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PRESENTATION

Tom Gorman - *Brambles - Chief Executive Officer*

Well good morning everyone. I'm Tom Gorman. I'm the CEO of Brambles and thank you for joining us for today's presentation. I'll start today's presentation with the business update before touching on a few highlights of our result for the financial year that just ended June 2011.

I'll then hand over to our CFO, Greg Hayes, to discuss the results the in more detail and present our outlook statement for the 2012 financial year. I will then be back on stage and finish with a few slides on strategy with a particular focus on how we are repositioning Brambles to develop and grow as a global pooling solutions company.

First to the business update and results highlights. Our strategy is to expand Brambles' global pooling solutions business. As we have announced this morning, this means that we intend to divest the Recall information management business. To create accountability of the delivery of our strategy, we are reorganizing the pooling business in line with our three product categories, those being pallets, reusable plastic crates which we often refer to as RPCs and containers.

The opportunities to invest for growth in these businesses are compelling. Over the 2012 and 2013 financial years combined, we have forecast growth capital expenditures of $550 million to continue to grow the RPC and container businesses and to expand the pallets business into emerging markets.

This is in addition to the normal growth investment in our pallets business in the developed markets that we use to support new business wins. The reorganization will enhance our ability to delivery efficiencies over the coming years, in particular in pallets, including from the integration of IFCO. In total we are targeting $100 million of efficiencies by the 2015 financial year including $40 million of IFCO synergies by financial year 2014.

Now moving to the 2011 results. We delivered profitable growth in line with our guidance. Despite very challenging conditions, we continue to achieve a strong rate of new business growth. Sales revenue was up in all of our business units and the IFCO business which we have owned now since March 31 of this year is performing well and integration is on track.

Let me now share some more detail about the changes that we are making to deliver our growth strategy. We are taking several key steps over the past two years and this slide depicts those actions.

In October 2009 we introduced the Better Everyday program to address quality and service challenges in the CHEP USA pallets business. That program is now more than halfway through its three year implementation phase. It continues to deliver for our customers as shown by our new business growth including business we are winning back from competitors.

Secondly we've analyzed the global CHEP developing a fact base and devising a long term strategy built on the premise that we can deliver growth by leveraging the strength of our pooling expertise to expand into new segments. Fundamental to this strategy is diversification of our product and service range as well as continued geographic expansion into emerging markets.

This strategic focus led us to acquire IFCO, the world's leading RPC pooler and the largest operator of pallet management services in the United States. We completed that acquisition effective 31 March of this year. On a proforma basis, RPC now represents 13% of our sales and that compares to 4% of the acquisition. Today's announcement to divest Recall allows us to focus completely on pooling.

We are in an excellent position to implement our strategic because of our unique expertise and our strong geographic footprint, our strong customer relationships and financial position.

Focusing on the Recall divestment. We believe a divestment of Recall will create considerable value for our shareholders. Recall is an attractive acquisition for numerous buyers. It has a robust growth profile in both physical and digital storage and a record of delivering growth and improving margins and returns. Its growth outlook for the 2012 financial year and beyond is solid. It continues to increase sales and deliver efficiencies. We have completed a detailed assessment of the various divestment options including a private sale, a de-merger or a public share sale on an US exchange. It is clear to us that a private sale is the most compelling option in terms of both simplicity and the potential pricing outcome.

Now although market conditions have been volatile in recent weeks, the indications remain that there will be strong interest and that we can complete a sale at an attractive price.

We have the right organizational structure. Having the right organizational structure is truly imperative to our growth strategy and it's imperative to delivering efficiencies.

That is why we're announcing today that we're moving forward to reporting in line with our three product categories, those being pallets, RPCs and containers as shown on this slide. This slide depicts those three product streams and more importantly their corresponding customer segments. Moving from left to right, we have a very fast growing global RPC business which serves the fresh food sector and incorporates both IFCO and CHEP RPC operations. This business unit will be run by Karl Pohler who has been CEO of IFCO for more than 10 years.

We expect top line growth in this business of at least 15% in each of the 2012 and 2013 financial years. Our global pallet business spans many customer groups but generates most of its revenue from the consumer product sector. Now in order to deliver improved efficiency as we grow, we are unifying our operations, logistics and marketing functions across the pallets business which we will structure as follows.

CHEP Americas which now will include the IFCO pallet management services business will be led by Peter Mackie who will move from his current role as head of CHEP Asia Pacific. We will group the EMEA and Asia Pacific pallet businesses under the leadership of our current CHEP EMEA head, Dolph Westerbos.

In containers, we will report our operations in intermediate bulk containers, the automotive sector, the aviation sector and our chemical and catalyst containers business as one unit. Now the transition to a single global containers organization will be gradual and it will dependent upon the achievement of growth and scale in each one of these segments.

We are extremely excited about the opportunities all of which offer strong return profiles and extremely attractive market dynamics. The new organization structure that we're announcing today will enable us to deliver a more efficient operation globally. We have identified $40 million of annual cash synergies from the IFCO integration to be delivered by the 2014 financial year. About $5 million of that amount comes from the rationalization of the CHEP RPC network in Europe which is achievable during the financial year of 2012.

We will deliver the remaining $35 million from the US pallet business progressively predominantly from plant network optimization and logistics efficiencies. In addition to these identified synergies, we are going to continue to push for additional benefits particularly in the area of improved asset control.

Now independent of the IFCO synergies, we have identified $60 million of incremental efficiencies to deliver progressively in the global pallets business by the 2015 financial year. I'll provide more detail on this initiative later on in the presentation.

Now these savings are in addition to the efficiency gains we make in the normal course of business to offset inflationary cost pressures, to fund quality improvements and product innovations. They are also independent of the continued efficiencies we expect to deliver in financial year 2013 under the Better Everyday program which is under way in CHEP USA.

The global operations and logistics function under the new structure for the pallets business will report to Peter Mackie in CHEP Americas. He will be responsible for delivering these efficiencies.

Now let me now shift gears and turn our focus to the 2011 result. Please note, unless I state otherwise, financial information is at actual exchange rate and shown in US dollars.

Now despite the economic conditions remaining challenging, we continue to deliver profitable growth for our shareholders. Sales revenue was up 13% to almost $4.7 billion reflecting ongoing new business wins, the inclusion of IFCO for the last three months of the year and some foreign exchange benefits.

On a constant currency basis and excluding IFCO, sales revenue was up 4% with growth in all business units consistent with the guidance we gave one year ago. Our underlying profit which excludes significant items was up 17% to $857 million. Now this reflects some margin improvement, in particular in CHEP Americas as we reduce the cost of the Better Everyday program to delivering efficiencies in line with our plans.

Now this result translates to $761 million using the June 20 2010 exchange rates. This in line with the midpoint of our guidance prior to IFCO and significant items. Operating profit after significant items was $809 million which was up 12% while earnings per share was up 3% to $0.329.

