

**Keith Carrigan**

Vice Chairman and CEO  
BFI Canada Ltd.

**Speech to:**

National Bank Financial  
Transportation and  
Industrials Conference  
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Good afternoon and thank you for your interest in BFI Canada. We appreciate this time to discuss the solid waste services industry and our company.

**Forward-Looking Statements**

This presentation may contain forward-looking statements relating to the Corporation's operations or to the environment in which it operates, which are based on the Corporation's estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict, or are beyond the Corporation's control. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. These factors include those set forth in the Annual Information Form of BFI Canada Income Fund, the predecessor company, for the period ended December 31, 2007. Consequently, readers should not rely on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they are made. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, the Corporation cannot assure shareholders that actual results will be consistent with these forward looking statements, and the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

As we begin, I'll remind you that our presentation includes forward-looking information and a number of factors could cause actual results to differ.

## Agenda



- Strategic Overview of BFI Canada Ltd.
- Track Record of Strong Financial Results
- Financial Highlights: FY 2008
- Q&A

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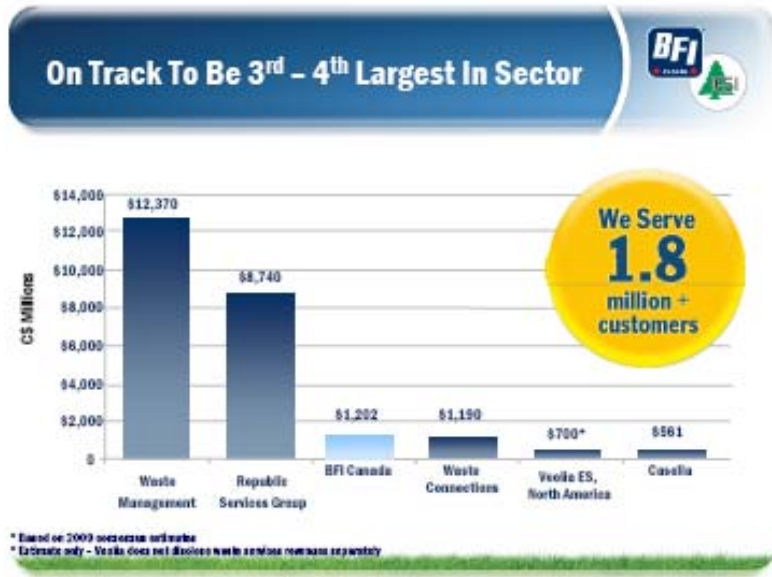
In my presentation today, I will first provide an overview of our company's strategic positioning within our sector as well as our strategies for the future. I'll then address our historical and recent financial results before we open it up to Q&A.

## BFI Canada Ltd. (BFC: TSX)



- On track to be 3<sup>rd</sup> – 4<sup>th</sup> largest public solid waste services company in North America
- More than 4,000 employees
- \$1 billion+ revenue run-rate
- One of the strongest balance sheets in the sector
- Above industry average organic growth
- A growth company that also pays a dividend

BFI Canada is one of the largest solid waste services providers operating in North America today. We have more than 4,000 employees in the U.S. and Canada. In 2008, we passed the milestone of \$1 billion in revenues and our rate of organic revenue growth has consistently exceeded the average in our industry. With one of the strongest balance sheets in our sector, recently strengthening by an equity offering, we are in a very strong position to weather any kind of economic environment. In fact, we continue to pay a dividend to our shareholders – we are paying a regular quarterly dividend of 50 cents per share this year as well as a special quarterly dividend of 50 cents per share.



There are a limited number of large players in the non-hazardous solid waste services industry, and you can see the list of our top publicly traded peers here. Based on estimated 2009 revenues, we are the third-to-fourth largest waste management company in North America.

On a revenue basis, the US municipal solid waste market is estimated, by the Waste Business Journal, to be on track to exceed 60 billion dollars in 2010.

The Canadian waste market is smaller, with a market about 12% of the size of the U.S. market, but it's still many billions of dollars.

So we are operating in a North American market that is big and getting larger, thanks to a combination of population growth and strong industry pricing.

