

ZhongDe Waste Technology AG



Presentation

August 30, 2010

➤ Safe Waste Disposal Solutions...for Generations to Come

Disclaimer

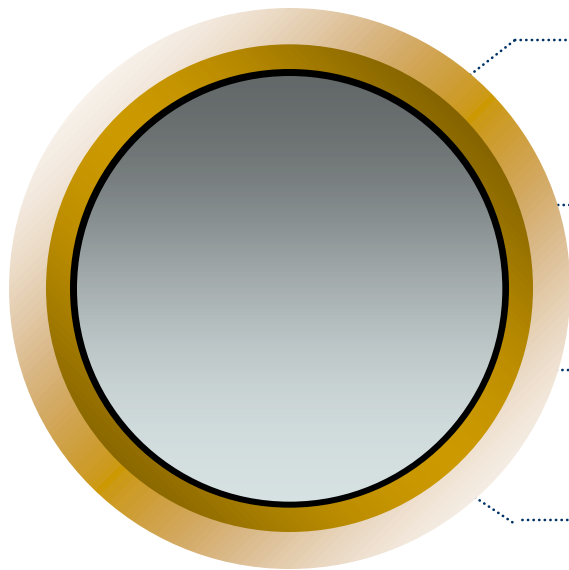


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Agenda



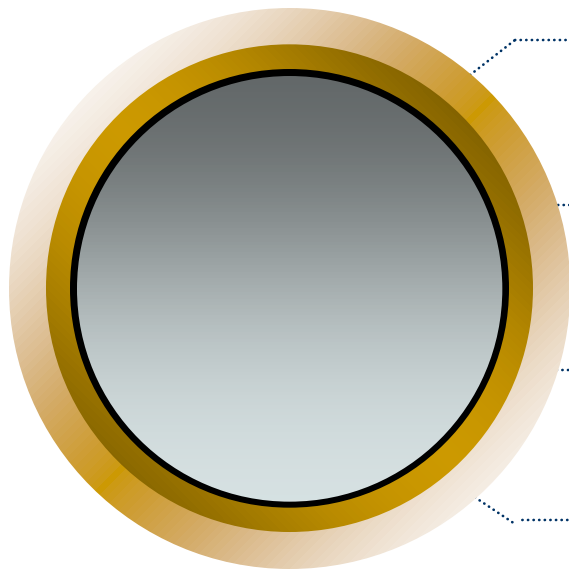
About ZhongDe

Financial Results Q2&H1 of 2010

Chinese Waste Disposal Market

Outlook

Agenda



About ZhongDe

Financial Results Q2 of 2010

Chinese Waste Disposal Market

Outlook

Clean the Future with Technology
Dedicate to Optimization of Global Environment



中德环保

ZHONGDE WASTE TECHNOLOGY



The leading player of energy-from-waste industry in China



Company

Overview

- One of leading players of energy-from-waste industry in China
- Business Model :
 - European Technology
 - China Price
 - Global Service
- Main business segments:
 - EPC Projects (Engineering, Procurement and Construction)
 - BOT (Build, Operation, Transfer)
- More than 200 waste disposal projects since foundation
 - The above projects located in 13 provinces
 - 4 EPC and 4 BOT projects in construction
- Owner of 13 Patents
- R&D and Production facilities based in Beijing & Fuzhou

ZDWT Organizational Chart



General Meeting of Shareholders (AGM)

