



LAIDLAW INTERNATIONAL, INC.

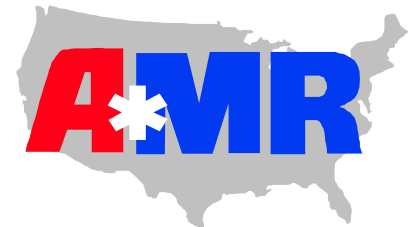
Kevin Benson, President and CEO
Douglas Carty, SVP and CFO

Deutsche Bank Transportation Conference
February 16, 2005

Forward-looking Statement

The following presentation may contain forward-looking statements. Although such statements reflect our current reasonable judgment regarding the direction of our business, actual results may differ materially from those projected here. We undertake no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise. You can find information on the risk factors concerning why the actual results might differ from statements made today in our documents filed with the Securities and Exchange Commission.

Original Portfolio of Companies



Portfolio of Companies Today

L A I D L A W
EDUCATION SERVICES



L A I D L A W
TRANSIT SERVICES

L A I D L A W
LAIDLAW INTERNATIONAL, INC.

Laidlaw International Focus



Industry assessments



Install new leadership



Develop strategic plans



Institute return on capital focus



Change portfolio



Pay down debt



Accelerated change

Proforma Income Statement

<i>(\$ in millions)</i>	F2003	F2004	PF2004 ⁽¹⁾
Revenue	\$4,483	\$4,631	\$3,027
EBITDA ⁽²⁾	456	505	374
% rev	10.2%	10.9%	12.4%
Cash	100	158	266
Debt	\$1,145	\$1,114	\$539

(1) Pro forma income statement gives effect to the disposition of the healthcare businesses as if the transactions occurred on September 1, 2003. Pro forma cash and debt give effect of the disposition as of Nov. 30, 2004.

(2) See Appendix A for reconciliation of EBITDA to GAAP measures for F2003 and F2004 and Appendix B for reconciliation of PF2004 EBITDA to F2004 EBITDA.



L A I D L A W
EDUCATION SERVICES



L A I D L A W
LAIDLAW INTERNATIONAL, INC.



*Leader in School
Transportation*

Education Services

Company Profile

- 40,000 buses
- 45,000 employees
- 484 branches
- 2 million students a day
- Largest single operator with 8% of market share



	<u>F04</u>	<u>ΔPY</u>
Revenue	\$1,496	(0.3)%
EBITDA	19.2%	50 bps
Net CapEx	\$133	(\$38)

Education Services

Objective: Lower Unit Costs

- Centralize to improve operating efficiencies
- Focus branch managers on customer service and employee productivity
- Key operational information to manage daily performance



Education Services

Objective: Focus on Return on Capital

- Minimum return levels
- “Up or Out” policy



Result: Improved Margins

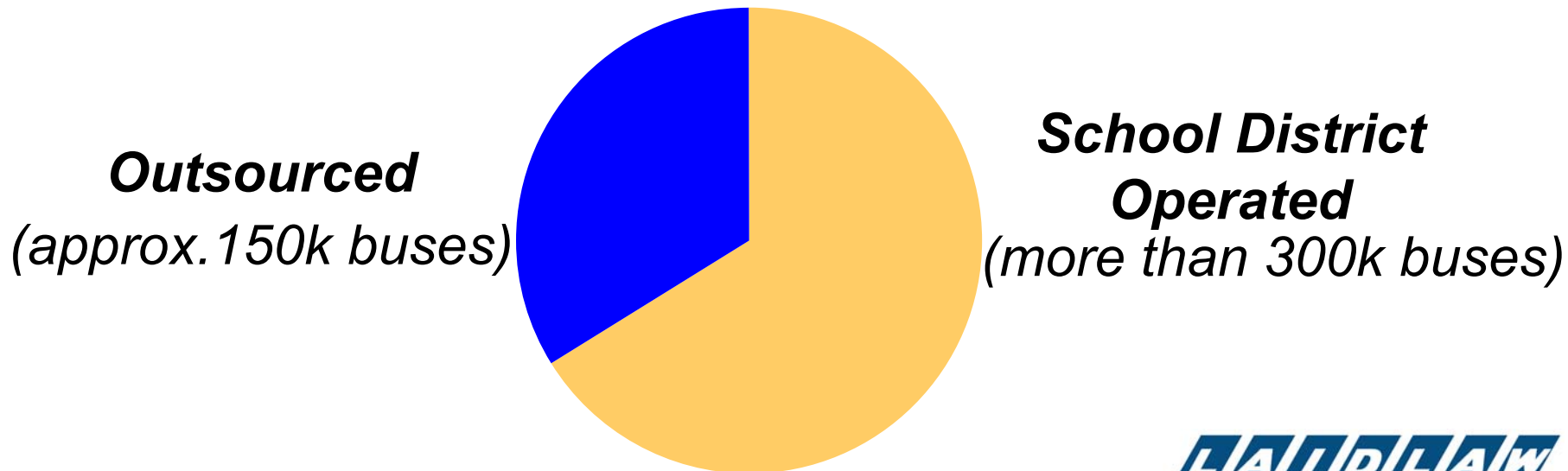
- Targeted 3 - 4 point improvement over 3 - 4 years
- 2004 EBITDA margin improvement of 70 bps

