CLEAN HARBORS INC
Form 424B2
April 24, 2008

QuickLinks -- Click here to rapidly navigate through this document

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Maximum Amount of Shares to be Registered	Maximum Offering Price Per Share	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
Common Stock, $.01 par value per share	2,875,000	$63.75	$183,281,250	$7,202.95

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended, and reflects the potential issuance of additional shares of common stock pursuant to an underwriters' option.

Filed Pursuant to Rule 424(b)(2)
Registration No. 333-150296

Prospectus Supplement
(To Prospectus dated April 17, 2008)

2,500,000 Shares

Clean Harbors, Inc.

Common Stock

Clean Harbors, Inc. is offering 2,500,000 shares of common stock to be sold in this offering.

The common stock is quoted on The NASDAQ Global Select Market under the symbol "CLHB." The last reported sale price of the common stock on April 23, 2008 was $64.79 per share.

See "Risk Factors" on page S-9 to read about factors you should consider before buying shares of common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy of this prospectus supplement. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial price to public	$ 63.75	$ 159,375,000
Underwriting discount	$ 3.1875	$ 7,968,750
Proceeds, before expenses, to Clean Harbors, Inc.	$ 60.5625	$ 151,406,250

To the extent that the underwriters sell more than 2,500,000 shares of common stock, the underwriters have the option to purchase up to an additional 375,000 shares from Clean Harbors, Inc.

The underwriters expect to deliver the shares against payment in New York, New York on April 29, 2008.

Goldman, Sachs & Co.

Credit Suisse **Merrill Lynch & Co.**

RBC Capital Markets **Needham & Company, LLC** **Wedbush Morgan Securities**

Prospectus supplement dated April 23, 2008.

TABLE OF CONTENTS

Prospectus Supplement

	Page
About This Prospectus Supplement	S-ii
Summary	S-1
Risk Factors	S-9
Use of Proceeds	S-16
Disclosure Regarding Forward-Looking Statements	S-17
Price Range of Common Stock	S-19
Dividend Policy	S-19
Capitalization	S-20
Selected Consolidated Financial Data	S-21
Management's Discussion and Analysis of Financial Condition and Results of Operations	S-25
Business	S-48
Management	S-70
Principal Stockholders	S-75
Description of Outstanding Indebtedness	S-77
Description of Capital Stock	S-80
Shares Eligible for Future Sale	S-83
Certain Material United States Federal Tax Consequences to Non-U.S. Holders of Common Stock	S-85
Controls and Procedures	S-89
Underwriting	S-93
Validity of Common Stock	S-96
Experts	S-97
Incorporation of Information by Reference	S-97
Index to Consolidated Financial Statements	F-1

Prospectus

	Page
About This Prospectus	1
Disclosure Regarding Forward-Looking Statements	1

	Page
The Company	2
Where You Can Find More Information	3
Incorporation of Information by Reference	3
Use of Proceeds	4
Ratio of Earnings to Fixed Charges	4
Description of Securities	4
Selling Stockholders	5
Validity of Securities	5
Experts	5

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus supplement or the accompanying prospectus. You must not rely on any unauthorized information or representations. This prospectus supplement is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement and the accompanying prospectus is current only as of their respective dates.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the "prospectus," we are referring to both parts combined.

If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on the information in this prospectus supplement. This prospectus supplement, the accompanying prospectus and the documents incorporated by reference into each of them include important information about us, the shares being offered and other information you should know before investing in our common stock.

You should rely only on the information included or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with information that is in addition to or different from that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We are not, and the underwriters are not, offering to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate only as of the date of this prospectus supplement or the accompanying prospectus, as the case may be, or in the case of the documents incorporated by reference, the date of such documents regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sales of our common stock. Our business, financial condition, results of operations and prospects may have changed since those dates.

We obtained the market and certain other data used in this prospectus supplement from our own research, surveys or studies conducted by third parties and industry or general publications, such as EI Digest, and other publicly available sources. Industry and general publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. Although we have not independently verified the market data and related information contained in this prospectus supplement, we believe such data and information is accurate as of the date of this prospectus supplement or the respective earlier dates specified in this prospectus supplement.

The underwriters are offering shares of our common stock subject to various conditions and may reject all or any part of any order.

SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement or in the documents incorporated by reference into this prospectus supplement, is not complete and may not contain all of the information that may be important to you. You should read this entire prospectus supplement and the accompanying prospectus carefully, including the "Risk Factors" section of this prospectus supplement, before investing in our common stock. In this prospectus supplement, unless the context requires otherwise, "we," "our," "us," "Clean Harbors" or the "Company" refers collectively to Clean Harbors, Inc. and its subsidiaries.

Our Company

We are one of the largest providers of environmental services and the largest operator of non-nuclear hazardous waste treatment facilities in North America based on 2007 industry reports. We service approximately 65% of North America's commercial hazardous incineration volume and 23% of North America's hazardous landfill volume, and are the industry leader in total hazardous waste disposal facilities. We perform environmental services for a diversified industry base with over 45,000 customers, including more than 325 Fortune 500 companies, in the United States, Canada, Puerto Rico and Mexico. We perform environmental services through a network of more than 100 service locations, and we operate six incineration facilities, nine commercial landfills, six wastewater treatment operations, and 20 transportation, storage and disposal facilities, or "TSDFs," as well as six polychlorinated biphenyls, or "PCB," management facilities, two oil and used oil products recycling facilities, and two solvent recycling facilities.

The wastes that we handle include materials that are classified as "hazardous" because of their unique properties, as well as other materials subject to federal and state environmental regulation. We provide final treatment and disposal services designed to manage hazardous and non-hazardous wastes, which cannot be economically recycled or reused. We transport, treat and dispose of industrial wastes for commercial and industrial customers, health care providers, educational and research organizations, other environmental services companies and governmental entities.

Our Services

We provide a wide range of environmental services and manage our business as two major segments: Technical Services and Site Services.

Technical Services (71% of 2007 revenue). These services involve the transport, treatment and disposal of hazardous and non-hazardous wastes, and include physical treatment, resource recovery, fuels blending, incineration, landfill disposal, wastewater treatment, lab chemical disposal, explosives management, and CleanPack® services. Our CleanPack® services include the collection, logistics management, specialized packaging, transportation and disposal of laboratory chemicals and household hazardous wastes. Our Technical Services segment also offers Apollo Onsite Services, which customize environmental programs at customer sites.

Site Services (29% of 2007 revenue). These services provide customers with highly skilled experts who utilize specialty equipment and resources to perform services at any chosen location. Under the Site Services umbrella, our Field Service crews and equipment are dispatched on a planned or emergency basis, and perform services such as confined space entry for tank cleaning, site decontamination, large remediation projects, selective demolition, spill cleanup, railcar cleaning, product recovery and transfer, scarifying and media blasting and vacuum services. Additional services include used oil and oil products recycling, as well as PCB management and disposal. Also, as part of Site Services, Industrial Services crews focus on industrial cleaning and maintenance projects.

Our Industry

According to industry reports, the hazardous waste disposal market in North America generates total revenues in excess of $2.0 billion per year. We also service the much larger industrial maintenance market. The $2.0 billion estimate does not include the industrial maintenance market, except to the extent that the costs of disposal of hazardous wastes generated as a result of industrial maintenance are included. The largest generators of hazardous waste materials are companies in the chemical, petrochemical, primary metals, paper, furniture, aerospace and pharmaceutical industries.

The hazardous waste management industry was "created" in 1976 with the passage of the Resource Conservation and Recovery Act, or "RCRA." RCRA requires waste generators to distinguish between "hazardous" and "non-hazardous" wastes, and to treat, store and dispose of hazardous waste in accordance with specific regulations. This new regulatory environment, combined with strong economic growth, increased corporate concern about environmental liabilities, and the early stage nature of the hazardous waste management industry contributed initially to rapid growth in the industry. However, by the mid to late 1990s, the hazardous waste management industry was characterized by overcapacity, minimal regulatory advances and pricing pressure. Since 2001, over one-third of all North American commercial incineration capacity has been eliminated, and we believe that competition has been reduced through consolidation and that new regulations have increased the overall barriers to entry.

The collection and disposal of solid and hazardous wastes are subject to local, state, provincial and federal requirements and regulations, which regulate health, safety, the environment, zoning and land-use. Among these regulations in the United States is the Comprehensive Environmental Response, Compensation and Liability Act of 1980, or "CERCLA," which holds generators and transporters of hazardous substances, as well as past and present owners and operators of sites where there has been a hazardous release, strictly, jointly and severally liable for environmental cleanup costs resulting from the release or threatened release of hazardous substances. Canadian companies are regulated under similar regulations, but the responsibility and liability associated with the waste passes from the generator to the transporter or receiver of the waste, in contrast to provisions of CERCLA.

Corporate Information

Clean Harbors, Inc. was incorporated in Massachusetts in 1980. Our corporate offices are located at 42 Longwater Drive, Norwell, MA 02161, (telephone (781) 792-5000). Shares of our common stock trade on The NASDAQ Global Select Market under the symbol "CLHB." Our website address is www.cleanharbors.com. The information contained or incorporated in our website is not part of this prospectus supplement or the accompanying prospectus.

Recent Developments

We now plan to report on May 7, 2008 the results of our first quarter 2008 operations. Based on preliminary financial data and subject to the final closing of our books, we now expect our first-quarter 2008 revenues to be in the range of $240 million to $241 million and our adjusted earnings before interest, taxes, depreciation and amortization, or "EBITDA," to be in the range of $31 million to $32 million. These estimated results are higher than the first quarter guidance which we provided as part of our press release on February 27, 2008, in which we then estimated that revenues for the first quarter of 2008 would be in the range of $225 million to $230 million and that first quarter EBITDA would be in the range of $27 million to $29 million.

The estimates stated in the preceding paragraph are forward-looking statements, and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

These statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. The principal of such risks and uncertainties are described under "Risk Factors" and "Disclosure Regarding Forward-Looking Statements" sections of this prospectus supplement, which begin on pages S-9 and S-17, respectively.

We report and provide guidance as to EBITDA, which is a non-GAAP financial measure, as a complement to our results and estimates as calculated in accordance with accounting principles generally accepted in the United States, or "GAAP," and believe that such information provides additional useful information to investors. The "Summary Consolidated Financial Data" set forth below in this "Summary" section contains a further description of how Adjusted EBITDA (which is the same as "EBITDA" as defined in our financing agreements) is calculated and a reconciliation of Adjusted EBITDA to our net income (loss) and net cash provided by operating activities for each of the periods described in such summary.

On March 14, 2008, we acquired Universal Environmental, Inc., a privately-held environmental services company headquartered near San Francisco in Benicia, California, with a site office in Sparks, Nevada. In conjunction with that acquisition, we also acquired the land surrounding the Benicia, California office, which will afford opportunities for future expansion. With a team of nearly 100 employees, Universal was profitable and generated approximately $15 million in revenue in 2007. We paid approximately $12.7 million in cash for Universal and the land surrounding the Benicia, California headquarters.

On March 21, 2008, we acquired two solvent recycling facilities in Chicago, Illinois and Hebron, Ohio and the business associated with those facilities from Safety-Kleen Systems, Inc. for $12.5 million in cash plus the assumption of an estimated $2.6 million, subject to potential adjustment, of environmental liabilities. Those two facilities generated positive EBITDA and approximately $16 million in revenue during 2007.

The Offering

Common stock offered by us	2,500,000 shares
Approximate number of shares of common stock to be outstanding after the offering	22,905,389 shares
Use of proceeds	We estimate that the net proceeds to us from this offering, after deduction of underwriting discounts and expenses, will be approximately $150.8 million ($173.5 million if the underwriters exercise in full their option to purchase additional shares). We expect to use such net proceeds toward one or more of the following: for potential future acquisitions, repayment of debt and working capital. See "Use of Proceeds."
Risk factors	You should carefully read and consider the information under "Risk Factors" and all other information set forth or incorporated by reference in this prospectus supplement and the accompanying prospectus before investing in our common stock.
NASDAQ Global Select Market symbol	CLHB

The approximate number of shares of our common stock to be outstanding after this offering stated above is based on the 20,405,389 shares outstanding as of March 31, 2008, and does not include:

- 348,690 shares of common stock issuable upon exercise of outstanding common stock purchase warrants expiring September 10, 2009 with an exercise price of $8.00 per share;
- 266,296 shares of common stock issuable upon the exercise of options outstanding under our employee stock incentive plans which were either then vested or will vest within 60 days thereafter having a weighted average exercise price of $13.77 per share as of that date;
- up to 642,489 shares of common stock which were then either subject to unvested options outstanding under our employee stock incentive plans or which were then reserved for future awards under such plans;
- 511,900 shares of common stock issuable from time to time in the future under our Employee Stock Purchase Plan; and
- up to 375,000 additional shares of common stock we have agreed to issue and sell if the underwriters exercise in full their option to purchase additional shares.

Unless otherwise stated, all information contained in this prospectus assumes that the underwriters will not exercise their option to purchase additional shares.

Summary Consolidated Financial Data

The following summary consolidated financial information has been derived from our audited historical consolidated financial statements. This data should be reviewed in conjunction with "Selected Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our financial statements and the notes thereto included under "Financial Statements" elsewhere in this prospectus supplement.

	For the Year Ended December 31,				
	2007	2006	2005	2004	2003
	(in thousands except per share amounts)				
Income Statement Data:					
Revenues	$ 946,917	$ 829,809	$ 711,170	$ 643,219	$ 610,969
Cost of revenues	664,440	584,835	512,582	464,838	453,461
Selling, general and administrative expenses	149,180	125,039	108,312	104,509	108,430
Accretion of environmental liabilities(1)	10,447	10,220	10,384	10,394	11,114
Depreciation and amortization	37,590	35,339	28,633	24,094	26,482
Restructuring					(124)
Income from operations	85,260	74,376	51,259	39,384	11,606
Other income (expense)(2)	135	(447)	611	(1,345)	(94)
(Loss) on refinancings(3)				(7,099)	
Loss on early extinguishment of debt		(8,529)			
Interest (expense), net	(13,157)	(12,447)	(22,754)	(22,297)	(23,724)
Income (loss) before provision for income taxes, equity interest in joint venture and cumulative effect of change in accounting principle	72,238	52,953	29,116	8,643	(12,212)
Provision for income taxes(4)	28,040	6,339	3,495	6,043	5,322
Equity interest in joint venture		(61)			
Income (loss) before cumulative effect of change in accounting principle	44,198	46,675	25,621	2,600	(17,534)
Cumulative effect of change in accounting principle, net of taxes(1)					66
Net income (loss)	44,198	46,675	25,621	2,600	(17,600)
Redemption of Series C preferred stock, dividends on Series B and C preferred stocks and accretion on Series C preferred stock(5)	206	276	279	11,798	3,287
Net income (loss) attributable to common stockholders	$ 43,992	$ 46,399	$ 25,342	$ (9,198)	$ (20,887)
Basic earnings (loss) attributable to common stockholders(6)	$ 2.22	$ 2.38	$ 1.62	$ (0.65)	$ (1.54)
Diluted earnings (loss) attributable to common stockholders(6)	$ 2.14	$ 2.26	$ 1.45	$ (0.65)	$ (1.54)
Cash Flow Data:					
Net cash from operating activities	$ 79,995	$ 61,382	$ 29,667	$ 52,460	$ 38,857
Net cash from investing activities	(42,791)	(98,885)	(3,509)	47,631	(52,998)
Net cash from financing activities	2,724	(20,330)	75,023	(75,775)	5,869
Other Financial Data:					

	For the Year Ended December 31,				
Adjusted EBITDA(7)	$ 133,297	$ 119,935	$ 90,276	$ 74,744	$ 50,744

	At December 31,				
	2007	2006	2005	2004	2003
	(in thousands)				
Balance Sheet Data:					
Working capital	$ 169,585	$ 124,465	$ 100,354	$ 50,696	$ (19,575)
Goodwill	21,572	19,032	19,032	19,032	19,032
Total assets	769,888	670,808	614,364	504,702	540,159
Long-term obligations (including current portion)(8)	123,483	124,561	154,291	153,129	187,119
Redeemable Series C preferred stock					15,631
Stockholders' equity(6)	202,897	173,186	115,658	11,038	7,696

(1) Effective January 1, 2003, we adopted Statement of Financial Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations." Accretion of environmental liabilities for the years ended December 31, 2007, 2006 and 2005 was due primarily to the implementation as of January 1, 2003 of SFAS No. 143 and accretion of the discount for the remedial liabilities assumed as part of our acquisitions of substantially all of the assets of the Chemical Services Division, or "CSD," of Safety-Kleen Corp. in 2002 and of Teris LLC in 2006. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Environmental Liabilities" elsewhere in this prospectus supplement.

(2) We had outstanding prior to June 30, 2004, 25,000 shares of Series C preferred stock which consisted of two components, namely (i) non-convertible redeemable preferred stock with a 6.0% annual dividend and (ii) an "embedded derivative" which reflected the right of the holders of the Series C preferred stock to convert into our common stock on the terms set forth in the Series C preferred stock. The value of the embedded derivative was periodically marked to market, which resulted in the inclusion of gains (losses) as a component of other income (expense) of $(1.6) million and $(0.4) million for the years ended December 31, 2004 and 2003, respectively.

(3) On June 30, 2004, we repaid our then outstanding debt, redeemed our then outstanding Series C preferred stock and settled the embedded derivative liability associated with our Series C preferred stock. For the year ended December 31, 2004, we recorded loss on refinancing of $7.1 million relating to these activities.

(4) For the year ended December 31 2006, the provision includes a reversal of a $14.1 million portion of the valuation allowance.

(5) We had outstanding prior to June 30, 2004, 25,000 shares of Series C preferred stock. The amount of $11.8 million for the year ended December 31, 2004 includes $9.9 million related to the redemption of that Series C preferred stock.

(6) As further discussed elsewhere in this prospectus supplement under "Management's Discussion and Analysis of Financial Condition and Results of Operations Stockholder Matters," we issued: (i) 0.4 million shares of common stock in February 2005 upon cashless exercise of previously outstanding warrants; (ii) 1.6 million shares of common stock in October 2005 upon exercise of previously outstanding warrants for an aggregate exercise price of $12.5 million; (iii) 2.3 million shares of common stock in December 2005 upon the closing of a public offering for aggregate net proceeds (after deducting the underwriters' discount and offering expenses payable by us) of $60.2 million; and (iv) 0.4 million shares of common stock in December 2007 upon exercise of previously outstanding warrants for an aggregate exercise price of $1.2 million and conversion of previously outstanding shares of Series B convertible preferred stock.

(7)

For all periods presented, "Adjusted EBITDA" consists of net income (loss) plus accretion of environmental liabilities, depreciation and amortization, net interest expense, provision for (benefit from) income taxes, non-recurring severance charges, other non-recurring refinancing-related expenses, and change in value of the embedded derivative associated with our previously outstanding Series C convertible preferred stock (which we redeemed on June 30, 2004). We also exclude gain (loss) on sale of fixed assets, and other income as these amounts are not considered part of usual business operations. Such definition of "Adjusted EBITDA" is the same as the definition of "EBITDA" used in our current credit agreement and indenture for covenant compliance purposes. See below for a reconciliation of Adjusted EBITDA to both net income (loss) and net cash provided by operating activities for the specified periods. Our management considers Adjusted EBITDA to be a measurement of performance which provides useful information to both management and investors. Adjusted EBITDA should not be considered an alternative to net income or loss or other measurements under GAAP. Because Adjusted EBITDA is not calculated identically by all companies, our measurements of Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

The following is a reconciliation of net income (loss) to Adjusted EBITDA for the following periods (in thousands):

	Year Ended December 31,				
	2007	**2006**	**2005**	**2004**	**2003**
Net income (loss)	$ 44,198	$ 46,675	$ 25,621	$ 2,600	$ (17,600)
Accretion of environmental liabilities	10,447	10,220	10,384	10,394	11,114
Depreciation and amortization	37,590	35,339	28,633	24,094	26,482
Restructuring expense (income)					(124)
Loss on refinancings				7,099	
Loss on early extinguishment of debt		8,529			
Interest expense, net	13,157	12,447	22,754	22,297	23,724
Equity interest in joint venture		(61)			
Provision for income taxes	28,040	6,339	3,495	6,043	5,322
Non-recurring severance charges				25	1,089
Other non-recurring refinancing-related expenses				1,326	
Change in value of embedded derivative				1,590	379
(Gain) loss on sale of fixed assets	(135)	447	(26)	(724)	292
Cumulative effect of change in accounting principle					66
Other income			(585)		
Adjusted EBITDA	$ 133,297	$ 119,935	$ 90,276	$ 74,744	$ 50,744

The following reconciles Adjusted EBITDA to net cash provided by operating activities for the following years ended December 31 (in thousands):

	Year Ended December 31,				
	2007	2006	2005	2004	2003
Adjusted EBITDA	$ 133,297	$ 119,935	$ 90,276	$ 74,744	$ 50,744
Interest expense, net	(13,157)	(12,447)	(22,754)	(22,297)	(23,724)
Provision for income taxes	(28,040)	(6,339)	(3,495)	(6,043)	(5,322)
Allowance for doubtful accounts	(418)	88	(105)	1,232	2,439
Amortization of deferred financing costs and debt discount	1,940	1,616	1,669	2,371	2,467
Change in environmental estimates	597	(9,582)	(11,265)	(3,287)	(215)
Deferred income taxes	(7,492)	(6,385)	(1,242)	381	(620)
Impairment of assets held for sale			281		
(Gain) loss on sale of fixed assets			(26)	(724)	292
Other non-recurring refinancing-related expenses and other				(1,351)	
Stock-based compensation	4,799	3,387	56	35	29
Excess tax benefit of stock-based compensation	(6,386)	(5,239)			
Income tax benefits related to stock option exercises	6,427	5,399	408		
Prepayment penalty		(6,146)			
Foreign currency loss (gain) on intercompany transactions				(88)	996
Changes in assets and liabilities, net of acquisition					
Accounts receivable	(19,142)	(5,000)	(25,983)	(6,058)	20,265
Other current assets	(2,693)	(11,092)	(686)	2,639	2,788
Accounts payable	(4,603)	(4,674)	(804)	9,249	2,923
Environmental expenditures	(6,511)	(7,605)	(7,243)	(10,305)	(7,973)
Other current liabilities	21,377	5,466	9,969	11,962	(6,232)
Net cash provided by operating activities	$ 79,995	$ 61,382	$ 29,667	$ 52,460	$ 38,857

(8) Long-term obligations (including current portion) include borrowings under our current and former revolving credit facilities.

RISK FACTORS

An investment in our common stock involves certain risks, including those described below. You should consider carefully these risk factors, together with all of the information included or referred to in this prospectus supplement and the accompanying prospectus, before investing in our common stock.

Risks Relating to Our Business

We assumed significant environmental liabilities as part of our past acquisitions, in particular our acquisitions of the CSD assets in 2002 and of Teris LLC in 2006. Our financial condition and results of operations would be adversely affected if we were required to pay such liabilities more rapidly or in greater amounts than now estimated.

We have accrued environmental liabilities, valued as of December 31, 2007, at approximately $184.5 million, substantially all of which we assumed in connection with our acquisitions of substantially all of the assets of the Chemical Services Division, or "CSD," of Safety-Kleen Corp. in 2002 and of Teris LLC in 2006. In March 2008, we accrued an estimated $2.6 million, subject to potential adjustment, of additional environmental liabilities as part of our acquisition of two solvent recycling facilities from Safety-Kleen Systems, Inc. We calculate these liabilities on a present value basis in accordance with generally accepted accounting principles (which takes into consideration both the amount of such liabilities and the timing when it is projected that we will be required to pay such liabilities). We anticipate our environmental liabilities will be payable over many years and that cash flows generated from our operations will generally be sufficient to fund the payment of such liabilities when required. However, events not now anticipated (such as future changes in environmental laws and regulations or their enforcement) could require that such payments be made earlier or in greater amounts than now estimated, which could adversely affect our financial condition and results of operations.

If we are unable to obtain at reasonable cost insurance and financial assurances, which are required for our operations, our business and results of operations would be adversely affected.

We purchase insurance, occasionally post bid and performance bonds and are required to provide substantial amounts of financial assurance to governmental agencies for potential closure and post-closure care of our licensed hazardous waste treatment facilities should those facilities cease operation. Our total estimated closure and post-closure costs requiring financial assurance by regulators as of December 31, 2007, was $309.0 million for our U.S. facilities and $15.7 million for our Canadian facilities. We have placed all of the required financial assurance through a qualified insurance company, Steadfast Insurance Company (a unit of Zurich Insurance N.A.), or "Steadfast." The U.S. facilities are insured with an insurance policy written by Steadfast, which expires in September 2009. The Canadian facilities utilize surety bonds, which expire in September and October of 2008. Our ability to continue conducting our operations could be adversely affected if we became unable to obtain sufficient insurance, surety bonds or other financial assurances at reasonable cost to meet our business and regulatory requirements in the future. The availability of insurance could be affected by factors outside of our control as well as the insurers' or sureties' assessment of our risk. In addition, in order to obtain the financial assurance from Steadfast described above, Steadfast has required us to post an aggregate of $73.5 million of letters of credit in favor of Steadfast. If we should become unable to obtain such letters of credit under our financial arrangements, we might be unable to obtain sufficient insurance or other financial assurances.

The environmental services industry in which we participate is subject to significant economic and business risks.

Our future operating results may be affected by such factors as our ability to: utilize our facilities and workforce profitably in the face of intense price competition; maintain or increase market share in an industry which has experienced significant downsizing and consolidation; realize benefits from cost reduction programs; generate incremental volumes of waste to be handled through our facilities from existing and acquired sales offices and service centers; obtain sufficient volumes of waste at prices which produce revenue sufficient to offset the operating costs of the facilities; minimize downtime and disruptions of operations; and develop the site services business. In particular, economic downturns or recessionary conditions in North America, and increased outsourcing by North American manufacturers to plants located in countries with lower wage costs and less stringent environmental regulations, have adversely affected and may in the future adversely affect the demand for our services. The hazardous and industrial waste management business is also cyclical to the extent that it is dependent upon a stream of waste from cyclical industries such as the chemical and petrochemical, primary metals, paper, furniture and aerospace industries. If those cyclical industries slow significantly, the business that we receive from those industries is likely to slow.

A significant portion of our business depends upon the demand for major remedial projects and regulatory developments over which we have no control.

Our operations are significantly affected by the commencement and completion of major site remedial projects; cleanup of major spills or other events; seasonal fluctuations due to weather and budgetary cycles influencing the timing of customers' spending for remedial activities; the timing of regulatory decisions relating to hazardous waste management projects; changes in regulations governing the management of hazardous waste; secular changes in the waste processing industry towards waste minimization and the propensity for delays in the remedial market; and changes in the myriad of governmental regulations governing our diverse operations. We do not control such factors and, as a result, our revenue and income can vary significantly from quarter to quarter, and past financial performance for certain quarters may not be a reliable indicator of future performance for comparable quarters in subsequent years.

Seasonality makes it harder for us to manage our business and for investors to evaluate our performance.

Our operations may be affected by seasonal fluctuations due to weather and budgetary cycles influencing the timing of customers' spending for remedial activities. Typically during the first quarter of each calendar year there is less demand for environmental remediation due to weather related reasons, particularly in the northern and midwestern United States and Canada, and increased possibility of unplanned weather related plant shutdowns. This seasonality in our business makes it harder for us to manage our business and for investors to evaluate our performance.

The extensive environmental regulations to which we are subject may increase our costs and potential liabilities.

Our operations and those of others in the environmental industry involve the handling of dangerous and hazardous materials, and are subject to extensive federal, state, provincial and local environmental requirements in both the United States and Canada, including those relating to emissions to air, discharged wastewater, storage, treatment, transport and disposal of regulated materials and cleanups of soil and groundwater contamination. While increasing environmental regulation often presents new business opportunities for us, it often results in increased operating and compliance costs. Efforts to conduct our operations in compliance with all applicable laws and

regulations, including environmental rules and regulations, require programs to promote compliance, such as training employees and customers, purchasing health and safety equipment, and in some cases hiring outside consultants and lawyers. Even with these programs, we and other companies in the environmental services industry are routinely faced with governmental enforcement proceedings which can result in fines or other sanctions and require expenditures for remedial work on waste management facilities and contaminated sites. Certain of these laws impose strict and, under certain circumstances, joint and several liability on current and former owners and operators of facilities that release regulated materials, and that generate those materials and arrange for their disposal or treatment at contaminated sites. Such liabilities can relate to cleanup of releases of regulated materials and related natural resource damages.

From time to time, we have paid fines or penalties in governmental environmental enforcement proceedings, usually involving our waste treatment, storage and disposal facilities. Although none of these fines or penalties that we have paid in the past has had a material adverse effect upon us, we might in the future be required to make substantial expenditures as a result of governmental proceedings, which would have a negative impact on our earnings. Furthermore, regulators have the power to suspend or revoke permits or licenses needed for operation of our plants, equipment, and vehicles based on, among other factors, our compliance record, and customers may decide not to use a particular disposal facility or do business with us because of concerns about our compliance record. Suspension or revocation of permits or licenses would impact our operations and could have a material adverse impact on financial results. Although we have never had any of our facilities' operating permits revoked, suspended or non-renewed involuntarily, it is possible that such an event could occur in the future.

In the past, practices have resulted in releases of regulated materials at and from certain of our facilities, or the disposal of regulated materials at third party sites, which may require investigation and remediation, and potentially result in claims of personal injury, property damage and damages to natural resources. We are currently conducting remedial activities at certain of our sites and paying a portion of the remediation costs at certain sites owned by third parties. While, based on available information, we do not believe these remedial activities will result in a material adverse effect upon our operations or financial condition, these activities or the discovery of previously unknown conditions could result in material costs.

Future changes in environmental regulations may require us to make significant capital expenditures.

Changes in environmental regulations can require us to make significant capital expenditures for our facilities. For example, in 2002, the United States Environmental Protection Agency, or "EPA," promulgated Interim Standards of the Hazardous Waste Combustor Maximum Achievable Control Technology, or "MACT," under the Federal Clean Air Act Amendments. These standards established new emissions limits and operational controls on all new and existing incinerators, cement kilns and light-weight aggregate kilns that burn hazardous waste-derived fuels. We have spent approximately $28.9 million since September 7, 2002 in order to bring our Deer Park, Texas and Aragonite, Utah incineration facilities, which we then acquired as part of the CSD assets, and our Kimball, Nebraska facility into compliance with the MACT regulations. Prior to our acquisition in August 2006 of our additional incineration facility in El Dorado, Arkansas, as part of our purchase of all the membership interests in Teris LLC, Teris LLC had spent in excess of $30 million in order to bring that facility into compliance with the MACT standards. Future environmental regulations could cause us to make significant additional capital expenditures and adversely affect our results of operations and cash flow.

If our assumptions relating to expansion of our landfills should prove inaccurate, our results of operations and cash flow could be adversely affected.

When we include the expansion airspace in our calculations of available airspace, we adjust our landfill liabilities to the present value of projected costs for cell closure, and landfill closure and post-closure. It is possible that any of our estimates or assumptions could ultimately turn out to be significantly different from actual results. In some cases we may be unsuccessful in obtaining an expansion permit or we may determine that an expansion permit that we previously thought was probable has become unlikely. To the extent that such estimates, or the assumptions used to make those estimates, prove to be significantly different than actual results, or our belief that we will receive an expansion permit changes adversely in a significant manner, the landfill assets, including the assets incurred in the pursuit of the expansion, may be subject to impairment testing, and lower prospective profitability may result due to increased interest accretion and depreciation or asset impairments related to the removal of previously included expansion airspace. In addition, if our assumptions concerning the expansion airspace should prove inaccurate, certain of our cash expenditures for closure of landfills could be accelerated and adversely affect our results of operations and cash flow. Future conditions might require us to make substantial write-downs in our assets, which would adversely affect our balance sheet and results of operations. We participate in a highly volatile industry with multiple competitors, several of which have taken large write-offs and asset write-downs, operated under Chapter 11 bankruptcy protection and undergone major restructuring during the past several years. Periodically, we review long-lived assets for impairment. At the end of each of 2007, 2006 and 2005, we determined based on this review that no asset write-downs were required; however, if conditions in the industry were to deteriorate significantly, we could determine that certain of our assets were impaired and we would then be required to write-off all or a portion of our costs for such assets. Any such significant write-offs would adversely affect our balance sheet and results of operations.

Other Risks Relating to Our Company and Common Stock

Our substantial level of indebtedness and outstanding letters of credit could adversely affect our financial condition and ability to fulfill our obligations.

As of December 31, 2007, we had $123.5 million of outstanding indebtedness (including capital lease obligations) and $89.7 million of outstanding letters of credit. Our substantial level of indebtedness and outstanding letters of credit may:

- adversely impact our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions or other general corporate purposes;
- require us to dedicate a substantial portion of our cash flow to the payment of interest on our indebtedness and fees on our letters of credit;
- subject us to the risk of increased sensitivity to interest rate increases based upon variable interest rates, including our borrowings (if any) under our revolving credit facility;
- increase the possibility of an event of default under the financial and operating covenants contained in our debt instruments; and
- limit our ability to adjust to rapidly changing market conditions, reducing our ability to withstand competitive pressures and make us more vulnerable to a downturn in general economic conditions of our business than our competitors with less debt.

If we are unable to generate sufficient cash flow from operations in the future to service our debt and fee obligations, we may be required to refinance all or a portion of our existing debt and

letter of credit facilities, or to obtain additional financing and facilities. However, we may not be able to obtain any such refinancing or additional facilities on favorable terms or at all.

The covenants in our financing agreements restrict our ability to operate our business and might lead to a default under our outstanding debt agreements.

The agreements governing our revolving credit and letter of credit facilities and the indenture relating to our outstanding senior secured notes limit, among other things, our ability and the ability of our restricted subsidiaries to:

- incur or guarantee additional indebtedness (including, for this purpose, reimbursement obligations under letters of credit) or issue preferred stock;
- pay dividends or make other distributions to our stockholders;
- purchase or redeem capital stock or subordinated indebtedness;
- make investments;
- create liens;
- incur restrictions on the ability of our restricted subsidiaries to pay dividends or make other payments to us;
- sell assets, including capital stock of our subsidiaries;
- consolidate or merge with or into other companies or transfer all or substantially all of our assets; and
- engage in transactions with affiliates.

As a result of these covenants, we may not be able to respond to changes in business and economic conditions and to obtain additional financing, if needed, and we may be prevented from engaging in transactions that might otherwise be beneficial to us. Our revolving credit and letter of credit facilities require, and our future credit facilities may require, us to maintain specified financial ratios and satisfy certain financial condition tests. Our ability to meet these financial ratios and tests can be affected by events beyond our control, and we may not be able to meet those tests. The breach of any of these covenants could result in a default under our revolving credit and letter of credit facilities. Upon the occurrence of an event of default under our revolving credit and letter of credit facilities or future credit facilities, the lenders could elect to declare all amounts outstanding under such credit facilities, including accrued interest or other obligations, to be immediately due and payable. If amounts outstanding under such credit facilities were to be accelerated, our assets might not be sufficient to repay in full that indebtedness and our other indebtedness, including our senior secured notes.

The instruments governing certain of our indebtedness, including the indenture governing our senior secured notes and our revolving credit and letter of credit facilities, also contain cross-default provisions. Under these provisions, a default under one instrument governing our indebtedness may constitute a default under our other instruments of indebtedness that contain cross default provisions, which could result in the related indebtedness and the indebtedness issued under other instruments becoming immediately due and payable. In such event, we would need to raise funds from alternative sources, which funds might not be available to us on favorable terms, on a timely basis or at all. Alternatively, such a default could require us to sell our assets and otherwise curtail operations to pay our creditors. The proceeds of such a sale of assets, or curtailment of operations, might not enable us to pay all of our liabilities.

We have not paid, and do not anticipate paying for the foreseeable future, dividends on our common stock.

We have not paid, and do not anticipate paying for the foreseeable future, any dividends on our common stock. Furthermore, our current credit agreement prohibits, and our indenture restricts, the payment by us of dividends on our common stock. We intend to retain future earnings, if any, for use in the operation and expansion of our business and payment of our outstanding debt.

Our founder and other directors and executive officers, as a group, will be able to exercise substantial influence over matters submitted to our stockholders for approval.

As of the April 1, 2008, Alan S. McKim, our founder and chief executive officer, together with other directors and executive officers, beneficially held approximately 15.8% of our outstanding common stock. As a result, our directors and executive officers will likely be able to exercise substantial influence over matters submitted to our stockholders for approval, including the election of directors, any merger, consolidation or sale of all or substantially all of our assets or any other significant corporate transactions. These stockholders may also delay or prevent a change of control even if such a change of control would benefit our other stockholders. The significant concentration of stock ownership might cause the trading price of our common stock to decline if investors were to perceive that conflicts of interest may exist or arise over any such potential transactions. Potential future sales of common stock by our directors and executive officers, and our other principal stockholders, may cause our stock price to fall.

Future sales, or the availability for future sales, of substantial amounts of our common stock could adversely affect the market price of our common stock.

As of April 1, 2008, Alan S. McKim, our founder and chief executive officer, beneficially held 14.3% of our then outstanding common stock, and the three other holders which have reported to us that they each beneficially own in excess of 5% of our outstanding common stock have reported that they collectively own approximately 20.8% of our outstanding common stock as of April 1, 2008. A decision by one or more of these major stockholders to sell a substantial number of their shares could adversely affect the market price of our common stock. All of the approximately 21.0 million shares of our common stock which were outstanding or subject to then exercisable warrants or options as of April 1, 2008, were or, upon issuance, will be freely tradable without restriction or further registration under the Securities Act, except for the approximately 3.2 million of such shares beneficially held by our "affiliates" as that term is defined in Rule 144 under the Securities Act. The shares held by our "affiliates" include the shares beneficially held by our founder and other directors and executive officers described above. Shares beneficially owned by our affiliates may not be sold except in compliance with the registration requirements of the Securities Act or pursuant to an exemption from registration, such as Rule 144. Furthermore, approximately 3.0 million shares of common stock beneficially held by certain of our directors and executive officers are subject to lock-up agreements for a period of 90 days after the date of final prospectus relating to this offering.

The Massachusetts Business Corporation Act and our by-laws contain certain anti-takeover provisions.

Section 8.06 and 7.02 of the Massachusetts Business Corporation Act provide that Massachusetts corporations which are publicly-held must have a staggered board of directors and that written demand by holders of at least 40% of the outstanding shares of each relevant voting group of stockholders is required for stockholders to call a special meeting unless such corporations take certain actions to affirmatively "opt-out" of such requirements. In accordance with these provisions, our by-laws provide for a staggered board of directors which consists of three

classes of directors of which one class is elected each year for a three-year term, and require that written application by holders of at least 25% (which is less than the 40% which would otherwise be applicable without such a specific provision in our by-laws) of our outstanding shares of common stock is required for stockholders to call a special meeting. In addition, our by-laws prohibit the removal by the stockholders of a director except for cause. These provisions could inhibit a takeover of our company by restricting stockholders action to replace the existing directors or approve other actions which a party seeking to acquire us might propose. A takeover transaction would frequently afford stockholders an opportunity to sell their shares at a premium over then market prices.

As of December 31, 2007, we had a material weakness in our internal controls over financial reporting, and we might find other material weaknesses in the future which may adversely affect our ability to provide timely and reliable financial information and satisfy our reporting obligations under federal securities laws.

During its evaluation as of December 31, 2007 of our internal controls over financial reporting, our management determined we did not maintain effective controls over financial reporting with respect to income tax accounting. Specifically, errors were detected in the annual tax accounting calculations resulting from: (i) historical tax accounting analyses not being prepared in sufficient detail, (ii) current period tax accounting calculations not being accurately prepared, and (iii) reviews of tax accounting calculations not being performed with sufficient precision. Due to the number of errors identified resulting from these control deficiencies and the absence of sufficient mitigating controls, our management concluded these errors, in the aggregate, constituted a material weakness in internal control because there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Accordingly, the reports in our annual report on Form 10-K for the year ended December 31, 2007 by both our management and by Deloitte & Touche, LLP, the independent registered public accounting firm which audited our 2007 financial statements, concluded that our internal control over financial reporting was not "effective" as of December 31, 2007 as that term is defined in the Internal Control Integrated Framework by the Committee of Sponsoring Organization of the Treadway Commission.

Our management has identified certain measures to strengthen our internal control over financial reporting relating to accounting for income taxes, and anticipates that such measures will, over time, address the related material weakness that our management identified as of December 31, 2007. However, because these remedial measures relate to the hiring of additional personnel and many of the controls in our system of internal controls rely extensively on manual review and approval, we cannot yet be certain that these remediation efforts will sufficiently cure our identified material weakness. Furthermore, it is possible that we might find in the future other material weaknesses in our internal control over financial reporting. To the extent that any significant or material weaknesses exist in our internal control over financial reporting, such weaknesses may adversely affect our ability to provide timely and reliable financial information necessary for the conduct of our business and satisfaction of our reporting obligations under federal securities laws.

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering, after deduction of underwriting discounts and expenses, will be approximately $150.8 million ($173.5 million if the underwriters exercise in full their option to purchase additional shares). We expect to use such net proceeds, together with a portion of our current available cash, for one or more potential future acquisitions, repayment of debt and working capital. Our management will have broad discretion as to the application of the offering proceeds. Pending our use of the net proceeds, we may invest them in short-term, investment-grade, interest-bearing securities.

Under the indenture pursuant to which we now have outstanding $91.5 million principal amount of 11 1/4% senior secured notes due July 15, 2012, we will be permitted at our election (on not less than 30-days prior written notice and our payment of accrued interest through the redemption payment date) at any time on or after July 15, 2008, to redeem all or any portion of the outstanding principal amount of the notes. If the redemption date is between July 15, 2008 and July 14, 2009, the redemption price will be equal to 105.625% of the principal amount redeemed, and such redemption price will decrease to 102.813% of the principal amount redeemed if the redemption date is between July 15, 2009 and July 14, 2010, and then to 100.000% of the principal amount redeemed if the redemption date is after July 14, 2010. Under the indenture, we would also be able to repurchase from their current holders all or any of our outstanding senior secured notes.

The current terms of our credit agreement would allow us to repurchase or redeem up to $50.0 million principal amount of the senior secured notes utilizing either the net proceeds of this offering or other available cash provided that, on a pro forma basis after giving effect to such repurchase or redemption, no event of default would exist under the credit agreement and we would satisfy certain other requirements which we would now satisfy in full. We now intend to seek an amendment to our credit agreement which, if approved by a majority of two classes of lenders thereunder, would permit us to repurchase or redeem all of our outstanding senior secured provided the funding for such repurchase or redemption (above the $50.0 million principal amount now permitted) is derived from the net proceeds of this offering or other equity offerings. Accordingly, should we decide in the future to repurchase or redeem between July 15, 2008 and July 14, 2009 all or a portion of our outstanding senior secured notes (and to pay any accrued interest on the repurchased or redeemed notes using other available cash), we might apply for this purpose up to $52.8 million of the net proceeds of this offering under the current terms of our credit agreement and up to $96.7 million of the net proceeds should we obtain such an amendment to the credit agreement. We have, however, made no commitment to repurchase or redeem any of our outstanding senior secured notes prior to their maturity in 2012, and we anticipate that we will make any future decision concerning any such repurchase or redemption based upon our other anticipated needs for cash (including with respect to any potential future acquisitions or major capital expenditures).

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the documents incorporated herein by reference to our filings under the Securities Exchange Act of 1934 include "forward-looking statements," as defined by federal securities laws, with respect to our financial condition, results of operations and business and our expectations or beliefs concerning future events. Words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "likely," "will," "would," "could" and similar expressions or phrases identify forward-looking statements.

All forward-looking statements involve risks and uncertainties. Many risks and uncertainties are inherent in the environmental services industry. Others are more specific to our operations. The occurrence of the events described, and the achievement of the expected results, depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from expected results.

Factors that may cause actual results to differ from expected results include, among others:

- our ability to manage the significant environmental liabilities which we assumed in connection with our past acquisitions, including in particular our acquisitions of substantially all of the assets of the Chemical Services Division, or "CSD," of Safety-Kleen Corp. in 2002 and of Teris LLC in 2006;
- the availability and costs of liability insurance and financial assurances required by governmental entities relating to our facilities;
- our future cash flow and earnings;
- our ability to meet our debt obligations;
- our ability to increase our market share;
- our ability to retain our significant customers;
- our ability to manage business growth and diversification and the effectiveness of our information systems;
- our ability to compete with competitors in our industry;
- the outcome of current and potential legal proceedings;
- our ability to attract and retain qualified management personnel;
- the effects of general industry and economic conditions;
- our ability to identify suitable acquisition candidates or joint venture relationships for expansion, to consummate these transactions on favorable terms and to achieve satisfactory operating results from the acquired businesses; and
- our ability to avoid unforeseen material liabilities as a result of acquiring new companies.

All future written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We undertake no obligation, and specifically decline any obligation, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus supplement might not occur.

See "Risk Factors" elsewhere in this prospectus supplement for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. These factors and the other risk factors described in this prospectus supplement are not necessarily all of the important factors

that could cause actual results to differ materially from those expressed in any of our forward-looking statements and other unknown or unpredictable factors also could harm our results. Consequently, actual results or developments anticipated by us may not be realized and, even if substantially realized, they may not have the expected consequences to, or effects on, us. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

PRICE RANGE OF COMMON STOCK

Our common stock trades on The NASDAQ Global Select Market under the symbol "CLHB." The following table sets forth the high and low sales prices of our common stock for the indicated periods as reported by NASDAQ.

2008	High	Low
First Quarter	$ 67.58	$ 49.67
Second Quarter (through April 23, 2008)	66.48	61.76
2007	**High**	**Low**
First Quarter	$ 54.54	$ 44.16
Second Quarter	50.43	44.55
Third Quarter	53.83	42.52
Fourth Quarter	56.48	44.23
2006	**High**	**Low**
First Quarter	$ 35.99	$ 24.34
Second Quarter	40.31	26.54
Third Quarter	44.28	35.00
Fourth Quarter	48.75	40.69

On April 23, 2008, the closing price of our common stock on The NASDAQ Global Select Market was $64.79. On February 28, 2008, there were 490 stockholders of record of our common stock, excluding stockholders whose shares were held in nominee, or "street," name. We estimate that approximately 11,934 additional stockholders held shares in street name at that date.

DIVIDEND POLICY

We have never declared nor paid any cash dividends on our common stock, and we do not intend to pay any dividends on our common stock in the foreseeable future. We currently intend to retain our future earnings, if any, for use in the operation and expansion of our business and payment of our outstanding debt. In addition, our current credit agreement prohibits, and our indenture restricts, us from paying cash dividends on our common stock. To the extent permitted by our debt agreements then in effect, our board of directors will determine our future payment of dividends, if any, on our common stock.

CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents, long-term debt (including current portion), and stockholders' equity as of December 31, 2007, on an actual basis, and pro forma to reflect (i) the sale of 2,500,000 shares of our common stock in this offering at the initial public offering price of $63.75 per share, and (ii) our receipt of the net proceeds from such offering after deducting the underwriting discount and estimated offering expenses. This table should be read in conjunction with "Use of Proceeds," "Selected Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical financial statements and notes thereto included under "Financial Statements" elsewhere in this prospectus supplement.

	December 31, 2007	
	Actual	Pro Forma
	(dollars in thousands)	
Cash and cash equivalents	$ 119,538	$ 270,319
Long-term debt, including current portion:		
Revolving credit facility(1)	$	$
Term loan due 2010	30,000	30,000
Capital lease obligations	2,771	2,771
Senior secured notes due 2012, net of discount	90,712	90,712
Total long-term debt, including current portion(2)	123,483	123,483
Stockholders' equity:		
Common stock, $.01 par value; Authorized 40,000,000 shares; issued and outstanding 20,327,533 actual, and 22,827,533 pro forma, respectively	203	228
Treasury stock	(1,170)	(1,170)
Additional paid-in capital	166,653	317,409
Accumulated other comprehensive income	17,498	17,498
Accumulated earnings	19,713	19,713
Total stockholders' equity	202,897	353,678
Total capitalization	$ 326,380	$ 477,161

(1) Our revolving credit facility allows us to borrow or obtain letters of credit for an aggregate of up to $70.0 million. As of December 31, 2007, we had no borrowings and $39.8 million of letters of credit outstanding under our revolving credit facility, and approximately $30.2 million available to borrow.

(2) Long-term debt excludes $89.7 million of letters of credit outstanding on December 31, 2007.

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data has been derived from our audited historical consolidated financial statements. This data should be reviewed in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical financial statements and the notes thereto included under "Financial Statements" elsewhere in this prospectus supplement.

	For the Year Ended December 31,				
	2007	2006	2005	2004	2003
	(in thousands except per share amounts)				
Income Statement Data:					
Revenues	$ 946,917	$ 829,809	$ 711,170	$ 643,219	$ 610,969
Cost of revenues	664,440	584,835	512,582	464,838	453,461
Selling, general and administrative expenses	149,180	125,039	108,312	104,509	108,430
Accretion of environmental liabilities(1)	10,447	10,220	10,384	10,394	11,114
Depreciation and amortization	37,590	35,339	28,633	24,094	26,482
Restructuring					(124)
Income from operations	85,260	74,376	51,259	39,384	11,606
Other income (expense)(2)	135	(447)	611	(1,345)	(94)
(Loss) on refinancings(3)				(7,099)	
Loss on early extinguishment of debt		(8,529)			
Interest (expense), net	(13,157)	(12,447)	(22,754)	(22,297)	(23,724)
Income (loss) before provision for income taxes, equity interest in joint venture and cumulative effect of change in accounting principle	72,238	52,953	29,116	8,643	(12,212)
Provision for income taxes(4)	28,040	6,339	3,495	6,043	5,322
Equity interest in joint venture		(61)			
Income (loss) before cumulative effect of change in accounting principle	44,198	46,675	25,621	2,600	(17,534)
Cumulative effect of change in accounting principle, net of taxes(1)					66
Net income (loss)	44,198	46,675	25,621	2,600	(17,600)
Redemption of Series C preferred stock, dividends on Series B and C preferred stocks and accretion on Series C preferred stock(5)	206	276	279	11,798	3,287
Net income (loss) attributable to common stockholders	$ 43,992	$ 46,399	$ 25,342	$ (9,198)	$ (20,887)
Basic earnings (loss) attributable to common stockholders(6)	$ 2.22	$ 2.38	$ 1.62	$ (0.65)	$ (1.54)
Diluted earnings (loss) attributable to common stockholders(6)	$ 2.14	$ 2.26	$ 1.45	$ (0.65)	$ (1.54)
Cash Flow Data:					
Net cash from operating activities	$ 79,995	$ 61,382	$ 29,667	$ 52,460	$ 38,857
Net cash from investing activities	(42,791)	(98,885)	(3,509)	47,631	(52,998)
Net cash from financing activities	2,724	(20,330)	75,023	(75,775)	5,869
Other Financial Data:					

	For the Year Ended December 31,				
Adjusted EBITDA(7)	$ 133,297	$ 119,935	$ 90,276	$ 74,744	$ 50,744

	At December 31,				
	2007	2006	2005	2004	2003
	(in thousands)				
Balance Sheet Data:					
Working capital	$ 169,585	$ 124,465	$ 100,354	$ 50,696	$ (19,575)
Goodwill	21,572	19,032	19,032	19,032	19,032
Total assets	769,888	670,808	614,364	504,702	540,159
Long-term obligations (including current portion)(8)	123,483	124,561	154,291	153,129	187,119
Redeemable Series C preferred stock					15,631
Stockholders' equity(6)	202,897	173,186	115,658	11,038	7,696

(1) Effective January 1, 2003, we adopted Statement of Financial Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations." Accretion of environmental liabilities for the years ended December 31, 2007, 2006 and 2005 was due primarily to the implementation as of January 1, 2003 of SFAS No. 143 and accretion of the discount for the remedial liabilities assumed as part of our acquisitions of substantially all of the assets of the Chemical Services Division, or "CSD," of Safety-Kleen Corp. in 2002 and of Teris LLC in 2006. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Environmental Liabilities" elsewhere in this prospectus supplement.

