

19 August 2010

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

*Via electronic lodgement*

Dear Sir

**COPIES OF SLIDES FOR ANALYSTS' BRIEFING, SYDNEY**

Attached are copies of slides to be presented by Brambles' Chief Executive Officer, Mr Tom Gorman, and Chief Financial Officer, Mr Greg Hayes, at an analyst briefing to be held in Sydney later today.

The slides and webcast of the briefing will be available on the Brambles' website at [www.brambles.com](http://www.brambles.com).

Yours faithfully  
**Brambles Limited**

**Robert Gerrard**  
Group Company Secretary

# Brambles

2010 full-year results  
presentation

19 August 2010



## Discussion topics

Business update	Tom Gorman, CEO
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FY10 results analysis	Greg Hayes, CFO
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Outlook

Looking forward – growth opportunities	Tom Gorman, CEO
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# Business update

Tom Gorman, CEO

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## Key messages

- Delivering on commitments
  - Quality improvement
  - Cost disciplines
  - Emerging market growth
- Stable, resilient business in volatile market conditions
  - Improvement in second-half performance
- Strong cash flow and balance sheet

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## Financial highlights

US\$M	FY10	FY09	% change (actual FX rates)	% change (constant currency)*
<b>Sales revenue</b>	4,146.8	4,018.6	3%	–
<b>Statutory operating profit</b>	724.5	718.2	1%	(3%)
<b>Statutory profit after tax</b>	443.9	434.0	2%	(1%)
<b>Earnings per share (US cents)**</b>	31.8	32.6	(2%)	(6%)

- Free cash flow after dividends US\$344M, up US\$202M
- Final dividend of 12.5 Australian cents per share

\* Brambles calculates constant currency by translating results into US dollars at the exchange rates applicable during the prior corresponding period.

\*\* Earnings per share includes discontinued operations.

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## Business unit highlights

- CHEP Americas
  - Achieving quality improvements
  - Positive sales momentum since Better Everyday
  - Improved operational controls
- CHEP EMEA
  - Strong growth in developing regions
  - Continuing to win business in established regions
  - Restructuring savings flowing through
  - Ongoing focus on improving quality



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## Business unit highlights (continued)

- CHEP Asia-Pacific
  - Australia resilient and growing
  - Strong growth in China and India
  - Ongoing efficiency focus
  
- Recall
  - Robust profit growth
  - Strong sales pipeline
  - Improving margins and return on capital



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## Better Everyday progress



- Quality
  - 100% of network issues at US Plus specification
  - Strong customer feedback
- Ease of doing business
  - 70% of customers using Portfolio+Plus
  - Roll out of simplified invoice in Q1 of FY11
- Sales and marketing
  - 20+ new hires made; new structure in place
  - US\$18M annualised net wins since introduction of program

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## CHEP USA quality costs



US\$M	Component	FY10	FY11	FY12	Ongoing (per year)
October '09 forecast	Pre-Better Everyday	37	-	-	-
	Better Everyday fast-track	30	50	30	-
	Better Everyday ongoing	50	50	50	50
	<b>Total</b>	<b>117</b>	<b>100</b>	<b>80</b>	<b>50</b>
FY10 outcome/ revised forecast	<b>Total</b>	108.5	95	55	25
<b>Reduction</b>		<b>8.5</b>	<b>5</b>	<b>25</b>	<b>25</b>

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## Business wins

### Sales revenue value of business wins (US\$M)

	Net new business*	FY10 annualised**
CHEP Americas	(9)	2
CHEP EMEA	30	39
CHEP Asia-Pacific	15	11
Recall	17	23
<b>Brambles</b>	<b>53</b>	<b>75</b>

\* Net new business = change in sales revenue in the period resulting from business won or lost in the period and the previous 12 months.  
Net new business is calculated on a constant currency basis.

\*\* Annualised = annualised value of business won and lost during the financial year

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# Results analysis

Greg Hayes, CFO

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## Results overview

	Actual	Constant currency		
	FY10 US\$M	FY10 US\$M	FY09 US\$M	Growth %
Sales revenue	4,146.8	4,015.4	4,018.6	–
Underlying profit	733.4	703.4	900.6	(22)
Statutory operating profit	724.5	694.0	718.2	(3)
Profit before tax	614.9	585.9	597.3	(2)
Profit after tax	443.9	427.6	434.0	(1)
Statutory EPS* (cents)	31.8	30.6	32.6	(6)
Cash flow from operations	882.3	856.2	722.4	19
Brambles Value Added		215.4	297.4	

\* Includes discontinued operations

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## Significant items

Actual rates	FY10	FY09
	US\$M	US\$M
<b>Underlying profit</b>	<b>733.4</b>	<b>900.6</b>
<b>Items within ordinary activities, but unusual due to size and nature:</b>		
CHEP USA pallet quality program	-	(77.4)
Walmart net transition impact	-	(29.0)
<b>Items outside the ordinary course of business:</b>		
Accelerated scrapping of surplus pallets	2.5	(99.0)
Facilities and operations rationalisation	(11.4)	(54.3)
Foreign exchange gain on capital repatriation	-	77.3
<b>Subtotal</b>	<b>(8.9)</b>	<b>(182.4)</b>
<b>Statutory operating profit</b>	<b>724.5</b>	<b>718.2</b>

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CHEP

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## CHEP – overview by region



