

ZhongDe Waste Technology AG



Investor Presentation

German Equity Forum, Frankfurt

10-12 November 2008

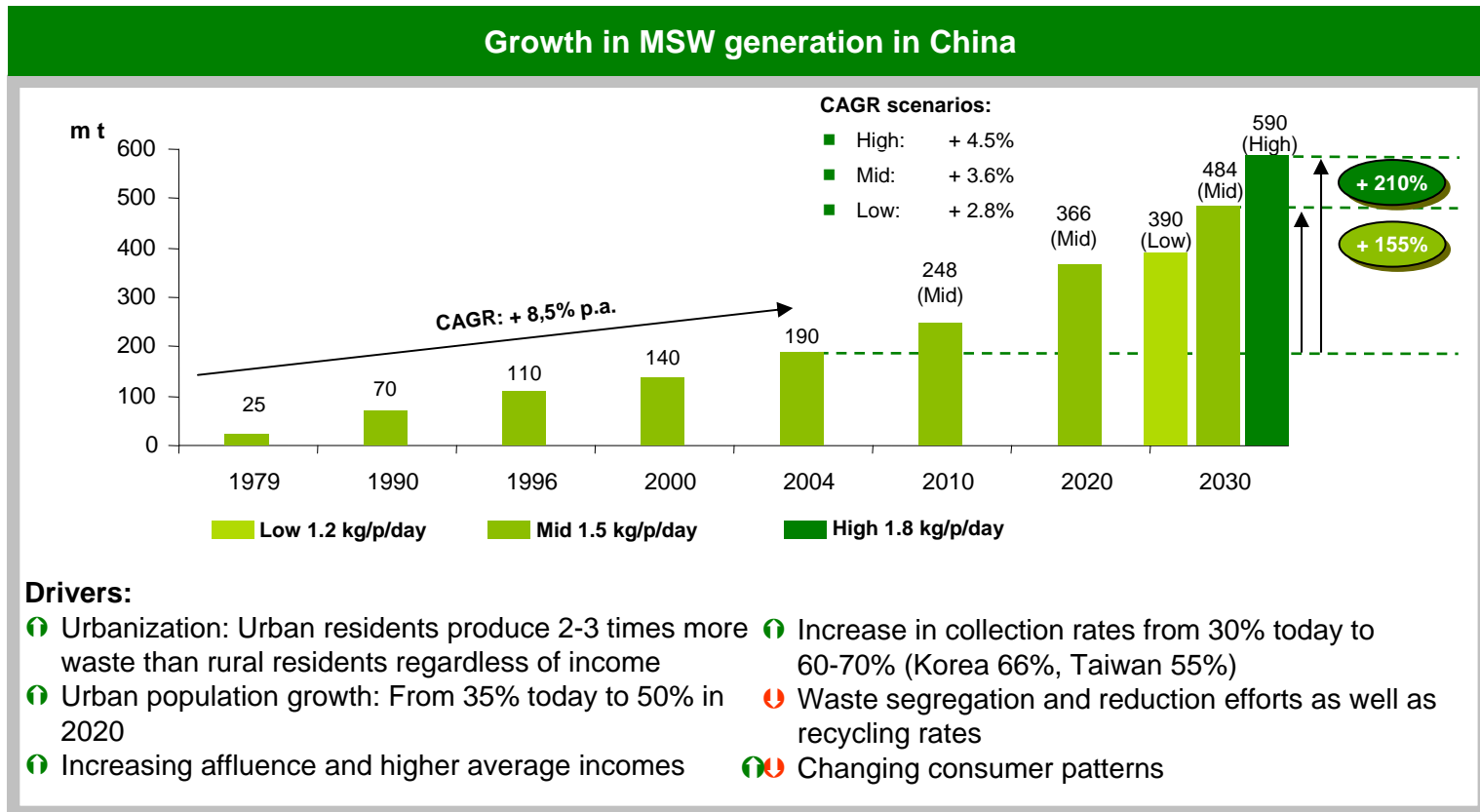
Safe Waste Disposal Solutions...for Generations to Come

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1. Chinese Waste Disposal Market
2. About ZhongDe
3. Post IPO Progress and Outlook

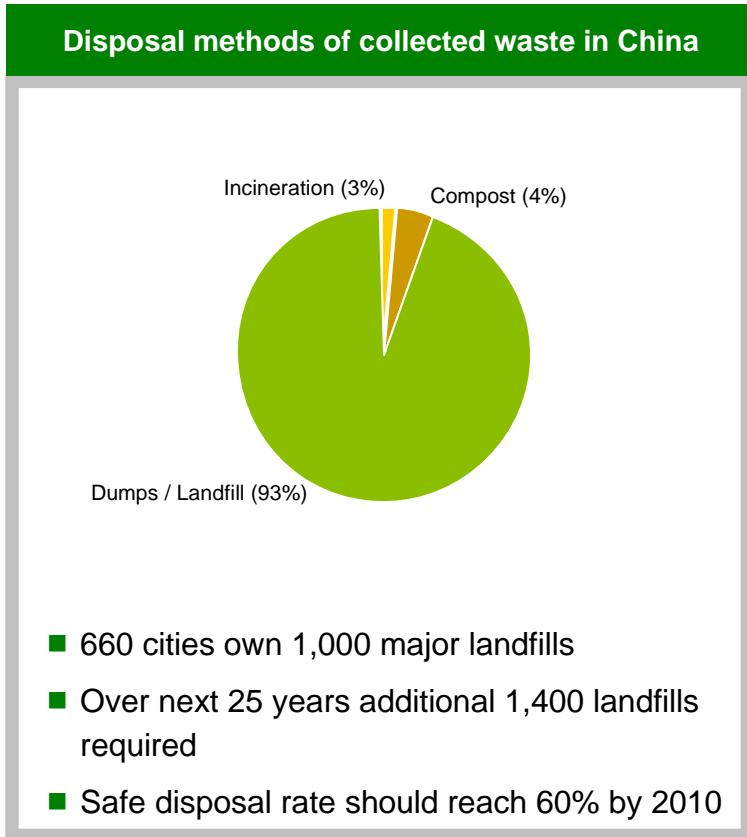
Expected growth of Municipal Solid Waste in urban China



