casella
waste systems inc.

# Casella Waste Systems, Inc. Announces Fourth Quarter and Fiscal Year 2008 Results; Provides Fiscal Year 2009 Guidance

## Casella Exceeds Original 2008 Fiscal Year EBITDA* Guidance and Was at the High-End of Original Free Cash Flow* Guidance

RUTLAND, VT, Jun 18, 2008 (MARKET WIRE via COMTEX News Network) -- Casella Waste Systems, Inc. (NASDAQ: CWST), a regional solid waste, recycling and resource management services company, today reported financial results for the fourth quarter and its 2008 fiscal year, and gave guidance on its 2009 fiscal year.

"This was an exciting year for our team. We made great progress on all of the operational and financial goals we set at the beginning of the year, even in the face of a weak economy in the Northeast," John W. Casella, chairman and CEO of Casella Waste Systems, said. "We exceeded our original fiscal year 2008 EBITDA* guidance and we were at the high-end of the free cash flow* guidance that we issued last June."

Fourth Quarter Results

For the quarter ended April 30, 2008, the company reported revenues of $139.6 million, up $12.9 million or 10.2 percent over the same quarter last year. The company's net loss per common share was ($0.31), versus net loss per share of ($0.80) in the same quarter last year; both quarters include non-recurring charges.

The net loss per share for the quarter ended April 30, 2008 reflects the following non-recurring charges: an impairment and closing charge of $1.4 million for the closure of the Hardwick landfill; development project charges of $0.5 million; and a $2.0 million after-tax loss from discontinued operations and the loss on disposal of discontinued operations.

Excluding the non-recurring charges outlined above, the net loss for the quarter amounted to ($4.7) million or ($0.18) per common share, as compared to a net loss of ($1.7) million or ($0.07) for the same quarter last year excluding non-recurring charges.

Operating income for the quarter was $5.5 million, reflecting the impact of the non-recurring charges outlined above, versus an operating loss of ($19.7) million in the fourth quarter last year. Excluding the non-recurring charges in both periods, operating income for the current quarter was $7.5 million, down $0.5 million or 6.3 percent over the same period last year.

Net cash provided by operating activities in the quarter was $20.1 million. The company's earnings before interest, taxes, depreciation and amortization, Hardwick impairment and closing charge, and development project charges (EBITDA*) were $26.2 million, up $1.0 million or 4.2 percent over the same quarter last year.

Fiscal 2008 Results

For the fiscal year ended April 30, 2008, the company reported revenues of $579.5 million, up $48.2 million or 9.1 percent over fiscal year 2007. The fiscal year net loss per common share was ($0.31) versus a net loss per share of ($0.85) in the previous fiscal year.

The net loss per share for the fiscal year ended April 30, 2008 reflects the following non-recurring charges: an impairment and closing charge of $1.4 million for the closure of the Hardwick landfill; development project charges of $0.5 million; a $3.8 million after-tax loss from discontinued operations and the loss on disposal of discontinued operations; and the $1.2 million expenses incurred as the result of the company's management reorganization during the third quarter of fiscal year 2008.

Excluding the non-recurring charges outlined above, the fiscal year 2008 net loss amounted to ($2.1) million or ($0.08) per common share; as compared to a net loss of ($1.8) million or ($0.07) for the same period last year excluding non-recurring charges.

The company said its GreenFiber unit continues to be severely impacted by the slowdown in the housing market. The company's income from equity method investments in fiscal year 2008 was down $7.1 million over fiscal year 2007, resulting in a negative year-over-year after tax impact of ($0.20) per share. Excluding the negative year-over-year impact from equity method investments and the above listed non-recurring charges, the fiscal year 2008 earnings per common share was $0.12

per common share.

Operating income for fiscal year 2008 was $42.6 million, reflecting the impact of the non-recurring charges noted above, versus $12.2 million for fiscal year 2007. Excluding the non-recurring charges in both years, operating income for the current year was $45.7 million, up $5.9 million or 14.8 percent over the same period last year.

