Waste Management, Inc.

Morgan Stanley Business and Education Services Conference

September 23, 2010

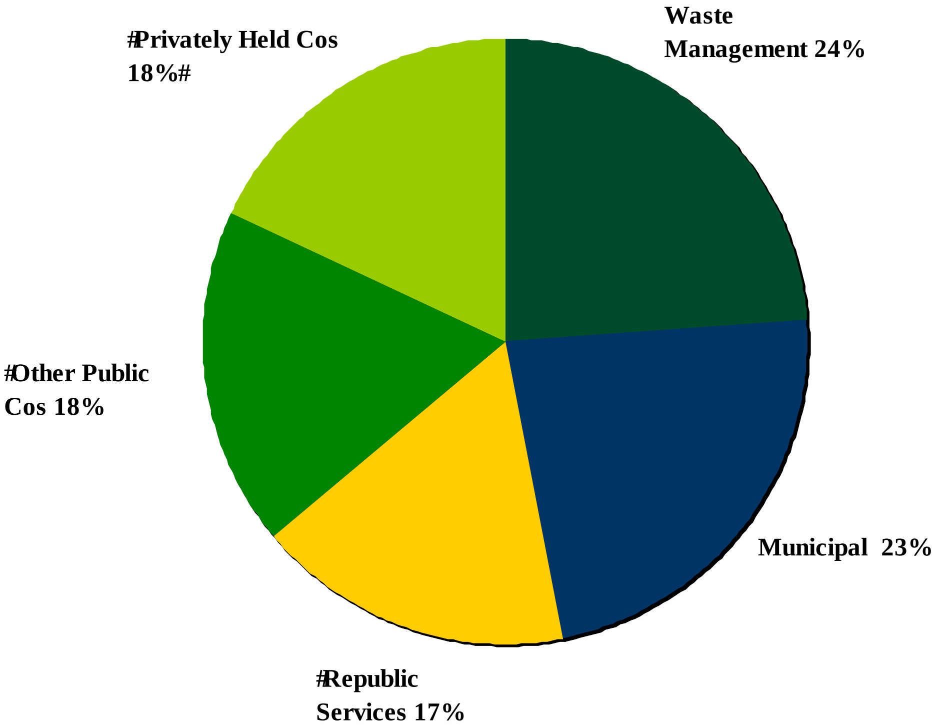
Cautionary Statement

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.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures under Regulation G of the Securities Exchange Act of 1934, as amended. The Company believes that these non-GAAP financial measures are useful to investors to assess the Company's performance, results of operations and cash available for the Company's capital allocation program. These non-GAAP measures are meant to supplement, not replace, comparable GAAP measures, and such non-GAAP measures may be different from similarly titled measures used by other companies. A reconciliation of these non-GAAP financial measures to their most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles can be found in the Annex at the end of this presentation and under the Investor Relations tab on our website: www.wm.com.

