



**PRESS RELEASE**  
**FOR IMMEDIATE DISTRIBUTION**

**Symbol: EIS (TSX)**

**May 8, 2009**

## **EVEREADY ANNOUNCES 2009 FIRST QUARTER FINANCIAL RESULTS**

### **Selected Consolidated Financial Information**

<b>Three Months Ended March 31</b>	<b>2009</b>	<b>2008</b>	<b>% Change</b>
<b>\$ thousands, except per share amounts</b>			
Revenue	\$ <b>162,693</b>	\$ 184,721	-12%
Gross profit	<b>45,468</b>	56,971	-20%
Gross margin	<b>27.9%</b>	30.8%	
Adjusted EBITDA <sup>(1)</sup>	<b>26,338</b>	37,209	-29%
Adjusted EBITDA margin <sup>(1)</sup>	<b>16.2%</b>	20.1%	
Per share <sup>(1,2)</sup>	<b>1.46</b>	2.03	-28%
Net earnings	<b>4,926</b>	18,734	-74%
Per share - basic <sup>(2)</sup>	<b>0.27</b>	1.02	-74%
Per share - diluted <sup>(2)</sup>	<b>0.27</b>	0.96	-72%
Cash provided by (used in) operating activities	<b>35,733</b>	(6,019)	n/a
Funds from operations <sup>(1)</sup>	<b>22,858</b>	31,762	-28%
Per share <sup>(1,2)</sup>	<b>1.26</b>	1.73	-27%
Basic weighted average shares outstanding <sup>(2)</sup>	<b>18,098</b>	18,351	-1%
Working capital <sup>(1)</sup>	<b>96,422</b>	91,850	5%
Total assets	<b>567,684</b>	666,943	-15%
Long-term liabilities	<b>269,931</b>	272,182	-1%
Shareholders' equity	<b>218,960</b>	303,869	-28%

- Notes:
- (1) These financial measures are identified and defined under the section "Non-GAAP Financial Measures."
  - (2) Comparative share and per share amounts for the three months ended March 31, 2008 were restated to reflect the dilutive effect of "in-kind" distributions declared in the second quarter of 2008 and the December 31, 2008 Conversion consolidation adjustment, in which each five Eveready Income Fund units were exchanged for one Eveready Inc share.
  - (3) Certain of the comparative figures were reclassified from statements previously presented to conform to the current period's presentation.

## Quarter Overview:

- Revenue for the three months ended March 31, 2009 was \$162.7 million reflecting a decrease of 12% from 2008;
- We generated Adjusted EBITDA (see “Non-GAAP Financial Measures”) of \$26.3 million in the first quarter of 2009. This reflects a decrease of 29% from Adjusted EBITDA of \$37.2 million for the same period in 2008;
- We reported net earnings of \$4.9 million or \$0.27 per share in the first quarter of 2009 compared to net earnings of \$18.7 million or \$1.02 per share for the same period in 2008;
- We were awarded three new contracts for industrial maintenance and fluid hauling services with large oil and gas companies in the quarter. We expect these contracts could generate approximately \$40 million per year in revenue (see “Note Regarding Forward-Looking Statements”). However, due to the current economic environment, we believe weaker demand for production services leading into the summer of 2009 could offset a large part of this growth;
- In March 2009, we announced the suspension of our quarterly dividend commencing with the quarter ended March 31, 2009. In this time of economic uncertainty, we believe the most prudent thing to do is maximize the retention of cash provided by operating activities. In the first three months of 2009, we utilized cash provided by operating activities to reduce the outstanding amount borrowed under our revolving credit facility (“Revolver”) by approximately \$25 million;
- In April 2009, we renewed our Revolver for an additional 364 day period with a syndicate of lenders co-led by a Canadian affiliate of GE Energy Financial Services and Canadian Imperial Bank of Commerce; and
- On April 29, 2009, we signed a definitive agreement to be acquired by Clean Harbors, Inc. (“Clean Harbors”). If approved, Clean Harbors will acquire 100% of Eveready’s outstanding common shares. The acquisition is expected to be completed during the third quarter of 2009.

