

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED
SEPTEMBER 30, 1994

Commission File Number 0-16379

CLEAN HARBORS, INC.
(Exact name of registrant as specified in its charter)

Massachusetts
(State of Incorporation) 04-2997780
(IRS Employer Identification No.)

1200 Crown Colony Drive, Quincy, MA 02269-9137
(Address of Principal Executive Offices) (Zip Code)

(continued on next page)

(617) 849-1800 ext. 4454
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$.01 par value 9,431,282

(Class) (Outstanding at November 9, 1994)

(Continued from previous page)

ADDITIONAL REGISTRANTS

Clean Harbors Environmental Services, Inc.
(Exact name of registrant as specified in its charter)
Massachusetts
(State or other jurisdiction of incorporation or organization)
04-2698999
(I.R.S. employer identification number)

Clean Harbors of Braintree, Inc.
(Exact name of registrant as specified in its charter)
Massachusetts

(State or other jurisdiction of incorporation or organization)
04-2507498
(I.R.S. employer identification number)

Clean Harbors of Natick, Inc.
(Exact name of registrant as specified in its charter)
Massachusetts

(State or other jurisdiction of incorporation or organization)
04-2481234
(I.R.S. employer identification number)

Clean Harbors of Baltimore, Inc.
(Exact name of registrant as specified in its charter)
Pennsylvania

(State or other jurisdiction of incorporation or organization)
23-2091580
(I.R.S. employer identification number)

Clean Harbors of Chicago, Inc.
(Exact name of registrant as specified in its charter)
Massachusetts

(State or other jurisdiction of incorporation or organization)
06-1287127
(I.R.S. employer identification number)

Clean Harbors of Cleveland, Inc.
(Exact name of registrant as specified in its charter)
Illinois

(State or other jurisdiction of incorporation or organization)
06-1335175
(I.R.S. employer identification number)

Murphy's Waste Oil Service, Inc.
(Exact name of registrant as specified in its charter)
Massachusetts

(State or other jurisdiction of incorporation or organization)
04-2490849
(I.R.S. employer identification number)

3

Clean Harbors Kingston Facility Corporation
(Exact name of registrant as specified in its charter)
Massachusetts

(State or other jurisdiction of incorporation or organization)
04-3074299
(I.R.S. employer identification number)

Clean Harbors of Connecticut, Inc.
(Exact name of registrant as specified in its charter)
Connecticut

(State or other jurisdiction of incorporation or organization)
06-1025746
(I.R.S. employer identification number)

Mr. Frank, Inc.
(Exact name of registrant as specified in its charter)
Illinois

(State or other jurisdiction of incorporation or organization)
36-2542803
(I.R.S. employer identification number)

Clean Harbors Technology Corporation
(Exact name of registrant as specified in its charter)
Massachusetts

(State or other jurisdiction of incorporation or organization)
04-3172766

(I.R.S. employer identification number)

Spring Grove Resource Recovery, Inc.
(Exact name of registrant as specified in its charter)
Delaware
(State or other jurisdiction of incorporation or organization)
76-0313183
(I.R.S. employer identification number)

4

CLEAN HARBORS, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

PART I: FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS	PAGES

Consolidated Statements of Income	1
Consolidated Balance Sheets	2-3
Consolidated Statements of Cash Flows	4-5
Consolidated Statement of Stockholders' Equity	6
Notes to Consolidated Financial Statements	7
 ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	 8-13

PART II: OTHER INFORMATION

Items No. 1 through 6	14
Signatures	15

5

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
Unaudited
(in thousands; except for earnings per share amounts)

Three Months Ended September 30,		Nine Months Ended September 30,	
1994	1993	1994	1993
-----	-----	-----	-----

