

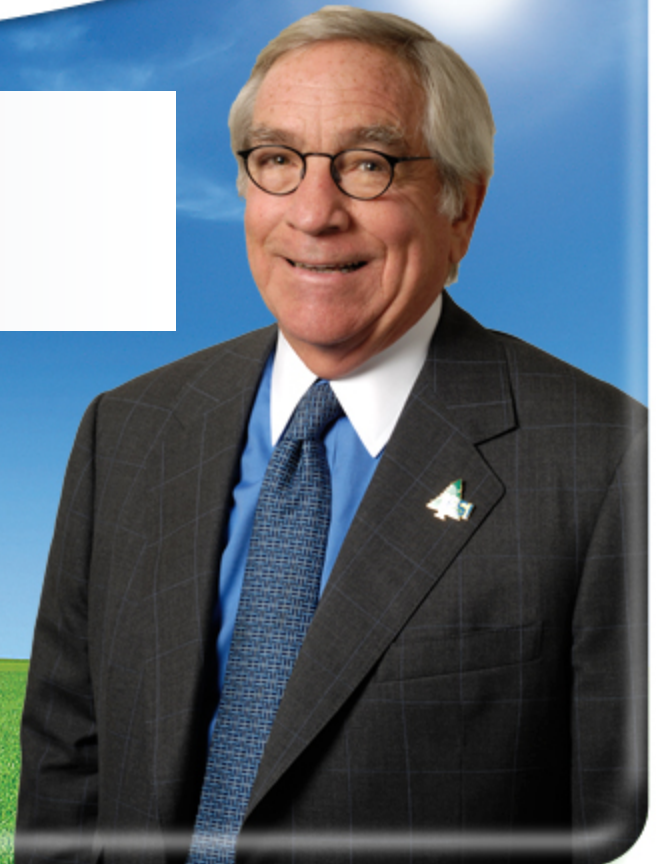
# Addressing Tomorrow.

## BFI Canada Income Fund Special Meeting



# Addressing Tomorrow

**Joseph H. Wright**  
Non-Executive Chairman



# Meeting Agenda



- **Appointment of Secretary**
- **Report from Keith Carrigan**
- **Appointment of Scrutineers**
- **Notice of Meeting**
- **Quorum**
- **Special Resolution**
- **Report on Results**
- **Conclusion**

