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Brambles

17 August 2011

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

*Via electronic lodgement*

Dear Sir,

**BRAMBLES REPORTS SOLID SALES AND PROFIT GROWTH FOR 2011 FINANCIAL YEAR**

Attached are an ASX and Media Release and a Full-Year Results Announcement from Brambles Limited on its preliminary financial report for the year ended 30 June 2011.

Please note the previous version of this document had a 'Draft' watermark on some pages. This has been removed from the attached version, to which there are no other changes.

Yours faithfully
**Brambles Limited**

**Robert Gerrard**
Company Secretary

17 August 2011

ASX & Media Release

# BRAMBLES REPORTS SOLID SALES AND PROFIT GROWTH FOR 2011 FINANCIAL YEAR:

## US$100 MILLION OF ANNUAL COST SAVINGS EXPECTED FROM IFCO INTEGRATION AND GLOBAL PALLETS EFFICIENCIES

- Revenue, profit and margins up despite challenging economic conditions
- Net new business wins[1] of US$110 million in FY11
- US$40 million of annual synergies from IFCO integration by FY14
- US$60 million of incremental annual cost savings in global pallets business by FY15
- Strategy to deliver global pooling business growth and divest Recall
- US$550 million forecast[2] capital investment in RPCs, containers and emerging markets pallets over FY12/FY13
- Underlying profit of US$1,040 million to US$1,100 million forecast[3] for 2012 financial year

**FINANCIAL YEAR 2011 RESULT**

Brambles, the world's leading provider of equipment pooling solutions, generated sales revenue of US$4,672.2 million in the financial year ending 30 June 2011, up 13%. The newly-acquired IFCO business contributed for three months. Brambles' sales volumes increased despite challenging economic conditions.

Brambles' Underlying profit, prior to Significant items, was US$857.2 million, up 17%. The primary drivers of this profitable growth were the contribution to sales revenue from IFCO, which Brambles acquired 31 March 2011, and US$110 million of net new business wins.

Brambles' operating profit was US$809.2 million, up 12%, after US$48.0 million of Significant items, including those associated with the acquisition and integration of IFCO. Profit after tax was US$471.8 million, up 6%. Basic earnings per share was 32.9 US cents, up 3%.

Brambles' CEO Tom Gorman said: "This is a pleasing result. We are delivering higher sales and profits at the same time as we implement our strategy of creating a global pooling solutions business, diversify the range of products and services we offer and accelerate our geographic expansion.

"The result reflects the resilience of our underlying business and our growth programs. All our business units are growing their markets, while our Underlying profit margins are improving, in particular in CHEP Americas as we continue to deliver the Better Everyday business improvement program.

"Although current global economic conditions are uncertain, we are implementing our strategy successfully. We continue to drive growth by expanding into new segments and regions and adding new customers to our pooling network, at the same time as we win back business from competitors and extend key contracts."

**FINANCIAL YEAR 2011 DIVIDEND**

Brambles' final dividend will be 13.0 Australian cents per share, 20% franked, up 0.5 Australian cents and payable on 13 October 2011 to shareholders on Brambles' register at 5pm on 21 September 2011. Total 2011 dividends are 26.0 Australian cents per share, up 1.0 Australian cent. Brambles has suspended its Dividend Reinvestment Plan.

*[Continued next page]*

[1] 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. Excludes IFCO.
[2] Forecast provided at 30 June 2011 foreign exchange rates; subject to unforeseen circumstances and economic uncertainty.
[3] Forecast provided at 30 June 2011 foreign exchange rates; includes 12-month contribution from Recall and estimated US$24 million expense from the amortisation of intangible assets resulting from the IFCO acquisition.

Brambles

## IFCO & GLOBAL PALLETS SYNERGIES

Brambles has identified total incremental annual cost savings of US$100 million by the 2015 financial year, as follows:

| US$m | FY12 | FY13 | FY14 | FY15 |
|---|---|---|---|---|
| IFCO integration | 10 | 20 | 40 | 40 |
| Global pallets efficiencies | 10 | 20 | 40 | 60 |
| **Cumulative annualised cost savings** | **20** | **40** | **80** | **100** |

## ORGANISATIONAL UPDATE

As announced separately, Brambles intends to focus on its growth strategy in global pooling solutions and divest its Recall information management business. To deliver this strategy and optimise efficiencies, Brambles will structure its pooling activities in three product categories: Pallets, Reusable Plastic Crates (RPCs) and Containers. Effective 1 October 2011:

- Brambles will manage its global pallets business as follows:
  - Peter Mackie will become Group President, CHEP Americas, assuming responsibility for CHEP Americas' pallets business and IFCO's USA-based Pallet Management Services business. Mr Mackie will assume responsibility for operations and logistics throughout the global pallets business.
  - Dolph Westerbos will become Group President, CHEP EMEA & Asia-Pacific, retaining responsibility for CHEP's pallets business in EMEA and adding responsibility for Asia-Pacific. In addition, Mr Westerbos will assume responsibility for marketing throughout the global pallets business.
- Brambles will manage its RPC operations in a dedicated global business unit focused on strong growth under the leadership of Group President, RPCs, Karl Pohler, who joined the group when Brambles acquired IFCO, where he is CEO.
- Brambles will manage its containers businesses as one global business unit incorporating its operations in automotive, aviation and intermediate bulk containers and its Catalyst & Chemical Containers business.

Current Group President, CHEP Americas, Jim Ritchie, has been on personal leave and will depart Brambles effective 31 August 2011. CHEP Americas' Senior Vice President, Finance, Scott Spivey, is Acting Group President, CHEP Americas, until 1 October 2011.

Mr Gorman said: "These changes create a stronger strategic focus and accountability - for the delivery of growth and efficiencies in our pallets business, for driving strong growth in our RPCs business and for growing and investing in the future in our containers business."

## GROWTH STRATEGY & INVESTMENT

In line with its strategy of product diversification and geographic expansion, Brambles is forecasting US$550 million of capital investment in growing its RPCs, containers and emerging markets pallets businesses over the 2012 and 2013 financial years combined[4].

During this period, Brambles anticipates:

- Annual sales revenue growth in RPCs of approximately 15% a year;
- To double each year the combined organic sales revenue of its North American automotive, global aviation and North American intermediate bulk containers businesses; and
- To deliver annual sales revenue growth in its emerging markets operations of approximately 15%.

*[Continued next page]*

[4] Forecast provided at 30 June 2011 FX rates; subject to unforeseen circumstances and economic uncertainty.