The company's EBITDA* for fiscal year 2008 was $122.3 million versus $110.6 million for fiscal year 2007, up $11.7 million or 10.6 percent over the same period last year. Excluding the one-time management reorganization charge, EBITDA was $123.5 million, up $12.9 million, or 11.7 percent over the same period last year.

The company also announced that net cash provided by operating activities for fiscal year 2008 was $71.8 million. The company's free cash flow* for fiscal year 2008 was $5.3 million versus ($18.6) million for fiscal year 2007, up $23.9 million over the same period last year. As of April 30, 2008, the company had cash on hand of $2.8 million, and had an outstanding total debt level of $552.5 million.

More detailed financial results are contained in the tables accompanying this release.

2008 Highlights

"At the beginning of fiscal year 2008, we laid out a comprehensive operating and capital strategy that focused on generating positive free cash flow and improving returns," Casella said. "The main drivers of the strategy were harvesting value from landfill investments, improving operations and reducing costs, and strategically focusing on capital deployment. We have performed extremely well against these drivers during the year, improving free cash flow by $23.9 million and improving return on net assets by over 80 basis points."

Highlights of the fiscal year include:

- the cost reduction programs launched in fiscal year 2008 have yielded approximately $4.1 million of savings on an annualized basis, through the reorganization of certain assets into market areas, cost savings from improved purchasing, and specific operating initiatives;
- during the second quarter, the company received a modification to the existing permit for the operation of its Hakes construction and demolition (C&D) landfill, that increased the annual permit to 457,164 tons per year from 306,000 tons per year;
- during the second quarter, Ontario County received a modification to the existing permit for the operation of the municipal solid waste (MSW) landfill that increased the annual permit to 917,694 tons per year from 612,000 tons per year;
- during the third quarter, the company received approval from the U.S. Environmental Protection Agency's Climate Leaders Program for a companywide greenhouse gas emissions reduction target of ten percent over seven years, from 2005 to 2012;
- during the fourth quarter, the company completed the conversion of its Camden materials processing facility from a dual-stream configuration to a single-stream system;
- during the fourth quarter, the company executed a 15 year operating agreement commencing October 2008, to operate the materials processing facility for the Resource Recovery and Recycling Authority of Southwest Oakland County, Michigan (Detroit);
- The company completed its plan to divest, swap, or close underperforming and non-strategic operations amounting to over $22.0 million of annual revenues, with the sale of the Holliston, Massachusetts transfer station on April 30, 2007; the sale of the Buffalo, New York transfer station, hauling operation and related equipment on October 31, 2007; the termination of operations at MTS Environmental soils processing facility in Epsom, New Hampshire during the fourth quarter of fiscal year 2008; and the pending first quarter of fiscal year 2009 sale of the Greenville, South Carolina materials processing facility; and
- in early June 2008, the company received a positive vote from the Southbridge Massachusetts Board of Health to amend the landfill's site assignment allowing the site to receive municipal solid waste (MSW) from

communities other than Southbridge, and to expand the annual permit to 405,600 tons per year from 180,960 tons per year.

Fiscal 2009 Outlook

"Looking forward to fiscal year 2009, our plan focuses on the same key factors from the past year, with a particular emphasis on improving the performance of our base operations and selectively pursuing opportunities that meet emerging customer and market needs," Casella said. "Paul Larkin joined our team as President and Chief Operating Officer in early January, and with Paul's leadership we have introduced new programs to further improve the operational performance of our businesses."

The company also announced its guidance for fiscal year 2009, which began May 1, 2008.

For fiscal year 2009, the company estimates results in the following ranges:

- Revenues between $610.0 million and $628.0 million;
- EBITDA* between $128.0 million and $132.0 million;
- Capital expenditures between $73.0 million and $77.0 million; and
- Free cash flow* between $8.0 million and $14.0 million.

