

**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): October 30, 2014 (September 30, 2014)

Republic Services, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

1-14267

(Commission File Number)

65-0716904

(IRS Employer Identification No.)

18500 North Allied Way

Phoenix, Arizona

(Address of principal executive offices)

85054

(Zip Code)

Registrant's telephone number, including area code: (480) 627-2700

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

TABLE OF CONTENTS

<u>Item 2.02 Results of Operations and Financial Condition</u>	<u>3</u>
<u>Item 9.01 Financial Statements and Exhibits</u>	<u>3</u>
<u>SIGNATURES</u>	<u>4</u>
EX-99.1	

Item 2.02 Results of Operations and Financial Condition

On October 30, 2014, Republic Services, Inc. (the Company) issued a press release containing information about the Company's financial results for the three and nine months ended September 30, 2014. A copy of this press release is incorporated herein by reference as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Republic Services, Inc. issued October 30, 2014 to announce the financial results for the three and nine months ended September 30, 2014.

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.

Republic Services, Inc.

Date: October 30, 2014

By: /s/ Charles F. Serianni

Charles F. Serianni

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

By: /s/ Brian A. Goebel

Brian A. Goebel

Vice President and Chief Accounting Officer
(Principal Accounting Officer)



Republic Services, Inc. Reports Third Quarter Results

- Reports Earnings of \$0.52 Per Share
- Reports Revenue Growth of 4.6 Percent
- Updates 2014 Financial Guidance and Provides Preliminary 2015 Outlook

PHOENIX (Oct. 30, 2014) - Republic Services, Inc. (NYSE: RSG) today reported net income of \$185.8 million, or \$0.52 per diluted share, for the three months ended Sept. 30, 2014, versus \$171.4 million, or \$0.47 per diluted share, for the comparable 2013 period.

Republic's net income for the three months ended Sept. 30, 2014 and 2013, includes certain expenses and benefits that impacted its results. A detail of these expenses and benefits is contained in the Reconciliation of Certain Non-GAAP Measures section of this document. Excluding these items, net income for the three months ended Sept. 30, 2014 and 2013, would have been \$186.0 million, or \$0.52 per diluted share, and \$198.2 million, or \$0.55 per diluted share, respectively.

“We are pleased with our performance in the third quarter, which was in-line with our expectations. Revenue growth of approximately 5 percent reflects our ability to profitably grow the business and maintain average yield performance, even with a step-down in CPI based pricing,” said Donald W. Slager, president and chief executive officer. “Recent acquisitions demonstrate our ability and intent to complete larger transactions within our core space, increase free cash flow and improve returns. The entire Republic team remains focused on delivering an exceptional customer experience to drive improved performance and create lasting shareholder value.”

Excluding certain expenses and benefits recorded during the three months ended Sept. 30, 2014 and 2013, as described in the Reconciliation of Certain Non-GAAP Measures section of this document, adjusted earnings before interest, taxes, depreciation, depletion, amortization and accretion (adjusted EBITDA) for the three months ended Sept. 30, 2014, was \$637.8 million, or 28.2 percent of revenue, compared to \$638.2 million, or 29.5 percent of revenue, for the comparable 2013 period.

Revenue for the three months ended Sept. 30, 2014, increased to \$2,264.1 million from \$2,165.4 million for the comparable 2013 period. This growth in revenue of 4.6 percent was made up of increases in average yield of 1.4 percent, fuel recovery fees of 0.2 percent, volume of 2.1 percent, recycled commodities of 0.2 percent and acquisitions, net of divestitures of 0.7 percent.

Nine Months Ended Sept. 30, 2014

For the nine months ended Sept. 30, 2014, net income was \$497.3 million, or \$1.39 per diluted share, versus \$352.3 million, or \$0.97 per diluted share, for the comparable 2013 period. On an adjusted basis, net income for the nine months ended Sept. 30, 2014 and 2013, would have been \$522.1 million, or \$1.46 per diluted share, and \$522.2 million, or \$1.44 per diluted share, respectively.

Republic's net income for the nine months ended Sept. 30, 2014 and 2013, includes certain expenses and benefits that impacted its results. A detail of these expenses and benefits is contained in the Reconciliation of Certain Non-GAAP Measures section of this document.

