

Waste Connections Reports First Quarter 2007 Results

- Reports revenue of \$219.0 million and earnings per share of \$0.32
- Revenue and operating income increase 15.1% and 18.6%, respectively
- Reports internal growth of 8.7%
- Reports free cash flow of \$24.9 million, or 11.4% of revenue

PRNewswire-FirstCall
FOLSOM, Calif.

Waste Connections, Inc. today announced its results for the first quarter 2007. Revenue totaled \$219.0 million, a 15.1% increase over revenue of \$190.2 million in the year ago period. Operating income was \$46.4 million, an 18.6% increase over operating income of \$39.2 million in the first quarter of 2006. As a percentage of revenue, operating income was 21.2%, a 60 basis point increase from 20.6% in the year ago period despite an approximate 45 basis point increase in equity-based compensation costs as a percentage of revenue. Equity-based compensation costs, on a pre-tax basis, were \$1.7 million and \$0.6 million for the first quarter of 2007 and 2006, respectively.

Net income in the quarter was \$22.4 million, or \$0.32 per share on a diluted basis of 70.6 million shares. In the year ago period, the Company reported net income of \$15.7 million and diluted earnings per share of \$0.22. Net income in the prior year period included a \$4.2 million charge (\$2.6 million net of taxes, or approximately \$0.04 per share) for the write-off of unamortized debt issuance costs associated with convertible notes that subsequently were redeemed. Shares and per share numbers reflect a three-for-two stock split effective March 13, 2007.

"We are extremely pleased with our results in the quarter and the implications moving forward. Continued strong pricing growth, improved commodity prices and a reduction in net days sales outstanding enabled us to exceed our expectations for the quarter," said Ronald J. Mittelstaedt, Chairman and Chief Executive Officer. "We expect volume growth to increase in the second quarter given improving monthly trends experienced during the first quarter and the full impact of two long-term contracts that commenced earlier in the year."

Waste Connections will be hosting a conference call related to first quarter earnings and second quarter outlook on April 24th at 8:30 A.M. Eastern Time. The call will be broadcast live over the Internet at <http://www.streetevents.com/> and through a link on the Company's web site at <http://www.wasteconnections.com/>. A playback of the call will be available at both of these sites.

For non-GAAP measures, see accompanying Non-GAAP Reconciliation Schedule.

Waste Connections, Inc. is an integrated solid waste services company that provides solid waste collection, transfer, disposal and recycling services in mostly secondary markets in the Western and Southern U.S. The Company serves more than one million residential, commercial and industrial customers from a network of operations in 22 states. The Company also provides intermodal services for the movement of containers in the Pacific Northwest. Waste Connections, Inc. was founded in September 1997 and is headquartered in Folsom, California.

For more information, visit the Waste Connections web site at <http://www.wasteconnections.com/>. Copies of financial literature, including this release, are available on the Waste Connections web site or through contacting us directly at (916) 608-8200.

Certain statements contained in this press release are forward-looking in nature. These statements can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "anticipates," or the negative thereof or comparable terminology, or by discussions of strategy. Waste Connections' business and operations are subject to a variety of risks and uncertainties and, consequently, actual results may differ materially from those projected by any forward-looking statements. Factors that could cause actual results to differ from those projected include, but are not limited to, the following: (1) Waste Connections may be unable to compete effectively with larger and better capitalized companies and governmental service providers; (2) increases in the price of fuel may adversely affect Waste Connections' business and reduce its operating margins; (3) increases in labor and disposal and related transportation costs could impact Waste Connections' financial results; (4) increases in insurance costs and the amount that Waste Connections self-insures for various risks could reduce its operating margins and reported earnings; (5) Waste Connections' financial results are based upon estimates and assumptions that may differ from actual results; (6) efforts by labor unions could divert management attention and adversely affect operating results; (7) Waste

