



BFI CANADA INCOME FUND
FOURTH QUARTER AND YEAR-END 2007
CONFERENCE CALL
MARCH 7, 2008

OPERATOR: Good morning ladies and gentlemen. Thank you for standing by. Welcome to the BFI Canada Income Fund Fourth Quarter and Year-End Results 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 for questions. If anyone has any difficulties hearing the conference, please press star, zero for operator assistance at anytime. I would like to remind everyone that this conference is being recorded today, Friday, March 7th, 2008 at 8:30 a.m. Eastern Time.

I would now like to turn the conference over to Chaya Cooperberg, Director, Investor Relations and Corporate Communications. Please go ahead.

CHAYA COOPERBERG (DIRECTOR, INVESTOR RELATIONS AND CORPORATE COMMUNICATIONS): Thank you, and good morning everyone. On the call with us today 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 Fund's performance for the three months and year ended December 31st, 2007. 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.

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 Fund's future performance. Although forward-looking statements are based on what management believes to be reasonable assumptions, the Fund cannot assure unitholders that actual results will be consistent with these forward looking statements. 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. 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. 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 I hope you've had a chance to review the news release, 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 March 21st, at 416-640-1917 or 1-877-289-8525, reservation number 21263135. These details are available in the news release.

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

KEITH CARRIGAN (VICE CHAIRMAN AND CHIEF EXECUTIVE OFFICER): Well, good morning everyone and thank you, we appreciate you joining us this morning. We are pleased to report a strong fourth quarter capping what we consider to be an absolutely outstanding year, continuing a pattern of achievements since our inception in 2002. As in previous years we achieved growth in revenues, EBITDA and free cash flow available for distribution. We continue to expand our customer base, broaden reach through acquisitions and realize productivity and efficiency gains in our operations. 2007 was in fact another benchmark year for us and we are very well positioned as we head into 2008.

Before Tom provides a detailed review of our financial results, I'll discuss some of the achievements in the quarter and the year as well as our focus in 2008 and beyond. In the fourth quarter, revenues increased more than 25% to \$251 million and, for the year, revenues increased about 19% to more than \$917 million. While we did benefit this year from the contributions of 18 acquisitions including the acquisition of Winters Bros in September, a sizeable portion of our revenue growth again this year was driven organically.

In Canada organic revenue growth was 14.6% quarter-over-quarter and 12.6% year-over-year. In our US segment, organic revenues grew 7.7% quarter-over-quarter and 7.5% year-over-year. We continue to

sustain these solid organic growth rates through our market based strategies which we believe are the key to continuous improvement in our business model. Not only do we recognize and understand how each market is unique, we empower our market managers with the tools and processes to quickly respond as pricing and volume dynamics in these markets change.

Of course without the right assets in each market we would not have the leverage or flexibility to employ our market based strategies. In 2007 we continued to strengthen our asset base through both tuck-in and platform acquisitions and investments in our existing operations. The 15 tuck-ins we completed were located both in our Canadian and US segments as we identified opportunities to acquire routes and customers that were complimentary to our existing operations.

We also completed two new market acquisitions; one in Ontario and one in the US South, both of these acquisitions are in accelerating development areas and therefore represent an excellent opportunity for future growth. Of course the largest addition to our portfolio this past year was Winters Bros being located in the Long Island market area. Overall, these new collection markets are giving us greater leverage over volumes for our landfills. This creates an opportunity for us to execute our continuous improvement strategies.

We are very pleased with our contribution through acquisitions in 2007 and we look forward to additional benefits from those acquisitions in 2008. Our top-line results led to solid improvement in both EBITDA and free cash flow available for distribution. EBITDA increased 15.2% in the quarter to \$69.4 million and grew 16.8% in the year to \$275.5 million. Free cash flow available for distribution increased 21.2% in the quarter to \$47.6 million and grew 18.8% in the year to \$168.5 million.

With distributions at \$1.818 per trust unit, the Fund's payout ratio was 65.6% in the quarter and 73.2% in the year, indicating that we remain comfortably positioned to continue to pay distributions. We are generating substantial cash flow in excess of our distributions which clearly indicates that our formula for growth is effective. Since our inception we have funded our maintenance capital through free cash flow and applied excess cash towards growth expenditures and to help fund acquisitions. In addition, funds raised in the markets through equity have been solely used for these acquisitions.

At the same time our free cash flow has increased. Our annual payout ratio has declined, and our debt-to-EBITDA leverage ratio has been below or in line with the industry average. Our results have demonstrated that investing in the future paves a way for accretive growth. This is what gives us confidence in our strategy of continuous improvement through internal investment and acquisitions. We believe there is unrealized

potential for growth in our industry in 2008 and beyond. We plan to intensify our efforts to identify and act upon these opportunities.

