25 February 2010

ASX Limited

Dear Sir / Madam

Appendix 4D and Interim Financial Report for the half year ended 31 December 2009

Tox Free Solutions Limited (Tox Free) is pleased to present Appendix 4D and Interim Financial Report for the half year ended 31 December 2009.

Yours faithfully

DAVID McARTHUR
Company Secretary

TOX FREE SOLUTIONS LIMITED

INTERIM REPORT | FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

KEY POINTS

- Revenue up 12.5% to $46.7M (1H FY09 = $41.5M)
- EBITDA up 18.9% to $12.2M* (1H FY09 = $10.2M*)
- EBIT up 25.9% to $7.8M* (1H FY09 = $6.2M*)
- NPAT up 55.7% to $4.6M* (1H FY09 = $2.9M*)
- Interest cover = 5.26 times (EBIT)
- Equity raising - $25 million raised through institutional placement ($20M) and share purchase plan ($5M)
- Cash at bank of $26.1M
- Contracts - $45 million worth of contracts awarded during the period

** Excludes share based payments*

SUMMARY OF RESULTS

Tox Free Solutions (Tox Free) is pleased to announce revenue for the half year was $46.7M an increase of 12.5% compared to the previous corresponding half year (2009: $41.5M). Earnings (EBITDA) increased by 18.9% to $12.2M compared to the previous corresponding half year (2009: $10.2M) before depreciation expense of $4.3M and financial expenses of $1.5M. EBIT increased by 25.9% to $7.8M compared to the previous corresponding half year (2009: $6.2M).

The net profit of the Group for the six months ended 31 December 2009 increased by 55.7% to $4.6M (2009: $2.9M) which includes income tax expense of $1.7M.

This is a significant achievement for the company and demonstrates the strength of Tox Free's business model and corporate strategy.

For the tenth consecutive period Tox Free has increased its earnings and profit. This is particularly satisfying considering the weak economic conditions experienced throughout the last twelve months. Our strategy to diversify our services over a wide customer base, throughout a greater geographic area, has paid dividends during this time; we continue to focus on growth through the award of further total waste management and industrial service contracts and acquisitions that meet our corporate strategy.

The Company recently raised $25,000,000 through an institutional placement and a share purchase plan, to ensure sufficient capital is available to fund the expected growth of the Company in near term.

The recent award of a contract to provide Total Waste Management and Industrial Services to Rio Tinto's Iron Ore Operations in the Pilbara is testimony to the company's strategy and focus. Tox Free is in a strong position to continue with this growth profile. We now have the management systems and expertise to cater for the expected growth.

Table 1 | Group Results

Group results	H1 ended 31 Dec 2009 '000	H1 ended 31 Dec 2008 '000	% change
Revenue	$46,703	$41,505	12.5%
EBITDA*	$12,229	$10,277	18.9%
Depreciation	($4,370)	($4,034)	8.3%
EBIT*	$7,859	$6,242	25.9%
Net interest	($1,497)	($2,070)	-27.6%
Profit before tax*	$6,361	$4,172	52.4%
Income tax expense	($1,738)	($1,203)	44.3%
Profit after tax*	$4,623	$2,969	55.7%
Earnings per share (cents)	4.98	3.87	28.6%
Weighted average number of shares on issue (million)	81.2	72.6	11.8%

** Before share based payments of $576K (2008: $156K)*

Table 2 | Divisional Revenue

Divisional revenue	H1 ended 31 Dec 2009 '000	H1 ended 31 Dec 2008 '000	% change
Liquid waste	$5,146	$6,039	-14.7%
Hazardous waste	$6,701	$5,379	24.5%
Solid waste	$7,504	$4,575	64.0%
Industrial services	$27,352	$25,511	7.2%
Total consolidated revenue	**$46,703**	**$41,504**	**12.5%**

Table 3 | Divisional EBIT

Divisional EBIT	H1 ended 31 Dec 2009 '000	H1 ended 31 Dec 2008 '000	% change
Liquid waste	$1,928	$2,098	-8.1%
Hazardous waste	$3,059	$1,947	57.1%
Solid waste	$2,443	$931	162.4%
Industrial services	$3,859	$3,267	18.1%
Unallocated corporate EBIT*	($3,431)	($2,001)	71.4%
Total consolidated EBIT*	**$7,859**	**$6,242**	**25.9%**

***** *Before share based payments of $576K (2008: $156K)*

REVIEW OF OPERATIONS

Health and safety

The health and well being of all Tox Free employees, customers and suppliers is paramount. Being safe at work is not just a priority, it is an underlying non negotiable value that the Company holds. We expect all stakeholders involved with Tox Free to return to their families and loved ones safely.

