

# GARM NEWS

EDITION 5.1

Q1 2005

## YEAR END RESULTS

RecycleNet filed its 10K on February 28, 2005. The complete report is available online at [www.sec.gov](http://www.sec.gov)

## WEB TRAFFIC HIGHS

In 2004, RecycleNet had over 83 million page views to its web sites. In 2005 the company will pursue a plan to monetize this traffic.

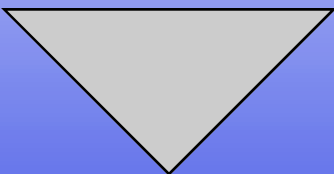
## ANNUAL GENERAL MEETING

RecycleNet's Annual Shareholder Meeting will be held on May 13, 2005 in Kitchener, Ontario, Canada.

## PUBLISHING INFORMATION

GARM NEWS is published 4 times per year reflecting the public filing schedule of RecycleNet Corporation. If you would like to be added to the regular mailing list for this newsletter, please email your request to

[info@recyclenet.com](mailto:info@recyclenet.com)



## RECYCLING INDUSTRY OUTLOOK 2005

**By Paul Roszel**

During 2004 there was an unprecedented increase in demand as well as prices across the board for recyclable commodities. Never before in the 30 years we have been tracking this industry have all the factors aligned so that different commodities have peaked at the same time.

New offshore mill capacity, which dwarfs domestic North American consumption, has state of the art, efficient technology, lower cost labor rates, and less stringent environmental compliance costs, which results in huge leaps in demand for recyclable commodities.

Scrap exports to China, specifically steel, have dominated the financial news in the past few quarters, but little publicity has been focused on sleeping giant economies like India or other Asian countries and little or no popular attention is being paid to the developing eastern block European economies particularly in regard to scrap metals, waste paper & plastic recycling.

In the past few months several factors have adversely affected exports. Limited availability of rail freight and an intermodal container shortage is one key factor. A change in policy in China called AQSIQ [Administration of Quality Supervision, Inspection and Quarantine] now requires certification for businesses to import scrap materials. Businesses must also secure private financing guarantees as opposed to state backed guarantees to open operations in China. But as long as the Chinese currency remains hard pegged against the US dollar there will be continued economic stimuli for export to China. This will remain in effect until the Chinese currency becomes free floating in world monetary markets.

Not all increases in the price on commodities have filtered down to the generator level, but even as export prices for recyclable commodities have peaked or temporarily receded, the prices at the generator level are stable or on the increase. As the infrastructure catches up to the demand, competition for the finite volume of scrap materials will continue to drive market prices upward.

Over the past several years there has been a declining trend in membership in recycling industry trade associations. By the end of 2004 & early indications for 2005 see that trend starting to reverse with a renewed interest in the industry.

Looking forward into 2005, it appears that a revitalization of the recycling industry is in motion. ■

# RecycleNet Trades OTCBB: GARM

# RecycleNet Announces 2004 Results

RecycleNet ([www.recycle.net](http://www.recycle.net)) operates the world's leading online trading platform for recyclable industrial materials such as glass, metal, rubber, paper, wood and plastic, along with used vehicles and equipment. Generators, brokers, dealers, processors and consumers use RecycleNet's trading websites to buy, sell and trade recyclable materials and used items.

The Company reported 83 million page views over the course of 2004, a 25% increase over the number of page views in 2003, and over 2 million unique web site visitors per month from over 150 countries worldwide. RecycleNet also reported a total of 271 million page views since the launch of the network in 1995.

"RecycleNet's unique role is to provide global, online access to the growing market of recyclable materials," said Paul Roszel, Chairman and CEO of RecycleNet Corporation. "Our record network traffic is an indication of the incredible success we have achieved in this enterprise."