## Overall Performance

In the first quarter of 2009, we were negatively affected by the economic slowdown in the oil and gas industry. Revenue declined by 12% to \$162.7 million from \$184.7 million in 2008. Likewise, our Adjusted EBITDA (see “Non-GAAP Financial Measures”) decreased by 29% to \$26.3 million from \$37.2 million in 2008 and net earnings declined to \$4.9 million in the quarter from \$18.7 million in 2008.

Despite our strong financial results in 2008, we are currently in a very uncertain economic environment with oil and gas prices having declined to their lowest levels in years. Our customers are not immune to these challenges and have responded by controlling costs in both their capital and operating budgets. Within the oil sands, a number of large projects in the planning and development phases have been delayed. In addition, customers are revisiting their operating budgets and challenging their suppliers to reduce costs and achieve better efficiencies in their work programs.

With these challenges, the first quarter of 2009 became the first quarter of negative growth for Eveready in over five years. Although, our revenue remained relatively strong in the months of January and February, our revenue was significantly lower in the month of March compared to the prior year. The majority of this change resulted from a sharp reduction in revenue from core hole drilling support services provided in the Alberta oil sands region in the month of March. In 2009, our customers significantly curtailed their oil sands drilling programs. As a result, these winter programs ended in the month of February, whereas in prior years, these programs normally continue until the spring break-up period begins at the end of March.

We believe this negative trend could continue for the remainder of 2009 until economic conditions in the oil and gas industry improve. In particular, we anticipate our lodging services will operate at lower occupancy levels this coming summer compared to 2008 as many oil sands projects have been cancelled or postponed. In addition, due to continued weakness in the price of oil and gas and uncertainties in the capital markets, we believe weaker demand for exploration services and production services could also negatively impact our performance during the remainder of 2009. However, the price of oil has recently shown some optimism rebounding to the US \$50 per barrel range, which could lead to stronger demand for production and exploration services in the future (see “Note Regarding Forward-Looking Statements”).

We currently anticipate that revenue in 2009 could contract by as much as 10% to 15% from 2008 (see “Note Regarding Forward-Looking Statements”).

Although we anticipate 2009 to be a year of negative growth, we expect to continue producing strong cash provided by operating activities that will be used to reduce our outstanding debt (see “Note Regarding Forward-Looking Statements”). In the first quarter alone, we generated funds from operations (see “Non-GAAP Financial Measures”) of \$22.9 million and reduced the outstanding amount borrowed under our revolving credit facility by approximately \$25 million.

Our 2009 capital expenditure program will also be tightly controlled and is expected to range between \$10 and \$12 million (see “Note Regarding Forward-Looking Statements”). This program reflects a reduction of approximately \$55 million in planned capital expenditures from 2008. The cash savings resulting from this reduced program will be applied against our outstanding debt. We will also continue to review opportunities to dispose of non-core and underutilized assets to further reduce our outstanding debt in 2009.

In addition, we will be focusing on managing our internal cost structures in 2009 to maximize equipment and manpower utilization and minimize non-value added expenses. In addition to salary and wage freezes established company-wide, we have suspended our matching RSP savings program and members of senior management have taken salary rollbacks of 10%. We will also continue to work on managing our labour costs to ensure our staffing levels remain consistent with overall business activity. To date in 2009, we have reduced our overall personnel levels by approximately 11% to reflect current reductions in our business activity.

# Eveready Inc.

## Consolidated Balance Sheets

(Unaudited)

As at	March 31	December 31
(thousands of Canadian dollars)	2009	2008
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	8,623	5,858
Accounts receivable	152,226	153,389
Inventory	11,167	11,516
Prepaid expenses and deposits	3,199	3,201
	175,215	173,964
Property, plant and equipment	323,444	330,831
Intangible assets	44,561	46,738
Goodwill	23,069	23,069
Other long-term assets	1,395	1,602
	567,684	576,204
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	71,475	60,705
Distributions payable	-	3,671
Income taxes payable	489	691
Current portion of long-term debt	1,500	1,500
Current portion of obligations under capital lease	4,745	4,619
Current portion of asset retirement obligations	584	584
	78,793	71,770
Long-term debt	187,906	213,363
Obligations under capital lease	19,656	18,787
Convertible debentures	44,649	44,132
Asset retirement obligations	2,463	2,419
Future income taxes	12,047	10,095
Non-controlling interest	3,210	2,760
	348,724	363,326
<b>Shareholders' Equity</b>		
Shareholders' capital	352,362	352,523
Shares held under Employee Unit Plan	(7,945)	(11,230)
Equity component of convertible debentures	8,030	8,030
Contributed surplus	4,973	6,941
Deficit	(138,460)	(143,386)
	218,960	212,878
	567,684	576,204