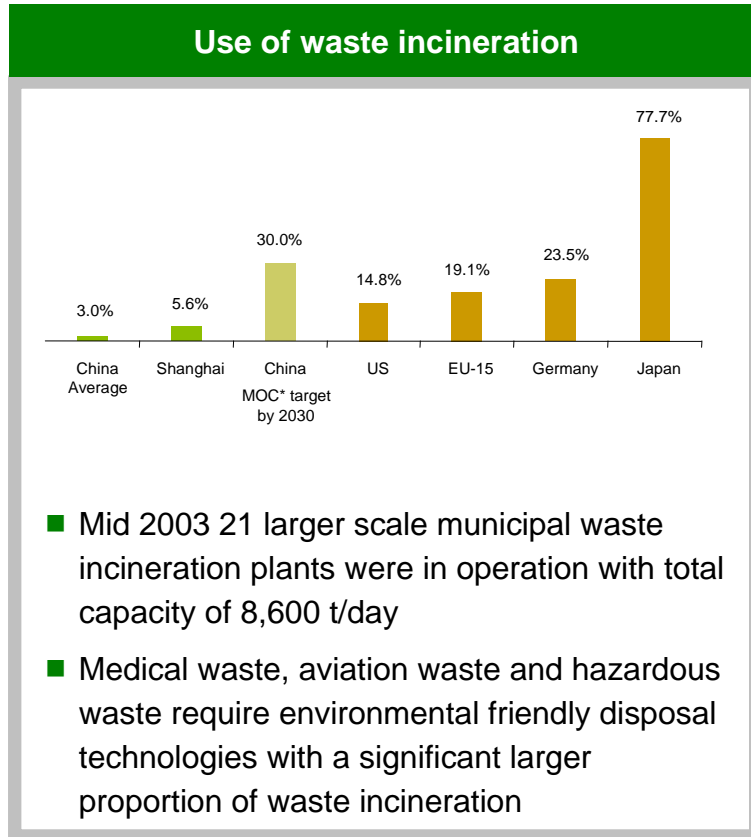
Source: Worldbank, 2005, SEPA

China surpassed the US as the world's largest MSW generator at an unprecedented growth rate

Waste disposal methods in China and use of waste incineration



Source: Worldbank, 2005



Source: Worldbank, 2005
Eurostat 2005

* MOC = Ministry of Construction

Waste incineration has a very high growth potential in China over next 25 years and is an integral part of integrated sustainable waste management

Comparison of alternative waste disposal technologies



Dump produces leachate in the process of municipal solid waste disposal and can not meet the demand of hazard-free disposal.



Gas emission of incineration complies with the international standard, and its cinder residues could be made into bricks, which realize waste hazard-free disposal to the greatest extent.



Due to lower space requirements and low environmental impact, waste incineration is a key element of an integrated waste management solution in China and a focus area of the Chinese government

Relevant Chinese environmental laws and regulation (Selection)

1

At the beginning of 2008, the Chinese Ministry of Environmental Protection (formerly SEPA) introduced a series of environmental protection policies. These range from:

- Green Credit guidelines on investing in ecologically sound activities and cutting lending to less environmentally-friendly project. These are regulated by an “environmental threshold” in financial sector
- Measures to ensure funds raised from the capital market are used, as intended, for green development
- Instruments to raise environmental awareness in industry and foster corporate responsibility.

2

By encouraging the generation of power and heat as by-products of waste incineration and landfill gases, China has made great strides in disposing of municipal and rural waste in environmentally friendly way.

- business income tax deductions and exemption policies for energy-saving projects, environmental protection projects and investments in special equipment.
- the preferential tax policies for business using all the resources available to them to efficiently dispose of waste and old materials, as well as supported companies developing new and renewable energies.

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

Potential for strong demand growth for MSW incineration



Significant growth drivers

- 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 before the showcase 2010 World EXPO in Shanghai
- Some provinces in China intend for plants and municipal refuse landfill sites by all cities to have incinerating 2010 and has issued a series of favorable policies to encourage investment in incinerators
- As waste-to-energy process, incineration is a high value added waste recovery technology

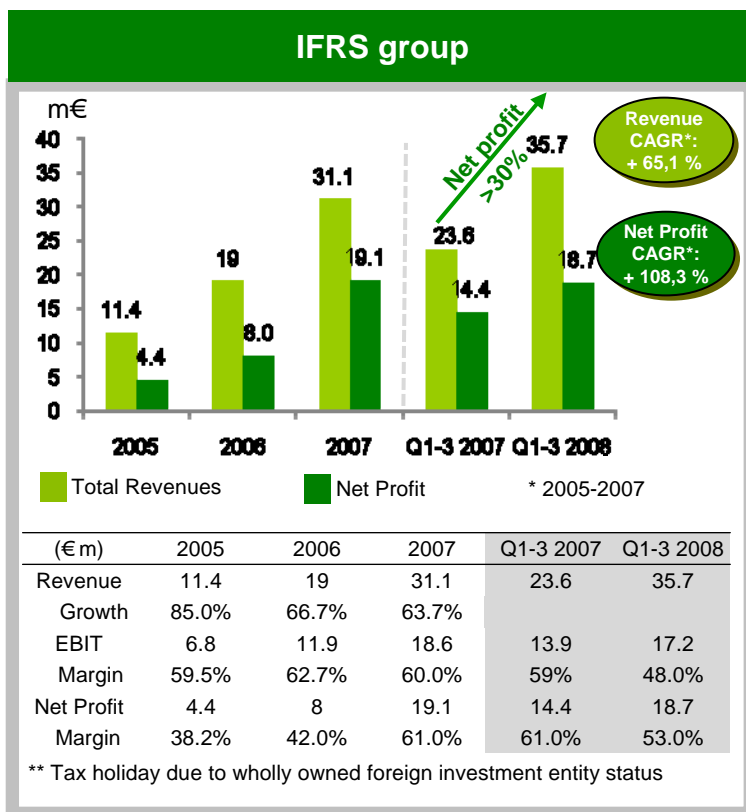
Source: World Bank 2005, National Bureau of Statistics of China

The role of incineration and waste-to-energy-plants in the Chinese waste management is set to increase markedly