US\$M	Actual	Constant		Growth %
	FY10	FY10	FY09	
Americas	1,533.6	1,510.3	1,556.9	(3)
EMEA	1,482.6	1,470.8	1,452.6	1
Asia-Pacific	390.9	334.4	323.4	3
<b>Sales revenue</b>	<b>3,407.1</b>	<b>3,315.5</b>	<b>3,332.9</b>	<b>(1)</b>
<b>Statutory operating profit</b>	<b>637.9</b>	<b>609.1</b>	<b>573.4</b>	<b>6</b>
<b>Profit margin (%)</b>	<b>19</b>	<b>18</b>	<b>17</b>	

Growth % calculated on constant currency basis

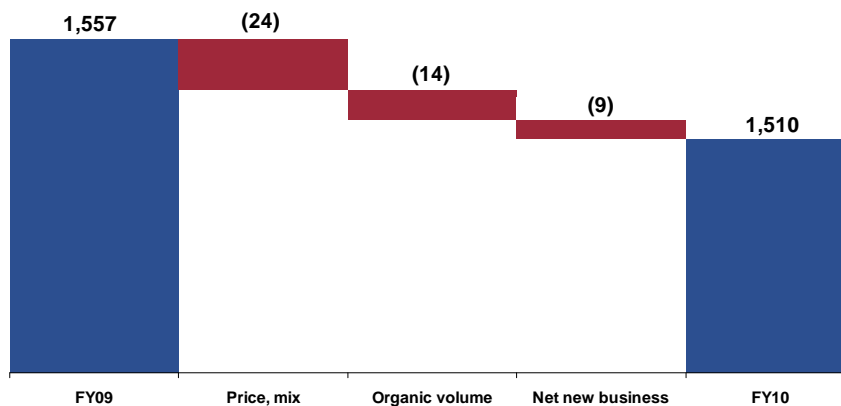
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## Americas – sales revenue



US\$M



All numbers are calculated at constant currency

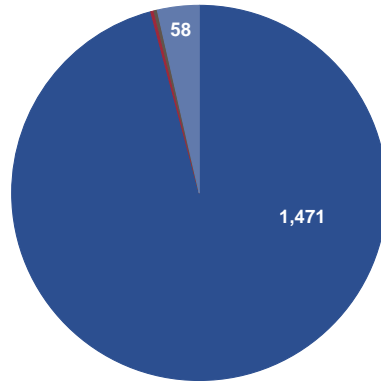
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## Americas – sales revenue highlights



US\$m, actual rates



Growth vs. FY09

USA	↓ 5%
Canada	↑ 3%
Latin America	↑ 5%
Other	↑ 5%

■ Pallets 96% ■ RPC <1% ■ Automotive <1% ■ Other 4%

Growth % calculated on constant currency basis

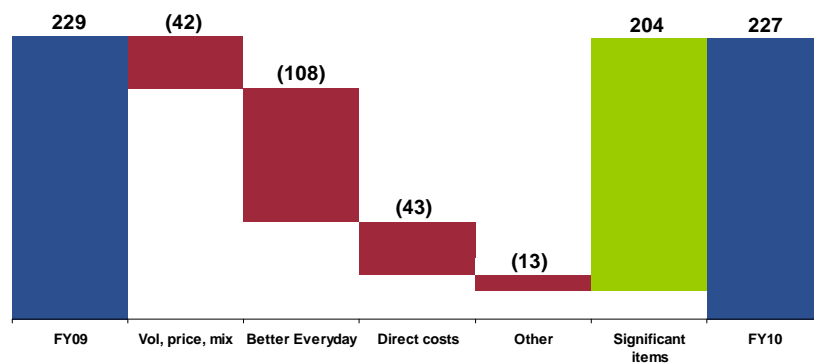
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## Americas – statutory operating profit



US\$m



All numbers are calculated at constant currency

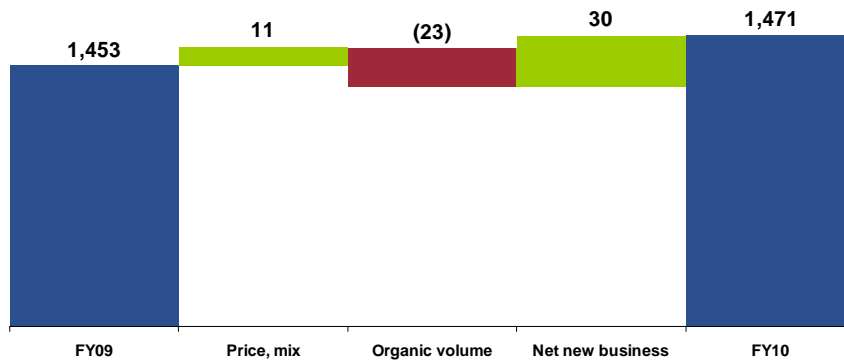
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## EMEA – sales revenue



US\$M



All numbers are calculated at constant currency

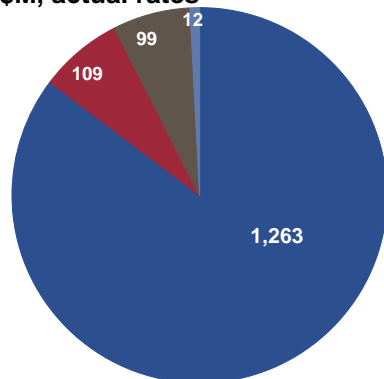
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## EMEA – sales revenue highlights



