

Brambles

2007 Interim Results

21 February 2007



2007 Interim Results

David Turner

Chief Executive Officer

1H07 sees transformation complete

- Delivered strong profit growth
- Asset disposal program successfully completed
- Unification completed
- Utilisation of cash
 - Special Dividend (US\$434 million, October 2006)
 - Cash Alternative (US\$950 million, December 2006)
- Positioned to deliver further shareholder value

Summary - Interim results

- Continuing operations
 - Sales revenue US\$1.9bn (up 6%)
 - Comparable operating profit US\$421m (up 20%)
 - PAT¹ at US\$271m (up 46%)
 - EPS¹ 16.7 US cents (up 54%)
 - BVA at US\$196m (up US\$59m)

¹ Before special items

Growth % calculated on US\$ constant currency basis

Business highlights

- CHEP Americas
 - Sales growth 6%, profits up 31%
 - Further operational efficiencies
- CHEP Europe
 - Sales growth 2%, profits up 5%
 - Increased costs – lumber (US\$2m) and Brentwood closure (US\$8m)
- CHEP RoW
 - Sales growth 9%, profits up 13%
- Recall
 - Integration of AUSDOC and key customer wins
 - Sales growth 14%, profits up 27%

Growth % calculated on US\$ constant currency basis

2007 Interim Results

Mike Ihlein
Chief Financial Officer

Strong growth in profit and BVA

AIFRS	Actual	Constant		
	1H07 US\$m	1H07 US\$m	1H06 US\$m	Growth %
Continuing operations¹				
Sales revenue	1,872.7	1,811.2	1,707.6	6
Comparable operating profit	421.2	410.5	342.3	20
PBT	413.1	402.7	280.6	44
PAT	270.6	263.8	180.1	46
EPS ¹ (cents)	16.7	16.3	10.6	54
BVA (June 06 rates)		196	137	US\$59m
Brambles Group				
PAT (after special items)	982.6		251.9	
EPS ¹ (cents)	18.4		15.7	
Free cash flow (before special items)	208.5		162.8	US\$45.7m

¹ Before special items

Growth % calculated on US\$ constant currency basis

Solid sales in continuing operations

AIFRS	Actual 1H07 US\$m	1H07 US\$m	Constant 1H06 US\$m	Growth %
CHEP	1,564.6	1,512.6	1,445.0	5
Recall	308.1	298.6	262.6	14
Continuing operations	1,872.7	1,811.2	1,707.6	6
Discontinued operations	252.1	238.5	1,323.2	nm ¹
Total	2,124.8	2,049.7	3,030.8	nm ¹

1 Not meaningful due to timing of divestments

Growth % calculated on US\$ constant currency basis

...with operating profit growth in both CHEP and Recall

AIFRS	Actual	Constant		Growth %
	1H07 US\$m	1H07 US\$m	1H06 US\$m	
CHEP	385.2	375.1	317.8	18
Recall	50.0	48.3	38.1	27
Continuing (pre corporate)	435.2	423.4	355.9	19
Unallocated corporate costs	(14.0)	(12.9)	(13.6)	5
Continuing operations	421.2	410.5	342.3	20
Discontinued operations	40.6	38.3	128.2	nm ¹
Total	461.8	448.8	470.5	nm ¹

¹ Not meaningful due to timing of divestments and the impact of the cessation of depreciation and JV accounting

