



20 August 2008

The Manager - Listings
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Via electronic lodgement

Dear Sir,

BRAMBLES DELIVERS SOLID FULL YEAR 2008 PERFORMANCE

In accordance with Listing Rule 4.3A, attached is the preliminary final report for the year ended 30 June 2008 for Brambles Limited.

Yours faithfully
Brambles Limited

Robert Gerrard
Company Secretary

Results for announcement to the market

Brambles Limited

ABN 89 118 896 021

Appendix 4E

Preliminary final report for the year ended 30 June 2008

Year ended 30 June	2008 US\$m	2007 US\$m	% change (actual fx rates)	% change (constant currency)
Results before special items				
Continuing operations:				
Sales revenue	4,358.6	3,868.8	13%	6%
Comparable operating profit	1,046.9	932.8	12%	6%
Profit after tax	626.5	585.7	7%	-
Basic EPS (US cents)	44.5	37.8	18%	10%
Profit after tax - discontinued operations	-	27.7		
Profit for the year	626.5	613.4	2%	(5%)
Statutory results (after special items)				
Continuing operations:				
Sales revenue	4,358.6	3,868.8	13%	
Operating profit	1,030.6	796.0	29%	
Profit after tax	646.9	433.7	49%	
Profit after tax - discontinued operations	1.8	857.6		
Profit attributable to members of the parent entity	648.7	1,291.3	(50%)	
Basic EPS (US cents)	46.0	83.4	(45%)	
Final dividend* (Australian cents)	17.5	17.0		

* The 2008 final dividend is 10% franked and its record date is 19 September 2008.

A commentary on these results is set out in the attached ASX Release.

Preliminary final report for the year ended 30 June 2008

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Consolidated income statement for the year ended 30 June 2008

Note	2008			2007			
	Before special items	Special items ²	Result for the year	Before special items	Special items ²	Result for the year	
	US\$ million			US\$ million			
Continuing operations							
Sales revenue	4	4,358.6	-	4,358.6	3,868.8	-	3,868.8
Other income	4	181.5	-	181.5	160.9	-	160.9
Operating expenses	4, 5	(3,499.1)	(16.3)	(3,515.4)	(3,101.2)	(136.8)	(3,238.0)
Share of results of joint ventures	14	5.9	-	5.9	4.3	-	4.3
Operating profit ¹		1,046.9	(16.3)	1,030.6	932.8	(136.8)	796.0
Finance revenue		10.5	-	10.5	39.4	-	39.4
Finance costs		(160.0)	-	(160.0)	(99.3)	-	(99.3)
Net finance costs		(149.5)	-	(149.5)	(59.9)	-	(59.9)
Profit before tax		897.4	(16.3)	881.1	872.9	(136.8)	736.1
Tax expense	7	(270.9)	36.7	(234.2)	(287.2)	(15.2)	(302.4)
Profit from continuing operations		626.5	20.4	646.9	585.7	(152.0)	433.7
Profit from discontinued operations	6	-	1.8	1.8	27.7	829.9	857.6
Profit for the year attributable to members of the parent entity		626.5	22.2	648.7	613.4	677.9	1,291.3
Earnings per share (cents)	9						
Total							
- Basic				46.0			83.4
- Diluted				45.7			82.3
Continuing operations							
- Basic				45.9			28.0
- Diluted				45.6			27.7

The consolidated income statement should be read in conjunction with the accompanying notes.

¹ Operating profit for 2008 is after expensing:

CHEP USA: quality and innovation costs		(20.6)	-	(20.6)
CHEP USA: Walmart transition costs		(10.9)	-	(10.9)
	4	(31.5)	-	(31.5)

² Special items comprise impairments, exceptional items, fair value adjustments and amortisation of acquired non-goodwill intangible assets (other than software). Exceptional items are items of income or expense which are considered to be outside the ordinary course of business and are, either individually or in aggregate, material to Brambles or to the relevant business segment. Refer to Notes 5 and 6.

