



October 21, 2015

## Casella Waste Systems Issues Additional Letter to Stockholders in Connection with 2015 Annual Meeting of Stockholders

*Highlights Company's Financial Performance Improvements and Appointment of New Lead Independent Director*

*Urge for Stockholders to Vote the **WHITE** Proxy Card*

RUTLAND, Vt.--(BUSINESS WIRE)-- Casella Waste Systems, Inc. (Nasdaq: CWST) ("Casella" or the "Company"), a regional solid waste, recycling, and resource management services company, today announced that, in connection with its 2015 Annual Meeting of Stockholders to be held on November 6, 2015 (the "2015 Annual Meeting"), its Board of Directors has issued an additional letter to Casella's stockholders.

The letter, which is being sent to stockholders together with a **WHITE** proxy card, highlights the improvements in Casella's financial performance demonstrated by its preliminary financial results for the third quarter and the appointment of James E. O'Connor, the former Chairman of Republic Services, Inc. who joined the Casella Board of Directors in July 2015, to serve as the Casella Board's lead independent director. The Casella Board recommends that stockholders vote on the **WHITE** proxy card **FOR** the election of all three of its highly qualified and very experienced nominees - **John W. Casella, William P. Hulligan and James E. O'Connor** - standing for election at the 2015 Annual Meeting. Stockholders are therefore urged to promptly vote the **WHITE** proxy card via internet, telephone or mail by following the instructions provided. The Board also urges stockholders to discard any gold proxy card or voting instruction form they may receive from JCP Investment Management, LLC and the other participants in its solicitation (the "JCP Group").

As previously disclosed, the JCP Group is conducting a proxy contest and are seeking the election at the 2015 Annual Meeting of two director candidates in opposition to the highly qualified and very experienced nominees unanimously recommended by the Casella Board. In order for stockholders to have access to all relevant information concerning the 2015 Annual Meeting that Casella has made available, Casella has developed a website focused on the 2015 Annual Meeting, which is accessible at [www.casellashareholders.com](http://www.casellashareholders.com).

The full text of the letter is as follows:

October 21, 2015

Dear Fellow Casella Stockholder:

### **IMPORTANT BREAKING NEWS!**

2015 has been an exciting year for Casella Waste Systems, Inc. Over the past year, we have made a number of announcements related to our improved financial and operating results and our efforts to refresh the Board of Directors that is overseeing our efforts to drive stockholder value. In this regard, we once again have some very exciting news to share with you.

### **CASELLA ANNOUNCES PRELIMINARY FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2015 DEMONSTRATING IMPROVED FINANCIAL RESULTS DRIVEN BY STRONG EXECUTION**

On October 19, 2015, Casella reported preliminary results for the three-month period ended September 30, 2015, and demonstrated that it continues to execute well against key strategies driving improved financial performance. Third quarter preliminary financial highlights included the following:

- Revenues were \$146.2 million, up \$4.3 million, or 3.0%, from the same period in 2014.
- Operating Income was \$12.7 million, up \$2.1 million, or 19.5%, from the same period in 2014.
- Net income attributable to common stockholders was \$2.3 million, up \$1.2 million, or 112.6%, from the same period in 2014.

During the third quarter, we continued to execute well against our key strategies of increasing landfill returns, improving

collection route profitability, creating incremental value through resource solutions, reducing financial and operational risks, and improving our balance sheet. In addition, Casella has continued to demonstrate its commitment to reducing leverage and increasing its cash flow generation by retiring its highest cost debt. During the third quarter, Casella permanently retired \$9.7 million of its 7.75% Senior Subordinated Notes due 2019 using positive cash flow generated year-to-date.

**IN THE LATEST SIGNIFICANT CHANGE TO THE CASELLA BOARD  
TO BE IMPLEMENTED OVER THE PAST YEAR,  
JAMES E. O'CONNOR HAS BEEN NAMED AS CASELLA'S LEAD INDEPENDENT DIRECTOR**

On the same date that we announced our improved financial results, we also announced that James E. O'Connor, a waste management industry veteran who joined the Casella Waste Systems, Inc. Board of Directors in July 2015, has been appointed to serve as the Casella Board's lead independent director effective immediately.

