

Brambles

2011 first-half
results

15 February 2011



Discussion topics

Business update and result overview Tom Gorman, CEO

Result analysis Greg Hayes, CFO

Outlook

Growth initiatives update Tom Gorman, CEO

- Emerging economies focus

Summary

Business update and result overview

Tom Gorman, CEO

Result highlights

- Sales revenue up 3%
 - Uneven economic recovery in Brambles' key regions
 - Customer retention and new business wins
 - Strengthening customer relationships
- Operating profit up 8%
 - Improvement in all business units
 - Defending the business and investing for growth
 - Quality initiatives
- Growth plans on track
 - Increased capital expenditure, targeted acquisitions
 - Investment in innovation and business development
 - Strong emerging economy performance

Financial highlights

US\$M	1H11	1H10	Change (%)	
			Actual FX	Constant FX*
Sales revenue	2,147.2	2,086.1	3	4
Operating profit**	366.1	338.1	8	8
Profit after tax**	219.8	206.7	6	7
Earnings per share (US cents)***	15.4	14.8	4	5
Dividends per share (Australian cents)	13.0	12.5	4	
			Change (US\$M)	
Cash flow from continuing operations	290.1	400.3	(110.2)	
Free cash flow after dividends	(3.4)	133.3	(136.7)	

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

** Includes US\$6.4M of Significant items, including US\$6.9M of acquisition-related costs and US\$(0.5)M of other.

*** Earnings per share includes discontinued operations.

Strong new business wins

US\$M	Net new business*	1H11 annualised**
CHEP Americas	10	22
CHEP EMEA	14	5
CHEP Asia-Pacific	2	8
Recall	8	19
Brambles	34	54

* Net new business = change in sales revenue in the period resulting from business won or lost in the period and the previous 12 months.
Net new business is calculated on a constant currency basis.

** Annualised = net annualised value of business won and lost during the period.

Business highlights – CHEP Americas

- Sales revenue up 5%
 - Growth in all countries
 - Latin America up 19%
 - LeanLogistics up 16%
 - Ongoing competitive activity
- Defending and growing the business
 - Leading brands re-committing
- Improved CHEP USA business
 - Customer feedback continuing to improve
 - Better Everyday costs as per Aug '10 guidance
 - US\$199M of contract renewals in 1H11 in USA
 - SME strategy building momentum



1H11 sales growth in CHEP USA

20% increase compared with 1H10

Annual issue volumes	Annualised sales revenue impact (US\$M)	Contracts (#)
<100K	13	588
100K-500K	3	4
500K+	6	2
Total wins	22	594
Losses	(12)	(16)
Net	10	578

Business highlights – CHEP EMEA

- Sales revenue down 2%
 - Negative impact from weaker euro and pound
 - Volume up 2%
 - Automotive sales revenue up 3%
- Volume growth in Western Europe
 - Growth in Germany, Italy, Benelux, Scandinavia
 - Difficult conditions in Spain, France, UK
- Significant progress in emerging economies
 - Middle East & Africa sales revenue up 26%
 - Central & Eastern Europe sales revenue up 16%
 - Positive start in Turkey



Business highlights – CHEP Asia-Pacific

- Sales revenue up 13%
 - Positive impact from currency
 - Australia performance in line with slower economy in Dec quarter
 - RPC and auto growth
- Emerging economies
 - China and India sales revenue up 91%
 - Partnerships in FMCG and auto
 - South-East Asia sales revenue up 23%
 - Growth to require further investment



Business highlights – Recall

- Sales revenue up 6%
 - Major contracts wins
 - Carton volume growth 6%
 - Higher paper prices
- Increased investment in facilities, sales-force and systems
- Strong growth in emerging economies



IFCO update

- CY10 result in line with Brambles expectations
- Acquisition timetable on track
 - Regulatory approval received in all required European countries
 - Clearance process in USA progressing as expected
- Public tender offer launched Dec '10 on track
- A\$110M raised in Dec '10 through Share Purchase Plan
- Integration planning underway

Result analysis

Greg Hayes, CFO

Result overview

US\$M	Actual FX	Constant FX		
	1H11	1H11	1H10	Growth %
Sales revenue	2,147.2	2,164.4	2,086.1	4
Underlying profit	372.5	373.1	340.2	10
Operating profit	366.1	365.9	338.1	8
Profit before tax	308.9	309.0	284.1	9
Profit after tax	219.8	221.5	206.7	7
Statutory EPS* (cents)	15.4	15.5	14.8	5
Cash flow from operations	290.1	290.9	400.3	(27)
Brambles Value Added		105.5	70.7	

