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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

(Date of Report) Date of earliest event reported: August 5, 2003

WASTE MANAGEMENT, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation)

1-12154  
(Commission File Number)

73-1309529  
(I.R.S. Employer Identification  
Number)

1001 Fannin Street, Suite 4000  
Houston, Texas  
(Address of principal executive offices)

77002  
(Zip Code)

(713) 512-6200  
(Registrant's telephone number, including area code)

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ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) EXHIBITS.

- 99.1 Press Release of Waste Management, Inc. dated August 5, 2003 announcing Board of Directors' approval of quarterly dividend program.
- 99.2 Press Release of Waste Management, Inc. dated August 5, 2003 announcing results of operations for the quarter ended June 30, 2003.

ITEM 9. REGULATION FD DISCLOSURE

Waste Management, Inc. (the "Company") issued a press release on August 5, 2003 to announce that its Board of Directors had approved a quarterly dividend program, to begin in the first quarter of 2004. A copy of that release is furnished herewith as Exhibit 99.1.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The Company also issued a press release on August 5, 2003 announcing its results of operations for the quarter ended June 30, 2003. A copy of that release is furnished herewith as Exhibit 99.2.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WASTE MANAGEMENT, INC.

Date: August 5, 2003

By: /s/ David P. Steiner

-----  
David P. Steiner  
Executive Vice President, Chief  
Financial Officer and Corporate Secretary

EXHIBIT INDEX

EXHIBIT  
NUMBER  
EXHIBIT  
DESCRIPTION

- - - - -  
- - - - -  
- - - - -

99.1 Press  
Release of  
Waste  
Management,  
Inc. dated  
August 5,  
2003  
announcing  
Board of  
Directors'  
approval  
of  
quarterly  
dividend  
program.  
99.2 Press  
Release of  
Waste  
Management,  
Inc. dated  
August 5,  
2003  
announcing  
results of  
operations  
for the  
quarter  
ended June  
30, 2003.

(WASTE MANAGEMENT LOGO)

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION:  
WASTE MANAGEMENT, INC.

ANALYSTS:  
CHERIE RICE  
713.512.6548  
MEDIA:  
SARAH SIMPSON  
713.394.2154

WMI#03-16

WASTE MANAGEMENT ANNOUNCES SIGNIFICANT INCREASE IN DIVIDEND AND CHANGE TO A  
QUARTERLY PAYMENT SCHEDULE

PER SHARE DIVIDEND TO INCREASE FROM \$0.01 TO \$0.75 PER YEAR

QUARTERLY DIVIDEND PAYMENT OF \$0.1875 TO BEGIN IN THE FIRST QUARTER 2004

HOUSTON - AUGUST 5, 2003 - The Board of Directors of Waste Management, Inc. (NYSE: WMI) today announced the approval of a quarterly dividend program, to begin in the first quarter 2004.

"This company is first and foremost a big cash flow generator," said A. Maurice Myers, Chairman, President and Chief Executive Officer of Waste Management. "The Board of Directors and management of Waste Management consider the allocation of our cash flow, to the benefit of our shareholders, to be one of our most important duties. With the passage of the new tax law regarding dividends, we felt a change in the allocation of capital is now appropriate.

"Accordingly, beginning in 2004 we are putting in place a capital allocation program designed to pay our shareholders a dividend of \$0.75 per share annually, to be paid on a quarterly basis. Based on current share count, this equates to nearly \$450 million. At the current share price of approximately \$24.00, such a dividend produces a 3.1% annual yield. Our substantial cash flow will also provide for a continuation of our stock buy back

program, at a level to be determined annually and for the acquisition of selected core, North American solid waste assets that meet our return criteria," Myers said.

"This reallocation of the distribution of our free cash flow demonstrates our confidence in the strength and consistency of our cash flow and is a continuation of the Company's disciplined management of its capital with our shareholders' interests as our top priority, and balanced by our commitment to maintaining a strong balance sheet," added Myers.

The Company noted that it intends to announce the record and payment dates for the first quarterly dividend in late January, with the expectation that payment of the dividend will occur in March.

Waste Management, Inc. is its industry's leading provider of comprehensive waste management services. Based in Houston, the Company serves municipal, commercial, industrial, and residential customers throughout North America.