Consolidated balance sheet as at 30 June 2008

	Note	June 2008 US\$m	June 2007 US\$m
ASSETS			
Current assets			
Cash and cash equivalents		104.8	130.4
Trade and other receivables		829.0	791.6
Inventories		45.1	33.5
Derivative financial instruments		4.4	6.7
Other assets		51.7	41.1
Total current assets		1,035.0	1,003.3
Non-current assets			
Other receivables		9.1	9.0
Investments		16.9	23.5
Property, plant and equipment		3,698.9	3,219.9
Goodwill		676.1	606.1
Intangible assets		186.9	150.3
Deferred tax assets		8.8	3.1
Derivative financial instruments		4.3	1.9
Other assets		0.8	0.3
Total non-current assets		4,601.8	4,014.1
Total assets		5,636.8	5,017.4
LIABILITIES			
Current liabilities			
Trade and other payables		850.7	806.0
Borrowings		91.5	64.3
Derivative financial instruments		6.0	0.5
Tax payable		54.9	74.7
Provisions		74.2	111.9
Total current liabilities		1,077.3	1,057.4
Non-current liabilities			
Borrowings		2,439.5	2,063.0
Derivative financial instruments		2.7	-
Provisions		49.8	45.7
Retirement benefit obligations		63.4	29.6
Deferred tax liabilities		443.5	389.8
Other liabilities		17.1	9.2
Total non-current liabilities		3,016.0	2,537.3
Total liabilities		4,093.3	3,594.7
Net assets		1,543.5	1,422.7
EQUITY			
Contributed equity	11	13,778.6	14,062.8
Unification reserve	8	(15,385.8)	(15,385.8)
Other reserves		714.3	504.3
Retained earnings		2,436.1	2,241.1
Parent entity interest		1,543.2	1,422.4
Minority interest		0.3	0.3
Total equity		1,543.5	1,422.7

The consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of recognised income and expense for the year ended 30 June 2008

	Note	2008 US\$m	2007 US\$m
Actuarial (losses)/gains on defined benefit pension plans			
- Continuing		(34.5)	33.3
- Discontinued		-	(33.4)
Exchange differences on translation of:			
- Foreign operations		263.5	131.7
- Entities disposed taken to profit		-	8.4
Cash flow hedges:			
- Losses taken to equity		(3.8)	(0.2)
- Transferred to profit or loss		(0.1)	(5.0)
Income tax:			
- On items taken directly to or transferred directly from equity		9.1	4.0
- On items transferred to profit or loss		-	1.9
Net income recognised directly in equity		<u>234.2</u>	140.7
Profit for the year		648.7	1,291.3
Total recognised income and expense for the year attributable to members of the parent entity		<u>882.9</u>	<u>1,432.0</u>
Adjustment to opening retained earnings for AASB 117: Leases	12	<u>(2.5)</u>	-

The consolidated statement of recognised income and expense should be read in conjunction with the accompanying notes.

Consolidated cash flow statement for the year ended 30 June 2008

	2008	2007
Note	US\$m	US\$m
Cash flows from operating activities		
Receipts from customers	4,998.7	4,653.3
Payments to suppliers and employees	(3,467.9)	(3,380.0)
Cash generated from operations	1,530.8	1,273.3
Dividends received from joint ventures and associates	5.2	7.0
Interest received	9.6	39.5
Interest paid	(146.4)	(93.3)
Income taxes paid on operating activities	(232.9)	(182.5)
Net cash inflow from operating activities	1,166.3	1,044.0
	13d	
Cash flows from investing activities		
Proceeds from disposal of businesses	6.6	2,427.6
Income tax paid on disposal of businesses	-	(152.7)
Acquisition of subsidiaries, net of cash acquired	(64.3)	(19.9)
Purchases of property, plant and equipment	(869.4)	(670.2)
Proceeds from sale of property, plant and equipment	133.8	131.1
Purchases of intangible assets	(18.4)	(16.1)
Loan outflows with associates and subsidiaries	-	(0.4)
Loan inflows with associates and subsidiaries	0.3	1.8
Net cash (outflow)/inflow from investing activities	(811.4)	1,701.2
Cash flows from financing activities		
Proceeds from borrowings	2,280.3	5,377.0
Repayments of borrowings	(2,010.6)	(5,146.1)
Net inflow/(outflow) from option costs and hedge borrowings	95.1	(21.3)
Proceeds from issue of ordinary shares	38.5	75.6
Buy-back of ordinary shares	(392.0)	(1,527.5)
Cash Alternative at Unification	-	(950.3)
Dividends paid to Brambles' shareholders	(444.8)	(604.0)
Net cash used in financing activities	(433.5)	(2,796.6)
	10	
Net decrease in cash and cash equivalents		
Cash and deposits, net of overdrafts, at beginning of the year	(78.6)	(51.4)
Effect of exchange rate changes	126.9	129.4
Cash and deposits, net of overdrafts, at end of the year	19.8	48.9
	13a	
	68.1	126.9

The consolidated cash flow statement should be read in conjunction with the accompanying notes.

