



BFI CANADA INCOME FUND

THRID QUARTER 2008

CONFERENCE CALL

NOVEMBER 11, 2008

OPERATOR: Good morning ladies and gentlemen. Thank you for standing by. Welcome to the BFI Canada Ltd.'s Third Quarter Conference Call. At this time, all participants are in a listen-only mode. Following the presentation, we will conduct a question and answer session. Instructions will be provided at that time for you to queue up questions. If anyone has any difficulties hearing the conference, please press star followed by zero for operator assistance at any time.

I would like to remind everyone that this conference call is being recorded on Tuesday, November 11th, 2008 at 8: 30 a.m. Eastern Time. I'll now turn the conference over to Chaya Cooperberg, Director, Investor Relation and Corporate Communication. Please go ahead.

CHAYA COOPERBERG (DIRECTOR, INVESTOR RELATIONS AND CORPORATE COMMUNICATIONS): Thank you, and thank you all for joining us today. On the call is Keith Carrigan, Vice Chairman and Chief Executive Officer, and Tom Cowee, Vice-President and Chief Financial Officer; both of whom will be providing comments on the results for the three and nine months ended September 30th, 2008. Also on the call is Joe Quarin, Executive Vice-President and Canadian Chief Operating

Officer, who will be available to answer questions during the question and answer period.

Note that these financial results are for BFI Canada's predecessor BFI Canada Income Fund, as our conversion to a corporation became effective on October 1st, 2008. Before getting started let me remind you that our remarks and answers to your questions today may contain forward-looking information about future events or the Company's future performance. Although forward-looking statements are based on what management believes to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with these forward looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We also do not commit to continue reporting on items or issues that arise either during our presentation or in the discussion that will follow except as required by applicable securities laws. This information is by its nature subject to risks and uncertainties that may cause actual events or results to differ materially. Please refer to the bottom of yesterday's news release for further information and to our Annual Information Form for a more complete description of the risks affecting our business and industry.

By now we hope you've had a chance to review the news release that we issued yesterday, if not, please log on to our website at www.bficanada.com for a copy. A telephone replay of this conference will be available until midnight on November 25th, at 416-640-1917 or toll free 1-877-289-8525 and reservation number 21286878. These details are available in the news release.

I'll now like to turn the call over to Keith. Carrigan, Vice Chairman and CEO.

KEITH CARRIGAN (VICE CHAIRMAN AND CHIEF EXECUTIVE OFFICER): Thank you, Chaya, and thank you everyone for joining us today on Remembrance Day in Canada and Veterans Day in the United States. I hope that we all will have a little time to pay tribute to those who have served and those who have fallen in the wars and in conflicts while defending our two great countries.

Now, on to the business of the day.

We are please with the results of our third quarter. Despite a slowing economic environment, we delivered continued growth in revenues, organic revenues, EBITDA and free cash flow. Our results demonstrate that the fundamentals of our business remain strong. By

employing our market focus strategies, we have continued to make productivity gains that translate into bottom-line improvements. Although our operations in the Northeast US region continue to be affected by weak economic conditions and high fuel cost, this was partially offset by a solid performance in the US south and in Canada. I'll now review some highlights of our performance in the quarter and year-to-date as well as our outlook for the balance of the year. After my comments, Tom will give a more detailed review of our financial results.

Consolidated revenues in the third quarter grew 23.1% to \$293.5 million. In the year-to-date period, revenues increased 22.8% to \$818.2 million. Although the Canadian dollar has weakened considerably against the US dollar in the past month, the average US to Canadian dollar foreign exchange rate for the third quarter was \$1.041 and year-to-date \$1.018. Excluding the impact of foreign currency exchange on the translation of our US revenues into Canadian dollars, revenues in the quarter increased 23.7%, while year-to-date revenues increased nearly 30%.

Organic revenues which exclude acquisitions, fuel and environmental surcharges and foreign currency translation grew by 11% in Canada and by 3.5% in the US. Year-to-date, organic revenue has grown by 11% in Canada and 5.2% in the US. This revenue performance

resulted in EBITDA of \$81.9 million in the quarter, an increase of 7.7%, and \$227 million year-to-date, an increase of 10.1%. If we exclude the impact of foreign exchange, EBITDA increased 8.3% in the quarter and 15.4% year-to-date. Our free cash flow in the quarter was \$49.7 million, an increase of 3.6% and \$131.5 million year-to-date, an increase of 8.8%.

