

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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): July 1, 2002  
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CASELLA WASTE SYSTEMS, INC.  
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(Exact name of registrant as specified in its chapter)

Delaware	000-23211	03-0338873
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

25 GREENS HILL LANE, RUTLAND, VERMONT	05701
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(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (802) 775-0325  
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(Former name or former address, if changed since last report)

Item 5. OTHER EVENTS.

On July 1, 2002, Casella Waste Systems, Inc. (the "Company") announced its intention to sell \$175.0 million of senior subordinated notes due 2012. Concurrently with the offering, the Company expects to obtain a new credit facility of \$300.0 million. A copy of the Company's press release announcing the foregoing is attached as Exhibit 99.1.

The Company also announced its financial results for the fourth quarter and its 2002 fiscal year, and provided guidance on its expected performance for its 2003 fiscal year. A copy of the Company's press release announcing the foregoing is attached as Exhibit 99.2.

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

(c) Exhibits. The following exhibits are being filed herewith.

EXHIBIT NUMBER	DESCRIPTION
99.1	Casella Waste Systems, Inc. Press Release dated July 1, 2002, announcing its intention to sell senior subordinated notes and to enter into a new credit facility.
99.2	Casella Waste Systems, Inc. Press Release dated July 1,

2002, announcing its financial results and providing guidance on fiscal year 2003.

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 thereunto duly authorized.

CASELLA WASTE SYSTEMS, INC.

BY: /s/ JOHN W. CASELLA

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Name: John W. Casella  
Title: Chief Executive Officer

Date: July 3, 2002

EXHIBIT INDEX

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FOR IMMEDIATE RELEASE

CASELLA WASTE SYSTEMS, INC. ANNOUNCES NOTE OFFERING

RUTLAND, VERMONT (July 1, 2002)--Casella Waste Systems, Inc. (Nasdaq: CWST), announced today its intent to sell \$175,000,000 of senior subordinated notes. Concurrent with the offering, Casella Waste Systems expects to obtain a new senior secured credit facility of \$300 million. Net proceeds from the offering, together with initial borrowings from the new senior secured credit facility, would be used to repay the borrowings outstanding under Casella Waste Systems' senior secured credit facility.

The notes are being sold in the United States to qualified institutional buyers in reliance on Rule 144A, and outside the United States in compliance with Regulation S, under the Securities Act of 1933, as amended. These securities will not be registered under the Securities Act of 1933, as amended, or any applicable state laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This announcement shall not constitute an offer to sell or a solicitation of an offer to buy the securities.

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

This news release contains forward looking statements about Casella Waste Systems, Inc. within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding Casella Waste Systems' intent to sell senior subordinated notes; reduce borrowings under the revolving credit facility; and diversify sources of credit. These forward looking statements involve risks and uncertainties. Factors that could cause actual results to differ materially from those predicted in any such forward-looking statement include Casella Waste Systems'

ability to sell the notes; ability to obtain a new revolving credit facility and general economic conditions. These and other risks are detailed from time to time in Casella Waste Systems' periodic reports filed with the Securities and Exchange Commission, including, but not limited to, its report on Form 10-K for its fiscal year ended April 30, 2001.

CONTACT: RICHARD NORRIS, CHIEF FINANCIAL OFFICER; OR JOSEPH FUSCO, VICE PRESIDENT; (802) 775-0325.

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07/01/02

FOR IMMEDIATE RELEASE

CASELLA WASTE SYSTEMS, INC. ANNOUNCES FOURTH QUARTER AND FISCAL 2002 RESULTS; PROVIDES FISCAL YEAR 2003 GUIDANCE

RUTLAND, VERMONT (July 1, 2002)--Casella Waste Systems, Inc. (Nasdaq: CWST), a regional, non-hazardous solid waste services company, today reported financial results for the fourth quarter and its 2002 fiscal year, and gave guidance on its expected performance for its 2003 fiscal year.

FOURTH QUARTER AND FISCAL 2002 RESULTS

For the quarter ended April 30, 2002, the company reported pro forma earnings before interest, taxes, depreciation and amortization (EBITDA) of \$21.1 million; pro forma revenues for the quarter were \$97.0 million. Pro forma net income for the quarter was \$1.6 million. The company's fully diluted pro forma earnings per share (EPS) was \$0.03.