US\$M, actual rates



■ Pallets ■ RPC ■ Automotive ■ Other  
85% 7% 7% 1%

Growth % calculated on constant currency basis

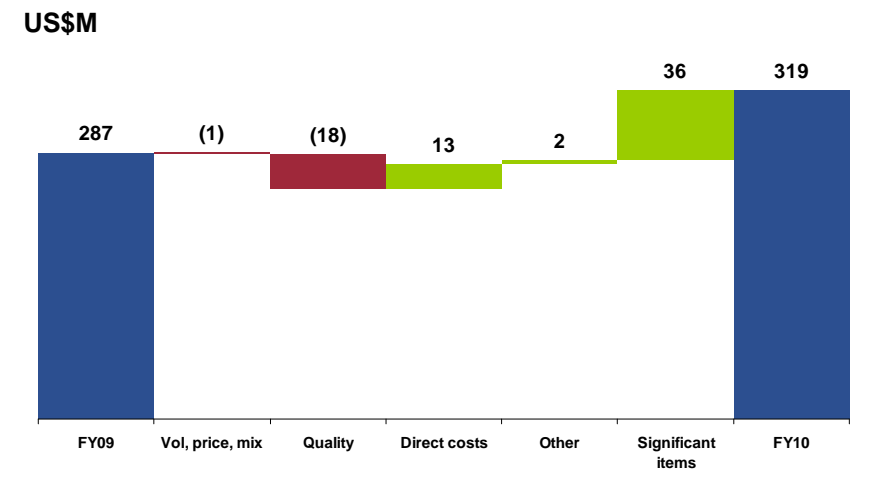
Growth vs. FY09

UK & Ireland	0%
Iberia	↓ 3%
France	↑ 2%
CEE	↑ 25%
MEA	↑ 12%
Other	↑ 2%

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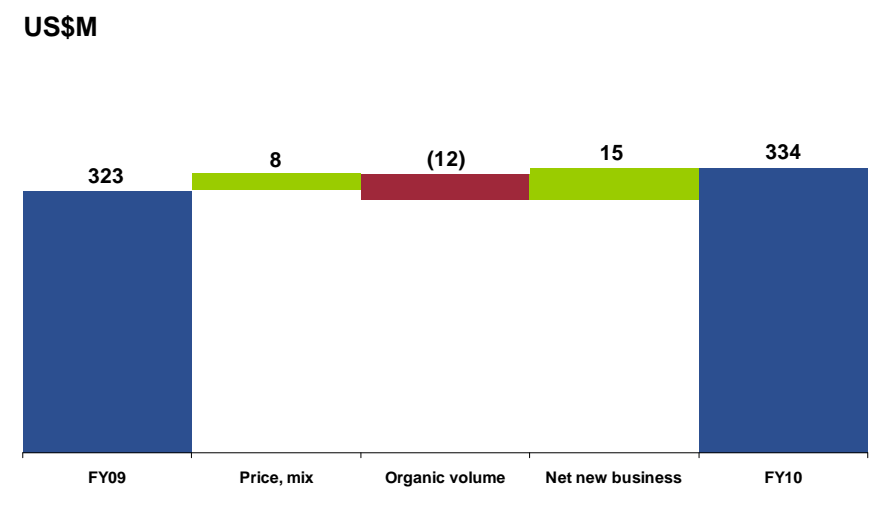
## EMEA – statutory operating profit



All numbers are calculated at constant currency

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## Asia-Pacific – sales revenue



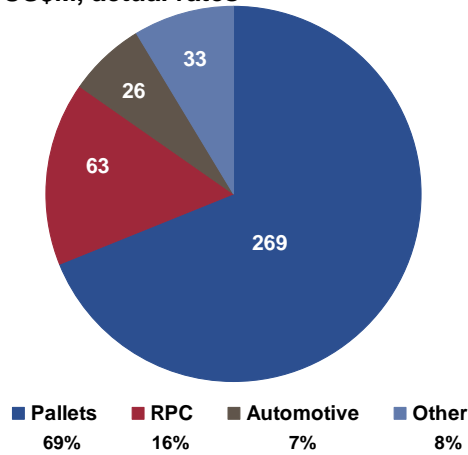
All numbers are calculated at constant currency

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## Asia-Pacific – sales revenue highlights



US\$M, actual rates



Growth vs. FY09

Australia	↑ 1%
NZ	↑ 1%
China	↑ 77%
Other	↑ 31%

Growth % calculated on constant currency basis

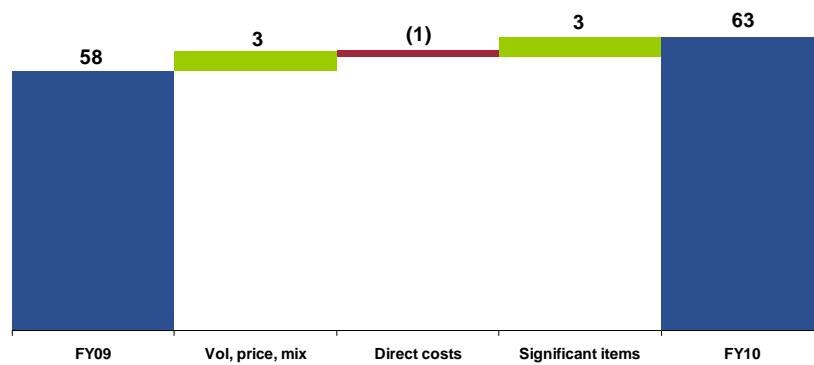
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## Asia-Pacific – statutory operating profit



