

17 February 2010

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

*Via electronic lodgement*

Dear Sir

**COPIES OF SLIDES FOR ANALYSTS' BRIEFING, SYDNEY**

Attached are copies of slides to be presented by Brambles' Chief Executive Officer, Mr Tom Gorman, and Chief Financial Officer, Mr Greg Hayes, at an analyst briefing to be held in Sydney later today.

The slides and webcast of the briefing will be available on the Brambles' website at [www.brambles.com](http://www.brambles.com).

Yours faithfully  
**Brambles Limited**

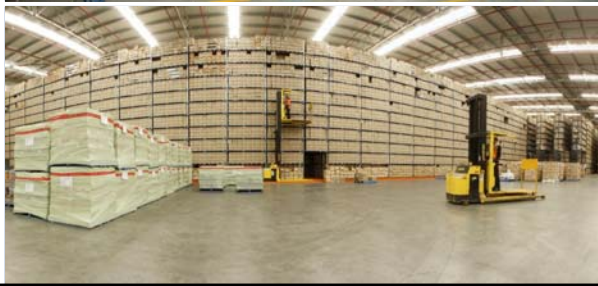
**Robert Gerrard**  
Group Company Secretary

# Brambles

2010 Interim Results

Analyst presentation

17 February 2010



**Tom Gorman**  
Chief Executive Officer

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## FIRST-HALF RESULTS

- Solid financial discipline
  - Cash flow
  - Balance sheet
  - Overhead reduction
- Sales negatively impacted by economic weakness
  - USA
  - Western Europe
- Winning business in all markets today
- Continuing long-term investment
  - Better Everyday in CHEP USA
  - Growth markets

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## FIRST-HALF RESULTS (CONTINUED)

- Safety performance
  - Ongoing improvements
  - Zero Harm
- New leadership team
- Well-placed to return to growth
  - Leveraged to economic recovery
  - Brambles initiatives

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## GROUP OVERVIEW

Sales revenue

↓2%

Statutory operating profit

↓3%

Statutory EPS

↓8%

Free cash flow after dividends

↑US\$224m

- Sales revenue down 2%
  - Subdued business conditions
  - Primarily Automotive and SDS
- Statutory operating profit down 3%
  - Underlying profit down 30%
  - Better Everyday in CHEP USA
- Strong cash flow
- Interim dividend of A12.5¢

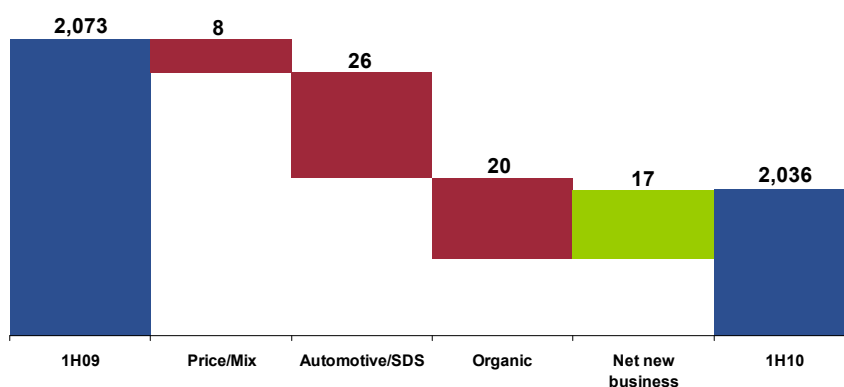
Growth % calculated on constant currency basis; free cash flow after dividends is at actual rates

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## GROUP SALES REVENUE

US\$m



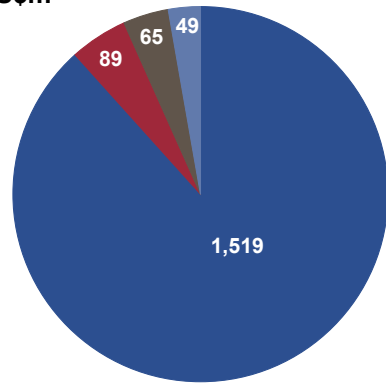
All numbers are calculated at constant currency