*Earnings per share includes discontinued operations

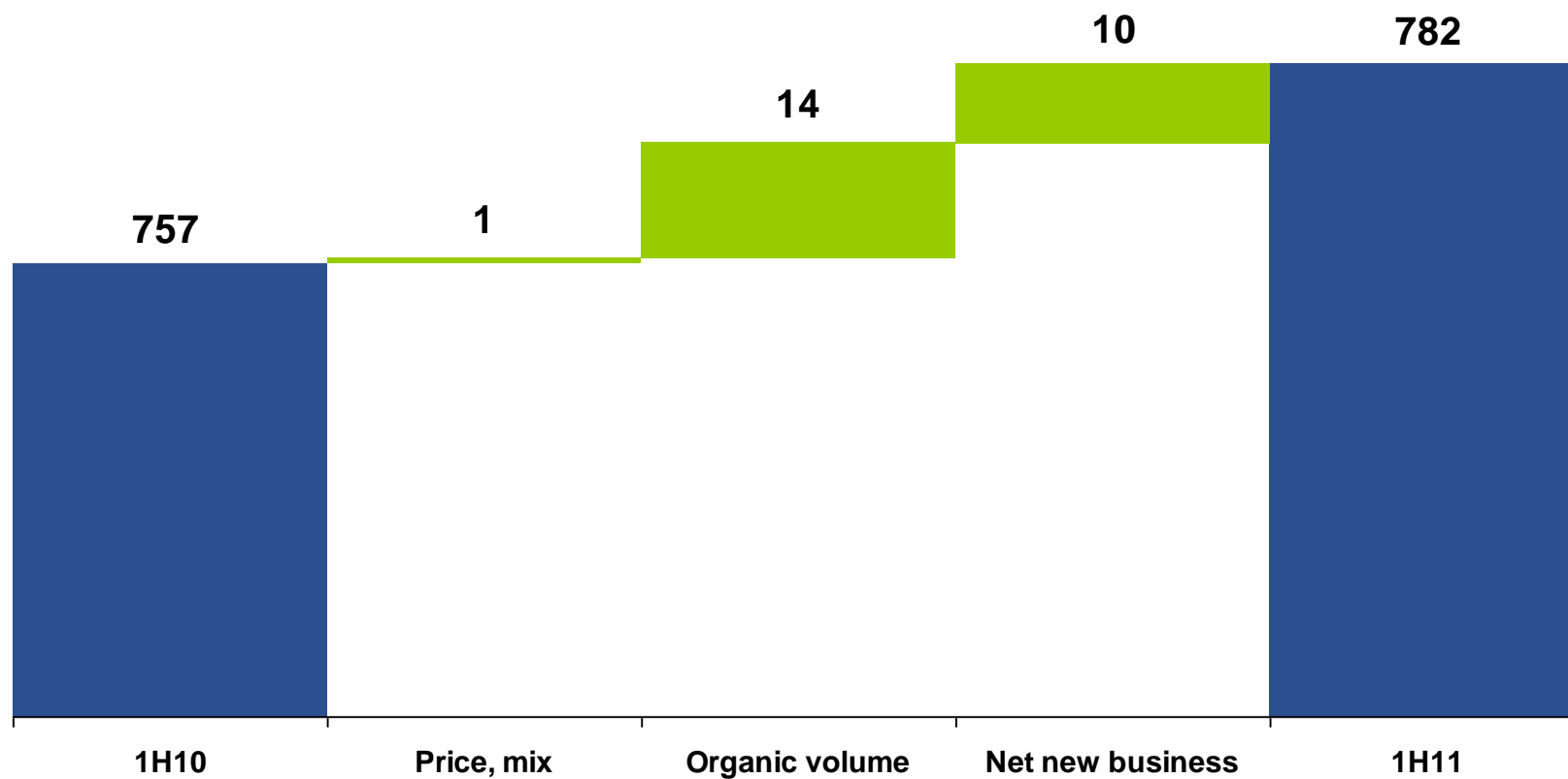
CHEP

US\$M	Actual FX	Constant FX		
	1H11	1H11	1H10	Growth %
Americas	791.2	782.2	756.9	3
EMEA	751.3	798.4	770.1	4
Asia-Pacific	220.0	203.8	195.0	5
Sales revenue	1,762.5	1,784.4	1,722.0	4
Operating profit	331.0	331.7	300.4	10
Profit margin (%)	19	19	17	