I'll now turn to our performance by operating segment. As I mentioned earlier, we continued to perform well in the US south and Canadian segment, which helped to offset the economy related weakness in our US northeast segment.

In the third quarter revenues in Canada increased 19.7% while EBITDA increased 12.5%. In the US south, revenues grew 11.1% and EBITDA grew 6.5% quarter-over-quarter respectively. Both our Canadian and US south segment are proving to be extremely resilient. In Canada, we successfully passed through our increased fuel costs through surcharges and achieve productivity improvements throughout our market through price and volume strategies. In the US south, we continue to see strong pricing discipline in the open market as well as in municipal contracts. We have had some great contracts wins in the region recently and we look forward to continuing to expand our presence. We should mention, however, that we did experience a slight downturn in C&D related

activity, most particularly, in Missouri and in Louisiana, however, not in Texas.

Now, turning to the northeast US segment. While revenues increased 41.8%, EBITDA grew 2.4%. We continue to experience the impact of an overall economic slowdown in this region, which in combination with higher diesel fuel costs, affected both volumes and pricing at some of our transfer stations and at Seneca Meadows landfill. The declines in fuel prices that we are now seeing will certainly help reduce some of our operating expenses in the fourth quarter, especially in the northeast US where it has been difficult to recover fuel cost, given our use of third party haulers. In addition, it appears that we will obtain some relief on the New York City rate cap. The rate cap increase was just approved by City Council, raising the cap by 30%. We expect it to go into effect around mid-December. This will play a role in our commercial customer pricing strategy for New York City going forward.

I have some additional good news to share about New York City operations. Our two Brooklyn transfer contracts were just renewed for another three-year term. We look forward to continuing our very successful relationship with the City.

While lower fuel prices and the rate cap increase will act as tail wins for our northeast US segment, we have a head win in the form of lower commodity prices for recycle materials. In the past few weeks, we have seen prices for material such as paper, cardboard and metals plummet as a result of the global economic slowdown with demand declining most notably from China.

We are introducing measures to mitigate the impact of this price decline and to cover the cost of processed -- processing recycled materials. However, these measures will not come into effect until the last month of the year and we therefore expect some softening in our results for part of the fourth quarter. Broadly speaking, all evidence suggests that economic conditions globally are weakening and we cannot project when these conditions will reverse. However, with our free cash flow profile, stable balance sheet, and recession resistant characteristics of the non-hazardous solid waste business, we are well positioned to withstand the downturn. With a continued focus on productivity improvements on a market by market basis we can improve EBITDA and free cash flow.

Our recent conversion from an income trust to a corporation and the introduction of our new dividend policy were very important steps in

positioning ourselves for the future, especially at a time when credit and equity markets are so volatile and uncertain.

Starting with dividends payable to holders of record on December 31st, 2008, the regular dividend for shares is \$0.50 per year. In September, we also announced the special quarterly dividend payable only in 2009 of \$0.125 per share commencing on March 31st, 2009. This dividend level gives us the flexibility to finance our maintenance and growth capital requirements and also to service our debt through the use of internally generated cash flow. Our business model is self-sustaining, without the need for us access debt or equity, excluding of course, capital required for a significant acquisition.

In the long-term, we remain committed to a review and pursuit of new market and strategic tuck-in acquisitions. However, recent disruptions in the financial markets have impacted our valuation and therefore our ability to fund significant acquisitions. Throughout our history, we have been highly disciplined and strategic acquirers doing deals at attractive multiples that provided attractive returns on investment. Our intention is to continue along this disciplined path and will further continue to review any opportunities for acquisitions within this framework.

Given the current market conditions, we are also reviewing the timing of not the decision for our planned listing on the New York Stock Exchange. The New York Stock Exchange listing will help facilitate our access to US capital markets. However, we want to see a measure of market stability and a focus on company fundamentals before engaging in this next step.

I'll now turn the call over to Tom for additional comments on the financial results of the quarter. Tom?

THOMAS COWEE (VICE PRESIDENT AND CHIEF FINANCIAL OFFICER): Thanks Keith, and good morning everyone. I will remind everyone that our conversion from an income trust to a corporation was effective October 1st, 2008. Therefore, discussions of financial condition and operations through September 30th, 2008 are those of the Fund and the future-oriented discussions relate to the Corporation. For the fourth quarter, our reported results in the company discussion will reflect our conversion to a corporation.