For the fiscal year ended April 30, 2002, the company reported pro forma EBITDA of \$92.0 million; pro forma revenues for the twelve-month period were \$419.9 million. Pro forma net income was \$10.1 million; fully diluted pro forma EPS was \$0.29.

The company also announced that it had generated \$33.0 million of operating free cash flow for fiscal year 2002; as of April 30, 2002, the company had cash on hand of \$4.3 million, and had an outstanding total debt level of \$288.8 million.

"Quarter after quarter, we continue to execute on our top priorities: strengthening and leveraging our core solid waste assets; striving for the highest levels of excellence in our operations in areas like customer service, safety and training; and positioning the company to capitalize on its emerging opportunities for responsible growth," John W. Casella, chairman and chief executive officer, said.

Results for the quarter ended April 30, 2002 are reported pro forma to reflect the elimination of (i) revenue related to recyclable commodity hedge contracts; (ii) a loss on the

disposal of discontinued operations; and (iii) the elimination of a net loss on the sale and impairment of certain assets. Results for the twelve months ended April 30, 2002 are reported pro forma to reflect, in addition to the foregoing, (i) the elimination of gains and losses on the sale of certain assets; (ii) an equity loss; (iii) losses arising from the bankruptcy of Enron; and (iv) the elimination of a change in accounting principle.

More detailed financial results are contained in the tables accompanying this release, including the company's results on a GAAP basis.

FISCAL 2003 OUTLOOK

The company also announced its guidance for its fiscal year 2003, which began May 1, 2002.

For the fiscal year 2003, the company believes that its results will be in the following ranges:

- o Revenues between \$415 million and \$435 million;
- o EBITDA between \$87 million and \$91 million;
- o Operating free cash flow between \$19 million and \$24 million; and
- o Capital expenditures between \$38 million and \$40 million.

"When comparing the projected range of fiscal 2003 EBITDA with fiscal 2002 EBITDA performance of \$92 million, it's important to take a number of factors

into consideration," Casella said, "including the following:

- o "Our strategic divestiture of non-core assets reduced EBITDA by \$1.7 million;
- o "Our insurance premiums have risen by approximately \$6 million for fiscal 2003, reflecting the significant cost of insurance coverage post the September 11 attacks;
- o "Our Woburn landfill is expected to close in the first quarter of fiscal 2003, which we've only partially offset with an agreement to acquire 700,000 tons of capacity in eastern Massachusetts.

"It's also important to note the assumptions we have not built into our EBITDA guidance," Casella said. "First, we've budgeted for flat volume growth over the next year," Casella said. "To the extent the economy improves, this represents upside to our numbers. Also, assuming we are successful in completing the note offering and bank refinancing that we are also announcing today, we expect to pursue a selective and opportunistic acquisition program marked by a responsible approach to growth. Our EBITDA guidance assumes no growth through acquisitions other than a minimal amount of small tuck-ins.

"In addition, we are not incorporating sustained upside growth in commodity prices this year," Casella said. "If commodity prices stay at current levels for the duration of the fiscal year, they would be above our current budget projection."

#### COMPANY ACQUIRES DISPOSAL CAPACITY IN E. MASSACHUSETTS

The company also announced today that it had completed a transaction giving the company slightly more than 700,000 tons of construction and demolition disposal capacity over the next three years in its eastern Massachusetts market. The agreement with New England Waste Management Corp. allows the company to partially replace the annual tonnage capacity the company had at the Woburn, Mass. landfill.

#### IMPACT OF ACCOUNTING RULE CHANGES UNDER SFAS NO. 142

The company also said it will be adopting accounting changes required under SFAS No. 142 eliminating the amortization of goodwill and requiring an annual assessment of goodwill impairment. In accordance with this rule, the company's remaining goodwill will not be amortized going forward and, upon adoption, it is expected that certain goodwill arising from the acquisition of KTI, will be impaired in the estimated amount of \$63.0 million, and the amount of the impairment will be charged to earnings as a cumulative effect of a change in accounting principles.