(2) We had outstanding prior to June 30, 2004, 25,000 shares of Series C preferred stock which consisted of two components, namely (i) non-convertible redeemable preferred stock with a 6.0% annual dividend and (ii) an "embedded derivative" which reflected the right of the holders of the Series C preferred stock to convert into our common stock on the terms set forth in the Series C preferred stock. The value of the embedded derivative was periodically marked to market, which resulted in the inclusion of gains (losses) as a component of other income (expense) of $(1.6) million and $(0.4) million for the years ended December 31, 2004 and 2003, respectively.

(3) On June 30, 2004, we repaid our then outstanding debt, redeemed our then outstanding Series C preferred stock and settled the embedded derivative liability associated with our Series C preferred stock. For the year ended December 31, 2004, we recorded loss on refinancing of $7.1 million relating to these activities.

(4) For the year ended December 31, 2006, the provision includes a reversal of a $14.1 million portion of the valuation allowance.

(5) We had outstanding prior to June 30, 2004, 25,000 shares of Series C preferred stock. The amount of $11.8 million for the year ended December 31, 2004 includes $9.9 million related to the redemption of that Series C preferred stock.

(6) As further discussed elsewhere in this prospectus supplement under "Management's Discussion and Analysis of Financial Condition and Results of Operations Stockholder Matters," we issued: (i) 0.4 million shares of common stock in February 2005 upon cashless exercise of previously outstanding warrants; (ii) 1.6 million shares of common stock in October 2005 upon exercise of previously outstanding warrants for an aggregate exercise price of $12.5 million; (iii) 2.3 million shares of common stock in December 2005 upon the closing of a public offering for aggregate net proceeds (after deducting the underwriters' discount and offering expenses payable by us) of $60.2 million; and (iv) 0.4 million shares of common stock in December 2007 upon exercise of previously outstanding warrants for an aggregate exercise price of $1.2 million and conversion of previously outstanding shares of Series B convertible preferred stock.

(7)

For all periods presented, "Adjusted EBITDA" consists of net income (loss) plus accretion of environmental liabilities, depreciation and amortization, net interest expense, provision for (benefit from) income taxes, non-recurring severance charges, other non-recurring refinancing-related expenses, and change in value of the embedded derivative associated with our previously outstanding Series C preferred stock (which we redeemed on June 30, 2004). We also exclude gain (loss) on sale of fixed assets, and other income as these amounts are not considered part of usual business operations. Such definition of "Adjusted EBITDA" is the same as the definition of "EBITDA" used in our current credit agreement and indenture for covenant compliance purposes. See below for a reconciliation of Adjusted EBITDA to both net income (loss) and net cash provided by operating activities for the specified periods. Our management considers Adjusted EBITDA to be a measurement of performance which provides useful information to both management and investors. Adjusted EBITDA should not be considered an alternative to net income or loss or other measurements under GAAP. Because Adjusted EBITDA is not calculated identically by all companies, our measurements of Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

The following is a reconciliation of net income (loss) to Adjusted EBITDA for the following periods (in thousands):

	Year Ended December 31,				
	2007	**2006**	**2005**	**2004**	**2003**
Net income (loss)	$ 44,198	$ 46,675	$ 25,621	$ 2,600	$ (17,600)
Accretion of environmental liabilities	10,447	10,220	10,384	10,394	11,114
Depreciation and amortization	37,590	35,339	28,633	24,094	26,482
Restructuring expense (income)					(124)
Loss on refinancings				7,099	
Loss on early extinguishment of debt		8,529			
Interest expense, net	13,157	12,447	22,754	22,297	23,724
Equity interest in joint venture		(61)			
Provision for income taxes	28,040	6,339	3,495	6,043	5,322
Non-recurring severance charges				25	1,089
Other non-recurring refinancing-related expenses				1,326	
Change in value of embedded derivative				1,590	379
(Gain) loss on sale of fixed assets	(135)	447	(26)	(724)	292
Cumulative effect of change in accounting principle					66
Other income			(585)		
Adjusted EBITDA	$ 133,297	$ 119,935	$ 90,276	$ 74,744	$ 50,744

The following reconciles Adjusted EBITDA to net cash provided by operating activities for the following years ended December 31 (in thousands):

	Year Ended December 31,				
	2007	2006	2005	2004	2003
Adjusted EBITDA	$ 133,297	$ 119,935	$ 90,276	$ 74,744	$ 50,744
Interest expense, net	(13,157)	(12,447)	(22,754)	(22,297)	(23,724)
Provision for income taxes	(28,040)	(6,339)	(3,495)	(6,043)	(5,322)
Allowance for doubtful accounts	(418)	88	(105)	1,232	2,439
Amortization of deferred financing costs and debt discount	1,940	1,616	1,669	2,371	2,467
Change in environmental estimates	597	(9,582)	(11,265)	(3,287)	(215)
Deferred income taxes	(7,492)	(6,385)	(1,242)	381	(620)
Impairment of assets held for sale			281		
(Gain) loss on sale of fixed assets			(26)	(724)	292
Other non-recurring refinancing-related expenses and other				(1,351)	
Stock-based compensation	4,799	3,387	56	35	29
Excess tax benefit of stock-based compensation	(6,386)	(5,239)			
Income tax benefits related to stock option exercises	6,427	5,399	408		
Prepayment penalty		(6,146)			
Foreign currency loss (gain) on intercompany transactions				(88)	996
Changes in assets and liabilities, net of acquisition					
Accounts receivable	(19,142)	(5,000)	(25,983)	(6,058)	20,265
Other current assets	(2,693)	(11,092)	(686)	2,639	2,788
Accounts payable	(4,603)	(4,674)	(804)	9,249	2,923
Environmental expenditures	(6,511)	(7,605)	(7,243)	(10,305)	(7,973)
Other current liabilities	21,377	5,466	9,969	11,962	(6,232)
Net cash provided by operating activities	$ 79,995	$ 61,382	$ 29,667	$ 52,460	$ 38,857

(8)

Long-term obligations (including current portion) include borrowings under our current and former revolving credit facilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with "Selected Consolidated Financial Data" and our consolidated financial statements and related notes included under "Financial Statements" elsewhere in this prospectus supplement. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the "Risk Factors" section of this prospectus supplement. Our actual results may differ materially from those contained in any forward-looking statements. See "Disclosure Regarding Forward-Looking Statements" elsewhere in this prospectus supplement.

Overview

We provide a wide range of environmental services and solutions to a diversified customer base in the United States, Canada, Puerto Rico and Mexico. Throughout North America, we perform environmental services through a network of service locations, and operate incineration facilities, commercial landfills, wastewater treatment operations, and transportation, storage and disposal facilities, as well as polychlorinated biphenyls ("PCB") management facilities and oil and used oil products recycling facilities. In March 2008, we also acquired and now operate two solvent recycling facilities. We seek to be recognized by customers as the premier supplier of a broad range of value-added environmental services based upon quality, responsiveness, customer service, information technologies, breadth of product offerings and cost effectiveness.

The wastes handled include materials that are classified as "hazardous" because of their unique properties, as well as other materials subject to federal and state environmental regulation. We provide final treatment and disposal services designed to manage hazardous and nonhazardous wastes which cannot be economically recycled or reused. We transport, treat and dispose of industrial wastes for commercial and industrial customers, health care providers, educational and research organizations, other environmental services companies and governmental entities.

Our Technical Services segment collects and transports containerized and bulk waste, performs categorization, specialized repackaging, treatment and disposal of laboratory chemicals and household hazardous wastes, which are referred to as CleanPack® services, and offers Apollo Onsite Services, which customize environmental programs at customer sites. This is accomplished through the network of service centers where a fleet of trucks, rail or other transport is dispatched to pick up customers' waste either on a pre-determined schedule or on demand, and then to deliver waste to a permitted facility. From the service centers, chemists can also be dispatched to a customer location for the collection of chemical waste for disposal.

Our Site Services segment provides highly skilled experts utilizing specialty equipment and resources to perform services, such as industrial maintenance, surface remediation, groundwater restoration, site and facility decontamination, emergency response, site remediation, PCB disposal and oil disposal at the customer's site or another location. These services are dispatched on a scheduled or emergency basis.

In January 2007, Ensco Caribe, Inc., a Puerto Rico corporation ("Ensco Caribe") then owned 50% by Clean Harbors El Dorado, LLC ("CH El Dorado") and 50% by Ochoa Industrial Sales Corporation ("Ochoa"), redeemed the 50% stock ownership of Ochoa for $3.0 million, of which $300,000 was placed in escrow for a period of 14 months as security for the representations and warranties of Ochoa. Immediately after the redemption, Ensco Caribe was 100% owned by CH El Dorado, the name "Ensco Caribe, Inc." was changed to "Clean Harbors Caribe, Inc.", and the

Puerto Rico operations of Clean Harbors Environmental Services, Inc. were transferred to Clean Harbors Caribe, Inc.

In August 2007, we acquired certain assets owned by Romic Environmental Technologies Corporation ("Romic"), which specializes in collection and recycling of both hazardous and non-hazardous waste materials, for $5.2 million in cash, a reduction of receivables owed by Romic to us of $0.3 million, an estimated $0.9 million of direct acquisition costs, and an estimated incremental purchase price amount of $2.2 million that is based upon 40% of revenues generated from Romic customers for the six-month period subsequent to the acquisition.

Critical Accounting Policies and Estimates

The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent liabilities. The following are the areas that we believe require the greatest amount of judgments or estimates in the preparation of the financial statements: revenue allowance, deferred revenue, allowance for doubtful accounts, accounting for landfills, testing long-lived assets and goodwill for impairment, environmental liabilities, insurance expense, legal matters, and provision for income taxes. Our management discusses each of these critical accounting estimates with the audit committee of our board of directors prior to each release of our annual financial statements.

Revenue Allowance. Due to the nature of our business and the complex invoices that result from the services provided, customers may withhold payments and attempt to renegotiate amounts invoiced. Accordingly, we establish a revenue allowance to cover the estimated amounts of revenue adjustments that may need to be credited to customers' accounts in future periods. The allowance is established based on specific review of particular customers, historical trends and other relevant information. Revenues allowance estimates can differ materially from the actual adjustments but historically our allowance has been adequate.

Deferred Revenue. As is the customary practice in the environmental services industry, we submit a bill for services shortly after waste is collected from a customer location and prior to completion of the waste disposal process. We recognize revenue for waste disposal services only when the waste is placed into a landfill, incinerated, treated in a wastewater treatment facility or shipped to a third party for disposal. Deferred revenue, representing amounts invoiced to customers for waste not yet processed, stated on our balance sheet as of December 31, 2007 was $29.7 million. Because a large quantity of waste is on hand and in transit at the end of any month, waste from various sources is mixed subsequent to receipt, waste is received in various size containers, and the amount of waste per container can vary significantly, the calculation of deferred revenue requires the use of significant estimates such as the average revenue charged for a type of waste and the average waste volume contained within various size containers.

Allowance for Doubtful Accounts. We establish an allowance for doubtful accounts to cover accounts receivable that may not be collectible. In establishing the allowance for doubtful accounts, we analyze the collectibility of accounts that are large or past due. In addition, we consider historical bad debts and current economic trends in evaluating the allowance for doubtful accounts. Accounts receivable written off in subsequent periods can differ materially from the allowance for doubtful accounts provided, but historically our provision has been adequate.

Accounting for Landfills. We amortize landfill improvements and certain landfill related permits over their estimated useful lives. The units of consumption method is used to amortize land, landfill cell construction, asset retirement costs and remaining landfill cells and sites. We also utilize the units of consumption method to record closure and post-closure obligations for landfill cells and sites. Under the units of consumption method, we include future estimated construction and asset

retirement costs, as well as costs incurred to date, in the amortization base. Additionally, where appropriate, we include probable expansion airspace that has yet to be permitted in the calculation of the total remaining useful life of the landfill. This accounting method requires us to make estimates and assumptions, as described below. Any changes in our estimates will impact our income from operations prospectively from the date the changes are made.

It is possible that any of our estimates or assumptions could ultimately turn out to be significantly different from actual results. In some cases we may be unsuccessful in obtaining an expansion permit or we may determine that an expansion permit that we previously thought was probable has become unlikely. To the extent that such estimates, or the assumptions used to make those estimates, prove to be significantly different than actual results or our belief that we will receive an expansion permit changes adversely in a significant manner, the costs of the landfill, including the costs incurred in the pursuit of the expansion, may be subject to impairment testing, as described below, and lower prospective profitability may be experienced due to increased interest accretion and depreciation or asset impairments related to the removal of previously included expansion airspace.

Long-Lived Assets. We periodically evaluate the net realizable value of long-lived assets, including property, plant and equipment and amortizable intangible assets, relying on a number of factors including operating results, business plans, economic projections and anticipated future cash flows. When indicators of potential impairment are present, the carrying values of the assets are evaluated in relation to the operating performance and estimated future discounted cash flows of the underlying business. An impairment in the carrying value of an asset is recognized whenever anticipated future cash flows (discounted) from an asset are estimated to be less than its carrying value. The amount of the impairment recognized is the difference between the carrying value of the asset and its fair value. Fair values are based on assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates, reflecting varying degrees of perceived risk.

Goodwill. Goodwill is assessed for impairment at least annually and as triggering events occur. In making this assessment, management relies on a number of factors including operating results, business plans, economic projections, anticipated future cash flows, and transactions and market place data. There are inherent uncertainties related to these factors and management's judgment in applying them to the analysis of goodwill impairment.

Environmental Liabilities. We have accrued environmental liabilities, as of December 31, 2007, of approximately $184.5 million, substantially all of which we assumed as part of our acquisitions of substantially all of the CSD assets in September 2002 and of Teris LLC in August 2006. In March 2008, we accrued an estimated $2.6 million, subject to potential adjustment, of additional environmental liabilities as part of our acquisition of two solvent recycling facilities from Safety-Kleen Systems, Inc. We anticipate our environmental liabilities will be payable over many years and that cash flows generated from operations will be sufficient to fund the payment of such liabilities when required. However, events not now anticipated (such as future changes in environmental laws and regulations) could require that such payments be made earlier or in greater amounts than currently anticipated.

Closure and Post-closure Liabilities

The changes to closure and post-closure liabilities for the year ended December 31, 2007 were as follows (in thousands):

	Landfill Retirement Liability	Non-Landfill Retirement Liability	Total
Balance at January 1, 2007	$ 18,858	$ 6,697	$ 25,555
New asset retirement obligations	1,507		1,507
Accretion	2,734	834	3,568
Changes in estimates recorded to statement of operations	(298)	(554)	(852)
Other changes in estimates recorded to balance sheet	92		92
Settlement of obligations	(231)	(189)	(420)
Currency translation, reclassifications and other	234	45	279
Balance at December 31, 2007	$ 22,896	$ 6,833	$ 29,729

The $0.9 million benefit from changes in estimates above, recorded to the statement of operations, (including a $0.1 million benefit for the three months ended December 31, 2007) was due to: (i) an increase in utilization of a facility thus avoiding projected near-term closure ($0.6 million), (ii) a decrease in the cell closure cost estimate for a full cell ($0.1 million), and (iii) delayed timing of completing cell closure for a landfill cell ($0.2 million). All of the landfill facilities included in the amounts shown above were active as of December 31, 2007.

Remedial Liabilities

As of December 31, 2007, we had recorded discounted remedial liabilities of $154.8 million. We also estimate that it is "reasonably possible" as that term is defined in SFAS No. 5 ("more than remote but less than likely"), that the amount of such remedial liabilities could be up to $22.7 million greater than such $154.8 million.

The changes to remedial liabilities for the year ended December 31, 2007 were as follows (in thousands):

	Remedial Liabilities for Landfill Sites	Remedial Liabilities for Inactive Sites	Remedial Liabilities (Including Superfund) for Non-Landfill Operations	Total
Balance at January 1, 2007	$ 4,917	$ 91,494	$ 51,434	$ 147,845
Adjustment due to final purchase price allocation			1,834	1,834
Accretion	258	4,246	2,375	6,879
Changes in estimates recorded to statement of operations	(60)	(3,776)	5,285	1,449
Settlement of obligations	(235)	(3,450)	(2,406)	(6,091)
Currency translation, reclassifications and other	802	105	1,936	2,843
Balance at December 31, 2007	$ 5,682	$ 88,619	$ 60,458	$ 154,759

The net $1.4 million detriment from changes in estimates recorded to selling, general and administrative expenses on the consolidated statement of operations primarily includes:

(i) proposed legal settlements and regulatory compliance obligations of $6.0 million, offset by (ii) revised estimates based on new site information ($3.3 million), and (iii) the discounting effect of delays in certain remedial projects ($1.1 million). This includes a $3.0 million detriment for the three months ended December 31, 2007.

Insurance Expense. It is our policy to retain a significant portion of certain expected losses related primarily to workers' compensation, health insurance, comprehensive general and vehicle liability. Accruals are established for incurred losses based on information that is known at the time. Recording health insurance expense requires that estimates be made of the cost of health benefits to be provided in future periods. Actual expenditures required in future periods can differ materially from accruals established based on estimates.

Legal Matters. As described in Note 11, "Commitments and Contingencies," to our financial statements included under "Financial Statements" elsewhere in this prospectus supplement, we are subject to legal proceedings which relate to our acquisitions of the CSD assets in 2002 and of Teris LLC in 2006 or which have arisen in the ordinary course of business. Accruals are established for legal matters when, in our opinion, it is probable that a liability exists and the liability can be reasonably estimated. As of December 31, 2007, we had reserves of $32.6 million (substantially all of which we had established as part of the purchase price for the CSD assets) relating to our potential liabilities in connection with such legal proceedings which were then pending or anticipated. We also estimate that it is "reasonably possible", as that term is defined in SFAS No. 5 ("more than remote but less than likely"), that the amount of such total liabilities could be up to $3.8 million greater than such $32.6 million. Because all of our reasonably possible additional losses relating to legal proceedings relate to remedial liabilities, the reasonably possible additional losses for legal liabilities are reflected in the tables of reasonably possible additional losses under the heading "Environmental Liabilities" below. Estimates of the cost to settle disputes are adjusted as facts emerge. Actual expenses incurred in future periods can differ materially from accruals established. Substantially all of our legal proceedings liabilities are environmental liabilities and, as such, are included in the tables of changes to remedial liabilities disclosed under "Environmental Liabilities."

Provision for Income Taxes. We are required to estimate the provision for income taxes, including the current tax expense together with assessing temporary differences resulting from differing treatments of assets and liabilities for tax and financial accounting purposes. These differences together with net operating loss carryforwards and tax credits are recorded as deferred tax assets or liabilities on the balance sheet. An assessment must then be made of the likelihood that the deferred tax assets will be recovered from future taxable income.

In June 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes* ("SFAS 109"). This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure and transition. We adopted FASB Interpretation 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48") on January 1, 2007. As a result of the implementation of FIN 48, tax contingencies increased $41.9 million for uncertain tax positions, of which $36.8 million was accounted for as a decrease to retained earnings. In addition, to reflect the federal and state tax benefits upon the implementation of FIN 48, we also recorded an increase to our deferred tax assets of $4.7 million and a $0.4 million decrease to the valuation allowance. FIN 48 requires significant judgment in determining what constitutes an

individual tax position as well as assessing the outcome of each tax position. Changes in judgment as to recognition or measurement of tax positions can materially affect the estimate of the effective tax rate and consequently affect our operating results. Prior to the adoption of FIN 48, we recorded liabilities related to uncertain tax positions based upon Statement of Financial Accounting Standards No. 5, *Accounting for Contingencies*.

Results of Operations

This table and subsequent discussions should be read in conjunction with "Selected Consolidated Financial Data" and "Financial Statements" elsewhere in this prospectus supplement.

	Percentage of Total Revenues Year Ended December 31,				
	2007	**2006**	**2005**	**2004**	**2003**
Revenues	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenues (exclusive of items shown separately below):	70.1	70.4	72.1	72.3	74.2
Selling, general and administrative expenses	15.8	15.1	15.2	16.2	17.8
Accretion of environmental liabilities	1.1	1.2	1.5	1.6	1.8
Depreciation and amortization	4.0	4.3	4.0	3.8	4.3
Income from operations	9.0	9.0	7.2	6.1	1.9
Other income (expense)		(0.1)	0.1	(0.2)	
Loss on early extinguishment of debt		(1.0)			
(Loss) on refinancings				(1.1)	
Interest (expense) net	(1.4)	(1.5)	(3.2)	(3.5)	(3.9)
Income (loss) before provision for income taxes	7.6	6.4	4.1	1.3	(2.0)
Provision for income taxes	2.9	0.8	0.5	0.9	0.9
Net income (loss)	4.7%	5.6%	3.6%	0.4%	(2.9)%

Segment data

Performance of our segments is evaluated on several factors of which the primary financial measure is Adjusted EBITDA. The following table sets forth certain operating data associated with our results of operations and summarizes Adjusted EBITDA contribution by operating segment for the years ended December 31, 2007, 2006 and 2005. See Footnote 7 under "Selected Consolidated Financial Data" elsewhere in this prospectus supplement for a description of the calculation of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income (loss) and net cash provided by operating activities. We consider the Adjusted EBITDA contribution from each operating segment to include revenue attributable to each segment less operating expenses, which include cost of revenues and selling, general and administrative expenses. Revenue attributable to each segment is generally external or direct revenue from third party customers. Outside or third party revenue is revenue billed to our customers by a particular segment. Direct revenue is the revenue allocated to the segment performing the provided service. This table and subsequent

discussions should be read in conjunction with "Financial Statements" elsewhere in this prospectus supplement and in particular Note 17, "Segment Reporting," to such financial statements.

	2007	2006(1)	2005(1)
Revenues:			
Technical Services	$ 672,213	$ 558,407	$ 472,884
Site Services	275,815	271,092	239,218
Corporate Items	(1,111)	310	(932)
Total	946,917	829,809	711,170
Cost of Revenues:			
Technical Services	453,660	376,788	327,559
Site Services	205,020	200,305	179,734
Corporate Items	5,760	7,742	5,289
Total	664,440	584,835	512,582
Selling, General and Administrative Expenses:			
Technical Services	60,771	58,272	48,011
Site Services	24,751	26,044	22,047
Corporate Items	63,658	40,723	38,254
Total	149,180	125,039	108,312
Adjusted EBITDA:			
Technical Services	157,782	123,347	97,314
Site Services	46,044	44,743	37,437
Corporate Items	(70,529)	(48,155)	(44,475)
Total(2)	$ 133,297	$ 119,935	$ 90,276

(1) Certain reclassifications have been made to conform to the current year presentation.

(2) See Footnote 7 under "Selected Consolidated Financial Data" for a discussion of Adjusted EBITDA.

Year ended December 31, 2007 versus Year ended December 31, 2006

Revenues

Total revenues for 2007 increased $117.1 million to $946.9 million from $829.8 million for 2006. Technical Services revenues for 2007 increased $113.8 million to $672.2 million from $558.4 million for 2006. The primary increases in Technical Services revenues consisted of increases in the volume and pricing of waste processed through our facilities of $44.8 million and $16.0 million, respectively. The remaining $46.3 million of the increase consisted of transportation, labor and materials revenue attributable to new business from the Teris LLC acquisition in 2006 and the Romic acquisition in 2007, as well as existing base and project business holding strong across all regions. Also contributing to the increase was $6.5 million due to the strengthening of the Canadian dollar.

Site Services revenues for 2007 increased $4.7 million to $275.8 million from $271.1 million for 2006. Large emergency response jobs performed by Site Services during 2007 accounted for $6.9 million of our outside revenues, that were partially offset by intercompany transactions of $1.1 million, resulting in direct revenue of $5.8 million, or 2.1% of Site Services revenues. Large emergency response jobs accounted for $27.1 million of our outside revenues in 2006 primarily relating to U.S. gulf region hurricane clean up responses, that were partially offset by intercompany transactions of $2.7 million, resulting in direct revenue of $24.4 million, or 9.0% of Site Services revenues. The lack of large emergency response projects relating to hurricane clean up projects in 2007 resulted in a decrease of $18.6 million from 2006. All other Site Services revenues increased $23.3 million, or 9.4%, for 2007 compared to 2006. Revenues from large remedial and planned projects increased $11.3 million, and revenues from metal and oil recycling activities improved $7.2 million in 2007. Base business in the West region increased by $3.7 million in 2007 from new operational departments and improved business at existing locations. Our Midwest region as well as transportation and container revenues increased, but were offset by decreases in base business in the Northeast and South regions. Positive foreign exchange added $0.6 million for 2007 as compared to 2006.

Corporate Items revenues decreased $1.4 million for 2007 to $(1.1) million from $0.3 million for 2006. This decrease resulted primarily from increased intercompany costs at our inactive waste handling facilities; these increases were largely offset by compensating decreases in external costs.

There are many factors which have impacted, and continue to impact, our revenues. These factors include, but are not limited to: the level of emergency response projects; competitive industry pricing, continued efforts by generators of hazardous waste to reduce the amount of hazardous waste they produce, significant consolidation among treatment and disposal companies, and industry-wide overcapacity. These factors also adversely influence our ability to raise prices and increase revenues.

Cost of Revenues

Total cost of revenues for 2007 increased $79.6 million to $664.4 million, compared to $584.8 million for 2006. As a percentage of revenues, cost of revenues in 2007 decreased 0.3% to 70.2% from 70.5% in 2006.

Technical Services cost of revenues increased $76.9 million to $453.6 million in 2007 from $376.7 million for 2006. Cost of revenues for Technical Services increased $3.9 million due to an unfavorable foreign exchange fluctuation relating to the strength of the Canadian dollar. Costs increased $25.3 million in employee labor and related costs, $11.6 million in building, equipment and vehicle repairs and rentals, $8.6 million in increased materials and supplies expense, $6.0 million in outside disposal costs, $4.8 million in outside transportation and rail expense primarily associated with large waste projects, $4.1 million in major maintenance costs at our incinerators, $2.5 million in utilities and fuel costs, $2.5 million increase in taxes and insurance, $2.3 million increase in transportation fees, $2.2 million increase in subcontractor costs, $2.2 million increase in costs associated with processing inventory, and $0.9 million increase in travel costs.

Site Services cost of revenues for 2007 increased $4.6 million to $205.0 million from $200.4 million for 2006. During 2007, large emergency response projects performed by Site Services accounted for $4.1 million of our cost of revenues, or 2.0% of Site Services cost of revenues for 2007. In 2006, several large emergency response jobs primarily relating to U.S. gulf region hurricane clean up responses accounted for $16.5 million of our cost of revenues or 8.2% of Site Services cost of revenues for 2006. Primarily due to the lack of hurricane related response projects in 2007 resulted in a decrease of $12.4 million in large emergency response costs from 2006. All other Site Services cost of revenues increased $17.0 million, or 9.2%, for 2007 compared to 2006. Direct labor and related costs increased $8.0 million due to increased business levels and

an offset to our efforts to reduce subcontract labor costs. Equipment rentals and transportation costs increased $6.1 million, materials and supplies costs increased $3.6 million, travel expenses increased $1.5 million, outside disposal expenses increased $0.8 million, and taxes and insurance costs increased $0.7 million in support of increased base business levels. These increases were offset by decreased subcontractor costs of $4.4 million due to less reliance on outside services in 2007 as compared to 2006, particularly in the Northeast and South regions. Foreign exchange impacted cost of revenues negatively by $0.5 million in 2007.

Corporate Items cost of revenues decreased $1.9 million to $5.8 million in 2007 from $7.7 million for 2006. This change arose primarily from an increased allocation of centrally contracted insurance costs from the Corporate Items segment to Site Services and Technical Services. Some increased costs associated with a former operating unit absorbed into our inactive facilities were offset by lower external costs in this category.

We believe that our ability to manage operating costs is important in our ability to remain price competitive. We continue to upgrade the quality and efficiency of our waste treatment services through the development of new technology and continued modifications and upgrades at our facilities, and implementation of strategic sourcing initiatives. We plan to continue to focus on achieving cost savings relating to purchased goods and services through a strategic sourcing initiative. No assurance can be given that our efforts to reduce future operating expenses will be successful.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for 2007 increased $24.1 million to $149.2 million from $125.1 million in 2006.

Technical Services selling, general and administrative costs increased $2.4 million to $60.7 million from $58.3 million for 2006 due to an unfavorable foreign exchange fluctuation of $0.3 million relating to the strength of the Canadian dollar, $5.6 million increase in salary, bonus, and employee benefit costs, and a $0.8 million increase in office and computer expenses, offset by a $1.4 million decrease in marketing and professional fees and a $3.0 million decrease from changes in environmental liability estimates.

Site Services selling, general and administrative expenses for 2007 decreased $1.3 million to $24.8 million from $26.1 million in 2006 primarily due to $1.7 million in reduced salary and related costs, and a decrease from changes in environmental liability estimates of $0.7 million, offset by increased marketing and professional fees of $1.2 million.

Corporate Items selling, general and administrative expenses for 2007 increased $23.0 million to $63.7 million from $40.7 million due to favorable changes in environmental liability estimates of $13.6 million in 2006, $3.4 million in additional salary costs (including severance payments), $3.2 million of additional foreign exchange losses, and a $2.8 million increase in health insurance costs.

Adjusted EBITDA Contribution

The combined Adjusted EBITDA contribution by segments for 2007 increased $13.4 million to $133.3 million from $119.9 million for 2006. The Technical Services contribution increased $34.5 million, the Site Services contribution improved $1.4 million, and the Corporate Items cost decreased $22.5 million. The combined Adjusted EBITDA contribution was derived from revenues of $946.9 million and $829.8 million, net of cost of revenues of $664.4 million and $584.8 million and selling, general and administrative expenses of $149.2 million and $125.1 million for the years ended December 31, 2007 and 2006, respectively.

Accretion of Environmental Liabilities (see Closure and Post-Closure Liabilities below)

Accretion of environmental liabilities for 2007 and 2006 was similar at $10.4 million and $10.2 million, respectively.

Depreciation and Amortization

Depreciation and amortization expense of $37.6 million for 2007 increased $2.3 million from $35.3 million for 2006. The increase was primarily due to depreciation of assets acquired as part of Teris LLC of $2.8 million and Romic of $0.3 million, a $0.3 million expense in connection with an insurance loss deductible, increased amortization of software and other development costs of $1.0 million, a net increase in depreciation associated with landfill consumption of $0.3 million, and other net increases of $0.2 million arising mainly from additional office equipment purchases. These increases were offset by the third quarter 2006 impairment of assets and permits associated with the voluntary Chapter 11 petition of our Plaquemine, Louisiana facility, which amounted to $2.6 million.

Loss on Early Extinguishment of Debt

During 2006, we redeemed or repurchased through an "Excess Cash Flow Offer" a total of $58.5 million principal amount of our previously outstanding senior secured notes and paid prepayment penalties and accrued interest through the redemption or repurchase date. In connection with such redemption and repurchase, we recorded to loss on early extinguishment of debt, an aggregate of $8.5 million, consisting of the $1.8 million unamortized portion of such financing costs, $0.6 million of unamortized discount on the senior secured notes and the $6.1 million prepayment penalties required by the indenture in connection with such redemption and repurchase.

Interest (Expense), Net

Interest expense, net of interest income, increased $0.8 million to $13.2 million for 2007 from $12.4 million for 2006. The increase was primarily due to a $1.9 million increase related to the $30.0 million term loan issued on August 18, 2006, offset by a $0.5 million increase in capitalized interest and a $0.7 million increase in interest received on deposits held in Canadian money market funds.

Income Taxes

Income tax expense for 2007 increased $21.7 million to $28.0 million from $6.3 million for 2006. Income tax expense for 2007 consisted primarily of Canadian taxes of $3.2 million and state income tax expense of $6.9 million and a federal income tax expense of $17.9 million. The 2007 tax expense included a benefit of $0.8 million from the reversal of a portion of the valuation allowance against our U.S. net deferred tax asset and $1.9 million from adjustments of the prior year's estimated attributes. Income tax expense for 2006 consisted primarily of Canadian taxes of $4.6 million and state income tax expense of $2.4 million and a federal tax benefit of ($0.7) million. The tax expense included a benefit of $14.1 million from the reversal of a portion of the valuation allowance against our U.S. net deferred tax asset. We had no federal net operating loss carryforwards at December 31, 2007, compared with $9.2 million at December 31, 2006. We had $29.1 million and $37.7 million of state net operating loss carryovers at December 31, 2007 and December 31, 2006, respectively. Federal and state net operating losses carryforwards as of December 31, 2006 consisted of $3.4 million of excess tax benefits related to the exercise of stock options, in prior years. In 2007, benefits in the amount of $3.0 million were recorded directly to accumulated paid-in capital. The total of $6.4 million did therefore not effect our current year provision.

SFAS No. 109, *Accounting for Income Taxes,* requires that a valuation allowance be established when, based on an evaluation of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Based upon our cumulative operating results, and an assessment of our expected future results of operations, during the third quarter of 2006, we determined that it had become more likely than not that we would be able to realize a substantial portion of our U.S. net operating loss ("NOL") carryforward tax assets prior to their expiration and realize the benefit of other net deferred tax assets. The key factors affecting our decision to release the valuation allowance in the third quarter of 2006 included: results for the nine-month period ended September 30, 2006, exceeding projections, the number of consecutive quarters of profitability, additional verification of the success of our business plan and cost savings initiatives, and evaluation and verification of the accretive nature of the Teris LLC acquisition which was completed in the third quarter of 2006. During fiscal 2006, we reversed a total of $17.7 million of US deferred tax asset valuation allowance, of which $9.9 million related to the utilization of prior year NOLs including $2.5 million of NOLs attributable to tax deductions related to the exercise of non-qualified stock options. As of December 31, 2007, we had a remaining valuation allowance of approximately $10.0 million consisting of $8.6 million of foreign tax credits and $1.4 million of federal and state net operating loss carryforwards related to tax deductions for the exercise of non-qualified stock options.

In connection with the reversal of a portion of the valuation allowance, we also recorded, in accordance Financial Accounting Standard 109, *Accounting For Income Taxes,* a $7.3 million adjustment to our deferred taxes associated with the 2002 acquisition of the CSD assets. Such amount was credited to the carrying value of the CSD non-current intangible assets, as there was no goodwill associated with such acquisition.

We are subject to income taxes in both the U.S. and foreign jurisdictions, and to examination by U.S. federal and state as well as foreign tax authorities. While it is often difficult to predict the final outcome or timing of resolution of any particular tax matter, we believe that our tax reserves reflect the more likely than not outcome of known tax contingencies.

We adopted FASB Interpretation 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48") on January 1, 2007. As a result of the implementation of FIN 48, tax contingencies increased $41.9 million for uncertain tax positions, of which $36.8 million was accounted for as a decrease to retained earnings. In addition, to reflect the federal and state tax benefits upon the implementation of FIN 48, we also recorded an increase to our deferred tax assets of $4.7 million and a $0.4 million decrease to the valuation allowance.

Included in the balance at December 31, 2007 and January 1, 2007, were $45.3 million and $38.7 million, respectively, of unrecognized tax benefits that, if recognized, would affect the annual effective income tax rate.

Management has elected to continue its policy of recognizing interest and penalties related to income tax matters as a component of income tax expense. The liability for unrecognized tax benefits as of December 31, 2007, included accrued interest and penalties of $13.8 million and $4.0 million, respectively. Tax expense for the year ended December 31, 2007 included interest and penalties of $4.8 million and $2.2 million respectively.

Net Income

Net income for 2007 was $44.2 million and included a charge of $0.6 million related to changes in our environmental liabilities estimates. Net income for 2006 was $46.7 and included a benefit of $9.6 million related to a change in our estimated environmental liabilities and an $8.5 million loss on extinguishment of debt.

Conversion of Series B Preferred Stock

As more fully described below under "Stockholder Matters," all of our remaining outstanding shares of Series B preferred stock were converted into common stock on December 28, 2007. For each of 2007 and 2006, dividends of $0.3 million were paid on our Series B preferred stock.

Year ended December 31, 2006 versus Year ended December 31, 2005

Revenues

Total revenues for 2006 increased $118.6 million to $829.8 million from $711.2 million for 2005. Technical Services revenues for 2006 increased $85.5 million to $558.4 million from $472.9 million for 2005. Increases in Technical Services revenues consisted of a $45.2 million increase in the volume of waste processed through our facilities, primarily resulting from increased volumes of large quantity waste projects business. The improvement was also attributable to a $9.8 million increase in large waste project transportation business and a $6.6 million increase due to the strengthening of the Canadian dollar in 2006 as compared to 2005. The remaining $23.9 million increase was composed of strong base business and project work across all regions. The Teris acquisition contributed $23.0 million of the increase included in the preceding Technical Services revenue figures.

Site Services revenues for 2006 increased $31.9 million to $271.1 million from $239.2 million for 2005. In 2005, Site Services began work on several large emergency response projects related to U.S. gulf region hurricane clean up projects. During 2006 Site Services completed work on those projects and recorded less revenue in 2006 than in 2005 for those projects. In total for 2006, Site Services recorded for large emergency response jobs $27.1 million in outside revenues, which were partially offset by intercompany transactions of $2.7 million, resulting in direct revenue of $24.4 million, or 9.0% of Site Services revenues. In 2005, Site Services recorded for large emergency response projects $39.6 million of outside revenue, offset by intercompany transactions of $5.7 million, resulting in direct revenue $33.9 million, or 14.2% of our direct revenues for 2005. Direct revenue related to large emergency response projects therefore decreased $9.5 million from 2005 to 2006. All other Site Services revenues increased $41.4 million, or 20.2%, for 2006 as compared to 2005. Large remedial and planned projects represented an increase of $14.1 million. Growth in the South region due to small and mid-sized projects as well as new departments added $11.6 million in 2006 as compared to 2005. The recycling facilities group represented $9.4 million of this increase due to improved revenue related to the strength of commodities pricing and new business. Other areas of improvement included the North and West regions, offset by reduced revenues in the Mid-West region. Positive foreign exchange added $0.9 million for 2006 as compared to 2005. Corporate Items revenues increased $1.2 million for 2006 to $0.3 million from $(0.9) million for 2005. This increase resulted mainly from reduced intercompany costs at our inactive waste handling facilities.

There are many factors which have impacted, and continue to impact, our revenues. These factors include: the level of emergency response projects; competitive industry pricing, continued efforts by generators of hazardous waste to reduce the amount of hazardous waste they produce, significant consolidation among treatment and disposal companies, and industry-wide overcapacity. These factors adversely influenced our ability to raise prices and increase revenues.

Cost of Revenues

Total cost of revenues for 2006 increased $72.2 million to $584.8 million, compared to $512.6 million for 2005. As a percentage of revenues, combined cost of revenues in 2006 decreased 1.6% to 70.5% from 72.1% in 2005. Technical Services cost of revenues increased $49.2 million to $376.8 million from $327.6 million for 2005. Cost of revenues for Technical Services increased $4.1 million due to an unfavorable foreign exchange fluctuation relating to the strength of

the Canadian dollar. Costs increased by $17.2 million in outside transportation and rail expense primarily associated with large waste projects, $12.2 million in employee labor and related costs, $8.6 million in increased materials and supplies expense, $6.2 million in building, equipment and vehicle repairs and rentals, $2.4 million in utilities and fuel costs, $1.8 million in major maintenance at our incinerators, $0.6 million in travel expense, $0.6 million increase in change in estimate, $0.5 million in increased royalties, and $0.2 million in increased outside disposal costs in the year ended December 31, 2006, as compared to 2005. These increases were partially offset by a $2.4 million decrease in costs associated with processing inventory, $1.6 million decrease in subcontracting, $0.9 million decrease in fees and discharge costs and $0.3 million in outside laboratory fees.

Site Services cost of revenues for 2006 increased $20.6 million to $200.3 million from $179.7 million for 2005. As discussed above, activity for large emergency response projects relating to U.S. gulf region hurricane clean up projects lessened in 2006 from 2005. As a result, total costs related to large emergency response projects declined to $16.5 million or 8.2% of Site Services cost of revenues in 2006 from $21.2 million of our cost of revenues, or 11.8% of cost of revenues for 2005. All other Site Services cost of revenues increased $25.3 million, or 15.9%, for 2006 compared to 2005. Materials and supplies costs increased $11.4 million, primarily from increased product acquisition costs in our recycling and chemical sales group. Subcontracting costs increased $5.9 million, direct labor and related costs increased $5.6 million, equipment rental and related transportation costs increased $5.4 million and travel expenses increased $0.7 million in support of increased overall business levels. These increases were offset by a decrease in outside disposal of $4.2 million as disposal project waste was internalized. Corporate Items cost of revenues increased $2.4 million to $7.7 million in 2006 from $5.3 million for 2005. This increase related primarily to a $1.6 million change in estimate credit for financial assurance in 2005. In 2006, increased insurance and property tax expense of $3.6 million were offset by lower employee benefit costs of $1.9 million, and lower payroll taxes, license and other costs of $0.9 million.

We believe that our ability to manage operating costs is important in our ability to remain price competitive. We continue to upgrade the quality and efficiency of our waste treatment services through the development of new technology, continued modifications and upgrades at our facilities, and implementation of strategic sourcing initiatives. We plan to continue to focus on achieving cost savings relating to purchased goods and services through the strategic sourcing initiative. No assurance can be given that our efforts to manage future operating expenses will be successful.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for 2006 increased $16.8 million to $125.1 million from $108.3 million in 2005. Technical Services selling, general and administrative costs increased $10.3 million to $58.3 million from $48.0 million for 2005 due to an unfavorable foreign exchange fluctuation of $0.6 million relating to the strength of the Canadian dollar, $6.9 million increase in salary, bonus and employee benefit costs, $3.3 million increase in change in estimate of environmental liabilities offset by a $0.5 million decrease in professional fees. Site Services selling, general and administrative expenses for 2006 increased $4.1 million to $26.1 million from $22.0 million in 2005. Sales, administrative and field salaries, benefits and incentive compensation increased $3.4 million from 2005 to 2006 and environmental costs increased $0.6 million. Corporate Items selling, general and administrative expenses for 2006 increased $2.4 million to $40.7 million from $38.3 million in 2005 due to $5.4 million in additional payroll, stock-based and incentive compensation, and an additional $0.9 million in professional services, offset by a $3.6 million net increase in favorable changes in estimates in environmental liabilities and $0.2 million net reduction in other costs.

Adjusted EBITDA Contribution

The combined adjusted EBITDA contribution by segments for 2006 increased $29.6 million to $119.9 million from $90.3 million for 2005. The Technical Services contribution increased $26.0 million, the Site Services contribution improved $7.2 million, and the Corporate Items cost decreased $3.6 million. The combined adjusted EBITDA contribution was derived from revenues of $829.8 million and $711.2 million, net of cost of revenues of $584.8 million and $512.6 million and selling, general and administrative expenses of $125.1 million and $108.3 million for the years ended December 31, 2006 and 2005, respectively.

Accretion of Environmental Liabilities (see Closure and Post Closure Liabilities below)

Accretion of environmental liabilities for 2006 and 2005 was similar at $10.2 million and $10.4 million, respectively.

Depreciation and Amortization

Depreciation and amortization expense of $35.3 million for 2006 increased $6.7 million from $28.6 million for 2005. This increase resulted primarily from a $2.6 million impairment of permits and other long-lived assets at the Plaquemine, Louisiana facility, $2.1 million related to the acquired assets of Teris LLC, $1.5 million related to changes in estimates and increased volumes at landfill sites, and $0.4 million connected with the write-down of leasehold improvements at former corporate offices.

Other Income (Expense)

For 2005, other income consisted primarily of a $0.6 million gain related to the settlement of an insurance claim.

Loss on Early Extinguishment of Debt

During 2006 we redeemed or repurchased through an "Excess Cash Flow Offer" a total of $58.5 million principal amount of our previously outstanding senior secured notes and paid prepayment penalties and accrued interest through the redemption or repurchase dates. In connection with such redemption and repurchase, we recorded to loss on early extinguishment of debt, an aggregate of $8.5 million, consisting of the $1.8 million unamortized portion of such financing costs, $0.6 million of unamortized discount on the senior secured notes and the $6.1 million prepayment penalties required by the indenture in connection with such redemption and repurchase.

Interest (Expense), Net

Interest expense, net of interest income, decreased $10.4 million to $12.4 million for 2006 from $22.8 million for 2005. The decrease was primarily due to the redemption of $52.5 million of senior secured notes on January 12, 2006, the reduction of fees related to our synthetic letter of credit facility and $1.9 million of interest that was capitalized, effectively reducing net interest expense in 2005, relating to a capital project to comply with air emission standards at our Deer Park incineration facility.

We amended and restated on December 1, 2005 our existing revolving credit and synthetic letter of credit facilities. As a result of that amendment and restatement, the fees which we pay with respect to our new $50.0 million synthetic letter of credit facility were reduced as of December 1, 2005 from the 5.35% per annum which was payable under our former $90.0 million synthetic letter of credit facility to 3.10% per annum, and approximately $40.0 million of letters of credit previously

outstanding under our synthetic letter of credit facility (for which we had paid fees of 5.35% per annum) were replaced by letters of credit issued under our revolving credit facility (for which we pay fees of 1.50% per annum). In addition, during the first quarter of 2006, we redeemed $52.5 million principal amount of our outstanding 11.25% senior secured notes due 2012 and paid a prepayment penalty of $5.9 million and accrued interest of $2.9 million in connection with such redemption. Concurrently with such redemption of $52.5 million of our outstanding 11.25% senior secured notes, the fees payable under our new $50.0 million synthetic letter of credit facility were reduced from 3.10% per annum to 2.85% per annum. Furthermore, we repurchased on October 24, 2006, $6.0 million principal amount of our outstanding 11.25% senior secured notes in connection with an excess cash flow offer made in accordance with the requirements of the indenture under which the senior secured notes were issued.

Income Taxes

Income tax expense for 2006 increased $2.8 million to $6.3 million from $3.5 million for 2005. Income tax expense for 2006 consisted primarily of Canadian taxes of $4.6 million and state income tax expense of $2.4 million and a federal tax benefit of ($0.7) million. The tax expense includes a benefit of $14.1 million from the reversal of a portion of the valuation allowance against our U.S. net deferred tax asset. Income tax expense for 2005 consisted primarily of Canadian taxes of $2.3 million, federal alternative minimum tax of $0.4 million, and state income tax expense of $0.8 million. We had $9.2 million and $47.4 million of federal net operating loss carryforwards at December 31, 2006 and December 31, 2005, respectively. We had $37.7 million and $43.0 million of state net operating loss carryovers at December 31, 2006 and December 31, 2005, respectively.

SFAS No. 109, *Accounting for Income Taxes*, requires that a valuation allowance be established when, based on an evaluation of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Accordingly, at December 31, 2005, our U.S. net operating losses ("NOLs") and other deferred tax assets were fully offset by a valuation allowance primarily because we believed that it was more likely than not that some portion or all of the deferred tax assets would not be realized. Based upon our cumulative operating results, and an assessment of our expected future results of operations, during the third quarter of 2006, we determined that it had become more likely than not that we would be able to realize a substantial portion of our U.S. net operating loss carryforward tax assets prior to their expiration and realize the benefit of other net deferred tax assets. The key factors affecting our decision to release the valuation allowance in the third quarter of 2006 included: results for the nine-month period ended September 30, 2006, exceeding projections, the number of consecutive quarters of profitability, additional verification of the success of our business plan and cost savings initiatives, and evaluation and verification of the accretive nature of the Teris LLC acquisition which was completed in the third quarter of 2006. During fiscal 2006, we reversed a total of $17.7 million of US deferred tax asset valuation allowance of which $9.9 million related to the utilization of prior year NOLs including $2.5 million of NOLs attributable to tax deductions related to the exercise of non-qualified stock options. As of December 31, 2006, we have a remaining valuation allowance of approximately $12.4 million related to foreign tax credits, certain state net operating loss carryforwards and federal and state net operating loss carryforwards related to tax deductions for the exercise of non-qualified stock options.

In connection with the reversal of a portion of the valuation allowance, we also recorded, in accordance Financial Accounting Standard 109, *Accounting for Income Taxes*, an adjustment for $7.3 million to our deferred taxes associated with the 2002 CSD acquisition. Such amount was credited to the carrying value of the CSD non-current intangible assets, as there was no goodwill associated with such acquisition.

We are subject to income taxes in both the U.S. and foreign jurisdictions, and to examination by U.S. federal and state as well as foreign tax authorities. While it is often difficult to predict the final outcome or timing of resolution of any particular tax matter, we believe that our tax reserves reflect the probable outcome of known tax contingencies.

During 2006, we re-evaluated the 2004 restructuring of our Canadian operations. In connection with this re-evaluation, we identified certain additional tax contingencies. Although such contingencies are not deemed probable, our management estimates that it is reasonably possible that such tax contingencies could result in additional tax liabilities of approximately $7.0 million exclusive of interest at December 31, 2006.

In connection with our acquisition of the CSD assets in 2002, we fair valued certain preacquisition tax contingencies and established tax reserves for potential tax assessments and statutory interest related to the acquisition. The amount of such contingencies was $13.7 million and was increased to $15.6 million and $14.4 million in 2006 and 2005, respectively. The increase of $1.2 million in 2006 and $0.7 million in 2005 was for statutory interest related to these potential assessments. Should we reduce the $13.7 million in tax contingencies in future periods, either as the result of changes in our estimates or settlements, the effect of those reductions will be recorded as a decrease in acquisition related intangible assets, rather than a tax provision benefit. Reductions associated with the statutory interest recorded in 2005 and 2006, or statutory interest recorded in future periods, would be a tax provision benefit.

Net Income

Net income for 2006 was $46.7 million and included a benefit of $9.6 million related to a change in our estimated environmental liabilities and an $8.5 million loss on extinguishment of debt. Net income for 2005 was $25.6 million and included a benefit of $11.3 million related to a change in our estimated environmental liabilities and an insurance settlement gain of $1.9 million.