The difference in growth rate reflects the higher interest in tax expense as well as an increase in shares on issue, all reflecting the impact of the IFCO acquisition. Total dividends declared for the year are AUD$0.26 including the AUD$0.13 final dividend which we declared today. In total, dividends are up 4%.

Now a key metric for Brambles is the rate at which we are winning new business. I'm very pleased to report that our momentum here is very strong. The total proforma contribution in the 2011 financial year of net new business, that is the revenue impact in the period of the new business won less the business that we've lost, was $173 million.

This figure includes a full 12 month contribution from IFCO of $63 million and very strong contribution from CHEP Americas as well as Recall. The annualized value of all net new business won during the 12 month period was $239 million. Again this included a notable contribution from IFCO and from CHEP Americas.

As we have reported, CHEP USA is expanding its business with existing customers. We're winning customers from the non-pooled pallet sector and we are winning back customers from our pooling competitors. Turning to CHEP Americas in more detail, you can see here that we delivered a solid 5% increase in sales to $1.6 billion with growth in the US, Canada and Latin-America.

We continue to sign new business with small to medium enterprises or SMEs as we refer to them, where we added 1387 new contracts and that's for customers with 100,000 or less annual issues. This is an increase of 34% over the prior year. Now we should note the positive impact that Costco's mandate for suppliers to use quality pallets has had on the growth with SMEs in the US, as it is driving smaller manufacturers away from one-way pallets toward a pooled solution.

SMEs in the US accounted for $29 million of the $79 million of the net annualized new business in CHEP Americas that I referred to on the last slide. If we're to adjust out the Costco effect, we expect normalized growth in the SME contracts to really be more in line with what we experienced in the 2010 financial year which was 13%.

In CHEP USA, the Better Everyday program is delivering a higher quality product and service level for our customers. Better Everyday costs came in at $84 million which is $11 million below the $95 million we forecast for the year and $25 million less than financial year 2010 in total. Underlying profit was up 17% to $278 million in CHEP Americas, in part reflecting the lower annual cost of the Better Everyday program as we move back toward a mid 20's profit margin for the CHEP Americas pallet business by the 2013 financial year.

Customers we won or extended contracts with during the period including ConAgra, Dole Fresh Fruit, Nature Right Berries, they were all win backs from a competitor in the US. We also expanded our business with Nestle, Unilever and as announced overnight, Coca-Cola Refreshments and Procter and Gamble in the US. Elsewhere we won or extended contracts with Ultima Foods which is the maker of Yoplait and Lassonde in Canada as well as numerous customers in Latin-America including importantly Unilever in Brazil.

Now CHEP EMEA delivered sales growth of 4% in the period to more than $1.5 billion. Although there was continued weakness in Spain where the struggling economy is affecting our top line and France where market conditions have been challenging, this was more than offset by the resilience of our UK business, continued penetration in many Western European countries and strong growth in the emerging markets. Underlying profit was up 2% to $337 million reflecting the increased spending on quality in the region to offset the aging of the pool has growth has slowed in major countries such as the UK and Spain.

Now despite the weakness of some of the European economies, we are continuing to win new business in particular in new markets such as Turkey where CHEP has added Procter and Gamble and Danone to the CHEP system, in addition to many local producers. In recent weeks we won an RPC contract with Carrefour in Turkey. CHEP has also added the DIA business for RPCs in Spain and a notable new business win in the period was with Arla Foods in the UK.

We have also recently won a contract renewal with Coca-Cola Enterprises which is the world's third largest independent Coca-Cola bottler and that covers France, the UK and Belgium as well as new business with Coca-Cola in the Netherlands.

Now moving on to CHEP Asia-Pacific. Within CHEP Asia-Pacific we delivered a 19% increase in sales revenue to $464 million, although this included a considerable tail wind from the strong Australian dollar. On a constant currency base, sale revenue was up 6%. Our emerging Asian business continued to increase penetration in both the fast moving consumer goods and the automotive sectors.

Sales revenue growth remains strong in Asia. Now albeit off a relatively low base, we were up 71% in China, 200% in India and 25% in South-East Asia. RPC volumes continue to increase in both Australia and New Zealand. Our underlying profit in Asia-Pacific was up 25% to $98 million. Now key wins in the period in this region included food producers Moraitis and Sanitarium in Australia, JS Ewers in New Zealand as well as the retailers Tesco and CRV in China and Walmart, Tesco and Carlsberg and numerous automotive components companies in India.

Now before I move on to the IFCO result, this slide presents a quick update on the acquisition timeline. We took ownership on 31 March and between then and the 31 July, we completed integration planning and confirmed our synergy targets. During that period, we also repaid IFCO's outstanding high yield bond. The next steps are for IFCO to take management control of the CHEP RPC businesses and for CHEP Americas to take management control of the IFCO pallet management services business.

Now both of these actions are scheduled to occur on 1 October. Shortly afterwards on the 12 October, IFCO is scheduled to de-list from the Frankfurt Stock Exchange. We expect to complete the compulsory buy-out of all remaining IFCO minority shareholders by the end of the 2010 financial year. Our current IFCO holding is more than 99.5%.

Now looking at IFCO's performance. IFCO's performance since we acquired the company has been solid and importantly in line with our expectations. On a proforma basis, IFCO sales revenue for the year was up 10% to $838 million. This included a 17% increase in RPC sales revenue to $503 million and a flat outcome in the pallet management services business of $335 million.

Margins were up reflecting pricing and efficiency gains and proforma underlying profit was up 22% to $123 million. Now please note that this proforma data excludes the amortization of identified intangible assets that Brambles charges against IFCO's profit. The RPC business increased its penetration in all regions adding customers including Carrefour in France, Spar in Austria, Mercator in Slovenia and divisions of Food Lion, Safeway and Whole Foods in the United States. We forecast that the combined IFCO and CHEP global RPC business unit will deliver at least 15% sales revenue growth per annum over the 2012 and 2013 financial years.

Finally moving on to Recall. Recall also delivered a very strong result with a 10% increase in sales revenue to a record $815 million reflecting ongoing growth and demand for both physical and digital storage. Carton growth in the core document management solutions business was up

5%. Recall is delivering continued cost and operational efficiencies enabling an improvement in margins and a 17% increase in underlying profit to $145 million. Returns and momentum continue to improve at Recall.

As a result of the strategic planning process we undertook in the run up to the decision to divest, Recall is concentrating more on its core document management operations and it's carried out a substantial overhead cost reduction in the past month. We are confident that these characteristics will be attractive to buyers and that we will achieve a very satisfactory outcome for our shareholders throughout the divestment process.

It's now a pleasure of mine to hand over to our CFO Greg Hayes. Greg will discuss our 2011 results in more detail as well as taking you through our outlook for this year. Thank you.

