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16 February 2012

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

Via electronic lodgement

Dear Sir

Brambles reports results for the half-year ended 31 December 2011

Attached is a release to the Exchange from Brambles Limited on its financial report for the half-year ended 31 December 2011.

Yours faithfully
Brambles Limited

Robert Gerrard
Group Company Secretary

16 February 2012

ASX & Media Release

Brambles

BRAMBLES DELIVERS SALES AND PROFIT GROWTH IN FIRST HALF OF 2012 FINANCIAL YEAR

- CHEP USA turnaround continues: improved efficiencies and sales growth
- Sales resilient in Europe; actions identified to address cost pressures
- Strong contribution and growth from IFCO businesses acquired in March 2011
- RPCs, Containers and emerging markets Pallets operations drive sales increase
- Full-year Group Underlying profit[1] guidance tightened to US$1,050 million to US$1,080 million[2]
- Recall performing strongly; divestment process progressing as planned

FIRST-HALF 2012 RESULT

	Group	Change vs. 1H11 (actual FX)	Continuing operations	Change vs. 1H11 (actual FX)
Sales revenue	US$2,783.0M	30%	US$2,365.5M	34%
Operating profit	US$419.6M	15%	US$371.7M	21%
Significant items	US$32.9M		US$13.4M	
Underlying profit[1]	US$452.5M	21%	US$385.1M	23%
Profit after tax	US$239.5M	9%	US$209.8M	18%
Basic earnings per share	16.2 US cents	5%	14.2 US cents	14%

Continuing operations

Sales revenue from Continuing operations – which excludes the Recall information management business, for which Brambles is running a divestment process – was US$2,365.5 million, up 34%. The main drivers of sales revenue growth were:

- The inclusion of the IFCO businesses acquired in March 2011;
- Growth in Reusable Plastic Crates (RPCs), Containers and emerging markets Pallets operations; and
- Continued market-share gains in the developed markets Pallets operations.

On a pro forma basis, assuming Brambles had owned those businesses acquired since 1 July 2010 for all of the prior corresponding period, sales revenue would have been up 9%.

Operating profit from Continuing operations was US$371.7 million, up 21% after Significant items of US$(13.4) million. Significant items included costs arising from the integration of the IFCO businesses and the October 2011 reorganisation of the group into three pooling solutions segments: Pallets, RPCs and Containers.

Underlying profit, which excludes Significant items, was US$385.1 million, up 23%, reflecting sales growth. On a pro forma basis[3], Underlying profit would have been up 8%.

Brambles continued to invest in its RPCs, Containers and emerging markets Pallets businesses during the period. In the developed markets Pallets operations, improving margins in CHEP USA from sales growth and efficiency improvements offset the negative impact of higher costs in Europe. *[Continued next page…]*

[1]Brambles defines Underlying profit as profit from Continuing operations before finance costs, tax and Significant items. To facilitate comparison with earnings guidance issued prior to Recall being reported within Discontinued operations, Brambles has also used Group Underlying profit in this release. Group Underlying profit comprises Underlying profit as defined, plus profit from Discontinued operations before finance costs, tax and Significant items.
[2]Guidance is provided at 30 June 2011 foreign exchange rates.
[3]Pro forma Underlying profit growth is calculated by adjusting prior corresponding period results for amortisation expense arising from acquired identifiable intangible assets and changes to depreciation policies in acquired businesses.

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Brambles' CEO Tom Gorman said: "Despite challenging economic conditions, our business continues to show its capacity to keep growing by adding new customers. We have positive momentum with our growth strategy of diversifying our range of products and services and expanding geographically.

"The turnaround of CHEP continues to progress in the USA, Brambles' largest single country of operation, as illustrated by strong new business wins, returning customers, improving pricing conditions and the delivery of efficiencies in the Better Everyday business improvement program.

"In Western Europe, sales in the developed markets Pallets operations have proven resilient despite the challenging economic environment and we are taking actions to address inflationary pressures that contributed to reduced profits in the period.

"Meanwhile, our Pallets business continues to invest in expanding in Central & Eastern Europe, supporting our customers as they expand aggressively in that region. Our RPCs and Containers operations in Europe also continue to grow strongly, as we increase our penetration despite the weak economic conditions.

"The IFCO integration and the reorganisation of our business into three new segments have progressed as planned. The IFCO RPC and Pallet Management Services operations we acquired continue to grow and we are on track to deliver the synergies and efficiencies we outlined in August 2011."

RECALL UPDATE

Recall's first-half performance was strong, primarily as a result of continued carton storage growth and restructuring benefits. Recall is on track to deliver 2012 financial year profit before finance costs, tax and Significant items in line with August 2011 guidance of US$180 million to US$195 million at 30 June 2011 foreign exchange rates.

Brambles expects to announce an outcome to the Recall divestment process by 31 March 2012.

DIVIDEND

Brambles' interim dividend will be 13.0 Australian cents per share, 20% franked, the same as the prior interim dividend. The dividend is payable on 12 April 2012 to shareholders on Brambles' register at 5pm on 9 March 2012.

FULL-YEAR 2012 OUTLOOK

Brambles' has tightened its guidance range for the financial year ending 30 June 2012 for Group Underlying profit to between US$1,050 million and US$1,080 million, at 30 June 2011 foreign exchange rates. This guidance remains subject to unforeseen circumstances and economic uncertainty. Guidance assumes a 12-month contribution from Recall.