In 2007 we were able to successfully access the equity and debt markets to help finance our growth strategy. We hope that in 2008, should we need to access additional capital, we will continue to find support in these markets. Again, we will continue to closely monitor liquidity in our structure and our ability to access the debt capital markets at efficient rates. Therefore, we continue to work with the Fund's trustees to review the trust structure. We want to ensure you that we can continue to secure capital in the most efficient way and we will do that going forward. Our goal is to enhance total return for our owners and this ongoing review of our structure is simply part of how we are addressing this goal.

Overall, we are very pleased with our progress in 2007. At our present rate of growth revenues are on track to exceed \$1 billion in 2008, a clear milestone for a company whose annual revenues were just approximately \$150 million five years ago. Our portfolio of assets has never been better positioned. In the third quarter we received all the necessary permits for the expansion of our Seneca Meadows landfill, which, based on current annual volumes, will extend the life through 2023.

In Canada, we received an operating permit to continue operations at our existing Calgary landfill through 2010 and we are confident that we will receive an additional expansion for our permit at our Lachenaie site in

the near term as well. As you're all aware, Lachenaie has been approved for expansion on seven previous occasions and the site continues to perform at very high standards.

We have a clear plan for continuous improvement in our operations. Of course the economy must also be supportive of growth. Fortunately, our sector has proven itself to be somewhat resilient in times of economic weakness. I will remind everyone that, in general, residential and commercial collection trends tends to be more recession-resistant while industrial and C&D rollout collection tends to be more closely linked with the broader economic conditions.

Landfill volumes may also be adversely affected during periods of economic weakness. Currently we are not seeing a notable change in volumes in the US South, unlike the softness, though, that we continue to see in the US Northeast. As per Canada, where we derive one-third of our revenues and a significant portion of our EBITDA, on balance there are no significant indications at this time of economic weakness. Although depending on the severity of the US downturn, it would be expected that some areas of the Canadian economy could eventually soften.

Regardless of market conditions we will continue to employ our market strategies to improve productivity, profitability and free cash flow. As we enter 2008 we are confident about our future. We are pleased with our inventory of assets and our continuous improvement programs.

However let me state that this company would not enjoy our past success of future optimism without the significant contributions from all of the employees of BFI and IESI; for that, senior management feels extremely grateful.

Now I'll turn the call over to Tom for his additional financial review.
Tom.

THOMAS COWEE (VICE-PRESIDENT AND CHIEF FINANCIAL OFFICER): Thanks Keith, and good morning everyone. As Keith said, we had a strong close to what was a strong year. I will add that our solid financial results were achieved in a year that's our record strength in the Canadian dollar which was a marked impact on the translation of our US operating results. Our annual results were translated at an average exchange rate of \$1.074; this compares to \$1.134 in 2006. The impact was even greater when you compare the average fourth quarter exchange rates of \$0.982 in the fourth quarter of 2007 versus \$1.139 in the fourth quarter of 2006.

Excluding the impact of foreign currency translation, consolidated revenues increased 36.3% quarter-over-quarter and 23.1% year-over-year and EBITDA increased 24.7% quarter-over-quarter and 20.5% year-over-year. The foreign exchange rate softened the growth of our reported financial results but we do continue to benefit from the natural currency

hedge in our operations which see expenses originating in the US, settled in US, currency generated from our US operations.

In terms of the impact of FX on our unitholder distributions, the hedge that we had on our US originated free cash flow available for distribution has expired. If we were to exclude the effects of the foreign currency hedge, our payout ratio for the three months and the year ended December 31st, 2007 our payout ratio would have been 69.4% and 76.2% respectively. At the current time we do not have any plans to enter into any FX hedges but we will continue to monitor the fluctuations in the two currencies, and if necessary we will modify our current strategy. We will also continue to deploy a strategy to pay more than as a historical percentage of our monthly distributions out of excess free cash flow generated by our Canadian operations.

Now I will turn to our annual income statement and begin discussion with operating expenses. Operating expenses were up 21.8% year-over-year and are attributable to higher internally collected waste volumes combined with higher costs to serve new and existing customers and acquisitions. SG&A expenses increased \$10.6 million year-over-year mainly in the US Northeast and in US South. The increase is due largely to higher salaries resulting from organic and acquisition growth. Also, as a result of our growth in these regions, we saw higher facility and office costs.

Amortization expense increased \$12.9 million in 2007 due mainly to acquisitions and acquired growth capital through 2006 and 2007. Interest on long-term debt increased \$8.7 million year-over-year as a result of our financing, growth expenditures, working capital and acquisitions with additional borrowings. This was partially offset by the trust unit offering we completed earlier in 2007 for net proceeds of \$87.6 million used at the time to repay the US revolving credit facility advances.