Greg Hayes - ***Brambles - Chief Financial Officer***

Thanks Tom and welcome everybody. Let me start with an overview of the results and as usual, unless otherwise stated, I'll be using currency comparisons. Brambles group sales for the year to June 2011 increased by 9%. A little over half of this was due to contributions from the acquisitions during the year, IFCO, Unitpool, CAPS and the most recent one, JMI. Excluding these acquisitions, sales grew by 4%.

The three CHEP regions and Recall all delivered increased sales. It is pleasing to report that the majority of the sales growth was due to $110 million of net new business wins contributing 3% of the growth. This shows our ability to continue to win customers even when economic conditions are tough. Underlying profit was up 12% excluding significant items.

The profit outcome reflects the contribution of higher sales across all businesses and reduced costs relating to the Better Everyday program in CHEP USA. The majority of the significant items in 2011 related to the costs incurred on the IFCO acquisition and costs to be incurred on the integration of the IFCO business with CHEP. There is a slide in the appendices detailing significant items.

Profit before tax has increased by 7% with interest expense higher by $14 million principally because of funding costs for the IFCO acquisition. Average borrowings increased compared to 2010 due to the acquisitions during the year.

Profit after tax has increased by 3% where the effective rate at 30.8% was higher than the prior corresponding period due to the IFCO acquisition and some of the integration costs which no tax relief was available. The effective tax rate at underlying profit of 28.2% was broadly in line with 2010.

Cash flow from operations was lower by $209 million or 24% on the prior year at constant exchange rates. While free cash flow after dividends also reduced. I'll cover this in more detail later. Our BVA grew $40 million on the prior year due to the increase in underlying profit.

This waterfall chart shows that sales grew by 9% on a constant currency basis. The acquisitions of IFCO, Unitpool, CAPS and JMI contributed an incremental $233 million of constant currency sales. IFCO contributed $216 million of this in the three months since its acquisition. CHEP and Recall sales growth of 4% was largely driven by $110 million of net new business wins with all business units contributing.

Prices were relatively flat due to subdued conditions in our material markets and organic growth contributed 1% to CHEP and Recall sales growth as volumes in our mature market were relatively flat. Again, because of the subdued conditions.

Now I'll look at the performance of the CHEP businesses. CHEP achieved over $3.5 billion of sales revenue up 4% with all business units delivering growth. Underlying profit was up $42 million or 7% to $687 million with a small improvement in profit margins. Significant items were primarily related to the integration of IFCO with the CHEP business. There was also a small amount of facilities and operations rationalization costs. CHEP Americas sales grew by 4%. Net new business wins contributed over half of this growth, $37 million of constant currency sales. CHEP USA delivered 1% growth, Canada 5% and Latin-America a strong 14%.

New business wins in CHEP USA offset the impact of losses in the prior year. Price and mix were relatively flat principally driven by the continued competitive conditions in CHEP USA. There was some price growth however, due to increased sales to small to medium enterprises in the US and robust economic conditions in Latin-America. Organic volume was up 1% largely driven by the growth in Canada and Latin-America. Organic growth in CHEP USA grew 0.5%. In CHEP EMEA sales were up 3% in the year. Within this result, Europe was up 1% and Middle Eastern Africa up 17%.

Unitpool contributed $12 million of sales for the year. Across EMEA price was up 1% resulting from inflationary price increases in Africa and price indexation in certain European countries. Organic volumes also contributed 1%. Growth in Africa, the automotive sector, some developed countries and the emerging economies was tempered by declines in pallet volumes in Spain and France.

The loss of Carrefour to IFCO resulted in RPC sales falling 16% over the year. Net new business wins contributed 1% sales growth. For CHEP Asia-Pacific sales were up 6% in the year, mainly as a result of growth in the FMCG and automotive sectors in our emerging Asian operations. There was also growth in the Australian RPC business and modest price increases reflecting CPI increases in Australia and New Zealand.

Now turning to operating profit, the 4% sales growth in CHEP Americas included $25 million of improved volume, price and mix. This was mainly driven by the strong volume growth in Latin-America and new business in the US. Better Everyday costs fell $$25 million to $84 million reflecting the benefits of efficiency programs. These costs were below our previous guidance principally because of supply chain efficiencies. Now there is a slide in the appendices covering Better Everyday.

Direct costs over the year increased by $8 million in total. This was principally due to transportation and maintenance costs in Canada to assist customers in transitioning from stringer to block pallets to meet a mandate from Costco and costs incurred to grow the Latin-America and USA businesses.

These totaled $17 million for the year. They were offset by a reduction in storage costs in CHEP USA in the 2011 financial year of $9 million where we have worked aggressively to reduce our excess pallet balance in CHEP USA and the corresponding storage costs. Idle pallets in storage in CHEP USA average 2 million during the year and the balance was cleared by the end of the financial year.

The increase in the other category was primarily due to costs associated with growing our automotive containers and lean logistics businesses. CHEP EMEAs operating profit was down $16 million due to an $18 million in significant items related to rationalizing the CHEP RPC operations after the IFCO integration. The profit impact of top line growth coupled with cost efficiencies in the period more than offset increased spending on quality. As we have mentioned previously, we've been increasing our expenditure on quality in EMEA partially reflecting an increase in the average age of the pallet pool in its developed markets and importantly to continue to provide a pallet and an appropriate standard for our customers. The impact in a year was $22 million. The increase in other costs was mainly due to investments in emerging Europe to support growth.

CHEP Asia-Pacific's operating profit was up 8%. Volume, price and mix contributed $15 million driven by growth in Australia and New Zealand RPCs and in China in pallets and automotive containers. This was combined with organic growth and some price growth in all markets. Direct costs were higher primarily reflecting investment in China and India and increased pallet repair and in cost inflation in Australia.

I'll now briefly touch on IFCO's results. Now all the data shown on this slide is using actual FX rates and includes some additional proforma data for the full 2011 financial year compared with 2010. Note that the IFCO proforma data is taken from IFCO published data and does not include the amortization of identifiable intangible assets that were created on Bramble's acquisition.

There is a slide in the appendices that outlines the ongoing amortization charge against the IFCO profit. IFCO contributed $230 million of sales to the Brambles Group in the three months since its acquisition on 31 March 2011. Underlying profit was $33 million which included $6 of amortization of non goodwill intangibles recognized on acquisition.

This underlying profit excluding the $6 million of amortization and at June 10 exchange rates was towards the lower end of the guidance we gave for IFCO in May because of issues with E. coli which did not directly involved IFCO but disrupted flows of fresh produce in Europe in June and the flow on impact of poor weather in the US RPC business.

In the full year to June 2011, IFCO achieved 10% sales growth which was driven by net new business wins in its RPC business primarily Carrefour and Spar in Europe. Pallet management services was broadly flat reflecting the flat conditions in the US economy and ongoing competitive activity. Profit margins improved benefiting from increased average prices per trip and reductions in overheads.