US\$M



All numbers are calculated at constant currency

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# Recall

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## Recall – overview

*recall*<sup>™</sup>

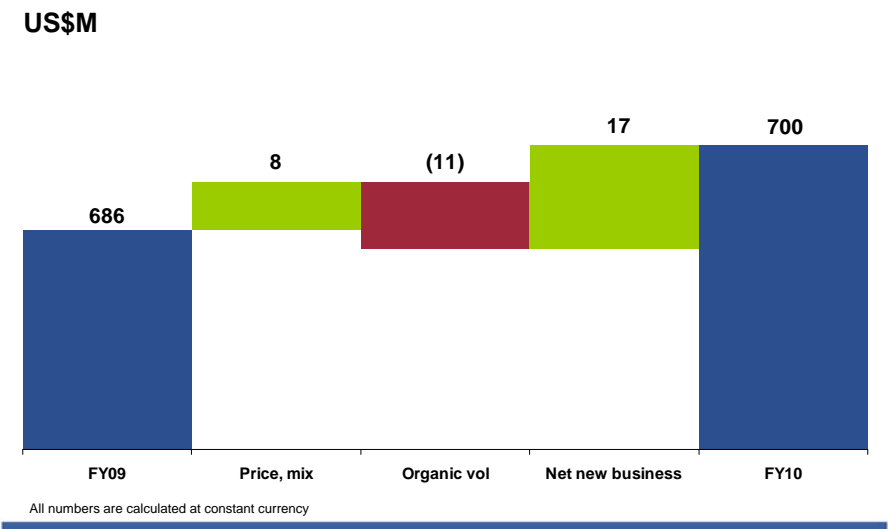
US\$M	Actual	Constant		Growth %
	FY10	FY10	FY09	
Americas	335.3	326.1	313.3	4
Europe	188.7	187.4	188.9	(1)
RoW	215.7	186.4	183.5	2
<b>Sales revenue</b>	<b>739.7</b>	<b>699.9</b>	<b>685.7</b>	<b>2</b>
<b>Statutory operating profit</b>	<b>123.1</b>	<b>114.0</b>	<b>95.9</b>	<b>19</b>
<b>Profit margin (%)</b>	<b>17</b>	<b>16</b>	<b>14</b>	

Growth % calculated on constant currency basis

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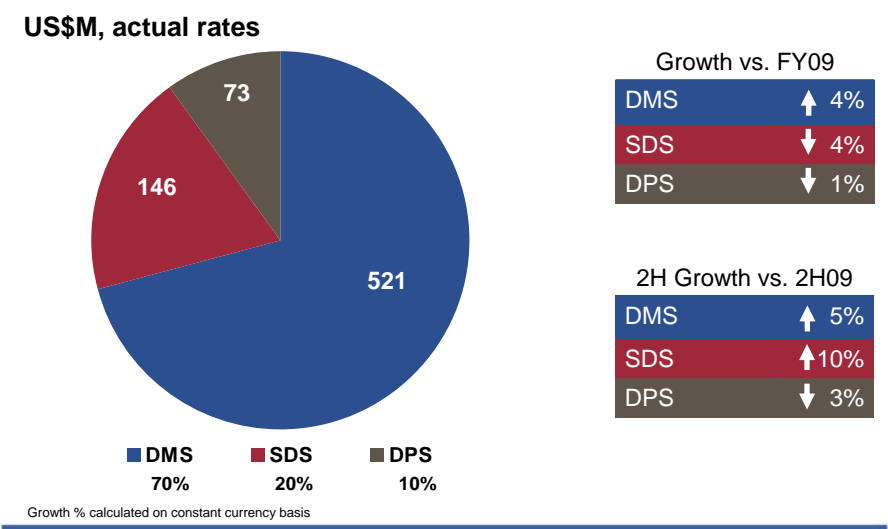
## Recall – sales revenue recall™



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## Recall – sales revenue by service line recall™



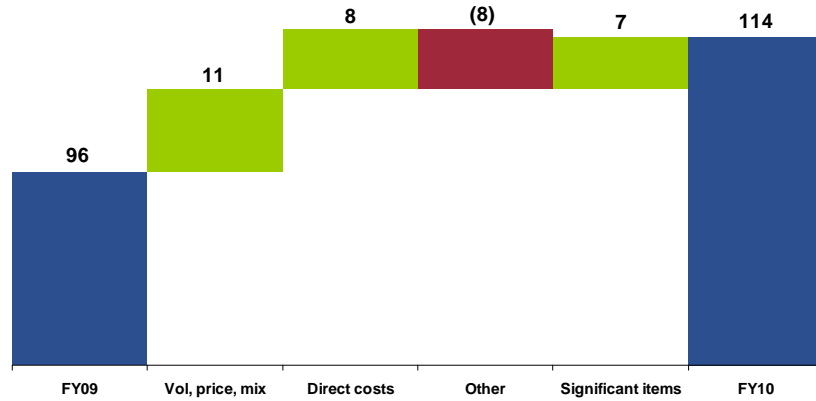
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## Recall – statutory operating profit

recall™

US\$M



All numbers are calculated at constant currency

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## Cash flow and finance

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## Cash flow strength

US\$M actual rates	FY10	FY09	Change
<b>EBITDA</b>	<b>1,177.4</b>	<b>1,212.6</b>	<b>(35.2)</b>
Capital expenditure	(496.5)	(683.8)	187.3
Proceeds from disposals	88.0	104.6	(16.6)
Working capital movement	14.7	25.8	(11.1)
Irrecoverable pooling equipment provision	111.2	97.8	13.4
Provisions / other	(12.5)	(34.6)	22.1
<b>Cash flow from operations</b>	<b>882.3</b>	<b>722.4</b>	<b>159.9</b>
Significant items outside ordinary activities	(52.1)	(49.9)	(2.2)
<b>Cash flow from operations (incl. Significant items)</b>	<b>830.2</b>	<b>672.5</b>	<b>157.7</b>
Financing costs and tax	(281.6)	(253.0)	(28.6)
<b>Free cash flow</b>	<b>548.6</b>	<b>419.5</b>	<b>129.1</b>
Dividends paid	(204.5)	(277.6)	73.1
<b>Free cash flow after dividends</b>	<b>344.1</b>	<b>141.9</b>	<b>202.2</b>