Mr Gorman said: "We expect to deliver long-term return on capital invested for organic growth of more than 20%, in line with our existing pallet pooling business. We are in a unique position to develop these businesses because of our pooling expertise, global footprint, existing customer relationships, local networks and robust financial position."

Brambles today announced it had acquired New Zealand-based JMI Aerospace for an enterprise value of US$14.1 million. JMI provides maintenance and repair services for non-flight critical aviation equipment and complements Unitpool, the aviation-container pooling business Brambles acquired in August 2010.

**FINANCIAL YEAR 2012 OUTLOOK**

Subject to unforeseen circumstances and economic uncertainty, Brambles expects to deliver Underlying profit (prior to Significant items) in the financial year ending 30 June 2012 of between US$1,040 million and US$1,100 million, at 30 June 2011 foreign exchange rates. This guidance assumes a full 12-month contribution from Recall, estimated at between US$180 million and US$195 million.

Mr Gorman said: "Brambles is in a strong position to deliver its strategy of creating a global pallet and container pooling business across a wider range of customer segments and geographies in the years ahead, as we diversify our range of products and services and continue to expand into fast-growing emerging markets.

"Although global economic conditions remain uncertain, in particular in many of our larger markets – including the USA, the UK, Australia and Spain – we continue to drive growth from converting customers to pooling and we expect pricing conditions to improve modestly in the year ahead."

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**Brambles Limited** (ASX: BXB) provides pallet and container pooling solutions to the fresh food, consumer goods, general industrial, automotive and aviation sectors through CHEP and IFCO and information management solutions to corporations and government organisations through Recall. Brambles employs more than 17,000 people in 54 countries. For further information on Brambles and all announcements, presentations and webcasts, please visit www.brambles.com.

**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.

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## BACKGROUND INFORMATION

| US$ million<br>Actual FX rates | 1H11 | 2H11 | FY11 | 1H10 | 2H10 | FY10 |
|---|---|---|---|---|---|---|
| **SALES** | | | | | | |
| CHEP Americas | **791.2** | **826.0** | **1,617.2** | 756.9 | 776.7 | 1,533.6 |
| CHEP EMEA | **751.3** | **794.6** | **1,545.9** | 770.1 | 712.5 | 1,482.6 |
| CHEP Asia-Pacific | **220.0** | **243.7** | **463.7** | 195.0 | 195.9 | 390.9 |
| Total CHEP | **1,762.5** | **1,864.3** | **3,626.8** | 1,722.0 | 1,685.1 | 3,407.1 |
| IFCO | **-** | **230.1** | **230.1** | - | - | - |
| Recall | **384.7** | **430.6** | **815.3** | 364.1 | 375.6 | 739.7 |
| Total Brambles | **2,147.2** | **2,525.0** | **4,672.2** | 2,086.1 | 2,060.7 | 4,146.8 |
| **UNDERLYING EBITDA** | | | | | | |
| CHEP Americas | **212.2** | **242.8** | **455.0** | 193.7 | 215.3 | 409.0 |
| CHEP EMEA | **249.5** | **261.4** | **510.9** | 248.7 | 248.6 | 497.3 |
| CHEP Asia-Pacific | **66.8** | **90.3** | **157.1** | 58.0 | 72.5 | 130.5 |
| Total CHEP | **528.5** | **594.5** | **1,123.0** | 500.4 | 536.4 | 1,036.8 |
| IFCO | **-** | **51.3** | **51.3** | - | - | - |
| Recall | **84.5** | **112.1** | **196.6** | 76.2 | 96.3 | 172.5 |
| Total Brambles (including HQ) | **596.0** | **741.0** | **1,337.0** | 562.1 | 615.3 | 1,177.4 |
| **UNDERLYING PROFIT** | | | | | | |
| CHEP Americas | **125.9** | **152.2** | **278.1** | 108.6 | 128.5 | 237.1 |
| CHEP EMEA | **166.3** | **171.1** | **337.4** | 161.4 | 168.1 | 329.5 |
| CHEP Asia-Pacific | **38.8** | **59.1** | **97.9** | 32.5 | 45.9 | 78.4 |
| Total CHEP | **331.0** | **382.4** | **713.4** | 302.5 | 342.5 | 645.0 |
| IFCO | **-** | **33.2** | **33.2** | - | - | - |
| Recall | **58.8** | **86.5** | **145.3** | 52.5 | 72.1 | 124.6 |
| Total Brambles (including HQ) | **372.5** | **484.7** | **857.2** | 340.2 | 393.2 | 733.4 |
| **UNDERLYING PROFIT MARGIN** | | | | | | |
| CHEP Americas | **16%** | **18%** | **17%** | 14% | 17% | 15% |
| CHEP EMEA | **22%** | **22%** | **22%** | 21% | 24% | 22% |
| CHEP Asia-Pacific | **18%** | **24%** | **21%** | 17% | 23% | 20% |
| Total CHEP | **19%** | **21%** | **20%** | 18% | 20% | 19% |
| IFCO | **-** | **14%** | **14%** | - | - | - |
| Recall | **15%** | **20%** | **18%** | 14% | 19% | 17% |
| Total Brambles (including HQ) | **17%** | **19%** | **18%** | 16% | 19% | 18% |
| **STATUTORY OPERATING PROFIT** | | | | | | |
| CHEP Americas | **125.9** | **152.2** | **278.1** | 108.6 | 126.6 | 235.2 |
| CHEP EMEA | **166.3** | **144.0** | **310.3** | 159.3 | 165.6 | 324.9 |
| CHEP Asia-Pacific | **38.8** | **57.8** | **96.6** | 32.5 | 45.3 | 77.8 |
| Total CHEP | **331.0** | **354.0** | **685.0** | 300.4 | 337.5 | 637.9 |
| IFCO | **-** | **30.3** | **30.3** | - | - | - |
| Recall | **59.3** | **86.5** | **145.8** | 52.5 | 70.6 | 123.1 |
| Total Brambles (including HQ) | **366.1** | **443.1** | **809.2** | 338.1 | 386.4 | 724.5 |
| **STATUTORY OPERATING PROFIT MARGIN** | | | | | | |
| CHEP Americas | **16%** | **18%** | **17%** | 14% | 16% | 15% |
| CHEP EMEA | **22%** | **18%** | **20%** | 21% | 23% | 22% |
| CHEP Asia-Pacific | **18%** | **24%** | **21%** | 17% | 23% | 20% |
| Total CHEP | **19%** | **19%** | **19%** | 17% | 20% | 19% |
| IFCO | **-** | **13%** | **13%** | - | - | - |
| Recall | **15%** | **20%** | **18%** | 14% | 19% | 17% |
| Total Brambles (including HQ) | **17%** | **18%** | **17%** | 16% | 19% | 17% |
| **AVERAGE CAPITAL INVESTED** | | | | | | |
| CHEP Americas | **1,749.8** | **1,799.4** | **1,774.6** | 1,748.2 | 1,744.0 | 1,746.1 |
| CHEP EMEA | **1,379.4** | **1,525.2** | **1,452.3** | 1,505.8 | 1,317.0 | 1,411.4 |
| CHEP Asia-Pacific | **397.4** | **453.4** | **425.4** | 381.9 | 381.3 | 381.6 |
| Total CHEP | **3,526.6** | **3,778.0** | **3,652.3** | 3,635.9 | 3,442.3 | 3,539.1 |
| IFCO | **-** | **390.8** | **390.8** | - | - | - |
| Recall | **992.2** | **1,081.6** | **1,036.9** | 947.0 | 937.6 | 942.3 |
| Total Brambles (including HQ) | **4,458.5** | **5,568.3** | **5,013.4** | 4,522.0 | 4,318.2 | 4,420.1 |

