



19 August 2010

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

Via electronic lodgement

Dear Sir,

**BRAMBLES REPORTS SOLID RESULTS FOR 2010 FINANCIAL YEAR: STRONG
CASH FLOW AND PLATFORM FOR GROWTH**

In accordance with Listing Rule 4.3A, attached is the preliminary final report for the year ended 30 June 2010 for Brambles Limited.

Yours faithfully
Brambles Limited

Robert Gerrard
Company Secretary

Results for announcement to the market

Brambles Limited

ABN 89 118 896 021

Appendix 4E

Preliminary final report for the year ended 30 June 2010

Year ended 30 June	2010 US\$m	2009 US\$m	% change (actual fx rates)	% change (constant currency)
Statutory results				
Continuing operations after Significant items:				
Sales revenue	4,146.8	4,018.6	3%	-
Operating profit	724.5	718.2	1%	(3%)
Profit before tax	614.9	597.3	3%	(2%)
Profit after tax	443.9	434.0	2%	(1%)
Profit after tax - discontinued operations	4.9	18.6		
Profit attributable to members of the parent entity	448.8	452.6	(1%)	(5%)
Basic EPS (US cents)	31.8	32.6	(2%)	(6%)
Free cash flow after dividends	344.1	141.9		
Continuing operations before Significant items:				
Sales revenue	4,146.8	4,018.6	3%	-
Underlying profit	733.4	900.6	(19%)	(22%)
Profit after tax	450.2	534.3	(16%)	(19%)
Basic EPS (US cents)	31.9	38.5	(17%)	(20%)
Final dividend* (Australian cents)	12.5	12.5		

* The 2010 final dividend is 20% franked and its record date is 22 September 2010.

A commentary on these results is set out in Brambles' ASX & Media Release dated 19 August 2010.

Preliminary final report for the year ended 30 June 2010

Index	Page
Consolidated financial statements	
Consolidated income statement	3
Consolidated statement of comprehensive income	4
Consolidated balance sheet	5
Consolidated cash flow statement	6
Consolidated statement of changes in equity	7
Notes to the consolidated financial statements	
1. Basis of preparation	8
2. Significant accounting policies	8
3. Segment information	9
4. Profit from ordinary activities - continuing operations	11
5. Significant items - continuing operations	12
6. Discontinued operations	13
7. Income tax	13
8. Earnings per share	14
9. Dividends	15
10. Issued and quoted securities	15
11. Reserves	16
12. Cash flow statement - additional information	17
13. Equity-accounted investments	19
14. Net tangible asset backing	19
15. Contingent liabilities	19
16. Events after balance sheet date	19
Statement of compliance	20

Consolidated income statement for the year ended 30 June 2010

	Note	2010 US\$m	2009 US\$m
Continuing operations			
Sales revenue	4	4,146.8	4,018.6
Other income	4	97.0	96.7
Operating expenses	4	(3,525.1)	(3,402.1)
Share of results of joint ventures	13	5.8	5.0
Operating profit		724.5	718.2
Finance revenue		2.8	7.1
Finance costs		(112.4)	(128.0)
Net finance costs		(109.6)	(120.9)
Profit before tax		614.9	597.3
Tax expense		(171.0)	(163.3)
Profit from continuing operations		443.9	434.0
Profit from discontinued operations	6	4.9	18.6
Profit for the year attributable to members of the parent entity		448.8	452.6
Earnings per share (cents)			
Total	8		
- basic		31.8	32.6
- diluted		31.7	32.5
Continuing operations			
- basic		31.5	31.3
- diluted		31.4	31.2

The consolidated income statement should be read in conjunction with the accompanying notes.

Non-statutory measure:

Underlying profit

Underlying profit is profit from continuing operations before finance costs, tax and Significant items (refer Note 5). It is presented to assist users of the financial statements to understand Brambles' business results and reconciles with operating profit as follows:

Underlying profit		733.4	900.6
<i>Significant items:</i>			
- restructuring costs	5a	(8.9)	(153.3)
- foreign exchange gain on capital repatriation	5c	-	77.3
- Walmart transition impact	5d	-	(29.0)
- USA pallet quality program costs*	5e	-	(77.4)
Operating profit		724.5	718.2

* In October 2009, CHEP USA launched its Better Everyday customer service and quality program. In FY10, spending under the Better Everyday program, together with the final US\$37 million spending under the USA pallet quality program announced in February 2008, have been presented within Underlying profit. In prior years, USA pallet quality program costs were presented as Significant items. Comparatives have not been restated.

