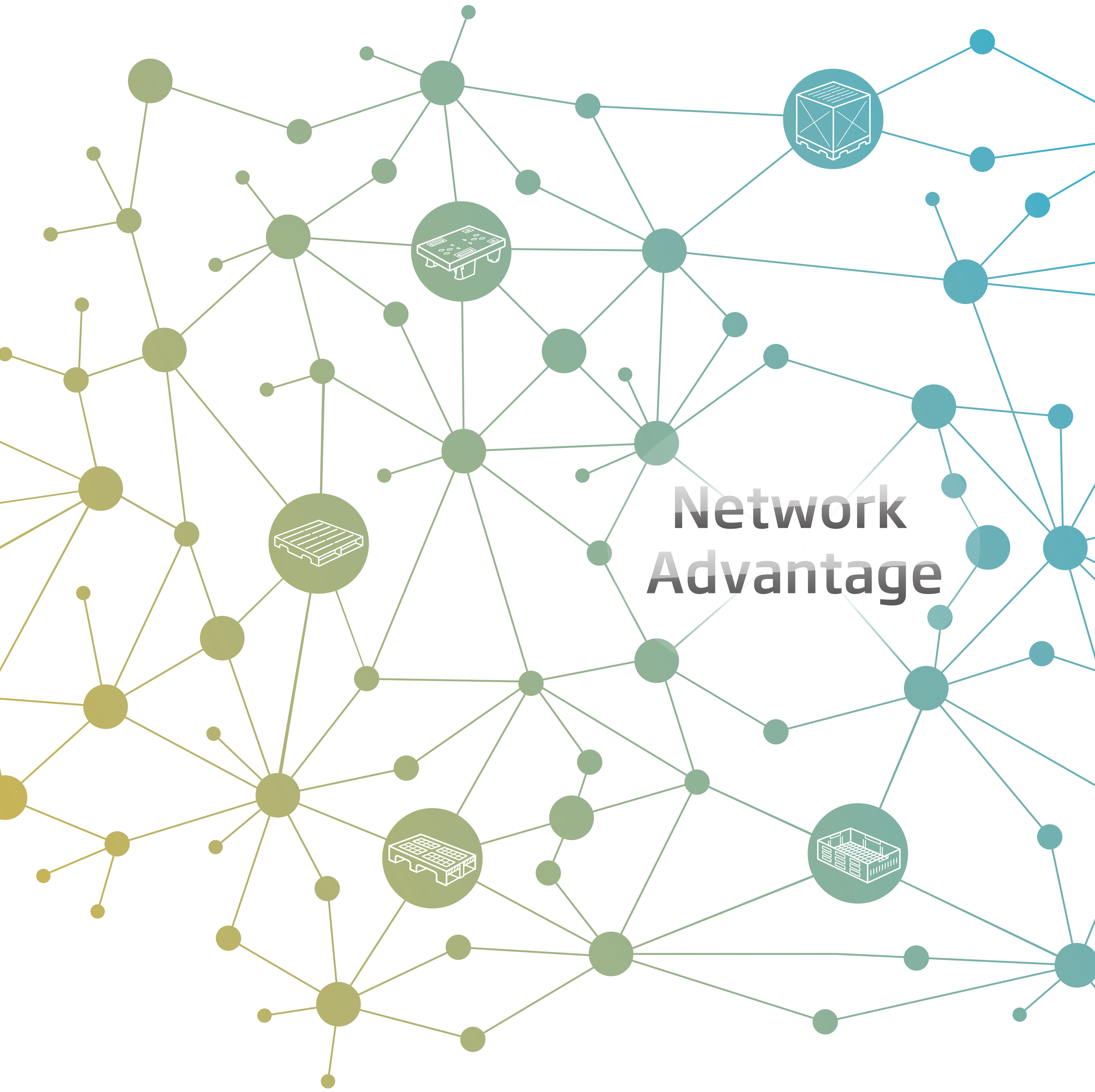
Brambles

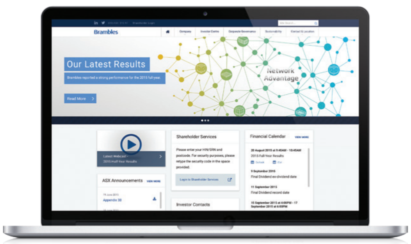
Annual Report 2015



www.brambles.com

Contents

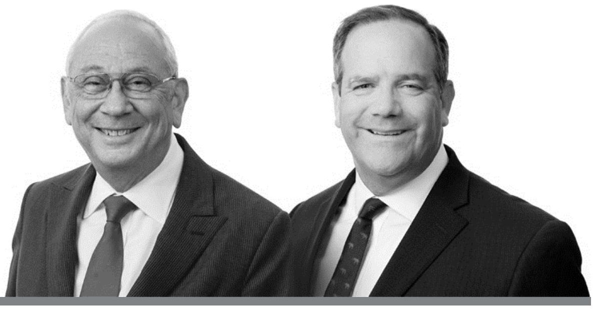
Brambles Limited
ABN 89 118 896 021



Go to **Brambles.com** to review the Group's online annual review for 2015, including an interactive strategy scorecard and other features.

Forward-Looking Statements
Certain statements made in this release are "forward-looking statements" – that is, statements related to future, not past, events. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," and similar expressions are intended to identify forward-looking statements. These forward-looking statements are not historical facts but rather are based on Brambles' current beliefs, assumptions, expectations, estimates and projections. Forward-looking statements are not guarantees of future performance, as they address matters that are uncertain and subject to known and unknown risks, uncertainties and other factors that 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 views 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 events occurring after the date of this release, except as may be required by law or by any appropriate regulatory authority.

Letter from the Chairman and the CEO



Brambles' Chairman Stephen Johns (left) and CEO Tom Gorman (right)

20 August 2015

Network advantage is the theme of Brambles' 2015 Annual Report. The strength of our network and the advantage we derive from the integral role we play in our customers' supply chains is at the heart of our value proposition to investors. That's why "everything begins with the customer" is the first of our shared values.

It is through continually working together with our customers to make their supply chains more efficient and sustainable that we can maintain and enhance our network advantage and deliver sustainably strong returns to shareholders. It is this focus on building better supply chains together with customers that has enabled us to identify US$1.5 billion of growth capital expenditure opportunities to FY19. These opportunities primarily relate to customer initiatives in our Pallets and RPCs businesses serving the consumer goods, fresh food and grocery supply chains.

Strategy and Objectives

We remain focused on our targets, set in December 2013, to deliver annual percentage growth in sales revenue in the high single digits, at constant currency, and Return on Capital Invested[1] of 20% by FY19[2]. However, because the scale of investment opportunity in our existing businesses is larger than we estimated when we set those targets, we now anticipate average annual growth in Average Capital Invested, before acquisitions, will be higher than our previous expectation of 5%.

Our investment in growth programs that strengthen our existing business, coupled with actions to deliver operational efficiencies, such as the One Better program launched in 2014, are intended to sustain our competitive advantage. By strengthening our networks and our customer relationships, we can support the continued delivery of attractive returns to shareholders today and in the future. In addition, our disciplined approach to investment in new growth opportunities – even though these may dilute returns in the near-term – supports our focus on creating value for shareholders sustainably and for the long term. Our Strategy Scorecard, overleaf, sets out our progress relative to our key targets and objectives.

Acquisitions

In September 2014, we acquired Ferguson Group, a leading provider of container management solutions to the offshore oil and gas sector, for US$523 million. This acquisition represented an opportunity for Brambles to enter a new supply chain, which has attractive long-term characteristics and in which we believe we can create value through our extensive and longstanding equipment-pooling expertise. We anticipate any acquisitions in 2016 will be in support of our existing businesses and will be relatively small and accretive, such as the Rentapack and IFCO Japan acquisitions we have completed in recent months.

2015 Performance

We delivered a strong result in FY15, despite underlying economic conditions remaining quite uncertain. At constant currency[3], sales revenue was US$5,465 million, up 8% while operating profit was US$939 million, up 8% and Underlying Profit[4] was US$986 million, up 10%. The contribution of acquisitions to growth in both sales revenue and Underlying Profit was 2 percentage points. Return on Capital Invested was down 0.6 percentage points to 15.7%, reflecting increased capital invested from acquisitions. Excluding acquired businesses, Return on Capital Invested increased by 0.3 percentage points to 16.6%. A full analysis of our financial results is contained in the Operating & Financial Review on Pages 7 to 11.

People, Safety and Sustainability

We wish to thank Brambles' more than 14,000 employees, the senior management team and our fellow Directors for their contribution to another successful year. In support of our people, we strive to make our Zero Harm vision a reality, and were able to report an improvement in the Brambles Injury Frequency Rate. It was, therefore, very sad that we lost a colleague to a workplace fatality. A truck driver in our recycled pallets operations in the USA was involved in a tragic road traffic accident in December 2014 as a result of which both he and another driver were fatally injured. A summary of our progress in relation to our Sustainability objectives is included in the Operating & Financial Review on Page 5. Our full Sustainability Review is scheduled for publication in October 2015. Detail of how we assess economic, environmental and social sustainability matters is in the Corporate Governance Statement on our website.

Dividends

Total dividends declared for the Year were 28 Australian cents per share, up 1 cent from 2014 and 30% franked. The Board has reactivated the Dividend Reinvestment Plan (DRP) on a non-underwritten basis with respect to the 2015 final dividend of 14 Australian cents per share. Full details in relation to dividends are on Page 6. Reactivating the DRP on a non-underwritten basis provides eligible shareholders who wish to reinvest their dividends with an opportunity to do so, while providing Brambles flexibility in support of its funding strategy and future growth investment needs. The DRP Booklet will be sent separately to eligible shareholders and will be accessible on our website.

Chairman Succession and Board Renewal

In September 2014, Graham Kraehe retired after six years as Chairman and a 14-year association with the Board. We wish to express our thanks to Graham, who oversaw the transformation of Brambles from an industrial conglomerate to a leading supply chain solutions company. We had two changes to the Board during the Year. Doug Duncan retired in February 2015 and, in June 2015, Scott Perkins joined the Board. Full Board biographies are on Pages 12 and 13. Details of our Board skills matrix are in the Corporate Governance Statement.

Outlook

Subject to there being no material change in underlying economic conditions, in FY16 we expect to deliver constant-currency growth in sales revenue and Underlying Profit in the range of 6% to 8%. We have forecast Underlying Profit to be between US$1,000 million and US$1,020 million, at 30 June 2015 foreign exchange rates.

Stephen Johns
Chairman

Tom Gorman
Chief Executive Officer

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[1] Underlying Profit divided by Average Capital Invested (a 12-month average of capital invested 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).

[2] Five-year performance objectives are provided on a constant-currency basis, exclusive of the impact of merger, acquisition or divestment activity.

[3] Calculated by translating reported period results into US dollars at the actual monthly exchange rates applicable in the prior corresponding period.

[4] Profit from continuing operations before finance costs, tax and Significant Items.

Strategy Scorecard

Our customer value proposition enables a strong and sustainable competitive advantage...

...which drives superior rates of economic returns (high quality of opportunity)...

... and positions us uniquely to deliver superior levels of growth (high quantity of opportunity)

Five-Year Targets[1]

Invest in product and service quality, asset management and business development in support of customer value

Five-Year Targets[1]

Consistently improve Group Return on Capital Invested to at least 20% by FY19

Five-Year Targets[1]

Deliver annual percentage sales growth in the high single digits

FY15 Progress

Continued investment in maintaining and enhancing value proposition through innovation and customer collaboration

Key investments in the period included investment in expansion of equipment pools in support of European RPCs and Pallets Americas customers

FY15 Progress

On track: Return on Capital Invested prior to acquisition impacts up 0.3 percentage points to 16.6%

Final stages completed of Global Supply Chain program to remove US$100M of direct costs through plant network optimisation and other operational improvements

One Better program launched to reduce indirect cost burden by US$100M by end FY19

FY15 Progress

Sales revenue growth of 6%, slightly below five-year average target

Targeted M&A in offshore oil and gas container logistics sector through acquisition of Ferguson Group

Continued careful expansion into new countries

Geographic expansion of RPCs sector through targeted M&A in Chile and Japan

FY16 Focus Areas

1

Investing in network advantage: organic capital expenditure opportunities of US$1.5 billion identified to FY19.

Focus areas of investment:

- Expansion of US pallet pool to support ongoing supply-chain restocking;
- Expansion of differentiated RPC offerings in support of major retail partner merchandising;
- Rollout of new pallet platforms to provide better solutions for customers; and
- Refresh of brands and go-to-market strategies.

2

Driving operational and organisational efficiency: Brambles supports its investment programs with internal efficiency initiatives that enable financial resources to be redirected to activities that are value-adding for customers.

One Better program on track to have removed initial US$30M of indirect costs by end FY16 which are being retargeted to key initiatives such as the relaunch of myCHEP, the Group's main customer portal, and simplified invoicing and pricing initiatives.

3

Capital allocation for long-term growth where Brambles' specific supply-chain expertise can add value and long-term characteristics are attractive.

Continued disciplined approach to investing in new or unproven supply chains, with emphasis on managing Brambles' portfolio to prioritise opportunities that can generate adequate returns at scale.

Key Risks and Mitigating Actions

Macro-economic environment: expectations for global growth remain challenging in the foreseeable future	⟷	Continued focus on driving growth through investment in expanded customer value proposition, and targeted diversification in opportunities with attractive long-term characteristics
Industry trends, in particular in the context of a dynamically changing retailing landscape and the ongoing globalisation of many supply chains	⟷	Ongoing programs to drive customer intimacy throughout the supply chain and uncover opportunities to leverage Brambles' unique global scale and value proposition
Customer demand for sustainable outsourced supply-chain solutions amid an intensifying competitive environment	⟷	Rejuvenated sustainability strategy and key brand programs focused on leveraging inherent sustainability of Brambles business models and driving new level of customer engagement

[1] Five-year performance objectives are provided on a constant-currency basis, exclusive of the impact of acquisitions since December 2013.

Operating & Financial Review

1. Overview of Operations

Brambles Limited is a supply-chain logistics company operating primarily through the CHEP and IFCO brands. Brambles is listed on the Australian Securities Exchange (ASX) and has its headquarters in Sydney, Australia, but operates in more than 60 countries, with its largest operations in North America and Western Europe.

Brambles primarily serves customers in the fast-moving consumer goods (e.g. dry food, grocery, and health and personal care), fresh produce, beverage, retail and general manufacturing industries, counting many of the world's best-known brands among its customers.

Brambles provides supply-chain logistics services to these customers, based upon the Group's longstanding expertise in the management of reusable unit-load equipment[1] such as pallets, crates and containers. The Group also operates specialist container logistics businesses serving the automotive, aerospace and oil and gas sectors.

At 30 June 2015, the Group employed more than 14,000 people and owned more than 500 million pallets, crates and containers (before provisions) through a network of approximately 850 service centres.

For financial reporting purposes, Brambles is grouped into three segments:

- **Pallets**, primarily serving the fast-moving consumer goods (e.g. dry food grocery, and health and personal care), fresh produce and beverage industries, and sub-divided into three regions:
  - Americas (comprising the CHEP pooled pallet operations throughout that region, the recycled pallet management operations in North America, and LeanLogistics, a transport management software business operating globally);
  - Europe, Middle East & Africa (comprising the CHEP pallet-pooling operations in those regions, as well as India); and
  - Asia-Pacific (comprising the CHEP pallet-pooling operations in that region);
- **RPCs** (an acronym for Reusable Plastic or Produce Crates), serving the fresh produce and broader food industry and comprising the IFCO RPC pooling business worldwide and the CHEP RPC pooling businesses in Australia, New Zealand and South Africa; and
- **Containers**, comprising four distinct business units:
  - Automotive, serving the automotive manufacturing industry;
  - IBCs, primarily serving customers transporting raw materials in the food and general manufacturing industries using intermediate bulk containers (IBCs);
  - Oil & Gas, comprising Ferguson Group, a provider of container management solutions to the offshore oil and gas industry, and CHEP Catalyst & Chemical Containers, which rents containers and provides associated services in the refining sector; and
  - Aerospace, which rents containers and pallets for the transportation of baggage and cargo to airlines, as well as maintaining these and other equipment.

Commentary on the performance of Brambles' operating segments during the Year, is included in Section 7 of this Operating & Financial Review.

2. Customer Value and Operating Model

Brambles enhances performance for customers by helping them transport goods through their supply chains more efficiently, sustainably and safely.

The Group's primary activity is the provision of reusable pallets, crates and containers for shared use by multiple participants throughout the supply chain, under a model known as "pooling".

Under various pooling models, Brambles provides standardised reusable pallets, crates and containers to customers from its service centres, as and when customers require. Customers then use that equipment to transport goods through their supply chains, and – depending on the specific pooling model in operation – either arrange for its return to Brambles or transfer it to another participant in the network for that participant's use prior to its return to Brambles.

Pooling enables customers to eliminate the need to purchase and manage their own unit-load equipment, thereby reducing the capital invested and complexity in customers' operations while reducing waste from their supply chains. Customers benefit from the shared scale efficiencies generated by Brambles' network and systems, as well as the Group's asset management knowledge and development of additional value-adding services, products and solutions.

Brambles generates sales revenue predominantly from the rental and other service fees that customers pay based on their usage of the Group's equipment. Brambles retains ownership of its equipment at all times, inspecting, cleaning and repairing it as required to maintain appropriate quality levels.

3. Shared Values

Brambles' shared values are articulated in Brambles' Code of Conduct and are a core component of the Group's culture:

- All things begin with the customer;
- We have a passion for success;
- We are committed to safety, diversity, people and teamwork;
- We believe in a culture of innovation; and
- We always act with integrity and respect for the communities in which we operate and the environment.

4. Investor Value Proposition

Brambles' relative competitive position is defined by the scale and density of its pooling networks, and the additional service and value these networks enable the Group to provide to customers.

Over time, disciplined expansion of these networks and accompanying investment in customer service create a sustainable competitive advantage that enables the delivery of attractive returns to shareholders.

In addition to providing barriers to entry, the scale of Brambles' established operations and customer relationships also provide the Group unique access to additional customer growth opportunities.

4.1 Performance Drivers and Metrics

The Group monitors performance and value creation through non-financial metrics (such as customer loyalty, safety performance and employee engagement and enablement) and through financial metrics (such as sales revenue growth, profitability, return on capital and shareholder returns).

There are three key drivers of Brambles' sales revenue growth:

- General increases in sales volumes in line with economic or industry trends (a relatively stable variable because the majority of Brambles' sales revenue comes from customers in the consumer staples sector);
- The rate at which the Group expands its operations (often described as "net new business wins[2]"); and
- Movements in pricing.

Brambles' key profit metric is Underlying Profit[3], which is adjusted from statutory operating profit by removing Significant Items[4]. The main drivers of Underlying Profit are:

- Transport, logistics and asset management costs (including external factors such as fuel and freight prices, as well as labour costs);

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[1] Equipment such as pallets, crates and containers used for grouping multiple units of goods (for example, boxes of grocery items) in standardised volumes and formats for ease of shipment and storage through the supply chain.

[2] The change in sales revenue in the reporting period resulting from business won or lost in that period and the previous financial year. The revenue impact of net new business wins is included across reporting periods for a total of 12 months from the date of the win or loss and calculated on a constant-currency basis.

[3] Profit from continuing operations before finance costs, tax and Significant Items.

[4] Items of income or expense that are (either individually or in aggregate) material to Brambles or to the relevant business segment and either outside the ordinary course of business or part of the ordinary activities of the business but unusual in size and nature.

- Plant operations costs in relation to management of service centre networks and the inspection, cleaning and repair of assets (including labour costs and raw materials costs);
- Other operational expenses (primarily overheads such as selling, general and administrative expenses); and
- Depreciation, as well as provisioning for lost or otherwise irrecoverable pooling equipment.

Brambles defines Return on Capital Invested as Underlying Profit divided by Average Capital Invested[5]. The main driver of Average Capital Invested is capital expenditure on pooling equipment, which is primarily influenced by the rate of sales growth and by asset efficiency factors: i.e. the amount of pooling equipment not recoverable or repairable each year (and therefore requiring replacement), and the frequency with which customers return or exchange pooling equipment. Brambles' main capital cost exposures are for raw materials, primarily lumber and plastic resin.

The Group also monitors Brambles Value Added, which measures value generated over and above the cost of capital used to generate that value. Brambles Value Added is calculated by subtracting from Underlying Profit the product of Average Capital Invested multiplied by 12% (a notional representation of pre-tax cost of capital).

4.2 Recent Financial Performance

In recent years, Brambles has consistently delivered profitable growth comprising superior rates of sales revenue growth and high levels of return on capital relative to the benchmark Australian share index, the S&P/ASX200 Index.

Based on Bloomberg data for the five years ended 31 December 2014: Brambles' compound average growth rate in sales revenue was 7%, compared with (1)% for the S&P/ASX200 Index, and Brambles' average post-tax return on capital was 14%, compared with 5% for the Index.

Over this period, the Group has consistently delivered superior total shareholder return compared with the ASX200 and with the index of ASX200 industrial companies. In the 2015 financial year, Brambles' delivered total shareholder return[6] of 18%, compared with 6% for the S&P/ASX200 Accumulation Index and 15% for the S&P/ASX200 Industrials Sector Accumulation Index. On a five-year basis, Brambles' total shareholder return has been 146%, compared with 61% for the S&P/ASX200 Index and 74% for the S&P/ASX200 Industrials.

While there is no guarantee that these absolute or relative returns will continue, the Company believes that superior execution of its strategy will enable continued strong performance.

4.3 Financial Performance Targets

In December 2013, Brambles communicated the following targets, reflecting the Group's objective for the sustained delivery of its value proposition to investors through continued profitable growth:

- Annual percentage sales revenue growth in the high single digits (i.e. on average, between 7% and 9%), at constant currency[7]; and
- Consistent incremental improvement in Return on Capital Invested to at least 20% by the end of the 2019 financial year.

These targets were set exclusive of the impact of merger or acquisition activity and in line with certain assumptions in relation to macro-economic and operational risks (see Section 5).

Details of how the Group uses its remuneration policy to incentivise the Company's leadership in the context of these targets are in the Remuneration Report on Pages 15 to 30.

5. Business Strategies and Future Prospects

Brambles' aspires to be a world-leading provider of logistics solutions, working together with its customers to make supply chains that are more efficient, safer and more sustainable.

The Group's current areas of strategic focus are as follows:

- **Investing in network advantage**: The strength and scale of Brambles' network of customers, people, service locations and asset management capability are inherent to the Group's value proposition to customers and shareholders alike. The Group is committed to investing to maintain this network advantage and enhance it through innovation and customer collaboration.
- **Driving operational and organisational efficiency**: Brambles supports its investment programs with internal efficiency initiatives that enable financial resources to be redirected to activities that are value-adding for customers. The Group targets continuous efficiencies in direct costs while the five-year organisational efficiency program, One Better, is focused on indirect cost reduction.
- **Disciplined capital allocation for long-term growth**: In addition to funding its established businesses, Brambles seeks to allocate capital to organic or business opportunities or acquisitions where the Group believes its specific supply-chain expertise can add value for customers and create value for shareholders.

As a result of the dynamic nature of the supply chains Brambles serves, the Group has a broad range of growth opportunities. These include: increasing penetration of core equipment-pooling products and services in existing markets; diversifying the range of products and services; entering new and adjacent parts of existing supply chains; and/or expanding into new supply chains or geographies.

The principal factors that define growth opportunities for Brambles in the pooling of unit-load equipment are:

- Multiple parties use a common asset (i.e. a pallet, crate or container) to transport goods throughout the supply chain;
- Assets flow freely and at high velocity throughout the supply chain, creating complexity that Brambles can manage effectively through a pooled environment than customers could alone;
- Ownership of assets is not a source of competitive differentiation to the asset user; and
- Pooling of assets can create a benefit in which all supply-chain participants can share.

5.1 Strategic Opportunities

Brambles has identified the following key factors that influence its strategic objectives and financial performance targets and create areas of opportunity:

- The macro-economic environment, with expectations for global growth remaining challenging in the foreseeable future;
- Industry trends, in particular in the context of a dynamically changing retail, grocery and consumer goods supply chain;
- Internal execution capabilities, in particular maintaining control and quality of pooled equipment in line with customer needs; and
- Meeting customer demand for sustainable outsourced supply-chain solutions amid an intensifying competitive environment.

5.2 Strategic and Operating Risks

The opportunities described in Section 5.1 also create risk to the execution of Brambles' strategic objectives.

To assess these and other operating risks, Brambles has adopted a risk management framework, which is described under Principle 7 of the Corporate Governance Statement on Brambles' website.

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[5] A 12-month average of capital invested, calculated as net assets before tax balances, cash and borrowings but after adjustment for accumulated pre-tax Significant Items, actuarial gains and losses and net equity adjustments for equity-settled share-based payments.

[6] Data sourced from Orient Capital. Total shareholder return reflects share price movements assuming the reinvestment of dividends on the payment date and is adjusted for the demerger of Recall, the information management business, in December 2013.

[7] Calculated by translating reported period results into US dollars at the actual monthly exchange rates applicable in the prior corresponding period.

The risks associated with the external factors identified in Section 5.1 are:

- The challenging macro-economic environment may affect demand for Brambles' services and/or the Group's profitability;
- Industry trends (e.g. the fragmentation of the retail supply chain into multiple channels, demand for differing materials or designs for pooled equipment; the use of asset-tracking technology) could affect demand for Brambles' current service offerings, the value of its existing assets, and/or its profitability;
- Failure to maintain adequate quality standards or asset control of Brambles' pooled equipment may result in reduced customer satisfaction or additional costs; and
- Competitor activity, in particular in relation to changing customer demands and/or market structures, could affect Brambles' market penetration, revenue and profitability.

An assessment of these specific risks and mitigating actions in the current year, are set out in the Strategy Scorecard on Page 2, in the context of Brambles' progress in relation to its business strategies and financial performance objectives.

Brambles has identified the following additional risks that may affect its financial performance and operations:

- The successful execution and integration of acquisitions;
- The potential for interruption, compromise or failure of the systems and technology upon which Brambles relies to operate its business;
- Regulatory compliance, particularly as Brambles operates in a large number of countries with widely differing legal regimes, legislative requirements and compliance cultures; and
- Being able to attract, develop and retain high-performing individuals who can implement and manage Brambles' strategic objectives, as well as having proper succession planning in place to develop talent.

5.3 Sustainability

Brambles believes its operating model is inherently sustainable as it encourages the reuse of assets among multiple parties in the supply chain. Brambles' sustainability framework organises Brambles sustainability activities in three areas: Better Business, Better Planet and Better Communities. A full review of progress, material risks and new targets will be included in the Sustainability Review scheduled for publication in October 2015.

In FY15, Brambles conducted a review of material sustainability risks and issues, recognising: previously identified material sustainability issues; the ASX Corporate Governance Principles & Recommendations, particularly Recommendation 7.4 concerning economic, environmental and social sustainability risks; and the Global Reporting Initiative's G4 reporting framework. This review identified the following material sustainability risks.

- **Materials sourcing**: Ongoing secure supply of materials for the production and repair of pooling equipment, in particular wood used for pallets, is critical to Brambles. In FY11, Brambles set an aspirational target of achieving chain-of-custody certification for 100% of wood purchased[8] for manufacture and repair of CHEP pallets by FY15. In FY15, Brambles purchased 2.3 million cubic metres of wood for use in CHEP pooled pallets, up from 1.6 million cubic metres in FY11. Of the FY15 volume, 97% was from certified sources with 43% carrying full chain-of-custody certification. The percentage of chain-of-custody certified wood did not improve in FY15, as a result of suppliers being unable to provide full evidence of chain-of-custody certification, as well as the limited supply of appropriate quantities of wood certified in some countries. Brambles expects an improvement in the volume of purchased lumber that is chain-of-custody certified in FY16 as it continues to work with industry bodies and suppliers in support of more sustainable lumber practices.
- **Safety**: Brambles Zero Harm Charter states that everyone has the right to be safe at work and to return home as healthy as they started the day. Brambles measures its safety performance through the Brambles Injury Frequency Rate (BIFR), which measures work-related injuries, fatalities, lost time, modified duties and incidents requiring medical treatment per million hours worked. Brambles' met its target of year-on-year improvement in the BIFR rate in FY15, recording a BIFR of 13.3, an improvement from 15.6 in FY14. It was, therefore, very sad that a truck driver in our recycled pallets operations in the USA was involved in a tragic road traffic accident in December 2014 as a result of which both he and another driver were fatally injured.
- **Learning and development**: Brambles' people capability is linked to its ability to meet its business objectives and, as such, the learning and development opportunities available to its people are critical. Brambles recorded more than 17,300 education, training and development days in FY15, up 2.5% on FY14.

Further details of Brambles' sustainability framework, material sustainability risks and issues and new Sustainability targets will be available in the Sustainability Review, scheduled for publication in October 2015.

6. Financial Position and Risk Management

6.1 Capital Structure

Brambles manages its capital structure to maintain a solid investment grade credit rating. During the financial year ended 30 June 2015, Brambles held investment-grade credit ratings of BBB+ from Standard & Poor's and Baa1 from Moody's Investors Service.

In determining its capital structure, Brambles considers the robustness of future cash flows, the potential funding requirements of its existing business, growth opportunities and acquisitions, the cost of capital, and ease of access to funding sources. Initiatives available to Brambles to achieve its desired capital structure include adjusting the amount of dividends paid to shareholders, returning capital to shareholders, buying back share capital, issuing new shares, selling assets to reduce debt, varying the maturity profile of borrowings and managing discretionary expenses.

6.2 Treasury Policies

Brambles' treasury function is responsible for the management of certain financial risks within Brambles. Key treasury activities include liquidity management, interest rate and foreign exchange risk management, and securing access to short and long-term sources of debt finance at competitive rates. These activities are conducted on a centralised basis in accordance with Board policies and guidelines, through standard operating procedures and delegated authorities.

These policies provide the framework for the treasury function to arrange and implement lines of credit from financiers, select and deal in approved financial derivatives for hedging purposes, and generally execute Brambles' financing strategy.

Brambles' policies with respect to interest and exchange rate risks and appropriate hedging instruments are described below. Further information is contained in Note 25 of the Financial Report on Pages 70 to 76, including a sensitivity analysis (Page 72) with respect to these financial instruments.

The Group uses standard financial derivatives to manage financial exposures in the normal course of business. It does not use derivatives for speculative purposes and only transacts derivatives with relationship banks. Individual credit limits are assigned to those relationship banks, thereby limiting exposure to credit-related losses in the event of non-performance by any counterparty.

6.3 Funding and Liquidity

Brambles funded its operations during the 2015 financial year primarily through retained cash flow and borrowings. Brambles generally sources borrowings from relationship banks and debt capital market investors on a medium-to-long-term basis.

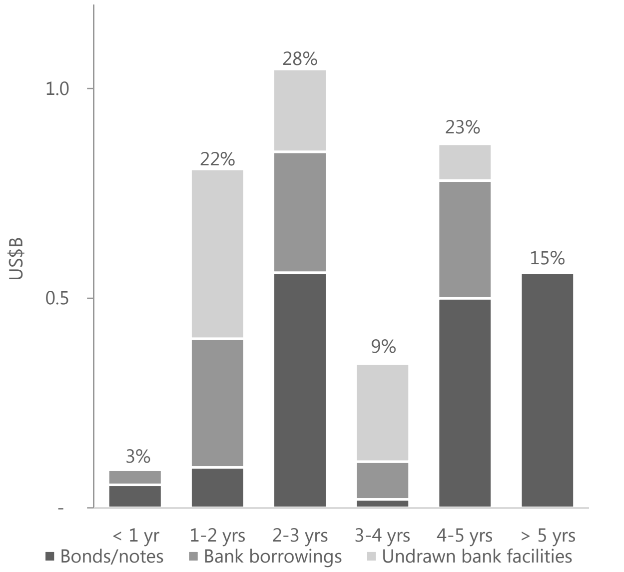
There were no new debt capital market issuances during the Year. Bank borrowing facilities were either maintained or renewed throughout the Year. These facilities are generally structured on a multi-currency, revolving basis with maturities ranging to December 2019. Borrowings under the

[8] An explanation of chain of custody certification, certified sources and other terms is on Brambles' website.

facilities are floating-rate, unsecured obligations with covenants and undertakings typical for these types of arrangements.

The table below shows the maturity profile of the Group's committed borrowing facilities and outstanding bonds, including the percentage due in each 12-month maturity period.

Maturity Profile of Committed Borrowing Facilities and Outstanding Bonds (% of total committed credit facilities)



Brambles' liquidity policy requires, among other things, that no more than 25% of total committed credit facilities mature in any rolling 12-month period. While the two to three-year maturity profile is slightly above this policy, action will be taken to refinance credit facilities to bring the profile within policy.

Net Debt and Key Ratios

US$M	June 2015	June 2014	Change
Current debt	127.5	497.8	(370.3)
Non-current debt	2,727.6	2,086.2	641.1
Gross debt	**2,855.1**	**2,584.0**	**271.1**
Less cash	(166.2)	(222.3)	56.1
Net debt	**2,688.9**	**2,361.7**	**327.2**
Key ratios	FY15	FY14[9]	
Net debt to EBITDA	1.75x	1.59x	
EBITDA interest cover	13.7x	13.2x	

Brambles' financial policy is to target a net debt to EBITDA ratio less than 1.75 times. Key financial ratios continue to reflect the Group's strong balance sheet position and remain well within the financial covenants included in Brambles' major financing agreements, with net debt to EBITDA at 1.75 times (2014: 1.59 times) and EBITDA interest cover at 13.7 times (2014: 13.2 times). If EBITDA for all acquisitions completed during the Year was shown pro rata over a full year, Brambles' 2015 net debt to EBITDA ratio would be 1.74 times.

Net debt was US$2,688.9 million at 30 June 2015, up US$327.2 million from 30 June 2014, primarily reflecting the Ferguson Group acquisition.

At 30 June 2015, Brambles had committed credit facilities including bonds and notes totalling US$3,722.6 million. Undrawn committed borrowing capacity totalled US$930.2 million, a decrease of US$1,195.0 million from June 2014, reflecting funding drawn down for the Ferguson acquisition, bond repayments and foreign exchange impacts.

The average term to maturity of Brambles' committed credit facilities as at 30 June 2015 was 3.9 years (2014: 4.1 years). In addition to these facilities, Brambles enters into operating leases for office and operational locations and certain plant and equipment to achieve flexibility in the use of certain assets. The rental periods vary according to business requirements.