## BACKGROUND INFORMATION (CONTINUED)

Brambles

| US$ million<br>Actual FX rates | 1H11 | 2H11 | FY11 | 1H10 | 2H10 | FY10 |
|---|---|---|---|---|---|---|
| **RETURN ON CAPITAL INVESTED (ANNUALISED) (BASED ON UNDERLYING PROFIT)** | | | | | | |
| CHEP Americas | 14% | 17% | 16% | 12% | 15% | 14% |
| CHEP EMEA | 24% | 22% | 23% | 21% | 26% | 23% |
| CHEP Asia-Pacific | 20% | 26% | 23% | 17% | 24% | 21% |
| Total CHEP | 19% | 20% | 20% | 17% | 20% | 18% |
| IFCO | - | 8% | 8% | - | - | - |
| Recall | 12% | 16% | 14% | 11% | 15% | 13% |
| Total Brambles (including HQ) | 17% | 17% | 17% | 15% | 18% | 17% |
| **CASH FLOW FROM OPERATIONS** | | | | | | |
| CHEP Americas | 131.3 | 138.8 | 270.1 | 139.8 | 145.9 | 285.7 |
| CHEP EMEA | 139.3 | 159.9 | 299.2 | 202.7 | 209.0 | 411.7 |
| CHEP Asia-Pacific | 31.9 | 48.9 | 80.8 | 35.7 | 58.4 | 94.1 |
| Total CHEP | 302.5 | 347.6 | 650.1 | 378.2 | 413.3 | 791.5 |
| IFCO | - | 14.9 | 14.9 | - | - | - |
| Recall | 13.6 | 79.0 | 92.6 | 45.9 | 75.8 | 121.7 |
| Total Brambles (including HQ) | 290.1 | 435.0 | 725.1 | 400.3 | 482.0 | 882.3 |
| **CAPITAL EXPENDITURE ON PROPERTY, PLANT & EQUIPMENT (ACCRUALS BASIS)** | | | | | | |
| CHEP Americas | 127.1 | 145.5 | 272.6 | 101.7 | 102.8 | 204.5 |
| CHEP EMEA | 144.6 | 169.2 | 313.8 | 84.7 | 88.5 | 173.2 |
| CHEP Asia-Pacific | 43.1 | 62.4 | 105.5 | 27.9 | 39.1 | 67.0 |
| Total CHEP | 314.8 | 377.1 | 691.9 | 214.3 | 230.4 | 444.7 |
| IFCO | - | 48.1 | 48.1 | - | - | - |
| Recall | 44.0 | 37.8 | 81.8 | 18.1 | 35.7 | 53.8 |
| Total Brambles (including HQ) | 358.8 | 463.1 | 821.9 | 232.5 | 266.3 | 498.8 |
| **DEPRECIATION OF PROPERTY, PLANT & EQUIPMENT** | | | | | | |
| CHEP Americas | 80.1 | 84.0 | 164.1 | 79.3 | 80.7 | 160.0 |
| CHEP EMEA | 79.5 | 86.6 | 166.1 | 83.9 | 76.9 | 160.8 |
| CHEP Asia-Pacific | 27.2 | 30.3 | 57.5 | 24.7 | 25.9 | 50.6 |
| Total CHEP | 186.8 | 200.9 | 387.7 | 187.9 | 183.5 | 371.4 |
| IFCO | - | 12.0 | 12.0 | - | - | - |
| Recall | 17.7 | 17.6 | 35.3 | 16.9 | 16.8 | 33.7 |
| Total Brambles (including HQ) | 204.7 | 230.8 | 435.5 | 205.0 | 200.5 | 405.5 |
| **PALLET NUMBERS (MILLIONS) [1]** | | | | | | |
| CHEP Americas | 96 | | 97 | 99 | | 94 |
| CHEP EMEA | 123 | | 121 | 129 | | 126 |
| CHEP Asia-Pacific | 19 | | 19 | 18 | | 18 |
| Total CHEP | 238 | | 237 | 246 | | 238 |
| **RPC NUMBERS (MILLIONS) [1]** | 38 | | 160 | 42 | | 43 |
| **CARTON NUMBERS - RECALL (MILLIONS)** | 97 | | 99 | 91 | | 93 |
| **BVA [2]** | | | | | | |
| CHEP Americas | 27.6 | 49.1 | 76.7 | 12.6 | 31.3 | 43.9 |
| CHEP EMEA | 77.7 | 72.2 | 149.9 | 64.6 | 86.8 | 151.4 |
| CHEP Asia-Pacific | 12.2 | 24.3 | 36.5 | 8.6 | 21.8 | 30.4 |
| Total CHEP | 117.5 | 145.6 | 263.1 | 85.8 | 139.9 | 225.7 |
| IFCO | - | (11.3) | (11.3) | - | - | - |
| Recall | (0.8) | 18.3 | 17.5 | (5.3) | 16.1 | 10.8 |
| Total Brambles (including HQ) | 105.5 | 142.8 | 248.3 | 70.7 | 138.0 | 208.7 |

