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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

(Date of Report) Date of earliest event reported: August 5, 2003

WASTE MANAGEMENT, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

1-12154
(Commission File Number)

73-1309529
(I.R.S. Employer Identification
Number)

1001 Fannin Street, Suite 4000
Houston, Texas
(Address of principal executive offices)

77002
(Zip Code)

(713) 512-6200
(Registrant's telephone number, including area code)

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ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) EXHIBITS.

- 99.1 Press Release of Waste Management, Inc. dated August 5, 2003 announcing Board of Directors' approval of quarterly dividend program.
- 99.2 Press Release of Waste Management, Inc. dated August 5, 2003 announcing results of operations for the quarter ended June 30, 2003.

ITEM 9. REGULATION FD DISCLOSURE

Waste Management, Inc. (the "Company") issued a press release on August 5, 2003 to announce that its Board of Directors had approved a quarterly dividend program, to begin in the first quarter of 2004. A copy of that release is furnished herewith as Exhibit 99.1.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The Company also issued a press release on August 5, 2003 announcing its results of operations for the quarter ended June 30, 2003. A copy of that release is furnished herewith as Exhibit 99.2.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WASTE MANAGEMENT, INC.

Date: August 5, 2003

By: /s/ David P. Steiner

David P. Steiner
Executive Vice President, Chief
Financial Officer and Corporate Secretary

EXHIBIT INDEX

EXHIBIT
NUMBER
EXHIBIT
DESCRIPTION

- - - - -
- - - - -
- - - - -

99.1 Press
Release of
Waste
Management,
Inc. dated
August 5,
2003
announcing
Board of
Directors'
approval
of
quarterly
dividend
program.
99.2 Press
Release of
Waste
Management,
Inc. dated
August 5,
2003
announcing
results of
operations
for the
quarter
ended June
30, 2003.

(WASTE MANAGEMENT LOGO)

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION:
WASTE MANAGEMENT, INC.

ANALYSTS:
CHERIE RICE
713.512.6548
MEDIA:
SARAH SIMPSON
713.394.2154

WMI#03-16

WASTE MANAGEMENT ANNOUNCES SIGNIFICANT INCREASE IN DIVIDEND AND CHANGE TO A
QUARTERLY PAYMENT SCHEDULE

PER SHARE DIVIDEND TO INCREASE FROM \$0.01 TO \$0.75 PER YEAR

QUARTERLY DIVIDEND PAYMENT OF \$0.1875 TO BEGIN IN THE FIRST QUARTER 2004

HOUSTON - AUGUST 5, 2003 - The Board of Directors of Waste Management, Inc. (NYSE: WMI) today announced the approval of a quarterly dividend program, to begin in the first quarter 2004.

"This company is first and foremost a big cash flow generator," said A. Maurice Myers, Chairman, President and Chief Executive Officer of Waste Management. "The Board of Directors and management of Waste Management consider the allocation of our cash flow, to the benefit of our shareholders, to be one of our most important duties. With the passage of the new tax law regarding dividends, we felt a change in the allocation of capital is now appropriate.

"Accordingly, beginning in 2004 we are putting in place a capital allocation program designed to pay our shareholders a dividend of \$0.75 per share annually, to be paid on a quarterly basis. Based on current share count, this equates to nearly \$450 million. At the current share price of approximately \$24.00, such a dividend produces a 3.1% annual yield. Our substantial cash flow will also provide for a continuation of our stock buy back

program, at a level to be determined annually and for the acquisition of selected core, North American solid waste assets that meet our return criteria," Myers said.

"This reallocation of the distribution of our free cash flow demonstrates our confidence in the strength and consistency of our cash flow and is a continuation of the Company's disciplined management of its capital with our shareholders' interests as our top priority, and balanced by our commitment to maintaining a strong balance sheet," added Myers.

The Company noted that it intends to announce the record and payment dates for the first quarterly dividend in late January, with the expectation that payment of the dividend will occur in March.

Waste Management, Inc. is its industry's leading provider of comprehensive waste management services. Based in Houston, the Company serves municipal, commercial, industrial, and residential customers throughout North America.