Certain statements contained in this press release include statements that are "forward-looking statements." Outlined below are some of the risks that the Company faces and that could affect our financial statements for 2003 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 these forward-looking statements, which speak only as of their dates. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In addition, the Company, from time to time, provides estimates of financial and other data relating to future periods. Such estimates and other information are the Company's expectations at the point in time of issuance but may change at some future point in time. By issuing such estimates the Company has no obligation, and is not undertaking any obligation, to update such estimates or provide any other information relating to such estimates.

- o possible changes in our estimates of site remediation requirements, final closure and post-closure obligations, compliance and regulatory developments;
- o the possible impact of regulations on our business, including the cost to comply with regulatory requirements and the potential liabilities associated with disposal operations, as well as our ability to obtain and maintain permits needed to operate our facilities;
- o the effect of limitations or bans on disposal or transportation of out-of-state waste or certain categories of waste;
- o possible charges against earnings as a result of shut-down operations, uncompleted acquisitions, development or expansion projects or other events;
- o the effects that trends toward requiring recycling, waste reduction at the source and prohibiting the disposal of certain types of wastes could have on volumes of waste going to landfills and waste-to-energy facilities;
- o the effect the weather has on our quarter to quarter results, as well as the effect of extremely harsh weather on our operations;
- o the effect that price fluctuations on commodity prices may have on our operating revenues;
- o the outcome of litigation or threatened litigation;
- o the effect competition in our industry could have on our profitability;
- o possible diversions of management's attention and increases in operating expenses due to efforts by labor unions to organize our employees;

- o possible increases in operating expenses due to fuel price increases or fuel supply shortages;
- o the effects of general economic conditions, including the ability of insurers to fully or timely meet their contractual commitments and of surety companies to continue to issue surety bonds;
- o the need for additional capital if cash flows are less than we expect or capital expenditures are more than we expect, and the possibility that we cannot obtain additional capital on acceptable terms if needed;
- o possible errors or problems upon implementation of new information technology systems; and
- o possible disruptions due to the implementation of our workforce reductions.

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, 2002.

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(WASTE MANAGEMENT LOGO)

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION:  
WASTE MANAGEMENT, INC.

ANALYSTS:  
CHERIE RICE  
713.512.6548

MEDIA:  
SARAH SIMPSON  
713.394.2154

WMI#03-17

WASTE MANAGEMENT ANNOUNCES SECOND QUARTER 2003 EARNINGS

OPERATING CASH FLOW STRONG AT \$644 MILLION

HOUSTON - AUGUST 5, 2003 - Waste Management, Inc. (NYSE: WMI) today announced financial results for its second quarter ended June 30, 2003. Revenues for the quarter were \$2.92 billion as compared with \$2.82 billion in the year ago period. Net income reported for the quarter was \$176 million, or \$0.30 per diluted share, compared with net income of \$217 million, or \$0.35 per diluted share, for the second quarter 2002. Results for the second quarter 2003 include a pre-tax restructuring charge of \$23 million, or \$0.02 per diluted share, related to the workforce reduction announced in late June. Without the charge, earnings per diluted share would have been \$0.32.

In the first quarter of 2003, Waste Management adopted SFAS 143. In accordance with SFAS 143 the Company has changed the methodology for accounting for the retirement of its long-lived assets, primarily its landfills. As a result, on a year-to-year comparative basis, operating costs were \$6 million higher and depreciation and amortization costs were \$7 million higher in the current quarter than they would have been if the accounting standards were the same as for the second quarter 2002 period. The increased costs related to SFAS 143 reduced earnings by \$0.01 per diluted share.

For the six months ended June 30, 2003 Waste Management reported operating revenues of \$5.63 billion as compared with \$5.43 billion for the comparable period last year. Net

income was \$237 million and diluted earnings per share was \$0.40 for the six months ended June 30, 2003 as compared with \$355 million and \$0.57, respectively, for the same period in 2002. The 2003 results include the unfavorable impact of cumulative effect of changes in accounting principles of \$46 million, or \$0.08 per diluted share.

"General business conditions in the second quarter remained similar to those that we have seen for the past several quarters. While sequential quarterly revenues increased by 7.3 percent, primarily as a result of seasonality, we don't view that as a sign of an improving economy. Year-over-year, the volume component of internal revenue growth for the second quarter was a negative 0.4 percent. However, that statistic was much improved for the month of June, posting a 1.4% gain, " commented A. Maurice Myers, Chairman, President and Chief Executive Officer of Waste Management.