# Eveready Inc.

## Consolidated Statements of Earnings and Comprehensive Income and Deficit

(Unaudited)

<b>Three Months Ended</b>	<b>March 31</b>	<b>March 31</b>
(thousands of Canadian dollars, except per share amounts)	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>	<b>162,693</b>	184,721
Direct costs	<b>117,225</b>	127,750
<b>Gross profit</b>	<b>45,468</b>	56,971
<b>Expenses</b>		
General and administrative	<b>19,142</b>	19,699
Amortization	<b>14,022</b>	11,938
Interest	<b>4,293</b>	5,696
Stock-based compensation	<b>718</b>	740
Gain on foreign exchange	<b>(327)</b>	(289)
(Gain) loss on disposal of property, plant and equipment	<b>(135)</b>	75
	<b>37,713</b>	37,859
<b>Earnings before income taxes and non-controlling interest</b>	<b>7,755</b>	19,112
<b>Income tax expense (recovery)</b>		
Current	<b>398</b>	956
Future	<b>1,981</b>	(855)
	<b>2,379</b>	101
<b>Earnings before non-controlling interest</b>	<b>5,376</b>	19,011
Earnings attributable to non-controlling interest	<b>450</b>	277
<b>Net earnings and comprehensive income</b>	<b>4,926</b>	18,734
Deficit, beginning of period	<b>(143,386)</b>	(41,246)
Distributions	<b>-</b>	(15,351)
<b>Deficit, end of period</b>	<b>(138,460)</b>	(37,863)
<b>Earnings per share - basic</b>	<b>0.27</b>	1.02
<b>Earnings per share - diluted</b>	<b>0.27</b>	0.96

# Eveready Inc.

## Consolidated Statements of Cash Flows

(Unaudited)

<b>Three Months Ended</b>	<b>March 31</b>	<b>March 31</b>
(thousands of Canadian dollars)	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Net earnings	<b>4,926</b>	18,734
Items not affecting cash:		
Amortization	<b>14,022</b>	11,938
Stock-based compensation	<b>718</b>	740
(Gain) loss on disposal of property, plant and equipment	<b>(135)</b>	75
Amortization of deferred costs	<b>206</b>	212
Accretion of long-term debt	<b>201</b>	149
Accretion of convertible debentures	<b>517</b>	457
Future income taxes	<b>1,981</b>	(855)
Foreign exchange on future income taxes	<b>(28)</b>	35
Earnings attributable to non-controlling interest	<b>450</b>	277
	<b>22,858</b>	31,762
Asset retirement costs incurred	<b>(6)</b>	(123)
Net change in non-cash operating working capital	<b>12,881</b>	(37,658)
Cash provided by (used in) operating activities	<b>35,733</b>	(6,019)
<b>Investing activities</b>		
Purchase of property, plant and equipment	<b>(4,541)</b>	(23,895)
Purchase of intangible assets	<b>(113)</b>	(558)
Proceeds on disposal of property, plant and equipment	<b>410</b>	1,245
Other long-term assets – net	<b>-</b>	(207)
Cash used in investing activities	<b>(4,244)</b>	(23,415)
<b>Financing activities</b>		
Proceeds from the issuance of long-term debt	<b>10,000</b>	29,200
Repayment of long-term debt	<b>(35,971)</b>	(10,799)
Proceeds from sale-leasebacks	<b>2,352</b>	7,997
Repayment of obligations under capital lease	<b>(1,387)</b>	(1,244)
Distributions	<b>(3,671)</b>	(3,438)
Repurchase of shares for cancellation	<b>(47)</b>	(141)
Collection of employee share purchase loans receivable	<b>-</b>	4
Cash (used in) provided by financing activities	<b>(28,724)</b>	21,579
Net change in cash	<b>2,765</b>	(7,855)
Cash, beginning of period	<b>5,858</b>	8,092
<b>Cash, end of period</b>	<b>8,623</b>	237