Consolidated statement of comprehensive income for the year ended 30 June 2010

	2010 US\$m	2009 US\$m
Profit for the year	448.8	452.6
Other comprehensive income:		
Actuarial losses on defined benefit pension plans	(5.9)	(2.9)
Exchange differences:		
- on translation of foreign operations	(71.2)	(262.6)
- on entities disposed taken to profit	-	(0.6)
Cash flow hedges	1.4	(14.2)
Income tax on other comprehensive income	0.8	4.7
Other comprehensive income for the year	(74.9)	(275.6)
Total comprehensive income for the year attributable to members of the parent entity	373.9	177.0

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet as at 30 June 2010

		June 2010 US\$m	June 2009 US\$m
ASSETS			
Current assets			
Cash and cash equivalents		135.5	90.1
Trade and other receivables		631.6	653.6
Inventories		33.5	35.1
Derivative financial instruments		14.5	1.1
Other assets		53.1	72.2
Total current assets		868.2	852.1
Non-current assets			
Other receivables		6.2	8.1
Investments		14.0	13.8
Property, plant and equipment		3,223.8	3,441.6
Goodwill		607.0	612.3
Intangible assets		158.6	163.0
Deferred tax assets		19.8	7.0
Derivative financial instruments		12.0	-
Other assets		0.7	0.6
Total non-current assets		4,042.1	4,246.4
Total assets		4,910.3	5,098.5
LIABILITIES			
Current liabilities			
Trade and other payables		681.4	683.7
Borrowings		276.0	68.0
Derivative financial instruments		12.2	12.9
Tax payable		78.5	64.6
Provisions		87.2	93.6
Total current liabilities		1,135.3	922.8
Non-current liabilities			
Borrowings		1,618.8	2,165.5
Derivative financial instruments		10.1	5.8
Provisions		34.0	53.0
Retirement benefit obligations		50.4	50.8
Deferred tax liabilities		408.2	449.9
Other liabilities		20.9	21.4
Total non-current liabilities		2,142.4	2,746.4
Total liabilities		3,277.7	3,669.2
Net assets		1,632.6	1,429.3
EQUITY			
Contributed equity	10	13,979.6	13,847.6
Unification reserve	11	(15,385.8)	(15,385.8)
Other reserves	11	378.4	447.1
Retained earnings		2,660.1	2,520.1
Parent entity interest		1,632.3	1,429.0
Non-controlling interest		0.3	0.3
Total equity		1,632.6	1,429.3

The consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated cash flow statement for the year ended 30 June 2010

	2010	2009
Note	US\$m	US\$m
Cash flows from operating activities		
Receipts from customers	4,658.5	4,575.7
Payments to suppliers and employees	(3,392.5)	(3,306.8)
Cash generated from operations	1,266.0	1,268.9
Dividends received from joint ventures	5.9	7.1
Interest received	2.9	8.0
Interest paid	(104.6)	(131.8)
Income taxes paid on operating activities	(179.9)	(129.2)
Net cash inflow from operating activities	990.3	1,023.0
	12d	
Cash flows from investing activities		
Purchases of property, plant and equipment	(496.5)	(683.8)
Proceeds from sale of property, plant and equipment	88.0	104.6
Purchases of intangible assets	(33.2)	(24.3)
Proceeds from disposal of businesses	1.3	1.8
Costs incurred on disposal of business	-	(4.8)
Acquisition of subsidiaries, net of cash acquired	-	(0.1)
Net cash outflow from investing activities	(440.4)	(606.6)
Cash flows from financing activities		
Proceeds from borrowings	2,222.9	1,404.2
Repayments of borrowings	(2,541.2)	(1,513.5)
Net inflow/(outflow) from hedge instruments	35.8	(7.9)
Proceeds from issues of ordinary shares	2.7	0.8
Dividends paid, net of Dividend Reinvestment Plan	(204.5)	(277.6)
Net cash outflow from financing activities	(484.3)	(394.0)
Net increase in cash and cash equivalents		
	65.6	22.4
Cash and deposits, net of overdrafts, at beginning of the year	54.1	68.1
Effect of exchange rate changes	3.6	(36.4)
Cash and deposits, net of overdrafts, at end of the year	123.3	54.1
	12a	

The consolidated cash flow statement should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity for the year ended 30 June 2010

