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

17 February 2010

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

Via electronic lodgement

Dear Sir

Brambles reports results for the half-year ended 31 December 2009

Attached is a release to the Exchange from Brambles Limited on its financial report for the half-year ended 31 December 2009.

Yours faithfully
Brambles Limited

Robert Gerrard
Group Company Secretary

17 February 2010 **Securities Exchange & Media Release**

Brambles reports first-half result for 2010 financial year: strong cash performance but trading conditions remain subdued

Brambles Limited today reported its results[1] for the first six months of the 2010 financial year. Key elements included:

- Sales revenue down 2% to US$2,086.1 million
- Statutory operating profit down 3% to US$338.1 million
- Free cash flow after dividends of $US133.3 million, up US$223.9 million
- Underlying profit[2] down 30% to US$340.2 million
- Statutory profit after tax up 2% to US$206.7 million
- Earnings per share[3] down 8% to 14.8 US cents

Brambles CEO Tom Gorman said: "Business conditions for CHEP and Recall in the first half of the 2010 financial year were weaker than the first half of the 2009 financial year, especially during the first three months.

"At the same time, we continued to generate significant positive cash flow and invest in our long-term future. We are well-placed to return to growth as business conditions gradually improve and initiatives put in place for the long-term show results."

The lower sales revenue and statutory operating profit were predominantly a result of the subdued business conditions in some of our largest markets: the USA, the UK and Spain. Underlying profit was impacted by the rollout of the Better Everyday program in CHEP USA.

Brambles' strong cash flow result reflected ongoing financial discipline and reduced capital expenditure. This occurred while the company continued to invest in initiatives that will underpin its long-term profitable growth.

"The Better Everyday program, our investment in improving quality and service in CHEP USA, is meeting production and customer satisfaction targets," Mr Gorman said. "The restructuring investments we undertook in the 2009 financial year are generating savings as planned.

"Most of our operations continued to grow sales revenue in the half, including established CHEP markets such as Australia, Canada and South Africa and less mature CHEP markets such as Italy, Central & Eastern Europe and Latin America.

"CHEP's reusable plastic containers (RPCs) business and Recall's Document Management Solutions (DMS) business also delivered solid growth. All Brambles' business units except CHEP Americas had net new business wins[4] during the period."

Cash flow and balance sheet

Brambles' strong cash flow resulted from a significant reduction in capital expenditure and an improved working capital outcome. Brambles' free cash flow after dividends was US$133.3 million, a US$223.9 million improvement on the prior corresponding period.

---

[1] All growth figures are on a constant currency basis. Brambles calculates constant currency by translating non-US dollar results at the exchange rates applicable during the prior corresponding period.

[2] The difference in growth rates between statutory operating profit and Underlying profit reflects the impact of Significant items recognised outside of Underlying profit (US$2.1 million in the first half of the 2010 financial year; US$131.7 million in the first half of the 2009 financial year).

[3] Earnings per share includes discontinued operations.

[4] Brambles calculates net new business wins as the revenue impact of new business and lane expansion won and lost in the reporting period, plus the net revenue impact in the period of wins and losses in previous periods for 12 months from the date of win or loss.

Brambles' balance sheet remains strong. Net debt at 31 December 2009 was US$2,028.4 million, down US$115.0 million on 30 June 2009. Undrawn committed credit facilities were US$1,317.2 million, providing ample scope to meet organic investment and growth requirements.

Dividend
The Board of Brambles has declared an interim dividend of 12.5 Australian cents per share, 20% franked and payable on 8 April 2010 to shareholders on the company's register on 18 March 2010. The Board has decided to keep Brambles' Dividend Reinvestment Plan active in relation to this payment.

Brambles Chairman Graham Kraehe said: "The interim dividend is in line with the final dividend declared in August 2009. This reflects our focus on maintaining an appropriate level of payout considering the ongoing economic uncertainty and our long-term investment commitments."

Outlook
Mr Kraehe said: "The Board is confident in Brambles' long-term outlook for profitable growth. Tom has assembled a strengthened management team and the Directors are pleased with the progress of the Better Everyday program."

Mr Gorman said: "CHEP and Recall have outstanding business models, customer bases and prospects for long-term profitable growth. Our strong financial position stands us in good stead to pursue this growth as the economies in which we operate recover.