## Non-GAAP Financial Measures

This press release contains certain financial measures that do not have any standardized meaning prescribed by Canadian GAAP. Therefore, these financial measures may not be comparable to similar measures presented by other issuers. Investors are cautioned these measures should not be construed as an alternative to net earnings or to cash provided by (used in) operating, investing, and financing activities determined in accordance with Canadian GAAP, as indicators of our performance. We provide these measures to assist investors in determining our ability to generate earnings and cash provided by (used in) operating activities and to provide additional information on how these cash resources are used. We list and define these measures below:

### Adjusted EBITDA

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization, stock-based compensation and impairment of intangible assets and goodwill. We believe, in addition to net earnings, Adjusted EBITDA is a useful supplemental earnings measure as it provides an indication of the financial results generated by our principal business activities prior to consideration of how these activities are financed or how the results are taxed in various jurisdictions and before certain non-cash expenses such as amortization, stock-based compensation, and impairment of intangible assets and goodwill. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue. Adjusted EBITDA per share is calculated as Adjusted EBITDA divided by the basic weighted average number of shares outstanding during the period.

A reconciliation of net earnings to Adjusted EBITDA for each of the periods presented in this press release follows:

Three Months Ended (\$ thousands)	March 31 2009	March 31 2008
Net earnings	\$ 4,926	\$ 18,734
Add:		
Interest	4,293	5,696
Income tax expense	2,379	101
Amortization	14,022	11,938
Stock-based compensation	718	740
Adjusted EBITDA	<b>26,338</b>	37,209

There was no add back relating to impairment of intangible assets and goodwill in any of the periods presented in this press release.

### Funds from operations

Funds from operations is derived from the unaudited interim consolidated statements of cash flows and is calculated as cash provided by (used in) operating activities before asset retirement costs incurred and changes in non-cash operating working capital. Per share amounts refer to funds from operations divided by the basic weighted average number of shares outstanding during the period. We believe funds from operations is a useful supplemental measure as it provides an indication of our ability to generate cash flow and is a useful measure in analyzing our operating performance.

A reconciliation of cash provided by (used in) operating activities to funds from operations for each of the periods presented in this press release follows:

Three Months Ended (\$ thousands)	March 31 2009	March 31 2008
Cash provided by (used in) operating activities	\$ 35,733	\$ (6,019)
Asset retirement costs incurred	6	123
Add (deduct) changes in non-cash operating working capital	(12,881)	37,658
Funds from operations	<b>22,858</b>	31,762

## Working Capital

Working capital is calculated as current assets less current liabilities. Working capital ratio is calculated as current assets divided by current liabilities. We believe working capital is a useful supplemental measure as it provides an indication of our ability to settle our debt obligations as they come due. Our calculation of working capital for each of the periods presented in this press release is provided below:

As at (\$ thousands)	March 31 2009	March 31 2008
Current assets	\$ 175,215	\$ 182,742
Less: current liabilities	78,793	90,892
Working capital	96,422	91,850
Working capital ratio	2.22	2.01

## Note Regarding Forward-Looking Statements

Certain statements contained in this press release, including statements or information that contain terminology such as “anticipate”, “believe”, “intend”, “expect”, “estimate”, “may”, “could”, “will”, and similar expressions constitute “forward-looking statements” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, that address activities, events, or developments that we or a third party expect or anticipate will or may occur in the future, including our future growth, results of operations, performance and business prospects and opportunities are forward-looking statements.

These forward-looking statements reflect our current beliefs and are based on information currently available to us. These statements require us to make assumptions we believe are reasonable and are subject to inherent risks and uncertainties. Actual results and developments may differ materially from the results and developments discussed in the forward-looking statements as certain of these risks and uncertainties are beyond our control.