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## SALES REVENUE BY PRODUCT LINE

US\$m



Growth vs. 1H09

Pallets	↓ 2%
RPC	↑ 15%
Automotive	↓ 17%
Other	↓ 7%

■ Pallets ■ RPC ■ Automotive ■ Other

Growth % calculated on constant currency

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## CHEP AMERICAS RESULTS

Sales revenue

↓ 5%

Statutory operating profit

↑ 36%

Underlying profit

↓ 54%

Cash flow from operations

↑ US\$23m

- Sales revenue down 5%
  - CHEP USA sales decline
  - Sales up in CHEP Canada, CHEP Latin America
  - Anticipate CHEP USA pallet issue volumes down 3% for FY10
- Statutory operating profit up 36%
  - No Significant items in 1H10
- Underlying profit down 54%
  - Better Everyday
  - All quality spend included in Underlying profit (excluded in FY09)
  - Volume/price, IPEP, storage
- Cash flow increase reflects capex reduction

Growth % calculated on constant currency basis; cash flow at actual rates

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## BETTER EVERYDAY



- Rollout progressing on target
  - US\$65m expenditure in line with plan
- Pallet quality and service improvements
  - Positive reaction to new repair specifications
  - Rejections down
- Ease of doing business
  - Portfolio+Plus roll-out on track
  - Simplified invoice launch in FY11
- Strengthen, realign sales and marketing

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## CHEP EMEA RESULTS



Sales revenue

↓1%

Statutory operating profit

↓8%

Cash flow from operations

↑US\$66m

- Sales revenue down 1%
  - Weak UK and Spain
  - Automotive subdued
  - Offset by new business growth
- Operating profit down 8%
  - Deleveraging costs
  - Restructuring savings
- Cash flow improvement: lower capex

Growth % calculated on constant currency basis; cash flow at actual rates

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## CHEP ASIA-PACIFIC RESULTS



Sales revenue  
↑ 4%

Statutory operating profit  
↓ 6%

Cash flow from operations  
↑ US\$59m

- Sales revenue up 4%
  - CHEP Australia: new platforms offset lower pallet volumes
  - Weak automotive
  - China, India, South-East Asia, New Zealand sales growth
- Operating profit down 6%
- Strong cash flow

Growth % calculated on constant currency basis; cash flow at actual rates

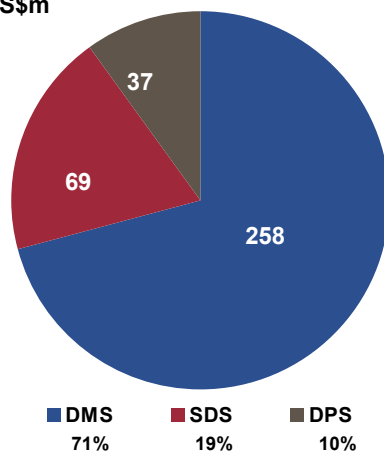
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## SALES REVENUE BY PRODUCT LINE

recall™

US\$m



Growth vs. 1H09

DMS	↑ 4%
SDS	↓ 15%
DPS	↑ 1%

Growth % calculated on constant currency basis

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## RECALL RESULTS

recall™

Sales revenue  
↓ 1%

Statutory operating profit  
in line with prior period

Cash flow from operations  
↑ US\$24m

- Sales revenue down 1%
  - Growth in core DMS
  - SDS down 15%
  - Excluding SDS sales up 4%
- Statutory operating profit in line with 1H09
  - Up 16% excluding SDS
  - Benefits of FY09 restructuring

Growth % calculated on constant currency basis; cash flow at actual rates

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**Greg Hayes**  
Chief Financial Officer