Redemption of Series C Preferred Stock and Dividends and Accretion on Preferred Stock

We redeemed 25,000 shares of Series C preferred stock on June 30, 2004. For each of 2006 and 2005, redemption of Series C preferred stock and dividends and accretion on preferred stocks included dividends on our Series B preferred stock of $0.3 million.

Liquidity and Capital Resources

Cash and Cash Equivalents

Our primary sources of liquidity are cash flows from operations, existing cash, marketable securities, and funds available to borrow under our revolving facility. As of December 31, 2007, cash and cash equivalents were $119.5 million, marketable securities were $0.9 million, and funds available to borrow under the revolving facility were $30.2 million.

We intend to use our existing cash and cash equivalents, marketable securities and cash flow from operations to provide for our working capital needs, for the additional contingent purchase price associated with the Romic acquisition (which we determined and paid on March 31, 2008 at $2.0 million), and to fund capital expenditures. We anticipate that our cash flow provided by operating activities will provide the necessary funds on a short and long-term basis to meet operating cash requirements. We have accrued environmental liabilities as of December 31, 2007 of approximately $184.5 million, substantially all of which we assumed in connection with our acquisitions of substantially all of the CSD assets in September 2002 and of Teris LLC in August 2006. In March 2008, we accrued an estimated $2.6 million, subject to potential adjustment, of additional environmental liabilities as part of our acquisition of two solvent recycling facilities from

Safety-Kleen Systems, Inc. We anticipate our environmental liabilities will be payable over many years and that cash flow from operations will generally be sufficient to fund the payment of such liabilities when required. However, events not anticipated (such as future changes in environmental laws and regulations) could require that such payments be made earlier or in greater amounts than currently anticipated, which could adversely affect our results of operations, cash flow and financial condition.

We assess our liquidity in terms of our ability to generate cash to fund our operating, investing, and financing activities. Our primary ongoing cash requirements will be to fund operations, capital expenditures, and investments in line with the business strategy. Our primary sources of liquidity are internally generated cash flows and borrowings under our revolving credit facility. The first quarter of each fiscal year is typically a quarter with heavier cash usage; however, we believe our future operating cash flows will be sufficient to meet our future operating and investing cash needs. Furthermore, our ability to obtain equity financing, as well as availability of additional borrowings under our revolving credit facility, provide additional potential sources of liquidity should they be required.

Cash Flows for 2007

For the year ended December 31, 2007, we had a net increase of cash of $80.0 million from our operating activities. We reported net income for the period of $44.2 million. In addition, non-cash expenses during this period were $47.3 million. These non-cash expenses consisted primarily of $37.6 million for depreciation and amortization, $10.4 million for the accretion of environmental liabilities, a reduction of $7.5 million of deferred income taxes, $4.8 million for stock based compensation, $1.9 million for amortization of deferred financing costs and debt discount, $0.6 million reduction in change in environmental liabilities, and a reduction of $0.4 million in allowance for doubtful accounts. Net use of cash for working capital purposes totaled $11.5 million and consisted primarily of a $19.1 million increase in accounts receivable, $6.5 million of environmental expenditures, an increase of $2.9 million in other assets, a decrease of $4.6 million in accounts payable, and a $1.9 million increase in supplies inventory, offset by a $15.7 million increase in income tax payable, an increase of $6.2 million in other accrued expenses, and a decrease in unbilled receivables of $1.6 million.

For the year ended December 31, 2007, we used $42.8 million of net cash in our investing activities. Uses of cash totaled $47.5 million and consisted primarily of additions to property, plant, and equipment of $36.5 million, acquisition costs of $7.4 million, purchases of marketable securities of $2.3 million, and costs associated to obtain or renew permits and intangibles of $1.3 million. Sources of cash totaled $4.8 million, and consisted of $3.2 million from the sales of marketable securities, $0.9 million in proceeds from an insurance claim, and $0.6 million in proceeds from the sale of fixed assets.

For the year ended December 31, 2007, our financing activities resulted in a net cash increase of $2.7 million and consisted primarily of $6.4 million in excess tax benefit of stock-based compensation, $2.8 million from the exercise of stock options and warrants, and proceeds from the employee stock purchase plan of $1.2 million, partially offset by a $5.9 million decrease in uncashed checks, $1.5 million payments on capital leases, and $0.2 million in dividends on preferred stock.

Cash Flows for 2006

For the year ended December 31, 2006, we generated approximately $61.4 million of cash from operating activities. We reported net income for the period of $46.7 million. In addition, we reported non-cash expenses during this period totaling $37.5 million. These non-cash expenses

consisted primarily of $35.3 million of depreciation and amortization, accretion of environmental liabilities of $10.2 million, $3.4 million of stock-based compensation, a $2.4 million write-off of deferred financing costs and debt discount and $1.5 million of amortization of deferred financing costs. Other reductions of non-cash expense consisted primarily of $6.4 million of deferred income tax benefit and $9.6 million of reductions in environmental liability estimates. Uses of cash for working capital purposes totaled $30.2 million, reducing cash flow from operations by the same amount, and consisted primarily of an increase in accounts receivable of $5.0 million, an increase in unbilled accounts receivable of $5.7 million, environmental expenditures of $7.6 million and a decrease in accounts payable of $4.7 million. These uses of cash were partially offset by sources of cash from working capital that totaled $7.5 million and consisted of increases in deferred revenue of $3.9 million, income tax payable of $2.7 million, and other assets of $0.9 million.

For the year ended December 31, 2006, we used $98.9 million of cash in our investing activities. Sources of cash totaled $51.3 million and consisted of sales of restricted investments of $3.5 million, proceeds from the sale of assets of $2.0 million, proceeds from an insurance claim of $0.4 million and sales of marketable securities of $45.4 million. Cash used in investing activities totaled $150.1 million and consisted of the purchase price for Teris LLC of $51.5 million, purchases of property, plant and equipment of $40.7 million, purchases of marketable securities of $55.6 million, and costs associated with the renewal of permits of $2.3 million.

The purchase price was subject to post-closing adjustments based upon the amount by which Teris' net working capital as of the closing date exceeded or was less than $10.3 million and the amount by which capital spending incurred year-to-date by Teris exceeded or was less than the budgeted spending. Any adjustments to such estimate will result in a reduction or increase in the purchase price which will affect liquidity.

For the year ended December 31, 2006, our financing activities resulted in a net use of cash of $20.3 million. This use consisted primarily of principal payments on our debt of $58.5 million, offset by $30.0 million in proceeds from our term loan, the exercise of stock options and warrants of $2.4 million and the excess tax benefit of stock based compensation of $5.2 million.

Financing Arrangements

At December 31, 2007, we had outstanding $91.5 million of eight-year senior secured notes due 2012 (the "senior secured notes"), a $70.0 million revolving credit facility (the "revolving facility"), a $50.0 million synthetic letter of credit facility (the "synthetic LC facility"), and a $30.0 million term loan (the "term loan"). The principal terms of each of these financing arrangements are discussed further under "Description of Outstanding Indebtedness" elsewhere in this prospectus supplement. At December 31, 2007, under the revolving facility, we had no borrowings outstanding and $39.8 million of letters of credit outstanding, and had approximately $30.2 million available to borrow.

The indenture under which our senior secured notes are outstanding provides for certain covenants, the most restrictive of which requires us, within 120 days after the close of each twelve-month period ending on June 30 of each year (beginning June 30, 2005 and ending on June 30, 2011) to apply an amount equal to 50% of the period's Excess Cash Flow (as defined below) to either prepay, repay, redeem or purchase our first-lien obligations under the revolving facility, synthetic LC facility or capital lease obligations or to make offers ("Excess Cash Flow Offers") to repurchase all or part of the then outstanding senior secured notes at an offering price equal to 104% of their principal amount plus accrued interest. "Excess Cash Flow" is defined in the indenture as consolidated earnings before interest, taxes, depreciation and amortization ("EBITDA") less interest expense, all taxes paid or accrued in the period, capital expenditures made in cash

during the period, and all cash spent on environmental monitoring, remediation or relating to our environmental liabilities.

We offered on August 15, 2007, to repurchase up to $19.2 million principal amount of the senior secured notes at a price equal to 104% of the principal amount thereof, plus accrued interest. This offer, which expired on September 17, 2007, was not accepted by any holders of senior secured notes. No portion of our Excess Cash Flow earned through June 30, 2007, is required to be included in the amount of Excess Cash Flow earned in subsequent comparable annual periods. However, unless and until we redeem or repurchase all of the outstanding senior secured notes, the indenture's requirement to make Excess Cash Flow Offers in respect of Excess Cash Flow earned in subsequent twelve-month periods will remain in effect.

Liquidity Impacts of Uncertain Tax Positions

As discussed in Note 12, "Income Taxes," to our financial statements included under "Financial Statements" elsewhere in this prospectus supplement, we have significant liabilities associated with potential tax liabilities and related interest and penalties aggregating $50.1 million. These liabilities are classified as "other long-term liabilities" in our consolidated balance sheet in accordance with the provision of FIN 48 adopted on January 1, 2007 because of the uncertainties involved. We are not able to reasonably estimate when we would make any cash payments to settle these liabilities, which related to unrecognized tax benefits for which the statute of limitations might expire without examination by the respective taxing authority; however, we do not believe material cash payments will be required in the next 12 months.

Contractual Obligations

The following table has been included to assist the reader in analyzing our debt and similar obligations as of December 31, 2007 and our ability to meet such obligations (in thousands):

		Payments Due by Period			
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Closure, post-closure and remedial liabilities	$ 444,386	$ 19,207	$ 38,790	$ 29,550	$ 356,839
Pension funding	3,910	278	581	673	2,378
Long-term debt	121,518		30,000	91,518	
Interest on long-term obligations	52,695	10,611	21,054	21,030	
Capital leases	3,070	1,375	1,041	632	22
Operating leases	104,929	22,650	37,196	19,334	25,749
Total contractual obligations	$ 730,508	$ 54,121	$ 128,662	$ 162,737	$ 384,988

Note: As we are not able to reasonably estimate when we would make any cash payments to settle uncertain tax position liabilities, such amounts have not been included in the table above.

The undiscounted value of closure, post closure and remedial liabilities of $444.4 million is equivalent to the present value of $184.5 million based on discounting of $169.7 million and the remainder of $90.2 million to be accrued for closure and post-closure liabilities over the remaining site lives.

The following table has been included to assist the reader in understanding other contractual obligations we had as of December 31, 2007 and our ability to meet these obligations (in thousands):

		Payments Due by Period			
Other Commercial Commitments	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Standby letters of credit	$ 89,657	$ 88,938	$ 350	$ 369	$
Total commercial commitments	$ 89,657	$ 88,938	$ 350	$ 369	$

We obtained substantially all of the standby letters of credit described in the above table as security for financial assurance obligations which we have been required to provide to regulatory bodies for the hazardous waste facilities and which would be called only in the event that we failed to satisfy closure, post-closure and other obligations under the permits issued by those regulatory bodies for such licensed facilities. As further discussed under "Description of Outstanding Indebtedness" elsewhere in this prospectus supplement, we initially obtained substantially all of the standby letters of credit described in the above table under the $90.0 million synthetic LC facility established under our original credit agreement dated June 30, 2004, and on December 1, 2005, we replaced approximately $40.0 million of those outstanding standby letters of credit with letters of credit issued under the $70.0 million revolving facility established under our amended credit agreement dated December 1, 2005. Under our amended credit agreement, Bank of America, N.A., will issue at our request up to $50.0 million of letters of credit under the revolving facility established under that agreement and Credit Suisse will issue at our request up to $50.0 million of letters of credit under the $50.0 million synthetic LC facility established under that agreement. If any of the letters of credit issued under those facilities were to be called and we failed to satisfy on a timely basis our reimbursement obligations to the issuers of those letters of credit, Bank of America, N.A., and/or Credit Suisse would be entitled, as the administrative agents for the lenders under those facilities, to exercise their rights as secured creditors on substantially all of the assets of Clean Harbors, Inc. and our U.S. subsidiaries.

Off-Balance Sheet Arrangements

Except for our obligations under operating leases and letters of credit described above under "Contractual Obligations" and performance obligations incurred in the ordinary course of business, we are not now party to any off-balance sheet arrangements involving guarantee, contingency or similar obligations to entities whose financial statements are not consolidated with our results and that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that would be material to investors in our securities.

Capital Expenditures

We anticipate that 2008 capital spending will be between $55.0 million and $60.0 million, of which $2.6 million relates to complying with environmental regulations. However, changes in environmental regulations can require us to make significant capital expenditures for our facilities and adversely affect our results of operations and cash flow. For example, in 2002, the EPA promulgated Interim Standards of the Hazardous Waste Combustor Maximum Achievable Control Technology ("MACT") under the Federal Clean Air Act Amendments. These standards established new emissions limits and operational controls on all new and existing incinerators, cement kilns and light-weight aggregate kilns that burn hazardous waste-derived fuels. We have spent approximately $28.9 million since September 7, 2002 in order to bring our Deer Park, Texas and Aragonite, Utah

incineration facilities, which we then acquired as part of the CSD assets, and our Kimball, Nebraska facility into compliance with the MACT regulations. During 2006, we acquired an additional incineration facility located in Arkansas as part of our purchase of all of the membership interests in Teris LLC. Prior to that purchase, Teris LLC had spent in excess of $30 million in order to bring that incinerator into compliance with the MACT standards.

Auction Rate Securities

As of December 31, 2007, we had a total of $9.4 million invested in "auction rate securities." Auction rate securities are generally long-term debt instruments that provide liquidity through a Dutch auction process that resets the applicable interest rate at predetermined calendar intervals, generally every 28 days. This mechanism generally allows existing investors to rollover their holdings and continue to own their respective securities or liquidate their holdings by selling their securities at par value. As of March 31, 2008, we held approximately $8.5 million in auction rate securities at par, which may be subject to potential valuation adjustments which management is considering in connection with the preparation of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2008. We had reinvested $0.85 million of auction rate securities held at year-end into money market funds. During the first quarter of 2008, auctions failed for the balance of our auction rate securities totaling $8.5 million, and we are now earning interest on such securities at a default rate which varies by individual security. An auction failure means that those parties then wishing to sell such securities could not because the amount of securities then offered for sale exceeded the purchase orders.

We have the ability and intent to hold our remaining auction rate securities until a successful auction occurs and the securities are liquidated at par value. However, due to the current uncertainties in the market, there is no assurance that auctions for the remaining auction rate securities in our portfolio will succeed at the next interest reset date, and therefore our ability to liquidate our investments in such securities in the near term may be limited. All of our auction rate securities are currently rated AAA, the highest rating by the agencies, and consist of obligations of various issuers collateralized by student loans which are substantially backed by the federal government. We anticipate we will be able to liquidate our investment in auction rate securities during 2008 without material impact. However, because of the failed auctions which have occurred, and until there is a successful auction for them, $8.5 million of our investment in auction rate securities has been reclassified from current to non-current assets on our balance sheet as of December 31, 2007. If the issuers are unable to successfully close future auctions and the credit ratings deteriorate, we may in the future be required to record an impairment on these investments. Based on our expected operating cash flows and other sources of cash, we do not anticipate the credit impact on the auction rate securities market will affect our ability to execute our current operating plan.

Stockholder Matters

On May 18, 2005, Clean Harbors, Inc. filed restated articles of organization with the Massachusetts Secretary of State. As of the date of these restated articles of organization, the Series B convertible preferred stock was the only series of preferred stock which then remained authorized and outstanding. As a result of the filing, the authorized shares of common stock increased from 20,000,000 to 40,000,000, the authorized shares of Series A convertible preferred stock decreased from 894,585 to zero and the authorized shares of Series C convertible preferred stock decreased from 25,000 to zero. The current authorized number of shares is 40,000,000 for common stock and 1,080,415 for preferred stock (of which 156,416 have been designated as Series B convertible preferred stock).

As discussed under "Description of Capital Stock" elsewhere in this prospectus supplement, we issued on June 30, 2004, warrants to purchase 2.8 million shares of our common stock and paid $0.4 million of cash in lieu of warrants for certain other conversion rights of the holders of our previously outstanding Series C preferred stock. The warrants provide for an exercise price of $8.00 per common share and an expiration date of September 10, 2009. As of December 31, 2004, there were 2,775,000 warrants outstanding. On February 11, 2005, warrants for 717,060 shares were exercised in a cashless exercise that resulted in the issuance of 420,571 shares of common stock and cancellation of 296,489 warrants as payment of the exercise price of the issued shares. In October 2005, warrants for an aggregate of 1,559,250 shares were exercised for $12.5 million in cash. In December 2007, warrants for an aggregate of 150,000 shares were exercised for $1.2 million in cash. As of December 31, 2007 and 2006, warrants for an aggregate of 348,690 shares and 498,690 shares, respectively, remained outstanding.

On February 16, 1993, we issued 112,000 shares of Series B convertible preferred stock, $0.01 par value, for the acquisition of our Spring Grove facility. The liquidation value of each share of Series B preferred stock was the liquidation preference of $50.00 plus accrued but unpaid dividends. Series B preferred stock might be converted by the holder into common stock at a conversion rate which, as of December 31, 2006, was equal to $16.45 per share and was subject to customary antidilution adjustments. There was no expiration date associated with the conversion option. The holders of the Series B preferred stock elected to convert all of the 112,000 shares of Series B preferred stock originally issued into common stock as described in the following table:

Conversion Date	No. of Series B Preferred Shares Converted	No. of Common Shares Issued
October 19, 2004	42,000	127,680
November 29, 2005	1,000	3,040
Feb. 15, 2007	190	589
Dec. 28, 2007	68,810	209,200
	112,200	340,509

During the period that shares of Series B preferred stock were outstanding, dividends were payable on the 15th day of January, April, July and October, at the rate of $1.00 per share, per quarter. Under the terms of the Series B preferred stock, we could elect to pay dividends in cash or in common stock with a market value equal to the amount of the dividends payable. During the three years ended December 31, 2007, we paid in cash all dividends on the Series B preferred stock.

New Accounting Pronouncements

Information regarding our assessment of new accounting pronouncements can be found in Note 3, "Significant Accounting Policies," to the consolidated financial statements included under "Financial Statements" elsewhere in this prospectus supplement. The most significant of such information is as follows:

In December 2006, the FASB issued FASB Staff Position EITF 00-19-2, *Accounting for Registration Payment Arrangements* ("FSP EITF 00-19-2") which provides guidance on the accounting for registration payment arrangements. FSP EITF 00-19-2 specifies that the contingent obligation to make future payments or otherwise transfer consideration under a registration payment arrangement, whether issued as a separate agreement or included as a provision of a financial instrument or other agreement, should be separately recognized and measured in accordance with FASB Statement No. 5, *Accounting for Contingencies*. A registration payment arrangement is

defined in FSP EITF 00-19-2 as an arrangement with both of the following characteristics: (1) the arrangement specifies that the issuer will endeavor (a) to file a registration statement for the resale of specified financial instruments and/or for the resale of equity shares that are issuable upon exercise or conversion of specified financial instruments and for that registration statement to be declared effective by the Securities and Exchange Commission within a specified grace period, and/or (b) to maintain the effectiveness of the registration statement for a specified period of time (or in perpetuity); and (2) the arrangement requires the issuer to transfer consideration to the counterparty if the registration statement for the resale of the financial instrument or instruments subject to the arrangement is not declared effective or if effectiveness of the registration statement is not maintained. FSP EITF 00-19-2 is effective for registration payment arrangements and the financial instruments subject to those arrangements that are entered into or modified subsequent to December 21, 2006. For registration payment arrangements and financial instruments subject to those arrangements that were entered into prior to the issuance of FSP EITF 00-19-2, this guidance shall be effective for financial statements issued for fiscal years beginning after December 15, 2006, and interim periods within those fiscal years. The adoption of FSP EITF 00-19-2 on January 1, 2007 did not have an impact on our financial position or results of operations.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("FAS 157"). FAS 157 defines fair value, establishes a market-based framework or hierarchy for measuring fair value, and expands disclosures about fair value measurements. FAS 157 is applicable whenever another accounting pronouncement requires or permits assets and liabilities to be measured at fair value. FAS 157 does not expand or require any new fair value measures, however the application of this statement may change current practice. The requirements of FAS 157 are effective for fiscal years beginning after November 15, 2007. However, the FASB has deferred the implementation of SFAS 157 by one year for certain non-financial assets and liabilities, for which SFAS 157 will be effective for the fiscal year beginning January 1, 2009. Our management is evaluating the effect that adoption of FAS 157 will have on our financial position and results of operations.

In February 2007, the FASB issued Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("FAS 159"). This statement, which is expected to expand fair value measurement, permits entities to choose to measure many financial instruments and certain other items at fair value. FAS 159 is effective beginning in the first quarter of 2008. Management is assessing the impact FAS 159 may have on our financial position and results of operations.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* ("SFAS 141R") and SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of Accounting Research Bulletin No. 51* ("SFAS 160"). SFAS 141R will change how business acquisitions are accounted for and will impact financial statements both on the acquisition date and in subsequent periods. SFAS 160 will change the accounting and reporting for minority interests, which will be recharacterized as noncontrolling interests and classified as a component of equity. SFAS 141R and SFAS 160 are effective for us beginning in the first quarter of fiscal 2009. Early adoption is not permitted. We are evaluating the impact that SFAS 141R and SFAS 160 will have on our financial position and results of operations.

BUSINESS

We are one of the largest providers of environmental services and the largest operator of non-nuclear hazardous waste treatment facilities in North America based on 2007 industry reports. We service approximately 65% of North America's commercial hazardous incineration volume and 23% of North America's hazardous landfill volume, and are the industry leader in total hazardous waste disposal facilities. We perform environmental services for a diversified industry base with over 45,000 customers, including more than 325 Fortune 500 companies, in the United States, Canada, Puerto Rico and Mexico. We perform environmental services through a network of more than 100 service locations, and we operate six incineration facilities, nine commercial landfills, six wastewater treatment operations, and 20 transportation, storage and disposal facilities ("TSDFs"), as well as six polychlorinated biphenyls ("PCB") management facilities, two oil and used oil products recycling facilities, and two solvent recycling facilities. We can provide low cost solutions to our customers due to our large scale, industry knowledge, cost cutting and productivity-enhancing initiatives, and ability to internalize our waste streams.

The wastes that we handle include materials that are classified as "hazardous" because of their unique properties, as well as other materials subject to federal and state environmental regulation. We provide final treatment and disposal services designed to manage hazardous and non-hazardous wastes which cannot be economically recycled or reused. We transport, treat and dispose of industrial wastes for commercial and industrial customers, health care providers, educational and research organizations, other environmental services companies and governmental entities.

Clean Harbors, Inc. was incorporated in Massachusetts in 1980 and our principal offices are located in Norwell, Massachusetts. Shares of our common stock trade on The NASDAQ Global Select Market under the symbol "CLHB." We maintain a website at the following Internet address: http://www.cleanharbors.com. Through a link on this website to the SEC website, http://www.sec.gov, we provide free access to our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after electronic filing with the SEC. Our guidelines on corporate governance, the charters for our Board Committees, and our code of ethics for members of the Board of Directors, senior officers and the chief executive officer are also available on our website, and we will post on our website any waivers of, or amendments to, such code of ethics. Our website and the information contained therein or connected thereto are not incorporated by reference into this prospectus supplement or the accompanying prospectus.

Industry

According to industry reports, the hazardous waste disposal market in North America generates total revenues in excess of $2.0 billion per year. We also service the much larger industrial maintenance market. The $2.0 billion estimate does not include the industrial maintenance market, except to the extent that the costs of disposal of hazardous wastes generated as a result of industrial maintenance are included.

The largest generators of hazardous waste materials are companies in the chemical, petrochemical, primary metals, paper, furniture, aerospace and pharmaceutical industries. Hazardous waste types processed or transported include flammables, combustibles and other organics, acids and caustics, cyanides and sulfides, solids and sludge, industrial wastewaters, items containing polychlorinated biphenyls, or "PCBs" (such as utility transformers), and medical waste.

There are substantial barriers to entry into the hazardous waste management industry including high regulatory compliance costs and expertise, the arduous federal, state, provincial and local permitting processes for new disposal facilities, and the requirement for an extensive asset network, operating knowledge and major capital expenditures to purchase or construct new disposal facilities. As a result, no new hazardous waste incinerators or hazardous waste landfills have commenced commercial operations in North America in the last decade. We believe that industry fundamentals are improving. Capacity has been reduced in recent years causing stabilization in pricing, and new regulatory requirements have increased in-house disposal costs and outsourcing. Furthermore, customers are using fewer providers for their hazardous waste treatment and disposal needs as they seek to limit their outside vendors and the number of facilities in which their hazardous waste materials are disposed.

The hazardous waste management industry was "created" in 1976 with the passage of the Resource Conservation and Recovery Act ("RCRA"). RCRA requires waste generators to distinguish between "hazardous" and "non-hazardous" wastes, and to treat, store and dispose of hazardous waste in accordance with specific regulations. This new regulatory environment, combined with strong economic growth, increased corporate concern about environmental liabilities, and early-stage industry dynamics contributed initially to rapid growth in the industry. However, by the mid to late 1990s, the hazardous waste management industry was characterized by overcapacity, minimal regulatory advances and pricing pressure. Since 2001, over one-third of all North American commercial incineration capacity has been eliminated, and we believe that competition has been reduced through consolidation and that new regulations have increased the overall barriers to entry.

Underscoring these trends, we believe that the number of major industry participants in the North American hazardous waste sector has declined from over 20 in the early 1990s to only four major participants today. Since the mid 1990s, approximately 500,000 tons of annual incineration capacity has been eliminated as eight major incinerators were deactivated, substantially increasing average capacity utilization of the incinerators which remained in operation. Additionally, the Maximum Achievable Control Technologies ("MACT") standards have been implemented, which we believe increase compliance costs and drive increased outsourcing of incineration as customers with captive (i.e., in-house and non-commercial) incinerators choose to outsource rather than make the substantial investment in their facilities which would be required to achieve compliance.

The environmental services industry today includes a broad range of services including the following:

- **Collection, Transportation and Logistics Management** specialized handling, packaging, transportation and disposal of industrial waste, laboratory quantities of hazardous chemicals, household hazardous wastes, and pesticides;

- **Incineration** the preferred method for treatment of organic hazardous waste because it effectively destroys the contaminants;

- **Landfill Disposal** used primarily for the disposal of inorganic wastes;

- **Physical Waste Treatment** used to reduce the volume or toxicity of waste or make it suitable for further treatment, reuse, or disposal;

- **Resource Recovery and Fuels Blending** removes contaminants to restore fitness for an intended purpose and to reduce the volume of waste;

- **Wastewater Treatment** separates wastes including industrial liquid wastes containing heavy metals, organics and suspended solids through physical and chemical treatment so that the treated water can be discharged to local sewer systems under permits; and

Site Services includes the maintenance of industrial facilities and equipment such as recurring cleaning in order to continue operations, maintain and improve operating efficiencies, and satisfy safety requirements; the planned cleanup of hazardous waste sites and the cleanup of accidental spills and discharges, such as those resulting from transportation accidents; and the cleanup and restoration of buildings, equipment, and other sites and facilities that have been contaminated.

The collection and disposal of solid and hazardous wastes are subject to local, state, provincial and federal requirements and regulations, which regulate health, safety, the environment, zoning and land-use. Included in these regulations is the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), of the United States. CERCLA holds generators and transporters of hazardous substances, as well as past and present owners and operators of sites where there has been a hazardous release, strictly, jointly and severally liable for environmental cleanup costs resulting from the release or threatened release. Canadian companies are regulated under similar regulations, but the responsibility and liability associated with the waste passes from the generator to the transporter or receiver of the waste, in contrast to provisions of CERCLA.

Competitive Strengths

Leading Provider of Hazardous Waste Services and Disposal We are one of the largest providers of environmental services and the largest operator of non-nuclear hazardous waste treatment facilities in North America based on 2007 industry reports. We operate, in the aggregate, the largest number of incinerators, hazardous waste landfills, wastewater treatment facilities and TSDFs in North America, and provide multi-faceted and low cost services to a broad mix of customers. We attract and better serve our customers because of our capabilities and the size, scale and geographic location of our assets, which allow us to serve multiple locations. Finally, as our collections of waste increase, our size allows us to increase our cash flow and earnings as we can internalize a greater volume of waste in our incinerators and landfills.

Large and Diversified Customer Base We service over 325 of the Fortune 500 companies and more than 45,000 customers overall, including commercial and industrial customers, health care providers, educational and research organizations, other environmental services companies and governmental entities. This diversification limits our credit exposure to any one customer or industry.

Stable and Recurring Revenue Base We have long-standing relationships with our customers, averaging 15 years with our top ten customers by revenue. Our diversified customer base also provides stable and recurring revenues as a majority of our revenues are derived from previously served customers with recurring needs for our services. In addition, the costs to our customers of switching providers are high. This is due to many customers' desire to audit disposal facilities prior to their qualification as approved sites and to limit the number of facilities to which their wastes are shipped in order to reduce their potential liability under U.S. environmental regulations. We have been selected as an approved vendor by large generators of waste because we possess comprehensive collection, recycling, treatment, transportation, disposal, and waste tracking capabilities and have the expertise necessary to comply with applicable environmental laws and regulations. Those customers which have selected us as an approved vendor typically continue to use our services on a recurring basis.

Comprehensive Service Capabilities Our comprehensive service offerings allow us to act as a full service provider to our customers. Our full service orientation creates incremental revenue growth as customers seek to minimize the number of outside vendors and demand "one-stop" service providers. Our expanded geographic coverage maximizes the number of customer facilities that we can service.

Integrated Network of Assets We have the most extensive collection of incinerators, landfills, treatment facilities and TSDFs in North America. Our broad network enables us to effectively handle a waste stream from origin through disposal and to efficiently direct and internalize our waste streams to reduce costs.

Regulatory Compliance We have recently made substantial capital investments in our facilities to ensure that they are in substantial compliance with current federal, state, provincial and local regulations. Companies that rely on in-house disposal may find the current regulatory requirements to be too capital-intensive or complicated, and may choose to outsource many of their hazardous waste disposal needs.

Effective Cost Management Our significant scale allows us to maintain low costs through standardized compliance procedures, significant purchasing power, research and development capabilities and our ability to efficiently utilize logistics and transportation to economically direct waste streams to the most efficient facility. We also have the ability to internalize the substantial majority of all hazardous waste that we manage for our customers. Finally, we are committed to reducing costs and have significantly reduced headcount and other operating costs.

Proven and Experienced Management Team Our 16 executive officers collectively have over 230 years of experience in the environmental services industry. Our chief executive officer founded our Company in 1980, and the average tenure of the 15 other members of the executive management team exceeds 13 years.

Business Strategy

Our strategy is to develop and maintain ongoing relationships with a diversified group of customers who have recurring needs for environmental services. We strive to be recognized as the premier supplier of a broad range of value-added environmental services based upon quality, responsiveness, customer service, information technologies, breadth of product offerings and cost effectiveness. The principal elements of our business strategy are to:

Improve Utilization of Existing Waste Facilities We operate an extensive network of hazardous waste management properties and have made substantial investments in these facilities to date, which will provide us with significant operating leverage as volumes increase. In addition, there are opportunities to expand waste handling capacity at these facilities by modifying the terms of the existing permits and by adding capital equipment and new technology. Through selected permit modifications, we can expand the range of treatment services offered to our customers without the large capital investment necessary to acquire or build new waste management facilities.

Focus on Cost Reductions We continually seek to increase efficiency and to reduce costs in our business through enhanced technology, process reengineering and more stringent expense management.

Capitalize on Outsourcing and Demand for Service Provider Consolidation We believe that our large industrial customers increasingly require a comprehensive range of environmental services to be provided by a smaller number of service providers. This trend should place smaller operators at a competitive disadvantage due to their size and limited

financial resources. Furthermore, many of our customers are seeking to focus on their core competencies and are outsourcing their hazardous waste disposal needs. Environmental regulations, such as the MACT standards, have significantly increased regulatory compliance costs, leading to a decrease in captive incinerator capacity and additional outsourcing as these customers may choose to shut down their incinerators rather than invest substantial capital like we have invested in our facilities. We seek to work with our customers to handle a greater amount of their hazardous waste disposal needs arising from these outsourcing trends and to capitalize on the demand for the expanded portfolio of environmental services that we offer.

Expand Network of Service Centers We believe that the Site Services division has a competitive advantage, particularly in areas where service centers are located at or near a TSDF. By opening additional service centers in close proximity to the TSDFs we now operate, we believe that we can, with minimal capital expenditures, increase our market share within the site services segment of the waste disposal market. We believe much of this additional waste can be sent to our existing facilities at competitive transportation costs thereby increasing utilization and enhancing overall profitability.

Develop New Services and Penetrate the Industrial Maintenance Services Market Industrial waste customers continue to demand alternatives to traditional waste disposal in order to increase recycling and reclamation activities and to minimize the end disposal of hazardous waste. We plan to utilize our technological expertise and track record of innovation to further improve and expand the range of services that we offer, and to develop less expensive methods of disposal.

Selective Acquisition Strategy We also intend to actively pursue small accretive "bolt-on" acquisitions in certain services or market sectors where we believe such acquisitions can enhance and expand our business with minimal capital outlay. We believe that we can expand existing services, especially in our non-disposal services, through strategic acquisitions in order to generate incremental revenues from existing and new customers and to obtain greater market share. We will continue to review other acquisition possibilities on a case-by-case basis.

Services

We provide a wide range of environmental services and manage our business as two major segments: Technical Services and Site Services.

Technical Services (71% of 2007 revenue). These services involve the collection, transport, treatment and disposal of hazardous and non-hazardous wastes, and include physical treatment, resource recovery, fuels blending, incineration, landfill disposal, wastewater treatment, lab chemical disposal, explosives management, and CleanPack® services. Our CleanPack® services include the collection, identification and categorization, specialized packaging, transportation and disposal of laboratory chemicals and household hazardous wastes. Our technical services are provided through a network of service centers from which a fleet of trucks or railcars is dispatched to pick up customers' wastes either on a predetermined schedule or on-demand and to deliver such wastes to permitted facilities, which are usually owned by us. Our service centers can also dispatch chemists to a customer location for the collection of chemical and laboratory waste for disposal. Our Technical Services segment also offers Apollo Onsite Services, which customize environmental programs at customer sites.

Site Services (29% of 2007 revenue). These services provide customers with highly skilled experts who utilize specialty equipment and resources to perform services at any chosen location. Under the Site Services umbrella, our Field Service crews and equipment are dispatched on a

planned or emergency basis, and perform services such as confined space entry for tank cleaning, site decontamination, large remediation projects, selective demolition, spill cleanup, railcar cleaning, product recovery and transfer, scarifying and media-blasting and vacuum services. Additional services include used oil and oil products recycling, as well as PCB management and disposal.

Also, as part of Site Services, Industrial Services crews focus on industrial cleaning and maintenance projects. Our Industrial Services manage hazardous, non-hazardous, wet and dry materials and specialize in chemical cleaning, hydro blasting, liquid/dry vacuuming, sodium bicarbonate blasting, line cleaning, boiler cleanouts, and steam cleaning of our customers' process equipment and systems, as well as video inspection. Additionally, specialized project work such as dewatering, and on-site material processing utilizing thermal treatment units are also performed on customers' sites. We market these services through our internal sales organizations and, in many instances, delivery of services in one area supports or leads to business in our other service lines or segments.

The table below shows for each of the three years in the three-year period ended December 31, 2007 the total revenues contributed by our principal lines of business (in thousands):

	Years Ended December 31,		
	2007	2006	2005
Technical Services	$ 672,213	$ 558,407	$ 472,884
Site Services	275,815	271,092	239,218
Other	(1,111)	310	(932)
	$ 946,917	$ 829,809	$ 711,170

Additional segment information can be found in Note 17, "Segment Reporting," to our consolidated financial statements included under "Financial Statements" elsewhere in this prospectus supplement.

Technical Services

Technical Services provides the collection, transportation and logistics management of containerized and bulk waste, as well as the categorizing, packaging and removal of laboratory chemicals for disposal (CleanPack®). Through a highly coordinated transportation fleet, we provide reliable, cost effective transportation and disposal to customers across North America. From the Technical Service Centers, we dispatch trucks to pick up customers' waste on a predetermined schedule as well as on demand, and then deliver it to one of our nearby transfer, storage and disposal facilities. From these same Technical Service Centers, we dispatch specially trained chemists to customer locations to safely collect, label and package all quantities of laboratory chemicals for disposal.

Collection, Transportation and Logistics Management

As an integral part of our services, we collect industrial wastes from customers and transport such wastes by us to and between our facilities for treatment or bulking for shipment to final disposal locations. Customers typically accumulate waste in containers, such as 55 gallon drums, bulk storage tanks or 20 cubic yard roll-off boxes. In providing this service, we utilize a variety of specially designed and constructed tank trucks and semi-trailers as well as third party transporters, including railroads. Liquid waste is frequently transported in bulk, but may also be transported in drums. Heavier sludge or bulk solids are transported in sealed, roll-off boxes or bulk dump trailers. Our fleet is equipped with a mobile satellite monitoring system and communications network, which allows real time communication with the transportation fleet.

Treatment and Disposal

We transport, treat and dispose of industrial wastes for commercial and industrial customers, health care providers, educational and research organizations, other environmental services companies and governmental entities. The wastes handled include substances, which are classified as "hazardous" because of their corrosive, ignitable, infectious, reactive or toxic properties, and other substances subject to federal, state and provincial environmental regulation. We provide final treatment and disposal services designed to manage hazardous and non-hazardous wastes, which cannot be otherwise economically recycled or reused.

We operate a network of TSDFs that primarily focuses on the collection of waste from smaller to mid-size generators. These TSDFs collect, temporarily store and/or consolidate compatible waste streams for more efficient transportation to final recycling, treatment or disposal destinations. TSDFs in the United States have Part B permits under RCRA that, among other things, allow us to store waste for up to one year for bulking, treatment or transfer purposes. Larger customers typically ship directly to the end disposal sites with full truckloads of material. Depending upon the content, the material collected at the TSDFs is either disposed of at our incineration, landfill or wastewater treatment facilities, disposed of at end disposal facilities not owned by us, or recycled. Waste types processed or transferred in drums or bulk quantities include:

- Flammables, combustibles and other organics;
- Acids and caustics;
- Cyanides and sulfides;
- Solids and sludge;
- Industrial wastewaters;
- Items containing PCBs, such as utility transformers and electrical light ballasts;
- Other regulated wastes; and
- Non-hazardous industrial waste.

We receive detailed waste profiles prepared by our customers to document the nature of the waste. A sample of the delivered waste is tested to ensure that it conforms to the customer-generated waste profile record and to select an appropriate method of treatment and disposal. Once the wastes are characterized, compatible wastes are consolidated to achieve economies in storage, handling, transportation and ultimate treatment and disposal. At the time of acceptance of a customer's waste at our facility, a unique computer "bar code" identification label is assigned to each container of waste, enabling the use of sophisticated computer systems to track and document the status, location and disposition of the waste.

Physical Treatment. Physical treatment methods include distillation, separation and stabilization. These methods are used to reduce the volume or toxicity of waste material or to make it suitable for further treatment, reuse, or disposal. Distillation uses either heat or vacuum to purify liquids for resale. Separation utilizes techniques such as sedimentation, filtration, flocculation and centrifugation to remove solid materials from liquids. Stabilization refers to a category of waste treatment processes designed to reduce contaminant mobility or solubility and convert waste to a more chemically stable form. Stabilization technology includes many classes of immobilization systems and applications. Stabilization is a frequent treatment method for metal-bearing wastes received at several of our facilities, which treat the waste to meet specific federal land disposal restrictions. After treatment, the waste is tested to confirm that it has been rendered non-hazardous. It can then be sent to a non-hazardous waste landfill, at significantly lower cost than disposal at a hazardous waste landfill.

Resource Recovery and Fuels Blending. Resource recovery involves the treatment of wastes using various methods, which effectively remove contaminants from the original material to restore its fitness for its intended purpose and to reduce the volume of waste requiring disposal. We operate treatment systems for the reclamation and reuse of certain wastes, particularly solvent-based wastes generated by industrial cleaning operations, metal finishing and other manufacturing processes.

Spent solvents that can be recycled are processed through thin film evaporators and other processing equipment and are distilled into usable products. Upon recovery of these products, we either return the recovered solvents to the original generator or sell them to third parties. Organic liquids and solids with sufficient heat value are blended to meet strict specifications for use as supplemental fuels for incinerators, cement kilns, industrial furnaces and other high efficiency boilers. We have installed fuels blending equipment at some TSDFs to prepare these supplemental fuels. When possible, we burn fuel blended material at our incinerators. Otherwise, we send the fuel blended material to supplemental fuel users that are licensed to accept the blended fuel material. Although we pay a fee to the users that accept this product, this disposal method is substantially less costly than other disposal methods.

Incineration. Incineration is the preferred method for the treatment of organic hazardous waste, because it effectively destroys the contaminants at temperatures in excess of 2,000 degrees Fahrenheit. High temperature incineration effectively eliminates organic wastes such as herbicides, halogenated solvents, pesticides, and pharmaceutical and refinery wastes, regardless of whether they are gases, liquids, sludge or solids. Federal and state incineration regulations require a destruction and removal efficiency of 99.99% for most organic wastes and 99.9999% for PCBs and dioxin.

We have six active incineration facilities that offer a wide range of technological capabilities to customers through this network. In the United States, we operate a fluidized bed thermal oxidation unit for maximum destruction efficiency of hazardous waste with an annual capacity of 55,000 tons, and three solids and liquids-capable incineration facilities with a combined estimated annual capacity of 280,000 tons. We also operate two hazardous waste liquid injection incinerators in Canada with total annual capacity of approximately 164,000 tons.

Our incineration facilities in Kimball, Nebraska, Deer Park, Texas, El Dorado, Arkansas and Aragonite, Utah are designed to process liquid organic wastes, sludge, solids, soil and debris. The Deer Park, Texas facility has two kilns and a rotary reactor. Our El Dorado, Arkansas incineration facility specializes in the treatment of bulk and containerized hazardous liquids, solids and sludge through two rotary kilns. Our incineration facilities in Kimball, Nebraska and Deer Park, Texas have on-site landfills for the disposal of ash and other waste material produced as a result of the incineration process.

Our incineration facilities in Mercier, Quebec and Lambton, Ontario are liquid injection incinerators, designed primarily for the destruction of liquid organic waste. Typical waste streams include wastewater with low levels of organics and other higher concentration organic liquid wastes not amenable to conventional physical or chemical waste treatment.

The North American hazardous waste incineration market is now served by a total of 11 major incineration facilities operated by a total of five companies. We own six of these active incineration facilities and offer a wide range of technological capabilities to our customers through this network. The primary competitors in the incineration market are Veolia Environmental Services (formerly Onyx Environmental Services), which operates two incineration facilities, and WTI (a joint venture between Von Roll America and Heritage Environmental Services) and Ross Incineration Services, Inc., each of which operates one incineration facility.

Landfills. Landfills are used primarily for the disposal of inorganic wastes. In the United States and Canada, we operate nine commercial landfills. Seven commercial landfills are designed and permitted for the disposal of hazardous wastes and two landfills are operated for non-hazardous industrial waste disposal and, to a lesser extent, municipal solid waste. In addition to our commercial landfills, we also own and operate two non-commercial landfills that only accept waste from our on-site incinerators.

Of the seven commercial landfills used for disposal of hazardous waste, five are located in the United States, and two are located in Canada. As of December 31, 2007, the useful economic lives (for accounting purposes) of these landfills include approximately 25.2 million cubic yards of remaining capacity. This estimate of the useful economic lives of these landfills includes permitted airspace and unpermitted airspace that management believes to be probable of being permitted based on our analysis of various factors. In addition to the capacity included in the useful economic lives of these landfills, there are approximately 35.2 million cubic yards of additional unpermitted airspace capacity included in the footprints of these landfills that may ultimately be permitted. There can be no assurance that this unpermitted additional capacity will be permitted. In addition to hazardous waste landfill sites, we operate two non-hazardous industrial landfills with 2.3 million cubic yards of remaining permitted capacity. These two facilities are located in the United States and have been issued operating permits under the authority of Subtitle D of RCRA. Prior to issuance of a permit, we must demonstrate to the permitting agency that our non-hazardous industrial landfills have, and must subsequently employ, operational programs protective of the integrity of the landfill, human health and the surrounding environment. Our non-hazardous landfill facilities are permitted to accept commercial industrial waste, including wastes from foundries, demolition and construction, machine shops, automobile manufacturing, printing, metal fabrications and recycling.

The North American hazardous waste landfill disposal market is serviced by 20 facilities owned by a total of ten companies. While most of these companies operate two or fewer facilities, we and Waste Management, Inc. have a significant share of the North American market. Other competitors include Heritage Environmental Services, Envirosource, Inc., American Ecology Corp., Wayne Disposal, Inc. / EQ and Stablex Canada.

Wastewater Treatment. We operate six wastewater treatment facilities that offer a range of wastewater treatment technologies. These wastewater treatment operations involve processing hazardous and non-hazardous wastes through the use of physical and chemical treatment methods. The solid waste materials produced by these wastewater processing operations are then disposed of at facilities which are owned by us, or at offsite facilities owned and operated by unrelated businesses, while the treated effluent is discharged to the local sewer system under permit.

Our wastewater treatment facilities treat a broad range of industrial liquid and semi-liquid wastes containing heavy metals, organics and suspended solids, including:

- Acids and caustics;
- Ammonias, sulfides and cyanides;
- Heavy metals, ink wastes and plating solutions;
- Landfill leachate and scrubber waters; and
- Oily wastes and water-soluble coolants.

Wastewater treatment can be economical as well as environmentally sound, by combining different wastewaters in a "batching" process that reduces costs for multiple waste stream disposal.

For instance, acidic waste from one source can be neutralized with alkaline from a second source to produce a neutral solution.

Solvent Recycling. In March 2008, we acquired from Safety-Kleen Services, Inc. two solvent recycling facilities which are located in Chicago, Illinois and Hebron, Ohio, These facilities treat and recycle dry cleaning solvents and other chemicals used for commercial and industrial purposes.

Our wastewater treatment and solvent recycling facilities compete against a number of competitors with multiple facilities such as Rhodia, Philip Services Corp., Siemens Water Technologies (formerly USFilter), Heritage Environment Services LLC, and Envirite, Inc. There are also a number of operators with single facilities that process high volumes of waste in niche markets such as Dupont Environmental Treatment.

Explosives Management.

We dispose of munitions and other explosives at our facility in Colfax, Louisiana.

CleanPack® Services

CleanPack® provides specialized handling, packaging, transportation and disposal of laboratory quantities of outdated hazardous chemicals, household hazardous wastes, and waste pesticides and herbicides. CleanPack® chemists utilize our proprietary waste management software system to support our lab pack services and complete the regulatory information required for every pick-up. The CleanPack® operation services a wide variety of customers including:

- Pharmaceutical companies;
- Engineering, and research and development departments of industrial companies;
- College, university and high school laboratories;
- Commercial laboratories;
- Hospital and medical care laboratories;
- State and local municipalities; and
- Thousands of agribusinesses and residents through household hazardous waste and pesticide/herbicide collection programs.

CleanPack® chemists collect, identify, label, and package waste into Department of Transportation approved containers. Lab packed wastes are then transported to one of our facilities where the waste is consolidated for recycling, reclamation, fuels blending, aqueous treatment, incineration or secure chemical landfill. Other services provided by our CleanPack® operations include:

Household Hazardous Waste. We perform one-day, multi-day or mobile household hazardous waste and pesticide collection programs throughout the U.S. and Canada. These collection programs provide communities and their residents the opportunity to properly dispose of their paints, solvents, batteries, fluorescent lamps, cleaners, pesticides and other potentially hazardous materials.

Reactive Materials Services. Reactive materials technicians utilize specialized equipment and training to stabilize and desensitize highly reactive and potentially explosive chemicals.

CustomPack® Services. We provide training, technical support, and disposal services for customers with the resources and experience to package their own waste chemicals.

Cylinder and Compressed Gas Management Services. Cylinder teams made up of experienced, highly-trained specialists, identify, analyze, overpack, transfer, or stabilize compressed gases and leaking or damaged pressurized cylinders.

Laboratory Move Services. CleanPack® chemists properly and safely segregate, package, transport, and unpackage hazardous chemicals being moved from older laboratories to newer laboratories.

Laboratory Closures Services. CleanPack® crews perform comprehensive, site-specific chemical removal and disposal, as well as decontamination for facilities and laboratories undergoing a closure or major cleanout.

Site Services

We provide a wide range of environmental site services to maintain industrial facilities and process equipment, as well as clean up or contain actual or threatened releases of hazardous materials into the environment. These services are provided to a wide range of clients including large chemical, petroleum, transportation, utility, and governmental agencies. Our strategy is to identify, evaluate, and solve customers' environmental problems, on a planned or emergency basis, by providing a comprehensive interdisciplinary response to the specific requirements of each job or project.

Site Services is responsible for providing trained, skilled labor and specialty equipment to perform various services on a customer's site or other location. We dispatch Field Service crews and equipment on a planned or emergency basis to manage routine cleaning in hazardous environments or emergencies such as a chemical or oil spill clean up. Industrial Service crews focus on industrial cleaning and maintenance projects that typically require fast turnaround, or complex onsite material processing.

Field Services. We dispatch crews and equipment on a scheduled or emergency basis to perform everything from site decontamination and remediation projects to selective demolition, emergency response, spill cleanup and vacuum services. Whether the action is planned, corrective or the result of an emergency response, our multidisciplinary team of remedial action professionals provide solutions to a variety of industrial cleanup problems. Field Services performs a wide variety of services including:

- Emergency response;
- Site decontamination;
- Product recovery and transfer;
- Tank cleaning;
- Vacuum services;
- Demolition;
- Marine services;
- Remediation and environmental construction; and
- PCB management and disposal.

Industrial Services. The fast turnaround of industrial cleaning and maintenance projects requires the right technologies, experience and care. Every project that Industrial Services performs incorporates techniques of chemistry, operational analysis and experience to identify the right process and procedure to satisfy customer needs. Industrial Services focuses on planned cleaning activities most often associated with plant maintenance, shutdowns, routine boiler cleanouts, heat exchangers, process vessels and tanks and includes the following services:

- Hydro blasting;

- Vacuum services;
- Steam cleaning;
- Sodium bicarbonate blasting;
- Dewatering and pressing;
- Material processing;
- Chemical cleaning; and
- Container management.

Other Services

Apollo Onsite Services. Our Apollo Onsite Services Program is an on-site solution that allows customers to outsource all or portions of their environmental management program. The Apollo Program serves the dual purpose of not only improving customers' waste stream management, but also can make their entire environmental program safer, more cost effective and self-sufficient. Select technicians work on a customer's site in tandem with the customer to deliver proper waste transportation and disposal, lab chemical packing (CleanPack®), and can include field services and industrial services. Whether a customer requires a single field technician or a multi-person team of diversified experience, we design the right program to satisfy the customer's specific need. Apollo Onsite Services utilize a hand-in-hand, team approach that leverages our extensive resources and infrastructure, including Web-enhanced technologies and online services. Additionally, the Apollo Onsite Program leverages our transportation and disposal assets by providing incremental volumes to process at our facilities. The Apollo Onsite Services Program provides:

- Management of drum, bulk and lab pack quantities of hazardous and non-hazardous wastes;
- Specialized environmental labor;
- Management of waste from source to final destination;
- Chemical consolidation, bulking and packaging;
- Solid waste management;
- Transportation and logistics for offsite disposal; and
- Inspection of satellite and 90-day storage facilities.