Now I'll move on to Recall which had another good year. There was a 5% sales growth with improvement in all regions reflecting ongoing growth in the storage of physical and digital information. Annualized carton grew 5% due to expansion with new business wins in the Americas and Europe. Higher average paper prices also contributed however they were offset in the secure destruction business by reductions in volumes. Growth in the rest of the world was impacted by a reduction in document management solutions activity in Australia and lower destruction volumes.

Operating profit improved $13 million or 10% and the profit margin improved. This slide is a waterfall chart showing the components of Recall's 10% in operating profit. Volume, price and mix more than offset increased property expenses appearing in direct costs and other costs including the expansion of Recall sales force and investments in IT.

Let's move on to our cash flow performance and financial position. Again note that this slide is at actual foreign exchange rates. Operating cash flow at $725 million was $157 million lower than the 2010 financial year due to a $268 million increase in capital expenditure.

Free cash flow after financing costs and tax and dividends were $79 million down to $265 million on the prior year. Increased capital expenditure occurred in all business units to support growth. CHEP's capital expenditure increase was to support growth in emerging markets including China, India, Central and Eastern Europe and Latin-America as well as the continued rollout of new pallets and platforms. In addition to supporting growth in emerging markets, this increase in capex was due to the relatively low levels of capital expenditure required in CHEP's mature markets during 2008 and 2009 as idle pallets were utilized following customer de-stocking.

Recall has made investments in expansion in new and existing facilities and in IT and security systems. We expect capital expenditure to continue to grow in financial year 2012 to around $1 billion which includes the investments for growth in emerging markets, RPCs and containers, that Tom will talk you through later.

We continue to control working capital tightly and the IPEP expense fell $6 million on the previous year when there was a higher charge as a result of the closure of some audits. We expect 2012 financial year IPEP expense to be at a similar level to financial year 2011. The change in the provisions in other category reflected lower bonus payments and several non-recurring items in the 2010 financial year.

Cash out flows on significant items related to restructuring expenditure most of which we provided for in financial year 2009 and acquisition related costs in financial year 2011. Tax paid increased due to the profit increase and the timing of some tax installments and interest paid increased in line with the increased interest expense and $48 million of costs associated with repaying IFCO's high yield debt.

Dividends paid net of our DRP increased on the prior year due to an increase in the 2011 interim dividend and the stronger Australia dollar which was partially offset by an increased take up of the dividend reinvestment plan to 40%. When looking at our financial position, you can see that net debt at 30 June 2011 was around $3 billion, up $1.2 billion from June 2010 mainly reflecting the acquisition of IFCO.

Net debt to EBITDA was 2.2 times up from 1.5 in the 2010 financial year. This was expected and reflects the part year contribution of IFCO to EBITDA. EBITDA interest cover remain good at 10.5 times. Exposure to interest rate rises is limited as around 60% of group debt is at fixed rates. Total committed credit facilities stood at $4.4 billion at June 2011 with a $1.4 billion of that undrawn. The duration of our debt portfolio was 4.1 years at 30 June 2011.

The proceeds from the Recall disposal will in the first instance, allow us to utilize the funds to grow our pooling businesses and repay some of our debt in order to ensure we preserve our existing credit ratings. We expect capital expenditure to grow again in the 2010 financial year to support the additional investment required to grow our RPC containers and emerging markets pallets businesses. This investment is expected to be $550 million over the 2012 and 2013 financial years combined. In comparison, we incurred $140 million of growth capital expenditure in these areas in the 12 months end of June 2011 in CHEP and IFCO.

We also expect an increase in pallet capex in CHEP USA as the excess pallets utilized in previous years have now been all put back into use. Further additional opportunities for growth are also expected to be identified during the 2012 financial year.

The timing of the sale of Recall during the 2012 financial year is not entirely clear. It's dependant on the state of the financial markets in particular. We will be prepared to move quickly when conditions are appropriate to launch the sale process. In line with the decision to divest Recall, we are suspending the dividend reinvestment plan.

When we receive proceeds from the sale we will repay debt in line with our target for net debt of less than 1.75 times EBITDA and our board remains committed to maintaining our BBB+ and Baa1 credit ratings.

We will consider other capital management initiatives when we have an outcome on Recall but we do not expect this to occur before our interim results in February 2012.

Now let me move on to our outlook for the 2012 financial year. We expect continue sales growth in all business units on a constant currency basis despite ongoing subdued conditions in some of our key markets. In pallets we will continue to expand in emerging markets, deliver new business and target price growth opportunities. In RPCs, sales growth will continue to be supported by new customer wins in both Europe and North America.

In containers, our growth forecasts are very positive and we will continue to invest as we build our global presence. We expect it to take three to five years for the incremental investments to reach our target return on investment levels of in excess of 20%. It should be noted that there is a forecast negative profit impact in 2012 of around $20 million to seat our containers business and additional innovation and business development spend.

Recall will continue to grow its core business largely driven by new business wins in document storage and reductions in overheads as the business focuses on its core operations.

Now subject to unforeseen circumstances in economic uncertainty, we expect underlying profit excluding significant items for the 2012 financial year to be in the range of $1.04 billion to $1.1 billion using 30 June 2011 exchange rates. Now this assumes the full year underlying profit contributed from Recall of between $180 million and $195 million and an estimated $24 million amortization charge against intangible assets resulting from the IFCO acquisition. At these exchange rates our 2011 full year underlying profit would have been $882 million. So our guidance represents growth of between 18% to 25%.

We expect full year interest expense of approximately $160 million and a tax rate of about 29%. A note on our segment reporting under the new organizational structure. This will be driven by our three product categories, pallets, RPCs and containers, with the pallets business analyzed between three regions, Americas, EMEA and Asia-Pacific. We will continue to provide additional disclosure on the performance of selected countries and service lines in our results.

Now we will provide five years of historic segmental data for the new reporting structure by the end of November this year. Now I'll hand back to Tom and thank you very much.

Tom Gorman - *Brambles - Chief Executive Officer*

Well thanks very much for that Greg. Now I'd like to give you a little bit more detailed commentary about our strategies to reposition Brambles to expand as a global pooling solutions company. Now as I discussed at the very start of the presentation, we're going to restructure our business in line with our three product categories, those being RPCs, pallets and containers.

Now this will align us far more closely with the customer groups we serve and allow each business to focus on its own strategic priorities delivering continued strong growth in RPCs, growing revenue and delivering efficiencies in the pallet business and building a global business unit in the container sector where we are relatively small today but in which we believe the opportunities are considerable. The sale of Recall will release capital to allow us to invest in these opportunities.

Now as shown on this slide, we have forecast $550 million of investment opportunities over the 2012 and 2013 financial years. This is in our emerging market pallet business as well as in RPCs and in containers. Now all three of these opportunities offer long term returns of 20% plus on capital invested for organic growth. Now this is in line with our existing pallet pooling operations today.

