

Addressing Tomorrow.

BFI Canada Income Fund
Monday, August 18, 2008



Forward-Looking Statements

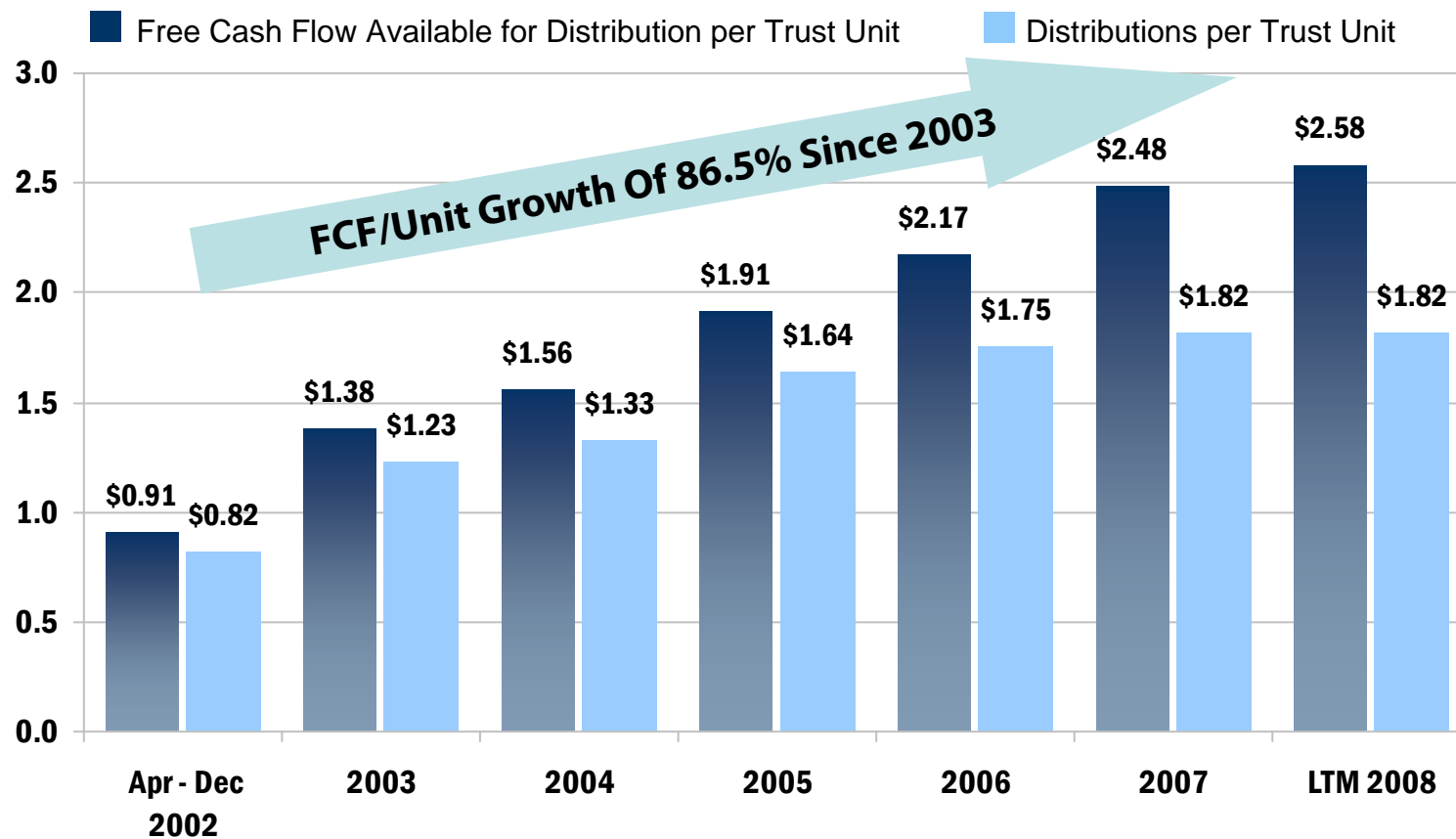


This presentation may contain forward-looking statements relating to the Fund's operations or to the environment in which it operates, which are based on the Fund's operations, estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict, or are beyond the Fund'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 Fund's Annual Information Form for the year 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 Fund cannot assure unitholders that actual results will be consistent with these forward looking statements, and the Fund disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Historical Results Demonstrate Value Of Growth



Since inception, BFI Canada's results have demonstrated that value is created through a disciplined approach to investments in growth organically and through acquisitions



At A Crossroads



- **We are now at a crossroads.**
 - Pipeline of strategic acquisition opportunities expanding.
 - Requirements to finance internal growth.
 - Ability to access capital on an efficient basis is constricting.
 - Capital is required to be in a position to pursue internal and external growth opportunities.
 - Unable to continue to efficiently access capital to fund growth and create value within the trust structure.