Education Services

New Revenue Sources

- Services for non-privatized school buses
- Focused resources

Relative Market





An American Icon

Greyhound

Company Profile

- 3,400 destinations
- 3,600 coaches
- 14,000 employees
- 200 terminals
- 1,900 agencies
- 19,000 daily departures

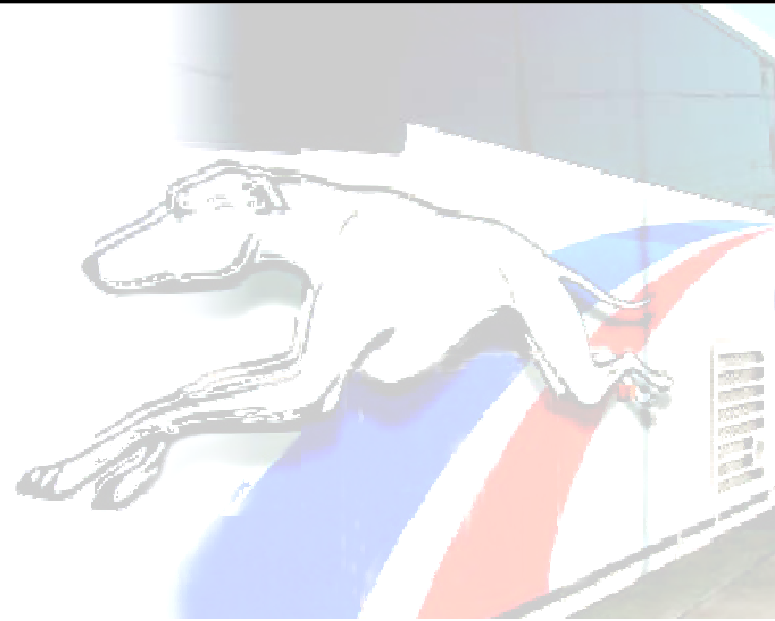


	<u>F04</u>	<u>ΔPY</u>
Revenue	\$1,231	2.2%
EBITDA	7.1%	150 bps
Net CapEx	\$36	(\$53)

