Brambles Limited
ABN 89 118 896 021
Level 40 Gateway 1 Macquarie Place
Sydney NSW 2000 Australia
GPO Box 4173 Sydney NSW 2001
Tel +61 2 9256 5222 Fax +61 2 9256 5299
www.brambles.com

Brambles

19 August 2010

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

Via electronic lodgement

Dear Sir,

BRAMBLES REPORTS SOLID RESULTS FOR 2010 FINANCIAL YEAR: STRONG CASH FLOW AND PLATFORM FOR GROWTH

Attached is a release to the Exchange from Brambles Limited on its preliminary final report for the year ended 30 June 2010.

Yours faithfully
Brambles Limited

Robert Gerrard
Company Secretary

19 August 2010 **ASX & Media Release**

Brambles reports solid results for 2010 financial year: strong cash flow and platform for growth

Brambles Limited today reported sales revenue of US$4,146.8 million for the financial year ended 30 June 2010, up 3% on the prior corresponding period. Statutory operating profit before finance costs and tax was US$724.5 million, up 1%. Statutory profit after tax was US$443.9 million, up 2%.

Cash flow was strong, reflecting tight financial controls and a reduction in capital expenditure. Cash flow from continuing operations increased US$159.9 million to US$882.3 million. Free cash flow after dividends increased US$202.2 million to US$344.1 million.

US$ millions	FY10	FY09	% change (actual FX rates)	% change (constant currency[1])
Sales revenue	4,146.8	4,018.6	3%	–
Statutory operating profit	724.5	718.2	1%	(3%)
Statutory profit after tax	443.9	434.0	2%	(1%)
Earnings per share[2] (US cents)	31.8	32.6	(2%)	(6%)
			Change (US$ millions)	**% change**
Cash flow from continuing operations	882.3	722.4	159.9	22%
Free cash flow after dividends	344.1	141.9	202.2	142%

The Board has declared a final dividend of 12.5 Australian cents per share, 20% franked and payable on 14 October 2010 to shareholders on the company's register on 22 September 2010. The Dividend Reinvestment Plan will be available for this dividend.

Brambles' CEO Tom Gorman said: "This result, in particular the strong cash flow performance and our robust balance sheet, highlights Brambles' stability and resilience during a period of continued challenging economic conditions. We are focused on driving the next phase of growth.

"Our growth in sales revenue in the 2010 financial year of 3% was driven by CHEP Europe, Middle East and Africa (EMEA), CHEP Asia-Pacific and Recall, which offset the impact on the group's financial results of a decline in sales revenue in CHEP Americas.

"Brambles delivered a 6% increase in second-half sales revenue compared with the same period in the 2009 financial year as established and developing regions generated new business, balancing subdued underlying conditions in some regions.

"Developing CHEP regions including China, India, Central and Eastern Europe and the Middle East delivered particularly strong growth rates. Investment in these CHEP regions is ongoing, along with other growth initiatives throughout the group.

"The Better Everyday program has delivered a higher pallet quality standard to CHEP USA customers. This initiative, which began in October 2009, has positioned CHEP USA for future profitable growth and enabled it to regain positive sales momentum.

"Recall delivered strong profit growth and an improvement in return on capital. Recall benefitted from new sales conversion, cost efficiency programs undertaken in the previous financial year and ongoing strong demand in its Document Management Solutions service line."

[1] Brambles calculates constant currency by translating results into US dollars at the exchange rates applicable during the prior corresponding period.
[2] Earnings per share includes discontinued operations.

New business wins
Brambles' net new business wins[3] in the 2010 financial year were US$53 million, reflecting a solid win rate in CHEP EMEA and CHEP Asia-Pacific and a strong contribution from Recall. The annualised value of net new business won during the period was positive in all business units, totalling US$75 million. Since the introduction of the Better Everyday program in October 2009, the annualised value of net new business wins for CHEP USA has been US$18 million.

Outlook
Mr Gorman said: "Brambles is in robust financial shape and is well-placed to build on its global footprint and strong underlying business to generate growth in sales revenue and profit. Subject to unforeseen circumstances and ongoing economic uncertainty, Brambles expects statutory operating profit before interest costs and tax to be between US$740 million and US$780 million[4] in the 2011 financial year."

Investors and media, for further information please contact:	
Cathy Press Group Vice President, Capital Markets +61 2 9256 5241 +61 419 290 745 cathy.press@brambles.com	**James Hall** Director, Investor Relations & External Communications +61 2 9256 5262 +61 401 524 645 james.hall@brambles.com

Further details of Brambles' 2010 financial year results are set out in the following pages and in the Appendix 4E. Brambles' management will hold a briefing to investment analysts at 11am on 19 August 2010. The company will post all presentation materials on its website before the briefing and webcast the briefing at www.brambles.com. A replay of the webcast including the question and answer session will be available on the Brambles website shortly after the live presentation concludes.