We believe Mr. O'Connor is extremely well suited to serve as the Casella Board's lead independent director. We also believe that his past experience leading the Board of Directors of Republic Services, Inc., the second largest waste management company in North America, his 40 years of experience in the waste management industry and his experience serving on the board of directors of other publicly-traded companies provides him with the relevant leadership, industry and governance experience needed for a strong lead independent director. Mr. O'Connor's appointment is the result of constructive input from our stockholders and is further evidence of our ongoing commitment to enhance the ability of our Board to serve the long-term interests of stockholders.

The change in leadership of the Casella Board announced earlier this week is the latest significant change in the Casella Board to be implemented over the past year. Reflective of the Casella Board's continuing commitment to recruit new independent and highly-qualified directors that have perspectives, insights, experiences and competencies that expand the depth and breadth of the Board, Mr. O'Connor and fellow waste management industry veteran William P. Hulligan, both of whom are standing for re-election to the Casella Board at the 2015 Annual Meeting, were added to the Casella Board as independent directors within the past four months after a year-long director search process. Messrs. O'Connor and Hulligan are two of the most experienced, accomplished and admired individuals in the waste management industry.

Messrs. Hulligan and O'Connor bring to the Casella Board extensive senior management and governance experience at leading waste management companies as well as a track record of driving growth and stockholder value creation. As Casella continues to execute on its ongoing strategic initiatives to drive revenues and enhance profitability, the experience and expertise of Messrs. Hulligan and O'Connor will be extremely valuable to Casella.

With the recent additions of Messrs. Hulligan and O'Connor to the Casella Board, the Casella Board is composed of nine highly-qualified and experienced directors, seven of whom are independent, and boasts a broad and diverse set of skills and experiences in the areas of solid waste collection, recycling, disposal services, operations, accounting, finance, mergers and acquisitions, capital markets, capital allocation, capital structure, risk management, and strategic planning.

**SUPPORT YOUR BOARD'S HIGHLY QUALIFIED NOMINEES  
BY VOTING THE WHITE PROXY CARD TODAY**

The upcoming Annual Meeting is a significant event that could determine the future of Casella. **Your vote is important - no matter how many shares you own - as no stockholder is too small.**

Whether or not you plan to attend the Annual Meeting, we urge you to sign, date and return the enclosed **WHITE** proxy card in the postage-paid envelope provided and vote **FOR ALL** your Board's highly qualified and very experienced nominees - **John W. Casella, William P. Hulligan and James E. O'Connor**. You may also vote by telephone or Internet by following the instructions on the enclosed **WHITE** proxy card.

We also urge you to discard any proxy card or voting instruction form you may receive from JCP. Even a WITHHOLD vote with respect to JCP's nominees on its proxy card will cancel any proxy previously given to Casella. If you previously signed a proxy card sent to you by JCP, you can revoke that proxy card and vote for your Board's recommended nominees by voting a new **WHITE** proxy card. Only your latest-dated proxy card will count. Your Board encourages you to vote each **WHITE** proxy card you receive.

On behalf of your Board of Directors, we thank you for your continued support of Casella. We look forward to communicating further with you in the coming weeks.

Sincerely,

John W. Casella

James E. O'Connor

**If you have any questions, require additional copies of Casella's proxy materials or need assistance in voting your WHITE proxy card, please contact our proxy solicitor at the phone numbers or email listed below:**

**Mackenzie Partners, Inc.**

105 Madison Avenue  
New York, New York 10016  
(212) 929-5500 (Call Collect) or Call Toll-Free (800) 322-2885  
Email: [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)