"CHEP continues to add customers in existing markets, enter new geographies and expand its offering of services and platforms. The Better Everyday program is on track and showing strong early results. We expect CHEP to benefit from a broad-based return to economic growth when it occurs.

"Recall has a strong sales pipeline and growth outlook. We expect continued growth in the DMS business as it expands services to both new and existing customers. The Secure Destruction Services (SDS) business has experienced an increase in paper prices in recent months."

For further information please contact:

Investors and media	
Michael Roberts Vice President, Investor Relations & Corporate Affairs +61 2 9256 5216 +61 418 263 199 michael.roberts@brambles.com	James Hall Manager, Investor Relations & Corporate Affairs +61 2 9256 5262 +61 401 524 645 james.hall@brambles.com

Further details of Brambles' 2010 interim result are set out in the following pages and in the Appendix 4D. Brambles management will hold a briefing on this result to investment analysts at 11.30am on 17 February.

The company will webcast the briefing at www.brambles.com and post all presentation materials on its website before the briefing. A replay of the webcast including the questions and answer session will be available on the Brambles website shortly after the live presentation concludes.

Brambles has forwarded copies of the 2010 interim result to the Financial Services Authority. The result will shortly be available for inspection at the UK Listing Authority's Document Viewing Facility. For further details, please refer to www.fsa.gov.uk.

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

Sales and profit summary

Table 1
Sales revenue and statutory operating profit

US$ million	1H10 actual	1H10 at prior year FX rates	1H09 actual	% change (actual FX rates)	% change (constant currency)
Sales revenue					
CHEP Americas	756.9	756.3	792.5	(4)%	(5)%
CHEP EMEA	770.1	756.2	761.0	1%	(1)%
CHEP Asia-Pacific	195.0	172.8	166.6	17%	4%
Total CHEP	**1,722.0**	**1,685.3**	**1,720.1**	**-**	**(2)%**
Recall	364.1	350.9	353.1	3%	(1)%
Total sales revenue	**2,086.1**	**2,036.2**	**2,073.2**	**1%**	**(2)%**
Statutory operating profit					
CHEP Americas	108.6	107.9	79.6	36%	36%
CHEP EMEA	159.3	153.6	166.2	(4)%	(8)%
CHEP Asia-Pacific	32.5	26.8	28.4	14%	(6)%
Total CHEP	**300.4**	**288.3**	**274.2**	**10%**	**5%**
Recall	52.5	49.7	49.5	6%	-
Brambles HQ	(14.8)	(11.6)	13.9		
Statutory operating profit	**338.1**	**326.4**	**337.6**	**-**	**(3)%**
Net finance costs	(54.0)	(53.8)	(63.7)	15%	16%
Profit before tax	**284.1**	**272.6**	**273.9**	**4%**	**-**
Tax expense	(77.4)	(74.3)	(78.6)	2%	5%
Profit from continuing operations	**206.7**	**198.3**	**195.3**	**6%**	**2%**
Profit from discontinued operations	0.4	0.4	17.5		
Profit for the period	**207.1**	**198.7**	**212.8**	**(3)%**	**(7)%**
Weighted average number of shares (millions)	**1,403.8**	**1,403.8**	**1,383.8**		
EPS (US¢)	**14.8**	**14.2**	**15.4**	**(4)%**	**(8)%**
EPS (A¢)	**16.8**	**18.6**	**19.5**	**(14)%**	**(5)%**
Interim dividend (A¢ per share)	**12.5**	**12.5**	**17.5**		

Table 2 Underlying profit					
US$ million	**1H10 actual**	**1H10 at prior year FX rates**	**1H09 actual**	**% change (actual FX rates)**	**% change (constant currency)**
Underlying profit					
CHEP Americas	108.6	107.9	233.3	(53)%	(54)%
CHEP EMEA	161.4	155.8	170.9	(6)%	(9)%
CHEP Asia-Pacific	32.5	26.8	28.9	12%	(7)%
Total CHEP	**302.5**	**290.5**	**433.1**	**(30)%**	**(33)%**
Recall	52.5	49.7	50.5	4%	(2)%
Brambles HQ	(14.8)	(11.6)	(14.3)	(3)%	19%
Underlying profit	**340.2**	**328.6**	**469.3**	**(28)%**	**(30)%**
Net finance costs	(54.0)	(53.8)	(63.7)	15%	16%
Profit before tax	**286.2**	**274.8**	**405.6**	**(29)%**	**(32)%**
Tax expense	(77.9)	(74.8)	(135.1)	42%	45%
Underlying profit after finance costs and tax	**208.3**	**200.0**	**270.5**	**(23)%**	**(26)%**
Weighted average number of shares (millions)	**1,403.8**	**1,403.8**	**1,383.8**		
EPS (US¢)	**14.8**	**14.2**	**19.5**	**(24)%**	**(27)%**

