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WMI #07-16

Company Announces 2008 Capital Allocation Program

Waste Management Announces Plan to Increase Quarterly Dividend Payments by 12.5%

Per Share Dividend to Increase from $0.96 to $1.08 on an Annual Basis

Cash Available for Dividend Payments and Stock Repurchases Increased to $1.4 Billion for 2008, a $200 Million Increase from the 2007 Annual Plan

HOUSTON – December 17, 2007 **–** Waste Management, Inc. (NYSE: WMI) today announced that its Board of Directors approved a new capital allocation program that includes the authorization for up to $1.4 billion in combined cash dividends and common stock repurchases in 2008. Beginning in the first quarter of 2008, the Company expects to raise its quarterly dividends to $0.27 per share, or $1.08 per share per year, which would be an increase of 12.5% compared to the dividends paid in 2007. Future quarterly dividends must first be declared by its Board of Directors prior to payment.

As part of the 2008 capital allocation program, the Board of Directors has authorized management to make stock repurchases not to exceed the $1.4 billion, less dividends paid. Based on the number of outstanding shares as of September 30, 2007 and the new dividend rate, the Company expects to pay approximately $560 million in dividends in 2008. The amount of stock repurchased will depend on a number of items, including capital expenditures, cash acquisition costs and cash allocated to the retirement of debt, which are three other key components of the capital allocation program.

"This announcement reinforces our commitment to return cash flow to our shareholders," said David P. Steiner, Chief Executive Officer of Waste Management, Inc. "Waste Management continues to demonstrate its ability to generate consistent and strong cash flows, as evidenced by the increase of our annual capital allocation program from $1.2 billion to $1.4 billion. The Board of Directors and management continue to believe that implementing a capital allocation program that benefits our shareholders is one of our most important duties.

"Beginning in the first quarter of 2008, we expect to increase our quarterly dividend payment from the $0.24 per share we paid in 2007 to $0.27 per share. At the December 17, 2007 closing price of $32.89 per share, this equates to an annual yield of 3.3%. This dividend yield would continue to place Waste Management in the top 20% for dividend yield of the Standard and Poor's 500 Index of companies," Steiner said.

The Company noted that the Board of Directors intends to declare the first quarter 2008 dividend in February, at which time the record and payment dates for the first 2008 quarterly dividend will be announced. It is expected that the first payment of the higher dividend will occur in March of 2008.

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 2007 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;*

- *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 extremely harsh weather or natural disasters may cause us to temporarily shut down operations;*

- *inflation and resulting higher interest rates as well as other general and local economic conditions may negatively affect the volumes of waste generated, our financing costs and other expenses;*

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

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

- *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 revenues;*

- *fuel price increases or fuel supply shortages may increase our expenses, including our tax expense if Section 45K credits are phased out due to continued high crude oil prices, or restrict our ability to operate;*

- *increased costs 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;*

- *fluctuating commodity prices may have negative effects on our operating revenues and expenses;*

- *trends requiring recycling, waste reduction at the source and prohibiting the disposal of certain types of wastes 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 been 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 may decrease our efficiencies and increase our costs to operate;*

- *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 eliminate our dividend or share repurchase program or we may need to raise additional capital if cash flows are less than we expect or capital expenditures are more than we expect, and we may not be able to obtain any needed capital 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, 2006.

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