Excluding certain expenses and benefits recorded during the nine months ended Sept. 30, 2014 and 2013, as described in the Reconciliation of Certain Non-GAAP Measures section of this document, adjusted EBITDA for the nine months ended Sept. 30, 2014, was \$1,843.8 million, or 28.1 percent of revenue, versus \$1,789.4 million, or 28.5 percent of revenue, for the comparable 2013 period.

Revenue for the nine months ended Sept. 30, 2014, increased to \$6,563.1 million from \$6,275.7 million for the comparable 2013 period. This growth in revenue of 4.6 percent was made up of increases in average yield of 1.3 percent, fuel recovery fees of 0.2 percent, volume of 2.1 percent, recycled commodities of 0.4 percent and acquisitions, net of divestitures of 0.6 percent.

Updated 2014 Financial Guidance

Republic updated its full year adjusted diluted earnings per share guidance to be in a range of \$1.93 to \$1.94. Republic also updated its 2014 adjusted free cash flow guidance to be in a range of \$675 million to \$690 million. A number of charges, other expenses and benefits are excluded from adjusted diluted earnings per share and adjusted free cash flows, as described in the 2014 Financial Guidance section of this document.

Fiscal Year 2015 Preliminary Outlook

The Company is providing its preliminary outlook for 2015. This does not represent full detailed guidance, but rather a point-in-time estimate based on current projections of 2014 performance, early reviews of the 2015 budget process and current economic conditions. Consistent with prior practice, Republic will provide formal guidance in February 2015 once the budget process is complete and full year 2014 results are reported.

2015 Preliminary Outlook:

- Diluted earnings per share is expected to be in a range of \$2.02 to \$2.06. This represents mid- to high-single digit growth compared to Republic's estimate of 2014 performance.
- Adjusted free cash flow is expected to be in a range of \$725 million to \$750 million. This represents mid-single digit to low-double digit growth compared to Republic's estimate of 2014 performance. Adjusted free cash flow consists of cash provided by operating activities, less property and equipment received, plus proceeds from the sales of property and equipment and withdrawal payments related to Central States Pension Fund, net of tax.

Company Declares Quarterly Dividend

Republic announced today that its Board of Directors declared a regular quarterly dividend of \$0.28 per share for stockholders of record on Jan. 2, 2015. The dividend will be paid on Jan. 15, 2015.

About Republic Services

Republic Services, Inc. is an industry leader in the U.S. recycling and non-hazardous solid waste industry. Through its subsidiaries, Republic's collection companies, transfer stations, recycling centers and landfills focus on providing reliable environmental services and solutions for commercial, industrial, municipal and residential customers. Republic and its employees believe in protecting the planet and applying common sense solutions to customers' waste and recycling challenges.

Republic participates in investor presentations and conferences throughout the year. Interested parties can find a schedule of these conferences at republicservices.com by selecting "Calendar" on the investor relations page. Audio and other presentations from earnings calls and investor conferences are also available on the investor relations page of the website.

For more information, contact:

Media Inquiries

Darcie Brossart (480) 627-2700

media@republicservices.com

Investor Inquiries

Brian DelGhiaccio (480) 627-2741

irelations@republicservices.com

###

**SUPPLEMENTAL UNAUDITED FINANCIAL INFORMATION
AND OPERATING DATA**

**REPUBLIC SERVICES, INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except per share amounts)**

	September 30, 2014 (Unaudited)	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 113.0	\$ 213.3
Accounts receivable, less allowance for doubtful accounts of \$40.5 and \$38.3, respectively	955.2	890.7
Prepaid expenses and other current assets	180.6	200.3
Deferred tax assets	112.1	117.6
Total current assets	1,360.9	1,421.9
Restricted cash and marketable securities	133.5	169.7
Property and equipment, net	7,149.3	7,036.8
Goodwill	10,760.4	10,724.1
Other intangible assets, net	279.9	315.8
Other assets	303.0	280.9
Total assets	\$ 19,987.0	\$ 19,949.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 517.3	\$ 511.4
Notes payable and current maturities of long-term debt	10.5	15.7
Deferred revenue	311.7	301.8
Accrued landfill and environmental costs, current portion	164.9	178.7
Accrued interest	68.5	68.2
Other accrued liabilities	652.1	641.3
Total current liabilities	1,725.0	1,717.1
Long-term debt, net of current maturities	7,020.0	7,002.4
Accrued landfill and environmental costs, net of current portion	1,495.3	1,464.3
Deferred income taxes and other long-term tax liabilities	1,157.8	1,185.4
Self-insurance reserves, net of current portion	291.8	294.9
Other long-term liabilities	365.8	379.0
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, par value \$0.01 per share; 50 shares authorized; none issued	—	—
Common stock, par value \$0.01 per share; 750 shares authorized; 414.1 and 411.0 issued including shares held in treasury, respectively	4.1	4.1
Additional paid-in capital	6,863.5	6,764.9
Retained earnings	2,843.9	2,632.7
Treasury stock, at cost (58.6 and 50.6 shares, respectively)	(1,780.3)	(1,501.2)
Accumulated other comprehensive (loss) income, net of tax	(2.2)	3.0
Total Republic Services, Inc. stockholders' equity	7,929.0	7,903.5
Noncontrolling interests	2.3	2.6
Total stockholders' equity	7,931.3	7,906.1
Total liabilities and stockholders' equity	\$ 19,987.0	\$ 19,949.2