1 Shown gross, before provisions

2 At fixed June 2010 exchange rates

Brambles

# Full-Year Results Announcement 2011


www.brambles.com

## SALES & OPERATING PROFIT SUMMARY

| Year ended 30 June, US$m | 2011 | 2010 | Change (actual FX) | Change (constant FX) |
|---|---|---|---|---|
| **Sales revenue** | | | | |
| CHEP Americas | 1,617.2 | 1,533.6 | 5% | 4% |
| CHEP EMEA | 1,545.9 | 1,482.6 | 4% | 3% |
| CHEP Asia-Pacific | 463.7 | 390.9 | 19% | 6% |
| **Total CHEP** | **3,626.8** | **3,407.1** | **6%** | **4%** |
| IFCO | 230.1 | - | - | - |
| Recall | 815.3 | 739.7 | 10% | 5% |
| **Total sales revenue** | **4,672.2** | **4,146.8** | **13%** | **9%** |
| **Operating profit** | | | | |
| CHEP Americas | 278.1 | 235.2 | 18% | 15% |
| CHEP EMEA | 310.3 | 324.9 | (4)% | (5)% |
| CHEP Asia-Pacific | 96.6 | 77.8 | 24% | 8% |
| **Total CHEP** | **685.0** | **637.9** | **7%** | **4%** |
| IFCO | 30.3 | - | - | - |
| Recall | 145.8 | 123.1 | 18% | 10% |
| Brambles HQ | (51.9) | (36.5) | (42)% | (30)% |
| **Operating profit** | **809.2** | **724.5** | **12%** | **8%** |
| Net finance costs | (127.5) | (109.6) | (16)% | (13)% |
| **Profit before tax** | **681.7** | **614.9** | **11%** | **7%** |
| Tax expense | (209.9) | (171.0) | (23)% | (16)% |
| **Profit from continuing operations** | **471.8** | **443.9** | **6%** | **3%** |
| Profit from discontinued operations | 3.6 | 4.9 | (27)% | (37)% |
| **Profit for the year** | **475.4** | **448.8** | **6%** | **3%** |
| Weighted average number of shares (millions) | 1,445.6 | 1,411.3 | | |
| Basic EPS (US cents) | 32.9 | 31.8 | 3% | 0% |
| Basic EPS (Australian cents) | 32.8 | 36.1 | (9)% | 0% |

## UNDERLYING PROFIT

| Year ended 30 June, US$m | 2011 | 2010 | Change (actual FX) | Change (constant FX) |
|---|---|---|---|---|
| **Underlying profit** | | | | |
| CHEP Americas | 278.1 | 237.1 | 17% | 14% |
| CHEP EMEA | 337.4 | 329.5 | 2% | 1% |
| CHEP Asia-Pacific | 97.9 | 78.4 | 25% | 8% |
| **Total CHEP** | **713.4** | **645.0** | **11%** | **7%** |
| IFCO | 33.2 | - | - | - |
| Recall | 145.3 | 124.6 | 17% | 9% |
| Brambles HQ | (34.7) | (36.2) | 4% | 17% |
| **Underlying profit** | **857.2** | **733.4** | **17%** | **12%** |
| Net finance costs | (127.5) | (109.6) | (16)% | (13)% |
| **Underlying profit before tax** | **729.7** | **623.8** | **17%** | **12%** |
| Tax expense | (206.1) | (173.6) | (19)% | (13)% |
| **Underlying profit after finance costs and tax** | **523.6** | **450.2** | **16%** | **12%** |
| Underlying EPS (US cents) | 36.2 | 31.9 | 13% | 9% |
| Return on capital invested | 17% | 17% | - | - |
| Brambles Value Added (fixed June 2010 FX rates) | 248.3 | 208.7 | | 19% |

## RECONCILIATION OF UNDERLYING PROFIT TO OPERATING PROFIT

| US$m | 2011 | 2010 |
|---|---|---|
| **Underlying profit** | **857.2** | **733.4** |
| **Significant items:** | | |
| Acquisition costs | (19.1) | - |
| IFCO integration costs | (25.5) | - |
| Restructuring costs | (3.4) | (8.9) |
| **Total Significant items** | **(48.0)** | **(8.9)** |
| **Operating profit** | **809.2** | **724.5** |

# GROUP REVIEW

## SALES

Brambles' sales revenue in the financial year ended 30 June 2011 was US$4,672.2 million, up 13% (9% at constant currency), as both CHEP and Recall contributed sales growth and newly-acquired IFCO contributed for three months.

CHEP's total sales revenue was US$3,626.8 million, up 6% (4% at constant currency). All three CHEP regions delivered increased sales, primarily from generating new business by converting customers to CHEP's equipment pooling system.

Recall's sales revenue was US$815.3 million, up 10% (5% at constant currency), as demand for both physical and digital information storage continued to grow.

IFCO[1], which Brambles acquired effective 31 March 2011, contributed US$230.1 million of sales revenue. Excluding IFCO, sales revenue was US$4,442.1 million, up 7% (4% at constant currency).

## BUSINESS WINS

The impact during the period of net new business wins, excluding the contribution of acquisitions during the year, was US$110 million, predominantly reflecting CHEP's expansion in emerging markets and increased penetration against non-pooled pallets in the Americas and Europe. There was strong demand for Recall's services.

The net annualised value of new business won during the year was US$239 million, including IFCO's net wins for the full 12 months. This reflected increased penetration for CHEP and Recall in developed economies, growth in emerging markets, the expansion of the reusable plastic crates (RPCs) and other containers businesses and CHEP USA winning back customers from pallet pooling competitors.

## PROFIT

Brambles' operating profit was US$809.2 million, up 12% (8% at constant currency), including the impact of US$48.0 million of Significant items, which comprised US$25.5 million of IFCO integration costs, US$19.1 million of acquisition costs and US$3.4 million of facilities and operations rationalisation costs.

Brambles' Underlying profit was US$857.2 million, up 17% (12% at constant currency), reflecting sales growth, as well as margin improvement in CHEP Americas.

CHEP's Underlying profit was US$713.4 million, up 11% (7% at constant currency). Recall's Underlying profit was US$145.3 million, up 17% (9% at constant currency). IFCO's contribution to Brambles Underlying profit was US$33.2 million.

At 30 June 2010 exchange rates, Brambles' operating profit prior to the contribution from IFCO or the impact of Significant items was US$760.8 million, in line with management's August 2010 guidance range of US$740 million to US$780 million.

## INTEREST

Net finance costs were US$127.5 million, up 16%, primarily reflecting funding costs associated with the acquisition of IFCO. The increased expense included interest on €500 million of Euro Medium Term Notes issued in April 2011 and borrowings that Brambles assumed on the acquisition of IFCO.