## Broad Market Presence



- Serve more than 1.8 million customers in 5 provinces and 10 states.
- Target high-density urban markets or exclusive markets where we can lead with integrated assets.
- Focused on expansion in existing geographic areas, where we can be landfill neutral to positive.



We operate in five provinces in Canada and ten U.S. states.

We operate in urban markets and we are typically either the number one or two provider in those markets. In these more densely populated areas, we can add to our customer base in a way that allows us to optimally run our collection, transfer and disposal assets.

While we now have more than 1.8 million customers, there are millions more who do not use our services today in urbanized areas of North America. We will continue to target these potential customers through our focus on expansion within our existing geographical areas.

## A Stable Customer Base



- Broad customer base
  - 1.7 million residential customers
  - 150,000 commercial and industrial customers
- An essential service in a recession-resistant industry
- High level of stability as municipal contracts typically run 3-5 years
- Majority of contracts automatically renew, resulting in a consistently low churn rate
- Ability to pass through fuel, environmental, commodity and other surcharges
  - Putting in place fuel hedges to cover fuel costs that cannot be quickly recovered through surcharges (principally related to municipal contracts and 3<sup>rd</sup> party trucking to landfill operations in the US)
  - Expect to offset lower commodity prices in 2009

We have a broad customer base today. No single customer represents a material portion of our revenue or cash flow.

Our company operates with a high degree of stability as we deliver an essential service to a customer base that is diverse in both customer type and geography.

We serve 1.7 million residential customers. This segment of the waste services industry has typically witnessed zero negative growth during recessionary times.

We also serve 150,000 commercial and industrial customers. Our commercial line of business has been performing very strongly and showing no signs of decline.

The industrial side of our business is the most exposed to the economic climate, particularly a part of the segment known as construction and demolition, which is, of course, sensitive to housing and commercial construction. However, this represents less than 10% of the total industry's waste stream and represents even less of our business.

We believe that we can continue to perform well under nearly any market condition given the strength of our market-focused strategies and our ability to quickly deploy them.

For example, we have the ability to pass through fuel, environmental and other surcharges to offset increased costs.

**Vertically-Integrated Assets**

**BFI**

A vertically integrated combination of services

| Collection                                                                                                                                | Transfer                                                                                                                                                       | Recycling                                                                                                                                          | Landfill                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>72 non-hazardous solid waste collection operations | <br>35 transfer stations, strategically located near many collection routes | <br>20 recycling facilities process a wide variety of material | <br>22 landfill sites, owned and/or operated; 2 gas-to-energy systems |

\* As of December 31, 2016

We are ideally positioned in our markets because our operations are vertically integrated.

This means we can provide a total solution for the collection, transfer, recycling, landfill and gas-to-energy needs of our customers and communities.

This is a significant point because companies that are vertically integrated in our industry are best able to serve the increasingly sophisticated and growing needs of the market.

We will continue to operate with modern, integrated assets. Not just because this sets us apart from smaller, independent competitors, but because we can achieve greater efficiency and productivity with this approach.

#### **Differentiator: Market-Focused Process**



- Management's focus is on return on capital.
- In each market, management monitors revenue per asset hour and return on replacement capital per asset.
- Extensive field management training on these key operating metrics and associated strategies.
- Analytical and practical approach to market operations is a key strength and differentiator.

Even more than our assets, however, what differentiates BFI Canada from others in our industry is our market-focused process.

All of our managers understand that they perform best when they employ our market-focused strategies, our processes and our assets in concert to drive key metrics.

I won't go into detail regarding these metrics, but ultimately we are looking at improving return on capital. In each market, our field managers monitor the hourly revenue generated by each asset they run and the return on capital per asset.

We improve these metrics through proprietary and proven strategies that are built on a collection of data from our operations.

We give our people extensive training on the key operating strategies that drive success so that they can make the best operating decisions and take the initiative to improve results.

The method we have of addressing our markets for the future is very analytical and at the same time very practical – and is one of our key strengths and differentiators.

## BFI Canada's Objective



To assemble the most strategic **assets**  
in the market, resulting in  
an increased **return on capital**



As a company, our objective each quarter and every year, is to assemble the most strategic assets in the market, in order to increase our return on capital and improve the level of free cash flow we generate in each of our business lines and geographical regions.

