

M&A deals in waste and recycling sector hit record highs in 2011

Full report here: http://www.grant-thornton.co.uk/Global/Waste_Sector_report_2011.pdf

The waste and recycling market saw a record number of M&A deals in the sector during 2011 according to a new report by leading business and financial adviser, Grant Thornton UK LLP.

The '2011 Annual Waste Sector Review' shows the sector has continued to develop despite waste volumes being nearly 15% lower compared to the previous year. 2011 saw deal volumes match or surpass every quarter of 2010 figures. The most significant increase in acquisitions was of paper recycling companies (seven deals in 2011, one deal in 2010) and WEEE recycling companies (five deals in 2011, two deals in 2010) and based on the latest statistics, this trend looks set to continue throughout 2012.

Nigel Mattravers, principal consultant at Grant Thornton said: "We continue to see the waste and environmental space performing as a key growth sector as the legislative agenda continues to push development and growth. That said, investment is becoming harder for businesses in the sector to secure, as availability of capital is limited and uncertainty over funding remains."

"The surge in the number of deals was in part driven by an increasing level of acquisitions made by overseas parties (11 deals in 2011) and eight deals done during 2010. This is particularly significant as the deals took place while the sector experienced a marked drop in waste volumes, largely driven by legislation changes as well as the economic slowdown."

Recycling rates also continued to increase throughout 2011 with Wales achieving a rate of 49% in the 4th quarter, the highest recycling rate in the UK.

Mattravers continued: "Our analysis found that landfill operators are under increasing pressure to add value to waste streams in order to generate returns and retain contracts. In addition, within subsectors such as wood waste, advancing technology is diversifying the customer base and as a result, securing long term supplies of consistent quality waste material is becoming a key priority for businesses."

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For further information please contact:

Nicola Daley, Grant Thornton PR Manager on 0207 728 2244 or Nicola.Daley@uk.gt.com

Notes to the Editors:

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Kind regards

Nicola

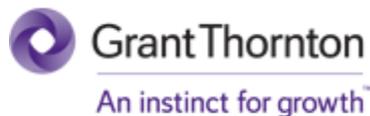
[Nicola Daley](#) | PR Manager | National Communications

For Grant Thornton UK LLP

Grant Thornton House | Melton Street | Euston Square | London | NW1 2EP

T (direct) +44 (0)20 7728 2244 | **T (internal)** 82244 | **T (office)** +44 (0)20 7383 5100 | **M** +44 (0)79001 36213

E nicola.daley@uk.gt.com | **W** www.grant-thornton.co.uk



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