



21 February 2013

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

Via electronic lodgement

Dear Sir

Brambles reports results for the half-year ended 31 December 2012

Attached is a release to the Exchange from Brambles Limited on its financial report for the half-year ended 31 December 2012.

Yours faithfully
Brambles Limited

Robert Gerrard
Group Company Secretary

BRAMBLES REPORTS STRONG FIRST-HALF 2013 PROFIT GROWTH AND CONFIRMS FULL-YEAR OUTLOOK WITHIN TIGHTER RANGE

- Group-wide improvements in profitability, cash flow and return on capital
- Robust result in Pallets segment driven by new business and efficiencies in Americas
- Strong sales growth in Reusable Plastic Crates (RPCs), Containers and emerging markets
- Further integration of Pallets organisation under simplified leadership structure
- Pallecon acquisition to drive Containers growth in second-half and beyond
- Maintenance of improved cost structure drives increase in Recall profit margins
- Full-year Underlying Profit¹ guidance range confirmed within tighter range

HALF-YEAR 2013 HIGHLIGHTS

		Change vs. 1H12 (actual FX)	Change vs. 1H12 (constant FX ²)
Continuing Operations³ after Significant Items⁴			
Sales revenue	US\$2,889.7M	+4%	+6%
Operating Profit ⁵	US\$481.4M	+14%	+17%
Profit after tax	US\$303.3M	+25%	+30%
Group basic earnings per share⁶	US19.6¢	+21%	+25%
Continuing Operations before Significant Items			
Underlying Profit	US\$490.0M	+7%	+11%
Profit after tax	US\$310.6M	+17%	+21%
Basic earnings per share	US20.1¢	+12%	+16%
Dividends per share	A13.5¢	+A0.5¢	

Brambles generated sales revenue of US\$2,889.7 million in the six months ended 31 December 2012, up 4%, as a result of strong new business growth, especially in CHEP USA, the continued expansion of its RPCs segment and ongoing growth in emerging markets.

Operating Profit was US\$481.4 million, up 14%. Underlying Profit was US\$490.0 million, up 7%, reflecting sales growth, efficiencies in the Pallets business and scale benefits in RPCs. The strong profit growth drove a 1 percentage point increase in Return on Capital Invested⁷ to 15%.

The profit increase, supported by disciplined management of capital expenditure and an improved working capital performance, enabled a US\$208.7 million increase in Cash Flow from Operations⁸ to US\$357.5 million. Free Cash Flow⁹ improved US\$272.1 million to US\$177.3 million.

CEO COMMENTARY

Brambles' CEO Tom Gorman said: "This result is a reflection of the strength of our established operations and our ongoing ability to deliver profitable growth from expanding and diversifying our unique supply-chain equipment pooling expertise.

[Continued next page...]

¹Underlying Profit is profit from Continuing Operations before finance costs, tax and Significant Items.

²Brambles calculates constant FX (foreign exchange) by translating reported period results into US dollars at the actual monthly exchange rates applicable in the prior corresponding period.

³Continuing Operations refers to the Pooling Solutions segments (Pallets, RPCs and Containers), Recall and Brambles headquarters.

⁴Significant Items are items of income or expense that are, either individually or in aggregate, material to Brambles or to the relevant business segment and: outside the ordinary course of business (e.g. 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 in size and nature.

⁵Operating Profit is profit before finance costs and tax, as shown in the statutory financial statements.

⁶Includes profit from Discontinued Operations, being operations that have been divested or are held for sale.

⁷Return on Capital Invested is Underlying Profit divided by Average Capital Invested.

⁸Cash Flow from Operations is after net capital expenditure but excluding Significant Items outside the course of ordinary business.

⁹Free Cash Flow is after net capital expenditure, finance costs and tax but excludes the net cost of acquisitions and proceeds from business disposals.

"The continued growth and improved efficiency of the Americas region of our Pallets segment, despite only moderate improvement in economic conditions to date, is particularly pleasing. The Europe, Middle East & Africa (EMEA) region is performing resiliently and is on track to deliver efficiency gains.

"In the RPCs segment, we expect constant currency sales revenue growth to be between 10% and 15% this financial year and to remain strong in future years. The benefits of our increasing scale will enable us to continue to improve profitability as we expand.

"We are investing in our Containers segment and are excited by the prospects for immediate profitable growth in the Intermediate Bulk Containers business following our recent acquisition of Pallecon, as well as the long-term growth opportunities in the aerospace and automotive sectors.

"Recall is maintaining the operating and capital efficiency improvements put in place during the previous financial year and performing well despite subdued customer activity levels and the negative impact of the reduction in paper prices."

SIMPLIFICATION OF PALLETS STRUCTURE

Brambles is also announcing the simplification of its organisation structure in the Pallets operating segment. From 1 March 2013, Peter Mackie, currently Group President of the Americas, will assume leadership of all Pallets operations globally. As a result, Dolph Westerbos, currently Group President for EMEA and Asia-Pacific, will leave Brambles after a short transition period.