I'll now begin with a review of some of the variances on our third quarter income statement, starting with operating expense line. First, operating expenses of \$176 million or 29.7% or \$40.3 million higher in the

third quarter, compared to last year. Primary reason for the increase is higher total disposal and labor costs of approximately \$27.1 million and \$8.8 million respectively. These costs are related to higher internally collected waste volumes and higher cost to service new and existing customer contracts and acquisitions.

As a reminder we acquisitioned Winters Bros. on August 31st, 2007 and therefore our comparative third quarter results from 2007 include only one month of Winters' operation. Higher vehicle operating costs including fuel also contributed to the quarter-over-quarter change. The impact of higher fuel prices was most pronounced at our Seneca Meadows landfill where we continue to absorb third party hauler fuel costs.

SG&A expenses in the third quarter increased \$8.9 million, of this \$7.7 million is related to the increase in total salary costs as the result of acquisitions, organic growth and the purchase of restricted trust units for compensation purposes. The balance of the increase is due mainly to higher facility, office, and travel expenses also as a result of acquisition and organic growth.

Amortization expense increased \$6.9 million or 16.7% in the third quarter. Higher intangible and capital asset amortization is due in part – this is due in large part to acquisitions and growth capital expenditures

through 2007 and 2008 and represents approximately \$6.2 million of the increase in the quarter.

Now, turning to interest expense; interest expense in the quarter was \$13.7 million, an increase of \$3 million over the same quarter a year ago. The primary cause of the increase was the funding of the Winters Bros. acquisition with a debt in August of last year. At the end of the quarter, long-term debt stood at \$944.8 million. On a consolidated basis, our long-term debt to last 12 month EBITDA ratio is now 3.19 times. However, if we hold foreign currency exchange rates constant with those in effect at December 31st, 2007, the long-term debt to long-term EBITDA ratio is 2.95 times.

As you know, we have two debt covenants one in the US and one in Canada. Funded debt to EBITDA for Canada and the US at September 30th, 2008 is defined and calculated in accordance with the underlying Canadian and US long-term debt facility covenants are as follows:

In Canada, it was 1.94 times with a covenant maximum of 2.75 times. In the US, it was 3.98 times with the maximum covenant of 4.25 times. I will note that the US covenant also declines to a maximum of 4 times on March 31st, 2009. However, we have successfully reset this

covenant to 4.25 times on several occasions in the past and expect to do so again, if needed.

In any case, we are confident that our cash from operations is sufficient to meet the Company's future dividend payments, capital and landfill expenditures, working capital requirement and near-term planned growth and development activities. In addition, there is sufficient cash flow generated from our Canadian operations to pay the announced dividend and special dividend for the balance of 2008 and 2009 should we need to do so.

As we have continually stated we actively manage our debt facilities in order to remain flexible to meet our planned near-term growth and development activities. In fact, we are fortunate to be in a very stable debt financing position today as a result of the amendments we made in the summer to both our senior credit facilities in Canada and in the US.

As a reminder, in Canada, we increased the revolving credit facility commitment from \$150 million to \$305 million with an accordion feature of \$45 million and raise the funded debt to EBITDA covenant at time to 275 to 250. In the US, we extended the maturity of the US revolving credit facility to January 21st, 2012, matching the maturity of our outstanding term loan

and increase the US revolving credit facility commitment to \$588.5 million from the US \$575 million with an accordion feature of US \$36.5 million.

We also moved a fixed rate – to a fixed rate on the US \$45 million of IRBs, which created an additional US \$45 million of available capacity for us as we do not need to have an LC in place to backstop this IRB. The only debt coming due in the next year is our series A debentures in Canada of \$47 million which come due on June 26th, 2009. This past summer, part of strategy and increasing the size of the revolver to \$305 million was to position – to be positioned to absorb this expiring debt obligation next June within our credit – current credit facility capacity.

Our total available debt capacity as of September 30th, between our two senior credit facilities is now approximately \$250 million with an additional \$83.7 million potentially available between the accordion features in both credit facilities.

Turning to our capital and land fill expenditures during the quarter. Our maintenance spending in the third quarter totaled approximately \$14.9 million, roughly in line with the spending in the same quarter a year ago. Our maintenance capital expenditure expectation for 2008 remains unchanged and is between C\$22 and C\$24 million, for our Canadian segment and between US\$37 and US\$39 million for our US operation.