Certain statements contained in this press release include statements that are "forward-looking statements." Outlined below are some of the risks that the Company faces and that could affect our financial statements for 2003 and beyond and that could cause actual results to be materially different from those that may be set forth in forward-looking statements made by the Company. However, they are not the only risks that the Company faces. There may be additional risks that we do not presently know or that we currently believe are immaterial which could also impair our business. We caution you not to place undue reliance on these forward-looking statements, which speak only as of their dates. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In addition, the Company, from time to time, provides estimates of financial and other data relating to future periods. Such estimates and other information are the Company's expectations at the point in time of issuance but may change at some future point in time. By issuing such estimates the Company has no obligation, and is not undertaking any obligation, to update such estimates or provide any other information relating to such estimates.

- o possible changes in our estimates of site remediation requirements, final closure and post-closure obligations, compliance and regulatory developments;
- o the possible impact of regulations on our business, including the cost to comply with regulatory requirements and the potential liabilities associated with disposal operations, as well as our ability to obtain and maintain permits needed to operate our facilities;
- o the effect of limitations or bans on disposal or transportation of out-of-state waste or certain categories of waste;
- o possible charges against earnings as a result of shut-down operations, uncompleted acquisitions, development or expansion projects or other events;
- o the effects that trends toward requiring recycling, waste reduction at the source and prohibiting the disposal of certain types of wastes could have on volumes of waste going to landfills and waste-to-energy facilities;
- o the effect the weather has on our quarter to quarter results, as well as the effect of extremely harsh weather on our operations;
- o the effect that price fluctuations on commodity prices may have on our operating revenues;
- o the outcome of litigation or threatened litigation;
- o the effect competition in our industry could have on our profitability;
- o possible diversions of management's attention and increases in operating expenses due to efforts by labor unions to organize our employees;

- o possible increases in operating expenses due to fuel price increases or fuel supply shortages;
- o the effects of general economic conditions, including the ability of insurers to fully or timely meet their contractual commitments and of surety companies to continue to issue surety bonds;
- o the need for additional capital if cash flows are less than we expect or capital expenditures are more than we expect, and the possibility that we cannot obtain additional capital on acceptable terms if needed;
- o possible errors or problems upon implementation of new information technology systems; and
- o possible disruptions due to the implementation of our workforce reductions.

Additional information regarding these and/or other factors that could materially affect results and the accuracy of the forward-looking statements contained herein may be found in Part I, Item 1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2002.

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(WASTE MANAGEMENT LOGO)

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION:
WASTE MANAGEMENT, INC.

ANALYSTS:
CHERIE RICE
713.512.6548

MEDIA:
SARAH SIMPSON
713.394.2154

WMI#03-17

WASTE MANAGEMENT ANNOUNCES SECOND QUARTER 2003 EARNINGS

OPERATING CASH FLOW STRONG AT \$644 MILLION

HOUSTON - AUGUST 5, 2003 - Waste Management, Inc. (NYSE: WMI) today announced financial results for its second quarter ended June 30, 2003. Revenues for the quarter were \$2.92 billion as compared with \$2.82 billion in the year ago period. Net income reported for the quarter was \$176 million, or \$0.30 per diluted share, compared with net income of \$217 million, or \$0.35 per diluted share, for the second quarter 2002. Results for the second quarter 2003 include a pre-tax restructuring charge of \$23 million, or \$0.02 per diluted share, related to the workforce reduction announced in late June. Without the charge, earnings per diluted share would have been \$0.32.

In the first quarter of 2003, Waste Management adopted SFAS 143. In accordance with SFAS 143 the Company has changed the methodology for accounting for the retirement of its long-lived assets, primarily its landfills. As a result, on a year-to-year comparative basis, operating costs were \$6 million higher and depreciation and amortization costs were \$7 million higher in the current quarter than they would have been if the accounting standards were the same as for the second quarter 2002 period. The increased costs related to SFAS 143 reduced earnings by \$0.01 per diluted share.

