

# Biffa Press Release

24/12/2008

## Walker Report: Biffa Group Limited 2008/9 Mid-Year Update

### Introduction

On April 7th 2008, Biffa Plc (now Biffa Limited) was taken-private by a consortium led by Montagu Private Equity and Global Infrastructure Partners in a £1.7bn transaction .

I write this update after a few months' hectic and exhilarating activity for the business and myself as the new Chief Executive Officer of a company with an unrivalled reputation in the waste management sector; a reputation which my leadership team and I are dedicated to enhancing.

Biffa is a leading integrated waste management business in the UK which operates across the breadth of the waste management value chain. It provides waste collection, treatment, recycling and disposal services to Local and National customers in the Industrial and Commercial Collection sector and to Local Authorities. Biffa has a market leading position in the UK waste sector handling over 10 million tonnes of waste a year and collecting waste from over 70,000 customers and approximately 1m households. It is also a significant provider of renewable energy in the UK, with interests in over 100 MW of installed capacity.

### Strategy

Biffa is a market leader with sound business practices and operational processes. I have also been impressed by the knowledge, expertise and enthusiasm of the people I have met. With the solid foundation of our Collection and Landfill businesses, I believe the business is now ripe and ready for change in several key areas.

Through our Strategy Review and other initiatives, we have identified our need to achieve sustainable improvements in performance and delivery in the key areas of:

- Customer Centricity and Service
- Recycling
- Renewable Energy Generation including Energy from Waste
- Further technology developments
- PFIs

While these areas form a key part of the future development of the business, we continue to focus on both income and cash generation. Across our business, we also remain conscious of the need to protect the safety of our staff and the public and, at the same time, we work hard to minimise our effect upon the environment.

**the  
Power  
behind  
Waste**

**Biffa**

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## Update on developments this year

In our Collection division, we have demonstrated our commitment to customer centricity by rigorously analysing the characteristics of individual customers and identifying what service offering will meet their needs. We can also take great satisfaction that our service levels now regularly exceed 98%.

Huge strides are being taken to enhance our capability to recover recyclables and divert waste away from landfill. The need to find the right strategic locations and undertake the requisite planning means that the timetable for bringing our new facilities on stream can take some time. This has somewhat shielded the business from the impact of recent fluctuations in the recycled commodities market which reflect the downturn in the commodities market generally. We see this turmoil as essentially temporary and not undermining our long term strategy, to which we remain fully committed.

Our Power Generation division has continued to benefit from increasing output and the conversion of less profitable NFFOs to more lucrative ROCs. With the help of John Casey, our recently appointed Engineering Director, we are investigating the latest technologies to consolidate and expand our Power Generation capability through new installations such as Anaerobic Digestion facilities.

Our engagement in all forms of private sector and public sector procurement was rewarded with the announcement in September by West Sussex County Council of Biffa as preferred bidder for their 25 year, £1 billion waste treatment and disposal contract. Simon Allin, another recent recruit as our Development Director, will be building on this success as we continue to devote significant resources to bidding and winning such contracts.

We cannot ignore the deterioration in the macro-economic climate. We have responded by introducing operational efficiencies in fleet management, regionalisation, supply chain management and staffing which are producing substantial immediate cost savings as well as giving us a more appropriate cost base for when recovery comes. Alongside these changes and in line with our strategy, we are building two national contact centres to improve customer service and we continue to expand our engineering and development teams.

Further press information from

**David Savory at Biffa on 0121 661 6713 or at [david.savory@biffa.co.uk](mailto:david.savory@biffa.co.uk).**

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## Financial Results

In the year ending 28 March 2008, Biffa Limited achieved revenue of £776.5m and EBITDAP of £175.6m, up 4.6% and 9.1% respectively on previous year. The full audited Annual Accounts of Biffa Limited, including a business review, for the year ending 28 March 2008 can be found on our website at [www.biffa.co.uk](http://www.biffa.co.uk) (PDF Opens in New Window - 25MB).

Despite the downturn in the economy, our financial results for the six months to the end of September 2008 show continued growth, with revenue and profits up 6.5% and 6%. Although the macroeconomic environment continues to soften, our profit improvement plans are yielding good results and I remain confident in Biffa's prospects.

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## People

In addition to my appointment as Chief Executive Officer in June this year, we have also made a number of important appointments to further strengthen and build out the management team. As I mentioned earlier, Simon Allin joined us in May as Development Director. Simon has extensive development experience in the waste sector. John Casey was appointed Engineering Director in October and brings with him an excellent mix of technology, project and process design experience. We have also recently recruited Steve Jones to the position of Procurement Director. I am confident that we now have the management team in place to deliver the strategic plans we have for the business.

Alongside these new leadership appointments, we continue to invest in recruitment and training to ensure we have the necessary management, technical and commercial skills to provide the best possible service for our customers. As part of our culture and responsibilities to safeguard the health and safety of our employees at work, we continue to support a wide range of programmes including health and safety training, induction programmes, manual handling and driver and operative training.

At 30 September 2008, Biffa employed some 5,000 people across over 160 locations in the UK. We strive to maintain the highest standards of social accountability, ethical standards and human rights. We regularly review our employment practices to ensure we promote dignity at work, equal opportunity and good working relations based on fairness, equality and inclusiveness.

The individuals from the private equity consortium who oversee Biffa and have joined the Biffa Group Limited board are Jason Gatenby and Heidi Bryson from Montagu Private Equity and Matthew Harris and Bill Woodburn from Global Infrastructure Partners.

## Environment, Health & Safety

Environmental protection has always been an important metric for the Biffa business with high standards of performance being achieved in most of our operations. I now want to drive consideration of the environment to the centre of our decision making with the objective of raising further our standards of performance to become best in class. In so doing we will provide confidence and reassurance to both our regulators and those who live in the communities in which we operate, now and in the future.

The health and safety of our employees is paramount. In the first half of the year Lost Time Incidents (including RIDDORs) were reduced by over 16% on the previous year. We strive to improve this further across all our business units.

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## Prospects

My thanks go to our staff for the dedication they show to Biffa's business. With their help, management focus on performance improvement and the right strategy which we have in place, I am confident of continuing progress for the Biffa Group.

Further media information from

**Andre Horbach, Chief Executive Officer at Biffa Press Office on 0208 789 9651.**