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Brambles Limited (ASX:BXB) provides pallet and container pooling solutions to the fresh food, consumer goods, general manufacturing, automotive, aviation and chemical sectors through CHEP and IFCO and information management solutions to corporations and government organisations through Recall. Brambles employs approximately 17,000 people in more than 50 countries. For further information on Brambles and all announcements, presentations and webcasts, please visit www.brambles.com.

BACKGROUND INFORMATION – CONTINUING OPERATIONS

US$M (actual FX)	1H12	1H11	2H11	FY11
SALES				
Pallets – Americas	**983.8**	770.0	884.8	1,654.8
Pallets – EMEA	**672.8**	642.1	676.2	1,318.3
Pallets - Asia-Pacific	**187.0**	162.3	177.7	340.0
Pallets	**1,843.6**	1,574.4	1,738.7	3,313.1
RPCs	**386.7**	83.9	226.1	310.0
Containers	**135.2**	104.2	129.6	233.8
Continuing operations	**2,365.5**	1,762.5	2,094.4	3,856.9
UNDERLYING EBITDA				
Pallets – Americas	**250.7**	206.5	243.6	450.1
Pallets – EMEA	**207.7**	216.9	229.1	446.0
Pallets - Asia-Pacific	**59.9**	51.0	67.0	118.0
Pallets	**518.3**	474.4	539.7	1,014.1
RPCs	**102.1**	25.6	68.6	94.2
Containers	**31.0**	28.5	37.5	66.0
Continuing operations (including HQ)	**636.1**	511.5	628.9	1,140.4
UNDERLYING PROFIT				
Pallets – Americas	**158.3**	123.1	153.8	276.9
Pallets - EMEA	**135.9**	148.1	154.5	302.6
Pallets - Asia-Pacific	**36.0**	30.9	44.5	75.4
Total Pallets	**330.2**	302.1	352.8	654.9
RPCs	**54.2**	13.2	40.6	53.8
Containers	**16.4**	15.7	22.2	37.9
Continuing operations (including HQ)	**385.1**	313.7	398.2	711.9
UNDERLYING PROFIT MARGIN				
Pallets - Americas	**16%**	16%	17%	17%
Pallets - EMEA	**20%**	23%	23%	23%
Pallets - Asia-Pacific	**19%**	19%	25%	22%
Pallets	**18%**	19%	20%	20%
RPCs	**14%**	16%	18%	17%
Containers	**12%**	15%	17%	16%
Continuing operations (including HQ)	**16%**	18%	19%	18%

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BACKGROUND INFORMATION - CONTINUED

US$M (actual FX)	1H12	1H11	2H11	FY11
OPERATING PROFIT				
Pallets - Americas	**155.6**	123.1	152.5	275.6
Pallets - EMEA	**130.1**	148.1	151.8	299.9
Pallets - Asia-Pacific	**36.0**	30.9	43.2	74.1
Pallets	**321.7**	302.1	347.5	649.6
RPCs	**49.0**	13.2	14.6	27.8
Containers	**16.4**	15.7	22.2	37.9
Continuing operations (including HQ)	**371.7**	306.8	356.6	663.4
OPERATING PROFIT MARGIN				
Pallets - Americas	**16%**	16%	17%	17%
Pallets - EMEA	**19%**	23%	22%	23%
Pallets - Asia-Pacific	**19%**	19%	24%	22%
Pallets	**17%**	19%	20%	20%
RPCs	**13%**	16%	6%	9%
Containers	**12%**	15%	17%	16%
Continuing operations (including HQ)	**16%**	17%	17%	17%
AVERAGE CAPITAL INVESTED				
Pallets - Americas	**2,086.1**	1,703.8	1,912.6	1,808.2
Pallets - EMEA	**1,318.9**	1,199.1	1,330.9	1,265.0
Pallets - Asia-Pacific	**379.0**	312.0	355.2	333.6
Pallets	**3,784.0**	3,214.9	3,598.7	3,406.8
RPCs	**1,358.8**	155.0	747.4	451.2
Containers	**234.1**	156.7	213.5	185.1
Continuing operations (including HQ)	**5,306.6**	3,466.3	4,486.7	3,976.5
RETURN ON CAPITAL INVESTED (ANNUALISED, BASED ON UNDERLYING PROFIT)				
Pallets - Americas	**15%**	14%	16%	15%
Pallets - EMEA	**21%**	25%	23%	24%
Pallets - Asia-Pacific	**19%**	20%	25%	23%
Pallets	**17%**	19%	20%	19%
RPCs	**8%**	17%	11%	12%
Containers	**14%**	20%	21%	20%
Continuing operations (including HQ)	**15%**	18%	18%	18%

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BACKGROUND INFORMATION - CONTINUED