# 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.

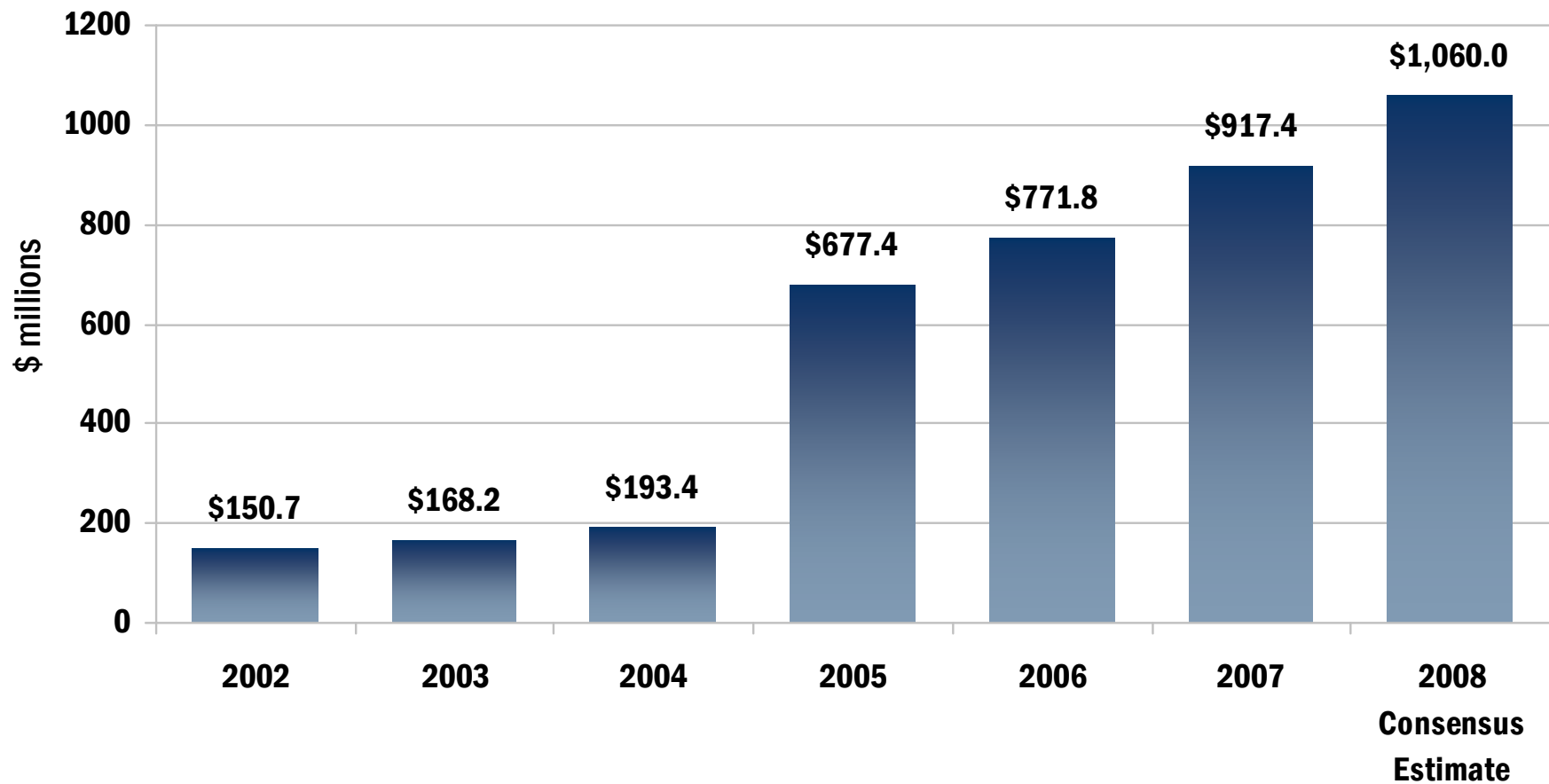
# Addressing Tomorrow

**Keith Carrigan**

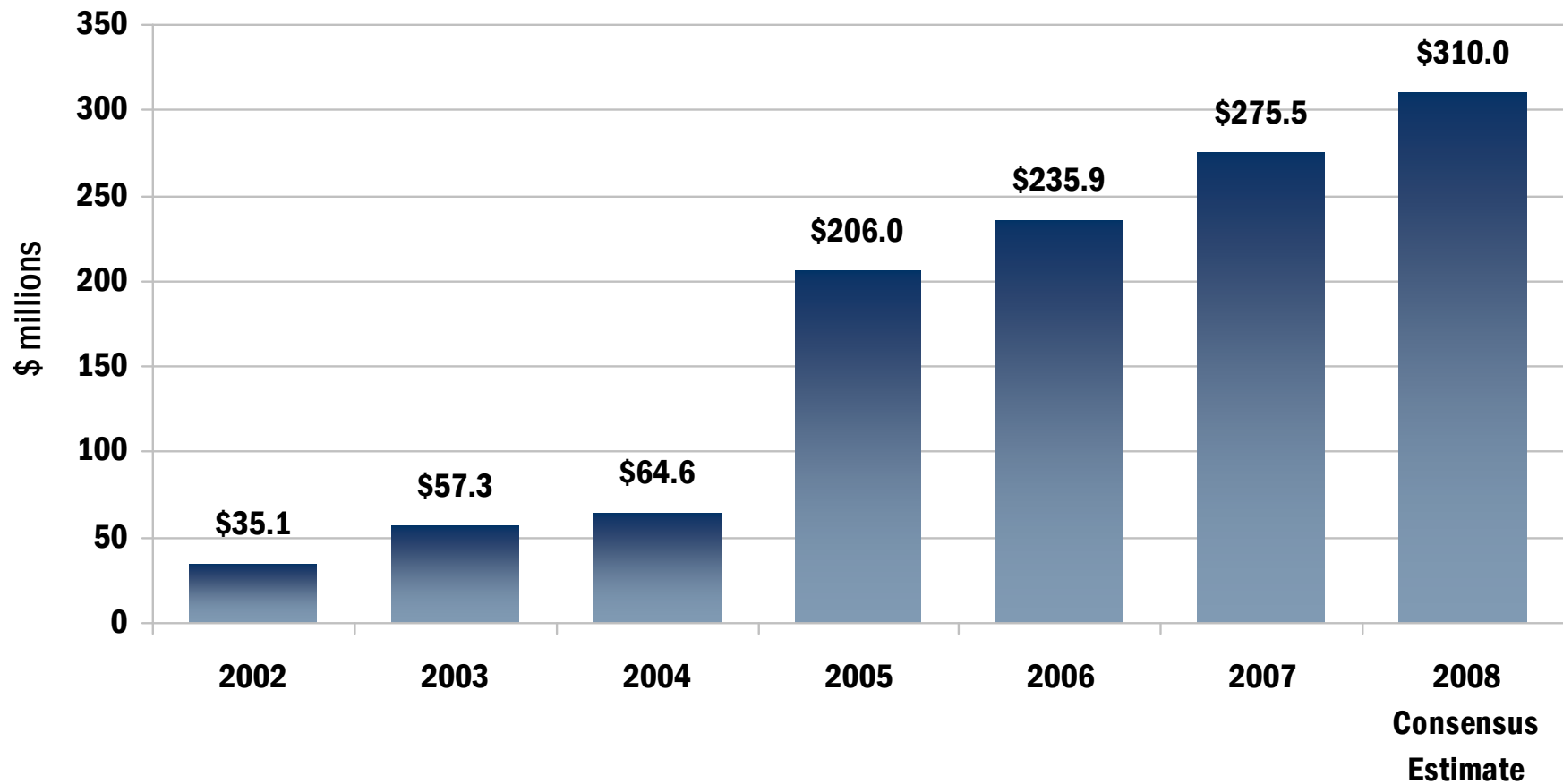
Vice Chairman & Chief Executive Officer



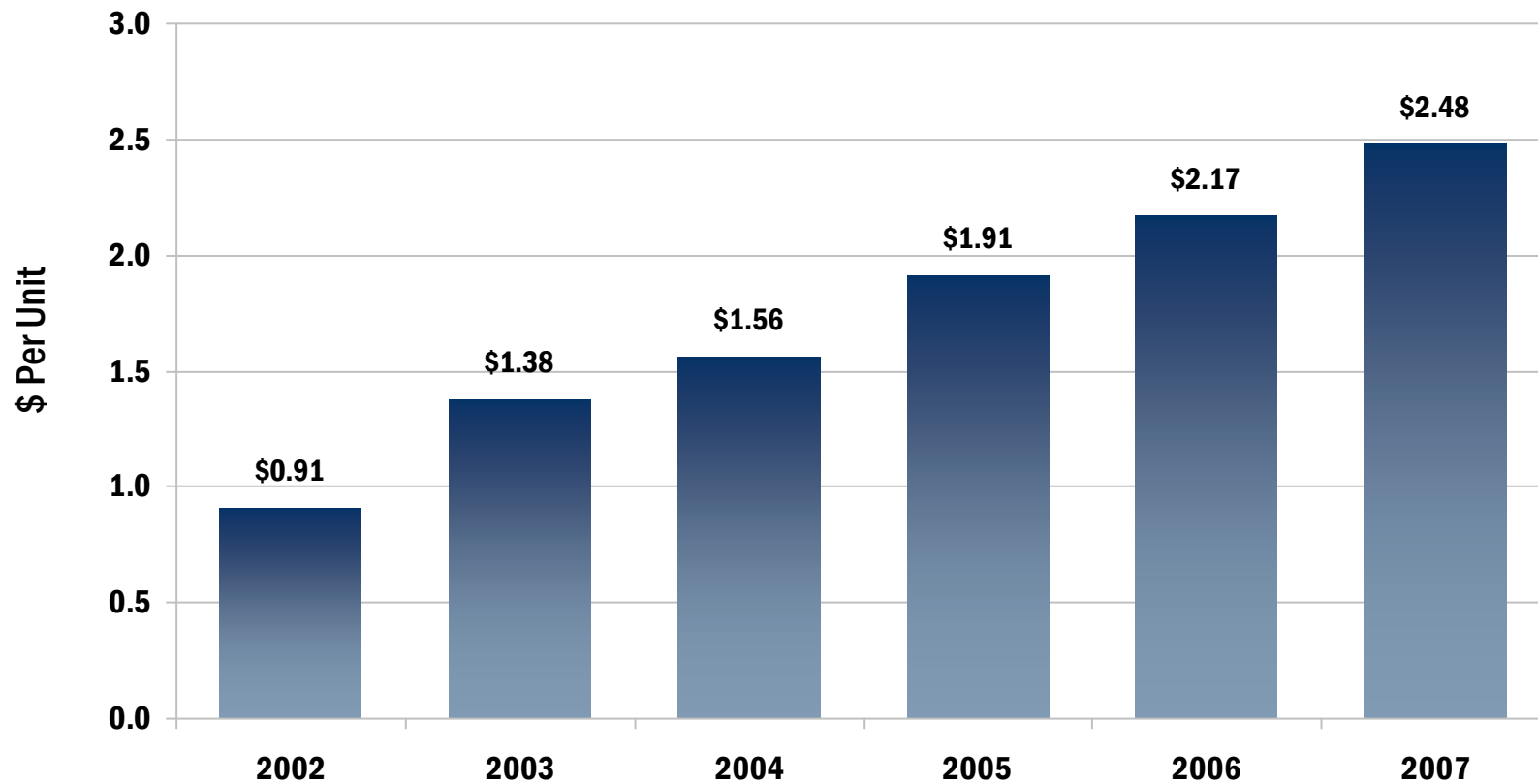
# Strong Record Of Revenue Growth



# Strong Record Of EBITDA Growth



# Free Cash Flow Growth Shows Value Creation



# Investment Interest In Trusts Has Declined



- **Since the Federal Government's announcement on October 31, 2006:**
  - Canadian income trust mutual funds have experienced \$2.9 billion of net redemptions.
  - Offering activity by income trusts has declined significantly, and among specialty business income funds in particular.

# The Fund's Trading Price Has Been Affected



- Declining investment interest in the trust sector has negatively affected the performance of BFI Canada Income Fund's units.
  - Unit price outperformed the S&P/TSX Index from IPO to October 31, 2006, but underperformed since then.
  - 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.

## Uncertain Access To Credit Markets



- **BFI Canada Income 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.**

## At A Crossroads



- Ability to access capital on an efficient basis contracting.
- Pipeline of strategic acquisition opportunities and requirements for organic growth continues to expand.