An impressive safety culture continues to grow within the group's operations led by The Tox Free Board and Executive Team. The Board recently endorsed Tox Free's Quality, Environment, Safety and Training (QUEST) Strategy which outlines the commitment of the company to the safety and well being of our employees.

The Executive and Technical Services team continue to ensure our QUEST systems are continuously updated and meet the current needs of the business.

Tox Free's Total Incident Frequency Rate (the measure of all property, environmental and personal incidents) has fallen by 29.4% compared to the previous period. There were no lost time injuries during the period.

Industrial services

Tox Free's Industrial Services Division provides onsite waste collection and asset maintenance services to the oil and gas, mining, heavy manufacturing, civil infrastructure, municipal and utilities sector. Services include; tank and drain cleaning, high pressure water jetting, vacuum loading and liquid and industrial waste collection.

The provision of industrial services is an extremely important part of the Company's integrated service offering. Not only are industrial services the main interface with our clients, they also harvest the waste that is subsequently managed through the Company's treatment facilities.

Growth in industrial services continued during the period with an increase of 7.2% in revenue compared to the previous corresponding period. The west coast operations, particularly in the Pilbara Region of Western Australia, were a highlight for the company.

Tox Free is a leading provider of industrial services in Australia, through ensuring the employment of competent and trained personnel, a commitment to the safest work practices and a commitment to the safest equipment and mobile vehicle fleet. This strategy has been rewarded through the recent award of contracts with Rio Tinto and Toll Energy (Gorgon LNG), where Tox Free's innovation in these areas is leading industry standards.

Industrial Services on the east coast, provided through Barry Bros., is performing well. Significant inroads have been made to align the operations with Tox Free's core business and corporate strategy. This has included the divestment of non-core assets such as street sweepers and a focus on service to our clients through a flatter and more efficient management structure. The diversification of the east coast customer base is continuing with increased services now provided to the manufacturing and mining sector under contract, with better returns being achieved. A number of industrial services contracts have recently been awarded that will result in a strong second half performance.

Solid waste management

Solid waste services are provided throughout the Kimberley and Pilbara regions of Western Australia. This division grew significantly during the period with revenue increasing by 64% and earnings (EBIT) by 166.4%.

Growth was achieved through the provision of services to Woodside and Toll Energy (Gorgon LNG) which are now both under long term contract. Tox Free expects further growth from this division as the company is successful in being awarded further total waste management contracts throughout Australia.

With the second stage expansion of the Pilbara Resource Recovery Centre in Karratha underway, Tox Free is well placed to manage the expected growth in waste volumes from the growing resource sector in the Pilbara region.

Liquid and Hazardous waste management

Tox Free's liquid and hazardous waste services are provided from our Kwinana, Henderson, Karratha, Port Hedland, Kalgoorlie, Sydney and Brisbane facilities.

Volumes of hazardous waste processed through all facilities increased during the period. Tox Free's Brisbane and Karratha facilities remain the standout performers during the period with above forecast profits being achieved. Brisbane has continued to build its market presence with expansion of services into the Surat and Bowen basin regions of South West Queensland.

Tox Free Karratha site outperformed budget expectations in all service lines reflecting the strong industrial activity in the region. The management team in Karratha has successfully turned a vision into a reality with the facility now being the biggest contributor to earnings in the Group. Further growth in liquid and hazardous waste services is expected from both the Karratha and Port Hedland facilities in the short term.

Hazardous waste services at Tox Free's Kwinana facility performed well during the period through the completion of a number of hazardous waste remediation projects using the thermal desorption unit (TDU). There are further hazardous waste remediation projects being tendered which, if granted, will contribute to second half earnings and underpin the site's performance.

Volumes of liquid waste decreased at both the Kwinana and Brisbane facilities and this resulted in an overall decline in revenue compared to the previous period. This is attributed to slower economic conditions which have negatively impacted the manufacturing sector in both of these regions. As economic conditions improve it is expected volumes of liquid waste received from the manufacturing sector will also increase.

CASH FLOW AND BALANCE SHEET

The Group's successful capital raising and continued debt repayment strategy has enabled the business to accumulate 26.2m of cash on hand and reduce net debt to 8.3m from 32.9m at June 2009. Net Debt to equity has reduced from 61% at June 2009 to 10% at December 2009. The Group is well placed to continue its growth by a combination of organic means, future contract wins and strategic acquisitions.