For the six months ended June 30, 2003 Waste Management reported operating revenues of \$5.63 billion as compared with \$5.43 billion for the comparable period last year. Net

income was \$237 million and diluted earnings per share was \$0.40 for the six months ended June 30, 2003 as compared with \$355 million and \$0.57, respectively, for the same period in 2002. The 2003 results include the unfavorable impact of cumulative effect of changes in accounting principles of \$46 million, or \$0.08 per diluted share.

"General business conditions in the second quarter remained similar to those that we have seen for the past several quarters. While sequential quarterly revenues increased by 7.3 percent, primarily as a result of seasonality, we don't view that as a sign of an improving economy. Year-over-year, the volume component of internal revenue growth for the second quarter was a negative 0.4 percent. However, that statistic was much improved for the month of June, posting a 1.4% gain, " commented A. Maurice Myers, Chairman, President and Chief Executive Officer of Waste Management.

"We continue to focus on opportunities to lower our cost structure and to add new, profitable revenue streams to our existing base of business. Both our recent workforce reduction and the continued implementation of our routing optimization program should positively impact our cost structure in the second half of the year. Further, the businesses we acquired at the close of the second quarter combined with those expected to close in the third quarter are projected to be immediately accretive to earnings," continued Myers. "While we have made great improvements to this company in the past three years, now is the time for us to execute and maximize Waste Management's operations."

The following important highlights for the quarter were reported:

- o Operating cash flow of \$644 million.
- o Free cash flow, defined as operating cash flow less capital expenditures plus proceeds from sales of assets, of \$373 million.(a) Adjusted for a cash tax benefit related to the anticipated payment of the class action lawsuit settlement, free cash flow was \$307 million in the quarter.
- o Internal revenue growth of 0.2%, split 0.6% price and negative 0.4% volume. The price component excludes combined positive impacts of 0.7% related to higher fuel surcharges, higher recycling commodity prices, and slightly higher electricity rates at Independent Power Production facilities.
- o Capital expenditures of \$289 million.
- o Selling, General & Administrative costs were 10.3% of revenue.

The Company noted that for 2003 it continues to expect to produce \$900 million to \$1 billion of adjusted free cash flow (before considering the net after-tax cash outflow to pay the settlement of the shareholder class action lawsuit, estimated at approximately \$220 million and expected to be paid in the third quarter), and expressed comfort with the current range of earnings estimates as reported by Multex and First Call.

(a) The Company included its free cash flow, which is a non-GAAP financial measure, herein because it believes that investors are interested in the cash produced by the Company from non-financing activities that is available for uses such as the Company's acquisition program, its share repurchase program, its scheduled debt reduction and the payment of dividends. Free cash flow is defined by the Company as:

- o Net cash provided by operating activities

- o Less, capital expenditures
- o Plus, proceeds from divestitures of businesses, net of cash divested, and other sales of assets

The Company's definition of free cash flow may not be comparable to similarly titled measures presented by other companies.

The Company has scheduled an investor and analyst conference call for later today to discuss the results of today's earnings announcement. The information in this press release should be read in conjunction with the information on the conference call. The call will begin at 10:00 a.m. eastern time, 9:00 a.m. central time, and is open to the public. To listen to the conference call, which will be broadcast live over the Internet, go to the Waste Management Website at <http://www.wm.com>, and select "Live Webcast: 2Q03 Earnings Report." You may also listen to the conference call by telephone by contacting the conference call operator at (877) 710-6139, 5-10 minutes prior to the scheduled start time, and asking for the "Waste Management Conference Call - Call ID 1101575." For those unable to listen to the live call, a replay will be available 24 hours a day beginning at approximately 1:00 p.m. central time August 5th through 5:00 p.m. on August 19th. To hear a replay of the call over the Internet, access the Waste Management Website at <http://www.wm.com>. To hear a telephonic replay of the call, dial (800) 642-1687 and enter reservation code 1101575.

