

COVANTA HOLDING CORP
Form FWP
November 16, 2010

Issuer Free Writing Prospectus
Filed by: Covanta Holding Corporation
Pursuant to Rule 433 under the Securities Act of 1933
Registration Statement No. 333-158409
November 16, 2010

COVANTA HOLDING CORPORATION
Pricing Term Sheet
\$400,000,000 7.250% Senior Notes due 2020

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|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuer: | Covanta Holding Corporation |
| Security description: | 7.250% Senior Notes due 2020 |
| Distribution: | SEC Registered |
| Size: | \$400,000,000 |
| Gross proceeds: | \$400,000,000 |
| Net proceeds (before expenses): | \$392,000,000 |
| Maturity: | December 1, 2020 |
| Coupon: | 7.250% |
| Price: | 100.000% of principal amount |
| Yield to maturity: | 7.250% |
| Spread to Benchmark Treasury: | +436 basis points |
| Benchmark Treasury: | UST 2.625% due August 15, 2020 |
| Interest Payment Dates: | December 1 and June 1, beginning on June 1, 2011. Interest will accrue from December 1, 2010. |
| Equity Clawback: | Prior to December 1, 2013, up to 35% at 107.25% plus accrued and unpaid interest |
| Make-whole: | Make-whole call at T+50 bps prior to December 1, 2015 |
| Optional redemption: | On and after December 1, 2015, at the prices set forth below (expressed as percentages of the principal amount), plus accrued and unpaid interest: |

| Year | Percentage |
|-------------|-------------------|
| 2015 | 103.625% |
| 2016 | 102.417% |

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| 2017 | 101.208% |
| 2018 and thereafter | 100.000% |

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| Change of control: | Putable at 101% of principal plus accrued and unpaid interest |
| Trade date: | November 16, 2010 |
| Settlement: | T+ 10; December 1, 2010 |
| CUSIP: | 22282EAD4 |
| ISIN: | US22282EAD40 |
| Denominations/Multiple: | \$2,000 x \$1,000 |
| Ratings (Moody s/S&P): | Ba3/B |
| Joint Book-Running Managers: | J.P. Morgan Securities LLC Merrill Lynch, Pierce, Fenner, & Smith Incorporated Barclays Capital Inc. Citigroup Global Markets Inc. |
| Joint Lead Managers: | Credit Agricole Securities (USA) Inc. RBS Securities Inc. |
| Co-Managers: | HSBC Securities (USA) Inc. Mizuho Securities USA Inc. TD Securities (USA) LLC |

Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling collect 1-212-270-3994.