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 Tuesday, July 2, 2002 at 10:00 a.m. EST. Individuals interested in participating in the call should dial 719-457-2641 at least 10 minutes before start time. The call will also be webcast; to listen, participants should visit the investor section of Casella Waste Systems' website at <http://www.casella.com/value.htm> and follow the appropriate link to the webcast. A replay of the call will be available by calling 719-457-0820 (conference code 279488) or by visiting the company's website, before 11:59 p.m. EST, Tuesday, July 9, 2002.

#### 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, our ability to complete the refinancing of our senior bank credit facilities and issue senior subordinated notes; our ability to make acquisitions and otherwise develop

additional disposal capacity; general economic conditions; and fluctuations in the commodity pricing of our recyclables. 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 risk factors detailed in Management's Discussion and Analysis in our Form 10-K for the fiscal year ended April 30, 2001 and in our most recently-filed Form 10-Q.

(tables follow)

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

(in thousands, except amounts per share)

	Three Months Ended		
	April 30, 2001	April 30, 2002	April 30, 2002 (1) (Proforma)
Revenues	\$99,583	\$97,506	\$97,001
Operating Expenses:			
Cost of Operations	67,865	64,156	64,156
General and Administration	17,512	11,916	11,916
Depreciation and Amortization	12,567	12,306	12,306
Impairment Charge	59,619	0	0
Restructuring and Other Non-recurring Charges	9,964	(438)	0
	167,527	87,940	88,378
Operating Income	(67,944)	9,566	8,623
Other (Income) Expense:			
Interest Expense, Net	8,746	6,792	6,792
(Income) Loss from Equity Method Investments, net	9,731	(549)	(549)
Gain on Sale of Bangor Hydro warrants	(1,605)	0	0
Minority Interest	77	(151)	(151)
Other (Income) Expense	3,392	480	192
	20,341	6,572	6,284
Income (Loss) from Continuing Operations before			
Income Taxes	(88,285)	2,994	2,339
Provision for Income Taxes	(13,811)	363	777
Net Income (Loss) from Continuing Operations	(74,474)	2,631	1,562
(Income) Loss from Discontinued Operations, net of Income Taxes	16,972	0	0
Loss on Disposal of Discontinued Operations, net of Income Taxes	1,443	1,950	0
Cumulative Effect of Change in Accounting Principle, net of Income Taxes	0	0	0
Net Income (Loss)	(92,889)	681	1,562

Accretion of Preferred Stock Dividend	680	744	744
Net Income (Loss) Available to Common Stockholders	(\$93,569)	(\$63)	\$818
EBIT	(67,944)	9,566	8,623
EBITDA	14,129	21,585	21,080
Common Stock and Common Stock Equivalent Shares Outstanding, Assuming Full Dilution	23,184	23,751	24,390
Earnings (Loss) per Share	(\$4.04)	\$0.00	\$0.03
Twelve Months Ended			
	April 30, 2001	April 30, 2002	April 30, 2002 (1) (Proforma)
Revenues	\$479,816	\$420,821	\$419,933
Operating Expenses:			
Cost of Operations	323,703	275,706	275,706
General and Administration	62,612	53,105	52,373
Depreciation and Amortization	52,883	50,696	50,696
Impairment Charge	59,619	0	0
Restructuring and Other Non-recurring Charges	9,964	(438)	0
	508,781	379,069	378,775
Operating Income	(28,965)	41,752	41,158
Other (Income) Expense:			
Interest Expense, Net	38,647	30,571	30,571
(Income) Loss from Equity Method Investments, net	26,256	(1,899)	(4,291)
Gain on Sale of Bangor Hydro warrants	(3,131)	(1,654)	0
Minority Interest	1,026	(154)	(154)
Other (Income) Expense	3,209	(2,826)	(89)
	66,007	24,038	26,037
Income (Loss) from Continuing Operations before Income Taxes	(94,972)	17,714	15,121
Provision for Income Taxes	(12,731)	5,887	5,025
Net Income (Loss) from Continuing Operations	(82,241)	11,827	10,096
(Income) Loss from Discontinued Operations, net of Income Taxes	15,448	0	0
Loss on Disposal of Discontinued Operations, net of Income Taxes	3,846	4,096	0
Cumulative Effect of Change in Accounting Principle, net of Income Taxes	0	250	0
Net Income (Loss)	(101,535)	7,481	10,096
Accretion of Preferred Stock Dividend	1,970	3,010	3,010
Net Income (Loss) Available to Common Stockholders	(\$103,505)	\$4,471	\$7,086
EBIT	(28,965)	41,752	41,158
EBITDA	92,475	92,164	92,008
Common Stock and Common Stock Equivalent Shares Outstanding, Assuming Full Dilution	23,189	24,169	24,169
Earnings (Loss) per Share	(\$4.46)	\$0.19	\$0.29

