

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): June 28, 2000

CASELLA WASTE INDUSTRIES, INC..

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-23211

03-0338873

(Commission File Number)

(I.R.S. Employer Identification No.)

25 Greens Hill Lane, P.O. Box 866
Rutland, Vermont

05701

(Address of Principal Executive Offices)

(Zip Code)

(802) 775-0325

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

ITEM 5. OTHER EVENTS.

On June 28, 2000, the Registrant announced that it had entered into a Preferred Stock Purchase Agreement with Berkshire Partners of Boston, Massachusetts to issue shares of preferred stock which may convert into Class A Common Stock at \$14.00 per share. The Registrant expects to raise approximately \$55 million in the transaction. The closing of the transaction is subject to receipt of regulatory approvals and other customary closing conditions. A copy of the Registrant's press release announcing the signing of the Preferred Stock Purchase Agreement is attached as Exhibit 99.1.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) EXHIBITS.

99.1 Press Release regarding Preferred Stock Purchase Agreement dated June 28, 2000.

SIGNATURE

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.

Date: June 30, 2000

CASELLA WASTE INDUSTRIES, INC.

(Registrant)

By: /s/ JOHN W. CASELLA

John W. Casella
President and Secretary

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EXHIBIT INDEX

Exhibit
Number

Description

99.1	Press Release regarding Preferred Stock Purchase Agreement dated June 28, 2000.
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EXHIBIT 99.1

PREFERRED STOCK PURCHASE AGREEMENT PRESS RELEASE

CASELLA WASTE SYSTEMS, INC. REPORTS EARNINGS OF 19 CENTS PER SHARE IN FOURTH QUARTER OF FISCAL 2000

COMPANY ANNOUNCES NEW FINANCING, AND RESTRUCTURING OF NON-CORE BUSINESSES; GIVES GUIDANCE ON FISCAL YEAR 2001

RUTLAND, VERMONT (June 28, 2000)--Casella Waste Systems, Inc. (NASDAQ: CWST), a regional, non-hazardous solid waste services company, today reported financial results for the fourth quarter of its 2000 fiscal year.

For the quarter ended April 30, 2000, the company reported net income of \$4.3 million, versus \$1.4 million for the same period last year, a 207 percent increase.

Fully diluted earnings per share for the quarter were \$0.19.

Revenue for the quarter was \$134.0 million versus \$46.4 million for the same period a year ago. EBITDA (earnings before interest, taxes, depreciation and amortization) increased 156 percent to \$30.0 million, compared to \$11.7 million in the same period last year.

For the fiscal year ended April 30, 2000, the company reported net income of \$16.5 million; revenues for the year were \$337.3 million. EBITDA was \$84.4 million.

Results for the three- and twelve-month periods are pro forma, and exclude the impact of a write-off of unamortized debt acquisition costs; the loss and write-off, primarily non-cash, related to the discontinuation and loss on sale of certain non-core operations; non-cash equity loss on investment; merger costs which occurred in the first quarter; and a gain on the sale of a company metal facility.

"Both our company's performance and the markets we serve continue to be marked by strong underlying fundamentals," John Casella, president and CEO of Casella Waste Systems, said. "Once again, one of the most compelling indicators of this fundamental strength is the consistent delivery of our EBITDA margin targets."

CELLULOSE INSULATION BUSINESS STRUCTURED AS A JOINT VENTURE

The company also said it had entered into an agreement with Louisiana-Pacific Corp. (NYSE: LPX) to combine their respective cellulose insulation businesses into a single operating entity under a joint venture agreement effective July 1, 2000.

The new company, to be known as U.S. GreenFiber LLC, is an equally owned joint venture formed through the combination of Louisiana-Pacific's GreenStone Industries Inc. and Casella Waste Systems' U.S. Fibers operations. The new entity will supply

cellulose insulation to existing residential construction, retail and manufactured housing supply channels. GreenFiber's operations, which will produce approximately \$100 million in revenues, will be handled by a single management team located in Charlotte, North Carolina.

"This joint venture combines Louisiana-Pacific's manufacturing expertise with our capacity to be a stable long-term supplier of high quality fiber, making GreenFiber the nation's lowest cost, largest manufacturer of cellulose insulation," Casella said.

"While U.S. Fibers was not by any stretch a 'core' solid waste business, there is a compelling opportunity to be part of building a strong, cash flow-generating operation that, at the very least, is a path towards monetizing that business at a higher valuation than

currently exists," Casella said. "This restructuring gives us this flexibility, at the same time mitigating its financial impact."