Americas – sales revenue



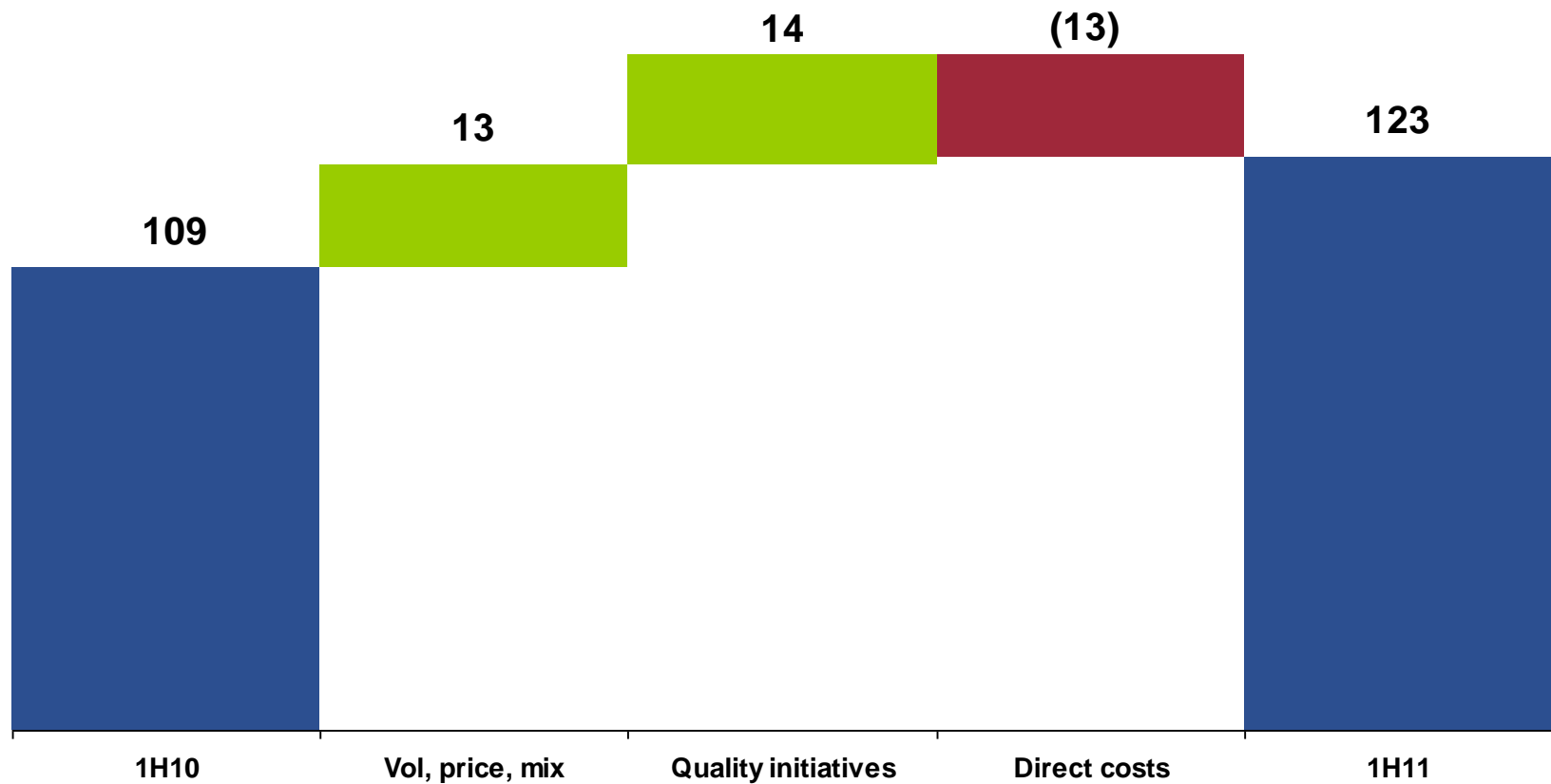
US\$M, constant currency basis



Americas – operating profit



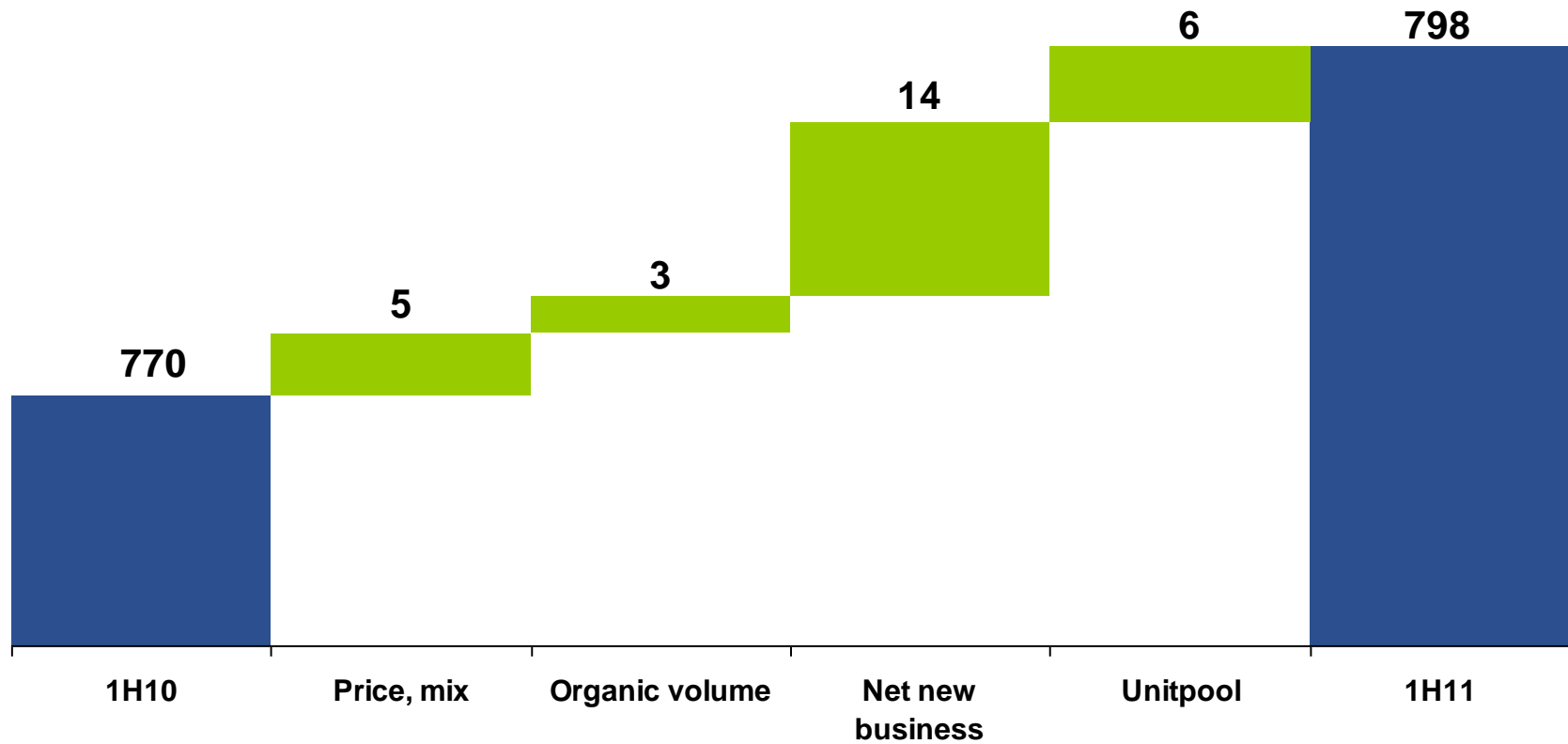
US\$M, constant currency basis



EMEA – sales revenue



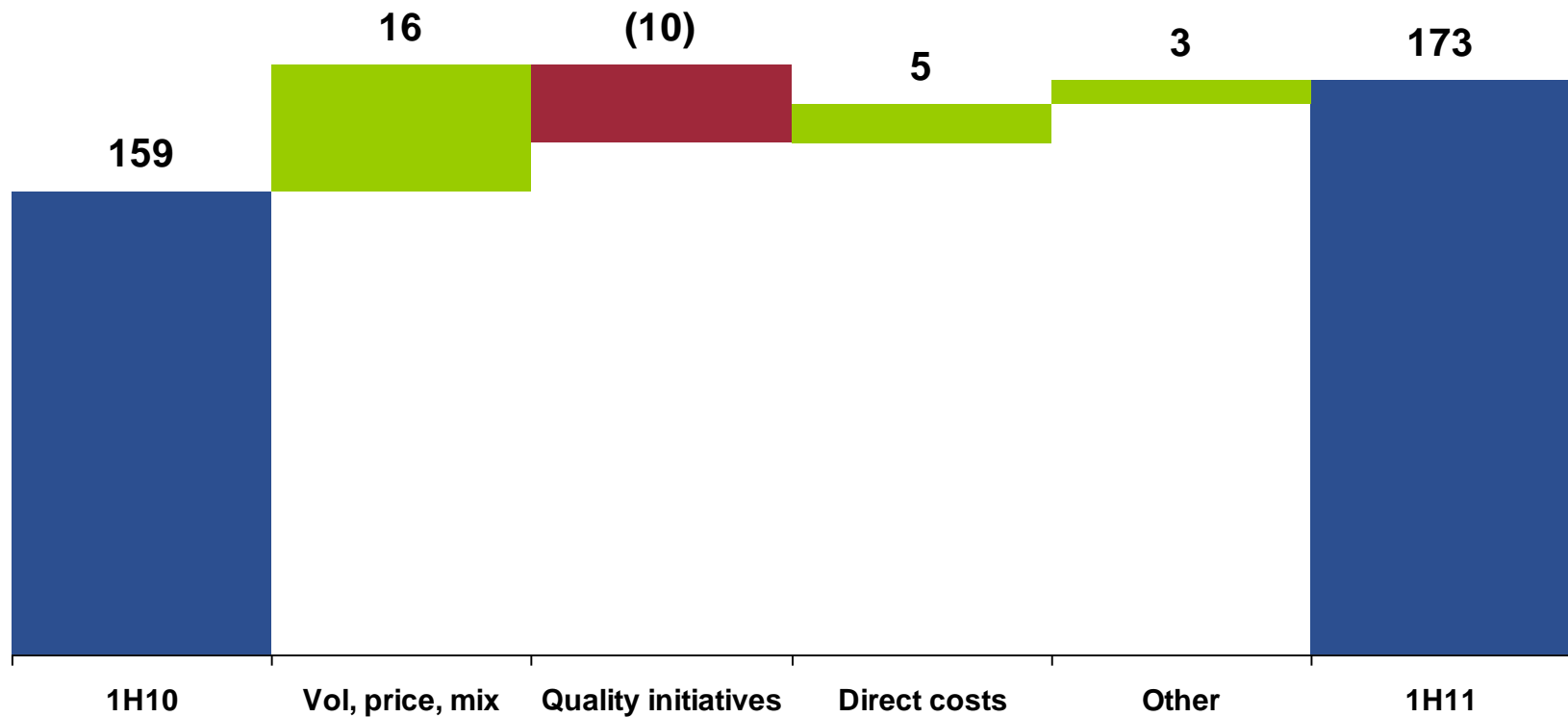
US\$M, constant currency basis