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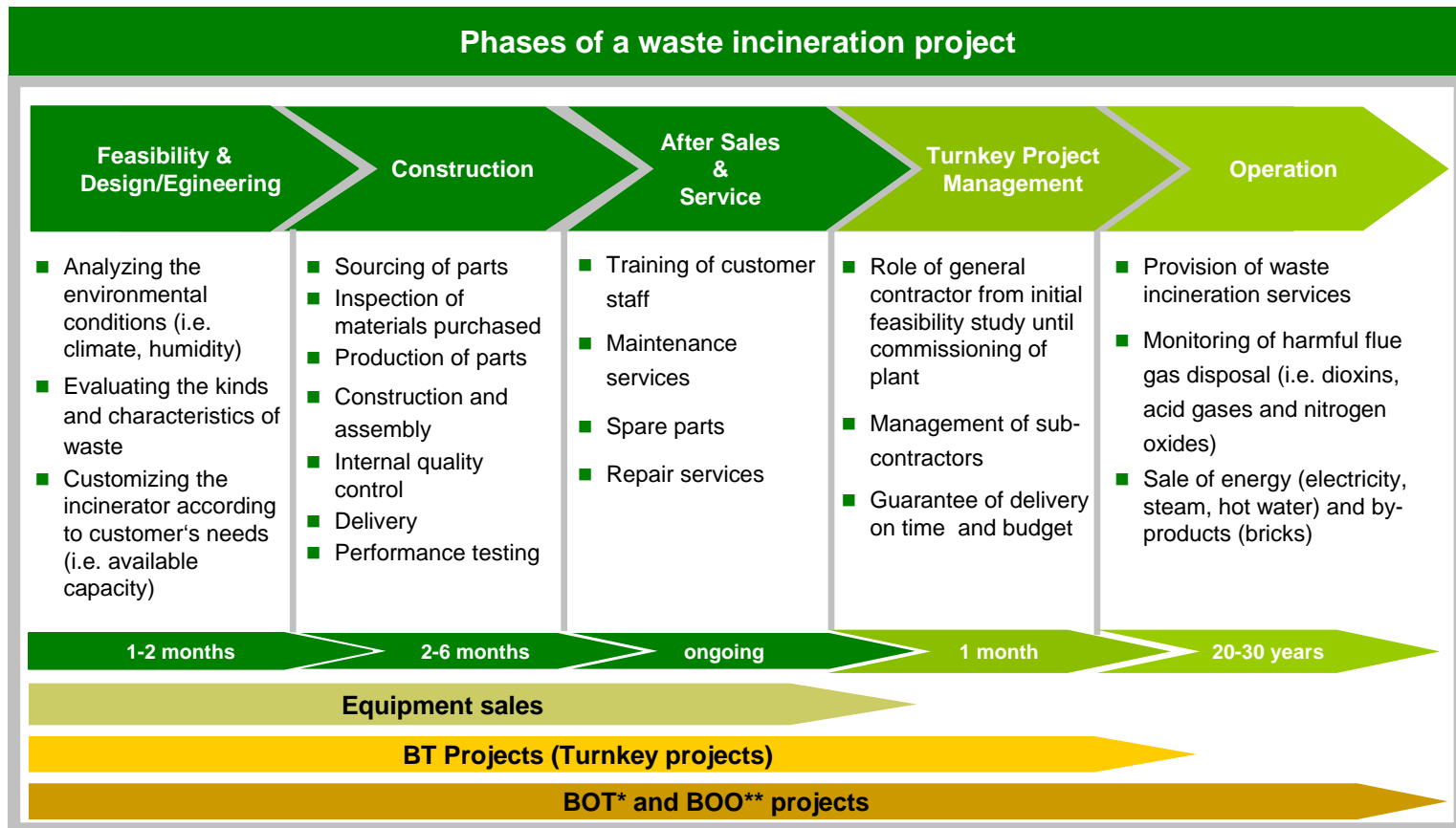


- ### Company overview
- One of the leading suppliers of solid waste incinerators in China with a proven and well-adapted technology
 - 3 main business segments:
 - Medical Waste Incinerator
 - Municipal Waste Incinerator
 - Complete sets of incineration plant
 - More than 200 incinerators installed since foundation
 - Production facilities based in Fuzhou with more than 285 employees* in total
 - Strong track record in Q1-3 2008 with generated revenues of €35.7 m and net profit of €18.7 m
 - In the course of ZhongDe's IPO in 2007 the company received net proceeds of €108.8 m

* As of 30 June 2008

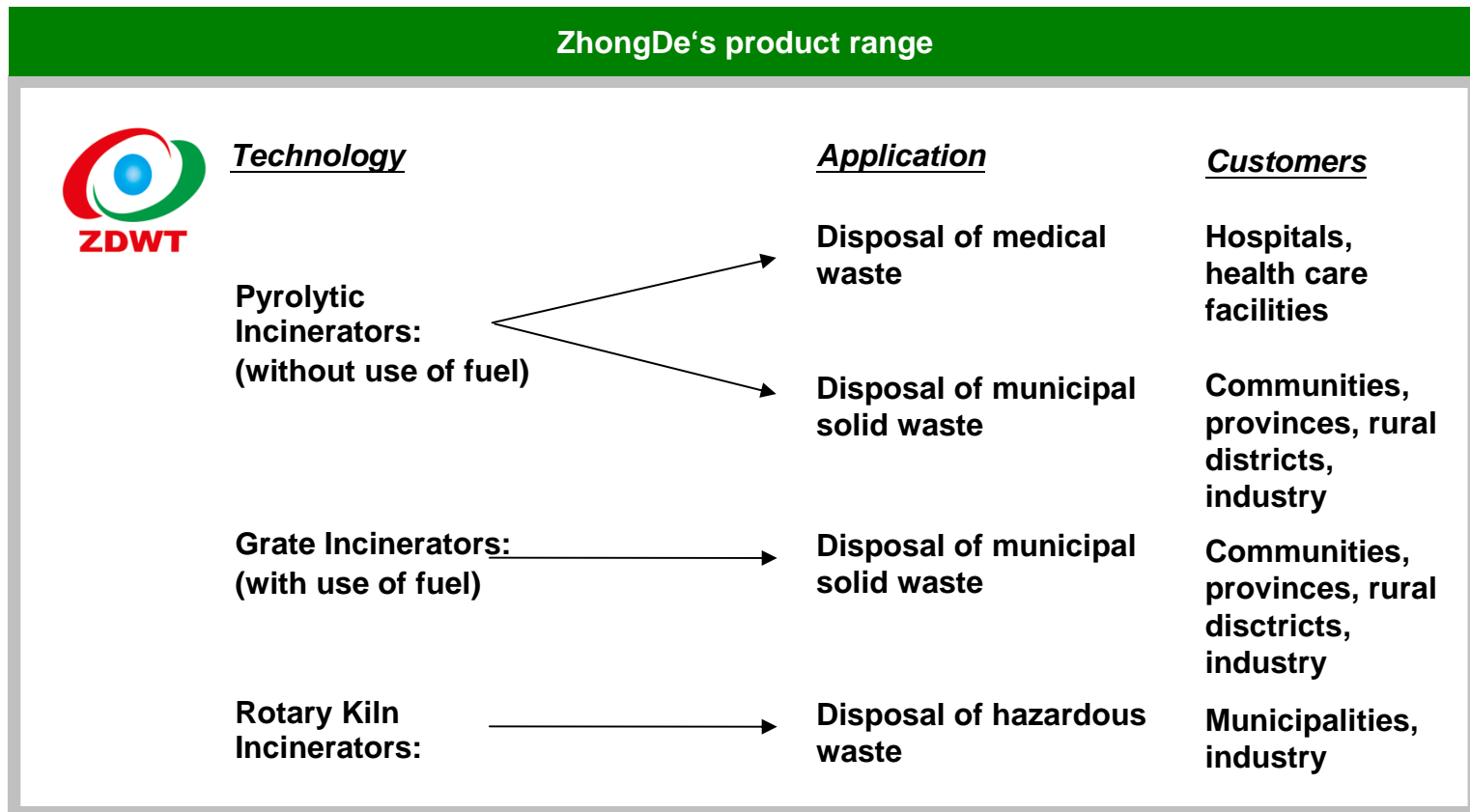
Fast growing and highly profitable supplier of solid waste incinerators

Value chain of waste incineration



* Build-Operate-Transfer ** Build-Operate-Own

ZhongDe covers the whole value chain – from equipment sales to the operation of BOT- and BOO-projects



Each incinerator is customized in terms of technology to the customers' needs, waste characteristics and daily disposal capacity

Current product range – Medical Waste Incinerator



Medical Waste Incinerators

- Pyrolytic incinerators for disposal of medical waste
- Main model: LFLY and LFRY series
- Capacity: 1 - 32 t/day
- Price: €0.1 - 2.4 million (Ø in 1H 2008: € 0.46 million)
- Comply with Chinese and EU-environmental standards in terms of dioxins emission
- 3rd prize for Environment Protection for the year 2005 arranged by Ministry of Science
- 92 medical waste incinerators with daily capacity between 1-32t/d sold since 2004*
- Currently biggest medical waste incinerator in China in terms of disposal capacity (32 t/d) provided for Nangong (Beijing) Project



