

Waste Management, Inc.

Raymond James

Institutional Investors Conference

March 5, 2013

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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; strategy, plans and objectives for the future and outcomes from such strategic plans and objectives; projections, estimates, or assumptions relating to our performance; results of investments in new technologies; implementation of innovation and efficiency projects; predictions or assumptions about future trends or conditions in our industry; 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, 2012, 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.

Waste Management Investment Thesis

- Industry Leadership
- Strategic Focus to Drive
 - Revenue Growth
 - Margin Expansion
- Financial and Business Profile Provides
 - Annuity like Revenues
 - Strong ROI and Cash Returned to Shareholders
 - Top Decile Dividends*



* See slide 18 for more information

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Waste Management is North America's leading provider of integrated waste management and environmental solutions

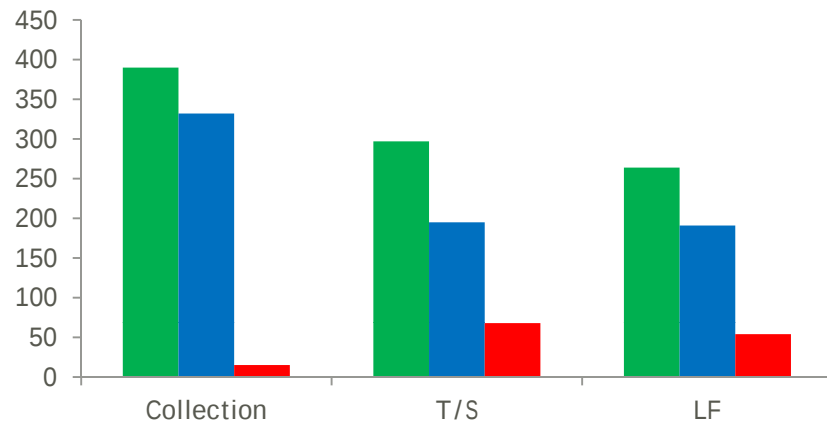
WM's 2012 Financial Stats	WM's 2012 Operational Stats			
\$13.6B IN REVENUE	+21 MILLION CUSTOMERS	390 COLLECTION OPERATIONS	1 ACTIVE HAZARDOUS WASTE UNDERGROUND INJECTION FACILITY	18 SECONDARY PROCESSING FACILITIES
\$829M FREE CASH FLOW				
\$658M RETURNED TO SHAREHOLDERS	310 TRANSFER FACILITIES	5 INDEPENDENT POWER PRODUCTION PLANTS, 2 PRODUCE RENEWABLE ENERGY	137 LANDFILL- GAS-TO- ENERGY PROJECTS	264 ACTIVE SOLID WASTE LANDFILLS
\$1.5B CAPITAL EXPENDITURE				
WM Sustainability Facts	114 TRADITIONAL RECYCLING FACILITIES 42 ARE SINGLE STREAM 14 ARE C&D RECYCLING FACILITIES	14 CONSTRUCTION & DEMOLITION RECYCLING FACILITIES	36 ORGANIC PROCESSING FACILITIES	5 ACTIVE HAZARDOUS WASTE LANDFILLS
Creates enough energy to power more than 1.1M homes every year				
Manages nearly 13 million tons of recyclable commodities				
Dedicates 26,000 protected acres to wildlife habitats				
			17 WASTE- TO-ENERGY PLANTS	OVER 43,500 EMPLOYEES



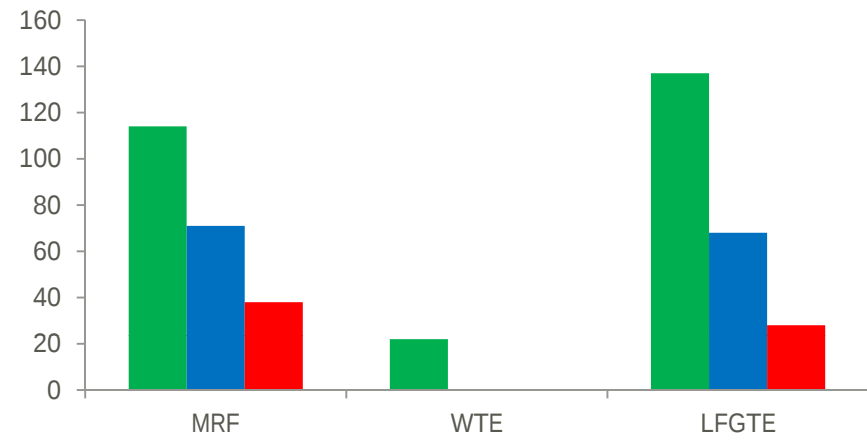
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Our Asset Base is the Largest and Most Diverse in the Industry