[1] [At date of publication, Brambles owned 99.5% of IFCO and had proceeded with the compulsory buy-out of all remaining shareholders.]

## TAX

Tax expense was US$209.9 million, up 23% (16% at constant currency). Brambles' effective tax rate for operating profit was 30.8%, compared with 27.8% for the prior year. The increase in the effective tax rate was principally because of the IFCO acquisition and integration costs for which no tax relief is available. The effective tax rate on Underlying profit was 28.2%, broadly in line with 27.8% in the prior financial year.

## PROFIT AFTER TAX

Brambles' profit after tax was US$471.8 million, up 6% (3% at constant currency). Basic earnings per share was 32.9 US cents, up 3% (flat at constant currency). The lower growth rate for earnings per share than for profit after tax reflected an increased number of shares on issue in the period resulting from the August 2010 Dividend Reinvestment Plan, the December 2010 Share Purchase Plan and the February 2011 underwritten Dividend Reinvestment Plan.

## CASH FLOW AND RETURN ON CAPITAL

Cash flow from continuing operations, prior to Significant items, was US$725.1 million, down US$157.2 million. This reflected a US$323.1 million (accruals basis) increase in capital expenditure compared with the unusually low levels of capital expenditure in the prior year. The increase in capital expenditure was predominantly to support growth in line with Brambles' strategy of expanding pooling operations in emerging markets and diversifying its range of pooling products, as well as to support Recall's growth.

Brambles' return on capital invested was 17%, in line with the prior year.

## DIVIDEND

| | Amount (Aust. cents per share) | Franking | Ex date | Record date | Payment date |
|---|---|---|---|---|---|
| Interim | 13.0 | 20% | 07/03/11 | 11/03/11 | 14/04/11 |
| Final | 13.0 | 20% | 15/09/11 | 21/09/11 | 13/10/11 |
| Total | 26.0 | | | | |

The Board has declared a final dividend of 13.0 Australian cents per share, 20% franked, up 0.5 Australian cents compared with the previous final dividend and taking total dividends for the 2011 financial year to 26.0 Australian cents per share, up 1.0 Australian cents.

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 the final dividend. Brambles has suspended its Dividend Reinvestment Plan.

# BUSINESS UNIT REVIEW

## CHEP AMERICAS

| Year ended 30 June, US$m | | | Change | |
|---|---|---|---|---|
| | **2011** | **2010** | **Actual FX** | **Constant FX** |
| Sales revenue | 1,617.2 | 1,533.6 | 5% | 4% |
| Operating profit | 278.1 | 235.2 | 18% | 15% |
| *Margin* | *17%* | *15%* | *2pp* | *2pp* |
| Significant items: | | | | |
| Restructuring costs | - | 4.4 | | |
| Accelerated pallet scrapping | - | (2.5) | | |
| | - | 1.9 | | |
| Underlying profit | 278.1 | 237.1 | 17% | 14% |
| *Margin* | *17%* | *15%* | *2pp* | *2pp* |
| Cash flow from operations | 270.1 | 285.7 | (5)% | (8)% |
| Return on capital invested | 16% | 14% | 2pp | 1pp |

### Sales

Sales revenue in CHEP Americas was US$1,617.2 million, up 5% (4% at constant currency), primarily driven by growth from new business in all regions. The impact during the year of net new business wins was US$37 million, contributing 2 percentage points of CHEP Americas' constant currency sales revenue growth, while organic sales revenue growth contributed 1 percentage point.

Aggregate pricing across CHEP Americas was flat as the positive impact of increased penetration with small-to-medium-sized enterprises in CHEP USA and robust economic conditions in Latin America offset subdued conditions in the USA.

In CHEP USA, sales revenue was US$1,113.2 million, up 1%. New business growth since the introduction of the Better Everyday program, announced in October 2009 to drive quality and service improvements, offset the impact of customer losses from prior periods. CHEP USA continues to roll out its Total Account Management program to major customers, further improving the level of service to customers and assisting with asset control.

In CHEP Canada, sales revenue was US$227.0 million, up 12% (5% at constant currency), reflecting net new business wins and organic sales growth with existing customers.

CHEP Latin America's sales revenue was US$216.4 million, up 21% (14% at constant currency), as the business continued to drive increased pallet pooling in Mexico, Brazil, Argentina and Chile and to expand in Central America.

Sales revenue in transport management software business LeanLogistics was up 16%, to US$16.7 million, from new business wins in part due to expansion into Canada, Europe and Australia. Sales revenue was down 3% (6% at constant currency) in the Catalyst & Chemical Containers business to US$38.2 million on lower customer activity. CAPS, the intermediate bulk container (IBC) business Brambles acquired in January 2011, contributed US$5.7 million to sales revenue.

### Business wins

The net annualised value of new business CHEP Americas secured during the year was US$75 million, including the impact of customers such as ConAgra, Dole Fresh Fruit and Naturipe Berries transferring volumes back to CHEP USA.

Other customer wins included Nice Pak Products in the USA and Ultima Foods in Canada. There was lane expansion with Coca-Cola Refreshments, Niagara Bottling and Bay Valley Foods in the USA, Lassonde in Canada and Bunge in Brazil.

CAPS is growing volumes with existing and new customers. In July 2011, CAPS signed a large contract with pizza supplier Great Kitchens.

Separately, CHEP Americas extended contracts in the period with existing key customers including Nestlé USA, Nestlé Waters USA, Procter & Gamble in the USA, Unilever Brazil and Unilever North America.

Since 1 July 2011, CHEP USA has begun servicing two new contracts in the automotive sector, including with compact industrial vehicle producer Bobcat.

Total contract wins with small-to-medium enterprises in CHEP USA, defined as contracts with annual pallet issues of less than 100,000, were 1,387, up 34%. This reflected Brambles' growth strategy and retailer Costco's mandate for suppliers to use higher quality block pallets, such as those CHEP supplies.

### Profit

CHEP Americas' operating profit was US$278.1 million, up 18% (15% at constant currency), reflecting sales growth and, in CHEP USA, lower storage costs and reduced expenditure, in line with plan, on the Better Everyday program. The operating profit margin improved to 17%, up 2 percentage points.

Total costs from Better Everyday were US$84 million, US$11 million below forecast, while CHEP USA had storage savings of US$9 million, reflecting the storage of a larger number of idle pallets in the prior corresponding period.