We expect to identify additional investment opportunities as we deliver on our strategy over time. Let me start by discussing the pallet business in some more detail. The investment opportunities in emerging markets account for about $200 million of the $550 million of organic growth investment I mentioned on the previous slide. This business also accounts for $95 million of the $100 million of efficiencies we intend to deliver over the next four financial years. This includes $35 million of the $40 million of IFCO synergies in the US and $60 million of efficiencies elsewhere in the global pallets business.

We expect to deliver this $60 million of saving through implementing standardized automation processes in our service centers around the world and also from plant operations efficiencies in the USA business. In addition to the efficiencies we expect to deliver as part of the Better Everyday program, as that program matures.

In addition, we have identified opportunities for further optimization of our service centre network in Europe and from logistics optimization in EMEA and Asia Pacific regions.

As I said earlier, we are organizing to deliver these efficiencies through our new structure, with a centralized team accountable for logistics and operations globally and they will be reporting to Peter Mackie and they will be accountable for achieving these savings.

Now here is a recap of our estimation of the total US pallets opportunity. It's updated now to include IFCO's Pallet Management Services business.

As we first indicated at the 2010 result, we estimate that the total addressable market for Chep's pallet pooling model at $2.3billion in annual sales revenue, of which Chep currently has approximately $1.1billion. We estimate that about $100milliion of IFCOs Pallet Management Services revenue falls within this poolable 48 by 40 inch pallet market, alongside about $200 million of additional revenue in the Pallet Management Services businesses, which is accounted for by other poolers and $900 million of additional opportunity.

The other $200 million of IFCO's revenue, that is the 200 included in the Pallet Management Services business, actually falls within part of the 48 by 40 market that is not suited to pooling, which is highly fragmented and localized and within which there is a further $1billion of annual revenue.

The key short term opportunity for Brambles, now that we own both the leading pallet pooler and the leading provider of non-pooled one way pallets, is obviously to continue to grow into the total $3.5billion opportunity in the 48 by 40 inch space and to provide customers with the most appropriate solution to meet their needs, at the same time as we optimize the sales revenue that we generate.

It is not a case of maximizing pooling volumes at the expense of white wood business or vice versa. It is more a case of ensuring that we are maximizing the return on Brambles invested capital. For example, by working with our customers to minimize the flow of pooled pallets into the non-participating distributor channel.

The Chep USA and IFCO sales teams are working together very constructively on these opportunities and we're optimistic about the potential for improved returns in our US pallet business as a result of this cooperation.

There are also opportunities to continue to expand our range of pallet size offering, as we have done so successfully in other regions around the world.

Now let's move to the opportunities within RPCs. Now as part of our integration exercise with IFCO, we have reassessed our RPC market sizing estimates for IFCO's major markets. The largest market is in Europe where the combined IFCO and Chep RPC business accounted for about $430 million of a total $3.4 billion annual sales revenue opportunity.

All poolers combined still represent only about 22% of the total addressable market. The biggest opportunity remains to continue to expand RPC use by converting retailers away from proprietary pools and non-reusable solutions.

There is scope for additional growth in Western Europe and central and eastern Europe, such as through the Carrefour contract in Turkey, which as I said early, the Chep team won in July. This will become the responsibility of IFCO from October 1.

In the USA, RPC penetration remains at just 10% of the total opportunity of about $1.9billion. With IFCO, again here the clear market leader, an ongoing conversion of RPC use among American retailers.

In South America, the market is less developed so our estimates of the total size of the addressable opportunity are smaller here. Today, penetration of the $410 million revenue opportunity is only about 10%. Once again, IFCO is the largest pooler with strong presence in the three main markets of Argentina, Brazil and Chile.

Now, in addition to the data on these slides, we generate approximately $100 million of revenue each year through Chep's RPC business in the Asia Pacific region and in South Africa.

Our forecast growth investment of $230 million in RPCs over the 2012 and 2013 financial years is expected to support anticipated growth of 15% in sales revenue in each of the 2012 and 2013 financial years. This forecast includes our RPC operations in South Africa, Australia and New Zealand.

We expect continued expansion in all markets, including Western Europe and the US, as well as central and eastern Europe and Latin America.

Now moving onto the containers business, in which there are a number of very exciting opportunities.

Our containers business will comprise our operations globally, serving automotive and the aviation sectors. It will include our IBC business, which also includes CAPS, and our catalyst and chemical containers business in the US.

We have three main focus areas for investment. Continuing to establish our US auto operations, the expansion of our North American IBC business and the global expansion of our aviation business.

Our anticipated combined growth investment over the 2012 and 2013 financial years, in these three areas of focus, is $120 million. A figure that will likely increase as we uncover additional opportunities. Combined, we anticipate sales revenue in these three focus areas will double in each of the 2012 and 2013 financial years, to reach $100 million by the end of 2013.

Now, creating a separate business unit to give the containers operation the accountability and focus will help us achieve these targets. Our long standing businesses in this sector, particularly the established automotive markets and the CCC business in the US, are today profitable.

Looking at the automotive business more closely, we have seen a continued recovery in our preexisting non-US operations, which delivered a 15% increase in sales revenue in the 2011 financial year, to $147million on a constant currency basis.

There was continued growth in emerging markets, despite the impact on global production of the earthquake and tsunami in Japan in March, and we were able to add several important new customers, such as Autoliv, Bosch and Continental in the emerging market of India.

In the US operations, as we announced last month, the compact industrial vehicle manufacturer, Bobcat, has become our first customer and we have secured and begun servicing another contract in the commercial and industrial vehicle space.

Business development activity is considerable and we anticipate further growth in the 2012 financial year. We estimate that the addressable opportunity in the light passenger vehicle sector in the US alone stands at $580 million, reflecting $60 million of opportunity among potential customers that are looking to replace one way packaging and a much larger $520 million opportunity to convert pools that are currently managed by the automotive manufacturers or their component suppliers.

This remains one of the most compelling growth opportunities for Brambles in the medium to long term and the growth investment in the next two years may well increase relative to what we have forecast today.

Now moving on to the aviation sector, we have now made two acquisitions to create the leading independent provider of aviation container pooling services worldwide. We announced Unitpool in August 2010. The acquisition that we announce today, JMI Aerospace, will create an end to end pooling services business in aviation, with both maintenance and repair capabilities. Very similar to our other pooling businesses.

JMI has repair, maintenance and technology service operations for non-flight critical aviation equipment in New Zealand, Australia and California. Serving customers including Qantas, Air New Zealand, Virgin Australia and Jetstar.

Now this is key to our growth strategy as it will enhance our got to market offerings in the container services and also add capabilities in other non-flight critical equipment, such as galley carts.

Unitpool's strong growth under Brambles ownership has included signing new contracts with airlines, including major network carrier SAS, as well as Gulf Air, National Air Cargo, Corsair and Hi Fly, leading to an increase of almost one third in the size of its pool to 42,000 containers.