Examples of such forward-looking statements in this press release include, but are not limited to our:

- ability to close the pending sale transaction with Clean Harbors in a timely fashion, if at all;
- expectation that the current economic downturn will have a negative effect on our industry and on Eveready;
- expectation that new contracts awarded for industrial maintenance and fluid hauling services could generate approximately \$40 million per year in revenue, which could be offset by weaker demand for production services leading into the summer of 2009;
- belief our negative revenue growth could continue for the remainder of 2009 until economic conditions in the oil and gas industry improve;
- expectation that our lodging services will operate at lower occupancy levels this coming summer compared to 2008;
- expectation that the continued weakness in the price of oil and gas, coupled with uncertainties in the capital markets, could cause weaker demand for our exploration and production services and could negatively impact our performance during the remainder of 2009;
- belief that the price of oil rebounding to the US \$50 per barrel range has shown some optimism, which could lead to a stronger demand for production and exploration services in the future;
- expectation that revenue in 2009 could contract by as much as 10% to 15% from 2008;
- expectation to continue producing strong cash provided by operating activities that will be used to reduce our outstanding debt;

- expectation that our 2009 capital expenditure program will range between \$10 and \$12 million; and
- intention to continue reviewing opportunities to dispose of non-core and underutilized assets to further reduce our outstanding debt in 2009.

The forward-looking statements rely on certain economic conditions and overall demand for our services and are based on certain assumptions. Our most significant assumption is achieving our internal revenue, net earnings and cash flow forecasts for the remainder of 2009. Additional assumptions used to generate our forecasts and other forward-looking statements are, among others: strong long-term demand for recurring services provided in support of oil refineries, petro-chemical plants, power plants and other large industrial facilities throughout North America, as these services are less affected by the current economic challenges; over the short-term, increased variability in recurring industrial maintenance and production support services throughout 2009 as customers balance production requirements with the need to achieve operational efficiencies; protection from the worst effects of the economic slowdown in 2009 given our significant exposure to recurring industrial maintenance and production support services; continued investment in the oil sands and other natural resource developments by our customers and potential customers; continued requirement by our customers for our wide range of services to meet their variety of needs; maintenance of our relationships with our current customers and development of successful relationships with new customers; ability to collect customer obligations in a timely manner; ability to execute our growth strategies; and Eveready and Clean Harbors' ability to obtain shareholder, lender, and regulatory approvals for the pending sale transaction.

Risk factors and other uncertainties that could cause actual results to differ materially include, among others:

- Dependence on the oil and gas industry;
- Alberta oil sands exposure;
- Workforce availability;
- Competition;
- Safety requirements;
- Weather and seasonality; and
- Availability of future debt and equity financing.

For a further discussion of these risks and their possible impact, please refer to the "Business Risks" section in our Management's Discussion and Analysis for the year ended December 31, 2008, elsewhere in our interim Management's Discussion and Analysis for the period ended March 31, 2009, as well as in our 2008 Annual Information Form dated March 11, 2009. These factors are interdependent and the impact of any one risk or uncertainty on a particular forward-looking statement is not determinable.

In addition, the following risks relate to Clean Harbors' pending acquisition transaction:

- Shareholder, lender, and regulatory approvals not being obtained or not being obtained in a timely fashion; and
- Ability of Clean Harbors to make adequate financing arrangements in a timely fashion, if at all.

Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Eveready. These forward-looking statements are made as of the date of this press release. Except as required by applicable securities legislation, we assume no obligation to update publicly or revise any forward-looking statements to reflect subsequent information, events, or circumstances.

## **Additional Information**

The foregoing are financial highlights only. Complete Management's Discussion and Analysis, unaudited interim consolidated financial statements, and notes to the unaudited interim consolidated financial statements for the period ended March 31, 2009 will be filed on SEDAR ([www.sedar.com](http://www.sedar.com)) on May 8, 2009 and are also accessible on Eveready's website at [www.evereadyinc.com](http://www.evereadyinc.com) by selecting "Investor Relations" and then "Financial Reports."

Eveready is a growth oriented company that provides industrial maintenance and oilfield production services to the energy, resource, and industrial sectors. Operating from 79 locations in Canada, the United States, and internationally, Eveready currently employs over 2,100 employees and operates a service fleet of over 2,400 truck and trailer units. Eveready shares trade on the Toronto Stock Exchange under the trading symbol "EIS".

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