## Track Record of Strong Financial Results

This focus has resulted in a track record of strong financial results.

### Track Record Of Creating Value Through Growth



- We have a track record of creating value through growth, both organically and by way of acquisitions.

We have a demonstrated track record of achieving growth through both organic improvement and by way of acquisitions.

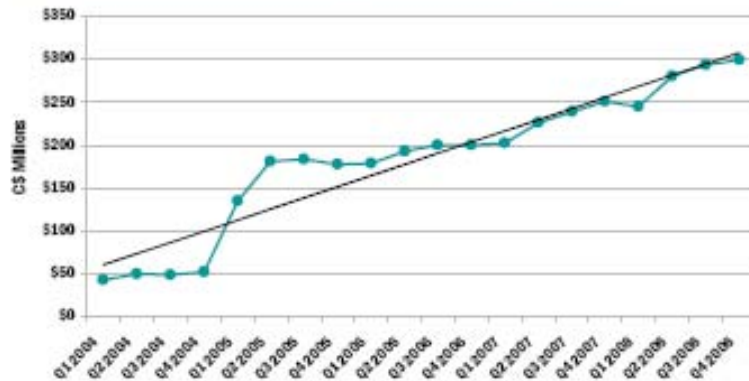
Our organic growth has outperformed the industry average, driven by the addition of new customers, increased route density in our existing markets and a high level of renewed customer contracts

Acquisitions, both tuck-in and platform, have delivered strategic and accretive benefits to our business.

Tuck-ins are smaller businesses or assets that will literally tuck in to our existing platforms to drive productivity and a host of other important metrics.

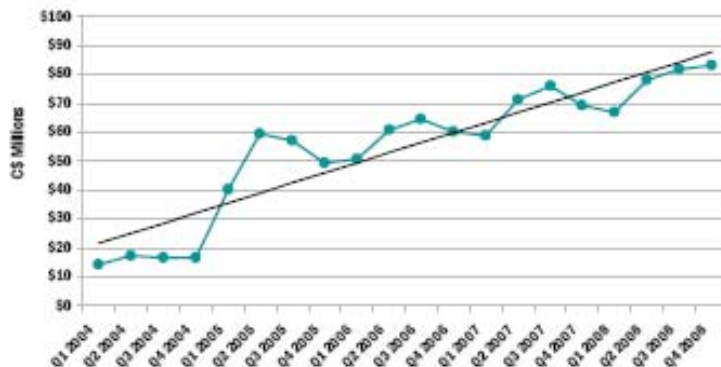
Platforms are typically bigger businesses or asset combinations that allow us to enter a new market, or enlarge and significantly strengthen the synergies we have in an existing market and deploy our market-focused strategies.

## Strong Trajectory of Quarterly Revenue Growth



Since 2004, our compounded annual revenue growth rate has been over 55%.

## Strong Trajectory of Quarterly EBITDA Growth



And our compounded annual EBITDA growth rate has been 54%.

Even in 2008, a year in which the economy turned recessionary, we were able to sustain and build on our record of continuous annual improvement.



**Financial Highlights:  
Fiscal Year 2008**

I'll now turn to some of the highlights of our financial results in 2008.

## Year-End Update



- Revenue and EBITDA growth rates continue to set the pace within the solid waste services sector, despite the challenging economy and decline in recycling commodity prices.
- Results demonstrate that market-focused strategies remain effective even during periods of economic weakness.
- Deleveraged balance sheet and positive free cash flow positions BFI Canada to focus on growing existing business and on future opportunities.

Even among the strong results of other providers of solid waste services, BFI Canada's results stand out, which demonstrates that our market-focused strategies continue to be highly effective tools for value creation.

Although our operations performed exceptionally well given the economic environment we faced, and our markets were resilient, challenges were present.

We faced higher diesel fuel prices in the first three quarters of the year and lower recycled commodity prices toward the end of the year were disruptive.

We also experienced the impact of deteriorating economic conditions on our operations in the Northeast U.S.

However, we adjusted quickly to address these issues. In 2008, we used pricing strategies to offset higher fuel costs and higher processing costs for recycled materials.

We adjusted our marketing and sales efforts to grow our business in markets less-affected by economic weakness.