The company said the following assumptions are built into its fiscal year 2009 outlook:

- Zero-growth in the regional economy;
- In the solid waste business, price growth of 2.0 percent, with overall volumes up 1.0 percent on increased landfill volumes at Hakes and Ontario landfills;
- In the recycling business, pricing flat, with volumes up slightly;
- One landfill gas-to-energy facility becoming fully operational during the first half of the fiscal year, construction underway on a second landfill gas-to-energy facility with operations expected to commence in the second half of the fiscal year, and construction expected to begin on two additional facilities during the first half of the fiscal year.
- Two zerosort(TM) (single-stream) conversions or upgrades planned during the fiscal year and one new materials processing facility contract commencing late in the third quarter of fiscal year 2009;
- Focus on reducing costs through operational improvements and best practice programs; and
- No acquisitions.

Free cash flow of $8.0 million to $14.0 million is based on net cash provided by operating activities of $80.0 million to $84.0 million, less estimated maintenance capital expenditures of $60.0 million, growth capital expenditures of $13.0 million to $17.0 million, and other balance sheet changes.

"As the broad reaching impacts of increasing global economic prosperity continue to drive consumption, resulting in resource constraints, our strategy to transform traditional waste streams into renewable resources is becoming more and more important to our customers," Casella said. "Over the next several years we plan to selectively pursue opportunities in waste transformation that meet emerging customer and market needs."

*Non-GAAP Financial Measures

In addition to disclosing financial results prepared in accordance with Generally Accepted Accounting Principles (GAAP), we also disclose free cash flow and earnings before interest, taxes, depreciation and amortization, Hardwick impairment and closing charge, and development project charges (EBITDA), which are non-GAAP measures.

These measures are provided because we understand that certain investors use this information when analyzing the financial position of companies in the solid waste industry, including us. Historically, these measures have been key in comparing operating efficiency of publicly traded companies in the solid waste industry, and assist investors in measuring our ability to meet capital expenditures, payments on landfill operating lease contracts, and working capital requirements. For these reasons we utilize these non-GAAP metrics to measure our performance at all levels. Free cash flow and EBITDA are not intended to replace "Net Cash Provided by Operating Activities," which is the most comparable GAAP financial measure. Moreover, these measures do not necessarily indicate whether cash flow will be sufficient for such items as capital expenditures, payments on landfill operating lease contracts, or working capital, or to react to changes in our industry or to the economy generally. Because these measures are not calculated by all companies in the same fashion, they may not be comparable to similarly titled measures reported by other companies.

Casella Waste Systems, Inc., headquartered in Rutland, Vermont, provides solid waste management services consisting of collection, transfer, disposal, and recycling services primarily in the eastern United States.

For further information, contact Ned Coletta, director of investor relations at (802) 775-0325, or visit the Company's website at http://www.casella.com.

The Company will host a conference call to discuss these results on Thursday, June 19, 2008 at 10:00 a.m. ET. Individuals interested in participating in the call should dial (877) 591-4949 at least 10 minutes before start time. The call will also be webcast; to listen, participants should visit Casella Waste Systems' website at http://www.casella.com and follow the appropriate link to the webcast. A replay of the call will be available on the company's website, or by calling 719-457-0820 or 888-203-1112 (conference code #4207502), until 11:59 p.m. ET on Thursday, June 26, 2008.

Safe Harbor Statement

Certain matters discussed in this press release 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 the company "believes," "expects," "anticipates," "plans," "may," "will," "would," "intends," "estimates" and other similar expressions, whether in the negative or affirmative. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industry and markets in which we operate and management's beliefs and assumptions. We cannot guarantee that we actually will achieve the plans, intentions or expectations disclosed in the forward-looking statements made. Such forward-looking statements, and all phases of our 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 our forward-looking statements. Such risks and uncertainties include or relate to, among other things: we may be unable to reduce costs or increase revenues sufficiently to achieve estimated EBITDA and other targets; landfill operations and permit status may be affected by factors outside our control, continuing weakness in general economic conditions and poor weather conditions may affect our revenues; we may be required to incur capital expenditures in excess of our estimates; and fluctuations in the commodity pricing of our recyclables may make it more difficult for us to predict our results of operations or meet our estimates. There are a number of other important risks and uncertainties that could cause our actual results to differ materially from those indicated by such forward-looking statements. These additional risks and uncertainties include, without limitation, those detailed in Item 1A, "Risk Factors" in our Form 10-K for the year ended April 30, 2007. We do not necessarily intend to update publicly any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
Unaudited
(In thousands, except amounts per share)