Information Management Services. Our Online Services allow customers free access to their waste information online, 24 hours per day, seven days per week. Customers can create, submit, edit and view their waste profiles; automatically receive waste tracking reports; and have the ability to view, print or download signed manifests.

Seasonality and Cyclical Nature of Business

Our operations may be affected by seasonal fluctuations due to weather and budgetary cycles influencing the timing of customers' spending for remedial activities. Typically during the first quarter of each year there is less demand for environmental services due to the cold weather, particularly in the Northern and Midwestern United States and Canada. The main reason for this effect is reduced volumes of waste being received at our facilities and higher operating costs associated with operating in sub-freezing weather and high levels of snowfall. In addition, factory closings for the year-end holidays reduce the volume of industrial waste generated, which results in lower volumes of waste handled by us during the first quarter of the following year.

Geographical Information

For the year ended December 31, 2007, we derived $821.9 million or 86.8% of revenues from customers located in the United States and Puerto Rico, $124.0 million or 13.1% of revenues from customers located in Canada, and less than 1.0% of revenues from customers in Mexico. For the year ended December 31, 2006, we derived approximately $712.9 million or 85.9% of revenues from customers located in the United States and Puerto Rico, approximately $116.2 million or 14.0% of revenues from customers located in Canada, and less than 1.0% of revenues from customers in Mexico.

As of December 31, 2007, we had property, plant and equipment, net of depreciation and amortization, of $262.6 million, and permits and other intangible assets of $74.8 million. Of these totals, $31.9 million or 12.2% of property, plant and equipment and $26.5 million or 35.5% of permits and other intangible assets were in Canada, with the balance being in the United States and Puerto Rico (except for insignificant assets in Mexico).

Competitive Conditions

The hazardous and industrial waste management industry, in which we compete, is highly competitive. The sources of competition vary by locality and by type of service rendered, with competition coming from the other major waste services companies and hundreds of privately owned firms that offer waste services. We compete against three major companies, which are Philip Services Corp., Veolia Environmental Services (formerly named Onyx Environmental Services), and Waste Management, Inc. We also compete against regional waste management companies and numerous small companies. Each of these competitors is able to provide one or more of the environmental services offered by us. In addition, we compete with many firms engaged in the transportation, brokerage and disposal of hazardous wastes through recycling, waste-derived fuels programs, thermal treatment or landfill. The principal methods of competition for all our services are price, quality, reliability of service rendered and technical proficiency in handling industrial and hazardous wastes properly. We believe that we offer a more comprehensive range of environmental services than our competitors in major portions of our service territory, that our ability to provide comprehensive services supported by unique information technologies capable of managing the customers' overall environmental program constitutes a significant competitive advantage, and that our stable ownership allows us to focus on building long-term relationships with our customers.

Treatment and disposal operations are conducted by a number of national and regional environmental services firms. We believe that our ability to collect and transport waste products efficiently, quality of service, safety, and pricing are the most significant factors in the market for treatment and disposal services.

For our site services, CleanPack® and onsite services, competitors include several major national and regional environmental services firms, as well as numerous smaller local firms. We believe that availability of skilled technical professional personnel, quality of performance, diversity of services and price are the key competitive factors in this service industry.

In the United States, the original generators of hazardous waste remain liable under federal and state environmental laws for improper disposal of such wastes. Even if waste generators employ companies that have proper permits and licenses, knowledgeable customers are interested in the reputation and financial strength of the companies they use for management of their hazardous wastes. We believe that our technical proficiency and reputation are important considerations to our customers in selecting and continuing to utilize our services.

Compliance/Health and Safety

We regard compliance with applicable environmental regulations and the health and safety of our workforce as critical components of our overall operations. We strive to maintain the highest professional standards in our compliance and health and safety activities. Our internal operating requirements are in many instances more stringent than those imposed by regulation. Our compliance program has been developed for each of our waste management facilities and service centers under the direction of our corporate staff. The compliance and health and safety staffs are responsible for facilities permitting and regulatory compliance, health and safety, field safety, compliance training, transportation compliance, and related record keeping. To ensure the effectiveness of our regulatory compliance program, our Compliance organization monitors daily operational activities and issues a monthly report to senior management concerning the status of environmental compliance and health and safety programs. We also have an Environmental Health and Safety Compliance Internal Audit Program designed to identify any weaknesses or opportunities for improvement in our ongoing compliance programs. We also perform periodic audits and inspections of the disposal facilities of other firms utilized by us.

Our facilities are frequently inspected and audited by regulatory agencies, as well as by customers. Although our facilities have been cited on occasion for regulatory violations, we believe that each facility is currently in substantial compliance with applicable requirements. Major facilities and service centers have a full-time compliance or health and safety representative to oversee the implementation of our compliance program at the facility or service center. These highly trained regulatory specialists are independent from operations and report to the Senior Vice President of Compliance and Regulatory Affairs, who ultimately reports to the General Counsel.

Employees

As of December 31, 2007, we employed approximately 4,769 active full-time employees, of which 562 employees (12%) are represented by labor unions. We believe that our relationship with our employees is satisfactory.

	Number of Employees
Unions in the United States:	
International Brotherhood of Teamsters	170
United Steelworkers' Union	184
Unions in Canada:	
Communication, Energy and Paper Workers' Union	111
International Brotherhood of Teamsters	85
International Union of Operating Engineers	12
Non-union employees	4,207
	4,769

As part of our commitment to employee safety and quality customer service, we have an extensive compliance program and a trained environmental, health and safety staff. We adhere to a risk management program designed to reduce potential liabilities to us and to our customers.

Intellectual Property

We have invested significantly in the development of proprietary technology and also to establish and maintain an extensive knowledge of the leading technologies and incorporate these technologies into the environmental services that we offer and provide to our customers. We hold a total of four patents (which will expire in 2009, two in 2010 and 2013, respectively), and 12

trademarks in the United States, and we license software and other intellectual property from various third parties. We enter into confidentiality agreements with certain of our employees, consultants and corporate partners, and control access to software documentation and other proprietary information. We believe that we hold adequate rights to all intellectual property used in our business and that we do not infringe upon any intellectual property rights held by other parties.

Management of Risks

We adhere to a program of risk management policies and practices designed to reduce potential liability, as well as to manage customers' ongoing environmental exposures. This program includes installation of risk management systems at our facilities, such as fire suppression, employee training, environmental, auditing and policy decisions restricting the types of wastes handled. We evaluate all revenue opportunities and decline those that we believe involve unacceptable risks.

We dispose of waste at our incineration, wastewater treatment and landfill facilities, or at facilities owned and operated by other firms that we have audited and approved. Typically, we apply established technologies to the treatment, storage and recovery of hazardous wastes. We believe our operations are conducted in a safe and prudent manner and in substantial compliance with applicable laws and regulations.

Insurance and Financial Assurance

Our insurance programs cover the potential risks associated with our multifaceted operations from two primary exposures: direct physical damage and third party liability. We maintain a casualty insurance program providing coverage for vehicles, employer's liability and commercial general liability in the aggregate amount of $55.0 million, $52.0 million and $52.0 million, respectively, per year, subject to a retention of $0.5 million per occurrence. We also have workers' compensation insurance whose limits are established by state statutes. Since the early 1980s, casualty insurance policies have typically excluded liability for pollution, which is covered under a separate pollution liability program; however, our auto liability policy does provide the first $5 million of transportation pollution insurance.

We have pollution liability insurance policies covering potential risk in three areas: as a contractor performing services at customer sites, as a transporter of waste and for waste processing at our facilities. The contractor's pollution liability insurance has limits of $15.0 million per occurrence and $25.0 million in the aggregate, covering offsite remedial activities and associated liabilities. A $0.25 million deductible applies to this policy.

For in-transit pollution liability, the pollution liability policy provides $45 million per occurrence and $55 million aggregate excess limits above the primary $5 million auto liability policy. The combined limits of these policies provides the company with limits of $50.0 million per occurrence and $60.0 million aggregate for sudden and accidental occurrences during transportation of waste from the time waste is picked up from a customer until its delivery to the final disposal site. A $0.5 million deductible applies to this coverage.

Federal and state regulations require liability insurance coverage for all facilities that treat, store or dispose of hazardous waste. The Resource Conservation Recovery Act, the Toxic Substances Control Act, and comparable state hazardous waste regulations typically require hazardous waste handling facilities to maintain pollution liability insurance in the amount of $1.0 million per occurrence and $2.0 million in the aggregate for sudden occurrences, and $3.0 million per occurrence and $6.0 million in the aggregate for non-sudden occurrences. Steadfast Insurance Company insures our treatment, storage and disposal activities that meets the

regulatory requirements. In addition, this policy provides excess limits above the regulatory requirements up to $30.0 million.

Under our insurance programs, coverage is obtained for catastrophic exposures as well as those risks required to be insured by law or contract. It is our policy to retain a significant portion of certain expected losses related primarily to employee benefit, workers' compensation, commercial general and vehicle liability. Provisions for losses expected under these programs are recorded based upon our estimates of the actuarial promulgation of the aggregate liability for claims. We believe that policy cancellation terms are similar to those of other companies in other industries.

Operators of hazardous waste handling facilities are also required by federal, state and provincial regulations to provide financial assurance for closure and post-closure care of those facilities should the facilities cease operation. Closure would include the cost of removing the waste stored at a facility which ceased operating and sending the material to another facility for disposal and the cost of performing certain procedures for decontamination of the facilities. The total amount of the closure and post-closure financial assurance which we have been required by regulators to provide is approximately $309.0 million for U.S. facilities and $15.7 million for Canadian facilities. We have placed the required financial assurance for closure through a qualified insurance company, Steadfast Insurance Company.

Environmental Regulation

While our business has benefited substantially from increased governmental regulation of hazardous waste transportation, storage and disposal, the environmental services industry itself has become the subject of extensive and evolving regulation by federal, state, provincial and local authorities. We are required to obtain federal, state, provincial and local permits or approvals for each of our hazardous waste facilities. Such permits are difficult to obtain and, in many instances, extensive studies, tests, and public hearings are required before the approvals can be issued. We have acquired all operating permits and approvals now required for the current operation of our business, and have applied for, or are in the process of applying for, all permits and approvals needed in connection with continued operation and planned expansion or modifications of our operations.

We make a continuing effort to anticipate regulatory, political and legal developments that might affect operations, but are not always able to do so. We cannot predict the extent to which any environmental legislation or regulation that may be enacted or enforced in the future may affect our operations.

Federal Regulation of Hazardous Waste

The most significant federal environmental laws affecting us are the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), also known as the "Superfund Act", the Clean Air Act, the Clean Water Act, and the Toxic Substances Control Act ("TSCA").

RCRA. RCRA is the principal federal statute governing hazardous waste generation, treatment, transportation, storage and disposal. Pursuant to RCRA, the U.S. Environmental Protection Agency (the "EPA") has established a comprehensive "cradle-to-grave" system for the management of a wide range of materials identified as hazardous or solid waste. States that have adopted hazardous waste management programs with standards at least as stringent as those promulgated by the EPA have been delegated authority by the EPA to administer their facility permitting programs in lieu of the EPA's program.

Every facility that treats, stores or disposes of hazardous waste must obtain a RCRA permit from the EPA or an authorized state agency, unless a specific exemption exists, and must comply with certain operating requirements. Under RCRA, hazardous waste management facilities in existence on November 19, 1980 were required to submit a preliminary permit application to the EPA, the so-called Part A Application. By virtue of this filing, a facility obtained interim status, allowing it to operate until licensing proceedings are instituted pursuant to more comprehensive and exacting regulations (the Part B permitting process). Interim Status facilities may continue to operate pursuant to the Part A Application until their Part B permitting process is concluded.

RCRA requires that Part B permits contain provisions for required on-site study and cleanup activities, known as "corrective action," including detailed compliance schedules and provisions for assurance of financial responsibility. See "Environmental Liabilities" under "Management's Discussion and Analysis of Financial Condition and Results of Operations" elsewhere in this prospectus supplement for a discussion of our environmental liabilities. See "Insurance and Financial Assurance" above for a discussion of our financial assurance requirements.

The Superfund Act. The Superfund Act is the primary federal statute regulating the cleanup of inactive hazardous substance sites and imposing liability for cleanup on the responsible parties. It also provides for immediate response and removal actions coordinated by the EPA to releases of hazardous substances into the environment, and authorizes the government to respond to the release or threatened release of hazardous substances or to order responsible persons to perform any necessary cleanup. The statute provides for strict, and in certain cases, joint and several liability for these responses and other related costs, and for liability for the cost of damages to natural resources, to the parties involved in the generation, transportation and disposal of such hazardous substances. Under the statute, we may be deemed liable as a generator or transporter of a hazardous substance which is released into the environment, or as the owner or operator of a facility from which there is a release of a hazardous substance into the environment. See Note 11, "Commitments and Contingencies," to our consolidated financial statements included under "Financial Statements" elsewhere in this prospectus supplement for a description of certain such proceedings involving us.

The Clean Air Act. The Clean Air Act was passed by Congress to control the emissions of pollutants into the air and requires permits to be obtained for certain sources of toxic air pollutants such as vinyl chloride, or criteria pollutants, such as carbon monoxide. In 1990, Congress amended the Clean Air Act to require further reductions of air pollutants with specific targets for non-attainment areas in order to meet certain ambient air quality standards. These amendments also require the EPA to promulgate regulations, which (i) control emissions of 189 hazardous air pollutants; (ii) create uniform operating permits for major industrial facilities similar to RCRA operating permits; (iii) mandate the phase-out of ozone depleting chemicals; and (iv) provide for enhanced enforcement.

The Clean Air Act requires the EPA, working with the states, to develop and implement regulations, which result in the reduction of volatile organic compound ("VOC") emissions and emissions of nitrogen oxides ("NOx") in order to meet certain ozone air quality standards specified by the Clean Air Act. In late 2000, the Texas Natural Resource Conservation Commission (now known as the Texas Commission on Environmental Quality, or "TCEQ") enacted new Clean Air Act Regulations dealing with the monitoring and control of emissions of NOx and VOCs. These new regulations were required because of a revision in the designation of the Houston Metropolitan Area from a serious ozone non-attainment area to a severe ozone non-attainment area. This new designation will require our Deer Park, Texas incineration facility to further reduce emissions of NOx. NOx emissions contribute to the formation of ground-level ozone, which can be harmful to human health and the environment.

The Interim Standards of the Hazardous Waste Combustor Maximum Achievable Control Technology ("MACT") rule of the Clean Air Act Amendments were promulgated on February 13, 2002. This rule established new emission limits and operational controls on all new and existing incinerators, cement kilns, industrial boilers and light-weight aggregate kilns that burn hazardous waste-derived fuel.

Facilities subject to the MACT rule were required to comply with the new emission standards by September 30, 2003, or they could apply for an extension with compliance being required by September 30, 2004. We submitted the required documentation of substantial compliance at all of the three U.S. incinerator facilities we then owned on or before the September 30, 2004 deadline. We made most of the capital expenditures required to achieve that compliance in the fiscal years ended December 31, 2002 through 2004; however, during the year ended December 31, 2005 there were some additional performance testing and documentation costs which totaled $0.1 million. During 2006, we acquired an additional incineration facility located in Arkansas as part of our purchase of all of the membership interests in Teris LLC. Prior to that purchase, Teris LLC had spent in excess of $30 million in order to bring that incinerator into compliance with the MACT standards.

Clean Water Act. This legislation prohibits discharges into the waters of the United States without governmental authorization and regulates the discharge of pollutants into surface waters and sewers from a variety of sources, including disposal sites and treatment facilities. The EPA has promulgated "pretreatment" regulations under the Clean Water Act, which establish pretreatment standards for introduction of pollutants into publicly owned treatment works ("POTWs"). In the course of the treatment process, our wastewater treatment facilities generate wastewater, which we discharge to POTWs pursuant to permits issued by the appropriate governmental authority. We are required to obtain discharge permits and conduct sampling and monitoring programs. We believe each of our operating facilities complies in all material respects with the applicable requirements.

In December 2000, the EPA promulgated new effluent limitations, pretreatment standards and source performance standards for centralized wastewater treatment ("CWT") facilities. CWT facilities receive and treat a wide variety of hazardous and non-hazardous wastewaters from offsite companies and discharge the treated water directly to waterways or to municipal sewer systems. The new rules set stringent limits for the discharge of metals, organic compounds and oil. All of our wastewater treatment facilities are affected by the new rules and were in substantial compliance with the discharge standards by December 2004.

Toxic Substances Control Act. We also operate a network of collection, treatment and field services (remediation) activities throughout North America that are regulated under provisions of the TSCA. TSCA established a national program for the management of substances classified as PCBs, which include waste PCBs as well as RCRA wastes contaminated with PCBs. The rules set minimum design and operating requirements for storage, treatment and disposal of PCB wastes. Since their initial publication, the rules have been modified to enhance the management standards for TSCA-regulated operations including the decommissioning of PCB transformers and articles; detoxification of transformer oils; incineration of PCB liquids and solids; landfill disposal of PCB solids; and remediation of PCB contamination at customer sites.

Other Federal Laws. In addition to regulations specifically directed at the transportation, storage, and disposal facilities, there are a number of regulations that may "pass-through" to the facilities based on the acceptance of regulated waste from affected client facilities. Each facility that accepts affected waste must comply with the regulations for that waste, facility or industry. Examples of this type of regulation are National Emission Standards for Benzene Waste Operations and National Emissions Standards for Pharmaceuticals Production. Each of our facilities addresses these regulations on a case-by-case basis determined by its ability to comply with the pass-through regulations.

In our transportation operations, we are regulated by the U.S. Department of Transportation, the Federal Railroad Administration, the Federal Aviation Administration and the U.S. Coast Guard, as well as by the regulatory agencies of each state in which we operate or through which our vehicles pass.

Health and safety standards under the Occupational Safety and Health Act, or "OSHA," are applicable to all of our operations. This includes both the Technical Services and Site Services operations.

State and Local Regulations

Pursuant to the EPA's authorization of their RCRA equivalent programs, a number of states have regulatory programs governing the operations and permitting of hazardous waste facilities. Accordingly, the hazardous waste treatment, storage and disposal activities of a number of our facilities are regulated by the relevant state agencies in addition to federal EPA regulation.

Some states classify as hazardous some wastes that are not regulated under RCRA. For example, Massachusetts considers used oil as "hazardous wastes" while RCRA does not. Accordingly, we must comply with state requirements for handling state regulated wastes, and, when necessary, obtain state licenses for treating, storing, and disposing of such wastes at our facilities.

We believe that each of our facilities is in substantial compliance with the applicable requirements of federal and state laws, the regulations thereunder, and the licenses which we have obtained pursuant thereto. Once issued, such licenses have maximum fixed terms of a given number of years, which differ from state to state, ranging from three years to ten years. The issuing state agency may review or modify a license at any time during its term. We anticipate that once a license is issued with respect to a facility, the license will be renewed at the end of its term if the facility's operations are in compliance with applicable requirements. However, there can be no assurance that regulations governing future licensing will remain static, or that we will be able to comply with such requirements.

Our wastewater treatment facilities are also subject to state and local regulation, most significantly sewer discharge regulations adopted by the municipalities which receive treated wastewater from the treatment processes. Our continued ability to operate our liquid waste treatment process at each such facility is dependent upon our ability to continue these sewer discharges.

Our facilities are regulated pursuant to state statutes, including those addressing clean water and clean air. Local sewer discharge and flammable storage requirements are applicable to certain of our facilities. Our facilities are also subject to local siting, zoning and land use restrictions. Although our facilities occasionally have been cited for regulatory violations, we believe we are in substantial compliance with all federal, state and local laws regulating our business.

Canadian Hazardous Waste Regulation

In Canada, the provinces retain control over environmental issues within their boundaries and thus have the primary responsibility for regulating management of hazardous wastes. The federal government regulates issues of national scope or where activities cross provincial boundaries.

Provincial Regulations. To a greater or lesser extent, provinces have enacted legislation and developed regulations to fit their needs. Most of Canada's industrial development and the major part of its population can be found in four provinces: Ontario, Quebec, Alberta and British Columbia. It is in these provinces that the most detailed environmental regulations are found. We

operate major waste management facilities in each of these provinces, as well as waste transfer facilities in Nova Scotia and Manitoba.

The main provincial acts dealing with hazardous waste management are:

Ontario Environmental Protection Act;

Quebec Environmental Quality Act;

Alberta Environmental Protection and Enhancement Act; and

British Columbia Waste Management Act.

These pieces of legislation were developed by the provinces totally independently and, among other things, generally control the generation, characterization, transport, treatment and disposal of hazardous wastes. Regulations developed by the provinces under the relevant legislation are also developed independently, but are often quite similar in effect and sometimes in application. For example, there is some uniformity in manifest design and utilization.

Provincial legislation also provides for the establishment of waste management facilities. In this case, the facilities are also controlled by provincial statutes and regulations governing emissions to air, groundwater and surface water and prescribing design criteria and operational guidelines.

On August 12, 2005, the Ontario Ministry of the Environment adopted new regulations which prohibit land disposal of untreated hazardous waste and require the waste to meet specific treatment standards prior to land disposal. Land disposal includes onsite and offsite land filling, land farming and any other form of land disposal. These requirements are similar to restrictions enacted in the United States and thus bring the Province of Ontario in closer comity with the United States regulatory scheme. The new land disposal restrictions commenced in 2007 through a phased in schedule based on specific waste streams, and will be fully implemented by the beginning of 2010.

We are carefully analyzing the new regulations to determine the impact of the regulations on our operations in Ontario. Until this analysis is complete and we have also assessed any and all potential legal avenues of further input and/or appeal of any aspects of the regulation which we believe to be potentially negative to our operations, we will not be able to determine whether the phased-in implementation of the regulations will be materially detrimental to the financial aspects of our Ontario operations.

Waste transporters require a permit to operate under provincial waste management regulations and are subject to the requirements of the Federal Transportation of Dangerous Goods legislation. They are required to report the quantities and disposition of materials shipped.

Within the provincial regulations, definitions of hazardous wastes are quite similar. Wastes can be defined as hazardous based on origin or characteristic and the descriptions or parameters involved are very similar to those in effect in the United States. A major difference between the United States regulatory regime and those in Canada relates to ownership and liability. Under Canadian provincial regulations, ownership changes when waste is transferred to a properly permitted third party carrier and subsequently to an approved treatment and disposal facility. This means that the generator is no longer liable for improper handling, treatment or disposal, responsibility having been transferred to the carrier or the facility. Exceptions may occur if the carrier is working under contract to the generator or if the waste is different from that which was originally contracted among the parties.

Canadian Federal Regulations. The federal government has authority for those matters which are national in scope and in impact and for Canada's relations with other nations. The main federal laws governing hazardous waste management are:

Canadian Environmental Protection Act (1999) ("CEPA 99"), and

Transportation of Dangerous Goods Act.

Environment Canada is the federal agency with responsibility for environmental matters and the main legislative instrument is the Canadian Environmental Protection Act. This act charges Environment Canada and Health Canada with protection of human health and the environment and seeks to control the production, importation and use of substances in Canada and to control their impact on the environment.

The Export and Import of Hazardous Wastes Regulations under CEPA 99 control the export and import of hazardous wastes and hazardous recyclable materials. By reference, these regulations incorporate the Transportation of Dangerous Goods Act and Regulations, which address identification, packaging, marking and documentation of hazardous materials during transport. CEPA 99 requires that anyone proposing to export or import hazardous wastes or hazardous recyclable materials or to transport them through Canada notify the Minister of the Environment and obtain a permit to do so. Section 9 of CEPA 99 allows the federal government to enter into administrative agreements with the provinces and territories for the development and improvement of environmental standards. These agreements represent cooperation towards a common goal rather than a delegation of authority under CEPA 99. To facilitate the development of provincial and territorial agreements, the federal, provincial and territorial governments participate in the Canadian Council of Ministers of the Environment ("CCME"). The Council comprises the 14 environment ministers from the federal, provincial and territorial governments, who normally meet twice a year to discuss national environmental priorities and to determine work to be carried out under the auspices of CCME.

Canadian Local and Municipal Regulations. Local and municipal regulations seldom reference direct control of hazardous waste management activities. Municipal regulations and by-laws, however, control such issues as land use designation, access to municipal services and use of emergency services, all of which can have a significant impact on facility operation.

Compliance with Environmental Regulations

We incur costs and make capital investments in order to comply with the previously discussed environmental regulations. These regulations require that we remediate contaminated sites, operate our facilities in accordance with enacted regulations, obtain required financial assurance for closure and post-closure care of our facilities should such facilities cease operations, and make capital investments in order to keep our facilities in compliance with environmental regulations.

As further discussed under the heading "Environmental Liabilities" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" elsewhere in this prospectus supplement, we have accrued environmental liabilities valued as of December 31, 2007, at approximately $184.5 million, substantially all of which were accrued in connection of our acquisitions of substantially all of the assets of the Chemical Services Division (the "CSD") of Safety-Kleen Corp. in 2002 and of Teris LLC in 2006. In March 2008, we accrued an estimated $2.6 million, subject to potential adjustment, of additional environmental liabilities as part of our acquisition of two solvent recycling facilities from Safety-Kleen Systems, Inc. For the years ended December 31, 2007 and 2006, we spent $6.5 million and $7.6 million, respectively, to address environmental liabilities, almost all of the spending related to the environmental liabilities assumed as part of our acquisitions of the CSD assets in 2002 and of Teris LLC in 2006.

As discussed more fully above under the heading "Insurance and Financial Assurance," we are required to provide financial assurance with respect to certain statutorily required closure, post-closure and corrective action obligations at our facilities. We have placed the required financial assurance through a qualified insurance company, Steadfast Insurance Company (a unit of Zurich N.A.).

Legal Proceedings

As described above, our waste management services are regulated by federal, state, provincial and local laws enacted to regulate discharge of materials into the environment, remediation of contaminated soil and groundwater or otherwise protect the environment. This ongoing regulation results in our frequently becoming a party to judicial or administrative proceedings involving all levels of governmental authorities and other interested parties relating primarily to activities at or shipments to and /or from our waste treatment, storage and disposal facilities. The issues involved in such proceedings generally relate to our applications for permits and licenses and conformity with legal requirements, alleged violations of existing permits and licenses, or requirements to clean up contaminated sites. The principal of such judicial or administrative proceedings in which we are currently involved are described in Note 11, "Commitments and Contingencies," to our financial statements which are included under "Financial Statements" elsewhere in this prospectus supplement.

MANAGEMENT

The members of our board of directors and our executive officers, and their respective ages as of April 1, 2008, are as follows:

Name	Age	Position
Alan S. McKim	53	Chairman of the Board of Directors, President and Chief Executive Officer
Eugene Banucci	64	Director
John D. Barr	60	Director
John P. DeVillars	59	Director
John F. Kaslow	75	Director
Daniel J. McCarthy	75	Lead Director
John T. Preston	58	Director
Andrea Robertson	50	Director
Thomas J. Shields	61	Director
Lorne R. Waxlax	74	Director
John R. Beals	53	Vice President, Controller and Principal Accounting Officer
Eugene A. Cookson, Jr.	50	Executive Vice President Business Line Management*
Jerry E. Correll	58	Senior Vice President Sales and Business Development*
George L. Curtis	49	Senior Vice President Pricing and Proposals*
Deirdre J. Evens	44	Executive Vice President Corporate Sales and Business Development*
William J. Geary	60	Executive Vice President and General Counsel *
Eric W. Gerstenberg	39	Executive Vice President Disposal Operations *
Stephen H. Moynihan	52	Senior Vice President Planning and Development
William F. O'Connor	58	Senior Vice President Risk Management *
David M. Parry	42	Executive Vice President Sales and Services *
Phillip G. Retallick	55	Senior Vice President Compliance and Regulatory Affairs*
James M. Rutledge	55	Executive Vice President and Chief Financial Officer
Darren Scandone	54	Executive Vice President Human Resources*
Michael J. Twohig	45	Senior Vice President and Chief Information Officer *
Brian P. Weber	40	Senior Vice President Transportation *

* Officer of Clean Harbors Environmental Services, Inc., a wholly-owned subsidiary of the parent holding company, Clean Harbors, Inc.

Alan S. McKim founded the Company in 1980 and is Chairman of the Board of Directors, President and Chief Executive Officer. He serves as a director of most of the Company's subsidiaries. Mr. McKim holds an MBA from Northeastern University. He has been a director of the Company since its formation. His current term as a Class I director expires this year, and he is standing for re-election for a three-year term at the 2008 annual meeting.

Eugene Banucci is the Executive Chairman and Founder of ATMI, Inc., a public company that is a supplier of specialty materials to the worldwide semiconductor industry. Dr. Banucci served as Chairman and Chief Executive Officer of ATMI, Inc. from its founding in 1986 until the beginning of 2005. He is also a director of Zygo Corporation, a public company that supplies metrology equipment primarily to the semiconductor and flat panel display industries. Dr. Banucci holds a B.A.

degree from Beloit College and a Ph.D. in chemistry from Wayne State University. His current term as a Class 1 director expires this year, and he is standing for re-election for a three-year term at the 2008 annual meeting.

John D. Barr is the Vice Chairman and Chief Executive Officer of Papa Murphy's International, Inc., a privately-owned company which is the largest take-and-bake pizza chain in the United States. From 1999 to 2004, he served as President and Chief Executive Officer of Automotive Performance Industries, a privately-owned company providing a variety of logistical services to the major automotive manufacturers. From 1995 to 1999, he served as President and Chief Operating Officer and a Director of Quaker State Corporation, where he was involved in a number of acquisitions and divestitures prior to the acquisition of Quaker State Corporation by Pennzoil Company in 1999. From 1970 to 1995, Mr. Barr served in various capacities with the Valvoline Company, a subsidiary of Ashland, Inc., which culminated in an eight-year tenure as President and Chief Executive Officer. On March 31, 2008, Mr. Barr resigned as a director of James Hardie Industries, N.V. where he had served since 2003. Mr. Barr also serves as a director of Penske Auto Group, Inc., and UST, Inc. Mr. Barr received a Certificate of Director Education from the Corporate Directors Institute of the National Association of Corporate Directors in September 2007. Mr. Barr has served as a director of the Company since August 2003. His current term as a Class II director expires in 2009.

John P. DeVillars is the Managing Partner of BlueWave Strategies, LLC and BlueWave Capital, LLC, privately-owned strategic advisory and merchant banking enterprises providing consulting and financial advisory services to environmental and renewable energy companies. Mr. DeVillars is currently a director of Converted Organics, Inc. From 2000 to 2003, Mr. DeVillars served as Executive Vice President of Brownfields Recovery Corporation, a privately-owned company engaged in remediating, financing, and redeveloping environmentally impacted properties. From 1994 through 2000, Mr. DeVillars served as the New England Administrator for the U.S. Environmental Protection Agency. From 1991 to 1994, he was a Director of Environmental Advisory Services with Coopers & Lybrand, and from 1988 to 1991, he served as Secretary of Environmental Affairs for the Commonwealth of Massachusetts and Chairman of the Board of the Massachusetts Water Resources Authority. Mr. DeVillars holds a Masters in Public Administration from Harvard University and a Bachelor of Arts from the University of Pennsylvania and is a Visiting Lecturer in Environmental Policy at the Massachusetts Institute of Technology. He has served as a director of the Company since 2001. His current term as a Class III director expires in 2010.

John F. Kaslow is the retired Executive Vice President and Chief Operating Officer of New England Electric System ("NEES"). He also served as President of the NEES subsidiary, New England Power Company, and was a director of both companies. Following his retirement from NEES in 1990, he served as an Executive Advisor to the Electric Power Research Institute until 1998 and as an electric industry consultant. Mr. Kaslow also served as a Director of the Doble Engineering Company, the New England Council and Merrimack College. Mr. Kaslow holds a B.S. degree from the University of Massachusetts Lowell, and is a graduate of the Advanced Management Program of the Harvard Business School. He has served as a Director of the Company since 1991 to 2005 and returned to its Board in February of 2007. His current term as a Class I director expires this year, and he is standing for re-election for a three-year term at the 2008 annual meeting.

Daniel J. McCarthy has been a Professor of Strategic Management at Northeastern University since 1972, prior to which he was President of Computer Environments Corporation, a privately-owned computer services company. In the past, he served on five boards, most recently at Tufts Associated Health Maintenance Organization, as a member of its Audit Committee and as Chairman of its Investment Committee. Mr. McCarthy also served as director and member of the Audit and Compensation Committees of MANAGEDCOMP, Inc., a privately-owned company. Mr. McCarthy

holds AB and MBA degrees from Dartmouth College and a DBA degree from Harvard Business School. He has served as a director of the Company since 1987. He was elected in 2005 by the Board as Lead Director, an independent director who presides in executive sessions of the Board and serves as the shareholder contact person for the Board. His current term as a Class III director expires in 2010.

John T. Preston is President and Chief Executive Officer of Continuum Energy Technologies LLC, a privately-owned company, and Senior Lecturer at the Massachusetts Institute of Technology ("MIT"). Mr. Preston is also a director of Alseres Pharmaceuticals, Inc., as well as numerous private company boards. From 1992 through 1995, he served as Director of Technology Development at MIT. From 1986 to 1992 he was Director of the MIT Technology Licensing Office where he was responsible for the commercialization of intellectual property developed at MIT. Some of Mr. Preston's prior appointments include director or advisory positions for the Governor of Massachusetts, the U.S. Department of Defense, The National Aeronautics and Space Administration and the Technology Board of Singapore. He holds an MBA from Northwestern University and a BS in Physics from the University of Wisconsin. Prior to joining the Board of the Company, Mr. Preston served on the board of Clean Harbors Technology Corporation. He has served as a director of the Company since 1995. His current term as a Class II director expires in 2009.

Andrea Robertson is the Group Executive, Corporate Treasurer of MasterCard Worldwide. From 1996 to 2003, she held financial management positions with RR Donnelley & Sons Company, and from 1984 to 1996 with International Business Machines Corporation. From 1979 to 1982, she was an auditor with Coopers & Lybrand. She holds a BS in Accounting from Merrimack College and an MBA in Finance/Management Information Systems from the University of Chicago. She has served as a director of the Company since June 2004. Her current term as a Class III director expires in 2010.

Thomas J. Shields is Managing Director of Shields & Company, Inc., a privately-owned investment-banking firm that he co-founded in 1991. He is currently a director of B.J.'s Wholesale Club, Inc. Mr. Shields is a graduate of Harvard College and Harvard Business School. He has served as a director of the Company since 1999. His current term as a Class I director expires this year, and he is standing for re-election for a three-year term at the 2008 annual meeting.

Lorne R. Waxlax served as Executive Vice President of The Gillette Company from 1985 to 1993, with worldwide responsibility for Braun AG, Oral-B Laboratories and Jafra Cosmetics International. He is currently a director of B.J.'s Wholesale Club, Inc. Mr. Waxlax holds a BBA degree from the University of Minnesota and an MBA degree from Northwestern University. He has served as a director of the Company since 1994. His current term as a Class II director expires in 2009.

John R. Beals is Vice President, Controller and Principal Accounting Officer. Mr. Beals joined the Company in August 2006. Mr. Beals was previously Vice President and Corporate Controller at 3Com Corporation from October 2005 to August 2006 and prior to that he was at The First Years Inc. for 19 years, where he held positions of increasing responsibility, including Treasurer, Controller and Chief Financial Officer, Senior Vice President Finance. He began his career with Deloitte & Touche and was promoted to the level of audit manager with the firm. Mr. Beals, a certified public accountant, holds a bachelor's degree in accounting from the University of Massachusetts.

Eugene A. Cookson, Jr. is Executive Vice President Business Line Management. Mr. Cookson rejoined the Company in 1998 as Senior Vice President, Field Services & Operations. From 1996 to 1998, Mr. Cookson was the Vice President of Operations of The Flatley Group, a privately-owned real estate management company, and he was in charge of major accounts at the Gartner Group.

From 1991 to 1996, Mr. Cookson held a variety of management positions with the Company including Director of Sales, Director of the CleanPack Product Line and Field Services General Manager. Mr. Cookson holds a Masters Degree in Civil Environmental Engineering from Northeastern University.

Jerry E. Correll is Senior Vice President Sales and business Development. Mr. Correll joined the Company in 2002, and he has served in a variety of prior management positions including most recently Senior Vice President and General Manager South Division. From 1986 to 2002 Mr. Correll held a variety of sales and operations management positions with Safety-Kleen Corp. including Regional Vice President Central U.S. Operations, Vice President of Corporate Accounts and Senior Vice President of Sales. Mr. Correll holds a Bachelor of Sciences Degree in Business Administration from the University of Tennessee and a JD from the Nashville School of Law.

George L. Curtis is Senior Vice President Pricing and Proposals. Mr. Curtis joined the Company in 1980, and has served in a variety of management positions the most recent of which were Vice President of Marketing and Vice President of Business Development. Mr. Curtis holds an MBA from Northeastern University and a Bachelor of Arts in Biology from Columbia University.

Deirdre J. Evens is Executive Vice President Corporate Sales and Business Development. Ms. Evens joined the Company in June 2007. From 2006 to 2007, she served as Senior Vice President of Member Insight at BJ's Wholesale Club, a Fortune 300 retailer and the leading warehouse chain in the eastern United States. From 1986 to 2006, she worked at Polaroid Corporation, a leading global provider of Instant Photography, Digital Imaging, and Consumer Electronics products. At Polaroid, she held a variety of leadership positions including Senior Vice President of Global Marketing and Strategy, Vice President and General Manager for Polaroid's Imaging Business, and Director of Manufacturing Operations. Ms. Evens holds a Bachelor of Science in Engineering from Cornell University.

William J. Geary is Executive Vice President and General Counsel of the Company. He joined the Company in 1989 and he has served as Vice President of Government Relations and as Special Counsel for the Company. Prior to joining the Company, Mr. Geary served as the Commissioner of the Metropolitan Police and Chairman and Chief Executive Officer of the Metropolitan District Commission and previously served as Deputy Secretary of State and Special Assistant to The Governor of Massachusetts. Mr. Geary has been a consultant to numerous members of the U.S. Congress and The White House and holds a B.S. in Political Science and History from the University of Massachusetts/Boston, an MA in Government and Management from Northeastern University, and a JD from Suffolk University Law School. He was awarded a Loeb Fellowship in Advanced Environmental Studies at Harvard University. Mr. Geary is admitted to the Bar in Massachusetts and the District of Columbia as well as the Bar of the United States Supreme Court.

Eric W. Gerstenberg is Executive Vice President Disposal Operations. Mr. Gerstenberg rejoined the Company in June 1999 as Vice President of Disposal Services of Clean Harbors Environmental Services, Inc. From 1997 to 1999, Mr. Gerstenberg was the Vice President of Operations for Pollution Control Industries, a privately-owned environmental services company. From 1989 to 1997, Mr. Gerstenberg held a variety of positions with the Company including General Manager of the Natick, Baltimore and Chicago facilities. Mr. Gerstenberg holds a Bachelor of Science degree in Engineering from Syracuse University.

Stephen H. Moynihan is Senior Vice President Planning and Development. He has served as an officer of either Clean Harbors, Inc. and one or more of its subsidiaries since 1987. Prior to joining Clean Harbors, Mr. Moynihan was Audit Manager for Gerald T. Reilly and Company, a public accounting firm. Mr. Moynihan holds a BS degree in Accounting from Bentley College.

William F. O'Connor has served as Senior Vice President Risk Management, after rejoining the Company in December 2002. Previously, Mr. O'Connor was Vice President of William Gallagher and Associates, an insurance broker that he joined in April of 2000. From 1989 to 2000 Mr. O'Connor held a variety of roles at the Company, the last being as Vice President of Human Resources and Risk Management.

David M. Parry is Executive Vice President Sales and Services. Mr. Parry joined the Company in 1988 and he has served in a variety of management positions including Senior Vice President of Eastern Operations. He has also previously held the positions of Regional Vice President, Northeast Region, District Sales Manager, Regional Manager of CleanPack® and T&D Services, Plant Manager and CleanPack Chemist. Mr. Parry holds a Bachelor of Science degree in Engineering from the Massachusetts Maritime Academy.

Phillip G. Retallick is Senior Vice President Compliance and Regulatory Affairs. Mr. Retallick joined the Company in September 2002 in connection with the Company's acquisition of substantially all of the assets of the Chemical Services Division of Safety-Kleen Corp. Prior to that acquisition, he served as a senior compliance officer for Safety-Kleen Services, Inc. and its predecessors, Rollins Environmental Services Company and Laidlaw Environmental Services Company. From 1975 to 1992, he held positions with the United States Environmental Protection Agency and the Delaware Department of Natural Resources and Environmental Control. He holds a Bachelor of Sciences Degree in Geosciences from the Pennsylvania State University and has also received a Graduate Certificate in Environmental Management from the University of Southern California.

James M. Rutledge is Executive Vice President and Chief Financial Officer. Mr. Rutledge joined the Company in August 2005. From 2002 to 2005, he was the Chief Financial Officer of Rogers Corporation, a publicly-held producer of highly engineered specialty materials sold in a broad range of technology markets. From 2000 to 2001, he was the Chief Financial Officer of Baldwin Technology Company, Inc., a publicly-held manufacturer of controls, accessories and handling equipment for the printing industry. From 1999 to 2000, he was Vice President of Finance and Tax of Rayonier Inc., a publicly-held manufacturer of pulp, timber and wood products. From 1979 to 1999, he held a variety of positions, including Vice President and Treasurer, with Witco Corporation, a publicly-held manufacturer of specialty chemicals. From 1976 to 1979, he was a certified public accountant with Price Waterhouse & Co. He holds a Bachelor of Arts from Assumption College and an MBA from Rutgers University.

Darren R. Scandone joined the Company in May of 2007 as Executive Vice President and Chief Human Resource Officer. From 2006 to 2007 he served as Global Director of Human Resources of Investment Technology Group, Inc., a brokerage and technology firm that develops technologies spanning the entire investment process. From 2000 to 2006 he held the position of Executive Vice President of Human Resources and Corporate Service for Macgregor, a financial technology provider serving the global investment community. He has also served as Vice President of Human Resources for both CVS and Oak Industries, Inc., Director of Human Resources for Motorola Corporation and as a corporate compensation consultant for Polaroid Corporation. Mr. Scandone holds a B.S. in Economics from Boston College.

Michael J. Twohig is Senior Vice President and Chief Information Officer. Mr. Twohig joined the Company in 1999 and has served in a variety of management positions, the most recent of which was Vice President of Strategic Initiatives. From 1996 to 1999 he served as Vice President of Business Operations for Internet Commerce Expo, an International Data Group company. Prior to that he was the Controller for Tocco Corporation, a Building Systems company. Mr. Twohig holds an MBA from Rivier College and a Bachelor of Science degree in Accounting from Boston College.

Brian P. Weber is Senior Vice President Transportation. Mr. Weber joined the Company in 1990. He has served in a variety of management positions with the Company including, prior to his current position, Senior Vice President of Central Services, and Vice President, Technical Services. Mr. Weber holds a BS degree in Business Management from Westfield State College.

PRINCIPAL STOCKHOLDERS

The table below describes the "beneficial ownership" of our common stock as of April 1, 2008, by (i) each of our directors, principal executive officer, principal financial officer and the three of our other current executive officers who were the most highly compensated during the most recently completed fiscal year, and (ii) all of our current directors and executive officers as a group. SEC Rule 13d-3 under the Securities Exchange Act of 1934 defines "beneficial ownership" to mean the right to vote or exercise investment power, or to share in the right to vote or exercise investment power, with respect to the specified securities, whether or not the specified person has any economic interest in the specified securities. Except as otherwise indicated below, the named owner has sole voting and investment power with respect to the specified shares.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Class
Alan S. McKim	2,915,191	14.3%
Eugene Banucci	4,133	*
John D. Barr	11,600	*
John P. DeVillars	13,600	*
John F. Kaslow	3,800	*
Daniel J. McCarthy	19,100	*
John T. Preston	9,600	*
Andrea Robertson	9,433	*
Thomas J. Shields	13,100	*
Lorne R. Waxlax	91,500	*
Eugene A. Cookson, Jr.	4,872	*
Eric W. Gerstenberg	10,983	*
David M. Parry	14,561	*
James M. Rutledge	17,790	*
All current directors and executive officers as a group (25 persons)	3,239,186	15.8%

* Less than 1%

(1) Beneficial ownership has been determined in accordance with Securities and Exchange Commission regulations and includes in the numerator and denominator used for the calculation of certain of the percents of total outstanding, as appropriate, the following number of shares of our common stock which may be acquired under stock options which are exercisable within 60 days of April 1, 2008: Mr. Banucci (3,833 shares), Mr. Barr (6,000 shares), Mr. DeVillars (10,000 shares), Mr. Kaslow (2,500 shares), Mr. McCarthy (7,000 shares), Mr. Preston (6,000 shares), Ms. Robertson (5,833 shares), Mr. Shields (6,000 shares), Mr. Waxlax (6,000 shares), Mr. Cookson (0 shares), Mr. Gerstenberg (8,000 shares), Mr. Parry (11,000 shares), Mr. Rutledge (0 shares), and all current directors and executive officers as a group (126,166 shares).

To our knowledge, as of April 1, 2008, no person or entity "beneficially owned" (as that term is defined by the Securities and Exchange Commission, or "SEC") 5% or more of the total of 20,405,389 shares of Common stock then outstanding, except as shown in the following table.

Except as otherwise indicated below, we understand that the named person or entity has sole voting and investment power with respect to the specified shares.

Name and Address	Number of Shares	Percent and Class of Stock
Alan S. McKim Clean Harbors, Inc. 42 Longwater Drive Norwell, MA 02061	2,915,191	14.3% Common Stock
FMR LLC. 82 Devonshire Street Boston, MA 02109	1,755,245(1)	8.6% Common Stock
The Bank of New York Mellon Corporation One Wall Street, 31st Floor New York, NY 10286	1,351,622(2)	6.6% Common Stock
Snyder Capital Management, L.P. One Market Plaza Stewart Tower, Suite 1200 San Francisco, CA 94105	1,149,485(3)	5.6% Common Stock

(1) Based upon Schedule 13G as amended through December 31, 2007, filed with the SEC, FMR LLC is deemed to have beneficial ownership of 1,755,245 shares of common stock, with respect to which Fidelity Management & Research Company (which is a wholly-owned subsidiary of FMR LLC), Edward C. Johnson, 3d and members of his family (who are the predominant owners of FMR LLC) hold sole power to vote as to 195,540 shares and sole investment power as to 1,532,205 shares.

(2) Based upon Schedule 13G dated February 14, 2008, filed with the SEC, the Bank of New York Mellon Corporation is deemed to have beneficial ownership of 1,351,622 shares of common stock, with respect to which various subsidiaries of The Bank of New York Mellon Corporation, or departments or units thereof, hold sole voting power as to 1,331,655 shares and sole dispositive power as to 1,336,022 shares.

(3) Based upon Schedule 13G dated December 31, 2007, filed with the SEC, Snyder Capital Management, Inc. and Snyder Capital Management, L.P. (of which Snyder Capital Management, Inc. is the general partner) are deemed to have beneficial ownership of 1,149,485 of common stock, with respect to which they hold shared voting power as to 1,038,775 shares and shared dispositive power as to 1,149,485 shares.

DESCRIPTION OF OUTSTANDING INDEBTEDNESS

We now have outstanding $91.5 million of 11 1/4% senior secured notes due 2012 (the "senior secured notes"), a $70.0 million revolving credit facility (the "revolving facility"), a $50.0 million synthetic letter of credit facility (the "synthetic LC facility"), and a $30.0 million term loan due 2010 (the "term loan").

Senior Secured Notes

On June 30, 2004, we issued the senior secured notes under an indenture dated June 30, 2004 (the "indenture"). The senior secured notes bear interest at 11.25% and mature on July 15, 2012. We issued the senior secured notes at a $2.0 million discount that resulted in an effective yield of 11.5%. Interest is payable semiannually in cash on each January 15 and July 15. The senior secured notes are secured by a second-priority lien on all of the domestic assets of Clean Harbors, Inc. and our domestic subsidiaries that secure our reimbursement obligations under the synthetic LC facility and our term loan on a first-priority basis (as described below); provided that such assets do not include any capital stock, notes, instruments, other equity interests of any of our subsidiaries, accounts receivable, and certain other excluded collateral as provided in the indenture. The senior secured notes are jointly and severally guaranteed on a senior secured second-lien basis by substantially all of our existing and future domestic subsidiaries. The senior secured notes are not guaranteed by our foreign subsidiaries.

On or prior to July 15, 2007, we were permitted to redeem at our option up to 35% in aggregate principal amount of the senior secured notes originally issued under the indenture with the net proceeds of one or more equity offerings at a redemption price equal to 111.250% of the principal amount of the senior secured notes redeemed plus accrued interest. In accordance with this provision, we redeemed in January 2006 $52.5 million principal amount of the senior secured notes for a redemption price of $58.4 million, plus accrued interest through the redemption date.

The indenture provides for certain covenants, the most restrictive of which requires us, within 120 days after the close of each twelve-month period ending on June 30 of each year (beginning June 30, 2005) to apply an amount equal to 50% of the period's Excess Cash Flow (as defined below) to either prepay, repay, redeem or purchase first-lien obligations under the revolving facility, term loan and synthetic LC facility or to make offers ("Excess Cash Flow Offers") to repurchase all or part of the then outstanding senior secured notes at an offering price equal to 104% of their principal amount plus accrued interest. "Excess Cash Flow" is defined in the indenture as consolidated earnings before interest, taxes, depreciation and amortization ("EBITDA") less interest expense, all taxes paid or accrued in the period, capital expenditures made in cash during the period, and all cash spent on environmental monitoring, remediation or relating to our environmental liabilities. The holders of the senior secured notes did not accept the Excess Cash Flow Offers we made in 2005 and 2007, but the holders of $6.0 million principal amount of the senior secured notes did accept the Excess Cash Flow Offer we made in 2006.

As a result of the redemption in 2006 of $52.5 million principal amount of senior secured notes and the acceptance by the holders of $6.0 million principal amount of the notes of the Excess Cash Flow Offer we made in 2006, the total principal amount of the senior secured notes now outstanding under the indenture has been reduced to $91.5 million. The senior secured notes provide that we will be permitted at our election (on not less than 30-days prior written notice and our payment of accrued interest through the redemption date) at any time on or after July 15, 2008, to redeem all or any portion of the outstanding principal amount of the notes. If the redemption date is between July 15, 2008 and July 14, 2009, the redemption price will be equal to 105.625% of the principal amount redeemed, and such redemption price will decrease to 102.813% of the principal amount redeemed if the redemption date is between July 15, 2009 and July 14, 2010, and

then to 100.000% of the principal amount redeemed if the redemption date is after July 14, 2010. Under the indenture, we would also be able to repurchase as "permitted investments" from their current holders all or any of our outstanding senior secured notes.