"We continue to focus on opportunities to lower our cost structure and to add new, profitable revenue streams to our existing base of business. Both our recent workforce reduction and the continued implementation of our routing optimization program should positively impact our cost structure in the second half of the year. Further, the businesses we acquired at the close of the second quarter combined with those expected to close in the third quarter are projected to be immediately accretive to earnings," continued Myers. "While we have made great improvements to this company in the past three years, now is the time for us to execute and maximize Waste Management's operations."

The following important highlights for the quarter were reported:

- o Operating cash flow of \$644 million.
- o Free cash flow, defined as operating cash flow less capital expenditures plus proceeds from sales of assets, of \$373 million.(a) Adjusted for a cash tax benefit related to the anticipated payment of the class action lawsuit settlement, free cash flow was \$307 million in the quarter.
- o Internal revenue growth of 0.2%, split 0.6% price and negative 0.4% volume. The price component excludes combined positive impacts of 0.7% related to higher fuel surcharges, higher recycling commodity prices, and slightly higher electricity rates at Independent Power Production facilities.
- o Capital expenditures of \$289 million.
- o Selling, General & Administrative costs were 10.3% of revenue.

The Company noted that for 2003 it continues to expect to produce \$900 million to \$1 billion of adjusted free cash flow (before considering the net after-tax cash outflow to pay the settlement of the shareholder class action lawsuit, estimated at approximately \$220 million and expected to be paid in the third quarter ), and expressed comfort with the current range of earnings estimates as reported by Multex and First Call.

(a) The Company included its free cash flow, which is a non-GAAP financial measure, herein because it believes that investors are interested in the cash produced by the Company from non-financing activities that is available for uses such as the Company's acquisition program, its share repurchase program, its scheduled debt reduction and the payment of dividends. Free cash flow is defined by the Company as:

- o Net cash provided by operating activities

- o Less, capital expenditures
- o 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.

The Company has scheduled an investor and analyst conference call for later today to discuss the results of today's earnings announcement. The information in this press release should be read in conjunction with the information on the conference call. The call will begin at 10:00 a.m. eastern time, 9:00 a.m. central time, and is open to the public. To listen to the conference call, which will be broadcast live over the Internet, go to the Waste Management Website at <http://www.wm.com>, and select "Live Webcast: 2Q03 Earnings Report." You may also listen to the conference call by telephone by contacting the conference call operator at (877) 710-6139, 5-10 minutes prior to the scheduled start time, and asking for the "Waste Management Conference Call - Call ID 1101575." For those unable to listen to the live call, a replay will be available 24 hours a day beginning at approximately 1:00 p.m. central time August 5th through 5:00 p.m. on August 19th. To hear a replay of the call over the Internet, access the Waste Management Website at <http://www.wm.com>. To hear a telephonic replay of the call, dial (800) 642-1687 and enter reservation code 1101575.

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- o the effect the weather has on our quarter to quarter results, as well as the effect of extremely harsh weather on our operations;
- o the effect that price fluctuations on commodity prices may have on our operating revenues;
- o the outcome of litigation or threatened litigation;
- o the effect competition in our industry could have on our profitability ;
- o possible diversions of management's attention and increases in operating expenses due to efforts by labor unions to organize our employees;
- o possible increases in operating expenses due to fuel price increases or fuel supply shortages;
- o the effects of general economic conditions, including the ability of insurers to fully or timely meet their contractual commitments and of surety companies to continue to issue surety bonds;
- o the need for additional capital if cash flows are less than we expect or capital expenditures are more than we expect, and the possibility that we cannot obtain additional capital on acceptable terms if needed;
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- o possible disruptions due to the implementation of our workforce reductions.

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, 2002.