Board of Directors

Supervisory Board



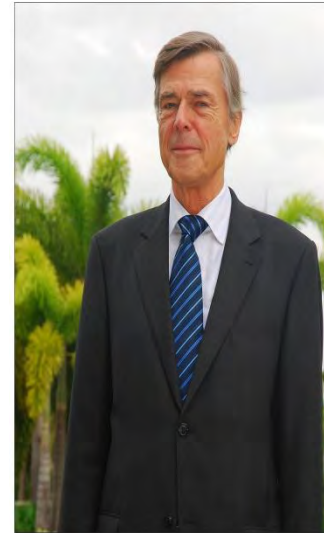
**Chairman
Mr. Zefeng Chen**



**Executive Director
Mr. William Wang**



**Chairmen
Mr. Hans-Joachim
Zwarg**

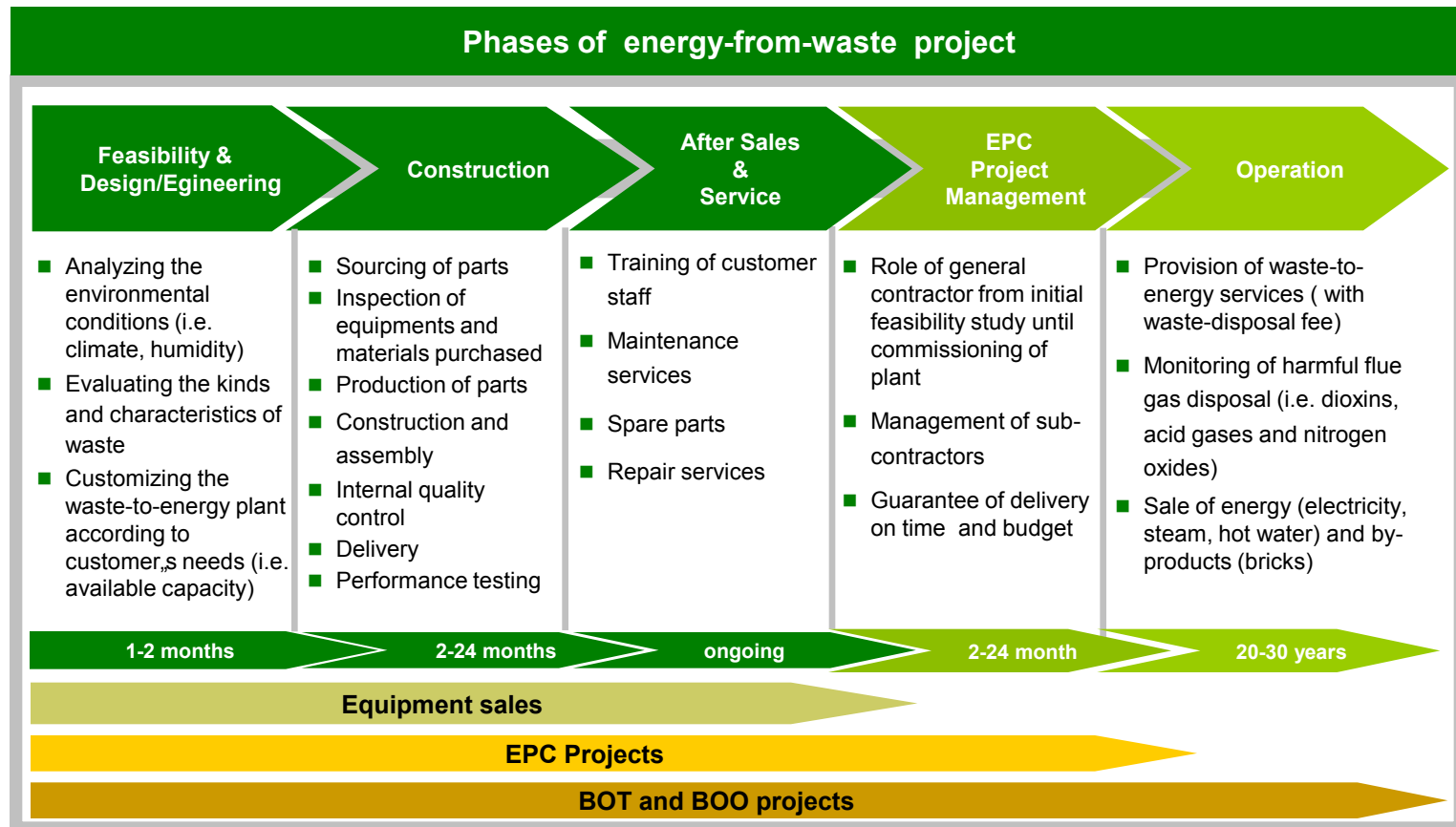


**Vice Chairman
Mr. Berned Neukirch**



**Supervisor
Dr. Hao Quan**

ZhongDe covers the whole value chain of waste-to-energy



➡ ZhongDe covers the whole value chain of energy-from-waste projects

Agenda



Highlights Q2 & H1 of 2010

■ Better Operating Performance of Q2 2010 vs. Q2 2009

- Revenue increased by 15% to € 11.3 million
- EBIT increased by 59% to € 1.1 million
