



Annual Shareholders Meeting

A Refrigerant Services Leader

August 2008





‘Safe Harbor’ Statement

Statements contained herein, which are not historical facts constitute forward-looking statements, involve a number of known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, changes in the demand and price for refrigerants, including unfavorable market conditions adversely affecting the demand for, and the price of refrigerants, the company’s ability to source CFC and non-CFC based refrigerants, regulatory and economic factors, seasonality, competition, litigation, the nature of supplier or customer arrangements which become available to the company in the future, adverse weather conditions, possible technological obsolescence of existing products and services, possible reduction in the carrying value of long-lived assets, estimates of the useful life of its assets, potential environmental liability, customer concentration, the ability to obtain financing and other risks detailed in the company’s periodic reports filed with the Securities and Exchange Commission. The words believe, expect, anticipate, may, plan, should and similar expressions identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statement was made.



Business Overview

- ◆ **Refrigerant Product Services (RPS)**

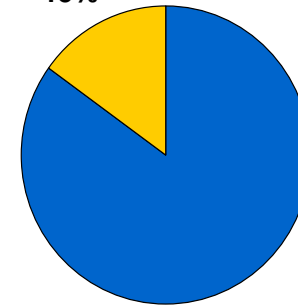
Sales and reclamation of refrigerants used in commercial air conditioning and refrigeration systems.

- ◆ **RefrigerantSide® Services (R-Side®)**

Solutions for mechanical and chemical issues in large process and comfort cooling systems.

'07 Revenue Composition

RefrigerantSide®
Services 15%



Refrigerant Product Services 85%



Current Market Overview

Refrigerant Market

- ◆ Total refrigerant market: > \$1 Billion
- ◆ Current market for reclaimed refrigerants: > \$30 million
- ◆ Most of Hudson's sales are new (virgin) refrigerant

Reclamation Market

- ◆ Hudson has reclaimed close to 50 million pounds of refrigerants since the company was founded
- ◆ Hudson has been DuPont's sole reclaimer for more than 10 years

Services Market

◆ Industrial & Commercial Service Sales –\$3 Billion Market (U.S.)

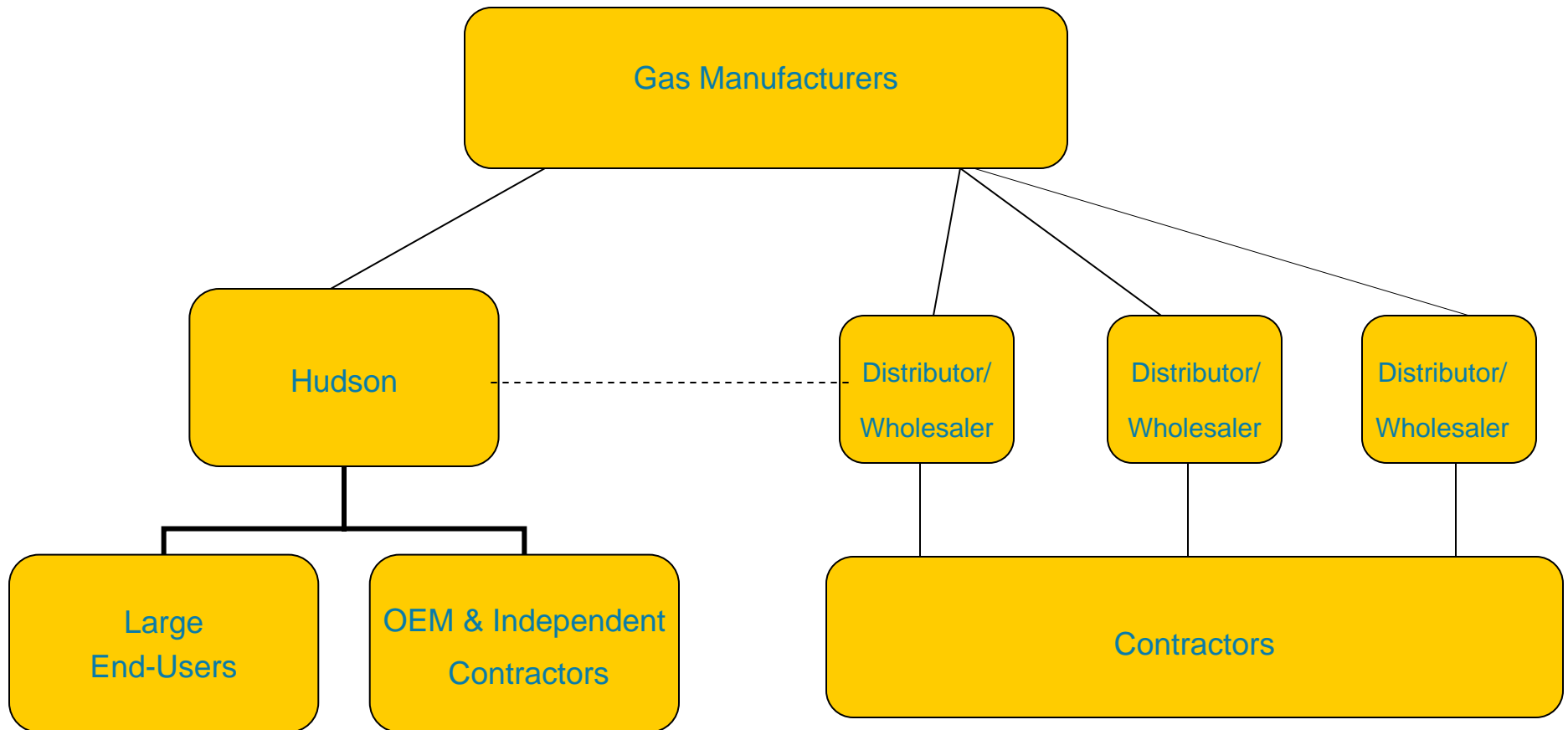
- Proprietary RefrigerantSide® Services
 - ✓ US: \$500 million land-based / \$75+ million marine
 - ✓ International opportunity similar to U.S. – currently in UK and RSA
 - ✓ Have served more than 50 of Fortune 500, including 15 of Fortune 50