	Note	Share capital US\$m	Reserves ¹ US\$m	Retained earnings US\$m	Non- controlling interest US\$m	Total US\$m
Year ended 30 June 2009						
Opening balance		13,778.6	(14,671.5)	2,436.1	0.3	1,543.5
Total comprehensive income		-	(272.5)	449.5	-	177.0
Share-based payments:						
- expense recognised		-	14.5	-	-	14.5
- shares issued		-	(6.3)	-	-	(6.3)
- equity component of related tax		-	(2.9)	-	-	(2.9)
Transactions with owners in their capacity as owners:						
- dividends declared		-	-	(365.5)	-	(365.5)
- issues of ordinary shares, net of transaction costs		7.1	-	-	-	7.1
- issues of ordinary shares under Dividend Reinvestment Plan		61.9	-	-	-	61.9
Closing balance		13,847.6	(14,938.7)	2,520.1	0.3	1,429.3
Year ended 30 June 2010						
Opening balance		13,847.6	(14,938.7)	2,520.1	0.3	1,429.3
Total comprehensive income		-	(70.3)	444.2	-	373.9
Share-based payments:						
- expense recognised		-	10.7	-	-	10.7
- shares issued		-	(9.1)	-	-	(9.1)
Transactions with owners in their capacity as owners:						
- dividends declared		-	-	(304.2)	-	(304.2)
- issues of ordinary shares, net of transaction costs	10	11.8	-	-	-	11.8
- issues of ordinary shares under Dividend Reinvestment Plan	10	120.2	-	-	-	120.2
Closing balance		13,979.6	(15,007.4)	2,660.1	0.3	1,632.6

¹ Refer Note 11 for further information on reserves.

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to and forming part of the preliminary final report for the year ended 30 June 2010

Note 1. Basis of preparation

This preliminary final report presents the consolidated results of Brambles Limited (ACN 118 896 021) and its subsidiaries (Brambles or the Group) for the year ended 30 June 2010.

The consolidated financial statements on which this preliminary final report is based comply with International Financial Reporting Standards (IFRS) and have been prepared in accordance with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the Urgent Issues Group Interpretations (UIG) and the requirements of the Corporations Act 2001.

Note 2. Significant accounting policies

The consolidated financial statements and all comparatives have been prepared using consistent accounting policies, as set out in Brambles' 2009 Annual Report, except for financial statements presentation and segment reporting.

a) Financial statement presentation

Brambles has applied revised AASB 101: Presentation of Financial Statements from 1 July 2009. The revised standard requires the presentation of a statement of comprehensive income rather than a statement of recognised income and expense. Additionally, a statement of changes in equity is now disclosed as a primary statement rather than in a note. Comparative information has been re-presented to conform to the revised standard.

b) Segment reporting

Brambles has applied AASB 8: Operating Segments from 1 July 2009. AASB 8 requires adoption of a management approach when reporting segment performance. The information presented is based on Brambles' internal management reporting to the Chief Executive Officer (CEO), being the chief operating decision-maker, and reflects what the CEO uses when evaluating segment performance and deciding how to allocate resources to operating segments.

There have been no changes to the definition of operating segments, however additional disclosures are now included in the financial statements. Geographic disclosures now present Australia separately. Comparative figures have been provided.

c) Foreign currency

The principal exchange rates affecting Brambles were:

		US\$:A\$	US\$:€	US\$:£
Average	2010	0.8813	1.3782	1.5733
	2009	0.7479	1.3822	1.6103
Year end	30 June 2010	0.8498	1.2185	1.5051
	30 June 2009	0.8114	1.4106	1.6637

d) Rounding of amounts

As Brambles Limited is a company of a kind referred to in ASIC Class Order 98/0100, relevant amounts in the preliminary final report have been rounded to the nearest hundred thousand US dollars.

References to 2010 and 2009 are to the financial years ending on 30 June 2010 and 30 June 2009 respectively.

Notes to and forming part of the preliminary final report for the year ended 30 June 2010 - *continued*

Note 3. Segment information

Brambles' segment information is provided on the same basis as its internal management reporting to the CEO and reflects how Brambles is organised and managed.

Brambles has five reportable segments, being CHEP Americas, CHEP EMEA, CHEP Asia-Pacific (pallet and container pooling businesses), Recall (information management business) and Brambles HQ (corporate centre). Discontinued operations primarily comprise the Cleanaway businesses (waste management), which were divested in 2006 and 2007.

Segment results shown are consistent with internal management reporting. Segment performance is measured on sales, Underlying profit, cash flow from operations and Brambles Value Added (BVA). Underlying profit is the main measure of segment profit. A reconciliation between Underlying profit and operating profit is set out as a footnote to the income statement.

Segment sales revenue is measured on the same basis as in the income statement. Segment sales revenue is allocated to segments based on the business stream and physical location of the business unit that invoices the customer. Intersegment revenue during the year was immaterial. There is no single external customer who contributed more than 10% of Group sales revenue.

