

# Press Release

## Clean Harbors Completes Acquisition Of Safety-Kleen's Chemical Services Division; Secures \$260 Million In Financing

### *Company Becomes North America's Largest Provider of Hazardous Waste Services*

**Braintree, MA – September 11, 2002** -- Clean Harbors, Inc. ("Clean Harbors") (Nasdaq: CLHB), the leading provider of hazardous waste services throughout North America, today announced it has completed the acquisition of Safety-Kleen Corp.'s Chemical Services Division (CSD) and secured \$260 million in financing. As a result of the acquisition, Clean Harbors will be on a run rate to achieve annualized revenues of approximately \$750 million, and will have 4,400 employees and 38,000 customers, including a vast majority of the *Fortune 500*. Clean Harbors purchased the division for \$34.3 million in cash and the assumption of certain environmental liabilities valued at approximately \$265 million. The Company had originally announced a cash component of \$46.3 million, which was reduced prior to closing, primarily due to a reduction in the amount of working capital assumed.

"The CSD acquisition fits squarely with our growth strategy by expanding our geographic footprint, broadening our service offerings and increasing market penetration," said Alan S. McKim, Clean Harbors' chairman and chief executive officer. "Clean Harbors now clearly has the size, scope and strategic assets to be the leading hazardous waste services company in North America. By leveraging our industry-leading IT systems and operational controls, we expect to improve service to our customers, increase productivity and achieve substantial cost synergies. Further, we are committed to achieving our EBIDTA goal of \$115 million in 2003."

"It has been our plan since February to close this transaction in the third quarter and meeting this milestone is a credit to the capabilities of our entire team," said McKim. "The efforts of both companies throughout this complex and dynamic process allowed us to meet our aggressive timetable. We will now bring the same level of energy to the integration process, which is already well underway."

-more-



# Press Release

## Clean Harbors Completes Acquisition Of Safety-Kleen's Chemical Services Division; Secures \$260 Million In Financing

To complete the CSD acquisition, Clean Harbors obtained a total of \$260 million in financing consisting of the following components:

- \$100 million three-year revolving credit facility through Congress Financial at LIBOR plus 3%.
- \$100 million three-year non-amortizing senior term loan facility at LIBOR plus 7.25%.
- \$35 million non-amortizing five-year subordinated term loan facility with an annual interest rate of 22%.
- \$25 million of convertible preferred stock.

The convertible preferred stock pays a 6% dividend, is subject to a mandatory redemption after seven years and is convertible at the holder's option at \$10.50 per share into approximately 20% of the Company's currently outstanding primary shares of common stock.

Clean Harbors expects to finalize commitments, which would increase the senior and subordinated financing by \$20 million after the closing of the acquisition. The additional financing will increase the senior note facility to \$115 million and the subordinated note facility to \$40 million. Upon completion of the acquisition and the additional financing, the Company will have approximately \$155 million of outstanding debt and \$100 million of restricted cash. Upon the issuance of additional Letters of Credit in March 2003, the outstanding debt will increase to approximately \$200 million and the restricted cash will remain at \$100 million.

The senior term notes, the subordinated term notes and preferred stock were funded by a combination of Ableco Finance LLC, an affiliate of Cerberus Capital Management, L.P. and Oak Hill Securities Funds and other related accounts.

-more-



# Press Release

## Clean Harbors Completes Acquisition Of Safety-Kleen's Chemical Services Division; Secures \$260 Million In Financing

McKim concluded, "The benefits of this acquisition will be illustrated by our operational and financial performance in 2003. For the remainder of 2002, our focus will be on continuing to execute our integration plan, which we expect to discuss in greater detail with investors on a conference call later this week."

### Conference Call Information — Friday, September 13

Clean Harbors will conduct a conference call for investors at 10:00 a.m. (ET) on Friday, September 13, 2002 to discuss this announcement as well as the initial stages of the CSD integration. Investors who want to hear a webcast of the call should log onto <http://www.cleanharbors.com> and select "Investor Relations" at least 15 minutes prior to the broadcast. Investors should then follow the instructions provided to assure that the necessary audio applications are downloaded and installed. The call will be available on the investor relations section of <http://www.cleanharbors.com> for one week.

### About Clean Harbors, Inc.

Clean Harbors, Inc. through its subsidiaries provides a wide range of environmental and waste management services to a diversified customer base including a majority of the *Fortune 500* companies, thousands of smaller private entities and numerous governmental agencies. Within its international footprint, Clean Harbors has service and sales offices located in 40 states, Puerto Rico, Canada and Mexico, and operates 44 waste management facilities strategically located throughout North America. For more information, visit our Website at [www.cleanharbors.com](http://www.cleanharbors.com).

### Safe Harbor Statement

Any statements contained herein that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and involve risks and uncertainties. These forward-looking statements are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans to," "estimates," "projects," or similar expressions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect

-more-



# Press Release

## Clean Harbors Completes Acquisition Of Safety-Kleen's Chemical Services Division; Secures \$260 Million In Financing

management's opinions only as of the date hereof. The Company undertakes no obligation to revise or publicly release the results of any revision to these forward-looking statements. Information on the potential factors that could affect the Company's actual results of operations is included in its filings with the Securities and Exchange Commission, including but not limited to its Annual Report on Form 10-K for the fiscal year ended December 31, 2001.

**Contact:**

Investor Relations  
Clean Harbors, Inc.  
781-849-1800, ext. 4191  
[InvestorRelations@cleanharbors.com](mailto:InvestorRelations@cleanharbors.com)

Tim Bonang  
Account Executive  
Sharon Merrill Associates, Inc.  
617-542-5300  
[tbonang@investorrelations.com](mailto:tbonang@investorrelations.com)

-###-