Turning to our balance sheet, at the end of the quarter, long-term debt stood at \$809.5 million, up from \$797.2 million recorded at the end of the third quarter. The increase was primarily related to a couple of tuck-in acquisitions, new municipal contract wins and landfill construction activities. At December 31st, our long-term debt capacity in Canada is \$53.3 million Canadian and in the US is \$74.7 million US. Both the Canadian and US long-term debt facilities have an accordion feature which can increase the available capacity of the Canadian revolving credit facility from \$150 million to \$200 million and can increase the available capacity of the US term loan and revolving credit facilities from \$770 million US to an aggregate to US \$825 million in aggregate, subject to certain restrictions.

We continue to actively manage our debts in order to stay flexible and have to meet our plan's short term growth and development activities. At December 31st the Fund is in compliance with our long-term debt facility covenants, on a consolidated basis the Fund's long-term debt to last 12

months EBITDA ratio is 2.91 times. Remember, our LTM EBITDA ratio excludes any performing EBITDA adjustments related to acquisitions and does not consider the full benefit of EBITDA related to full year organic growth.

Now looking at our maintenance capital expenditures in 2007 as well as our outlook for 2008 maintenance capital; in 2007 Canadian maintenance capital expenditures totaled \$19.9 million Canadian, and in the US \$34 million US, reflecting the highly predictable nature of maintenance expenditure requirements in our business, these expenditures were largely in line with our previously stated targets of between \$18 million and \$20 million Canadian for our Canadian platform and between \$31 million and \$33 million US for our US platform.

For fiscal 2008 maintenance expenditures representing the replacement capital and landfill assets to sustain current business operations are expected to be between \$22 million \$24 million Canadian for our Canadian operations and between \$37 million and \$39 million US for the US operations. I will remind you that due to seasonality in our business, maintenance expenditures are expectedly concentrated in the first three quarters of 2008.

Growth expenditures in 2007 totaled \$25.5 million in Canada, a decline of 17% year-over-year, and \$71.6 million in the US, an increase of \$53.5 million year-over-year. The Canadian segment's residential contract

wins which commenced in 2006 exceeded those that commenced in 2007 resulting in the decline and comparable growth expenditures. In the US the timing of landfill expenditures primarily at Seneca Meadows landfill and an increase in municipal contract wins are the primary reasons for the US segment increase in growth expenditures in 2007.

In 2008 we will continue to accumulate new customers and routes acquiring the ongoing lead for growth capital. We will also invest in several of our key landfills in 2008 to build cells and develop air space, in particular the permit we received in 2007 to expand our Seneca Meadows landfill assures in a multi-year period of higher growth capital investment. Remember that the capital allocated today will benefit us tomorrow as we will be able to continue to accept waste volumes for many years to come with lowering capital spending. I will conclude by saying that we continue to be very pleased with our progress of 2007 and look forward to continuing to create additional value as we enter what we expect to be another milestone year.

Thank you for listening, and now I will 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 that they are received. Please ensure you lift the handset if you are using a speakerphone before pressing any keys. One moment please, for your first question.

Your first question comes from Carolyn Dennis of National Bank Financial. Please go ahead.

CAROLYN DENNIS: Good morning.

KEITH CARRIGAN: Good morning, Carolyn, how are you?

CAROLYN DENNIS: Well, fine. To start on the macro level and talk a little bit about the impact of the slower economy; in your comments you're talking about the industrial and C&D rollout business being more impacted, and I'm wondering if you can provide some color on that, I just know last year the US residential slowdown in the US results hit in slower C&D volumes, and I'm just wondering what you're seeing in the non-residential segment right now, and also if you can provide some color on what you're seeing in the industrial segment?

KEITH CARRIGAN: Sure, I'd be happy to. In the south at this stage on a macro level we are not seeing material decrease in our industrial

segment, and of course, you know, we can talk about the commercial segment, we are seeing the commercial segment remained fairly strong, just about everywhere that we are operating, so specifically we are talking more about the industrial segment which would also include C&D. So the south continues to remain strong, we continue to see roughly the same levels in the Canadian market, and where we began seeing it about the late section third quarter of last year we're continuing to see a softness in the northeast, in that one segment.

CAROLYN DENNIS: And in the northeast as much as – to follow up on that, I'm wondering if you can provide a little more color on what kind of impact the – well, obviously you're seeing a slowdown with the economy, but I know you've been talking about having excess capacity in the area, I'm wondering if you can, you know, is it a fifty-fifty split or is it – what...

KEITH CARRIGAN: You know...

CAROLYN DENNIS: That's what happening to volumes there?

KEITH CARRIGAN: It's very difficult to put out a finger on it completely, Carolyn, and, you know, I'll explain why. You know, as we grow through the – in -- from the third quarter into the fourth quarter we have now other factors that begin to play a role. For example, weather conditions; we've had obviously as you know relatively harsh winter in the northeast and when that occurs in the northeast US the incinerators require more waste typically to produce the electricity demand that's

required in a colder winter, so therefore they will typically drop rates and tonnage will be abnormally diverted for that period of time, well they're meeting the electricity or the power demand in the area. So we're seeing a little bit of that, we also had some additional capacity open around the same time and in the area as well. So we have a mix of factors that are going on, and I think probably we'll have a better handle once this weather begins to clear, and we'll see whether we're at the same basic volumes that we saw late in the year, and not my – our suspicion is that basically the economy is where it is at – was at probably in the beginning of the third quarter of last year.

