

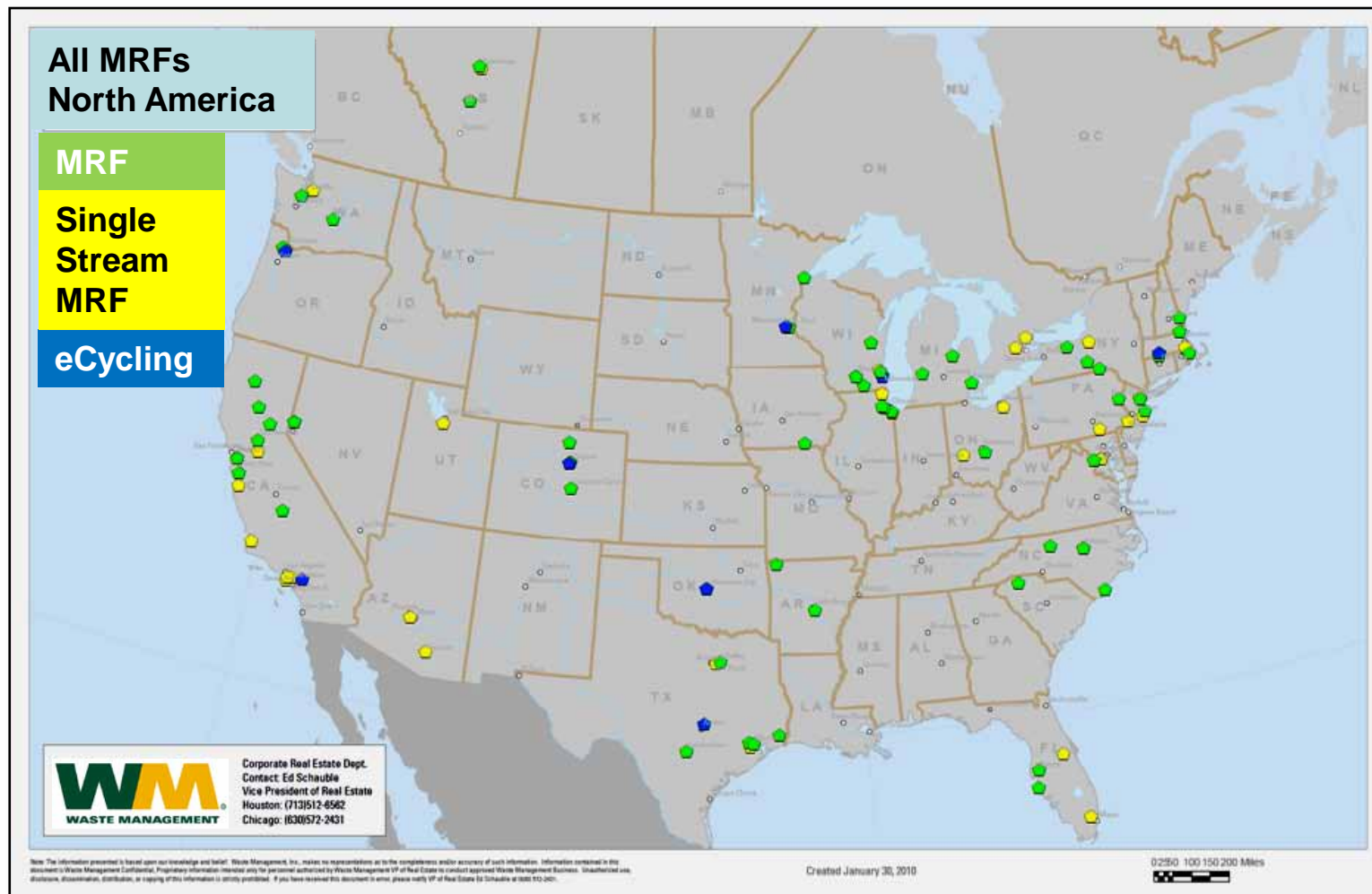


WM Recycling