For further information on Brambles and all company announcements, presentations and webcasts, please visit the company website at www.brambles.com.

[3] Brambles defines net new business wins as the change in sales revenue in the period resulting from business won or lost in that period and the previous 12 months. Net new business is calculated on a constant currency basis.
[4] Guidance provided at 30 June 2010 exchange rates. Applying this rate throughout the 2010 financial year would give comparable statutory operating profit before finance costs and tax of US$693 million.

Sales and profit summary

Table 1
Sales revenue and statutory operating profit

US$ million	FY10 actual	FY10 at prior year FX rates	FY09 actual	% change (actual FX rates)	% change (constant currency)
Sales revenue					
CHEP Americas	1,533.6	1,510.3	1,556.9	(1)%	(3)%
CHEP EMEA	1,482.6	1,470.8	1,452.6	2%	1%
CHEP Asia-Pacific	390.9	334.4	323.4	21%	3%
Total CHEP	**3,407.1**	**3,315.5**	**3,332.9**	**2%**	**(1)%**
Recall	739.7	699.9	685.7	8%	2%
Total sales revenue	**4,146.8**	**4,015.4**	**4,018.6**	**3%**	**–**
Statutory operating profit					
CHEP Americas	235.2	226.8	229.0	3%	(1)%
CHEP EMEA	324.9	319.0	286.5	13%	11%
CHEP Asia-Pacific	77.8	63.3	57.9	34%	9%
Total CHEP	**637.9**	**609.1**	**573.4**	**11%**	**6%**
Recall	123.1	114.0	95.9	28%	19%
Brambles HQ	(36.5)	(29.1)	48.9		
Statutory operating profit	**724.5**	**694.0**	**718.2**	**1%**	**(3)%**
Net finance costs	(109.6)	(108.1)	(120.9)	9%	11%
Profit before tax	**614.9**	**585.9**	**597.3**	**3%**	**(2)%**
Tax expense	(171.0)	(158.3)	(163.3)	(5)%	3%
Profit from continuing operations	**443.9**	**427.6**	**434.0**	**2%**	**(1)%**
Profit from discontinued operations	4.9	4.2	18.6		
Profit for the period	**448.8**	**431.8**	**452.6**	**(1)%**	**(5)%**
Weighted average number of shares (millions)	**1,411.3**	**1,411.3**	**1,388.3**		
EPS[5] (US cents)	**31.8**	**30.6**	**32.6**	**(2)%**	**(6)%**
EPS[5] (Australian cents)	**36.1**	**41.0**	**43.7**	**(17)%**	**(6)%**
Dividend (Australian cents per share)	**25.0**	**N/A**	**30.0**		

[5] Earnings per share includes discontinued operations.

Table 2
Underlying profit[6]

US$ million	FY10 actual	FY10 at prior year FX rates	FY09 actual	% change (actual FX rates)	% change (constant currency)
Underlying profit					
CHEP Americas	237.1	228.7	434.4	(45)%	(47)%
CHEP EMEA	329.5	324.3	327.5	1%	(1)%
CHEP Asia-Pacific	78.4	63.9	61.1	28%	5%
Total CHEP	**645.0**	**616.9**	**823.0**	**(22)%**	**(25)%**
Recall	124.6	115.5	104.3	19%	11%
Brambles HQ	(36.2)	(29.0)	(26.7)	(36)%	(9)%
Underlying profit	**733.4**	**703.4**	**900.6**	**(19)%**	**(22)%**
Net finance costs	(109.6)	(108.1)	(120.9)	9%	11%
Profit before tax	**623.8**	**595.3**	**779.7**	**(20)%**	**(24)%**
Tax expense	(173.6)	(161.0)	(245.4)	29%	34%
Underlying profit after finance costs and tax	**450.2**	**434.3**	**534.3**	**(16)%**	**(19)%**
Weighted average number of shares (millions)	**1,411.3**	**1,411.3**	**1,388.3**		
Underlying EPS (US cents)	**31.9**	**30.8**	**38.5**	**(17)%**	**(20)%**
ROCI	**17%**	**16%**	**21%**		
BVA (June 09 FX rates)		**215.4**	**297.4**		

