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WMI #08-23

Company Announces 2009 Capital Allocation Program

Waste Management Announces Plan to Increase Quarterly Dividend Payments by 7.4%

Per Share Dividend to Increase from $1.08 to $1.16 on an Annual Basis

Up to $1.3 Billion in Cash Available for Dividend Payments, Stock Repurchases, Debt Reduction and Acquisitions for 2009

HOUSTON – December 15, 2008 **–** Waste Management, Inc. (NYSE: WMI) today announced that its Board of Directors approved a 2009 capital allocation program that includes the authorization for up to $1.3 billion in combined cash dividends, common stock repurchases, debt reduction and acquisitions in 2009. Beginning in the first quarter of 2009, the Company expects to raise its quarterly dividends to $0.29 per share, or $1.16 per share per year, which would be an increase of 7.4% compared to the dividends paid in 2008. Future quarterly dividends must first be declared by its Board of Directors prior to payment.

"This announcement reflects our continued commitment to returning cash to our shareholders, balanced with potential debt reduction and unique acquisition opportunities that may prove to be wise choices given today's credit markets and economy," said David P. Steiner, Chief Executive Officer of Waste Management, Inc. "Waste Management continues to produce consistent and strong cash flows, as evidenced by the dividend increase and the overall capital commitment. The Board of Directors and management remain focused on being prudent and disciplined stewards of the Company's capital."

The Company noted that the Board of Directors intends to declare the first quarter 2009 dividend in February, at which time the record and payment dates for the first 2009 quarterly dividend will be announced. It is expected that the first payment of the higher dividend will occur in March of 2009.

Waste Management, based in Houston, Texas, is the leading provider of comprehensive waste management services in North America. Our subsidiaries provide collection, transfer, recycling and resource recovery, and disposal services. We are also a leading developer, operator and owner of waste-to-energy and landfill gas-to-energy facilities in the United States. Our customers include residential, commercial, industrial, and municipal customers throughout North America.

The Company, from time to time, provides estimates of financial and other data, comments on expectations relating to future periods and makes statements of opinion, view or belief about current and future events. Statements relating to future events and performance are "forward-looking statements." The forward-looking statements that the Company makes are the Company's expectations, opinion, view or belief at the point in time of issuance but may change at some future point in time. By issuing estimates or making statements based *on current expectations, opinions, views or beliefs, the Company has no obligation, and is not undertaking any obligation, to update such estimates or statements or to provide any other information relating to such estimates or statements. Outlined below are some of the risks that the Company faces and that could affect our financial statements for 2008 and beyond and that could cause actual results to be materially different from those that may be set forth in forward-looking statements made by the Company. However, they are not the only risks that the Company faces. There may be additional risks that we do not presently know or that we currently believe are immaterial which could also impair our business. We caution you not to place undue reliance on any forward-looking statements, which speak only as of their dates. The following are some of the risks that we face:*

- *competition may negatively affect our profitability or cash flows, our price increases may have negative effects on volumes, and price roll-backs and lower than average pricing to retain and attract customers may negatively affect our yield on base business;*

- *we may be unable to maintain or expand margins if we are unable to control costs or raise prices;*

- *we may not be able to successfully execute or continue our operational or other margin improvement plans and programs, including pricing increases, passing on increased costs to our customers, reducing costs due to our operational improvement programs, and divesting under-performing assets and purchasing accretive businesses, any of which could negatively affect our revenues and margins;*

- *weather conditions cause our quarter-to-quarter results to fluctuate, and harsh weather or natural disasters may cause us to temporarily shut down operations;*

- *continued volatility and further deterioration in the credit markets, inflation, higher interest rates and other general and local economic conditions may negatively affect the volumes of waste generated, our liquidity, our financing costs and other expenses;*

- *economic conditions may negatively affect parties with whom we do business, which could result in late payments or the uncollectability of receivables as well as the non-performance of certain agreements, including expected funding under our credit agreement, which could negatively impact our liquidity and results of operations;*

- *possible changes in our estimates of costs for site remediation requirements, final capping, closure and post-closure obligations, compliance and regulatory developments may increase our expenses;*

- *regulations may negatively impact our business by, among other things, restricting our operations, increasing costs of operations or requiring additional capital expenditures;*

- *climate change legislation, including possible limits on carbon emissions, may negatively impact our results of operations by increasing expenses related to tracking, measuring and reporting our greenhouse gas emissions and increasing operating costs and capital expenditures that may be required to comply with any such legislation;*

- *if we are unable to obtain and maintain permits needed to open, operate, and/or expand our facilities, our results of operations will be negatively impacted;*

- *limitations or bans on disposal or transportation of out-of-state, cross-border, or certain categories of waste, as well as mandates on the disposal of waste, can increase our expenses and reduce our revenue;*

- *fuel price increases or fuel supply shortages may increase our expenses or restrict our ability to operate;*

- *increased costs or the inability to obtain financial assurance or the inadequacy of our insurance coverages could negatively impact our liquidity and increase our liabilities;*

- *possible charges as a result of shut-down operations, uncompleted development or expansion projects or other events may negatively affect earnings;*

- *fluctuations in commodity prices may have negative effects on our operating results;*

- *trends requiring recycling, waste reduction at the source and prohibiting the disposal of certain types of waste could have negative effects on volumes of waste going to landfills and waste-to-energy facilities;*

- *efforts by labor unions to organize our employees may increase operating expenses and we may be unable to negotiate acceptable collective bargaining agreements with those who have chosen to be represented by unions, which could lead to labor disruptions, including strikes and lock-outs, which could adversely affect our results of operations and cash flows;*

- *negative outcomes of litigation or threatened litigation or governmental proceedings may increase our costs, limit our ability to conduct or expand our operations, or limit our ability to execute our business plans and strategies;*

- *problems with the operation of our current information technology or the development and deployment of new information systems could decrease our efficiencies, increase our costs, or lead to an impairment charge;*

- *the adoption of new accounting standards or interpretations may cause fluctuations in reported quarterly results of operations or adversely impact our reported results of operations; and*

- *we may reduce or permanently eliminate our dividend or share repurchase program, reduce capital spending and cease acquisitions if cash flows are less than we expect and we are not able to obtain capital needed to refinance our debt obligations, including near-term maturities, on acceptable terms.*

Additional information regarding these and/or other factors that could materially affect results and the accuracy of the forward-looking statements contained herein may be found in Part I, Item 1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2007.

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