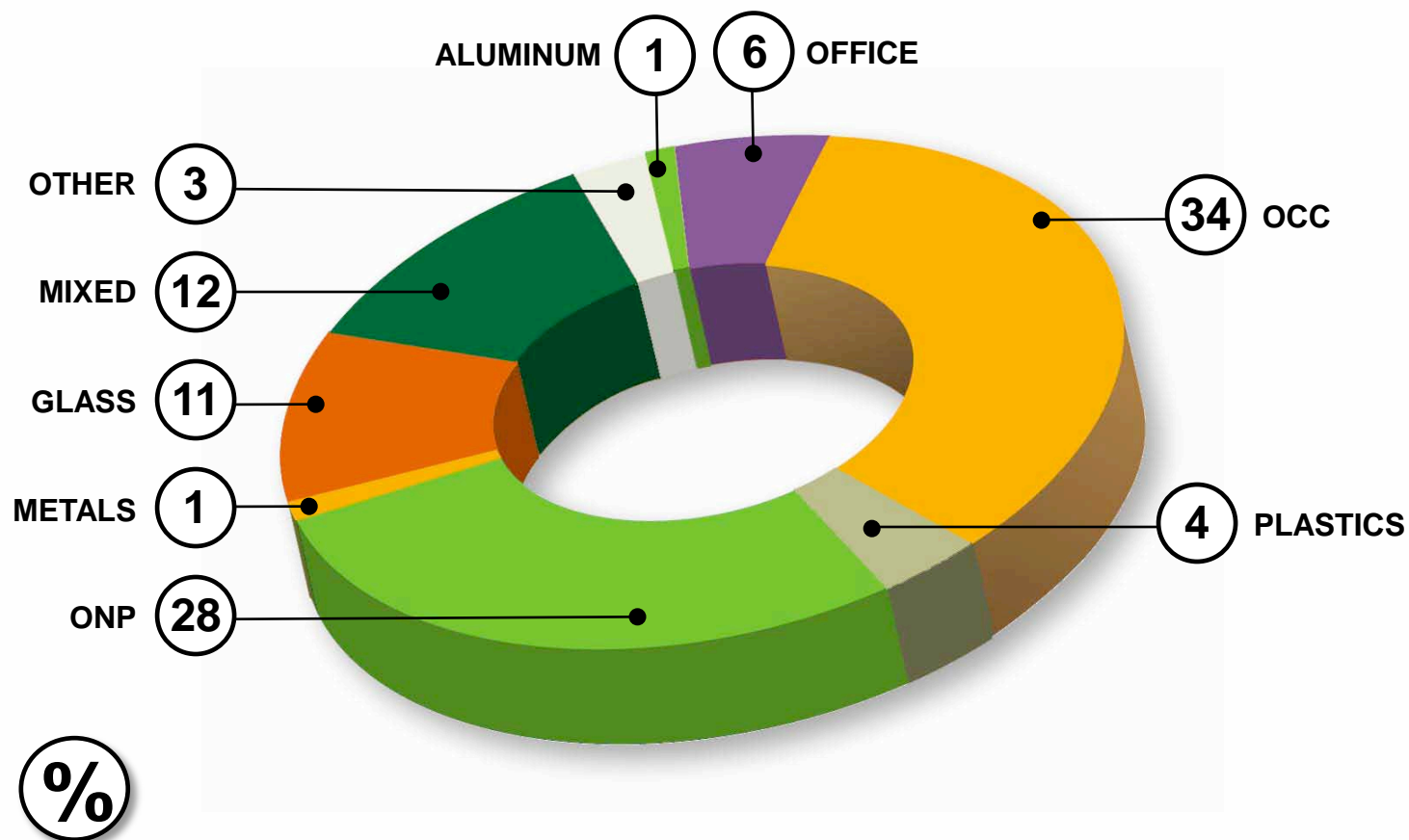
Pat DeRueda
President, WM Recycle America