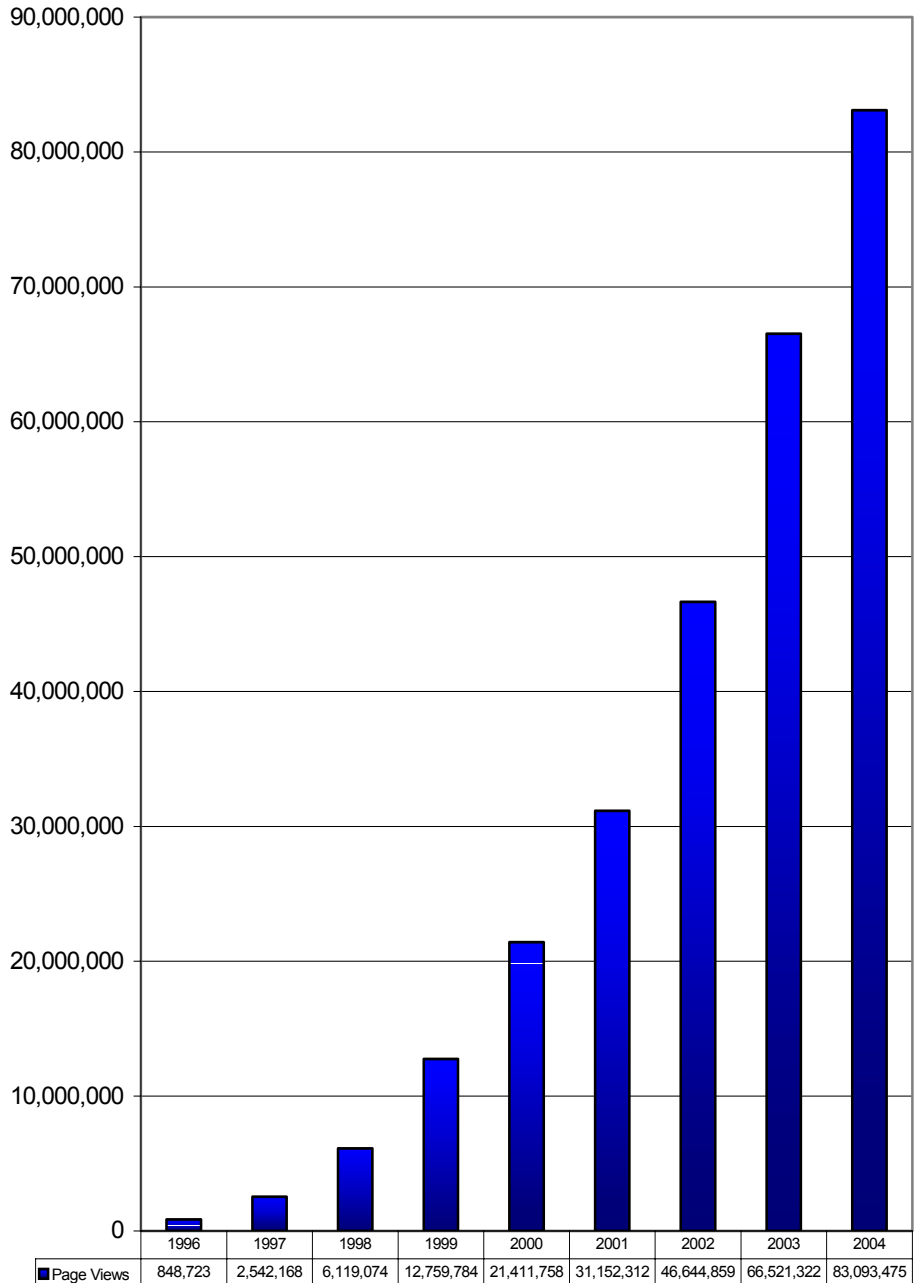
"Moving forward, we will be adapting our operations to try to capture and monetize this incredible rate of online traffic."

"We are seeking a capital injection over the next 12-24 months to fuel top-line growth through aggressive marketing of our portal product and to develop plans to create the first electronic clearinghouse for secondary materials. We are also actively pursuing growth through mergers, acquisitions, strategic alliances, joint ventures and other relationships."

RecycleNet Corporation (OTC-BB: GARM) was founded in 1995 as an online trading system for recyclable materials. RecycleNet does not buy or sell recyclable materials; instead the Company earns fees for use of its trading network and other services. For more information about the company visit the corporate site [www.recyclenet.com](http://www.recyclenet.com) or Recycler's World, the hub of its online trading network, at [www.recycle.net](http://www.recycle.net).