Mr Gorman said: "Over recent years we have strengthened our partnerships with customers, diversified our range of products and services in pooling solutions and grown into new regions. At the same time, we are developing into a more efficient, leaner, more focused and more integrated organisation.

"In line with this evolution, the creation of a single leadership structure for the global Pallets segment will enable us to simplify decision-making and make further progress in delivering global best practice. We congratulate Peter on his appointment and thank Dolph for his contribution over the past three years."

DIVIDEND

Brambles' interim dividend is 13.5 Australian cents per share, up 0.5 Australian cents, with franking of 30% (up from 20% in the prior corresponding period). The dividend is payable on 11 April 2013 to shareholders on Brambles' register on 8 March 2013.

OUTLOOK

Mr Gorman said: "We are focused on executing our long-term growth strategy and on continuing to deliver a more efficient organisation. We expect full-year Underlying Profit within a tightened guidance range of US\$1,030 million to US\$1,060 million, at 30 June 2012 foreign exchange rates and subject to unforeseen circumstances."

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Brambles Limited (ASX:BXB) provides pallet and container pooling solutions to the fresh food, consumer goods, general manufacturing, automotive, aviation and chemical sectors through CHEP and IFCO and information management solutions through Recall. Brambles employs approximately 17,000 people in more than 50 countries. For further information on Brambles and all announcements, presentations and webcasts, please visit www.brambles.com.

SALES REVENUE & STATUTORY PROFIT SUMMARY

US\$M	1H13	1H12	Change (actual FX)	Change (constant FX)
SALES REVENUE				
Pallets - Americas	1,074.7	983.8	9%	10%
Pallets - Europe, Middle East & Africa (EMEA)	669.4	672.8	(1)%	5%
Pallets - Asia-Pacific	198.4	187.0	6%	5%
Total Pallets	1,942.5	1,843.6	5%	8%
RPCs	405.9	386.7	5%	10%
Containers	137.7	135.2	2%	6%
Total Pooling Solutions	2,486.1	2,365.5	5%	8%
Recall	403.6	417.5	(3)%	(1)%
Total Brambles	2,889.7	2,783.0	4%	6%
OPERATING PROFIT				
Pallets - Americas	190.8	155.6	23%	23%
Pallets - EMEA	135.1	130.1	4%	11%
Pallets - Asia-Pacific	34.3	36.0	(5)%	(6)%
Total Pallets	360.2	321.7	12%	15%
RPCs	68.3	49.0	39%	45%
Containers	7.6	16.4	(54)%	(48)%
Total Pooling Solutions	436.1	387.1	13%	16%
Recall	72.4	51.2	41%	43%
Brambles HQ	(27.1)	(15.4)	(76)%	(72)%
Continuing Operations	481.4	422.9	14%	17%
PROFIT AFTER TAX				
Operating Profit	481.4	422.9	14%	17%
Net finance costs	(54.7)	(83.8)	35%	32%
Tax expense	(123.4)	(97.3)	(27)%	(29)%
Profit from Discontinued Operations ¹⁰	(0.8)	(2.3)		
Total Brambles	302.5	239.5	26%	31%
EARNINGS PER SHARE (BASIC, US CENTS)				
Weighted average number of shares (millions)	1,545.4	1,479.7		
Total Brambles	19.6	16.2	21%	25%

¹⁰Discontinued Operations refers to operations that have been divested or which are held for sale.

NON-STATUTORY PROFIT SUMMARY

US\$M	1H13	1H12	Change (actual FX)	Change (constant FX)
UNDERLYING PROFIT				
Pallets - Americas	189.7	158.3	20%	20%
Pallets - EMEA	136.6	135.9	1%	8%
Pallets - Asia-Pacific	34.3	36.0	(5)%	(6)%
Total Pallets	360.6	330.2	9%	12%
RPCs	68.3	54.2	26%	31%
Containers	7.6	16.4	(54)%	(48)%
Total Pooling Solutions	436.5	400.8	9%	12%
Recall	72.4	71.2	2%	3%
Brambles HQ	(18.9)	(15.7)	(20)%	(17)%
Continuing Operations	490.0	456.3	7%	11%
PROFIT AFTER TAX				
Underlying Profit	490.0	456.3	7%	11%
Net finance costs	(54.7)	(83.8)	35%	32%
Tax expense	(124.7)	(106.5)	(17)%	(19)%
Continuing Operations	310.6	266.0	17%	21%

UNDERLYING EARNINGS PER SHARE (BASIC, US CENTS)

Weighted average number of shares (millions)	1,545.4	1,479.7		
Continuing Operations	20.1	18.0	12%	16%

RECONCILIATION OF UNDERLYING PROFIT TO OPERATING PROFIT

US\$M	1H13	1H12
Underlying Profit	490.0	456.3
Significant Items:		
Acquisition-related costs	(4.5)	(1.4)
Restructuring & IFCO integration costs	(4.1)	(22.0)
Recall transaction costs	-	(5.9)
Pension costs	-	(5.8)
Foreign exchange gain on capital repatriation	-	1.7
Total Significant Items	(8.6)	(33.4)
Operating Profit	481.4	422.9

GROUP REVIEW

SALES

Brambles' sales revenue in the six months ended 31 December 2012 was US\$2,889.7 million, up 4%. Constant currency growth was 6%, as a result of new business wins¹¹ in all operating segments (Pallets, RPCs, Containers and Recall), increases in like-for-like organic volumes in Pallets and RPCs, and modest pricing growth in Pallets. The total contribution in the period from net new business wins was US\$81 million or 3 percentage points of the constant currency sales growth.

