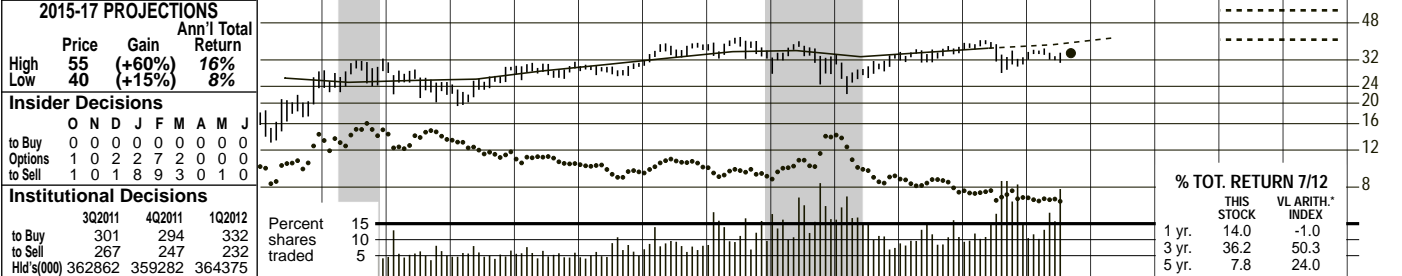


WASTE MANAGEMENT NYSE-WM

RECENT PRICE **34.48** P/E RATIO **15.5** (Trailing: 16.2 Median: 18.0) RELATIVE P/E RATIO **1.03** DIV'D YLD **4.2%** VALUE LINE

TIMELINESS 3 Raised 9/3/10	High: 32.5	31.3	29.7	31.4	31.0	38.6	41.2	39.3	34.2	37.3	39.7	36.3							Target Price Range		
SAFETY 2 Lowered 3/4/11	Low: 22.5	20.2	19.4	25.7	26.8	30.1	32.4	24.5	22.1	31.1	27.8	31.1							2015	2016	2017
TECHNICAL 3 Raised 8/24/12	LEGENDS --- 7.5 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded areas indicate recessions																				
BETA .80 (1.00 = Market)																					



2015-17 PROJECTIONS																				© VALUE LINE PUB. LLC		15-17
Price	Gain																			Revenues per sh	37.90	
High	Low	Ann'l Total																			"Cash Flow" per sh	6.45
55	(+60%)	Return																			Earnings per sh (A)	3.05
40	(+15%)	8%																			Div'ds Decl'd per sh (B)	1.70
Insider Decisions																				Cap'l Spending per sh	3.60	
to Buy																				Book Value per sh (C)	14.40	
Options																				Common Shs Outst'g (D)	428.00	
to Sell																				Avg Ann'l P/E Ratio	15.0	
Institutional Decisions																				Relative P/E Ratio	1.00	
to Buy																				Avg Ann'l Div'd Yield	3.4%	
to Sell																						
Hlds(000)																						

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC		15-17
9.41	12.00	20.88	21.20	20.06	18.03	18.74	20.09	21.95	23.67	25.04	26.61	27.28	24.26	26.34	29.05	30.45	31.85	Revenues per sh		37.90
2.23	3.04	4.28	4.30	3.51	3.35	3.42	3.47	3.78	4.05	4.36	4.68	4.74	4.43	4.64	4.86	5.05	5.45	"Cash Flow" per sh		6.45
1.13	1.62	1.82	1.81	1.20	1.16	1.31	1.24	1.41	1.55	1.82	2.07	2.19	2.00	2.10	2.14	2.18	2.40	Earnings per sh (A)		3.05
--	--	--	.01	.01	.01	.01	.01	.75	.85	.88	.96	1.08	1.16	1.26	1.36	1.42	1.48	Div'ds Decl'd per sh (B)		1.70
2.50	2.00	2.71	2.14	2.11	2.11	2.16	2.08	2.21	2.14	2.49	2.42	2.49	2.43	2.32	2.88	3.15	3.20	Cap'l Spending per sh		3.60
8.28	12.07	7.19	7.11	7.71	8.59	8.93	9.66	10.47	11.08	11.66	11.58	12.03	12.93	13.18	13.18	13.55	13.80	Book Value per sh (C)		14.40
139.59	217.78	608.31	619.32	622.65	628.02	594.60	576.12	570.21	552.25	533.68	500.12	490.74	486.12	475.05	460.53	455.00	448.00	Common Shs Outst'g (D)		428.00
24.2	23.3	25.0	20.0	15.5	23.9	19.6	19.8	20.4	18.7	19.4	17.7	15.4	14.6	16.3	16.4	16.5	17.5	Avg Ann'l P/E Ratio		15.0
1.52	1.34	1.30	1.14	1.01	1.22	1.07	1.13	1.08	1.00	1.05	.94	.93	.97	1.04	1.04	1.04	1.04	Relative P/E Ratio		1.00
--	--	--	--	-.1%	--	--	--	2.6%	2.9%	2.5%	2.6%	3.2%	4.0%	3.7%	3.9%	3.7%	3.9%	Avg Ann'l Div'd Yield		3.4%