REPUBLIC SERVICES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenue	\$ 2,264.1	\$ 2,165.4	\$ 6,563.1	\$ 6,275.7
Expenses:				
Cost of operations	1,397.3	1,317.6	4,091.6	3,950.7
Depreciation, amortization and depletion	235.6	224.4	679.0	651.0
Accretion	19.5	19.2	58.4	57.6
Selling, general and administrative	229.0	209.6	663.8	644.3
Negotiation and withdrawal costs - Central States Pension and Other Funds	0.3	41.6	1.8	157.7
Gain on disposition of assets and impairments, net	—	—	—	(1.9)
Restructuring charges	—	0.7	1.8	8.6
Operating income	382.4	352.3	1,066.7	807.7
Interest expense	(87.0)	(90.0)	(260.8)	(269.8)
Loss on extinguishment of debt	—	—	(1.4)	(2.1)
Interest income	0.1	0.1	0.6	0.5
Other (expense) income, net	(0.1)	1.0	1.2	1.5
Income before income taxes	295.4	263.4	806.3	537.8
Provision for income taxes	109.6	92.3	308.9	185.4
Net income	185.8	171.1	497.4	352.4
Net loss (income) attributable to noncontrolling interests	—	0.3	(0.1)	(0.1)
Net income attributable to Republic Services, Inc.	\$ 185.8	\$ 171.4	\$ 497.3	\$ 352.3
Basic earnings per share attributable to Republic Services, Inc. stockholders:				
Basic earnings per share	\$ 0.52	\$ 0.47	\$ 1.39	\$ 0.97
Weighted average common shares outstanding	356.3	361.7	357.4	362.4
Diluted earnings per share attributable to Republic Services, Inc. stockholders:				
Diluted earnings per share	\$ 0.52	\$ 0.47	\$ 1.39	\$ 0.97
Weighted average common and common equivalent shares outstanding	357.7	363.0	358.8	363.8
Cash dividends per common share	\$ 0.28	\$ 0.26	\$ 0.80	\$ 0.73

REPUBLIC SERVICES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Nine Months Ended September 30,	
	2014	2013
Cash provided by operating activities:		
Net income	\$ 497.4	\$ 352.4
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation, amortization, depletion and accretion	737.4	708.6
Non-cash interest expense	33.6	35.6
Restructuring related charges	1.8	8.6
Stock-based compensation	14.2	15.8
Deferred tax benefit	(4.7)	(53.9)
Provision for doubtful accounts, net of adjustments	16.3	8.1
Loss on extinguishment of debt	1.4	2.1
Gain on disposition of assets, net and asset impairments	(4.7)	(7.4)
Withdrawal liability - Central States Pension and Other Funds	—	140.7
Environmental adjustments	36.2	101.8
Excess income tax benefit from stock option exercises and other non-cash items	(3.3)	(5.7)
Change in assets and liabilities, net of effects from business acquisitions and divestitures:		
Accounts receivable	(77.8)	(70.8)
Prepaid expenses and other assets	(28.0)	(7.8)
Accounts payable	(2.3)	18.4
Restructuring expenditures	(1.0)	(14.8)
Capping, closure and post-closure expenditures	(36.5)	(59.0)
Remediation expenditures	(75.0)	(84.3)
Other liabilities	(3.4)	48.8
Cash provided by operating activities	<u>1,101.6</u>	<u>1,137.2</u>
Cash used in investing activities:		
Purchases of property and equipment	(683.1)	(688.7)
Proceeds from sales of property and equipment	13.9	12.0
Cash used in business acquisitions and development projects, net of cash acquired	(73.5)	(49.0)
Cash proceeds from divestitures, net of cash divested	—	2.7
Change in restricted cash and marketable securities	36.2	(11.3)
Other	(4.5)	(2.3)
Cash used in investing activities	<u>(711.0)</u>	<u>(736.6)</u>
Cash used in financing activities:		
Proceeds from notes payable and long-term debt	939.8	1,098.2
Payments of notes payable and long-term debt	(951.0)	(1,140.6)
Fees paid to issue notes payable	(4.0)	(1.6)
Issuances of common stock	79.5	138.8
Excess income tax benefit from stock option exercises	3.6	3.3
Purchases of common stock for treasury	(277.5)	(214.1)
Cash dividends paid	(279.1)	(254.9)
Distributions paid to noncontrolling interests	(0.4)	—
Other	(1.8)	—
Cash used in financing activities	<u>(490.9)</u>	<u>(370.9)</u>
(Decrease) increase in cash and cash equivalents	(100.3)	29.7
Cash and cash equivalents at beginning of year	213.3	67.6
Cash and cash equivalents at end of period	<u>\$ 113.0</u>	<u>\$ 97.3</u>

