

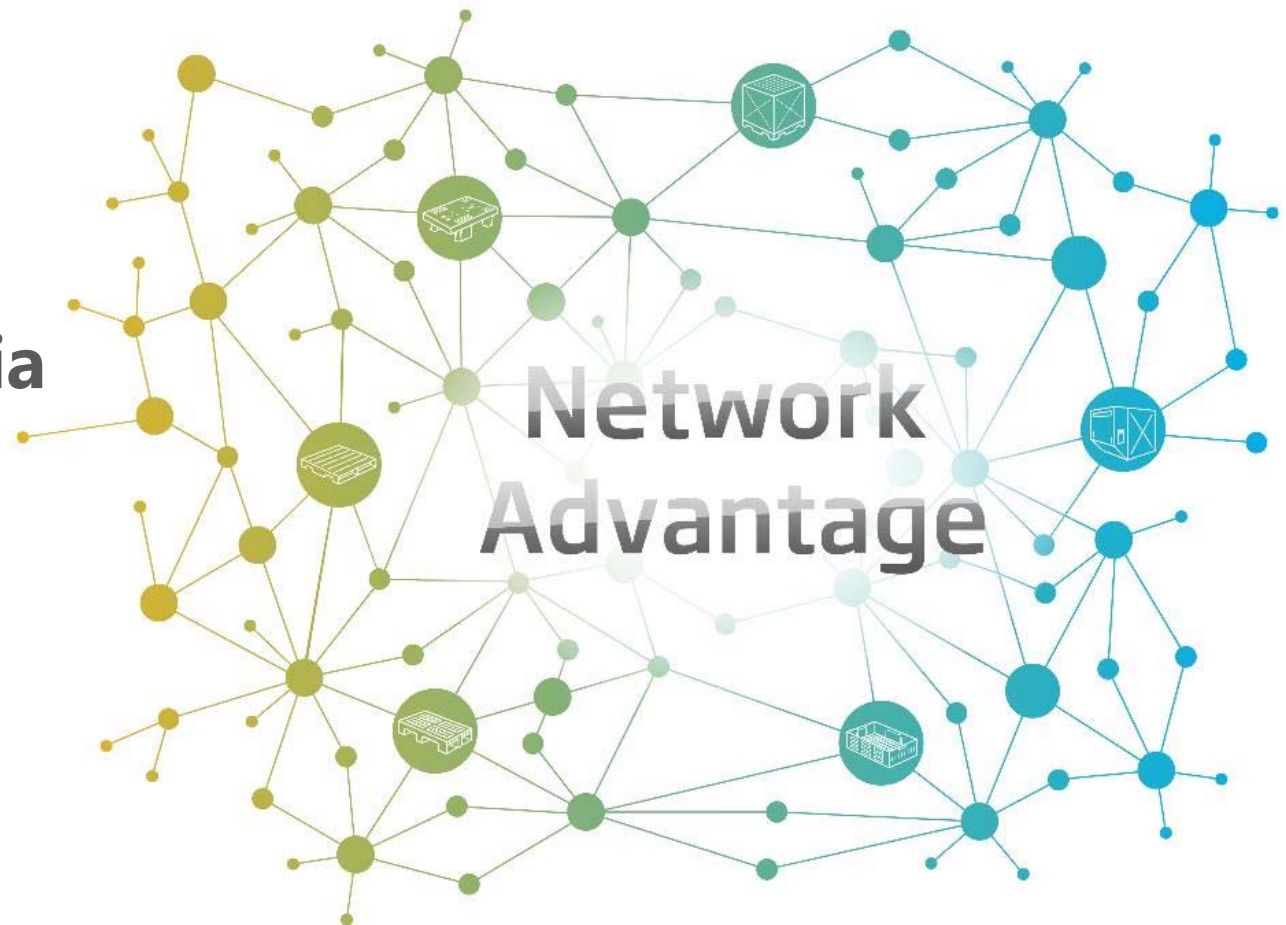
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# Brambles