OPERATING & UNDERLYING PROFIT

Operating Profit was US\$481.4 million, up 14% (17% at constant currency) after US\$(8.6) million of Significant Items related to acquisition transaction costs, restructuring and integration costs. Underlying Profit was US\$490.0 million, up 7% (11% at constant currency), reflecting sales revenue growth, improved sales mix, scale benefits and the delivery of efficiencies.

INTEREST & TAX

Net finance costs were US\$54.7 million, down 35% (32% at constant currency), driven by the retirement of debt following the June 2012 rights issue and the non-recurrence of some one-off interest costs in the prior corresponding period.

Tax expense was US\$123.4 million, up 27% (29% at constant currency), reflecting the increase in Operating Profit. The effective tax rate on both Operating Profit and Underlying Profit was unchanged from the prior corresponding period at 29%.

PROFIT AFTER TAX & EARNINGS PER SHARE

Profit after tax was US\$302.5 million, up 26% (31% at constant currency) as a result of the increase in Operating Profit and reduction in interest costs.

Basic earnings per share were 19.6 US cents, up 21% (25% at constant currency), reflecting higher profits. There was an increase in shares on issues as a result of the June 2012 rights issue.

RETURN ON CAPITAL

Return on Capital Invested was 15%, up 1 percentage point, reflecting Underlying Profit growth combined with a small increase in Average Capital Invested¹².

DIVIDENDS

Brambles' Board has declared an interim dividend of 13.5 Australian cents per share, up 0.5 Australian cents compared with the previous interim dividend. Brambles will pay the interim dividend on 11 April 2013 to shareholders on the register at 5pm on 8 March 2013. The interim dividend is 30% franked, up from 20% in the prior corresponding period. The ex-dividend date is 4 March 2013. 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 this dividend.

¹¹Brambles 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.

¹²Average Capital Invested is a six-month average of capital invested, which is calculated as net assets before tax balances, cash and borrowings but after adjustment for accumulated pre-tax Significant Items, actuarial gains or losses and net equity adjustments for equity-settled share-based payments.

SEGMENT REVIEW

PALLETS

Sales

Sales revenue in the Pallets segment was US\$1,942.5 million, up 5%. At constant currency, sales revenue growth was 8%, driven by new business growth in the Americas and in emerging markets. The total contribution to constant currency sales revenue growth from net new business wins was US\$73 million.

Combined sales revenue from the emerging markets regions (Asia, Central & Eastern Europe, Latin America and Middle East & Africa) was US\$254.0 million, up 13% (19% at constant currency).

Profit

Operating Profit in the Pallets segment was US\$360.2 million, up 12% (15% at constant currency) after Significant Items of US\$(0.4) million. The Operating Profit margin was 19%, up 2 percentage points.

Underlying Profit was US\$360.6 million, up 9% (12% at constant currency). The Underlying Profit margin was 19%, up 1 percentage point. Improved sales mix and the delivery of efficiencies in both the Americas and EMEA more than offset the impact of a small profit decline in Asia-Pacific.

Return on capital

Return on Capital Invested was 19%, up 2 percentage points, reflecting the strong improvement in profit in the Americas region with only modest growth in Average Capital Invested.

PALLETS - AMERICAS

US\$M	Change			
	1H13	1H12	Actual FX	Constant FX
Sales revenue	1,074.7	983.8	9%	10%
Operating Profit	190.8	155.6	23%	23%
<i>Margin</i>	<i>18%</i>	<i>16%</i>	<i>2pp</i>	
Significant Items:				
Restructuring & integration	(1.1)	2.7		
Underlying Profit	189.7	158.3	20%	20%
<i>Margin</i>	<i>18%</i>	<i>16%</i>	<i>2pp</i>	
<i>Return on Capital Invested</i>	<i>18%</i>	<i>15%</i>	<i>3pp</i>	

Sales

Sales revenue in the Americas region of the Pallets segment was US\$1,074.7 million, up 9%. At constant currency, sales growth was 10% as a result of net new business wins of US\$42 million (reflecting major customer wins in the 2012 financial year), increases in like-for-likes volumes, pricing growth and a full six-month contribution from the Paramount Pallet business acquired in November 2011.