Greyhound

2004 – Stabilization

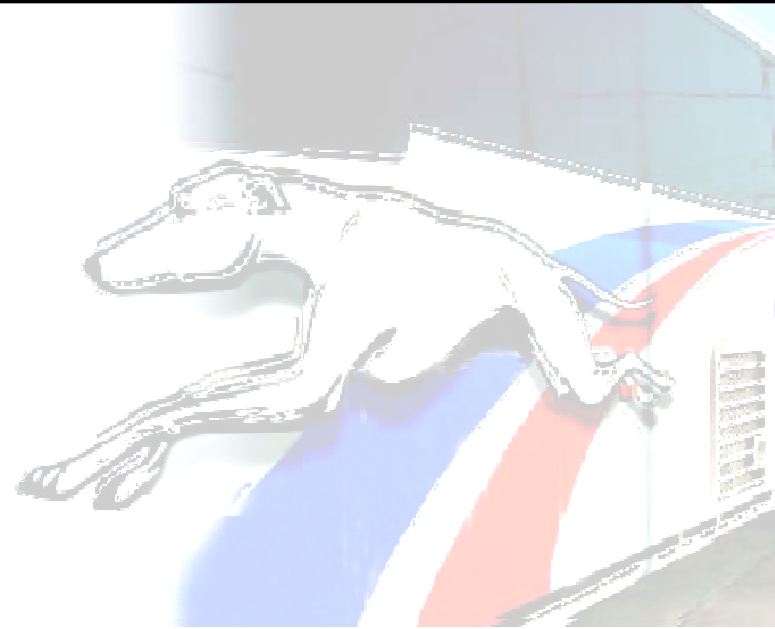
- Eliminated excess miles
- Reduced fleet and overhead
- Executed three year labor contract
- Changed pricing strategy



Greyhound

2004 – Results (GLI only)

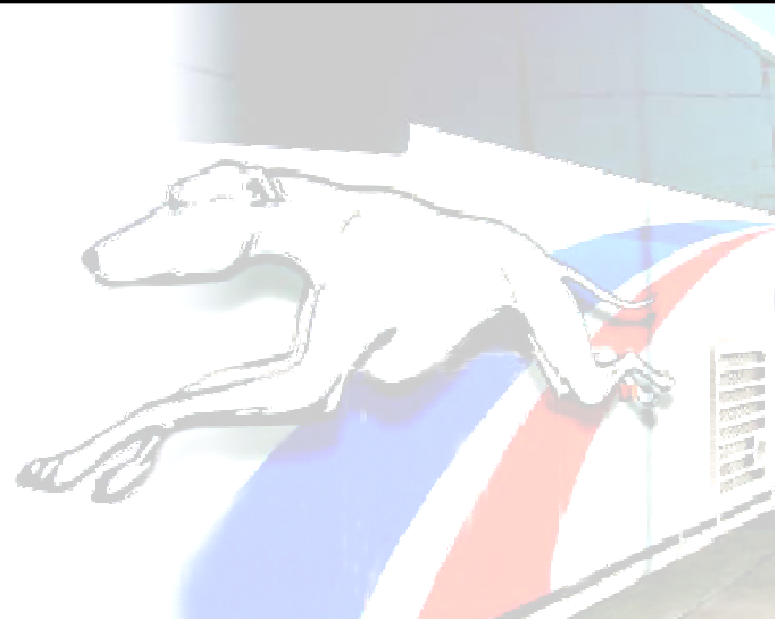
- Passenger miles lowered by 11%
- Overhead staff reduced by 33%
- Bus fleet cut by 150 units; no new orders placed
- Revenue per mile increased by 8.7%
- EBITDA margin up 170 bps



Greyhound

2005 – Network Overhaul

- Network focusing on regional short/medium haul passengers
- Detailed, route specific yield analysis
- Major route changes underway
- Restore operating disciplines