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## 2010 FIRST-HALF RESULTS

	Actual	Constant		Growth
	1H10 US\$m	1H10 US\$m	1H09 US\$m	%
<b>Continuing operations</b>				
Sales revenue	2,086.1	2,036.2	2,073.2	(2)
Underlying profit	340.2	328.6	469.3	(30)
Statutory operating profit	338.1	326.4	337.6	(3)
Profit before tax	284.1	272.6	273.9	-
Profit after tax	206.7	198.3	195.3	2
Statutory EPS <sup>1</sup> (cents)	14.8	14.2	15.4	(8)
Cash flow from operations	400.3	379.3	220.8	72
Brambles Value Added		71.0	151.4	(53)

<sup>1</sup>Includes discontinued operations  
Growth % calculated on constant currency basis

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## SIGNIFICANT ITEMS

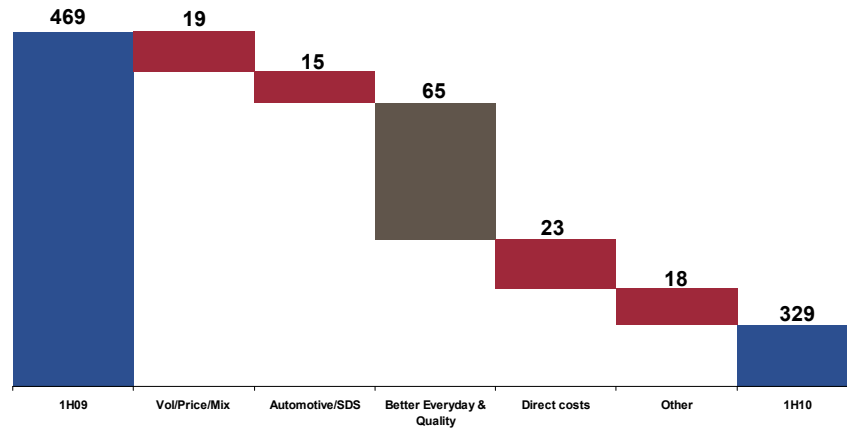
Actual rates	1H10 US\$m	1H09 US\$m
<b>Underlying profit</b>	<b>340.2</b>	<b>469.3</b>
<b>Items within ordinary activities, but unusual due to size and nature:</b>		
CHEP USA Quality program	-	(34.5)
Walmart net transition impact	-	(20.2)
<b>Items outside the ordinary course of business:</b>		
Accelerated scrapping of surplus pallets	-	(99.0)
Facilities and operations rationalisation	(2.1)	(7.9)
Foreign exchange gain on capital repatriation	-	29.9
<b>Subtotal</b>	<b>(2.1)</b>	<b>(131.7)</b>
<b>Statutory operating profit</b>	<b>338.1</b>	<b>337.6</b>

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## GROUP UNDERLYING PROFIT

US\$m



All numbers are calculated at constant currency

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## OVERVIEW



	Actual	Constant		Growth %
	1H10 US\$m	1H10 US\$m	1H09 US\$m	
Americas	756.9	756.3	792.5	(5)
EMEA	770.1	756.2	761.0	(1)
Asia-Pacific	195.0	172.8	166.6	4
<b>Sales revenue</b>	<b>1,722.0</b>	<b>1,685.3</b>	<b>1,720.1</b>	<b>(2)</b>
<b>Statutory operating profit</b>	<b>300.4</b>	<b>288.3</b>	<b>274.2</b>	<b>5</b>
<b>Profit margin (%)</b>	<b>17</b>	<b>17</b>	<b>16</b>	

