

# Ownership

On 22nd December 2009 the North London Waste Authority (NLWA), the country's second largest waste disposal, completed its purchase of SITA's 50% shareholding in LondonWaste Limited, meaning that the company is now wholly owned by the Authority. On the same date, SITA acquired the shares of Polkacrest Limited, which is now a SITA subsidiary.

Although solely owned by the NLWA, LondonWaste remains a separate legal entity and, as a limited company, will continue to operate as a waste management company dependant upon its own resources. No significant changes in operations are planned and the focus for the Company remains business as usual.

North London is seeking to recycle 50% of municipal waste collected from households and local businesses, to recover value from waste that cannot be recycled or composted, and to drastically reduce the amount of waste that goes to landfill sites outside London.

To deliver these ambitions the Authority has set out plans for letting a major new waste services contract and associated investment in new recycling, composting, anaerobic digestion, and mechanical and biological treatment facilities. At the same time the Authority is proposing to let contracts for the use of Solid Recovered Fuel which is one of the products of these waste services facilities.

The contract is to be supported by £258.4 million in Private Finance Initiative credits from DEFRA, the Department of Environment, Food and Rural Affairs.

The Authority is expecting to borrow £92.5 million in 2010 to fund the LondonWaste limited and Ecopark acquisition. It is envisaged that a future contractor of waste services will acquire LondonWaste at the start of a new contract and that sale will generate a receipt to offset against the borrowing as well as providing a good long term future for current employees involved in delivering current waste disposal services.

*An OJEU notice has been issued.*