Notes to and forming part of the preliminary final report for the year ended 30 June 2008

Note 1. Basis of preparation

This preliminary final report presents the consolidated results of Brambles Limited (ACN 118 896 021) and its subsidiaries (Brambles or the Group) for the year ended 30 June 2008.

The consolidated financial statements on which this preliminary final report is based comply with International Financial Reporting Standards (IFRS) and have been prepared in accordance with Australian Equivalents to International Financial Reporting Standards (AIFRS) and the requirements of the Corporations Act 2001. They comply with applicable accounting standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Urgent Issues Group (UIG).

Note 2. Significant accounting policies

a) Significant accounting policies

The consolidated financial statements and all comparatives have been prepared using consistent accounting policies, as set out in the Brambles 2007 Annual Report.

b) Foreign currency

The principal exchange rates affecting Brambles were:

		US\$:A\$	US\$:euro	US\$:£
Average	2008	0.9040	1.4835	2.0111
	2007	0.7901	1.3187	1.9520
Year end	30 June 2008	0.9629	1.5793	1.9936
	30 June 2007	0.8519	1.3580	2.0116

c) Rounding of amounts

As Brambles Limited is a company of a kind referred to in ASIC Class Order 98/0100, relevant amounts in the preliminary final report have been rounded to the nearest hundred thousand US dollars or, in certain cases, to the nearest thousand US dollars.

References to 2008 and 2007 are to the financial years ending on 30 June 2008 and 30 June 2007 respectively.

Notes to and forming part of the preliminary final report for the year ended 30 June 2008 - *continued*

Note 3. Business segment analysis

Brambles' continuing business segments are CHEP (pallet and container pooling) and Recall (information management). Discontinued operations primarily comprises the Cleanaway UK and Asian businesses (waste management), which were divested in 2007.

Intersegment revenue during the period was immaterial.

	Total income		Sales revenue	
	2008	2007	2008	2007
	US\$m	US\$m	US\$m	US\$m
By business segment				
CHEP	3,790.5	3,374.5	3,610.3	3,218.4
Recall	749.6	655.2	748.3	650.4
Continuing operations	4,540.1	4,029.7	4,358.6	3,868.8
Discontinued operations	-	252.1	-	252.1
Total	4,540.1	4,281.8	4,358.6	4,120.9
By geographic origin				
Europe	1,768.7	1,576.7	1,737.2	1,539.8
Americas	2,047.8	1,843.2	1,914.7	1,737.4
Australia/New Zealand	580.1	487.6	568.2	473.9
Rest of World	143.5	122.2	138.5	117.7
Total - continuing operations	4,540.1	4,029.7	4,358.6	3,868.8
Discontinued operations	-	252.1	-	252.1
Total	4,540.1	4,281.8	4,358.6	4,120.9

	Operating profit ¹		Comparable operating profit ²		Special items, before tax	
	2008	2007	2008	2007	2008	2007
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
By business segment						
CHEP	944.7	845.2	945.2	845.2	(0.5)	-
Recall	121.9	86.5	128.4	118.5	(6.5)	(32.0)
Brambles HQ	(36.0)	(135.7)	(26.7)	(30.9)	(9.3)	(104.8)
Continuing operations	1,030.6	796.0	1,046.9	932.8	(16.3)	(136.8)
Discontinued operations	1.2	858.3	-	40.6	1.2	817.7
Total	1,031.8	1,654.3	1,046.9	973.4	(15.1)	680.9

¹ Operating profit is segment revenue less segment expense and excludes net finance costs.

² Comparable operating profit is profit before special items, finance costs and tax which the Directors consider to be a useful measure of underlying business performance. The difference between comparable operating profit and operating profit in the segment report is due to special items.

Notes to and forming part of the preliminary final report
for the year ended 30 June 2008 - *continued*