Growth % calculated on constant currency basis

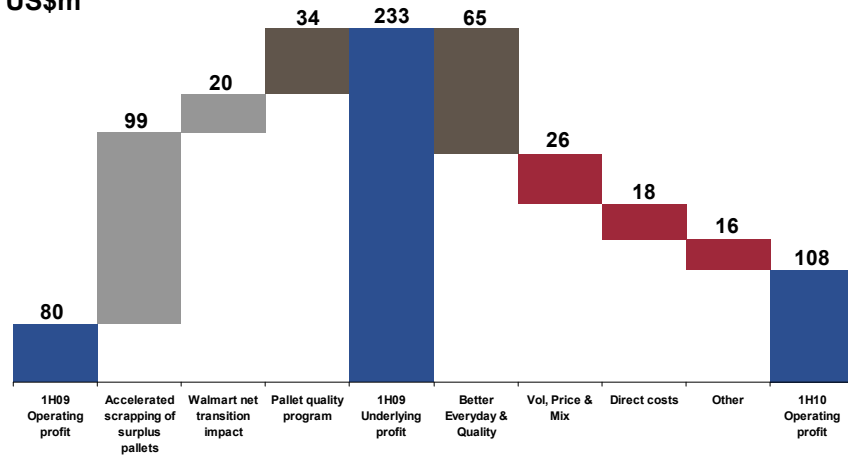
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## CHEP AMERICAS – STATUTORY OPERATING PROFIT



US\$m



All numbers are calculated at constant currency

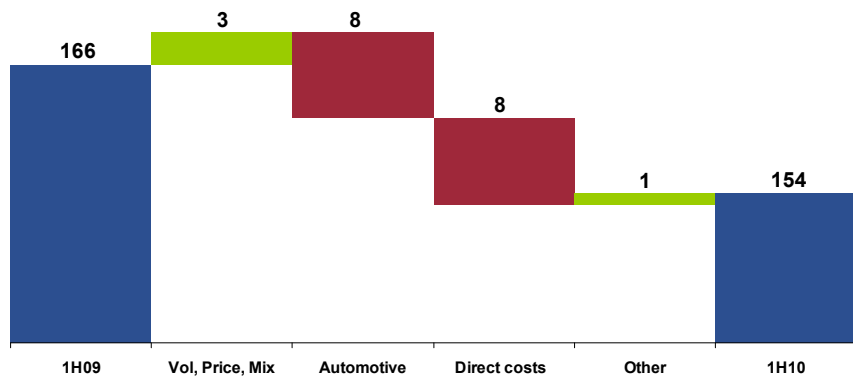
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## CHEP EMEA – STATUTORY OPERATING PROFIT



US\$m



All numbers are calculated at constant currency

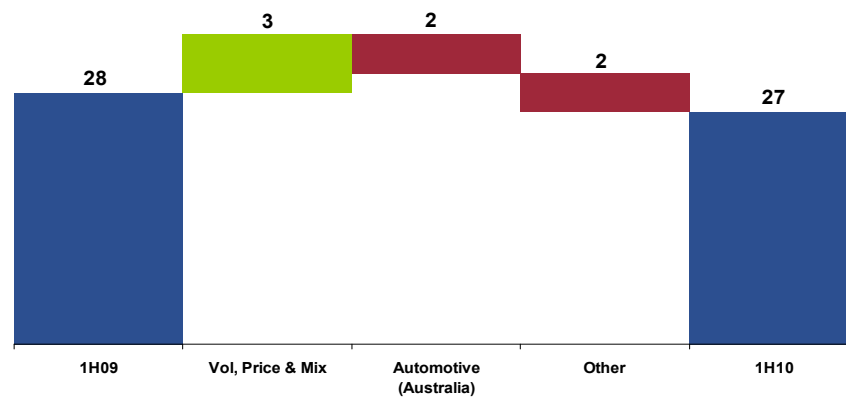
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## CHEP ASIA-PACIFIC – STATUTORY OPERATING PROFIT