Growth % calculated on US\$ constant currency basis

Strong cash flow generation

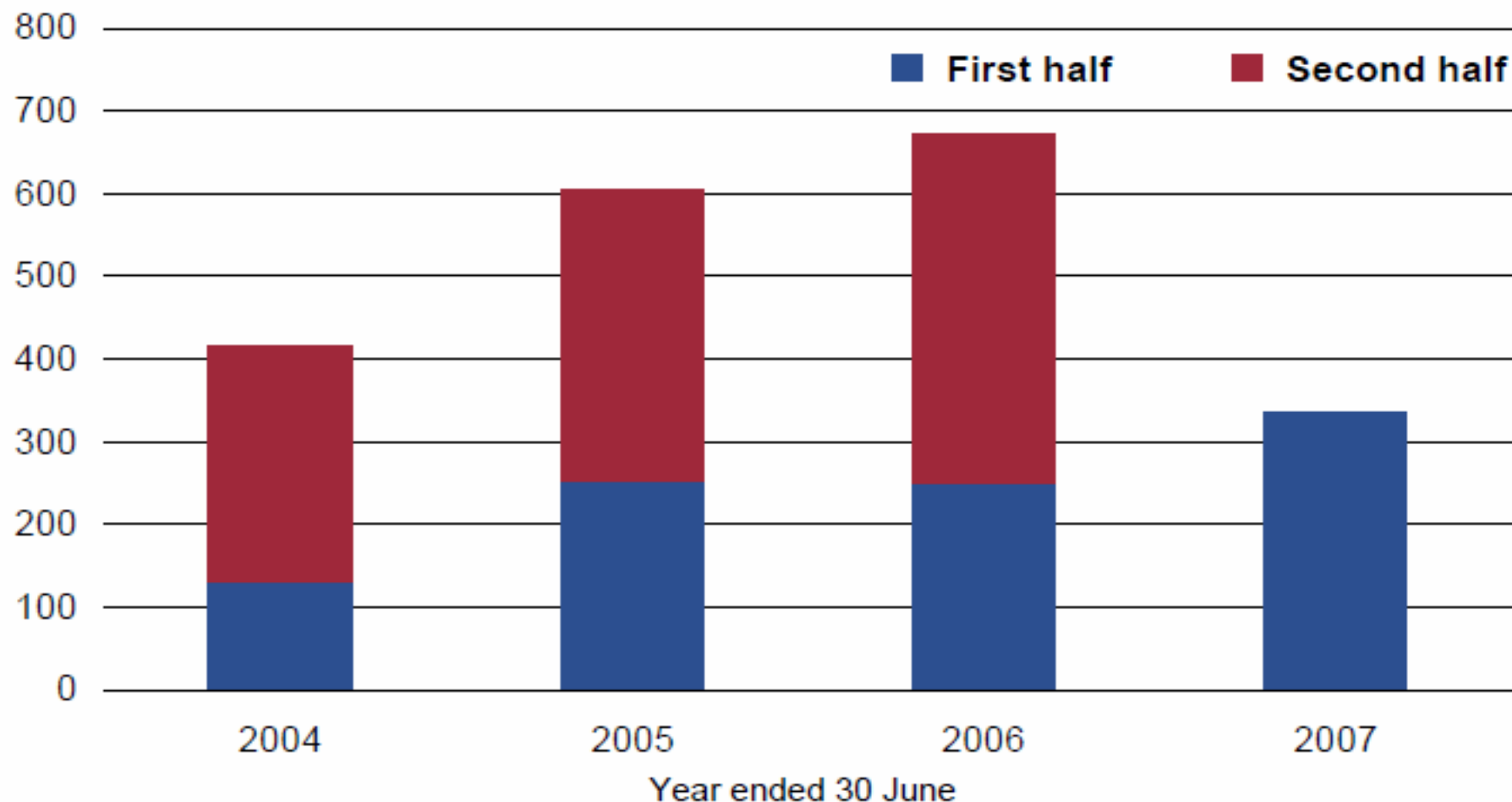
AIFRS	Actual		
	1H07 US\$m	1H06 US\$m	Change US\$m
Comparable operating profit ¹	421.2	342.3	78.9
Depreciation and amortisation ¹	197.2	192.9	4.3
EBITDA	618.4	535.2	83.2
Capital expenditure	(312.4)	(303.0)	(9.4)
Proceeds from disposals	37.8	36.7	1.1
Working capital movement	(54.2)	(45.5)	(8.7)
Irrecoverable pooling equipment provision	50.5	53.1	(2.6)
Provisions / Other	(29.1)	(31.3)	2.2
Cash flow from continuing operations	311.0	245.2	65.8
Discontinued operations	33.1	97.5	(64.4)
Special items	(90.7)	(5.5)	(85.2)
Cash flow from operations after special items	253.4	337.2	(83.8)
Financing costs and tax	(135.6)	(179.9)	44.3
Free cash flow	117.8	157.3	(39.5)