EMEA – operating profit



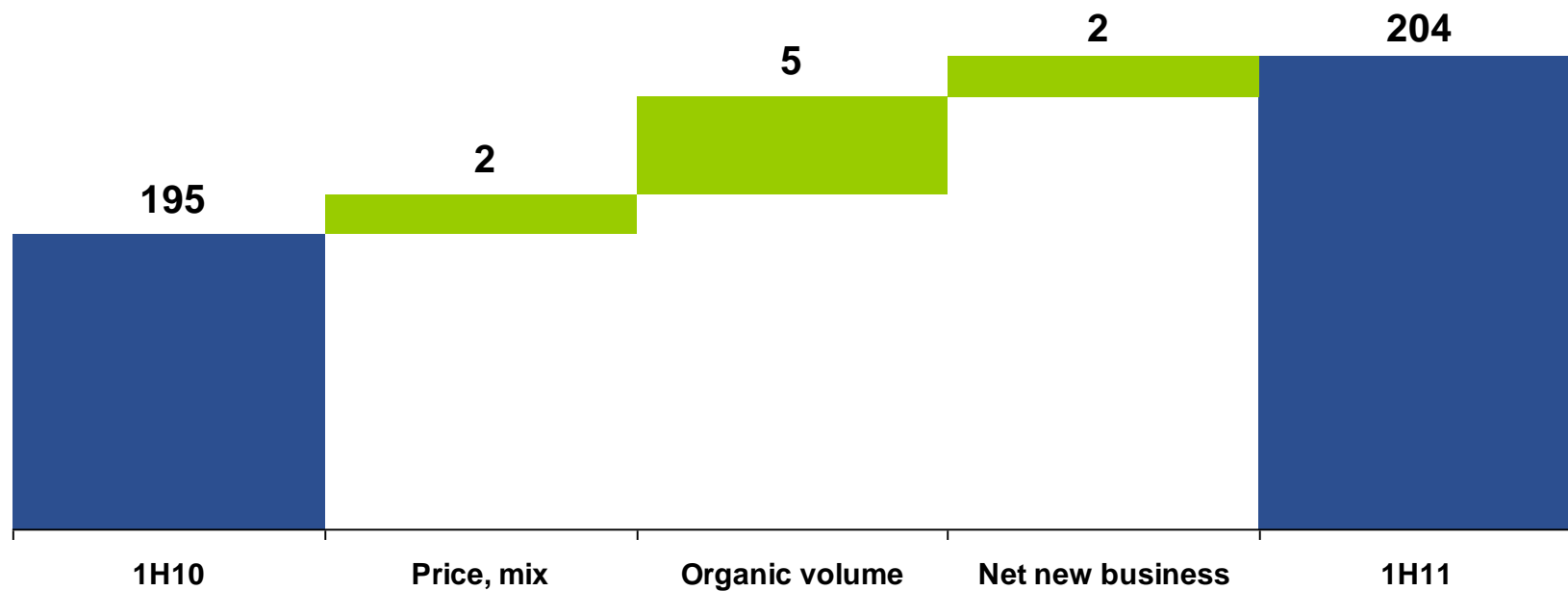
US\$M, constant currency basis



Asia-Pacific – sales revenue



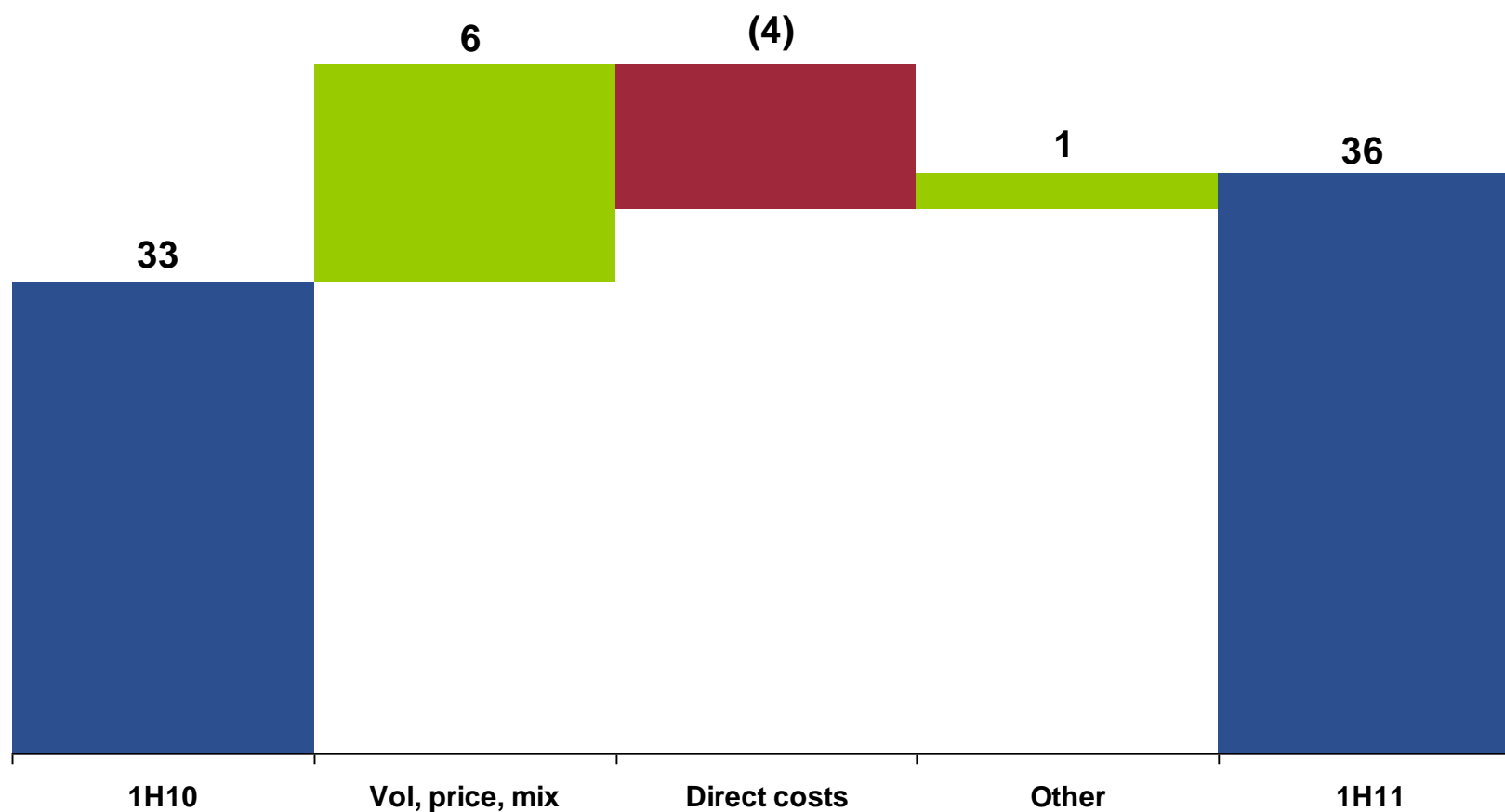
US\$M, constant currency basis



Asia-Pacific – operating profit



US\$M, constant currency basis



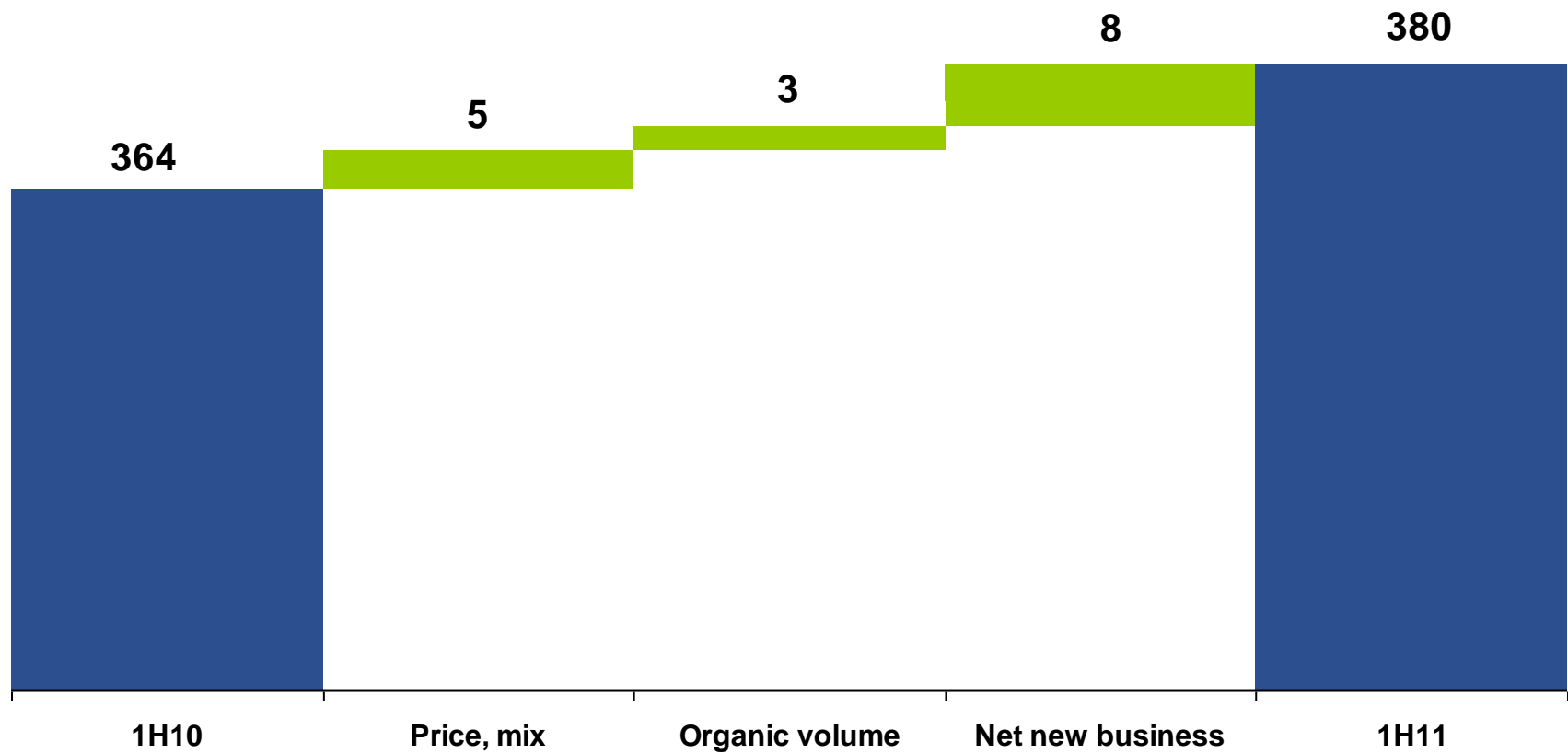
Recall

US\$M	Actual FX	Constant FX		
	1H11	1H11	1H10	Growth %
Americas	174.2	172.0	161.9	6
Europe	93.8	100.0	95.3	5
Rest of world	116.7	108.0	106.9	1
Sales revenue	384.7	380.0	364.1	4
Operating profit	59.3	57.3	52.5	9
Profit margin (%)	15	15	14	

Recall – sales revenue

recall[™]