CAPITAL STRUCTURE as of 6/30/12																				Revenues (\$mill)		16000
Total Debt \$9826 mill. Due in 5 Yrs \$4240 mill.																				Operating Margin	25.7%	
LT Debt \$8973 mill. LT Interest \$455 mill.																				Depreciation (\$mill)	1425	
(Total interest coverage: 4.3x) (59% of Cap'l)																				Net Profit (\$mill)	1325	
Leases, Uncapitalized Annual rentals \$135 mill.																				Income Tax Rate	35.0%	
No Defined Benefit Pension Plan																				Net Profit Margin	8.3%	
Pfd Stock None.																				Working Cap'l (\$mill)	d50.0	
Common Stock 463,557,000 shs. as of 7/20/12																				Long-Term Debt (\$mill)	8600	
MARKET CAP: \$16.0 billion (Large Cap)																				Shr. Equity (\$mill)	6675	
CURRENT POSITION (\$MILL)																				Return on Total Cap'l	10.0%	
Cash Assets																				Return on Shr. Equity	20.0	
Receivables																				Retained to Com Eq	9.0%	
Other																				All Div'ds to Net Prof	56%	
Current Assets																						
Accts Payable																						
Debt Due																						
Other																						
Current Liab.																						

Due to a recent drop in prices at two of Waste Management's noncore operations, we've trimmed our 2012 and 2013 earnings estimates. The recycling business is being impacted by weak demand for used paper and cardboard, while a waste-to-energy subsidiary has been renewing energy contracts at declining rates over the past year. Meanwhile, profits at the waste-collection operation should continue to run slightly above year-earlier levels in the coming quarters. In sum, net profits will likely be minimally changed this year, but we expect them to begin to improve meaningfully in 2013 (as discussed below). This year's estimated \$0.04-a-share advance reflects benefits from its stock-repurchase program.

Contributions from the mid-2011 acquisition of Oakleaf should soon begin to ramp up. Oakleaf serves as an intermediary between its customers and third-party waste collection companies. WM's increasing access to national accounts, ongoing diversion of Oakleaf's collections to its own landfills, and the probable realization of other operating synergies are key factors behind the likelihood of improved

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	2810	2952	3023	3006	11791
2010	2935	3158	3235	3187	12515
2011	3103	3347	3522	3406	13378
2012	3295	3459	3585	3511	13850
2013	3385	3590	3700	3600	14275

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	.42	.50	.56	.52	2.00
2010	.41	.54	.55	.60	2.10
2011	.39	.50	.62	.63	2.14
2012	.37	.52	.63	.66	2.18
2013	.42	.58	.70	.70	2.40

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.27	.27	.27	.27	1.08
2009	.29	.29	.29	.29	1.16
2010	.315	.315	.315	.315	1.26
2011	.34	.34	.34	.34	1.36
2012	.355	.355			

(A) Based on diluted shares. Next earnings report due late Oct. Excludes extraord. losses: '96, \$0.89; '97, \$0.39; '98, \$3.14; '99, \$2.46; '00, \$1.36; '01, \$0.36; '03, \$0.18; '10, \$0.12; '11, \$0.10; '12 Q1-2, \$0.07. Excl. extraord. gains: '02, \$0.02; '04, \$0.20; '05, \$0.54; '06, \$0.28; '07, \$0.16; '09, \$0.01. (B) Dividends usually paid in late March, June, Sept., and Dec. ■ Div. reinvestment plan avail. (C) Incl. intangs. At 12/31/11: \$6684 mill., \$14.51/sh. (D) In millions.

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year-to-year share-net gains in 2013. **The company just launched another major restructuring program.** Its goal is the reduction of 700 jobs through the consolidation of operating areas. Also, one layer of management is slated to be removed. Our estimate of only modest operating-margin improvement in 2013, though, considers the shortfalls in this regard from the previous two programs. **Almost all of Waste Management's cash flow will likely continue to be returned to shareholders for a while.** Following the most recent dividend increase in the first quarter, the annualized payment of \$1.42 a share has almost doubled since 2004. Too, share repurchases averaged \$538 million per annum in 2010 and 2011, and smaller levels are likely this year and next. **The main attraction of this neutrally ranked stock is an above-average dividend yield.** Our expectation of annual earnings gains in the 8%-10% range over the 3 to 5 years subsequent to 2012 amply supports the projected dividend increases over this period.

David R. Cohen
August 31, 2012

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	55
Earnings Predictability	95

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