US$M (actual FX)	1H12	1H11	2H11	FY11
CASH FLOW FROM OPERATIONS				
Pallets - Americas	**111.1**	122.9	149.7	272.6
Pallets - EMEA	**62.3**	123.6	135.5	259.1
Pallets - Asia-Pacific	**(4.7)**	24.9	35.9	60.8
Pallets	**168.7**	271.4	321.1	592.5
RPCs	**(20.7)**	16.7	26.1	42.8
Containers	**6.8**	14.4	15.3	29.7
Continuing operations (including HQ)	**132.2**	276.5	356.0	632.5
CAPITAL EXPENDITURE ON PROPERTY, PLANT & EQUIPMENT (ACCRUALS BASIS)				
Pallets - Americas	**145.8**	125.6	140.9	266.5
Pallets - EMEA	**115.6**	133.1	149.6	282.7
Pallets - Asia-Pacific	**44.1**	33.7	50.7	84.4
Pallets	**305.5**	292.4	341.2	633.6
RPCs	**127.8**	9.1	60.6	69.7
Containers	**27.6**	13.3	23.4	36.7
Continuing operations (including HQ)	**460.9**	314.8	425.3	740.1
DEPRECIATION OF PROPERTY, PLANT & EQUIPMENT				
Pallets - Americas	**84.3**	77.3	81.8	159.1
Pallets - EMEA	**67.7**	65.0	71.0	136.0
Pallets - Asia-Pacific	**22.3**	19.4	21.6	41.0
Pallets	**174.3**	161.7	174.4	336.1
RPCs	**37.9**	12.3	23.6	35.9
Containers	**15.3**	12.8	14.9	27.7
Continuing operations (including HQ)	**227.7**	187.0	213.2	400.2
NUMBER OF PALLETS, RPCS & CONTAINERS (MILLIONS)[4]				
Pallets - Americas	**101**	96		97
Pallets - EMEA	**121**	123		121
Pallets - Asia-Pacific	**20**	19		19
Pallets	**242**	238		237
RPCs	**170**	38		160
Containers	**14**	13		13
Total Brambles	**426**	289		410

[4]Shown gross, before provisions.

BACKGROUND INFORMATION - CONTINUED

US$M (actual FX)	1H12	1H11	2H11	FY11
BRAMBLES VALUE ADDED[5]				
Pallets - Americas	**44.1**	29.9	46.6	76.5
Pallets - EMEA	**59.5**	80.1	72.8	152.9
Pallets - Asia-Pacific	**13.8**	13.4	23.2	36.6
Pallets	**117.4**	123.4	142.6	266.0
RPCs	**(28.1)**	5.0	(1.8)	3.2
Containers	**3.1**	7.7	10.1	17.8
Continuing operations (including HQ)	**79.4**	120.1	137.9	258.0

FORWARD-LOOKING STATEMENTS

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

[5] Calculated at fixed June 2011 foreign exchange rates.

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First-Half Results Announcement 2012

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SALES & STATUTORY PROFIT SUMMARY

US$M	1H12	1H11	Change (actual FX)	Change (constant FX)[1]
SALES REVENUE				
Pallets - Americas	983.8	770.0	28%	28%
Pallets - EMEA	672.8	642.1	5%	3%
Pallets - Asia-Pacific	187.0	162.3	15%	7%
Pallets	**1,843.6**	**1,574.4**	**17%**	**16%**
RPCs	386.7	83.9	361%	349%
Containers	135.2	104.2	30%	26%
Continuing operations	**2,365.5**	**1,762.5**	**34%**	**32%**
Discontinued operations	417.5	384.7	9%	5%
Total Brambles	**2,783.0**	**2,147.2**	**30%**	**27%**
OPERATING PROFIT				
Pallets - Americas	155.6	123.1	26%	26%
Pallets - EMEA	130.1	148.1	(12)%	(14)%
Pallets - Asia-Pacific	36.0	30.9	17%	8%
Pallets	**321.7**	**302.1**	**6%**	**5%**
RPCs	49.0	13.2	271%	255%
Containers	16.4	15.7	4%	4%
Brambles HQ	(15.4)	(24.2)	36%	52%
Continuing operations	**371.7**	**306.8**	**21%**	**20%**
Discontinued operations	47.9	59.1	(19%)	(23%)
Total Brambles	**419.6**	**365.9**	**15%**	**13%**
PROFIT AFTER TAX				
Operating profit from Continuing operations	371.7	306.8	21%	20%
Net finance costs	(83.8)	(57.2)	(47)%	(44)%
Tax expense	(78.1)	(72.0)	(8)%	(5)%
Continuing operations	**209.8**	**177.6**	**18%**	**18%**
Discontinued operations	29.7	42.0	(29)%	(34)%
Total Brambles	**239.5**	**219.6**	**9%**	**8%**
EARNINGS PER SHARE (BASIC, US CENTS)				
Weighted average number of shares (millions)	1,479.7	1,425.4	4%	N/A
Continuing operations	**14.2**	**12.5**	**14%**	**13%**
Discontinued operations	2.0	2.9	(31)%	(38)%
Total Brambles	**16.2**	**15.4**	**5%**	**4%**

[1] Brambles calculates constant currency by translating results for the period into US dollars at the exchange rates applicable during the prior corresponding period.

UNDERLYING PROFIT[2]

US$M	1H12	1H11	Change (actual FX)	Change (constant FX)
Pallets - Americas	158.3	123.1	29%	28%
Pallets - EMEA	135.9	148.1	(8)%	(9)%
Pallets - Asia-Pacific	36.0	30.9	17%	8%
Pallets	**330.2**	**302.1**	**9%**	**8%**
RPCs	54.2	13.2	311%	294%
Containers	16.4	15.7	4%	4%
Brambles HQ	(15.7)	(17.3)	9%	31%
Underlying profit (Continuing operations)	**385.1**	**313.7**	**23%**	**22%**
Recall	71.2	58.8	21%	15%
Other Discontinued operations	(3.8)	-	-	-
Group Underlying profit[3]	**452.5**	**372.5**	**21%**	**20%**

