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**RECOMMENDED ACQUISITION
of
BIFFA PLC
by
WASTEACQUISITIONCO LIMITED**

**to be effected by means of a scheme of arrangement
under the Companies Acts**

Summary

- The Boards of WasteAcquisitionco Limited (“**Bidco**”) and Biffa Plc (“**Biffa**”) are pleased to announce that they have reached agreement on the terms of a recommended acquisition of the entire issued and to be issued share capital of Biffa by Bidco, a newly incorporated company specifically formed for the purpose of making the Acquisition which is owned indirectly by various entities within the Montagu Funds and the GIP Funds and by UCIL.
- Under the terms of the Acquisition, Biffa Shareholders will receive 350 pence in cash for each Biffa Share they hold, valuing Biffa’s fully diluted share capital at approximately £1,231 million, and the existing issued share capital of Biffa at approximately £1,225 million.

Acquisition highlights

- The price of 350 pence per Biffa Share represents a premium of:
 - 42.9 per cent. to the average Closing Price of 244.8 pence per Biffa Share for the three month period to 22 November 2007, being the last Business Day prior to the commencement of the Offer Period; and
 - 34.4 per cent. to the Closing Price of 260.5 pence per Biffa Share on 22 November 2007, being the last Business Day prior to the commencement of the Offer Period.
- A Loan Note Alternative will also be made available to Biffa Shareholders (other than Restricted Overseas Persons).
- The Biffa Directors, who have been so advised by Citi, JPMorgan Cazenove and Tricorn Partners, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Biffa Directors, Citi, JPMorgan Cazenove and Tricorn Partners have taken into account the Biffa Directors’ commercial assessments.
- The Biffa Directors consider the terms of the Acquisition to be in the best interests of Biffa Shareholders as a whole and accordingly have unanimously agreed to recommend that Biffa Shareholders vote in favour of the special resolution relating to the Acquisition to be proposed at the EGM and vote in favour of the Scheme at the Court Meeting, as they have irrevocably undertaken to do in respect of their own beneficial holdings, amounting in aggregate to 308,580 Biffa Shares, representing approximately 0.09 per cent. of the existing issued share capital of Biffa.

Irrevocable undertakings

- Bidco has received irrevocable undertakings to vote in favour of the Acquisition at:

- the Court Meeting in respect of, in aggregate, 308,580 Biffa Shares, representing approximately 0.09 per cent. of the existing issued share capital of Biffa; and
- the EGM in respect of, in aggregate, 8,860,146 Biffa Shares, representing approximately 2.53 per cent. of the existing issued share capital of Biffa.

General

- It is intended that the Acquisition will be implemented by means of a Court sanctioned scheme of arrangement under the Companies Acts.
- The Scheme Document, containing further details of the Acquisition, will be posted to Biffa Shareholders as soon as practicable. Resolutions to approve the Scheme will be put to Biffa Shareholders at the Court Meeting and the EGM. It is expected that the Court Meeting and the EGM to approve the Scheme and the Capital Reduction will be held in March 2008. Subject to the satisfaction or waiver of the Conditions, it is expected that the Scheme will become effective by the end of April 2008.

Commenting on the Acquisition, Jason Gatenby of Montagu said:

"We are delighted that the Board of Biffa has unanimously agreed to recommend our proposed acquisition of Biffa. Both the Montagu Funds and GIP Funds are long-term investors and together we look forward to building on Biffa's leading position across all areas of the waste management value chain. Biffa meets the criteria we look for in a business: it is a market leading business with a great workforce in a sector we understand well and where we have a demonstrable track record of success. In GIP we have an outstanding partner who shares our vision for the future of Biffa's business."

Commenting on the Acquisition, Matthew Harris of GIP said:

"We are very pleased to announce our joint offer for Biffa. The Acquisition represents an attractive opportunity for GIP to invest in the UK waste management industry and establish our presence in this key infrastructure sector. We believe that waste management represents a critical infrastructure service and that the future prospects across the industry in the UK are exciting. Along with our experienced partner Montagu Private Equity, we look forward to working with Biffa's management to build on the solid customer franchise and market position that Biffa enjoys today."

Commenting on the Acquisition, Bob Davies, Non-Executive Chairman of Biffa said:

"We are pleased to have reached agreement with Montagu Private Equity and GIP. Their offer recognises considerable value inherent in our market position and integrated business model, and I believe their investment plans will help Biffa maximise the opportunities presented by changing legislation to deliver growth into the medium term."

This summary should be read in conjunction with the full text of this announcement. The Acquisition will be subject to the Conditions which are set out in Appendix I to this announcement and the full conditions and further terms to be set out in the Scheme Document.