| | Three Months Ended | | Twelve Months Ended | |
|---|---|---|---|---|
| | April 30, 2007 | April 30, 2008 | April 30, 2007 | April 30, 2008 |
| Revenues | $ 126,715 | $ 139,628 | $ 531,325 | $ 579,517 |
| Operating expenses: | | | | |
| Cost of operations | 84,002 | 94,329 | 347,550 | 383,009 |
| General and administration | 17,592 | 19,132 | 73,202 | 74,184 |
| Depreciation and amortization | 17,161 | 18,699 | 70,748 | 77,769 |
| Hardwick impairment and closing charge | 26,892 | 1,400 | 26,892 | 1,400 |
| Development project charges | 752 | 534 | 752 | 534 |
| | 146,399 | 134,094 | 519,144 | 536,896 |
| Operating income (loss) | (19,684) | 5,534 | 12,181 | 42,621 |
| Other expense/(income), net: | | | | |

| | | | | |
|---|---|---|---|---|
| Interest expense, net (1) | 9,683 | 9,658 | 37,127 | 41,505 |
| Loss (income) from equity method investments | 927 | 1,532 | (1,051) | 6,077 |
| Other income | (220) | (273) | (571) | (2,690) |
| | 10,390 | 10,917 | 35,505 | 44,892 |
| Loss from continuing operations before income taxes and discontinued operations | (30,074) | (5,383) | (23,324) | (2,271) |
| Provision (benefit) for income taxes | (12,069) | 456 | (7,849) | 1,746 |
| Loss from continuing operations before discontinued operations | (18,005) | (5,839) | (15,475) | (4,017) |
| Discontinued Operations: | | | | |
| Loss from discontinued operations, net of income taxes (2) (3) (4) (5) | (652) | (289) | (1,691) | (1,705) |
| Loss on disposal of discontinued operations, net of income taxes (2) (3) (4) | (717) | (1,675) | (717) | (2,113) |
| Net loss | (19,374) | (7,803) | (17,883) | (7,835) |
| Preferred stock dividend | 914 | - | 3,588 | - |
| Net loss applicable to common stockholders | $ (20,288) | $ (7,803) | $ (21,471) | $ (7,835) |
| Common stock and common stock equivalent shares outstanding, assuming full dilution | 25,318 | 25,443 | 25,272 | 25,382 |
| Net loss per common share | $ (0.80) | $ (0.31) | $ (0.85) | $ (0.31) |
| EBITDA (6) | $ 25,121 | $ 26,167 | $ 110,573 | $ 122,324 |

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited
(In thousands)

| ASSETS | April 30, 2007 | April 30, 2008 |
|---|---|---|
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 12,366 | $ 2,814 |
| Restricted cash | 73 | 95 |
| Accounts receivable - trade, net of allowance for doubtful accounts | 60,363 | 62,233 |
| Other current assets | 21,998 | 30,343 |
| Total current assets | 94,800 | 95,485 |
| Property, plant and equipment, net of accumulated depreciation | 482,819 | 488,028 |
| Goodwill | 168,998 | 179,716 |
| Intangible assets, net | 2,217 | 2,608 |
| Restricted cash | 12,734 | 13,563 |
| Investments in unconsolidated entities | 49,969 | 44,617 |
| Other non-current assets | 22,556 | 12,070 |
| Total assets | $ 834,093 | $ 836,087 |

| | | |
|---|---|---|
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| **CURRENT LIABILITIES:** | | |
| Current maturities of long-term debt | $ 1,215 | $ 2,112 |
| Current maturities of capital lease obligations | 1,104 | 646 |
| Series A redeemable, convertible preferred stock (1) | 74,018 | - |
| Accounts payable | 51,122 | 51,731 |
| Other accrued liabilities | 60,693 | 58,335 |
| Total current liabilities | 188,152 | 112,824 |
| Long-term debt, less current maturities | 476,225 | 550,416 |
| Capital lease obligations, less current maturities | 650 | 8,811 |
| Other long-term liabilities | 39,570 | 39,354 |
| Stockholders' equity | 129,496 | 124,682 |
| Total liabilities and stockholders' equity | $ 834,093 | $ 836,087 |