RECONCILIATION OF UNDERLYING PROFIT TO OPERATING PROFIT

US$M	1H12	1H11
Underlying profit (Continuing operations)	**385.1**	**313.7**
Significant items (Continuing operations):		
Acquisition related costs	(1.4)	(6.9)
Restructuring & IFCO integration costs	(7.9)	-
Pension costs	(5.8)	-
Foreign exchange gain on capital repatriation	1.7	-
Total Significant items (Continuing operations)	**(13.4)**	**(6.9)**
Operating profit (Continuing operations)	**371.7**	**306.8**

[2] Underlying profit is profit from Continuing operations before finance costs, tax and Significant items

[3] To facilitate comparison with earnings guidance issued prior to Recall being reported within Discontinued operations, Brambles has used Group Underlying profit in this release. Group Underlying profit comprises Underlying profit as defined, plus profit from Discontinued operations before finance costs, tax and Significant items.

REVIEW – CONTINUING OPERATIONS

SALES

Brambles' sales revenue in the six months ended 31 December 2011 was US$2,365.5 million, up 34% (32% at constant currency[4]) compared with the prior corresponding period.

The increase in sales revenue reflected the inclusion of the IFCO businesses acquired in March 2011, other acquisitions and continued new customer growth from the three pooling solutions segments of Pallets, Reusable Plastic Crates (RPCs) and Containers.

On a pro forma[5] basis, sales revenue from Continuing operations was up 9% (7% at constant currency).

BUSINESS WINS

The contribution to sales revenue of net new business wins[6] was US$56 million as Brambles' pooling solutions operations continued to win business from non-pooled alternatives and from competitors.

The IFCO RPCs operations continued to expand in the Americas and Europe, while there was new customer growth in all regions of the Pallets segment - in particular the USA and emerging markets.

The net annualised value of new business Brambles won during the period in the Pooling Solutions businesses was US$105 million.

OPERATING & UNDERLYING PROFIT

Operating profit was US$371.7 million, up 21% (20% at constant currency). This included the negative impact of US$13.4 million of Significant items, which primarily comprised US$7.9 million of restructuring and IFCO integration costs and US$5.8 million of one-off pension costs.

Underlying profit was US$385.1 million, up 23% (22% at constant currency), reflecting sales growth and the cost of continued investment in business development in RPCs, Containers and emerging markets. In the developed markets Pallets operations, a strong improvement in margins in CHEP USA offset higher costs in Europe.

On a pro forma basis[7], Underlying profit growth was up 8% (8% at constant currency).

INTEREST

Net finance costs were US$83.8 million, up 47% (44% at constant currency). The increased expense was mainly attributable to higher borrowings in relation to the IFCO acquisition, capital expenditure to support growth and one-off interest on the settlement of an outstanding tax dispute in Spain.

TAX

Tax expense was US$78.1 million, up 8% (5% at constant currency), resulting in an effective tax rate of 27.1%, compared with 28.8% for the prior corresponding period.

[4] Brambles calculates constant currency by translating results into US dollars at the exchange rates applicable during the prior corresponding period.

[5] Pro forma basis assumes Brambles owned businesses acquired since 1 July 2010 for all of the prior corresponding period.

[6] Brambles defines net new business wins as 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.

[7] Pro forma Underlying profit growth is calculated by adjusting prior corresponding period results for amortisation expense arising from acquired identifiable intangible assets and changes to depreciation policies in acquired businesses.

PROFIT AFTER TAX

Profit after tax was US$209.8 million, up 18% (18% at constant currency). Basic earnings per share was 14.2 US cents, up 14% (13% at constant currency).

RETURN ON CAPITAL

Return on capital invested[8] was 15%, compared with 18% in the prior corresponding period, primarily reflecting the impact of US$971.9 million of goodwill from the IFCO acquisition.

CASH FLOW

Cash flow, prior to Significant items, was US$132.2 million, down US$144.3 million. This reflected a US$172.6 million increase in capital expenditure in line with the company's strategy of expanding in RPCs, Containers and emerging markets, and to support new business growth in the developed markets regions of the Pallets segment.

DIVIDEND

	Amount (Aust. cents per share)	Franking	Ex date	Record date	Payment date
Interim	13.0	20%	5/03/12	9/03/12	12/04/12

Brambles Board has declared an interim dividend per share of 13.0 Australian cents, 20% franked, unchanged from the previous interim dividend.

The unfranked component of the final dividend is conduit foreign income. Consequently, shareholders not resident in Australia will not pay Australian dividend withholding tax on this dividend.

The Dividend Reinvestment Plan is currently suspended.

SEGMENT REVIEW

PALLETS

Sales

Sales revenue in the Pallets segment was US$1,843.6 million, up 17% (16% at constant currency), driven by the inclusion of the IFCO Pallet Management Services (PMS) business in the USA acquired in March 2011, growth in emerging markets and new customer growth in developed markets.

On a pro forma basis, sales revenue in the Pallets segment was up 6% (5% at constant currency). Net new business wins in the Pallets segment were US$40 million, contributing constant-currency sales revenue growth of 2%. Pricing and like-for-like sales volume growth made up the other 3% constant-currency sales growth.

Combined sales revenue from the emerging markets regions (Asia, Central & Eastern Europe, Latin America and Middle East & Africa) was US$225.4 million, up 16% (20% at constant currency).

The net annualised value of new business Brambles secured in the Pallets segment during the year was US$78 million.