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WASTE MANAGEMENT, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)  
(UNAUDITED)

QUARTERS ENDED JUNE	2003	2002
30, -----		
-----		
-----		
Operating revenues \$		
2,915	\$ 2,825	
-----		
-----		
Costs and expenses:		
Operating		
(exclusive of depreciation and amortization shown below)		
1,887	1,732	
Selling, general and administrative		
301	316	
Depreciation and amortization		
325	313	
Restructuring		
23	-- Asset impairments and unusual items (6)	--
-----		
2,530	2,361	-
-----		
-----		
Income from operations		
385	464	-----
-----		
--- Other income (expense):		
Interest expense (110)		
(116)		
Minority interest (2)		
(2)	Interest income and other, net	9
6	-----	
-----		
(103)	(112)	-
-----		
-----		
Income before income taxes		
282	352	
Provision for income taxes		
106	135	-----
-----		
-----		
--- Net income \$	176	
	\$ 217	

=====  
 =====  
 Basic  
 earnings per  
 common share  
 \$ 0.30 \$ 0.35  
 =====  
 =====  
 Diluted  
 earnings per  
 common share  
 \$ 0.30 \$ 0.35  
 =====  
 =====  
 Basic common  
 shares  
 outstanding  
 591.5 615.3  
 =====  
 =====  
 Diluted  
 common shares  
 outstanding  
 594.8 619.2  
 =====  
 =====  
 Pro forma  
 income and  
 earnings per  
 common share  
 assuming  
 changes in  
 accounting  
 principles  
 are applied  
 retroactively:  
 Net income \$  
 176 \$ 210  
 Basic  
 earnings per  
 common share  
 \$ 0.30 \$ 0.34  
 Diluted  
 earnings per  
 common share  
 \$ 0.30 \$ 0.34

Note: Effective April 1, 2002, certain costs and expenses that were previously included in selling, general and administrative expenses were reclassified to operating expenses as a result of the March 2002 reorganization and to conform with the 2003 presentation. For the three months ended June 30, 2002, \$43 million was reclassified.

WASTE MANAGEMENT, INC.  
EARNINGS PER SHARE  
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)  
(UNAUDITED)

QUARTERS ENDED JUNE 30, ----- ----- ----- 2003 2002 ----- --- ----- -- EPS		
CALCULATION:		
Diluted net income \$		
176 \$ 217		
=====		
=====		
Shares outstanding		
591.8 611.4		
Effect of weighting		
(0.3) 3.9 -		
-----		
-----		
Basic common shares outstanding		
591.5 615.3		
Adjustments:		
Dilutive effect of common stock options, stock warrants and other contingently issuable shares		
3.3		
3.9 -----		
-----		
- Diluted common shares outstanding		
594.8 619.2		
=====		
=====		
Basic earnings per common share \$		
0.30 \$ 0.35		
=====		
=====		
Diluted earnings per common share \$		
0.30 \$ 0.35		
=====		
=====		

WASTE MANAGEMENT, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)  
(UNAUDITED)

SIX MONTHS ENDED JUNE 30, ----- ----- --- 2003 2002 ----- -----	
Operating revenues \$ 5,631 \$ 5,434 ----- -----	
----- Costs and expenses: Operating (exclusive of depreciation and amortization shown below) 3,680 3,297 Selling, general and administrative 624 703 Depreciation and amortization 627 607 Restructuring 43 37 Asset impairments and unusual items (7) (6) ----- ----- 4,967 4,638 ----- -----	
Income from operations 664 796 ----- ----- -----	
- Other income (expense): Interest expense (219) (234) Minority interest (3) (3) Interest income and other, net 15 12 ----- ----- (207) (225) - ----- -----	
----- Income before income taxes 457 571 Provision for income taxes 174 218 ----- ----- -----	
- Income before cumulative effect of changes in accounting principles 283 353 Cumulative effect of	

changes in  
accounting  
principles,  
net of income  
tax benefit  
of \$31 in  
2003 and \$0  
in 2002 (46)

2 -----  
----- Net  
income \$ 237  
\$ 355

=====  
=====  
Basic  
earnings per  
common share:  
Income before  
cumulative  
effect of  
changes in  
accounting  
principles \$  
0.48 \$ 0.57  
Cumulative  
effect of  
changes in  
accounting  
principles  
(0.08) -- ---  
-----

--- Net  
income \$ 0.40  
\$ 0.57

=====  
=====  
Diluted  
earnings per  
common share:  
Income before  
cumulative  
effect of  
changes in  
accounting  
principles \$  
0.48 \$ 0.57  
Cumulative  
effect of  
changes in  
accounting  
principles  
(0.08) -- ---  
-----