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- o possible charges against earnings as a result of shut-down operations, uncompleted acquisitions, development or expansion projects or other events;
- o the effects that trends toward requiring recycling, waste reduction at the source and prohibiting the disposal of certain types of wastes could have on volumes of waste going to landfills and waste-to-energy facilities;

- o the effect the weather has on our quarter to quarter results, as well as the effect of extremely harsh weather on our operations;
- o the effect that price fluctuations on commodity prices may have on our operating revenues;
- o the outcome of litigation or threatened litigation;
- o the effect competition in our industry could have on our profitability ;
- o possible diversions of management's attention and increases in operating expenses due to efforts by labor unions to organize our employees;
- o possible increases in operating expenses due to fuel price increases or fuel supply shortages;
- o the effects of general economic conditions, including the ability of insurers to fully or timely meet their contractual commitments and of surety companies to continue to issue surety bonds;
- o the need for additional capital if cash flows are less than we expect or capital expenditures are more than we expect, and the possibility that we cannot obtain additional capital on acceptable terms if needed;
- o possible errors or problems upon implementation of new information technology systems; and
- o possible disruptions due to the implementation of our workforce reductions.

Additional information regarding these and/or other factors that could materially affect results and the accuracy of the forward-looking statements contained herein may be found in Part I, Item 1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2002.

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WASTE MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

QUARTERS ENDED JUNE	2003	2002
30, -----		

Operating revenues \$		
2,915	\$ 2,825	

Costs and expenses:		
Operating		
(exclusive of depreciation and amortization shown below)		
1,887	1,732	
Selling, general and administrative		
301	316	
Depreciation and amortization		
325	313	
Restructuring		
23	-- Asset impairments and unusual items (6)	--

2,530	2,361	-

Income from operations		
385	464	-----

--- Other income (expense):		
Interest expense (110)		
(116)		
Minority interest (2)		
(2)	Interest income and other, net	9
6	-----	

(103)	(112)	-

Income before income taxes		
282	352	
Provision for income taxes		
106	135	-----

--- Net income \$	176	
	\$ 217	

=====
 =====
 Basic
 earnings per
 common share
 \$ 0.30 \$ 0.35
 =====
 =====
 Diluted
 earnings per
 common share
 \$ 0.30 \$ 0.35
 =====
 =====
 Basic common
 shares
 outstanding
 591.5 615.3
 =====
 =====
 Diluted
 common shares
 outstanding
 594.8 619.2
 =====
 =====
 Pro forma
 income and
 earnings per
 common share
 assuming
 changes in
 accounting
 principles
 are applied
 retroactively:
 Net income \$
 176 \$ 210
 Basic
 earnings per
 common share
 \$ 0.30 \$ 0.34
 Diluted
 earnings per
 common share
 \$ 0.30 \$ 0.34

Note: Effective April 1, 2002, certain costs and expenses that were previously included in selling, general and administrative expenses were reclassified to operating expenses as a result of the March 2002 reorganization and to conform with the 2003 presentation. For the three months ended June 30, 2002, \$43 million was reclassified.

WASTE MANAGEMENT, INC.
EARNINGS PER SHARE
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

QUARTERS ENDED JUNE 30, ----- ----- ----- 2003 2002 ----- --- ----- -- EPS		
CALCULATION:		
Diluted net income \$		
176 \$ 217		
=====		
=====		
Shares		
outstanding		
591.8 611.4		
Effect of weighting		
(0.3) 3.9 -		

Basic		
common		
shares		
outstanding		
591.5 615.3		
Adjustments:		
Dilutive		
effect of		
common		
stock		
options,		
stock		
warrants		
and other		
contingently		
issuable		
shares 3.3		
3.9 -----		
-- -----		
- Diluted		
common		
shares		
outstanding		
594.8 619.2		
=====		
=====		
Basic		
earnings		
per common		
share \$		
0.30 \$ 0.35		
=====		
=====		
Diluted		
earnings		
per common		
share \$		
0.30 \$ 0.35		
=====		
=====		

WASTE MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

SIX MONTHS ENDED JUNE 30, ----- ----- --- 2003 2002 ----- -----	
	Operating revenues \$
	5,631 \$ 5,434