Revenues	\$ 53,258	\$ 52,038	\$154,226	\$147,337
Cost of revenues	37,459	35,537	106,764	97,564
Selling, general and administrative expenses	9,374	11,501	28,902	32,092
Depreciation and amortization	2,570	2,609	7,697	7,697
Income from operations	3,855	2,391	10,863	9,984
Interest expense, net	1,942	1,836	5,528	5,371
Income before provision for income taxes and extraordinary item	1,913	555	5,335	4,613
Provision for income taxes	831	280	2,405	2,063
Income before extraordinary item	1,082	275	2,930	2,550
Extraordinary loss related to early retirement of debt, net of income tax benefit of \$823,000	\$ 1,220	---	\$ 1,220	---
Net income (loss)	\$ (138)	\$ 275	\$ 1,710	\$ 2,550
Net income per common and common equivalent share before extraordinary item	\$.10	\$.02	\$.27	\$.23
Extraordinary item	\$ (.13)	---	\$ (.13)	---
Net income (loss) per common and common equivalent share	\$ (.03)	\$.02	\$.14	\$.23
Weighted average common and common equivalent shares outstanding	9,593	9,828	9,649	10,101

The accompanying notes are an integral part of these consolidated financial statements.

(1)

6

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands)

	September 30, 1994 (Unaudited)	December 31, 1993
	-----	-----
ASSETS		
Current Assets:		
Cash	\$ 929	\$ 816
Restricted cash	878	1,037
Accounts receivable, net of allowance for doubtful accounts	46,192	46,736
Prepaid expenses	2,010	2,353
Supplies inventories	2,607	2,428
Income tax receivable	41	607
Total current assets	52,657	53,977
Property, plant and equipment:		

Land	8,209	8,209
Buildings and improvements	32,576	31,737
Vehicles and equipment	72,615	70,946
Furniture and fixtures	2,207	2,201
Construction in progress	2,305	1,903
	-----	-----
	117,912	114,996
Less - Accumulated depreciation and amortization	46,907	40,925
	-----	-----
Net fixed assets	71,005	74,071
	-----	-----
Other Assets:		
Goodwill, net	23,107	23,650
Permits, net	14,444	14,906
Other	819	754
	-----	-----
Other Assets	38,370	39,310
	-----	-----
Total Assets	\$162,032	\$167,358
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

(2)

7

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands)

	September 30, 1994 (Unaudited)	December 31, 1993
	-----	-----
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term obligations	\$ 772	\$ 8,917
Accounts payable	10,039	9,564
Accrued disposal costs	6,317	6,724
Other accrued expenses	12,150	10,452
	-----	-----
Total current liabilities	29,278	35,657
	-----	-----
Long-term obligations, less current maturities	62,483	62,507
Deferred income taxes	1,485	1,823
Stockholders' equity:		
Preferred Stock, \$.01 par value:		
Series A Convertible;		
Authorized-2,000,000 shares; Issued and outstanding - none		
	---	---
Series B Convertible;		
Authorized-156,416 shares; Issued and outstanding 112,000 shares at September 30, 1994 (liquidation preference of \$5.6 million)		
	1	1
Common Stock, \$.01 par value		
Authorized - 20,000,000 shares;		
Issued and outstanding - 9,431,282 shares at September 30, 1994 and 9,425,829 shares at December 31, 1993		
	95	95
Additional paid-in capital	58,590	58,556
Retained earnings	10,100	8,719
	-----	-----
Total stockholders' equity	68,786	67,371
	-----	-----

\$162,032
=====

\$167,358
=====

The accompanying notes are an integral part of these consolidated financial statements.

(3)

8

CLEAN HARBORS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited
(in thousands)

	NINE MONTHS ENDING SEPTEMBER 30,	
	1994	1993
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$1,710	\$2,550
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,697	7,697
Deferred taxes payable	(332)	(173)
(Gain) loss on sale of fixed assets	(93)	35
Write-off of deferred financing fees	963	---
Amortization of deferred financing fees	274	283
Changes in assets and liabilities, net of businesses acquired:		
Accounts receivable	344	(7,689)
Refundable income taxes	566	235
Prepaid expenses	343	356
Supplies inventories	(174)	(359)
Accounts payable	475	(2,645)
Accrued disposal costs	(407)	2,789
Other accrued expenses	1,686	(753)
Taxes payable	---	44
Net cash provided by operating activities	13,052	2,370
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(2,994)	(6,087)
Decrease (increase) in restricted cash	159	(15)
Increase in permits	---	(132)
Increase in other assets	(73)	(94)
Proceeds from sale of fixed assets	104	---
Payment for business acquired, net of cash acquired	(200)	(1,394)
Net cash used in investing activities	(3,004)	(7,722)

The accompanying notes are an integral part of these consolidated financial statements.