Debtor conversion and cash management issues are an increasing focus within the business. Rollout of EFTpos capability through all parts of the business, the linking of debtor related KPI targets through all Operational Managers, increased focus on emergency response contractual payment terms and business wide debtor balance interrogation underpin management's attack on debtor balances. Increasing revenues from contracted blue chip customers will result in greater certainty of payment however, payment terms are often longer which places pressure on debtor days outstanding.

Table 4 | Group Cash Flow

Group cash flow	H1 ended 31 Dec 2009 '000	H1 ended 31 Dec 2008 '000	% change
Gross operating cash flow	$10,232	$11,953	-14.3%
Net interest paid	($1,349)	($1,938)	-30.3%
Income taxes paid	($2,470)	($3,944)	-37.3%
Net operating cash flows	**$6,413**	**$6,072**	**5.6%**
Net purchases of property, plant and equipment	($6,082)	($2,140)	184.2%
Net payment for businesses acquired	-	($10,455)	-
Net investing cash flows	**($6,082)**	**($12,595)**	**-51.7%**
Net proceeds from borrowings/(repayment of borrowings)	($3,003)	$5,174	-158.0%
Proceeds from the issue of share capital (net of capital raising costs)	$24,271	$12,616	92.3%
Net financing cash flows	**$21,268**	**$17,790**	**19.5%**
Net increase/(decrease) in cash	**$21,598**	**$11,267**	**91.6%**
Cash at the beginning of the half year	$4,577	$1,424	221.4%
Cash at the end of the half year	**$26,175**	**$12,691**	**106.2%**

Table 5 | Group Balance Sheet

Balance sheet	31 Dec 2009 '000	30 June 2009 '000	% change
Cash	$26,175	$4,576	472.0%
Trade and other receivables	$22,024	$22,083	-0.2%
Inventories	$241	$142	69.7%
Prepayments	$904	$1,017	-11.1%
Tax assets	$1,949	$1,791	8.8%
Property, plant and equipment	$48,378	$46,655	3.6%
Goodwill	$25,024	$25,024	-
Total assets	**$124,696**	**$101,288**	**23.1%**
Trade and other payables	$5,635	$7,722	-27.0%
Loans and borrowings	$34,461	$37,464	-8.0%
Employee benefits	$2,010	$2,385	-15.7%
Tax liabilities	($175)	($150)	-0.7%
Total liabilities	**$41,932**	**$47,421**	**-11.5%**
Total equity	**$82,764**	**$53,867**	**53.6%**
Net debt	$8,286	$32,888	-74.8%
Net debt to equity	10.0%	61.0%	

OUTLOOK

The outlook for Tox Free is extremely positive. As economic activity increases it is expected volumes of waste from the manufacturing, mining and construction industries will also increase. This will have a positive effect on all divisions. Together with earnings contributions from the recently awarded contracts with Rio Tinto and Toll Energy (Gorgon LNG), Tox Free expect significant growth in earnings in both the second half of FY2010 and FY2011.

The Rio Tinto contract will commence on 1 March 2010. Tox Free are currently mobilizing equipment and personnel to the Pilbara to commence operations. The equipment for this contract sets new benchmarks with regard to safety, environmental and operational performance.

Tox Free's business development team is aggressively exploring further contract opportunities within the oil and gas, mining and heavy manufacturing sectors. The outcome of four large waste management and industrial services contracts is still pending and Tox Free is confident of further success in the near term.

Developments that will contribute to further earnings include:

- Increased activity from the Gorgon LNG construction on Barrow Island - approximately $30 million revenue over three years
- Improved economic conditions throughout Australia, particularly in the North West through LNG and mining growth
- Contribution from the recently awarded Rio Tinto contract – three year term with a two year option and expected revenue of approximately $7.5 million per annum
- Further improvement in operational performance of industrial services on the east coast
- Provision of Emergency Response services nationally
- Further award of contracts presently being tendered

The second half earnings for Tox Free are also historically stronger than the first half with the split in earnings running at about 40:60 with a second half bias. At this point in time Tox Free is confident of achieving its financial forecasts and will keep the market updated on all developments.

The continuing success of the Company can only be achieved through the hard work and commitment of all Tox Free employees. On behalf of the shareholders and the Tox Free Board of Directors I would like to take this opportunity to thank all employees for their commitment.