These improvements more than offset cost increases including from: transportation and conditioning in Canada related to customer transition from stringer to block pallets to meet a mandate from Costco; and business development from growing the automotive, IBC and LeanLogistics businesses.

### Cash flow and return on capital

Business growth throughout CHEP Americas and the utilisation of idle pallets in CHEP USA led to increased capital expenditure on pallets and a subsequent reduction in cash flow from operations to US$270.1 million, down US$15.6 million.

Return on capital invested improved to 16%, up 2 percentage points, reflecting the improved profit performance.

## CHEP EMEA

| Year ended 30 June, US$m | | | Change | |
|---|---|---|---|---|
| | **2011** | **2010** | **Actual FX** | **Constant FX** |
| Sales revenue | 1,545.9 | 1,482.6 | 4% | 3% |
| Operating profit | 310.3 | 324.9 | (4)% | (5)% |
| *Margin* | *20%* | *22%* | *(2)pp* | *(2)pp* |
| Significant items: | | | | |
| Restructuring – facilities and operations | 2.6 | 4.6 | | |
| IFCO integration | 24.5 | - | | |
| | 27.1 | 4.6 | | |
| Underlying profit | 337.4 | 329.5 | 2% | 1% |
| *Margin* | *22%* | *22%* | - | - |
| Cash flow from operations | 299.2 | 411.7 | (27)% | (32)% |
| Return on capital invested | 23% | 23% | - | - |

### Sales

Sales revenue in CHEP Europe, Middle East & Africa (EMEA) was US$1,545.9 million, up 4% (3% at constant currency) as growth in most regions, including developing markets, offset challenging conditions in Iberia and France.

The impact during the period of net new business wins was US$21 million, contributing 1 percentage point of CHEP EMEA's constant currency sales revenue growth. Pricing and organic sales revenue growth each also contributed 1 percentage point.

In CHEP UK & Ireland, sales revenue was up 3% (2% at constant currency) to US$390.9 million.

In CHEP Iberia, sales revenue was down 6% (5% at constant currency) to US$313.9 million, because of weak economic conditions and the loss of the Carrefour RPC contract to IFCO in August 2010.

CHEP France's sales revenue was down 7% (6% at constant currency) to US$198.2 million, predominantly because of the loss of the Carrefour contract.

Sales revenue elsewhere in CHEP's Western European operations was up 7% (7% at constant currency) to US$415.3 million. CHEP benefitted from a recovery in activity in the automotive sector and increased sales volumes in Germany, Italy and the Benelux region.

CHEP Central & Eastern Europe's sales revenue was US$45.8 million, up 28% (27% at constant currency). Poland and Turkey contributed strongly as the penetration of CHEP's pallet pooling services continued to increase in the region in line with supply-chain modernisation.

In CHEP Middle East & Africa, sales revenue was US$169.4 million, up 27% (17% at constant currency), reflecting volume and price gains in South Africa and continued expansion in the Gulf States.

Unitpool, the aviation container pooling business Brambles acquired in August 2010, contributed US$12.3 million of sales revenue, experiencing strong growth from existing and new customers.

### Business wins

The net annualised value of new business CHEP EMEA signed during the period was US$32 million. Key wins included: pallet contracts with Procter & Gamble and Danone Waters in Turkey; Spain's Industria de Diseno Textil (owner of the Zara fashion retail chain) and South African Coke bottler Amalgamated Beverage Industries joining the CHEP system; and an RPC contract with Carrefour subsidiary DIA in Spain. In addition, there was lane expansion with Arla Foods in the UK.

CHEP EMEA renewed a pallet contract with Coca-Cola Enterprises - the world's third largest independent Coca Cola bottler - in France, the UK and Belgium as well as new business with the bottler in the Netherlands.

Separately, CHEP extended pallets business with Anglo Beef Producers in the UK, Nestlé UK, Leche Pascual in Spain and Cumbrian Seafoods in the UK, and extended an RPC contract with UK retailer Morrison's and an automotive contract with General Motors. CHEP signed its first RPC contract in Turkey, with Carrefour, in July 2011.

Since Brambles acquired Unitpool, it has established contracts with carriers including Bahrain's Gulf Air, the USA's National Air Cargo, France's Corsair, Scandinavia's SAS and Portugal-based charter operator Hi Fly. It has also extended contracts with Canada's Air Transat.

### Profit

CHEP EMEA's operating profit was US$310.3 million, down 4% (5% at constant currency), reflecting Significant items of US$27.1 million, primarily associated with the rationalisation of CHEP's RPC operations after the IFCO acquisition.

Underlying profit was US$337.4 million, up 2% (1% at constant currency) as higher expenditure on pallet maintenance, emerging market business development costs and the impact of the lost Carrefour RPC contract in France and Spain reduced the positive impact of sales growth.

Total spending on quality initiatives, excluding efficiencies, increased US$22 million, partially reflecting the increase in the average age of pallets in developed markets as the growth of the pool slowed since 2008.

Efficiency improvements in plant operations and logistics were sufficient to offset other inflationary pressures, in particular higher lumber and fuel costs.

The operating profit margin was down 2 percentage points to 20% because of Significant items. The Underlying profit margin was unchanged at 22%.

### Cash flow and return on capital

Cash flow from operations was US$299.2 million, down US$112.5 million, reflecting low capital expenditure in the previous financial year, higher pallet purchases and investment in growth in developing regions. Return on capital invested was stable at 23%.

## CHEP ASIA-PACIFIC

| Year ended 30 June, US$m | | | Change | |
|---|---|---|---|---|
| | 2011 | 2010 | Actual FX | Constant FX |
| Sales revenue | 463.7 | 390.9 | 19% | 6% |
| Operating profit | 96.6 | 77.8 | 24% | 8% |
| *Margin* | *21%* | *20%* | *1pp* | - |
| Significant items: | | | | |
| Restructuring – facilities and operations | 1.3 | 0.6 | | |
| Underlying profit | 97.9 | 78.4 | 25% | 8% |
| *Margin* | *21%* | *20%* | *1pp* | - |
| Cash flow from operations | 80.8 | 94.1 | (14)% | (31)% |
| Return on capital invested | 23% | 21% | 2pp | 1pp |

### Sales

Sales revenue in CHEP Asia-Pacific was US$463.7 million, up 19% (6% at constant currency), on growth in emerging Asia, where CHEP continues to drive palletisation of supply-chain logistics, and increased RPC volumes in Australia and New Zealand.

