

BFI CANADA INCOME FUND



CIBC Income Trust Conference
September, 2005



Forward-Looking Statements

Our remarks and answers to your questions today may contain forward-looking statements relating to the Fund's operations or to the environment in which it operates, which are based on the Fund's operations, estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict, or are beyond the Fund's control. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. These factors include those set forth in the Fund's Annual Information Form for the period ended December 31, 2004.

Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, the Fund cannot assure unit holders that actual results will be consistent with these forward looking statements, and the Fund disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We also do not commit in any way to guarantee that we will continue reporting on items or issues that arise either during our presentation or in the discussion that we hope will follow.





Business Profile



- Solid waste collection – 62
- Transfer stations – 27
- Recycling facilities – 14
- Landfills – 22

One of North America's largest non-hazardous solid waste management companies



Systematic Growth Through Acquisitions

2000	Allied Assets
2001	Selected collection assets in London, ON
2002	Enterprise Sanitaire F.A.
2003	Selected collection assets in various markets including: - Vancouver, Montreal and Calgary
2004	Twin Oaks in Hamilton, ON CDS in Toronto, ON
2005	Ridge Landfill, Chatham, ON IESI Corporation of Fort Worth, Texas

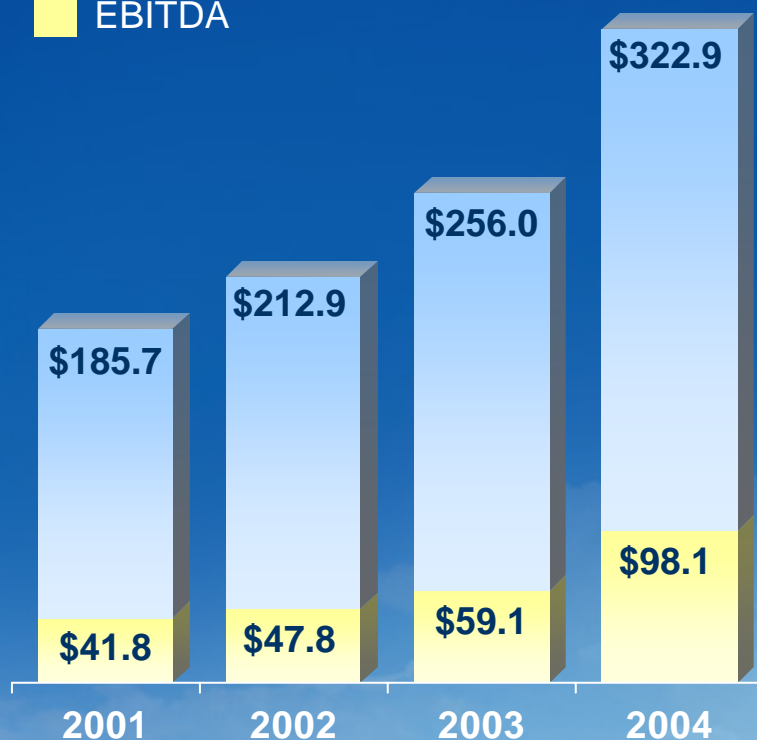




IESI Profile

(US\$ millions)

■ Revenue
■ EBITDA





Proforma Results

\$630 million

Revenue

\$196 million

EBITDA

- After converting IESI's 2004 results at the average 2004 U.S.-Canadian f/x rate
- Excludes 10 month contribution from CDS in Toronto and three months contribution from Twin Oaks in Hamilton