CHEP USA's sales revenue was US\$609.8 million, up 7% (7% at constant currency), primarily as a result of continued momentum winning back customers from competitors. In addition, other new business wins, targeted pricing initiatives and modest increases in like-for-like volumes contributed to sales growth.

CHEP Canada's sales revenue was US\$139.7 million, up 17% (15% at constant currency), reflecting the contribution from Paramount and continued net new business wins. Excluding Paramount, constant currency sales revenue growth was 5%.

CHEP Latin America's sales revenue was US\$121.2 million, up 8% (14% at constant currency), primarily reflecting strong like-

for-like volume growth and net new business wins in Brazil and Mexico.

IFCO Pallet Management Services' sales revenue was up 12% (12% at constant currency) to US\$193.9 million, reflecting a greater proportion of higher-grade pallet sales, robust sales growth with existing customers and new business wins.

LeanLogistics' sales revenue was US\$10.1 million, up 19% (19% at constant currency), from new business wins in the USA and Western Europe.

Profit

Operating Profit was US\$190.8 million, up 23% (23% at constant currency), after Significant Items of US\$1.1 million, primarily reflecting the write-back of a provision for costs associated with the move of the USA head office in 2012. The Operating Profit margin was 18%, up 2 percentage points.

Underlying Profit was US\$189.7 million, up 20% (20% at constant currency). The Underlying Profit margin was up 2 percentage points to 18%.

Margin improvement reflected improved sales mix and ongoing efficiencies in the delivery of the operational efficiencies and IFCO integration synergies. These efficiencies more than offset a modest increase in plant costs, transport costs and depreciation.

Return on capital

Return on Capital Invested was 18%, up 3 percentage points, reflecting the increased profit and the benefit of asset management programs.

PALLETS - EMEA

US\$M			Change	
	1H13	1H12	Actual FX	Constant FX
Sales revenue	669.4	672.8	(1)%	5%
Operating Profit	135.1	130.1	4%	11%
<i>Margin</i>	<i>20%</i>	<i>19%</i>	<i>1pp</i>	
Significant Items:				
Restructuring	1.5	-		
Pension costs	-	5.8		
Underlying Profit	136.6	135.9	1%	8%
<i>Margin</i>	<i>20%</i>	<i>20%</i>	-	
<i>Return on Capital Invested</i>	<i>22%</i>	<i>21%</i>	<i>1pp</i>	

Sales

Sales revenue in the EMEA region of the Pallets segment was down 1% at US\$669.4 million. At constant currency, sales revenue growth was 5%, reflecting a resilient performance in Western Europe, very strong new business growth in Central & Eastern Europe and continued growth in Middle East & Africa. Total net new business wins were US\$29 million.

CHEP Western Europe sales revenue was US\$561.1 million, down 3%. At constant currency, sales were up 2%, mostly because of net new business wins.

There was constant currency sales growth in CHEP Mid Europe, driven primarily by continued expansion of CHEP Italy's operations, as well as in CHEP UK & Ireland and CHEP France. CHEP Iberia remained subject to subdued economic conditions.

Within CHEP Western Europe:

- CHEP Mid Europe (Germany, the Benelux region, Italy, Switzerland & Austria and Scandinavia) sales revenue was US\$176.7 million, down 4% (up 3% at constant currency);
- CHEP UK & Ireland sales revenue was US\$184.3 million, up 5% (up 4% at constant currency);
- CHEP Iberia sales revenue was US\$120.9 million, down 10% (down 3% at constant currency); and
- CHEP France sales revenue was US\$79.1 million, down 6% (up 2% at constant currency).

CHEP Middle East & Africa sales revenue was US\$70.2 million, up 3% (13% at constant currency), primarily reflecting increases in like-for-like volumes and pricing improvements.

CHEP Central & Eastern Europe sales revenue was US\$38.1 million, up 46% (52% at constant currency), reflecting the continued expansion in the region.

Profit

Operating Profit was US\$135.1 million, up 4% (11% at constant currency), after Significant Items of US\$(1.5) million related to restructuring costs. The Operating Profit margin was 20%, up 1 percentage point.

Underlying Profit was US\$136.6 million, up 1% (8% at constant currency). The Underlying Profit margin was unchanged at 20% as improved pricing and the delivery of operations and logistics efficiencies offset other cost increases.

Return on capital

Return on Capital Invested was 22%, up 1 percentage points, reflecting a reduction in Average Capital Invested resulting from improved capital controls.

PALLETS - ASIA-PACIFIC

US\$M			Change	
	1H13	1H12	Actual FX	Constant FX
Sales revenue	198.4	187.0	6%	5%
Operating/Underlying Profit	34.3	36.0	(5)%	(6)%
<i>Margin</i>	<i>17%</i>	<i>19%</i>	<i>(2)pp</i>	
<i>Return on Capital Invested</i>	<i>16%</i>	<i>19%</i>	<i>(3)pp</i>	

Sales

Sales revenue in the Asia-Pacific region of the Pallets segment was US\$198.4 million, up 6% (5% at constant currency), primarily reflecting modest like-for-like volume growth in Australia & New Zealand and continued new business expansion in Asia. Across Asia-Pacific, net new business wins contributed US\$2 million constant currency sales revenue growth.

