Waste Management, Inc.

Investor Meetings
August 2010
Cautionary Statement

Certain statements provided in this presentation are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are often identified by the words, “will,” “may,” “should,” “continue,” “anticipate,” “believe,” “expect,” “plan,” “forecast,” “project,” “estimate,” “intend” and words of similar nature, and such statements generally contain projections about accounting and finances; plans and objectives for the future; projections or estimates about assumptions relating to our performance; or our opinions, views or beliefs about the effects of current or future events, circumstances or performance. You should view these statements with caution. These statements are not guarantees of future performance, circumstances or events. They are based on the facts and circumstances known to us as of the date the statements are made. All phases of our business are subject to uncertainties, risks and other influences, many of which we do not control. Any of these factors, either alone or taken together, could have a material adverse effect on us and could cause actual results to be materially different from those set forth in such forward-looking statement. We assume no obligation to update any forward-looking statement, including financial estimates, whether as a result of future events, circumstances or developments or otherwise. Some of these risks and uncertainties are described in greater detail in Waste Management's Form 10-K for the year ended December 31, 2009, as filed with the Securities and Exchange Commission.
Today’s $55 Billion Solid Waste Market

Key Industry Strengths

• A significant portion of revenue has annuity-like characteristics

• Cash flow is strong and predictable

• Capital expenditures are controllable and predictable

• Improving return on invested capital is a primary focus

• Disciplined pricing
WM 2009 Revenue Mix by Line of Business

- Landfill: 19%
- Transfer: 10%
- Waste-to-Energy: 6%
- Other: 2%
- Recycling: 5%
- Collection: 58%

Approximate Collection Mix

- Residential: 32%
- Commercial: 43%
- Roll-off: 25%

Based on 2009 Gross Revenues
Our Strategy

• Continue focus on pricing
• Know more about our customers and how to service them better than anyone else in the industry, through the use of customer segmentation and technology
• Manage the waste stream to extract more value from the material than anyone else in the industry
MSW Volume Trends

Total Historical Waste Generation and Recovery

Source: 2009 WBJ Waste Market Overview and Outlook
** Generated Waste is Dominated by Paper, Yard and Food Scraps **

Waste composition has remained fairly consistent, but has shifted to lighter materials.

<table>
<thead>
<tr>
<th>Material</th>
<th>% of Total Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>2008</td>
</tr>
<tr>
<td>34.0</td>
<td>31.0</td>
</tr>
<tr>
<td>Paper and paper board</td>
<td>19.6</td>
</tr>
<tr>
<td>Glass</td>
<td>4.9</td>
</tr>
<tr>
<td>Ferrous materials</td>
<td>11.7</td>
</tr>
<tr>
<td>Aluminum</td>
<td>6.3</td>
</tr>
<tr>
<td>Other nonferrous materials</td>
<td>0.4</td>
</tr>
<tr>
<td>Plastics</td>
<td>1.4</td>
</tr>
<tr>
<td>Rubber and leather</td>
<td>0.2</td>
</tr>
<tr>
<td>Textiles</td>
<td>0.7</td>
</tr>
<tr>
<td>Wood</td>
<td>12.0</td>
</tr>
<tr>
<td>Other materials</td>
<td>3.4</td>
</tr>
<tr>
<td>Food scraps</td>
<td>6.6</td>
</tr>
<tr>
<td>Yard trimmings</td>
<td>13.8</td>
</tr>
<tr>
<td>Misc. inorganic wastes</td>
<td>12.7</td>
</tr>
<tr>
<td>Wastes</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>1.5</td>
</tr>
</tbody>
</table>
How We Extract Value from Material

- Waste-to-energy (energy from waste)
- Curbside and commercial recycling
- Landfill-gas-to-energy or fuel
- C&D recycling
- Roof shingle recycling
- Greenopolis
- WM LampTracker®
  - Florescent light bulb recycling
- ThinkGreenFromHome.com
  - Batteries and universal waste recycling
- eCycling
  - Electronics recycling
- Harvest Power
  - Aerobic and anaerobic digestion
- New technology in organics
  - Terrabon L.L.C.
    - Waste-to-fuel conversion technology
  - Enerkem, Inc.
    - Gasification and catalysis technology
  - S4 Energy Solutions
    - Plasma gasification technology
Continued Growth of Landfill Volumes

- Economic and population growth expected to increase disposal volumes in the future

- Increasingly complex society and regulations
  - Individual servings and packaging
  - Waste streams, like coal ash, that could be directed into landfills by regulations
Strategic Growth Plan

GROW OUR MARKETS
- Segments
  - Commercial Property
  - Manufacturing & Industrial
  - Retail & Food
  - Construction
  - Municipal
  - Healthcare
  - Core Accounts
- Acquisitions
- Recycling – Single Stream