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## Financial position

Actual rates	Jun 10	Jun 09
<b>Net debt (US\$M)</b>	1,759.3	2,143.4
<b>Gearing* (%)</b>	51.9	60.0

Actual rates	FY10	FY09	Covenants
<b>EBITDA**/ net finance costs (x)</b>	10.7	10.0	3.5 (min)
<b>Net debt/ EBITDA (x)</b>	1.5	1.8	3.5 (max)

- Undrawn committed credit facilities of US\$1,946.6M
- Inaugural US 144A bond issue of US\$750M

\* Net debt to net debt plus equity

\*\* EBITDA defined as operating profit from continuing operations after adding back depreciation and amortisation and Significant items outside ordinary activities

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# Outlook

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## Outlook

- FY11 guidance, subject to unforeseen circumstances and ongoing economic uncertainty
  - Sales growth in all business units
  - Continued quality investment, storage cost
  - Statutory operating profit: US\$740M to US\$780M\*
  - Interest cost approximately US\$115M
  - Lower ongoing tax rate of approximately 28%

\* Guidance provided at 30 June 2010 exchange rates. Applying this rate throughout FY10 would give a comparable statutory operating profit of US\$693 million.

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# Looking forward – growth opportunities

Tom Gorman, CEO

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## Core strengths



- Global footprint
- Local networks
- Intellectual property
- Customer franchises
- Financial position

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## Current initiatives



- Geographic expansion
  - Emerging markets
- CHEP USA continuous improvement
  - Small and mid-sized company opportunity
- Product scope expansion
- Global growth platforms
  - Automotive
  - LeanLogistics

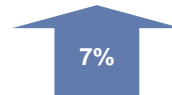
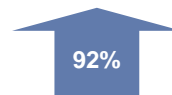
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## Emerging markets



- China and India
  - FY10 sales revenue up 92%
- Latin America
  - FY10 sales revenue up 7%
  - Brazil and Argentina strong
- Central & Eastern Europe
  - FY10 sales revenue up 24%
  - Unilever, P&G agreements in Turkey

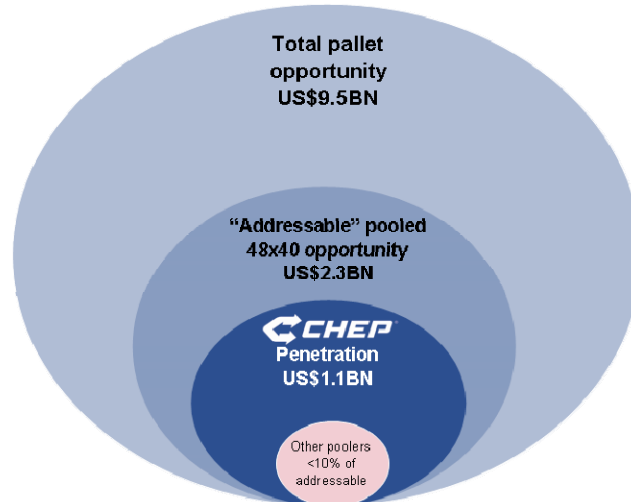


Growth % shown at actual FX rates

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## CHEP USA pallet opportunity



Source: Brambles internal estimates, June 2010

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## SME customer penetration



### CHEP USA – contracts won and lost in FY10

Issue volumes	Annualised sales revenue impact (US\$M)			# contracts won
	Pre-Better Everyday	Post-Better Everyday	Total	
<100K	8.7	20.8	29.5	1,032
100K-250K	1.4	5.2	6.6	16
250K-500K	0.2	4.6	4.8	5
500K-1M	-	11.4	11.4	4
1M+	-	9.6	9.6	1
Total wins	10.3	51.6	61.9	1,058
Losses	(43.9)	(33.6)	(77.5)	(37)
<b>Net</b>	<b>(33.6)</b>	<b>18.0</b>	<b>(15.6)</b>	<b>1,021</b>

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## Expanding product scope



- Outside of full-size pallets, CHEP is under-penetrated in other pooled platforms in all regions
  - Alternative pallet sizes
  - Reusable plastic containers
  - Intermediate bulk containers
  - Automotive
  - Other services
- The opportunity for expansion is potentially worth US\$12BN in CHEP USA alone
- Global project established to pursue new business opportunities in all regions and platforms

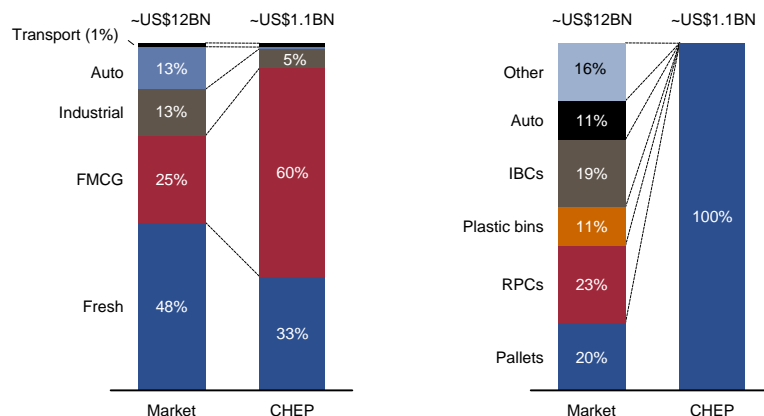
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## Served sectors – USA