Australia & New Zealand sales revenue was US\$174.0 million, up 4% (3% at constant currency). Asia sales revenue was US\$24.4 million, up 26% (28% at constant currency).

Profit

Operating and Underlying Profit were down 5% (6% at constant currency) to US\$34.3 million, resulting in a decline in margin of 2 percentage points to 17%. The margin decline occurred primarily in Australia, because efficiencies were insufficient to offset higher plant costs and because of the deferral until the second half of compensation collections. Business development costs and depreciation costs in Asia also impacted profitability.

Return on capital

Return on Capital Invested was down 3 percentage points to 16% as a result of the reduced profit.

RPCS

US\$M			Change	
	1H13	1H12	Actual FX	Constant FX
Sales revenue	405.9	386.7	5%	10%
Operating Profit	68.3	49.0	39%	45%
<i>Margin</i>	<i>17%</i>	<i>13%</i>	<i>4pp</i>	
Significant Items:				
Restructuring & integration	-	5.2		
Underlying Profit	68.3	54.2	26%	31%
<i>Margin</i>	<i>17%</i>	<i>14%</i>	<i>3pp</i>	
<i>Return on Capital Invested</i>	<i>10%</i>	<i>8%</i>	<i>2pp</i>	

Sales

Sales revenue in the RPCs segment was US\$405.9 million, up 5%. Constant currency growth was 10%, primarily reflecting sales from continued expansion with existing retail partners in Europe and North America and business wins with new customers in Australia. Europe sales revenue was US\$259.0 million, up 3% (9% at constant currency). North America sales revenue was US\$80.6 million, up 15% (15% at constant currency). Australia, New Zealand & South Africa sales revenue was US\$55.9 million, up 8% (9% at constant currency). South America sales revenue was US\$10.4 million, down 17% (6% at constant currency), reflecting short-term pricing pressures.

Profit

Operating Profit was US\$68.3 million, up 39% (45% at constant currency), giving a margin of 17%, up 4 percentage points and reflecting the non-recurrence of restructuring and integration costs from the prior corresponding period of US\$5.2 million.

Underlying Profit was US\$68.3 million, up 26% (31% at constant currency), giving a 3 percentage point increase in margin to 17%. The main drivers of the profit improvement were operational and scale efficiencies, reduced depreciation expense, and benefits from the restructuring in the prior corresponding period.

Return on capital

Return on Capital Invested was 10%, up 2 percentage points, reflecting the improvement in profit.

CONTAINERS

US\$M			Change	
	1H13	1H12	Actual FX	Constant FX
Sales revenue	137.7	135.2	2%	6%
Operating/Underlying Profit	7.6	16.4	(54)%	(48)%
<i>Margin</i>	<i>6%</i>	<i>12%</i>	<i>(6)pp</i>	
<i>Return on Capital Invested</i>	<i>6%</i>	<i>14%</i>	<i>(8)pp</i>	

Sales

Sales revenue in the Containers segment was US\$137.7 million, up 2%. At constant currency, growth was 6%, primarily reflecting acquisitions and new business growth.

By industry segment, Containers sales revenue was as follows:

- Automotive sales revenue was US\$73.2 million, down 7% (2% at constant currency), as growth in the USA and emerging markets

was insufficient to offset the impact of weak industry conditions in Europe and Australia;

- CHEP Catalyst & Chemical Containers (CCC) sales revenue was US\$17.6 million, down 10% (10% at constant currency), as expansion in China and Latin America was insufficient to offset the continued impact of lower customer activity levels in the USA and Europe;
- Intermediate Bulk Containers (IBCs) sales revenue was US\$22.0 million, up 14% (17% at constant currency), reflecting the continued growth of operations in the USA; and
- CHEP Aerospace Solutions sales revenue was US\$24.9 million, up 41% (45% at constant currency), reflecting the contribution from the Driessen Services business acquired in November 2011 and modest new business growth.

Profit

Operating Profit and Underlying Profit were down 54% (48% at constant currency) to US\$7.6 million, reflecting business development costs as well as the sales mix impact of growth in less established businesses, such as CHEP Aerospace Solutions, but lower sales in well-established operations such as the European and Australian automotive businesses. The profit margin was down 6 percentage points to 6%.

Return on capital

Return on Capital Invested was 6%, down 8 percentage points, as a result of the lower profit.