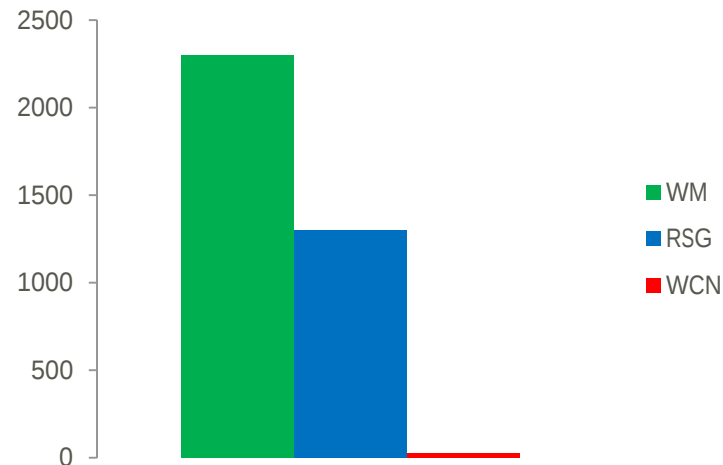
Traditional Service Facilities



Waste Conversion Facilities

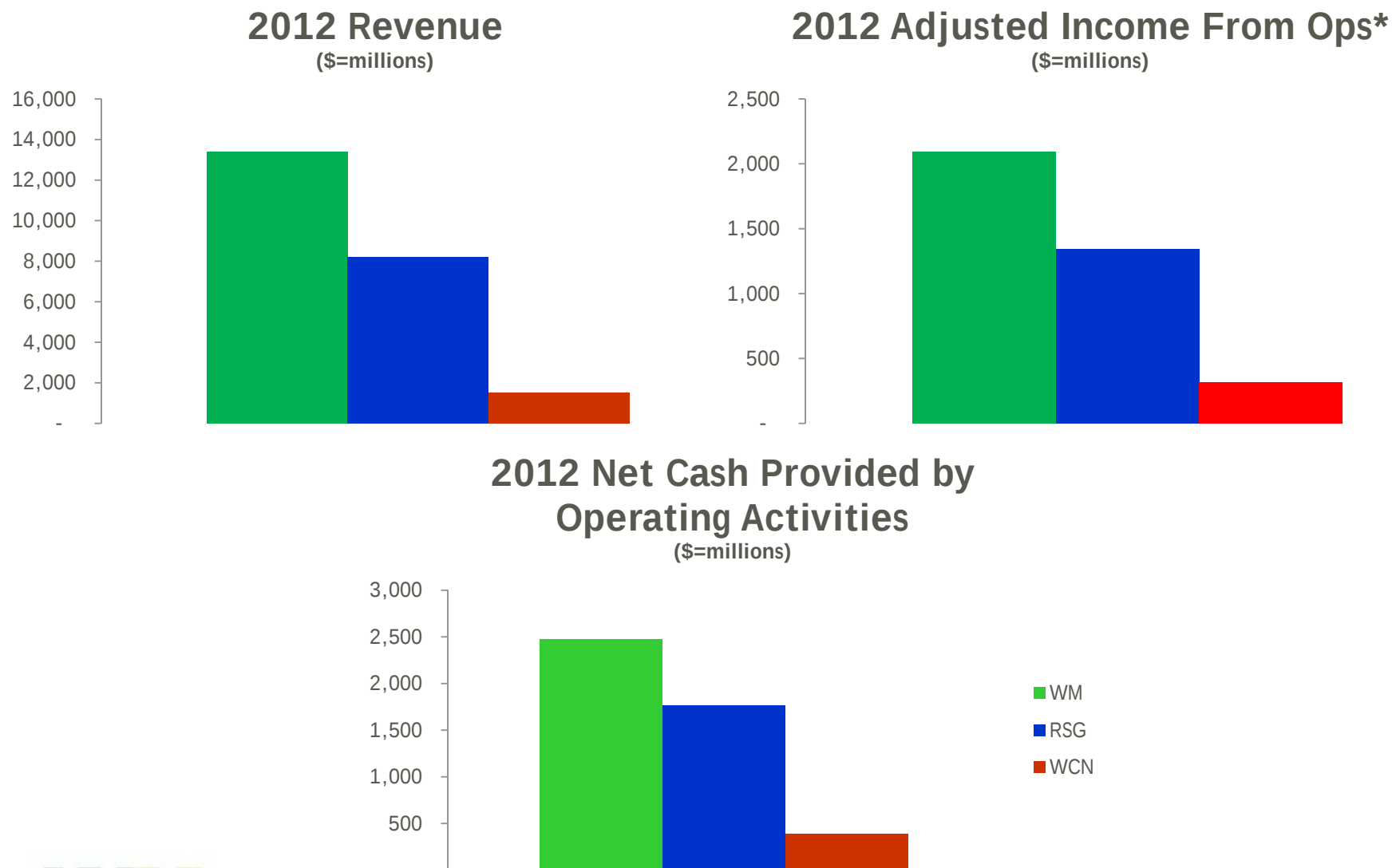


Natural Gas Vehicles



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Our Asset Base Generates Strong Revenue and Earnings



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

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Annuity Like Revenue

- More than 80% of our currently contracted permanent commercial and industrial customers have a contract length of 3 or more years
- Based upon our average churn rate for commercial and industrial customers of approximately 10%, the typical customer stays with WM for 10 years
- Municipal customers remain with WM for almost 12 years on average

Our Strategy to Drive Revenue Growth and Margin Expansion

What:

How:

Why:

Know and Service our Customers Better

- Tailored Solutions
- Expanded Capabilities
- Technology

- Increase Market Share
- Increase Retention
- Sell More to Existing Customers

Extract More Value from the Waste Stream

- Expanded Recycling
- Conversion Technologies

- Increase Market Share
- Improve Margins

Drive Innovation and Efficiency

- Streamlined Processes
- Operating Technologies
- Simplified SG&A

- Improve Margins
- Increase Retention

Meeting Customers' Needs

Customers Want...

1. To measure sustainability goals
2. A single vendor solution
3. Expert solutions and advice
4. To easily conduct business
5. A reputable vendor to be a partner

WM Value Propositions...

1. Sophisticated reporting and measurement tools
2. Premier owned and third-party network
3. Consulting services offering unique results
4. User-friendly online and 24-hour service offerings
5. An environment solutions brand with strong financials

Extracting Value from the Waste Stream

- Waste-To-Energy: In 2012, processed 7.7 million tons of municipal solid waste into 5.3 billion KWH of electricity, enough to power more than 705,000 homes
- Renewable Energy: From the current renewable energy projects at our landfills, we supply enough energy to power nearly 500,000 homes, or the equivalent of more than 2 million tons of coal
- New Technologies: Focused on recycling and conversion technologies

2013 Earnings and Cash Flow Drivers

- Increased Focus on Yield Management
- Operating and SG&A Cost Controls
- Aggressive Management of Capital Expenditures