Growth expenditures in the third quarter totaled \$33.4 million, up \$8 million from the same quarter a year ago. The increase is mainly due to higher growth expenditures at the Seneca Meadows landfill as we developed new permitted capacity. As Keith has already reviewed our top and bottom-line that brings me to the end of my comments. Again, we are very pleased with the results of our third quarter and remain well positioned with a stable balance sheet and strong free cash flow profile, providing essential service to our broad base of customers.

Thank you for listening and now I like to ask the operator to open the lines for questions.

QUESTION AND ANSWER SESSION:

OPERATOR: Thank you. Ladies and gentlemen, we will now conduct the question and answer session. If you have a question, please press the star followed by the one on your touchtone phone. You will hear a tone acknowledging your request. Your questions will be polled in the order they are received. Please ensure you lift the handset if you're using a speakerphone before pressing any key.

One moment please for your first question. First question comes from Walter Spracklin of RBC Capital Markets. Please go ahead.

WALTER SPRACKLIN: Thanks very much. Good morning guys.

KEITH CARRIGAN: Good morning Walter.

WALTER SPRACKLIN: Just first on a broader context given the overall credit market and the constraints that are affecting all companies obviously, and the potential opportunity that you see coming down the pipe with the Allied-Republic merger, how do you see yourself balancing and some of the constraints in terms of available debt capacity with the, you know, call it once in a lifetime kind of opportunity with respect to this merger, how you are looking at that kind of situation?

KEITH CARRIGAN: Well, you know, as I mentioned during my earlier comments, Walter, we are first and foremost committed to accomplishing acquisitions that are accretive. So, clearly that discipline will not change within the Company. So, how does that obviously translate to raising capital, I guess two fold; first, I would say that we are seeing that the cost of acquisitions is coming down, number one, and second of all, I would expect that some potential acquisitions that are available, I think people are kind of sitting on the sidelines right now, both from the buyer

side and the seller side, trying to anticipate what is going to happen, you know, in terms of bring up capital. So, we are seeing a pause certainly in activity and in the action within the marketplace and as I mentioned to you, however, you know, our principal concern will continue to be doing strategic assets. I think in the long run, there clearly are significant assets that are available and will be available within 2009, and I think right now the key word is timing, both from the sellers side and the buyers side.

WALTER SPRACKLIN: Okay. Next, I'd just like to focus on your margins in Canada. They have been declining year-over-year, another 217 basis points, compared third quarter last year; fuel, obviously, fuel surcharges is an impact, but, I mean, it's a big number for to explain all that, can you talk a bit about the impact on margins year-over-year in Canada?

KEITH CARRIGAN: Yeah, I think that, you know, we've been acquiring companies; first of all, that have been more on the collection side of the business. We are pretty much pleased with our landfill assets and key markets and now as we've always mentioned, we look to acquire and to attain strategic size in marketplaces. So, clearly we have very accretive opportunities on tuck-in acquisitions that have occurred on the collection side of the business. And as we all know, the collection side of the

business is typically lower margin than the landfill side of the business. And again, I'll just reiterate once again though that not necessarily that these collection assets produce lesser free cash flow than landfills, however, they do on a margin basis look to a smaller margin.

WALTER SPRACKLIN: Okay. You made this statement Keith, the decline in commodity prices and you mentioned that in your introduction. Can you give us a sense of magnitude in terms of perhaps revenue contribution from your recycled commodities business, and presumably that's a lower margin business, but just to give us a better sense of kind of the magnitude of that impact?

KEITH CARRIGAN: Sure, I'd be happy to, Walter. The, you know, commodities and recycling, certainly, for our industry are becoming a much more important aspect and have become a much more important aspect, certainly, over the years and I believe will continue to become much more of an important and significant growth area within our sector. Having said that, they do represent actually reasonable, very good return on capital, and so consequently when the markets become affected by price it will have an affect on our sector. So how does that impact our Company? You know, we expect that in the fourth quarter that – and this is going to

principally come again – once again from our northeast region, that you will see a downturn of roughly about \$2 million of EBITDA.