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

(In thousands)

| | Twelve Months Ended | |
|---|---|---|
| | April 30, 2007 | April 30, 2008 |
| Cash Flows from Operating Activities: | | |
| Net loss | $ (17,883) | $ (7,835) |
| Loss from discontinued operations, net | 1,691 | 1,705 |
| Loss on disposal of discontinued operations, net | 717 | 2,113 |
| Adjustments to reconcile net loss to net cash provided by operating activities - | | |
| Gain on sale of equipment | (806) | (387) |
| Depreciation and amortization | 70,748 | 77,769 |
| Depletion of landfill operating lease obligations | 7,021 | 6,010 |
| Hardwick impairment and closing charge | 26,892 | 1,400 |
| Development project charges | 752 | 534 |
| Income from assets under contractual obligation | (190) | (1,605) |
| Preferred stock dividend | - | 1,038 |
| Maine Energy settlement | - | (2,142) |
| Loss (income) from equity method investments | (1,051) | 6,077 |
| Stock-based compensation | 702 | 1,376 |
| Excess tax benefit on the exercise of stock options | - | (103) |
| Deferred income taxes | (11,246) | (2,373) |
| Changes in assets and liabilities, net of effects of acquisitions and divestitures | 3,709 | (11,762) |
| | 96,531 | 75,832 |
| Net Cash Provided by Operating Activities | 81,056 | 71,815 |
| Cash Flows from Investing Activities: | | |
| Acquisitions, net of cash acquired | (2,750) | (11,881) |
| Additions to property, plant and equipment - growth | (36,738) | (18,950) |
| - maintenance | (64,107) | (54,224) |
| Payments on landfill operating lease contracts | (4,995) | (7,143) |
| Proceeds from divestitures | 7,383 | 2,373 |
| Restricted cash from revenue bond issuance | 5,535 | - |
| Other | (1,598) | 4,138 |

| | | |
|---|---|---|
| Net Cash Used In Investing Activities | (97,270) | (85,687) |
| Cash Flows from Financing Activities: | | |
| Proceeds from long-term borrowings | 267,525 | 301,200 |
| Principal payments on long-term debt | (244,750) | (223,692) |
| Deferred financing costs | (582) | (554) |
| Redemption of Series A redeemable, convertible preferred stock | - | (75,056) |
| Proceeds from exercise of stock options | 1,608 | 1,367 |
| Excess tax benefit on the exercise of stock options | - | 103 |
| Net Cash Provided by Financing Activities | 23,801 | 3,368 |
| Cash Provided by (Used in) Discontinued Operations | (2,646) | 952 |
| Net (decrease) increase in cash and cash equivalents | 4,941 | (9,552) |
| Cash and cash equivalents, beginning of period | 7,425 | 12,366 |
| Cash and cash equivalents, end of period | $ 12,366 | $ 2,814 |

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES Unaudited (In thousands)

Note 1: The Company's Series A redeemable, convertible preferred stock ("Series A preferred") contained a mandatory redemption provision effective August 11, 2007. As the Company did not anticipate that the Series A preferred would be converted to Class A Common Stock by the redemption date, the Company reflected the redemption value of the Series A preferred as a current liability at April 30, 2007. Consistent with this presentation, the Company has recorded the Series A preferred dividend as interest expense in the twelve months ended April 30, 2008. The Series A preferred was redeemed effective August 11, 2007 at an aggregate redemption price of $75,057.