	----- Costs and expenses:
	Operating (exclusive of depreciation and amortization shown below)
	3,680 3,297
	Selling, general and administrative
	624 703
	Depreciation and amortization
	627 607
	Restructuring
	43 37
	Asset impairments and unusual items (7) (6)

	----- 4,967
	4,638 -----

	Income from operations
	664 796 -----

	- Other income (expense):
	Interest expense (219)
	(234)
	Minority interest (3)
	(3) Interest income and other, net 15
	12 -----

	(207) (225) -

	----- Income before income taxes 457 571
	Provision for income taxes
	174 218 -----

	- Income before cumulative effect of changes in accounting principles
	283 353
	Cumulative effect of

changes in
accounting
principles,
net of income
tax benefit
of \$31 in
2003 and \$0
in 2002 (46)

2 -----
----- Net
income \$ 237
\$ 355

=====
=====
Basic
earnings per
common share:
Income before
cumulative
effect of
changes in
accounting
principles \$
0.48 \$ 0.57
Cumulative
effect of
changes in
accounting
principles
(0.08) -- ---

--- Net
income \$ 0.40
\$ 0.57

=====
=====
Diluted
earnings per
common share:
Income before
cumulative
effect of
changes in
accounting
principles \$
0.48 \$ 0.57
Cumulative
effect of
changes in
accounting
principles
(0.08) -- ---

--- Net
income \$ 0.40
\$ 0.57

=====
=====
Basic common
shares
outstanding
592.6 620.6

=====
=====
Diluted
common shares
outstanding
595.2 626.4

=====
=====
Pro
forma income
and earnings
per common
share
assuming
changes in
accounting
principles
are applied
retroactively:
Income before

cumulative
effect of
changes in
accounting
principles \$
283 \$ 329
Basic
earnings per
common share
before
cumulative
effect of
changes in
accounting
principles \$
0.48 \$ 0.53
Diluted
earnings per
common share
before
cumulative
effect of
changes in
accounting
principles \$
0.48 \$ 0.53

Note: Effective April 1, 2002, certain costs and expenses that were previously included in selling, general and administrative expenses were reclassified to operating expenses as a result of the March 2002 reorganization and to conform with the 2003 presentation. For the six months ended June 30, 2002, \$43 million related to the second quarter of 2002 was reclassified.

WASTE MANAGEMENT, INC.
EARNINGS PER SHARE
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

SIX MONTHS ENDED JUNE 30, ----- ----- ----- -----	2003	2002	-
----- EPS			
CALCULATION:			
Income			
before			
cumulative			
effect of			
changes in			
accounting			
principles			
\$ 283	\$ 353		
Adjustments:			
Interest on			
convertible			
securities,			
net of			
income			
taxes -- 1			

Diluted			
income			
before			
cumulative			
effect of			
changes in			
accounting			
principles			
283	354		
Cumulative			
effect of			
changes in			
accounting			
principles			
(46) 2	----		

Diluted net			
income \$			
237	\$ 356		
=====			
=====			
Shares			
outstanding			
591.8	611.4		
Effect of			
weighting			
0.8	9.2	---	

Basic			
common			
shares			
outstanding			
592.6	620.6		
Adjustments:			
Dilutive			
effect of			
common			
stock			
options,			
stock			
warrants			
and other			
contingently			
issuable			
shares	2.6		

4.1
 Dilutive
 effect of
 convertible
 subordinated
 notes --
 1.7 -----

 - Diluted
 common
 shares
 outstanding
 595.2 626.4
 =====
 =====
 Basic
 earnings
 per common
 share:
 Income
 before
 cumulative
 effect of
 changes in
 accounting
 principles
 \$ 0.48 \$
 0.57
 Cumulative
 effect of
 changes in
 accounting
 principles
 (0.08) -- -

 ----- Net
 income \$
 0.40 \$ 0.57
 =====
 =====
 Diluted
 earnings
 per common
 share:
 Income
 before
 cumulative
 effect of
 changes in
 accounting
 principles
 \$ 0.48 \$
 0.57
 Cumulative
 effect of
 changes in
 accounting
 principles
 (0.08) -- -