6.4 Dividend Policy and Payment

Brambles has a progressive dividend policy. Under this policy, the Group seeks to maintain or increase dividends per share each year, in Australian cents, subject to its financial performance and cash requirements. The Board has declared a final dividend for 2015 of 14.0 Australian cents per share, in line with the previous interim dividend and up 0.5 Australian cents per share on the previous final dividend. The 2015 final dividend is payable on 8 October 2015 to shareholders on the Brambles register at 5pm on 11 September 2015. The ex-dividend date is 9 September 2015.

Total dividends for the Year were 28.0 Australian cents per share, up 1 Australian cent per share. Brambles paid the 2015 interim dividend of 14.0 Australian cents per share on 9 April 2015.

Brambles 2015 dividends are 30% franked. The unfranked component of the final dividend is conduit foreign income: shareholders not resident in Australia will not pay Australian dividend withholding tax on this dividend.

6.4.1 Dividend Reinvestment Plan

With effect from the 2015 final dividend, Brambles has reactivated its Dividend Reinvestment Plan on a non-underwritten basis and with a discount of 1.5%, in support of the Group's ongoing funding needs.

Reactivating the DRP on a non-underwritten basis provides eligible shareholders who wish to reinvest their dividends with an opportunity to do so, while providing Brambles flexibility in support of its funding strategy and future growth investment needs.

More details of the DRP will be sent to eligible shareholders separately in the DRP Booklet, which will also be accessible on Brambles' website.

6.5 Interest Rate Risk

Brambles' interest rate risk policy is designed to reduce volatility in funding costs through prudent selection of hedging instruments. This policy includes maintaining a mix of fixed and floating-rate instruments within a target band, over a certain time horizon, sometimes using interest rate derivatives. The policy requires the level of fixed-rate debt to be within 40% to 80% of total forecast debt arising over the immediate 12-month period, decreasing to a range of: 30% to 70% for debt maturities of one to two years; 20% to 60% for debt maturities of two to three years; 10% to 50% for debt maturities of three to five years and 0% to 50% for debt maturities extending beyond five years.

At 30 June 2015, Brambles had 46% of its weighted average interest-bearing debt over the next 12 months at fixed interest rates (2014: 50%). Beyond 12 months, the proportion of fixed-rate debt in the range of one to two years was: 43% (2014: 54%); 39% for two to three years (2014: 50%); and 19% for three to four years (2014: 40%). The weighted average maturity period of fixed debt was 3.4 years (2014: 3.9 years). The fair value of all interest rate swap instruments was US$10.3 million net gain (2014: US$13.8 million net gain).

6.6 Foreign Exchange Risk

Brambles manages its foreign exchange exposures from the perspective of reducing volatility in the value of foreign currency cash flows and assets. Exposures generally arise in either:

- Transaction exposures affecting the value of transactions translated back to the functional currency of the subsidiary; and
- Translation exposures affecting the value of assets and liabilities of overseas subsidiaries when translated into US dollars.

Under Brambles' foreign exchange policy, foreign exchange hedging is mainly confined to the hedging of transaction exposures where such exposures exceed a certain threshold, and as soon as a defined exposure arises. Within Brambles, exposures may arise with external parties or,

9 For FY14, based on continuing operations only.

alternatively, by way of cross-border intercompany transactions. Forward foreign exchange contracts are primarily used for these purposes. Given that Brambles both generates income and incurs expenses in its local currencies of operation, these exposures are not significant. Brambles generally mitigates translation exposures by raising debt in currencies where there are matching assets. During the Year, Brambles maintained net investment hedge borrowings in euro of €350.5 million, broadly to match its euro-denominated assets. At the end of the Year, the fair value of foreign exchange instruments was US$2.7 million net loss (2014: US$0.2 million net loss).

7. Financial Review

7.1 Group Overview

7.1.1 Summary: Key Metrics

US$M			Change	
(Continuing operations)	FY15	FY14	Actual FX	Constant FX
Sales revenue	**5,464.6**	**5,404.5**	**1%**	**8%**
Operating profit	938.5	929.5	1%	8%
Significant Items	47.3	30.6		
Underlying Profit	**985.8**	**960.1**	**3%**	**10%**
Underlying Profit margin	18.0%	17.8%	+0.2pts	+0.4pts
Average Capital Invested	6,291.0	5,889.6	7%	14%
Return on Capital Invested	**15.7%**	**16.3%**	**(0.6)pts**	**(0.5)pts**
Brambles Value Added[10]	**272.0**	**272.2**		**(0.2)**
Cash Flow from Operations	**728.8**	**828.2**	**(99.4)**	

Brambles' financial results for the 12 months ended 30 June 2015 reflected sales revenue and profit growth from continued execution of the Group's organic growth strategy and contribution from acquisitions made since the start of the prior corresponding period.

The delivery of operating efficiencies resulted in an increase in the Underlying Profit margin, while the modest decline in key return on capital measures reflected the impact of acquisitions.

The variance between actual and constant-currency performance was driven by the strengthening of Brambles' reporting currency, the US dollar, relative to the Group's other operating currencies, particularly the euro.

Sales revenue from continuing operations was US$5,464.6 million, up 1%. Constant-currency sales revenue growth of 8% was in line with guidance of 8% to 9% constant-currency growth for FY15 and the five-year objective for average annual constant-currency percentage sales revenue growth in the high single digits. Constant-currency growth in FY15 was primarily driven by: market-share expansion in the Pallets and RPCs segments; pricing and volume growth in the Pallets segment; and acquisitions in the Containers segment. Excluding the contribution of acquisitions, constant-currency sales revenue growth was 6%.

Underlying Profit, which excludes Significant Items, was US$985.8 million, up 3%. Constant-currency growth of 10% was driven by: sales revenue growth; the delivery of the final US$34 million of efficiencies under the Global Supply Chain[11] program in Pallets; and a reduction in overheads as a proportion of sales revenue. These drivers more than offset: higher plant and transport costs in the USA pooled pallet operations; increased depreciation costs from pool growth in the Pallets and RPCs segments; the increased cost of pallet cores in the USA recycled pallet business; and the recognition within continuing operations of an additional US$10 million of corporate costs (which in FY14, were recharged to the Recall business demerged in December 2013). Excluding acquisitions, constant-currency Underlying Profit growth was 8%.

Return on Capital Invested was 15.7%, down 0.6 percentage points, reflecting the impact of acquisitions made since the beginning of the prior corresponding period. Excluding these acquisitions, Return on Capital Invested was 16.6%, up 0.3 percentage points, as strong profitability gains in the Europe, Middle East & Africa (EMEA) region of the Pallets segment and in the RPCs segment more than offset lower profit in Pallets Americas.

Average Capital Invested was US$6,291.0 million, up 7% (up 14% at constant currency), reflecting acquisitions since the start of the prior corresponding period (Airworld in February 2014, Transpac in June 2014, Ferguson in September 2014 and Rentapack in May 2015). Excluding acquisitions, constant-currency growth was 5%.

Brambles Valued Added was US$272.0 million, down US$0.2 million, reflecting the same trends as for Return on Capital Invested.

Cash Flow from Operations was US$728.8 million, down US$99.4 million, driven by higher capital expenditure.

7.1.2 Profit Reconciliation

US$M			Change	
	FY15	FY14	Actual FX	Constant FX
Underlying Profit				
Pallets Americas	416.5	435.0	(4)%	(1)%
Pallets EMEA	343.9	326.1	5%	16%
Pallets Asia Pacific	71.6	76.4	(6)%	3%
Total Pallets	**832.0**	**837.5**	**(1)%**	**6%**
RPCs	131.5	124.3	6%	15%
Containers	59.3	38.0	56%	72%
Corporate	(37.0)	(39.7)	7%	5%
Total Underlying Profit	**985.8**	**960.1**	**3%**	**10%**
Significant Items	(47.3)	(30.6)		
Operating profit	**938.5**	**929.5**	**1%**	**8%**
Net finance costs	(111.9)	(113.0)	1%	(7)%
Tax expense	(241.1)	(232.0)	(4)%	(12)%
Profit after tax	**585.5**	**584.5**	**0%**	**7%**
Weighted average number of shares (M)	1,566.0	1,560.7	0%	0%
Basic EPS (US cents)	37.3	81.2	(54)%	(51)%
Basic EPS from continuing operations (US cents)	37.4	37.5	0%	7%

Operating profit of US$938.5 million, was up 1% (up 8% at constant currency). Significant Items of US$47.3 million comprised: restructuring and integration costs of US$34.8 million, $28.0 million of which related to the One Better program; and acquisition-related costs of $12.5 million.

Net finance costs were US$111.9 million, down 1% reflecting lower euro-denominated interest costs as a result of the strengthening US dollar. This more than offset the increase in acquisition-related borrowing costs.

Tax expense was US$241.1 million, up 4%, reflecting profit mix and a higher level of non-deductible acquisition-related costs in FY15. The effective tax rate on operating profit was broadly unchanged at 29%.

Profit after tax of US$585.5 million was flat at actual currency. Constant-currency growth of 7% reflected the increase in operating profit and a modest increase in tax expense.

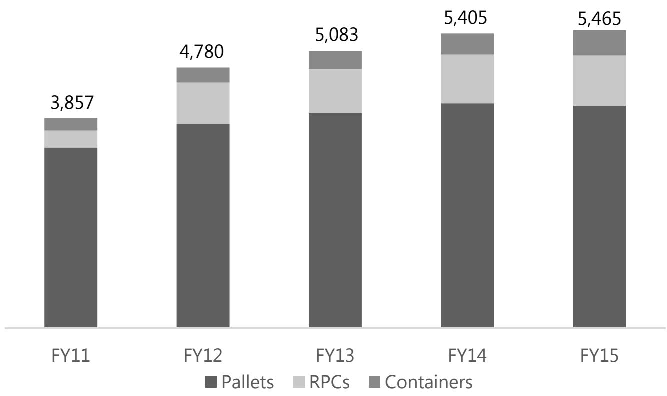
Basic earnings per share was 37.3 US cents, down from 81.2 US cents in FY14 which included a 43.7 US cent contribution from the non-cash profit associated with the Recall demerger. Basic earnings per share from continuing operations of 37.4 US cents was flat in actual currency terms. Constant-currency growth of 7%, reflected the increase in profit after tax.

[10] Calculated at 30 June 2014 FX rates.

[11] Program completed in FY15 to reduce direct costs by US$100 million through Pallets supply chain and logistics efficiencies and IFCO integration synergies.

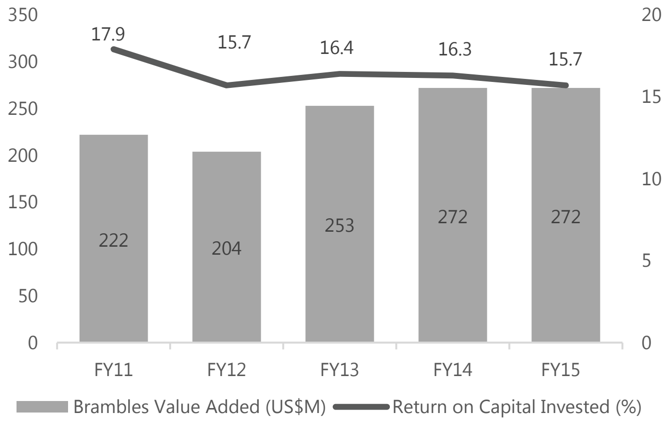
7.1.3 Five-Year Trends[12]

Group Sales Revenue (US$M)



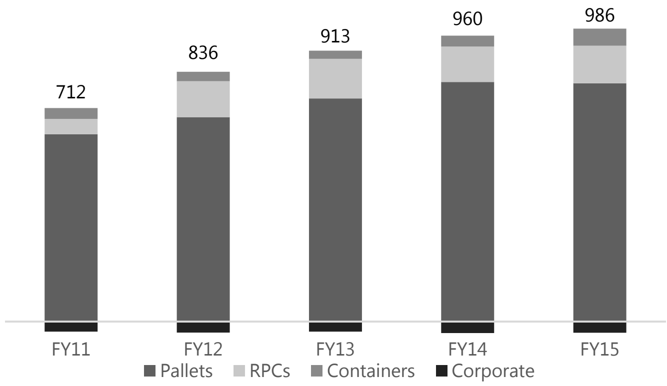
Brambles' sales revenue of US$5,464.6 million in FY15 reflected a five-year compound annual growth rate of 11%[13]. This was delivered despite relatively weak underlying economic conditions in the period. The growth reflected the execution of the Group's strategy: to expand the Pallets business through entering new markets and expanding its products offering; to expand the RPCs operations through the 2011 acquisition of IFCO Systems and ongoing investment in that business to support increased retailer conversions; to increase its presence in the Intermediate Bulk Containers space through acquisitions and continued investment; and diversification through acquisition into new supply chains in the Containers segment such as aerospace and oil and gas .

Return on Capital Metrics



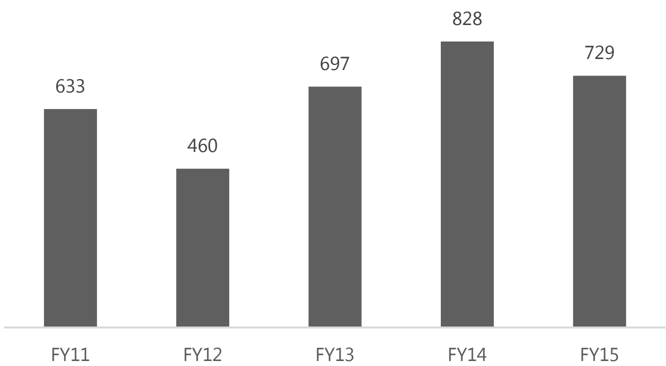
The trend in Brambles' key return on capital metrics (Return on Capital Invested and Brambles Value Added[13]) over the five-year period ended 30 June 2015 reflected the Group's expansion through both organic growth and acquisitions. Return on Capital Invested declined from 17.9% to 15.7% reflecting the impact on capital invested of acquired intangibles. Excluding the impact of acquired intangibles, Return on Capital Invested increased from 20.8% to 22.0%. The trend in Brambles Value Added – a measure of economic profit over and above the cost of capital invested to create that profit – demonstrates how profit growth out-stripped growth in capital, increasing to US$272.0 million in FY15.

Underlying Profit (US$M)



Brambles Underlying Profit of US$985.8 million in FY15 reflected a five-year compound annual growth rate of 12%[13]. The profit growth primarily reflected sales revenue growth as well as the delivery of efficiencies in the Pallets business. Key drivers of profit improvement in the period included: the successful execution of the Better Everyday program to increase pallet and service quality through FY10 to FY13 in the USA pooled pallet operations; the Global Supply Chain program to reduce operating costs by US$100 million from FY12 to FY15, primarily through plant network optimisation; and overall reductions in indirect costs worldwide.

Cash Flow from Operations (US$M)



By nature of Brambles' business, Cash Flow from Operations in a given period is largely driven by profitability, capital expenditure and working capital balances. The five years to FY15 was a period of strong profit growth, facilitated largely by significant investments in capital expenditure for growth. In addition, improved asset control practices contributed to reduced replacement capital expenditure relative to sales growth, and working capital efficiencies also contributed positively to cash flow. In FY12, capital expenditure was especially high relative to the size of the business, reflecting growth programs to support expansion in emerging markets of the Pallets business, and in the RPCs segment following the IFCO acquisition.

[12] Data shown excludes the contribution of the Recall business demerged in December 2013 and is shown at actual FX rates.

[13] Compound annual growth rate and Brambles Value Added calculated at 30 June 2014 FX rates.

7.1.4 Cash Flow Reconciliation

US$M	FY15	FY14	Change
Underlying Profit	985.8	960.1	25.7
Depreciation and amortisation	549.0	528.3	20.7
EBITDA	**1,534.8**	**1,488.4**	**46.4**
Capital expenditure (cash basis)	(983.6)	(854.3)	(129.3)
Proceeds from sale of PP&E	78.4	77.6	0.8
Working capital movement	4.7	10.6	(5.9)
IPEP expense	79.7	88.3	(8.6)
Other	14.8	17.6	(2.8)
Cash Flow from Operations	**728.8**	**828.2**	**(99.4)**
Significant Items	(50.9)	(20.9)	(30.0)
Discontinued operations	(1.4)	(46.0)	44.6
Financing costs and tax	(272.4)	(330.4)	58.0
Free Cash Flow	**404.1**	**430.9**	**(26.8)**
Dividends paid	(359.3)	(394.2)	34.9
Free Cash Flow after dividends	**44.8**	**36.7**	**8.1**

Cash Flow from Operations was US$728.8 million, down US$99.4 million. Growth in EBITDA and a positive move in working capital in the second half were insufficient fully to offset the impact of increased capital expenditure to fund growth. Total capital expenditure was US$983.6 million, up US$129.3 million, primarily reflecting investment in the European RPCs and Pallets Americas businesses.

Free Cash Flow after dividends was US$44.8 million, up US$8.1 million, benefiting from: timing of tax and finance costs; non-repetition of costs associated with the Recall demerger; and the favourable translational impact of a strengthening US dollar on Australian dollar dividends. These drivers more than offset the increase in Significant Items relative to FY14.

7.2 Segment Analysis

7.2.1 Pallets Americas

US$M			Change	
	FY15	FY14	Actual FX	Constant FX
Sales revenue	**2,357.5**	**2,301.9**	**2%**	**5%**
Operating profit	399.8	419.0	(5)%	(1)%
Significant Items	16.7	16.0		
Underlying Profit	**416.5**	**435.0**	**(4)%**	**(1)%**
Average Capital Invested	2,308.1	2,251.1	3%	5%
Return on Capital Invested	**18.0%**	**19.3%**	**(1.3)pts**	**(1.1)pts**
Brambles Value Added	**162.7**	**181.2**		**(18.5)**

Sales

Sales revenue in Pallets Americas was US$2,357.5 million, up 2% (up 5% at constant currency) reflecting: net new business wins[14] in North America; solid pricing growth in the USA recycled pallet and Latin America businesses; and modest like-for-like volume growth throughout the region. The contribution from net new business wins was US$38 million.

- North America sales revenue was US$2,069.3 million, up 3% (up 4% in constant currency). Within North America:
  - USA pooled pallet revenue was US$1,372.8 million, up 5%, reflecting: new customer contract wins and lane expansion; and rollover benefits from prior-year contract wins. Pricing and like-for-like volume growth contributions were both modest.
  - USA recycled pallet sales revenue was US$422.8 million, up 1%, as pricing growth more than offset a decline in sales volumes driven by contract losses and a shortage of used pallet cores, reflecting an increased demand for pallets to service higher inventory levels in the US retail supply chain.
  - Canada sales revenue was US$273.7 million, down 3%, reflecting the strengthening of the US dollar against the Canadian dollar. Constant-currency sales revenue growth of 7% was primarily driven by rollover benefits from prior-year contract wins.
- Latin America sales revenue was US$264.1 million, down 3%, reflecting the strength of the US dollar against currencies in the region. Constant-currency growth of 10%, reflected a moderation on prior years. Although volume growth continued, there was a slowdown in the rate of like-for-like volume and net new business growth resulting from lower levels of customer investment in response to increased economic uncertainty.
- LeanLogistics sales revenue was US$24.1 million, up 9% (up 10% at constant currency) primarily driven by contract wins.

Profit

Underlying Profit was US$416.5 million, down 4% (down 1% at constant currency). Volume growth in the USA pooled pallet and Canada businesses, the delivery of US$16 million of efficiencies under the Global Supply Chain program and flat overheads were insufficient to offset higher direct costs in the USA pooled pallet business and core-price inflation in the USA recycled pallet business.

In constant-currency terms, direct cost increases were driven by:

- A US$40 million increase in plant and transportation costs in the USA pooled pallet business, resulting from improved asset management practices and an increased damage rate associated with higher asset utilisation. The business has commenced implementing durability improvements to new and existing pallets which, over time, are expected to reduce the damage rate in the US pallet pool.
- A US$15 million increase in transport carrier rates in the USA pooled pallet business, resulting from supply shortages for third-party road freight amid regulatory changes and tightened labour supply in the sector. Transportation surcharges introduced in February 2015, slightly offset this inflation in the second half.
- A US$14 million increase in depreciation costs, in line with the growth in the pallet pool resulting from increased pallet demand in the USA and expansion in Latin America.

Operating profit of US$399.8 million was down 5% (down 1% at constant currency). Significant Items of US$16.7 million primarily related to the One Better program and the first phase of the CHEP brand refresh project.

Return on Capital

Return on Capital Invested was 18.0%, down 1.3 percentage points (down 1.1 percentage points at constant currency), reflecting the reduction in Underlying Profit and increased Average Capital Invested. Capital expenditure[15] was US$379.6 million, up $36.0 million, largely reflecting increased customer cycle times in the USA, resulting from retail supply-chain restocking.

[14] The change in sales revenue in the reporting period resulting from business won or lost in that period and the previous financial year. The revenue impact of net new business wins is included across reporting periods for a total of 12 months from the date of the win or loss and calculated on a constant-currency basis.

[15] Capital expenditure on property, plant and equipment on an accruals basis.

7.2.2 Pallets EMEA

US$M			Change	
	FY15	FY14	Actual FX	Constant FX
Sales revenue	**1,380.5**	**1,458.6**	**(5%)**	**5%**
Operating profit	**341.8**	**327.3**	**4%**	**15%**
Significant Items	2.1	(1.2)		
Underlying Profit	**343.9**	**326.1**	**5%**	**16%**
Average Capital Invested	1,253.0	1,330.3	(6)%	6%
Return on Capital Invested	**27.4%**	**24.5%**	**2.9pts**	**2.4pts**
Brambles Value Added	**210.9**	**168.2**		**42.7**

Sales

Sales revenue in Pallets EMEA was US$1,380.5 million, down 5%, largely driven by the strengthening of the US dollar against the euro and, to a lesser extent, the pound. Constant-currency growth of 5%, reflected broadly equal contributions from pricing, like-for-like volume growth and net new business wins of US$23 million.

- Europe sales revenue was US$1,228.1 million, down 6% (up 4% at constant currency). Within Europe:
    - Mid Europe (comprising Germany, Italy, the Benelux region, Scandinavia, Switzerland and Austria) sales revenue was US$368.3 million, down 9%. Constant-currency growth of 3% was primarily driven by continued expansion with new and existing customers;
    - UK & Ireland sales revenue was US$363.9 million, down 3%. Constant-currency growth of 1% was driven by new contract wins and pricing growth, which more than offset the impact of contract losses resulting from aggressive price-based competition;
    - Iberia was US$234.7 million, down 8%. Constant-currency growth of 4% represented solid pricing and net new business growth as well as improved like-for-like volume growth, in line with economic recovery in the region;
    - France sales revenue was US$158.6 million, down 10%. Constant-currency growth of 2% reflected modest like-for-like volume growth; and
    - Central & Eastern Europe sales revenue was US$102.6 million, up 5% (up 20% at constant currency) driven by continued strong new business growth.
- Africa, India & Middle East sales revenue was US$152.4 million, up 5% (up 13% at constant currency), primarily driven by like-for-like volume growth and price increases.

Profit

Underlying Profit was US$343.9 million up 5%. Constant-currency growth of 16% was primarily driven by: the delivery of US$15 million of efficiencies under the Global Supply Chain program; sales mix improvements resulting from changes in the customer portfolio; specific pricing initiatives; and other direct cost efficiencies. Operating profit was US$341.8 million, up 4% (15% at constant currency). Significant Items of US$2.1 million primarily reflected One Better-related costs.

Return on Capital

Return on Capital Invested was 27.4%, up 2.9 percentage points (2.4 percentage points at constant currency) reflecting increased profitability. Capital expenditure was US$256.0 million, down US$16.3 million. At constant currency, capital expenditure was up US$16.0 million to fund growth with key customers in the region.

7.2.3 Pallets Asia-Pacific

US$M			Change	
	FY15	FY14	Actual FX	Constant FX
Sales revenue	**343.5**	**362.9**	**(5)%**	**3%**
Operating profit	**70.6**	**75.8**	**(7)%**	**3%**
Significant Items	1.0	0.6		
Underlying Profit	**71.6**	**76.4**	**(6)%**	**3%**
Average Capital Invested	357.1	371.9	(4)%	2%
Return on Capital Invested	**20.1%**	**20.5%**	**(0.4)pts**	**0.3pts**
Brambles Value Added	**35.1**	**33.1**		**2.0**

Sales

Sales revenue in Pallets Asia-Pacific was US$343.5 million, down 5%, primarily driven by the strengthening of the US dollar against the Australian dollar. Constant-currency growth of 3% largely reflected robust pricing gains in Australia and continued expansion with new and existing customers in Asia. The contribution from net new business wins was US$3 million.

- Australia & New Zealand sales revenue was US$297.7 million, down 7% (up 2% at constant currency).
- China sales revenue was US$28.7 million, up 5%, reflecting continued growth in wooden pallet volumes as China transitions volumes away from the legacy plastic pallet business.
- South-East Asia sales revenue was US$17.1 million, up 7% (up 11% at constant currency) reflecting solid like-for-like volume growth.

Profit

Underlying Profit was US$71.6 million, down 6%. Constant-currency growth of 3% largely reflected the pricing component of sales revenue in Australia and Global Supply Chain program efficiencies of US$3 million. Operating profit was US$70.6 million, down 7% (up 3% in constant currency). Significant Items of US$1.0 million primarily related to the One Better program.

Return on Capital

Return on Capital Invested was 20.1%, down 0.4 percentage points. At constant currency, Return on Capital Invested improved by 0.3 percentage points reflecting Underlying Profit growth. Capital expenditure was US$61.6 million, up US$4.2 million primarily reflecting ongoing investment in infrastructure and assets to support growth in Asia.

7.2.4 RPCs

US$M			Change	
	FY15	FY14	Actual FX	Constant FX
Sales revenue	**917.6**	**895.8**	**2%**	**12%**
Operating profit	**130.8**	**124.3**	**5%**	**15%**
Significant Items	0.7	-		
Underlying Profit	**131.5**	**124.3**	**6%**	**15%**
Average Capital Invested	1,541.2	1,573.2	(2)%	6%
Return on Capital Invested	**8.5%**	**7.9%**	**0.6pts**	**0.7pts**
Brambles Value Added	**(53.9)**	**(64.2)**		**10.3**

Sales

Sales revenue in RPCs was US$917.6 million, up 2% reflecting the strengthening of the US dollar against the other key operating currencies. Constant-currency growth of 12% was largely driven by continued expansion with existing retail customers in Europe and North America as well as significant contributions from recent contract wins with large European retailers.

- Europe sales revenue was flat at US$582.4 million. Constant-currency growth of 12% reflected strong volume growth with large retailers such as Rewe, Waitrose, Carrefour and Dia.
- North America sales revenue was US$191.5 million, up 10%, reflecting continued conversions with existing retail partners including Walmart, Kroger and Loblaws.
- Australia, New Zealand and South Africa sales revenue was US$117.4 million, down 1%. Constant-currency growth of 9%, primarily reflected increased conversions with existing retailers in South Africa and Australia.
- South America sales revenue of US$26.3 million was up 20% (up 44% at constant currency) and included a one-month contribution from Rentapack, the leading provider of RPC pooling services in Chile, acquired in May 2015. Excluding the impact of this acquisition, constant-currency sales revenue growth was 33%, reflecting strong pricing growth and continued expansion with existing retailers in Brazil and Argentina.

Profit

Underlying Profit was US$131.5 million, up 6%. Constant-currency growth of 15% primarily reflected: sales revenue growth; scale-related network and transportation efficiencies in Europe; and the absence of one-off retirement payments, impairment charges and marketing costs incurred in the prior year. These benefits more than offset higher depreciation costs in line with growth of the RPC pool and a modest increase in other direct costs. Operating profit was US$130.8 million, up 5% (up 15% at constant currency). Significant Items of US$0.7 million largely related to the One Better program.

Return on Capital

Return on Capital Invested was 8.5%, up 0.6 percentage points (up 0.7 percentage points at constant currency), driven by Underlying Profit growth. Capital expenditure was US$238.3 million, up US$57.9 million, primarily reflecting continued equipment purchases to support growth in all regions.

7.2.5 Containers

US$M			Change	
	FY15	FY14	Actual FX	Constant FX
Sales revenue	**465.5**	**385.3**	**21%**	**31%**
Operating profit	**58.1**	**35.9**	**62%**	**79%**
Significant Items	1.2	2.1		
Underlying Profit	**59.3**	**38.0**	**56%**	**72%**
Average Capital Invested	874.1	431.2	103%	119%
Return on Capital Invested	**6.8%**	**8.8%**	**(2.0pts)**	**(1.9)pts**
Brambles Value Added	**(49.0)**	**(14.0)**		**(35.0)**

Sales

Sales revenue in the Containers segment was US$465.5 million, up 21% (up 31% at constant currency), primarily reflecting the contribution from businesses acquired since the start of the prior corresponding period (Ferguson, Transpac and Airworld). Excluding acquisitions, constant-currency sales revenue growth was 4% as solid underlying growth in the Intermediate Bulk Containers and Aerospace businesses more than offset the impact of challenging operating conditions in the Automotive and CHEP Catalyst & Chemical Containers businesses.

By business line, Containers' sales revenue was as follows:

- Automotive sales revenue was US$147.3 million, down 9%, reflecting the US dollar strength against the Australian dollar and the euro. Constant-currency sales revenue was down 1% as contributions from new contract wins with General Motors in North America, continued growth in India and an improved second-half performance in Europe were insufficient to offset the ongoing decline of the Australian automotive industry and challenging first-half conditions in Europe.
- Intermediate Bulk Containers sales revenue was US$129.5 million, up 11% (up 22% at constant currency), reflecting the full-year contribution from the Transpac business acquired in June 2014 and solid underlying growth in all regions. Excluding acquisitions, constant-currency sales revenue growth was 9%.
- Oil & Gas sales revenue was US$110.9 million, up 168% (up 193% at constant currency), reflecting the US$74.1 million contribution from the Ferguson business acquired in September 2014. In the 12 months ended 30 June 2015, for nine months of which it was under Brambles ownership, Ferguson delivered constant-currency sales revenue growth of 7% as growth in Australia, the UK, the Middle East and Africa more than offset the adverse impact of challenging industry condition on activity levels in Singapore and Norway, particularly in the second half. Sales revenue in Brambles' pre-existing CHEP Catalyst & Chemical Containers business declined 11% (down 5% at constant currency) as an improved second-half performance in the Europe, Middle East & Africa region was insufficient to offset the impact of customers' continued deferral of refinery maintenance in the USA and Canada.
- Aerospace sales revenue was US$77.8 million, up 19% (up 25% at constant currency), largely driven by the full-year contribution from the Airworld business acquired in February 2014. Excluding acquisitions, constant-currency growth was 14%, reflecting a strong second-half performance as the pooling contract with Cathay Pacific and key maintenance contract wins with Singapore Airlines and Air France became active.

Profit

Underlying Profit was US$59.3 million, up 56% (up 72% in constant currency), primarily reflecting the contribution from the Ferguson acquisition. Excluding the impact of acquisitions, Underlying Profit was US$36.3 million, down 2%, reflecting the strengthening of the US dollar. Constant-currency growth was 10%, reflecting sales growth and scale efficiencies. Operating profit was US$58.1 million, up 62% (up 79% in constant currency). Significant Items of US$1.2 million primarily related to acquisitions and the One Better program.

Return on Capital

Return on Capital Invested was 6.8%, down 2.0 percentage points, reflecting the increase in Average Capital Invested from acquisitions. Excluding the impact of acquisitions, Return on Capital Invested was 8.9%, up 0.2 percentage points (up 0.6 percentage points at constant currency) reflecting profit growth. Capital expenditure was US$101.0 million, up US$46.9 million primarily to support growth, particularly with new customers in Aerospace and acquisitions.

Board and Executive Leadership Team

Board of Directors

Stephen Johns Non-Executive Chairman (Independent)

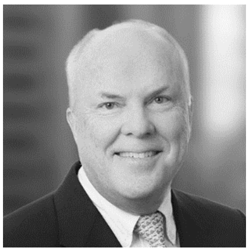
Chairman of the Nominations Committee and member of the Remuneration Committee

Joined Brambles as a Non-Executive Director in August 2004 and was appointed Chairman in September 2014. He is former Chairman and a Non-Executive Director of Leighton Holdings Limited and Spark Infrastructure Group, and a former Executive and Non-Executive Director of Westfield Group. Stephen had a long executive career with Westfield where he held a number of senior positions including that of Finance Director from 1985 to 2002. He is also a Director of the Garvan Institute of Medical Research. He has a Bachelor of Economics degree from the University of Sydney and is a Fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Company Directors. Age: 68.

Christine Cross Non-Executive Director (Independent)

Member of the Remuneration Committee

Joined Brambles as a Non-Executive Director in January 2014. Christine is a food scientist by background, having lectured at Edinburgh and Bath Universities for 15 years, prior to joining Tesco. From 1989 to 2003, she held a variety of Director-level roles at Tesco, focusing on own brand, non-food and global sourcing, and international and small format expansion. Christine left Tesco in 2003 and now runs a retail advisory business providing international best practice in customer-led business planning and value chain management. She has previously served on the Boards of Next, Empire Canada, Fairmont Hotel Group Canada and Taylor Wimpey and as Chief Retail Advisor for PricewaterhouseCoopers. Christine currently retains the title of Visiting Professor at the business schools of Belfast University and Hull University and holds Non-Executive Directorships with Sonae Group, Woolworths, Kathmandu and Plantasjen. She has a Bachelor of Education degree, Master of Science in Food Science degree and a Diploma in Management. Age: 64.



Tony Froggatt Non-Executive Director (Independent)

Chairman of the Remuneration Committee and Member of the Nominations Committee

Joined Brambles as a Non-Executive Director in June 2006. He is a Non-Executive Director of Coca-Cola Amatil. Previously, Tony was a Non-Executive Director of AXA Asia Pacific Holdings and Billabong International and was Chief Executive Officer of Scottish & Newcastle plc from May 2003 to October 2007. He began his career with the Gillette Company and has held a wide range of sales, marketing and general management positions in many countries with major consumer goods companies including HJ Heinz, Diageo and Seagram. He holds a Bachelor of Law degree from Queen Mary College, London and a Master of Business Administration degree from Columbia Business School, New York. Age: 67.

Tom Gorman Chief Executive Officer

Chairman of the Executive Leadership *Team*

Joined Brambles as Group President, CHEP EMEA in March 2008 and became Chief Executive Officer in November 2009. Previously, Tom had a long career with the Ford Motor Company, and served as President, Ford Australia from March 2004 until January 2008. Before joining Ford, he worked for the Bank of Boston. Tom holds a Bachelor of Arts degree in Economics & International Relations from Tufts University, Massachusetts and a Master of Business Administration degree with distinction from Harvard Business School, Massachusetts. Age: 55.