Commodity pricing on average has declined from a value well over \$100 a tonne and in some cases and in some markets we are down to zero, right now. There are people just not accepting commodities at all. Fortunately, we have the ability to do a number of things, we have the ability to mitigate in most cases this downturn in revenue. So, we can mitigate in a lot of our markets up to 100% of that decline, and so although we feel that in the fourth quarter it's going to – this is going to act a little bit like fuel surcharge where we are going to have a little bit of a decline. This is going to be a catch-up basis, again very similar to fuel, and so going into the next year prices remain low. We feel that we will be able to mitigate these low prices pretty much to 100% that we see right now going forward into the new year. So, as fuel, this will become a timing issue. So again, one of the benefits that we have with our ability to pass through certain costs through to our customer base.

WALTER SPRACKLIN: Last question. Any update on Calgary or Montreal landfill applications? Or Calgary, in terms of a new site and Montreal for its applications?

KEITH CARRIGAN: Obviously we have some internal information with Montreal, and I don't want to go into details, but we are very pleased with the way that that's been performing in our execution related to the permit. As you know Montreal has been permitted numerous times and quite frankly with a number of these permits this has been the smoothest one that we've had, and as you know we've been successful on all the others. So, we are very pleased with what's going on, obviously, there is going to be a delay of a few weeks as a result of the election that was recently announced in Quebec. So, overall, again, we are very pleased and we anticipate once again a successful completion related to Montreal.

With respect to Calgary; again, we have ongoing activities in the Calgary area. Again, we are happy with what's ongoing. We anticipate the existing site at a minimum will carry on through 2010 on the site and I'll just leave it at that, there is with Calgary. But overall, we are pleased with the progress, once again, that we are making in the Calgary area.

WALTER SPRACKLIN: Okay. That's great. That's all my questions. Thanks very much guys.

KEITH CARRIGAN: Thanks Walter.

OPERATOR: Your next question comes from Carolyn Dennis of National Bank Financial. Please go ahead.

CAROLYN DENNIS: Good morning.

KEITH CARRIGAN: Good morning Carolyn.

CAROLYN DENNIS: I have some question on the US debt, I am just wondering if you can give us some color on options you have if you can't raise that covenant to 4.25 times?

TOM COWEE: We have the ability to bring cash down, not a lot, but we could bring some cash down out of the Canadian credit facility; we have the right to do that on to the amount. It's not like all \$305 million, but we could bring \$10 to \$20 million down, should we so choose. Again, we know we can continue to pay all the dividends out of the Canadian operation, we have enough cash flow at that point and I think we are very comfortable that should we need to raise the debt covenant in the US that we have a very supportive bank group, and that should be able to be done under, you know, under normal credit markets now, may be not a month or so ago, but as the credit crisis reduces, I think we believe that can back do that, should we so need to.

KEITH CARRIGAN: Carolyn, let me also reiterate it, of course, that we are cash flow positive in our US operations. So, we do not require other than for acquisitions, we do not require capital in our US operations. So, effectively our leverage ratio was accretive and if we did nothing then you should see anticipate that that the leverage ratio will come down, not go up.

CAROLYN DENNIS: When you talk about being free cash flow positive that includes tuck-in acquisitions?

KEITH CARRIGAN: That is growth, that includes all growth capital requirements, assuming we continue to grow in the US at the same pace that we've grown, as well as maintenance capital requirements and obviously servicing our US debt et cetera.

CAROLYN DENNIS: Okay.

KEITH CARRIGAN: Okay?

CAROLYN DENNIS: Yeah, thanks. My next question is on the US south. I know – I guess, I know you said that the things are going well there, but I see their growth has slowed a bit and I know that you have a few C&D Landfills there; I am wondering is that the case, are you seeing a downturn in the C&D market there?

KEITH CARRIGAN: Yeah, our larger US south C&D Landfills are in Texas. So, we are not seeing any major decline, certainly as it affects landfills in the Texas area as I mentioned. And really I don't want to exaggerate this, but you know, we are seeing a little bit of reduction in our C&D collection, our roll off type collection in the Louisiana markets, more particularly in the New Orleans area and in the St. Louis area as well. So it's basically those two areas, I should mention to you that we are seeing virtually no decline in our commercial business, both in the south and for that matter even in the northeast and certainly Canada as well.

CAROLYN DENNIS: Okay. That's great. And then put this back on the US, this slower growth, what's driving that?

KEITH CARRIGAN: I think again, we are just focused on those markets on the New Orleans market and on the St. Louis market, I think it's just housing. Obviously, there are limited or no housing starts in number of these markets, in the US markets right now. So, obviously, we are going to see those construction and demolition volumes down. Texas is still experiencing some new housing growth, and so clearly we are not seeing any reduction in activity in those areas.

