



SLR is a leading environmental consultancy providing advice and supporting services for the development of environmental policy and practice, and the planning, design, permitting, impact assessment, management, auditing and remediation of assets.

At the start of 2006 SLR employed 261 people; 213 in the UK and 48 in the USA. SLR operates from strategically located offices in the UK and the USA. In 2006, SLR expanded its operations and now has a network of 12 offices in the UK and 7 offices in the USA.

In 2005, we continued to develop a broadly spread business in terms of both the geographical areas and market sectors it addresses, including the energy, waste management, planning & development, industry, mining & minerals and financial & professional sectors. The company strengthened its large, diverse base of private and public sector clients which includes ConocoPhillips, GE Wind Power, Biffa, Waste Recycling Group, Crest Nicholson, Prologis, Honda, Hanson, Imerys, Lloyds TSB, Montagu Private Equity, Defra and the Municipality of Anchorage.

Development of renewable power projects with 1000MW capacity

The UK government is targeting 20% of all UK energy to come from renewable sources in the next 10 years, with £20 billion of investment in the sector.

In 2005 alone, SLR advised clients of renewable power projects with a combined generating capacity of 1000MW, enough power to supply over half a million homes. One example of our work in the renewable power sector is Stroupster Wind Farm.

Between 2004 and 2006, SLR project managed preparation of an Environmental Impact Assessment for the Stroupster Wind Farm development in Caithness, Scotland. The assessment addressed all potential environmental issues including landscape and visual amenity, ecology, hydrology, hydrogeology, soils, noise, archaeology, traffic and transport, and socio-economic effects.

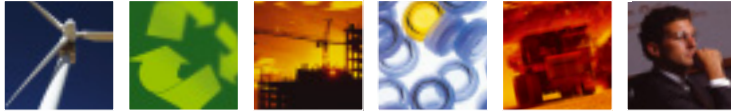
The application for the Stroupster development has been submitted, and is likely to go to Appeal.

Environmental Due Diligence for £200m MBO of Cory Environmental

SLR provides environmental due diligence services to private equity companies and the banking sector. The work includes both vendor and acquirer due diligence and includes the assessment of property liabilities and the impact of new environmental and carbon emission legislation on businesses.

For example, SLR has provided environmental due diligence services to Montagu Private Equity (Montagu) for the last 5 years. In the financial year 2005, SLR undertook due diligence for the £200 million management buyout of Cory Environmental (Cory), one of the UK's leading recycling and waste management companies. This involved SLR assessing historic environmental issues across Cory's 30 locations in the UK and predicting the effects of new legislation on the business going forward.

SLR's sector expertise and knowledge of existing and developing environmental regulation helped Montagu gain the comfort it needed to proceed with investing in a company well placed to exploit those legislative changes.



business review 2005/2006

The redevelopment of Arsenal's Highbury Stadium

Arsenal Football Club will be moving to its brand new stadium for the beginning of the 2006/07 football season. Its former home at Highbury is to be redeveloped, principally for residential use. Construction of the Highbury Square development is due to commence in the autumn of 2006, with the creation of just over 700 residential units in four principal phases. The overall development is due to be completed by 2009, and will include retail outlets, a medical centre, a children's nursery and a gymnasium.

In 2005, SLR Consulting Limited prepared a detailed waste management strategy for the proposed development as part of the planning process. Since then, SLR has been retained to advise on the design and implementation of all aspects of waste handling, storage, treatment and disposal. The aim has been to provide a waste management scheme that is truly sustainable, reflecting accepted good practice and thereby delivering a scheme that is both environmentally and commercially sustainable.

Highbury Square is a prestigious development and it is, therefore, essential that this is reflected in the way in which key environmental issues are addressed in terms of both construction and management. SLR has played an important role in delivering a waste management system that will contribute to this overall aim.



Northern Dynasty Minerals Ltd's development of The Pebble Deposit, Alaska

Northern Dynasty Mines Ltd, (NDM) a Vancouver, British Columbia, based mining company is seeking to develop The Pebble Deposit, a large copper-gold porphyry deposit located in Southwest Alaska approximately 175 miles from Anchorage. NDM is proposing to develop an open pit mine and milling operation that would produce gold, copper, molybdenum and silver. The inferred resource is estimated to contain 26.5 million ounces of gold and 16.5 billion pounds of copper with lesser amounts of molybdenum and silver.

SLR is providing a range of environmental consulting services, including the completion of hydrogeological investigations and background trace element studies in preparation of an environmental impact statement (EIS) and a state permit application. Field work has included the collection and analysis of water, soil, vegetation samples and the installation and sampling of over 150 groundwater monitoring wells in an area exceeding 260 km². Information that is gathered through this field work effort is being used to develop a comprehensive understanding of site conditions at the proposed mine site and adjacent areas.

Working closely with NDM, SLR is collating the information to establish baseline conditions and developing an analytical database necessary to support the preparation of the EIS and permitting documents.

Study for the Chartered Institution of Wastes Management:

The European Union Landfill Directive set the following targets for the reduction of biodegradable municipal waste going to landfills across European Member States:

- 75% by 16 July 2006;
- 50% by 16 July 2009; and
- 35% by 16 July 2016.

These targets are calculated as a percentage of the total amount of biodegradable municipal waste produced in 1995 and are to be achieved mainly by means of recycling, composting, biogas production or materials/energy recovery. For the UK these targets have all been extended by four years.

In 2005, SLR Consulting Limited completed a pan-European study on behalf of the Chartered Institution of

Wastes Management (CIWM) of the progress of Europe in meeting the Landfill Directive targets. The study, which began in September 2005 with visits to nine countries, focuses upon Municipal Solid Waste (MSW) and draws upon data gathered in interviews with key personnel from central and regional public authorities, regulatory agencies and from industry.

The resultant report makes a series of recommendations for the development of policy, planning and funding mechanisms to deliver waste infrastructure across the UK. These recommendations have underpinned the Department for Environment, Food and Rural Affairs' (Defra) review of Waste Strategy 2000 issued for consultation in February 2006, thus having considerable influence on the UK's waste strategy over the next decade.



solutions for today's environment

