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## Conference Call Transcript

**BIN.TO - Q4 2010 IESI-BFC Ltd Earnings Conference Call**

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**Operator**

Good morning. My name is Shannon, and I will be your conference operator today. At this time, I would like to welcome everyone to the IESI-BFC Ltd. fourth-quarter results conference call. All lines been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. (Operator Instructions).

Thank you. I would now like to turn the call over to Ms. Chaya Cooperberg, Vice President, Investor Relations and Corporate Communications. Ms. Cooperberg, you may now begin.

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**Chaya Cooperberg - IESI-BFC Ltd. - VP IR & Corporate Communications**

Thank you, and thank you all for joining us today. With me on the call are Keith Carrigan, Chief Executive Officer, and Tom Cowee, Vice President and Chief Financial Officer. We will be providing comments on our results for the three months and year ended December 31, 2010, and discussing our outlook for 2011.

But before we get started, I will read our Safe Harbor statement and also cover off some housekeeping items. Our remarks and answers to your questions today may contain forward-looking information about future events or the Company's future performance. Although forward-looking statements are based on what management believes to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with these forward-looking statements.

The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We also do not commit to continued reporting on items or issues that arise either during our presentation or in the discussion that will follow, except as required by applicable securities laws.

This information by its nature is subject to risks and uncertainties that may cause actual events or results to differ materially. Please refer to the bottom of yesterday's news release for further information and also to our previous filings for a more complete description of the risks affecting our business and our industry.

On this call we will discuss non-GAAP measures, such as adjusted operating income, adjusted EBITDA, adjusted net income, and free cash flow. Please refer to our press release for a definition of such non-GAAP measures. Management uses non-GAAP measures to evaluate and monitor the ongoing performance of our operations, and other companies may calculate these non-GAAP measures differently.

A telephone replay of this conference will be available until midnight on March 9, and those details for the replay are available in the news release. With that, I will now turn the call over to Keith Carrigan, Chief Executive Officer.

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Well, good morning, and thank you, everyone, for joining us today. As you can see, we are pleased with the results of our fourth quarter. We continued to demonstrate the power of our differentiated business model, and we are gratified to see the benefits of our combination with Waste Services.

Our strong revenue, adjusted EBITDA and free cash flow performance in the quarter helped us reach the top end of our guidance range for 2010. Revenue for the year increased nearly 42% to a record \$1.43 billion. Adjusted EBITDA grew 42.5% to nearly \$414 million, resulting in an EBITDA margin of 28.9% for the Company. Free cash flow increased 68% to \$191.3 million, representing 13.4% of revenue.

So by every measure, this was a milestone for our company. We completed the acquisition of WSI and have surpassed the upper end of our expected synergies. We further strengthened our network of assets through sizable strategic tuck-ins, adding York Disposal in the first quarter, SWDI in the third quarter, and Fred Weber in the fourth quarter.

We also continue to drive higher organic growth in both the US and Canada through our bottom-up focus on price, volume and productivity in densely-populated open markets.

In 2010, we laid the groundwork for another promising year. However, before we turn to our outlook for 2011, we will review the highlights of our fourth-quarter performance.

Total revenue in the quarter increased 63.8% to \$429.9 million, due in large part to our acquisition of WSI. Based on gross revenues, organic growth for the combined company amounted to 6.3% in Canada and 3.8% in the US. Note that we consolidate our gross revenue growth on a comparable basis, as if WSI's operations were combined with our own in both the current and comparable quarters.

Our Canadian segment delivered price growth in every service line, excluding industrial. While industrial pricing was down compared with the year-ago period, the increase in volumes drove gross revenue higher. The divestiture of certain assets in the current quarter also resulted in a decline in commercial volumes as expected.

However, higher pricing in our commercial service line in Canada more than compensated for the volume decline resulting from divested assets. Total price in Canada was 4%. Core price excluding fuel surcharge and commodities increased 2.4%, while volume grew 2.3%. Fuel surcharges

increased 0.9% and recycling prices increased 0.7%. Tuck-in acquisitions contributed another 2.7% to the quarter-over-quarter gross revenue growth.

In our US business, once again, including WSI as if they were part of our business in 2009, we realized total price growth of 2.5%. Core price grew 1% and volume grew 1.3%. Fuel surcharges increased 0.5% and recycling pricing increased 1%. Tuck-in acquisitions contributed 5.8% to the gross revenue change quarter-over-quarter.

WSI benefited the US South segment of our business, adding the Florida assets to our network. With the exception of slightly lower pricing in our transfer and disposal service line, pricing and volumes were up across all service lines in the South. While pricing was lower in our transfer and disposal service line, volume gains more than offset this decline. Higher fuel surcharges and other tuck-in acquisitions contributed to the balance of growth in gross revenues in this segment.

Gross revenues in our US Northeast segment also increased. All of our service lines, excluding residential, enjoyed higher price or pricing that was largely unchanged over the same period one year ago.

Recycling volumes were down slightly as were net transfer and disposal volumes, due in large part to the harsh weather conditions towards the end of December. Pricing was up in these lines of business. However, the impact of this volume decline in our US operations related to weather was a drag of 60 basis points to revenue and 70 basis points to EBITDA.

Our strong revenue growth translated into solid adjusted EBITDA. Adjusted EBITDA was \$123 million in the fourth quarter of 2010, versus \$75.4 million in the same quarter one year ago. Our fourth-quarter adjusted EBITDA margin was 28.6%, flat when compared to the same quarter one year ago.

We also generated higher adjusted net income quarter-over-quarter. Adjusted net income for the fourth quarter of 2010 was \$26.8 million compared to \$15 million a year ago, and was in line with the consensus forecast. The amount of \$0.22 per weighted average diluted share compared to \$0.16 per diluted share a year ago was also reported.

This too was in line with the consensus forecast if you consider the higher weighted average share count of 121.68 million shares for the quarter. On an annual basis, our adjusted net income of \$101 million was ahead of the consensus forecast. It was ahead on a per-share basis as well at \$0.94 per diluted share when you factor in our higher weighted average share count of 147.48 million shares for the year.