(4)

9

CLEAN HARBORS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
Unaudited
(in thousands)

NINE MONTHS ENDING
SEPTEMBER 30,

1994	1993
------	------

CASH FLOWS FROM FINANCING ACTIVITIES:		
Preferred stock dividend distribution	(317)	(161)
Issuance of long-term debt	50,000	---
Net (payments) borrowings under long-term revolver	(24,069)	6,567
Payments on long-term debt	(33,246)	(1,408)
Additions to deferred financing costs	(2,331)	(282)
Proceeds from exercise of stock options	28	645
	-----	-----
Net cash (used in) provided by financing activities	(9,935)	5,361
	-----	-----
INCREASE IN CASH AND CASH EQUIVALENTS	113	9
Cash and equivalents, beginning of year	816	625
	-----	-----
Cash and equivalents, end of period	\$ 929	\$ 634
	=====	=====

SUPPLEMENTAL INFORMATION:

NONCASH INVESTING AND FINANCING ACTIVITIES:

Capital lease obligations incurred	\$ 240	\$ 154
------------------------------------	--------	--------

On February 16, 1993, the Company acquired all the outstanding capital stock of Spring Grove Resource Recovery, Inc., in exchange for cash and 112,000 shares of Series B Convertible Preferred Stock of Clean Harbors, Inc., with a liquidation value of \$5,600,000.

On September 30, 1994 the Company acquired all the assets of a hazardous and nonhazardous oil reclamation facility for \$200,000 in cash and \$200,000 in credits for future services.

The accompanying notes are an integral part of these consolidated financial statements.

(5)

10

CLEAN HARBORS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
UNAUDITED
(in thousands)

	Series B Preferred Stock		Common Stock		Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
	Number of Shares	\$0.01 Par Value	Number of Shares	\$0.01 Par Value			
Balance at December 31, 1993	112	\$ 1	9,425	\$95	\$58,556	\$8,719	\$67,371
Preferred stock dividends: Series B	---	---	---	--	---	(329)	(329)

Proceeds from exercise of stock options	---	---	6	--	28	---	28
Tax benefit from exercise of stock options	---	---	---	--	6	---	6
Net Income	---	---	---	--	---	1,710	1,710
Balance at September 30, 1994	112	\$ 1	9,431	\$95	\$58,590	\$10,100	\$68,786
	===	===	=====	===	=====	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

(6)

11

CLEAN HARBORS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 BASIS OF PRESENTATION

The consolidated interim financial statements included herein have been prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission, and include, in the opinion of management, all adjustments (consisting of only normal recurring accruals) necessary for the fair presentation of interim period results. The operating results for the nine months ended September 30, 1994 are not necessarily indicative of those to be expected for the full fiscal year. Reference is made to the audited consolidated financial statements and notes thereto included in Clean Harbors' Report on Form 10-K for the year ended December 31, 1993 as filed with the Securities and Exchange Commission.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Net Income Per Common and Common Equivalent Share

Net income per common and common equivalent share is based on net income less preferred stock dividend requirements divided by the weighted average number of common and common equivalent shares outstanding during each of the respective periods. Fully diluted net income per common share has not been presented as the amount would not differ significantly from that presented.

NOTE 3 EXTRAORDINARY ITEM

During the third quarter of 1994, the Company recorded an extraordinary loss of \$1,220,000 after taxes (\$0.13 per share) for the early retirement of debt. The extraordinary loss consists primarily of redemption premiums paid to the holders of \$22,500,000 senior subordinated notes bearing interest at 13.25% and a \$1,800,000 secured note bearing interest at 8%, and the write-off of deferred finance costs.

(7)

12

CLEAN HARBORS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

REVENUES

Revenues for the three months ended September 30, 1994 were \$53,258,000, an increase of 2% compared to revenues of \$52,038,000 for the three months ended September 30, 1993. Revenues for the nine months ended September 30, 1994 were \$154,226,000, an increase of 5% compared to revenues of \$147,337,000 for the nine months ended September 30, 1993.