- Order intake strongly increased from € 1 million in Q2 2009 to € 25 million
- Order backlog went up by 36% to € 188 million

■ Better Balance Sheet of Q2 2010 vs. End 2009

- Cash position improved by 6.8% € 119.5 million
- Shareholders' equity increased by € 13.7 % to € 142 million

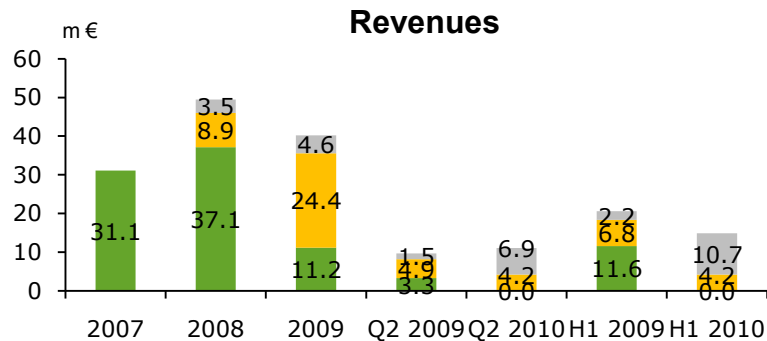
■ Datong project is regarded as a model green plant in China

- Visited many high-ranking officials and partners & clients
- Received heavy media coverage
- Reputation and Image

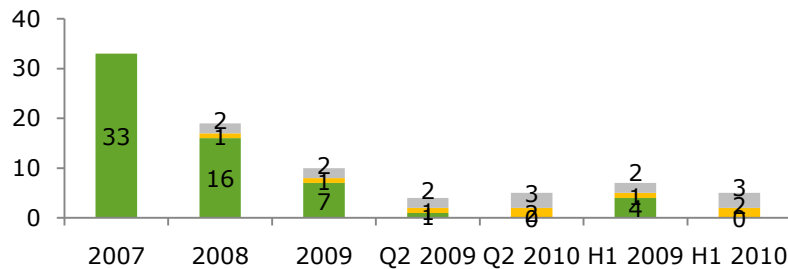
Profitable business of larger-size energy-from-waste projects