Turning back to the fourth quarter, free cash flow increased nearly 79% to \$42 million, thanks to our strong operating performance and of course to the acquisition of WSI. We closed the year and we're very, very pleased with the progress that we made on integrating the WSI people, systems, assets and, as reported, with the synergies.

In the fourth quarter, we focused on consolidating WSI operations and administration that functions on a common billing and operations enterprise platform. Another top priority was the migration of the entire enterprise to a common financial system platform to achieve financial reporting and process consistency.

The original merger synergies we provided were a range of \$25 million to \$30 million. In our third-quarter results conference call, we said that we expected to achieve \$26 million on a run rate basis by year-end, with the balance to come in 2011. Well, we exceeded our expectations on this front. At December 31, we achieved run rate synergies of more than \$32 million.

We believe we will achieve even more synergies in 2011. By the end of this year, we estimate we will capture a further \$3 million to \$4 million in EBITDA synergies on a run rate basis. This is built into our 2011 guidance.

On the divestiture front, we completed the remaining two of five divestitures mandated by the Canadian Competition Bureau. We divested the assets in Barrie and Hamilton, Ontario in early December. We are very pleased with the results of these divestitures as the pool of buying interest was significant and the proceeds were in line with our expectations.

Also in December, we completed the acquisition of Fred Weber assets in St. Louis, Missouri, for cash consideration of \$159 million. As reported, these are very attractive assets that complement our existing operations in the local market. The assets included the largest municipal solid waste landfill in the state of Missouri based on volume, a collection business including both commercial and rolloff collection routes, and a municipal solid waste transfer station.

Securing this landfill with the strategic proximity to the St. Louis market, together with the acquired waste collection and transfer assets, substantially improves our operational presence in the St. Louis marketplace. We are extremely pleased with this transaction, which aligns perfectly with our disciplined acquisition criteria.

We have already merged the collection companies together, and the EBITDA synergies resulting from the combination are included once again in our outlook for 2011.

There were other smaller acquisitions in the quarter as well. We completed three tuck-ins, one of which was in Texas, and two in the US Northeast. All of these acquisitions complemented our existing operations and will contribute to our top and bottom-line performance in 2011.

Tom will discuss our detailed outlook for this year, but first he will provide more details and color on our financial results in the fourth quarter. Tom?

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**Tom Cowee - IESI-BFC Ltd. - VP & CFO**

Thanks, Keith, and good morning, everyone. I'm going to start with a discussion of our performance by segment for the fourth quarter. In the quarter, reportable revenue in our Canadian segment was approximately \$182 million, representing an increase of \$85.1 million or 88.2% over the year-ago period. Net of the impact of FX, the increase in revenues was \$74 million, a 77% increase over the same period last year.

In our US South segment, revenue was \$159 million, an increase of approximately \$72 million or 83% over the fourth quarter last year. And in our Northeast segment, revenue was \$89.5 million, an increase of approximately \$10.4 million or 13.2% over the fourth quarter last year.

Since Keith has already reviewed price and volume trends contributing to the revenue growth in each of these segments, I'll move on to discussion of expenses. Operating costs were \$255.3 million in the quarter, an increase of 67.8% versus the same quarter last year. The increase is due to our acquisition of WSI and other tuck-in acquisitions, higher collected waste volumes in our existing base businesses, as well as FX.

In total higher disposable, labor and vehicle operating and maintenance expenses were the largest components of the increase. In addition, we had higher subcontractor costs, insurance costs, and higher commodity rebates due to higher commodity pricing. The increase in commodity rebates were most notable in our US Northeast and Canada where we have the most active recycling lines of business.

Now I will turn to our SG&A expenses. SG&A expenses were \$56.2 million, an increase of 37.4%. Excluding the impact of FX, the increase in SG&A expense is due to the acquisition of WSI, other tuck-in acquisitions and organic growth. The increase is primarily attributable to higher salaries, facilities and other costs.

In our corporate SG&A, we experienced changes in the fair value stock options, additional costs resulting from the WSI acquisition, causing higher salaries and facility and office costs.

Amortization expense in the quarter was \$62.3 million, an increase of \$26.3 million from a year-ago period. For the quarter and the year, amortization expense as a percentage of revenue was approximately 14.5%, which was in line with our guidance for 2010.

Interest expense was approximately \$14.8 million and represented an increase of \$6.8 million compared to the fourth quarter a year ago. Higher debt levels, primarily resulting from the acquisition of WSI, and higher interest rates related to replacing both the US and Canadian facility in tandem with the WSI transaction were the principal reasons for the increase in the quarter.

Look at taxes in the quarter, our income tax expense was \$17.9 million compared to \$16.2 million in the same period a year ago. Net income tax expense for the quarter was approximately 45% of income before tax. The higher quarterly tax rate is due to stock compensation expense of approximately 1.7% of the current period rate, with the balance representing tax effect of fair value changes in our preliminary amount -- valuation amounts recorded in the third quarter.

The taxes related to these fair value changes from the WSI preliminary valuation are not recurring. Our cash taxes in the quarter were \$10.9 million and \$38.8 million for the full year, and we were in line with our full-year guidance.

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Now turning to our capital and landfill purchases, our spending for replacement and growth capital totaled \$58 million in the quarter. Of this total, replacement capital represented \$43.4 million and growth capital represented \$14.6 million. Capital in the quarter ran a little higher than our CapEx guidance range for 2010.

This was basically a timing issue as we had the opportunity to accelerate some spending we had planned in Q1 2011 related to the integration of certain WSI locations and additional growth capital. Our CapEx outlook for 2011 has taken these accelerated expenditures into account.

Turning to our balance sheet. At the end of the year, long-term debt stood at \$1.260 billion. As of December 31, advances under the US credit facility were \$761 million and total letters of credit outstanding amounted to approximately \$139.9 million.

In December 2010, we exercised a portion of our accordion feature available on our US credit facility, which increased the size of our US credit facility by \$127.5 million to \$1.77 billion. The increase became effective January 13, 2011. The original accordion feature balance on our US credit facility declined by the same amount.

The availability under the credit facility including exercise portion is \$176.6 million, and our funded debt to EBITDA ratio is at 3.19 times. As of December 31, advances under the Canadian credit facility were CAD325 million, and total letters of credit outstanding amounted to approximately CAD53.4 million.