Opportunity and penetration estimate



Source: Brambles internal estimates, June 2010

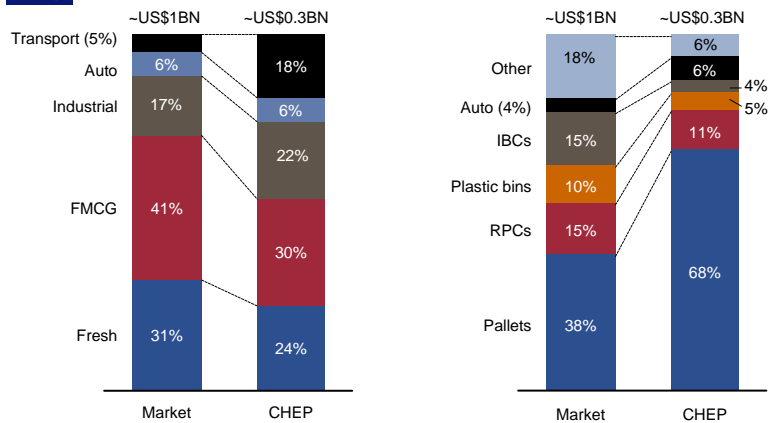
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## Served sectors – Australia



### Opportunity and penetration estimate



Source: Brambles internal estimates, June 2010

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## Automotive opportunity



- Industry restructuring driving outsourcing
  - CHEP's core value proposition: help customers lower total supply chain costs through the use of returnable packaging
- Unique intellectual property in design of packaging and systems
- Opportunities
  - Penetrate major producing countries: especially USA, China
  - Tap into growth in emerging regions
  - Increase leverage to international flows

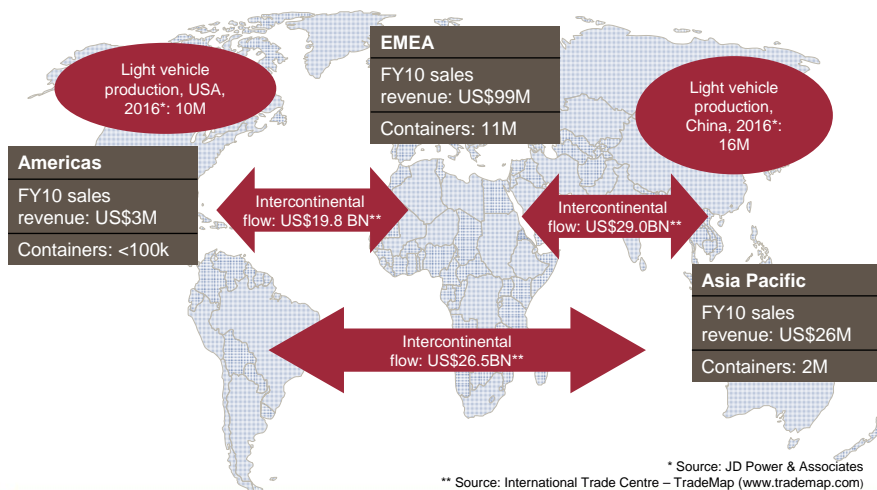
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## Intercontinental automotive flows



### CHEP automotive penetration vs. assessed opportunity



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## Global LeanLogistics opportunity



- Growth
  - 32% increase in sales revenue since 2008 acquisition by Brambles
- Key strategies
  - USA expansion
  - New geography development: Brazil, Canada, Australia, Europe
  - Conversion of CHEP global logistics network
  - Integrated CHEP/LeanLogistics service offerings
- Value proposition
  - Reduced costs and improved service levels for manufacturers, retailers and food service providers

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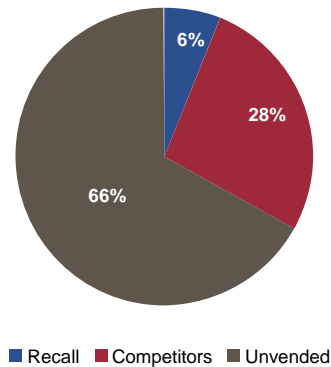


## Myth of the “paperless office”

recall™

- Six key growth drivers:
  - Regulation and oversight
  - Outsourcing
  - Identity theft and privacy concerns
  - Corporate sustainability
  - Globalisation
  - Digitisation
- 1975: Xerox introduces the concept of a paperless office\*
  - “... the use of paper in business for records and correspondence should be declining by 1980, ‘and by 1990, most record-handling will be electronic’.”\*\*

Global physical document management opportunity\*\*\*



\* “The Office of the Future”, June 30, 1975, BusinessWeek

\*\* Todd McIndoo, “Paperless Office in Perspective”, May 23, 2009, [www.thefreelibrary.com/id=1073955911](http://www.thefreelibrary.com/id=1073955911)

