



## Organic Resource Management Inc. Reports Fiscal 2009 Second Quarter Results

**Toronto, ON, February 12, 2009** – Organic Resource Management Inc. (TSX: ORI) ("ORMI" or "the Company"), today announced the financial results for the three and six-month periods ended December 31, 2008.

### Q2 2009 Highlights:

- Sold non-core assets of wholly-owned subsidiary, A&A Anderson Tank Services Ltd. ("A&A")
- Total revenue of \$3,217,000 compared to \$3,800,000 in Q2 2008
- Gross margin of \$1,038,000 compared to \$1,264,000 in Q2 2008
- Net income before taxes of \$1,542,000 compared to \$124,000 in Q2 2008
- Contingency related to a material statement of claim for a motor vehicle accident
- Established a line of credit with Royal Bank of Canada

"During the quarter we took steps to focus on our core grease trap and organic waste disposal business through the sale of the non-core assets of A&A Anderson Tank Services Ltd. Following the completion of this transaction, we also rebranded our remaining British Columbia assets as ORMI, in order to develop a cohesive national brand," said Charles Buehler, Chairman and Chief Executive Officer of ORMI.

Net income before taxes for the second quarter of fiscal 2009 was \$1,542,000, an increase of \$1,418,000 from \$124,000 for the second quarter of fiscal 2008. The increase was due to the gain of \$1,708,000 on the sale of A&A's non-core assets. This gain was partially offset by approximately \$180,000 in one-time costs related to the sale and rebranding of ORMI's remaining assets in British Columbia from A&A to ORMI, as well as the relocation to a new Vancouver facility.

Revenue for the three-months ended December 31, 2008 was \$3,217,000, a decrease of \$583,000 compared to \$3,800,000 during the second quarter of last year. The decrease in revenue was largely attributable to the divestiture of A&A's non-core assets as well as ORMI's decision to exit the compactor rental business in January 2008.

Total gross margin for the period ended December 31, 2008 was \$1,038,000, a decrease of 18% or \$226,000 from \$1,246,000 compared to the second quarter of last year. Gross margin as a percentage of revenue was 32% during the second quarter, compared to 33% during the same period last year. During the quarter, the Company continued to use disposal sites in Ontario and New York that were sourced earlier this year, which contributed to higher margins in the Ontario market. The overall reduction in gross margin was due to the lower revenue, as well as the additional rent and one-time costs stemming from the relocation to the new Vancouver facility and the divestiture and rebranding of A&A's non-core assets.

Cash flows from operating activities were \$338,000 for the three-months ended December 31, 2008, compared to cash used in operating activities of \$162,000 for the same period last year. The improvement was largely due to a \$706,000 decrease in accounts receivable following the divestiture of A&A's non-core assets.

Net income before taxes for the six-month period ended December 31, 2008 was \$1,818,000, an increase of \$1,521,000 from \$297,000 for the same period last year. Total revenue for the period was \$7,265,000, a decrease of \$258,000 compared to \$7,523,000 for the six-month period ended December 31, 2007. Total gross margin for the six-month period ended December 31, 2008 was \$2,555,000, an increase of \$93,000 compared to \$2,462,000 for the same period last year. Gross margin as a percentage of revenue was 35% compared to 33% during the six-month period ended December 31, 2007.

On February 3, 2009 the Company received a statement of claim in the amount of \$31 million pertaining to a traffic accident which occurred in September 2008. The claim by the injured party exceeds the combined limit of the Company's insurance coverage of \$10 million. The outcome of this claim is not determinable at this time and accordingly, no provision has been established in the Company's consolidated financial statements for the period ended December 31, 2008.

On February 6, 2009, the Company established a \$2,000,000 revolving demand facility and a \$500,000 term facility with the Royal Bank of Canada. The Company also ended its relationship with Textron Financial Canada Ltd. and paid off the balance owing on its asset-based revolving loan.

The comparative financial statements for the three and six-months ending December 31, 2008 along with other information may be obtained through the Company's website at [www.ormi.com](http://www.ormi.com), or on SEDAR at [www.sedar.com](http://www.sedar.com).

This press release is available on the Company's official on-line investor relations site for investor commentary, feedback and questions. Investors are asked to visit the investor relations section of the Company's website at [http://www.ormi.com/ORMI\\_Investor.asp](http://www.ormi.com/ORMI_Investor.asp). Alternatively, investors are asked to e-mail all questions and correspondence to [Info@ormi.com](mailto:Info@ormi.com) where they can also request addition to the Company's investor e-mail list to receive all future press releases and updates directly.

### **About Organic Resource Management Inc.**

Organic Resource Management is Canada's largest provider of vacuum truck services for the collection, processing and disposal of food-related organic residuals. ORMI services in excess of 6,000 commercial, industrial, institutional and residential customers in Ontario, Quebec, and British Columbia. Further information about ORMI may be obtained at the Company's web site at [www.ormi.com](http://www.ormi.com).

**Note:** Certain information contained in this press release may be forward-looking and therefore subject to unknown risks or uncertainties. The actual results, performance or achievements of Organic Resource Management Inc. may differ materially from the results, performance or achievements of the Company expressed or implied by such forward-looking statements.

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