Table 3 Reconciliation of Underlying profit to statutory operating profit				
US$ million	**1H10**		**1H09**	
	Before tax	**After tax**	**Before tax**	**After tax**
Underlying profit (see Table 2)	**340.2**	**208.3**	**469.3**	**270.5**
CHEP USA – pallet quality program	-	-	(34.5)	(21.0)
CHEP USA – Walmart net transition impact	-	-	(20.2)	(12.4)
Restructuring:	-	-		
Facilities and operations rationalisation	(2.1)	(1.6)	(7.9)	(5.7)
CHEP USA accelerated scrapping of 7 million surplus pallets	-	-	(99.0)	(60.3)
FX gain on capital repatriation from foreign subsidiary	-	-	29.9	29.9
Other	-	-	-	(5.7)
Total Significant items	**(2.1)**	**(1.6)**	**(131.7)**	**(75.2)**
Statutory operating profit (see Table 1)	**338.1**	**206.7**	**337.6**	**195.3**

The Significant item in the first half of the 2010 financial year (facilities and operations rationalisation) represents the continuation of redundancy and plant closure expenses as part of the restructuring announced in February 2009. The project remains on plan, with US$56.4 million charged to date.

Business unit operations review

CHEP Americas

Table 4
CHEP Americas

US$ million	1H10	1H09	% change (actual FX rates)	% change (constant currency)
Sales revenue	756.9	792.5	(4)%	(5)%
Statutory operating profit	108.6	79.6	36%	36%
Statutory operating profit margin	*14%*	*10%*	*4pp*	*4pp*
Significant items:				
Pallet quality program	-	*34.5*		
Walmart net transition impact	-	*20.2*		
Accelerated scrapping of 7 million surplus pallets	-	*99.0*		
	-	*153.7*		
Underlying profit	108.6	233.3	(53)%	(54)%
Underlying profit margin	*14%*	*29%*	*(15)pp*	*(15)pp*
Cash flow from operations	139.8	116.9		

Sales
CHEP Americas' sales revenue was US$756.9 million, down 5%. The largest impact was a 7% reduction in sales revenue in CHEP USA, while CHEP Canada and CHEP Latin America generated sales revenue 3% and 5% higher respectively from a combination of organic growth and new business.

CHEP USA's 7% decline in sales revenue resulted from lower organic issue volumes (3%); the impact of net business losses (2%); and changes in pricing and sales mix (2%). Overall, issue volumes in CHEP USA were down 5%. As advised at the 2009 AGM, CHEP USA anticipates pallet issue volumes for the full 2010 financial year will be 3% lower than the 2009 financial year.

Profit
CHEP Americas' statutory operating profit rose 36% to US$108.6 million but Underlying profit was down 54%. This difference reflects CHEP Americas' recognition in the prior corresponding period of US$153.7 million Significant items. In the first half of the 2010 financial year, CHEP Americas did not recognise any Significant items. CHEP Americas has included in Underlying profit its expenditure on quality initiatives of US$64.8 million, comprising the Better Everyday program and the balance of the USA pallet quality program.

Volume and price reductions had a US$26 million impact on statutory operating profit. Other profit impacts included: an US$18 million increase in the irrecoverable pooling equipment provision (IPEP) expense, reflecting the outcomes of audits completed in the period; and US$10 million from storing approximately 4 million idle pallets within CHEP USA, as identified at the 2009 AGM. CHEP USA expects similar costs from storing these idle pallets in the second half.

Cash flow
The US$22.9 million increase in cash flow from operations reflected a US$55.0 million reduction in capital expenditure, offsetting the reduction in profit. Lower capital expenditure reflects lower overall demand and a reduction in pallet imports and new pallet commitments in CHEP USA.