Market Capitalization

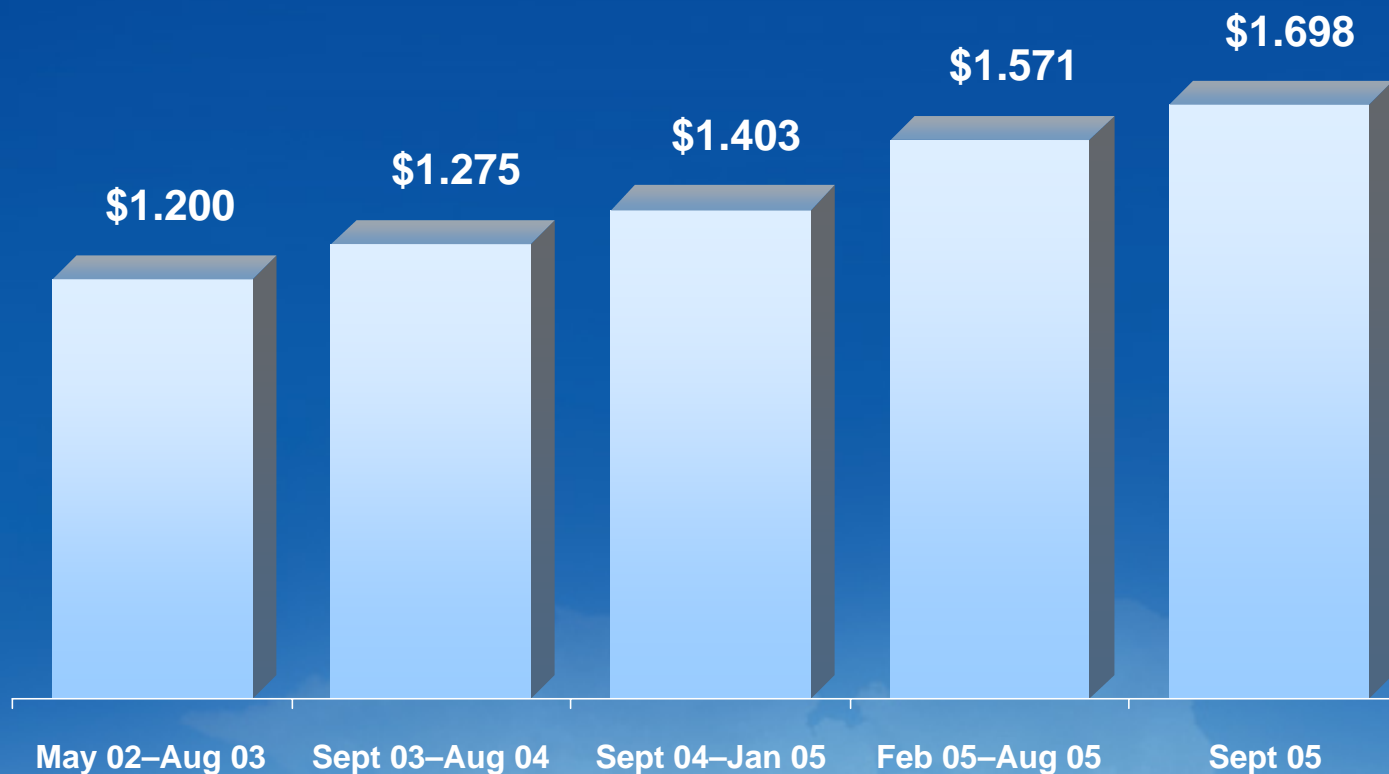
(\$ millions)



*Includes participating preferred shares outstanding



Annualized Distribution Per Unit



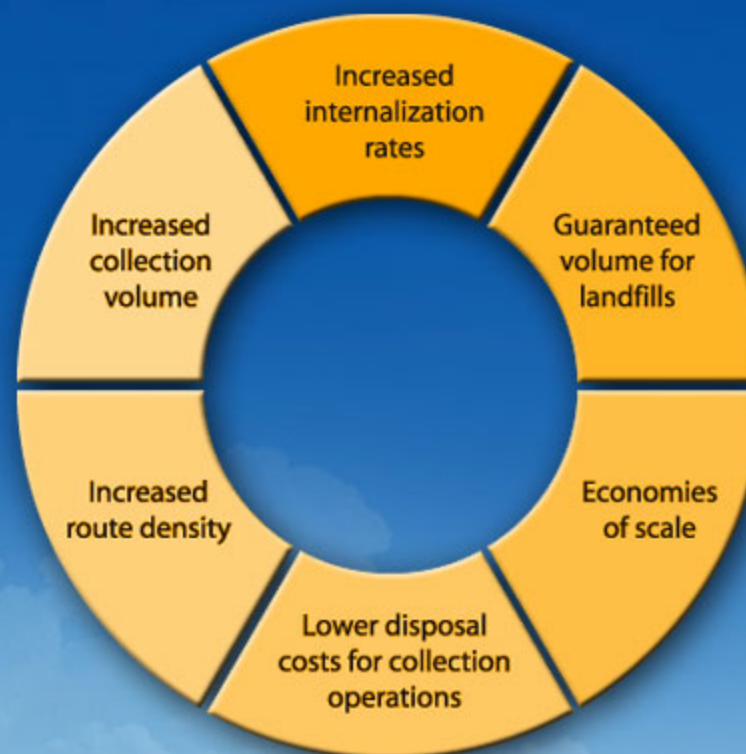
Payout ratio maintained below 90% since IPO