Assets and liabilities are measured consistently in segment reporting and in the balance sheet. Assets and liabilities are allocated to segments based on segment use and physical location. Cash, borrowings and tax balances are managed centrally and therefore not allocated to segments.

	Sales revenue		Cash flow from operations ¹		Brambles Value Added ²	
	2010	2009	2010	2009	2010	2009
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
By operating segment						
CHEP Americas	1,533.6	1,556.9	285.7	267.0	38.1	138.5
CHEP EMEA	1,482.6	1,452.6	411.7	372.7	165.3	159.8
CHEP Asia-Pacific	390.9	323.4	94.1	9.8	28.2	26.2
Total CHEP	3,407.1	3,332.9	791.5	649.5	231.6	324.5
Recall	739.7	685.7	121.7	106.9	9.0	(6.4)
Brambles HQ	-	-	(30.9)	(34.0)	(25.2)	(20.7)
Total	4,146.8	4,018.6	882.3	722.4	215.4	297.4
By geographic origin						
Americas	1,868.9	1,870.2				
Europe	1,537.9	1,537.1				
Australia	501.6	421.2				
Other	238.4	190.1				
Total	4,146.8	4,018.6				

	Operating profit ³		Significant items before tax ⁴		Underlying profit ⁴	
	2010	2009	2010	2009	2010	2009
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
By operating segment						
CHEP Americas	235.2	229.0	(1.9)	(205.4)	237.1	434.4
CHEP EMEA	324.9	286.5	(4.6)	(41.0)	329.5	327.5
CHEP Asia-Pacific	77.8	57.9	(0.6)	(3.2)	78.4	61.1
Total CHEP	637.9	573.4	(7.1)	(249.6)	645.0	823.0
Recall	123.1	95.9	(1.5)	(8.4)	124.6	104.3
Brambles HQ	(36.5)	48.9	(0.3)	75.6	(36.2)	(26.7)
Continuing operations	724.5	718.2	(8.9)	(182.4)	733.4	900.6
Discontinued operations	3.9	15.2	3.9	15.2		
Total	728.4	733.4	(5.0)	(167.2)		

Notes to and forming part of the preliminary final report for the year ended 30 June 2010 - *continued*

Note 3. Segment information - *continued*

	Capital expenditure (including acquisitions)		Depreciation and amortisation	
	2010	2009	2010	2009
	US\$m	US\$m	US\$m	US\$m
By operating segment				
CHEP Americas	214.2	312.6	171.9	173.3
CHEP EMEA	174.8	223.6	167.8	168.5
CHEP Asia-Pacific	67.2	93.0	52.1	36.5
Total CHEP	456.2	629.2	391.8	378.3
Recall	73.7	59.0	47.9	46.0
Brambles HQ	2.1	5.4	4.3	0.3
Total	532.0	693.6	444.0	424.6
	Segment assets		Segment liabilities	
	2010	2009	2010	2009
	US\$m	US\$m	US\$m	US\$m
By operating segment				
CHEP Americas	1,702.6	1,739.5	204.9	241.6
CHEP EMEA	1,499.4	1,752.1	339.3	360.3
CHEP Asia-Pacific	451.6	430.4	91.0	72.3
Total CHEP	3,653.6	3,922.0	635.2	674.2
Recall	1,038.2	1,020.1	182.5	167.7
Brambles HQ	32.9	11.0	78.5	79.3
Total segment assets and liabilities	4,724.7	4,953.1	896.2	921.2
Cash and borrowings	135.5	90.1	1,894.8	2,233.5
Current tax balances	16.3	34.5	78.5	64.6
Deferred tax balances	19.8	7.0	408.2	449.9
Equity-accounted investments	14.0	13.8	-	-
Total assets and liabilities	4,910.3	5,098.5	3,277.7	3,669.2
Non-current assets by geographic origin ⁵				
Americas	1,936.8	1,952.9		
Europe	1,270.4	1,532.3		
Australia	487.9	488.1		
Other	315.2	266.1		
Total	4,010.3	4,239.4		

¹ Cash flow from operations is cash flow generated after net capital expenditure but excluding Significant items that are outside the ordinary course of business.

² BVA represents the value generated over and above the cost of the capital used to generate that value. It is calculated using fixed June 2009 exchange rates as:

- Underlying profit; plus
- Significant items that are part of the ordinary activities of the business; less
- Average Capital Invested, adjusted for accumulated pre-tax Significant items that are part of the ordinary activities of the business, multiplied by 12%.

³ Operating profit is segment revenue less segment expense and excludes net finance costs.

⁴ Underlying profit is profit from continuing operations before finance costs, tax and Significant items. Refer Note 5.

⁵ Non-current assets exclude financial instruments and deferred tax assets.

