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## Managing Director Presentation

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24 November 2011

**ASX Limited**

**Electronic Lodgement**

Dear Sirs

**ANNUAL GENERAL MEETING PRESENTATION**

Please find attached a copy of the presentation to be given by the Company's Managing Director, Mr Steve Gostlow, today, at the Annual General Meeting.

Yours faithfully

A handwritten signature in black ink that reads "D McArthur".

**DAVID MCARTHUR**  
Company Secretary

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About Tox Free Solutions Ltd (ASX code: TOX)

Tox Free Solutions Ltd (Tox Free) is one of the largest integrated industrial services, waste and environmental management businesses in Australia.

The Company offers a full range of services through its national network of industrial, hazardous, liquid and solid waste treatment facilities. In addition Tox Free are fast becoming the leaders in onsite industrial services, waste minimisation, recycling and contaminated site remediation.

For more information please contact [s.gostlow@toxfree.com.au](mailto:s.gostlow@toxfree.com.au) or [j.dixon@toxfree.com.au](mailto:j.dixon@toxfree.com.au)

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# 2011 Annual General Meeting

## Managing Director's Address

Steve Gostlow

24 November 2011



# Disclaimer

## Summary information

This presentation contains summary information of TOX Solutions Limited ("TOX") and is dated June 2011. The information in this presentation does not purport to be complete or comprehensive, and does not purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with TOX's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange ("ASX"), which are available at [www.asx.com.au](http://www.asx.com.au).

## Not investment advice

This presentation is not a prospectus or a product disclosure statement under the Corporations Act 2001 (Cth) and has not been lodged with the Australian Securities and Investment Commission ("ASIC"). The offer of TOX shares ('New Shares') to which this presentation relates complies with the requirements of section 708A(5) of the Corporations Act and a "cleansing notice" complying with section 708A(5)(e) will be lodged with the ASX. The information provided in this presentation is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs. Those individual objectives, circumstances and needs should be considered, with professional advice, when deciding if an investment is appropriate. Cooling-off rights do not apply to an investment in any New Shares.

## Financial data

All dollar values are in Australian dollars (A\$) and financial data is presented within the financial year end of 30 June unless otherwise stated.

## Risks of investment

An investment in TOX shares is subject to investment and other known and unknown risks, some of which are beyond the control of TOX. TOX does not guarantee any particular rate of return or the performance of TOX nor does it guarantee the repayment of capital from TOX or any particular tax treatment. You should have regard to (among other things) the risks outlined in this presentation.

## Forward looking statements

This presentation contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of TOX, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should not place undue reliance on forward-looking statements and neither TOX nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.

## Not for distribution or release in the United States

This presentation has been prepared for publication in Australia and may not be distributed or released in the United States. This presentation does not constitute an offer of shares for sale in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 and, accordingly, may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of such Act and applicable US state securities laws.

## Other jurisdictions

The New Shares and entitlements may not be offered or sold in any other jurisdiction under the Offer, except to persons to whom such offer, sale or distribution is permitted under applicable law.



# Our Vision

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



# Capital Structure

ASX CODE – TOX		
Shares on issue	97,626,882	
Unlisted employee options	4,138,500	
No. of shareholders	5,170 (approx)	
Market Capitalisation	\$210 m (approx)	
Substantial shareholders	IOOF	11.4%
	Australian Foundation Investment Co	8.3%
	Fisher Funds Management Ltd	8.0%
	Board & Management	6.0%

