



January 24, 2013

## **Casella Waste Systems, Inc. Announces That the Massachusetts Department of Environmental Protection Has Increased the Annual Permit Limit of the Southbridge Landfill to 405,000 Tons of MSW**

RUTLAND, VT -- (Marketwire) -- 01/24/13 -- Casella Waste Systems, Inc. (NASDAQ: CWST), a regional solid waste, recycling and resource management services company, announced that the Massachusetts Department of Environmental Protection has increased the annual permit limit at the Southbridge Sanitary Landfill to 405,000 tons per year of municipal solid waste (MSW). The facility's permit limit previously was for 300,000 tons per year of MSW.

"We have worked closely with the Town of Southbridge to realize a shared vision of developing an environmental asset that creates substantial value for the community and our stakeholders," said John W. Casella, chairman and chief executive officer of Casella Waste Systems, Inc. "This permit, along with the construction of a gas-to-energy facility and an access road to the nearby industrial development park, has created an infrastructure to attract development and jobs to the local economy."

"The Southbridge landfill is a key component to our long-term strategy to fully vertically integrate our Massachusetts assets and improve the returns on our investments in that market," Casella said. "We are now offering a full complement of customer solutions in the market, including municipal waste disposal, Zero-Sort® Recycling at our Auburn and Charlestown facilities, clean energy generated at the gas-to-energy facility, and a range of organics disposal options, including through our anaerobic digester partnership."

"The increase in the annual permit limit at Southbridge is expected to generate significant additional cash flows, with Adjusted EBITDA\* expected to increase by over \$4.0 million per year," Casella said. "A partial year benefit from this permit expansion was included in our updated fiscal year 2013 guidance issued on December 3."

The Massachusetts Department of Environmental Protection issued the final permit on January 18, 2013.

### *\*Non-GAAP Financial Measures*

In addition to disclosing financial results prepared in accordance with Generally Accepted Accounting Principles in the United States (GAAP), the company also discloses earnings before interest, taxes, depreciation and amortization, adjusted for accretion, depletion of landfill operating lease obligations, gain on sale of assets, development project charge write-offs, legal settlement charges, bargain purchase gains, asset impairment charges, environmental remediation charges, as well as severance and reorganization charges (Adjusted EBITDA) which is a non-GAAP measure.

Incremental Adjusted EBITDA is reconciled to incremental net income as follows: we estimate incremental annual net income to be approximately \$1.2 million, plus estimated incremental depreciation, amortization, accretion, and depletion of landfill operating lease obligations of \$2.8 million which equals estimated incremental Adjusted EBITDA of \$4.0 million.

The company presents Adjusted EBITDA because it considers it to be an important supplemental measure of its performance and believes that it is frequently used by securities analysts, investors and other interested parties in the evaluation of the company's results. Management uses this non-GAAP measure to further understand the company's "core operating performance." The company believes its "core operating performance" represents its on-going performance in the ordinary course of operations. The company believes that providing Adjusted EBITDA to investors, in addition to corresponding income statement measures, affords investors the benefit of viewing its performance using the same financial metrics that the management team uses in making many key decisions and understanding how the core business and its results of operations may look in the future. The company further believes that providing this information allows its investors greater transparency and a better understanding of its core financial performance. In addition, the instruments governing the company's indebtedness use EBITDA (with additional adjustments) to measure its compliance with covenants such as interest coverage, leverage and debt incurrence.

Non-GAAP financial measures are not in accordance with or an alternative for GAAP. Adjusted EBITDA should not be considered in isolation from or as a substitute for financial information presented in accordance with GAAP, and may be different from Adjusted EBITDA presented by other companies.

*About Casella Waste Systems, Inc.*

Casella Waste Systems, Inc., headquartered in Rutland, Vermont, provides solid waste management services consisting of collection, transfer, disposal, and recycling services in the northeastern United States. For further information, investors should contact Ned Coletta, chief financial officer at (802) 772-2239, and media should contact Joseph Fusco, vice president at (802) 772-2247, or visit the company's website at <http://www.casella.com>.

*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 "believe," "expect," "anticipate," "plan," "may," "will," "would," "intend," "estimate," "guidance" 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, expectations or guidance 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: an appeal of the Southbridge Sanitary Landfill provisional permit described above or the failure to source additional waste to utilize the higher annual capacity permit, any one or more of which could cause actual results to differ materially from those described in our forward-looking statements. 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, 2012 and in Item 8.01, "Other Events" in our Form 8-K dated September 24, 2012.

We undertake no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

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