David Gosnell Non-Executive Director (Independent)

Member of the Audit Committee and the Nominations Committee

Re-joined Brambles as a Non-Executive Director in December 2011. He retired from his role as President of Global Supply & Procurement for Diageo plc on 31 December 2014. In that role, he led a global team of 9,000 people across manufacturing, logistics and technical operations as well as managing Diageo's multi-billion pound procurement budget. David was a Non-Executive Director of Brambles from June 2006 until March 2010, when he retired due to his other commitments at that time. Prior to joining Diageo in 1998, David spent 20 years at HJ Heinz, where he served on the UK board and held various European operational positions. He is also a Director of Coats plc. He holds a Bachelor of Science degree in Electrical & Electronic Engineering from Middlesex University, England. Age: 58.

Tahira Hassan Non-Executive Director (Independent)

Member of the Remuneration Committee

Joined Brambles as a Non-Executive Director in December 2011. Tahira is a Non-Executive Director of Recall Holdings Limited. She had a distinguished career with Nestlé. From 2003 to 2006, she was Senior Vice President & Head of Global Supply Chain. Based in Switzerland, this was a new role created to lead the reshaping of Nestlé's global approach to supply chain management. Her other roles included Senior Vice President & Global Business Head for Nescafé Ready To Drink from 2006 to 2009, and Vice President, Deputy Operations, Zone Americas from 2001 to 2003. Previously, Tahira held various leadership positions in Nestlé Canada including President, Ice Cream and Executive Vice President, Consumer Demand Chain and Information Services. Tahira is a Fellow of the Chartered Institute of Management Accountants, UK and a Certified Member of the Society of Management Accountants of Canada. Age: 62.

Carolyn Kay Non-Executive Director (Independent)

Member of the Audit Committee

Joined Brambles as a Non-Executive Director in June 2006. She is a Guardian of the Future Fund and a Non-Executive Director of John Swire & Sons Pty Ltd, The Sydney Institute, The General Sir John Monash Foundation and an External Board Member of Allens Linklaters. She was also a Non-Executive Director of Commonwealth Bank of Australia, Infrastructure NSW, Symbion Limited, Mayne Group Limited, Pacific Dunlop Limited, Colonial State Bank, Treasury Corporation of Victoria and Victoria Funds Management Corporation. Carolyn has more than 30 years' experience in the finance sector and worked as an executive in finance at Morgan Stanley in London and Melbourne, JP Morgan in New York and Melbourne and Linklaters & Paines in London. She holds Bachelor of Law and Arts degrees from the University of Melbourne and a Graduate Diploma in Management from the Australian Graduate School of Management. Carolyn is a Fellow of the Australian Institute of Company Directors, a member of Chief Executive Women and Women Corporate Directors and has a Centenary Medal for services to Australian society in business leadership. Age: 54.

Brian Long Non-Executive Director (Independent)

Chairman of the Audit Committee

Joined Brambles as a Non-Executive Director in July 2014. He is a Non-Executive Director of Commonwealth Bank of Australia, at which he is Chairman of its Audit Committee, and Ten Network Holdings Limited, at which he is Deputy Chairman. He was formerly a senior audit partner at Ernst & Young, retiring in 2010 after 29 years with that firm, at which he was Chairman of both the Global Advisory Council and the Oceania Area Advisory Council (respectively, its worldwide and regional partner governing bodies). Brian is a Fellow of the Institute of Chartered Accountants in Australia and has been a member since 1972. Age: 69.

Scott Perkins Non-Executive Director (Independent)

Member of the Audit Committee

Joined Brambles as a Non-Executive Director in June 2015. Scott is a Non-Executive Director of Woolworths Limited and, effective 1 September 2015, will be a Non-Executive Director of Origin Energy Limited. He was a Director of Meridian Energy from 1999 to 2002. He is a Director of the Museum of Contemporary Art and is active in the charity and public policy sector as the founder or director of a number of organisations. Scott has extensive experience in corporate strategy, capital markets and investment banking. He held senior executive leadership positions at Deutsche Bank from 1999 to 2013, including as Managing Director and Head of Corporate Finance for Australia & New Zealand and as a member of the Asia-Pacific management committee. Age: 51.

Executive Leadership Team

Tom Gorman Chief Executive Officer

Chairman of the Executive Leadership Team

(See biography on Page 12.)

Jean Holley Chief Information Officer

Joined Brambles in September 2011 from telecommunications services company Tellabs Inc., where she was Executive Vice President & Chief Information Officer. Previously, Jean held roles including Vice President & Chief Information Officer at building materials group USG Corporation and senior information technology and information systems roles at environmental services company Waste Management Inc. Jean is also a member of the Board of Directors for VASCO Data Security International, Inc. She has a Master of Science degree in Computer Science & Engineering from the Illinois Institute of Technology and a Bachelor of Science degree in Computer Science & Electrical Engineering from the Missouri University of Science & Technology. Age: 56.

Peter Mackie Group President, Pallets

Became Group President, Pallets in March 2013, having previously held the following Executive Leadership Team positions: Group President, Pallets Americas and Group President, CHEP Asia-Pacific. Previously, Peter held the positions of: Acting Group President, CHEP Europe, Middle East & Africa; President, CHEP Europe; Senior Vice President, Customer Service, CHEP Europe; Vice President, Strategy, CHEP Europe; and Managing Director, CHEP UK & Ireland. Before joining CHEP in 2001, Peter held senior roles with Boots and The BOC Group. Peter is a qualified chartered engineer and has a Master of Business Administration degree from London Business School. Age: 49.

Wolfgang Orgeldinger Group President, RPCs

Became Group President, RPCs in August 2013, having first joined Brambles in March 2011, following the acquisition of IFCO Systems. Wolfgang served as Chief Operating Officer of IFCO from January 2002 to August 2011 and Chief Information Officer, with responsibility for e-logistics and IT, from December 2000 to January 2002. Before joining IFCO, Wolfgang was a member of the Executive Board at Computer 2000, a European IT distributor, and held various executive roles. Prior to that, he worked for nine years in management positions at Digital Equipment. He holds an MBA from the University of Bayreuth, Germany. Age: 58

Jason Rabbino Group President, Containers and Head, Group Strategy

Joined Brambles in May 2012 from diversified industrial company Tyco International, where he was Senior Vice President of Enterprise Solutions. Previously, Jason held a number of senior executive roles in Tyco's ADT electronic security solutions business, managed services company Aramark Corporation and management consultancy McKinsey & Company. Before entering the corporate world, he was an officer and aviator in the United States Navy. He has a Master of Business Administration degree from the Wharton School of the University of Pennsylvania. Jason was appointed as Head, Group Strategy on 1 June 2014. Age: 46.

Nick Smith Group Senior Vice President, Human Resources

Joined Brambles in November 2007. Previously, he was Group Human Resources Director for Inchcape, the international automotive retail group. Prior to this, Nick spent a number of years in the telecommunications industry, firstly with British Telecom and then with Cable & Wireless. During this period, Nick spent three years working for Cable & Wireless Optus in Australia, where he was Human Resources Director. He has also worked for KPMG and Macquarie Bank. Nick is a qualified management accountant, has a Bachelor of Science (Economics) degree in International Politics and a Master of Business Administration degree. Age: 54.

Zlatko Todorcevski Chief Financial Officer

Joined Brambles as Chief Financial Officer in October 2012. Previously, Zlatko was Chief Financial Officer of oil and gas exploration and production company Oil Search Limited. Prior to that, he had a long international career with BHP and BHP Billiton including as Chief Financial Officer, Energy. Zlatko is a Fellow of CPA Australia and Fellow of Chartered Secretaries Australia. He holds a Master of Business Administration degree and a Bachelor of Commerce degree from the University of Wollongong, Australia. Age: 47.

Directors' Report – Remuneration Report

Chairman's Note

From July to October 2015 I will take the opportunity to once again meet with a number of our largest domestic and international institutional shareholders, largest superannuation fund investors and leading proxy advisory firms. In our meetings last year, investors and corporate governance firms indicated that they are supportive of Brambles' current remuneration policy. There was also an appreciation for the strong alignment of incentive structures with business strategy. In response to requests from proxy advisors, we have taken the opportunity to make some enhancements to the Remuneration Report this year.

Remuneration for senior executives in FY15 reflected another year of strong Brambles results and continued execution of Brambles' business strategy, as shown below:

Financial measure	FY15 result (US$M)	Change from FY14 (constant currency)
Sales revenue	5,464.6	8%
Operating profit	938.5	8%
Profit after tax	585.5	7%
Brambles Value Added (BVA)	272.0	
TSR (3 years to 30 June 2015)[1]		91.4 %

Annual Short Term Incentive (STI) cash awards for continuing senior executives ranged from 48% to 60% of base salary. These STI outcomes were driven by Brambles' financial performance and by executives' achievement of specific personal objectives.

Brambles' performance over the three years to FY15 triggered 57.1% of Long Term Incentive (LTI) awards granted in FY13 to vest.

Where roles remained unchanged, salary increases in the Year for the Executive Leadership Team (ELT) were between 3% and 5%. Details of ELT salaries are shown in Section 6.3.1. There were no changes to the ELT in FY15.

The annual review of Non-Executive Directors' fees was carried out during the Year. The Board decided, however, to defer the effective date of any fee increase arising from that review from 1 January 2015 to 1 July 2015. As a result, there were no increases to the Board Chairman's fees and other Non-Executive Director fees during 2015 and no changes to travel allowances. Base fees will increase by 2% from 1 July 2015. Non-Executive Director fees are detailed in Section 7.1.

During the Year, the Remuneration Committee carried out its annual review of Brambles' remuneration strategy, structure and policy including share-based incentive plans. The Committee concluded that the current approach continues strongly to align the long-term interests of the Company and its shareholders with those of its executives.

As part of the review, however, the Committee approved two changes to the manner in which Brambles' LTI awards vest. These changes will take effect for LTI share awards granted from FY16 and are outlined in sections 4.2.1 and 4.2.2.

The Committee also re-affirmed the continuing use of BVA as one of Brambles' key financial metrics for measuring performance against incentive plans both short-term and long-term as it focuses on the effective deployment of capital in growing our profitability.

Tony Froggatt
Non-Executive Director and Chairman of the Remuneration Committee

Contents

1. Background

The Remuneration Report provides information on Brambles' remuneration policy, the link between that policy and the performance of Brambles and remuneration information about Brambles' Key Management Personnel. Brambles' Key Management Personnel are:

a) Its Non-Executive Directors;

b) Its Executive Directors; and

c) Other Group executives who have authority and responsibility for planning, directing and controlling the Group's activities. This has been defined as those who, for some or all of the year ended 30 June 2015 (the Year), were members of the ELT.

In this report, executives coming within paragraph 1(b) and 1(c) above are called Disclosable Executives.

This report includes all disclosures required by the Corporations Act 2001 (Cth) (the Act), regulations made under the Act and Australian Accounting Standard AASB 124: Related Party Disclosures. The disclosures required by section 300A of the Act have been audited. Disclosures required by the Act cover both Brambles Limited and the Group.

2. Remuneration Committee

The Remuneration Committee (the Committee) operates under delegated authority from Brambles' Board. The Committee's responsibilities include:

- Recommending overall remuneration policy to the Board;
- Approving the remuneration arrangements for Disclosable Executives and the Company Secretary; and
- Reviewing the remuneration policy and individual arrangements for other senior executives.

During the Year, members of the Committee were Tony Froggatt (Committee Chairman), Graham Kraehe (until 30 September 2014, when he retired from the Board), Stephen Johns (from 1 October 2014), Tahira Hassan and Christine Cross. Other individuals are invited to attend Committee meetings as required by the Committee. This includes members of Brambles' management team including the CEO, Group Senior Vice President of Human Resources, Group Company Secretary and Group Vice President of Remuneration & Benefits, as well as Brambles' external remuneration advisor, Ernst & Young.

During the Year, the Committee held six meetings.

Details of the Committee's Charter and the rules of Brambles' executive and employee share plans can be found under Charters and Related Documents in the Corporate Governance section of Brambles' website.

[1] TSR performance indicated is for continuing businesses excluding Recall which was demerged in 2013.

3. Remuneration Policy and Structure

The Board has adopted a remuneration policy for the Group. This policy requires remuneration to be consistent with Brambles' strategic business objectives, attract and retain high-calibre executives, align executive rewards with the creation of shareholder value, and motivate executives to achieve challenging performance targets. During FY15, the Committee reviewed the remuneration policy against these objectives and concluded that overall it remained effective and appropriate.

As a part of that review, however, the Committee approved two changes to the manner in which Brambles' LTI awards vest. These changes will take effect for LTI share awards granted from FY16 and are outlined in sections 4.2.1 and 4.2.2.

When setting and reviewing remuneration levels for Disclosable Executives, the Committee considers the experience, responsibilities and performance of the individual while also taking into account data relevant to the individual's role and location as well as Brambles' size, geographic scale and complexity. The Group's remuneration policy is to set pay around the median level of remuneration (for details on the comparator group of companies referred to Section 3.1.1) but with upper-quartile total potential rewards for outstanding performance and proven capability.

3.1 Fixed and At Risk Remuneration

Remuneration is divided into those components not directly linked to performance (Fixed Remuneration) and those components which are variable and directly linked to Brambles' financial performance and the delivery of personal strategic objectives (At Risk Remuneration).

Fixed Remuneration generally consists of base salary and benefits and superannuation contributions. Fixed Remuneration for most Disclosable Executives increased by between 3% and 5% during the Year.

3.1.1 Features of Fixed and At Risk Remuneration

Brambles' remuneration framework is underpinned by its banding structure. This classifies roles into specific bands, each incorporating roles with broadly equivalent work value. Pay ranges for each band are determined under the same framework globally and are based on the local market rates for the roles falling within each band. Where benchmarking was needed, the comparative companies considered were major listed companies in the USA, Australia, UK and Germany, with sales revenue and market capitalisation between 50% and 200% of Brambles' 12-month average at 30 June 2014. This approach provides a sound basis for delivering a non-discriminatory pay structure for all Group employees.

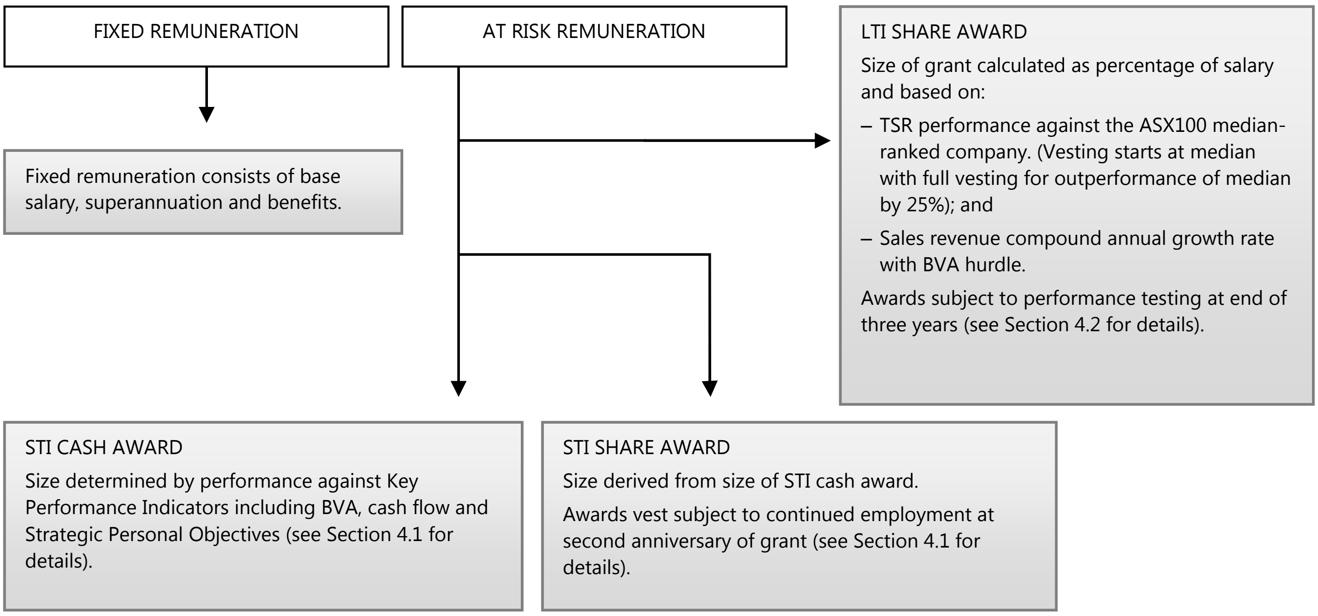
Given the global scope of its operations, Brambles operates an international mobility policy, which can include the provision of housing, payment of relocation costs and other location adjustment expenses where appropriate.

A significant element of Disclosable Executives' total reward is required to be At Risk.

This means an individual will achieve maximum remuneration only when they meet challenging objectives in terms of Brambles' overall financial performance, returns for shareholders and strategic objectives. The proportion of Disclosable Executives' total remuneration comprising At Risk Remuneration is illustrated in Section 3.3.1.

Brambles' At Risk Remuneration is provided by way of three types of annual incentive awards: an STI cash award, an STI share award and an LTI share award. The market value at the date of grant of all STI and LTI share awards made to any person in respect to any financial year would not normally exceed two and a half times their base salary. No Brambles shares were purchased on market during the Year to satisfy the entitlements of holders of STI share awards or LTI share awards.

The remuneration structure and the key features of Fixed and At Risk Remuneration are summarised in Diagram 3.1.1 below. The application of the At Risk element of remuneration is further described in Section 4.



3.2 Remuneration and the Link to Business Strategy

Brambles' business strategy is set out on Pages 3 to 5 of the Operating & Financial Review. The remuneration policy supports the delivery of this strategy by:

- **Focusing business performance on profitable growth, the efficient use of capital and the generation of cash:** Profitable growth is emphasised by both the use of Brambles Value Added (BVA) as a key performance indicator in STI cash awards and the use of compound annual growth rate (CAGR) sales revenue targets with BVA hurdles as the performance conditions that must be satisfied for half of all LTI share awards to vest. The generation of cash and the effective use of capital are reinforced through the setting of cash flow targets for STI cash awards.
- **Recruiting and retaining high-calibre executives:** Remuneration packages for executives are designed to be competitive to assist Brambles in attracting talented managers and to reward strong performance. The award of a significant proportion of executives' STI awards as shares, which do not vest for two years, helps retain key executives.
- **Setting goals linked to implementation of the growth strategy:** Each year, a part of an executive's STI cash award is subject to the achievement of specific personal objectives. These include objectives focused on the delivery of Brambles' strategy such as safety performance, development of new markets, customer satisfaction, product and service innovation, employee engagement, productivity improvements and development of future potential senior executives.
- **Achieving sustainable returns for shareholders:** Each of the above three elements supports the delivery of sustainable returns to shareholders. In addition, there is a direct alignment of executive rewards to the creation of shareholder value through the use of relative total shareholder return (TSR) performance conditions, to which the vesting of half of all LTI share awards granted are subject.

Full details of the link between senior executives' remuneration and Brambles' performance in terms of financial outcome, creation of shareholder value and the delivery of the Group's strategy are set out in Section 4.

Definitions of BVA, TSR and CAGR measurements and the methods by which they are calculated are included in the Glossary on Pages 89 and 90.

3.3 Remuneration Mix for Disclosable Executives

Brambles' executive remuneration mix is strongly linked to performance. At Risk Remuneration represents 70% to 76% of Disclosable Executives' maximum remuneration package.

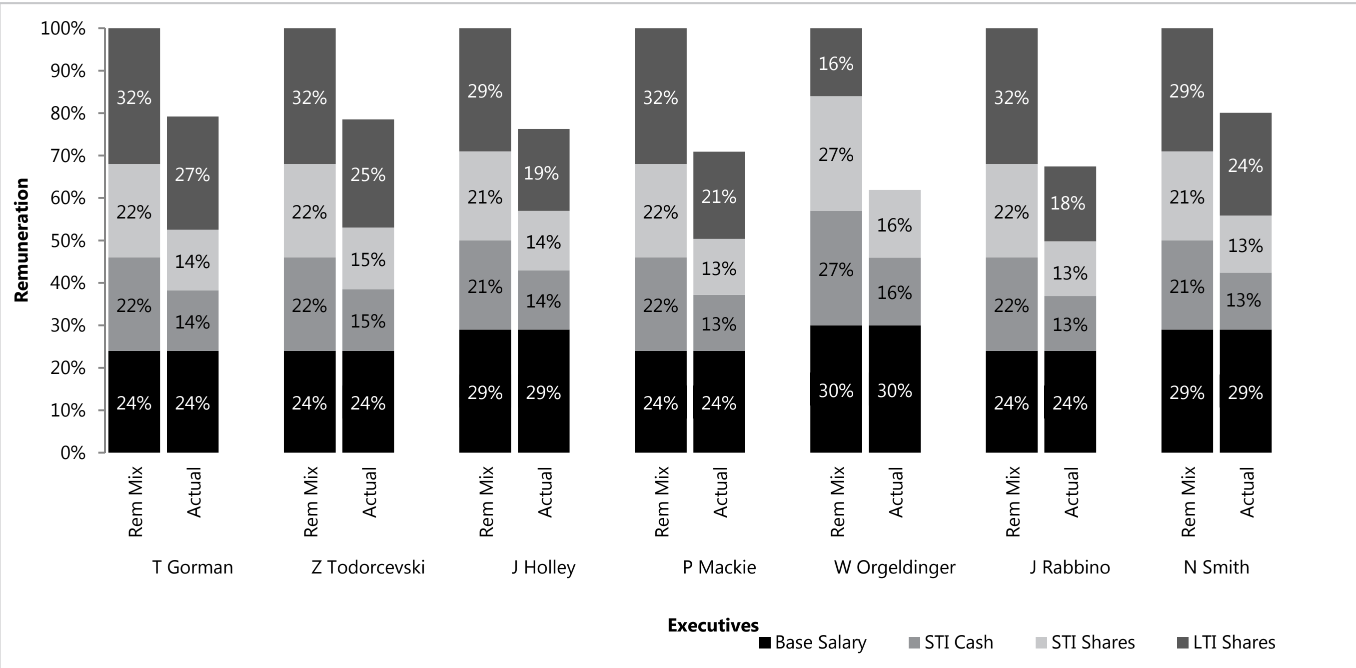
Chart 3.3.1 below illustrates the level of actual remuneration received by Disclosable Executives compared with their respective total remuneration package mix. The remuneration mix (Rem Mix) is the Disclosable Executive's base salary plus his or her STI cash and STI share awards assuming the maximum level of performance (see Section 4.1) and full vesting of all LTI share awards.

The respective columns of Chart 3.3.1 labelled Actual comprise:

- Base salary: this is base salary for FY15;
- STI cash: this represents the STI cash award received in respect to FY15 performance (see Section 4.1);
- STI shares: this is the STI share award earned in respect to FY15 performance, the vesting of which is deferred until FY17 (see Section 4.1); and
- LTI shares: this shows the proportion of the FY13-FY15 LTI share awards that will vest at the end of the year (see Section 4.2).

The Rem Mix column represents the maximum value of each element of the respective executive's remuneration package mix that could be received in each case by the individual Disclosable Executive.

3.3.1 Remuneration Mix vs. Actual Remuneration



3.4 Securities Trading Policy and Incentive Awards

Brambles' Securities Trading Policy applies to awards granted under the incentive arrangements described above. That policy prohibits designated persons (including all Disclosable Executives) from acquiring financial products or entering into arrangements that have the effect of limiting exposure to the risk of price movements of Brambles' securities. It is a term of senior executives' employment contracts that they are required to comply with all Brambles policies (including the Securities Trading Policy). Management declarations are obtained twice yearly and include a statement that executives have complied with all policies.

Sections 9.2 and 9.3 summarise all the incentive plans under which awards to Disclosable Executives are still to vest or be exercised.

3.5 Claw Back

The rules of Brambles' 2006 Performance Share Plan (2006 Share Plan) include a clawback provision. Under this provision, the Board may cancel any Award that has been granted but which has not vested, if the Board reasonably considers that the participant has engaged or participated in conduct that adversely affects, or is likely to adversely affect, the Company's financial position or reputation. Such conduct includes, but is not limited to, any misrepresentation, material misstatements of the Company's financial position due to error or omission, and negligence.

4. Performance of Brambles and At Risk Remuneration

Brambles' remuneration policy is directly linked to the Company's financial performance, the creation of shareholder wealth and the delivery of strategy. This link is achieved in the following ways:

- By placing a significant portion of executives' remuneration at risk;
- By selecting appropriate KPIs for annual STI cash awards and performance conditions for LTI share awards; and
- By requiring those KPIs or performance conditions to be met in order for the At Risk Remuneration to be awarded or to vest.

The relationship between Brambles' remuneration policy and its performance over the Year and the previous four financial years is set out in Section 4.2. The tables in Section 4.2.2 show the level of vesting of LTI share awards triggered by performance over those periods.

4.1 STI Key Performance Indicators

As outlined in Section 3.1, Disclosable Executives have the opportunity to receive annual STI cash and share awards based on performance against KPIs. A significant proportion (50%) of overall STI incentives are STI share awards, which vest two years after the award is made. Disclosable Executives' KPIs comprise both financial and non-financial KPIs.

4.1.1 Financial KPIs

Financial KPIs are chosen to link executives' rewards with the financial performance of the Group, the pursuit of profitable growth and the efficient use of capital and generation of cash.

A focus on BVA helps ensure efficient use of capital within Brambles. Profit after tax (PAT) captures interest and tax charges not directly incorporated in BVA. Cash Flow from Operations is used as a measure to ensure a strong focus on the generation of cash.

STI financial KPIs chosen for the Year were BVA and Cash Flow from Operations plus (for the Chief Executive Officer and Chief Financial Officer), PAT. For the Group President, Pallets, the Group President, RPCs, KPIs were Brambles' and the respective operating segment's BVA and Cash Flow from Operations. The Group President, Containers, had the same KPIs except that Containers' sales revenue growth replaced that segment's BVA.

The key levels of performance possible against each of the financial KPIs relevant to the STI awards for the Year were:

- Threshold (the minimum necessary to qualify for the awards);
- Target (when performance targets have been met); and
- Maximum (when targets have been significantly exceeded and the related rewards have reached their upper limit).

The actual levels of performance achieved for the Year against the financial KPIs are summarised in the following table:

KPIs[2]	Level of performance achieved during the Year[3]
Brambles BVA[4]	Achieved Target
Brambles PAT[4]	Achieved Target
Brambles Cash Flow from Operations	Achieved Target
Pallets BVA	Between Threshold and Target
Pallets Cash Flow from Operations	Achieved Target
Containers Sales	Between Threshold and Target
Containers Cash Flow from Operations	Achieved Target
IFCO RPCs BVA	Between Target and Maximum
IFCO RPCs Cash Flow from Operations	Achieved Full Year Target but below Threshold for Mid-Year Target

4.1.2 Non-financial KPIs

Non-financial KPIs are set to link Disclosable Executives' performance to Brambles' overall strategic objectives. These include personal objectives in areas such as safety, business strategy and growth objectives, customer satisfaction and retention, and people and talent management.

- Brambles' safety is measured by Brambles Injury Frequency Rate (BIFR)[5]. BIFR targets for each operating segment and the Group as a whole are set each Year and incorporated into Disclosable Executives' non-financial KPIs. Brambles regards the safety of its people as a major priority and, as the leaders of the Company, the ELT has Group-wide oversight of the Zero Harm Policy. If a fatality occurs, then the CEO, Group Senior Vice President, Human Resources and relevant Group President will have any incentive related to BIFR outcomes reduced to zero. The Letter from the Chairman and the CEO reported on the sad occurrence of a workplace fatality in the Pallets business in FY15. As a consequence, the CEO, Group Senior Vice President, Human Resources and the Group President of Pallets had a zero BIFR outcome for the Year.
- Business strategy and growth objectives include the implementation of clearly specified initiatives allocated to individual ELT members: for example, new business acquisitions, product and service expansion and entry into new geographies.
- Customer satisfaction and retention are mainly measured using Net Promoter Score[6], for which targets are set and performance is measured each year.
- People and talent management metrics relate to the development of future leaders in Brambles as well as succession planning for critical roles.

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2 Definitions of BVA, PAT, Cash flow from Operations and EBITDA measurements and the methods by which they are calculated are included in the Glossary on Pages 89 and 90.

3 Financial targets set for FY15 under Brambles' incentive plans will not constitute profit forecasts and the Board is conscious that their publication may therefore be misleading. Accordingly, Brambles does not publish in advance the coming year's financial targets for incentive purposes.

4 "Achieved Target" for BVA, PAT or Sales reflects performance within +/-1% of Target. STI Payments are calculated using the actual performance against Target.

5 A definition of BIFR is included in the Glossary on Page 89. Reporting of the Group's BIFR performance is included in the Sustainability section of the Operating & Financial Review on Page 5.

6 An explanation of the Group's use of Net Promoter Score is included in the Sustainability Review to be published on Brambles' website during October 2015.

The following table summarises the components and weighting of KPIs for STI cash awards for Disclosable Executives:

Disclosable Executive	Financial KPIs					Non-Financial KPIs
	Group BVA	Segment BVA/ sales	Group PAT	Group cash flow	Segment cash flow	
CEO, CFO	30%	-	20%	20%	-	30%
Group Presidents: Pallets, RPCs, Containers	25%	25%	-	-	20%	30%
Other Disclosable Executives	50%	-	-	20%	-	30%

Details of the STI cash award payable to Disclosable Executives and the STI cash award forfeited, as a percentage of the maximum potential STI cash award in respect to performance during the Year, are shown for each Disclosable Executive in the following table. The total Maximum STI cash potential for the CEO, CFO and Group Presidents of Pallets, RPCs and Containers is 90% of Base Salary. The total Maximum STI cash potential for Other Disclosable Executives is 75% of Base Salary.

4.1.3 Actual STI Cash Payable and Forfeited for FY15

Name	% of Target Financial KPIs achieved	% of non-financial KPIs achieved	% of maximum STI cash payable	% of maximum STI cash forfeited
Disclosable Executives				
T Gorman	102%	87%	65%	35%
Z Todorcevski	102%	93%	66%	34%
J Holley	100%	100%	67%	33%
P Mackie	94%	80%	60%	40%
W Orgeldinger	88%	90%	59%	41%
J Rabbino	89%	85%	59%	41%
N Smith	100%	87%	64%	36%

4.2 LTI Share Awards

As outlined in Section 3.1, Disclosable Executives have the opportunity to receive an annual equity grant in the form of LTI share awards. Vesting occurs three years from the date the award is granted and is subject to satisfaction of performance conditions (explained in Section 4.2.1) over a three-year performance period (Performance Period). If awards vest, they are exercisable for up to six years from the date of grant.

The maximum value of LTI awards that are the subject of the annual grant to the CEO, CFO and Group Presidents of Pallets, RPCs and Containers may not exceed 130% of those executives' respective base salaries. The maximum value of LTI awards for the other Disclosable Executives is the market value of Brambles shares equal in value to 100% of their respective base salaries.

The table in Section 4.2.2 illustrate the relationship between Brambles' remuneration policy and performance, showing the level of vesting of LTI share awards during the Year and the previous four financial years.

Details of the LTI share awards granted to Disclosable Executives and the performance hurdles that apply to each of the awards are set out in Sections 9.2 and 9.3.

The awards are governed by the 2006 Share Plan rules, which have been approved by shareholders. Any Board discretion, such as vesting in the event of a change of control, is clearly prescribed under the 2006 Share Plan rules. Under the "good leaver" provisions of those rules, there is no accelerated vesting in the case of terminations and all unvested LTI share awards are forfeited in the case of resignations or terminations for cause.

4.2.1 LTI Share Award Performance Conditions

LTI performance conditions are set both to align executive remuneration with the creation of shareholder value and to support Brambles' objective of creating and sustaining profitable growth. To allow a focus on shareholder value and profitable growth, LTI share awards have two sets of performance conditions, each with equal weighting.

Creation of Shareholder Value

Half of the LTI share awards are measured by the following relative TSR conditions:

- 40% of LTI share awards will vest if the Company's relative TSR performance over the Performance Period equals the TSR of the median ranked ASX100 company. For LTI share awards granted from FY16, this will increase to 50%;
- 100% will vest for out-performance of the TSR of the median-ranked ASX100 company by 25% over the Performance Period; and
- If Brambles' TSR performance is between these two levels, vesting will be on a pro rata straight line basis.

TSR measures the returns that a company has provided for its shareholders, reflecting share price movements and reinvestment of dividends over a specific period.

A relative TSR performance condition helps ensure that value is only delivered to participants if the investment return actually received by Brambles' shareholders is sufficiently high relative to the return they could have received by investing in a portfolio of alternative stocks over the same period of time.

Profitable Growth

Half of the LTI share award incentivises both long-term sales revenue and BVA growth. Vesting is based on achievement of sales revenue targets with three-year performance targets set on a CAGR basis. The sales revenue growth targets are underpinned by BVA hurdles. This is designed to drive profitable business growth, to ensure quality of earnings is maintained at a strong level and to deliver increased shareholder value. Both sales revenue CAGR and BVA are measured in constant currency.

Each year, a sales revenue CAGR/BVA matrix is set by the Committee for each LTI share award based on budget targets approved by the Board. The matrix is published in the subsequent Remuneration Report. This allows the Board to set targets for each LTI share award that reward strong performance in the light of the prevailing and forecast economic and trading conditions.

The table overleaf is the sales revenue CAGR/BVA matrix for LTI share awards made during the Year. It should be noted that the LTI performance matrix shown encompasses the entire Brambles Group.

As a policy principle, the Committee takes into account major acquisitions or divestments during a Performance Period in determining the final outcome of the CAGR/BVA matrix for that period. Where there are acquisitions or divestments that are not material to the overall outcome, these are excluded from any performance assessment.

4.2.2 CAGR/BVA LTI Performance Matrix for FY15 to FY17

Vesting %	Cumulative three-year BVA at fixed 30 June 2014 FX rates (US$M)		
Sales revenue CAGR[7]	800	1,000	1,200
4%	–	20%	40%
5%	20%	40%	60%
6%	40%	60%	80%
7%	60%	80%	100%
8%	80%	100%	100%
9%	100%	100%	100%

The sales revenue CAGR currently provides for half-point vesting between the percentages shown if the sales revenue outcome is more than halfway between the vesting levels. For example, a sales revenue CAGR of 6.7% and a BVA outcome of US$1,000 million would provide vesting of 70%. For LTI share awards granted from FY16 there will also be a half point vesting scale between the respective BVA hurdles. For example, a sales revenue CAGR of 7% and a BVA outcome of US$1,100 million would provide vesting of 90%.