Available credit capacity under the revolver is CAD146.6 million, and our funded debt to EBITDA ratio on December 31 was 1.91 times. On December 31, our companywide funded debt to EBITDA ratio prepared on a combined basis, assuming FX parity and including pro forma adjustments related to acquisitions, is approximately 2.5 times. The 2.5 times ratio is in the middle of our target long-term leverage goal range of 2.3 to 2.7 times, which fluctuates based on acquisition activity and cash flow.

I will now turn from our performance in the quarter and the year to our outlook for fiscal year 2011. We are providing our guidance for 2011, assuming no change in the current economic environment and excluding the impact of any additional acquisitions we closed in 2011.

For the purpose of these estimates, we have assumed a Canadian to US dollar exchange rate of parity throughout the entire year. I remind everyone that these figures are forward-looking, and actual results may differ materially depending on the risks and uncertainties.

Revenue in 2011 is expected to be approximately \$1.8 billion. This assumes core price growth in the year of approximately 2.2%. It further assumes that the volume will track largely in line with GDP in the US and in Canada.

Now that we have substantially integrated the WSI operation and employees, we have resumed our focus on new internal growth in our existing markets and we believe our volume performance will reflect this.

In our revenue outlook, we are taking a conservative approach to the recycled commodity pricing, assuming that our average prices for an average basket of OCC, sorted office paper and other materials remain flat from the current pricing levels.

For fuel, we are basing our guidance on current prices per gallon, but this is a rapidly-moving target given the recent trend. As you know, fuel is largely a pass-through in our business. We have a good record of passing through our fuel surcharges, and we do have hedges in place to offset some of the exposure.

However, as fuel prices rise, our revenue increases and our EBITDA margins compress. For instance, we estimate that for every \$6 million of additional fuel surcharge revenue above our guidance, there is a 10 basis point dilution to EBITDA margin.

We expect adjusted EBITDA for 2011 to be approximately \$550 million. Amortization expense as a percentage of revenue is estimated to be approximately 14.5%. Capital and landfill expenditures are estimated to be approximately \$155 million. The effective tax rate is estimated to be around 36%. Cash taxes are estimated to be approximately \$54 million. As a result, our free cash flow is estimated to be approximately \$270 million.

We also expect adjusted net income per diluted share to be approximately \$1.16 a share based on a weighted average share count of 121.7 million shares. We will continue to return to our shareholders through a payment of an annual dividend of CAD0.50 per share, payable on a quarterly basis.

And that brings me to the end of my comments, and I now turn the call back to Keith.

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Thank you, Tom. Well, once again, we're very pleased with the results of our fourth quarter which capped another milestone year for our company. Despite the relatively modest recovery in the economy, we were able to continue to drive better core price in each of our three regional segments and to show positive volume improvements as well.

We continue to raise the bar for our existing business, even as we've achieved progress in our M&A program. We acquired and integrated WSI along with 13 tuck-in acquisitions in the US and Canada. Our ability to execute successfully on many fronts is a testament to the strength of our people, and I would certainly be remiss if I did not take this opportunity to thank those that have been instrumental in our success over this past year.

From systems integration to personnel training and to operating strategies, there are a lot of people involved in combining the employees and assets of WSI and our other acquisitions with our own company. And quite frankly, we're pleased with the job that they did.

As we look ahead to the balance of this year, we have confidence in our ability to continue to improve our results through organic growth initiatives. Already we're off to a good start in the first quarter, despite the impact of harsh weather conditions that persisted throughout January and part of February.

Our annual guidance calls for revenue growth of 26%, adjusted EBITDA growth of 33%, adjusted EBITDA margin expansion of 170 basis points, and free cash flow growth of 41%.

We are generating a considerable sum of cash this year, and we remain focused on identifying the most accretive opportunities for its deployment. As always, we will be taking a balanced approach to creating shareholder value through our free cash flow. We will consider all avenues, including strategic assets, most importantly; dividends, as well as other opportunities that meet our return criteria.

So that wraps up my formal presentation for today, and now I'll turn the call over to the operator and answer any questions that you may have. Operator?

**QUESTION AND ANSWER**

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**Operator**

(Operator Instructions). Hamzah Mazari, Credit Suisse.

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**Hamzah Mazari - Credit Suisse - Analyst**

Good morning. First question is on your EBITDA margins. They came in slightly lower than expected. You guys flagged higher labor costs as one of the reasons. Curious how we should think about those costs and those margins going forward. You flagged some of the reasons being higher collection revenue as part of the mix.

Are those costs going to come down as you begin to see operating leverage in your business model? Any color you can give there?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Well, I think certainly when you look at the guidance we've given, we are reporting I think a 170 basis point improvement. We're over 30%. So that really reflects the full integration and the timing of the WSI assets. We obviously still had some divestitures mixed into the third quarter -- or the fourth quarter as well, Hamzah. So the mix clearly has changed by the end of the year.

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Further to that, we did have some fairly significant impact of weather conditions in the US, and a good portion of that was related to landfill which, as you know, has a higher margin attached to it. So when you look at all the noise around the acquisitions plus the weather conditions, certainly they pushed -- I think just in the US alone, we had a 42 basis points adjustment to EBITDA in US results related to weather.

So when you push all those things around, clearly that was fourth quarter noise, but I think you get a real snapshot as you look at the addition of the -- or look at the 2011 guidance. Also in 2011, I should also tell you that we have the full impact of Fred Weber. And as you know, Fred Weber has significant landfill volume attached to that, price and volume, so that's moving leverage -- or moving margin as well.

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**Hamzah Mazari - Credit Suisse - Analyst**

Okay, very helpful. And just last question on a follow-up. Any color you can give on the lower pricing you guys saw in your US transfer and disposal line of business? Is that just due to higher competition? Are you guys going after more volume? How do we think about that? Thank you.

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Well, I think when you look at the -- if I kind of capsulized the regions for you, when we look at Texas, for example, we're not seeing any real significant improvement in the economic conditions in Texas, particularly in the C&D market. So we were affected by price at our C&D landfills in the Texas region. In fact, we were negative price year-over-year in those areas.