Connections may lose contracts through competitive bidding, early termination or governmental action; (8) Waste Connections' results are vulnerable to economic conditions and seasonal factors affecting the regions in which it operates; (9) Waste Connections may be subject in the normal course of business to judicial and administrative proceedings that could interrupt its operations, require expensive remediation and create negative publicity; (10) competition for acquisition candidates, consolidation within the waste industry and economic and market conditions may limit Waste Connections' ability to grow through acquisitions; (11) Waste Connections' growth and future financial performance depend significantly on its ability to integrate acquired businesses into its organization and operations; (12) Waste Connections' acquisitions may not be successful, resulting in changes in strategy, operating losses or a loss on sale of the business acquired; (13) because Waste Connections depends on railroads for its intermodal operations, its operating results and financial condition are likely to be adversely affected by any reduction or deterioration in rail service; (14) Waste Connections' intermodal business could be adversely affected by steamship lines diverting business to ports other than those Waste Connections services, or by heightened security measures or actual or threatened terrorist attacks; (15) Waste Connections depends significantly on the services of the members of its senior and district management team, and the departure of any of those persons could cause its operating results to suffer; (16) Waste Connections' decentralized decision-making structure could allow local managers to make decisions that adversely affect Waste Connections' operating results; (17) Waste Connections may incur additional charges related to capitalized expenditures, which would decrease its earnings; (18) the outcome of audits by the Internal Revenue Service may adversely affect Waste Connections; (19) each business that Waste Connections acquires or has acquired may have liabilities that Waste Connections fails or is unable to discover, including environmental liabilities; (20) liabilities for environmental damage may adversely affect Waste Connections' business and earnings; and (21) the adoption of new accounting standards or interpretations could adversely impact Waste Connections' financial results. These risks and uncertainties, as well as others, are discussed in greater detail in Waste Connections' filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K. There may be additional risks of which Waste Connections is not presently aware or that it currently believes are immaterial which could have an adverse impact on its business. Waste Connections makes no commitment to

revise or update any forward-looking statements in order to reflect events or circumstances that may change.

WASTE CONNECTIONS, INC.
CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED MARCH 31, 2006 AND 2007
(Unaudited)
(in thousands, except share and per share amounts)

	Three months ended March 31,	
	2006	2007
Revenues	\$190,169	\$218,951
Operating expenses:		
Cost of operations	113,063	128,869
Selling, general and administrative	19,801	23,910
Depreciation and amortization	18,232	19,590
Loss (gain) on disposal of assets	(82)	160
Operating income	39,155	46,422
Interest expense	(7,494)	(7,818)
Minority interests	(2,711)	(2,840)
Other income (expense), net	(3,993)	51
Income before income taxes	24,957	35,815
Income tax provision	(9,234)	(13,435)
Net income	\$15,723	\$22,380
Basic earnings per common share	\$0.23	\$0.33
Diluted earnings per common share	\$0.22	\$0.32
Shares used in the per share calculations:		
Basic	68,504,318	68,465,359
Diluted	71,385,714	70,583,096

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in thousands, except share and per share amounts)

	December 31, 2006	March 31, 2007
ASSETS		
Current assets:		
Cash and equivalents	\$34,949	\$21,264
Accounts receivable, net of allowance for doubtful accounts of \$3,489 and \$3,492 at December 31, 2006 and March 31, 2007, respectively	100,269	104,082
Deferred income taxes	9,373	9,494
Prepaid expenses and other current assets	15,642	17,383
Total current assets	160,233	152,223
Property and equipment, net	736,428	783,048
Goodwill	750,397	761,454
Intangible assets, net	86,098	85,764
Restricted assets	15,917	16,606
Other assets, net	24,818	22,196
	\$1,773,891	\$1,821,291
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$53,010	\$53,189
Accrued liabilities	57,810	64,806
Deferred revenue	32,161	36,228
Current portion of long-term debt and notes payable	6,884	7,098
Total current liabilities	149,865	161,321
Long-term debt and notes payable	637,308	636,463
Other long-term liabilities	16,712	26,890
Deferred income taxes	205,532	204,158
Total liabilities	1,009,417	1,028,832
Commitments and contingencies		
Minority interests	27,992	28,480
Stockholders' equity:		
Preferred stock: \$0.01 par value; 7,500,000 shares authorized; none issued and outstanding	--	--
Common stock: \$0.01 par value; 100,000,000 shares authorized; 68,266,038 and 68,556,329 shares issued and outstanding at December 31, 2006 and March 31, 2007, respectively	455	685
Additional paid-in capital	310,229	313,861
Retained earnings	422,731	447,782
Accumulated other comprehensive income	3,067	1,651
Total stockholders' equity	736,482	763,979
	\$1,773,891	\$1,821,291

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2006 AND 2007
(Unaudited)
(Dollars in thousands)