Notes to and forming part of the preliminary final report
for the year ended 30 June 2010 - *continued*

Note 4. Profit from ordinary activities - continuing operations

	2010 US\$m	2009 US\$m
a) Revenue and other income - continuing operations		
Sales revenue	4,146.8	4,018.6
Net gains on disposals of property, plant and equipment	26.4	11.9
Other operating income	70.6	84.8
Other income	97.0	96.7
Total income	4,243.8	4,115.3
b) Operating expenses - continuing operations		
Employment costs	779.5	778.2
Service suppliers:		
- transport	730.7	758.5
- repairs and maintenance	376.3	353.4
- subcontractors and other service suppliers	458.0	434.1
Raw materials and consumables	193.5	181.1
Occupancy	262.3	254.3
Depreciation of property, plant and equipment	405.5	391.3
Impairment of pooling equipment (refer Note 5a)	-	33.6
Irrecoverable pooling equipment provision expense	111.2	97.8
Amortisation:		
- software	24.2	22.8
- acquired intangible assets (other than software)	6.7	6.6
- deferred expenditure	7.6	3.9
Other ¹	169.6	86.5
	3,525.1	3,402.1
c) Net foreign exchange gains and losses - continuing operations		
Net (losses)/gains included in operating profit ¹	(1.0)	75.5
Net gains included in net finance costs	2.3	0.1
	1.3	75.6

¹ 2009 includes a US\$77.3 million foreign exchange gain on capital repatriation from an overseas subsidiary. Refer Note 5 for further details.

Notes to and forming part of the preliminary final report for the year ended 30 June 2010 - *continued*

Note 5. Significant items - continuing operations

Significant items are items of income or expense which are, either individually or in aggregate, material to Brambles or to the relevant business segment and:

- outside the ordinary course of business (eg gains or losses on the sale or termination of operations, the cost of significant reorganisations or restructuring); or
- part of the ordinary activities of the business but unusual due to their size and nature.

Significant items are disclosed to assist users of the financial statements to understand Brambles' business results.

	2010 US\$m		
	Before tax	Tax	After tax
Items outside the ordinary course of business:			
- restructuring costs ^a	(8.9)	2.6	(6.3)
Significant items from continuing operations	(8.9)	2.6	(6.3)
	2009 US\$m		
	Before tax	Tax	After tax
Items outside the ordinary course of business:			
- restructuring costs ^a	(153.3)	47.0	(106.3)
- reset of tax cost bases on Unification ^b	-	(6.5)	(6.5)
- foreign exchange gain on capital repatriation ^c	77.3	-	77.3
Items within ordinary activities, but unusual due to size and nature:			
- Walmart transition impact ^d	(29.0)	11.3	(17.7)
- USA pallet quality program costs ^e	(77.4)	30.3	(47.1)
Significant items from continuing operations	(182.4)	82.1	(100.3)

^a In February 2009, Brambles announced a restructure of its operations, estimated to cost US\$159–US\$169 million before tax, as a response to the effects of the global economic crisis on its businesses. An impairment charge of US\$33.6 million, a US\$61.6 million charge for storage and scrapping costs and US\$3.8 million depreciation expense were booked in 2009 against surplus pallets within the CHEP USA pool. Redundancy and plant closure expenses of US\$63.2 million have been incurred in various countries, of which US\$8.9 million was booked in 2010 (2009: US\$54.3 million).

^b During 2009, a net adjustment of US\$(6.5) million was made to tax cost bases and other Unification tax matters.

^c During 2009, capital of €460 million was repatriated to Australia from an overseas subsidiary. As required by AASB 121: The Effects of Changes in Foreign Exchange Rates, a portion of the accumulated foreign currency translation reserve previously held in relation to the overseas subsidiary was recognised in the income statement, resulting in a US\$77.3 million foreign exchange gain.

^d During 2009, non-recurring transition costs of US\$29.0 million due to loss of white wood revenue and net additional operational costs were incurred within CHEP USA as a result of Walmart's decision to modify management of pallet flows within its network in the USA.

^e Costs of US\$77.4 million were incurred within CHEP USA on the pallet quality program and reported as Significant items in 2009. In October 2009, CHEP USA launched its Better Everyday customer service and quality program. In 2010, spending under the Better Everyday program, together with the final US\$37 million spending under the USA pallet quality program announced in February 2008, have been presented within Underlying profit.