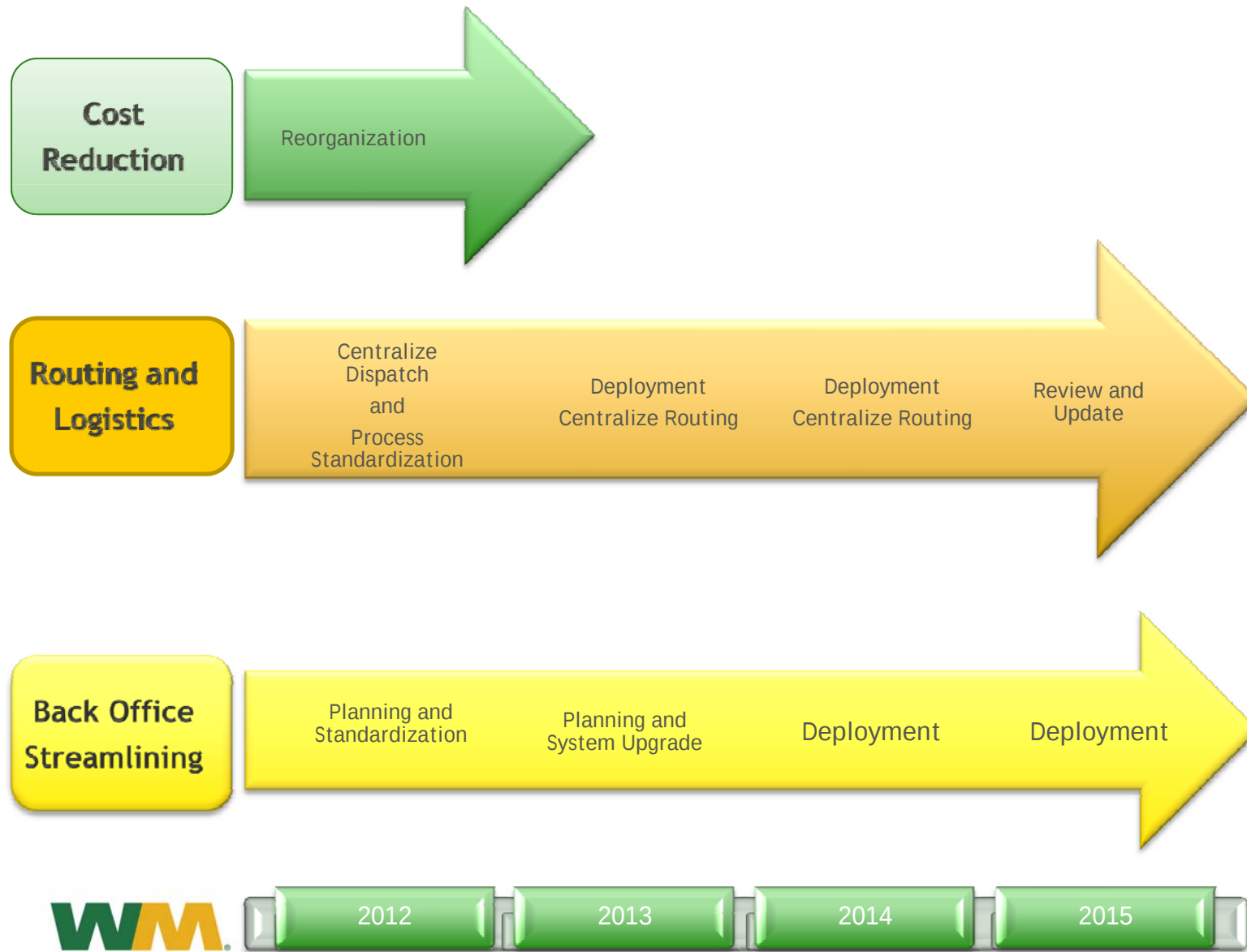
Increasing Earnings Through Yield

- Continue to lead in collection yield
- Long-term yield growth will be driven by landfill and post collection
- 2013 will begin to focus on improving recycling ROIC through yield and rebate management

Increasing Earnings Through Cost Controls

- Monthly operational reviews to ensure compliance
- Reorganization in 2012 should reduce SG&A costs by approximately 100 basis points
- Routing and Logistics should reduce costs of operations by 100 basis points once complete
- In 2014 and into 2015, back office streamlining should reduce SG&A costs by 100 basis points upon completion

Innovation and Efficiency Timeline



Increasing Cash Flow Through Capital Management

- Monthly reviews of capital spending requests
- A portion of the annual incentive compensation plans are tied to improved capital management
- Conversion technology focus moving from investing to harvesting
- Increasing ROIC is a strategic focus