Profit

Operating profit in the Pallets segment was US$321.7 million, up 6% (5% at constant currency). The operating profit margin was 17%, down 2 percentage points, reflecting the inclusion of the lower-margin IFCO PMS operations in the USA. Significant items

[8] Return on capital invested is calculated as Underlying profit divided by Average capital invested.

were US$8.5 million, comprising US$2.7 million of restructuring costs and US$5.8 million of one-off pension costs.

Underlying profit was US$330.2 million, up 9% (8% at constant currency). The Underlying profit margin was 18%, down 1 percentage point because of the inclusion IFCO PMS business. Sales growth and efficiencies in CHEP's operations in the Americas largely offset the impact of higher costs in Europe, Middle East & Africa (EMEA).

On a pro forma basis, Underlying profit growth was 7% (6% at constant currency).

For the 2012 financial year, the Pallets business remains on track to deliver the first US$5 million of IFCO integration synergies (US$35 million forecast by the end of financial year 2014) and the first US$10 million of global Pallets segment efficiencies (US$60 million forecast by the end of financial year 2015).

Return on capital invested was 17%, down 2 percentage points compared with the prior corresponding period, reflecting the upfront investment in product, service and geographic expansion, in line with the company's stated growth strategy, as well as the acquisition of IFCO PMS in the Americas and reduced profitability in EMEA.

Cash flow

Cash flow from operations in Pallets was US$168.7 million, down US$102.7 million, reflecting increased capital expenditure to support growth and increased working capital.

PALLETS – AMERICAS

US$M			Change	
	1H12	1H11	Actual FX	Constant FX
Sales revenue	983.8	770.0	28%	28%
Operating profit	155.6	123.1	26%	26%
Margin	*16%*	*16%*	-	
Significant items:				
Restructuring costs	2.7	-		
Underlying profit	158.3	123.1	29%	28%
Margin	*16%*	*16%*	-	
Cash flow from operations	111.1	122.9	(11.8)	
Return on capital invested	15%	14%	1pp	

Sales

Sales revenue in the Americas region of the Pallets segment was US$983.8 million, up 28% (28% at constant currency), as a result of the inclusion of IFCO PMS and growth in all CHEP regions.

On a pro forma basis, assuming Brambles owned IFCO PMS in the prior corresponding period, sales revenue was up 6% (6% at constant currency).

The impact during the period of net new business wins was US$20 million, contributing 2% sales revenue growth. Like-for-like volume growth contributed 2% constant currency sales revenue growth while pricing contributed 2%.

CHEP USA's sales revenue was US$571.0 million, up 3% (3% at constant currency), on net new business wins and improved sales mix and pricing.

CHEP Canada's sales revenue was US$119.9 million, up 8% (6% at constant currency). CHEP Latin America's sales revenue was US$111.8 million, up 15% (18% at constant currency). Both regions delivered strong like-for-like volume growth, net new business wins and modest pricing increases.

On a pro forma basis, IFCO PMS sales revenue of US$172.7 million, was up 9% (9% at constant currency), as like-for-like volume growth from integration benefits with CHEP and some pricing growth more than offset the impact of losing sortation contracts with Walmart.

LeanLogistics' sales revenue was US$8.5 million, up 6%.

Business wins

The net annualised value of new business secured during the period was US$46 million, driven by the return of customers in the USA and expansion in Latin America. Key wins during the period included PepsiCo in the USA and Brazil, food company La Costeña in Mexico and Unilever in Chile.

Profit

Operating profit, including Significant items of US$2.7 million from restructuring, was US$155.6 million, up 26% (26% at constant currency). Operating profit margin was unchanged at 16%.

Underlying profit was US$158.3 million, up 29% (28% at constant currency), reflecting sales growth and efficiency improvements. Amortisation costs associated with identified IFCO intangibles were US$1.5 million.

On a pro forma basis, Underlying profit growth was 23% (23% at constant currency).

The Underlying profit margin was flat at 16%. Excluding IFCO PMS, which has lower margins than the CHEP pooling business, the Underlying profit margin was 18%, up 2 percentage points.

Margin improvement excluding IFCO PMS reflected the delivery of efficiencies under the Better Everyday business improvement program and improved sales mix and pricing.

Total Better Everyday spending was US$26 million, down US$24 million and in line with expectations for total 2012 financial year spending of US$55 million.

Lower storage costs for idle pallets offset higher costs for collection and asset recovery and higher depreciation following growth in the pool in the 2011 financial year.

Return on capital invested improved 1 percentage point to 15%, reflecting increased profits and the impact of the addition of US$288.6 million of goodwill from the acquisition of IFCO PMS.

Cash flow

Continued growth throughout the region led to increased capital expenditure and a small reduction in cash flow from operations to US$111.1 million, down US$11.8 million.

PALLETS - EMEA

US$M			Change	
	1H12	**1H11**	**Actual FX**	**Constant FX**
Sales revenue	672.8	642.1	5%	3%
Operating profit	130.1	148.1	(12)%	(14)%
Margin	*19%*	*23%*	*(4)pp*	
Significant items:				
Pension costs	5.8	-		
Underlying profit	135.9	148.1	(8)%	(9)%
Margin	*20%*	*23%*	*(3)pp*	
Cash flow from operations	62.3	123.6	(61.3)	
Return on capital invested	21%	25%	(4)pp	

Sales

Sales revenue in the EMEA region of the Pallets segment was US$672.8 million, up 5% (3% at constant currency). Entry into new segments, increased penetration in some countries and expansion in emerging markets partially offset weak economic conditions in Western Europe.