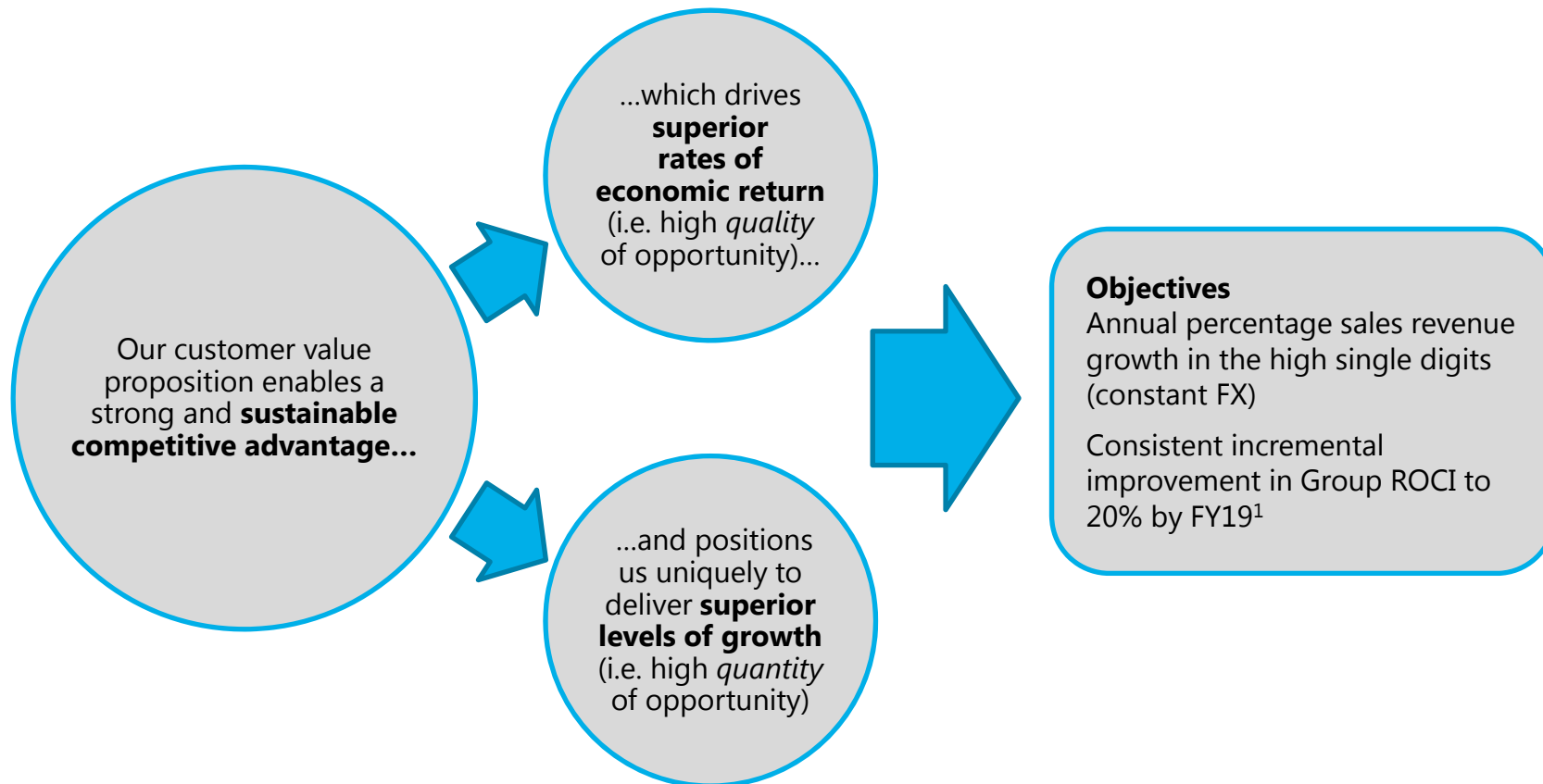
## UBS Australasia Conference

17 November 2015

Tom Gorman  
CEO



# Investor value proposition



<sup>1</sup> FY19 objective was provided in December 2013 and is prior to the impact of acquisitions made after that date.