COMPANY RAISING CAPITAL THROUGH CONVERTIBLE PREFERRED STOCK

The company announced that it has entered into an agreement with Berkshire Partners of Boston, Massachusetts to issue convertible preferred stock which may convert into Class A Common Stock at \$14.00 per share. The company expects to raise approximately \$55 million in the transaction, which the company believes will be instrumental in strengthening its financial foundation, allow it to continue to execute its growth plan, as well as allowing other strategic initiatives. The closing of the transaction is subject to receipt of regulatory approvals and other customary closing conditions.

PLASTICS MANUFACTURING BUSINESS HELD FOR SALE

The company also announced that it is selling its plastics manufacturing business, and is carrying the business as an asset held for sale at its realizable net value.

"This line of business has not performed to expectations and, it does not warrant the required investment of management time and resources," Casella said. "As a result, it will be sold."

EARNINGS PROJECTION FOR FISCAL YEAR 2001

The company also said it is adjusting its projected earnings per share for fiscal year 2001, which began on May 1, 2000. The company said it expects net income of approximately \$19.5 million, or \$0.72 per share, and EBITDA to be approximately \$133.0 million.

"We remain driven to create long-term value, and continue to focus on EBITDA as our performance yardstick," Casella said.

"The shift in EBITDA for 2001 to \$133 million from \$140 million is primarily due to moving our cellulose insulation business into a joint venture and discontinuing our plastics operation," Casella said. "It is an indication that our core businesses will

continue to perform as expected.

"The shift in EPS is primarily the result of a higher book income tax rate, higher goodwill amortization expenses associated with the KTI acquisition, higher interest rate expenses, and the impact of preferred stock--items we strongly believe do not reflect the health of our core businesses, or our ability to create long-term value," Casella said.

"Our historically proven approach has always been to aggregate quality assets strategically, integrate and rationalize them, and generate attractive EBITDA margins," Casella said. "We are, in a fundamental and disciplined way, executing this strategy once again with the former KTI assets--integrating and polishing, reinvesting where necessary, and building a market-focused business that, over time, we expect should deliver the desired results."

Casella Waste Systems, headquartered in Rutland, Vermont, is a regional, integrated, non-hazardous solid waste services company that provides collection, transfer, disposal and recycling services primarily in the northeastern United States.

For further information, contact Joseph Fusco, vice president; or Jerry Cifor, chief financial officer at (802) 775-0325. The company's website is <http://www.casella.com>.

The company will host a conference call to discuss these results on Thursday, June 29, 2000 at 10:00 a.m. EDT. Individuals interested in participating in the call should dial 913-981-4910 at least 10 minutes before start time. A replay of the call will be available by calling 719-457-0820 (conference code 776641) before 11:59 p.m. EDT, Thursday, July 6, 2000.

This press release contains forward-looking statements that involve a number of risks and uncertainties. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are the ability of the Company to realize the anticipated synergies and other operating benefits from the acquisition of KTI, the Company's ability to manage growth, the accuracy of the company's financial projections, a history of losses, the ability to identify, acquire and integrate acquisition targets, dependence on management, the uncertain ability to finance the company's growth, limitations on landfill permitting and expansion and geographic concentration, changes in the market prices of recyclable materials, and the risk factors detailed from time to time in the company's periodic reports and registration statements filed with the Securities and Exchange Commission.

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended			Year Ended		
	April 30, 1999(1) (restated)	April 30, 2000	April 30, 2000(2) (proforma)	April 30, 1999(1) (restated)	April 30, 2000	April 30, 2000 (2) (proforma)
(000's omitted)						
Revenues	\$ 46,352	\$ 133,919	\$ 133,919	\$ 182,556	\$ 337,347	\$ 337,347
Operating Expenses:						
Cost of Operations	27,314	87,906	87,906	108,874	210,733	210,733
General and Administrative	6,523	15,969	15,969	26,616	42,263	42,263
Depreciation and Amortization	6,661	14,448	14,448	25,725	40,211	40,211
Merger Costs (Pooling)	786	0	0	1,951	1,491	0
	41,284	118,323	118,323	163,166	294,698	293,207
Operating Income	5,068	15,596	15,596	19,390	42,649	44,140
Other (Income) Expenses						
Interest Expense, Net	1,397	7,068	7,068	5,564	15,051	15,051
Other Expense (Income), net	(96)	2,623	2,623	(352)	1,999	1,999
Loss on Sale of Assets	0	0	(1,152)	0	0	(1,152)
Equity Loss on Investment	0	0	(840)	0	0	(840)
Add Back Gain on Sale of Facility	0	0	0	0	0	128
	1,301	9,691	7,699	5,212	17,050	15,186
Income from Continuing Operations before Income Taxes and Extraordinary Items	3,767	5,905	7,897	14,178	25,599	28,954
Provision for Income Taxes	2,265	3,524	3,553	7,531	12,257	12,475
Income from Continuing Operations	1,502	2,381	4,344	6,647	13,342	16,479
Discontinued Operations, Net of Tax Effect:						
(Income)/Loss from Discontinued Operations	97	0	0	33	269	0
Loss on Disposal of Discontinued Operations	0	0	0	0	1,393	0
Total Discontinued Operations	97	0	0	33	1,662	0
Extraordinary Item, Net of Tax Effect:						
Early Extinguishment of Debt	0	0	0	0	631	0
Net Income	1,405	2,381	4,344	6,614	11,049	16,479
EBIT	5,068	15,596	15,596	19,390	42,649	44,140
EBITDA	11,729	30,044	30,044	45,115	82,860	84,351
Common Stock and Common Stock Equivalent Shares Outstanding, Assuming Full Dilution	16,342	23,476	23,476	16,000	19,272	19,272
Diluted Earnings per Share	\$ 0.09	\$ 0.10	\$ 0.19	\$ 0.41	\$ 0.57	\$ 0.86