The Company continues to penetrate the Southern region of the country, by expanding its network of sales offices and service centers. The Company recently opened its twenty third service center in Charleston, South Carolina, and established three new sales offices in Atlanta, Georgia; Chattanooga, Tennessee; and Houston, Texas. The Company has nine sales offices, after consolidating the offices in Minneapolis, Minnesota and Columbus, Ohio with other locations. The Company now operates in 16 of the 20 largest industrial waste producing states.

The above reflects the Company's strategy to expand its service area with low risk capital investment, increase utilization of its eleven waste management facilities with minimal incremental cost, and capitalize on industry consolidation. The following table sets forth, for the periods indicated, the Company's revenues by region, based upon the locations of its 23 service centers as of September 30, 1994.

Service Center Revenues By Region
For The Quarter and Nine Months Ended
September 30, 1994 and 1993
(in thousands; unaudited)

	Quarter Ended		Nine Months	
	9/30/94	9/30/93	1994	1993
Northeast	\$23,012	\$21,628	\$ 60,931	\$ 62,041
Mid-Atlantic	15,689	17,113	53,673	47,388
Central	8,084	6,888	21,175	19,880
Midwest	6,473	6,409	18,447	18,028
Total	\$53,258	\$52,038	\$154,226	\$147,337

(8)

The principal services provided by the Company fit within three categories: treatment and disposal of industrial wastes; field services provided at customer sites; and specialized repackaging, treatment and disposal services for laboratory chemicals and household hazardous wastes ("LabPacks").

Revenues By Product Line
(in thousands; unaudited)
Three Months Ended September 30,

Type of Service -----	1994 -----		1993 -----	
Treatment and Disposal	\$ 21,633	41%	\$ 23,644	45%
Field Services	24,633	46	20,331	39
LabPacks	6,992	13	8,063	16
	-----	---	-----	---
	\$ 53,258	100%	\$ 52,038	100%

Treatment and disposal services revenue in the third quarter fell 8.5% from 1993 to 1994, reflecting the competitive pricing trends in the hazardous waste industry. Field services revenue in the third quarter of 1994 was 21% higher than it was in the prior year. During the third quarter of 1994, the Company completed several large remediation projects in the Northeast Region which involved direct shipment of waste to disposal sites. For purposes of reporting revenue by product line, these jobs are classified as field services, even though in some cases a substantial portion of the revenue relates to the disposal of waste.

The Company believes its ability to handle, store and dispose of waste from field service projects gives it a competitive advantage over other contractors, who do not have permitted waste management facilities.

LabPack product line revenue fell 13% from the third quarter of 1993 to the third quarter of 1994, in part because of price competition, particularly in collecting hazardous waste from households, which is competitively bid by the municipalities sponsoring the town-wide or city-wide collection programs.

COST OF REVENUES

For the three months ended September 30, 1994, the cost of revenues as a percentage of revenue increased to 70.3%, as compared to 68.3% for the same period of the prior year, reflecting the competitive pricing trends in the hazardous waste industry and an increased use of transportation subcontractors for remediation work during the quarter. For the nine months ended September 30, 1994, the cost of revenues as a percentage of revenues increased to 69.2% of revenues as compared to 66.2% for the same period of the prior year. One of the largest components of cost of revenues is the cost of sending waste to other companies for disposal. The Company's outside disposal costs were 13.6% of revenue in the third quarter of 1994, compared to 14.4% of revenue in the third quarter of 1993.

(9)

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the three months ended September 30, 1994 decreased to 17.6% of revenue as compared to 22.1% for the three months ended September 30, 1993. Selling, general and administrative expenses for the nine months ended September 30, 1994 decreased to 18.7% of revenue as compared to 21.8% for the nine months ended September 30, 1993. This decrease is primarily due to the cost control efforts begun in the summer of 1993, and the Company's focus on improving productivity and its ratio of billable to nonbillable staff. Selling, general and administrative expenses may increase modestly in future quarters due to the Company's efforts to expand its service territory, particularly in the Southern region of the United States, and as it continues to gain market share in all regions.