CAROLYN DENNIS: Okay, that's great. Back on the commercial side, we touched on it briefly, I just – I've been following the US companies, and there isn't a spectrum of comments about the commercial sector from, you know, we're not seeing a slowdown, we're seeing a slowdown and it's not impacting our business to some – one of the competitors are saying that they'd seen some pushback on the commercial side in terms in pricing, I'm just – I know it depends on the customer mix in the region but can you provide a little more color on what you're seeing there?

KEITH CARRIGAN: Well, again, I was saying that we are seeing the commercial market relatively stable, for example, I believe all of our peers, you know, our US group are indicating that the market remains relatively

strong for pricing, so clearly if there's a strong pricing market then they're going to be seeing, you know, deterioration in terms of volumes. I believe what some of our peers have is a different strategy though in terms of understanding what they would like to see in profitability by accounts, so therefore they are – they have been divesting a volume that is not related so much to the economy but related to their internal goals of return on capital, so I don't believe that it's specifically related to the economic factors, Carolyn.

CAROLYN DENNIS: Okay. Thank you. And just a specific question on the US South, I – the margin was down this quarter, and I'm just wondering if you can provide a little more detail what's going on there, I know that you've expanded in your – it may be related to collection operations, the build-out of collection operations?

KEITH CARRIGAN: Now, it's actually – what we can have from time to time is a little bit of lumpiness not just in terms of – in our complete model by the way in terms of seasonality, we don't have a lot seasonality in the south, but we can also see it in terms of our reserves that we take for accidents, and we had a couple of reserves that we took for accidents that occurred in the south in the last quarter, so that totally explains the lumpiness that you're saying.

CAROLYN DENNIS: So going forward we should see...

KEITH CARRIGAN: Well, that's...

CAROLYN DENNIS: It's also more in line with what we've been seeing the trends in your just...

KEITH CARRIGAN: Yep.

CAROLYN DENNIS: Okay, that's great. And I just – one more question before I jump back in the queue; acquisitions this quarter, did you do a tuck-in or is – was there any acquisitions this quarter?

KEITH CARRIGAN: Well, it's certainly – let's see, I guess Winters -- Carolyn...

CAROLYN DENNIS: No, beside I mean...

KEITH CARRIGAN: Winters Bros.

CAROLYN DENNIS: Besides Winters Bros...

THOMAS COWEE: We did a couple of real small ones, again there – there are the – they will not show up on the radar in the size of the company, but there was a couple of real small ones down in the quarter.

CAROLYN DENNIS: Okay. Thank you very much.

KEITH CARRIGAN: Thanks, Carolyn.

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

NIMA BILLOU: Good morning.

KEITH CARRIGAN: Good morning, Nima, how are you?

NIMA BILLOU: Good. A quick question, you'd mentioned capacity increases in the northeast; when did that begin to become an issue or when did you recognize that?

KEITH CARRIGAN: Well, I'm not so sure that we – at this stage we view that that additional capacity is relevant. We announced it – we really saw it when the announcement occurred that Casella had opened a significant – what they consider to a significant site in southern New York State which was – I believe it was the second or the third quarter, I'm sorry, that's...

NIMA BILLOU: Yeah.

KEITH CARRIGAN: Approval for it. So at that point we announced that we are seeing some additional capacity.

NIMA BILLOU: Got you. And is there – are there any other regions like where they'll start to creep up in the south at all or is that still fairly high?

KEITH CARRIGAN: No, no. No, we feel that – and let me emphasize that, you know, though we can't determine at this stage that that capacity is playing at all or not. There's I had mentioned earlier, Nima, there's several other factors...

NIMA BILLOU: Yeah.

KEITH CARRIGAN: That are playing a role as well, clearly the economy, we believe this one, because we saw that happening before the capacity, the excess capacity did occur.

NIMA BILLOU: Now, are you starting to see, I mean, with the economy rolling off in the US, more opportunities to make acquisitions at the scale of the Winters Bros or is that just you're going to progress sort of moderately with the tuck-ins as it goes because valuations still have moderated?

KEITH CARRIGAN: We are, you know, clearly we're going to – we look at things on a case by case basis and we look at the – each, so in other words each market, what are we trying to achieve in the market in terms of rolling off the right combination of assets to run strategies, remember that we have strategies so we can operate in – even in a downturn market to generate a higher return capital. So clearly we will continue to look at those right combinations of assets to give us the opportunity to run those strategies during this period of time.