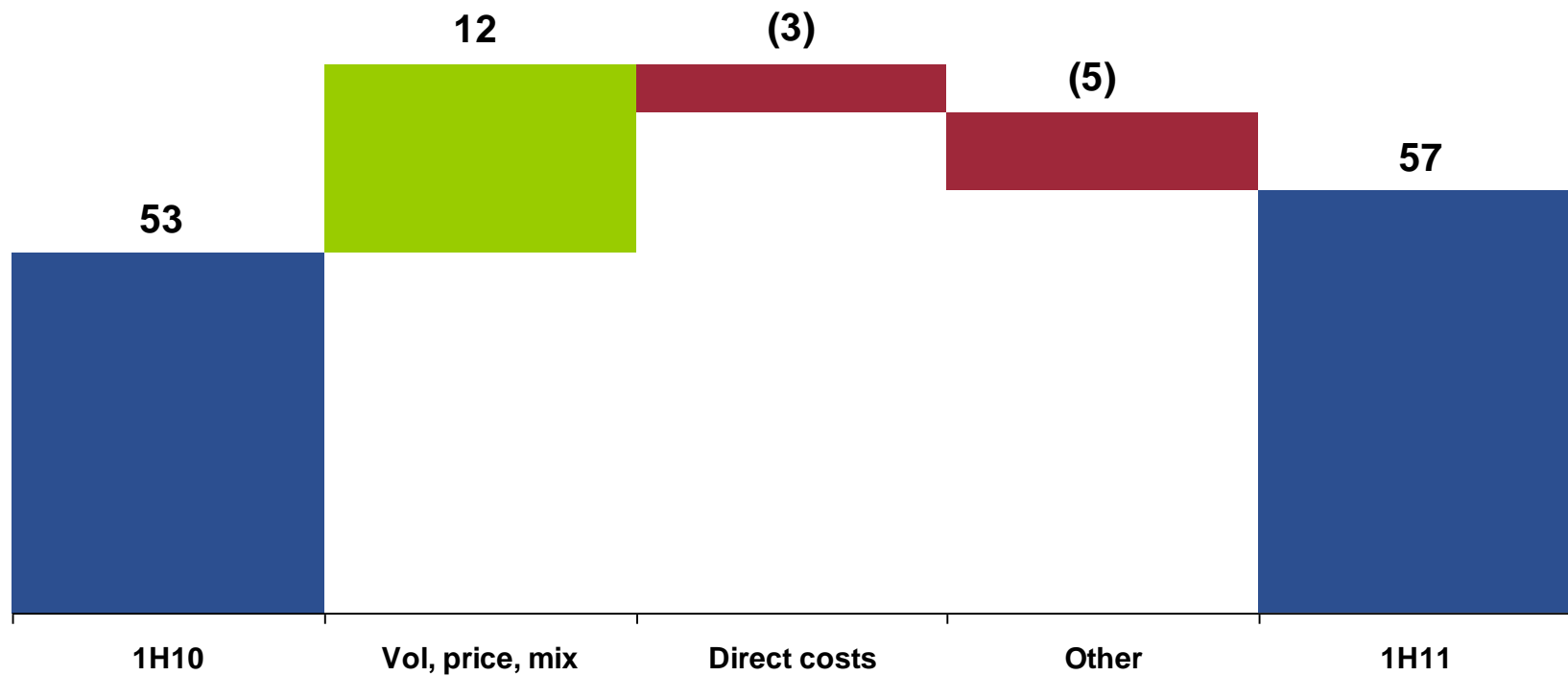
US\$M, constant currency basis



Recall – operating profit

recall[™]

US\$M, constant currency basis



Cash flow and finance

Cash flow

US\$M actual rates	1H11	1H10	Change
EBITDA	596.0	562.1	33.9
Capital expenditure	(338.6)	(254.6)	(84.0)
Proceeds from disposals	39.8	43.6	(3.8)
Working capital movement	(34.3)	(21.4)	(12.9)
IPEP expense	52.7	60.2	(7.5)
Provisions / other	(25.5)	10.4	(35.9)
Cash flow from continuing operations	290.1	400.3	(110.2)
Significant items outside ordinary activities	(14.0)	(35.1)	21.1
Cash flow from operations (incl. Significant items)	276.1	365.2	(89.1)
Financing costs and tax	(175.7)	(130.6)	(45.1)
Free cash flow	100.4	234.6	(134.2)
Dividends paid	(103.8)	(101.3)	(2.5)
Free cash flow after dividends	(3.4)	133.3	(136.7)

Financial position

Actual rates

Dec 10

Jun 10

Net debt (US\$M)

1,720.5

1,759.3

Gearing* (%)

45.5

51.9

Actual rates

1H11

1H10

Covenants

EBITDA/ net finance costs (x)**

10.4

10.4

3.5 (min)

Net debt/ EBITDA (x)

1.4

1.8

3.5 (max)

* Net debt to net debt plus equity

** EBITDA defined as operating profit from continuing operations after adding back depreciation and amortisation and Significant items outside ordinary activities

Outlook

Outlook

- On track for FY11 result in line with Aug '10 guidance
 - Sales revenue growth in all business units at constant currency
 - Operating profit before finance costs and tax of US\$740M to US\$780M*
 - June 2010 foreign exchange rates
 - Excludes any contribution or acquisition expense from IFCO
 - Interest cost approximately US\$115M
 - Tax rate approximately 28%
- Subject to unforeseen circumstances and ongoing economic uncertainty

* Comparable 1H11 operating profit was US\$352M.

Growth initiatives update

Tom Gorman, CEO

Recap – Brambles' key strengths

- Global footprint
- Local networks
- Intellectual property
 - Expertise in equipment pooling
 - Expertise in information management
- Customer franchises
- Financial position

Delivering growth

- Strengthen the core
 - CHEP USA SME pallets
 - LeanLogistics
 - RPC expansion
 - Recall storage growth

- Expanding the reach
 - Global automotive
 - Global containers
 - Recall digital
 - Emerging economies

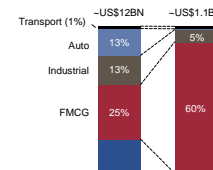
Current initiatives



Served sectors – USA



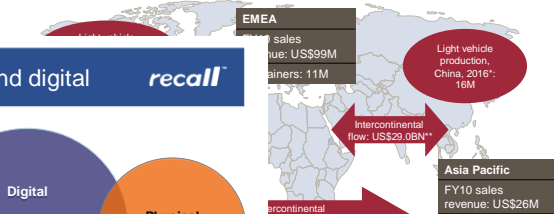
Opportunity and penetration estimate



Intercontinental automotive flows



CHEP automotive penetration vs. assessed opportunity

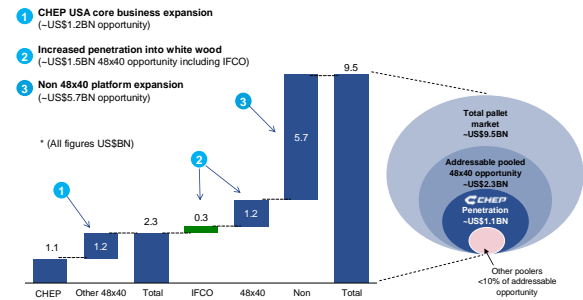


The bridge between paper and digital



- Explosion of data presents opportunities:
 - Specialised business process outsourcing
 - Emerging technology to augment existing services
 - Other complementary services

