



**DO YOU KNOW THE MARKET PRICE OF A PRN?
IF NOT, USE THE OM ENVIRONMENT EXCHANGE**

	1998 Average OMEE PRN Prices	1999 Average OMEE PRN Prices
Aluminium	£15.00	£15.34
Glass	£15.00	£7.53
Paper	£8.87	£9.96
Plastic	£11.30	£35.87
Recovery	£8.30	£8.91
Steel	£5.24	£8.09

Please note that average PRN prices for 1999 are for the year to date (ie 1st February to 1st November 1999). Indications are that these could be lower by the 1999 compliance year-end (31st January 2000).

What is the OM Environment Exchange?

The OM Environment Exchange (OMEE), a trading facility for PRNs, is one year old on 25th November 1999. During this year it has:

- Traded over 42,000 tonnes with a market value in excess of £530,000
- Attracted over 160 members who have generated over 360 trades
- Become a subsidiary of the Swedish-based OM Group, which owns and operates exchanges and clearing houses in London and Stockholm. It also sells trading and clearing systems to exchanges which are active in the financial and energy markets worldwide.

Why use the OM Environment Exchange?

OMEE provides an easy to use service to businesses that are affected by the Packaging Waste Regulations. Our aim is to make the purchase/sale of PRNs as simple and cost effective as possible for all concerned.

Exchange prices can be viewed by anyone on our website at www.t2e.co.uk. The site shows historic PRN price information, plus current live bids and offers for all PRN categories.

OMEE has over 160 members, including 6 compliance schemes. With over 60 accredited reprocessors actively using the exchange, who represent 1 million tonnes plus of capacity, PRN availability is ample to satisfy **all** businesses, large and small, regardless of the size of your obligations.

Current prices clearly show that OMEE offers the lowest cost method of compliance for business. Based on average PRN prices, the exchange is up to 50% cheaper than other compliance options and could potentially **save** a company **many thousands of pounds**.



The Benefits of OMEE are :



- There is no charge to be a participant of OMEE (ie **no** joining fees)
- Once a participant, businesses still have the option of buying/selling PRNs elsewhere if they can find more competitive prices (ie **no** restrictive contracts)
- The only fee charged is £0.50p per tonne when a trade is completed on the exchange. The minimum trading fee is £10 and there is also a £5 PRN issuing fee per trade which is paid to the reprocessor (ie **no** costly administration charges)
- OMEE provides a **market-place** for PRN buyers and sellers, we are **not** a broker. Prices quoted on the screen are the price quoted by the buyer/seller and not the exchange's prices (ie **no** hidden middleman costs)
- The market-place will work best for participants if they place orders on the screen. Sellers and buyers can only react if bids and offers are visible
- The market-place only trades PRNs and other forms of evidence accredited by the Agencies.

The exchange offers full trading support, with a full-time trader who will place your order on the screens for you, inform you when you have traded and deal with the whole settlement process on your behalf. Once you have traded we inform you that day by fax of the trade with price, VAT and fees breakdown information. All the buyer must do is supply the funds (ie a cheque or BACs payment) and the seller the PRNs (sent registered post) which are collected centrally by OMEE. Once both sides of the trade are held by OMEE (ie cleared funds and PRN documents) the trade is completed and the funds and the PRNs are released to the seller and buyer respectively.

It is so simple - All you have to do is:

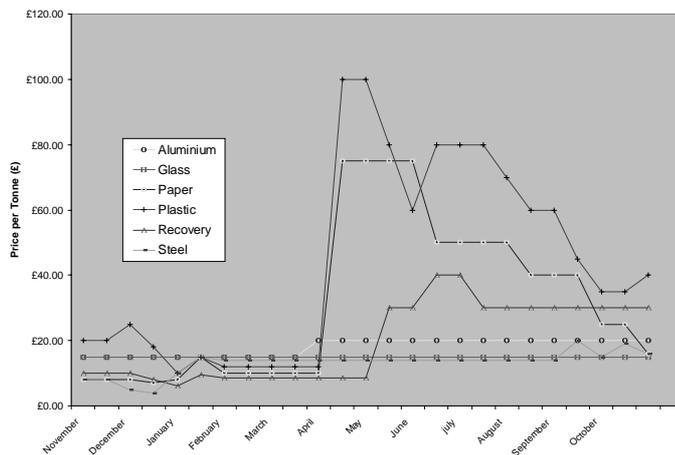
- Join the exchange – **NO CHARGE** (Download contract from www.t2e.co.uk or we can send you one by post)
- Place an order with the trader - **ONE TELEPHONE CALL**
- Deliver PRNs or Payment when you have traded

BRIDGING THE GAP BETWEEN BUYERS AND SELLERS

What we do is:

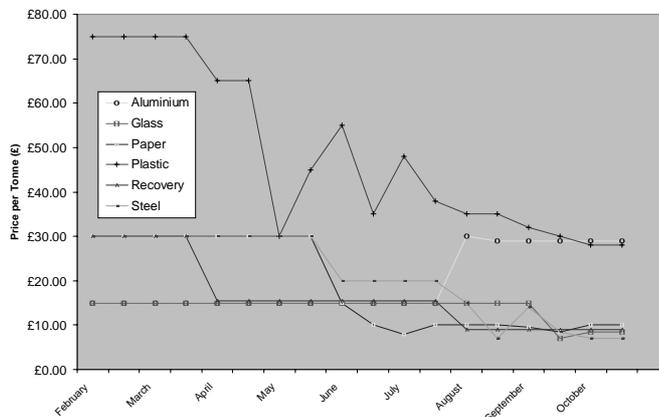
- Make your job easy
 - Display the best available PRN prices anywhere in the market.
- Below are transaction price trends for 1998 and 1999 PRNs.

Below is a graph depicting 1998 PRN price trends over time



Please note that the graph above depicts 1998 PRN prices since the launch of the Environment Exchange, both before and after the January 31st 1999 deadline. The clear message is that companies who did not fulfill their obligation in time have been heavily penalised in the prices they have paid since.

Below is a graph depicting 1999 PRN price trends over time



Please note that the graph above depicts 1999 PRN prices to the end of October 1999.

Using OMEE allows you to concentrate on:

- Calculating your obligation as accurately as possible
- Reducing your obligation by either:
 - minimising your packaging
 - accessing your PRNs through increasing your recycling and recovery activities**OR**
 - accessing your PRNs by purchasing more recycled packaging

Your Legal Responsibility

Whether individually registered or registered through a compliance scheme, **calculating your obligation is the legal responsibility of your business.** This is the most complex stage of the compliance procedure. Whether you go it alone or use a compliance scheme you are still required to take legal responsibility for this stage.

Using OMEE offers you both big savings on the cost of the PRNs and a transparent price index for PRNs. You **could**, should you wish it make use of a specialist consultant, to assist you in calculating your data and **still save money** over alternative compliance methods. OMEE has links from our website to "Guidelines to the Regulations" and can advise you on a list of potentially suitable consultants should you require further assistance.

What is the future?

By the end of this year OMEE will be offering a forward contract for PRNs which will enable both obligated companies and accredited reprocessors to plan their purchase/sale of PRNs up to 12 months in advance.

In 2000 OMEE will introduce trading in recyclable commodities, with an initial contract in recycled newspaper. We are also looking at further contracts in scrap metal, other forms of waste paper and new tradable economic instruments.

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