Key financials overview



Number of projects generating revenues



■ Incinerators
■ EPC
■ BOT

* 2007 –2010

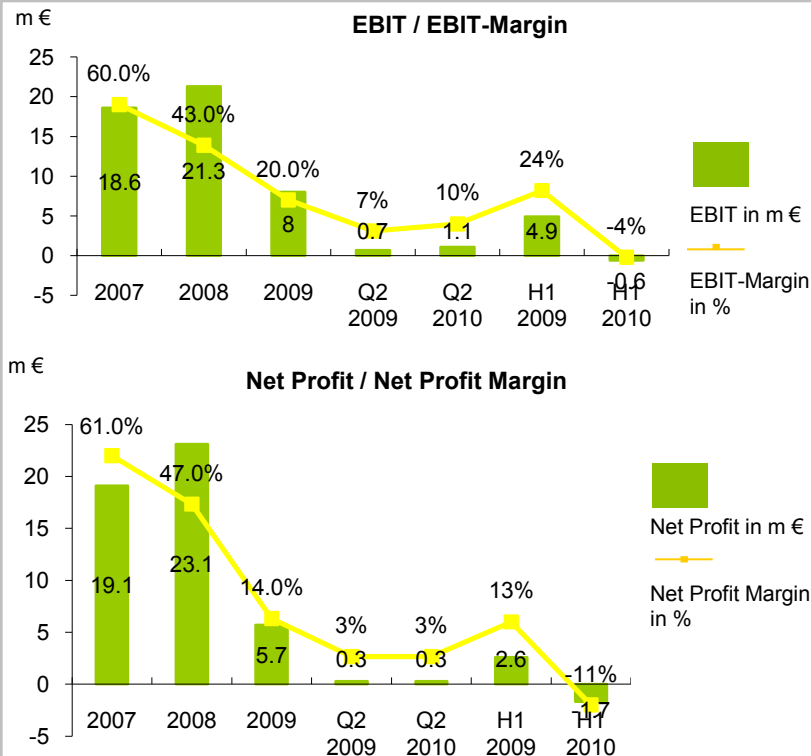
Comments

- Focus on energy-from-waste projects
- Revenue increased by 15% to € 11.3 million
- More projects generating revenues
 - 3 BOT Projects: Zhoukou, Feicheng, Kunming
 - 2 EPC Projects: Zhucheng, Dingzhou
- Striving to explore new energy-from-waste domestic and international market

Profitable business for future investments



EBIT, net profit and margins

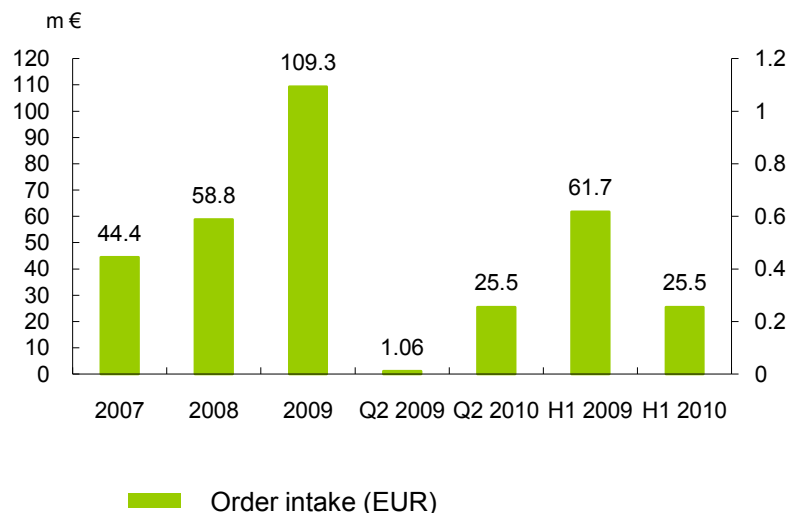


Comments

- Q1& H1 2009 results amended
 - retrospective application of IFRIC 12 to BOT projects
 - EBIT in Q2 2009 amended greatly from € 0.3 m to € 0.7 m.
 - Net profit in Q2 2009 amended greatly from € 0.03 m to € 0.3 m
- Better Operating Results of Q2 2010 vs. Q2 2009
 - EBIT increased by 59% to € 1.1 m
 - EBIT margin in Q2 2010 is 10% (7% Q2 2009)
- Net Profit of Q2 2010 was as same as Q2 2009
 - Net Profit was € 0.3 m
 - Net Profit margin was 3 %