You know, having said that, as you can see, the Canada continues to, you know, to progress both in terms of organic growth and in terms of return on capital as well, and our south continues, so we're still – we're seeing significant strength and I – and again I don't want a downturn too much the strength that we're seeing in the northeast, we are executing our programs, we are very very happy with the progress that we're making in

New York City and the progress that we are making in our collection operations related to the Winters Bros acquisition, they are going extremely well and in fact in some cases, we are ahead of our plan in those areas.

So, you know, let me continue to emphasize that the downturn we're seeing is more in the C&D and the third party volumes that translate to landfills and again I explained the reasoning for that.

NIMA BILLOU: And just on the C&D side, found a question, would you still estimate that that sort of direct economic impact would be roughly 10% of volumes?

KEITH CARRIGAN: Well, I think that that's a very high number.

NIMA BILLOU: Okay.

KEITH CARRIGAN: 10% would be very high, and remember we are not seeing that in these other regions.

NIMA BILLOU: Yeah. So it would be less that anyway?

KEITH CARRIGAN: Yes.

NIMA BILLOU: Okay. Thanks very much.

KEITH CARRIGAN: Okay.

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

NAVDEEP MALIK: Great, thanks very much. I just – most of my questions have been answered, I just want some clarification on a few things; in terms of the acquisition pipeline and your growth CapEx that you have planned, are you planning on funding that, I guess, with debt going forward, and I guess secondly on that point, are you comfortable with where the debt is at right now?

KEITH CARRIGAN: I think we're – we clearly are comfortable with our position, our leverage position right now, Nav. Secondary to that, as I mentioned in our discussion, we are clearly watching the markets right now and, you know, there's a lot of moving targets as you can well expect the, you know, clearly the cost to debt is getting more expensive. On the other hand we are seeing because of interest rates movement that the coupons are going down as well, and of course, you know, that's either going to be complimented or it's going to be offset by the liquidity in the income trust markets as well, the equity markets.

So, you know, we are staying up to – I'd like to say that we're staying up-to-date with all of these factors on it on a continuous basis, and so when the time certainly comes that we're in a position where we would like to incur and event, then we will look at those conditions and we'll make the appropriate decision that's going to bet – give us a more sufficient outlook. But let me highlight that we are not looking for any long-term increase in our leverage ratio.

NAVDEEP MALIK: Okay. So well, I get that I'll ask you or may be I'd sort of a related point, but what's – you – when you mention that your growth CapEx is expected to be higher as a result of Seneca over the next few years, what sort of magnitude are we talking about?

THOMAS COWEE: Nav, typically we don't disclose that, but, you know, obviously it's hard enough that we think we should lease heads up that you should take a look at it when you look at your growth capital projections for us.

NAVDEEP MALIK: Okay, okay. And I think you may have touched on it, but sort of on the pipeline perhaps on your acquisitions, on the larger scale acquisitions what are you – are you seeing any change there in terms of other opportunities or valuations in the market; things like that?

KEITH CARRIGAN: You know, we are, you know, certainly seeing that the clearly pie what equity is, peers, and you never for sure, but they appear in general to be sitting on the sidelines at this stage, and obviously that's related to the debt capital – we're positioned in the debt capital markets. So – but on the other hand we have recently heard that Waste Management is going to be taking a more competitive position with acquisitions which at that stage I would expect would be – they would be looking at reasonable multiples.

So, you know, there's that – I think overall we're looking for a better market, I would suggest to you that activity remains relatively at the same

levels that we have previously seen it and I expect that we will continue to see it at those levels, you know, subject to where we should of course see the economy moving on and on a forward-looking basis as well.

NAVDEEP MALIK: Okay. And then just lastly, I'm wondering if you can provide an update -- I know you mentioned that the Calgary landfill have been -- the permit has been expanded to continue through 2010; is there any update on the new facility that you are planning in that region?

KEITH CARRIGAN: I'll let -- Joe will take that question.

JOSEPH QUARIN: We have recently submitted our application to the county, and we are now waiting for some feedback from them and their comments.

NAVDEEP MALIK: Okay.

KEITH CARRIGAN: I would say generally, you know, it's moving forward...

NAVDEEP MALIK: Okay.

KEITH CARRIGAN: At the pace that we expected it to move forward with, Nav.

NAVDEEP MALIK: So you're still optimistic that that should -- there shouldn't be any really disruption once the existing facility has reached the end of its term?

KEITH CARRIGAN: You know, yeah, let me just say that, you know, we are certainly on our plan right now.

NAVDEEP MALIK: Okay. Okay, very good. Thank you.

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

SOPHIA TAYLOR: Good morning.

KEITH CARRIGAN: Good morning, Sophia.

THOMAS COWEE: Good morning.

SOPHIA TAYLOR: Thanks. On the Seneca waste volumes, can you quantify, I guess, what it is you are seeing in terms of actual volumes versus what your permits allow you to accept?