GROW OUR CUSTOMER LOYALTY
- Improved customer engagement
- Self-service capabilities
- Lower cost of service

GROW INTO NEW MARKETS
- WTI – new plants
- OGG
  - Processing & Conversion Technologies
    - Organics
    - Non-Organics
  - LOB Opportunities
  - Other forms of recycling
Why Segmentation is Right for WM

- Segmentation presents an opportunity to drive significant incremental value by:
  - **Improving sales effectiveness** with focused and specialized reps that understand customer needs, i.e. one point of contact
  - **Increasing penetration** within most profitable segments by establishing better relationships with customers within segments
  - **Better aligning pricing strategies** with segment-specific economics and Customer Lifetime Value
  - **Expanding the market size** by identifying and adding new service offerings
  - **Differentiating WM offerings** to better meet the specific segment needs
Long-Term Vision and Financial Impact of Customer Segmentation

By providing “Growth through Innovative Environmental Customer Solutions,” segmentation is expected to add over $1.6 billion in revenue over the next 5 years.

Projected Segmentation Incremental Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Incremental Revenue (MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$0</td>
</tr>
<tr>
<td>2011</td>
<td>$100</td>
</tr>
<tr>
<td>2012</td>
<td>$300</td>
</tr>
<tr>
<td>2013</td>
<td>$500</td>
</tr>
<tr>
<td>2014</td>
<td>$700</td>
</tr>
</tbody>
</table>
Waste To Energy

- For the past three decades, Wheelabrator (WTI) has been a leading operator of waste-to-energy (WTE) and other power generation facilities reliant on renewable waste fuels with a revenue of $840 million in 2009 and 1,100 employees.
- As of January 1, 2010, in more than three decades, WTI has:
  - processed over 165 million tons of municipal solid waste (MSW).
  - generated 86 billion kilowatts of clean, renewable electricity, avoiding the use of 165 million barrels of oil or 43 million tons of coal that would have been used to produce that amount of electricity.
- 23 power plants have a total capacity of 27,540 tons per day (TPD) and 885 MW – generating power for one million homes.
- Extending WTI’s expertise to domestic expansion and international markets is a logical next step and is core to our forward strategy.
WTE’s Growth Opportunities
U.S.

- The U.S. is the second-largest market for municipal waste
- Potential for WTE growth in the U.S. is greater than any period over the past 15 years
- WTE offers several advantages leading to significant growth of the industry:
  - Proven technology
  - Close-in solution for municipalities
  - Long-term predictable disposal pricing
  - Customer participates in the forward energy curve to provide an offset to the long-term operating expenses
  - Generation of renewable energy
  - Climate neutral

*Source: EPA Municipal Solid Waste Generation, Recycling, and Disposal in the United States: Facts and Figures for 2008*
WTE’s Growth Opportunities U.S.

- Engaged in 6 new WTE projects across the U.S. with capacities of 9,200 TPD and 190 MW
- Closed on purchase of the SPSA 2,000 TPD RDF facility with 175 employees located in Portsmouth, VA. WTI was selected against two finalists, Covanta and ReEnergy
- Targeted growth of 1-2 (mostly) DBO projects or operating contracts per year and one acquisition in the next 2-3 years

<table>
<thead>
<tr>
<th>Project</th>
<th>TPD</th>
<th>Contract</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Frederick / Carroll Counties, MD</td>
<td>1,500</td>
<td>DBO</td>
<td>Awarded</td>
</tr>
<tr>
<td>2. Harford County, MD</td>
<td>1,500</td>
<td>DBO</td>
<td>Preferred vendor</td>
</tr>
<tr>
<td>3. Portsmouth, VA</td>
<td>2,000</td>
<td>Acquisition</td>
<td>Closed</td>
</tr>
<tr>
<td>4. New Hanover, NC</td>
<td>200</td>
<td>O&amp;M</td>
<td>Short-listed</td>
</tr>
<tr>
<td>5. Palm Beach, FL</td>
<td>3,000</td>
<td>DBO</td>
<td>Bid Submitted</td>
</tr>
<tr>
<td>6. Los Angeles, CA</td>
<td>1,000</td>
<td>DBOO</td>
<td>Short-listed</td>
</tr>
</tbody>
</table>
WTE’s Growth Opportunities in China

- China has surpassed the U.S. as the largest waste generator in the world.
- Continued rapid economic development, rising incomes and lifestyle changes will increase MSW volumes (expected to increase 4.4% annually until 2020) and composition significantly.
- Besides waste volume growth, energy demand, land scarcity in metropolitan regions and public policy promote and require significant infrastructure investments into WTE.
- Thus, China is the fastest-growing WTE market globally with 77 operating plants and 96 in construction or planning. Additionally, 100-130 plants are required over the next 10 years.
- Purchased a 40% interest in Shanghai Environment Group.
WTE’s Growth Opportunities in UK/Europe