Today's $55 Billion Solid Waste Market

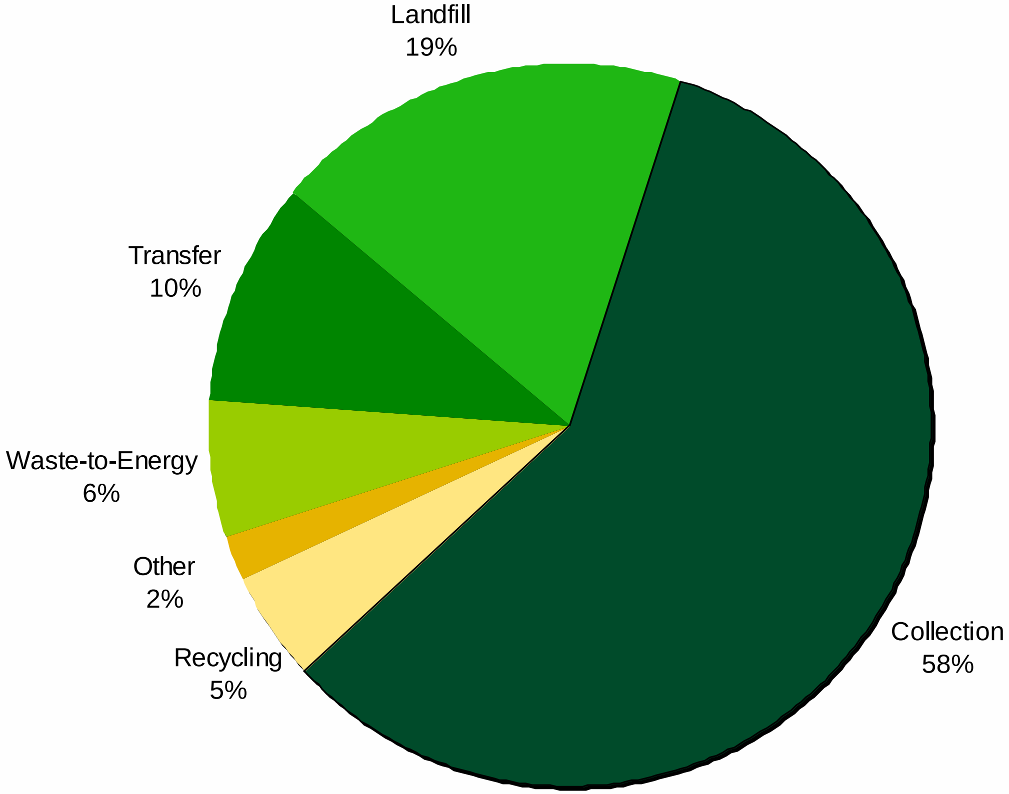


Source: Waste Business Journal's Waste Market Overview & Outlook 2009

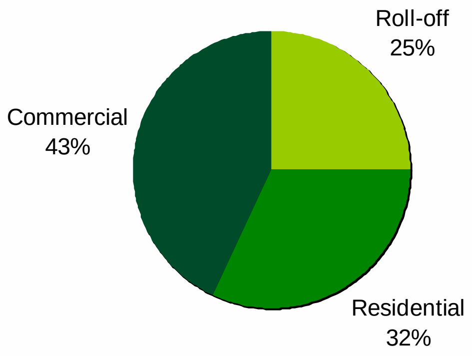
Key Industry Strengths

- Disciplined pricing
- Improving return on invested capital is a primary focus
- A significant portion of revenue has annuity-like characteristics
- Capital expenditures are controllable and predictable
- Cash flow is strong and predictable