## GROWTH IN RECYCLENET NETWORK TRAFFIC 1996-2004

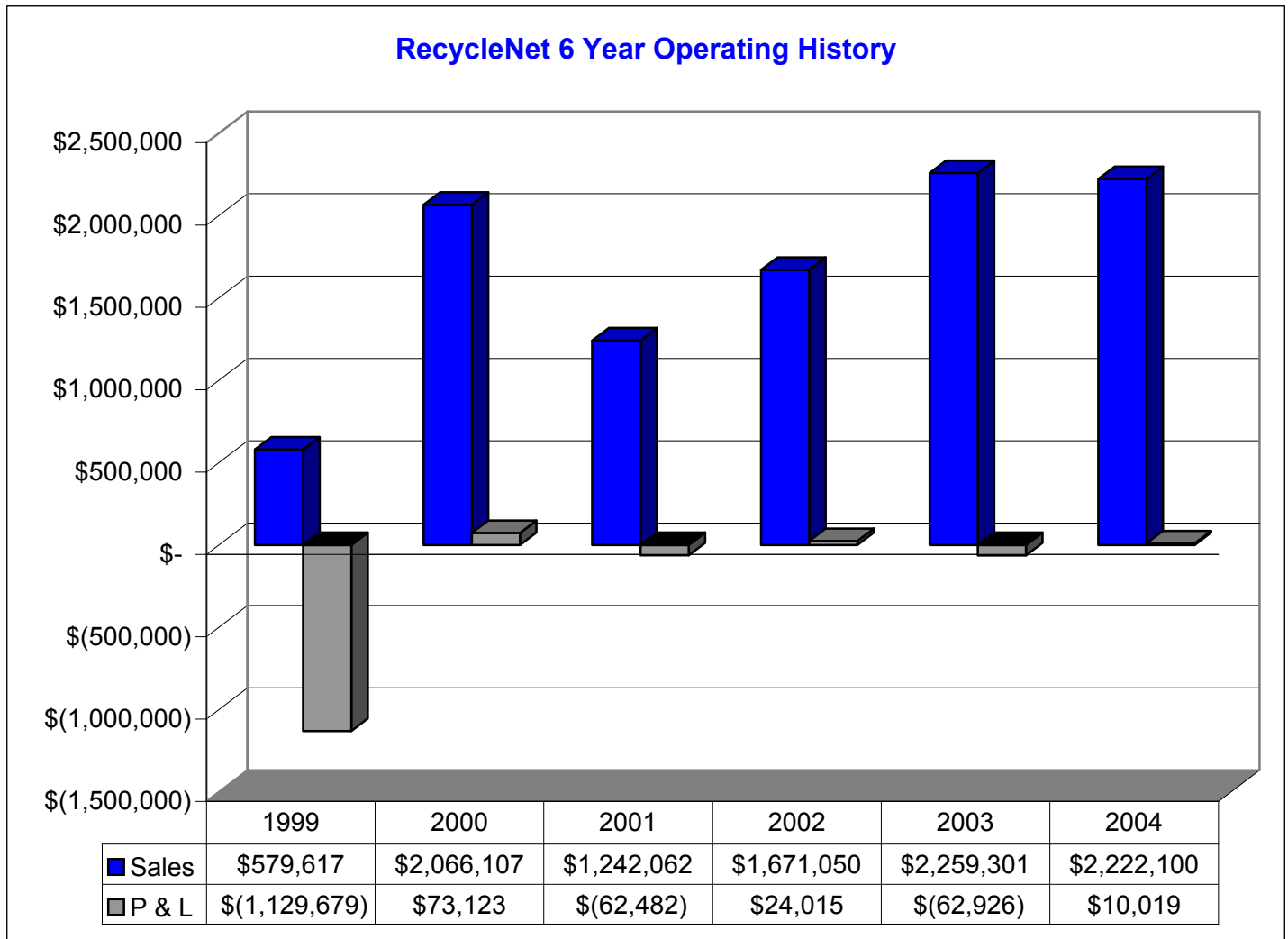
(Total of 271,093,475 page views)



If it's scrap or used, it's ...

# [www.recycle.net](http://www.recycle.net)

# 6 YEAR OPERATING HISTORY



THE QUARTERLY UPDATE FOR RECYCLENET CORPORATION (OTCBB: GARM)

## **GARM NEWS**

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Include your name, address and contact information  
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Stock Symbol :  
**OTC-BB : GARM**  
52 week range  
0.02 - 0.10

**Shares Outstanding**  
17,711,433 - Float  
76,421,791 - Common

137,597,472 - on a  
Fully Diluted Basis

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**Business Description**

RecycleNet Corporation operates an exchange for recyclable commodities. The exchange lists materials that include scrap metals, waste paper, plastics and the entire spectrum of scrap materials and used items.

We are not dealers, brokers or processors of scrap materials, we are the exchange system for traders or anyone who wishes to buy/sell/trade waste materials.

**Market**

RecycleNet believes the marketplace for scrap materials and used items exceeds \$ 300 billion USD/year in North America. Any purchasing agent at any factory that produces scrap, waste or by-product is a potential user of our services.

RecycleNet is focused on developing a formal marketplace, concentrating on a portion of the scrap market that it can charge transaction fees of up to 10 % of the value of the goods traded on the exchange. Currently, there is not a formal exchange for scrap materials.

**Current Situation**

To date, RecycleNet has focused its efforts on building its core user base, and as a result has developed over 2 million unique users a month from approximately 150 countries worldwide.

The company has been self financed, has cash in the bank, has no debt and is profitable. The immediate challenge facing the company is to ramp up our business rapidly enough to secure our dominant position.

**Funding Requirements**

RecycleNet is seeking up to \$ 12.3 million USD in private placement in increments not less than \$ 150,000 USD.

**Goals / Major Milestones**

- Ramp up the top line revenues to \$ +40 million USD/year and achieve earnings of \$ +10 million USD within 36 months of the private placement of \$ 12.3 million USD.
- Position the company for a NASDAQ listing & public offering in the \$ 100 million range.
- Ramp revenues to \$ +2 billion & earnings in the \$ 200 million range in 36-48 months of the public offering.



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**RecycleNet Corporation Trades**  
**OTCBB: GARM**