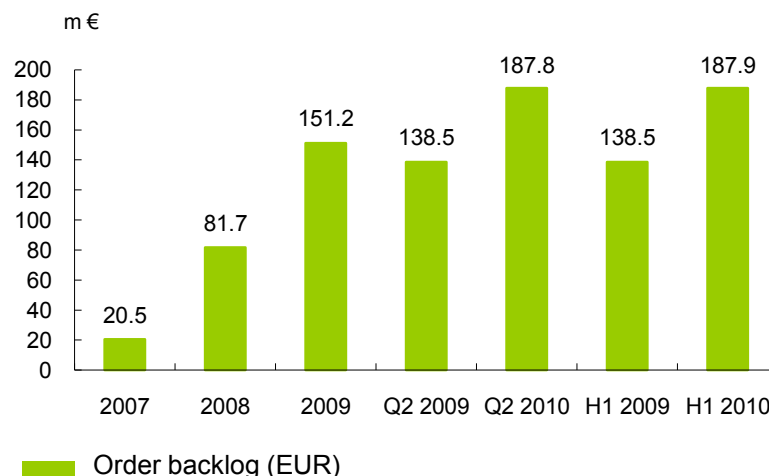
Strong order book allows sustained growth of the business

Order intake



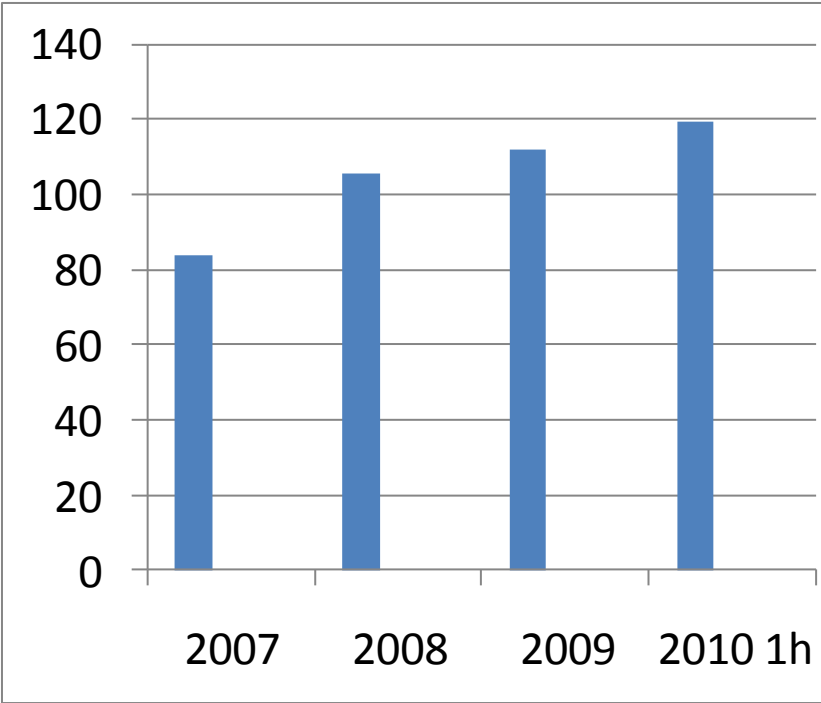
- Order intake increased significantly from € 1.1 million in Q2 2009 to € 25.5 million in Q2 2010. The main reason for the increase was the Company signing a new EPC contract with Shouguang Fuyuan Waste to Power Co., Ltd in Q2 2010, with a total contract value of RMB 270 million (€ 29.8 million using average exchange rate for H1 of 9.0678) including tax

Order backlog



- The order backlog still strongly increased by 36% to € 187.8 million year on year, although the order backlog for 2009 were greatly amended from € 39.5 million to € 138.5 million in view of the retrospective application of IFRIC 12 to BOT projects.