ZhongDe, with an own estimated market share of 35% in the market for medical waste disposal incinerators, designs and produces pyrolytic incinerators meeting the high quality standards

Municipal Waste Incinerators

- Incinerators with pyrolytic or grate technology for disposal of municipal solid waste
- Main model: LFW and LCH serial
- Capacity: 3-300 t/day
- Price: € 0.1 - 4.9 million (∅ in 1H 2008: € 1.15 million)
- Most advanced technology in terms of air purification rate and advanced craft; each product complying with national emissions standards
- Dispose various kinds of waste without pre-disposal
- 60 municipal waste incinerators with capacity between 3-300 t/d sold since 2004



Robust and good quality incinerators for municipal solid waste disposal without requirement of waste pre-disposal

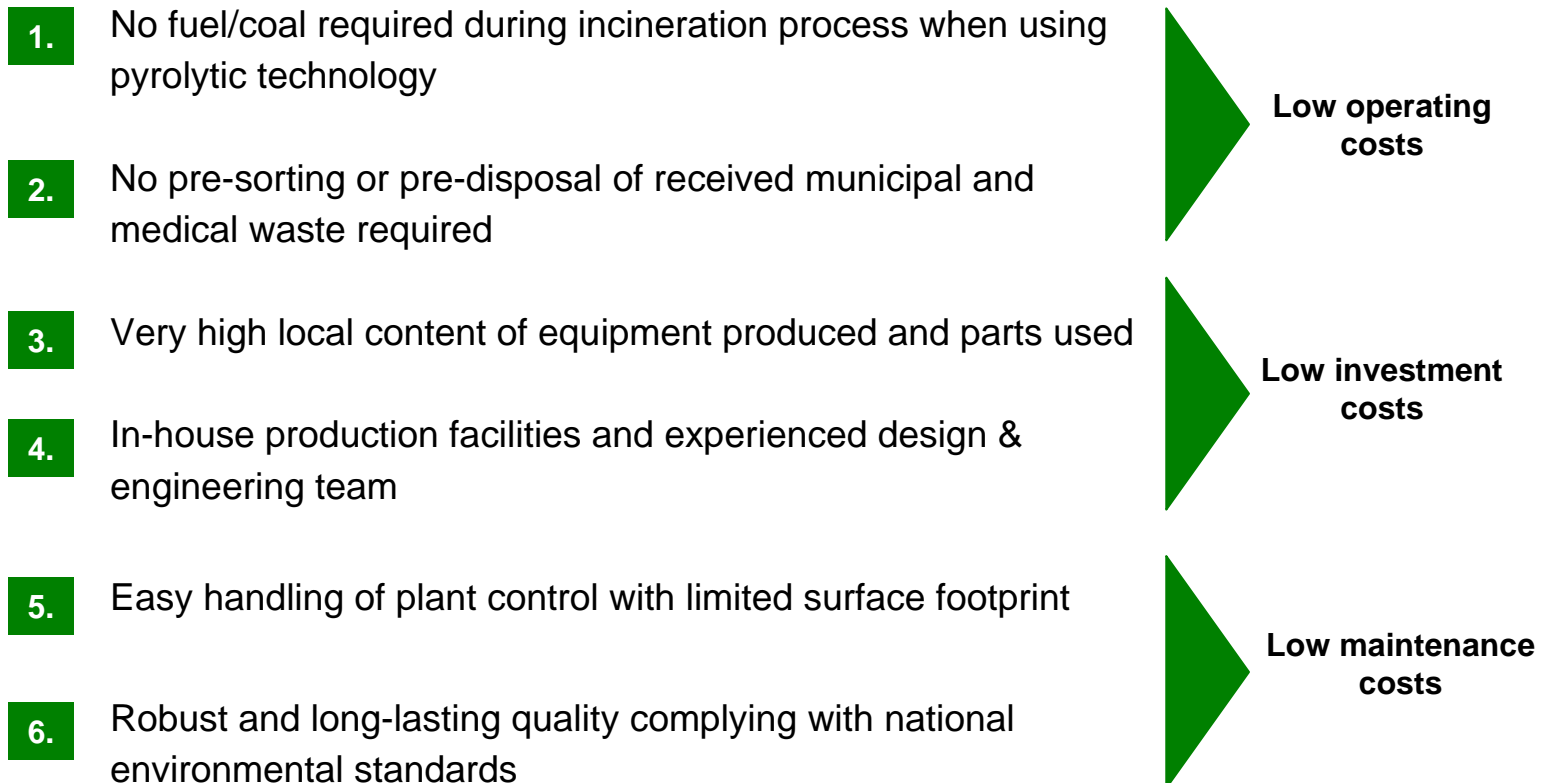
Complete sets of incineration plant

- Large scale incineration plants with electricity generation for disposal of municipal solid waste
- Capacity: Over 300 t/day
- Price: Over € 10 million (Ø in 1H 2008: € 30 million for Datong project)
- Comprising designing, purchasing, manufacturing, construction and commissioning of incineration plants with electricity generation.



Complete sets of incineration plant is ZhongDe's strategic move to expand into large scale municipal incinerator market

Key advantages of ZhongDe's products

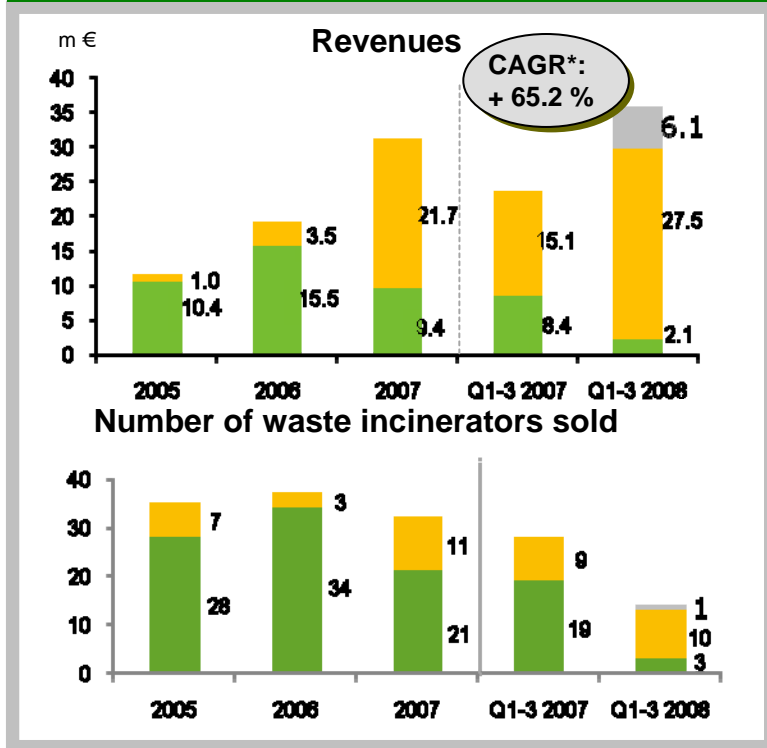


ZhongDe's products are well adapted for unsorted and high humidity waste with the operating costs of their pyrolytic incinerators significantly below technologies consuming fuel