KEITH CARRIGAN: You know, we – again, these things are moving targets, you know, I would say to you certainly in the – we saw some fluctuations as the weather hit us last year. I'll just, you know, kind of try to be a little more specific, as the weather hit in it and we had some harsh weather, you know, in the New York State area, we saw some drop of volume, almost immediately related to that, Sophia. So, you know, that obviously would be an indication, and we obviously knew then that the burners had been taking in more volume and we validated that. So, you know, it becomes very very lumpy, I think I can tell you that, you know, January relative to when we saw weather events we saw reduction as well.

However when we haven't seen the weather events, we see that we are moving up to, you know, back to our expectations again, so it kind of gives us an idea clearly that there are weather-related volume drops here as well as some economic activity as well. So, as I'd mentioned, I think we'll get a much clearer picture once we get through the winter months and into spring on what, you know, is exactly related to the economy. I think just generally speaking overall that, just to give you a sense of these events as they occurred, had an impact of roughly about a couple of hundred tonnes over the course of the year in the northeast at our landfills. I hope that helps you.

SOPHIA TAYLOR: Very helpful. Thank you. Okay. Next question I have for you is on Lachenaie. I was wondering if you could please provide us an update as to how many years of life do you have there under the current permit, what the process is ahead of you, and perhaps I'll leave it there.

KEITH CARRIGAN: Yeah, okay. You know, we don't like to talk a lot about ongoing process related to expansion as other people sometimes tend to take comments the way that they would like to see them apposed to what they are really meant to be, but having said that, I'll see if I can add some color for you. The site itself as you recall on the last permit we were really looking at a capacity of roughly about 23 years on the engineering plan that we were – that we did. That engineering plan as submitted at

that time and I'm going back to 2004, we submitted it that time and had essentially been reviewed and with no changes to the complete plan. So at this stage we're really talking principally about maintaining the same plan that we had initially submitted with some minor modifications attached to it.

In addition to that, however, we are going through more of a social process as well. So part of that process is third party submissions, and our submissions to the public. We have completed our submissions to the public and this past week the citizens have had their opportunity to submit their concerns and comments related to the expansion as well. So that is now completed, which are – those are called the BAPE hearings and they are now completed, so at the end of the day as we move forward we have approximately on that initial engineering plan about 17 years of capacity on that plan, and at this stage now the BAPE will submit their report, and I would tell you that in general, you know, we're pleased with what went on in the hearings, both from our submissions and through the submissions of the general public as well.

So it's probably – we're probably in the position now that we'll hear from the BAPE report within the next couple of months and then the government should be in a position to, you know, with the expansion. Does that answer your question, Sophia?

SOPHIA TAYLOR: It does. Thank you. The only follow-up I have is – you mentioned the engineering plan with 17 years left of life; could – there is an operating permit that is separate from that though, is there not...

KEITH CARRIGAN: That...

SOPHIA TAYLOR: In terms of...

KEITH CARRIGAN: That's it, the operating permit that essentially we're going through right now.

SOPHIA TAYLOR: And when does that expire?

KEITH CARRIGAN: The operating permit really is a capacity permit that will expire by capacities sometime in – depending on settlement in late summer.

SOPHIA TAYLOR: Late summer, so in other words, the BAPE hearings...

KEITH CARRIGAN: As you recall, in Quebec, Quebec tends to offer – submit their permits at the last minute on an ongoing basis all the -- you know, all the time on every permit, so we wouldn't expect to be receiving, you know, permits well in advance of capacity.

SOPHIA TAYLOR: Exactly. Okay. Thank you very much. That's very helpful.

KEITH CARRIGAN: Alright, Sophia.

SOPHIA TAYLOR: Last question I have for you, it seems to be top aligned for several trusts as there is the issue of corporate conversion, I realize or recognize that, you know, there's nothing definitive in terms of comments made in that regard by you, but I'm wondering if you could perhaps help us out with a thought process one way or another corporate versus trust what your thoughts are, if possible.

KEITH CARRIGAN: Well, you know, I would – we'll process it all once again by saying that really we're continuing to monitor the situation within the trust sector and what we're really monitoring is liquidity and our efficient ability to raise capital as we continue to grow this business. And so that really becomes the driver. At this stage, as you all know, we've been able to operate within the trust structure and I believe efficiently raise capital because we can see that, you know, our returns continuously get better, and you can see payout ratios are improving, and all the issues that I discussed in the text of our comments today, so we're very very pleased with that, however we will continue to watch the liquidity in the market and the cost to capital relative to our growth plans going forward.

And we will obviously I suppose – I'll add more colors, is first also, you know, in a context where we understand what our options are, and that's really the exercise that we have been going through, is to clearly understand what our options are. You know, at this stage I would tell you that we are not in a definitive process moving to a new structure, so let me

make that clear, and obviously that applies in the phase of – from the things that are supposed to have been written lately, but as – but we are not in a definitive structure or definitive process to move to another structure today, we are listening to other people in various structures, and understanding specifically what our options are and what they will be.

