

Waste Management Announces Second Quarter Earnings

Earnings per Share Grow 15.6% and Income from Operations Grows 9.4%

HOUSTON — July 30, 2013— Waste Management, Inc. (NYSE: WM) today announced financial results for its quarter ended June 30, 2013. Revenues for the second quarter of 2013 were \$3.53 billion compared with \$3.46 billion for the same 2012 period. Net income^(a) for the quarter was \$244 million, or \$0.52 per diluted share, compared with \$208 million, or \$0.45 per diluted share, for the second quarter of 2012, a 15.6% increase. Results in the second quarter of 2013 included approximately \$8 million of after-tax charges primarily from an asset impairment. Excluding these costs, net income would have been \$252 million, or \$0.54 per diluted share, compared to adjusted earnings per diluted share of \$0.52 in 2012.^(b)

David P. Steiner, President and Chief Executive Officer of Waste Management, commented, "In the second quarter, our earnings per share grew to \$0.54 in spite of the negative impact of \$0.03 of unexpected headwinds. We had \$0.02 more headwind from our recycling operations than we expected and a negative \$0.01 from litigation settlements. Without these headwinds, we would have earned \$0.57 per share. Income from operations in our traditional solid waste business grew \$47 million and the related income from operations margin grew 80 basis points. These strong results were driven by collection and disposal yield of 2.1% for the second quarter. We also achieved SG&A cost savings of \$21 million, despite nearly \$30 million of incremental incentive compensation accruals.

"The strong yield and cost savings translated into net cash provided by operating activities of \$545 million and increased free cash flow to \$347 million in the second quarter. Through the first six months, net cash provided by operating activities and free cash flow totaled \$1.1 billion and \$695 million, respectively. When we exclude the impact of asset sales, we are well on our way to achieving our goal of generating between \$1.1 and \$1.2 billion of free cash flow." ^(b)

KEY HIGHLIGHTS FOR THE SECOND QUARTER 2013

- Revenue increased by 1.9%, or \$67 million.
- Internal revenue growth from yield for collection and disposal operations was 2.1%. The Company's fuel surcharge added 0.4% to total revenue. Year to date yield is 1.7%.
- Core price, which consists of price increases and fees, other than the Company's fuel surcharge, net of rollbacks, was 3.6%, compared with 2.5% in the second quarter of 2012. Rollbacks were reduced by over 45% from the second quarter of 2012, without a material increase in the Company's churn rate.
- Internal revenue growth from volume was negative 0.6%, down from the first quarter 2013 work-day adjusted volume improvement of 0.8%, primarily driven by a negative swing in recycling volumes.
- Average recycling commodity prices were approximately 12.5% lower in the second quarter of 2013 compared with the prior year period. In total, recycling

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operations negatively affected earnings by \$0.05 per diluted share in the second quarter when compared to the prior year period, versus previous expectations of negative \$0.03, which created the additional \$0.02 headwind referenced above. The Company now expects a full-year negative impact of \$0.08 per share from its recycling operations compared to 2012. Originally, the Company expected a negative impact of \$0.02 per share for 2013.

- Operating expenses increased by \$51 million. The majority of the increase relates to higher operating costs from acquired operations, increased costs in the Company's recycling operations stemming from China's restrictions on non-conforming materials in imported recycling commodities, and the timing of maintenance costs at its waste-to-energy facilities.
- SG&A expenses improved by \$21 million compared with the second quarter of 2012 and improved to 10.0% of revenue from 10.8% in the prior year period.
- Net cash provided by operating activities was \$545 million; capital expenditures were \$235 million; and free cash flow was \$347 million.^(b)
- The Company returned \$171 million to shareholders in the form of dividends.
- The effective tax rate was approximately 33.2%.

Steiner concluded, "We are pleased with our results for the second quarter and year to date, which are on plan, despite the greater than expected negative impact from our recycling business. Our disciplined approach to improving price, reducing costs, and managing capital expenditures is reflected in the earnings growth of our traditional solid waste business and in the improvement in free cash flow. We have built good momentum towards our full-year outlook. Despite much higher headwinds than we expected from our recycling operations, we still expect to achieve adjusted diluted earnings per share within our full-year earnings guidance range of between \$2.15 and \$2.20 per share. We also expect to meet our free cash flow target of at least \$1.1 to \$1.2 billion."^(b)

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- (a) For purposes of this press release, all references to "Net income" refer to the financial statement line item "Net income attributable to Waste Management, Inc."
- (b) This earnings release contains a discussion of non-GAAP measures, as defined in Regulation G of the Securities Exchange Act of 1934, as amended. The Company reports its financial results in compliance with GAAP, but believes that also discussing non-GAAP measures provides investors with (i) additional, meaningful comparisons of current results to prior periods' results by excluding items that the Company does not believe reflect its fundamental business performance and are not representative or indicative of our results of operations and (ii) financial measures the Company uses in the management of its business. Accordingly, net income and earnings per diluted share have been presented in certain instances excluding special items noted in this press release.