Note 3. Business segment analysis - *continued*

	Capital expenditure (including acquisitions)		Depreciation and amortisation	
	2008 US\$m	2007 US\$m	2008 US\$m	2007 US\$m
By business segment				
CHEP	810.7	652.7	410.3	362.1
Recall	88.1	66.5	47.8	41.6
Brambles HQ	0.3	0.8	0.5	0.6
Continuing operations	899.1	720.0	458.6	404.3
Discontinued operations	-	24.7	-	-
Total	899.1	744.7	458.6	404.3
By geographic origin				
Europe	339.5	259.9		
Americas	411.6	367.2		
Australia/New Zealand	73.2	63.0		
Rest of World	74.8	29.9		
Total - continuing operations	899.1	720.0		
Discontinued operations	-	24.7		
Total	899.1	744.7		
	Segment assets		Segment liabilities	
	2008 US\$m	2007 US\$m	2008 US\$m	2007 US\$m
By business segment				
CHEP	4,340.0	3,810.0	767.4	715.8
Recall	1,129.8	1,022.8	179.7	151.4
Brambles HQ	18.5	20.2	116.8	135.7
Continuing operations segment assets and liabilities	5,488.3	4,853.0	1,063.9	1,002.9
Cash and borrowings	104.8	130.4	2,531.0	2,127.3
Current tax balances	18.0	7.4	54.9	74.7
Deferred tax balances	8.8	3.1	443.5	389.8
Equity-accounted investments	16.9	23.5	-	-
Total assets and liabilities	5,636.8	5,017.4	4,093.3	3,594.7
Segment assets by geographic origin				
Europe	2,275.7	1,974.3		
Americas	2,329.1	2,128.5		
Australia/New Zealand	700.2	622.8		
Rest of World	183.3	127.4		
Total	5,488.3	4,853.0		

Notes to and forming part of the preliminary final report
for the year ended 30 June 2008 - *continued*

Note 4. Profit from ordinary activities - continuing operations

	2008	2007
	US\$m	US\$m
a) Revenue and other income - continuing operations		
Sales revenue	4,358.6	3,868.8
Net gains on disposals of property, plant and equipment	46.4	42.7
Other operating income	135.1	118.2
Other income	181.5	160.9
Total income	4,540.1	4,029.7
b) Operating expenses - continuing operations		
Employment costs	787.9	739.4
Service suppliers:		
- Transport	813.2	722.0
- Repairs and maintenance	294.9	239.7
- Subcontractors and other service suppliers	501.5	497.5
Raw materials and consumables	195.7	182.7
Occupancy	217.3	184.0
Depreciation of property, plant and equipment	414.0	362.2
Irrecoverable pooling equipment provision expense	91.2	90.2
Amortisation:		
- Software	34.5	33.5
- Acquired intangible assets (other than software)	6.5	6.0
- Deferred expenditure	3.6	2.6
Other	155.1	178.2
	3,515.4	3,238.0
c) Net foreign exchange gains and losses - continuing operations		
Net losses included in operating profit	(1.4)	(4.0)
Net losses included in net finance costs	(12.0)	(6.7)
	(13.4)	(10.7)
d) CHEP USA operating costs		

In February 2008, Brambles announced that, over the next two years, CHEP would invest in excess of US\$100 million in operational and capital initiatives focused on quality improvement and innovation. Operating expenses for 2008 include additional costs of US\$20.6 million within CHEP USA as a result of this initiative.

Operating expenses for 2008 also include transition costs of US\$10.9 million within CHEP USA as a result of Walmart's decision to modify management of pallet flows within its network in the USA.

These costs have been separately disclosed to facilitate an understanding of Brambles' underlying business results.

Notes to and forming part of the preliminary final report for the year ended 30 June 2008 - *continued*

Note 5. Special items - continuing operations

Special items comprise impairments, exceptional items, fair value adjustments and amortisation of acquired non-goodwill intangible assets (other than software). Exceptional items are items of income or expense which are considered to be outside the ordinary course of business and are, either individually or in aggregate, material to Brambles or to the relevant business segment. Such items are likely to include, but are not restricted to, gains or losses on the sale or termination of operations, the cost of significant reorganisations or restructuring, and impairment charges on tangible or intangible assets. The Directors consider that this presentation best assists the users of Brambles' financial statements in their understanding of the underlying business results.

	Before tax	2008 US\$m Tax	After tax
Amortisation of acquired intangible assets (other than software)	(6.5)	0.7	(5.8)
Exceptional items:			
- Restructuring and Unification costs ¹	(4.6)	4.1	(0.5)
- Reset of tax cost bases on Unification ²	-	31.6	31.6
- Adviser costs – share register activity ³	(4.7)	0.2	(4.5)
- Recall restructuring costs ⁴	(0.5)	0.1	(0.4)
Special items from continuing operations	(16.3)	36.7	20.4

	Before tax	2007 US\$m Tax	After tax
Amortisation of acquired intangible assets (other than software)	(6.0)	0.7	(5.3)
Exceptional items:			
- Stamp duty on Unification ¹	(28.8)	-	(28.8)
- Restructuring and Unification costs ¹	(76.0)	(23.4)	(99.4)
- Recall restructuring costs ⁴	(26.0)	7.5	(18.5)
Special items from continuing operations	(136.8)	(15.2)	(152.0)

¹ During 2007, Brambles incurred UK stamp duty of US\$28.8 million on Unification. Brambles also incurred advisers' fees (US\$49.4 million) and employment-related and office closure costs (US\$26.6 million) totalling US\$76.0 million in connection with the restructuring and Unification. The net tax charge of US\$23.4 million in 2007 includes US\$29.0 million transitional withholding tax expense as a result of Unification. In 2008, further advisers' fees of US\$1.6 million, employment-related and other costs of US\$3.0 million were incurred in relation to the restructure.

