



## **Casella Waste Systems, Inc. Announces Second Quarter Fiscal Year 2006 Results**

RUTLAND, VERMONT (December 7, 2005)-Casella Waste Systems, Inc. (NASDAQ: CWST), a regional, non-hazardous solid waste services company, today reported financial results for the second quarter and first six months of its 2006 fiscal year.

### **Second Quarter Results**

For the quarter ended October 31, 2005, the company reported revenues of \$136.8 million, up \$10.4 million, or 8.2 percent over the same quarter last year. The company's net income per common share was \$0.13, up \$0.03 over the same quarter last year. Operating income for the quarter was \$13.7 million, up \$950,000, or 7.4 percent over the same quarter last year. Cash provided by operating activities in the quarter was \$14.0 million, down \$2.2 million, or 13.3 percent compared to the same quarter last year. The company's earnings before interest, taxes, depreciation and amortization (EBITDA) were \$30.6 million\*, essentially unchanged from the same quarter last year.

For the six months ended October 31, 2005, the company reported revenues of \$268.8 million. The company's net income per common share was \$0.22. Operating income for the six month period was \$26.8 million. Cash provided by operating activities for the period was \$36.6 million. The company's earnings before interest, taxes, depreciation and amortization (EBITDA) were \$59.8 million\*.

### **Highlights of the Quarter**

"Our internal growth was solid, even taking into account the fuel and energy headwinds that everyone is facing," John W. Casella, chairman and chief executive officer, said.

"Business conditions continue to present a mixed set of challenges," Casella said. "Margin improvement continues to be challenged mainly due to higher transportation and fuel costs.

"The company also began operating the Chemung County landfill during the quarter. This is a superb facility right in the heart of our western New York state market.

"The landfill's current utilization rate is 120,000 tons of municipal solid waste (MSW) per year, and we've begun efforts to increase the facility's capacity in accordance with the host community relationship and the public-private partnership," Casella said.

The company said it also believes it will meet the low end of the range of its fiscal year 2006 EBITDA\* guidance of \$112.0 million to \$116.0 million.

### **\*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.

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 8, 2005 at 10:00 a.m. ET. Individuals interested in participating in the call should dial 719-457-2659 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 #2066499) before 11:59 p.m. ET, Thursday, December 15, 2005, 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; increasing fuel costs may affect our cost of operations; 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, 2005.