Note 2: The Company divested the assets of the Holliston Transfer Station ("Holliston Transfer") during the quarter ended April 30, 2007. The transaction required discontinued operations treatment under SFAS No. 144 , Accounting for Impairment or Disposal of Long-Lived Assets ("SFAS No.144"). During the quarter ended April 30, 2008, the Company recorded the true-up of certain contingent liabilities associated with the Holliston transaction. For the three and twelve months ended April 30, 2007 and 2008, the Company recorded a loss from discontinued operations (net of tax) of ($230), ($86), ($558) and ($86), respectively. For the three and twelve months ended April 30, 2007 and 2008, the company recorded a gain (loss) on disposal of discontinued operations (net of tax) of ($717), $319, ($717) and $319, respectively.

Note 3: The Company divested its Buffalo, N.Y. transfer station, hauling operation and related equipment during the quarter ended October 31, 2007. The transaction required discontinued operations treatment under SFAS No. 144, therefore the operating results of these operations have been reclassified from continuing to discontinued operations for the three and twelve months ended April 30, 2007. During the quarter ended April 30, 2008, the Company recorded the true-up of working capital associated with the transaction. For the three and twelve months ended April 30, 2007 and 2008, the Company recorded a loss from discontinued operations (net of tax) of ($421), ($72), ($1,422) and ($883), respectively. For the three and twelve months ended April 30, 2008, the company recorded a loss on disposal of discontinued operations (net of tax) of ($55) and ($493), respectively.

Note 4: The Company terminated its operation of MTS Environmental, a soils processing operation in the quarter ended April 30, 2008. The transaction required discontinued operations treatment under SFAS No. 144, therefore the operating results of this operation have been reclassified from continuing to discontinued operations for the three and twelve months ended April 30, 2007. For the three and twelve months ended April 30, 2007 and 2008, the Company recorded a loss from discontinued operations (net of tax) of ($108), ($102), ($56) and ($915), respectively. For the three and twelve months ended April 30, 2008, the company recorded a loss on disposal of discontinued operations (net of tax) of ($1,939).

Note 5: The Company has deemed its FCR Greenville operation as held for sale effective April 30, 2008 and has classified this as a discontinued operation pursuant to the requirements of SFAS No 144. The operating results have been reclassified from continuing to discontinued operations for the three and twelve months ended April 30, 2007. For the three and twelve months ended April 30, 2007 and 2008, the Company recorded income (loss) from discontinued operations (net of tax) of $107, ($29),

$345 and $179, respectively.

Note 6: Non-GAAP Financial Measures

In addition to disclosing financial results prepared in accordance with Generally Accepted Accounting Principles (GAAP), we also disclose earnings before interest, taxes, depreciation and amortization, Hardwick impairment and closing charge and development project charges (EBITDA) and free cash flow, which are non-GAAP measures.

These measures are provided because we understand that certain investors use this information when analyzing the financial position of the solid waste industry, including us. Historically, these measures have been key in comparing operating efficiency of publicly traded companies within the industry, and assist investors in measuring our ability to meet capital expenditures, payments on landfill operating lease contracts and working capital requirements. For these reasons, we utilize these non-GAAP metrics to measure our performance at all levels. EBITDA and free cash flow are not intended to replace "Net cash provided by operating activities", which is the most comparable GAAP financial measure. Moreover, these measures do not necessarily indicate whether cash flow will be sufficient for such items as working capital, payments on landfill operating lease contracts or capital expenditures, or to react to changes in our industry or to the economy generally. Because these measures are not calculated by all companies in the same fashion, they may not be comparable to similarly titled measures reported by other companies.