And at this stage, we thought we saw a little bit of movement, positive movement in our industrial volumes, but as probably reported by our peers, we were hit with weather. So at this stage, that began to slow everything down. So I would say to you we're pretty cautious in terms of what we're seeing in volume as it relates to the South.

And as far as pricing when volume remains somewhat flat or down, then obviously it is reflected in pricing as well. And so clearly, I think there is a little more of a difficult environment, a pricing environment, that exists in the South.

As we refer to the Florida marketplace, we're seeing a little bit of an uptick in industrial volume in Florida, but I wouldn't say that it's material. However, in the fourth quarter we did see a considerable amount of bankruptcies, particularly in the South Florida marketplace. And that had some impact, as you can well imagine, on price. We are losing business through the bankruptcies at higher pricing and bringing in new business at lower pricing. I would tell you, though, that we did have positive volume in the Florida marketplace.

The Northeast, we began to see once again a little bit of an uptick in industrial volumes, and then that was tempered by weather. As I mentioned to you, we had a significant impact. I think it was about 60 basis points that affected our US operations on volume. So effectively, we did see that impact.

We're not sure -- and we've seen a little bit of it in through as we move into 2011 as well. So I would say to you that it's difficult to say whether we're seeing significant volume increases as we move through the Northeast as well until we kind of get this weather out of the way.

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**Hamzah Mazari - Credit Suisse - Analyst**

Okay, great. Thank you.

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**Operator**

Bill Fisher, Raymond James.

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**Bill Fisher - Raymond James - Analyst**

Thank you, good morning. Keith, on Toronto, I think the city is now moving their waste to that Greenland landfill, I guess starting in January. Is that impacting any of your market around your Ridge landfill, or are the Michigan sites competing? Or how do you view that in 2011; is that an opportunity?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Yes. Well, they have -- there's no question the city of Toronto has moved their waste out of Michigan and into their own site, roughly about a two-hour drive west of Toronto which our landfill, just to give everybody a geographical sense, is just slightly more than two hours. So we're somewhat in the same range, but a few minutes longer out of the Toronto marketplace.

There's no doubt about it, there has been a shift in volumes. We internalize much better than 50% of the waste to the Ridge landfill. So effectively and obviously, it's not affecting that internalized volume. We don't believe that we are seeing a shift as it relates to ourselves.

I think there is a shift related to pricing or to volume in the Michigan marketplace. We haven't seen any pricing response to that at this stage out of Michigan. Pricing was always very, very low, as you probably know, Bill, in the Michigan marketplace. So to a considerably longer distance than either the city of Toronto site or our site.

So we feel pretty good about our volumes through the balance of the year, but there could be a shift as it relates to other third-party movements through the year.

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**Bill Fisher - Raymond James - Analyst**

I mean, could that help you on pricing at Ridge, or not?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Yes, you know, it could. We're waiting for this all to settle out, because the city of Toronto we expect has also moved some volume out of their site to make room for their own volume. So clearly, we have to see how that settles in, gets redistributed back to the other landfill, and that could put some -- create some pricing movement. But it's probably still too early to say that shifting and reorganization is still going on, considering that the initial movement from the city of Toronto began January 1.

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**Bill Fisher - Raymond James - Analyst**

Okay, thanks. And just on the landfill volumes, you mentioned industrial in the Northeast. How is your special waste doing in the Northeast, and do you have any opportunities in either Pennsylvania or New York on say Marcellus type waste streams or --?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Yes. I think, Bill, the impact was about \$800,000 of revenue in the quarter for the Marcellus Shale, and that's a revenue number. So I would say to you it's clearly not a material number. We anticipate -- and we remain fairly conservative as we look forward to next year with the shale as well. I think there's an opportunity to increase that number.

In fact, we just basically have about the same number of revenue for next year that we brought in in the last quarter. So there's an opportunity to see some benefit from that, but we've taken pretty much a conservative view.

Otherwise, we saw a little bit of increase in terms of our special waste that went into the Seneca landfill, but it really kind of tied in back to the 2008 and early 2009 volumes we saw before the recession hit us. So we see that continuation on through 2011.

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**Bill Fisher - Raymond James - Analyst**

Okay, great. Thank you.

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**Operator**

Scott Levine, JP Morgan.

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**Scott Levine - JP Morgan - Analyst**

Good morning. I believe on the last call, you had indicated in looking at your Canadian organic growth which has decelerated throughout 2010, that you had taken the foot off the gas a little bit while you are integrating the WSI merger.

Could you comment regarding volume trends in Canada and maybe your expectations for 2011, whether the foot goes back on the gas? And just generally the business climate and cyclical activity in Canada?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

You know, you are right, and I did mention that in the third quarter, that our focus through of the balance of the year would be the integration of the WSI assets. So when you look at integration, we had a number of companies. In fact, we had more companies that integrated than didn't integrate in Canada, quite frankly, that merged together.

So a good portion of our sales staff was tied up related to getting new sales agreements signed, re-coordination of the sales group, reorganization, obviously information or work related to combining routes, et cetera. So that took a considerable amount of time, and we expressed that that would happen in the third quarter.

The good news is that all of our companies now are integrated and are operating as single units. So we really are back to the focus now with our complete sales staff intact. We have all management set throughout Canada on the integrated company. So it's basically business as usual now, as we get back to and onto 2011.

I will tell you that Canada, when you look at GDP, recent GDP numbers and CPI numbers, we have seen a little bit of a tailing off in those numbers. They're still running typically about 50 to 75 basis points ahead of the US. So, obviously, we do expect some better results out of Canada this year. But in our projections, we are fairly modest in terms of what the growth rates would be going forward.

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**Scott Levine - JP Morgan - Analyst**

Got it. So it sounds like net-net that the focus on organic growth could have an accelerating impact on growth in Canada, and we will kind of watch and see how the economic backdrop plays out.

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

That's it exactly.