The accompanying notes are an integral part of these consolidated financial statements.

NOTES:

(1) Financial Statements have been restated to reflect the following merger

transactions, all accounted for as poolings of interests:

Resource Waste Systems, Inc., Resource Transfer Services, Inc., and Resource Recovery of Cape Cod, Inc. (Collectively "Resource Waste Systems")

Corning Community Disposal, Inc.

- (2) The year ended April 30, 2000 pro forma results exclude merger costs in the amount of \$1,491,000 which occurred during the first quarter. Additionally, the pro forma results exclude the impact of discontinued operations, early extinguishment of debt, loss on sale of assets, and equity loss on investment. The pro forma results also exclude the one-time gain on the sale of a metal facility in the amount of \$128,000

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended				Year Ended
	July 31, 1998 (1) (restated)	October 31, 1998 (1) (restated)	January 31, 1999 (1) (restated)	April 30, 1999	April 30, 1999
Revenues	\$ 42,666,782	\$ 45,035,237	\$ 41,983,753	\$ 133,919	#REF!
Operating Expenses:					
Cost of Operations	25,265,226	25,911,885	24,104,279	87,906	#REF!
General and Administrative	6,171,864	6,488,330	6,618,448	15,969	#REF!
Depreciation and Amortization	5,742,705	6,502,722	6,226,358	14,448	#REF!
Merger Costs (Pooling)	16,788	766,509	393,693	0	#REF!
	37,196,583	39,669,446	37,342,778	118,323	#REF!
Operating Income	5,470,199	5,365,791	4,640,975	15,596	#REF!
Other (Income) Expenses					
Interest Expense, Net	1,803,651	827,274	1,089,958	7,068	#REF!
Other Expense (Income), net	(256,828)	66,844	(65,378)	2,623	#REF!
	1,546,823	894,118	1,024,580	9,691	#REF!
Income Before Provision for Income Taxes and Extraordinary Items	3,923,376	4,471,673	3,616,395	5,905	#REF!
Provision for Income Taxes	1,675,208	1,917,911	1,714,279	3,524	#REF!
Net Income	2,248,168	2,553,762	1,902,116	2,381	#REF!
EBIT	5,470,199	5,365,791	4,640,975	15,596	#REF!
EBITDA	11,212,904	11,868,513	10,867,333	30,044	#REF!
Common Stock and Common Stock Equivalent Shares Outstanding, Assuming Full Dilution	14,047,340	16,208,222	16,323,886	15,979,045	15,636,859
Diluted Earnings per Share	\$ 0.160	\$ 0.158	\$ 0.117	\$ 0.000	#REF!

The accompanying notes are an integral part of these consolidated financial statements.

NOTES:

- (1) Financial Statements have been restated to reflect the following merger transactions, all accounted for as poolings of interest:

Waste Stream Inc., B&C Sanitation Corporation, Collectively "Waste Stream"
North Country Trucking, Inc., Better Bedding Corp.,

R.A. Bronson, Inc., BBC LLC, NTC LLC and
Grasslands, Inc.

Northern Sanitation, Inc. and Northern Properties Corp. Collectively "Northern Sanitation" Consummated 12/23/98

of Plattsburgh, Inc.