The Company's projected full year 2013 earnings per diluted share are not based on GAAP net earnings per diluted share and are anticipated to be adjusted to exclude the effects of events or circumstances in 2013 that are not representative or indicative of the Company's results of operations. Projected GAAP earnings per diluted share for the full year would require inclusion of the projected impact of future excluded items, including items that are not currently determinable, but may be significant, such as asset impairments and one-time items, charges, gains or losses from divestitures or litigation, or other items. Due to the uncertainty of the likelihood, amount and timing of any such items, the Company does not have information available to provide a quantitative reconciliation of adjusted projected full year earnings per diluted share to a GAAP earnings per diluted share projection.

The Company also discusses free cash flow and provides a projection of free cash flow, which is a non-GAAP measure, because it believes that it is indicative of our ability to pay our quarterly dividends, repurchase common stock, fund acquisitions and other investments and, in the absence of refinancings, to repay our debt obligations. Free cash flow is not intended to replace "Net cash provided by operating activities," which is the most comparable U.S. GAAP measure. However, the Company believes free cash flow gives investors useful insight into how the Company views its liquidity. Nevertheless, the use of free cash flow as a liquidity measure has material limitations because it excludes certain expenditures that are required or that the Company has committed to, such as declared dividend payments and debt service requirements. The Company defines free cash flow as:

- Net cash provided by operating activities

- Less, capital expenditures
- Plus, proceeds from divestitures of businesses (net of cash divested), and other sales of assets.

The Company's definition of free cash flow may not be comparable to similarly titled measures presented by other companies, and therefore is not subject to comparison.

The quantitative reconciliations of non-GAAP measures used herein, other than projected earnings per diluted share, to the most comparable GAAP measures are included in the accompanying schedules. Non-GAAP measures should not be considered a substitute for financial measures presented in accordance with GAAP, and investors are urged to take into account GAAP measures as well as non-GAAP measures in evaluating the Company.

The Company will host a conference call at 10:00 AM (Eastern) today to discuss the second quarter 2013 results. Information contained within this press release will be referenced and should be considered in conjunction with the call.

The conference call will be webcast live from the Investor Relations section of Waste Management's website www.wm.com. To access the conference call by telephone, please dial (877) 710-6139 approximately 10 minutes prior to the scheduled start of the call. If you are calling from outside of the United States or Canada, please dial (706) 643-7398. Please utilize conference ID number 97883740 when prompted by the conference call operator.

A replay of the conference call will be available on the Company's website www.wm.com and by telephone from approximately 1:00 PM (Eastern) Tuesday, July 30, 2013 through 5:00 PM (Eastern) on Friday, August 13, 2013. To access the replay telephonically, please dial (855) 859-2056, or from outside of the United States or Canada dial (404) 537-3406, and use the replay conference ID number 97883740.

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. This press release contains a number of such forward-looking statements, including but not limited to statements regarding, 2013 earnings per diluted share; 2013 free cash flow; future SG&A cost savings; results from pricing, capital management and cost control and reduction initiatives; future recycling commodity prices; and results from recycling operations. You should view these statements with caution. They are based on the facts and circumstances known to the Company as of the date the statements are made. These forward-looking statements are subject to risks and uncertainties that could cause actual results to be materially different from those set forth in such forward-looking statements, including but not limited to, increased competition; pricing actions; failure to implement our optimization, growth, and cost savings initiatives and overall business strategy; environmental and other regulations; commodity price fluctuations; disposal alternatives and waste diversion; declining waste volumes; failure to develop and protect new technology; significant environmental or other incidents resulting in liabilities and brand damage; weakness in economic conditions; failure to obtain and maintain necessary permits; labor disruptions; impairment charges; and negative outcomes of litigation or governmental proceedings. Please also see the Company's filings with the SEC, including Part I, Item 1A of the Company's most recently filed Annual Report on Form 10-K, for additional information regarding these and other risks and uncertainties applicable to our business. The Company assumes no obligation to update any forward-looking statement, including financial estimates and forecasts, whether as a result of future events, circumstances or developments or otherwise.

ABOUT WASTE MANAGEMENT

Waste Management, Inc., based in Houston, Texas, is the leading provider of comprehensive waste management environmental services in North America. Through its subsidiaries, the company provides collection, transfer, recycling and resource recovery, and disposal services. It is also a leading developer, operator and owner of waste-to-energy and landfill gas-to-energy facilities in the United States. The company's customers include residential, commercial, industrial, and municipal customers throughout North America. To learn more information about Waste Management visit www.wm.com or www.thinkgreen.com.

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