# Acquisition Opportunities

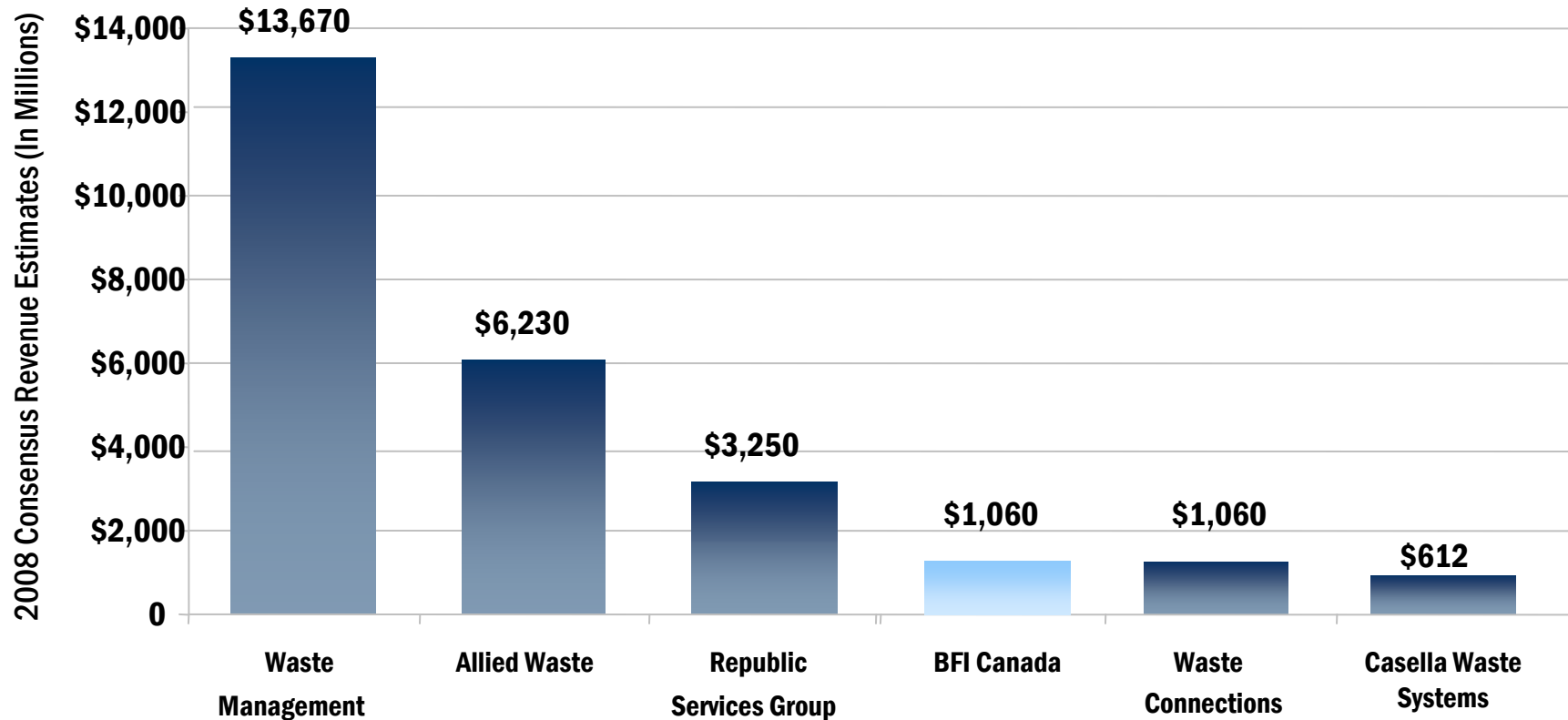


- **Strong pipeline of acquisitions that includes three businesses in the U.S. critical to positioning in those markets.**
- **Industry consolidation activity expected to provide attractive acquisition opportunities.**

# On Track To Be 3<sup>rd</sup> - 4<sup>th</sup> Largest In Sector



Merger expected between Waste Management/Republic Services or  
Republic Services/Allied Waste



# A Model For Continuous Improvement



- Own the most strategic assets in the best markets.
- Target strong expansion in revenue, profitability and cash flows.
- Calibrate geographic expansion to achieve these important determinants of financial success.

# Trust Structure Not Supportive Of Growth



- **Trust structure, and its inherent capital efficiency constraints, is not supportive of growth.**
- **Require a corporate structure through which can efficiently reinvest internally generated capital and access growth capital.**

# Strategic Benefits Of Early Conversion



- **Management anticipates that a conversion to a corporation will:**
  - **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.**
  - **Result in a higher equity valuation, with the corporation valued more in line with publicly held peers in the U.S. solid waste services industry.**

# Performance Comparable To Best Of Peers



Waste Connections is BFI Canada's closest comparable based on operating and financial performance.

