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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) February 8, 2005

**Republic Services, Inc.**

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(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

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(State or Other Jurisdiction of Incorporation)

**1-14267**

(Commission File Number)

**65-0716904**

(IRS Employer Identification No.)

**110 SE 6th Street, 28th Floor, Fort Lauderdale, Florida**

(Address of Principal Executive Offices)

**33301**

(Zip Code)

**(954) 769-2400**

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(Registrant's Telephone Number, Including Area Code)

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(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- 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 240.13d-4(c))
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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On February 8, 2005, Republic Services, Inc. issued a press release to announce operating results for the three and twelve months ended December 31, 2004, a copy of which is incorporated herein by reference and attached hereto as Exhibit 99.1.

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.

February 8, 2005

REPUBLIC SERVICES, INC.

By: /s/ Tod C. Holmes

Tod C. Holmes  
Senior Vice President and  
Chief Financial Officer

By: /s/ Charles F. Serianni

Charles F. Serianni  
Vice President and  
Chief Accounting Officer  
(Principal Accounting Officer)

**REPUBLIC CONTACTS:**

Media Inquiries: Will Flower (954) 769-6392  
Investor Inquiries: Tod Holmes (954) 769-2387  
Ed Lang (954) 769-3591

**REPUBLIC SERVICES, INC.  
REPORTS EARNINGS FOR 2004**

- 2004 Earnings Per Share of \$1.53
- Free Cash Flow of \$397 Million
- Company Provides 2005 Guidance

**FORT LAUDERDALE, FL, FEB. 8, 2005...** Republic Services, Inc. (NYSE: RSG) today reported that for the three months ended December 31, 2004, net income was \$57.6 million, or \$0.38 per diluted share, compared to net income of \$55.7 million, or \$0.35 per diluted share, for the same period in 2003. Revenue for the three months ended December 31, 2004 was \$687.7 million compared to \$637.9 million for the same period in 2003. Operating income for the three months ended December 31, 2004 was \$109.6 million compared to operating income of \$106.5 million for the same period last year.

For the year ended December 31, 2004, net income was \$237.9 million, or \$1.53 per diluted share, compared to \$215.4 million, or \$1.33 per diluted share, of income before the cumulative effect of changes in accounting principles recorded in 2003. Annual revenue for 2004 was \$2,708.1 million compared to \$2,517.8 million during 2003. Operating income for the year ended December 31, 2004 was \$452.3 million compared to operating income of \$412.7 million for 2003. Operating income for 2003 includes an additional charge of \$24.0 million for self-insurance.

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James E. O'Connor, Chairman and Chief Executive Officer of Republic Services, was pleased with the Company's performance saying, "In 2004, the team at Republic Services remained focused and delivered consistent performance. As a result, we exceeded the financial guidance that was provided during our January 2004 conference call. In 2005, we will remain committed to our pricing initiative in all lines of business."

#### **Company Declares Quarterly Dividend**

Republic Services also announced that its Board of Directors declared a regular quarterly dividend of \$0.12 per share for shareholders of record on April 1, 2005. The dividend will be paid on April 15, 2005.

#### **Fiscal Year 2005 Outlook**

Republic Services' objectives for 2005 remain consistent with previous years and once again focus on enhancing shareholder value through the generation and efficient use of free cash flow. The Company anticipates using free cash flow to repurchase common stock under its \$275 million share repurchase program approved by the Company's Board of Directors in October 2004 and to pay regular quarterly dividends. The Company remains committed to implementing a broad-based pricing initiative across all lines of service to recover increasing costs. Republic's guidance is based on current economic conditions and does not assume any deterioration or improvement in the overall economy in 2005. Specific guidance is as follows:

- **Free cash flow:** The Company anticipates free cash flow for 2005 of approximately \$260 million, more than 100 percent of net income. The Company defines free cash flow as cash provided by operating activities less purchases of property and equipment plus proceeds from the sale of equipment as presented in the Company's consolidated statement of cash flows.
- **Earnings Per Share:** The Company anticipates earnings in the range of \$1.65 to \$1.70 per share.
- **Internal Growth:** The Company is targeting internal growth of approximately 4.0 to 4.5 percent, with 2.5 percent from price increases and 1.5 to 2.0 percent from volume growth.
- **Capital spending:** The Company is anticipating 2005 capital spending of approximately \$300 million.

