



Casella Waste Systems, Inc. Announces Second Quarter Fiscal Year 2005 Results

RUTLAND, VERMONT (December 8, 2004)-Casella Waste Systems, Inc. (NASDAQ: CWST), a regional, non-hazardous solid waste services company, today reported financial results for the second quarter of its 2005 fiscal year.

Second Quarter Results

For the quarter ended October 31, 2004, the company reported revenues of \$126.4 million. The company's net income per common share after discontinued operations was \$0.10. Operating income for the quarter was \$12.8 million. Cash provided by operating activities in the quarter was \$16.1 million. The company's earnings before interest, taxes, depreciation and amortization (EBITDA) was \$30.6 million*. As of October 31, 2004, the company had cash on hand of \$4.8 million, and had an outstanding total debt level of \$379.0 million.

For the six months ended October 31, 2004, the company reported revenues of \$250.1 million. The company's net income per common share was \$0.18. Operating income for the period was \$25.4 million. The company's earnings before interest, taxes, depreciation and amortization (EBITDA), was \$60.5 million*, and cash provided by operating activities was \$35.8 million. "Throughout the first half of this fiscal year, all of the components of our strategic focus have worked extremely well and in concert with one another," John W. Casella, chairman and chief executive officer, said. "Our performance this quarter is a reflection of the sustained benefits of our increased disposal capacity and the continuous improvement of all of our assets and operations."

"Our EBITDA margin on a quarter-over-quarter basis rose to 24.2 percent from 22.5 percent in the second quarter of fiscal 2004," Casella said. "And, due to our landfill activity, our internalization rate improved to 55.0 percent from 52.9 percent a year ago."

"In fact, most facets of our business continue to deliver improved performance," Casella said.

"Volumes continue to improve in our core markets," Casella said, "giving us growing confidence in the overall health of our economy."

***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 (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 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 expenditure and working capital requirements. For these reasons we utilize these non-GAAP metrics to measure our performance at all levels. These measures do not represent, and should not be considered as alternatives to cash provided by operating activities as determined in accordance with GAAP. Moreover, these measures do not necessarily indicate whether cash flow will be sufficient for such items as working capital 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.

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

The company said that its financial results for the quarter ended October 31, 2004 include both income from a discontinued document destruction operation and a loss on the sale of that discontinued operation. Results also include the write-off of deferred costs of about \$295,000, resulting from the company's expectation that its effort to lease the McKean County, Penn. landfill will not be successful, as the county has entered negotiation with another bidder.

The company also announced that it filed a shelf registration statement with the Securities and Exchange Commission on December 8, 2004. The company has no current plans to issue securities under that registration statement.

Casella Waste Systems, headquartered in Rutland, Vermont, provides collection, transfer, disposal and recycling services primarily in the northeastern United States.

For further information, contact Richard Norris, chief financial officer; or Joseph Fusco, vice president; 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, December 9, 2004 at 10:00 a.m. EST. Individuals interested in participating in the call should dial (719) 457-2653 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 by calling 719-457-0820 (conference code #305666) before 11:59 p.m. ET, Thursday, December 16, 2004, or by visiting the company's website.

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," "anticipates," "expects" or words of similar import. Similarly, statements that describe the Company's future plans, objectives or goals are forward-looking statements. 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 make acquisitions and otherwise develop additional disposal capacity; continuing weakness in general economic 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. Other factors which could materially affect such forward-looking statements can be found in our periodic reports filed with the Securities and Exchange Commission, including certain factors which could affect future operating results detailed in the Management's Discussion and Analysis section in our Form 10-K for the fiscal year ended April 30, 2004.