ROIC Criteria lead to Strong Overall Returns

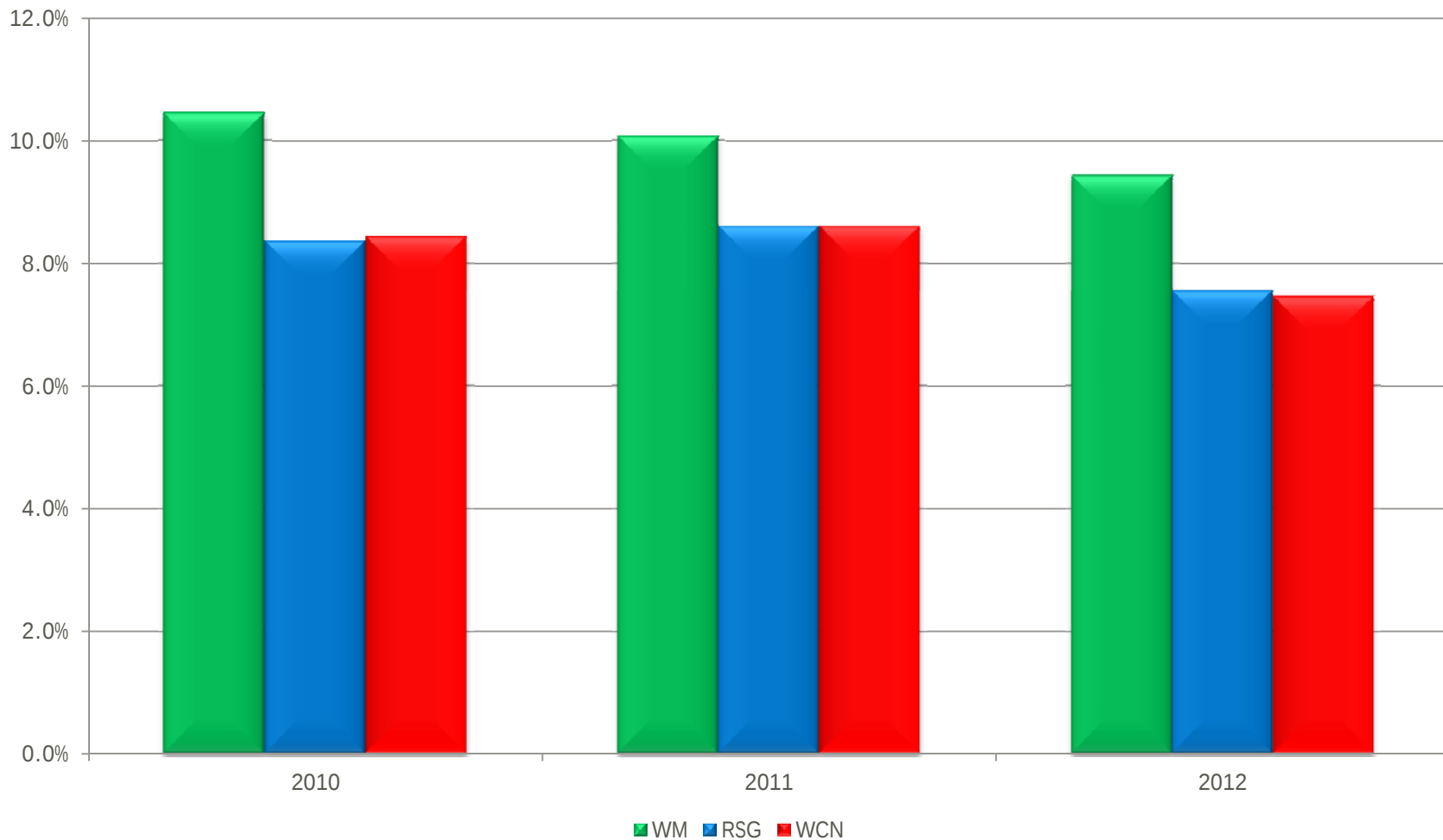
Minimum Internal Rate of Return by Business Type