Net new business wins of US$15 million contributed constant-currency sales revenue growth of 2% and pricing contributed 1%. The weak economic environment in Western Europe offset the positive contribution to like-for-like volumes from Central & Eastern Europe and Middle East & Africa.

Western Europe sales revenue was US$578.5 million, up 4% (1% in constant currency) as the strength of new business wins in Germany, Italy and the Benelux countries offset weakness in Iberia, UK & Ireland and France.

UK & Ireland sales revenue was US$176.2 million, up 2% (1% at constant currency). Iberia sales revenue was US$134.4 million, down 1% (down 4% at constant currency). France sales revenue was US$83.7 million, up 3% (0% at constant currency).

The rest of Western Europe delivered sales revenue of US$184.2 million, up 10% (6% at constant currency), reflecting continued increased penetration against white-wood exchange.

Central & Eastern Europe sales revenue was US$26.1 million, up 28% (33% at constant currency), driven primarily by continued expansion of the Poland and Turkey operations.

Middle East & Africa sales revenue was US$68.2 million, up 6% (14% at constant currency), reflecting higher like-for-like volumes in South Africa and strong growth in the Middle East.

Business wins

The net annualised value of new business signed during the period was US$26 million. Key wins included cheese company Garcia Baquero in Spain, Danone Waters in Poland, and Nestlé Waters and home and personal care group Kimberly-Clark in Turkey.

Profit

Operating profit was US$130.1 million, down 12% (down 14% at constant currency), including Significant items of US$5.8 million reflecting one-off costs in the South Africa pension scheme. Operating profit margin was down 4 percentage points to 19%.

Underlying profit was US$135.9 million, down 8% (down 9% at constant currency). The Underlying profit margin was 20%, down 3 percentage points.

This was a result of high inflation (in particular for fuel and timber) as well as business development costs and sales mix impacts related to the expansion of the Central & Eastern Europe business. In line with previous management guidance, incremental quality costs were US$5 million higher for the half. Actions are underway in the EMEA Pallets operations to seek to offset cost pressures.

Return on capital invested was 21%, down 4 percentage points, reflecting the reduced profit.

Cash flow

Cash flow from operations was US$62.3 million, down US$61.3 million, because of lower profit and increased working capital reflecting the timing of cash payments for capital expenditure incurred in the prior period.

PALLETS – ASIA-PACIFIC

US$M			Change	
	1H12	**1H11**	**Actual FX**	**Constant FX**
Sales revenue	187.0	162.3	15%	7%
Operating profit	36.0	30.9	17%	8%
Margin	*19%*	*19%*	-	
Underlying profit	36.0	30.9	17%	8%
Margin	*19%*	*19%*	-	
Cash flow from operations	(4.7)	24.9	(29.6)	
Return on capital invested	19%	20%	(1)pp	

Sales

Sales revenue in the Asia-Pacific region of the Pallets segment was US$187.0 million, up 15% (7% at constant currency), driven primarily by increased like-for-like volumes in Australia & New Zealand and new business growth in Asia.

Net new business wins and like-for-like volumes each contributed 3% in constant-currency sales revenue growth. Price increases contributed 1% growth. The total contribution during the period of net new business wins was US$5 million.

Australia & New Zealand sales revenue was US$167.6 million, up 12% (3% at constant currency). Sales revenue from Asia was US$19.4 million, up 56% (53% at constant currency). Growth was particularly strong growth in India and China.

Business wins

The net annualised value of new business secured by Pallets Asia-Pacific during the period was US$6 million.

Key business wins or extensions included: personal and healthcare group Colgate-Palmolive, dairy co-operative Murray-Goulburn and clothing company Pacific Brands in Australia; Danone Waters and appliance manufacturer Midea in China; and household, health and personal care group Reckitt Benckiser, Reliance Retail and national fast-moving consumer goods manufacturer ITC in India.

Profit

Operating profit was US$36.0 million, up 17% (8% at constant currency). There were no Significant items. The profit margin was maintained at 19%.

Return on capital invested was 19%, down 1 percentage point, reflecting increased capital invested to fund growth in Asia.

Cash flow

Cash flow from operations was US$(4.7) million, down US$29.6 million, reflecting increased capital expenditure to fund growth in Asia and the negative impact of a court case in Australia.

RPCS

US$M			Change	
	1H12	1H11	Actual FX	Constant FX
Sales revenue	386.7	83.9	361%	349%
Operating profit	49.0	13.2	271%	255%
Margin	*13%*	*16%*	*(3)pp*	
Significant items:				
IFCO integration costs	5.2	-		
Underlying profit	54.2	13.2	311%	294%
Margin	*14%*	*16%*	*(2)pp*	
Cash flow from operations	(20.7)	16.7	(37.4)	
Return on capital invested	8%	17%	(9)pp	

Sales

Sales revenue in the RPCs segment was US$386.7 million, up 361% (349% at constant currency), reflecting the IFCO acquisition in March 2011.

On a pro forma basis, assuming Brambles owned IFCO during the prior corresponding period, sales revenue was up 18% (15% at constant currency).

Increased penetration with existing customers, conversion of new retailers from disposable solutions to RPCs and new product expansion drove growth for IFCO in all regions. Net new business wins were US$15 million.