 ----- Net
 income \$
 0.40 \$ 0.57
 =====
 =====

WASTE MANAGEMENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN MILLIONS)

JUNE 30,
DECEMBER 31,
2003 2002 --

(UNAUDITED)

ASSETS

Current

assets: Cash
and cash
equivalents
\$ 753 \$ 264
Receivables,
net 1,678
1,644 Other
755 792 ----

--- Total
current
assets 3,186
2,700

Property and
equipment,
net 10,812
10,612

Goodwill
5,212 5,079

Other
intangible
assets, net
119 105

Other assets
1,127 1,135

Total assets
\$ 20,456 \$
19,631

=====

=====

LIABILITIES
AND

STOCKHOLDERS'
EQUITY

Current

liabilities:

Accounts
payable,
accrued
liabilities,
and deferred
revenues \$
3,027 \$
2,942

Current
portion of
long-term
debt 108 231

Total
current
liabilities

3,135 3,173

Long-term
debt, less
current
portion

8,350 8,062

Other
liabilities
3,340 3,069

Total
liabilities
14,825
14,304
Minority
interest in
subsidiaries
47 19
Stockholders'
equity 5,584
5,308 -----

- Total
liabilities
and
stockholders'
equity \$
20,456 \$
19,631
=====
=====

WASTE MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN MILLIONS)
(UNAUDITED)

SIX MONTHS
ENDED JUNE
30, -----

----- 2003
2002 -----

-- Cash
flows from
operating
activities:
Net income \$
237 \$ 355
Adjustments
to reconcile
net income
to net cash
provided by
operating
activities:
Cumulative
effect of
changes in
accounting
principles
46 (2)

Depreciation
and
amortization
627 607
Other 84 121
Change in
operating
assets and
liabilities,
net of
effects of
acquisitions
and
divestitures
79 (197) ---

----- Net
cash
provided by
operating
activities
1,073 884 --

----- Cash
flows from
investing
activities:
Acquisitions
of
businesses,
net of cash
acquired
(172) (64)
Capital
expenditures
(501) (552)
Net proceeds
from
restricted
funds,
business
divestitures,
asset sales
and other
161 167 ----

----- Net
cash used in
investing
activities
(512) (449)

Cash flows
from
financing
activities:

New
borrowings
67 498 Debt
repayments
(68) (468)
Common stock
repurchases
(71) (500)
Exercise of
common stock
options and
warrants 9
23 Other (9)

Net cash
used in
financing
activities
(72) (447) -

Effect of
exchange
rate changes
on cash and
cash
equivalents
-- 2 -----

-- Increase
(decrease)
in cash and
cash
equivalents
489 (10)
Cash and
cash
equivalents
at beginning
of period
264 730 -----

----- Cash
and cash
equivalents
at end of
period \$ 753
\$ 720
=====

WASTE MANAGEMENT, INC.
SUMMARY DATA SHEET
(DOLLAR AMOUNTS IN MILLIONS)
(UNAUDITED)

QUARTERS
ENDED -----

--- JUNE 30,
MARCH 31,
JUNE 30,
2003 2003
2002 -----

OPERATING
REVENUES BY
LINES OF
BUSINESS

NASW:
Collection \$
1,953 \$
1,869 \$
1,916
Landfill 690
589 694
Transfer 407
339 375
Wheelabrator
203 199 193
Recycling
and other
220 204 161
Intercompany
(558) (484)
(514) -----

Total NASW
2,915 2,716
2,825 OTHER

-- Total
operating
revenues \$
2,915 \$
2,716 \$
2,825

INTERNAL
GROWTH OF
OPERATING
REVENUES TO
COMPARABLE
PRIOR
PERIODS
Internal
growth -
NASW
operations
0.9% 2.2%
-2.0%