STEVE GOSTLOW
Managing Director

RESULTS FOR ANNOUNCEMENT TO THE MARKET

REPORTING PERIOD:	**HALF YEAR ENDED 31 DECEMBER 2009**
PREVIOUS CORRESPONDING REPORTING PERIOD:	**HALF YEAR ENDED 31 DECEMBER 2008**

		%		**$'000**
Revenue from ordinary activities	up	12.5	to	46,703
Profit/(loss) from ordinary activities after tax attributable to members	up	43.8	to	4,047
Net profit/(loss) for the period attributable to members	up	43.8	to	4,047

Dividends

It is not proposed to pay an interim dividend (2008: nil).

	31 December 2009 cents	**31 December 2008 cents**
Net tangible assets per security	64.08	29.70

Entities over which control has been gained or lost during the period

Control over entities has neither been gained nor lost during the period (2008: acquisition of Barry Bros. Specialised Services Pty Ltd).

Audit status

The attached accounts are not subject to audit dispute or qualification.

Your directors present their report on the consolidated entity consisting of Tox Free Solutions Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2009.

DIRECTORS

The following persons were directors of Tox Free Solutions Limited during the whole of the half-year and up to the date of this report:

Douglas Wood	*Independent Non-Executive Chairperson*
Steve Gostlow	*Managing Director*
Gerrard (Ged) Styles	*Executive Director*
Richard (Dick) Allen	*Independent Non-Executive Director*
Michael Humphris	*Independent Non-Executive Director*
Wynn Rees	*Independent Non-Executive Director*

REVIEW OF OPERATIONS

Refer to Results Commentary at the beginning of this report for a review of the operations for the half year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 13.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of directors.

Douglaswood

DOUGLAS WOOD
Chairperson

Perth
25 February 2010

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Subiaco, WA 6008
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Australia

25 February 2010

Tox Free Solutions Limited
Suite 1A
1050 Hay Street
WEST PERTH WA 6005

Dear Sirs

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF TOX FREE SOLUTIONS LIMITED

As lead auditor of Tox Free Solutions Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Tox Free Solutions Limited and the entities it controlled during the period.

Glyn O'Brien

Glyn O'Brien
Director

BDO

BDO Audit (WA) Pty Ltd
Perth, Western Australia

	Notes	Half year 2009 $'000	2008 $'000
Revenue		46,703	41,505
Cost of sales	3	(30,699)	(27,617)
Gross profit		16,004	13,888
Other income		314	203
Finance income		148	120
Occupancy expenses		(1,166)	(863)
Administrative expenses	3	(8,018)	(7,262)
Finance expenses		(1,498)	(2,070)
Profit before income tax		5,785	4,016
Income tax expense		(1,737)	(1,203)
Profit from continuing operations		4,047	2,813
Profit for the half year		4,047	2,813
Total comprehensive income for the half year		4,047	2,813
Profit is attributable to:			
Owners of Tox Free Solutions Limited		4,047	2,813
Total comprehensive income for the half year is attributable to:			
Owners of Tox Free Solutions Limited		4,047	2,813
Earnings per share for profit attributable to the ordinary equity holders of the Company:		**Cents**	**Cents**
Basic earnings per share		4.98	3.87
Diluted earnings per share		4.93	3.85

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

	Notes	31 Dec 2009 $'000	30 Jun 2009 $'000
Current assets			
Cash and cash equivalents		26,175	4,576
Trade and other receivables		22,024	22,083
Inventories		241	142
Prepayments		904	1,017
Deferred tax assets		-	1,001
Total current assets		49,344	28,819
Non-current assets			
Property, plant and equipment		48,378	46,655
Intangible assets		25,024	25,024
Deferred tax assets		1,949	790
Total non-current assets		75,352	72,469
Total assets		124,696	101,288
Current liabilities			
Trade and other payables		5,636	7,722
Loans and borrowings		15,283	3,595
Employee benefits		1,880	2,279
Current tax liabilities		(230)	(205)
Total current liabilities		22,569	13,391
Non-current liabilities			
Loans and borrowings		19,178	33,869
Employee benefits		129	106
Deferred tax liabilities		55	55
Total non-current liabilities		19,363	34,030
Total liabilities		41,932	47,421
Net assets		82,764	53,867
Equity			
Contributed equity	5	66,299	42,027
Reserves		2,873	2,297
Retained profits		13,592	9,544
Total equity		82,764	53,867