Table 3
Reconciliation of Underlying profit to statutory operating profit

US$ million	FY10		FY09	
	Before tax	**After tax**	**Before tax**	**After tax**
Underlying profit (see Table 2)	**733.4**	**450.2**	**900.6**	**534.3**
CHEP USA – pallet quality program			(77.4)	(47.1)
CHEP USA – Walmart net transition impact			(29.0)	(17.7)
Restructuring:				
Facilities and operations rationalisation	(11.4)	(7.8)	(54.3)	(46.0)
CHEP USA accelerated scrapping of 7 million surplus pallets	2.5	1.5	(99.0)	(60.3)
FX gain on capital repatriation from foreign subsidiary			77.3	77.3
Other			–	(6.5)
Total Significant items	**(8.9)**	**(6.3)**	**(182.4)**	**(100.3)**
Statutory operating profit (see Table 1)	**724.5**	**443.9**	**718.2**	**434.0**

[6] The difference in growth rates between statutory operating profit and Underlying profit reflects the impact of Significant items recognised outside of Underlying profit (US$8.9 million in the 2010 financial year; US$182.4 million in the 2009 financial year).

Business unit operations review

CHEP Americas

Table 4
CHEP Americas

US$ million	FY10	FY09	% change (actual FX rates)	% change (constant currency)
Sales revenue	1,533.6	1,556.9	(1)%	(3)%
Statutory operating profit	235.2	229.0	3%	(1)%
Statutory operating profit margin	*15%*	*15%*	*0pp*	*0pp*
Significant items:				
Pallet quality program		*77.4*		
Walmart net transition impact		*29.0*		
Restructuring – facilities and operations	*4.4*	*-*		
Accelerated pallet scrapping	*(2.5)*	*99.0*		
	1.9	*205.4*		
Underlying profit	237.1	434.4	(45)%	(47)%
Underlying profit margin	*15%*	*28%*	*(13)pp*	*(13)pp*
Cash flow from operations	285.7	267.0		
ROCI	14%	26%		
BVA (June 09 FX rates)	38.1	138.5		

Sales
CHEP Americas' sales revenue was US$1,533.6 million, down 1% on the prior corresponding period as continued growth in CHEP Canada, CHEP Latin America and LeanLogistics partially offset a decline in sales revenue in CHEP USA.

CHEP USA's sales revenue was down 5%, reflecting a reduction in pricing and mix (2%) and pallet issue volumes (3%). The lower pallet issue volumes comprised a decline in organic issue volumes (2%) and the impact of lost business (1%).

CHEP Canada's sales revenue was up 12% as issue volumes rose. CHEP Latin America's sales revenue was up 7% on volume growth throughout the region. LeanLogistics delivered a 9% increase in sales revenue as it continued to expand.

CHEP Americas' net new business in the period was negative US$9 million. However, the annualised value of business won in the 2010 financial year was positive at US$2 million. CHEP USA won new or expanded business during the period with more than 1,000 customers as it extended its reach with small and medium sized customers. CHEP USA won business during the period with major brands including consumer lawn and gardening products company Scott's Miracle-Gro and fresh fruit and vegetable producer Del Monte. The annualised value of net new business in CHEP USA since the introduction of the Better Everyday program in October 2009 has been US$18 million.

Profit
CHEP Americas' statutory operating profit was US$235.2 million, up 3% from the 2009 financial year. Underlying profit was US$237.1 million, down 45% on the prior corresponding period. The difference between statutory operating profit and Underlying profit primarily reflects the impact of the US$205.4 million of Significant items that CHEP Americas recognised in the 2009 financial year from CHEP USA quality investments, Walmart transition costs and accelerated pallet scrapping. In the 2010 financial year, CHEP Americas recognised quality investments within Underlying profit, rather than as

Significant items. Quality investments in CHEP USA totalled US$108.5 million, comprising US$37.0 million of investment under the USA pallet quality program and US$71.5 million of investment under the Better Everyday program, US$8.5 million below the October 2009 estimate.

Direct costs rose in the 2010 financial year, primarily as a result of a US$19.3 million increase in costs from storing, handling and transporting idle pallets in CHEP USA. The average number of idle pallets for the year was approximately 4 million. There were also costs associated with converting customers from new to repaired pallets.

Costs associated with the irrecoverable pooling equipment provision (IPEP) were higher than trend in the first half of the 2010 financial year, although these costs returned to trend in the second half.

CHEP USA has completed the accelerated scrapping of 7 million excess pallets that Brambles announced in February 2009. This was 12 months ahead of schedule and US$2.5 million below management's original estimate.

Cash flow and return on capital

CHEP Americas increased its cash flow from operations by US$18.7 million over the prior corresponding period to US$285.7 million. This reflected favourable working capital movements and lower capital expenditure, more than offsetting the lower Underlying profit. CHEP USA further reduced its commitment to buying new pallets during the period. The higher quality of the repaired pool enabled more customers that had previously required new pallets to transfer their volumes to repaired pallets. CHEP USA also reduced the proportion of imported customer volumes that used new pallets.

Return on capital invested was 12 percentage points lower at 14%, reflecting the reduction in Underlying profit.