--- Net  
income \$ 0.40  
\$ 0.57

=====  
=====  
Basic common  
shares  
outstanding  
592.6 620.6

=====  
=====  
Diluted  
common shares  
outstanding  
595.2 626.4

=====  
=====  
Pro  
forma income  
and earnings  
per common  
share  
assuming  
changes in  
accounting  
principles  
are applied  
retroactively:  
Income before

cumulative  
effect of  
changes in  
accounting  
principles \$  
283 \$ 329  
Basic  
earnings per  
common share  
before  
cumulative  
effect of  
changes in  
accounting  
principles \$  
0.48 \$ 0.53  
Diluted  
earnings per  
common share  
before  
cumulative  
effect of  
changes in  
accounting  
principles \$  
0.48 \$ 0.53

Note: Effective April 1, 2002, certain costs and expenses that were previously included in selling, general and administrative expenses were reclassified to operating expenses as a result of the March 2002 reorganization and to conform with the 2003 presentation. For the six months ended June 30, 2002, \$43 million related to the second quarter of 2002 was reclassified.

WASTE MANAGEMENT, INC.  
EARNINGS PER SHARE  
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)  
(UNAUDITED)

SIX MONTHS  
ENDED JUNE  
30, -----

-----  
-----  
2003 2002 -  
-----

----- EPS  
CALCULATION:

Income  
before  
cumulative  
effect of  
changes in  
accounting  
principles  
\$ 283 \$ 353  
Adjustments:  
Interest on  
convertible  
securities,  
net of  
income  
taxes -- 1  
-----

Diluted  
income  
before  
cumulative  
effect of  
changes in  
accounting  
principles  
283 354  
Cumulative  
effect of  
changes in  
accounting  
principles  
(46) 2 ----  
-----

-----  
Diluted net  
income \$  
237 \$ 356  
=====

-----  
Shares  
outstanding  
591.8 611.4  
Effect of  
weighting  
0.8 9.2 ---  
-----

----- Basic  
common  
shares  
outstanding  
592.6 620.6

Adjustments:  
Dilutive  
effect of  
common  
stock  
options,  
stock  
warrants  
and other  
contingently  
issuable  
shares 2.6

4.1  
 Dilutive  
 effect of  
 convertible  
 subordinated  
 notes --  
 1.7 -----  
 -----  
 - Diluted  
 common  
 shares  
 outstanding  
 595.2 626.4  
 =====  
 =====  
 Basic  
 earnings  
 per common  
 share:  
 Income  
 before  
 cumulative  
 effect of  
 changes in  
 accounting  
 principles  
 \$ 0.48 \$  
 0.57  
 Cumulative  
 effect of  
 changes in  
 accounting  
 principles  
 (0.08) -- -  
 -----  
 ----- Net  
 income \$  
 0.40 \$ 0.57  
 =====  
 =====  
 Diluted  
 earnings  
 per common  
 share:  
 Income  
 before  
 cumulative  
 effect of  
 changes in  
 accounting  
 principles  
 \$ 0.48 \$  
 0.57  
 Cumulative  
 effect of  
 changes in  
 accounting  
 principles  
 (0.08) -- -  
 -----  
 ----- Net  
 income \$  
 0.40 \$ 0.57  
 =====  
 =====

WASTE MANAGEMENT, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(IN MILLIONS)

JUNE 30,  
DECEMBER 31,  
2003 2002 --

-----

(UNAUDITED)

ASSETS

Current

assets: Cash  
and cash  
equivalents  
\$ 753 \$ 264  
Receivables,  
net 1,678  
1,644 Other  
755 792 ----

-----

--- Total

current

assets 3,186  
2,700

Property and  
equipment,  
net 10,812  
10,612

Goodwill

5,212 5,079

Other

intangible

assets, net

119 105

Other assets

1,127 1,135

-----

-----

Total assets

\$ 20,456 \$

19,631

=====

=====

LIABILITIES

AND

STOCKHOLDERS'

EQUITY

Current

liabilities:

Accounts

payable,

accrued

liabilities,

and deferred

revenues \$

3,027 \$

2,942

Current

portion of

long-term

debt 108 231

-----

-----

Total

current

liabilities

3,135 3,173

Long-term

debt, less

current

portion

8,350 8,062

Other

liabilities

3,340 3,069

-----

-----  
Total  
liabilities  
14,825  
14,304  
Minority  
interest in  
subsidiaries  
47 19  
Stockholders'  
equity 5,584  
5,308 -----  
-----  
- Total  
liabilities  
and  
stockholders'  
equity \$  
20,456 \$  
19,631  
=====  
=====

WASTE MANAGEMENT, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (IN MILLIONS)  
 (UNAUDITED)

SIX MONTHS  
 ENDED JUNE  
 30, -----  
 -----  
 ----- 2003  
 2002 -----  
 -----

-- Cash  
 flows from  
 operating  
 activities:  
 Net income \$  
 237 \$ 355  
 Adjustments  
 to reconcile  
 net income  
 to net cash  
 provided by  
 operating  
 activities:  
 Cumulative  
 effect of  
 changes in  
 accounting  
 principles  
 46 (2)

Depreciation  
 and  
 amortization  
 627 607  
 Other 84 121  
 Change in  
 operating  
 assets and  
 liabilities,  
 net of  
 effects of  
 acquisitions  
 and  
 divestitures  
 79 (197) ---  
 -----

----- Net  
 cash  
 provided by  
 operating  
 activities  
 1,073 884 --  
 -----

----- Cash  
 flows from  
 investing  
 activities:  
 Acquisitions  
 of  
 businesses,  
 net of cash  
 acquired  
 (172) (64)  
 Capital  
 expenditures  
 (501) (552)  
 Net proceeds  
 from  
 restricted  
 funds,  
 business  
 divestitures,  
 asset sales  
 and other  
 161 167 ----  
 -----

----- Net  
cash used in  
investing  
activities  
(512) (449)  
-----

-----  
Cash flows  
from  
financing  
activities:

New  
borrowings  
67 498 Debt  
repayments  
(68) (468)  
Common stock  
repurchases  
(71) (500)  
Exercise of  
common stock  
options and  
warrants 9  
23 Other (9)  
-----

-----  
Net cash  
used in  
financing  
activities  
(72) (447) -  
-----

-----  
Effect of  
exchange  
rate changes  
on cash and  
cash  
equivalents  
-- 2 -----  
-----

-- Increase  
(decrease)  
in cash and  
cash  
equivalents  
489 (10)  
Cash and  
cash  
equivalents  
at beginning  
of period  
264 730 -----  
-----

----- Cash  
and cash  
equivalents  
at end of  
period \$ 753  
\$ 720  
=====

WASTE MANAGEMENT, INC.  
SUMMARY DATA SHEET  
(DOLLAR AMOUNTS IN MILLIONS)  
(UNAUDITED)

QUARTERS  
ENDED -----  
-----  
-----  
--- JUNE 30,  
MARCH 31,  
JUNE 30,  
2003 2003  
2002 -----  
-----

OPERATING  
REVENUES BY  
LINES OF  
BUSINESS

NASW:  
Collection \$  
1,953 \$  
1,869 \$  
1,916  
Landfill 690  
589 694  
Transfer 407  
339 375  
Wheelabrator  
203 199 193  
Recycling  
and other  
220 204 161  
Intercompany  
(558) (484)  
(514) -----  
-----

Total NASW  
2,915 2,716  
2,825 OTHER  
-----  
-----

-- Total  
operating  
revenues \$  
2,915 \$  
2,716 \$  
2,825  
=====

INTERNAL  
GROWTH OF  
OPERATING  
REVENUES TO  
COMPARABLE  
PRIOR  
PERIODS  
Internal  
growth -  
NASW  
operations  
0.9% 2.2%  
-2.0%

ACQUISITION  
SUMMARY (a)  
Gross  
annualized

revenue  
 acquired \$  
 73 \$ 256 \$  
 23 =====  
 =====  
 =====  
 Total  
 consideration  
 \$ 89 \$ 89 \$  
 16 =====  
 =====  
 =====  
 Cash paid  
 for  
 acquisitions  
 \$ 85 \$ 83 \$  
 13 =====  
 =====  
 =====  
 RECYCLING  
 SEGMENT  
 SUPPLEMENTAL  
 DATA (b)  
 Operating  
 revenues \$  
 136 \$ 130 \$  
 72 =====  
 =====  
 =====  
 Operating  
 expenses  
 (exclusive  
 of  
 depreciation  
 and  
 amortization)  
 \$ 116 \$ 112  
 \$ 55  
 =====  
 =====  
 =====