US\$m



All numbers are calculated at constant currency

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## OVERVIEW

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	Actual	Constant		Growth %
	1H10 US\$m	1H10 US\$m	1H09 US\$m	
Americas	161.9	159.9	161.2	(1)
Europe	95.3	94.4	96.8	(2)
RoW	106.9	96.6	95.1	2
<b>Sales revenue</b>	<b>364.1</b>	<b>350.9</b>	<b>353.1</b>	<b>(1)</b>
<b>Statutory operating profit</b>	<b>52.5</b>	<b>49.7</b>	<b>49.5</b>	<b>–</b>
<b>Profit margin (%)</b>	<b>14</b>	<b>14</b>	<b>14</b>	

Growth % calculated on constant currency basis

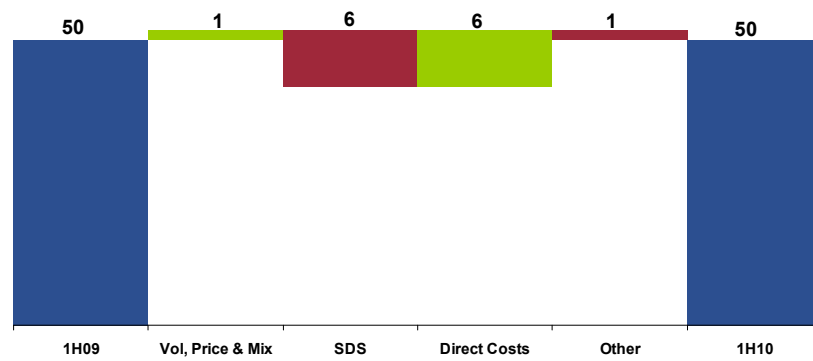
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# RECALL – STATUTORY OPERATING PROFIT

recall™

US\$m



All numbers are calculated at constant currency

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## Cash flow and finance

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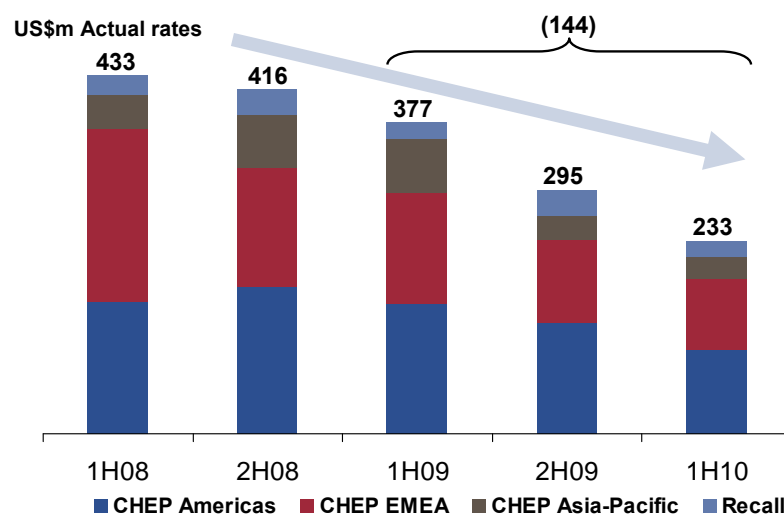
## STRONG CASH FLOW

US\$m Actual rates	1H10	1H09	Change
<b>EBITDA</b>	<b>562.1</b>	<b>627.4</b>	<b>(65.3)</b>
Capital expenditure	(254.6)	(400.1)	145.5
Proceeds from disposals	43.6	41.2	2.4
Working capital movement	(21.4)	(65.5)	44.1
Irrecoverable pooling equipment provision	60.2	36.5	23.7
Provisions / other	10.4	(18.7)	29.1
<b>Cash flow from operations</b>	<b>400.3</b>	<b>220.8</b>	<b>179.5</b>
Significant items outside ordinary activities	(35.1)	(21.7)	(13.4)
<b>Cash flow from operations after Significant items</b>	<b>365.2</b>	<b>199.1</b>	<b>166.1</b>
Financing costs and tax	(130.6)	(126.5)	(4.1)
<b>Free cash flow</b>	<b>234.6</b>	<b>72.6</b>	<b>162.0</b>
Dividends	(101.3)	(163.2)	61.9
<b>Free cash flow after dividends</b>	<b>133.3</b>	<b>(90.6)</b>	<b>223.9</b>