On a pro forma basis:

- Europe sales revenue was US$252.2 million, up 20% (16% at constant currency), on strong growth in like-for-like volumes and net new business in IFCO.
- North America sales revenue was US$70.1 million, up 18% (18% at constant currency), as IFCO increased penetration with existing and new customers in the USA and expanded into Canada.
- South America sales revenue was US$12.6 million, up 21% (19% at constant currency), reflecting IFCO's new wins and increased penetration with existing customers.

The CHEP RPCs operations in Australia, New Zealand and South Africa continued to increase penetration, delivering sales revenue of US$51.8 million, up 13% (8% at constant currency).

Business wins

The net annualised value of new business won during the period was US$13 million. Key customer wins included Safeway and Loblaw's in Canada, Brookshire's in the USA, Cercosud in Argentina and Sonda in Brazil.

Profit

RPCs operating profit was US$49.0 million, up 271% (255% at constant currency), including Significant items of US$5.2 million related to the IFCO integration. The operating profit margin was 13%, down 3 percentage points.

Underlying profit was U$54.2 million, up 311% (294% at constant currency), reflecting sales growth, US$10.5 million of costs from the amortisation of identifiable IFCO intangible assets, a US$5 million increase in depreciation costs as a result of the alignment of IFCO depreciation policies with those of Brambles, and logistics costs associated with the set-up of new contracts.

On a pro forma basis, Underlying profit growth was 10% (5% at constant currency).

The Underlying profit margin was 14%, down 2 percentage points.

Return on capital invested was 8%, down 9 percentage points, as a result of the changes to profitability and US$683.3 million of goodwill recognised on the acquisition of IFCO's RPC business.

Cash flow

RPCs cash flow from operations was US$(20.7) million, down US$37.4 million, reflecting increased capital expenditure to support growth.

CONTAINERS

US$M			Change	
	1H12	1H11	Actual FX	Constant FX
Sales revenue	135.2	104.2	30%	26%
Operating profit	16.4	15.7	4%	4%
Margin	*12%*	*15%*	*(3)pp*	
Underlying profit	16.4	15.7	4%	4%
Margin	*12%*	*15%*	*(3)pp*	
Cash flow from operations	6.8	14.4	(7.6)	
Return on capital invested	14%	20%	(6)pp	

Sales

Sales revenue in the Containers segment was US$135.2 million, up 30% (26% at constant currency), reflecting the acquisition of the CHEP Aerospace Solutions businesses (Unitpool, JMI Aerospace and Driessen Services) and the Intermediate Bulk Containers (IBCs) business CAPS, like-for-like volume growth, modest pricing growth and net new business wins of US$1 million.

Automotive sales revenue was US$78.7 million, up 16% (13% at constant currency), reflecting strong like-for-like sales growth in EMEA, in particular Germany and the UK, and the ramp-up of new contracts in the USA. Catalyst & Chemical Containers (CCC) sales revenue was US$19.6 million, up 15% (12% at constant currency), primarily as a result of increased activity with existing customers. IBCs sales revenue was US$19.3 million, up 38% (34% at constant currency), primarily because of the CAPS' acquisition. CHEP Aerospace Solutions sales revenue was US$17.6 million.

Business wins

The net annualised value of new business won during the period was US$14 million. Key wins included: in Automotive, Brilliance and Chang'an Ford Motor Company (Mazda 3) in China and Continental, Valeo and Cummins in India; in IBCs, Unilever Food Solutions, Dr Pepper Snapple Group and Kroger in the USA; and, in Aerospace Solutions, Scandinavian Airlines System.

Profit

Operating profit was US$16.4 million, up 4% (4% at constant currency). There were no Significant items. The profit margin was 12%, down 3 percentage points as investment in developing the Automotive and IBCs operations in the USA and in Aerospace Solutions outweighed profitable growth in the established CCC and EMEA Automotive operations. Return on capital invested was 14%, down 6 percentage points, as a result of increased capital expenditure to support growth and the impact of US$35.7 million of acquired goodwill.

Cash flow

Cash flow from operations in Containers was US$6.8 million, down US$7.6 million, reflecting increased capital expenditure to support growth.

DISCONTINUED OPERATIONS

US$M			Change	
	1H12	1H11	Actual FX	Constant FX
Sales revenue	417.5	384.7	9%	5%
Operating profit	47.9	59.1	(19)%	(23)%
Margin	*11%*	*15%*	*(4)pp*	
Significant items:				
Restructuring & divestment costs	19.5	(0.3)		
Cash flow from operations incl. Significant items	(8.7)	13.1	(21.8)	

Sales

Sales revenue from Discontinued operations was US$417.5 million, up 9% (5% at constant currency), primarily reflecting carton storage growth in Recall's Document Management Solutions service line. Net new business wins of US$11 million and like-for-like volume growth each contributed half Recall's constant-currency sales revenue growth. The net annualised value of new business Recall won in the period was US$45 million.

Profit

Operating profit from Discontinued operations was US$47.9 million, down 19% (down 23% at constant currency), after US$19.5 million of Significant items from Recall restructuring and divestment process costs. The operating profit margin was 11%, down 4 percentage points. Excluding Significant items, operating profit from Discontinued operations was US$67.4 million, up 15% (9% at constant currency) reflecting Recall sales growth and restructuring savings. Recall's operating profit before Significant items was US$71.2 million, up 21% (15% at constant currency), reflecting a margin of 17%, up 2 percentage points.