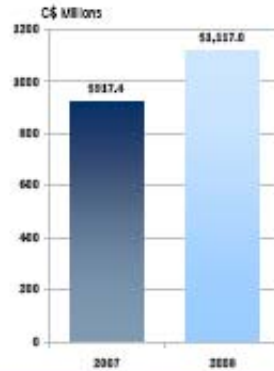
We also intensified our efforts to improve the productivity of our assets by targeting new customers and increasing collection volumes on each route.

As a result of our operational efforts, and with a deleveraged balance sheet and positive free cash flow, we are very well-positioned.

## Strong 2008 Revenues



- 2008 revenues increased **21.8%**

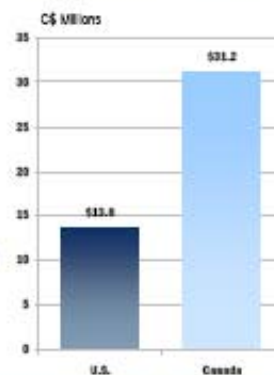


We ended the year on a high note, reaching a new financial milestone. At \$1.1 billion, revenues surpassed the billion dollar mark for the first time on 21.8% year-over-year growth.

## 2008 Organic Revenue Growth



- Canada – organic revenue growth of **9.7%**
  - Core price growth of 4.1%
  - Volume growth of 5.3%
- U.S. – organic revenue growth of **2.4%**
  - Core price growth of 3.3%
  - Volume growth of (0.9%)



Excluding acquisitions, foreign exchange translation, fuel and environmental surcharges,

2008 revenues grew organically by 9.7% in Canada and 2.4% in the U.S.

On a consolidated basis, we achieved organic growth of 5.2%.

On this slide, you can see how core price and volume contributed within Canada and in the U.S.

On a consolidated basis, core price accounted for 3.6% of total organic revenue growth in 2008, while volume strategies contributed 1.5% to overall growth. Recycling contributed 0.1% to organic revenue growth.

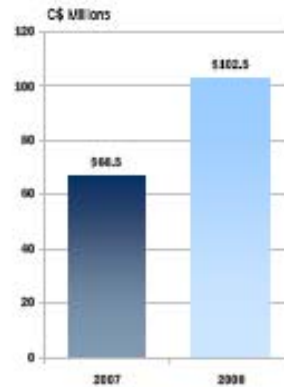


EBITDA in 2008 increased 12.6% to \$310.2 million. If we exclude the impact of foreign exchange, EBITDA increased 13% in 2008.

## 2008 Free Cash Flow



Free cash flow increased  
**54.1%**  
or  
**\$36.0 million**

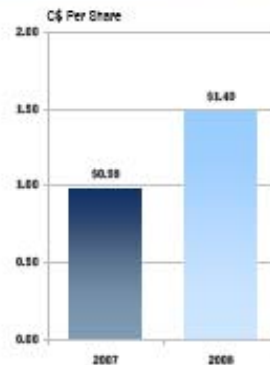


Our free cash flow, which includes the deduction of both replacement and growth capital, was \$102.5 million in 2008, an increase of 54.1%.

## 2008 Free Cash Flow Per Share



Free cash flow per share increased  
**52%**  
or  
**\$0.51 per share**



Our cash earnings per share on a fully diluted basis were \$1.49 for the year and increase of 51 cents per share.

This record level of free cash flow, in the face of a deteriorating economic climate, really highlights the effectiveness of our business model of accretive acquisition and organic growth strategies.

We are cash-flow positive in both our U.S. and Canadian operations and have the ability to fund our replacement and growth capital requirements, our dividend commitments, and also to service our debt through the use of internally generated cash flow.

We further anticipate additional excess free cash flow to be available for uses that we will determine as the year progresses.

| 2008 Revenue and EBITDA By Region |              |              |          |             |             |          |
|-----------------------------------|--------------|--------------|----------|-------------|-------------|----------|
| (US Millions)                     | 2008 Revenue | 2007 Revenue | % Change | 2008 EBITDA | 2007 EBITDA | % Change |
| Canada                            | 391.1        | 336.5        | 16.2%    | 133.0       | 119.7       | 11.1%    |
| U.S. South                        | 360.8        | 314.7        | 14.7%    | 86.3        | 69.6        | 23.9%    |
| U.S. Northeast                    | 365.1        | 266.1        | 37.2%    | 90.9        | 86.2        | 5.4%     |

Looking at our financial results by operating segment, we do see different trends at work.