You should read the following information in conjunction with our audited consolidated financial statements and notes thereto appearing in our Annual Report on Form 10-K as of and for the year ended December 31, 2013. All amounts below are in millions and as a percentage of our revenue, except per share data.

REVENUE

The following table reflects our total revenue by line of business for the three and nine months ended September 30, 2014 and 2013 (in millions of dollars and as a percentage of revenue):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2014		2013		2014		2013	
Collection:								
Residential	\$ 551.9	24.4 %	\$ 548.5	25.3 %	\$ 1,639.4	25.0 %	\$ 1,632.3	26.0 %
Commercial	685.8	30.3	659.4	30.5	2,027.1	30.9	1,953.3	31.1
Industrial	471.5	20.8	433.0	20.0	1,329.0	20.2	1,223.0	19.5
Other	9.3	0.4	8.9	0.4	27.7	0.4	26.0	0.4
Total collection	1,718.5	75.9	1,649.8	76.2	5,023.2	76.5	4,834.6	77.0
Transfer	279.1		268.1		793.0		767.3	
Less: intercompany	(169.6)		(159.7)		(486.9)		(461.4)	
Transfer, net	109.5	4.8	108.4	5.0	306.1	4.7	305.9	4.9
Landfill	539.8		512.4		1,514.0		1,437.6	
Less: intercompany	(243.4)		(236.2)		(698.9)		(677.9)	
Landfill, net	296.4	13.1	276.2	12.8	815.1	12.4	759.7	12.1
Sale of recycled commodities	97.8	4.3	93.3	4.3	296.6	4.5	271.6	4.3
Other non-core	41.9	1.9	37.7	1.7	122.1	1.9	103.9	1.7
Other	139.7	6.2	131.0	6.0	418.7	6.4	375.5	6.0
Total revenue	\$ 2,264.1	100.0 %	\$ 2,165.4	100.0 %	\$ 6,563.1	100.0 %	\$ 6,275.7	100.0 %

The following table reflects changes in our revenue for the three and nine months ended September 30, 2014 and 2013:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Average yield	1.4%	1.3%	1.3%	1.3%
Fuel recovery fees	0.2	0.5	0.2	0.3
Total price	1.6	1.8	1.5	1.6
Workday impact	—	0.5	—	—
Volume	2.1	2.2	2.1	0.9
Total volume	2.1	2.7	2.1	0.9
Recycled commodities	0.2	0.7	0.4	0.1
Total internal growth	3.9	5.2	4.0	2.6
Acquisitions / divestitures, net	0.7	0.6	0.6	0.5
Total	4.6%	5.8%	4.6%	3.1%
Core price	3.0%	3.4%	3.1%	3.2%