¹ Excludes asset write-downs

Excellent cash flow from CHEP

US\$m

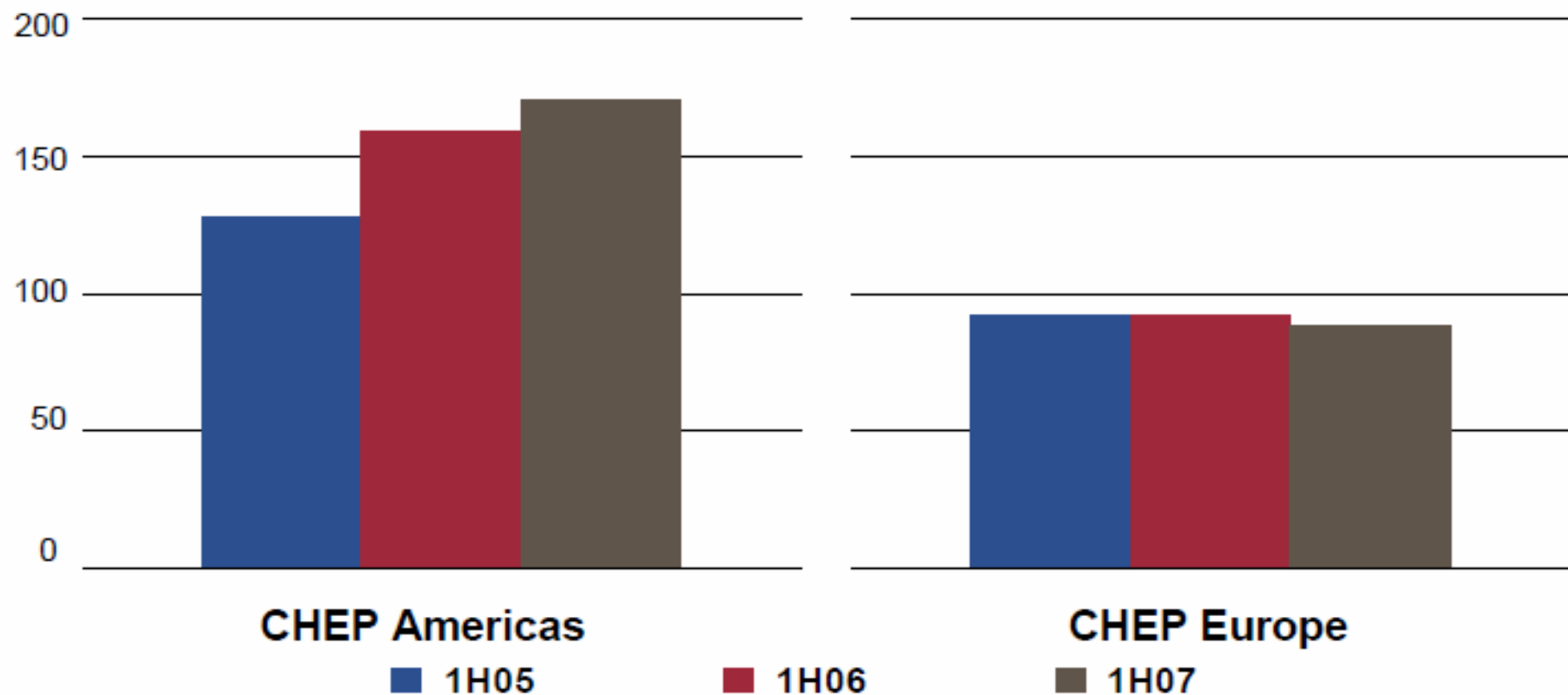
Cash flow from operations



CHEP capex supports growth and Perfect Plants

US\$m

Capital expenditure



BVA - CHEP continues to deliver

AIFRS, June 06 rates	1H07 US\$m	1H06 US\$m	Growth US\$m
CHEP Americas	112	68	44
CHEP Europe	53	45	8
CHEP ROW	42	36	6
CHEP	207	149	58
Recall	0	(2)	2
Continuing (pre corporate)	207	147	60
Unallocated corporate costs	(11)	(10)	(1)
Total continuing operations	196	137	59

Financial ratios

AIFRS, Actual rates	Dec 06	Dec 05	Facilities/ Covenants
Closing Net Debt (US\$m)	927.4	2,023.1	3,771.0
Interest cover (x)			
• Comparable operating profit	57.0	7.6	
• EBITDA	81.4	12.1	x 3.5 (min)
Net Debt / EBITDA (x)	0.7	1.4	x 3.5 (max)
Gearing (%)	27.7	45.3	
(Net Debt/Net Debt & Equity)			

- **Maintain financial structure consistent with investment grade credit**

Before special items

AIFRS	Actual	Constant		
	1H07 US\$m	1H07 US\$m	1H06 US\$m	Growth %
Americas	692.8	689.6	651.0	6
Europe	669.8	619.9	608.0	2
RoW	202.0	203.1	186.0	9
Sales revenue	1,564.6	1,512.6	1,445.0	5
Comparable operating profit	385.2	375.1	317.8	18
Profit margin (%)	25	25	22	3 pp