Convincing company financials



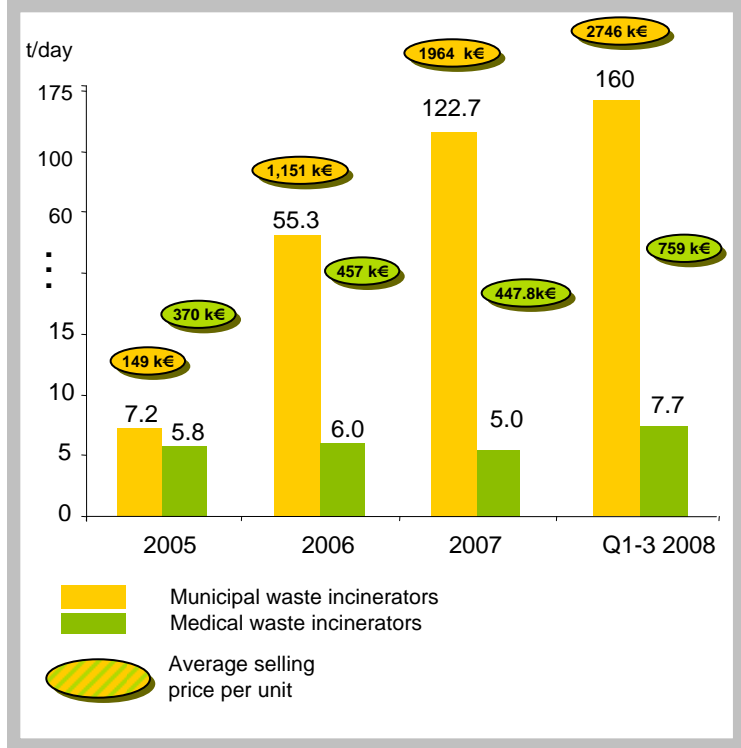
Key financials overview



■ Municipal waste incinerators
■ Medical waste incinerators
■ Construction contract

* 2005 –2007

Average capacity of sold units and selling price



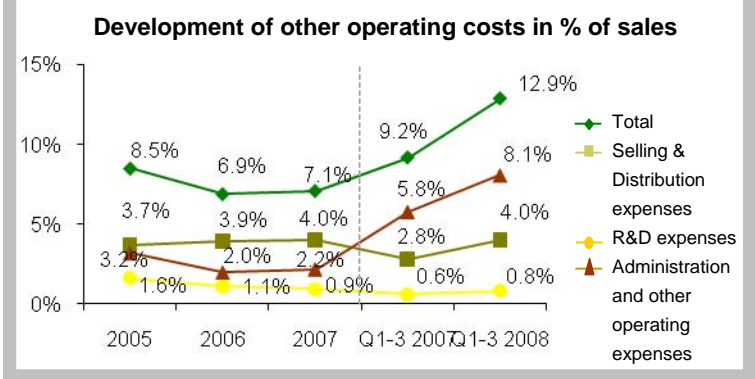
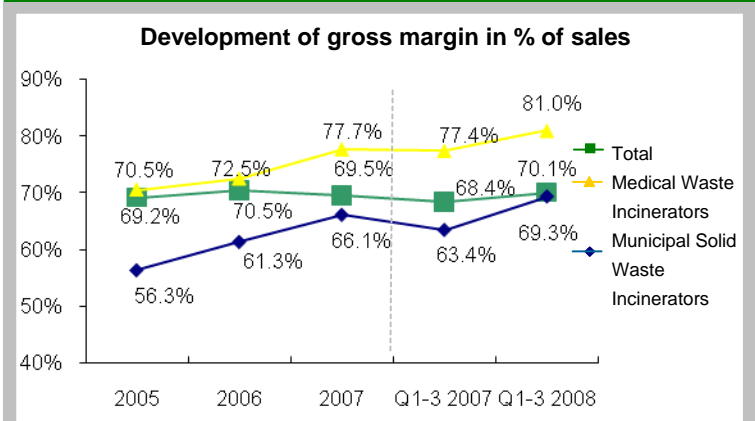
■ Municipal waste incinerators
■ Medical waste incinerators
Average selling price per unit

Highly profitable business with clear trend towards larger-scale incinerators for municipal solid waste