WM 2009 Revenue Mix by Line of Business



Approximate
Collection Mix



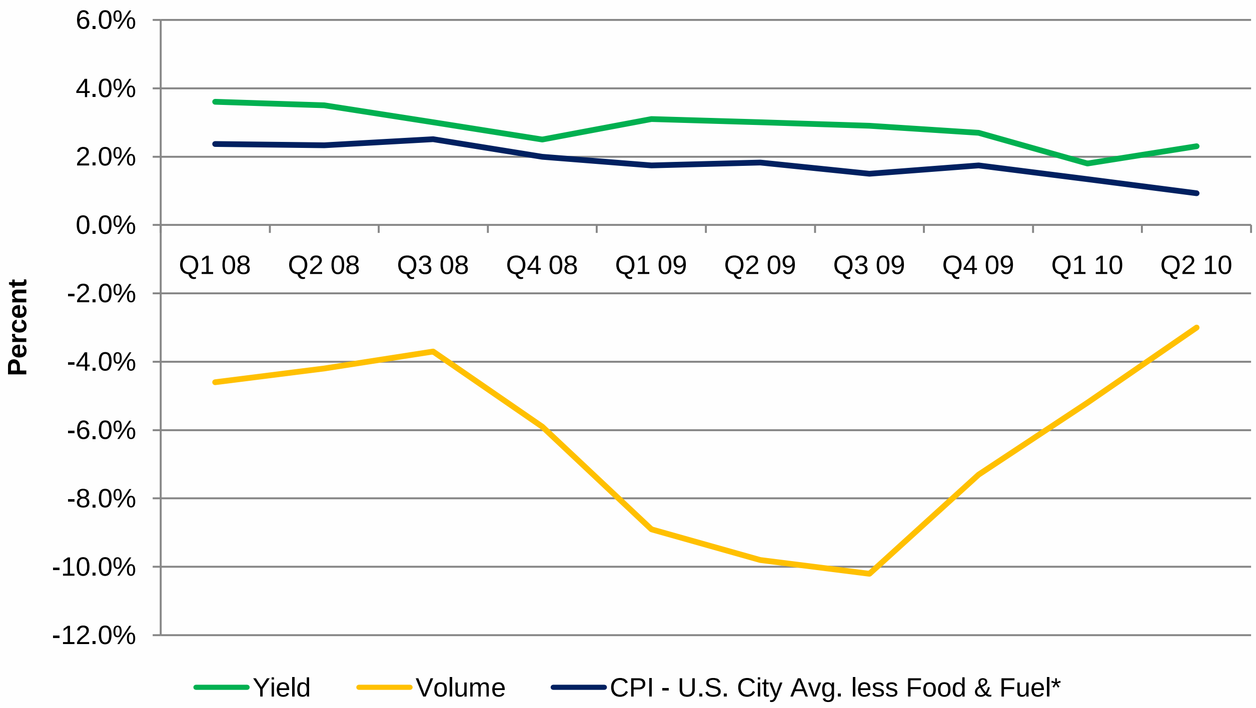
Revenue base is well diversified

Based on 2009 Gross Revenues

Our Strategy

- Continue to focus on price, targeting 50 to 100 basis points above CPI
- Know more about our customers and how to service them better than anyone else in the industry, through the use of customer focused segmentation and technology
- Manage the waste stream to extract more value from the material than anyone else in the industry

Yield and Volume Trends
Collection and Disposal Operations



* Source: United States Department of Labor - Bureau of Labor Statistics

Continued Growth of Landfill Volumes

- Economic and population growth expected to increase disposal volumes in the future
- Volumes tend to lag the economy by one to two quarters
- 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

- Customer focused growth through segmentation
  - *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

- Waste-to-energy opportunities
- Organic growth initiatives
  - *Processing & conversion technologies*
    - Organics
    - Non-organics
  - *Bagster dumpster in a bag*
- Other forms of recycling

Why Customer Focused Growth through Segmentation is Right for WM

- Customer focused growth through 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 the 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*

Medical Waste Value Driver – Waste Categorization

Waste Generation

Waste Diversion

Incinerate Only

($1.00/lb)

Redbag

($.24/lb)

Trash

($.06/lb)