Growth % calculated on US\$ constant currency basis

Americas continues strong profit growth



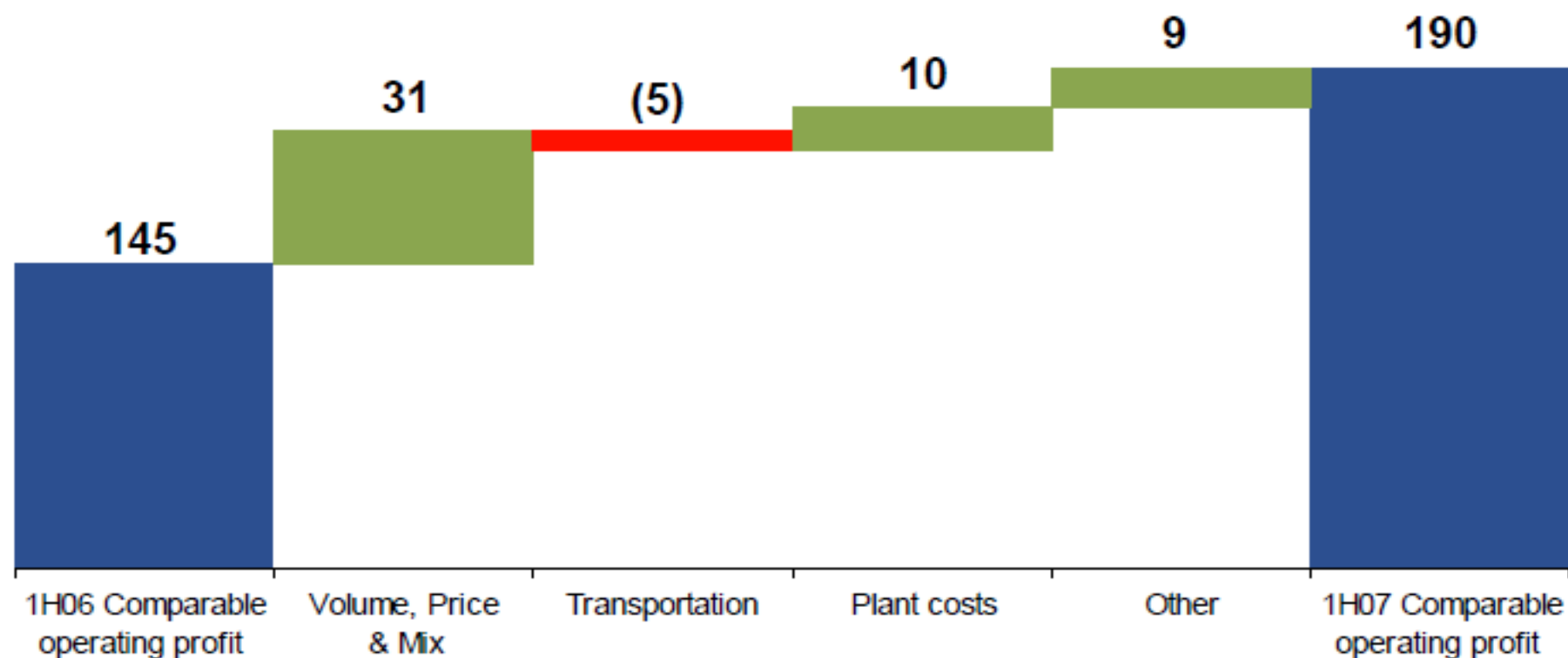
Comparable operating profit AIFRS	Actual	Constant		Growth %
	1H07 US\$m	1H07 US\$m	1H06 US\$m	
Americas	190.9	189.8	145.0	31
Europe	132.7	122.6	117.3	5
RoW	61.6	62.7	55.5	13
Total	385.2	375.1	317.8	18