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**Scott Levine - JP Morgan - Analyst**

Okay. Then maybe just quickly on the M&A landscape, 2.5 times levered here, right in the middle of your comfort zone. Could you comment on the business climate, many multiples paid or any notable trends in the M&A landscape?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Sure. Well, I think if we go back to -- if we look at 2010, we had roughly -- I think it was about 14 acquisitions. And if you price the WSI model the day we did the deal, I know there was some movement in our price, and since we tied fixed shares together, price moved up. But on the day we do the deal, our average multiples that we paid last year were roughly about 6 times. So if you use that -- 6 times EBITDA.

If you use that as a little bit of a guideline, what are we seeing this year? Well, certainly we are seeing that capital is certainly more accessible in the markets today. We're beginning to see -- and we saw this through the last half of 2010, that private equity is reentering the marketplace. I expect that if rates remain the same, that you're going to continue to see them through 2011.

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So my expectation is that we will see that 6 times EBITDA multiple move slightly this year. It's difficult to say how much it will move up, but I would suggest that you're probably going to be somewhere between 6 and 7 times in 2011.

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**Scott Levine - JP Morgan - Analyst**

Got it. Great, thank you.

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**Operator**

David Galison, CIBC World Markets.

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**David Galison - CIBC World Markets - Analyst**

Thanks, good morning. I just wanted to follow up. Could you provide a little bit of color on the additional \$3 million to \$4 million in EBITDA run rate synergies that you are looking to get from the WSI acquisition? Were you looking to get the (multiple speakers)?

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**Tom Cowee - IESI-BFC Ltd. - VP & CFO**

For 2011?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Yes, you're talking about 2011.

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**David Galison - CIBC World Markets - Analyst**

That's correct.

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

At the end of the year, we had some personnel changes that occurred typically at the end of the year, so we didn't see a benefit from those through the balance of the year. We had -- some of the divestitures took place, as I mentioned, late in the year. In fact, they were just before Christmas. So effectively, we're going to see the benefit of those divestitures for the full year as well.

So it really is just a timing issue of when we captured them in the fourth quarter opposed to -- and now you're going to see the full year's value of some of that recapture.

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**David Galison - CIBC World Markets - Analyst**

Okay, great. And the other thing was for your 2011 outlook, are you seeing any improvement in the industrial sector, or do you think you're going to have to wait a little bit longer for some meaningful improvement in that sector?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

We're not seeing -- if we look at the US market, we're not seeing any significant uptick as it relates to construction and demolition volumes. So in our outlook and our guidance, we've taken somewhat of a conservative view that we see some modest improvement that we basically saw in the last quarter, as mentioned to you, but not a significant improvement.

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Certainly, it's a different market in Canada. As you well know, housing is still expected to grow in Canada, albeit not at the same pace. So we do expect to see some industrial growth in our Canadian operations, but very modest in our US operations.

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**David Galison - CIBC World Markets - Analyst**

Great, thank you.

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**Operator**

Jonathan Ellis, Bank of America Merrill Lynch.

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**Associate on behalf of Jonathan Ellis, Bank of America Merrill Lynch**

Good morning. This is [Arnie] calling in for Jonathan Ellis. My first question will be, when do most of your CPI-based contracts renew throughout the year? And are those contracts more tied to currency PI as of that month or CPI in the prior year, i.e. trailing 12 months?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Well, if you look at our distributions regarding lines of business, typically CPI -- fixed CPI adjustments are tied into residential type business, and we run roughly -- slightly under 20% in Canada, slightly over 20% in the US. Now a portion of that business, again, is subscription.

So let's say on average you're going to be somewhere around 20% that is fixed CPI, and typically most of those agreements, either -- the CPI takes place either on the anniversary of the agreements or on a January 21 basis. So the bottom line is that the CPI adjustment could happen at any point relative to principally anniversary dates on the agreements.

The balance of our business is typically open market. So we have the ability to price at any time, and that really is a market-by-market strategy. Where we feel that we can price across the board in one lump sum in a marketplace, and particularly early in the year, we will try to do a capture on that. However, I would say to you that we're continuously pricing on open markets on a month-by-month basis through the balance of the year.

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**Associate on behalf of Jonathan Ellis, Bank of America Merrill Lynch**

Okay, thanks for that. And what is factored into your free cash flow guidance in terms of stock option expense, acquisition related costs, and change in non-cash working capital items?

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**Tom Cowee - IESI-BFC Ltd. - VP & CFO**

We give an adjusted EBITDA number, and all those items are factored out of that, that hits the P&L part of EBITDA. The items that go below the line, obviously, they're not included into the free cash flow guidance. So it's adjusted EBITDA less capital, less cash taxes, less net impact of closure/post-closure expenses, and less interest expense, basically is our standard formula.

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**Associate on behalf of Jonathan Ellis, Bank of America Merrill Lynch**

Okay, thank you.

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**Operator**

Jason Granger, BMO Capital Markets.

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**Jason Granger - BMO Capital Markets - Analyst**

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Thanks, good morning. Just looking at your 2011 guidance there on the top line, the revenue, \$1.8 billion, could you help us out in terms of what organic growth is assumed in that number? I mean stripping out the acquisitions in 2010, we could come up with an estimate, but it would be helpful if you could provide some color on your overall business and a little bit more granularity by segment.

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Okay, I'll see if we can get to it here.

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**Tom Cowee - IESI-BFC Ltd. - VP & CFO**

For the year, the acquisition impact in the US is obviously going to be substantially higher than that of the impact in the Canadian business. And I really just have the numbers separate right here. But about 10% -- well, 9.5% acquisition impact in the US and just a little bit -- about 0.6%. Now that assumes, again, that WSI is in our numbers at the first half of last year as it is this year. So this is just the other tuck-ins.

And then the balance is going to be in the area of fuel surcharges and volume. And fuel surcharges are not significantly different on a year-over-year basis other than what we've seen in the first quarter so far. And so the best -- we gave what the price was going to be earlier, the 2.2% range, and the rest will be volume.

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**Jason Granger - BMO Capital Markets - Analyst**

Okay. So 9.5% acquisition growth in the US and 0.6% in Canada, and that is acquisitions aside from WSI. Is that right?

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**Tom Cowee - IESI-BFC Ltd. - VP & CFO**

Yes, that's the year-over-year impact obviously. Some of that revenue is already in 2011, so it's just the revenue from those acquisitions into the next year.