	Three months ended March 31, 2006	2007
Cash flows from operating activities:		
Net income	\$15,723	\$22,380
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss (gain) on disposal of assets	(82)	160
Depreciation	17,248	18,558
Amortization of intangibles	984	1,032
Deferred income taxes, net of acquisitions	3,679	2,852
Minority interests	2,711	2,840

Amortization of debt issuance costs	4,763	482
Stock-based compensation	618	1,663
Interest income on restricted assets	(141)	(107)
Closure and post-closure accretion	149	253
Excess tax benefit associated with equity-based compensation	(3,353)	(2,260)
Net change in operating assets and liabilities, net of acquisitions	(4,443)	13,061
Net cash provided by operating activities	37,856	60,914

Cash flows from investing activities:

Payments for acquisitions, net of cash acquired	(3,755)	(35,860)
Capital expenditures for property and equipment	(19,966)	(36,147)
Proceeds from disposal of assets	171	215
Increase in restricted assets, net of interest income	(276)	(581)
Increase in other assets	(392)	(517)
Net cash used in investing activities	(24,218)	(72,890)

Cash flows from financing activities:

Proceeds from long-term debt	229,964	21,000
Principal payments on notes payable and long-term debt	(173,349)	(23,616)
Change in book overdraft	(1,683)	--
Proceeds from option and warrant exercises	17,361	6,513
Excess tax benefit associated with equity-based compensation	3,353	2,260
Distributions to minority interest holders	(2,058)	(2,352)
Payments for repurchase of common stock	(80,586)	(5,414)
Debt issuance costs	(6,307)	(100)
Net cash used in financing activities	(13,305)	(1,709)

Net increase (decrease) in cash and equivalents	333	(13,685)
Cash and equivalents at beginning of period	7,514	34,949
Cash and equivalents at end of period	\$7,847	\$21,264

ADDITIONAL STATISTICS
THREE MONTHS ENDED MARCH 31, 2007
(Dollars in thousands)

Internal Growth: The following table reflects revenue growth for operations owned for at least 12 months:

	Three Months Ended March 31, 2007
Price	5.2%
Volume	1.9%
Intermodal, Recycling and Other	1.6%
Total	8.7%

Uneliminated Revenue Breakdown:

	Three Months Ended March 31, 2007
Collection	\$160,152 64.3%
Disposal and Transfer	66,641 26.8%
Intermodal, Recycling and Other	22,224 8.9%
Total	\$249,017 100.0%
Inter-company elimination	\$30,066

Days Sales Outstanding for the three months ended March 31, 2007: 43 (28 net of deferred revenue)

Internalization for the three months ended March 31, 2007: 70%

Other Cash Flow Items for the three months ended March 31, 2007:

Cash Interest Paid: \$5,156
Cash Taxes Paid: \$632

Debt to Capitalization: 45.7%

Share Information for the three months ended March 31, 2007:

Basic shares outstanding	68,465,359
Dilutive effect of options and warrants	1,833,779
Dilutive effect of restricted stock	283,958
Diluted shares outstanding	70,583,096
Shares repurchased	187,540

NON-GAAP RECONCILIATION SCHEDULE
(in thousands)

Free cash flow, a non-GAAP financial measure, is provided supplementally because it is widely used by investors as a valuation and liquidity measure in the solid waste industry. Waste Connections defines free cash flow as net cash provided by operating activities, plus proceeds from disposal of assets and excess tax benefit associated with equity-based compensation, plus or minus change in book overdraft, less capital expenditures for property and equipment and distributions to minority interest holders. This measure is not a substitute for, and should be used in conjunction with, GAAP financial measures. Management uses free cash flow as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. Other companies may calculate free cash flow differently.

Free cash flow reconciliation:

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2007	
Net cash provided by operating activities	\$37,856	\$60,914	
Change in book overdraft	(1,683)	--	
Plus: Proceeds from disposal of assets	171	215	
Plus: Excess tax benefit associated with equity-based compensation	3,353	2,260	
Less: Capital expenditures for property and equipment	(19,966)	(36,147)	
Less: Distributions to minority interest holders	(2,058)	(2,352)	
Free cash flow	\$17,673	\$24,890	
Free cash flow as % of revenues	9.3%	11.4%	

SOURCE: Waste Connections, Inc.

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