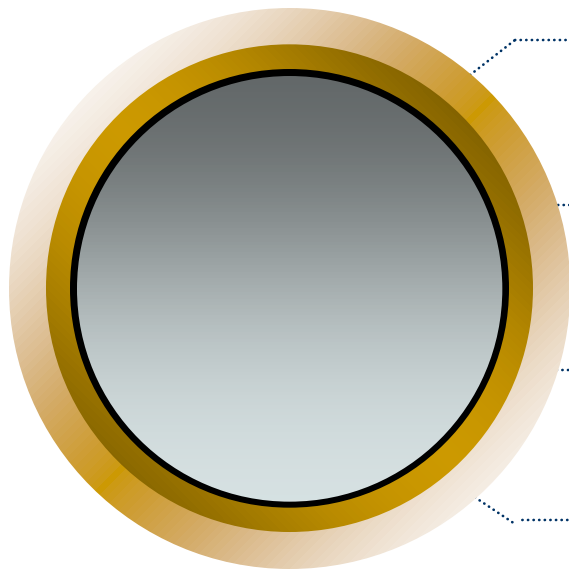
Strong Performance of Cash and Cash Equivalents

Cash and cash equivalents	Comments										
 <p>■ Cash and cash equivalents in m €</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Cash and cash equivalents (m €)</th> </tr> </thead> <tbody> <tr> <td>2007</td> <td>84</td> </tr> <tr> <td>2008</td> <td>106</td> </tr> <tr> <td>2009</td> <td>112</td> </tr> <tr> <td>2010 1h</td> <td>119.4</td> </tr> </tbody> </table>	Year	Cash and cash equivalents (m €)	2007	84	2008	106	2009	112	2010 1h	119.4	<ul style="list-style-type: none"> ■ Cash and cash equivalents of EUR 119.4 million in 2010 H1 ■ Strong cash ensures flexibility in BOT investment & bank loan negotiation ■ Exchange gain while Euro zone crisis <ul style="list-style-type: none"> -Result of currency-risk avoiding policy
Year	Cash and cash equivalents (m €)										
2007	84										
2008	106										
2009	112										
2010 1h	119.4										

Share Performance



Agenda



About ZhongDe

Financial Results Q2&H1 of 2009

Chinese Waste Disposal Market

Outlook

Energy-from-waste – Key element of an integrated waste management solution in China



Dumps

- Predominant disposal method in China



Landfill

- Risk of leakage and toxic emissions

- No hazard-free disposal



Waste-to-energy

- Lower space requirements

- Low environmental impact

- Products: electricity / hot water / steam / bricks

- Key element of an integrated waste management solution in China



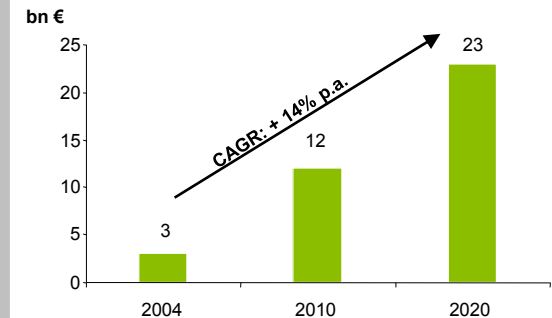
Investment in Solid Waste Disposal is expected to reach 1 billion Euro annually



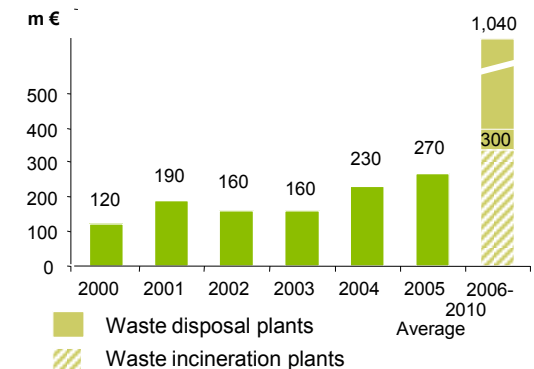
- Growing amount of municipal solid waste generated by the expanding population in urban areas and fast economic development
- Shortage and inadequacies of existing waste-disposal facilities and landfill sites is leading to rampant open dumping in the city outskirts
- Determination of the Chinese Government to improve municipal solid waste management when China move towards the 2nd largest economy in the world
- Governments in China have issued a series of favorable policies to encourage investment in waste-to-energy
- Waste-to-energy process is a high value added technology