• 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

...And We Lead the Industry in ROIC*

WM Is Providing the Highest Returns



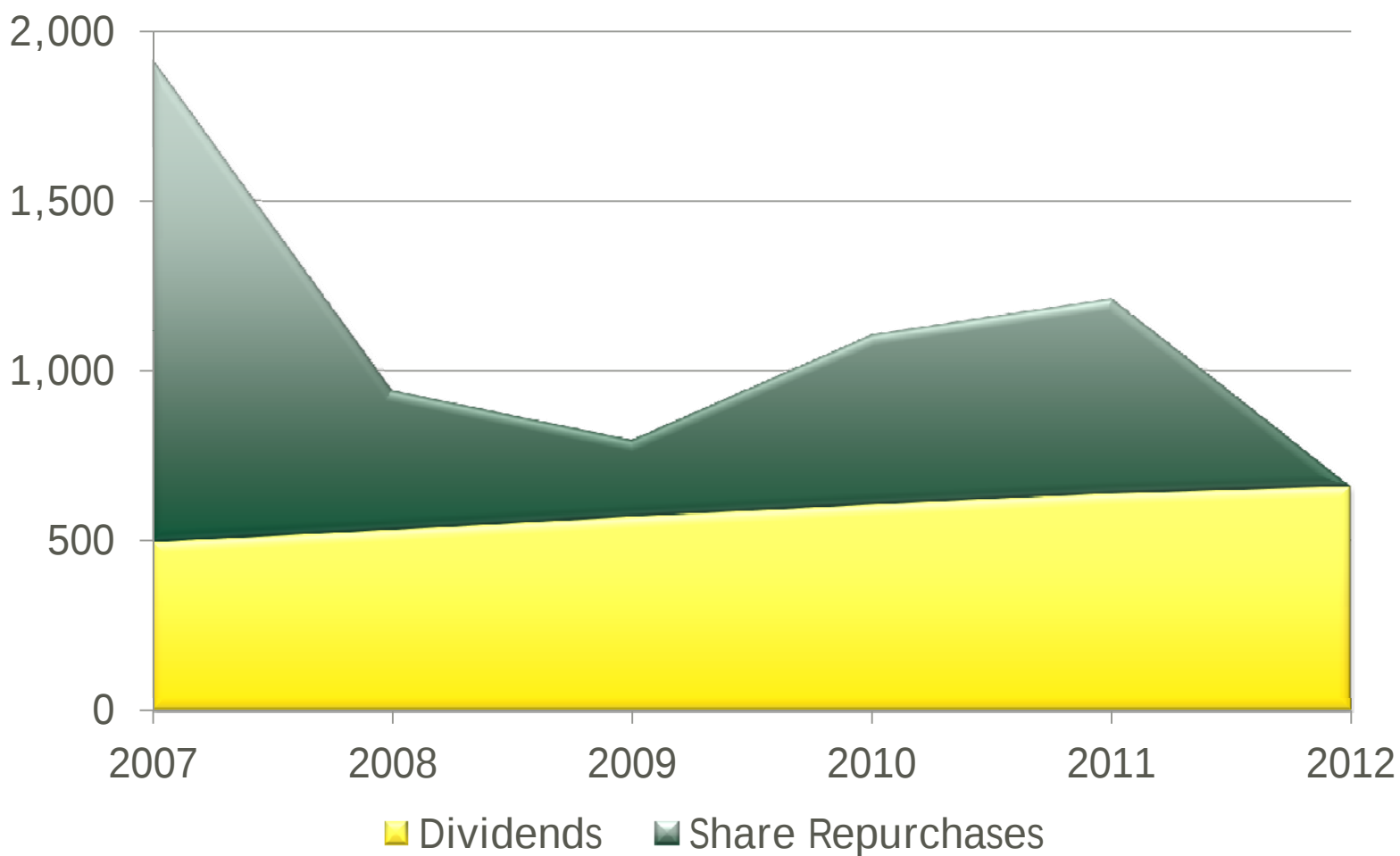
* See the annex at the end of this presentation for the reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure.