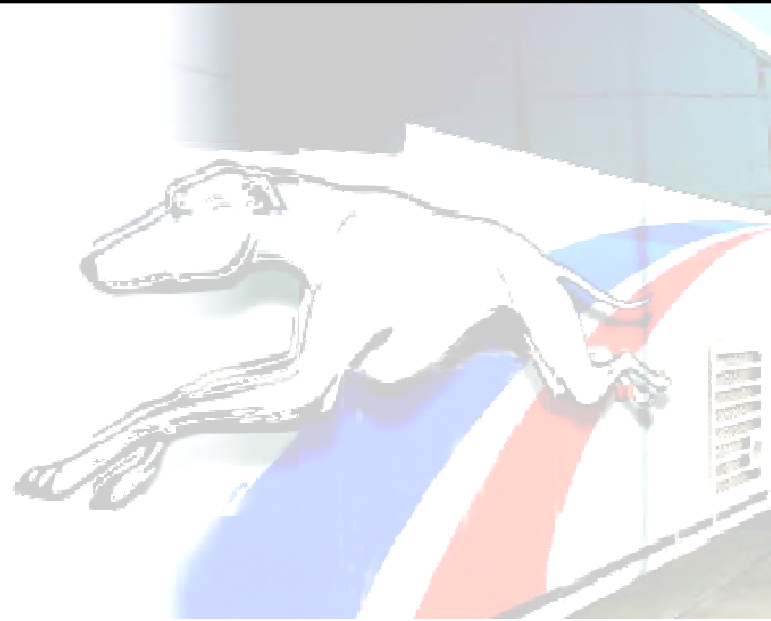


STOP LESS. GO MORE.

Greyhound

New Greyhound

- Increase penetration of traditional markets
- Deliver on the promise to the customer
- Aggressively manage costs
- Improve technology
- Objectives:
 - *Revenue per bus mile increase 15 to 20%*
 - *Bus miles reduced 25 to 35%*





L A I D L A W
TRANSIT SERVICES



L A I D L A W
LAIDLAW INTERNATIONAL, INC.

*Public Transit
At Its Best*



Public Transit Services

Company Profile

- 6,300 employees
- 3,800 vehicles
- 150 regional and municipal authorities
- 25 states
- Highly competitive industry



	<u>F04</u>	<u>△PY</u>
Revenue	\$301	6.1%
EBITDA	2.7%	(310) bps
Net CapEx	\$13	\$3

Public Transit Services

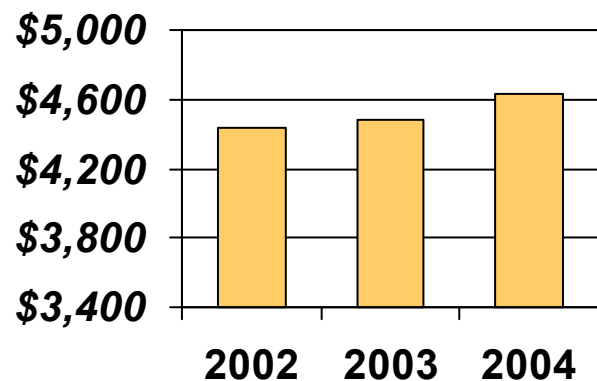
2004 Achievements

- Reduced unit costs; compensation 65% of revenue
- Revised training and safety procedures
- Grew revenue by 6.2%
- Established foundation for 2005 revenue growth

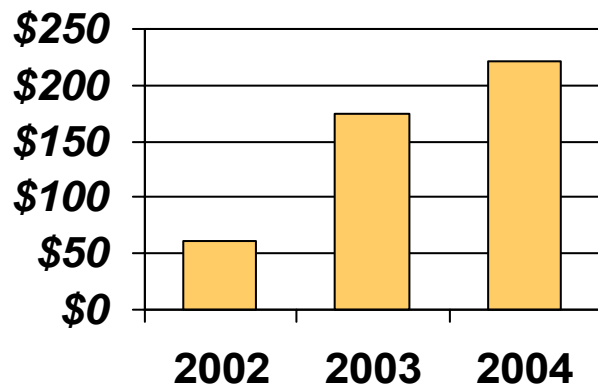


Financial Snapshot (in millions)

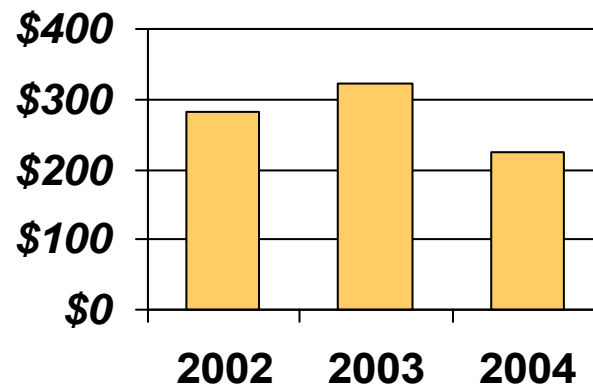
Revenue



Operating Income



Capital Expenditures



Laidlaw International

Next Steps

- Simplified portfolio and strengthened balance sheet
- Return on capital focus
- Education Services EBITDA margins targeted to increase another 3 points
- Total overhaul of Greyhound's network
- Continued growth of Public Transit
- Target investment grade rating



L A I D L A W

LAIDLAW INTERNATIONAL, INC.