Notes to and forming part of the preliminary final report for the year ended 30 June 2010 - *continued*

Note 6. Discontinued operations

Net favourable provision adjustments on divestments completed in 2007 and prior years have been recognised as Significant items outside the ordinary course of business. The impact of these adjustments on profit and cash flow are summarised below:

	2010 US\$m	2009 US\$m
Profit before tax	3.9	15.2
Tax benefit	1.0	3.4
Profit for the year from discontinued operations	4.9	18.6
Net cash outflow from operating activities	(1.2)	(2.2)

Note 7. Income tax

Amounts recognised in the income statement

Current income tax - continuing operations:

- income tax charge	201.8	147.3
- prior year adjustments	13.8	(18.1)
	215.6	129.2

Deferred tax - continuing operations:

- origination and reversal of temporary differences	(6.6)	29.1
- previously unrecognised tax losses	(15.7)	(9.4)
- prior year adjustments	(22.3)	14.4
	(44.6)	34.1

Tax expense - continuing operations	171.0	163.3
Tax benefit - discontinued operations (Note 6)	(1.0)	(3.4)
Tax expense recognised in the income statement	170.0	159.9

Amounts recognised in the statement of comprehensive income

- on actuarial losses on defined benefit pension plans	(1.3)	0.2
- on losses on revaluation of cash flow hedges	0.5	(4.9)
Tax benefit recognised directly in the statement of comprehensive income	(0.8)	(4.7)

Reconciliation between tax expense and accounting profit before tax

Profit before tax - continuing operations	614.9	597.3
Tax at 30% (2009: 30%)	184.5	179.2
Effect of tax rates in overseas jurisdictions	(9.9)	(3.6)
Prior year adjustments	(8.5)	(3.7)
Current year tax losses not recognised	6.1	14.6
Prior year tax losses recouped/recognised	(15.7)	(9.4)
Foreign withholding tax provided	5.5	9.4
Changes in tax rates	0.2	(1.1)
Non-deductible expenses	7.5	6.1
Other	1.3	(28.2)
Tax expense - continuing operations	171.0	163.3
Tax benefit - discontinued operations (Note 6)	(1.0)	(3.4)
Total income tax expense	170.0	159.9

Notes to and forming part of the preliminary final report for the year ended 30 June 2010 - *continued*

Note 8. Earnings per share

	2010	2009
	US cents	US cents
Earnings per share		
- basic	31.8	32.6
- diluted	31.7	32.5
From continuing operations		
- basic	31.5	31.3
- diluted	31.4	31.2
- basic, on Underlying profit after finance costs and tax	31.9	38.5
From discontinued operations		
- basic	0.3	1.3
- diluted	0.3	1.3

Options, performance share rights and MyShare matching conditional rights granted under Brambles' share plans are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

	2010	2009
	million	million
a) Weighted average number of shares during the year		
Used in the calculation of basic earnings per share	1,411.3	1,388.3
Adjustment for share options and rights	5.9	4.4
Used in the calculation of diluted earnings per share	1,417.2	1,392.7

	2010	2009
	US\$m	US\$m

b) Reconciliation of profits used in EPS calculations

Statutory profit

Profit from continuing operations	443.9	434.0
Profit from discontinued operations	4.9	18.6
Profit used in calculating basic and diluted EPS	448.8	452.6

Underlying profit after finance costs and tax

Underlying profit (Note 3)	733.4	900.6
Net finance costs	(109.6)	(120.9)
Underlying profit before tax	623.8	779.7
Tax expense on Underlying profit	(173.6)	(245.4)
Underlying profit after finance costs and tax	450.2	534.3

which reconciles to statutory profit:

Underlying profit after finance costs and tax	450.2	534.3
Significant items after tax (Note 5)	(6.3)	(100.3)
Profit from continuing operations	443.9	434.0

Notes to and forming part of the preliminary final report for the year ended 30 June 2010 - *continued*

Note 9. Dividends

a) Dividends declared and paid during the year

	Interim 2010	Final 2009
Dividend per share (in Australian cents)	12.5	12.5
Franked amount at 30% tax (in Australian cents)	2.5	2.5
Cost (in US\$ million)	164.2	160.5
Payment date	8 April 2010	8 October 2009

b) Dividend declared after reporting date

	Final 2010
Dividend per share (in Australian cents)	12.5
Franked amount at 30% tax (in Australian cents)	2.5
Cost (in US\$ million)	158.6
Dividend record date	22 September 2010
Payment date	14 October 2010

As this dividend had not been declared at the reporting date, it is not reflected in the financial statements.