**Forward-Looking Statements**

Certain matters discussed in this letter, including, but not limited to, the statements regarding preliminary financial results, are "forward-looking statements" intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such by the context of the statements, including words such as "believe," "expect," "anticipate," "plan," "may," "would," "intend," "estimate," "guidance" and other similar expressions, whether in the negative or affirmative. Similarly, statements that describe the objectives, plans or goals of Casella are forward-looking. Such forward-looking statements include, but are not limited to, statements regarding the anticipated proxy contest by JCP Investment Management, LLC and the other participants in its solicitation, Casella's initiatives to improve Casella's performance and increase its growth and profitability, Casella's future operational and financial performance, Casella's actions taken or contemplated to enhance its long-term prospects and enhance value for its stockholders, Casella's efforts to execute on and implement its strategic plan, Casella's plans to simplify its business structure, Casella's actions taken or contemplated with respect to corporate and board governance, Casella's plans to improve its cash flows and reduce its risk exposure by divesting or closing operations that do not fit within its core strategy, Casella's plans to strengthen its balance sheet, promote financial flexibility and position Casella to achieve its target growth trajectory and Casella's plans to achieve its three (3) year financial objectives and to drive additional value creation for the benefit of all its stockholders. These forward-looking statements are based on current expectations, estimates, forecasts and projections and management's current beliefs and assumptions and, accordingly, are not guarantees of future performance. Such forward-looking statements, and all phases of Casella's operations, involve a number of risks and uncertainties, any one or more of which could cause actual results to differ materially from those described in Casella's forward-looking statements. There are a number of important risks and uncertainties that could cause Casella's actual events to differ materially from those indicated or implied by such forward-looking statements. These additional risks and uncertainties include, without limitation, risks related to the actions of JCP and other activist stockholders, including the amount of related costs incurred by Casella and the disruption caused to Casella's business activities by these actions and those risks detailed in Item 1A, "Risk Factors" in Casella's Form 10-KT for the transition period ended December 31, 2014, in its Form 10-Q for the quarterly period ended June 30, 2015 and in its subsequent filings with the Securities and Exchange Commission ("SEC"). Accordingly, you should not rely upon forward-looking statements as a prediction of actual results. Casella undertakes no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

**Important Information And Where To Find It**

Casella, its directors and certain of its executive officers are deemed to be participants in the solicitation of proxies from Casella's stockholders in connection with the matters to be considered at Casella's 2015 Annual Meeting of Stockholders. On September 22, 2015, Casella filed a definitive proxy statement and accompanying definitive WHITE proxy card with the SEC in connection with the solicitation of proxies from Casella stockholders in connection with the matters to be considered at Casella's 2015 Annual Meeting of Stockholders. Information regarding the identity of participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in such definitive proxy statement, including the schedules and appendices thereto. **INVESTORS AND STOCKHOLDERS ARE STRONGLY ENCOURAGED TO READ THE PROXY STATEMENT, THE ACCOMPANYING WHITE PROXY CARD AND OTHER DOCUMENTS FILED BY CASELLA WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION.** Stockholders may obtain the definitive proxy statement, any amendments or supplements to the definitive proxy statement, the accompanying definitive WHITE proxy card, and any other documents filed by Casella with the SEC for no charge at the SEC's website at [www.sec.gov](http://www.sec.gov). Copies are also available at no charge at the Investor Relations section of Casella's corporate website at [www.casella.com](http://www.casella.com), by writing to Casella's Corporate Secretary at Casella Waste Systems, Inc., 25 Greens Hill Lane, Rutland, VT 05701, or by calling Casella's Corporate Secretary at (802) 772-2257.

Casella is being advised in connection with the proxy contest by Wilmer Cutler Pickering Hale and Dorr LLP and Morgan, Lewis & Bockius LLP. Mackenzie Partners, Inc. is serving as Casella's proxy solicitor.

**About Casella Waste Systems, Inc.**

Casella Waste Systems, Inc., headquartered in Rutland, Vermont, provides solid waste management services consisting of collection, transfer, disposal, and recycling services in the northeastern United States. For further information, investors may contact Ned Coletta, Chief Financial Officer at (802) 772-2239; media may contact Joseph Fusco, Vice President at (802) 772-2247; and anyone may visit Casella's website at <http://www.casella.com>.

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