◆ Performance Optimization

- A/C systems are the first or second largest users of energy: Estimated annual energy costs of \$35 billion
- Steam Energy Usage: Estimated annual energy costs of \$200 billion



Leading Refrigerant Distributor for Large Cooling Systems

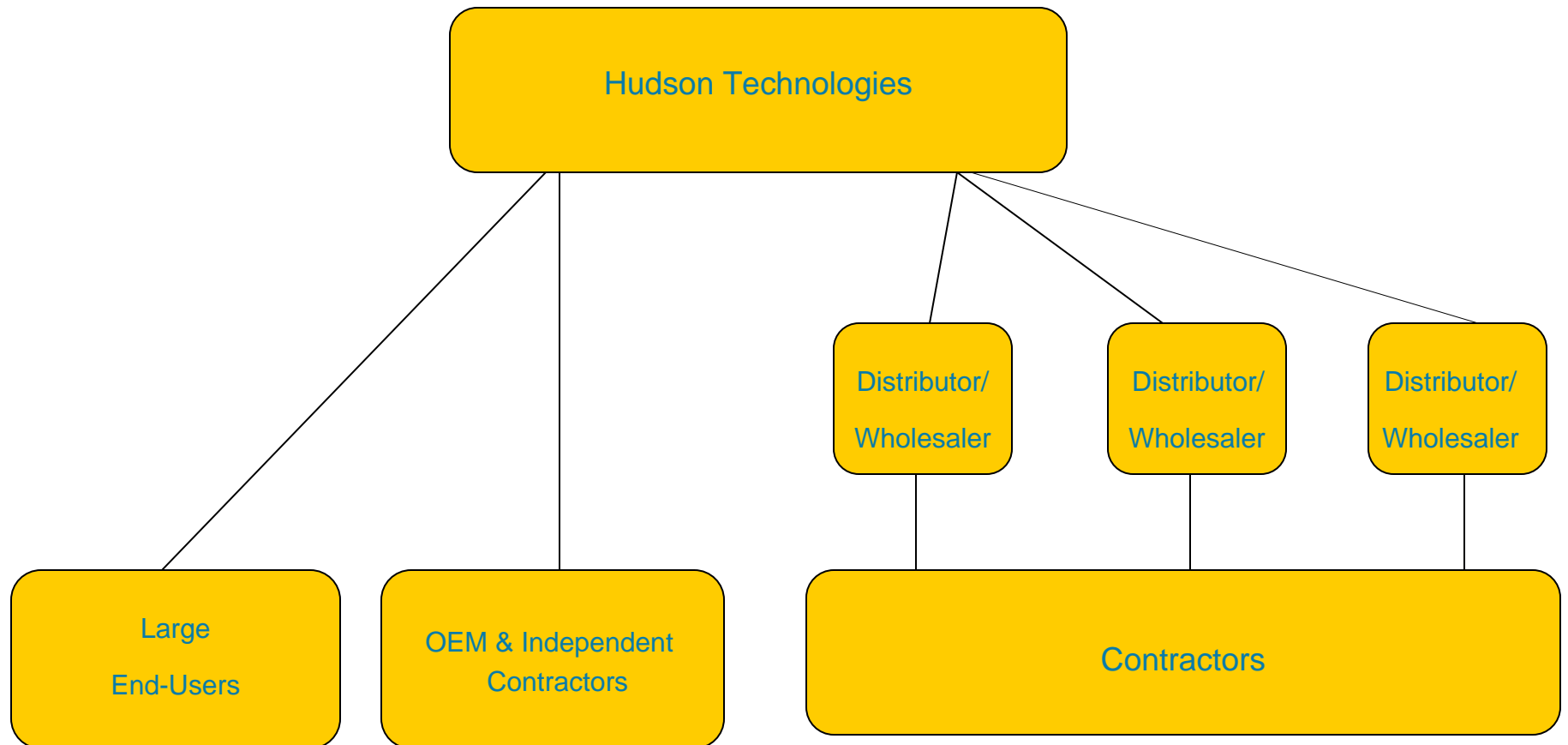


Buildings & Industrial

Residential & Light Commercial



Leading Reclaimer in the U.S.



