Eveready to be acquired by U.S.-based Clean Harbors

EDMONTON — Eveready Inc. (TSX:EIS), an Edmonton-based energy services company, has signed a definitive C$464 million deal to be acquired by Clean Harbors Inc. (NYSE:CLH), North America's biggest provider of environmental and hazardous waste management services.

The pricetag of the cash and stock deal, announced early Wednesday, values the Canadian company at C$11 a share or about C$202 million. Clean Harbors will also take on about C$262 million in Eveready debt.

Investors welcomed the sale, sending Eveready shares soaring 200 per cent on the Toronto Stock Exchange in heavy trading.

Including the Eveready debt, Clean Harbors valued the deal at US$387 million, or C$464 million.

The acquisition is expected to close in the third quarter, pending regulatory and Eveready shareholder approval and other closing conditions.

Rod Marlin, Eveready's president and CEO, said the company's board of directors "fully supports this transaction and will strongly recommend it to our shareholders."

"This transaction is a win-win scenario for our employees, customers and shareholders," said Marlin.

'Our employees will become part of a larger, growth-oriented organization that is a well-managed industry leader. Eveready customers will now have access to a broader spectrum of environmental and industrial services, through a single source. In addition to the cash they receive, our shareholders will participate in the future growth of the top environmental services company in North America, whose value has been significantly enhanced by the acquisition of our organization."

Eveready executives and shareholders holding a 26 per cent of the company have already agreed to tender their shares to the deal.

The agreement also provides for the sale of some Eveready assets to Clean Harbors for $53 million in cash if some conditions to completing the entire transaction are not met.

In a separate release, Norwell, Mass.-based Clean Harbors said it expects the acquisition will immediately boost the company's profits, excluding any one-time fees and acquisition-related expenses.

The U.S. company said Eveready, which has more than 2,100 employees, had revenue of US$614 million last year. Clean Harbors operates in 36 U.S. states, six Canadian provinces, Mexico and Puerto Rico and generated revenue of US$1.03 billion in 2008.

Clean Harbors, with 4,800 employees, said the deal will provide the company with its first foothold in markets beyond North America through services Eveready offers to refineries in Europe, South America and Asia.

"This transaction represents another major milestone as we build our company's future and create long-term value for our shareholders," said Alan McKim, Clean Harbors' chairman and chief executive.

"The acquisition of Eveready greatly enhances our presence in the attractive industrial services market and broadens the range of services we can offer customers of both companies."

"We envision substantial cross-selling opportunities with Eveready's blue-chip customer base, particularly with respect to refineries and other energy companies. Geographically, this transaction will significantly advance our position in the Canadian marketplace, and afford us with expanded service offerings in our existing U.S. and Canadian locations."

Eveready provides industrial maintenance and oilfield production services to the energy, resource, and industrial sectors. The company operates from 79 locations in Canada, the United States, and internationally and operates a service fleet of more than 2,400 truck and trailer units.

Eveready stock closed up $6.93 or 200 per cent to $10.40 on a volume of more than five million shares.

On the New York Stock Exchange, Clean Harbors shares rose $5.24 to US$51.48, a gain of more than 11 per cent.

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