The current terms of the credit agreement under which our revolving facility, synthetic LC facility and term loan are outstanding as described below would allow us to repurchase or redeem up to $50.0 million principal amount of the senior secured notes provided that, on a pro forma basis after giving effect to such repurchase or redemption, no event of default would exist under the credit agreement and we would satisfy certain other requirements which we would now satisfy in full. We now intend to seek an amendment to our credit agreement which, if approved by a majority in interest of the creditors thereunder, would permit us to repurchase or redeem all of our outstanding senior secured provided the funding for such repurchase or redemption (above the $50.0 million principal amount now permitted) is derived from the net proceeds of this offering or other equity offerings. Accordingly, should we decide in the future to repurchase or redeem between July 15, 2008 and July 14, 2009 all or a portion of our outstanding senior secured notes (and to pay any accrued interest on the repurchased or redeemed notes using other available cash), we might apply for this purpose up to $52.8 million of the net proceeds of this offering under the current terms of our credit agreement and up to $96.7 million of the net proceeds should we obtain such an amendment to the credit agreement. We have, however, made no commitment to repurchase or redeem any of our outstanding senior secured notes prior to their maturity in 2012, and we anticipate that we will make any future decision concerning any such repurchase or redemption based upon our other anticipated needs for cash (including with respect to potential future acquisitions or major capital expenditures).

Revolving Facility, Synthetic LC Facility and Term Loan

Both the revolving facility and the synthetic LC facility were established under a loan and security agreement dated June 30, 2004 (the "original credit agreement") among us, Bank of America, N.A., as agent for the Revolving Lenders thereunder, Credit Suisse as agent for synthetic LC facility lenders thereunder, and certain other parties. On December 1, 2005, the original credit agreement was amended and restated by an amended and restated loan and security agreement (as so amended and restated, the "credit agreement"). On August 18, 2006, a term loan supplement under the credit agreement was drawn which provided for a $30.0 million term loan.

Revolving Facility. The revolving facility allows us to borrow up to $70.0 million, based upon a formula of eligible accounts receivable. This total is separated into two lines of credit, namely: (i) a line for Clean Harbors, Inc. and its U.S. subsidiaries equal to $70.0 million less the principal balance then outstanding under the line for our Canadian subsidiaries and (ii) a line for our Canadian subsidiaries equal to $5.3 million. The revolving facility also provides that the lender will issue at our request up to $50.0 million of letters of credit, with the outstanding amount of such letters of credit reducing the maximum amount of borrowings available under the revolving facility. At December 31, 2007, we had no borrowings outstanding and $39.8 million of letters of credit outstanding and had approximately $30.2 million available to borrow. Amounts outstanding under the revolving facility bear interest at an annual rate of either the U.S. or Canadian prime rate (depending on the currency of the underlying loan) or the Eurodollar rate plus 1.50% at our request. We are required to pay monthly letter of credit and quarterly fronting fees at an annual rate of 1.5% and 0.3%, respectively, on the amount of letters of credit outstanding under the revolving facility and an annual administrative fee of $25 thousand. The credit agreement also requires us to pay an unused line fee of 0.125% per annum on the unused portion of the revolving facility. The term of the revolving facility will expire on December 1, 2010.

Synthetic LC Facility. The synthetic LC facility provides that Credit Suisse, as the issuing bank, will issue up to $50.0 million of letters of credit at our request. The synthetic LC facility is

collateralized with a first-priority lien (second-priority as to receivables) on substantially all of the assets of Clean Harbors, Inc. and its U.S. subsidiaries. We are required to pay a quarterly participation fee at the annual rate of 2.85%. We are also required to pay a quarterly fronting fee at the annual rate of 0.30% of the average daily aggregate amount of letters of credit outstanding under the synthetic LC facility and an annual administrative fee of $65,000. At December 31, 2007, we had $49.9 million of letters of credit outstanding under the synthetic LC facility. The term of the synthetic LC facility will expire on December 1, 2010.

Term Loan. The $30.0 million term loan was issued on August 18, 2006 under a term loan supplement to the credit agreement. The term loan will mature on December 1, 2010. The term loan bears interest, at our option, at either the Eurodollar rate plus 2.5% or the U.S. prime rate plus 1.5%. The term loan is classified as an outstanding obligation under the synthetic LC facility. Accordingly the term loan is entitled to substantially the same benefits as the synthetic LC facility including, without limitation, the financial covenants described below. In the event of a default under the term loan, the term loan lenders, acting through the LC facility agent, would have, along with the LC facility lenders, the right to exercise their rights as first-priority lien holders (second as to accounts receivable) on substantially all of the assets of Clean Harbors, Inc. and its U.S. subsidiaries.

Under the credit agreement, we are required to maintain certain financial covenants as follows:

	December 31, 2007
Covenant	**Requirement per Facility**
Leverage ratio	<2.35 to 1
Interest coverage ratio	>2.85 to 1
Fixed charge coverage ratio	>1 to 1

The leverage ratio is defined as the ratio of our consolidated indebtedness to our Consolidated EBITDA (as defined in the credit agreement) achieved for the latest four-quarter period. The interest coverage ratio is defined as the ratio of our Consolidated EBITDA to our consolidated interest expense for the latest four-quarter period. The fixed charge coverage ratio is required to be maintained if we have greater than $5.0 million of loans outstanding under the revolving facility.

As of December 31, 2007, we were in compliance with the covenants under all of our outstanding debt agreements.

DESCRIPTION OF CAPITAL STOCK

General

The following description of our capital stock and certain provisions of our restated articles of organization and by-laws is a summary and is qualified in its entirety by reference to the provisions of our restated articles of organization and by-laws. Copies of our restated articles of organization and by-laws are filed as exhibits to the registration statement of which this prospectus supplement forms a part. See "Incorporation of Information by Reference" elsewhere in this prospectus supplement.

Under our restated articles of organization, our authorized capital stock consists of 40,000,000 shares of common stock, $.01 par value per share, and 1,080,415 shares of preferred stock, $.01 par value per share. As more fully described below, there were on March 31, 2008, an aggregate of 20,405,389 outstanding shares of common stock (exclusive of 27,728 treasury shares), no outstanding shares of preferred stock, and common stock purchase warrants expiring on September 10, 2009 which authorize the holders thereof to acquire up to 348,690 shares of our common stock with a current exercise price of $8.00 per share.

Common Stock

As of March 31, 2008, there were 20,405,389 outstanding shares (exclusive of 27,728 treasury shares) of our common stock. Our outstanding shares of common stock are fully paid and nonassessable, and the shares of common stock offered in this offering will, upon their purchase, be fully paid and nonassessable. The holders of our common stock have one vote per share in all proceedings in which action shall be taken by our shareholders. All shares of our common stock rank equally as to dividends, voting powers and participation in assets. There are no preemptive or conversion rights and no provisions for redemption, purchase for cancellation, surrender or sinking funds. Our shares of common stock are traded on The NASDAQ Global Select Market under the symbol "CLHB." We have never paid any dividends on our common stock, and our current credit agreement prohibits, and our indenture restricts, the payment of cash dividends on our common stock. See "Price Range of Common Stock" and "Dividend Policy" elsewhere in this prospectus supplement.

Preferred Stock

Pursuant to our restated articles of organization, our board of directors has the authority, without further action by the shareholders, to issue up to 1,080,415 shares of our preferred stock in one or more series and to fix the voting powers, designations, powers, preferences, and relative, participating, optional or other special rights of the shares of each series and the qualifications, limitations or restrictions thereof, including, without limitation, dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights of the common stock. Our board of directors previously designated a total of 156,416 of such authorized shares of preferred stock as Series B convertible preferred stock, all of which were issued and converted into common stock prior to December 31, 2007, at the election of the holders thereof, and our restated articles of organization do not allow us to reissue any of such previously issued and converted shares of Series B convertible preferred stock. Accordingly, as of March 31, 2008, there are a total of 923,999 authorized shares of preferred stock which are available for future designation into series and issuance by our board of directors. Our board of directors, without shareholder approval, can authorize the issuance of those up to 923,999 shares of preferred stock with voting, conversion or other rights that could adversely affect the voting powers and other rights the holders of common stock. Preferred stock could thus be issued quickly

with terms calculated to delay or prevent a change in control of our Company or make removal of management more difficult.

Warrants

As of March 31, 2008, we had outstanding common stock purchase warrants expiring September 10, 2009 which will allow the holders thereof to acquire (assuming a cash exercise) up to 348,690 shares of our common stock at a current exercise price of $8.00 per share. We issued those warrants on June 30, 2004 in connection with the redemption by us on that date of our then outstanding shares of Series C convertible preferred stock. The exercise price is subject to adjustment under certain conditions described in the warrants, which would include the sale by us (except for certain permitted transactions) of shares of common stock for less than the greater of $8.00 per share and the then current market price of our common stock. We will receive such exercise price in cash upon exercise of the warrants except to the extent that the holders elect to utilize the "cashless exercise" feature of the warrants. To the extent the holders elect to utilize such "cashless exercise" feature, the number of shares issuable upon such exercise will be proportionately reduced. In connection with the issuance of the warrants, we entered into an investors rights agreement under which we agreed, among other matters, to register at our expense the warrant shares for resale under the Securities Act of 1933, as amended, and keep such registration effective in the future subject to certain conditions. In accordance with that agreement, we have registered the warrant shares for resale by the holders and the holders will therefore be able to exercise their warrants and resell the warrant shares without restriction.

Stock Option Plans

In 1992 we adopted an equity incentive plan (the "1992 Plan") which provided for a variety of incentive awards, including stock options, and in 2000, we adopted a stock incentive plan (the "2000 Plan"), which provides for awards in the form of incentive stock options, non-qualified stock options, restricted stock and performance stock awards. In 2002, we amended the 2000 Plan to increase the awards that can be issued under the 2000 Plan from 0.8 million shares to 1.5 million shares and in 2005, we further amended the 2000 Plan to increase the awards that can be issued under the 2000 Plan to 2.0 million. As of March 31, 2008, we had the following types of stock based compensation awards outstanding under these plans: stock options, restricted stock awards and performance stock awards. The stock options generally become exercisable up to five years from the date of grant, subject to certain employment requirements, and terminate ten years from the date of grant. The restricted stock awards vest over five years subject to continued employment. The performance stock awards vest depending upon satisfaction of certain performance criteria which are established in connection with their grant by the compensation committee of our board of directors.

As of March 31, 2008, we had reserved 642,489 shares of common stock which were then either subject to options outstanding under our employee stock incentive plans which are scheduled to vest more than 60 days thereafter or were then available for future grant under the 2000 Plan. Such total is exclusive of the shares previously issued (either upon exercise of stock options or pursuant to restricted stock, performance stock or common stock awards) and the 266,296 shares which were then reserved for options previously granted under the 2000 Plan or the 1992 Plan and which were then vested or will vest within 60 days thereafter. The 1992 Plan expired on March 15, 2002, but there were outstanding on March 31, 2008 options for an aggregate of 43,800 shares, which shall remain in effect until such options are either exercised or expire in accordance with their terms.

Anti-takeover Provisions of the Massachusetts Business Corporation Law and Our By-Laws

Section 8.06 and 7.02 of the Massachusetts Business Corporation Act provide that Massachusetts corporations which are publicly-held must have a staggered broad of directors and that written demand by holders of at least 40% of the outstanding shares of each relevant voting group of shareholders is required for shareholders to call a special meeting unless such corporations take certain actions to affirmatively "opt-out" of such requirements. In accordance with these provisions, Article II, Section 3 of our by-laws provides for a staggered board of directors which consists of three classes of directors of which one class is elected each year for a three-year term, and Article I, Section 2 requires that written application by holders of at least 25% (which is less than the 40% which would otherwise be applicable without such a specific provision in our by-laws) of our outstanding shares of common stock is required for shareholders to call a special meeting. In addition, Article II, Section 8 of our by-laws prohibits the removal by the shareholders of a director except for cause. These provisions could inhibit a takeover of our Company by restricting shareholder action to replace the existing directors or approve other actions which a party seeking to acquire our Company might propose.

Indemnification of our Directors and Officers

Sections 8.51 and 8.52 of the Massachusetts Business Corporation Act, as amended, give Massachusetts corporations the power to indemnify each of their present and former officers and directors under certain circumstances if such person acted in good faith and in a manner which is reasonably believed to be in or not opposed to the best interest of the corporation. Article VII of our by-laws provides that we will indemnify our officers and directors to the extent permitted by law.

Insofar as indemnification by our Company for liabilities arising under the Securities Act of 1933, as amended may be permitted to our directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

We also maintain director and officer liability insurance which provides for protection of our directors and officers against liability and cost which they may incur in such capacity, including liabilities arising under the Securities Act of 1933, as amended.

Transfer Agent

The transfer agent for our common stock is American Stock Transfer & Trust Company.

SHARES ELIGIBLE FOR FUTURE SALE

We cannot predict what effect, if any, market sales of shares of common stock or the availability of shares of common stock for sale will have on the market price of our common stock. Nevertheless, sales of substantial amounts of common stock, including shares issued upon the exercise of outstanding options or warrants, in the public market, or the perception that these sales could occur, could adversely affect the market price of our common stock and our future ability to raise capital through the sale of our equity or equity-related securities at a time and price that we deem appropriate.

Upon the closing of this offering, we will have outstanding an aggregate of approximately 22,905,389 shares of common stock, assuming no exercise of the underwriters' option to purchase additional shares. In addition, we had at March 31, 2008:

- 348,690 shares of common stock issuable upon exercise of outstanding common stock purchase warrants expiring September 10, 2009 with an exercise price of $8.00 per share; and

- 266,296 shares of common stock issuable upon the exercise of options outstanding under our employee stock benefit plans which were either then vested or will vest within 60 days thereafter having a weighted average exercise price of $13.77 per share.

As of March 31, 2008, we also had 642,489 shares of common stock which were then either subject to options outstanding under our employee stock incentive plans which are scheduled to vest more than 60 days thereafter or were then available for future grant under our 2000 Plan, and 511,900 shares of common stock which were then available for potential future issuance and sale to employees from time to time under our Employee Stock Purchase Plan.

All of the approximately 22,905,389 outstanding shares (including shares issuable in the offering), and the 614,986 shares subject to outstanding warrants and options which are now vested or will vest within 60 days, as described in the preceding paragraph, will be available for sale in the public market upon completion of this offering (or vesting in the case of such unvested option shares) as follows:

Number of Shares Eligible for Sale	Comment
20,556,978	shares that will not be subject to lock-up or volume limitations under Rule 144 under the Securities Act, as described below; and
2,963,397	shares that will be eligible for sale, subject to applicable volume limitations under Rule 144 as described below, upon the expiration of the lock-up agreements described under "Underwriting", beginning 90 days after the date of the final prospectus for this offering.

The 2,963,397 shares described in the preceding table as being subject to lock-up agreements and volume limitations under Rule 144 are shares which are now held, or are subject to options which are now held, by certain of our directors and executive officers, each of whom is an "affiliate" of us as defined in Rule 144 under the Securities Act of 1933. In general, under Rule 144 as currently in effect, each of our affiliates would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, which will equal approximately 22,905,389 shares immediately after this offering; and

- the average weekly trading volume of the common stock during the four calendar weeks preceding the filing of a Form 144 with respect to such sale.

Sales under Rule 144 are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us. In addition, Rule 144 would not be available for resale of shares which have not been registered under the Securities Act of 1933, or beneficially owned for at least one year after the date such shares were acquired from us without such registration. However, all of the 2,963,397 shares described in the table above as being subject to lock-up agreements and Rule 144 volume limitations have been either registered under the Securities Act or beneficially owned for at least one year, and Rule 144 will therefore be available for sale of such shares by such directors and executive officers upon the expiration of such lock-up agreements.

CERTAIN MATERIAL UNITED STATES FEDERAL TAX CONSEQUENCES TO NON-U.S. HOLDERS OF COMMON STOCK

The following is a general discussion of certain material United States federal income and estate tax consequences of the acquisition, ownership and disposition of our common stock by a non-U.S. holder (as defined below) that purchases common stock in this offering. This discussion is not a complete analysis of all the potential United States federal income tax consequences relating thereto, nor does it address all United States federal income tax considerations that may be relevant to a particular holder in light of that holder's particular circumstances. Furthermore, except to the limited extent provided below under "Federal Estate Tax," this discussion does not address any estate or gift tax consequences. Except as provided below in the discussion of estate tax consequences, the term "non-U.S. holder" means a beneficial owner of our common stock that, for United States federal income tax purposes, is an individual, corporation, trust or estate other than:

- an individual who is a citizen or resident of the United States;
- a corporation (or entity classified as a corporation for such purposes) created or organized in or under the laws of the United States or of any political subdivision of the United States;
- an estate whose income is includible in gross income for United States federal income tax purposes regardless of its source; or
- a trust, if a United States court is able to exercise primary supervision over the administration of the trust and one or more United States persons have authority to control all substantial decisions of the trust or if the trust has a valid election in effect under applicable United States Treasury regulations to be treated as a "United States person" for such purposes.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) holds our common stock, the tax treatment of a partner in the partnership generally will depend on the status of the partner and upon the activities of the partnership. Accordingly, partnerships that hold our common stock and partners in such partnerships are urged to consult their tax advisors regarding the specific United States federal income tax consequences to them.

An individual may be treated as a resident of the United States in any calendar year for United States federal income tax purposes, instead of a nonresident, by, among other ways, being present in the United States on at least 31 days in that calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year. For purposes of this calculation, you would count all of the days present in the current year, one-third of the days present in the immediately preceding year and one-sixth of the days present in the second preceding year. Residents are generally taxed for United States federal income purposes as if they were United States citizens.

This discussion does not consider:

- United States federal gift tax consequences;
- United States state and local or non-United States tax consequences;
- United States federal income tax consequences for the stockholders or beneficiaries of a non-U.S. holder;
- special United States federal income tax rules that may apply to particular non-U.S. holders, such as financial institutions, insurance companies, tax-exempt organizations, "controlled foreign corporations," "passive foreign investment companies," partnerships or other pass through entities (or investors in such entities), United States expatriates, broker-dealers, traders in securities, or persons subject to the alternative minimum tax; or

special United States federal income tax rules that may apply to a non-U.S. holder that holds our common stock as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or other integrated investment.

The following discussion is based on provisions of the United States Internal Revenue Code of 1986, as amended (the "Code"), applicable United States Treasury regulations and administrative and judicial interpretations, all as in effect on the date of this prospectus, and all of which are subject to change, retroactively or prospectively. We have not sought, nor to we plan to seek a ruling from the Internal Revenue Service (the "IRS") with respect to the matters discussed below, and there can be no assurance that the IRS will not take a contrary position regarding the tax consequences of the acquisition, ownership or disposition of our common stock, or that any such contrary position would not be sustained by a court. The following summary assumes that a non-U.S. holder (i) purchased our stock pursuant to this offering and (ii) holds our common stock as a capital asset within the meaning of Section 1221 of the Code. **Each non-U.S. holder should consult a tax advisor regarding the United States federal, state, local and non-United States income, gift, estate and other tax consequences of acquiring, holding and disposing of shares of our common stock.**

Distributions

If distributions are paid on the shares of our common stock, these distributions generally will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, and then will constitute a return of capital that is applied against your tax basis in the common stock (on a share by share basis) to the extent these distributions exceed those earnings and profits. Distributions in excess of our current and accumulated earnings and profits and your tax basis in the common stock will be treated as capital gain from a deemed sale or exchange of the common stock, the treatment of which is discussed below.

We do not anticipate paying cash distributions on our common stock in the foreseeable future. See "Dividend Policy" elsewhere in this prospectus supplement. In the event, however, that we pay future dividends on our common stock that are not effectively connected with the conduct of a United States trade or business of a non-U.S. holder, such dividends will generally be subject to United States federal withholding tax at a rate of 30%, or a lower rate under an applicable income tax treaty if certain information reporting requirements are satisfied (i.e., if you furnish to us or our paying agent a valid IRS Form W-8BEN (or applicable successor form) prior to the payment of dividends). Non-U.S. holders should consult their own tax advisors regarding their entitlement to benefits under a relevant income tax treaty.

Dividends that are effectively connected with a non-U.S. holder's conduct of a trade or business in the United States will be taxed on a net income basis at the regular graduated rates and generally in the manner applicable to United States persons (unless the holder claims an exemption from U.S. tax under a treaty on the grounds that income is not attributable to a permanent establishment in the United States). In addition, if the non-U.S. holder is a foreign corporation, a "branch profits tax" may be imposed at a 30% rate, or a lower rate under an applicable income tax treaty. In the event that we pay a dividend that is effectively connected with a non-U.S. holder's U.S. trade or business, we will not have to subject such dividends to United States federal withholding tax if the non-U.S. holder timely complies with applicable certification and disclosure requirements (i.e., if you furnish to us or our paying agent a properly executed IRS Form W-8ECI or Form W-8BEN (or applicable successor form)).

In order to claim the benefit of an applicable income tax treaty in respect of dividends, a non-U.S. holder will be required to timely satisfy applicable certification and other requirements prior to the distribution date.

A non-U.S. holder that is eligible for a reduced rate of United States federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim for a refund with the IRS.

Gain on Disposition of Common Stock

A non-U.S. holder generally will not be subject to United States federal income tax or withholding with respect to gain recognized on a disposition of our common stock unless one of the following applies:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States; in this case, the gain will be taxed on a net income basis at the regular graduated rates and generally in the manner applicable to United States persons (unless the holder claims exemption from U.S. tax under a treaty on the grounds that income is not attributable to a permanent establishment in the United States) and, if the non-U.S. holder is a foreign corporation, the "branch profits tax" described above may also apply;

- the non-U.S. holder is an individual who is present in the United States for more than 182 days in the taxable year of the disposition and meets other requirements; in this case, the gain will be subject to United States federal income tax at a flat 30% rate, but may be offset by United States source capital losses; or

- at any time during the five-year period ending on the date of a sale or other disposition of our stock (or, if shorter, the non-U.S. holder's holding period) (the "applicable period"), our Company is classified as a "United States real property holding corporation" for United States federal income tax purposes; in this case, subject to the exception for certain shareholders owning 5% or less of our common stock (as described below), the gain generally will be taxed in the same manner as the gain described in the first bullet point above, except that the "branch profits tax" will not apply.

Generally, a corporation is a "United States real property holding corporation" if the fair market value of its "United States real property interests" equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. We believe that we have not in the past been, we are not currently, and we do not anticipate becoming in the future, a United States real property holding corporation. Moreover, even if we are or were to become a "United States real property holding corporation," the tax relating to stock in a United States real property holding corporation generally will not apply to a non-U.S. holder whose holdings, actual and constructive, at all times during the applicable period, constituted 5% or less of our common stock, provided that our common stock was regularly traded on an established securities market. Our common stock is traded on The Nasdaq Global Select Market under the symbol "CLHB." Our common stock should therefore be considered to be regularly traded on an established securities market for any calendar quarter during which it is regularly quoted by brokers or dealers who hold themselves out to buy or sell our common stock at the quoted price.

Information Reporting and Backup Withholding

Dividends paid to you may be subject to information reporting and United States backup withholding (currently at a rate of 28%). Generally, we must report to the IRS and to each non-U.S. holder the amount of dividends paid to such holder and the amount of tax, if any, withheld with

respect to such dividends. If you are a non-U.S. holder, you will be exempt from such backup withholding if you provide an IRS Form W-8BEN (or otherwise meet documentary evidence requirements for establishing that you are a non-U.S. holder) or otherwise establish an exemption.

The gross proceeds from the disposition (including a redemption) of our common stock may be subject to information reporting and backup withholding. If you sell your common stock outside the United States through a non-United States office of a non-United States broker and the sales proceeds are paid to you outside the United States, then the United States backup withholding and information reporting requirements generally will not apply to that payment. However, United States information reporting, but not backup withholding, will apply to a payment of sales proceeds, even if that payment is made outside the United States, if you sell your common stock through a non-United States office of a broker that:

- is a United States person;
- is a foreign person that derives 50% or more of its gross income in specific periods from the conduct of a trade or business in the United States;
- is a "controlled foreign corporation" for United States federal income tax purposes; or
- is a foreign partnership that at any time during its tax year:
- has one or more United States persons who are partners that, in the aggregate, hold more than 50% of the income or capital interests in the partnership; or
- is engaged in the conduct of a United States trade or business.

In such case, information reporting requirements will not apply to the payment of the proceeds of a disposition of our common stock if the broker receives an IRS Form W-8BEN from the owner, signed under penalty of perjury, certifying such owner's non-U.S. status or an exemption is otherwise established. Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

If you receive payments of the proceeds of a sale of our common stock to or through a United States office of a broker, the payment is subject to both United States backup withholding and information reporting unless you provide an IRS Form W-8BEN, signed under penalty of perjury, certifying that you are a non-U.S. person or you otherwise establish an exemption.

Backup withholding is not an additional tax. You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by timely filing a refund claim with the IRS.

Federal Estate Tax

Our common stock that is owned or treated as owned by an individual who is a non-U.S. holder, as specifically defined for United States federal estate tax purposes, at the time of death will be included in the individual's gross estate for United States federal estate tax purposes, unless an applicable estate tax or other treaty provides otherwise and, therefore, may be subject to United States federal estate tax.

CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the chief executive officer and its chief financial officer, we evaluated as of December 31, 2007, the effectiveness of the Company's disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Securities Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on that evaluation, our chief executive officer and its chief financial officer concluded that the Company's disclosure controls and procedures were not effective at the reasonable assurance level as of December 31, 2007 because of the material weakness discussed below.

Management's Annual Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as that term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including the principal executive officer and principal financial officer, we conducted an evaluation of our internal control over financial reporting based on the framework in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. During its evaluation as of December 31, 2007, our management determined the Company did not maintain effective controls over financial reporting with respect to income tax accounting. Specifically, errors were detected in the annual tax accounting calculations resulting from: (i) historical tax accounting analyses not being prepared in sufficient detail, (ii) current period tax accounting calculations not being accurately prepared, and (iii) reviews of tax accounting calculations not being performed with sufficient precision. Due to the number of errors identified resulting from these control deficiencies and the absence of sufficient mitigating controls, management concluded these errors, in the aggregate, constituted a material weakness in internal control because there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Because of this material weakness, our management has concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2007 based on the criteria in the Internal Control Integrated Framework.

Deloitte & Touche LLP, the independent registered public accounting firm that audited the Company's consolidated financial statements, has issued an attestation report on the Company's

internal control over financial reporting as of December 31, 2007, which is included in Item 9A of the Company's report on Form 10-K for the year ended December 31, 2007, and in this prospectus supplement at the end of this section.

Changes in Internal Control over Financial Reporting

Except as otherwise discussed below, there have not been any changes in the Company's internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act, during the Company's fiscal quarter ended December 31, 2007 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Remediation of Material Control Weaknesses

Our management has identified the following measures to strengthen our internal control over financial reporting and address the material weakness described above. We engaged external tax advisors to assist with the calculation of the 2007 provision for income taxes and related deferred tax assets and income taxes payable prior to the filing of its annual report on Form 10-K for the year ended December 31, 2007, but this change alone was not sufficient to remediate the material weakness. We intend to continue to supplement its internal resources with external tax advisors and service providers and has developed the following remediation plan.

- Hire additional personnel trained and experienced in United States and foreign income tax accounting and reporting.

- Periodically re-evaluate adequacy of internal resources and add necessary additional resources on a timely basis or supplement identified needs with external tax advisors and service providers.

- Enhance our policies and procedures, including implementing new systems and software, for determining, documenting and calculating our income tax provision.

- Accelerate the timing of certain tax review activities during the financial close process.

Our management anticipates the measures described above and the resulting improvements in controls will strengthen the Company's internal control over financial reporting relating to accounting for income taxes, and will, over time, address the related material weakness that management identified as of December 31, 2007. However, because these remedial actions relate to the hiring of additional personnel and many of the controls in the Company's system of internal controls rely extensively on manual review and approval, we cannot yet be certain that these remediation efforts will sufficiently cure its identified material weakness. Additionally, because of the complexity of income tax accounting, simple errors or honest mistakes in judgment can result in financial statement errors that may be material, either individually or in the aggregate.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Clean Harbors, Inc.
Norwell, Massachusetts

We have audited Clean Harbors, Inc. and subsidiaries' (the "Company") internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Annual Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on that risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment: The Company did not have adequate design or operational controls over the accounting for income taxes to provide reasonable assurance that the relevant income tax accounts and related disclosures were prepared in accordance with generally accepted accounting

principles. As a result of the identified weakness, post-closing adjustments have been recorded to the Company's books and records and its consolidated financial statements. These adjustments, which are reflected in the accompanying consolidated financial statements for the year ended December 31, 2007, caused changes to income taxes payable, deferred income tax assets and liabilities, valuation allowance, income tax provision, and disclosures of such amounts. This weakness could continue to materially impact the balances in the accounts previously mentioned. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2007, of the Company and this report does not affect our report on such financial statements and financial statement schedule.

In our opinion, because of the effect of the material weakness identified above on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2007, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2007 of the Company and our report dated March 10, 2008 expressed an unqualified opinion on those financial statements and the financial statement schedule and included an explanatory paragraph relating to the adoption of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes,* effective January 1, 2007.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts
March 10, 2008

UNDERWRITING

Clean Harbors and the underwriters have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co. is the representative of the underwriters.

Underwriters	Number of Shares
Goldman, Sachs & Co.	1,375,000
Credit Suisse Securities (USA) LLC	500,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	250,000
RBC Capital Markets Corporation	125,000
Needham & Company, LLC	125,000
Wedbush Morgan Securities, Inc.	125,000
Total	2,500,000

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional 375,000 shares from the Company to cover such sales. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following tables show the per share and total underwriting discounts and commissions to be paid to the underwriters by the Company. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase 375,000 additional shares.

	No Exercise	Full Exercise
Per Share	$ 3.1875	$ 3.1875
Total	$ 7,968,750	$ 9,164,063

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $1.8169 per share from the initial public offering price. If all the shares are not sold at the initial public offering price, the representative may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

Clean Harbors has agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 90 days after the date of this prospectus, except with the prior written consent of the representative. This agreement does not apply to any existing employee benefit plans. See "Shares Available for Future Sale" for a discussion of certain transfer restrictions.

Alan S. McKim, our founder and our only director or executive officer who now owns 1.0% or more of our outstanding common stock, and each of our other four executive officers who were most likely highly compensated during the year ended December 31, 2007, have entered into

"lock-up letters" with the representative of the underwriters. Under such letters, they have agreed that, for a period of 90 days after the date of the final prospectus relating to this offering, they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any of these transactions are to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of the representative. However, such letters do not prevent such individuals from making during such period certain gifts or transfers into trust provided that the donees or trustees agree to be bound by the restrictions on transfer contained in such letters.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. The underwriters may close out any short position by purchasing shares in the open market. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering. Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own account, may have the effect of preventing or retarding a decline in the market price of our common stock, and may stabilize, maintain or otherwise affect the market price of our common stock.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representative have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of Clean Harbors' stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on The NASDAQ Global Select Market, in the over-the-counter market or otherwise.

Clean Harbors may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. In connection with those derivatives, the third parties may sell securities covered by this prospectus, including in short sale transactions. If so, the third party may use securities pledged by Clean Harbors or borrowed from Clean Harbors or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from Clean Harbors in settlement of those derivatives to close out any related open borrowings of stock. The third party in such sale transactions will be an underwriter or will be identified in a post-effective amendment.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent

authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representative for any such offer; or

(d) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of shares to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA would not, if the Company was not an authorized person, apply to the Company; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

The securities have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Clean Harbors estimates that their share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $625,000.

Clean Harbors has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for Clean Harbors, for which they received or will receive customary fees and expenses.

VALIDITY OF COMMON STOCK

Davis, Malm & D'Agostine, P.C., Boston, Massachusetts, will pass upon the validity of the shares of our common stock being offered under this prospectus supplement. As of March 31, 2008, shareholders in Davis, Malm & D'Agostine, P.C., beneficially owned an aggregate of 12,500 shares of our common stock (including 2,500 shares owned by, or for the benefit of, members of their immediate families), and two shareholders of that firm were trustees of a trust for the benefit of persons unrelated to them which then owned an additional 3,000 shares.

Certain legal matters relating to this offering will be passed upon for the underwriters by Cahill Gordon & Reindel LLP, New York, New York.

EXPERTS

The financial statements, the related financial statement schedule and management's report on the effectiveness of internal control over financial reporting, included in this prospectus supplement, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports appearing herein (which reports (1) express an unqualified opinion on the consolidated financial statements and financial statement schedule and includes an explanatory paragraph referring to the adoption of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, effective January 1, 2007 and Statement of Financial Accounting Standards No. 123(R), *Share-Based Payment,* effective January 1, 2006), and (2) express an adverse opinion on the effectiveness of internal control over financial reporting because of a material weakness). Such financial statements and financial statement schedule have been so included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

INCORPORATION OF INFORMATION BY REFERENCE

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's web site at http://www.sec.gov. Copies of the documents we file with the SEC can be read at the SEC's public reference facility at 100 F Street, N.E., Washington, D.C. 20549. You can also obtain copies of our filings at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its public reference facility.

We are "incorporating by reference" in this prospectus supplement some of the documents we file with the SEC. This means that we can disclose important information to you by referring you to those documents. The information in the documents incorporated by reference is considered to be part of this prospectus supplement. Information in specified documents that we file with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules) after the date of this prospectus supplement will automatically update and supersede information in this prospectus supplement. We incorporate by reference the documents listed below and any future filings we may make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus supplement and prior to the termination of any offering of securities offered by this prospectus supplement:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2007;
- our definitive Proxy Statement dated April 9, 2008 for our Annual Meeting of Shareholders to be held on May 15, 2008; and
- our Reports on Form 8-K filed with the SEC on January 3, 2008, April 17, 2008 and April 21, 2008.

Information contained in this prospectus supplements modifies or supersedes, as applicable, the information contained in earlier-dated documents incorporated by reference. Information contained in later-dated documents incorporated by reference supplements, modifies or supersedes, as applicable, the information contained in this prospectus supplement or in earlier-dated documents incorporated by reference.

We will provide a copy of the documents we incorporate by reference (other than exhibits, unless the exhibit is specifically incorporated by reference into the filing requested), at no cost, to you if you submit a request to us by writing to or telephoning us at the following address or telephone number:

Clean Harbors, Inc.
42 Longwater Drive
Norwell, Massachusetts 02061-9149
Telephone: (781) 792-5100
Attention: Executive Offices

We have filed this prospectus supplement with the SEC as part of a registration statement on Form S-3 (File No. 333-150296) under the Securities Act. This prospectus supplement does not contain all of the information set forth in the registration statement because some parts of the registration statement are omitted in accordance with the rules and regulations of the SEC. The registration statement and its exhibits are available for inspection and copying as set forth above.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Report of Independent Registered Public Accounting Firm	F-2
Financial Statements:	
Consolidated Balance Sheets as of December 31, 2007 and 2006	F-3
Consolidated Statements of Operations for the Three Years Ended December 31, 2007	F-5
Consolidated Statements of Cash Flows for the Three Years Ended December 31, 2007	F-6
Consolidated Statements of Stockholders' Equity for the Three Years Ended December 31, 2007	F-8
Notes to Consolidated Financial Statements	F-10
Financial Statement Schedule:	
Schedule II Valuation and Qualifying Accounts for the Three Years Ended December 31, 2007	F-76

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Clean Harbors, Inc.
Norwell, Massachusetts

We have audited the accompanying consolidated balance sheets of Clean Harbors, Inc. and subsidiaries (the "Company") as of December 31, 2007 and 2006, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2007. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Clean Harbors, Inc. and subsidiaries at December 31, 2007 and 2006, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2007, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

As discussed in Notes 3, 12 and 15, the Company adopted (i) FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, effective January 1, 2007; and (ii) Statement of Financial Accounting Standards No. 123(R), *Share-Based Payment*, effective January 1, 2006.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2007, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 10, 2008 expressed an adverse opinion on the Company's internal control over financial reporting because of a material weakness.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts
March 10, 2008

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

ASSETS

(dollars in thousands)

	As of December 31,	
	2007	**2006**
Current assets:		
Cash and cash equivalents	$ 119,538	$ 73,550
Marketable securities	850	10,240
Accounts receivable, net of allowances aggregating $6,105 and $4,271, respectively	193,126	169,581
Unbilled accounts receivable	14,703	16,078
Deferred costs	7,359	7,140
Prepaid expenses and other current assets	10,098	9,451
Supplies inventories	22,363	20,101
Deferred tax assets	11,491	9,238
Properties held for sale	910	7,440
Total current assets	380,438	322,819
Property, plant and equipment:		
Land	22,273	15,873
Asset retirement costs (non-landfill)	1,438	1,415
Landfill assets	29,925	11,399
Buildings and improvements	112,469	105,190
Vehicles	22,854	25,192
Equipment	274,619	249,981
Furniture and fixtures	1,454	1,400
Construction in progress	18,702	24,950
	483,734	435,400
Less accumulated depreciation and amortization	221,133	191,274
	262,601	244,126
Other assets:		
Long-term investments	8,500	
Deferred financing costs	5,881	7,206
Goodwill	21,572	19,032
Permits and other intangibles, net of accumulated amortization of $36,443 and $30,386, respectively	74,809	65,743
Investment in joint venture		2,208
Deferred tax assets	12,176	6,388
Other	3,911	3,286
	126,849	103,863
Total assets	$ 769,888	$ 670,808

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Continued)

LIABILITIES AND STOCKHOLDERS' EQUITY

(dollars in thousands)

	As of December 31,	
	2007	**2006**
Current liabilities:		
Uncashed checks	$ 5,489	$ 11,083
Current portion of capital lease obligations	1,251	1,391
Accounts payable	81,309	81,432
Deferred revenue	29,730	29,409
Other accrued expenses	65,789	56,999
Current portion of closure, post-closure and remedial liabilities	18,858	13,707
Income taxes payable	8,427	4,333
Total current liabilities	210,853	198,354
Other liabilities:		
Closure and post-closure liabilities, less current portion of $5,527 and $2,035, respectively	24,202	23,520
Remedial liabilities, less current portion of $13,331 and $11,672, respectively	141,428	136,173
Long-term obligations	120,712	120,522
Capital lease obligations, less current portion	1,520	2,648
Unrecognized tax benefits and other long-term liabilities	68,276	16,405
Total other liabilities	356,138	299,268
Commitments and contingent liabilities		
Stockholders' equity:		
Preferred stock, $.01 par value:		
Series B convertible preferred stock: authorized 0 and 156,416 shares; issued and outstanding 0 and 69,000 shares, respectively (liquidation preference of $3.5 million)		1
Common stock, $.01 par value:		
Authorized 40,000,000 shares; issued and outstanding 20,327,533 and 19,685,002 shares, respectively	203	197
Treasury stock	(1,170)	
Additional paid-in capital	166,653	151,691
Accumulated other comprehensive income	17,498	8,939
Accumulated earnings	19,713	12,358
Total stockholders' equity	202,897	173,186
Total liabilities and stockholders' equity	$ 769,888	$ 670,808

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands except per share amounts)

	For the years ended December 31,		
	2007	2006	2005
Revenues	$ 946,917	$ 829,809	$ 711,170
Cost of revenues (exclusive of items shown separately below)	664,440	584,835	512,582
Selling, general and administrative expenses	149,180	125,039	108,312
Accretion of environmental liabilities	10,447	10,220	10,384
Depreciation and amortization	37,590	35,339	28,633
Income from operations	85,260	74,376	51,259
Other income (expense)	135	(447)	611
Loss on early extinguishment of debt		(8,529)	
Interest expense, net of interest income of $4,023, $3,589, and $1,403, respectively	(13,157)	(12,447)	(22,754)
Income before provision for income taxes and equity interest in joint venture	72,238	52,953	29,116
Provision for income taxes	28,040	6,339	3,495
Equity interest in joint venture		(61)	
Net income	44,198	46,675	25,621
Dividends on Series B Preferred Stock	206	276	279
Net income attributable to common stockholders	$ 43,992	$ 46,399	$ 25,342
Earnings per share:			
Basic income attributable to common stockholders	$ 2.22	$ 2.38	$ 1.62
Diluted income attributable to common stockholders	$ 2.14	$ 2.26	$ 1.45
Weighted average common shares outstanding	19,827	19,526	15,629
Weighted average common shares outstanding plus potentially dilutive common shares	20,630	20,657	17,717

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	For the years ended December 31,		
	2007	**2006**	**2005**
Cash flows from operating activities:			
Net income (loss)	$ 44,198	$ 46,675	$ 25,621
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	37,590	35,339	28,633
Allowance for doubtful accounts	(418)	88	(105)
Amortization of deferred financing costs and debt discount	1,940	1,616	1,669
Accretion of environmental liabilities	10,447	10,220	10,384
Changes in environmental liability estimates	597	(9,582)	(11,265)
Deferred income taxes	(7,492)	(6,385)	(1,242)
Impairment of assets held for sale		207	281
(Gain) loss on sale of fixed assets and assets held for sale	(135)	240	(26)
Stock-based compensation	4,799	3,387	56
Excess tax benefit of stock-based compensation	(6,386)	(5,239)	
Income tax benefits related to stock option exercises	6,427	5,399	408
Investment in joint venture		(61)	
Write-off of deferred financing costs and debt discount		2,383	
Changes in assets and liabilities:			
Accounts receivable	(19,142)	(5,000)	(25,983)
Other current assets	(2,693)	(11,092)	(686)
Accounts payable	(4,603)	(4,674)	(804)
Environmental expenditures	(6,511)	(7,605)	(7,243)
Other current liabilities	21,377	5,466	9,969
Net cash from operating activities	79,995	61,382	29,667
Cash flows from investing activities:			
Additions to property, plant and equipment	(36,528)	(40,668)	(19,455)
Acquisitions, net of cash acquired	(7,410)	(51,492)	
Costs to obtain or renew permits	(1,302)	(2,348)	(1,872)
Cost of restricted investments purchased			(3,469)
Proceeds from sales of restricted investments		3,469	
Purchase of available-for-sale securities	(2,310)	(55,628)	
Sales of marketable securities	3,200	45,388	16,800
Proceeds from sales of fixed assets and assets held for sale	615	2,010	987
Proceeds from insurance claim	944	384	3,500
Net cash from investing activities	$ (42,791)	$ (98,885)	$ (3,509)

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(in thousands)

	For the years ended December 31,		
	2007	**2006**	**2005**
Cash flows from financing activities:			
Change in uncashed checks	$ (5,916)	$ 3,128	$ 1,435
Proceeds from exercise of stock options	1,647	2,354	4,470
Proceeds from exercise of warrants	1,200		12,474
Excess tax benefit of stock-based compensation	6,386	5,239	
Dividend payments on preferred stock	(206)	(276)	(279)
Deferred financing costs paid	(32)	(983)	(2,055)
Proceeds from employee stock purchase plan	1,169	801	569
Payments on capital leases	(1,455)	(2,111)	(1,815)
Other	(69)		
Principal payments on debt		(58,482)	
Proceeds from term loan to finance acquisition		30,000	
Proceeds from issuance of common stock, net			60,224
Net cash from financing activities	2,724	(20,330)	75,023
Effect of exchange rate change on cash	6,060	(1,066)	187
Increase (decrease) in cash and cash equivalents	45,988	(58,899)	101,368
Cash and cash equivalents, beginning of year	73,550	132,449	31,081
Cash and cash equivalents, end of year	$ 119,538	$ 73,550	$ 132,449
Supplemental information:			
Cash payments for interest and income taxes:			
Interest paid	$ 14,648	$ 17,761	$ 22,888
Income taxes paid	13,941	5,356	3,455
Non-cash investing and financing activities:			
Property, plant and equipment accrued	4,792	3,600	2,606
Capital lease obligations		142	2,785
Restricted stock grant			1,100

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in thousands)

	Series B Preferred Stock		Common Stock							
	Number of Shares	$0.01 Par Value	Number of Shares	$0.01 Par Value	Additional Paid-in Capital	Comprehensive Income	Accumulated Other Comprehensive Income	Restricted Stock Unearned Compensation	Accumulated Earnings (Deficit)	Total Stockholders' Equity
Balance at December 31, 2004	70	$ 1	14,327	$ 143	$ 62,165		$ 8,667	$	$ (59,938)	$ 11,038
Net income						$ 25,621			25,621	25,621
Foreign currency translation						1,306	1,306			1,306
Minimum pension liability adjustment						(228)	(228)			(228)
Comprehensive income						$ 26,699				
Series B preferred stock dividends					(279)					(279)
Conversion of Series B preferred stock	(1)		3							
Exercise of warrants			1,979	20	12,454					12,474
Issuance of common stock, net of issuance costs of $554			2,300	23	60,201					60,224
Restricted stock grant					1,100			(1,100)		
Amortization of unearned compensation								56		56
Exercise of stock options			702	7	4,462					4,469
State tax benefit on					408					408

	Series B Preferred Stock									
exercise of stock options										
Employee stock purchase plan			42	1	568					569
Balance at December 31, 2005	69	$ 1	19,353	$ 194	$ 141,079		$ 9,745	$ (1,044)	$ (34,317)	$ 115,658
Net income						$ 46,675			46,675	46,675
Foreign currency translation						(638)	(638)			(638)
Minimum pension liability adjustment (net of deferred taxes of $19)						35	35			35
FAS 158 adoption (net of deferred taxes of $113) (note 16)							(203)			(203)
Comprehensive income						$ 46,072				
Other					(6)					(6)
Series B preferred stock dividends					(276)					(276)
Stock-based compensation			41		3,387					3,387
Adoption of FAS No. 123(R)					(1,044)			1,044		
Exercise of stock options			261	3	2,351					2,354
Tax benefit on exercise of stock options					5,399					5,399
Employee stock purchase plan			30		801					801
Balance at December 31, 2006	69	$ 1	19,685	$ 197	$ 151,691		$ 8,939	$	$ 12,358	$ 173,186

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Continued)

(in thousands)

	Series B Preferred Stock		Common Stock							
	Number of Shares	$0.01 Par Value	Number of Shares	$0.01 Par Value	Treasury Stock	Additional Paid-in Capital	Comprehensive Income	Accumulated Other Comprehensive Income	Accumulated Earnings	Total Stockholders' Equity
Balance at December 31, 2006	69	$ 1	19,685	$ 197	$	$ 151,691		$ 8,939	$ 12,358	$ 173,186
Net income							$ 44,198		44,198	44,198
Foreign currency translation							8,786	8,786		8,786
Minimum pension liability adjustment (net of deferred taxes of $127)							(227)	(227)		(227)
Comprehensive income							$ 52,757			
FIN 48 cumulative effect adjustment (see Note 12)									(36,843)	(36,843)
Other						(69)				(69)
Series B preferred stock dividends						(206)				(206)
Conversion of Series B preferred stock (see Note 14)	(69)	(1)	210	2		(1)				
Exercise of warrants			150	2		1,198				1,200
Stock-based compensation			56			4,799				4,799
Issuance of restricted			23		(1,170)					(1,170)

	Series B Preferred Stock								
shares, net of shares remitted (see Note 15)									
Exercise of stock options			173	2		1,645			1,647
Tax benefit on exercise of stock options						6,427			6,427
Employee stock purchase plan			31			1,169			1,169
Balance at December 31, 2007		$	20,328	$ 203	$ (1,170)	$ 166,653	$ 17,498	$ 19,713	$ 202,897

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) OPERATIONS

Clean Harbors, Inc., through its subsidiaries (collectively, the "Company"), is managed in two operating segments, Technical Services and Site Services, which provide a wide range of environmental services and solutions to a diversified customer base in the United States, Canada, Puerto Rico and Mexico. The Company's shares of common stock trade on The Nasdaq Global Select Market under the symbol: CLHB. The Company is one of the largest providers of environmental services and the largest operator of hazardous waste treatment facilities in North America. The Company has a network of more than 100 service locations, including 49 active hazardous waste management properties. These properties include six incineration facilities, nine commercial landfills, six wastewater treatment facilities, 20 treatment, storage and disposal facilities ("TSDFs"), and eight locations specializing in PCB management and oil storage and recycling. Some properties offer multiple capabilities. In addition, the Company has 69 service centers, satellite and support locations and corporate and regional offices. These properties are located in 36 states, six Canadian provinces, Puerto Rico and Mexico.

(2) BUSINESS COMBINATIONS

In August 2007, the Company acquired certain assets owned by Romic Environmental Technologies Corporation ("Romic"), which specialized in the collection and recycling of both hazardous and non-hazardous waste materials, for a preliminary purchase price of $8.6 million. The purchase price was subject to contingency adjustment equal to 40% of revenues generated from Romic customers for the six-month period subsequent to the acquisition. An estimate of such amount is included in the preliminary purchase price summarized below.

The calculation of the estimated purchase price and the summary of assets acquired and liabilities assumed is as follows (in thousands):

	As of December 31, 2007
Preliminary Purchase Price	
Cash consideration	$ 5,210
Net amount due to Romic for revenues generated from former Romic customers	2,154
Acquisition costs	878
Reduction of existing Romic receivables	308
Total purchase price, including contingency	$ 8,550
Summary of net assets acquired	
Other current assets	$ 61
Equipment	693
Customer list and other intangibles	7,796
Total assets acquired	8,550
Liabilities assumed	
Net assets acquired	$ 8,550

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(2) BUSINESS COMBINATIONS (Continued)

Management has determined the preliminary purchase price allocation based on estimates of the fair values of the tangible and intangible assets acquired. No liabilities were assumed. An estimate of $7.4 million has been calculated as negative goodwill, which represents the excess of the fair value of the net assets acquired over the purchase price. In accordance with SFAS No. 141, negative goodwill has been proportionally allocated to equipment ($0.6 million) and customer lists and other intangibles ($6.8 million). The intangible assets are being amortized over their useful lives of 3.6 years to 11 years or a weighted average period of 8 years. The purchase price and related allocation is preliminary and may be revised as a result of any changes in the contingent consideration.

On August 18, 2006, the Company purchased, all of the membership interests in Teris LLC for $50.0 million in cash and $1.9 million in direct acquisition costs. By acquiring all of the membership interests in Teris LLC, the Company indirectly acquired ownership of two licensed hazardous waste management facilities. These facilities consist of an incineration facility located in El Dorado, Arkansas, which has an annual practical capacity of 26,400 drums and 1.8 million gallons of bulk liquids, and a transportation, storage and disposal facility located in Wilmington, California. In order to finance the acquisition and pay the related transaction expenses, the Company utilized $24.6 million of available cash and borrowed $30.0 million through a term loan issued under the Company's existing credit agreement.

Management determined the final purchase price allocation, which was not materially different from the preliminary purchase price allocation, based on estimates of the fair values of the tangible assets acquired and liabilities assumed. These estimates were arrived at utilizing recognized valuation techniques. Negative goodwill of $11.6 million was proportionally allocated to property, plant and equipment ($11.1 million) and the investment in joint venture ($0.5 million).

