

Sterecycle raises £10 million in funding

*New funds herald next growth phase for recycling technology group,
with 20 new "green" jobs and doubling of Yorkshire plant capacity*

Sterecycle, a leading UK waste recycling technology company, is pleased to announce that it has raised £10 million to kick-start a multi-year investment programme in recycling plants based on its environmentally-friendly autoclave technology.

The funds raised have come from a number of institutional and retail investors as well as the Company's existing investors. This latest round takes total equity funds raised to £34 million since its founding in 2003.

Sterecycle's Founder, Duncan Grierson, said: "This latest round confirms that, despite the challenging economic environment, there is considerable interest in waste treatment technology. Our proven process, now operating at commercial scale for over 18 months, is ripe for rolling out around the UK."

Sterecycle will invest part of the funds to expand the capacity of its Yorkshire plant. By late 2010 capacity is expected to double from 100,000 to 200,000 tonnes per annum (tpa), taking waste from the three local authorities of Barnsley, Doncaster and Rotherham, along with commercial waste. 200,000 tpa is equivalent to the waste produced by 400,000 people. The number of staff at the plant, built at a former British Steel site in Rotherham, will also increase, from 37 to 57. In addition some of the proceeds will be used for development of Sterecycle's second site in Cardiff, Wales which received planning permission last year and is expected to go live in 2011 with 60 new jobs. As part of its long term growth strategy, the Company plans to build further plants in the UK over the next few years.

The Company also announced the appointment of a new Chief Executive, Tom Shields, to lead the expansion programme. Mr. Shields has over 30 years experience in the chemicals sector. He was previously Managing Director of KemFine UK Ltd, a specialty chemicals business with £45 million of turnover and 262 staff. Mr. Shields led the spin off of the fine chemicals business from Avecia, a global company with sales of £442 million backed by private equity funds. Mr. Shields was Manufacturing Director at Avecia where he was responsible for 12 manufacturing sites in 5 countries. Prior to this Mr. Shields was located in Delaware as Head of Zeneca Engineering in the United States and the early part of his career included 16 years with ICI, one of the world's largest chemical businesses. Tom Shields said: "I am delighted to join Sterecycle at this exciting time and help take the business forward to a multi-site operation."

Duncan Grierson commented: "The UK waste sector is becoming a sophisticated process engineering industry, akin to the chemicals sector which is also highly regulated and with heavy capital investment requirements, so Tom's experience is ideally suited to helping us manage the Company's growth."

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Notes to Editors:

Sterecycle is a waste recycling technology company focused on the diversion of household waste from landfill and the creation of green energy. Sterecycle's proprietary autoclave process uses steam to sterilize and recycle household waste, by converting "black bag" waste into organic fibre – **sterefibre**[®]– and recycling non-organics such as metals and plastics. **sterefibre**[®] is a compost-like material that has a wide variety of applications, including as source for renewable energy and for land restoration. The Sterecycle process is complementary to 'source separation' recycling and kerbside schemes since it treats the remaining black bag waste that would otherwise be sent to landfill.

The use of steam, or "Autoclaving", in the waste sector has been limited to sterilizing medical waste and at small scale. Sterecycle has pioneered its application for household waste processing, encouraged by increasing pressure on local authorities to find green alternatives to landfill due to tighter environmental regulations including the EU Landfill Directive. Sterecycle's recycling process also provides an alternative to the controversial use of mass burn incineration which simply destroys waste.

Sterecycle's clean waste treatment process "steam sterilises" the unsorted waste at low temperature in large 40 feet long sealed vessels called autoclaves, using a combination of steam and pressure, treating 25 tonnes of waste per batch. The waste is then sorted using recycling processes such as size screening and magnetic separation.

At present over half of all UK household waste is dumped into landfill sites where it biodegrades to produce methane, a dangerous greenhouse gas that is 23 times more damaging than carbon dioxide. The UK government is committed to reducing landfill and has increased Landfill Tax from £12 per tonne in 2003 to £40 per tonne currently, to reach £72 per tonne in 2013. The Institute of Civil Engineers has estimated that some £15 Billion of infrastructure investment is required by 2015 in order to meet the diversion targets of the EU Landfill Directive.

Sterecycle builds, owns and operates waste plants, charging "tipping fees" for processing waste as a substitute for landfill. The company has built the world's first autoclave plant for household waste in Yorkshire - a full scale commercial plant that can process 100,000 tonnes per annum of waste, equivalent to the waste produced by a town of 200,000 people. The Sterecycle technology is less expensive than that used in mass burn incineration, achieves significant levels of recycling and its waste management facilities require only a few months to gain planning permission compared with years for mass burn incineration.

Sterecycle was founded in 2003 by Duncan Grierson and has successfully raised £34 million of private finance to date, with funds coming from blue-chip investors including Goldman Sachs,

Fidelity International, Impax Asset Management and Ailsa3Ventures, along with a number of “high net worth” angel investors.

For more information, please visit www.sterecycle.com