

21 June 2007

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

*Via electronic lodgement*

Dear Sir

**BRAMBLES REAFFIRMS POSITIVE OUTLOOK  
FOR FULL YEAR ENDING 30 JUNE 2007**

Attached is an announcement relating to the above.

Yours faithfully  
**Brambles Limited**

**Craig van der Laan de Vries**  
Company Secretary

21 June 2007

## **BRAMBLES REAFFIRMS POSITIVE OUTLOOK FOR FULL YEAR ENDING 30 JUNE 2007**

Brambles expects good progress in profit and solid cash generation for the year ending 30 June 2007.

### **KEY HIGHLIGHTS**

- CHEP is continuing to perform well with further solid overall growth in sales and profit:
  - CHEP Americas is again delivering a strong performance in both sales and profits;
  - CHEP Europe's sales growth for the 11 months to May was slightly less than 2% with a small increase in profits; and
  - CHEP Rest of World continues to deliver strong growth.
- Recall's performance has continued to improve with stronger organic sales growth and higher profits.
- Cash flow generation for the full year is again expected to be strong.
- Since December 2006, Brambles has bought back 142 million shares (equivalent to 10% of the current issued share capital).
- Brambles will seek shareholder approval at the Annual General Meeting in November 2007 to undertake further on-market buy-backs of up to 10% of its issued capital.

### **CHEP**

CHEP Americas is expected to deliver its third consecutive year of solid sales growth and margin expansion. Underlying sales for the 11 months to the end of May 2007 were 8% higher than the prior corresponding period despite a more challenging retail environment in the USA. CHEP USA, being the major driver to this improved performance, continues to benefit from significant operational efficiencies and further market penetration.

CHEP Europe's sales growth for the 11 months to May was slightly less than 2%, with a small increase in profits, reflecting some growth in pallet volumes offset by lower sales in containers. As expected, the new sales pipeline is continuing to expand and this will benefit future performance. Although increased timber prices in Europe have increased pallet repair costs, this has improved the value proposition of CHEP's pooling offer as compared to the white wood pallet alternative.

CHEP Rest of World achieved 9% growth in sales for the 11 months to May 2007 and, excluding the impact of start-up costs in China, is continuing to deliver strong profit growth. CHEP is continuing to build on its initial success in China and has signed contracts with four significant customers.

## **RECALL**

Recall grew sales by 11% in the 11 months to May 2007. Excluding the impact of the acquisition of AUSDOC in December 2005, the underlying sales growth for the 11 months to May was 7%, with good growth across all regions.

The business is continuing to improve with significantly better performance in North America and the benefits of the integration of AUSDOC.

## **CASH FLOW FROM CONTINUING OPERATIONS**

Cash flow from operations remains strong and for the full year is expected again to exceed the prior year notwithstanding some increase in capital expenditure for continued investment in growth.

## **CAPITAL MANAGEMENT**

Following the announcement on 29 November 2005 that Brambles would focus on CHEP and Recall and unify its dual-listed companies structure, Brambles completed its asset disposal program in February 2007, raising net proceeds of US\$3.3 billion. Since March 2006, Brambles has utilised US\$3.4 billion in various capital management initiatives.

### **Total cash utilised in capital management**

	<b>(US\$ billions)</b>
Pre-Unification buy-backs	0.6
Special dividend <sup>1</sup>	0.3
Cash Alternative	1.0
Post-Unification buy-backs	1.5
<b>Total capital utilised</b>	<b>3.4</b>

<sup>1</sup> Excludes A13.5 cents portion of the special dividend paid in lieu of 2007 interim dividend

The on-market share buy-back program commenced on 4 December 2006 has been highly successful and is now complete with the maximum possible number of shares having been bought back. A total of 142 million shares have been bought back at an average price of A\$13.32. Since the commencement of the initiatives, Brambles will have reduced its issued share capital from 1,553 million to 1,415 million ordinary shares. The various capital management initiatives have resulted in a more appropriately structured balance sheet for Brambles, with net debt at the end of May 2007 of US\$2.1 billion, consistent with a solid investment grade credit.

Brambles expects that it will continue to generate strong cash flows for the foreseeable future. As a consequence, Brambles will seek shareholder

approval at the Annual General Meeting in November 2007 to refresh its on-market share buy-back authorisation, allowing up to a further 10% of issued capital to be bought back in the ensuing 12 month period, should appropriate opportunities arise.

## **RESULTS RELEASE**

The results for Brambles for the year ending 30 June 2007 will be released on 22 August 2007 prior to the opening of trading on the Australian Securities Exchange.

Notes:

- (a) Relative sales and profit performances in this statement are based on constant currency comparisons. Constant currency is calculated by translating foreign currency results at the exchange rates applicable during the previous year. Relative operating cash flow performance is based on exchange rates applicable during each year.
- (b) US\$ figures are quoted at actual exchange rates.
- (c) References to profit are to profit before finance costs, tax and special items.
- (d) On 29 November 2005, Brambles announced that it intended to focus on CHEP and Recall and divest Cleanaway, Brambles Industrial Services and the Regional Businesses. From that date these businesses have been reported for accounting purposes as discontinued operations.

**For further information, contact:**

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**Brambles is globally headquartered in Australia**