Investment Interest In Trusts Has Declined



- **Since the Federal Government's announcement on October 31, 2006:**
 - **The S&P/TSX Income Trust Index has underperformed the S&P/TSX Index by 15% (as at July 31, 2008).**
 - **Canadian income trust mutual funds have experienced \$2.9 billion in net redemptions.**
 - **Offering activity by income trusts has declined significantly, with only \$926 million raised by specialty business income funds YTD 2008 compared with \$2.8 billion raised in 2006 and more than \$4 billion raised in 2005.**

The Fund's Trading Price Has Been Affected



- **Declining investment interest in the trust sector has negatively affected the performance of the Fund's units.**
 - Unit price outperformed the S&P/TSX Index from IPO to October 31, 2006, but underperformed since then.
 - After trading at a yield approximately 2.0% higher than the 10-year Government of Canada bond from 2004 through October 31, 2006, the delta has increased to 4.1%.
 - Historically, on a TEV/LTM EBITDA basis, the Fund's units traded at a premium multiple to publicly traded non-hazardous solid waste sector peers. Since October 31, 2006, the multiple has contracted despite a financial performance comparable to the best of this peer group.

Foreign Ownership Rules Constraining



- Foreign ownership limitations within the trust structure constrain the Fund's ability to attract more non-resident investors, despite increasing investment interest in the U.S.
- Foreign ownership of the Fund is already approaching 40% of units on a fully diluted basis.

Uncertain Access To Credit Markets



- The Fund's ability to finance growth through debt is challenging given the uncertainty in the credit markets.
- The Fund's long-term-debt to last twelve months EBITDA in the U.S. is nearing the debt covenant restriction.
- The Fund no longer has the ability, to any great extent, to use debt to fund future growth.
- The trust structure is also non-conventional for lenders and therefore perceived as higher risk.

Restricted Growth Capacity



- **As a trust, the Fund is subject to the “normal growth guidelines”.**
 - “Normal growth guidelines” released by the Federal Government on December 15, 2006.
 - The guidelines limit the Fund’s ability to act upon opportunities for growth.

Strategic Benefits Of Early Conversion



- **Management anticipates that a conversion to a corporation would:**
 - Attract new investors, including non-resident investors, and provide a more active and attractive market for the corporation's shares than currently exists for the Fund's units;
 - Ultimately result in a higher equity valuation, allowing the corporation to more efficiently raise capital through equity and reducing its reliance on an uncertain debt market for capital;
 - Better position the Fund to pursue significant opportunities for growth and expansion that are expected to arise;
 - Result in the Fund no longer being subjected to the "normal growth" and "undue expansion" limitations included in the Trust Proposal which limit the Fund's flexibility in making acquisitions in furtherance of its strategy to create value through growth.

Mechanics of Proposed Conversion



- The proposed conversion would result in the reorganization of the Fund's trust structure into a publicly-listed corporation that would own all of the Fund's units.
- Following the proposed conversion, unitholders would receive one common share of the corporation for each unit held on the effective date of the conversion.
- The proposed conversion will be effected through tax-free rollover provisions and will not result in a taxable event for unitholders.

Effect Of Proposed Conversion On Cash Taxes



- As a result of the change in corporate structure, BFI Canada will be subject to income taxes from the effective date of conversion.
- Anticipated 2009 cash taxes:
 - \$26 million– \$30 million
 - Based on estimated value of the tax savings within the trust structure, offset by a portion of the available net operating loss carry-forwards in Canada and the U.S., and excluding growth assumptions.

Proposed New York Stock Exchange Listing



- **Following conversion, the corporation would seek a listing of its common shares on the NYSE in addition to a TSX listing:**
 - Listing expected to help facilitate access to the U.S. capital markets.
 - The larger pool of capital available in the U.S. markets is expected to provide a higher level of liquidity for shares of the corporation provided the Fund has a U.S. exchange listing.
 - Expect to report future financial results in U.S. dollars in accordance with U.S. GAAP.

Distribution/Dividend Policy



- **Reducing distributions in order to direct more internally generated cash flow towards investments in growth.**
 - **Effective December 1, 2008, the Fund will pay one monthly distribution of \$0.04166 per unit (\$0.50 per unit per year).**
 - **The distribution will be payable to unitholders of record on December 31, 2008, payable on January 15, 2009.**
 - **The corporation will then maintain the same distribution level, with quarterly dividends of \$0.125 per share as its dividend policy.**

Conversion Is Fundamental To BFI Canada's Future



- **Management believes that a conversion to a corporation is fundamental to the future success of BFI Canada.**
 - **The Fund has a track record of creating value through growth.**
 - **Management believes value can continue to be created provided the Fund has efficient access to capital.**
 - **The Fund's corporate structure should not limit its ability to grow by restricting its ability to efficiently access capital markets.**

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