COST OF OPERATIONS

The following table summarizes the major components of our cost of operations for the three and nine months ended September 30, 2014 and 2013 (in millions of dollars and as a percentage of revenue):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2014		2013		2014		2013	
Labor and related benefits	\$ 437.7	19.3 %	\$ 421.9	19.5 %	\$ 1,280.9	19.5 %	\$ 1,233.3	19.7 %
Transfer and disposal costs	178.0	7.9	166.9	7.7	502.1	7.6	477.0	7.6
Maintenance and repairs	202.7	9.0	189.8	8.8	584.0	8.9	549.5	8.7
Transportation and subcontract costs	129.1	5.7	124.5	5.7	374.0	5.7	345.9	5.5
Fuel	130.4	5.8	132.1	6.1	394.1	6.0	388.7	6.2
Franchise fees and taxes	111.4	4.9	107.6	5.0	318.5	4.9	308.2	4.9
Landfill operating costs	36.2	1.6	22.6	1.0	109.9	1.7	100.1	1.6
Risk management	55.1	2.4	42.3	2.0	135.9	2.1	129.3	2.1
Cost of goods sold	40.2	1.8	33.0	1.5	122.9	1.8	91.3	1.4
Other	76.5	3.3	76.9	3.6	233.2	3.6	218.7	3.5
Subtotal	1,397.3	61.7	1,317.6	60.9	4,055.5	61.8	3,842.0	61.2
Bridgeton remediation	—	—	—	—	36.1	0.5	108.7	1.7
Total cost of operations	\$ 1,397.3	61.7 %	\$ 1,317.6	60.9 %	\$ 4,091.6	62.3 %	\$ 3,950.7	62.9 %

These cost categories may change from time to time and may not be comparable to similarly titled categories used by other companies. As such, you should take care when comparing our cost of operations by cost component to that of other companies.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The following table summarizes our selling, general and administrative expenses for the three and nine months ended September 30, 2014 and 2013 (in millions of dollars and as a percentage of revenue):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2014		2013		2014		2013	
Salaries	\$ 144.3	6.4 %	\$ 131.2	6.1 %	\$ 425.8	6.5 %	\$ 408.2	6.5 %
Provision for doubtful accounts	7.9	0.3	0.6	—	16.3	0.2	8.1	0.1
Other	76.8	3.4	77.8	3.6	221.7	3.4	228.0	3.7
Total selling, general and administrative expenses	\$ 229.0	10.1 %	\$ 209.6	9.7 %	\$ 663.8	10.1 %	\$ 644.3	10.3 %

These cost categories may change from time to time and may not be comparable to similarly titled categories used by other companies. As such, you should take care when comparing our selling, general and administrative expenses by cost component to those of other companies.

RECONCILIATION OF CERTAIN NON-GAAP MEASURES

Earnings Before Interest, Taxes, Depreciation, Depletion, Amortization and Accretion

The following table calculates earnings before interest, taxes, depreciation, depletion, amortization and accretion (EBITDA), which is not a measure determined in accordance with U.S. generally accepted accounting principles (U.S. GAAP), for the three and nine months ended September 30, 2014 and 2013:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net income attributable to Republic Services, Inc.	\$ 185.8	\$ 171.4	\$ 497.3	\$ 352.3
Net (loss) income attributable to noncontrolling interests	—	(0.3)	0.1	0.1
Provision for income taxes	109.6	92.3	308.9	185.4
Other expense (income), net	0.1	(1.0)	(1.2)	(1.5)
Interest income	(0.1)	(0.1)	(0.6)	(0.5)
Loss on extinguishment of debt	—	—	1.4	2.1
Interest expense	87.0	90.0	260.8	269.8
Depreciation, amortization and depletion	235.6	224.4	679.0	651.0
Accretion	19.5	19.2	58.4	57.6
EBITDA	\$ 637.5	\$ 595.9	\$ 1,804.1	\$ 1,516.3

We believe that presenting EBITDA is useful to investors because it provides important information concerning our operating performance exclusive of certain non-cash and other costs. EBITDA demonstrates our ability to execute our financial strategy, which includes reinvesting in existing capital assets to ensure a high level of customer service, investing in capital assets to facilitate growth in our customer base and services provided, maintaining our investment grade credit rating and minimizing debt, paying cash dividends, repurchasing our common stock, and maintaining and improving our market position through business optimization. This measure has limitations. Although depreciation, depletion, amortization and accretion are considered operating costs in accordance with U.S. GAAP, they represent the allocation of non-cash costs generally associated with long-lived assets acquired or constructed in prior years. Our definition of EBITDA may not be comparable to similarly titled measures presented by other companies.