The following is the final summary of assets acquired and liabilities assumed after all purchase price adjustments:

Current assets	$ 26,736
Property, plant and equipment	55,214
Other assets	426
Investment in Ensco Caribe joint venture	2,196
Total assets acquired	84,572
Other current liabilities	(21,469)
Closure, post-closure and remedial liabilities	(11,191)
Total liabilities assumed	(32,660)
Net assets acquired	$ 51,912

The following unaudited pro forma summary presents information as if Teris had been acquired at the beginning of the periods presented with financing obtained as described above and assumes that there were no other changes in the Company's operations. The pro forma information does not necessarily reflect the actual results that would have occurred had the Company and Teris

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(2) BUSINESS COMBINATIONS (Continued)

been combined during the periods presented, nor is it necessarily indicative of the future results of operations of the combined companies.

(dollars in thousands, except share data)	For the year ended December 31, 2006	For the year ended December 31, 2005
Pro forma revenues	$ 888,982	$ 805,676
Pro forma net income (loss) available to common stockholders	$ 39,486	$ (38,203)
Pro forma basic earnings per share	$ 2.02	$ (2.44)
Pro forma diluted earnings per share	$ 1.92	$ (2.44)

On January 3, 2007, Ensco Caribe, Inc., a Puerto Rico corporation ("Ensco Caribe") then owned 50% by Clean Harbors El Dorado, LLC ("CH El Dorado") and 50% by Ochoa Industrial Sales Corporation ("Ochoa"), redeemed the 50% stock ownership of Ochoa for $3.0 million, of which $300,000 was placed in escrow for a period of 14 months as security for the representations and warranties of Ochoa. Immediately after the redemption, Ensco Caribe was 100% owned by CH El Dorado, the name "Ensco Caribe, Inc." was changed to "Clean Harbors Caribe, Inc.", and the Puerto Rico operations of Clean Harbors Environmental Services, Inc. were transferred to Clean Harbors Caribe, Inc. The primary reasons for this transaction was to further improve the Company's ability to service customers in Puerto Rico, leverage the Company's existing waste collection and disposal capabilities in Puerto Rico and capitalize on the site services and emergency response capabilities of the Ensco Caribe operations.

The Company has accounted for this transaction (the "New Investment") as part of a step acquisition of Ensco Caribe, which also included the Company's original investment in Ensco Caribe as part of the acquisition of Teris LLC. Therefore, the fair value of the original investment of $2.2 million was determined as part of the purchase price allocation for the Teris LLC assets and liabilities. The New Investment was allocated based on the fair value of assets acquired and liabilities assumed as of January 3, 2007. The total purchase price of $5.1 million reflected an excess of purchase price over fair value of the net assets acquired of approximately $2.5 million, which has been recorded as goodwill. The results of operations and assets and liabilities of Ensco Caribe, Inc. are now consolidated and reported within the Company's consolidated financial statements.

The Romic acquisition completed in 2007 was not material to the Company's results of operations for 2007 on a proforma basis.

On February 8, 2008 the Company signed definitive agreements to acquire two solvent recycling facilities for $12.5 million in cash plus the assumption of approximately $3.0 million of environmental liabilities. The Company anticipates receiving the governmental approvals and closing the acquisitions by the end of March 2008. The Company anticipates that these acquisitions will broaden the services it can offer to customers and enhance its market share in the solvent recycling business.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements of the Company reflect the application of certain significant accounting policies as described below:

Principles of Consolidation

The accompanying consolidated statements include the accounts of Clean Harbors, Inc. and its majority-owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price is fixed or determinable, and collection is reasonably assured. Revenue is recognized net of estimated allowances. Due to the nature of the business and the complex invoices that result from the services provided, customers may withhold payments and attempt to renegotiate amounts invoiced. Accordingly, management establishes a revenue allowance to cover the estimated amounts of revenue that may need to be credited to customers' accounts in future periods. The Company records a provision for revenue allowances based on specific review of particular customers, historical trends and other relevant information.

The Company provides a wide range of environmental services through two segments: Technical Services and Site Services. Technical Services involve: (i) services for collection, transportation and logistics management; (ii) services for the categorizing, packaging and removal of laboratory chemicals (CleanPack®); and (iii) services related to the treatment and disposal of hazardous wastes. Site Services involve a wide range of services to maintain industrial facilities and process equipment, as well as clean up or contain actual or threatened releases of hazardous materials into the environment. Revenues for all services with the exception of services for the treatment and disposal of hazardous waste are recorded as services are rendered. Revenues for disposing of hazardous waste are recognized upon completion of wastewater treatment, landfill or incineration of the waste at a Company-owned site or when the waste is shipped to a third party for processing and disposal. Revenues from waste that is not yet completely processed and the related costs are deferred until services are completed. Revenue is recognized on contracts with retainage when services have been rendered and collectability is reasonably assured.

Credit Concentration

Concentration of credit risks in accounts receivable is limited due to the large number of customers comprising the Company's customer base throughout North America. The Company performs periodic credit evaluations of its customers and generally does not require collateral. The Company establishes an allowance for uncollectible accounts based on specific review of particular balances and customers, the credit risk applicable to particular customers, historical trends and other relevant information.

Income Taxes

In June 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"). FIN 48 clarifies the accounting for

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

uncertainty in income taxes recognized in an enterprise's financial statements in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"). This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure and transition. The Company adopted FIN 48 effective January 1, 2007.

There are two major components of income tax expense, current and deferred. Current income tax expense approximates cash to be paid or refunded for taxes for the applicable period. Deferred tax assets and liabilities are determined based upon the difference between the financial statement and tax basis of assets and liabilities as measured by the enacted tax rates, which will be in effect when these differences reverse. Deferred tax expense or benefit is the result of changes between deferred tax assets and liabilities.

A valuation allowance is established when, based on an evaluation of objective verifiable evidence, it is more likely than not that some portion or all of deferred tax assets will not be realized.

Earnings per Share ("EPS")

Basic EPS is calculated by dividing income available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted EPS gives effect to all potentially dilutive common shares that were outstanding during the period.

Segment Information

The Company's operations are managed in two segments: Technical Services and Site Services. The Company operates within the United States, Puerto Rico, Canada and Mexico and no individual customer accounts for more than 5% of revenues.

Cash, Cash Equivalents and Uncashed Checks

The Company classifies all highly liquid instruments purchased with maturities of less than three months to be cash equivalents.

The Company's cash management program with its revolving credit lender allows for the maintenance of a zero balance in the U.S. bank disbursement accounts that are used to issue vendor and payroll checks. The checks are covered from cash, at the Company's discretion, deposited into such accounts or from availability under the revolving line of credit when the checks are presented for payment. The program can result in checks outstanding in excess of bank balances in the disbursement accounts. When checks are presented to the bank for payment, cash deposits in amounts sufficient to fund the checks are made from funds provided by other accounts, or under the terms of the Company's revolving credit facility. Therefore, until checks are presented for payment, there is no right of offset by the bank and the Company continues to have control over cash relating to both released as well as unreleased checks. As such checks that have been written to vendors or employees but have not yet been presented for payment at the Company's bank, are classified as uncashed checks and added back to cash balances.

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Marketable Securities

The Company has classified its marketable securities as available-for-sale and, accordingly, carries such securities at fair value. Unrealized gains and losses are reported, net of tax, as a component of stockholders' equity. Marketable securities at December 31, 2007 consisted of 9.4 million of auction rate securities, which then consisted of readily marketable auction rate securities held, of which $0.85 million was then classified under marketable securities and $8.5 million was then classified under long-term investments. Should market conditions deteriorate for an extended period of time and the Company be unable to liquidate these investments, management may be required to record an impairment charge.

Allowances for Doubtful Accounts

On a regular basis, the Company evaluates its accounts receivable and establishes the allowance for doubtful accounts based on an evaluation of historical bad debts, customer concentration, customer credit ratings, current economic trends and changes in customer payment patterns.

Unbilled Receivables

The Company recognizes unbilled accounts receivable for service and disposal transactions rendered but not invoiced to the customer by the end of the period.

Supplies Inventories

Supplies inventories consist primarily of supplies and repair parts expected to be used in the operating cycle, which are stated at the lower of cost or market. The Company periodically reviews its inventories for obsolete or unsaleable items and adjusts its carrying value to reflect estimated realizable values.

Properties Held for Sale

From time to time the Company identifies properties that are no longer needed for its operations. These properties are transferred to properties held for sale at the lower of their net book value or current estimated market value less estimated selling costs when they meet the following criteria: (i) management, having the authority to approve the action, commits to a plan to sell the assets; (ii) the assets are available for immediate sale in their present condition, subject only to conditions that are usual and customary for the sale of such assets; (iii) the Company is actively searching for a buyer; (iv) the assets are being marketed at a price that is reasonable in relation to their current fair value; (v) actions necessary to complete the plan indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn; and (vi) the sale is probable and the transfer is expected to qualify for recognition as a completed sale within one year.

In 2007, management determined that due to changes in circumstances regarding the sale of certain property, such property no longer met the criteria for classification as an asset held for sale and therefore reclassified $6.9 million to land. As of December 31, 2007, there were three remaining properties classified as properties held for sale.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment (excluding landfill assets)

Property, plant and equipment are stated at cost and include amounts capitalized under capital lease obligations. Expenditures for major renewals and improvements which extend the life of the asset are capitalized. Items of an ordinary repair or maintenance nature, are charged directly to operating expense as incurred. During the construction and development period of an asset, the costs incurred, including applicable interest costs, are classified as construction-in-progress. In addition, the Company capitalizes applicable interest costs associated with partially-constructed assets, primarily included in landfill assets. Interest in the amount of $1.2 million, $0.7 million and $0.1 million was capitalized to fixed assets during the years ended December 31, 2007, 2006 and 2005, respectively. Depreciation and amortization expense was $31.4 million, $26.4 million and $23.1 million for the years ended December 31, 2007, 2006 and 2005, respectively.

Depreciation and amortization of other property, plant and equipment is provided on a straight-line basis over their estimated useful lives. Leasehold improvements are capitalized and amortized over the shorter of the life of the asset or the lease term.

The Company depreciates and amortizes the cost of these assets, using the straight-line method as follows:

Asset Classification	Estimated Useful Life
Capitalized software	3 years
Buildings and building improvements	2-40 years
Land improvements	5 years
Leasehold improvements	2-10 years
Vehicles	3-12 years
Equipment	3-20 years
Furniture and fixtures	5-8 years

Upon retirement or other disposition, the cost and related accumulated depreciation of the assets are removed from the accounts and any resulting gain or loss is reflected in other income (expense).

The Company recognizes an impairment in the carrying value of long-lived assets when the expected future discounted cash flows derived from the assets are less than its carrying value. For the year ended December 31, 2006 the Company recorded a $0.6 million impairment charge related to long-lived assets at the Plaquemine, Louisiana facility. For the years ended December 31, 2007 and 2005, the Company recorded no impairment charge related to long-lived assets.

Goodwill and Intangible Assets

Goodwill, permits and other intangible assets are stated at cost. Goodwill is not amortized. Permits relating to landfills are amortized on a consumption unit basis. All other permits are amortized over periods ranging from 5 to 30 years on a straight line basis. Permits consist of the value of permits acquired in a business combination and direct costs related to obtaining such permits including legal fees, site surveys, engineering costs and other expenses. In addition, legal costs incurred in connection with defending the Company's right to accept certain waste under a validly issued permit are also capitalized. (See Note 11, "Commitments and Contingencies *Deer*

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Trail, Colorado Facility"). Other intangibles consist primarily of customer lists and property rights to a rail spur which are amortized over 11 years and 3.6 years, respectively.

Amortization expense was $5.0 million, $7.1 million (including a $2.0 million impairment charge for the Plaquemine, Louisiana Facility) and $5.3 million for the years ended December 31, 2007, 2006 and 2005, respectively.

For the year ended December 31, 2006, the Company recorded a $2.0 million impairment charge related to the Plaquemine, Louisiana facility (see Note 11, "Commitments and Contingencies *Plaquemine, Louisiana Facility*"). There were no impairment charges during the years ended December 31, 2007 and 2005.

On an annual basis as of December 31, the Company performs goodwill impairment tests by comparing the book value of goodwill to its implied fair value. The implied fair value of goodwill is assigned to all three reporting units; Technical Services, Site Services and Facilities. The Company incurred no impairment of goodwill as a result of the annual goodwill impairment tests in 2007, 2006 and 2005.

Leases

The Company leases rolling stock, rail cars, equipment, real estate and office equipment under operating leases. Certain real estate leases contain rent holidays and rent escalation clauses. Most of the Company's real estate lease agreements include renewal periods at the Company's option. For its operating leases, the Company recognizes rent holiday periods and scheduled rent increases on a straight-line basis over the lease term beginning with the date the Company takes possession of the leased assets.

Deferred Financing Costs

Deferred financing costs are amortized over the life of the related debt instrument. Amortization expense is included in interest expense in the statements of operations.

Fair Value of Financial Instruments

The fair value of the Company's debt is based on quoted market price. (See Note 10, "Financing Arrangements").The estimated fair value of cash and cash equivalents, restricted cash, receivables, and trade payables approximate their carrying value due to the short maturity of these instruments. The fair value of marketable securities, which consist of auction rate securities, is par value, at which they trade.

Landfill Accounting

Landfill accounting The Company amortizes landfill improvements, and certain landfill related permits over their estimated useful lives. The units of consumption method is used to amortize land, landfill cell construction, asset retirement costs and remaining landfill cells and sites. The Company also utilizes the units of consumption method to record closure and post-closure obligations for landfill cells and sites. Under the units of consumption method, the Company includes future estimated construction and asset retirement costs, as well as costs incurred to date, in the amortization base. Additionally, where appropriate, the Company includes probable

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

expansion airspace that has yet to be permitted in the calculation of the total remaining useful life of the landfill.

Landfill assets Landfill assets include the costs of landfill site acquisition, preparation and improvement. These amounts are recorded at cost, which includes capitalized interest as applicable. Landfill assets, net of amortization, are combined with management's estimate of the costs required to complete construction of the landfill to determine the amount to be amortized over the remaining estimated useful economic life of a site. Amortization of landfill assets is recorded on a units-of-consumption basis, such that the landfill assets should be completely amortized at the date the landfill ceases accepting waste. Changes in estimated costs to complete construction are applied prospectively to the amortization rate.

Amortization of cell construction costs and accrual of cell closure obligations Landfills are typically comprised of a number of cells, which are constructed within a defined acreage (or footprint). The cells are typically discrete units, which require both separate construction and separate capping and closure procedures. Cell construction costs are the costs required to excavate and construct the landfill cell. These costs are typically amortized on a units-of-consumption basis, such that they are completely amortized when the specific cell ceases accepting waste. In some instances, the Company has landfills that are engineered and constructed as "progressive trenches". In progressive trench landfills, a number of contiguous cells form a progressive trench. In those instances, the Company amortizes cell construction costs over the airspace within the entire trench, such that the cell construction costs will be fully amortized at the end of the trench useful life.

The design and construction of a landfill does not create a landfill asset retirement obligation. Rather, the asset retirement obligation for cell closure (the cost associated with capping each cell) is incurred in relatively small increments as waste is placed in the landfill. Therefore, the cost required to construct the cell cap is capitalized as an asset retirement cost and a liability of an equal amount is established, based on the discounted cash flow associated with each capping event, as airspace is consumed. Spending for cell capping is reflected as a change in liabilities within operating activities in the statement of cash flows.

Landfill final closure and post-closure liabilities The Company has material financial commitments for the costs associated with requirements of the U.S. Environmental Protection Agency (the "EPA") and the comparable regulatory agency in Canada for landfill final closure and post-closure activities. In the United States, the landfill final closure and post-closure requirements are established under the standards of the EPA, and are implemented and applied on a state-by-state basis. Estimates for the cost of these activities are developed by the Company, based on an evaluation of site-specific facts and circumstances, including the Company's interpretation of current regulatory requirements and proposed regulatory changes. Such estimates may change in the future due to various circumstances including, but not limited to, permit modifications, changes in legislation or regulations, technological changes and results of environmental studies.

Final closure costs include the costs required to cap the final cell of the landfill (if not included in cell closure) and the costs required to dismantle certain structures for landfills and other landfill improvements. In addition, final closure costs include regulation-mandated groundwater monitoring, leachate management and other costs incurred in the closure process. Post-closure costs include substantially all costs that are required to be incurred subsequent to the closure of the landfill,

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

including, among others, groundwater monitoring and leachate management. Regulatory post-closure periods are generally 30 years after landfill closure. Final closure and post-closure obligations are accrued on a units-of-consumption basis, such that the present value of the final closure and post-closure obligations are fully accrued at the date the landfill discontinues accepting waste.

Once determined, closure and post-closure costs incurred are increased for inflation (2.57% and 2.17% for closure and post-closure liabilities incurred in the years ended December 31, 2007 and 2006, respectively). The Company uses an inflation rate published by the U.S. Department of Labor, Bureau of Labor Statistics that excludes the more volatile items of food and energy. Closure and post-closure costs are discounted at the Company's credit-adjusted risk-free interest rate (9.0% and 9.25% for closure and post-closure liabilities incurred in the years ended December 31, 2007 and 2006, respectively). For the asset retirement obligations incurred in the years ended December 31, 2007 and 2006, the Company estimated its credit-adjusted risk-free interest rate by adjusting the then current yield based on market prices of its 11.25% Senior Secured Notes then outstanding by the difference between the yield of a U.S. Treasury Note of the same duration as the Senior Secured Notes and the yield on the 30-year U.S. Treasury Bond.

For landfills purchased, the Company assessed and recorded the present value of the estimated closure and post-closure liability based upon the estimated final closure and post-closure costs and the percentage of airspace consumed as of the purchase date. Thereafter, the difference between the liability recorded at the time of acquisition and the present value of total estimated final closure and post-closure costs to be incurred is accrued prospectively on a units-of-consumption basis over the estimated useful economic life of the landfill.

Landfill capacity Landfill capacity, which is the basis for the amortization of landfill assets and for the accrual of final closure and post-closure obligations, represents total permitted airspace plus unpermitted airspace that management believes is probable of ultimately being permitted based on established criteria. The Company applies a comprehensive set of criteria for evaluating the probability of obtaining a permit for future expansion airspace at existing sites, which provides management a sufficient basis to evaluate the likelihood of success of unpermitted expansions. Those criteria are as follows:

Personnel are actively working to obtain the permit or permit modifications (land use, state and federal) necessary for expansion of an existing landfill, and progress is being made on the project.

The Company expects to submit the application within the next year and expects to receive all necessary approvals to accept waste within the next five years.

At the time the expansion is included in the Company's estimate of the landfill's useful economic life, it is probable that the required approvals will be received within the normal application and processing time periods for approvals in the jurisdiction in which the landfill is located.

The owner of the landfill or the Company has a legal right to use or obtain land associated with the expansion plan.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

There are no significant known political, technical, legal, or business restrictions or issues that could impair the success of such expansion.

A financial feasibility analysis has been completed and the results demonstrate that the expansion has a positive financial and operational impact such that management is committed to pursuing the expansion.

Additional airspace and related additional costs, including permitting, final closure and post-closure costs, have been estimated based on the conceptual design of the proposed expansion.

Exceptions to the criteria set forth above may be approved through a landfill-specific approval process that includes approval from the Company's Chief Financial Officer and review by the Audit Committee of the Board of Directors. As of December 31, 2007, there were three unpermitted expansions included in the Company's landfill accounting model, which represented 32.3% of the Company's remaining airspace at that date. As of December 31, 2007, none of the expansions were considered exceptions to the Company's established criteria. As of both December 31, 2006 and 2005, one expansion represented an exception to the Company's established criteria and had been approved by the Audit Committee of the Board of Directors. Had the Company not included the unpermitted airspace for the expansion exception in highly probable airspace, operating expense for the years ended December 31, 2006 and 2005 would have been higher by $646 thousand and $576 thousand, respectively.

As of December 31, 2007, the Company had 11 active landfill sites (including the Company's two non-commercial landfills), which have estimated remaining lives (based on anticipated waste volumes and remaining highly probable airspace) as follows:

			Remaining Highly Probable Airspace (cubic yards) (in thousands)		
Facility Name	**Location**	**Remaining Lives (Years)**	**Permitted**	**Unpermitted**	**Total**
Altair	Texas	23	1,204		1,204
Buttonwillow	California	41	9,290		9,290
Deer Park	Texas	22	565		565
Deer Trail	Colorado	61	918		918
Grassy Mountain	Utah	21	452	1,366	1,818
Kimball	Nebraska	20	425		425
Lambton	Ontario	48	665	7,847	8,512
Lone Mountain	Oklahoma	13	1,138		1,138
Ryley	Alberta	14	816		816
Sawyer	North Dakota	44	1,093		1,093
Westmorland	California	65	2,732		2,732
			19,298	9,213	28,511

The Company had 1.5 million cubic yards of permitted, but not highly probable, airspace as of December 31, 2007. Permitted, but not highly probable, airspace is permitted airspace the

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Company currently does not expect to utilize; therefore, this airspace has not been included in the above table.

The following table presents the remaining highly probable airspace from January 1, 2005 through December 31, 2007 (in thousands of cubic yards):

	2007	2006	2005
Remaining capacity at January 1,	28,040	29,001	28,454
Addition of highly probable airspace	1,328		1,200
Consumed	(857)	(961)	(653)
Remaining capacity at December 31,	28,511	28,040	29,001

Non-Landfill Closure and Post-Closure

Non-landfill closure costs include costs required to dismantle and decontaminate certain structures and other costs incurred during the closure process. Post-closure costs, if required, include associated maintenance and monitoring costs as required by the closure permit. Post-closure periods are performance-based and are not generally specified in terms of years in the closure permit, but may generally range from 10 to 30 years or more.

The Company records its non-landfill closure and post-closure liability by: (i) estimating the current cost of closing a non-landfill facility and the post closure care of that facility, if required, based upon the closure plan that the Company is required to follow under its operating permit, or in the event the facility operates with a permit that does not contain a closure plan, based upon legally enforceable closure commitments made by the Company to various governmental agencies; (ii) using probability scenarios as to when in the future operations may cease; (iii) inflating the current cost of closing the non-landfill facility on a probability weighted basis using the inflation rate to the time of closing under each probability scenario; and (iv) discounting the future value of each closing scenario back to the present using the credit-adjusted risk-free interest rate. Non-landfill closure and post-closure obligations arise when the Company commences operations.

Remedial Liabilities

Remedial liabilities, including Superfund liabilities, include the costs of removal or containment of contaminated material, the treatment of potentially contaminated groundwater and maintenance and monitoring costs necessary to comply with regulatory requirements. Most of the Company's remedial liabilities relate to the active and inactive hazardous waste treatment and disposal facilities which were acquired in the last five years as well as 35 Superfund sites owned by third parties for which the Company agreed to indemnify certain remedial liabilities owed or potentially owed by the Sellers of the CSD assets and payable to government entities. The Company performed extensive due diligence to estimate accurately the aggregate liability for remedial liabilities to which the Company became potentially liable as a result of the acquisitions. The Company's estimate of remedial liabilities involved an analysis of such factors as: (i) the nature and extent of environmental contamination (if any); (ii) the terms of applicable permits and agreements with regulatory authorities as to cleanup procedures and whether modifications to such permits and agreements will likely need to be negotiated; (iii) the cost of performing anticipated cleanup activities based

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

upon current technology; and (iv) in the case of Superfund and other sites where other parties will also be responsible for a portion of the cleanup costs, the likely allocation of such costs and the ability of such other parties to pay their share. Remedial liabilities and on-going operations are reviewed quarterly and adjustments are made as necessary.

The Company periodically evaluates potential remedial liabilities at sites that it owns or operates or to which the Company or the Sellers of the CSD assets (or the respective predecessors of the Company or the Sellers) transported or disposed of waste, including 59 Superfund sites as of December 31, 2007. The Company periodically reviews and evaluates sites requiring remediation, including Superfund sites, giving consideration to the nature (i.e., owner, operator, arranger, transporter or generator) and the extent (i.e., amount and nature of waste hauled to the location, number of years of site operations or other relevant factors) of the Company's (or the Sellers') alleged connection with the site, the extent (if any) to which the Company believes it may have an obligation to indemnify cleanup costs in connection with the site, the regulatory context surrounding the site, the accuracy and strength of evidence connecting the Company (or the Sellers) to the location, the number, connection and financial ability of other named and unnamed PRPs and the nature and estimated cost of the likely remedy. Where the Company concludes that it is probable that a liability has been incurred and an amount can be estimated, a provision is made, based upon management's judgment and prior experience, of such estimated liability.

Remedial liabilities are inherently difficult to estimate. Estimating remedial liabilities requires that the existing environmental contamination be understood. There is a risk that the actual quantities of contaminants differ from the results of the site investigation, and there is a risk that contaminants exist that have not been identified by the site investigation. In addition, the amount of remedial liabilities recorded is dependent on the remedial method selected. There is a risk that funds will be expended on a remedial solution that is not successful, which could result in the additional incremental costs of an alternative solution. Such estimates, which are subject to change, are subsequently revised if and when additional or new information becomes available.

Remedial liabilities are discounted only when the timing of the payments is estimable and the amounts are determinable. The Company's experience has been that the timing of the payments is not usually estimable and therefore, generally, remedial liabilities are not discounted. However, under purchase accounting, acquired liabilities are recorded at fair value, which requires taking into consideration inflation and discount factors. Accordingly, as of the respective acquisition dates, the Company recorded the remedial liabilities assumed as part of the acquisition of the CSD assets and Teris LLC at their fair value, which was calculated by inflating costs in current dollars using an estimate of future inflation rates as of the acquisition date until the expected time of payment, then discounting the payment to its present value using a risk-free discount rate as of the acquisition date. Subsequent to the acquisition, discounts were and will be applied to the environmental liabilities as follows:

- Remedial liabilities assumed relating to the acquisition of the CSD assets and Teris LLC are and will continue to be inflated using the inflation rate at the time of acquisition (2.4% and 2.17%, respectively) until the expected time of payment, then discounted at the risk-free interest rate at the time of each acquisition (4.9%).

- Remedial liabilities incurred subsequent to the acquisitions and remedial liabilities of the Company that existed prior to the acquisitions have been and will continue to be recorded

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

at the estimated current value of the liabilities, which is usually neither increased for inflation nor reduced for discounting.

Claims for Recovery

The Company records claims for recovery from third parties relating to remedial liabilities only when realization of the claim is probable. The gross remedial liability is recorded separately from the claim for recovery on the balance sheet. At December 31, 2007 and 2006, the Company had recorded no such claims.

Accumulated Other Comprehensive Income

The components of accumulated other comprehensive income were as follows (in thousands):

	December 31,		
	2007	2006	2005
Cumulative translation adjustment of foreign currency statements	$ 18,121	$ 9,335	$ 9,973
Unfunded pension liability (net of deferred taxes of $127, $94 and 0 respectively)	(623)	(396)	(228)
	$ 17,498	$ 8,939	$ 9,745

Foreign Currency

Foreign subsidiary balances are translated according to the provisions of SFAS No. 52, *Foreign Currency Translation*. The Company has operations in both Canada and Mexico. The functional currency of each foreign subsidiary is its respective local currency. Assets and liabilities are translated to U.S. dollars at the exchange rate in effect at the balance sheet date and revenue and expenses at the average exchange rate for the period. Gains and losses from the translation of the consolidated financial statements of the foreign subsidiaries into U.S. dollars are included in stockholders' equity as a component of other comprehensive income. Gains and losses resulting from foreign currency transactions are recognized in the consolidated statements of operations. Recorded balances that are denominated in a currency other than the functional currency are remeasured to the functional currency using the exchange rate at the balance sheet date.

Letters of Credit

The Company utilizes letters of credit to provide collateral assurance to regulatory authorities that certain funds will be available for closure of Company facilities. In addition, the Company utilizes letters of credit to provide collateral for casualty insurance programs, to provide collateral for the vehicle lease line and to provide collateral for a transportation permit. As of December 31, 2007 and 2006, the Company had outstanding letters of credit in an aggregate amount of $89.7 million and $95.5 million, respectively.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions, which are evaluated on an on-going basis, that affect the amounts reported in the Company's consolidated financial statements and accompanying notes. Management bases its estimates on historical experience and on various other assumptions it believes to be reasonable at the time under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and reported amounts of revenues and expenses. Actual results could differ from those estimates and judgments.

Stock Based Compensation

On January 1, 2006, the Company adopted SFAS No. 123 (revised 2004), *Share-Based Payment* ("SFAS No. 123(R)") using the modified prospective method. SFAS No. 123(R) requires companies to recognize compensation cost relating to share-based payment transactions in their financial statements based upon the fair value of the equity or liability instruments issued and is recognized over the service period. Outstanding prior awards that were unvested as of January 1, 2006 are recognized as compensation cost, using the provisions of SFAS 123, over the remaining requisite service period.

Prior to the adoption of SFAS No. 123(R), the Company included all tax benefits associated with equity-based compensation as operating cash flows in the Statement of Cash Flows. SFAS No. 123(R) requires any reduction in taxes payable resulting from tax deductions that exceed the recognized tax benefit associated with compensation expense (excess tax benefits) to be classified as financing cash flows. The Company included $6.4 million and $5.2 million of excess tax benefits in its cash flows from financing activities for the years ended December 31, 2007 and 2006, respectively.

Business Combinations

The Company accounts for the assets acquired and liabilities assumed in a business combination based on fair value estimates as of the date of acquisition. These estimates are revised during the allocation period as necessary if, and when, information regarding contingencies becomes available to further define and quantify assets acquired and liabilities assumed. The allocation period generally does not exceed one year. To the extent contingencies such as preacquisition environmental matters, litigation and related legal fees are resolved or settled during the allocation period, such items are included in the revised allocation of the purchase price. After the allocation period, the effect of changes in these contingencies is included in income from operations in the periods in which the adjustments are determined. The company accrues any estimated additional purchase price related to contingent consideration if the contingency is reasonable assured.

Reclassifications

The Company has made reclassifications in its 2006 Consolidated Balance Sheet to (i) reclass income tax receivable of $0.2 million to prepaid expenses and other current assets, (ii) reclass accrued disposal costs of $3.1 million to other accrued expenses and (iii) reclass accrued pension

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

cost of $0.8 million to unrecognized tax benefits and other long-term liabilities to conform prior year information to the current period presentation. In addition, the Company reclassed certain expenses related to segment reporting (see Note 17, "Segment Reporting") to conform prior year information to the current period presentation.

New Accounting Pronouncements

In December 2006, the FASB issued FASB Staff Position EITF 00-19-2, *Accounting for Registration Payment Arrangements* ("FSP EITF 00-19-2") which provides guidance on the accounting for registration payment arrangements. FSP EITF 00-19-2 specifies that the contingent obligation to make future payments or otherwise transfer consideration under a registration payment arrangement, whether issued as a separate agreement or included as a provision of a financial instrument or other agreement, should be separately recognized and measured in accordance with FASB Statement No. 5, *Accounting for Contingencies*. A registration payment arrangement is defined in FSP EITF 00-19-2 as an arrangement with both of the following characteristics: (1) the arrangement specifies that the issuer will endeavor (a) to file a registration statement for the resale of specified financial instruments and/or for the resale of equity shares that are issuable upon exercise or conversion of specified financial instruments and for that registration statement to be declared effective by the Securities and Exchange Commission within a specified grace period, and/or (b) to maintain the effectiveness of the registration statement for a specified period of time (or in perpetuity); and (2) the arrangement requires the issuer to transfer consideration to the counterparty if the registration statement for the resale of the financial instrument or instruments subject to the arrangement is not declared effective or if effectiveness of the registration statement is not maintained. FSP EITF 00-19-2 is effective for registration payment arrangements and the financial instruments subject to those arrangements that are entered into or modified subsequent to December 21, 2006. For registration payment arrangements and financial instruments subject to those arrangements that were entered into prior to the issuance of FSP EITF 00-19-2, this guidance shall be effective for financial statements issued for fiscal years beginning after December 15, 2006, and interim periods within those fiscal years. The adoption of FSP EITF 00-19-2 on January 1, 2007 did not have an impact on the Company's financial position or results of operations.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("FAS 157"). FAS 157 defines fair value, establishes a market-based framework or hierarchy for measuring fair value, and expands disclosures about fair value measurements. FAS 157 is applicable whenever another accounting pronouncement requires or permits assets and liabilities to be measured at fair value. FAS 157 does not expand or require any new fair value measures, however the application of this statement may change current practice. The requirements of FAS 157 are effective for fiscal years beginning after November 15, 2007. However, the FASB has deferred the implementation of SFAS 157 by one year for certain non-financial assets and liabilities, for which SFAS 157 will be effective for the fiscal year beginning January 1, 2009. Management is evaluating the effect that adoption of FAS 157 will have on the Company's financial position and results of operations.

In February 2007, the FASB issued Statement No. 159, *The Fair Value Option For Financial Assets and Financial Liabilities* ("FAS 159"). This statement, which is expected to expand fair value measurement, permits entities to choose to measure many financial instruments and certain other items at fair value. FAS 159 is effective beginning in the first quarter of 2008. Management is currently evaluating whether to adopt fair value option permitted under this statement, including

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

assessing the impact FAS 159 may have on the Company's financial position and results of operations.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* ("SFAS 141R") and SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of Accounting Research Bulletin No. 51* ("SFAS 160"). SFAS 141R will change how business acquisitions are accounted for and will impact financial statements both on the acquisition date and in subsequent periods. SFAS 160 will change the accounting and reporting for minority interests, which will be recharacterized as noncontrolling interests and classified as a component of equity. SFAS 141R and SFAS 160 are effective for the Company beginning in the first quarter of fiscal 2009. Early adoption is not permitted. Management is currently evaluating the impact that SFAS 141R and SFAS 160 will have on its financial position and results of operations.

(4) INVESTMENTS

As of December 31, 2007, the Company's investments included $0.85 million of auction rate securities classified as marketable securities and $8.5 million classified as non-current, available for sale securities on the balance sheet. Auction rate securities are generally long-term debt instruments that provide liquidity through a Dutch auction process that resets the applicable interest rate at predetermined calendar intervals, generally every 28 days. This mechanism generally allows existing investors to rollover their holdings and continue to own their respective securities or liquidate their holdings by selling their securities at par value. The Company generally invests in these securities for short periods of time as part of its cash management program. Subsequent to December 31, 2007, the Company reinvested $0.85 million of auction rate securities held at December 31, 2007 in cash equivalent instruments. In February 2008 uncertainties in the credit markets prevented the Company and other investors from liquidating their holdings of auction rate securities because the amount of securities submitted for sale then exceeded the amount of purchase orders. Accordingly, the Company still holds $8.5 million of auction rate securities, which are classified as long-term securities on the Company's balance sheet as of December 31, 2007, and is now earning interest on such securities at a higher rate than similar securities for which auctions have cleared. These investments consist of obligations of various issuers collateralized by student loans which are substantially backed by the federal government.

We are uncertain as to when the liquidity issues relating to these investments will improve. Accordingly we classified these securities as non-current as of December 31, 2007.

For the year ended December 31, 2007, the Company had no unrealized gain or loss on these securities. The Company determines the appropriate classification of its marketable securities and long term investments at the date of purchase and reevaluates such classification as of each balance sheet date.

(5) LANDFILL ASSETS

Changes to landfill assets from January 1, 2006 through December 31, 2007 were as follows (in thousands):

	2007	2006
Balance at January 1,	$ 11,399	$ 7,599
Asset retirement costs	1,507	1,480
Capital additions	15,726	3,721
Changes in estimates of landfill closure and post-closure liabilities	92	(1,399)
Currency translation	1,201	(2)
Balance at December 31,	$ 29,925	$ 11,399

Rates used to amortize landfill assets are calculated based upon the dollar value of estimated final liabilities, the surveyed remaining airspace of the landfill, and the time estimated to consume the remaining airspace. Consequently, rates vary for each landfill and for each asset category, and are recalculated each year. Landfill assets were amortized at average rates of $1.42, $1.90, and $0.39 per cubic yard for the years ended December 31, 2007, 2006, and 2005, respectively. The decrease in the 2007 amortization rate resulted primarily from a reduction in cell closure cost estimates based on a re-evaluation of the landfill closure liabilities in the prior year. Amortization totaled $1.2 million, $1.8 million and $0.3 million for the years ended December 31, 2007, 2006 and 2005, respectively.

(6) INTANGIBLE ASSETS

Below is a summary of amortizable intangible assets at December 31, 2007 and 2006 (in thousands):

	2007			2006		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Permits	$ 98,391	$ 30,902	$ 67,489	$ 91,193	$ 26,092	$ 65,101
Customer lists and other intangible assets	12,861	5,541	7,320	4,936	4,294	642
	$ 111,252	$ 36,443	$ 74,809	$ 96,129	$ 30,386	$ 65,743

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(6) INTANGIBLE ASSETS (Continued)

Below is a summary of the expected amortization for intangible assets for the years ending December 31, (in thousands):

	Expected Amortization
2008	$ 4,947
2009	4,478
2010	4,222
2011	3,741
2012	3,534
Thereafter	53,887
	$ 74,809

(7) OTHER ACCRUED EXPENSES

Other accrued expenses consisted of the following (in thousands):

	2007	2006
Insurance	$ 12,984	$ 10,250
Interest	5,367	4,769
Accrued disposal costs	2,998	3,058
Accrued compensation and benefits	19,938	19,538
Other items	24,502	19,384
	$ 65,789	$ 56,999

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(8) CLOSURE AND POST-CLOSURE LIABILITIES

The changes to closure and post-closure liabilities from January 1, 2006 through December 31, 2007 were as follows (in thousands):

	Landfill Retirement Liability	Non-Landfill Retirement Liability	Total
Balance at January 1, 2006	$ 18,068	$ 5,554	$ 23,622
Acquisitions		198	198
New asset retirement obligations	1,480	(13)	1,467
Accretion	2,546	800	3,346
Changes in estimates recorded to statement of operations	(826)	378	(448)
Other changes in estimates recorded to balance sheet	(1,399)	186	(1,213)
Settlement of obligations	(1,004)	(406)	(1,410)
Currency translation, reclassifications and other	(7)		(7)
Balance at December 31, 2006	18,858	6,697	25,555
New asset retirement obligations	1,507		1,507
Accretion	2,734	834	3,568
Changes in estimates recorded to statement of operations	(298)	(554)	(852)
Other changes in estimates recorded to balance sheet	92		92
Settlement of obligations	(231)	(189)	(420)
Currency translation, reclassifications and other	234	45	279
Balance at December 31, 2007	$ 22,896	$ 6,833	$ 29,729

The $0.9 million benefit from changes in estimates above, recorded to the statement of operations, was due to: (i) an increase in utilization of a facility thus avoiding projected near-term closure ($0.6 million), (ii) a decrease in the cell closure cost estimate for a full cell ($0.1 million), and (iii) delayed timing of completing cell closure for a landfill cell ($0.2 million). All of the landfill facilities included above were active as of December 31, 2007.

Rates used to accrue closure and post-closure costs are calculated based upon the dollar value of estimated final liabilities, the surveyed remaining airspace of the landfill, and the time estimated to consume the remaining airspace. Consequently, rates vary for each landfill, each open cell within that landfill and for each accrual category, and are recalculated each year. During the years ended December 31, 2007, and 2006, asset retirement obligations were accrued at an average rate of $1.76 and $1.54 per cubic yard, respectively. The difference in the accrual rate of asset retirement obligations resulted from differences in the individual rates for the cells used during the respective year.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(8) CLOSURE AND POST-CLOSURE LIABILITIES (Continued)

Anticipated payments (based on current estimated costs and anticipated timing of necessary regulatory approvals to commence work on closure and post-closure activities) for each of the next five years and thereafter are as follows (in thousands):

Year ending December 31,		
2008	$	5,863
2009		7,567
2010		9,051
2011		2,065
2012		1,422
Thereafter		218,888
Undiscounted closure and post-closure liabilities		244,856
Less: Reserves to be provided (including discount of $124.9 million) over remaining site lives		(215,127)
Present value of closure and post-closure liabilities	$	29,729

(9) REMEDIAL LIABILITIES

Remedial liabilities are obligations to investigate, alleviate or eliminate the effects of a release (or threat of a release) of hazardous substances into the environment and may also include corrective action under RCRA. The Company's operating subsidiaries' remediation obligations can be further characterized as Legal, Superfund, Long-term Maintenance and One-Time Projects. Legal liabilities are typically comprised of litigation matters that can involve certain aspects of environmental cleanup and can include third party claims for property damage or bodily injury allegedly arising from or caused by exposure to hazardous substances originating from Company activities or operations, or in certain cases, from the actions or inactions of other persons or companies. Superfund liabilities are typically claims alleging that the Company is a potentially responsible party and /or is potentially liable for environmental response, removal, remediation and cleanup costs at/or from either an owned or third party site. As described in Note 11, "Commitments and Contingencies", Superfund liabilities also include certain Superfund liabilities to governmental entities for which the Company is potentially liable to reimburse the sellers in connection with the Company's 2002 acquisition of the CSD assets from Safety-Kleen Corp. ("Safety-Kleen"). Long-term Maintenance includes the costs of groundwater monitoring, treatment system operations, permit fees and facility maintenance for inactive operations. One-Time Projects include the costs necessary to comply with regulatory requirements for the removal or treatment of contaminated materials.

(9) REMEDIAL LIABILITIES (Continued)

The changes to remedial liabilities from January 1, 2006 through December 31, 2007 were as follows (in thousands):

	Remedial Liabilities for Landfill Sites	Remedial Liabilities for Inactive Sites	Remedial Liabilities (Including Superfund) for Non-Landfill Operations	Total
Balance at January 1, 2006	$ 4,901	$ 92,023	$ 50,143	$ 147,067
Liabilities acquired from Teris LLC			9,159	9,159
Accretion	233	4,303	2,338	6,874
Changes in estimates recorded to statement of operations	(69)	(1,606)	(7,459)	(9,134)
Settlement of obligations	(145)	(3,225)	(2,825)	(6,195)
Currency translation, reclassifications and other	(3)	(1)	78	74
Balance at December 31, 2006	4,917	91,494	51,434	147,845
Adjustment due to final purchase price allocation			1,834	1,834
Accretion	258	4,246	2,375	6,879
Changes in estimates recorded to statement of operations	(60)	(3,776)	5,285	1,449
Settlement of obligations	(235)	(3,450)	(2,406)	(6,091)
Currency translation, reclassifications and other	802	105	1,936	2,843
Balance at December 31, 2007	$ 5,682	$ 88,619	$ 60,458	$ 154,759

The net $1.4 million detriment from changes in estimates recorded to selling, general and administrative expenses on the consolidated statement of operations primarily includes: (i) proposed legal settlements and regulatory compliance obligations of $6.0 million, offset by (ii) revised estimates based on new site information ($3.3 million) and (iii) the discounting effect of changes in timing of certain remedial projects ($1.1 million). This includes a $3.0 million detriment for the three months ended December 31, 2007.

The $9.1 million benefit from changes in estimates recorded to the selling, general and administrative expenses on the consolidated statement of operations in 2006 was due to: (i) the settlement reached by the owner and primary potentially responsible party regarding Marine Shale Processors, Inc. resulting in the Company's estimated portion of the remaining potential cleanup costs being lower than previously estimated (a decrease of $10.3 million), and (ii) the tri-annual reevaluation of the remedial reserves whereby the cost build-ups and engineering calculation used as a basis for establishing the Company's environmental reserves are revisited on a systematic basis.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(9) REMEDIAL LIABILITIES (Continued)

Anticipated payments at December 31, 2007 (based on current estimated costs and anticipated timing of necessary regulatory approvals to commence work on remedial activities) for each of the next five years and thereafter are as follows (in thousands):

Periods ending December 31,	
2008	$ 13,344
2009	10,871
2010	11,302
2011	12,831
2012	13,232
Thereafter	137,950
Undiscounted remedial liabilities	199,530
Less: Discount	(44,771)
Total remedial liabilities	$ 154,759

The anticipated payments for Long-term Maintenance range from $5.7 million to $9.6 million per year over the next five years. Spending on One-Time Projects for the next five years ranges from $1.8 million to $4.7 million per year. Legal and Superfund liabilities payments are expected to be between $1.1 million and $5.7 million per year for the next five years. These estimates are reviewed at least quarterly, and adjusted as additional information becomes available.

Based upon the Company's analysis of each of the factors discussed in Note 3, "Significant Accounting Policies *Remedial Liabilities*", in light of currently available facts and legal interpretations, existing technology, and presently enacted laws and regulations, the Company estimates that its aggregate liabilities as of December 31, 2007 for future remediation relating to all of its owned or leased facilities and the Superfund sites for which the Company has current or potential future liability is approximately $154.8 million. The Company also estimates that it is reasonably possible that the amount of such total liabilities could be up to $22.7 million greater than such $154.8 million. Future changes in either available technology or applicable laws or regulations could affect such estimates of environmental liabilities. Since the Company's satisfaction of the liabilities will occur over many years, the Company cannot now reasonably predict the nature or extent of future changes in either available technology or applicable laws or regulations and the impact that those changes, if any, might have on the current estimates of environmental liabilities.

The following tables show, respectively, (i) the amounts of such estimated liabilities associated with the types of facilities and sites involved and (ii) the amounts of such estimated liabilities associated with each facility or site which represents at least 5% of the total and with all other facilities and sites as a group.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(9) REMEDIAL LIABILITIES (Continued)

Estimates Based on Type of Facility or Site (dollars in thousands):

Type of Facility or Site	Remedial Liability	% of Total	Reasonably Possible Additional Losses
Facilities now used in active conduct of the Company's business (22 facilities)	$ 54,222	35.0%	$ 10,759
Inactive facilities not now used in active conduct of the Company's business but most of which were acquired because the assumption of remedial liabilities for such facilities was part of the purchase price for the CSD assets (15 facilities)	88,619	57.3	10,757
Superfund sites owned by third parties on which wastes generated or shipped by the sellers of the CSD assets (or their predecessors) of such sites are present (16 sites)	11,918	7.7	1,194
Total	$ 154,759	100.0%	$ 22,710

Estimates Based on Amount of Potential Liability (dollars in thousands):

Location	Type of Facility or Site	Remedial Liability	% of Total	Reasonably Possible Additional Losses
Baton Rouge, LA	Closed incinerator and landfill	$ 38,124	24.6%	$ 5,286
Bridgeport, NJ	Closed incinerator	27,717	17.9	3,371
Mercier, Quebec	Open incinerator and legal proceedings	13,915	9.0	1,496
El Dorado, AR	Open incinerator	10,020	6.5	914
Roebuck, SC	Closed incinerator	7,956	5.1	709
San Jose, CA	Open treatment, storage, or disposal facilities	8,633	5.6	983
Various	All other incinerators, landfills, wastewater treatment facilities and service centers (31 facilities)	36,476	23.6	8,757
Various	All other Superfund sites (each representing less than 5% of total liabilities) owned by third parties on which wastes generated or shipped by either the Company or the sellers of the CSD assets (or their predecessors) are present (16 sites)	11,918	7.7	1,194
Total		$ 154,759	100.0%	$ 22,710

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(9) REMEDIAL LIABILITIES (Continued)

Revisions to remediation reserve requirements may result in upward or downward adjustments to income from operations in any given period. The Company believes that its extensive experience in the environmental services business, as well as its involvement with a large number of sites, provides a reasonable basis for estimating its aggregate liability. It is possible, however, that technological, regulatory or enforcement developments, the results of environmental studies, or other factors could necessitate the recording of additional liabilities or the revision of currently recorded liabilities that could be material. The impact of such future events cannot be estimated at the current time.

(10) FINANCING ARRANGEMENTS

The following table is a summary of the Company's financing arrangements (in thousands):

	December 31, 2007	December 31, 2006
Senior Secured Notes, bearing interest at 11.25%, collateralized by a second-priority lien on substantially all of the Company's assets within the United States except for accounts receivable (maturity date of July 15, 2012)	$ 91,518	$ 91,518
Revolving Facility		
Term Loan (bearing interest at 7.6425% at December 31, 2007)	30,000	30,000
Less unamortized issue discount	806	996
Long-term obligations	$ 120,712	$ 120,522

The Company issued the Senior Secured Notes on June 30, 2004, and established the Revolving Facility and a $50.0 million synthetic letter of credit facility (the "Synthetic LC Facility") on December 1, 2005, under an amended and restated loan and security agreement (the "Amended Credit Agreement") which the Company then entered into with the lenders under the Company's loan and security agreement dated June 30, 2004 (the "Original Credit Agreement"). The principal differences between the Amended Credit Agreement and the Original Credit Agreement are that: (i) the Revolving Facility was increased from $30.0 million under the Original Credit Agreement to $70.0 million under the Amended Credit Agreement; (ii) the maximum amount of the letters of credit which the Company may have issued as part of the Revolving Facility increased from $10.0 million under the Original Credit Agreement to $50.0 million under the Amended Credit Agreement (and further increased to $60.0 million in July 2006); (iii) the Synthetic LC Facility was decreased from $90.0 million under the Original Credit Agreement to $50.0 million under the Amended Credit Agreement; (iv) a provision allowing the Company to borrow up to $60.0 million in term loans (on terms subsequently to be established) was added; and (v) the annual rate of the participation fee payable on $50.0 million which the LC Lenders have deposited for purposes of the Synthetic LC Facility was decreased from 5.35% under the Original Credit Agreement to 3.10% under the Amended Credit Agreement (and further reduced to 2.85% on January 12, 2006 as described below). On August 18, 2006, in order to finance a portion of the purchase price for the Company's acquisition of Teris LLC, the Company and the lenders under the Amended Credit Agreement entered into a Term Loan Supplement to the Amended Credit Agreement for a $30.0 million term loan to the Company (the "Term Loan") with a maturity date of December 1, 2010.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(10) FINANCING ARRANGEMENTS (Continued)

The principal terms of the Senior Secured Notes, the Revolving Facility, the Synthetic LC Facility and the Term Loan are as follows:

Senior Secured Notes. The Senior Secured Notes were issued under an Indenture dated June 30, 2004 (the "Indenture"). The Senior Secured Notes bear interest at 11.25% and mature on July 15, 2012. The $150.0 million original principal amount of the Senior Secured Notes was issued at a $2.0 million discount that resulted in an effective yield of 11.5%. Interest is payable semiannually in cash on each January 15 and July 15, commencing on January 15, 2005.

The Senior Secured Notes are secured by a second-priority lien on the assets of the Company and its U.S. subsidiaries that secure the Company's reimbursement obligations under the Synthetic LC Facility on a first-priority basis (as described below), provided that the assets which secure the Senior Secured Notes do not include any capital stock, notes, instruments, other equity interests of any of the Company's subsidiaries, accounts receivable, and certain other excluded collateral as provided in the Indenture. The Senior Secured Notes are jointly and severally guaranteed on a senior secured second-lien basis by substantially all of the Company's existing and future U.S. subsidiaries. The Senior Secured Notes are not guaranteed by the Company's foreign subsidiaries.