Growth drivers

Countrywide waste management budget



Investment in solid waste disposal



Chinese government - Enormous investments in environmental protection



Relevant Chinese environmental laws and regulation (Selection)

1

The third session of the eleventh NPC opened solemnly on 5 March. Premier Wen called on all departments concerned to fight the formidable battle with perseverance:

- Energy conservation capacity will be increased by 80 million tons of coal equivalent this year..
- Active effort will be made to address urban sewage treatment and waste disposal. The newly added capacity for waste disposal is expected to reach 60,000 tons a day..
- Efforts will be made to provide support for R&D of circular economy technology, promote recovery and reuse of industrial waste, and especially power generation through reuse of domestic refuse.

2

On 10 April 2010, MEP spokesperson Tao Detian announced China's theme for 2010 World Environment Day--“Low Emission, Green Life”

The Green Life campaign aims to pass on to people the idea of low-carbon life, raise public awareness of environmental protection so that every citizen and household will promote, practise and advance the cause of environmental protection, advocate green life and contribute to emission reduction.

➡ Enormous investments in environmental protection is of significant importance to the Chinese government as confirmed by president Hu in October 2007

Stable income streams from BOT/BOO projects

Overview BOT/BOO projects 2009

BOT projects				
City	Feicheng	Zhoukou	Kunming	Xianning
Province	Shandong	Henan	Yunan	Hubei
Amount invested (m€)	3,9	18,4	44,5	44,5
Daily disposal capacity (tons/day)	160	500*	1050	1000
Concession period	BOO	30	30	30
Start of operation	10/09	10/09	2011	2011

Income streams	Unit (m€/year)			
City	Feicheng	Zhoukou	Kunming	Xianning
Province	Shandong	Hennan	Yunan	Hubei
Waste disposal fees	0,5	1	2,1	1,2
Sale of Bricks and steam	N/A	N/A	N/A	N/A
Steam/hot water	1	N/A	N/A	N/A
Electric energy	N/A	3,6	3	4,6

Agenda



Main Elements of growth strategy

- Focus on the large-scale energy-from-waste BOT and EPC projects
- Expand market position and technological expertise
- Increase recurring revenues with BOT projects
- Increase production capacity and geographical coverage within China
- Co-operation with international companies on the international market

The Standard Project



Owner of the 13 Patents



Classification of Engineers

1.Combustion Engineer:	6
2.Automation Control Engineer:	12
3.Mechanical Engineer:	22
4.Process Engineer:	4
5.Construction Engineer:	29
Total	73

Mid-term Outlook remains positive

- 1 The market for waste disposal is also affected by the financial crisis but still has a high growth potential
- 2 Strong order book
- 3 EPC and BOT projects" gross profit margin will remain high: $\approx 25\%$
- 4 Datong EfW Plant regarded as model green plant
- 5 Strong cash position ensures ZhongDe"s flexibility
- 6 Stable government supporting policy of China
- 7 Attractive international energy-from-waste market
- 8 Professional Management creates shareholder value

A large green arrow pointing from the list of factors on the left towards the summary points on the right.

Strong Order Backlog

Attractive Profit Margins

Reliable EfW Technology

Strong Cash Position

Appendix / Reference Projects

Datong EPC Waste-to-Energy Project



Datong EPC Waste-to-Energy Project



Datong EPC Waste-to-Energy Project



Construction Projects (Feicheng BOO)



Construction Projects (Feicheng BOO)