Now the volume growth in Unitpool's business is supporting product innovation, with many customers now transitioning to state of the art, lightweight containers, made from composite materials, which deliver considerable fuel and cost savings.

We expect very strong continued growth in this business.

We estimate the value of the aviation container sector alone stands at $430 million, which is approximately 900,000 unit load devices. Our current business has only 5% share but it is the largest non-airline owned player and is in a unique position to drive consolidation in this space.

Now, in bulk goods, our preexisting IBC business in EMEA and Asia Pacific, currently generates $59million of annual sales revenue. CAPS, the Michigan based North American IBC business, which we acquired in January of this year, complements these operations.

CAPS has integrated the small preexisting Chep America's IBC business and the CAPS team is performing very strongly. It has just signed a large contract with the pizza supplier, Great Kitchens, and is on track for further strong growth in sales revenue in each of the 2012 and 2013 financial years.

We estimate that the total US IBC sector to be worth approximately $4billion, of which the sectors we are targeting directly account for about $600 million.

Now this opportunity is still highly fragmented, both in terms of the types of containers in use and the number and types of suppliers. So the long term opportunities given are preexisting network and customer relationships, we believe, are very large. Especially as many of the target users of IBCs are already in fact users of our pallets.

Now let me move on to a review of the emerging markets.

Combined, our emerging market sales revenue was up 26% to $563million in the 2011 financial year. Or about 12% of our total revenue.

The largest emerging market business, Latin America, delivered a 21% increase in revenue, to $279million. We are continuing to convert pallet users to our pooling systems in Mexico and major South American economies.

We are expanding into smaller central American countries, such as Costa Rica and El Salvador.

The Middle East and Africa operations, including Chep's well established South African operations, delivered a 27% increase in sales revenue to $169million, as South Africa continued to deliver stronger revenue and we expanded our operations in the Gulf states in the Middle East.

Emerging Asia, which incorporates South East Asia, China and India, delivered a 43% increase in sales revenue, to $69million, as Chep's pallet and automotive operations in all countries, in particular in China, continue to grow rapidly.

Central and eastern Europe delivered a 28% increase in sales revenue to $46million, with a particularly strong contribution from the newly established Turkish business and from the largest business in Poland.

In 2012, we expect to expand into Romania and Bulgaria. We anticipate annual sales revenue growth of about 15% in these markets, combined in each of the 2012 and 2013 financial years, as we continue to invest. And as I said earlier, we plan to invest $200 million of growth capital over the 2012 and 2013 financial years.

So now let me summarize, before we move on to Q and A.

The key outcomes for Brambles in 2011 financial year were as follows. First the delivery of our sales and profit guidance, despite ongoing challenging economic conditions, and very strong new business growth across all of our key operations.

We have acquired IFCO in line with our strategy to focus on our global pooling operations and to provide our three key product categories with specific focus and accountability and to divest Recall.

Our key targets for the 2012 financial year are strong underlying profit growth, increased organic growth investment in higher return opportunities in the pooling solutions business, the delivery of synergies from the IFCO integration and in our global pallets business and the successful divestment of Recall.

Thank you very much for your time this morning. We'll now open up for questions. Thanks.

QUESTION AND ANSWER

Greg Hayes - *Brambles - Chief Financial Officer*

Thanks, Tom. Everyone knows June and Jane either side of the room, have the microphones so please put your hands up and if you could make sure your state your name and organization before asking a question. If we could start here.

Operator

If you wish to ask a question on the phone, please press the star one at this time. Your next question is from Anthony Bolton from Credit Suisse.

Anthony Moulder *- CreditSuisse - Analyst*

Two questions, if I could. The first on developed markets, the US in particular, can you comment on competitive pressures in that market and whether or not you see, or foresee, the ability to get CPI type price increases in the USA in particular?

Tom Gorman *- Brambles - Chief Executive Officer*

Thanks for your question, Anthony. Look, I think there've been two significant changes competitively in the US pallet business over the last year and I think the market's well aware of both. Clearly, IGPS has been struggling, to a degree, and we have been able to win a significant amount of business back from IGPS.

I think their business model, as we discussed previously, we believe has some challenges with it and I think that's beginning to show. So from a competitive perspective, they're in a weaker position than we would've said a year ago.

On the flipside, however, PICO has been refinanced. Pritzker Family private equity, has put some money into that business and they continue to be competitive.

We do anticipate, you know it's still a very difficult economic environment in the United States. I think things are quite challenging on the organic front, as we've indicated, and the pricing environment will remain relatively muted still going forward in the US.

But undoubtedly, the shift in the competitive dynamic gives us a bit more room where we can really emphasize the value that we're bringing to the market place.

Anthony Moulder *- CreditSuisse - Analyst*

Thank you and my second question relates to the emerging markets. It looks like you're keeping the investment in the capital in emerging markets flat. Can you comment on the profitability that you're achieving in some of those emerging markets, particularly China, India?

Tom Gorman *- Brambles - Chief Executive Officer*

Yeah, look our growth continues to be very strong, as we've articulated, in all of the emerging markets, so when we talk about central and eastern Europe, Latin America and of course the Asian emerging markets, and we've identified today the incremental investment that we're going to make for organic growth in pallets to support those markets, which is significant.

We continue to grow aggressively in both China and India and as we've indicated our focus is to drive to profitability in China through this year. Profitability in India will be behind that, as we've entered India a number of years after we were in China. But the progress in China continues to be very good and we're pleased with the trajectory that we're on.

Anthony Moulder *- CreditSuisse - Analyst*

Thank you.

Greg Hayes *- Brambles - Chief Financial Officer*

On the slide with investment, Anthony, that's the growth capital that goes into the emerging markets. In those emerging markets there some quite substantial business, Latin America, South Africa for example. So the maintenance capital that goes in there isn't in that chart. That's actually just the growth capital.

Operator

Your next question comes from Matt Spence from Merrill Lynch.

Matt Spence - ***Merrill Lynch - Analyst***

Hi Tom. Greg talked about increased pallet costs in Europe and it looks like margins in the Europe business got crunched a bit in the second half. Is that pallet issue a one off?

Tom Gorman - ***Brambles - Chief Executive Officer***

Yeah look, I think what we've said repeatedly, is that we're going to continue to invest in quality around the world and very much we've done that and we continue to do that in every one of our business. If you look at the bridge that we've shared with you today, in Europe, typically what we try to focus on is a delivery of efficiencies, ongoing efficiencies, in our business to offset the incremental investment, whether it be for inflationary costs or to offset the investment in quality.

We've indicated throughout the year that we're not going to be able to deliver that level of efficiencies to offset the incremental costs in Europe, but in total, when you look at the growth in the business, we were able to basically hold our margins flat.

I think on an ongoing basis we'll continue to support our customers with a high quality platform solution but clearly the focus on delivering incremental efficiencies is where we're going to put our energy and that's really unchanged from our global position.

So margins essentially, in the EMEA business where flat year on year.