Buildings & Industrial

Residential & Light Commercial



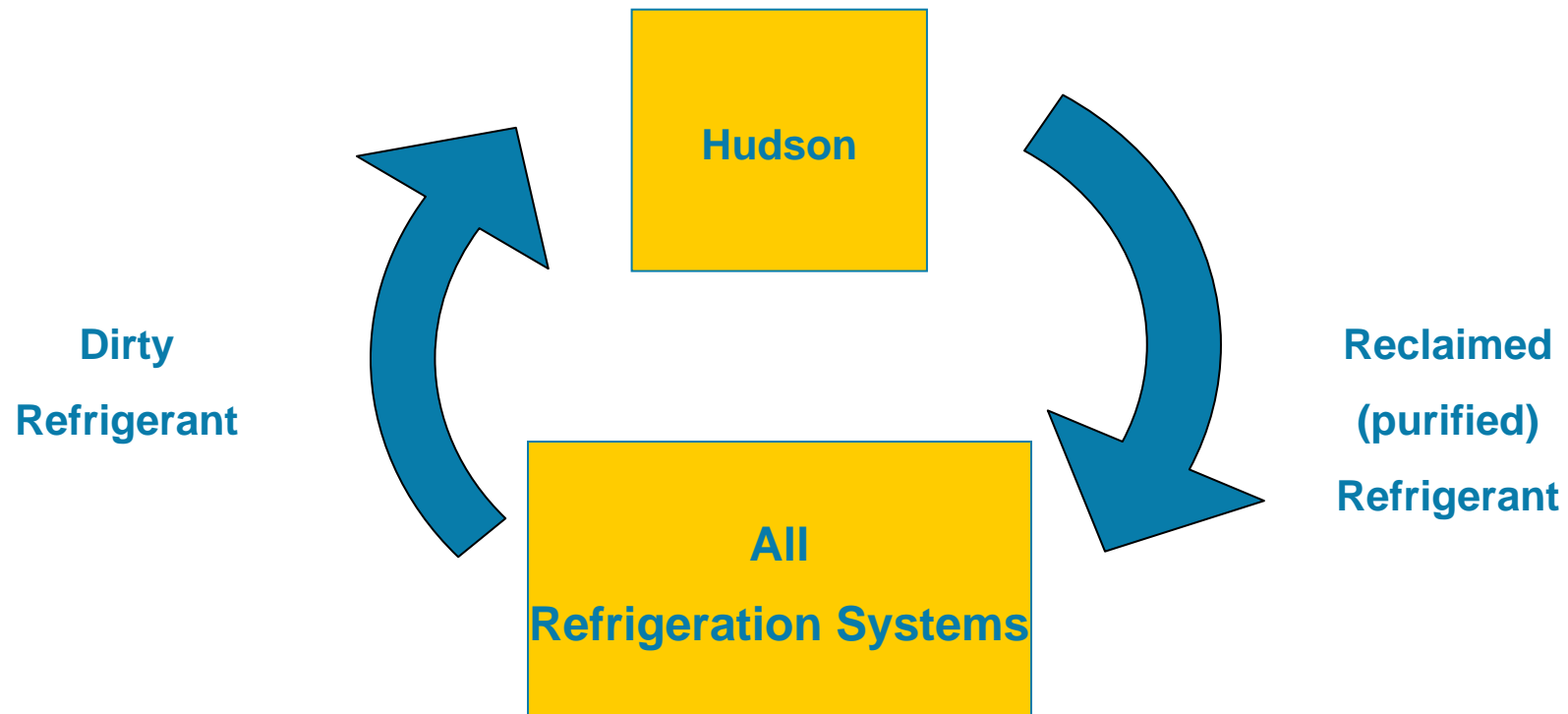
Industry Preparing for Huge Shift

- ◆ Reclamation Market about to change
- ◆ Federally mandated phase-out of HCFCs Production begins 2010
 - As federally legislated, the market for HCFC production is effectively closed, with no new entrants permitted and a fixed annual production amount for HCFC refrigerants.
- ◆ HCFCs comprise more than 60% of total \$1 billion refrigerant market
 - ◆ Preparing for significant market disruption
 - ◆ Have resources to capitalize on disruption
 - ◆ Prior disruption resulted in more than 10X price increases

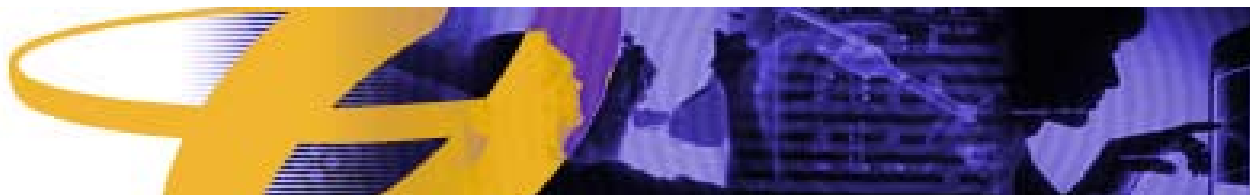
Bottom Line: Market for HCFCs will ultimately shift to 100% reclaimed product and Hudson is the market leader in this space



Creating 'Closed Loop' For Reclaimed Refrigerant



Shifting from Distributor to Producer