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## CAPITAL EXPENDITURE (PP&E)



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## FINANCIAL RATIOS

Actual rates	Dec 09	Jun 09
<b>Closing net debt (US\$m)</b>	<b>2,028.4</b>	<b>2,143.4</b>
<b>Gearing (%)</b> (Net debt/Net debt & equity)	<b>55.3</b>	<b>60.0</b>

Actual rates	1H10	1H09	Covenants
<b>EBITDA* / Net finance costs (x)</b>	<b>10.4</b>	<b>9.8</b>	x 3.5 (min)
<b>Net debt / EBITDA* (x)</b>	<b>1.8</b>	<b>1.9</b>	x 3.5 (max)

\* EBITDA is Underlying profit excluding depreciation and amortisation, plus Significant items that are within ordinary activities

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## CREDIT FACILITIES & LIQUIDITY

- Ample funding headroom
  - Undrawn committed credit facilities of US\$1,317m
  - Cash balances of US\$118m
- Investment grade credit ratings issued December 2009
  - BBB+ (stable outlook) from Standard & Poor's
  - Baa1 (stable outlook) from Moody's Investor Services

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# Tom Gorman

Chief Executive Officer

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## OUTLOOK

- Outstanding business models
  - Market position
  - Customer base
  - New business pipeline
  - Long-term growth
- Positioned for improved performance as economic conditions recover

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# Brambles

2010 Interim Results

Analyst presentation

17 February 2010



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## APPENDIX 1A

## GLOSSARY OF TERMS & MEASURES

Except where noted, common terms and measures used in this document are based upon the following definitions:

<b>Actual rates</b>	In the statutory financial statements, foreign currency results are translated into US dollars at the applicable actual monthly exchange rates ruling in each period.
<b>Brambles Value Added (BVA)</b>	<p>Brambles Value Added (BVA) represents the value generated over and above the cost of the capital used to generate that value.</p> <p>It is calculated using fixed June 2009 exchange rates as:</p> <ul style="list-style-type: none"><li>▪ Underlying profit; plus</li><li>▪ Significant items that are part of the ordinary activities of the business; less</li><li>▪ Average Capital Invested, adjusted for accumulated pre-tax Significant items that are part of the ordinary activities of the business, multiplied by 12%.</li></ul>
<b>Capital expenditure (capex)</b>	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.
<b>Cash flow from operations</b>	Cash flow generated after net capital expenditure but excluding Significant items that are outside the ordinary course of business.
<b>Constant currency</b>	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.

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APPENDIX 1B

GLOSSARY OF TERMS & MEASURES (CONTINUED)

Except where noted, common terms and measures used in this document are based upon the following definitions:

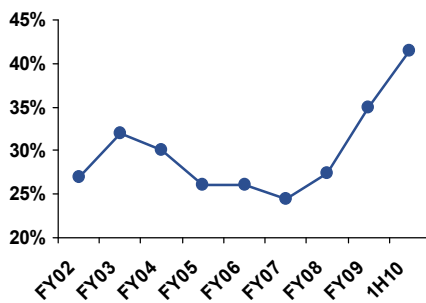
<b>Continuing operations</b>	Continuing operations refers to CHEP, Recall and Brambles HQ.
<b>EPS</b>	Profit after tax, minority interests and Significant items, divided by shares in issue.
<b>Free cash flow</b>	Cash flow generated after net capital expenditure, finance costs and tax, but excluding the net cost of acquisitions and proceeds from business disposals.
<b>Sales revenue</b>	Excludes revenues of associates and non trading revenue.
<b>Shares in issue</b>	Based on weighted average shares in issue of 1,403.8m in 1H10; 1,383.8m in 1H09.
<b>Significant items</b>	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: <ul style="list-style-type: none"> <li>▪ outside the ordinary course of business (eg gains or losses on the sale or termination of operations, the cost of significant reorganisations or restructuring); or</li> <li>▪ part of the ordinary activities of the business but unusual due to their size and nature.</li> </ul>
<b>Underlying profit</b>	Underlying profit is profit from continuing operations before finance costs, tax and Significant items.