ACQUISITION
SUMMARY (a)
Gross
annualized

revenue
 acquired \$
 73 \$ 256 \$
 23 =====
 =====
 =====
 Total
 consideration
 \$ 89 \$ 89 \$
 16 =====
 =====
 =====
 Cash paid
 for
 acquisitions
 \$ 85 \$ 83 \$
 13 =====
 =====
 =====
 RECYCLING
 SEGMENT
 SUPPLEMENTAL
 DATA (b)
 Operating
 revenues \$
 136 \$ 130 \$
 72 =====
 =====
 =====
 Operating
 expenses
 (exclusive
 of
 depreciation
 and
 amortization)
 \$ 116 \$ 112
 \$ 55
 =====
 =====
 =====

QUARTERS
 ENDED JUNE
 30, SIX
 MONTHS
 ENDED JUNE
 30, -----

 -- 2003
 2002 2003
 2002 -----

FREE CASH
 FLOW
 ANALYSIS
 (c) Net
 cash
 provided by
 operating
 activities
 \$ 644 \$ 448
 \$ 1,073 \$
 884 Capital
 expenditures
 (289) (372)
 (501) (552)
 Proceeds
 from
 divestitures
 of
 businesses,
 net of cash
 divested,

and other
 sales of
 assets 18
 34 34 71 --

 ---- Free
 cash flow
 373 \$ 110
 606 \$ 403
 =====
 =====
 Pro forma
 adjustments:
 Income tax
 benefit
 associated
 with
 anticipated
 2003
 payments
 relating to
 shareholder
 litigation
 (66) (66) -

 Adjusted
 free cash
 flow \$ 307
 \$ 540
 =====
 =====

- (a) Represents cash paid and total consideration associated with business acquisitions consummated during the indicated periods.
- (b) Information provided is after the elimination of intercompany revenues and related expenses.
- (c) The summary of free cash flows has been prepared to highlight and facilitate understanding of the principal cash flow elements. Free cash flow is not a measure of financial performance under generally accepted accounting principles and is not intended to replace the consolidated statement of cash flows that was prepared in accordance with generally accepted accounting principles.

WASTE MANAGEMENT, INC.
SUMMARY DATA SHEET
(DOLLAR AMOUNTS IN MILLIONS)
(UNAUDITED)

QUARTERS ENDED

- JUNE 30,
MARCH 31, JUNE
30, 2003 2003
2002 -----

----- BALANCE
SHEET DATA Cash
and cash
equivalents \$
753 \$ 381 \$ 720

=====
=====
=====
Debt-to-total
capital ratio:
Long-term
indebtedness,
including
current
maturities \$
8,458 \$ 8,330 \$
8,619 Total
equity 5,584
5,344 5,290 ---

Total capital \$
14,042 \$ 13,674
\$ 13,909

=====
=====
=====
Debt-to-total
capital 60.2%
60.9% 62.0%

=====
=====
=====
Capitalized
interest \$ 5 \$
5 \$ 6

OTHER
OPERATIONAL
DATA

Internalization
of waste, based
on disposal
costs 64.2%
64.6% 64.5%

=====
=====
=====
Total landfill
disposal
volumes (tons)
30.1 25.9 30.1
Total Waste to
Energy disposal
volumes (tons)
1.9 1.8 1.9 ---

Total disposal
volumes (tons)
32.0 27.7 32.0

```

=====
=====
=====
Active
landfills 289
290 300
=====
=====
=====
Landfills
reporting
volume 266 266
273 =====
=====
=====
LANDFILLS
INCLUDED IN
OPERATING
GROUPS: EXPENSE
UNDER CURRENT
METHOD (SFAS
NO. 143) - Non
- SFAS No. 143
amortization
expense $ 98.0
$ 83.8
Amortization
expense related
to SFAS No. 143
obligations
14.9 13.4 -----
-----
- Total
amortization
expense 112.9
97.2 Accretion
expense 12.5
11.9 -----
-----
Landfill
amortization
and final
closure and
post closure $
125.4 $ 109.1
=====
=====
EXPENSE UNDER
HISTORICAL
METHOD -
Landfill
amortization
expense $ 108.3
Landfill final
closure and
post closure
expense 10.3 --
-----
Landfill
amortization
and final
closure and
post closure $
118.6
=====

```