WM MRF Map



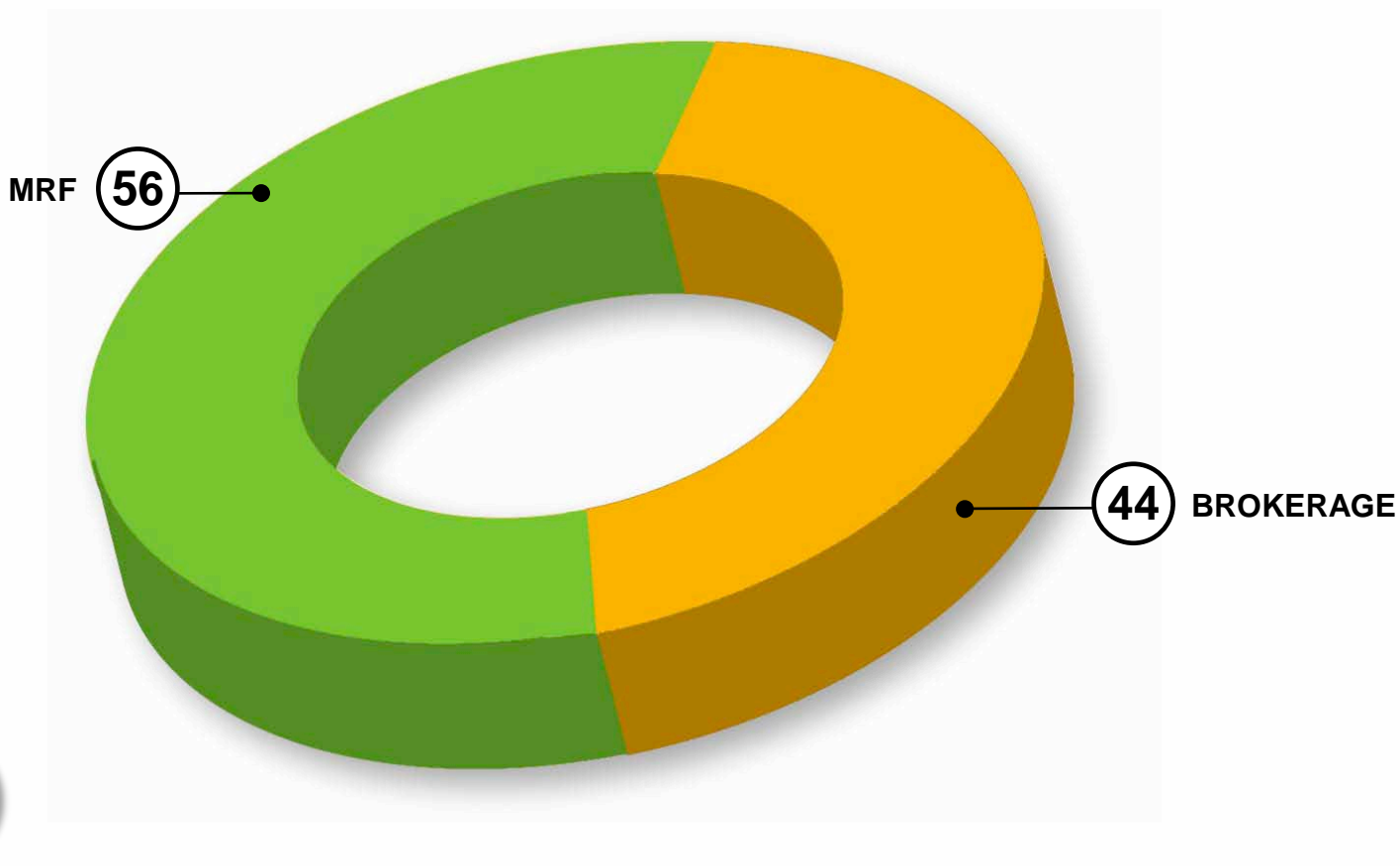
WM Recycling



Recycling Material Flow



Revenue Composition



Growth Components

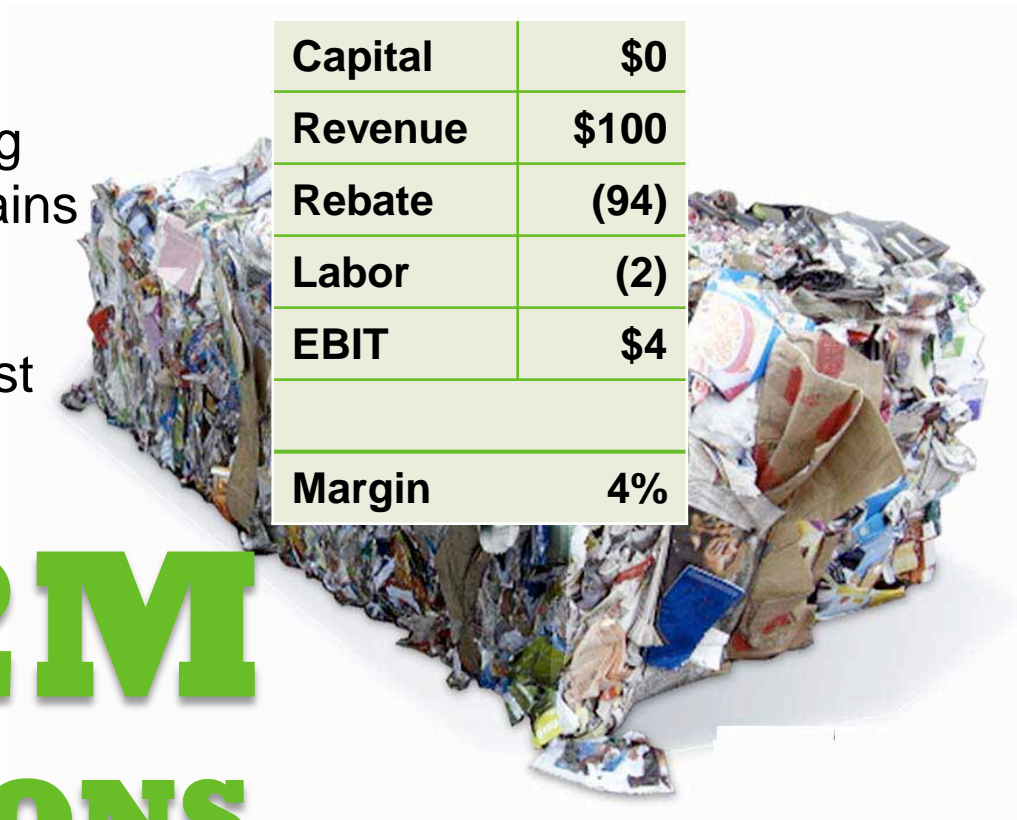


Brokerage

- Supplier base
 - Large printers, shredding companies and food chains
- Global presence
 - Natural fit with our largest customers

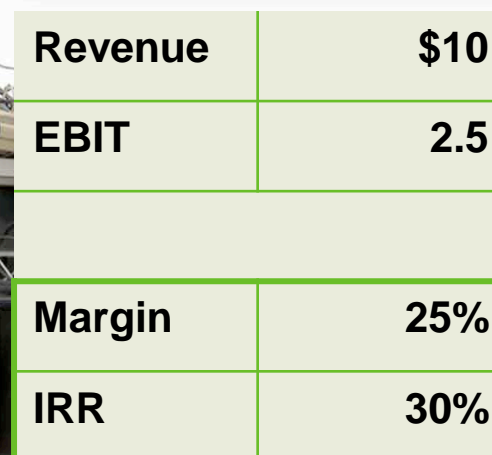
Capital	\$0
Revenue	\$100
Rebate	(94)
Labor	(2)
EBIT	\$4
Margin	4%

**2M
TONS**



- “Our job is to build and sell computers, you all need to help us collect and recycle them.”**

- Fastest-growing revenue stream
- Ready for consolidation
- Impact producer responsibility laws



Transfer Station Mining

Commodity Revenue	\$100
Rebate	0
Labor	(25)
EBIT	\$75
Margin	75%



Data above does not consider T&D
avoidance and capital options

Single Stream Growth

- Single stream represents 30% of our recycling facilities
- 70% of recycling MRF volumes and EBITDA
- Our recycling SS facilities historical financials
- IRR & EBIT margins above 20%