4.2.3 Performance of LTI Share Awards under the 2006 Share Plan

The tables below detail actual performance against the applicable performance condition for LTI share awards made during the five financial years indicated.

As outlined in Section 4.2.1 LTI share awards have two sets of performance conditions, each with equal weighting. The tables below show the level of performance and vesting for each of the two components, which each comprise half of the LTI Award.

Level of Vesting of LTI Share Awards based on TSR performance

The following table provides details for the actual performance of LTI share awards against the TSR performance for those awards granted in 2011, 2012 and 2013 that have been tested.

Awards made during	Performance condition	Start of performance period	Out-performance of median company's TSR[8]	Vesting triggered (% of original award): period prior to 30 June 2015
FY11	Relative TSR	1 July 2010	30.3 percentage points	100% LTI TSR Award
FY12	Relative TSR	1 July 2011	18.02 percentage points	83.25% LTI TSR Award
FY13	Relative TSR	1 July 2012	29.75 percentage points	84.17% LTI TSR Award

The following table provides similar details for awards that have yet to be tested:

Awards made during	Performance condition	Start of performance period	Out-performance of median company's TSR[8] (%)	Period to 30 June 2015: vesting if current performance is maintained until earliest testing date (% of original award)
FY14	Relative TSR	1 July 2013	14.10 percentage points	67.47% LTI TSR awards
FY15	Relative TSR	1 July 2014	4.18 percentage points	48.57% LTI TSR awards

Level of Vesting of LTI Share Awards based on Sales Revenue CAGR and BVA performance

The following table provides details for the actual performance of LTI share awards against the applicable sales revenue CAGR/BVA matrix for those awards granted in 2011, 2012 and 2013 that have been tested.

Awards made during	Performance condition	Start of performance period	Vesting triggered (% of original award): prior period and period to 30 June 2014	Vesting triggered (% of original award): period to 30 June 2015
FY11	Sales revenue CAGR/BVA	1 July 2010	30.0% LTI sales revenue CAGR/BVA awards	N/A
FY12	Sales revenue CAGR/BVA	1 July 2011	20.0% of LTI sales revenue CAGR/BVA awards	N/A
FY13	Sales revenue CAGR/BVA	1 July 2012	N/A	30.0%

The following table provides similar details for LTI sales revenue CAGR/BVA awards which have not yet expired:

Awards made during	Performance condition	Start of performance period	Period to 30 June 2015 vesting if current performance is maintained until earliest testing date (% of original award)
FY14	Sales revenue CAGR/BVA	1 July 2013	40.0% LTI sales revenue CAGR/BVA awards
FY15	Sales revenue	1 July 2014	60.0% LTI sales revenue CAGR/BVA awards

Total level of Vesting of LTI Share Awards

The combined vesting of the two LTI components for 2013, 2014 and 2015 is shown below.

Awards made during	Start of performance period	End of performance period	Total vesting (TSR and sales revenue CAGR/BVA combined)
FY11	1 July 2010	30 June 2013	65.0%
FY12	1 July 2011	30 June 2014	51.6%
FY13	1 July 2012	30 June 2015	57.1%

7 Three-year CAGR over base year is used.

8 Percentage out-performance of the median company's TSR against the S&P/ASX100 Index.

5. Employee Share Plan

MyShare was launched in October 2008 and was developed as a vehicle to encourage share ownership and retention across the Group. Employees may buy up to A$5,000 of shares each year, which the Company matches on a one for one basis after a two-year qualifying period.

Under the MyShare program, Brambles has over 3,000 participants who held 2,856,991 Brambles shares in total at 30 June 2015.

Disclosable Executives are eligible to participate in MyShare. Acquired Shares, Dividend Shares and vested Matching Shares obtained by Disclosable Executives through MyShare are included in Section 6.6. Matching Shares allocated but not yet vested are shown in Sections 6.5 and 6.7.

During the Year 741,469 Brambles shares were purchased on-market under the MyShare Plan, being the Acquired Shares purchased by participants in that plan, at an average price of A$10.37 per share.

6. Executive Directors and Disclosable Executives

6.1 Executive Director Changes

There were no changes to Brambles' Executive Directors during the Year.

6.2 Other Disclosable Executive Changes

There were no changes to Other Disclosable Executives during the Year.

6.3 Service Contracts

Disclosable Executives are on continuing contracts, which may be terminated without cause by the employer giving 12 months' notice or by the employee giving six months' notice, with payments in lieu of notice calculated by reference to annual base salary. These standard service contracts state that any termination payments made would be reduced by any value to be received under any new employment.

Other than Peter Mackie[9], executives remunerated on a base salary approach receive pension contributions not exceeding 15% of base salary.

Base salary increases for most executives were around 3% as shown in the table below.

6.3.1 Contract Terms for Disclosable Executives

Name and role(s)	Base salary at 30 June 2014	Base salary at 30 June 2015
Disclosable Executives		
T Gorman, CEO	A$2,122,000	A$2,186,000
Z Todorcevski, CFO	A$1,081,500	A$1,140,000
J Holley, Chief Information Officer	US$450,000	US$465,000
P Mackie, Group President, Pallets	£437,750	£460,000
W Orgeldinger, Group President, RPCs	€630,000	€660,000
J Rabbino, Group President, Containers and Head, Group Strategy	US$675,000	US$695,000
N Smith, Group Senior Vice President, Human Resources	A$654,050	A$675,000

[9] Mr Mackie received employer superannuation (pension) contributions of 21% of base salary for income up to £153,700 and 15% of base salary for income above that amount.

6.4 Total Remuneration and Benefits For The Year

The purpose of the table below is to enable shareholders to understand the actual remuneration received by Disclosable Executives. The table provides a summary of the actual remuneration, before equity, received or receivable by the Disclosable Executives for the Year, together with prior year comparatives. Income derived from the vesting of shares during the Year has been included below as "Actual share income". The value shown is the market value at the time the income became available to the executive. These awards were granted in prior financial years. Theoretical accounting values for unvested share awards are shown in Section 9.4; those values are a statutory disclosure requirement. Unvested share awards may result in "Actual share income" in future years and, if so, the income will be reported in the table below in the Remuneration Report for the relevant year).

(US$'000)	Short-term employee benefits				Post-employment benefits	Other			Actual share income	
Name	Year	Cash/ salary/ fees	Cash bonus	Non-monetary benefits [10]	Super-annuation	Termination/ sign-on payments/ retirement benefits	Other [11]	Total before equity	STI/LTI MyShare awards[12]	Total
EXECUTIVE DIRECTORS										
T J Gorman[13]	**FY15**	**2,174**	**1,058**	**289**	**-**	**-**	**55**	**3,576**	**3,395**	**6,971**
	FY14	2,322	1,167	140	-	-	16	3,645	4,112	7,757
CURRENT DISCLOSABLE EXECUTIVES										
Z Todorcevski[13]	**FY15**	**1,074**	**562**	**16**	**25**	**-**	**19**	**1,696**	**453**	**2,149**
	FY14	1,156	586	14	23	-	4	1,783	807	2,590
J K Holley	**FY15**	**483**	**232**	**-**	**62**	**-**	**17**	**794**	**526**	**1,320**
	FY14	468	223	-	60	-	16	767	279	1,046
P S Mackie[13]	**FY15**	**829**	**390**	**1**	**27**	**-**	**2**	**1,249**	**1,064**	**2,313**
	FY14	811	420	-	42	-	28	1,301	1,472	2,773
W Orgeldinger[13]	**FY15**	**788**	**419**	**32**	**8**	**-**	**5**	**1,252**	**6**	**1,258**
	FY14	642	452	31	7	-	5	1,137	1,685	2,822
J D Rabbino	**FY15**	**720**	**367**	**-**	**89**	**-**	**17**	**1,193**	**1**	**1,194**
	FY14	594	387	-	75	-	16	1,072	-	1,072
N P Smith[13]	**FY15**	**635**	**269**	**2**	**29**	**-**	**8**	**943**	**813**	**1,756**
	FY14	711	297	-	23	-	2	1,033	1,346	2,379
Totals	**FY15**	**6,703**	**3,297**	**340**	**240**	**-**	**123**	**10,703**	**6,258**	**16,961**
	FY14	6,704	3,532	185	230	-	87	10,738	9,701	20,439

[10] Non-monetary benefits include car parking, motor vehicles, personal/spouse travel, club membership and fringe benefits tax.

[11] In FY14 the leave entitlement was included in the "Cash/salary/fees" column, however for FY15 this has been included within the "Other" column.

[12] STI/LTI MyShare were exercised when they became available to the executive, with the exception of W Orgeldinger who exercised rights with a market value of 1,367k in FY15 which had become available to him in FY14. As indicated in the 2014 report, STI vesting in 2014 included STI Awards made in 2011 and 2012.

[13] The year-on-year comparison of remuneration is affected by the movement of exchange rates from A$1=US$0.9142, €1=US$1.3587 and £1=US$1.6331 for FY14 and A$1=US$0.8301, €1=US$1.1946 and £1=US$1.5734 for FY15.

6.5 Equity-Based Awards

The following table shows details of equity-based awards made to Disclosable Executives during the Year. STI and LTI share awards were made under the 2006 Share Plan, the terms and conditions of which are set out in Sections 9.2 and 9.3 (see plan numbers 12 to 14). Matching Awards were made under MyShare, the terms and conditions of which are also set out in Sections 9.2 and 9.3 (plan numbers 15 to 43).

Name	Type of award	Number	Value at grant (US$'000)[14]
Disclosable Executives			
T Gorman	STI	130,525	1,123
	LTI	282,052	2,426
	MyShare Matching	527	5
	Totals	**413,104**	**3,554**
Z Todorcevski	STI	65,550	564
	LTI	143,750	1,237
	MyShare Matching	527	5
	Total	**209,827**	**1,806**
J Holley	STI	22,262	192
	LTI	52,308	450
	MyShare Matching	578	5
	Total	**75,148**	**647**
P Mackie	STI	48,810	420
	LTI	107,970	929
	MyShare Matching	570	5
	Total	**157,350**	**1,354**
W Orgeldinger	STI	49,357	425
	LTI	46,704	402
	MyShare Matching	529	5
	Total	**96,590**	**832**
J Rabbino	STI	44,966	387
	LTI	102,000	877
	MyShare Matching	455	4
	Total	**147,421**	**1,268**
N Smith	STI	33,209	286
	LTI	66,872	575
	MyShare Matching	528	5
	Total	**100,609**	**866**

[14] The total value of the relevant equity award(s) is valued as at the date of grant using the methodology set out in Section 9. The minimum possible future value of all awards yet to vest is zero and is based on the performance/service conditions not being met. The maximum possible future value of awards yet to vest is equal to the value at grant.

6.6 Share Holdings

The following table shows details of Brambles Limited ordinary shares in which the Disclosable Executives held relevant interests, being issued shares held by them and their related parties.

Under recently updated guidelines, members of Brambles' ELT are encouraged, over the five-year period commencing from the date they joined the ELT, to achieve and maintain a shareholding equal to 100% of their base salary before tax. In circumstances where executives wish to sell shares, they will require the approval of the Chairman (in the case of the CEO) or the CEO (in the case of all other ELT members), under Brambles' Securities Trading Policy.

Ordinary shares	Balance at the start of the Year	Net changes during the Year	Balance at the end of the Year[15]
Disclosable Executives			
T Gorman[16]	267,154	1,106	268,260
Z Todorcevski[17]	174,880	(58,737)	116,143
J Holley[18]	47,727	39,965	87,692
P Mackie[18]	85,908	9,816	95,724
W Orgeldinger[18]	1,827	882	2,709
J Rabbino[18]	216	499	715
N Smith[16][19]	70,804	3,589	74,393

6.7 Interests in Share Rights[20]

The following table shows details of rights over Brambles Limited ordinary shares in which the Disclosable Executives held relevant interests: share rights, being awards made on 6 September 2011, 25 September 2012, 12 October 2012, 25 September 2013 and 25 September 2014 under the 2006 Share Plan; and Matching Awards, being conditional rights awarded during the Year under MyShare.

	Balance at the start of the Year	Granted during the Year	Exercised during the Year[21]	Lapsed during the Year	Balance at the end of the year[22]	Vested and exercisable at the end of the year
	Number	Number[23]	Number	Number[24]	Number	Number
Disclosable Executives						
T Gorman	1,495,238	413,104	(388,393)	(208,735)	1,311,214	-
Z Todorcevski	490,871	209,827	(54,778)	-	645,920	-
J Holley	244,811	75,148	(60,101)	(32,469)	227,389	-
P Mackie	474,775	157,350	(121,889)	(59,177)	451,059	-
W Orgeldinger	251,998	96,590	(158,584)	-	190,004	37,450
J Rabbino	233,677	147,421	(62)	-	381,036	-
N Smith	359,438	100,609	(93,091)	(51,041)	315,915	-

[15] On 31 July 2015, the following Disclosable Executives acquired ordinary shares under MyShare, which are held by AET Structured Finance Services Pty Limited: Tom Gorman (39), Zlatko Todorcevski (39), Jean Holley (42), Peter Mackie (44), Wolfgang Orgeldinger (39), Jason Rabbino (35) and Nick Smith (38).

[16] Of which AET Structured Finance Services Pty Limited holds 3,339 shares for Tom Gorman and 4,393 shares for Nick Smith.

[17] Of which 500 shares were held by Zlatko Todorcevski and Robert Todorcevski, 113,845 shares were held by Tentwentyfive Pty Ltd and 1,798 are held by AET Structured Finance Services Pty Limited.

[18] All of these shares are held by AET Structured Finance Services Pty Limited.

[19] Of which 70,000 held by Lisa Smith.

[20] Of the awards detailed in Section 9.3, the following plan numbers are relevant to Disclosable Executives: Tom Gorman, Jean Holley, Peter Mackie and Nick Smith (1 to 5, 9 to 14 and 15 to 43); Zlatko Todorcevski (6 to 14 and 15 to 43); Wolfgang Orgeldinger (10 to 14 and 15 to 43); Jason Rabbino (5 to 6, 9 to 14 and 15 to 43). Lapses occurred for Tom Gorman, Jean Holley, Peter Mackie and Nick Smith (1 and 2). Exercises occurred for Tom Gorman, Jean Holley, Peter Mackie and Nick Smith (1 to 3 and 15 to 26); Zlatko Todorcevski (6 and 15 to 26); Wolfgang Orgeldinger and Jason Rabbino (15 to 26).

[21] Of the rights exercised during the Year, no monies were paid or payable on exercise. The shares issued on exercise of share rights are fully paid up. All of the share rights exercised during the Year vested during the Year.

[22] On 31 July 2015, the following Disclosable Executives received Matching Awards under MyShare: Tom Gorman (39), Zlatko Todorcevski (39), Jean Holley (42), Peter Mackie (44), Wolfgang Orgeldinger (39), Nick Smith (38) and Jason Rabbino (35).

[23] During the Year, 2,756,030 equity-settled performance share rights were granted under the 2006 Share Plan, of which 412,577 were granted to Tom Gorman and 209,300 were granted to Zlatko Todorcevski. 781,576 Matching Awards were granted under MyShare during the Year, of which 527 were granted to Tom Gorman and 527 were granted to Zlatko Todorcevski. Approval for these issues of securities was obtained under ASX Listing Rule 10.14 at the AGM held on 6 November 2014."

[24] "Lapse" in this context means that the Awards was forfeited due to either the applicable service or performance conditions not being met.

7. Non-Executive Directors' Disclosures

7.1 Non-Executive Directors' Remuneration Policy

The Chairman's fees are determined by the Remuneration Committee and the other Non-Executive Directors' fees are determined by the Chairman and Executive Director. In setting the fees, advice is sought from external remuneration advisors on the appropriate level of fees, taking into account the responsibilities of Directors in dealing with the complexity and global nature of Brambles' affairs and the level of fees paid to Non-Executive Directors in comparable companies.

All Non-Executive Directors' fees are set in Australian dollars and paid in local currencies.

Brambles' base fees for Non-Executive Directors are set with reference to the comparator group of companies referred to in Section 3.1.1, which is consistent with Brambles' policy on executive pay.

A review of Non-Executive Director and Board Chairman fees was undertaken in FY15 to ensure the fees remained in line with the Australian market practice. Although market data supported a 3% increase the Board decided to reduce the increase to 2% to align with executive salary increases in FY16. In addition, the Board decided to defer the effective date of the fee increase from 1 January 2015 to 1 July 2015, and as a consequence, there was no increase in FY15.

The revised fees for the Chairman and Non-Executive Directors which will apply from 1 July 2015 are:

- Chairman: A$609,000; and
- Non-Executive Directors: A$203,000.

The following travel allowances and Committee membership fees were not increased during the Year:

- Supplement for Audit Committee Chairman: A$50,000;
- Supplement for Remuneration Committee Chairman: A$40,000;
- Supplement for Audit and Remuneration Committee membership: A$10,000;
- Travel allowance per long-haul flight: A$5,000.

(The above supplemental Committee fees do not apply to the Board Chairman.)

The next fee review will take effect from 1 January 2016.

7.2 Non-Executive Directors' Appointment Letters

Directors are appointed for an unspecified term but are subject to election by shareholders at the first AGM after their initial appointment by the Board. The Corporate Governance Statement, available on Brambles' website, contains details of the process for appointing and re-electing Non-Executive Directors and of the years in which the Non-Executive Directors are next due for re-election by shareholders.

Letters of appointment for Non-Executive Directors, which are contracts for service but not contracts of employment, have been put in place. These letters confirm that Non-Executive Directors have no right to compensation on the termination of their appointment for any reason, other than for unpaid fees and expenses for the period actually served.

Non-Executive Directors do not participate in Brambles' 2006 Share Plan or MyShare plans.

7.3 Non-Executive Directors' Shareholdings

As a guideline, Non-Executive Directors are encouraged to hold shares in Brambles equal to their annual fees after tax within three years of their appointment.

The following table contains details of Brambles Limited ordinary shares in which Non-Executive Directors held relevant interests, being issued shares held by them and their related parties:

Ordinary shares	Balance at start of Year	Changes during Year	Balance at end of Year
Current Non-Executive Directors			
C Cross	-	-	-
A G Froggatt[25]	14,890	-	14,890
D P Gosnell[26]	22,910	-	22,910
T Hassan[27]	8,000	7,000	15,000
S P Johns[28]	47,500	-	47,500
S C H Kay[29]	14,877	-	14,877
B Long[30]	4,000	4,000	8,000
S Perkins	-	-	-
Former Non-Executive Directors			
D G Duncan	-	-	-
G J Kraehe AO[31]	66,965	-	66,965

7.4 Non-Executive Directors' Remuneration for the Year

Fees and other benefits provided to Non-Executive Directors during the Year and the prior year are set out in Table 7.4.1 on Page 26 in US dollars. The full names of the Non-Executive Directors and the dates of any changes in Non-Executive Directors are shown in the Directors' Report – Other Information. Non-Executive Directors do not receive any share-based payments.

Any contributions to personal superannuation or pension funds on behalf of the Non-Executive Directors are deducted from their overall fee entitlements.

[25] Of which 7,000 shares were held by Christine Joanne Froggatt and 7,890 shares were held by Anthony Grant Froggatt.

[26] Held by Charles Stanley & Co Australia in the name of Susan Gosnell.

[27] Held by RBC Dexia Custodian on behalf of Tahira Hassan.

[28] Of which 27,500 shares were held by Canzak Pty Ltd, and 20,000 shares were held by Caran Pty Limited.

[29] Of which 4,900 were held by Sarah Carolyn Hailes Kay, 5,500 were held by Carolyn Kay ATF Superannuation Fund A/C, and 4,477 were held by Sarah Carolyn Kay and Simon Swaney ATF Carolyn Kay Superannuation Fund A/C.

[30] Of which 4,000 were held by BJ & VG Long Investments Pty Limited ATF BJ Long Super Fund A/C and 4,000 were held by BJ and VG Long Investment Pty Limited.

[31] Held by Invia Custodians for Graham John Kraehe Private Superannuation Fund. The "Balance at end of Year" is as of 30 September 2014; he ceased to be a Brambles director after that.

Table 7.4.1: Non-Executive Directors' Remuneration for the Year

(US$'000)		Short-term employee benefits	Post-employment benefits		
Name	Year	Directors' fees	Superannuation	Other [32]	Total [33]
CURRENT NON-EXECUTIVE DIRECTORS					
C Cross[34]	**FY15**	**185**	**9**	**-**	**194**
	FY14	82	4	-	86
A G Froggatt[34]	**FY15**	**197**	**19**	**3**	**219**
	FY14	202	19	-	221
D Gosnell[34]	**FY15**	**181**	**9**	**25**	**215**
	FY14	206	9	2	217
T Hassan[34]	**FY15**	**185**	**9**	**33**	**227**
	FY14	199	9	7	215
S P Johns[34]	**FY15**	**407**	**29**	**3**	**439**
	FY14	218	20	-	238
S C H Kay[34]	**FY15**	**166**	**16**	**3**	**185**
	FY14	185	17	-	202
B J Long[34]	**FY15**	**193**	**18**	**-**	**211**
(from 1 July 2014)	FY14	-	-	-	-
S Perkins[34]	**FY15**	**16**	**2**	**-**	**18**
(from 1 June 2015)	FY14	-	-	-	-
FORMER NON-EXECUTIVE DIRECTORS					
D Duncan[34]	**FY15**	**121**	**6**	**35**	**162**
(until 20 Feb 2015)	FY14	209	9	2	220
G J Kraehe AO[34]	**FY15**	**121**	**11**	**14**	**146**
(until 30 Sep 2014)	FY14	525	32	18	575
Totals	**FY15**	**1,772**	**128**	**116**	**2,016**
	FY14	1,826	119	29	1,974

8. Remuneration Advisor

The Committee has appointed Ernst & Young as Brambles' remuneration advisor to assist the Company with Non-Executive Director and executive remuneration matters. In performing its role, the Committee directly requests and receives information and advice from Ernst & Young.

During the Year, no remuneration recommendations, as defined by the Act (Recommendations), were provided by Ernst & Young. Ernst & Young also provided taxation, internal audit, share rights valuation and project-related services, as well as general employee advice services, to Brambles during the Year. These services did not include a Recommendation.

During the Year, the Committee reviewed the arrangement relating to the engagement of its independent, external advisor. As a result, Brambles has made arrangements to ensure that the making of any Recommendations would be free from undue influence by the Disclosable Executives to whom a Recommendation may relate.

The engagement letter entered into by Brambles and Ernst & Young contains an agreed set of engagement protocols, which apply to the provision of Recommendations to Brambles. These include:

- An agreed set of pre-approved services Ernst & Young may provide Brambles' management, which excludes Recommendations;
- Any requests to Ernst & Young from Brambles management that might constitute a Recommendation are to be referred by Ernst & Young to the Committee for its consideration and direction;
- Ernst & Young is not permitted to provide Recommendations to Brambles' management;
- If Ernst & Young provides a Recommendation, it would include with it a declaration that it has not been unduly influenced by the Disclosable Executive subject to the Recommendation;
- Representatives of Ernst & Young attend all Committee meetings;
- Except for the CEO and Group Senior Vice President, Human Resources, Disclosable Executives do not attend Committee meetings;
- The CEO and Group Senior Vice President, Human Resources do not attend those parts of any Committee meeting when their remuneration is being reviewed or discussed; and
- The Committee meets with Ernst & Young without management being present, during which time any issues or questions relating to Disclosable Executives' remuneration which are not appropriate to discuss with management present, may be discussed.

[32] "Other" includes personal/spouse travel, tax services and fringe benefits tax.

[33] None of the Non-Executive Directors received rights/awards over Brambles Limited shares during the Year, so there are no relevant share-based payment amounts for disclosure.

[34] The year-on-year comparison of remuneration is affected by the movement of exchange rates from A$1=US$0.9142, €1=US$1.3587 and £1=US$1.6331 for FY14 and A$1=US$0.8301, €1=US$1.1946 and £1=US$1.5734 for FY15.

9. Appendices

9.1 Basis of Valuation of Equity-Based Awards

Unless otherwise specified, the fair values of the options and share rights included in the tables in this report have been estimated by Ernst & Young Transaction Advisory Services in accordance with the requirements of AASB 2: Share-based Payments, using a binomial model. Assumptions used in the evaluations are outlined in Note 23 on Pages 66 and 67 of the financial statements.

9.2 Summary of 2006 Plans

The table below contains details of the 2006 Share Plan and MyShare Plan under which former or current Disclosable Executives have unvested and/or unexercised awards that could affect remuneration in this or future reporting periods. The plans in bold relate to the Plans and targets which were relevant to vesting during the Year.

Plan	Nature of award	Size of award	Vesting condition	Vesting schedule	Performance/vesting period	Life of award
2006 Share Plan (STI)	**Share rights**	**Up to 100% of size of STI cash award**	**Time only**	**100% vesting based on continuous employment.**	**Two years**	**Maximum six years**
2006 Share Plan (TSR LTI)	**Share rights**	**% of salary/TFR**	**Time and relative TSR hurdle**	**40% vesting if TSR is equal to the median ranked company.** **100% vesting if 25% above the median ranked company.**	**Three years**	**Maximum six years**
2006 Share Plan (FY12-FY14 BVA LTI)	**Share rights**	**% of salary/TFR**	**Time and sales revenue CAGR and BVA performance**	**20% vesting occurs if CAGR is 6% and BVA is US$797M over three-year period.** **100% vesting occurs if CAGR is 8% and BVA is US$1,197M over three year period.**	**Three years**	**Maximum six years**
2006 Share Plan (FY13-FY15 BVA LTI)	Share rights	% of salary/TFR	Time and sales revenue CAGR and BVA performance	20% vesting occurs if CAGR is 5% and BVA is US$848M over three-year period. 100% vesting occurs if CAGR is 7% and BVA is US$1,248M over three-year period.	Three years	Maximum six years
2006 Share Plan (FY14-FY16 BVA LTI)	Share rights	% of salary/TFR	Time and sales revenue CAGR and BVA performance	20% vesting occurs if CAGR is 5% and BVA is US$800M over three-year period. 100% vesting occurs if CAGR is 7% and BVA is US$1,200M over three-year period.	Three years	Maximum six years
2006 Share Plan (FY15-FY17 BVA LTI)	Share rights	% of salary/TFR	Time and sales revenue CAGR and BVA performance	20% vesting occurs if CAGR is 5% and BVA is US$800M over three-year period. 100% vesting occurs if CAGR is 7% and BVA is US$1,200M over three-year period.	Three years	Maximum six years
MyShare	**Matching Awards**	**1:1 Matching Awards for every Acquired Share purchased**	**Time and retention of Acquired Shares**	**N/A**	**Two years from first acquisition**	**Automatic exercise on second anniversary of first acquisition**

9.3 Share Rights

The terms and conditions of each grant of share rights affecting remuneration in this or future reporting periods are outlined in the table below. Share rights granted under the plans do not have an exercise price and carry no dividend or voting rights.

Plan	Plan number	Grant date	Expiry date	Value at grant	Status/vesting date
2006 Share Plans	1	6 September 2011[35]	6 September 2017[36]	A$3.46	83.25% vested at 6 September 2014
	2	6 September 2011[37]	6 September 2017[36]	A$5.68	20% vested at 6 September 2014
	3	25 September 2012[38]	25 September 2018[36]	A$6.31	100% vested at 25 September 2014
	4	25 September 2012[35]	25 September 2018[36]	A$3.41	25 September 2015
	5	25 September 2012[37]	25 September 2018[36]	A$6.07	25 September 2015
	6	12 October 2012	12 October 2018	A$6.48	100% vested at 31 January 2015
	7	12 October 2012	25 September 2018	A$3.50	25 September 2015
	8	12 October 2012	25 September 2018	A$6.23	25 September 2015
	9	25 September 2013[38]	25 September 2019[36]	A$8.45	25 September 2015
	10	25 September 2013[35]	25 September 2019[36]	A$4.19	25 September 2016
	11	25 September 2013[37]	25 September 2019[36]	A$8.16	25 September 2016
	12	25 September 2014[38]	25 September 2020[36]	A$9.15	25 September 2016
	13	25 September 2014[35]	25 September 2020[36]	A$5.00	25 September 2017
	14	25 September 2014[37]	25 September 2020[36]	A$8.83	25 September 2017

[35] These LTI awards vest on the third anniversary of their grant date, subject to continued employment and meeting a TSR performance condition.

[36] Awards granted to Jean Holley and Jason Rabbino expire three years earlier than the date shown, or immediately after vesting, if earlier.

[37] These LTI awards vest on the third anniversary of their grant date, subject to continued employment and meeting a sales revenue CAGR and BVA performance condition.

[38] STI awards vest on the second anniversary of their grant date, subject to continued employment.

Plan	Plan number	Grant date	Expiry date	Value at grant	Status/vesting date
MyShare	15	29 March 2013[39]	1 April 2015	A$8.08	100% vested on 31 March 2015
	16	30 April 2013[39]	1 April 2015	A$8.31	100% vested on 31 March 2015
	17	31 May 2013[39]	1 April 2015	A$8.86	100% vested on 31 March 2015
	18	28 June 2013[39]	1 April 2015	A$8.92	100% vested on 31 March 2015
	19	31 July 2013[39]	1 April 2015	A$8.74	100% vested on 31 March 2015
	20	30 August 2013[39]	1 April 2015	A$8.39	100% vested on 31 March 2015
	21	30 September 2013[39]	1 April 2015	A$8.70	100% vested on 31 March 2015
	22	31 October 2013[39]	1 April 2015	A$8.84	100% vested on 31 March 2015
	23	29 November 2013[39]	1 April 2015	A$9.11	100% vested on 31 March 2015
	24	31 December 2013[39]	1 April 2015	A$8.71	100% vested on 31 March 2015
	25	31 January 2014[39]	1 April 2015	A$8.63	100% vested on 31 March 2015
	26	28 February 2014[39]	1 April 2015	A$8.95	100% vested on 31 March 2015
	27	31 March 2014[40]	1 April 2016	A$8.86	31 March 2016
	28	30 April 2014[40]	1 April 2016	A$8.94	31 March 2016
	29	30 May 2014[40]	1 April 2016	A$9.19	31 March 2016
	30	30 June 2014[40]	1 April 2016	A$8.74	31 March 2016
	31	31 July 2014[40]	1 April 2016	A$8.87	31 March 2016
	32	29 August 2014[40]	1 April 2016	A$8.98	31 March 2016
	33	30 September 2014[40]	1 April 2016	A$9.05	31 March 2016
	34	31 October 2014[40]	1 April 2016	A$9.00	31 March 2016
	35	28 November 2014[40]	1 April 2016	A$9.27	31 March 2016
	36	31 December 2014[40]	1 April 2016	A$10.17	31 March 2016
	37	30 January 2015[40]	1 April 2016	A$10.20	31 March 2016
	38	27 February 2015[40]	1 April 2016	A$10.45	31 March 2016
	39	31 March 2015[41]	1 April 2017	A$11.01	31 March 2017
	40	30 April 2015[41]	1 April 2017	A$10.24	31 March 2017
	41	29 May 2015[41]	1 April 2017	A$10.95	31 March 2017
	42	30 June 2015[41]	1 April 2017	A$9.98	31 March 2017
	43	31 July 2015[41]	1 April 2017	A$10.32	31 March 2017

[39] These Matching Awards granted under MyShare vest on 31 March 2015, subject to continuing employment and the retention of the associated Acquired Shares. On vesting they are automatically exercised.

[40] These Matching Awards granted under MyShare vest on 31 March 2016, subject to continuing employment and the retention of the associated Acquired Shares. On vesting they are automatically exercised.

[41] These Matching Awards granted under MyShare vest on 31 March 2017, subject to continuing employment and the retention of the associated Acquired Shares. On vesting they are automatically exercised.

9.4 Share Based Payments – Future Potential

The table below provides annual accounting values for shares granted during years 2011-2013, which have been amortised over three years. These share awards are subject to conditions set out in Section 9.2. Remuneration will normally not be received as a result of the underlying share awards vesting until the conditions have been met.

(US$'000)			Share based payment		
Name	Year	Total before equity	Awards	Share of FY15 total remuneration	Total
Executive Directors					
T Gorman	**FY15**	**3,576**	**2,550**	**42%**	**6,126**
	FY14	3,645	2,546	41%	6,191
Current Disclosable Executives					
Z Todorcevski	**FY15**	**1,696**	**1,219**	**42%**	**2,915**
	FY14	1,783	980	35%	2,763
J Holley	**FY15**	**794**	**444**	**36%**	**1,238**
	FY14	767	369	32%	1,136
P Mackie	**FY15**	**1,249**	**881**	**41%**	**2,130**
	FY14	1,301	842	39%	2,143
W Orgeldinger	**FY15**	**1,252**	**376**	**23%**	**1,628**
	FY14	1,137	444	28%	1,581
J Rabbino	**FY15**	**1,193**	**689**	**37%**	**1,882**
	FY14	1,072	299	22%	1,371
N Smith	**FY15**	**943**	**625**	**40%**	**1,568**
	FY14	1,033	656	39%	1,689
Totals	**FY15**	**10,703**	**6,784**	**-**	**17,487**
	FY14	10,738	6,136	-	16,874

Directors' Report – Other Information

The information presented in this Report relates to the consolidated entity, the Brambles Group, consisting of Brambles Limited and the entities it controlled at the end of, or during the year ended 30 June 2015 (the Year).

Principal Activities

The principal activities of the Group during the Year were the provision of supply-chain logistics services, focusing on the provision of reusable pallets, crates and containers, of which Brambles is a leading global provider.

Further details of the Group's activities are set out in Section 1 of the Operating & Financial Review on Page 3.

There were no significant changes in the nature of the Group's principal activities during the Year.

Review of Operations and Results

A review of the Group's operations and of the results of those operations are given in the Letter from the Chairman and the CEO, the Strategy Scorecard and the Operating & Financial Review from Pages 1 to 11.

Information about the financial position of the Group is included in the Operating & Financial Review and in the Five-Year Financial Performance Summary on Page 88.

Significant Changes in State of Affairs

On 9 September 2014, Brambles announced the acquisition of Ferguson Group, a leading provider of container solutions to the international offshore oil and gas sector. The acquisition of Ferguson Group was completed on 12 September 2014.

Other than the above, there were no significant changes to the state of affairs of the Group for the Year.

Matters since the End of the Financial Year

The Directors are not aware of any matter or circumstance that has arisen since 30 June 2015 up to the date of this Report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Business Strategies and Prospects for Future Financial Years

The business strategies and prospects for future financial years, together with likely developments in the operations of the Group in future financial years and the expected results of those operations known at the date of this Report, are set out in in the Letter from the Chairman and the CEO, Strategy Scorecard and Operating & Financial Review on Pages 1 to 11.