Cash flow

Cash flow from operations was US$(8.7) million, down US$21.8 million, reflecting reduced operating profit.

ADDITIONAL FINANCIAL INFORMATION

CAPITAL EXPENDITURE ON PROPERTY, PLANT & EQUIPMENT (ACCRUALS BASIS)

US$M	1H12	1H11	Change
Pallets - Americas	145.8	125.6	(20.2)
Pallets - EMEA	115.6	133.1	17.5
Pallets - Asia-Pacific	44.1	33.7	(10.4)
Total Pallets	**305.5**	**292.4**	**(13.1)**
RPCs	127.8	9.1	(118.7)
Containers	27.6	13.3	(14.3)
Total Continuing operations	**460.9**	**314.8**	**(146.1)**
Discontinued operations	18.6	44.0	25.4
Total Brambles	**479.5**	**358.8**	**(120.7)**

Brambles' capital expenditure (accruals basis) was US$479.5 million, up US$120.7 million, primarily reflecting investment in product and geographic expansion and new business wins.

Capex on expanding the RPCs, Containers and emerging markets Pallets operations was US$160 million, representing part of management's forecast for US$550 million of capex in these areas over the 2012 and 2013 financial years.

Total capex on property plant and equipment in Continuing operations was US$460.9 million, up US$146.1 million. This comprised US$446.1 million of capex on pooling equipment and US$14.8 million of other capex. Capex from Discontinued operations was US$18.6 million, down US$25.4 million, reflecting reduced capex in Recall.

CASH FLOW

US$M	1H12	1H11	Change
Underlying profit	385.1	313.7	71.4
Depreciation and amortisation	251.0	197.8	53.2
EBITDA	**636.1**	**511.5**	**124.6**
Capital expenditure	(478.1)	(305.5)	(172.6)
Proceeds from disposals	36.2	39.2	(3.0)
Working capital movement	(75.7)	(6.2)	(69.5)
Irrecoverable pooling equipment provision	55.2	52.7	2.5
Provisions/other	(41.5)	(15.2)	(26.3)
Cash flow from Continuing operations	**132.2**	**276.5**	**(144.3)**
Significant items from continuing operations	(13.1)	(13.5)	0.4
Cash flow from discontinued operations (incl. Significant items)	(8.7)	13.1	(21.8)
Cash flow from operations (incl. Significant items)	**110.4**	**276.1**	**(165.7)**
Financing costs and tax	(205.2)	(175.7)	(29.5)
Free cash flow	**(94.8)**	**100.4**	**(195.2)**
Dividends paid	(200.4)	(103.8)	(96.6)
Free cash flow after dividends	**(295.2)**	**(3.4)**	**(291.8)**

Cash flow from Continuing operations was US$132.2 million, down US$144.3 million, as increased profitability was insufficient to fund capital expenditure for growth initiatives, increased working capital and other outgoings.

Free cash flow after dividends was US$(295.2) million, down US$291.8 million, reflecting lower cash flow from Continuing operations, higher financing costs to fund acquisitions, higher dividends and the suspension of the Dividend Reinvestment Plan.

BRAMBLES VALUE ADDED

US$M, fixed June 2011 FX	1H12	1H11	Change
Pallets - Americas	44.1	29.9	14.2
Pallets - EMEA	59.5	80.1	(20.6)
Pallets - Asia-Pacific	13.8	13.4	0.4
Total Pallets	**117.4**	**123.4**	**(6.0)**
RPCs	(28.1)	5.0	(33.1)
Containers	3.1	7.7	(4.6)
Brambles HQ	(13.0)	(16.0)	3.0
Total Continuing operations	**79.4**	**120.1**	**(40.7)**

Brambles Value Added (BVA), the Company's definition of economic profit, was US$79.4 million, down $40.7M, reflecting the short-term impact of upfront expenditure on growth initiatives, goodwill and intangible assets created as a result of acquisitions, and reduced profitability in the EMEA region of the Pallets business.

NET DEBT & KEY RATIOS

US$M	Dec 11	Jun 11	Change
Current debt	158.6	325.6	167.0
Non-current debt	3,181.6	2,811.7	(369.9)
Gross debt	**3,340.2**	**3,137.3**	**(202.9)**
Less cash	(166.3)	(138.5)	27.8
Net debt	**3,173.9**	**2,998.8**	**(175.1)**
KEY RATIOS (X)	**1H12**	**1H11**	
Net debt to EBITDA[9]	2.2x	1.4x	
EBITDA interest cover	8.8x	10.4x	

Net debt was US$3,173.9 million at 31 December 2011, up US$175.1 million from 30 June 2011, reflecting higher capital expenditure to support growth.

At 31 December 2011, Brambles had committed credit facilities including bonds and notes totalling US$4,068.6 million. The average term to maturity of total credit facilities was 4.2 years.

The ratio of net debt to EBITDA at 31 December 2011 was 2.2 times, compared with 1.4 times at 31 December 2010, reflecting the increase in borrowings for the IFCO acquisition.

Brambles intends to use part of the proceeds from the Recall divestment to retire debt in line with its financial policy to target net debt to EBITDA of less than 1.75 times. The Company is committed to maintaining its BBB+/Baa1 credit ratings.

FORWARD-LOOKING STATEMENTS

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

[9] Includes operating profit from both Continuing and Discontinued operations, after adding back depreciation and amortisation and Significant items outside ordinary activities