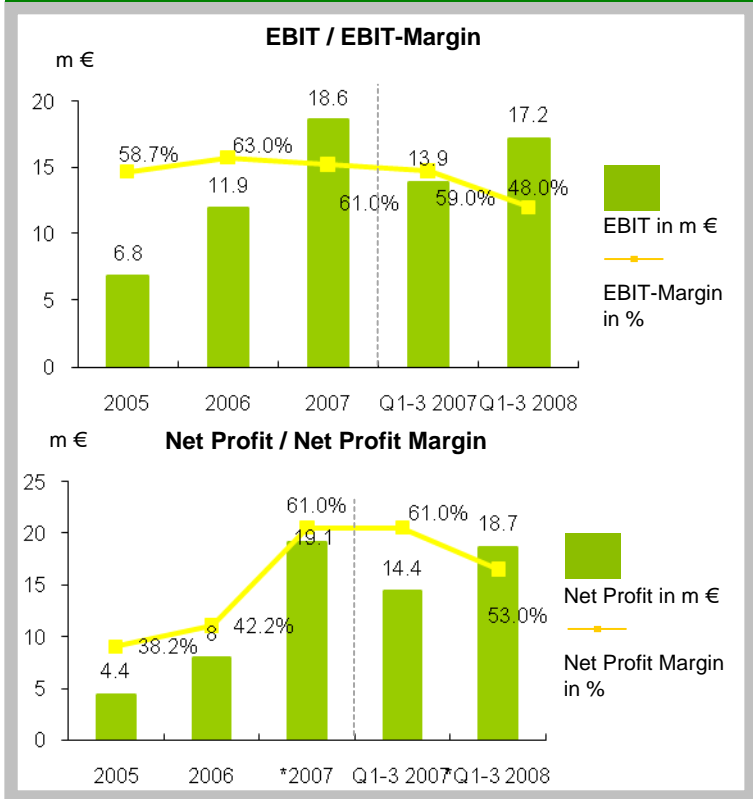
Development of costs and profitability



Development of gross margin in % of sales



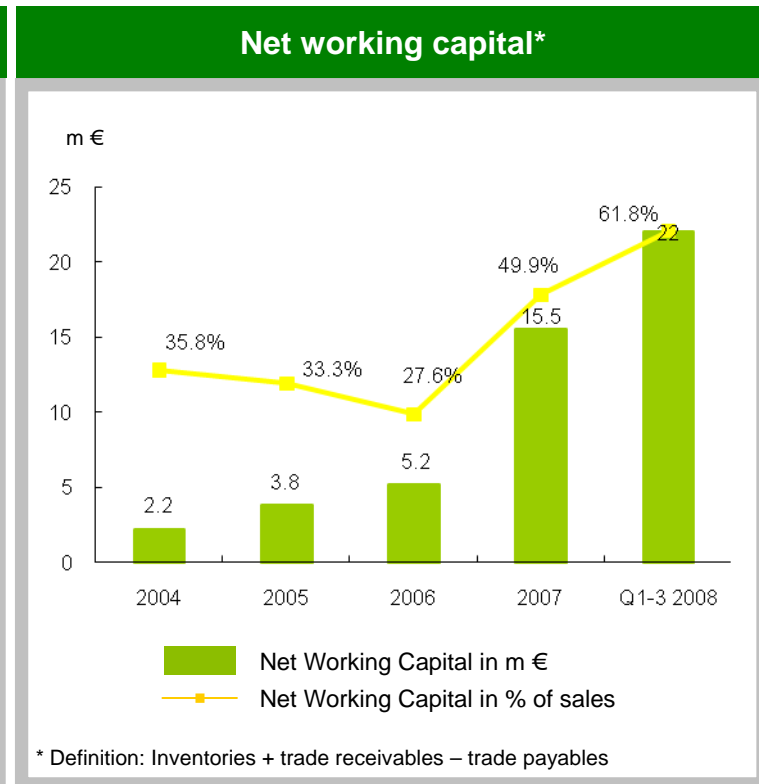
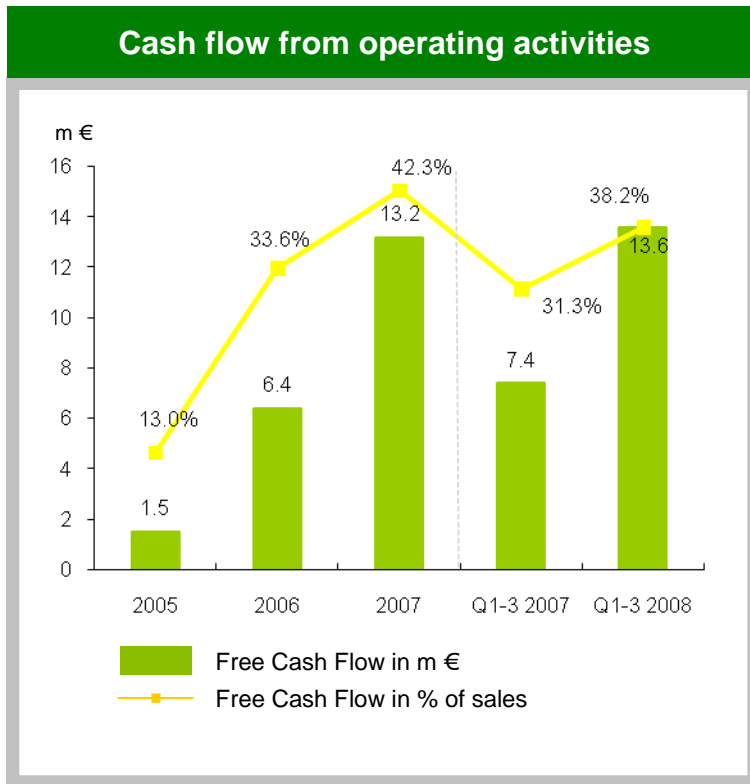
EBIT, net profit and margins



* Tax holiday due to wholly owned foreign investment entity status

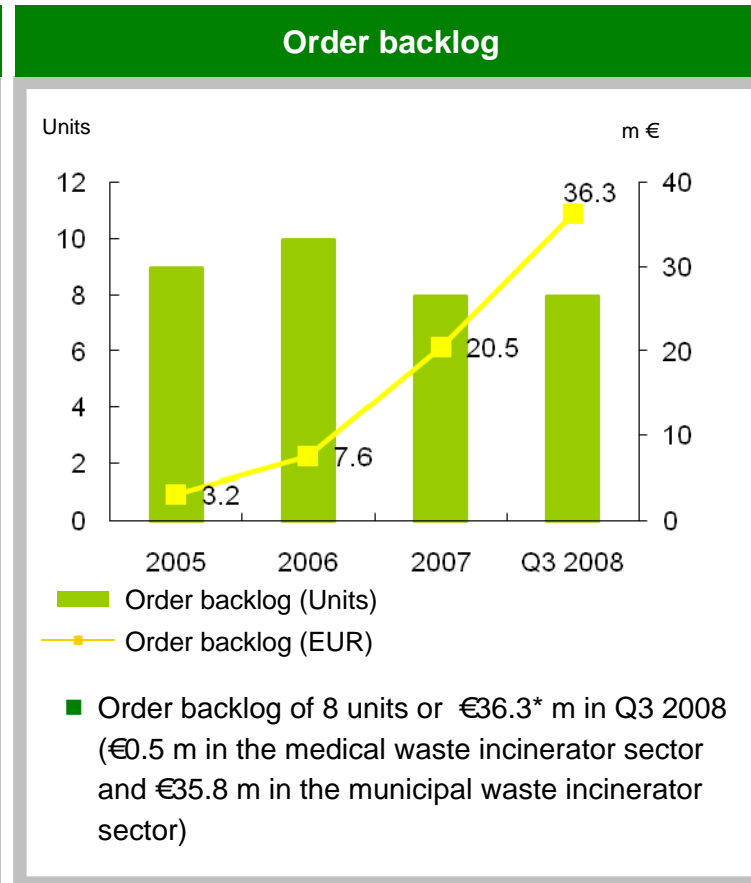
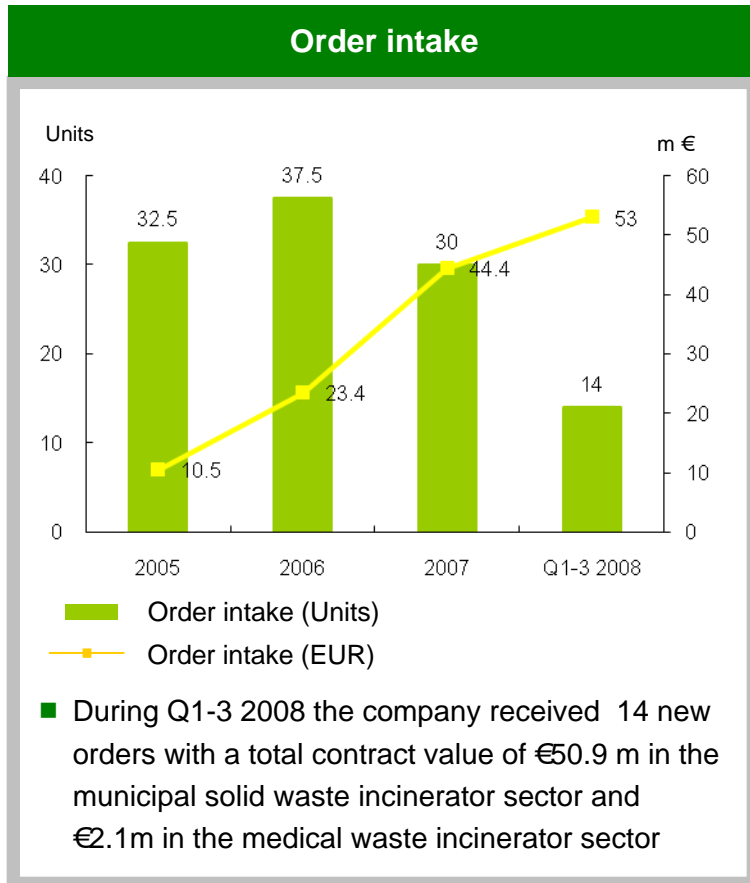
Profitability is driven by ZhongDe's brand reputation and leading market position as well as stringent cost management