Further information in relation to such matters has not been included because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Dividends

The Directors have declared a final dividend for the Year of 14 Australian cents per share, which will be 30% franked. The dividend will be paid on 8 October 2015 to shareholders on the register on 11 September 2015.

On 9 April 2015, an interim dividend for the Year was paid, which was 14 Australian cents per share and 30% franked. On 9 October 2014, a final dividend for the year ended 30 June 2014 was paid, which was 13.5 Australian cents per share and 30% franked.

The unfranked component of each dividend paid during the Year was conduit foreign income. This means that no Australian dividend withholding tax was payable on the dividends that Brambles paid to non-resident shareholders.

Directors

The name of each person who was a Director of Brambles Limited at any time during or since the end of the Year, and the period for which they served as a Director during the Year, is set out below.

The qualifications, experience and special responsibilities for Directors are set out on Pages 12 and 13.

Christine Cross	1 July 2014 to date
Douglas Gordon Duncan	1 July 2014 to 19 February 2015
Anthony Grant Froggatt	1 July 2014 to date
Thomas Joseph Gorman	1 July 2014 to date
David Peter Gosnell	1 July 2014 to date
Tahira Hassan	1 July 2014 to date
Stephen Paul Johns	1 July 2014 to date
Sarah Carolyn Hailes Kay	1 July 2014 to date
Graham John Kraehe AO	1 July 2014 to 30 September 2014
Brian James Long	1 July 2014 to date
Scott Redvers Perkins	1 June 2015 to date

Secretary

Details of the qualifications and the experience of the Company Secretary of Brambles Limited are as follows: Robert Nies Gerrard joined Brambles in 2003 as Senior Counsel and was appointed Group Company Secretary in February 2008. Prior to joining Brambles, he was General Counsel to, and Company Secretary of, Roc Oil Company Limited; Group Legal Manager, Cairn Energy plc; General Counsel to, and Company Secretary of, Command Petroleum Limited; and a solicitor with Allen Allen & Hemsley. He holds a Masters of Law (LLM) from the University of Sydney and Bachelor of Science (BSc) and Bachelor of Law (LLB) degrees from the University of New South Wales. He is a Solicitor of the Supreme Court of New South Wales.

Indemnities

Indemnities provided to Directors and officers of Brambles Limited are detailed in Note 31 of the Financial Report on Page 82. Insurance policies are in place to cover Directors and executive officers, however, the terms of the policies prohibit disclosure of the details of the insurance cover and the premiums paid.

Environment

Brambles' Environmental Policy is set by the Board. It applies in all countries where Brambles operates. The Environmental Policy provides that Brambles will act with integrity and respect for the community and the environment and be committed to sound environmental practice in its daily operations. It is a minimum requirement that all Brambles operations comply with all relevant environmental laws and regulations. Additionally, employees are expected to care for the environment by adopting a specified set of environmental principles. Every business unit must ensure that those principles are adhered to, including in countries that may not yet have enacted laws for the protection of the environment. Brambles has set environmental performance targets.

Reporting of performance against those targets is contained in Brambles' 2015 Sustainability Review which will be available on the Brambles' website in October 2015. A copy of the complete Environmental Policy is set out in Brambles' Code of Conduct, which is available at www.brambles.com.

Occupational Health and Safety

The Board is responsible for setting Brambles' Health and Safety Policy, which states that Brambles is to provide and maintain a healthy and safe working environment and to prevent injury, illness or impairment to the health of employees, contractors, customers or the public.

Brambles has adopted a Zero Harm Charter, which sets out the vision, values and behaviours and commitment required to work safely and ensure human rights and environmental compliance is provided to all employees and, together with the complete Health and Safety Policy, is on the Brambles website www.brambles.com.

The Chief Executive Officer together with the Group Presidents of the Pallets, RPCs and Containers business segments, are responsible for policy implementation and safety performance.

Health and safety performance indicators measure compliance with corporate objectives and milestones, allow assessment of progress and comparison with industry benchmarks and provide incentives for improvement. Reporting on health and safety performance will be shown in the 2015 Sustainability Review, which will be available on Brambles' website in October 2015.

Employees

The 2015 Sustainability Review, available on Brambles' website in October 2015, will contain details of Brambles' performance as an employer.

Directors' Meetings

Details of the Board committee memberships are given in the Directors biographies on Pages 12 and 13. The following table shows the actual Board and committee meetings held during the Year and the number attended by each Director or committee member.

Directors	Board meetings									
	Regular		Special Committees		Audit Committee meetings		Remuneration Committee meetings		Nominations Committee meetings	
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
C Cross	11	11	-	-	-	-	4	4	-	-
D G Duncan	6	7	-	-	3	3	-	-	-	-
A G Froggatt	11	11	-	-	-	-	4	4	7	7
T J Gorman	11	11	6	6	-	-	-	-	-	-
D P Gosnell	11	11	-	-	5	5	-	-	6	6
T Hassan	11	11	-	-	-	-	4	4	-	-
S P Johns	11	11	5	5	1	1	3	3	7	7
S C H Kay	11	11	2	2	5	5	-	-	-	-
G J Kraehe AO	2	2	1	1	-	-	1	1	1	1
B J Long	11	11	3	3	5	5	-	-	-	-
S R Perkins	1	1	-	-	-	-	-	-	-	-

a) The number of meetings attended during the period the Director was a member of the Board or relevant committee which the Director was eligible to attend.

b) The number of meetings held while the Director was a member of the Board or relevant committee which the Director was eligible to attend.

Directors' Directorships of Other Listed Companies

The following lists the directorships held by the Directors in listed companies (other than Brambles Limited) since 30 June 2012.

Director	Listed company	Period directorship held
C Cross	Kathmandu Holdings Limited	2012 to current
	Next plc	2005 to May 2014
	Sonae Group plc	2009 to current
	Woolworths Limited	2012 to current
D G Duncan	J.B. Hunt Transport Services, Inc	2010 to current
	Benchmark Electronics, Inc	2006 to current
A G Froggatt	Billabong International Limited	2008 to 2013
	Coca-Cola Amatil Limited	2010 to current
T J Gorman	None	-
D P Gosnell	Coats plc	2015 to current
T Hassan	Recall Holdings Limited	2013 to current
S P Johns	Leighton Holdings Limited	2009 to March 2013
	Westfield Group:	
	Westfield Holdings Limited	1985 to May 2013
	Westfield America Management Limited (as responsible entity for Westfield America Trust)	1996 to May 2013
	Westfield Management Limited (as responsible entity for Westfield Trust and Carindale Property Trust)	1985 to May 2013
S C H Kay	Commonwealth Bank of Australia	2003 to March 2015
G J Kraehe AO	Bluescope Steel Limited	2002 to current
	Djerriwarrh Investments Limited	2002 to current
B J Long	Commonwealth Bank of Australia	2010 to current
	Ten Network Holdings Limited	2010 to current
S R Perkins	Woolworths Limited	2014 to current
	Origin Energy Limited	2015 to current[1]

[1] Scott Perkins' directorship of Origin Energy Limited will be effective 1 September 2015.

Innovation, Research and Development

Innovation, whether of an incremental or step-change nature, is integral to Brambles' growth strategy. Brambles is focusing on three key areas: innovating to address customers' current and future needs; accelerating tomorrow's growth opportunities; and fostering and driving a culture of innovation. In 2011, Brambles launched an Innovation Fund, which has reviewed and funded a significant number of early-stage new business ideas. Brambles carries out research and development activities, which activities comprise:

- Continuously testing its pallets, crates and containers to make them more durable, sustainable and safer for use in the supply chain;
- Enhancing existing, and developing new designs of pallets, containers and other supply chain platforms, for both new and existing markets;
- Improving pallet and container repair processes and equipment; and
- Testing and developing unique identifier technologies, including radio frequency identification.

Environmental Regulation

Except as set out below, the Group's operations in Australia are not subject to any particular and significant environmental regulation under a law of the Commonwealth or a State or Territory. The operations of the Group in Australia involve the use or development of land, the use of transportation equipment and the transport of goods. These operations may be subject to State, Territory or Local government environmental and town planning regulations, or require a licence, consent or approval from Commonwealth, State or Territory regulatory bodies. There were no material breaches of environmental statutory requirements and no material prosecutions during the Year. Brambles' businesses comply with all relevant environmental laws and regulations and none were involved in any material environmental prosecutions during the Year.

The Group's operations are subject to numerous environmental laws and regulations in the other countries in which it operates. There were no material beaches of these laws or regulations during the Year.

Corporate Governance Statement

Brambles is committed to observing the corporate governance requirements applicable to publicly listed companies in Australia. The Board has adopted a corporate governance framework designed to enable Brambles to meet is legal, regulatory and governance requirements.

During the Year, the Board believes Brambles met or exceeded all the requirements of the Australian Securities Exchange Corporate Governance Council Corporate Governance Principles and Recommendations, Third Edition. Brambles' 2015 Corporate Governance Statement is on Brambles website at www.brambles.com/corporate-governance-overview.

Interests in Securities

Pages 24 and 25 of the Directors' Report – Remuneration Report include details of the relevant interests of Directors, and other Group Executives whose details are required to be disclosed, in shares and other securities of Brambles Limited.

Share Capital, Options and Share Rights

Details of the changes in the issued share capital of Brambles Limited and share rights and MyShare matching share rights outstanding over Brambles Limited ordinary shares at the Year-end are given in Notes 22 and 23 of the Financial Report on Pages 65 to 67.

No options, share rights or MyShare matching share rights over the shares of Brambles Limited's controlled entities were granted during or since the end of the Year to the date of this Report.

Since the end of the Year to the date of this Report, the following grants, exercises and forfeits in options, performance share rights and MyShare matching share rights over Brambles Limited ordinary shares have taken place, broken down by reference to the plan numbers shown on Pages 28 and 29 of the Directors' Report – Remuneration Report:

- 68,163 grants under the 2015 MyShare offer (plan numbers 15 to 43);
- 7,398 exercises resulting in the issue of fully paid ordinary shares: 733 under the 2013 MyShare offer (plan numbers 15 to 26); 2,342 under the 2014 MyShare offer (plan numbers 27 to 38); 1,023 under the 2015 MyShare offer (plan numbers 39 to 43); 3,300 under plan number 3; and
- 684,022 lapses: 7,174 under the 2014 MyShare offer (plan numbers 27 to 38); 6,273 under the 2015 MyShare offer (plan numbers 39 to 43); 106,956 under plan number 4; 473,031 under plan number 5; 16,707 under plan number 7; and 73,881 under plan number 8.

Share Buy-Backs

No ordinary shares were bought-back and cancelled during the Year. There is no current on-market buy-back in operation.

Risk Management

A discussion of Brambles' risk profile, management and mitigation of risks can be found on Pages 4 and 5 in the Operating & Financial Review and in Principle 7 of Brambles 2015 Corporate Governance Statement.

Treasury Policies

A discussion of the implementation of treasury policies and mitigation of treasury risks can be found on Pages 5 to 7 in the Operating & Financial Review.

Non-Audit Services and Auditor Independence

The amount of US$0.95 million was paid or is payable to PricewaterhouseCoopers, the Group's auditors, for non-audit services provided during the Year by them (or another person or firm on their behalf). These services primarily related to financial due diligence for acquisitions, strategy-based consulting, compliance tracking systems, and tax consulting advice.

The Audit Committee has reviewed the provision of non-audit services by PricewaterhouseCoopers and its related practices and provided the Directors with formal written advice of a resolution passed by the Audit Committee. Consistent with this advice, the Directors are satisfied that the provision of non-audit services by PricewaterhouseCoopers and its related practices did not compromise the auditor independence requirements of the Act for the following reasons: the nature of the non-audit services provided during the Year; the quantum of non-audit fees compared to overall audit fees; and the pre-approval, monitoring and ongoing review requirements under the Audit Committee Charter and the Charter of Audit Independence in relation to non-audit work.

The auditors have also provided the Audit Committee with a letter confirming that, in their professional judgement, as at 6 August 2015 they have maintained their independence in accordance with their firm's requirements, with the provisions of APES 110 – Code of Ethics for Professional Accountants and the applicable provisions of the Act. On the same basis, they also confirmed that the objectivity of the audit engagement partners and the audit staff is not impaired.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Act is set out on Page 87.

Annual General Meeting

The AGM will be held at 2.00pm (AEDT) on 12 November 2015 at The Wesley Theatre, Wesley Conference Centre, 220 Pitt Street, Sydney, NSW 2000.

This Directors' Report is made in accordance with a resolution of the Board.

Stephen Johns	**Tom Gorman**
Chairman	**Chief Executive Officer**
20 August 2015	

Shareholder Information

Directors

S P Johns

(Non-Executive Chairman)

C Cross

(Non-Executive Director)

A G Froggatt

(Non-Executive Director)

T J Gorman

(Chief Executive Officer)

D P Gosnell

(Non-Executive Director)

T Hassan

(Non-Executive Director)

S C H Kay

(Non-Executive Director)

B J Long

(Non-Executive Director)

S R Perkins

(Non-Executive Director)

Company Secretary

R N Gerrard

Stock Exchange Listing

Brambles' ordinary shares are listed on the Australian Securities Exchange and are traded under the stock code "BXB".

Uncertificated Forms of Shareholding

Brambles' ordinary shares are held in uncertificated form. There are two types of uncertificated holdings:

Issuer Sponsored Holdings: This type of holding is recorded on a subregister of the Brambles share register, maintained by Brambles. If your holding is recorded on the issuer sponsored subregister, you will be allocated a Securityholder Reference Number or SRN, which is a unique number used to identify your holding of ordinary shares in Brambles.

Broker Sponsored Holdings: This type of holding is recorded on the main Brambles share register. Shareholders who are sponsored by an ASX market participant broker will be allocated a Holder Identification Number or HIN. One HIN can relate to an investor's shareholdings in multiple companies. For example, a shareholder with a portfolio of holdings which are managed by a broker would have the same HIN for each shareholding.

Share Sale Facility

Ordinarily, Issuer Sponsored shareholders must establish a relationship with a broker in order to sell their shares. However, Brambles' share registry provides Issuer Sponsored shareholders with an alternative to traditional share sale services. If you would like to take advantage of this service to sell your entire Brambles shareholding, please contact Link Market Services at the address set out in Contact Information on the back cover of the Annual Report. Please note that under anti-money laundering regulations, Link Market Services may require shareholders to complete an identification information form.

If you are a Broker Sponsored shareholder, please contact your broker if you wish to sell your Brambles shares.

Dividend

Shareholders may elect to receive dividend payments in Australian dollars or pounds sterling, by contacting Link Market Services at the address set out in Contact Information on the back cover of the Annual Report.

Annual General Meeting

The Brambles Limited 2015 AGM will be held at 2.00pm (AEDT) on 12 November 2015 at The Wesley Theatre, Wesley Conference Centre, 220 Pitt Street, Sydney, New South Wales 2000.

Financial Calendar

Final Dividend 2015

Ex-dividend date – Wednesday, 9 September 2015

Record date – Friday, 11 September 2015

Payment date – Thursday, 8 October 2015

2016 (Provisional)

Announcement of interim results – mid February 2016

Interim dividend – mid April 2016

Announcement of final results – mid August 2016

Final dividend – mid October 2016

AGM – November 2016

Analysis of Holders of Equity Securities as at 31 July 2015

Substantial Shareholders

Brambles has been notified of the following substantial shareholdings:

Holder	Number of ordinary shares	% of issued ordinary share capital[1]
Commonwealth Bank of Australia	135,094,859	8.62%
Sun Life Financial Inc	110,348,587	7.04%
Schroder Investment Management Australia Limited	83,885,123	5.36%

Number of Ordinary Shares on Issue and Distribution of Holdings

	Holders	Shares
1 – 1,000	30,129	14,589,072
1,001 – 5,000	30,563	71,310,261
5,001 – 10,000	5,470	38,349,290
10,001 – 100,000	3,195	66,212,524
100,001 and over	128	1,376,509,293
Total	69,485	1,566,970,440

The number of members holding less than a marketable parcel of 46 ordinary shares (based on a market price of A$10.88 on 31 July 2015) is 925 and they hold a total of 11,448 ordinary shares. The voting rights of ordinary shares are described on Page 36.

[1] Percentages are as disclosed in substantial holding notices given to Brambles Limited.

Number of Share Rights on Issue and Distribution of Holdings

	Holders	Share rights
1 – 1,000	2,784	895,231
1,001 – 5,000	35	122,802
5,001 – 10,000	25	184,792
10,001 – 100,000	84	2,351,057
100,001 and over	15	4,491,878
Total	2,943	8,045,760

The voting rights of performance share rights and MyShare Matching Awards are described below.

Twenty Largest Ordinary Shareholders

Name	Number of ordinary shares	% of issued ordinary share capital
HSBC Custody Nominees (Australia) Limited	607,808,724	38.79%
JP Morgan Nominees (Australia) Limited	291,477,489	18.60%
National Nominees Limited	231,764,128	14.79%
Citicorp Nominees Pty Limited	87,273,306	5.57%
BNP Paribas Noms Pty Ltd <DRP>	35,612,348	2.27%
Australian Foundation Investment Company Limited	11,173,530	0.71%
RBC Investor Services Australia Nominees Pty Limited <BKCust A/C>	9,079,141	0.58%
AMP Life Limited	8,917,731	0.57%
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	7,872,151	0.50%
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	7,513,456	0.48%
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	7,236,245	0.46%
Argo Investments Limited	5,422,449	0.35%
National Nominees Limited <N A/C>	2,830,200	0.18%
AET SFS Pty Ltd <Brambles – MyShare	2,793,477	0.18%
UBS Wealth Management Australia Nominees Pty Ltd	2,232,165	0.14%
Australian United Investment Company Limited	2,100,000	0.13%
RBC Investor Services Australia Nominees Pty Limited <PISelect>	1,890,771	0.12%
Bond Street Custodians Limited <MPPMIM – V16636 A/C>	1,776,876	0.11%
UBS Nominees Pty Ltd	1,761,076	0.11%
RBC Investor Services Australia Nominees Pty Limited <MBA A/C>	1,732,733	0.11%
Percentage of total holdings of 20 largest holders	1,328,267,996	84.77%

Voting Rights: Ordinary Shares

Brambles Limited's constitution provides that each member entitled to attend and vote may do so in person or by proxy, by attorney or, where the member is a body corporate, by representative. The Directors may also determine that at any general meeting, a member who is entitled to attend and vote on a resolution at that meeting is entitled to a direct vote in relation to that resolution. The Directors have prescribed rules to govern direct voting which are available at www.brambles.com.

On a show of hands, every member present in person, by proxy, by attorney or, where the member is a body corporate, by representative and having the right to vote on a resolution has one vote. The Directors have determined that members who submit a direct vote will be excluded on a vote by a show of hands. a poll, every member present in person, by proxy, by attorney or, where the member is a body corporate, by representative and having the right to vote on the resolution has one vote for each ordinary share held. The Directors have determined that votes cast by members who submit a direct vote will be included on a vote by a poll, being one vote for each ordinary share held.

Voting Rights: Share Rights

Performance share rights over ordinary shares and MyShare Matching Awards do not carry any voting rights.

Financial Report

for the year ended 30 June 2015

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Consolidated Income Statement

for the year ended 30 June 2015

	Note	2015 US$M	2014 US$M
Continuing operations			
Sales revenue	4	**5,464.6**	5,404.5
Other income		**114.7**	132.6
Operating expenses	5	**(4,641.6)**	(4,609.4)
Share of results of joint ventures and associates		**0.8**	1.8
Operating profit		**938.5**	929.5
Finance revenue		**13.8**	15.5
Finance costs		**(125.7)**	(128.5)
Net finance costs	7	**(111.9)**	(113.0)
Profit before tax		**826.6**	816.5
Tax expense	8	**(241.1)**	(232.0)
Profit from continuing operations		**585.5**	584.5
(Loss)/profit from discontinued operations[1]	11	**(1.1)**	683.2
Profit for the year attributable to members of the parent entity[2]		**584.4**	1,267.7
Earnings per share (cents)	9		
Total			
- basic		**37.3**	81.2
- diluted		**37.2**	80.8
Continuing operations			
- basic		**37.4**	37.5
- diluted		**37.3**	37.3

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

[1] Recall earnings up until the demerger date were included in discontinued operations in 2014.

[2] Profit after tax for 2014 includes non-cash demerger profit of US$662.0 million (refer Note 11).

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2015

	Note	2015 US$M	2014 US$M
Profit for the year		**584.4**	1,267.7
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial losses on defined benefit pension plans		**(1.0)**	(7.9)
Income tax on items that will not be reclassified to profit or loss	8A	**0.3**	(2.7)
		(0.7)	(10.6)
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign subsidiaries	24	**(350.0)**	50.8
Reserves released to profit on demerger of Recall	24	**-**	(29.4)
Cash flow hedges	24	**-**	0.1
Income tax on items that may be reclassified to profit or loss	8A	**-**	(0.1)
		(350.0)	21.4
Other comprehensive (loss)/profit for the year		**(350.7)**	10.8
Total comprehensive income for the year attributable to members of the parent entity		**233.7**	1,278.5

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

Total comprehensive income for 2014 attributable to members of the parent entity comprised US$624.7 million from continuing operations and US$653.8 million from discontinued operations.

Consolidated Balance Sheet

as at 30 June 2015

	Note	2015 US$M	2014 US$M
Assets			
Current assets			
Cash and cash equivalents	26	**166.2**	222.3
Trade and other receivables	13	**1,044.6**	1,103.5
Inventories	14	**81.3**	66.9
Other assets	15	**59.0**	70.2
Total current assets		**1,351.1**	1,462.9
Non-current assets			
Investments		**5.9**	6.2
Property, plant and equipment	16	**4,424.7**	4,367.5
Goodwill	17	**1,530.5**	1,322.4
Intangible assets	18	**220.5**	221.1
Deferred tax assets	8C	**41.9**	44.3
Other assets	15	**20.0**	13.3
Total non-current assets		**6,243.5**	5,974.8
Total assets		**7,594.6**	7,437.7
Liabilities			
Current liabilities			
Trade and other payables	19	**1,285.8**	1,311.4
Borrowings	25	**127.5**	497.8
Tax payable		**63.2**	41.6
Provisions	20	**103.0**	113.5
Total current liabilities		**1,579.5**	1,964.3
Non-current liabilities			
Borrowings	25	**2,727.6**	2,086.2
Provisions	20	**19.2**	20.9
Retirement benefit obligations	21	**55.0**	60.9
Deferred tax liabilities	8D	**564.3**	541.0
Other liabilities	19	**7.9**	13.4
Total non-current liabilities		**3,374.0**	2,722.4
Total liabilities		**4,953.5**	4,686.7
Net assets		**2,641.1**	2,751.0
Equity			
Contributed equity	22	**6,027.4**	5,993.4
Reserves	24	**(7,101.8)**	(6,742.5)
Retained earnings	24	**3,715.5**	3,500.1
Total equity		**2,641.1**	2,751.0

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

Consolidated Cash Flow Statement

for the year ended 30 June 2015

	Note	2015 US$M	2014[1] US$M
Cash flows from operating activities			
Receipts from customers		**6,128.3**	6,487.3
Payments to suppliers and employees		**(4,532.7)**	(4,889.2)
Cash generated from operations		**1,595.6**	1,598.1
Dividends received from joint ventures		**-**	0.2
Interest received		**1.7**	3.3
Interest paid		**(107.5)**	(121.5)
Income taxes paid on operating activities		**(166.6)**	(212.2)
Net cash inflow from operating activities[2]	26B	**1,323.2**	1,267.9
Cash flows from investing activities			
Payments for property, plant and equipment		**(983.6)**	(889.5)
Proceeds from sale of property, plant and equipment		**78.4**	81.1
Payments for intangible assets		**(13.8)**	(25.8)
Proceeds from Recall demerger, net of cash disposed		**-**	417.3
Acquisition of subsidiaries, net of cash acquired		**(497.8)**	(40.7)
Payments for investments in associates		**-**	(2.8)
Net cash outflow from investing activities		**(1,416.8)**	(460.4)
Cash flows from financing activities			
Proceeds from borrowings		**1,578.3**	1,612.3
Repayments of borrowings		**(1,120.5)**	(1,908.0)
Net (outflow)/inflow from hedge instruments		**(38.5)**	34.9
Proceeds from issues of ordinary shares		**-**	5.1
Dividends paid		**(359.3)**	(394.2)
Net cash inflow/(outflow) from financing activities		**60.0**	(649.9)
Net (decrease)/increase in cash and cash equivalents		**(33.6)**	157.6
Cash and deposits, net of overdrafts, at beginning of the year		**221.8**	75.0
Effect of exchange rate changes		**(31.5)**	(10.8)
Cash and deposits, net of overdrafts, at end of the year	26A	**156.7**	221.8

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

[1] Recall cash flows up until the demerger date were included in 2014.

[2] Net cash inflow from operating activities for 2014 included US$(7.9) million relating to discontinued operations.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2015

	Note	Contributed equity US$M	Reserves[1] US$M	Retained earnings US$M	Total equity US$M
Year ended 30 June 2014					
Opening balance		6,618.5	(6,748.2)	3,155.1	3,025.4
Profit for the year		-	-	1,267.7	1,267.7
Other comprehensive income		-	21.4	(10.6)	10.8
Total comprehensive income		-	21.4	1,257.1	1,278.5
Share-based payments:					
- expense recognised		-	27.2	-	27.2
- shares issued		-	(43.1)	-	(43.1)
- equity component of related tax		-	4.6	-	4.6
- transfer to retained earnings on demerger of Recall		-	(4.4)	4.4	-
Transactions with owners in their capacity as owners:					
- dividends declared	24	-	-	(376.1)	(376.1)
- issues of ordinary shares, net of transaction costs	22	44.1	-	-	44.1
- capital reduction on Recall demerger	22	(669.2)	-	-	(669.2)
- Recall demerger dividend		-	-	(540.4)	(540.4)
Closing balance		5,993.4	(6,742.5)	3,500.1	2,751.0
Year ended 30 June 2015					
Opening balance		**5,993.4**	**(6,742.5)**	**3,500.1**	**2,751.0**
Profit for the year		**-**	**-**	**584.4**	**584.4**
Other comprehensive loss		**-**	**(350.0)**	**(0.7)**	**(350.7)**
Total comprehensive income		**-**	**(350.0)**	**583.7**	**233.7**
Share-based payments:					
- expense recognised		**-**	**21.8**	**-**	**21.8**
- shares issued		**-**	**(34.0)**	**-**	**(34.0)**
- equity component of related tax		**-**	**2.9**	**-**	**2.9**
Transactions with owners in their capacity as owners:					
- dividends declared	24	**-**	**-**	**(368.3)**	**(368.3)**
- issues of ordinary shares, net of transaction costs	22	**34.0**	**-**	**-**	**34.0**
Closing balance		**6,027.4**	**(7,101.8)**	**3,715.5**	**2,641.1**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

[1] Refer Note 24 for further information on reserves.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2015

Note 1. Basis of Preparation

These financial statements present the consolidated results of Brambles Limited (ACN 118 896 021) (Company) and its subsidiaries (Brambles or the Group) for the year ended 30 June 2015. These financial statements have been authorised for issue in accordance with a resolution of the Directors on 20 August 2015.

The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the requirements of the Corporations Act 2001 (Act).

The financial statements are drawn up in accordance with the conventions of historical cost accounting, except for derivative financial instruments and financial assets at fair value through profit or loss.

References to 2015 and 2014 are to the financial years ended 30 June 2015 and 30 June 2014 respectively.

The Recall business was demerged effective 18 December 2013. Recall's comprehensive income for the period up to the date of demerger has been presented within discontinued operations in 2014. Recall's assets and liabilities are excluded from the consolidated balance sheet at 30 June 2014.

Certain comparative information in the notes to the financial statements has been reclassified to conform with the current period's presentation.

Note 2. Significant Accounting Policies

The consolidated financial statements and all comparatives have been prepared using the accounting policies set out below which are consistent with the prior year.

Changes in Accounting Policies

Brambles has applied AASB 2012-3: Amendments to Australian Accounting Standard - Offsetting Financial Assets and Financial Liabilities and AASB 2014-1: Amendments to Australian Accounting Standards - Defined Benefit Plans from 1 July 2014. The impact of these new accounting standards and interpretations do not have a significant impact on Brambles' financial statements.

Basis of Consolidation

The consolidated financial statements of Brambles include the assets, liabilities and results of Brambles Limited and all its legal subsidiaries. The consolidation process eliminates all inter-entity accounts and transactions. Any financial statements of overseas subsidiaries that have been prepared in accordance with overseas accounting practices have been adjusted to comply with AAS before inclusion in the consolidation process. The financial statements of all material subsidiaries are prepared for the same reporting period.

Business Combinations

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition. The interest of non-controlling shareholders is stated at the non-controlling proportion of the fair values of the assets and liabilities recognised. Any acquisition-related transaction costs are expensed in the period of acquisition.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Investment in Controlled Entities

Shares in controlled entities, as recorded in the parent entity, are recorded at cost, less provision for impairment.

Investment in Joint Ventures and Associates

Associates are those entities in which Brambles has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which Brambles has joint control, whereby Brambles has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

Investments in joint venture and associate entities are accounted for using the equity method in the consolidated financial statements, and include any goodwill arising on acquisition. Under this method, Brambles' share of the post-acquisition profits or losses of the joint venture and associate is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

If Brambles' share of losses in a joint venture or associate equals or exceeds its interest in the joint venture or associate, Brambles does not recognise further losses unless it has incurred obligations or made payments on behalf of the joint venture or associate.

Loans to equity accounted joint ventures or associates under formal loan agreements that are long term in nature are included as investments.

Where there has been a change recognised directly in the joint venture's equity, Brambles recognises its share of any changes as a change in equity.

Discontinued Operations

The trading results for business operations disposed during the year or classified as held for sale are disclosed separately as discontinued operations in the income statement. The amount disclosed includes any related impairment losses recognised and any gains or losses arising on disposal.

Presentation Currency

The consolidated and summarised parent entity financial statements are presented in US dollars.

Brambles uses the US dollar as its presentation currency because:

- a significant portion of Brambles' activity is denominated in US dollars; and
- the US dollar is widely understood by Australian, UK and international investors and analysts.

Foreign Currency

Items included in the financial statements of each of Brambles' entities are measured using the functional currency of each entity.

Foreign currency transactions are translated into the functional currency of each entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement, except where deferred in equity as qualifying cash flow hedges, qualifying net investment hedges or are attributable to part of the net investment in foreign subsidiaries and joint ventures.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are recognised directly in equity.

The results and cash flows of Brambles Limited, subsidiaries and joint ventures are translated into US dollars using the average exchange rates for the period. Where this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, the exchange rate on the transaction date is used. Assets and liabilities of Brambles Limited, subsidiaries and joint ventures are translated into US dollars at the exchange rate ruling at the balance sheet date. The share capital of Brambles Limited is translated into US dollars at historical rates. All resulting exchange differences arising on the translation of Brambles' overseas and Australian entities are recognised as a separate component of equity.

The financial statements of foreign subsidiaries and joint ventures that report in the currency of a hyperinflationary economy are restated in terms of the measuring unit current at the balance sheet date before they are translated into US dollars.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The principal exchange rates affecting Brambles were:

		A$:US$	€:US$	£:US$
Average	**2015**	**0.8301**	**1.1946**	**1.5734**
	2014	0.9142	1.3587	1.6331
Year end	**30 June 2015**	**0.7673**	**1.1220**	**1.5729**
	30 June 2014	0.9415	1.3643	1.7033

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Brambles and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of duties and taxes paid (Goods and Services Tax and local equivalents).

Revenue for services is recognised when invoicing the customer following the provision of the service and/or under the terms of agreed contracts in accordance with agreed contractual terms in the period in which the service is provided.

Other Income

Other income includes net gains on disposal of property, plant and equipment in the ordinary course of business, which are recognised when control of the property has passed to the buyer. Amounts arising from compensation for irrecoverable pooling equipment are recognised only when it is probable that they will be received.

Dividend Revenue

Dividend revenue is recognised when Brambles' right to receive the payment is established. Dividends received from investments in subsidiaries and joint ventures are recognised as revenue, even if they are paid out of pre-acquisition profits.

Finance Revenue

Finance revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Borrowing Costs

Borrowing costs are recognised as expenses in the year in which they are incurred, except where they are included in the cost of qualifying assets.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the year. No borrowing costs were capitalised in 2015 or 2014.

Pensions and Other Post-Employment Benefits

Payments to defined contribution pension schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where Brambles' obligations under the schemes are equivalent to those arising in a defined contribution pension scheme.

A liability in respect of defined benefit pension schemes is recognised in the balance sheet, measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension scheme's assets at that date. Pension obligations are measured as the present value of estimated future cash flows discounted at rates reflecting the yields of high quality corporate bonds. The costs of providing pensions under defined benefit schemes are calculated using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits vest.

Actuarial gains and losses arising from differences between expected and actual returns, and the effect of changes in actuarial assumptions are recognised in full through the statement of comprehensive income in the period in which they arise.

The costs of other post-employment liabilities are calculated in a similar way to defined benefit pension schemes and spread over the period during which benefit is expected to be derived from the employees' services, in accordance with the advice of qualified actuaries.

Executive and Employee Share-Based Compensation Plans

Incentives in the form of share-based compensation benefits are provided to executives and employees under performance share and MyShare employee share plans approved by shareholders.

Performance share awards are fair valued by qualified actuaries at their grant dates in accordance with the requirements of AASB 2: Share-based Payments, using a binomial model. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight-line basis over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

Executives and employees in certain jurisdictions are provided cash incentives calculated by reference to the awards under the share-based compensation schemes (phantom shares). These phantom shares are fair valued on initial grant and at each subsequent reporting date.

The cost of such phantom shares is charged to the income statement over the relevant vesting periods, with a corresponding increase in provisions.

The fair value calculation of performance shares granted excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, Brambles reviews its estimate of the number of performance shares that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Significant Items and Underlying Profit

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 (e.g. 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 is a non-statutory profit measure and represents profit from continuing operations before finance costs, tax and Significant Items. It is presented within the segment information note to assist users of the financial statements to better understand Brambles' business results.

Assets

Cash and Cash Equivalents

For purposes of the cash flow statement, cash and cash equivalents include deposits at call with financial institutions and other highly liquid investments which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts. Bank overdrafts are presented within borrowings in the balance sheet.