Following is a reconciliation of EBITDA to Net Cash Provided by Operating Activities:

| | Three Months Ended | | Twelve Months Ended | |
|---|---|---|---|---|
| | April 30, 2007 | April 30, 2008 | April 30, 2007 | April 30, 2008 |
| Net Cash Provided by Operating Activities | $ 24,608 | $ 20,137 | $ 81,056 | $ 71,815 |
| Changes in assets and liabilities, net of effects of acquisitions and divestitures | (7,182) | (3,791) | (3,709) | 11,762 |
| Deferred income taxes | 11,710 | 1,062 | 11,246 | 2,373 |
| Stock-based compensation | (191) | (354) | (702) | (1,376) |
| Excess tax benefit on the exercise of stock options | (145) | (8) | - | 103 |
| Provision (benefit) for income taxes | (12,069) | 456 | (7,849) | 1,746 |
| Interest expense, net | 9,683 | 9,658 | 37,127 | 41,505 |
| Preferred stock dividend | - | - | - | (1,038) |
| Depletion of landfill operating lease obligations | (1,478) | (1,195) | (7,021) | (6,010) |
| Income from assets under contractual obligation | 190 | 142 | 190 | 1,605 |
| Gain on sale of equipment | 215 | 333 | 806 | 387 |
| Other income, net | (220) | (273) | (571) | (548) |
| EBITDA | $ 25,121 | $ 26,167 | $ 110,573 | $ 122,324 |

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES
Unaudited
(In thousands)

Following is a reconciliation of Free Cash Flow to Net Cash Provided by Operating Activities:

| | Three Months Ended | | Twelve Months Ended | |
|---|---|---|---|---|
| | April 30, 2007 | April 30, 2008 | April 30, 2007 | April 30, 2008 |
| EBITDA | $ 25,121 | $ 26,167 | $ 110,573 | $ 122,324 |
| Add (deduct): Cash interest | (14,491) | (13,923) | (34,307) | (40,792) |
| Capital expenditures | (24,464) | (13,996) | (100,845) | (73,174) |

| | | | | |
|---|---|---|---|---|
| Cash taxes | (468) | 425 | (2,708) | (1,426) |
| Depletion of landfill operating lease obligations | 1,478 | 1,195 | 7,021 | 6,010 |
| Change in working capital, adjusted for non-cash items | 12,729 | 6,178 | 1,648 | (7,605) |
| FREE CASH FLOW | (95) | 6,046 | (18,618) | 5,337 |
| Add (deduct): Capital expenditures | 24,464 | 13,996 | 100,845 | 73,174 |
| Other | 239 | 95 | (1,171) | (6,696) |
| Net Cash Provided by Operating Activities | $ 24,608 | $ 20,137 | $ 81,056 | $ 71,815 |

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES
SUPPLEMENTAL DATA TABLES
(Unaudited)
(In thousands)

Amounts of the Company's total revenues attributable to services provided are as follows:

| | Three Months Ended April 30, | | Twelve Months Ended April 30, | |
|---|---|---|---|---|
| | 2007 | 2008 | 2007 | 2008 |
| Collection | $ 59,350 | $ 63,232 | $ 258,334 | $ 266,214 |
| Landfill / disposal facilities | 23,875 | 24,087 | 106,465 | 106,234 |
| Transfer | 4,786 | 5,913 | 23,559 | 26,556 |
| Recycling | 38,704 | 46,396 | 142,967 | 180,513 |
| Total revenues | $ 126,715 | $ 139,628 | $ 531,325 | $ 579,517 |

Components of revenue growth for the three months ended April 30, 2008 compared to the three months ended April 30, 2007:

| | | Percentage |
|---|---|---|
| Solid Waste Operations (1) | Price | 1.7% |
| | Volume | 3.3% |
| | Commodity price and volume | 0.6% |
| Total growth - Solid Waste Operations | | 5.6% |
| FCR Operations (1) | Price | 8.2% |
| | Volume | 13.6% |
| Total growth - FCR Operations | | 21.8% |
| Rollover effect of acquisitions (2) | | 1.0% |
| Total revenue growth (2) | | 10.2% |

(1) - Calculated as a percentage of segment revenues.
(2) - Calculated as a percentage of total revenues.