Better Everyday program
The US$64.8 million expenditure on the Better Everyday program, including US$37 million of spending that remained on the USA pallet quality program, was in line with expectations. Rollout of the program is progressing well, resulting in improvements in quality and service for customers.

Highlights of the rollout to date include:

- Delivery of the new higher repair specification is on target and customer reaction to the higher consistency of quality has been positive:
  - 94% of all issues are now at US Plus standard;
  - delivery at the US Premium standard is meeting demand; and
  - rejections related to pallet quality in the six months to 31 December 2009 were 62% lower than the prior corresponding period.
- Adoption of the Portfolio+Plus account administration tool is accelerating. At 31 December 2009, 32% of CHEP USA customers had adopted the solution in line with a full-year target of 60%.
- The new simplified invoice has been designed and tested with customers for quality and satisfaction and is now in production for rollout beginning in the 2011 financial year.
- Realignment of the sales and marketing teams is progressing. CHEP USA has appointed a new Senior Vice President of Sales & Marketing and is taking additional steps to simplify its sales and marketing structure and move decision-making closer to the customer.

The accelerated pallet scrapping program to tear down 7 million excess pallets announced in February 2009 is proceeding ahead of schedule and in line with the previously announced plan.

CHEP Europe, Middle East & Africa (EMEA)

Table 5
CHEP EMEA

US$ million	1H10	1H09	% change (actual FX rates)	% change (constant currency)
Sales revenue	770.1	761.0	1%	(1)%
Statutory operating profit	159.3	166.2	(4)%	(8)%
Statutory operating profit margin	*21%*	*22%*	*(1)pp*	*(2)pp*
Significant items:				
Restructuring – facilities and operations rationalisation	*2.1*	*4.7*		
Underlying profit	161.4	170.9	(6)%	(9)%
Underlying profit margin	*21%*	*22%*	*(1)pp*	*(1)pp*
Cash flow from operations	202.7	137.1		

Sales
CHEP EMEA's sales revenue was down 1% on the prior corresponding period to US$770.1 million as a result of slower economic conditions.

Pallet issue volumes in Europe were in line with the prior corresponding period as new business wins in less mature CHEP markets such as Italy and Central & Eastern Europe offset a 1% reduction in organic volumes. Pallet volumes in the region's two largest markets, the UK and Spain, were affected by weaker economies, as were operations in the automotive sector. Excluding automotive, sales revenue increased 1%. Net new business wins by CHEP EMEA in the period contributed US$14 million to sales revenue. Pricing was in line with the prior corresponding period. Sales revenue growth was 11% in Middle East & Africa.

CHEP EMEA recorded 10% growth in the RPC market. CHEP South Africa launched its RPC business with Pick n Pay while retailers' use of the platform increased in the UK.

Profit

Statutory operating profit was US$159.3 million, down 8%, and Underlying profit was US$161.4 million, down 9%. Excluding operations in the automotive sector, statutory operating profit was down 3%. Higher storage and handling costs and IPEP expense impacted profit, partially offset by the benefits of restructuring undertaken in the 2009 financial year.

Cash flow

Cash flow improvements were mainly a result of lower capital expenditure.

CHEP Asia-Pacific

Table 6
CHEP Asia-Pacific

US$ million	1H10	1H09	% change (actual FX rates)	% change (constant currency)
Sales revenue	195.0	166.6	17%	4%
Statutory operating profit	32.5	28.4	14%	(6)%
Statutory operating profit margin	*17%*	*17%*	-	*(1)pp*
Significant items:				
Restructuring – facilities and operations rationalisation	-	*0.5*		
Underlying profit	32.5	28.9	12%	(7)%
Underlying profit margin	*17%*	*17%*	-	*(1)pp*
Cash flow from operations	35.7	(22.8)		

Sales

CHEP Asia-Pacific delivered sales revenue growth of 4% to US$195.0 million. CHEP Australia offset the impact of a weak automotive sector and lower pallet hire balances from supply chain destocking with greater diversification of its revenue streams, notably through growth in RPCs and plastic display pallets. Excluding the Australian automotive sector, sales revenue growth was 6%.