Quality initiatives

The Better Everyday program to improve quality and service within CHEP USA is driving improved performance, reflected in the positive win rate since the program began and an ongoing reduction in customer pallet rejections. CHEP USA is now delivering 100% of all issues at the US Plus repair specification or higher, although demand for the higher US Premium repair specification remains lower than originally anticipated. As a result, Brambles expects ongoing costs from the Better Everyday program will be US$25 million lower than originally anticipated.

Table 5
CHEP USA quality and service improvement costs

US$ million	**Component**	**FY10**	**FY11**	**FY12**	**Ongoing (per year)**
Oct. '09 forecast	Pre-Better Everyday	37.0	-	-	-
	Better Everyday fast-track	30.0	50.0	30.0	-
	Better Everyday ongoing	50.0	50.0	50.0	50.0
	Total	117.0	100.0	80.0	50.0
FY10 outcome/ revised forecast	Total	108.5	95.0	55.0	25.0
Reduction		**8.5**	**5.0**	**25.0**	**25.0**

CHEP EMEA

Table 6
CHEP EMEA

US$ million	FY10	FY09	% change (actual FX rates)	% change (constant currency)
Sales revenue	1,482.6	1,452.6	2%	1%
Statutory operating profit	324.9	286.5	13%	11%
Statutory operating profit margin	*22%*	*20%*	*2pp*	*2pp*
Significant items:				
Restructuring – facilities and operations	*4.6*	*41.0*		
Underlying profit	329.5	327.5	1%	(1)%
Underlying profit margin	*22%*	*23%*	*(1)pp*	*(1)pp*
Cash flow from operations	411.7	372.7		
ROCI	23%	23%		
BVA (June 09 FX rates)	165.3	159.8		

Sales
CHEP EMEA's sales revenue was up 2% compared with the prior corresponding period at US$1,482.6 million. CHEP Europe's sales revenue was in line with the prior corresponding period as net new business wins offset a decline in pallet sales revenue in the UK and Spain and a slow rate of recovery in the automotive sector. CHEP Central and Eastern Europe delivered a 24% increase in sales revenue as a result of ongoing business expansion. CHEP Middle East and Africa increased sales revenue by 28% as volumes continued to grow strongly.

CHEP EMEA's net new business wins were US$30 million. In June, CHEP announced its first major pallet supply contract in Turkey, with Unilever. CHEP has also reached agreement on commercial terms to supply Procter & Gamble in Turkey. During the 2010 financial year, pallet business expansion included British Sugar in the UK, as well as paper product manufacturer Sofidel and oils distributor Bunge in Poland. The annualised value of net business CHEP EMEA won during the period was US$39 million.

Profit
CHEP EMEA's statutory operating profit was US$324.9 million, up 13%, reflecting the impact of facilities and operations rationalisation in the 2009 financial year. Underlying profit was up 1% to US$329.5 million. Cost efficiencies largely offset increased investment in the quality of the European pallet pool. Costs associated with the irrecoverable pooling equipment provision (IPEP) returned to trend in the second half, having been higher than normal in the first half.

Cash flow and return on capital
CHEP EMEA's cash flow from operations was US$411.7 million, up US$39.0 million from the previous corresponding period, reflecting lower capital expenditure and strong working capital controls. Return on capital invested was in line with the 2009 financial year at 23%.

CHEP Asia-Pacific

Table 7
CHEP Asia-Pacific

US$ million	FY10	FY09	% change (actual FX rates)	% change (constant currency)
Sales revenue	390.9	323.4	21%	3%
Statutory operating profit	77.8	57.9	34%	9%
Statutory operating profit margin	*20%*	*18%*	*2pp*	*1pp*
Significant items:				
Restructuring – facilities and operations	*0.6*	*3.2*		
Underlying profit	78.4	61.1	28%	5%
Underlying profit margin	*20%*	*19%*	*1pp*	*0pp*
Cash flow from operations	94.1	9.8		
ROCI	21%	19%		
BVA (June 09 FX rates)	28.2	26.2		

Sales
CHEP Asia-Pacific's sales revenue was US$390.9 million, up 21% on the prior corresponding period, reflecting the strength of the Australian dollar and strong sales growth in China. Sales revenue from China was US$5.8 million higher on increased sales volumes to both the fast-moving consumer goods and automotive sectors. In CHEP Australia, there was continued expansion of the reusable plastic crate and display pallet businesses. Sales revenue from both the pallets and automotive container businesses increased in CHEP India and CHEP South East Asia.

CHEP Asia-Pacific's net new business wins for the period were US$15 million, reflecting ongoing wins throughout the region. The annualised value of net business CHEP Asia-Pacific won during the period was US$11 million. Customers with which CHEP Australia secured new or extended business in the period included Primo Small Goods and drinks manufacturer Fryers in Australia.