Receivables

Receivables due within one year do not carry any interest and are recognised at amounts receivable less an allowance for any uncollectible amounts. Trade receivables are recognised when services are provided and settlement is expected within normal credit terms.

Bad debts are written-off when identified. A provision for doubtful receivables is established when there is a level of uncertainty as to the full recoverability of the receivable, based on objective evidence. Significant financial difficulties of the debtor, probability that the debtor will enter liquidation, receivership or bankruptcy, and default or significant delay in payment are considered indicators that the trade receivable is doubtful.

The amount of the provision is measured as the difference between the carrying amount of the trade receivables and the estimated future cash flows expected to be received from the relevant debtors. When a trade receivable for which a provision had been recognised becomes uncollectible in a subsequent period, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

Inventories

Inventories on hand are valued at the lower of cost and net realisable value and, where appropriate, provision is made for possible obsolescence. Work in progress, which represents partly-completed work undertaken at pre-arranged rates but not invoiced at the balance sheet date, is recorded at the lower of cost or net realisable value.

Cost is determined on a first-in, first-out basis and, where relevant, includes an appropriate portion of overhead expenditure. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs to make the sale.

Recoverable Amount of Non-Current Assets

At each reporting date, Brambles assesses whether there is any indication that an asset, or cash generating unit to which the asset belongs, may be impaired. Where an indicator of impairment exists, Brambles makes a formal estimate of recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use.

Where the carrying value of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. The impairment loss is recognised in the income statement in the reporting period in which the write-down occurs.

The expected net cash flows included in determining recoverable amounts of non-current assets are discounted to their present values using a market-related risk adjusted discount rate.

Property, Plant and Equipment

Property, plant and equipment (PPE) is stated at cost, net of depreciation and any impairment, except land which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of assets, and, where applicable, an initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the expenditure will flow to Brambles. Repairs and maintenance are expensed in the income statement in the period they are incurred.

Depreciation is charged in the financial statements so as to write-off the cost of all PPE, other than freehold land, to their residual value on a straight-line or reducing balance basis over their expected useful lives to Brambles. Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.The expected useful lives of PPE are generally:

- buildings: 50 years
- pooling equipment: 5–10 years
- other plant and equipment (owned and leased): 3–20 years

The cost of improvements to leasehold properties is amortised over the unexpired portion of the lease, or the estimated useful life of the improvement to Brambles, whichever is the shorter.

Provision is made for irrecoverable pooling equipment based on experience in each market. The provision is presented within accumulated depreciation.

The carrying values of PPE are reviewed for impairment when circumstances indicate their carrying values may not be recoverable. Assets are assessed within the cash generating unit to which they belong. Any impairment losses are recognised in the income statement.

The recoverable amount of PPE is the greater of its fair value less costs to sell and its value in use. Value in use is determined as estimated future cash flows discounted to their present value using a pre-tax discount rate reflecting current market assessments of the time value of money and the risk specific to the asset.

PPE is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any net gain or loss arising on derecognition of the asset is included in the income statement and presented within other income in the period in which the asset is derecognised.

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is not amortised.

Goodwill represents the excess of the cost of an acquisition over the fair value of Brambles' share of the net identifiable assets of the acquired subsidiary or joint venture at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of joint ventures is included in investments in joint ventures.

Upon acquisition, any goodwill arising is allocated to each cash generating unit expected to benefit from the acquisition. Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. An impairment loss is recognised when the recoverable amount of the cash generating unit is less than its carrying amount.

On disposal of an operation, goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal.

Intangible Assets

Intangible assets acquired are capitalised at cost, unless acquired as part of a business combination in which case they are capitalised at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less provisions for amortisation and impairment.

The costs of acquiring and developing computer software for internal use are capitalised as intangible non-current assets where it is used to support a significant business system and the expenditure leads to the creation of an asset.

Useful lives have been established for all non-goodwill intangible assets. Amortisation charges are expensed in the income statement on a straight-line basis over those useful lives. Estimated useful lives are reviewed annually.

The expected useful lives of intangible assets are generally:

- customer lists and relationships: 3–20 years
- computer software: 3–10 years

There are no non-goodwill intangible assets with indefinite lives.

Intangible assets are tested for impairment where an indicator of impairment exists, either individually or at the cash generating unit level.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Liabilities

Payables

Trade and other creditors represent liabilities for goods and services provided to Brambles prior to the end of the financial year which remain unpaid at the reporting date. The amounts are unsecured and are paid within normal credit terms.

Non-current payables are discounted to present value using the effective interest method.

Provisions

Provisions for liabilities are made on the basis that, due to a past event, the business has a constructive or legal obligation to transfer economic benefits that are of uncertain timing or amount. Provisions are measured at the present value of management's best estimate at the balance sheet date of the expenditure required to settle the obligation. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks appropriate to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the income statement.

Interest Bearing Liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the borrowing proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless Brambles has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Employee Entitlements

Employee entitlements are provided by Brambles in accordance with the legal and social requirements of the country of employment. Principal entitlements are for annual leave, sick leave, long service leave and contract entitlements. Annual leave and sick leave entitlements are presented within trade and other payables.

Liabilities for annual leave, as well as those employee entitlements which are expected to be settled within one year, are measured at the amounts expected to be paid when they are settled. All other employee entitlement liabilities are measured at the estimated present value of the future cash outflows to be made in respect of services provided by employees up to the reporting date.

Employee entitlements are classified as current liabilities unless Brambles has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Dividends

A provision for dividends is only recognised where the dividends have been declared prior to the reporting date.

Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments under operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis over the term of the lease.

Finance leases

Finance leases, which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to Brambles, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, present value of the minimum lease payments, and disclosed as property, plant and equipment held under lease. A lease liability of equal value is also recognised.

Lease payments are allocated between finance charges and a reduction of the lease liability so as to achieve a constant period rate of interest on the lease liability outstanding each period. The finance charge is recognised as a finance cost in the income statement.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term.

Income Tax

The income tax expense or benefit for the year is the tax payable or receivable on the current year's taxable income based on the national income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, calculated using tax rates which are enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are not recognised:

- where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of temporary differences associated with investments in subsidiaries and joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Current and deferred tax attributable to amounts recognised directly in equity are also recognised directly in equity.

Financial Assets

Brambles classifies its financial assets in the following two categories: financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets are recognised on Brambles' balance sheet when Brambles becomes a party to the contractual provisions of the instrument. Derecognition takes place when Brambles no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

Derivatives and Hedging Activities

Derivative instruments used by Brambles, which are used solely for hedging purposes (i.e. to offset foreign exchange and interest rate risks), comprise interest rate swaps, caps, collars, forward rate agreements and forward foreign exchange contracts. Such derivative instruments are used to alter the risk profile of Brambles' existing underlying exposure in line with Brambles' risk management policies.

Derivative financial instruments are stated at fair value. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturities at the balance sheet date. The fair value of interest rate swap contracts is calculated as the present value of the forward cash flows of the instrument after applying market rates and standard valuation techniques.

For the purposes of hedge accounting, hedges are classified as either fair value hedges, cash flow hedges or net investment hedges.

Fair value hedges
Fair value hedges are derivatives that hedge exposure to changes in the fair value of a recognised asset or liability, or an unrecognised firm commitment. In relation to fair value hedges which meet the conditions for hedge accounting, any gain or loss from remeasuring the hedging instrument at fair value is recognised immediately in the income statement.

Any gain or loss attributable to the hedged risk on remeasurement of the hedged item is adjusted against the carrying amount of the hedged item and recognised in the income statement. Where the adjustment is to the carrying amount of a hedged interest-bearing financial instrument, the adjustment is amortised to the income statement such that it is fully amortised by maturity.

Hedge accounting is discontinued prospectively if the hedge is terminated or no longer meets the hedge accounting criteria. In this case, any adjustment to the carrying amounts of the hedged item for the designated risk for interest-bearing financial instruments is amortised to the income statement following termination of the hedge relationship.

Cash flow hedges
Cash flow hedges are derivatives that hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction.

In relation to cash flow hedges to hedge forecast transactions which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income within equity and the ineffective portion is recognised in the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecast transaction occurs.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

For all other cash flow hedges, the gains or losses that are recognised in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the net profit and loss, for example when the future sale actually occurs.

When the hedged firm commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

Net investment hedges
Hedges for net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income within equity and the ineffective portion is recognised in the income statement.

Gains and losses accumulated in equity are included in the income statement when the foreign operation is disposed or sold.

Derivatives that do not qualify for hedge accounting
Where derivatives do not qualify for hedge accounting, gains or losses arising from changes in their fair value are taken directly to net profit or loss for the year.

Contributed equity

Ordinary shares including share premium are classified as contributed equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of Brambles' own equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds of issue.

Earnings Per Share (EPS)

Basic EPS is calculated as net profit attributable to members of the parent entity, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members of the parent entity, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and finance costs associated with dilutive potential ordinary shares that have been recognised as expenses;
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares;

and divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

EPS on Underlying Profit after finance costs and tax is calculated as Underlying Profit after finance costs and tax attributable to members of the parent entity, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

New Accounting Standards and Interpretations Issued But Not Yet Applied

At 30 June 2015, certain new accounting standards and interpretations have been published that will become mandatory in future reporting periods. Brambles has not early-adopted these new or amended accounting standards and interpretations in 2015.

AASB 9: Financial Instruments is applicable to annual reporting periods beginning on or after 1 January 2018. AASB 9 addresses the classification, measurement and derecognition of financial assets and liabilities, introduces a new impairment model and introduces new rules for hedge accounting. AASB 9 may affect Brambles' accounting for financial assets and liabilities, however it is not expected to have a significant impact on Brambles financial statements.

AASB 15: Revenue from Contracts with Customers is applicable to annual reporting periods beginning on or after 1 January 2017 and is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The new standard replaces the principle under the current standard of recognising revenue when risks and rewards transfer to the customer. Brambles is yet to assess the impact of the new rules on its revenue recognition policy.

Rounding of Amounts

As Brambles is a company of a kind referred to in ASIC Class Order 98/100, relevant amounts in the financial statements and Directors' Report have been rounded to the nearest hundred thousand US dollars or, in certain cases, to the nearest thousand US dollars. Amounts in cents have been rounded to the nearest tenth of a cent.

Note 3. Critical Accounting Estimates and Judgements

In applying its accounting policies, Brambles has made estimates and assumptions concerning the future, which may differ from the related actual outcomes. Those estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Irrecoverable Pooling Equipment Provisioning

Loss or damage is an inherent risk of pooling equipment operations. Brambles' pooling equipment operations around the world differ in terms of business model, market dynamics, customer and distribution channel profiles, contractual arrangements and operational details. CHEP conducts audits continuously throughout the year to confirm the existence and the condition of its pooling equipment assets and to validate CHEP's customer hire records. During these audits, which take place at CHEP plants, customer sites and other locations, pooling equipment is counted on a sample basis and reconciled to the balances shown in CHEP's customer hire records. Brambles also monitors its pooling equipment operations using detailed key performance indicators (KPIs).

The irrecoverable pooling equipment provision is determined by reference to historical statistical data in each market, including the outcome of audits and relevant KPIs, together with management estimates of future equipment losses.

Impairment of Goodwill

Brambles' business units undertake an impairment review process annually to ensure that goodwill balances are not carried at amounts that are in excess of their recoverable amounts. The recoverable amount of the goodwill in continuing operations is determined based on value in use calculations undertaken at the cash generating unit level. These calculations require the use of key assumptions which are set out in Note 17.

Income Taxes

Brambles is a global company and is subject to income taxes in many jurisdictions around the world. Significant judgement is required in determining the provision for income taxes on a worldwide basis. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Brambles recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from amounts provided, such differences will impact the current and deferred tax provisions in the period in which such outcome is obtained. Refer to Note 8 for further details.

Note 4. Segment Information

Brambles' segment information is provided on the same basis as internal management reporting to the CEO and reflects how Brambles is organised and managed.

Brambles has six reportable segments, being Pallets - Americas, Pallets - EMEA, Pallets - Asia-Pacific (each pallet pooling businesses), Reusable Plastic Crates (RPCs) (crate pooling businesses), Containers (container pooling businesses) and Corporate (corporate centre).

Segment performance is measured on sales revenue, Underlying Profit, Cash Flow from Operations and Brambles Value Added (BVA). Underlying Profit is the main measure of segment profit. A reconciliation between Underlying Profit and operating profit is set out below.

Segment sales revenue is measured on the same basis as in the income statement. Segment sales revenue is allocated to segments based on product categories and physical location of the business unit that invoices the customer. Intersegment revenue during the period was immaterial. There is no single external customer who contributed more than 10% of Group sales revenue.

Assets and liabilities are measured consistently in segment reporting and in the balance sheet. Assets and liabilities are allocated to segments based on segment use and physical location. Cash, borrowings and tax balances are managed centrally and are not allocated to segments.

	Sales revenue		Cash Flow from Operations[2]		Brambles Value Added[3]	
	2015 US$M	**2014 US$M**	**2015 US$M**	**2014 US$M**	**2015 US$M**	**2014 US$M**
By operating segment[1]						
Pallets - Americas	**2,357.5**	2,301.9	**338.1**	395.9	**162.7**	181.2
Pallets - EMEA	**1,380.5**	1,458.6	**260.0**	290.4	**210.9**	168.2
Pallets - Asia-Pacific	**343.5**	362.9	**71.2**	68.6	**35.1**	33.1
Pallets	**4,081.5**	4,123.4	**669.3**	754.9	**408.7**	382.5
RPCs	**917.6**	895.8	**63.5**	97.3	**(53.9)**	(64.2)
Containers	**465.5**	385.3	**30.7**	26.7	**(49.0)**	(14.0)
Corporate	**-**	-	**(34.7)**	(50.7)	**(33.8)**	(32.1)
Continuing operations	**5,464.6**	5,404.5	**728.8**	828.2	**272.0**	272.2
By geographic origin						
Americas	**2,659.0**	2,582.0				
Europe	**2,077.3**	2,104.6				
Australia	**409.7**	421.5				
Other	**318.6**	296.4				
Total	**5,464.6**	5,404.5				

	Operating profit[4]		Significant Items before tax[5]		Underlying Profit[5]	
	2015 US$M	**2014 US$M**	**2015 US$M**	**2014 US$M**	**2015 US$M**	**2014 US$M**
By operating segment[1]						
Pallets - Americas	**399.8**	419.0	**(16.7)**	(16.0)	**416.5**	435.0
Pallets - EMEA	**341.8**	327.3	**(2.1)**	1.2	**343.9**	326.1
Pallets - Asia-Pacific	**70.6**	75.8	**(1.0)**	(0.6)	**71.6**	76.4
Pallets	**812.2**	822.1	**(19.8)**	(15.4)	**832.0**	837.5
RPCs	**130.8**	124.3	**(0.7)**	-	**131.5**	124.3
Containers	**58.1**	35.9	**(1.2)**	(2.1)	**59.3**	38.0
Corporate	**(62.6)**	(52.8)	**(25.6)**	(13.1)	**(37.0)**	(39.7)
Continuing operations	**938.5**	929.5	**(47.3)**	(30.6)	**985.8**	960.1

Note 4. Segment Information - continued

	Capital expenditure[6]		Depreciation and amortisation	
	2015 US$M	2014 US$M	2015 US$M	2014 US$M
By operating segment[1]				
Pallets - Americas	**379.6**	343.6	**214.8**	206.1
Pallets - EMEA	**256.0**	272.3	**124.0**	132.9
Pallets - Asia-Pacific	**61.6**	57.4	**40.1**	42.1
Pallets	**697.2**	673.3	**378.9**	381.1
RPCs	**238.3**	180.4	**102.0**	101.4
Containers	**101.0**	54.1	**66.4**	44.2
Corporate	**0.1**	0.2	**1.7**	1.6
Continuing operations	**1,036.6**	908.0	**549.0**	528.3

	Segment assets		Segment liabilities	
	2015 US$M	2014 US$M	2015 US$M	2014 US$M
By operating segment[1]				
Pallets - Americas	**2,398.9**	2,372.6	**399.3**	375.7
Pallets - EMEA	**1,419.7**	1,582.0	**310.6**	364.9
Pallets - Asia-Pacific	**397.6**	460.6	**75.5**	83.2
Pallets	**4,216.2**	4,415.2	**785.4**	823.8
RPCs	**2,025.1**	2,095.2	**521.5**	544.0
Containers	**1,100.4**	592.5	**112.6**	93.1
Corporate	**31.8**	47.5	**51.4**	59.2
Total segment assets and liabilities	**7,373.5**	7,150.4	**1,470.9**	1,520.1
Cash and borrowings	**166.2**	222.3	**2,855.1**	2,584.0
Current tax balances	**7.1**	14.5	**63.2**	41.6
Deferred tax balances	**41.9**	44.3	**564.3**	541.0
Equity-accounted investments	**5.9**	6.2	**-**	-
Total assets and liabilities	**7,594.6**	7,437.7	**4,953.5**	4,686.7
Non-current assets by geographic origin[7]				
Americas	**2,833.4**	2,703.9		
Europe	**2,615.6**	2,460.9		
Australia	**319.6**	349.3		
Other	**424.7**	408.3		
Total	**6,193.3**	5,922.4		

[1] Following the internal restructuring announced in August 2014, Pallets India is now disclosed within the Pallets EMEA segment. Pallets India was previously included within Pallets Asia-Pacific. Prior period comparatives have been restated as appropriate.

[2] Cash Flow from Operations is cash flow generated after net capital expenditure but excluding Significant Items that are outside the ordinary course of business.

[3] Brambles Value Added (BVA) is a non-statutory profit measure and represents the value generated over and above the cost of the capital used to generate that value. It is calculated using fixed 30 June 2014 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%.

[4] Operating profit is segment revenue less segment expense and excludes net finance costs.

[5] Underlying Profit is a non-statutory profit measure and represents profit from continuing operations before finance costs, tax and Significant Items (refer Note 6). It is presented to assist users of the financial statements to better understand Brambles' business results.

[6] Capital expenditure on property, plant & equipment on an accruals basis.

[7] Non-current assets exclude financial instruments and deferred tax assets.

Note 5. Operating Expenses - Continuing Operations

	2015 US$M	2014 US$M
Employment costs (Note 5A)	**892.8**	890.9
Service suppliers:		
- transport	**1,080.5**	1,084.6
- repairs and maintenance	**741.6**	749.1
- subcontractors and other service suppliers	**498.4**	469.3
Raw materials and consumables	**447.7**	441.3
Occupancy	**209.0**	216.0
Depreciation of property, plant and equipment	**501.3**	480.8
Impairment of property, plant and equipment	**5.0**	9.5
Irrecoverable pooling equipment provision expense	**79.7**	88.3
Amortisation of intangible assets and deferred expenditure:		
- software	**15.2**	15.3
- acquired intangible assets (other than software)	**30.3**	29.7
- deferred expenditure	**2.2**	2.5
Net foreign exchange (gains)/losses	**(1.5)**	1.3
Other	**139.4**	130.8
	4,641.6	4,609.4

A) Employment Costs

	2015 US$M	2014 US$M
Wages and salaries	**722.8**	720.6
Social security costs	**88.7**	90.3
Share-based payment expense[1]	**22.8**	25.4
Pension costs:		
- defined contribution plans	**21.9**	20.5
- defined benefit plans	**(0.6)**	2.6
Other post-employment benefits	**37.2**	31.5
	892.8	890.9

[1] Brambles recognised a total expense of US$21.8 million (2014: US$27.2 million) relating to equity-settled share-based payments and US$1.0 million relating to cash-settled share-based payments (2014: US$2.0 million). Of these amounts, nil (2014: US$3.8 million) related to discontinued operations.

Note 6. Significant Items - Continuing Operations

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 (e.g. 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.

Significant Items are disclosed to assist users of the financial statements to better understand Brambles' business results.

	2015 US$M		
	Before tax	**Tax**	**After tax**
Items outside the ordinary course of business:			
- acquisition-related costs[1]	**(12.5)**	**0.9**	**(11.6)**
- restructuring and integration costs[2]	**(34.8)**	**10.8**	**(24.0)**
Significant Items from continuing operations	**(47.3)**	**11.7**	**(35.6)**

	2014 US$M		
	Before tax	**Tax**	**After tax**
Items outside the ordinary course of business:			
- acquisition-related costs[1]	(1.0)	-	(1.0)
- restructuring and integration costs[2]	(29.6)	10.4	(19.2)
Significant Items from continuing operations	(30.6)	10.4	(20.2)

1 Professional fees and other transaction costs were incurred in relation to the Ferguson, Rentapack and other acquisition activities in 2015 and Transpac and Airworld acquisitions in 2014.

2 Redundancy, integration and other restructuring costs of US$34.8 million were incurred during the year (2014: US$29.6 million), of which US$28.0 million related to the One Better program (2014: US$7.5 million).

Note 7. Net Finance Costs - Continuing Operations

	2015 US$M	2014 US$M
Finance revenue		
Bank accounts and short term deposits	**0.9**	1.9
Derivative financial instruments	**12.2**	11.3
Other	**0.7**	2.3
	13.8	15.5
Finance costs		
Interest expense on bank loans and borrowings	**(121.5)**	(124.9)
Derivative financial instruments	**(0.6)**	(1.1)
Other	**(3.6)**	(2.5)
	(125.7)	(128.5)
Net finance costs	**(111.9)**	(113.0)

Note 8. Income Tax

	2015 US$M	2014 US$M
A) Components of Tax Expense		
Amounts recognised in the income statement		
Current income tax - continuing operations:		
- income tax charge	**200.6**	155.6
- prior year adjustments	**3.0**	5.0
	203.6	160.6
Deferred tax - continuing operations:		
- origination and reversal of temporary differences	**54.8**	103.3
- previously unrecognised tax losses	**(10.3)**	(12.2)
- prior year adjustments	**(7.0)**	(19.7)
	37.5	71.4
Tax expense - continuing operations	**241.1**	232.0
Tax expense - discontinued operations (Note 11)	**1.1**	34.3
Tax expense recognised in the income statement	**242.2**	266.3
Amounts recognised in the statement of comprehensive income		
- on actuarial losses on defined benefit pension plans	**(0.3)**	2.7
- on losses on revaluation of cash flow hedges	**-**	0.1
Tax (benefit)/expense recognised directly in the statement of comprehensive income	**(0.3)**	2.8

B) Reconciliation Between Tax Expense and Accounting Profit Before Tax

	2015 US$M	2014 US$M
Profit before tax - continuing operations	**826.6**	816.5
Tax at standard Australian rate of 30% (2014: 30%)	**248.0**	244.9
Effect of tax rates in other jurisdictions	**(23.9)**	(23.8)
Prior year adjustments	**(4.0)**	(14.7)
Current year tax losses not recognised	**8.0**	8.0
Foreign withholding tax unrecoverable	**6.4**	2.5
Change in tax rates	**1.1**	-
Non-deductible expenses	**11.3**	9.9
Other taxable items	**4.9**	-
Prior year tax losses recouped/recognised	**(10.3)**	(12.2)
Other	**(0.4)**	17.4
Tax expense - continuing operations	**241.1**	232.0
Tax expense - discontinued operations (Note 11)	**1.1**	34.3
Total income tax expense	**242.2**	266.3

Note 8. Income Tax - continued

	2015 US$M	2014 US$M
C) Components of and Changes in Deferred Tax Assets		
Deferred tax assets shown in the balance sheet are represented by cumulative temporary differences attributable to:		
Items recognised through the income statement		
Employee benefits	**21.9**	24.7
Provisions	**36.9**	36.1
Losses available against future taxable income	**241.0**	240.2
Other	**46.1**	40.9
	345.9	341.9
Items recognised in the statement of comprehensive income		
Actuarial losses on defined benefit pension plans	**11.6**	14.5
Share-based payments	**11.6**	13.9
	23.2	28.4
Set-off against deferred tax liabilities	**(327.2)**	(326.0)
Net deferred tax assets	**41.9**	44.3
Changes in deferred tax assets were as follows:		
At 1 July	**44.3**	48.2
Credited/(charged) to the income statement	**24.7**	(36.1)
Credited/(charged) directly to equity	**0.3**	(3.6)
Offset against deferred tax liabilities	**(25.1)**	32.4
Acquisition of subsidiary	**5.3**	1.2
Currency variations	**(7.6)**	2.2
At 30 June	**41.9**	44.3

Deferred tax assets are recognised for carried forward tax losses to the extent that the realisation of the related tax benefit through future taxable profits is probable. At reporting date, Brambles has unused tax losses of US$1,062.3 million (2014: US$1,170.9 million) available for offset against future profits. A deferred tax asset has been recognised in respect of US$730.3 million (2014: US$759.2 million) of such losses.

The benefit for tax losses will only be obtained if:

- Brambles derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- Brambles continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect Brambles in realising the benefit from the deductions for the losses.

No deferred tax asset has been recognised in respect of the remaining unused tax losses of US$332.0 million (2014: US$411.7 million) due to the unpredictability of future profit streams in the relevant jurisdictions. Tax losses of US$558.0 million (2014: US$514.5 million), which have been recognised in the balance sheet, have an expiry date between 2016 and 2035 (2014: between 2015 and 2033), however it is expected that these losses will be recouped prior to expiry. The remaining tax losses of US$172.3 million (US$244.7 million), which have been recognised in the balance sheet, can be carried forward indefinitely.

The majority of the deferred tax assets are expected to be recovered after 12 months of the balance date.

Note 8. Income Tax - continued

	2015 US$M	2014 US$M
D) Components and Changes in Deferred Tax Liabilities		
Deferred tax liabilities shown in the balance sheet are represented by cumulative temporary differences attributable to:		
Items recognised through the income statement		
Accelerated depreciation for tax purposes	**805.0**	727.2
Other	**85.3**	138.9
	890.3	866.1
Items recognised in the statement of comprehensive income		
Actuarial gains on defined benefit pension plans	**1.2**	0.9
Set-off against deferred tax assets	**(327.2)**	(326.0)
Net deferred tax liabilities	**564.3**	541.0
Changes in deferred tax liabilities were as follows:		
At 1 July	**541.0**	545.2
Charged to the income statement	**62.2**	35.3
Credited directly to equity	**-**	(0.8)
Acquisition of subsidiary	**32.7**	0.1
Demerger of subsidiaries	**-**	(79.5)
Offset against deferred tax asset	**(25.1)**	32.4
Currency variations	**(46.5)**	8.3
At 30 June	**564.3**	541.0

The majority of the deferred tax liabilities are expected to be realised after 12 months of the balance date.

At reporting date, undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised in the consolidated financial statements are US$1,045.5 million (2014: US$1,026.5 million). No deferred tax liability has been recognised for these amounts because Brambles controls the distributions from its subsidiaries and is satisfied that there is no liability in the foreseeable future.

E) Tax Consolidation

Brambles Limited and its Australian subsidiaries formed a tax consolidated group in 2006. Brambles Limited, as the head entity of the tax consolidated group, and its Australian subsidiaries have entered into a tax sharing agreement in order to allocate income tax expense. The tax sharing agreement uses a stand-alone basis of allocation. Consequently, Brambles Limited and its Australian subsidiaries account for their own current and deferred tax amounts as if they each continue to be taxable entities in their own right. In addition, the agreement provides funding rules setting out the basis upon which subsidiaries are to indemnify Brambles Limited in respect of tax liabilities and the methodology by which subsidiaries in tax loss are to be compensated.

Note 9. Earnings Per Share

	2015 US cents	2014 US cents
Earnings per share		
- basic	**37.3**	81.2
- diluted	**37.2**	80.8
From continuing operations		
- basic	**37.4**	37.5
- diluted	**37.3**	37.3
- basic, on Underlying Profit after finance costs and tax	**39.7**	38.7
From discontinued operations		
- basic	**(0.1)**	43.7
- diluted	**(0.1)**	43.5

Performance share rights and MyShare matching conditional rights granted under Brambles' share 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. Details are set out in Note 23.

	2015 Million	2014 Million
A) Weighted Average Number of Shares During the Year		
Used in the calculation of basic earnings per share	**1,566.0**	1,560.7
Adjustment for share rights	**4.8**	8.2
Used in the calculation of diluted earnings per share	**1,570.8**	1,568.9

	2015 US$M	2014 US$M
B) Reconciliations of Profits used in Earnings Per Share Calculations		
Statutory profit		
Profit from continuing operations	**585.5**	584.5
(Loss)/profit from discontinued operations	**(1.1)**	683.2
Profit used in calculating basic and diluted EPS	**584.4**	1,267.7
Underlying Profit after finance costs and tax		
Underlying Profit (Note 4)	**985.8**	960.1
Net finance costs (Note 7)	**(111.9)**	(113.0)
Underlying Profit before tax	**873.9**	847.1
Tax expense on Underlying Profit	**(252.8)**	(242.4)
Underlying Profit after finance costs and tax	**621.1**	604.7
which reconciles to statutory profit:		
Underlying Profit after finance costs and tax	**621.1**	604.7
Significant Items after tax (Note 6)	**(35.6)**	(20.2)
Profit from continuing operations	**585.5**	584.5

Note 10. Dividends

A) Dividends Paid During the Year

	Interim 2015	Final 2014
Dividend per share (in Australian cents)	14.0	13.5
Cost (in US$ million)	173.1	186.2
Payment date	9 April 2015	9 October 2014

B) Dividend Declared after 30 June 2015

	Final 2015
Dividend per share (in Australian cents)	**14.0**
Cost (in US$ million)	**161.8**
Payment date	**8 October 2015**
Dividend record date	**11 September 2015**

As this dividend had not been declared at 30 June 2015, it is not reflected in these financial statements.

C) Franking Credits

	2015 US$M	2014 US$M
Franking credits available for subsequent financial years based on a tax rate of 30%	**32.4**	69.5

The amounts above represent the balance of the franking account as at the end of the year, adjusted for:

- franking credits that will arise from the payment of the current tax liability;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- franking credits that will arise from dividends recognised as receivables at the reporting date; and
- franking credits that may be prevented from being distributed in subsequent financial years.

The final 2015 dividend will be franked at 30%.

Note 11. Discontinued Operations

Discontinued operations primarily comprise the Recall business which was demerged effective 18 December 2013. As a consequence of the demerger, Recall was presented in discontinued operations in 2014. In addition to Recall, discontinued operations comprise net adjustments relating to divestments completed in prior years.

Financial information for Recall for the period up to the date of demerger and other discontinued operations is summarised below:

	2015 US$M	2014 US$M
Profit before tax	-	717.5
Tax expense	**(1.1)**	(34.3)
(Loss)/profit for the year from discontinued operations	**(1.1)**	683.2

Profit before tax in 2014 comprised US$663.7 million profit on demerger (US$662.0 million after tax), US$54.3 million operating profit (which included US$(32.1) million of depreciation and amortisation expense and US$1.7 million of share of results of joint ventures) and US$(0.5) million net finance costs.

Significant Items outside the ordinary course of business relating to discontinued operations recognised during 2015 were US$0.7 million (2014: US$664.1 million).

Further details of the Recall demerger are set out in Brambles' 2014 Annual Report.

Note 12. Business Combinations

A) Ferguson Acquisition

On 12 September 2014, Brambles acquired 100% of Ferguson Group, a leading provider of container solutions to the offshore oil and gas sector, for an enterprise value of £320 million (US$522.5 million) with a cash consideration of £278.5 million (US$454.7 million).

For the period from 12 September 2014 to 30 June 2015, Ferguson contributed revenue of US$74.1 million and profit after tax of US$11.4 million. If the acquisition had occurred on 1 July 2014, Brambles' revenue and profit after tax for 2015 would have been US$18.2 million higher and US$4.0 million higher, respectively.

The fair value of the Ferguson assets acquired, liabilities assumed and goodwill were as follows, based on preliminary acquisition accounting data which will be finalised by September 2015:

	2015 US$M
Purchase consideration	**454.7**
Less: fair value of net identifiable assets acquired	**(133.9)**
Goodwill (at acquisition date)	**320.8**

The goodwill acquired is attributable to the profitability of the acquired business, as well as benefits derived from the acquired workforce and other intangible assets that cannot be separately recognised. The goodwill recognised is not expected to be deductible for income tax purposes.

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

	Fair value US$M
Cash and cash equivalents	**34.7**
Trade and other receivables	**25.2**
Property, plant and equipment	**166.8**
Intangible assets	**49.0**
Other assets	**4.4**
	280.1
Trade and other payables	**10.6**
Borrowings	**105.5**
Deferred tax liabilities	**20.5**
Other liabilities	**9.6**
	146.2
Net assets	**133.9**

Note 12. Business Combinations - continued

	2015 US$M
Cash outflow on acquisition of Ferguson was as follows:	
Purchase consideration	**454.7**
Add: Payments receivable from vendor	**2.5**
Less: cash acquired, net of overdrafts	**(31.1)**
Net cash outflow	**426.1**

B) Rentapack Acquisition

On 20 May 2015, Brambles announced its acquisition of Renta Pack SA, Chile's leading provider of RPC pooling services, for an enterprise value of 38 billion Chilean pesos (US$61.7 million) with a cash consideration of US$49.1 million. A provisional goodwill of US$32.2 million has been recognised for this acquisition.

C) Other

In addition to the above acquisitions, there were other minor acquisitions during the year with immaterial impact.

Note 13. Trade and Other Receivables

	2015 US$M	2014 US$M
Current		
Trade receivables	**817.0**	848.5
Provision for doubtful receivables (A)	**(14.6)**	(17.0)
Net trade receivables	**802.4**	831.5
Other debtors (B)	**141.6**	163.8
Accrued and unbilled revenue	**100.6**	108.2
	1,044.6	1,103.5

A) Provision for Doubtful Receivables

Trade receivables are non-interest bearing and are generally on 30–90 day terms. A provision for doubtful receivables is established when there is a level of uncertainty as to the full recoverability of the receivable, based on objective evidence. A provision of US$5.6 million (2014: US$5.9 million) has been recognised as an expense in the current year for specific trade and other receivables for which such evidence exists.

Movements in the provision for doubtful receivables were as follows:

	2015	2014
At 1 July	**17.0**	27.9
Charge for the year	**5.6**	5.9
Amounts written off	**(6.7)**	(4.2)
Acquisition of subsidiaries	**0.7**	-
Demerger of subsidiaries	**-**	(11.7)
Foreign exchange differences	**(2.0)**	(0.9)
At 30 June	**14.6**	17.0

Note 13. Trade and Other Receivables - continued

	2015 US$M	2014 US$M
At 30 June, the ageing analysis of trade receivables by reference to due dates was as follows:		
Not past due	**618.9**	628.9
Past due 0-30 days but not impaired	**134.3**	142.3
Past due 31-60 days but not impaired	**26.4**	32.7
Past due 61-90 days but not impaired	**9.5**	11.3
Past 90 days but not impaired	**13.3**	16.3
Impaired	**14.6**	17.0
	817.0	848.5

At 30 June 2015, trade receivables of US$183.5 million (2014: US$202.6 million) were past due but not doubtful. These trade receivables comprise customers who have a good debt history and are considered recoverable.