Republic Services, Inc. is a leading provider of solid waste collection, transfer and disposal services in the United States. The Company's operating units are focused on providing solid waste services for commercial, industrial, municipal and residential customers.

Certain statements and information included herein constitute "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied, in or by such forward-looking statements. Such factors include, among other things, whether the Company's estimates and assumptions concerning its selected balance sheet accounts, final capping, closure, post-closure and remediation costs, available airspace, and projected costs and expenses related to the Company's landfills and property and equipment, and labor, fuel rates and economic and inflationary trends, turn out to be correct or appropriate, and various factors that will impact the actual business and financial performance of the Company such as competition and demand for services in the solid waste industry; the Company's ability to manage growth; compliance with, and future changes in, environmental regulations; the Company's ability to obtain approval from regulatory agencies in connection with expansions at the Company's landfills; the ability to obtain financing on acceptable terms to finance the Company's operations and growth strategy and for the Company to operate within the limitations imposed by financing arrangements; the ability of the Company to repurchase common stock at prices that are accretive to earnings per share; the Company's dependence on key personnel; general economic and market conditions including, but not limited to, inflation and changes in commodity pricing, fuel, labor and other variable costs that are generally not within the control of the Company; dependence on large, long-term collection contracts; dependence on acquisitions for growth; risks associated with undisclosed liabilities of acquired businesses; risks associated with pending legal proceedings; and other factors contained in the Company's filings with the Securities and Exchange Commission.

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

	Three Months Ended December 31,	
	2004	2003
Revenue	\$ 687.7	\$ 637.9
Expenses:		
Cost of operations	437.7	404.7
Depreciation, amortization and depletion	66.7	61.2
Accretion	3.5	3.3
Selling, general and administrative	70.2	62.2
Operating income	109.6	106.5
Interest expense, net	(16.7)	(16.6)
Other income (expense), net	—	—
Income before income taxes	92.9	89.9
Provision for income taxes	35.3	34.2
Net income	<u>\$ 57.6</u>	<u>\$ 55.7</u>
Basic earnings per share	<u>\$ 0.38</u>	<u>\$ 0.35</u>
Weighted average common shares outstanding	<u>150.7</u>	<u>158.3</u>
Diluted earnings per share	<u>\$ 0.38</u>	<u>\$ 0.35</u>
Weighted average common and common equivalent shares outstanding	<u>153.5</u>	<u>160.5</u>
Cash dividends per common share	<u>\$ 0.12</u>	<u>\$ 0.06</u>



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

	Twelve Months Ended December 31,	
	2004	2003
Revenue	\$ 2,708.1	\$ 2,517.8
Expenses:		
Cost of operations	1,714.4	1,605.4
Depreciation, amortization and depletion	259.4	239.1
Accretion	13.7	12.7
Selling, general and administrative	268.3	247.9
Operating income	452.3	412.7
Interest expense, net	(69.8)	(68.5)
Other income (expense), net	1.2	3.2
Income before income taxes	383.7	347.4
Provision for income taxes	145.8	132.0
Income before cumulative effect of changes in accounting principles	237.9	215.4
Cumulative effect of changes in accounting principles, net of tax	—	(37.8)
Net income	\$ 237.9	\$ 177.6
Basic earnings per share:		
Before cumulative effect of changes in accounting principles	\$ 1.56	\$ 1.34
Cumulative effect of changes in accounting principles, net of tax	—	(0.23)
Basic earnings per share	\$ 1.56	\$ 1.11
Weighted average common shares outstanding	152.8	160.3

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

	<u>Twelve Months Ended December 31,</u>	
	<u>2004</u>	<u>2003</u>
Diluted earnings per share:		
Before cumulative effect of changes in accounting principles	\$ 1.53	\$ 1.33
Cumulative effect of changes in accounting principles, net of tax	—	(0.23)
Diluted earnings per share	<u>\$ 1.53</u>	<u>\$ 1.10</u>
Weighted average common and common equivalent shares outstanding	<u>155.3</u>	<u>162.1</u>
Cash dividends per common share	<u>\$ 0.36</u>	<u>\$ 0.12</u>