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

## NOTES:

(1) Proforma amounts reflect the following:  
Three months ended, April 30, 2002:

- (i) the elimination of revenue amounting to \$505 related to accounting for commodity hedge contracts in accordance with FAS 133 arising from the Enron bankruptcy.
- (ii) the elimination of net restructuring charge adjustments of \$438.
- (iii) the elimination of \$288 in other expense related to additional gain on the sale of Multitrade group as well as the impairment of USPL equity holdings.
- (iv) the elimination of a Loss on Disposal of Discontinued Operations.

Twelve months ended, April 30, 2002 (in addition to the foregoing):

- (i) the elimination of the equity loss from New Heights amounting to \$2,392.
- (ii) the elimination of the gain on sale of Bangor Hydro warrants amounting to \$1,654.
- (iii) the elimination of the gain on sale of the Multitrade group (\$4,006) and S&S Disposal (\$691), which are included in Other Income.
- (iv) the elimination of the Loss on Disposal of Discontinued Operations, which includes the sale of the Tire business, and the writedown of a Commercial Recycling facility to net realizable value.
- (v) the elimination of the writeoffs related to commodity hedge contracts and trading with Enron. These amounts are included in Revenues, G&A expenses and Other Income (\$2,021).
- (vi) the elimination of a change in accounting principle.

## (2) Proforma Revenue

Proforma Revenue represents revenue eliminating divested operations (PERC, Multitrade, Timbers, Manner Resins, US Fiber, TWM, Erie Hauling, S&S Disposal, Ameri-Can and Resource Transfer Station) as if they had been sold as of May 1, 2000. Proforma Revenue is not a measure of financial performance under generally accepted accounting principles, but is provided because the Company understands that certain investors use this information when analyzing the financial position and performance of the Company.

	THREE MONTHS ENDED:				
	04/30/01	07/31/01	10/31/01	01/31/02	04/30/02
Solid Waste Operations	67,504	82,194	82,374	74,219	70,590
Recycling	26,110	23,503	23,225	23,449	24,126
Other	4,906	3,461	3,648	3,521	2,790
Proforma Revenue	98,520	109,158	109,247	101,189	97,506

## (3) Proforma EBITDA

Proforma EBITDA represents operating income (earnings before interest and taxes, or "EBIT") plus depreciation and amortization expense, impairment charge, restructuring charge, legal settlements, other miscellaneous charges and merger-related costs less minority interest eliminating divested operations (PERC, Maine Energy Minority Interest, Multitrade, Timbers, Manner Resins, US Fiber, TWM, Erie Hauling, S&S Disposal, Ameri-Can and Resource Transfer Station) as if they had been sold as of May 1, 2000. Proforma EBITDA is not a measure of financial performance under generally accepted accounting principles, but is provided because the Company understands that certain investors use this information when analyzing the financial position and performance of the Company.



	04/30/01 -----	07/31/01 -----	10/31/01 -----	01/31/02 -----	04/30/02 -----
Solid Waste Operations	16,739	22,489	23,580	18,705	19,072
Recycling	1,221	1,195	1,827	1,854	2,378
Other	(686)	(466)	(176)	494	135
Proforma EBITDA	----- 17,274 -----	----- 23,218 -----	----- 25,231 -----	----- 21,053 -----	----- 21,585 -----