INTEREST EXPENSE

During the third quarter of 1994, the Company completed a public offering of \$50 million of Senior Notes, and used the net proceeds to prepay substantially all of the Company's debt, in order to reduce its reliance on floating rate bank debt and to refinance other higher interest rate debt. The refinancing resulted in approximately \$2,043,000 of expense relating to the early retirement of the outstanding debt, which is reflected as an extraordinary charge net of income tax benefit of \$1,220,000.

INCOME TAXES

The effective income tax rates for the three and nine months ended September 30, 1994, were 43% and 45%, respectively, as compared to 51% and 45% for the comparable periods of 1993. The rates are higher than the combined state and federal statutory rate due in part to the amortization of goodwill on acquisitions prior to July 1991, which is non-deductible for income tax reporting purposes. The Company expects its effective income tax rate for the fourth quarter of 1994 to be approximately 43%. The rate fluctuates depending on the amount of income before taxes, as compared to the fixed amount of goodwill and other non-deductible items.

RECENT DEVELOPMENTS

On September 30, 1994, the Company acquired the assets of a hazardous and nonhazardous oil processing facility from Chemical Waste Management, Inc. ("ChemWaste") for \$400,000. The facility is located near Richmond, Virginia and operates under RCRA interim status. This facility will complement the Company's three existing waste oil reclamation facilities, all of which are located in New England, and will support the Company's field service operations in the Mid-Atlantic region.

The Company is proceeding with its previously announced plans to expand its Chicago hazardous waste management facility by acquiring an adjoining site now leased by ChemWaste. In October 1994, the Company and ChemWaste signed a revised letter of intent, further defining the terms of the proposed arrangement, under which the Company will acquire ChemWaste's existing improvements on the site in exchange for sharing the costs of dismantling an existing hazardous waste incinerator and cleaning up the site. To date, the Company has obtained the needed regulatory approvals to begin decontamination and closure work on certain assets prior to construction of improvements in preparation for transfer of the site to the Company. Additional regulatory approvals are necessary, and certain definitive agreements must be negotiated before the transaction is completed, which is expected in the first half of 1995.

CLEAN HARBORS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

One of the Company's seven hazardous waste management facilities is located in Natick, Massachusetts. The Natick facility has a state Hazardous Waste Facility License (the state equivalent of a federal Part B license), which was issued in 1986 and expired in 1991. The Company, in timely fashion, applied to the Massachusetts Department of Environmental Protection for a new license. At the same time the Company requested a modification to the license, to add approximately 100 new hazardous waste codes, construct a new loading dock, add new storage bays, and reconfigure the storage space within the facility. Although the total number of gallons of hazardous waste allowed to be stored would not change, these modifications were designed to increase the facility's throughput capacity and allow more high-margin waste to be handled. Under the law, the facility continued to operate under the expired license while the state reviewed the renewal application and modification request. On October 24, 1994, the DEP issued a new license for a five-year term, incorporating the modifications requested by the Company.

The Company also has a hazardous waste management facility located in Bristol, Connecticut, which has a Part B license issued by the federal EPA and the Connecticut Department of Environmental Protection. The license was issued in 1987 and expired in 1991. Similar to the Natick facility described above, a new license was applied for and the facility continued to operate while the EPA and DEP reviewed the renewal application. The Company also applied for approval to expand the number of hazardous waste codes allowed to be handled, expand container storage capacity from 1,000 drums to 3,500 drums, and add eight tanks for storage of sludge and stabilization materials. In October 1994, the DEP issued a draft of the renewal license, with the additions requested by the Company, and invited comments from the public. If comments were submitted, then a public hearing would have been necessary. No public comments were received, and no hearing was required. The Company expects to receive the final renewal license shortly. The term of the license will be five years.

The Bristol facility also treats hazardous industrial wastewater, and has a permit to discharge to the publicly owned sewage treatment works an average of 50,000 gallons per day of treated water. These treatment activities are licensed by the Connecticut DEP pursuant to the Clean Water Act, and are not subject to Part B licensing requirements. In 1990 the Company applied for renewal and modification of its Clean Water Act license, to allow construction of additional tanks for wastewater treatment and installation of new wastewater treatment technologies, such as reverse osmosis and ultrafiltration. The discharge limit would remain at 50,000 gallons average per day. The facility currently discharges an average of approximately 30,000 gallons per day. In November 1994, the DEP issued a draft of the renewal license, with the additions requested by the Company, and invited comments from the public. The Company expects that public comments will be submitted and that a public hearing will be held.