APPENDIX 2A

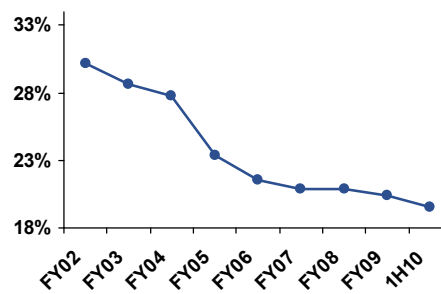
CHEP USA – PLANT OPERATIONS & TRANSPORTATION TRENDS



**Plant cost ratio\***  
(Plant costs / Sales)



**Transportation cost ratio**  
(Transportation costs / Sales)

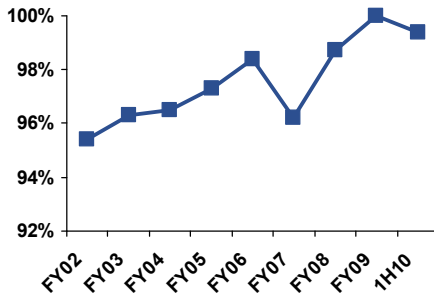


\* FY08, FY09 and FY10 costs include the Quality and Better Everyday Program.



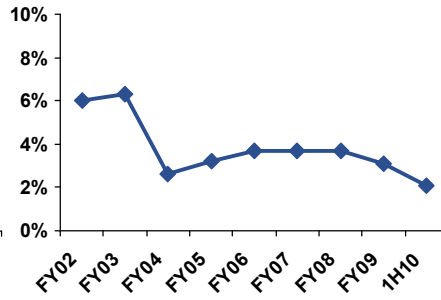
**Control ratio**

(Returns + Recoveries / Total Issues)



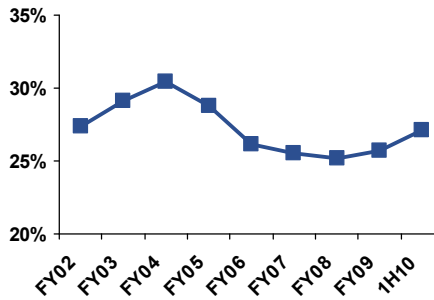
**New equipment issue ratio**

(Pallets purchased / Total issues)



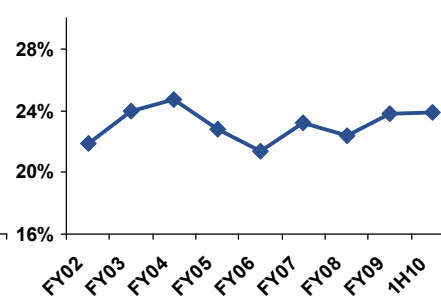
**Plant cost ratio**

(Plant costs / Sales)

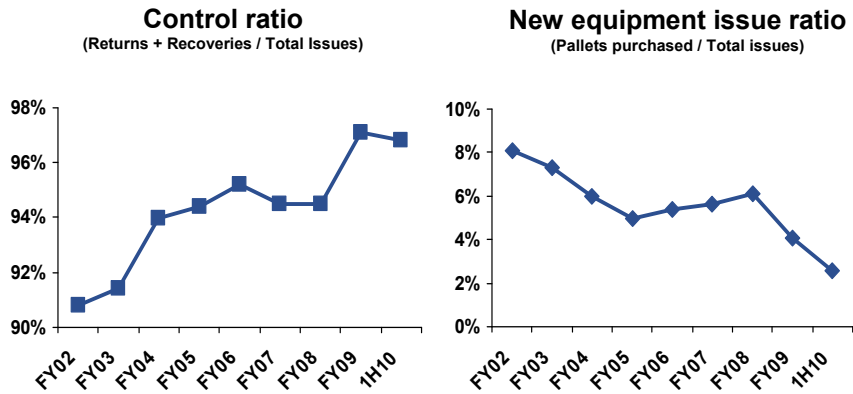


**Transportation cost ratio**

(Transportation costs / Sales)