# Context for our objectives

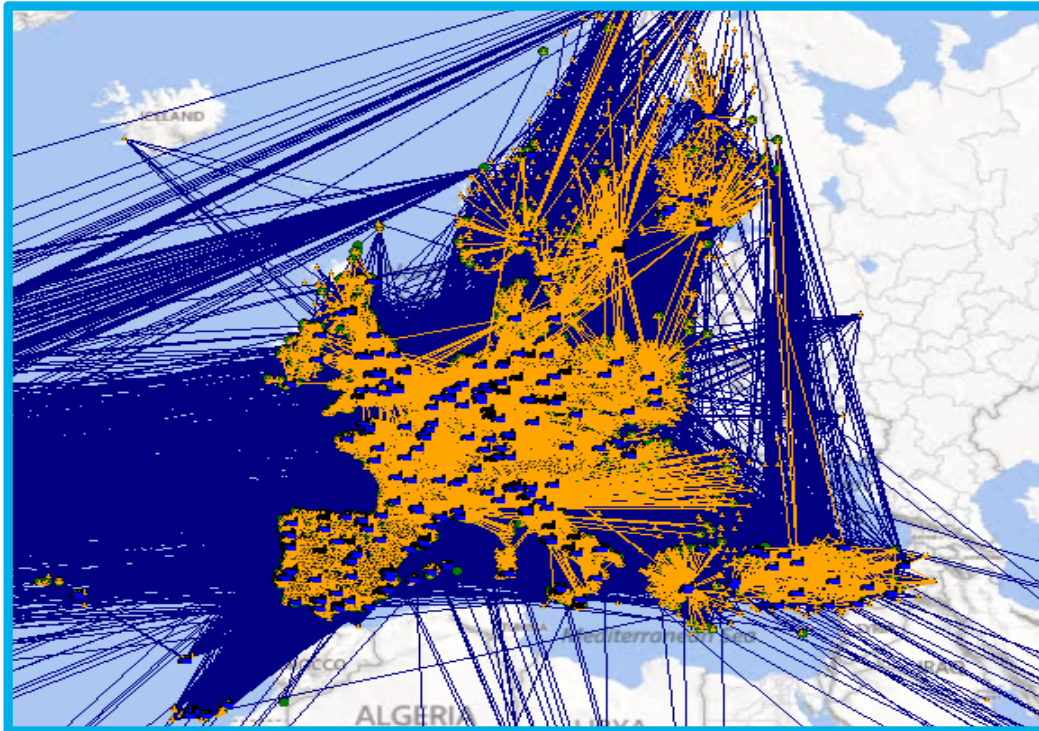
We are committed to *sustainable* value creation

- 1 The 20% objective is realistic over time and demonstrates our commitment to disciplined capital allocation
- 2 We are not going to prioritize a short-term financial outcome in any given year if it is not in the interest of long-term value
- 3 Executives are not incentivized by a specific ROCI target but by long-term delivery of both growth and economic value-added

**Our commitment is to continue to invest in opportunities that help customers make their supply chains better and enable growth in both quality and quantity for our shareholders**