(11)

FACTORS THAT MAY AFFECT FUTURE RESULTS

The Company's future operating results may be affected by a number of factors, including the Company's ability to: make permanent the cost reduction benefits associated with its reengineering program initiated in the summer of 1993; utilize its facilities and workforce profitably, in the face of intense price competition; successfully increase market share in its existing service territory while expanding its product offerings into other markets; and integrate additional hazardous waste management facilities and generate incremental volumes of waste to be handled through such facilities from existing sales offices and service centers and others which may be opened in the future.

The Company's operations may be affected by the commencement and completion of major site remediation projects; seasonal fluctuations due to weather and budgetary cycles influencing the timing of customers' spending for remedial activities; the timing of regulatory decisions relating to hazardous waste management projects; secular changes in the process waste industry towards waste minimization and the propensity for delays in the remedial market; suspension of governmental permits; and fines and penalties for noncompliance with the myriad regulations governing the Company's diverse operations. As a result of these factors, the Company's revenue and income could vary significantly from quarter to quarter, and past financial performance should not be considered a reliable indicator of future performance.

Typically during the first quarter of each calendar year there is less demand for environmental remediation due to the cold weather, particularly in the Northeast and Midwest regions. In addition, factory closings for the year-end holidays reduce the volume of industrial waste generated, which results in lower volumes of waste handled by the Company during the first quarter of the following year.

The Company participates in a highly volatile industry, with multiple competitors, many of which have recently taken large write-offs and asset write-downs and undergone major restructurings, while others have announced they will undergo such restructurings and incur special charges in the near future. The Company's participation in a highly dynamic industry often results in significant volatility of the Company's common stock price, as well as that of its competitors.

(12)

17

CLEAN HARBORS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION AND LIQUIDITY

The Company has financed its operations and capital expenditures primarily by cash flow from operations and additions to long-term debt. Cash provided by operations, before changes in current assets and current liabilities, was \$10,219,000 for the nine months ended September 30, 1994, as compared to \$10,392,000 for the nine months ended September 30, 1993.

During the nine months ended September 30, 1994, the Company spent \$3,234,000 (excluding the cost to acquire the oil processing facility on September 30, 1994) on additions to plant and equipment and construction in progress, as compared to the same period of the prior

year when its capital expenditures were \$6,241,000 (excluding the cost to acquire Spring Grove Resource Recovery, Inc., a hazardous waste treatment, storage and disposal facility acquired by the Company in February 1993). The Company anticipates that its capital expenditures for the year 1994 will be approximately \$6,000,000. The Company expects to finance these requirements through cash flow from operations. The Company also continues to investigate the possibility of acquiring additional hazardous waste treatment, storage and disposal facilities, which would be financed by a variety of sources.

At September 30, 1994, the Company had a \$35,000,000 Revolving Credit Agreement with three banks (the "Revolver"). On October 1, 1994, the loans outstanding under the Revolver were \$8,640,174 (exclusive of letters of credit), and the Company had borrowing availability of \$15,830,146. The Company believes it has adequate resources available to fund its future operations and anticipated capital expenditures.

(13)

18

CLEAN HARBORS, INC. AND SUBSIDIARIES

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

No reportable events have occurred which would require modification of the discussion under Item 3--Legal Proceedings contained in the Company's Report on Form 10-K for the Year Ended December 31, 1993, as modified by Item 1--Legal Proceedings contained in the Company's Report on Form 10-Q for the Quarterly Period Ended June 30, 1994.

ITEM 2 - CHANGES IN SECURITIES

None

ITEM 3 - DEFAULTS UPON SENIOR DEBT

None

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5 - OTHER INFORMATION

None

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

A) Exhibit 11.1 - Computation of Net Income per Share.