Both our U.S. south and Canadian segments closed the year on a strong note, which helped to offset the lingering economy-related weakness in our U.S. northeast segment.

For the year, revenue growth in Canada was 16.2% and EBITDA growth was 11.1%.

In the U.S. south, revenues increased 14.7% and EBITDA increased 24%.

Both our Canadian and U.S. south segments are improving as a result of our price and volume strategies on the collection side of the business, while landfills in both regions are also maintaining price and volume strength.

In our northeast U.S. segment, revenues increased 37.2% in the year, while EBITDA grew about 5.4%.

The decline in diesel fuel prices did help reduce some of our operating expenses in the last month of the quarter in the U.S. northeast, where we have the most exposure given our use of third-party haulers.

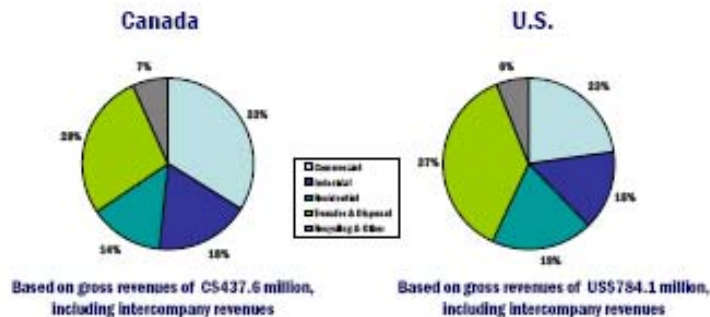
However, the decline in recycling commodity prices also affected us the most in the U.S. northeast, as we were unable to pass through the pricing changes as quickly as we could in our other two segments.

We expect to see an improvement in the first quarter as the pricing strategies we have introduced to offset the reduction in the price of recycling materials sold, take effect in the U.S. northeast.

Across our three operating segments, our focus is to continue to improve the productivity of our assets by targeting new customers and increasing collection volumes on each route.

Our asset utilization is improving, our competitive position in our markets are strong, and we expect to continue to use price and volume as tools for growth in 2009.

## 2008 Revenue By Business Line



We recently provided some additional information on our revenues by business line. This will offer further clarity on how each line of business may perform moving forward.

On a percentage basis in Canada, based on 2008 gross revenues, you can see that commercial collection represents the bulk of our business at 33.9%. This is followed by transfer and disposal at 27.8% and industrial collection at 17.9%. Residential collection accounted for 13.8% of our business and recycling and other is 6.6%.

In the U.S., transfer and disposal is the largest component of our business at 36.8%, followed by commercial collection at 22.7% and residential collection at 19.3%. The industrial collection line is 15% of gross revenues while recycling and other is similar to Canada at 6.2%.

As I mentioned earlier, the residential collection component remains the most recession resistant segment of our industry, followed in our business by commercial collection. It is the industrial line that is most sensitive to the economy and we are seeing that weakness mainly in our northeast U.S. region where construction and demolition volumes have been affected.

As you can see, the sheer diversity of our business lines means that we are not overly exposed to any single segment of the market, which provides no-small measure of stability to our operations.



**Well-Positioned Balance Sheet**

**BFI**

- Long-term debt at December 31, 2008, was \$1.02 billion.
  - At par, total funded debt-to-EBITDA ratio of 3.08x
- Closed bought deal offering of \$80.75 million on March 6, 2009.
- Applying proceeds of bought deal financing, leverage on a pro forma basis at December 31, 2008 was 2.84x.

**Canadian Debt Facilities**

- Total funded debt-to-EBITDA was 2.1x

**U.S. Debt Facilities**

- Total funded debt-to-EBITDA was 3.93x (covenant 4.25x)
- Applying proceeds of bought deal financing, total funded debt-to-EBITDA will be approximately 3.60x

We took advantage of the opportunity to improve our credit facilities in 2008. This involved increasing the dollar size of our Canadian revolving credit facility and extending the maturity of our U.S. revolving credit facility.