China and India's combined sales revenue was double that of the prior corresponding period at US$6.4 million, reflecting growth in pallet volumes and container services in the Chinese automotive sector. Sales revenue in New Zealand and South-East Asia also grew in the period.

Profit

Statutory operating profit was 6% lower and Underlying profit was down 7% to US$32.5 million. Impacts on profit included: the subdued conditions in the Australian automotive sector; depreciation expense from new platform equipment and pooling assets purchased in the 2009 financial year; and lower pallet hire balances. Excluding the Australian automotive business, statutory operating profit was in line with the prior corresponding period.

Cash flow

The strong improvement in cash flow reflected a US$35.0 million reduction in capital expenditure, combined with working capital efficiencies and positive foreign exchange impacts. In the prior corresponding period, cash flow was impacted by capital expenditure relating to the commencement of a RPC contract in Australia and customer growth in China.

Recall

Table 7 Recall				
US$ million	**1H10**	**1H09**	**% change (actual FX rates)**	**% change (constant currency)**
Sales revenue	364.1	353.1	3%	(1)%
Statutory operating profit	52.5	49.5	6%	-
Statutory operating profit margin	*14%*	*14%*	-	-
Significant items:				
Restructuring – facilities and operations rationalisation	-	*1.0*		
Underlying profit	52.5	50.5	4%	(2)%
Underlying profit margin	*14%*	*14%*	-	-
Cash flow from operations	45.9	22.0		

Sales
Recall's sales revenue was 1% lower at US$364.1 million, reflecting lower paper prices and volumes in the SDS service line. Carton volumes in the DMS service line rose 5%. Net new business wins contributed sales revenue growth of 3%. Excluding SDS, Recall's sales revenue was up 4%

Profit
Statutory operating profit was in line with the prior corresponding period at US$52.5 million. Underlying profit was down 2%. Excluding SDS, statutory operating profit rose 16%, reflecting the benefits of restructuring Recall undertook during the 2009 financial year and an ongoing focus on cost efficiencies.

Cash flow
The increase in cash flow was largely a result of working capital efficiencies.

Safety

Brambles' safety performance continued to improve in the six-month period. The 12-month rolling Brambles Injury Frequency Rate (BIFR) was 21.8 per million man hours at 31 December 2009, compared with 23.1 per million man hours at 30 June 2009. Injury frequency and severity reduced, reflecting Brambles' ongoing commitment to pursuing Zero Harm.

Additional financial information

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

Table 8
Capital expenditure on property, plant and equipment (accruals basis)

US$ million	1H10	1H09	Change
CHEP Americas	101.7	156.7	55.0
CHEP EMEA	84.7	136.0	51.3
CHEP Asia-Pacific	27.9	62.9	35.0
Total CHEP	**214.3**	**355.6**	**141.3**
Recall	18.1	21.1	3.0
Brambles HQ	0.1	0.3	0.2
Total capital expenditure	**232.5**	**377.0**	**144.5**

Table 9
Cash flow

US$ million	1H10	1H09	Change
Continuing operations			
Underlying profit	340.2	469.3	(129.1)
Significant items within ordinary activities	-	(54.7)	54.7
Depreciation & amortisation	221.9	212.8	9.1
EBITDA	**562.1**	**627.4**	**(65.3)**
Capital expenditure (cash basis)	(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
Cash flow from operations	**400.3**	**220.8**	**179.5**
Significant items outside ordinary activities	(35.1)	(21.7)	(13.4)
Cash flow from operations (incl. Significant items)	**365.2**	**199.1**	**166.1**
Financing costs and tax	(130.6)	(126.5)	(4.1)
Free cash flow	**234.6**	**72.6**	**162.0**
Dividends paid	(101.3)	(163.2)	61.9
Free cash flow after dividends	**133.3**	**(90.6)**	**223.9**

Brambles' reduction in capital expenditure of US$144.5 million[5] was driven predominantly by reduced requirements for new pallets in CHEP. The reduction also reflected investment in new service centres and a RPC contract in Australia in the prior corresponding period. Total pallet capital expenditure was US$170.9 million, compared with US$274.0 million in the prior corresponding period. Capital expenditure within Recall supported growth and expansion in security infrastructure.

Cash flow improved as savings in capital expenditure more than offset the reduction in EBITDA.