Growth % calculated on US\$ constant currency basis

Americas – Volume and efficiencies deliver gains



US\$m

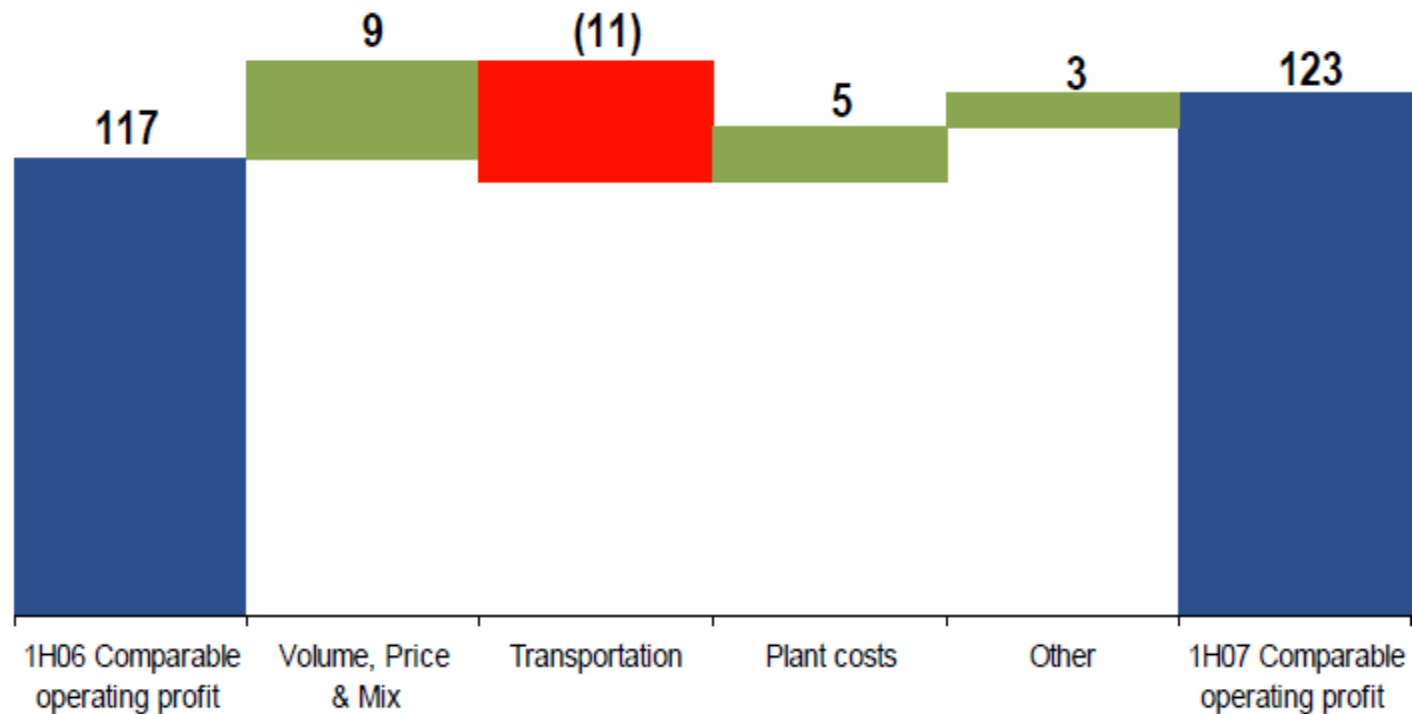


All numbers are calculated at constant currency

Europe – Increased transport costs offsetting efficiencies



US\$m



All numbers are calculated at constant currency

AIFRS	Actual	Constant		
	1H07 US\$m	1H07 US\$m	1H06 US\$m	Growth %
Americas	146.5	144.7	133.5	8
Europe	77.3	71.3	71.6	Note ¹
RoW	84.3	82.6	57.5	44
Sales revenue	308.1	298.6	262.6	14
Comparable operating profit	50.0	48.3	38.1	27
Profit margin (%)	16	16	15	1 pp

¹ The underlying growth in sales was 5%, after adjusting for exiting the UK SDS business in FY06

Growth % calculated on US\$ constant currency basis

Effective tax rate – continuing operations

AIFRS	Actual 1H07 US\$m	Actual 1H06 US\$m
PBT ¹	413.1	280.6
Tax ¹	142.5	100.5
Effective tax rate % of PBT	34.5%	35.8%

¹ Before special items

Special items

AIFRS	Actual	
	1H07 US\$m	1H06 US\$m
Amortisation of acquired intangible assets	(2.2)	(1.1)
Stamp duty on Unification	(28.8)	-
Restructuring and Unification costs	(69.1)	(9.4)
AUSDOC integration costs	-	(12.2)
Special items from continuing operations	(100.1)	(22.7)
Business disposals	784.7	45.7
Impairments	-	(14.0)
Restructuring and Unification costs	(3.0)	-
Special items from discontinued operations	781.7	31.7
Special items before tax	681.6	9.0
Tax	2.7	(23.0)
Total	684.3	(14.0)