# Network advantage – an example

## CHEP Europe case study



Service centers

"TPM" facilities

Manufacturers

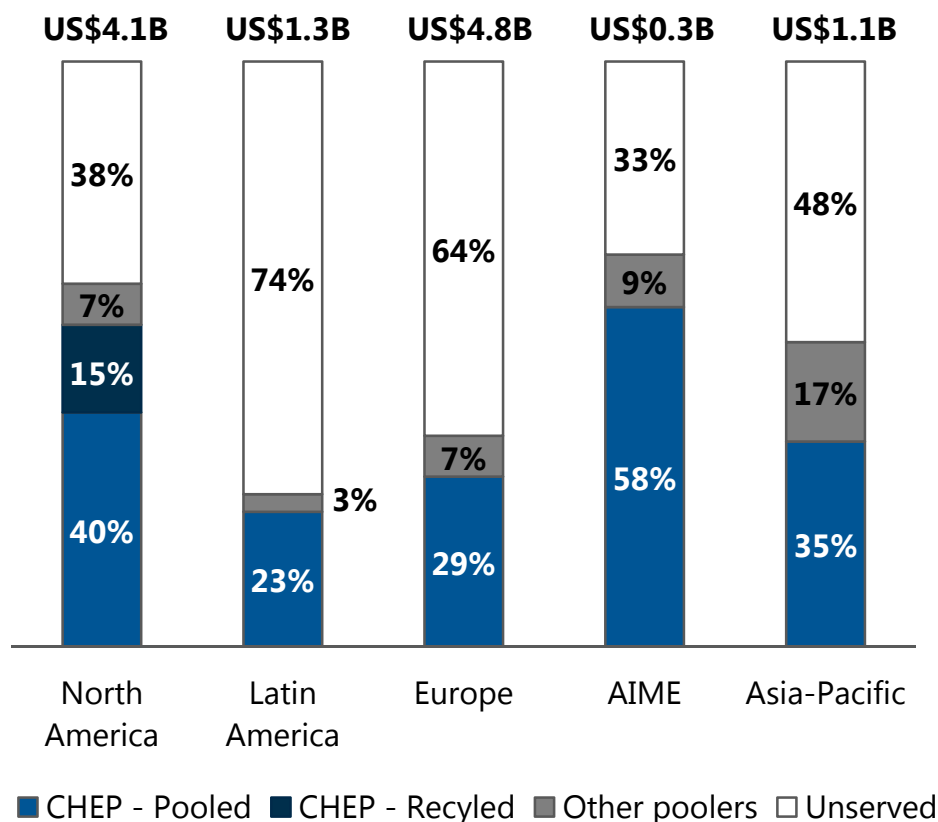
Retailers

Manufacturers' flows

Collections

# Addressable opportunity: Pallets

## Considerable unserved opportunity exists in all markets



### Notes:

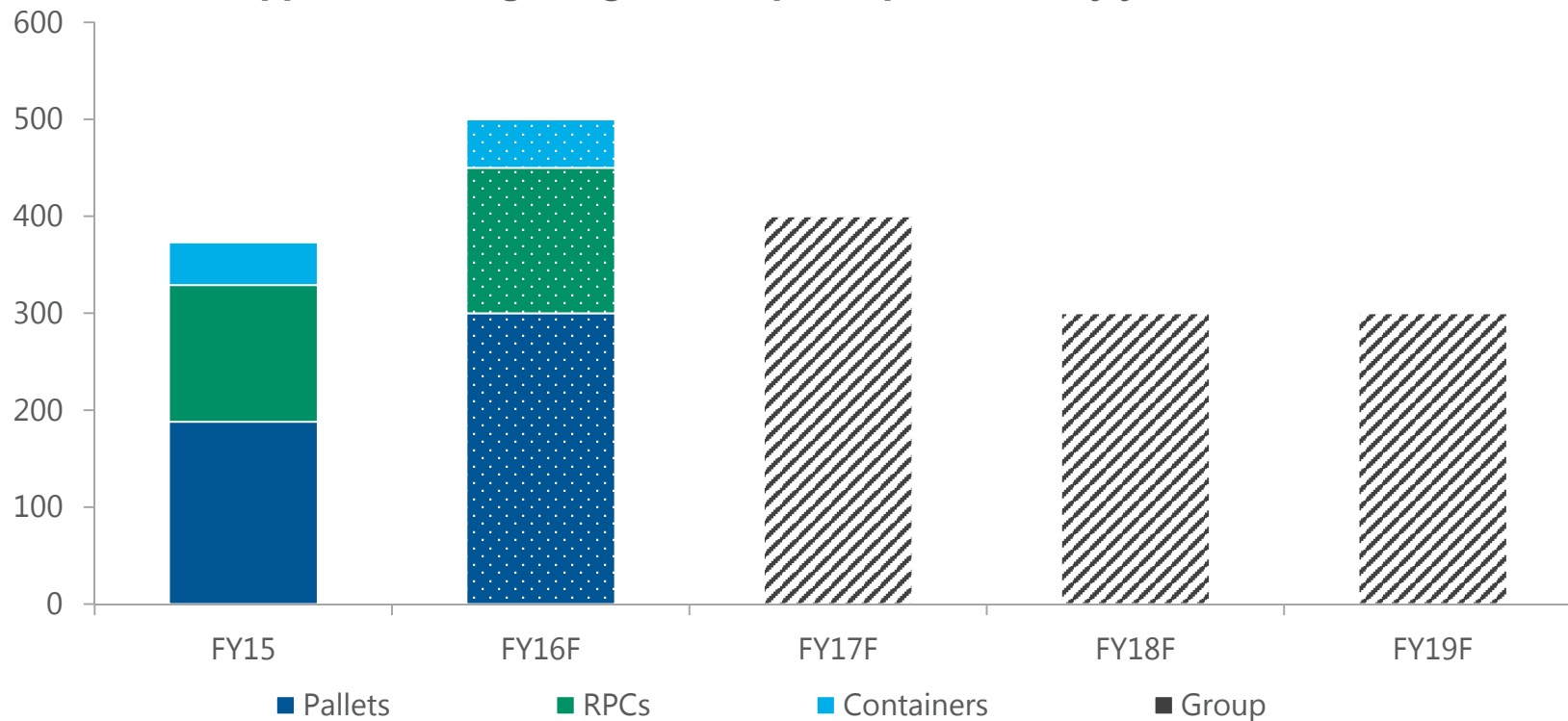
- **Addressable opportunity** reflects Brambles' estimate of addressable FMCG standard-size opportunity in currently served countries only. The opportunity reflects an assessment of the current opportunity based on the level of supply-chain modernization in each country.
- **North America opportunity** reflects Brambles' estimate of total 48x40inch pooled and recycled pallet flows in the USA and Canada.
- **Latin America opportunity** reflects Brambles' estimate of addressable FMCG standard-size opportunity in currently served countries only. The opportunity also reflects an assessment of the current opportunity based on the level of supply-chain modernization in each country.
- **Europe** addressable opportunity does not include the Ukraine and Russia.
- **AIME** is Africa, India & Middle East.