Natural Environmental, Inc., Schultz Landfill, Inc.,
and Blasdell Development Group, Inc. Collectively "NEI" Consummated 4/30/99

Westfield Disposal Service, Inc., and Portland C & D
Landfill, Inc. Collectively "Westfield Disposal" Consummated 4/30/99

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended			Nine Months Ended		
	January 31, 1999(1) (restated)	January 31, 2000	January 31, 2000 (2) (proforma)	January 31, 1999 (1) (restated)	January 31, 2000	January 31, 2000 (2) (proforma)
Revenues	\$ 44,109,000	\$ 93,003,878	\$ 93,003,878	\$ 136,204,000	\$ 203,427,563	\$ 203,427,563
Operating Expenses:						
Cost of Operations	26,351,000	61,451,815	61,451,815	81,560,000	122,825,887	122,825,887
General and Administrative	7,060,000	11,413,226	11,413,226	20,093,000	26,293,631	26,293,631
Depreciation and Amortization	6,481,000	10,193,287	10,193,287	19,064,000	25,762,736	25,762,736
Merger Costs (Pooling)	468,000	0	0	1,165,000	1,490,426	0
	40,360,000	83,058,328	83,058,328	121,882,000	176,372,680	174,882,254
Operating Income	3,749,000	9,945,550	9,945,550	14,322,000	27,054,883	28,545,309
Other (Income) Expenses						
Interest Expense, Net	1,285,000	4,774,341	4,774,341	4,167,000	7,983,356	7,983,356
Other Expense (Income), net	(65,000)	(119,774)	(119,774)	(256,000)	(623,576)	(623,576)
Gain on Sale of Facility	0	0	0	0	0	0
	1,220,000	4,654,567	4,654,567	3,911,000	7,359,780	7,359,780
Income Before Provision for Income Taxes						
Discontinued Operations and Extraordinary Items	2,529,000	5,290,983	5,290,983	10,411,000	19,695,103	21,185,529
Provision for Income Taxes	1,689,000	2,433,483	2,433,483	5,266,000	8,611,188	8,921,871
Net Income from Continuing Operations	840,000	2,857,500	2,857,500	5,145,000	11,083,915	12,263,658
Discontinued Operations, Net of Tax Effect:						
(Gain)/Loss from Discontinued Operations (2)	(39,000)	78,564	0	(64,000)	269,083	0
Loss on Disposal of Discontinued Operations (2)	0	1,393,232	0	0	1,393,232	0
Total Discontinued Operations	(39,000)	1,471,796	0	(64,000)	1,662,315	0
Extraordinary Items, Net of Tax Effect: Early Extinguishment of Debt (2)	0	631,283	0	0	631,283	0
Net Income	879,000	754,421	2,857,500	5,209,000	8,790,317	12,263,658
EBIT	3,749,000	9,945,550	9,945,550	14,322,000	27,054,883	28,545,309
EBITDA	10,230,000	20,138,837	20,138,837	33,386,000	52,817,619	54,308,045
Common Stock and Common Stock Equivalent Shares Outstanding, Assuming Full Dilution	16,687,000	20,265,517	20,265,517	15,890,000	16,506,818	16,506,818
Diluted Earnings per Share	\$ 0.050	\$ 0.037	\$ 0.141	\$ 0.328	\$ 0.533	\$ 0.743

The accompanying notes are an integral part of these consolidated financial statements.

NOTES:

- (1) Financial Statements have been restated to reflect the following merger transactions, all accounted for as poolings of interests:

Natural Environmental, Inc., Schultz Landfill, Inc.,

Collectively "NEI"

and Blasdell Development Group, Inc.

Westfield Disposal Service, Inc., and Portland C & D
Landfill, Inc.

Collectively "Westfield Disposal"

Resource Waste Systems, Inc., Resource Transfer Services, Inc., and Resource Recovery of Cape Cod, Inc.
(Collectively "Resource Waste Systems")

Corning Community Disposal, Inc.

- (2) The quarter ended January 31, 2000 pro forma results and the nine months ended January 31, 2000 pro forma results exclude merger costs in the amount of \$1,490,426 which occurred during the first quarter. Additionally, the proforma results exclude the effects of losses from discontinued operations of Aaron and Sons (net of tax effect) and the early extinguishment of debt (net of tax effect)

CASELLA WASTE SYSTEMS, INC. AND SUBSIDIARIES
RECONCILIATION OF QUARTERS
(UNAUDITED)