The impact during the period of net new business wins was US$11 million, contributing 3 percentage points to constant currency sales revenue growth. Organic sales revenue and pricing contributed 2 percentage points and 1 percentage points to growth respectively.

In CHEP Australia, sales revenue was US$379.8 million, up 16% (2% at constant currency), as growth in RPC volumes offset relatively flat volumes in pallets and slower automotive activity. CHEP New Zealand's sales revenue was US$45.3 million, up 14% (5% at constant currency), as sales volumes increased.

CHEP China's sales revenue was US$22.7 million, up 71% (65% at constant currency), as CHEP continued to support major retail and manufacturing customers in palletising their supply chains. Growth in automotive volumes slowed after March 2011 because of disruption to the supply chain from the March 2011 earthquake and tsunami in Japan.

In CHEP India, sales revenue was US$5.1 million, up 200% (188% at constant currency) from continued strong growth in pallets and automotive containers, reflecting CHEP's increasing penetration across national supply chains. CHEP South-East Asia's sales revenue was US$10.0 million, up 25% (14% at constant currency).

### Business wins

The net annualised value of new business CHEP Asia-Pacific secured during the period was US$18 million. Key wins in Australia included lane expansion in the RPC business with fresh produce company Moraitis plus new business in pallets with Sanitarium and Primo Smallgoods and, in New Zealand, in RPCs with fresh produce company JS Ewers.

USA-based retailer Costco selected CHEP as its preferred pallet supplier for new stores in Canberra and Sydney, as well as its existing store in Melbourne. Wins in China included retailers CRV and Tesco. In India, wins included retailers Walmart and Tesco, brewer Carlsberg, fast-moving consumer goods company Heinz and automotive components makers Autoliv, Bosch and Continental.

Separately, CHEP Asia-Pacific extended contracts with Coca-Cola Amatil in Australia and Danone Dumex and SCA Hygiene in Malaysia.

### Profit

CHEP Asia-Pacific's operating profit was US$96.6 million, up 24% (8% at constant currency), reflecting sales growth and reduced losses in China. Underlying profit was US$97.9 million, up 25% (8% at constant currency), after US$1.3 million of Significant items from facilities and operations restructuring. Insurance recoveries following the December 2010 and January 2011 flooding in Queensland made a positive contribution to profit in CHEP Australia.

Margin was up 1 percentage point to 21% for both operating and Underlying profit.

### Cash flow and return on capital

CHEP Asia-Pacific's cash flow from operations was US$80.8 million, down US$13.3 million as capital expenditure increased to fund development of the business in Asia and growth in Australia and New Zealand.

Return on capital invested was 23%, up 2 percentage points, reflecting the improved profit performance.

## IFCO

| US$m | Actual (3 mths to 30 June) | Pro forma (12 mths to 30 June)[2] | | |
|---|---|---|---|---|
| | 2011 | 2011 | 2010 | Change (actual FX) |
| Sales revenue | 230.1 | 838.3 | 764.8 | 10% |
| Operating profit | 30.3 | 108.8 | 82.3 | 32% |
| *Margin* | *13%* | 13% | 11% | 2pp |
| Significant items: | | | | |
| Integration costs | 2.9 | - | - | - |
| Underlying profit | 33.2 | 123.4 | 100.8 | 22% |
| *Margin* | *14%* | *15%* | *13%* | *2pp* |

### Sales

Brambles acquired IFCO effective 31 March 2011. Its sales revenue contribution for the three months of the financial year under Brambles' ownership was US$230.1 million. This comprised US$140.4 million from the RPC business and US$89.7 million from the USA Pallet Management Services business.

On a pro forma basis – reflecting IFCO's results for the full 2011 financial year – IFCO's sales revenue was US$838.3 million, up 10%. This reflected strong business growth in RPCs in all regions and a flat outcome in Pallet Management Services. Net new business wins were US$63 million.

In RPCs, pro forma sales revenue was US$503.3 million, up 17%, comprising US$385.0 million from Europe and South America, up 18%, and US$118.3 million from the USA, up 14%.

Key contributors to RPC sales revenue growth included new business wins worldwide and organic growth with existing customers in Europe. Expanded use of RPCs continues in the USA and South America, driving higher sales revenue for IFCO.

In Pallet Management Services, pro forma sales revenue was US$335.0 million, which was flat compared with the prior corresponding period, reflecting low-growth conditions in the US economy.

[2] Pro forma data as per IFCO financial statements, excludes amortisation of intangible assets.

### Business wins

The net annualised value of new business IFCO won during the 12 months to 30 June 2011 was US$76 million. Customer wins for IFCO's RPC business during the financial year included Carrefour in Europe and Food Lion, Safeway and Whole Foods in the USA.

### Profit

IFCO's operating profit contribution for the three months under Brambles' ownership was US$30.3 million. Underlying profit was US$33.2 million. This reflected US$2.9 million of Significant items associated with integration and US$6.1 million of amortisation of identified intangibles assets associated with Brambles' acquisition of the business. The operating profit margin was 13% and the Underlying profit margin was 14%.

On a pro forma basis, prior to the impact of amortisation of identified intangible assets, IFCO's full-year Underlying profit was US$123.4 million, up 22%, reflecting sales revenue growth and pricing and efficiency gains. The pro forma Underlying profit margin was 15%.

## RECALL

| Year ended 30 June, US$m | | | Change | |
|---|---|---|---|---|
| | 2011 | 2010 | Actual FX | Constant FX |
| Sales revenue | 815.3 | 739.7 | 10% | 5% |
| Operating profit | 145.8 | 123.1 | 18% | 10% |
| *Margin* | *18%* | *17%* | *1pp* | *1pp* |
| Significant items: | | | | |
| Restructuring – facilities and operations | (0.5) | 1.5 | | |
| Underlying profit | 145.3 | 124.6 | 17% | 9% |
| *Margin* | *18%* | *17%* | *1pp* | *1pp* |
| Cash flow from operations | 92.6 | 121.7 | (24)% | (35)% |
| Return on capital invested | 14% | 13% | 1pp | 0pp |

### Sales

Recall's sales revenue was US$815.3 million, up 10% (5% at constant currency), primarily reflecting ongoing growth in the storage of physical and digital information.

Sales revenue in the Document Management Solutions service line was US$581.0 million, up 12% (6% at constant currency), driven by growth in cartons in storage of 5% due to the expansion of operations in the Americas and Europe.

Sales revenue in Secure Destruction Services business was US$154.2 million, up 6% (3% at constant currency), on higher average paper prices through the year. In the Data Protection Solutions service line, sales revenue was US$80.1 million, up 9% (4% at constant currency).