Adjusted Earnings

Reported diluted earnings per share were \$0.52 and \$1.39 for the three and nine months ended September 30, 2014, respectively, compared to \$0.47 and \$0.97 for the same periods in 2013. During the three and nine months ended September 30, 2014 and 2013, we recorded a number of charges, other expenses and net gain on disposition of assets that impacted our EBITDA, pre-tax income, net income attributable to Republic Services, Inc. (Net Income – Republic) and diluted earnings per share. These items primarily consist of the following:

	Three Months Ended September 30, 2014				Three Months Ended September 30, 2013			
	EBITDA	Pre-tax Income	Net Income - Republic	Diluted Earnings per Share	EBITDA	Pre-tax Income	Net Income - Republic	Diluted Earnings per Share
As reported	\$ 637.5	\$ 295.4	\$ 185.8	\$ 0.52	\$ 595.9	\$ 263.4	\$ 171.4	\$ 0.47
Negotiation and withdrawal costs - Central States Pension and Other Funds	0.3	0.3	0.2	0.00	41.6	41.6	25.9	0.08
Restructuring charges	—	—	—	—	0.7	0.7	0.7	—
Loss on extinguishment of debt	—	—	—	—	—	—	0.1	—
Bridgeton remediation	—	—	—	—	—	—	0.1	—
Total adjustments	0.3	0.3	0.2	0.00	42.3	42.3	26.8	0.08
As adjusted	\$ 637.8	\$ 295.7	\$ 186.0	\$ 0.52	\$ 638.2	\$ 305.7	\$ 198.2	\$ 0.55

	Nine Months Ended September 30, 2014				Nine Months Ended September 30, 2013			
	EBITDA	Pre-tax Income	Net	Diluted	EBITDA	Pre-tax Income	Net	Diluted
			Income - Republic	Earnings per Share			Income - Republic	Earnings per Share
As reported	\$ 1,804.1	\$ 806.3	\$ 497.3	\$ 1.39	\$ 1,516.3	\$ 537.8	\$ 352.3	\$ 0.97
Negotiation and withdrawal costs - Central States Pension and Other Funds ⁽¹⁾	1.8	1.8	1.1	0.00	157.7	157.7	98.3	0.27
Restructuring charges ⁽¹⁾	1.8	1.8	1.0	0.00	8.6	8.6	5.6	0.02
Loss on extinguishment of debt ⁽¹⁾	—	1.4	0.9	0.00	—	2.1	1.3	—
Gain on disposition of assets and impairments, net	—	—	—	—	(1.9)	(1.9)	(0.9)	—
Bridgeton remediation	36.1	36.1	21.8	0.06	108.7	108.7	65.6	0.18
Total adjustments	39.7	41.1	24.8	0.07	273.1	275.2	169.9	0.47
As adjusted	\$ 1,843.8	\$ 847.4	\$ 522.1	\$ 1.46	\$ 1,789.4	\$ 813.0	\$ 522.2	\$ 1.44

(1) The aggregate impact of these items noted to adjusted diluted earnings per share totals to \$0.01 for the nine months ended September 30, 2014.

We believe that presenting adjusted EBITDA, adjusted pre-tax income, adjusted net income attributable to Republic Services, Inc., and adjusted diluted earnings per share, which are not measures determined in accordance with U.S. GAAP, provides an understanding of operational activities before the financial impact of certain items. We use these measures, and believe investors will find them helpful, in understanding the ongoing performance of our operations separate from items that have a disproportionate impact on our results for a particular period. We have incurred comparable charges and costs in prior periods, and similar types of adjustments can reasonably be expected to be recorded in future periods. In the case of the Bridgeton remediation charges, we are adjusting such amounts due to their significant effect on our operating results. However, in the ordinary course of our business, we often incur remediation adjustments that we do not adjust from our operating results. Our definitions of adjusted EBITDA, adjusted pre-tax income, adjusted net income attributable to Republic Services Inc., and adjusted diluted earnings per share may not be comparable to similarly titled measures presented by other companies.