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**Jason Granger - BMO Capital Markets - Analyst**

Yes, got you. Okay.

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Yes, I think, Jason, that where you want to get to is the -- we're looking at price in the US being roughly about 1.5%.

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**Jason Granger - BMO Capital Markets - Analyst**

Okay, that's core price?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

That's core price.

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**Jason Granger - BMO Capital Markets - Analyst**

Okay.

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

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Year-over-year. But as reported, we indicated that commodities would be flat.

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**Jason Granger - BMO Capital Markets - Analyst**

Yes.

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

And so we're looking at Canadian price roughly about 2.5% as well.

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**Jason Granger - BMO Capital Markets - Analyst**

Okay, that's helpful. And just carrying on the theme here, the second question, follow-up to the 2011 guidance -- M&A environment there, you were talking about valuations earlier. With valuations potentially creeping up a little bit and given the high number and value of acquisitions you completed in 2010, how should we be looking at acquisitions in 2011? Your guidance there obviously excludes the impact of additional acquisitions, but is the pipeline still quite robust in terms of opportunities out there that would make sense for you?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Yes, without a doubt. As I mentioned in the last quarter, it seems that whenever we execute off of our pipeline, we're putting new candidates back in the pipeline again. So we have a very robust pipeline at the present time. We put -- if you would like more feet on the ground as well as it relates to our acquisition programs, we have a number of people out there right now. We are in discussions with potential acquisitions going forward. So we expect to maintain significant growth as it relates to acquisitions.

Of course, I'd love to give you some timing on these things, but as you know, we are not always in control of timing. Obviously, we have the third party or the other party that has timing constraints as well. So effectively though, I will tell you that we probably -- today, we have more people out there looking at opportunities. We are targeting more opportunities in more markets than we ever have. So we intend to remain fairly aggressive as it relates to growth by acquisition through 2011.

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**Jason Granger - BMO Capital Markets - Analyst**

Okay, that's helpful. Thanks, guys.

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**Operator**

(Operator Instructions). Al Kaschalk, Wedbush Securities.

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**Al Kaschalk - Wedbush Securities - Analyst**

Good morning, Keith. Good morning, Tom. Just a couple of tie-ups, if you will. I want to press a little bit on the core business, meaning post-acquisitions here. In my reading of the numbers and some of the commentary, I sense that maybe things are not performing as strong as Keith would like them to and therefore, some of these synergies and internalization efforts were increasingly focused in the fourth quarter. So I was wondering if you could maybe just give a little bit of a postmortem here on the acquisition, where you stand and not necessarily concerned so much about the synergies, but maybe just the nature of the -- the healthiness of the business given the economy.

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Sure. Well, that's interesting. I chuckled because I think most people in our organization would say that Keith is never happy with the results.

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**Al Kaschalk - Wedbush Securities - Analyst**

That has been very clear.

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

So ultimately I would say to you though that, as I mentioned in our comments, that we are pretty pleased with the work that our people have done.

Let's go back to our model for a second. We grow the business because we're looking for strategic assets in various markets and strategic assets quite often relate to density in the marketplace, critical mass. So as we achieve more critical mass in more markets, it gives us more opportunity to push various strategies in those markets. It's very difficult to be strategic when you're -- if you are number three or number four in a marketplace, you become more of a follower than a leader.

So we feel now, for example, the St. Louis marketplace, clearly, we were followers in that marketplace, it was a marketplace we were looking to grow ourselves in. But clearly, we were really following in the cues of the other participants in the market.

Well, at this stage, we have critical mass in the market, so I would suggest to you today that we can become more of a leader in that marketplace as opposed to a follower in the marketplace. So we're very, very pleased because these acquisitions have produced more markets where we become more leaders. And therefore, we have certainly a better opportunity to look at accretion on our existing assets based on those -- based on the acquisitions.

So overall we are very, very pleased. Our pedal is to the metal in terms of, if you would like, in terms of now moving our organic strategies in each one of these markets. It would be nice if we could get a little help from the economy, but without a doubt -- and that does have, as you can well imagine and as you know, an influence on just what the capacity is going to be for growth and some pricing, quite frankly.

But overall, the acquisitions have been helpful. We are better positioned today with our assets than we have ever been. We're in more markets today with strategic positions than we have ever been. And we have reset our management group, quite frankly, to be able to absorb not only affecting the accretion that would like to see on the existing assets, but we've reset our management group to expand the Company going forward as well.

So it's been a real banner year for us in terms of being able to integrate the -- do the acquisitions, integrate them and reset the Company for future growth in 2011. Does that answer the question for you?

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**Al Kaschalk - Wedbush Securities - Analyst**

That moves it along. Just to follow up on that and tie it towards the EBITDA margin or adjusted EBITDA margin expansion of 170 basis points. I'm wondering if you would be willing to share maybe two of the components that are most critical to achieve that because I'm sure part of it is just, like I said, the leverage on a little bit more volume and some price, but --

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Yes, sure.

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**Al Kaschalk - Wedbush Securities - Analyst**

-- maybe just some of the larger components of that.

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

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Yes, yes, I mean, obviously, synergies. I think we just mentioned -- if you look at all-in, we expect that, on just an EBITDA basis, the synergies are going to be in the range of roughly about \$35 million on a full-year basis year-over-year. So clearly that has a significant effect. I think Fred Weber, the Weber acquisition, probably is in the range of about 30 basis points as well. So if there's two, if you wanted two, there's probably two of the bigger ones.

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**Al Kaschalk - Wedbush Securities - Analyst**

Okay, thanks a lot.

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**Operator**

Michael Hoffman, Wunderlich Securities.

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**Michael Hoffman - Wunderlich Securities - Analyst**

Good morning and thank you. On the cash flow, great number for 2011 and the guidance, \$270 million. If I kind of work backwards from all the data you've given me, pretty significant uptick -- 115 basis points on the D&A. So if I take the \$270 million and start adding back capital spending, get some cash provided from ops numbers, then disaggregate the D&A from the net income making essential working capitals flat, it looks like the big lever here is from the D&A and a pretty significant improvement in net income as well.