Development of cash flow



Highly attractive Free Cash Flow generation to finance organic growth

Order backlog and order intake



The company's capacity allows sustained growth of the business

*Based on exchange rate €/RMB as at 30 September 2008

Preliminary Key Financials Q3 2008



Key figures in k€	Q3 2008	Q3 2007	Change	Q1-3 2008	Q1-3 2007	Change
Order intake	8,455	10,809	-22%	53,013	29,754	+78%
Order backlog	36,264*	11,515	+215%	36,264*	11,515	+215%
Revenues	15,563	8,541	+82%	35,655	23,558	+51%
Gross profit	7,865	6,058	+30%	21,718	16,115	+35%
Gross profit margin	51%	71%	-	61%	68%	-
Cost of sales	7,698	2,483	+210%	13,937	7,443	+87%
EBITDA	6,388	5,190	23%	17,363	13,978	+24%
EBITDA margin	41%	61%	-	49%	59%	-
EBIT	6,317	5,175	22%	17,179	13,939	+23%
EBIT margin	41%	61%	-	48%	59%	-
Net profit	6,515	5,547	+17%	18,737	14,356	+31%
Net profit margin	42%	65%	-	53%	61%	-
Earnings per share	0.50	0.43	+17%	1.44	1.10	+31%

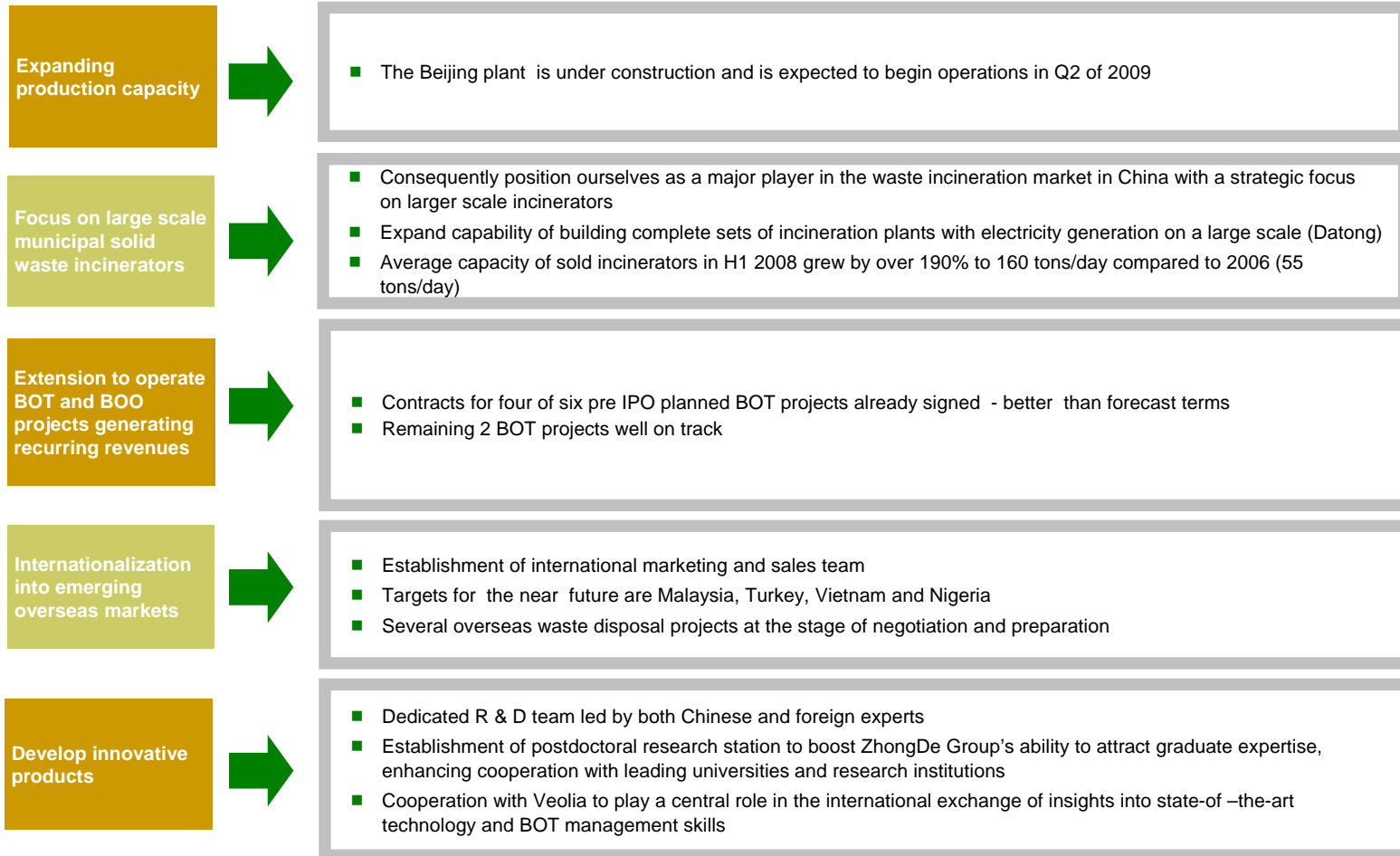
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Post IPO: Strong strategy focus for further growth



We strive to build on our expertise, advance our technology to improve the effects of waste disposal on the environment and to position the Group as a key player in this sector in China

Post IPO contracted BOT projects



BOT projects in 2009 (Build, Operate, Transfer)

City Province	Feicheng Shandong		Xihua Hennan		Xinjiang Shanxi		LianShui JiangSu	
	planned	contracted	planned	contracted	planned	contracted	planned	contracted
Amount invested (m€)	4.1	3.9	19	18.4	3	1.82	4.1	3.7
Daily disposal capacity (tons/day)	120	160	450	500*	100	100	150	200
Concession period	12	BOO	25	30	20	30	20	BOO
Start of operation	Jul 08	Jun 09	Dez 09	Mar 09	Dez 08	Oct 09	2009	Sep 09

- Contracts for two new BOT projects in Xihua and Xinjiang
- Two new BOO projects in Feicheng and Lianshui have already been signed
- Improved contract conditions for all projects negotiated
- For further expansion of its BOT business the company signed non-binding LOIs for 2 further BOT projects in Guilin and Wuxiang pre-IPO

Income Streams

City Province	Feicheng Shandong	Xihua Hennan	Xinjiang Shanxi	LianShui JiangSu
Waste disposal fees (m €/year)	0.5	1	0.3	0.5
Sale of Bricks and steam	N/A	N/A	0.5	0.6
Steam/hot water	1	N/A	N/A	0.3
Electric energy	N/A	3.6	N/A	N/A