QUARTERS  
 ENDED JUNE  
 30, SIX  
 MONTHS  
 ENDED JUNE  
 30, -----  
 -----  
 -----  
 -----  
 -----  
 -- 2003  
 2002 2003  
 2002 -----  
 -----  
 -----  
 -----

FREE CASH  
 FLOW  
 ANALYSIS  
 (c) Net  
 cash  
 provided by  
 operating  
 activities  
 \$ 644 \$ 448  
 \$ 1,073 \$  
 884 Capital  
 expenditures  
 (289) (372)  
 (501) (552)  
 Proceeds  
 from  
 divestitures  
 of  
 businesses,  
 net of cash  
 divested,

and other  
 sales of  
 assets 18  
 34 34 71 --  
 -----  
 -----  
 -----  
 ---- Free  
 cash flow  
 373 \$ 110  
 606 \$ 403  
 =====  
 =====  
 Pro forma  
 adjustments:  
 Income tax  
 benefit  
 associated  
 with  
 anticipated  
 2003  
 payments  
 relating to  
 shareholder  
 litigation  
 (66) (66) -  
 -----  
 -----  
 Adjusted  
 free cash  
 flow \$ 307  
 \$ 540  
 =====  
 =====

- (a) Represents cash paid and total consideration associated with business acquisitions consummated during the indicated periods.
- (b) Information provided is after the elimination of intercompany revenues and related expenses.
- (c) The summary of free cash flows has been prepared to highlight and facilitate understanding of the principal cash flow elements. Free cash flow is not a measure of financial performance under generally accepted accounting principles and is not intended to replace the consolidated statement of cash flows that was prepared in accordance with generally accepted accounting principles.

WASTE MANAGEMENT, INC.  
SUMMARY DATA SHEET  
(DOLLAR AMOUNTS IN MILLIONS)  
(UNAUDITED)

QUARTERS ENDED

-----  
-----  
-----  
- JUNE 30,  
MARCH 31, JUNE  
30, 2003 2003  
2002 -----

----- BALANCE  
SHEET DATA Cash  
and cash  
equivalents \$  
753 \$ 381 \$ 720

=====  
=====  
=====  
Debt-to-total  
capital ratio:  
Long-term  
indebtedness,  
including  
current  
maturities \$  
8,458 \$ 8,330 \$  
8,619 Total  
equity 5,584  
5,344 5,290 ---

-----  
Total capital \$  
14,042 \$ 13,674  
\$ 13,909

=====  
=====  
=====  
Debt-to-total  
capital 60.2%  
60.9% 62.0%

=====  
=====  
=====  
Capitalized  
interest \$ 5 \$  
5 \$ 6

=====  
=====  
=====

OTHER  
OPERATIONAL  
DATA

Internalization  
of waste, based  
on disposal  
costs 64.2%  
64.6% 64.5%

=====  
=====  
=====

Total landfill  
disposal  
volumes (tons)  
30.1 25.9 30.1  
Total Waste to  
Energy disposal  
volumes (tons)  
1.9 1.8 1.9 ---

-----  
-----  
-----  
Total disposal  
volumes (tons)  
32.0 27.7 32.0

```

=====
=====
=====
Active
landfills 289
290 300
=====
=====
=====
Landfills
reporting
volume 266 266
273 =====
=====
=====
LANDFILLS
INCLUDED IN
OPERATING
GROUPS: EXPENSE
UNDER CURRENT
METHOD (SFAS
NO. 143) - Non
- SFAS No. 143
amortization
expense $ 98.0
$ 83.8
Amortization
expense related
to SFAS No. 143
obligations
14.9 13.4 -----
-----
- Total
amortization
expense 112.9
97.2 Accretion
expense 12.5
11.9 -----
-----
Landfill
amortization
and final
closure and
post closure $
125.4 $ 109.1
=====
=====
EXPENSE UNDER
HISTORICAL
METHOD -
Landfill
amortization
expense $ 108.3
Landfill final
closure and
post closure
expense 10.3 --
-----
Landfill
amortization
and final
closure and
post closure $
118.6
=====

```