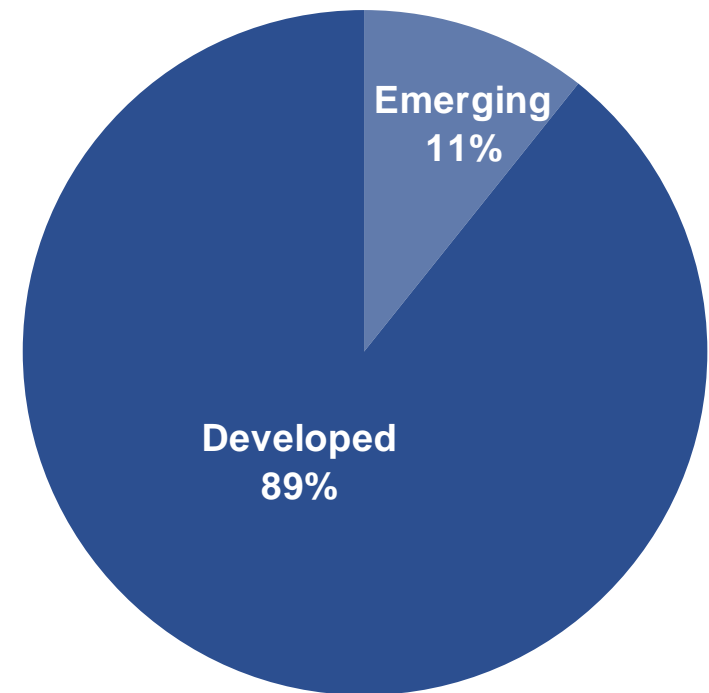
USA pallet market ~\$9.5BN



Focus on emerging economies

- Accounts for ~US\$450M of Brambles' sales revenue
- Growth rate of ~20%
- Regions
 - Latin America
 - Central & Eastern Europe
 - Middle East & Africa
 - Asia
- Opportunities for all Brambles businesses
- Actively assessing opportunities for further geographical expansion

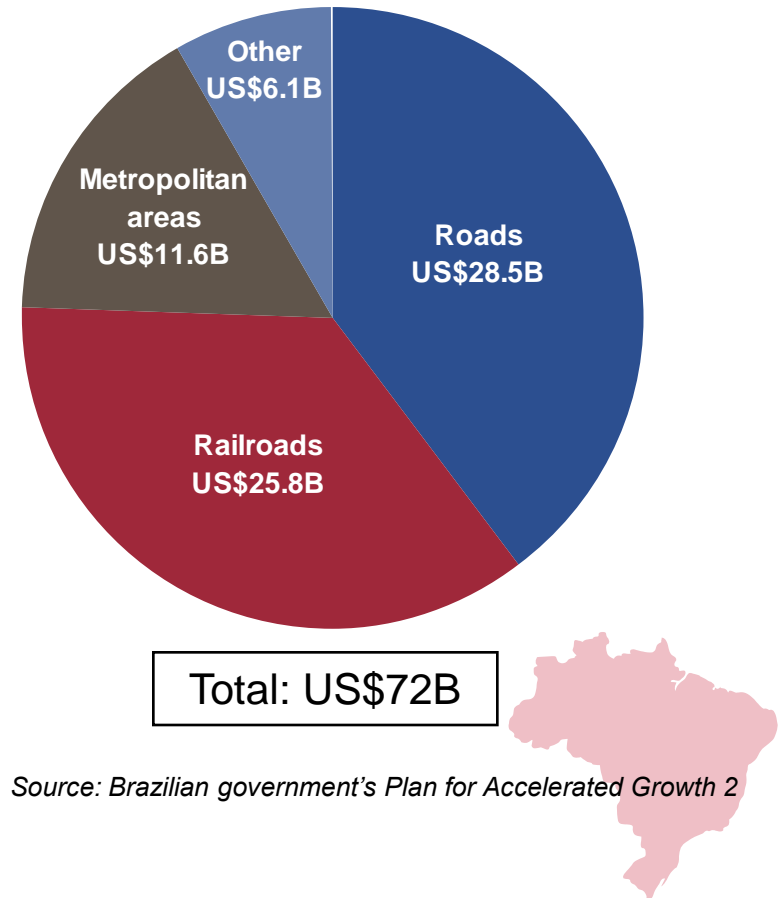
Emerging regions' share of group sales revenue (FY10)





- CHEP benefitting from increased palletisation
 - Dec '10: 5-year Unilever renewal
 - FMCG penetration 12%
 - Recent wins with Bunge, Cargill
- IFCO RPC business growing strongly
- Recall business well-established and growing

Projected Brazilian infrastructure spending, 2011-14

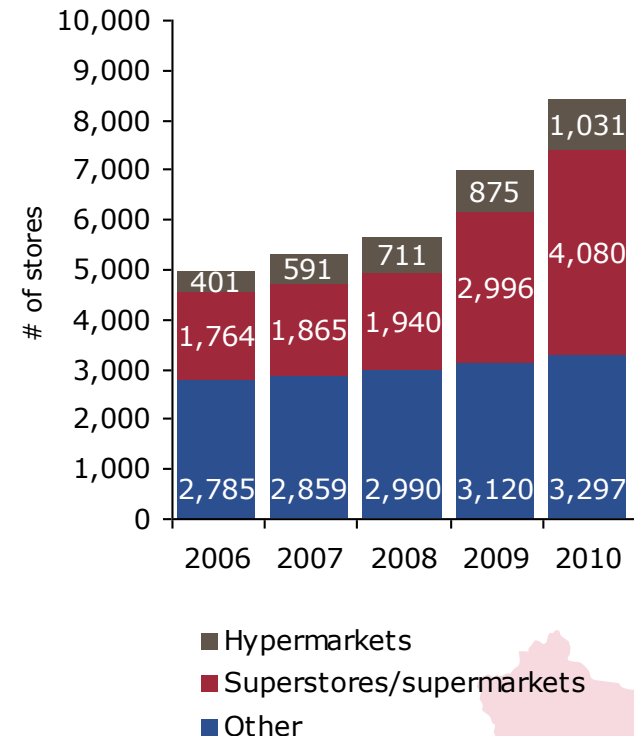


Source: Brazilian government's Plan for Accelerated Growth 2



- CHEP sales revenue up 76% over 1H10
- Strong FMCG pallets growth
 - Retailer advocacy: CRV, Wumart , Tesco, Walmart
 - P&G, Walmart study supports palletisation
- Strong auto sector sales growth
 - Sales revenue growth doubled 1H11 vs. 1H10
 - Vehicle production forecast to reach 25M in 2015 (~18M in 2010)*
- Recall targeting major cities