Adjusted Free Cash Flow

The following table calculates our adjusted free cash flow, which is not a measure determined in accordance with U.S. GAAP, for the nine months ended September 30, 2014 and 2013:

	Nine Months Ended September 30,	
	2014	2013
Cash provided by operating activities	\$ 1,101.6	\$ 1,137.2
Property and equipment received	(691.6)	(701.3)
Proceeds from sales of property and equipment	13.9	12.0
Cash paid related to negotiation and withdrawal costs - Central States Pension and Other Funds, net of tax	8.0	10.7
Restructuring payments, net of tax	0.6	9.3
Merger-related payments, net of tax	—	1.1
Adjusted free cash flow	\$ 432.5	\$ 469.0

We believe that presenting adjusted free cash flow provides useful information regarding our recurring cash provided by operating activities after certain payments. It also demonstrates our ability to execute our financial strategy and is a key metric we use to determine compensation. The presentation of adjusted free cash flow has material limitations. Adjusted free cash flow does not represent our cash flow available for discretionary payments because it excludes certain payments that are required or to which we have committed, such as debt service requirements and dividend payments. Our definition of adjusted free cash flow may not be comparable to similarly titled measures presented by other companies.

Purchases of property and equipment as reflected on our consolidated statements of cash flows and the adjusted free cash flow presented above represent amounts paid during the period for such expenditures. A reconciliation of property and equipment reflected on our consolidated statements of cash flows to property and equipment received during the period follows for the three and nine months ended September 30, 2014 and 2013:

	Three Months Ended September		Nine Months Ended September 30,	
	2014	2013	2014	2013
Purchases of property and equipment per the unaudited consolidated statements of cash flows	\$ 210.2	\$ 226.9	\$ 683.1	\$ 688.7
Adjustments for property and equipment received during the prior period but paid for in the following period, net	(6.8)	(0.4)	8.5	12.6
Property and equipment received during the period	\$ 203.4	\$ 226.5	\$ 691.6	\$ 701.3

The adjustments noted above do not affect our net change in cash and cash equivalents as reflected in our consolidated statements of cash flows.

ACCOUNTS RECEIVABLE

As of September 30, 2014 and December 31, 2013, accounts receivable were \$955.2 million and \$890.7 million, net of allowance for doubtful accounts of \$40.5 million and \$38.3 million, resulting in days sales outstanding of 38 (or 26 net of deferred revenue) and 38 (or 25 net of deferred revenue), respectively.

CASH DIVIDENDS

In July 2014, we paid a cash dividend of \$92.5 million to stockholders of record as of July 1, 2014. As of September 30, 2014, we recorded a quarterly dividend payable of \$99.5 million to stockholders of record at the close of business on October 1, 2014, which was paid on October 15, 2014.

STOCK REPURCHASE PROGRAM

Our share repurchase program has been in effect since November 2010. From November 2010 to September 30, 2014, we repurchased 43.5 million shares of our stock for \$1,316.5 million at a weighted average cost per share of \$30.28. During the three months ended September 30, 2014, we repurchased 0.6 million shares of our stock for \$21.4 million at a weighted average cost per share of \$38.60.

As of September 30, 2014, we had 355.5 million shares of common stock issued and outstanding.

2014 FINANCIAL GUIDANCE

Adjusted Diluted Earnings per Share

The following is a summary of anticipated adjusted diluted earnings per share for the year ending December 31, 2014, which is not a measure determined in accordance with U.S. GAAP:

	(Anticipated) Year Ending December 31, 2014
Diluted earnings per share	\$1.86 - \$1.87
Negotiation and withdrawal costs - Central States Pension and Other Funds ⁽¹⁾	0.00
Restructuring charges ⁽¹⁾	0.00
Loss on extinguishment of debt ⁽¹⁾	0.00
Bridgeton remediation	0.06
Total adjustments	0.07
Adjusted diluted earnings per share	\$1.93 - \$1.94

(1) The aggregate impact of these items noted to adjusted diluted earnings per share totals to \$0.01.

We believe that presenting adjusted diluted earnings per share, which excludes negotiation and withdrawal costs - Central States Pension and Other Funds, restructuring charges, loss on extinguishment of debt, and Bridgeton remediation charges provides an understanding of operational activities before the financial impact of certain items. We use this measure, and believe investors will find it helpful, in understanding the ongoing performance of our operations separate from items that have a disproportionate impact on our results for a particular period. We have incurred comparable charges and costs in prior periods, and similar types of adjustments

can reasonably be expected to be recorded in future periods. Our definition of adjusted diluted earnings per share may not be comparable to similarly titled measures presented by other companies.