Financial Performance and Outlook

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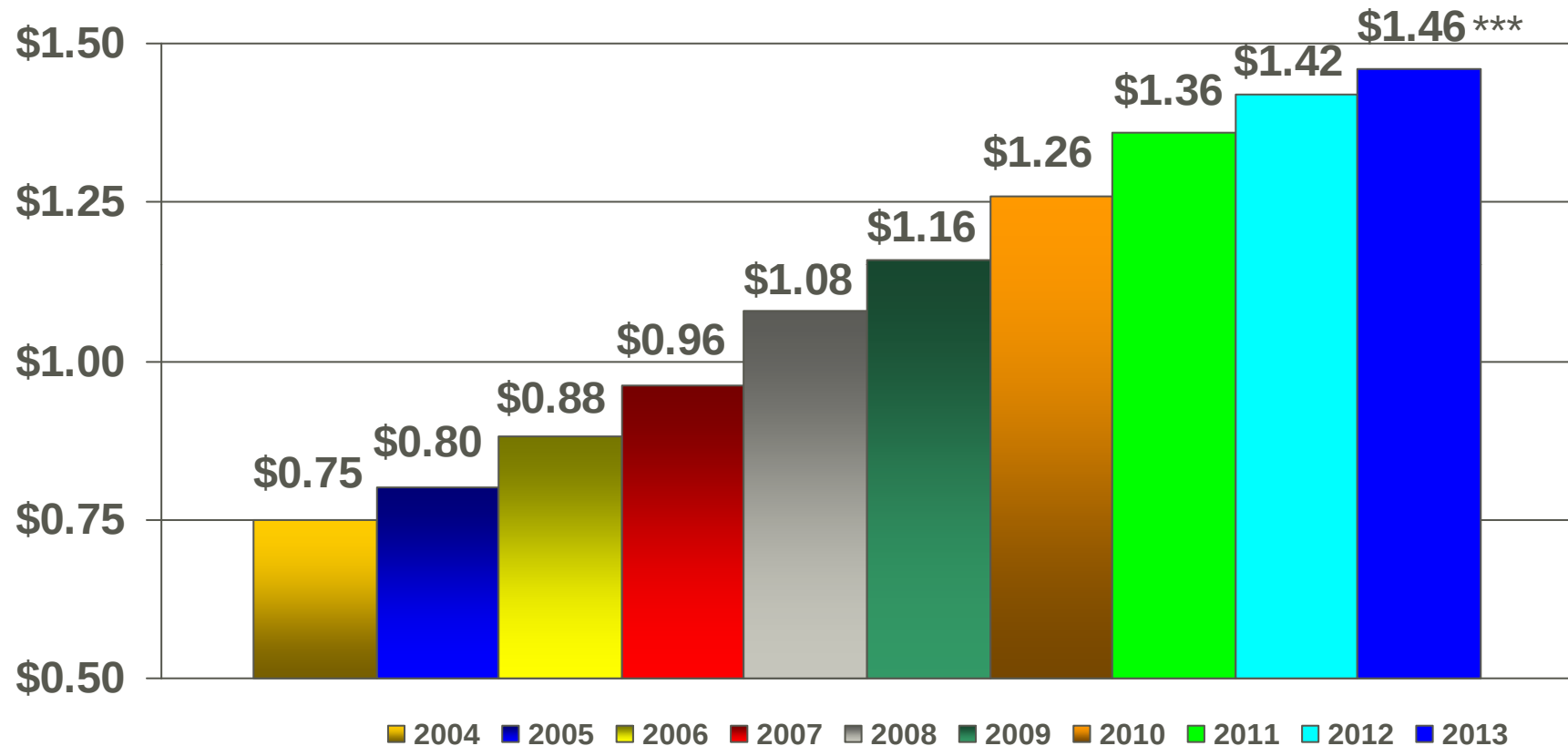


\$6.6 Billion Returned to Shareholders Since 2007



WM's Dividend Yield is in the Top 10% of the S&P 500*

Yield of 4.0% at a \$36.34 share price**



Annual Dividends Paid Per Share

* Source: Bloomberg Indicated Yield Rankings. As of November 30, 2012.

** Based upon the price of Waste Management stock as of February 25, 2013.

***The Board of Directors approved an 2.8% increase in the future quarterly dividend rate to \$0.365 per share on December 11, 2012. Each future dividend must be separately declared by the Board of Directors .



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2013 Guidance

- Earnings per diluted share, as adjusted, in the range of \$2.15 to \$2.20*
- Internal revenue growth from yield in the collection and disposal business of between 1.0% and 1.5%
- Internal revenue growth from volume expected to be between 0.5% and 1.0%
- Full year 2013 free cash flow of between \$1.1 and \$1.2 billion**
- Full year 2013 capital expenditures of between \$1.3 and \$1.4 billion

* Not intended to be GAAP net earnings per diluted share. Full year EPS are likely to be adjusted to exclude the effects of items management believes are not representative of our results of operations, but which are not currently determinable. Such items may be significant.