In preparation for the future, and to give us additional flexibility and strength, we then de-levered our balance sheet through a bought deal offering.

It closed on March 6, 2009, with gross proceeds of 80.75 million. We used the net proceeds to repay a portion of the outstanding borrowings under our U.S. senior credit facility, reducing the leverage in our U.S. business to approximately 3.6 times.

On a consolidated Company basis, after applying the net proceeds, the offering lowered our December 31, 2008 total funded debt-to-EBITDA leverage ratio to 2.87 times.

With a strong balance sheet, we are positioned to focus our efforts on the business and future opportunities.

## 2009 Guidance\*



- **Capital expenditures**
  - Expected to be \$20-30 million less in 2009 versus 2008
  - Lower level of spending based on lower internal growth expectations as a result of North American economic climate
- **Dividends**
  - Quarterly dividend policy unchanged
  - Regular dividend of \$0.50 annually
  - Special dividend of \$0.50 in 2009 only
- **Excess Free Cash Flow**
  - Excess FCF after dividends paid expected to be \$40-50 million

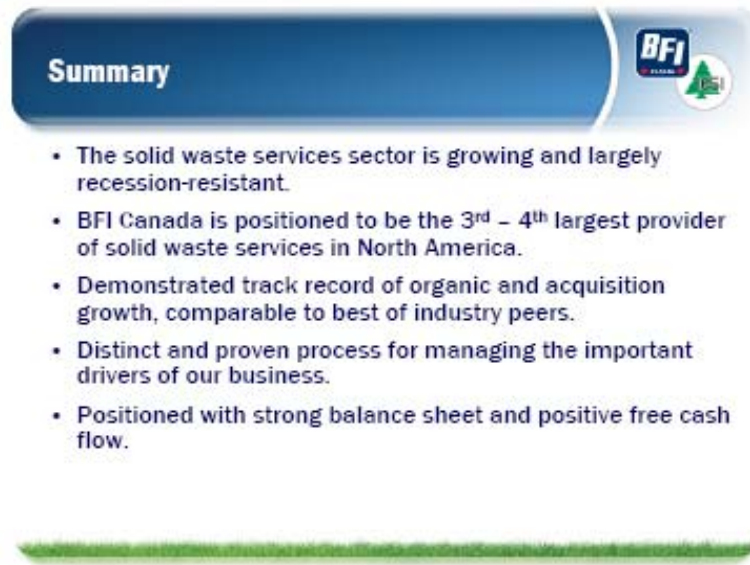
\* Based on current anticipated business, current economic conditions and U.S. and Canadian dollar at parity

When we reported our fourth-quarter and year-end results on February 27, we also provided our outlook for capital expenditures and free cash flow in 2009.

Based on current economic conditions and assuming a U.S. and Canadian dollar at parity, we anticipate that:

- Total capital expenditures, including both replacement and growth capital, will be \$20 - \$30 million less in 2009 than in 2008. This is due primarily to lower internal growth expectations as a result of the economic slowdown in North America.
- We reiterated our quarterly regular and special dividends policies.
- And we expect that excess free cash flow after dividends paid will be in the \$40 - \$50 million range.

We believe that in the current economic conditions, it is extremely important to focus on growing accretively, with emphasis on improving cash flow and improving the overall quality of our balance sheet.



**Summary**

- The solid waste services sector is growing and largely recession-resistant.
- BFI Canada is positioned to be the 3<sup>rd</sup> – 4<sup>th</sup> largest provider of solid waste services in North America.
- Demonstrated track record of organic and acquisition growth, comparable to best of industry peers.
- Distinct and proven process for managing the important drivers of our business.
- Positioned with strong balance sheet and positive free cash flow.

To summarize, our industry remains one that is growing and largely recession-resistant.

BFI Canada is well-positioned as one of the largest providers of solid waste services in North America, on track to be the third-to-fourth largest of the public companies in 2009.

We have a demonstrated track record of growth and we have a distinct and differentiated process for continuous improvement.

Finally, we are positioned with a strong balance sheet and positive free cash flow in both our U.S. and Canadian operations.

Thank you for your time today and I would be happy to spend a few minutes answering any questions.



Q&A