Appendix A

LIDLAW INTERNATIONAL, INC. Reconciliation of Non-GAAP Financial Measures

(\$ in millions)
(unaudited)

	Twelve Months Ended August 31,	
	2004	2003*
EBITDA	\$ 504.7	\$ 456.4
Depreciation and amortization	(283.5)	(281.4)
Interest expense	(129.6)	(51.1)
Other income (expense), net	2.4	(19.9)
Income tax benefit (expense)	(32.3)	5.5
Gain on discharge of debt	-	1,482.8
Fresh start accounting adjustments	-	(609.6)
Net income (loss) before cumulative change in accounting principle	<u>61.7</u>	<u>982.7</u>
Cumulative change in accounting principle	-	(2,205.4)
Net income (loss)	<u>\$ 61.7</u>	<u>\$ (1,222.7)</u>

EBITDA is presented solely as a supplemental disclosure with respect to liquidity because the Company believes it provides useful information regarding its ability to service or incur debt. EBITDA is not calculated the same way by all companies. We define EBITDA as operating income plus depreciation and amortization. EBITDA is not intended to represent cash flow for the period, is not presented as an alternative to net income as an indicator of operating performance, should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles ("GAAP") and is not indicative of operating income or cash flow from operations as determined under GAAP.

* Includes Predecessor Company's operating results for the nine months ended May 31, 2003

In order to facilitate the identification of certain business trends, the results of the Company's operating results for the three month period ended August 31, 2003 have been combined with the Predecessor Company's results for the nine month period ended May 31, 2003. However, the Predecessor Company's results may not be comparable to the Company's results.

Appendix A

LAIDLAW INTERNATIONAL, INC. Reconciliation of Non-GAAP Financial Measures (\$ in millions) (unaudited)

	Twelve Months Ended August 31,	
	2004	2003*
EBITDA	\$ 504.7	\$ 456.4
Cash paid for interest	(117.0)	(37.3)
Cash received for income taxes	9.7	12.7
Increase in claims liability and professional liability reserves	38.0	60.8
Pension contribution per the PBGC agreement	(50.0)	(50.0)
Increase in pension liability	12.6	1.3
Cash used in financing other working capital items	(15.1)	(25.7)
Decrease (increase) in restricted cash and cash equivalents	(10.1)	0.2
Other	17.2	(22.9)
Net cash provided by operating activities	<u>\$ 390.0</u>	<u>\$ 395.5</u>
Net cash used in investing activities	<u>\$ (242.7)</u>	<u>\$ (440.6)</u>
Net cash used in financing activities	<u>\$ (89.6)</u>	<u>\$ (198.1)</u>

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Appendix B

LIDLAW INTERNATIONAL, INC Pro forma Reconciliation of EBITDA

For the Year Ended August 31, 2004

(in millions)

(unaudited)

	Historically Reported	Discontinued Healthcare Businesses (a)	Pro forma Adjustments (b)	Pro forma Results
Revenue	\$ 4,631.4	\$ (1,604.6)	\$ -	\$ 3,026.8
Compensation expense	2,678.0	(1,122.2)		1,555.8
Accident claims and professional liability expenses	288.3	(82.3)		206.0
Vehicle related costs	279.3	(18.8)		260.5
Occupancy costs	203.4	(45.6)		157.8
Fuel	182.1	(19.0)		163.1
Other operating expenses	495.6	(194.1)	8.6	310.1
EBITDA	\$ 504.7	\$ (122.6)	\$ (8.6)	\$ 373.5

(a) Elimination of the results of operations of the healthcare businesses as originally reported.

(b) Elimination of general corporate overhead expenses previously allocated to the healthcare businesses.