² During 2008, following receipt of a private ruling from the Australian Taxation Office, a tax benefit of US\$31.6 million was recognised on the reset of Australian tax cost bases as a result of Unification.

³ As a consequence of the share register activity first disclosed to the Australian Stock Exchange on 8 August 2007, Brambles incurred advisers' fees of US\$4.7 million during 2008.

⁴ During 2007, Recall incurred US\$26.0 million on restructuring its Global, North American, European and Asia Pacific operations. This included redundancy and related costs, software writedowns and AUSDOC integration costs. A further US\$0.5 million was incurred in 2008.

Notes to and forming part of the preliminary final report for the year ended 30 June 2008 - *continued*

Note 6. Discontinued operations

a) Description

The divestments of Cleanaway UK and Cleanaway Asia were recognised in first half 2007, which concluded the divestment program announced in November 2005. These businesses are presented as discontinued operations in this financial report.

There were a number of minor disposals in 2008, the impact of which is immaterial in aggregate.

b) Income statement and cash flow information - discontinued operations

	2008	2007
	US\$m	US\$m
Total revenue	-	252.1
Operating expenses	-	(211.5)
Profit before tax and special items	-	40.6
Special items	1.2	817.7
Profit before tax from discontinued operations	1.2	858.3
Tax benefit/(expense):		
- On profit before tax and special items	-	(12.9)
- On special items	0.6	12.2
Total tax benefit/(expense) from discontinued operations	0.6	(0.7)
Profit for the year from discontinued operations	1.8	857.6
Net cash (outflow)/inflow from operating activities	(4.7)	39.3
Net cash outflow from investing activities	-	(21.4)
Net cash outflow from financing activities	-	(0.5)
Net (decrease)/increase in cash from discontinued operations	(4.7)	17.4

Notes to and forming part of the preliminary final report for the year ended 30 June 2008 - *continued*

Note 6. Discontinued operations - *continued*

c) Special items - discontinued operations

	2008 US\$m		
	Before tax	Tax	After tax
Exceptional items:			
- Gain recognised on completed disposals ¹	1.2	0.6	1.8
Special items from discontinued operations	1.2	0.6	1.8
	2007 US\$m		
	Before tax	Tax	After tax
Exceptional items:			
- Gain recognised on completed disposals:			
- Cleanaway UK ²	788.6	1.5	790.1
- Cleanaway Asia ³	12.3	(1.1)	11.2
- Other ¹	19.8	11.8	31.6
- Restructuring and Unification costs ⁴	(3.0)	-	(3.0)
Special items from discontinued operations	817.7	12.2	829.9

¹ In 2008, net favourable provision adjustments of US\$1.2 million (US\$1.8 million after tax) were recognised in respect of divestments completed in 2007 and prior years. In 2007, net favourable provision adjustments of US\$19.8 million (US\$31.6 million after tax) were recognised.

² In 2007, Brambles completed the sale of Cleanaway UK and received proceeds of US\$1,109.0 million. The pre-tax profit on sale recognised in 2007 was US\$788.6 million (US\$790.1 million after tax). Allowing for costs incurred in 2006 of US\$11.2 million, the total profit on sale was US\$777.4 million (US\$778.9 million after tax).

³ In 2007, Brambles recognised a gain of US\$12.3 million (US\$11.2 million after tax) on the sale of Cleanaway Asia for proceeds of US\$31.6 million. The divestment program to sell Cleanaway Asia commenced in 2006 during which a loss of US\$25.0 million was recognised to reduce the carrying amount of the disposed assets to estimated fair value less cost to sell. Overall, the net loss on sale was US\$12.7 million (US\$13.8 million after tax).

⁴ In 2007, further amounts of US\$3.0 million (US\$3.0 million after tax) were incurred in respect of redundancies, office closure and expenses associated with Brambles Industrial Services headquarters which were closed during 2007.