\*\*\* Bain Consulting

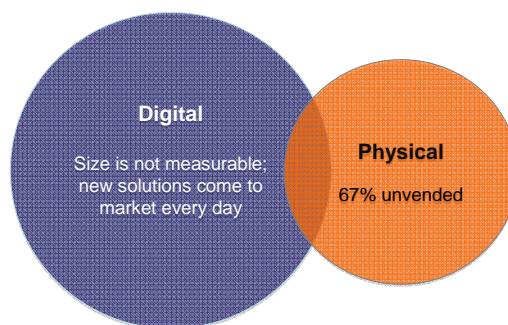
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## The bridge between paper and digital

recall™

- Explosion of data presents opportunities:
  - Specialised business process outsourcing
  - Emerging technology to augment existing services
  - Other complementary services



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## Summary

- Solid result, strong financial position
- CHEP opportunities
  - Global footprint
  - CHEP USA growth momentum
  - Product and platform expansion
  - Global automotive
  - LeanLogistics
- Recall opportunities
  - Strong growth in underlying business
  - Bridging paper and digital

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# Q&A

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# Brambles

2010 full-year results

Analyst presentation

19 August 2010



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*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 presentation. The forward-looking statements made in this presentation 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 presentation except as required by law or by any appropriate regulatory authority.*

## Contact details

### Cathy Press

Group Vice President, Capital Markets

[cathy.press@brambles.com](mailto:cathy.press@brambles.com)

+61 2 9256 5241

+61 419 290 745

### James Hall

Director, Investor Relations & External Communications

[james.hall@brambles.com](mailto:james.hall@brambles.com)

+61 2 9256 5262

+61 401 524 645

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# Appendices

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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 rates	In the statutory financial statements, foreign currency results are translated into US dollars at the applicable actual monthly exchange rates ruling in each period.
Brambles Value Added (BVA)	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 2009 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	Constant currency results are presented by translating both current and comparable period foreign currency results 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 (continued)

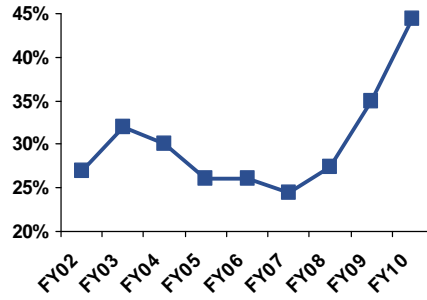
Except where noted, common terms and measures used in this document are based upon the following definitions:

Continuing operations	Continuing operations refers to CHEP, Recall and Brambles HQ.
EPS	Profit after tax, minority interests and Significant items, divided by shares in issue.
Free cash flow	Cash flow generated after net capital expenditure, finance costs and tax, but excluding the net cost of acquisitions and proceeds from business disposals.
Sales revenue	Excludes revenues of associates and non trading revenue.
Shares in issue	Based on weighted average shares in issue of 1,411.3M in FY10; 1,388.3M in FY09.
Significant items	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: <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	Underlying profit is profit from continuing operations before finance costs, tax and Significant items.

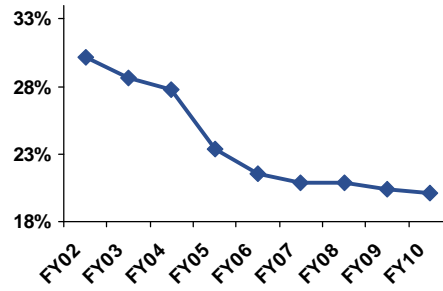
Appendix 2A  
CHEP USA – plant operations and transportation trends



**Plant cost ratio\***  
(Plant costs / Sales)



**Transportation cost ratio**  
(Transportation costs / Sales)

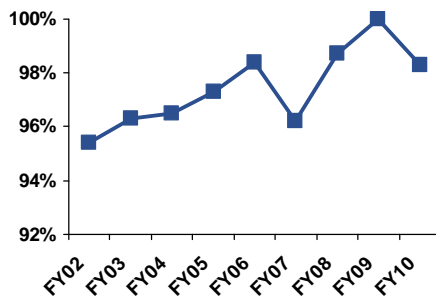


\* FY08, FY09 and FY10 costs include the Quality and Better Everyday Program.

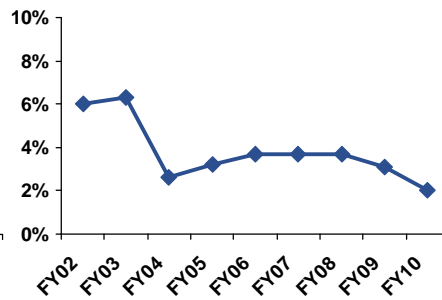
Appendix 2B  
CHEP USA – productivity trends



**Control ratio**  
(Returns + Recoveries / Total issues)



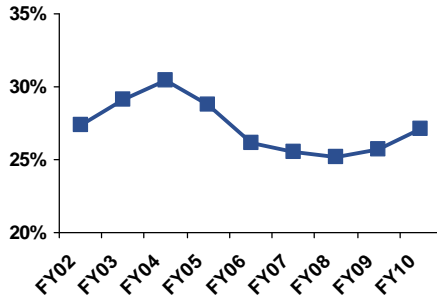
**New equipment issue ratio**  
(Pallets purchased / Total issues)



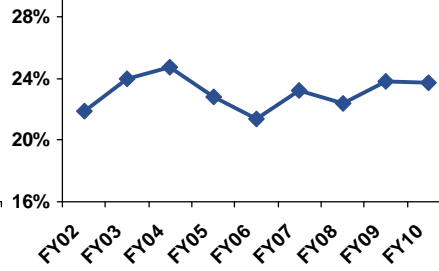
Appendix 3A  
CHEP Europe – plant operations and transportation trends