Note 10. Issued and quoted securities

	Options Number	Ordinary securities Number	US\$m
At 1 July 2009	9,170,399	1,401,869,039	13,847.6
Issued during the year	4,219,025	20,360,668	132.0
Exercised during the year	(1,991,606)	-	-
Lapsed during the year	(2,213,450)	-	-
At 30 June 2010	9,184,368	1,422,229,707	13,979.6

Notes to and forming part of the preliminary final report for the year ended 30 June 2010 - *continued*

Note 11. Reserves

a) Movements in reserves

	Hedging US\$m	Share- based payments US\$m	Foreign currency translation US\$m	Unification US\$m	Other US\$m	Total US\$m
Year ended 30 June 2009						
Opening balance	(0.2)	65.8	481.4	(15,385.8)	167.3	(14,671.5)
FCTR released to profits during the year	-	-	(77.3)	-	-	(77.3)
FCTR on entities disposed taken to profit	-	-	(0.6)	-	-	(0.6)
Foreign exchange differences	-	-	(185.3)	-	-	(185.3)
Cash flow hedges:						
- fair value losses	(27.9)	-	-	-	-	(27.9)
- tax on fair value losses	9.7	-	-	-	-	9.7
- transfers to net profit	13.7	-	-	-	-	13.7
- tax on transfers to net profit	(4.8)	-	-	-	-	(4.8)
Share-based payments:						
- expense recognised during the year	-	14.5	-	-	-	14.5
- shares issued	-	(6.3)	-	-	-	(6.3)
- equity component of related tax	-	(2.9)	-	-	-	(2.9)
Closing balance	(9.5)	71.1	218.2	(15,385.8)	167.3	(14,938.7)
Year ended 30 June 2010						
Opening balance	(9.5)	71.1	218.2	(15,385.8)	167.3	(14,938.7)
Foreign exchange differences	-	-	(71.2)	-	-	(71.2)
Cash flow hedges:						
- fair value losses	(10.6)	-	-	-	-	(10.6)
- tax on fair value losses	4.1	-	-	-	-	4.1
- transfers to net profit	12.3	-	-	-	-	12.3
- transfers to property, plant and equipment	(0.3)	-	-	-	-	(0.3)
- tax on transfers to net profit	(4.6)	-	-	-	-	(4.6)
Share-based payments:						
- expense recognised during the year	-	10.7	-	-	-	10.7
- shares issued	-	(9.1)	-	-	-	(9.1)
Closing balance	(8.6)	72.7	147.0	(15,385.8)	167.3	(15,007.4)

b) Nature and purpose of reserves

Hedging reserve

This comprises the cumulative portion of the gain or loss of cash flow hedges that are determined to be effective hedges. Amounts are recognised in the income statement when the associated hedged transaction is recognised or the hedge or a portion thereof becomes ineffective.

Share-based payments reserve

This comprises the cumulative share-based payment expense recognised in the income statement in relation to equity-settled options and share rights issued but not yet exercised.

Foreign currency translation reserve

This comprises cumulative exchange differences arising from the translation of the financial statements of foreign subsidiaries, net of qualifying net investment hedges. The relevant accumulated balance is recognised in the income statement on disposal of a foreign subsidiary.

Notes to and forming part of the preliminary final report for the year ended 30 June 2010 - *continued*

Note 11. Reserves - *continued*

Unification reserve

On Unification, Brambles Limited issued shares on a one-for-one basis to those Brambles Industries Limited (BIL) and Brambles Industries plc (BIP) shareholders who did not elect to participate in the Cash Alternative. The Unification reserve of US\$15,385.8 million represents the difference between the Brambles Limited share capital measured at fair value on 4 December 2006, and the carrying value of the share capital of BIL and BIP at that date.

Other

This comprises a merger reserve created in 2001 and a capital redemption reserve created in 2006.

Note 12. Cash flow statement - additional information

a) Reconciliation of cash

	2010 US\$m	2009 US\$m
Cash at bank and in hand	120.2	55.0
Short term deposits	15.3	35.1
Bank overdrafts	(12.2)	(36.0)
	<u>123.3</u>	<u>54.1</u>

b) Borrowing facilities and credit standby arrangements

Total facilities:

- committed borrowing facilities	2,481.0	2,845.3
- loan notes	1,285.0	535.0
- credit standby/uncommitted/overdraft arrangements	151.2	129.6
	<u>3,917.2</u>	<u>3,509.9</u>

Facilities used at reporting date:¹

- committed borrowing facilities	534.4	1,647.5
- loan notes	1,285.0	535.0
- credit standby/uncommitted/overdraft arrangements	43.8	43.5
	<u>1,863.2</u>	<u>2,226.0</u>

Facilities available at reporting date:

- committed borrowing facilities	1,946.6	1,197.8
- credit standby/uncommitted/overdraft arrangements	107.4	86.1
	<u>2,054.0</u>	<u>1,283.9</u>

¹ Facilities used represents the principal value of loan notes and borrowings debited against the relevant facilities to reflect the correct amount of funding headroom. This amount differs by US\$31.6 million (2009: US\$7.5 million) from loan notes and borrowings as shown in the balance sheet which are measured on the basis of amortised cost as determined under the effective interest method and include accrued interest and fair value adjustments on certain hedging instruments.

c) Non-cash financing or investing activities

Dividends of US\$120.2 million were satisfied by issues of shares under the Dividend Reinvestment Plan. There were no other financing or investing transactions during the year which have had a material effect on the assets and liabilities of Brambles that did not involve cash flows.