In January 2006, the Company redeemed $52.5 million principal amount of outstanding Senior Secured Notes and paid a prepayment penalty and accrued interest through the redemption date. In connection with such redemption, the Company recorded to loss on early extinguishment of debt an aggregate of $8.3 million, consisting of the $1.8 million unamortized portion of such financing costs, $0.6 million of unamortized discount on the Senior Secured Notes and the $5.9 million prepayment penalties required by the Indenture in connection with such redemption.

The Indenture provides for certain covenants, the most restrictive of which requires the Company, within 120 days after the close of each twelve-month period ending on June 30 of each year (beginning June 30, 2005 and ending on June 30, 2011) to apply an amount equal to 50% of the period's Excess Cash Flow (as defined below) to either prepay, repay, redeem or purchase the Company's first-lien obligations under the Revolving Facility, Synthetic LC Facility or Capital Lease Obligations or to make offers ("Excess Cash Flow Offers") to repurchase all or part of the then outstanding Senior Secured Notes at an offering price equal to 104% of their principal amount plus accrued interest. "Excess Cash Flow" is defined in the Indenture as consolidated earnings before interest, taxes, depreciation and amortization ("EBITDA") less interest expense, all taxes paid or accrued in the period, capital expenditures made in cash during the period, and all cash spent on environmental monitoring, remediation or relating to our environmental liabilities. The Excess Cash Flow Offer made in 2007 was not accepted by any holders of the Senior Secured Notes. In 2006, the Company's Excess Cash Flow Offer was accepted by holders of $6.0 million principal amount of Senior Secured Notes, and the Company therefore repurchased such Senior Secured notes on October 24, 2006 for a total price of $6.4 million (including $424 thousand of accrued interest).

The fair value of the Senior Secured Notes at December 31, 2007 and 2006 was $93.8 million and $98.3 million, respectively.

Revolving Facility. The Revolving Facility allows the Company to borrow up to $70.0 million, based upon a formula of eligible accounts receivable. This total is separated into two lines of credit, namely: (i) a line for the Company and its U.S. subsidiaries equal to $70.0 million less the principal balance then outstanding under the line for the Company's Canadian subsidiaries and (ii) a line for

(10) FINANCING ARRANGEMENTS (Continued)

the Company's Canadian subsidiaries equal to $5.3 million. The Revolving Facility also provides that the lender will issue at the Company's request up to $60.0 million of letters of credit, with the outstanding amount of such letters of credit reducing the maximum amount of borrowings available under the Revolving Facility. At December 31, 2007, the Company had no borrowings outstanding and $39.8 million of letters of credit outstanding and had approximately $30.2 million available to borrow. Amounts outstanding under the Revolving Facility bear interest at an annual rate of either the U.S. or Canadian prime rate (depending on the currency of the underlying loan) or the Eurodollar rate plus 1.50% at the request of the Company. The Company is required to pay monthly letter of credit and quarterly fronting fees at an annual rate of 1.5% and 0.3%, respectively, on the amount of letters of credit outstanding under the Revolving Facility and an annual administrative fee of $25 thousand. The Credit Agreement also requires the Company to pay an unused line fee of 0.125% per annum on the unused portion of the Revolving Facility. The term of the Revolving Facility will expire on December 1, 2010.

Synthetic LC Facility. The Synthetic LC Facility provides that the issuing bank will issue up to $50.0 million of letters of credit at the Company's request. The Synthetic LC Facility is collateralized with a first-priority lien (second-priority as to receivables) on substantially all of the assets of the Company and its U.S. subsidiaries. The Company is required to pay a quarterly participation fee at the annual rate of 2.85%. The Company is also required to pay a quarterly fronting fee at the annual rate of 0.30% of the average daily aggregate amount of letters of credit outstanding under the Synthetic LC Facility and an annual administrative fee of $65 thousand. At December 31, 2007 letters of credit outstanding under the Synthetic LC facility were $49.9 million. The term of the Synthetic LC Facility will expire on December 1, 2010.

Term Loan. The $30.0 million Term Loan was issued on August 18, 2006 under a Term Loan Supplement to the Amended Credit Agreement. The Term Loan will mature on December 1, 2010. The Term Loan bears interest, at the Company's option, at either the Eurodollar rate plus 2.5% or the U.S. prime rate plus 1.5%. The Term Loan is classified as an outstanding obligation under the Synthetic LC Facility. Accordingly the Term Loan is entitled to substantially the same benefits as the Synthetic LC Facility including, without limitation, the financial covenants described below. In the event of a default under the Term Loan, the Term Loan Lenders, acting through the LC Facility Agent, would have, along with the LC Facility Lenders, the right to exercise their rights as first-priority lien holders (second as to accounts receivable) on substantially all of the assets of the Company and its U.S. subsidiaries.

Under the Amended Credit Agreement, the Company is required to maintain certain financial covenants as follows:

	December 31, 2007
Covenant	**Requirement per Facility**
Leverage ratio	<2.35 to 1
Interest coverage ratio	>2.85 to 1
Fixed charge coverage ratio	>1 to 1

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(10) FINANCING ARRANGEMENTS (Continued)

The Leverage Ratio is defined as the ratio of the consolidated indebtedness of the Company to its Consolidated EBITDA (as defined in the Amended Credit Agreement) achieved for the latest four-quarter period. The Interest Coverage Ratio is defined as the ratio of the Company's Consolidated EBITDA to its consolidated interest expense for the latest four-quarter period. The fixed charge coverage ratio is required to be maintained if the Company has greater than $5.0 million of loans outstanding under the Revolving Facility.

As of December 31, 2007, the Company was in compliance with the covenants under all of the Company's debt agreements.

(11) COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company's waste management services are regulated by federal, state, provincial and local laws enacted to regulate discharge of materials into the environment, remediation of contaminated soil and groundwater or otherwise protect the environment. This ongoing regulation results in the Company frequently becoming a party to judicial or administrative proceedings involving all levels of governmental authorities and other interested parties. The issues involved in such proceedings generally relate to applications for permits and licenses by the Company and conformity with legal requirements, alleged violations of existing permits and licenses or requirements to clean up contaminated sites. At December 31, 2007, the Company was involved in various proceedings, the principal of which are described below, relating primarily to activities at or shipments to and /or from the Company's waste treatment, storage and disposal facilities.

Legal Proceedings Related to Acquisition of CSD Assets

Effective September 7, 2002 (the "Closing Date"), the Company purchased from Safety-Kleen Services, Inc. and certain of its domestic subsidiaries (collectively, the "Sellers") substantially all of the assets of the Chemical Services Division (the "CSD") of Safety-Kleen Corp. The Company purchased the CSD assets pursuant to a sale order (the "Sale Order") issued by the Bankruptcy Court for the District of Delaware, and the Company therefore took title to the CSD assets without assumption of any liability (including pending or threatened litigation) of the Sellers except as expressly provided in the Sale Order. However, under the Sale Order (which incorporated by reference certain provisions of the Acquisition Agreement between the Company and Safety-Kleen Services, Inc.), the Company became subject as of the Closing Date to certain legal proceedings which are now either pending or threatened involving the CSD assets for two reasons as described below. As of December 31, 2007, the Company had reserves of $32.6 million (substantially all of which the Company had established as part of the purchase price for the CSD assets) relating to the Company's estimated potential liabilities in connection with such legal proceedings. The Company also estimates that it is "reasonably possible" that the amount of such total liabilities could be up to $3.8 million greater than such $32.6 million. Because all of the Company's reasonably possible additional losses relating to legal liabilities relate to remedial liabilities, the reasonably possible additional losses for legal liabilities are reflected in the tables of reasonably possible additional losses under the heading "Environmental liabilities, including Superfund liabilities" in Note 9, "Remedial Liabilities". The Company periodically adjusts the aggregate amount of such reserves when such potential liabilities are paid or otherwise discharged or additional

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(11) COMMITMENTS AND CONTINGENCIES (Continued)

relevant information becomes available. Substantially all of the Company's legal proceedings liabilities are environmental liabilities and, as such, are included in the tables of changes to remedial liabilities disclosed as part of Note 9, "Remedial Liabilities."

The first reason for the Company becoming subject to certain legal proceedings which are now either pending or threatened in connection with the acquisition of the CSD assets is that, as part of the CSD assets, the Company acquired all of the outstanding capital stock of certain Canadian subsidiaries (the "CSD Canadian Subsidiaries") formerly owned by the Sellers (which subsidiaries were not part of the Sellers' bankruptcy proceedings), and the Company therefore became subject to the legal proceedings (which include the Ville Mercier legal proceedings described below) in which the CSD Canadian Subsidiaries were then and are now involved. The second reason is that, as part of the purchase price for the CSD assets, the Company agreed with the Sellers that it would indemnify the Sellers against certain current and future liabilities of the Sellers under applicable federal and state environmental laws including, in particular, the Sellers' share of certain cleanup costs payable to governmental entities under the Comprehensive Environmental Response, Compensation and Liability Act ("Superfund Act") or analogous state Superfund laws.

Ville Mercier Legal Proceedings. The CSD assets included a subsidiary (the "Mercier Subsidiary") which owns and operates a hazardous waste incinerator in Ville Mercier, Quebec (the "Mercier Facility"). A property owned by the Mercier Subsidiary adjacent to the current Mercier Facility is now contaminated as a result of actions dating back to 1968, when the Quebec government issued to the unrelated company which then owned the Mercier Facility two permits to dump organic liquids into lagoons on the property. By 1972, groundwater contamination had been identified, and the Quebec government provided an alternate water supply to the municipality of Ville Mercier.

In 1999, Ville Mercier and three neighboring municipalities filed separate legal proceedings against the Mercier Subsidiary and certain related companies together with certain former officers and directors, as well as against the Government of Quebec. The lawsuits assert that the defendants are jointly and severally responsible for the contamination of groundwater in the region, which the plaintiffs claim was caused by contamination from the former Ville Mercier lagoons and which they claim caused each municipality to incur additional costs to supply drinking water for their citizens since the 1970's and early 1980's. The four municipalities claim a total of $1.6 million (CDN) as damages for additional costs to obtain drinking water supplies and seek an injunctive order to obligate the defendants to remediate the groundwater in the region. The Quebec Government also sued the Mercier Subsidiary to recover approximately $17.4 million (CDN) of alleged past costs for constructing and operating a treatment system and providing alternative drinking water supplies. The Mercier Subsidiary continues to assert that it has no responsibility for the groundwater contamination in the region.

On September 26, 2007 the Minister of Sustainable Development, Environment and Parks issued a Notice pursuant to Section 115.1 of the Environment Quality Act, superceding Notices issued in 1992, which are the subject of the pending litigation. The more recent Notice notifies the Mercier Subsidiary that, if the Mercier Subsidiary does not take certain remedial measures at the site, the Minister intends to undertake those measures at the site and claim direct and indirect costs related to such measures. The Mercier Subsidiary continues to assert that it has no responsibility

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(11) COMMITMENTS AND CONTINGENCIES (Continued)

for the matter and will contest any action by the Ministry to impose costs for remedial measures on the Mercier Subsidiary. At December 31, 2007 and December 31, 2006, the Company had accrued $13.1 million and $11.2 million, respectively, for remedial liabilities and associated legal costs relating to the Ville Mercier legal proceedings. The increase in 2007 resulted primarily from a foreign exchange rate adjustment due to the strengthening of the Canadian dollar and interest accretion.

Indemnification of Certain CSD Superfund Liabilities. The Company's agreement with the Sellers under the Acquisition Agreement and the Sale Order to indemnify the Sellers against certain cleanup costs payable to governmental entities under federal and state Superfund laws now relate primarily to: (i) two properties included in the CSD assets which are either now subject or proposed to become subject to Superfund proceedings; (ii) certain potential liabilities which the Sellers might incur in the future in connection with an incinerator formerly operated by Marine Shale Processors, Inc. to which the Sellers shipped hazardous wastes; and (iii) 35 Superfund sites owned by third parties where the Sellers have been designated as Potentially Responsible Parties ("PRPs"). As described below, there are also five other Superfund sites owned by third parties where the Sellers have been named as PRPs or potential PRPs and for which the Sellers have sent demands for indemnity to the Company since the Closing Date. In the case of the two properties referenced above which were included in the CSD assets, the Company is potentially directly liable for cleanup costs under applicable environmental laws because of its ownership and operation of such properties since the Closing Date. In the case of Marine Shale Processors and the 35 other third party sites referenced above, the Company may have an obligation to indemnify the Sellers, to the extent provided in the Acquisition Agreement and the Sale Order, against the Sellers' share of such cleanup costs which are payable to governmental entities.

Federal and state Superfund laws generally impose strict, and in certain circumstances, joint and several liability for the costs of cleaning up Superfund sites not only upon the owners and operators of such sites, but also upon persons or entities which in the past have either generated or shipped hazardous wastes which are present on such sites. The Superfund laws also provide for liability for damages to natural resources caused by hazardous substances at such sites. Accordingly, the Superfund laws encourage PRPs to agree to share in specified percentages of the aggregate cleanup costs for Superfund sites by entering into consent decrees, settlement agreements or similar arrangements. Non-settling PRPs may be liable for any shortfalls in government cost recovery and may be liable to other PRPs for equitable contribution. Under the Superfund laws, a settling PRP's financial liability could increase if the other settling PRPs were to become insolvent or if additional or more severe contamination were discovered at the relevant site. In estimating the amount of those Sellers' liabilities at those Superfund sites where one or more of the Sellers has been designated as a PRP and as to which the Company believes that it has potential liability under the Acquisition Agreement and the Sale Order, the Company therefore reviewed any existing consent decrees, settlement agreements or similar arrangements with respect to those sites and the Sellers' negotiated volumetric share of liability (where applicable), and also took into consideration the Company's prior knowledge of the relevant sites and the Company's general experience in dealing with the cleanup of Superfund sites.

Properties Included in CSD Assets. The CSD assets which the Company acquired include an active service center located at 2549 North New York Street in Wichita, Kansas (the "Wichita Property"). The Wichita Property is one of several properties located within the boundaries of a

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(11) COMMITMENTS AND CONTINGENCIES (Continued)

1,400 acre state-designated Superfund site in an old industrial section of Wichita known as the North Industrial Corridor Site. Along with numerous other PRPs, the Sellers executed a consent decree relating to such site with the U.S. Environmental Protection Agency (the "EPA"), and the Company is continuing its ongoing remediation program for the Wichita Property in accordance with that consent decree. Also included within the CSD assets which the Company acquired are rights under an indemnification agreement between the Sellers and a prior owner of the Wichita Property, which the Company anticipates but cannot guarantee will be available to reimburse certain such cleanup costs.

The CSD assets also include a former hazardous waste incinerator and landfill in Baton Rouge, Louisiana ("BR Facility") undergoing remediation pursuant to an order issued by the Louisiana Department of Environmental Quality (the "LDEQ"). In December 2003, the Company received an information request from the EPA pursuant to the Superfund Act concerning the Devil's Swamp Lake Site ("Devil's Swamp") in East Baton Rouge Parish, Louisiana. On March 8, 2004, the EPA proposed to list Devil's Swamp on the National Priorities List for further investigations and possible remediation. Devil's Swamp includes a lake located downstream of an outfall ditch where wastewaters and stormwaters have been discharged from the BR Facility, as well as extensive swamplands adjacent to it. Contaminants of concern ("COCs") cited by the EPA as a basis for listing the site include substances of the kind found in wastewaters discharged from the BR Facility in past operations. While the Company's ongoing corrective actions at the BR Facility may be sufficient to address the EPA's concerns, there can be no assurance that additional action will not be required and that the Company will not incur material costs. In September 2007 the EPA sent Special Notice Letters to certain generators of waste materials containing COCs that had shipped the COCs to the BR Facility in the past and that EPA believes may be liable under Superfund laws, requiring those generators to submit a good faith offer to conduct a remedial investigation feasibility study directed towards the eventual remediation of Devil's Swamp. EPA sent a follow-up letter to the September 2007 letter on January 17, 2008, contacting the recipients to confirm a negotiation and organizational meeting on January 31, 2008 at the EPA's offices in Dallas, Texas. The Company participated in this meeting, and the recipients of the notice letters conferred further with the Company by teleconference on February 19th. The Company cannot estimate the Company's potential additional liability for Devil's Swamp associated with this litigation.

Marine Shale Processors. A portion of the reserves which the Company maintained as of December 31, 2007 for potential legal liabilities associated with the CSD assets relates to Marine Shale Processors, Inc. ("Marine Shale") located in Amelia, Louisiana. Marine Shale operated a kiln which incinerated waste producing a vitrified aggregate as a by-product. Marine Shale contended that its operation recycled waste into a useful product, i.e., vitrified aggregate, and therefore was exempt from regulation under the Resource Conservation Recovery Act ("RCRA") and permitting requirements as a hazardous waste incinerator under applicable federal and state environmental laws. The EPA contended that Marine Shale was a "sham-recycler" subject to the regulation and permitting requirements as a hazardous waste incinerator under RCRA, that its vitrified aggregate by-product was a hazardous waste, and that Marine Shale's continued operation without required permits was illegal. Litigation between the EPA and Marine Shale began in 1990 and continued until July 1996 when the U.S. Fifth Circuit Court of Appeals ordered Marine Shale to shutdown its operations. During the course of its operation, Marine Shale produced thousands of tons of aggregate, some of which was sold as fill material at various locations in the vicinity of Amelia,

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(11) COMMITMENTS AND CONTINGENCIES (Continued)

Louisiana, but most of which was stockpiled on the premises of the Marine Shale facility. Almost all of this aggregate has since been moved to a nearby site owned by an affiliate of Marine Shale, known as Recycling Park, Inc. ("RPI"). In accordance with a court order authorizing the movement of this material to this offsite location, all of the materials located at the RPI site comply with the land disposal restrictions of RCRA. Approximately 7,000 tons of aggregate remain on the Marine Shale site. Moreover, as a result of past operations, soil and groundwater contamination may exist on the Marine Shale facility and the RPI site.

On May 11, 2007, the EPA and the LDEQ issued a Special Notice to the Company, seeking a good faith offer to address site remediation at the former Marine Shale facility. Other PRPs also received Special Notices, and the other PRPs and the Company have formed a group (the "Site Group") and common counsel for the Site Group has been chosen. The Site Group made a good faith settlement offer to the EPA on November 29, 2007. Although the Company was never a customer of Marine Shale and does not believe that it is liable for the Sellers' liability as a customer at the Marine Shale site, the Company has elected to join with the Site Group and participate in further negotiations with the EPA and the LDEQ regarding a remedial investigation feasibility study directed towards the eventual remediation of the Marine Shale site. As of December 31, 2007, the amount of the Company's remaining reserves relating to the Marine Shale site was $3.6 million.

Third Party Superfund Sites. Prior to the Closing Date, the Sellers had generated or shipped hazardous wastes, which are present on an aggregate of 35 sites owned by third parties, which have been designated as federal or state Superfund sites and at which the Sellers, along with other parties, had been designated as PRPs. Under the Acquisition Agreement and the Sale Order, the Company agreed with the Sellers that it would indemnify the Sellers against the Sellers' share of the cleanup costs payable to governmental entities in connection with those 35 sites, which were listed in Exhibit A to the Sale Order (the "Listed Third Party Sites"). At 29 of the Listed Third Party Sites, the Sellers had addressed, prior to the Company's acquisition of the CSD assets in September 2002, the Sellers' cleanup obligations to the federal and state governments and to other PRPs by entering into consent decrees or other settlement agreements or by participating in ongoing settlement discussions or site studies and, in accordance therewith, the PRP group is generally performing or has agreed to perform the site remediation program with government oversight. With respect to two of those 29 Listed Third Party Sites, certain developments have occurred since the Company's purchase of the CSD assets as described in the following four paragraphs. Of the remaining Listed Third Party Sites, the Company, on behalf of the Sellers, is contesting with the governmental entities and PRP groups involved the Sellers' liability at two sites, has settled the Sellers' liability at two sites, and plans to fund participation by the Sellers as settling PRPs at two sites. In addition, the Company has confirmed that the Sellers were ultimately not named as PRPs at one site. With respect to all of the 35 Listed Third Party Sites, the Company had reserves of $7.7 million and $4.9 million at December 31, 2007 and December 31, 2006 respectively. The increase in 2007 was primarily due to one specific site discussed below.

With respect to one of those 35 sites (the "Helen Kramer Landfill Site"), the Sellers had entered (prior to the Sellers commencing their bankruptcy proceeding in June 2000) into settlement agreements with certain members of the PRP group which agreed to perform the cleanup of that site in accordance with a consent decree with governmental entities, in return for which the Sellers received a conditional release from such governmental entities. Following the Sellers'

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(11) COMMITMENTS AND CONTINGENCIES (Continued)

commencement of their bankruptcy proceeding, the Sellers failed to satisfy their payment obligations to those PRPs under those settlement agreements.

In November 2003, certain of the PRPs made a demand directly on the Company for the Sellers' share of the cleanup costs incurred by those PRPs with respect to the Helen Kramer Landfill Site. The Company filed in February 2005 a complaint in the Bankruptcy Court seeking declaratory relief that the injunction in the Sale Order is operative against those PRPs' efforts to proceed directly against the Company. This matter was ultimately tried before the Court on October 18 and 19, 2007, and the Court issued its judgment in favor of the defendants and against the Company in November 2007. The Company has appealed that judgment. At present, the Company estimates that its potential exposure to the defendants from this litigation ranges from approximately $3.2 million to $4.0 million, depending upon whether or not interest and attorneys fees are deemed liabilities and obligations arising from any violation of environmental laws. In the fourth quarter of 2007, the Company established $3.1 million of reserves for this matter.

With respect to a second of the 35 Listed Third Party Sites (the "Breslube-Penn Site"), which is located in Moon Township, Allegheny County, Pennsylvania, the EPA brought suit in 1997 in the U.S. District Court for the Western District of Pennsylvania against a large number of PRPs for recovery of the EPA's response costs in connection with that site. The named defendants are alleged to be jointly and severally liable for the remediation of the site and all response costs associated with the site. One of the Sellers, GSX Chemical Services of Ohio ("GSX"), was a named defendant in the original complaint. In August or September 2006, the EPA filed an amended complaint naming the Company as defendant, alleging that the Company was the successor in interest to the liability of GSX. The work group defendants at the site have agreed with the EPA to amend the timelines for making a good faith settlement offer to March 31, 2008, and extending the date for lodging a consent decree to August 29, 2008, and October 31, 2008 as the target date for moving to enter the consent decree. Typically, liability among PRPs is allocated according to volumetric estimates of each PRP's contribution to the overall contamination at the site, with the larger liability PRPs typically forming a work group to oversee and pay for the response, and liability is also typically classified for certain PRPs as "*de minimis*" in order to encourage expeditious economic contributions from the smaller liability PRPs. At this time, the Company is uncertain which classification it will fall under, and the Company also does not have sufficient information to predict the total alleged liability of all of the PRPs. The Company has not recorded any liability for this matter on the basis that such liability is currently neither probable nor estimable.

On May 2, 2007, the Company received from the EPA a request for information pertaining to the Casmalia Resources Hazardous Waste Management Facility (the "Casmalia Site") in Santa Barbara County, California. The Casmalia Site was one of the 35 Listed Third Party Sites for which the Company agreed to indemnify the Sellers for liability to a governmental entity. According to the notice, 65 parties entered into Consent Decrees with the EPA that were entered by the U.S. District Court for the Central District of California on June 27, 1997. According to the EPA, it is now seeking financial contributions from others, including transporters and other persons who arranged for disposal at the former landfill, that may be liable for waste shipments into the Casmalia Site. At this time, EPA is not seeking any financial contribution from the Company, but it is seeking information about the extent to which, if at all, the Sellers transported or arranged for disposal of waste at the Casmalia Site. A meeting is scheduled in February 2008 with EPA to further discuss the requests for information. At this time, the Company does not know what, if any, exposure it may have under its

(11) COMMITMENTS AND CONTINGENCIES (Continued)

indemnity arrangement with the Sellers with respect to the Casmalia Site, and the Sellers have not made any demand for indemnity. The Company has not recorded any liability for this new matter on the basis that such liability is currently neither probable nor estimable.

By letters to the Company dated between September 2004 and May 2006, the Sellers identified, in addition to the 35 Listed Third Party Sites, five additional sites owned by third parties which the EPA or a state environmental agency has designated as a Superfund site or potential Superfund site and at which one or more of the Sellers have been named as a PRP or potential PRP. In those letters, the Sellers asserted that the Company has an obligation to indemnify the Sellers for their share of the potential cleanup costs associated with such five additional sites. The Company has responded to such letters from the Sellers by stating that, under the Sale Order, the Company has no obligation to reimburse the Sellers for any cleanup and related costs (if any) which the Sellers may incur in connection with such additional sites. The Company intends to assist the Sellers in providing information now in the Company's possession with respect to such five additional sites and to participate in negotiations with the government agencies and PRP groups involved. In addition, at one of those five additional sites, the Company may have some liability independently of the Sellers' involvement with that site, and the Company may also have certain defense and indemnity rights under contractual agreements for prior acquisitions relating to that site. Accordingly, the Company is now investigating that site further. However, the Company now believes that it has no liabilities with respect to the potential cleanup of those five additional sites that are both probable and estimable at this time, and the Company therefore has not established any reserves for any potential liabilities of the Sellers in connection therewith. At one site the potential liability of the Sellers is *de minimis* and a settlement has already been offered to the Sellers to that effect, and at one site the Company believes that the Sellers shipped no wastes or substances into the site and therefore the Sellers have no liability. For the other three sites, the Company cannot estimate the amount of the Sellers' liabilities, if any, at this time.

Other Legal Proceedings Related to CSD Assets

Plaquemine, Louisiana Facility. In addition to the legal proceedings related to the acquisition of the CSD assets described above, subsequent to the acquisition in September 2002 various plaintiffs which are represented by the same law firm have filed five lawsuits based in part upon allegations relating to ownership and operation of a deep injection well facility near Plaquemine, Louisiana which Clean Harbors Plaquemine, LLC ("CH Plaquemine"), one of the Company's subsidiaries, acquired as part of the CSD assets. The plaintiffs seek an order declaring the facility to be located within the banks or boundaries of a body of surface water under state law, payment of civil penalties of $27,500 per violation per day from and after November 17, 2003, and an additional penalty of $1.0 million for damages to the environment, plus interest. The plaintiffs also seek an order requiring the facility to remove all waste disposed of since September of 2002, and in general, to conduct an investigation into and remediate the alleged contamination at the facility, as well as damages for alleged personal injuries and property damage, natural resources damages, costs of litigation, and attorney's fees.

The Company believes that, since its acquisition by CH Plaquemine, the Plaquemine facility has been and now is in full compliance with its operating permits and all applicable state laws, and that any alleged contamination in the "new area of concern" complained of by the plaintiffs was and is already being addressed under the corrective action provisions of its RCRA operating permit.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(11) COMMITMENTS AND CONTINGENCIES (Continued)

In addition, the Company believes that many of the plaintiffs' claims relate to actions or omissions allegedly taken or caused prior to September 2002 by third parties that formerly owned and/or operated, or generated or shipped waste to, the Plaquemine facility for which the Company has no legal responsibility under the Sale Order.

The Company has incurred legal expenses in connection with defending against the first three of the lawsuits described above that satisfied the $1.0 million deductible on the Company's environmental impairment liability insurance applicable to the Plaquemine facility. The Company has previously established and maintains a separate reserve for the ongoing corrective actions at the Plaquemine facility (which is included within the Company's reserves for remedial liabilities for its properties described in Note 9), and has increased the amount of this separate reserve to cover the costs of additional sampling and analytical testing being conducted in the vicinity of the "new area of concern."

On October 17, 2006, CH Plaquemine (which operated at a loss during the past two years prior to that date) ceased operations and filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the District of Massachusetts, Eastern Division. On December 28, 2006, the Massachusetts Bankruptcy Court transferred the venue of the CH Plaquemine bankruptcy case to the U.S. Bankruptcy Court for the Middle District of Louisiana, located in Baton Rouge, where such case is now pending. The Company believes that the filing of that Chapter 11 petition by CH Plaquemine will have no adverse effect on the Company's other operations.

On September 13, 2007, the Bankruptcy Court approved a global settlement of the five lawsuits described above and another, non-material suit filed by one of the plaintiffs in such lawsuits, pursuant to which CH Plaquemine has conditionally agreed to settle all of the pending lawsuits, subject to certain contingencies and court proceedings which must still take place before the settlement can be consummated. Among the conditions to the settlement is that the Bankruptcy Court approve as fair and reasonable a class action settlement of one of the five lawsuits described above which was filed as a class action, and that CH Plaquemine successfully confirm a plan of reorganization that incorporates the terms of the settlement. A motion to approve the class action settlement documents was filed on November 28, 2007, and a fairness hearing has been scheduled for April 14, 2008. A plan of reorganization and disclosure statement were filed in January 2008. The Company has recorded a reserve of $2.2 million as of December 31, 2007 pertaining to this potential settlement.

Deer Trail, Colorado Facility. Since April 5, 2006 the Company has been involved in various legal proceedings which have arisen as a result of the issuance by the Colorado Department of Public Health and Environment ("CDPHE") of a radioactive materials license ("RAD License") to a Company subsidiary, Clean Harbors Deer Trail, LLC ("CHDT") to accept certain low level radioactive materials known as "NORM/TENORM" wastes for disposal. Adams County, Colorado, the county where the CHDT facility is located, filed suit in Denver County District Court and Adams County District Court against CDPHE seeking to vacate the CDPHE's grant of the RAD license to CHDT. The CDPHE is represented by the Colorado Attorney General in the proceedings. Clean Harbors entered both cases as an intervenor in support of the State's position. On or about May 5, 2006 Denver District Court ruled in favor of the State and the Company and issued an order dismissing the county's complaint. On or about July 31, 2006, the Adams County District Court also

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(11) COMMITMENTS AND CONTINGENCIES (Continued)

ruled against the county and dismissed the county's complaint. Adams County appealed both rulings.

On or about December 12, 2006 the City and County of Denver notified the Company that the city intended to award it a contract to dispose of certain debris at the CHDT facility from a project known as the "Denver Radium Streets Project". Clean Harbors' Deer Trail facility has been designated by the Rocky Mountain Low-Level Radioactive Waste Compact ("Compact") as a Regional Facility. Accordingly, it is the only facility in the three-state Compact Region's jurisdiction (Colorado, New Mexico, Nevada) qualified to accept this material for disposal. On December 18, 2006 the original shipment of material from that project was received followed by subsequent shipments on February 14 and 15, 2007. All material received was in accordance with the facility's State of Colorado Radioactive Materials License and Federal Compact Designation.

On or about February 16, 2007, the CHDT facility received a vaguely worded Notice of Violation ("NOV") from Adams County, Colorado, presumably as a result of the facility's accepting the low-level radioactive debris from the Denver Radium Streets Project in accordance with the facility's RAD License. Since that time the facility has continued to accept material from that project in reliance on guidance issued by the CDPHE that the facility is duly licensed to accept that material. The Company's position is that the NOV issued by Adams County is null and void ab initio as it is in conflict with the RAD License issued by the CDPHE pursuant to Colorado state law and the Regional Facility Designation issued by the Compact pursuant to both federal law and the laws of Colorado. The Company will continue to contest the actions of Adams County and will continue to lawfully accept all materials authorized by its permits, licenses, and Compact Designation.

On April 25, 2007, Adams County filed an action against the Company essentially asserting grounds that the County has asserted in prior proceedings and seeking to enforce the aforementioned NOV's. On October 4, 2007, the Colorado Court of Appeals unanimously ruled against the county and affirmed the rulings by the Denver District and Adams County District Court dismissing the county's original complaints against CDPHE's issuance of the RAD License. Adams County has petitioned The Colorado Supreme Court for a writ of certiorari to review the Court of Appeals rulings against the county and that petition is now pending. The Company continues to believe that the grounds asserted by the County are factually and legally baseless and will contest the complaint vigorously. The Company has not recorded any liability for this matter on the basis that such liability is currently neither probable nor estimable.

Legal Proceedings Not Related to CSD Assets

In addition to the legal proceedings relating to the CSD assets, the Company is also involved in certain legal proceedings related to environmental matters which have arisen for other reasons.

Superfund Sites Not Related to CSD Acquisition. The Company has been named as a PRP at 29 sites that are not related to the CSD acquisition. Fourteen of these sites involve two subsidiaries which the Company acquired from ChemWaste, a former subsidiary of Waste Management, Inc. As part of that acquisition, ChemWaste agreed to indemnify the Company with respect to any liability of those two subsidiaries for waste disposed of before the Company acquired them. Accordingly, Waste Management is paying all costs of defending those two subsidiaries in those 14 cases, including legal fees and settlement costs.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(11) COMMITMENTS AND CONTINGENCIES (Continued)

As of December 31, 2007 and December 31, 2006, the Company had reserves of $0.6 million and $0.1 million, respectively, for cleanup of Superfund sites not related to the CSD acquisition at which either the Company or a predecessor has been named as a PRP. However, there can be no guarantee that the Company's ultimate liabilities for these sites will not materially exceed this amount or that indemnities applicable to any of these sites will be available to pay all or a portion of related costs. Included in the above noted reserve at December 31, 2007 is a potential liability where the Company was issued an official Notice Letter in February 2007 pertaining to its involvement at a state Superfund site in Niagara Falls, New York where it may have incurred liability for past waste shipments. No indemnification exists for this site.

Legal Proceedings Related to the Teris Acquisition. On August 18, 2006, the Company purchased all of the outstanding membership interests in Teris LLC ("Teris") and changed the name of Teris to "Clean Harbors El Dorado, LLC" ("CH El Dorado"). As a result of that purchase, CH El Dorado became a wholly-owned subsidiary of the Company. At the time of the acquisition, Teris was, and CH El Dorado now is, involved in certain legal proceedings arising from a fire on January 2, 2005, at the incineration facility owned and operated by Teris in El Dorado, Arkansas.

CH El Dorado intends to defend the claims vigorously, and the Company believes that the resolution of lawsuits will not have a materially adverse affect on the Company's financial position, results of operations or cash flows. In addition to CH El Dorado's defenses to the lawsuits, the Company will be entitled to rely upon an indemnification from the seller of the membership interests in Teris which is contained in the purchase agreement for those interests. Under that agreement, the seller agreed to indemnify (without any deductible amount) the Company against any damages which the Company might suffer as a result of the lawsuits to the extent that such damages are not fully covered by insurance which Teris maintained or reserves which Teris had established prior to the acquisition, and the seller's parent guaranteed that indemnification obligation of the seller to the Company.

State and Provincial Enforcement Actions

London, Ontario Facility. Clean Harbors Canada, Inc., had received a summons from the Ontario Ministry of Labour alleging a number of regulatory offenses as a result of a fire in October 2003 at the subsidiary's waste transfer facility in London, Ontario. The Company filed a motion in the Ontario Court of Justice to dismiss the charges on constitutional grounds. On October 16, 2006 the Court ruled in favor the Company's motion and on November 22, 2006 the Crown appealed the Court's ruling quashing all charges. On October 23, 2007 the Ontario Superior Court of Justice issued a ruling on the Crown's appeal and upheld the lower court ruling quashing the charges. The Crown has now further appealed that ruling. The Company has not recorded any liability for this matter on the basis that such liability is neither probable nor estimable.

Thorold Fire. On February 19, 2007, an explosion and fire occurred at the Company's Thorold facility in Ontario during non-business hours destroying a storage warehouse and damaging several nearby buildings on site. No employee casualties or injuries were reported. The Company has established business operations at alternative facilities to ensure business continuity and minimize disruption to its customers. The Company continues to evaluate the financial impact resulting from this incident and currently believes the Company is adequately insured and therefore

does not expect to incur a material loss from this incident. On October 23, 2007 the Ontario Environment Ministry announced that it had concluded its investigation into the fire and that there were no grounds to initiate action against the Company. This action by the Environment Ministry followed a prior pronouncement by the provincial Ministry of Health that there were no long term health impacts from the fire. As of December 31, 2007, the Company had recognized $0.9 million of expenses in income from operations relating to the Thorold explosion and fire.

Business Interruption Insurance Recovery. Shortly before the acquisition of the CSD assets effective September 7, 2002, the BDT facility (included in the CSD assets) in New York State was destroyed by fire. The purchase and sale agreement between the Company and Safety-Kleen was accordingly amended to take into account the destruction of the facility. Under the amended agreement, the Company was assigned the rights to Safety-Kleen's insurance for the facility that included insurance for real property, personal property and business interruption. During the year ended December 31, 2005, the Company settled the insurance claim and recorded gain relating to business interruption insurance of $1.4 million for the year ended December 31, 2005. The gain was included as a reduction to selling, general and administrative expenses.

Leases

The Company leases facilities, service centers and personal property under certain operating leases. Some of these lease agreements contain an escalation clause for increased taxes and operating expenses and are renewable at the option of the Company. The Company also leases certain equipment under capital lease obligations, which consists primarily of rolling stock and laboratory equipment. Lease terms range from three to sixteen years. The following is a summary of future minimum payments under capital and operating leases that have initial or remaining noncancelable lease terms in excess of one year at December 31, 2007 (in thousands):

Year	Total Capital Leases	Total Operating Leases
2008	$ 1,375	$ 22,650
2009	1,041	20,251
2010	513	16,945
2011	119	11,421
2012	22	7,913
Thereafter		25,749
Total minimum lease payments	3,070	$ 104,929
Less: imputed interest at interest rates ranging from 5.36% to 22.00%	299	
Present value of future minimum lease payments	$ 2,771	
Less: current portion of capital lease obligations	1,251	
Long-term capital lease obligations	$ 1,520	

During the years 2007, 2006 and 2005, rent expense including short-term rentals, was approximately $47.0 million, $40.6 million, and $35.1 million, respectively.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(11) COMMITMENTS AND CONTINGENCIES (Continued)

Other Contingencies

The Company is subject to various regulatory requirements, including the procurement of requisite licenses and permits at its facilities. These licenses and permits, without which the Company's operations would be adversely affected, are subject to periodic renewal. The Company anticipates that, once a license or permit is issued with respect to a facility, the license or permit will be renewed at the end of its term if the facility's operations are in compliance with the applicable regulatory requirements.

On August 12, 2005, the Ontario Ministry of the Environment adopted new regulations which prohibit land disposal of untreated hazardous waste and require the waste to meet specific treatment standards prior to land disposal. Land disposal includes onsite and offsite land filling, land farming and any other form of land disposal. These requirements are similar to restrictions enacted in the United States and thus bring the Province of Ontario in closer comity with the United States regulatory scheme. The new land disposal restrictions commenced in 2007 through a phased in schedule based on specific waste streams, and will be fully implemented by the beginning of 2010.

Under the Company's insurance programs, coverage is obtained for catastrophic exposures, as well as those risks required to be insured by law or contract. The Company's policy is to retain a significant portion of certain expected losses related primarily to workers' compensation, health insurance, comprehensive general, environmental impairment and vehicle liability. Provisions for losses expected under these programs are recorded based upon the Company's estimates of the aggregate liability for claims. The deductible per occurrence for the workers' compensation, general liability and vehicle liability is $0.5 million. The retention per claim for the environmental impairment policy is $1.0 million. At December 31, 2007 and 2006, the Company had accrued $8.1 million and $5.5 million, respectively, for its self-insurance liabilities (exclusive of health insurance) using a "risk-free" discount rate of 3.25%. Actual expenditures in future periods can differ materially from accruals based on estimates.

Anticipated payments at December 31, 2007 for each of the next five years and thereafter are as follows (in thousands):

Periods ending December 31,		
2008	$	1,289
2009		2,815
2010		1,814
2011		1,165
2012		751
Thereafter		811
Undiscounted self-insurance liabilities		8,645
Less: Discount		563
Total self-insurance liabilities (included in other accrued expenses)	$	8,082

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(12) INCOME TAXES

The domestic and foreign components of income before provision for income taxes were as follows (in thousands):

	For the Year Ended December 31,		
	2007	**2006(1)**	**2005**
Domestic	$ 71,449	$ 48,023	$ 25,817
Foreign	789	4,930	3,299
Total	$ 72,238	$ 52,953	$ 29,116

(1) A $4.1 million adjustment was made between the domestic and foreign components of income in 2006 to correct amounts previously reported. The correction was considered immaterial.

The provision for income taxes consisted of the following (in thousands):

	For the Year Ended December 31,		
	2007	**2006**	**2005**
Current (before application of NOL carryforwards):			
Federal	$ 22,926	$ 13,333	$ 2,057
State	7,913	2,894	1,571
Foreign	4,497	4,759	3,457
Benefit of net operating losses			
Federal		(7,807)	(1,645)
State		(455)	(729)
	35,336	12,724	4,711
Deferred			
Federal	(5,002)	(6,290)	
State	(1,001)		
Foreign	(1,293)	(95)	(1,216)
	(7,296)	(6,385)	(1,216)
Net provision for income taxes	$ 28,040	$ 6,339	$ 3,495

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(12) INCOME TAXES (Continued)

The effective income tax rate varied from the amount computed using the statutory federal income tax rate as follows:

	For the Year Ended December 31,		
	2007	**2006**	**2005**
Tax expense at statutory rate	$ 25,259	$ 18,555	$ 9,909
State income taxes, net of federal benefit	3,323	1,573	(414)
Foreign rate differential	(4,440)	(4,107)	1,245
Foreign income inclusion		20	12
Adjustment of prior year's tax attributes		1,599	(1,019)
Change in federal valuation allowance	(765)	(14,082)	(9,192)
Other	(499)	3,513	2,200
FIN 48 interest and penalties, net of benefit	5,487		
Tax credits, net	(325)	(732)	754
Net provision for income taxes	$ 28,040	$ 6,339	$ 3,495

The components of the total net deferred tax assets and liabilities at December 31, 2007 and 2006 were as follows (in thousands):

	2007	**2006**
Deferred tax assets:		
Workers compensation accrual	$ 3,216	$ 2,219
Provision for doubtful accounts	484	1,563
Closure, post-closure and remedial liabilities	39,807	35,002
Accrued expenses	11,143	12,106
Accrued compensation	3,903	1,153
State net operating loss carryforwards	3,704	5,473
Tax credit carryforwards	13,221	14,722
FIN 48 accrued interest and federal benefit	6,430	
Other	1,334	
Total deferred tax asset	83,242	72,238
Deferred tax liabilities:		
Property, plant and equipment	(32,191)	(23,540)
Permits and customer databases	(17,359)	(18,218)
Other		(2,451)
Total deferred tax liability	(49,550)	(44,209)
Total net deferred tax asset before valuation allowance	33,692	28,029
Less valuation allowance	(10,025)	(12,403)
Net deferred tax asset	$ 23,667	$ 15,626

(12) INCOME TAXES (Continued)

At December 31, 2007, the Company had foreign tax credit carryovers of $13.2 million which expire between 2008 and 2015. The Company had state net operating loss carryovers of $1.4 million at December 31, 2007 which expire between 2008 and 2024.

During 2007, the Company decreased taxes payable for adjustments related to realized and recognized tax benefits of $7.3 million related to exercises of non-qualified stock options of which $6.4 million resulted in an increase to paid-in capital.

The Company does not accrue U.S. tax for foreign earnings that it considers to be permanently reinvested outside the United States. Consequently, the Company has not provided any U.S. tax on the unremitted earnings of its foreign subsidiaries. As of December 31, 2007 and 2006, the amount of earnings for which no repatriation tax has been provided was $12.0 million and $3.6 million respectively.

During fiscal 2006, based upon the Company's cumulative operating results and assessment of the Company's expected future results of operations, the Company determined that it had become more likely than not that it would be able to realize a substantial portion of its U.S. net operating loss carryforward tax assets prior to their expiration and realize the benefit of other net deferred tax assets. During fiscal 2006, the Company reversed a total of $17.7 million of U.S. deferred tax asset valuation allowance of which $9.9 million related to the utilization of prior year NOLs including $2.5 million of NOLs attributable to tax deductions related to the exercise of non-qualified stock options. As of December 31, 2007, the Company has a remaining valuation allowance of approximately $10.0 million related to foreign tax credits, certain state net operating loss carryforwards and federal and state net operating loss carryforwards related to tax deductions for the exercise of non-qualified stock options. The Company believes that it is not more likely than not that such amounts will be utilized.

In connection with the reversal of a portion of the valuation allowance in 2006, the Company also adjusted its deferred taxes by $7.3 million that were associated with the 2002 CSD acquisition. Such amount was credited to the carrying value of the CSD non-current intangible assets, as there was no goodwill associated with such acquisition.

The Company adopted FASB Interpretation 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48") on January 1, 2007. As a result of the implementation of FIN 48, tax contingencies increased $41.9 million for uncertain tax positions, of which $36.8 million was accounted for as a decrease to retained earnings. In addition, to reflect the federal and state tax benefits upon the implementation of FIN 48, the Company also recorded an increase to the Company's deferred tax assets of $4.7 million and a $0.4 million decrease to the valuation allowance.

Included in the balance at December 31, 2007 and January 1, 2007, were $45.3 million and $38.7 million, respectively, of unrecognized tax benefits that, if recognized, would affect the annual effective income tax rate.

The Company has elected to continue its policy of recognizing interest and penalties related to income tax matters as a component of income tax expense. The liability for unrecognized tax benefits included accrued interest and penalties of $13.8 million and $4.0 million. Tax expense for the year ended December 31, 2007 includes interest and penalties of $7.1 million.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(12) INCOME TAXES (Continued)

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows (in thousands):

	2007	Description
Unrecognized tax benefits as of January 1, 2007	$ 48,076	
Gross increases in tax positions in prior periods	77	Additional state tax liability from adoption
Gross decreases in tax positions in prior periods		
Gross increases during the current period	61	Additional 2007 state liability
Settlements	(260)	Payment of liability
Lapse of statute of limitations		
Foreign currency translation	2,117	Canadian Foreign exchange
Unrecognized tax benefits as of December 31, 2007	$ 50,071	

As of December 31, 2007, the Company had recorded $67.8 million of liabilities for unrecognized tax benefits of which $17.8 million related to interest and penalties.

The Company files U.S. federal income tax returns as well as income tax returns in various states and foreign jurisdictions. The Company may be subject to examination by the Internal Revenue Service ("IRS") for calendar years 2003 through 2006. Additionally, any net operating losses that were generated in prior years and utilized in these years may also be subject to examination by the IRS. The Company may also be subject to examinations by state and local revenue authorities for calendar years 2002 through 2007. The Company is currently not under examination by the IRS, state or local jurisdictions. However, one foreign jurisdiction is currently conducting an audit for calendar years 2003 through 2006.

The Company does not anticipate that total unrecognized tax benefits other than adjustments for additional accruals for interest and penalties and foreign currency translation, will change significantly prior to December 31, 2008.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(13) EARNINGS PER SHARE

The following is a reconciliation of basic and diluted earnings (loss) per share computations (in thousands except for per share amounts):

	Year Ended December 31, 2007		
	Income	Shares	Per Share Amount
Basic income attributable to common stockholders before effect of dilutive securities	$ 43,992	19,827	$ 2.22
Dilutive effect of equity-based compensation awards and warrants	206	803	(0.08)
Diluted income attributable to common stockholders	$ 44,198	20,630	$ 2.14

	Year Ended December 31, 2006		
	Income	Shares	Per Share Amount
Basic income attributable to common stockholders before effect of dilutive securities	$ 46,399	19,526	$ 2.38
Dilutive effect of equity-based compensation awards and warrants	276	1,131	(0.12)
Diluted income attributable to common stockholders	$ 46,675	20,657	$ 2.26

	Year Ended December 31, 2005		
	Income	Shares	Per Share Amount
Basic income attributable to common stockholders before effect of dilutive securities	$ 25,342	15,629	$ 1.62
Dilutive effect of equity-based compensation awards and warrants	279	2,088	(0.17)
Diluted income attributable to common stockholders	$ 25,621	17,717	$ 1.45

For each of the years ended December 31, 2007 and 2006, the dilutive effect of all outstanding warrants, options, restricted stock and Series B Preferred Stock is included in the above calculations. As discussed further in Note 14, "Stockholders' Equity", the Company issued 2.3 million shares of common stock on December 13, 2005. The basic and dilutive effect of this

issuance is weighted for the portion of the period that these shares were outstanding for the year ended December 31, 2005. For each of the years ended December 31, 2007 and 2006, the dilutive effects of 48 thousand and 70 thousand outstanding performance stock awards, respectively, were excluded from the above calculation as the attainment of the performance criteria was not considered probable.

(14) STOCKHOLDERS' EQUITY

(a) Warrants

On June 30, 2004, the Company issued warrants to purchase 2.8 million shares of the Company's common stock. The warrants provided for an exercise price of $8.00 per common share and an expiration date of September 10, 2009. Warrants activity from January 1, 2005 through December 31, 2007 was as follows:

	2007	2006	2005
Outstanding at January 1,	498,690	498,690	2,775,000
Issued			
Exercised	(150,000)		(1,979,821)
Cancelled upon cashless exercise			(296,489)
Outstanding at December 31,	348,690	498,690	498,690

(b) Series B Preferred Stock

On February 16, 1993, the Company issued 112,000 shares of Series B Convertible Preferred Stock, $0.01 par value ("Series B Preferred Stock"), for the acquisition of its Spring Grove facility. The liquidation value of each share of Series B Preferred Stock was the liquidation preference of $50.00 plus unpaid dividends. On December 28, 2007, the Company issued an aggregate of 209,200 shares of the Company's common stock, $.01 par value, in connection with the conversion (at the holders' elections) of the remaining previously outstanding 68,810 shares of Series B convertible preferred stock.

Prior to the conversion, each share of Series B Preferred Stock entitled its holder to receive a cumulative annual cash dividend of $4.00 per share, or at the election of the Company, a common stock dividend of equivalent value. Dividends were payable on the 15th day of January, April, July and October, at the rate of $1.00 per share, per quarter. During the three years ended December 31, 2007, all dividends on the Series B Preferred Stock were paid in cash.

(15) STOCK-BASED COMPENSATION

In 1992 the Company adopted an equity incentive plan (the "1992 Plan"), which provides for a variety of incentive awards, including stock options, and in 2000, the Company adopted a stock incentive plan (the "2000 Plan"), which provides for awards in the form of incentive stock options, non-qualified stock options, restricted stock awards and performance stock awards. In 2002, the Company amended the 2000 Plan to increase the awards that can be issued under the 2000 Plan from 0.8 million shares to 1.5 million shares and in 2005, the Company further amended the 2000 Plan to increase the awards that can be issued under the 2000 Plan to 2.0 million. As of

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(15) STOCK-BASED COMPENSATION (Continued)

December 31, 2007 and 2006, the Company had the following types of stock-based compensation awards outstanding under these plans: stock options, restricted stock awards and performance stock awards. As of December 31, 2005, all awards under the 1992 and 2000 Plans were in the form of non-qualified stock options, except for an aggregate of 37,950 restricted stock awards which the Company made in November 2005. The stock options generally become exercisable up to five years from the date of grant, subject to certain employment requirements, and terminate ten years from the date of grant. The restricted stock awards granted in November 2005 vest over five years subject to continued employment.