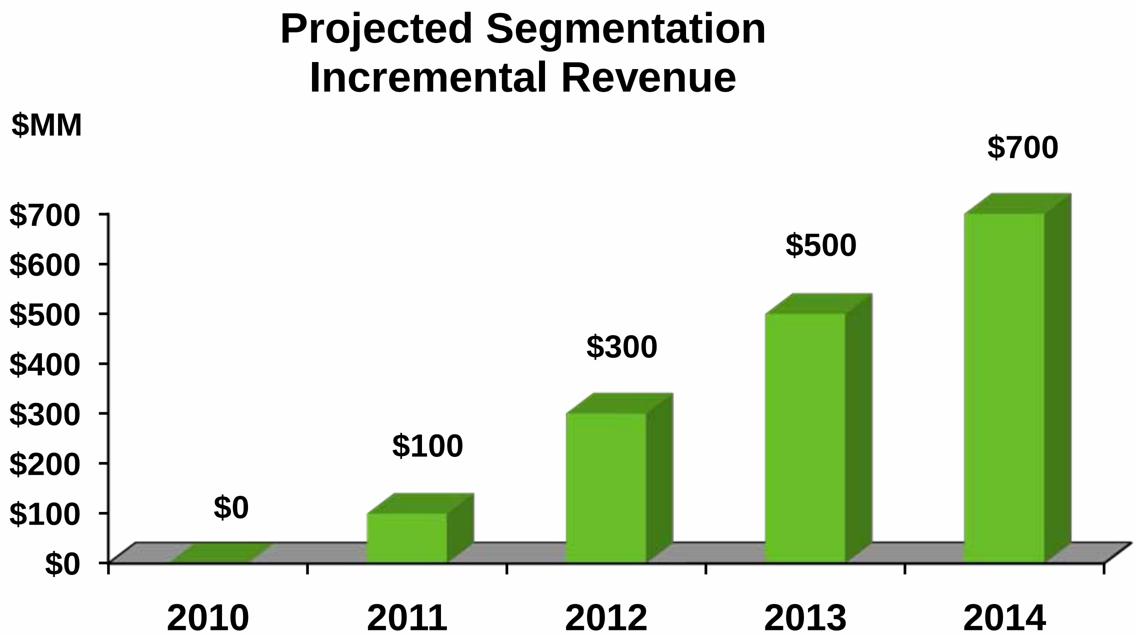
Recycling

($.01/lb)

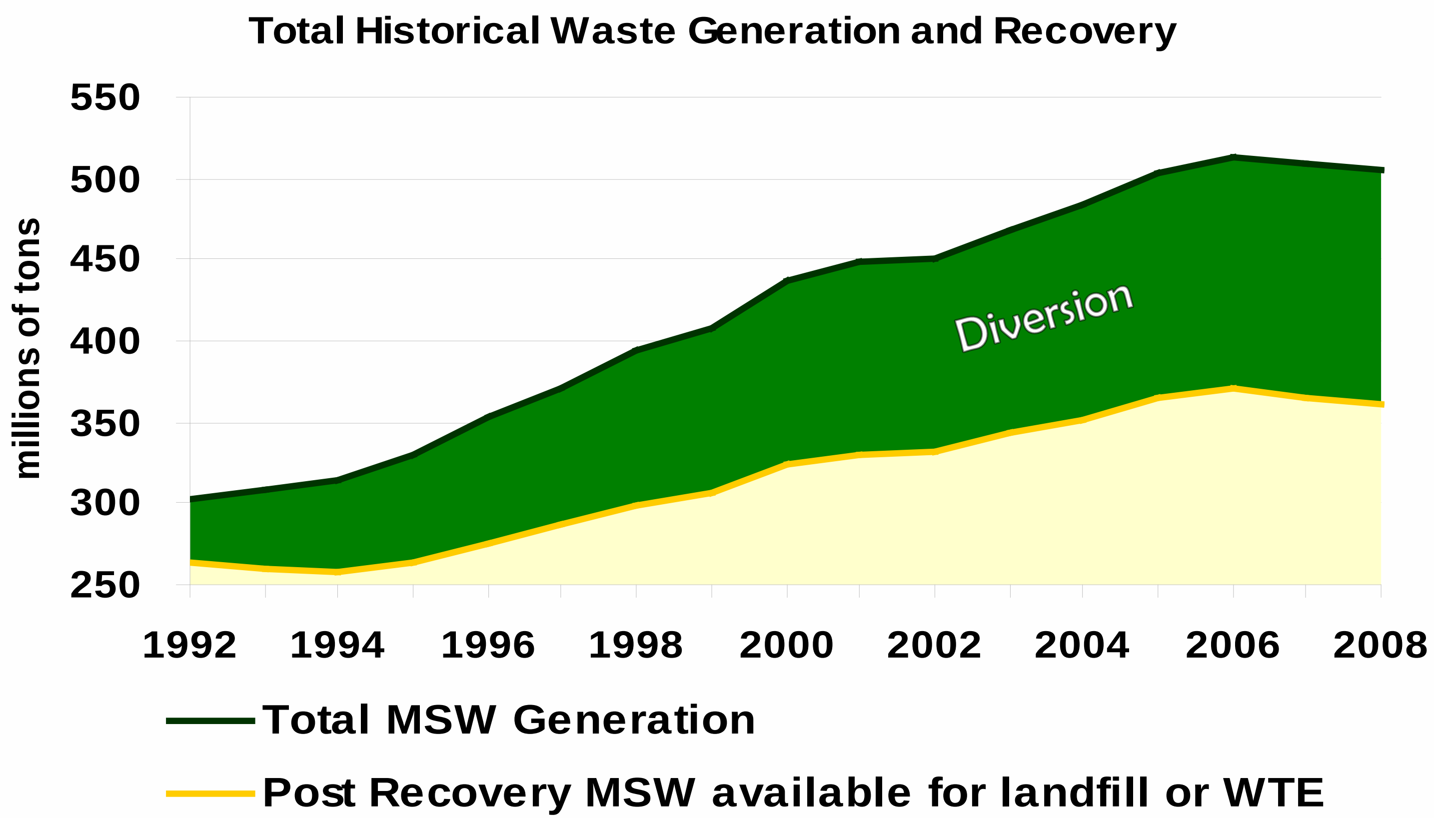
Waste diversion = $$$ savings for the customer