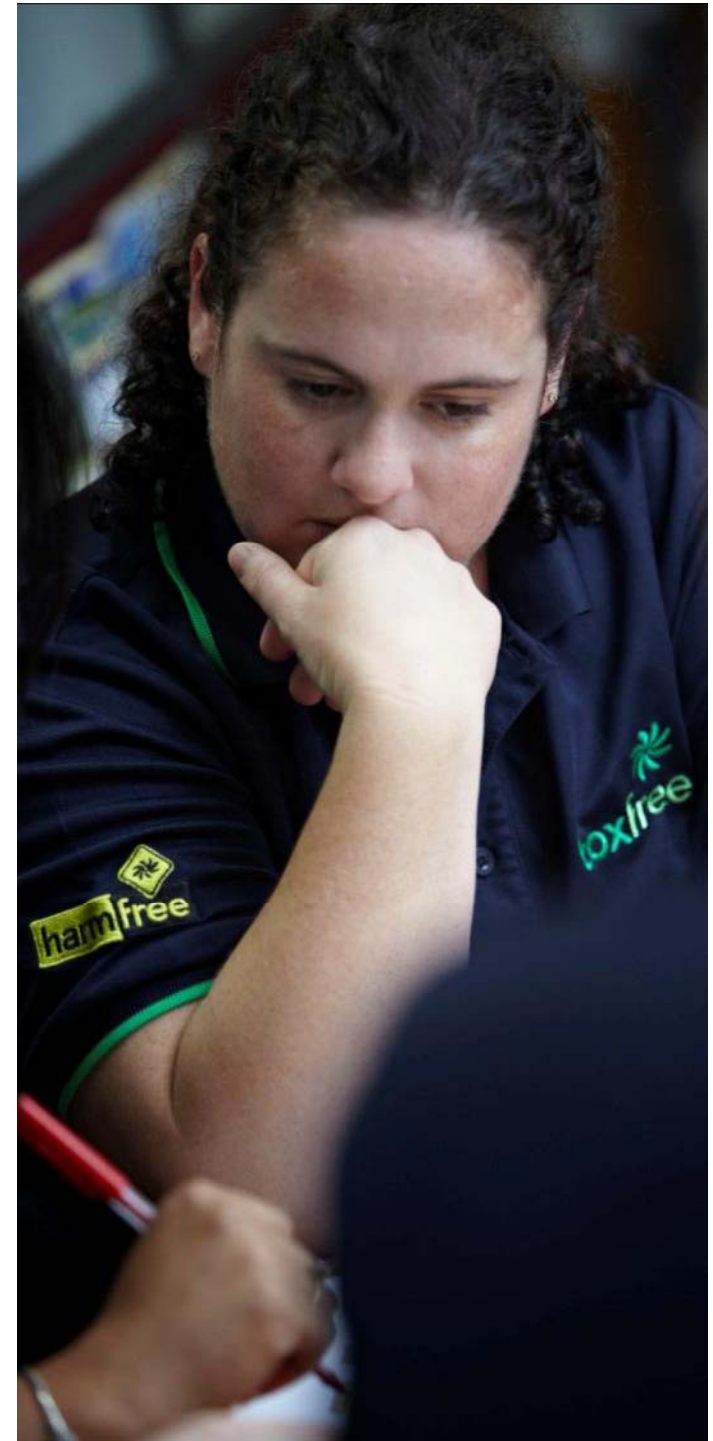


# Company Profile



# Who is Toxfree?

- One of the largest industrial service and waste management businesses in Australia
- Strategically located facilities throughout Australia
- Unique licenses and specialist technologies
- Provide diverse number of industrial and waste services to all market sectors
- Resource sector focus – 70% of revenue leveraged
- Focus on competitive advantage through service delivery, safety, sustainable waste management practices, treatment licenses and technologies
- Growth - combination of acquisition, green field development, organic and contract growth



# Our Services

- **Waste Management**
  - The collection, recycling, treatment and disposal and of all solid, liquid, hazardous and industrial wastes
- **Industrial services**
  - Includes asset maintenance, high pressure water jetting, vacuum loading, tank cleaning, scaffolding, coatings removal and application
- **Environmental Solutions**
  - Contaminated site remediation
  - Waste management training
  - Waste tracking

**A “One Stop Shop” focused on servicing the resource sector and industry**





# Our Locations



# Company Strategy



# Our Clients

- **Resource sector**
  - Focus on regional resource hubs Australia wide
  - Provide integrated industrial services and total waste management solutions
- **Hazardous waste producers nationally**
  - Includes all market sectors - including resource sector, manufacturing, defense, government, utilities, municipal
- **Toxfree has long term contracts with:**
  - Toll Energy, Apache, Woodside, Bechtel, Rio Tinto, Minara Resources, Boral Cement, Mermaid Marine