Company	Total Revenue Growth				Organic Revenue Growth				EBITDA Margin			
	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007
Allied Waste Industries	2.5%	4.0%	5.3%	2.7%	2.1%	5.0%	6.8%	2.5%	26.3%	25.8%	25.8%	26.8%
Republic Services	7.6%	5.8%	7.2%	3.4%	5.9%	6.1%	7.2%	3.9%	26.3%	26.3%	26.4%	26.1%
<b>Waste Connections</b>	<b>15.3%</b>	<b>15.6%</b>	<b>14.2%</b>	<b>16.3%</b>	<b>4.4%</b>	<b>4.7%</b>	<b>7.6%</b>	<b>10.4%</b>	<b>33.8%</b>	<b>32.2%</b>	<b>30.0%</b>	<b>30.6%</b>
Waste Management	7.5%	4.5%	2.2%	-0.4%	5.4%	3.7%	2.7%	1.4%	23.9%	24.1%	25.2%	25.9%
<b>Adjusted Average</b>	<b>7.5%</b>	<b>4.7%</b>	<b>4.9%</b>	<b>1.9%</b>	<b>5.2%</b>	<b>4.9%</b>	<b>7.2%</b>	<b>2.6%</b>	<b>25.5%</b>	<b>25.4%</b>	<b>25.8%</b>	<b>26.3%</b>
<b>Median</b>	<b>7.5%</b>	<b>5.1%</b>	<b>6.2%</b>	<b>3.1%</b>	<b>4.9%</b>	<b>4.9%</b>	<b>7.2%</b>	<b>2.6%</b>	<b>25.5%</b>	<b>25.4%</b>	<b>25.8%</b>	<b>26.3%</b>
<b>BFI Canada</b>	<b>15.4%</b>	<b>250.3%</b>	<b>13.9%</b>	<b>18.9%</b>	<b>8.7%</b>	<b>7.7%</b>	<b>11.6%</b>	<b>9.5%</b>	<b>33.4%</b>	<b>30.4%</b>	<b>30.6%</b>	<b>30.0%</b>

# Valuation Does Not Reflect Performance



BFI Canada is currently valued at a discount to its U.S. comparables despite its leading operating and financial performance.

Company	Closing Price (09/22/08)	TEV/EBITDA		
		LTM	CY2008E*	CY2009E*
Allied Waste Industries	US\$11.67	7.2x	7.0x	6.6x
Republic Services	US\$31.50	9.5x	8.0x	7.5x
<b>Waste Connections</b>	<b>US\$37.05</b>	<b>10.7x</b>	<b>10.5x</b>	<b>9.4x</b>
Waste Management	US\$34.41	7.3x	7.0x	6.6x
<b>Average</b>		<b>8.7x</b>	<b>8.2x</b>	<b>7.5x</b>
<b>BFI Canada</b>	<b>C\$17.83</b>	<b>7.3x</b>	<b>6.9x</b>	<b>6.4x</b>

Waste Connections, BFI Canada's closest comparable, trades more than 3.0x TEV/EBITDA higher

\* Based on consensus analyst estimates

# BFI Canada Valuation At Comparable Multiples



If BFI Canada were to be valued in line with the TEV/EBITDA multiples of its closest comparable Waste Connections, units would be valued significantly above current levels.

Waste Connections Consensus TEV/EBITDA Multiples			
		<u>2008E*</u>	<u>2009E*</u>
		10.5x	9.4x
Estimated BFI Canada Valuations		Estimated BFI Canada Valuations	
<u>2008E TEV/EBITDA Multiple</u>	<u>2008E Unit Price**</u>	<u>2009E TEV/EBITDA Multiple</u>	<u>2009E Unit Price**</u>
9.5x	\$29.76	8.5x	\$27.85
10.0x	\$32.02	9.0x	\$30.26
10.5x	\$34.28	9.5x	\$32.67

\* Based on Waste Connection's consensus analyst estimates

\*\* Based on BFI Canada's current debt balance and consensus analyst estimates

## Timing Of Conversion



- **Expect conversion to be effective on or about October 1, 2008, subject to receipt of required approvals.**
- **Trading of common shares on the Toronto Stock Exchange expected to begin on October 2, 2008.**

# New York Stock Exchange Listing



- **Management anticipates that a New York Stock Exchange listing, as well as the Toronto Stock Exchange listing, will:**
  - **Help facilitate access to U.S. capital markets.**
  - **Build support for the company's shares following a conversion.**
  - **Better position the company to pursue strategic growth objectives and deliver a total return to investors.**

## Distribution/Dividend Policy



- **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.**
- **Special quarterly dividend payment of \$0.125 per share in 2009 only.**

# Addressing The Future



- **Excellent track record of growth.**
- **Believe can continue to create value, provided have efficient access to capital through an equity that reflects financial and operating performance.**

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