Matt Spence - ***Merrill Lynch - Analyst***

Just one final question. So just on the sale process, you've sort of indicated that you haven't actually opened the data room yet and you're waiting on the conditions to turn. So when conditions do turn, everything's in place to open the data rooms and kick the sale process off, is that right?

Tom Gorman - ***Brambles - Chief Executive Officer***

Do you want to respond to that?

Greg Hayes - ***Brambles - Chief Financial Officer***

Yes, I mean the process will be prepared for when that happens. We're not expecting it to happen in the next week, given the turmoil, but we'll be ready to go. I mean what we don't want to do is have an elongated process here. We want to start and be able to finish in the normal timeframe and so we'll wait until we have reasonable certainty that we'll be able to get a deal done.

Matt Spence - ***Merrill Lynch - Analyst***

Great, thanks.

Operator

Your next question comes from Simon Mitchell from UBS.

Simon Mitchell - ***UBS - Analyst***

Just on the $60milloion of synergies in the pallets business. It just looks quite similar to previous programs run by other management teams, in particular the investment in automation and the plants, similar to the perfect plant program which I think was stopped earlier than expected.

So what's different now and why have you been able to find extra opportunity?

Tom Gorman - ***Brambles - Chief Executive Officer***

I think the difference that - look, I wasn't around in that time period so it's just, I'm really speaking anecdotally here. I can tell you what we're going to do going forward. So on a global basis we have assigned and hard lined responsibility for operations and for logistics and in fact for strategic marketing within the pallet team to one individual.

So they will have complete responsibility on a global basis.

When companies fail to deliver these initiatives, I think it's because they don't ally responsibility and authority in the same individual. So Peter Mackie will have oversight for operations and logistics but Carmelo Alonzo will have global responsibility. So we'll make no investments in any automation without his approval. He'll be charged with driving consistency in our facilities around the world.

We'll be able to do a much better job benchmarking performance and the same will go on the logistics front. We'll be driving to common platforms on logistics and Carmelo and Dan Dershem, working together, we can really drive network optimizations around the globe in the pallet business.

I think when these initiatives fail in the past, in our company or in any company, it's because you don't align responsibility and authority directly and we're absolutely committed to doing that and we're in for the long haul here.

This is not the flavor of the month, this is really to deliver efficiencies in our core business.

Operator

Your next question comes from Russell Shaw from Macquarie.

Russell Shaw - ***Macquarie - Analyst***

Just two quick questions. With respect to those pallet efficiencies you're talking about with that $60 million. Would you anticipate any restructuring charges along the way?

Tom Gorman - ***Brambles - Chief Executive Officer***

Look, I think that some of that is still in front of us in terms of network optimization and so forth, but at the moment what we're really looking at is driving efficiencies primarily through the implementation of best practices.

There is a significant amount of change that we think we can implement. I mean if you just take a step back and look at the number of service centers that we have around the globe and just benchmarking and just listing them one against the other and understanding the differences in performance and then having one individual responsible, again with the authority to drive that, I think we're going to find that there's a lot of opportunity here.

As I referred to, if you look at our total cost base, just operations and logistics just in the pallet business alone, we're talking $1.8 to $2billion. So there's plenty of fertile opportunity for us to go chase efficiencies.

Russell Shaw - ***Macquarie - Analyst***

Then just with respect to the corporate costs and Recall potentially coming out. Do you anticipate much change there or is the, I guess the integration of IFCO and that new rewarding structure likely to lead to any change in that annual cost figure?

Tom Gorman - ***Brambles - Chief Executive Officer***

No, if you look at some of the corporate costs that, and particularly the stuff that Greg alluded to, look we are investing in the future of our company. So we continue to invest in innovation. A lot of that is managed centrally, here in Sydney, and then embedded in the operations. So we're committed to an ongoing platform of driving innovation in our business.

We clearly have costs in place to develop new business opportunities, not the least of which is what we're trying to do with the US automotive team. So there is a team in place, and we are putting some operating expense in ahead of revenue.

But we don't see any major change in terms of corporate costs with the divestment of Recall. Recall is very much a standalone business and in many ways it's very easy to take the Recall business out from underneath Brambles, it truly is standalone.

Operator

Your next question comes from Brendan Wong from Ausbuild.

Brendan Wong - ***Ausbuild - Analyst***

Just in relation to that first question on pricing. You talked about North America but can you talk about what sort of expectations you have for pricing outside of North America, given pricing hasn't really been talked about for some years at Brambles.

Tom Gorman - ***Brambles - Chief Executive Officer***

Look, I think if you look at the global economies and if you look at the top four or five markets that we participate in, so you're talking about the US, talking about here in Australia, you're talking about the UK, you're talking about Spain, Canada, France. Those sorts of markets.

I think the economic conditions are still challenging. I think it's incumbent on us to continue to exhibit to our customers the value that we deliver and we'll continue to focus on opportunities to take pricing where it exists.

But our future plans are not built on significant pricing in the near term.

Greg Hayes - ***Brambles - Chief Financial Officer***

Switch to the phones for some questions now, we can come back to the room afterwards. The first question on the phone is from Cameron McDonald from Deutsche, Cameron.

Operator

Your next question comes from Cameron McDonald from Deutsche Bank.

Cameron McDonald - ***Deutsche Bank - Analyst***

If I can, just the use of the proceeds of the Recall business. They're paying down net debt to EBITDA of 1.7 times. A quick calculation sort of indicates that that might be in the order of circa $400 million, is that sort of number that you're targeting?

Tom Gorman - ***Brambles - Chief Executive Officer***

Hi Cameron, how are you? I'll let Greg respond to that.

Greg Hayes - ***Brambles - Chief Financial Officer***

Did you just do that on the back of an envelope? It's a little bit higher than that but that's kind of the ballpark, yeah.

Cameron McDonald - ***Deutsche Bank - Analyst***

Okay, and then just on the RPC business. There is a report saying that Wal-Mart's considering moving RPCs to corrugated cartons again. So I'm just interested to know what implication that has and how big a customer Wal-Mart is in the RPC business.

Tom Gorman - ***Brambles - Chief Executive Officer***

Yeah, look I'm aware of the report that you're referring to and in fact the IFCO team has a very close relationship with Wal-Mart and we're continuing to grow with new and innovative packaging opportunities with them. Wal-Mart is an important customer of ours in the United States, through the IFCO team, but they are continuing to win business as we alluded to earlier with Food Lion, Safeway and Whole Foods. So the opportunity for us to grow the business in the US is quite significant.

Cameron McDonald - ***Deutsche Bank - Analyst***

Thanks.

Operator

Next question's from Andrew Gibson from Goldman Sachs. Andrew, please go ahead.

Andrew Gibson - ***Goldman Sachs - Analyst***

Hi, guys, just a few questions. First of all, can you provide a feel as to where you are currently on new pallet commitments per annum and, as a follow up question to that, just how you're tracking re identifying initiatives to reduce loss rates, particularly now that you've got IFCO in the fold?