Significant items included spend for facilities and operations rationalisation and the accelerated scrapping of excess pallets in CHEP USA, which was provided for in the prior financial year.

[5] Capital expenditure quoted on an accruals basis. On a cash basis, the reduction was US$145.5 million.

Interest

Net finance costs were US$54.0 million compared with US$63.7 million in the prior corresponding period. The reduction in net finance costs reflected lower interest rates on variable rate borrowings and lower average borrowings compared with the prior period. These benefits were partially offset by higher borrowing margins and fees on debt refinanced during the 2009 financial year.

Tax

The effective tax rate (ETR) applying to both statutory operating profit and Underlying profit was 27.2%. In the prior corresponding period, the ETR was 28.7% for statutory operating profit and 33.3% for Underlying profit. The reduction in the ETR was mainly a result of a net reversal of tax provisions following the receipt of a tax ruling, and lower profits in the USA.

Brambles Value Added

Brambles Value Added was US$71.0 million in the period, down US$80.4 million on the prior corresponding period, reflecting the reduction in profit from ordinary activities.

Debt

Table 10
Net debt and key ratios

US$ million	December 2009	June 2009	Change
Current debt	66.4	68.0	1.6
Non-current debt	2,079.9	2,165.5	85.6
Gross debt	**2,146.3**	**2,233.5**	**87.2**
Less cash	(117.9)	(90.1)	27.8
Net debt	**2,028.4**	**2,143.4**	**115.0**
	1H10	**1H09**	**Change**
EBITDA	562.1	627.4	(65.3)
Net finance costs	54.0	63.7	9.7
Key ratios			
Net debt to EBITDA	1.8x	1.9x	0.1x
EBITDA interest cover	10.4x	9.8x	0.6x

Net debt at 31 December 2009 was US$2,028.4 million, down US$115.0 million from 30 June 2009 as a result of positive cash generation after dividends. At 31 December 2009, committed credit facilities, including US$535.0 million of US private placement notes, totalled US$3,425.5 million, of which US$567.4 million is due to expire in the next 12 months. Undrawn committed credit facilities totalled US$1,317.2 million, while cash balances stood at US$117.9 million.

Investment grade credit ratings of BBB+ (stable outlook) from Standard & Poor's and Baa1 (stable outlook) from Moody's Investor Services were issued in December 2009. These ratings reaffirm the underlying strength of Brambles' business and will provide the company with additional financial flexibility in accessing debt funding.

The ratio of net debt to EBITDA for the period was 1.8 times and EBITDA interest cover was 10.4 times.

Foreign exchange rates

The principal foreign exchange rates affecting Brambles were:

		US$:A$	US$:€	US$:£
Average	First half 2010	0.8765	1.4570	1.6328
	First half 2009	0.7759	1.4180	1.7166
Period end	31 December 2009	0.8987	1.4416	1.6129
	30 June 2009	0.8114	1.4106	1.6637

Dividend

	Aust. cents per share	Franking	Ex dividend trading date	Record date	Payment date
Interim	12.5	20%	12 March 2010	18 March 2010	8 April 2010

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

Dividend Reinvestment Plan

The Board has set the price at which shares will be allotted under Brambles' Dividend Reinvestment Plan (DRP) for the interim dividend as the arithmetic average of the daily volume-weighted average sale price of all Brambles shares sold on the Australian Securities Exchange (ASX) in the ordinary course of trading during the 10 trading days starting 22 March 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.