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Notes	Contributed equity $'000	Share based payments reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2008		29,286	1,963	1,843	33,092
Profit for the half year		-	-	2,813	2,813
Total comprehensive income for the half year		-	-	2,813	2,813
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs		12,602	-	-	12,602
Employee share options		14	-	-	14
Share based payments		-	156	-	156
Balance at 31 December 2008		41,902	2,119	4,656	48,677
Balance at 1 July 2009		42,027	2,297	9,544	53,867
Profit for the half year		-	-	4,047	4,047
Total comprehensive income for the half year		-	-	4,047	4,047
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs		24,176	-	-	24,176
Employee share options		95	-	-	95
Share based payments		-	576	-	576
Balance at 31 December 2009		66,299	2,873	13,592	82,764

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Notes	Half year 2009 $'000	2008 $'000
Cash flows from operating activities			
Receipts from customers		47,087	43,181
Payments to suppliers and employees		(36,854)	(31,228)
Cash generated from operations		10,232	11,953
Interest received		149	120
Interest paid		(1,498)	(2,058)
Income taxes paid		(2,470)	(3,944)
Net cash inflow (outflow) from operating activities		6,413	6,072
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment		-	-
Acquisition of subsidiary, net of cash acquired		-	(10,455)
Acquisition of property, plant and equipment (gross)		(6,083)	(2,140)
Net cash inflow (outflow) from investing activities		(6,083)	(12,595)
Cash flows from financing activities			
Proceeds from the issue of shares and other securities		24,272	12,616
Proceeds from borrowings		-	10,246
Repayment of borrowings		(3,003)	(5,072)
Net cash inflow (outflow) from financing activities		21,268	17,790
Net increase (decrease) in cash and cash equivalents		21,598	11,267
Cash and cash equivalents at the beginning of the half year		4,577	1,424
Cash and cash equivalents at the end of the half year		26,175	12,691

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

1 | BASIS OF PREPARATION OF HALF YEAR REPORT

These general purpose financial statements for the interim half year reporting period ended 31 December 2009 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2009 and any public announcements made by Tox Free Solutions Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Changes in accounting policy
Tox Free Solutions Limited has had to change some of its accounting policies as the result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2009.

The affected policies and standards are:

- Business combinations – revised AASB 3 *Business Combinations*
- Segments – new AASB 8 *Operating Segments*

Business combinations
AASB 3 (revised) continues to apply the acquisition method to business combinations, but with some significant changes.

All payments to purchase a business are now recorded at fair value at the acquisition date, with contingent payments classified as debt and subsequently remeasured through the income statement. Under the Group's previous policy, contingent payments were only recognized when the payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of acquisition.

Acquisition related costs are expensed as incurred. Previously, they were recognized as part of the cost of acquisition and therefore included in goodwill.

If the Group recognizes acquired deferred tax assets after the initial acquisition accounting there will no longer be any adjustment to goodwill. As a consequence, the recognition of a deferred tax asset will increase the Group's net profit after tax.

The changes were implemented prospectively from 1 July 2009 and there have been no business combinations since this date.

Segment reporting

The Group has applied AASB 8 Operating Segments from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The reportable segments have not changed since the last full year financial report.

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Managing Director.

2 | SEGMENT INFORMATION

(a) Description of segments

There are no differences from the last annual financial statements in the basis of segmentation or on the basis of measurement of segment profit or loss. The Managing Director considers the business from a service perspective and has identified four reportable segments being:

- Liquid waste
- Hazardous waste
- Solid waste
- Industrial services

These services are currently provided in Australia only.

The Managing Director/Executive Team assesses the performance of the operating segments based on a measure of EBIT. This measure excludes the effects of equity settled share based payment transactions. Interest income and expenditure are not allocated to segments as this type of activity is driven by the central treasury function which manages the cash position of the Group.

Half year 2009	Liquid waste $'000	Hazardous waste $'000	Solid waste $'000	Industrial services $'000	Total $'000
Total segment revenue	5,146	6,700	7,504	27,353	46,703
Inter segment revenue	-	-	-	-	-
Revenue from external customers	**5,146**	**6,700**	**7,504**	**27,353**	**46,703**
EBIT	**1,928**	**3,059**	**2,443**	**3,859**	**11,289**
Half year 2008					
Total segment revenue	6,039	5,379	4,575	25,511	41,505
Inter segment revenue	-	-	-	-	-
Revenue from external customers	**6,039**	**5,379**	**4,575**	**25,211**	**41,505**
EBIT	**2,098**	**1,947**	**931**	**3,267**	**8,243**
Total segment assets					
31 December 2009	11,161	9,218	15,407	31,277	67,063
Unallocated assets	-	-	-	-	-
Total segment assets	**11,161**	**9,218**	**15,407**	**31,277**	**67,063**
30 June 2009	10,811	8,300	8,460	18,733	46,305
Unallocated assets	-	-	-	-	-
Total segment assets	10,811	8,300	8,460	18,733	46,305