Profit
CHEP Asia-Pacific's statutory operating profit was US$77.8 million, up 34% compared with the prior corresponding period, reflecting higher sales revenue and the impact of Significant items from facilities and operations rationalisation in the 2009 financial year. The benefit of this rationalisation in cost efficiencies and reduced overheads in the 2010 financial year largely offset the impact of higher depreciation costs in Australia and China, resulting from capital investment in recent growth initiatives. Underlying profit was US$78.4 million, up 28%.

Cash flow and return on capital
CHEP Asia-Pacific's cash flow from operations was US$94.1 million, up US$84.3 million compared with the prior corresponding period. This reflected the increase in profit and lower capital expenditure given the rollout of reusable plastic crate contracts in the 2009 financial year. Return on capital invested increased 2 percentage points to 21%, reflecting the increased profit.

Recall

Table 8 Recall				
US$ million	**FY10**	**FY09**	**% change (actual FX rates)**	**% change (constant currency)**
Sales revenue	739.7	685.7	8%	2%
Statutory operating profit	123.1	95.9	28%	19%
Statutory operating profit margin	*17%*	*14%*	*3pp*	*2pp*
Significant items:				
Restructuring – facilities and operations	*1.5*	*8.4*		
Underlying profit	124.6	104.3	19%	11%
Underlying profit margin	*17%*	*15%*	*2pp*	*2pp*
Cash flow from operations	121.7	106.9		
ROCI	13%	12%		
BVA (June 09 FX rates)	9.0	(6.4)		

Sales
Recall's sales revenue was US$739.7 million, up 8% compared with the prior corresponding period. Carton volume growth was 6% in the Document Management Solutions (DMS) service line. This was partially offset by a decline in volumes in the Secure Destruction Services (SDS) service line. Sales revenue excluding SDS was up 10%. At 30 June 2010, world paper prices had returned to pre-Global Financial Crisis levels.

Recall's net new business for the period was US$17 million, reflecting strong sales momentum, particularly in the DMS service line. The annualised value of Recall's net business won in the 2010 financial year was US$23 million.

Profit
Recall's statutory operating profit was US$123.1 million, up 28% compared with the prior corresponding period, reflecting the higher sales revenue, the cost of facilities and operations rationalisation in the 2009 financial year and the benefits of this rationalisation in the 2010 financial year. Investments in information technology and marketing were higher in the 2010 financial year. Underlying profit was US$124.6 million, up 19%.

Cash flow and return on capital
Recall's cash flow from operations was US$121.7 million, up US$14.8 million compared with the prior corresponding period, reflecting the increased profit. Return on capital invested increased 1 percentage point to 13%.

Additional financial information

Capital expenditure (property, plant and equipment) and cash flow

Table 9
Capital expenditure on property, plant and equipment (accruals basis)

US$ million	FY10	FY09	Change
CHEP Americas	204.5	290.8	86.3
CHEP EMEA	173.2	234.4	61.2
CHEP Asia-Pacific	67.0	92.7	25.7
Total CHEP	**444.7**	**617.9**	**173.2**
Recall	53.8	52.4	(1.4)
Brambles HQ	0.3	2.1	1.8
Total capital expenditure	**498.8**	**672.4**	**173.6**

Table 10
Cash flow

US$ million	FY10	FY09	Change
Underlying profit	733.4	900.6	(167.2)
Significant items within ordinary activities	–	(106.4)	106.4
Depreciation & amortisation	444.0	418.4	25.6
EBITDA	**1,177.4**	**1,212.6**	**(35.2)**
Capital expenditure	(496.5)	(683.8)	187.3
Proceeds from disposals	88.0	104.6	(16.6)
Working capital movement	14.7	25.8	(11.1)
Irrecoverable pooling equipment provision	111.2	97.8	13.4
Provisions/other	(12.5)	(34.6)	22.1
Cash flow from operations	**882.3**	**722.4**	**159.9**
Significant items outside ordinary activities	(52.1)	(49.9)	(2.2)
Cash flow from operations (incl. Significant items)	**830.2**	**672.5**	**157.7**
Financing costs and tax	(281.6)	(253.0)	(28.6)
Free cash flow	**548.6**	**419.5**	**129.1**
Dividends paid	(204.5)	(277.6)	73.1
Free cash flow after dividends	**344.1**	**141.9**	**202.2**

Capital expenditure (accruals basis) was US$498.8 million, down US$173.6 million compared with the prior corresponding period. This predominantly reflected a reduction in pallet purchase requirements in CHEP USA and CHEP Europe, and the investment in the prior corresponding period in the Australian reusable plastic crate business.