Brambles' estimates, September 2015; all financial data shown at 30 June 2014 FX rates; Brambles' share based on FY15 sales revenue.

# More investment to drive value






Organic growth capex opportunity to FY19 of US\$1.5B

Approximate organic growth capex expectations by year (US\$M)



# Use of capital to support value creation

## A summary of our historic use of capital

Use of capital	FY11-FY15 average	FY16 trend	
Replacement pooling capex	~US\$560M		<ul style="list-style-type: none"> <li>- Average five-year ROCI, ex goodwill, has been 22%</li> <li>- Incremental upside from asset utilization, operating margin improvements</li> </ul>
Organic growth pooling capex	~US\$250M		<ul style="list-style-type: none"> <li>- Expected to drive "high single digit" % sales revenue growth at constant FX</li> <li>- Generally drives aggregate incremental ROCI in excess of 20%</li> </ul>
Acquisitions	~US\$360M		<ul style="list-style-type: none"> <li>- Long-term opportunity should complement existing portfolio</li> </ul>
Progressive dividend policy	~US\$360M		<ul style="list-style-type: none"> <li>- Increased in Australian cents with consideration to growth funding needs</li> <li>- Actual amount impacted by USD:AUD FX</li> </ul>
Other capital management	N/A		<ul style="list-style-type: none"> <li>- Would be pursued if cash available exceeded growth investment opportunity</li> </ul>

# Key contributors: improving ROCI

## Multiple factors will drive higher returns

### US\$1.5 billion organic growth capex to FY19

- Supports high single-digit<sup>1</sup> sales growth
- Incremental ROCI greater than 20%

### Upside to operating performance

Some examples:

- CHEP North America durability/damage rate
- CHEP North America transport costs mitigations
- Scale economies in smaller, high-growth businesses
- Pricing and sales mix improvements

### Other efficiencies

Some examples:

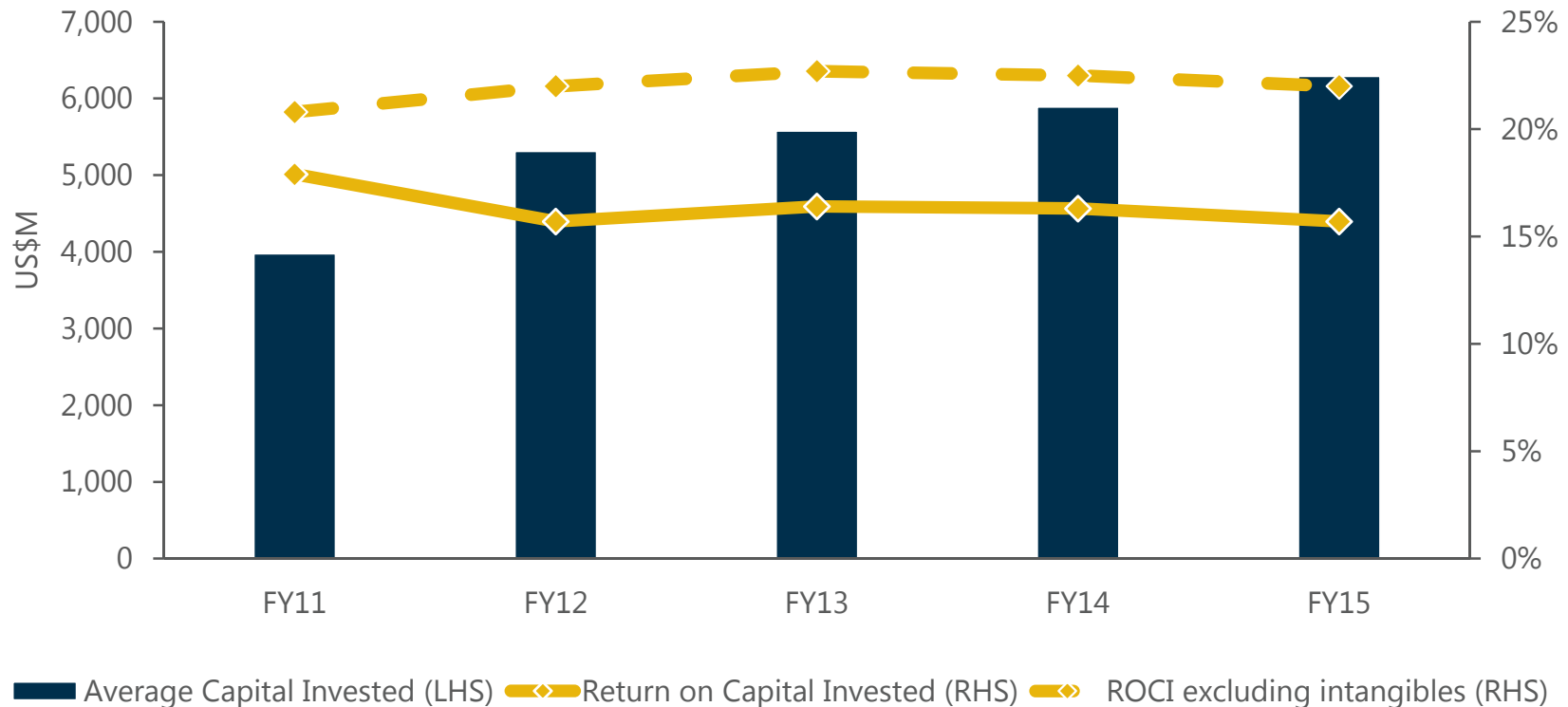
- One Better program
- Amortisation of identified intangibles
- Asset utilisation improvements

<sup>1</sup> Percentage growth, at constant currency.



# Five-year “quantity” and “quality” trend

Average Capital Invested vs. Return on Capital Invested  
(continuing operations)



# 1Q16 trading update

Constant-currency sales revenue growth of 8%

Segment	Sales revenue (US\$M)	Growth vs. 1Q15 (actual FX)	Growth vs. 1Q15 (constant FX)
Pallets – Americas	583.1	2%	<b>7%</b>
Pallets – Europe, Middle East & Africa	326.6	(8)%	<b>6%</b>
Pallets – Asia-Pacific	74.1	(16)%	<b>5%</b>
Total Pallets	983.8	(3)%	<b>6%</b>
RPCs	228.9	(1)%	<b>13%</b>
Containers	109.4	5%	<b>19%</b>
<b>Group</b>	<b>1,322.1</b>	<b>(2)%</b>	<b>8%</b>