A reconciliation of adjusted EBIT to operating profit before income tax is provided as follows:

	Consolidated	
	2009	**2008**
	$'000	**$'000**
EBIT	11,289	8,243
Finance costs	(1,498)	(2,070)
Share options granted to directors and employees	(576)	(156)
Employee expenses	(1,594)	(862)
Other corporate costs	(1,836)	(1,139)
Profit before income tax from continuing operations	5,785	4,016

3 | PROFIT FOR THE HALF YEAR

Gross profit for the half year includes the following items:

	Consolidated	
	2009	**2008**
	$'000	**$'000**
Gross profit for the half year includes the following items:		
Depreciation of non-current assets	4,124	3,913
Share based payment expense	26	-
Administrative expenses for the half year includes the following items:		
Depreciation of non-current assets	246	121
Share based payment expense	550	156
Employee expenses	4,552	4,532

4 | DIVIDENDS

No dividends have been declared, recommended or paid during the half year (2008: none).

5 | EQUITY SECURITIES ISSUED

	2009 Shares	2008 Shares	2009 $'000	2008 $'000
Issue of ordinary shares during the half year				
Exercise of share options issued under the Tox Free Solutions Ltd Employee Share Option Plan (ESOP)	85,000	12,500	95	14
Issue of ordinary shares under the institutional placement	8,695,653	9,300,000	20,000	12,602
Issue of ordinary shares under the share purchase plan	2,183,757	-	4,999	-
	10,964,410	9,312,500	25,094	12,616

6 | BUSINESS COMBINATIONS

Current period
There has been no business combinations during the half year ended 31 December 2009.

Prior period
On 1 July 2008 the Group acquired 100% of the share capital of Barry Bros. Specialised Services Pty Ltd (Barry Bros.) for $25,000,000 plus incidentals, fully funded by debt.

Barry Bros. is one of the largest industrial service companies in Australia with ten strategically located operations throughout the east coast of Australia.

In the 6 months since acquisition to 31 December 2008, the Barry Bros. business contributed profit of approximately $950,000. The acquisition had the following effect on the Group's assets and liabilities:

	Carrying amount $'000	Fair value $'000
Trade and other receivables	8,535	8,535
Other assets	980	980
Property, plant and equipment	21,338	21,338
Trade and other payables and provisions	(7,180)	(7,180)
Loans and borrowings**	(164)	(164)
Net identifiable assets and liabilities	23,509	23,509
Goodwill on acquisition*	1,853	1,853
Total purchase price	25,362	25,362

	31 Dec 2008 $'000
Components of purchase consideration	
Cash paid	10,163
Direct costs relating to the acquisition	446
Retained liabilities forming part of purchase consideration	14,753
	25,362

** The finance leases were used to provide financial assistance to the parent entity to acquire the shares in Barry Bros. They amounted to approximately $14.753M.

7 | CONTINGENCIES

There has been no change in the contingent assets or contingent liabilities of the Group since 30 June 2009.

8 | EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There has not been any matter or circumstance that has arisen since the end of the interim financial period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

9 | RELATED PARTY TRANSACTIONS

During the period share options were issued to some Directors. The value of these options expensed during the reporting period was $194K (2009: nil).

In the directors' opinion:

a) The financial statements and notes set out on pages 14 to 23 are in accordance with the *Corporations Act 2001*, including:

   (i) Complying with AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

   (ii) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half year ended on that date, and

b) There are reasonable grounds to believe that Tox Free Solutions Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Douglaswood

DOUGLAS WOOD
Chairperson

Perth
25 February 2010

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF TOX FREE SOLUTIONS LIMITED

Matters Relating to the Electronic Presentation of the Half-Year Financial Report

This auditor's report relates to the half-year financial report of Tox Free Solutions Limited for the period ended 31 December 2009 included on Tox Free Solutions Limited's web site. The disclosing entity's directors are responsible for the integrity of Tox Free Solutions Limited's web site. We have not been engaged to report on the integrity of Tox Free Solutions Limited's web site. The auditor's review report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this half-year report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tox Free Solutions Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Tox Free Solutions Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tox Free Solutions Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

BDO Audit (WA) Pty Ltd

BDO
Glyn O'Brien

Glyn O'Brien
Director

Signed in Perth, Western Australia

Dated this 25th day of February 2010.