Notes to and forming part of the preliminary final report for the year ended 30 June 2008 - *continued*

Note 7. Income tax

	2008 US\$m	2007 US\$m
Amounts recognised in the income statement		
Current income tax - continuing operations:		
- Income tax charge	222.7	176.6
- Prior year adjustments	(26.8)	(5.4)
	195.9	171.2
Deferred tax - continuing operations:		
- Origination and reversal of temporary differences	44.6	133.7
- Previously unrecognised tax losses	(15.6)	(3.1)
- Prior year adjustments	9.3	0.6
	38.3	131.2
Tax expense - continuing operations	234.2	302.4
Tax (benefit)/expense - discontinued operations (Note 6b)	(0.6)	0.7
Tax expense recognised in the income statement	233.6	303.1
Amounts recognised in the statement of recognised income and expense		
- On actuarial losses on defined benefit pension schemes	(7.4)	(4.0)
- On losses on revaluation of cash flow hedges	(1.7)	(1.9)
Tax benefit recognised directly in the statement of recognised income and expense	(9.1)	(5.9)
Reconciliation between tax expense and accounting profit before tax		
Profit before tax - continuing operations	881.1	736.1
Tax at 30% (2007: 30%)	264.3	220.8
Effect of tax rates in overseas jurisdictions	8.1	11.2
Prior year adjustments	(17.5)	(4.8)
Items not subject to taxation	-	(1.8)
Current year tax losses not recognised	6.8	3.6
Prior year tax losses recouped	(15.6)	(3.1)
Foreign withholding tax provided	13.5	31.2
Changes in tax rates	(15.9)	(7.0)
Non-deductible expenses	20.0	36.1
Other	(29.5)	16.2
Tax expense - continuing operations	234.2	302.4
Tax expense - discontinued operations (Note 6b)	(0.6)	0.7
Total income tax expense	233.6	303.1

Notes to and forming part of the preliminary final report for the year ended 30 June 2008 - *continued*

Note 8. Business combination

a) Brambles Limited

On 4 December 2006, Brambles completed Unification of the dual-listed companies structure (DLC structure). Unification has been accounted for as a reverse acquisition whereby for financial reporting purposes Brambles Limited has been treated as being acquired by the existing Brambles consolidated group which comprised Brambles Industries Limited (BIL), Brambles Industries plc (BIP) and controlled entities. Brambles Limited had a net asset deficiency of A\$10.2 million at the date of the reverse acquisition.

Brambles Limited was incorporated on 21 March 2006 with a share capital of A\$2 and had no trading activity until 4 December 2006 when it became the legal parent company of BIL and BIP on Unification.

On Unification, Brambles Limited issued shares on a one-for-one basis to those BIL and BIP shareholders who did not elect to participate in the Cash Alternative. The Unification reserve of US\$15,385.8 million represents the difference between the Brambles Limited share capital measured at fair value on 4 December 2006, and the carrying value of BIL and BIP share capital at that date.

b) Acquisitions

On 4 March 2008, Brambles announced it had agreed to purchase 100% of the issued share capital of LeanLogistics, Inc, a leading provider of technology-based transport and supply chain solutions in the USA. Change of control was effective on 7 March 2008.

For the period from 7 March 2008 to 30 June 2008, LeanLogistics contributed revenue of US\$3.3 million and incurred a loss after tax of US\$1.2 million. These results are included within the CHEP Americas business segment. If the acquisition had occurred on 1 July 2007, Brambles' revenue for 2008 would have been US\$7.6 million higher and profit after tax for 2008 US\$0.6 million lower after allowing for finance costs.

The fair value of the LeanLogistics assets acquired, liabilities assumed and goodwill were as follows:

	2008
	US\$m
Cash paid	44.7
Direct costs relating to the acquisition	2.4
Total purchase consideration	47.1
Fair value of net identifiable assets acquired	13.8
Goodwill	33.3

The goodwill acquired is attributable to the profitability of the acquired business and anticipated synergies with CHEP's existing operations. The fair values of assets and liabilities acquired, including intangibles such as customer contracts, were established using professional valuers, where relevant.