* Guaranteed capacity of 400t/day for first 18 months and 500t/day after

Implementation of new profitable BOT projects secures future income streams and high profitability

Post IPO contracted BOT projects: Xihua



Xihua project



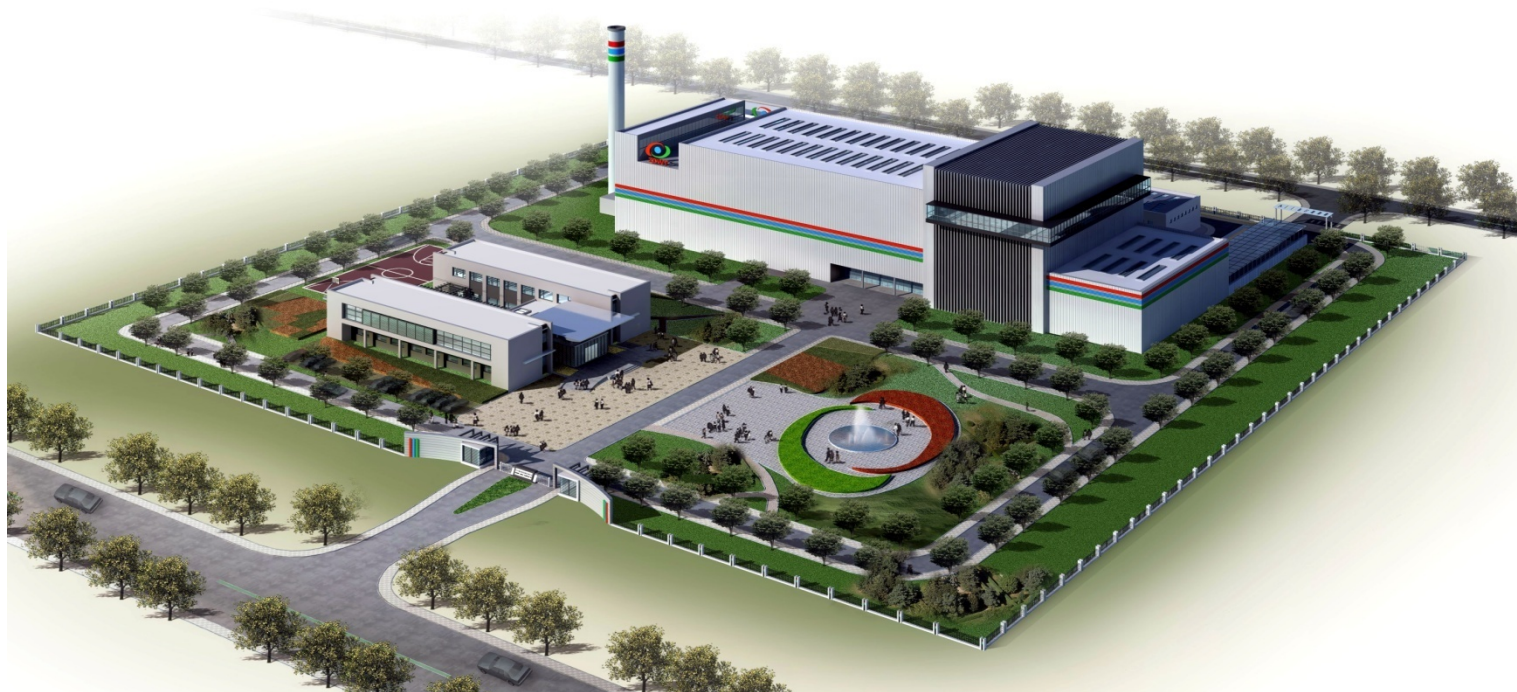
Post IPO contracted BOT projects: Feicheng



Feicheng project



Xinjiang project

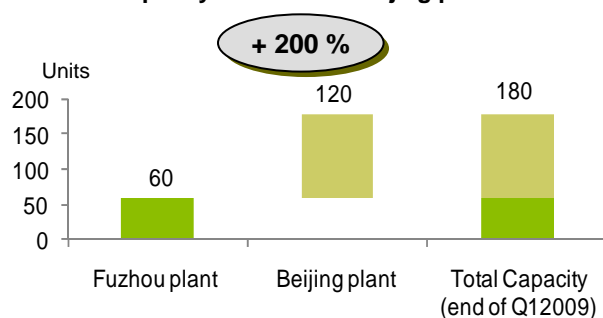


Enhanced production capacity with greater geographical coverage

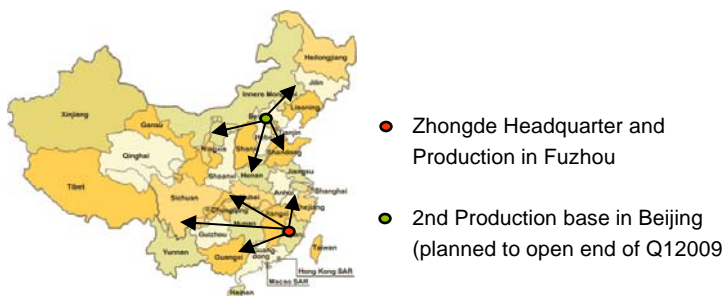


New production base in Beijing

Capacity increase of Beijing plant



Optimal geographical coverage



Current status and further process

- ZhongDe's second production base in Beijing will be finished at the end of Q1 2009
- The new plant will triple ZhongDe's capacity enabling to benefit from the full future growth potential of China's waste market
- Like the Headquarter in Fuzhou, Beijing will have the technological capabilities to produce both medical and municipal solid waste incinerators
- The Beijing production plant will also increase ZhongDe's geographical coverage leading to a faster delivery and lower logistics costs

Increase in production capacity and higher geographical coverage will enable ZhongDe to fully benefit from China's growing waste market and continue to generate outstanding growth

Second production facility in Beijing



New production facilities are under construction in Beijing as part of the Company's long-term capacity expansion programme.

Datong project



Datong project is ZhongDe's first major project to also include electricity generation on a large scale

Datong project



ZhongDe Group has been commissioned to design, manufacture and construct a waste incinerator plant with a maximum capacity of 1,500 tonnes per day with 30 MW electricity generators. The project is expected to end in 2009 and will already contribute to 2008 revenues and earnings on a »percentage of completion« basis. Infrastructure development is now well underway. The total contract amounts to approximately € 30 million.

- 1** The market continues to be buoyant and we are successfully positioning ourselves as a major player in the waste incineration market in China
- 2** In terms of financial development, we expect revenues from the financial year 2008 to achieve €50 million with a net profit margin of above 45%
- 3** With the expected contribution of revenue from selling larger equipment (such as the Datong project) and the further strategic objective to focus on larger projects, the gross margin of the Company is expected to come in slightly lower, at 55%
- 4** For 2009 we expect the ZhongDe Group to enjoy the same encouraging pace of growth with the production of larger orders being gradually completed and delivered to generate income

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

Increased revenues

Attractive profit margins

Stable cash flows

Our outlook for the years 2008 and 2009 remains strongly positive



Advanced technology
for a cleaner environment

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