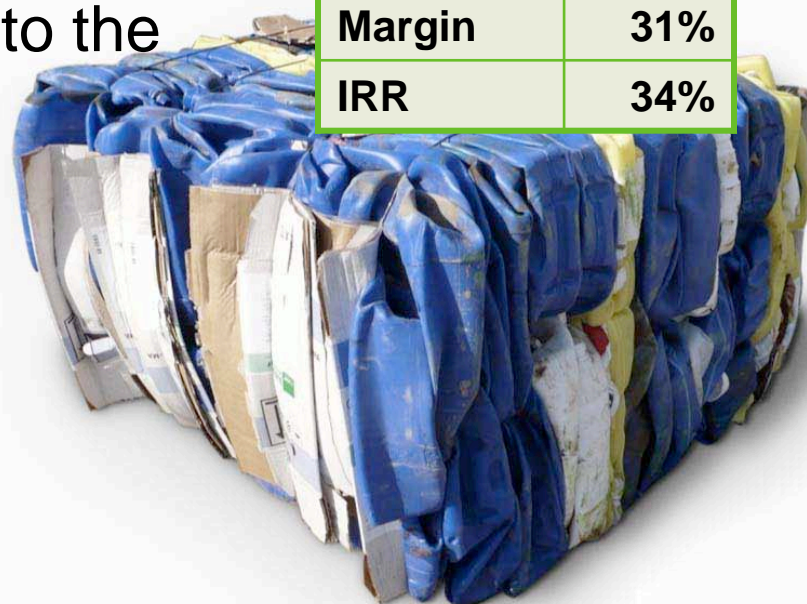
\$=000's	Baseline
Total Gross Revenue	\$ 64,624
EBIT % of Gross Revenue	\$ 16,670 30.5%
EBITDA % of Gross Revenue	\$ 24,899 45.6%
IRR	18.7%
CAPEX	\$ 86,017
ROIC	34.9%
Revenue/Ton	\$ 82.30
OPEX/Ton	\$ 39.80
Tons Sold	663,739
	+\$10
Revenue/Ton	\$ 92.30
Total Gross Revenue	\$ 61,261
EBIT	\$ 19,989
IRR	21.1%
	-\$10
Revenue/Ton	\$ 72.30
Total Gross Revenue	\$ 47,986
EBIT	\$ 13,352
IRR	16.2%

Commercial SS Recycling

- Expand residential SS facilities to commercial SS
- Commercial SS assists in providing customers with additional solutions
- As the incremental “add-on” to the 30+ single stream facilities
- **IRR above 30%**

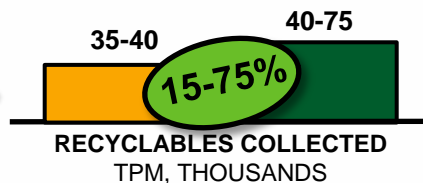
Capital	\$9
Revenue	8.7
Op X	(6.0)
EBIT	2.7

Margin	31%
IRR	34%



2008 Houston Assessment Market Summary

Market Size and Growth



- Current recycling rate of 4-5% is 1/3 of 15% Midwestern average (Assumes can reach 5-10% by 2013)
- Population projected to grow by 10% in 5 years

Commodity Prices



- Projected 2008 prices are similar to 2007 national averages
- Lower prices due to 10% discounts from current market pricing

Market Competitiveness



- Strong fiber competitors
- Only one single stream player
- Rebates are almost zero

Market Accessibility



- 3,700 TPM acquirable by internalizing WM tonnage

MA Readiness



- Views large potential for recycling
- Has invested in building business case and finding location

2008 Houston Assessment

Market Size
and Growth

Recommendation



Acquisition



Greenfield



Long-haul



Do Not Enter

Commodity
Prices

Rationale

- Recommend Greenfield entry with a MRF with capacity of ~ 10-15k TPM:
 - Can acquire 3.7k TPM of internal volumes
 - Potential to supplement with capacity from Gulf Coast Recycling

Market
Competitiveness

Key Success Factors

- Houston MA was ready for this investment:
 - Almost all of externalized volumes
 - At least 2% (ideally > 5%) of “richest” commercial and industrial volumes
 - Grow volumes at a minimum 2.5% to 7.5% per year