CAROLYN DENNIS: Okay. So then, it is all C&D related then?

KEITH CARRIGAN: Yeah, it is all C&D related. That is correct.

CAROLYN DENNIS: Okay. And I guess, my next question is just on the reduced fuel costs, the impact in '09, if prices stay where they are, you should get a lift, but I am wondering how does it work with price decreases.

KEITH CARRIGAN: On our pass through areas, obviously they become somewhat neutral other than you are going to see some margins increase because clearly, we would not be passing through to our customers as revenue. So, clearly, you know, you will see some margin increase. I guess, just to give you a sense of, you know, the number that we don't pass through, we talk about this one when we talk about the northeast all the time that we have an inability to pass through a portion, and it's principally third part collection and in the New York area where we have locked in rates and that represents, you know, we believe probably about \$3.5 to \$4 million, if you look at today's pricing. So, you could say that we would have a positive impact of roughly of about a \$1 million a quarter if you want to flatten out that benefit over the quarterly basis. All right?

CAROLYN DENNIS: Okay. And the other segments, it's – the pass through?

KEITH CARRIGAN: Yeah, typically we are getting pass through now, you know, there are some benefits in areas that – but the majority of the benefit you will see in the northeast area, we've always mentioned that in Canada, we virtually have been able to pass through you know, pretty much 100%.

CAROLYN DENNIS: Okay. That's great. Thanks very much.

KEITH CARRIGAN: You are welcome, Carolyn.

OPERATOR: Your next question comes from Sophia Taylor of TD Newcrest. Please go ahead.

SOPHIA TAYLOR: Thanks. A lot of my questions have been answered, just a follow-up on the debt side. Your series A debentures, the \$47 million coming due in '09, wondering if you could please update us on the change in spread, should you have to replace that withdrawing on your Canadian facility?

THOMAS COWEE: Sophia, there wouldn't be any impact. We've already got the credit facility and the availability available to us. So, without a change in leverage which there wouldn't be because our

Canadian leverage is concentrated on a total Canadian business basis, there would be no impact on our spreads or any borrowing costs.

SOPHIA TAYLOR: So, presumably your credits – your revolver would be at a higher rate than the debentures?

JOSEPH. QUARIN: It's slightly lower.

THOMAS COWEE: No, it's actually lower, the debentures are maturing around the 6.1% range and our borrowing costs under the revolver are going to be substantially lower through BA plus the spreads.

SOPHIA TAYLOR: All right. Thank you. Okay. The only other real area I was wondering about is, if you could please, I guess just provide an update if possible on FX. Perhaps, the impact is – a change in rates on revenue and EBITDA?

JOSEPH. QUARIN: Well, obviously the FX rate in October has increased dramatically from a dollar at 1.04 to as high as 1.30, but it's sort of backed down. So there is going to be a significant change with the income statement and depending on how 12/31 is with the balance sheet coming out of the US. At the current time, where the covenant is in the US we don't plan to hedge any of the FX, dollars coming across border related to the dividend payments, because we may ultimately choose to pay all the dividends out of Canada. So, you know, it's too early for me to estimate

where I think the FX is going to land on average for the quarter related to the income statement at this point, Sophia.

KEITH CARRIGAN: And also, Sophia, let me reiterate, just so it's clear, I know there are some new callers in. We spend US dollars in the US, Canadian dollars in Canada so effectively to operate our business, FX does not play a significant role.

SOPHIA TAYLOR: Okay. If – that's great, but is it possible to obtain a sensitivity to FX, so in other words, one cent change in the rate what impact would that have on revenue and EBITDA?

THOMAS COWEE: You know, we don't have that readily available, obviously the revenue in the quarter was at 1.04, so if it goes up to 1.20 you know, you just do the calculation, but I don't know what the sensitivity is on a percent basis.

SOPHIA TAYLOR: Okay. How about percent EBITDA that is in US dollars, for US dollar generated?

JOSEPH QUARIN: I think it's on Page 5 of the press release Sophia, with regard at US south and US northeast EBITDA there.

SOPHIA TAYLOR: Okay.

JOSEPH QUARIN: So, combined it is \$46 million at 1.04. So, if it went up to 1.20, the \$46 becomes \$53, \$0.17 is worth \$7 million.

SOPHIA TAYLOR: Great, thanks, for the reminder.