Total pallet capital expenditure was US$349.7 million, compared with US$462.1 million in the prior corresponding period. Other capital expenditure related primarily to supporting growth in Recall and CHEP's expansion into developing regions.

Lower proceeds from disposals reflected a reduction in compensations from customers for irrecoverable equipment.

Brambles continues to manage working capital tightly. Average debtors days fell to 45 days in the period from 46 days in the previous corresponding period.

Cash flow from operations increased US$159.9 million to US$882.3 million as lower capital expenditure more than offset the reduction in EBITDA. Free cash flow was up US$129.1 million to US$548.6 million. This was more than sufficient to cover dividends paid of US$204.5 million, leaving free cash flow after dividends of US$344.1 million, up US$202.2 million.

Significant items included spending on facilities and operations rationalisation throughout Brambles and accelerated pallet scrapping in CHEP USA.

Interest

Net finance costs were US$109.6 million, down from US$120.9 million in the 2009 financial year. The reduction in net finance costs reflected lower borrowings and lower benchmark interest rates, partially offset by higher borrowing margins and fees on debt refinanced during the 2009 financial year.

Tax

Brambles' effective tax rate applying to both statutory operating profit and Underlying profit for the 2010 financial year was 27.8%. This was broadly in line with the 27.3% rate that applied to statutory operating profit and lower than the 31.5% rate that applied to Underlying profit in the 2009 financial year. The reduction in the effective tax rate on Underlying profit was primarily a result of the net reversal of tax provisions following the receipt of a tax ruling and the resolution of an open tax issue, which allowed the group to benefit prior year tax losses.

Debt

Table 11
Net debt and key ratios

US$ million	**FY10**	**FY09**	**Change**
Current debt	276.0	68.0	(208.0)
Non-current debt	1,618.8	2,165.5	546.7
Gross debt	**1,894.8**	**2,233.5**	**338.7**
Less cash	(135.5)	(90.1)	45.4
Net debt	**1,759.3**	**2,143.4**	**384.1**
EBITDA	1,177.4	1,212.6	(35.2)
Net finance costs	109.6	120.9	11.3
Key ratios			
Net debt to EBITDA	1.5x	1.8x	0.3x
EBITDA interest cover	10.7x	10.0x	0.7x

Net debt at 30 June 2010 was US$1,759.3 million, down US$384.1 million from 30 June 2009, reflecting the strong cash flow generated from the business and lower dividend payments. Brambles has reduced net debt by US$666.9 million over the 2009 and 2010 financial years.

To diversify its funding sources and lengthen maturities, Brambles raised US$750 million in the US 144A bond market in March 2010. The note issue comprised US$500 million of 10-year notes and US$250 million of five-year notes. Brambles used the proceeds to repay bank borrowings.

At 30 June 2010, Brambles had committed credit facilities including bonds and notes totalling US$3,766.0 million, of which undrawn borrowing capacity totalled US$1,946.6 million. The average term to maturity of total credit facilities increased from 3.3 years at 30 June 2009 to 3.6 years at 30 June 2010. Brambles' key financial ratios continue to reflect the company's strong balance sheet position and remain well within the financial covenants included in its major financing agreements. The ratio of net debt to EBITDA was 1.5 times at 30 June 2010. EBITDA interest cover was 10.7 times.

During the 2010 financial year, Brambles secured a BBB+ credit rating with Standard & Poor's and a Baa1 rating with Moody's.

Dividend

Table 12
Dividend details

	Aust. cents per share	Franking	Ex dividend trading date	Record date	Payment date
Final	12.5	20%	16 September 2010	22 September 2010	14 October 2010
Interim	12.5	20%	Paid 8 April 2010		
Total	25.0	20%			

The unfranked component of the final dividend is conduit foreign income. Consequently, no Australian dividend withholding tax will be payable on the final dividend that Brambles will pay to non-resident shareholders.

Dividend Reinvestment Plan

The Board has set the price at which Brambles will allot shares under the Dividend Reinvestment Plan (DRP) for the final dividend as the arithmetic average of the daily volume-weighted average sale price of all Brambles shares sold on the Australian Securities Exchange in the ordinary course of trading during the 10 trading days starting 24 September 2010, less a discount of 2.5%. The record date is the latest date on which an eligible shareholder can elect to participate or increase their participation in the DRP.

Safety

Brambles' safety performance continued to improve during the 2010 financial year. The 12-month rolling Brambles Injury Frequency Rate (a combined measure of lost-time injuries, modified duties and medical treatments) was 21.9 per million man hours at 30 June 2010. This was an improvement of 5% from 30 June 2009. There were no fatalities in the period. The Group remains committed to its goal of Zero Harm and is launching initiatives to improve further its overall safety performance.