Long-Term Vision and Financial Impact of Customer Segmentation

By providing the customer a better value proposition through segmentation, WM plans to add over $1.6 billion in revenue over the next 5 years



MSW Volume Trends



Source: 2009 WBJ Waste Market Overview and Outlook

How We Extract Value from Material

- Waste-to-energy (energy from waste)
- Curbside and commercial recycling
- Landfill-gas-to-energy or to fuel
- C&D recycling
- Roof shingle recycling
- Greenopolis
  - *Recycling kiosks and on-line rewards*
- WM LampTracker®
  - *Florescent light bulb recycling*
- ThinkGreenFromHome.com
  - *Batteries and universal waste recycling*
- MicroGREEN
  - *Expansion technology for plastics*
- eCycling
  - *Electronics recycling*
- New technologies in organics processing
  - *Garrick Corporation*
    - Organic compost for retail market
  - *Harvest Power*
    - Aerobic and anaerobic digestion
  - *Terrabon L.L.C.*
    - Waste-to-fuel conversion technology
  - *Enerkem, Inc.*
    - Gasification and catalysis technology
  - *S4 Energy Solutions*
    - Plasma gasification technology

Why Invest in Waste-to-Energy?

WASTE MANAGEMENT
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- Waste-to-energy (WTE) is a core competency with attractive growth opportunities
- WTE has high margins and returns
  - *Income from operations margin* of almost 28% in 2009*
  - *Minimum internal rate of return criteria for new projects is 11%*
- Long-term contracts on new projects provide an annuity-like revenue stream
- WTE has strong and stable cash flow
- Merchant energy sales price volatility due to correlation with natural gas prices is being mitigated with hedges
- Capital expenditures are modest over the near-term and very manageable over the long-term. For our new U.S. opportunities our customer is funding the construction

* This GAAP measure may also be referred to as EBIT margin

Waste-to-Energy

Current Opportunities

- **United States**
  - *Purchased SPSA, a 2,000 ton per day facility located in Portsmouth, VA*
  - *Awarded design-build-operate contract in Frederick/Carroll Counties, MD*
  - *Preferred vendor for design-build-operate contract in Harford County, MD*

- **China**
  - *Purchased 40% interest in Shanghai Environment Group*
    - 2 facilities operating, 3 facilities under construction and 3 contracts recently awarded
  - *Waste volume growth, energy demand, and metropolitan land scarcity has driven public policy to promote significant investment in waste-to-energy*

- **UK/Europe**
  - *Participating in UK bids with local partners Shanks Group, Cory Environmental, and EEW*
  - *EU Directive is driving a 65% reduction of landfill waste by 2016. Waste-to-energy is the most economic alternative*

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Financial Performance and Outlook

How We Measure Ourselves

- Returns are our primary focus
  - *In 2005 we made return on invested capital our key long-term focus, changing our Long-Term Incentive plan accordingly*
  - *At 10.3% in 2009, our return on invested capital is the best in the industry**
- Improving margins in each of our businesses
  - *Improving margins is a requirement in our Annual Incentive Plan targets*

* See the annex at the end of this presentation for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure

Financial Priorities

- Maintain our investment grade ratings. Our Revolving Credit Agreement requires compliance with the following financial covenants defined therein:
  - *Interest coverage ratio (EBIT to Consolidated Total Interest Expense): > 2.75 to 1 and Total Debt to EBITDA: < 3.5 to 1**
  - *As of June 30, 2010, ratios were 4.3 to 1 and 3.0 to 1 for each respective covenant**
- Maintain debt/total capitalization ratio of approximately 60%
  - *Ratio at June 30, 2010 was 59.9%*
- $600 million of senior notes were issued in June 2010 and the proceeds were used to retire $600 million of senior notes that matured in August 2010
  - *Future senior note debt maturities are well distributed; no year exceeds $600 million*
- 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*

*These two covenants are calculated using "EBIT" and "EBITDA", respectively, as defined in our Revolving Credit Agreement. EBIT and EBITDA are non-GAAP financial measures, and pursuant to our Revolving Credit Agreement, are subject to specific adjustments. See the Annex at the end of this presentation for a reconciliation of Defined EBIT and Defined EBITDA used to calculate these ratios to the most directly comparable GAAP measure

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

	% of Collection & Landfill Revenue	Business Line Incremental Margin	% Incremental Margin on Volume
Landfill - Third party	16%	50%	8%
Collection - Including LF margin	84%	30%	25%
% of Total Collection & Landfill	100%		33%

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

* This GAAP measure may also be referred to as EBIT margin

New Project Return Criteria

Minimum Internal Rate of Return by Business Type

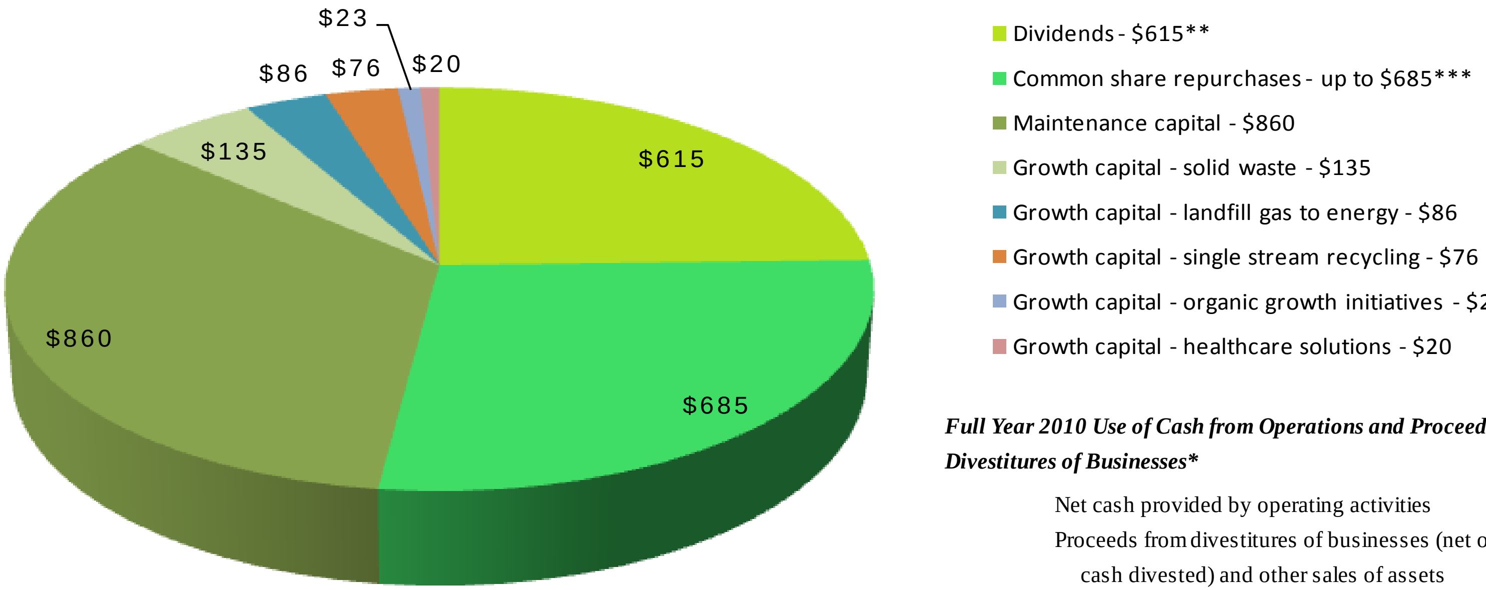
• Collection and Landfill	12%
• Recycling	15%
• Waste-to-Energy	11%
• Organic Growth	17%