Tom Gorman - ***Brambles - Chief Executive Officer***

If I understand your first question, you're talking about new pallet commitments for the coming year, is that your?

Andrew Gibson - ***Goldman Sachs - Analyst***

Yes.

Tom Gorman - ***Brambles - Chief Executive Officer***

As I think you guys know, we obviously track our pallet balances very closely and our balances are in good shape today and we have the ability to increase and decrease our pallet commitments relatively easily, so at the moment we have no issues at all with our pallet balances.

Given the level of volatility that exists in the markets, it's something that we're watching even more closely than normal and, at the moment, there are no major concerns on our part.

Andrew Gibson - ***Goldman Sachs - Analyst***

Sorry, just to clarify, that's new pallet commitments that you have with customers, so i.e. you need to deliver six to seven million new pallets into the pool per annum for particular customers?

Tom Gorman - ***Brambles - Chief Executive Officer***

Now I understand your question. I apologize. Yes, so I think in terms of, as you guys know, the normal replacement CapEx for us still runs in the vein of 6% to 8% of our pool and we haven't seen a significant change in that. Then, of course, if you look at our new commitments with customers, we're still getting a turn of about three times in the US and twice in Europe, so as we bring new customers on board we bring new pallets in that proportion.

Operator

Has Andrew dropped out? He had a question on loss rate as well.

Tom Gorman - ***Brambles - Chief Executive Officer***

That's correct, so Andrew's last question was any significant change yet in loss rates. As we alluded to in my prepared comments, the $40 million of synergies that we've identified for IFCO really do not reflect any impact in terms of asset control and loss rates. We still believe that this is a significant opportunity for us going forward and now that we'll transition, post October 01 Peter Mackie will have oversight for the US pallet business as well as the PMS business. We believe that this is an opportunity that we can continue to pursue, but, at this point in time, we haven't declared any incremental integration or synergies benefit associated with better asset management in the US.

Operator

The next question is from Scott Carroll from JPMorgan.

Scott Carroll - ***JPMorgan - Analyst***

Hi, Tom, just a quick question on the RPC growth target over the next two years. On the slide, you're not including Western Europe within that target, which is obviously a key market at the moment. I'm just wondering, firstly, what the outlook is for growth in RPCs in Western Europe and, if you're not growing there, you must be expecting some pretty strong growth from other markets. Just wondering what you're expecting to drive that.

Tom Gorman - ***Brambles - Chief Executive Officer***

There might be a slight misunderstanding that Western Europe is included, so we're talking a total RPC businesses including Western, Central and Eastern Europe, Latin America and the US.

Scott Carroll - ***JPMorgan - Analyst***

Okay.

Tom Gorman - ***Brambles - Chief Executive Officer***

If you look at the penetration and the big opportunities, the US is clearly a huge opportunity in terms of the size of the prize and the penetration that the IFCO business has today. Latin America also stands out as a very large opportunity and I have to say Central and Eastern Europe, as I indicated, the win that we got just a week or so ago with Carrefour in Turkey, the individual that actually won that contract was a CHEP employee. He will be now transitioning to work for the IFCO team and IFCO will have complete responsibility for integrating that win, and we believe there's a lot more opportunity in Central and Eastern Europe as well. But the Western European numbers are included.

Operator

We have one more question on the phone. It's from Scott Kelly from Morgan Stanley. Scott, please go ahead.

Scott Kelly - ***Morgan Stanley - Analyst***

Just a quick question regarding your Recall guidance for FY12, indicates growth of sort of 25% to 30% compared to the more like 15% to 20% over the last four years. Just wondering specifically what's driving the increase in the next 12 months.

Tom Gorman - ***Brambles - Chief Executive Officer***

I think there's two things driving that. Recall is continuing to grow, so there's top line growth that's driving that number and then, in addition, as we indicated, part of our strategy with Recall is really to have them focus on the core business and they have taken steps to significantly reduce their overhead cost structure and that is also reflected in the bottom line performance. So you're really getting two factors; top line growth and the flow through in margin and then an improvement in margin through significant overhead cost reductions that have already been implemented.

Scott Kelly - ***Morgan Stanley - Analyst***

Okay.

Operator

We might just switch back to the room. Are there any more questions in the room?

Scott Ryall - ***CLSA - Analyst***

Hi, Scott Ryall from CLSA. Probably one for Greg. Just in terms of the guidance, can I just clarify that I'm thinking about it the right way? Your footnote says your comparable underlying profit is $882 million versus your $857 million reported. I assume the difference is just the exchange rate.

Greg Hayes - ***Brambles - Chief Financial Officer***

Yes, we use June exchange rates as opposed to the average rates over the June financial year, which is what the $857 million is calculated on.

Scott Ryall - ***CLSA - Analyst***

Yes, alright, and then adding to the $882 million, am I right to look at an incremental kind of $150 million to $160 million from the -- no, what is acquisitions on top of that?

Greg Hayes - ***Brambles - Chief Financial Officer***

Say again?

Scott Ryall - ***CLSA - Analyst***

As opposed to organic growth?

Greg Hayes - *Brambles - Chief Financial Officer*

Well, you've got a full year impact effectively from the IFCO business as opposed to the three months. That's why we included the '11 and '10 full year proformas for IFCO, to give you an opportunity to kind of model that, but you can see that there's substantial increase.

I would say, though, that the fourth quarter financial year, so the April to June period for IFCO is a very positive one in their profits, so it's not as simple as just multiplying their last quarter by four.

Scott Ryall - *CLSA - Analyst*

Okay, but is there a rough split between the step up you're expecting in underlying profit which comes out about $160 million to $220 million? Out of that, what do you expect for the organic versus acquisition (inaudible).

Greg Hayes - *Brambles - Chief Financial Officer*

You mean acquisition other than IFCO?

Scott Ryall - *CLSA - Analyst*

IFCO, and you've done a few smaller ones, yes.

Greg Hayes - *Brambles - Chief Financial Officer*

Well we haven't separated that out. We've tried to give you a view on what we think the RPC business is going to grow. What I indicated was we'll come back with different segment analysis and it's not going to show IFCO because the pallet management services business will roll in under CHEP Americas and the rest of the global RPC businesses will roll in under the current IFCO management as a global RPC business. So it's going to be shown differently.

That's why we tried to give you an indication that we expect in excess of 15% growth out of the RPC business.

Scott Ryall - *CLSA - Analyst*

Thanks.

Tom Gorman - *Brambles - Chief Executive Officer*

Any questions in the room? Anything else on the line.

Operator

Nothing else on line or on the phone.

Tom Gorman - *Brambles - Chief Executive Officer*

Well if there's nothing else this morning, many of you will be in touch over the coming days and weeks. Thank you very much for joining us today. We appreciate it. Thank you.