So, you know, if one is getting ready to, you know, take a barrel overnight there falls (phon) is going to prepare themselves to be in that barrel and before they go over in. And essentially, you know, in 2011, you know, the government has put us in that position so it would seem sensible then that a company understands completely what its alternatives are and what their options are related to that event, and that's specifically what we are doing.

SOPHIA TAYLOR: Wonderful. Thank you very much.

KEITH CARRIGAN: Thank you.

OPERATOR: Your next question comes from Walter Spracklin of RBC Capital Markets. Please go ahead.

WALTER SPRACKLIN: Thanks very much. Good morning guys.

KEITH CARRIGAN: Good morning.

THOMAS COWEE: Good morning.

WALTER SPRACKLIN: Just on the current financing arrangements that you have in place given your capacity for excess debt and the – your comments not wanting to go much higher on a long-term basis in terms of your leverage, do you consider those constraints as well as your increased growth CapEx in Canada as making you perhaps miss any acquisition opportunities or other growth opportunities given the more difficult financing arrange – financing environment?

KEITH CARRIGAN: You know, as we are sitting here today, Walter, you know, certainly the answer is no, and certainly, you know, you are absolutely right, we have to spend more time on those issues today than we have – we've had to spend previously, you know, because they are – everything is moving, the targets are all moving today, and so consequently we have to – we would like to have Plan A's and Plan B's available, today we are – perhaps we would have -- only have to worry about a Plan A previously, so the answer is that we try to certainly mesh our growth expectations together with our – with our balance sheet as well.

And so, you know, we do have – I will tell you that we have certainly Plan A's, and where – I would say as Plan B's are concerned, we're always evaluating what the next Plan B is as we have in the past and we will continue to do going forward, and that's obviously just relative to the economic climate that we are working within today. It will, they stop – continue to stop our growth or will we miss acquisitions, we are not

planning to miss any, our acquisition group is continuing to move forward, we have not given any indication to people that we are dealing with that we are slowing down, or we are asking them to defer their interest in converting their corporation, so we are on plan in those areas and, you know, we expect to continue to be on plan.

WALTER SPRACKLIN: So perhaps that's a different...

JOSEPH QUARIN: Walter, I would...

KEITH CARRIGAN: Yep.

JOSEPH QUARIN: Also add that we are in continuous discussions with our banking group, so they are always aware of what we are doing, and, as on, as our performance continues which we intend on, they're very supportive, so they somewhat – we see today it's -- that is over and continue to push forward.

WALTER SPRACKLIN: So, Joe, what you are saying there is that the banks might be a minimal to you increasing leverage of an opportunity came on...

JOSEPH QUARIN: No, no, I'm not saying that, it's really – every opportunity will be looked upon on its own merits, we know what we want to achieve and, you know, it's – we would deal the situations as they come up, we are not intending, as Keith has indicated, our plan is not to increase the leverage of this company long term, that's not – our intention is not our plan. That said, we have a very cooperative banking group and we're also

seeing valuations start to come down because of the current situation in the credit market, so there's a whole confluence of factors that are coming to play here, and we're hoping to be opportunistic in this environment.

WALTER SPRACKLIN: So why are you consulting with the banking group if it's not that leverage?

JOSEPH QUARIN: Well, that's just defined; banking group is not just to find this debt.

WALTER SPRACKLIN: Okay.

JOSEPH QUARIN: Okay.

WALTER SPRACKLIN: Got it. Okay.

JOSEPH QUARIN: Banking groups deal with investment bankers, we deal with the credit facilities in the banks, and of course they have third party clients that deal in specific instruments related to short term and long term borrowings and conversions as well as we all know, so fortunately the company has an extremely strong balance sheet and extremely strong cash flow so, you know, we – it has been represented to us through the banking groups and through various thrive in interest of our real willingness to do continue and to do new business with us related to future financings, and future

WALTER SPRACKLIN: Okay.

JOSEPH QUARIN: And as future equity raises. Okay?

WALTER SPRACKLIN: Got it. Okay. Next question is just on your northeast business, would you be able to give me what the northeast would have been ex-Winters Bros?

KEITH CARRIGAN: No, we don't split that out, sorry.

WALTER SPRACKLIN: Let me ask it a different way; are you still confident that the Winters Bros – or is Winters Bros business still on track to hit the revenue levels that you had forecasted when you made the acquisition?

KEITH CARRIGAN: Once again, I will say to you that what I said earlier that in fact when we look at the commercial business out of the northeast which is principally two areas; it's New York City and it's Winters Bros, we're very pleased, we're actually ahead of our plans in those two areas. And those typically are the foundation of our – quite frankly, of our industry, that's where we tend to excel the corporations in those areas, so right now it appears that we are ahead of plans in those areas. I would say that there is some transfer operations where third parties use some of the transfer stations and we're seeing, you know, still relative strength in New York City, we are seeing a little softness out on the island in – from third party use, those would be the people that would be using the burners as they overflow. Once that – once the weather subsists then they go back to using the transfer stations.