Primary Objective: Increase Free Cash Flow



Market-Focused Strategies

- Weighted by market depending on leverage
- Seek to increase leverage through:
 - Organic addition of new customers
 - Tuck-in acquisitions
- 60% of landfill volumes generated internally





Role of Our Local Managers

- Teams trained to apply market-focused strategies
 - In relation to local economic and competitive conditions
- Key management metrics:
 - Return on assets
 - Time to payback



Looking Forward This Year

- Positive outlook
- Ability to pass on cost and price increases to customers this year removes concern about short-term interest rate hikes
- We will make acquisitions to drive organic improvement
 - Market-focused strategies dictate it
 - Opportunities for tuck-ins are huge
 - New market platform acquisition opportunities also possible
- However, we will remain focused on improving existing operations





Fundamental Principles for the Future

- Ownership by management and the Board will be encouraged
- Management and the Board own \$27.5 million of the Fund





Integration Update

- Moving forward efficiently and effectively
- Expect to gain further momentum



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Generating Customer Value

2, 3 and 5 year
customer
contracts

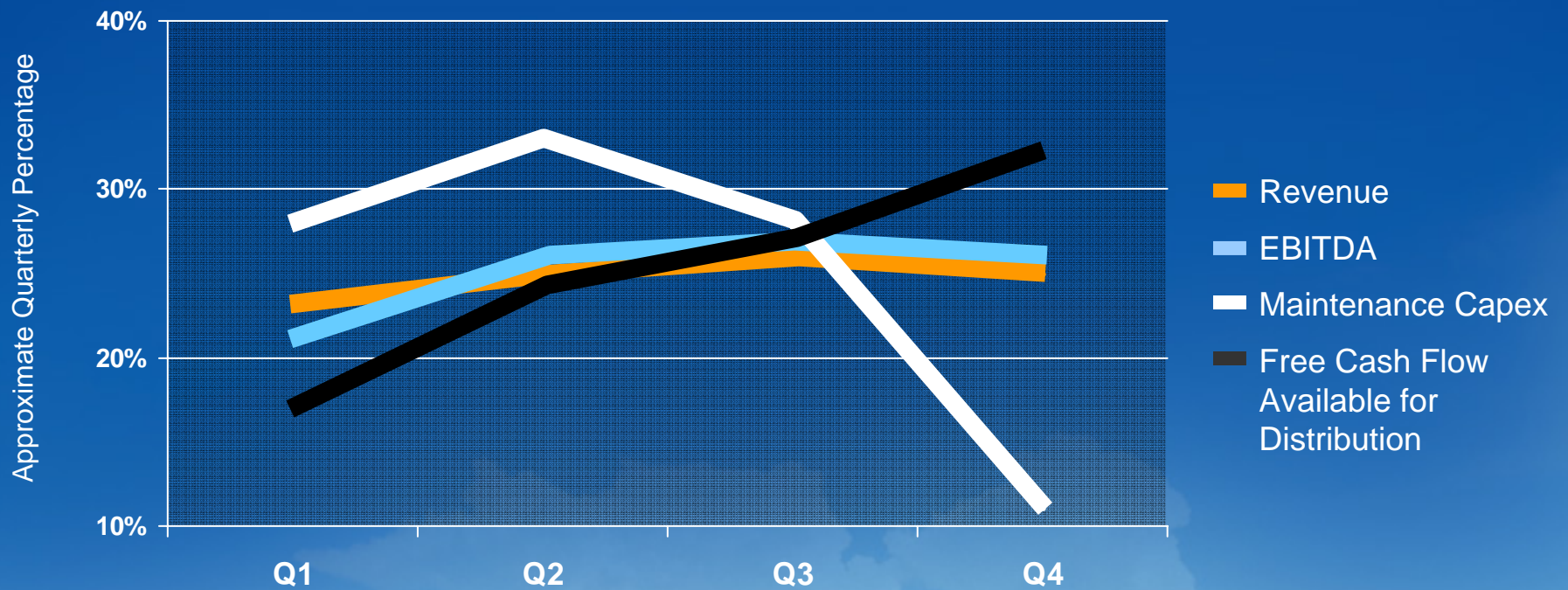
Most
automatically
renew

Through exceptional service, we enjoy

high retention rates and contract renewals



Seasonality Profile – Non-Hazardous Solid Waste Industry

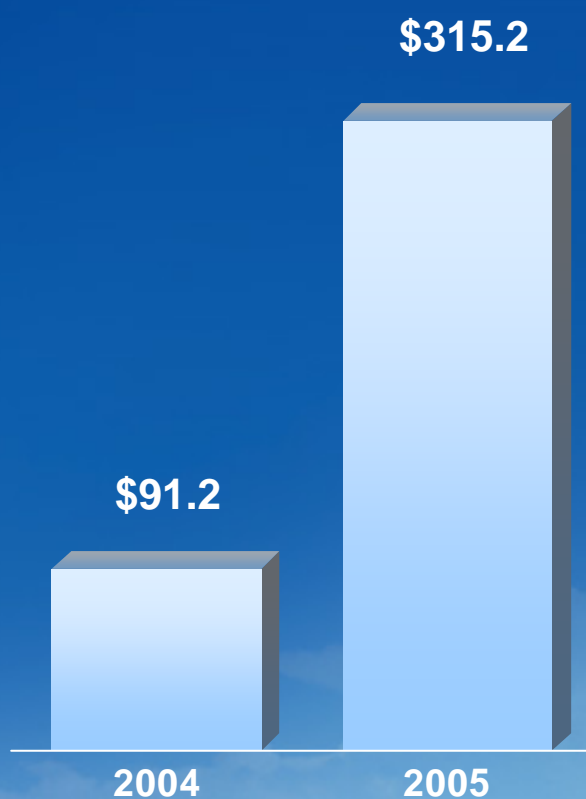


Source: BFI Canada - Management's Estimates



Revenue

(\$ millions for the six months ended June 30)



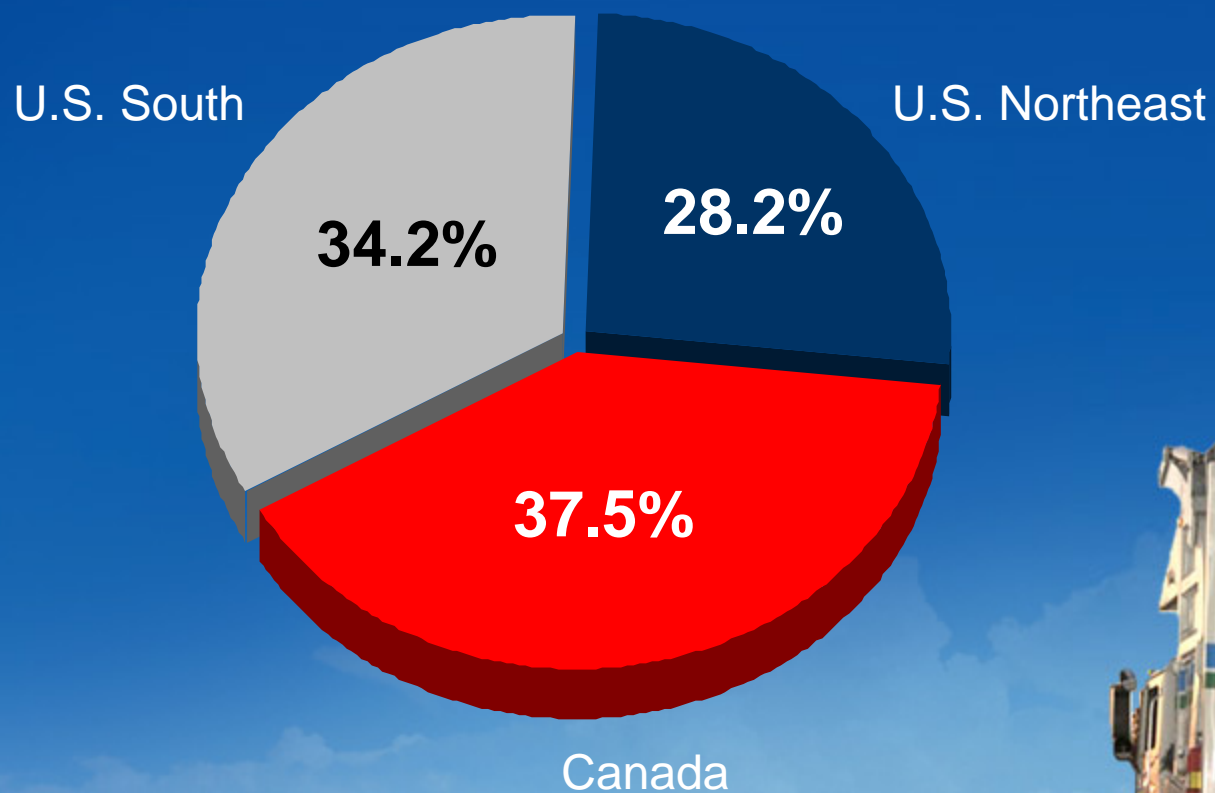
- 244% year-over-year growth
- Drivers:
 - Acquisitions since last year
 - Organic growth of 8.2% from price and volume