RECALL

US\$M			Change	
	1H13	1H12	Actual FX	Constant FX
Sales revenue	403.6	417.5	(3)%	(1)%
Operating Profit	72.4	51.2	41%	43%
<i>Margin</i>	<i>18%</i>	<i>12%</i>	<i>6pp</i>	
Significant Items:				
Restructuring	-	14.1		
Transaction costs	-	5.9		
Underlying Profit	72.4	71.2	2%	3%
<i>Margin</i>	<i>18%</i>	<i>17%</i>	<i>1pp</i>	
<i>Return on Capital Invested</i>	<i>13%</i>	<i>13%</i>	-	

Sales

Recall's sales revenue was US\$403.6 million, down 3%. Constant currency sales revenue was down 1% as growth in document storage revenue was insufficient to offset the impact of lower selling prices for paper and reduced activity levels in Europe and North America.

Profit

Operating Profit was US\$72.4 million, up 41% (43% at constant currency), reflecting the non-recurrence of US\$20.0 million of Significant Items associated with restructuring programs and the divestment process in the prior corresponding period. The Operating Profit margin was 18%, up 6 percentage points.

Underlying Profit was US\$72.4 million, up 2% (3% at constant currency), reflecting the benefit of the restructuring programs in the prior corresponding period. The Underlying Profit margin was 18%, up 1 percentage point.

Return on capital

Return on Capital Invested was unchanged at 13%.

ADDITIONAL FINANCIAL INFORMATION

CAPITAL EXPENDITURE ON PROPERTY, PLANT & EQUIPMENT (ACCRUALS BASIS)

US\$M	1H13	1H12	Change
Pallets - Americas	153.9	145.8	(8.1)
Pallets - EMEA	132.3	115.6	(16.7)
Pallets - Asia-Pacific	32.9	44.1	11.2
Total Pallets	319.1	305.5	(13.6)
RPCs	112.9	127.8	14.9
Containers	15.7	27.6	11.9
Total Pooling Solutions	447.7	460.9	13.2
Recall	21.9	18.6	(3.3)
Brambles HQ	1.0	-	(1.0)
Total Brambles	470.6	479.5	8.9

Capital expenditure (accruals basis) was US\$470.6 million, down US\$8.9 million, as lower expenditure in the RPCs and Containers segments, reflecting the timing of growth investment, offset by a small increase in Pallets capital expenditure.

CASH FLOW

US\$M	1H13	1H12	Change
Underlying Profit	490.0	456.3	33.7
Depreciation and amortisation	277.9	282.2	(4.3)
EBITDA	767.9	738.5	29.4
Capital expenditure	(446.9)	(516.2)	69.3
Proceeds from sale of PP&E	35.6	37.1	(1.5)
Working capital movement	(24.4)	(104.7)	80.3
Irrecoverable pooling equipment provision	54.3	55.2	(0.9)
Provisions/other	(29.0)	(61.1)	32.1
Cash flow from Continuing Operations	357.5	148.8	208.7
Significant Items & Discontinued Operations	(15.5)	(38.4)	22.9
Financing costs and tax	(164.7)	(205.2)	40.5
Free Cash Flow	177.3	(94.8)	272.1
Dividends paid	(210.3)	(200.4)	(9.9)
Free Cash Flow after dividends	(33.0)	(295.2)	262.2

Cash flow from Continuing Operations was US\$357.5 million, up US\$208.7 million, primarily reflecting increased profits, lower capital expenditure and a reduction in the negative movement in working capital. By segment, there was:

- an improvement in Pallets Cash Flow from Operations of US\$100.4 million to US\$269.1 million, reflecting higher profit in the Americas, reduced negative working capital movements and provisions and tight capital expenditure management;
- an improvement in RPCs Cash Flow from Operations of US\$64.2 million to US\$43.5 million, reflecting increased profit, reduced negative working capital movements and reduced capital expenditure;

- a reduction in Containers Cash Flow from Operations of US\$0.5 million to US\$6.3 million, reflecting lower profit, largely offset by reduced capital expenditure; and
- an improvement in Cash Flow from Operations in Recall of US\$45.7 million to US\$62.3 million, reflecting improved working capital movements.

Combined with a reduction in interest costs and tax payments, this translated to an increase in Free Cash Flow of US\$272.1 million to US\$177.3 million and an increase in Free Cash Flow after dividends of US\$262.2 million to US\$(33.0) million.

BRAMBLES VALUE ADDED

US\$M, fixed June 2012 FX	1H13	1H12	Change
Pallets - Americas	67.1	40.3	26.8
Pallets - EMEA	61.2	53.7	7.5
Pallets - Asia-Pacific	6.8	12.7	(5.9)
Total Pallets	135.1	106.7	28.4
RPCs	(18.1)	(26.3)	8.2
Containers	(7.2)	2.1	(9.3)
Total Pooling Solutions	109.8	82.5	27.3
Recall	6.2	5.3	0.9
Brambles HQ	(12.7)	(10.7)	(2.0)
Total Continuing Operations	103.3	77.1	26.2

Brambles Value Added¹³ was US\$103.3 million, up US\$26.2 million, reflecting the improved profit in the Pallets and RPCs segments.