Forward-looking statements

Certain statements made in this release are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Brambles' current expectations, estimates and projections about the industry in which Brambles operates, and beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Brambles, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Brambles cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Brambles only as of the date of this release. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Brambles will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.

Brambles

Background information

US$ million Actual FX rates	1H10	2H10	FY10	1H09	2H09	FY09
Sales						
CHEP Americas	756.9	776.7	1,533.6	792.5	764.4	1,556.9
CHEP EMEA	770.1	712.5	1,482.6	761.0	691.6	1,452.6
CHEP Asia-Pacific	195.0	195.9	390.9	166.6	156.8	323.4
Total CHEP	1,722.0	1,685.1	3,407.1	1,720.1	1,612.8	3,332.9
Recall	364.1	375.6	739.7	353.1	332.6	685.7
Total Brambles	2,086.1	2,060.7	4,146.8	2,073.2	1,945.4	4,018.6
Statutory operating profit						
CHEP Americas	108.6	126.6	235.2	79.6	149.4	229.0
CHEP EMEA	159.3	165.6	324.9	166.2	120.3	286.5
CHEP Asia-Pacific	32.5	45.3	77.8	28.4	29.5	57.9
Total CHEP	300.4	337.5	637.9	274.2	299.2	573.4
Recall	52.5	70.6	123.1	49.5	46.4	95.9
Total Brambles (including HQ)	338.1	386.4	724.5	337.6	380.6	718.2
Statutory operating profit margin						
CHEP Americas	14%	16%	15%	10%	20%	15%
CHEP EMEA	21%	23%	22%	22%	17%	20%
CHEP Asia-Pacific	17%	23%	20%	17%	19%	18%
Total CHEP	17%	20%	19%	16%	19%	17%
Recall	14%	19%	17%	14%	14%	14%
Total Brambles (including HQ)	16%	19%	17%	16%	20%	18%
Underlying profit						
CHEP Americas	108.6	128.5	237.1	233.3	201.1	434.4
CHEP EMEA	161.4	168.1	329.5	170.9	156.6	327.5
CHEP Asia-Pacific	32.5	45.9	78.4	28.9	32.2	61.1
Total CHEP	302.5	342.5	645.0	433.1	389.9	823.0
Recall	52.5	72.1	124.6	50.5	53.8	104.3
Total Brambles (including HQ)	340.2	393.2	733.4	469.3	431.3	900.6
Underlying profit margin						
CHEP Americas	14%	17%	15%	29%	26%	28%
CHEP EMEA	21%	24%	22%	22%	23%	23%
CHEP Asia-Pacific	17%	23%	20%	17%	21%	19%
Total CHEP	18%	20%	19%	25%	24%	25%
Recall	14%	19%	17%	14%	16%	15%
Total Brambles (including HQ)	16%	19%	18%	23%	22%	22%
Average capital invested						
CHEP Americas	1,748.2	1,744.0	1,746.1	1,625.5	1,707.9	1,666.7
CHEP EMEA	1,505.8	1,317.0	1,411.4	1,493.9	1,402.9	1,448.4
CHEP Asia-Pacific	381.9	381.3	381.6	314.6	323.6	319.1
Total CHEP	3,635.9	3,442.3	3,539.1	3,434.0	3,434.4	3,434.2
Recall	947.0	937.6	942.3	925.6	869.0	897.3
Total Brambles (including HQ)	4,522.0	4,318.2	4,420.1	4,293.2	4,244.2	4,268.7
Return on capital invested (annualised) (based on Underlying profit)						
CHEP Americas	12%	15%	14%	29%	24%	26%
CHEP EMEA	21%	26%	23%	23%	22%	23%
CHEP Asia-Pacific	17%	24%	21%	18%	20%	19%
Total CHEP	17%	20%	18%	25%	23%	24%
Recall	11%	15%	13%	11%	12%	12%
Total Brambles (including HQ)	15%	18%	17%	22%	20%	21%