*“50% of FY11 revenue contracted”*

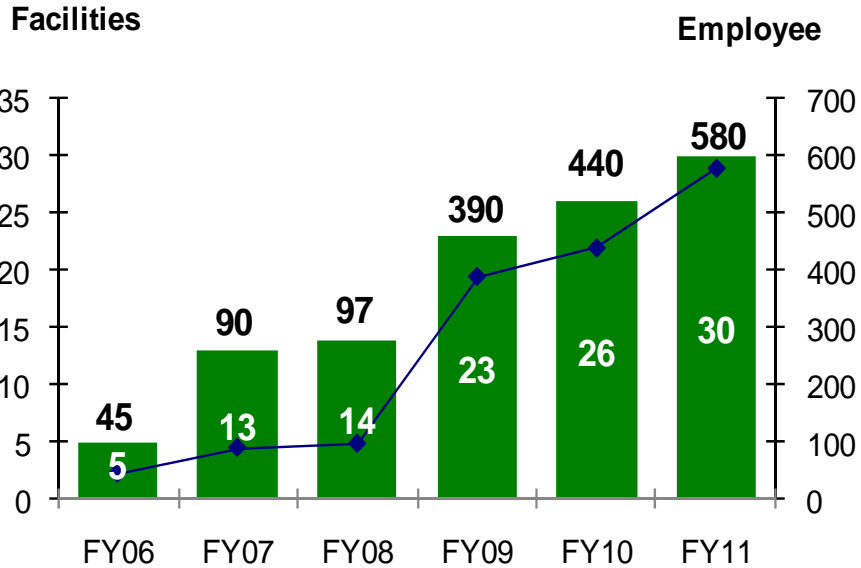
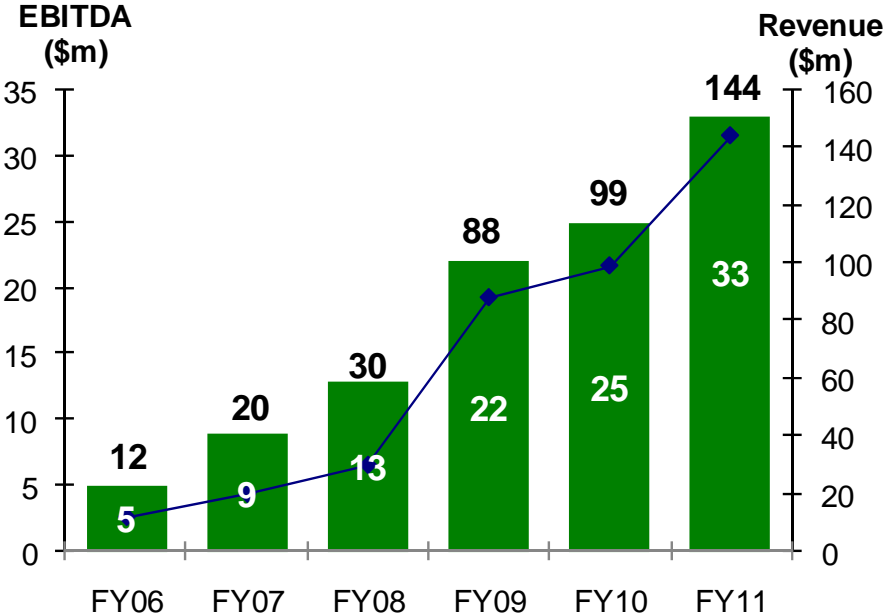


# Why do customers choose Toxfree?

- One stop shop – able to offer a full range of industrial and waste management services under one invoice
- Licensed waste treatment technologies in strategically located industrial hubs throughout Australia
- Safety Systems, Culture, Performance and Standards
- Service focussed, “Can Do” culture
- Waste tracking software - Wastefree
- Resource and Oil and Gas experience
- Hazardous and industrial waste expertise
- Regional expertise in Total Waste Management