NET DEBT & KEY RATIOS

US\$M	Dec 12	Jun 12	Change
Current debt	119.7	86.4	(33.3)
Non-current debt	2,702.2	2,777.7	75.5
Gross debt	2,821.9	2,864.1	42.2
Less cash	(145.0)	(174.2)	(29.2)
Net debt	2,676.9	2,689.9	13.0
KEY RATIOS	1H13	1H12	
Net debt to EBITDA (x)	1.7x	2.2x	
EBITDA interest cover (x)	14.0x	8.8x	

Net debt was US\$2,676.9 million at 31 December 2012, down US\$13.0 million from 30 June 2012, as proceeds from the retail component of the June 2012 rights issue (received in July 2012) more than offset the negative translation effect on non-US dollar borrowings of a weaker US dollar at 31 December 2012.

At 31 December 2012, Brambles had committed credit facilities including bonds and notes of US\$4,164.3 million. The average term to maturity of committed credit facilities was 3.7 years.

Undrawn committed facilities at 31 December 2012 were US\$1,453.2 million. The ratio of net debt to EBITDA was 1.7 times, compared with 2.2 times 12 months earlier. During the period, Brambles maintained investment grade credit ratings of BBB+/Baa1.

¹³Brambles Value Added (BVA) represents the value generated over and above the cost of capital used to generate that value. It is calculated using fixed 30 June 2012 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%.

US\$M (actual FX rates)	1H13	1H12	2H12	FY12
SALES REVENUE				
Pallets - Americas	1,074.7	983.8	1,057.5	2,041.3
Pallets - EMEA	669.4	672.8	654.0	1,326.8
Pallets - Asia-Pacific	198.4	187.0	188.8	375.8
Total Pallets	1,942.5	1,843.6	1,900.3	3,743.9
RPCs	405.9	386.7	372.8	759.5
Containers	137.7	135.2	141.4	276.6
Total Pooling Solutions	2,486.1	2,365.5	2,414.5	4,780.0
Recall	403.6	417.5	427.5	845.0
Total Brambles	2,889.7	2,783.0	2,842.0	5,625.0
UNDERLYING EBITDA				
Pallets - Americas	285.1	250.7	299.6	550.3
Pallets - EMEA	202.3	207.7	204.4	412.1
Pallets - Asia-Pacific	58.6	59.9	62.1	122.0
Total Pallets	546.0	518.3	566.1	1,084.4
RPCs	111.7	102.1	109.5	211.6
Containers	24.2	31.0	34.8	65.8
Total Pooling Solutions	681.9	651.4	710.4	1,361.8
Recall	104.3	102.4	134.7	237.1
Continuing Operations (including HQ)	767.9	738.5	823.4	1,561.9
UNDERLYING EBITA				
Pallets - Americas	196.9	166.4	213.6	380.0
Pallets - EMEA	139.0	140.0	141.7	281.7
Pallets - Asia-Pacific	35.1	37.6	41.5	79.1
Total Pallets	371.0	344.0	396.8	740.8
RPCs	78.2	64.2	79.5	143.7
Containers	8.8	15.7	20.3	36.0
Total Pooling Solutions	458.0	423.9	496.6	920.5
Recall	85.1	82.8	115.2	198.0
Continuing Operations (including HQ)	524.4	491.2	589.9	1,081.1
UNDERLYING PROFIT				
Pallets - Americas	189.7	158.3	205.3	363.6
Pallets - EMEA	136.6	135.9	138.9	274.8
Pallets - Asia-Pacific	34.3	36.0	40.6	76.6
Total Pallets	360.6	330.2	384.8	715.0
RPCs	68.3	54.2	71.3	125.5
Containers	7.6	16.4	16.4	32.8
Total Pooling Solutions	436.5	400.8	472.5	873.3
Recall	72.4	71.2	103.0	174.2
Continuing Operations (including HQ)	490.0	456.3	553.4	1,009.7