At 30 June 2015, trade receivables of US$14.6 million (2014: US$17.0 million) were considered to be impaired. A provision of US$14.6 million (2014: US$17.0 million) has been recognised for doubtful receivables.

B) Other Debtors

Other debtors primarily comprise GST/VAT recoverable, loss compensation receivables and certain balances arising from outside Brambles' ordinary business activities, such as deferred proceeds on sale of property, plant and equipment.

At 30 June 2015, other debtors of US$76.3 million (2014: US$98.4 million) were past due but not considered to be impaired. No specific collection issues have been identified with these receivables. An ageing of these receivables was as follows:

	2015 US$M	2014 US$M
Not past due	**65.3**	65.4
Past due 0-30 days but not impaired	**5.2**	32.6
Past due 31-60 days but not impaired	**3.8**	3.0
Past due 61-90 days but not impaired	**2.4**	1.7
Past 90 days but not impaired	**64.9**	61.1
	141.6	163.8

Refer to Note 25 for other financial instruments disclosures.

Note 14. Inventories

	2015 US$M	2014 US$M
Raw materials and consumables	**53.1**	43.3
Work in progress	**2.4**	0.7
Finished goods	**25.8**	22.9
	81.3	66.9

Note 15. Other Assets

	2015 US$M	2014 US$M
Current		
Prepayments	**46.8**	41.1
Current tax receivable	**7.1**	14.5
Derivative financial instruments (Note 25)	**5.1**	14.6
	59.0	70.2
Non-current		
Prepayments	**6.2**	1.4
Derivative financial instruments (Note 25)	**8.3**	8.1
Other receivables	**5.5**	3.8
	20.0	13.3

Note 16. Property, Plant and Equipment

	Land and buildings US$M	Plant and equipment US$M	Total US$M
At 1 July 2013			
Cost	212.4	7,157.3	7,369.7
Accumulated depreciation	(90.1)	(2,871.7)	(2,961.8)
Net carrying amount	122.3	4,285.6	4,407.9
Year ended 30 June 2014			
Opening net carrying amount	122.3	4,285.6	4,407.9
Additions	11.7	932.9	944.6
Acquisition of subsidiaries	32.8	6.7	39.5
Disposals	-	(76.4)	(76.4)
Demerger of subsidiaries	(136.8)	(282.0)	(418.8)
Depreciation charge	(7.6)	(494.3)	(501.9)
Impairment of pooling equipment	-	(7.4)	(7.4)
Irrecoverable pooling equipment provision expense	-	(88.3)	(88.3)
Foreign exchange differences	5.0	63.3	68.3
Closing net carrying amount	27.4	4,340.1	4,367.5
At 30 June 2014			
Cost	55.1	7,210.9	7,266.0
Accumulated depreciation	(27.7)	(2,870.8)	(2,898.5)
Net carrying amount	27.4	4,340.1	4,367.5
Year ended 30 June 2015			
Opening net carrying amount	**27.4**	**4,340.1**	**4,367.5**
Additions	**5.1**	**1,031.5**	**1,036.6**
Acquisition of subsidiaries	**15.3**	**186.1**	**201.4**
Disposals	**(0.7)**	**(79.7)**	**(80.4)**
Depreciation charge	**(2.9)**	**(498.4)**	**(501.3)**
Impairment of pooling equipment	**-**	**(5.0)**	**(5.0)**
Irrecoverable pooling equipment provision expense	**-**	**(79.7)**	**(79.7)**
Foreign exchange differences	**(3.4)**	**(511.0)**	**(514.4)**
Closing net carrying amount	**40.8**	**4,383.9**	**4,424.7**
At 30 June 2015			
Cost	**68.4**	**7,111.7**	**7,180.1**
Accumulated depreciation	**(27.6)**	**(2,727.8)**	**(2,755.4)**
Net carrying amount	**40.8**	**4,383.9**	**4,424.7**

The net carrying amounts above include plant and equipment held under finance lease US$34.2 million (2014: US$15.4 million); leasehold improvements US$20.4 million (2014: US$22.9 million); and capital work in progress US$26.6 million (2014: US$43.5 million).

Note 17. Goodwill

	2015 US$M	2014 US$M
A) Net Carrying Amounts and Movements During the Year		
At 1 July		
Carrying amount	**1,322.4**	1,736.7
Year ended 30 June		
Opening net carrying amount	**1,322.4**	1,736.7
Acquisition of subsidiaries	**351.4**	154.8
Demerger of subsidiaries	**-**	(607.6)
Foreign exchange differences	**(143.3)**	38.5
Closing net carrying amount	**1,530.5**	1,322.4
At 30 June		
Gross carrying amount	**1,530.5**	1,322.4

B) Segment-Level Summary of Net Carrying Amount

Goodwill acquired through business combinations is allocated to cash generating units (CGU), which are the smallest identifiable groupings of Brambles' cash generating assets. A segment-level summary of the goodwill allocation is presented as follows:

	2015 US$M	2014 US$M
Pallets - Americas	**315.2**	316.5
Pallets - EMEA	**38.3**	40.4
Pallets - Asia-Pacific	**24.9**	31.4
Pallets	**378.4**	388.3
RPCs	**648.0**	700.4
Containers	**504.1**	233.7
Total goodwill	**1,530.5**	1,322.4

C) Recoverable Amount Testing - Continuing Operations

The recoverable amount of goodwill is determined based on value in use calculations undertaken at the CGU level. The value in use is calculated using a discounted cash flow methodology covering a five-year period with an appropriate terminal value at the end of that period. Based on the impairment testing, the carrying amounts of goodwill in the CGUs related to continuing operations at reporting date were fully supported. The key assumptions on which management has based its cash flow projections were:

Cash flow forecasts
Cash flow forecasts are post tax and based on the most recent financial projections covering a maximum period of five years. Financial projections are based on assumptions that represent management's best estimates.

Revenue growth rates
Revenue growth rates used are based on management's latest five-year plan. Five-year growth rates ranged between 6.4% and 15.6% (average rates: Pallets 6.9%; RPCs 11.3% and Containers 11.7%). Growth rates for 2014 ranged between 3.2% and 15.2%.

Terminal value
The terminal value calculated after year five is determined using the stable growth model, having regard to the weighted average cost of capital and terminal growth factor appropriate to each CGU. Average terminal growth rates used in the financial projections were: Pallets 2.9%; RPCs 2.2% and Containers 2.3% (2014: Pallets 3.1%; RPCs 3.3% and Containers 2.6%).

Discount rates
Discount rates used are the pre-tax weighted average cost of capital (WACC) and include a premium for market risks appropriate to each country in which the CGU operates. WACCs ranged between 7.0% and 9.4% (average rates: Pallets 9.2%; RPCs 8.9% and Containers 8.1%). WACCs for 2014 ranged between 8.8% and 12.5% (average rates: Pallets 12.5%; RPCs 10.2% and Containers 10.7%).

Sensitivity
Any reasonable change to the above key assumptions would not cause the carrying value of any of the CGUs to materially exceed its recoverable amount.

Note 18. Intangible Assets

	Software US$M	Other[1] US$M	Total US$M
At 1 July 2013			
Gross carrying amount	419.0	439.2	858.2
Accumulated amortisation	(345.9)	(175.8)	(521.7)
Net carrying amount	73.1	263.4	336.5
Year ended 30 June 2014			
Opening carrying amount	73.1	263.4	336.5
Additions	19.3	6.6	25.9
Acquisition of subsidiaries	0.2	12.2	12.4
Demerger of subsidiaries	(25.6)	(74.6)	(100.2)
Amortisation charge	(20.6)	(37.9)	(58.5)
Impairment charge	-	(2.1)	(2.1)
Foreign exchange differences	0.8	6.3	7.1
Closing carrying amount	47.2	173.9	221.1
At 30 June 2014			
Gross carrying amount	341.5	287.8	629.3
Accumulated amortisation	(294.3)	(113.9)	(408.2)
Net carrying amount	47.2	173.9	221.1
Year ended 30 June 2015			
Opening carrying amount	**47.2**	**173.9**	**221.1**
Additions	**11.7**	**2.1**	**13.8**
Acquisition of subsidiaries	**0.1**	**53.8**	**53.9**
Disposals	**(0.1)**	**(0.1)**	**(0.2)**
Amortisation charge	**(15.2)**	**(32.5)**	**(47.7)**
Foreign exchange differences	**(1.0)**	**(19.4)**	**(20.4)**
Closing carrying amount	**42.7**	**177.8**	**220.5**
At 30 June 2015			
Gross carrying amount	**328.4**	**309.9**	**638.3**
Accumulated amortisation	**(285.7)**	**(132.1)**	**(417.8)**
Net carrying amount	**42.7**	**177.8**	**220.5**

[1] Other intangible assets primarily comprise acquired customer relationships, customer lists and agreements.

Note 19. Trade and Other Payables

	2015 US$M	2014 US$M
Current		
Trade payables	**496.9**	480.1
GST/VAT, refundable deposits and other payables	**471.1**	485.2
Accruals and deferred income	**313.8**	345.0
Derivative financial instruments (Note 25)	**4.0**	1.1
	1,285.8	1,311.4
Non-current		
Derivative financial instruments (Note 25)	**1.8**	8.0
Other liabilities	**6.1**	5.4
	7.9	13.4

Trade payables and other current payables are non-interest bearing and are generally settled on 30–90 day terms.
Refer to Note 25 for other financial instruments disclosures.

Note 20. Provisions

	Employee entitlements US$M	Other US$M	Total US$M
At 1 July 2014			
Current	83.9	29.6	113.5
Non-current	4.5	16.4	20.9
	88.4	**46.0**	**134.4**
Charge to income statement			
Additional provisions	**82.6**	**13.8**	**96.4**
Unused amounts reversed	**-**	**(1.7)**	**(1.7)**
Utilisation of provision	**(87.5)**	**(17.3)**	**(104.8)**
Acquisition of subsidiaries	**0.7**	**9.3**	**10.0**
Foreign exchange differences	**(8.7)**	**(3.4)**	**(12.1)**
At 30 June 2015	**75.5**	**46.7**	**122.2**
Current	**71.6**	**31.4**	**103.0**
Non-current	**3.9**	**15.3**	**19.2**

Employee entitlements provision comprises US$10.2 million (2014: US$18.8 million) for long service leave, US$1.5 million (2014: US$1.6 million) for phantom shares and US$63.8 million (2014: US$68.0 million) for bonuses and other employee-related obligations (other than those resulting from pension plans). None of these amounts related to phantom shares which had vested at reporting date. US$7.5 million (2014: US$14.7 million) of the long service leave provision has been recognised as current as it is expected to be settled within one year from reporting date. The remaining balance of long service leave of US$2.7 million (2014: US$4.1 million) is expected to settle within the next two to ten years and has been discounted to present value.

Note 21. Retirement Benefit Obligations

A) Defined Contribution Plans

Brambles operates a number of defined contribution retirement benefit plans for qualifying employees. The assets of these plans are held in separately administered trusts or insurance policies. In some countries, Brambles' employees are members of state-managed retirement benefit plans. Brambles is required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund benefits. The only obligation of Brambles with respect to defined contribution retirement benefit plans is to make the specified contributions.

US$21.9 million (2014: US$24.7 million) representing contributions paid and payable to these plans by Brambles at rates specified in the rules of the plans has been recognised as an expense in the income statement, all of which relates to continuing operations (2014: US$20.5 million).

B) Defined Benefit Plans

Brambles operates a small number of defined benefit pension plans, which are closed to new entrants. The majority of the plans are self-administered and the plans' assets are held independently of Brambles' finances. Under the plans, members are entitled to retirement benefits based upon a percentage of final salary. No other post-retirement benefits are provided. The plans are funded plans.

The plan assets and the present value of the defined benefit obligation recognised in Brambles' balance sheet are based upon the most recent formal actuarial valuations which have been updated to 30 June 2015 by independent professionally qualified actuaries and take account of the requirements of AASB 119. For all plans, the valuation updates have used assumptions, assets and cash flows as at 31 May 2015. The present value of the defined benefit obligation and the past service cost were measured using the projected unit credit method.

A net expense of US$0.2 million has been recognised in the income statement in respect of defined benefit plans (2014: US$3.8 million), of which US$0.6 million net income relates to continuing operations (2014: US$2.6 million). Included within the total expense recognised during the year is a net interest cost of US$1.5 million (2014: US$1.9 million).

The amounts recognised in the balance sheet are as follows:

	2015 US$M	**2014 US$M**
Present value of defined benefit obligations	**299.4**	299.8
Fair value of plan assets	**(244.4)**	(238.9)
Net liability recognised in the balance sheet	**55.0**	60.9

Currency variations and a decline in contributions from sponsoring employees were the key drivers for the changes in the present value of defined benefit obligations and the fair value of plan assets. Benefits paid during the period were US$6.1 million (2014: US$7.6 million). The principal assumption used in the actuarial valuations of the defined benefit obligation was the discount rate of 3.5% (2014: 4.2%) for the plans operating in the United Kingdom and 7.4% (2014: 7.4%) for the South African plans. A reasonably possible change in discount rate or other key assumptions would not have a material impact on the defined benefit obligation.

Brambles has no legal obligation to settle this liability with an immediate contribution or additional one-off contributions. Brambles intends to continue to make contributions to the plans at the rates recommended by the funds' actuaries when actuarial valuations are obtained. Additional annual contributions of US$7.9 million (2014: US$4.8 million) are being paid to remove the identified deficits over a period of 7 years (2014: 9 years).

Note 22. Contributed Equity

	Shares	**US$M**
Total ordinary shares, of no par value, issued and fully paid:		
At 1 July 2013	1,557,367,436	6,618.5
Issued during the year	5,578,511	44.1
Demerger capital reduction	-	(669.2)
At 30 June 2014	1,562,945,947	5,993.4
At 1 July 2014	**1,562,945,947**	**5,993.4**
Issued during the year	**4,019,587**	**34.0**
At 30 June 2015	**1,566,965,534**	**6,027.4**

Ordinary shares of Brambles Limited entitle the holder to participate in dividends and the proceeds on any winding up of the Company in proportion to the number of shares held.

Note 23. Share-Based Payments

The Remuneration Report sets out details relating to the Brambles share plans (pages 27 to 29), together with details of performance share rights and MyShare matching conditional rights issued to the Executive Director and other Key Management Personnel (pages 23 to 24). Rights granted by Brambles do not result in an entitlement to participate in share issues of any other corporation.

Set out below are summaries of rights granted under the plans.

A) Grants over Brambles Limited Shares

Grant date	Expiry date	Balance at 1 July	Granted during the year	Demerger adjusted	Exercised during the year	Forfeited/ lapsed during the year	Balance at 30 June
2015							
Performance share rights							
27 Aug 2008	27 Aug 2014	24,137	-	-	(24,137)	-	-
25 Nov 2009	26 Nov 2015	7,700	-	-	(4,400)	-	3,300
24 Nov 2010	24 Nov 2016	93,704	-	-	(68,553)	-	25,151
31 Mar 2011	30 Jun 2017	667,579	-	-	(630,129)	-	37,450
06 Sep 2011	06 Sep 2017	2,436,555	-	-	(1,240,738)	(1,164,335)	31,482
07 Jun 2012	07 Jun 2018	15,966	-	-	(15,966)	-	-
25 Sep 2012	25 Sep 2018	2,829,702	-	-	(1,333,775)	(4,342)	1,491,585
12 Oct 2012	12 Oct 2018	265,279	-	-	(54,189)	-	211,090
25 Sep 2013	25 Sep 2019	2,560,091	-	-	(5,572)	(2,724)	2,551,795
2 Sep 2014	2 Sep 2020	-	5,500	-	-	-	5,500
25 Sep 2014	25 Sep 2020	-	2,598,263	-	(4,875)	-	2,593,388
3 Nov 2014	3 Nov 2020	-	500	-	-	-	500
1 Dec 2014	1 Dec 2020	-	131,760	-	-	-	131,760
16 Jan 2015	16 Jan 2021	-	24,280	-	-	-	24,280
MyShare matching conditional rights							
2013 Plan Year	31 Mar 2015	579,801	-	-	(546,232)	(33,569)	-
2014 Plan Year	31 Mar 2016	249,910	473,875	-	(23,660)	(59,807)	640,318
2015 Plan Year	31 Mar 2017	-	267,627	-	(820)	(4,244)	262,563
Total rights		**9,730,424**	**3,501,805**	**-**	**(3,953,046)**	**(1,269,021)**	**8,010,162**
2014 (summarised comparative)							
Total rights		12,872,961	3,157,860	896,556	(5,525,198)	(1,671,755)	9,730,424

Of the above grants, 237,414 rights were exercisable at 30 June 2015.

		2015	2014
Weighted average data:			
- fair value at grant date of grants made during the year	A$	**9.20**	8.12
- share price at exercise date of grants exercised during the year	A$	**10.19**	8.84
- remaining contractual life at 30 June	years	**4.0**	3.9

Note 23. Share-Based Payments - continued

B) Fair Value Calculations

The fair value of performance share rights and MyShare matching conditional rights was determined as at grant date, using a binomial valuation methodology. The values calculated do not take into account the probability of rights being forfeited prior to vesting, as a probability adjustment is made when computing the share-based payment expense.

The significant inputs into the valuation models for the grants made during the year were:

	2015 Grants	2014 Grants
Weighted average share price	**A$9.92**	A$8.58
Expected volatility	**20%**	20%
Expected life	**2-3 years**	2-3 years
Annual risk-free interest rate	**2.66-2.80%**	2.60-2.82%
Expected dividend yield	**3.50%**	3.50%

The expected volatility was determined based on a four-year historic volatility of Brambles' share prices.

Note 24. Reserves and Retained Earnings

	2015 US$M	2014 US$M
Reserves	**(7,101.8)**	(6,742.5)
Retained earnings	**3,715.5**	3,500.1
	(3,386.3)	(3,242.4)

A) Movements in Reserves and Retained Earnings

	Reserves						
	Hedging US$M	Share-based payment US$M	Foreign currency translation US$M	Unification US$M	Other US$M	Total US$M	Retained earnings US$M
Year ended 30 June 2014							
Opening balance	(0.3)	98.6	148.6	(7,162.4)	167.3	(6,748.2)	3,155.1
Actuarial loss on defined benefit plans	-	-	-	-	-	-	(10.6)
FCTR released to profits on demerger of Recall	-	-	(29.4)	-	-	(29.4)	-
Foreign exchange differences	-	-	50.8	-	-	50.8	-
Cash flow hedges:							
- fair value losses	(0.4)	-	-	-	-	(0.4)	-
- tax on fair value losses	0.1	-	-	-	-	0.1	-
- transfers to property, plant and equipment	0.5	-	-	-	-	0.5	-
- tax on transfers to net profit	(0.2)	-	-	-	-	(0.2)	-
Share-based payments:							
- expense recognised during the year	-	27.2	-	-	-	27.2	-
- shares issued	-	(43.1)	-	-	-	(43.1)	-
- equity component of related tax	-	4.6	-	-	-	4.6	-
- transfer to retained earnings on demerger of Recall	-	(4.4)	-	-	-	(4.4)	4.4
Dividends declared	-	-	-	-	-	-	(376.1)
Demerger dividend	-	-	-	-	-	-	(540.4)
Net profit for the year	-	-	-	-	-	-	1,267.7
Closing balance	(0.3)	82.9	170.0	(7,162.4)	167.3	(6,742.5)	3,500.1
Year ended 30 June 2015							
Opening balance	**(0.3)**	**82.9**	**170.0**	**(7,162.4)**	**167.3**	**(6,742.5)**	**3,500.1**
Actuarial loss on defined benefit plans	**-**	**-**	**-**	**-**	**-**	**-**	**(0.7)**
Foreign exchange differences	**-**	**-**	**(350.0)**	**-**	**-**	**(350.0)**	**-**
Share-based payments:							
- expense recognised during the year	**-**	**21.8**	**-**	**-**	**-**	**21.8**	**-**
- shares issued	**-**	**(34.0)**	**-**	**-**	**-**	**(34.0)**	**-**
- equity component of related tax	**-**	**2.9**	**-**	**-**	**-**	**2.9**	**-**
Dividends declared	**-**	**-**	**-**	**-**	**-**	**-**	**(368.3)**
Net profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**584.4**
Closing balance	**(0.3)**	**73.6**	**(180.0)**	**(7,162.4)**	**167.3**	**(7,101.8)**	**3,715.5**

Note 24. Reserves And Retained Earnings - continued

B) Nature and Purpose of Reserves

Hedging reserve

This comprises the cumulative portion of the gain or loss of cash flow hedges that are determined to be effective hedges. Amounts are recognised in the income statement when the associated hedged transaction is recognised or the hedge or the forecast hedged transaction is no longer highly probable.

Share-based payments reserve

This comprises the cumulative share-based payment expense recognised in the income statement in relation to equity-settled options and share rights issued but not yet exercised. Refer to Note 23 for further details.

Foreign currency translation reserve

This comprises cumulative exchange differences arising from the translation of the financial statements of foreign subsidiaries, net of qualifying net investment hedges. The relevant accumulated balance is recognised in the income statement on disposal of a foreign subsidiary.

Unification reserve

On Unification, Brambles Limited issued shares on a one-for-one basis to those Brambles Industries Limited (BIL) and Brambles Industries plc (BIP) shareholders who did not elect to participate in the Cash Alternative. The Unification reserve of US$15,385.8 million was established on 4 December 2006, representing the difference between the Brambles Limited share capital measured at fair value and the carrying value of the share capital of BIL and BIP at that date. In the consolidated financial statements, the reduction in share capital of US$8,223.4 million on 9 September 2011 by the parent entity in accordance with section 258F of the Corporations Act 2001 was applied against the Unification reserve.

Other

This comprises a merger reserve created in 2001 and a capital redemption reserve created in 2006.

Note 25. Financial Risk Management

Brambles is exposed to a variety of financial risks: market risk (including the effect of fluctuations in interest rates and exchange rates), liquidity risk and credit risk.

Brambles' overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of Brambles.

Brambles uses standard derivative financial instruments to manage its risk exposure in the normal course of business. Brambles does not trade in financial instruments for speculative purposes. Hedging activities are conducted through Brambles' Treasury department on a centralised basis in accordance with Board policies and guidelines through standard operating procedures and delegated authorities.

Policies with respect to financial risk management and hedging activities are discussed below and should be read in conjunction with detailed information contained in the Operating & Financial Review on pages 3 to 11.

A) Financial Assets and Liabilities

Set out below are the carrying amounts of financial instruments recognised in the balance sheet. With the exception of loans and receivables and derivatives designated as hedging instruments, all financial assets are classified as financial assets at fair value through profit or loss.

	2015 US$M	2014 US$M	2015 US$M	2014 US$M
	Current		Non-current	
Financial assets				
- cash at bank and in hand (Note 26)	**158.3**	215.8	**-**	-
- short term deposits (Note 26)	**7.9**	6.5	**-**	-
- trade receivables (Note 13)	**802.4**	831.5	**-**	-
- derivative financial instruments (Note 15)	**5.1**	14.6	**8.3**	8.1
· interest rate swaps - fair value hedges	*3.8*	*14.2*	*8.3*	*7.6*
· forward foreign exchange contracts - held for trading	*1.1*	*0.4*	-	-
· embedded derivatives	*0.2*	-	-	*0.5*
	973.7	1,068.4	**8.3**	8.1
Financial liabilities				
- trade payables (Note 19)	**496.9**	480.1	**-**	-
- borrowings	**127.5**	497.8	**2,727.6**	2,086.2
Unsecured:				
· bank overdrafts	*9.5*	*0.5*	-	-
· bank loans	*39.9*	*32.6*	*964.0*	*47.9*
· loan notes	*68.7*	*436.3*	*1,738.8*	*2,025.2*
· other loans	-	*16.5*	-	*9.6*
· finance lease liabilities	*8.6*	*11.9*	*21.2*	*3.5*
Secured:				
· finance lease liabilities	*0.8*	-	*3.6*	-
- derivative financial instruments (Note 19)	**4.0**	1.1	**1.8**	8.0
· interest rate swaps - fair value hedges	-	-	*1.8*	*8.0*
· forward foreign exchange contracts - cash flow hedges	-	*0.1*	-	-
· forward foreign exchange contracts - held for trading	*4.0*	*1.0*	-	-
	628.4	979.0	**2,729.4**	2,094.2

The fair values of all financial instruments held on the balance sheet as at 30 June 2015 equal the carrying amount, with the exception of loan notes, which has an estimated fair value of US$1,945.9 million (2014: US$2,641.7 million). Financial assets and liabilities held at fair value are estimated using level 2 estimation techniques which uses inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The fair value of loan notes has been calculated by discounting future cash flows at prevailing interest rates for the relevant yield curves. The methodology for calculating fair values of derivative instruments is set out in Note 2.

Note 25. Financial Risk Management - continued

B) Market Risk

Brambles has the following risk policies in place with respect to market risk.

Interest rate risk

Brambles' exposure to potential volatility in finance costs, predominantly US dollars and euros, is managed by maintaining a mix of fixed and floating-rate instruments within select target bands over defined periods. In most cases, interest rate derivatives are used to achieve these targets synthetically.

The following table sets out the financial instruments exposed to interest rate risk at reporting date:

	2015 US$M	2014 US$M
Financial assets (floating rate)		
Cash at bank	**158.3**	215.8
Short term deposits	**7.9**	6.5
	166.2	222.3
Weighted average effective interest rate	**1.0%**	0.7%
Financial liabilities (floating rate)		
Bank overdrafts	**9.5**	0.5
Bank loans	**965.3**	31.2
Interest rate swaps (notional value) - fair value hedges	**561.0**	1,132.1
Net exposure to cash flow interest rate risk	**1,535.8**	1,163.8
Weighted average effective interest rate	**1.8%**	2.2%
Financial liabilities (fixed rate)		
Loan notes	**1,807.5**	2,461.5
Bank loans	**38.6**	49.3
Finance lease liabilities	**34.2**	15.4
Other loans	**-**	26.1
Interest rate swaps (notional value) - fair value hedges	**(561.0)**	(1,132.1)
Net exposure to fair value interest rate risk	**1,319.3**	1,420.2
Weighted average effective interest rate	**5.4%**	5.4%

Note 25. Financial Risk Management - continued

B) Market Risk - continued

Interest rate swaps - fair value hedges

Brambles entered into interest rate swap transactions with various banks swapping the €500 million 2024 Euro medium term fixed rate notes to variable rates for all or part of the term. In accordance with AASB 139, the carrying value of the loan notes have been adjusted to increase debt by US$11.1 million (2014: US$11.7 million) in relation to changes in fair value attributable to the hedged risk. The fair value of interest rate swaps at reporting date was US$11.0 million (2014: US$13.8 million).

The terms of the swaps match the terms of the fixed rate bond issue for the amounts and durations being hedged.

The gain or loss from re-measuring the interest rate swaps at fair value is recorded in the income statement together with any changes in the fair value of the hedged asset or liability that is attributed to the hedged risk. For 2015, all interest rate swaps were effective hedging instruments.

Sensitivity analysis

The following table sets out the sensitivity of Brambles' financial assets and financial liabilities to interest rate risk applying the following assumptions:

	Interest rate risk			
	2015		2014	
	lower rates	higher rates	lower rates	higher rates
US dollar interest rates	**- 25 bps**	**+ 75 bps**	- 25 bps	+ 50 bps
Australian dollar interest rates	**- 25 bps**	**+ 50 bps**	- 25 bps	+ 50 bps
Sterling interest rates	**- 25 bps**	**+ 50 bps**	- 25 bps	+ 50 bps
Euro interest rates	**- 25 bps**	**+ 25 bps**	- 25 bps	+ 50 bps

	US$M	US$M	US$M	US$M
Impact on profit after tax	**2.8**	**(5.4)**	2.0	(4.0)
Impact on equity	**-**	**-**	-	-

Based on financial instruments held at 30 June 2015, if interest rates were to parallel shift by the number of basis points in the different currencies noted above with all other variables held constant, profit after tax for the year would have been US$2.8 million higher or US$5.4 million lower (2014: US$2.0 million higher or US$4.0 million lower), mainly as a result of lower/higher interest expense on bank borrowings. The impact on equity would have been nil (2014: nil). Given its geographically diverse operations, Brambles had interest rate exposure positions against a variety of currencies, predominantly US dollars and euros.

Foreign exchange risk

Exposure to foreign exchange risk generally arises in either the value of transactions translated back to the functional currency of a subsidiary or the value of assets and liabilities of overseas subsidiaries when translated back to the Group's reporting currency.

Foreign exchange hedging is used when a transaction exposure exceeds certain thresholds and as soon as a defined exposure arises. Within Brambles, exposures may arise with external parties or, alternatively, by way of cross-border intercompany transactions. Forward foreign exchange contracts are primarily used to manage these exposures. Given that Brambles both generates income and incurs expenses in its local currencies of operation, these exposures are not significant.

Brambles generally mitigates translation exposures by raising debt in currencies where there are matching assets.

Currency profile

The following table sets out the currency mix profile of Brambles' financial instruments at reporting date:

	US dollar US$M	Aust. dollar US$M	Sterling US$M	Euro US$M	Other US$M	Total US$M
2015						
Financial assets	**241.2**	**62.8**	**62.0**	**349.3**	**266.7**	**982.0**
Financial liabilities	**1,353.3**	**28.3**	**309.9**	**1,351.6**	**314.7**	**3,357.8**
2014						
Financial assets	232.9	69.9	69.2	419.4	285.1	1,076.5
Financial liabilities	1,227.8	34.3	44.3	1,590.1	176.7	3,073.2

Note 25. Financial Risk Management - continued

B) Market Risk - continued

Forward foreign exchange contracts - cash flow hedges

Brambles enters into forward foreign exchange contracts to hedge currency exposures arising from normal commercial transactions such as the purchase and sale of equipment and services, intercompany interest and royalties.

During 2015, Brambles entered into forward foreign exchange transactions with various banks in a variety of cross-currencies for terms ranging up to 6 months. Most contracts create an obligation on Brambles to take receipt of or deliver a foreign currency which is used to fulfil the foreign currency sale or purchase order.

For 2015 and 2014, all foreign exchange contracts were effective hedging instruments. The fair value of these contracts at reporting date was nil (2014: US$(0.1) million).

Other forward foreign exchange contracts

Brambles enters into other forward foreign exchange contracts for the purpose of hedging various cross-border intercompany loans to overseas subsidiaries. In this case, the forward foreign exchange contract provides an economic hedge against exchange fluctuations in the foreign currency loan balance. The face value and terms of the foreign exchange contracts match the intercompany loan balances. Gains and losses on realignment of the intercompany loan and foreign exchange contracts to spot rates are offset in the income statement. Consequently, these foreign exchange contracts are not designated for hedge accounting purposes and are classified as held for trading. The fair value of these contracts at reporting date was US$(2.9) million (2014: US$(0.6) million).

Hedge of net investment in foreign entity

At 30 June 2015, €350.5 million (US$393.3 million) of the 2024 Euro medium term note has been designated as a hedge of the net investment in Brambles' European subsidiaries and is being used to partially hedge Brambles' exposure to foreign exchange risks on these investments. For 2015 and 2014, there was no ineffectiveness to be recorded from such partial hedges of net investments in foreign entities.

Sensitivity analysis

The following table sets out the sensitivity of Brambles' financial assets and financial liabilities to foreign exchange risk (transaction exposures only):

	Foreign exchange risk			
	2015		**2014**	
	lower rates	**higher rates**	**lower rates**	**higher rates**
Exchange rate movement	**-10%**	**+10%**	-10%	+10%
	US$M	**US$M**	**US$M**	**US$M**
Impact on profit after tax	**0.1**	**(0.1)**	0.5	(0.5)
Impact on equity	**(28.0)**	**28.0**	(34.1)	34.1

Based on the financial instruments held at 30 June 2015, if exchange rates were to weaken/strengthen by 10% with all other variables held constant, profit after tax for the year would have been US$0.1 million higher/lower (2014: US$0.5 million higher/lower). The impact on equity would have been US$28.0 million lower/higher (2014: US$34.1 million lower/higher) as a result of the incremental movement through the foreign currency translation reserve relating to the effective portion of a net investment hedge.

Note 25. Financial Risk Management - continued

C) Liquidity Risk

Brambles' objective is to maintain adequate liquidity to meet its financial obligations as and when they fall due. Brambles funds its operations through existing equity, retained cash flow and borrowings. Funding is generally sourced from relationship banks and debt capital market investors on a medium to long term basis.

Bank credit facilities are generally structured on a committed multi-currency revolving basis and at balance date had maturities ranging out to December 2019. Borrowings under the bank credit facilities are floating-rate, unsecured obligations with covenants and undertakings typical for these types of arrangements.

Borrowings are raised from debt capital markets by the issue of unsecured fixed interest notes, with interest payable semi-annually or annually. At balance date, loan notes had maturities out to June 2024.

The average term to maturity of the committed borrowing facilities and the loan notes is equivalent to 3.9 years (2014: 4.1 years). These facilities are unsecured and are guaranteed as described in Note 34B.

Brambles also has access to further funding through overdrafts, uncommitted and standby lines of credit, principally to manage day-to-day liquidity.

Borrowing facilities maturity profile

		US$M		
Maturity	**Type**	**Total facilities**	**Facilities used[1]**	**Facilities available**
2015				
Less than 1 year	Bank loans/loan notes/overdrafts/finance leases	**331.0**	**109.5**	**221.5**
1 - 2 years	Bank loans/loan notes/finance leases	**814.1**	**409.5**	**404.6**
2 - 3 years	Bank loans/loan notes/finance leases	**1,051.2**	**853.6**	**197.6**
3 - 4 years	Bank loans/loan notes/finance leases	**347.7**	**114.3**	**233.4**
4 - 5 years	Bank loans/loan notes/finance leases	**871.4**	**783.7**	**87.7**
Over 5 years	Loan notes/finance leases	**567.5**	**567.5**	**-**
		3,982.9	**2,838.1**	**1,144.8**
2014				
Less than 1 year	Bank loans/loan notes/overdrafts/finance leases/other loans	692.3	467.6	224.7
1 - 2 years	Bank loans/loan notes/finance leases/other loans	891.7	77.3	814.4
2 - 3 years	Bank loans/loan notes/finance leases	803.4	116.3	687.1
3 - 4 years	Bank loans/loan notes	1,027.0	685.9	341.1
4 - 5 years	Bank loans/loan notes	319.1	36.6	282.5
Over 5 years	Loan notes	1,182.1	1,182.1	-
		4,915.6	2,565.8	2,349.8

1 Facilities used represents the principal value of loan notes and borrowings drawn against the relevant facilities to reflect the correct amount of funding headroom. This amount differs by US$17.0 million (2014: US$18.2 million) from loan notes and borrowings as shown in the balance sheet which are measured on the basis of amortised cost as determined under the effective interest method and include accrued interest, transaction costs and fair value adjustments on certain hedging instruments.