Reports on Form 8-K - None

CLEAN HARBORS, INC. AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Clean Harbors, Inc.

Registrant

Dated: November 10, 1994 By: Alan S. McKim

Alan S. McKim
President and
Chief Executive Officer

Dated: November 10, 1994 By: James A. Pitts

James A. Pitts
Executive Vice President and
Chief Financial Officer

Dated: November 10, 1994 By: Mary-Ellen Drinkwater

Mary-Ellen Drinkwater
Vice President and Controller

ADDITIONAL REGISTRANT SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, each of the Additional Registrants has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

- Clean Harbors Environmental Services, Inc.
- Clean Harbors of Braintree, Inc.
- Clean Harbors of Natick, Inc.
- Clean Harbors of Baltimore, Inc.
- Clean Harbors of Chicago, Inc.
- Clean Harbors of Cleveland, Inc.
- Murphy's Waste Oil Service, Inc.

Clean Harbors Kingston Facility Corporation
Clean Harbors of Connecticut, Inc.
Mr. Frank, Inc.
Clean Harbors Technology Corporation
Spring Grove Resource Recovery, Inc.

Dated: November 10, 1994

By: James A. Pitts

James A. Pitts
Vice President, Treasurer and
Chief Financial Officer

CLEAN HARBORS, INC. AND SUBSIDIARIES
 COMPUTATION OF NET INCOME PER SHARE
 FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 1994
 (in thousands)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	1994	1993	1994	1993
Net income (loss)	\$ (138)	\$ 275	\$1,710	\$2,550
Less preferred dividends accrued	117	100	329	250
Adjusted net income (loss)	\$ (255)	\$ 175	\$1,381	\$2,300
Earning per common and common equivalent share:				
Weighted average number of shares outstanding	9,431	9,426	9,429	9,404
Incremental shares for stock options under treasury stock method	162	402	220	697
Weighted average number of common and common equivalent shares outstanding	9,593	9,828	9,649	10,101
Net earnings (loss) per common and common equivalent share	\$ (.03)	\$.02	\$.14	\$.23
Earnings per common and common equivalent share - assuming full dilution:				
Weighted average number of shares outstanding	9,431	9,426	9,429	9,404
Incremental shares for stock options under treasury stock method	162	402	220	697
Weighted average number of common and common equivalent shares outstanding - assuming full dilution	9,593	9,828	9,649	10,101
Net earnings (loss) per common and common equivalent share - assuming full dilution	\$ (.03)	\$.02	\$.14	\$.23

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF CLEAN HARBORS, INC. FOR THE QUARTER ENDED SEPTEMBER 30, 1994, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<CIK> 0000822818

<NAME> CLEAN HARBORS, INC.

<MULTIPLIER> 1,000

<CURRENCY> U.S. DOLLARS

<PERIOD-TYPE>	9-MOS	
<FISCAL-YEAR-END>		DEC-31-1994
<PERIOD-END>		SEP-30-1994
<EXCHANGE-RATE>		1
<CASH>		929
<SECURITIES>		0
<RECEIVABLES>		47,763
<ALLOWANCES>		1,571
<INVENTORY>		2,607
<CURRENT-ASSETS>		52,657
<PP&E>		117,912
<DEPRECIATION>		46,907
<TOTAL-ASSETS>		162,032
<CURRENT-LIABILITIES>		29,278
<BONDS>		62,483
<COMMON>		95
<PREFERRED-MANDATORY>		0
<PREFERRED>		1
<OTHER-SE>		68,690
<TOTAL-LIABILITY-AND-EQUITY>		162,032
<SALES>		53,258
<TOTAL-REVENUES>		53,258
<CGS>		37,459
<TOTAL-COSTS>		37,459
<OTHER-EXPENSES>		0
<LOSS-PROVISION>		177
<INTEREST-EXPENSE>		1,942
<INCOME-PRETAX>		1,913
<INCOME-TAX>		831
<INCOME-CONTINUING>		1,082
<DISCONTINUED>		0
<EXTRAORDINARY>		1,220
<CHANGES>		0
<NET-INCOME>		(138)
<EPS-PRIMARY>		(.03)
<EPS-DILUTED>		(.03)