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

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 in March 2010 a 40% interest in Shanghai Environment Group, a company dedicated to developing waste-to-energy facilities in China for $142 million
- 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 Use of Cash from Operations and Proceeds from Divestitures of Businesses*



Full Year 2010 Use of Cash from Operations and Proceeds from Divestitures of Businesses*

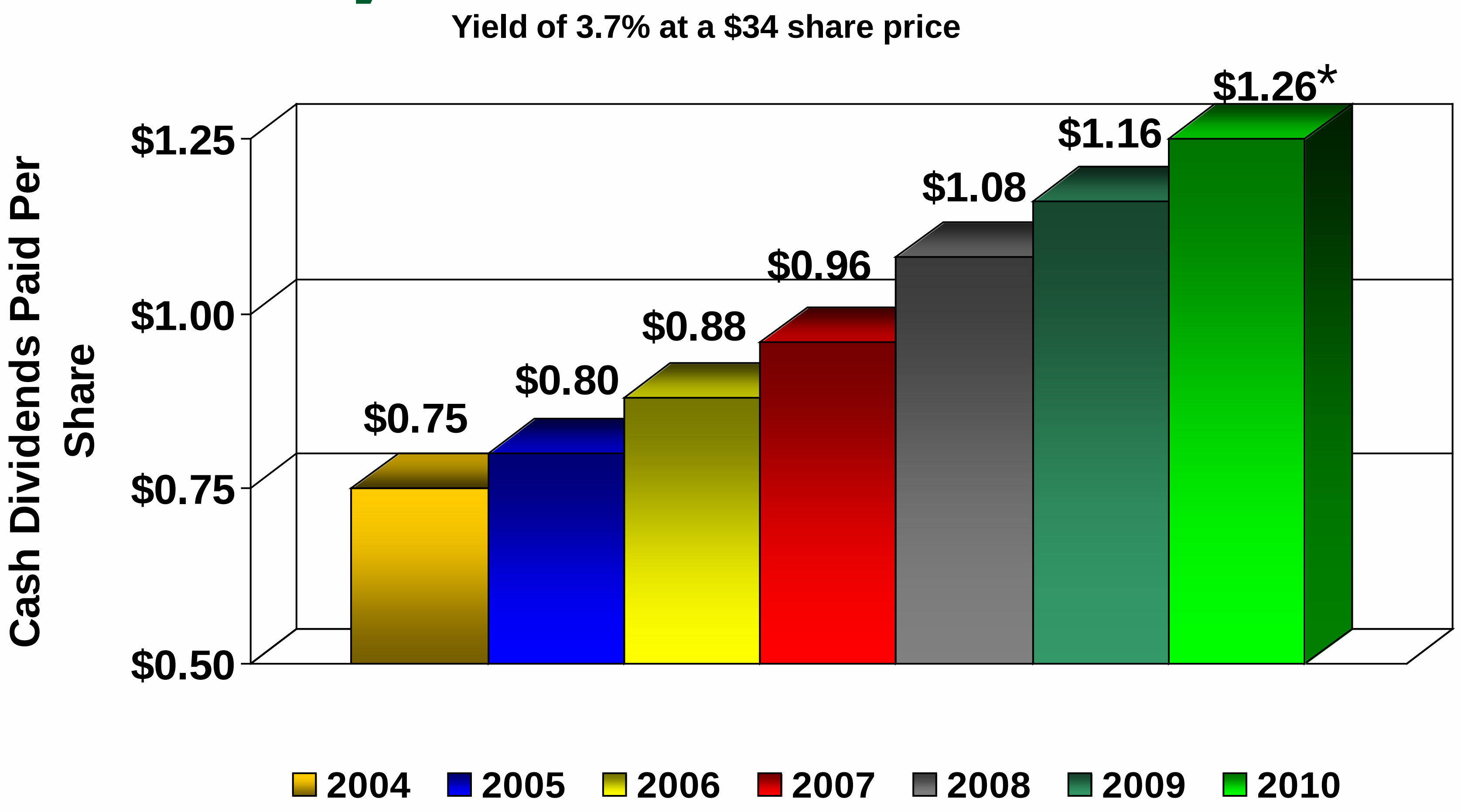
Net cash provided by operating activities	$	2,400
Proceeds from divestitures of businesses (net of cash divested) and other sales of assets		100
Dividends		(615)
Common share repurchases up to		(685)
Capital expenditures		(1,200)
	$	-