Solid Waste Internalization Rates by Region:

| | Three Months Ended April 30, | | Twelve Months Ended April 30, | |
|---|---|---|---|---|
| | 2007(1) | 2008 | 2007(1) | 2008 |
| North Eastern region | 57.8% | 64.4% | 56.5% | 60.8% |
| South Eastern region | 30.0% | 50.5% | 29.2% | 33.5% |
| Central region | 78.5% | 77.5% | 77.7% | 78.9% |
| Western region | 58.1% | 62.3% | 56.8% | 61.3% |

| | | | | |
|---|---|---|---|---|
| Solid Waste internalization | 59.9% | 65.2% | 58.6% | 61.6% |

(1) Internalization rates for the three and twelve months ended April 30, 2007 have been revised to exclude the activity associated with the Buffalo Hauling and Buffalo Transfer as well as MTS Environmental. The Company divested the Buffalo operations during the quarter ended October 31, 2007. The Company terminated operations at MTS Environmental during the quarter ended April 30, 2008.

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES
SUPPLEMENTAL DATA TABLES
(Unaudited)
(In thousands)

US GreenFiber (50% owned) Financial Statistics:

| | Three Months Ended April 30, | | Twelve Months Ended April 30, | |
|---|---|---|---|---|
| | 2007 | 2008 | 2007 | 2008 |
| Revenues | $ 40,758 | $ 31,709 | $ 186,284 | $ 151,635 |
| Net (loss) income | (1,191) | (2,551) | 4,227 | (8,103) |
| Cash flow from operations | 1,435 | 2,834 | 14,511 | 10,178 |
| Net working capital changes | (348) | 2,503 | (406) | 6,597 |
| EBITDA | $ 1,783 | $ 331 | $ 14,917 | $ 3,581 |
| As a percentage of revenue: | | | | |
| Net (loss) income | -2.9% | -8.0% | 2.3% | -5.3% |
| EBITDA | 4.4% | 1.0% | 8.0% | 2.4% |

Components of Growth versus Maintenance Capital Expenditures (1):

| | Three Months Ended April 30, | | Twelve Months Ended April 30, | |
|---|---|---|---|---|
| | 2007 | 2008 | 2007 | 2008 |
| Growth Capital Expenditures: | | | | |
| Landfill Development | $ 8,084 | $ 1,271 | $ 22,849 | $ 11,896 |
| MRF Equipment Upgrades | 1,971 | 3,282 | 8,209 | 4,053 |
| Other | 1,537 | 117 | 5,680 | 3,001 |
| Total Growth Capital Expenditures | 11,592 | 4,670 | 36,738 | 18,950 |
| Maintenance Capital Expenditures: | | | | |
| Vehicles, Machinery / Equipment and Containers | 5,291 | 2,809 | 26,189 | 12,326 |
| Landfill Construction & Equipment | 5,649 | 4,385 | 32,500 | 30,126 |
| Facilities | 1,577 | 1,485 | 4,134 | 9,783 |
| Other | 355 | 647 | 1,284 | 1,989 |
| Total Maintenance Capital Expenditures | 12,872 | 9,326 | 64,107 | 54,224 |
| Total Capital Expenditures | $ 24,464 | $ 13,996 | $ 100,845 | $ 73,174 |

(1) The Company's capital expenditures are broadly defined as pertaining to either growth or maintenance activities. Growth capital expenditures are defined as costs related to development of new airspace, permit expansions, new recycling contracts along with incremental costs of equipment and infrastructure added to further such activities. Growth capital expenditures include the cost of equipment added directly as a result of new business as well as expenditures associated with increasing infrastructure to increase throughput at transfer stations and recycling facilities. Growth capital expenditures also include those outlays associated with acquiring landfill operating leases, which do not meet the operating lease payment definition, but which were included as a commitment in the successful bid. Maintenance capital expenditures are defined as

landfill cell construction costs not related to expansion airspace, costs for normal permit renewals and replacement costs for equipment due to age or obsolescence.

Ned Coletta
Director of Investor Relations
(802) 775-0325
http://www.casella.com

SOURCE: Casella Waste Systems, Inc.

http://www.casella.com