European drivers:
- Revised EU Directive on Waste – Favors energy recovery over disposal
- EU Directive on Landfill of Waste: By 2016 biodegradable municipal waste (BMW) landfilled must be 35% of the quantity landfilled in 1995

UK implementation:
- Landfill tax of £ 48/ton in the UK which will rise to £ 72/ton in 2013
- Authorities that landfill more BMW than the allowances they hold, to be liable to a penalty of £ 150 for each ton over the limit after 2010
- UK government has provided £ 2.5 billion in Public Finance Initiative (PFI) funding between 2008 – 2011 for new projects
Financial Performance and Outlook
How We Measure Ourselves

• Returns are our primary focus
  - Margins are important, but returns are a better indicator of value to shareholders
  - In 2005 we made returns our key long-term focus, changing our Long-Term Incentive plan accordingly
  - Return on Invested Capital is the principle measure
  - Our returns are the best in the industry

• Improving margins in each of our businesses
  - Improving margins is a requirement in our Annual Incentive Plan targets
Margin Leverage with Volume Changes

Collection and Landfill

Weighted Average Incremental Income from Operations Margin by Line of Business

Total collection and landfill assumes an equivalent volume change in both the collection and landfill lines of business.

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>% of Collection &amp; Landfill Revenue</th>
<th>Business Line Incremental Margin</th>
<th>% Incremental Margin on Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landfill - Third party</td>
<td>16%</td>
<td>50%</td>
<td>8%</td>
</tr>
<tr>
<td>Collection - Including LF margin</td>
<td>84%</td>
<td>30%</td>
<td>25%</td>
</tr>
<tr>
<td>% of Total Collection &amp; Landfill</td>
<td>100%</td>
<td></td>
<td>33%</td>
</tr>
</tbody>
</table>

Note: The incremental margin for the landfill ranges from 45% to 50% and for the collection operations ranges from 25% to 35%. The margins shown in the table are chosen from these ranges to illustrate the calculations.
New Project Return Criteria

Minimum Internal Rate of Return by Business Type

• Collection and Landfill  12%
• Recycling  15%
• Waste-to-Energy  11%
• Organic Growth  17%

Note: Return requirements are adjusted based on the risk profile of the investment
Financial Priorities

• Maintain our investment grade ratings. Our Revolving Credit Agreement requires compliance with the following financial covenants defined therein:
  - Interest coverage ratio: > 2.75 to 1 and Total Debt to EBITDA: < 3.5 to 1
  - As of June 30, 2010, we were comfortably in compliance with these covenants
• Maintain debt/total capitalization ratio of approximately 60%
  - Ratio at June 30, 2010 was 59.9%
• Maintain strong liquidity position
  - Balanced debt maturities over next ten years
  - Continue to access capital markets for refinancings
• Balanced use of substantial free cash flow
  - Return value to shareholders through dividends and share repurchases
  - Invest in the business through capital expenditures and acquisitions
  - Debt repayment as appropriate
2010 Investments and Acquisitions

• Purchased in April 2010 a waste-to-energy plant in Virginia from the Southeastern Public Service Authority for $150 million

• Purchased for $142 million in March 2010 a 40% interest in Shanghai Environment Group, a company dedicated to developing waste-to-energy facilities in China

• We expect to spend $250 million to $350 million for other acquisitions, primarily in solid waste. During the first half of 2010, we closed on approximately $120 million of acquisitions
2010 Capital Allocation

Common Stock Repurchases
Up to $685 million

Dividends
$615 million*

* Expected annual payment of $1.26 per share in cash dividends over the course of the year. Each dividend must be separately declared by the Board of Directors.
Cash Dividends Paid Per Share Annually

Note *: The Board of Directors approved an 8.6% increase in the quarterly dividend rate to $0.315 on December 17, 2009. The Company paid a quarterly cash dividend of $0.315 per share on March 19, 2010 and June 18, 2010. The Board reserves the right to declare and pay future cash dividends.
5 Year Growth Targets

- We assume that over the next 5 years the economy will steadily but slowly improve
- Compounded annual revenue growth rate of between 3% and 5% driven by price and volume. Additional revenue growth from acquisitions, spending on average between $200 million and $300 million each year
- Compounded annual earnings per diluted share growth rate of between 8% and 12%, with the earlier years at the lower end of the range
- Capital expenditures between 9% and 11% of revenue
- Free cash flow growth in line with operating earnings growth
- ROIC improving 50 to 100 basis points per year