* The reconciliation illustrates a projection. The amounts used in the reconciliation are subject to many variables, some of which are not in our control and therefore are not necessarily indicative of actual results

** 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

*** Common share repurchases may be up to $685 million dollars

Cash Dividends Paid Per Share Annually



* 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 and declared a dividend of $0.315 per share to be paid September 24, 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

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Annex
Reconciliation of Certain Non-GAAP Measures

Reconciliation of Certain Non-GAAP Measures

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Reconciliation of Calculation of Financial Covenants
(Dollars in Millions)
(Unaudited)

	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Twelve Months Ended June 30, 2010
Net income attributable to WMI	**$ 277**	**$ 315**	**$ 182**	**$ 246**	**$ 1,020**
Add:					
Provision for income taxes	133	16	110	206	465
Interest expense, net of interest income	101	107	112	114	434
Equity in net losses of unconsolidated entities	-	3	-	8	11
Non-cash asset impairments	-	33	-	-	33
Defined EBIT (used to calculate interest coverage ratio)	**$ 511**	**$ 474**	**$ 404**	**$ 574**	**$ 1,963**
Add:					
Depreciation and amortization	301	274	291	309	1,175
Defined EBITDA (used to calculate total debt to EBITDA ratio)	**$ 812**	**$ 748**	**$ 695**	**$ 883**	**$ 3,138**
Interest expense	$ 104	$ 110	$ 112	$ 116	$ 442
Capitalized interest	5	4	4	4	17
Defined total interest expense (used to calculate interest coverage ratio)	**$ 109**	**$ 114**	**$ 116**	**$ 120**	**$ 459**

	June 30, 2010
Total long-term debt, including current portion	$ 9,585
Less:	
Increase in carrying value of debt due to hedge accounting for interest rate swaps	94
Add:	
Guarantees of third-party obligations	12
Defined total debt (used to calculate debt to EBITDA ratio)	**$ 9,503**

Reconciliation of Certain Non-GAAP Measures

WM Return on Invested Capital Margin Calculation		$ millions
Numerator - Year ended December 31, 2009		
Adjusted Income from operations*		$2,028
Less: Adjusted provision for income tax*		(564)
Total Numerator	$	1,464
Denominator (Average Previous 4 Qtrs)		
Current portion of long-term debt	$	607
Long-term debt, less current portion		7,931
Noncontrolling interests		300
Stockholders' equity		6,118
Less: Cash		(807)
Total Denominator	$	14,149
Return on Invested Capital Margin		**10.3%**

*** Adjusted income from operations and adjusted provision for income tax. See remainder of this Annex for the reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measure**

Reconciliation of Certain Non-GAAP Measures

Adjusted Income from Operations		Year Ended December 31, 2009 $ millions
As reported:		
Income from operations	$	1,887
Adjustments to Income from Operations:		
Expense from divestitures, asset impairments and unusual items, net		82
Restructuring		50
Multi-employer pension withdrawal costs		9
As adjusted:		
Income from operations	$	2,028

Reconciliation of Certain Non-GAAP Measures

Tax Expense		Year Ended December 31, 2009
Adjusted Provision for Income Taxes		$ millions
Provision for Income Taxes, as reported	**$**	**413**
Adjustments to Provision for Income Taxes:		
Tax items		95
Expense from divestitures, asset impairments and unusual items, net		32
Restructuring		20
Multi-employer pension withdrawal costs		4
Provision for Income Taxes, as adjusted	**$**	**564**

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