Market
Accessibility

MA Readiness

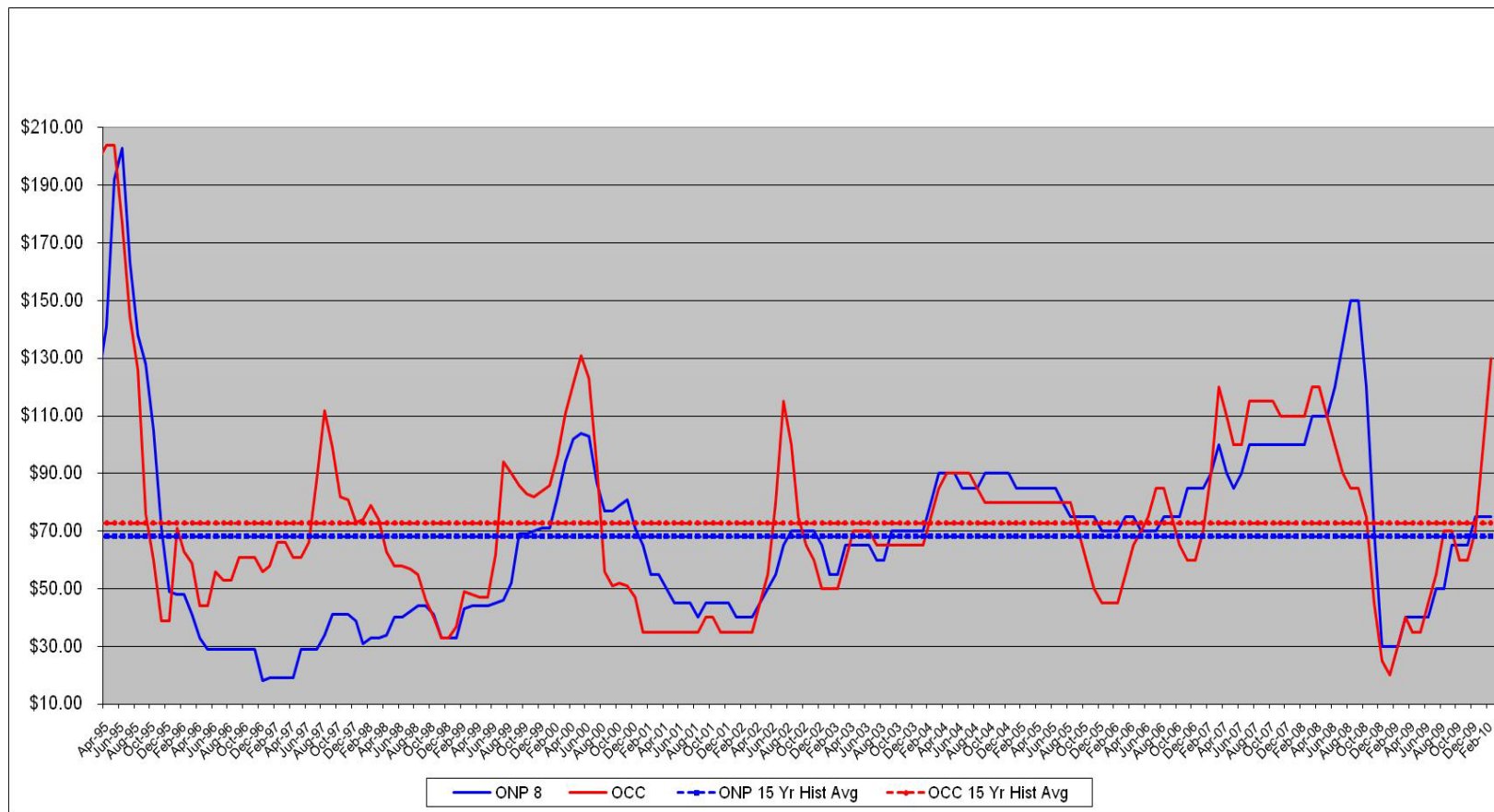
Acquisition Growth Case Study – TX

Through assessments key growth markets identified in Houston/Dallas/Central Texas

- Sept. 2008 – Acquired Gulf Coast Recycling in Houston (NW & Downtown) and Beaumont (East TX)
- Q4 2009 – Acquired Standard Waste's Dallas commercial facility
- January 2010 – Acquired Abitibi processing capabilities in Houston, San Antonio and Arlington
- Single stream equipment to be installed in Houston in 2010
- Increased TX recycling presence from no processing in 2007 to one of the largest processors in 2010



15-Year Historical Prices



C&D Recycling

- Customers looking for LEED certified
- WM expansion volume, legislation and tip fee rates

2010 Capital	\$9
Revenue	4.6
Op X	(3.7)
EBIT	0.9
Margin	19%
IRR	21.4%

**170M
TONS**

Less than 25% recovery



Risk Mitigation

Inbound

Move from OBM
to Market-Based

Ensure Fixed Price or Inbound
Floors are Back to Back

Processing Fee +
Revenue Share

Recycling Material
Offset (RMO)

Outbound

Higher Floor Pricing

Guarantee Movement
by Mill Customers

Force Majeure
Protection



What does +\$10/ton = EBIT?