Loan notes maturity profile

Outstanding Notes	Issue Date	Maturity	Interest Rate
US private placement Series C US$96.5 million	4 August 2004	4 August 2016	5.94%
US private placement Series B US$55.0 million	7 May 2009	7 May 2016	7.83%
US private placement Series C US$20.0 million	7 May 2009	7 May 2019	8.23%
144A Notes US$500.0 million	31 March 2010	1 April 2020	5.35%
Euro medium term note €500.0 million	20 April 2011	20 April 2018	4.625%
Euro medium term note €500.0 million	12 June 2014	12 June 2024	2.375%

Note 25. Financial Risk Management - continued

C) Liquidity Risk - continued

Maturities of financial liabilities

The maturities of Brambles' contractual cash flows on non-derivative financial liabilities (for principal and interest) and contractual cash flows on net and gross settled derivative financial instruments, based on the remaining period to contractual maturity date, are presented below. Cash flows on interest rate swaps and forward foreign exchange contracts are valued based on forward interest and exchange rates applicable at reporting date.

	Year 1 US$M	Year 2 US$M	Year 3 US$M	Year 4 US$M	Over 4 years US$M	Total contractual cash flows US$M	Carrying amount (assets)/ liabilities US$M
2015							
Non-derivative financial liabilities							
Trade payables	**496.9**	**-**	**-**	**-**	**-**	**496.9**	**496.9**
Bank overdrafts	**9.5**	**-**	**-**	**-**	**-**	**9.5**	**9.5**
Bank loans	**60.4**	**320.4**	**295.1**	**94.2**	**281.2**	**1,051.3**	**1,003.9**
Loan notes	**146.1**	**163.0**	**622.3**	**60.2**	**1,155.6**	**2,147.2**	**1,807.5**
Finance lease liabilities	**11.2**	**7.3**	**5.5**	**4.8**	**12.0**	**40.8**	**34.2**
	724.1	**490.7**	**922.9**	**159.2**	**1,448.8**	**3,745.7**	**3,352.0**
Financial guarantees[1]	**52.6**	**-**	**-**	**-**	**-**	**52.6**	**-**
	776.7	**490.7**	**922.9**	**159.2**	**1,448.8**	**3,798.3**	**3,352.0**
Derivative financial (assets)/liabilities							
Net settled interest rate swaps							
Interest rate swaps							
- fair value hedges	**(4.0)**	**(4.3)**	**(2.5)**	**(1.3)**	**1.1**	**(11.0)**	**(10.3)**
Gross settled forward foreign exchange contracts							
- (inflow)	**(624.4)**	**-**	**-**	**-**	**-**	**(624.4)**	**-**
- outflow	**627.3**	**-**	**-**	**-**	**-**	**627.3**	**2.9**
	(1.1)	**(4.3)**	**(2.5)**	**(1.3)**	**1.1**	**(8.1)**	**(7.4)**
2014							
Non-derivative financial liabilities							
Trade payables	480.1	-	-	-	-	480.1	480.1
Bank overdrafts	0.5	-	-	-	-	0.5	0.5
Bank loans	37.6	14.2	23.6	6.3	17.5	99.2	80.5
Loan notes	526.3	138.5	170.8	760.3	1,344.9	2,940.8	2,461.5
Finance lease liabilities	12.7	3.3	0.4	-	-	16.4	15.4
Other loans	16.5	9.6	-	-	-	26.1	26.1
	1,073.7	165.6	194.8	766.6	1,362.4	3,563.1	3,064.1
Financial guarantees[1]	61.5	-	-	-	-	61.5	-
	1,135.2	165.6	194.8	766.6	1,362.4	3,624.6	3,064.1
Derivative financial (assets)/liabilities							
Net settled interest rate swaps							
- fair value hedges	(14.2)	(3.5)	(2.2)	-	6.1	(13.8)	(13.8)
Gross settled forward foreign exchange contracts							
- (inflow)	(494.3)	-	-	-	-	(494.3)	-
- outflow	495.0	-	-	-	-	495.0	0.7
	(13.5)	(3.5)	(2.2)	-	6.1	(13.1)	(13.1)

1 Refer to Note 28A for details on financial guarantees. The amounts disclosed above are the maximum amounts allocated to the earliest period in which the guarantee could be called. Brambles does not expect these payments to eventuate.

Note 25. Financial Risk Management - continued

D) Credit Risk Exposure

Brambles is exposed to credit risk on its financial assets, which comprise cash and cash equivalents, trade and other receivables and derivative financial instruments. The exposure to credit risks arises from the potential failure of counterparties to meet their obligations. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial instruments as set out in Note 25A. There is no significant concentration of credit risk.

Brambles trades only with recognised, creditworthy third parties. Collateral is generally not obtained from customers.

Customers are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Credit limits are set for individual customers and approved by credit managers in accordance with an approved authority matrix. These credit limits are regularly monitored and revised based on historic turnover activity and credit performance. In addition, overdue receivable balances are monitored and actioned on a regular basis.

Exposure to credit risk also arises from amounts receivable from unrealised gains on derivative financial instruments. At the reporting date, this amount was US$12.1 million (2014: US$14.2 million). Brambles transacts derivatives with prominent financial institutions and has credit limits in place to limit exposure to any potential non-performance by its counterparties.

E) Capital Risk Management

Brambles' objective when managing capital is to ensure Brambles continues as a going concern as well as to provide a balance between financial flexibility and balance sheet efficiency. In determining its capital structure, Brambles considers the robustness of future cash flows, potential funding requirements for growth opportunities and acquisitions, the cost of capital and ease of access to funding sources.

Brambles manages its capital structure to be consistent with a solid investment grade credit. At 30 June 2015, Brambles held investment grade credit ratings of BBB+ from Standard and Poor's and Baa1 from Moody's Investors Service.

Initiatives available to Brambles to achieve its desired capital structure include adjusting the amount of dividends paid to shareholders, returning capital to shareholders, buying-back share capital, issuing new shares, selling assets to reduce debt, varying the maturity profile of its borrowings and managing discretionary expenses.

Brambles considers its capital to comprise:

	2015 US$M	**2014 US$M**
Total borrowings	**2,855.1**	2,584.0
Less: cash and cash equivalents	**(166.2)**	(222.3)
Net debt	**2,688.9**	2,361.7
Total equity	**2,641.1**	2,751.0
Total capital	**5,330.0**	5,112.7

Under the terms of its major borrowing facilities, Brambles is required to comply with the following financial covenants:

- the ratio of net debt to EBITDA is to be no more than 3.5 to 1; and
- the ratio of EBITDA to net finance costs is to be no less than 3.5 to 1.

Brambles has complied with these financial covenants for 2015 and prior years.

Note 26. Cash Flow Statement - Additional Information

A) Reconciliation of Cash

	2015 US$M	2014 US$M
For the purpose of the cash flow statement, cash comprises:		
Cash at bank and in hand	**158.3**	215.8
Short term deposits	**7.9**	6.5
	166.2	222.3
Bank overdraft (Note 25A)	**(9.5)**	(0.5)
	156.7	221.8

Cash and cash equivalents include balances of US$1.5 million (2014: US$1.6 million) used as security for various contingent liabilities and is not readily accessible. Short term deposits have initial maturities varying between 7 days and 3 months.

Brambles has various master netting and set-off arrangements covering cash pooling. An amount of US$55.3 million has been reduced from cash at bank and overdraft at 30 June 2015 (2014: US$62.0 million).

B) Reconciliation of Profit After Tax to Net Cash Flows from Operating Activities

	2015 US$M	2014 US$M
Profit after tax	**584.4**	1,267.7
Adjustments for:		
- depreciation and amortisation	**549.0**	560.4
- irrecoverable pooling equipment provision expense	**79.7**	88.3
- net gains on demerger of Recall	**-**	(706.4)
- net losses/(gains) on disposals of property, plant and equipment	**6.0**	(3.9)
- impairment of software and property, plant and equipment	**5.0**	9.5
- other valuation adjustments	**(7.2)**	(7.1)
- joint ventures	**(0.8)**	(3.3)
- equity-settled share-based payments	**21.8**	27.2
- finance revenues and costs	**6.1**	(4.7)
Movements in operating assets and liabilities, net of acquisitions and disposals:		
- increase in trade and other receivables	**(57.7)**	(115.1)
- increase in prepayments	**(9.4)**	(4.9)
- increase in inventories	**(14.5)**	(10.7)
- increase in deferred taxes	**38.9**	72.9
- increase in trade and other payables	**96.7**	99.0
- increase/(decrease) in tax payables	**35.9**	(18.8)
- (decrease)/increase in provisions	**(5.2)**	16.8
- other	**(5.5)**	1.0
Net cash inflow from operating activities	**1,323.2**	1,267.9

Note 26. Cash Flow Statement - Additional Information - continued

C) Reconciliation of Movement in Net Debt

	2015 US$M	2014 US$M
Net debt at beginning of the year	**2,361.7**	2,714.4
Net cash inflow from operating activities	**(1,323.2)**	(1,267.9)
Net cash outflow from investing activities	**1,416.8**	460.4
Net inflow from hedge instruments	**38.5**	(34.9)
Proceeds from issue of ordinary shares	**-**	(5.1)
Dividends paid	**359.3**	394.2
Increase on business acquisitions	**116.6**	12.7
Interest accruals, finance leases and other	**(22.4)**	32.8
Foreign exchange differences	**(258.4)**	55.1
Net debt at end of the year	**2,688.9**	2,361.7

Being:		
Current borrowings	**127.5**	497.8
Non-current borrowings	**2,727.6**	2,086.2
Cash and cash equivalents	**(166.2)**	(222.3)
Net debt at end of the year	**2,688.9**	2,361.7

D) Non-Cash Financing or Investing Activities

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

On the demerger of Recall in 2014, dividends of US$540.4 million and a share capital reduction of US$669.2 million were applied by Brambles on behalf of Scheme participants as payment for the Recall shares.

Note 27. Commitments

A) Capital Expenditure Commitments

At 30 June 2015, Brambles had commitments of US$302.1 million (2014: US$188.2 million) principally relating to property, plant and equipment.

Capital expenditure contracted for but not recognised as liabilities at reporting date was as follows:

	2015 US$M	2014 US$M
Within one year	**157.7**	135.0
Between one and five years	**100.7**	53.2
After five years	**43.7**	-
	302.1	188.2

B) Operating Lease Commitments

Brambles has taken out operating leases for offices, operational locations and plant and equipment. The leases have varying terms, escalation clauses and renewal rights. Escalation clauses are rare and any impact is considered immaterial.

The future minimum lease payments under such non-cancellable operating leases are as follows:

	Plant		Occupancy	
	2015 US$M	2014 US$M	2015 US$M	2014 US$M
Within one year	**22.5**	25.7	**107.4**	109.3
Between one and five years	**48.7**	50.6	**303.5**	310.2
After five years	**7.6**	11.4	**112.7**	132.6
Minimum lease payments	**78.8**	87.7	**523.6**	552.1

During the year, operating lease expense of US$143.6 million (2014: US$205.9 million) was recognised in the income statement.

Note 28. Contingencies

a) Subsidiaries have contingent unsecured liabilities in respect of guarantees given relating to performance under contracts entered into totalling US$52.6 million (2014: US$61.5 million), of which US$35.7 million (2014: US$46.8 million) is also guaranteed by Brambles Limited. US$16.9 million (2014: US$14.5 million) is also guaranteed by Brambles Limited and certain of its subsidiaries under a deed of cross-guarantee and are included in Note 34B.

b) Brambles holds and guarantees certain Recall lease obligations. To the extent any claims or liabilities are caused by a Recall Group company, Recall has indemnified Brambles under the Demerger Deed relating to the demerger of Recall.

c) Environmental contingent liabilities
Brambles' activities have previously included the treatment and disposal of hazardous and non-hazardous waste through subsidiaries and corporate joint ventures. In addition, other activities of Brambles entail using, handling and storing materials which are capable of causing environmental impairment.

As a consequence of the nature of these activities, Brambles has incurred and may continue to incur environmental costs and liabilities associated with site and facility operation, closure, remediation, aftercare, monitoring and licensing. Provisions have been made in respect of estimated environmental liabilities at all sites and facilities where obligations are known to exist and can be reliably measured.

However, additional liabilities may emerge due to a number of factors including changes in the numerous laws and regulations which govern environmental protection, liability, land use, planning and other matters in each jurisdiction in which Brambles operates or has operated. These extensive laws and regulations are continually evolving in response to technological advances, scientific developments and other factors. Brambles cannot predict the extent to which it may be affected in the future by any such changes in legislation or regulation.

d) In the ordinary course of business, Brambles becomes involved in litigation. Provision has been made for known obligations where the existence of the liability is probable and can be reasonably quantified. Receivables have been recognised where recoveries, for example from insurance arrangements, are virtually certain. As the outcomes of these matters remain uncertain, contingent liabilities exist for possible amounts eventually payable that are in excess of the amounts provided.

Note 29. Auditor's Remuneration

	2015 US$'000	2014 US$'000
Amounts received or due and receivable by PwC (Australia) for:		
Audit services in Australia:		
- audit and review of Brambles' financial reports	**1,864**	1,785
- other assurance services	**-**	187
	1,864	1,972
Other services:		
- finance due diligence	**291**	1,045
- tax advisory services	**311**	-
- other	**4**	-
	606	1,045
Total remuneration of PwC (Australia)	**2,470**	3,017
Amounts received or due and receivable by related practices of PwC (Australia) for:		
Audit services outside Australia:		
- audit and review of Brambles' financial reports	**3,459**	3,734
- other assurance services	**16**	10
	3,475	3,744
Other services:		
- finance due diligence	**279**	-
- tax advisory services	**4**	90
- other	**63**	65
	346	155
Total remuneration of related practices of PwC (Australia)	**3,821**	3,899
Total auditor's remuneration	**6,291**	6,916

From time to time, Brambles employs PwC on assignments additional to its statutory audit duties where PwC, through its detailed knowledge of the Group, is best placed to perform the services from an efficiency, effectiveness and cost perspective. The performance of such non-audit related services is always balanced with the fundamental objective of ensuring PwC's objectivity and independence as auditors. To ensure this balance, Brambles' Charter of Audit Independence requires that the Audit Committee approve any management recommendation that PwC undertake non-audit work (with approval being delegated to the Chief Financial Officer within specified monetary limits).

Non-audit assignments during the year primarily related to finance due diligence for acquisitions, strategy-based consulting, compliance tracking system and tax consulting advice. In 2014, non-audit assignments primarily related to finance due diligence for acquisitions and the Recall demerger, compliance tracking system, forensic accounting services and tax consulting advice.

Note 30. Key Management Personnel

A) Key Management Personnel Compensation

Short term employee benefits	**10,340**	12,061
Post employment benefits	**240**	242
Other benefits	**123**	90
Termination/sign-on/retirement benefits	**-**	583
Share-based payment expense	**6,784**	8,936
	17,487	21,912

B) Other Transactions with Key Management Personnel

Other transactions with Key Management Personnel are set out in Note 31A.
Further remuneration disclosures are set out in the Directors' Report on pages 15 to 30 of the Annual Report.

Note 31. Related Party Information

A) Other Transactions

Other transactions entered into during the year with Directors of Brambles Limited; with Director-related entities; with Key Management Personnel (KMP, as set out in the Directors' Report); or with KMP-related entities were on terms and conditions no more favourable than those available to other employees, customers or suppliers and include transactions in respect of the employee share plans, contracts of employment and reimbursement of expenses. Any other transactions were trivial or domestic in nature.

B) Other Related Parties

A subsidiary has a non-interest bearing advance outstanding as at 30 June 2015 of US$1.095 million (2014: US$1.344 million) to Brambles Custodians Pty Limited, the trustee under Brambles' employee loan scheme. This scheme enabled employees to acquire shares in BIL and has been closed to new entrants since August 2002.

C) Material Subsidiaries

The principal subsidiaries of Brambles during the year were:

		% interest held at reporting date	
Name	**Place of incorporation**	**2015**	**2014**
CHEP USA	USA	**100**	100
CHEP Canada, Inc.	Canada	**100**	100
CHEP UK Limited	UK	**100**	100
CHEP Equipment Pooling NV	Belgium	**100**	100
CHEP South Africa (Proprietary) Limited	South Africa	**100**	100
CHEP Australia Limited	Australia	**100**	100
Pallet Companies LLC	USA	**100**	100
IFCO Systems USA LLC	USA	**100**	100
IFCO Systems GmbH	Germany	**100**	100
Brambles USA Inc.	USA	**100**	100
Brambles Finance plc	UK	**100**	100
Brambles Finance Limited	Australia	**100**	100

In addition to the list above, there are a number of other non-material subsidiaries within Brambles.

Investments in subsidiaries are primarily by means of ordinary or common shares. All material subsidiaries prepare accounts with a 30 June balance date.

Note 31. Related Party Information - continued

D) Directors' Indemnities

Under its constitution, to the extent permitted by law, Brambles Limited indemnifies each person who is, or has been a Director or Secretary of Brambles Limited against any liability which results from facts or circumstances relating to the person serving or having served in the capacity of Director, Secretary, other officer or employee of Brambles Limited or any of its subsidiaries, other than:

(a) in respect of a liability other than for legal costs:
- (i) a liability owed to Brambles Limited or a related body corporate;
- (ii) a liability for a pecuniary penalty order under section 1317G of the Act or a compensation order under section 1317H of the Act; or
- (iii) a liability that is owed to someone (other than Brambles Limited or a related body corporate) and did not arise out of conduct in good faith; and

(b) in respect of a liability for legal costs:
- (i) in defending or resisting proceedings in which the person is found to have a liability for which they could not have been indemnified under paragraph (a)(i) above;
- (ii) in defending or resisting criminal proceedings in which the person is found guilty;
- (iii) in defending or resisting proceedings brought by ASIC or a liquidator for a court order if the grounds for making the order are found by the Court to be established; or
- (iv) in connection with proceedings for relief to any persons under the Act in which the Court denies the relief.

Paragraph (b)(iii) above does not apply to costs incurred in responding to actions brought by ASIC or a liquidator as part of an investigation before commencing proceedings for the Court order.

As allowed by its constitution, Brambles Limited has provided indemnities to its Directors and to Directors, Secretaries or other Statutory Officers of its subsidiaries (Beneficiaries) against all loss, cost and expenses (collectively Loss) caused by or arising from any act or omission by the relevant person in performance of that person's role as a Director, Secretary or Statutory Officer.

The indemnity given by the Company excludes the following matters:

(a) any Loss to the extent caused by or arising from an act or omission of the Beneficiary prior to the effective date of the indemnity;
(b) any Loss to the extent indemnity in respect of that Loss is prohibited under the Corporations Act (or any other law);
(c) any Loss to the extent it arises from private or personal acts or omissions of the Beneficiary;
(d) any Loss comprising the reimbursement of normal day-to-day expenses such as travelling expenses;
(e) any Loss to the extent the Beneficiary failed to act reasonably to mitigate the Loss;
(f) any Loss to the extent it is caused by or arises from acts or omissions of the Beneficiary after the date the indemnity is revoked by the Company in accordance with the terms of the indemnity;
(g) any Loss to the extent it is caused by or arises from any breach by the Beneficiary of the terms of the indemnity.

Insurance policies are in place to cover Directors, Secretaries and other Statutory Officers of Brambles Limited and its subsidiaries, however the terms of the policies prohibit disclosure of the details of the insurance cover and the premiums paid.

Note 32. Events After Balance Sheet Date

As announced on 20 August 2015, Brambles has acquired the remaining two-thirds of IFCO Japan in a transaction valuing IFCO Japan at ¥4.84 billion (US$38.9 million).

Other than those outlined in the Directors' Report or elsewhere in these financial statements, there have been no other events that have occurred subsequent to 30 June 2015 and up to the date of this Report that have had a material impact on Brambles' financial performance or position.

Note 33. Net Assets Per Share

	2015 US cents	2014 US cents
Based on 1,567.0 million shares (2014: 1,562.9 million shares):		
- Net tangible assets per share	**56.8**	77.3
- Net assets per share	**168.5**	176.0

Net tangible assets 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.

Net assets per share is calculated by dividing total equity attributable to the members of the parent entity by the number of shares on issue at year end.

Note 34. Parent Entity Financial Information

A) Summarised Financial Data of Brambles Limited

	Parent entity	
	2015 US$M	2014 US$M
Profit for the year	**296.1**	1,001.6
Other comprehensive (loss)/income for the year	**(1,363.4)**	203.7
Total comprehensive (loss)/income	**(1,067.3)**	1,205.3
Current assets	**8.2**	1.5
Non-current assets	**6,854.1**	8,058.6
Total assets	**6,862.3**	8,060.1
Current liabilities	**15.0**	23.0
Non-current liabilities	**932.0**	711.9
Total liabilities	**947.0**	734.9
Net assets	**5,915.3**	7,325.2
Contributed equity	**6,027.4**	5,993.4
Share-based payment reserve	**41.8**	50.1
Foreign currency translation reserve	**(255.8)**	1,107.6
Retained earnings	**101.9**	174.1
Total equity	**5,915.3**	7,325.2

B) Guarantees and Contingent Liabilities

Brambles Limited and certain of its subsidiaries are parties to a deed of cross-guarantee which supports global financing credit facilities available to certain subsidiaries. Total facilities available amount to US$1,791.8 million (2014: US$2,122.3 million) of which US$878.6 million (2014: US$14.5 million) has been drawn.

Brambles Limited and certain of its subsidiaries are parties to guarantees which support US Private Placement borrowings of US$171.5 million (2014: US$329.0 million) by a subsidiary.

Brambles Limited and certain of its subsidiaries are parties to a guarantee which support notes of US$500.0 million (2014: US$750.0 million) issued by a subsidiary to qualified institutional buyers in accordance with Rule 144A and Regulation S of the United States Securities Act.

Brambles Limited and certain of its subsidiaries are parties to a guarantee which support notes of €1,000.0 million (2014: €1,000.0 million) issued by two subsidiaries in the European bond market.

Brambles Limited has guaranteed repayment of certain facilities and financial accommodations made available to certain subsidiaries. Total facilities and financial accommodations available amount to US$553.2 million (2014: US$531.1 million), of which US$139.7 million (2014: US$121.2 million) has been drawn.

Other than these guarantees, the parent entity did not have any contingent liabilities at 30 June 2015 or 30 June 2014.

C) Contractual Commitments

Brambles Limited did not have any contractual commitments for the acquisition of property, plant and equipment at 30 June 2015 or 30 June 2014.

Directors' Declaration

In the opinion of the Directors of Brambles Limited:

(a) the financial statements and notes set out on pages 37 to 83 are in accordance with the Corporations Act 2001, including:

  (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the financial position of Brambles as at 30 June 2015 and of its performance for the year ended on that date;

(b) there are reasonable grounds to believe that Brambles Limited will be able to pay its debts as and when they become due and payable.

A statement of compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board is included within Note 1 to the financial statements.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors.

S P Johns
Chairman

T J Gorman
Chief Executive Officer

20 August 2015

Independent Auditor's Report
to the Members of Brambles Limited

Report on the financial report
We have audited the accompanying financial report of Brambles Limited (the Company), which comprises the consolidated balance sheet as at 30 June 2015, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' declaration for Brambles (the consolidated entity). The consolidated entity comprises the Company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report
The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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Liability limited by a scheme approved under Professional Standards Legislation.

Auditor's opinion

In our opinion:

(a) the financial report of Brambles Limited is in accordance with the *Corporations Act 2001,* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 15 to 30 of the Directors' Report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Brambles Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

Paul Bendall
Partner

Sydney
20 August 2015

Susan Horlin
Partner

Sydney
20 August 2015

Auditor’s Independence Declaration

As lead auditor for the audit of Brambles Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Brambles Limited and the entities it controlled during the period.

Paul Bendall
Partner
PricewaterhouseCoopers

Sydney
20 August 2015

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Five-Year Financial Performance Summary

	2015 US$M	2014 US$M	2013 US$M	2012 US$M	2011 US$M
Continuing operations[1]					
Sales revenue[1]	**5,464.6**	5,404.5	5,082.9	5,625.0	4,672.2
EBITDA[1]	**1,487.5**	1,457.8	1,382.8	1,491.4	1,289.0
Depreciation and amortisation[1]	**(549.0)**	(528.3)	(495.7)	(552.2)	(479.8)
Operating profit[1]	**938.5**	929.5	887.1	939.2	809.2
Net finance costs[1]	**(111.9)**	(113.0)	(110.8)	(152.0)	(127.5)
Profit before tax[1]	**826.6**	816.5	776.3	787.2	681.7
Tax expense[1]	**(241.1)**	(232.0)	(220.0)	(212.3)	(209.9)
Profit from continuing operations[1]	**585.5**	584.5	556.3	574.9	471.8
Profit from discontinued operations[1]	**(1.1)**	683.2	84.3	1.4	3.6
Profit for the year[1]	**584.4**	1,267.7	640.6	576.3	475.4
Underlying Profit[1]	**985.8**	960.1	913.0	1,009.7	857.2
Significant Items[1]	**(47.3)**	(30.6)	(25.9)	(70.5)	(48.0)
Operating profit[1]	**938.5**	929.5	887.1	939.2	809.2
Weighted average number of shares (Millions)	**1,566.0**	1,560.7	1,555.7	1,482.3	1,445.6
Earnings per share (US cents)					
Basic	**37.3**	81.2	41.2	38.9	32.9
From continuing operations[1]	**37.4**	37.5	35.8	38.8	32.6
On Underlying Profit after finance costs and tax[1]	**39.7**	38.7	36.9	42.1	36.2
ROCI[1]	**16%**	16%	16%	16%	17%
BVA[1]	**272.0**	266.5	246.8	248.6	251.6
Capex on property, plant & equipment[1]	**1,036.6**	908.0	865.7	921.1	821.9
Balance sheet					
Capital employed	**5,330.0**	5,112.7	5,739.8	5,430.3	5,450.2
Net debt	**2,688.9**	2,361.7	2,714.4	2,689.9	2,998.8
Equity	**2,641.1**	2,751.0	3,025.4	2,740.4	2,451.4
Average Capital Invested[1]	**6,291.0**	5,889.6	5,576.9	6,413.7	5,013.4
Cash flow					
Cash flow from operations[1]	**728.8**	828.2	697.3	591.2	725.1
Free cash flow	**404.1**	430.9	508.6	179.5	303.3
Dividends paid	**359.3**	394.2	425.5	397.7	224.0
Free cash flow after dividends	**44.8**	36.7	83.1	(218.2)	79.3
Net debt ratios					
Net debt to EBITDA (times)	**1.7**	1.6	1.7	1.7	2.2
EBITDA interest cover (times)	**13.7**	13.2	14.6	10.3	10.5
Average employees[1]	**14,024**	14,086	13,166	17,021	17,134
Dividend declared per share (Australian cents)	**28.0**	27.0	27.0	26.0	26.0

[1] Recall is presented within discontinued operations in 2014 and 2013. Periods prior to 2013 include Recall within continuing operations and are consistent with previously published data.

Glossary

2006 Share Plan	The Brambles Limited 2006 Performance Share Plan (as amended)
Acquired Shares	Brambles Limited shares purchased by Brambles employees under MyShare
actual currency/FX	Results translated into US dollars at the applicable actual monthly exchange rates ruling in each period
AGM	Annual General Meeting
ACI (Average Capital Invested)	A 12-month average of capital invested; 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 Injuries Frequency Rate)	Safety performance indicator that measures the combined number of fatalities, lost-time injuries, modified duties and medical treatments per million hours worked
BIL	Brambles Industries Limited, which was one of the two listed entities in the previous dual-listed companies structure
BIP	Brambles Industries plc, which was one of the two listed entities in the previous dual-listed companies structure
Board	The Board of Directors of Brambles Limited
BVA (Brambles Value Added)	The value generated over and above the cost of the capital used to generate that value. It is calculated using fixed June 2014 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%
CAGR (compound annual growth rate)	The annualised percentage at which a measure (e.g. sales revenue) would have grown over a period if it grew at a steady rate
Cash Flow from Operations	Cash flow generated after net capital expenditure but excluding Significant Items that are outside the ordinary course of business
CGPR	The Australian Securities Exchange Corporate Governance Council Corporate Governance Principles & Recommendations, Second Edition
Company	Brambles Limited (ACN 118 896 021)
constant currency/constant FX	Current period results translated into US dollars at the actual monthly exchange rates applicable in the comparable period, so as to show relative performance between the two periods
continuing operations	Continuing operations refers to Pallets, RPCs, Containers and the Corporate office
Disclosable Executives	Brambles Limited's Executive Directors, Non-Executive Directors and other Group executives whose remuneration details are required to be disclosed in the Remuneration Report
discontinued operations	Operations which have been divested/demerged or which are held for sale
Dividend Share Program	A program, under MyShare, which enables employees to reinvest dividends from their Acquired Shares; the share purchase price is calculated using a volume-weighted average of the Brambles share price over the five trading days up to and including the record date for the applicable dividend
DRP (Dividend Reinvestment Plan)	The Brambles Dividend Reinvestment Plan, under which Australian and New Zealand shareholders can elect to apply some or all of their dividends to the purchase of shares in Brambles instead of receiving cash
DLC	Dual-listed companies structure: the contractual arrangement between Brambles Industries Limited and Brambles Industries plc from August 2001 to December 2006 under which they operated as if a single economic enterprise, while retaining separate legal identities, tax residences and stock exchange listings
EPS (earnings per share)	Profit after finance costs, tax, minority interests and Significant Items, divided by the weighted average number of shares on issue during the period
EBITA (earnings before interest, tax and amortisation)	Operating profit from continuing operations after adding back depreciation
EBITDA (earnings before interest, taxation, depreciation and amortisation)	Operating profit from continuing operations after adding back depreciation and amortisation
ELT	Brambles' Executive Leadership Team, details of which are on Page 14
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
FY (financial year)	Brambles' financial year is 1 July to 30 June; FY15 indicates the financial year ended 30 June 2015
Group or **Brambles**	Brambles Limited and all of its related bodies corporate
IBCs (intermediate bulk containers)	Palletised containers used for the transport and storage of bulk products in a variety of industries including the food, chemical, pharmaceuticals and transportation industries
IPEP (Irrecoverable Pooling Equipment Provision)	Provision held by Brambles to account for pooling equipment that cannot be economically recovered and for which there is no reasonable expectation of receiving compensation
Key Management Personnel	Members of the Board of Brambles Limited and Brambles' Executive Leadership Team
KPI(s)	Key Performance Indicator(s)
LTI	Long Term Incentive

Glossary - continued

Matching Awards	Matching share rights over Brambles Limited shares allocated to employees when they purchase Acquired Shares under MyShare; when an employee's Matching Awards vest, Matching Shares are allocated
Matching Shares	Shares allocated to employees who have held Acquired Shares under MyShare for two years, and who remain employed at the end of that two-year period; one Matching Share is allocated for every Acquired Share held
MyShare	The Brambles Limited MyShare Plan, an all-employee share plan, under which employees acquire ordinary shares by means of deductions from their after-tax pay and must hold those shares for a two-year period. If an employee holds those shares and remains employed at the end of the two-year period, Brambles will match the number of shares that employee holds by issuing or transferring to them the same number of shares they held for the qualifying period, at no additional cost to the employee
operating profit	Statutory definition of profit before finance costs and tax; sometimes called EBIT (earnings before interest and tax)
Performance Period	A two-to-three year period over which the achievement of performance conditions is assessed to determine whether STI and LTI share awards will vest
PAT (profit after tax)	Profit after finance costs, tax, minority interests and Significant Items
RPCs	Reusable/returnable plastic/produce container/crate, generally used for shipment and display of fresh produce items; also the name of one of Brambles' operating segments
ROCI (Return On Capital Invested)	Underlying Profit divided by Average Capital Invested
Significant Items	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 (e.g. gains or losses on the sale or termination of operations, the cost of significant re-organisations or restructuring); or part of the ordinary activities of the business but unusual because of their size and nature
STI	Short Term Incentive
TFR	Total Fixed Remuneration
TSR (total shareholder return)	Measures the returns that a company has provided for its shareholders, reflecting share price movements and reinvestment of dividends over a specified performance period
Underlying EPS	Profit finance costs, tax and minority interests but before Significant Items, divided by the weighted average number of shares on issue during the period
Underlying Profit	Profit from continuing operations before finance costs, tax and Significant Items
Unification	The unification of the dual-listed companies structure (between Brambles Industries Limited and Brambles Industries plc) under a new single Australian holding company, Brambles Limited, which took place in December 2006
unit-load equipment	A term for any tools or platforms (such as pallets, crates and containers) used for the shipment or storage of multiple units of goods (for example, boxes of grocery items) in standardised volumes and formats for ease of shipment and storage through the supply chain.
the Year	Brambles' 2015 financial year

Notes

Notes

Contact Information

Registered Office

Brambles' global headquarters is at its registered office in Sydney, Australia:

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Email: info@brambles.com
Website: www.brambles.com

Investor & Analyst Queries

Telephone: +61 (0) 2 9256 5238
Email: investorrelations@brambles.com

Share Registry

Access to shareholding information is available to investors through Link Market Services.

Link Market Services Limited

Level 12, 680 George Street, Sydney NSW 2000, Australia
Locked Bag A14, Sydney South NSW 1235, Australia
Telephone: 1300 883 073
Facsimile: +61 (0) 2 9287 0303

Email: registrars@linkmarketservices.com.au

Website: www.linkmarketservices.com.au

Share Rights Registry

Employees or former employees of Brambles who have queries about the following interests:

- Performance share rights under the 2004 or 2006 share plans;
- Matching share rights under MyShare; or
- Shares acquired under MyShare or other share interests held through AET Structured Finance Services Pty Ltd, may contact:

Boardroom Pty Limited

Attention: Brambles Employee Share Plans, GPO Box 3993, Sydney NSW 2001, Australia

Telephone: 1800 180 833 (within Australia)

+61 (0) 2 9290 9684 (from outside Australia)

Facsimile: 1300 653 459 (within Australia)

+61 (0) 2 9279 0664 (from outside Australia)

Email: bramblesesp@boardroomlimited.com.au

Website: www.boardroomlimited.com.au