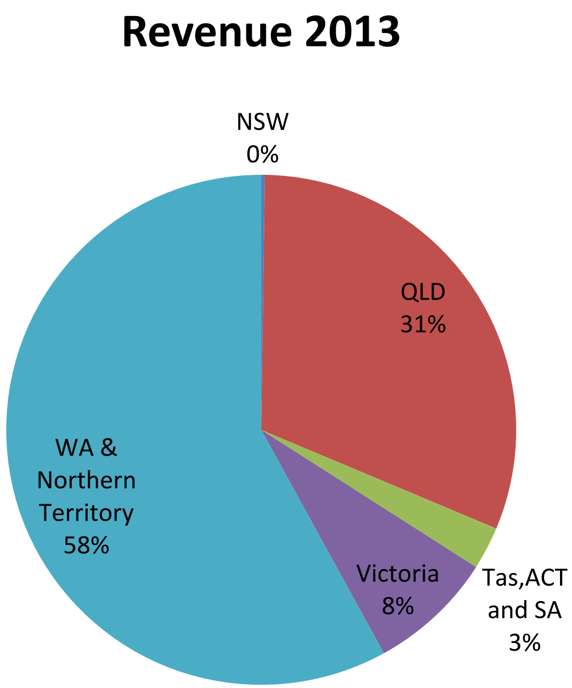
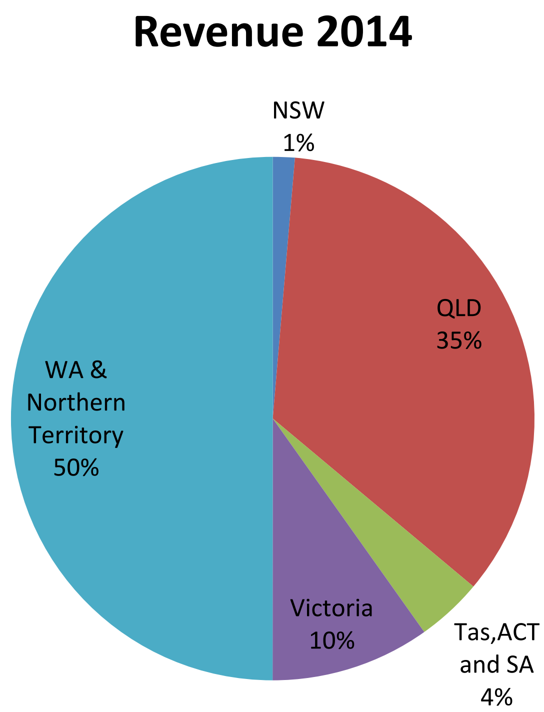
Diversified by Geography







Based on calendar year revenues

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Corporate Strategy

Technical and Environmental Services

Leader in Hazardous and Industrial Waste Management

- Innovation, best practice, low operating cost technologies, centres of excellence, resource recovery
- Unique and Strategic Licences throughout Australia
- High barriers to entry
- Servicing all industry sectors, households and government

Waste Services

Provide all waste services in all regional hubs of Australia

- Regional focus - WA, QLD, Tas, SA and NT
- Total waste management solutions to blue chip clients
- Municipal, Commercial, Industrial
- One stop shop
- Market to producing assets is estimated at >$2Bn pa

Industrial services

Leader in provision of industrial services throughout Australia

- Producing assets
- Long term contracts
- Blue chip clients
- Ideally integrated with waste services
- Mining, Oil and Gas, Civil Infrastructure ,Heavy Industry

Integrated services

57 SITES NATIONALLY & OVER 1100 EMPLOYEES

Australian Waste Market

- The Australian waste market is estimated at $13 Bn pa*
- Average growth rate of the Australian Waste market is estimated at 5.2% pa*
- Based on our strategy Toxfree have estimated an existing target market of approximately $4Bn pa*
- The available market for target blue chip clients in production is estimated by Toxfree to be > $1BN in revenue, and still growing at greater than 10% p.a.*
- Toxfree will continue to be a specialist, more efficient, lower cost, and higher technology player, with the aim of dominating each chosen sector sub-market we service
- To achieve our aspirations, we need continued organic growth, capture further market share through business development, strategic acquisitions and alliances, creating and diversifying our services to our targeted clients to help position Toxfree as the “go to” safest, best practice, technology and solution focused service provider in our chosen sectors

