

**Heritage - Crystal Clean, Inc.**  
**Reconciliation of our Selling, General and Administration Expenses (SG&A) Determined  
in Accordance to GAAP to Adjusted SG&A**

	Quarters Ended	
	<u>March 22, 2008</u>	<u>March 24, 2007</u>
Selling, general, and administrative expenses	\$ 6,631,109	\$ 3,100,592
Non-cash compensation (1)	3,191,606	-
Adjusted selling, general, and administrative expenses	<u>\$ 3,439,503</u>	<u>\$ 3,100,592</u>
<b>Percent of sales</b>	<b>15%</b>	<b>16%</b>

- The first fiscal quarter of 2008 includes non-cash employee share-based compensation charges of approximately \$3.2 million (\$1.9 million net of tax) related to employee stock options granted upon completion of our initial public offering which vested immediately, and also related to the vesting of certain Key Employee Membership Interest Trust "KEMIT" units.

**Heritage - Crystal Clean, Inc.**  
**Reconciliation of our Operating Income (loss) Determined in Accordance to  
GAAP to Adjusted Operating Margin**

	Quarters Ended	
	<u>March 22, 2008</u>	<u>March 24, 2007</u>
Operating income (loss)	\$ (1,435,412)	\$ 2,619,900
Cost of sales - inventory impairment (1)	-	2,182,330
Proceeds from contract termination (1)	-	(3,000,000)
Selling, general, and administrative expenses	\$ 6,631,109	\$ 3,100,592
Adjusted operating margin	<u>\$ 5,195,697</u>	<u>\$ 4,902,822</u>
<b>Percent of sales</b>	<b>23%</b>	<b>26%</b>

- In the first fiscal quarter of 2007, we received \$3.0 million from the termination of a contract for our used solvent with a customer who had failed to meet their volume purchase obligations. We recorded cost of sales of \$2.2 million to reduce solvent inventories to net realizable value in connection with this settlement.