# Financial Performance



# FY11 Key Highlights

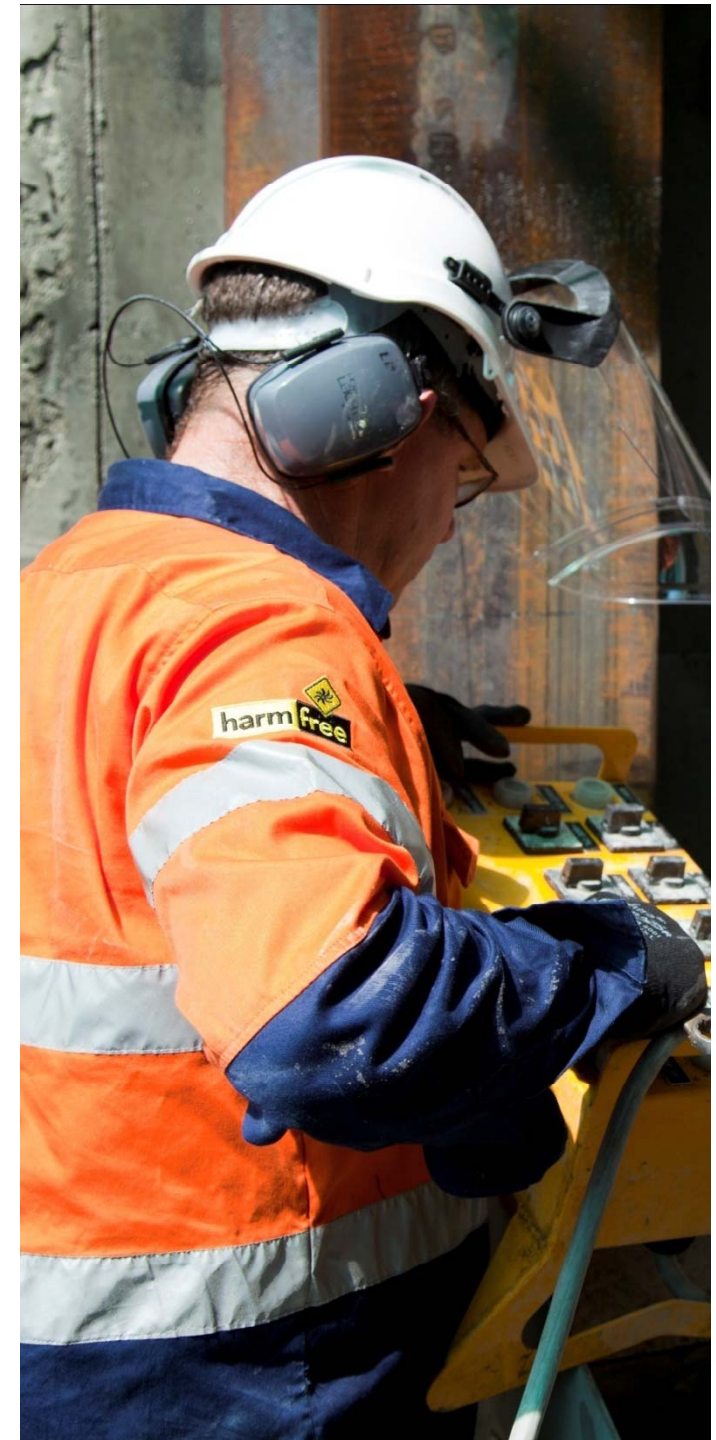
- Revenue up 45% to \$143.5M (FY10 = \$98.7M)
- EBITDA up 42% to \$32.8M\* (FY10 = \$23.0M)
- EBIT up 51% to \$21.3M\* (FY10 = \$14.1M)
- NPAT up 64% to \$13.1M\* (FY10 = \$7.9M)
- EPS up 54% to 14.23\* cents (FY10 = 9.25cents)
- Dividend increased 50% to 3 cents per share
- Solid cash flow from operations = \$28M, 85% of EBITDA
- Net debt to equity = 11%

*\*Excludes debt write off of \$1.2 M (NPAT)*



# Operational Update

- Rio Tinto, Apache, Murrin contracts all performing well
- Toll Energy (Gorgon LNG) contract meeting expectations
- Awarded Total Waste Management Contract for APLNG (Conoco Phillips and Origin Energy LNG plant) in Queensland – October 2011
- Acquisition of Waste Solutions NT and expansion in the Northern Territory
- Acquisition of Pilbara Waste in Port Hedland to complement existing Pilbara operations
- North West and South West WA Operations performing strongly
- Winner of the 2011 National Safety Awards for Excellence



# 2011 NSCA Safety Awards

## National Safety Council of Australia

Toxfree were awarded the *GIO Workers' Compensation Award for Excellence in OHS&E for 2011*, and the *mytraining.net Best OHS Training Program*, for the development of our two nationally accredited training programs for operators of High Pressure Water Jetting equipment.





# Market Trends

- At 50m tonnes and \$10Bn, the market is large, and growing around 5% p.a
- 2nd highest producers of waste per capita behind USA at 2.1 tonnes per head p.a.
- Increasing government levies, disposal costs and environmental sustainability will continue to drive recycling and divert waste from landfill
- Large clients are aggregating procurement more and increasing numbers seek a “One Stop Shop”
- Carbon tax will further promote reuse, recycling, treatment and landfill avoidance
- Highly competitive, and fragmented. Top 5 industry players having less than 50% market share. Toxfree has a market share of approximately 1%



# Growth Outlook

- Continued operational improvement from all contracts
- Further award of long term contracts
- Organic growth of existing divisions
- Market penetration in our target markets
- Further acquisition of businesses that complement our strategy
- Upgrade of Pilbara Waste Management Facilities
- Northern Territory and Queensland expansion
- Industry growth through resource sector capital expenditure and market drivers



# QUESTIONS

**Steve Gostlow**  
**Managing Director**

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## **Broker Coverage:**

Morgan Stanley, Wilsons HTM, UBS, Evans and Partners, JP Morgan, Argonaut, Paterson Securities, RBS Morgans, Blackswan Equities