Selected Consolidated Financial Results

(In 000's)

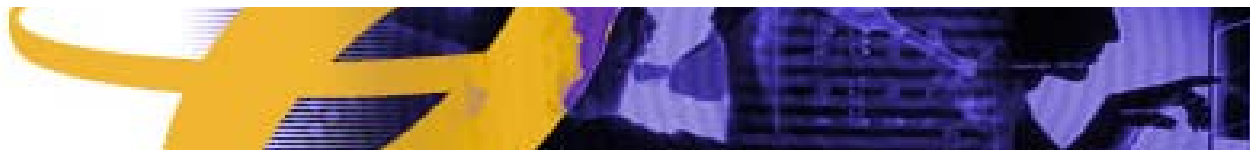
	Quarter Ended June 30 <u>2008</u> (Unaudited)	Quarter Ended June 30 <u>2007</u> (Unaudited)	6 Months Ended June 30 <u>2008</u> (Unaudited)	6 Months Ended June 30 <u>2007</u> (Unaudited)	Year Ended December 31 <u>2007</u>
Revenues	\$ 13,089	\$ 11,307	\$ 24,455	\$ 19,424	\$ 26,894
Gross Profit	5,144	2,949	8,740	4,507	6,853
Operating Income (loss)	3,805	*(2,705)	5,861	*(2,292)	*(2,354)
Net Income (loss)	\$ 2,999	*(1,615)	\$ 4,750	*(1,332)	*(1,961)
Net Income (loss) Per Common Share - Basic	\$ 0.16	*(0.06)	\$ 0.25	*(0.05)	*(0.09)
Net income (loss) Per Common Share - Diluted	\$ 0.15	*(0.06)	\$ 0.23	*(0.05)	*(0.09)
Weighted average number of shares outstanding-basic	19,339,551	25,905,060	19,184,409	25,910,233	22,214,197
Weighted average number of shares outstanding-diluted	20,464,163	25,905,060	20,259,665	25,910,233	22,214,197