Revenue Contribution by Region

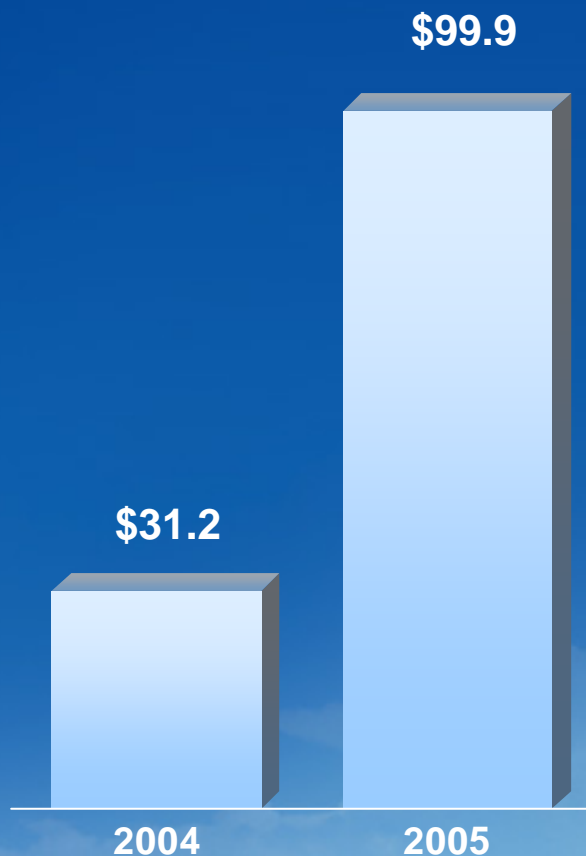
YTD 2005





EBITDA

(\$ millions for the six months ended June 30)



- 220% year-over-year growth
- 10.5% excluding acquisitions
- Drivers:
 - IESI and other acquisitions
 - Organic volume and price growth
 - Increase in waste accepted at BFI Canada landfills (offset by landfill royalty costs on Lachenaie north expansion)



Free Cash Flow Available for Distribution

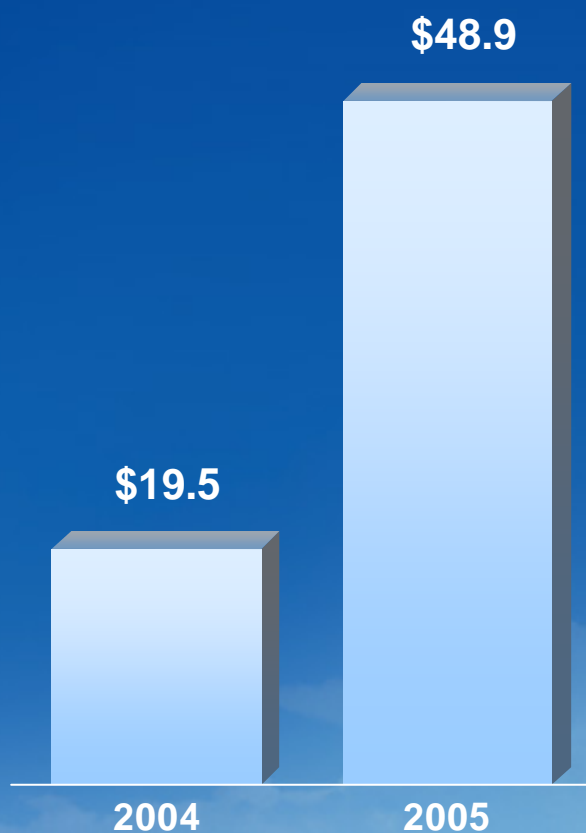
(\$ millions, six months ended June 30)