KEITH CARRIGAN: Thank you, Sophia.

OPERATOR: Your next question comes from Nav Malik of Scotia Capital. Please go ahead.

NAVDEEP MALIK: Hi, yeah, thanks. So, most of my questions have been asked. But just, I want to get some further color on the acquisition side. So, what sort of multiples, Keith, would you say are in the industry right now, what sort of multiples are buyers asking for and what would you maybe be willing to pay?

KEITH CARRIGAN: Well, again let me say, what I am willing to pay is an accretive – is an accretive deal. So, clearly, and that's accretive to cash flow. So, without a doubt we are seeing most particularly on the tuck-in aspect of the business. We are seeing that multiples are going down. So, you look at our straight multiple basis, tuck-ins are typically – we are seeing now 4 to 5 times, you know, as we are not obviously overly enthused about our multiple that we are trading at today, but clearly, you know, once trading at a 6 times multiple and you know, we can acquire

tuck-ins at 5 or better, then clearly, we should anticipate all things being equal that we will have an accretive acquisition.

We are not seeing at this stage, values on major market acquisitions. I think we understand what Republic and Allied are valuing their merger at and you know, at those particular merger rates they – we would be trading at 6 times multiple, we would be underwater or non-accretive on that particular acquisition. So assuming that they would look for equal value, we don't know that by the way. So, again, I would highlight to you that we are seeing that the value of acquisitions is decreasing and I suspect relative to what's happening in the economy. Again, I think you are going to see that sellers will sit on the sidelines for a while, they will watch what is – what's happening in the capital markets and because they anticipate the companies are not looking to do negative cash flow acquisitions. Does that answer the question?

NAVDEEP MALIK: Yeah, no, that's very good color, that's great. Also, just may be, in terms of the growth that you've been getting Canada it's been very strong, would you be looking or are there any may be larger – may be not in the near term I think but in larger transactions available that you would look to, you know, further increase your Canadian footprint? Or is it, are you pretty well, you know, at the level that you want to be in

Canada, aside from for the normal tuck-ins, but I am thinking more along the scale of larger types of transactions?

KEITH CARRIGAN: Well, I think there are a good number of markets where we are not at our capacity that we would personally like to see on – as a result, through acquisition. So, there still are opportunities and there always have been, I shouldn't say they are still there have been opportunities for future growth by acquisition in Canada and certainly at the right times we will continue to pursue those opportunities.

NAVDEEP MALIK: Okay. Great. Thanks very much.

KEITH CARRIGAN: You are welcome.

OPERATOR: Ladies and gentlemen, if there are any additional questions at this time, please press the star followed by the one. As a reminder, if you are using a speaker phone please lift the handset before pressing the keys.

OPERATOR: Your next question comes from Nima Billou of Bloom Investment Counsel. Please go ahead.

NIMA BILLOU: Good morning.

KEITH CARRIGAN: Good morning Nima.

NIMA BILLOU: Just wanted to get some color on the expansion CapEx spent in the US, the \$27 million, what was that directed towards?

JOSEPH. QUARIN: Well, there is obviously – in any quarter there is self construction activities, and in the third quarter being one of our prime construction quarters, being in the summer months, there were the primary dollars. There is some growth capital in there as well, but in the third quarter it's traditionally a very high construction quarter.

NIMA BILLOU: So, it is mostly to support the landfill side of the business?

JOSEPH. QUARIN: And Seneca would be the largest of that of course.

NIMA BILLOU: Okay. And in terms of the contracts, Keith, you had mentioned one contract in Brooklyn renewed for 3 years, if you were to look, I don't if can necessarily disclose the specific numbers, but broadly how many – what percentage of your business in the US and Canada are multi year contracts, let's say 2 or more years, and what percentage would be one year or less?

KEITH CARRIGAN: Well, the majority of our business of course is 3 to 5 year contracts and those are our customers that where we have the automatic rollover capability within the agreements and typically they do

rollover. As you know the churn in our businesses has been and is relatively small, only a few percentage points. So, typically, the majority of the business is 5 year better, even with residential contracts with city that is – cities that is more of the norm than short-term agreements.

NIMA BILLOU: Do these contracts tend to come up on a staggered basis, so not all of them?

KEITH CARRIGAN: Yeah, they do. Absolutely, they do.

NIMA BILLOU: Okay. And you know, talking about the debt covenants and what not, do you see your acquisition program may be slowing down as you sort of survey the landscape and conserve your resources, or if you do a larger acquisition would that need to be supported by an equity issue?

