

# Press Release

## CLEAN HARBORS ANNOUNCES PRELIMINARY FOURTH-QUARTER 2002 FINANCIAL RESULTS

*Company Expects to Meet EPS Guidance;  
Strength of Integration and Realization of Cost Synergies Contribute to Anticipated Profitability*

**Braintree, MA – March 13, 2003** – Clean Harbors, Inc. (“Clean Harbors”) (Nasdaq: CLHB), the leading provider of hazardous waste and environmental management services throughout North America, today announced preliminary results for the fourth quarter ended December 31, 2002. The Company requires additional time to finalize financial results for the full year and fourth quarter – the first full quarter to include results from the Chemical Services Division (CSD) that Clean Harbors acquired from Safety-Kleen in September 2002. The Company’s final results for the fourth-quarter and full-year 2002 will be filed with its Form 10-K with the Securities and Exchange Commission, which is due by March 31.

“Because of the magnitude, complexity and unique nature of the CSD acquisition, we require additional time to complete results for the fourth quarter and full year 2002,” said Alan S. McKim, Chairman and Chief Executive Officer of Clean Harbors. “The additional time required to finalize our results is not attributable to any negative or material financial problem. There are two primary issues that we are working through with our auditors, both of which have important balance sheet implications.”

First, Clean Harbors has determined that proper purchase accounting will require Clean Harbors to discount certain environmental liabilities assumed as part of the CSD purchase price. Because of this discounting, the estimated environmental liabilities assumed as a result of the CSD acquisition, which had previously been announced at approximately \$266 million are expected to be reduced by approximately \$43 million. Beginning with the fourth-quarter 2002 results, the newly discounted liabilities are expected to be accompanied by an additional net non-cash accretion expense of approximately \$1 million a quarter and a corresponding quarterly reduction in depreciation expense of approximately \$700,000.”



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Mr. McKim said, "Second, in addition to the expected reduction resulting from the discounting, both Clean Harbors and our auditors have continued to review the estimated dollar amount of the environmental liabilities that we assumed from Safety-Kleen upon completion of the CSD acquisition. Based on Clean Harbors' anticipated expenditures in 2003 on these environmental liabilities, there may be a need to further adjust the Company's environmental reserves downward."

Clean Harbors expects to report fourth-quarter revenues of \$152.5 million to \$153.5 million, compared with \$75.8 million in the same quarter of 2001. Net income for the fourth quarter of 2002 is expected to be \$3.0 million to \$4.0 million, or \$0.17 to \$0.23 per diluted share. This compares with net income of \$3.8 million, or \$0.27 per diluted share, for the same quarter of the prior year. The Company anticipates reporting EBITDA of \$16.0 million to \$17.0 million, after deducting a non-cash environmental expense (including the accretion expense) of \$3.5 million, compared with EBITDA of \$11.7 million in the fourth quarter of 2001, which included the effect of the responses to the anthrax crisis and the World Trade Center event.

The Company reports EBITDA results, which are non-GAAP, as a complement to results provided in accordance with accounting principles generally accepted in the United States (GAAP) and believes that such information provides an additional measurement of the Company's performance.

Reviewing the preliminary results, McKim said, "Although revenues were less than previously forecasted, we expect to meet our previous EPS guidance for the fourth quarter, which demonstrates that our cost reductions and integration plan are on track. Throughout the fourth quarter, our energy was primarily focused internally on meeting our integration objectives, including the swift implementation of cost synergies. Through strict adherence to our sourcing and profit-producing initiatives, we anticipate delivering positive bottom-line results."



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“We anticipate that revenues for the fourth quarter will be below our previous guidance due to a number of factors,” said McKim. “Externally, the lack of large emergency events and remediation projects, and continued economic sluggishness limited revenue opportunities. Internally, the combination of instituting new systems and procedures, reducing headcount, and refining our organization also hindered our ability to effectively pursue top-line growth across our entire infrastructure.”

“Looking ahead, we intend to build on the strong foundation we established in the fourth quarter, while continuing to advance the integration process,” said McKim. “In our Technical Services business, we are continuing to optimize our waste handling capabilities to further increase efficiencies in that segment. In our Site Services Group, we recently announced the promotion of Gene Cookson to President of that newly formed business unit. Gene will focus on expanding customer relationships and growing field services in new geographic areas where the Company now has disposal capabilities.”

“Going forward, we are placing a greater focus on top-line performance,” said McKim. “Through a series of regional conferences we have met with the majority of our national accounts and now will begin the process of reaching out to our small- and mid-sized customer base. As we move through the first half of 2003, we will continue to roll out our new incineration pricing initiative to our customers and begin to pursue many of the exciting cross-selling opportunities that we have recently identified.”

### **Financial Guidance**

#### *First-Quarter 2003*

Due to seasonality, the first quarter is traditionally the slowest quarter of the year for Clean Harbors. Factoring in the integration process, the effect of a particularly tough winter in the U.S. and Canada, and continued economic



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softness, the Company expects to achieve first-quarter 2003 revenues of \$140 million to \$150 million.

### ***Full-Year 2003***

Based on company expectations and current economic conditions, Clean Harbors is updating its revenue guidance for the full year of 2003 to a range of \$670 million to \$680 million.

“We remain focused on achieving our previously announced guidance of \$115 million in EBITDA and EPS in the range of \$2.00 to \$2.06 per diluted share. However, we will provide updated annual guidance, as necessary, on our first quarter conference call,” concluded McKim.

### **Conference Call Information**

Clean Harbors will conduct a conference call for investors to discuss the information contained in this news release today, Thursday, March 13, 2003 at 11:00 a.m. (ET). 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, six Canadian provinces, Mexico, and Puerto Rico, and operates over 50 waste management facilities strategically located throughout North America. For more information, visit our Web site at [www.cleanharbors.com](http://www.cleanharbors.com).



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### 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 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, Form Q-3 for the quarter ended September 30, 2002 and on Form 10-K for the fiscal year ended December 31, 2002, which will be filed on March 31, 2003.

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