Notes to and forming part of the preliminary final report for the year ended 30 June 2010 - *continued*

Note 12. Cash flow statement - additional information - *continued*

d) Reconciliation of profit after tax to net cash flows from operating activities	2010	2009
	US\$m	US\$m
Profit after tax	448.8	452.6
Adjustments for:		
- depreciation and amortisation	444.0	424.6
- irrecoverable pooling equipment provision expense	111.2	97.8
- net gains on disposals of property, plant and equipment	(26.4)	(11.9)
- impairment of pooling equipment	-	33.6
- foreign exchange gain on capital repatriation	-	(77.3)
- other valuation adjustments	(1.1)	(1.9)
- net gains on disposal of businesses and investments	-	(0.6)
- net gains after tax on completed disposals of discontinued operations	(7.5)	(17.0)
- joint ventures	0.1	2.1
- equity-settled share-based payments	10.7	14.5
- finance costs	7.9	(3.0)
Movements in operating assets and liabilities, net of acquisitions and disposals:		
- (increase)/decrease in trade and other receivables	(19.3)	56.3
- increase in prepayments	(0.8)	(6.0)
- decrease in inventories	22.1	7.3
- (decrease)/increase in deferred tax	(45.1)	49.7
- increase/(decrease) in trade and other payables	15.5	(31.9)
- increase/(decrease) in tax payables	35.3	(19.0)
- (decrease)/increase in provisions	(4.1)	53.5
- other	(1.0)	(0.4)
Net cash inflow from operating activities	990.3	1,023.0
e) Reconciliation of movement in net debt		
Net debt at beginning of the year	2,143.4	2,426.2
Net cash inflow from operating activities	(990.3)	(1,023.0)
Net cash outflow from investing activities	440.4	606.6
Net (inflow)/outflow from hedge instruments	(35.8)	7.9
Proceeds from issues of ordinary shares	(2.7)	(0.8)
Dividends paid, net of Dividend Reinvestment Plan	204.5	277.6
Interest accruals, finance leases and other	26.0	(7.5)
Foreign exchange differences	(26.2)	(143.6)
Net debt at end of the year	1,759.3	2,143.4
Being:		
Current borrowings	276.0	68.0
Non-current borrowings	1,618.8	2,165.5
Cash and cash equivalents	(135.5)	(90.1)
Net debt at end of the year	1,759.3	2,143.4

Notes to and forming part of the preliminary final report
for the year ended 30 June 2010 - *continued*

Note 13. Equity-accounted investments

a) Joint ventures

Brambles has investments in the following unlisted jointly controlled entities, which are accounted for using the equity method.

Name (and nature of business)	Place of incorporation	% interest held at reporting date	
		2010	2009
CISCO - Total Information Management Pte. Limited (Information management)	Singapore	49%	49%
Recall Becker GmbH & Co. KG (Document management services)	Germany	50%	50%

b) Share of results of joint ventures - continuing operations

	2010 US\$m	2009 US\$m
Profit from ordinary activities before tax	6.9	6.0
Tax expense on ordinary activities	(1.1)	(1.0)
Profit for the year	5.8	5.0

Note 14. Net tangible asset backing

	2010 US cents	2009 US cents
Net tangible assets backing based on 1,422.2 million shares (2009: 1,401.9 million shares)	61.0	46.7

Net tangible assets backing per share is calculated by dividing total equity attributable to the members of the parent entity, less goodwill and intangible assets, by the number of shares on issue at year end.

Note 15. Contingent liabilities

There have been no material changes in contingent liabilities as set out in Brambles' 2009 Annual Report.

Note 16. Events after balance sheet date

Except as outlined in this preliminary final report, there have been no other events that have occurred subsequent to 30 June 2010 and up to the date of this report that have had a material impact on Brambles' financial performance or position.

Statement of compliance

This report is based upon financial statements which have been audited.

The audit report, which is unqualified, will be made available with Brambles' 2010 Annual Report.

Robert Gerrard
Company Secretary

19 August 2010