Notes to and forming part of the preliminary final report
for the year ended 30 June 2008 - *continued*

Note 8. Business combination - continued

On acquisition of LeanLogistics, assets acquired and liabilities assumed were:

	Acquiree's carrying amount US\$m	Fair value US\$m
Cash and cash equivalents	0.9	0.9
Trade and other receivables	1.6	1.6
Other current assets	0.1	0.1
Property, plant and equipment	0.3	0.3
Intangible assets	1.0	17.5
Current and deferred tax assets	2.7	2.8
	6.6	23.2
Trade and other payables	(2.7)	(2.7)
Borrowings	(0.3)	(0.3)
Current and deferred tax liabilities	-	(6.4)
	(3.0)	(9.4)
Net assets	3.6	13.8

	2008 US\$m
Cash outflow on acquisition of LeanLogistics was as follows:	
Cash and cash equivalents acquired	0.9
Cash consideration	(47.1)
Net cash outflow	(46.2)

In addition to the LeanLogistics acquisition, there were a number of minor acquisitions in 2008 and 2007, the impacts of which were immaterial in aggregate.

Notes to and forming part of the preliminary final report for the year ended 30 June 2008 - *continued*

Note 9. Earnings per share

	2008	2007
	US cents	US cents
Earnings per share		
- Basic	46.0	83.4
- Diluted	45.7	82.3
- Basic, before special items	44.5	39.6
From continuing operations		
- Basic	45.9	28.0
- Diluted	45.6	27.7
- Basic, before special items	44.5	37.8
From discontinued operations		
- Basic	0.1	55.4
- Diluted	0.1	54.6
- Basic, before special items	-	1.8
Weighted average number of shares outstanding during the year:	2008	2007
	million	million
Used in the calculation of basic earnings per share	1,409.2	1,548.3
Adjustment for share options and performance share rights	8.9	20.0
Used in the calculation of diluted earnings per share	1,418.1	1,568.3

Options granted under the employee option plans are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

Note 10. Dividends

a) Dividends paid

	Interim	Final
	2008	2007
Brambles Limited		
Dividend per share (in Australian cents)	17.0	17.0
Franked amount at 30% tax (in Australian cents)	1.7	3.4
Cost (in US\$ million)	223.4	221.4
Payment date	10 April 2008	11 October 2007

b) Dividend declared after reporting date

	Final
	2008
Brambles Limited	
Dividend per share (in Australian cents)	17.5
Franked amount at 30% tax (in Australian cents)	1.75
Cost (in US\$ million)	208.9
Dividend record date	19 September 2008
Payment date	9 October 2008

As this dividend had not been declared at the reporting date, it is not reflected in the financial statements.

Notes to and forming part of the preliminary final report for the year ended 30 June 2008 - *continued*

Note 11. Issued and quoted securities

Parent entity	Options	Ordinary securities	
	Number	Number	US\$m
At 1 July 2007	22,630,260	1,415,485,064	14,062.8
Issued during the period	2,506,597	10,475,382	52.3
Exercised during the period	(10,807,547)	-	-
Lapsed during the period	(3,801,818)	-	-
Shares purchased on-market and cancelled	-	(42,409,560)	(336.5)
At 30 June 2008	10,527,492	1,383,550,886	13,778.6

Note 12. Changes in equity

	2008 US\$m	2007 US\$m
Total equity at 1 July	1,422.7	2,953.0
Adjustment to opening retained earnings for AASB 117: Leases ¹	(2.5)	-
Total restated equity as at 1 July	1,420.2	2,953.0
Total recognised income and expense for the period	882.9	1,432.0
Long term incentive plan:		
- Performance shares to be issued	14.8	20.8
- Shares issued	(13.9)	(18.9)
- Income tax	3.3	11.3
Transactions with equity holders in their capacity as equity holders:		
- Dividends paid	(424.1)	(588.5)
- Issues of ordinary shares, net of transaction costs	52.3	82.4
- Premium on issue of ordinary shares	-	12.0
- Shares purchased on-market and cancelled	(392.0)	(1,527.5)
- Cash Alternative at Unification	-	(950.3)
Minority interest:		
- Other	-	(0.1)
- On disposal of subsidiaries	-	(3.5)
Total equity at 30 June	1,543.5	1,422.7

¹ Upon transition to AIFRS on 1 July 2005, an adjustment was made to comply with AASB 117: Leases, which requires operating leases with a fixed rental increase to be amortised on a straight line basis over the life of the lease. Upon completion of a review of leases during first half 2008, a further adjustment for fixed rental increases has been made to increase other liabilities by US\$4.1 million, increase deferred tax assets by US\$1.6 million and decrease opening retained earnings by US\$2.5 million. The impact on profit for 2007 was not material and therefore prior year comparatives have not been amended.