KEITH CARRIGAN: Well, you know, that there is a number of issues related to the question. First of all, you know, on the debt side we've always indicated that we would like to keep our leverage as a corporation under three times. So, any time we are going to be doing a major acquisition you have to assume that that we will be raising equity, we would want to raise equity so that we kept that leverage once again under three times. So that means that clearly on – certainly, on the larger deals that you would anticipate then that that we will be raising equity.

NIMA BILLOU: Okay. And just, I mean, for the rest of the year, do you see yourself fairly slowing down, or you will be opportunistic as may be some of those divestitures will allow you to be?

KEITH CARRIGAN: Well, I think part of that is dictated by what occurs in the capital markets. We do have some indication that clearly that there is, we call it some minor access to capital – to new equity capital, if we choose to take that, however, you know, once again, I would say to you that we are finding that that most people are sitting on the sidelines, not just those in the capital market, but the sellers as well. So, I think that you can anticipate that there would not be a lot of activity in our sector over the next month and a half at least.

NIMA BILLOU: Okay. Thanks very much.

KEITH CARRIGAN: You are quite welcome.

OPERATOR: Your next question comes from Youssef Abboud of Clarus Securities. Please go ahead.

YOUSSEF ABBOUD: Good morning. Just here you mentioned you can mitigate 100% for the lower commodity prices. Can you please give us more flavor on that, how you are going to mitigate 100%?

KEITH CARRIGAN: Well, we have the ability, I don't want to go into all of the details Youssef, but I did mentioned to you that we have ability in our existing contracts and majority of them with our customers to pass through certain cost elements. You know, clearly this is viewed as a cost element, it certainly is an offset to the customer, and then certainly, in other cases part of our – these revenues went back to customers as rebates. So, clearly, if we are not generating the revenue then the customers also don't receive the rebates for the material. So, when you couple those two issues together, we look at and then we – and we've looked at them on a region by region basis and you know, through the majority of the company we have using the same clauses that we did the fuel, we have the ability to mitigate then key – that the driver inside the commodities market.

YOUSSEF ABBOUD: Okay. Excellent. Thank you.

KEITH CARRIGAN: You are quite welcome.

OPERATOR: And your next question comes from John Grandy of Thomas Weisel Partners. Please go ahead.

JOHN GRANDY: Hi, it's turning into a bit of a marathon call, I'll keep it brief.

KEITH CARRIGAN: Hello John, thank you.

JOHN GRANDY: How are you? The New York City price caps, can you just talk a little bit about the implications of what's happening there?

KEITH CARRIGAN: Sure. We would be happy to – the City, just a few days ago as a matter of fact have passed through the rate cap increase which I had mentioned to you, would represent about 30% increase. We obviously, will have ability then to go back our customers and particularly – and obviously, those customers who have been marginal and we have been awaiting this increase from the City. So, we will be going to those customers and looking to get them out of that marginal basis. And just to give you a little bit of flavor, we anticipate that, you know, going forward and this is going to be staggered through 2009, but you know, we should be able to increase roughly \$1.5 million to \$2 million of EBITDA earnings as a result of this increase.

JOHN GRANDY: So even in the current market conditions those are only for price increases?

KEITH CARRIGAN: Yeah, you know, pricing, we've – obviously as you've noted from our pricing and over the last – the last quarter and may

be what I could do is give the folks a little bit of flavor, you know, in terms of where – how we've been able to price if we go – we go back to the last quarter, in Canada, we've been able to increase price roughly 4%, in the US 3.9%. So, as you can see our pricing is still been able – is still very, very strong tool even within these market conditions and we anticipate that we will have that ability going forward.

JOHN GRANDY: Good to hear. Thank you.

KEITH CARRIGAN: Thank you.

OPERATOR: Mr. Carrigan, there are no further questions at this time. Please continue.

KEITH CARRIGAN (VICE CHAIRMAN AND CHIEF EXECUTIVE OFFICER): Well, I would like to thank everyone once again for joining us on the call today and sharing your Remembrance and Veterans Day time with us, and once again, we hope that you all will find the time to honor these great men and women who have served our countries in previous conflicts and wars. Thank you and we will look forward to joining you on our next call.

OPERATOR: Ladies and gentlemen, this concludes the conference call for today. Thank you for participating. Please disconnect your line.