Major pallet sizes (B1210A and B1208A only)



Major pallet sizes (B1210A and B1208A only)

US\$m	Total	1H10 Currency mix at Actual FX rates				
		USD	EUR	GBP	AUD	Other
Sales revenue	<b>2,086.1</b>	675.1	552.0	205.6	251.3	402.1
Statutory operating profit	<b>338.1</b>	53.1	98.1	39.0	44.4	103.5
Net debt <sup>1</sup>	<b>2,028.4</b>	1,543.3	427.2	(73.4)	84.2	47.1

<sup>1</sup> Net debt shown after adjustments for impact of financial derivatives

## APPENDIX 5

## EFFECTIVE TAX RATE

Actual rates	1H10 US\$m	1H09 US\$m
Underlying profit before tax	286.2	405.6
Tax expense	77.9	135.1
<b>Tax rate on Underlying profit</b>	<b>27.2%</b>	<b>33.3%</b>
Adjustment for non-recurring items	3.3%	-
<b>Adjusted effective tax rate</b>	<b>30.5%</b>	<b>33.3%</b>

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## APPENDIX 6

## CREDIT FACILITIES &amp; DEBT PROFILE

US\$ billion

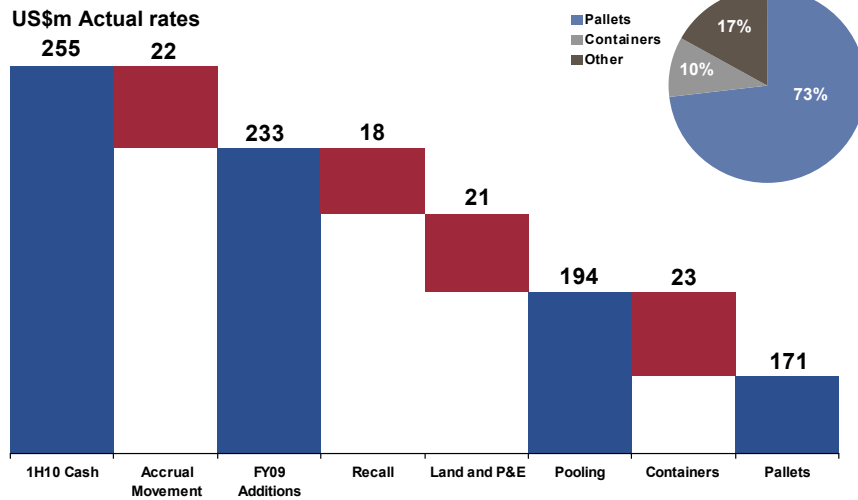
Maturity	Type	Committed Facilities	Debt drawn	Headroom
< 12 months	Bank	0.6	-	0.6
1 – 2 years	Bank/USPP <sup>1</sup>	0.3	0.3	-
2 – 3 years	Bank	1.2	0.9	0.3
3 – 4 years	Bank	1.0	0.6	0.4
4 – 5 years	USPP <sup>1</sup>	0.2	0.2	-
> 5 years	USPP <sup>1</sup>	0.1	0.1	-
<b>Total</b>		<b>3.4</b>	<b>2.1</b>	<b>1.3</b>

<sup>1</sup> US Private Placement

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APPENDIX 7  
CAPITAL EXPENDITURE



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APPENDIX 8  
PAPER PRICES – NORTH AMERICA

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