**Plant cost ratio**  
(Plant costs / sales)



**Transportation cost ratio**  
(Transportation costs / sales)

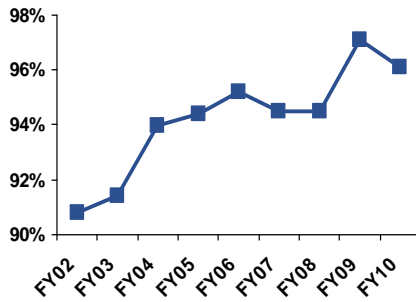


Major pallet sizes (B1210A and B1208A only)

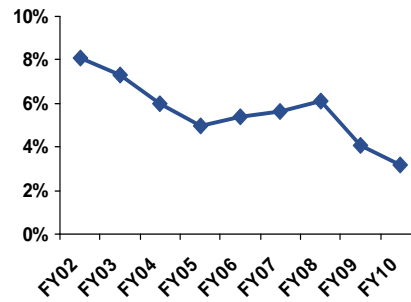
Appendix 3B  
CHEP Europe – productivity trends



**Control ratio**  
(Returns + Recoveries / Total issues)



**New equipment issue ratio**  
(Pallets purchased / Total issues)



Major pallet sizes (B1210A and B1208A only)

## Appendix 4

## Currency mix

US\$M	Total	FY10 Currency mix at Actual FX rates				
		USD	EUR	GBP	AUD	Other
Sales revenue	4,146.8	1,366.2	1,058.1	395.4	501.6	825.5
Statutory operating profit	724.5	127.0	198.1	86.7	97.3	215.4
Net debt <sup>1</sup>	1,759.3	1,581.2	266.8	(130.0)	34.3	7.0

<sup>1</sup> Net debt shown after adjustments for impact of financial derivatives

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## Appendix 5

## Effective tax rate

Actual rates	FY10 US\$M		FY09 US\$M	
	Statutory	Underlying	Statutory	Underlying
Profit before tax	614.9	623.8	597.3	779.7
Tax expense	171.0	173.6	163.3	245.4
<b>Tax rate</b>	<b>27.8%</b>	<b>27.8%</b>	<b>27.3%</b>	<b>31.5%</b>

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Appendix 6

## Credit facilities and debt profile

US\$BN

Maturity	Type	Committed facilities	Debt drawn	Headroom
< 12 months	Bank	0.3	0.2	0.1
1 – 2 years	Bank/144A <sup>1</sup> /USPP <sup>2</sup>	0.8	0.3	0.5
2 – 3 years	Bank	0.7	0.1	0.6
3 – 4 years	Bank	0.9	0.2	0.7
4 – 5 years	144A <sup>1</sup> /USPP <sup>2</sup>	0.4	0.4	-
> 5 years	144A <sup>1</sup> /USPP <sup>2</sup>	0.7	0.7	-
<b>Total</b>		<b>3.8</b>	<b>1.9</b>	<b>1.9</b>

<sup>1</sup> US 144A bonds

<sup>2</sup> US Private Placement

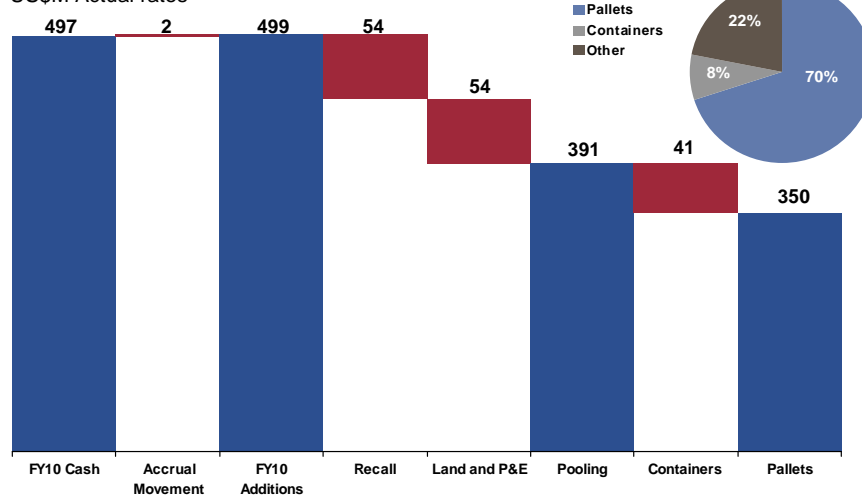
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Appendix 7

## Capital expenditure breakdown

US\$M Actual rates



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## Paper prices – North America



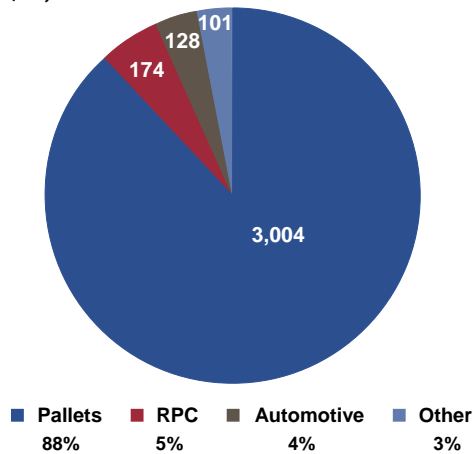
US\$M Actual rates



## CHEP – sales revenue by service line



US\$M, actual rates



Growth vs. FY09

Pallets	↓ 1%
RPC	↑ 8%
Automotive	↓ 6%
Other	↑ 2%

2H Growth vs. 2H09

Pallets	↑ 1%
RPC	↑ 1%
Automotive	↑ 7%
Other	↑ 12%

Growth % calculated on constant currency basis