### Business wins

The impact during the period of net new business wins was US$41 million, reflecting the strong contribution of two new contracts won in the prior period. The net annualised value of new business Recall won during financial year 2011 was US$38 million.

### Profit

Recall's operating profit was US$145.8 million, up 18% (10% at constant currency), as sales revenue grew and productivity improvements continued to drive increased margins. Underlying profit was US$145.3 million, up 17% (9% at constant currency), reflecting the impact of Significant items.

Both the operating and Underlying profit margins improved 1 percentage point to 18%, as cost efficiencies offset expenditure on expanding Recall's sales force and improving its information technology systems.

### Cash flow and return on capital

Recall's cash flow from operations was US$92.6 million, down US$29.1 million, as capital expenditure increased to support increased storage capacity and investments in safety, security and IT systems.

Return on capital invested was 14% up 1 percentage point, in line with improved profitability.

# ADDITIONAL FINANCIAL INFORMATION

## CAPITAL EXPENDITURE ON PROPERTY, PLANT AND EQUIPMENT (ACCRUALS BASIS)

| Year ended 30 June, US$m | 2011 | 2010 | Change |
|---|---|---|---|
| CHEP Americas | 272.6 | 204.5 | (68.1) |
| CHEP EMEA | 313.8 | 173.2 | (140.6) |
| CHEP Asia-Pacific | 105.5 | 67.0 | (38.5) |
| **Total CHEP** | **691.9** | **444.7** | **(247.2)** |
| IFCO | 48.1 | - | (48.1) |
| Recall | 81.8 | 53.8 | (28.0) |
| Brambles HQ | 0.1 | 0.3 | 0.2 |
| **Total Brambles** | **821.9** | **498.8** | **(323.1)** |

Brambles' capital expenditure (accruals basis) was US$821.9 million, up US$323.1 million, primarily because of CHEP increasing investment in new pallets to support new business wins and expansion into emerging markets. Capital expenditure was lower in the 2010 financial year because of low levels of pallet purchases following the impact on growth of the global economic downturn.

CHEP's capital expenditure was US$691.9 million, up US$247.2 million, including US$591.1 million on pallets, US$52.5 million on other pooling equipment and US$48.3 million of other capital expenditure.

Capital expenditure in IFCO for the three months of the financial year under Brambles ownership was US$48.1 million to support strong growth in the RPC business in all regions.

Recall's capital expenditure was US$81.8 million, up US$28.0 million, to support increased storage capacity and investments in safety, security and IT systems.

## CASH FLOW

| Year ended 30 June, US$m | 2011 | 2010 | Change |
|---|---|---|---|
| Underlying profit | 857.2 | 733.4 | 123.8 |
| Depreciation and amortisation | 479.8 | 444.0 | 35.8 |
| **EBITDA** | **1,337.0** | **1,177.4** | **159.6** |
| Capital expenditure | (764.7) | (496.5) | (268.2) |
| Proceeds from disposals | 100.8 | 88.0 | 12.8 |
| Working capital movement | (14.8) | 14.7 | (29.5) |
| Irrecoverable pooling equipment provision | 104.9 | 111.2 | (6.3) |
| Provisions/other | (38.1) | (12.5) | (25.6) |
| **Cash flow from operations** | **725.1** | **882.3** | **(157.2)** |
| Significant items outside ordinary activities | (35.1) | (52.1) | 17.0 |
| **Cash flow from operations (incl. Significant items)** | **690.0** | **830.2** | **(140.2)** |
| Financing costs and tax | (386.7) | (281.6) | (105.1) |
| **Free cash flow** | **303.3** | **548.6** | **(245.3)** |
| Dividends paid | (224.0) | (204.5) | (19.5) |
| **Free cash flow after dividends** | **79.3** | **344.1** | **(264.8)** |

Free cash flow after dividends was US$79.3 million, down US$264.8 million, reflecting the increase in capital expenditure and a US$105.1 million increase in financing costs and tax to US$386.7 million. The increase in financing costs included the US$48.2 million impact of repaying IFCO's high-yield debt.

## BRAMBLES VALUE ADDED

| Year ended 30 June, US$m, fixed June 2010 FX | 2011 | 2010 | Change |
|---|---|---|---|
| CHEP Americas | 76.7 | 43.9 | 32.8 |
| CHEP EMEA | 149.9 | 151.4 | (1.5) |
| CHEP Asia-Pacific | 36.5 | 30.4 | 6.1 |
| **Total CHEP** | **263.1** | **225.7** | **37.4** |
| IFCO | (11.3) | - | (11.3) |
| Recall | 17.5 | 10.8 | 6.7 |
| Brambles HQ | (21.0) | (27.8) | 6.8 |
| **Total BVA** | **248.3** | **208.7** | **39.6** |

Brambles Value Added (BVA), the Company's definition of economic profit, was US$248.3 million, up US$39.6 million, reflecting the increase in profitability in both CHEP and Recall and a particularly strong improvement in CHEP Americas. The decline in BVA for CHEP EMEA reflected the impact of the Unitpool acquisition.

## NET DEBT & KEY RATIOS

| As at 30 June, US$m | 2011 | 2010 | Change |
|---|---|---|---|
| Current debt | 325.6 | 276.0 | 49.6 |
| Non-current debt | 2,811.7 | 1,618.8 | 1,192.9 |
| **Gross debt** | **3,137.3** | **1,894.8** | **1,242.5** |
| Less cash | (138.5) | (135.5) | (3.0) |
| **Net debt** | **2,998.8** | **1,759.3** | **1,239.5** |
| **Key ratios (times)** | | | |
| Net debt to EBITDA | 2.2 | 1.5 | 0.7 |
| EBITDA interest cover | 10.5 | 10.7 | (0.2) |

Net debt was US$2,998.8 million at 30 June 2011, up US$1,239.5 million from 30 June 2010, reflecting the funding of the IFCO acquisition.

To diversify its funding sources further and lengthen debt maturities, Brambles raised €500 million in April 2011 through the issuance of guaranteed senior notes in the European capital markets. The notes have a seven-year maturity. Brambles used the proceeds to repay bank borrowings.

At 30 June 2011, Brambles had committed credit facilities including bonds and notes totalling US$4,442.4 million. The average term to maturity of total credit facilities was 4.1 years.

The ratio of net debt to EBITDA at 30 June 2011 was 2.2 times, compared with 1.5 times at 30 June 2010, reflecting the funding of 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.