US\$M (actual FX rates)	1H13	1H12	2H12	FY12
UNDERLYING PROFIT MARGIN				
Pallets - Americas	18%	16%	19%	18%
Pallets - EMEA	20%	20%	21%	21%
Pallets - Asia-Pacific	17%	19%	22%	20%
Total Pallets	19%	18%	20%	19%
RPCs	17%	14%	19%	17%
Containers	6%	12%	12%	12%
Total Pooling Solutions	18%	17%	20%	18%
Recall	18%	17%	24%	21%
Continuing Operations (including HQ)	17%	16%	19%	18%
OPERATING PROFIT				
Pallets - Americas	190.8	155.6	190.8	346.4
Pallets - EMEA	135.1	130.1	139.2	269.3
Pallets - Asia-Pacific	34.3	36.0	39.7	75.7
Total Pallets	360.2	321.7	369.7	691.4
RPCs	68.3	49.0	60.3	109.3
Containers	7.6	16.4	16.4	32.8
Total Pooling Solutions	436.1	387.1	446.4	833.5
Recall	72.4	51.2	108.9	160.1
Continuing Operations (including HQ)	481.4	422.9	516.3	939.2
OPERATING PROFIT MARGIN				
Pallets - Americas	18%	16%	18%	17%
Pallets - EMEA	20%	19%	21%	20%
Pallets - Asia-Pacific	17%	19%	21%	20%
Total Pallets	19%	17%	19%	18%
RPCs	17%	13%	16%	14%
Containers	6%	12%	12%	12%
Total Pooling Solutions	18%	16%	18%	17%
Recall	18%	12%	25%	19%
Continuing Operations (including HQ)	17%	15%	18%	17%
AVERAGE CAPITAL INVESTED				
Pallets - Americas	2,147.0	2,086.1	2,119.3	2,102.7
Pallets - EMEA	1,240.3	1,318.9	1,242.1	1,280.5
Pallets - Asia-Pacific	421.1	379.0	401.6	390.3
Total Pallets	3,808.4	3,784.0	3,763.0	3,773.5
RPCs	1,429.6	1,358.8	1,394.0	1,376.4
Containers	248.3	234.1	230.1	232.1
Total Pooling Solutions	5,486.3	5,376.9	5,387.1	5,382.0
Recall	1,097.0	1,099.5	1,106.1	1,102.8
Continuing Operations (including HQ)	6,520.8	6,406.1	6,421.3	6,413.7

US\$M (actual FX rates)	1H13	1H12	2H12	FY12
RETURN ON CAPITAL INVESTED (ANNUALISED)				
Pallets - Americas	18%	15%	19%	17%
Pallets - EMEA	22%	21%	22%	21%
Pallets - Asia-Pacific	16%	19%	20%	20%
Total Pallets	19%	17%	20%	19%
RPCs	10%	8%	10%	9%
Containers	6%	14%	14%	14%
Total Pooling Solutions	16%	15%	18%	16%
Recall	13%	13%	19%	16%
Continuing Operations (including HQ)	15%	14%	17%	16%
CASH FLOW FROM OPERATIONS				
Pallets - Americas	159.1	111.1	161.2	272.3
Pallets - EMEA	89.1	62.3	153.1	215.4
Pallets - Asia-Pacific	20.9	(4.7)	30.6	25.9
Total Pallets	269.1	168.7	344.9	513.6
RPCs	43.5	(20.7)	(20.1)	(40.8)
Containers	6.3	6.8	22.4	29.2
Total Pooling Solutions	318.9	154.8	347.2	502.0
Recall	62.3	16.6	115.0	131.6
Continuing Operations (including HQ)	357.5	148.8	442.4	591.2
CAPITAL EXPENDITURE ON PROPERTY, PLANT & EQUIPMENT (ACCRUALS BASIS)				
Pallets - Americas	153.9	145.8	137.1	282.9
Pallets - EMEA	132.3	115.6	117.9	233.5
Pallets - Asia-Pacific	32.9	44.1	40.8	84.9
Total Pallets	319.1	305.5	295.8	601.3
RPCs	112.9	127.8	99.4	227.2
Containers	15.7	27.6	20.8	48.4
Total Pooling Solutions	447.7	460.9	416.0	876.9
Recall	21.9	18.6	24.2	42.8
Continuing Operations (including HQ)	470.6	479.5	441.6	921.1
DEPRECIATION OF PROPERTY, PLANT & EQUIPMENT				
Pallets - Americas	88.2	84.3	86.0	170.3
Pallets - EMEA	63.3	67.7	62.7	130.4
Pallets - Asia-Pacific	23.5	22.3	20.6	42.9
Total Pallets	175.0	174.3	169.3	343.6
RPCs	33.5	37.9	30.0	67.9
Containers	15.4	15.3	14.5	29.8
Total Pooling Solutions	223.9	227.5	213.8	441.3
Recall	19.2	19.6	19.5	39.1
Continuing Operations (including HQ)	243.5	247.3	233.5	480.8

US\$M (actual FX rates)	1H13	1H12	2H12	FY12
NUMBER OF PALLETS, RPCS & CONTAINERS (MILLIONS, GROSS - BEFORE PROVISIONS)				
Pallets - Americas	106	101		102
Pallets - EMEA	115	121		115
Pallets - Asia-Pacific	21	20		21
Total Pallets	242	242		238
RPCs	183	170		170
Containers	14	14		14
Total Brambles	439	426		422
BRAMBLES VALUE ADDED				
Pallets - Americas	67.1	40.3	86.1	126.4
Pallets - EMEA	61.2	53.7	60.9	114.6
Pallets - Asia-Pacific	6.8	12.7	14.9	27.6
Total Pallets	135.1	106.7	161.9	268.6
RPCs	(18.1)	(26.3)	(12.0)	(38.3)
Containers	(7.2)	2.1	2.2	4.3
Total Pooling Solutions	109.8	82.5	152.1	234.6
Recall	6.2	5.3	35.8	41.1
Continuing Operations (including HQ)	103.3	77.1	171.5	248.6

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.