*Included \$4.3 million in non-cash, nonrecurring compensation expense for stock



Foundation for Building Shareholder Value

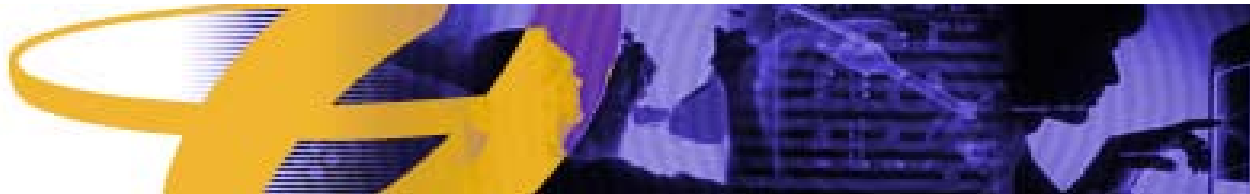
- ◆ **Achieved record-level sales**
 - ◆ Annual double digit revenue growth over the past three years
 - ◆ Expansion of “higher value” customer base
 - ◆ Expansion of sales effort
 - ◆ Enhanced reclamation effort
- ◆ **Enhanced our capital structure**
 - ◆ Retired 26% of outstanding shares; reducing the number of shares outstanding by 7 million to 19 million shares
 - ◆ Hudson’s officers personally invested and purchased 9 million shares from Fleming Funds



Current Perspective

- ◆ **Record operating performance through June 30, 2008**
 - ◆ 26% revenue growth
 - ◆ \$0.25 earnings per share vs. \$(0.05)
 - ◆ 55% Return on equity
- ◆ **Stock remains undervalued**
 - ◆ Hudson P/E Ratio = 10.5X*
 - ◆ Russell 2000 P/E Ratio = 17.0X**
- ◆ **Management accelerating communication effort with the investment community**
 - ◆ Market capitalization has grown by almost **3X**
 - ◆ Actively seeking analyst coverage and expansion of shareholder base

- * As of 8/25/08
- ** As of 7/31/08



Entering Second Phase-Out Period for the Refrigerant Industry

- ◆ **Strengthened our sales force to better position ourselves to capitalize on reclamation opportunity**
- ◆ **Industry inflection point provides unique opportunity to drive strong returns on capital**
 - ◆ Reclamation industry fragmented; roll-up is inevitable
 - ◆ Three drivers to organic earnings growth
 - ◆ Price increases
 - ◆ Volume increases
 - ◆ Mix of volume change; Improved margins
- ◆ **Filed Shelf registration; Part of overall growth strategy**
 - ◆ No obligation to issue shares
 - ◆ Tool to access capital if an opportunity presents itself
 - ◆ We will only raise capital if we believe it will drive growth and long-term shareholder value



Dramatic Market Shift

- ◆ Hudson is the market leader and is strategically positioned for change within the reclamation business
- ◆ Hudson's long term plan beginning to materialize
 - ◆ Increased interest in reclamation; \$30 million market poised for explosive growth
 - ◆ Customer base supports growth
- ◆ Financial results will continue to benefit from price and volume increases and improved margins
- ◆ Management is an equal partner with existing shareholders, focused on increased stock price



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