** See the annex at the end of this presentation for explanation and reconciliation of this non-GAAP financial measure.



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Annex

Reconciliation of Certain Non-GAAP Measures

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Reconciliation of Certain Non-GAAP Measures

WM Return on Invested Capital Margin Calculation (\$ in millions)

	<u>Year ended</u> <u>December 31, 2010</u>	<u>Year ended</u> <u>December 31, 2011</u>	<u>Year ended</u> <u>December 31, 2012</u>
Numerator			
Adjusted Income from operations*	\$2,151	\$2,094	\$2,042
Less: Adjusted provision for income tax*	(606)	(535)	(514)
Total Numerator	<u>\$ 1,545</u>	<u>\$ 1,559</u>	<u>\$ 1,528</u>
 Denominator (Average Previous 4 Qtrs)			
Current portion of long-term debt	\$ 446	\$ 335	\$ 821
Long-term debt, less current portion	8,623	9,059	9,075
Noncontrolling interests	320	331	322
Stockholders' equity	6,175	6,152	6,242
Less: Cash	(782)	(397)	(255)
Total Denominator	<u>\$ 14,782</u>	<u>\$ 15,480</u>	<u>\$ 16,205</u>
 Return on Invested Capital Margin	 <u>10.5%</u>	 <u>10.1%</u>	 <u>9.4%</u>

* 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 measures.



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Reconciliation of Certain Non-GAAP Measures

(\$ in millions)

	<u>Year Ended December 31, 2010</u>	<u>Year Ended December 31, 2011</u>	<u>Year Ended December 31, 2012</u>
<i>Adjusted Income from Operations</i>			
As reported:			
Income from operations	\$ 2,116	\$ 2,028	\$ 1,851
Adjustments to Income from Operations:			
Income from divestitures, asset impairments and unusual items, net	(77)	27	150
Oakleaf	-	7	15
Landfill Operating Costs	51	8	3
Litigation	31	24	7
Multiemployer pension withdrawal costs	28	-	10
Labor Relations	2	-	6
	<u>2</u>	<u>-</u>	<u>6</u>
As adjusted:			
Income from operations	<u>\$ 2,151</u>	<u>\$ 2,094</u>	<u>\$ 2,042</u>

Reconciliation of Certain Non-GAAP Measures

(\$ in millions)

	Year Ended December 31, 2010	Year Ended December 31, 2011	Year Ended December 31, 2012
Tax Expense			
<i>Adjusted Provision for Income Taxes</i>			
Provision for Income Taxes, as reported	\$ 629	\$ 511	\$ 443
Adjustments to Provision for Income Taxes:			
Income from divestitures, asset impairments and unusual items, net	(29)	3	28
Tax Items	(34)	-	-
Landfill Operating Costs	17	3	4
Litigation	11	8	-
Restructuring	-	6	26
Results of the acquired Oakleaf operations and related integration costs	-	4	6
Multiemployer pension withdrawal costs	11	-	4
Labor Relations	1	-	3
Provision for Income Taxes, as adjusted	\$ 606	\$ 535	\$ 514

Reconciliation of Certain Non-GAAP Measures

The Company also discusses free cash flow and provides a projection of free cash flow, which is a non-GAAP measure, because it believes that it is indicative of our ability to pay our quarterly dividends, repurchase common stock, fund acquisitions and other investments and, in the absence of refinancings, to repay our debt obligations. Free cash flow is not intended to replace "Net cash provided by operating activities," which is the most comparable GAAP measure. However, we believe free cash flow gives investors useful insight into how we view our liquidity. Nonetheless, the use of free cash flow as a liquidity measure has material limitations because it excludes certain expenditures that are required or that we have committed to, such as declared dividend payments and debt service requirements. The Company's definition of free cash flow may not be comparable to similarly titled measures presented by other companies, and therefore not subject to comparison.

The Company defines free cash flow as:

- Net cash provided by operating activities
- Less, capital expenditures
- Plus, proceeds from divestitures of businesses (net of cash divested), and other sales of assets.

The following reconciliation presents two scenarios that illustrate our projected free cash flow for 2013. The amounts used in the reconciliation are subject to many variables, some of which are not under our control and, therefore, are not necessarily indicative of actual results.

***Full Year 2013 Free Cash Flow Reconciliation
(\$ in millions)***

	<u>Scenario 1</u>	<u>Scenario 2</u>
Net cash provided by operating activities	\$ 2,500	\$ 2,500
Capital expenditures	(1,400)	(1,300)
Proceeds from divestitures of businesses (net of cash divested) and other sales of assets	-	-
	<u>\$ 1,100</u>	<u>\$ 1,200</u>

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