2007 Interim Results

David Turner
Chief Executive Officer

- Significant growth potential
 - Existing customers
 - Converting white wood customers
 - » Increased cost of new white wood pallets
 - New geographies
- Improving customer satisfaction
 - Service levels
 - Invoicing
- On-going operational efficiencies
 - Perfect Plants
 - Transportation/Network optimisation

- Total Pallet Management (TPM) evolving rapidly
 - Distributors/Emitters
 - Expanding footprint
 - » 69 Service Centres, 129 TPM locations
 - Favourably impacts network logistics
 - Embedded in customers' premises
- Technology adapted for TPMs
 - Inspection and sorting
- Sales effort continuing to drive top line growth

- Perfect Plants
 - 8 commissioned in 1H07
 - » Europe (Swindon, Dublin)
 - » Americas (Mexico City, Brampton - Canada, Atlanta)
 - » RoW (Erskine Park, Kraaifontein, Bloemfontein)
 - 8 more in 2H07
 - 12 Sorting modules to be installed at Es and Ds
 - 6 Facilities to be upgraded
- First Generation II plant operational
 - Robotics
 - Process automation

- Strong contract wins in North America
 - Bank of America, Chevron (Document Management Solutions)
 - JPMorgan – 50% of contract (Secure Destruction Services)
- Focus on processes and costs
- AUSDOC integration benefits

Capital Management

- On-going share buy-backs announced
- Reviewing alternatives

Outlook for 2007

- CHEP – another year of strong profit growth
- CHEP Americas
 - Solid growth in sales and continuing very strong profit growth
- CHEP Europe
 - Focus on acquiring new customers and operational efficiencies
 - Continued profit growth and good cash generation
- CHEP RoW – continues to perform well
- Recall – organic sales growth similar in 2H07
- Good progress in sales, profit and cash generation

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

Sales revenue	Excludes revenues of associates and non trading revenue.
Comparable operating profit	Profit before finance costs, tax and special items. Includes PAT of associates.
PBT	Profit before tax and special items. Includes PAT of associates.
PAT	Profit after tax before special items, and minority interests.
EPS	Profit after tax, minority interests and special items, divided by shares in issue.
DPS	Dividends declared in the period divided by shares in issue.
Shares in issue	Based on weighted average shares in issue of 1,620.7m in 1H07; 1,695.6m in 1H06.
Organic growth	Growth from existing customers or new customers acquired, though not through a business acquisition.

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

Constant currency	Translation of both current period and comparable period results into US dollars at the actual monthly exchange rates applicable for the comparable period.
Actual rates	Based upon conversion of local currency into US dollars using the average of the difference between buy and sell rates applicable at each month end.
Continuing operations	Refers to CHEP, Recall and Corporate.
Discontinued operations	All businesses which have been or are expected to be divested.
Special items	Special items comprise impairments, exceptional items, fair value adjustments and amortisation of acquired non-goodwill intangible assets (other than software). Exceptional items are items of income or expense which are considered to be outside the ordinary course of business and are, either individually or in aggregate, material to Brambles or to the relevant business segment.
Unification	The process by which Brambles Limited acquired all Brambles Industries Limited and Brambles Industries plc shares under separate schemes of arrangement.

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

Unallocated corporate costs	Head office costs which are not allocated back to the divisions. These are excluded from the segmental analyses.
Associates	50% or less equity, minimum 20%.
Free Cash Flow (FCF)	Cash flow generated after net capital expenditure, finance costs and taxation but excluding the net cost of acquisitions and proceeds from business disposals.
BVA	Brambles Value Added, calculated in US\$ AIFRS as comparable operating profit – (12% x Average capital invested) at June 2006 exchange rates .
Average capital invested	Calculated as a 12 month average. Capital invested is calculated as net assets before tax balances, cash and borrowings, but after adding back accumulated pre-tax special items (excluding those associated with the restructuring, Unification and divestment program). Semi-annual average capital invested calculated as a 6 month average.
ROCI	Calculated as comparable operating profit divided by average capital invested.
Capital expenditure (capex)	On a cash flow basis. Unless otherwise stated, excludes intangible assets, investments in associates and equity acquisitions and is shown gross of any fixed asset disposals proceeds.

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