Grocery retail market structure by format (top 10 retailers)



Source: IGD Retail Analysis Datacentre, 2010

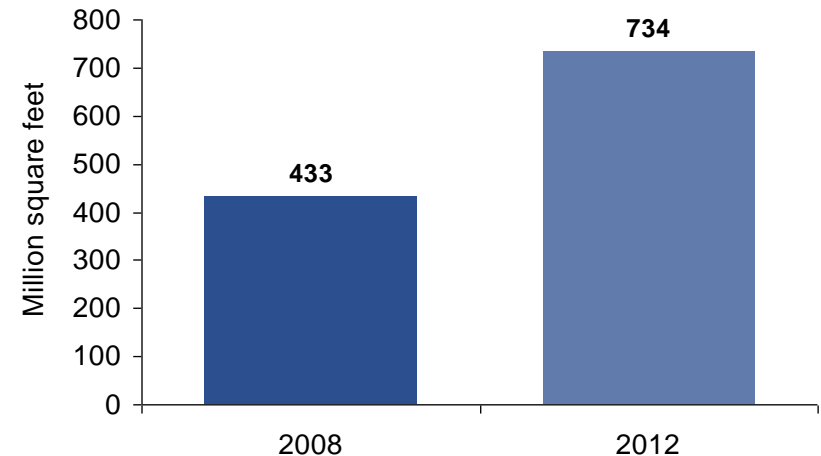


*Source: China Association of Automobile Manufacturers

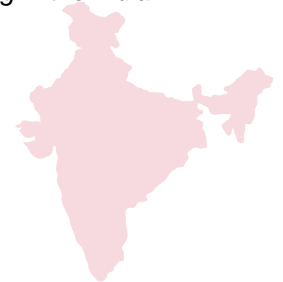


- Strong growth in auto
 - Major OEM customers: Maruti Suzuki, Tata, Mahindra
 - Recent wins: Bosch, Autoliv, TRW Auto, Delphi, Valeo, Mahle
 - National passenger car production forecast to be up 24% year-on-year in 2010-11*
- Well-placed in FMCG
 - Strong relationships allowing CHEP to promote standardisation
 - Recent wins: Future Group, Nestlé, P&G, Unilever, Coca-Cola
 - Tax system simplification to drive warehouse consolidation, pallet demand
- Recall well-positioned in key cities

High-bay warehousing demand



Source: KPMG 'Adding Wheels – Investing in the Indian Transportation & Logistics Industry 2010'

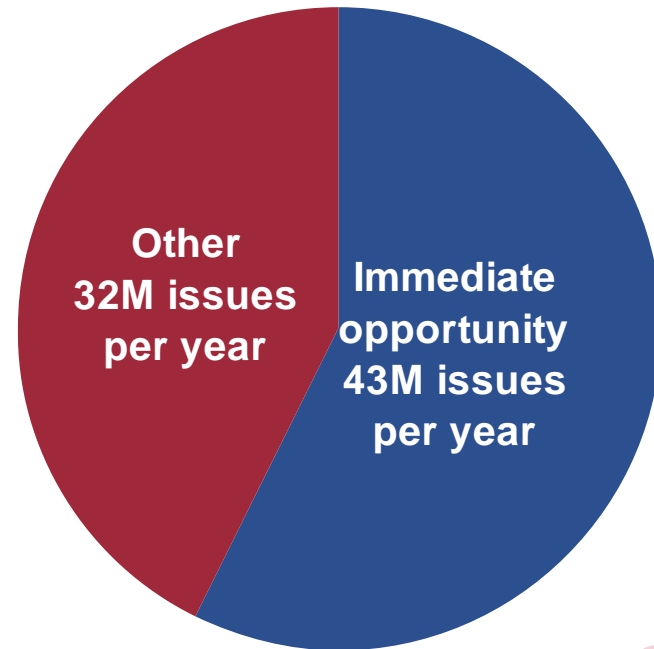


*Source: Society of Indian Auto Manufacturers

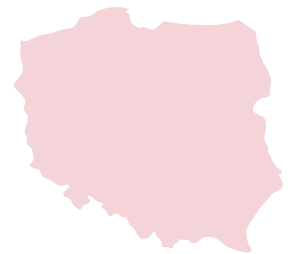


- CHEP delivering strong sales revenue growth
 - 1H11 sales revenue up 15%
 - Strong link to Western Europe
- Foundation of support from FMCG sector
 - Global and local customers
 - FY11 wins: Heineken, Carlsberg, Strauss Café
- Well-placed to grow in RPCs
- Addressable opportunity in automotive estimated at US\$50M

CHEP Poland pallet opportunity



Source: CHEP estimates 2010



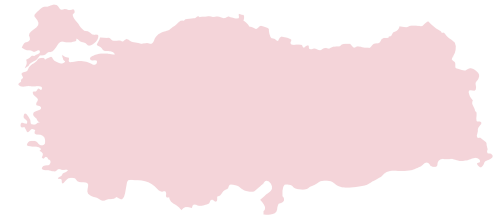


- Unique geographic location
- Key manufacturing base for major CHEP Europe customers
- Strong support from global FMCG pallet customers
 - Unilever, P&G
- Encouraging prospects for RPCs
- Automotive business established with Ford

Current addressable pooling opportunity

Pallets	US\$100M
RPCs	US\$50M
Automotive	US\$25M

Source: CHEP estimates 2010



Summary

Tom Gorman, CEO

Summary

- Sales revenue and profit up against uneven economic backdrop
- Defending the business while investing in quality and growth
- Emerging economies performing strongly
- Growth initiatives on track
- Outlook in line with Aug '10 guidance

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