



news

from Pennon Group Plc

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PENNON GROUP FURTHER EXPANDS ITS WASTE MANAGEMENT BUSINESS

Pennon Group Plc announces that its subsidiary, Viridor Waste Management ('Viridor'), has acquired the plastics reprocessing company, Intercontinental Recycling Ltd ('Intercontinental Recycling'), for a cash consideration of £8.1m. The acquisition is in line with the Group's strategy of expanding its waste management activities.

Intercontinental Recycling is headquartered in Skelmersdale, Lancashire. The company processes high density polyethylene ('HDPE') and polyethylene terephthalate ('PET') plastic bottles, such as are recovered by Viridor's Materials Recycling Facilities. It converts the bottles to pellet or flake respectively which are sold on to plastic manufacturers, mostly within the UK. The plant has the capacity to treat 40,000 tonnes of plastics waste per annum.

Commenting on the acquisition, Colin Drummond, Chief Executive of Viridor said, "The UK's waste strategies demand ever increasing levels of recycling, and plastics are a significant and growing part of Viridor's recycling business. Intercontinental Recycling has an excellent geographic and business fit with Viridor's existing operations and is particularly well placed to receive volumes from the Viridor/Laing

Greater Manchester PFI. The acquisition is expected to be earnings enhancing, post amortisation of intangibles, in its first full year.”

Further information on Pennon Group and Viridor can be found on the Group's website, www.pennon-group.co.uk

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