Adjusted Free Cash Flow

Our anticipated adjusted free cash flow for the year ending December 31, 2014, which is not a measure determined in accordance with U.S. GAAP, is calculated as follows:

	(Anticipated) Year Ending December 31, 2014
Cash provided by operating activities	\$ 1,474 - 1,489
Property and equipment received	(835)
Proceeds from sales of property and equipment	25
Cash paid related to negotiation and withdrawal costs - Central States Pension and Other Funds, net of tax	10
Restructuring payments, net of tax	1
Adjusted free cash flow	<u>\$ 675 - 690</u>

We believe that presenting adjusted free cash flow provides useful information regarding our recurring cash provided by operating activities after certain expenditures. It also demonstrates our ability to execute our financial strategy and is a key metric we use to determine compensation. The presentation of adjusted free cash flow has material limitations. Adjusted free cash flow does not represent our cash flow available for discretionary expenditures because it excludes certain expenditures that are required or to which we have committed such as debt service requirements and dividend payments. Our definition of adjusted free cash flow may not be comparable to similarly titled measures presented by other companies.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking information about us that is intended to be covered by the safe harbor for “forward-looking statements” provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts. Words such as “guidance,” “expect,” “will,” “may,” “anticipate,” “plan,” “estimate,” “project,” “intend,” “should,” “can,” “likely,” “could,” “outlook,” and similar expressions are intended to identify forward-looking statements. These statements include statements about our plans, strategies and prospects. Forward-looking statements are not guarantees of performance. These statements are based upon the current beliefs and expectations of our management and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that the expectations will prove to be correct. Among the factors that could cause actual results to differ materially from the expectations expressed in the forward-looking statements are:

- general economic and market conditions, including inflation and changes in commodity pricing, fuel, interest rates, labor, risk, health insurance and other variable costs that generally are not within our control, and our exposure to credit and counterparty risk;
- whether our estimates and assumptions concerning our selected balance sheet accounts, income tax accounts, the recoverability of long-lived assets, the depletion and amortization of landfill development costs, accruals for final capping, closure and post-closure costs, available airspace, valuation allowances for accounts receivable, self-insurance, liabilities for potential litigation, claims and assessments, and liabilities for environmental remediation, employee benefit and pension plans, and labor, fuel rates and economic and inflationary trends, turn out to be correct or appropriate;
- competition and demand for services in the solid waste industry;
- price increases to our customers may not be adequate to offset the impact of increased costs, including labor, third-party disposal and fuel, and may cause us to lose volume;
- our ability to manage growth and execute our growth strategy;
- our compliance with, and future changes in, environmental and flow control regulations and our ability to obtain approvals from regulatory agencies in connection with operating and expanding our landfills;
- the impact on us of our substantial indebtedness, including on our ability to obtain financing on acceptable terms to finance our operations and growth strategy and to operate within the limitations imposed by financing arrangements;
- our ability to retain our investment grade ratings for our debt;
- our dependence on key personnel;

- our dependence on large, long-term collection, transfer and disposal contracts;
- our business is capital intensive and may consume cash in excess of cash flow from operations;
- any exposure to environmental liabilities or remediation requirements, to the extent not adequately covered by insurance, could result in substantial expenses;
- risks associated with undisclosed liabilities of acquired businesses;
- risks associated with pending and future legal proceedings, including litigation, audits or investigations brought by or before any governmental body;
- severe weather conditions, which could impair our financial results by causing increased costs, loss of revenue, reduced operational efficiency or disruptions to our operations;
- compliance with existing and future legal and regulatory requirements, including limitations or bans on disposal of certain types of wastes or on the transportation of waste, which could limit our ability to conduct or grow our business, increase our costs to operate or require additional capital expenditures;

- potential increases in our expenses if we are required to provide additional funding to any multiemployer pension plan to which we contribute or if a withdrawal event or events occur with respect to any multiemployer pension plan to which we contribute;
- the negative impact on our operations of union organizing campaigns, work stoppages or labor shortages;
- the negative effect 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;
- changes by the Financial Accounting Standards Board or other accounting regulatory bodies to generally accepted accounting principles or policies; and
- acts of war, riots or terrorism, including the continuing war on terrorism, as well as actions taken or to be taken by the United States or other governments as a result of further acts or threats of terrorism, and the impact of these acts on economic, financial and social conditions in the United States.

The risks included here are not exhaustive. Refer to “Part I, Item 1A — Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2013, for further discussion regarding our exposure to risks. Additionally, new risk factors emerge from time to time and it is not possible for us to predict all such risk factors, or to assess the impact such risk factors might have on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except to the extent required by applicable law or regulation, we undertake no obligation to update or publish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.