# FY16 guidance summary

## As stated at FY15 results in August

- Sales revenue and Underlying Profit growth expected in range of 6% to 8% at constant FX rates
  - Translates to Underlying Profit of US\$1,000-1,020M at 30 June 2015 FX rates
- ROCI to be down slightly, reflecting short-term impact of increased investment and FY15 acquisitions
- Interest costs of approximately US\$120M to US\$125M, at 30 June 2015 FX rates
- Effective tax rate of approximately 29%

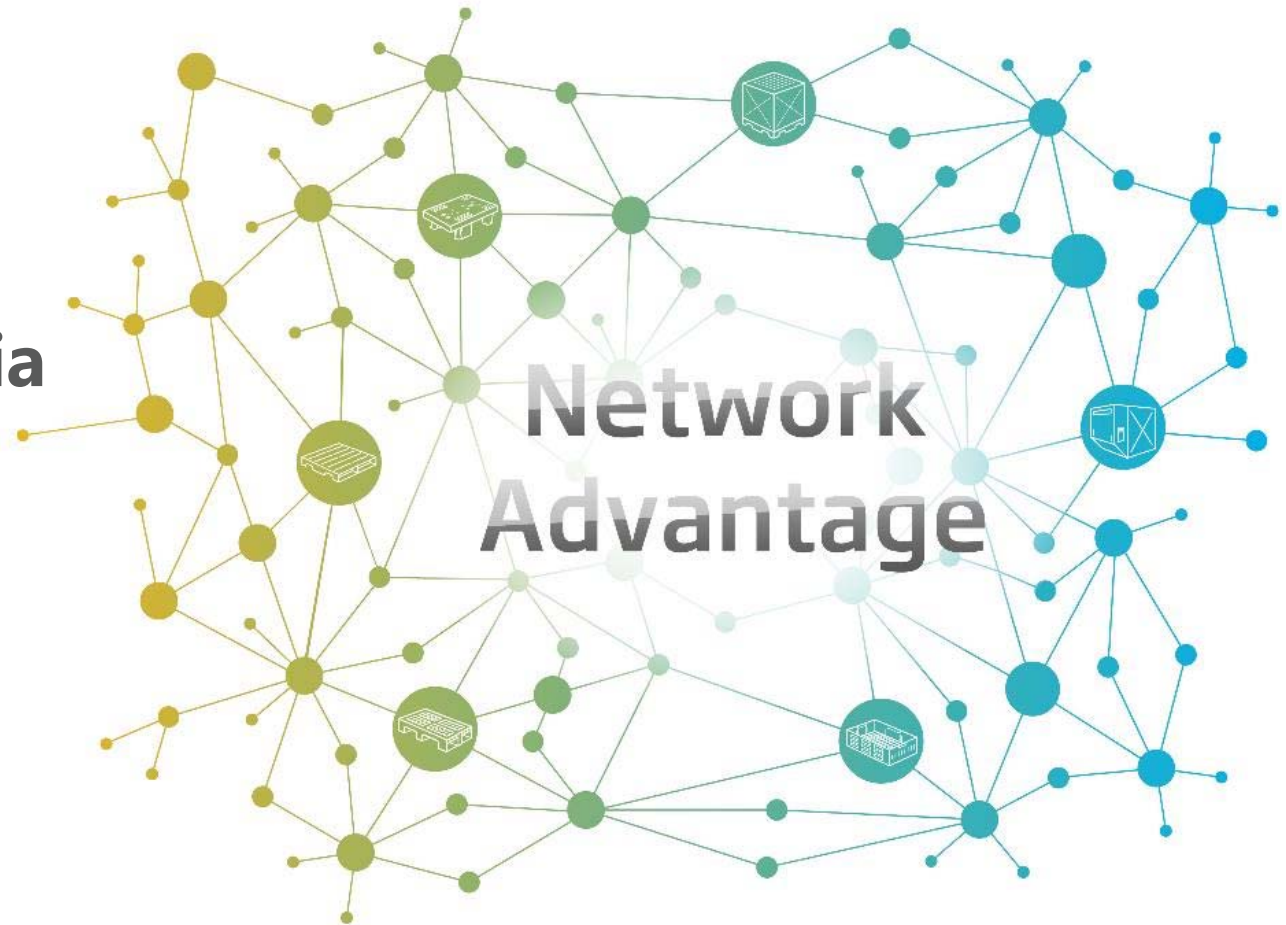
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# Brambles