- 197% growth year-over-year
- Drivers
 - Acquisitions
 - Organic growth
 - Higher interest expense
 - Capex variance (timing-related)

Distributions

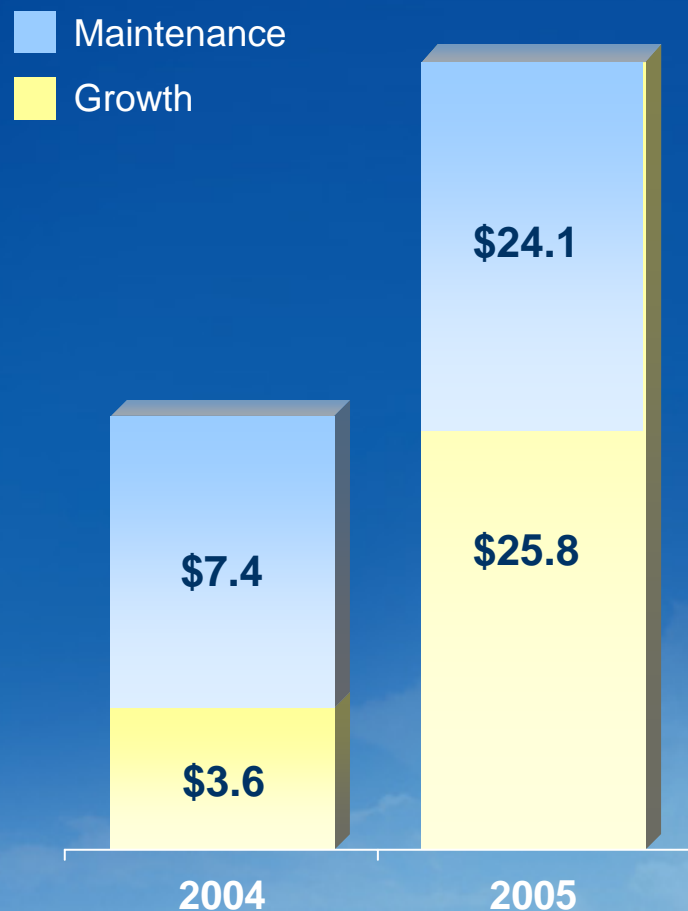
(\$ millions, six months ended June 30)



- 151% growth year-over-year
- 84.3% payout ratio
 - Includes payout on subscription receipts while held in escrow
- 78 cents per trust unit and participating preferred share

Capital Expenditures

(\$ millions, six months to June 30)



- Maintenance capex 24% of EBITDA vs. 24% YTD 2004
- Annual maintenance capex highly predictable
- But fluctuates quarter to quarter
- Maintenance capex target of \$16-\$17 million for Canadian platforms and US\$26-\$27 million for our U.S. platforms



Management of Foreign Exchange

- Entered three, 3-year single rate hedges
- Allows monthly purchase of \$4.5 million at 1.22
- Hedges provide protection through February 2008
- Intend to periodically roll forward as they mature





A Sound Financial Position

- Total long-term debt at June 30, 2005: \$431.5 million
- Conservative leverage ratios of 1.7 and 2.3 times senior debt to EBITDA under Canadian and U.S. credit facilities respectively
- Flexibility for growth through:
 - US\$200 million revolver and C\$80 million revolver for working capital etc.
- Actively manage debt with interest rate swaps
 - 3 IESI agreements in January converted variable for fixed rates on \$75 million of U.S. \$185 million dollar term loan at rates ranging from 3.47% and 3.6% plus a credit spread
 - During second quarter, converted an additional \$40 million of term loan to fixed rates between 4.22% and 4.29% plus a credit spread



Summary

- Off to a strong start as one company
- Strong operating performance YTD and LTM
- Integration of acquisitions successful
- Intensely focused on continuous improvement
- Solid credit metrics and conservative leverage profile
- No regulatory changes LTM
- Better potential than we've ever had



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