Brambles

Background information *(continued)*

US$ million Actual FX rates	1H10	2H10	FY10	1H09	2H09	FY09
Cash flow from operations						
CHEP Americas	139.8	145.9	285.7	116.9	150.1	267.0
CHEP EMEA	202.7	209.0	411.7	137.1	235.6	372.7
CHEP Asia-Pacific	35.7	58.4	94.1	(22.8)	32.6	9.8
Total CHEP	378.2	413.3	791.5	231.2	418.3	649.5
Recall	45.9	75.8	121.7	22.0	84.9	106.9
Total Brambles (including HQ)	400.3	482.0	882.3	220.8	501.6	722.4
Capital expenditure on property, plant & equipment (accruals basis)						
CHEP Americas	101.7	102.8	204.5	156.7	134.1	290.8
CHEP EMEA	84.7	88.5	173.2	136.0	98.4	234.4
CHEP Asia-Pacific	27.9	39.1	67.0	62.9	29.8	92.7
Total CHEP	214.3	230.4	444.7	355.6	262.3	617.9
Recall	18.1	35.7	53.8	21.1	31.3	52.4
Total Brambles (including HQ)	232.5	266.3	498.8	377.0	295.4	672.4
Depreciation of property, plant & equipment						
CHEP Americas	79.3	80.7	160.0	82.9	79.5	162.4
CHEP EMEA	83.9	76.9	160.8	83.2	78.2	161.4
CHEP Asia-Pacific	24.7	25.9	50.6	17.1	18.1	35.2
Total CHEP	187.9	183.5	371.4	183.2	175.8	359.0
Recall	16.9	16.8	33.7	16.2	16.0	32.2
Total Brambles (including HQ)	205.0	200.5	405.5	199.5	191.8	391.3
Capex/depreciation ratio						
CHEP Americas	1.3x	1.3x	1.3x	1.9x	1.7x	1.8x
CHEP EMEA	1.0x	1.2x	1.1x	1.6x	1.3x	1.5x
CHEP Asia-Pacific	1.1x	1.5x	1.3x	3.7x	1.6x	2.6x
Total CHEP	1.1x	1.3x	1.2x	1.9x	1.5x	1.7x
Recall	1.1x	2.1x	1.6x	1.3x	2.0x	1.6x
Total Brambles (including HQ)	1.1x	1.3x	1.2x	1.9x	1.5x	1.7x
Pallet numbers (millions) [1]						
CHEP Americas	99		94	104		103
CHEP EMEA	129		126	136		130
CHEP Asia-Pacific	18		18	18		18
Total CHEP	246		238	258		251
Carton numbers - Recall (millions)	91		93	86		88
BVA [2]						
CHEP Americas	9.4	28.7	38.1	83.1	55.4	138.5
CHEP EMEA	69.9	95.4	165.3	82.5	77.3	159.8
CHEP Asia-Pacific	7.8	20.4	28.2	11.3	14.9	26.2
Total CHEP	87.1	144.5	231.6	176.9	147.6	324.5
Recall	(6.5)	15.5	9.0	(7.1)	0.7	(6.4)
Total Brambles (including HQ)	71.0	144.4	215.4	159.2	138.2	297.4

[1] Shown gross, before provisions

[2] At fixed June 2009 exchange rates

Brambles

Glossary

Actual rates
In the statutory financial statements, foreign currency results are translated into US dollars at the applicable actual monthly exchange rates ruling in each period.

Average Capital Invested
Average Capital Invested (ACI) is a 12-month average of capital invested. Semi-annual average capital invested calculated as a 6 month average. Capital Invested is calculated as net assets before tax balances, cash and borrowings, but after adjustment for accumulated pre-tax Significant items, actuarial gains or losses and net equity adjustments for equity-settled share-based payments.

BIFR
Brambles Injury Frequency Rate (BIFR) is the sum of the total number of fatalities, lost-time injuries, modified duties and medical treatments, calculated per million worked hours.

BVA
Brambles Value Added (BVA) represents the value generated over and above the cost of the capital used to generate that value. It is calculated using fixed June 2009 exchange rates as:

- Underlying profit; plus
- Significant items that are part of the ordinary activities of the business; less
- Average Capital Invested, adjusted for accumulated pre-tax Significant items that are part of the ordinary activities of the business, multiplied by 12%.

Capital expenditure
Unless otherwise stated, capital expenditure is presented on an accruals basis and excludes intangible assets, investments in associates and equity acquisitions. It is shown gross of any fixed asset disposals proceeds.

Cash flow from operations
Cash flow generated after net capital expenditure but excluding Significant items that are outside the ordinary course of business.

Constant currency
In the commentary, constant currency results are presented by translating both current and comparable period foreign currency results into US dollars at the actual monthly exchange rates applicable in the comparable period, so as to show relative performance between the two periods before the translation impact of currency fluctuations.

Continuing operations
Continuing operations refers to CHEP, Recall and Brambles HQ.

Free cash flow
Cash flow generated after net capital expenditure, finance costs and tax, but excluding the net cost of acquisitions and proceeds from business disposals.

ROCI
Return on Capital Invested or ROCI is calculated as Underlying profit divided by Average Capital Invested.

Significant items
Significant items are items of income or expense which are, either individually or in aggregate, material to Brambles or to the relevant business segment and:

- outside the ordinary course of business (for example, gains or losses on the sale or termination of operations, the cost of significant reorganisations or restructuring); or
- part of the ordinary activities of the business but unusual due to their size and nature.

Underlying profit
Underlying profit is profit from continuing operations before finance costs, tax and Significant items.