WALTER SPRACKLIN: Okay. So let me understand that you had a 250 basis point drop in your EBITDA margin of fourth quarter year-over-year; most of that is in the northeast due to those factors that you mentioned, you're saying we shouldn't really project that going forward because a lot of it is winter related, if you were to put some color what we can – what kind of margins we can project in the northeast, would it be, you know, between where you did in the first three quarters of '07 or is there, you know, with Winters Bros obviously you should be a little bit lower margin that way?

KEITH CARRIGAN: Okay. Let's go back to where we were reporting in the third quarter when we were doing Winters Bros. As you acquire significant collection of course and diluting landfill, landfill has a higher margin, not necessarily better free cash flow but a higher margin, so as you diluted with collection that may be producing the same or better free cash flow, it is lower margin business, so that alone, the integration of collection of a higher degree of percentage of collection, the landfill will decrease the margin in any area that you are, okay, so that's why you can't specifically look at margins.

Now you're -- also in the soft time of the year when you get into the winter, again because you now are at low volumes. And I did mention earlier that facts of fourth quarter we saw – or the year, I'm sorry that we saw a 200 tonne virtual drop in tonnage going to the landfills through that

period of time. I also stated that we cannot determine how much of that specifically relates to excess volume being acquired at the waste energy plants in the New York City area.

WALTER SPRACKLIN: Okay.

KEITH CARRIGAN: And so at this stage we will have a better feel for that again, Walter, in the spring we clearly know that they did bump up their volumes that is up for sure. That's a onetime event that goes away once the weather gets better, unless by the way – unless we have many many days of, you know, 95 to 100 degree weather in the summer we're now – there's a significant drop of power hydro to cool homes, but assuming that we have, you know, normal temperatures moving forward in that region, then the overflows are cut off out of the waste energy plants and they move to the standard flow which is back to the transfer stations and to the landfills.

WALTER SPRACKLIN: Okay. Last question this one is for Tom. Just cash taxes looks like they came just under 20% in 2007; is that a good number going forward for cash taxes in 2008, all levels equal?

THOMAS COWEE: As the Company continues to grow, Walter, I mean, I think you'll – we continue to see additional cash taxes not significant but I think year-over-year you would expect it to go up a little bit, I mean, pay state taxes, as we said in the US that go up as the Company becomes more – comes larger in some of the states, so I think you can

see – you see a little bit of an increase, but I don't think you see a big bump, I mean in fact you won't see a big bump this year.

WALTER SPRACKLIN: And increase in cash taxes, but an increase tax rate as well?

THOMAS COWEE: No, I don't think there'll be a significant increase, I mean, it's really hard to tell you exactly because...

WALTER SPRACKLIN: Sure.

THOMAS COWEE: We have paid, but no, I mean, if the rates – cash taxes standpoint the rate will be well positioned by then.

WALTER SPRACKLIN: Okay, great. That's all my questions, thanks very much.

THOMAS COWEE: Thank you.

OPERATOR: Your next question comes from James Leung of Mackenzie Financial. Please go ahead.

JAMES LEUNG: Good morning gentlemen.

KEITH CARRIGAN: Good morning, James.

THOMAS COWEE: Good morning.

JAMES LEUNG: Just going over the press release, I don't see any mention of the guidance for capital -- CapEx both on the maintenance and

growth, perhaps it's elsewhere, can you sort of remind us as to what the '08 guidance would be?

KEITH CARRIGAN: Sure. I had mentioned that earlier, maybe you didn't hear this. The – when we specifically only talk about guidance for maintenance CapEx, but for 2008 \$22 million to \$24 million for the Canadian operations in Canadian dollars and \$37 million to \$39 million US for our US operations maintenance capital only.

JAMES LEUNG: Thanks. Thanks very much.

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, you know, once again we're very very pleased with the progress of the Company, we continue, I believe, to lead the industry in terms of organic growth rates, which is an indication that our process continues to work, and in spite of some of the economic conditions we continue to be very bullish in terms of the direction of the corporation going forward.

Having said that, I'd like to just advise you that our Annual Meeting of Unitholders will take place on Tuesday, May 13th, 2008 at 2 p.m. at the

Toronto Board of Trade, and in conjunction with that meeting we will announce our first quarter results on the same day. So on behalf of my colleagues who have joined me today, I want to continue to thank you for your participation both in terms of supporting the corporation and reporting the corporation and we look forward to speaking with you all very soon. Thank you very much.

OPERATOR: Ladies and gentlemen, this concludes the conference call for today. Thank you for participating, you may now disconnect your lines.