REPUBLIC SERVICES, INC.  
SUPPLEMENTAL UNAUDITED FINANCIAL INFORMATION

The following information should be read in conjunction with the Company's audited Consolidated Financial Statements and notes thereto appearing in the Company's Form 10-K as of and for the year ended December 31, 2003. It also should be read in conjunction with the Company's Unaudited Condensed Consolidated Financial Statements and notes thereto appearing in the Company's Form 10-Q as of and for the three and nine months ended September 30, 2004.

CHANGES IN ACCOUNTING PRINCIPLES

During the first quarter of 2003, the Company adopted Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" (SFAS 143). SFAS 143 required the Company to change the methodology it used to record closure and post-closure costs related to its landfills. Upon adopting SFAS 143, the Company no longer records closure and post-closure expense as a component of cost of operations. Instead, amortization expense is recorded on the capitalized portion of the obligation and accretion expense is recorded using the effective interest method.

As of January 1, 2003, the Company recorded an after-tax expense of \$20.8 million as a cumulative effect of a change in accounting principle resulting from the adoption of SFAS 143. In addition, the Company also recorded an after-tax expense of \$17.0 million as a cumulative effect of a change in accounting principle relating to its accounting for methane gas collection systems.

OPERATING INCOME BEFORE DEPRECIATION, AMORTIZATION, DEPLETION AND ACCRETION

Operating income before depreciation, amortization, depletion, and accretion, which is not a measure determined in accordance with generally accepted accounting principles (GAAP), for the three and twelve months ended December 31, 2004 and 2003 is calculated as follows (in millions):

	Three months ended December 31,		Twelve months ended December 31,	
	2004	2003	2004	2003
Net income	\$ 57.6	\$ 55.7	\$ 237.9	\$ 177.6
Cumulative effect of changes in accounting principles, net of tax	—	—	—	37.8
Provision for income taxes	35.3	34.2	145.8	132.0
Other (income) expense, net	—	—	(1.2)	(3.2)
Interest expense, net	16.7	16.6	69.8	68.5
Depreciation, amortization and depletion	66.7	61.2	259.4	239.1
Accretion	3.5	3.3	13.7	12.7
Operating income before depreciation, amortization, depletion and accretion	<u>\$ 179.8</u>	<u>\$ 171.0</u>	<u>\$ 725.4</u>	<u>\$ 664.5</u>

The Company believes that the presentation of operating income before depreciation, amortization, depletion and accretion is useful to investors because it provides important information concerning the Company's operating performance exclusive of certain non-cash costs. Although depreciation, amortization, depletion and accretion are considered operating costs in accordance with GAAP, they represent the allocation of non-cash costs associated with long-lived assets acquired or constructed in prior years. Operating income before depreciation, amortization, depletion and accretion also demonstrates the Company's ability to execute its 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 the Company's customer base and services provided, pursuing strategic acquisitions that augment the Company's existing business platform, repurchasing shares of common stock at prices that provide value to the

Company's shareholders, paying cash dividends, maintaining the Company's investment grade rating and minimizing debt.

## CASH FLOW

During the three months ended December 31, 2004, cash provided by operating activities was \$137.6 million, cash used in investing activities was \$116.0 million and cash provided by financing activities was \$4.1 million. During the twelve months ended December 31, 2004, cash provided by operating activities was \$674.9 million, cash used in investing activities was \$206.7 million and cash used in financing activities was \$445.9 million.