	October 31 1999	Actual January 31, 2000 3 month	Effects of Discontinued Operations	9 Month January 2000
Revenues	\$ 111,155,871	\$ 93,003,878	(\$ 732,188)	\$ 203,427,561
Operating Expenses:				
Cost of Operations	62,036,630	61,451,815	(662,558)	\$ 122,825,887
General and Administrative	15,161,560	11,413,226	(281,154)	\$ 26,293,632
Depreciation and Amortization	15,666,771	10,193,287	(97,322)	\$ 25,762,736
Merger Costs (Pooling)	1,490,426	0	0	\$ 1,490,426
	94,355,387	83,058,328	(1,041,034)	176,372,681
Operating Income	16,800,484	9,945,550	308,846	27,054,880
Other (Income) Expenses				
Interest Expense, Net	3,212,496	4,774,341	(3,480)	\$ 7,983,357
Other Expense (Income), net	(503,802)	(119,774)	0	(\$ 623,576)
Gain on Sale of Facility	0	0	0	\$ 0
	2,708,694	4,654,567	(3,480)	7,359,781
Income Before Provision for Income Taxes				
Discontinued Operations and Extraordinary Items	14,091,790	5,290,983	312,326	19,695,099
Provision for Income Taxes	6,177,705	2,433,483	121,807	\$ 8,732,995
Net Income from Continuing Operations	7,914,085	2,857,500	190,519	10,962,104
Discontinued Operations, Net of Tax Effect:				
(Gain)/Loss from Discontinued Operations (2)	0	78,564	190,519	\$ 269,083
Loss on Disposal of Discontinued Operations (2)	0	1,393,232	0	\$ 1,393,232
Total Discontinued Operations	0	1,471,796	190,519	1,662,315
Extraordinary Items, Net of Tax Effect:				
Early Extinguishment of Debt (2)	0	631,283	0	\$ 631,283
Net Income	7,914,085	754,421	0	8,668,506
EBIT	16,800,484	9,945,550		27,054,880
EBITDA	32,467,255	20,138,837		52,817,616
Common Stock and Common Stock Equivalent Shares Outstanding, Assuming Full Dilution	16,506,818	20,265,517		17,758,558
Diluted Earnings per Share	\$ 0.479	\$ 0.037		\$ 0.617

	October 31 1999	Proforma January 31, 2000 3 month	Effects of Discontinued Operations	9 Month January 2000
Revenues	\$ 111,155,871	\$ 93,003,878	\$ 0	\$ 204,159,749

Operating Expenses:				
Cost of Operations	62,036,630	61,451,815	0	\$ 123,488,445
General and Administrative	15,161,560	11,413,226	0	\$ 26,574,786
Depreciation and Amortization	15,666,771	10,193,287	0	\$ 25,860,058
Merger Costs (Pooling)	0	0	0	\$ 0
	92,864,961	83,058,328	0	175,923,289
Operating Income	18,290,910	9,945,550	0	28,236,460
Other (Income) Expenses				
Interest Expense, Net	3,212,496	4,774,341	0	\$ 7,986,837
Other Expense (Income), net	(503,802)	(119,774)	0	(\$ 623,576)
Gain on Sale of Facility	128,213	0	0	\$ 128,213
	2,836,907	4,654,567	0	7,491,474
Income Before Provision for Income Taxes				
Discontinued Operations and Extraordinary Items	15,454,003	5,290,983	0	20,744,986
Provision for Income Taxes	6,488,388	2,433,483	0	\$ 8,921,871
Net Income from Continuing Operations	8,965,615	2,857,500	0	11,823,115
Discontinued Operations, Net of Tax Effect:				
(Gain)/Loss from Discontinued Operations (2)	0	0	0	\$ 0
Loss on Disposal of Discontinued Operations (2)	0	0	0	\$ 0
Total Discontinued Operations	0	0	0	0
Extraordinary Items, Net of Tax Effect:				
Early Extinguishment of Debt (2)	0	0	0	\$ 0
Net Income	8,965,615	2,857,500	0	11,823,115
EBIT	18,290,910	9,945,550		28,236,460
EBITDA	33,957,681	20,138,837		54,096,518
Common Stock and Common Stock Equivalent Shares Outstanding, Assuming Full Dilution	16,506,818	20,265,517		17,758,558
Diluted Earnings per Share	\$ 0.543	\$ 0.141		\$ 0.666

The accompanying notes are an integral part of these consolidated financial statements.

NOTES:

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and Blasdell Development Group, Inc. Collectively "NEI"

Westfield Disposal Service, Inc., and Portland C & D
Landfill, Inc. Collectively "Westfield Disposal"

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(Collectively "Resource Waste Systems")

Corning Community Disposal, Inc.

- (2) The quarter ended January 31, 2000 pro forma results and the nine months ended January 31, 2000 pro forma results exclude merger costs in the amount of \$1,490,426 which occurred during the first quarter. Additionally, the proforma results exclude the effects of losses from discontinued operations of Aaron and Sons (net of tax effect) and the early extinguishment of debt (net of tax effect)