*(*Source: IBIS World Waste Industry Reports 2013 and Toxfree estimates)*

Target Markets

Existing

- Hazardous waste nationally to all industry sectors
- Industrial services nationally to oil and gas, resources, heavy industry & civil infrastructure
- Waste Services primarily in WA, Qld and Tasmania and regional areas of Australia
- Long term Total Waste Management Contracts to blue chip clients nationally

Future

- Clinical and related wastes nationally
- Offshore hazardous waste treatment in SE Asia and Pacific island regions targeted at locations with blue chip customers
- Waste to Energy
- Waste water treatment

Market Outlook

Resource sector

- Iron Ore, Coal and LNG exports remain a key economic strength – around 20 per cent of Gross Domestic Product
- Production of Iron Ore, LNG and Coal is increasing – waste is generated through production.
- The Roy Hill region, North West Shelf oil and gas, Browse Basin drilling (Inpex and Shell FLNG), CSG development (Surat Basin and Gladstone), increasing Iron Ore production in the Pilbara and new LNG production facilities coming on line over the next couple of years (Gorgon, Wheatstone, APLNG, GLNG, QCLNG and Prelude) provide opportunities for growth

Civil infrastructure

- The Australian Government is investing in infrastructure projects across Australia
- Combined with State Government and Private expenditure it is expected to generate infrastructure investment in excess of $120bn
- Toxfree have exposure to this sector through our industrial services

Source:
BREE Resources and Energy Major Projects April 2014
State and federal budgets 2014
Deloitte – Building the Lucky Country #3 – Positioning for prosperity? Catching the next wave'. Oct 2013

Market Outlook

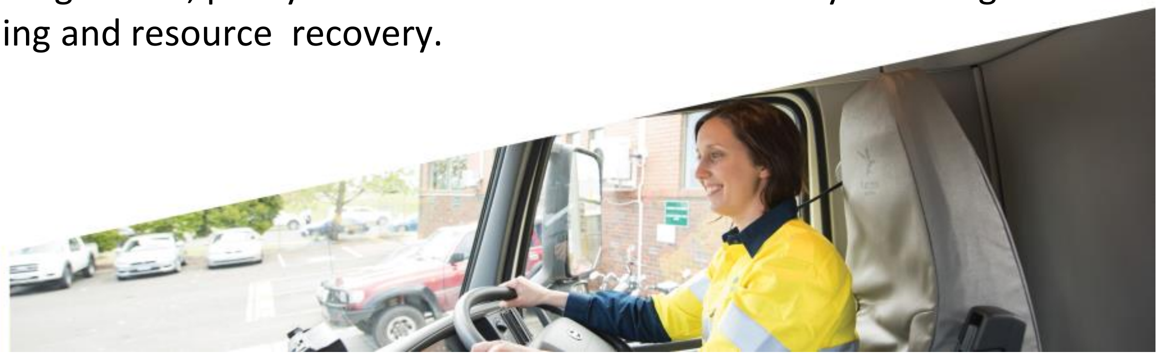
Commercial sector

- Trading conditions remain challenging - Broader Australian economy has not shown signs of a recovery in growth. AUD is dropping and interest rates are low. With time this is expected to stimulate the economy.

Environmental drivers

There are many key drivers that increase the available waste market for resource recovery at a rate greater than population growth

- Sustainability - There is a global trend for more sustainable practices driven by public and corporate social responsibility
- Landfill avoidance - Increasing government landfill levies, regulation and disposal costs will continue to drive recycling and divert waste from landfill
- Regulation and policy - Government regulation, policy and environmental sustainability is driving the transition from landfill to recycling and resource recovery.



Questions

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Appendix 1 – FY2015 & FY2014 Non-recurring adjustments

**Non-IFRS Financial Information: Adjustments that were excluded in order to reflect the underlying performance of the Group are:*

HY1 FY 15:

- Acquisition costs including advisor, legal and rebranding = $0.866m (Corporate).
- These adjustments resulted in an increase in underlying NPAT after tax of $0.606m (before tax $0.866m).

HY2 FY 14:

- Acquisition costs including advisor, legal and rebranding = $0.392m (Corporate).
- These adjustments resulted in an increase in underlying NPAT after tax of $0.275m (before tax $0.392m).

HY1 FY 14:

- Acquisition costs including advisor, legal and rebranding = $0.428m (Corporate $0.334m).
- Net loss on scrapping of plant and equipment (incinerator) = $0.976m (Technical and Environmental Services).
- These adjustments resulted in an increase in underlying NPAT after tax of $0.983m (before tax $1.404m).

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