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	1H09	2H09	FY09
Sales				
CHEP Americas	756.9	792.5	764.4	1,556.9
CHEP EMEA	770.1	761.0	691.6	1,452.6
CHEP Asia-Pacific	195.0	166.6	156.8	323.4
Total CHEP	1,722.0	1,720.1	1,612.8	3,332.9
Recall	364.1	353.1	332.6	685.7
Total Brambles	2,086.1	2,073.2	1,945.4	4,018.6
Underlying profit				
CHEP Americas	108.6	233.3	201.1	434.4
CHEP EMEA	161.4	170.9	156.6	327.5
CHEP Asia-Pacific	32.5	28.9	32.2	61.1
Total CHEP	302.5	433.1	389.9	823.0
Recall	52.5	50.5	53.8	104.3
Total Brambles (including HQ)	340.2	469.3	431.3	900.6
Underlying profit margin				
CHEP Americas	14%	29%	26%	28%
CHEP EMEA	21%	22%	23%	23%
CHEP Asia-Pacific	17%	17%	21%	19%
Total CHEP	18%	25%	24%	25%
Recall	14%	14%	16%	15%
Total Brambles (including HQ)	16%	23%	22%	22%
Statutory operating profit				
CHEP Americas	108.6	79.6	149.4	229.0
CHEP EMEA	159.3	166.2	120.3	286.5
CHEP Asia-Pacific	32.5	28.4	29.5	57.9
Total CHEP	300.4	274.2	299.2	573.4
Recall	52.5	49.5	46.4	95.9
Total Brambles (including HQ)	338.1	337.6	380.6	718.2
Average capital invested				
CHEP Americas	1,748.2	1,625.5	1,707.9	1,666.7
CHEP EMEA	1,505.8	1,493.9	1,402.9	1,448.4
CHEP Asia-Pacific	381.9	314.6	323.6	319.1
Total CHEP	3,635.9	3,434.0	3,434.4	3,434.2
Recall	947.0	925.6	869.0	897.3
Total Brambles (including HQ)	4,522.0	4,293.2	4,244.2	4,268.7
Return on capital invested (annualised) (based on Underlying profit)				
CHEP Americas	12%	29%	24%	26%
CHEP EMEA	21%	23%	22%	23%
CHEP Asia-Pacific	17%	18%	20%	19%
Total CHEP	17%	25%	23%	24%
Recall	11%	11%	12%	12%
Total Brambles (including HQ)	15%	22%	20%	21%

Background information *(continued)*

US$ million **Actual fx rates**	**1H10**	**1H09**	**2H09**	**FY09**
Cash flow from operations				
CHEP Americas	139.8	116.9	150.1	267.0
CHEP EMEA	202.7	137.1	235.6	372.7
CHEP Asia-Pacific	35.7	(22.8)	32.6	9.8
Total CHEP	378.2	231.2	418.3	649.5
Recall	45.9	22.0	84.9	106.9
Total Brambles (including HQ)	400.3	220.8	501.6	722.4
Capital expenditure on property, plant & equipment (accruals basis)				
CHEP Americas	101.7	156.7	134.1	290.8
CHEP EMEA	84.7	136.0	98.4	234.4
CHEP Asia-Pacific	27.9	62.9	29.8	92.7
Total CHEP	214.3	355.6	262.3	617.9
Recall	18.1	21.1	31.3	52.4
Total Brambles (including HQ)	232.5	377.0	295.4	672.4
Depreciation of property, plant & equipment				
CHEP Americas	79.3	82.9	79.5	162.4
CHEP EMEA	83.9	83.2	78.2	161.4
CHEP Asia-Pacific	24.7	17.1	18.1	35.2
Total CHEP	187.9	183.2	175.8	359.0
Recall	16.9	16.2	16.0	32.2
Total Brambles (including HQ)	205.0	199.5	191.8	391.3
Capex/depreciation ratio				
CHEP Americas	1.3x	1.9x	1.7x	1.8x
CHEP EMEA	1.0x	1.6x	1.3x	1.5x
CHEP Asia-Pacific	1.1x	3.7x	1.6x	2.6x
Total CHEP	1.1x	1.9x	1.5x	1.7x
Recall	1.1x	1.3x	2.0x	1.6x
Total Brambles (including HQ)	1.1x	1.9x	1.5x	1.7x
Pallet numbers (millions) [1]				
CHEP Americas	99	104		103
CHEP EMEA	129	136		130
CHEP Asia-Pacific	18	18		18
Total CHEP	246	258		251
Carton numbers - Recall (millions)	91	86		88
BVA [2]				
CHEP Americas	9.4	83.1	55.4	138.5
CHEP EMEA	69.9	82.5	77.3	159.8
CHEP Asia-Pacific	7.8	11.3	14.9	26.2
Total CHEP	87.1	176.9	147.6	324.5
Recall	(6.5)	(7.1)	0.7	(6.4)
Total Brambles (including HQ)	71.0	151.4	131.6	283.0

[1] Shown gross, before provisions

[2] At fixed June 2009 exchange rates

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 on a per million hours worked basis.

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.