As of December 31, 2007, the Company had reserved 642,489 shares of common stock available for grant under the 2000 Plan, exclusive of shares previously issued (either upon exercise of stock options or pursuant to restricted stock, performance stock or common stock awards) or reserved for options previously granted under the 2000 Plan. The 1992 Plan expired on March 15, 2002, but there were outstanding on December 31, 2007 options for an aggregate of 74,765 shares, which shall remain in effect until such options are either exercised or expire in accordance with their terms.

Under the terms of the 2000 Plan, as amended, options may be granted to purchase shares of common stock at an exercise price less than the fair market value on the date of grant. However, no compensation expense related to stock option grants to employees was recorded in 2005, as the option exercise prices were equal to, or greater than, the fair market value on the date of grant. During the year ended December 31, 2005, the Company recorded $56,000 of compensation expense for the 37,950 shares of common stock (valued at their fair market value on the grant date) granted pursuant to the restricted stock awards made in November 2005. The Company did not grant options to non-employees of the Company during the year ended December 31, 2005.

Effective January 1, 2006, the Company adopted the provisions of SFAS 123R and SAB 107 using the modified prospective method, which results in the provisions of SFAS 123R being applied to the consolidated financial statements on a prospective basis. Under the modified prospective recognition method, restatement of consolidated income from prior periods is not required, and accordingly, the Company has not provided such restatements. Under the modified prospective provisions of SFAS 123R, compensation expense is recorded for the unvested portion of previously granted awards that were outstanding on January 1, 2006 and all subsequent awards. SFAS 123R requires that all stock-based compensation expense be recognized in the financial statements based on the fair value of the awards. Stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service period, which generally represents the vesting period, and includes an estimate of awards that will be forfeited. Consistent with the valuation method previously used for the disclosure-only pro-forma provisions of SFAS 123, the fair value of stock options is calculated using the Black-Scholes option-pricing model. As required under the new standards, compensation expense is based on the number of options expected to vest. Forfeitures estimated when recognizing compensation expense are adjusted when actual forfeitures differ from the estimate. The fair value of the Company's grants of non-vested stock ("Restricted Stock") are based on intrinsic value.

Total compensation cost charged to income from operations for the years ended December 31, 2007, 2006 and 2005 was $4.8 million, $3.4 million and $0.1 million, respectively. The total income tax benefit recognized in the consolidated statement of operations from stock-based

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(15) STOCK-BASED COMPENSATION (Continued)

compensation was $1.8 million, $0.8 million and $7 thousand for the years ended December 31, 2007, 2006 and 2005, respectively.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based employee compensation in 2005 (in thousands except for per share amounts):

	Year Ended December 31, 2005
Net income (loss) attributable to common stockholders	$ 25,342
Add: Stock-based compensation expense included in reported net income, net of related tax effects	56
Deduct: Total stock-based employee compensation expense determined under fair value-based method for all awards net of related tax effects	(1,796)
Pro forma net income attributable to common stockholders	$ 23,602
Earnings per share:	
Basic as reported	$ 1.62
Basic pro forma	1.51
Diluted as reported	1.45
Diluted pro forma	1.35

Stock Option Awards

As a result of the changes in accounting under SFAS No. 123(R) and a desire to align the Company's long-term incentive awards more closely to operating and market performance, the Compensation Committee of the Company's Board of Directors approved a substantial change in the form of awards that it grants under the Company's current equity incentive plan. Beginning in November 2005, stock option grants for key managers were replaced with restricted stock awards or performance stock awards. The Company accordingly has decreased the number of stock options granted.

The Company uses the Black-Scholes option pricing model to value the compensation expense associated with its stock option awards based on the assumptions in the following table. In addition, the Company estimates forfeitures when recognizing compensation expense, and adjusts its estimate of forfeitures over the requisite service period based on the extent to which actual forfeitures differ, or are expected to differ, from such estimates. Changes in estimated forfeitures are recognized through a cumulative catch-up adjustment in the period of change and also impact the amount of compensation expense to be recognized in future periods. The expected forfeiture rates used to calculated compensation expense were 5% for employees and 2% for executives and directors.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(15) STOCK-BASED COMPENSATION (Continued)

The following weighted-average assumptions were used in calculating the grant date fair value of stock options awards issued during the years ended December 31, 2007, 2006 and 2005:

	2007	2006	2005
Expected volatility	80.02%-81.36%	84.29%-86.00%	85.0%
Risk-free interest rate	4.58%-4.98%	4.84%-5.15%	4.1%
Expected life (years)	2.9	3.5	4.4
Dividend yield	none	none	none

Expected volatility is based on the historical volatility of the Company's common stock over the period commensurate with the expected life of the stock option shares. The risk-free rate for the stock options is the average yield rate of the 3- and 5-year term on the U.S. Treasury Constant Maturities at the inception of each quarterly stock option period. The expected life of the stock options shares is 2.9 years based on using the simplified method as described in Staff Accounting Bulletin No. 110. As discussed above, due to the Company changing the form of awards granted beginning in 2006, the historical data does not provide a reasonable basis upon which to estimate expected term and therefore the Company continues to calculate the expected life by using the simplified method. The dividend yield of zero is based on the fact that the Company has never paid cash dividends and has no present intention to pay cash dividends.

Activity under the Plans relating to stock options is summarized as follows:

Stock Options	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value as of 12/31/07 (in thousands)
Outstanding at January 1, 2007	549,771	$ 11.31		
Granted	20,500	46.89		
Forfeited	(14,010)	9.88		
Exercised	(173,290)	9.50		
Outstanding at December 31, 2007	382,971	$ 14.09	4.21	$ 14,409
Vested and expected to vest	380,752	$ 14.03	4.20	$ 14,346
Exercisable at December 31, 2007	237,216	$ 12.34	3.64	$ 9,339

The weighted-average grant date fair values of option grants for the years ended December 31, 2007, 2006 and 2005 were $24.07, $22.55, and $12.48, respectively. As of December 31, 2007, there was $0.5 million of total unrecognized compensation cost arising from non-vested compensation related to stock option awards under the Company's stock incentive plans. This cost is expected to be recognized over a weighted-average period of 0.3 years. The

total intrinsic value of options exercised during 2007, 2006 and 2005 was $6.8 million, $7.2 million, and $10.1 million, respectively.

Restricted Stock Awards

The following information relates to restricted stock awards that have been granted to employees under the Company's stock incentive plans. The restricted stock awards are not transferable until vested and the restrictions lapse upon the achievement of continued employment over a specified time period.

The fair value of each restricted stock grant is based on the closing price of the Company's stock on the date of grant and is amortized to expense over its vesting period. The expected forfeiture rates used to calculated compensation expense were 5% for employees and 2% for executives and directors.

The following table summarizes information about restricted stock awards for the year ended December 31, 2007:

Restricted Stock (Non-vested Shares)	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested at January 1, 2007	31,560	$ 29.83
Granted	4,171	49.12
Vested	(8,490)	47.08
Expired		
Forfeited		
Unvested at December 31, 2007	27,241	$ 27.41

As of December 31, 2007, there was $0.7 million of total unrecognized compensation cost arising from non-vested compensation related to restricted stock awards under the Company's stock incentive plans. This cost is expected to be recognized over a weighted-average period of 3.9 years. The total fair value of restricted stock vested during 2007 was $0.4 million.

Performance Stock Awards

The following information relates to performance stock awards that have been granted to employees under the Company's stock incentive plans. Generally, performance stock awards are subject to performance criteria such as predetermined revenue and earnings targets for a specified period of time. The vesting of the performance stock awards is based on achieving such targets and also includes continued service conditions.

The fair value of each performance stock award is based on the closing price of the Company's stock on the date of grant and is amortized to expense over the service period, if performance measures are considered probable. The expected forfeiture rates used to calculated compensation expense were 5% for employees and 2% for executives and directors. During the three-months ended December 31, 2007, management believed that it was probable the performance targets, related to the performance stock awards granted in 2007, will be achieved.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(15) STOCK-BASED COMPENSATION (Continued)

Subsequently, in the fourth quarter of 2007, the Company modified certain performance stock awards by accelerating their vesting. The modification affected 54 employees and increased stock compensation expense by $0.5 million.

The following table summarizes information about performance stock awards for the years ended December 31, 2007 and 2006:

Performance Stock	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested at January 1, 2007	35,084	$ 31.73
Granted	55,156	$ 51.66
Vested	(32,516)	52.25
Expired		
Forfeited	(5,448)	31.73
Unvested at December 31, 2007	52,276	$ 41.74

As of December 31, 2007, there was $1.6 million of total unrecognized compensation cost arising from non-vested compensation related to performance stock awards under the Company's stock incentive plans that will be recognized over the next four years. The total fair value of performance awards vested during 2007 was $1.7 million.

Employee Stock Purchase Plan

In May of 1995, the Company's stockholders approved an Employee Stock Purchase Plan (the "ESPP"), which is a qualified employee stock purchase plan under Section 423 of the Internal Revenue Code of 1986, as amended, through which employees of the Company are given the opportunity to purchase shares of common stock. Under the ESPP, a total of one million shares of common stock were originally reserved for offering to employees, in quarterly offerings of 50,000 shares each plus any shares not issued in any previous quarter, commencing on July 1, 1995 and on the first day of each quarter thereafter. In 2005, the Company's stockholders approved an increase of 500,000 in the maximum number of shares, which can be issued under the ESPP. As of December 31, 2007, the Company had reserved 521,182 shares of common stock available for purchase under the ESPP. Employees who elect to participate in an offering may utilize up to 10% of their payroll for the purchase of common stock at 85% of the closing price of the stock on the first day of such quarterly offering or, if lower, 85% of the closing price on the last day of the offering. Due to the discount of 15% offered to employees for purchase of shares under the ESPP, the Company considers such plan as compensatory. The weighted average per share fair values of the purchase rights granted under the ESPP during the years ended December 31, 2007 and 2006 was $8.91 and $7.27, respectively.

Common Stock Awards

In the years ended December 31, 2007 and 2006, the Company issued 5,200 shares and 3,000 shares of common stock at a weighted average grant-date fair value of $46.74 and $29.37, respectively, under the Company's stock incentive plans which vested immediately.

(16) EMPLOYEE BENEFIT PLANS

The Company has responsibility for a defined benefit plan that covers 29 active non-supervisory Canadian employees. The Company adopted FASB Statement No. 158, *Employers' Accounting for Defined Pension and Other Postretirement Plans* ("FAS 158"), effective December 31, 2006, which required separate recognition of the over funded or under funded status of the pension plan as an asset or liability. The funded status is measured as the difference between the fair value of plan assets and the projected benefit obligations to current and retired employees.

The following table presents the net periodic pension cost for the years ended December 31, (in thousands):

	2007	2006	2005
Service cost	$ 176	$ 167	$ 134
Interest cost	359	312	277
Expected return on fair value of assets	(441)	(366)	(309)
Net periodic pension cost	$ 94	$ 113	$ 102

Weighted average assumptions used to determine pension benefit obligations at year end and net pension cost for the following years were as follows:

	2007	2006	2005
Discount rate	5.18%	5.10%	5.02%
Expected return on fair value of assets	7.00%	7.00%	7.00%
Rate of compensation increase	3.21%	3.89%	4.11%

The long-term rate-of-return-on-assets assumption was determined using a building-block method, which integrates historical inflation, real risk-free rates and risk premiums for the different asset categories forming the plan fund. A weighted average of the above result and the historical return of the plan's fund is then calculated. The current asset mix is assumed to remain constant and a 1% adjustment for investment and custodial fees is taken into account. Unless the result so obtained is significantly different from the previous year assumption, the long-term rate-of-return-on-assets assumption remains unchanged.

The accumulated benefit obligation was $7.4 million and $6.2 million at December 31, 2007 and 2006, respectively.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(16) EMPLOYEE BENEFIT PLANS (Continued)

The following table sets forth the changes in benefit obligations, plan assets and the net pension liability accrued on the Company's consolidated balance sheets at December 31, (in thousands):

	2007	2006
Change in benefit obligations:		
Benefit obligation at the beginning of year	$ 6,479	$ 6,117
Service cost	176	167
Interest cost	359	312
Employee contributions	40	38
Actuarial loss	(153)	215
Benefits paid	(289)	(362)
Currency translation	1,171	(8)
Benefit obligation at end of year	$ 7,783	$ 6,479

	2007	2006
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 5,683	$ 5,042
Actual return on plan assets	(39)	568
Employer contributions	456	413
Employee contributions	40	38
Benefits paid	(289)	(362)
Currency translation	1,032	(16)
Fair value of plan assets at end of year	$ 6,883	$ 5,683

	2007	2006
Net pension liability accrued (included in other long-term liabilities):		
Amount underfunded	$ (900)	$ (796)
Unrecognized net actuarial loss		
Additional minimum liability		
Currency translation		
Pension liability accrued	$ (900)	$ (796)

The Company's investment policy targets a 20% to 70% allocation to equity securities, a 30% to 50% allocation to debt securities, and a 0% to 20% allocation to cash. The asset mix is frequently reviewed by the fund manager by examining the domestic and international macroeconomic factors and relative valuation levels of equity versus fixed income markets as well as internal forecasts of interest rate trends. The objective is to add value through longer-term asset mix positioning rather than short-term trading. The portfolio's volatility is kept to a minimum by implementing only incremental asset mix changes. It is believed that this investment policy fits the long-term nature of pension obligations.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(16) EMPLOYEE BENEFIT PLANS (Continued)

The Company's weighted average asset allocations at December 31, 2007 and 2006 were as follows:

	2007	2006
Equity securities	63%	60%
Debt securities	32%	34%
Cash and cash equivalents	5%	6%
Total	100%	100%

The Company expects to contribute $607 thousand to this pension plan in 2008.

Benefit payments including those amounts to be paid out of corporate assets and reflecting future expected service as appropriate, are expected to be paid as follows (in thousands):

	Expected benefit payments
2008	$ 278
2009	288
2010	293
2011	309
2012	364
2013-2017	2,378

The Company has a profit-sharing plan under Section 401(k) of the Internal Revenue Code covering substantially all U.S. employees. The plan allows employees to make contributions up to a specified percentage of their compensation. The Company makes discretionary partial matching contributions dependent on meeting profit targets established annually by the Board of Directors. The Company expensed $0.8 million for the plan in 2007, recognized income of $127 thousand for the plan in 2006 and expensed $415 thousand for the plan in 2005.

As a result of the adoption of FAS 158, the Company recorded an additional pension liability in 2006, with a corresponding deferred loss adjustment to accumulated other comprehensive income. The following table shows the effects of adopting SFAS No. 158 at December 31, 2006 on individual line items in the Consolidated Balance Sheet at December 31, 2006 (in thousands):

	Before application of SFAS 158	Adjustments	After application of SFAS 158
Other liabilities			
Accrued pension costs	$ 479	$ 317	$ 796
Deferred taxes, net	15,513	113	15,626
Accumulated other comprehensive income	9,142	(203)	8,939
Total stockholders' equity	173,389	(203)	173,186

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(17) SEGMENT REPORTING

The Company has two reportable segments: Technical Services and Site Services. Performance of the segments is evaluated on several factors, of which the primary financial measure is operating income before interest, taxes, depreciation, amortization, restructuring, severance charges, other refinancing-related expenses, (gain) loss on disposal of assets held for sale, other (income) expense, and loss on refinancing ("Adjusted EBITDA Contribution"). Transactions between the segments are accounted for at the Company's estimate of fair value based on similar transactions with outside customers.

The operations not managed through the Company's two operating segments are presented herein as "Corporate Items". Corporate Items revenues consist of two different operations where the revenues are insignificant. Corporate Items cost of revenues represents certain central services that are not allocated to the segments for internal reporting purposes. Corporate Items selling, general and administrative expenses include typical corporate items such as legal, accounting and other items of a general corporate nature that are not allocated to the Company's two segments.

The following table reconciles third party revenues to direct revenues for the twelve-month periods ended December 31, 2007, 2006 and 2005 (in thousands). Third party revenues are revenues billed to the Company's customers by a particular segment. Direct revenue is the revenue allocated to the segment performing the provided service. The Company analyzes results of operations based on direct revenues because the Company believes that these revenues and related expenses best reflect the manner in which operations are managed. Certain reporting units have been reclassified to conform to the current year presentation.

	For the Year Ended December 31, 2007			
	Technical Services	Site Services	Corporate Items	Totals
Third party revenues	$ 655,181	$ 291,697	$ 39	$ 946,917
Intersegment expenses	99,996	22,201	767	122,964
Gross revenues	755,177	313,898	806	1,069,881
Intersegment revenues	(82,964)	(38,083)	(1,917)	(122,964)
Direct revenues	$ 672,213	$ 275,815	$ (1,111)	$ 946,917

	For the Year Ended December 31, 2006			
	Technical Services	Site Services	Corporate Items	Totals
Third party revenues	$ 542,589	$ 287,243	$ (23)	$ 829,809
Intersegment expenses(1)	49,632	21,622	595	71,849
Gross revenues	592,221	308,865	572	901,658
Intersegment revenues(1)	(33,814)	(37,773)	(262)	(71,849)
Direct revenues	$ 558,407	$ 271,092	$ 310	$ 829,809

(1) Adjustments of $57,477 and $695 for Technical Services and Site Services, respectively, were made between intersegment expenses and intersegment revenues to correct amounts

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(17) SEGMENT REPORTING (Continued)

previously reported. The adjustments eliminate in consolidation and were considered immaterial.

	For the Year Ended December 31, 2005			
	Technical Services	Site Services	Corporate Items	Totals
Third party revenues	$ 453,356	$ 257,446	$ 368	$ 711,170
Intersegment expenses(2)	62,847	21,208	(420)	83,635
Gross revenues	516,203	278,654	(52)	794,805
Intersegment revenues(2)	(43,319)	(39,436)	(880)	(83,635)
Direct revenues	$ 472,884	$ 239,218	$ (932)	$ 711,170

(2) Adjustments of $50,154 and $1,245 for Technical Services and Site Services, respectively, were made between intersegment expenses and intersegment revenues to correct amounts previously reported. The adjustments eliminate in consolidation and were considered immaterial.

The following table presents information used by management by reported segment (in thousands). The Company does not allocate interest expense, income taxes, depreciation, amortization, accretion of environmental liabilities, non-recurring severance charges, (gain) loss on disposal of assets held for sale, other (income) expense, and loss on refinancing to segments.

	For the Year Ended December 31,		
	2007	2006(3)	2005(3)
Adjusted EBITDA:			
Technical Services	157,782	123,347	97,314
Site Services	46,044	44,743	37,437
Corporate Items	(70,529)	(48,155)	(44,475)
Total	133,297	119,935	90,276
Reconciliation to Consolidated Statements of Operations:			
Depreciation and amortization	37,590	35,339	28,633
Accretion of environmental liabilities	10,447	10,220	10,384
Income from operations	85,260	74,376	51,259
Other (income) expense	(135)	447	(611)
Loss on early extinguishment of debt		8,529	
Interest expense, net of interest income	13,157	12,447	22,754
Income before provision for income taxes	$ 72,238	$ 52,953	$ 29,116

(3) Certain department expenses of $219 and $19 in 2006 and 2005, respectively, were reclassed between Technical Services and Corporate Items to conform prior year information to the current period presentation.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(17) SEGMENT REPORTING (Continued)

Revenue, property, plant and equipment and intangible assets outside of the United States

For the year ended December 31, 2007, the Company derived approximately $821.9 million or 86.8% of revenues from customers located in the United States and Puerto Rico, approximately $124.0 million or 13.1% of revenues from customers located in Canada, and less than 1.0% of revenues from customers in Mexico. For the year ended December 31, 2006, the Company derived approximately $712.9 million or 85.9% of revenues from customers located in the United States and Puerto Rico, approximately $116.2 million or 14.06% of revenues from customers located in Canada, and less than 1.0% of revenues from customers in Mexico. For the year ended December 31, 2005, the Company derived approximately $628.2 million or 88.3% of revenues from customers located in the United States and Puerto Rico, approximately $82.5 million or 11.6% of revenues from customers located in Canada, and less than 1.0% of revenues from customers in Mexico.

As of December 31, 2007, the Company had property, plant and equipment, net of depreciation and amortization of $262.6 million, and permits and other intangible assets of $74.8 million. Of these totals, $31.9 million or 12.2% of property, plant and equipment and $26.5 million or 35.5% of permits and other intangible assets were in Canada, with the balance being in the United States and Puerto Rico (except for insignificant assets in Mexico). As of December 31, 2006, the Company had property, plant and equipment, net of depreciation and amortization of $244.1 million, and permits and other intangible assets of $65.7 million. Of these totals, $25.0 million or 10.3% of long-lived assets and $23.5 million or 35.7% of permits and other intangible assets were in Canada, with the balance being in the United States and Puerto Rico (except for insignificant assets in Mexico).

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(17) SEGMENT REPORTING (Continued)

The following table presents assets by reported segment and in the aggregate (in thousands):

	As of December 31,	
	2007	**2006**
Property, plant and equipment, net:		
Technical Services	$ 216,796	$ 207,271
Site Services	20,105	19,502
Corporate or other assets	25,700	17,353
	$ 262,601	$ 244,126
Intangible assets:		
Technical Services		
Goodwill	$ 21,424	$ 18,884
Permits and other intangibles, net	69,995	62,081
	91,419	80,965
Site Services		
Goodwill	148	148
Permits and other intangibles, net	4,814	3,662
	4,962	3,810
	$ 96,381	$ 84,775

The following table presents the total assets by reported segment (in thousands):

	As of December 31,	
	2007	**2006**
Site Services	$ 37,710	$ 36,656
Technical Services	369,053	346,220
Corporate Items	363,125	287,932
Total	$ 769,888	$ 670,808

The following table presents the total assets by geographical area (in thousands):

As of December 31,	
2007	**2006**

	As of December 31,	
United States	$ 631,630	$ 561,486
Canada	138,258	109,322
Total	$ 769,888	$ 670,808

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(18) QUARTERLY DATA (UNAUDITED)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in thousands except per share amounts)			
2007				
Revenues	$ 205,024	$ 238,708	$ 245,507	$ 257,678
Cost of revenues	151,604	165,282	169,007	178,547
Gross Profit	53,420	73,426	76,500	79,131
Income from operations	10,653	23,627	25,879	25,101
Other income (expense)	6	(5)	61	73
Net income	3,501	11,188	12,940	16,569
Basic income per share	0.17	0.56	0.65	0.83
Diluted income per share	0.17	0.54	0.63	0.81

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in thousands except per share amounts)			
2006				
Revenues	$ 184,495	$ 199,562	$ 213,903	$ 231,849
Cost of revenues	131,358	135,964	151,606	165,907
Gross Profit	53,137	63,598	62,297	65,942
Income from operations	14,993	17,849	21,774	19,760
Other income (expense)	(30)	(132)	(111)	(174)
Loss on early extinguishment of debt	(8,290)			(239)
Net income	2,805	11,372	21,005	11,493
Basic income per share	0.14	0.58	1.07	0.58
Diluted income per share	0.14	0.55	1.02	0.56

Earnings per share are computed independently for each of the quarters presented. Due to this, the 2007 and 2006 quarterly basic and diluted earnings per share do not equal the total computed for the year.

(19) GUARANTOR AND NON-GUARANTOR SUBSIDIARIES

On June 30, 2004, $150.0 million of Senior Secured Notes were issued by the parent company, Clean Harbors, Inc., and were guaranteed by all of the parent's material subsidiaries organized in the United States. The notes are not guaranteed by the Company's Canadian and Mexican subsidiaries. The following presents condensed consolidating financial statements for the parent company, the guarantor subsidiaries and the non-guarantor subsidiaries, respectively.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(19) GUARANTOR AND NON-GUARANTOR SUBSIDIARIES (Continued)

Following is the condensed consolidating balance sheet at December 31, 2007 (in thousands):

	Clean Harbors, Inc.	U.S. Guarantor Subsidiaries	Foreign Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Assets:					
Cash and cash equivalents	$ 35,925	$ 32,301	$ 51,312	$	$ 119,538
Intercompany receivables	2,521		80,521	(83,042)	
Other current assets	12,287	220,060	28,553		260,900
Property, plant and equipment, net		230,449	32,152		262,601
Investments in subsidiaries	344,953	140,298	91,654	(576,905)	
Intercompany note receivable		121,445	3,701	(125,146)	
Other long-term assets	22,631	68,396	35,822		126,849
Total assets	$ 418,317	$ 812,949	$ 323,715	$ (785,093)	$ 769,888
Liabilities and Stockholders' Equity:					
Current liabilities	$ 43,504	$ 143,672	$ 23,677	$	$ 210,853
Intercompany payables		83,042		(83,042)	
Closure, post-closure and remedial liabilities, net		145,752	19,878		165,630
Long-term obligations	120,712				120,712
Capital lease obligations, net		1,174	346		1,520
Intercompany note payable	3,701		121,445	(125,146)	
Other long-term liabilities	47,503		20,773		68,276
Total liabilities	215,420	373,640	186,119	(208,188)	566,991
Stockholders' equity	202,897	439,309	137,596	(576,905)	202,897
Total liabilities and stockholders' equity	$ 418,317	$ 812,949	$ 323,715	$ (785,093)	$ 769,888

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(19) GUARANTOR AND NON-GUARANTOR SUBSIDIARIES (Continued)

Following is the condensed consolidating balance sheet at December 31, 2006 (in thousands):

	Clean Harbors, Inc.	U.S. Guarantor Subsidiaries	Foreign Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Assets:					
Cash and cash equivalents	$ 822	$ 44,854	$ 27,874	$	$ 73,550
Intercompany receivables	39,602		5,773	(45,375)	
Other current assets	19,146	206,845	23,278		249,269
Property, plant and equipment, net		219,024	25,102		244,126
Investments in subsidiaries	253,877	56,757	91,654	(402,288)	
Equity interest in joint venture		2,208			2,208
Intercompany note receivable		102,986	3,701	(106,687)	
Other long-term assets	11,780	62,991	26,884		101,655
Total assets	$ 325,227	$ 695,665	$ 204,266	$ (554,350)	$ 670,808
Liabilities and Stockholders' Equity:					
Current liabilities	$ 27,818	$ 147,300	$ 23,236	$	$ 198,354
Intercompany payables		45,375		(45,375)	
Closure, post-closure and remedial liabilities, net		144,208	15,485		159,693
Long-term obligations	120,522				120,522
Capital lease obligations, net		2,312	336		2,648
Intercompany note payable	3,701		102,986	(106,687)	
Other long-term liabilities			16,405		16,405
Total liabilities	152,041	339,195	158,448	(152,062)	497,622
Stockholders' equity	173,186	356,470	45,818	(402,288)	173,186
Total liabilities and stockholders' equity	$ 325,227	$ 695,665	$ 204,266	$ (554,350)	$ 670,808

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(19) GUARANTOR AND NON-GUARANTOR SUBSIDIARIES (Continued)

Following is the consolidating statement of operations for the year ended December 31, 2007 (in thousands):

	Clean Harbors, Inc.	U.S. Guarantor Subsidiaries	Foreign Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Revenues	$	$ 814,600	$ 137,926	$ (5,609)	$ 946,917
Cost of revenues		580,331	89,718	(5,609)	664,440
Selling, general and administrative expenses		121,754	27,426		149,180
Accretion of environmental liabilities		9,439	1,008		10,447
Depreciation and amortization		31,531	6,059		37,590
Income from operations		71,545	13,715		85,260
Other income (expense)		142	(7)		135
Interest income (expense), net	(13,794)	(794)	1,431		(13,157)
Equity in earnings of subsidiaries	82,517	11,126		(93,643)	
Intercompany dividend income (expense)			12,803	(12,803)	
Intercompany interest income (expense)		12,376	(12,376)		
Income before provision for income taxes	68,723	94,395	15,566	(106,446)	72,238
Provision for income taxes	24,525	954	2,561		28,040
Net income	$ 44,198	$ 93,441	$ 13,005	$ (106,446)	$ 44,198

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(19) GUARANTOR AND NON-GUARANTOR SUBSIDIARIES (Continued)

Following is the consolidating statement of operations for the year ended December 31, 2006 (in thousands):

	Clean Harbors, Inc.	U.S. Guarantor Subsidiaries	Foreign Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Revenues	$	$ 712,263	$ 122,916	$ (5,370)	$ 829,809
Cost of revenues		511,141	79,064	(5,370)	584,835
Selling, general and administrative expenses		103,036	22,003		125,039
Accretion of environmental liabilities		9,329	891		10,220
Depreciation and amortization		30,478	4,861		35,339
Income from operations		58,279	16,097		74,376
Other income (expense)		(404)	(43)		(447)
Loss on early extinguishment of debt	(8,529)				(8,529)
Interest income (expense), net	(14,439)	1,274	718		(12,447)
Equity in earnings of subsidiaries	71,515	12,597		(84,112)	
Intercompany dividend income (expense)			12,068	(12,068)	
Intercompany interest income (expense)		11,644	(11,644)		
Income before provision for income taxes	48,547	83,390	17,196	(96,180)	52,953
Provision for income taxes	1,872	433	4,034		6,339
Equity Interest of joint venture		(61)			(61)
Net income	$ 46,675	$ 83,018	$ 13,162	$ (96,180)	$ 46,675

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(19) GUARANTOR AND NON-GUARANTOR SUBSIDIARIES (Continued)

Following is the consolidating statement of operations for the year ended December 31, 2005 (in thousands):

	Clean Harbors, Inc.	U.S. Guarantor Subsidiaries	Foreign Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Revenues	$	$ 596,227	$ 129,775	$ (14,832)	$ 711,170
Cost of revenues		438,648	88,766	(14,832)	512,582
Selling, general and administrative expenses	(1,359)	87,533	22,138		108,312
Accretion of environmental liabilities		9,591	793		10,384
Depreciation and amortization		24,319	4,314		28,633
Income from operations	1,359	36,136	13,764		51,259
Other income (expense)	565	71	(25)		611
Interest income (expense), net	(23,394)	403	237		(22,754)
Equity in earnings of subsidiaries	48,595	13,040		(61,635)	
Intercompany dividend income (expense)			11,301	(11,301)	
Intercompany interest income (expense)		10,901	(10,901)		
Income before provision for income taxes	27,125	60,551	14,376	(72,936)	29,116
Provision for income taxes	1,504	842	1,149		3,495
Net income	$ 25,621	$ 59,709	$ 13,227	$ (72,936)	$ 25,621

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(19) GUARANTOR AND NON-GUARANTOR SUBSIDIARIES (Continued)

Following is the condensed consolidating statement of cash flows for the year ended December 31, 2007 (in thousands):

	Clean Harbors, Inc.	U.S. Guarantor Subsidiaries	Foreign Non-Guarantor Subsidiaries	Total
Net cash from operating activities	$ 31,443	$ 24,789	$ 23,763	$ 79,995
Cash flows from investing activities:				
Additions to property, plant and equipment		(29,627)	(6,901)	(36,528)
Acquisition costs	(7,410)			(7,410)
Purchase of available-for-sale securities	(2,225)	(85)		(2,310)
Proceeds from insurance claims			944	944
Sales of marketable securities	3,200			3,200
Proceeds from sale of fixed assets and assets held for sale		305	310	615
Costs to obtain or renew permits		(1,296)	(6)	(1,302)
Net cash from investing activities	(6,435)	(30,703)	(5,653)	(42,791)
Cash flows from financing activities:				
Change in uncashed checks		(3,846)	(2,070)	(5,916)
Proceeds from exercise of stock options	1,647			1,647
Dividend payments on preferred stock	(206)			(206)
Excess tax benefit from stock-based compensation	6,386			6,386
Deferred financing costs incurred	(32)			(32)
Proceeds from employee stock purchase plan	1,169			1,169
Proceeds from exercise of warrants	1,200			1,200
Redemption of Series B Preferred Stock				
Payments on capital leases		(1,239)	(216)	(1,455)
Dividends (paid) received		(11,777)	11,777	
Other	(69)			(69)
Interest (payments) / received		10,223	(10,223)	
Net cash from financing activities	10,095	(6,639)	(732)	2,724
Effect of exchange rate change on cash			6,060	6,060
Increase (decrease) in cash and cash equivalents	35,103	(12,553)	23,438	45,988
Cash and cash equivalents, beginning of year	822	44,854	27,874	73,550
Cash and cash equivalents, end of year	$ 35,925	$ 32,301	$ 51,312	$ 119,538

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(19) GUARANTOR AND NON-GUARANTOR SUBSIDIARIES (Continued)

Following is the condensed consolidating statement of cash flows for the year ended December 31, 2006 (in thousands):

	Clean Harbors, Inc.	U.S. Guarantor Subsidiaries	Foreign Non-Guarantor Subsidiaries	Total
Net cash from operating activities(1)	$ 69,517	$ (18,092)	$ 9,957	$ 61,382
Cash flows from investing activities:				
Additions to property, plant and equipment		(35,507)	(5,161)	(40,668)
Acquisition of Teris LLC	(51,492)			(51,492)
Proceeds from sale of restricted investments	3,469			3,469
Purchase of available-for-sale securities	(11,750)	(43,878)		(55,628)
Proceeds from insurance claims	384			384
Sales of marketable securities	1,650	43,738		45,388
Proceeds from sale of fixed assets and assets held for sale		2,010		2,010
Costs to obtain or renew permits		(2,348)		(2,348)
Net cash from investing activities	(57,739)	(35,985)	(5,161)	(98,885)
Cash flows from financing activities:				
Change in uncashed checks		1,942	1,186	3,128
Proceeds from exercise of stock options	2,354			2,354
Dividend payments on preferred stock	(276)			(276)
Excess tax benefit from stock-based compensation	5,239			5,239
Deferred financing costs incurred	(983)			(983)
Proceeds from employee stock purchase plan	801			801
Payments on capital leases		(1,850)	(261)	(2,111)
Dividends (paid) received		(11,810)	11,810	
Proceeds from term loan	30,000			30,000
Principal payments on debt	(58,482)			(58,482)
Net cash from financing activities	(21,347)	(11,718)	12,735	(20,330)
Effect of exchange rate change on cash			(1,066)	(1,066)
Increase (decrease) in cash and cash equivalents	(9,569)	(65,795)	16,465	(58,899)
Cash and cash equivalents, beginning of year	10,391	110,649	11,409	132,449
Cash and cash equivalents, end of year	$ 822	$ 44,854	$ 27,874	$ 73,550

(1) Adjustments of $71,515 and $12,597 for Clean Harbors, Inc. and US Guarantor Subsidiaries, respectively, were made between investing activities and operating activities to correct amounts previously reported. The adjustments eliminate in consolidation and were considered immaterial.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(19) GUARANTOR AND NON-GUARANTOR SUBSIDIARIES (Continued)

Following is the condensed consolidating statement of cash flows for the year ended December 31, 2005 (in thousands):

	Clean Harbors, Inc.	U.S. Guarantor Subsidiaries	Foreign Non-Guarantor Subsidiaries	Total
Net cash from operating activities(2)	$ (75,119)	$ 95,052	$ 9,734	$ 29,667
Cash flows from investing activities:				
Additions to property, plant and equipment		(16,076)	(3,379)	(19,455)
Cost of restricted investments purchased	(3,469)			(3,469)
Proceeds from (payment of) return of capital		10,265	(10,265)	
Proceeds from insurance claim	3,500			3,500
Sales of marketable securities	10,000	6,800		16,800
Proceeds from sales of fixed assets		977	10	987
Increase in permits		(1,864)	(8)	(1,872)
Net cash from investing activities	10,031	102	(13,642)	(3,509)
Cash flows from financing activities:				
Change in uncashed checks		1,633	(198)	1,435
Proceeds from exercise of stock options	4,470			4,470
Proceeds from exercise of warrants	12,474			12,474
Proceeds from issuance of common stock	60,224			60,224
Dividend payments on preferred stock	(279)			(279)
Deferred financing costs incurred	(2,055)			(2,055)
Proceeds from employee stock purchase plan	569			569
Payments on capital leases		(1,600)	(215)	(1,815)
Dividend (paid) received		(5,522)	5,522	
Net cash from financing activities	75,403	(5,489)	5,109	75,023
Effect of exchange rate change on cash			187	187
Increase in cash and cash equivalents	10,315	89,665	1,388	101,368
Cash and cash equivalents, beginning of year	76	20,984	10,021	31,081
Cash and cash equivalents, end of year	$ 10,391	$ 110,649	$ 11,409	$ 132,449

(2) Adjustments of $48,595 and $13,040 for Clean Harbors, Inc. and US Guarantor Subsidiaries, respectively, were made between investing activities and operating activities to correct amounts previously reported. The adjustments eliminate in consolidation and were considered immaterial.

CLEAN HARBORS, INC. AND SUBSIDIARIES

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS

For the Three Years Ended December 31, 2007

(in thousands)

Allowance for Doubtful Accounts	Balance Beginning of Period	Additions (Deductions) Charged to (from) Operating Expense	Deductions from Reserves(a)	Balance End of Period
2005	$ 3,723	$ (105)	$ 1,199	$ 2,419
2006	$ 2,419	$ 1,089	$ 978	$ 2,530
2007	$ 2,530	$ 141	$ 1,721	$ 950

(a) Amounts deemed uncollectible, net of recoveries.

Sales Allowance	Balance Beginning of Period	Additions (Deductions) Charged to (from) Operating Expense	Net Additions to Reserves	Balance End of Period
2005	$ 1,602	$ 763	$ 480	$ 2,845
2006	$ 2,845	$ (1,303)	$ 199	$ 1,741
2007	$ 1,741	$ 3,037	$ 377	$ 5,155

Valuation Allowance on Deferred Tax Assets	Balance Beginning of Period	Additions (Deductions) Charged to (from) Income Tax Expense	Other Charges to Reserves	Balance End of Period
2005	$ 39,714	$ (9,192)	$	$ 30,522
2006	$ 30,522	$ (14,082)	(4,037)	$ 12,403
2007	$ 12,403	$ (765)	$ (1,613)	$ 10,025

PROSPECTUS

Clean Harbors, Inc.

DEBT SECURITIES
COMMON STOCK
PREFERRED STOCK
WARRANTS

Clean Harbors, Inc. may offer, from time to time, debt securities, common stock, preferred stock, and warrants. In addition, selling stockholders to be named in a prospectus supplement may offer, from time to time, shares of our common stock. We will provide the specific terms of any offering and the offered securities in supplements to this prospectus. Any prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus and the accompanying prospectus supplement carefully before you make your investment decision.

This prospectus may not be used to consummate any sales of securities unless accompanied by a prospectus supplement which will describe the method and terms of the offering.

Our common stock is quoted on the NASDAQ Global Select Market under the symbol "CLHB".

Investing in our securities involves risks. You should carefully consider the "Risk Factors" which may be included in any prospectus supplement, or which are incorporated by reference into this prospectus.

We may sell the securities to or through underwriters, to other purchasers, through agents, or through a combination of these methods. The names of any underwriters will be stated in the applicable prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful and complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 17, 2008.

TABLE OF CONTENTS

	Page
About This Prospectus	1
Disclosure Regarding Forward-Looking Statements.	1
The Company	2
Where You Can Find More Information.	3
Incorporation of Information by Reference	3
Use of Proceeds	4
Ratio of Earnings to Fixed Charges	4
Description of Securities	4
Selling Stockholders	5
Validity of Securities	5
Experts	5

* * *

No person has been authorized to give any information or to make any representation not contained in, or incorporated by reference into, this prospectus or the accompanying prospectus supplement. You must not rely on any unauthorized information or representation. We do not imply or represent by delivering this prospectus that Clean Harbors, Inc., or its business, is unchanged after the date of the prospectus or that the information in this prospectus is correct as of any time after its date.

The information in this prospectus or any prospectus supplement may not contain all of the information that may be important to you. You should read the entire prospectus and any prospectus supplement, as well as the documents incorporated by reference into this prospectus or any accompanying prospectus supplement, before making an investment decision.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we have filed with the Securities and Exchange Commission (the "SEC") utilizing a "shelf" registration process. Using this process, we may, from time to time, offer any combination of securities described in this prospectus in one or more offerings and selling stockholders to be named in a prospectus supplement may, from time to time, sell common stock in one or more offerings. This prospectus provides you with a general description of the securities that may be offered. Each time securities are offered under the registration statement, we will provide a prospectus supplement that will contain specific information about the terms of that particular offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any applicable prospectus supplement, together with additional information described below under the heading "Where You Can Find More Information" and "Incorporation of Documents by Reference."

When used in this prospectus and any prospectus supplement, unless the context requires otherwise, the terms "we," "our," "us," "Clean Harbors," or the "Company" refer collectively to Clean Harbors, Inc. and its subsidiaries.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated herein by reference to our filings under the Securities Exchange Act of 1934 include "forward-looking statements," as defined by federal securities laws, with respect to our financial condition, results of operations and business and our expectations or beliefs concerning future events. Words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "likely," "will," "would," "could" and similar expressions or phrases identify forward-looking statements.

All forward-looking statements involve risks and uncertainties. Many risks and uncertainties are inherent in the environmental services industry. Others are more specific to our operations. The occurrence of the events described, and the achievement of the expected results, depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from expected results.

Factors that may cause actual results to differ from expected results include, among others:

- our ability to manage the significant environmental liabilities which we assumed in connection with our past acquisitions, including in particular our acquisitions of substantially all the assets of the Chemical Services Division, or "CSD," of Safety-Kleen Corp. in 2002 and of Teris LLC in 2006;
- the availability and costs of liability insurance and financial assurances required by governmental entities relating to our facilities;
- our future cash flow and earnings;
- our ability to meet our debt obligations;
- our ability to increase our market share;
- our ability to retain our significant customers;
- our ability to manage business growth and diversification and the effectiveness of our information systems;
- our ability to compete with competitors in our industry;
- the outcome of current and potential legal proceedings;

- our ability to attract and retain qualified management personnel;
- the effects of general industry and economic conditions;
- our ability to identify suitable acquisition candidates or joint venture relationships for expansion, to consummate these transactions on favorable terms and to achieve satisfactory operating results from the acquired businesses; and
- our ability to avoid unforeseen material liabilities as a result of acquiring new companies.

All future written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We undertake no obligation, and specifically decline any obligation, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus supplement might not occur.

See "Risk Factors" in any prospectus supplement for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. These factors and the other risk factors described in such prospectus supplement are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements and other unknown or unpredictable factors also could harm our results. Consequently, actual results or developments anticipated by us may not be realized and, even if substantially realized, they may not have the expected consequences to, or effects on, us. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

THE COMPANY

We are one of the largest providers of environmental services and the largest operator of non-nuclear hazardous waste treatment facilities in North America based on 2007 industry reports. We service approximately 65% of North America's commercial hazardous incineration volume and 23% of North America's hazardous landfill volume, and are the industry leader in total hazardous waste disposal facilities. We perform environmental services for a diversified industry base with over 45,000 customers, including more than 325 Fortune 500 companies, in the United States, Canada, Puerto Rico and Mexico. We perform environmental services through a network of more than 100 service locations, and we operate six incineration facilities, nine commercial landfills, six wastewater treatment operations, and 20 transportation, storage and disposal facilities, or "TSDFs," as well as six polychlorinated biphenyls, or "PCB," management facilities, two oil and used oil products recycling facilities and two solvent recycling facilities.

The wastes that we handle include materials that are classified as "hazardous" because of their unique properties, as well as other materials subject to federal and state environmental regulation. We provide final treatment and disposal services designed to manage hazardous and non-hazardous wastes, which cannot be economically recycled or reused. We transport, treat and dispose of industrial wastes for commercial and industrial customers, health care providers, educational and research organizations, other environmental services companies and governmental entities.

Clean Harbors, Inc. was incorporated in Massachusetts in 1980. Our corporate offices are located at 42 Longwater Drive, Norwell, MA 02161, (telephone (781) 792-5000). Shares of our common stock trade on The Nasdaq Global Select Market under the symbol "CLHB." Our website address is www.cleanharbors.com. The information contained or incorporated in our website is not part of this prospectus or of any prospectus supplement.

WHERE YOU CAN FIND MORE INFORMATION

Clean Harbors files annual, quarterly and current reports, proxy statements and other information with the SEC. We have also filed a registration statement on Form S-3, including exhibits and schedules, under the Securities Act of 1933 with respect to the securities that we may issue from time to time. This prospectus is a part of that registration statement, but does not contain all of the information included in the registration statement or the exhibits and schedules. You may read and copy the registration statement and any reports, statements or other information filed by us with the SEC at the SEC's public reference facility at:

Room 1580
100 F Street, N.E.
Washington, D.C. 20549

You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website at http://www.sec.gov that contains reports and other information regarding issuers like us that file electronically with the SEC. You may also obtain copies of these materials through our website, http://www.cleanharbors.com.

Our common stock is quoted on the NASDAQ Global Select Market under the symbol "CLHB" and our SEC filings can also be read at the following address: Nasdaq Operations, 1735 K Street, N.W., Washington, D.C. 20006.

INCORPORATION OF INFORMATION BY REFERENCE

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's website at http://www.sec.gov. Copies of the documents we file with the SEC can be read at the SEC's public reference facility at 100 F Street, N.E., Washington, D.C. 20549. You can also obtain copies of our filings at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its public reference facility.

We are "incorporating by reference" in this prospectus some of the documents we file with the SEC. This means that we can disclose important information to you by referring you to those documents. The information in the documents incorporated by reference is considered to be part of this prospectus. Information in specified documents that we file with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules) after the date of this prospectus will automatically update and supersede information in this prospectus. We incorporate by reference the documents listed below and any future filings we may make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus and prior to the termination of any offering of securities offered by this prospectus:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2007;
- our definitive Proxy Statement dated April 9, 2008 for our Annual Meeting of Shareholders to be held on May 15, 2008; and
- our Report on Form 8-K filed with the SEC on January 3, 2008.

Information contained in any prospectus supplement modifies or supersedes, as applicable, the information contained in earlier-dated documents incorporated by reference. Information contained in later-dated documents incorporated by reference supplements, modifies or supersedes, as applicable, the information contained in this prospectus or in earlier-dated documents incorporated by reference.

We will provide a copy of the documents we incorporate by reference (other than exhibits, unless the exhibit is specifically incorporated by reference into the filing requested), at no cost, to you if you submit a request to us by writing to or telephoning us at the following address or telephone number:

Clean Harbors, Inc.
42 Longwater Drive
Norwell, Massachusetts 02061-9149
Telephone: (781) 792-5100
Attention: Executive Offices

We have filed this prospectus with the SEC as part of a registration statement on Form S-3 (File No. 333-150296) under the Securities Act. This prospectus does not contain all of the information set forth in the registration statement because some parts of the registration statement are omitted in accordance with the rules and regulations of the SEC. The registration statement and its exhibits are available for inspection and copying as set forth above.

USE OF PROCEEDS

Except as otherwise described in an applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities for one or more of the following purposes:

- repay or refinance, in part, existing indebtedness;
- finance, in part, the cost of acquisitions;
- finance capital expenditures and capacity expansion; and/or
- general corporate purposes and working capital.

Funds which are not required immediately for these purposes may be invested temporarily in short-term marketable securities.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for the five years ended December 31, 2007, 2006, 2005, 2004 and 2003.

	2007	2006	2005	2004	2003
Ratio of earnings to fixed charges	4.1x	3.6x	2.1x	1.2x	0.6x

For the purposes of computing the ratio of earnings to fixed charges, (1) earnings consist of income (loss) from operations before income taxes plus fixed charges, and (2) fixed charges consist of interest expense, amortization of debt issuance costs, redemption, dividends and accretion on preferred stock, and the portion of the operating lease rental expense deemed to be representative of the interest factor.

DESCRIPTION OF SECURITIES

We may issue from time to time, in one or more offerings, the following securities:

- debt securities, which may be senior or subordinated;

shares of common stock, $0.01 par value per share;

shares of preferred stock, $0.01 par value per share; and

warrants exercisable for common stock.

We will set forth in the applicable prospectus supplement a description of the debt securities, common stock, preferred stock or warrants that may be offered under this prospectus. The terms of the offering of securities, the initial offering price and the net proceeds to us will be contained in the prospectus supplement, and other offering material, relating to such offering.

SELLING STOCKHOLDERS

Information about selling stockholders, where applicable, will be set forth in a prospectus supplement, in a post-effective amendment, or in filings we make with the SEC under the Securities Exchange Act of 1934 which are incorporated by reference into this prospectus or any prospectus supplement.

VALIDITY OF SECURITIES

The validity of the securities to be sold pursuant to this prospectus will be passed upon for us by Davis, Malm & D'Agostine, P.C., Boston, Massachusetts, counsel to the Company. Legal matters will be passed upon for the underwriters, dealers or agents by counsel we will name in the applicable prospectus supplement.

EXPERTS

The financial statements, the related financial statement schedule, incorporated in this prospectus by reference from the Company's Annual Report on Form 10-K, and the effectiveness of Clean Harbors, Inc.'s internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports which are incorporated herein by reference (which reports (1) express an unqualified opinion on the consolidated financial statements and financial statement schedule and includes an explanatory paragraph referring to the adoption of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, effective January 1, 2007 and Statement of Financial Accounting Standards No. 123(R), *Share-Based Payment,* effective January 1, 2006), and (2) express an adverse opinion on the effectiveness of internal control over financial reporting because of a material weakness). Such financial statements and financial statement schedule have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

2,500,000 Shares

Clean Harbors, Inc.

Common Stock

Goldman, Sachs & Co.

Credit Suisse **Merrill Lynch & Co.**

RBC Capital Markets **Needham & Company, LLC** **Wedbush Morgan Securities**

QuickLinks

ABOUT THIS PROSPECTUS SUPPLEMENT
SUMMARY
RISK FACTORS
USE OF PROCEEDS
DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS
PRICE RANGE OF COMMON STOCK
DIVIDEND POLICY
CAPITALIZATION
SELECTED CONSOLIDATED FINANCIAL DATA
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
BUSINESS
MANAGEMENT
PRINCIPAL STOCKHOLDERS
DESCRIPTION OF OUTSTANDING INDEBTEDNESS
DESCRIPTION OF CAPITAL STOCK
SHARES ELIGIBLE FOR FUTURE SALE
CERTAIN MATERIAL UNITED STATES FEDERAL TAX CONSEQUENCES TO NON-U.S. HOLDERS OF COMMON STOCK
CONTROLS AND PROCEDURES
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
UNDERWRITING
VALIDITY OF COMMON STOCK
EXPERTS
INCORPORATION OF INFORMATION BY REFERENCE
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
CLEAN HARBORS, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS ASSETS (dollars in thousands)
CLEAN HARBORS, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands except per share amounts)
CLEAN HARBORS, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
CLEAN HARBORS, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
CLEAN HARBORS, INC. AND SUBSIDIARIES SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS For the Three Years Ended December 31, 2007 (in thousands)
TABLE OF CONTENTS
ABOUT THIS PROSPECTUS
DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS
THE COMPANY
WHERE YOU CAN FIND MORE INFORMATION
INCORPORATION OF INFORMATION BY REFERENCE
USE OF PROCEEDS
RATIO OF EARNINGS TO FIXED CHARGES
DESCRIPTION OF SECURITIES
SELLING STOCKHOLDERS
VALIDITY OF SECURITIES
EXPERTS