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# Glossary of terms and measures

Except where noted, common terms and measures used in this document are based upon the following definitions:

Actual currency/FX	Results translated into US dollars at the applicable actual monthly exchange rates ruling in each period.
Average Capital Invested (ACI)	Average Capital Invested (ACI) is a twelve-month average of capital invested. Capital invested is calculated as net assets before tax balances, cash and borrowings but after adjustment for accumulated pre-tax Significant Items, actuarial gains and losses and net equity adjustments for equity-settled share-based payments.
Brambles Injury Frequency Rate (BIFR)	Safety performance indicator that measures the combined number of fatalities, lost time injuries, modified duties and medical treatments per million hours worked.
Brambles Value Added (BVA)	Represents the value generated over and above the cost of the capital used to generate that value. It is calculated using fixed June 2014 exchange rates as: <ul style="list-style-type: none"> <li>• Underlying Profit; plus</li> <li>• Significant Items that are part of the ordinary activities of the business; less</li> <li>• Average Capital Invested, adjusted for accumulated pre-tax Significant Items that are part of the ordinary activities of the business, multiplied by 12%.</li> </ul>
Capital expenditure (capex)	Unless otherwise stated, capital expenditure is presented on an accruals basis and excludes intangible assets, investments in associates and equity acquisitions. It is shown gross of any fixed asset disposals proceeds.
Cash Flow from Operations	Cash flow generated after net capital expenditure but excluding Significant Items that are outside the ordinary course of business.
Constant currency/FX	Current period results translated into US dollars at the actual monthly exchange rates applicable in the comparable period, so as to show relative performance between the two periods before the translation impact of currency fluctuations.

# Glossary of terms and measures

Except where noted, common terms and measures used in this document are based upon the following definitions:

DIN	<p>The sum in a period of:</p> <ul style="list-style-type: none"><li>- Depreciation expense;</li><li>- Irrecoverable Pooling Equipment Provision expense; and</li><li>- Net book value of compensated assets and scraps (disposals).</li></ul> <p>Used as a proxy for the cost of leakage and scraps in the income statement and estimating replacement capital expenditure.</p>
Earnings per share (EPS)	<p>Profit after tax, minority interests and Significant Items, divided by weighted average number of shares on issue during the period.</p>
Earnings before interest, tax, depreciation and amortisation (EBITDA)	<p>Operating profit from continuing operations after adding back depreciation and amortisation and Significant Items outside the ordinary course of business.</p>
Free Cash Flow	<p>Cash flow generated after net capital expenditure, finance costs and tax, but excluding the net cost of acquisitions and proceeds from business disposals.</p>
Global Supply Chain	<p>Program launched in FY12 for completion in FY15 to reduce global direct costs by US\$100 million through Pallets supply chain and logistics efficiencies and IFCO integration synergies. The target has been achieved at the end of FY15.</p>
Irrecoverable Pooling Equipment Provision (IPEP)	<p>Provision held by Brambles to account for pooling equipment that cannot be economically recovered and for which there is no reasonable expectation of receiving compensation.</p>

# Glossary of terms and measures

Except where noted, common terms and measures used in this document are based upon the following definitions:

Net new business	The sales revenue impact in the reporting period from business won or lost in that period and over the previous financial year, included across reporting periods for 12 months from the date of the win or loss, at constant currency.
Operating profit	Profit before finance costs and tax, as shown in the statutory financial statements.
Organic growth	The change in sales revenue in the reporting period resulting from like-for-like sales of the same products with the same customers.
Return on Capital Invested (ROCI)	Underlying Profit divided by Average Capital Invested.
RPCs	Reusable plastic/produce crates or containers, used to transport fresh produce; also the name of one of Brambles' operating segments.
Sales revenue	Excludes revenues of associates and non-trading revenue.
Significant Items	Items of income or expense which are, either individually or in aggregate, material to Brambles or to the relevant business segment and: <ul style="list-style-type: none"><li>- 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</li><li>- Part of the ordinary activities of the business but unusual due to their size and nature.</li></ul>
Underlying Profit	Profit from continuing operations before finance costs, tax and Significant Items.

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