So there is a question in that, believe it or not, which is tell me why D&A is going in the direction it is. It's usually driven by volume, but the calculations you're giving us and the vagueness you're giving us around volume would suggest volumes might be negative. So I am trying to understand how the D&A goes up 115 basis points.

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**Tom Cowee - IESI-BFC Ltd. - VP & CFO**

I guess, Michael, I'm not totally understanding your question. Obviously, the amortization expense that we gave was pretty similar on a year-over-year basis of 14.5%. Now our capital guidance was \$155 million for the year versus a capital spend of \$142 million last year adjusted for the -- a little bit of -- maybe versus \$135 million, \$137 million and it would've been \$160 million had we not massaged some of the numbers around on a year-over-year basis on the capital there in the fourth quarter.

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**Michael Hoffman - Wunderlich Securities - Analyst**

So then the way you're giving me amortization versus the way we think about it in US GAAP, that's got all of the adjustments in it then as well, so that's that adjusted number?

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**Tom Cowee - IESI-BFC Ltd. - VP & CFO**

The amortization expense is amortization of intangibles, amortization or depreciation expense, ARO. That 14.5% though is everything. We didn't give a specific depreciation expense guidance number.

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**Michael Hoffman - Wunderlich Securities - Analyst**

Okay. It's still about a half a click higher than where consensus was. So the assumption of more D&A, if you will, would be driven by more landfill line, that's your biggest leverage on your D&A on an incremental basis.

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**Tom Cowee - IESI-BFC Ltd. - VP & CFO**

Well, again, the 14.5% that we gave for fiscal year 2011 guidance is exactly the same as our 14.5% amortization expense we had in 2010.

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**Michael Hoffman - Wunderlich Securities - Analyst**

On a pro forma basis?

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**Tom Cowee - IESI-BFC Ltd. - VP & CFO**

Yes. So really the difference in the dollars is just a full-year impact of the acquisitions.

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**Michael Hoffman - Wunderlich Securities - Analyst**

Okay. Well, that's part of the challenge is we don't have the pro forma. Okay. It looks like the volume -- that you're giving up price to hold onto volume in your US operations. And even in the commentary, it sounds like that's, in fact, happening. You're not willing to let volumes go away in a weak volume environment. And that isn't the message we're hearing across other parts of the market. So why do you think that's the right strategy at this juncture when there seems to be far more leverage to a business model and price than there is in volume?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Well, I would say to you that there is no policy in our Company, Michael, that says give up price for volume. I think we obviously look at every market and a key driver for us is how much revenue we are producing per asset and return on capital. So I am hoping that our people are making good business decisions out there that affect revenue per asset because, as you know, in any case where you give up volume, clearly, it could have a productivity effect and therefore, you could have a significant reduction of return on capital.

So we have metrics in place where our people can measure this on a very quick and efficient basis. But I would say to you that clearly we do take a balanced approach to price and volume. We've always stated that. And we do look for how price is moving on a year-over-year basis and we want to capture our fair share of pricing. If you look at, for example, core price guidance for next year, we are guiding at 2.2%, which probably, for all the companies, is at the high end of the range.

So clearly, we have no intentions to compromise price. I would suggest to you that we look for both. We look for a good price improvement related to what's happened in the economy every year, but we still look for our fair share of the volume out there as well.

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**Michael Hoffman - Wunderlich Securities - Analyst**

Okay, thank you.

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**Operator**

Neil Forster, Scotia Capital.

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**Neil Forster - Scotia Capital - Analyst**

Good morning, guys. My first question is just a follow-up on Canadian margins. So we can see that year-over-year WSI is having a negative impact, but margins declined about 240 basis points sequentially. So I'm wondering if you could give us some color as to what happened on a quarter-over-quarter basis in Canada.

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Yes, probably the biggest impact would be on the fact that WSI assets did not have much of a landfill component. So effectively, we were buying collection assets, which typically have a margin that is much lower than landfills. So clearly then that will deteriorate the margin across the Canadian group as a whole.

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Having said that, when you look at the fourth quarter and/or the last half of the year, you're looking at it pre-synergy as well. And a good portion of the operating synergies in the Company are coming out of Canada. So effectively, as you look through to 2011, you'll see an -- you should see an acceleration in margins in the Canadian operations, again, that is relative to those synergies.

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**Neil Forster - Scotia Capital - Analyst**

Right. But I'm just trying to understand kind of what the variance was Q4 versus Q3 when you had WSI reflected in (multiple speakers).

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Well, again, you have so many moving pieces through there. You have synergy pieces, we have divestiture pieces that are flowing through there that -- those are pretty narrow snapshots, as well as seasonality by the way, in there as well. So you have -- it's pretty narrow snapshots to be able to look at the quarter and project the effect of that through the year. But clearly, as you look to the guidance of 2011, we factored in all of those indices that I've just spoken about, so you are getting a full-year snapshot of 2011.

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**Neil Forster - Scotia Capital - Analyst**

Okay, that's fair. So is WSI having -- acting as a drag on both volume and price on a year-over-year basis or is it just volumes?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

I don't think it's acting as a drag quite frankly. I think what happens in the -- as I mentioned earlier, and I mentioned it in the third quarter, for example, our Canadian people were going to be very focused on the integration of the assets and through the balance of 2010 and that clearly was reflected in the case. Albeit, we're very, very pleased with the organic growth in price and volume, in spite of the fact that our attention was placed more on integration as opposed to market realization for the last half of the year.

So overall, I would suggest to you that you will see the continued accretion at the levels that we have always performed at as we go forward with all of these acquisition assets in place. Again, I temper that by saying there is that relative comp to the economy. So assuming the economy remains where it is or it improves, we will improve proportionately with that. Does that answer your question?

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**Operator**

Rupert Merer, National Bank Financial.

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**Rupert Merer - National Bank Financial - Analyst**

Good morning, thanks for checking the question. I think you touched on this last quarter, but can you update us on the potential for you in the city of Toronto with the possible outsourcing of its residential waste contracts? Do you have a sense of when this could happen, what the size of the opportunity could be and who you might see as competition?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Well, our understanding is that the city of Toronto is looking to contract out half of their business. Since this will be a bid, I don't really want to comment on terms of what the revenue would be and tell you what our bid numbers might be. But clearly, you're talking about a population that is in the neighborhood of roughly about 5 million people.