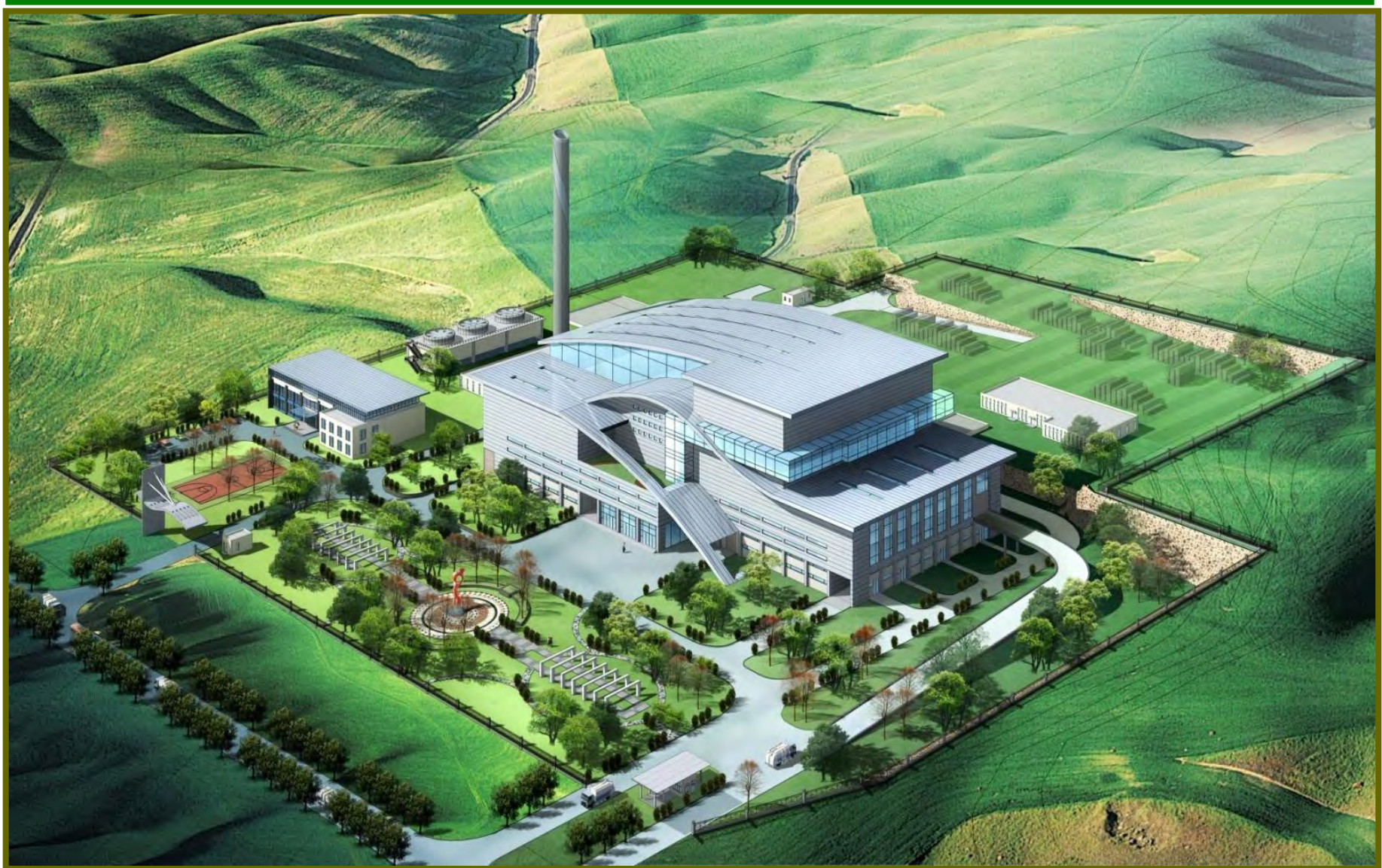
Construction Projects (Zhucheng EPC)



Construction Projects (Zhucheng EPC)



Construction Projects (Kunming BOT)



Construction Projects (Zhaodong EPC)



黑龙江省肇东市垃圾焚烧发电项目方案二



Construction Projects (Xianning BOT)

咸宁市丰泉垃圾焚烧发电厂鸟瞰图



Construction Projects (Dingzhou EPC)



Construction Projects (Zhoukou BOT)



周口市丰泉垃圾无害化处理中心

Construction Projects (Zhoukou BOT)



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