Notes to and forming part of the preliminary final report for the year ended 30 June 2008 - *continued*

Note 13. Cash flow statement - additional information

a) Reconciliation of cash

	2008 US\$m	2007 US\$m
Cash at bank and in hand	62.8	112.8
Short term deposits	42.0	17.6
Bank overdrafts	(36.7)	(3.5)
	68.1	126.9

b) Borrowing facilities and credit standby arrangements

Total facilities:

- Committed borrowing facilities	3,647.5	3,267.5
- Loan notes	425.0	425.0
- Credit standby/uncommitted arrangements	162.0	62.6
	4,234.5	3,755.1

Facilities used at reporting date:

- Committed borrowing facilities	2,018.9	1,646.3
- Loan notes	425.0	425.0
- Credit standby/uncommitted arrangements	61.3	34.3
	2,505.2	2,105.6

Facilities unused at reporting date:

- Committed borrowing facilities	1,628.6	1,621.2
- Credit standby/uncommitted arrangements	100.7	28.3
	1,729.3	1,649.5

Total credit facilities by currency:

- US dollar	US\$	1,915.5	1,595.3
- Sterling	£	755.0	745.0
- Euro	€	459.0	426.1
- Other	US\$	88.8	82.5

c) Non-cash financing or investing activities

There were no financing or investing transactions during the year which have had a material effect on the assets and liabilities of Brambles that did not involve cash flows.

Notes to and forming part of the preliminary final report
for the year ended 30 June 2008 - *continued*

Note 13. Cash flow statement - additional information - *continued*

d) Reconciliation of profit after tax to net cash flows from operating activities	2008	2007
	US\$m	US\$m
Profit after tax	648.7	1,291.3
Adjustments for:		
- Depreciation and amortisation	458.6	404.3
- Irrecoverable pooling equipment provision expense	91.2	90.2
- Net gains on disposals of property, plant and equipment	(46.4)	(42.7)
- Other valuation adjustments	(1.0)	(0.6)
- Net gains on disposal of businesses and investments	(1.2)	(2.9)
- Net gains after tax on completed disposals of discontinued operations	(2.6)	(832.9)
- Joint ventures and associates	(0.6)	2.8
- Equity-settled share-based payments	14.8	20.8
- Finance costs	12.7	6.3
Movements in operating assets and liabilities, net of acquisitions and disposals:		
- Decrease/(increase) in trade and other receivables	35.9	(46.0)
- Decrease/(increase) in prepayments	1.9	(1.0)
- Increase in inventories	(9.7)	(5.9)
- Decrease in deferred tax	39.3	135.7
- (Decrease)/increase in trade and other payables	(2.1)	61.0
- Decrease in tax payables	(38.8)	(3.0)
- Decrease in provisions	(30.3)	(37.6)
- Other	(4.1)	4.2
Net cash inflow from operating activities	1,166.3	1,044.0

Notes to and forming part of the preliminary final report for the year ended 30 June 2008 - *continued*

Note 14. Equity-accounted investments

a) Joint ventures

Brambles has investments in the following joint ventures, all of which are unlisted jointly controlled entities, which are accounted for using the equity method.

Name (and nature of business)	Place of incorporation	% interest held at reporting date	
		2008	2007
CISCO - Total Information Management Pte. Limited (Information management)	Singapore	49%	49%
General de Archivo Y Deposito, SA ¹ (Document management services)	Spain	100%	49%
Recall Becker GmbH & Co. KG (Document management services)	Germany	50%	50%

¹ Effective 2 April 2008, Brambles acquired the remaining 51% interest in General de Archivo Y Deposito, SA (GADSA). From that date, GADSA has been consolidated as a subsidiary within the Recall segment.

b) Share of results of joint ventures - continuing operations

	2008 US\$m	2007 US\$m
Continuing operations		
Profit from ordinary activities before tax	6.9	5.1
Income tax on ordinary activities	(1.0)	(0.8)
Profit for the year	5.9	4.3

Note 15. Net tangible asset backing

	2008 US cents	2007 US cents
Net tangible assets backing based on 1,383.6 million shares (2007: 1,415.5 million shares)	49.2	47.1

Net tangible assets backing per share is calculated by dividing total equity attributable to the members of the parent entity, less goodwill and intangible assets, by the number of shares on issue at year end.

Note 16. Contingent liabilities

There have been no material changes in Brambles' contingent liabilities as set out in the 2007 Annual Report.

Note 17. Events after balance sheet date

Other than those outlined in this preliminary final report, there have been no events that have occurred subsequent to 30 June 2008 that have had a material impact on Brambles' financial performance or position.

Statement of compliance

This report is based upon financial statements which have been audited.

The audit report, which is unqualified, will be made available with the Brambles 2008 Annual Report.

Robert Gerrard
Company Secretary

20 August 2008