So they're going to be contracting out -- if it's proportionally split -- about 2.5 -- a population of 2.5 million people, which is obviously very sizable and it's certainly something that we can handle.

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Yet you would have to believe that the city will be looking for experience and capability without a doubt and companies that have the capital to put all of this equipment out in one tranche. So obviously there are other major companies in our sector, both in Canada and south of the border that obviously this may appeal to. And there are some local Canadian companies that it may appeal to.

So I would suggest that you'll see a fairly robust bidding platform on these assets and as far as timing is concerned, it's difficult to say when the city will be prepared to actually get through the process and get the bidding documents out.

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**Rupert Merer - National Bank Financial - Analyst**

Would your sense be that this is an all or nothing bid proposal or would you expect to see a number of winners?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

You know, I really don't know. I think you'd have to ask the city of Toronto and I think that would work against us to speculate in the public right now quite frankly.

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**Rupert Merer - National Bank Financial - Analyst**

Fair enough. Thanks for the color.

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**Operator**

Chris Bowes, Canaccord Genuity.

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**Chris Bowes - Canaccord Genuity - Analyst**

Hi, good morning. Just a quick housekeeping question. Can you give us your cash balance at December 31?

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**Tom Cowee - IESI-BFC Ltd. - VP & CFO**

Hold on one second. Let me look that up real quick. \$13 million.

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**Chris Bowes - Canaccord Genuity - Analyst**

\$13 million? Perfect, thank you. And the second question, it seems to me that, with the acquisition of Fred Weber, that landfill assets in your acquisition pipeline might be a little bit less -- well, there might be fewer of them than there are collection assets. Would you say that that's accurate?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

I would say to you generally speaking landfills are certainly more difficult to come by. I think if you go back through the last 10 to 15 years that we would -- our industry would probably tell you that the percentage of landfills today that are open would certainly probably be in the neighborhood of less than 50% that you would have seen 10 to 15 years ago. And that's principally city landfills that have become full and have closed and have not reopened.

The sites today, however, are more broader in region, but are larger than the old sites. So the capacity for a landfill is actually the same as if not greater than 10 to 15 years ago, but fewer sites, but larger sites. Therefore, as we look to grow, we are looking for an integrated platform really of assets that is a combination of a landfill and we would also like to internalize 50% or better from our collection operations.

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So those are really the combinations and that certainly appears to be meeting the criteria at Fred Weber and we like to see that in just about all the regions that we operate in.

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**Chris Bowes - Canaccord Genuity - Analyst**

Okay, that's helpful. Thank you very much.

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**Operator**

Walter Spracklin, RBC Capital Markets.

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**Walter Spracklin - RBC Capital Markets - Analyst**

Thanks very much. Good morning, guys. So just sort of a follow-up on that last question. If you were to look at your complete asset portfolio, how would you classify -- in Canada, we'd prefer -- for your acquisition outlook, would you prefer a transfer over landfill in the Northeast and then some of the new platforms you have? Perhaps walk us through that kind of strategy and to what extent does competition rules come into play in some of the areas like Canada? Are you hampered at all when assets come up for -- when an opportunity comes up by some of the competition rules?

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Good questions. If I address the combinations of assets, clearly -- typically transfer station is typically lower margin type business. Transportation typically is some cost, quite frankly, when you really get down to it. So wherever we could direct haul to a landfill, it typically will be more accretive. The issue, of course, is that landfills are becoming -- located further away from the population areas as opposed to closer. So we are not given much of a choice as it relates to transfer in certain markets as opposed to direct haul.

As it relates to -- the second part of your question was again, Walter, was the --?

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**Walter Spracklin - RBC Capital Markets - Analyst**

Competition Bureau and any constraints.

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Competition Bureau, sorry. The Competition Bureau, we do have some commercial restrictions in some of the smaller markets that we are in. I would say to you that we're in those particular markets, however, we are very pleased with our critical mass in those markets. So you could look at that and say, well, that's why the restriction is there, because we are pleased with the critical mass that we have in those markets. But all the major -- I'll say the major markets in Canada, we are not restricted at all in those markets.

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**Walter Spracklin - RBC Capital Markets - Analyst**

Excellent, okay. And then just my second question here is more of a -- more of a housekeeping. On the SG&A, if we were to look at -- now you have the corporate expense in there and then the regions. If you didn't do any acquisitions during the year, are we to take your full-year regionals as they are and just assume some inflation?

And then on the corporate, I guess that would be the real swing factor, if you are active on the acquisition front. Can you give us kind of what the corporate number might be? I know you've got an adjusted one there of around \$10 million. Is that a good number to use if you are not running acquisitions \$10 million a quarter in that corporate and then perhaps inflation adjusts for the rest? Is that the right way to look at it?

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**Tom Cowee - IESI-BFC Ltd. - VP & CFO**

There were a few things that ran through corporate in the fourth quarter. I think if you were to maybe do the blended of the third and fourth quarter that will get you a little closer. Though there is a synergy play. I don't really have that number really readily available for me and it's not really coming to me real quick here to answer the question. I mean I'll get back to you. I'll get back to you on it, Walter. I just don't have it.

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**Walter Spracklin - RBC Capital Markets - Analyst**

Sure. Okay, that's all my questions. Thanks, guys.

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**Operator**

This concludes the Q&A portion of today's call. I would now turn the call back over to Mr. Keith Carrigan.

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**Keith Carrigan - IESI-BFC Ltd. - CEO**

Well, thank you very much for joining us on the call today. As I mentioned earlier, we are very pleased with the efforts of our people to integrate all of our acquisitions over 2010. It was a very robust year for us in terms of number of acquisitions and the size of the acquisitions. And as mentioned, we are ahead of our plan as it relates to synergies going forward and we are very, very pleased with the management group as it goes forward. And we believe that we are repositioned to continue the growth and achieve the results as indicated in our guidance.

So again, I thank our people, I thank you for joining the call and we look forward to hearing from all you folks on our next -- on our first-quarter results call. So thank you very much once again.

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**Operator**

This concludes today's conference call. You may now disconnect.

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