The Company defines free cash flow, which is not a measure determined in accordance with GAAP, as cash provided by operating activities less purchases of property and equipment plus proceeds from the sale of property and equipment as presented in the Company's consolidated statement of cash flows. The Company's free cash flow for the three and twelve months ended December 31, 2004 is calculated as follows (in millions):

	<u>Three months ended December 31, 2004</u>	<u>Twelve months ended December 31, 2004</u>
Cash provided by operating activities	\$ 137.6	\$ 674.9
Purchases of property and equipment	(87.2)	(283.8)
Proceeds from the sale of property and equipment	1.6	5.7
Free cash flow	<u>\$ 52.0</u>	<u>\$ 396.8</u>

The Company believes that the presentation of free cash flow, which is a non-GAAP financial measure, provides useful information regarding the Company's recurring cash provided by operating activities after expenditures for property and equipment, net of proceeds from the sale of property and equipment. It also demonstrates the Company's ability to execute its financial strategy as previously discussed and is a key metric used by the Company to determine compensation. Free cash flow does not represent the Company's cash flow available for discretionary expenditures because it excludes certain expenditures that are required or that the Company has committed to such as debt service requirements and dividend payments. The Company's definition of free cash flow may not be comparable to similarly titled measures presented by other companies.

Capital expenditures include \$.6 million and \$1.2 million of capitalized interest for the three months ended December 31, 2004 and 2003, respectively, and \$2.1 million and \$3.3 million for the twelve months ended December 31, 2004 and 2003, respectively.

As of December 31, 2004, accounts receivable were \$268.7 million, net of allowance for doubtful accounts of \$18.0 million, resulting in days sales outstanding of approximately 35 (or 22 days net of deferred revenue).

## STOCK REPURCHASE PROGRAM

During the three months ended December 31, 2004, the Company paid approximately \$23.3 million to repurchase .8 million shares of its stock. During the twelve months ended December 31, 2004, the Company repurchased a total of 9.6 million shares of its stock for approximately \$266.1 million. At December 31, 2004, the Company was authorized to repurchase up to an additional \$274.6 million under its existing repurchase program.

## DIVIDENDS

In October 2004, the Company paid a dividend of \$18.1 million to shareholders of record as of October 1, 2004. As of December 31, 2004, the Company recorded a dividend payable of approximately \$18.1 million to shareholders of record at the close of business on January 3, 2005, which has been paid. In January 2005, the Company's Board of Directors declared a regular quarterly dividend of \$.12 per share for shareholders of record on April 1, 2005, payable on April 15, 2005.

## REVENUE

The following table reflects total revenue of the Company by revenue source for the three and twelve months ended December 31, 2004 and 2003 (in millions):

	Three months ended December 31,		Twelve months ended December 31,	
	2004	2003	2004	2003
<b>Collection:</b>				
Residential	\$ 167.5	\$ 155.2	\$ 655.2	\$ 601.2
Commercial	187.8	179.0	737.9	706.0
Industrial	141.2	131.7	558.1	523.0
Other	18.2	13.2	62.2	50.9
Total collection	<u>514.7</u>	<u>479.1</u>	<u>2,013.4</u>	<u>1,881.1</u>
Transfer and disposal	258.7	245.3	1,031.0	967.5
Less: Intercompany	(129.3)	(124.5)	(519.8)	(493.7)
Transfer and disposal, net	129.4	120.8	511.2	473.8
Other	43.6	38.0	183.5	162.9
Total revenue	<u>\$ 687.7</u>	<u>\$ 637.9</u>	<u>\$ 2,708.1</u>	<u>\$ 2,517.8</u>

The following table reflects the Company's revenue growth for the three and twelve months ended December 31, 2004 and 2003:

	Three months ended December 31,		Twelve months ended December 31,	
	2004	2003	2004	2003
Core price	2.4%	2.3%	2.3%	1.8%
Fuel surcharges	.4	.2	.2	.2
Commodities	.7	.2	.5	.1
Total price	<u>3.5</u>	<u>2.7</u>	<u>3.0</u>	<u>2.1</u>
Core volume	3.7	1.7	3.6	2.1
Non-core volume	—	(.9)	.1	—
Total volume	<u>3.7</u>	<u>.8</u>	<u>3.7</u>	<u>2.1</u>
Total internal growth	7.2	3.5	6.7	4.2
Acquisitions	.6	1.6	.9	1.8
Taxes (a)	—	.3	—	.5
Total revenue growth	<u>7.8%</u>	<u>5.4%</u>	<u>7.6%</u>	<u>6.5%</u>

(a) Represents taxes levied on landfill volumes in certain states that are passed on to customers.